

# 1Q15 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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- ✓ **Credit assets monthly origination average of R\$ 1,537.1 million in 1Q15, 24.3% up** on the monthly average of R\$ 1,236.6 million in 1Q14 and 19.6% down on the monthly average of R\$ 1,911.0 in 4Q14;
- ✓ **Loan Portfolio with Retained Result totaled R\$ 17.9 billion, 12.8% up** on the R\$ 15.8 billion in 1Q14 and **1.9% up** on the R\$ 17.5 billion in 4Q14;
- ✓ **Portfolios with risk category between “AA” to “C” reached 90.9% of Total Loan Portfolio**, compared to 89.8% in 1Q14 and 83.9% in 1Q13;
- ✓ **Net Interest Margin of 12.2% in 1Q15**, compared to 11.7% in 1Q14 and 14.7% in 4Q14;
- ✓ **Net Loss of R\$ 73.5 million in 1Q15**, compared to the net loss of R\$ 78.6 million in 1Q14 and the net profit of R\$ 226.5 million in 4Q14; and
- ✓ **Consolidated Shareholders’ Equity reached R\$ 3,558.6 million and the Basel ratio stood at 16.8%** at the end of 1Q15, with **Common Equity Tier I of 12.3%**.

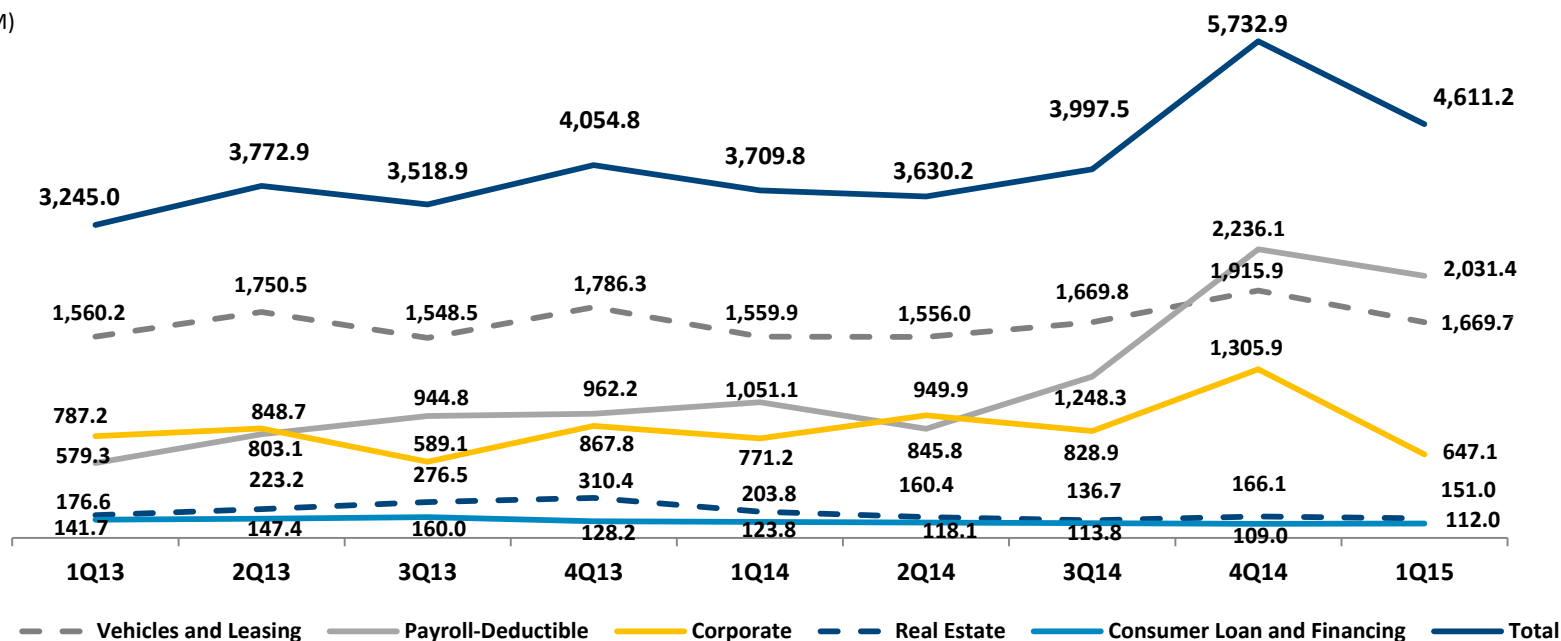
# P&L Statement and NIM

| P&L Statement (R\$ MM)                                    | 1Q15             | 4Q14            | 1Q14            | Δ 1Q15 / 4Q14        | Δ 1Q15 / 1Q14        |
|---|------------------|-----------------|-----------------|----------------------|----------------------|
| <b>Revenue from Financial Intermediation</b>              | <b>1,789.3</b>   | <b>1,463.9</b>  | <b>893.0</b>    | <b>22.2%</b>         | <b>100.4%</b>        |
| Lending Operations  | 1,472.8          | 1,485.9         | 1,010.3         | -0.9%                | 45.8%                |
| Commissions due to Credit Assignments                     | (123.0)          | (118.8)         | (38.2)          | -3.5%                | -221.7%              |
| Expenses for Credit Assignments                           | (115.8)          | (131.2)         | (94.5)          | 11.8%                | -22.5%               |
| Securities transactions                                   | 96.1             | 78.5            | 56.5            | 22.3%                | 70.0%                |
| Derivative and Financial Instruments                      | 362.1            | 97.6            | (41.1)          | 271.0%               | 981.2%               |
| Foreign exchange transactions                             | 97.1             | 52.0            | 0.1             | 86.9%                | 176532.7%            |
| <b>Expenses on Financial Intermediation</b>               | <b>(1,418.9)</b> | <b>(963.3)</b>  | <b>(621.2)</b>  | <b>-47.3%</b>        | <b>-128.4%</b>       |
| Financial Expenses  | (1,148.1)        | (714.1)         | (386.2)         | -60.8%               | -197.3%              |
| Loan Operations   | (19.0)           | (12.7)          | 1.0             | -50.3%               | -1952.3%             |
| Allowance for Loan Losses                                 | (251.8)          | (236.6)         | (236.0)         | -6.4%                | -6.7%                |
| <b>Gross Profit from Financial Intermediation</b>         | <b>370.4</b>     | <b>500.6</b>    | <b>271.8</b>    | <b>-26.0%</b>        | <b>36.3%</b>         |
| Other Operating Revenues (Expenses)                       | (9.0)            | (52.3)          | 3.4             | 82.8%                | -367.2%              |
| Administrative, Personnel and Tax Expenses                | (470.4)          | (476.1)         | (394.3)         | 1.2%                 | -19.3%               |
| <b>Income from Operations</b>                             | <b>(109.0)</b>   | <b>(27.8)</b>   | <b>(119.1)</b>  | <b>-291.8%</b>       | <b>8.5%</b>          |
| Non Operating Expenses                                    | (12.1)           | (25.6)          | (14.4)          | 52.9%                | 15.9%                |
| Revenue from the sale of Pan Seguros and Pan Corretora    | -                | 386.5           | -               | 0.0%                 | 0.0%                 |
| Income and Social Contribution Taxes                      | 47.5             | (106.7)         | 54.8            | 144.6%               | -13.2%               |
| <b>Net Income</b>   | <b>(73.5)</b>    | <b>226.5</b>    | <b>(78.6)</b>   | <b>-132.5%</b>       | <b>6.5%</b>          |
| <b>Net Interest Margin (R\$ MM)</b>                       | <b>1Q15</b>      | <b>4Q14</b>     | <b>1Q14</b>     | <b>Δ 1Q15 / 4Q14</b> | <b>Δ 1Q15 / 1Q14</b> |
| <b>1. Income from Financial Intermediation Before ALL</b> | <b>622.2</b>     | <b>737.2</b>    | <b>507.9</b>    | <b>-15.6%</b>        | <b>22.5%</b>         |
| <b>2. Average Interest-Earning Assets</b>                 | <b>21,298.8</b>  | <b>21,077.0</b> | <b>18,161.1</b> | <b>1.1%</b>          | <b>17.3%</b>         |
| - Average Loan Portfolio                                  | 17,677.6         | 16,948.4        | 15,487.4        | 4.3%                 | 14.1%                |
| - Average Securities and Derivatives                      | 2,575.9          | 2,464.5         | 1,704.4         | 4.5%                 | 51.1%                |
| - Average Interbank Investments                           | 1,045.3          | 1,664.2         | 969.3           | -37.2%               | 7.8%                 |
| <b>(1) / (2) Net Interest Margin - NIM (% p.a.)</b>       | <b>12.2%</b>     | <b>14.7%</b>    | <b>11.7%</b>    | <b>-2.5 p.p.</b>     | <b>0,5 p.p.</b>      |

# Loan Portfolio - Asset Origination

## Quarterly Asset Origination

(R\$ MM)



## Average Monthly Origination by Product

(R\$ MM)

| Products                    | 1Q15           |               | 4Q14           |               | 1Q14           |               | Δ 1Q15 / 4Q14 | Δ 1Q15 / 1Q14 |
|-----------------------------|----------------|---------------|----------------|---------------|----------------|---------------|---------------|---------------|
|                             | Production     | %             | Production     | %             | Production     | %             |               |               |
| Payroll-Deductible          | 677.1          | 44.1%         | 745.4          | 39.0%         | 350.4          | 28.3%         | -9.2%         | 93.3%         |
| Vehicles and Leasing        | 556.6          | 36.2%         | 638.6          | 33.4%         | 520.0          | 42.0%         | -12.9%        | 7.0%          |
| Corporate                   | 215.7          | 14.0%         | 435.3          | 22.8%         | 257.1          | 20.8%         | -50.4%        | -16.1%        |
| Real Estate                 | 50.3           | 3.3%          | 55.4           | 2.9%          | 67.9           | 5.5%          | -9.1%         | -25.9%        |
| Consumer Loan and Financing | 37.3           | 2.4%          | 36.3           | 1.9%          | 41.3           | 3.3%          | 2.8%          | -9.5%         |
| <b>Total</b>                | <b>1,537.1</b> | <b>100.0%</b> | <b>1,911.0</b> | <b>100.0%</b> | <b>1,236.6</b> | <b>100.0%</b> | <b>-19.6%</b> | <b>24.3%</b>  |

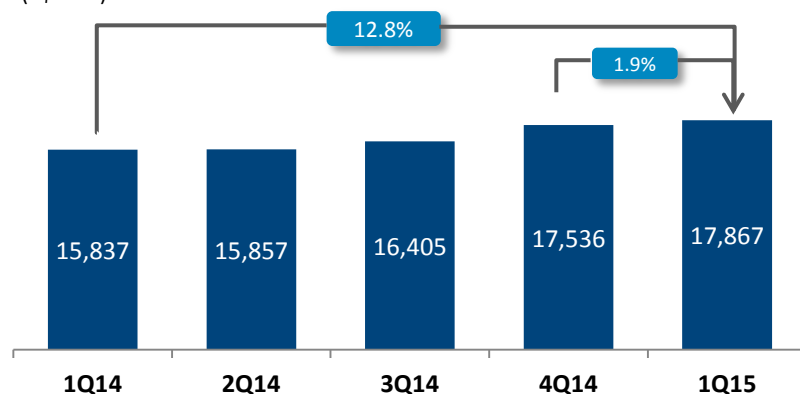
# Credit Portfolio

## Expanded Credit Portfolio “on balance sheet”

| Type of Loans (R\$ MM)                         | 1Q15            | Part. %       | 4Q14            | Part. %       | 1Q14            | Part. %       | Δ 1Q15 / 4Q14 | Δ 1Q15 / 1Q14 |
|--|-----------------|---------------|-----------------|---------------|-----------------|---------------|---------------|---------------|
| Vehicle Financing and Leasing                  | 6,823.4         | 38.2%         | 7,375.0         | 42.1%         | 8,450.7         | 53.4%         | -7.5%         | -19.3%        |
| Payroll Deduction Loans <sup>1</sup>           | 4,686.2         | 26.2%         | 3,879.6         | 22.1%         | 2,187.5         | 13.8%         | 20.8%         | 114.2%        |
| Corporate                                      | 4,191.1         | 23.5%         | 4,159.5         | 23.7%         | 3,342.9         | 21.1%         | 0.8%          | 25.4%         |
| Real Estate                                    | 821.9           | 4.6%          | 766.9           | 4.4%          | 602.2           | 3.8%          | 7.2%          | 36.5%         |
| Credit Cards                                   | 626.9           | 3.5%          | 596.8           | 3.4%          | 583.5           | 3.7%          | 5.1%          | 7.4%          |
| Amounts Receivable with Credit Characteristics | 584.3           | 3.3%          | 621.5           | 3.5%          | 527.7           | 3.3%          | -6.0%         | 10.7%         |
| Others   | 133.4           | 0.7%          | 136.7           | 0.8%          | 142.3           | 0.9%          | -2.4%         | -6.2%         |
| <b>Credit Portfolio</b>                        | <b>17,867.2</b> | <b>100.0%</b> | <b>17,536.0</b> | <b>100.0%</b> | <b>15,836.9</b> | <b>100.0%</b> | <b>1.9%</b>   | <b>12.8%</b>  |
| Credits Assigned with Recourse (Before 2011)   | 56.3            |               | 96.9            |               | 369.9           |               | -41.9%        | -84.8%        |
| <b>Total Credit Portfolio</b>                  | <b>17,923.5</b> |               | <b>17,632.9</b> |               | <b>16,206.8</b> |               | <b>1.6%</b>   | <b>10.6%</b>  |

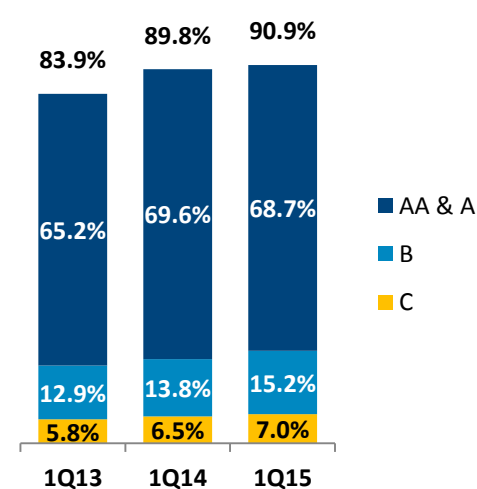
## Credit Portfolio with Retained Result

(R\$ MM)



## Portfolio Quality

(%)

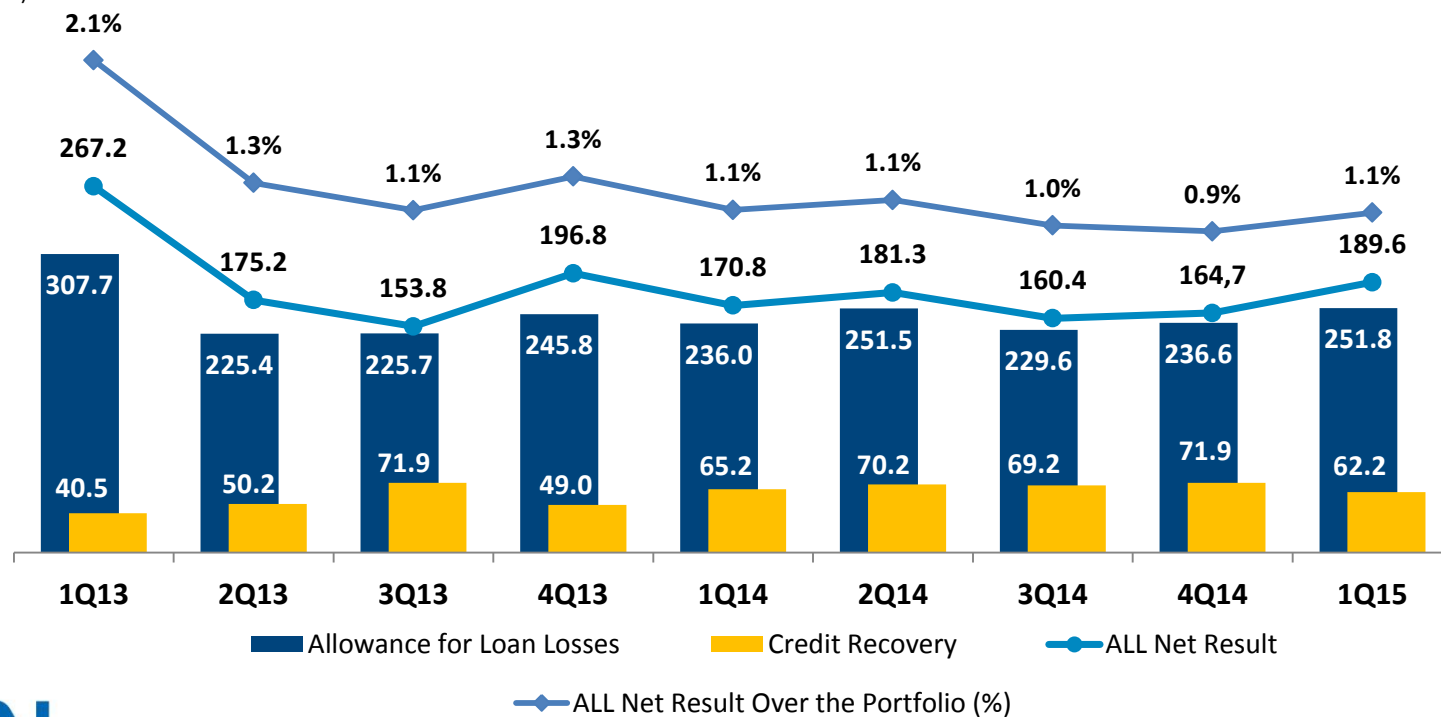


# Costs and Expenses

| G&A Expenses (R\$ MM)                              | 1Q15         | 4Q14         | 1Q14         | Δ 1Q15 / 4Q14 | Δ 1Q15 / 1Q14 |
|--|--------------|--------------|--------------|---------------|---------------|
| Personnel expenses                                 | 128.7        | 136.0        | 112.6        | -5.4%         | 14.3%         |
| Administrative expenses                            | 131.4        | 139.4        | 119.4        | -5.7%         | 10.1%         |
| Tax expenses                                       | 53.5         | 60.4         | 49.8         | -11.5%        | 7.4%          |
| <b>Sub Total</b>                                   | <b>313.6</b> | <b>335.8</b> | <b>281.8</b> | <b>-6.6%</b>  | <b>11.3%</b>  |
| Comission Expenses - BACEN Circular 3,738          | 32.1         | -            | -            | n/a           | n/a           |
| Deferred Comissions and other origination expenses | 124.7        | 140.3        | 112.4        | -11.1%        | 10.9%         |
| <b>Total</b>                                       | <b>470.4</b> | <b>476.1</b> | <b>394.3</b> | <b>-1.2%</b>  | <b>19.3%</b>  |

## Allowance for Loan Losses and Credit Recovery

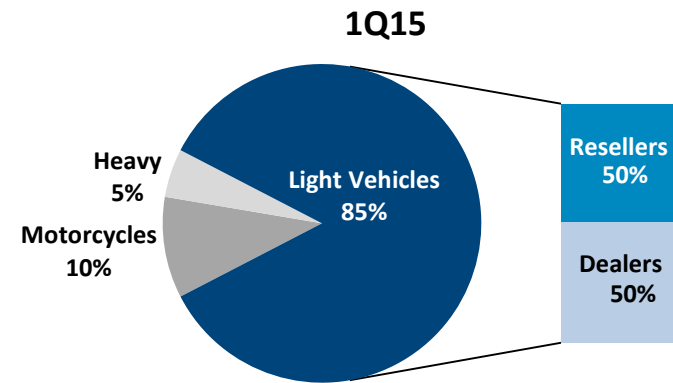
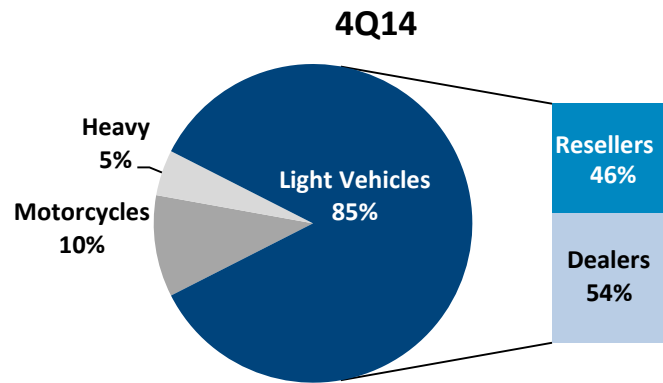
(R\$ MM and %)



# Vehicle Loans

## Share in new Vehicle Financing

(%)



## Spread Out Origination

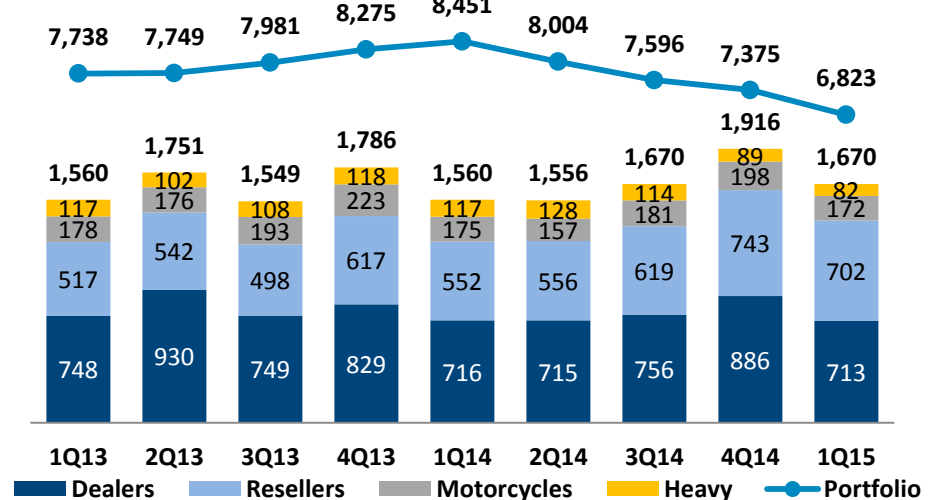
(%)

| Origination by Group*         | 1Q15  |
|-------------------------------|-------|
| Largest Group                 | 2.6%  |
| 2 <sup>nd</sup> Largest Group | 2.0%  |
| 3 <sup>rd</sup> Largest Group | 1.5%  |
| 10 largest groups             | 13.0% |
| 50 largest groups             | 28.0% |

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

## Evolution of Portfolio and Production by Product

(R\$ MM)

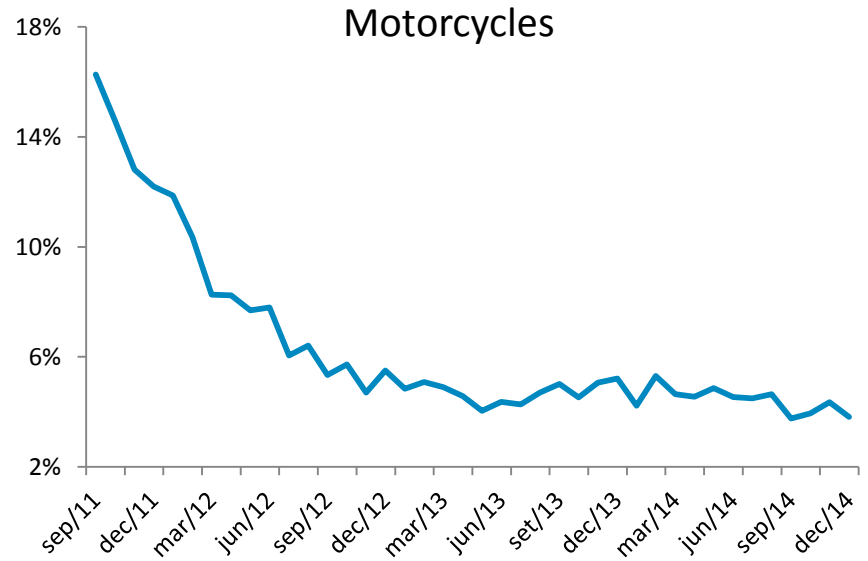
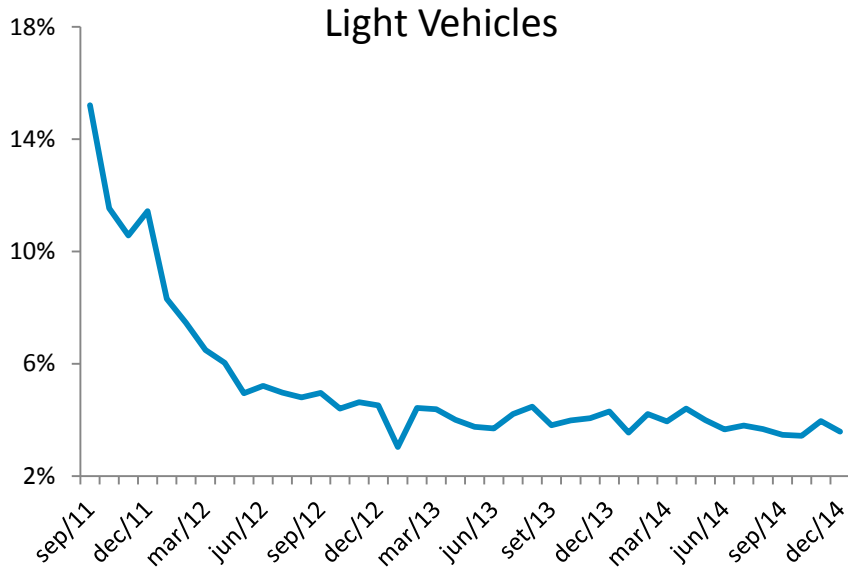




# Vehicle Loans

## Delinquency per Vintage\*

(%)

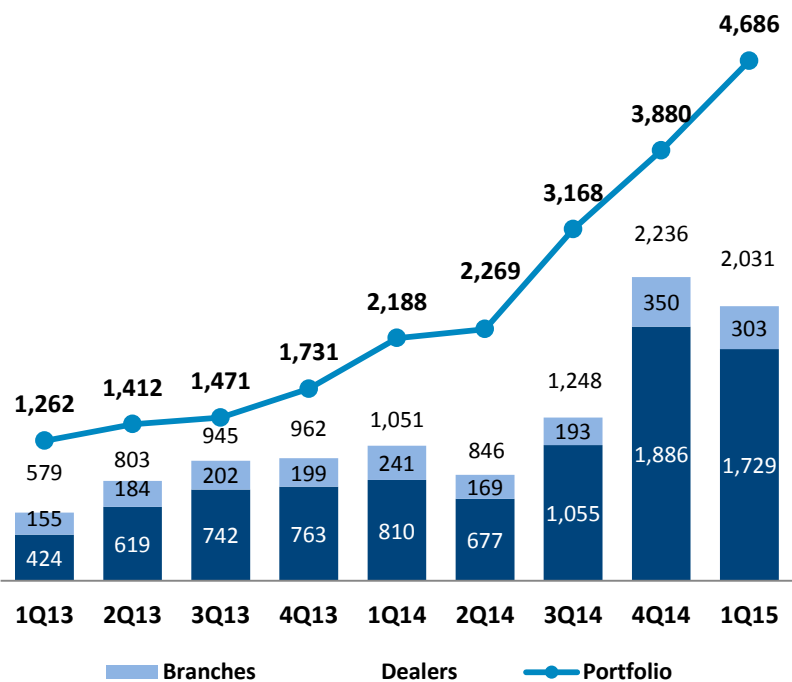


\* % of non performing loans over 30 days 3 months after concession

# Payroll Deduction Loans

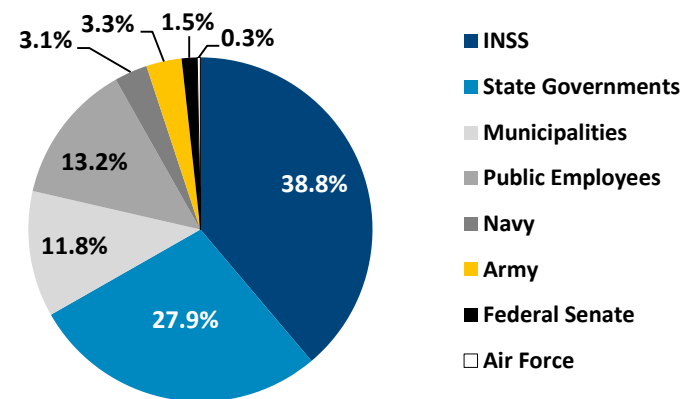
## Evolution of Portfolio and Production

(R\$ MM)



## Production by Segment (1Q15)

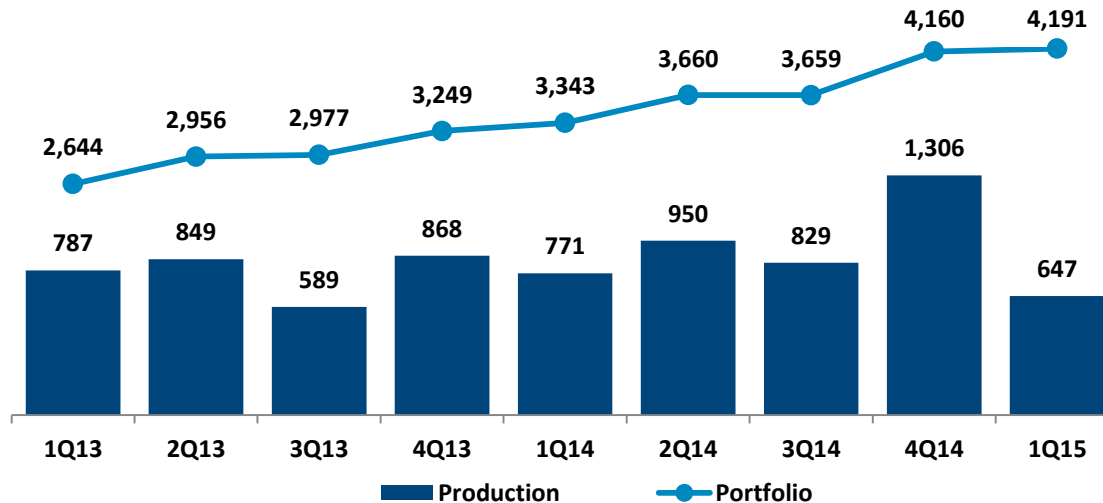
(%)



# Corporate Loans

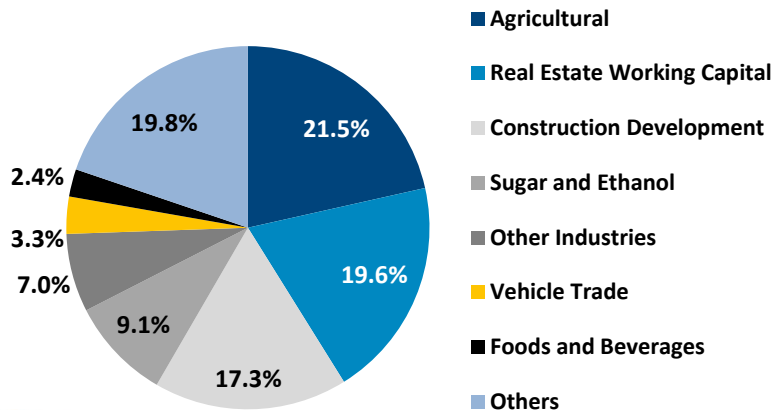
## Evolution of Portfolio and Production

(R\$ MM)



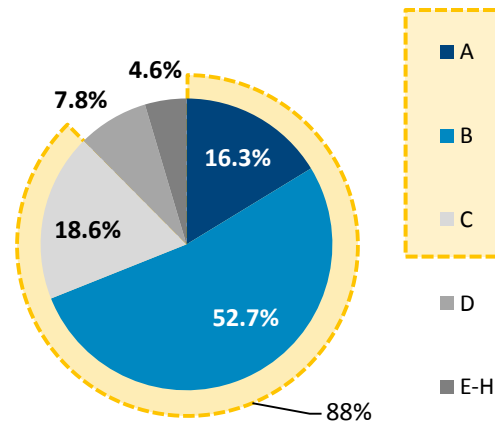
## Corporate Loan Portfolio by Industry (1Q15)

(%)



## Credit Portfolio by Rating (1Q15)

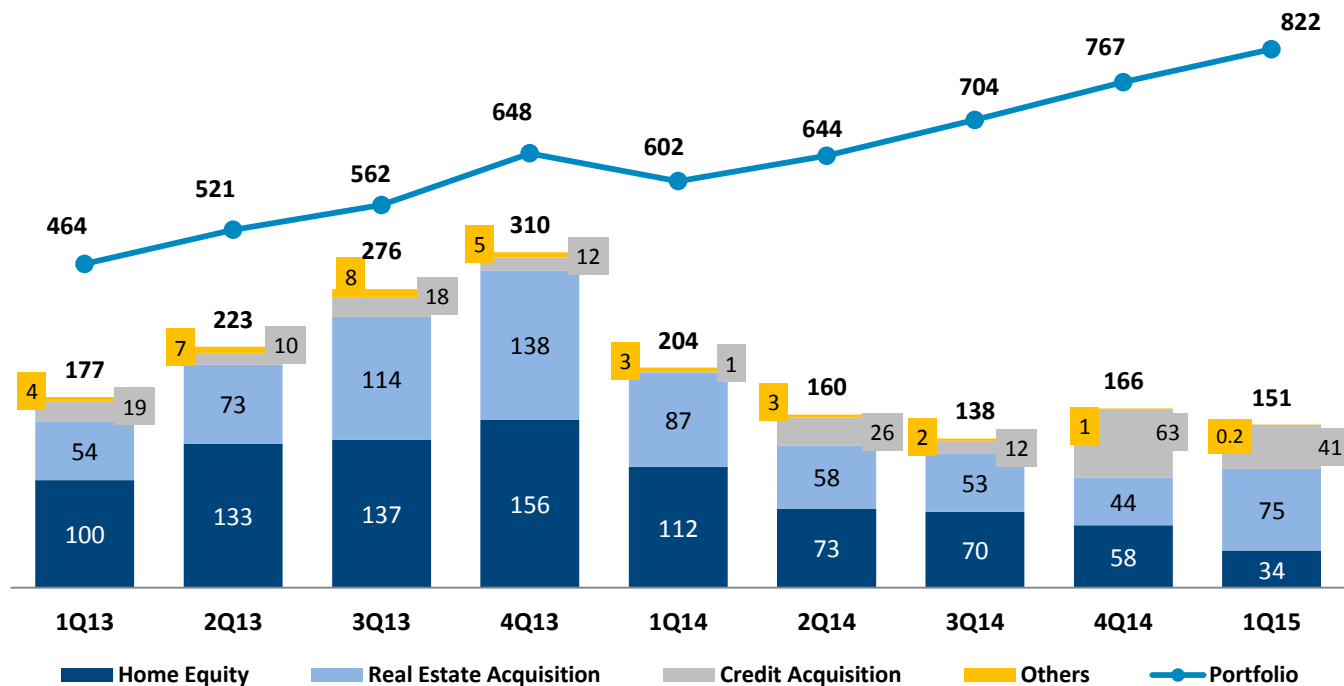
(%)



# Real Estate Loans

## Evolution of Portfolio and Production

(R\$ MM)



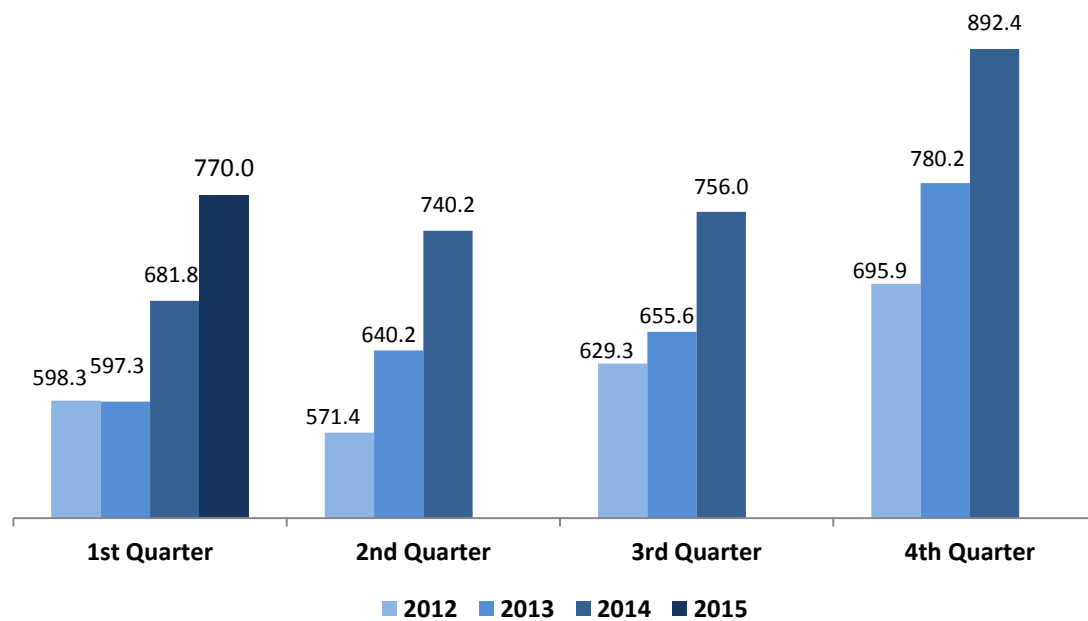
# Credit Cards

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## Transactions Volume

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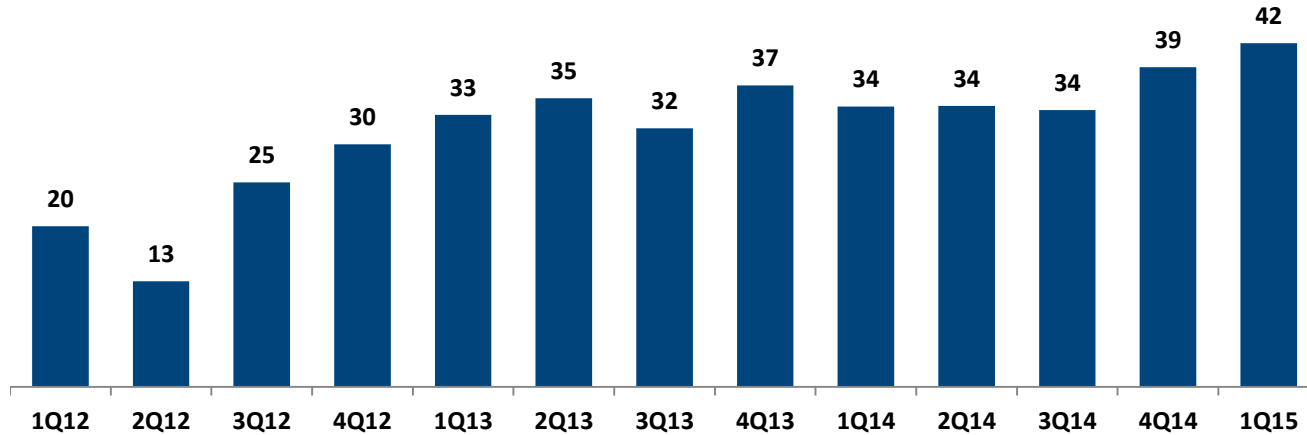
(R\$ MM)



# Insurance

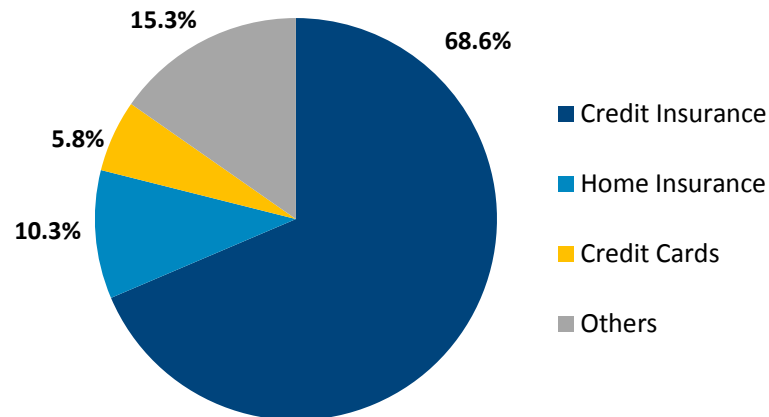
## Insurance Premium – Pan’s Origination

(R\$ MM)



## Insurance Premium – Pan’s Origination by Product (1Q15)

(%)



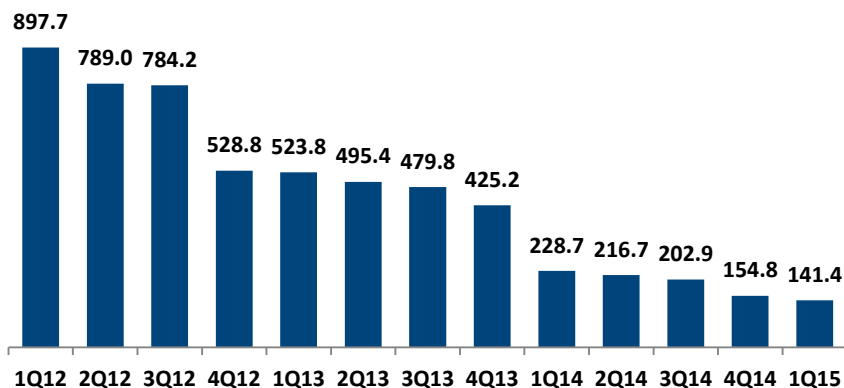
# Funding

| Funding Sources (R\$ MM)                       | 1Q15            | Part. %       | 4Q14            | Part. %       | 1Q14            | Part. %       | Δ 1Q15 / 4Q14 | Δ 1Q15 / 1Q14 |
|--|-----------------|---------------|-----------------|---------------|-----------------|---------------|---------------|---------------|
| Interbank Deposits                             | 7,699.6         | 36.8%         | 8,631.5         | 42.5%         | 7,189.3         | 39.3%         | -10.8%        | 7.1%          |
| Bonds  | 2,764.7         | 13.2%         | 2,197.1         | 10.8%         | 1,892.3         | 10.3%         | 25.8%         | 46.1%         |
| Time Deposits                                  | 2,737.0         | 13.1%         | 2,736.0         | 13.5%         | 2,511.9         | 13.7%         | 0.0%          | 9.0%          |
| Real Estate and Agribusiness Letters of Credit | 2,634.6         | 12.6%         | 2,377.3         | 11.7%         | 2,314.7         | 12.7%         | 10.8%         | 13.8%         |
| Bank notes                                     | 2,143.0         | 10.2%         | 2,139.5         | 10.5%         | 2,549.4         | 13.9%         | 0.2%          | -15.9%        |
| Repurchase Agreements (REPO)                   | 1,837.9         | 8.8%          | 1,176.0         | 5.8%          | 838.5           | 4.6%          | 56.3%         | 119.2%        |
| Assigned Credit Operations <sup>2</sup>        | 680.7           | 3.3%          | 690.0           | 3.4%          | 0.0             | 0.0%          | -1.3%         | 0.0%          |
| Loans  | 182.7           | 0.9%          | 168.3           | 0.8%          | 447.5           | 2.4%          | 8.5%          | -59.2%        |
| Credits Assigned with Recourse (Before 2011)   | 56.3            | 0.3%          | 96.9            | 0.5%          | 369.9           | 2.0%          | -41.9%        | -84.8%        |
| Other  | 186.5           | 0.9%          | 117.4           | 0.6%          | 183.6           | 1.0%          | 58.8%         | 1.6%          |
| <b>Total</b>                                   | <b>20,923.0</b> | <b>100.0%</b> | <b>20,330.2</b> | <b>100.0%</b> | <b>18,297.1</b> | <b>100.0%</b> | <b>2.9%</b>   | <b>14.4%</b>  |

<sup>2</sup>Assigned Credit Operations refers to credits assigned with substantial retention of risks and rewards in accordance with Resolution 3.533/08

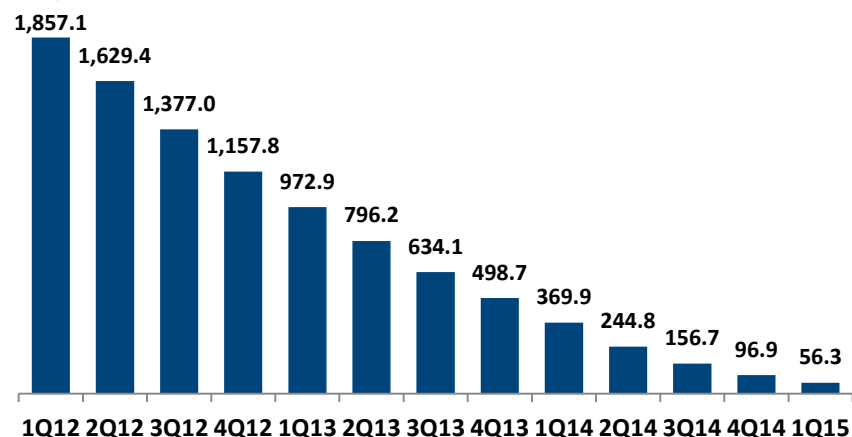
## DPGE

(R\$ MM)



## Credits Assigned with Recourse (Before 2011)

(R\$ MM)



# Basel Ratio and Operating Margin

| R\$ MM  | 1Q15           | 4Q14           | 1Q14           |
|---|----------------|----------------|----------------|
| <b>1. Reference Shareholders' Equity (PR)</b>     | <b>3,458.5</b> | <b>3,797.7</b> | <b>2,302.1</b> |
| Common Equity Tier I                              | 2,521.9        | 2,746.6        | 1,236.7        |
| Tier II   | 936.6          | 1,051.1        | 1,065.4        |
| <b>2. Required Reference Shareholders' Equity</b> | <b>2,258.2</b> | <b>2,235.4</b> | <b>2,101.3</b> |
| Risk Weighted Assets - PEPR                       | 2,078.3        | 2,022.1        | 1,894.9        |
| Exchange Variation Risk - PCAM                    | 4.6            | 7.1            | 2.1            |
| Interest (pre-fixed) - PJUR1                      | 57.1           | 27.0           | 25.8           |
| Operational Risk - POPR                           | 118.2          | 179.2          | 178.5          |
| <b>Basel Ratio ( 1 / ( 2 / 11% ) )</b>            | <b>16.8%</b>   | <b>18.7%</b>   | <b>12.1%</b>   |
| <b>Common Equity Tier I</b>                       | <b>12.3%</b>   | <b>13.5%</b>   | <b>6.5%</b>    |
| <b>Tier II</b>                                    | <b>4.6%</b>    | <b>5.2%</b>    | <b>5.6%</b>    |
| <b>3. Banking Positioning Risk - RBAN</b>         | <b>65.1</b>    | <b>68.0</b>    | <b>68.6</b>    |
| <b>Operating Margin ( 1 - 2 - 3 )</b>             | <b>1,135.3</b> | <b>1,494.3</b> | <b>132.2</b>   |



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