

Earnings Release

1Q18

Banco
PAN

São Paulo, May 2, 2018 – Pursuant to legal provisions, Banco PAN S.A. (“PAN”, “Bank”, “Banco PAN” or “Company”) and its subsidiaries announce their results for the quarter ended on March 31, 2018, 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\$56.6 million in 1Q18**, versus Net Income of R\$54.9 million in 4Q17 and Net Income of R\$3.7 million in 1Q17;
- ✓ **The Total Credit Portfolio ended 1Q18 at R\$19.1 billion** versus a portfolio of R\$18.6 billion at the end of 4Q17 and R\$20.1 billion in 1Q17;
- ✓ **Average monthly retail origination of R\$1,539 million in 1Q18**;
- ✓ **Managerial Net Income of 18.1% p.y. in 1Q18**, versus a margin of 17.5% in 4Q17 and 18.7% in 1Q17;
- ✓ **Shareholders’ Equity ended the quarter at R\$3,990 million and the Basel Ratio advanced to 14.2%**.
- ✓ Recent event:
 - ✓ Approval of the Capital Increase by the Brazilian Central Bank on April, 2018.

Main Indicators (R\$ MM)	1Q18	4Q17	1Q17	Δ 1Q18 / 4Q17	Δ 1Q18 / 1Q17
Retail Origination	4,618	3,902	5,681	18%	-19%
Assignments without Recourse	1,624	1,312	2,588	24%	-37%
Total Credit Portfolio	19,101	18,645	20,136	2%	-5%
Total Assets	25,812	25,834	27,613	-	-7%
Funding	17,924	17,885	20,751	-	-14%
Shareholders’ Equity	3,990	3,556	3,418	12%	17%
Interest Margin	905	885	981	2%	-8%
Net Income	56.6	54.9	3.7	3%	1,441%
Interest Margin (%)	18.1%	17.5%	18.7%	0.6 p.p.	-0.6 p.p.
Basel Ratio	14.2%	13.3%	11.3%	0.9 p.p.	2.9 p.p.
Common Equity Tier I	11.4%	9.8%	8.1%	1.6 p.p.	3.6 p.p.
Tier II	2.8%	3.5%	3.2%	-0.7 p.p.	-0.4 p.p.



ECONOMIC ENVIRONMENT

Industrial production in February increased by 0.2% on a monthly comparison, falling below market expectations. On the demand side, retail sales contracted, registering a 0.2% decline in restricted retail and 0.1% decline in extended retail (which includes sales of vehicles and construction materials). On an annual comparison, both indicators increased, with restricted and expanded retail growing by 1.3% and 5.2%, respectively. Although wages and household credit remain with an upward trend, activity data released so far suggest a slightly less optimistic scenario for retail sales in 2018 than previously expected.

Inflation, as measured by the IPCA consumer price index, increased by 0.09% in March, contributing to the deceleration of a 12-month accumulated inflation, which fell to 2.68% (against 2.84% in February). The good behavior of unindexed prices, which has been showing unusually favorable results in its main segments (household food and services), was the main driver behind the low IPCA levels during the first quarter of the year.

As for the job market, data from CAGED (a general registry of employed and unemployed workers published by the Ministry of Labor) indicate a net creation of 56,200 formal job positions in March 2018. As also stated by CAGED, contracts under the new labor reform (part-time positions and intermittent work) still represent a small percentage new job positions (less than 1%).

In terms of unemployment, the IBGE (the Brazilian Institute of Geography and Statistics), ported in its February PNAD release that unemployment rates stands at 12.6%. There was a drop in the formal job market while the informal job market remained stable. A positive aspect in the February numbers was that the average income and wage bill continued to rise, being favored by the low inflation recorded by the IPCA.

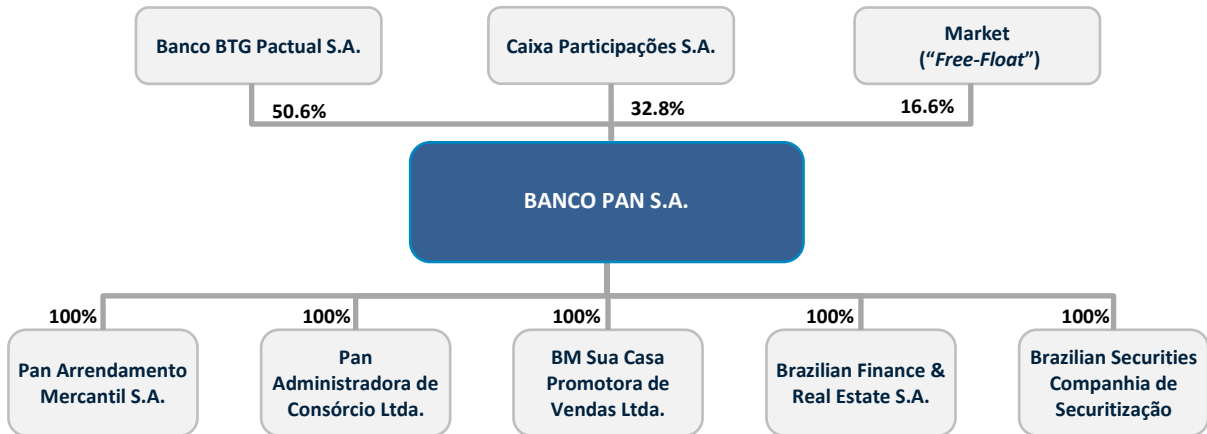
The credit market declined in February, in terms of both corporate loans and loans to individuals, which decreased by 0.4% and 0.1%, respectively. The credit/GDP ratio declined 0.2% to 46.4% from the 48.6% ratio recorded in February 2017. Market interest rates continued to fall on an annual basis, in line with the current monetary easing cycle, despite the slight increase registered on a monthly comparison. Household and corporate default rates remained stable.

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 among shareholders and the Company. Within the foreseen measures that have a direct influence on PAN’s capital and liquidity structure, we highlight: (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 March 31, 2018 is as follow. Despite the difference in the number of shares among BTG Pactual and Caixa, the co-control remains the same:



DISTRIBUTION NETWORK

With 2,158 employees, PAN and its subsidiaries have 60 branches in Brazil's major cities, geographically distributed in accordance with each region's GDP.

At the end of 1Q18, PAN had 764 correspondent banks originating payroll-deductible loans and 6,093 authorized multi-brand vehicle dealers.

The Bank ended the quarter with 4.4 million active clients and 2.2 million credit card issued.

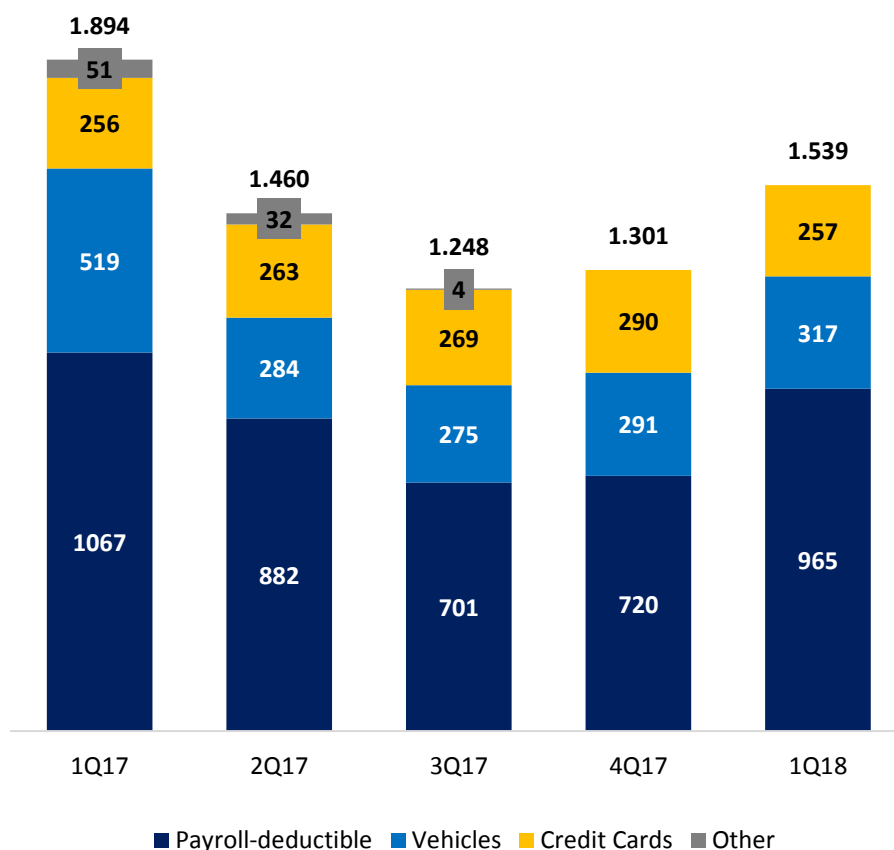


Asset Origination - Retail

During 1Q18, PAN originated a monthly average of R\$1,539 million, 18% above the R\$1,301 million recorded in 4Q17 and 19% below the R\$1,894 million recorded in 1Q17. The reduction in the annual comparison is justified by the strategic redirection adopted by PAN, which focused its activities on the granting of payroll loans (loans and credit cards), the financing of vehicles in multi-brand stores and credit cards, as mentioned in quarters previous.

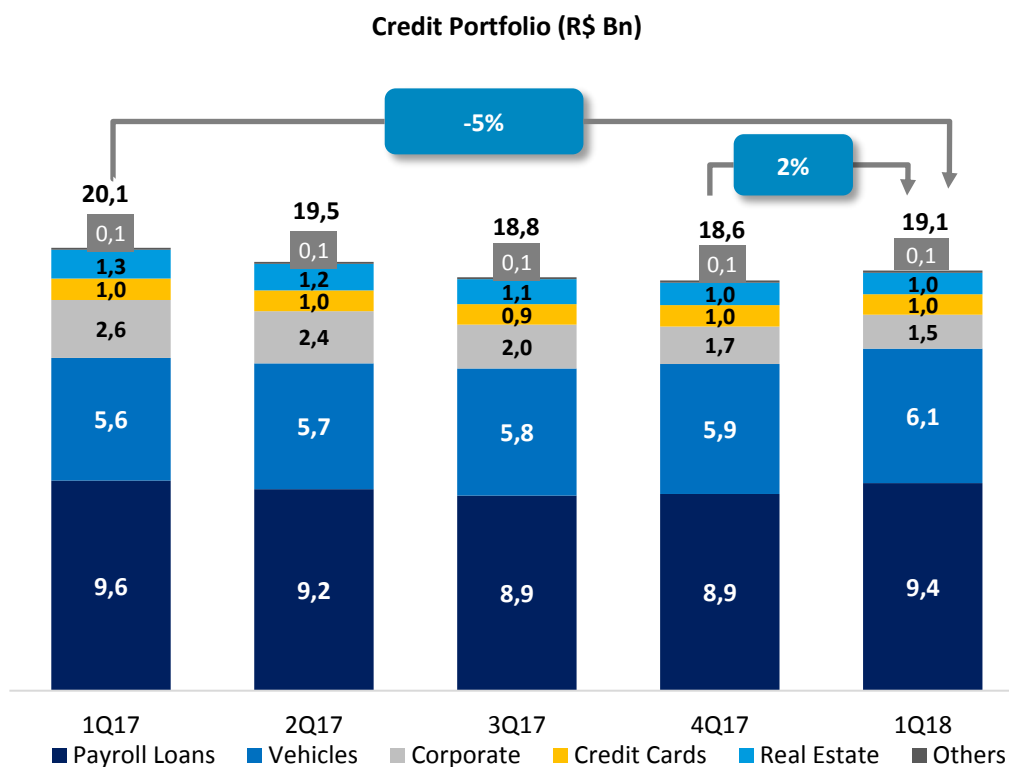
Average Monthly Origination of Retail Products (R\$ MM)

Products	1Q18	4Q17	1Q17	Δ 1Q18/ 4Q17	Δ 1Q18/ 1Q17
Payroll-deductible	965	720	1,067	34%	-10%
Vehicles	317	291	519	9%	-39%
Credit Cards	257	290	256	-11%	-
Others	-	-	51	-	-
Total	1,539	1,301	1,894	18%	-19%



Credit Portfolio

The Total Credit Portfolio, which includes the Retail and Corporate portfolios, ended 1Q18 at R\$19,101 million, against the R\$18,645 million recorded in 4Q17 and R\$20,136 million in 1Q17. These declines were mostly caused by the reduction in the Corporate and Real Estate portfolios, which are in run-off.



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

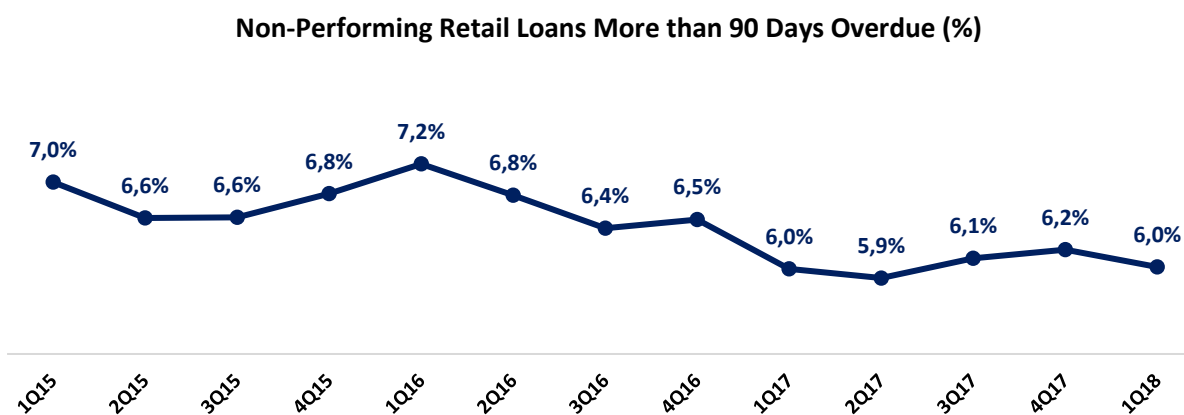
R\$ MM	1Q18	Share %	4Q17	Share %	1Q17	Share %	Δ 1Q18/4Q17	Δ 1Q18/1Q17
Payroll-Deductible (Loans + cards)	9,441	49%	8,947	48%	9,561	47%	6%	-1%
Vehicle Financing	6,112	32%	5,906	32%	5,572	28%	3%	10%
Corporate Loans	1,545	8%	1,699	9%	2,631	13%	-9%	-41%
Real Estate	968	5%	1,016	5%	1,318	7%	-5%	-27%
Credit Cards	930	5%	978	5%	973	5%	-5%	-4%
Others	106	1%	99	1%	82	-	7%	28%
Credit Portfolio	19,101	100%	18,645	100%	20,136	100%	2%	-5%

The table below shows the total loan portfolio by maturity on March 31, 2018:

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	303	432	616	1,099	5,680	8,130
Vehicle Financing	522	545	753	1,293	2,998	6,112
Corporate Loans	463	152	149	175	605	1,545
Payroll-Deductible Credit Cards	1,282	8	4	6	12	1,311
Real Estate	217	114	60	64	513	968
Institutional Credit Cards	535	187	129	72	7	930
Others	9	10	13	22	51	105
Total	3,311	1,448	1,724	2,731	9,867	19,101
Share (%)	17%	8%	9%	14%	52%	100%

Retail Credit Portfolio

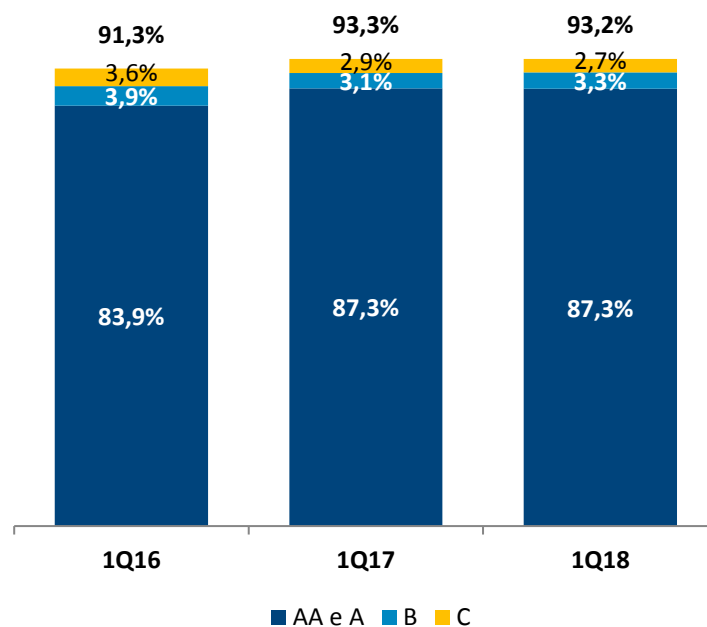
The chart below presents the evolution of PAN's non-performing retail loans more than 90 days overdue, considering the outstanding balance of contracts.



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)	1Q18	Share %	4Q17	Share %	1Q17	Share %	Δ 1Q18/ 4Q17	Δ1Q18/ 1Q17
"AA" to "C"	16,049	93%	15,395	93%	15,808	93%	4%	2%
"D" to "H"	1,170	7%	1,197	7%	1,142	7%	-2%	2%
Total	17,219	100%	16,591	100%	16,950	100%	4%	2%

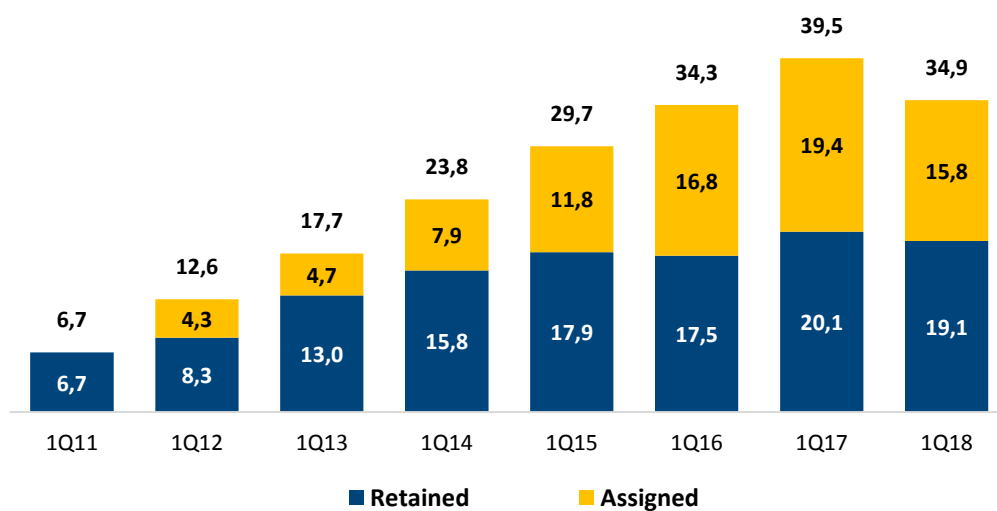
% of Credit rated between AA and C (CMN Resolution 2,682)



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\$1,624 million in 1Q18. 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\$34.9 billion.

Originated Credit Portfolio Evolution (R\$ Bi)

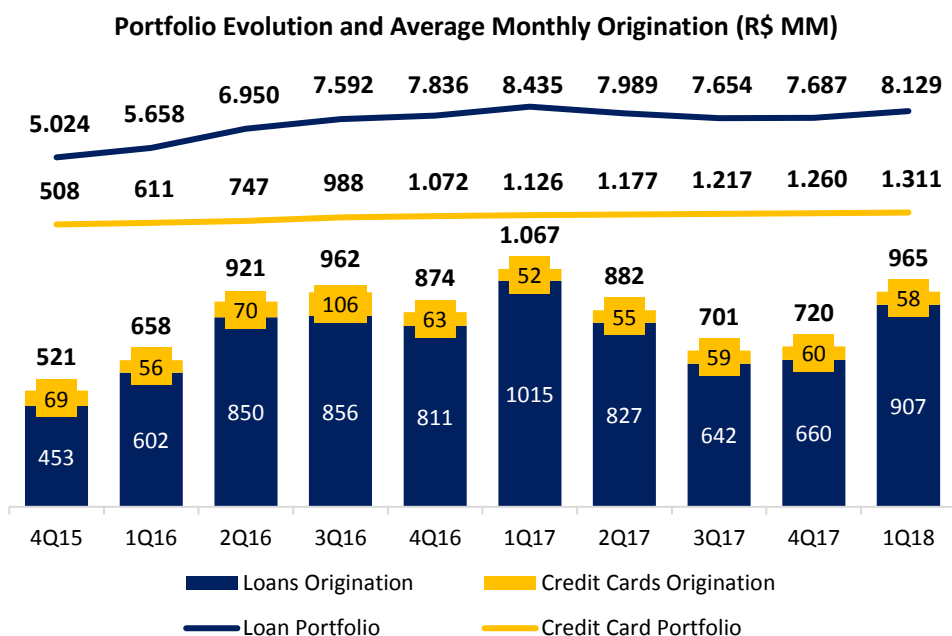


Products

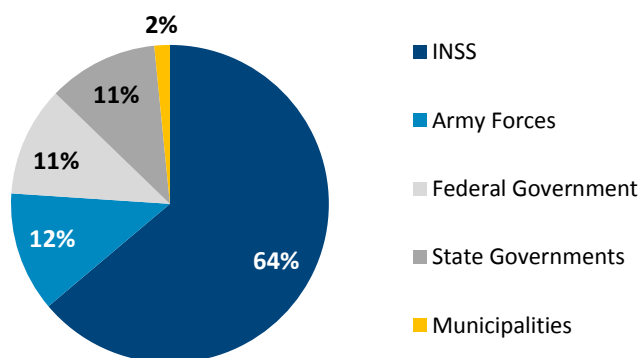
Payroll-Deductible Loans and Credit Cards

PAN recorded R\$ 2.721 million in loans to public servants, INSS retirees and pensioners in 1Q18, a higher volume than the R\$1,980 million in loans in 4Q17, but lower than the R\$3,045 million originated in 1Q17. In the credit card segment, a total of R\$174 million was originated in transactions in 1Q18, versus the R\$179 million originated in 4Q17 and the R\$157 million originated in 1Q17.

The payroll-deductible loan portfolio ended the quarter at R\$8,129 million, up by 6% versus the R\$7,687 million recorded in 4Q17 and down by 4% versus the R\$8,435 million recorded at the end of 1Q17, due to the volume of credits assigned without recourse during other periods. Meanwhile, the payroll-deductible credit card portfolio ended the quarter at R\$1,311 million, 4% higher than the R\$1,260 million recorded in the previous quarter and up by 16% versus the R\$1,126 million recorded at the end of 1Q17.



Quarterly Origination by Segment (%)

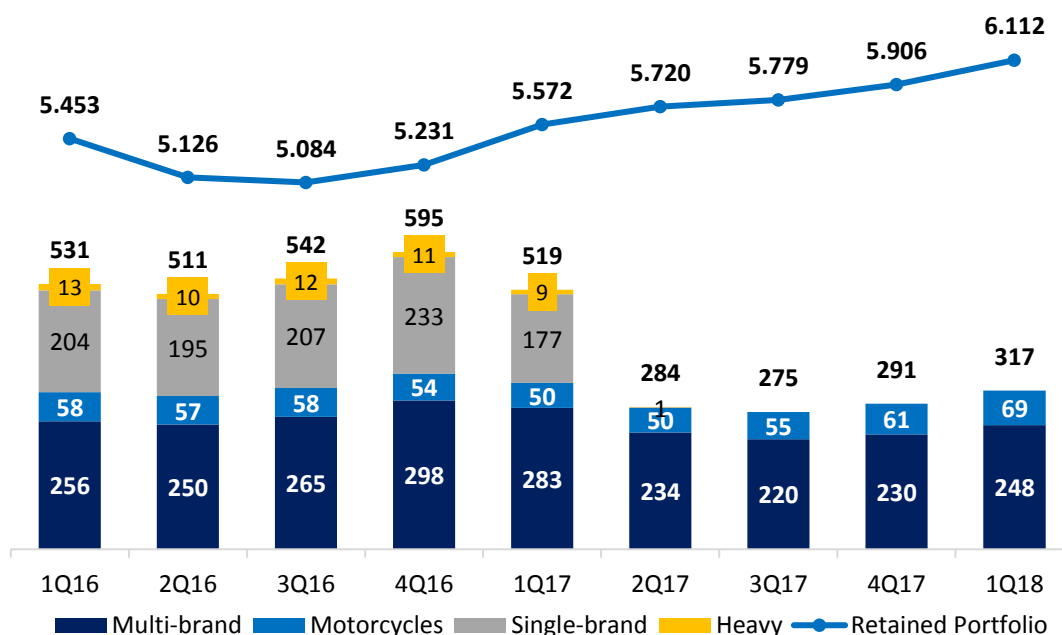


Vehicle Financing

The Bank has 6,093 authorized multi-brand vehicle dealers with a high level of fragmentation in vehicle financing origination. Since the first quarter of 2018, R\$952 million was originated in new vehicle financing, versus R\$873 million in 4Q17 and the R\$1,558 million originated in 1Q17.

The vehicle financing portfolio ended the first quarter at R\$6,112 million, up by 3% versus the R\$5,906 million recorded in 4Q17 and up by 10% when compared to the R\$5,572 million at the end of 1Q17.

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



Light vehicle financing amounted to R\$745 million in 1Q18, versus the R\$691 million originated in 4Q17 and the R\$850 million originated in 1Q17, while motorcycle financings amounted to R\$207 million in 1Q18, versus the R\$183 million and R\$149 million originated in 4Q17 and 1Q17, respectively.

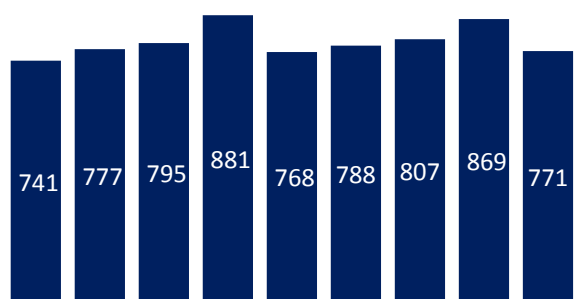
The chart below shows more details on origination in this segment:

1Q18	Light Vehicles	Motorcycles
Origination (R\$MM)	745	207
Market Share	5.1%	20.5%
Ranking	6th	2nd
Avg. Maturity (months)	46	40
% Down Payment	39.7%	24.9%

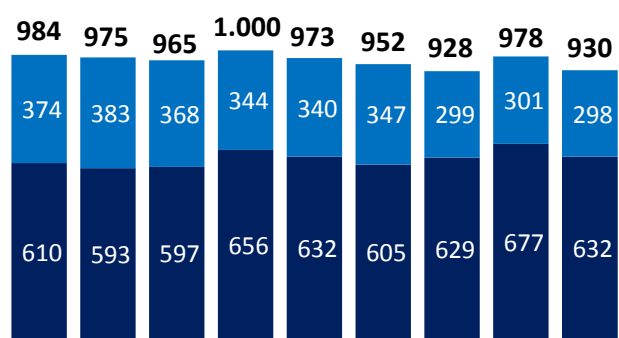
Institutional Credit Cards

During 1Q18, credit card transactions totaled R\$771 million, lower than the R\$869 million in recorded transactions in 4Q17 and slightly higher than the R\$768 million recorded in 1Q17. The credit card portfolio had a slight drop, ending the quarter at R\$930 million, versus the R\$978 million and R\$973 million in 4Q17 and 1Q17, respectively.

Trasactions Volume (R\$ MM)



Credit Portfolio (R\$ MM)



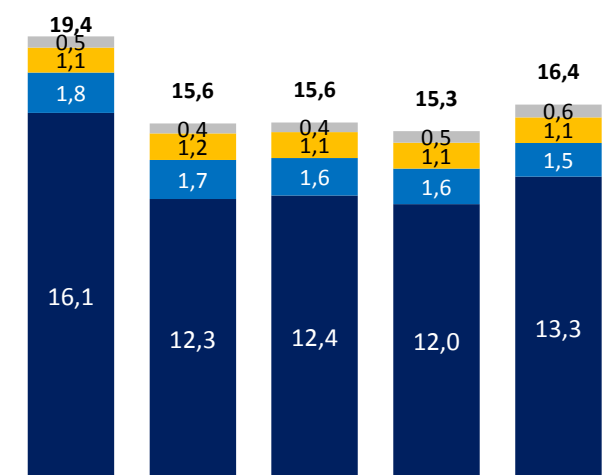
■ Portfolio w/o interest ■ Portfolio w/ interest

Insurance

PAN originated a total of R\$49 million in insurance premium in 1Q18, increasing over the previous quarter.

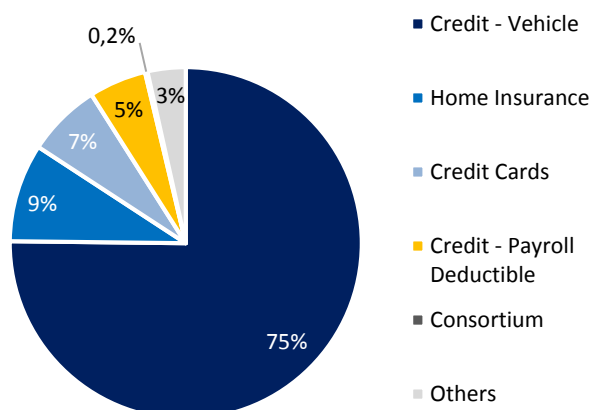
Premiums originated in the quarter had the following breakdown: R\$39.8 million in credit insurance, R\$4.4 million in home insurance, R\$3.3 million in credit card insurance and R\$1.7 million in other insurance products.

Monthly Avg. Premiums Originated by PAN (R\$ MM)



■ Credit Insurance ■ Home Insurance ■ Credit Cards ■ Others

Quarterly Origination by Product (%)



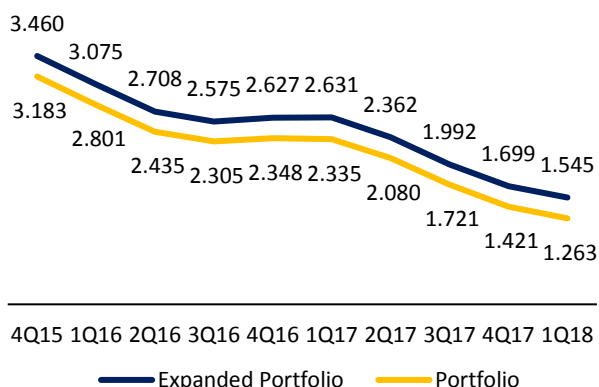
Consortium

Consortium sales stood at R\$125 million in 1Q18, maintaining the same sales volume of the previous quarter and higher than the R\$37 million in origination in 1Q17.

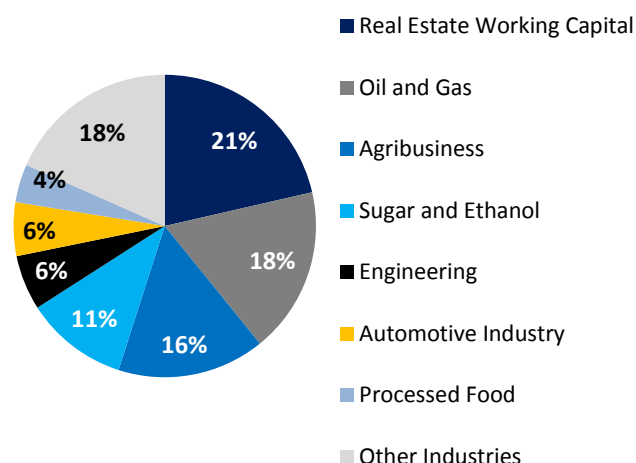
Corporate Loans

Reflecting the strategic decision to discontinue this business line, the expanded corporate credit portfolio ended the quarter at R\$1,545 million, versus R\$1.699 million at the end of 4Q17 and R\$2,631 million in 1Q17. This portfolio has appropriate risk diversification and high segmentation across industries and economic groups, as well as substantial guarantees.

Corporate Loan Portfolio Evolution (R\$ MM)

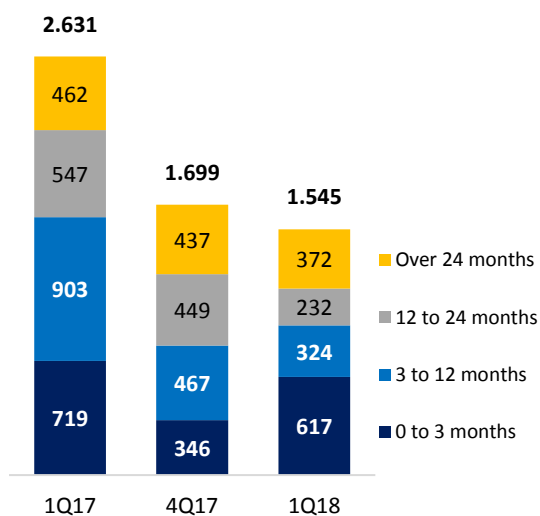


Portfolio by Industry (%)

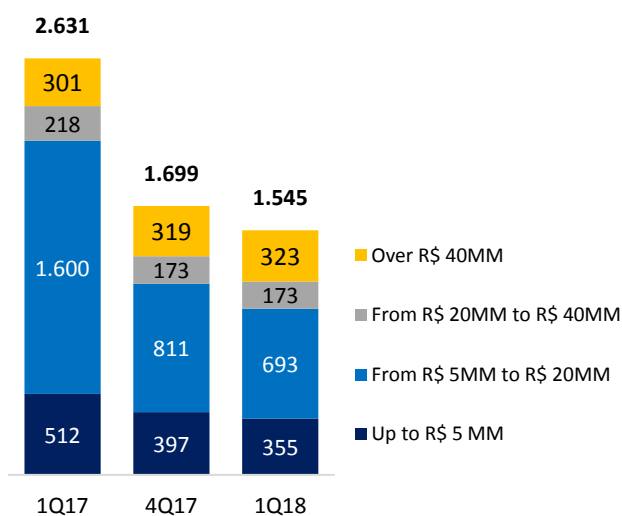


¹Includes guarantees issued

Portfolio Maturity (R\$ MM)



Portfolio by Ticket (R\$ MM)



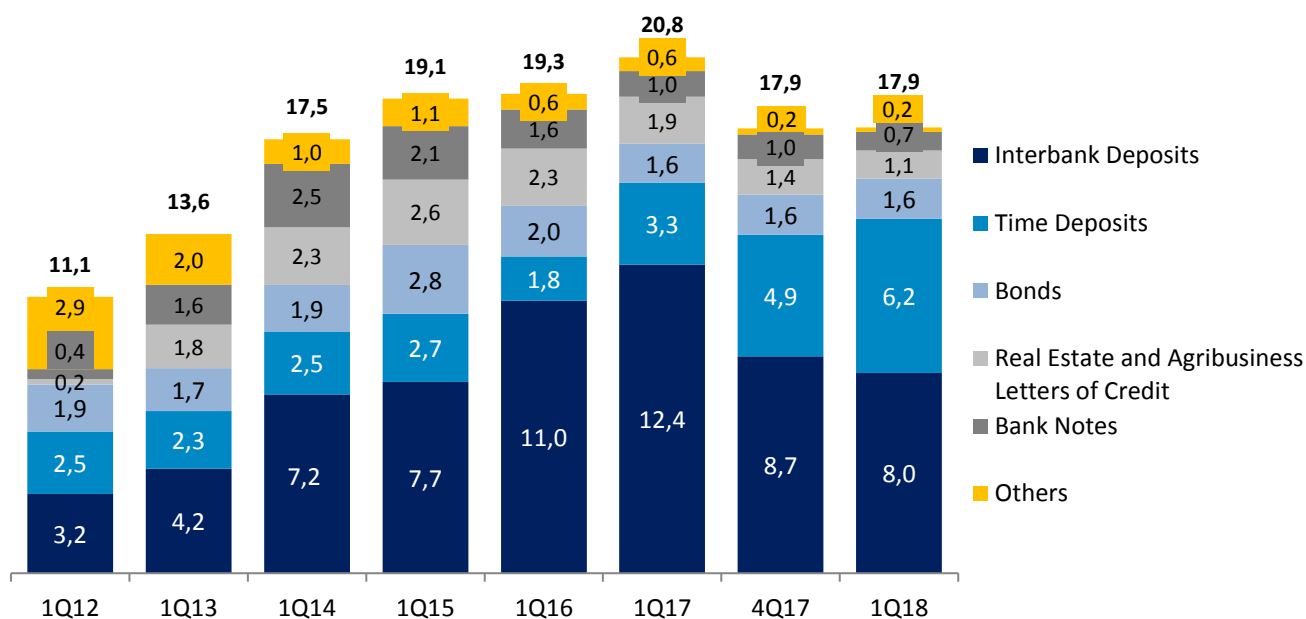
Real Estate

As we have discontinued this business line. Real estate portfolio to individuals totaled R\$631 million at the end of 1Q18, versus R\$662 million and R\$ 762 million in 4Q17 and 1Q17, respectively. Credit portfolio to companies came to R\$337 million at the end of 1Q18, versus R\$354 million and R\$556 million at 4Q17 and 1Q17, respectively.

Funding

Our funding balance totaled R\$17.9 billion at the end of March 2018, practically stable when compared to the balance in December 2017, but 14% lower than the balance of R\$20.8 billion recorded in March 2017. The main funding sources were: (i) interbank deposits, which totaled R\$8.0 billion, or 45% of the total; (ii) time deposits, amounting to R\$6.2 billion, or 35% of the total; (iii) bonds issued abroad totaling R\$1.6 billion, or 9% of the total; (iv) real estate and agribusiness (LCI and LCA) letters of credit amounting to R\$1.1 billion, or 6% of the total; (v) bank notes totaling R\$744 million, or 4% of the total; and (vi) other funding sources amounting to R\$178 million, or 1% of the total funding.

Evolution of Funding Sources (R\$ Bn)



Funding Sources (R\$ MM)	1Q18	Share %	4Q17	Share %	1Q17	Share %	Δ 1Q18 / 4Q17	Δ 1Q18 / 1Q17
Interbank Deposits	8,049	45%	8,730	49%	12,406	60%	-8%	-35%
Time Deposits	6,216	35%	4,900	27%	3,297	16%	27%	89%
Bonds	1,599	9%	1,604	9%	1,566	8%	-	2%
LCI and LCA	1,138	6%	1,433	8%	1,891	9%	-21%	-40%
Financial Bills	744	4%	984	6%	1,038	5%	-24%	-28%
Others	178	1%	233	1%	554	3%	-24%	-68%
Total	17,924	100%	17,885	100%	20,751	100%	-	-14%

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 stood at 18.1% p.y. in 1Q18, up from the 17.5% p.y. in 4Q17 and in line with the 18.7% p.y. margin recorded in 1Q17.



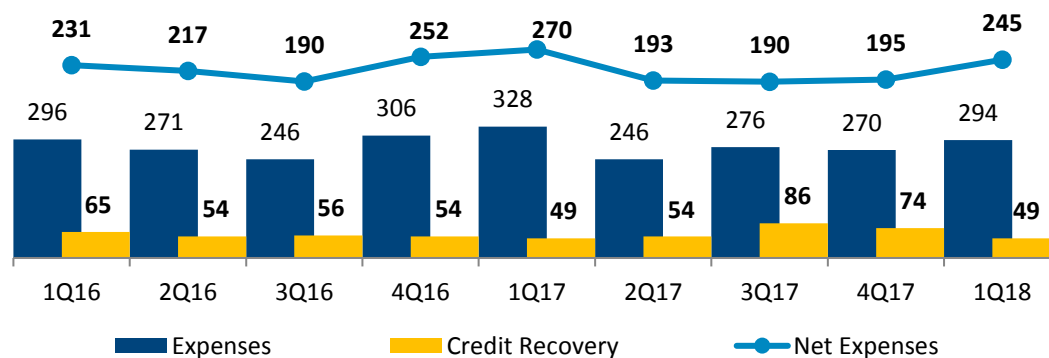
2Q16 3Q16 4Q16 1Q17 2Q17 3Q17 4Q17 1Q18

Managerial Net Interest Margin (R\$ MM)	1Q18	4Q17	1Q17	Δ 1Q18/ 4Q17	Δ 1Q18/ 1Q17
Income from Financial Intermediation Before ALL	913	889	993	3%	-8%
(+) Exchange Rate Variation	(8)	(4)	(13)	-96%	37%
1. Managerial Net Interest Margin	905	885	981	2%	-8%
2. Average Interest-Earning Assets	21,288	21,527	22,421	-	-5%
- Average Loan Portfolio	18,593	18,447	19,379	1%	-4%
- Average Securities and Derivatives	1,840	2,016	2,481	-9%	-26%
- Average Interbank Investments	855	1,064	561	-20%	52%
(1/2) Managerial Net Interest Margin - NIM (% p.y.)	18.1%	17.5%	18.7%	0.6 p.p.	-0.6 p.p.

Allowance for Loan Losses and Credit Collection

In 1Q18, the allowance for loan losses totaled R\$294 million, over the R\$270 million and the R\$ 3280 million losses in the 4Q17 and 1Q17, respectively. The collection of credit previously written-off came to R\$49 million during the 1Q18, over the R\$ 74 million in 4Q17 and R\$ 49 million in 1Q17. Thus, the net losses totaled R\$245 million in 1Q18, versus R\$195 million in 4Q17 and R\$270 million in 1Q17.

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



Costs and Expenses

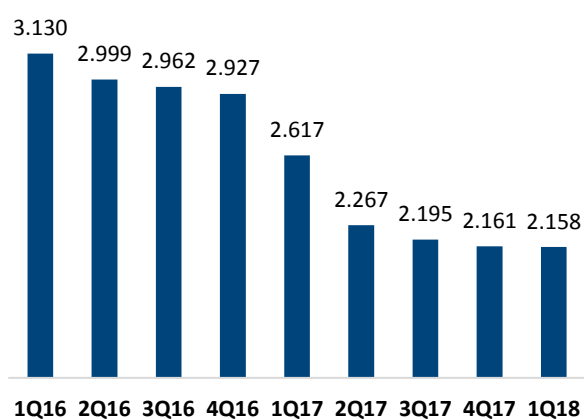
Personnel and administrative expenses totaled R\$251 million in 1Q18, a 7% drop versus R\$272 million recorded in 4Q17 and down by 14% from R\$293 million in 1Q17, mostly due to reduction in personnel expenses.

Credit origination expenses totaled R\$236 million at the end of the quarter, versus R\$207 million in 4Q17 and R\$300 million in 1Q17 due to the origination volumes of each quarter.

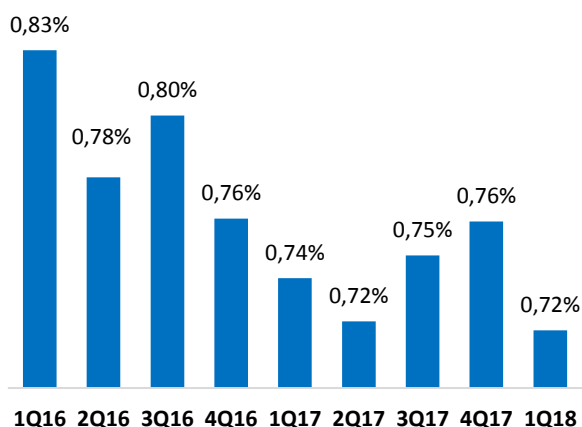
Expenses (R\$ MM)	1Q18	4Q17	1Q17	Δ 1Q18/ 4Q17	Δ 1Q18/ 1Q17
Personnel Expenses	101	116	133	-13%	-24%
Administrative Expenses	150	155	160	-3%	-6%
1. Subtotal I	251	272	293	-7%	-14%
Upfront Commission Expenses	117	83	152	41%	-23%
Deferred Commissions and Origination Expenses	119	124	148	-4%	-19%
2. Subtotal II - Origination	236	207	300	14%	-21%
3. Total (I + II)	487	479	593	2%	-18%

PAN's constant pursuit of efficiency gains and optimization of its cost structure has resulted in the improvement in the ratio of Subtotal I expenses to the originated portfolio as illustrated below.

Number of Employees



Subtotal I / Originated Portfolio



Income Statement

In 1Q18, PAN recorded net income of R\$56.6 million, versus a net income of R\$54.9 million and R\$3.7 million recorded in 4Q17 and 1Q17, respectively.

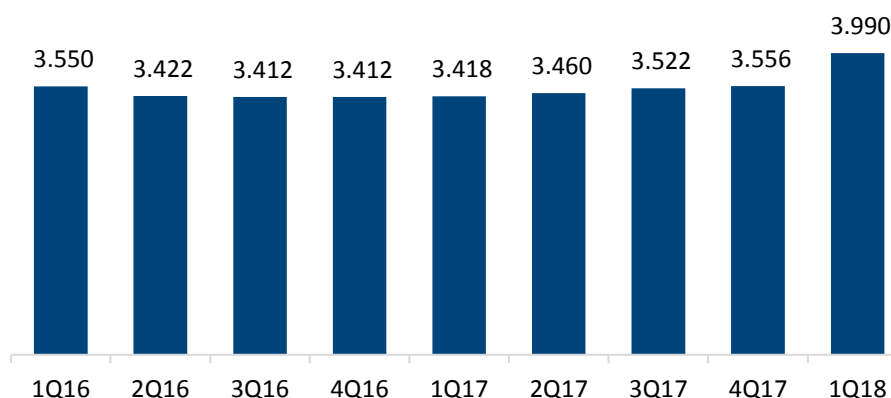
The main factors that support these good results are: (i) the maintenance of the financial margin at strong levels, (ii) allowance for loan losses under control, and (iii) ongoing cost reduction.

Income Statement (R\$ MM)	1Q18	4Q17	1Q17	Δ 1Q18/ 4Q17	Δ 1Q18/ 4Q17
Managerial Net Interest Margin	905	885	981	2%	-8%
Allowance for Loan Losses	(294)	(269)	(328)	9%	-10%
Gross Profit from Financial Intermediation	611	615	653	-1%	-6%
Personnel and Administrative Expenses	(251)	(272)	(293)	-7%	-14%
Origination Expenses	(236)	(207)	(300)	14%	-21%
Tax Expenses	(45)	(43)	(70)	7%	-35%
Other	39	34	32	12%	20%
Income Before Tax	117	128	22	-9%	437%
Income Tax and Social Contribution	(61)	(74)	(18)	-17%	234%
Net Income	56.6	54.9	3.7	3%	1,441%

Shareholders' Equity and Capital

Shareholders' Equity

PAN's Consolidated Shareholders' Equity amounted to R\$3,990 million at the end of March 2018, versus R\$3,556 million in December 2017 and R\$3,418 million in March 2017.



Basel Ratio and Operating Margin

Considering the full Basel III Ratio implementation, the Prudential Conglomerate's Basel Ratio ended 1Q18 at 14.2% (with 11.4% in Tier I Common Equity), versus 13.3% (with 9.8% in Tier I Common Equity) at the end of 4Q17 and 11.3% (with 8.1% in Tier I Common Equity) at the end of 1Q17. The Prudential Conglomerate's Operating Margin for the first quarter of 2018 stood at R\$622.8 million.

R\$ MM	1Q18	4Q17	1Q17
1. Reference Shareholders' Equity	2,545	2,416	2,340
Common Equity Tier I	2,033	1,785	2,340
Tier II	513	631	1,678
2. Required Reference Shareholders' Equity	1,880	1,904	661
Risk Weighted Assets	1,610	1,636	2,172
Exchange Variation Risk	3	3	1,933
Interest (Fixed)	16	16	1
Interest (Price Index)	1	1	52
Operational Risk	250	248	0
Basel Ratio	14.2%	13.3%	11.3%
Common Equity Tier I	11.4%	9.8%	8.1%
Tier II	2.8%	3.5%	3.2%

SUBSEQUENT EVENTS

The Board of Directors approved, at a meeting held on March 27, 2018, the payment of Interest on Capital related to the fiscal year of 2017 in the gross amount of R\$69.8 million.

In accordance to the Notice to the Market published by the Company on April 20, the Brazilian Central Bank approved the Capital Increase in the total amount of R\$ 400 million.

Ratings

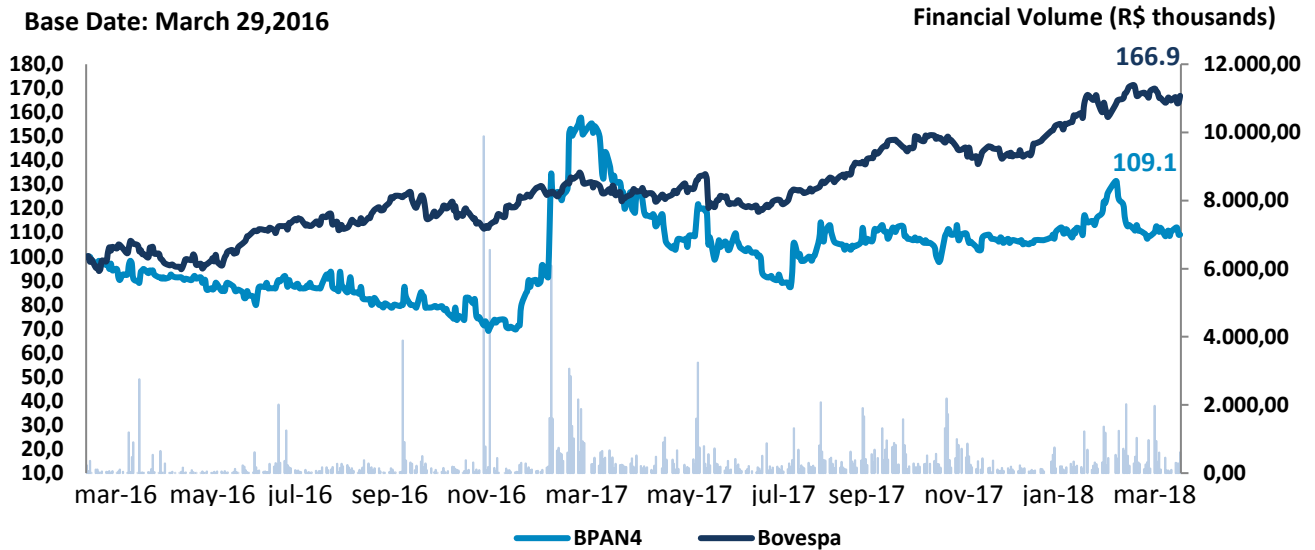
PAN's long-term ratings are presented below:

Rating Agency	Global Scale (LT)	National Scale (LT)	Outlook
Fitch Ratings	B+	A+ (bra)	Stable
Standard & Poor's	B+	brBBB+	Negative
Moody's	B1	Baa2.br	Stable
Riskbank	Low Risk for Medium Term 2 9.50		

Stock Performance

PAN's shares ended the month of March at R\$1.91, versus R\$1.87 at the end of 1Q18. The maximum price in the period was R\$2.30 per share, while the minimum price was R\$1.88 per share.

The traded volume totaled R\$27.2 million in 1Q18, with a daily average of R\$452 thousands. On March 29, 2018, PAN's market cap was R\$2.2 billion, considering the Capital Increase subscription receipts.



Source: Reuters

Exhibits

BALANCE SHEET AS OF MARCH 31, 2018 AND DECEMBER 31, 2017				
<i>(In thousands of Brazilian reais - R\$)</i>				
	BANK		CONSOLIDATED	
ASSETS	Mar/18	Dec/17	Mar/18	Dec/17
CURRENT ASSETS	11,193,059	11,850,630	11,278,619	11,973,625
Cash	3,355	6,536	4,971	10,748
Interbank investments	677,202	1,032,983	677,202	1,032,983
Securities and derivatives financial instruments	421,990	342,998	445,240	366,369
Interbank accounts	43,181	26,484	43,181	26,484
Interbranch accounts	-	-	-	-
Lending operations	7,648,260	7,582,563	7,648,260	7,582,563
Lending operations - private sector	8,525,163	8,414,167	8,525,163	8,414,167
(Allowance for loan losses)	(876,903)	(831,604)	(876,903)	(831,604)
Leasing operations	-	-	81	176
Leasing operations	-	-	165	222
(Allowance for doubtful lease receivables)	-	-	(84)	(46)
Other receivables	2,121,249	2,559,822	2,169,882	2,643,552
(Allowance for loan losses)	(84,577)	(71,467)	(84,577)	(71,467)
Other assets	362,399	370,711	374,379	382,217
LONG-TERM RECEIVABLES	13,803,622	13,150,611	14,353,117	13,676,959
Interbank investments	-	-	-	-
Securities and derivatives financial instruments	1,101,858	1,272,078	1,348,116	1,520,139
Lending operations	9,192,127	8,806,221	9,192,127	8,806,221
Lending operations - Private Sector	9,508,155	9,107,530	9,508,155	9,107,530
(Allowance for loan losses)	(316,028)	(301,309)	(316,028)	(301,309)
Leasing operations	-	-	-	-
Leasing operations	-	-	-	-
(Allowance for doubtful lease receivables)	-	-	-	-
Other receivables	3,433,045	2,969,002	3,734,030	3,244,865
(Allowance for loan losses)	(17,090)	(16,956)	(17,090)	(16,956)
Other assets	93,682	120,266	95,934	122,690
PERMANENT ASSETS	1,157,967	1,152,020	180,222	183,740
TOTAL ASSETS	26,154,648	26,153,261	25,811,958	25,834,324
LIABILITIES	Mar/18	Dec/17	Mar/18	Dec/17
CURRENT LIABILITIES	14,468,948	15,334,491	14,224,063	15,100,675
Deposits	9,640,840	9,572,581	9,377,733	9,314,782
Demand deposits	27,821	25,543	27,779	25,439
Interbank deposits	8,270,511	8,938,498	8,028,086	8,697,973
Time deposits	1,342,508	608,540	1,321,868	591,370
Money market funding	961,495	1,493,292	961,495	1,493,292
Funds from acceptance and issuance of securities	1,155,755	1,547,841	1,155,834	1,547,944
Interbank accounts	915,666	851,219	915,666	851,219
Interbranch accounts	1,594	4,509	1,594	4,509
Derivatives Financial Instruments	103,593	73,129	103,593	73,129
Other liabilities	1,690,005	1,791,920	1,708,148	1,815,800
LONG-TERM LIABILITIES	7,695,425	7,262,854	7,597,620	7,177,733
Deposits	5,151,863	4,562,264	4,915,597	4,340,771
Interbank deposits	21,073	32,175	21,073	32,175
Time deposits	5,130,790	4,530,089	4,894,524	4,308,596
Money market funding	106,662	106,022	99,012	98,195
Funds from acceptance and issuance of securities	550,764	697,500	554,765	701,611
Derivatives financial instruments	132,083	129,514	132,083	129,514
Other Liabilities	1,754,053	1,767,554	1,896,163	1,907,642
Deferred Income	65	92	65	92
SHAREHOLDERS' EQUITY	3,990,210	3,555,824	3,990,210	3,555,824
Capital	3,460,732	3,460,732	3,460,732	3,460,732
Capital Increase	400,000	-	400,000	-
Income Reserve	108,495	108,495	108,495	108,495
Adjustments to equity valuation	(13,447)	(13,403)	(13,447)	(13,403)
Retained earnings (loss)	34,430	-	34,430	-
TOTAL LIABILITIES	26,154,648	26,153,261	25,811,958	25,834,324

INCOME STATEMENT FOR THE QUARTERS ENDED ON MARCH 31, 2018 AND DECEMBER 31, 2017
(In thousands of Brazilian reais - R\$)

	BANK		CONSOLIDATED	
	1Q18	4Q17	1Q18	4Q17
REVENUE FROM FINANCIAL INTERMEDIATION	1,308,818	1,384,528	1,322,852	1,403,478
Lending operations	1,126,238	1,099,661	1,128,572	1,106,106
Results from Credit Assignments	240,382	200,840	240,382	200,840
Securities transactions	38,987	49,034	50,687	59,413
Derivative transactions	(98,590)	27,486	(98,590)	29,612
Foreign exchange transactions	1,801	7,507	1,801	7,507
EXPENSES ON FINANCIAL INTERMEDIATION	(711,920)	(789,753)	(704,103)	(784,289)
Funding operations	(418,097)	(520,125)	(410,239)	(514,645)
Allowance for loan losses	(293,823)	(269,628)	(293,864)	(269,644)
GROSS PROFIT FROM FINANCIAL INTERMEDIATION	596,898	594,775	618,749	619,189
OTHER OPERATING INCOME (EXPENSES)	(481,127)	(630,326)	(498,468)	(647,084)
Income from services rendered	82,857	91,348	89,333	98,383
Equity in subsidiaries	9,175	14,181	-	-
Personnel Expenses	(101,015)	(115,531)	(101,446)	(116,366)
Other Administrative Expenses	(376,759)	(353,431)	(385,082)	(362,203)
Tax Expenses	(42,157)	(38,740)	(45,363)	(42,505)
Other Operating Income	42,662	71,722	46,929	91,155
Other Operating Expenses	(95,890)	(299,875)	(102,839)	(315,548)
INCOME FROM OPERATIONS	115,771	(35,551)	120,281	(27,895)
NON OPERATING EXPENSES	(3,139)	156,325	(2,920)	156,273
INCOME BEFORE TAXES	112,632	120,774	117,361	128,378
INCOME AND SOCIAL CONTRIBUTION TAXES	(56,081)	(65,900)	(60,810)	(73,504)
Provision for Income tax	(2,792)	349	(5,508)	(25,029)
Provision for Social Contribution tax	(2,531)	126	(3,572)	1,266
Deferred tax credits	(50,758)	(66,375)	(51,730)	(49,741)
NET INCOME	56,551	54,874	56,551	54,874