

2013 Earnings Results

Banco **PAN**

Disclaimer

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

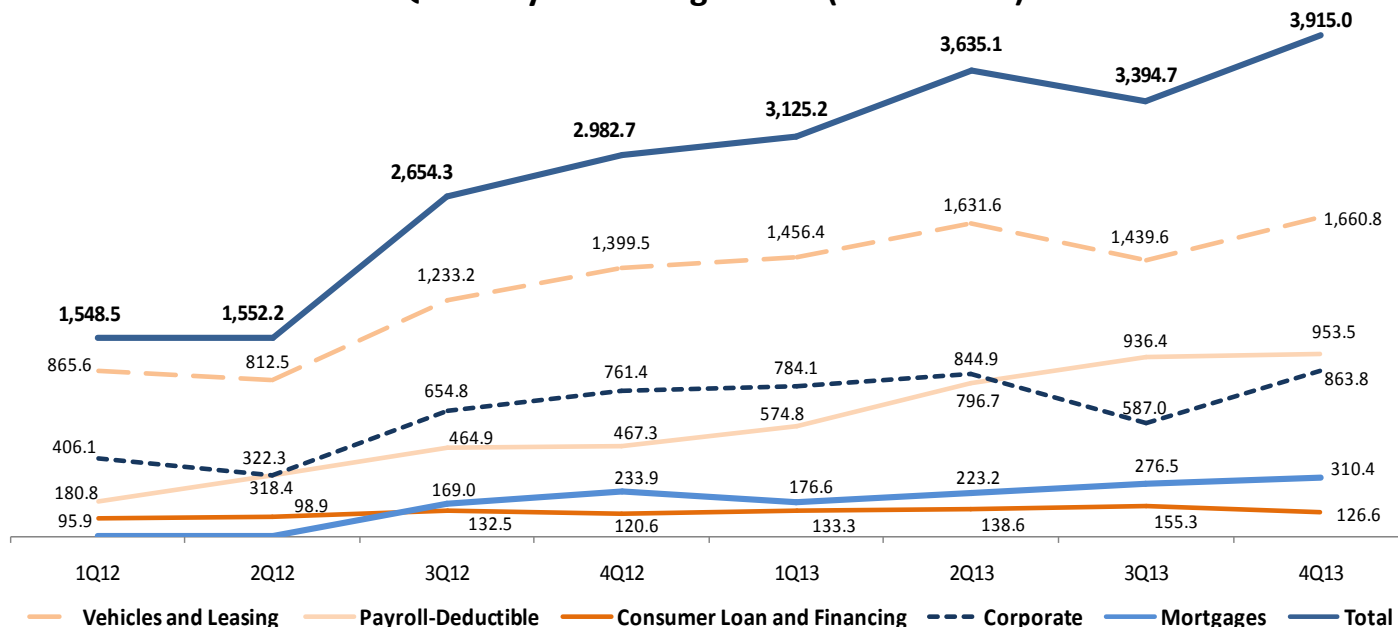
- ✓ **Monthly Average Origination** of credit assets of **BRL 1,172.5 millions** in 2013, **61.1%** up on the BRL 727.9 million monthly average recorded in 2012;
- ✓ **Monthly Average Origination** of credit assets of **BRL 1,305.0 millions** in the 4Q13, **15.3%** up on 3Q13 and **31.3%** up on 4Q12;
- ✓ **Credit Portfolio with Retained Results** reached **BRL 15.2 billion**, **6.3% up** on 3Q13 and **20.5% up** on 4Q12;
- ✓ **Total Credit Portfolio** reached **BRL 15.7 billion** in the 4Q13, **5.1% higher** than the 3Q13 **14.0% higher** than the same quarter of 2012;
- ✓ **Net Interest Margin** reached **11.6%** in the 4Q13, **1.3 p.p. down** on 3Q13 and **5.4 p.p. down** on 4Q12;
- ✓ **Recurring** personnel, tax and other administrative **expenses totaled BRL 408.6 million in the 4Q13**, 0.7% up on the BRL 405.7 million recorded in the 3Q13 and **0.2% below the BRL 409.4 million in the 4Q12**, maintaining its noticeable decline trajectory in real terms;
- ✓ **Allowance for loan losses expenses** of **BRL 792.8 million** in 2013, **40.3% down on the BRL 1,329.0 million** reported in 2012;
- ✓ **Adjusted Consolidated net loss** of **BRL 0.7 million in 2013**, versus a net loss of BRL 496.0 million in 2012 and **Adjusted net loss of BRL 31.9 million in the 4Q13**, versus a net loss of BRL 20.5 million in the 3Q13 and a net loss of R\$38.4 million in the 4Q12;
- ✓ **Consolidated shareholders' equity** of **BRL 2,304.9 million** and **Basel Ratio of 13.4%** in the 4Q13.

NIM and P&L Statement

Net Interest Margin (BRL Million)	2013	2012	4Q13	3Q13	4Q12	Δ 2013 / 2012	Δ 4Q13 / 3Q13	Δ 4Q13 / 4Q12
1. Income from Financial Intermediation Before LLP	2,364.5	1,910.2	504.9	559.7	616.4	23.8%	-9.8%	-18.1%
2. Average Interest-Earning Assets	16,829.6	13,212.9	18,134.6	18,187.7	15,393.0	27.4%	-0.3%	17.8%
- Average Loan Portfolio	13,862.7	10,641.5	14,701.9	14,088.5	12,161.0	30.3%	4.4%	20.9%
- Opening Balance	12,567.1	8,716.0	14,245.6	13,931.4	11,754.8	44.2%	2.3%	21.2%
- Closing Balance	15,158.3	12,567.1	15,158.3	14,245.6	12,567.1	20.6%	6.4%	20.6%
- Average Securities and Derivatives	2,096.9	1,862.2	1,819.7	1,960.0	2,442.7	12.6%	-7.2%	-25.5%
- Opening Balance	2,455.5	1,268.8	1,901.2	2,018.7	2,429.8	93.5%	-5.8%	-21.8%
- Closing Balance	1,738.2	2,455.5	1,738.2	1,901.2	2,455.5	-29.2%	-8.6%	-29.2%
- Average Interbank Investments	870.0	709.2	1,612.9	2,139.3	789.4	22.7%	-24.6%	104.3%
- Opening Balance	509.4	909.0	1,995.2	2,283.4	1,069.4	-44.0%	-12.6%	86.6%
- Closing Balance	1,230.7	509.4	1,230.7	1,995.2	509.4	141.6%	-38.3%	141.6%
(1) / (2) Net Interest Margin - NIM (% p.y.)	14.0%	14.5%	11.6%	12.9%	17.0%	-0.5 p.p.	-1.3 p.p.	-5.4 p.p.
Gross Profit (BRL Million)	2013	2012	4Q13	3Q13	4Q12	Δ 2013 / 2012	Δ 4Q13 / 3Q13	Δ 4Q13 / 4Q12
Revenue from Financial Intermediation	3,883.4	3,298.5	950.0	930.8	983.7	17.7%	2.1%	-3.4%
Lending Operations	4,063.3	2,821.9	1,035.1	1,050.7	898.3	44.0%	-1.5%	15.2%
Leasing Operations	67.0	107.8	13.7	17.1	21.6	-37.8%	-19.9%	-36.6%
Commissions due to credit assignments	(318.2)	(130.5)	(66.1)	(92.5)	(56.7)	-143.8%	28.5%	-16.6%
Expenses for credit assignments	(333.7)	(180.0)	(150.0)	(75.2)	(38.9)	-85.4%	-99.6%	-285.9%
Securities transactions	340.7	297.0	71.7	66.6	82.6	14.7%	7.7%	-13.1%
Derivative transactions	(53.4)	321.8	18.9	(51.0)	61.8	-116.6%	137.1%	-69.3%
Foreign exchange transactions	117.7	60.6	26.7	15.1	15.1	94.4%	77.1%	77.0%
Expenses on Financial Intermediation	(2,523.4)	(2,937.3)	(690.8)	(596.7)	(706.9)	14.1%	-15.8%	2.3%
Funding Operations and Derivatives Transactions	(1,428.6)	(1,362.2)	(415.8)	(359.2)	(349.7)	-4.9%	-15.8%	-18.9%
Loan Operations	(90.3)	(26.2)	(29.2)	(11.9)	(17.7)	-245.0%	-145.8%	-65.3%
Allowance for Loan Losses	(1,004.5)	(1,548.9)	(245.8)	(225.6)	(339.5)	35.1%	-8.9%	27.6%
Gross Profit from Financial Intermediation	1,360.0	361.3	259.1	334.1	276.8	276.4%	-22.4%	-6.4%
Other Operating Revenues (Expenses)	(1,421.0)	(1,121.1)	(406.5)	(343.8)	(303.5)	-26.8%	-18.2%	-33.9%
Income from Operations	(61.1)	(759.8)	(147.3)	(9.7)	(26.7)	92.0%	-1414.9%	-452.1%
Non Operating Expenses	(55.6)	(106.8)	(4.3)	(20.4)	(36.3)	48.0%	78.9%	88.1%
Income and Social Contribution Taxes	(57.0)	(101.6)	37.6	9.8	(30.6)	-43.9%	281.8%	223.0%
Deferred tax credits and Others	21.9	472.3	(68.9)	(0.3)	55.1	-95.4%	-25405.9%	-224.9%
Net Income	(151.7)	(496.0)	(182.9)	(20.5)	(38.4)	69.4%	-790.9%	46.5%
Effects of Non-Recurring Events from the 4Q13	151.0	-	151.0	-	-	n/a	n/a	n/a
Adjusted Net Income without the Non- Recurring Events	(0.7)	(496.0)	(31.9)	(20.5)	(38.4)	99.9%	-55.5%	16.8%

Loan Portfolio - Asset Origination

Quarterly Asset Origination (BRL Million)



Average Monthly Origination – By Product (BRL Million)

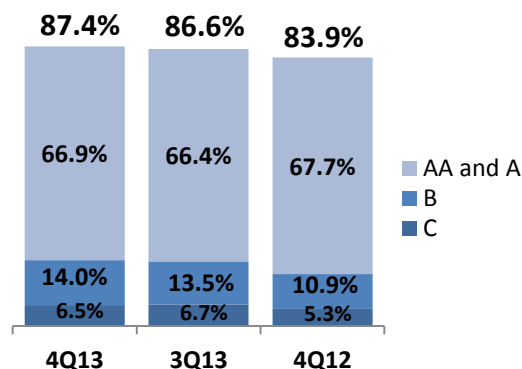
Products	2013		2012		4Q13		3Q13		4Q12		Δ2013/ 2012	Δ 4Q13/ 3Q13	Δ 4Q13/ 4Q12
	Production	Part.	Production	Part.	Production	Part.	Production	Part.	Production	Part.			
Vehicles and Leasing	515.7	44.0%	359.0	49.3%	553.6	42.4%	479.9	42.4%	466.5	46.9%	43.6%	15.4%	18.7%
Payroll -Deductible	271.8	23.2%	119.6	16.4%	317.8	24.4%	312.1	27.6%	155.8	15.7%	127.2%	1.8%	104.0%
Consumer Loan and Financing	46.2	3.9%	37.3	5.1%	42.2	3.2%	51.8	4.6%	40.2	4.0%	23.6%	-18.5%	4.9%
Corporate	256.7	21.9%	178.4	24.5%	287.9	22.1%	195.7	17.3%	253.8	25.5%	43.9%	47.2%	13.5%
Real Estate - BFRE	82.2	7.0%	33.6	4.6%	103.5	7.9%	92.2	8.1%	78.0	7.8%	144.9%	12.3%	32.7%
Total	1,172.5	100.0%	727.9	100.0%	1,305.0	100.0%	1,131.6	100.0%	994.2	100.0%	61.1%	15.3%	31.3%

Credit Portfolio

Expanded Credit Portfolio “on balance sheet” (BRL Million)

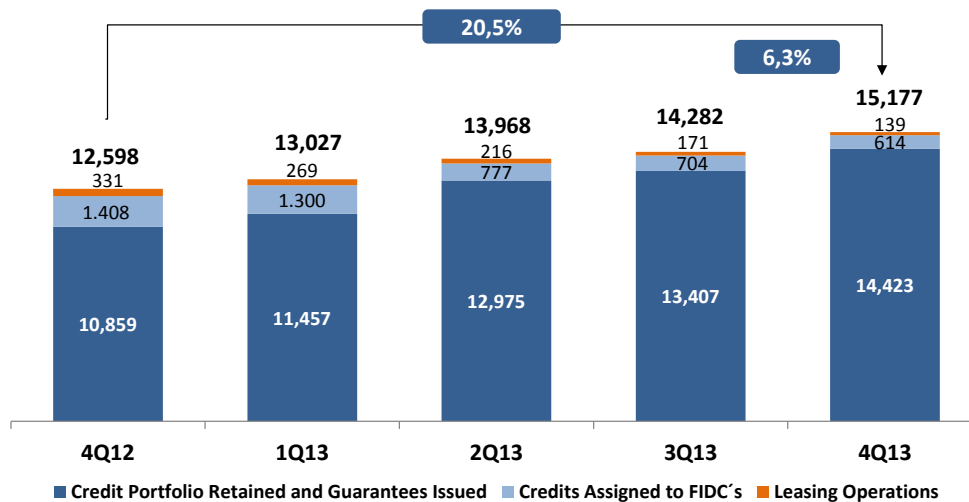
Type of Loans (R\$ MM)	4Q13	Part. %	3Q13	Part. %	4Q12	Part. %	Δ 4Q13/ 3Q13	Δ 4Q13/ 4Q12
Consumer Lending (Vehicle Financing)	8,135.8	53.6%	7,809.5	54.7%	6,915.8	54.9%	4.2%	17.6%
Consumer Loans	93.1	0.6%	82.2	0.6%	97.3	0.8%	13.2%	-4.4%
Credit Cards	573.6	3.8%	599.7	4.2%	278.4	2.2%	-4.3%	106.1%
Leasing Operations	139.2	0.9%	171.4	1.2%	331.3	2.6%	-18.8%	-58.0%
Payroll Deduction Loans	1,730.5	11.4%	1,471.1	10.3%	1,471.3	11.7%	17.6%	17.6%
Corporate	3,249.0	21.4%	2,977.0	20.8%	2,424.9	19.2%	9.1%	34.0%
Real Estate	648.3	4.3%	562.3	3.9%	489.5	3.9%	15.3%	32.4%
Renegotiations	27.7	0.2%	31.3	0.2%	30.4	0.2%	-11.5%	-8.9%
Amounts with Credit Characteristics Receivable	560.1	3.7%	539.8	3.8%	510.4	4.1%	3.8%	9.8%
Guarantees Issued	18.5	0.1%	36.8	0.3%	30.7	0.2%	-49.8%	-39.8%
Others	0.8	0.0%	1.3	0.0%	17.8	0.1%	-37.1%	-95.3%
Portfolio of Credit	15,176.7	100.0%	14,282.4	100.0%	12,597.7	100.0%	6.3%	20.5%
Portfolio of Credit Assigned with Recourse	498.7		634.1		1,157.8		-21.3%	-56.9%
Total Portfolio of Credit	15,675.5		14,916.5		13,755.5		5.1%	14.0%

Portfolio Quality ¹



¹ % Credits classified from AA to C (Resolution 2,682 from CMN)

Credit Portfolio with Retained Result (BRL Million)

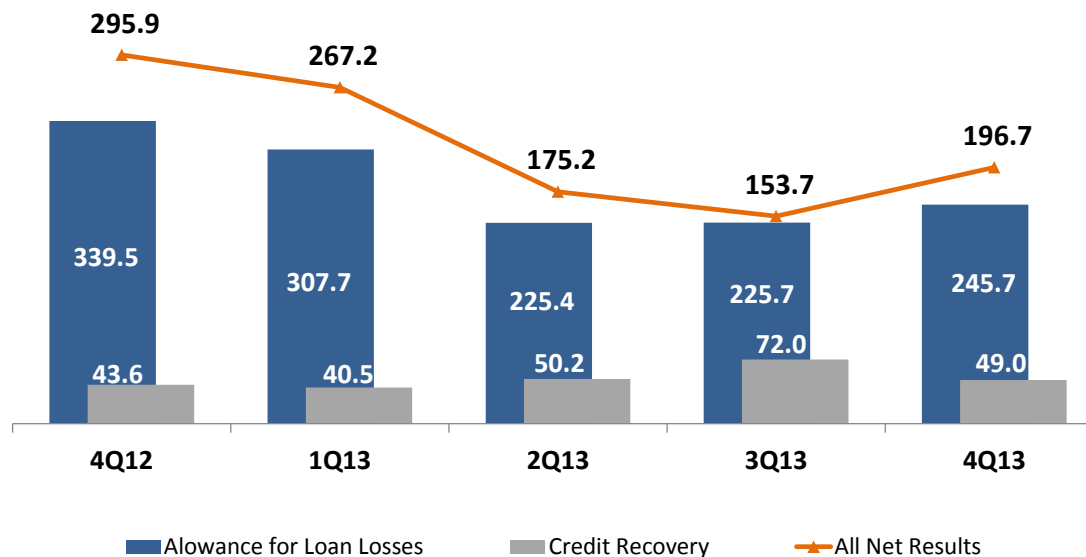


Costs and Expenses

G&A (BRL thousand)	4Q13	3Q13	4Q12	Δ 4Q13 / 3Q13	Δ 4Q13 / 4Q12
Personnel expenses	117,095	110,850	117,202	5.6%	-0.1%
Other administrative expenses	244,642	237,825	236,509	2.9%	3.4%
Tax expenses	55,035	56,979	38,632	-3.4%	42.5%
Total	416,772	405,654	392,343	2.7%	6.2%
Revision of criteria for determination of PIS / COFINS in 2011 and 2012	-	-	17,056	-	-
Legal fees related to the adhesion to the Tax Recovery Program (REFIS)	(6,240)	-	-	-	-
Legal fees related to the litigation settlement on CDBs ¹	(1,950)	-	-	-	-
Adjusted total without non-recurring events	408,582	405,654	409,399	0.7%	-0.2%

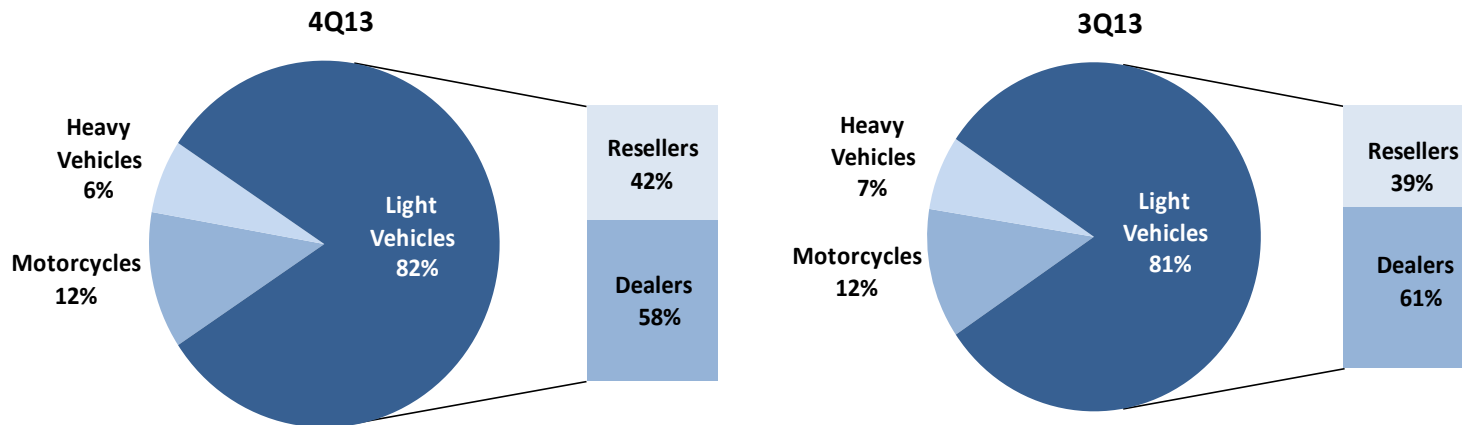
¹ CDB: Bank Deposit Certificate

Allowance for Loan Losses and Credit Recovery (BRL Million)

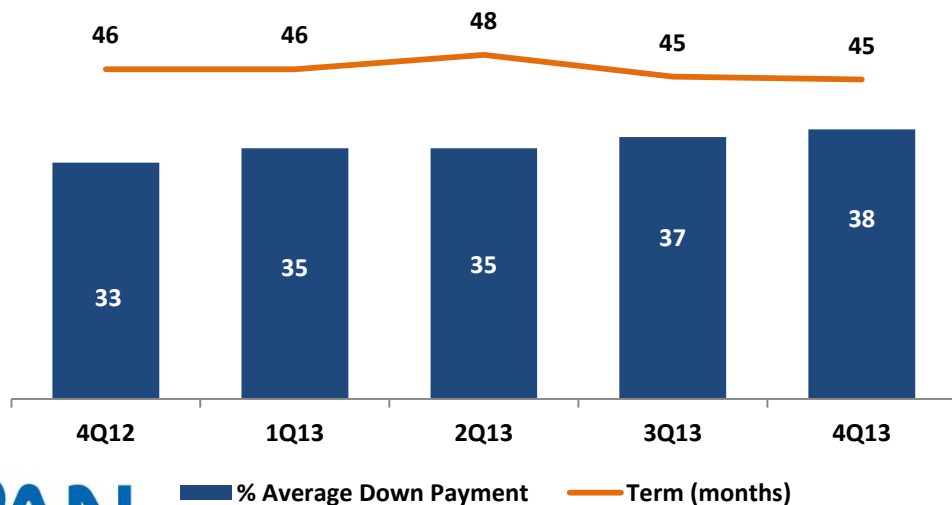


Asset Origination - Vehicle

% Share in New Financing (Vehicles)



Loan Average Term and Down Payment



Spread Out Origination

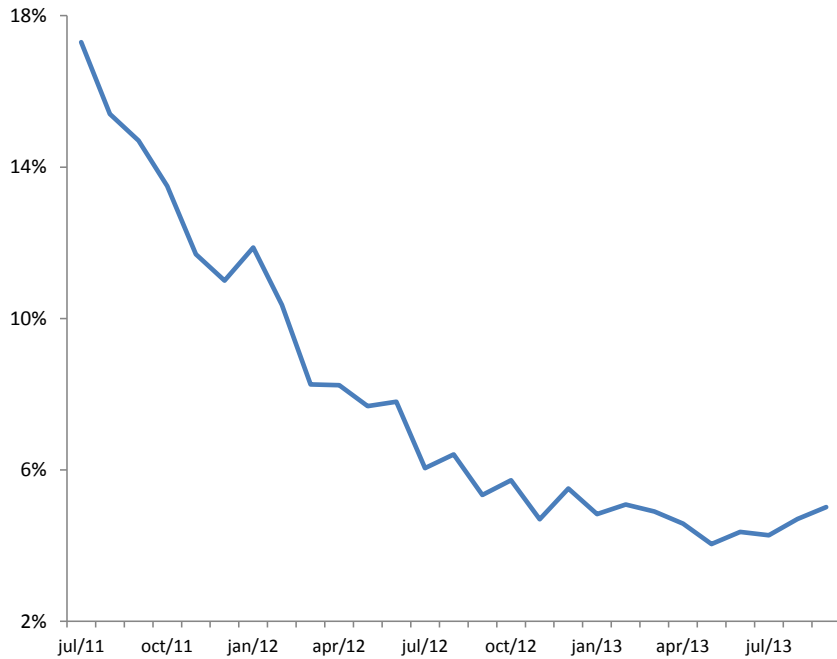
% origination by group*	Dec/13
Largest group	2.48%
2 nd largest group	1.76%
3 rd largest group	1.47%
10 largest groups	11.97%
50 largest groups	26.09%

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

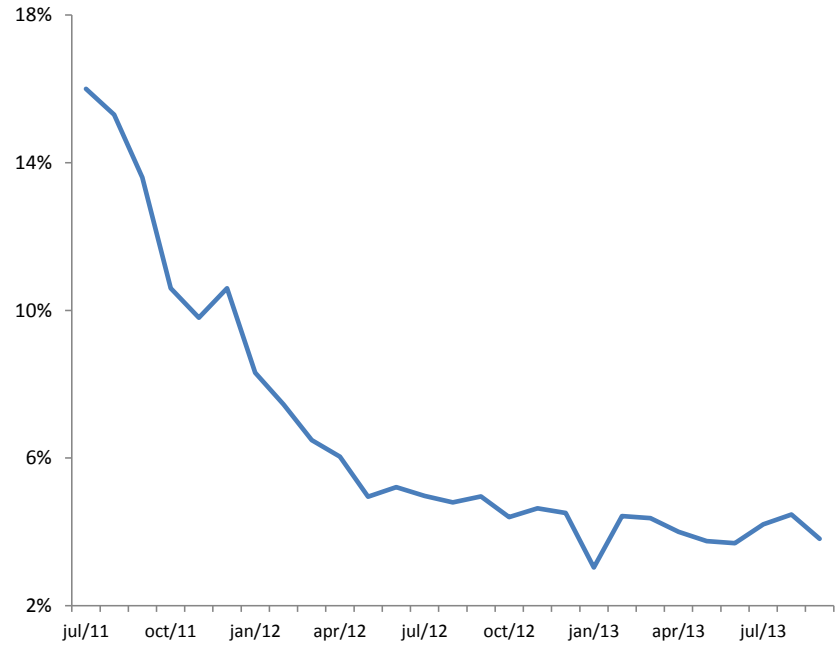
Asset Origination - Vehicle

Delinquency per Vintage (Vehicles)

Delinquency per Vintage - Motorcycles*



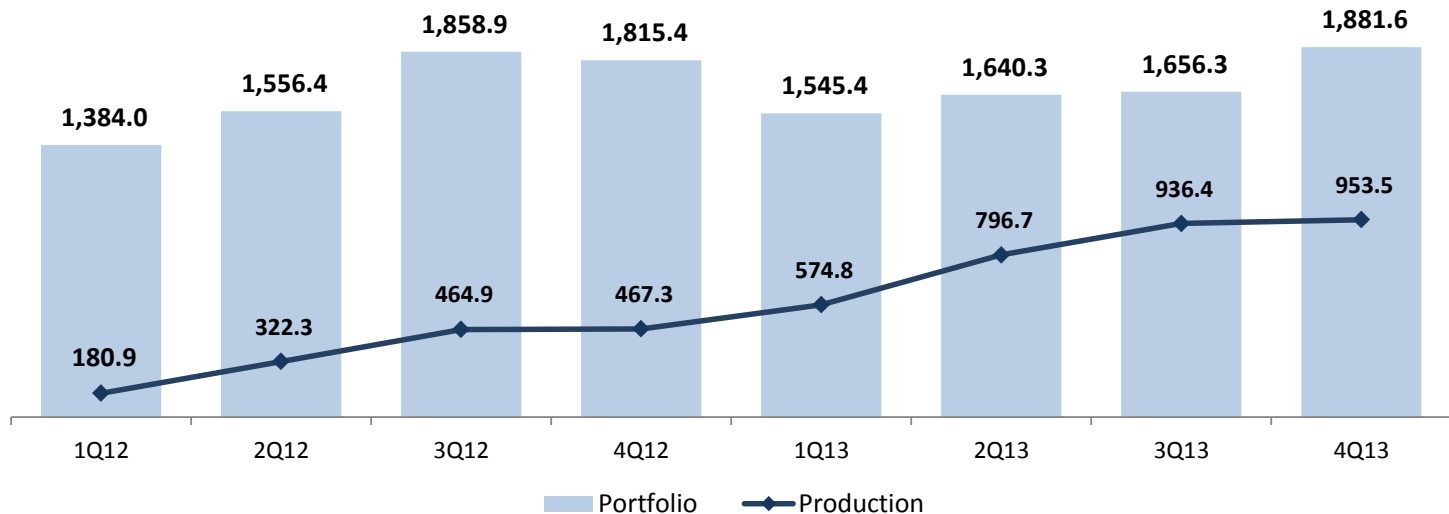
Delinquency per Vintage - Light Vehicles*



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

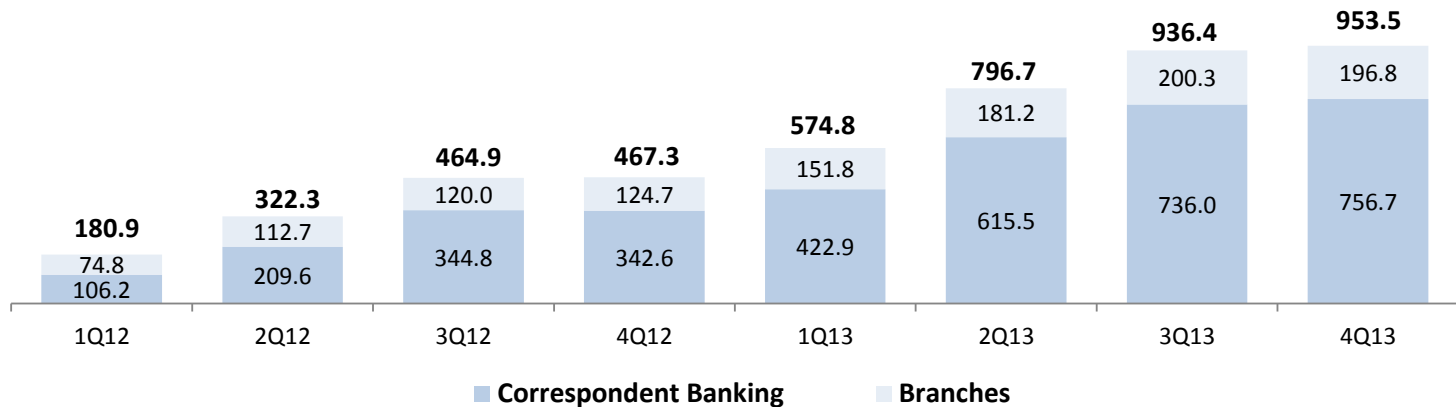
Payroll Deduction Loans

BRL Million



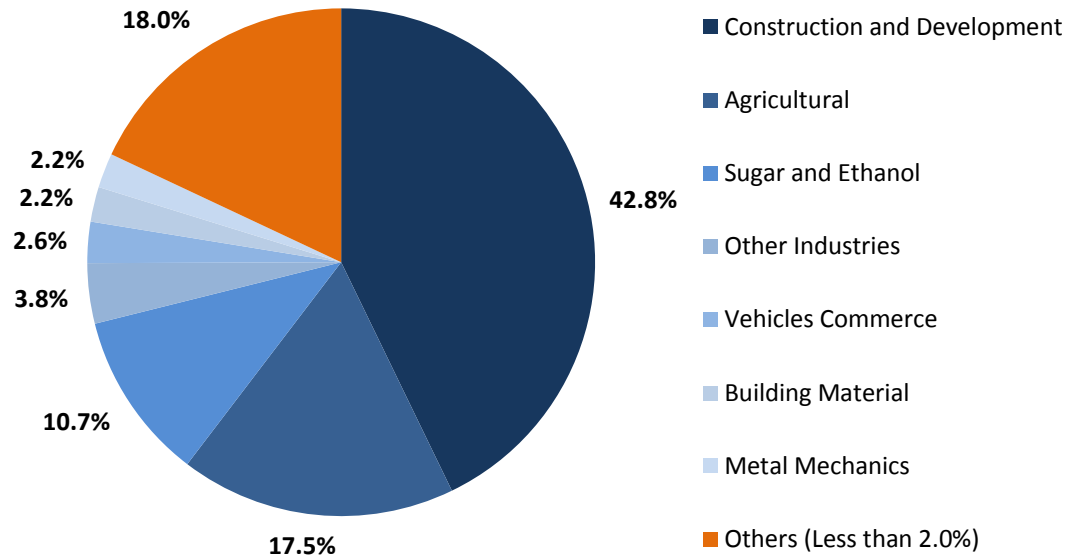
Origination by Sales Channel

BRL Million

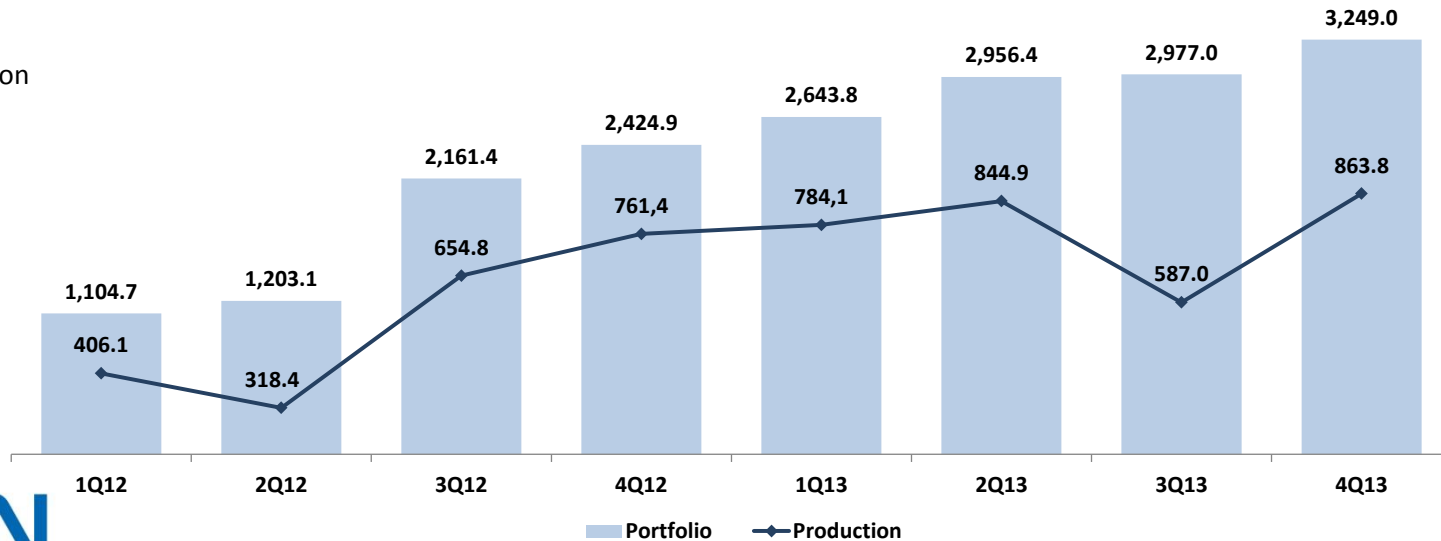


Corporate Loans

Corporate Loan Portfolio by Industry

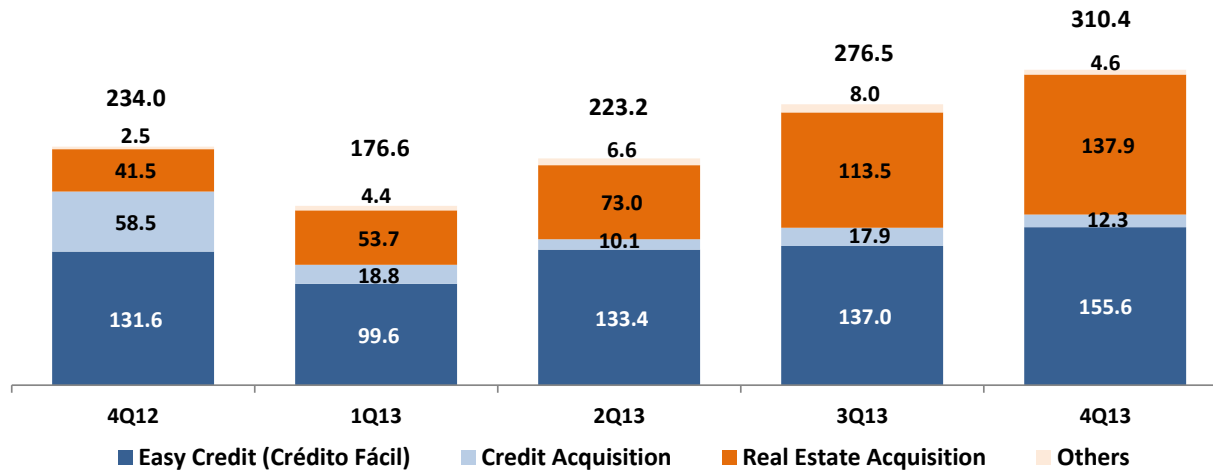


BRL Million

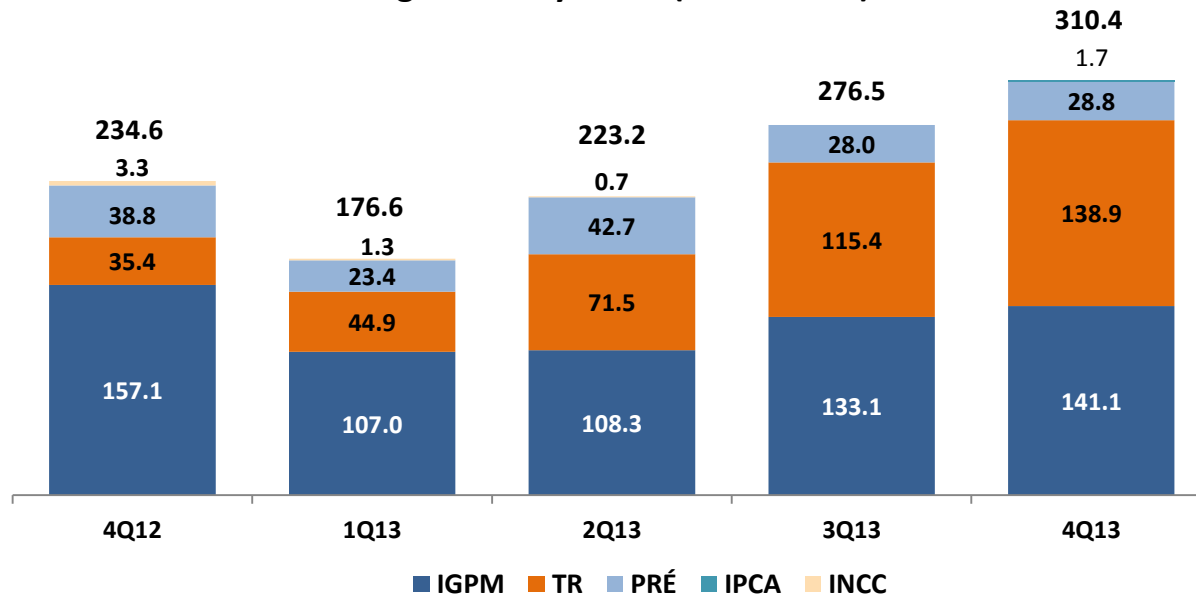


Origination – Real Estate

Origination by Product (BRL Million)

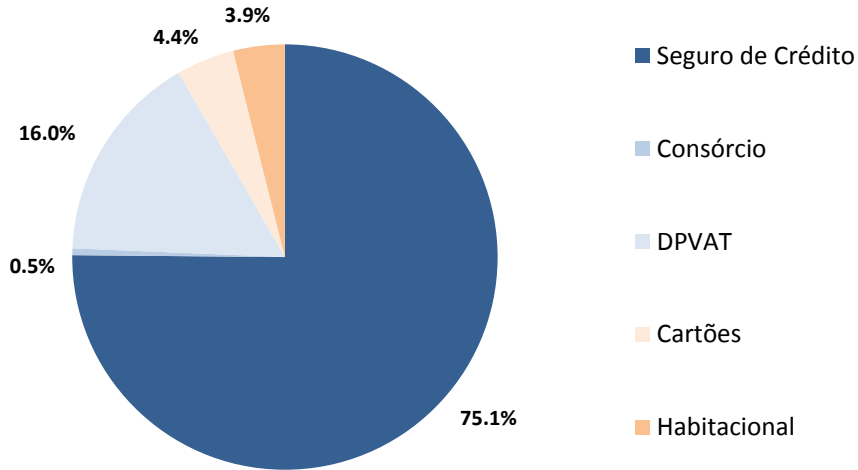


Origination by Index (BRL Million)

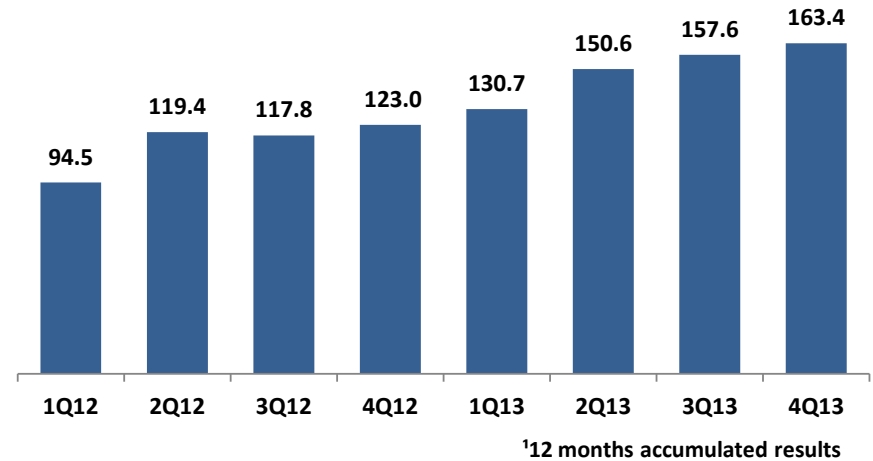


Insurance

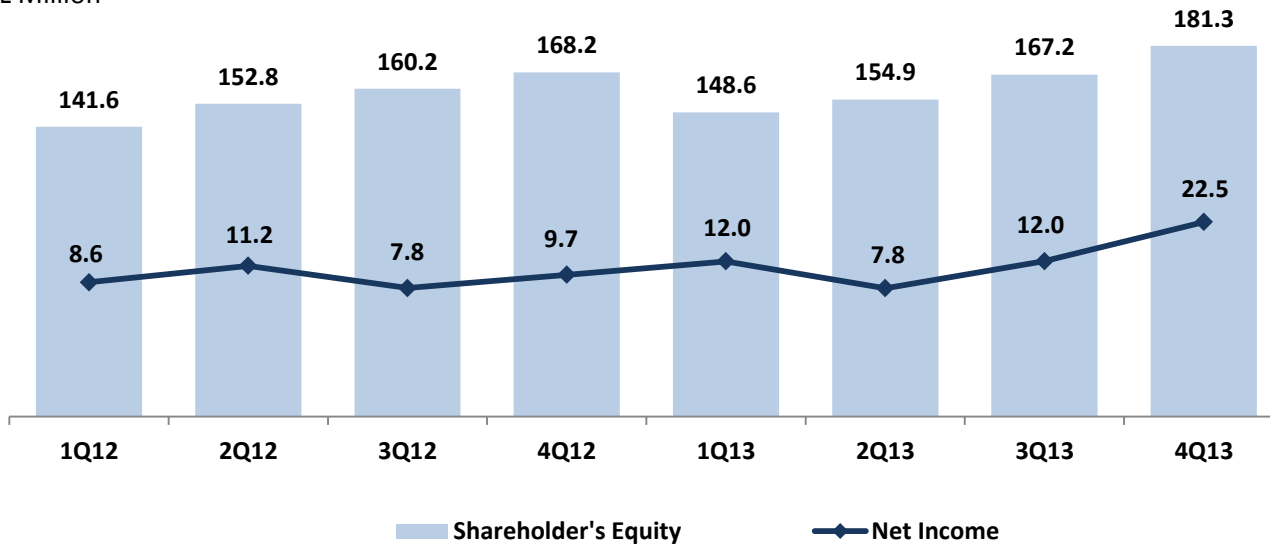
Insurance Premiums by Product



Insurance Premiums (BRL Million)¹



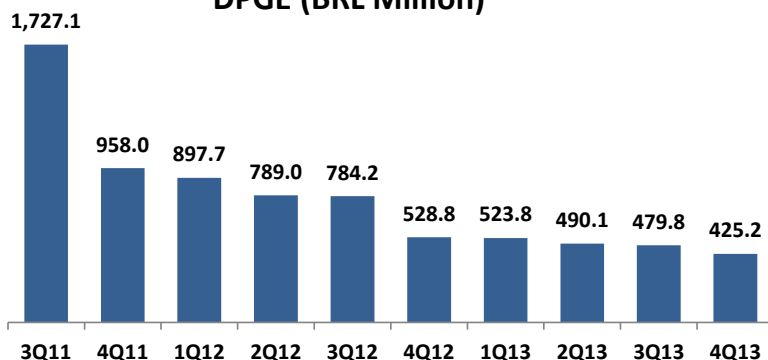
BRL Million



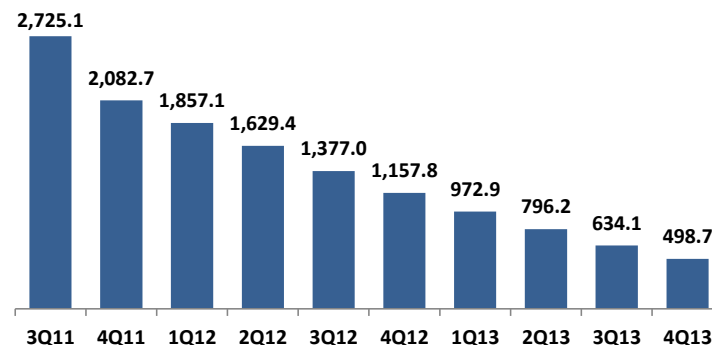
Funding

Funding Sources (BRL Million)	4Q13	Part. %	3Q13	Part. %	4Q12	Part. %	Δ 4Q13 / 3Q13	Δ 4Q13 / 4Q12
Interbank Deposits	6,404.4	36.2%	5,008.8	29.6%	4,150.5	28.4%	27.9%	54.3%
Time Deposits	2,682.9	15.2%	3,032.5	17.9%	2,362.1	16.2%	-11.5%	13.6%
- CDB	2,257.7	12.8%	2,552.7	15.1%	1,833.3	12.5%	-11.6%	23.1%
- DPGE	425.2	2.4%	479.8	2.8%	528.8	3.6%	-11.4%	-19.6%
Financial Institution Bills	2,345.1	13.3%	2,175.0	12.8%	1,236.1	8.5%	7.8%	89.7%
- Subordinated	117.3	0.7%	113.9	0.7%	10.5	0.1%	3.0%	1017.1%
- Senior	2,227.8	12.6%	2,061.1	12.2%	1,225.6	8.4%	8.1%	81.8%
Real estate and Agribusiness Letters of Credit	2,196.1	12.4%	2,040.7	12.0%	1,655.6	11.3%	7.6%	32.6%
Repurchase agreements	1,087.0	6.1%	1,535.6	9.1%	1,079.9	7.4%	-29.2%	0.7%
Bonds	1,931.2	10.9%	1,850.5	10.9%	1,796.7	12.3%	4.4%	7.5%
- Subordinated	1,243.3	7.0%	1,209.1	7.1%	1,184.1	8.1%	2.8%	5.0%
- Senior	687.9	3.9%	641.4	3.8%	612.6	4.2%	7.2%	12.3%
International Loans	339.8	1.9%	385.5	2.3%	445.0	3.0%	-11.9%	-23.6%
Credit Assignments to other Financial Institutions	498.7	2.8%	634.1	3.7%	1,157.8	7.9%	-21.4%	-56.9%
Others	193.5	1.1%	276.7	1.6%	733.5	5.0%	-30.1%	-73.6%
Total	17,678.7	100.0%	16,939.4	100.0%	14,617.1	100.0%	4.4%	20.9%

DPGE (BRL Million)



Credit Portfolio Assigned with Recourse (BRL Million)



Basel Ratio and Operating Margin

Basel Ratio and Operating Margin (BRL Million)

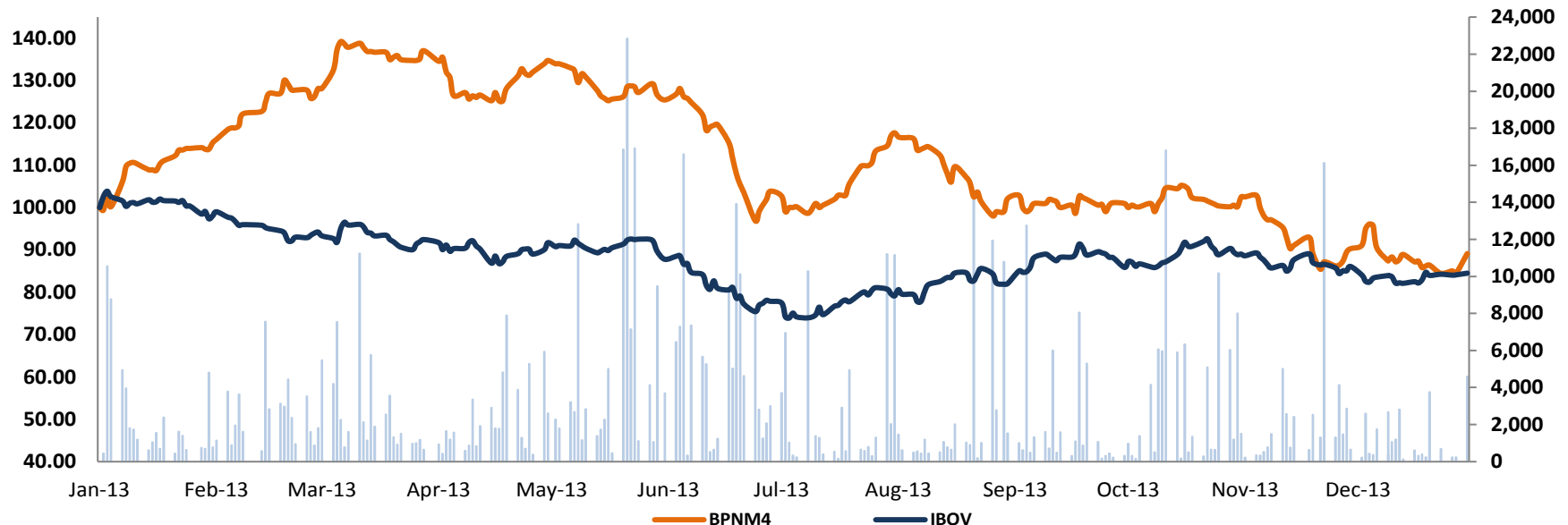
Capital Adequacy (BRL Million)	4Q13	3Q13
	Financial	Financial
1. Adjusted Reference Shareholders' Equity	2,572.5	2,624.0
1.1 Reference Shareholders' Equity (PR)	2,572.5	2,624.0
Tier I	1,497.3	1,742.2
Tier II	1,075.2	881.8
2. Required Reference Shareholders' Equity	2,106.1	1,903.0
Risk Weighted Assets - PEPR	1,881.5	1,694.8
Exchange Variation Risk - PCAM	23.01	-
Interest (pre-fixed) - PJUR1	33.5	40.1
Interest (inflation) - PJUR3	0.3	0.3
Interest (interest) - PJUR4	-	-
Operational Risk - POPR	167.8	167.8
Shares Price Fluctuation - PACS	-	-
Basel Ratio (1 / (2 / 0,11))	13.44%	15.17%
3. Banking Positioning Risk - RBAN	198.9	186.7
Operating Margin (1 - 2 - 3)	267.6	534.4

Stock Performance

- Total volume of BRL 154.1 million traded in 4Q13, for a daily average of BRL 2.4 million, 1.8% lower than the daily average in the previous quarter.
- Total volume of BRL 755.0 million traded in 2013, for a daily average of BRL 3.0 million, 12.0% higher than in 2012.
- On December, 31st, 2013 Pan had a Market Value of BRL 2.5 million.
- Banco Pan's stocks depreciated 11,7% in the 4Q13, from BRL 5.20 to BRL 4.59.
- In 2013, Banco Pan's stocks depreciated 10.9%, starting the year quoted at BRL 5.15. In the same period, the Bovespa Index (IBOV) depreciated by 15.5%.

Data Base 100 = 01/01/2013

Financial Volume (BRL Thousand)



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