

(A free translation of the original in Portuguese)

**Banco Pan S.A. and
Subsidiaries**
**Independent Auditor's Report on
Financial Statements at
June 30, 2015**

(A free translation of the original in Portuguese)

Independent Auditor's Report

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

We have audited the accompanying financial statements of Banco Pan S.A. (the “Institution”) standing alone, which comprise the balance sheet as at June 30, 2015 and the statements of operations, changes in equity and cash flows for the six-month period then ended, as well as the accompanying consolidated financial statements of Banco Pan S.A. and its subsidiaries (“Consolidated”), which comprise the consolidated balance sheet as at June 30, 2015 and the consolidated statements of operations, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting practices and other explanatory information.

Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Banco Pan S.A. standing alone and of Banco Pan S.A. and its subsidiaries as at June 30, 2015, and the Institution's financial performance and cash flows, as well as the consolidated financial performance and cash flows for the six-month period then ended, in accordance with accounting practices adopted

in Brazil, applicable to institutions authorized to operate by BACEN.

Emphasis of matter

Deferred tax assets

As disclosed in Note 33 to the financial statements, the Institution has deferred tax assets, at June 30, 2015, totaling R\$ 2,9 billion in the Bank and its Subsidiaries, which were recognized based on the long-term financial projections for these deferred tax assets realization. The projected of the deferred tax assets realization was reviewed by management based on a study of current and future scenarios and was approved by the Board of Directors on August 3, 2015, whose main assumptions used for this projection were based on macroeconomic indicators, production indicators and cost of funding. The realization of the deferred tax assets within the estimated period is contingent on the achievement of the projected figures and implementation of the business plan as approved by the management bodies. Our opinion is not qualified in respect of this matter.

Other matters

Statement of value added

We have also audited the Institution's and the consolidated statements of value added for the six-month period ended June 30, 2015, prepared under management's responsibility, the presentation of which is required by Brazilian corporate legislation for listed companies. These statements were subjected to the same audit procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

São Paulo, August 3, 2015

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Edison Arisa Pereira
Contador CRC 1SP127241/O-0

ASSETS	Note	Bank		Consolidated		LIABILITIES AND EQUITY	Note	Bank		Consolidated	
		06/30/2015	12/31/2014	06/30/2015	12/31/2014			06/30/2015	12/31/2014	06/30/2015	12/31/2014
CURRENT ASSETS		<u>9.822.879</u>	<u>9.668.009</u>	<u>10.542.275</u>	<u>10.623.486</u>	LONG-TERM LIABILITIES		<u>14.476.378</u>	<u>14.186.285</u>	<u>15.311.630</u>	<u>15.098.386</u>
Cash and cash equivalents	5	59.118	36.507	66.942	47.298	Deposits	16.a	9.814.778	9.829.149	9.813.934	9.760.907
Short-term interbank deposits	6.a	1.479.877	1.075.581	1.282.426	952.847	Demand deposits		179.561	107.184	179.381	107.002
Applications on the open market		1.205.762	823.674	1.205.762	823.674	Interbank deposits		8.316.202	8.614.458	8.315.909	8.546.399
Interbank deposits		274.115	251.907	76.664	129.173	Term deposits		1.319.015	1.107.507	1.318.644	1.107.506
Marketable securities and derivative financial instruments	7	347.671	620.932	420.462	724.561	Funds obtained in the open market	16.b	266.201	158.988	266.153	147.672
Own portfolio	7.a	21.578	216.700	87.621	252.284	Own portfolio		135.134	158.988	135.086	147.672
Linked to repurchase commitments	7.a	135.155	159.007	141.903	180.113	Wallet free movement		131.067	-	131.067	-
Derivative financial instruments	7.c	167.897	86.232	167.897	92.710	Funds from acceptances and issuance of securities	16.c	2.949.259	2.766.722	3.504.502	3.495.960
Linked to the Central Bank		-	30.483	-	30.483	Features of real estate, mortgage, letters of credit and similar		2.033.185	1.993.112	2.588.428	2.722.350
Bound to the provision of guarantees		23.041	128.510	23.041	168.971	Obligations by securities abroad		916.074	773.610	916.074	773.610
Interbank		72.152	48.107	72.152	48.107	Interbank		87.512	107.299	87.512	107.299
Payments and receipts to liquidate		8.392	-	8.392	-	Correspondents in the country	17	87.512	107.299	87.512	107.299
Credits-Deposits at Central Bank		3.034	2.917	3.034	2.917	Interdependencias relations		8.797	4.041	8.797	4.041
Correspondents in the country		60.726	45.190	60.726	45.190	Resources on transit of third parties		8.797	4.041	8.797	4.041
Credit operations	8	6.298.146	5.819.806	6.922.442	6.537.148	Borrowings	18.a	-	-	102.005	68.317
Private sector credit operations		6.800.199	6.303.257	7.524.481	7.101.564	Loans in the country		-	-	101.930	1.703
(Allowance for doubtful accounts)	8.c	(502.053)	(483.451)	(602.039)	(564.416)	Loans abroad		-	-	75	66.614
Leasing operations	8	-	-	13.115	27.112	Derivative financial instruments	7.c	6.890	37.208	6.890	13.559
Leasing operations to receive		-	-	16.219	32.098	Derivative financial instruments		6.890	37.208	6.890	13.559
(Allowance for lease losses)	8.c	-	-	(3.104)	(4.986)	Other obligations		1.342.941	1.282.878	1.521.837	1.500.631
Other credits		1.356.255	1.875.345	1.457.425	2.044.687	Levy and collection of taxes and the like		16.791	8.802	17.087	8.893
Foreign Exchange portfolio	9.a	359.208	532.656	359.208	532.656	Foreign Exchange portfolio	9.a	-	664	-	664
Rents receivable		-	-	258	297	Statutory and social		-	1.540	11	2.303
Negotiation and intermediation of values		4.585	17.529	5.649	18.593	Tax and social security	21.a	35.635	48.599	133.656	125.369
Real estate receivables	10	-	-	40.142	86.309	Negotiation and intermediation of values		3.116	7.737	79.007	95.008
Securities and credits receivable	8 e 11	717.956	700.934	722.160	706.797	Subordinated debts	19	180.009	95.409	180.009	95.409
(Provision for other doubtful accounts)	8.c	(46.147)	(43.848)	(46.221)	(43.910)	Several	21.b	1.107.390	1.120.127	1.112.067	1.172.985
Miscellaneous	11	320.653	668.074	376.229	743.945						
Other assets		209.660	191.731	307.310	241.726						
Other assets	12.a	123.556	85.397	225.600	141.722						
(Provision for devaluation)	12.a	(36.597)	(31.820)	(42.844)	(39.999)						
Prepaid expenses	12.b	122.701	138.154	124.554	140.003						



BANCO PAN S.A. AND SUBSIDIARIES

BALANCE SHEETS AT JUNE 30, 2015 AND DECEMBER 31, 2014

(In thousands of reais)

ASSETS	Note	Bank		Consolidated		LIABILITIES AND EQUITY	Note	Bank		Consolidated	
		06/30/2015	12/31/2014	06/30/2015	12/31/2014			06/30/2015	12/31/2014	06/30/2015	12/31/2014
LONG-TERM RECEIVABLES		13.754.592	13.272.468	15.260.439	14.594.936	LONG-TERM LIABILITIES		6.577.655	6.204.399	7.199.385	6.765.919
Interfinanceira application of liquidity	6.a	62.966	72.979	667	4.690	Deposits	16.a	1.986.553	1.815.409	1.884.232	1.713.617
Interbank deposits		62.966	72.979	667	4.690	Interbank deposits		110.173	85.122	110.173	85.122
Marketable securities and derivative financial instruments	7	1.375.514	1.664.832	1.678.926	1.897.226	Term deposits		1.876.380	1.730.287	1.774.059	1.628.495
Own portfolio	7.a	108.883	492.643	331.199	714.325	Funds obtained in the open market	16.b	994.294	1.028.368	985.645	1.028.368
Linked to repurchase commitments	7.a	583.867	889.972	633.556	900.684	Own portfolio		568.219	870.359	559.570	870.359
Derivative financial instruments	7.c	510.400	255.521	507.880	255.521	Third-party portfolio		426.075	158.009	426.075	158.009
Linked to the provision of guarantees		172.364	26.696	206.291	26.696	Funds from acceptances and issuance of securities	16.c	1.129.752	1.204.068	1.708.909	1.672.091
Credit operations	8	8.452.615	8.183.741	9.207.005	8.838.215	Features of real estate, mortgage, letters of credit and similar		1.129.752	1.204.068	1.708.909	1.672.091
Private sector credit operations		8.725.082	8.461.800	9.508.928	9.146.332	Borrowings	18.a	-	-	62.052	100.000
(Allowance for doubtful accounts)	8.c	(272.467)	(278.059)	(301.923)	(308.117)	Loans in the country		-	-	-	100.000
Leasing operations	8	-	-	3.505	7.810	Loans abroad		-	-	62.052	-
Leasing operations to receive		-	-	4.334	9.244	Derivative financial instruments	7.c	107.018	1.639	107.018	1.639
(Allowance for lease losses)	8.c	-	-	(829)	(1.434)	Derivative financial instruments		107.018	1.639	107.018	1.639
Other credits		3.440.727	2.883.997	3.946.457	3.379.768	Other obligations		2.360.038	2.154.915	2.451.529	2.250.204
Foreign Exchange portfolio	9.a	-	12.461	-	12.461	Tax and social security	21.a	-	-	20.755	55.383
Specific claims		-	-	866	724	Negotiation and intermediation of values		-	-	715	1.606
Real estate receivables	10	-	-	49.873	69.971	Subordinated debts	19	1.695.521	1.460.874	1.695.521	1.460.874
Securities and credits receivable	8 e 11	42.426	29.358	57.732	37.901	Several	21.b	664.517	694.041	734.538	732.341
(Provision for other doubtful accounts)	8.c	(32.101)	(5.610)	(32.204)	(5.663)						
Miscellaneous	11	3.430.402	2.847.788	3.870.190	3.264.374	RESULTS OF FUTURE PERIODS		1.808	1.605	1.808	1.605
Other assets		422.770	466.919	423.879	467.227	Results of future periods		1.808	1.605	1.808	1.605
Prepaid expenses	12.b	422.770	466.919	423.879	467.227	PARTICIPATION OF MINORITY SHAREHOLDERS		-	-	19	20
						Participation of minority shareholders		-	-	19	20
PERMANENT		1.039.276	1.086.298	271.034	281.994						
Investments		972.152	1.018.965	3.472	796	SHAREHOLDERS' EQUITY		3.560.906	3.634.486	3.560.906	3.634.486
Participations in subsidiaries	13.a	968.681	1.018.170	-	-	Social capital:	23	3.460.732	3.460.732	3.460.732	3.460.732
Other investments	13.b	3.471	795	3.472	796	Of domiciled in the country		3.132.036	3.211.194	3.132.036	3.211.194
Asset use	14	31.787	32.671	53.639	55.369	Of domiciled abroad		328.696	249.538	328.696	249.538
Other fixed assets in use		50.106	47.282	80.519	76.488	Capital reserve		195.208	195.208	195.208	195.208
(Accumulated Depreciation)		(18.319)	(14.611)	(26.880)	(21.119)	Profit reserve		2.819	2.819	2.819	2.819
Intangible assets	15.b	35.337	34.662	213.923	225.829	Equity valuation adjustments		(27.934)	(24.273)	(27.934)	(24.273)
Intangible assets		72.974	70.870	325.240	323.136	Accumulated losses		(69.919)	-	(69.919)	-
(Accumulated depreciation)		(37.637)	(36.208)	(111.317)	(97.307)						
TOTAL ASSETS		24.616.747	24.026.775	26.073.748	25.500.416	TOTAL LIABILITIES		24.616.747	24.026.775	26.073.748	25.500.416

The accompanying notes are an integral part of these financial statements



BANCO PAN S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME
SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
(In thousands of reais, except share data)

	Note	Bank		Consolidated	
		06/30/2015	12/31/2014	06/30/2015	12/31/2014
INCOME FROM FINANCIAL INTERMEDIATION					
Lace credit operations	8.g	3.033.185	1.982.398	3.179.076	2.133.257
Result of leasing operations	8.g	-	-	6.090	19.701
Results from operations with securities	7.d	161.722	81.430	183.418	107.112
Result with derivative financial instruments	7.c	254.296	(92.024)	260.467	(111.867)
Result of Exchange operation	9.b	81.740	1.459	81.740	1.459
COSTS OF FINANCIAL INTERMEDIATION					
Market capture operations	16.d	(1.624.089)	(758.835)	(1.682.611)	(801.864)
Borrowings and onlendings operations	18.b	-	(15.594)	(18.669)	(12.036)
Allowance for doubtful accounts	8.c	(471.188)	(445.999)	(525.290)	(487.553)
FINANCIAL INTERMEDIATION GROSS RESULT					
		1.435.666	752.835	1.484.221	848.209
OTHER OPERATING INCOME (EXPENSES)					
Income from rendering of services	24	214.015	165.116	226.470	175.929
Equity in the results of investees	13.a	(39.968)	9.935	-	-
Prize insurance gains revenue	22.a	-	-	-	92.447
Claims costs retained	22.b	-	-	-	(28.427)
Personal expenses	25	(146.848)	(101.517)	(261.512)	(209.987)
Other administrative expenditure	26	(904.807)	(629.482)	(832.074)	(609.780)
Tax expenses	27	(92.877)	(58.787)	(120.288)	(92.217)
Other operating revenues	28.a	62.140	40.709	79.935	52.265
Other operating expenses	28.b	(591.469)	(412.680)	(660.119)	(448.844)
OPERATING RESULT					
		(64.148)	(233.871)	(83.367)	(220.405)
NON-OPERATING INCOME					
	29	(24.284)	(28.241)	(26.366)	(28.305)
RESULT BEFORE TAXATION ON THE RESULT AND EQUITY					
		(88.432)	(262.112)	(109.733)	(248.710)
PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION					
Provision for income tax	33.a	18.513	109.932	39.813	99.721
Provision for social contribution		7.710	(11.160)	19.246	(12.632)
Provision for social contribution		4.557	(7.202)	6.788	(17.012)
Deferred tax asset		6.246	128.294	13.779	129.365
PARTICIPATION OF MINORITY SHAREHOLDERS					
		-	-	1	2
NET LOSS					
		(69.919)	(152.180)	(69.919)	(148.987)
LOSS PER OUTSTANDING SHARE – IN REAIS					
		(0,08)	(0,28)		

(Comprising 929,040,163 shares at June 30, 2015 and 535,076,075 at Junr 30, 2014)



BANCO PAN S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED
SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
(In thousands of reais)

	Bank		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
REVENUE	2.526.074	1.148.104	2.600.838	1.322.613
Financial intermediation	3.530.943	1.973.263	3.710.791	2.149.662
Provision of services	214.015	165.116	226.470	175.929
Allowance for doubtful accounts	(471.188)	(445.999)	(525.290)	(487.553)
Other operating income (expenses)	(747.696)	(544.276)	(811.133)	(515.425)
FINANCIAL INTERMEDIATION COSTS	(1.624.089)	(774.429)	(1.701.280)	(813.900)
INPUTS ACQUIRED FROM THIRD PARTIES	(671.197)	(452.732)	(571.641)	(402.807)
Materials, energy and other	(881)	(560)	(1.794)	(1.160)
Third-party services	(73.707)	(65.590)	(92.860)	(90.447)
Commissions paid to retailers and promoters	(596.609)	(386.582)	(476.987)	(311.200)
GROSS ADDED VALUE	230.788	(79.057)	327.917	105.906
DEPRECIATION AND AMORTIZATION	(21.192)	(16.083)	(30.145)	(27.224)
NET ADDED VALUE PRODUCED BY THE	209.596	(95.140)	297.772	78.682
VALUE ADDED RECEIVED IN TRANSFERENCE	(39.968)	9.935	-	-
Equity	(39.968)	9.935	-	-
TOTAL ADDED VALUE TO BE DISTRIBUTED	169.628	(85.205)	297.772	78.682
ADDED VALUE DISTRIBUTION	169.628	(85.205)	297.772	78.682
Staff	128.216	89.329	225.166	180.795
Direct remuneration	105.187	74.100	178.043	139.317
Benefits	15.587	9.394	34.059	28.652
FGTS	5.948	4.175	11.373	9.909
Other	1.494	1.660	1.691	2.917
Taxes, fees and contributions	93.520	(38.637)	117.551	22.435
Federal	83.255	(46.691)	96.533	4.696
State	1	101	203	271
Hall	10.264	7.953	20.815	17.468
Remuneration of third party capital	17.811	16.283	24.973	24.437
Rentals	17.811	16.283	24.973	24.437
Equity compensation	(69.919)	(152.180)	(69.918)	(148.985)
Net Loss	(69.919)	(152.180)	(69.919)	(148.987)
Participation of non-us drivers retained earnings	-	-	1	2

The accompanying notes are an integral part of these financial statements.



BANCO PAN S.A.

STATEMENT OF CHANGES IN PARENT COMPANY EQUITY
 SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
 (In thousands of reais)

	Capital	Capital increase	Capital reserve	Profits reserve		Carrying value adjustment	Accumulated deficit	Total
				Legal	For equity integrity			
AT DECEMBER 31, 2013	2.867.020	-	-	-	-	(16.286)	(542.681)	2.308.053
Capital increase (Note 23.a)	-	1.500.000	-	-	-	-	-	1.500.000
Capital to Pay (Note 23.a)	-	(1.500.000)	-	-	-	-	-	(1.500.000)
Equity valuation adjustment	-	-	-	-	-	1.007	-	1.007
Loss	-	-	-	-	-	-	(152.180)	(152.180)
AT JUNE 30, 2014	2.867.020	-	-	-	-	(15.279)	(694.859)	2.156.882
AT DECEMBER 31, 2014	3.460.732	-	195.208	232	2.587	(24.273)	-	3.634.486
Equity valuation adjustment	-	-	-	-	-	(3.661)	-	(3.661)
Loss	-	-	-	-	-	-	(69.919)	(69.919)
AT JUNE 30, 2015	3.460.732	-	195.208	232	2.587	(27.934)	(69.919)	3.560.906

The accompanying notes are an integral part of these financial statements.



BANCO PAN S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
(In thousands of reais)

	Bank		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
CASH FLOW FROM OPERATING ACTIVITIES				
(LOSS) NET INCOME	(69.919)	(152.180)	(69.919)	(148.987)
Settings that do not affect cash flow:				
Depreciation and amortization	15.370	10.261	17.619	14.698
Amortization of goodwill	5.822	5.822	12.526	12.526
Constitution of provision for contingencies	99.203	62.770	109.289	95.447
(Reversal of) Provision for loss on repossessed assets	(2.015)	(14.743)	(5.308)	(15.566)
Loss on sale of goods for own use	26.350	43.025	30.344	44.146
Impairment Loss	-	-	1.419	-
Equity method	39.968	(9.935)	-	-
Allowance for doubtful accounts	471.188	445.999	525.290	487.553
Income tax and social contribution-deferred	(6.246)	(128.294)	(13.779)	(129.365)
Insurance technical reserves and pension plan	-	-	-	14.824
Adjusted net income	579.721	262.725	607.481	375.276
Changes in assets and liabilities:				
Decrease in interbank deposits	284.214	236.364	352.941	199.352
Decrease (increase) in marketable securities	899.158	37.963	846.281	(90.925)
(Increase) Decrease in derivative financial instruments	(261.483)	115.278	(228.836)	126.495
(Increase) in interbank	(43.833)	(24.113)	(43.833)	(15.151)
(Increase) in credit operations	(1.218.402)	(1.846.378)	(1.279.374)	(1.636.471)
The reduction in leasing operations	-	-	18.302	47.663
(Increase) Decrease in other receivables	(31.394)	(90.601)	34.352	(45.122)
(Increase) in other assets	(14.512)	(101.323)	(65.255)	(107.960)
Increase in deposits	156.773	1.879.402	223.642	2.045.968
Increase (decrease) in funds obtained in the open market	73.139	(402.814)	75.758	(397.215)
Increase in resources of issue of securities	495.106	200.367	432.245	75.065
Increase (decrease) in other liabilities	230.711	(51.642)	173.710	(291.452)
Increase in interdependencies	4.756	1.431	4.756	1.430
Increase (decrease) in result of future periods	203	(482)	203	(483)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1.154.157	216.177	1.152.373	286.470
CASH FLOWS FROM INVESTMENT ACTIVITIES:				
Disposal of fixed assets in use	-	17	-	17
Disposal of goods of own use	16.398	34.555	16.563	37.891
Acquisition of investments	(2.676)	(416)	(2.676)	(416)
Acquisition of fixed asset use	(3.009)	(1.305)	(4.358)	(4.957)
Applications in intangible assets	(12.152)	(11.109)	(12.151)	(11.826)
Dividends and interest on own capital provisionadosrecebidos	-	72.000	-	-
NET CASH (USED) FROM INVESTMENT ACTIVITIES	(1.439)	93.742	(2.622)	20.709
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Decrease) of financial	(348.412)	(389.717)	(348.412)	(389.717)
(Reduction) of obligations by securities abroad	(21.132)	(19.374)	(21.132)	(19.374)
(Reduction) in subordinated debts	(64.725)	(47.755)	(64.725)	(47.755)
(Reduction) Issuance of letters of credit of agribusiness	(17.341)	85.719	(17.341)	85.719
Change in minority interests	-	-	-	(4)
NET CASH (USED IN) FINANCING ACTIVITIES	(451.610)	(371.127)	(451.610)	(371.131)
INCREASE (DECREASE) IN NET CASH AND CASH EQUIVALENTS	701.108	(61.208)	698.141	(63.952)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE SEMESTER	296.507	913.803	307.298	924.760
CASH AND CASH EQUIVALENTS AT THE END OF THE SEMESTER (NOTE 5)	997.615	852.595	1.005.439	860.808
ADDITIONAL INFORMATION ON CASH FLOW				
Interest paid	(1.156.894)	(865.313)	(1.572.367)	(1.305.378)
Interest received	3.007.815	1.957.442	3.387.026	2.097.878
Transfer of assets not in own use	(21.715)	(25.729)	(21.966)	(25.729)
Gains / losses on unrealized securities available for sale	(5.545)	1.490	(5.545)	1.490

The accompanying notes are an integral part of these financial statements.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(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; payroll-linked lending; 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"), leasing of vehicles and other assets; insurance lines including installment credit, group personal accident, unemployment/loss of income, group life and mandatory bodily injury auto insurance ("DPVAT"), 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 a business strategy and for securing the necessary funding for its operations, the Bank has adopted the policy of assigning the receivables comprising its loan portfolio to other financial institutions. The assignment of loans is part of the Bank's operational strategy, enabling the immediate recognition of the related revenue and expenses (Note 3g), as well as decreasing risk assets and ensuring that capital is adequately maintained. These results are recorded in the Bank's individual financial statements under 'Income from financial intermediation', and, where applicable, the amount related to FIDC operations is eliminated and recognized over the period of the loan operations, for purposes of the consolidated financial statements, as described in Note 2.

We present below 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. - Caixapar	262,164,546	49.00	112,732,358	28.60	374,896,904	40.35
Board of Directors	5	-	105	-	110	-
Market	3	-	179,246,242	45.50	179,246,245	19.30
Total	535,029,747	100.00	394,010,416	100.00	929,040,163	100.00

• Sale of equity interest of Pan Seguros and Pan Corretora

The Bank and its controllers, in accordance to CVM Instruction 358/02, informed its shareholders and the market that the Bank's Board of Directors approved at a meeting on August 21, 2014, by an affirmative vote of all independent directors, the sale of the equity interest held by the Bank in societies Pan Seguros SA ("Pan Seguros") and Panamericano Administração e Corretagem de Seguros e de Previdência Privada Ltda. ("Pan Corretora").

In this context, were celebrated, purchase and sale agreements through which the Bank sold (i) the entire equity interest held by him on Pan Seguros to the BTG Pactual Seguradora SA ("BTGP Seguradora"), a subsidiary of BTG Pactual, and (ii) the entire equity interest held by him on Pan Corretora to the BTG Pactual and Caixapar, the combined total amount of R\$ 580,000, which was corrected by the positive variation of 100% of the DI rate until the end of closure of operations.

On December 29, 2014, after all necessary regulatory approvals, including approval by the Central Bank of Brazil, the operations provided for in purchase and sales contracts resulting in a gain of R\$ 386,530 before taxes were completed, and possible future disbursements with certain contingencies related to the Bank's management period will be indemnified for this.

This sale will allow the Bank to maintain the focus on credit origination, staying with additional revenue resulting from the growing business of insurance, since the Bank agreed also in the context of operations, operating a distribution agreement with Pan Seguros valid for 20 years from the closing of operations, through which the Pan Seguros will use the Bank counter in marketing their insurance products.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

2) PRESENTATION OF FINANCIAL STATEMENTS

The individual (“Parent company”) financial statements of Banco PAN are presented together with the financial statements of the Bank and its subsidiaries and special-purpose entities, which are the receivables investment funds known as FIDCs, (“Consolidated”), and have been prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by Central Bank of Brazil (BACEN), in compliance with the provisions of Law 4595/64 (National Financial System Law) and Law 6404/76 (Brazilian Corporation Law) and the changes introduced by Law 11638/07 and 11941/09, for recording the transactions, as well as the standards and instructions established by BACEN, Resolutions of the National Monetary Council (CMN), and the CVM, where applicable.

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

1. CPC 01 (R1) - Impairment of Assets – ratified by CMN Resolution 3566/08;
2. CPC 03 (R2) – Statement of Cash Flows – ratified by CMN Resolution 3604/08;
3. CPC 05 (R1) – Related-party Disclosures – ratified by CMN Resolution 3750/09;
4. CPC 25 – Provisions, Contingent Liabilities and Contingent Assets – ratified by CMN Resolution 3823/09;
5. CPC 24 – Events after the Reporting Period – ratified by CMN Resolution 3973/11;
6. CPC 10 (R1) – Share-based Payment – ratified by CMN Resolution 3989/11;
7. CPC 23 – Accounting Policies, Changes in Estimates and Correction of Errors – ratified by CMN Resolution 4007/11;
8. CPC 00 (R1) – Conceptual Framework for Financial Reporting - ratified by CMN Resolution 4144/12; and
9. CPC33 (R1) – Employee Benefits – Financial – approved by CMN Resolution 4424/15.

The parent company and consolidated financial statements, for the period ended June 30, 2015, were authorized for issue by the Board of Directors and Executive Board on August 3, 2015.

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

	Total equity interest %	
	06/30/2015	12/31/2014
Direct subsidiaries:		
Panamericano Arrendamento Mercantil S.A.	99.97	99.97
Panserv Prestadora de Serviços Ltda.	99.99	99.99
Pan Holding S.A. (1)	100.00	100.00
Panamericano Administradora de Consórcio Ltda.	99.99	99.99
Indirect subsidiaries:		
Brazilian Finance e Real Estate S.A.	100.00	100.00
BM Sua Casa Promotora de Vendas Ltda.	99.99	99.99
BMSR II Participações S.A.	99.99	99.99
Brazilian Securities Companhia de Securitização	99.99	99.99
Brazilian Mortgages Companhia Hipotecária	99.99	99.99

(1) From 06/26/2015, it has changed the corporate name of Ourinvest Real Estate Holding SA to Pan Holding SA.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

Consolidated financial statements

On January 21, 2014 were closed investments funds hitherto belonging to the BANCO PAN (Caixa CDC FIDC and Caixa Master CDC FIDC), this procedure has generated a positive result in the first half of 2014 of R\$3,193 as shown in the reconciliation below result:

	06/30/2014
	Equity
Banco PAN – Parent company	(152,180)
Effects of elimination of assignments to FIDCs:	
Unearned income from assignments	13,033
Recognition of cost of commissions on credits assigned	(7,711)
Tax effects	(2,129)
Banco PAN – Consolidated	(148,987)

More information about the FIDC are in the Financial Statements for the year 2014.

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. These are used by the Bank to manage its short-term commitments.

The parent company and consolidated financial statements 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 compound interest 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) Short-term 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 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 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. They 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 3082/02, and Letter-Circular 3026/02, whose criteria are described in the note.

Operations with derivative financial instruments are valued at market value, accounting is your appreciation or depreciation in the income accounts. For derivative financial instruments considered as hedge market risk, they are also recorded gains or losses in income, realized or unrealized, of financial assets and liabilities subject to hedge.

On 10.31.2013, entered into force on CMN Resolution No. 4,277/13, which sets minimum requirements and prudential adjustments to be observed in the pricing of financial instruments measured at fair value, effective from June 2015.

f) Loan operations

The loan and leasing operations, advances on foreign exchange contracts and other credits with credit granting 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 periodic portfolio analysis and the classification of risk into nine levels, where AA is minimum risk and H is maximum risk. Additionally, the length of delay defined in this Resolution and the double count for transactions with an unexpired term exceeding 36 months are also taken into consideration when rating customer risk.

Income from loan operations past due for more than 60 days, regardless of the risk level, is only recognized when realized. H-rated operations 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 H-rated, and any gains resulting from the renegotiation are recognized as income only when effectively received. When there is significant amortization of the operation or when new relevant facts justify a change in risk level, the operation may be reclassified to a lower risk category.

The allowance for loan 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 3533 transactions for the sale or transfer of financial assets are classified and recorded as follows:

- The following procedures should be used for recording the sale or transfer of financial assets, classified in the category of transactions with a substantial transfer of risks and rewards:

In transactions involving the sale 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 results 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.

- The following procedures should be followed for recording the sale or transfer of financial assets, classified in the category of transactions with substantial retention of risks and rewards:

In transactions for the sale 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 results 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 results for the period over the remaining term of the transaction.

h) Repossessed assets

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

i) Prepaid expenses

These are expenses related to funds used in advance payments, whose related benefits or services will occur or be provided in future periods. These expenses are appropriated to the result for the period in which the future benefits are generated. This group mainly consists of commissions paid to storeowners and sales promoters, expenses for securities issued abroad and selling expenses for insurance policies.

The Bank PAN, adopted from 02.01.2015, the accounting registration criteria of the salaries of correspondent banks, provided under the BACEN Circular No. 3,693 / 13 with subsequent amendments introduced by the BACEN Circular No. 3,738 / 14, thus opting for the activation of 2/3 of the value of salaries. In the six months ended on June 30, 2015, the amount released for expenditure relating to 1/3 of the commissions at the time of origination was R\$ 67,437.

j) Other current assets and long-term receivables

These 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) Property and equipment

Property and equipment correspond to the rights over physical assets acquired 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. They mainly consist of properties, facilities and leasehold improvements, furniture and equipment in use.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

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 adjusted for impairment, where applicable, and mainly comprise goodwill paid for future profitability of investment 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 upon utilization and/or reversal of the corresponding provisions in respect of which they were recorded. Deferred tax assets on tax losses are realized as the 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 at a rate of 15% for financial and insurance companies and at 9% for other companies.

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

o) Impairment of non-financial assets

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

- i. Potential sales amount, 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 that are largely independent of the cash inflows from other assets or groups of assets.

p) Deposits and money market funding

These 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 insurance segment accounting practices

As mentioned in Note 1, on December 29, 2014 the Bank PAN sold its equity interest formerly held in PAN and PAN Insurance Brokerage, because it does not present this Financial Statement accounting policies of the insurance segment, more details on practical accounting this segment are disclosed in the Consolidated Financial Statements of December 31, 2014.

r) Specific accounting policies of the consortium segment:

The management fee is recognized when received from the consortium groups. Sales commissions 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 shares in the investment funds in which the active groups hold investments, and are presented in the "Other liabilities - Sundry" group in the consolidated financial statements.

s) Current and long-term liabilities

Known or estimated liabilities, charges and risks are presented at the monetarily adjusted amount 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, and liabilities subject to indexation are monetarily adjusted up to the balance sheet date.

t) Contingent assets and liabilities and legal obligations (tax 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 3823/09, which approved CPC Accounting Standard 25 – Provisions, Contingent Assets and Contingent Liabilities, the main criteria of which are as follows:

- Contingent assets - these are not recorded in the financial statements, except when there is evidence that their realization is guaranteed and there are favorable sentences against which no further appeals may be lodged.
- Contingent liabilities are recorded in the financial statements 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 material, while those classified as a remote loss require neither provision nor disclosure; and
- Legal obligations (tax and social security) – these are 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 financial statements.

u) Residual benefit of securitized transactions

This corresponds to the residual balance, net of any guarantees provided, of the separate equity of the securitized transactions which, in accordance with Law 9514/97, will be restored to the common equity of the securitization company when the lien is released and the related mortgage-backed securities are settled.

v) Earnings per share

Net income (loss) per share is calculated based on the number of outstanding shares at the balance sheet date.

w) Use of accounting estimates

The preparation of financial statements requires management to make estimates and assumptions, to the best of its judgment, 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) technical insurance provisions; (v) provisions for loss on repossessed assets and allowances for loan and lease losses; and (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 may differ from these estimates.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

x) Events after the reporting period

These are events which have taken place between the reporting date of the financial statements and the date of their approval by the management bodies. They are divided between the following:

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



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

4) BALANCE SHEET AND STATEMENT OF INCOME BY BUSINESS SEGMENT

a) Consolidated Balance Sheet:

Assets	Financial (1)	Consortium Group (2)	Securitization (3)	Sales promoter (4)	Other (6)	Eliminations (7)	Total
Current assets	10,378,470	2,330	115,046	73,613	34,948	(62,132)	10,542,275
Long-term receivables	14,812,530	36,836	177,415	175,296	146,882	(88,520)	15,260,439
Permanent assets	979,186	119	488	21,834	596,780	(1,327,373)	271,034
Total at 06/30/15	26,170,186	39,285	292,949	270,743	778,610	(1,478,025)	26,073,748
Total at 12/31/14	25,718,335	41,455	339,125	267,048	816,722	(1,682,269)	25,500,416

Liabilities and equity	Financial (1)	Consortium Group (2)	Securitization (3)	Sales promoter (4)	Other (6)	Eliminations (7)	Total
Current liabilities	15,280,426	9,248	27,730	30,426	2,029	(38,229)	15,311,630
Long-term liabilities	7,198,280	13,700	73,574	23,771	2,482	(112,422)	7,199,385
Deferred income	1,808	-	-	-	-	-	1,808
Non-controlling interest	19	-	-	-	-	-	19
Equity	3,689,653	16,337	191,645	216,546	774,099	(1,327,74)	3,560,906
Total at 06/30/15	26,170,186	39,285	292,949	270,743	729,610	(1,478,025)	26,073,748
Total at 12/31/14	25,718,335	41,455	339,125	267,048	816,722	(1,682,269)	25,500,416



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

b) Consolidated statement of income:

Statement of income	Financial (1)	Consortium Group (2)	Securitization (3)	Sales promoter (4)	Insurance(5)	Other (6)	Eliminations (7)	Total
- Income from financial intermediation	3,639,653	1,013	121,321	23,662	-	8,042	(82,900)	3,710,791
- Expenses for financial intermediation	(2,165,111)	-	(106,841)	-	-	-	45,382	(2,226,570)
Gross profit from financial intermediation	1,474,542	1,013	14,480	23,662	-	8,042	(37,518)	1,484,221
- Other operating income (expense)	(1,534,363)	(2,137)	(51,868)	(10,067)	-	(6,672)	37,518	(1,567,588)
- Equity in the results of investees	(36,302)	-	-	-	-	(36,995)	73,297	-
- Non-operating income/expense	(25,374)	-	(682)	(310)	-	-	-	(26,366)
- Provision for IRPJ and CSLL	31,337	376	12,977	(4,430)	-	(447)	-	39,813
- Non-controlling interest	1	-	-	-	-	-	-	1
Net income(loss) at 06/30/15	(90,159)	(748)	(25,093)	8,854	-	(36,072)	73,297	(69,919)
Net income(loss) at 12/31/14	(172,019)	29,243	(304)	20,856	800	(9,487)	(18,076)	(148,987)

(1) Banco PAN S.A.; Panamericano Arrendamento Mercantil S.A.; Brazilian Mortgages Companhia Hipotecária and BMSR II Participações;

(2) Panamericano Administradora de Consórcio Ltda;

(3) Brazilian Securities Companhia de Securitização;

(4) Panserv Prestadora de Serviços Ltda. and BM Sua Casa Promotora de Vendas Ltda;

(5) PAN Seguros S.A. and Panamericano Administração e Corretagem de Seguros e de Previdência Privada Ltda

(6) Pan Holding S.A. and Brazilian Finance Real Estate S.A.; and

(7) Eliminations between companies in different segments.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

5) CASH AND CASH EQUIVALENTS

	Bank		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Funds in local currency	43,407	30,275	51,231	41,065
Funds in foreign currency	15,711	6,232	15,711	6,233
Total available funds (cash)	59,118	36,507	66,942	47,298
Short-term interbank investments (1)	938,497	260,000	938,497	260,000
Total cash and cash equivalents	997,615	296,507	1,005,439	307,298

(1) These include 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	06/30/2015	12/31/2014
Money market investments:							
Own portfolio position							
• Financial Treasury Bills (LFT)	-	-	-	-	-	-	260,000
• National Treasury Bills (LTN)	636,998	-	-	-	-	636,998	-
• National Treasury Notes (NTN)	1,499	2,577	-	-	-	4,076	398,726
Subtotal	638,497	2,577	-	-	-	641,074	658,726
Third-party portfolio position							
• National Treasury Bills (LTN)	299,999	-	-	-	-	299,999	-
• National Treasury Notes (NTN)	-	132,597	-	-	-	132,597	164,948
Subtotal	299,999	132,597	-	-	-	432,596	164,948
Short Position							
• National Treasury Notes (NTN)	-	132,092	-	-	-	132,092	-
Subtotal	-	132,092	-	-	-	132,092	-
Interbank deposits	4,108	95,494	24,871	149,642	62,966	337,081	324,886
Total in 06/30/2015	942,604	362,760	24,871	149,642	62,966	1,542,843	-
Total in 12/31/2014	455,936	439,469	7,331	172,845	72,979	-	1,148,560

Consolidated	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	06/30/2015	12/31/2014
Money market investments:							
Own portfolio position							
• Financial Treasury Bills (LFT)	-	-	-	-	-	-	260,000
• National Treasury Bills (LTN)	636,998	-	-	-	-	636,998	-
• National Treasury Notes (NTN)	1,499	2,577	-	-	-	4,076	398,726
Subtotal	638,497	2,577	-	-	-	641,074	658,726
Third-party portfolio position							
• National Treasury Bills (LTN)	299,999	-	-	-	-	299,999	-
• National Treasury Notes (NTN)	-	132,597	-	-	-	132,597	164,948
Subtotal	299,999	132,597	-	-	-	432,596	164,948
Short Position							
• National Treasury Notes (NTN)	-	132,092	-	-	-	132,092	-
Subtotal	-	132,092	-	-	-	132,092	-
Interbank deposits	640	27,882	24,165	23,977	667	77,331	133,863
Total in 06/30/2015	939,136	295,148	24,165	23,977	667	1,283,093	-
Total in 12/31/2014	455,936	439,469	7,331	50,111	4,690	-	957,537

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

b) Income from interbank investments:

This is classified in the statement of income as income from marketable securities:

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Income from investments in purchase and sale agreements:				
- Own portfolio position	10,809	5,498	10,809	5,498
- Third-party portfolio position	28,916	13,228	28,916	13,228
- Short position	1,600	-	1,600	-
Subtotal	41,325	18,726	41,325	18,726
Income from interbank deposits	17,345	10,114	5,289	7,632
Total (Note 7d)	58,670	28,840	46,614	26,358

7) MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

a) Portfolio analysis

The portfolio of marketable securities and derivative financial instruments at June 30, 2015 and December 31, 2014 by type of paper, is comprised as follows:

	Bank		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Own portfolio:				
Bank Deposit Certificate (CDB)	-	-	1,797	1,568
Mortgage-backed securities (CRI)	-	-	278,577	249,326
Financial Treasury Bills (LFT)	72,944	361,243	80,887	367,456
National Treasury Notes -NTN	56,632	347,243	56,632	347,243
Shares in investment funds	576	555	618	714
Social development fund (FDS)	309	302	309	302
Subtotal	130,461	709,343	418,820	966,609
Subject to repurchase agreements:				
Financial Treasury Bills - LFT	389,280	533,087	428,200	533,087
National Treasury Notes -NTN	329,742	515,892	329,742	515,892
Bank Deposit Certificate - CDB	-	-	17,517	18,710
Shares of fixed income funds	-	-	-	13,108
Subtotal	719,022	1,048,979	775,459	1,080,797
Linked to Central Bank				
Financial Treasury Bills - LFT	-	30,483	-	30,483
Subtotal	-	30,483	-	30,483
Subject to guarantees:				
Treasury Financial Bills - LFT	195,405	150,672	229,332	191,133
National Treasury Notes - NTN	-	4,534	-	4,534
Subtotal	195,405	155,206	229,332	195,667
Total marketable securities	1,044,888	1,944,011	1,423,611	2,273,556
Derivative financial instruments				
Difference receivable on swaps	573,799	341,753	571,279	348,231
Forward Sold Receivables	104,498	-	104,498	-
Total derivative financial instruments	678,297	341,753	675,777	348,231
Total	1,723,185	2,285,764	2,099,388	2,621,787



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

b) Analysis by category and term (individual and consolidated)

Bank	06/30/2015							
	No stated maturit	Up to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Carrying amount (2) (3)	Adjusted cost	Mark-to-market adjustment
Trading securities:								
- National Treasury Notes - NTN	-	-	-	-	26,608	26,608	26,906	(298)
Total trading securities	-	-	-	-	26,608	26,608	26,906	(298)
Aavailable-for-sale securities:								
- Financial Treasury Bills - LFT	-	178,889	-	61,981	416,759	657,629	657,633	(4)
Total available-for-sale securities	-	178,889	-	61,981	416,759	657,629	657,633	(4)
Securities held to maturity (1)								
- National Treasury Notes - NTN	-	-	150,922	200,828	8,016	359,766	359,766	-
- Shares in investment funds	576	-	-	-	-	576	576	-
- Social Development Fund (FDS)	309	-	-	-	-	309	309	-
Total securities held to maturity	885	-	150,922	200,828	8,016	360,651	360,651	-
Total	885	178,889	150,922	262,809	451,383	1,044,888	1,045,190	(302)

Bank	12/31/2014							
	No stated maturit	Up to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Carrying amount (2) (3)	Adjusted cost	Mark-to-market adjustment
Trading securities:								
- Financial Treasury Bills - LFT	-	-	-	-	475,980	475,980	480,354	(4,374)
Total trading securities	-	-	-	-	475,980	475,980	480,354	(4,374)
Aavailable-for-sale securities:								
- Financial Treasury Bills - LFT	-	406,673	-	-	668,811	1,075,484	1,075,545	(61)
Total available-for-sale securities	-	406,673	-	-	668,811	1,075,484	1,075,545	(61)
Securities held to maturity (1)								
- National Treasury Notes - NTN	-	127,170	117,291	139,671	7,558	391,690	391,690	-
- Shares in investment funds	555	-	-	-	-	555	555	-
- Social Development Fund (FDS)	302	-	-	-	-	302	302	-
Total securities held to maturity	857	127,170	117,291	139,671	7,558	392,547	392,547	-
Total	857	533,843	117,291	139,671	1,152,349	1,944,011	1,948,446	(4,435)

Consolidated	06/30/2015							
	No stated maturit	Up to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Carrying amount (2) (3)	Adjusted cost	Mark-to-market adjustment
Trading securities:								
- National Treasury Notes - NTN	-	-	-	-	26,608	26,608	26,906	(298)
- Shares in investment funds	-	-	42	-	-	42	42	-
Total trading securities	-	-	42	-	26,608	26,650	26,948	(298)
Available-for-sale securities:								
- LFT	-	186,001	-	61,981	490,437	738,419	738,423	(4)
- Bank Deposite Certificate - CDB	-	7,566	11,749	-	-	19,315	7,942	11,373
- Mortgage-backed securities (CRI)	-	58,113	53,478	67,693	99,292	278,576	320,901	(42,325)
Total available-for-sale securities	-	251,680	65,227	129,674	589,729	1,036,310	1,067,266	(30,956)
Securities held to maturity(1):								
- National Treasury Notes - NTN	-	-	150,922	200,828	8,016	359,766	359,766	-
- Shares in investment funds	576	-	-	-	-	576	576	-
- Social Development Fund (FDS)	309	-	-	-	-	309	309	-
Total securities held to maturity	885	-	150,922	200,828	8,016	360,651	360,651	-
Grand Total	885	251,680	216,191	330,502	624,353	1,423,611	1,454,865	(31,254)

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

Consolidated	12/31/2014							
	No stated maturit	Up to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Carrying amount (2) (3)	Adjusted cost	Mark-to-market adjustment
Trading securities:								
- National Treasury Notes (NTN)	-	-	-	-	475,980	475,980	480,354	(4,374)
- Bank Deposit Certificate (CDB)	-	9,653	9,892	-	732	20,277	20,277	-
- Shares in investment funds	13,267	-	-	-	-	13,267	13,267	-
Total trading securities	13,267	9,653	9,892	-	476,712	509,524	513,898	(4,374)
Available-for-sale securities:								
- Financial Treasury Bills (LFT)	-	453,349	-	-	668,811	1,122,160	1,122,235	(75)
- Mortgage-backed securities (CRI)	-	27,555	48,557	31,303	141,911	249,326	286,033	(36,707)
Total available-for-sale securities	-	480,904	48,557	31,303	810,722	1,371,486	1,408,268	(36,782)
Securities held to maturity(1):								
- National Treasury Notes (NTN)	-	127,170	117,291	139,671	7,557	391,689	391,689	-
- Shares in investment funds	555	-	-	-	-	555	555	-
- Social Development Fund (FDS)	302	-	-	-	-	302	302	-
Total securities held to maturity	857	127,170	117,291	139,671	7,557	392,546	392,546	-
Grand Total	14,124	617,727	175,740	170,974	1,294,991	2,273,556	2,314,712	(41,156)

(1) In compliance with the provisions of Article 8 of BACEN Circular 3068/2001, 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.

(2) 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 Stock, Commodities and Futures Exchange (BM&FBOVESPA). In the case of the mortgage-backed securities, the fair value is determined using internal models and data based on observable market parameters;

(3) This column presents the carrying amount subsequent to the mark-to-market adjustment, as per described in item (2), except for the securities classified as held to maturity, whose market value is lower than the adjusted cost by R\$ 14,197 (December 31, 2014 – higher by R\$ 2,738).

c) Derivative financial instruments

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 BM&FBOVESPA. Where applicable, mathematical models of rate interpolation for interim periods and rate extrapolation for longer periods are used.

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

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

Derivative financial instrument transactions (futures, forwards and swaps) are held in custody at BM&FBOVESPA or at the OTC derivatives clearing house (CETIP S.A.- Mercados Organizados). The differences receivable and payable are recorded in the respective derivative financial instrument balance sheet accounts, against income from derivative financial instruments in the income statement 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 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, were used to price the NDFs.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

At 06/30/2015 and 12/31/2014, the derivative financial instrument positions were as follows:

Carrying amount / fair value	Bank		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Instrumentent:				
Swaps				
- Difference receivable	573,799	341,753	571,279	348,231
- Diference payable	(7,429)	(38,641)	(7,429)	(14,992)
Forward transaction				
- Long position receivable	104,498	-	104,498	-
- Long position payable	(104,498)	-	(104,498)	-
Currency forwards				
- Sold position	(1,981)	(206)	(1,981)	(206)
Futures				
- Asset position	4,584	17,483	4,584	17,483
- Liability position	(3,116)	(7,737)	(3,116)	(7,737)
Total, net	565,857	312,652	563,337	342,779

We present below the amounts recorded in asset, liability and memorandum accounts, segregated into the following categories: index, maturity, notional and carrying amounts, receivable and payable. All swap positions held are traded in OTC market and futures are traded at BM&FBOVESPA.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

Instrument/Position	Bank								
	06/30/2015								
	Notional amount	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Carrying amount	Restated cost	MtM adjustment
Swap									
Asset position:	1,806,572	-	131,510	18,155	18,232	405,902	573,799	541,103	32,696
- US dólar (1)	1,622,654	-	131,472	17,974	17,905	403,318	570,669	540,272	30,397
- CDI	36,975	-	27	158	194	-	379	402	(23)
- CDI	16,474	-	11	23	133	64	231	(38)	269
- Pre	6,041	-	-	-	-	-	-	-	-
- Libor	62,214	-	-	-	-	2,520	2,520	467	2,053
- CDI	62,214	-	-	-	-	-	-	-	-
Liability position:	1,806,572	(519)	(128)	(1,336)	(2,926)	(2,520)	(7,429)	(5,450)	(1,979)
- CDI (1)	1,622,654	-	-	-	(201)	-	(201)	(279)	78
- US dollar	36,975	(518)	(128)	-	(2,725)	-	(3,371)	(3,409)	38
- Pre	16,474	(1)	-	-	-	-	(1)	(4)	3
- US dollar	6,041	-	-	(1,336)	-	-	(1,336)	(1,291)	(45)
- CDI	62,214	-	-	-	-	-	-	-	-
- Libor	62,214	-	-	-	-	(2,520)	(2,520)	(467)	(2,053)
Forward transaction									
Purchased position	104,498	-	-	-	-	-	104,498	104,682	(184)
- NTN-B	104,498	-	-	-	-	-	104,498	104,682	(184)
Sold position	104,498	-	-	-	-	-	(104,498)	(104,682)	184
- NTN-B	104,498	-	-	-	-	-	(104,498)	(104,682)	184
Currency forwards									
Purchased position	13,153	-	-	-	-	-	-	-	-
- Pre	13,153	-	-	-	-	-	-	-	-
Sold position	13,153	(1,981)	-	-	-	-	(1,981)	(2,175)	194
- US dollar	13,153	(1,981)	-	-	-	-	(1,981)	(2,175)	194
Futures									
Asset position:	6,968,358	4,584	-	-	-	-	4,584	4,584	-
- DDI	648,828	2,942	-	-	-	-	2,942	2,942	-
- US dollar	222,861	1,195	-	-	-	-	1,195	1,195	-
- DI1	6,096,669	447	-	-	-	-	447	447	-
Liability position:	6,968,358	(3,116)	-	-	-	-	(3,116)	(3,116)	-
- DDI	648,828	(258)	-	-	-	-	(258)	(258)	-
- US dollar	222,861	(51)	-	-	-	-	(51)	(51)	-
- DI1	6,096,669	(2,807)	-	-	-	-	(2,807)	(2,807)	-
Total receivable, net		(1,032)	131,382	16,819	15,306	403,382	565,857	534,946	30,911



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

Instrument/ Position:	Bank								
	12/31/2014								
	Notional amount	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Carrying amount	Restated cost	MtM adjustment
Swap									
Asset position:	1,949,030	-	1,690	12,408	72,134	255,521	341,753	372,059	(30,306)
- US dollar (1)	1,506,035	-	1,690	12,188	72,116	255,411	341,405	372,095	(30,690)
- CDI	110,263	-	-	75	-	-	75	24	51
- CDI	28,953	-	-	-	18	110	128	(96)	224
- CDI	55,253	-	-	-	-	-	-	-	-
- US dollar (1)	87,334	-	-	145	-	-	145	36	109
- Libor	67,817	-	-	-	-	-	-	-	-
- Libor	87,334	-	-	-	-	-	-	-	-
- Pre	6,041	-	-	-	-	-	-	-	-
Liability position:	1,949,030	(16)	(374)	(35,188)	(1,424)	(1,639)	(38,641)	(37,335)	(1,306)
- CDI (1)	1,506,035	-	(12)	-	(714)	-	(726)	1,901	(2,627)
- US dollar	110,263	-	(335)	(23,575)	(297)	(1,639)	(25,846)	(26,946)	1,100
- Pre	28,953	(16)	(27)	(23)	(1)	-	(67)	(91)	24
- Libor	55,253	-	-	(9,558)	-	-	(9,558)	(10,527)	969
- Libor	87,334	-	-	-	-	-	-	-	-
- CDI	67,817	-	-	(1,887)	-	-	(1,887)	(1,171)	(716)
- US dollar	87,334	-	-	(145)	-	-	(145)	(36)	(109)
- US dollar	6,041	-	-	-	(412)	-	(412)	(465)	53
Currency forwards									
Purchased position	16,371	-	-	-	-	-	-	-	-
Pre	16,371	-	-	-	-	-	-	-	-
Sold position	16,371	(7)	(11)	(21)	(166)	-	(206)	(511)	305
US dollar	16,371	(7)	(11)	(21)	(166)	-	(206)	(511)	305
Asset position:	3,366,446	17,483	-	-	-	-	17,483	17,483	-
- DDI	887,119	14,586	-	-	-	-	14,586	14,586	-
- US dollar	146,215	2,680	-	-	-	-	2,680	2,680	-
- DI1	2,333,112	217	-	-	-	-	217	217	-
Liability position:	3,366,446	(7,738)	-	-	-	-	(7,737)	(7,738)	-
- DDI	887,119	(1,733)	-	-	-	-	(1,733)	(1,733)	-
- US dollar	146,215	(3)	-	-	-	-	(3)	(3)	-
- DI1	2,333,112	(6,002)	-	-	-	-	(6,002)	(6,002)	-
Total receivable, net		9,722	1,305	(22,801)	70,544	253,882	312,652	343,958	(31,307)



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

Instrument/ Position:	Consolidated								
	06/30/2015								
	Notional amount	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Carrying amount	Restated cost	MtM adjustment
Swap									
Asset position:	1,744,358	-	131,510	18,155	18,232	403,382	571,279	540,636	30,643
- US dólar (1)	1,622,654	-	131,472	17,974	17,905	403,318	570,669	540,272	30,397
- CDI	36,975	-	27	158	194	-	379	402	(23)
- CDI	16,474	-	11	23	133	64	231	(38)	269
- Pre	6,041	-	-	-	-	-	-	-	-
- CDI	62,214	-	-	-	-	-	-	-	-
Liability position:	1,744,358	(519)	(128)	(1,336)	(2,926)	(2,520)	(7,429)	(5,450)	(1,979)
- CDI (1)	1,622,654	-	-	-	(201)	-	(201)	(279)	78
- US dollar	36,975	(518)	(128)	-	(2,725)	-	(3,371)	(3,409)	38
- Pre	16,474	(1)	-	-	-	-	(1)	(4)	3
- US dollar	6,041	-	-	(1,336)	-	-	(1,336)	(1,291)	(45)
- Libor	62,214	-	-	-	-	(2,520)	(2,520)	(467)	(2,053)
Forward transaction									
Purchased position	104,498	-	-	-	-	-	104,498	104,682	(184)
- NTN-B	104,498	-	-	-	-	-	104,498	104,682	(184)
Sold position	104,498	-	-	-	-	-	(104,498)	(104,682)	184
- NTN-B	104,498	-	-	-	-	-	(104,498)	(104,682)	184
Currency forwards									
Purchased position	13,153	-	-	-	-	-	-	-	-
- Pre	13,153	-	-	-	-	-	-	-	-
Sold position	13,153	(1,981)	-	-	-	-	(1,981)	(2,175)	194
- US dollar	13,153	(1,981)	-	-	-	-	(1,981)	(2,175)	194
Futures									
Asset position:	6,968,358	4,584	-	-	-	-	4,584	4,584	-
- DDI	648,828	2,942	-	-	-	-	2,942	2,942	-
- US dollar	222,861	1,195	-	-	-	-	1,195	1,195	-
- DI1	6,096,669	447	-	-	-	-	447	447	-
Liability position:	6,968,358	(3,116)	-	-	-	-	(3,116)	(3,116)	-
- DDI	648,828	(258)	-	-	-	-	(258)	(258)	-
- US dollar	222,861	(51)	-	-	-	-	(51)	(51)	-
- DI1	6,096,669	(2,807)	-	-	-	-	(2,807)	(2,807)	-
Total receivable, net		(1,032)	131,382	16,819	15,306	400,862	563,337	534,479	28,858



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of reais, unless otherwise stated)

Instrument/ Position:	Consolidated								
	12/31/2014								
	Notional amount	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Carrying amount	Restated cost	MtM adjustment
Swap									
Asset position:	1,769,852	-	1,690	18,886	72,134	255,521	348,231	379,163	(30,932)
- US dollar	1,557,570	-	1,690	18,811	72,116	255,411	348,028	379,235	(31,207)
- CDI (1)	34,701	-	-	75	-	-	75	24	51
- CDI	28,953	-	-	-	18	110	128	(96)	224
- CDI	55,253	-	-	-	-	-	-	-	-
- Libor	87,334	-	-	-	-	-	-	-	-
- Pre	6,041	-	-	-	-	-	-	-	-
Liability position:	1,769,852	(16)	(374)	(11,539)	(1,424)	(1,639)	(14,992)	(12,965)	(2,027)
- US dollar	34,701	-	(335)	(1,813)	(297)	(1,639)	(4,084)	(3,747)	(337)
- CDI (1)	1,557,570	-	(12)	-	(714)	-	(726)	1,901	(2,627)
- Pre	28,953	(16)	(27)	(23)	(1)	-	(67)	(91)	24
- Libor	55,253	-	-	(9,558)	-	-	(9,558)	(10,527)	969
- US dollar	87,334	-	-	(145)	-	-	(145)	(36)	(109)
- US dollar	6,041	-	-	-	(412)	-	(412)	(465)	53
Currency forwards									
Purchased position	16,371	-	-	-	-	-	-	(15)	15
Pre	16,371	-	-	-	-	-	-	(15)	15
Sold position	16,371	(7)	(11)	(21)	(166)	-	(206)	(511)	305
- US dollar	16,371	(7)	(11)	(21)	(166)	-	(206)	(511)	305
Futures									
Asset position:	3,366,446	17,483	-	-	-	-	17,483	17,483	-
- DDI	887,119	14,586	-	-	-	-	14,586	14,586	-
- US dollar	146,215	2,680	-	-	-	-	2,680	2,680	-
- DI1	2,333,112	217	-	-	-	-	217	217	-
Liability position:	3,366,446	(7,738)	-	-	-	-	(7,737)	(7,738)	-
- DDI	887,119	(1,733)	-	-	-	-	(1,733)	(1,733)	-
- US dollar	146,215	(3)	-	-	-	-	(3)	(3)	-
- DI1	2,333,112	(6,002)	-	-	-	-	(6,002)	(6,002)	-
Total receivable, net		9,722	1,305	7,326	70,544	253,882	342,779	375,417	(32,639)

- (1) Hedge Accounting: these financial instruments were used mainly to protect US dollar-indexed liability transactions involving Euro Medium-Term Notes and Subordinated Debts abroad (the hedged items), classified as fair value hedges. The effectiveness determined for the hedge portfolio complies with the provisions established in BACEN Circular 3082/02.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

Results determined with derivative financial instruments are comprised as follows:

	Bank			Consolidated		
	06/30/2015			06/30/2015		
	Income	Expense	Net	Income	Expense	Net
Swap	829,801	(471,445)	358,356	869,325	(504,798)	364,527
Futures	652,698	(754,606)	(101,908)	652,698	(754,606)	(101,908)
Currency forwards	20,701	(22,853)	(2,152)	20,701	(22,853)	(2,152)
Total in 06/30/2015	1,503,200	(1,248,904)	254,296	1,542,724	(1,282,257)	260,467
Total in 12/31/2014	599,455	(691,479)	(92,024)	602,479	(714,346)	(111,867)

d) Securities transactions

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Fixed income securities	103,052	52,368	136,804	80,754
Result of subordinated shares	-	222	-	-
Short-term interbank investments (Note 6b)	58,670	28,840	46,614	26,358
Total	161,722	81,430	183,418	107,112

8) LOAN OPERATION

We present below information on the portfolio of loan and leasing operations, advances on foreign exchange contracts and other receivables with similar characteristics, at 06/30/2015 and 12/31/2014:

a) Analysis of the portfolio by type of operation:

	Bank			
	06/30/2015		12/31/2014	
	Amount	%	Amount	%
Consumer financing	6,308,529	38.00	7,333,628	45.91
Payroll-linked loans	4,702,665	28.33	3,304,403	20.69
Working capital	2,275,119	13.70	2,026,995	12.69
Export financing	909,827	5.48	799,863	5.01
Financing provided to credit card holders (1)	655,608	3.95	596,778	3.74
Credits linked to the assignment of credit (2)	497,674	3.00	575,176	3.60
Personal credit	61,506	0.37	70,555	0.44
Renegotiated loans	49,706	0.30	42,172	0.26
Overdraft accounts	50,251	0.30	-	-
Housing financing	14,338	0.09	13,771	0.09
Other	58	-	1,716	0.01
Total loan operations	15,525,281	93.52	14,765,057	92.44
Other receivables (3)	760,382	4.58	730,292	4.57
Advances on foreign exchange contracts and income receivable (4)	315,073	1.9	478,083	2.99
Total	16,600,736	100.00	15,973,432	100.00

(1) Financing provided to Visa and MasterCard credit card holders;

(2) Operations of payroll loans assigned with substantial retention of risks and benefits of the financial assets involved in the transaction (Note 8f);

(3) Credit card receivables and credit instruments receivable with loan characteristics; and

(4) Advances on foreign exchange contracts are recorded as a discount to "Other Liabilities" (Note 9).

Consolidated



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

	06/30/2015		12/31/2014	
	Amount	%	Amount	%
Consumer financing	6,308,529	34.76	7,333,628	41.88
Payroll-linked loans	4,702,665	25.91	3,304,403	18.87
Working capital	2,275,119	12.54	2,026,995	11.57
Export financing	909,827	5.01	799,863	4.57
Housing financing	709,689	3.91	772,077	4.41
Financing provided to credit card holders (2)	655,608	3.61	596,778	3.41
Loans with real estate guarantees	627,477	3.46	528,656	3.02
Credits linked to the assignment of credit (3)	497,674	2.74	575,176	3.28
Real estate development financing	185,300	1.02	195,877	1.12
Personal credit	61,506	0.34	70,555	0.40
Renegotiated loans	49,706	0.27	42,172	0.24
Leasing transactions (1)	20,553	0.11	41,342	0.24
Overdraft accounts	50,251	0.28	-	-
Credit rights acquired	58	-	1,716	0.01
Total loan and leasing operations	17,053,962	93.96	16,289,238	93.02
Other receivables (4)	779,892	4.30	744,698	4.25
Advances on foreign exchange contracts and income receivable (5)	315,073	1.74	478,083	2.73
Total	18,148,927	100.00	17,512,019	100.00

(1) Recorded at present value;

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

(3) Operations of payroll loans assigned with substantial retention of risks and benefits of the financial assets involved in the transaction (Note 8f);

(4) Credit card receivables and credit instruments receivable with loan characteristics; and

(5) Advances on foreign exchange contracts are recorded as a discount to "Other Liabilities" (Note 9).

b) Analysis of the portfolio by rating and maturity:

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

	Bank										
	Risk Levels										
	Nonperforming operations										
	AA	A	B	C	D	E	F	G	H	Total at 06/30/2015	Total at 12/31/2014
Falling due	-	690,882	460,295	390,952	224,635	126,920	82,183	68,838	246,379	2,291,084	2,258,348
01 to 30	-	26,377	18,249	25,732	10,121	7,088	4,019	3,030	11,477	106,093	82,552
31 to 60	-	22,460	14,902	21,552	9,235	4,686	3,542	2,687	9,989	89,053	73,278
61 to 90	-	20,476	14,869	16,263	8,328	5,951	3,621	2,713	10,088	82,309	79,186
91 to 180	-	65,020	52,870	52,876	36,193	13,466	9,756	8,082	30,543	268,806	221,447
181 to 365	-	126,235	99,956	79,014	47,907	25,254	17,429	15,214	57,049	468,058	427,098
Up to 365	-	430,314	259,449	195,515	112,851	70,475	43,816	37,112	127,233	1,276,765	1,374,787
Past due	-	56,107	64,658	73,736	88,715	39,459	43,857	35,383	201,480	603,395	547,137
01 to 14	-	51,667	6,756	16,967	7,327	2,921	1,897	1,083	5,064	93,682	89,063
15 to 30	-	4,440	54,411	10,437	4,077	2,247	1,806	1,722	5,300	84,440	84,385
31 to 60	-	-	3,491	41,013	17,706	5,370	5,178	3,099	11,037	86,894	70,500
61 to 90	-	-	-	2,899	36,451	6,087	5,122	3,217	11,450	65,226	54,300
91 to 180	-	-	-	2,420	23,154	21,505	27,691	24,301	37,209	136,280	111,605
181 to 365	-	-	-	-	-	1,329	2,163	1,961	127,878	133,331	132,232
Up to 365	-	-	-	-	-	-	-	-	3,542	3,542	5,052
Subtotal	-	746,989	524,953	464,688	313,350	166,379	126,040	104,221	447,859	2,894,479	2,805,485
Provision require	-	3,735	5,249	13,941	31,335	49,913	63,020	72,955	447,859	688,007	679,216

	Risk Levels										
	Normal course of operations										
	AA	A	B	C	D	E	F	G	H	Total at 06/30/2015	Total at 12/31/2014
Falling due	-	10,838,540	2,151,376	546,341	121,039	18,498	15,751	1,761	12,951	13,706,257	13,167,947
01 to 30	-	1,084,691	122,192	54,730	1,996	1,038	2,306	626	5,054	1,272,633	1,091,305
31 to 60	-	357,328	86,403	41,219	8,889	355	347	97	1,519	496,157	507,746
61 to 90	-	353,205	116,007	16,250	669	320	389	80	533	487,453	534,679
91 to 180	-	978,278	327,096	118,654	1,844	395	1,130	154	991	1,428,542	1,548,174
181 to 365	-	1,705,632	596,950	135,177	74,794	14,974	2,097	209	898	2,530,731	2,360,164
Up to 365	-	6,359,406	902,728	180,311	32,847	1,416	9,482	595	3,956	7,490,741	7,125,879
Subtotal	-	10,838,540	2,151,376	546,341	121,039	18,498	15,751	1,761	12,951	13,706,257	13,167,947
Provision require	-	54,193	21,514	16,390	12,104	5,550	7,876	1,232	12,951	131,810	122,689
General total	-	11,585,529	2,676,329	1,011,029	434,389	184,877	141,791	105,982	460,810	16,600,736	15,973,432
Total Provision	-	57,928	26,763	30,331	43,439	55,463	70,896	74,187	460,810	819,817	801,905



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

	Consolidated										
	Risk Levels										
	Nonperforming operations										
	AA	A	B	C	D	E	F	G	H	Total at 06/30/2015	Total at 12/31/2014
Falling due	-	835,703	513,258	434,264	255,812	139,621	93,531	72,592	255,410	2,600,191	2,570,777
01 to 30	-	28,752	19,107	26,499	10,438	7,281	4,238	3,140	11,702	111,157	88,020
31 to 60	-	24,754	15,728	22,243	9,513	4,877	3,752	2,782	10,185	93,834	78,423
61 to 90	-	22,701	15,677	16,963	8,613	6,135	3,805	2,775	10,277	86,946	86,306
91 to 180	-	71,563	55,206	54,860	48,406	13,995	10,263	8,326	31,034	293,653	235,455
181 to 365	-	138,268	104,215	82,564	49,283	26,215	18,288	15,522	57,878	492,233	451,946
Up to 365	-	549,665	303,325	231,135	129,559	81,118	53,185	40,047	134,334	1,522,368	1,630,627
Past due	-	70,069	66,181	136,810	96,159	50,339	47,984	46,387	232,581	746,510	680,089
01 to 14	-	65,337	7,248	17,520	7,500	3,039	1,990	1,136	5,152	108,922	96,073
15 to 30	-	4,732	54,720	42,693	4,149	2,288	1,844	1,754	5,359	117,539	105,320
31 to 60	-	-	4,213	70,846	18,308	5,512	5,321	3,176	11,190	118,566	122,524
61 to 90	-	-	-	3,277	42,787	6,225	5,267	3,298	11,618	72,472	68,706
91 to 180	-	-	-	2,474	23,415	31,859	31,206	34,976	37,880	161,810	117,117
181 to 365	-	-	-	-	-	1,416	2,356	2,047	157,646	163,465	165,087
Up to 365	-	-	-	-	-	-	-	-	3,736	3,736	5,262
Subtotal	-	905,772	579,439	571,074	351,971	189,960	141,515	118,979	487,991	3,346,701	3,250,866
Provision require	-	4,529	5,794	17,132	35,197	56,987	70,758	83,285	487,991	761,673	758,279

	Risk Levels										
	Normal course of operations										
	AA	A	B	C	D	E	F	G	H	Total at 06/30/2015	Total at 12/31/2014
Falling due	-	11,442,407	2,330,247	706,442	193,344	35,371	50,845	29,839	13,731	14,802,226	14,261,153
01 to 30	-	1,099,802	160,131	69,365	5,387	1,060	2,314	28,592	5,060	1,371,711	1,205,033
31 to 60	-	371,206	86,609	49,393	9,154	377	355	99	1,524	518,717	562,640
61 to 90	-	365,257	134,920	19,779	931	15,850	7,601	82	534	544,954	562,528
91 to 180	-	1,032,208	376,071	134,727	24,900	459	24,506	160	995	1,594,026	1,741,327
181 to 365	-	1,781,334	640,208	198,869	82,916	15,093	5,983	220	906	2,725,529	2,617,227
Up to 365	-	6,792,600	932,308	234,309	70,056	2,532	10,086	686	4,712	8,047,289	7,572,398
Subtotal	-	11,442,407	2,330,247	706,442	193,344	35,371	50,845	29,839	13,731	14,802,226	14,261,153
Provision require	-	57,213	23,303	21,193	19,335	10,611	25,423	20,887	13,731	191,696	161,088
General total	-	12,348,179	2,909,686	1,277,516	545,315	225,331	192,360	148,818	501,722	18,148,927	17,512,019
Total Provision	-	61,742	29,097	38,325	54,532	67,598	96,181	104,172	501,722	953,369	919,367

c) Activity in the allowance for loan losses (1):



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
At the beginning of the period	842,259	976,135	959,818	1,496,516
- Balance of credits that returned to the Bank's portfolio (2)	-	402,018	-	-
- Allowance recorded/reversed	471,888	445,999	525,290	487,553
- Write off against allowance (2)	(439,301)	(922,836)	(477,410)	(963,299)
At the end of the period	874,146	901,316	1,007,698	1,020,770
- Credit recoveries (3)	115,192	121,334	142,393	135,393
- Effect on results (4)	(355,996)	(324,665)	(382,897)	(352,160)

(1) Includes: (i) other receivables with features of credit operations; (ii) foreign exchange transactions; and (iii) PDD of credits assigned to coobrigação prior to Resolution CMN No. 3.533/08;

(2) At 01/20/2014, were closed the credit rights fund FIDC's CDC and CDC Master carton Box (Note 2), and credit Operations portfolio of it was incorporated into the Bank's own portfolio. The FIDC's don't use the accounting policy of low credit operations for prejudice, as the resolution CMN No. 2.68299. In this way, the Bank examined the PAN wallet received the FIDC's closed and low against a provision in the amount of R\$ 344,378 (CDC 55,962 and Master Box R R\$ 288,416);

(3) in the six-month period in 06/30/2015, were recovered previously downloaded claims against the allowance for loan losses in the amount of R\$ 142,393 (where R\$ 115,192 bank credit recovery PAN, R\$ 3,755 leasing operation and R\$ 23,446 real estate credit recovery); and

(4) Provision expense less credit revenue recovered.

d) Classification by area of economic activity:

Area of economic activity	Bank			
	06/30/2015		12/31/2014	
	Amount	%	Amount	%
Individuals	12,695,558	76.47	12,304,840	77.03
Agribusiness	882,979	5.32	850,832	5.33
Sugar and ethanol	309,681	1.87	254,408	1.59
Agribusiness and animal protein	573,298	3.45	596,424	3.74
Commercial	786,713	4.74	900,677	5.64
Wholesale and retail	786,713	4.74	900,677	5.64
Basic industries	437,243	2.65	407,578	2.55
Auto parts	12,928	0.08	25,953	0.16
Chemical industry	79,214	0.48	39,708	0.25
Oil and gas	-	-	20	-
Other industries	258,533	1.56	267,792	1.67
Paper and pulp	69,549	0.42	61,670	0.39
Textiles	17,019	0.11	12,435	0.08
Services	1,798,243	10.82	1,509,505	9.45
Construction and real-estate development	908,166	5.47	736,407	4.61
Financial	54,110	0.32	26,284	0.16
Vehicle rental	25,805	0.15	26,723	0.17
Media, IT and Telecom	31,574	0.19	31,490	0.21
Other services	584,873	3.52	505,378	3.16
Health, security and education	5,504	0.03	11,369	0.07
Transportation and logistics	170,857	1.03	152,208	0.95
Utilities	17,354	0.11	19,646	0.12
Total	16,600,736	100.00	15,973,432	100.00



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of reais, unless otherwise stated)

Area of economic activity	Consolidated			
	06/30/2015		12/31/2014	
	Amount	%	Amount	%
Individuals	13,531,454	74.56	13,084,082	74.71
Agribusiness	882,979	4.87	850,832	4.86
Sugar and ethanol	309,681	1.71	254,408	1.45
Agribusiness and animal protein	573,298	3.16	596,424	3.41
Commercial	788,140	4.34	902,770	5.16
Wholesale and retail	788,140	4.34	902,770	5.16
Basic industries	437,894	2.41	408,674	2.33
Auto parts	12,928	0.07	25,953	0.15
Chemical industry	79,214	0.44	39,708	0.22
Oil and gas	-	-	20	-
Other industries	259,184	1.43	268,888	1.54
Paper and pulp	69,549	0.38	61,670	0.35
Textiles	17,019	0.09	12,435	0.07
Services	2,508,461	13.82	2,265,661	12.94
Construction and real-estate development	1,609,940	8.87	1,480,487	8.45
Financial	54,110	0.30	26,284	0.16
Vehicle rental	25,805	0.14	26,723	0.15
Media, IT and Telecom	31,574	0.17	31,490	0.18
Other services	593,316	3.27	517,454	2.95
Health, security and education	5,504	0.03	11,369	0.07
Transportation and logistics	170,857	0.94	152,208	0.87
Utilities	17,355	0.10	19,646	0.11
Total	18,148,927	100.00	17,512,019	100.00

e) Concentration of loan:

Largest borrowers	Bank				Consolidated			
	06/30/2015		12/31/2014		06/30/2015		12/31/2014	
	Amount	%	Amount	%	Amount	%	Amount	%
10 largest borrowers	472,045	2.84	488,228	3.06	486,360	2.68	495,971	2.83
50 next largest borrowers	1,175,372	7.08	1,137,556	7.12	1,253,539	6.91	1,224,305	6.99
100 next largest borrowers	1,218,335	7.34	1,175,001	7.36	1,354,727	7.46	1,312,034	7.49
Other borrowers	13,734,984	82.74	13,172,647	82.46	15,054,301	82.95	14,479,709	82.69
Total	16,600,736	100.00	15,973,432	100.00	18,148,927	100.00	17,512,019	100.00

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

I. Assignments without co-obligation:

For the period ended at 06/30/2015, loans were assigned to financial institutions as presented below:



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

	Bank					
	06/30/2015			06/30/2014		
	Assignment amount	Present value	Result (1)	Assignment amount	Present value	Result (1)
Consumer financing	3,290,131	2,955,557	334,574	1,494,063	1,387,053	107,010
Payroll-linked loans	2,652,177	2,096,888	555,289	1,274,008	1,031,348	242,660
Housing financing	133,094	131,559	1,535	94,565	92,763	1,802
Real estate development financing	1,539	1,526	13	11,259	11,028	231
Loans with real estate guarantees	-	-	-	278,893	262,179	16,714
Total	6,076,941	5,185,530	891,411	3,512,788	2,784,371	368,417

	Consolidated					
	06/30/2015			06/30/2014		
	Assignment amount	Present value	Result (1)	Assignment amount	Present value	Result (1)
Consumer financing	3,290,131	2,955,557	334,574	1,494,063	1,387,053	107,010
Payroll-linked loans	2,652,177	2,096,888	555,289	1,274,008	1,031,348	242,660
Housing financing	133,094	127,163	5,931	94,565	87,862	6,703
Real estate development financing	1,539	1,495	44	11,259	10,464	795
Loans with real estate guarantees	-	-	-	278,893	244,554	34,339
Total	6,076,941	5,181,103	895,838	3,152,788	2,761,281	391,507

(1) Recorded in income from loan operations.

II. Assignments with co-obligation

Assignments after the CMN Resolution 3533/08

The responsibilities for loans assigned with co-obligation amount to R\$ 497,674, in Banco PAN and Consolidated (R\$ 575,176 on 12/31/2014), calculated at present value using the agreed contract rates. For such credits were assumed obligations in the amount of R\$ 596,713 (R\$ 690,009 in 12/31/2014).

Assignments before the CMN Resolution 3533/08

The responsibilities for loans assigned with co-obligation amount to R\$ 24,971 (R\$ 96,940 on 12/31/2014) in Banco PAN and Consolidated, calculated at present value using the agreed contract rates.

The present value determined based on the loan assignment rates totals R\$ 25,626 (December 31, 2014 - R\$ 99,112), in Banco PAN and Consolidated, for which an allowance for loan losses was recorded in the amount of R\$ 5,372 (12/31/2014 - R\$ 20,787), in Banco PAN and Consolidated, calculated using the same criteria adopted for calculating the allowance for losses for unassigned operations and recorded in the "Other liabilities - sundry" account (Note 21b).

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

g) Income on loan and leasing operations:

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Consumer financing	743,915	826,806	743,915	827,273
Profit on loan assignments (Note 8g)	891,411	368,417	895,838	391,507
Payroll-linked loans	569,071	241,734	569,071	241,734
Credit cards	311,721	113,342	311,721	113,342
Export financing	197,322	173,360	197,322	173,360
Working capital	182,280	112,418	182,280	112,418
Recovery of credits written off as a loss (1)	115,192	121,334	142,393	135,393
Personal credit	14,855	18,255	14,855	18,225
Renegotiated loans	2,881	2,158	2,881	2,158
Credit rights	1,028	300	47,670	87,488
Housing loans	292	1,806	292	1,806
Income from real estate developments	-	-	14,633	10,324
Income from loans with real estate guarantees	-	-	56,743	25,118
Leasing, net of expenses (2)	-	-	2,335	10,314
Other	3,217	2,498	3,217	2,498
Total	3,033,185	1,982,398	3,185,166	2,152,958

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

(2) Does not include recovery of lease receivables written off as a loss.

9) FOREIGN EXCHANGE PORTFOLIO

a) Balance sheet accounts:

Bank and Consolidated	06/30/2015	12/31/2014
Assets - Other receivables		
Exchange purchases pending settlement	349,469	526,576
Income receivable	9,739	18,541
Total Assets	359,208	545,117
Liabilities - Other liabilities		
Liabilities for exchange purchases	305,334	460,206
Advances on foreign exchange contracts	(305,334)	(459,542)
Total do Liabilities	-	664

b) Income from foreign exchange transactions:

Bank and Consolidated	06/30/2015	06/30/2014
Income from export financing	339,377	136,860
Foreign exchange gains and losses	(257,637)	(135,401)
Total	81,740	1,459

10) REAL ESTATE RECEIVABLES

These are portfolios of housing loans acquired by Brazilian Securities, which will be used to guarantee the future issuance of mortgage-backed securities (CRIs).

Consolidated	Final maturity	Index	% interest p.a.	06/30/2015	12/31/2014
Tranches 95 and 96 (1)	09/08/2027	TR	8.65	6,742	7,769
Real estate credit note (CCI)	12/30/2043	INCC/IGPM /TR and with no inflation indexation	0 to 18.33	83,273	148,511
Total				90,015	156,280

(1) These tranches were securitized.

Credit quality:

The real estate receivable contracts include a clause which places a lien on the financed property. Company management considers that this guarantee is sufficient to cover any losses arising from borrower defaults and, accordingly, that no additional provision is required.

The real estate receivables are classified as good quality assets, since they are only acquired when they present characteristics, guarantees and payment history which evidence a high probability of realization, enabling their securitization.

11) OTHER RECEIVABLES – SUNDRY

	Bank		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Deferred tax assets (Note 33b)	2,527,949	2,508,625	2,902,958	2,861,023
Notes and credits receivable (1)	760,382	730,292	779,892	744,698
Income tax available for offset	202,346	281,584	272,160	353,118
Amounts receivable from loan assignments	699,243	431,705	699,243	431,705
Judicial and tax deposits	188,017	158,456	228,181	195,600
Amounts receivable from affiliates	33,278	43,443	25,614	53,577
Amounts receivable from payroll-linked loans (2)	24,569	27,038	24,569	27,038
Advances for payments	7,415	19,618	8,264	20,483
Residual benefit obtained operations (3)	-	-	8,344	10,211
Salary advances	337	697	716	1,336
Other	67,901	44,696	76,370	54,228
Total	4,511,437	4,246,154	5,026,311	4,753,017

(1) Refers to credit card receivables and securities receivable with credit-granting feature;

(2) Refers basically to amounts received and not yet transferred to the Bank by State and local governments, whose transfers have been traded by the Bank, which constitutes full PAN provision for losses and for transfers in arrears for more than 180 days, whose balance on 06/30/2015 R\$ 16,007 (R\$ 11,724 on 12/31/2014); and

(3) Refers to operations from Brazilian Securities.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

12) OTHER ASSETS

a) Repossessed assets/other:

	Residual value							
	Bank				Consolidated			
	Cost	Allowance for losses	06/30/2015	12/31/2014	Cost	Allowance for losses	06/30/2015	12/31/2014
Vehicles	46,588	(13,775)	32,813	17,622	47,509	(12,738)	34,771	19,215
Vehicles under special regime	26,268	(22,797)	3,471	3,399	30,494	(25,319)	5,175	2,165
Properties	50,494	(25)	50,469	32,191	147,391	(4,787)	142,604	79,978
Total repossessed assets	123,350	(36,597)	86,753	53,212	225,394	(42,844)	182,550	101,358
Other items	206	-	206	365	206	-	206	365
Total other assets	123,556	(36,597)	86,959	53,577	225,600	(42,844)	182,756	101,723

b) Prepaid expenses:

	Bank		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Commission paid to correspondent banks	530,520	594,552	530,805	595,444
Expense for issuance of securities abroad	7,210	7,969	7,296	8,110
Other	7,741	2,552	10,332	3,676
Total	545,471	605,073	548,433	607,230



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

13) INVESTMENTS

a) Subsidiary companies:

Companies	Capital	Adjusted Equity	Number of shares/ units held (in thousands)			Consolidate d percentage ownership	Adjusted net income (loss) 06/30/2015	Balance of investments		Equity accounting Adjustment (2) period ended	
			Comm. (ON)	Pref. (PN)	Units			06/30/2015	12/31/2014	06/30/2015	06/30/2014
Panamericano Arrendamento Mercantil S.A. (1)(3)	141,521	64,078	11	-	-	99.970%	(3,824)	64,059	67,882	(3,823)	(7,729)
Panserv Prestadora de Serviços Ltda. (1)(3)(4)(7)	22,061	34,403	-	-	5,061	99.999%	516	34,403	33,886	516	(2,098)
Ourinvest Real Estate Holding S.A. (1)(3)(5)(8)(10)	950,543	774,099	151,656	31,431	-	100.000%	(36,071)	857,314	902,906	(36,071)	(9,482)
Panamericano Administradora de Consórcio (1)(3)(6)	12,388	16,337	-	-	11	78.999%	(747)	12,905	13,496	(747)	-
PAN Seguros S.A.(9)	-	-	-	-	-	-	-	-	-	-	25,260
Panamericano Adm. e Corretagem de Seguros e Previdência Privada Ltda.(7)(9)	-	-	-	-	-	-	-	-	-	-	3,984
Total								968,681	1,018,170	(40,125)	9,935

(1) Information at 06/30/2015;

(2) 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;

(3) Companies whose financial information for the year ended 06/30/2015 was reviewed by the same independent auditor as Banco PAN;

(4) On 01/31/2014, approval was given for payment of dividends amounting to R\$ 17,000;

(5) The carrying amount includes goodwill on acquisition of investment amounting to R\$ 82,485, net of accumulated amortisation (Note 15a);

(6) On 10/10/2014 the Bank acquired the participation to sue PAN previously owned by Pan Seguros S.A.;

(7) On 12/30/2014 was approved the capital increase on Panserv Prestadora de Serviços Ltda. in the amount of R\$ 17,000;

(8) On 12/30/2014 was approved the capital increase on Ourinvest Real Estate Holding S.A, former name of Pan Holding S.A, amounting to R\$ 83,000;

(9) Companies disposed on 12/12/2014 ; and

(10) From 06/06/2015 has changed the corporate name of Ourinvest Real Estate Holding S.A. to Pan Holding S.A..

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

b) Other Investments:

	Bank		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Stone Pagamentos S.A	3,092	415	3,092	415
Interbank chamber of payments	379	380	379	380
Other	-	-	1	1
Total	3,471	795	3,472	796

14) PROPERTY AND EQUIPMENT

a) Fixed Assets:

The balance of property and equipment is stated at cost of acquisition. Depreciation 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	
				06/30/2015	12/31/2014
Facilities, furniture and equipment in use	10%	27,432	(8,538)	18,894	20,520
Security and communications systems	10%	1,842	(804)	1,038	1,097
Data processing systems	20%	20,483	(8,873)	11,610	10,773
Transportation systems	20%	349	(104)	245	281
Total at 06/30/2015		50,106	(18,319)	31,787	-
Total at 12/31/2014		47,282	(14,611)	-	32,671

Consolidated	Annual rate	Cost	Depreciation	Residual value	
				06/30/2015	12/31/2014
Facilities, furniture and equipment in use	10%	57,696	(17,067)	40,629	43,128
Security and communications systems	10%	1,846	(805)	1,041	1,100
Data processing systems	20%	20,627	(8,904)	11,723	10,859
Transportation systems	20%	350	(104)	246	282
Total at 06/30/2015		80,519	(26,880)	53,639	-
Total at 12/31/2014		76,488	(21,119)	-	55,369

b) Change in Fixed Assets:

	Bank	Consolidated
At 12/31/2014	32,671	55,369
Additions	3,037	4,867
Write-off	(28)	(509)
Depreciation for the period	(3,893)	(6,088)
At 06/30/2015	31,787	53,639

15) INTANGIBLE ASSETS

a) Goodwill:

Goodwill on the acquisition of investment totaled R\$ 116,449 (Consolidated – R\$ 250,532), based on the related expected future profitability, which will be amortized on the straight-line basis over a ten-year period or upon realization. This goodwill is recorded in the parent company financial statements under investment and in the consolidated financial statements under intangible assets.

Amortized goodwill totaled R\$ 5,822 in the parent company and R\$ 12,526 in the Consolidated for the six-month period ended 06/30/2015.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

b) Intangible assets acquired comprise the following:

Bank	Amortization rate	Cost	Amortization	Residual value	
				06/30/2015	12/31/2014
Expense for software development	20% to 50%	72,952	(37,617)	35,335	34,660
Other	10%	22	(20)	2	2
Total at 06/30/2015		72,974	(37,637)	35,337	-
Total at 12/31/2014		70,870	(36,208)	-	34,662

Consolidated	Amortization rate	Cost	Amortization	Residual value	
				06/30/2015	12/31/2014
Expense for software development	20% to 50%	74,686	(38,225)	36,461	35,841
Goodwill (Note 15.a)	10%	250,532	(73,072)	177,460	189,986
Other	10%	22	(20)	2	2
Total at 06/30/2015		325,240	(111,317)	213,923	-
Total at 12/31/2014		323,136	(97,307)	-	225,829

c) Activity of intangible assets by class:

Bank	Expense for software design	Other	Total
At 12/31/2014	34,660	2	34,662
Additions	12,257	-	12,257
Write-off	(105)	-	(105)
Amortization for the period	(11,477)	-	(11,477)
At 06/30/2015	35,335	2	35,337

Consolidated	Expense for software design	Goodwill (Note 15.a)	Other	Total
At 12/31/2014	35,841	189,986	2	225,829
Additions	12,259	-	-	12,259
Write-off	(108)	-	-	(108)
Amortization for the period	(11,531)	(12,526)	-	(24,057)
At 06/30/2015	36,461	177,460	2	213,923



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

16) DEPOSITS, MONEY MARKET FUNDING AND FUNDS FROM ISSUANCE OF SECURITIES

a) Deposits:

Bank	To 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	06/30/2015	12/31/2014
• Demand deposits (1)	179,561	-	-	-	-	179,561	107,184
• Interbank deposits	8,278,547	19,214	6,055	12,386	110,173	8,426,375	8,699,580
• Time deposits	264,500	242,743	434,069	377,703	1,876,380	3,195,395	2,837,794
Total at 06/30/2015	8,722,608	261,957	440,124	390,089	1,986,553	11,801,331	-
Total at 12/31/2014	8,386,596	516,565	317,878	608,110	1,815,409	-	11,644,558

Consolidated	To 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	06/30/2015	12/31/2014
• Demand deposits (1)	179,381	-	-	-	-	179,381	107,002
• Interbank deposits	8,278,547	19,151	6,055	12,156	110,173	8,426,082	8,631,521
• Time deposits	264,500	242,742	434,069	377,333	1,774,059	3,092,703	2,736,001
Total at 06/30/2015	8,722,428	261,893	440,124	389,489	1,884,232	11,698,166	-
Total at 12/31/2014	8,386,414	516,565	317,878	540,050	1,713,617	-	11,474,524

(1) Classified as up to 30 days, without considering average historical turnover.

b) Money Market funding:

Bank	To 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	06/30/2015	12/31/2014
Own Portfolio	-	135,134	-	-	568,219	703,353	1,029,347
• Financial Treasury bills-LFT	-	135,134	-	-	253,126	388,260	531,461
• National Treasury notes – NTN	-	-	-	-	315,093	315,093	497,886
Third-party portfolio	-	-	-	-	426,075	426,075	158,009
• National Treasury notes – NTN	-	-	-	-	426,075	426,075	158,009
Portfolio Free Movement	-	131,067	-	-	-	131,067	-
• National Treasury notes – NTN	-	131,067	-	-	-	131,067	-
Total at 06/30/2015	-	266,201	-	-	994,294	1,260,495	-
Total at 12/31/2014	-	63,462	-	95,526	1,028,368	-	1,187,356

Consolidated	To 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	06/30/2015	12/31/2014
Own Portfolio	-	135,086	-	-	559,570	694,656	1,018,031
• Financial Treasury bills-LFT	-	135,086	-	-	244,477	379,563	520,145
• National Treasury notes – NTN	-	-	-	-	315,093	315,093	497,886
Third-party portfolio	-	-	-	-	426,075	426,075	158,009
• National Treasury notes – NTN	-	-	-	-	426,075	426,075	158,009
Portfolio Free Movement	-	131,067	-	-	-	131,067	-
• National Treasury notes – NTN	-	131,067	-	-	-	131,067	-
Total at 06/30/2015	-	266,153	-	-	985,645	1,251,798	-
Total at 12/31/2014	-	52,368	-	95,304	1,028,368	-	1,176,040

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

c) Funds from acceptance and issuance of securities:

Bank	To 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	06/30/2015	12/31/2014
Marketable securities - local							
• Financial bills - LF	74,430	-	193,148	698,801	824,980	1,791,359	2,006,698
• Agribusiness letters of credit - LCA	121,488	151,956	120,683	247,565	235,748	877,440	846,959
• Real estate letters of credit - LCI	17,055	142,084	144,998	120,977	69,024	494,138	343,523
Subtotal	212,973	294,040	458,829	1,067,343	1,129,752	3,162,937	3,197,180
Securities - Foreign (1)							
• Euro Medium-Term Notes	571	915,503	-	-	-	916,074	773,610
Subtotal	571	915,503	-	-	-	916,074	773,610
Total at 06/30/2015	213,544	1,209,543	458,829	1,067,343	1,129,752	4,079,011	-
Total at 12/31/2014	103,656	590,890	712,248	1,359,928	1,204,068	-	3,970,790

Consolidated	To 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	06/30/2015	12/31/2014
Marketable securities - local							
• Certificate of real estate receivables-CRI	78	233	457	891	7,627	9,286	10,420
• Financial bills - LF	74,430	-	193,148	698,801	824,980	1,791,359	2,006,698
• Agribusiness letters of credit - LCA	121,489	151,956	120,683	247,565	235,748	877,441	840,982
• Real estate letters of credit - LCI	67,340	352,283	354,445	204,629	640,554	1,619,251	1,536,341
Subtotal	263,337	504,472	668,733	1,151,886	1,708,909	4,297,337	4,394,441
Securities - Foreign (1)							
• Euro Medium-Term Notes	571	915,503	-	-	-	916,074	773,610
Subtotal	571	915,503	-	-	-	916,074	773,610
Total at 06/30/2015	263,908	1,419,975	668,733	1,151,886	1,708,909	5,213,411	-
Total at 12/31/2014	217,662	877,491	841,445	1,559,362	1,672,091	-	5,168,051

Updated balance of the tranche of Euro Medium-Term Notes at the balance sheet dates:

Tranche in thousands of US dollars	Interest rate	Maturity (1)	Banco PAN and Consolidated	
			06/30/2015 (2)	12/31/2014 (2)
288,638	5.50% p.a.	08/04/2015	916,074	773,610
Total			916,074	773,610

(1) At maturity the tranche will be liquidated in its entirety; and

(2) The marking to market of overseas funding was accounted for in the result of capture on the market operations, the amount of which was an expense of R\$ 11,094 in the first half ended 06/30/2015 (expense of R\$ 6,688 at 06/30/2015). This operation has market risk hedge (notes 3e and 7 c).

d) Expense for deposits, money market funding, funds from the issuance of securities and subordinated debt:

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Interbank deposits	481,654	373,002	485,248	366,489
Time deposits	237,062	204,550	217,730	194,305
Financial bills	144,521	127,583	144,521	127,583
Foreign exchange gains and losses	352,049	(131,126)	360,511	(131,126)
Securities issued abroad and subordinated debt	105,041	74,067	105,041	74,067
Real estate letters of credit – LCI	24,944	12,301	90,173	71,124
Purchase and sale commitments	91,312	42,073	91,312	42,073
Agribusiness letters of credit – LCA	54,374	37,080	54,091	37,080
MtM of funds raised abroad – subordinated debt and securities abroad	92,163	14,946	92,163	14,946
Contributions to the Deposit Guarantee Fund – FGC	3,455	4,359	4,307	5,264
Credits assigned to risk retention	37,514	-	37,514	-
Funding through FIDCs	-	-	-	59
Total	1,624,089	758,835	1,682,611	801,864

17) INTERBANK ACCOUNTS – LOCAL CORRESPONDENTS

Refer to receipt of parcels and goods transferred contracts relating to contracts transferred to resume being transferred to assignees, updated the rates agreed in the contracts of transfer of credit.

Are represented by: consumer direct credit, personal loan, payroll loans and home loans. On 06/30/2015 were the R\$ 87,512 (R\$ 107,299 on 12/31/2014).

18) BORROWINGS

a) Balance sheet accounts:

Consolidated	To 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	06/30/2015	12/31/2014
• Local	-	1,930	-	100,000	-	101,930	101,703
• Foreign	-	75	-	-	62,052	62,127	66,614
Total at June 30, 2015	-	2,005	-	100,000	62,052	164,057	-
Total at December 31, 2014	-	-	68,317	-	100,000	-	168,317

b) Result of borrowings:

Loans	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Local	-	-	-	(8,307)
Foreign	-	(15,594)	(18,669)	(3,729)
Total	-	(15,594)	(18,669)	(12,036)



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

19) SUBORDINATED DEBT

We present below an analysis of the tranches and balances adjusted at the balance sheet dates:

Maturity	Original term in years	Transaction amount	Currency	Remuneration	Bank and Consolidated	
					06/30/2015	12/31/2014
Foreign (1):						
2020	10	US\$ 500.000	US\$	8.50% rate p.a.	1,731,309	1,423,509
Local:						
2018 (2)	6	R\$ 10.000	R\$	100.0% of CDI rate + 1.35% p.a.	13,821	12,965
2019 (3)	6	R\$ 100.000	R\$	100.0% of IPCA rate + 5.60% p.a.	129,853	119,296
2019 (4)	5	R\$ 500	R\$	111.0 % of CDI	547	513
Total					1,875,530	1,556,283

(1) the mark to market adjustment of the subordinated debt was accounted for in the result of capture on the market operations, the amount of which was an expense of R\$ 81,069 in the six-month period ended 06/30/2015 (R\$ 8,259 expenditure in 06/30/ 2014). This operation has market risk hedge (notes 3e and 7 c);

(2) Subordinated Financial Bills issued on 05/22/2012, maturing on May 22, 2018; and

(3) Subordinated Financial Bills issued on 05/13/2014, maturing on April 5, 2019.

(4) Subordinated Financial Bills issued on 10/13/2014, maturing on October 10, 2019.

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

a) Legal obligations:

Its subsidiaries Panamericano Arrendamento Mercantil were challenging in the courts the levying of the contribution to the social integration program (PIS) and social contribution on revenues (COFINS) as established under Law 9718/98, and based on the interim decisions issued had not been paying these taxes, although provisions were recorded for the full amount in dispute.

On 07/29/2014 Panamericano Arrendamento Mercantil S/A also dropped existing litigation and joined Refis to enjoy the benefits imposed by Article 39, item I of Law 12865, of 10/09/2013, as amended Law No. 12973 of 05/13/2014, paying in full the debts related to PIS and COFINS of the periods 2006-2013.

b) Provisions classified as probable loss

Banco PAN is a party to labor, civil and tax lawsuits arising in the normal course of its business. The corresponding provisions are recorded for proceedings, whenever loss is 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 suits.

Labor claims

These are claims brought by former employees and service providers, designed to obtain the payment of labor amounts in general, particularly overtime, based on the interpretation of Article 224 of the Consolidation of Labor Laws (CLT) or ancillary responsibility in suits involving service providers.

The claims are managed individually through a computerized system and the provisions are recorded case by case, based on the criteria described above. The related amounts are recorded as a provision for the full amount in the case of suits with an unfavorable court decision. For calculating the value at risk of the other actions, the historical loss index of suits concluded in the prior twelve months is applied to the amount of the claim.

Civil suits

These are condemnatory actions related to suits for damages, protests of bills and notes, returned checks, inclusion of debtor names in the credit restriction register and refund of amounts.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

These proceedings are managed individually through a computerized system and the provisions are recorded case by case when there is a likelihood of probable loss, considering the opinion of the legal advisors, the nature and complexity of the suits and recent court decisions.

The related amounts are recorded as a provision in the full amount in the case of suits with an unfavorable court decision. For calculating the value at risk of the other actions, the historical loss index of suits concluded in the prior twelve months is applied to the amount claimed.

I – Provisions segregated by nature:

	Bank		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Civil suits	181,448	167,038	195,684	180,478
Labor claims	104,495	69,739	139,307	96,602
Tax proceedings	3,615	3,173	23,686	26,824
Total (1)	289,558	239,950	358,677	303,904

(1) Note 21b; and

II – Change in provisions:

Bank	06/30/2015			
	Civil	Labor	Tax	Total
At 12/31/2014	167,038	69,739	3,173	239,950
Amount released	(39,630)	(9,965)	-	(49,595)
Additions, net of amounts reversed	54,040	44,721	442	99,203
At 06/30/2015	181,448	104,495	3,615	289,558

Consolidated	06/30/2015			
	Civil	Labor	Tax	Total
At 12/31/2014	180,478	96,602	26,824	303,904
Amount released	(42,923)	(11,593)	-	(54,516)
Additions, net of amounts reversed	58,129	54,298	(3,138)	109,289
At 06/30/2015	195,684	139,307	23,686	358,677

There are no other significant administrative suits 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 loss

In the third quarter 3Q12, a tax assessment notice was served against Panamericana Arrendamento Mercantil S.A. by the Brazilian Federal Revenue Service, through which the tax authority assessed income tax and social contribution allegedly owed for the tax years 2007 and 2008, totaling R\$ 19,166 including fines and arrears interest. The process is in the Board of Tax Appeals, awaiting judgment of the Voluntary Appeal of the company.

In the final quarter of 2012, three tax assessment notices were served against Banco PAN S.A. by the Brazilian Federal Revenue Service, through which the tax authority assessed income tax and social contribution allegedly owed for the tax years 2007 and 2008, totaling R\$ 170,475 including fines and arrears interest. The process is in the Board of Tax Appeals, awaiting judgment of the Voluntary Appeal of the company.

In the final quarter of 2013, tax assessment notices were served against Panamericano Arrendamento Mercantil S.A. by the São Paulo municipal tax authority for service tax (ISS) payable on guaranteed

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residual value (VRG) charged by the company in lease transactions during the period from 2008 to 2012, totaling R\$ 43,656, including fines and arrears interest. Await the judgment of publication on Review Feature protocol by the company, addressed to the Joint Chambers of the Municipal Board of Taxes of São Paulo.

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

21) OTHER LIABILITIES

a) Tax and social security:

	Bank		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Social contribution on revenues (COFINS) payable	15,346	14,089	17,702	17,685
Withholding tax at source on payments to third parties	8,572	8,416	8,921	8,814
Taxes and contributions on salaries	5,778	523	11,041	2,752
Government social integration program (PIS)	2,494	2,290	2,984	3,058
Service tax (ISS) payable	1,865	1,769	3,195	3,996
Withholding tax on fixed-income securities	746	550	746	550
Taxes and contributions on income payable	834	20,962	19,089	34,333
Provision of deferred income tax (Nota 33e)	-	-	90,680	109,541
Other	-	-	53	23
Total	35,635	48,599	154,411	180,752

b) Sundry:

	Bank		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Assignment with co-obligation – Payroll (1)	596,713	690,009	596,713	690,009
Amounts payable to establishments related to credit card purchases	593,385	629,151	593,385	629,151
Provision for contingent liabilities (Note 20b)	289,558	239,950	358,677	303,904
Accrued liabilities	138,541	102,957	155,628	126,627
Collections	51,938	59,785	52,175	60,020
Amounts payable to affiliates	39,242	36,162	14,601	45,875
Amounts payable to storeowners	18,370	152	18,407	162
Allowance for loan assignment losses (Note 8c)	5,372	19,567	5,372	19,567
Specific consortium amounts	-	-	9,240	11,445
Other	38,788	36,435	42,407	18,566
Total	1,771,907	1,814,168	1,846,605	1,905,326

(1) Refer to the obligations assumed by credit assignment with substantial retention of risks and benefits. (Note 8f).

22) TECHNICAL PROVISIONS – INSURANCE AND REINSURANCE

As a result of the sale of Pan Seguros on 12/29/2014, we will not present below the balances:

Income From Insurance Operations

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a) Income from insurance premiums earned, by line:

Lines (1)	At 06/30/2014
Personal Insurance	
Personal injury (DPVAT)	27,344
Group personal accident	4,353
Unemployment/loss of income	3,383
Installment credit	55,088
Income protection from unforeseen events	405
Group life	72
Housing insurance – Installment credit	1,422
Housing insurance – Other coverage	365
Microinsurance	15
Total	92,447

(1) Net result of the variation in technical provisions for premiums.

b) Claims incurred by line

Line	At 06/30/2014
Personal Insurance	
DPVAT	24,104
Income protection from unforeseen events	88
Unemployment/loss of income	(74)
Group personal accident	(107)
Reinsurance	38
Group life	(459)
Installment credit	4,190
Housing insurance – Installment credit	315
Housing insurance – Other coverage	52
Microinsurance	-
Assistance	280
Total	28,427

23) EQUITY

a) Composition of capital in number of shares:

At 06/30/2015 and 12/31/2014, fully subscribed and paid-up capital totaled R\$ 3,460,732 and comprised nominative registered shares, with no par value.

	06/30/2015	12/31/2014
Common	535,029,747	535,029,747
Preferred	394,010,416	394,010,416
Total	929,040,163	929,040,163

At 06/13/2014, the Board of Directors of Pan approved capital increase of the Company in the aggregate amount of up to R\$ 1,500,000,000.00 (one billion, five hundred Thousand reais) at an issue price of R\$ 3,38 per ordinary or preferential share.

After the period for the exercise of pre-emptive rights and allocation of unsubscribed shares held, were subscribed a total of 242,566,348 common shares and 151,397,741 preferred shares, totaling the amount of R\$ 1,331,599 for the following: (i) R\$ 593,712 to Capital and (ii) R\$ 737,887 to the Capital Reserve. At 08/29/2014, BACEN (Central Bank of Brazil) approved the operation.



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On 11/03/2014, the Board of Directors meeting approved the propose of the Company Board to offset the accumulated losses calculated up to 12/31/2013, in the amount of R\$ 542,679, through partial use of balance of Capital Reserve. The absorption approved need to be ratified by the Ordinary and Extraordinary General Meeting occurred on 04/30/2015.

b) Revenue reserves:

Legal reserve – pursuant to the bylaws of PAN, the Bank shall appropriate 5% of net income after deduction of accumulated losses and income tax provision. The legal reserve shall not exceed 20% of the Bank's paid-up capital. However, the Bank may choose not to appropriate a portion of its net income to the legal reserve for the year in which the balance of this reserve plus the capital reserves exceeds 30% of its capital.

Reserve for equity integrity - under the terms of the bylaws, the remaining balance of retained earnings shall be appropriated to the reserve for equity integrity, for the purpose of ensuring that there are sufficient funds to meet the Bank's regulatory and operational capital requirements. The reserve may be converted into authorized capital and may be formed in accordance with the Board of Directors' proposal, with up to 100% of the net income, but may not exceed the amount of the Bank's capital.

c) Dividends and interest on own capital:

Stockholders are entitled to a minimum dividend calculated based on 25% of annual net income, adjusted pursuant to Article 202 of Law 6.404/76, as amended by Law 11368/07. This percentage is currently 35% as approved at the Extraordinary General Meeting held on 01/18/2012.

On 02/09/2015, the payment of interest on equity for the year 2014 was approved at a meeting of the Board of Directors. This to be approved at the Annual General Meeting resolving on the accounts of 2014 managers in the gross amount R \$ 1,811, R\$ 0.001949614 gross per share (R\$ 0.001657171 net of withholding tax of 15%), whose payment was made on 04/30/2015.

24) INCOME FROM SERVICES RENDERED

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Loan operations	101,005	87,433	101,005	87,433
Income from cards	87,439	70,982	87,439	70,982
Income from collection services	23,265	-	23,265	5,307
Consortium plan management	663	434	663	434
Income from the structuring of transactions / funds	-	-	8,235	4,439
Income from commission / brokerage	-	-	20	885
Other	1,643	6,267	5,843	6,449
Total	214,015	165,116	226,470	175,929

25) PERSONNEL EXPENSES

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Salaries	96,785	68,550	160,851	131,117
Social charges	24,580	16,363	47,719	39,101
Benefits	15,587	9,394	34,059	28,652
Fees	8,402	5,550	17,192	8,200
Other	1,494	1,660	1,691	2,917
Total	146,848	101,517	261,512	209,987



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26) OTHER ADMINISTRATIVE EXPENSES

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Commission paid to correspondent banks	596,609	386,582	476,987	311,200
Third-party services	73,707	65,590	92,860	90,447
Financial system services	64,730	39,633	66,157	40,995
Data processing	48,304	39,049	49,621	41,022
Rental	17,811	16,283	24,973	24,437
Communications	18,277	19,924	21,281	21,766
Depreciation and amortization	15,370	10,261	17,619	14,698
Advertising, promotions and publicity	17,909	8,097	19,948	12,464
Fees and rates	10,830	4,268	10,841	4,272
Expenses for search and seizure of assets	1,241	2,939	2,630	5,334
Maintenance and repair of assets	3,121	2,309	4,605	3,500
Travel	2,068	3,007	2,489	3,595
Transportation	735	12,897	898	13,176
Consumption materials	272	283	402	427
Other	33,823	18,360	40,763	22,447
Total	904,807	629,482	832,074	609,780

27) TAX EXPENSES

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Social contribution on revenues (COFINS)	68,674	42,813	82,037	61,815
Service tax (ISS)	10,123	7,808	17,132	15,341
Social Integration Program (PIS)	11,160	6,957	14,145	10,586
Taxes and charges	2,920	1,209	6,974	4,475
Total	92,877	58,787	120,288	92,217

28) OTHER OPERATING INCOME AND EXPENSES

a) Other operating income:

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Recovery of charges and expenses	25,613	4,757	28,349	5,396
Active monetary variation	24,483	14,981	27,323	16,084
Residual benefit of securitized transactions	-	-	3,791	3,447
Reversal of provisions	610	-	8,220	652
Amortization of negative goodwill – BCS	-	8,660	-	8,660
Other	11,434	12,311	12,252	18,026
Total	62,140	40,709	79,935	52,265

b) Other operating expenses:

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Assignment of loans	237,455	182,170	237,455	169,605
Provisions	88,796	62,772	145,519	93,386
Loss on loan/financing operations and fraud	26,448	20,873	26,628	20,888
Passive / change monetary variation	187,491	97,097	188,372	105,564
Discounts granted	14,806	14,987	15,567	16,423
Amortization of goodwill	5,822	5,822	12,526	12,526
Liens	13,332	9,745	13,343	9,752
Other	17,319	19,214	20,709	20,700
Total	591,469	412,680	660,119	448,844

29) NON-OPERATING RESULTS

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Result of sale of other assets	(26,350)	(43,025)	(30,344)	(44,146)
Reversal/devaluation of other assets	2,015	14,743	5,308	15,566
Impairment of non-financial assets	-	-	(1,419)	-
Other	51	41	89	275
Total	(24,284)	(28,241)	(26,366)	(28,305)

30) RELATED-PARTY TRANSACTIONS AND BALANCES

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.

a) We present below the balances and transactions with related parties:

	Maximum deadline	Bank			
		06/30/2015	12/31/2014	06/30/2015	06/30/2014
		Assets (liabilities)	Assets (liabilities)	Income (expenses)	Income (expenses)
Short-term interbank investments (a)					
Banco BTG Pactual S.A.	07/01/2015	196,999	-	11,430	2,360
Brazilian Mortgages Cia Hipotecária	06/27/2016	201,450	122,734	8,462	-
Caixa Econômica Federal	07/17/2017	701,674	-	2,494	1,163
Panamericano Arrendamento Mercantil S.A.	06/13/2018	58,300	68,289	3,594	2,523
Total		1,158,423	191,023	25,980	6,046
Loan assignment (b)					
Caixa Econômica Federal		698,591	426,692	-	-
Total		698,591	426,692	-	-
Other receivables					
Caixa Econômica Federal	No deadline	21,434	12,773	-	-
PAN Seguros S.A.	No deadline	3,956	3,055	-	-
Panamericana Adm. e Corretagem de Seg.de Prev.Privada Ltda.	No deadline	15	16	-	-
Brazilian Mortgages Companhia Hipotecária	No deadline	6,108	5,294	-	-
Panamericano Arrendamento Mercantil S.A.	No deadline	14	15	-	-
Panserv Prestadora de Serviços Ltda	No deadline	531	446	-	-
BM sua Casa Promotora de Vendas Ltda	No deadline	42	39	-	-
Brazilian Securities Companhia de Securitização	No deadline	1,169	2,491	-	-
Panamericano Administradora de Consórcio Ltda.	No deadline	1	-	-	-
Total		33,270	24,129	-	-
Demand deposits (c)					
PAN Seguros S.A.	No deadline	(769)	(1,889)	-	-
Panamericano Adm. e Corretagem de Seg.de Prev.Privada Ltda.	No deadline	(6)	(6)	-	-
Panamericano Administradora de Consórcio Ltda.	No deadline	(5)	(11)	-	-
Panamericano Arrendamento Mercantil S.A.	No deadline	(92)	(136)	-	-
Panserv Prestadora de Serviços Ltda	No deadline	(4)	(12)	-	-
BM sua Casa Promotora de Vendas Ltda	No deadline	(62)	(4)	-	-
Pan Holding S.A	No deadline	(4)	(1)	-	-

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Brazilian Finance Real Estate	No deadline	(5)	(4)	-	-
Brazilian Mortgages Cia Hipotecária	No deadline	(5)	(8)	-	-
Brazilian Securities Companhia de Securitização	No deadline	(3)	(3)	-	-
Key management person	No deadline	(3)	(1)	-	-
Total		(958)	(2,075)	-	-
Interbank deposits (d)					
Banco BTG Pactual S.A.	07/01/2015	(2,615,000)	(2,518,107)	(104,548)	(100,824)
Caixa Econômica Federal	06/30/2015	(5,663,547)	(5,855,642)	(361,930)	(258,058)
Brazilian Mortgages Companhia Hipotecária	09/21/2015	(293)	(68,059)	(365)	(6,513)
Total		(8,278,840)	(8,441,808)	(466,843)	(365,395)
Time deposits (e)					
Panamericano Adm. e Corretagem de Seg.de Prev.Privada Ltda.	06/13/2018	(13,604)	(18,690)	(1,078)	(278)
Panamericano Administradora de Consórcio Ltda.	06/14/2018	(7,681)	(7,615)	(453)	(1,019)
Panserv Prestadora de Serviços Ltda	05/25/2018	(16,331)	(13,506)	(1,273)	(910)
Brazilian Securities Companhia de Securitização	06/11/2018	(11,373)	(3,063)	(171)	(717)
Brazilian Finance Real & Estate	06/08/2018	(47,701)	(55,201)	(3,199)	(175)
BM sua Casa Promotora de Vendas Ltda	07/21/2017	(12)	(4,502)	(172)	(6,692)
BMSR II Participações S.A.	09/01/2017	(760)	(763)	(43)	-
Pan Holding S.A	04/13/2018	(18,834)	(17,144)	(1,039)	(453)
Total		(116,296)	(120,484)	(7,428)	(10,244)
Liabilities for purchase and sale commitments					
Banco BTG Pactual S.A.	10/01/2016	(99,999)	-	(1,477)	(1,281)
Caixa Econômica Federal		-	-	(297)	-
Panamericano Administradora de Consórcio Ltda	09/01/2020	(8,697)	(11,316)	(561)	-
Total		(108,696)	(11,316)	(2,335)	(1,281)
Funds from real-estate and agribusiness letters of credit and financial bills (f)					
Banco BTG Pactual S.A	06/30/2015	(445,107)	(389,144)	(24,890)	(19,783)
Brazilian Securities Companhia de Securitização		-	(5,977)	(283)	-
Caixa Econômica Federal		-	-	-	(337)
Key management person	05/14/2022	(31,686)	(28,368)	(1,566)	(1,140)
Total		(476,793)	(423,489)	(26,739)	(21,260)
Derivative financial instruments (g)					
Brazilian Securities Companhia de Securitização	02/15/2022	2,520	(23,503)	(4,246)	687
Banco BTG Pactual S.A	02/15/2022	210,994	130,011	90,100	156,120
Total		213,514	106,508	85,854	156,807
Other liabilities					
PAN Seguros S.A.	No deadline	(14,573)	(11,036)	-	-
Panamericano Arrendamento Mercantil S.A.	No deadline	(173)	-	-	-
Panserv Prestadora de Serviços Ltda	No deadline	(23,129)	(10,737)	-	-
Brazilian Mortgages Companhia Hipotecária	No deadline	(1,333)	(1,682)	-	-
BM sua Casa promotora de vendas Ltda	No deadline	(28)	-	-	-
Brazilian Securities Companhia de Securitização	No deadline	(3)	-	-	-
Panamericano Administradora de Consórcio Ltda	No deadline	(2)	-	-	-
Panamericana Adm. e Corret. de Seg. de Prev. Priv. Ltda	No deadline	(2)	-	-	-
Total		(39,243)	(23,455)	-	-
Income from services rendered (i)					
PAN Seguros S.A.		-	-	19,164	2,532
Panserv Prestadora de Serviços Ltda		-	-	-	(91,807)
Total		-	-	19,164	(89,275)



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Personnel expenses (I)					
PAN Seguros S.A.	-	-	(98)	(48)	
Total	-	-	(98)	(48)	
Other administrative expenses					
Panserv Prestadora de Serviços Ltda	-	-	(125,870)	(14,332)	
PAN Seguros S.A.	-	-	(916)	(833)	
Banco BTG Pactual S.A.	-	-	-	(550)	
BTG Pactual Corretora	-	-	(53)	(44)	
Tecban S.A.	-	-	(436)	(428)	
Câmara Interbancária de Pagamentos	-	-	(4,831)	(174)	
Pan Holding S.A.	-	-	-	(230)	
Total	-	-	(132,136)	(16,591)	
Income from loan assignments					
Caixa Econômica Federal	-	-	891,411	368,417	
Total	-	-	891,411	368,417	

- (a) Refer to the Bank's PAN applications with rates equivalent to those of the CDI;
 (b) Refers to the transfer of credit to receive without coobrigação;
 (c) Refer to the outstanding balance of current accounts held at the Bank linked to PAN;
 (d) Refer to the funding through interbank deposits with rates equivalent to those of the CDI;
 (e) Refer to the funding through deposits made at the Bank PAN;
 (f) Refer to the capture by means of letters of credit for agribusiness, real estate and financial letters with rates on average of 97.7 the CDI;
 (g) Refer to swaps;
 (h) Refer the Commission paid to the Bank insurance intermediation and PAN the Commission pays the corresponding business intermediation;
 (i) Refer to the share of spending on group life insurance that the bank pays its employees PAN; and



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	Maximum deadline	Consolidated			
		06/30/2015	12/31/2014	06/30/2015	06/30/2014
		Assets (liabilities)	Assets (liabilities)	Income (expenses)	Income (expenses)
Available funds (a)					
Banco BTG Pactual S.A.	No deadline	4	5	-	-
Caixa Econômica Federal	No deadline	5,137	-	-	-
Total		5,141	5	-	-
Short-term interbank investments (b)					
Banco BTG Pactual S.A.	07/01/2015	196,999	-	11,430	2,360
Caixa Econômica Federal	07/17/2015	701,674	-	2,494	1,163
Total		898,673	-	13,924	3,523
Loan assignment (c)					
Caixa Econômica Federal		698,591	426,692	-	-
Total		698,591	426,692	-	-
Other receivables					
Caixa Econômica Federal	No deadline	21,434	12,773	-	-
Pan Seguros S.A.	No deadline	3,956	4,420	-	-
Panamericana Adm. e Corretagem de Seg. de Prev. Privada Ltda.	No deadline	15	16,593	-	-
Total		25,405	33,786	-	-
Demand deposits (d)					
Pan Seguros S.A.	No deadline	(769)	(1,889)	-	-
Panamericano Adm. e Corretagem de Seg.de Prev.Privada Ltda.	No deadline	(6)	(6)	-	-
Key management person	No deadline	(3)	(1)	-	-
Total		(778)	(1,896)	-	-
Interbank deposits (e)					
Banco BTG Pactual S.A.	07/01/2015	(2,615,000)	(2,518,107)	(104,548)	(100,824)
Caixa Econômica Federal	06/30/2015	(5,663,547)	(5,855,642)	(361,930)	(258,058)
Total		(8,278,547)	(8,373,749)	(466,478)	(358,882)
Time deposits (f)					
Panamericano Adm. e Corretagem de Seg.de Prev.Privada Ltda.	06/13/2018	(13,604)	(18,690)	(1,078)	-
Total		(13,604)	(18,690)	(1,078)	-
Liabilities for purchase and sale commitments					
Banco BTG Pactual S.A.	10/01/2016	(99,999)	-	(1,477)	(1,281)
Caixa Econômica Federal		-	-	(297)	-
Total		(99,999)	-	(1,774)	(1,281)
Funds from real-estate and agribusiness letters of credit and financial bills (g)					
Banco BTG Pactual S.A.	06/30/2015	(565,968)	(520,888)	(31,567)	(19,783)
Caixa Econômica Federal		-	-	-	(337)
Key management person	05/14/2022	(31,686)	(28,368)	(1,566)	(1,140)
Total		(597,654)	(549,256)	(33,133)	(21,260)
Derivative financial instruments (h)					
Banco BTG Pactual S.A.	02/15/2022	210,994	130,011	90,100	156,120
Total		210,994	130,011	90,100	156,120



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Other liabilities					
Banco BTG Pactual S.A.	No deadline	(21)	(75)	-	-
BTG Pactual Gestora de Recursos LTDA.	No deadline	(18)	(19)	-	-
Pan Seguros S.A.	No deadline	(14,578)	(12,061)	-	-
Total		(14,617)	(12,155)	-	-
Income from services rendered (i)					
BTG Pactual Gestora de Recursos LTDA.		-	-	(199)	-
Pan Seguros S.A.		-	-	19,164	-
Panamericana Adm. e Corret. de Seg. de Prev. Privada Ltda.		-	-	1,381	-
Total		-	-	20,346	-
Personnel expenses (j)					
Pan Seguros S.A.		-	-	(139)	-
Total		-	-	(139)	-
Other administrative expenses					
Pan Seguros S.A.		-	-	(916)	-
Banco BTG Pactual S.A.		-	-	-	(550)
BTG Pactual Corretora		-	-	(53)	(44)
Tecban S.A.		-	-	(436)	(428)
Interbank chamber of payments		-	-	(4,831)	(174)
Total		-	-	(6,236)	(1,196)
Income from loan assignments					
Caixa Econômica Federal		-	-	895,838	391,507
Total		-	-	895,838	391,507

(a) Refer to the current accounts of the companies Pan Holding S.A. and Brazilian Mortgages mortgage company;

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

(c) Refer to the transfer of credit to receive without coobligation;

(d) Refer to the outstanding balance of current accounts held at the Bank linked to PAN;

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

(f) Refer to funding through deposits made at the Bank PAN;

(g) Refer to the capture by means of letters of credit for agribusiness, real estate and financial letters with rates on average of 97.7 % the CDI;

(h) Refer to swaps;

(i) Refer the Commission paid to the Bank insurance intermediation and PAN the Commission pays the corresponding business intermediation;

(j) Refers to the portion of spending on group life insurance that the bank pays its employees PAN; and

b) Key management compensation:

At the Annual General Meeting, held on 04/30/2015, the maximum amount of key management compensation for 2015 was established at R\$ 35,000 (R\$ 29,445 at 2014) (Expenses for fees). The value at PAN group for 2015 is R\$ 70,000 (R\$ 72,011 at 2014).

Short-term benefits provided to management (1)

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Expenses for fees	8,402	5,550	17,192	8,200
Social security contributions (INSS)	1,891	1,249	3,868	1,845
Total	10,293	6,799	21,060	10,045

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

Banco 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 may not grant loans or advances to the following:

- I. Management 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%; and
- 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%.

31) FINANCIAL INSTRUMENTS

- **Risk management**

The Bank has exposure in assets and liabilities involving derivative financial instruments, which are recorded in balance sheet, income 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**

Banco PAN 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 is responsible for the Group-wide capital management process.

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.

Banco PAN manages its capital based on a timely and forward-looking approach, in line with best practices and in compliance with the recommendations issued by the Basel Committee, using 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 4192/13 and 4193/13. Required capital amounts are calculated in accordance with BACEN Circular 3644/13 for credit risk, BACEN Circulars 3634/13 to 3639/13, 3641/13 and 3645/13 for market risk and BACEN Circular 3640/13 for operational risk.

We present below the capital indicators, including Reference Equity (PR) and the new capital requirements which must be observed. From October 2013 to December 2014, capital will be calculated solely on the Financial Conglomerate basis and from January 2015 on the Prudential Conglomerate basis.

The capital indicators calculated on the Financial Conglomerate basis (December 31, 2014) and Prudential Conglomerate (June 30, 2015) are as follows:

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

Calculation basis – Basel ratio	06/30/2015	12/31/2014
Tier I reference equity	2,376,249	2,746,585
Core capital	2,376,249	2,746,585
Tier II reference equity	914,152	1,051,140
Reference equity for comparison with risk-weighted assets (RWA)	3,290,401	3,797,725
Reference equity	3,290,401	3,797,725
- Credit risk	18,538,301	18,382,573
- Market risk	727,525	310,106
- Operational risk	705,033	1,629,411
Risk-weighted assets – RWA	19,970,859	20,322,090
Basel ratio	16.48%	18.69%
Tier I capital	11.90%	13.52%
Core capital	11.90%	13.52%

- **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 the 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 deemed 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 Bank's loan and funding 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 variation and their corresponding spot rate, interest rates linked to price indexes (INPC, INCC, IPCA and IGPM), as well as other interest rates (TR), exchange variation (US\$) and share prices.

The financial instruments are segregated into the following books:

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

Sensitivity analysis at June 30, 2015

Risk factors	Trading and Banking Book exposures subject to variation:	SCENARIOS (*)		
		(1) Probable	(2) Possible	(3) Remote
Interest rates	Fixed interest rates	(1,453)	(482,218)	(960,942)
Coupon - other interest rates	Interest rate coupon rates	(232)	(58,454)	(108,561)
Coupon - price index	Price index coupon rates	(144)	(23,953)	(49,586)
Foreign currency	Exchange rates	(179)	(4,483)	(8,967)
Exchange coupon	Exchange coupon rates	(21)	(2,118)	(4,035)
Total at 06/30/2015		(2,029)	(571,226)	(1,132,091)
Total at 12/31/2014		(2,689)	(650,968)	(1,292,734)

(*) Amounts gross of taxes.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

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The sensitivity analysis was performed using market data for the last day in June 2015, 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 on 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 10% 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 25% 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.

FOREIGN EXCHANGE EXPOSURE

We present below the assets and liabilities linked to foreign currencies at June 30, 2015 and December 31, 2014:

Assets – US dollar	At 06/30/2015	At 12/31/2014
Credit operations (ACC/CCE)	775,597	965,700
Other receivables	26,896	22,140
Total assets	802,493	987,840

Liabilities – US dollar	At 06/30/2015	At 12/31/2014
Subordinated debt	1,731,309	1,423,509
Securities issued abroad	916,074	773,610
Foreign borrowings	62,127	66,614
Total liabilities	2,709,510	2,263,733

The Pan 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 06/30/2014 and 12/31/2014, the position of the derivative financial instruments, in foreign currency, was as follows:

	Notional amount		Market value	
	At 06/30/2015	At 12/31/2014	At 06/30/2015	At 12/31/2014
Assets – US dollar				
Swap	1,622,654	1,557,570	2,983,134	2,575,119
DDI	52,872	97,796	52,872	97,796
DOL	15,681	-	15,681	-
Total	1,691,207	1,655,366	3,051,687	2,672,915
Liabilities – US dollar				
Swap	43,016	128,076	48,652	145,677
DDI	595,955	789,323	595,955	789,323
DOL	238,541	146,215	238,541	146,215
NDF	13,153	16,371	16,026	16,734
Total	890,665	1,079,985	899,175	1,097,949

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- **Liquidity risk**

Liquidity risk is defined as the possibility that the Institution will not be able to meet efficiently 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, when its amount is significant in relation to the financial volume usually transacted or following any market discontinuity.

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

The Bank maintains adequate liquidity levels, based on the quality of its assets and risk controls, in accordance with its Liquidity Risk Management Policy 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.

- **Operational risk**

This is 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 the legal provisions and indemnifications for damages to third parties arising from activities carried out by the Institution.

In compliance with the principles of CMN Resolution 2.554/98 and Item III of Article 9 of CMN Resolution 3.380/06, the Conglomerate has an independent organizational framework responsible for the management and control of operational risks. The Internal Control, Compliance and Operational Risk area is also responsible for the Anti-money Laundering and 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**

We present below the net carrying amount of the main financial instruments:

Item	Consolidated					
	At 06/30/2015			At 12/31/2014		
	Carrying amount	Market value	Unrealized profit (loss)	Carrying amount	Market value	Unrealized profit (loss)
Marketable securities and derivative financial instruments	1,423,611	1,409,414	(14,197)	2,273,556	2,276,294	2,738
- Adjustment of trading securities	26,650	26,650	-	509,524	509,524	-
- Adjustment of available-for-sale securities	1,036,310	1,036,310	-	1,371,486	1,371,486	-
- Securities held to maturity	360,651	346,454	(14,197)	392,546	395,284	2,738
Loan and leasing operations	18,148,926	19,606,708	1,457,782	17,512,019	18,974,188	1,462,169
Time deposits	3,092,703	4,195,798	(1,103,095)	2,736,001	3,267,850	(531,849)
Interbank deposits	8,426,082	8,428,567	(2,485)	8,631,521	8,454,482	177,039
Funds from issuance of securities	5,213,411	5,169,550	43,861	5,168,051	5,331,247	(163,196)
Borrowings	164,057	67,221	96,836	168,317	236,469	(68,152)
Subordinated debt	1,875,530	1,871,657	3,873	1,556,283	1,587,801	(31,518)
Unrealized profit with no tax effects			482,575			847,231

Determination of the Market value of financial instruments:

- The market values of securities, subordinated debts and derivative instruments are based on market price quotations on the balance sheet date. When these market quotations are not available, their market values are based on pricing models or equivalent instruments;



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- The market values of the loan or leasing operations are determined discounting future flows at the rates practiced in the market for equivalent transactions on 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 on this balance sheet date to the current stock.

32) EMPLOYEE BENEFITS

On 12/04/2013, Banco PAN commenced the termination process (under the terms of CNPC Resolution 11/2013) at SUSESP of its sponsorship of Benefits Plan V provided by the Silvio Santos Group which will be submitted to the pensions regulator (PREVIC) for approval. Approval will only be granted by PREVIC subsequent to verification of the necessary conditions and calculations presented in the process. Until such time, the plan will operate normally with monthly contributions. For the six-month period ended June 30, 2015, this contribution totaled R\$ 223 in Banco PAN and R\$ 230 in the Consolidated (June 30, 2014 – R\$ 283 in Banco PAN and R\$ 295 in Consolidated).

In line with best market practices, Banco PAN offers a number of social benefits to its employees including: (a) healthcare insurance; (b) dental care insurance; (c) life insurance; (d) meal vouchers (e) food vouchers. For the six-month period ended June 30, 2015, these expenses totaled R\$ 15,889 in the Bank and R\$ 30,488, in the Consolidated.

33) INCOME TAX AND SOCIAL CONTRIBUTION

a) Calculation of income tax and social contribution charges

	Bank		Consolidated	
	At 06/30/2015	At 06/30/2014	At 06/30/2015	At 06/30/2014
Income before income tax and social contribution	(88,432)	(262,112)	(109,733)	(248,710)
Effective rate (1)	40%	40%	-	-
Total income tax and social contribution charges/benefits at the rates in force (2)	35,372	104,845	40,581	96,603
Effect on tax calculation:				
Tax credit not constituted	-	-	-	(3)
Investment in subsidiaries	(15,987)	3,974	-	-
Other amounts	(872)	1,113	(768)	3,121
Income tax and social contribution benefit for the period	18,513	109,932	39,813	99,721

- (1) In Consolidated, the effective rate is not presented because different rates are used for financial and insurance segment companies and those in other segments.
- (2) The social contribution rate for companies in the financial and insurance segments was increased to 15%, pursuant to Law 11.727/08 and remains at 9% for other companies (Note 3n).

b) Origins of and activity in deferred income tax and social contribution assets:

	Bank			
	At 12/31/2014	Additions	Amount realized	At 06/30/2015
Allowance for loan losses	1,038,364	42,845	(94,586)	986,623
Provision for civil contingencies	66,815	24,819	(19,055)	72,579
Provision for labor contingencies	27,896	18,407	(4,505)	41,798
Provision for tax contingencies	1,269	182	(5)	1,446
Provision for loss on repossessed assets	12,728	30,158	(28,247)	14,639
Mark-to-market adjustment of derivatives	25,393	38,530	(25,452)	38,471
Other provisions	57,878	43,095	(6,456)	94,518
Total deferred tax assets on temporary differences	1,230,343	198,036	(178,306)	1,250,074
Tax losses and negative social contribution basis	1,278,282	-	(407)	1,277,875
Deferred tax assets, net of deferred tax liabilities	2,508,625	198,036	(178,713)	2,527,949

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	Consolidated			
	At 12/31/2014	Additions	Amount realized	At 06/30/2015
Allowance for loan losses	1,122,914	68,203	(95,338)	1,095,779
Provision for civil contingencies	72,086	26,929	(20,970)	78,045
Provision for labor contingencies	37,194	22,261	(5,599)	53,856
Provision for tax contingencies	10,716	1,456	(2,712)	9,460
Provision for loss on repossessed assets	14,595	30,376	(29,181)	15,790
Mark-to-market adjustment of derivatives	39,571	43,412	(27,323)	55,660
Other provisions	82,084	51,133	(16,374)	116,843
Total deferred tax assets on temporary differences	1,379,160	243,770	(197,497)	1,425,433
Tax losses and negative social contribution basis	1,481,863	3,279	(7,617)	1,477,525
Total deferred tax assets	2,861,023	247,049	(205,114)	2,902,958
Deferred tax liabilities (Note 33(e))	(109,541)	(6,413)	25,274	(90,680)
Deferred tax assets, net of deferred tax liabilities	2,751,482	240,636	(179,840)	2,812,278

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

The projected realization of deferred tax assets was based on a review of the study of current and future scenarios at June 30, 2015. The main assumptions used in the projection were based on macroeconomic indicators, production indicators, cost of funding, capital injections and the realization of assets. This projected realization of deferred tax assets, including the assumptions used, was approved by the Bank's Board of Directors on August 3, 2015.

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

We present below the estimated realization of these assets:

	Bank					
	Temporary differences		Income tax and social contribution losses		Total	
	At 06/30/2015	At 12/31/2014	At 06/30/2015	At 12/31/2014	At 06/30/2015	At 12/31/2014
2015	278,014	398,656	316	772	278,330	399,428
2016	272,469	314,045	45,841	33,369	318,310	347,414
2017	123,813	260,795	130,900	27,739	254,713	288,534
2018	99,088	139,030	160,462	148,479	259,550	287,509
2019	123,834	103,247	157,503	163,679	281,337	266,926
2020	352,784	14,539	138,674	240,142	491,458	254,681
2021	59	31	334,803	334,811	334,862	334,842
2022	13	-	309,376	329,291	309,389	329,291
Total	1,250,074	1,230,343	1,277,875	1,278,282	2,527,949	2,508,625

	Consolidated					
	Temporary differences		Income tax and social contribution losses		Total	
	At 06/30/2015	At 12/31/2014	At 06/30/2015	At 12/31/2014	At 06/30/2015	At 12/31/2014
2015	299,012	439,705	4,094	5,024	303,106	444,729
2016	320,439	338,815	59,834	51,558	380,273	390,373
2017	157,097	290,224	143,200	37,051	300,297	327,275
2018	131,678	160,698	168,642	156,775	300,320	317,473
2019	148,814	124,836	166,207	171,556	315,021	296,392
2020	358,091	16,031	147,388	249,736	505,479	265,767
2021	1,612	1,355	345,345	345,398	346,957	346,753
2022	1,625	469	320,808	341,217	322,433	341,686
2023	7,065	7,027	10,895	10,871	17,960	17,898



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2024	-	-	14,895	11,311	14,895	11,311
Total	1,425,433	1,379,160	1,381,308	1,380,497	2,806,741	2,759,657

At 06/30/2015, the present value of deferred tax assets, calculated based on the Bank's average funding rate, totaled R\$ 1,450,201 in the Banco PAN and R\$ 1,621,217 in the Consolidated (December 31, 2014 – R\$ 1,531,684 in the Banco PAN and R\$ 1,690,678 in the Consolidated).

In accordance with Article 5, paragraph 2 of CVM Resolution 3.059/02, the deferred tax assets originated from tax losses incurred by excluding income from excess depreciation in the amount of R\$ 96,217 (R\$ 101,367 at December 31, 2014), will generate no profit, based on a technical study.

d) Unrecorded deferred tax assets

At 06/30/2015, tax losses were approximately R\$ 1,137,970 in Banco PAN and Consolidated (December 31, 2014 – R\$ 1,137,970 in Banco PAN and Consolidated), in respect of which deferred tax assets of R\$ 455,185 in Banco PAN and Consolidated have not been recorded since they did not meet all of the conditions established by BACEN.

e) Deferred tax liabilities:

Consolidated	At 12/31/2014	Additions	Amount realized	At 06/30/2015
Mark-to-market adjustment of derivative financial instruments	(9,296)	(6,413)	11,689	(4,020)
Excess depreciation	(100,245)	-	13,585	(86,660)
Total	(109,541)	(6,413)	25,274	(90,680)

34) OTHER INFORMATION

- Guarantees and sureties granted total R\$ 54,726 for the first six-month period ended June 30, 2015. (At June 30, 2014 – R\$ 20,375);
- The policy of the Bank and its subsidiaries is to contract insurance for its cash, checks received as collateral and assets in amounts which are considered sufficient to cover potential losses.
- At December 30, 2015 and 2014, the Bank and its subsidiaries had no lease agreements for own acquisitions.
- CMN Resolution 4.036/11 came into force 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 shall be December 31, 2015, or the date of maturity of the renegotiated operations, whichever is earlier, based on the straight-line method. The Resolution became effective since January 1, 2012. Banco PAN does not use the option permitted by this Resolution.
- Agreements for the Clearing and Settlement of Liabilities – CMN Resolution 3.263/05 - Banco PAN entered into an agreement for the clearing and settlement of liabilities in the National Financial System (SFN) area, with corporate entities that are, or are not, SFN members. This resolution is designed to permit the netting of credits and debits with the same counterparty, whereby the maturity of the related rights and obligations may be accelerated to the date on which an event of default by either party occurs or in the case of the death of the debtor.
- On January 20, 2015, was published the Law No. 13.097, which translates into law the Provisional Measure No. 656/2014, which, among other measures, amend the rules on deduction of losses on receivables for contracts defaulted from August 10, 2014 (art. 9 of Law no. 9.430/96).



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bbFor defaulted contracts prior to this date, remain the previously existing rules and,

- g) At May 22, 2015, was published the Law No. 675/15 that rate increase of 15% to 20% financial institutions, from September, 2015.

The Banco Pan will wait the conversion of MP in Law for a deeper analysis, since possible amendments can be proposed by the National Congress.



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Executive Board Declaration

In compliance with the provisions established by 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 financial statements for the period ended June 30, 2015.



NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

São Paulo, August 03, 2015

BOARD OF DIRECTORS

Chairwoman

Miriam Aparecida Belchior

Vice – Chairman

André Santos Esteves

Board Members

Antonio Carlos Porto Filho

Aod Cunha de Moraes Júnior

Fábio de Barros Pinheiro

Fabio Lenza

Jorge Fontes Hereda

Marcos Antônio Macedo Cintra

Marcos Roberto Vasconcelos

Mateus Affonso Bandeira

Marcos Bader

Roberto Balls Sallouti

EXECUTIVE BOARD

Chief Executive Officer

José Luiz Acar Pedro

Officers

Alex Sander Moreira Gonçalves

Carlos Eduardo Pereira Guimarães

Eduardo Almeida Prado

Eduardo Nogueira Domeque

José Luiz Trevisan Ribeiro

Leandro de Azambuja Micotti

Maurício Antônio Quarezemin

Paulo Alexandre da Graça Cunha

FISCAL COUNCIL

Marcelo Adilson Tavarone Torresi

Marluce dos Santos Borges

Paulo Roberto Salvador Costa

AUDIT COMMITTEE

Almir José Meireles

Marcelo Yague

ACCOUNTANT

Gregório Moreira Franco

CRC 1SP219426/O-2