Earnings Release

4Q17

Banco PAN

São Paulo, February 19, 2018 – Pursuant to legal provisions, Banco PAN S.A. ("PAN", "Bank", "Banco PAN" or "Company") and its subsidiaries announce their results for the year ended December 31, 2017, accompanied by the Independent Auditor's Report. The Bank's operating and financial information, except when otherwise stated, is presented based on consolidated figures and in Brazilian reais, pursuant to Brazilian Corporate Law and Brazilian Accounting Practices.

HIGHLIGHTS

- ✓ **Net Income of R$54.9 million in 4Q17**, versus net income of R$111.3 million in 3Q17 and R$0.2 million in 4Q16;
- ✓ **Annual Net Income of R$212.6 million in 2017,** versus annual net loss of R$237.2 million in 2016;
- ✓ **The total credit portfolio closed 2017 at R$18.6 billion**, versus R$19.2 billion on December 31, 2016**;**
- ✓ **PAN's monthly retail origination averaged R$1,301 million in 4Q17**;
- ✓ **The managerial net income margin was 16.6% p.y. in 2017**, versus 13.6% in 2016;
- ✓ **Shareholders' equity ended the quarter at R$3,556 million and the Basel Ratio increased to 13.3%;**
- ✓ Recent events:
  - ✓ Sale of the 10.1% of Stone Pagamentos S.A. **for R$ 229 milion** on October 31, 2017;
  - ✓ **Capital increase of R$400 million**, pending approval by the Brazilian Central Bank; and
  - ✓ Shareholders' Agreement renewal until February, 2027.

Main Indicators (R$ MM)	2017	2016	4Q17	3Q17	4Q16	Δ 2017 / 2016	Δ 4Q17 / 3Q17
Retail Origination	**17,709**	**20,633**	**3,902**	**3,745**	**5,474**	**-14%**	**4%**
Assignments without Recourse	**7,738**	**9,861**	**1,312**	**1,619**	**2,891**	**-22%**	**-19%**
Total Credit Portfolio	**18,645**	**19,196**	**18,645**	**18,799**	**19,196**	**-3%**	**-1%**
Total Assets	**25,834**	**27,506**	**25,834**	**26,993**	**27,506**	**-6%**	**-4%**
Funding	**17,886**	**19,790**	**17,886**	**19,229**	**19,790**	**-10%**	**-7%**
Shareholders' Equity	**3,556**	**3,412**	**3,556**	**3,522**	**3,412**	**4%**	**1%**
Interest Margin	**3,622**	**2,969**	**885**	**867**	**982**	**22%**	**2%**
Net Income (Loss)	**212.6**	**(237.2)**	**54.9**	**111.3**	**0.2**	**-**	**-51%**
Interest Margin (% p.y.)	**16.6%**	**13.6%**	**17.5%**	**16.8%**	**18.7%**	**3.0 p.p.**	**0.7 p.p.**
Basel Ratio	**13.3%**	**13.2%**	**13.3%**	**12.2%**	**13.2%**	**0.1 p.p.**	**1.1 p.p.**
Common Equity Tier I	9.8%	9.4%	9.8%	9.0%	9.4%	0.4 p.p.	0.8 p.p.
Tier II	3.5%	3.8%	3.5%	3.2%	3.8%	-0.4 p.p.	0.3 p.p.

ECONOMIC ENVIRONMENT

Industrial production moved up 2.8% between November and December, climbing 4.3% in 2017. After plunging in recent years, industrial production grew in every quarter of 2017 and was, on average, 2.5% higher than in 2016. Although the pace of growth observed in December is not usually maintained in the following months, the indicator shows a gradual and consistent economic recovery.

On the supply side, retail sales exceeded expectations, with excellent performance in November: restricted retail was up 0.7% in the month, while extended retail (including vehicles and construction material) was up 25% in the period, both boosted by Black Friday sales.

Inflation, as measured by the IPCA consumer price index, edged up 0.4% in December, closing 2017 at 2.95%, versus 6.29% in 2016. It was the first time the IPCA closed the year below the lower limit (3%) of the inflation target (4.5%).

As for the job market, according to CAGED – a general registry of employed and unemployed workers –, the country shed 328,500 formal jobs in December. Because of the end of temporary employment contracts, there is usually a strong net loss of jobs in December. However, the net balance of formal jobs was up from a positive 23,300 in November to a positive 65,400 in December, the best figure since the beginning of 2014.

According to IBGE (the Brazilian Institute of Geography and Statistics), the unemployment rate was 11.8% in the fourth quarter of 2017. December figures were positive: the decline in informal jobs was offset by growth in formal jobs, while the average income and the wage bill continued to rise.

The credit market performed well in December, especially in the non-earmarked segment, with growth in corporate loans, accompanied by lower interest rates and default in these operations. Meanwhile, the volume of loans to individuals remained stable, with lower interest rates and default. In 2017, non-earmarked corporate loans fell 4.0% in real terms compared with 2016, while credit to individuals increased 5.3% in real terms in the annual comparison.

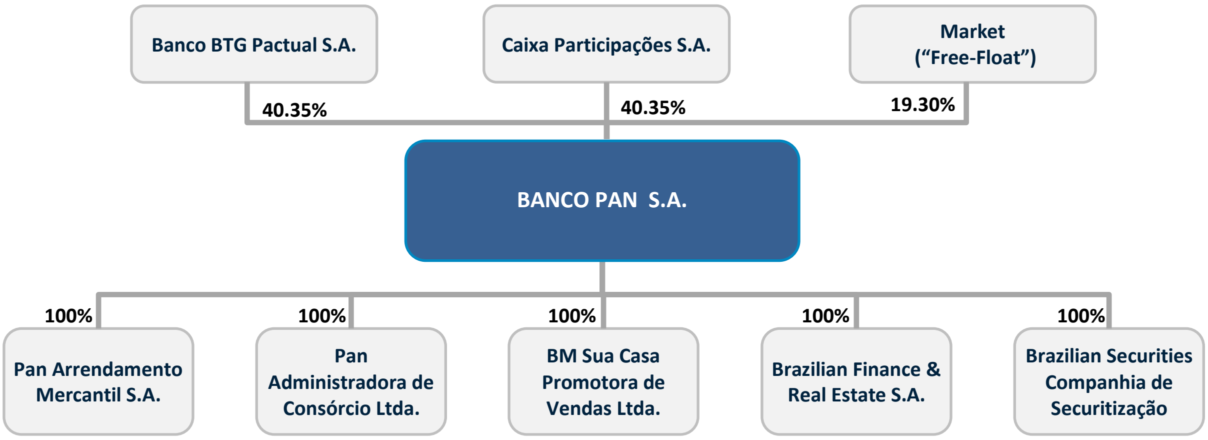
In line with the current monetary easing cycle, market interest rates fell, while default dropped for both individuals and corporate clients. After declining in the last couple of years, Brazil’s credit/GDP ratio increased.

OPERATIONAL AND COMMERCIAL AGREEMENTS

Since 2011, when Caixa Econômica Federal (“Caixa”), through its fully owned subsidiary Caixa Participações S.A., and Banco BTG Pactual S.A. (“BTG Pactual”) signed PAN Shareholders’ Agreement, the controlling shareholders and the Company entered into Operational and Commercial Cooperation Agreements to reaffirm their commitment to a strategic partnership. The following measures have a direct influence on PAN’s capital and liquidity structure: (i) Caixa’s commitment to acquire the Company’s loans without recourse and (ii) the strengthening of liquidity through an interbank deposit agreement or similar operations. These are long-term agreements, which are expected to be adjusted and provide the Bank with funding alternatives at a competitive cost.

Subsidiaries

PAN's organizational chart as of December 31, 2017 is as follows:

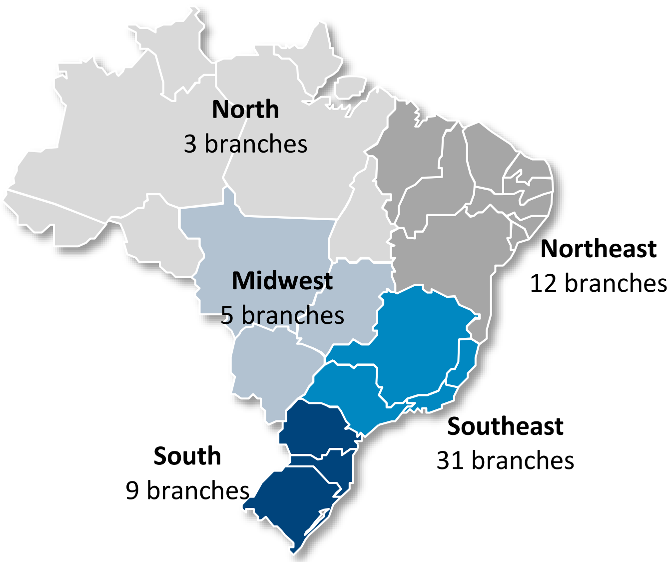


Distribution Network

With 2,161 employees, PAN and its subsidiaries have 60 branches in Brazil's major cities, geographically distributed in accordance with each region's GDP.

PAN closed 2017 with 865 correspondent banks originating payroll-deductible loans and 6,142 authorized multi-brand vehicle dealers.

The Bank ended the quarter with 4.3 million active clients and 2.2 million credit cards issued.



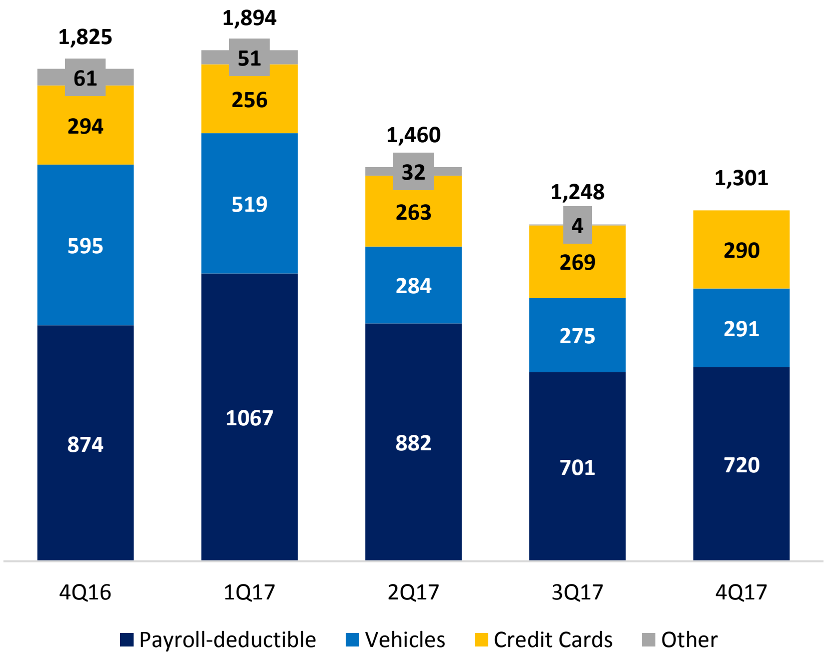
Asset Origination – Retail

In 4Q17, PAN originated a monthly average of R$1,301 million, 4% more than the R$1,248 million recorded in the third quarter of 2017.

In 2017, origination volume declined, due to the new strategic direction adopted by PAN, focusing its credit activities on payroll-deductible credit (loans and credit card), vehicle financing at multi-brand vehicle dealers and credit cards. Average monthly origination came to R$1,476 million in 2017, versus R$1,719 million in 2016.

Average Monthly Origination of Retail Products (R$ MM)

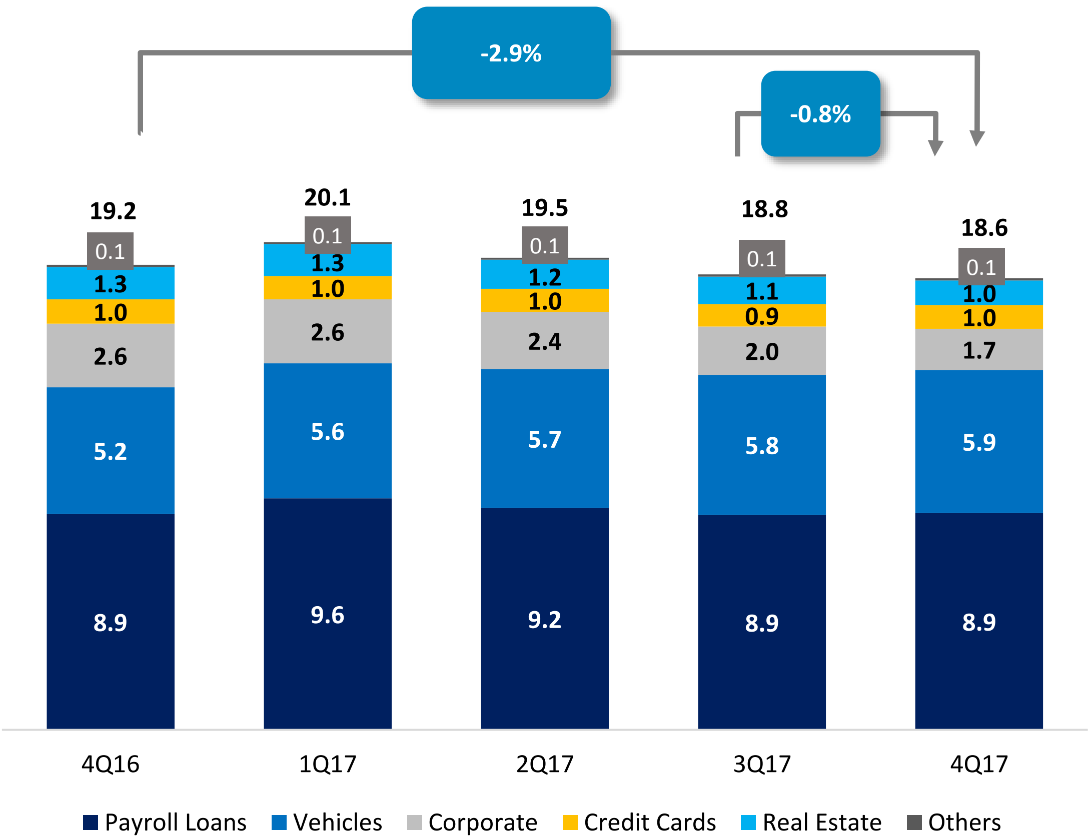
Products	2017	2016	4Q17	3Q17	Δ 2017/ 2016	Δ 4Q17/ 3Q17
Payroll-deductible	842	854	720	701	-1%	3%
Vehicles	342	545	291	275	-37%	6%
Credit Cards	270	266	290	269	1%	8%
Others	22	54	-	4	-60%	-
Total	**1,476**	**1,719**	**1,301**	**1,248**	**-14%**	**4%**



Credit Portfolio

The Total Credit Portfolio, which includes the Retail and Corporate portfolios, ended 4Q17 at R$18,645 million, down from R$18,799 million in 3Q17 and R$19,196 million in 4Q16. These declines were mostly caused by the reduction in the Corporate and Real Estate portfolios, which are in run-off, and by credit assignments that are part of PAN's strategy.

Credit Portfolio (R$ Bn)



The table below gives a breakdown of the Credit Portfolio by segment:

R$ MM	4Q17	Share %	3Q17	Share %	4Q16	Share %	Δ 4Q17 / 3Q17	Δ 4Q17/ 4Q16
Payroll-Deductible Loans	8,947	48%	8,871	47%	8,909	46%	1%	-
Vehicle Financing	5,906	32%	5,779	31%	5,231	27%	2%	13%
Corporate Loans	1,699	9%	1,992	11%	2,627	14%	-15%	-35%
Real Estate	1,016	5%	1,136	6%	1,338	7%	-11%	-24%
Credit Cards	978	5%	928	5%	1,000	5%	5%	-2%
Others	99	1%	93	-	93	-	7%	7%
Credit Portfolio	**18,645**	**100%**	**18,799**	**100%**	**19,196**	**100%**	**-1%**	**-3%**

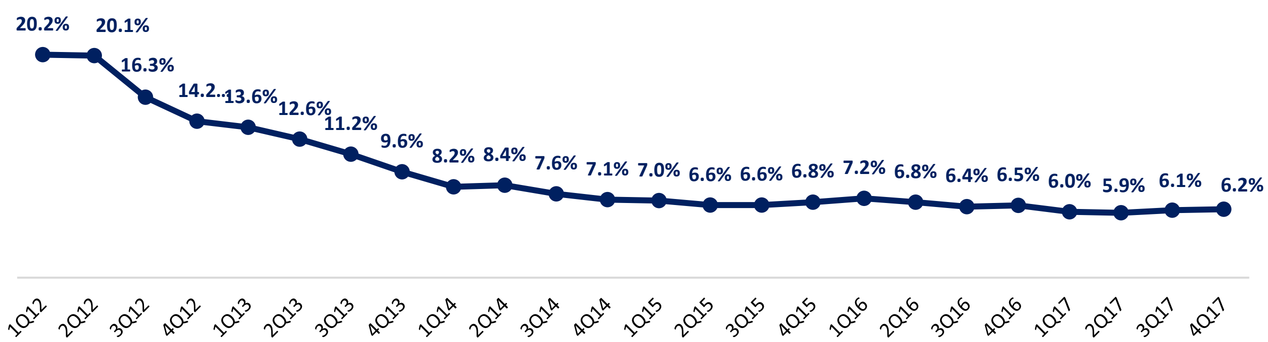
The table below shows the total loan portfolio by maturity on December 31, 2017:

R$ MM	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	Over 360 days	Total
Payroll-Deductible Loans	298	420	592	1,067	5,311	7,687
Vehicle Financing	502	551	738	1,241	2,874	5,906
Corporate Loans	205	141	187	281	886	1,699
Payroll-Deductible Credit Cards	1,236	5	3	5	11	1,260
Real Estate	264	42	92	79	537	1,016
Institutional Credit Cards	557	202	137	74	7	978
Others	9	9	12	21	48	99
Total	**3,071**	**1,371**	**1,762**	**2,768**	**9,673**	**18,645**
Share (%)	**16%**	**7%**	**9%**	**15%**	**52%**	**100%**

Retail Credit Portfolio

The chart below presents the evolution of PAN's non-performing retail loans more than 90 days overdue, considering the outstanding balance of contracts.

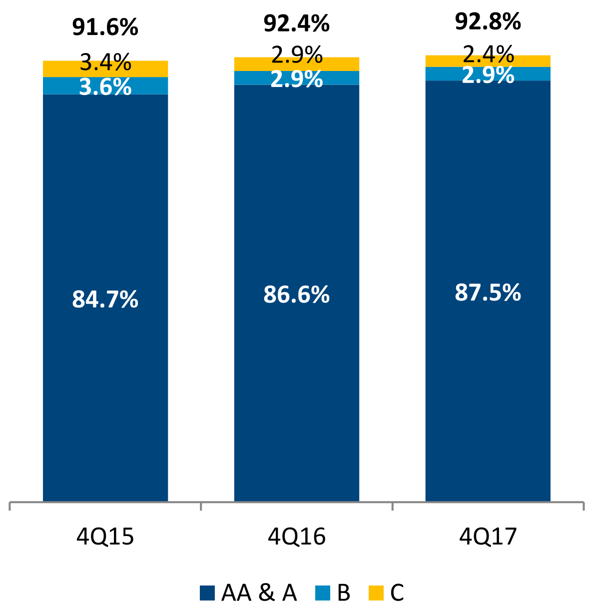
Non-Performing Retail Loans More than 90 Days Overdue (%)



The ratings of Banco PAN's retail credit portfolio are shown below, recorded on the balance sheet by risk rating, pursuant to Resolution 2,682 of the National Monetary Council ("CMN"):

Risk Rating (R$ MM)	4Q17	Share %	3Q17	Share %	4Q16	Share %	Δ 4Q17 / 3Q17	Δ 4Q17/ 4Q16
"AA" to "C"	15,395	93%	15,212	93%	14,785	92%	1%	4%
"D" to "H"	1,197	7%	1,152	7%	1,221	8%	4%	-2%
Total	**16,591**	**100%**	**16,364**	**100%**	**16,007**	**100%**	**1%**	**4%**

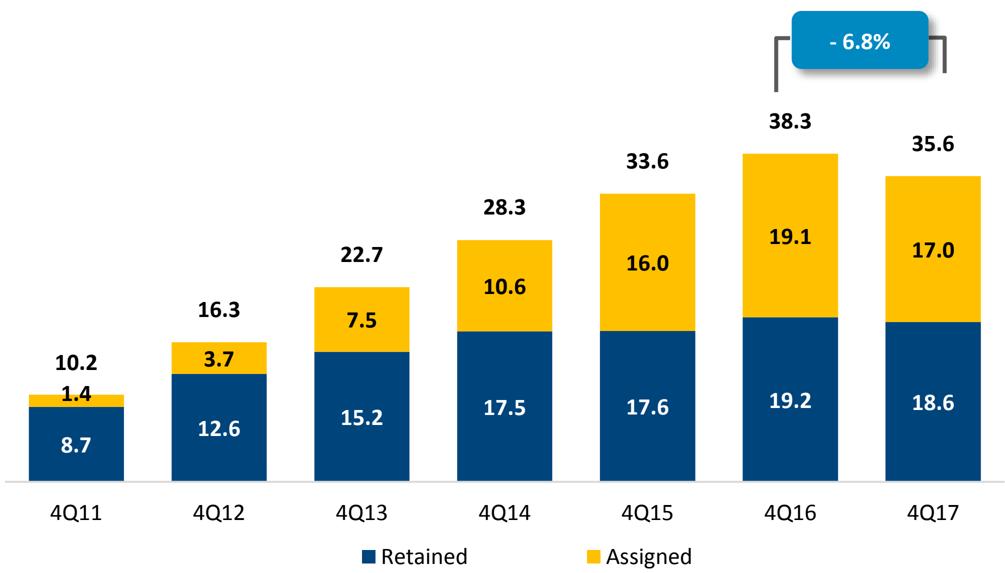
% of Credit rated between AA and C (CMN Resolution 2,682)



Originated Credit Portfolio

In addition to retaining credits in its portfolio, PAN's strategy also includes the assignment of credits without recourse, which amounted to R$1,312 million in 4Q17 and R$7,738 million in 2017. The Originated Credit Portfolio balance, which takes into account both credit in PAN's balance sheet and the balance of the portfolios assigned to Caixa, ended the quarter at R$35.6 billion.

Originated Credit Portfolio Evolution (R$ Bn)



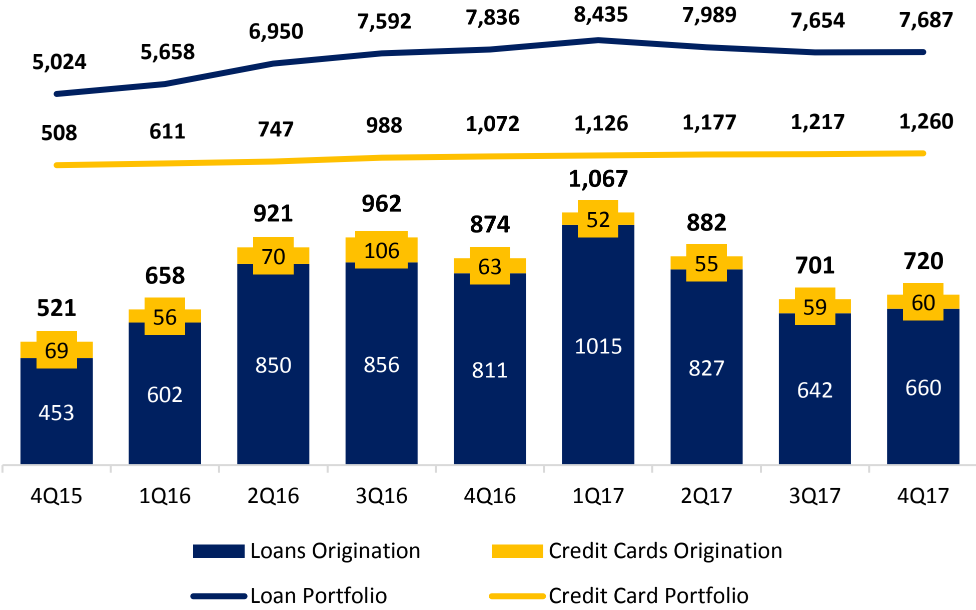
Products

Payroll-Deductible Loans and Credit Cards

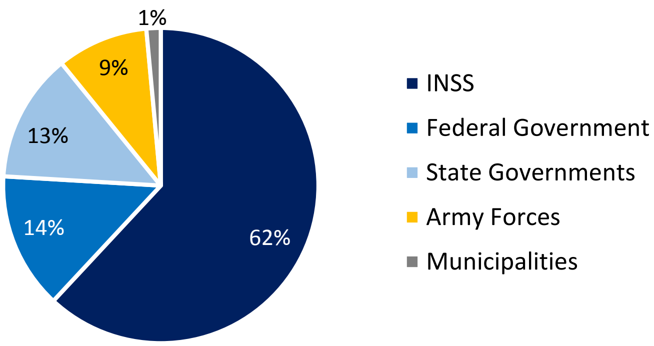
In 2017, PAN originated a total of R$10,109 million in payroll-deductible loans, versus R$10,245 million in 2016. In 4Q17, PAN granted R$1,980 million in loans to public servants and INSS pensioners, an amount substantially higher than the R$1,927 million originated in 3Q17, but lower than the R$2,434 million originated in 4Q16. In the credit card segment, PAN originated R$179 million in transactions in 4Q17, versus R$176 million in 3Q17 and R$189 million in 4Q16.

The payroll-deductible loan portfolio closed 2017 at R$7,687 million, virtually in line with the R$7,654 million recorded on September 30, 2017 and edging down 2% from R$7,836 million on December 31, 2016, due to the credits assigned without recourse during the year. Meanwhile, the payroll-deductible credit card portfolio closed the year at R$1,260 million, 4% more than the R$1,217 million recorded in the previous quarter and 18% up from R$1,072 at the end of 2016.

Portfolio Evolution and Origination (R$ MM)



Quarterly Origination by Segment (%)

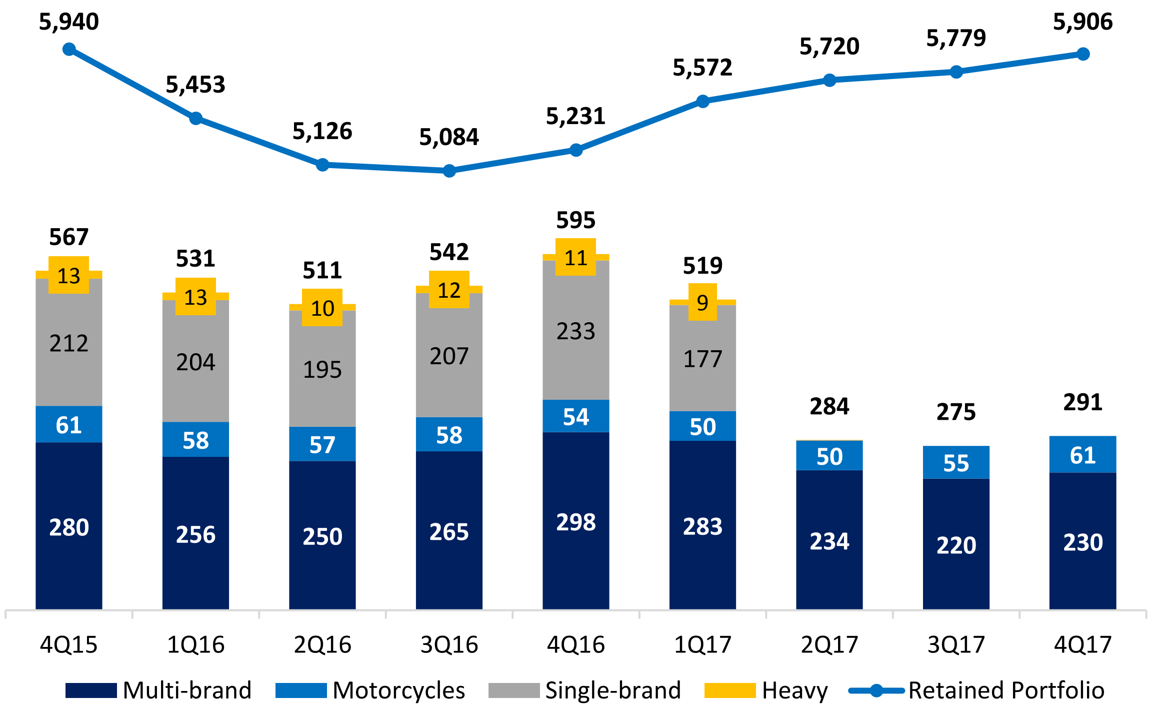


Vehicle Financing

The Bank has 6,142 authorized multi-brand vehicle dealers with a high level of fragmentation in vehicle financing origination. Since the first quarter of 2017, PAN has repositioned itself in this segment, no longer granting vehicle financing at single brand dealers. As a result, PAN originated R$4,108 million in new vehicle financing in 2017, versus R$6,541 million in 2016. In 4Q17, PAN originated R$873 million in new financing, versus R$825 million in 3Q17 and R$1,786 million in 4Q16.

The vehicle financing portfolio closed the year at R$5,906 million, 2% up from R$5,779 million in 3Q17 and 13% up from R$5,231 million in 4Q16.

Vehicle Portfolio Evolution and Avg. Montlhy Origination (R$ MM)



Light vehicle financing amounted to R$691 million in 4Q17, versus R$660 million in 3Q17, while motorcycle financing came to R$183 million, versus R$164 million in 3Q17.

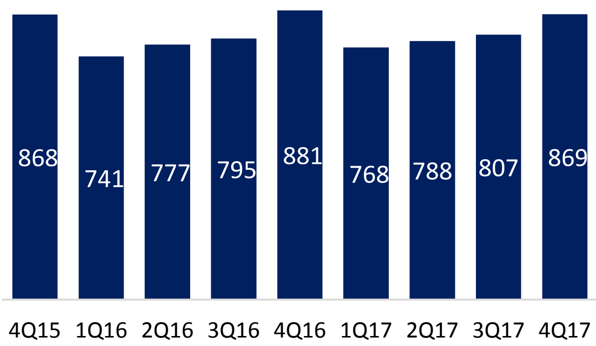
The chart below shows more details on origination in this segment:

4Q17	Light Vehicles	Motorcycles
Origination (R$ MM)	691	183
Market Share	4%	19%
Ranking	6^{th}	2^{nd}
Avg. Maturity (months)	46	39
% Down Payment	40%	21%

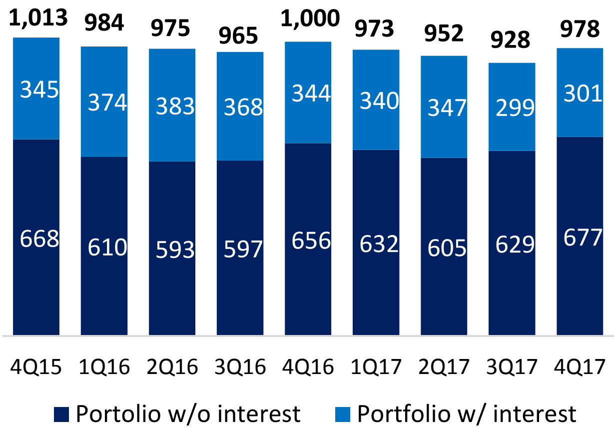
Institutional Credit Cards

Credit card transactions totaled R$869 million in 4Q17, edging up from R$807 million in 3Q17 and edging down from R$881 million in 4Q16. The credit card portfolio showed a slight increase, ending the quarter with a balance of R$978 million, versus R$928 million in 3Q17.

Trasaction Volume (R$ MM)



Credit Portfolio (R$ MM)

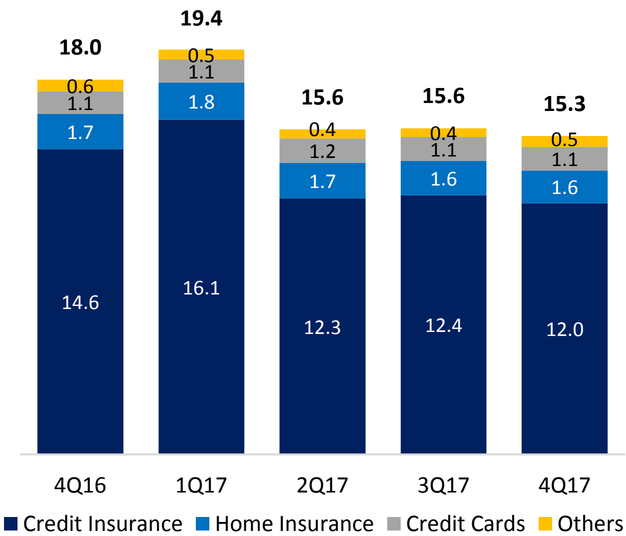


Insurance

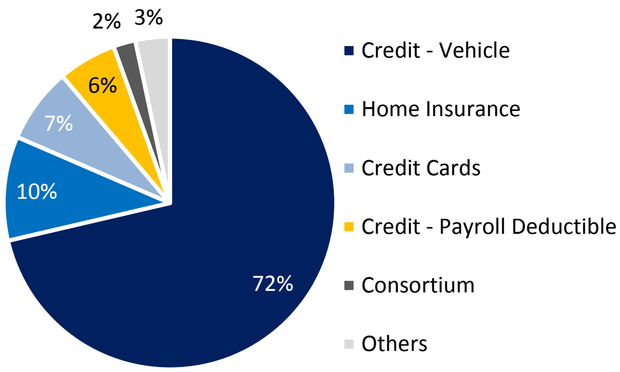
PAN earned R$46 million in insurance premiums in 4Q17, in line with the previous quarter. In 2017, PAN originated R$198 million in premiums, up 7% from R$185 million in 2016.

Premiums originated in 4Q17 included R$36.2 million for credit insurance, R$4.7 million for home insurance, R$3.4 million for credit card insurance and R$1.6 million for other insurance products.

Monthly Avg. Premiums originated by PAN (R$ MM)



Quarterly Origination by Product (%)



Consortium

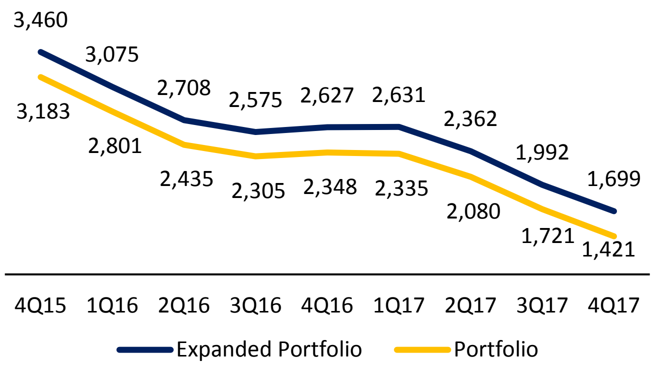
Consortium sales stood at R$125 million in 4Q17, versus R$166 million in the previous quarter and the R$80 million in 4Q16. In 2017, consortium sales totaled R$395 million, down from R$866 million in 2016.

Corporate Loans

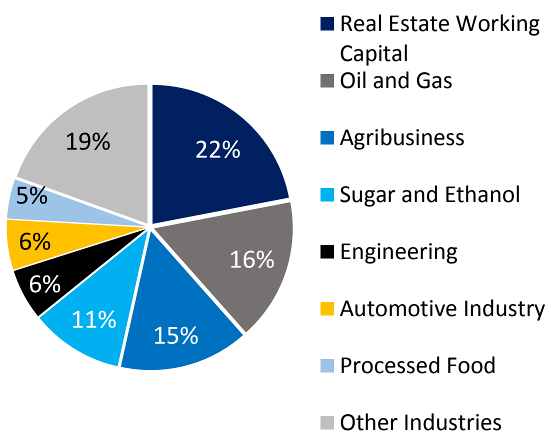
As a result of the strategic decision to discontinue this business line, the expanded corporate credit portfolio closed the quarter at R$1,699 million, down from R$1,992 million on September 30, 2017 and R$2,627 million on December 31, 2016.

This portfolio has appropriate risk diversification and high segmentation across industries and economic groups, as well as substantial guarantees. The ten largest clients jointly accounted for just 3% of the total portfolio at the end of 2017.

Corporate Loan Portfolio Evolution (R$ MM)

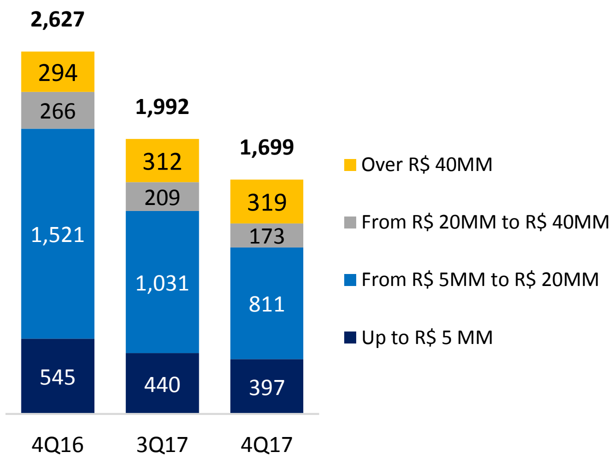


Portfolio by Industry (%)

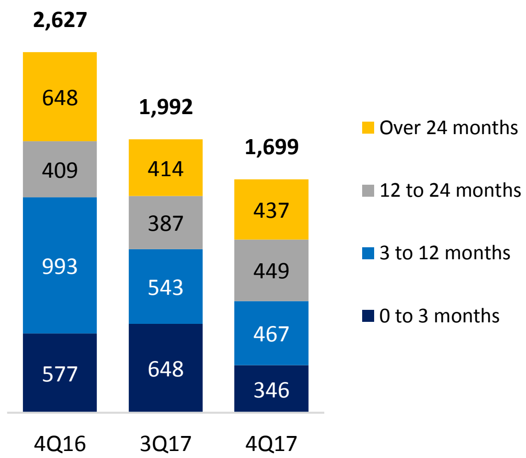


[1]Including guarantees issued

Portfolio Maturity (R$ MM)



Portfolio by Ticket (R$ MM)



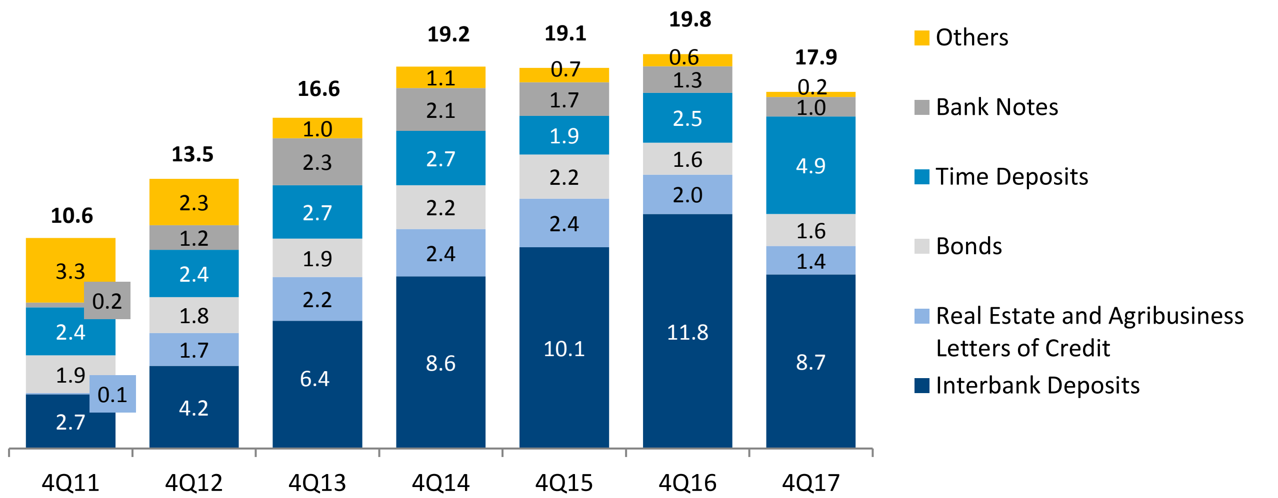
Real Estate

As we have discontinued this business line, we had a reduction of this portfolio. Real estate credit granted to individuals totaled R$662 million at the end of 4Q17, versus R$693 million at the end of 3Q17 and R$774 million at the end of 4Q16. Credit granted to companies came to R$354 million at the end of 4Q17, down from R$442 million at the end of 3Q17 and R$563 million at the end of 4Q16.

Funding

Our funding balance reached R$17.9 billion at the end of 2017, 7.0% down from R$19.2 billion at the end of September 2017 and 10% down from R$19.8 billion at the end of December 2016. The main funding sources were: (i) interbank deposits totaling R$8.7 billion, or 49% of the total; (ii) time deposits amounting to R$4.9 billion, or 27% of the total; (ii) bonds issued abroad totaling R$1.6 billion, or 9% of the total; (iii) real estate and agribusiness letters of credit (LCI and LCA) amounting to R$1.4 billion, or 8% of the total; (iv) bank notes totaling R$984 million, or 6% of the total; (v) other funding sources amounting to R$244 million, or 1% of the total.

Evolution of Funding Sources (R$ Bn)



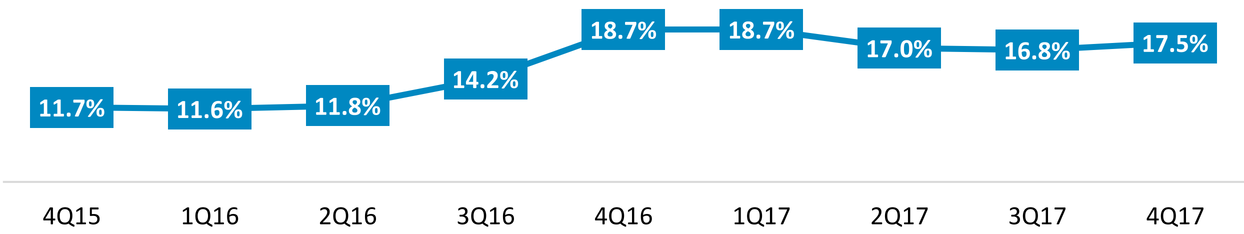
Funding Sources (R$ MM)	4Q17	Share %	3Q17	Share %	4Q16	Share %	Δ 4Q17 / 3Q17	Δ 4Q17/ 4Q16
Interbank Deposits	8,730	49%	10,407	54%	11,766	59%	-16%	-26%
Time Deposits	4,890	27%	4,380	23%	2,514	13%	12%	95%
Bonds	1,604	9%	1,568	8%	1,594	8%	2%	1%
LCI and LCA	1,433	8%	1,541	8%	1,977	10%	-7%	-28%
Financial Bills	984	6%	975	5%	1,328	7%	1%	-26%
Others	244	1%	356	2%	611	3%	-31%	-60%
Total	**17,886**	**100%**	**19,229**	**100%**	**19,970**	**100%**	**-7%**	**-10%**

In accordance with Article 8 of BACEN Nº. 3,068/01, 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

Managerial Net Interest Margin – NIM

The managerial net interest margin was 17.5% p.y. in 4Q17, up from 16.8% p.y. in 3Q17 and down from 18.7% p.y. in 4Q16. In 2017, the managerial net interest margin stood at 16.6% p.y., versus 13.6% p.y. in 2016.

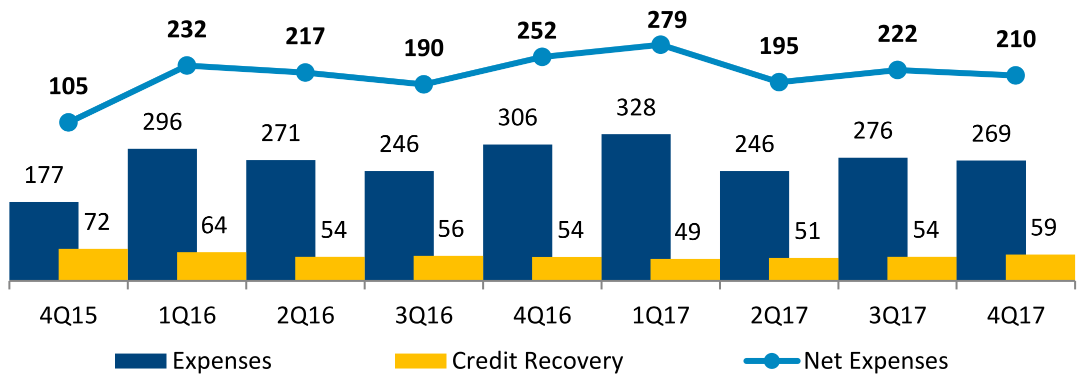


Managerial Net Interest Margin (R$ MM)	2017	2016	4Q17	3Q17	4Q16	Δ 2017/ 2016	Δ4Q17/ 3Q17
Income from Financial Intermediation Before ALL	**3,659**	**3,046**	**889**	**874**	**998**	**20%**	**2%**
(+) Exchange Rate Variation	(37)	(78)	(4)	(7)	(16)	-53%	43%
1. Managerial Net Interest Margin	**3,622**	**2,969**	**885**	**867**	**982**	**22%**	**2%**
2. Average Interest-Earning Assets	**21,808**	**21,836**	**21,527**	**21,866**	**22,475**	**-**	**-2%**
- Average Loan Portfolio	18,642	18,122	18,447	18,868	18,681	3%	-2%
- Average Securities and Derivatives	2,163	2,633	2,016	2,342	2,681	-18%	-14%
- Average Interbank Investments	1,003	1,081	1,064	656	1,113	-7%	62%
(1/2) Managerial Net Interest Margin - NIM (% p.y.)	**16.6%**	**13.6%**	**17.5%**	**16.8%**	**18.7%**	**3.0 p.p.**	**0.7 p.p.**

Allowance for Loan Losses and Credit Collection

In 4Q17, our allowance for loan losses totaled R$269 million, while the collection of credit previously written-off came to R$59 million. Thus, the allowance for loan losses less credit collection totaled R$210 million, versus R$222 million in 3Q17 and R$252 million in 4Q16. In 2017, the allowance for loan losses less credit collection came to R$906 million, virtually in line with the R$890 million recorded in 2016.

Allowance for Loan Losses and Credit Collection (R$ MM)



Costs and Expenses

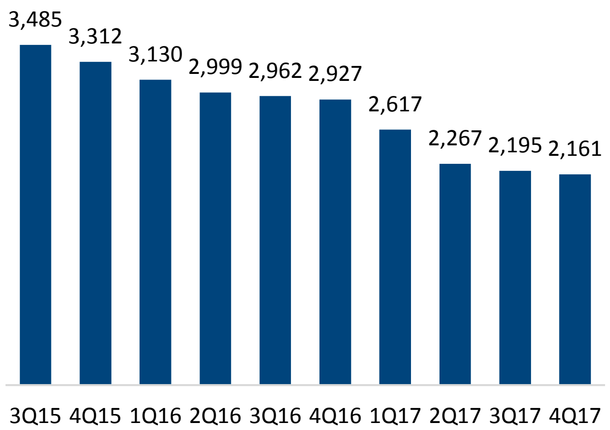
Personnel and administrative expenses totaled R$272 million in 4Q17, virtually in line with the R$275 million recorded in the previous quarter, but 7% down from R$292 million in 4Q16, mostly due to a 10% reduction in personnel expenses. In 2017, personnel and administrative expenses came to R$1,117 million in 2017, versus R$1,147 million in 2016, reducing 3%.

Credit origination expenses stood at R$207 million in the quarter, down from R$234 million in 3Q17 and R$239 million in 4Q16. In 2017, credit origination expenses totaled R$985 million, versus R$902 million in 2016, mainly caused by the final adjustments related to origination commissions in order to comply with Resolution 3,738/14.

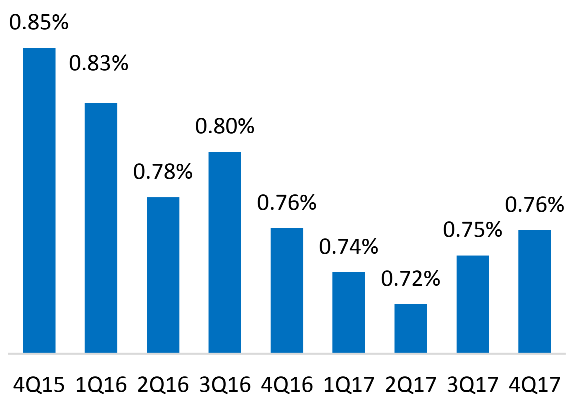
Expenses (R$ MM)	2017	2016	4Q17	3Q17	4Q16	Δ 2017 / 2016	Δ 4Q17 / 3Q17
Personnel Expenses	464	509	116	101	130	-9%	15%
Administrative Expenses	654	638	155	174	162	2%	-11%
1. Subtotal I	**1,117**	**1,147**	**272**	**275**	**292**	**-3%**	**-1%**
Commission Expenses - BACEN Res. 3,738/14	433	331	83	97	92	31%	-14%
Deferred Commissions and Origination Expenses	552	571	124	137	147	-3%	-10%
2. Subtotal II - Origination	**985**	**902**	**207**	**234**	**239**	**9%**	**-12%**
3. Total (I + II)	**2,102**	**2,049**	**479**	**509**	**531**	**3%**	**-6%**

As a result of the constant pursuit of efficiency gains, PAN has been optimizing its cost structure, as shown by the reduction in the number of employees and the ratio of Subtotal I expenses to the originated portfolio.

Number of Employees



Subtotal I / Originated Portfolio



Income Statement

In 4Q17, PAN recorded net income of R$54.9 million, closing 2017 with net income of R$212.6 million, reversing the loss of R$237.2 million recorded in 2016.

The main factors that supported the positive results of recent quarters were: (i) high net interest margins, influenced by the reduction in the Selic rate, (ii) allowance for loan losses under control, and (iii) ongoing cost reduction.

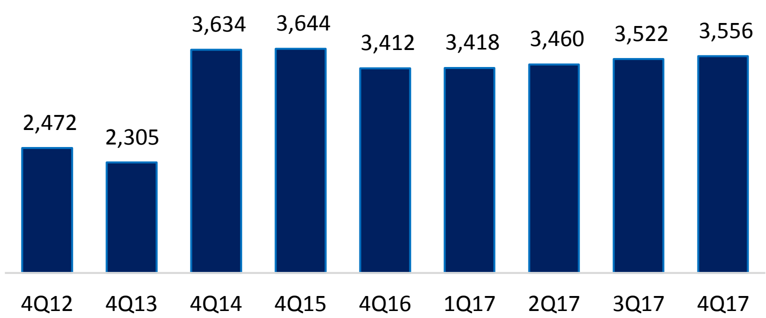
In 4Q17, PAN sold its interest in Stone Pagamentos S.A. for R$229 million and recorded provisions for contingencies in order to strengthen its balance sheet.

Income Statement (R$ MM)	2017	2016	4Q17	3Q17	4Q16	Δ 2017 / 2016	Δ 4Q17 / 3Q17
Managerial Net Interest Margin	**3,622**	**2,969**	**885**	**867**	**982**	**22%**	**2%**
Allowance for Loan Losses	(1,120)	(1,118)	(269)	(276)	(306)	-	2%
Gross Profit from Financial Intermediation	**2,503**	**1,850**	**615**	**590**	**677**	**35%**	**4%**
Personnel and Administrative Expenses	(1,117)	(1,147)	(272)	(275)	(292)	3%	1%
Origination Expenses	(985)	(902)	(207)	(234)	(239)	-9%	12%
Tax Expenses	(220)	(235)	(43)	(44)	(66)	6%	3%
Other	73	(17)	34	(15)	(79)	-	-
Income Before Tax	**253**	**(450)**	**128**	**22**	**1**	**-**	**-**
Income Tax and Social Contribution	(41)	213	(74)	89	-	-	-
Net Income/(Loss)	**212.6**	**(237.2)**	**54.9**	**111.3**	**(0.2)**	**-**	**-51%**

Shareholders' Equity and Capital

Shareholders' Equity

PAN's Consolidated Shareholders' Equity amounted to R$3,556 million in December 2017, taking into account a provision for the payment of interest on equity of R$69.8 million, versus R$3,522 million in September 2017 and R$3,412 million in December 2016.



Basel Ratio and Operating Margin

The Prudential Conglomerate's Basel Ratio ended 4Q17 at 13.3% (with 9.8% in Tier I Common Equity), versus 12.2% (with 9% in Tier I Common Equity) on September 30, 2017 and 13.2% (with 9.4% in Tier I Common Equity) on December 31, 2016. The Prudential Conglomerate's Operating Margin for the fourth quarter was R$470 million.

Considering the Capital Increase, as defined at the Subsequent Events section, PAN´s Pro-Forma Basel Ratio would be 15.6% in 4Q17.

R$ MM	4Q17 Pro-forma	4Q17	3Q17	4Q16
1. Reference Shareholders' Equity	**2,857**	**2,416**	**2,393**	**2,688**
Common Equity Tier I	2,226	1,785	1,762	1,908
Tier II	631	631	631	779
2. Required Reference Shareholders' Equity	**1,917**	**1,904**	**2,060**	**2,133**
Risk Weighted Assets	1,649	1,636	1,780	1,963
Exchange Variation Risk	3	3	4	17
Interest (Fixed)	16	16	24	17
Interest (Price Index)	1	1	4	-
Operational Risk	248	248	248	135
Basel Ratio	**15.6%**	**13.3%**	**12.2%**	**13.2%**
Common Equity Tier I	**12.2%**	**9.8%**	**9.0%**	**9.4%**
Tier II	**3.5%**	**3.5%**	**3.2%**	**3.8%**

The Capital Increase is subject to regulatory approval.

SUBSEQUENT EVENTS

As per a Notice to Shareholders published on January 26, 2018, the Company's Capital Increase was fully subscribed to and paid-in, totaling four hundred million, one reais and four centavos (R$400,000,001.04), through the subscription of two hundred and twelve thousand, seven hundred and sixty-five thousand, nine hundred and fifty-eight (212,765,958) registered, book-entry shares with no par value, of which one hundred and twenty-two million, five hundred and thirty thousand, eight hundred and eighty-eight (122,530,888) are common shares and ninety million, two hundred and thirty-five thousand, seventy (90,235,070) are preferred shares.

On this date, a Board of Directors' meeting was held to approve the Capital Increase and the Company will subsequently submit it for approval by the Brazilian Central Bank, pursuant to the applicable regulations.

Ratings

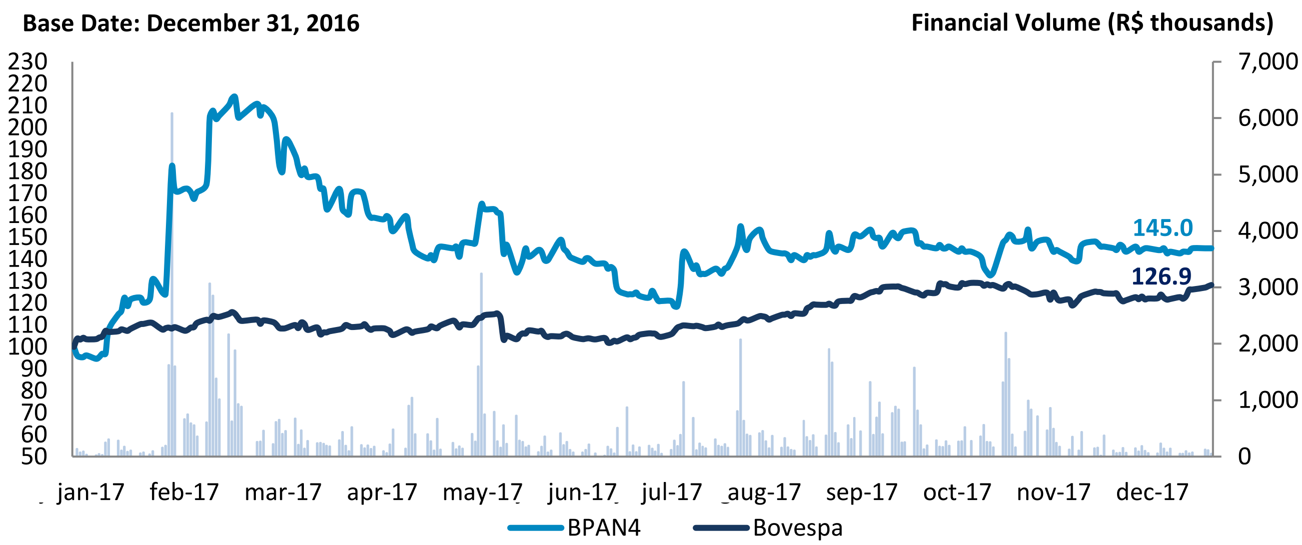
PAN's long-term ratings are presented below:

Rating Agency	Global Scale (LT)	National Scale (LT)	Outlook
Fitch Ratings	BB-	A+ (bra)	Negative/Stable
Standard & Poor's	B+	brBBB+	Negative
Moody's	B1	Baa2.br	Stable
Riskbank	Low Risk for Medium Term 2 (-) | 9.61		

Stock Performance

PAN's shares ended December at R$1.87, versus R$1.88 at the end of 3Q17. The maximum price in the period was R$1.98 per share, while the minimum price was R$1.71 per share.

The traded volume totaled R$7.5 million in 4Q17, with a daily average of R$171,000. On December 31, 2017, PAN's market cap was R$1.7 billion.



Source: Reuters

Exhibits

BALANCE SHEET AS OF DECEMBER 31, 2017 AND DECEMBER 31, 2016				
(In thousands of Brazilian reais - R$)	BANK		CONSOLIDATED	
ASSETS	**Dec/17**	**Dec/16**	**Dec/17**	**Dec/16**
CURRENT ASSETS	**11,845,136**	**12,726,831**	**11,968,131**	**12,942,074**
Cash	6,536	7,424	10,748	19,521
Interbank investments	1,032,983	1,638,795	1,032,983	966,835
Securities and derivatives financial instruments	342,998	692,063	366,369	719,629
Interbank accounts	26,484	17,875	26,484	17,875
Lending operations	7,582,563	7,382,991	7,582,563	7,911,474
Lending operations - private sector	8,414,167	8,112,020	8,414,167	8,784,513
(Allowance for loan losses)	(831,604)	(729,029)	(831,604)	(873,039)
Leasing operations	-	-	176	913
Leasing operations	-	-	222	1,541
(Allowance for doubtful lease receivables)	-	-	(46)	(628)
Other receivables	2,554,328	2,853,441	2,638,058	2,968,659
(Allowance for loan losses)	(71,467)	(58,028)	(71,467)	(58,747)
Other assets	370,711	192,270	382,217	395,915
LONG-TERM RECEIVABLES	**13,156,105**	**12,838,174**	**13,682,453**	**14,289,255**
Interbank investments	-	9,289	-	5,548
Securities and derivatives financial instruments	1,272,078	1,315,505	1,520,139	1,718,980
Lending operations	8,806,221	8,368,030	8,806,221	8,942,131
Lending operations - Private Sector	9,107,530	8,622,186	9,107,530	9,226,475
(Allowance for loan losses)	(301,309)	(254,156)	(301,309)	(284,344)
Leasing operations	-	-	-	157
Leasing operations	-	-	-	187
(Allowance for doubtful lease receivables)	-	-	-	(30)
Other receivables	2,974,496	2,883,347	3,250,359	3,357,827
(Allowance for loan losses)	(16,956)	(5,646)	(16,956)	(7,135)
Other assets	120,266	267,649	122,690	271,747
PERMANENT ASSETS	**1,152,020**	**1,024,414**	**183,740**	**274,247**
TOTAL ASSETS	**26,153,261**	**26,589,419**	**25,834,324**	**27,505,576**

LIABILITIES	**Dec/17**	**Dec/16**	**Dec/17**	**Dec/16**
CURRENT LIABILITIES	**15,334,491**	**17,841,758**	**15,100,675**	**18,358,720**
Deposits	9,572,581	12,089,046	9,314,782	12,067,954
Demand deposits	25,543	60,015	25,439	54,762
Interbank deposits	8,938,498	11,736,273	8,697,973	11,736,273
Time deposits	608,540	292,758	591,370	276,919
Money market funding	1,493,292	1,927,684	1,493,292	1,927,684
Funds from acceptance and issuance of securities	1,547,841	1,569,596	1,547,944	2,031,748
Interbank accounts	851,219	804,868	851,219	804,868
Interbranch accounts	4,509	6,785	4,509	6,785
Loan Liabilities	-	-	-	2,038
Derivatives Financial Instruments	73,129	33,996	73,129	33,996
Other liabilities	1,791,920	1,409,783	1,815,800	1,483,647
LONG-TERM LIABILITIES	**7,262,854**	**5,334,705**	**7,177,733**	**5,733,900**
Deposits	4,562,264	2,459,843	4,340,771	2,266,580
Interbank deposits	32,175	29,428	32,175	29,428
Time deposits	4,530,089	2,430,415	4,308,596	2,237,152
Money market funding	106,022	100,338	98,195	96,940
Funds from acceptance and issuance of securities	697,500	773,399	701,611	1,123,960
Loan Liabilities	-	-	-	132,063
Derivatives financial instruments	129,514	111,738	129,514	111,738
Other Liabilities	1,767,554	1,889,387	1,907,642	2,002,619
Deferred Income	92	794	92	794
SHAREHOLDERS' EQUITY	**3,555,824**	**3,412,162**	**3,555,824**	**3,412,162**
Capital	3,460,732	3,460,732	3,460,732	3,460,732
Adjustments to equity valuation	(13,403)	(14,259)	(13,403)	(14,259)
Retained earnings (loss)	-	(34,311)	-	(34,311)
TOTAL LIABILITIES	**26,153,261**	**26,589,419**	**25,834,324**	**27,505,576**

INCOME STATEMENT *(In thousands of Brazilian reais - R$)*	4Q17	4Q16	2017	2016
REVENUE FROM FINANCIAL INTERMEDIATION	**1,403,478**	**1,612,148**	**6,063,967**	**5,517,548**
Lending operations	1,106,104	1,181,119	4,746,436	4,792,104
Results from Credit Assignments	200,842	401,055	1,317,481	1,095,163
Securities transactions	59,413	103,904	287,158	463,431
Derivative transactions	29,612	(80,083)	(305,649)	(831,905)
Foreign exchange transactions	7,507	6,153	18,541	(1,245)
EXPENSES ON FINANCIAL INTERMEDIATION	**(784,025)**	**(919,424)**	**(3,524,913)**	**(3,589,504)**
Funding operations	(514,645)	(613,857)	(2,405,101)	(2,471,076)
Allowance for loan losses	(269,380)	(305,567)	(1,119,812)	(1,118,428)
GROSS PROFIT FROM FINANCIAL INTERMEDIATION	**619,453**	**692,724**	**2,539,054**	**1,928,044**
OTHER OPERATING INCOME (EXPENSES)	**(647,348)**	**(670,618)**	**(2,438,063)**	**(2,311,954)**
Income from services rendered	98,383	132,066	403,236	489,405
Equity in subsidiaries	-	1,070	(2,993)	33,157
Personnel Expenses	(116,366)	(129,725)	(463,572)	(508,815)
Other Administrative Expenses	(362,203)	(401,427)	(1,638,393)	(1,539,693)
Tax Expenses	(42,505)	(66,007)	(220,000)	(235,121)
Other Operating Income	90,807	(36,672)	262,646	204,991
Other Operating Expenses	(315,464)	(169,923)	(778,987)	(755,878)
INCOME FROM OPERATIONS	**(27,895)**	**22,106**	**100,991**	**(383,910)**
NON OPERATING EXPENSES	**156,273**	**(21,555)**	**152,303**	**(66,498)**
INCOME BEFORE TAXES	**128,378**	**551**	**253,294**	**(450,408)**
INCOME AND SOCIAL CONTRIBUTION TAXES	**(73,504)**	**(355)**	**(40,688)**	**213,168**
Provision for Income tax	(25,029)	13,521	(1,379)	23,128
Provision for Social Contribution tax	1,266	(2,052)	(557)	(7,190)
Deferred tax credits	(49,741)	(11,824)	(38,752)	197,230
NET INCOME/ (LOSS)	**54,874**	**197**	**212,606**	**(237,237)**