

**Banco Pan**  
**Financial Statements – 1Q14**

May 05, 2014

## **Banco Pan**

### **Management Report - 1Q14**

May 5, 2014

**DEAR SHAREHOLDERS**

The Directors of Banco Panamericano S.A. (“Pan”, “Bank” or “Company”) and its subsidiaries hereby submit to your analysis this Management Report and the respective Quarterly Information for the period ended on March 31, 2014, along with the Independent Auditors Report. The quarterly Information presented here are in accordance with the norms set forth by Laws 4595/64 (National Financial System Law) and 6404/76 (Brazilian Corporations Act), the National Monetary Council, the Central Bank of Brazil (“Bacen”), the Securities and Exchange Commission of Brazil, the Superintendence of Private Insurance, the National Council of Private Insurance and other statutory requirements.

**OPERATIONAL AND COMMERCIAL AGREEMENTS**

In view of the entry of Banco BTG Pactual S.A. (“BTG Pactual”) in Pan’s controlling block and underlining its commitment to maintaining the strategic alliance, Caixa Econômica Federal (“Caixa”) signed a new Operational Cooperation Agreement with the Bank on January 31, 2011, with BTG Pactual acting as the intervening party, effective after the conclusion of the transfer of control, for an eight years term, which may be extended to provide support to the Company. Notable among the measures envisaged in the agreement that will directly affect Pan’s capital structure and liquidity are: (i) a commitment by Caixa to acquire the Company’s loans under certain parameters, should the Company wish to assign them without recourse, up to the limit of R\$8.0 billion; and (ii) the strengthening of liquidity through interbank operations supported by a credit limit of R\$2.0 billion. These operations will be carried out under market conditions.

On April 25, 2012, BTG Pactual and Caixa amended the Operational Cooperation Agreement entered into on January 31, 2011, to formalize, among other provisions, the injection, by BTG Pactual or its affiliates, pursuant to the applicable legislation, of additional funds in interbank deposit certificates, bank deposit certificates or real estate credit bills issued by Pan.

Also on April 25, 2012, in order to strengthen and improve the Company’s new business strategy and its operation in the real estate market following the acquisition of Brazilian Finance & Real Estate S.A. (“BFRE”), Pan and Caixa entered into a commercial agreement through which Caixa will acquire, upon the Company’s request, real estate credit bills issued by Pan or by a mortgage lender under its control, as applicable. This agreement became effective for a period of seven years as of the conclusion of the BFRE acquisition on July 19, 2012.

On September 13, 2012, Caixa and Pan, with the intervention and agreement of Caixa Participações S.A. (“Caixapar”) and BTG Pactual, among others, entered into an operational agreement establishing a mutual cooperation regime for the structuring, distribution and sale of products and services, including the joint preparation and implementation of plans for the development of products and services for both institutions. The aim is to create synergies and seize opportunities for expanding the product portfolios, among others, considering the complementary nature of their businesses.

Lastly, on April 17, 2013, Caixa and Pan entered into another commercial agreement involving: (i) the disclosure of Caixa’s products via Pan’s distribution channels; and (ii) the origination by Pan for Caixa of real estate credits with high-income clients.

The various operational and commercial agreements entered into since the formation of Pan’s current controlling block between the Bank and its controlling shareholders, Caixa and BTG Pactual, not only demonstrate these shareholders’ strong and continuing support of the Company, but also the complementarity and alignment of interests among all three institutions.

## ECONOMIC SCENARIO

Regarding the economic activity, GDP in the 4th quarter of 2013 grew by 0.7% compared to the previous quarter, adjusted for seasonal effects, and by 1.9% over the same period of 2012. As a result, GDP expanded by 2.3% in 2013, after growing by just 1.0% in 2012. On the supply side, the services sector performed exceptionally well, with growth of 0.7% over the previous quarter and 1.8% over the same period in 2012, accelerating in relation to the third quarter, when it grew by 0.2% over the same quarter in the prior year. Among the service activities, financial and information services performed exceptionally well, with increases of 4.8% and 2.0%, respectively. However, in most of the remaining segments growth stood below their historical trends. The manufacturing industry registered the poorest results, down by 0.7% compared to the previous quarter, although increasing by 1.5% over the same period in 2012. On the demand side, the highlight was again private consumption, which grew by 0.7% over the third quarter and 1.9% over the same quarter of 2012. Investments remained stable compared to the previous quarter, growing by just 0.3%, but ending 2013 with an increase of 6.3%, its biggest annual expansion. Government spending maintained the upward trend for the third consecutive quarter, increasing by 0.8% over the previous quarter, while exports also presented a positive result, growing by 0.4% compared to the third quarter, outpacing imports, which declined 0.1% over the prior quarter.

In the external sector, the current account balance registered a US\$7.4 billion deficit in February. Although this result has slightly exceeded expectations, the figures of the balance of payments were not very encouraging, including the financial account. In this regard, we note that direct investments remain largely dependent on intercompany loans and that net withdrawals of funds in equities do not support the idea of recovering credibility in the Brazilian economy by foreign investors, who have given preference to fixed income securities. However, although the qualitative aspects of the balance of payments call for caution, the net inflow of US\$3.1 billion was positive.

Regarding inflation, the IPCA index stood at 0.9% in March, leading to the inflation rate in the 12-month period to 6.2%. The main pressures were “household food” and “airfare”, which jointly more than off-set the deflation in “phone rates”. Note that inflation in the groups that follows market prices stood at 1.2% compared to the previous month, while groups with administered prices recorded a slight deflation of 0.02% compared to February, 2014. Additionally core measures and the diffusion index reported unfavorable results in March.

In the labor market the unemployment rate fell from 5.1% in February to 5.0% in March, again reaching an all-time low since the beginning of the series in 2002. The seasonally adjusted rate also fell from 5.0% to 4.9%. Note, however, that for the fifth consecutive month the Economically Active Population (EAP) and the participation rate - which remains below the historical average - declined. The drop in the participation rate has drawn attention of analysts, as it contributes to maintaining low unemployment rates. Given the current tight scenario, it still seems difficult to conclude that discouragement is the main cause of this reduction, which usually happens when the drop in participation occurs in a context of high unemployment. With growth in real household income in the last few years, the opportunity cost of labor might have increased in certain groups. In March, the average real income fell 0.3% over the prior month, which, combined with the decline in the employed population, led real income to resume dropping. Nevertheless, yield and real income continued to record gains of 3.0% and 4.0%, respectively, compared to the same period in 2013.

Regarding the credit market, February data confirmed the main trends observed throughout 2013.

The loan operation balance grew by 14.7% YoY, compared to the 14.8% upturn recorded in January, with earmarked credit increasing 24.9% and free credit increasing 25.3% over the same period the previous year, versus growth of 25.3% and 7.5%, respectively in January. After contracting in January, the daily average of new concessions increased 18.5% for corporations and 12.1% for individuals compared with the previous month. Among the qualitative aspects, in line with the Selic hike cycle, free credit interest rates increased from 22.8% to

23.1% for companies and from 39.9% to 41.2% for individuals. Free credit default rose slightly from 3.2% to 3.3% for companies and fell from 6.6% to 6.5% for individuals.

Regarding the fiscal situation, the consolidated public sector surplus reached R\$2.1 billion in February, resulting in 12-month surplus to reach 1.8% of GDP, compared to 1.7% in January. The nominal result of February was a deficit of R\$9.5 billion. As a result, the net debt/GDP ratio moved up to 33.9%, up from 33.3% in January but below the 35.7% in February 2013. Gross debt fell to 57.5% of GDP, versus 58.1% in the previous month.

Lastly, the Monetary Policy Committee continued its monetary tightening cycle during the first quarter of 2014, raising the Selic rate to 10.75% p.a. at the February meeting. In its April meeting the Committee unanimously resolved to raise the Selic rate by another 25 basis points to 11% p.a.

## MAIN RESULTS

Despite this context of modest economic activity, gradual reduction in individual default and a more restrictive monetary policy, the origination of credit assets increased considerably over the previous quarter, maintaining its long-term upward trajectory. In this context, monthly credit origination, which from the first quarter of 2014 shall be considered as the total amount financed, averaged R\$1,237.1 million in the first quarter of 2014, 14.4% higher than the R\$1,081.7 million in 1Q13 and 8.6% lower than the R\$1,353.4 million in 4Q13, due to the usual seasonality of the first quarter and the replacement of real estate credits origination system, as it has been done with other product lines regarding the improvements in the bank processes. The credit origination growth in 1Q14 compared to 1Q13 was mainly driven by the increases of 81.4% in payroll-deductible loans and of 15.4% in real estate loans.

The total expanded loan portfolio closed the first quarter at R\$16,206.8 million, 3.4% higher than the R\$15,675.5 million reported in December, 2013 and 15.8% up on the R\$13,999.5 million recorded in 1Q13. This amount includes: (i) the Bank's retained loan portfolio of R\$15.7 billion; (ii) loans assigned with recourse, totaling R\$369.9 million; (iii) the balance of leasing operations, totaling R\$108.6 million; and (iv) the balance of guarantees issued, amounting to R\$20.4 million. On March 31, 2014, investments in private securities came to R\$29.9 million. Including these operations, the total expanded loan portfolio reached R\$16,236.7 million at the end of 1Q14.

The balance of the loan portfolio with retained result, which excludes loans assigned with recourse and thus provides a measure of the Company's revenue earning portfolio, continued to outpace the total loan portfolio as loans assigned with recourse in the past have matured, reaching R\$15,836.9 million by the end of the first quarter, 4.3% up on 4Q13 and 21.6% up year over year.

Loans to individuals accounted for 78.8% of the total portfolio in March 2014, showing a slightly greater portfolio diversification in relation to the figure of 79.5% reported at the end of March 2013.

### Vehicle Financing

According to Bacen, the balance of vehicle financing (CDC PF) totaled R\$190.0 billion in 1Q14, a real decline of 3.6% over 4Q13 and of 7.2% over the first quarter of 2013. Vehicle financing represents 25.3% of non-earmarked household credit. The leasing portfolio, which represents 0.8% of household credit, continued to shrink, falling by 24.0% in real terms over 4Q13 and 60.3% in the last twelve months.

The default rate on vehicle loans overdue by more than 90 days (CDC PF) stood at 5.0% in 1Q14, 0.2 p.p. down over 4Q13 and 1.3 p.p. down year over year. The rate peaked in June 2012 at 7.2% has been gradually declining ever since.

Interest on household credit for vehicle acquisition came to 23.5% p.a. in 1Q14, 2.2 p.p. down on 4Q13 and 3.8 p.p. up year over year.

According to Fenabrave, the vehicle dealers' association, light vehicle sales (new and used cars and light commercial vehicle) totaled 3.1 million units in 1Q14, 9.0% up on the same period of 2013, with sales of used vehicles moving up 13.1% and those of new vehicles decreasing by 1.7%. In relation to the previous quarter, used vehicle sales grew by 6.6%, while new vehicle sales fell by 1.2% (seasonally adjusted).

Sales of heavy vehicles (buses and trucks) totaled 127,100 units in 1Q14, 2.3% down year over year, with new vehicle sales dropping up by 10.4% and used vehicle sales increasing by 1.7%. In relation to 4Q13, new heavy vehicle sales and used heavy vehicle sales fell by 12.3% and 0.8%, respectively (seasonally adjusted).

Also according to Fenabrave, first-quarter sales of new and used motorcycles came to 1.0 million units, 10.2% up year over year, with new motorcycle sales falling by 3.8% and used motorcycle sales increasing by 14.3%. In comparison with the previous quarter, new motorcycle sales grew by 4.4% and used motorcycle sales grew by 4.8% (seasonally adjusted).

Vehicle financing continued to be the Company's core business. In 1Q14, it disbursed R\$1,559.9 million in new vehicle financing, including leasing operations, 12.7% lower than the R\$1,786.3 million originated in the previous quarter and 0.2% down on the R\$1,560.2 million originated in 1Q13, due to the moment of the market.

The Bank is actively present in 7,148 new and used vehicle dealers and resellers, with a wider loan origination, whereby the 10 largest groups of dealers and resellers account for only 13.4% of total origination. The Bank's strategy regarding light vehicles is based on the pursuit of a relevant interest in both new and used auto financing. It is worth noting that in 1Q14 new autos accounted for 56.5% of total light vehicle financing and 45.9% of total vehicle financing in the period, versus 57.3% and 46.5%, respectively, in the previous quarter, and 59.1% and 48.0% in 1Q13.

Heavy vehicle financing originated a monthly average of R\$38.5 million in 1Q14, 3.1% up on 4Q13 and 1.0% lower than in 1Q13, while motorcycle financing originated a monthly average of R\$58.4 million in 1Q14, 21.5% less than in 4Q13 and 1.8% less than in 1Q13, accompanying the slowdown trend in the new motorcycle market.

Ever since it took over, Pan's current Management has been revising the Bank's loan approval, systems and loan process models, achieving a substantial improvement in the quality of the originated portfolios, as shown by their quality indicators since the second half of 2011.

### Consumer Loans

According to Bacen, consumer loans (payroll-deductible and non-payroll-deductible) totaled R\$329.9 billion in 1Q14, 1.0% up in real terms in relation to 4Q13 and 6.5% up year over year. Consumer lending accounts for 44.0% of non-earmarked household loans.

The payroll-deductible loan portfolio totaled R\$229.6 billion in 1Q14, representing positive variations of 1.3% and 8.8%, in real terms, compared to 4Q13 and 1Q13, respectively. Of the three segments comprising the payroll-deductible portfolio, loans to government employees recorded the highest real 12-month increase (+9.6%), followed by social security beneficiaries (+8.9%) and private sector workers (+2.5%). Note that loans to government employees account for 61.6% of the total payroll-deductible loan inventory.

Non-payroll-deductible lending came to R\$100.3 billion, a 0.4% upturn in real terms over 4Q13 and a 1.7% upturn over 1Q13.

In 1Q14, the default rate (loans overdue by more than 90 days) stood at 3.9% of the total consumer credit balance, 0.1 p.p. and 0.6 p.p. down on 4Q13 and 1Q13, respectively. This decline was largely due to the non-payroll-deductible segment, whose default rate fell to 6.8% in 1Q14, a 1.6 p.p. decrease in 12 months. Payroll-deductible default came to 2.6%, 0.1 p.p. down year over year, led by the 0.8 p.p. year over year downturn in the private segment, which came to 5.3%.

Pan disbursed R\$1,051.1 million in new payroll-deductible loans in 1Q14, 9.2% more than the R\$962.2 million disbursed in 4Q13 and 81.4% higher than the R\$579.3 million originated in 1Q13. Consumer loans and financing accounted for R\$125.3 million of new loan disbursements between January and March, 6.9% and 11.6% down on 4Q13 and 1Q13, respectively.

### Credit Cards

Pan's credit card base had 1.8 million cards at the end of 1Q14. In the first quarter of the year, 37,900 new conventional credit cards and 14,700 new payroll-deductible credit cards were issued. Pan credit cards transaction volume totaled R\$679.0 million in 1Q14, 14.3% up on the same period of 2013.

Allowance for loan losses related to credit cards decreased by 5.8% over the previous quarter, while administrative expenses fell by 6.4% on the same basis.

### Corporate Loans

According to Bacen, market rate corporate loans totaled R\$752.8 billion in 1Q14, representing a real decrease of 3.5% over 4Q13 and a 0.3% decrease year over year. This portfolio currently represents 15.3% of Brazilian GDP, a 0.6 p.p. year over year decline. Among the various types of corporate financing, working capital loans totaled R\$381.7 billion, accounting for 50.7% of the total corporate loan balance.

The corporate default rate (loans overdue by more than 90 days) accounted for 3.3% of the total loan portfolio in 1Q14, 0.2 p.p. up on 4Q13 and 0.3 p.p. down on 1Q13. Default in the working capital segment dropped by 0.1 p.p. in 12 months, reaching 3.7% in 1Q14.

New corporate loans origination came to R\$771.2 million in 1Q14, 11.1% lower than the R\$867.8 million recorded in 4Q13 and 2.0% down on the R\$787.2 million recorded in 1Q13. It is worth noting the impact of seasonality on the origination of this line of business.

As a result, the corporate loans portfolio, including guarantees issued, closed January at R\$3,363.3 million, 2.9% up on 4Q13 and 26.2% more than in 1Q13. Advances on foreign exchange contracts (ACCs) amounted to R\$330.3 million at the end of March 2014, versus R\$411.6 million at the end of December, 2013, representing a 19.8% reduction in the quarter, and 15.1% decrease comparing to the R\$388.9 million registered in the 1Q13.

The expanded corporate loan portfolio, including investments in private securities of R\$29.9 million, came to R\$3,393.2 million in 1Q14.

### Real Estate Loans

Real estate loans (at market rates and regulated rates) totaled R\$360.8 billion in 1Q14, a real increase of 3.4% over 4Q13 and 24.1% more than in 1Q13. Of this total, R\$323.4 billion corresponded to regulated-rate credit, up by 3.8% quarter on quarter and 23.8% year over year. Market rate loans amounted to R\$37.4 billion, representing real increases of 0.4% over 4Q13 and of 26.2% in twelve months. This type of loan has one of the household financing segment's lowest late payment rates, where total default (loans overdue by more than 90 days) amounted to 1.8% of the real estate credit portfolio in 1Q14, 0.2 p.p. up on 4Q13 and 0.4 p.p. down year over year. In 1Q14, real estate loans corresponded to 7.3% of GDP, an increase of 1.2 p.p. in the last 12 months.

Pan originated R\$203.8 million in real estate loans in 1Q14, 15.4% up on 1Q13, allocated as follows: (i) R\$202.6 million to individuals, including R\$112.2 million in refinancing operations (Crédito Fácil), R\$87.0 million for real estate acquisitions and R\$3.4 million in other types of loans; and (iii) R\$1.2 million in loans acquired by Brazilian Securities Companhia de Securitização ("Brazilian Securities") for securitization. Compared to the previous quarter, the origination of the 1Q14 was impacted by the seasonality and the changes made in some internal systems, as occurred during the improvement process of other lines of business, being 34.3% lower.

The real estate loan portfolio stood at R\$602.2 million at the end of March, 7.1% down on the R\$648.3 million at the end of the previous quarter and 29.7% higher than the R\$464.2 million in 1Q13.



## Insurance

Insurance premiums totaled R\$49.3 million in 1Q14, 21.5% up on the R\$40.5 million recorded in 4Q13, and 16.9% higher than the R\$42.2 million reported in 1Q13.

The main products of Panamericana de Seguros S.A. ("Pan Seguros") in the quarter were: (i) credit insurance (Pan Protege), whose premiums came to R\$28.9 million, or 58.8% of the total; (ii) DPVAT insurance, totaling R\$16.3 million, or 33.0% of the total; (iii) insurance against card loss or theft, with R\$1.9 million, or 3.9% of the total; (iv) home insurance, with R\$1.5 million, or 3.1% of the total; and (vi) consortia, totaling R\$0.6 million, or 0.8% of the total.

Pan Seguros' administrative expenses came to R\$6.6 million in 1Q14, 37.2% up on 4Q13 and 200.0% up on 1Q13, mainly due to the structure expansion costs. In this context, the operating result came to R\$20.1 million in the quarter, 19.8% down on the R\$24.9 million posted in the previous quarter and 23.9% higher than the R\$16.2 million reported in 1Q13.

Pan Seguros recorded consolidated net income of R\$12.9 million in 1Q14, 42.7% down on the R\$22.5 million registered in 4Q13 and 7.5% higher than the results reached on 1Q13.

Due to the R\$55.0 million dividends distribution during the first quarter, Pan Seguros shareholders' equity stood at R\$137.1 million on March 31, 2014, compared to the R\$181.3 million recorded in 4Q13 and to the R\$148.6 million reported in 1Q13.

## Funding

Funding volume stood at R\$18.3 billion at the end of March 2014, 3.5% higher than the R\$17.7 billion recorded at the end of 4Q13 and 22.3% higher than the R\$15.0 billion registered at the end of 1Q13, accompanying asset financing needs. The main funding sources were: (i) time deposits and interbank deposits, which amounted to R\$9.7 billion, or 53.0% of the total; (ii) banknotes, which amounted to R\$2.5 billion, or 13.9% of the total; (iii) real estate and agribusiness letters of credit totaling R\$2.3 billion, or 12.7% of the total; (iv) bonds, totaling R\$1.9 billion, or 10.3% of the total; (v) domestic and foreign loans, totaling R\$447.5 million, or 2.4% of the total; and (vi) credits assigned with recourse in the amount of R\$369.9 million, or 2.0% of the total.

Backed by improved risk perception due to the new shareholding structure, the Bank has implemented a policy of reducing its funding costs and adopted competitive rates on new time deposits. As a result, the balance of funding through time deposits with special guarantee from the Credit Guarantee Fund ("DPGE I") declined significantly, ending the 1Q14 at R\$228.7 million, 46.2% down on the R\$425.2 million recorded at the end of 4Q13 and 56.3% less than the R\$523.8 million reported in 1Q13.

Similarly, the balance of funding obtained through the credit assignment with recourse has been falling gradually as the credits mature, given that Pan has not performed these assignments under the current management. As a result, the R\$369.9 million balance of funding through credit assignments at the end of 1Q14 fell by 25.8% over the R\$498.7 million recorded at the end of 4Q13 and presented a 62.0% decrease over the R\$972.9 million reported in 1Q13.

On March 31, 2014, time deposits comprised funding from: (i) fund managers and institutional investors, which accounted for 78.5% of the total; (ii) companies, with 11.4%; and (iii) individuals, with 10.1%. In accordance with Article 8 of Bacen Circular 3068/01, Pan declares that it has the financial capacity and the intention of holding to maturity those securities classified under "held-to-maturity securities" in its financial statements.

## Costs and Expenses

Personnel, tax, and other administrative expenses came to R\$394.3 million in 1Q14, versus R\$416.8 million in 4Q13 and R\$370.0 million in 1Q13, presenting a reduction in the short term and maintaining a downward trajectory in real terms (adjusted for inflation), despite the 14.4% growth in credit asset origination compared to 1Q13.

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

## Net Income, Shareholders' Equity and Leverage

Pan posted a consolidated net loss of R\$78.6 million in 1Q14, versus a net loss of R\$182.9 million in 4Q13 and a net gain of R\$39.0 million in 1Q13.

Excluding non-recurring effects, the results mentioned above are impacted by the amounts of credit assignments without recourse in each period. Assignments of real estate loans, consumer loans and payroll-deductible loans without recourse totaled R\$876.9 million in 1Q14, versus assignments of real estate loans, consumer loans and payroll-deductible loans without recourse of R\$1,513.9 million and R\$1,388.2 million, in 4Q13 and 1Q13 respectively. Comparing the 1Q14 and 1Q13, the results were negatively impacted by the decline in the net interest margin, which stood at 11.7% in 1Q14, versus a 18.7% net interest margin registered in 1Q13, which is directly related to the increase of the interest rate term structure.

Allowance for loan losses came to R\$236.0 million in 1Q14, 3.9% down on the R\$245.7 million posted in 4Q13 and 23.3% less than the R\$307.7 million reported in 1Q13.

Revenue from the recovery of overdue loans came to R\$65.2 million in 1Q14, 33.1% higher than the R\$49.0 million recorded in 4Q13 and 61.0% higher than the R\$40.5 million reported in 1Q13. As a result, allowance for loan losses totaled R\$170.8 million in 1Q14, 13.2% lower than the R\$196.7 million reported in 4Q13 and 36.1% lower than the R\$267.2 million reported in 1Q13.

Pan's consolidated shareholders' equity closed March 2014 at R\$2,226.0 million, versus R\$2,304.9 million registered in December 2013 and R\$2,509.9 million in March 2013. The Financial Group's Basel ratio stood at 12.1% on March 31, 2014, versus 13.4% on December 31, 2013 and 14.3% on March 31, 2013, reminding that the operational agreements regarding credit assignments allows the Bank to operate with low levels of Basel ratio. The Financial Group's Operating Margin stood at R\$132.2 million in 1Q14.

In accordance with CMN resolutions 4192 and 4193/13, as of October 2013 only the Financial Group is required to calculate the Basel ratio, with no need to calculate the consolidated economic and financial ratio.

## INDEPENDENT AUDITORS

As of the first quarter of 2011, the Bank's Quarterly Information and Financial Statements have been audited by PricewaterhouseCoopers Auditores Independentes ("PWC"). In accordance with CVM Instruction 381, PWC was not hired and did not provide any other services to Pan other than those related to external auditing. The policy adopted complies with the principles that maintain the independence of auditors according to criteria accepted

internationally, i.e. auditors must not audit their own work, hold managerial positions in their clients or promote their clients' interests.

## **ACKNOWLEDGEMENTS**

We thank our employees for their commitment and engagement in the execution of Pan's business strategy, and our clients, investors and partners, who honor us with their support and confidence.

São Paulo, May 5, 2014.

ASSETS	Explanatory Note	Bank		Consolidated		LIABILITIES AND EQUITY	Explanatory Note	Bank		Consolidated	
		03/31/2014	12/31/2013	03/31/2014	12/31/2013			03/31/2014	12/31/2013	03/31/2014	12/31/2013
CURRENT ASSETS		8,073,081	8,429,711	9,276,968	9,672,162	CURRENT LIABILITIES		13,081,747	12,056,733	14,064,449	13,024,292
Available Funds	5	40,802	36,806	50,856	47,763	Deposits	17.a	8,725,969	8,120,280	8,385,666	7,779,471
Short-term interbank investments	6.a	691,900	1,167,367	688,387	1,164,314	Demand deposits		171,611	178,301	171,440	178,058
Money market investments		559,997	1,076,933	559,997	1,076,933	Interbank deposits		7,347,147	6,519,942	7,146,232	6,340,276
Interbank deposits		131,903	90,434	128,390	87,381	Time deposits		1,207,211	1,422,037	1,067,994	1,261,137
Marketable securities and derivative financial instruments	7	386,367	454,296	613,317	480,738	Money market funding	17.b	807,975	1,034,884	807,975	1,029,285
Own portfolio	7.a	71,158	281,203	256,939	243,252	Own portfolio		310,976	370,807	310,976	365,208
Subject to repurchase agreements	7.a	211,032	130,597	246,590	185,274	Third-party portfolio		496,999	664,077	496,999	664,077
Derivative financial instruments	7.c	17,427	21,962	23,036	31,676	Funds from acceptance and issuance of securities	17.c	2,227,199	1,676,695	3,045,985	2,391,831
Subject to guarantees		86,750	20,534	86,750	20,534	Funds from real estate letters of credit, mortgage notes and similar		2,221,074	1,664,954	3,039,860	2,380,090
Other investments		-	-	2	2	Marketable debt securities abroad		6,125	11,741	6,125	11,741
Interbank accounts		55,854	28,466	55,854	28,466	Interbank accounts		144,149	138,700	144,149	129,740
Unsettled payments and receipts		11,616	-	11,616	-	Unsettled receipts and payments		3,811	-	3,811	-
Restricted deposits – Brazilian Central Bank		2,580	2,345	2,580	2,345	Correspondent banks - local	18	140,338	138,700	140,338	129,740
Correspondent banks - local		41,658	26,121	41,658	26,121	Interdepartmental accounts		16,823	603	16,823	603
Loan operations	8	4,937,612	4,317,921	5,653,058	5,220,694	Third-party funds in transit		16,823	603	16,823	603
Loan operations - private sector		5,453,696	4,810,334	6,235,759	6,168,576	Loan obligations	19.a	113,164	-	234,407	122,719
Allowance for loan losses	8.d	(516,084)	(492,413)	(582,701)	(947,882)	Local loans		-	-	1,447	1,458
Leasing operations	8	-	-	64,968	79,173	Foreign loans		113,164	-	232,960	121,261
Lease receivables		-	-	77,739	95,133	Derivative financial instruments	7.c	2,522	1,698	2,522	1,698
Allowance for doubtful lease receivables	8.d	-	-	(12,771)	(15,960)	Derivative financial instruments		2,522	1,698	2,522	1,698
Other receivables		1,793,333	2,278,409	1,912,604	2,434,166	Other liabilities		1,043,946	1,083,873	1,426,922	1,568,944
Foreign exchange portfolio	9.a	335,314	428,518	335,314	428,518	Collection and payment of taxes and similar		20,831	4,516	21,116	4,752
Income receivable		-	-	10	30	Social and statutory payables		-	-	9	1,702
Negotiation and intermediation of securities		2,440	720	3,504	2,854	Tax and social security contributions	22.a	27,101	32,617	126,670	172,035
Insurance premiums receivable		-	-	12,237	13,285	Technical provisions for insurance and private pension plans	23.e	-	-	167,290	153,851
Real state receivables	10	-	-	53,792	45,794	Negotiation and intermediation of securities		865	6,235	133,678	153,833
Securities and credits receivable	8 e 12	578,559	605,216	578,559	605,216	Subordinated debt	20	101,493	72,007	101,493	72,007
(Allowance for doubtful accounts)	8.d	(41,060)	(42,582)	(42,110)	(43,731)	Sundry	22.b	893,656	968,498	876,666	1,010,764
Sundry	12	918,080	1,286,537	971,298	1,382,200						
Other assets		167,213	146,446	237,924	216,848						
Other assets	13.a	95,696	85,030	143,600	126,735						
Valuation allowance	13.a	(48,791)	(49,023)	(51,760)	(52,170)						
Prepaid expenses	13.b	120,308	110,439	146,084	142,283						

ASSETS	Explanatory Note	Bank		Consolidated		LIABILITIES AND EQUITY	Explanatory Note	Bank		Consolidated	
		03/31/2014	12/31/2013	03/31/2014	12/31/2013			03/31/2014	12/31/2013	03/31/2014	12/31/2013
LONG-TERM RECEIVABLES		11,105,057	10,006,403	12,648,182	11,608,552	LONG-TERM LIABILITIES		5,043,267	5,312,753	5,937,488	6,261,281
Interbank investments	6.a	73,286	135,124	19,576	66,383	Deposits	17.a	1,551,502	1,534,937	1,487,048	1,485,834
Interbank deposits		73,286	135,124	19,576	66,383	Interbank deposits		43,108	64,099	43,108	64,099
Marketable securities and derivative financial instruments	7	638,901	874,931	1,057,306	1,257,482	Time deposits		1,508,394	1,470,838	1,443,940	1,421,735
Own portfolio	7.a	253,452	179,474	550,198	444,064	Money market funding	17.b	30,484	57,712	30,484	57,712
Subject to repurchase agreements	7.a	135,583	310,096	216,673	385,551	Own portfolio		30,484	57,712	30,484	57,712
Derivative financial instruments	7.c	138,770	177,927	141,948	183,924	Funds from acceptance and issuance of securities	17.c	1,925,124	2,185,904	2,367,980	2,732,915
Subject to guarantees		111,096	207,434	148,487	243,943	Funds from real estate letters of credit, mortgage notes and similar		1,271,936	1,509,741	1,714,792	2,056,752
Loan operations	8	7,587,825	6,764,725	8,212,042	7,474,008	Marketable debt securities abroad		653,188	676,163	653,188	676,163
Loan operations - private sector		7,885,682	7,072,738	8,537,128	7,822,427	Liabilities for loans	19.a	-	-	213,150	217,130
Allowance for loan losses	8.d	(297,857)	(308,013)	(325,086)	(348,419)	Local		-	-	100,000	100,000
Leasing operations	8	-	-	25,771	36,676	Abroad		-	-	113,150	117,130
Lease receivables		-	-	30,838	44,069	Derivative financial instruments	7.c	41,758	20,259	34,536	9,239
Allowance for doubtful lease receivables	8.d	-	-	(5,067)	(7,393)	Derivative financial instruments		41,758	20,259	34,536	9,239
Other receivables		2,462,937	1,935,030	2,990,217	2,475,133	Other liabilities		1,494,399	1,513,941	1,804,290	1,758,451
Foreign exchange portfolio		6,180	-	6,180	-	Portfolio Exchange		6,180	-	6,180	-
Specific credits		-	-	4,785	4,800	Tax and social security contributions	22.a	28,195	28,957	144,177	165,388
Real estate receivables	10	-	-	153,542	147,956	Negotiation and intermediation of securities		-	-	39,549	2,207
Residual benefit in securitized transactions	11	-	-	12,595	13,158	Technical provisions for insurance and private pension plans	23.e	-	-	27,574	29,086
Securities and credits receivable	8 e 12	21,879	23,069	21,879	23,069	Subordinated debt	20	1,253,072	1,288,620	1,253,072	1,288,620
Allowance for loss	8.d	(606)	(146)	(606)	(150)	Sundry	22.b	206,952	196,364	333,738	273,150
Sundry	12	2,435,484	1,912,107	2,791,842	2,286,300	DEFERRED INCOME		2,247	2,460	2,247	2,460
Other assets		342,108	296,593	343,270	298,870	Deferred income		2,247	2,460	2,247	2,460
Prepaid expenses	13.b	342,108	296,593	343,270	298,870	NON-CONTROLLING INTEREST		-	-	20	21
PERMANENT ASSETS		1,175,128	1,243,885	305,059	312,199	Non-controlling interest		-	-	20	21
Investments		1,111,163	1,178,359	777	777	EQUITY		2,226,005	2,308,053	2,226,005	2,304,860
Investments in subsidiaries	14.a	1,110,760	1,177,956	-	-	Capital	24	2,867,020	2,867,020	2,867,020	2,867,020
Other investments	14.b	403	403	777	777	Local residents		2,604,603	2,556,338	2,604,603	2,556,338
Property and equipment in use	15	36,246	37,722	63,936	65,431	Foreign residents		262,417	310,682	262,417	310,682
Property		-	-	2,530	2,530	Carrying value adjustments		(16,509)	(16,286)	(16,509)	(16,286)
Other fixed assets in use		72,758	72,180	106,419	105,296	Retained earnings (accumulated deficit)		(624,506)	(542,681)	(624,506)	(545,874)
Accumulated depreciation		(36,512)	(34,458)	(45,013)	(42,395)	TOTAL ASSETS		20,353,266	19,679,999	22,230,209	21,592,913
Intangible assets	16.b	27,719	27,804	240,346	245,991	TOTAL LIABILITIES AND EQUITY		20,353,266	19,679,999	22,230,209	21,592,913
Intangible assets		53,299	50,802	309,612	306,014						
Accumulated amortization		(25,580)	(22,998)	(69,266)	(60,023)						

The accompanying notes are an integral part of the consolidated quarterly information.

BANCO PANAMERICANO S.A. AND SUBSIDIARIES

INCOME STATEMENT FOR THE  
 QUARTERS ENDED MARCH 31, 2014 AND MARCH 31, 2013  
 (In thousands of reais - R\$, except the loss/earnings per share outstanding)

	Explanatory Note	Bank		Consolidated	
		1st Quarter of 2014	1st Quarter of 2013	1st Quarter of 2014	1st Quarter of 2013
<b>INCOME FROM FINANCIAL INTERMEDIATION</b>					
Loan operations	8.h	919,670	817,939	999,827	952,157
Leasing operations	8.h	-	-	10,463	17,688
Marketable securities	7.d	44,148	48,191	56,502	124,712
Foreign exchange transactions	9.b	55	14,616	55	14,616
<b>EXPENSES FOR FINANCIAL INTERMEDIATION</b>					
Money market funding	17.d	(365,636)	(163,440)	(386,182)	(181,628)
Borrowings and onlendings	19.b	(221)	(1,414)	1,027	(7,900)
Derivative financial instruments	7.c	(30,367)	(98,209)	(41,089)	(103,295)
Provision for loan losses	8.d	(216,895)	(265,722)	(236,039)	(307,746)
<b>GROSS PROFIT FROM FINANCIAL INTERMEDIATION</b>					
		350,754	351,961	404,564	508,604
<b>OTHER OPERATING INCOME(EXPENSES)</b>					
Income from services rendered	25	81,126	80,424	86,207	92,803
Equity	14.a	7,945	43,275	-	-
Income from earned insurance premiums	23.f	-	-	46,584	29,885
Expenses for retained claims	23.f	-	-	(17,221)	(14,303)
Personnel expenses	26	(55,346)	(41,514)	(112,592)	(99,216)
Other administrative expenses	27	(278,193)	(289,992)	(270,069)	(291,649)
Taxes	28	(32,437)	(35,727)	(49,837)	(52,334)
Other operating income	29.a	16,808	29,657	22,716	41,178
Other operating expenses	29.b	(220,536)	(130,321)	(229,422)	(148,180)
<b>OPERATING PROFIT (LOSS)</b>					
		(129,879)	7,763	(119,070)	66,788
<b>NON-OPERATING EXPENSES</b>					
	30	(14,690)	(10,007)	(14,354)	(8,661)
<b>RESULT BEFORE TAXES ON INCOME AND PROFIT SHARING</b>					
		(144,569)	(2,244)	(133,424)	58,127
<b>PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION</b>					
Provision for income tax	34.a	(1,937)	(9,040)	3,136	(38,086)
Provision for social contribution		(1,654)	(5,008)	(6,679)	(19,723)
Deferred tax assets		66,335	31,589	58,334	38,688
<b>NON-CONTROLLING INTEREST</b>					
		-	-	1	1
<b>(LOSS) NET INCOME</b>					
		(81,825)	15,297	(78,632)	39,007
<b>LOSS / EARNINGS PER SHARE OUTSTANDING - IN RS</b>					
(Represented by 535.076.075 shares in 03/31/2013 and 03/31/2013)					
		(0.15)	0.03		

The accompanying notes are an integral part of the consolidated quarterly information.

BANCO PANAMERICANO S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED FOR  
 QUARTERS ENDED MARCH 31, 2014 AND MARCH 31, 2013  
 (In thousands of reais)

	Bank		Consolidated	
	1st Quarter of 2014	1st Quarter of 2013	1st Quarter of 2014	1st Quarter of 2013
<b>INCOME</b>	<b>542,528</b>	<b>512,435</b>	<b>652,744</b>	<b>709,078</b>
Financial intermediation	963,873	880,746	1,066,847	1,109,173
Services rendered	81,126	80,424	86,207	92,803
Allowance for loan losses	(216,895)	(265,722)	(236,039)	(307,746)
Other operating income (expenses)	(285,576)	(183,013)	(264,271)	(185,152)
<b>EXPENSES FOR FINANCIAL INTERMEDIATION</b>	<b>(396,224)</b>	<b>(263,063)</b>	<b>(426,244)</b>	<b>(292,823)</b>
<b>GOODS AND SERVICES ACQUIRED FROM THIRD PARTIES</b>	<b>(195,011)</b>	<b>(204,723)</b>	<b>(172,088)</b>	<b>(183,503)</b>
Materials, electricity and others	(315)	(661)	(653)	(1,112)
Outsourced services	(32,705)	(27,549)	(42,895)	(40,456)
Commissions paid to storeowners and promoters	(161,991)	(176,513)	(128,540)	(141,935)
<b>GROSS VALUE ADDED</b>	<b>(48,707)</b>	<b>44,649</b>	<b>54,412</b>	<b>232,752</b>
<b>DEPRECIATION AND AMORTIZATION</b>	<b>(7,733)</b>	<b>(6,275)</b>	<b>(12,697)</b>	<b>(10,755)</b>
<b>NET VALUE ADDED PRODUCED BY THE INSTITUTION</b>	<b>(56,440)</b>	<b>38,374</b>	<b>41,715</b>	<b>221,997</b>
<b>VALUE ADDED RECEIVED IN TRANSFER</b>	<b>7,945</b>	<b>43,275</b>	<b>-</b>	<b>-</b>
Equity	7,945	43,275	-	-
<b>TOTAL VALUE ADDED TO BE DISTRIBUTED</b>	<b>(48,495)</b>	<b>81,649</b>	<b>41,715</b>	<b>221,997</b>
<b>DISTRIBUTION OF VALUE ADDED</b>	<b>(48,495)</b>	<b>81,649</b>	<b>41,715</b>	<b>221,997</b>
Personnel	49,265	35,731	97,114	84,227
Salaries	42,032	30,520	76,267	66,766
Benefits	4,516	3,475	14,239	12,901
Employee severance indemnity fund (FGTS)	2,162	1,231	5,078	3,971
Other	555	505	1,530	589
Taxes, charges and contributions	(24,003)	24,180	11,011	86,967
Federal	(28,008)	20,740	2,078	78,517
State	100	1	101	24
Municipal	3,905	3,439	8,832	8,426
Creditors	8,068	6,441	12,223	11,797
Rents	8,068	6,441	12,223	11,797
Remuneration of own capital	(81,825)	15,297	(78,633)	39,006
(Accumulated deficit)/ Retained earnings	(81,825)	15,297	(78,632)	39,007
Non-controlling interest in retained earnings	-	-	(1)	(1)

The accompanying notes are an integral part of the consolidated quarterly information.

STATEMENT OF CHANGES IN PARENT COMPANY EQUITY  
 QUARTERS ENDED MARCH 31, 2014 AND MARCH 31, 2013  
 (In thousands of reais)

	Capital	Capital Reserve	Revenue Reserves		Carrying Value Adjustment	Retained earnings (accumulated deficit)	Total
			Legal	Equity			
<b>AT DECEMBER 31, 2012</b>	<b>2,867,020</b>	-	-	-	(978)	(313,633)	<b>2,552,409</b>
Carrying value adjustments	-	-	-	-	(1,044)	-	(1,044)
Lucro Líquido	-	-	-	-	-	15,297	15,297
<b>AT MARCH 31, 2013</b>	<b>2,867,020</b>	-	-	-	(2,022)	(298,336)	<b>2,566,662</b>
<b>AT DECEMBER 31, 2013</b>	<b>2,867,020</b>	-	-	-	(16,286)	(542,681)	<b>2,308,053</b>
Carrying value adjustments	-	-	-	-	(223)	-	(223)
Loss	-	-	-	-	-	(81,825)	(81,825)
<b>AT MARCH 31, 2014</b>	<b>2,867,020</b>	-	-	-	(16,509)	(624,506)	<b>2,226,005</b>

The accompanying notes are an integral part of the consolidated quarterly information.



STATEMENTS OF CASH FLOWS  
 QUARTERS ENDED MARCH 31, 2014 AND MARCH 31, 2013  
 (In thousands of reais - R\$)

	Bank		Consolidated	
	1st Quarter of 2014	1st Quarter of 2013	1st Quarter of 2014	1st Quarter of 2013
<b>CASH FLOW IN OPERATING ACTIVITIES</b>				
(LOSS) NET INCOME	(81,825)	15,297	(78,632)	39,007
Adjustments not affecting cash flows:				
Depreciation and amortization	4,822	3,364	6,434	4,492
Goodwill amortization	2,911	2,911	6,263	6,263
Reversion/Constitution of contingency provision	29,591	47,576	42,962	52,237
(Reversal of ) Provision for loss on repossessed assets	(5,511)	814	(5,598)	880
Loss on sale of repossessed assets	20,213	9,193	20,024	7,838
Equity	(7,945)	(43,275)	-	-
Provision for loan losses	216,895	265,722	236,039	307,746
Income tax and social contribution - deferred	(62,744)	(17,541)	(54,791)	19,121
Technical provisions for insurance and private pension plans	-	-	11,927	15,632
Adjusted net income	116,407	284,061	184,628	453,216
Changes in assets and liabilities:				
Decrease (Increase) in short-term interbank investments	220,306	(522,909)	205,734	(596,345)
Decrease (Increase) in marketable securities	260,276	383,905	16,760	420,497
(Increase) Decrease in financial derivative instruments	66,014	87,986	76,737	93,072
(Decrease) Increase in interbank accounts	(21,939)	535	(12,979)	4,665
(Increase)Decrease in loan operations	(1,659,686)	(830,923)	(1,406,437)	(729,879)
Decrease in leasing operations	-	-	25,111	49,853
(Increase)Decrease in other assets	23,505	(1,966,899)	64,811	(1,877,272)
(Increase) in repossessed assets	(96,940)	(28,970)	(97,446)	(29,758)
(Decrease) Increase in deposits	622,254	228,192	607,409	12,058
(Decrease) Increase in money market funding	(254,137)	239,409	(248,538)	241,190
Increase (Decrease) in other liabilities	136,845	1,879,677	68,920	1,734,045
Increase in interbank accounts	16,220	8,589	16,220	8,589
(Decrease) Increase in deferred income	(213)	832	(213)	832
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(571,088)</b>	<b>(236,515)</b>	<b>(499,283)</b>	<b>(215,237)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Sale of repossessed assets	15,957	16,268	17,544	19,913
Acquisition of fixed assets	(765)	(5,003)	(1,958)	(5,078)
Investments in intangible assets	(2,497)	(8,543)	(3,599)	(9,189)
Dividends received	71,999	30,500	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>84,694</b>	<b>33,222</b>	<b>11,987</b>	<b>5,646</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Issue of financial bills	139,644	338,700	139,644	338,700
(Decrease) in securities issued abroad	(19,374)	(15,488)	(19,374)	(15,488)
Issue/Redemption of agribusiness letters of credit	53,120	59,338	53,120	59,338
Change in non-controlling interest	-	-	(1)	(3)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>173,390</b>	<b>382,550</b>	<b>173,389</b>	<b>382,547</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(313,004)</b>	<b>179,257</b>	<b>(313,907)</b>	<b>172,956</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>913,803</b>	<b>270,791</b>	<b>924,760</b>	<b>279,400</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (Note 5)</b>	<b>600,799</b>	<b>450,048</b>	<b>610,853</b>	<b>452,356</b>
<b>COMPLEMENTAR INFORMATIONS ABOUT CASH FLOW</b>				
Interest Paid	(365,436)	(148,602)	(554,096)	(177,885)
Interest received	907,611	795,215	989,554	907,839
Transfer of repossessed assets	(11,827)	(15,466)	(11,827)	(15,466)
Gains / losses on unrealized securities available for sale	(371)	(1,740)	(371)	(1,740)

The accompanying notes are an integral part of the consolidated quarterly information.

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

### 1) OPERATIONS

Banco Panamericano S.A. (the "Bank", "Banco PAN", "PAN" or "Institution") is publicly-held company and is authorized to operate as a multi-service bank, operating directly or indirectly through its subsidiaries in the markets of consumer lending operations, personal credit, payroll-deductible loans, financing for the purchase of vehicles, machinery and equipment, foreign exchange operations, 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"s), leasing of vehicles and other assets, insurance in the segments of installment credit, group personal accident, income protection from unforeseen events (unemployment insurance), group life, insurance against bodily injury caused by automotive land vehicles ("DPVAT") and consortiums of vehicles and properties. 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 the purpose of 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 loan assignments are part of the Bank's operational strategy and the corresponding revenue and expenses are recognized immediately (Note 3g). These results are recorded in the Bank's individual quarterly information 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 the purpose of the consolidated quarterly information, as described in Note 2.

The current shareholding of Banco PAN, is shown below:

Stockholders	Common	%	Preferred	%	Total	%
Banco BTG Pactual S.A.	149,156,346	51.00	33,114,219	13.65	182,270,565	34.06
Caixa Participações S.A. - Caixapar	143,307,049	49.00	54,802,722	22.59	198,109,771	37.02
Board of Directors	5	-	-	-	5	-
Outstanding	-	-	154,695,734	63.76	154,695,734	28.92
<b>Total</b>	<b>292,463,400</b>	<b>100.00</b>	<b>242,612,675</b>	<b>100.00</b>	<b>535,076,075</b>	<b>100.00</b>

### New Acquisition

#### a) Credit Card Payroll Banco Cruzeiro do Sul S.A.

On April 26, 2013 Banco Panamericano acquired, for R\$ 351.0 million, the credit card payroll receivables portfolio of Banco Cruzeiro do Sul S/A (in extrajudicial liquidation), made up of 237 covenants, among three spheres of government agencies under either direct or indirect management, plus 7 agreements with private sector companies through public auction in one single lot.

The portfolio has approximately 471 thousand cards issued, with 321 thousand assets. With this acquisition, the Company strengthened its position in the segments of credit cards and payroll loans.

The acquisition resulted in negative goodwill of R\$ 27,424 thousand and acquisition costs of R\$ 17,550, thousand, which will be allocated to the Bank's result, over the settlement term of the acquired portfolio.

### 2) PRESENTATION OF THE INDIVIDUAL AND CONSOLIDATED QUARTERLY INFORMATION

The parent company quarterly information of Banco Panamericano S.A. ("Bank") is presented together with the consolidated quarterly information 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 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, and the standards and instructions established by BACEN, Resolutions of

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

the National Monetary Council (CMN), the National Council of Private Insurance (CNSP), the Superintendent of Private Insurance (SUSEP) and the CVM, where applicable.

The Brazilian accounting standards board (CPC) has issued pronouncements related to the convergence of international accounting standards, approved by the CVM, although not all of these have been ratified by BACEN. Accordingly, in the preparation of consolidated quarterly information, where applicable, the Bank adopted the following pronouncements which have already been ratified by BACEN:

1. CPC 01 – Impairment of Assets – ratified by CMN Resolution 3566/08;
2. CPC 03 – Statement of Cash Flows – ratified by CMN Resolution 3604/08;
3. CPC 05 – 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 – Subsequent Events – ratified by CMN Resolution 3973/11;
6. CPC 10 (R1) – Share-based Compensation – ratified by CMN Resolution 3989/11;
7. CPC 23 – Accounting Policies, Changes in Estimates and Correction of Errors – ratified by CMN Resolution 4007/11 and
8. CPC 00 (R1) – The Conceptual Framework for Financial Reporting – ratified by CMN Resolution 4144/12.

The individual and consolidated quarterly information, for the quarter ended March 31, 2014 was authorized for issue by the Board of Directors and Executive Board on May 05, 2014.

The subsidiaries included in the consolidation and the respective equity interests of the parent company are as follows:

	Total Equity Interest %	
	03/31/2014	03/31/2014
<b>Direct subsidiaries:</b>		
Panamericano Arrendamento Mercantil S.A.	99.97	99.97
PAN Seguros S.A.	99.99	99.99
Panserv Prestadora de Serviços Ltda.	99.99	99.99
Panamericano Adm. e Corretagem de Seguros e de Prev. Privada Ltda.	99.99	99.99
Ourinvest Real Estate Holding S.A.	100.00	100.00
<b>Indirect subsidiaries:</b>		
Panamericano Administradora de Consórcio Ltda.	99.99	99.99
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
<b>SPEs:</b>		
Caixa Fundo de Investimento em Direitos Creditórios CDC Veículos do Banco PAN ("Caixa CDC FIDC") (a) (b)	-	100.00
Caixa Fundo de Investimento em Direitos Creditórios Master CDC Veículos do Banco PAN ("Caixa Master CDC FIDC") (a) (b)	-	100.00

(a) The percentage is represented by the subordinated quotas held by the Bank. For the purpose of the consolidated quarterly information presentation, the FIDCs were consolidated in accordance with CVM Instruction 408/04 and CVM Official Letter 001/07; and

(b) Funds FIDCs ended on January 20, 2014 in accordance with private instrument of transfer of assets and settlement of liabilities on that date.

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

### Consolidated Quarterly Information

Upon consolidation, intercompany investments, asset and liability account balances, income from transactions between the Bank and its direct and indirect subsidiaries, and income from transactions between the Bank and the FIDCs were eliminated. The non-controlling interest in equity and the results of investees are disclosed separately in the balance sheet and consolidated statement of income.

In the consolidation process of the FIDCs, the balance of the portfolio of loan assignment receivables was included in the Bank's loan operations portfolio, with the corresponding recording of the financing under the heading "Other Liabilities - Sundry", net of the balance of investments in investment fund quotas, comprising the subordinated quotas held by the Bank in the FIDCs. Unrealized profits arising from the assignment of the loans of the Bank to the FIDCs have been fully eliminated as an adjustment to income from loan operations.

Income arising from credit rights appropriated by the FIDCs was recorded under "Income from loan operations" in the statement of income, and the cost of financing was recorded under "Money market funding". The income earned by the Bank from the appreciation of its quotas in the funds, which was originally recorded in the "Securities transactions" account, was eliminated against the account "Money market funding" to nullify its effect on the cost of funding.

Leasing operations are stated at present value in the balance sheet, and the related revenue and expenses, which comprise the financial result on these operations, are presented under "Leasing operations".

**Receivables Investment Funds (FIDCs)** – Since the Bank remains responsible for the control over the receivables assigned to the Funds (in terms of receiving, transfer and collection) and meets the other consolidation conditions established by CVM Instruction 408/04 and CVM Official Letter 001/07, management consolidated the quarterly information of the FIDCs.

#### I. Name, nature, purpose and activities of the FIDCs.

The purpose of the FIDCs is mainly to acquire credit rights arising from loan operations, comprising credit facility agreements for the purchase of vehicles (cars and motorcycles), of the direct consumer credit type (CDC), entered into by the Bank (assignor) and its customers.

As established by their regulations, the FIDCs will seek to obtain, but do not guarantee that they will obtain the following yields in relation to the Interbank Deposit (DI) rate.

Fund	Yield
Caixa CDC FIDC	108 % of CDI
Caixa Master CDC FIDC	112% of CDI

#### II. Share in the equity and results of FIDCs.

In accordance with Article 24, item XV, of CVM Instruction 356/01, and the wording of CVM Instruction 393/03, the minimum required ratio of the FIDCs' equity to the value of the senior quotas is presented below:

Fund	%
Caixa CDC FIDC	130
Caixa Master CDC FIDC (a)	130

- a) At the Extraordinary General Meeting of quotaholders held on March 16, 2009, a decision was made to include, in the regulations of this Fund, permission to split the subordinated quotas into special classes. Since July 2009, Banco Panamericano has subscribed only a portion of the subordinated quotas. At January 20, 2014, the funds were ended, at December 31, 2013 the Bank had subordinated quotas in the amount of R\$ 203,304 of a total of R\$ 203,304.

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

### III. Nature of the Bank's involvement with the FIDCs and type of exposure to loss, if any, arising from this involvement.

The Bank had no co-obligation in the assignments of realized or unrealized credit rights with FIDC F BP Financeiro, Caixa CDC FIDC and Caixa Master CDC FIDC. The Bank subscribed to and should maintain a minimum of 30% of the FIDC's net assets in subordinated quotas. In the event of noncompliance, the Bank, as a subordinated shareholder, when notified, had the possibility but not the obligation to subscribe for new subordinated quotas to maintain the subordination ratio and, similarly, had the possibility but not the obligation to buy back nonperforming contracts, as the Bank's risk is limited to the amount of the subordinated quotas already subscribed.

### IV. Amount and nature of receivables and payables between the Bank and the FIDCs, assets transferred by the Bank and rights of use of the FIDCs' assets.

Due to the maintenance application in subordinated quotas in FIDC's, was recognized in the first quarter of 2014 na income of R\$ 222 (expense of R\$ 1.216 in the first quarter of 2013), under the heading "Results of marketable security transactions" in the parent company statement of income, which was eliminated upon consolidation of the quarterly information.

At March 31, 2014 and December 31, 2013, the financial positions of the FIDCs were as follows:

	Caixa CDC FIDC (1)		Caixa Master CDC FIDC (1)	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
<b>Assets</b>				
Cash	-	6	-	11
Short-term interbank investments	-	1,549	-	4,049
Marketable Securities	-	-	-	-
Credit Rights	-	89,912	-	517,979
Allowance for loan losses	-	(57,334)	-	(316,313)
Other amounts	-	5	-	3
<b>Total assets</b>	-	<b>34,138</b>	-	<b>205,729</b>
<b>Liabilities and Equity</b>				
Other liabilities	-	27	-	113
Equity	-	34,111	-	205,616
- Senior quotas	-	207	-	2,312
- Subordinated quotas	-	33,904	-	203,304
- Subordinated quotas – special class (2)	-	-	-	-
<b>Total liabilities and equity</b>	-	<b>34,138</b>	-	<b>205,729</b>

(1) Fund ended at January 20, 2014; and

(2) Third-party quotas.

### Reconciliation of equity to net income in the individual and consolidated quarterly information

	03/31/2014		12/31/2013	03/31/2013
	Equity	Net	Equity	Net
<b>Banco Panamericano – Parent company</b>	<b>2,226,005</b>	<b>(81,825)</b>	<b>2,308,053</b>	<b>15,297</b>
<b>Effects of elimination of assignments to FIDCs:</b>				
Unearned income from assignments	-	13,033	(13,033)	45,674
Recognition of cost of commissions on credits assigned	-	(7,711)	7,711	(6,158)
Tax effects	-	(2,129)	2,129	(15,806)
<b>Banco Panamericano - Consolidated</b>	<b>2,226,005</b>	<b>(78,632)</b>	<b>2,304,860</b>	<b>39,007</b>

(1) Fund ended at January 20, 2014.

**V. Guarantees, sureties, mortgages or other collateral granted in favor of the FIDCs.**

The Bank has provided no guarantee, surety, mortgage or other collateral in favor of the FIDCs. However, the subordinated quotas fully absorb the effects of negative results of the funds' portfolios up to their limit.

**VI. Identification of the principal beneficiary or group of principal beneficiaries of the FIDCs activities.**

Funds FIDCs were ended at 01/20/2014, at 12/31/2013 the Bank and its subsidiaries hold all subordinated quotas of the FIDCs, in the amount of R\$ 237,208, and the other senior quotas and special subordinated quotas are held by qualified investors.

**VII. Closure of the FIDCs**

At an Extraordinary General Meeting of Shareholders FIDCs (Caixa CDC FIDC and Caixa Master CDC FIDC), held on 10/21/2013 has approved the closure of the same. Thus, on the 01/20/2014, the Bank acquired all the shares of the FIDCs, and that the final closing event occurred in the same month (January, 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 quarterly information are presented in reais which is the Bank's functional currency.

**b) Determination of the results of operations**

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

Income from insurance and reinsurance premiums is recorded upon issuance of the corresponding policies as premiums issued and is deferred over the duration of the policies or insurance invoices through the unearned premium reserve.

Insurance premiums and selling expenses for retrocession transactions and the corresponding unearned premium reserve are recorded based on the information received from IRB – Brasil Resseguros S.A.

The claims are recorded in the results based on the official register of claims pending, which seeks to reflect the estimated total claims for contracts with risk coverage in force related to settlements to be incurred as a result of the claims processing and approval process.

Acquisition costs are considered as direct costs for obtaining and processing new insurance contracts. These costs are deferred and appropriated to the results monthly, on the straight-line basis, over the period of recognition of the insurance premiums in accordance with the corresponding term of the policies.



**NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION**

(In thousands of reais, unless otherwise stated)

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**c) Interbank investments**

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

**d) Marketable securities**

Marketable securities are recorded at the investment amount plus income earned through the balance sheet date, based on 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 taxes. The 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, are stated at cost plus income earned with a corresponding entry to the result for the period.

**e) Derivative financial instruments**

The derivative financial instruments comprise forward, future and swap market transactions. These financial instruments are classified on the date the transaction is contracted, considering the Bank's intention to use them as hedging instruments or not. The valuations or devaluations are recognized in income or expense accounts of the corresponding financial instruments in accordance with BACEN Circular 3082/02, and Letter-Circular 3026/02, which require the adoption of the following criteria:

- Futures: the marking to market of futures contracts, such as interest contracts (DI+1-day), exchange contracts (DOL) and exchange coupons (DDI) is defined according to the market price in a unique price (PU) format which is disclosed daily by BM&FBOVESPA. Based on this price, the daily adjustments are recorded in assets or liabilities and appropriated every day to the result as income or expense;
- Swaps: are valued based on the rates agreed in the corresponding contracts and adjusted to fair value. The difference receivable or payable is recorded in assets or liabilities, respectively, and recognized in the result as income or expense, on a pro rata basis, up to the balance sheet date. 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 swap agreements; and
- Currency forward contracts: are financial instruments to buy or sell foreign currency, without physical delivery, traded on the OTC market at a future date and at a pre-determined parity. The financial settlement occurs by the difference between the initial value of the contract and the reference value on the maturity date. For the pricing of these contracts future interest curves were used, obtained based on the information of BM&FBOVESPA.

The derivative financial instruments are measured at market value, with the corresponding gains or losses recorded as follows:

- Derivative financial instruments not considered as hedges: in income or expense accounts, in results.
- Derivative financial instruments considered as fair value hedges and their related financial assets and liabilities, object of the hedge: realized or unrealized gains and losses are recorded in income and expense accounts, in results.

**f) Loan operations**

The loan and leasing operations, advances on foreign exchange contracts and other credits with loan assignment 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 2682/99, 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 terms exceeding 36 months are also taken into consideration when rating customer risk.

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

Renegotiated transactions remain, at least, at the same rating at which they were classified prior to the renegotiation. Renegotiated loan operations that had already been written off against the allowance and that were recorded in memorandum accounts are classified as level H, 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 evaluations carried out by management in determining credit risk.

The allowance for loan losses related to loans assigned with co-obligation is calculated in accordance with BACEN's guidelines for unassigned loan operations.

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

From January 1, 2012, 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; and

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 involving 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 involving 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 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.

**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 realized value, where applicable.

**k) Investments**

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

**l) Property and equipment**

Property and equipment correspond to the rights to 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 Institution. Are basically represent by property, plant, leasehold improvements, furniture and equipment in use.

These 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 to 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 comprise expenses for software development, leasehold improvements and the acquisition of rights to use the customer database. 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 in the books based on the current expectation of their realization, 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 year 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 which generates cash flows that are largely independent from other assets and groups.

**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 accounting practices of insurance segment**

Liabilities for insurance contracts (technical provisions)

**• Unearned premium reserve (PPNG)**

The unearned premium reserve is calculated based on retained premiums, in accordance with CNSP Resolution 281/13 and SUSEP Circular 462/13, on a daily “pro rata” basis, and comprises the portion of premium relating to the unexpired risk period.

**• Provisions for unearned premiums - Present Risks Not Issued - UPR-RVNE**

The provision for unearned premiums – current risks but not issued – is in accordance with the standards and specifications established in 281/13 CNSP Resolution and SUSEP Circular 462/13, according to the methodology described on the Technical Actuarial Note and, for branches without experience, by percentage established by SUSEP Circular 485/14.

**• Reserve for unsettled claims**

The provision for unsettled claims is recorded based on the estimated indemnifiable amounts, considering the claims notices received through the balance sheet date, net of ceded coinsurance and reinsurance adjustments. The provision for unsettled claims for mandatory insurance against bodily injury caused by automotive land vehicles (DPVAT) is recorded monthly, based exclusively on the amounts informed by Seguradora Líder dos Consórcios do Seguro DPVAT (“Seguradora Líder”).

**• Provision for losses incurred but not reported (IBNR)**

The provision for losses incurred but not reported is calculated based on the estimate of losses that have already occurred but have not yet been reported to the Insurer. It is determined in accordance with the standards and specifications in the CNSP Resolution 281/13 and SUSEP Circular No. 462/13, being determined based on the methodology described in the Technical Actuarial Note and, for branches without experience, by percentage established by SUSEP Circular 485/14. The IBNR provision for the DPVAT line is calculated monthly, based exclusively on the amounts computed and informed by Seguradora Líder.

**• Provisões de despesas relacionadas – PDR**

The allowance is intended to cover expenses related to the expected settlement the claims with related expenses, whether or not advised. It is determined in accordance with the standards and specifications laid down in the CNSP Resolution 281/13 and SUSEP Circular 462/13, being

- determined based on the methodology described in the Technical Actuarial Note. **Liability adequacy test (LAT)**

Pursuant to SUSEP Circular 457/12, which introduced the Liability Adequacy Test (LAT) for financial statement preparation purposes and defined the rules and procedures for its application, the insurer shall assess, at each reporting date, whether its recognized insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the amount of the provisions recorded for the insurance contracts in force, less related deferred selling costs and related intangible assets, is inadequate considering the estimated future cash flows, the entire deficiency shall be recognized in the statement of income.

**r) Specific accounting practices of the consortium segment**

The management fee is recognized when received from consortium groups. Sales commissions are recorded when 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 discontinued consortium groups, including remuneration equal to that generated by their quotas in investment funds in which active groups have investments, and are presented in the "Other liabilities - Sundry" group in the consolidated quarterly information.

**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 through 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 the standards defined in CMN Resolution 3823/09, which approved CPC Accounting Standard 25, the main criteria of which are as follows:

- Contingent assets - not recorded in the quarterly information, except when there is evidence that their realization is guaranteed and is not subject to appeals;
- Contingent liabilities - recorded in the quarterly information when the risk of loss in an administrative or judicial proceeding is assessed by the legal advisors and management as probable, and when the amounts involved can be reliably measured. Contingent liabilities classified as possible loss by the legal advisors are disclosed in notes to the financial quarterly information. Those classified as remote losses do not require a provision or 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 their full amount in the quarterly information.

**u) Residual benefit in securitized transactions**

This corresponds to the residual balance, net of any guarantees provided, of separate equity of securitized transactions that, in accordance with Law 9514, of November 20, 1997, will be restored to the securitization company's common equity when the fiduciary regime is terminated and the related real-estate receivable certificates are settled.

**v) Earnings per Share**

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

**w) Use of accounting estimates**

The preparation of the 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; (vi) impairment of non-financial assets; and (vii) estimated fair value of specific financial instruments. The actual settlement results of these financial or non-financial assets and liabilities may differ from these estimates.

**x) Subsequent events**

These are events which occur between the reporting date of the quarterly information and the date of its approval by the management bodies. They are divided between the following:

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

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

4) BALANCE SHEET AND STATEMENT OF INCOME BY BUSINESS SEGMENT

a) Consolidated Balance Sheet

Assets	03/31/2014							Total
	Financial (1)	Insurance (2)	Consortium (3)	Securitization(4)	Sales promoter(5)	Others (6)	Eliminations (7)	
Current assets	8,924,288	210,482	6,397	126,690	152,406	51,642	(194,937)	9,276,968
Long-term receivables	12,024,946	147,487	37,029	419,663	79,210	21,634	(81,787)	12,648,182
Permanent assets	1,230,810	55,165	107	488	24,833	724,526	(1,730,870)	305,059
<b>Total at 31/03/2014</b>	<b>22,180,044</b>	<b>413,134</b>	<b>43,533</b>	<b>546,841</b>	<b>256,449</b>	<b>797,802</b>	<b>(2,007,594)</b>	<b>22,230,209</b>
<b>Total at 31/12/2013</b>	<b>21,753,725</b>	<b>448,466</b>	<b>46,486</b>	<b>520,508</b>	<b>261,848</b>	<b>804,586</b>	<b>(2,242,706)</b>	<b>21,592,913</b>

Liabilities and Equity	Financial (1)	Insurance (2)	Consortiums (3)	Securitization(4)	Sales promoter(5)	Others (6)	Eliminations (7)	Total
Current liabilities	13,833,218	198,344	11,184	167,340	41,367	7,930	(194,934)	14,064,449
Long-term liabilities	5,789,995	34,905	13,372	166,052	12,548	2,404	(81,788)	5,937,488
Deferred income	2,247	-	-	-	-	-	-	2,247
Non-controlling interest	-	-	-	-	-	-	20	20
Equity	2,554,584	179,885	18,977	213,449	202,534	787,468	(1,730,892)	2,226,005
<b>Total at 31/03/2014</b>	<b>22,180,044</b>	<b>413,134</b>	<b>43,533</b>	<b>546,841</b>	<b>256,449</b>	<b>797,802</b>	<b>(2,007,594)</b>	<b>22,230,209</b>
<b>Total at 31/12/2013</b>	<b>21,753,725</b>	<b>448,466</b>	<b>46,486</b>	<b>520,508</b>	<b>261,848</b>	<b>804,586</b>	<b>(2,242,706)</b>	<b>21,592,913</b>

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

(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) Ourinvest Real Estate Holding S.A. and Brazilian Finance Real Estate S.A.; e

(6) Eliminations between companies in different segments.

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

### b) Consolidated Statement of Income

Statement of income	03/31/2014							Total
	Financial (1)	Insurance (2)	Consortium (3)	Securitization(4)	Sales promoter(5)	Others (6)	Eliminations (7)	
- Income from financial intermediation	1,008,501	6,133	518	20,998	4,938	330	(15,660)	1,025,758
- Expenses for financial intermediation	(630,514)	-	-	(6,340)	-	-	15,660	(621,194)
<b>Gross profit from financial intermediation</b>	<b>377,987</b>	<b>6,133</b>	<b>518</b>	<b>14,658</b>	<b>4,938</b>	<b>330</b>	-	<b>404,564</b>
- Other operating income (expense)	(521,462)	14,917	(528)	(5,237)	17	(3,401)	(7,940)	(523,634)
- Equity in the results of investees	10,467	-	-	-	-	(228)	(10,239)	-
- Non-operating result	(14,325)	-	1	(39)	14	(5)	-	(14,354)
- Provision for IRPJ and CSLL	66,808	(8,161)	3	(3,183)	(1,728)	1,052	-	54,791
- Non-controlling interest	1	-	-	-	-	-	-	1
<b>Net income (loss) at 03/31/2014</b>	<b>(80,524)</b>	<b>12,889</b>	<b>(6)</b>	<b>6,199</b>	<b>3,241</b>	<b>(2,252)</b>	<b>(18,179)</b>	<b>(78,632)</b>
<b>Net income (loss) at 12/31/2013</b>	<b>41,985</b>	<b>12,005</b>	<b>2,098</b>	<b>30,112</b>	<b>(2,806)</b>	<b>31,307</b>	<b>(75,694)</b>	<b>39,007</b>

- (1) Banco PAN S.A., Panamericano Arrendamento Mercantil S.A., Fundos de Investimento em Direitos Creditórios – FIDCs, Brazilian Mortgages Companhia Hipotecária and BMSR II Participações;  
(2) PAN Seguros S.A. and Panamericano Administração e Corretagem de Seguros e de Previdência Privada Ltda;  
(3) Panamericano Administradora de Consórcio Ltda;  
(4) Brazilian Securities Companhia de Securitização;  
(5) Panserv Prestadora de Serviços Ltda. and BM Sua Casa Promotora de Vendas Ltda;  
(6) Ourinvest Real Estate Holding S.A. and Brazilian Finance Real Estate S.A.; and  
(7) Eliminations between companies in different segments.

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION  
(In thousands of reais, unless otherwise stated)

5) CASH AND CASH EQUIVALENTS

	Bank		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Funds in local currency	22,397	28,403	32,451	39,360
Funds in foreign currency	18,405	8,403	18,405	8,403
<b>Total available funds (cash)</b>	<b>40,802</b>	<b>36,806</b>	<b>50,856</b>	<b>47,763</b>
Interbank investments (1)	559,997	876,997	559,997	876,997
<b>Total cash and cash equivalents</b>	<b>600,799</b>	<b>913,803</b>	<b>610,853</b>	<b>924,760</b>

(1) These only 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	03/31/2014					Total
	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	
<b>Money market investments:</b>						
<b>Own portfolio position</b>						
• Financial Treasury Bills – LFT	62,998	-	-	-	-	62,998
• National Treasury Bills – LTN	-	-	-	-	-	-
• Federal Treasury Notes - NTN	-	-	-	-	-	-
<b>Subtotal</b>	<b>62,998</b>	-	-	-	-	<b>62,998</b>
<b>Third-party portfolio position</b>						
• Financial Treasury Bills – LFT	149,998	-	-	-	-	149,998
• National Treasury Bills – LTN	-	-	-	-	-	-
• Federal Treasury Notes - NTN	347,001	-	-	-	-	347,001
<b>Subtotal</b>	<b>496,999</b>	-	-	-	-	<b>496,999</b>
<b>Interbank deposits</b>	<b>12,809</b>	<b>9,813</b>	<b>13,781</b>	<b>95,500</b>	<b>73,286</b>	<b>205,189</b>
<b>Total</b>	<b>572,806</b>	<b>9,813</b>	<b>13,781</b>	<b>95,500</b>	<b>73,286</b>	<b>765,186</b>

Bank	12/31/2013					Total
	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	
<b>Money market investments:</b>						
<b>Own portfolio position</b>						
• National Treasury Bills – LTN	74,999	-	-	-	-	74,999
• Federal Treasury Notes – NTN	207,503	119,010	-	-	-	326,513
<b>Subtotal</b>	<b>282,502</b>	<b>119,010</b>	-	-	-	<b>401,512</b>
<b>Third-party portfolio position</b>						
• National Treasury Bills – LTN	456,999	-	-	-	-	456,999
• Federal Treasury Notes – NTN	137,496	80,926	-	-	-	218,422
<b>Subtotal</b>	<b>594,495</b>	<b>80,926</b>	-	-	-	<b>675,421</b>
<b>Interbank deposits</b>	<b>5,243</b>	<b>18,483</b>	<b>23,254</b>	<b>43,454</b>	<b>135,124</b>	<b>225,558</b>
<b>Total</b>	<b>882,240</b>	<b>218,419</b>	<b>23,254</b>	<b>43,454</b>	<b>135,124</b>	<b>1,302,491</b>

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION  
(In thousands of reais, unless otherwise stated)

Consolidated	03/31/2014					Total
	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	
<b>Money market investments:</b>						
<b>Own portfolio position</b>						
• Financial Treasury Bills – LFT	62,998	-	-	-	-	62,998
<b>Subtotal</b>	<b>62,998</b>	-	-	-	-	<b>62,998</b>
<b>Third-party portfolio position</b>						
• Financial Treasury Bills – LFT	149,998	-	-	-	-	149,998
• Federal Treasury Notes – NTN	347,001	-	-	-	-	347,001
<b>Subtotal</b>	<b>496,999</b>	-	-	-	-	<b>496,999</b>
<b>Interbank deposits</b>	<b>12,730</b>	<b>9,791</b>	<b>12,426</b>	<b>93,443</b>	<b>19,576</b>	<b>147,966</b>
<b>Total</b>	<b>572,727</b>	<b>9,791</b>	<b>12,426</b>	<b>93,443</b>	<b>19,576</b>	<b>707,963</b>

Consolidated	12/31/2013					Total
	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	
<b>Money market investments:</b>						
<b>Own portfolio position</b>						
• National Treasury Bills – LTN	74,999	-	-	-	-	74,999
• Federal Treasury Notes – NTN	207,503	119,010	-	-	-	326,513
<b>Subtotal</b>	<b>282,502</b>	<b>119,010</b>	-	-	-	<b>401,512</b>
<b>Third-party portfolio position</b>						
• National Treasury Bills – LTN	456,999	-	-	-	-	456,999
• Federal Treasury Notes – NTN	137,496	80,926	-	-	-	218,422
<b>Subtotal</b>	<b>594,495</b>	<b>80,926</b>	-	-	-	<b>675,421</b>
<b>Interbank deposits</b>	<b>5,123</b>	<b>18,353</b>	<b>23,061</b>	<b>40,844</b>	<b>66,383</b>	<b>153,764</b>
<b>Total</b>	<b>882,120</b>	<b>218,289</b>	<b>23,061</b>	<b>40,844</b>	<b>66,383</b>	<b>1,230,697</b>

b) **Income from interbank investments**

This is classified in the statement of income as results from marketable security transactions:

	Bank		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013
<b>Income from investments in purchase and sale commitments:</b>				
- Own portfolio position	3,811	1,377	3,811	1,570
- Third-party portfolio position	9,259	5,585	9,259	5,585
- Sold position	-	9,851	-	9,851
<b>Subtotal</b>	<b>13,070</b>	<b>16,813</b>	<b>13,070</b>	<b>17,006</b>
Income from interbank deposits	5,215	8,276	3,864	4,858
<b>Total (note 7d)</b>	<b>18,285</b>	<b>25,089</b>	<b>16,934</b>	<b>21,864</b>



## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

### 7) MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

#### a) Portfolio analysis:

The portfolio of marketable securities and derivative financial instruments as at March 31, 2014 and December 31, 2012, by type of paper, was comprised as follows:

	Banco		Consolidado	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
<b>Own portfolio:</b>				
Bank Certificate of Deposit – CDB	-	-	2,256	1,974
Time Deposit with Special Guarantee – DPGE	-	-	23,191	22,570
Real estate receivable certificates – CRI	-	-	174,172	122,767
Financial Treasury Bills – LFT	19,607	70,449	200,501	295,564
Federal Treasury Notes – NTN	304,179	152,205	304,179	152,205
Investment fund quotas (1)	529	237,730	102,543	91,943
Social development fund – FDS	295	293	295	293
<b>Subtotal</b>	<b>324,610</b>	<b>460,677</b>	<b>807,137</b>	<b>687,316</b>
<b>Subject to repurchase agreements:</b>				
Financial Treasury Bills – LFT	204,512	158,317	287,186	241,841
Federal Treasury Notes – NTN	142,103	282,376	142,103	282,376
Bank Certificate of Deposit – CDB	-	-	18,443	18,253
Investment fund quotas	-	-	15,531	28,355
<b>Subtotal</b>	<b>346,615</b>	<b>440,693</b>	<b>463,263</b>	<b>570,825</b>
<b>Subject to guaranties:</b>				
Financial Treasury Bills – LFT	197,846	227,968	235,237	264,477
<b>Subtotal</b>	<b>197,846</b>	<b>227,968</b>	<b>235,237</b>	<b>264,477</b>
Other	-	-	2	2
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2</b>
<b>Total marketable securities</b>	<b>869,071</b>	<b>1,129,338</b>	<b>1,505,639</b>	<b>1,522,620</b>
<b>Derivative financial instruments:</b>				
NDF	42	-	42	-
Difference receivable on swaps	156,155	199,889	164,942	215,600
<b>Total derivative financial instruments</b>	<b>156,197</b>	<b>199,889</b>	<b>164,984</b>	<b>215,600</b>
<b>Total</b>	<b>1,025,268</b>	<b>1,329,227</b>	<b>1,670,623</b>	<b>1,738,220</b>

#### (1) Investments in investment fund shares comprised the following:

	Bank		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
BEM Fundo de Investimento Referenciado DI TPF (ii)	529	522	529	522
Caixa Master CDC FIDC (i)	-	203,304	-	-
Caixa CDC FIDC (i)	-	33,904	-	-
DPVAT	-	-	46,123	37,852
Fundo de Investimento Caixa Arrojado – RF (iii)	-	-	22,936	22,389
Fundo BTG Pactual Absoluto – FIA (iv)	-	-	12,130	12,092
Fundo BTG Pactual Dividendos – FIA (iv)	-	-	10,836	10,793
Others	-	-	9,989	8,295
<b>Total</b>	<b>529</b>	<b>237,730</b>	<b>102,543</b>	<b>91,943</b>

- i. Fund ended 01/20/14;
- ii. Fund managed by BEM DTVM Ltda;
- iii. Fund managed by CEF; and
- iv. Fund managed by BTG Pactual Serviços Financeiros S/A DTVM.

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION  
(In thousands of reais, unless otherwise stated)

**b) Composition by category and terms (bank and consolidated):**

Bank	03/31/2014							
	No stated maturity	Up to 12 months	From 1 to 3 years	From 3 to 5 years	More than 5 years	Carrying amount (2) (4)	Restated cost	MtM adjustment
<b>Available-for-sale securities:</b>								
- LFT	-	274,924	147,041	-	-	421,965	421,894	71
- NTN	-	-	-	-	-	-	-	-
<b>Total available-for-sale securities:</b>	-	<b>274,924</b>	<b>147,041</b>	-	-	<b>421,965</b>	<b>421,894</b>	<b>71</b>
<b>Securities held to maturity (1):</b>								
- NTN	-	93,192	212,616	133,354	7,120	446,282	446,282	-
- Investment fund quotas	529	-	-	-	-	529	529	-
- Social Development Fund (FDS)	295	-	-	-	-	295	295	-
<b>Total securities held to maturity</b>	<b>824</b>	<b>93,192</b>	<b>212,616</b>	<b>133,354</b>	<b>7,120</b>	<b>447,106</b>	<b>447,106</b>	-
<b>Total</b>	<b>824</b>	<b>368,116</b>	<b>359,657</b>	<b>133,354</b>	<b>7,120</b>	<b>869,071</b>	<b>869,000</b>	<b>71</b>

Bank	12/31/2013							
	No stated maturity	Up to 12 months	From 1 to 3 years	From 3 to 5 years	More than 5 years	Carrying amount (2) (4)	Restated cost	MtM adjustment
<b>Available-for-sale securities:</b>								
- LFT	-	101,018	355,715	-	-	456,733	456,630	103
- NTN	-	-	-	-	364	364	412	(48)
<b>Total available-for-sale securities:</b>	-	<b>101,018</b>	<b>355,715</b>	-	<b>364</b>	<b>457,097</b>	<b>457,042</b>	<b>55</b>
<b>Securities held to maturity (1):</b>								
- NTN	-	93,292	208,256	132,670	-	434,218	434,218	-
- Investment fund quotas	237,730	-	-	-	-	237,730	237,730	-
- Social Development Fund (FDS)	293	-	-	-	-	293	293	-
<b>Total securities held to maturity</b>	<b>238,023</b>	<b>93,292</b>	<b>208,256</b>	<b>132,670</b>	-	<b>672,241</b>	<b>672,241</b>	-
<b>Total</b>	<b>238,023</b>	<b>194,310</b>	<b>563,971</b>	<b>132,670</b>	<b>364</b>	<b>1,129,338</b>	<b>1,129,283</b>	<b>55</b>

Consolidated	03/31/2014							
	No stated maturity	Up to 12 months	From 1 to 3 years	From 3 to 5 years	More than 5 years	Carrying amount (2) (4)	Restated cost	MtM adjustment
<b>Trading securities:</b>								
- Financial Treasury Bills – LFT	-	-	604	-	-	604	604	-
- Certificate of Bank Deposit - CDB	-	7,087	12,250	-	1,362	20,699	20,699	-
- Investment fund quotas	111,036	-	-	-	-	111,036	111,036	-
<b>Total trading securities</b>	<b>111,036</b>	<b>7,087</b>	<b>12,854</b>	-	<b>1,362</b>	<b>132,339</b>	<b>132,339</b>	-
<b>Available-for-sale securities:</b>								
- LFT	-	346,127	376,192	-	-	722,319	724,106	(1,787)
- NTN	-	-	-	-	-	-	-	-
- CRI (3)	-	14,002	24,127	22,623	113,420	174,172	197,561	(23,389)
- Investment fund quotas	6,509	-	-	-	-	6,509	6,509	-
- Others	-	2	-	-	-	2	2	-
<b>Total available-for-sale securities</b>	<b>6,509</b>	<b>360,131</b>	<b>400,319</b>	<b>22,623</b>	<b>113,420</b>	<b>903,002</b>	<b>928,178</b>	<b>(25,176)</b>
<b>Securities held to maturity (1):</b>								
- NTN	-	93,193	212,616	133,354	7,120	446,283	446,283	-
- Special guarantee time deposits (DPGE)	-	11,501	11,690	-	-	23,191	23,191	-
- Investment fund quotas	529	-	-	-	-	529	529	-
- Social Development Fund (FDS)	295	-	-	-	-	295	295	-
<b>Total held to maturity</b>	<b>824</b>	<b>104,694</b>	<b>224,306</b>	<b>133,354</b>	<b>7,120</b>	<b>470,298</b>	<b>470,298</b>	-
<b>Total</b>	<b>118,369</b>	<b>471,912</b>	<b>637,479</b>	<b>155,977</b>	<b>121,902</b>	<b>1,505,639</b>	<b>1,530,815</b>	<b>(25,176)</b>

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

Consolidated	31/12/2013						Carrying amount (2) (4)	Restated cost	MtM adjustment
	No stated maturity	Up to 12 months	From 1 to 3 years	From 3 to 5 years	More than 5 years				
<b>Trading securities:</b>									
- Certificate of Bank Deposit - CDB	-	5,221	13,395	281	1,329	20,226	20,226	-	
- Investment fund quotas	113,342	-	-	-	-	113,342	113,342	-	
<b>Total trading securities</b>	<b>113,342</b>	<b>5,221</b>	<b>13,395</b>	<b>281</b>	<b>1,329</b>	<b>133,568</b>	<b>133,568</b>	-	
<b>Available-for-sale securities:</b>									
- LFT	-	210,037	591,845	-	-	801,882	803,622	(1,740)	
- NTN	-	-	-	-	364	364	411	(47)	
- CRI (3)	-	8,727	14,674	13,768	85,598	122,767	145,645	(22,878)	
- Investment fund quotas	6,434	-	-	-	-	6,434	6,434	-	
- Others	-	2	-	-	-	2	2	-	
<b>Total available-for-sale securities</b>	<b>6,434</b>	<b>218,766</b>	<b>606,519</b>	<b>13,768</b>	<b>85,962</b>	<b>931,449</b>	<b>956,114</b>	<b>(24,665)</b>	
<b>Securities held to maturity (1):</b>									
- NTN	-	93,292	208,256	132,669	-	434,217	434,217	-	
- Special guarantee time deposits (DPGE)	-	11,192	11,378	-	-	22,570	22,570	-	
- Investment fund quotas	522	-	-	-	-	522	522	-	
- Social Development Fund (FDS)	294	-	-	-	-	294	294	-	
<b>Total held to maturity</b>	<b>816</b>	<b>104,484</b>	<b>219,634</b>	<b>132,669</b>	-	<b>457,603</b>	<b>457,603</b>	-	
<b>Total</b>	<b>120,592</b>	<b>328,471</b>	<b>839,548</b>	<b>146,718</b>	<b>87,291</b>	<b>1,522,620</b>	<b>1,547,285</b>	<b>(24,665)</b>	

(1) In compliance with the provisions of Article 8 of BACEN Circular 3068/2001, Banco PAN declares that it has both the financial ability and the intention to hold to maturity the securities classified in the 'securities held to maturity' category;

(2) The fair value of securities was determined based on prices and rates prevailing at the balance sheet dates, disclosed by the Brazilian Association of Financial and Capital Market Institutions (ANBIMA) and BM&FBOVESPA. In the case of real estate receivable certificates, the market value is determined using internal models and data based on observable market parameters;

(3) According to Central Bank Circular nº 3068/01, from July 2013 the Certificates of Real State Receivables – CRI's were classified as securities available for sale, according to internal politics of Classification of Financial Instruments in Banking portfolio and Trading portfolio, since there is no market for obtaining short-term gain; and

(4) This book reflects book value subsequent to market-to-market, in accordance with paragraph (2), except for investments classified under "held to maturity", whose market value is lower than the restated cost, amounting to R\$ 13,533 thousand (12/31/2013 – exceeding R\$ 22,516 thousand).

### c) Derivative financial instruments

The Bank uses derivative 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 disclosed 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 disclosed by BM&FBOVESPA, were used to measure the fair value of swap agreements.

The marking to market of futures contracts, including interest contracts (1-day DI), exchange contracts (DOL) and exchange coupons (DDI) is defined according to the market price in a unique price (PU) format which is disclosed 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 contracts and swaps) are held in custody at BM&FBOVESPA or at the Clearing House for the Custody and Financial Settlement of Securities (CETIP S.A.). Differences receivable and payable for asset and liability derivative financial

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

instruments are recorded in their corresponding “Derivative financial instrument” balance sheet accounts, with a corresponding entry to the related income statement account “Results of derivative financial instruments” and the nominal values of these transactions are recorded in memorandum accounts.

The forward contract of foreign currency without physical delivery (or Non Deliverable Forward – NDF) is traded on the OTC market. It is a transaction of purchase or sale of foreign currency at a future date and at a predetermined parity. The settlement is the difference between the par value of the initial contract price and the reference on the maturity date. For the pricing of NDFs were used curves of future interest, based on information obtained from the BM&FBOVESPA.

At March 31, 2014 and December 31, 2013, the derivative financial instrument positions were as follows:

Carrying amount	Bank		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
<b>Index:</b>				
<b>Swap</b>				
- Difference receivable	156,155	199,889	164,942	215,600
- Difference payable	(44,280)	(21,706)	(37,058)	(10,686)
<b>Currency forward</b>				
- Long position	42	-	42	-
- Sold position	-	(251)	-	(251)
<b>Futures contracts</b>				
- Asset position	2,440	720	2,440	720
- Liability position	(865)	(6,235)	(865)	(6,235)
<b>Total net</b>	<b>113,492</b>	<b>172,417</b>	<b>129,501</b>	<b>199,148</b>

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 the over-the-counter (OTC) market and futures contracts are traded at BM&FBOVESPA.

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION  
(In thousands of reais, unless otherwise stated)

Index::	Bank								
	03/31/2014								
	Notional value	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	Carrying amount	Restated cost	MtM adjustment
<b>Swap</b>									
<b>Asset position:</b>	<b>1,887,430</b>	<b>50</b>	<b>8,424</b>	<b>358</b>	<b>8,553</b>	<b>138,770</b>	<b>156,155</b>	<b>165,601</b>	<b>(9,446)</b>
- US Dollar	1,513,177	-	7,005	170	7,762	138,332	153,269	162,989	(9,720)
- CDI	153,864	50	1,419	188	791	-	2,448	2,569	(121)
- CDI	45,721	-	-	-	-	129	129	(40)	169
- US Dollar (i)	87,334	-	-	-	-	309	309	83	226
- Libor	87,334	-	-	-	-	-	-	-	-
<b>Liability position:</b>	<b>1,887,430</b>	<b>(16)</b>	<b>(22)</b>	<b>(1,489)</b>	<b>(995)</b>	<b>(41,758)</b>	<b>(44,280)</b>	<b>(37,141)</b>	<b>(7,139)</b>
- CDI	1,513,177	-	-	(1,468)	(935)	(31,777)	(34,180)	(27,868)	(6,312)
- US Dollar	153,864	(16)	(7)	-	-	(9,660)	(9,683)	(9,123)	(560)
- Pre	45,721	-	(15)	(21)	(60)	(12)	(108)	(67)	(41)
- Libor	87,334	-	-	-	-	-	-	-	-
- US Dollar	87,334	-	-	-	-	(309)	(309)	(83)	(226)
<b>Currency forward</b>									
<b>Sold position</b>	<b>5,032</b>	<b>13</b>	<b>29</b>	-	-	-	<b>42</b>	<b>50</b>	<b>(8)</b>
US Dollar	5,032	13	29	-	-	-	42	50	(8)
<b>Long position</b>	<b>5,032</b>	-	-	-	-	-	-	-	-
Pre	5,032	-	-	-	-	-	-	-	-
<b>Futures contracts</b>									
<b>Asset position:</b>	<b>2,586,271</b>	<b>2,440</b>	-	-	-	-	<b>2,440</b>	<b>2,440</b>	-
- DDI	511,403	106	-	-	-	-	106	106	-
- US Dollar	148,067	82	-	-	-	-	82	82	-
- DI1	1,926,801	2,252	-	-	-	-	2,252	2,252	-
<b>Liability position:</b>	<b>2,586,271</b>	<b>(865)</b>	-	-	-	-	<b>(865)</b>	<b>(865)</b>	-
- DDI	511,403	(674)	-	-	-	-	(674)	(674)	-
- US Dollar	148,067	(180)	-	-	-	-	(180)	(180)	-
- DI1	1,926,801	(11)	-	-	-	-	(11)	(11)	-
<b>Total receivable, net</b>		<b>1,622</b>	<b>8,431</b>	<b>(1,131)</b>	<b>7,558</b>	<b>97,012</b>	<b>113,492</b>	<b>130,085</b>	<b>(16,593)</b>

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION  
(In thousands of reais, unless otherwise stated)

Index:	Bank								
	12/31/2013								
	Notional value	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	Carrying amount	Restated cost	MtM adjustment
<b>Swap</b>									
<b>Asset position:</b>	<b>1,847,353</b>	<b>196</b>	<b>416</b>	<b>10,069</b>	<b>11,281</b>	<b>177,927</b>	<b>199,889</b>	<b>231,642</b>	<b>(31,753)</b>
- US Dollar	1,521,598	-	336	10,007	11,269	177,703	199,315	231,288	(31,973)
- CDI	148,170	196	80	62	12	-	350	326	24
- CDI	2,917	-	-	-	-	-	-	-	-
- US Dollar (i)	87,334	-	-	-	-	224	224	28	196
- Libor	87,334	-	-	-	-	-	-	-	-
<b>Liability position:</b>	<b>1,847,353</b>	<b>(14)</b>	<b>(1,178)</b>	<b>(51)</b>	<b>(204)</b>	<b>(20,259)</b>	<b>(21,706)</b>	<b>(18,485)</b>	<b>(3,221)</b>
- CDI	1,521,598	-	(71)	-	(74)	(6,250)	(6,395)	(3,150)	(3,245)
- US Dollar	148,170	-	(1,077)	-	(55)	(13,785)	(14,917)	(15,151)	234
- IGPM	2,917	(14)	(30)	(51)	(75)	-	(170)	(156)	(14)
- Libor	87,334	-	-	-	-	-	-	-	-
- US Dollar	87,334	-	-	-	-	(224)	(224)	(28)	(196)
<b>Currency forward</b>									
<b>Sold position</b>	<b>5,032</b>	<b>-</b>	<b>-</b>	<b>(251)</b>	<b>-</b>	<b>-</b>	<b>(251)</b>	<b>(266)</b>	<b>15</b>
US Dollar	5,032	-	-	(251)	-	-	(251)	(266)	15
<b>Long position</b>	<b>5,032</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Pre	5,032	-	-	-	-	-	-	-	-
<b>Futures contracts</b>									
<b>Asset position:</b>	<b>7,507,844</b>	<b>720</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>720</b>	<b>720</b>	<b>-</b>
- DDI	608,941	254	-	-	-	-	254	254	-
- US Dollar	66,586	192	-	-	-	-	192	192	-
- DI1	6,832,317	274	-	-	-	-	274	274	-
<b>Liability position:</b>	<b>7,507,844</b>	<b>(6,235)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,235)</b>	<b>(6,235)</b>	<b>-</b>
- DDI	608,941	(3,822)	-	-	-	-	(3,822)	(3,822)	-
- US Dollar	66,586	(354)	-	-	-	-	(354)	(354)	-
- DI1	6,832,317	(2,059)	-	-	-	-	(2,059)	(2,059)	-
<b>Total receivable, net</b>		<b>(5,333)</b>	<b>(762)</b>	<b>9,767</b>	<b>11,077</b>	<b>157,668</b>	<b>172,417</b>	<b>207,376</b>	<b>(34,959)</b>

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION  
(In thousands of reais, unless otherwise stated)

Index:	Consolidated								
	03/31/2014								
	Notional value	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	Carrying amount	Restated cost	MtM adjustment
<b>Swap</b>									
<b>Asset position:</b>	<b>1,928,933</b>	<b>50</b>	<b>8,424</b>	<b>358</b>	<b>14,162</b>	<b>141,948</b>	<b>164,942</b>	<b>174,219</b>	<b>(9,277)</b>
- US Dollar	1,717,577	-	7,005	170	13,371	141,819	162,365	171,690	(9,325)
- CDI	78,301	50	1,419	188	791	-	2,448	2,569	(121)
- CDI	45,721	-	-	-	-	129	129	(40)	169
- Libor	87,334	-	-	-	-	-	-	-	-
<b>Liability position:</b>	<b>1,928,933</b>	<b>(16)</b>	<b>(22)</b>	<b>(1,489)</b>	<b>(995)</b>	<b>(34,536)</b>	<b>(37,058)</b>	<b>(30,101)</b>	<b>(6,957)</b>
- CDI	1,717,577	-	-	(1,468)	(935)	(31,777)	(34,180)	(27,868)	(6,312)
- US Dollar	78,301	(16)	(7)	-	-	(2,438)	(2,461)	(2,083)	(378)
- IGPM	45,721	-	(15)	(21)	(60)	(12)	(108)	(67)	(41)
- US Dollar	87,334	-	-	-	-	(309)	(309)	(83)	(226)
<b>Futures contracts</b>									
<b>Asset position:</b>	<b>2,586,271</b>	<b>2,440</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,440</b>	<b>2,440</b>	<b>-</b>
- DDI	511,403	106	-	-	-	-	106	106	-
- US Dollar	148,067	82	-	-	-	-	82	82	-
- DI1	1,926,801	2,252	-	-	-	-	2,252	2,252	-
<b>Liability position:</b>	<b>2,586,271</b>	<b>(865)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(865)</b>	<b>(865)</b>	<b>-</b>
- DDI	511,403	(674)	-	-	-	-	(674)	(674)	-
- US Dollar	148,067	(180)	-	-	-	-	(180)	(180)	-
- DI1	1,926,801	(11)	-	-	-	-	(11)	(11)	-
<b>Currency forward</b>									
<b>Sold position</b>	<b>5,032</b>	<b>13</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>50</b>	<b>(8)</b>
US Dollar	5,032	13	29	-	-	-	42	50	(8)
<b>Long position</b>	<b>5,032</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Pre	5,032	-	-	-	-	-	-	-	-
<b>Total receivable, net</b>		<b>1,622</b>	<b>8,431</b>	<b>(1,131)</b>	<b>13,167</b>	<b>107,412</b>	<b>129,501</b>	<b>145,743</b>	<b>(16,242)</b>

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

Index:	Consolidated								
	12/31/2013								
	Notional value	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	Carrying amount	Restated cost	MtM adjustment
<b>Swap</b>									
<b>Asset position:</b>	<b>1,813,293</b>	<b>196</b>	<b>416</b>	<b>10,069</b>	<b>20,995</b>	<b>183,924</b>	<b>215,600</b>	<b>259,611</b>	<b>(44,011)</b>
- US Dollar	1,650,435	-	336	10,007	20,983	183,924	215,250	259,285	(44,035)
- CDI	72,607	196	80	62	12	-	350	326	24
- CDI	2,917	-	-	-	-	-	-	-	-
- Libor	87,334	-	-	-	-	-	-	-	-
<b>Liability position:</b>	<b>1,813,293</b>	<b>(14)</b>	<b>(1,178)</b>	<b>(51)</b>	<b>(204)</b>	<b>(9,239)</b>	<b>(10,686)</b>	<b>(18,485)</b>	<b>7,799</b>
- CDI	1,650,435	-	(71)	-	(74)	(6,249)	(6,394)	(3,150)	(3,244)
- US Dollar	72,607	-	(1,077)	-	(55)	(2,766)	(3,898)	(15,151)	11,253
- IGPM	2,917	(14)	(30)	(51)	(75)	-	(170)	(156)	(14)
- US Dollar	87,334	-	-	-	-	(224)	(224)	(28)	(196)
<b>Futures contracts</b>									
<b>Asset position:</b>	<b>7,507,844</b>	<b>720</b>	-	-	-	-	<b>720</b>	<b>720</b>	-
- DDI	608,941	254	-	-	-	-	254	254	-
- US Dollar	66,586	192	-	-	-	-	192	192	-
- DI1	6,832,317	274	-	-	-	-	274	274	-
<b>Liability position:</b>	<b>7,507,844</b>	<b>(6,235)</b>	-	-	-	-	<b>(6,235)</b>	<b>(6,235)</b>	-
- DDI	608,941	(3,822)	-	-	-	-	(3,822)	(3,822)	-
- US Dollar	66,586	(354)	-	-	-	-	(354)	(354)	-
- DI1	6,832,317	(2,059)	-	-	-	-	(2,059)	(2,059)	-
<b>Currency forward</b>									
<b>Sold position</b>	<b>5,032</b>	-	-	<b>(251)</b>	-	-	<b>(251)</b>	<b>(266)</b>	<b>15</b>
US Dollar	5,032	-	-	(251)	-	-	(251)	(266)	15
<b>Long position</b>	<b>5,032</b>	-	-	-	-	-	-	-	-
Pre	5,032	-	-	-	-	-	-	-	-
<b>Total receivable, net</b>		<b>(5,333)</b>	<b>(762)</b>	<b>9,767</b>	<b>20,791</b>	<b>174,685</b>	<b>199,148</b>	<b>235,345</b>	<b>(36,197)</b>

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 3082/2012.

Results determined with derivative financial instruments are comprised as follows:

Bank	03/31/2014			03/31/2013		
	Income	Expense	Net	Income	Expense	Net
Swap	207,788	(276,797)	(69,009)	144,010	(238,698)	(94,688)
Futures contracts	294	-	294	79,793	(13,722)	66,071
Currency forward	244,707	(206,359)	38,348	2,200	(71,792)	(69,592)
<b>Total</b>	<b>452,789</b>	<b>(483,156)</b>	<b>(30,367)</b>	<b>226,003</b>	<b>(324,212)</b>	<b>(98,209)</b>

Consolidated	03/31/2014			03/31/2013		
	Income	Expense	Net	Income	Expense	Net
Swap	213,808	(293,539)	(79,731)	147,874	(247,648)	(99,774)
Futures contracts	294	-	294	79,793	(13,722)	66,071
Currency forward	244,707	(206,359)	38,348	2,200	(71,792)	(69,592)
<b>Total</b>	<b>458,809</b>	<b>(499,898)</b>	<b>(41,089)</b>	<b>229,867</b>	<b>(333,162)</b>	<b>(103,295)</b>



NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION  
(In thousands of reais, unless otherwise stated)

d) **Securities transactions:**

	Bank		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Fixed income securities	25,641	24,318	39,568	102,848
Result of subordinated quotas	222	(1,216)	-	-
Short-term interbank investments (Note 6b)	18,285	25,089	16,934	21,864
<b>Total</b>	<b>44,148</b>	<b>48,191</b>	<b>56,502</b>	<b>124,712</b>

8) **LOAN OPERATIONS**

We present below information on the portfolio of loan and leasing operations, advances on foreign exchange contracts and other receivables with similar characteristics, at March 31, 2014 and December 31, 2013:

a) **Analysis of the portfolio by type of operation:**

	Bank			
	03/31/2014		12/31/2013	
	Amount	%	Amount	%
Direct consumer credit (CDC)	8,342,158	58.44	7,521,557	58.26
Paycheck deductible loans	2,187,502	15.33	1,730,544	13.40
Financing provided to credit card holders (1)	583,544	4.09	573,602	4.44
Working capital	1,481,127	10.38	1,326,583	10.27
Housing financing	4,207	0.03	111	-
Credit rights acquired	15,065	0.11	23,445	0.18
Renegotiated loans	34,801	0.24	27,722	0.21
Overdraft accounts	49	-	49	-
Personal credit	86,306	0.60	93,083	0.72
Discounted bills	32	-	204	-
Overdraft check	277	-	277	-
Export financing	603,762	4.23	585,341	4.54
Other	548	-	554	0.01
<b>Total loan and leasing operations</b>	<b>13,339,378</b>	<b>93.45</b>	<b>11,883,072</b>	<b>92.03</b>
Other receivables (2)	600,438	4.21	628,285	4.87
Advances on foreign exchange contracts and income receivable (3)	334,610	2.34	399,770	3.10
<b>Total</b>	<b>14,274,426</b>	<b>100.00</b>	<b>12,911,127</b>	<b>100.00</b>

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

(2) Credit card receivables and notes and credits receivable with loan assignment characteristic; and

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

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

	Consolidated			
	03/31/2014		12/31/2013	
	Amount	%	Amount	%
Direct consumer credit (CDC)	8,342,158	52.74	8,135,827	53.67
Leasing operations (1)	108,576	0.69	139,202	0.92
Paycheck deductible loans	2,187,502	13.83	1,730,544	11.42
Real estate development financing	195,036	1.23	190,462	1.26
Housing financing	918,060	5.80	946,927	6.25
Loans with real estate guarantees	324,620	2.05	356,383	2.35
Financing provided to credit card holders (2)	583,544	3.69	573,602	3.78
Working capital	1,481,127	9.36	1,326,583	8.75
Credit rights acquired	15,065	0.10	23,445	0.15
Renegotiated loans	34,801	0.22	27,722	0.18
Overdraft accounts	49	-	49	-
Personal credit	86,306	0.55	93,083	0.62
Discounted bills	32	-	204	-
Overdraft check	277	-	277	-
Export financing	603,762	3.82	585,341	3.86
Other	548	-	554	-
<b>Total loan and leasing operations</b>	<b>14,881,463</b>	<b>94.08</b>	<b>14,130,205</b>	<b>93.21</b>
Other receivables (3)	600,438	3.80	628,285	4.15
Advances on foreign exchange contracts and income receivable (4)	334,610	2.12	399,770	2.64
<b>Total</b>	<b>15,816,511</b>	<b>100.00</b>	<b>15,158,260</b>	<b>100.00</b>

(1) Registrado a valor presente;

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

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

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

### b) Analysis of the portfolio by rating and maturity:

Rating	Bank							
	03/31/2014							
	Maturing							Total
Past due More than 14 days	Until 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days		
AA	-	-	-	-	-	-	-	-
A	5,724	964,849	305,734	285,227	801,623	1,511,187	6,363,861	10,238,205
B	54,770	84,526	80,627	146,063	329,545	465,504	775,162	1,936,197
C	71,194	82,099	45,094	36,173	123,877	217,222	276,016	851,675
D	47,695	13,573	13,170	8,153	30,066	47,824	166,917	327,398
E	44,460	7,094	3,974	3,579	11,309	22,133	71,952	164,501
F	33,226	5,371	2,939	2,697	8,383	17,128	59,885	129,629
G	30,119	4,078	2,259	2,069	6,389	12,516	37,920	95,350
H	242,824	22,494	11,248	10,299	30,553	58,205	155,848	531,471
<b>Total</b>	<b>530,012</b>	<b>1,184,084</b>	<b>465,045</b>	<b>494,260</b>	<b>1,341,745</b>	<b>2,351,719</b>	<b>7,907,561</b>	<b>14,274,426</b>

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

Rating	Bank							
	12/31/2013							
	Maturing							Total
Past due More than 14 days	Until 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days		
AA	-	-	-	-	-	-	-	-
A	5,626	917,778	279,340	250,471	697,940	1,275,022	5,633,374	9,059,551
B	35,702	115,008	105,078	108,331	284,263	478,541	716,603	1,843,526
C	47,766	49,021	55,447	32,697	125,826	195,774	277,157	783,688
D	37,423	21,667	11,443	7,328	18,169	85,615	131,516	313,161
E	42,431	6,308	3,696	3,586	10,460	19,620	71,430	157,531
F	37,788	4,260	2,480	2,406	7,032	19,687	48,255	121,908
G	33,934	3,439	2,026	1,973	5,716	11,383	38,901	97,372
H	229,776	20,038	10,737	10,380	28,582	56,305	178,572	534,390
<b>Total</b>	<b>470,446</b>	<b>1,137,519</b>	<b>470,247</b>	<b>417,172</b>	<b>1,177,988</b>	<b>2,141,947</b>	<b>7,095,808</b>	<b>12,911,127</b>

Rating	Consolidated							
	31/03/2014							
	Maturing							Total
Past due More than 14 days	Until 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days		
AA	-	-	-	-	-	-	-	-
A	5,948	1,008,731	340,237	310,915	911,938	1,632,449	6,820,892	11,031,110
B	75,015	132,374	98,086	163,483	404,860	494,284	852,691	2,220,793
C	101,898	95,568	69,059	67,209	127,875	253,676	316,802	1,032,087
D	51,051	62,270	25,848	8,766	31,819	53,403	244,501	477,658
E	45,719	12,099	6,313	3,872	12,170	35,970	84,160	200,303
F	49,462	5,645	3,113	4,919	8,804	23,394	63,931	159,268
G	41,524	11,547	11,946	2,196	6,761	13,123	40,468	127,565
H	261,655	23,506	11,904	10,914	32,301	61,048	166,399	567,727
<b>Total</b>	<b>632,272</b>	<b>1,351,740</b>	<b>566,506</b>	<b>572,274</b>	<b>1,536,528</b>	<b>2,567,347</b>	<b>8,589,844</b>	<b>15,816,511</b>

Rating	Consolidated							
	12/31/2013							
	Maturing							Total
Past due More than 14 days	Until 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days		
AA	-	-	-	-	-	-	-	-
A	5,892	966,872	307,275	299,526	843,696	1,502,972	6,209,095	10,135,328
B	53,938	132,258	112,525	136,096	333,137	565,899	790,758	2,124,611
C	73,225	65,058	87,110	40,410	189,421	220,500	312,399	988,123
D	69,395	24,058	14,624	11,939	58,631	90,995	190,839	460,481
E	57,811	7,645	4,492	4,330	12,491	22,728	85,738	195,235
F	52,719	5,344	3,108	2,985	8,614	22,055	54,958	149,783
G	61,049	4,334	2,544	2,458	13,962	13,375	43,656	141,378
H	609,066	25,013	13,223	12,712	34,997	66,187	202,123	963,321
<b>Total</b>	<b>983,095</b>	<b>1,230,582</b>	<b>544,901</b>	<b>510,456</b>	<b>1,494,949</b>	<b>2,504,711</b>	<b>7,889,566</b>	<b>15,158,260</b>

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION  
(In thousands of reais, unless otherwise stated)

c) Composition of the credit portfolio by risk level and allowance for loan losses:

Level	% Allowance required	03/31/2014									
		Bank				Consolidated					
		Maturing	Past due (1)	Total	Provision	Maturing	Past due (1)	Total	Provision		
AA	-	-	-	-	-	-	-	-	-		
A	0.50	10,232,481	5,724	10,238,205	51,191	11,025,162	5,948	11,031,110	55,156		
B	1.00	1,881,427	54,770	1,936,197	19,362	2,145,778	75,015	2,220,793	22,207		
C	3.00	780,481	71,194	851,675	25,550	930,189	101,898	1,032,087	30,962		
D	10.00	279,703	47,695	327,398	32,740	426,607	51,051	477,658	47,766		
E	30.00	120,041	44,460	164,501	49,350	154,584	45,719	200,303	60,091		
F	50.00	96,403	33,226	129,629	64,815	109,806	49,462	159,268	79,635		
G	70.00	65,231	30,119	95,350	66,745	86,041	41,524	127,565	89,295		
H	100.00	288,647	242,824	531,471	531,471	306,072	261,655	567,727	567,727		
<b>Total</b>		<b>13,744,414</b>	<b>530,012</b>	<b>14,274,426</b>	<b>841,224</b>	<b>15,184,239</b>	<b>632,272</b>	<b>15,816,511</b>	<b>952,839</b>		
% of total risk					5.89%	% of total risk					6.02%

Level	% Allowance required	12/31/2013									
		Bank				Consolidated					
		Maturing	Past due (1)	Total	Provision	Maturing	Past due (1)	Total	Provision		
AA	-	-	-	-	-	-	-	-	-		
A	0.50	9,053,925	5,626	9,059,551	45,298	10,129,436	5,892	10,135,328	50,777		
B	1.00	1,807,824	35,702	1,843,526	18,435	2,070,673	53,938	2,124,611	21,346		
C	3.00	735,922	47,766	783,688	23,511	914,898	73,225	988,123	30,643		
D	10.00	275,738	37,423	313,161	31,316	391,086	69,395	460,481	47,048		
E	30.00	115,100	42,431	157,531	47,259	137,424	57,811	195,235	59,570		
F	50.00	84,120	37,788	121,908	60,954	97,064	52,719	149,783	75,892		
G	70.00	63,438	33,934	97,372	68,161	80,329	61,049	141,378	99,885		
H	100.00	304,613	229,777	534,390	534,389	354,254	609,067	963,321	963,320		
<b>Total</b>		<b>12,440,680</b>	<b>470,447</b>	<b>12,911,127</b>	<b>829,323</b>	<b>14,175,164</b>	<b>983,096</b>	<b>15,158,260</b>	<b>1,348,481</b>		
% sobre total de risco					6.42%	% sobre total de risco					8.90%

(1) includes operations past due for more than 14 days.

d) Activity in the allowance for loan losses:

	Bank				
	03/31/2014				
	Loan operations (1)	Additional allowance (2)	Credit assignments (3)	Other Receivables	Total
<b>At the beginning of the period</b>	<b>829,323</b>	-	<b>132,982</b>	<b>13,830</b>	<b>976,135</b>
- Balance of credits that returned to the Bank's portfolio	402,018	-	-	-	402,018
- Allowance recorded/reversed	248,155	-	(31,813)	553	216,895
- Write off against allowance	(638,272)	-	-	-	(638,272)
<b>At the end of the period</b>	<b>841,224</b>	-	<b>101,169</b>	<b>14,383</b>	<b>956,776</b>
- Credit recoveries (4) (5)	58,259	-	-	-	58,259
- Effect on results (6)	(189,896)	-	31,813	(553)	(158,636)

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

	Bank				
	03/31/2013				
	Loan operations (1)	Additional allowance (2)	Credit assignments (3)	Other Receivables	Total
<b>At the beginning of the period</b>	831,642	-	217,137	15,193	1,063,972
- Allowance recorded/reversed	270,772	2,800	(9,742)	1,892	265,722
- Write off against allowance	(236,140)	-	-	-	(236,140)
<b>At the end of the period</b>	<b>866,274</b>	<b>2,800</b>	<b>207,395</b>	<b>17,085</b>	<b>1,093,554</b>
- Credit recoveries (4) (5)	34,261	-	-	-	34,261
- Effect on results (6)	(236,511)	(2,800)	9,742	(1,892)	(231,461)

	Consolidated				
	03/31/2014				
	Loan and leasing operations (1)	Additional allowance (2)	Credit assignments (3)	Other receivables	Total
<b>At the beginning of the period</b>	1,348,481	70	132,982	14,983	1,496,516
- Allowance recorded/reversed	267,403	(1)	(31,813)	450	236,039
- Write off against allowance	(663,045)	-	-	-	(663,045)
<b>At the end of the period</b>	<b>952,839</b>	<b>69</b>	<b>101,169</b>	<b>15,433</b>	<b>1,069,510</b>
- Credit recoveries (4) (5)	65,193	-	-	-	65,193
- Effect on results (6)	(202,210)	1	31,813	(450)	(170,846)

	Consolidated				
	03/31/2013				
	Loan and leasing operations (1)	Additional allowance (2)	Credit assignments (3)	Other receivables	Total
<b>At the beginning of the period</b>	1,511,364	431	217,137	15,933	1,744,865
- Allowance recorded/reversed	312,660	2,648	(9,742)	2,180	307,746
- Write off against allowance	(261,427)	-	-	-	(261,427)
<b>At the end of the period</b>	<b>1,562,597</b>	<b>3,079</b>	<b>207,395</b>	<b>18,113</b>	<b>1,791,184</b>
- Credit recoveries (4) (5)	40,500	-	-	-	40,500
- Effect on results (6)	(272,160)	(2,648)	9,742	(2,180)	(267,246)

(1) Includes other receivables with characteristics of loan operations and foreign exchange transactions;

(2) Constituída para fazer frente a riscos adicionais da carteira de crédito, de acordo com a experiência da Administração e a expectativa de realização da carteira de crédito;

(3) Allowance for loan losses related to credit assignments with co-obligation (Note 8g), classified in Other liabilities – Sundry;

(4) For the period ended March 31, 2014, credits previously written off against the allowance for loan and lease losses were recovered in the amount of R\$ 65,193 (R\$ 58,259 of which comprised the recovery of Bank loans and R\$ 4,434 comprising the recovery of leasing operations and R\$ 2,500 comprising the recovery of housing loans). Renegotiated loans totaled R\$ 34,801 in the Bank and Consolidated (R\$ 27,722 at December 31, 2013);

(5) Recorded in income from loan operations; and

(6) Expense for the provision recorded less credit recoveries;

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION  
(In thousands of reais, unless otherwise stated)

e) Classification by activity area:

Activity Area	Bank			
	03/31/2014		12/31/2013	
	Amount	%	Amount	%
<b>Individuals</b>	<b>11,460,584</b>	<b>80.29</b>	<b>10,250,250</b>	<b>79.40</b>
<b>Agribusiness</b>	<b>480,222</b>	<b>3.36</b>	<b>456,126</b>	<b>3.53</b>
Sugar and ethanol	150,177	1.05	129,216	1.00
Agribusiness and animal protein	330,045	2.31	326,910	2.53
<b>Commercial</b>	<b>842,747</b>	<b>5.90</b>	<b>902,306</b>	<b>6.99</b>
Wholesale and retail	842,747	5.90	902,306	6.99
<b>Basic industries</b>	<b>388,710</b>	<b>2.72</b>	<b>327,044</b>	<b>2.53</b>
Auto parts	154	-	174	-
Chemical industry	51,170	0.36	41,586	0.32
Oil and gas	20	-	20	-
Other industries	275,146	1.93	229,978	1.78
Paper and pulp	55,842	0.39	48,941	0.38
Textiles	6,378	0.04	6,345	0.05
<b>Services</b>	<b>1,102,163</b>	<b>7.72</b>	<b>975,401</b>	<b>7.55</b>
Construction and real-estate development	500,114	3.50	434,980	3.37
Financial	33,316	0.23	41,209	0.32
Vehicle rental	22,846	0.16	24,692	0.19
Media, IT and telecom	15,160	0.11	15,347	0.12
Other services	416,303	2.92	327,141	2.53
Health, security and education	6,604	0.05	6,915	0.05
Transportation and logistics	94,333	0.66	93,462	0.72
Utilities	13,487	0.09	31,655	0.25
<b>Total</b>	<b>14,274,426</b>	<b>100.00</b>	<b>12,911,127</b>	<b>100.00</b>

Activity Area	Consolidated			
	03/31/2014		12/31/2013	
	Amount	%	Amount	%
<b>Individuals</b>	<b>12,140,824</b>	<b>76.76</b>	<b>11,622,375</b>	<b>76.67</b>
<b>Agribusiness</b>	<b>480,222</b>	<b>3.04</b>	<b>456,126</b>	<b>3.00</b>
Sugar and ethanol	150,177	0.95	129,216	0.85
Agribusiness and animal protein	330,045	2.09	326,910	2.15
<b>Commercial</b>	<b>847,188</b>	<b>5.36</b>	<b>907,314</b>	<b>5.99</b>
Wholesale and retail	847,188	5.36	907,314	5.99
<b>Basic industries</b>	<b>390,069</b>	<b>2.46</b>	<b>328,261</b>	<b>2.16</b>
Auto parts	154	-	174	-
Chemical industry	51,170	0.32	41,586	0.27
Oil and gas	20	-	20	-
Other industries	276,505	1.75	231,195	1.53
Paper and pulp	55,842	0.35	48,941	0.32
Textiles	6,378	0.04	6,345	0.04
<b>Services</b>	<b>1,958,208</b>	<b>12.38</b>	<b>1,844,184</b>	<b>12.18</b>
Construction and real-estate development	1,335,642	8.44	1,280,412	8.45
Financial	33,316	0.21	41,209	0.28
Vehicle rental	22,846	0.14	24,692	0.16
Media, IT and telecom	15,160	0.10	15,347	0.10
Other services	436,820	2.76	350,492	2.31
Health, security and education	6,604	0.04	6,915	0.05
Transportation and logistics	94,333	0.60	93,462	0.62
Utilities	13,487	0.09	31,655	0.21
<b>Total</b>	<b>15,816,511</b>	<b>100.00</b>	<b>15,158,260</b>	<b>100.00</b>

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

**Concentration of loans:**

Largest borrowers	Bank				Consolidated			
	03/31/2014		12/31/2013		03/31/2014		12/31/2013	
	Amount	%	Amount	%	Amount	%	Amount	%
10 largest borrowers	358,550	2.52	322,095	2.49	366,305	2.32	335,470	2.21
50 next largest borrowers	874,282	6.12	788,576	6.11	990,777	6.26	891,200	5.88
100 next largest borrowers	902,459	6.32	904,671	7.01	1,050,745	6.64	1,054,544	6.96
Other borrowers	12,139,135	85.04	10,895,785	84.39	13,408,684	84.78	12,877,046	84.95
<b>Total</b>	<b>14,274,426</b>	<b>100.00</b>	<b>12,911,127</b>	<b>100.00</b>	<b>15,816,511</b>	<b>100.00</b>	<b>15,158,260</b>	<b>100.00</b>

**g) Loan assignments:**

- **Assignments without co-obligation**

For the period ended March 31, 2014, loans were assigned to financial institutions as presented below:

	Bank		
	03/31/2014		
	Assignment amount	Present value	Result (1)
<b>Without co-obligation</b>			
Direct consumer credit (CDC)	266,820	230,585	36,235
Paycheck deductible loans	528,305	435,798	92,507
Housing financing	58,952	57,521	1,431
Real estate development financing	7,280	7,073	207
Loans with real estate guarantees	176,143	162,489	13,654
<b>Total</b>	<b>1,037,500</b>	<b>893,466</b>	<b>144,034</b>

	Consolidated		
	03/31/2014		
	Assignment amount	Present value	Result (1)
<b>Without co-obligation</b>			
Direct consumer credit (CDC)	266,820	230,585	36,235
Paycheck deductible loans	528,305	435,798	92,507
Housing financing	58,952	53,314	5,638
Real estate development financing	7,280	6,556	724
Loans with real estate guarantees	176,143	150,602	25,541
<b>Total</b>	<b>1,037,500</b>	<b>876,855</b>	<b>160,645</b>

	Bank		
	03/31/2013		
	Assignment amount	Present value	Result (1)
<b>Without co-obligation</b>			
Direct consumer credit (CDC)	638,899	586,521	52,378
Paycheck deductible loans	856,271	667,514	188,757
Housing financing	28,678	20,145	8,533
Real estate development financing	2,554	1,716	838
Loans with real estate guarantees	162,594	118,017	44,577
<b>Total</b>	<b>1,688,996</b>	<b>1,393,913</b>	<b>295,083</b>

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

	Consolidated		
	03/31/2013		
	Assignment amount	Present value	Result (1)
<b>Without co-obligation</b>			
Direct consumer credit (CDC)	638,899	586,521	52,378
Paycheck deductible loans	856,271	667,514	188,757
Housing financing	28,835	19,396	9,439
Real estate development financing	2,590	1,663	927
Loans with real estate guarantees	162,402	113,091	49,311
<b>Total</b>	<b>1,688,997</b>	<b>1,388,185</b>	<b>300,812</b>

(1) Accounted for in "Portfolio from credit operations".

### • Assignments with co-obligation

The responsibilities for loans assigned with co-obligation amount to R\$ 369,904 (R\$ 498,748 at December 31, 2013), in the Bank and consolidated, calculated at present value using the agreed contract rates.

The present value determined based on the loan assignment rates totals R\$ 397,626 (R\$ 540,424 at December 31, 2013), in the bank and consolidated, for which an allowance for loan losses was recorded in the amount of R\$ 101,169 ((R\$ 132,902 at December 31, 2013), calculated using the same criteria adopted for calculating the allowance for loan losses for unassigned operations and recorded in the "Other liabilities - sundry" account (Note 22b).

### h) Income on loan and leasing operations:

	Bank		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Profit on loan assignments (note 8g)	144,034	295,083	160,645	300,812
Credit cards	84,912	54,672	84,912	54,672
Direct consumer credit (CDC)	402,602	283,540	415,634	363,552
Paycheck deductible loans	106,830	86,165	106,830	86,165
Personal credit	9,397	11,498	9,397	11,498
Recovery of credits written off as losses (1)	58,259	34,261	65,193	40,500
Secured accounts	1,070	2,329	1,070	2,329
Renegotiated loans	1,034	756	1,034	756
Export financing	56,430	15,184	56,430	15,184
Housing loans	90	135	34,201	26,489
Income from real estate developments	-	-	4,050	5,090
Income from loans with real estate guarantees	-	-	9,853	15,315
Working capital	53,966	33,171	53,966	33,171
Leasing, net of expenses (2)	-	-	6,029	13,167
Other	1,046	1,145	1,046	1,145
<b>Total</b>	<b>919,670</b>	<b>817,939</b>	<b>1,010,290</b>	<b>969,845</b>

(1) In consolidated, considers loan and leasing operations; and

(2) Does not include recovery of loans written off.



NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION  
(In thousands of reais, unless otherwise stated)

9) FOREIGN EXCHANGE PORTFOLIO

a) Balance sheet amounts:

Bank and Consolidated	03/31/2014	12/31/2013
<b>Assets</b>		
Exchange purchases pending settlement	330,272	411,553
Income receivable	11,222	16,965
<b>Total Assets</b>	<b>341,494</b>	<b>428,518</b>
<b>Liabilities</b>		
Liabilities for exchange purchases	329,568	382,805
Advances on foreign exchange contracts	(323,388)	(382,805)
<b>Total Liabilities</b>	<b>6,180</b>	<b>-</b>

b) Income from Exchange transaction:

Bank and Consolidated	03/31/2014	03/31/2013
Income from export financing	8,474	8,244
Foreign Exchange	(8,938)	4,351
Others	519	2,021
<b>Total</b>	<b>55</b>	<b>14,616</b>

10) REAL ESTATE RECEIVABLES

These are portfolios of real estate financings and rental receivables acquired by Brazilian Securities, which will be used to guarantee the future issuance of Real Estate Receivable Certificates (CRI).

Consolidated	Final maturity	Index	% interest p.a.	03/31/2014	12/31/2013
Tranches 95 e 96 (1)	09/08/2027	TR	8.65	9,341	10,069
Real estate credit note	02/20/2042	INCC/IGPM or TR	Until 17.09		-
Real estate credit note	12/30/2043	INCC/IGPM /TR and without adjustment	0 until 18.33	197,993	183,681
<b>Total</b>				<b>207,334</b>	<b>193,750</b>

(1) These tranches have been 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 necessary.

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) RESIDUAL BENEFIT IN SECURITIZED TRANSACTIONS

### a) Summary of book balances under the fiduciary regime:

Consolidated	03/31/2014	12/31/2013
Cash	55,240	29,127
Financial investments	152,633	182,360
Real estate receivables (1)	10,204,921	10,313,889
Other assets	22,753	26,513
<b>Total Assets</b>	<b>10,435,547</b>	<b>10,551,889</b>
Real estate receivable certificates (2)	10,315,781	10,400,866
Other liabilities	107,171	137,865
<b>Total Liabilities</b>	<b>10,422,952</b>	<b>10,538,731</b>
<b>Residual benefit in securitized transactions (3)</b>	<b>12,595</b>	<b>13,158</b>

- (1) The real estate receivables are indexed for inflation based on the IGPM, INCC, IPCA or TR rates, or have no inflation index, plus interest which varies from 0.00% p.a. to 58.2466% p.a. (12/31/2013 – 0.00% p.a. to 19.7988% p.a.) and are also updated by 100% of CDI to 121.48% of CDI, added to interest rates ranging from 0.00% p.a. to 2.50% p.a, and maturing until July, 26, 2043.
- (2) The real estate receivable certificates are indexed for inflation based on the IGPM, IPCA, TR or CDI rates, plus interest which varies from 3.0687% p.a. to 77.5036% p.a. (12/31/2013 – 3.0687% p.a. to 77.5036% p.a) and are also updated by 100% of CDI to 121.48% of CDI, added to interest rates ranging from 0.00% p.a. to 2.00% p.a and maturing until July 01, 2043; and
- (3) This corresponds to the residual balance, net of any guarantees provided, of separate equity of the securitized transactions which, in accordance with Law 9514, of November 20, 1997, will be restored to the securitization company's common equity when the fiduciary regime is terminated and the related real-estate receivable certificates are settled.

**b)** Throughout the first half of 2014, the Company (Brazilian Securities) acquired real estate receivables in the amount of R\$ 133,772 (R\$ 3,134,267 at December 31, 2013). In addition, retrocession transactions were carried out in the amount of R\$ 1,089 (R\$ 15,223 at December 31, 2013).

**c)** At March 31, 2014, the total amount of real estate receivable installments past due for more than 90 days, related to the series issued, is R\$ 26,016 thousand, corresponding to 2.01% of the total real estate receivables related to the series.

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION  
(In thousands of reais, unless otherwise stated)

**12) OTHER RECEIVABLES – SUNDRY (1)**

	Bank		Consolidated	
	03/312014	12/31/2013	03/312014	12/31/2013
Deferred tax assets (Note 34b)	2,530,932	2,466,982	2,864,084	2,810,588
Notes and credits receivable (2)	600,438	628,285	600,438	628,285
Income tax available for offset	292,724	290,039	349,104	380,069
Amounts receivable from loan assignments	242,414	205,281	242,414	205,281
Judicial and tax deposits	125,492	115,079	156,340	144,554
Amounts receivable from affiliates	44,527	20,742	13,706	-
Amounts receivable from paycheck-deductible loans (4)	22,691	17,456	22,691	17,456
Other advances our account	8,613	9,092	8,959	9,427
Credit cards (3)	1,104	2,110	1,104	2,110
Salary advances	456	781	835	1,694
Others	84,611	71,082	103,904	97,321
<b>Total</b>	<b>3,954,002</b>	<b>3,826,929</b>	<b>4,363,579</b>	<b>4,296,785</b>

(1) Includes notes and credits receivable;

(2) Credit card receivables and notes and credits receivable with loan assignment characteristics;

(3) Credit card transactions for which invoices have not yet been issued, or which have been issued but have not yet fallen due; and

(4) Amounts received by State and Municipal Governments but not yet transferred to the Bank. These transfers are still being negotiated by the Bank. A full provision was recorded for losses and for transfers past due for more than 180 days, the balance of which at March 31, 2014 is R\$ 14,383 (R\$ 13,830 at December 31, 2013).

**13) OTHER ASSETS**

**a) Repossessed assets/other:**

	Residual Value							
	Bank				Consolidated			
	Cost	Valuation allowance	03/312014	12/31/2013	Cost	Valuation allowance	03/312014	12/31/2013
Vehicles	32,872	(13,565)	19,307	15,322	33,687	(14,013)	19,674	15,675
Vehicles under special regime	40,637	(35,171)	5,466	6,285	43,443	(37,692)	5,751	6,587
Real State	21,755	(55)	21,700	13,924	66,038	(55)	65,983	51,827
<b>Total repossessed assets</b>	<b>95,264</b>	<b>(48,791)</b>	<b>46,473</b>	<b>35,531</b>	<b>143,168</b>	<b>(51,760)</b>	<b>91,408</b>	<b>74,089</b>
Other items	432	-	432	476	432	-	432	476
<b>Total repossessed assets</b>	<b>95,696</b>	<b>(48,791)</b>	<b>46,905</b>	<b>36,007</b>	<b>143,600</b>	<b>(51,760)</b>	<b>91,840</b>	<b>74,565</b>

**b) Prepaid expenses:**

	Bank		Consolidated	
	03/312014	12/31/2013	03/312014	12/31/2013
Commission paid to correspondent banks	453,981	385,314	457,466	397,819
Expense for issuance of securities abroad	7,672	21,061	7,900	21,318
Insurance company selling expenses	-	-	22,132	19,630
Other	763	657	1,856	2,386
<b>Total</b>	<b>462,416</b>	<b>407,032</b>	<b>489,354</b>	<b>441,153</b>

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

### 14) INVESTMENTS

#### a) Subsidiary companies:

Companies	Capital	Adjusted equity	Number of shares/ quotas held (in thousands)			Consolidated percentage ownership	Adjusted net Income(loss) 03/312014	Balance of investments		Equity accounting adjustment	
			Common ON	Preferred PN	Quotas			03/312014	12/31/2013	03/312014	03/31/2013
Panamericano Arrendamento Mercantil S.A. (1)(3)	141,521	60,727	11	-	-	99.970%	(3,267)	60,708	63,974	(3,267)	(2,229)
PAN Seguros S.A. (1)(3)(4)	71,256	137,128	339,207	106	-	99.999%	10,874	137,126	181,255	10,874	10,909
Panserv Prestadora de Serviços Ltda. (1)(3)	5,061	13,042	-	-	5,061	99.999%	574	13,043	29,468	574	1,520
Panamericano Adm. e Corretora de Seguros e Previdência Privada Ltda. (1)(3)	306	7,757	-	-	306	99.999%	2,015	7,757	5,742	2,015	1,097
Ourinvest Real Estate Holding S.A. (1)(3)(5)(6)(7)	867,543	794,354	151,656	31,431	-	100.000%	(2,251)	892,126	897,517	(2,251)	31,978
<b>Total</b>								<b>1,110,760</b>	<b>1,177,956</b>	<b>7,945</b>	<b>43,275</b>

(1) Information at March 31, 2014;

(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 statements for the quarter ended March 31, 2014 were reviewed by the same independent auditor as Banco PAN;

(4) In February 10, 2014, it was resolved by the Extraordinary General Meeting (EGM) the payment of dividends in the amount of R\$ 55,000;

(5) The carrying amount includes goodwill on acquisition of investment amounting to R\$ 97,042, net of accumulated amortization (Note 16a);

(6) On April 15, 2013 the capital reduction of Ourinvest Real Estate Holding SA in the amount of R\$ 85,000 was approved; and

(7) On September 17, 2013 was approved capital increase of Ourinvest Real Estate Holding SA in the amount of R\$ 55,000.

**b) Other Investments:**

	Bank		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Interbank chamber of payments	380	380	380	380
IRB Brasil Resseguros S.A.	-	-	304	304
Fiscal incentive investments	-	-	69	69
Works of art	23	23	23	23
Others	-	-	1	1
<b>Total</b>	<b>403</b>	<b>403</b>	<b>777</b>	<b>777</b>

**15) PROPERTY AND EQUIPMENT**

The balance of property and equipment is stated acquisition cost. 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	
				03/31/2014	03/31/2014
Facilities, furniture and equipment in use	10%	36,681	(13,551)	23,130	24,314
Security and communications systems	10%	2,770	(1,576)	1,194	1,227
Data processing systems	20%	32,925	(21,156)	11,769	12,018
Transportation systems	20%	382	(229)	153	163
<b>Total at 03/31/2014</b>		<b>72,758</b>	<b>(36,512)</b>	<b>36,246</b>	<b>-</b>
<b>Total at 12/31/2013</b>		<b>72,180</b>	<b>(34,458)</b>	<b>-</b>	<b>37,722</b>

Consolidated	Annual rate	Cost	Depreciation	Residual value	
				03/31/2014	03/31/2014
Properties in use	4%	2,530	(352)	2,178	2,198
Facilities, furniture and equipment in use	10%	67,431	(19,984)	47,447	48,564
Security and communications systems	10%	3,732	(1,958)	1,774	1,827
Data processing systems	20%	34,720	(22,490)	12,230	12,546
Transportation systems	20%	382	(229)	153	164
Other fixed assets	-	154	-	154	132
<b>Total at 03/31/2014</b>		<b>108,949</b>	<b>(45,013)</b>	<b>63,936</b>	<b>-</b>
<b>Total at 12/31/2013</b>		<b>107,826</b>	<b>(42,395)</b>	<b>-</b>	<b>65,431</b>

**16) INTANGÍVIBLE ASSETS**

**a) Goodwill:**

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

At the quarter ended March 31, 2014, amortized goodwill totaled R\$ 2,911 in Bank and R\$ 6,263 in consolidated.

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

b) Intangible assets acquired comprise the following:

Bank	Amortization rate	Cost	Amortization	Residual value	
				03/31/2014	12/31/2013
Expense for software design	20% to 50%	53,277	(25,560)	27,717	27,801
Other	10%	22	(20)	2	3
<b>Total at 03/31/2014</b>		<b>53,299</b>	<b>(25,580)</b>	<b>27,719</b>	<b>-</b>
<b>Total at 12/31/2013</b>		<b>50,802</b>	<b>(22,998)</b>	<b>-</b>	<b>27,804</b>

Consolidated	Amortization rate	Cost	Amortization	Residual value	
				03/31/2014	12/31/2013
Expense for software design	20% to 50%	57,558	(27,213)	30,345	29,449
Goodwill (Nota16a)	10%	250,532	(41,756)	208,776	215,039
Other	10%	1,522	(297)	1,225	1,503
<b>Total at 03/31/2014</b>		<b>309,612</b>	<b>(69,266)</b>	<b>240,346</b>	<b>-</b>
<b>Total at 12/31/2013</b>		<b>306,014</b>	<b>(60,023)</b>	<b>-</b>	<b>245,991</b>

c) Activity of intangible assets by class:

Bank	Expense for software design	Others	Total
<b>At December 31, 2013</b>	<b>27,801</b>	<b>3</b>	<b>27,804</b>
Additions/write off	2,497	-	2,497
Amortization for the period	(2,581)	(1)	(2,582)
<b>At March 31, 2014</b>	<b>27,717</b>	<b>2</b>	<b>27,719</b>

Consolidated	Expense for software design	Goodwill (Note 16 a)	Others	Total
<b>At December 31, 2013</b>	<b>29,449</b>	<b>215,039</b>	<b>1,503</b>	<b>245,991</b>
Additions/write off	3,599	-	-	3,599
Amortization for the period	(2,703)	(6,263)	(278)	(9,244)
<b>At March 31, 2014</b>	<b>30,345</b>	<b>208,776</b>	<b>1,225</b>	<b>240,346</b>

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

a) Deposits:

Bank	Up to 30 days	31 to 180 days	181 to 360 days	More than 360 days	03/31/2014	12/31/2013
• Demand deposits (1)	171,611	-	-	-	171,611	178,301
• Interbank deposits	4,971,204	2,133,374	242,569	43,108	7,390,255	6,584,041
• Time deposits (2)	204,264	480,019	522,928	1,508,394	2,715,605	2,892,875
<b>Total at 03/31/2014</b>	<b>5,347,079</b>	<b>2,613,393</b>	<b>765,497</b>	<b>1,551,502</b>	<b>10,277,471</b>	<b>-</b>
<b>Total at 12/31/2013</b>	<b>4,715,547</b>	<b>2,867,347</b>	<b>537,386</b>	<b>1,534,937</b>	<b>-</b>	<b>9,655,217</b>

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

Consolidated	Up to 30 days	31 to 180 days	181 to 360 days	More than 360 days	03/31/2014	12/31/2013
• Demand deposits (1)	171,440	-	-	-	171,440	178,058
• Interbank deposits	4,970,748	2,125,598	49,886	43,108	7,189,340	6,404,375
• Time deposits (2)	203,303	383,537	481,154	1,443,940	2,511,934	2,682,872
<b>Total at 03/31/2014</b>	<b>5,345,491</b>	<b>2,509,135</b>	<b>531,040</b>	<b>1,487,048</b>	<b>9,872,714</b>	<b>-</b>
<b>Total at 12/31/2013</b>	<b>4,712,819</b>	<b>2,835,908</b>	<b>230,744</b>	<b>1,485,834</b>	<b>-</b>	<b>9,265,305</b>

(1) Classified as up to 30 days without considering average historical turnover; and

(2) The Bank signed an agreement with investors about of thirteen CDBs of his own emission, on the present value of R\$ 500.4 million until December 12, 2013 and considering their emission rates, which were contested in court, to settle the dispute related to the CDBs. As result of this deal, the Bank obtained immediate accounting gain of R\$ 84.5 million and, furthermore, cease to have future expenses of interest related to this CDB's of R\$ 285.7 milion, until its respective maturity.

### b) Money Market funding:

Bank	03/31/2014					12/31/2013
	Up to 30 days	90 to 180 days	181 to 360 days	More than 360 days	Total	Total
<b>Own portfolio</b>	<b>260,000</b>	<b>658</b>	<b>50,318</b>	<b>30,484</b>	<b>341,460</b>	<b>428,519</b>
• LFT	122,929	658	50,318	30,484	204,389	158,118
• NTN	137,071	-	-	-	137,071	270,401
<b>Third-party portfolio</b>	<b>496,999</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>496,999</b>	<b>664,077</b>
• LFT	149,998	-	-	-	149,998	-
• NTN	-	-	-	-	-	207,078
• LTN	347,001	-	-	-	347,001	456,999
<b>Total at 03/31/2014</b>	<b>756,999</b>	<b>658</b>	<b>50,318</b>	<b>30,484</b>	<b>838,459</b>	<b>-</b>
<b>Total at 12/31/2013</b>	<b>1,015,084</b>	<b>19,040</b>	<b>760</b>	<b>57,712</b>	<b>-</b>	<b>1,092,596</b>

Consolidated	03/31/2014					12/31/2013
	Up to 30 days	90 to 180 days	181 to 360 days	More than 360 days	Total	Total
<b>Own portfolio</b>	<b>260,000</b>	<b>658</b>	<b>50,318</b>	<b>30,484</b>	<b>341,460</b>	<b>422,920</b>
• LFT	122,929	658	50,318	30,484	204,389	158,118
• NTN	137,071	-	-	-	137,071	264,802
<b>Third-party portfolio</b>	<b>496,999</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>496,999</b>	<b>664,077</b>
• LFT	149,998	-	-	-	149,998	-
• NTN	-	-	-	-	-	207,078
• LTN	347,001	-	-	-	347,001	456,999
<b>Total at 03/31/2014</b>	<b>756,999</b>	<b>658</b>	<b>50,318</b>	<b>30,484</b>	<b>838,459</b>	<b>-</b>
<b>Total at 12/31/2013</b>	<b>1,009,485</b>	<b>19,040</b>	<b>760</b>	<b>57,712</b>	<b>-</b>	<b>1,086,997</b>

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

c) Funds from acceptance and issuance of securities:

Bank	03/31/2014					12/31/2013
	Up to 30 days	90 to 180 days	181 to 360 days	More than 360 days	Total	Total
<b>Marketable securities – local</b>						
• Financial bills (LF)	379,229	174,144	691,710	1,182,719	2,427,802	2,227,844
• Agribusiness letters of credit (LCA)	209,747	213,951	329,699	42,047	795,444	724,857
• Real estate letters of credit (LCI)	41,498	74,598	106,498	47,170	269,764	221,994
<b>Subtotal</b>	<b>630,474</b>	<b>462,693</b>	<b>1,127,907</b>	<b>1,271,936</b>	<b>3,493,010</b>	<b>3,174,695</b>
<b>Securities – Foreign (1)</b>						
• Euro Medium-Term Notes	-	-	6,125	653,188	659,313	687,904
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>6,125</b>	<b>653,188</b>	<b>659,313</b>	<b>687,904</b>
<b>Total at 03/31/2014</b>	<b>630,474</b>	<b>462,693</b>	<b>1,134,032</b>	<b>1,925,124</b>	<b>4,152,323</b>	<b>-</b>
<b>Total at 12/31/2013</b>	<b>91,768</b>	<b>197,050</b>	<b>1,387,877</b>	<b>2,185,904</b>	<b>-</b>	<b>3,862,599</b>

Consolidated	06/30/2013					12/31/2012
	Up to 30 days	31 to 90 days	91 to 360 days	More than 360 days	Total	Total
<b>Marketable securities – local</b>						
• CRI – Certificate of Real Estate Receivables	100	199	885	10,976	12,160	12,929
• Financial bills (LF)	379,229	174,144	691,710	1,182,719	2,427,802	2,227,844
• Agribusiness letters of credit (LCA)	209,747	213,951	329,699	42,047	795,444	724,857
• Real estate letters of credit (LCI)	139,846	193,424	706,926	479,050	1,519,246	1,471,212
<b>Subtotal</b>	<b>728,922</b>	<b>581,718</b>	<b>1,729,220</b>	<b>1,714,792</b>	<b>4,754,652</b>	<b>4,436,842</b>
• Resources and Debentures						
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>6,125</b>	<b>653,188</b>	<b>659,313</b>	<b>687,904</b>
<b>Securities – Foreign (1)</b>	<b>-</b>	<b>-</b>	<b>6,125</b>	<b>653,188</b>	<b>659,313</b>	<b>687,904</b>
<b>Total at 03/31/2014</b>	<b>728,922</b>	<b>581,718</b>	<b>1,735,345</b>	<b>2,367,980</b>	<b>5,413,965</b>	<b>-</b>
<b>Total at 12/31/2013</b>	<b>173,428</b>	<b>344,723</b>	<b>1,873,680</b>	<b>2,732,915</b>	<b>-</b>	<b>5,124,746</b>

(1) Securities issued abroad

On February 22, 2006, the Bank launched a program for raising funds abroad in the total amount of US\$ 500,000 thousand, through the issuance of Euro Medium-Term Notes, of which US\$ 200,000 thousand was raised on October 26, 2009 and US\$ 300,000 thousand on August 4, 2010.

The Bank fulfilled its obligation to offer the holders of these notes the option to redeem them in advance for the same amount payable on the original maturity dates (face or par value). The option was available for exercise from June 27 to July 12, 2011, with adherence to notes with principal amounts of US\$ 900 thousand for the issue maturing in 2012, and of US\$ 11,400 thousand for the issue maturing in 2015. The notes redeemed in advance were settled on July 27, 2011.

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

Tranche in thousands of US dollars	Interest rate	Maturity	Bank and Consolidated	
			03/31/2014 (1)	12/31/2013 (1)
288,638	5.50% p.a.	08/04/2015	659,313	687,904
<b>Total</b>			<b>659,313</b>	<b>687,904</b>

(1) The mark-to-market (MtM) adjustments of the funds raised abroad were recorded in the income statement under money market funding and comprised an income of R\$ 4,189 for the quarter ended in March 31, 2014 (income of R\$ 11,178 for the quarter ended in March 31, 2013). This transaction has a fair value hedge (Notes 3e and 7c).



NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

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

	Bank		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Time deposits (1)	102,650	80,629	97,745	74,652
Interbank deposits	168,676	76,005	164,261	70,431
Exchange variation	(65,356)	(23,423)	(65,356)	(23,423)
Securities issued abroad and subordinated debt	37,697	32,879	37,697	32,879
MtM of funds raised abroad – subordinated debt and securities abroad	10,261	(61,111)	10,261	(61,111)
Purchase and sale commitments	21,554	24,909	21,554	24,909
Financial bills (LF)	64,566	24,480	64,566	24,480
Agribusiness letters of credit (LCA)	17,467	5,755	17,467	5,755
Contributions to the Deposit Guarantee Fund (FGC)	2,395	2,175	2,395	2,175
Real estate letters of credit (LCI)	5,726	1,142	35,533	21,166
Funding through FIDCs	-	-	59	8,705
Debentures	-	-	-	1,010
<b>Total</b>	<b>365,636</b>	<b>163,440</b>	<b>386,182</b>	<b>181,628</b>

- (1) The Bank signed an agreement with investors about of thirteen CDBs of his own emission, on the present value of R\$ 500.4 million until December 12, 2013 and considering their emission rates, which were contested in court, to settle the dispute related to the CDBs. As result of this deal, the Bank obtained immediate accounting gain of R\$ 84.5 million and, furthermore, cease to have future expenses of interest related to this CDB's of R\$ 285.7 million, until its respective maturity.

**18) INTERBANK ACCOUNTS – LOCAL CORRESPONDENTS**

These comprise installments of assigned loans received in advance and repossessed assets related to contracts assigned, which will be transferred to the assignees, adjusted based on the rates agreed in the credit assignment contracts.

	Bank		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Direct consumer credit, personal credit, paycheck-deductible loans and real estate	140,338	138,700	140,338	129,740
<b>Total</b>	<b>140,338</b>	<b>138,700</b>	<b>140,338</b>	<b>129,740</b>

**19) BORROWINGS**

**a) Balance sheet accounts:**

Bank	Up to 30 days	From 31 to 180 days	From 181 to 360 days	More than 360 days	03/31/2014	12/31/2013
• Foreign	-	113,164	-	-	113,164	-
<b>Total at 03/31/2014</b>	<b>-</b>	<b>113,164</b>	<b>-</b>	<b>-</b>	<b>113,164</b>	<b>-</b>
<b>Total at 12/31/2013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

Consolidado	Up to 30 days	From 31 to 180 days	From 181 to 360 days	More than 360 days	03/31/2014	12/31/2013
• Local	-	1,447	-	100,000	101,447	101,458
• Foreign	4,066	115,744	113,150	113,150	346,110	238,391
<b>Total at 03/31/2014</b>	<b>4,066</b>	<b>117,191</b>	<b>113,150</b>	<b>213,150</b>	<b>447,557</b>	<b>-</b>
<b>Total at 12/31/2013</b>	<b>3,267</b>	<b>2,322</b>	<b>117,130</b>	<b>217,130</b>	<b>-</b>	<b>339,849</b>

### b) Result of borrowings:

Borrowings	Bank		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Local	-	-	(14,810)	(6,840)
Foreign	(221)	(1,414)	15,837	(1,060)
<b>Total</b>	<b>(221)</b>	<b>(1,414)</b>	<b>1,027</b>	<b>(7,900)</b>

## 20) 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	Cur-rency	Remuneration	Bank and Consolidated	
					03/31/2014	12/31/2013
<b>Foreign (1):</b>						
2020	10	US\$ 500,000	US\$	8.50% p.a.	1,232,993	1,243,306
<b>Local:</b>						
2018 (2)	06	R\$ 10,000	R\$	100.0% of CDI rate + 1.35% p.a.	11,859	11,544
2019 (3)	06	R\$ 100,000	R\$	100.0% of IPCA rate + 5.60% p.a.	109,713	105,777
<b>Total</b>					<b>1,354,565</b>	<b>1,360,627</b>

(1) The mark-to-market (MtM) adjustment of subordinated debt was recorded in the income statement under money market funding as expense of R\$ 6,072 in the quarter ended March 31, 2014 (income of R\$ 49,933 in the quarter ended March 31, 2013). This transaction has a fair value hedge (Notes 3e and 7c);

(2) Subordinated Financial Letters issued on May 22, 2012, maturing on May 22, 2018; and

(3) Subordinated Financial Letters issued on June 05, 2013, maturing on April 05, 2019.

## 21) CONTINGENT LIABILITIES AND LEGAL OBLIGATIONS (TAX AND SOCIAL SECURITY)

### a) Legal obligations:

The Bank and its subsidiaries (PAN Seguros and Panamericano Arrendamento Mercantil) were disputing the payment of PIS and COFINS under Law No. 9.718/98 and by virtue of interim judgments did not pay these taxes, but recognize a provision for these values.

On November 28, 2013, in order to enjoy the benefits established by Article 39, item I of Law 12.865, of September 10, 2013, as amended from MP 627 of November 11, 2013, the Bank and PAN Seguros joined the Tax Recovery Program ("Refis") related to PIS and COFINS of the periods of 2006 and 2012, paying in full the debts, and gave up the existing litigation. Accordingly, their existing provisions in the two companies were reversed and these taxes began to be collected normally.

Existing provisions in the company Panamericano Arrendamento Mercantil S/A in the amount of R\$ 54,404 remain registered.

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

The related legal obligation under litigation liabilities are held until the closing of the action, represented by court decisions over which they fit no more resources or when occurred their prescription.

### 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 their interpretation of Article 224 of CLT, ancillary responsibility in suits involving service providers.

The claims are managed individually through a computerized system and the provisions are recorded case by case, in accordance with the criteria described above. The related amounts are recorded as a provision for the full amount for processes with an unfavorable court sentence. For calculating the amount at risk of the other suits, the historical loss index of the processes settled in the prior twelve months applied to the amount of the claim is taken into account.

#### Civil suits

These are processes of a condemnatory nature related to indemnity actions, protests of bills, returned checks, inclusion of information about debtors in the credit restriction register and refund of amounts.

The suits 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 when the suits receive an unfavorable court sentence. For calculating the value at risk of the other suits, the historic loss index of suits settled in the prior twelve months applied to the amount of the claim is considered.

### I – Provisions segregated by nature:

	Bank		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Civil suits	146,905	148,369	162,793	163,105
Tax proceedings	3,191	3,160	27,200	21,386
Labor claims	54,403	42,432	75,336	59,717
<b>Subtotal (1)</b>	<b>204,499</b>	<b>193,961</b>	<b>265,329</b>	<b>244,208</b>
Provision for tax risks (2)	-	-	54,404	53,241
<b>Total</b>	<b>204,499</b>	<b>193,961</b>	<b>319,733</b>	<b>297,449</b>

(1) Note 22b; and

(2) Classified in "Other liabilities - taxes and social security" (Note 22a).

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

**II – Change in provisions:**

Bank	03/31/2014					
	Labor	Civil	Tax	Subtotal	Fiscal (1)	Total
<b>At December 31, 2013</b>	<b>42,432</b>	<b>148,369</b>	<b>3,160</b>	<b>193,961</b>	-	<b>193,961</b>
Write-off	(1,179)	(17,874)	-	(19,053)	-	(19,053)
Additions net of amounts reversed	13,150	16,410	31	29,591	-	29,591
<b>At March 31, 2014</b>	<b>54,403</b>	<b>146,905</b>	<b>3,191</b>	<b>204,499</b>	-	<b>204,499</b>

Consolidated	03/31/2014					
	Labor	Civil	Tax	Subtotal	Fiscal (1)	Total
<b>At December 31, 2013</b>	<b>59,717</b>	<b>163,105</b>	<b>21,386</b>	<b>244,208</b>	<b>53,241</b>	<b>297,449</b>
Write-off	(1,534)	(19,144)	-	(20,678)	-	(20,678)
Additions net of amounts reversed	17,153	18,832	5,814	41,799	1,163	42,962
<b>At March 31, 2014</b>	<b>75,336</b>	<b>162,793</b>	<b>27,200</b>	<b>265,329</b>	<b>54,404</b>	<b>319,733</b>

(1) Note 21a

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

**III – Contingent liabilities classified as possible losses**

In 4Q11, a tax assessment notice was served against PAN Seguros by the Brazilian Federal Revenue authority, through which the tax authority assessed income tax, social contribution and withholding income tax allegedly owed for the tax year 2007, which totaled R\$ 15,819 including fines and arrears interest.

In 3Q12, a tax assessment notice was served against Panamericano Arrendamento Mercantil S.A. by the Brazilian Federal Revenue authority, through which the tax authority assessed income tax and social contribution allegedly owed for the tax years 2007 and 2008, which totaled R\$ 19,166 including fines and arrears interest.

In 4Q12, three tax assessment notices were served against Banco PAN by the Brazilian Federal Revenue authority, through which the tax authority assessed income tax and social contribution allegedly owed for the tax years 2007 and 2008, which totaled R\$ 170,475 including fines and arrears interest.

In 4Q13, a tax assessment notice served against Panamericano Arrendamento Mercantil S.A by City of São Paulo, that requires ISS on guaranteed residual value - VRG charged by the company in lease operations conducted in the period 2008-2012, totaling R\$ 43,656 – principal and fine.

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

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

### 22) OTHER LIABILITIES

#### a) Tax and social security:

	Bank		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Provision for tax risks (Note 21a)	-	-	54,404	53,241
Tax Debt Refinancing Program (Refis) – Law 11941/2009 (1)	32,259	33,021	34,032	34,872
Taxes and contributions on income payable	1,211	-	20,618	65,887
Provision for deferred income tax (Note 34e)	-	-	132,050	145,271
Withholding tax at source on payments to third parties	9,017	7,031	9,543	7,596
Taxes and contributions on salaries	1,385	1,217	3,795	4,431
Service tax (ISS)	1,332	1,532	2,379	2,978
COFINS payable	7,872	13,762	11,061	17,136
Withholding tax on fixed-income securities	941	2,775	941	2,775
PIS payable	1,279	2,236	1,882	2,878
Other	-	-	142	358
<b>Total</b>	<b>55,296</b>	<b>61,574</b>	<b>270,847</b>	<b>337,423</b>

(1) Banco PAN and its subsidiaries are parties to tax suits and administrative proceedings. Considering the terms and benefits of the tax amnesty program enacted by the Brazilian government, through Law 11941/09, the Bank's management reassessed, together with its legal counsel, the possibility of participating in this program. Consequently, the Bank and its subsidiaries decided to withdraw several lawsuits and to assume tax debts and the consequent obligation to regularly pay taxes, contributions and other liabilities as a critical condition to maintaining the payment conditions established in the installment payment program. The main lawsuits included in the amnesty program are: (i) social security contribution (employer) on payments to individuals; (ii) incorrect deduction of the allowance for loan losses from the IRPJ/CSLL tax base; (iii) IRPJ as a result of irregular enrollment in the Tax Incentive Program (FINOR); and (iv) inadequate use of tax loss carryforwards in IRPJ/CSLL calculation base.

The tax debts were consolidated at the Federal Revenue Service and after appropriation of the prepaid amounts, the composition is as follows:

	Bank		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Social security debts	29,566	30,265	29,566	30,265
Other debts	2,693	2,756	4,466	4,607
<b>Total</b>	<b>32,259</b>	<b>33,021</b>	<b>34,032</b>	<b>34,872</b>

#### b) Sundry:

	Bank		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Amounts payable to establishments related to credit card purchases	514,001	554,055	514,001	554,055
Provision for contingent liabilities (Note 21b)	204,499	193,961	265,329	244,208
Collections	111,999	95,261	112,180	95,422
Allowance for loan assignment losses (Note 8d)	101,169	132,982	101,169	132,982
Allowance for payments	74,997	102,010	101,603	144,548
Amounts payable to affiliates	16,823	18,605	13,036	11,958
Amounts payable to storeowners	9,167	2,080	9,189	2,088
FIDC funding	-	-	-	2,658
Third-party deposits	-	-	443	1,797
Specific consortium amounts	-	-	15,198	15,815
Other	67,953	65,908	78,256	78,383
<b>Total</b>	<b>1,100,608</b>	<b>1,164,862</b>	<b>1,210,404</b>	<b>1,283,914</b>

## 23) TECHNICAL PROVISIONS – INSURANCE AND REINSURANCE

Technical provisions – insurance and reinsurance are comprised as follows:

### a) Provisions for unearned premiums:

Consolidated	03/31/2014	12/31/2013
Installment credit	110,810	108,794
Unemployment/loss of income	8,881	10,500
Group personal accident	2,302	2,761
Income protection from unforeseen events	287	405
Housing Insurance – Installment credit	41	39
Group life	4	49
Housing Insurance – Other coverages	1	1
<b>Total</b>	<b>122,326</b>	<b>122,549</b>

### b) Unsettled claims:

Consolidated	03/31/2014	12/31/2013
Installment credit	3,580	2,408
Group personal accident	2,736	2,076
Group life	1,933	1,393
Income protection from unforeseen events	858	813
Unemployment/loss of income	555	740
Housing Insurance – Installment credit	303	125
Housing Insurance – Other coverages	10	-
Other	18	16
<b>Subtotal (1)</b>	<b>9,993</b>	<b>7,571</b>
DPVAT	20,319	21,436
<b>Total</b>	<b>30,312</b>	<b>29,007</b>

(1) Of R\$ 9,993 (December 31, 2013 - R\$ 7,571), the amount of R\$ 5,054 (December 31, 2013 - R\$ 3,729) consists of ongoing lawsuits at different procedural stages with the following risk classification:

Risk	03/31/2014		12/31/2013	
	Number of processes	Amount accrued	Number of processes	Amount accrued
Probable loss	273	5,054	339	3,729
<b>Total</b>	<b>273</b>	<b>5,054</b>	<b>339</b>	<b>3,729</b>

### c) Provision for loss incurred but not reported:

Consolidated	03/31/2014	12/31/2013
DPVAT	28,465	17,643
Installment credit	7,386	7,579
Group life	1,460	1,495
Group personal accident	1,407	1,445
Unemployment/loss of income	1,094	1,123
Income protection from unforeseen events	670	688
Housing Insurance – Installment credit	207	115
Housing Insurance – Other coverages	73	46
Reinsurance	74	38
<b>Total</b>	<b>40,836</b>	<b>30,172</b>

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION  
(In thousands of reais, unless otherwise stated)

**d) Provision of Related Expense (1):**

Consolidated	03/31/2014	12/31/2013
Group life	339	349
Group personal accident	148	154
Income protection from unforeseen events	123	126
Installment credit	122	121
Unemployment/loss of income	17	17
<b>Total</b>	<b>749</b>	<b>767</b>

(1) As CNSP Resolution No. 281, jan/2013, PAN Insurance should constitute, when necessary, the Provision of Related Expense (PDR) to cover expenses related to claims and payment of compensation or benefits.

**e) Other provisions:**

Consolidated	03/31/2014	12/31/2013
DPVAT	437	175
Other technical reserves for supplementary private pension plans	204	267
<b>Total</b>	<b>641</b>	<b>442</b>

<b>Total technical provisions – insurance and reinsurance</b>	<b>194,864</b>	<b>182,937</b>
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**f) Income from insurance operations**

**I - Income from insurance premiums earned by line:**

Line (1)	03/31/2014	12/31/2013
Personal (DPVAT)	15,946	13,195
Group personal accident	2,126	2,171
Unemployment/loss of income	1,674	2,114
Installment credit	26,047	12,097
Income protection from unforeseen events	195	270
Group life	3	(87)
Housing Insurance – Installment credit	482	92
Housing Insurance – Other coverages	110	33
Microinsurance	1	-
<b>Total</b>	<b>46,584</b>	<b>29,885</b>

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

**II - Claims incurred by line:**

Line	03/31/2014	12/31/2013
DPVAT	14,103	11,530
Income protection from unforeseen events	124	350
Unemployment/loss of income	(33)	418
Group personal accident	(91)	118
Reinsurance	37	7
Group life	(83)	183
Installment credit	2,776	1,581
Housing Insurance – Installment credit	269	62
Housing Insurance – Other coverages	45	3
Assistance	74	51
<b>Total</b>	<b>17,221</b>	<b>14,303</b>

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

### 24) EQUITY

#### a) Composition of capital in number of shares:

At March 31, 2014 and December 31, 2013 fully subscribed and paid-up capital amounted to R\$ 2,867,020, and comprised nominative registered shares, with no par value.

	03/31/2014	03/31/2013
Common	292,463,400	292,463,400
Preferred	242,612,675	242,612,675
<b>Total</b>	<b>535,076,075</b>	<b>535,076,075</b>

#### b) Revenue reserves:

Legal reserve – pursuant to the bylaws, the Bank shall appropriate 5% of net income for each year to the legal reserve. The legal reserve shall not exceed 20% of the Institution's paid-up capital. However, the Institution 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:

The stockholders are entitled to a minimum dividend corresponding to 30% of annual net income, adjusted pursuant to Article 202 of Law 6404/76, as amended by Law 11368/07. This mandatory dividend will be increased to 35% as from the Ordinary General Meeting that convenes to examine the accounts for 2013, as approved at the Extraordinary General Meeting held on January 18, 2012.

### 25) INCOME FROM SERVICES RENDERED

	Bank		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Loan operations	42,545	45,380	42,545	45,380
Income from cards	35,544	32,404	35,544	32,650
Income from collection services	194	59	194	59
Consortium management	-	-	2,130	6,367
Income from the structuring of transactions / funds	-	-	6	4,670
Income from commission / brokerage	-	464	2,743	996
Other	2,843	2,117	3,045	2,681
<b>Total</b>	<b>81,126</b>	<b>80,424</b>	<b>86,207</b>	<b>92,803</b>



## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

### 26) PERSONEL EXPENSES

	Bank		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Salaries	34,581	26,672	67,762	58,979
Social charges	8,243	7,014	20,557	18,960
Honorários	7,451	3,848	8,900	7,787
Fees	4,516	3,475	14,238	12,901
Other	555	505	1,135	589
<b>Total</b>	<b>55,346</b>	<b>41,514</b>	<b>112,592</b>	<b>99,216</b>

### 27) OTHER ADMINISTRATIVE EXPENSES

	Bank		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Commission paid to correspondent banks (1)	161,991	176,513	128,540	141,935
Third-party services	32,705	27,549	42,895	40,456
Data processing	17,875	10,913	18,600	11,660
Financial system services	18,148	15,463	18,941	20,955
Communications	9,715	6,928	10,654	9,016
Fees and rates	6,199	7,685	6,338	8,075
Advertising, promotions and publicity	2,704	8,039	5,288	9,520
Rents	8,068	6,441	12,223	11,797
Transportation	1,173	1,059	1,428	1,779
Depreciation and amortization	4,822	3,364	6,434	4,492
Travel	1,242	830	1,715	1,723
Maintenance and repair of assets	1,589	1,995	2,922	2,982
Expenses for search and seizure of assets	2,549	6,106	2,551	6,172
Consumption materials	187	216	272	291
Fund management	-	-	87	725
Other	9,226	16,891	11,181	20,071
<b>Total</b>	<b>278,193</b>	<b>289,992</b>	<b>270,069</b>	<b>291,649</b>

(1) Includes amortization of expenditure incurred in the acquisition of the portfolio of deductible credit card Banco Cruzeiro do Sul SA in the amount of U.S. \$ 2.772 million (note 1).

### 28) TAX EXPENSES

	Bank		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Social contribution on revenues (COFINS)	23,986	27,649	33,964	37,087
Service tax (ISS)	3,836	3,439	7,927	8,191
Social Integration Program (PIS)	3,898	4,493	5,811	6,282
Taxes and charges	717	146	2,135	774
<b>Total</b>	<b>32,437</b>	<b>35,727</b>	<b>49,837</b>	<b>52,334</b>

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

### 29) OTHER OPERATING INCOME AND EXPENSES

#### a) Other operating income:

	Bank		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Amortization of negative goodwill – BCS (1)	4,330	-	4,330	-
Recovery of charges and expenses	2,141	2,073	2,326	3,651
Monetary restatement of loan assignments receivable	724	1,641	724	1,641
Registry office registration fee – CDC (2)	40	11,604	40	11,604
Reversal of provisions	-	8,143	664	11,498
Residual benefit in securitized operations	-	-	1,304	-
Others	9,573	6,196	13,328	12,784
<b>Total</b>	<b>16,808</b>	<b>29,657</b>	<b>22,716</b>	<b>41,178</b>

(1) Refers to partial amortization of negative goodwill on acquisition of deductible credit card portfolio of Banco Cruzeiro do Sul SA (Note 1).

(2) From April 2013, the amounts received from customers for registering contracts (CDC) in registries are being recorded in other liabilities, face represent an obligation to the bank.

#### b) Other operating expenses:

	Bank		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Assignment of loans	107,064	42,723	94,498	46,853
Provisions	29,591	47,940	38,759	52,468
Loss on loan/financing operations and deductible fraud	10,030	6,818	10,039	6,855
Monetary variation expense	50,492	17,127	54,985	18,711
Discounts granted	9,417	6,086	10,209	7,281
Goodwill amortization	2,911	2,911	6,263	6,263
Liens	5,054	4,387	5,055	4,395
Other	5,977	2,329	9,614	5,354
<b>Total</b>	<b>220,536</b>	<b>130,321</b>	<b>229,422</b>	<b>148,180</b>

### 30) NON-OPERATING RESULTS

	Bank		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Result of sale of other assets	(20,213)	(9,193)	(20,024)	(7,838)
Devaluation of other assets	5,511	(814)	5,598	(880)
Other	12	-	72	57
<b>Total</b>	<b>(14,690)</b>	<b>(10,007)</b>	<b>(14,354)</b>	<b>(8,661)</b>

### 31) RELATED-PARTY TRANSACTIONS AND BALANCES

The 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 dates of the transactions.

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

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

	Bank			
	03/31/2014	12/31/2013	03/31/2014	03/31/2013
	Assets	Assets	Income	Income
	(liabilities)	(liabilities)	(expenses)	(expenses)
<b>Short-term interbank investments (a)</b>				
Banco BTG Pactual S.A.	-	49,999	598	1,362
Caixa Econômica Federal	-	-	224	332
Panamericano Arrendamento Mercantil S.A.	57,223	71,794	379	3,418
<b>Total</b>	<b>57,223</b>	<b>121,793</b>	<b>1,201</b>	<b>5,112</b>
<b>Marketable securities (b)</b>				
Caixa CDC FIDC	-	33,904	(254)	1,056
Caixa Master CDC FIDC	-	203,304	476	(1,589)
FIDC F BP Financeiro	-	-	-	(683)
Banco BTG Pactual S.A.	74,073	86,563	(17,791)	(36,689)
<b>Total</b>	<b>74,073</b>	<b>323,771</b>	<b>(17,569)</b>	<b>(37,905)</b>
<b>Loan assignment (c)</b>				
Caixa Econômica Federal	230,781	189,985	-	-
<b>Total</b>	<b>230,781</b>	<b>189,985</b>	<b>-</b>	<b>-</b>
<b>Other receivables (d)</b>				
Caixa Econômica Federal	12,789	-	-	-
PAN Seguros S.A. – JCP	6,148	7,233	-	-
PAN Seguros S.A.	61	64	-	-
Panamericana Adm. e Corretagem de Seg.de Prev.Privada Ltda.	9	9	-	-
Brazilian Mortgages Companhia Hipotecária	5,626	3,211	-	-
Panamericano Arrendamento Mercantil S.A.	17	19	-	-
Panamericano Administradora de Consórcio Ltda.	-	18	-	-
Panserv Prestadora de Serviços Ltda	21	18	-	-
Panserv Prestadora de Serviços Ltda - JCP	17,000	-	-	-
BM sua Casa Promotora de Vendas Ltda	17	18	-	-
Brazilian Securities Companhia de Securitização	2,184	810	-	-
<b>Total</b>	<b>43,872</b>	<b>11,400</b>	<b>-</b>	<b>-</b>
<b>Demand deposits (e)</b>				
PAN Seguros S.A.	(9)	(10)	-	-
Panamericano Adm. e Corretagem de Seg.de Prev.Privada Ltda.	(6)	(6)	-	-
Panamericano Administradora de Consórcio Ltda.	(6)	(5)	-	-
Panamericano Arrendamento Mercantil S.A.	(110)	(195)	-	-
Panserv Prestadora de Serviços Ltda	(13)	(13)	-	-
BM sua Casa Promotora de Vendas Ltda	(2)	(3)	-	-
Ourinvest Real Estate Holding	(2)	(4)	-	-
Brazilian Finance Real Estate	-	(3)	-	-
Brazilian Mortgages Cia Hipotecária	(15)	(2)	-	-
Brazilian Securities Companhia de Securitização	(8)	(1)	-	-
Key management personnel	(2)	(2)	-	-
<b>Total</b>	<b>(173)</b>	<b>(244)</b>	<b>-</b>	<b>-</b>
<b>Interbank deposits (f)</b>				
Banco BTG Pactual S.A.	(1,983,343)	(1,308,963)	(14,711)	(20,353)
Caixa Econômica Federal	(5,046,625)	(4,977,657)	(39,565)	(62,039)
Brazilian Mortgages Companhia Hipotecária	(200,914)	(179,666)	(1,472)	(5,574)

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

<b>Total</b>	<b>(7,230,882)</b>	<b>(6,466,286)</b>	<b>(55,748)</b>	<b>(87,966)</b>
<b>Time deposits (g)</b>				
Panamericano Adm. e Corretagem de Seg.de Prev.Privada Ltda.	(4,964)	(2,066)	(40)	(62)
Panamericano Administradora de Consórcio Ltda.	(20,642)	(23,401)	(158)	(450)
Panserv Prestadora de Serviços Ltda	(19,335)	(23,631)	(138)	(256)
Brazilian Securities Companhia de Securitização	(7,575)	(15,236)	(105)	(1,624)
Brazilian Finance Real Estate	(3,581)	(3,939)	(28)	(812)
BM sua Casa Promotora de Vendas Ltda	(138,252)	(132,547)	(1,043)	(2,730)
Ourinvest Real Estate Holding	(9,321)	(9,184)	(71)	(43)
<b>Total</b>	<b>(203,670)</b>	<b>(210,004)</b>	<b>(1,583)</b>	<b>(5,977)</b>
<b>Liabilities for purchase and sale commitments (h)</b>				
Banco BTG Pactual S.A.	-	-	(122)	(921)
Caixa Econômica Federal	-	-	-	(309)
Caixa CDC FIDC	-	(1,549)	-	(109)
Caixa Master CDC FIDC	-	(4,049)	-	(226)
Panamericano Administradora de Consórcio Ltda	-	-	-	-
<b>Total</b>	<b>-</b>	<b>(5,598)</b>	<b>(122)</b>	<b>(1,565)</b>
<b>Funds from real-estate, agribusiness and financial letters of credit (i)</b>				
Banco BTG Pactual S.A	(393,463)	(328,931)	(2,628)	(60)
Key management personnel	(10,078)	-	-	-
<b>Total</b>	<b>(403,541)</b>	<b>(328,931)</b>	<b>(2,628)</b>	<b>(60)</b>
<b>Derivatives (j)</b>				
Brazilian Securities Companhia de Securitização	(6,912)	(10,795)	939	-
<b>Total</b>	<b>(6,912)</b>	<b>(10,795)</b>	<b>939</b>	<b>-</b>
<b>Other liabilities (k)</b>				
PAN Seguros S.A.	(117)	-	-	-
Panamericano Arrendamento Mercantil S.A.	(484)	(219)	-	-
Panserv Prestadora de Serviços Ltda	(5,498)	(5,918)	-	-
Brazilian Mortgages Companhia Hipotecária	(1,760)	(1,091)	-	-
Brazilian Securities Companhia de Securitização	-	(23)	-	-
<b>Total</b>	<b>(7,859)</b>	<b>(7,251)</b>	<b>-</b>	<b>-</b>
<b>Services Income (l)</b>				
PAN Seguros S/A	-	-	-	(832)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(832)</b>
<b>Personnel expenses (m)</b>				
PAN Seguros S.A.	-	-	(7)	(27)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(7)</b>	<b>(27)</b>
<b>Other administrative expenses (n)</b>				
Panserv Prestadora de Serviços Ltda	-	-	(47,331)	(45,568)
PAN Seguros S.A.	-	-	(144)	(133)
Caixa Participações S.A	-	-	-	-
Banco BTG Pactual S.A.	-	-	(412)	(92)
BTG Pactual Corretora	-	-	(9)	-
Brazilian Securities Companhia de Securitização	-	-	-	-
Caixa Seguradora S.A.	-	-	-	-
Tecban S.A	-	-	(212)	(141)
Caixa Econômica Federal	-	-	-	(26)

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

Câmara Interbancária de Pagamentos (Interbanking Payments Chamber)	-	-	(168)	-
<b>Total</b>	-	-	<b>(48,276)</b>	<b>(45,960)</b>
<b>Other operational Expenses (o)</b>				
Banco BTG Pactual S.A.	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Income from loan assignments (p)</b>				
Caixa Econômica Federal	-	-	144,034	295,083
<b>Total</b>	-	-	<b>144,034</b>	<b>295,083</b>

(a) Investments by the Bank at interest based on the CDI rate;

(b) Investments in subordinated quotas in the case of FIDCs, in quotas of investment funds in the case of PAN Seguros with Caixa Econômica Federal and investments in derivatives in the case of Banco BTG Pactual S.A.;

(c) Loan assignments receivable without co-obligation;

(d) Collection amounts receivable to be transferred, interest on own capital and exchange portfolio;

(e) Balance of checking accounts held by affiliates in the Bank;

(f) Funds obtained through interbank deposits at interest based on the CDI rate;

(g) Funds obtained through time deposits made at the Bank;

(h) Purchase and sale commitments with affiliates;

(i) Funds obtained through agribusiness, real-estate and financial letters of credit at average rates of 97% of CDI;

(j) Refers to Swap operations;

(k) Amounts related to collections and insurance premiums to be transferred received through affiliates, services provided, settlement of the advance installments of loan assignments to be transferred and Exchange sales pending settlement;

(l) Refers to the commission paid by Banco PAN insurance intermediation;

(m) Portion of expense for employee group life insurance paid by the Bank;

(n) Refers to other administrative expenses for services provided by affiliates;

(o) Refers to the monetary restatement of shareholder deposits; and

(p) Income obtained from loan assignments.

	Consolidated			
	03/31/2014	12/31/2013	03/31/2014	03/31/2013
	Assets	Assets	Income	Income
	(liabilities)	(liabilities)	(expenses)	(expenses)
<b>Available Funds (a)</b>				
Banco BTG Pactual S.A.	-	5	-	1,362
Caixa Econômica Federal	-	-	-	332
<b>Total</b>	-	<b>5</b>	-	<b>1,694</b>
<b>Short-term interbank investments (b)</b>				
Banco BTG Pactual S.A.	-	49,999	598	(36,689)
Caixa Econômica Federal	-	-	224	-
<b>Total</b>	-	<b>49,999</b>	<b>822</b>	<b>(36,689)</b>
<b>Marketable securities (c)</b>				
Banco BTG Pactual S.A.	74,073	86,563	(17,791)	-
<b>Total</b>	<b>74,073</b>	<b>86,563</b>	<b>(17,791)</b>	-
<b>Loan assignment (d)</b>				
Caixa Econômica Federal	230,781	189,985	-	-
<b>Total</b>	<b>230,781</b>	<b>189,985</b>	-	-
<b>Other receivables (e)</b>				
Caixa Econômica Federal	12,789	-	-	-
BTG Pactual Serviços Financeiros S.A. DTVM	-	58	-	-
<b>Total</b>	<b>12,789</b>	<b>58</b>	-	-

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

<b>Interbank deposits (f)</b>				
Banco BTG Pactual S.A.	(1,983,343)	(1,308,963)	(14,711)	(20,353)
Caixa Econômica Federal	(5,046,625)	(4,977,657)	(39,565)	(62,039)
<b>Total</b>	<b>(7,029,968)</b>	<b>(6,286,620)</b>	<b>(54,276)</b>	<b>(82,392)</b>
<b>Liabilities for purchase and sale commitments (g)</b>				
Banco BTG Pactual S.A.	-	-	(122)	(921)
Caixa Econômica Federal	-	-	-	(309)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(122)</b>	<b>(1,230)</b>
<b>Funds from real-estate, agribusiness and financial letters of credit (h)</b>				
Banco BTG Pactual S.A.	(393,463)	(353,819)	(2,628)	(60)
<b>Total</b>	<b>(393,463)</b>	<b>(353,819)</b>	<b>(2,628)</b>	<b>(60)</b>
<b>Other liabilities (i)</b>				
Caixa Econômica Federal	-	(70)	-	-
<b>Total</b>	<b>-</b>	<b>(70)</b>	<b>-</b>	<b>-</b>
<b>Other administrative expenses (j)</b>				
Caixa Econômica Federal	-	-	-	(26)
Banco BTG Pactual S.A.	-	-	(412)	(92)
BTG Pactual Corretora	-	(23)	(9)	-
Tecban S.A	-	-	(212)	(141)
Câmara Interbancária de Pagamentos (Interbanking Payments Chamber)	-	-	(168)	-
<b>Total</b>	<b>-</b>	<b>(23)</b>	<b>(801)</b>	<b>(259)</b>
<b>Income from loan assignments (l)</b>				
Caixa Econômica Federal	-	-	160,645	(300,812)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>160,645</b>	<b>(300,812)</b>

a) Refers to the current account of Ourinvest Real Estate Holding;

(b) Investments by the Bank at interest based on the CDI rate;

(c) Refers to investments in quotas of investment funds of PAN Seguros with Caixa Econômica Federal and BTG Pactual Serviços Financeiros S.A. DTVM, and investments in derivatives, in the caso of Banco BTG Pactual S.A.;

(d) Loan assignments receivable without co-obligation;

(e) Collection amounts receivable to be transferred and Exchange portfolio;

(f) Funds obtained through interbank deposits at rates equivalent to the CDI;

(g) Purchase and sale commitments with affiliates;

(h) Funds obtained through agribusiness, real-estate and financial letters of credit at average rates of 97% of CDI;

(i) Refers to early settlement of installments of the credit assignment and exchange sold to settle;

(j) Refers to other administrative expenses for services provided by affiliates;

(k) Refers to the monetary restatement of shareholder deposits; and

(l) Income obtained from loan assignments.

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

### b) Management compensation:

The maximum value of director remuneration for the year 2014 was set at the Annual General Meeting on April 30, 2014, in the amount of R\$ 29,445 – Fees Expense (December 31, 2013 - R\$ 29,500).

#### Short-term benefits provided to management (1)

	Bank		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Fees Expenses	7,451	3,848	8,900	7,787
Social security contributions (INSS)	1,368	670	2,002	1,477
<b>Total</b>	<b>8,819</b>	<b>4,518</b>	<b>10,902</b>	<b>9,264</b>

(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.

#### • 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%.

## 32) 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 regulatory capital limit.

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 involves an on-going process by Panamericano of (i) monitoring and capital control; (ii) assessment of the need for capital to cover risks incurred; and (iii) planning of targets and capital requirements. Capital management is based on the Bank’s strategic objectives, business opportunities and the regulatory environment.

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

The capital policies and strategies consider a forward-looking posture, anticipating the need for capital as a result of possible changes in market conditions and are reviewed periodically by the Executive Board and Board of Directors, to ensure that they are compatible with the Bank's strategic planning.

### • OPERATIONAL LIMIT – BASEL ACCORD

Over 2013 the Central Bank of Brasil released a set of resolutions and regulations who went into effect October, 2013, with recommendations of the Basel Committee on Banking Supervision (BCBS) to the global banking system regarding capital requirements required. Among the prudential measures issued in this package of rules, known as Basel III, we highlight those related to the determination of the Referential Equity (PR), through prudential adjustments, and minimum capital requirements, which had new changes.

The Pan comply with the minimum criteria of capital defined by the Resolution 4192/2013 and 4193/2013. In the calculation of the installments of capital required, uses as base the Regulation 3644/2013 to credit risk and , and the regulation 3634/2013 to 3639/2013, 3641/2013 and 3645/2013 to market risk, and the regulation 3640/2013 to operational risk.

The following table present the capital rates, including the reference equity (PR) and the new rates of capital that must been met. From october, 2013, to december, 2014, the capital will be calculated with basis only on Financial Conglomerate and from january, 2015, with basis on Prudence Conglomerate. Therefore, **will no longer be ascertained and presented capital values relating to the Financial Economic Consolidated (CONEF).**

We present below the Basel Ratio calculation:

Base de Cálculo – Índice de Basileia	03/31/2014	12/31/2013
Tier I reference equity	1,236,710	1,497,333
Main Capital	1,236,710	1,497,333
Tier II reference equity	1,065,416	1,075,166
<b>Reference Equity to compare with RWA</b>	<b>2,302,126</b>	<b>2,572,499</b>
<b>Reference Equity</b>	<b>2,302,126</b>	<b>2,572,499</b>
- Credit Risk	17,226,189	17,104,402
- Market Risk	254,149	516,241
- Operational Risk	1,623,068	1,525,266
<b>Assets weighted by risk – RWA</b>	<b>19,103,406</b>	<b>19,145,909</b>
<b>Basel ratio</b>	<b>12,05%</b>	<b>13,44%</b>
<b>Tier I Capital</b>	<b>6,47%</b>	<b>7,82%</b>
<b>Capital principal</b>	<b>6,47%</b>	<b>7,82%</b>

### • 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.

The management of credit risks involves policies and strategies, operating limits, risk mitigation techniques and procedures used to maintain the credit risk exposure at levels which are deemed acceptable by the Institution.



## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

- **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 exchange variation, INPC (national consumer price index), INCC (national construction cost index), IPCA (amplified consumer price index) and IGPM (general market price index), as well as other interest rates, such as the reference rate (TR) and exchange variation. Exchange variations are linked to the US Dollar.

The financial instruments are segregated in the following portfolios:

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

**Banking portfolio:** all transactions not classified in the trading portfolio. These comprise the structural transactions arising from the Organization's business lines and their potential hedges.

### Sensitivity analysis at March 31, 2014

Risk factors	Trading and Banking portfolio exposures subject to variation:	SCENARIOS (*)		
		(1) Probable	(2) Probable	(3) Probable
Interest rates	Fixed interest rates	(1,492)	(461,390)	(943,944)
Other Coupon Interest Rates	Interest Rates coupon rates	(625)	(143,256)	(257,807)
Price index coupon	Price Index coupon rates	(767)	(114,820)	(213,709)
Floating income	Stock prices	(230)	(5,742)	(11,483)
Foreign currency	Exchange Rates	(254)	(6,341)	(12,682)
Exchange coupon	Exchange Coupon rates	(17)	(601)	(1,237)
<b>Total at 03/31/2014</b>		<b>(3,385)</b>	<b>(732,150)</b>	<b>(1,440,862)</b>
<b>Total at 12/31/2013</b>		<b>(3,689)</b>	<b>(688,962)</b>	<b>(1,358,037)</b>
<b>Total at 03/31/2013</b>		<b>(4,409)</b>	<b>(836,478)</b>	<b>(1,767,243)</b>

(\*) Amounts gross of taxes.

The sensitivity analysis was performed using market data at March 31, 2014, 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 stocks, a 1% shock on the current price was considered.

**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 stocks, a shock of 10% over the current price was considered.

**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 stocks, a stress of 25% on the current price was considered.

It should be noted that the results of scenarios (II) and (III) refer to simulations which involve significant stress situations, and correlation factors between the indexes are not considered and they do not reflect possible

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

variations arising from market dynamics, the probability of the occurrence of which is considered to be low, and also, from actions 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 March 31, 2014 and December, 31, 2013.

Assets – US Dollar	03/31/2014	12/31/2013
Credit operations (ACC/CCE)	635,081	688,113
Other Receivable	24,586	24,912
<b>Total assets</b>	<b>659,667</b>	<b>713,025</b>

Liabilities – US Dollar	03/31/2014	12/31/2013
Subordinated debt	1,232,993	1,243,306
Securities issued abroad	659,313	687,904
Foreign borrowings	346,110	238,391
<b>Total liabilities</b>	<b>2,238,416</b>	<b>2,169,601</b>

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

At March 31, 2014 and December 31, 2013, the position of the derivative financial instruments, in foreign currency, was as follows:

	Notional value		Market value	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Assets – US Dollar				
Swap	1,642,015	1,936,677	2,451,825	2,770,656
DDI	5,598	35,691	12	234
DOL	148,067	66,586	(174)	-
<b>Total</b>	<b>1,795,680</b>	<b>2,038,954</b>	<b>2,451,663</b>	<b>2,770,890</b>
Liabilities – US Dollar				
Swap	165,635	235,504	167,729	257,106
DDI	505,804	573,250	(580)	(3,801)
DOL	148,067	66,586	82	(160)
NDF	5,318	5,318	5,221	5,394
<b>Total</b>	<b>824,824</b>	<b>880,658</b>	<b>172,452</b>	<b>258,539</b>

- **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 demands of the National Monetary

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

Council (CMN Resolutions 2804/00 and 4090/12). The results of the gap analyses designed to assess liquidity risk are reported fortnightly to the Treasury Committee.

### • Operational Risk

This refers to the possibility of the occurrence of losses due to 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 2554/98 and Item III of Article 9 of CMN Resolution 3380/06, the Group has an independent organizational structure 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 3477/09, the information on the risk management process is available for consultation on the website [www.bancopan.com.br/ri](http://www.bancopan.com.br/ri), "Relatório de Gerenciamento de Riscos".

### Market Value

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

Item	Consolidated					
	03/31/2014			12/31/2013		
	Carrying amount	Market value	Unrealized profit (loss)	Carrying amount	Market value	Unrealized profit (loss)
<b>Marketable securities and derivative financial</b>	<b>1,505,639</b>	<b>1,492,106</b>	<b>(13,533)</b>	<b>1,522,621</b>	<b>1,500,105</b>	<b>(22,516)</b>
- Adjustment of trading securities	132,339	132,339	-	133,569	133,569	-
- Adjustment of available-for-sale securities	903,002	903,002	-	931,449	931,449	-
- Securities held to maturity	470,298	456,765	(13,533)	457,603	435,087	(22,516)
Loan and leasing operations	15,816,511	16,291,767	475,256	15,158,260	15,736,932	578,672
Time deposits	2,511,934	2,904,790	(392,856)	2,682,872	3,168,668	(485,796)
Interbank deposits	7,189,340	7,188,971	369	6,404,375	6,359,914	44,461
Funds from issuance of securities	5,413,965	5,007,995	405,970	5,124,746	4,868,544	256,202
Borrowings and onlendings	447,557	346,366	101,191	339,849	239,141	100,708
Subordinated debt	1,354,565	1,738,270	(383,705)	1,360,627	1,751,470	(390,843)
<b>Unrealized profit with no tax effects</b>			<b>192,692</b>			<b>80,888</b>

### 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.

- 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.

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

### 33) EMPLOYEES BENEFITS

In December 04, 2013, the Bank initiated a process with the SUSEP for the withdrawal of sponsorship of Benefits Plan V of “Grupo Silvio Santos” (according to the terms of Resolution CNPC 11/2013), which will be submitted to approval by PREVIC (National Superintendence for Pension Funds). Only after check the compliance of the conditions and the calculations presented in the process, the PREVIC will grant its approval. Until then, the plan will have normal operation with monthly contribution. In the quaterly ended March 31, 2014, the amount of this contribution was R\$ 143 at Banco PAN and R\$ 149 in Consolidated (R\$ 155 at Banco PAN and R\$ 170 in Consolidated at the quarterly ended March 31, 2013).

This measure was defined due to the fact of the Bank does not be a part of the same business group of the companies comprising the Benefits Plan V of “Grupo Silvio Santos”, and also because the Bank does not follow the policy / plan of benefits assumed by this institution.

In addition, Banco PAN offers its employees and officers a number of other benefits including: (a) healthcare insurance; (b) dental care; (c) life and personal accident insurance; (d) meal voucher; (e) food voucher. In the period ended March 31, 2014, the amount of these expenses totaled R\$ 4,561 in Bank and R\$ 14,346 in Consolidated (R\$ 3,554 at Banco PAN and R\$ 12,966 in Consolidated at the period ended March 31, 2013).

### 34) INCOME TAX AND SOCIAL CONTRIBUTION

#### a) Calculation of income tax and social contribution charges:

	Bank	
	03/31/2014	03/31/2013
<b>Results before income tax and social contribution</b>	<b>(144,569)</b>	<b>(2,244)</b>
Effective rate (1)	40%	40%
Total income tax and social contribution at the rates in force (2)	57,828	898
<b>Effect on tax calculation:</b>		
Investment in subsidiaries	3,178	17,310
Other amounts	1,738	(667)
<b>Income tax and social contribution benefit for the year</b>	<b>62,744</b>	<b>17,541</b>

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

	Consolidated	
	03/31/2014	03/31/2013
<b>Results before income tax and social contribution</b>	<b>(133,424)</b>	<b>58,127</b>
Total income tax and social contribution charges/benefits at the rates in force (2)	51,326	(20,005)
<b>Effect on tax calculation:</b>		
Unrecognized tax credit in the quarter	-	1,098
Other amounts	3,465	(214)
<b>Receita/Despesa de Imposto de renda e contribuição social do período</b>	<b>54,791</b>	<b>(19,121)</b>

- (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 11727/08 and remains at 9% for other companies (Note 3(n)).

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

	Bank			
	At 12/31/2013	Amount recorded	Amount realized	At 03/31/2014
Allowance for loan losses	976,394	89,041	(15,176)	1,050,259
Provision for civil contingencies	59,348	9,119	(9,705)	58,762
Provision for labor contingencies	16,972	5,261	(471)	21,762
Provision for tax contingencies	1,263	13	-	1,276
Provision for loss on repossessed assets	19,610	9,987	(10,081)	19,516
Mark-to-market adjustment of derivatives	20,457	-	(3,182)	17,275
Provision for employee bonuses/profit sharing (PLR)	13,226	4,367	(13,226)	4,367
Others provisions	72,364	5,674	(7,141)	70,897
<b>Total deferred tax assets on temporary differences</b>	<b>1,179,634</b>	<b>123,462</b>	<b>(58,982)</b>	<b>1,244,114</b>
Tax loss and negative basis of social contribution	1,287,348	-	(530)	1,286,818
<b>Deferred tax assets, net of deferred tax liabilities</b>	<b>2,466,982</b>	<b>123,462</b>	<b>(59,512)</b>	<b>2,530,932</b>

NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

	Consolidated			
	At 12/31/2013	Amount recorded	Amount realized	At 03/31/2014
Allowance for loan losses	1,033,962	94,880	(28,629)	1,100,213
Provision for civil contingencies	65,325	10,071	(10,195)	65,201
Provision for tax contingencies (PIS and COFINS)	21,161	465	-	21,626
Provision for labor contingencies	23,016	6,689	(625)	29,080
Provision for tax contingencies	8,500	2,308	-	10,808
Provision for loss on repossessed assets	20,999	10,160	(10,214)	20,945
Mark-to-market adjustment of derivatives	31,205	2,354	(4,970)	28,589
Provision for employee bonuses/profit sharing (PLR)	14,639	4,934	(14,616)	4,957
Other provisions	91,751	11,159	(14,887)	88,023
<b>Total deferred tax assets on temporary differences</b>	<b>1,310,558</b>	<b>143,020</b>	<b>(84,136)</b>	<b>1,369,442</b>
Tax loss and negative basis of social contribution (1)	1,497,901	766	(4,025)	1,494,642
Unrealized profits and other consolidation adjustments of credits assigned to FIDCs	2,129	-	(2,129)	-
<b>Total deferred tax assets</b>	<b>2,810,588</b>	<b>143,786</b>	<b>(90,290)</b>	<b>2,864,084</b>
Deferred tax liabilities (Note 34(e))	(145,271)	-	13,221	(132,050)
<b>Deferred tax assets, net of deferred tax liabilities</b>	<b>2,665,317</b>	<b>143,786</b>	<b>(77,069)</b>	<b>2,732,034</b>

c) **Expected realization of deferred tax assets on temporary differences, tax losses and negative basis of social contribution:**

The projected realization of deferred tax assets was prepared based on the review of the current and future scenario studies, elaborated in December, 2013, for which the main premises used in the projection were the macroeconomics indexes, production indexes, funding costs and the inflow of funds through capital enhancement and realization of assets. Referred projection of realization of deferred tax, including the assumptions made, were approved by the Board of Directors of the Bank on 02/17/2014.

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 from which they are derived are offset.

We present below the estimated realization of these credits:

	Bank					
	Temporary differences		Income tax and social contribution losses		Total	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013	03/31/2014	12/31/2013
2014	452,014	458,928	-	-	452,014	458,928
2015	379,852	377,683	29,294	29,294	409,146	406,977
2016	99,872	99,867	13,279	13,279	113,151	113,146
2017	99,227	99,227	97,158	97,158	196,385	196,385
2018	206,947	134,546	116,892	116,892	323,839	251,438
2019	1,124	1,123	172,636	172,636	173,760	173,759
2020	5,078	8,260	201,566	201,566	206,644	209,826
2021	-	-	237,629	237,629	237,629	237,629
2022	-	-	253,275	253,275	253,275	253,275
2023	-	-	165,089	165,619	165,089	165,619
<b>Total</b>	<b>1,244,114</b>	<b>1,179,634</b>	<b>1,286,818</b>	<b>1,287,348</b>	<b>2,530,932</b>	<b>2,466,982</b>

## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

	Consolidated							
	Temporary differences		Income tax and social contribution losses		Unearned income and other consolidation adjustments of loans assigned to FIDCs		Total	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013	03/31/2014	12/31/2013	03/31/2014	12/31/2013
2014	475,372	495,672	1,548	5,087	-	670	476,920	501,429
2015	429,049	427,518	33,271	35,266	-	493	462,320	463,277
2016	117,468	115,124	21,146	23,061	-	158	138,614	138,343
2017	110,847	110,391	109,890	111,850	-	184	220,737	222,425
2018	221,805	143,981	125,536	126,186	-	100	347,341	270,267
2019	2,149	1,905	183,085	181,420	-	203	185,234	183,528
2020	5,229	8,385	214,908	213,055	-	284	220,137	221,724
2021	20	20	251,866	249,804	-	26	251,886	249,850
2022	524	7,562	266,487	262,012	-	11	267,011	269,585
2023	6,979	-	165,432	165,618	-	-	172,411	165,618
<b>Total</b>	<b>1,369,442</b>	<b>1,310,558</b>	<b>1,373,169</b>	<b>1,373,359</b>	<b>-</b>	<b>2,129</b>	<b>2,742,611</b>	<b>2,686,046</b>

At March 31, 2014, the present value of deferred tax assets, calculated based on the Bank's average funding rate, totaled R\$ 1,532,437 in Bank and R\$ 1,666,569 in Consolidated (December 31, 2013 - R\$ 1,488,875 in Bank and R\$ 1,632,826 in Consolidated).

In accordance with paragraph 2 of Article 5 of CVM/BACEN Resolution 3059/2002, the deferred tax assets originated from tax losses incurred by excluding income from excess depreciation in the amount of R\$ 121,473, will generate no profit, based on a technical study.

**d) Unrecorded deferred tax assets:**

At March 31, 2014, tax losses were approximately R\$ 1,220,245 in Bank and Consolidated (December 31, 2013 - R\$ 1,220,245 in Bank and Consolidated), for which deferred tax assets of R\$ 488,096 in Bank and in Consolidated, have not been recorded, since they did not meet all of the conditions established by BACEN.

**e) Deferred tax liabilities:**

Consolidated	At 12/31/2013	Amount recorded	Amount realized	At 03/31/2014
Mark-to-market adjustment of derivative financial instruments	(8,573)	-	4,085	(4,488)
Excess depreciation	(136,698)	-	9,136	(127,562)
<b>Total</b>	<b>(145,271)</b>	<b>-</b>	<b>13,221</b>	<b>(132,050)</b>

**35) OTHER INFORMATION**

- At March 31, 2014, guarantees and sureties granted total R\$ 20,375 (March 31, 2013 - R\$ 18,484);
- 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 March 31, 2014 and March 31, 2013, the Bank and its subsidiaries had no lease agreements for own



## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

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acquisitions;

- d) CMN Resolution 4036/11 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 up to 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 as of 01/01/2012. Banco PAN will not use the option permitted by this Resolution;
- e) In order to enjoy the benefits of the Law 12865 of October 09, 2013, article 39, item I, with changes of MP 627 of November 11, 2013, the Bank adhered to the Program of Tax Recover ("REFIS") relative to tax and social contribution charges (PIS and COFINS) of the period comprehended in between the years of 2006 and 2012.

Therefore, in November 11, 2013, payments were made in cash totaling R\$ 536.2 million at Bank and R\$ 28.9 million at "PAN Seguros" totaling R\$ 565.1 million, benefiting of the reduction of 100% (one hundred percent) of interest, interest on fines, and fines applied over the value of the respective contributions, corresponding to R\$ 288.9 million at Bank and R\$ 17.5 million at "PAN Seguros", totaling R\$ 306.4 million and ended the court discussion about the theme. The positives results calculated were R\$ 21.4 million at Bank and R\$ 7.7 million at "PAN Seguros";

- f) The Bank informs to its investors as announced at the General Assembly of Shareholders held on October 21, 2013, the FIDCs "Master CDC Veículos" and "Autopan CDC Veículos" were settled on January 20, 2014;
- g) The Bank signed an agreement with investors about of thirteen CDBs of his own emission, on the present value of R\$ 500.4 million until December 12, 2013 and considering their emission rates, which were contested in court, to settle the dispute related to the CDBs. As result of this deal, the Bank obtained immediate accounting gain of R\$ 84.5 million and, furthermore, cease to have future expenses of interest related to this CDB's of R\$ 285.7 million, until its respective maturity.
- h) Provisional Measure 627: in November 11, 2013 was published the Provisional Measure 627 (MP 627/2013) which modifies the Federal Tax Laws about IRPJ, CSLL, PIS and COFINS. The referred MP 627/2013 expound, among other subjects, about:
- ✓ The revocation of Transition Tax Regime ("RTT"), instituted by the law 11941, of May 05, 2009; and
  - ✓ Considering that the related Provisional Measure 627 contains a relevant number of proposal emends and that "Receita Federal" of Brasil should, according to the same MP, deal with various subjects, is possible that a few of its dispositions be changed and/or clarified. In a preliminary evaluation, it won't have relevants impacts to the Organisation.
- i) Clearing and Settlement of Obligations agreements - CMN Resolution 3263/05: The Bank PAN own clearing and settlement of obligations under the National Financial System (SFN), whether or not they signed with SFN corporate agreements. The purpose of the resolution is to allow offsetting credits and debits held with the same counterparty, where the maturities of the rights and obligations can be brought forward to the date on which the event of default by either party or in the event of bankruptcy of the debtor occur.





## NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION

(In thousands of reais, unless otherwise stated)

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### Executive Board Declaration

In compliance with the provisions established by Instruction 480/09, of the Brazilian Securities Commission (CVM), the Executive Board of Banco PAN declares that it has discussed, reviewed and agreed with the the conclusion expressed in the independent auditor's report on the Consolidated and individual Quaterly Information for the quarterly ended March 31, 2014.



NOTES TO THE CONSOLIDATED AND INDIVIDUAL QUARTERLY INFORMATION  
(In thousands of reais, unless otherwise stated)

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Executive Board Declaration

In compliance with the provisions established by CVM Instruction 480/09, the Executive Board of Banco PAN declares that it has discussed, reviewed and agreed with the conclusion expressed in the independent auditor's report on the Consolidated and individual Quarterly Information for the quarterly ended March 31, 2014.

São Paulo, May 5, 2014

**BOARD OF DIRECTORS**

**Chairman**

Jorge Fontes Hereda

**Vice – Chairman**

André Santos Esteves

**Board Members**

José Luiz Acar Pedro

Antonio Carlos Porto Filho

Roberto Balls Sallouti

Fábio Lenza

Marcos Roberto Vasconcelos

Marcos Antonio Macedo Cintra

Mateus Affonso Bandeira

João Cesar de Queiroz Tourinho

Fábio de Barros Pinheiro

**EXECUTIVE BOARD**

**Chief Executive Officer**

José Luiz Acar Pedro

**Executive Officers**

Alex Sander Moreira Gonçalves

Jose Luiz Trevisan Ribeiro <sup>(1)</sup>

Carlos Eduardo Guimarães

Eduardo Almeida Prado

Eduardo Nogueira Domeque

Leandro de Azambuja Micotti

Maurício Antônio Quarezemin

Paulo Alexandre da Graça Cunha

**FISCAL COUNCIL**

Paulo Roberto Salvador Costa

Daniela Maluf Pfeiffer

Glauben Teixeira de Carvalho

**AUDIT COMMITTEE**

Adilson Rodrigues Ferreira

Almir José Meireles

Marcelo Yugue

**ACCOUNT**

Gregório Moreira Franco

CRC 1SP219426/O-2

(1) Under approval by the Central Bank of Brazil.

(A free translation of the original in Portuguese)

**Banco Panamericano S.A.  
and Subsidiaries**

**Quarterly Information (ITR) at  
March 31, 2014  
and Report on Review of  
Quarterly Information**

(A free translation of the original in Portuguese)

## **Report on Review of Quarterly Information**

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

### **Introduction**

We have reviewed the accompanying parent company and consolidated interim accounting information of Banco Panamericano S.A. (the Bank) and its subsidiaries, included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2014, comprising the balance sheet at that date and the statements of income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

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

### **Scope of review**

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

Banco Panamericano S.A.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information, included in the quarterly information has not been prepared, in all material respects, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the BACEN, and presented in accordance with the standards issued by the CVM.

### **Emphasis of matters**

#### **Deferred tax assets**

As disclosed in Note 34 to the financial statements, the Bank and its subsidiaries have deferred tax assets totaling R\$ 2,8 billion at March 31, 2014, which were recognized based on the long-term projected realization of those deferred tax assets. This projection of realization of the deferred tax assets was prepared by the management of the Bank based on the study of the current and future scenarios performed as of December 31, 2013, based primarily on assumptions regarding macroeconomic indicators, production, cost of funding, the inflow of resources through capital enhancements and the sale of assets. The new projection for the realization of these deferred tax assets was reviewed and approved by the Supervisory Board on February 17, 2014. The realization of these tax assets within the expected timeframe will depend on the materialization of the projected figures and the business plan, as approved by the management bodies. Our conclusion is not qualified in respect of this matter.

Banco Panamericano S.A.

**Other matters**

**Statements of value added**

We have also reviewed the parent company and consolidated statements of value added for the quarter ended March 31, 2014. These statements are the responsibility of the Bank's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR). These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

São Paulo, May 5, 2014

PricewaterhouseCoopers  
Auditores Independentes  
CRC 2SP000160/O-5

Edison Arisa Pereira  
Contador CRC 1SP127241/O-0

