

2Q15 Earnings Results



PAN

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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

- ✓ **Retail origination monthly average of R\$ 1,382.7 million in 2Q15, 4.6% up** on the monthly average of R\$ 1,321.4 million in 1Q15 and **54.8% up** on the monthly average of R\$ 893.4 million in 2Q14;
- ✓ **Corporate Credit Portfolio of R\$ 4,411.5 million in 2Q15, 5.3% up** on the R\$ 4,191.1 million in 1Q15 and **20.5% up** on the R\$ 3,660.4 million in 2Q14;
- ✓ **Credit Portfolio with Retained Result totaled R\$ 18.2 billion, 1.9% up** on the R\$ 17.9 billion in 1Q15 and **14.8% up** on the R\$ 15.9 billion in 2Q14;
- ✓ **Portfolios with risk category between “AA” to “C” reached 91.1% of Total Loan Portfolio**, compared to 89.9% in 2Q14 and 85.5% in 2Q13;
- ✓ **Managerial Net Interest Margin of 16.0% in 2Q15**, compared to 11.1% in 1Q15 and 11.1% in 2Q14;
- ✓ **Net Profit of R\$ 3.6 million in 2Q15**, compared to the net loss of R\$ 73.5 million in 1Q15 and the net loss of R\$ 70.4 million in 2Q14; and
- ✓ **Consolidated Shareholders’ Equity reached R\$ 3,560.9 million and the Basel ratio stood at 16.5%** at the end of 2Q15, with **Common Equity Tier I of 11.9%**.

Managerial Interest Margin and Net Result

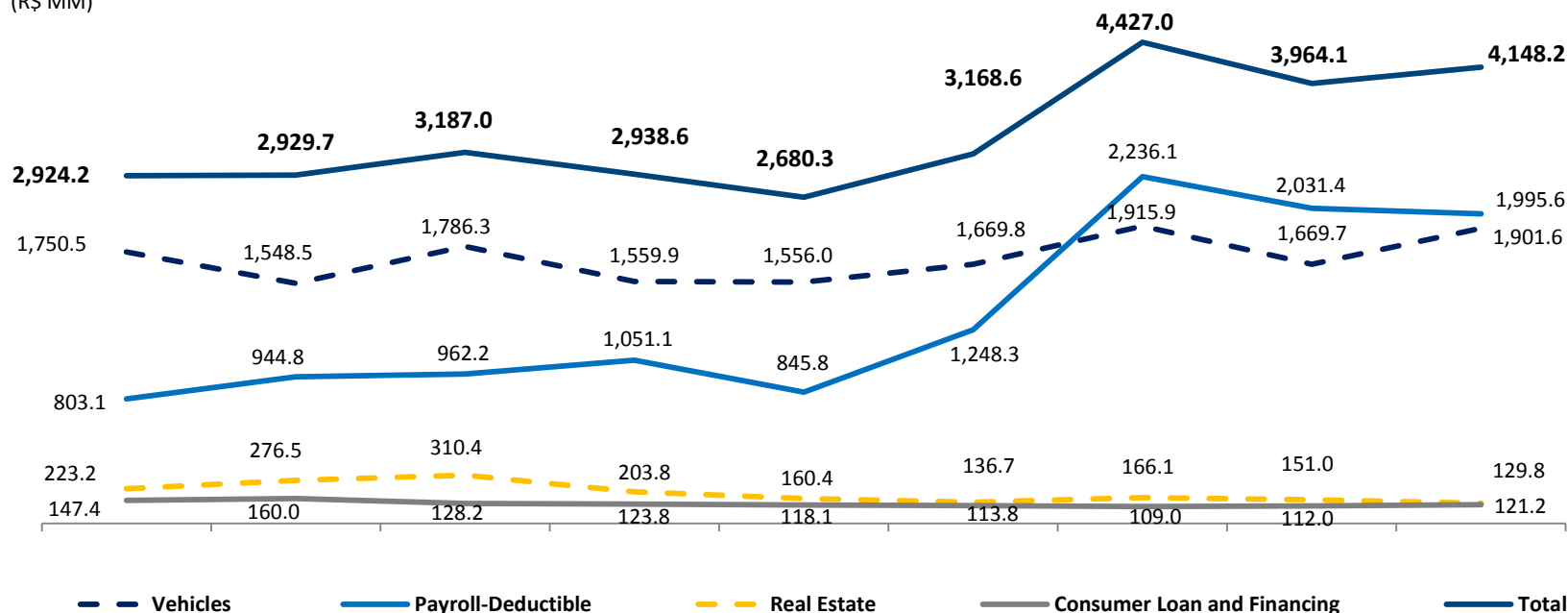
Managerial Net Interest Margin (R\$ MM)	2Q15	1Q15	2Q14	Δ 2Q15 / 1Q15	Δ 2Q15 / 2Q14
1. Managerial Net Interest Margin	811.7	566.9	489.2	43.2%	65.9%
(-) Result from Credit Assignments	331.8	97.3	66.6	241.0%	397.9%
2. Managerial Net Interest Margin without Credit Assignments	479.9	469.6	422.6	2.2%	13.6%
3. Average Interest-Earning Assets	21,518.8	21,298.8	18,374.3	1.0%	17.1%
- Average Loan Portfolio	17,996.1	17,677.6	15,826.6	1.8%	13.7%
- Average Securities and Derivatives	2,314.7	2,575.9	1,713.1	-10.1%	35.1%
- Average Interbank Investments	1,208.1	1,045.3	834.7	15.6%	44.7%
(1)/(3) Managerial Net Interest Margin (% p.a.)	16.0%	11.1%	11.1%	4.9 p.p.	4.9 p.p.
(2)/(3) Managerial Net Int. Marg. without Credit Assig. - NIM (% p.a)	9.2%	9.1%	9.5%	0.1 p.p.	-0.3 p.p.

P&L Statement (R\$ MM)	2Q15	1Q15	2Q14	Δ 2Q15 / 1Q15	Δ 2Q15 / 2Q14
Managerial Net Interest Margin	811.7	469.6	422.6	2.2%	13.6%
Allowance for Loan Losses	(273.5)	(251.8)	(251.5)	-8.6%	-8.7%
Gross Income from Financial Intermediation (Adjusted)	538.2	315.1	237.7	70.8%	126.4%
Other Operating Revenues (Expenses)	1.6	46.3	51.3	-96.6%	-97.0%
Administrative and Personnel Expenses	(447.4)	(416.9)	(348.0)	-7.3%	-28.6%
Tax Expenses	(66.8)	(53.5)	(42.4)	-24.8%	-57.6%
Income from Operations	25.6	(109.0)	(101.3)	123.5%	125.3%
Non Operating Expenses	(14.3)	(12.1)	(14.0)	-18.5%	-2.5%
Income and Social Contribution Taxes	(7.7)	47.5	44.9	-116.2%	-117.2%
Net Income	3.6	(73.5)	(70.4)	104.9%	105.1%

Credit Origination: Retail

Quarterly Asset Origination

(R\$ MM)



Average Monthly Origination by Product

(R\$ MM)

Products	2Q15		1Q15		2Q14		Δ 2Q15 / 1Q15	Δ 2Q15 / 2Q14
	Production	%	Production	%	Production	%		
Payroll-Deductible	665.2	48.1%	677.1	51.2%	281.9	31.6%	-1.8%	136.0%
Vehicles	633.9	45.8%	556.6	42.1%	518.7	58.1%	13.9%	22.2%
Real Estate	43.3	3.1%	50.3	3.8%	53.5	6.0%	-14.1%	-19.1%
Consumer Loan and Financing	40.4	2.9%	37.3	2.8%	39.4	4.4%	8.2%	2.6%
Total	1,382.7	100.0%	1,321.4	100.0%	893.4	100.0%	4.6%	54.8%

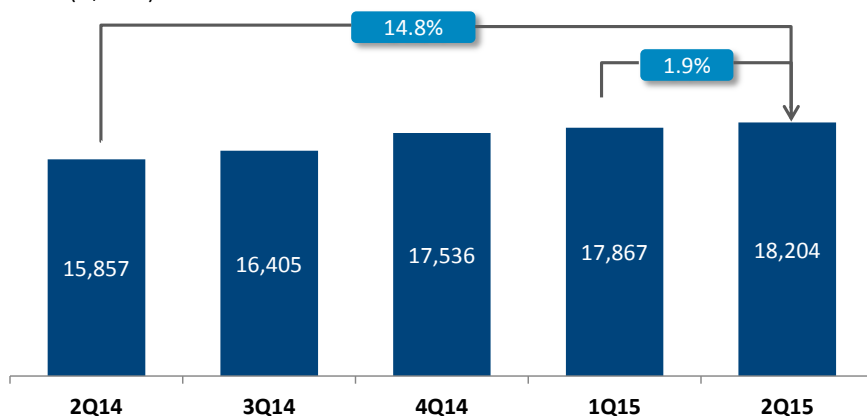
Credit Portfolio

Expanded Credit Portfolio “on balance sheet”

Type of Loans (R\$ MM)	2Q15	Part. %	1Q15	Part. %	2Q14	Part. %	Δ 2Q15 / 1Q15	Δ 2Q15 / 2Q14
Vehicle Financing	6,329.1	34.8%	6,823.4	38.2%	8,003.5	50.5%	-7.2%	-20.9%
Payroll Deduction Loans ¹	5,200.3	28.6%	4,686.2	26.2%	2,268.8	14.3%	11.0%	129.2%
Corporate	4,411.5	24.2%	4,191.1	23.5%	3,660.4	23.1%	5.3%	20.5%
Real Estate	840.2	4.6%	821.9	4.6%	644.4	4.1%	2.2%	30.4%
Others	712.2	3.9%	693.7	3.9%	658.7	4.2%	2.7%	8.1%
Credit Cards	655.6	3.6%	626.9	3.5%	600.9	3.8%	4.6%	9.1%
Guarantees Issued	54.7	0.3%	24.0	0.1%	20.4	0.1%	128.0%	168.6%
Credit Portfolio	18,203.7	100.0%	17,867.2	100.0%	15,857.1	100.0%	1.9%	14.8%
Credits Assigned with Recourse ²	25.0		56.3		244.8		-55.6%	-89.8%
Total Credit Portfolio	18,228.6		17,923.5		16,101.9		1.7%	13.2%

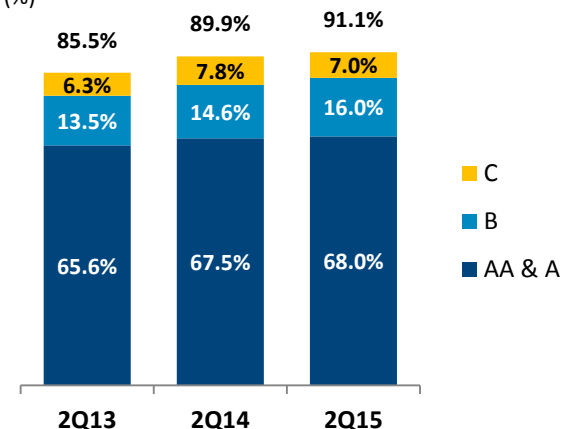
Credit Portfolio with Retained Result

(R\$ MM)



Portfolio Quality

(%)

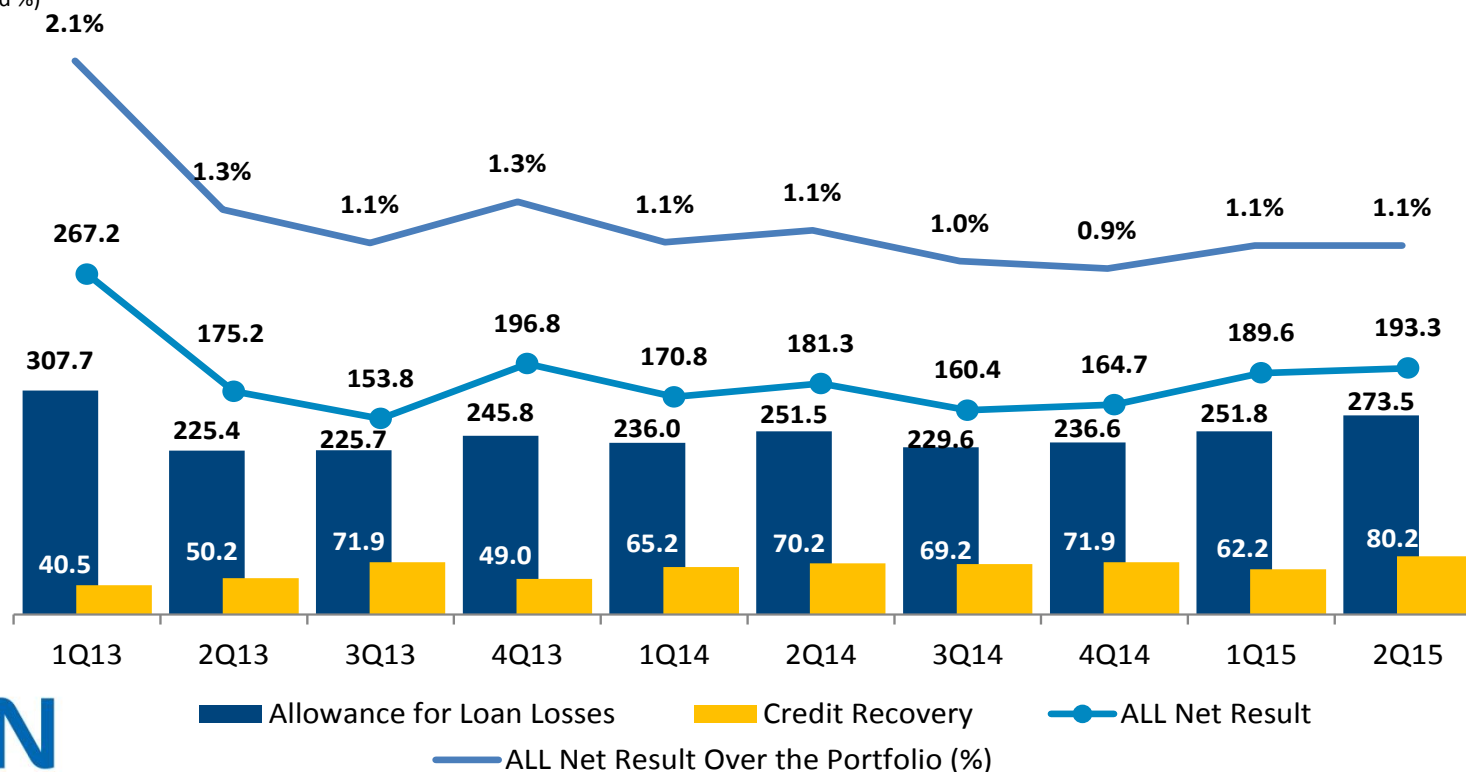


Costs and Expenses

G&A Expenses (R\$ MM)	2Q15	1Q15	2Q14	Δ 2Q15 / 1Q15	Δ 2Q15 / 2Q14
Personnel expenses	132.8	128.7	97.4	3.2%	36.4%
Administrative expenses	143.2	131.4	132.3	9.0%	8.3%
1. Subtotal I	276.0	260.1	229.7	6.1%	20.2%
Comission Expenses - BACEN Circular 3,738	35.3	32.1	-	10.1%	0.0%
Deferred Comissions and other origination expenses	136.0	124.7	118.3	9.1%	15.0%
2. Subtotal II	171.4	156.8	118.3	9.3%	44.8%
3. Total (I + II)	447.4	416.9	348.0	7.3%	28.6%

Allowance for Loan Losses and Credit Recovery

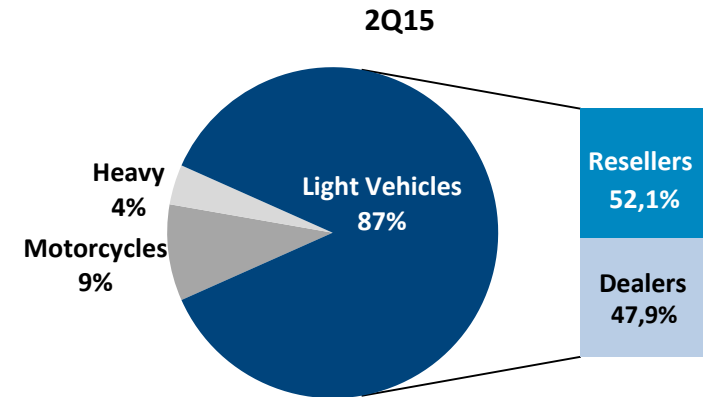
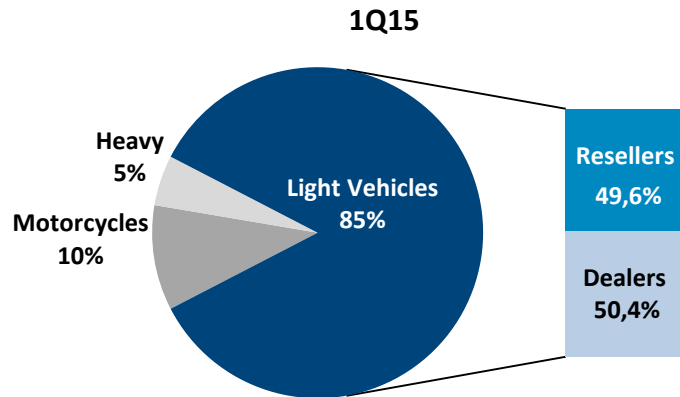
(R\$ MM and %)



Vehicle Loans

Share in new Vehicle Financing

(%)



Spread Out Origination

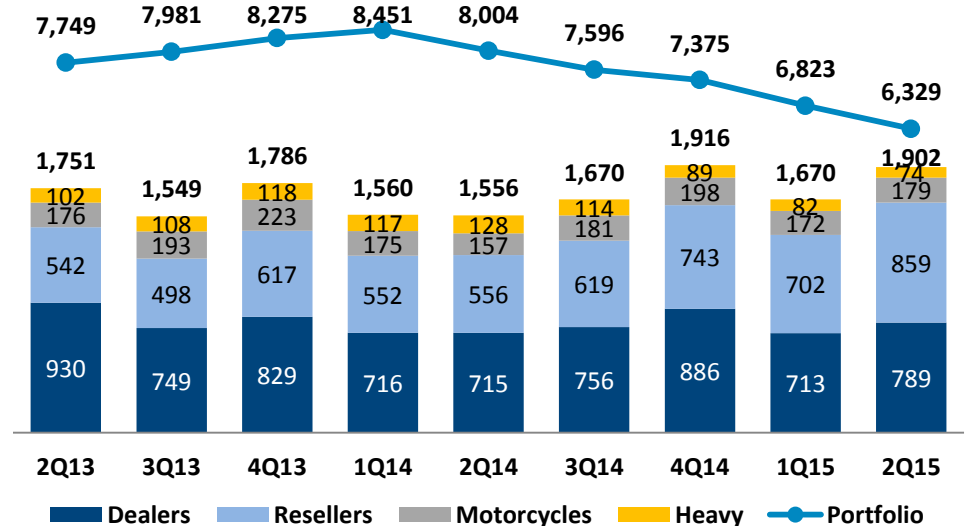
(%)

Origination by Group*	2Q15
Largest Group	2.3%
2 nd Largest Group	1.9%
3 rd Largest Group	1.5%
10 largest groups	13.0%
50 largest groups	27.0%

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

Evolution of Portfolio and Production by Product

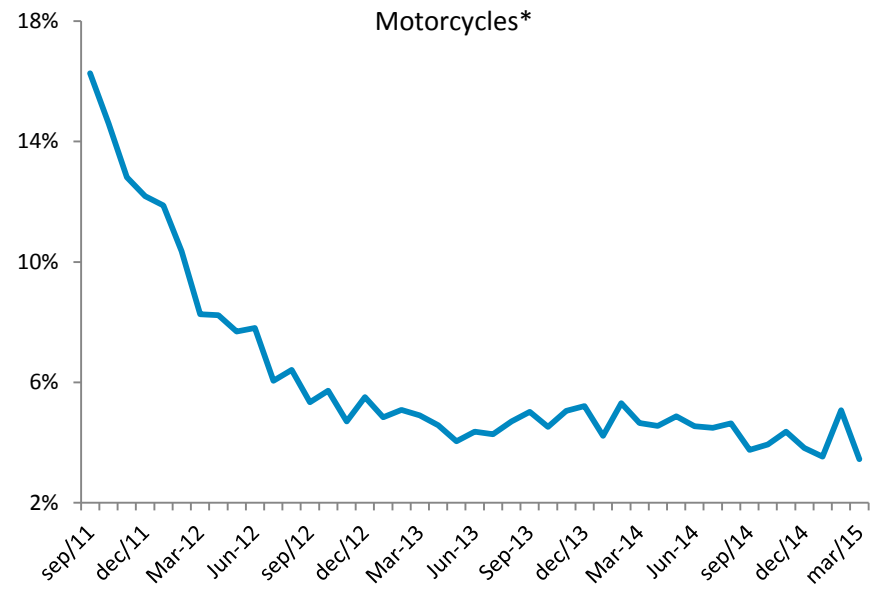
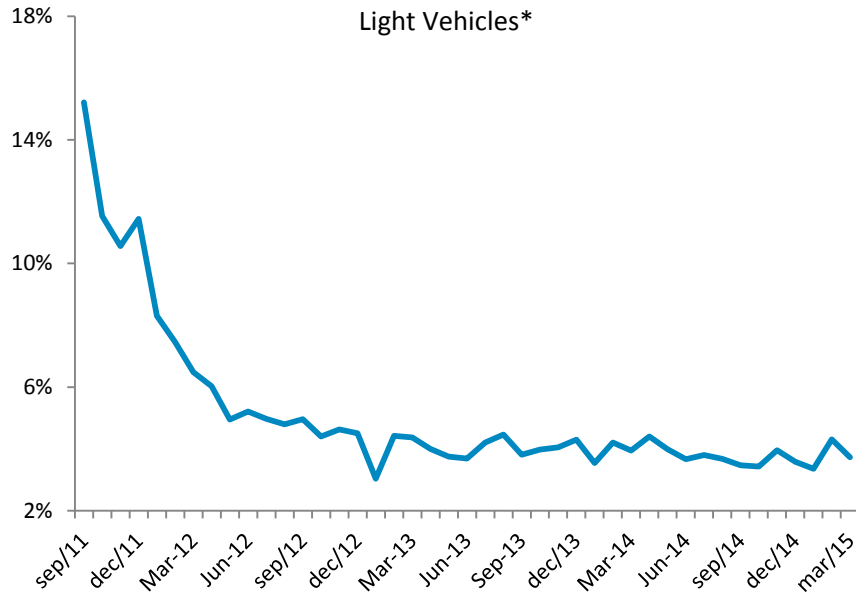
(R\$ MM)



Vehicle Loans

Delinquency per Vintage*

(%)

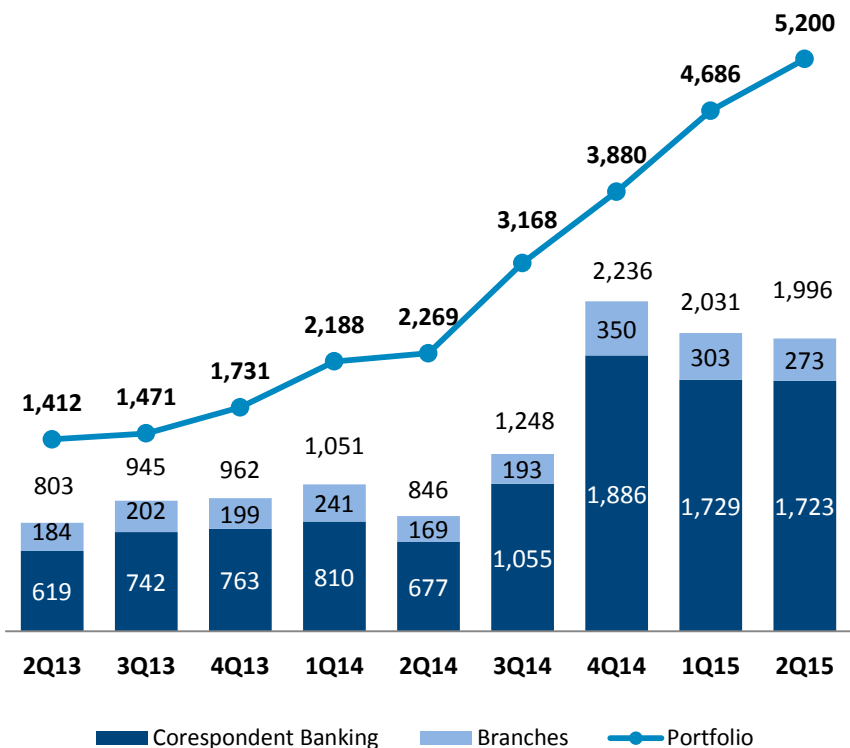


* % of non performing loans over 30 days 3 months after concession

Payroll Deduction Loans

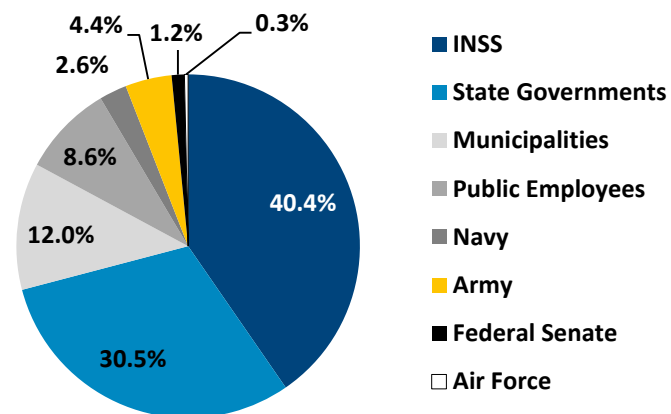
Evolution of Portfolio and Production

(R\$ MM)



Production by Segment (2Q15)

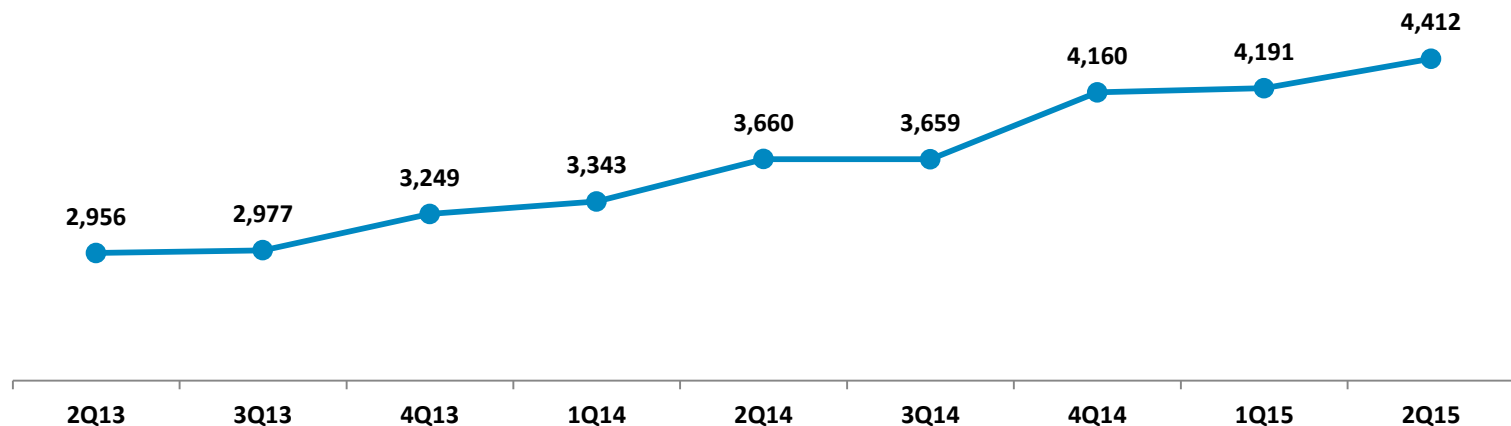
(%)



Corporate Loans

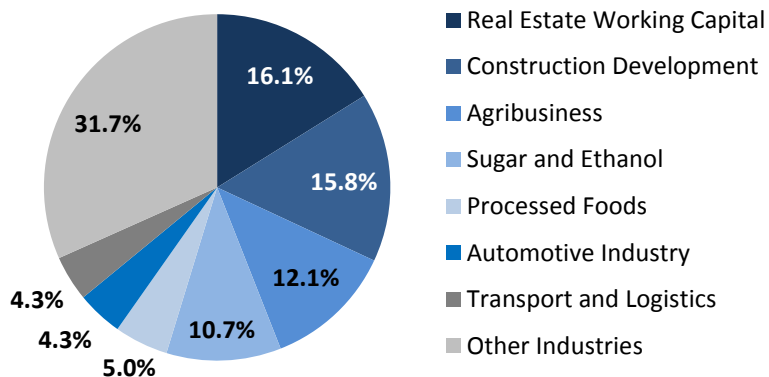
Evolution of Portfolio

(R\$ MM)



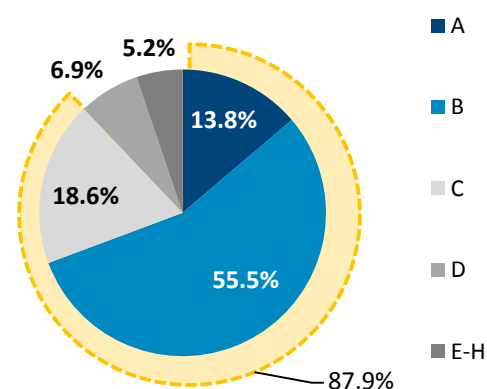
Corporate Loan Portfolio by Industry (2Q15)

(%)



Credit Portfolio by Rating (2Q15)

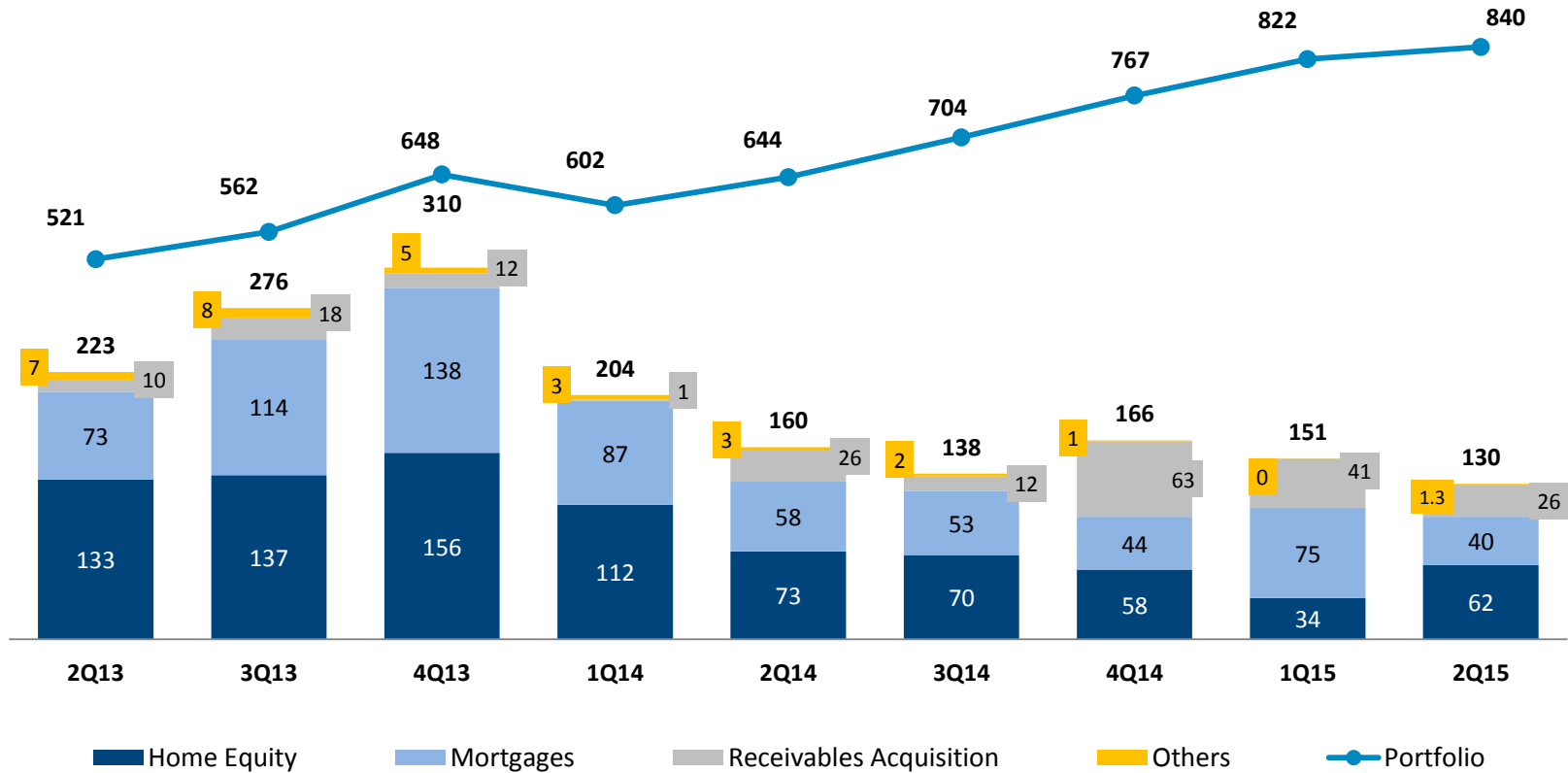
(%)



Real Estate Loans

Evolution of Portfolio and Production

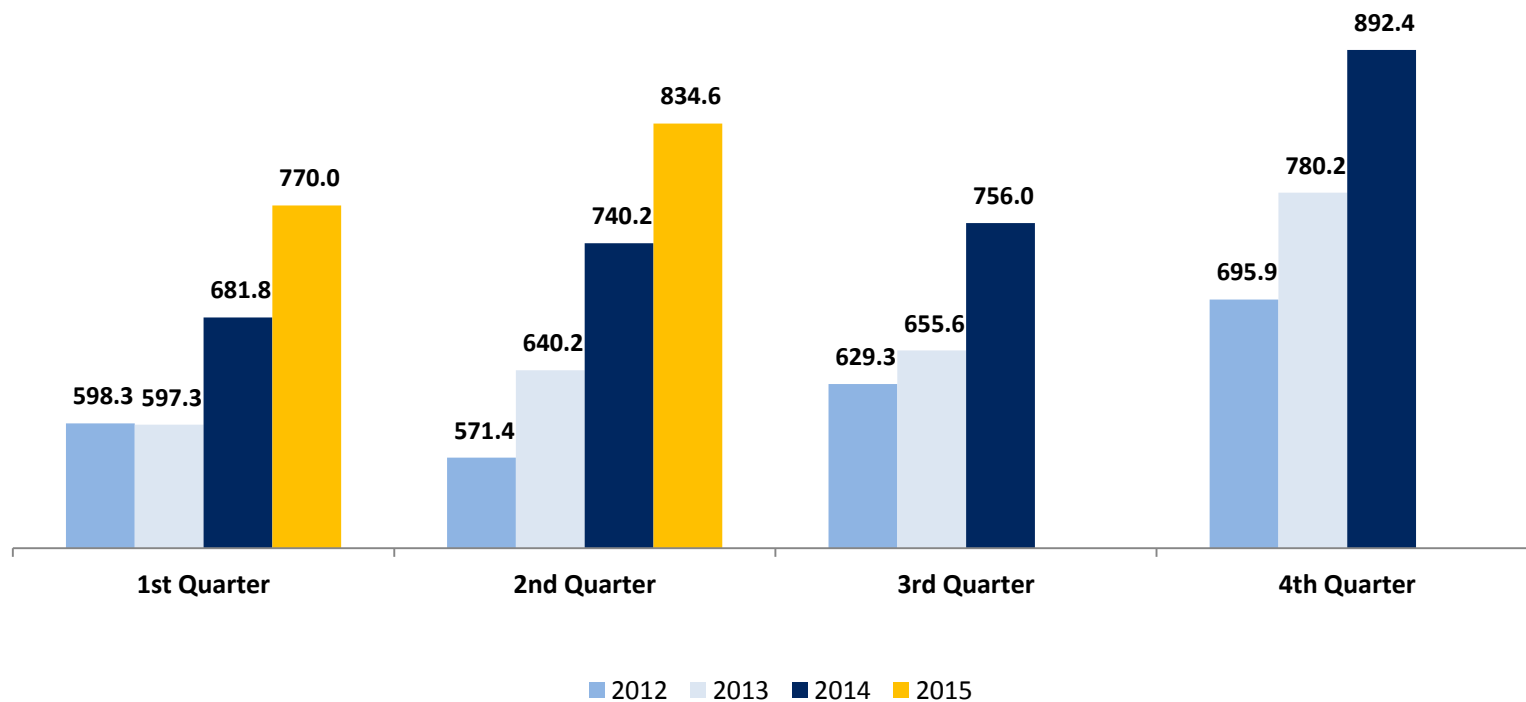
(R\$ MM)



Credit Cards

Transactions Volume

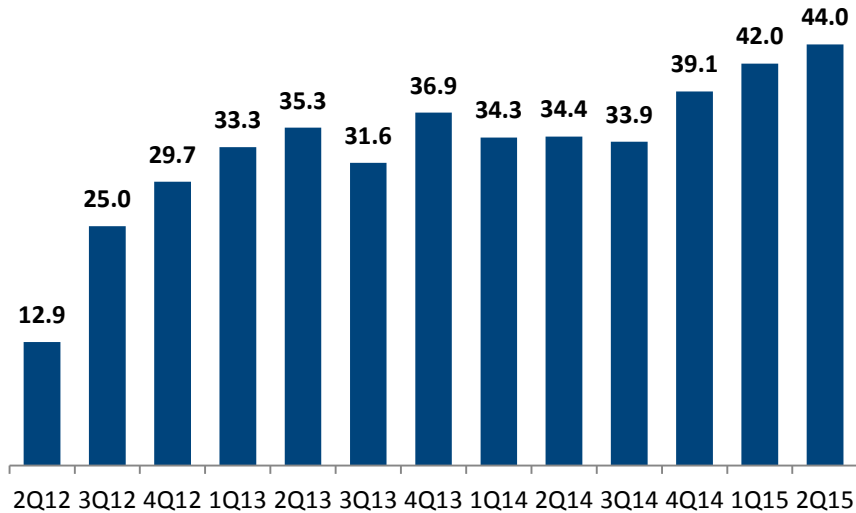
(R\$ MM)



Insurance

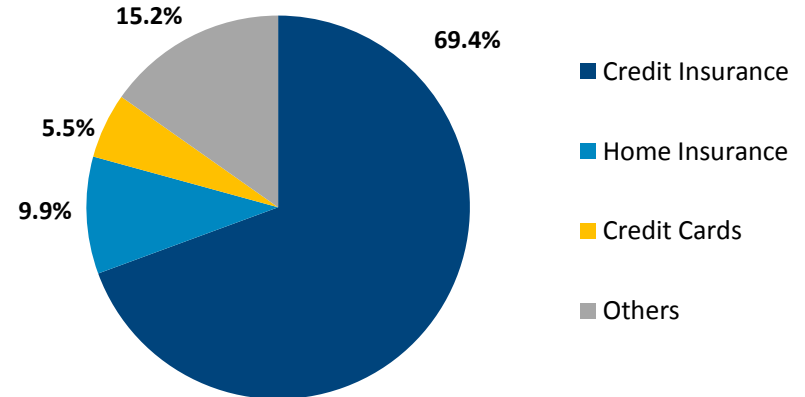
Insurance Premium – Pan’s Origination

(R\$ MM)



Insurance Premium – Origination by Product (2Q15)

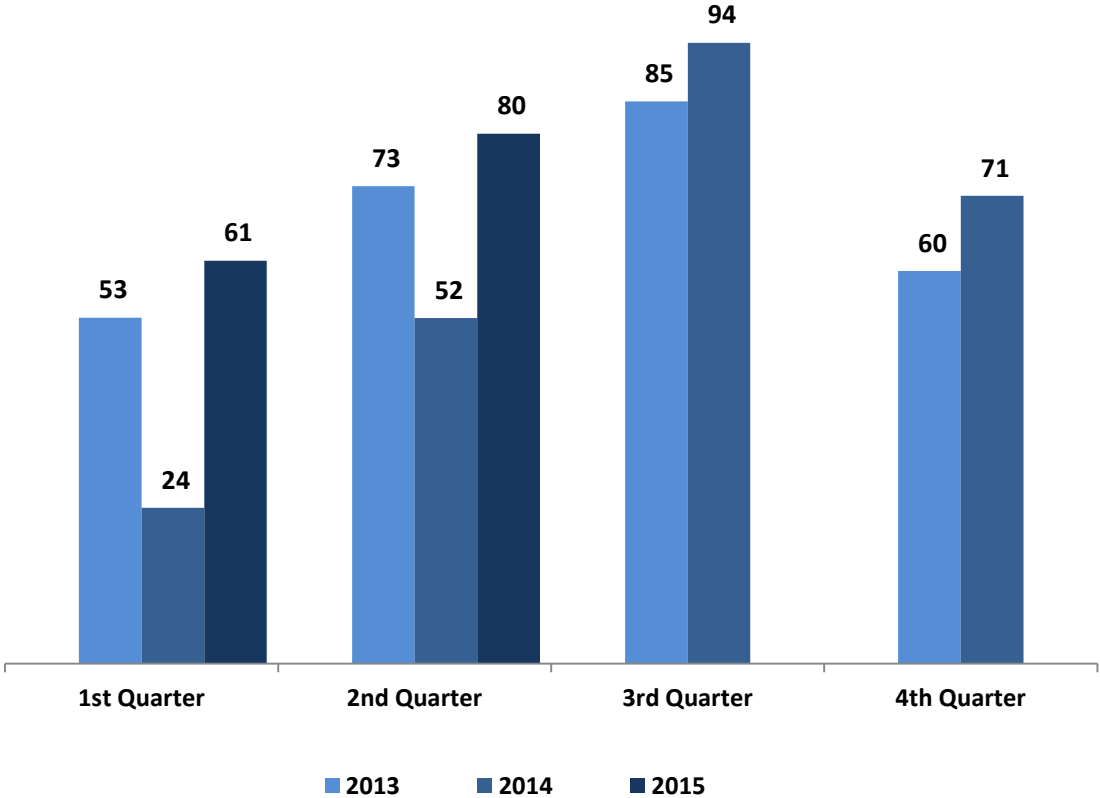
(%)



Consortium

Origination

(R\$ MM)



Funding

Funding Sources (R\$ MM)	2Q15	Part. %	1Q15	Part. %	2Q14	Part. %	Δ 2Q15 / 1Q15	Δ 2Q15 / 2Q14
Interbank Deposits	8,426.1	43.0%	7,699.6	40.3%	8,431.3	46.7%	9.4%	-0.1%
Time Deposits	3,092.7	15.8%	2,737.0	14.3%	2,750.5	15.2%	13.0%	12.4%
Bonds	2,647.4	13.5%	2,764.7	14.5%	1,833.3	10.1%	-4.2%	44.4%
Real Estate and Agribusiness Letters of Credit	2,496.7	12.8%	2,634.6	13.8%	2,254.4	12.5%	-5.2%	10.7%
Bank notes	1,935.6	9.9%	2,143.0	11.2%	2,083.0	11.5%	-9.7%	-7.1%
Other	974.4	5.0%	1,106.2	5.8%	710.3	3.9%	-11.9%	37.2%
Total	19,572.8	100.0%	19,085.1	100.0%	18,062.9	100.0%	2.6%	8.4%

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