



Banco Pan

Earnings Release – 1Q15

May 4, 2015

Conference Call - Portuguese

May 5, 2015
9:30 a.m. (US EST) / 10:30 a.m. (Brasília)
Connection number: +55 (11) 2188-0155
Access code: Banco Pan
Replay: Available until May 12, 2015
Access number: +55 (11) 2188-0400
Code: Banco Pan

Conference Call - English

May 5, 2015
11:00 a.m. (US EST) / 12:00 noon (Brasília)
Connection number: +1 (412) 317-6776
Access code: Banco Pan
Replay: Available until May 12, 2015
Access number: +1 (412) 317-0088
Code: 10062913



Índice Small Cap **SMLL**

Índice de Ações com Tag Along Diferenciado **ITAG**

Índice do BM&FBovespa Financeiro **IFNC**

Índice de Governança Corporativa Trade **IGCT**

Índice de Ações com Governança Corporativa Diferenciada **IGC**

São Paulo, May 4, 2015 – Banco Pan S.A. (“Pan”, “Bank” or “Company”) and its subsidiaries, pursuant to the legal provisions, releases its results for the quarter ended on March 31, 2015, accompanied by the Independent Auditor’s Report. The Bank’s operating and financial information, except when otherwise stated, are reported based on consolidated figures and in Brazilian reais, pursuant to the Brazilian Corporation Law and the Accounting Practices adopted in Brazil.

HIGHLIGHTS

- ✓ **Credit assets monthly origination average of R\$ 1,537.1 million in 1Q15, 24.3% up** on the monthly average of R\$ 1,236.6 million in 1Q14 and 19.6% down on the monthly average of R\$ 1,911.0 in 4Q14;
- ✓ **Loan Portfolio with Retained Result totaled R\$ 17.9 billion, 12.8% up** on the R\$ 15.8 billion in **1Q14** and **1.9% up** on the R\$ 17.5 billion in **4Q14**;
- ✓ **Portfolios with risk category between “AA” to “C” reached 90.9% of Total Loan Portfolio**, compared to 89.8% in 1Q14 and 83.9% in 1Q13;
- ✓ **Net Interest Margin of 12.2% in 1Q15**, compared to 11.7% in 1Q14 and 14.7% in 4Q14;
- ✓ **Net Loss of R\$ 73.5 million in 1Q15**, compared to the net loss of R\$ 78.6 million in 1Q14 and the net profit of R\$ 226.5 million in 4Q14; and
- ✓ **Consolidated Shareholders’ Equity reached R\$ 3,558.6 million and the Basel ratio stood at 16.8%** at the end of 1Q15, with **Common Equity Tier I of 12.3%**.

MAIN INDICATORS

| Main Indicators (R\$ MM) | 1Q15 | 4Q14 | 1Q14 | Δ 1Q15 / 4Q14 | Δ 1Q15 / 1Q14 |
|--|-----------------|-----------------|-----------------|------------------|-----------------|
| Credit Portfolio with Retained Result | 17,867.2 | 17,536.0 | 15,836.9 | 1.9% | 12.8% |
| Total Credit Portfolio | 17,923.5 | 17,632.9 | 16,206.8 | 1.6% | 10.6% |
| Total Assets | 26,033.3 | 25,500.4 | 22,230.2 | 2.1% | 17.1% |
| Time Deposits, Interbank Deposits, BN, ALC and RELC ¹ | 15,214.2 | 15,884.3 | 14,565.3 | -4.2% | 4.5% |
| Total Funding | 20,923.0 | 20,330.2 | 18,297.1 | 2.9% | 14.4% |
| Shareholders' Equity | 3,558.6 | 3,634.5 | 2,226.0 | -2.1% | 59.9% |
| Basel Ratio | 16.8% | 18.7% | 12.1% | -1.9 p.p. | 4.7 p.p. |

¹Bank Notes, Agribusiness Letters of Credit and Real Estate Letters of Credit

ECONOMIC SCENARIO

Regarding the economic activity, the GDP on 4Q14 increased by 0.3% over the previous quarter, after seasonal adjustments, and dipped by 0.2% over 4Q13. As a result, annual GDP edged up by 0.1%, staying below the 2.7% posted in 2013, recording the weakest performance since the contraction in 2009.

On the supply side, the primary sector recorded the highest growth in the last three months, moving up by 1.8% over the previous quarter, following two quarters of reduction. In the year as a whole, growth came to just 0.4%, well down on the 7.9% posted in 2013. On the other hand, industry recorded another quarterly fall (1.2%), confirming the annual decline. Services posted a modest 0.3% upturn over the previous quarter, underlining the slowdown tendency. In the full year, services recorded an also modest growth of 0.7%.

On the demand side, the positive highlight was household consumption, which climbed by 1.1% over the previous quarter, following after exceptionally modest results in the previous five quarters. However, this was not sufficient to prevent the annual growth of 0.9%. Annual investments, despite being higher than expected, fell by 4.4% over 2013.

The balance of payments recorded a deficit of US\$ 5.7 billion in March 2015, giving a first-quarter deficit of US\$ 25.4 billion, versus a deficit of US\$ 27.7 billion in 1Q14. The 12-month deficit stood at US\$ 101.6 billion, equivalent to 4.5% of GDP, versus US\$ 104 billion, or 4.8% of GDP in 2014. In regard to the current account, there was a continuing clear slowdown in international travel, which fell by 27% over the same period last year, and profit and dividend remittances, which recorded a 48% downturn. The financial account recorded net direct investment inflow of US\$ 4.3 billion in March, US\$ 3.4 billion of which in capital shares and US\$ 824 million in intra-group operations - adding the repatriation of direct investments of US\$ 329 million, the net direct investment flow came to US\$ 4.6 billion. In the case of portfolio investments, inflow amounted to US\$ 2.9 billion, of which US\$ 1.4 billion routed to fixed income. This strong investment inflow has been sufficient to cover the current account deficit despite the low roll-over rates this year: 104% in the year and 102% in the month.

In March 2015, the IPCA consumer price index moved up by 1.3% over February, reaching 3.8% in the first quarter of 2015, the highest first-quarter figure since 2003. As a result, 12-month inflation continued to move up, reaching 8.1% in March (above the 6.4% recorded at the end of 2014). First-quarter inflation was impacted by the adjustment of administered prices, which registered 13.4% in the 12 months through March. However, core inflation and the diffusion index both deteriorated in the period. On the other hand, service inflation eased off slightly, but this was largely due to certain specific items.

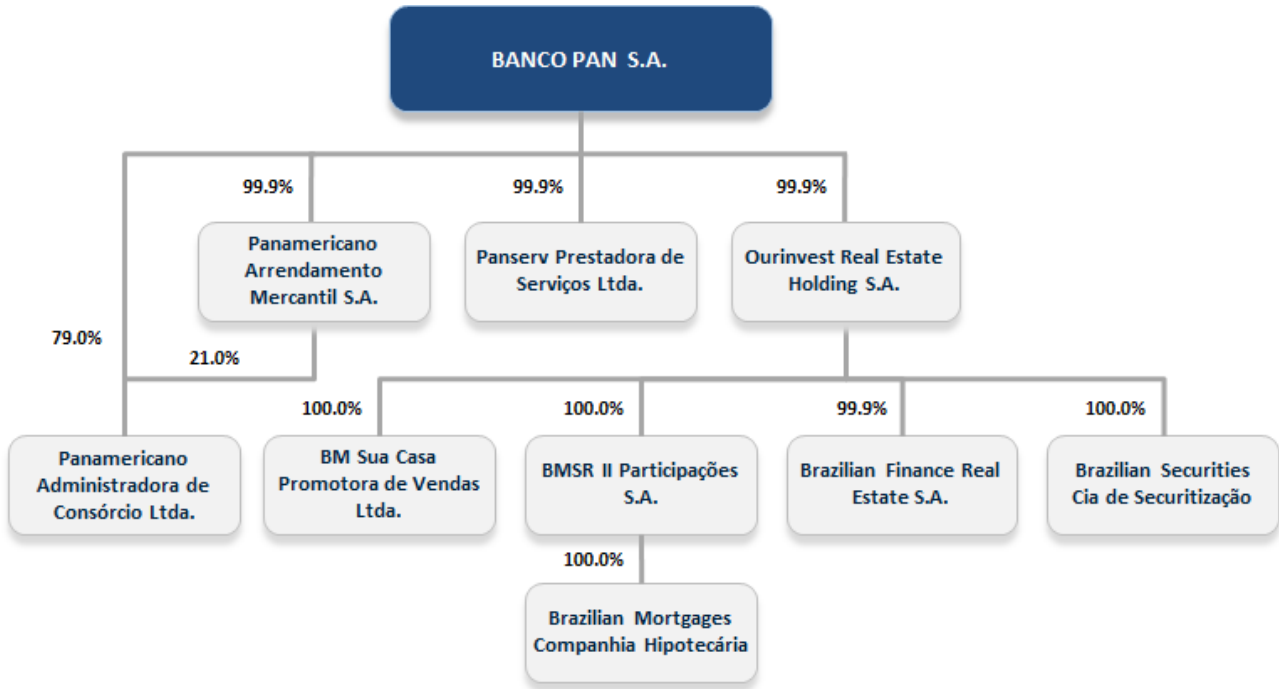
Unemployment moved up from 5.3% in January to 5.9% in February, the highest February figure since 2011 and the third consecutive 12-month upturn. As in January, the increase was due to the combination of the decline in the employed population and the increase in the number of unemployed. According to the Ministry of Labor, February was the third successive month with a deceleration in registered employment. Average real income in February fell in both the monthly and 12-month comparisons, the first 12-month decline since October 2011. Together with the decline in employment, the income drop impacted the real wage bill, which also recorded a real downturn in monthly and annual terms, the first negative 12-month variation since April 2004.

As for the credit market, the balances of operations in March grew by 11.2% over the same month last year, fueled by the 18.4% increase in earmarked credit, in turn pushed by the 26.5% upturn in real estate loans to individuals and the 16.3% rise in BNDES loans to companies, while free credit expanded by 5.2%. As a result, the credit/GDP ratio reached 54.8% in March, versus 54.4% in February 2015 and 52.2% in March 2014. In line with recent tendencies, public institutions increased their share of the balances, but only marginally (54.5% in March 2015, versus 54.3% in February 2015 and 52.0% in March 2014). The average free credit interest rate for individuals moved up slightly in March, climbing from 54.3% to 54.4%. In the same trend, the rate for companies recorded a bigger increase, rising from 26.1% to 26.5%. Individual free credit delinquency dipped from 5.3% in February to 5.2% in March, while corporate delinquency edged up from 3.5% to 3.6% in the same period.

Regarding the fiscal situation, the federal government recorded a deficit of R\$ 7.4 billion in February 2015. Adopting the “above the line” methodology used by the National Treasury, there was a surplus of R\$ 3 billion in the first two months of the year, representing 5.5% of the government’s 2015 target. The consolidated public sector deficit came to R\$ 2.3 billion in February, equivalent to a GDP deficit of 0.7% in the last 12 months.

SUBSIDIARIES

Below we present a summary of Pan’s subsidiaries on March 31, 2015.



OPERATIONAL AND COMMERCIAL AGREEMENTS

Since 2011, when Banco BTG Pactual S.A. (“BTG Pactual”) joined Pan’s controlling block, Operational and Commercial Cooperation Agreements were signed between the controlling shareholders and the Company to reiterate the commitment of strategic partnership. Amongst the measures, with direct influence on Pan’s capital structure and liquidity, we point out: (i) Caixa Econômica Federal’s (“Caixa”) commitment to acquire the Company’s credit loans without recourse, whenever Pan plans to assign them; and (ii) to strengthen liquidity by interbank deposits received from both controlling shareholders, BTG Pactual and Caixa. These are long-term agreements, estimated to be adjusted and confer to the Bank funding alternatives at a competitive cost.

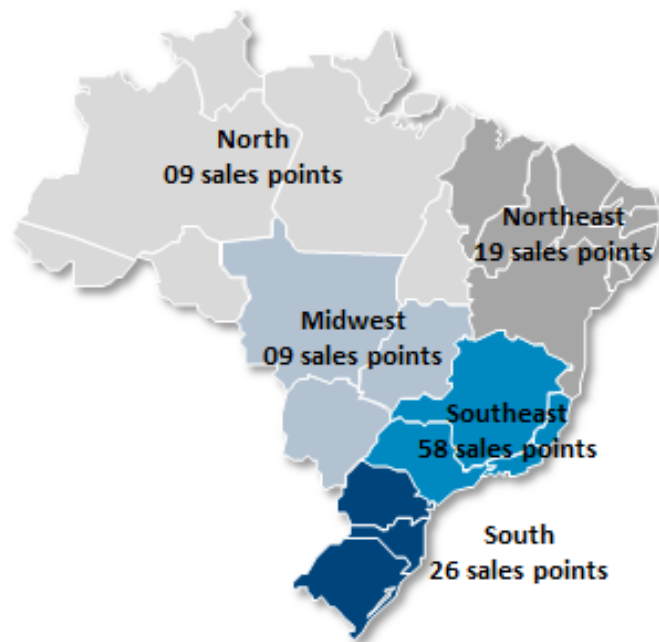
In addition, since 2012, Pan maintains a mutual cooperation agreement with Caixa establishing a cooperation regime for the structuring, distribution and sale of products and services, including the joint preparation and implementation of plans for the development of products and services for both institutions. The aim is to create synergies and seize opportunities for expanding the product portfolios, among others, considering the complementary nature of their businesses.

The various operational and commercial agreements signed since the formation of Pan’s current controlling structure, not only demonstrate these shareholders’ strong and continuing support to the Company, but also the complementarity and alignment of interests among all three institutions.

DISTRIBUTION NETWORK

With 3,496 employees, the Bank has presence in major cities of the Brazilian territory, geographically distributed according to each region’s GDP. Carrying on the process of integrating Panserv Prestadora de Serviços Ltda. (“Panserv”) and BM Sua Casa Promotora de Vendas Ltda. (“Pan Sua Casa”) networks, the number of exclusive points-of-sale decreased from 132, in December 2014, to 121 at the end of March 2015. Such reduction aims to optimize the group’s distribution network and reduce the operational costs.

The Bank is actively present in 8,876 vehicle authorized dealers and resellers, and relies on a call center with 149 workstations, which received 564,812 calls during 1Q15, a drop of 18.8% versus the 695,835 calls received on the same quarter of 2014.



ASSET GENERATION AND LOAN PORTFOLIO

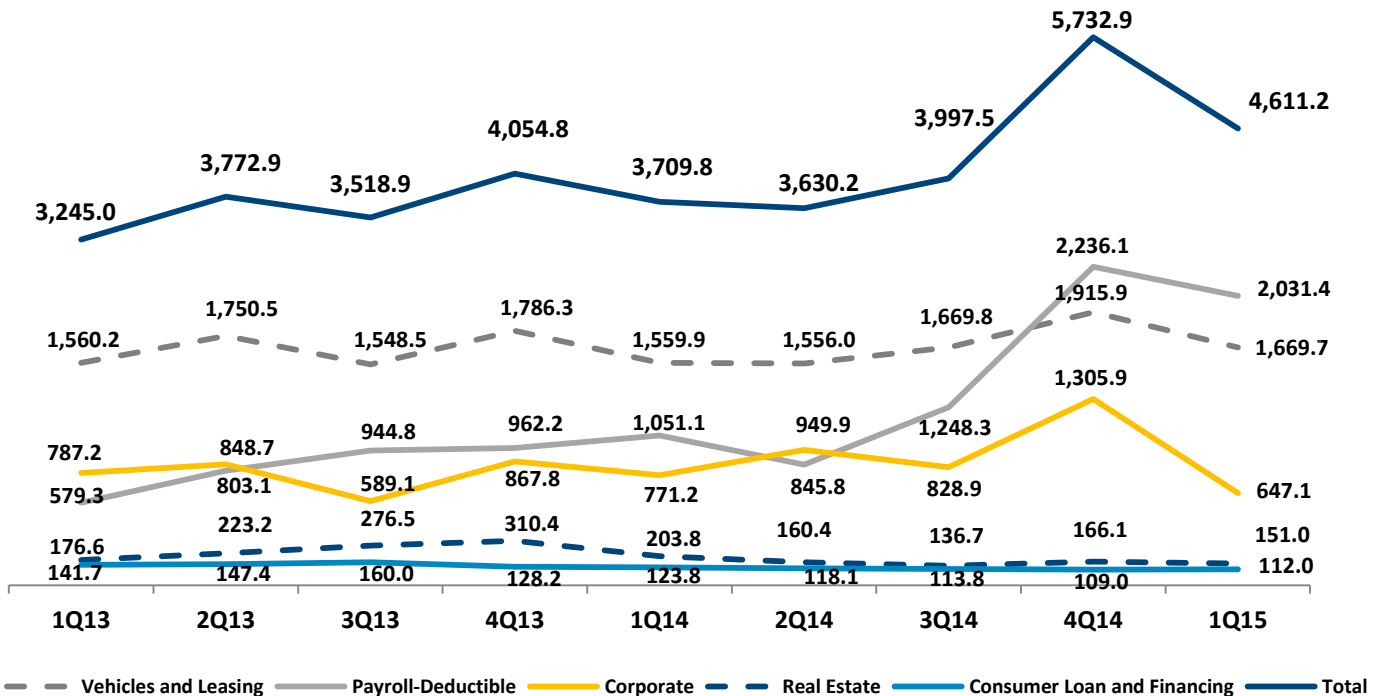
Origination – Generation of Assets

Despite the slowdown of the Brazilian economic activity and the higher domestic interest rates, the origination of credit assets increased annually, maintaining its long-term upward trajectory. In this context, credit origination monthly average was R\$ 1,537.1 million in 1Q15, 24.3% higher than the R\$ 1,236.6 million in 1Q14. In comparison with 4Q14, when the monthly origination reached R\$ 1,911.0 million, there has been a reduction due to the influence of seasonal factors.

Asset Origination Monthly Average By Product (R\$ MM)

| Products | 1Q15 | | 4Q14 | | 1Q14 | | Δ 1Q15 / 4Q14 | Δ 1Q15 / 1Q14 |
|-----------------------------|----------------|---------------|----------------|---------------|----------------|---------------|---------------|---------------|
| | Production | % | Production | % | Production | % | | |
| Payroll-Deductible | 677.1 | 44.1% | 745.4 | 39.0% | 350.4 | 28.3% | -9.2% | 93.3% |
| Vehicles and Leasing | 556.6 | 36.2% | 638.6 | 33.4% | 520.0 | 42.0% | -12.9% | 7.0% |
| Corporate | 215.7 | 14.0% | 435.3 | 22.8% | 257.1 | 20.8% | -50.4% | -16.1% |
| Real Estate | 50.3 | 3.3% | 55.4 | 2.9% | 67.9 | 5.5% | -9.1% | -25.9% |
| Consumer Loan and Financing | 37.3 | 2.4% | 36.3 | 1.9% | 41.3 | 3.3% | 2.8% | -9.5% |
| Total | 1,537.1 | 100.0% | 1,911.0 | 100.0% | 1,236.6 | 100.0% | -19.6% | 24.3% |

Quarterly Asset Origination (R\$ MM)



Vehicle Financing

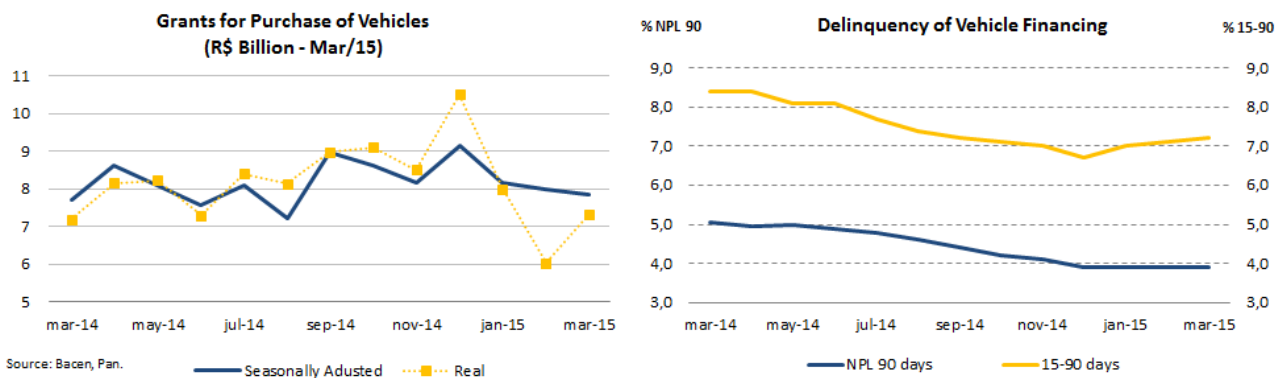
According to Bacen, the balance of vehicle financing (CDC PF) totaled R\$ 179.6 billion in 1Q15, a decline of 6.0% in real terms over the previous quarter and of 12.5% year-over-year. Vehicle financing represents 22.8% of the non-earmarked household credit. The leasing portfolio, which represents 0.4% of household credit, continued to shrink, falling by 18.0% in real terms over 4Q14 and 58.6% in the last 12 months, totaling R\$ 2.8 billion.

The default rate on vehicle loans overdue by more than 90 days (CDC PF) stood at 3.9% in 1Q15, remaining stable compared to 4Q14, and reducing 1.1 p.p. up year-over-year. The rate peaked in June 2012 at 7.2% and has declined ever since.

Interest on household credit for vehicle acquisition came to 24.7% p.a. in 1Q15, an increase of 2.4 p.p. over the previous quarter and 1.2 p.p. up in 12 months.

According to Fenabrave, the vehicle dealers’ association, light vehicle sales (new and used cars and light commercial vehicles) totaled 3.0 million units in 1Q15, 3.1% down on the same period of 2014, with sales of used vehicles moving up 1.3% and those of new vehicles decreasing by 16.2%. In relation to the previous quarter, used vehicle sales fell by 1.8%, while new vehicle sales fell by 13.4% (seasonally adjusted).

Sales of heavy vehicles (buses and trucks) totaled 108,600 units in 1Q15, 14.5% down year-over-year, with a strong drop of 32.9% in new vehicles and 6.6% down in used vehicle sales. In relation to 4Q14, new heavy vehicle sales fell by 30.7% and used heavy vehicle sales fell by 6.1% (seasonally adjusted).

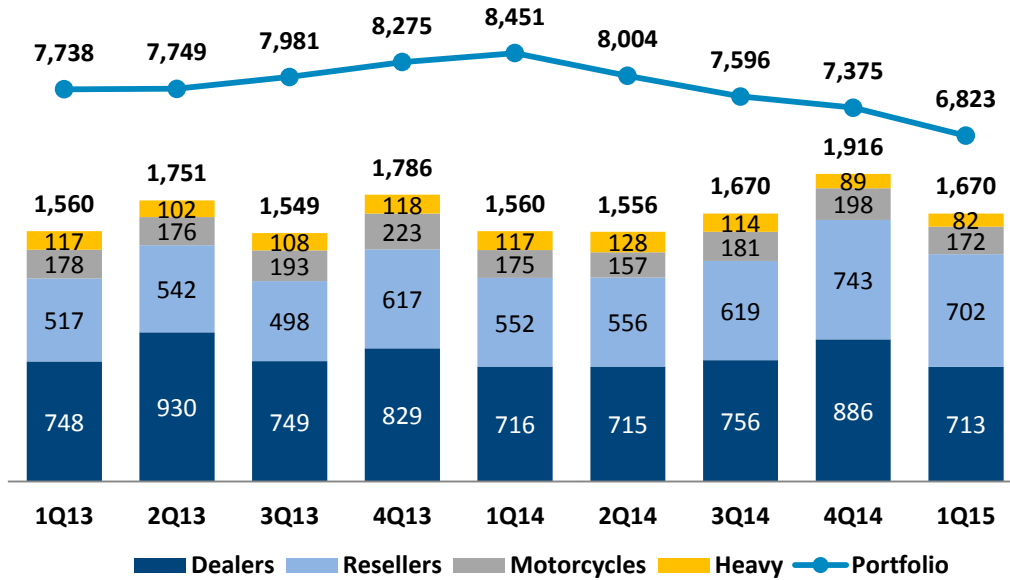


Also according to Fenabrave, 1Q15 sales of new and used motorcycles came to 1.0 million units, 1.6% down year-over-year (10.5% drop in the new motorcycle segment and 3.5% rise in the used motorcycle market). In comparison with the previous quarter, new motorcycles sales and used motorcycle sales fell by 1.4% and 3.0%, respectively (seasonally adjusted).

Vehicle financing continued to be the Company’s main portfolio. As mentioned before, the Bank is actively present in 8,876 new and used vehicle dealers and resellers, with a wider loan origination, whereby the 10 largest groups of dealers and resellers account for only 13.0% of total origination.

In 1Q15, Pan disbursed R\$ 1,669.7 million in new vehicle financing, including leasing operations, 7.0% higher than the R\$ 1.559,9 million originated in 1Q14 and 12.9% down on the R\$ 1.915,9 million originated in 4Q14, due to the seasonality of the last quarter of the year.

Evolution of Vehicle Portfolio and Product Origination (R\$ MM)

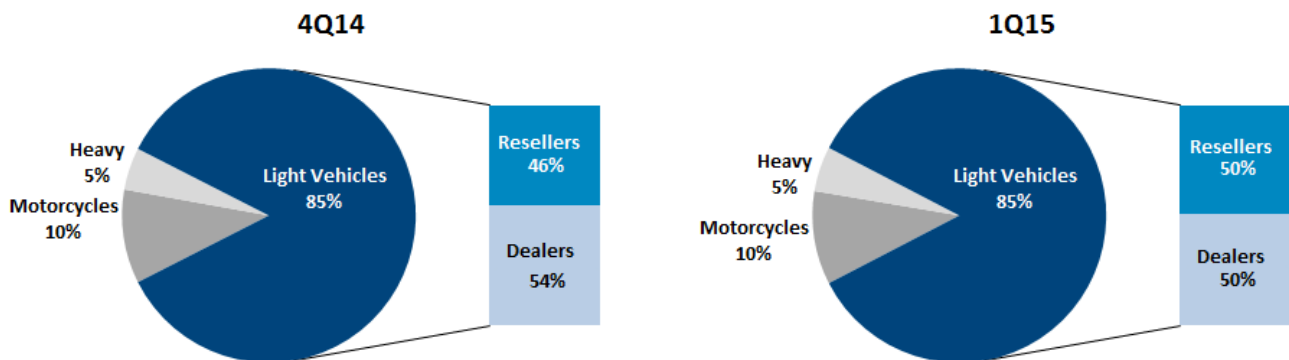


The Bank’s strategy regarding light vehicles is based on the pursuit of a relevant interest in both new and used auto financing. It is worth noting that in 1Q15 new vehicles accounted for 50.4% of total light vehicle financing and 42.7% of total vehicle financing in the period, versus 54.4% and 46.2%, respectively, in the previous quarter, and 56.5% and 45.9% in 1Q14.

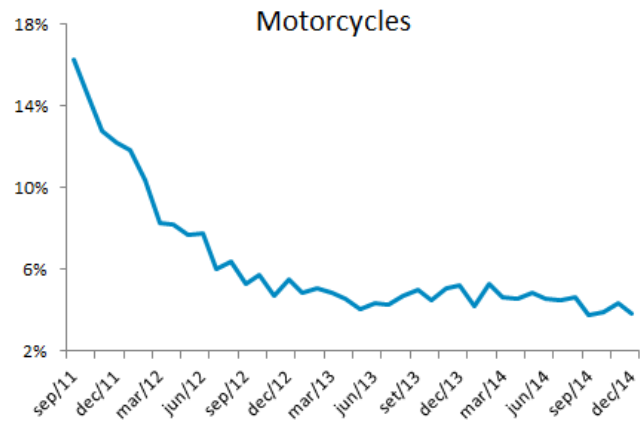
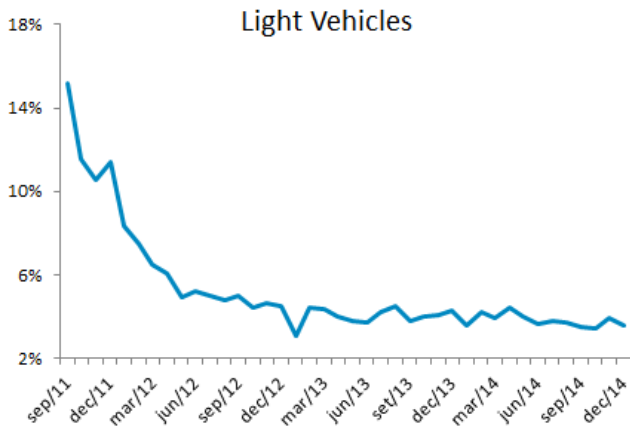
Accompanying the sector’s retraction, motorcycle financing reached a monthly average of R\$ 57.2 million in 1Q15, 13.3% down from the R\$ 65.9 million registered on 4Q14 and 2.1% lower than the R\$ 58.4 million registered on 1Q14.

Following the same trend, heavy vehicle financing presented a monthly average of R\$ 27.5 million in 1Q15, 7.5% less than the R\$ 29.7 million of the 4Q14 and 28.8% down from the R\$ 38.5 million of the 1Q14.

% in New Vehicle Financing



Pan’s Management has been continuously revising the Bank’s credit modeling, systems and loan process models, achieving a substantial improvement in the quality of the originated portfolios, as shown by their quality indicators since the second half of 2011.



*% of agreements in arrears by more than 30 days and 3 months after grant.

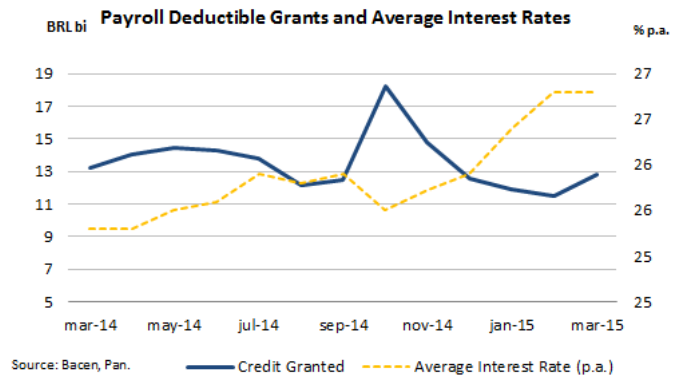
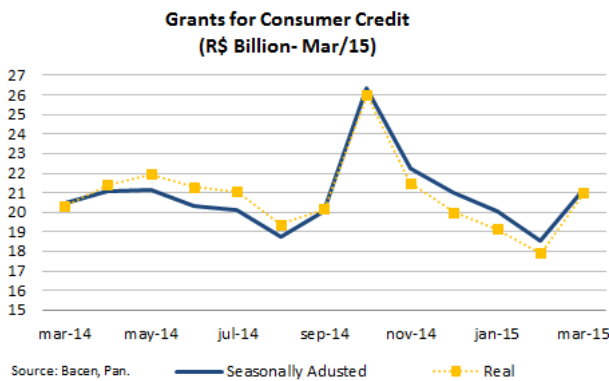
Consumer Loans

According to Bacen, consumer loans (payroll-deductible and non-payroll-deductible) totaled R\$ 362.4 billion in 1Q15, 1.1% down in real terms in relation to 4Q14 and 2.2% up year-over-year. Consumer lending accounts for 46.1% of non-earmarked household loans.

The payroll-deductible loan portfolio totaled R\$ 259.0 billion in 1Q15, representing a decrease of 1.1% in real terms over the 4Q14 and an annual increase of 4.3%. Of the three segments comprising the payroll-deductible portfolio, loans to social security beneficiaries recorded the highest real 12-month increase (+7.5%), followed by public servants (+3.6%). Note that loans to public servants account for 61.2% of the total payroll-deductible loan inventory.

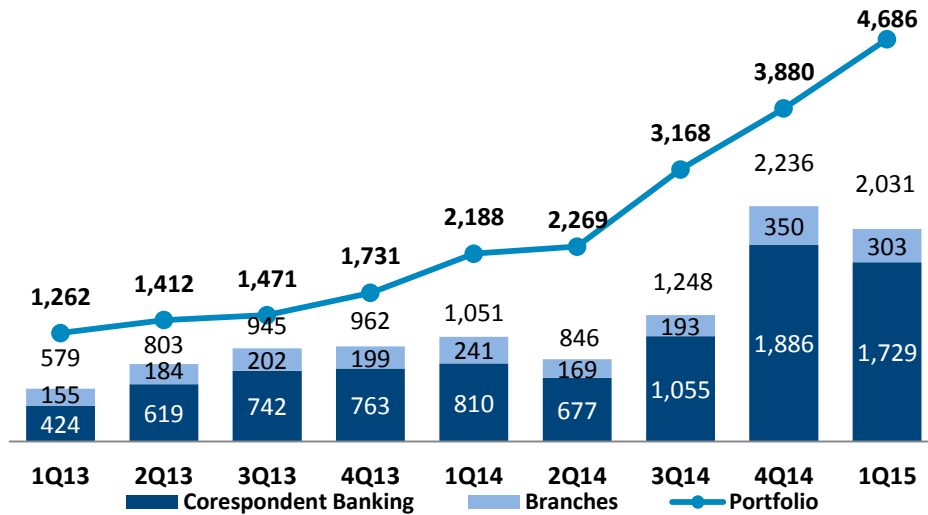
Non-payroll-deductible loan came to R\$ 103.4 billion in 1Q15, 1.3% downturn in real terms over the previous quarter and 2.9% downturn year-over-year.

In 1Q15, the default rate (loans overdue by more than 90 days) stood at 3.7% of the total consumer loan balance, 0.1p.p and 0.2p.p. down from 4Q14 and 1Q14, respectively. In the non-payroll-deductible loan segment, the default rate was 0.3 p.p. up year-over-year, reaching 7.1% of the loan inventory. In the payroll-deductible loan segment, the default rate reached 2.3%: 0.1 p.p. down over 4Q14 and 0.3 p.p. down over 1Q14.



Pan disbursed R\$ 2,031.4 million in new payroll-deductible loans for public servants and social security beneficiaries in 1Q15, 93.3% up on the R\$ 1,051.1 million in 1Q14 and 9.2% down on the R\$ 2,236.1 million originated in 4Q14. It is important to notice that in the previous quarter there were regulatory changes which increased production, even so, Pan's disbursements are today at a new level.

Evolution of Payroll-Deductible Loan Portfolio and Origination by sales channel (R\$ MM)



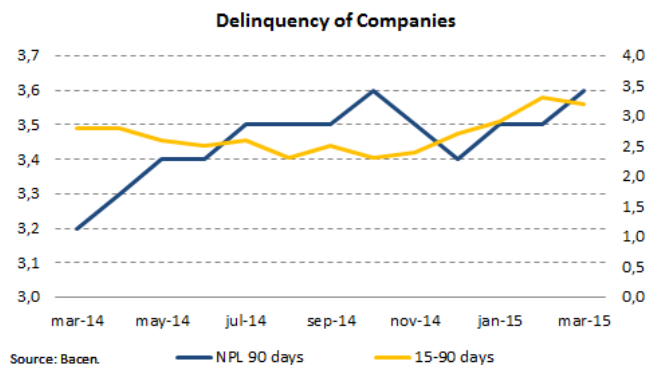
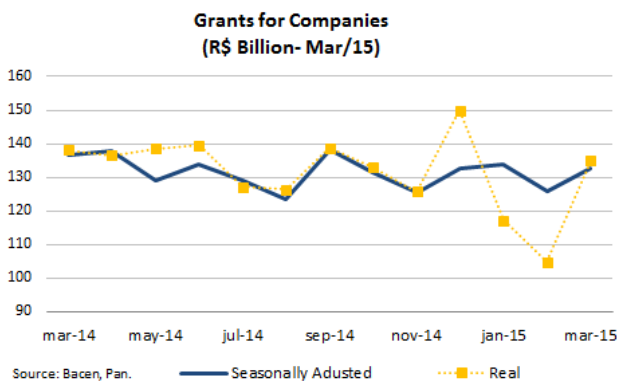
Consumer loan accounted for R\$ 112.0 million of new loan disbursements during the 1st quarter of 2015, 2.8% up on the previous quarter and 11.6% down year-over-year.

Corporate Loans

According to the Bacen, market-rate corporate loans totaled R\$ 791.8 billion in 1Q15, representing a real decrease of 3.9% and 2.8% over 4Q14 and 1Q14, respectively. Among the various types of corporate financing, working capital loans totaled R\$ 386.0 billion, accounting for 48.8% of the total corporate loan balance.

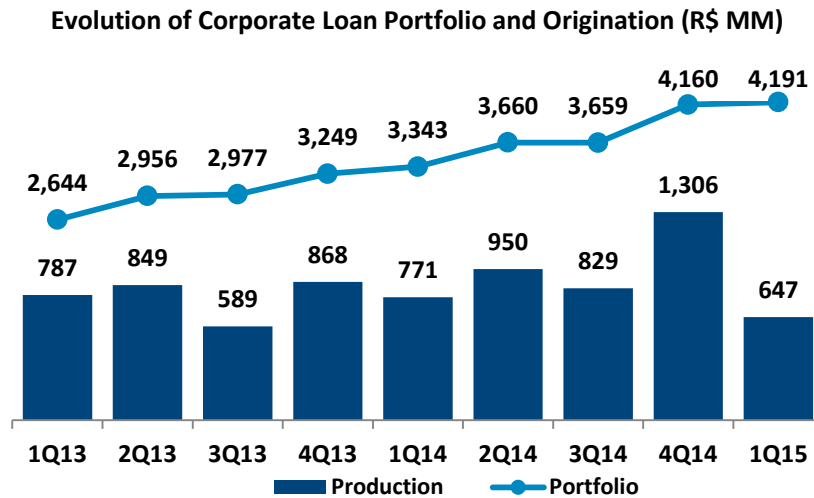
The corporate default rate (loans overdue by more than 90 days) accounted for 3.6% of the total loan portfolio in 1Q15, 0.2p.p. down on 4Q14 and 0.3p.p. up on 1Q14.

Default in the working capital segment raised 0.4p.p. year-over-year, reaching 4.1% of the balance in 1Q15.



New corporate loan origination came to R\$ 647.1 million in 1Q15, a decrease of 16.1% compared to the R\$ 771.2 million granted in 1Q14 and 50.4% lower than the R\$ 1,305.9 million recorded in 4Q14. It is worth noting the impact of seasonality on the origination of credits in this business.

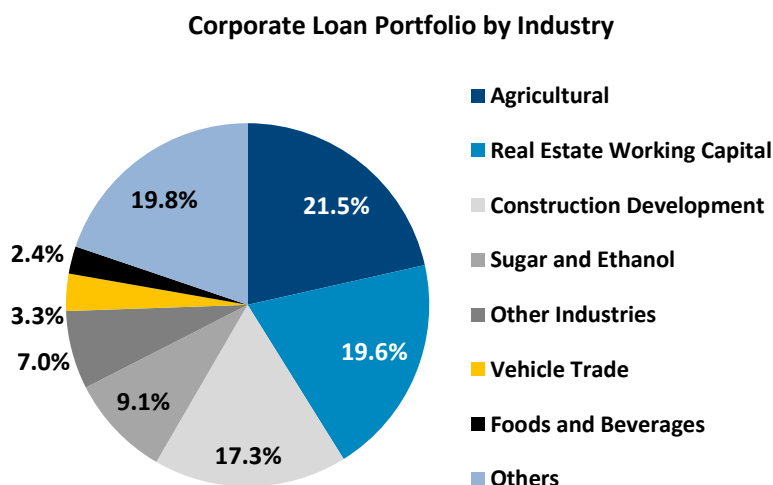
As a result, the corporate loan portfolio reached R\$ 4,191.1 million at the end of 1Q15, 0.8% higher than the portfolio of R\$ 4,159.5 recorded at the end of December 2014 and 25.4% up on the balance of R\$ 3,342.9 million in March 2014.



The expanded corporate loan portfolio, including R\$ 24.0 million of guarantees issued and investments in private securities of R\$ 4.3 million, came to R\$ 4,219.4 million in 1Q15.

Advances on foreign exchange contracts (ACCs) amounted to R\$ 472.4 million at the end of March 2015, versus R\$ 525.9 million at the end of December 2014 and R\$ 330.3 million on March 2014, a reduction of 10.2% in the quarter and an increase of 43.0% year-over-year.

The bank operates with a risk control policy, which consists in maintaining a pulverized loan portfolio with customers from various economic groups and industries. The 10 largest clients represent just 9.9% of the total portfolio.



Real Estate Loans

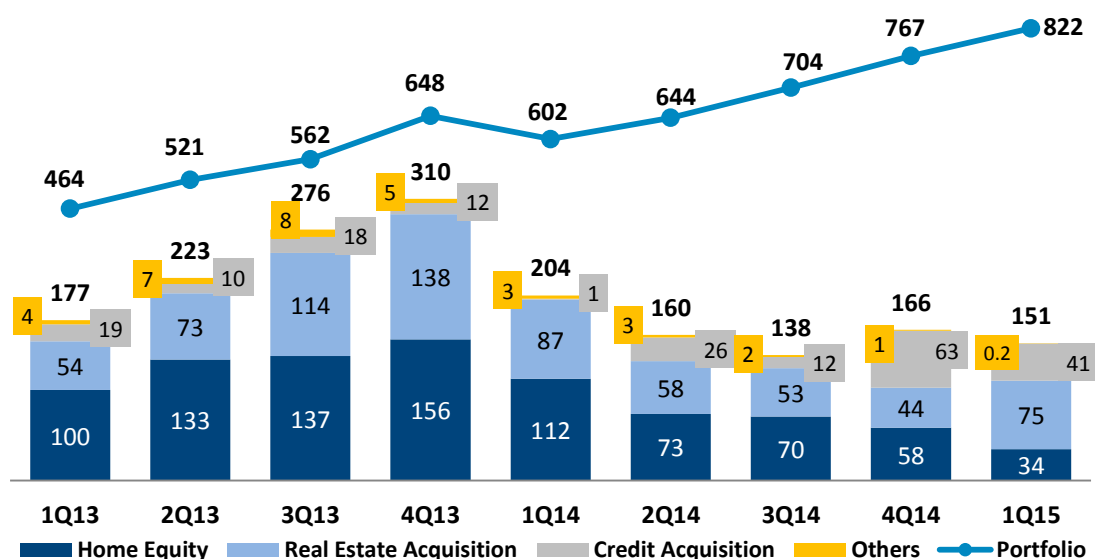
Real estate loans (at market rates and regulated rates) totaled R\$ 452.1 billion in 1Q15, real increases of 0.9% and 17.0% over 4Q14 and 1Q14, respectively. Of this total, R\$ 391.1 billion corresponded to regulated-rate credit, up by 1.1% quarter-over-quarter and 17.6% year-over-year. Market-rate loans amounted to R\$ 61.1 billion, representing a real decrease of 0.4% over 4Q14 and an increase of 13.1% over 1Q14. This type of loan has one of the household financing segment’s lowest late payment rates, where loans overdue by more than 90 days amounted to 1.7% of the real estate loan portfolio in 1Q15, 0.3p.p. and 0.1 p.p. down from 4Q14 and 1Q14.

Real estate loan origination totaled R\$ 151.0 million in 1Q15, allocated as follows: (i) R\$ 109.8 million to individuals, which of, R\$ 34.3 million in Home Equity (Crédito Fácil), and R\$ 75.5 million for real estate acquisitions; and (ii) R\$ 41.0 million in loans acquired by Brazilian Securities Companhia de Securitização (“Brazilian Securities”) for securitization.

The origination of real estate loans during the 1Q15 was 9.0% lower than the previous quarter and 25.9% lower than 1Q14, decrease justified by seasonality and the conservatism of the Bank.

The real estate loan portfolio stood at R\$ 821.9 million at the end of March 2015, 7.2% up on the R\$ 766.9 million at the end of the previous quarter and 36.5% higher than the R\$ 602.2 million in 1Q14.

Evolution of Real Estate Origination by Product and total Portfolio (R\$ MM)

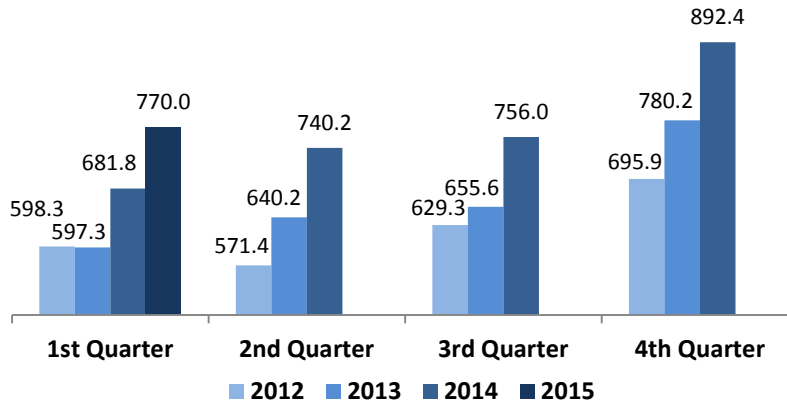


Credit Cards

Pan’s credit card base had 1.8 million cards at the end of 1Q15, which accounted for R\$ 770.0 million in transactions during this period, 13.0% up year-over-year.

Even with an annual rise of 9.0% in the credit portfolio (Credit Cards and Amounts Receivable with Credit Characteristics), the allowance for loan losses increased just 2.2% in the comparison between 1Q15 and 1Q14, while administrative expenses fell by 1.4% on the same basis.

Transaction Volume (R\$ MM)

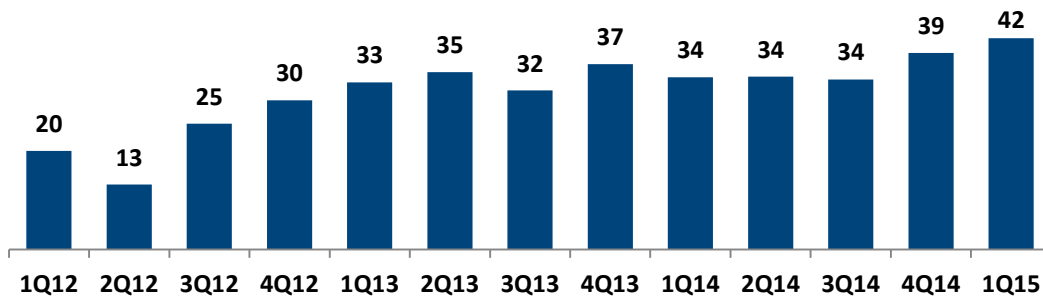


Insurance

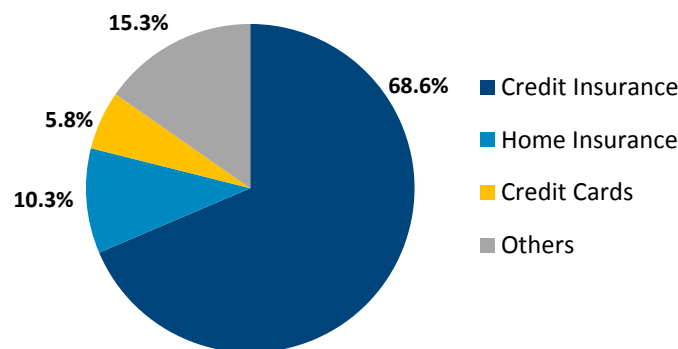
As mentioned before, due to the sale of Pan Seguros S.A. (“Pan Seguros”) and Panamericano Administração e Corretagem de Seguros e de Previdência Privada Ltda. (“Pan Corretora”), concluded in December 2014, a distribution operational agreement, valid for 20 years, has been signed and Pan Seguros will continue to commercialize its Insurance products through Pan’s sales network paying a fee for this origination.

During the 1Q15, Pan originated R\$ 42.0 million in insurance premiums, 7.5% and 22.5% higher than 4Q14 and 1Q14, respectively, of which: R\$ 28.8 million in credit insurance (Pan Protege), R\$ 4.3 million in home insurance, R\$ 2.4 million in credit cards insurance and 6.5 million in other products.

Insurance Premiums originated by Pan (R\$ MM)



Insurance Premium by Product (%)

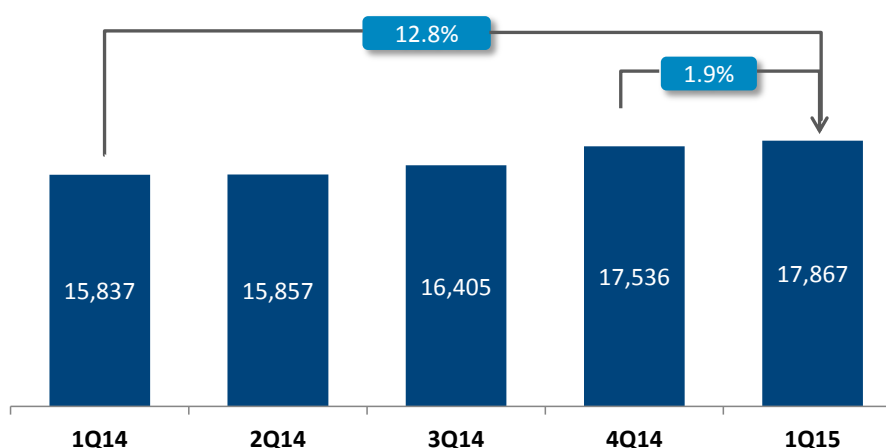


Portfolio Structure

Total Loan Portfolio totaled R\$ 17,923.5 million in 1Q15, 1.6% up on the R\$ 17,632.9 million recorded in December 2014 and 10.6% up on the R\$ 16,206.8 million recorded in March 2014. This amount includes: (i) the loan portfolio retained at the Bank of R\$ 17.9 billion and (ii) loans assigned with recourse prior to Bacen Resolution 3,533/08, totaling R\$ 56.3 million.

The balance of the loan portfolio with retained result, which excludes loans assigned with recourse mentioned above and thus provides a measure of the Company's revenue earning portfolio, continued to outpace the total loan portfolio, reaching R\$ 17,867.2 million in 1Q15, 1.9% up on the R\$ 17,536.0 million recorded on 4Q14 and 12.8% up on the R\$ 15,836.9 million recorded on 1Q14, even having assigned R\$ 2,379.5 million in the quarter and R\$ 8,145.0 million in the past 12 months.

Loan Portfolio with Retained Result (R\$ MM)



Below, the breakdown of loan portfolio by operation segment:

| Type of Loans (R\$ MM) | 1Q15 | Part. % | 4Q14 | Part. % | 1Q14 | Part. % | Δ 1Q15 / 4Q14 | Δ 1Q15 / 1Q14 |
|--|-----------------|---------------|-----------------|---------------|-----------------|---------------|---------------|---------------|
| Vehicle Financing and Leasing | 6,823.4 | 38.2% | 7,375.0 | 42.1% | 8,450.7 | 53.4% | -7.5% | -19.3% |
| Payroll Deduction Loans ¹ | 4,686.2 | 26.2% | 3,879.6 | 22.1% | 2,187.5 | 13.8% | 20.8% | 114.2% |
| Corporate | 4,191.1 | 23.5% | 4,159.5 | 23.7% | 3,342.9 | 21.1% | 0.8% | 25.4% |
| Real Estate | 821.9 | 4.6% | 766.9 | 4.4% | 602.2 | 3.8% | 7.2% | 36.5% |
| Credit Cards | 626.9 | 3.5% | 596.8 | 3.4% | 583.5 | 3.7% | 5.1% | 7.4% |
| Amounts Receivable with Credit Characteristics | 584.3 | 3.3% | 621.5 | 3.5% | 527.7 | 3.3% | -6.0% | 10.7% |
| Others | 133.4 | 0.7% | 136.7 | 0.8% | 142.3 | 0.9% | -2.4% | -6.2% |
| Credit Portfolio | 17,867.2 | 100.0% | 17,536.0 | 100.0% | 15,836.9 | 100.0% | 1.9% | 12.8% |
| Credits Assigned with Recourse ² | 56.3 | | 96.9 | | 369.9 | | -41.9% | -84.8% |
| Total Credit Portfolio | 17,923.5 | | 17,632.9 | | 16,206.8 | | 1.6% | 10.6% |

On March 31, 2015, investments in private securities came to R\$ 4.3 million. Including these operations, the total expanded loan portfolio reached R\$ 17,927.8 million at the end of 1Q15.

¹ The loan portfolio retained at the bank includes, under payroll-deductible loan, R\$ 565.8 million in credits assigned with substantial retention of risks and rewards in accordance with Article 5 of Resolution 3,533/08 of Bacen.

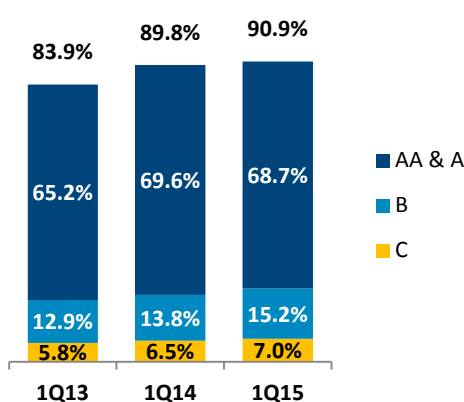
² The loans assigned with recourse refer to the credits assigned prior to 2011, out of the standards established by Resolution 3,533/08 of Bacen.

Quality of Loan Portfolio

Ratings of Banco Pan's loan portfolio are recorded in the balance sheet by risk category³, pursuant to Resolution 2.682 of the Brazilian Monetary Council ("CMN"):

| Category of Risk (R\$ MM) | 1Q15 | Part. % | 4Q14 | Part. % | 1Q14 | Part. % | Δ 1Q15 / 4Q14 | Δ 1Q15 / 1Q14 |
|---------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|---------------|---------------|
| "AA" to "C" | 16,265.2 | 90.9% | 16,090.7 | 91.4% | 14,540.3 | 89.8% | 1.1% | 11.9% |
| "D" to "H" | 1,634.3 | 9.1% | 1,518.2 | 8.6% | 1,646.1 | 10.2% | 7.6% | -0.7% |
| Total | 17,899.5 | 100.0% | 17,608.9 | 100.0% | 16,186.4 | 100.0% | 1.7% | 10.6% |

% of Credits rated from AA to C (Resolution 2.682 of CMN)



It is worth mentioning that, as the rating in the figure above observes, in retail portfolio, the scale of Resolution 2.682 of CMN, there is a time gap between its evolution and the vintages originated by the Bank. The year-over-year growth of portfolio with rating B is especially explained by the growth of the corporate credit portfolio, which has a high concentration of credits rated under such category, based on the fundamentalist analysis of its credit risk.

Maturity of Loan Operations

The table below presents the total loan portfolio by maturity, including the portfolio assigned with recourse, on March 31, 2015:

| Maturity Per Type of Credit Operation (R\$ MM) | Up to 30 days | From 31 to 90 days | From 91 to 180 days | From 181 to 360 days | More than 360 days | Total |
|--|----------------|--------------------|---------------------|----------------------|--------------------|-----------------|
| Vehicle Financing | 533.3 | 427.2 | 635.8 | 1,243.3 | 4,014.3 | 6,853.9 |
| Payroll Deduction Loans | 158.3 | 255.4 | 364.7 | 662.8 | 3,270.8 | 4,712.0 |
| Corporate | 545.2 | 585.9 | 634.0 | 969.9 | 1,456.3 | 4,191.1 |
| Real Estate | 20.4 | 24.7 | 33.9 | 77.1 | 665.7 | 821.9 |
| Credit Cards | 560.6 | 13.8 | 18.5 | 20.3 | 13.7 | 626.9 |
| Amounts Receivable with Credit Characteristics | 360.2 | 118.9 | 77.2 | 27.9 | 0.0 | 584.3 |
| Others | 17.5 | 18.2 | 14.8 | 41.3 | 41.7 | 133.4 |
| Total | 2,195.5 | 1,444.1 | 1,778.9 | 3,042.5 | 9,462.4 | 17,923.5 |
| Mat. Part.% | 12.2% | 8.1% | 9.9% | 17.0% | 52.8% | 100.0% |

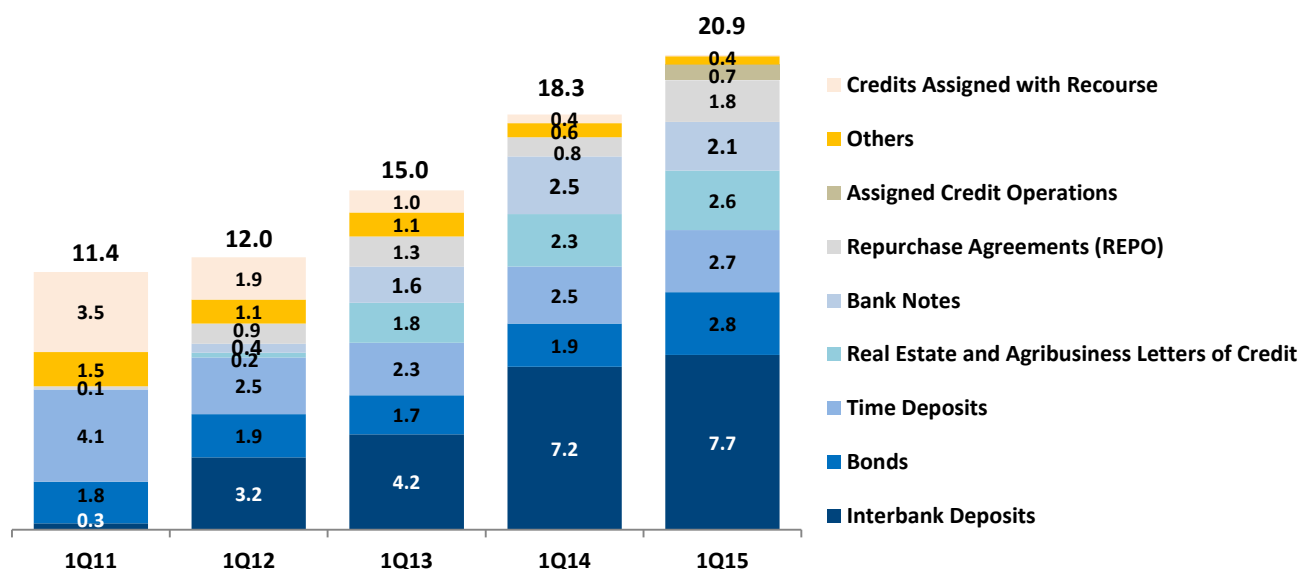
³ Considers the Loan Portfolio excluding Guarantees Issued.

FUNDING

Funding volume stood at R\$ 20.9 billion at the end of March 2015, 2.9% higher than the R\$ 20.3 billion recorded at the end of 4Q14 and 14.4% higher than the R\$ 18.3 billion recorded at the end of 1Q14, accompanying asset financing needs. The main funding sources were: (i) time deposits and interbank deposits, which amounted to R\$ 10.4 billion, or 49.9% of the total; (ii) Bonds, totaling R\$ 2.8 billion or 13.2% of the total; (iii) real estate and agribusiness letters of credit totaling R\$ 2.7 billion, or 12.6% of the total; (iv) bank notes totaling R\$ 2.1 billion or 10.2% of the total; (v) Repurchase Agreements (REPO), totaling R\$ 1.8 billion or 8.8% of the total; (vi) Credits assigned after July 2014, in accordance with Bacen Resolution 3,533/08, totaling R\$ 680.7 million, or 3.3% of the total; and (vii) foreign and domestic loans, which corresponded to R\$ 182.7 million, or 0.9% of the total.

| Funding Sources (R\$ MM) | 1Q15 | Part. % | 4Q14 | Part. % | 1Q14 | Part. % | Δ 1Q15 / 4Q14 | Δ 1Q15 / 1Q14 |
|--|-----------------|---------------|-----------------|---------------|-----------------|---------------|---------------|---------------|
| Interbank Deposits | 7,699.6 | 36.8% | 8,631.5 | 42.5% | 7,189.3 | 39.3% | -10.8% | 7.1% |
| Bonds | 2,764.7 | 13.2% | 2,197.1 | 10.8% | 1,892.3 | 10.3% | 25.8% | 46.1% |
| Time Deposits | 2,737.0 | 13.1% | 2,736.0 | 13.5% | 2,511.9 | 13.7% | 0.0% | 9.0% |
| Real Estate and Agribusiness Letters of Credit | 2,634.6 | 12.6% | 2,377.3 | 11.7% | 2,314.7 | 12.7% | 10.8% | 13.8% |
| Bank notes | 2,143.0 | 10.2% | 2,139.5 | 10.5% | 2,549.4 | 13.9% | 0.2% | -15.9% |
| Repurchase Agreements (REPO) | 1,837.9 | 8.8% | 1,176.0 | 5.8% | 838.5 | 4.6% | 56.3% | 119.2% |
| Assigned Credit Operations ⁴ | 680.7 | 3.3% | 690.0 | 3.4% | 0.0 | 0.0% | -1.3% | 0.0% |
| Loans | 182.7 | 0.9% | 168.3 | 0.8% | 447.5 | 2.4% | 8.5% | -59.2% |
| Credits Assigned with Recourse ⁵ | 56.3 | 0.3% | 96.9 | 0.5% | 369.9 | 2.0% | -41.9% | -84.8% |
| Other | 186.5 | 0.9% | 117.4 | 0.6% | 183.6 | 1.0% | 58.8% | 1.6% |
| Total | 20,923.0 | 100.0% | 20,330.2 | 100.0% | 18,297.1 | 100.0% | 2.9% | 14.4% |

% on Funding Sources (1Q15)

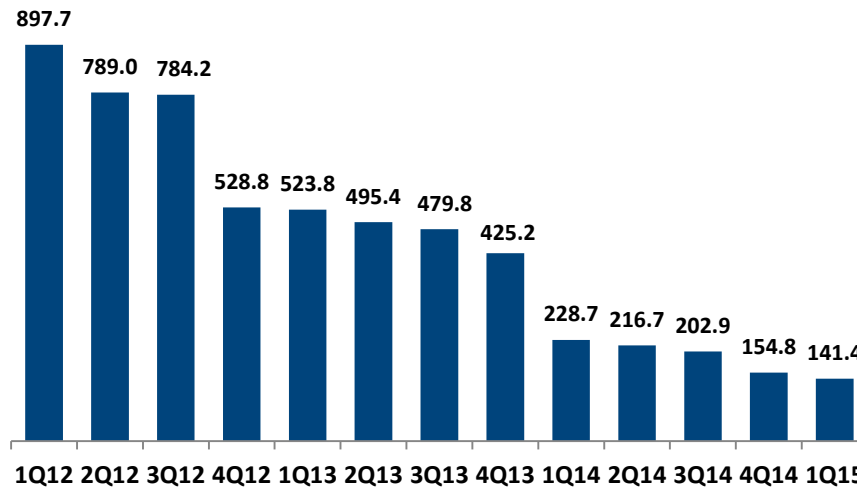


⁴ Assigned Credit Operations refer to credits assigned with substantial retention of risks and rewards in accordance with Article 5 of Bacen Resolution 3,533/08.

⁵ The Credits Assigned with Recourse refer to the credits assigned prior to 2011, out of the standards established by Bacen Resolution 3,533/08.

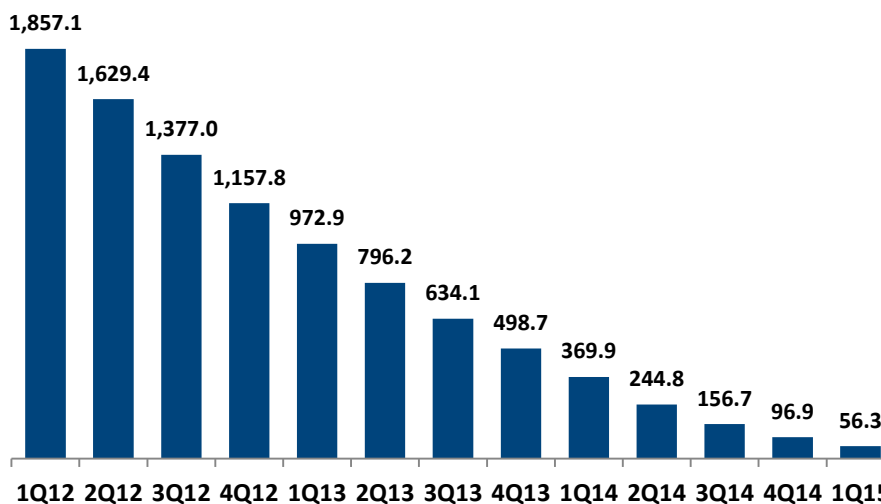
Backed by improved risk perception due to the new shareholding structure, the Bank has been managing to reduce its funding costs by adopting competitive rates on new time deposit certificates. As a result, the balance of funding through time deposits with special guarantee from the Credit Guarantee Fund (“DPGE I”) declined to R\$ 141.4 million in 1Q15, 8.7% down from the R\$ 154.8 million in 4Q14 and 38.2% less than the R\$ 228.7 million reported in 1Q14.

Funding in DPGE (R\$ MM)



Likewise, the balance of funding through the assignment of credits with recourse, prior to Resolution 3,533/08, has been falling gradually as the credit assigned in the past mature and Pan has not performed these assignments under the current administration. As a result, the R\$ 56.3 million balance of funding through credit assignments with recourse at the end of 1Q15, fell considerably by 41.9% from the R\$ 96.9 million recorded at the end of 4Q14 and 84.8% from the R\$ 369.9 million at the end of 1Q14.

Portfolio Assigned with Recourse prior to 2011 (R\$ MM)



In accordance with Article 8 of Bacen Circular 3,068/01, Pan declares that it has the financial capacity and the intention of holding to maturity those securities classified under “held-to-maturity securities” in its financial statements.

NET INTEREST MARGIN – NIM

In 1Q15, net interest margin stood at 12.2%, compared to the margin of 14.7% in 4Q14 and 11.7% in 1Q14. Even though the credit portfolio has presented a positive evolution through the quarters, the variations mentioned relate to the different volumes and mixes of credits assigned on each quarter.

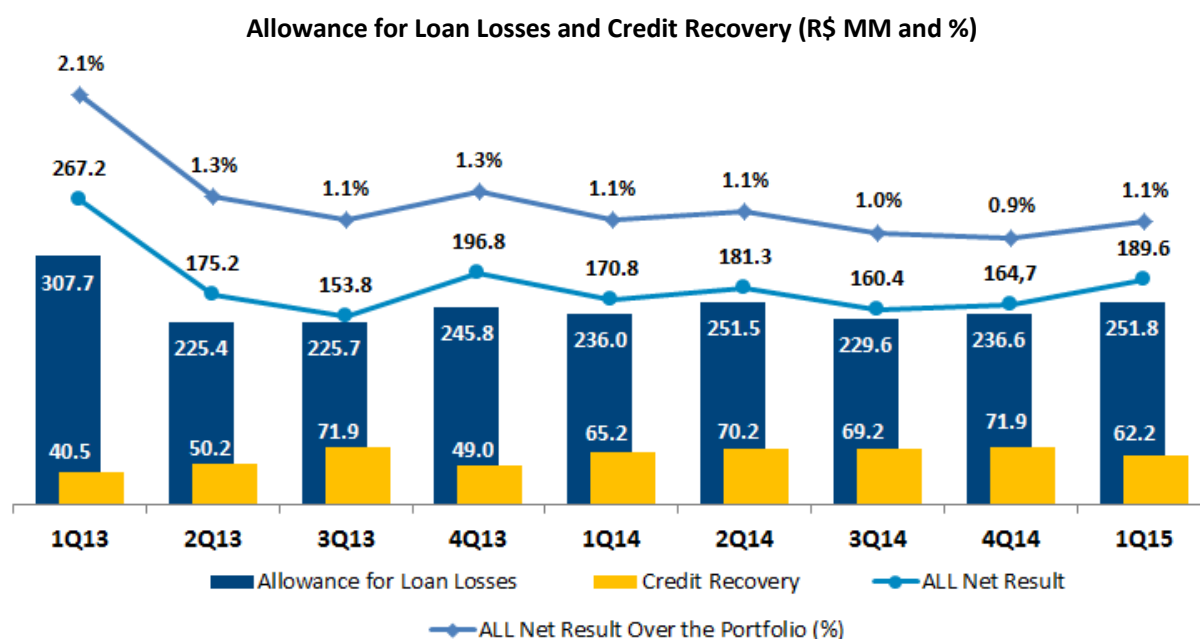
| Net Interest Margin (R\$ MM) | 1Q15 | 4Q14 | 1Q14 | Δ 1Q15 / 4Q14 | Δ 1Q15 / 1Q14 |
|---|-----------------|-----------------|-----------------|------------------|-----------------|
| 1. Income from Financial Intermediation Before ALL | 622.2 | 737.2 | 507.9 | -15.6% | 22.5% |
| 2. Average Interest-Earning Assets | 21,298.8 | 21,077.0 | 18,161.1 | 1.1% | 17.3% |
| - Average Loan Portfolio | 17,677.6 | 16,948.4 | 15,487.4 | 4.3% | 14.1% |
| - Average Securities and Derivatives | 2,575.9 | 2,464.5 | 1,704.4 | 4.5% | 51.1% |
| - Average Interbank Investments | 1,045.3 | 1,664.2 | 969.3 | -37.2% | 7.8% |
| (1) / (2) Net Interest Margin - NIM (% p.a.) | 12.2% | 14.7% | 11.7% | -2,5 p.p. | 0,5 p.p. |

COSTS AND EXPENSES

In 1Q15, the allowance for loan losses expenses totaled R\$ 251.8 million, 6.4% up on the R\$ 236.6 million in 4Q14 and 6.7% up from the R\$ 236.0 million year-over-year. It is worth noting that the loan portfolio also grew during these periods.

The recovery of credits previously written-off against the allowance for loan losses has been positively contributing over the last quarters, reaching the total amount of R\$ 62.2 million in 1Q15, compared to R\$ 71.9 million in 4Q14, and R\$ 65.2 million in 1Q14.

Thus, the net expense of allowance for loan losses totaled R\$ 189.6 million in 1Q15, higher than the R\$ 164.7 million and the R\$ 170.8 million recorded in 4Q14 and in 1Q14, respectively. As already mentioned, it is worth pointing out that, despite the fact that the net expense of allowance for loan losses in 1Q15 has increased compared to the 4Q14, the loan portfolio also grew, in addition to the seasonal effects that also impacts the 1st quarter of the year.



Personnel, tax, and other administrative expenses, including commission expenses, totaled R\$ 470.4 million in 1Q15, versus R\$ 476.1 million in 4Q14, and R\$ 394.3 million in 1Q14. Excluding the costs of origination, Pan reduced its expenses by 6.6% in the quarter.

| G&A Expenses (R\$ MM) | 1Q15 | 4Q14 | 1Q14 | Δ 1Q15 / 4Q14 | Δ 1Q15 / 1Q14 |
|--|--------------|--------------|--------------|---------------|---------------|
| Personnel expenses | 128.7 | 136.0 | 112.6 | -5.4% | 14.3% |
| Administrative expenses | 131.4 | 139.4 | 119.4 | -5.7% | 10.1% |
| Tax expenses | 53.5 | 60.4 | 49.8 | -11.5% | 7.4% |
| Sub Total | 313.6 | 335.8 | 281.8 | -6.6% | 11.3% |
| Comission Expenses - BACEN Circular 3,738 | 32.1 | - | - | n/a | n/a |
| Deferred Comissions and other origination expenses | 124.7 | 140.3 | 112.4 | -11.1% | 10.9% |
| Total | 12.9 | 33.2 | 38.6 | -61.2% | -66.6% |

During the 1Q15, new accounting rules regarding the commissions paid for new credit origination, introduced by BACEN Circular 3,738, have been implemented. This change has resulted in the anticipation of a greater part of this commission, generating an expense of R\$ 32.1 million.

Pan's cost structure and its ability to generate revenues are subjected to continuous analysis. Consequently, the Bank's cost structure is sized in accordance with Management's current expectations about future loan operation volumes and margins. If the economic and market scenarios deteriorate to such an extent as to interfere with the progress of our business plan, the cost structure will be adjusted accordingly.

NET INCOME AND SHAREHOLDERS' EQUITY

Pan posted a consolidated net loss of R\$ 73.5 million in 1Q15, versus a net income of R\$ 226.5 million in 4Q14 and a net loss of R\$ 78.6 million in 1Q14.

Specifically on 4Q14, there has been an influence of R\$ 231.9 million on the net income due to the sale of Pan Seguros and Pan Corretora. Also, as mentioned before, during the 1Q15 the expenses have been impacted by the new accounting rules, regarding the commissions paid for new credit origination.

In addition to this, the results are impacted by the amounts of credit assignments without recourse made in each period, which totaled R\$ 2,379.5 million in 1Q15.

The total amount of credits assigned from each portfolio (vehicle loans, real estate loans and payroll-deductible loans) has also impacted its results and, as a consequence, the net interest margin, which stood at 12.2% in 1Q15, compared to the 14.7% and 11.7% net interest margin registered in 4Q14 and 1Q14, respectively.

Pan's consolidated shareholders' equity totaled R\$ 3,558.6 million in March 2015, versus R\$ 3,634.5 million registered in December and R\$ 2,226.0 million in March 2014.

| P&L Statement (R\$ MM) | 1Q15 | 4Q14 | 1Q14 | Δ 1Q15 / 4Q14 | Δ 1Q15 / 1Q14 |
|--|------------------|----------------|----------------|----------------|----------------|
| Revenue from Financial Intermediation | 1,789.3 | 1,463.9 | 893.0 | 22.2% | 100.4% |
| Lending Operations | 1,472.8 | 1,485.9 | 1,010.3 | -0.9% | 45.8% |
| Commissions due to Credit Assignments | (123.0) | (118.8) | (38.2) | -3.5% | -221.7% |
| Expenses for Credit Assignments | (115.8) | (131.2) | (94.5) | 11.8% | -22.5% |
| Securities transactions | 96.1 | 78.5 | 56.5 | 22.3% | 70.0% |
| Derivative and Financial Instruments | 362.1 | 97.6 | (41.1) | 271.0% | 981.2% |
| Foreign exchange transactions | 97.1 | 52.0 | 0.1 | 86.9% | 176532.7% |
| Expenses on Financial Intermediation | (1,418.9) | (963.3) | (621.2) | -47.3% | -128.4% |
| Financial Expenses | (1,148.1) | (714.1) | (386.2) | -60.8% | -197.3% |
| Loan Operations | (19.0) | (12.7) | 1.0 | -50.3% | -1952.3% |
| Allowance for Loan Losses | (251.8) | (236.6) | (236.0) | -6.4% | -6.7% |
| Gross Profit from Financial Intermediation | 370.4 | 500.6 | 271.8 | -26.0% | 36.3% |
| Other Operating Revenues (Expenses) | (9.0) | (52.3) | 3.4 | 82.8% | -367.2% |
| Administrative, Personnel and Tax Expenses | (470.4) | (476.1) | (394.3) | 1.2% | -19.3% |
| Income from Operations | (109.0) | (27.8) | (119.1) | -291.8% | 8.5% |
| Non Operating Expenses | (12.1) | (25.6) | (14.4) | 52.9% | 15.9% |
| Revenue from the sale of Pan Seguros and Pan Corretora | - | 386.5 | - | 0.0% | 0.0% |
| Income and Social Contribution Taxes | 47.5 | (106.7) | 54.8 | 144.6% | -13.2% |
| Net Income | (73.5) | 226.5 | (78.6) | -132.5% | 6.5% |

BASEL RATIO AND OPERATING MARGIN

The Financial Group's Basel Ratio stood at 16.8% on March 31, 2015, being 12.3% for Common Equity Tier I, versus 18.7%, being 13.5% for Common Equity Tier I on December 31, 2014, and 12.1%, being 6.5% for Common Equity Tier I, on March 31, 2014. The Financial Group's Operating Margin stood at R\$ 1,135.3 million in 1Q15, compared to R\$ 1,494.3 million in 4Q14, and R\$ 132.2 million in 1Q14.

| R\$ MM | 1Q15 | 4Q14 | 1Q14 |
|---|----------------|----------------|----------------|
| 1. Reference Shareholders' Equity (PR) | 3,458.5 | 3,797.7 | 2,302.1 |
| Common Equity Tier I | 2,521.9 | 2,746.6 | 1,236.7 |
| Tier II | 936.6 | 1,051.1 | 1,065.4 |
| 2. Required Reference Shareholders' Equity | 2,258.2 | 2,235.4 | 2,101.3 |
| Risk Weighted Assets - PEPR | 2,078.3 | 2,022.1 | 1,894.9 |
| Exchange Variation Risk - PCAM | 4.6 | 7.1 | 2.1 |
| Interest (pre-fixed) - PJUR1 | 57.1 | 27.0 | 25.8 |
| Operational Risk - POPR | 118.2 | 179.2 | 178.5 |
| Basel Ratio (1 / (2 / 11%)) | 16.8% | 18.7% | 12.1% |
| Common Equity Tier I | 12.3% | 13.5% | 6.5% |
| Tier II | 4.6% | 5.2% | 5.6% |
| 3. Banking Positioning Risk - RBAN | 65.1 | 68.0 | 68.6 |
| Operating Margin (1 - 2 - 3) | 1,135.3 | 1,494.3 | 132.2 |

RATINGS





On July 12, 2011, recognizing the support provided by the new control structure and several initiatives taken by current Management to reduce costs, reach a better strategic alignment and improve the Company’s operating structure, Fitch Ratings raised Pan’s risk ratings. The most important one, the Long-Term National Rating raised three levels, from A-(bra) to AA-(bra).

On August 16, 2012, Fitch Ratings assigned the long-term IDR (Issuer Default Rating) in foreign currency “BB+” and on January 27, 2014, reaffirmed the Bank’s rating, altering its outlook from “stable” to “positive”.

On November 26, 2013, Standard & Poor’s (“S&P”) assigned "BB+" to Pan’s long-term IDR in global scale and "brAA" to the long-term IDR in national scale. According to the S&P, ratings were based on Pan’s appropriate liquidity position, supported by the funding it receives from both controlling shareholders and its strategic relevance for BTG Pactual.

In April 2014, due to the review of Brazil’s bank industry risk evaluation, S&P downgraded the ratings assigned to few domestic banks, amongst them Pan, to which was assigned the "BB" rating to the long-term IDR in global scale and "brAA-" to the long-term IDR in national scale.

In August 2014, Moody’s Investors Services assigned "Ba2” to Pan’s long-term IDR in global scale and "A1.br" to the long-term IDR in national scale, both with stable outlook.

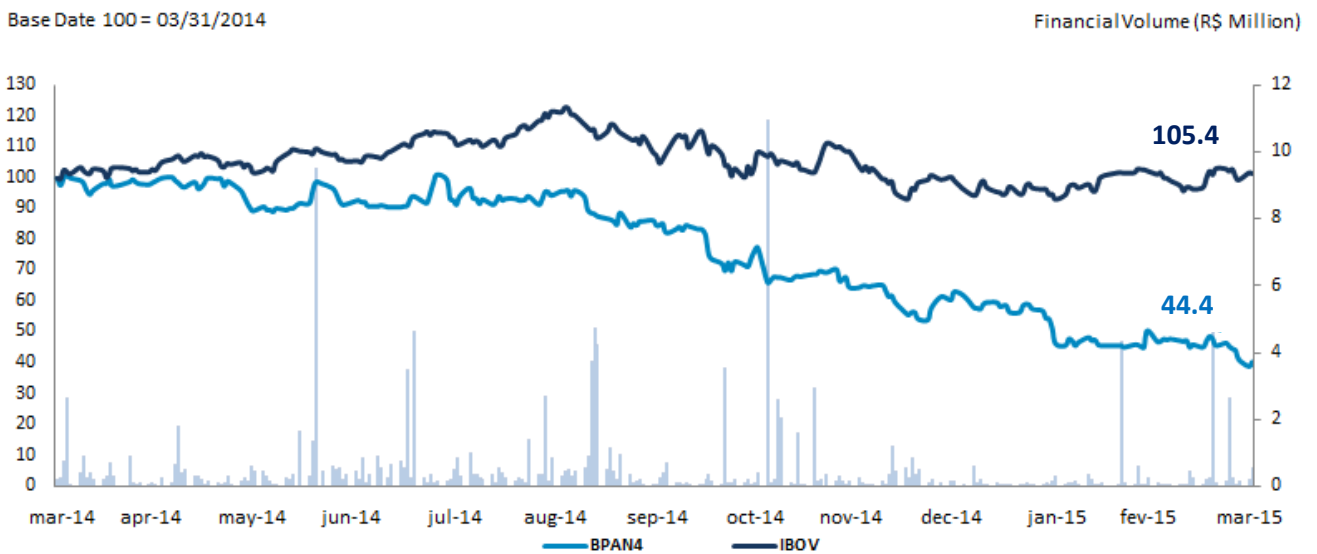
| | National Scale | Global Scale | Perspective |
|---|-------------------------|--------------|-------------|
|  | AA- | BB+ | Positive |
|  | AA- | BB | Stable |
|  | A1 | Ba2 | Stable |
|  | Low Medium Term Risk | - | - |

PERFORMANCE IN THE STOCK MARKET

Pan preferred shares (BPAN4) are listed at the Level 1 of BM&FBOVESPA Corporate Governance and compose the Special Corporate Governance Index (IGC) of Special TagAlong Stock Index (ITAG), Trade Corporate Governance Index (IGCT), SmallCap Index (SMLL) and *BM&FBovespa Financeiro* Index (IFNC).

Pan shares started the 1Q15 quoted at R\$ 2.30 and closed the 1st quarter 2015 quoted at R\$ 1.50. The maximum quote was R\$ 2.30 per share and the minimum quote was R\$ 1.45 per share in the quarter.

The financial volume traded in 1Q15 totaled R\$ 19.2 million, with a daily average of R\$ 314.3 thousand. On March 31, 2015, Pan’s market value was R\$ 1.4 billion.



Source: Reuters

APPENDIX

| BALANCE SHEET AS OF MARCH 31, 2015 AND DECEMBER 31, 2014 | | | | |
|---|-------------------|-------------------|---------------------|-------------------|
| <i>(In thousands of Brazilian reais - R\$)</i> | | | | |
| | BANK | | CONSOLIDATED | |
| ASSETS | Mar/15 | Dec/14 | Mar/15 | Dec/14 |
| CURRENT ASSETS | 10,077,457 | 9,668,009 | 10,846,979 | 10,623,486 |
| Cash | 65,791 | 36,507 | 77,798 | 47,298 |
| Interbank investments | 1,297,261 | 1,075,581 | 1,129,286 | 952,847 |
| Securities and derivatives financial instruments | 550,179 | 620,932 | 602,000 | 724,561 |
| Interbank accounts | 70,748 | 48,107 | 70,748 | 48,107 |
| Lending operations | 6,086,288 | 5,819,806 | 6,759,366 | 6,537,148 |
| Lending operations - private sector | 6,579,100 | 6,303,257 | 7,344,709 | 7,101,564 |
| (Allowance for loan losses) | (492,812) | (483,451) | (585,343) | (564,416) |
| Leasing operations | - | - | 19,293 | 27,112 |
| Leasing operations | - | - | 22,902 | 32,098 |
| (Allowance for doubtful lease receivables) | - | - | (3,609) | (4,986) |
| Other receivables | 1,875,461 | 1,919,193 | 1,991,716 | 2,088,597 |
| (Allowance for loan losses) | (54,394) | (43,848) | (54,433) | (43,910) |
| Other assets | 186,123 | 191,731 | 251,204 | 241,726 |
| LONG-TERM RECEIVABLES | 13,487,952 | 13,272,468 | 14,909,903 | 14,594,936 |
| Interbank investments | 107,656 | 72,979 | 3,721 | 4,690 |
| Securities and derivatives financial instruments | 1,654,682 | 1,664,832 | 1,928,060 | 1,897,226 |
| Lending operations | 8,337,467 | 8,183,741 | 9,047,884 | 8,838,215 |
| Lending operations - Private Sector | 8,616,915 | 8,461,800 | 9,358,627 | 9,146,332 |
| (Allowance for loan losses) | (279,448) | (278,059) | (310,743) | (308,117) |
| Leasing operations | - | - | 5,391 | 7,810 |
| Leasing operations | - | - | 6,399 | 9,244 |
| (Allowance for doubtful lease receivables) | - | - | (1,008) | (1,434) |
| Other receivables | 2,956,576 | 2,889,607 | 3,493,156 | 3,385,431 |
| (Allowance for loan losses) | (5,807) | (5,610) | (5,898) | (5,663) |
| Other assets | 437,378 | 466,919 | 437,589 | 467,227 |
| PERMANENT ASSETS | 1,074,151 | 1,086,298 | 276,419 | 281,994 |
| TOTAL ASSETS | 24,639,560 | 24,026,775 | 26,033,301 | 25,500,416 |
| LIABILITIES | Mar/15 | Dec/14 | Mar/15 | Dec/14 |
| CURRENT LIABILITIES | 13,814,983 | 14,186,285 | 14,566,579 | 15,098,386 |
| Deposits | 8,937,475 | 9,829,149 | 8,936,897 | 9,760,907 |
| Demand deposits | 177,213 | 107,184 | 176,698 | 107,002 |
| Interbank deposits | 7,586,913 | 8,614,458 | 7,586,851 | 8,546,399 |
| Time deposits | 1,173,349 | 1,107,507 | 1,173,348 | 1,107,506 |
| Money market funding | 235,293 | 158,988 | 235,172 | 147,672 |
| Funds from acceptance and issuance of securities | 3,119,219 | 2,766,722 | 3,660,766 | 3,495,960 |
| Interbank accounts | 69,211 | 107,300 | 69,211 | 107,300 |
| Interbranch accounts | 12,769 | 4,041 | 12,769 | 4,041 |
| Loan Liabilities | - | - | 82,695 | 68,317 |
| Derivatives Financial Instruments | 78,580 | 37,208 | 37,881 | 13,559 |
| Other liabilities | 1,362,437 | 1,282,877 | 1,531,188 | 1,500,630 |
| LONG-TERM LIABILITIES | 7,264,407 | 6,204,399 | 7,906,533 | 6,765,919 |
| Deposits | 1,778,612 | 1,815,409 | 1,676,399 | 1,713,617 |
| Interbank deposits | 112,777 | 85,122 | 112,777 | 85,122 |
| Time deposits | 1,665,835 | 1,730,287 | 1,563,623 | 1,628,495 |
| Money market funding | 1,612,092 | 1,028,368 | 1,602,694 | 1,028,368 |
| Funds from acceptance and issuance of securities | 1,391,913 | 1,204,068 | 1,922,425 | 1,672,091 |
| Loan Liabilities | - | - | 100,000 | 100,000 |
| Derivatives financial instruments | 45,720 | 1,639 | 45,720 | 1,639 |
| Other Liabilities | 2,436,069 | 2,154,915 | 2,559,294 | 2,250,204 |
| Deferred Income | 1,536 | 1,605 | 1,536 | 1,605 |
| MINORITY INTEREST | - | - | 20 | 20 |
| SHAREHOLDERS' EQUITY | 3,558,634 | 3,634,486 | 3,558,633 | 3,634,486 |
| Capital | 3,460,732 | 3,460,732 | 3,460,732 | 3,460,732 |
| Adjustment to fair value - Securities and derivatives | (26,606) | (24,272) | (26,607) | (24,272) |
| Retained earnings (losses) | (73,518) | 2,818 | (73,518) | 2,818 |
| TOTAL LIABILITIES | 24,639,560 | 24,026,775 | 26,033,300 | 25,500,416 |

| INCOME STATEMENT FOR THE QUARTERS ENDED ON MARCH 31, 2015 AND DECEMBER 31, 2014 | | | | |
|--|--------------------|------------------|---------------------|------------------|
| <i>(In thousands of Brazilian reais - R\$)</i> | | | | |
| | BANK | | CONSOLIDATED | |
| | 1Q15 | 4Q14 | 1Q15 | 4Q14 |
| REVENUE FROM FINANCIAL INTERMEDIATION | 1,695,577 | 1,382,677 | 1,789,330 | 1,463,929 |
| Lending operations | 1,403,775 | 1,422,275 | 1,472,830 | 1,485,855 |
| Commission paid to correspondent banks | (123,033) | (118,816) | (123,033) | (118,816) |
| Assignments of Loans | (115,759) | (131,228) | (115,759) | (131,228) |
| Securities transactions | 85,262 | 66,750 | 96,078 | 78,545 |
| Derivative transactions | 348,184 | 91,720 | 362,065 | 97,597 |
| Foreign exchange transactions | 97,148 | 51,976 | 97,148 | 51,976 |
| EXPENSES ON FINANCIAL INTERMEDIATION | (1,347,249) | (906,742) | (1,418,890) | (963,312) |
| Funding operations | (1,120,184) | (688,521) | (1,148,065) | (714,069) |
| Borrowings and onlendings | (112) | (64) | (19,023) | (12,659) |
| Allowance for loan losses | (226,953) | (218,157) | (251,802) | (236,584) |
| GROSS PROFIT FROM FINANCIAL INTERMEDIATION | 348,328 | 475,935 | 370,439 | 500,617 |
| OTHER OPERATING INCOME (EXPENSES) | (453,338) | (516,023) | (479,425) | (528,434) |
| Income from services rendered | 104,397 | 100,779 | 111,340 | 125,608 |
| Equity in subsidiaries | (7,767) | (5,330) | - | - |
| Income from insurance premiums | - | - | - | 32,030 |
| Retained claims expenses | - | - | - | (5,753) |
| Personnel expenses | (73,406) | (65,500) | (128,705) | (136,020) |
| Other administrative expenses | (323,987) | (312,894) | (288,226) | (279,680) |
| Tax expenses | (40,828) | (40,968) | (53,510) | (60,443) |
| Other operating income | 31,712 | 37,383 | 36,547 | 35,863 |
| Other operating expenses | (143,459) | (229,493) | (156,871) | (240,039) |
| INCOME FROM OPERATIONS | (105,010) | (40,088) | (108,986) | (27,817) |
| NON OPERATING EXPENSES | (11,595) | 369,873 | (12,067) | 360,942 |
| INCOME BEFORE TAXES | (116,605) | 329,785 | (121,053) | 333,125 |
| INCOME AND SOCIAL CONTRIBUTION TAXES | 43,087 | (103,321) | 47,535 | (106,663) |
| Provision for income tax | 5,365 | (2,732) | (59) | (2,096) |
| Provision for social contribution tax | 3,178 | (1,716) | 271 | (24,779) |
| Deferred tax credits | 34,544 | (98,873) | 47,323 | (79,788) |
| MINORITY INTEREST | - | - | 1 | 2 |
| NET INCOME | (73,518) | 226,464 | (73,518) | 226,464 |

This report may include statements that represent expectations on Banco Pan's future events or results and are based on projections and analysis that reflect the Bank's Management current views and/or expectations regarding its performance and the future of its business.

Risks and uncertainties related to the Bank's businesses, competitors and market, macroeconomic conditions and other factors described in "Risk Factors" in the Reference Form, filed at the Brazilian Securities and Exchange Commission, could cause results to differ materially from those plans, objectives, expectations, projections and intentions.