

# 2015 Earnings Results



PAN

# Disclaimer

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

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

# Highlights

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- ✓ **Retail credit origination monthly average of R\$ 1,573 million in 2015**, 16% up on the monthly average of R\$ 1,357 million in 2014;
- ✓ **Retail credit origination monthly average of R\$ 1,437 million in 4Q15**, 11% down from the monthly average of R\$ 1,614 million in 3Q15;
- ✓ **Corporate Loan Portfolio, including Guarantees Issued, ended 2015 at R\$ 4,124 million**, compared to R\$ 4,184 million as of 2014;
- ✓ **Credit Portfolio with Retained Results ended 2015 at R\$ 17,603 million**, compared to R\$ 17,536 million as of 2014;
- ✓ **Monthly Average Portfolio of R\$ 18,114 million in 2015**, 11% higher than the Average Portfolio of R\$ 16,257 million in 2014;
- ✓ **Net Allowance for Loan Losses Expenditure of R\$ 723 million in 2015**, compared to R\$ 677 million in 2014;
- ✓ **Managerial Net Interest Margin of 12.4% in 2015**, compared to 10.2% in 2014;
- ✓ **Managerial Net Interest Margin of 11.7% in 4Q15**, compared to 12.7% in 3Q15;
- ✓ **Net Income of R\$ 33.7 million in 4Q15, resulting in a Consolidated Net Income of R\$ 8.1 million in 2015**, compared to the Net Income of R\$ 7.8 million in 2014; and
- ✓ **Consolidated Shareholders' Equity of R\$ 3,644 million and Basel Ratio of 16.5% at the end of 2015, with Common Equity Tier I of 11.9%.**

# Managerial Interest Margin and Net Result

Managerial Net Interest Margin (R\$ MM)	2015	2014	4Q15	3Q15	Δ 2015 / 2014	Δ 4Q15 / 3Q15
<b>Gross Income from Financial Intermediation</b>	<b>1,896</b>	<b>1,248</b>	<b>527</b>	<b>349</b>	<b>52%</b>	<b>51%</b>
(+) Allowance for Loan Losses	1,025	954	177	323	7%	-45%
<b>Income from Financial Intermediation Before ALL</b>	<b>2,921</b>	<b>2,202</b>	<b>704</b>	<b>672</b>	<b>33%</b>	<b>5%</b>
(+) Exchange Rate Variation	(284)	(185)	(103)	(17)	-54%	-501%
<b>1. Managerial Net Interest Margin</b>	<b>2,637</b>	<b>2,017</b>	<b>601</b>	<b>655</b>	<b>31%</b>	<b>-8%</b>
(-) Result from Credit Assignments	652	245	118	104	166%	13%
<b>2. Managerial Net Interest Margin without Credit Assign.</b>	<b>1,985</b>	<b>1,772</b>	<b>483</b>	<b>550</b>	<b>12%</b>	<b>-12%</b>
<b>3. Average Interest-Earning Assets</b>	<b>21,300</b>	<b>19,774</b>	<b>21,449</b>	<b>21,543</b>	<b>8%</b>	<b>0%</b>
- Average Loan Portfolio	17,502	16,500	17,516	17,927	6%	-2%
- Average Securities and Derivatives	2,725	2,180	2,667	2,303	25%	16%
- Average Interbank Investments	1,074	1,094	1,266	1,313	-2%	-4%
<b>(1)/(3) Managerial Net Interest Margin (% p.a.)</b>	<b>12.4%</b>	<b>10.2%</b>	<b>11.7%</b>	<b>12.7%</b>	<b>2.2 p.p.</b>	<b>-1.0 p.p.</b>
(2)/(3) Man. Net Int. Marg. without Credit Assign. (% p.a.)	9.3%	9.0%	9.3%	10.6%	0.3 p.p.	-1.3 p.p.

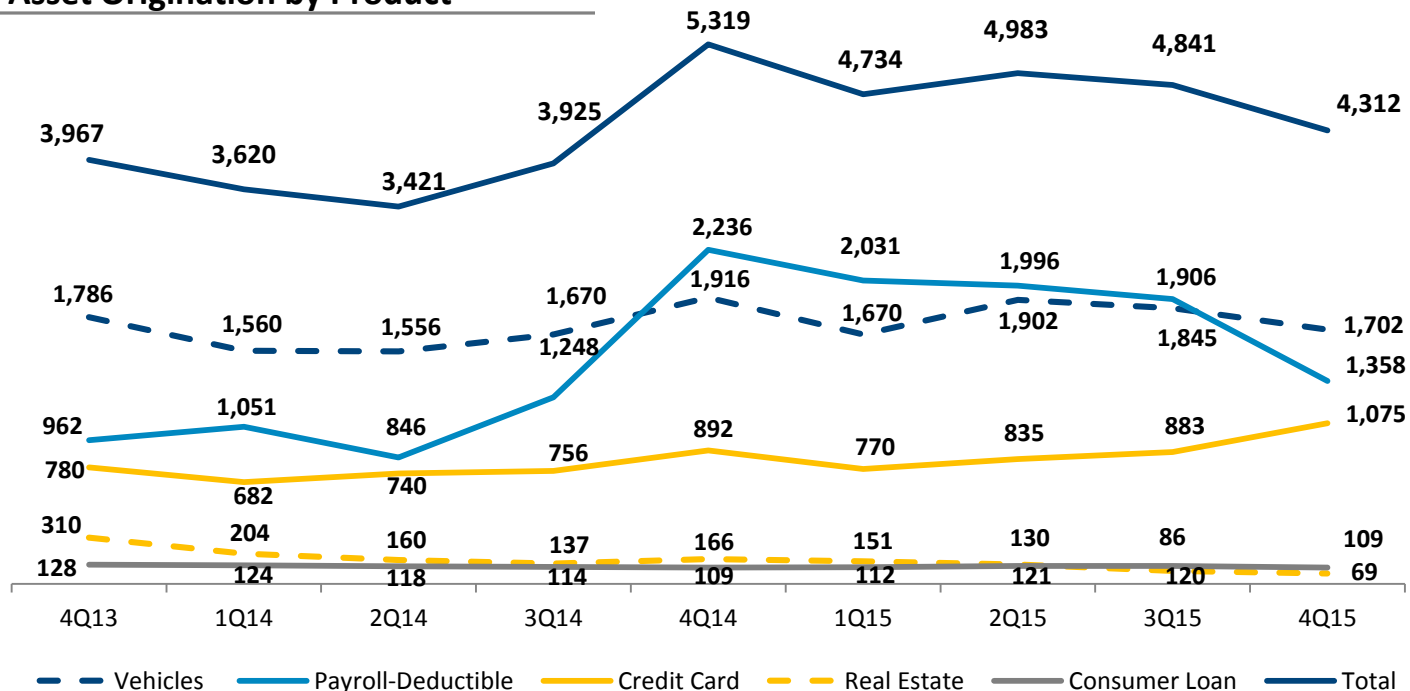
  

P&L Statement (R\$ MM)	2015	2014	4Q15	3Q15	Δ 2015 / 2014	Δ 4Q15 / 4Q14
<b>Managerial Net Interest Margin</b>	<b>1,983</b>	<b>1,764</b>	<b>483</b>	<b>550</b>	<b>12%</b>	<b>-12%</b>
Result from Credit Assignments	652	245	118	104	166%	13%
<b>Net Interest Margin with Credit Assignments</b>	<b>2,635</b>	<b>2,009</b>	<b>601</b>	<b>655</b>	<b>31%</b>	<b>-8%</b>
Allowance for Loan Losses	(1,025)	(954)	(177)	(323)	-7%	45%
<b>Gross Income from Financial Intermediation (Adjusted)</b>	<b>1,610</b>	<b>1,056</b>	<b>425</b>	<b>332</b>	<b>52%</b>	<b>28%</b>
Other Operating Revenues (Expenses)	277	242	223	6	15%	n/a
Administrative and Personnel Expenses	(1,767)	(1,460)	(448)	(455)	-21%	2%
Tax Expenses	(244)	(196)	(62)	(61)	-24%	-1%
<b>Income from Operations</b>	<b>(124)</b>	<b>(358)</b>	<b>139</b>	<b>(180)</b>	<b>65%</b>	<b>177%</b>
Non Operating Expenses	(74)	(68)	(34)	(14)	-9%	-139%
Revenue from the sale of Pan Seguros and Pan Corretora	-	387	-	-	-100%	-
Income and Social Contribution Taxes	207	48	(71)	238	331%	-130%
<b>Net Income / (Loss)</b>	<b>8.1</b>	<b>7.8</b>	<b>33.7</b>	<b>44.3</b>	<b>3%</b>	<b>-24%</b>

# Credit Origination: Retail

## Quarterly Asset Origination by Product

(R\$ MM)



## Average Monthly Origination by Product

(R\$ MM)

Produtos	2015	2014	4Q15	3Q15	Δ 2015 / 2014	Δ 4Q15 / 3Q15
Vehicles	593	558	567	615	6%	-8%
Payroll-Deductible	608	448	453	635	35%	-29%
Credit Card	297	256	358	294	16%	22%
Real Estate	36	56	23	29	-35%	-20%
Consumer Loan	39	39	36	40	-1%	-10%
<b>Total</b>	<b>1.573</b>	<b>1.357</b>	<b>1.437</b>	<b>1.614</b>	<b>16%</b>	<b>-11%</b>

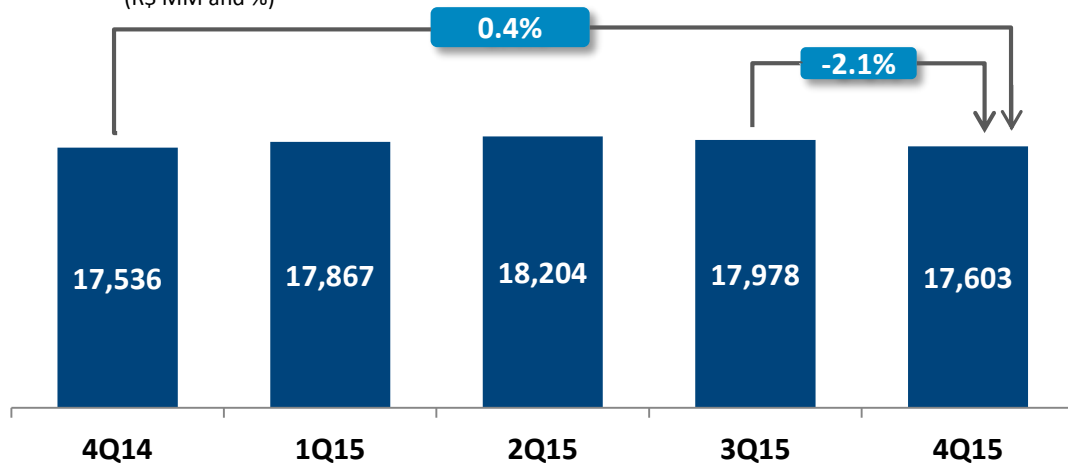
# Credit Portfolio

## Expanded Credit Portfolio “on balance sheet” by segment

Type of Loans (R\$ MM)	4Q15	Part. %	3Q15	Part. %	4Q14	Part. %	Δ 4Q15/ 3Q15	Δ 4Q15 / 4Q14
Vehicles	5,940	34%	6,081	34%	7,375	42%	-2%	-19%
Payroll Deduction Loans <sup>1</sup>	5,024	29%	5,025	28%	3,880	22%	0%	29%
Corporate	3,846	22%	4,323	24%	4,160	24%	-11%	-8%
Real Estate	879	5%	847	5%	767	4%	4%	15%
Credit Cards	854	5%	714	4%	597	3%	20%	43%
Guarantees Issued	278	2%	272	2%	24	0%	2%	0%
Others	783	4%	716	4%	734	4%	9%	7%
<b>Credit Portfolio</b>	<b>17,603</b>	<b>100%</b>	<b>17,978</b>	<b>100%</b>	<b>17,536</b>	<b>100%</b>	<b>-2%</b>	<b>0.4%</b>

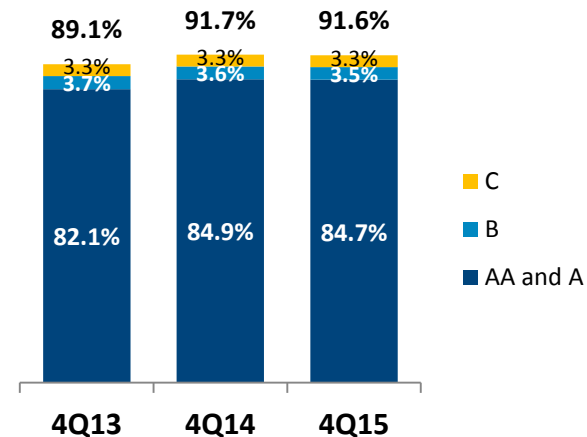
## Credit Portfolio with Retained Result

(R\$ MM and %)



## Retail Portfolio Quality

(%)

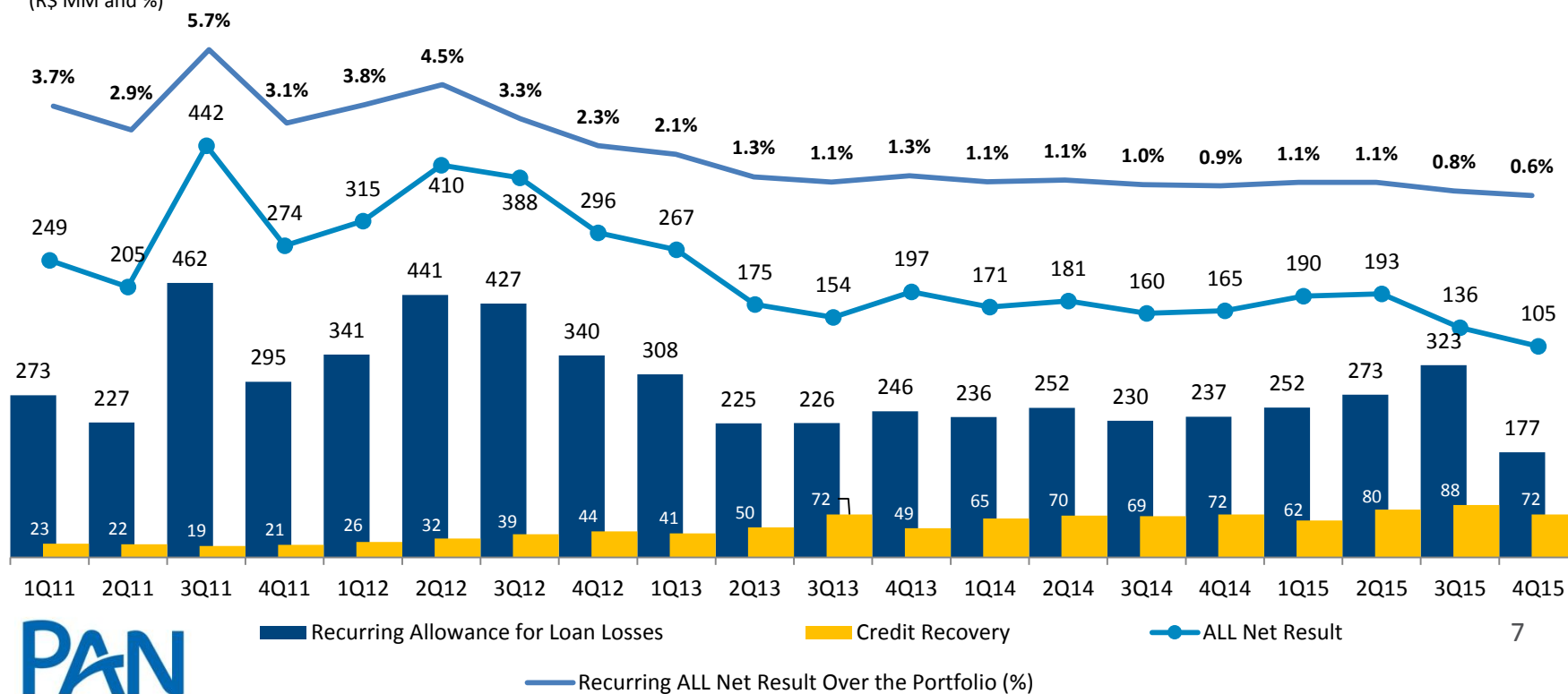


# Costs and Expenses

G&A Expenses (R\$ MM)	2015	2014	4Q15	3Q15	Δ 2015 / 2014	Δ 4Q15 / 3Q15
Personnel expenses	529	453	138	129	17%	7%
Administrative expenses	559	539	137	148	4%	-8%
<b>1. Subtotal I</b>	<b>1,087</b>	<b>992</b>	<b>275</b>	<b>277</b>	<b>10%</b>	<b>-1%</b>
Comission Expenses - BACEN Circular 3,738	124	-	24	33	0%	-27%
Deferred Comissions and other origination expenses	556	476	149	146	17%	2%
<b>2. Subtotal II – Credit Origination</b>	<b>680</b>	<b>476</b>	<b>173</b>	<b>179</b>	<b>43%</b>	<b>-3%</b>
<b>3. Total (I + II)</b>	<b>1,767</b>	<b>1.468</b>	<b>448</b>	<b>455</b>	<b>20%</b>	<b>-2%</b>

## Allowance for Loan Losses and Credit Recovery

(R\$ MM and %)

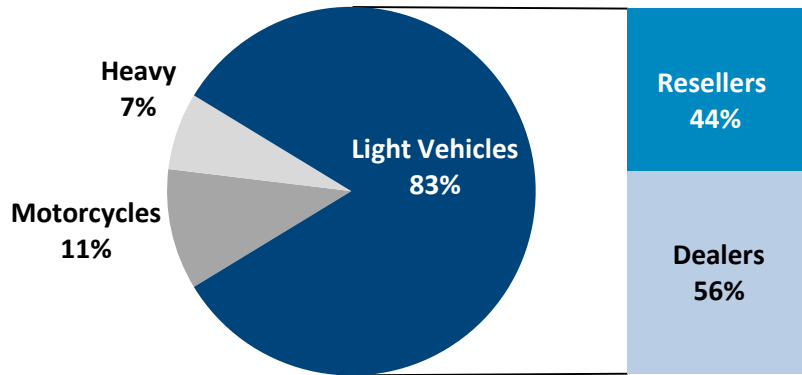


# Vehicle Loans

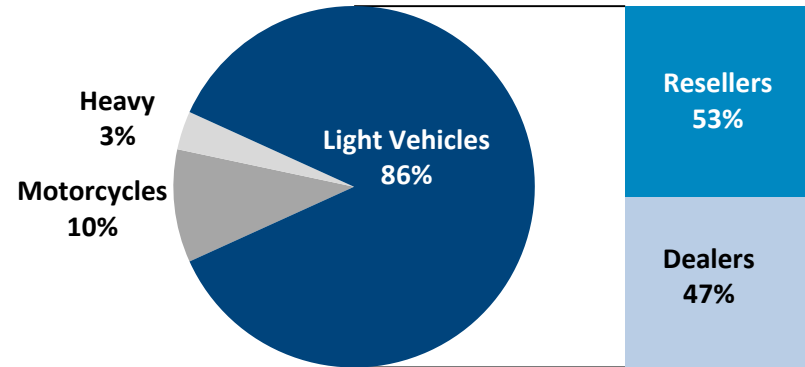
## Share in new Vehicle Financing

(%)

2014



2015



## Spread Out Origination

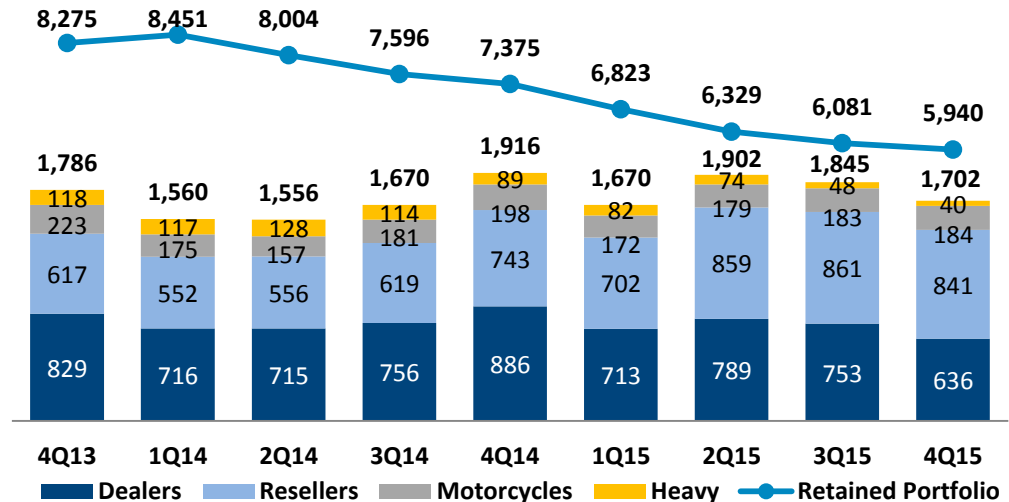
(%)

Origination by Group*	4Q15
Largest Group	2%
2 <sup>nd</sup> Largest Group	2%
3 <sup>rd</sup> Largest Group	1%
10 largest groups	12%
50 largest groups	22%

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

## Evolution of Portfolio and Production by Product

(R\$ MM)

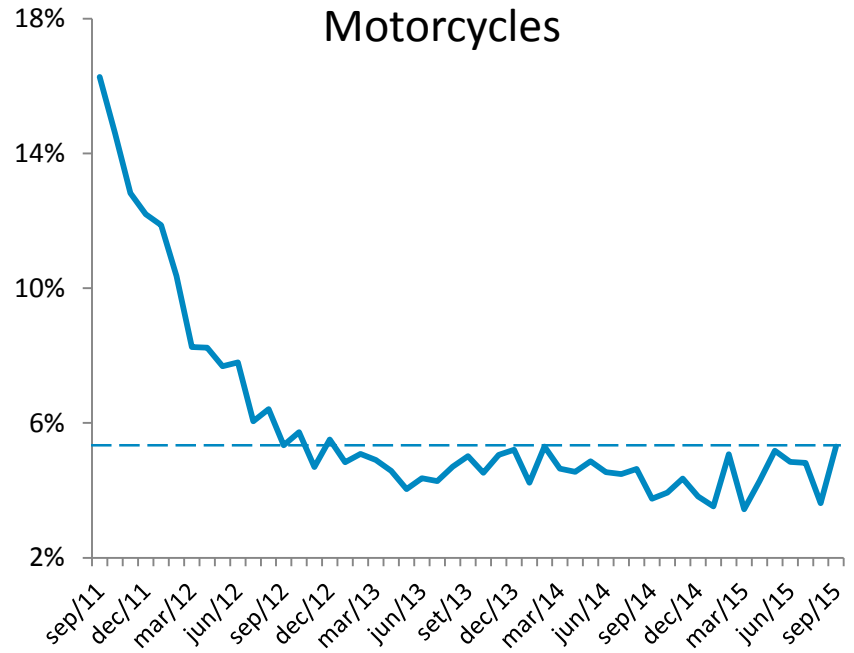
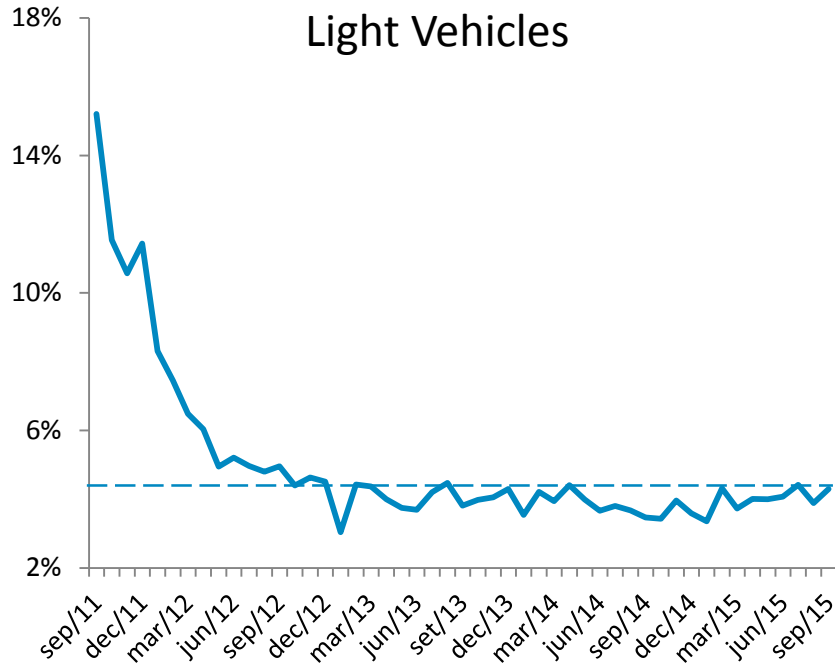




# Vehicle Loans

## Delinquency per Vintage\*

(%)

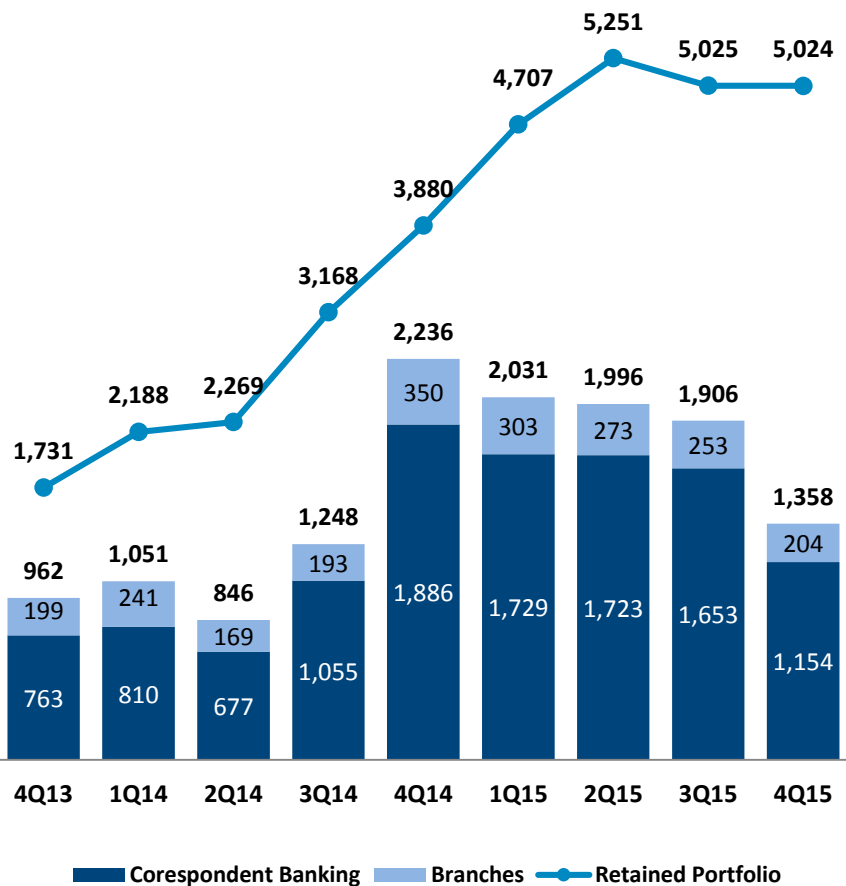


\* % of non performing loans over 30 days 3 months after concession

# Payroll Deduction Loans

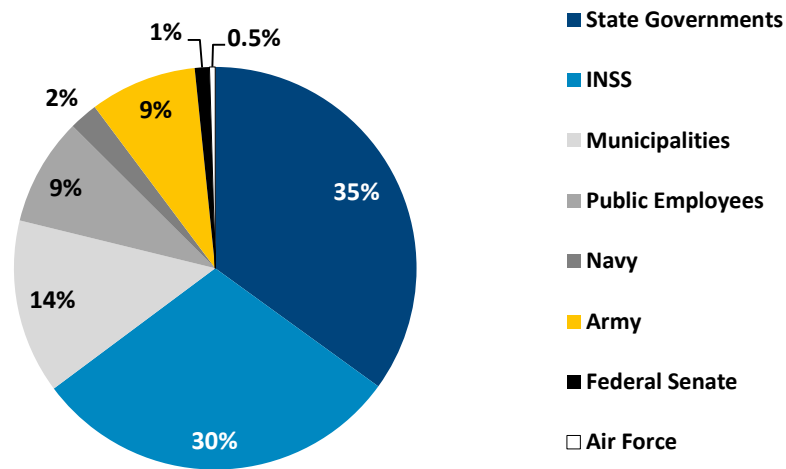
## Evolution of Portfolio and Production

(R\$ MM)



## Portfolio by Segment (4Q15)

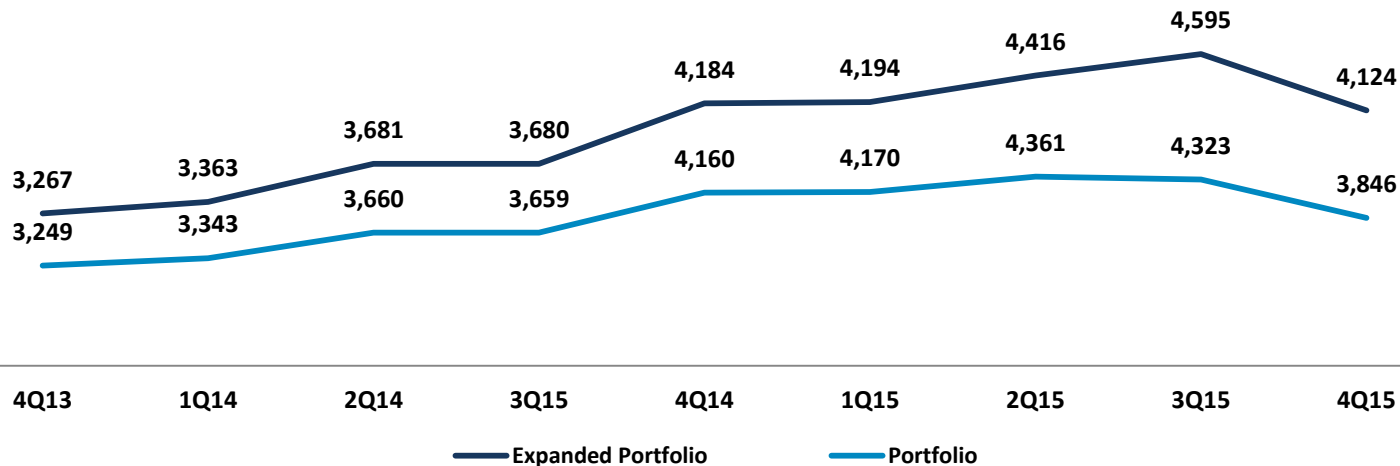
(%)



# Corporate Loans

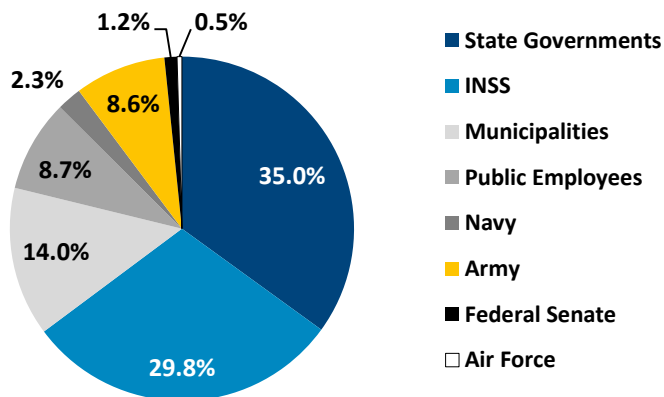
## Evolution of Portfolio

(R\$ MM)



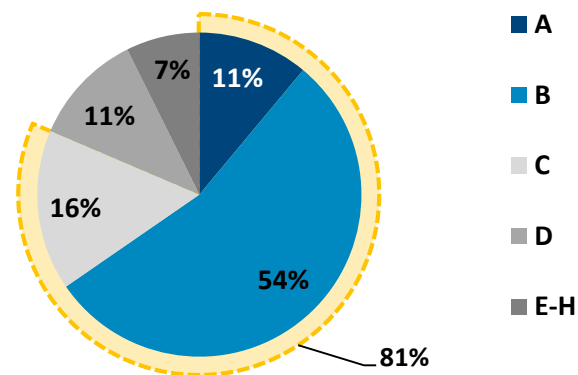
## Corporate Loan Portfolio by Industry (4Q15)

(%)



## Credit Portfolio by Rating (4Q15)

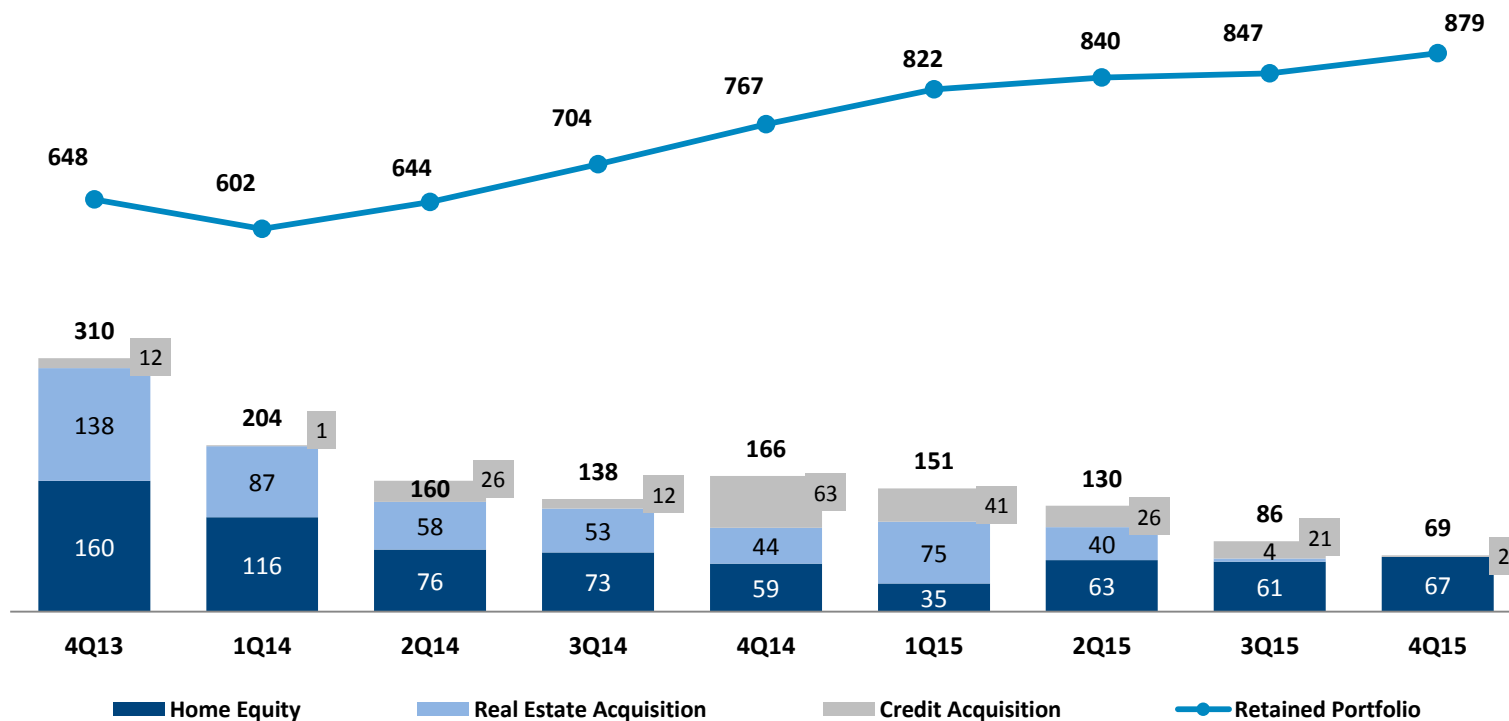
(%)



# Real Estate Loans

## Evolution of Portfolio and Production

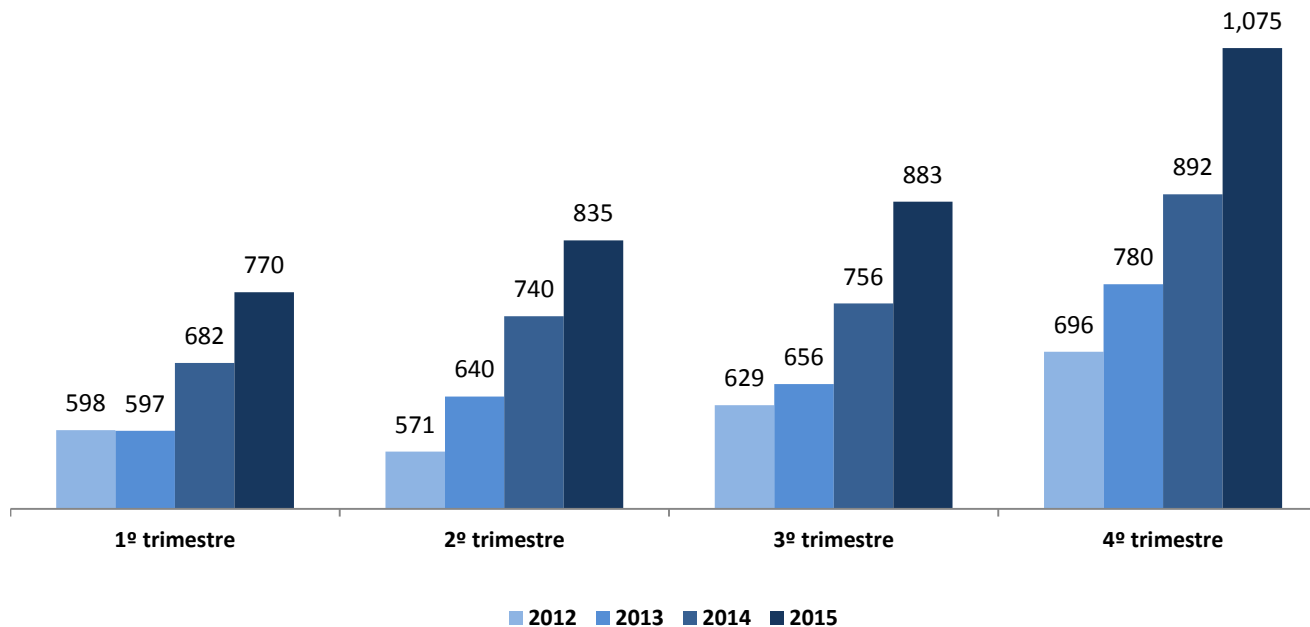
(R\$ MM)



# Credit Cards

## Transactions Volume

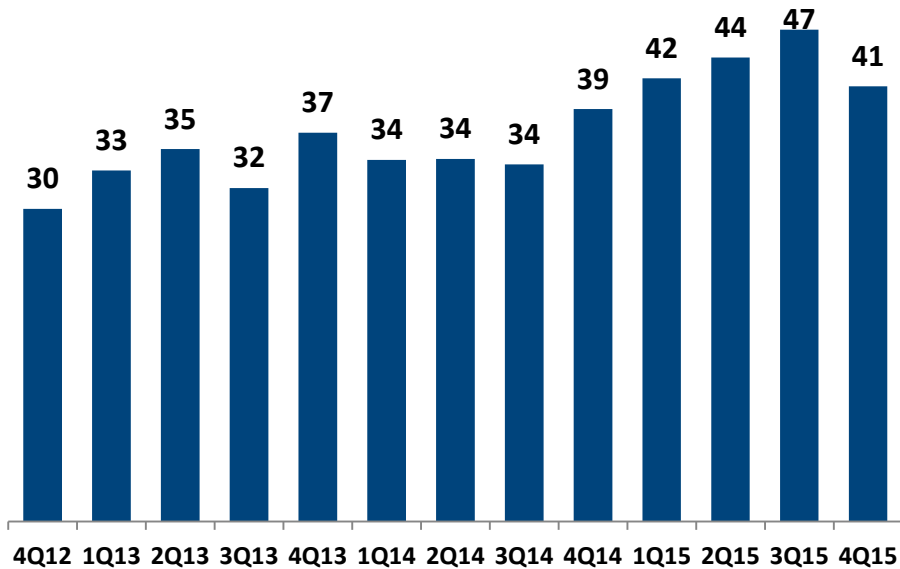
(R\$ MM)



# Insurance

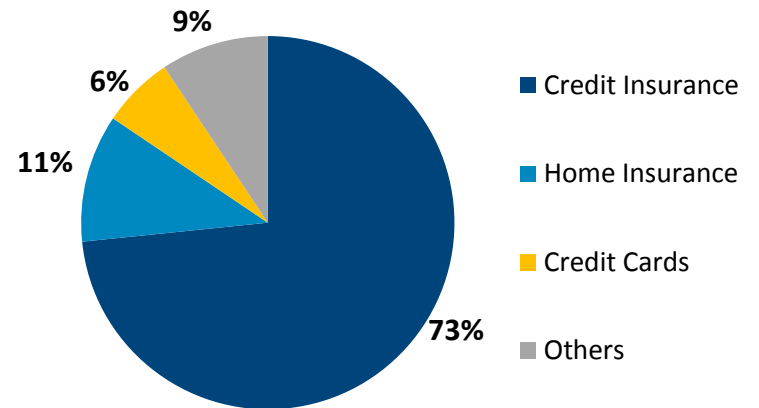
## Insurance Premium – Pan’s Origination

(R\$ MM)



## Insurance Premium – Origination by Product (4Q15)

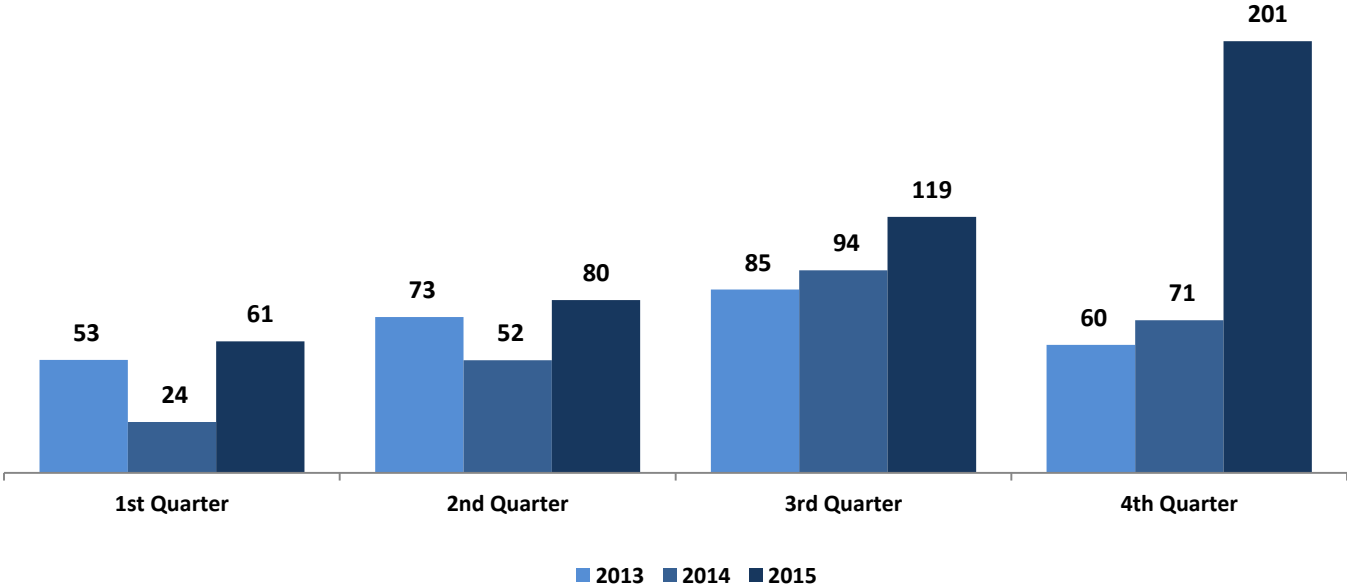
(%)



# Consortium

## Origination

(R\$ MM)



# Funding

Funding Sources (R\$ MM)	4Q15	Part. %	3Q15	Part. %	4Q14	Part. %	$\Delta$ 4Q15 / 3Q15	$\Delta$ 4Q15 / 4Q14
Interbank Deposits	10,097	53%	8,617	44%	8,632	45%	17%	17%
Time Deposits	1,927	10%	3,097	16%	2,736	14%	-38%	-30%
Real Estate and Agribusiness Letters of Credit	2,440	13%	2,717	14%	2,377	12,4%	-10%	3%
<i>Bonds</i>	2,203	12%	2,154	11%	2,197	11%	2%	0%
Bank notes	1,695	9%	1,978	10%	2,139	11%	-14%	-21%
Others	726	4%	833	4%	1,073	6%	-13%	-32%
<b>Total</b>	<b>19,089</b>	<b>100%</b>	<b>19,396</b>	<b>100%</b>	<b>19,154</b>	<b>100%</b>	<b>-2%</b>	<b>0%</b>



# Contact

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