



Banco Pan Earnings Release – 3Q15

November 03, 2015

Conference Call – Portuguese

November 04, 2015
10:30 a.m. (Brasília) / 7:30 a.m. (US-EST)
Connection number: +55 (11) 2188-0155
Access code: Banco Pan
Replay: Available until November 11, 2015
Access number: +55 (11) 2188-0400
Code: Banco Pan

Conference Call – English

November 04, 2015
12:00 noon (Brasília) / 9:00 a.m. (US-EST)
Connection number: +1 (412) 317-6776
Access code: Banco Pan
Replay: Available until November 11, 2015
Access number: +1(412) 317-0088
Code: 10073159



São Paulo, November 3, 2015 – Banco Pan S.A. (“Pan”, “Bank” or “Company”) and its subsidiaries, pursuant to legal provisions, releases its results for the quarter ended September 30, 2015, accompanied by the Independent Auditor’s Report. The Bank’s operating and financial information, except when otherwise stated, are reported based on consolidated figures and in Brazilian reais, pursuant to Brazilian Corporate Law and Accounting Practices adopted in Brazil.

HIGHLIGHTS

- ✓ **Monthly retail credit origination average of R\$ 1,319.5 million in 3Q15, 4.6% down** compared the monthly average of R\$ 1,382.7 million in 2Q15 and **24.9% higher** than the monthly average of R\$ 1,056.2 million in 3Q14;
- ✓ **Corporate Loan Portfolio of R\$ 4,322.7 million in 3Q15**, stable over the **R\$ 4,361.3 million** in 2Q15 and **18.1% up** on the R\$ 3,659.1 million in 3Q14;
- ✓ **Credit Portfolio with a Retained Result totaling R\$ 18.0 billion**, stable over the R\$ 18.2 billion registered in 2Q15 and **9.6% higher** than the R\$ 16.4 billion in 3Q14;
- ✓ **Allowance for Loan Losses Recurrent Expenditure of R\$ 136.4 million**, compared to R\$ 193.3 million in 2Q15 and R\$ 160.4 million in 3Q14;
- ✓ **Managerial Net Interest Margin of 12.7% in 3Q15**, compared to 16.0% in 2Q15 and 8.9% in 3Q14;
- ✓ **Net Profit of R\$ 44.3 million in 3Q15**, compared to the net profit of R\$ 3.6 million in 2Q15 and the net loss of R\$ 69.7 million in 3Q14; and
- ✓ **Consolidated Shareholders’ Equity reached R\$ 3,602.0 million and the Basel ratio stood at 16.3%** at the end of 3Q15, with **Common Equity Tier I of 11.8%**.

Main Indicators

Main Indicators (R\$ MM)	3Q15	2Q15	3Q14	Δ 3Q15 / 2Q15	Δ 3Q15 / 3Q14
Credit Portfolio with Retained Result	17,977.8	18,203.7	16,405.1	-1.2%	9.6%
Total Assets	26,380.3	26,073.7	25,459.9	1.2%	3.6%
Total Funding	19,396.0	19,572.8	18,659.1	-0.9%	3.9%
Shareholders' Equity	3,602.0	3,560.9	3,408.1	1.2%	5.7%
Basel Index	16.3%	16.5%	18.1%	-0.2 p.p.	-1.8 p.p.

Economic Scenario

Regarding economic activity, industrial production increased by 1.2% in August in comparison to the previous month (seasonally adjusted), after registering a decline of 1.5% in July. The quarterly moving average deepened the decrease of 0.6% seen in July, registering a monthly drop of 1.2% in August, the eleventh consecutive negative month.

Restricted retail sales (excluding vehicles and building materials) registered a new decline in August, falling 0.9% compared to the previous month, as did extended retail sales, which dropped by 2.0% in the same period. The breakdown of sector sales shows reductions in specific segments, including: furniture and home appliances, down 2.0% in the month; clothing, down 1.7% in the month; and books and magazines, down 2.6% in the month. The monthly result for important segments, such as supermarkets (which dropped by 0.1% in August, compared to a drop of 1.5% in July) and the pharmaceutical and cosmetic industry (which grew by 0.6% in August, compared to a drop of 0.8% in July), prevented a further negative result. On the other hand, vehicle sales and building materials recorded a decrease of 5.2% and 2.3% in August, respectively, accentuating the fall of extended retail sales.

On the foreign front, the current account deficit reached US\$ 2.5 billion in August. Despite the surplus of US\$ 2.5 billion recorded by the trade balance in the end of August, it was influenced by the deficit of US\$ 2.6 billion in services and US\$ 2.6 billion in revenues. In the year, the current account deficit registered an improvement of US\$ 46.1 billion, particularly influenced by the sharp decline in imports, which dropped by 22% in the year, versus a decline of 17% in exports over the same period, and by decreases of 27% of travel expenses and 26% of the costs of transport.

As for inflation, September's IPCA consumer price index climbed by 0.54% over the previous month, close to the inflation of 0.57% recorded in the same period last year, confirming the end of the rising inflation period that started at the end of last year. Despite the 12-month inflation retreat of 9.49% in September, versus 9.53% in August, it is important to highlight the risks associated with currency depreciation, as well as potential increases in fuel prices.

Unemployment measured by the PNAD (National Household Sample Survey) increased to 8.6% in the three months through July, higher than the 8.3% recorded in June and, more importantly, 1.7 p.p. higher than the rate observed in the three months ended July 2014. As a result, July was the eighth consecutive month in which the moving three-month average unemployment rate exceeded the number recorded in the same period in the previous year. Average real income increased 2% year-over-year, despite the annual fall of 2.4% indicated by IBGE's monthly employment survey (PME). In a summarized manner, the national employment figures continue to confirm the slowing of the job market indicated by the PME and the Ministry of Labor's official employment registry (Caged).

As for the credit market, lending volume in July maintained its growing pace, moving up by 9.9% over July 2014, versus an annual growth of 9.8% registered in June. In real terms, loan operations recorded their smallest expansion

since 2007 (beginning of the new historical series), recording an increase of only 0.3% over the same period last year, reinforcing the perception of a gradual moderation. This result reflects the still strong growth of the earmarked loan portfolio and the continuing decline in free credit volume. The average free credit rate for individuals and companies reached 59.5%, 1.1 p.p. up from June and the highest since the start of the historical series in 2011.

Individual default recorded decrease of 0.3 p.p. in the monthly comparison, closing July at 5.4% p.a., while corporate default increased by 0.7 p.p. compared to the previous month, closing July at 4.1% p.a. Continuing concerns over growth prospects, aggravated by negative consumer and business confidence levels, in addition to the behavior of the job market, continue to exert moderating pressure on lending levels.

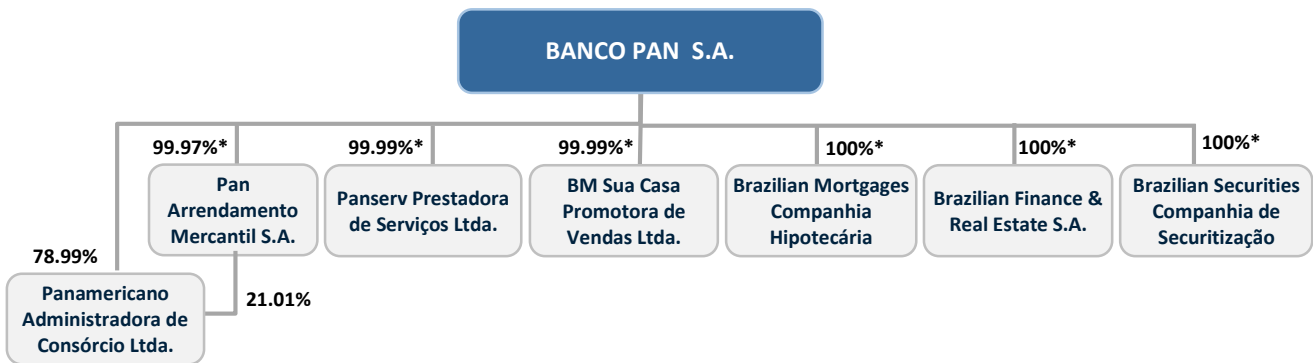
In regard to the fiscal situation, the primary consolidated public sector deficit stood at R\$ 7.3 billion in August, influenced by the R\$ 6.9 billion deficit recorded by the federal government (Treasury, INSS and Central Bank), the R\$ 0.2 billion deficit by the states and municipalities and the R\$ 0.2 billion deficit by State-owned companies. After registering the fourth consecutive primary deficit, the fiscal results showed a deficit of R\$ 1.1 billion in the year through August, versus the surplus of R\$ 6.2 billion in June 2015.

As for debt indicators, gross debt grew again and reached 65.3% of GDP (higher than the 64.6% in July), while net debt fell, reaching 33.7% of GDP (compared to 34.2% in July), reflecting the balance sheet effects of the exchange rate devaluation. The nominal deficit reached a new record, representing 9.2% of the product (compared to 8.8% in July), higher than the 6.2% of GDP recorded in December 2014. In addition to the deterioration in the primary result, interest has held strong pressure on the expansion of the public deficit. The fiscal cost of the foreign exchange swap operations reached R\$ 17.2 billion in August, totaling R\$ 71.3 billion in the year.

Subsidiaries

At the Extraordinary General Meeting held on September 30, 2015, the total spin-off of Pan Holding S.A. ("Pan Holding") was approved, as well as the distribution of the spun-off portions between the following companies: (i) Pan; (ii) BMSR II Participações S.A. ("BMSR II"); (iii) Brazilian Securities Companhia de Securitização ("Brazilian Securities"); and (iv) BM Sua Casa Promotora de Vendas Ltda. ("BMSC"). At the same date, Brazilian Mortgages Companhia Hipotecária incorporated a BMSR II .

Below is a summary of the companies controlled by Pan at the end of the third quarter of 2015.



*Awaiting approval by the Central Bank

Operational and Commercial Agreements

Since 2011, when Banco BTG Pactual S.A. ("BTG Pactual") joined Pan's controlling interest, Operational and Commercial Cooperation Agreements were signed between the controlling shareholders and the Company to reaffirm their commitment to a strategic partnership. Among the measures with a direct influence on Pan's capital structure and liquidity, it is particularly worth mentioning: (i) Caixa Econômica Federal's ("Caixa") commitment to acquire the Company's loans without recourse whenever Pan plans to assign them; and (ii) the strengthening of liquidity through interbank deposits from both controlling shareholders, BTG Pactual and Caixa. These are long-term agreements were expected to be adjusted and provide the Bank with funding alternatives at a competitive cost.

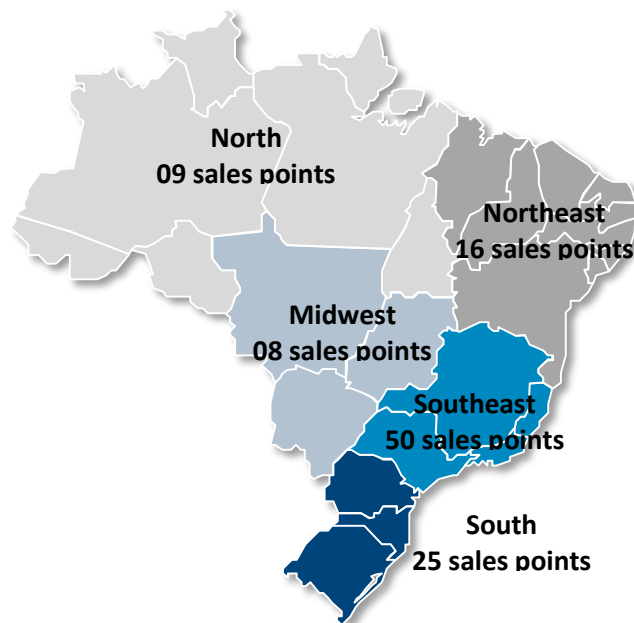
In addition, since 2012, Pan has maintained a mutual cooperation agreement with Caixa establishing a cooperation regime for the structuring, distribution and sale of products and services, including the joint preparation and implementation of plans for the development of products and services for both institutions. The aim is to create synergies and seize opportunities for expanding the product portfolios, among others, considering the complementary nature of their businesses.

The various operational and commercial agreements signed since the formation of Pan's current controlling structure, not only demonstrate these shareholders' strong and continuing support for the Company, but also the complementarity and alignment of interests among all three institutions.

Distribution Network

With 3,485 employees, the Bank has presence in major cities of the Brazilian territory, geographically distributed according to each region’s GDP. Carrying on the process of integrating Panserv Prestadora de Serviços Ltda. (“Panserv”) and BM Sua Casa Promotora de Vendas Ltda. (“Pan Sua Casa”) networks, the number of exclusive points-of-sale fell from 114 at the end of June 2015 to 108 at the end of September 2015. This reduction aims to optimize the group’s distribution network and reduce operating costs.

The Bank is also actively present in 10,112 authorized vehicle dealers and resellers, has 1,235 correspondent banks originating payroll-deductible loans and 1,499 real estate brokers generating loans. The Bank also maintains a call center with 146 workstations, which received 558,716 calls in 3Q15.



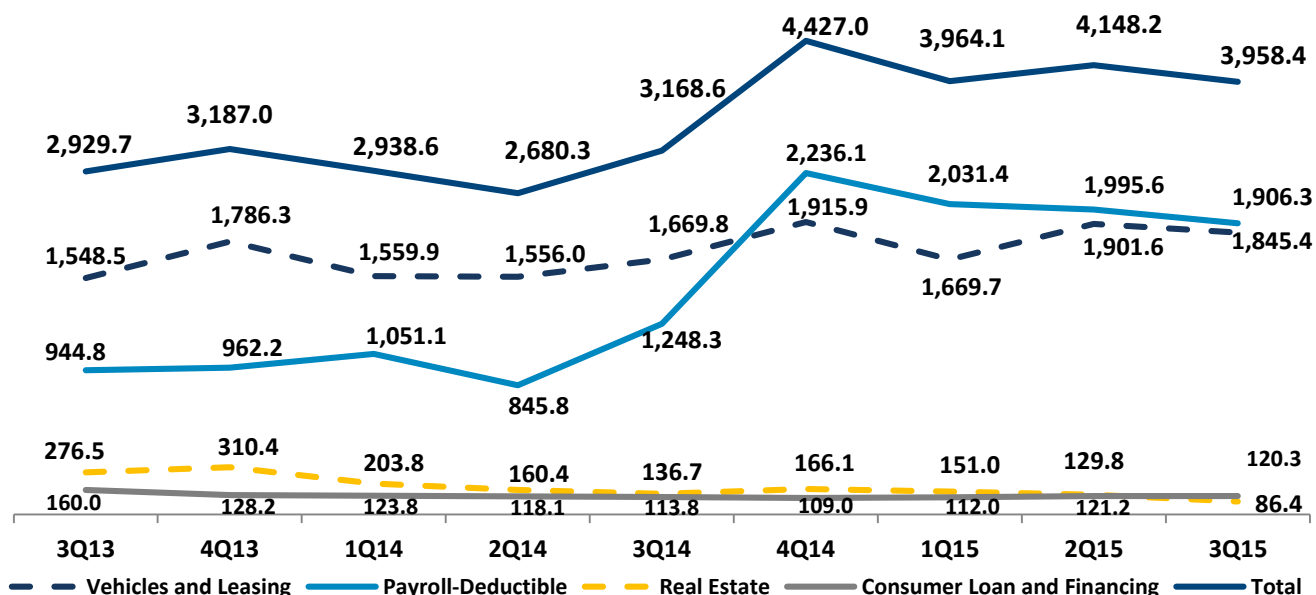
Retail Origination

Despite the slowdown in Brazilian economic activity and higher domestic interest rates, Pan showed a slight decrease in its retail credit assets origination in the quarterly comparison, recording a monthly average of R\$ 1,319.5 million in 3Q15, 4.6% lower than the monthly average of R\$ 1,382.7 billion registered in 2Q15 but 24.9% higher than the R\$ 1,056.2 billion recorded in 3Q14.

Retail Asset Origination Monthly Average (R\$ MM)

Products	3Q15		2Q15		3Q14		Δ 3Q15 / 2Q15	Δ 3Q15 / 3Q14
	Production	%	Production	%	Production	%		
Payroll-Deductible	635.4	48.2%	665.2	48.1%	416.1	39.4%	-4.5%	52.7%
Vehicles	615.1	46.6%	633.9	45.8%	556.6	52.7%	-3.0%	10.5%
Real Estate	28.8	2.2%	43.3	3.1%	45.6	4.3%	-33.4%	-36.8%
Consumer Loan and Financing	40.1	3.0%	40.4	2.9%	37.9	3.6%	-0.8%	5.7%
Total	1,319.5	100.0%	1,382.7	100.0%	1,056.2	100.0%	-4.6%	24.9%

Quarterly Retail Asset Origination (R\$ MM)



Products

Vehicle Financing

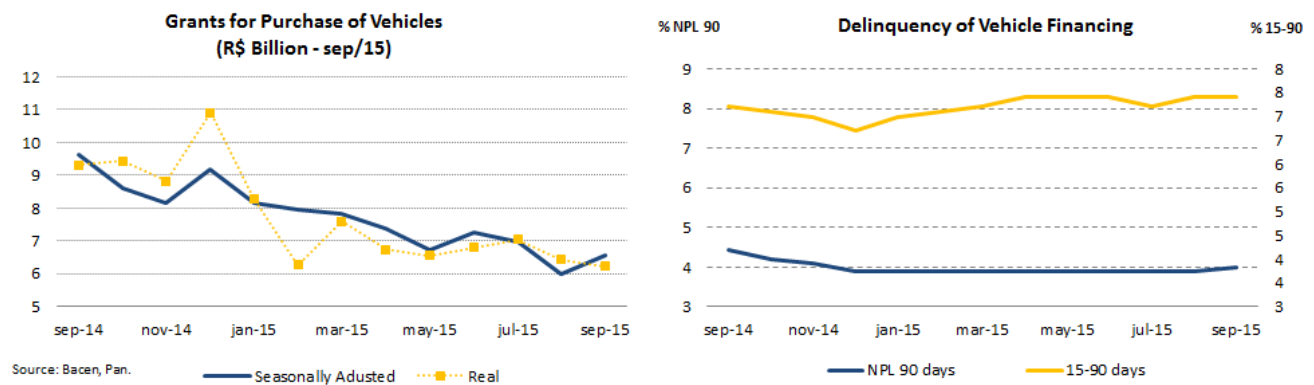
According to the Central Bank, the balance of vehicle financing (CDC PF) totaled R\$ 166.7 billion in September 2015, a decline of 4.9% in real terms in the last 3 months and 17.2% down in the last 12 months. Vehicle financing represents 21.0% of non-earmarked household credit. The leasing portfolio, which represents 0.3% of household credit, continued to shrink, falling by 11.5% in real terms in the last 3 months and 51.8% in the last 12 months, totaling R\$ 2.0 billion.

The default rate on vehicle loans overdue by more than 90 days (CDC PF) closed September at 4.0%, over the 3.9% registered in June 2015, but inferior to the 4.4% registered in September 2014. The rate peaked in June 2012 at 7.2% and recorded a gradual decline ever since.

Interest on household credit for vehicle acquisitions came to 25.6% p.a. in 3Q15, increasing 0.9 p.p. over the previous quarter and 2.8 p.p. year-over-year.

According to Fenabrave, the vehicle dealers' association, light vehicle sales (new and used cars and light commercial vehicles) totaled 3.3 million units in 3Q15, a quarterly decline of 1.7% in the sales of used vehicles and 8.1% in the sales of new vehicles (seasonally adjusted). Compared to the same period of 2014, there was a decrease of 6.9%, with a 1.2% fall in used vehicle sales and a 25.5% fall in new vehicle sales.

Sales of heavy vehicles (buses and trucks) totaled 126,100 units in 3Q15, with new vehicle sales falling by 8.4% and used vehicle sales increasing by 2.0% in comparison with 2Q15 (seasonally adjusted). In the annual comparison, there was a decline of 14.1%, with a sharp fall of 45.1% in new vehicle sales and 1.7% in used vehicle sales.



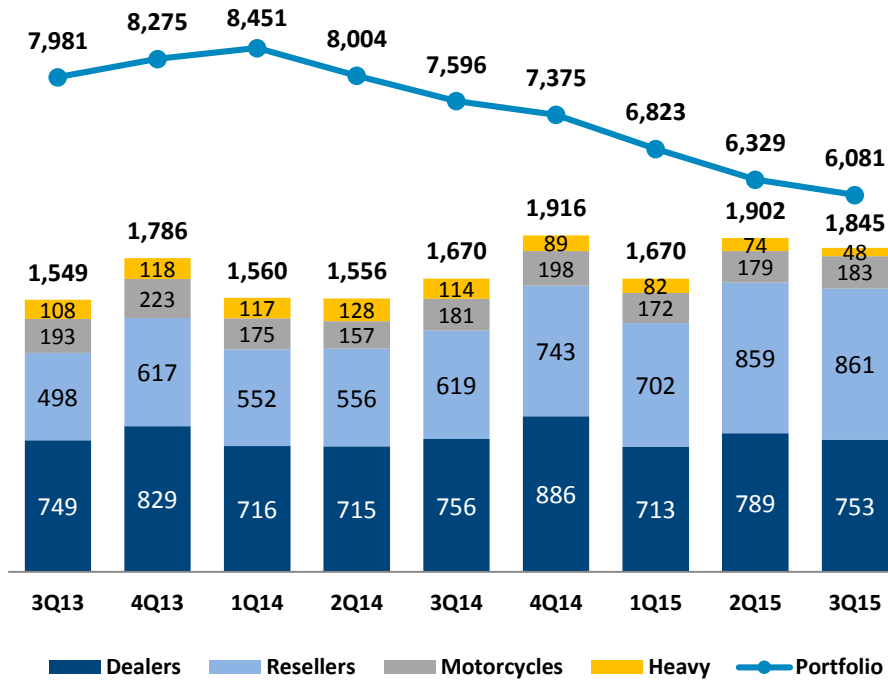
Also according to Fenabrave, 3Q15 sales of new and used motorcycles came to 1.1 million units, registering a drop of 3.7% in the new segment and 1.3% in the used market, compared to the previous quarter (seasonally adjusted data). In the year-over-year comparison, new motorcycle sales fell by 12.2% and used motorcycle sales fell by 0.2%.

Despite the sector slowdown, Pan disbursed R\$ 1,845.4 million in new vehicle financing in 3Q15, 3.0% lower than the R\$ 1,901.6 million originated in 2Q15 and 10.5% higher than the R\$ 1,669.8 million originated in 3Q14.

In line with the market trajectory and a more conservative criteria adopted regarding granting of credit, the heavy vehicle segment had an average monthly production of R\$ 16.1 million in 3Q15, with strong retraction compared to the average of R\$ 24.8 million and R\$ 38.1 million, originated in 2Q15 and 3Q14, respectively.

Motorcycle financing reached a monthly average of R\$ 61.2 million in 3Q15, remaining practically stable compared to the monthly average of R\$ 59.7 million in 2Q15 and R\$ 60.2 million recorded in 3Q14.

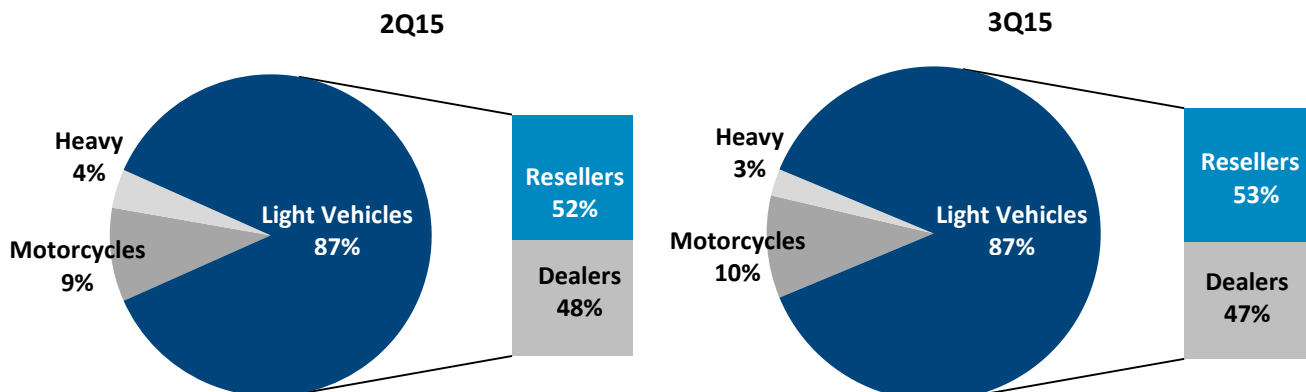
Evolution of Vehicle Portfolio and Origination by Product (R\$ MM)



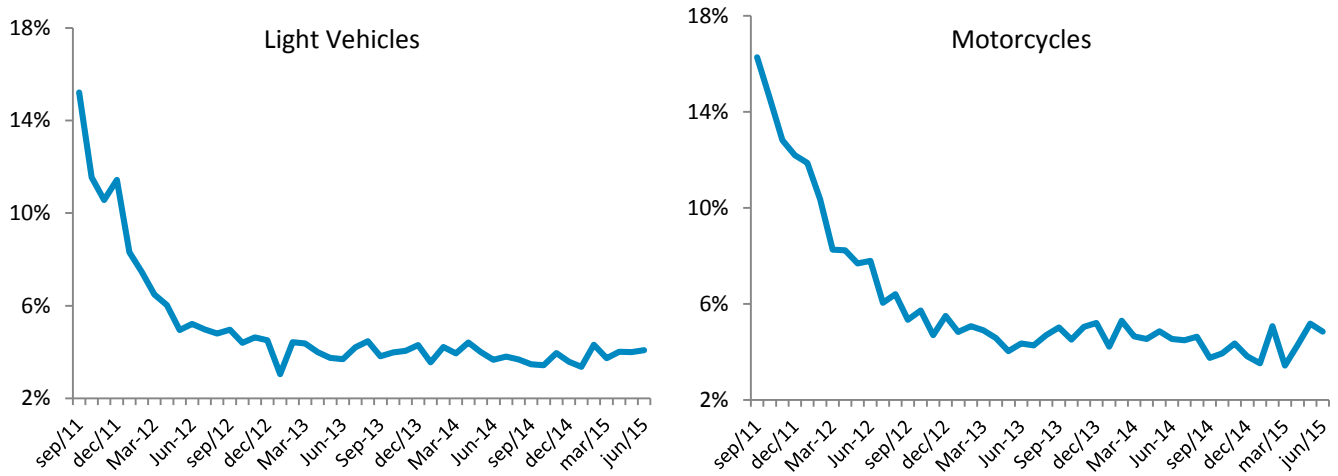
Pan’s strategy regarding light vehicles remains based on the pursuit for diversification in both new and used auto financing. In this context, it is worth noting that in 3Q15 new vehicles accounted for 46.7% of total light vehicle financing and 40.8% of total vehicle financing, versus 47.9% and 41.5%, respectively, in the previous quarter, and 55.0% and 45.3% in 3Q14.

Additionally, the Bank is actively present in 10,112 new and used vehicle dealers and resellers, with a high degree of loan origination fragmentation, whereby the 10 largest groups of dealers and resellers account for only 12.0% of total origination.

% in New Vehicle Financing



As mentioned in previous quarters, Pan’s Management has been continuously fine-tuning the Bank’s credit approval models, systems and processes, generating a substantial improvement in the quality of the originated portfolios, as demonstrated by their quality indicators since the second half of 2011.



*% of agreements in arrears by more than 30 days and 3 months after grant.

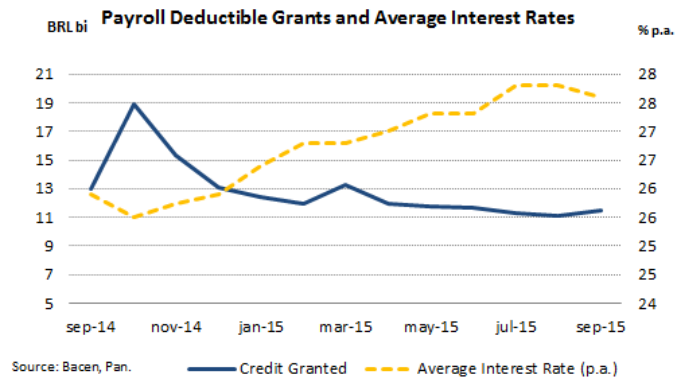
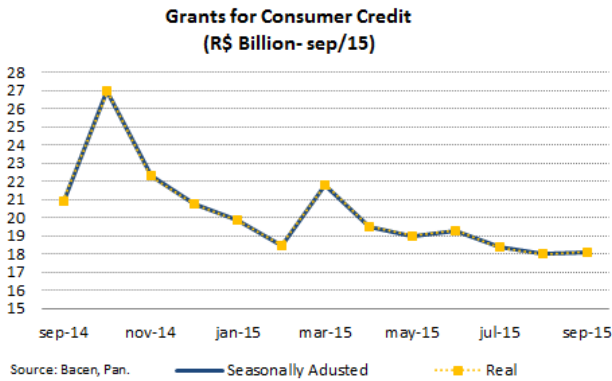
Consumer Loans

According to the Central Bank, consumer loans (payroll-deductible and non-payroll-deductible) totaled R\$ 378.2 billion in September 2015, registering a real upturn of 0.2% in 3Q15, but a retraction of 0.3% in the annual comparison. Consumer lending accounts for 47.5% of non-earmarked household loans.

The payroll-deductible loan portfolio totaled R\$ 271.9 billion in the third quarter, registering variations of 0.6% and 1.5%, in real terms, compared to the last quarter and the last 12 months, respectively. Of the three segments comprising the payroll-deductible portfolio, loans to social security beneficiaries recorded the highest real 12-month increase (+6.5%), followed by public servants (+0.5%), while the stock of loans to private servants fell by 8.0% in the same period. Note that loans to public servants account for 61.3% of the total payroll-deductible loan inventory.

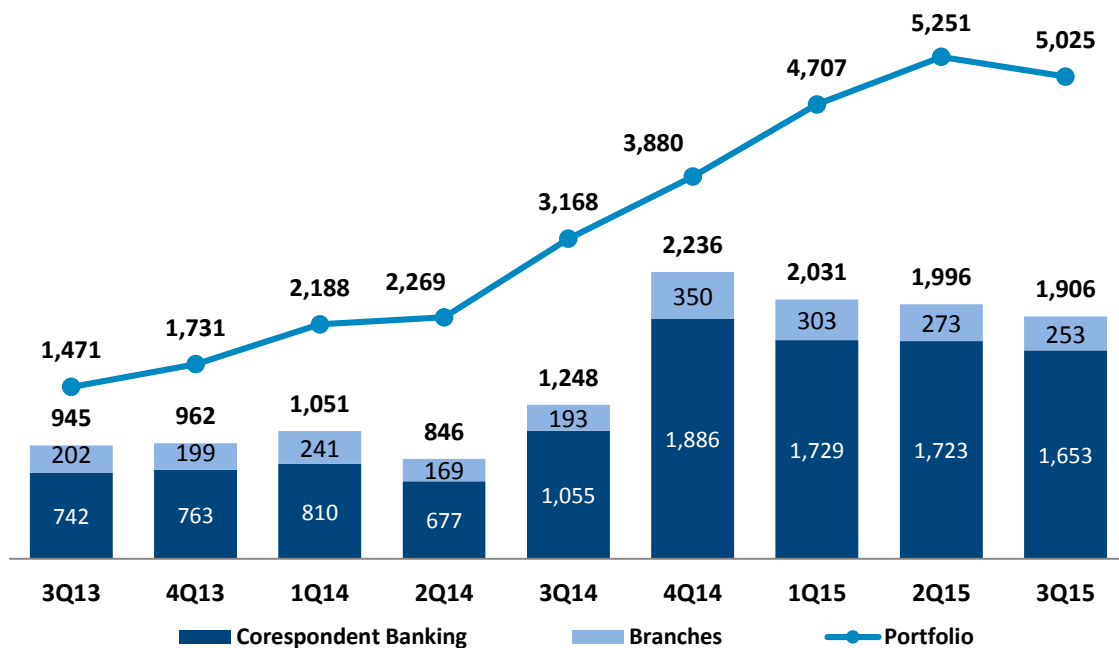
Non-payroll-deductible loans came to R\$ 106.3 billion, 0.9% and 4.6% down in real terms in the last 3 and 12 months, respectively.

In September 2015, the default rate (loans overdue by more than 90 days) stood at 3.8% of the total consumer loan balance, an increase of 0.2 p.p. but a decrease of 0.1 p.p. in the last 12 months. In the non-payroll-deductible loan segment, the default rate increased by 1.0 p.p. over the previous quarter and 0.7 p.p. in the annual comparison, reaching 7.9% of the total stock of this category. In the payroll-deductible loan segment, the rate remained stable at 2.2% in the quarterly comparison but fell by 0.4 p.p. year-over-year.



Pan disbursed R\$ 1,906.3 million in new payroll-deductible loans for public servants and social security beneficiaries in 3Q15, 4.5% lower than the R\$ 1,995.6 million originated in 2Q15 and 52.7% higher than the R\$ 1,248.3 million disbursed in 3Q14.

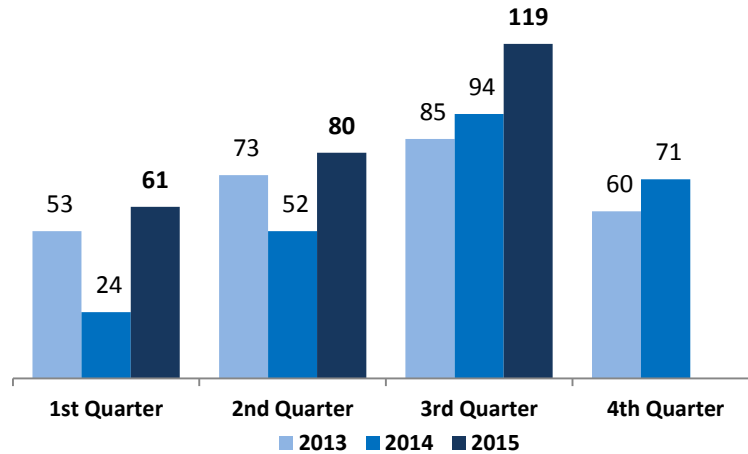
Evolution of Payroll-Deductible Loan Portfolio and Origination by sales channel (R\$ MM)



Consumer loans accounted for R\$ 120.3 million of new loan disbursements in the third quarter of 2015, practically stable compared to the R\$ 121.2 million in 2Q15 and 5.7% more than the R\$ 113.8 million in 3Q14.

The Bank also operates with consortium sales, which totaled R\$ 119.3 million in 3Q15, representing an increase of 48.8% over the 2Q15 and a 66.4% year-over-year improvement.

Consortium Sales (R\$ MM)

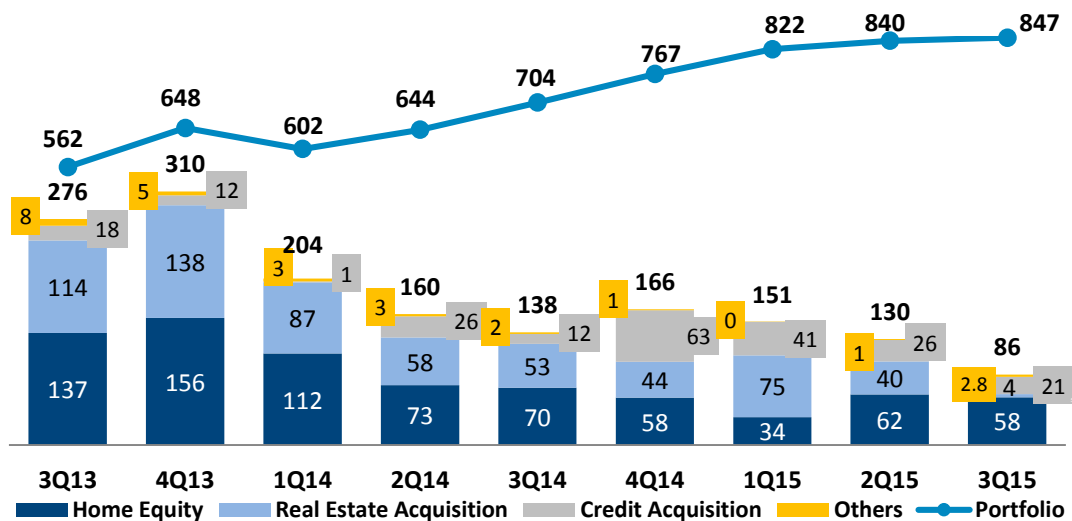


Real Estate Loans

Real estate loans (at market and regulated rates) totaled R\$ 485.5 billion in September 2015, real increases of 3.1% over the last 3 months and 10.9% over the last 12 months. Of this total, R\$ 422.4 billion corresponded to regulated-rate credit, a real increase of 3.4% in 3 months and 11.8% in the annual comparison. Market-rate loans amounted to R\$ 63.2 billion, 0.9% and 5.4% compared to June 2015 and September 2014, respectively. This type of loan has one of the household financing segment’s lowest late payment rates, where loans overdue by more than 90 days amounted to 1.9% of the real estate loan portfolio in September 2015, increasing 0.1 p.p. over the last quarter and 0.2 p.p. in the last 12 months.

Real estate loan origination totaled R\$ 86.4 million in 3Q15, allocated as follows: (i) R\$ 62.5 million to individuals, R\$ 58.5 million of which in Home Equity (Crédito Fácil), and R\$ 4.0 million in real estate acquisitions; (ii) R\$ 21.1 million in loans acquired by Brazilian Securities for securitization purposes; and (iii) R\$ 2.8 million in other loans.

Evolution of Real Estate Origination by Product and total Portfolio (R\$ MM)

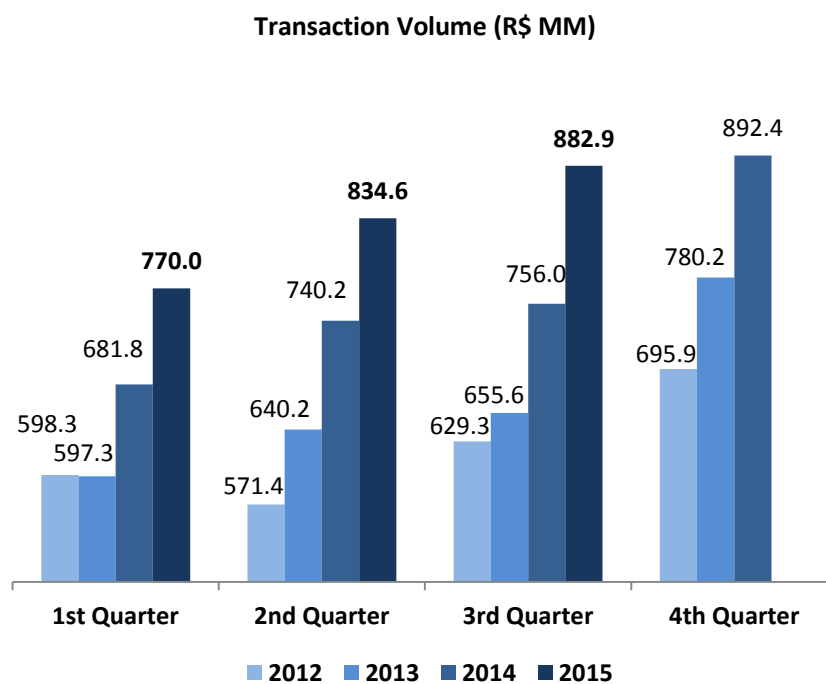


The real estate loan portfolio ended September 2015 at R\$ 846.9 million, practically stable over the R\$ 840.2 million recorded in June and 20.3% higher than the R\$ 704.2 million registered in September 2014.

Credit Cards

Pan closed 3Q15 with a base of 1.8 million credit cards, highlighting the increase in emissions of regular cards through the internet and payroll cards due to higher margin and withdrawal by pensioners.

The transaction volume totaled R\$ 882.9 million, 5.8% higher than in 2Q15 and 16.8% up year-over-year.

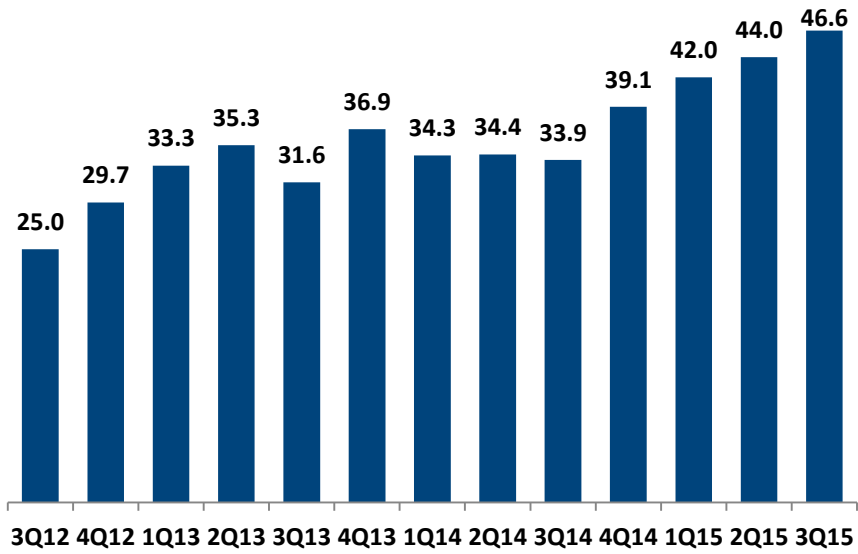


Insurance

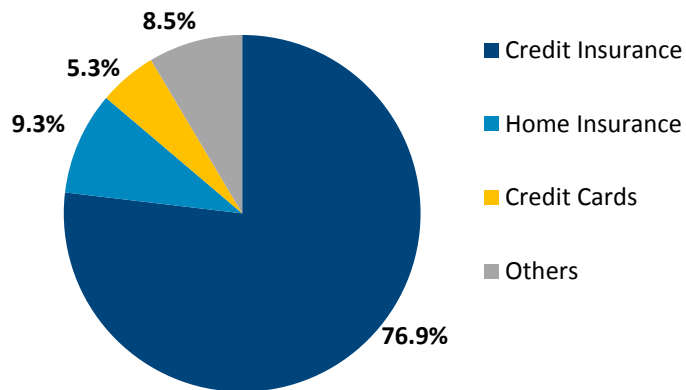
As previously mentioned, due to the sale of Pan Seguros S.A. (“Pan Seguros”) and Panamericano Administração e Corretagem de Seguros e de Previdência Privada Ltda. (“Pan Corretora”), concluded in December 2014, a 20-year operational distribution agreement has been signed and Pan will continue to commercialize insurance products to Pan Seguros, receiving a fee for this service.

Therefore, Pan originated R\$ 46.6 million in insurance premiums in 3Q15, 6.0% and 37.7% higher than in 2Q15 and 3Q14, respectively, R\$ 35.8 million of which in credit insurance (Pan Protege), R\$ 4.3 million in home insurance, R\$ 2.5 million in credit card insurance and R\$ 4.0 million in other products.

Insurance Premiums originated by Pan (R\$ MM)



Insurance Premium by Product (%)

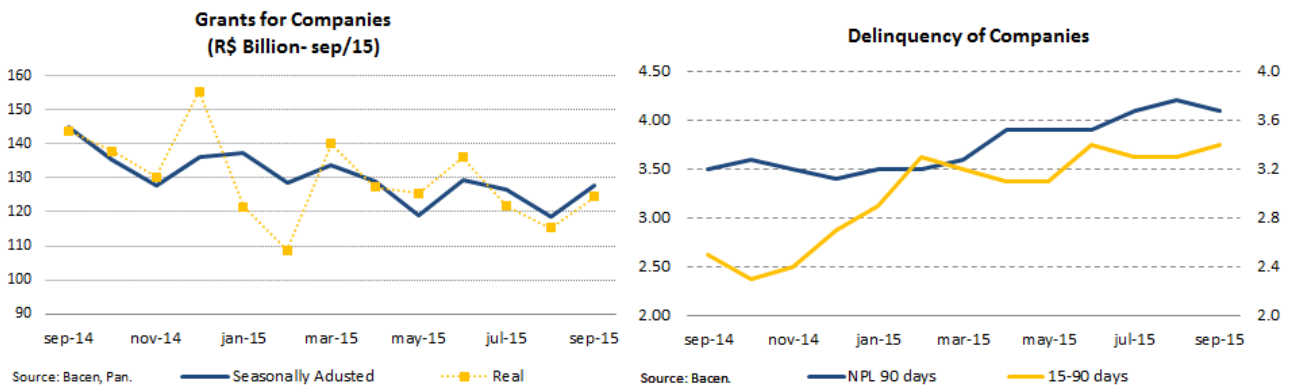


Corporate Loans

According to the Central Bank, market-rate corporate loans totaled R\$ 812.9 billion in September 2015, representing real respective declines of 0.3% and 3.3% in the 3-month and annual comparisons, respectively. Among the various types of corporate financing, working capital loans totaled R\$ 379.5 billion, accounting for 47.3% of the total corporate loan balance.

The corporate default rate (loans overdue by more than 90 days) accounted for 4.1% of the total free credit portfolio in September 2015, real increases of 0.2 p.p. in the last 3 months and 0.6 p.p. in the last 12 months.

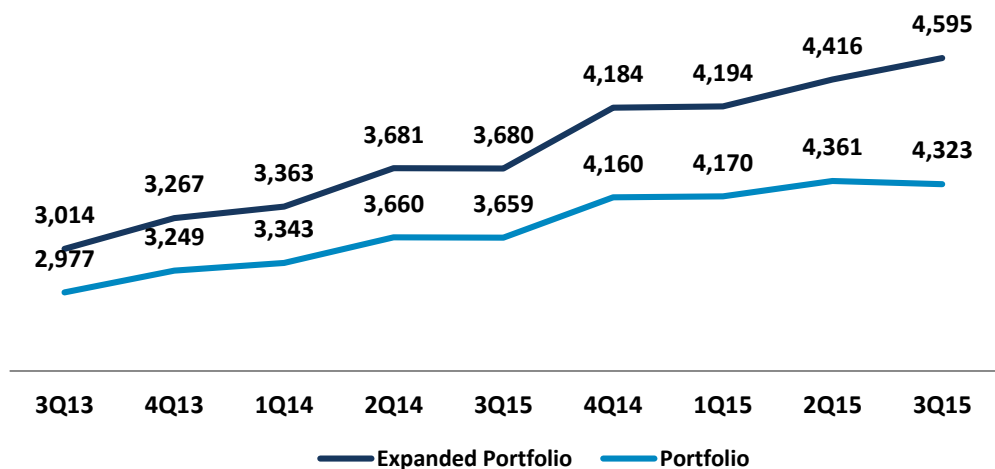
Default in the working capital segment remained stable over the previous quarter, but increased 0.4 p.p. year-over-year, reaching 4.5% of the balance in September 2015.



The corporate loan portfolio reached R\$ 4,322.7 million in September, remaining stable compared to the R\$ 4,361.3 million recorded at the end of June and 18.1% up on the balance of R\$ 3,659.1 million in September 2014.

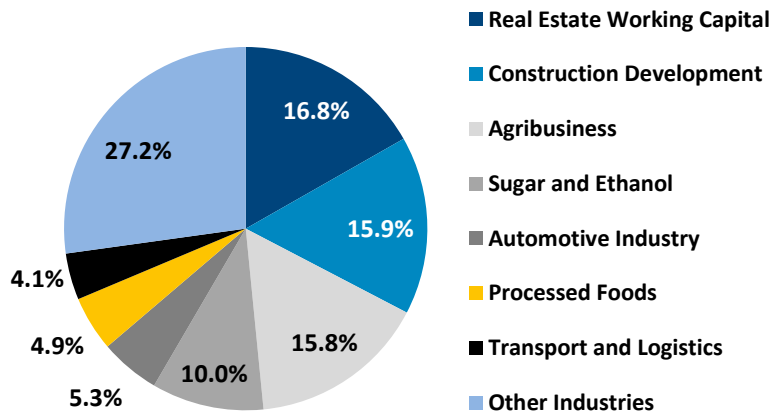
The expanded corporate loan portfolio, including R\$ 272.1 million in guarantees issued, came to R\$ 4,594.8 million in 3Q15, of which R\$ 414.2 million corresponded to ACC operations in US dollar.

Evolution of Corporate Loan Portfolio (R\$ MM)



The bank operates with a risk control policy, which consists of maintaining a fragmented loan portfolio with customers from various economic groups and industries. The 10 largest clients jointly account for just 2.7% of the bank's total portfolio in 3Q15.

Corporate Loan Portfolio by Industry



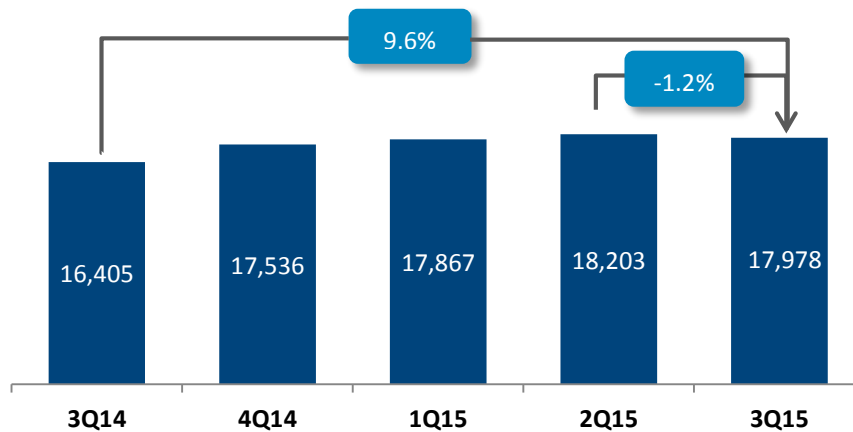
Credit Portfolio

The Credit Portfolio with retained results, which included retail and corporate loans, came to R\$ 17,977.8 million in 3Q15, 1.2% down over the R\$ 18,203.7 million recorded in 2Q15 and 9.6% higher than the R\$ 16,405.1 million reported in September 2014.

From this quarter on, this amount refers only to the Loan Portfolio with Retained Result, since there is no longer balance of credits assigned with recourse prior to Central Bank Resolution 3,533/08.

During the third quarter of 2015, the amount of credits assigned without recourse totaled R\$ 3,158.8 million.

Credit Portfolio with Retained Result (R\$ MM)



The table below gives a breakdown of the loan portfolio by operational segment:

Type of Loans (R\$ MM)	3Q15	Part. %	2Q15	Part. %	3Q14	Part. %	Δ 3Q15 / 2Q15	Δ 3Q15 / 3Q14
Vehicle Financing	6,080.7	33.8%	6,329.1	34.8%	7,595.6	46.3%	-3.9%	19.9%
Payroll Deduction Loans ¹	5,025.5	28.0%	5,250.6	28.8%	3,168.1	16.3%	-4.3%	58.6%
Corporate	4,322.7	24.0%	4,361.3	24.0%	3,659.1	22.3%	-0.9%	18.1%
Real Estate	846.9	4.7%	840.2	4.6%	704.2	4.3%	0.8%	20.3%
Credit Cards	714.1	4.0%	655.6	3.6%	587.4	3.6%	8.9%	21.6%
Guarantees Issued	272.1	1.5%	54.7	0.3%	20.4	0.1%	397.2%	1,233.9%
Others	715.8	4.0%	712.2	3.9%	670.3	4.1%	0.5%	6.8%
Credit Portfolio	17,977.8	100.0%	18,203.7	100.0%	16,405.1	100.0%	-1.2%	9.6%

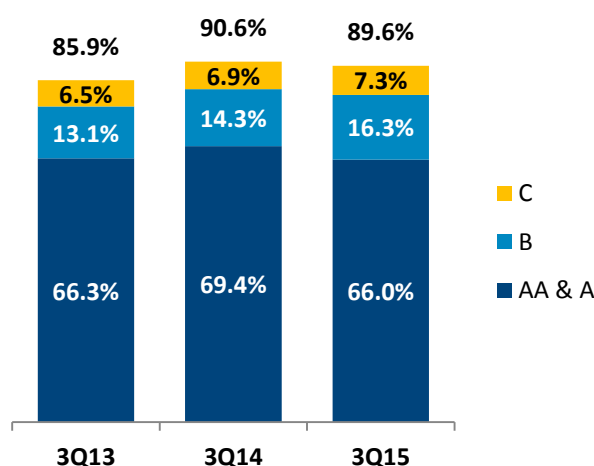
In addition, on September 30, 2015, Pan's investments in private securities came to R\$ 2.2 million. Including these operations, the Total Expanded Loan Portfolio closed the 3Q15 at R\$ 17,980.0 million.

Quality of the Credit Portfolio

The ratings of Banco Pan's loan portfolio recorded in the balance sheet by risk category², pursuant to Resolution 2,682 of the Brazilian Monetary Council (CMN), are shown below:

Category of Risk (R\$ MM)	3Q15	Part. %	2Q15	Part. %	3Q14	Part. %	Δ 3Q15 / 2Q15	Δ 3Q15 / 3Q14
"AA" to "C"	15,860.8	89.6%	16,554.6	91.1%	14,992.2	90.6%	-4.2%	5.8%
"D" to "H"	1,844.9	10.4%	1,619.3	8.9%	1,549.2	9.4%	13.9%	19.1%
Total	17,705.7	100.0%	18,173.9	100.0%	16,541.4	100.0%	-2.6%	7.0%

% of Credits rated from AA to C (Resolution 2,682 of CMN)



¹The payroll-deductible loan portfolio contains credits assigned with the retention of risks and benefits, pursuant to Central Bank Resolution 3533/08.

² Considers the loan portfolio excluding guarantees issued.

It is worth noting that the retail portfolio follows the scale of CMN Resolution 2682 while the corporate loan portfolio is classified according to the fundamentalist analysis of the clients' credit risk.

Maturity of Loan Operations

The table below presents the total loan portfolio by maturity on September 30, 2015:

Maturity Per Type of Credit Operation (R\$ MM)	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	Total
Vehicle Financing and Leasing	485.3	393.2	595.5	1,137.8	3,468.9	6,080.7
Payroll Deduction Loans	185.8	284.9	408.4	737.7	3,408.6	5,025.5
Corporate	554.1	525.0	598.9	1,213.6	1,431.0	4,322.7
Real Estate	22.2	37.5	37.5	69.8	680.0	846.9
Credit Cards	649.5	15.4	19.3	19.6	10.3	714.1
Others	395.5	132.8	108.0	94.2	257.4	987.9
Total	2,292.4	1,388.7	1,767.7	3,272.8	9,256.1	17,977.7
Mat. Part.%	12.8%	7.7%	9.8%	18.2%	51.5%	100.0%

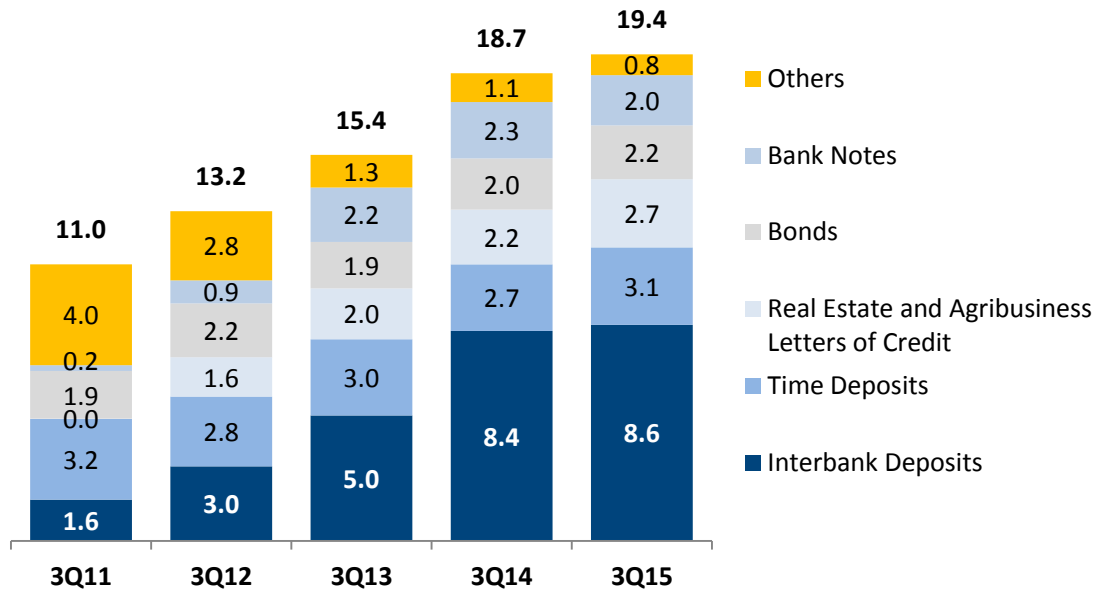
Funding

Funding volume closed September 2015 at R\$ 19.4 billion, in line with the R\$ 19.6 billion recorded in June and 3.9% higher than the R\$ 18.7 billion posted at the end of 3Q14. The main funding sources were: (i) time deposits and interbank deposits, which amounted to R\$ 11.7 billion, or 60.4% of the total; (ii) real estate and agribusiness letters of credit totaling R\$ 2.7 billion, or 14.0% of the total; (iii) bonds issued abroad, totaling R\$ 2.2 billion, or 11.1% of the total; (iv) bank notes totaling R\$ 2.0 billion, or 10.2% of the total; (v) other funding sources, corresponding to R\$ 833.3 million, or 4.3% of the total.

On August 3, 2015, the senior bond, issued in 2010, matured, in the amount of USD 296.6 million and was paid through resources raised locally at lower cost.

Funding Sources (R\$ MM)	3Q15	Part. %	2Q15	Part. %	3Q14	Part. %	Δ 3Q15 / 2Q15	Δ 3Q15 / 3Q14
Interbank Deposits	8,617.3	44.4%	8,426.1	43.0%	8,370.3	44.9%	2.3%	3.0%
Time Deposits	3,097.2	16.0%	3,092.7	15.8%	2,666.3	14.3%	0.1%	16.2%
Real Estate and Agribusiness Letters of Credit	2,716.9	14.0%	2,496.7	12.8%	2,180.4	11.7%	8.8%	24.6%
Bonds	2,153.6	11.1%	2,647.4	13.5%	2,048.4	11.0%	-18.7%	5.1%
Bank Notes	1,977.8	10.2%	1,935.6	9.9%	2,251.7	12.1%	2.2%	-12.2%
Others	833.3	4.3%	974.4	5.0%	1,142.0	6.1%	-14.5%	-27.0%
Total	19,396.0	100.0%	19,572.8	100.0%	18,659.1	100.0%	-0.9%	3.9%

Funding Sources (3Q15)



In accordance with Article 8 of Central Bank Circular 3068/01, Pan declares that it has the financial capacity and the intention of holding to maturity those securities classified under “held-to-maturity securities” in its financial statements.

Results

Net Interest Margin – NIM

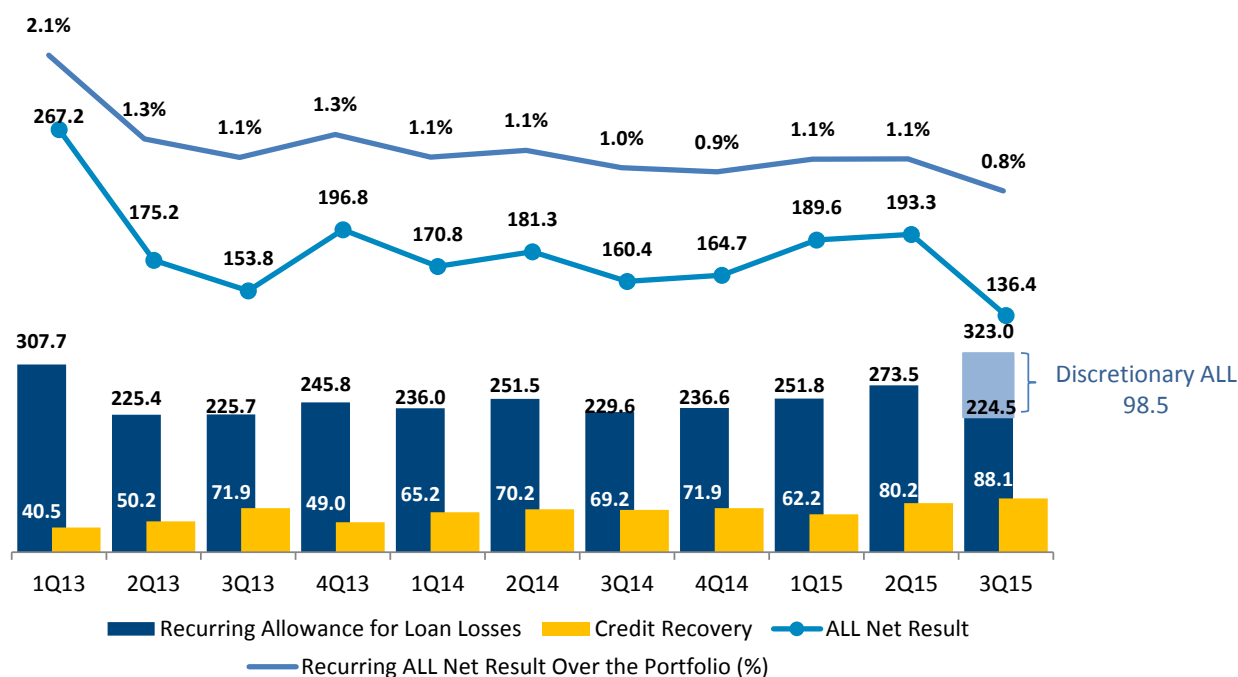
In 3Q15, the net interest margin stood at 12.7% compared to 16.0% in 2Q15 and 8.9% in 3Q14 2014. Besides the improvement in loan operations, the margin performance is influenced by the different volumes and mix of the credits assigned each quarter.

Managerial Net Interest Margin (R\$ MM)	3Q15	2Q15	3Q14	Δ 3Q15 / 2Q15	Δ 3Q15 / 3Q14
Gross Income from Financial Intermediation	348.7	647.0	213.1	-46.1%	63.6%
(+) Allowance for Loan Losses	323.0	273.5	229.6	18.1%	40.7%
Income from Financial Intermediation Before ALL	671.7	920.5	442.7	-27.0%	51.7%
(+) Exchange Rate Variation	(17.1)	(108.8)	(18.1)	84.3%	5.7%
1. Managerial Net Interest Margin	654.6	811.7	424.6	-19.4%	54.2%
(-) Credit Assignments Results	104.4	331.8	2.9	-68.5%	3445.3%
2. Managerial Net Interest Margin w/o Assignments	550.2	479.9	421.6	14.6%	30.5%
3. Average Interest-Earning Assets	21,543.0	21,518.8	19,808.1	0.1%	8.8%
- Average Loan Portfolio	17,927.3	17,996.1	16,110.7	-0.4%	11.3%
- Average Securities and Derivatives	2,302.9	2,314.7	2,031.4	-0.5%	13.4%
- Average Interbank Investments	1,312.8	1,208.1	1,666.1	8.7%	-21.2%
(1)/(3) Manag. Net Interest Margin (% p.a.)	12.7%	16.0%	8.9%	-3.2 p.p.	3.9 p.p.
(2)/(3) Manag. Net Interest Margin w/o Assignments (% p.a)	10.6%	9.2%	8.8%	1.4 p.p.	1.8 p.p.

Costs and Expenses

The recurrent expenses from allowance for loan losses closed the quarter at R\$ 224.5 million, while the recovery of credit previously written-off against the allowance for loan losses reached R\$ 88.1 million. Thus, the net expense of the allowance for loan losses in 3Q15 totaled R\$ 136.4 million, falling to 0.8% of the loan portfolio. Additionally, due to the tax credit activation (due to the increase in the social contribution rate), R\$ 98.5 million of discretionary provisions were made.

Allowance for Loan Losses and Credit Recovery (R\$ MM and %)



Personnel and other administrative expenses, including expenses with origination, came to R\$ 455.4 million in 3Q15, versus R\$ 447.4 million in 2Q15 and R\$ 359.9 million in 3Q14. Excluding the origination effect, the increase observed in the quarter came below inflation and relates to the systems maintenance and the credit recovery expenditures.

G&A Expenses (R\$ MM)	3Q15	2Q15	3Q14	Δ 3Q15 / 2Q15	Δ 3Q15 / 3Q14
Personnel expenses	128.9	132.8	107.3	-2.9%	20.1%
Administrative expenses	147.7	143.2	142.0	3.2%	4.1%
1. Subtotal I	276.7	276.0	249.3	0.2%	11.0%
Comission Expenses - BACEN Circular 3,738	32.6	35.3	-	-7.6%	0.0%
Deferred Comissions and other origination expenses	146.1	136.0	110.6	7.4%	32.1%
2. Subtotal II	178.7	171.4	110.6	4.3%	61.6%
3. Total (I + II)	455.4	447.4	359.9	1.8%	26.5%

Pan's cost structure and its ability to generate revenues are subjected to continuous analysis. Consequently, the Bank's cost structure is sized in accordance with Management's current expectations concerning future loan operation volumes and margins. If the economic and market scenarios deteriorate to such an extent as to interfere with the progress of our business plan, the cost structure will be adjusted accordingly.

Income Statement

Pan posted consolidated net income of R\$ 44.3 million in 3Q15, versus a net profit of R\$ 3.6 million in 2Q15 and a net loss of R\$ 69.7 million in 3Q14.

The results mentioned above were impacted by the volume and mix of the credit assignments without recourse made in each period. In 3Q15, credit assignments without recourse (including vehicle, payroll and real estate loans) totaled R\$ 3,158.8 million.

This quarter, the increase in Social Contribution tax has generated additional Deferred Tax Assets (DTA) revenues which were offset by discretionary provisions that strengthen the balance sheet.

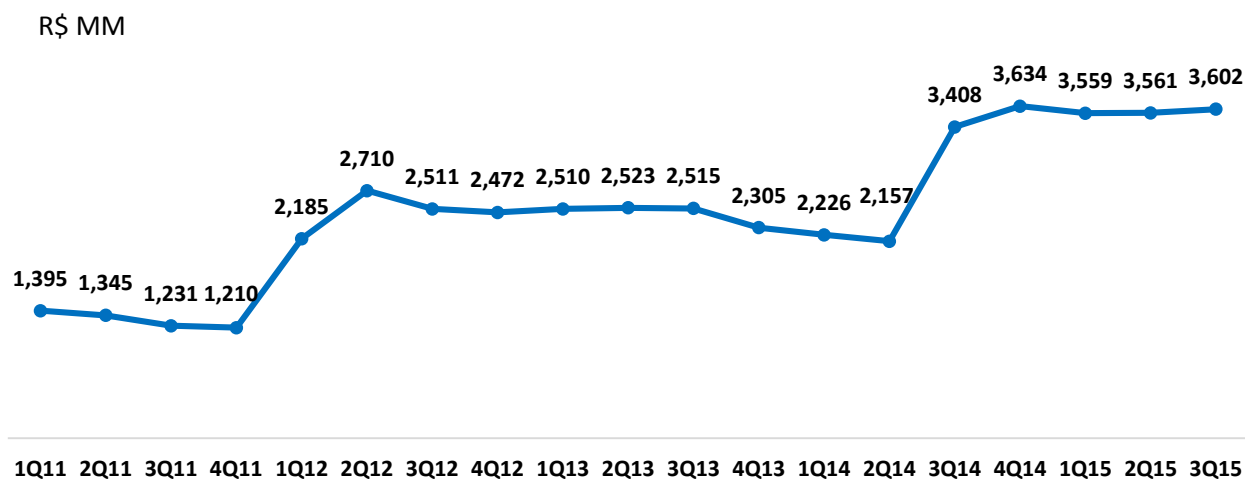
P&L Statement (R\$ MM)	3Q15	2Q15	3Q14	Δ 3Q15 / 2Q15	Δ 3Q15 / 3Q14
Net Interest Margin w/o Credit Assignments	550.2	479.9	421.6	14.6%	30.5%
Result from Credit Assignments	104.4	331.8	2.9	-68.5%	3,445.3%
Net Interest Margin	654.6	811.7	424.6	-19.4%	54.2%
Allowance for Loan Losses	(323.0)	(273.5)	(229.6)	-18.1%	-40.7%
Gross Profit from Financial Intermediation (Adjusted)	333.6	538.2	195.0	-38.4%	70.1%
Other Operating Revenues (Expenses)	5.7	1.6	97.9	264.0%	-94.2%
Administrative and Personnel Expenses	(455.4)	(447.4)	(359.9)	-1.8%	-26.5%
Tax Expenses	(61.5)	(66.8)	(43.2)	7.9%	-42.4%
Income from Operations	(179.6)	25.6	(110.3)	-800.9%	-62.9%
Non Operating Expenses	(14.2)	(14.3)	(14.3)	0.8%	0.8%
Income and Social Contribution Taxes*	238.0	(7.7)	54.9	3,182.6%	333.6%
Net Income / (Loss)	44.3	3.6	(69.7)	1,130.7%	163.6%

*Includes R\$ 150.9 million of DTA revenue coming from the increase in Social Contribution tax

Shareholders' Equity and Capital

Shareholders' Equity

Pan's Consolidated Shareholders' Equity totaled R\$ 3,602.0 million in September 2015, compared to R\$ 3,560.9 million in June 2015 and R\$ 3,408.1 million in September 2014.

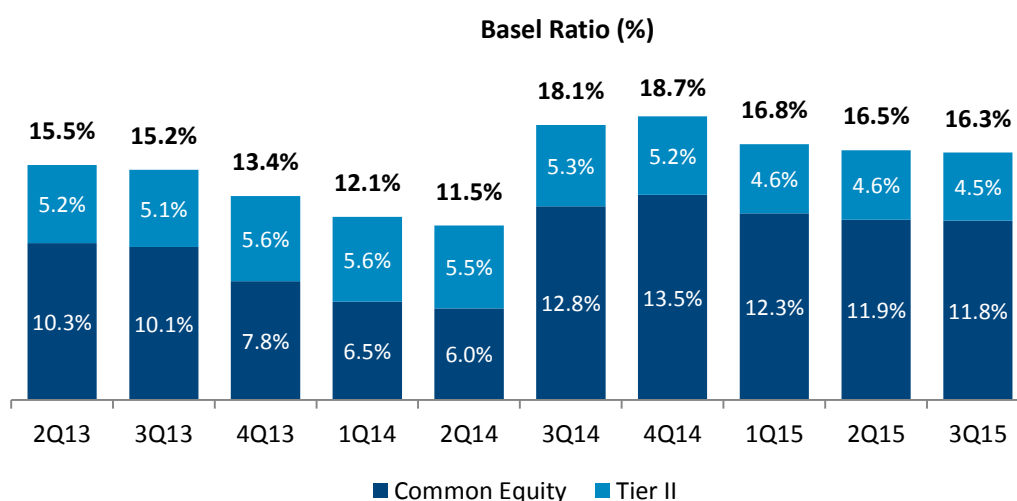


Basel Ratio and Operating Margin

The Prudential Consolidated Basel Ratio stood at 16.3% on September 30, 2015 (11.8% for Tier I Common Equity), versus 16.5% on June and 18.1%, from the Financial Conglomerate, on September 30, 2014. The Operating Margin came to R\$ 930.6 million in 3Q15.

R\$ MM	3Q15	2Q15	3Q14*
1. Reference Shareholders' Equity (PR)	3,301.6	3,290.5	3,553.6
Common Equity Tier I	2,385.1	2,376.3	2,505.4
Tier II	916.5	914.2	1,048.2
2. Required Reference Shareholders' Equity	2,225.2	2,196.8	2,159.3
Risk Weighted Assets	2,077.3	2,039.2	1,955.4
Exchange Variation Risk (PCAM)	5.9	13.4	14.6
Interest (Pre-fixed)	34.7	39.9	10.0
Interest (Price Index)	0.4	26.7	0
Operational Risk	106.9	77.6	179.2
Basel Ratio (1 / (2 / 11%))	16.3%	16.5%	18.1%
Common Equity Tier I	11.8%	11.9%	12.8%
Tier II	4.5%	4.6%	5.3%
3. Banking Positioning Risk - RBAN	145.8	47.2	68.9
Operating Margin (1 - 2 - 3)	930.6	1,046.4	1,325.4

*Financial Conglomerate



Ratings

On July 12, 2011, recognizing the support provided by the new control structure and the various measures adopted by current Management to reduce costs, achieve a better strategic alignment and improve the Company’s operating structure, Fitch Ratings raised Pan’s risk ratings, the most important of which, the Long-Term National Rating, was upgraded by three levels, from A-(bra) to AA-(bra).


On August 16, 2012, Fitch Ratings assigned a long-term IDR (Issuer Default Rating) in foreign currency of “BB+” and on January 27, 2014, reaffirmed this rating and altered its outlook from stable to positive.

On November 26, 2013, Standard & Poor’s (“S&P”) assigned “BB+” to Pan’s long-term global scale IDR and “brAA” to its long-term national scale IDR. According to S&P, these ratings were based on Pan’s adequate liquidity position, funding it receives from both controlling shareholders and its strategic importance for BTG Pactual.

In April 2014, due to the review of Brazil’s banking industry risk evaluation, S&P downgraded the ratings assigned to certain domestic banks, including Pan, which received long-term global and national scale ratings of “BB” and “brAA-”, respectively.

In August 2014, Moody’s Investors Services (“Moody’s”) assigned a “Ba2” to Pan’s long-term global scale IDR and “A1.br” to its long-term national scale IDR, both with a stable outlook. On June 12, 2015, Moody’s maintained Pan’s global scale deposit and debt ratings, but altered its outlook from stable to negative, in line with other institutions.

On September 10, 2015, due to Brazil’s sovereign rating downgrade by S&P, Banco Pan ratings were reviewed to “BB-“, in the long-term global scale, and “brA”, in the national scale. On October 21, 2015, due to Brazil’s sovereign rating downgrade by Fitch Ratings, Banco Pan had its rating outlook reviewed from stable to negative, but the ratings were affirmed at “BB+” and “AA-(br)”.

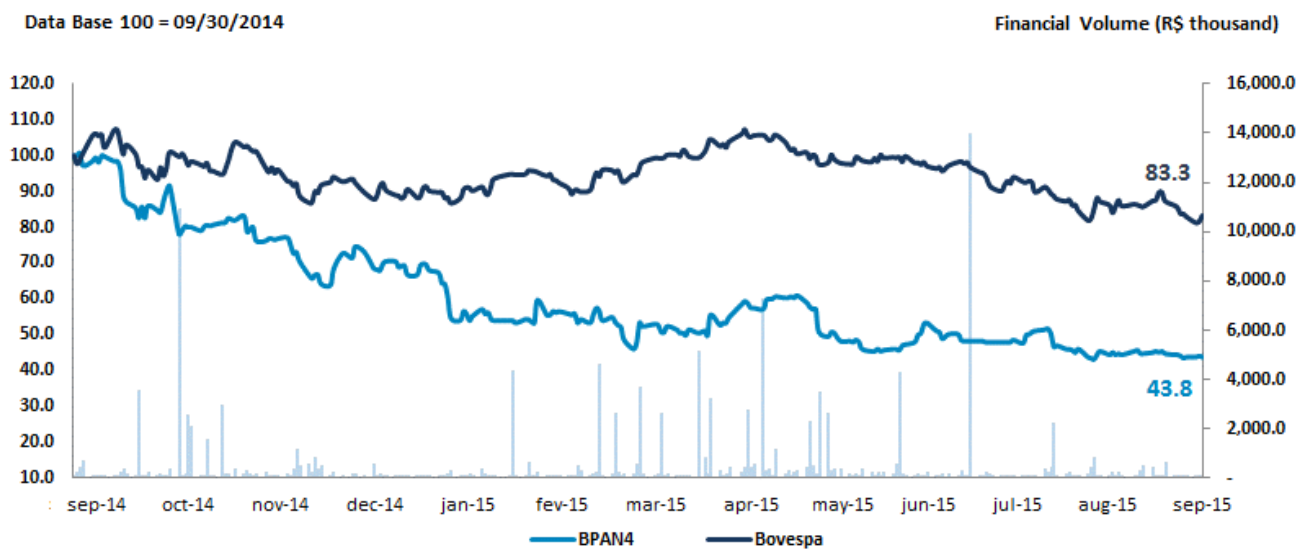
	BB+ AA- (br) Negative Outlook
	BB- brA Credit Watch Dev.
	Ba2 A1.br Negative Outlook
	Low Risk for Medium Term

Stock Performance

Pan’s preferred shares (BPAN4) are listed in the Corporate Governance Level 1 trading segment of the BM&FBOVESPA and are included in the Special Corporate Governance Stock Index (IGCX) and the Special Tag Along Stock Index (ITAG).

Pan’s shares closed 3Q15 at R\$ 1.38, compared to the R\$ 1.57 recorded at the end of the previous quarter, with respective highs and lows of R\$ 1.68 and R\$ 1.36.

The traded volume totaled R\$ 24.7 million in 3Q15, with a daily average of R\$ 385.7 thousand. On September 30, 2015, Pan’s market cap was R\$ 1.3 billion.



Source: Reuters

Appendix

BALANCE SHEET AS OF SEPTEMBER 30 AND JUNE 30, 2015				
<i>(In thousands of Brazilian reais - R\$)</i>				
ASSETS	BANK		CONSOLIDATED	
	Sep/15	Jun/15	Sep/15	Jun/15
CURRENT ASSETS	10,812,391	9,822,879	11,593,592	10,542,275
Cash	94,286	59,118	99,553	66,942
Interbank investments	1,550,792	1,479,877	1,342,532	1,282,426
Securities and derivatives financial instruments	237,157	347,671	283,864	420,463
Interbank accounts	52,248	72,152	52,248	72,152
Lending operations	6,234,353	6,298,146	6,914,367	6,922,442
Lending operations - private sector	6,834,608	6,800,199	7,621,123	7,524,481
(Allowance for loan losses)	(600,255)	(502,053)	(706,756)	(602,039)
Leasing operations	-	-	8,753	13,115
Leasing operations	-	-	11,765	16,219
(Allowance for doubtful lease receivables)	-	-	(3,012)	(3,104)
Other receivables	2,504,324	1,402,402	2,633,684	1,503,646
(Allowance for loan losses)	(60,502)	(46,147)	(60,587)	(46,221)
Other assets	199,733	209,660	319,178	307,310
LONG-TERM RECEIVABLES	13,065,970	13,754,592	14,518,057	15,260,439
Interbank investments	71,533	62,966	-	667
Securities and derivatives financial instruments	1,900,147	1,375,514	2,222,620	1,678,926
Lending operations	7,960,512	8,452,615	8,652,936	9,207,005
Lending operations - Private Sector	8,265,059	8,725,082	8,981,500	9,508,928
(Allowance for loan losses)	(304,547)	(272,467)	(328,564)	(301,923)
Leasing operations	-	-	2,086	3,505
Leasing operations	-	-	2,803	4,334
(Allowance for doubtful lease receivables)	-	-	(717)	(829)
Other receivables	2,766,622	3,472,828	3,272,471	3,978,661
(Allowance for loan losses)	(12,037)	(32,101)	(12,240)	(32,204)
Other assets	379,193	422,770	380,184	423,879
PERMANENT ASSETS	988,614	1,039,276	268,693	271,034
TOTAL ASSETS	24,866,975	24,616,747	26,380,342	26,073,748
LIABILITIES	Sep/15	Jun/15	Sep/15	Jun/15
CURRENT LIABILITIES	15,973,469	14,476,378	16,877,426	15,311,630
Deposits	9,952,027	9,814,778	9,950,358	9,813,934
Demand deposits	96,037	179,561	94,987	179,381
Interbank deposits	8,503,901	8,316,202	8,503,663	8,315,909
Time deposits	1,352,089	1,319,015	1,351,708	1,318,644
Money market funding	1,478,482	266,201	1,478,483	266,153
Funds from acceptance and issuance of securities	2,288,514	2,949,259	2,907,597	3,504,502
Interbank accounts	71,311	87,512	71,311	87,512
Interbranch accounts	37,774	8,797	37,774	8,797
Loan Liabilities	-	-	102,339	102,005
Derivatives Financial Instruments	15,672	6,890	15,672	6,890
Other liabilities	2,129,689	1,342,941	2,313,892	1,521,837
LONG-TERM LIABILITIES	5,289,831	6,577,655	5,899,222	7,199,385
Deposits	1,939,526	1,986,553	1,859,067	1,884,232
Interbank deposits	113,605	110,173	113,605	110,173
Time deposits	1,825,921	1,876,380	1,745,462	1,774,059
Money market funding	96,595	994,294	89,753	985,645
Funds from acceptance and issuance of securities	1,098,893	1,129,752	1,661,738	1,708,909
Loan Liabilities	-	-	69,884	62,052
Derivatives financial instruments	7,923	107,018	1,810	107,018
Other Liabilities	2,146,894	2,360,038	2,216,970	2,451,529
Deferred Income	1,652	1,808	1,652	1,808
MINORITY INTEREST	-	-	19	19
SHAREHOLDERS' EQUITY	3,602,023	3,560,906	3,602,023	3,560,906
Capital	3,460,732	3,460,732	3,460,732	3,460,732
Adjustment to fair value - Securities and derivatives	(31,111)	(27,934)	(31,111)	(27,934)
Retained earnings (losses)	(25,625)	(69,919)	(25,625)	(69,919)
TOTAL LIABILITIES	24,866,975	24,616,747	26,380,342	26,073,748

INCOME STATEMENT FOR THE QUARTERS ENDED ON SEPTEMBER 30 AND JUNE 30, 2015				
<i>(In thousands of Brazilian reais - R\$)</i>				
	BANK		CONSOLIDATED	
	3Q15	2Q15	3Q15	2Q15
REVENUE FROM FINANCIAL INTERMEDIATION	1,847,941	1,368,613	1,930,907	1,454,709
Lending operations	1,213,712	1,069,667	1,275,544	1,152,593
Results from Credit Assignments	99,077	331,782	104,393	331,782
Securities transactions	88,123	76,460	96,638	87,340
Derivative transactions	344,932	(93,888)	352,235	(101,598)
Foreign exchange transactions	102,097	(15,408)	102,097	(15,408)
EXPENSES ON FINANCIAL INTERMEDIATION	(1,527,702)	(748,028)	(1,582,167)	(807,680)
Funding operations	(1,211,504)	(503,905)	(1,246,042)	(534,546)
Borrowings and onlendings	-	112	(13,162)	354
Allowance for loan losses	(316,198)	(244,235)	(322,962)	(273,488)
GROSS PROFIT FROM FINANCIAL INTERMEDIATION	320,239	620,585	348,740	647,029
OTHER OPERATING INCOME (EXPENSES)	(493,674)	(579,723)	(528,309)	(621,409)
Income from services rendered	116,572	109,618	123,668	115,130
Equity in subsidiaries	(8,742)	(32,201)	-	-
Personnel Expenses	(72,188)	(73,442)	(128,944)	(132,807)
Other Administrative Expenses	(360,951)	(351,522)	(326,467)	(314,551)
Tax Expenses	(44,775)	(52,049)	(61,492)	(66,778)
Other Operating Income	108,944	30,428	117,689	43,388
Other Operating Expenses	(232,534)	(210,555)	(252,763)	(265,791)
INCOME FROM OPERATIONS	(173,435)	40,862	(179,568)	25,620
NON OPERATING EXPENSES	(10,900)	(12,689)	(14,180)	(14,299)
INCOME BEFORE TAXES	(184,335)	28,173	(193,748)	11,321
INCOME AND SOCIAL CONTRIBUTION TAXES	228,629	(24,574)	238,042	(7,722)
Provision for Income tax	4,009	2,345	3,027	19,305
Provision for Social Contribution tax	2,214	1,379	1,138	6,517
Deferred tax credits	222,406	(28,298)	233,877	(33,545)
MINORITY INTEREST	-	-	-	-
NET INCOME	44,294	3,599	44,294	3,599

This report may include statements that represent expectations on Banco Pan's future events or results and are based on projections and analysis that reflect the Bank's Management current views and/or expectations regarding its performance and the future of its business.

Risks and uncertainties related to the Bank's businesses, competitors and market, macroeconomic conditions and other factors described in "Risk Factors" in the Reference Form, filed at the Brazilian Securities and Exchange Commission, could cause results to differ materially from those plans, objectives, expectations, projections and intentions.