

# 1Q16 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\$ 1,486 million in 1Q16**, 3% up on the monthly average of R\$ 1,437 million in 4Q15, and 6% down from the monthly average of R\$ 1,578 million in 1Q15;
- ✓ **Corporate Loan Portfolio, including Guarantees Issued, ended 1Q16 at R\$ 3,741 million**, compared to R\$ 4,124 million in 4Q15 and R\$ 4,194 million in 1Q15;
- ✓ **Credit Portfolio with Retained Results ended 1Q16 at R\$ 17.5 billion**, compared to R\$ 17.6 billion in 4Q15 and R\$ 17.9 billion in 1Q15;
- ✓ **Managerial Net Interest Margin of 11.6% in 1Q16**, compared to 11.7% in 4Q15 and 11.1% in 1Q15;
- ✓ **Net Losses of R\$ 96.1 million in 1Q16**, compared to Net Income of R\$ 33.7 million in 4Q15 and Net Losses of R\$ 73.5 million in 1Q15; and
- ✓ **Consolidated Shareholders' Equity of R\$ 3,550 million and Basel Ratio of 14.5% at the end of 1Q16, with Common Equity Tier I of 10.5%.**

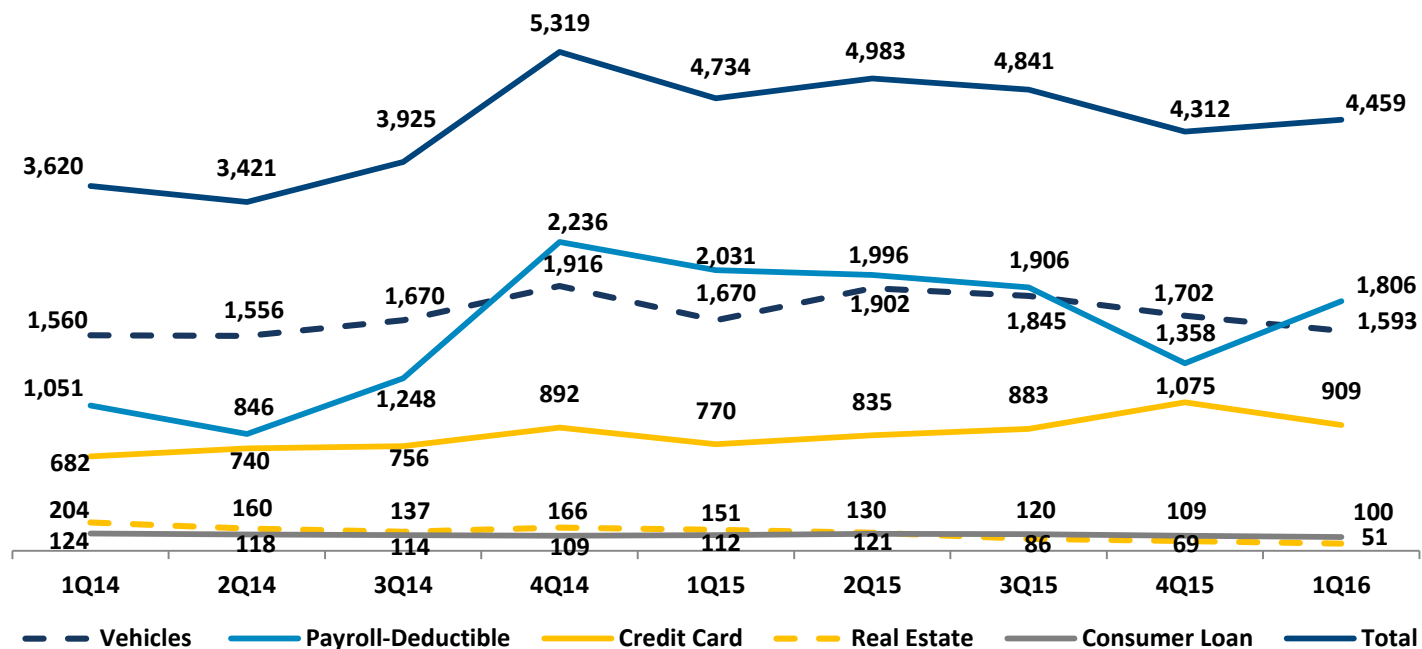
# Managerial Interest Margin and Net Result

Managerial Net Interest Margin (R\$ MM)	1Q16	4Q15	1Q15	Δ 1Q16/ 4Q15	Δ 1Q16 / 1Q15
<b>Gross Income from Financial Intermediation</b>	<b>309</b>	<b>527</b>	<b>370</b>	<b>-41%</b>	<b>-17%</b>
(+) Allowance for Loan Losses	296	177	252	68%	18%
<b>Income from Financial Intermediation Before ALL</b>	<b>605</b>	<b>704</b>	<b>622</b>	<b>-14%</b>	<b>-3%</b>
(+) Exchange Rate Variation	1	(103)	(55)	101%	102%
<b>1. Managerial Net Interest Margin</b>	<b>606</b>	<b>601</b>	<b>567</b>	<b>1%</b>	<b>7%</b>
(-) Result from Credit Assignments	187	118	97	58%	92%
<b>2. Managerial Net Interest Margin without Credit Assignments</b>	<b>420</b>	<b>483</b>	<b>470</b>	<b>-13%</b>	<b>-11%</b>
<b>3. Average Interest-Earning Assets</b>	<b>21,883</b>	<b>21,449</b>	<b>21,299</b>	<b>2%</b>	<b>3%</b>
- Average Loan Portfolio	17,253	17,516	17,678	-2%	-2%
- Average Securities and Derivatives	2,795	2,667	2,576	5%	9%
- Average Interbank Investments	1,835	1,266	1,045	45%	76%
<b>(1)/(3) Managerial Net Interest Margin (% p.a.)</b>	<b>11.6%</b>	<b>11.7%</b>	<b>11.1%</b>	<b>-0.1 p.p.</b>	<b>0.5 p.p.</b>
<b>(2)/(3) Man. Net Int. Marg. without Credit Assig. (% p.a.)</b>	<b>7.9%</b>	<b>9.3%</b>	<b>9.1%</b>	<b>-1.4 p.p.</b>	<b>-1.2 p.p.</b>
P&L Statement (R\$ MM)	1Q16	4Q15	1Q15	Δ 1Q16/ 4Q15	Δ 1Q16 / 1Q15
<b>Managerial Net Interest Margin</b>	<b>420</b>	<b>483</b>	<b>470</b>	<b>-13%</b>	<b>-11%</b>
Result from Credit Assignments	187	118	97	58%	92%
<b>Net Interest Margin with Credit Assignments</b>	<b>606</b>	<b>601</b>	<b>567</b>	<b>1%</b>	<b>7%</b>
Allowance for Loan Losses	(296)	(177)	(252)	-68%	-18%
<b>Gross Income from Financial Intermediation (Adjusted)</b>	<b>310</b>	<b>424</b>	<b>315</b>	<b>-27%</b>	<b>-2%</b>
Other Operating Revenues (Expenses)	50	223	46	-78%	8%
Administrative and Personnel Expenses	(465)	(447)	(417)	-4%	-12%
Tax Expenses	(52)	(62)	(54)	16%	3%
<b>Income from Operations</b>	<b>(157)</b>	<b>139</b>	<b>(109)</b>	<b>-213%</b>	<b>-44%</b>
Non Operating Expenses	(13)	(34)	(12)	61%	-10%
Income and Social Contribution Taxes	74	(71)	48	-	55%
<b>(Loss)/ Net Income</b>	<b>(96.1)</b>	<b>33.7</b>	<b>(73.5)</b>	<b>-</b>	<b>-31%</b>

# Credit Origination: Retail

## Quarterly Asset Origination by Product

(R\$ MM)



## Average Monthly Origination by Product

(R\$ MM)

Products	1Q16	4Q15	1Q15	Δ 1Q16/ 4Q15	Δ 1Q16/ 1Q15
Payroll Deductible	602	453	677	33%	-11%
Vehicles	531	567	557	-6%	-5%
Credit Cards	303	358	257	-15%	18%
Real Estate	17	23	50	-27%	-66%
Consumer Loan	33	36	37	-8%	-11%
<b>Total</b>	<b>1,486</b>	<b>1,437</b>	<b>1,578</b>	<b>3%</b>	<b>-6%</b>

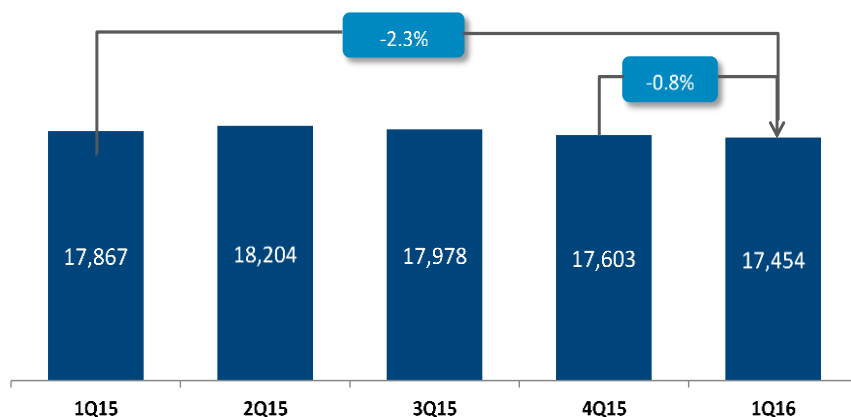
# Credit Portfolio

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

Type of Loans (R\$ MM)	1Q16	Part. %	4Q15	Part. %	1Q15	Part. %	Δ 1Q16/ 4Q15	Δ 1Q16 / 1Q15
Payroll Deductible Loans <sup>1</sup>	5,658	32%	5,024	29%	4,707	26%	13%	20%
Vehicle Financing	5,452	31%	5,940	34%	6,823	38%	-8%	-20%
Corporate	3,466	20%	3,846	22%	4,170	23%	-10%	-17%
Real Estate	897	5%	879	5%	822	5%	2%	9%
Credit Cards	985	6%	854	5%	627	4%	15%	57%
Guarantees Issued	275	2%	278	2%	24	0%	-1%	-
Others	720	4%	783	4%	694	4%	-8%	4%
<b>Credit Portfolio</b>	<b>17,454</b>	<b>100%</b>	<b>17,603</b>	<b>100%</b>	<b>17,867</b>	<b>100%</b>	<b>-1%</b>	<b>-2%</b>

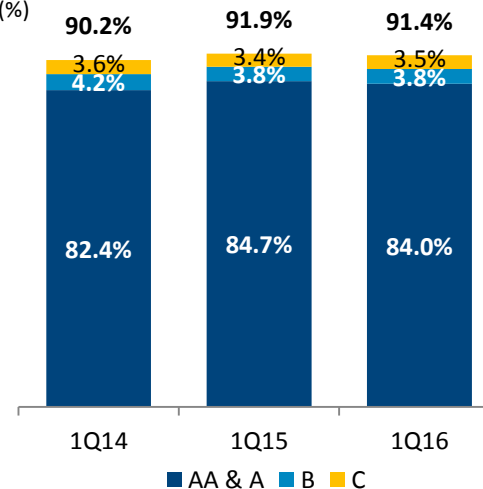
## Credit Portfolio with Retained Result

(R\$ MM and %)



## Retail Portfolio Quality

(%)

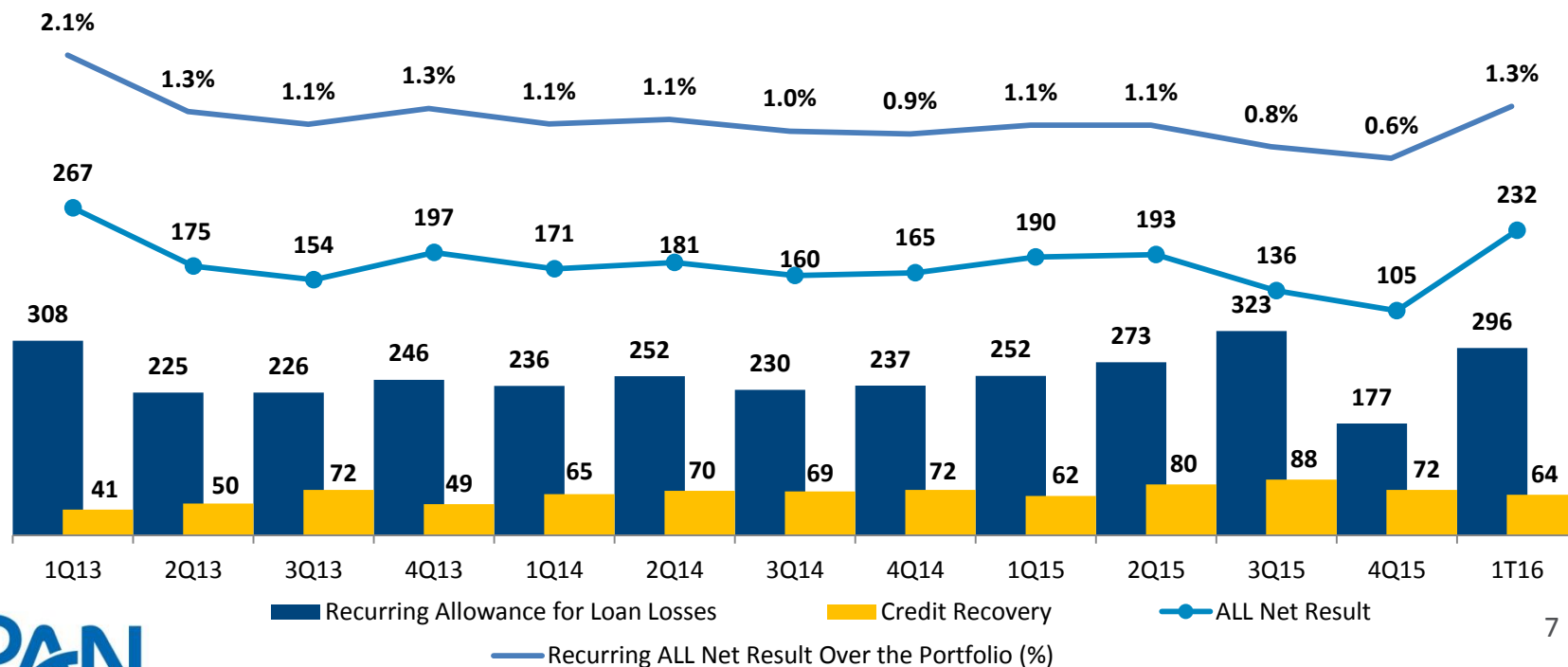


# Costs and Expenses

G&A Expenses (R\$ MM)	1Q16	4Q15	1Q15	Δ 1Q16/ 4Q15	Δ 1Q16 / 1Q15
Personnel expenses	138	138	129	-	7%
Administrative expenses	147	136	131	8%	12%
<b>1. Subtotal I</b>	<b>285</b>	<b>274</b>	<b>260</b>	<b>4%</b>	<b>10%</b>
Comission Expenses - BACEN Circular 3,738	54	25	32	119%	69%
Deferred Comissions and other origination expenses	126	148	125	-15%	1%
<b>2. Subtotal II – Credit Origination</b>	<b>180</b>	<b>173</b>	<b>157</b>	<b>4%</b>	<b>15%</b>
<b>3. Total (I + II)</b>	<b>465</b>	<b>447</b>	<b>417</b>	<b>4%</b>	<b>12%</b>

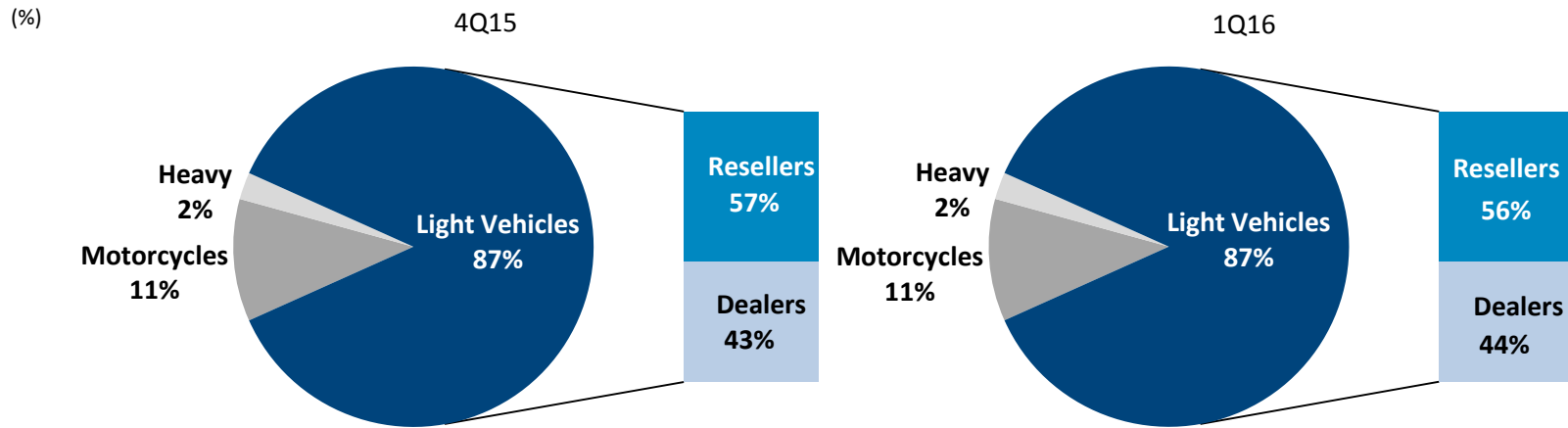
## Allowance for Loan Losses and Credit Recovery

(R\$ MM and %)



# Vehicle Loans

## Share in new Vehicle Financing



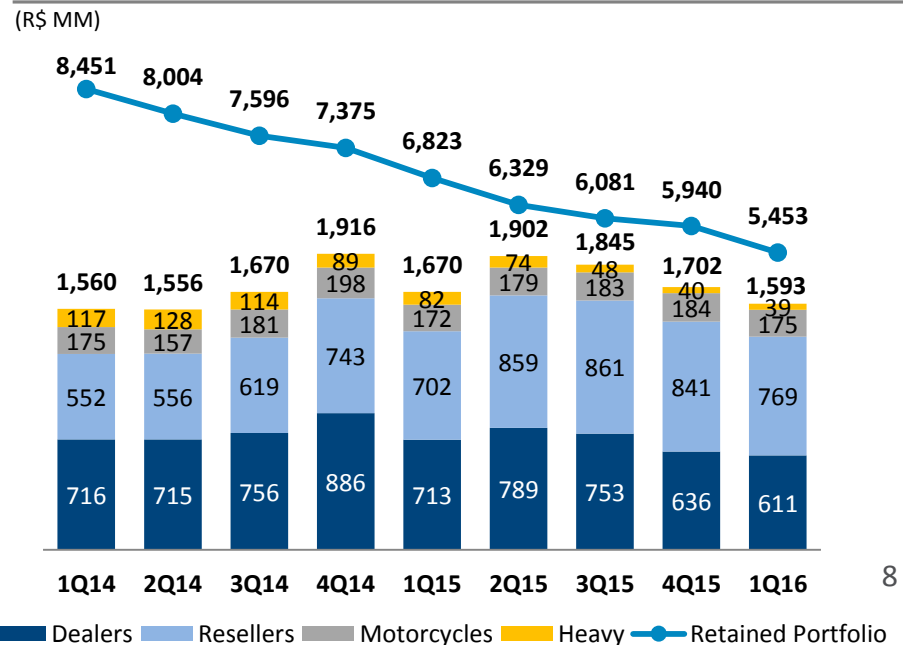
## Spread Out Origination

(%)

Origination by Group*	1Q16
Largest Group	2%
2 <sup>nd</sup> Largest Group	2%
3 <sup>rd</sup> Largest Group	2%
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

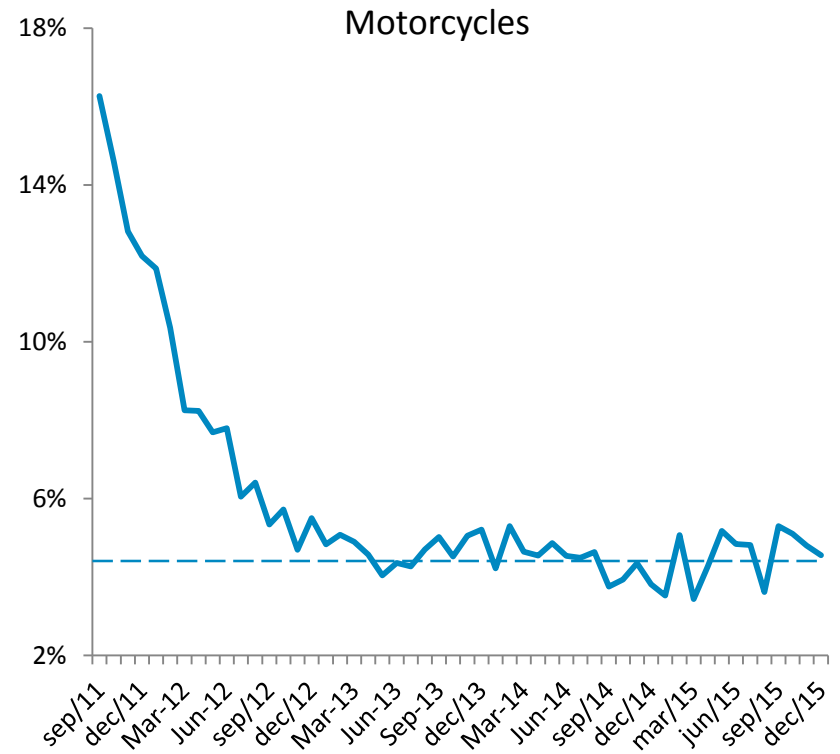
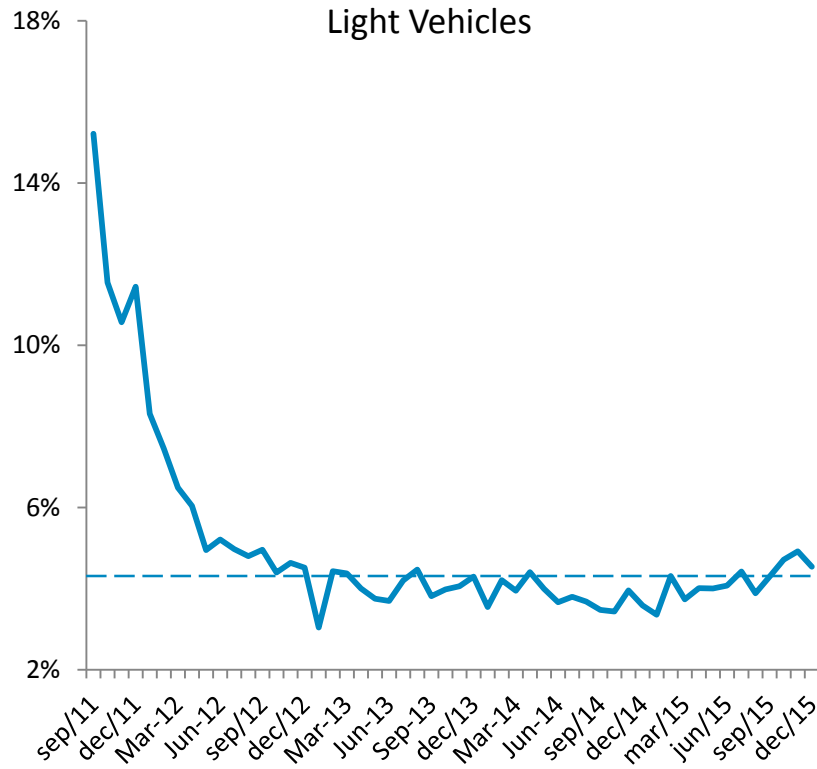




# Vehicle Loans

## Delinquency per Vintage\*

(%)

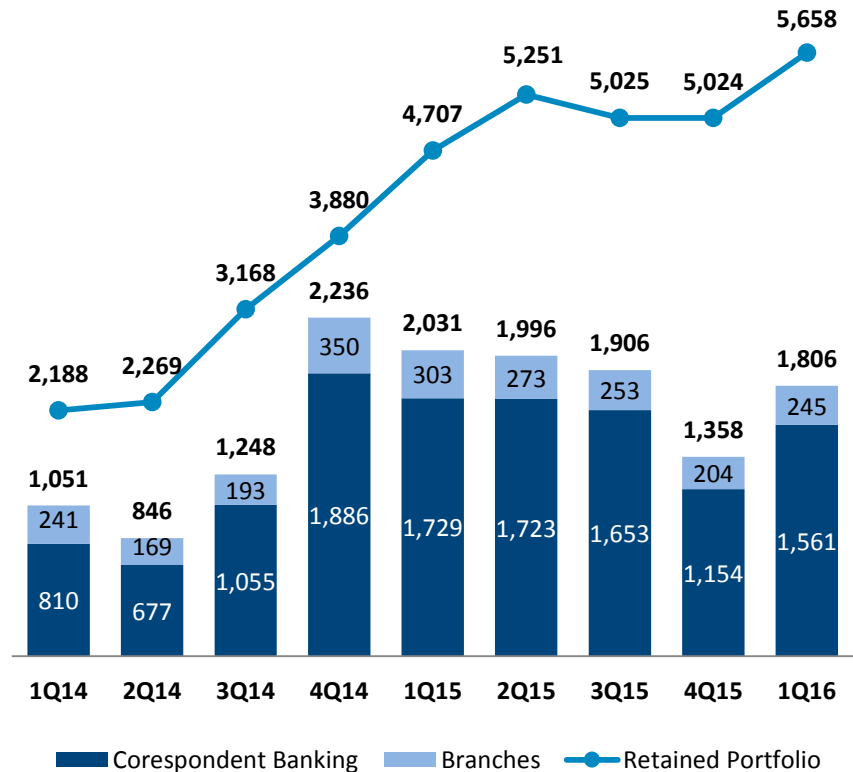


\* % of non performing loans over 30 days 3 months after concession

# Payroll Deduction Loans

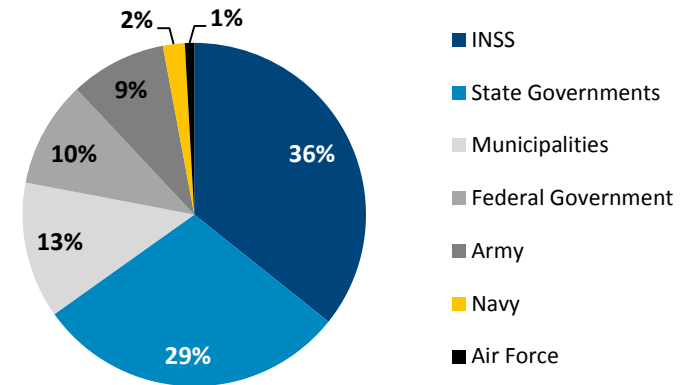
## Evolution of Portfolio and Production

(R\$ MM)



## Portfolio by Segment

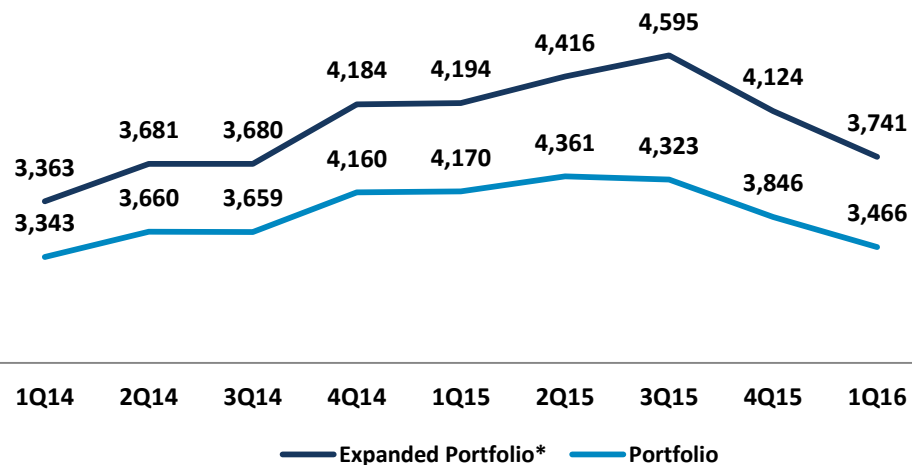
(%)



# Corporate Loans

## Evolution of Portfolio

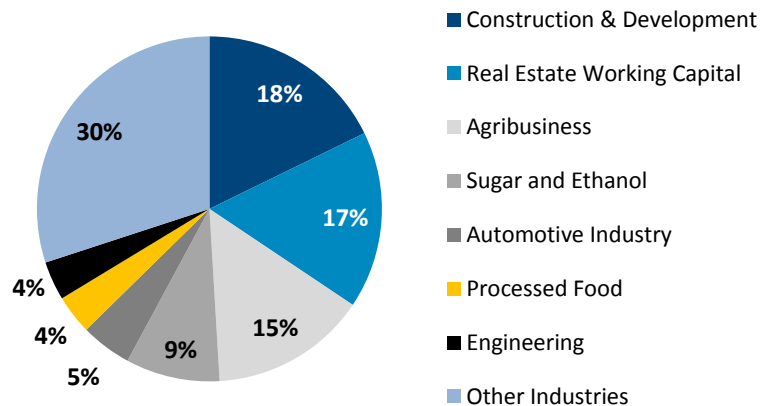
(R\$ MM)



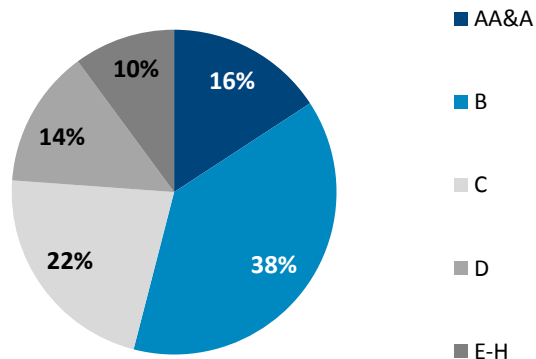
\* Including guarantees issued

## Corporate Loan Portfolio by Industry

(%)



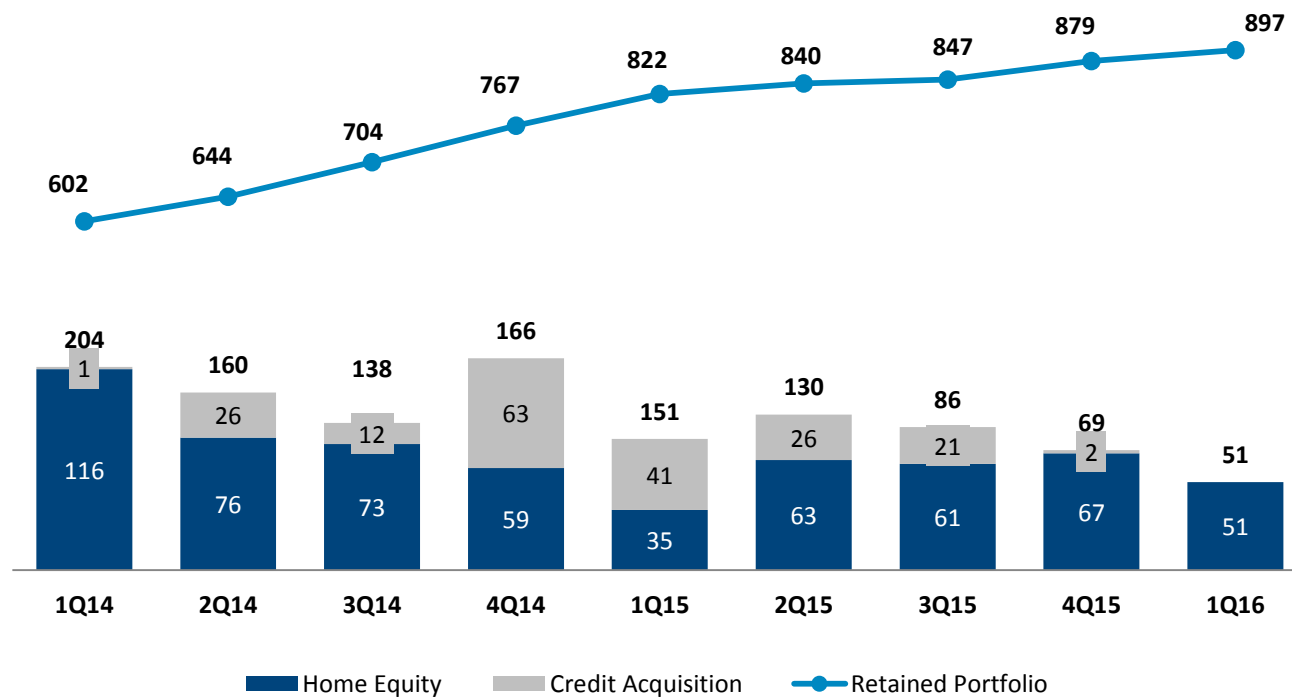
## Credit Portfolio by Rating (%)



# Real Estate Loans

## Evolution of Portfolio and Production

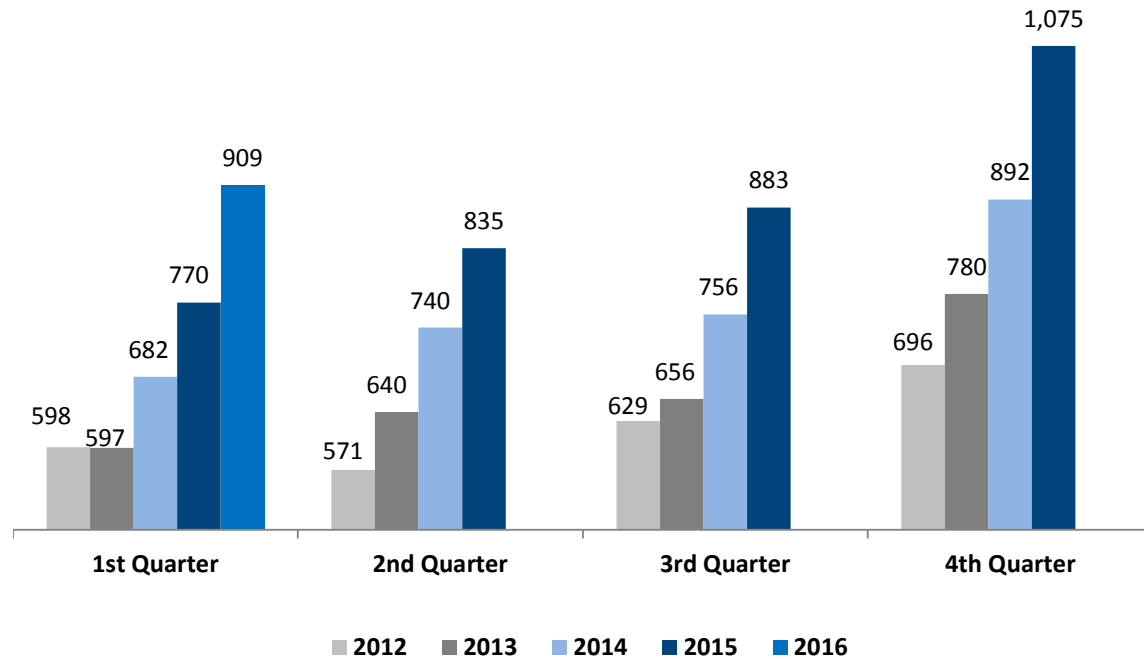
(R\$ MM)



# Credit Cards

## Transactions Volume

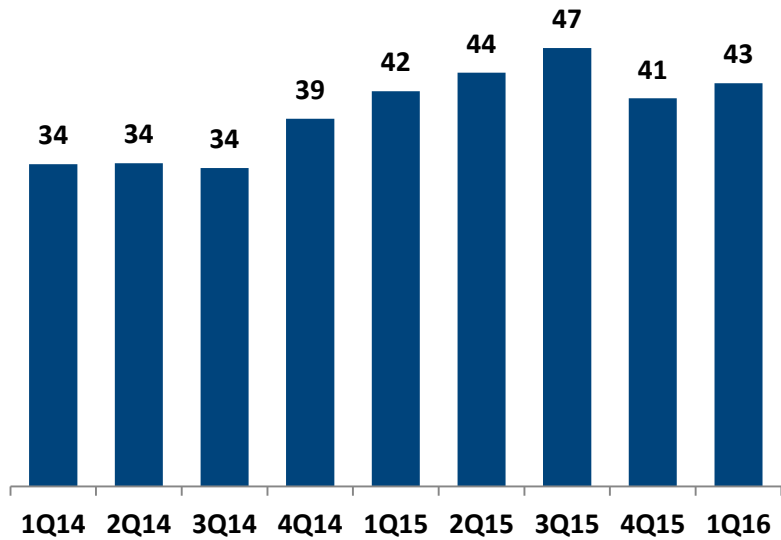
(R\$ MM)



# Insurance

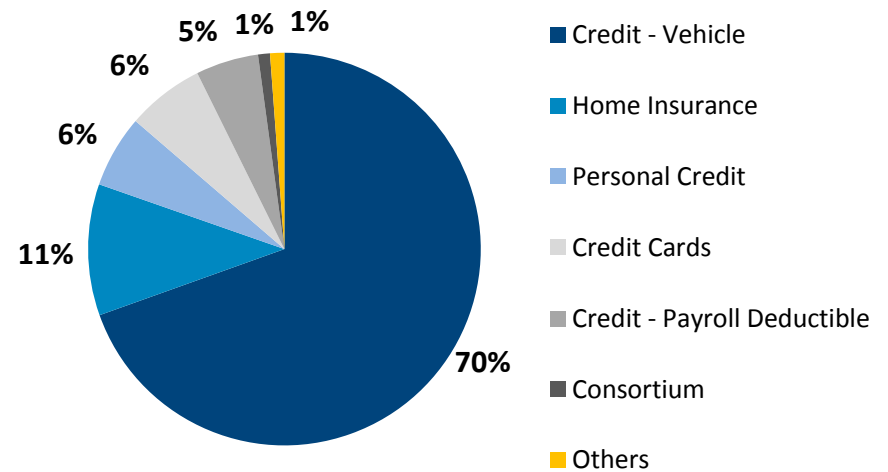
## Insurance Premium – Pan’s Origination

(R\$ MM)



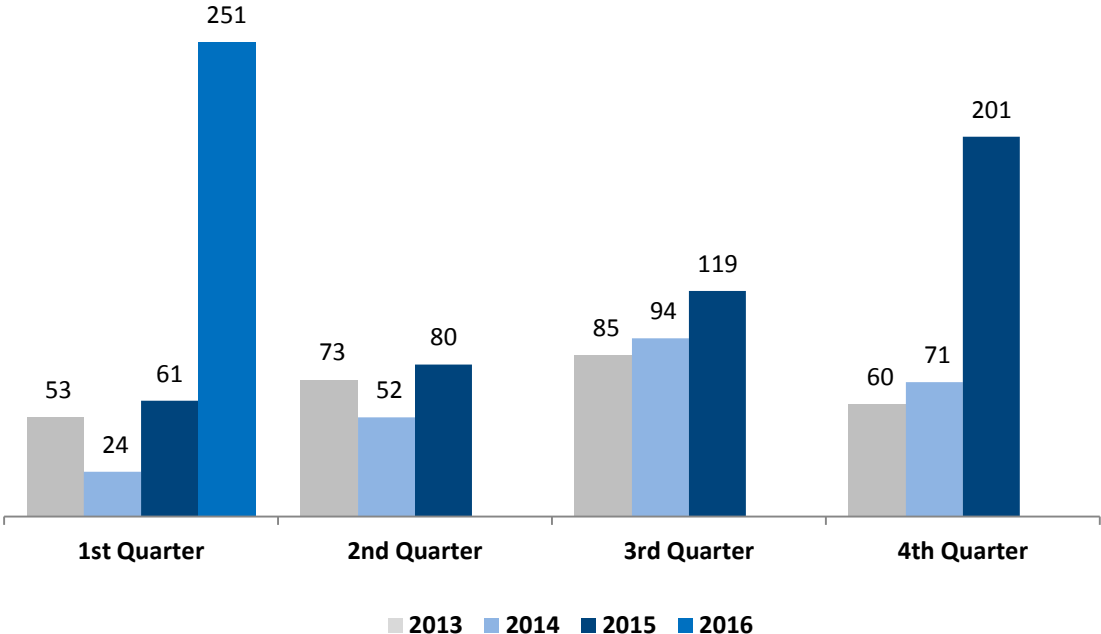
## Insurance Premium – Origination by Product

(%)



## Origination

(R\$ MM)



# Funding

Funding Sources (R\$ MM)	1Q16	Part. %	4Q15	Part. %	1Q15	Part. %	$\Delta$ 1Q16 / 4Q15	$\Delta$ 1Q16 / 1Q15
Interbank Deposits	10,958	57%	10,097	53%	7,700	40%	9%	42%
Time Deposits	1,787	9%	1,927	10%	2,737	14%	-7%	-35%
Real Estate and Agribusiness Letters of Credit	2,314	12%	2,440	13%	2,635	14%	-5%	-12%
Bonds	2,027	11%	2,218	12%	2,765	15%	-9%	-27%
Bank Notes	1,565	8%	1,695	9%	2,143	11%	-8%	-27%
Others	630	3%	726	4%	1,106	6%	-13%	-43%
<b>Total</b>	<b>19,281</b>	<b>100%</b>	<b>19,104</b>	<b>100%</b>	<b>19,085</b>	<b>100%</b>	<b>1%</b>	<b>1%</b>



# Contact

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