

**Banco Pan S.A.
and subsidiaries**

**Parent company and consolidated
interim accounting information at
September 30, 2019
and report on review of
quarterly information**

Report on review of quarterly information

To the Board of Directors and Stockholders
Banco Pan S.A.

Introduction

We have reviewed the accompanying interim parent company accounting information of Banco Pan S.A. ("Bank"), which comprises the balance sheet as at September 30, 2019 and the statements of income, changes in equity and cash flows for the nine-month period then ended, as well as the accompanying interim consolidated accounting information of Banco Pan S.A. and its subsidiaries ("Consolidated"), which comprises the consolidated balance sheet as at September 30, 2019 and the consolidated statements of income and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of this parent company and consolidated interim accounting information in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing came to our attention that causes us to believe that the accompanying interim accounting information referred to above does not present fairly, in all material respects, the financial position of Banco Pan S.A. and of Banco Pan S.A. and its subsidiaries as at September 30, 2019, and the parent company financial performance and cash flows for the nine-month period then ended, as well as the consolidated financial performance and cash flows for the nine-month period then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the BACEN.

Banco Pan S.A.

Emphasis of matter

Deferred tax credits

As described in Note 31(b), at September 30, 2019, the assets of Banco Pan S.A. and its subsidiaries included tax credits of R\$ 3.0 billion, recognized based on the projection of the realization of tax credits. This projection for the realization of tax credits was reviewed by the Bank's management based on the study of the actual and future scenarios, and was approved by the Board of Directors on July 29, 2019. Macroeconomic projections of business volumes and funding costs were the key assumptions utilized. The realization of the tax credits, in the estimated period of realization, depends on the projections becoming effective and on the realization of the business plan approved by management. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

The interim accounting information referred to above includes the parent company and consolidated statements of value added for the nine-month period ended September 30, 2019. These statements are the responsibility of the Bank's management and are presented as supplementary information for BACEN purposes. These statements were submitted to the review procedures performed in respect of the quarterly information for the purpose of concluding whether they were reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria defined in this accounting standard, and in a consistent manner in relation to the parent company and consolidated interim accounting information taken as a whole.

São Paulo, October 28, 2019

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Tatiana Fernandes Kagohara Gueorguiev
Contadora CRC 1SP245281/O-6

Management Report

3Q19

DEAR STOCKHOLDERS,

The Management of Banco Pan S.A. ("PAN", "Bank", or "Company") and its subsidiaries present herein the Management Report and related quarterly information for the period ended September 30, 2019, together with the independent auditor's report on review. The information presented is in conformity with the standards established by Law 4,595/64 (National Financial System Law) and Law 6,404/76 (Brazilian Corporate Law), and by the National Monetary Council (CMN), Brazilian Central Bank (BACEN), and Brazilian Securities Commission (CVM), as well as with other statutory regulations.

OUR ESSENCE AND NEW POSITIONING

On July 15, 2019, the Bank launched its new brand image, consolidating its profound transformation, with greater focus on end consumers (B2C) and reinforcing its operations with business partners (B2B), highlighting the Bank as a credit institution and source of information in order to enable customers to transform their challenges into achievements, offering financial solutions for over 180 million Brazilians in the C, D and E social classes.

In September 2019, the Bank carried out a primary public offering of 63.3 million new preferred shares, as well as a secondary public offering of 63.3 million preferred shares held by CAIXAPAR ("Follow-on"), resulting in a total of R\$ 1.04 billion, of which R\$ 521.8 million related to an increase in the Bank's capital. With the funds obtained, the Bank intends to expand its credit offering, increase investments in innovation and technology, with the purpose of improving its processes, advance its omnichannel loan origination strategy, overriding physical limitations, through digital and paperless platforms, which will permit the expansion of loan offerings at competitive rates. This combination will enable scalability and efficiency gains in the various channels.

In October 2019, the Bank realized the soft launch of the digital account for its employees and some customers, and this will soon be made available to the general public. PAN will deliver an experience based on transparency, simplicity, and customization, always taking into account the needs of its customers, who will start to be provided with a complete, integrated platform of banking products and services. In addition, PAN is building an ecosystem partnership to provide non-banking services, to further grow customer loyalty.

The Bank believes that it has competitive advantages in relation to its direct competitors and new market players, based on three pillars: (i) broad experience in providing credit to the C, D, and E classes, utilizing unstructured data, together with advanced modeling techniques, such as Machine Learning; (ii) a broad base of distribution of products and an organic flow of new customers; and (iii) available capital and funding.

At the end of 3Q19, the Bank was managing a portfolio of 4.7 million customers. It also received approximately 550 thousand credit requests per month (over 700 thousand in September alone) and obtained approximately 123 thousand new customers per month during the third quarter.

BANK STRUCTURE

The Bank is a key player among the Brazilian medium-sized banks and focuses on granting loans to individuals of the C, D, and E social classes, as well as government employees, retirees and pensioners of the National Institute of Social Security (INSS), offering payroll-deductible credit (loan and credit card), financing of used cars and new motorcycles, conventional credit cards and insurance.

The Bank has 2,413 employees and 60 service branches in Brazil's major cities, and is present throughout the Brazilian territory, with a light asset structure and operating via digital platforms. It has over 640 correspondent banks to offer payroll-deductible loans and more than 9.7 multibrand stores and concessionaries offering vehicle and motorcycle financing.

Origination of Credit Portfolio and Retail

During 3Q19, PAN originated a monthly average of R\$ 1,777 million in new credit operations, compared with R\$ 1,614 million in the second quarter of 2019, and R\$ 1,428 million in the third quarter of 2018. The annual growth observed was mainly driven by the origination volume of vehicle financing, which grew 29% in the period, in addition to the increase in payroll-deductibles of 25% compared to the third quarter of 2018.

The Credit Portfolio (on-balance) totaled R\$ 23,550 million at the end of 3Q19, an increase of 5% in relation to R\$ 22,536 million in 2Q19 and 20% higher in relation to R\$ 19,704 million in 3Q18. The core portfolio, which is comprised of payroll-deductible portfolios (loans and credit cards), vehicle financing, and credit cards, grew by 25% in the last 12 months. On the other hand, the Corporate Credit and Real Estate portfolios, both in runoff phases, decreased by 27% and 32%, respectively, in the 12 months.

In addition to retaining credits in its portfolios, the Bank also has the strategy of assigning credits without co-obligation to third parties, which totaled R\$ 1,097 million in 3Q19, compared with R\$ 1,079 million assigned in 2Q19 and R\$ 1,148 million in 3Q18.

The Originated Credit Portfolio balance, which includes both the on-balance portfolio and the balance of portfolios assigned to controlling shareholders (off-balance portfolio), totaled R\$ 32.2 billion at the quarter-end. The decrease in the off-balance portfolio can be explained by the reduction in the volume of assigned credits in recent quarters, either to retain them in the portfolio or assign them to other institutions.

Payroll-deductibles (Loan and Credit Card)

In April 2019, PAN launched an innovative platform permitting business partners to contract payroll-deductible loans. The process is totally paperless and operates with facial recognition signature features. This digital feature results in a more efficient, profitable operation, bringing cost savings, enhanced security and speedier loan contracting, thereby generating a more favorable experience for all the parties involved. Up to 3Q19, digitally formalized loans totaled more than R\$ 1.2 billion.

The platform, allied to market positioning and the relationship with business partners, permitted PAN to maintain its position as a significant player in Federal agreements, placing it among the largest originators in the INSS beneficiary and pensioner loan market.

In 3Q19, loans to government employees and INSS beneficiaries totaled R\$ 2,770 million, compared to R\$ 2,554 million in 2Q19 and R\$ 2,230 million in 3Q18, equivalent to a 24% increase in 12 months. Payroll-deductible credit card operations totaled R\$ 222 million in 3Q19, compared with R\$ 231 million in 2Q19 and R\$ 164 million in 3Q18, representing an increase of 35% in 12 months.

The payroll-deductible loan portfolio ended the quarter with a balance of R\$ 11,150 million, an increase of 5% in relation to R\$ 10,628 million in 2Q19, and 26% in comparison with the balance of R\$ 8,834 million in 3Q18, significantly above the national credit system growth rate. The payroll-deductible credit card portfolio ended the quarter with a balance of R\$ 1,732 million, an increase of 5% when compared with the balance of R\$ 1,657 million in the previous quarter and 21% when compared with the balance of R\$ 1,431 million at the end of 3Q18.

Financing of Vehicles

The Bank also offers financing for used cars (mainly between four to eight years old) and new motorcycles, building on its expertise in credit and collection in order to optimize the risk vs. return ratio. Financing was made through multibrand stores and concessionary partners, thereby broadening the Bank's operational base.

The Bank is the leading institution in the motorcycle financing segment, excluding the auto manufacturer banks. Doing business in this niche market guarantees an excellent performance, working with low-income youngsters, obtaining gains with the Bank's long history, experience and knowledge of credit.

In the digital transformation line, the Bank has developed a unique App that allows financing simulation and a pre-analysis of credit with little information, in addition to monitoring proposals and the issuance of vehicle inspection reports, improving agility in the process and a better experience both for the commercial partner and the final customer. These and other investments in technology have led to a significant increase in the productivity of the commercial area, which significantly increased in twelve months (42% from September 2018 to September 2019).

In October 2019, the Bank launched its digital formalization platform for vehicle financing, which is already utilized for contracting payroll-deductible loans. This process will provide even more efficiency gains.

In 3Q19, the Bank originated R\$ 1,408 million of new financing, including light vehicles and motorcycles, in comparison to R\$ 1,239 million in 2Q19 and R\$ 1,091 million in 3Q18. This was a result of the new credit approach, implementation of the simulator and new contracting efforts.

Light vehicle operations totaled R\$ 1,109 million in 3Q19 (2Q19 - R\$ 941 million; 3Q18 - R\$ 853 million); and the motorcycle segment operations totaled R\$ 300 million in 3Q19 (2Q19 - R\$ 298 million; 3Q18 - R\$ 238 million).

The vehicle financing portfolio totaled R\$ 8,224 million at the end of the quarter, an increase of 6% in relation to R\$ 7,786 million in 2Q19 and 26% in relation to R\$ 6,543 million in 3Q18.

Payments (Credit Cards)

PAN constantly invests in the construction of the customers' digital journey, seeking to improve the experience, enhancing relationships and increasing a customer's interaction with the Bank. Because of this, it launched chatbot and human-friendly URA (audio response units), bringing convenience and agility in customer credit card service. The Bank is also continually investing in the continuing evolution of its credit card App, amplifying self-service capabilities, financial control and the monitoring of expenses. Since its launching, in 3Q18, the App has been downloaded over 1 million times.

During the third quarter of 2019, PAN issued 172 thousand new conventional credit cards, a volume increase of 210% compared to the same period in 2018, leveraged by the increase in sales actions. This movement is in line with significant changes in cross-selling, with increased efficiency in analytics and CRM, broadening relationships with digital partners (market places) and improvements to the product contracting process directly through the PAN website, in addition to increasing partnerships in the issuance of cobranded cards. In August 2019, the Bank made progress in the cashback market by beginning sales of cards with the partner Mooba, a cashback platform with over 800 online partners and more than 2 million customers. During 3Q19, credit card transactions totaled R\$ 934 million, an increase of 14% in comparison with R\$ 817 million recorded in 2Q19 and 17% higher than R\$ 797 million in 3Q18. The volume of monthly accesses to the app attained the mark of 2.3 million in September, representing a growth of 70% when compared to the volume presented in June 2019. The card portfolio balance totaled R\$ 953 million at the end of the quarter, compared to R\$ 862 million and R\$ 832 million in 2Q19 and 3Q18, respectively.

Insurance

PAN's insurance premiums in 3Q19 totaled R\$ 75.4 million, an increase of 28% in relation to 3Q18. Premiums originated in the quarter included: R\$ 61.1 million in credit protection insurance, R\$ 3.6 million in housing insurance; R\$ 6.2 million in card insurance; and R\$ 4.6 million in other insurance.

Corporate Credit portfolio (run-off)

The balance of real estate credits granted to individuals amounted to R\$ 465 million in 3Q19 (2Q19 - R\$ 488 million; 3Q18 - R\$ 572 million). Credits granted to legal entities totaled R\$ 113 million at the end of 3Q19 (2Q19 - R\$ 157 million; 3Q18 - R\$ 277 million).

Real estate credit portfolio (run-off)

The balance of real estate credits granted to individuals amounted to R\$ 465 million in 3Q19 (2Q19 - R\$ 488 million; 3Q18 - R\$ 572 million). Credits granted to legal entities totaled R\$ 113 million at the end of 3Q19 (2Q19 - R\$ 157 million; 3Q18 - R\$ 277 million).

Digital account

Since 2011, the Bank originated over R\$ 158 billion in credit operations. It has a history of more than 10 million customers and, besides this, it is currently managing a base of 4.7 million customers, with an increasing flow of new customers, seeking credit operations. In September

2019, the Bank received more than 700 thousand new credit proposals. This organic customer flow will permit the Bank to offer digital accounts with a low cost of acquisition.

The Bank's technological development framework is transforming the manner in which it operates core products, which are becoming digitally scalable. This technology permits more efficiency in the origination of payroll-deductible loans, vehicle financing and credit cards, in addition to personal credit and overdraft accounts, which will be offered in the digital account. This range of products does not depend on physical interaction with customers or even manual flows for the formalization and concession of credits.

The interface of this Digital Account was developed after a number of surveys with potential customers, focusing on delivering the best experience for the low-income population. Through the intensive use of data, the Bank will seek to offer credit solutions that meet its customers' needs more assertively in terms of credit rates and limits. The Bank will also provide an open platform to offer third-party products and services, thereby increasing the variety of products.

Funding

The balance of funds raised totaled R\$ 23.3 billion at the close of the third quarter of 2019, with an increased diversification and longer maturities. Funding via time deposits increased 44% in 12 months, contributing in a relevant manner to the dispersion of the Bank's funding base, which presented the following composition at the end of the third quarter: (i) R\$ 12.0 billion in time deposits, representing 52% of the total; (ii) R\$ 7.1 billion in interbank deposits, representing 31%; (iii) R\$ 2 billion related to the issuance of securities abroad, or 9%; (iv) R\$ 1.5 billion related to issues of financial notes, or 6% of the total; (v) real estate and agribusiness letters of credit - R\$ 372 million, or 2% of the total; and (vi) other sources of financing - R\$ 252 million, equivalent to 1% of the funding.

In accordance with Article 8 of BACEN Circular Letter 3,068/01, PAN declares that it has the financial capacity and the intention to hold to maturity all the securities classified in the category "held to maturity" in its financial statements.

Results

Management Net Financial Margin (NIM)

In the third quarter of 2019, NIM was 18.5% p.a. compared to 18.8% p.a. in the second quarter of 2019 and 15.6% p.a. in the third quarter of 2018. This solid level is a result of credit operation spreads.

Allowances for losses and recovery of credits

In 3Q19, the expenses with allowances for losses totaled R\$ 306 million, compared with R\$ 341 million in 2Q19 and R\$ 260 million in 3Q18. The recovery of credits previously written-off as losses amounted to R\$ 58 million in 3Q19. Consequently, the net expenses with allowances for losses totaled R\$ 248 million (2Q19 - R\$ 270 million; 3Q18 - R\$ 188 million).

The credit recovery strategy is led by experienced professionals as well as analytical models that utilize artificial intelligence tools, which, in turn, assess the likelihood of customer payment as well as a customer's financial capacity in relation to the credit obtained. In 2018, the Bank implemented collection scoring models based on a number of variables and with the use of

machine learning in order to divide the public into clusters for: (i) customized discount offerings; (ii) renegotiation products (refinancing of contracts or payment in installments of debts in arrears); and (iii) out-of-court settlements and judicial proceedings.

This approach based on collection scores permitted the Bank to establish multiple possibilities for offerings and recommendations both in personal and digital interactions with customers, with Open API integrations that permit the automatic negotiation and provision of payment advice notes. Accordingly, the recovery of overdue credits via digital platforms amounted to R\$ 161 million in the third quarter of 2019, representing a 11% increase compared to the R\$ 146 million recovered in the second quarter of 2019.

Costs and Expenses

Personnel and administrative expenses totaled R\$ 365 million in 3Q19, compared to R\$ 292 million recorded in 2Q19 and R\$ 279 million in 3Q18. This increase was attributable to extraordinary expenses, such as those related to the Follow up process, the increase in employees and related expenses, such as those arising from the collective bargaining agreement, salary and fee adjustments, deferral of digital transformation expenses, and investments in publicity and marketing campaigns.

Credit origination expenses totaled R\$ 233 million in 3Q19 (2Q19 - R\$ 263 million; 3Q18 - R\$ 192 million).

Taking into consideration the constant search for an improvement in efficiency, the Bank has optimized its cost structure by increasingly expanding the percentage of officers and employees in the technology and digital products area.

Net Result

In the third quarter of 2019, PAN recorded its best operating profit of R\$ 134.6 million, 14% higher than the R\$ 117.7 million profit in the second quarter of 2019 and an increase of 174% compared to the R\$ 49.1 million in the third quarter of 2018. The accumulated net profit in 2019 totaled R\$ 348.4 million, an increase of 136% compared to R\$ 147.9 million in the same period in 2018.

The key factors underlying the results for the most recent quarters were: (i) improvement in the financial margin; and (ii) control over the provisions for recurring credits.

The annualized return on average equity for 3Q19 was 11.9% (2Q19 - 11.2%; 3Q18 - 4.9%), whereas the adjusted return (unaudited) was 23.7% in 3Q19 (2Q19 - 23.9%; 3Q18 - 13.5%). The adjustment reflects two remaining legacies: (i) higher financial expenses of fixed Bank Deposit Certificates (CDBs) issued between 2005 and 2008 (with average maturity in 2023), compared to the Bank's annual market rate for the same period; and (ii) higher tax credit from tax losses, when compared to the banking market, arising from accounting inconsistencies in 2010.

Equity and capital

Because of the capital increase PAN's consolidated equity totaled R\$ 4,831 million in September 2019 (June 2019 - R\$ 4,227 million; September 2018 - R\$ 4,047 million).

The Prudential Conglomerate Basel Index (proforma, considering the capital increase of R\$ 521 million) attained 15.7% at the end of 3Q19, fully comprised of the Principal Capital. Without considering the increase, the Index was 12.9%, fully comprised of the Principal Capital, in comparison with 13% at the end of 2Q19, fully comprised of the Principal Capital, and with 14%, with 11.9% of the Principal Capital, recorded at the end of 3Q18.

INDEPENDENT AUDITORS

PricewaterhouseCoopers Auditores Independentes ("PwC") has been our auditor for the quarterly and annual financial statements since the first quarter of 2011. Pursuant to the CVM Instruction 381, issued by the Brazilian Securities Commission (CVM), PAN contracted PwC in 2019 to: (i) review compliance with the General Data Protection Act (GDPA), for R\$ 250 thousand; (ii) provide cybersecurity assessment services for compliance with the new BACEN regulation 4,658/18, for R\$ 275 thousand; and (iii) provide forensic technology services related to cybersecurity, for R\$ 895 thousand. The policy adopted for these services was consistent with principles that preserve the auditor's independence, as per internationally accepted standards, according to which the auditor should not audit its own work, nor exercise management functions for its client or promote its client's interests.

ACKNOWLEDGMENTS

The Bank thanks its employees for their efforts and engagement in the execution of its business strategy and also its customers, investors, and partners, who honor the Bank with their continued support and trust.

São Paulo, October 28, 2019



BANCO PAN S.A. AND ITS SUBSIDIARIES
BALANCE SHEETS AT SEPTEMBER 30, 2019 AND DECEMBER 31, 2018
(All amounts in thousands of reais - R\$)

ASSETS	Note	Bank		Consolidated	
		9/30/2019	12/31/2018	9/30/2019	12/31/2018
CURRENT ASSETS		12.869.107	10.875.103	12.935.092	10.950.678
Cash and cash equivalents	5	2.968	16.374	4.217	19.714
Short-term interbank investments	6.a	59.998	3.897	59.998	3.897
Investments in the open market		59.998	-	59.998	-
Investments in interbank deposits		-	3.897	-	3.897
Marketable securities and derivative financial instruments	7	799.314	356.959	821.580	360.888
Own portfolio	7.a	90.605	216.196	112.778	219.350
Linked to repurchase commitments	7.a	6.391	113.400	6.391	113.400
Derivative financial instruments	7.a / 7.c	386.026	27.363	386.026	27.363
Linked to the Brazilian Central Bank	7.a	212.774	-	212.774	-
Subject to guarantees	7.a	103.518	-	103.611	775
Interbank accounts		307.452	4.493	307.452	4.493
Payables and receivables to be settled		35.854	-	35.854	-
Credits - Deposits at the Brazilian Central Bank		266.634	549	266.634	549
Local correspondents		4.964	3.944	4.964	3.944
Credit operations	8	8.891.242	7.912.848	8.891.242	7.912.848
Credit operations - private sector		9.826.894	8.795.475	9.826.894	8.795.475
(Allowance for doubtful accounts)	8.c	(935.652)	(882.627)	(935.652)	(882.627)
Leasing operations	8	-	-	-	-
Leasing operations receivable		-	-	-	29
(Allowance for lease losses)	8.c	-	-	-	(29)
Other credits		2.475.966	2.215.249	2.509.373	2.273.380
Foreign exchange portfolio	9.a	-	38.858	-	38.858
Income receivable		5.129	1.667	1.960	1.760
Negotiation and intermediation of securities		315	2.474	315	2.474
Real estate receivables	10	-	-	3.725	5.161
Securities and credits receivable	8 / 11	922.359	834.489	923.127	835.472
(Allowance for other doubtful accounts)	8.c	(133.070)	(106.450)	(133.070)	(106.450)
Sundry	11	1.681.233	1.444.211	1.713.316	1.496.105
Other assets		332.167	365.283	341.230	375.458
Other assets	12.a	358.391	392.529	367.752	403.834
(Provision for impairment)	12.a	(46.152)	(53.628)	(47.343)	(54.925)
Prepaid expenses	12.b	19.928	26.382	20.821	26.549
LONG-TERM RECEIVABLES		17.862.226	15.565.691	18.396.325	16.079.228
Marketable securities and derivative financial instruments	7	1.363.004	1.622.983	1.590.396	1.852.776
Own portfolio	7.a	670.000	997.016	897.286	1.225.198
Linked to repurchase agreements	7.a	247.722	155.777	247.722	155.777
Derivative financial instruments	7.a / 7.c	-	251.795	-	251.795
Linked to the Brazilian Central Bank	7.a	310.155	-	310.155	-
Subject to guarantees	7.a	135.127	218.395	135.233	220.006
Credit operations	8	12.205.955	10.344.899	12.205.955	10.344.899
Credit operations - private sector		12.590.436	10.663.658	12.590.436	10.663.658
(Allowance for doubtful accounts)	8.c	(384.481)	(318.759)	(384.481)	(318.759)
Other credits		4.231.123	3.520.409	4.536.328	3.803.881
Real estate receivables	10	-	-	592	1.806
Securities and credits receivable	8 / 11	105.827	79.216	105.827	79.216
(Allowance for other doubtful accounts)	8.c	(40.234)	(23.788)	(40.234)	(23.788)
Sundry	11	4.165.530	3.464.981	4.470.143	3.746.647
Other assets		62.144	77.400	63.646	77.672
Prepaid expenses	12.b	62.144	77.400	63.646	77.672
PERMANENT ASSETS		1.236.055	1.198.008	216.807	200.525
Investments		1.026.572	1.006.416	1.144	1.144
Participations in subsidiaries	13.a	1.025.428	1.005.272	-	-
Other investments:	13.b	1.144	1.144	1.144	1.144
Property and equipment in use	14	31.053	24.093	31.053	24.093
Other property and equipment in use		84.970	70.991	84.970	70.991
(Accumulated depreciation)		(53.917)	(46.898)	(53.917)	(46.898)
Intangible assets	15	178.430	167.499	184.610	175.288
Intangible assets		465.931	420.884	487.851	442.804
(Accumulated amortization)		(287.501)	(253.385)	(303.241)	(267.516)
TOTAL ASSETS		31.967.388	27.638.802	31.548.224	27.230.431

The accompanying notes are an integral part of this quarterly information.



BANCO PAN S.A. AND ITS SUBSIDIARIES
BALANCE SHEETS AT SEPTEMBER 30, 2019 AND DECEMBER 31, 2018

(All amounts in thousands of reais - R\$)

LIABILITIES AND EQUITY	Note	Bank		Consolidated	
		9/30/2019	12/31/2018	9/30/2019	12/31/2018
CURRENT LIABILITIES		17.567.407	14.317.936	17.259.312	14.048.259
Deposits	16.a	11.755.240	10.793.243	11.415.601	10.494.341
Demand deposits		15.258	17.369	15.216	17.319
Interbank deposits		7.392.313	7.685.730	7.130.328	7.429.710
Time deposits		4.347.669	3.090.144	4.270.057	3.047.312
Funds obtained in the open market	16.b	158.688	162.094	158.006	162.094
Own portfolio		158.688	162.094	158.006	162.094
Funds from acceptance and issuance of securities	16.c	599.450	621.507	599.450	621.507
Funds from real estate securities, mortgages, letters of credit and similar		599.450	621.507	599.450	621.507
Interbank investments	17	824.548	728.628	824.548	728.628
Receipts and payments pending settlement		684.023	615.912	684.023	615.912
Local correspondents		140.525	112.716	140.525	112.716
Interdependent operations		665	14	665	14
Third-party funds in transit		665	14	665	14
Derivative financial instruments	7.c	100.514	91.760	100.514	91.760
Derivative financial instruments		100.514	91.760	100.514	91.760
Other obligations		4.128.302	1.920.690	4.160.528	1.949.915
Levying and collection of taxes and similar charges		24.407	4.921	24.407	4.921
Social and statutory		176.178	135.971	176.178	136.232
Tax and social security	20.a	164.250	44.390	179.866	58.210
Negotiation and intermediation of securities		6.113	3.941	9.603	7.336
Subordinated debts	18	1.990.226	208.154	1.990.226	208.154
Sundry	20.b	1.767.128	1.523.313	1.780.248	1.535.062
LONG-TERM LIABILITIES		9.569.162	9.224.930	9.458.093	9.086.236
Deposits	16.a	8.011.917	6.378.610	7.756.926	6.116.903
Interbank deposits		581	33.728	-	33.728
Time deposits		8.011.336	6.344.882	7.756.926	6.083.175
Funds obtained in the open market	16.b	101.078	107.430	93.518	98.093
Own portfolio		101.078	107.430	93.518	98.093
Funds from acceptance and issuance of securities	16.c	1.272.183	628.454	1.272.183	628.454
Funds from real estate securities, mortgages, letters of credit and similar		1.272.183	628.454	1.272.183	628.454
Derivative financial instruments	7.c	-	83.361	-	83.361
Derivative financial instruments		-	83.361	-	83.361
Other obligations		183.984	2.027.075	335.466	2.159.425
Tax and social security	20.a	28.157	-	110.037	81.270
Subordinated debts	18	8.310	1.769.978	8.310	1.769.978
Sundry	20.b	147.517	257.097	217.119	308.177
RESULTS OF FUTURE PERIODS		3	17	3	17
EQUITY	21	4.830.816	4.095.919	4.830.816	4.095.919
Share capital:		3.653.410	3.653.410	3.653.410	3.653.410
Domiciled in the country		3.261.355	3.290.152	3.261.355	3.290.152
Domiciled abroad		392.055	363.258	392.055	363.258
Capital increase		521.813	-	521.813	-
Capital reserve		207.322	207.322	207.322	207.322
Revenue reserves		243.295	243.295	243.295	243.295
Carrying value adjustments		(7.117)	(8.108)	(7.117)	(8.108)
Retained earnings		212.093	-	212.093	-
TOTAL LIABILITIES AND EQUITY		31.967.388	27.638.802	31.548.224	27.230.431

The accompanying notes are an integral part of this quarterly information.



BANCO PAN S.A. AND ITS SUBSIDIARIES

**STATEMENTS OF INCOME
FOR THE PERIODS ENDED SEPTEMBER 30, 2019 AND 2018**
(All amounts in thousands of reais unless otherwise stated)

	Note	Bank		Consolidated	
		9/30/2019	9/30/2018	9/30/2019	9/30/2018
INCOME FROM FINANCIAL INTERMEDIATION		5.949.944	5.409.218	5.982.421	5.452.819
Income from credit operations	8.g	5.853.715	5.067.678	5.858.733	5.074.610
Result on leasing operations	8.g	-	-	821	237
Result on operations with marketable securities	7.h	85.228	127.802	111.866	164.234
Result on derivative financial instruments	7.g	17	198.728	17	198.728
Result on foreign exchange operations	9.b	4.656	15.010	4.656	15.010
Income from compulsory investments		6.328	-	6.328	-
EXPENSES ON FINANCIAL INTERMEDIATION		(2.724.856)	(2.466.239)	(2.697.963)	(2.441.299)
Market funding operations	16.d	(1.802.013)	(1.603.025)	(1.775.148)	(1.578.030)
Allowance for losses	8.c	(922.843)	(863.214)	(922.815)	(863.269)
GROSS RESULT ON FINANCIAL INTERMEDIATION		3.225.088	2.942.979	3.284.458	3.011.520
OTHER OPERATING INCOME (EXPENSES)		(2.729.110)	(2.628.328)	(2.779.808)	(2.679.349)
Revenue from services rendered	22	282.745	252.388	302.805	274.184
Equity in the results of subsidiaries	13.a	19.850	33.476	-	-
Personnel	23	(356.336)	(309.400)	(357.476)	(312.706)
Other administrative expenses	24	(1.499.961)	(1.302.063)	(1.522.129)	(1.328.243)
Tax expenses	25	(141.429)	(118.574)	(148.747)	(127.629)
Other operating income	26.a	255.323	179.803	267.645	202.380
Other operating expenses	26.b	(1.289.302)	(1.363.958)	(1.321.906)	(1.387.335)
OPERATING PROFIT		495.978	314.651	504.650	332.171
NON-OPERATING LOSS	27	(25.052)	(11.595)	(25.136)	(11.245)
PROFIT BEFORE TAXATION ON THE RESULT AND PARTICIPATIONS		470.926	303.056	479.514	320.926
PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION	31.a	(122.561)	(155.166)	(131.149)	(173.036)
Income tax		(89.780)	(6.495)	(97.996)	(14.454)
Social contribution		(55.255)	(5.927)	(58.610)	(9.170)
Deferred tax asset		22.474	(142.744)	25.457	(149.412)
NET PROFIT		348.365	147.890	348.365	147.890
INTEREST ON CAPITAL	21.d	136.272	57.851	136.272	57.851
EARNINGS PER OUTSTANDING SHARE - R\$		0,29	0,13	-	-

(Represented by 1,205,056,121 shares at 9/30/2019 and 1,141,806,121 shares at 9/30/2018 - Notes 21.a and 21.b)

The accompanying notes are an integral part of this quarterly information.



BANCO PAN S.A. AND ITS SUBSIDIARIES

**STATEMENTS OF VALUE ADDED
FOR THE PERIODS ENDED SEPTEMBER 30, 2019 AND 2018**

(All amounts in thousands of reais)

	Note	Bank		Consolidated	
		9/30/2019	9/30/2018	9/30/2019	9/30/2018
INCOME		4.268.761	3.620.588	4.301.803	3.686.323
Financial intermediation		5.949.944	5.409.218	5.982.421	5.452.819
Services rendered	22	282.745	252.388	302.805	274.184
Allowance for losses	8.c	(922.843)	(863.214)	(922.815)	(863.269)
Other operating expenses		(1.041.085)	(1.177.804)	(1.060.608)	(1.177.411)
EXPENSES ON FINANCIAL INTERMEDIATION		(1.802.013)	(1.603.025)	(1.775.148)	(1.578.030)
INPUTS ACQUIRED FROM THIRD PARTIES		(1.431.410)	(1.251.257)	(1.453.223)	(1.277.113)
Materials, energy and other	24	(3.146)	(2.332)	(3.151)	(2.338)
Third-party services	24	(233.969)	(210.762)	(246.184)	(225.589)
Commissions payable to correspondent banks	24	(793.947)	(683.731)	(798.777)	(689.819)
Others		(400.348)	(354.432)	(405.111)	(359.367)
Data processing	24	(156.831)	(131.654)	(158.366)	(131.808)
Financial system services	24	(101.967)	(96.559)	(102.586)	(97.303)
Communication	24	(34.569)	(35.212)	(34.727)	(35.421)
Asset search and seizure expenses	24	(23.647)	(23.044)	(23.662)	(23.117)
Advertising, promotions and publicity	24	(35.557)	(21.547)	(35.821)	(21.931)
Transport	24	(4.357)	(3.556)	(4.367)	(3.572)
Maintenance and conservation of property	24	(4.609)	(3.773)	(4.614)	(3.780)
Fees and emoluments	24	(4.211)	(3.975)	(4.744)	(4.746)
Travel	24	(4.153)	(2.156)	(4.158)	(2.165)
Other		(30.447)	(32.956)	(32.066)	(35.524)
GROSS VALUE ADDED		1.035.338	766.306	1.073.432	831.180
DEPRECIATION AND AMORTIZATION		(46.899)	(38.517)	(47.774)	(39.396)
NET VALUE ADDED PRODUCED BY THE ENTITY		988.439	727.789	1.025.658	791.784
VALUE ADDED RECEIVED IN TRANSFER		19.850	33.476	-	-
Equity in the results of subsidiaries	13.a	19.850	33.476	-	-
TOTAL VALUE ADDED TO BE DISTRIBUTED		1.008.289	761.265	1.025.658	791.784
DISTRIBUTION OF VALUE ADDED		1.008.289	761.265	1.025.658	791.784
Personnel		308.886	267.416	309.850	270.171
Direct remuneration	23	236.364	205.880	237.051	208.273
Benefits	23	52.350	45.925	52.574	46.211
FGTS		15.957	13.611	16.010	13.686
Other	23	4.215	2.000	4.215	2.001
Taxes, fees and contributions		311.440	315.724	327.563	343.200
Federal		298.353	304.356	312.546	329.043
State		10	4	10	4
Municipal		13.077	11.364	15.007	14.153
Remuneration of third-party capital		39.598	30.235	39.880	30.523
Rentals	24	39.598	30.235	39.880	30.523
Remuneration of own capital	21.d	348.365	147.890	348.365	147.890
Interest on capital provisioned		136.272	57.851	136.272	57.851
Retained earnings		212.093	90.039	212.093	90.039

The accompanying notes are an integral part of this quarterly information.



BANCO PAN S.A.

**STATEMENT OF CHANGES IN PARENT COMPANY EQUITY
FOR THE PERIODS ENDED SEPTEMBER 30, 2019 AND 2018**

(All amounts in thousands of reais)

	Share capital	Capital increase	Capital reserve	Revenue reserves		Carrying value adjustments	Retained earnings/ accumulated deficit	Total
				Legal	For integrity of equity			
AT DECEMBER 31, 2017	3.460.732	-	-	8.915	99.580	(13.403)	-	3.555.824
Capital increase (Note 21.b)	192.678	-	207.322	-	-	-	-	400.000
Carrying value adjustments	-	-	-	-	-	1.319	-	1.319
Profit for the period	-	-	-	-	-	-	147.890	147.890
Allocation:								
Interest on capital provisioned (Note 21.d)	-	-	-	-	-	-	(57.851)	(57.851)
AT SEPTEMBER 30, 2018	3.653.410	-	207.322	8.915	99.580	(12.084)	90.039	4.047.182
AT DECEMBER 31, 2018	3.653.410	-	207.322	19.991	223.304	(8.108)	-	4.095.919
Capital increase (Note 21.b)	-	521.813	-	-	-	-	-	521.813
Carrying value adjustments	-	-	-	-	-	991	-	991
Profit for the period	-	-	-	-	-	-	348.365	348.365
Allocation:								
Interest on capital provisioned (Note 21.d)	-	-	-	-	-	-	(136.272)	(136.272)
AT SEPTEMBER 30, 2019	3.653.410	521.813	207.322	19.991	223.304	(7.117)	212.093	4.830.816

The accompanying notes are an integral part of this quarterly information.



BANCO PAN S.A. AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

(All amounts in thousands of reais)

	Note	Bank		Consolidated	
		9/30/2019	9/30/2018	9/30/2019	9/30/2018
CASH FLOWS FROM OPERATING ACTIVITIES:					
NET PROFIT		348.365	147.890	348.365	147.890
Adjustments that do not affect cash flow:					
Depreciation and amortization	24	28.953	20.571	28.985	20.607
Amortization of goodwill	26.b	17.946	17.946	18.789	18.789
Constitution of provision for civil, labor, and tax contingencies	19	124.446	200.580	148.497	203.171
Indexation for inflation or civil, labor, and tax provisions	19	2.897	4.667	4.466	5.877
Reversal/(devaluation) of other assets	27	(8.661)	(10.738)	(8.780)	(11.035)
Disposal of other assets	27	32.494	18.296	32.686	18.243
Impairment loss	27	1.219	4.402	1.230	4.402
Equity in the results of subsidiaries	13.a	(19.850)	(33.476)	-	-
Allowance for losses	8.c	922.843	863.214	922.815	863.269
Deferred income tax and social contribution		(22.474)	142.744	(25.457)	149.412
Adjusted profit		1.428.178	1.376.096	1.471.596	1.420.625
Changes in assets and liabilities:					
Decrease in interbank investments		3.897	871.530	3.897	871.530
Increase in marketable securities		(28.050)	(228.628)	(42.947)	(205.824)
Increase in derivative financial instruments		(181.475)	(323.996)	(181.475)	(323.996)
Decrease (increase) in interbank investments		(207.039)	30.438	(207.039)	30.438
Increase in credit operations		(3.762.293)	(1.847.113)	(3.762.265)	(1.847.168)
Decrease in leasing operations		-	-	-	176
Increase in other credits		(948.762)	(396.996)	(942.788)	(388.900)
Increase in other assets		(133.252)	(129.345)	(133.532)	(127.595)
Increase in deposits		2.595.304	3.127.283	2.561.283	3.050.979
Decrease in funds obtained in the open market		(9.758)	(1.332.765)	(8.663)	(1.334.145)
Increase in acceptances and issue of securities		77.540	80.391	77.540	80.201
Increase in other liabilities		502.998	410.463	509.135	422.838
Increase/(decrease) in interdependent accounts		651	(4.325)	651	(4.325)
Decrease in results of future years		(14)	(65)	(14)	(65)
Payment of income tax and social contribution		(68.267)	(7.802)	(77.890)	(20.929)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		(730.342)	1.625.166	(732.512)	1.623.840
CASH FLOWS FROM INVESTING ACTIVITIES:					
Increase in available-for-sale marketable securities		(421.696)	(407.403)	(421.696)	(407.403)
Decrease in available-for-sale marketable securities		397.902	643.180	397.902	643.180
Increase in marketable securities held to maturity		(378.099)	(130.959)	(378.099)	(130.959)
Decrease in marketable securities held to maturity		354.387	338.658	354.387	338.658
Disposal of assets not for own use		156.605	115.566	156.683	115.566
Acquisition of property and equipment	14.b	(14.106)	(6.169)	(14.106)	(6.169)
Increase in intangible assets	15.b	(50.179)	(48.648)	(50.179)	(48.718)
NET CASH PROVIDED BY INVESTING ACTIVITIES		44.814	504.225	44.892	504.155
CASH FLOWS FROM FINANCING ACTIVITIES:					
Funds from acceptance and issue of securities		1.235.177	498.620	1.235.177	498.620
Redemption of funds from acceptance and issuance of securities		(691.045)	(1.444.121)	(691.045)	(1.444.121)
Issue of subordinated debt		8.000	-	8.000	-
Redemption of subordinated debt		(267.500)	(65.964)	(267.500)	(65.964)
Capital increase	21.b	521.813	400.000	521.813	400.000
Interest on capital paid		(74.325)	-	(74.325)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		732.120	(611.465)	732.120	(611.465)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		46.592	1.517.926	44.501	1.516.530
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	16.374	162.248	19.714	166.460
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	62.966	1.680.174	64.215	1.682.990
ADDITIONAL INFORMATION ON CASH FLOWS					
Interest paid		(1.445.872)	(1.711.272)	(1.443.797)	(1.702.248)
Interest received		6.255.332	5.721.936	6.262.256	5.742.659
Transfer of assets not for own use		1.494	(1.665)	1.494	(1.665)
Unrealized gains on securities available for sale		1.496	1.962	1.496	1.962

The accompanying notes are an integral part of this quarterly information.



1) Operations

Banco PAN S.A. ("Bank", "PAN", "Parent company" or "Institution"), is a publicly traded corporation authorized to operate as a multiple bank. It operates directly or indirectly through its subsidiaries in the markets of payroll loans, payroll-linked credit cards, vehicle financing, conventional credit cards and loans to the vehicle and real estate consortiums. In addition, the Bank has a portfolio of run-off financing for companies, construction financing for developers and builders; real estate financing; financing for purchases of machinery and equipment, foreign exchange transactions, acquisition of real estate receivables, and vehicle and other asset leasing operations. Services rendered among the entities of the Conglomerate and the costs of operational and administrative structures are absorbed, jointly or individually.

As an alternative strategy to raising funds in the market and as an integral part of the business plan, the Bank also executes credit assignments (both transferring and substantially retaining the risks and benefits) of its portfolio to other financial institutions. On the assignment of loans with the substantial transfer of risks and benefits, the results are immediately recognized in the statement of income and the related risk is mitigated ensuring that capital is adequately preserved (Note 3(h)). These results are recorded in the parent company accounting information under "Income from financial intermediation".

Pursuant to a stockholders' agreement, the Bank is jointly controlled by Banco BTG Pactual S.A. ("BTG Pactual") and Caixa Participações S.A. - CAIXAPAR ("CAIXAPAR"), a wholly-owned subsidiary of Caixa Econômica Federal (Federal Savings and Loans Bank).

On March 8, 2019, the jointly-controlling stockholder CAIXAPAR exercised its right to acquire 50% of the shares subscribed and paid up by the jointly-controlling stockholder BTG Pactual, relating to the capital increase approved by the Board of Directors on November 6, 2017, in the amount of R\$ 400,000,001.04, as approved by the Brazilian Central Bank (BACEN) on April 18, 2018 ("Exercise of Purchase Option").

Furthermore, as disclosed in the relevant facts published on September 9 and 19, 2019, the Bank made a primary public offering of 63,250,000 new preferred shares issued by it, already considering the additional batch, as well as a secondary public offering of 63,250,000 preferred shares issued by it, held by CAIXAPAR, already considering the additional batch, (together, "Offering"). In this context, on September 19, 2019, the Board of Directors of the Bank and of CAIXAPAR approved the price per share of R\$ 8.25, resulting in the Offering totaling R\$ 1,043,625,000.00, of which R\$ 521,812,500.00 related to the primary offering, with a resulting increase in the Bank's share capital to R\$ 521,812,500.00 (Note 32.f).

Following the capital increase related to the primary offering, and after the BACEN approval, the Bank's new share capital amounts to R\$ 4,175,222,120.70, represented by 1,205,056 thousand shares.

The Bank's ownership structure after the Offering is as follows:

Stockholders	Shareholding structure (thousands of shares)					
	Common	%	Preferred	%	Total	%
Banco BTG Pactual S.A.	395,396	60.1	182,266	33.3	577,662	47.9
Caixa Participações S.A.	262,165	39.9	49,482	9.0	311,647	25.9
Market	-	-	315,747	57.7	315,747	26.2
Total	657,561	100.0	547,495	100.0	1,205,056	100.0

The Bank's shareholding structure, including the Purchase Option exercised by CAIXAPAR, the related share transfer of which is in progress, as well as the shareholding structure resulting from the Offering, are as follows:



Stockholders	Shareholding structure (thousands of shares)				Total	%
	Common	%	Preferred	%		
Banco BTG Pactual S.A.	334,131	50.8	142,148	25.9	476,279	39.5
Caixa Participações S.A.	323,430	49.2	89,600	16.4	413,030	34.3
Market	-	-	315,747	57.7	315,747	26.2
Total	657,561	100.0	547,495	100.0	1,205,056	100.0

2) Presentation of the accounting information

The parent company accounting information of Banco PAN is presented together with the accounting information of the Bank and its subsidiaries ("Consolidated"), and have been prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), observing the provisions of Law 4,595/64 (National Financial System Law) and Law 6,404/76 (Brazilian Corporation Law) and the changes introduced by Laws 11,638/07 and 11,941/09, for the recording of transactions, associated with the standards and instructions established by BACEN, and the Resolutions of the National Monetary Council (CMN), and the Brazilian Securities Commission (CVM), where applicable.

The Brazilian Accounting Pronouncements Committee (CPC) has issued pronouncements, as part of the convergence process with international accounting standards, approved by the CVM, though not all of these have been ratified by BACEN. Consequently, in preparing its accounting information, the Bank adopted, where applicable, the following pronouncements that have already been ratified by BACEN:

1. CPC 01 - Impairment of Assets - ratified by CMN Resolution 3,566/08;
2. CPC 03 - Statement of Cash Flows - ratified by CMN Resolution 3,604/08;
3. CPC 05 - Related-party Disclosures - ratified by CMN Resolution 3,750/09;
4. CPC 25 - Provisions, Contingent Liabilities and Contingent Assets - ratified by CMN Resolution 3,823/09;
5. CPC 24 - Events after the Reporting Period - ratified by CMN Resolution 3,973/11;
6. CPC 10 (R1) - Share-based Payment - ratified by CMN Resolution 3,989/11;
7. CPC 23 - Accounting Policies, Changes in Estimates and Correction of Errors - ratified by CMN Resolution 4,007/11;
8. Basic Conceptual Pronouncement (R1) - Conceptual Framework for Financial Reporting - ratified by CMN Resolution 4,144/12;
9. CPC 33 (R1) - Employee Benefits - ratified by CMN Resolution 4,424/15;
10. CPC 04 (R1) - Intangible Assets - ratified by CMN Resolution 4,534/16;
11. CPC 27 - Property and Equipment - ratified by CMN Resolution 4,535/16; and
12. CPC 02 (R2) - Effects of Changes in Foreign Exchange Rates and Conversion of Financial Statements - ratified by CMN Resolution 4,524/16.

The parent company and consolidated accounting information were authorized for issue by the Board of Directors and the Executive Board on October 28, 2019.

The subsidiaries included in the consolidation and the corresponding equity interest of the parent company are as follows:



Direct subsidiaries	Total equity interest %	
	9/30/2019	12/31/2018
Pan Arrendamento Mercantil S.A.	100.00	100.00
Brazilian Finance & Real Estate S.A.	100.00	100.00
Brazilian Securities Companhia de Securitização.	100.00	100.00
Pan Administradora de Consórcio Ltda.	100.00	100.00
BM Sua Casa Promotora de Vendas Ltda.	100.00	100.00

3) Significant Accounting Practices

a) Functional and presentation currency

The parent company and consolidated accounting information are presented in Brazilian Reais, which is the Bank's functional currency.

b) Determination of the results of operations:

Income and expenses are recorded on the accrual basis of accounting, and are prorated for financial transactions. Financial income and expenses are calculated based on the exponential method, except for those related to foreign transactions or discounted notes, which are calculated on the straight-line method. Transactions with floating rates or denominated in foreign currencies are adjusted to the balance sheet date by the agreed indices.

c) Cash and cash equivalents:

Cash and cash equivalents comprise cash in local and foreign currencies, investments in the money market, interbank deposits, bank certificates of deposit and fixed-income funds, with maturities at the original investment date equal to or less than 90 days and which present an immaterial risk of change in fair value, which are utilized by the Bank to manage its short-term commitments.

d) Interbank investments:

Interbank investments are presented at cost plus related earnings up to the balance sheet date.

e) Marketable securities:

Marketable securities are recorded at the cost of acquisition plus income earned and are presented in the balance sheet, pursuant to BACEN Circular Letter 3,068/2001. They are classified in the following categories:

- Trading securities - securities acquired for the purpose of being actively and frequently traded are adjusted to fair value, with the increase or decrease arising from this adjustment reflected in the result for the period;
- Available-for-sale securities - securities that cannot be classified as trading securities or held-to-maturity securities are adjusted to fair value, with the increase or decrease arising from this adjustment reflected in a separate account in equity, net of tax effects. Unrealized gains and losses are recognized in the result for the period when effectively realized; and
- Held-to-maturity securities - securities which the Bank intends and has the ability to hold in its portfolio to maturity, which are stated at cost of acquisition, plus related earnings with a corresponding entry to the result for the period.



f) Derivative financial instruments:

Derivative financial instruments consist of futures, swaps and forwards. These financial instruments are classified, on the date the transaction is contracted, reflecting management's intention whether to use them as hedging instruments, or not. The appreciation or depreciation in value is recognized in the income or expense accounts of the corresponding financial instruments, in accordance with BACEN Circular 3,082/02 and Circular Letter 3,026/02.

Derivative financial instruments are valued at market values with the appreciation or depreciation recorded in the results. The gains or losses on derivative financial instruments considered as a market risk hedge, whether realized or unrealized, are also recorded in the result for the period.

The Bank uses derivative financial instruments mainly to hedge against unfavorable variations in the market value of positions held.

The market values of derivative financial instruments and their respective hedged items are determined based on available market information, mainly the prices and rates provided by B3 S.A., the Brazilian Commodities, Futures and Stock Exchange. Where applicable, mathematical models of rate interpolations are utilized for intermediate periods and rate extrapolations for longer periods.

Future cash flows, discounted to present value by future interest yield curves, obtained based on information issued by B3 S.A., are utilized to measure the market value of swaps.

The mark to market of futures contracts, such as interest contracts (1-day DI), foreign exchange contracts (DOL) and foreign exchange coupons (DDI), is determined based on the market price in a unique price (PU) format, which is disclosed daily by B3 S.A. Based on this price, the daily adjustments are recorded in assets or liabilities and allocated daily to the results as income or expenses.

Derivative financial instrument transactions (futures, forwards, and swaps) are registered at B3 S.A. or at the Organized Counter for Assets and Derivatives (CETIP S.A.). The differences receivable and payable are recorded in the respective derivative financial instrument balance sheet accounts, with a corresponding entry to results from derivative financial instruments in the statement of income, and the nominal amounts of these transactions are recorded in memorandum accounts.

The balances of assets and liabilities and the results are shown in Notes 7c and 7g.

g) Credit operations:

Operations relating to loans, leasing, advances on foreign exchange contracts, real estate receivables and other credits with credit concession characteristics are accounted for at present value and calculated on a daily *pro rata* basis, based on the variation of the index and in the interest rate up to the 59th day in default.

The allowance for loan losses is constituted based on management's judgement as to the risk level, considering the economic scenario, past experience, and specific and global risks related to the operation, to the debtors and guarantors, in compliance with CMN Resolution 2,682/99, which requires a periodic portfolio analysis and the classification of risk into nine levels. Level AA represents the minimum risk and H the maximum risk. Additionally, the overdue periods as defined in this Resolution and a doubling up for transactions with an unexpired term exceeding 36 months are also taken into consideration when rating customer risk.



Income from credit operations past due for more than 60 days, regardless of the risk level, is only recognized when realized. Operations classified as Level H remain at this level for six months, after which they are written-off against the existing allowance and controlled in a memorandum account and no longer presented in the Bank's balance sheet.

Renegotiated transactions remain, at least, at the same rating at which the transactions were classified prior to renegotiation. Renegotiated credit operations that had already been written-off against the allowance and that were recorded in memorandum accounts are classified in Level H, and any gains resulting from the renegotiation are recognized as income only when effectively received. When there is a significant amortization of a credit operation or when relevant new facts justify a change in risk level, the operation can be reclassified to a lower risk category.

The allowance for losses is determined at an amount which is sufficient to cover probable losses and considers CMN and BACEN rules and instructions, as well as the assessments carried out by management in determining credit risk.

The allowance for loan losses related to loans assigned with a substantial retention of risks and benefits is calculated based on the same guidelines established by BACEN for unassigned credit operations.

h) Transactions for the sale or transfer of financial assets:

From January 1, 2012, as determined by CMN Resolution 3,533/08, transactions for the sale or transfer of financial assets are classified and recorded as described below:

- The following procedures are observed for recording the sale or transfer of financial assets classified in the category of transactions with a substantial transfer of risks and benefits:

For transactions involving the sale of assets, the financial asset being sold or transferred is written-off from the account in which the original transaction was recorded. The gain or loss determined in the transaction is appropriated to the result for the period in a segregated manner.

For transactions involving the purchase of assets, the financial asset acquired is recorded at the amount paid, based on the nature of the original transaction.

- The following procedures are observed for recording the sale or transfer of financial assets classified in the category of transactions with a substantial retention of risks and benefits:

For transactions for the disposal of assets, the financial asset, which is the object of the sale or transfer, remains recorded at the full amount. The amounts received in the transactions are recorded in assets, with a corresponding entry in liabilities for the obligation assumed, and the income and expenses are appropriated separately to the result for the period over the remaining term of the transaction; and

For transactions for the purchase of assets, the amounts paid are recorded in assets as a right receivable and the income is appropriated to the result for the period over the remaining term of the transaction.

i) Other assets:

Other assets are comprised mainly of assets not for own use and prepaid expenses. Assets not for own use comprise repossessed assets or assets received in lieu of payment, which are available for sale, and which are adjusted through a valuation allowance, where applicable, calculated based on the historical losses on the sale of repossessed assets. Prepaid expenses relate to advance payments for benefits or services that will occur or be provided in future periods. These expenses are appropriated to the result of the period in which the future benefits are generated.

As from January 2, 2015, PAN adopted the accounting registration criteria for the remuneration paid to correspondent banks, determined by BACEN Circular 3,693/13, as amended by BACEN Circular 3,738/14.

j) Investments:

Investments in subsidiaries are accounted for on the equity method. Other investments are stated at cost of acquisition, less the corresponding provision for loss and impairment, where applicable.

k) Property and equipment:

Property and equipment correspond to the rights acquired over physical assets destined for maintaining the business or which are exercised for this purpose, including those arising from transactions which transfer the risks, rewards and control over the assets to the Bank. The assets mainly consist of installations, leasehold improvements, furniture, and equipment in use.

The assets are stated at cost of acquisition less accumulated depreciation and adjustments for impairment, where applicable. Depreciation is calculated on the straight-line method at annual rates which consider the estimated economic useful lives of the assets.

Property and equipment acquired as from January 1, 2017 are stated in conformity with Resolution 4,535/16.

l) Intangible assets:

Intangible assets correspond to the rights acquired over non-physical assets destined for maintaining the business or which are exercised for this purpose.

The assets are stated at acquisition and other directly attributable costs less accumulated amortization and adjustments for impairment, where applicable. These assets are basically represented by goodwill based on the expected future profitability of the investments, licenses and expenses on the acquisition and development of software. Intangible assets are amortized on the straight-line method over the estimated period of their use.

The intangible assets acquired as from January 1, 2017 are stated in conformity with Resolution 4,534/16.

m) Impairment of non-financial assets:

Non-financial assets are subject to an evaluation of their recoverable values annually, or more frequently if conditions or circumstances indicate the possibility of loss in value. Any losses identified are recognized in the result for the period when the carrying amount of an asset exceeds its recoverable amount, which is determined as follows:

- i. Potential sales or realization amount less corresponding expenses; or
- ii. Value in use calculated based on the cash generating unit.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from other assets or groups of assets.

n) Income tax and social contribution (assets and liabilities):

Provisions for income tax and social contribution due are recorded based on taxable profit, adjusted for additions and exclusions established by the applicable tax legislation. Deferred tax assets on temporary additions are realized on the utilization or reversal of the respective provisions in respect of which the credits were recognized. Deferred tax assets on tax loss carry-forwards are realized in accordance with the generation of profit, up to the limit of 30% of taxable profit for the base period. These deferred tax assets are recognized based on their expected realization, which is periodically reviewed, considering technical studies and analyses prepared by management.

The tax rates and calculation bases are detailed in Note 31.

o) Deposits and funds obtained in the market:

Deposits and funds obtained in the market are stated at the amounts of the liabilities and consider, where applicable, the charges payable up to the balance sheet date, recognized on a daily pro rata basis.

p) Specific accounting policies of the consortium segment:

The management fee is recorded when received from the consortium groups. Commissions on sales of quotas are recorded when the consortium quotas are sold and other income and expenses are recorded on the accrual basis.

The liabilities for unclaimed funds are recorded at the amount to be returned to the members of the discontinued consortium groups, including remuneration equal to that generated by their quotas in the investment funds in which the active groups hold investments.

q) Provisions, contingent assets and liabilities and legal obligations (taxes and social security):

Contingent assets and contingent liabilities and legal obligations (tax and social security) are measured and disclosed in conformity with CMN Resolution 3,823/09, which approved CPC Accounting Standard 25 - Provisions, Contingent Assets and Contingent Liabilities, the main criteria of which are as follows:

- Contingent assets - not recorded in the accounting information, except when there is evidence that their realization is guaranteed.
- Provisions - recorded in the accounting information when, based on the opinion of the Bank's management and the legal advisors, the risk of losing an administrative or legal action is considered to be probable, and whenever the amounts involved can be reliably measured.
- Contingent liabilities do not meet the recognition criteria, because they are considered as possible losses and, therefore, are only disclosed in the notes to the accounting information, when significant. Those classified as remote losses require neither provision nor disclosure; and
- Legal obligations (tax and social security) - correspond to amounts related to lawsuits challenging the legality and constitutionality of certain taxes and contributions, which, regardless of the likelihood of success, are recognized at the full amount in the accounting information.

r) Residual benefit in securitized transactions:

The benefit corresponds to the residual balance, net of any guarantees provided, of the separate equity of the securitized transactions which, in accordance with Law 9,514/97, will be reintegrated to the common



equity of the securitization company when the lien is released and the related mortgage-backed and agribusiness securities are settled.

s) Earnings per share:

Earnings per share are calculated based on the number of outstanding shares at the balance sheet date.

t) Use of accounting estimates:

The preparation of accounting information requires management to make estimates and assumptions, to the best of its judgment, that affect the reported amounts of certain financial or non-financial assets and liabilities, income and expenses, and other transactions, such as: (i) deferred tax assets; (ii) depreciation rates of property and equipment and amortization of intangible assets; (iii) provisions necessary to absorb the potential risks arising from civil, labor or tax processes; (iv) provision for loss on assets not for own use; (v) allowance for loan and lease losses; (vi) impairment of non-financial assets; and (vii) estimated fair value of specific financial instruments. The actual settlement amounts of these financial or non-financial assets and liabilities could differ from the estimates.

u) Events after the reporting period:

Events which have occurred between the reporting date of the accounting information and the date of its approval by management. are classified as:

- i. events that require adjustment, related to conditions existing at the reporting date of the accounting information; and
- ii. events that do not require adjustment, related to conditions which did not exist at the reporting date of the accounting information.

4) Balance Sheet and Statement of Income by Business Segment

a) Consolidated Balance Sheet:

Assets	Financial (1)	Consortium (2)	Securitization (3)	Other (4)	Eliminations (5)	Total
Current assets and long-term receivables	30,953,461	72,362	223,688	427,672	(345,766)	31,331,417
Cash and cash equivalents	2,982	24	1,217	17	(23)	4,217
Short-term interbank investments	59,998	8,242	-	-	(8,242)	59,998
Marketable securities and derivative financial instruments	2,162,318	49,895	154,221	377,564	(332,022)	2,411,976
Interbank accounts	307,452	-	-	-	-	307,452
Loan and leasing operations (6)	21,097,197	-	-	-	-	21,097,197
Other receivables and other assets	7,323,514	14,201	68,250	50,091	(5,479)	7,450,577
Permanent assets	891,292	224	1,126	2,058	(677,893)	216,807
Total at 9/30/2019	31,844,753	72,586	224,814	429,730	(1,023,659)	31,548,224
Total at 12/31/2018	27,494,548	69,861	225,253	404,791	(964,022)	27,230,431



Liabilities	Financial (1)	Consortium (2)	Securitization (3)	Other (4)	Eliminations (5)	Total
Current and long-term liabilities	27,013,937	17,329	11,918	19,990	(345,766)	26,717,408
Deposits	19,504,572	-	-	-	(332,045)	19,172,527
Funds obtained in the open market	259,766	-	-	-	(8,242)	251,524
Funds from issuance of securities	1,871,633	-	-	-	-	1,871,633
Interbank and interbranch accounts	825,213	-	-	-	-	825,213
Derivative financial instruments	100,514	-	-	-	-	100,514
Other obligations	4,452,239	17,329	11,918	19,990	(5,479)	4,495,997
Equity	4,830,816	55,257	212,896	409,740	(677,893)	4,830,816
Total at 9/30/2019	31,844,753	72,586	224,814	429,730	(1,023,659)	31,548,224
Total at 12/31/2018	27,494,548	69,861	225,253	404,791	(964,022)	27,230,431

b) Consolidated statement of income:

	Financial (1)	Consortium (2)	Securitization (3)	Other (4)	Eliminations (5)	Total
Income from financial intermediation	5,950,764	2,574	10,605	33,531	(15,053)	5,982,421
Expenses on financial intermediation	(2,713,016)	-	-	-	15,053	(2,697,963)
Gross result	3,237,748	2,574	10,605	33,531	-	3,284,458
Other operating income (expenses)	(2,748,459)	5,464	(6,573)	(371)	(29,869)	(2,779,808)
Non-operating results	(25,072)	-	(64)	-	-	(25,136)
Provision for IRPJ and CSLL	(115,852)	(2,734)	(1,326)	(11,237)	-	(131,149)
Net result at 9/30/2019	348,365	5,304	2,642	21,923	(29,869)	348,365
Net result at 9/30/2018	147,890	2,863	(1,003)	29,744	(31,604)	147,890

(1) Represented by Banco PAN S.A. and Pan Arrendamento Mercantil S.A.

(2) Represented by Pan Administradora de Consórcio Ltda.

(3) Represented by Brazilian Securities Companhia de Securitização.

(4) Represented by BM Sua Casa Promotora de Vendas Ltda. and Brazilian Finance & Real Estate S.A.

(5) Eliminations between companies in different segments.

(6) Net allowance for losses.

5) Cash and Cash Equivalents

	Bank		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Funds in local currency	212	313	1,460	3,653
Funds in foreign currency	2,756	16,061	2,757	16,061
Subtotal (cash)	2,968	16,374	4,217	19,714
Short-term interbank investments (1)	59,998	-	59,998	-
Total	62,966	16,374	64,215	19,714

(1) Includes transactions with maturities at the original investment date equal to or less than 90 days and which present an immaterial risk of change in fair value.

6) Short-term interbank investments

a) Composition and maturities:

Bank and Consolidated	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	9/30/2019	12/31/2018
Money market investments:	59,998	-	-	-	59,998	-
Third-party portfolio position	59,998	-	-	-	59,998	-
National Treasury Bills (LTN)	59,998	-	-	-	59,998	-
Interbank deposits	-	-	-	-	-	3,897
Total at 9/30/2019	59,998	-	-	-	59,998	-
Total at 12/31/2018	-	-	-	3,897	-	3,897

**b) Income from interbank investments:**

This income is classified in the statement of income as results from operations with marketable securities:

	Bank		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Income from investments in purchase and sale transactions:	11,960	50,190	11,960	50,190
Own portfolio position	11,881	43,100	11,881	43,100
Third-party portfolio position	79	6,804	79	6,804
Short position	-	286	-	286
Income from interbank deposits	211	801	211	801
Total (Note 7.h)	12,171	50,991	12,171	50,991

7) Marketable Securities and Derivative Financial Instruments**a) Composition of portfolio:**

The portfolio of marketable securities and derivative financial instruments at 9/30/2019 and 12/31/2018, by type of security, was comprised as follows:

	Bank		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Marketable securities	1,776,292	1,700,784	2,025,950	1,934,506
Own portfolio:	760,605	1,213,212	1,010,064	1,444,548
Bank Deposit Certificates (CDB)	-	-	-	428
Mortgage-backed securities (CRI)	-	-	249,460	230,908
Financial Treasury Bills (LFT)	206,336	621,156	206,335	621,156
National Treasury Bills (LTN)	614	200,450	614	200,450
National Treasury Notes (NTN)	553,313	391,264	553,313	391,264
Social Development Fund (FDS)	342	342	342	342
Linked to BACEN:	522,929	-	522,929	-
Financial Treasury Bills (LFT) (1)	522,929	-	522,929	-
Subject to repurchase agreements:	254,113	269,177	254,113	269,177
Financial Treasury Bills (LFT)	107,453	112,407	107,453	112,407
National Treasury Notes (NTN)	146,660	156,770	146,660	156,770
Subject to guarantees:	238,645	218,395	238,844	220,781
Financial Treasury Bills (LFT)	238,645	218,395	238,645	218,395
Bank Deposit Certificates (CDB)	-	-	199	2,386
Derivative financial instruments:	386,026	279,158	386,026	279,158
Difference receivable on swaps	386,026	275,298	386,026	275,298
Options	-	3,860	-	3,860
Total	2,162,318	1,979,942	2,411,976	2,213,664

(1) Amount linked to BACEN, resulting from the Bank's capital increase approved by its Board of Directors on September 19, 2019 - awaiting BACEN approval (Note 21.a and b).



b) Composition by category and term:

Bank	9/30/2019					12/31/2018				
	No stated maturity	Up to 12 months	From 1 to 3 years	3 to 5 years	Over 5 years	Net book value (1) (2) (3)	Adjusted cost	Mark-to-market adjustment	Net book value (1) (2) (3)	Mark-to-market adjustment
Trading securities	-	893	325,553	37,964	-	364,410	364,406	4	401,225	1,091
Financial Treasury Bills (LFT)	-	279	325,553	37,964	-	363,796	363,792	4	293,848	11
National Treasury Bills (LTN)	-	614	-	-	-	614	614	-	585	7
National Treasury Notes (NTN)	-	-	-	-	-	-	-	-	106,792	1,073
Available-for-sale securities	-	412,053	273,174	26,340	-	711,567	711,560	7	658,114	93
Financial Treasury Bills (LFT)	-	412,053	273,174	26,340	-	711,567	711,560	7	658,110	93
National Treasury Notes (NTN)	-	-	-	-	-	-	-	-	4	-
Securities held to maturity	342	-	469,022	90,876	140,075	700,315	700,315	-	641,445	-
National Treasury Bills (LTN)	-	-	-	-	-	-	-	-	199,865	-
National Treasury Notes (NTN)	-	-	469,022	90,876	140,075	699,973	699,973	-	441,238	-
Social Development Fund (FDS)	342	-	-	-	-	342	342	-	342	-
Total	342	412,946	1,067,749	155,180	140,075	1,776,292	1,776,281	11	1,700,784	1,184



Notes to the accounting information

Consolidated	9/30/2019								12/31/2018	
	No stated maturity	Up to 12 months	From 1 to 3 years	3 to 5 years	Over 5 years	Net book value (1)(2)(3)	Adjusted cost	Mark-to-market adjustment	Net book value (1) (2) (3)	Mark-to-market adjustment
Trading securities	-	893	325,553	37,963	-	364,409	364,406	3	401,225	1,091
Financial Treasury Bills (LFT)	-	279	325,553	37,963	-	363,795	363,792	3	293,848	11
National Treasury Bills (LTN)	-	614	-	-	-	614	614	-	585	7
National Treasury Notes (NTN)	-	-	-	-	-	-	-	-	106,792	1,073
Available-for-sale securities	-	434,319	500,567	26,340	-	961,226	972,008	(10,782)	891,836	(12,270)
Financial Treasury Bills (LFT)	-	412,053	273,174	26,340	-	711,567	711,560	7	658,110	93
National Treasury Notes (NTN)	-	-	-	-	-	-	-	-	4	-
Bank Deposit Certificates (CDB)	-	180	19	-	-	199	199	-	2,814	-
Mortgage-backed securities (CRI)	-	22,086	227,374	-	-	249,460	260,249	(10,789)	230,908	(12,363)
Securities held to maturity:	342	-	469,022	90,876	140,075	700,315	700,315	-	641,445	-
National Treasury Bills (LTN)	-	-	-	-	-	-	-	-	199,865	-
National Treasury Notes (NTN)	-	-	469,022	90,876	140,075	699,973	699,973	-	441,238	-
Social Development Fund (FDS)	342	-	-	-	-	342	342	-	342	-
Total	342	435,212	1,295,142	155,179	140,075	2,025,950	2,036,729	(10,779)	1,934,506	(11,179)

(1) Brazilian Association of Financial and Capital Market Institutions ("ANBIMA") and "B3 S.A." For mortgage-backed securities, the market value is determined using internal models with data based on observable market parameters;

(2) This column presents the carrying amount subsequent to the mark-to-market adjustment, except for securities classified as held to maturity, whose market value was higher than the adjusted cost by R\$ 35,734 (12/31/2018 - higher by R\$ 8,502); and in compliance with the provisions of article 8 of BACEN Circular 3,068 / 01, PAN declares that it has both the financial ability and the intention to hold to maturity the securities classified in the held-to-maturity category; and

(3) The maturities of the securities were considered, regardless of their accounting classification.



c) Derivative financial instruments:

Bank and Consolidated	9/30/2019				12/31/2018			
	Notional value	Carrying amount	Adjusted cost	Mark-to-market	Notional value	Carrying amount	Adjusted cost	Mark-to-market
Asset position:		386,026	367,687	18,340		279,158	281,148	(1,990)
Swap	2,686,464	386,026	367,687	18,340	4,096,404	275,298	279,127	(3,829)
Options to be exercised	-	-	-	-	1,919,163	3,860	2,021	1,839
Liability position:		(100,514)	(78,921)	(21,594)		(175,121)	(126,221)	(48,900)
Swap	2,686,464	(100,514)	(78,921)	(21,594)	4,096,404	(172,218)	(124,963)	(47,255)
Options issued	-	-	-	-	1,916,550	(2,903)	(1,258)	(1,645)
Subtotal		285,512	288,766	(3,254)		104,037	154,927	(50,890)
Futures:		(2,337)	(2,337)	-		967	967	-
Asset position	12,535,888	275	275	-	12,498,311	2,474	2,474	-
Liability position	12,535,888	(2,612)	(2,612)	-	12,498,311	(1,507)	(1,507)	-
Total		283,175	286,429	(3,254)		105,004	155,894	(50,890)

d) Composition by maturity (notional value):

Bank and Consolidated	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	Over 360 days	9/30/2019	12/31/2018
Swap	52,114		1,190,255	1,444,095	-	2,686,464	4,096,404
U.S. Dollar vs. CDI	52,114	-	-	1,087,145	-	1,139,259	1,128,662
CDI vs. U.S. Dollar	-	-	-	-	-	-	1,137
CDI vs. Fixed rate	-	-	1,190,255	356,950	-	1,547,205	2,942,174
Fixed rate vs. U.S. dollar	-	-	-	-	-	-	24,431
Options	-	-	-	-	-	-	3,835,713
Shares purchased	-	-	-	-	-	-	1,919,163
Shares sold	-	-	-	-	-	-	1,916,550
Futures	559,883	549,728	1,745,687	1,278,656	8,401,934	12,535,888	12,498,311
DDI	-	-	8,237	-	159,270	167,507	177,838
DI	559,883	547,649	1,737,450	1,278,656	8,242,664	12,366,302	12,291,388
U.S. dollar	-	2,079	-	-	-	2,079	29,085
Total	611,997	549,728	2,935,942	2,722,751	8,401,934	15,222,352	20,430,428

e) Place of negotiation and counterparties:

Bank and Consolidated	9/30/2019	12/31/2018
Central System for Custody and Financial Settlement of Securities (CETIP) (over the counter)	2,686,464	4,096,404
B3 S.A. (Exchange)	12,535,888	16,334,024
Total	15,222,352	20,430,428

Counterparties: At 9/30/2019, distributed as follows in the Bank and Consolidated: B3 S.A. 82.35% and Financial Institutions 17.65%.

**f) Hedge accounting- market value**

Bank and Consolidated	9/30/2019	12/31/2018
Financial Instruments		
Asset position	2,986,600	2,717,544
Swap - U.S. dollar (1)	2,050,098	1,909,407
Futures DI1 B3 S.A. - Fixed rate - Brazilian Reais (2)	936,502	808,137
Liability position	(9,566,928)	(6,199,812)
Swap - fixed rate - Brazilian Reais (3)	-	(399,926)
Futures DI1 B3 S.A. - Fixed rate - Brazilian Reais (3)	(9,566,928)	(5,799,886)
Hedged item		
Asset position	6,658,167	5,988,784
Credit operations (3)	6,658,167	5,988,784
Liability position	(2,915,134)	(2,588,584)
Subordinated debt abroad (1)	(1,989,373)	(1,790,563)
Time deposit certificates (2)	(925,761)	(798,021)

(1) Used to hedge funding operation abroad;

(2) Used to hedge against the fixed interest risk of long-term deposit certificates; and

(3) This hedged item includes the following retail credit operations: Payroll loans and Vehicles.

g) Result with derivative financial instruments:

Bank and Consolidated	9/30/2019			9/30/2018		
	Income	Expense	Net	Income	Expense	Net
Swap	902,221	(758,700)	143,521	1,052,315	(768,465)	283,850
Options	1,722	(1,297)	425	2,808	(2,993)	(185)
Futures	943,015	(1,086,944)	(143,929)	1,539,655	(1,624,592)	(84,937)
Total	1,846,958	(1,846,941)	17	2,594,778	(2,396,050)	198,728

h) Results of operations with marketable securities:

	Bank		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Fixed income securities	73,057	76,811	99,695	113,243
Short-term interbank investments (Note 6.b)	12,171	50,991	12,171	50,991
Total	85,228	127,802	111,866	164,234



8) Credit operations

a) Composition of the portfolio by type of operation:

	Bank				Consolidated			
	9/30/2019		12/31/2018		9/30/2019		12/31/2018	
	Amount	%	Amount	%	Amount	%	Amount	%
Payroll-deductible loans (1)	9,978,076	42.93	8,276,322	40.81	9,978,076	42.93	8,276,322	40.81
Vehicles (1)	8,224,346	35.39	6,979,927	34.42	8,224,346	35.39	6,979,927	34.42
Financing - credit cards (2)	1,952,783	8.40	1,702,804	8.40	1,952,783	8.40	1,702,804	8.40
Bank overdrafts	989,749	4.26	747,020	3.68	989,749	4.26	747,020	3.68
Loans with real estate guarantees	320,938	1.38	429,784	2.12	320,938	1.38	429,784	2.12
Working capital	164,121	0.71	320,166	1.58	164,121	0.71	320,166	1.58
Credits linked to assignment of loans (3)	181,908	0.78	305,115	1.50	181,908	0.78	305,115	1.50
Housing financing	201,910	0.87	269,740	1.33	201,910	0.87	269,740	1.33
Export financing	89,467	0.38	156,619	0.77	89,467	0.38	156,619	0.77
Renegotiated loans	101,202	0.44	96,722	0.48	101,202	0.44	96,722	0.48
Real estate development financing	7,549	0.03	45,643	0.23	7,549	0.03	45,643	0.23
Personal credit	1	-	68	-	1	-	68	-
Leasing operations (4)	-	-	-	-	-	-	29	-
Total credit operations	22,212,050	95.58	19,329,930	95.32	22,212,050	95.57	19,329,959	95.32
Other receivables (5)	1,028,186	4.42	913,705	4.51	1,028,954	4.43	914,688	4.51
Advances against Exchange Contracts (ACC) and income receivable (6)	-	-	33,966	0.17	-	-	33,966	0.17
Subtotal	23,240,236	100.00	20,277,601	100.00	23,241,004	100.00	20,278,613	100.00
(+/-) Adjustment to market value (1)	205,280	-	129,203	-	205,280	-	129,203	-
Total	23,445,516	-	20,406,804	-	23,446,284	-	20,407,816	-

(1) Includes contracts for hedge accounting transactions (Note 7f);

(2) Financing provided to Visa and MasterCard credit card holders.

(3) Payroll-linked credit operations assigned with substantial retention of risks and benefits (Note 8.f.ii);

(4) Recorded at present value.

(5) Credit card receivables and credit instruments receivable with loan characteristics.

(6) Advances on foreign exchange contracts are recorded as a reduction of "Other Liabilities" (Note 9).

b) Analysis of the portfolio by risk levels and maturity:

Bank	Risk Levels										
	Abnormal course of operations										
	AA	A	B	C	D	E	F	G	H	Total at 9/30/2019	Total at 12/31/2018
Falling due in days:	-	1,273,483	522,589	488,843	215,005	129,191	89,112	84,415	386,849	3,189,487	2,752,974
1 to 30	-	50,667	22,866	22,590	11,037	6,335	4,535	5,533	17,224	140,787	127,800
31 to 60	-	49,385	21,929	20,217	9,684	5,796	4,000	5,248	15,747	132,006	121,440
61 to 90	-	48,040	21,464	20,656	9,766	5,793	4,134	4,815	19,845	134,513	112,182
91 to 180	-	133,170	60,225	57,559	27,136	16,064	11,488	11,481	48,166	365,289	316,735
181 to 365	-	230,748	103,847	98,590	46,419	27,139	18,886	16,544	75,038	617,211	539,025
Over 365	-	761,473	292,258	269,231	110,963	68,064	46,069	40,794	210,829	1,799,681	1,535,792
Past due in days	-	79,582	134,220	80,941	64,250	57,494	61,194	72,751	591,929	1,142,361	1,245,872
1 to 14	-	67,090	3,957	11,305	5,471	2,769	2,057	3,414	7,713	103,776	94,452
15 to 30	-	12,492	123,415	10,573	5,105	3,270	2,232	1,955	18,914	177,956	142,267
31 to 60	-	-	6,848	51,118	10,876	6,345	4,429	5,571	17,000	102,187	171,481
61 to 90	-	-	-	5,800	37,040	6,554	4,592	13,042	23,028	90,056	134,710
91 to 180	-	-	-	2,145	5,758	32,491	44,876	36,431	66,215	187,916	173,881
181 to 365	-	-	-	-	-	1,982	3,008	3,644	256,696	265,330	307,489
Over 365	-	-	-	-	-	4,083	-	8,694	202,363	215,140	221,592
Subtotal	-	1,353,065	656,809	569,784	279,255	186,685	150,306	157,166	978,778	4,331,848	3,998,846
Allowance required	-	6,765	6,568	17,094	27,926	56,005	75,153	110,017	978,778	1,278,306	1,153,353



Notes to the accounting information

Bank	Risk Levels										
	Normal course of operations										
	AA	A	B	C	D	E	F	G	H	Total at 9/30/2019	Total at 12/31/2018
Falling due in days:	-	18,573,978	73,942	49,071	43,094	16,712	53,319	47,346	50,926	18,908,388	16,278,755
1 to 30	-	2,372,915	11,631	7,285	26,921	475	719	28,721	4,099	2,452,766	2,107,232
31 to 60	-	633,470	5,835	1,727	4,351	478	495	332	1,303	647,991	599,696
61 to 90	-	599,900	3,259	1,667	750	3,298	489	368	9,315	619,046	538,319
91 to 180	-	1,589,976	10,083	5,194	1,752	1,262	1,182	948	2,656	1,613,053	1,442,319
181 to 365	-	2,633,047	12,505	7,859	2,762	2,160	14,546	1,683	4,388	2,678,950	2,384,107
Over 365	-	10,744,670	30,629	25,339	6,558	9,039	35,888	15,294	29,165	10,896,582	9,207,082
Subtotal	-	18,573,978	73,942	49,071	43,094	16,712	53,319	47,346	50,926	18,908,388	16,278,755
Allowance required	-	92,870	739	1,472	4,309	5,014	26,659	33,142	50,926	215,131	178,271
Total (1)	-	19,927,043	730,751	618,855	322,349	203,397	203,625	204,512	1,029,704	23,240,236	20,277,601
Total allowance	-	99,635	7,307	18,566	32,235	61,019	101,812	143,159	1,029,704	1,493,437	1,331,624

Consolidated	Risk Levels										
	Abnormal course of operations										
	AA	A	B	C	D	E	F	G	H	Total at 9/30/2019	Total at 12/31/2018
Falling due in days:	-	1,273,483	522,589	488,843	215,005	129,191	89,112	84,415	386,849	3,189,487	2,752,974
1 to 30	-	50,667	22,866	22,590	11,037	6,335	4,535	5,533	17,224	140,787	127,800
31 to 60	-	49,385	21,929	20,217	9,684	5,796	4,000	5,248	15,747	132,006	121,440
61 to 90	-	48,040	21,464	20,656	9,766	5,793	4,134	4,815	19,845	134,513	112,182
91 to 180	-	133,170	60,225	57,559	27,136	16,064	11,488	11,481	48,166	365,289	316,735
181 to 365	-	230,748	103,847	98,590	46,419	27,139	18,886	16,544	75,038	617,211	539,025
Over 365	-	761,473	292,258	269,231	110,963	68,064	46,069	40,794	210,829	1,799,681	1,535,792
Past due in days:	-	79,582	134,220	80,941	64,250	57,494	61,194	72,751	591,929	1,142,361	1,245,901
1 to 14	-	67,090	3,957	11,305	5,471	2,769	2,057	3,414	7,713	103,776	94,461
15 to 30	-	12,492	123,415	10,573	5,105	3,270	2,232	1,955	18,914	177,956	142,267
31 to 60	-	-	6,848	51,118	10,876	6,345	4,429	5,571	17,000	102,187	171,486
61 to 90	-	-	-	5,800	37,040	6,554	4,592	13,042	23,028	90,056	134,715
91 to 180	-	-	-	2,145	5,758	32,491	44,876	36,431	66,215	187,916	173,891
181 to 365	-	-	-	-	-	1,982	3,008	3,644	256,696	265,330	307,489
Over 365	-	-	-	-	-	4,083	-	8,694	202,363	215,140	221,592
Subtotal	-	1,353,065	656,809	569,784	279,255	186,685	150,306	157,166	978,778	4,331,848	3,998,875
Allowance required	-	6,765	6,568	17,094	27,926	56,005	75,153	110,017	978,778	1,278,306	1,153,382

Consolidated	Risk Levels										
	Normal course of operations										
	AA	A	B	C	D	E	F	G	H	Total at 9/30/2019	Total at 12/31/2018
Falling due in days:	768	18,573,978	73,942	49,071	43,094	16,712	53,319	47,346	50,926	18,909,156	16,279,738
1 to 30	768	2,372,915	11,631	7,285	26,921	475	719	28,721	4,099	2,453,534	2,108,215
31 to 60	-	633,470	5,835	1,727	4,351	478	495	332	1,303	647,991	599,696
61 to 90	-	599,900	3,259	1,667	750	3,298	489	368	9,315	619,046	538,319
91 to 180	-	1,589,976	10,083	5,194	1,752	1,262	1,182	948	2,656	1,613,053	1,442,319
181 to 365	-	2,633,047	12,505	7,859	2,762	2,160	14,546	1,683	4,388	2,678,950	2,384,107
Over 365	-	10,744,670	30,629	25,339	6,558	9,039	35,888	15,294	29,165	10,896,582	9,207,082
Subtotal	768	18,573,978	73,942	49,071	43,094	16,712	53,319	47,346	50,926	18,909,156	16,279,738
Allowance required	-	180,810	1,650	2,928	6,048	9,861	65,376	70,476	86,255	423,404	178,271
Total (1)	768	19,927,043	730,751	618,855	322,349	203,397	203,625	204,512	1,029,704	23,241,004	20,278,613
Total allowance	-	99,635	7,307	18,566	32,235	61,019	101,812	143,159	1,029,704	1,493,437	1,331,653

(1) Not including the market value adjustment (Note 8.a).



c) Change in the allowance for losses(1):

	Bank		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Opening balance	1,432,554	1,266,038	1,432,584	1,266,084
Allowance constituted	922,843	863,214	922,815	863,269
Write-off against allowance	(795,998)	(735,099)	(796,000)	(735,102)
Closing balance	1,559,399	1,394,153	1,559,399	1,394,251

Credit recoveries (2)	175,680	168,195	181,545	175,361
Effect on results (3)	(747,163)	(695,019)	(741,270)	(687,908)

(1) Includes: (i) other receivables with characteristics of credit operations; (ii) foreign exchange transactions; (iii) other receivables without characteristics of credit operations (Note 11);

(2) In the period ended 9/30/2019, credits previously written-off against the allowance, totaling R\$ 181,545, were recovered (recovered credits of R\$ 175,680 in the Bank, R\$ 847 referring to lease operations and recovered credits of R\$ 5,018 in Brazilian Finance & Real Estate); and

(3) Expense of allowance constituted, net of income from credits recovered.

d) Classification by area of economic activity:

	Bank				Consolidated			
	9/30/2019		12/31/2018		9/30/2019		12/31/2018	
	Amount	%	Amount	%	Amount	%	Amount	%
Individuals	21,619,999	93.03	18,558,064	91.52	21,619,999	93.03	18,558,064	91.52
Services	1,176,730	5.06	1,264,689	6.24	1,177,498	5.06	1,265,701	6.24
Construction and real-estate development	302,719	1.30	536,051	2.64	303,487	1.30	537,034	2.65
Other services	536,859	2.31	434,776	2.14	536,859	2.31	434,805	2.14
Financial	233,093	1.00	195,852	0.97	233,093	1.00	195,852	0.97
Transportation and logistics	36,579	0.16	46,537	0.23	36,579	0.16	46,537	0.23
Utilities	59,658	0.25	44,225	0.22	59,658	0.25	44,225	0.22
Media, IT and Telecom	6,454	0.03	4,777	0.02	6,454	0.03	4,777	0.02
Vehicle rental	1,266	0.01	2,323	0.01	1,266	0.01	2,323	0.01
Health, security and education	102	-	148	0.01	102	-	148	-
Commercial	316,005	1.36	289,530	1.42	316,005	1.36	289,530	1.42
Wholesale and retail	316,005	1.36	289,530	1.42	316,005	1.36	289,530	1.42
Basic industries	71,192	0.31	90,873	0.45	71,192	0.31	90,873	0.45
Paper and pulp	42,999	0.19	32,384	0.16	42,999	0.19	32,384	0.16
Other industries	6,306	0.03	23,798	0.12	6,306	0.03	23,798	0.12
Textiles	15,218	0.06	15,366	0.08	15,218	0.06	15,366	0.08
Auto parts	-	-	12,072	0.05	-	-	12,072	0.05
Chemical industry	6,669	0.03	7,253	0.04	6,669	0.03	7,253	0.04
Agribusiness	56,310	0.24	74,445	0.37	56,310	0.24	74,445	0.37
Sugar and ethanol	34,120	0.14	42,846	0.21	34,120	0.14	42,846	0.21
Other agribusiness and animal protein	22,190	0.10	31,599	0.16	22,190	0.10	31,599	0.16
Total (1)	23,240,236	100.0	20,277,601	100.0	23,241,004	100.0	20,278,613	100.0

(1) Not including the market value adjustment (Note 8.a).

**e) Concentration of credit operations:**

Largest debtors	Bank				Consolidated			
	9/30/2019		12/31/2018		9/30/2019		12/31/2018	
	Amount	%	Amount	%	Amount	%	Amount	%
10 largest	492,216	2.12	431,785	2.13	492,216	2.12	431,785	2.13
50 next largest	668,449	2.88	723,978	3.57	668,449	2.88	723,978	3.57
100 next largest	319,814	1.38	389,057	1.92	319,814	1.38	389,057	1.92
Other	21,759,757	93.63	18,732,781	92.38	21,760,525	93.63	18,733,793	92.38
Total	23,240,236	100.00	20,277,601	100.00	23,241,004	100.00	20,278,613	100.00

f) Transactions for the sale or transfer of financial assets:**I. Transactions with substantial transfer of risks and benefits:**

In the periods ended 9/30/2019 and 9/30/2018, credits were assigned to financial institutions as presented below:

Bank and Consolidated	9/30/2019			9/30/2018		
	Assignment amount	Present value	Result (1)	Assignment amount	Present value	Result (1)
Payroll-deductible loans	4,139,878	3,042,969	1,096,909	5,102,200	3,931,347	1,170,853
Total (Note 8.g)	4,139,878	3,042,969	1,096,909	5,102,200	3,931,347	1,170,853

(1) Recorded in income from credit operations (Note 8g).

**II. Transactions with substantial retention of risks and benefits:
Assignment after CMN Resolution 3,533/08**

The responsibilities for loans assigned with substantial retention of risks and benefits amounted to R\$ 181,908, in Banco PAN and Consolidated (R\$ 305,115 at 12/31/2018), calculated at present value using the agreed contract rates. Obligations in the amount of R\$ 236,988 (R\$ 416,401 at 12/31/2018) were assumed for these credits (Note 20.b).

g) Income from credit and leasing operations:

	Bank		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Profit on credit assignments (Note 8.f)	1,096,909	1,170,853	1,096,909	1,170,853
Performance bonus on assignments (1)	714,659	521,169	714,659	521,169
Payroll-deductible loans	1,642,962	1,325,069	1,642,962	1,325,069
Vehicles	1,380,459	1,180,860	1,380,459	1,180,860
Credit cards	582,461	539,068	582,461	539,068
Recovery of credits written off as losses	175,680	168,195	181,545	175,361
Working capital/overdraft accounts	109,147	124,114	109,147	124,114
Income from loans with real estate guarantees	44,150	66,373	44,150	66,373
Export financing	11,658	58,130	11,658	58,130
Renegotiated loans	14,115	16,060	14,115	16,060
Housing loans	4,644	11,869	4,644	11,869
Income from real estate developments	747	3,023	747	3,023
Other	47	468	21	471
Adjustment to market value - Retail Portfolio (2)	76,077	(117,573)	76,077	(117,573)
Total	5,853,715	5,067,678	5,859,554	5,074,847

(1) Reclassified from "Profit on credit assignments"; and

(2) Mark-to-market of accounting hedges on retail credits: payroll-deductible loans and vehicle financing.

**9) Foreign Exchange Portfolio****a) Balance sheet accounts:**

Bank and Consolidated	9/30/2019	12/31/2018
Assets - Other receivables		
Exchange purchases pending settlement	-	27,802
Income receivable	-	11,056
Total assets	-	38,858
Liabilities - Other liabilities		
Liabilities for exchange purchases	-	22,910
Advances on foreign exchange contracts	-	(22,910)
Total liabilities	-	-

b) Result on foreign exchange transactions:

Bank and Consolidated	9/30/2019	9/30/2018
Income from export financing	16,080	42,628
Foreign exchange variations	(11,424)	(27,618)
Total	4,656	15,010

10) Real Estate Receivables

Consolidated	Final maturity	Index	% interest p.a.	9/30/2019	12/31/2018
Real estate credit note (CCI)	11/15/2034	INCC/IGPM /Savings Account /CDI and with no monetary restatement	0 to 20.05	4,317	6,967
Total				4,317	6,967

11) Other Credits - Sundry

	Bank		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Tax credits (Note 31.b)	2,713,011	2,690,503	2,958,042	2,933,004
Amounts receivable from credit assignments	2,519,864	1,652,816	2,519,864	1,652,816
Securities and credits receivable (1)	1,028,186	913,705	1,028,954	914,688
Judicial and tax deposits	198,301	204,335	220,491	228,062
Taxes and contributions to be offset	278,865	222,792	342,669	285,564
Amounts receivable from payroll-linked loans (2)	33,825	43,125	33,825	43,125
Amounts receivable from related parties	10,786	12,527	9,269	10,352
Others (3)	92,111	83,094	99,299	89,829
Total	6,874,949	5,822,897	7,212,413	6,157,440

(1) Includes: (i) amounts receivable related to payment transactions with credit cards amounting to R\$ 732,638 (R\$ 669,608 at 12/31/2018) and (ii) securities receivable with credit concession characteristics, amounting to R\$ 295,548 in the Bank and R\$ 296,316 in the Consolidated (12/31/2018 - R\$ 244,097 in the Bank and R\$ 245,080 in Consolidated).

(2) Refer mainly to: (i) amounts received and not yet transferred to the Bank by State and Municipal governments, which transfers are being negotiated by the Bank, (full allowance for losses constituted), and to transfers in arrears for more than 180 days, the balance of which at September 30, 2019 amounted to R\$ 58,979 (R\$ 89,756 at 12/31/2018) (Note 8.c); and

(3) Includes allowance for other receivables without credit characteristics of R\$ 6,983 (12/31/2018 - R\$ 11,175) (Note 8.c).

**12) Other assets****a) Assets not for own use and other:**

Residual value	Bank				Consolidated			
	Cost	Provision for impairment	9/30/2019	12/31/2018	Cost	Provision for impairment	9/30/2019	12/31/2018
Assets not for own use:	358,034	(46,152)	311,882	338,619	367,395	(47,343)	320,052	348,627
Property	324,833	(37,775)	287,058	311,343	333,536	(38,355)	295,181	321,287
Vehicles	33,201	(8,377)	24,824	27,276	33,859	(8,988)	24,871	27,340
Other	357	-	357	282	357	-	357	282
Total	358,391	(46,152)	312,239	338,901	367,752	(47,343)	320,409	348,909

b) Prepaid expenses:

	Bank		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Commissions paid to correspondent banks (1)	-	36,572	-	36,572
Financial system services	56,773	51,139	59,016	51,574
Software maintenance	6,573	4,006	6,573	4,006
Data processing	5,979	6,247	5,979	6,247
Expenses for issuance of securities abroad	759	1,897	759	1,897
Others	11,988	3,921	12,140	3,925
Total	82,072	103,782	84,467	104,221

(1) In June 2019, the Bank prepaid expenses related to the stock of commissions on originated operations that were being deferred, pursuant to BACEN Circular 3,738/14.

**13) Investments****a) Participations in subsidiaries**

Companies	Share capital	Adjusted equity	Number of shares/ quotas held (in thousands)			Participation in share capital	Adjusted result	Balance of investments			Equity accounting adjustment (1)		
			Common	Preferred	Quotas			%	9/30/2019	9/30/2018	12/31/2018	Period ended	
												9/30/2019	9/30/2018
Pan Arrendamento Mercantil S.A. (2)	356,736	344,763	11	-	-	100.00	(10,018)	344,763	354,781	(10,018)	1,872		
Pan Administradora de Consórcio Ltda. (2)	42,388	55,257	-	-	48,168	100.00	5,304	55,257	49,952	5,304	2,862		
Brazilian Securities Companhia de Securitização (2)(3)(4)	174,201	212,896	77,865	-	-	100.00	2,642	213,886	213,968	2,642	(1,002)		
Brazilian Finance & Real Estate S.A. (2)	107,662	180,928	0.2	0.5	-	100.00	9,779	180,928	170,993	9,779	11,709		
BM Sua Casa Promotora de Vendas Ltda. (3)	179,864	228,813	-	-	179,864	100.00	12,143	230,594	215,578	12,143	18,035		
								1,025,428	1,005,272	19,850	33,476		

1. Considers the results for the companies subsequent to acquisition and includes changes in equity in the investees not derived from results, as well as adjustments from the standardization of accounting principles, when applicable;
2. Companies whose accounting information for the period ended 9/30/2019 were audited by the same independent auditor as that of Banco PAN.
3. The carrying amounts of the related investments include goodwill on acquisition, net of amortization, amounting to R\$ 2,771 - BM Sua Casa Promotora de Vendas Ltda. R\$ 1,781 and Brazilian Securities Companhia de Securitização R\$ 990;
4. Company audited by other independent auditors at 9/30/2018 and 12/31/2018.

**b) Other Investments:**

Bank and Consolidated	9/30/2019	12/31/2018
Asset and Security Registration Center (Certa)	765	765
Interbank Payment Chamber (CIP)	379	379
Total	1,144	1,144

14) Property and equipment**a) Property and equipment comprise:**

Bank and Consolidated	Annual depreciation rate	Cost	Depreciation	Residual value	
				9/30/2019	12/31/2018
Facilities, furniture and equipment in use	10%	50,409	(30,932)	19,477	14,405
Security and communications systems	10%	1,791	(1,092)	699	891
Data processing systems	20%	32,770	(21,893)	10,877	8,797
Total at 9/30/2019		84,970	(53,917)	31,053	-
Total at 12/31/2018		70,991	(46,898)	-	24,093

b) Changes in property and equipment by category:

Bank and Consolidated	Facilities, furniture and equipment in use	Security and communications systems	Data processing systems	Total
At 12/31/2018	14,405	891	8,797	24,093
Purchases	9,219	9	4,878	14,106
Disposals	(33)	-	-	(33)
Depreciation	(4,114)	(201)	(2,798)	(7,113)
Balance at 9/30/2019	19,477	699	10,877	31,053

15) Intangible assets:**a) Intangible assets comprise the following:**

Bank	Amortization rate	Cost	Amortization	Residual value	
				9/30/2019	12/31/2018
Software development expenses	20% to 50%	236,417	(123,016)	113,401	85,257
Goodwill	10%	229,514	(164,485)	65,029	82,242
Total at 9/30/2019		465,931	(287,501)	178,430	-
Total at 12/31/2018		420,884	(253,385)	-	167,499

Consolidated	Amortization rate	Cost	Amortization	Residual value	
				9/30/2019	12/31/2018
Software development expenses	20% to 50%	237,319	(123,693)	113,626	85,514
Goodwill	10%	250,532	(179,548)	70,984	89,774
Total at 9/30/2019		487,851	(303,241)	184,610	-
Total at 12/31/2018		442,804	(267,516)	-	175,288

**b) Changes in intangible assets by category:**

Bank	Software development expenses	Goodwill	Total
At 12/31/2018	85,257	82,242	167,499
Additions	50,179	-	50,179
Reductions	(195)	-	(195)
Amortization	(21,840)	(17,213)	(39,053)
Balance at 9/30/2019	113,401	65,029	178,430

Consolidated	Software development expenses	Goodwill	Total
At 12/31/2018	85,514	89,774	175,288
Additions	50,179	-	50,179
Reductions	(195)	-	(195)
Amortization	(21,872)	(18,790)	(40,662)
Balance at 9/30/2019	113,626	70,984	184,610

16) Deposits, funds obtained in the open market and funds from acceptance and issuance of securities**a) Deposits**

Bank	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	Over 360 days	9/30/2019	12/31/2018
Demand deposits (1)	15,258	-	-	-	-	15,258	17,369
Interbank deposits	6,786,236	265,953	66,589	273,535	581	7,392,894	7,719,458
Term deposits (2)	578,885	570,881	773,630	2,424,273	8,011,336	12,359,005	9,435,026
Total at 9/30/2019	7,380,379	836,834	840,219	2,697,808	8,011,917	19,767,157	-
Total at 12/31/2018	7,378,922	733,004	683,649	1,997,668	6,378,610	-	17,171,853

Consolidated	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	Over 360 days	9/30/2019	12/31/2018
Demand deposits (1)	15,216	-	-	-	-	15,216	17,319
Interbank deposits	6,786,236	264,980	41,982	37,130	-	7,130,328	7,463,438
Term deposits (2)	559,683	548,182	762,024	2,400,168	7,756,926	12,026,983	9,130,487
Total at 9/30/2019	7,361,135	813,162	804,006	2,437,298	7,756,926	19,172,527	-
Total at 12/31/2018	7,378,872	709,460	675,909	1,730,100	6,116,903	-	16,611,244

(1) Classified as 1 to 30 days without considering average historical turnover.

(2) Hedge accounting transactions (Note 7.f).

b) Funds obtained in the open market

Bank	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	Over 360 days	9/30/2019	12/31/2018
Own portfolio	153,093	-	3,289	2,306	101,078	259,766	269,524
Financial Treasury Bills (LFT)	796	-	3,289	2,306	101,078	107,469	112,426
National Treasury Notes (NTN)	152,297	-	-	-	-	152,297	157,098
Total at 9/30/2019	153,093	-	3,289	2,306	101,078	259,766	-
Total at 12/31/2018	162,094	-	-	-	107,430	-	269,524



Notes to the accounting information

Consolidated	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	Over 360 days	9/30/2019	12/31/2018
Own portfolio	153,093	-	3,289	1,624	93,518	251,524	260,187
Financial Treasury Bills (LFT)	796	-	3,289	1,624	93,518	99,227	103,089
National Treasury Notes (NTN)	152,297	-	-	-	-	152,297	157,098
Total at 9/30/2019	153,093	-	3,289	1,624	93,518	251,524	-
Total at 12/31/2018	162,094	-	-	-	98,093	-	260,187

c) Funds from acceptance and issuance of securities

Bank and Consolidated	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	Over 360 days	9/30/2019	12/31/2018
Financial Bills	-	-	843	268,359	1,230,845	1,500,047	727,806
Real estate letters of credit (LCI)	28,876	110,022	114,390	76,960	41,337	371,585	515,832
Agribusiness letters of credit (LCA)	-	-	-	-	1	1	6,323
Total at 9/30/2019	28,876	110,022	115,233	345,319	1,272,183	1,871,633	-
Total at 12/31/2018	177,065	51,131	50,953	342,358	628,454	-	1,249,961

d) Expenses on deposits, funds obtained in the open market, funds from the issuance of securities and subordinated debt

	Bank		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Time deposits	1,012,152	585,437	997,490	572,356
Interbank deposits	368,690	423,468	356,878	411,946
Marketable securities issued abroad and subordinated debt	135,933	124,582	135,933	124,582
Funds raised abroad - subordinated debt (Note 18)	24,007	(13,872)	24,007	(13,872)
Financial bills	59,976	44,912	59,976	44,912
Foreign exchange variations	132,287	317,882	132,287	317,882
Credits assigned with retention of risk	23,824	28,106	23,824	28,105
Housing loan bills	22,028	45,894	22,028	45,894
Purchase and sale commitments	12,473	35,706	12,082	35,315
Contributions to the deposit guarantee fund	10,438	7,713	10,438	7,713
Agribusiness letters of credit	205	3,197	205	3,197
Total	1,802,013	1,603,025	1,775,148	1,578,030

17) Interbank accounts

Bank and Consolidated	9/30/2019	12/31/2018
Receipts and payments pending settlement	684,023	615,912
Local correspondents (1)	140,525	112,716
Total	824,548	728,628

(1) Refer to the receipt of installments related to contracts assigned to be transferred to the assignees, updated at the agreed contractual rates. The installments relate to consumer financing, payroll-linked loans, and real-estate financing.



18) Subordinated debts

The composition of tranches and balances updated to the balance sheet dates is as follows:

Bank and Consolidated		
Amount of the operation	9/30/2019	12/31/2018
Foreign:		
(1) US\$ 456,792	1,989,373	1,790,563
Local:		
(2) R\$ 100,000	-	186,757
(3) R\$ 500	853	812
(4) R\$ 8,000	8,310	-
Total	1,998,536	1,978,132

- (1) The mark-to-market adjustment of the subordinated debt was accounted for in result of operations of funds obtained in the market, which represented an expense of R\$ 24,007 in the quarter ended 9/30/2019 (income of R\$ 13,872 in the quarter ended 9/30/2018). They were issued on 4/23/2014 with maturity on 4/23/2020 and this transaction had a market risk hedge (Note 7.f.)
- (2) Subordinated Financial Bills issued on June 5, 2013, maturing on April 5, 2019.
- (3) Subordinated Financial Bills issued on 10/13/2014, maturing on 10/14/2019.
- (4) Subordinated Financial Bills issued on 4/18/2019, maturing on 4/16/2027.

19) Provisions, contingent assets and liabilities and legal obligations (tax and social security):

Provisions

The Bank is a party to labor, civil and tax lawsuits arising in the normal course of its business. The corresponding provisions are constituted for all civil, tax and labor processes whenever losses are considered probable, supported by the history of losses, position of the legal advisors, the type and complexity of the lawsuits, and recent court sentences. The provision recorded is sufficient to cover the risk of loss arising from these lawsuits.

Labor claims

The claims have been brought by former employees and service providers, to obtain payment of labor rights, arising, in general, from their classification as bank employees, and, in particular, overtime, based on Article 224 of the Consolidation of Labor Laws (CLT), or in respect of ancillary responsibility in lawsuits involving service providers.

Labor claims are monitored by external legal counsel and managed individually through a computerized system.

Labor claims are provisioned to reflect the history of loss in similar lawsuits that were concluded in the last 12 or 24 months, depending on the type of plaintiff.

Civil

These processes are of a condemnatory nature to pay or indemnify, referring to indemnity, revisional and tariff claims.

Civil lawsuits that are managed via a computerized system are divided into two groups, as follows:



1) lawsuits with common characteristics

A statistical model is applied to constitute the provision for civil lawsuits with common characteristics, before a court decision is issued, which is calculated based on the average loss in all the lawsuits which terminated over the last 12 months, by cluster.

The periodic monitoring of the provision demonstrates its adequacy.

2) strategic civil lawsuits

A provision is constituted individually when the likelihood of loss is assessed as probable, based on the opinion of internal legal counsel, legal firms, the nature and complexity of the related lawsuits, and the applicable case law.

There are no significant administrative actions in progress for non-compliance with National Financial System rules and regulations or that could require the payment of fines, or which could have a material effect on the financial position of the Bank or its subsidiaries.

I. Provisions segregated by nature:

	Bank		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Civil	313,089	276,363	325,026	290,599
Labor	212,010	279,008	222,348	290,927
Tax	1,165	1,002	51,940	27,341
Total (Note 20.b)	526,264	556,373	599,314	608,867

II. Changes in provisions:

Bank	Civil	Labor	Tax	Total
At 12/31/2018	276,363	279,008	1,002	556,373
Constitution, net of reversals	124,985	(814)	275	124,446
Monetary restatement	2,724	118	55	2,897
Write-off due to payment	(90,983)	(66,302)	(167)	(157,452)
Balance at 9/30/2019	313,089	212,010	1,165	526,264

Consolidated	Civil	Labor	Tax	Total
At 12/31/2018	290,599	290,927	27,341	608,867
Constitution, net of reversals	127,317	(2,142)	23,322	148,497
Monetary restatement	2,890	132	1,444	4,466
Write-off due to payment	(95,780)	(66,569)	(167)	(162,516)
Balance at 9/30/2019	325,026	222,348	51,940	599,314



I. Contingent liabilities classified as possible losses:

In the third quarter of 2012, a tax assessment notice was issued against Pan Arrendamento Mercantil S.A. by the Brazilian Federal Revenue Service (RFB), through which the tax authority assessed income tax and social contribution on net income allegedly owed for the tax years 2007 and 2008, totaling R\$ 19,167, including fines and interest on arrears. A decision was issued in favor of the Voluntary Appeal, and PAN filed requests for clarification, which are awaiting the related decision.

In the final quarter of 2012, three tax assessment notices were issued against Banco PAN S.A. by the Brazilian Federal Revenue Service, through which the tax authority assessed income tax and social contribution on net income allegedly owed for the tax years 2007 and 2008, totaling R\$ 170,477, including fines and interest on arrears. Two tax assessment notices have been postponed as requested by the Administrative Board of Tax Appeals and the third is awaiting the result of diligence in order for the decision on the Company's Voluntary Appeal to be issued.

In the final quarter of 2013, tax assessment notices were issued against Pan Arrendamento Mercantil S.A. by the São Paulo municipal tax authority for Services Tax (ISS) payable on the guaranteed residual value (VRG) charged on lease transactions realized from 2008 to 2012, totaling R\$ 43,656, including fines and interest on arrears. The objection and appeals presented by the Company to Municipal Board of Taxes of São Paulo were definitively considered as being without merit. The Municipality filed a tax foreclosure and the Company filed an action for annulment against the Municipality of São Paulo, which obtained a partially favorable outcome in the court of appeals. This proceeding is currently awaiting a decision on the requests for clarification.

In the fourth quarter of 2015, two tax assessment notices were issued against Banco Pan S.A., relating to 2010, for income tax and social contribution payable, claiming disallowance of unsupported operating expenses, adjustments of net income for the period, and unauthorized eliminations, the principal of which, plus fines, amounts to R\$ 6,077. Another assessment notice was issued disallowing certain swap-related expenses deducted from the Social Integration Program (PIS) and Social Contribution on Revenues (COFINS), the non-restated principal of which, plus fines, amounts to R\$ 3,320. Both processes are at the Administrative Board of Tax Appeals. The first was partially accepted, which led to the filing of a request for clarification by the General Counsel to the National Treasury (PGFN). When a decision on this matter is issued, the Bank will present the appeal to the Superior Branch of the Administrative Board of Tax Appeals. The second process has been postponed as requested by the Administrative Board of Tax Appeals.

During the last quarter of 2016, Banco PAN S.A. received a tax assessment notice regarding an alleged lack of payment of social security contributions on profit sharing paid to its employees from January to October 2012, amounting to R\$ 3,099, including fines and interest on arrears. The matter is awaiting judgment on the administrative challenge by the Regional Branch of the Brazilian Federal Revenue Service (RFB).



During the last quarter of 2017, the RFB issued three tax assessment notices against Banco PAN S.A. through which tax claims were constituted for: (i) social security, mainly on profit sharing distributed to employees in 2013; (ii) Withholding Income Tax (IRRF), for an alleged capital gain on the acquisition of an ownership interest abroad in 2013; and (iii) income tax and social contribution related to 2012. The total claims plus fines and interest on arrears, amount to R\$ 111,411. In the first case the Voluntary Appeal of the Bank at the Administrative Board of Tax Appeals was determined to be without merit. As a result the Bank filed requests for clarification. The second case is awaiting a decision on the Voluntary Appeal at the Administrative Board of Tax Appeals. An administrative appeal was filed in the third case, which is now awaiting the decision of the RFB.

During 3Q19, Banco PAN S.A. received a tax assessment notice regarding the collection of IRPJ and CSLL for the calendar-year 2014, referring to an alleged over deduction of expenses in the payment of PIS and COFINS in the period, amounting to R\$ 21,389, including fines and interest on arrears. The process is awaiting judgment on the administrative challenge by the Brazilian Federal Revenue Service (RFB).

Management, based on the advice of its legal advisors, classified the likelihood of loss on these processes as possible.

20) Other Liabilities

a) Tax and social security:

	Bank		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Social Contribution on Revenues (COFINS)	15,469	12,225	15,835	12,605
Taxes and contributions on salaries	13,622	12,108	13,678	12,578
Taxes and contributions on income	116,880	9,052	128,251	17,846
Withholding tax at source on payments to third parties	14,073	7,085	14,114	7,140
Government Social Integration Program (PIS)	2,514	1,987	2,583	2,060
Service tax (ISS)	1,450	1,474	1,491	1,520
Withholding tax on fixed-income securities	242	459	242	460
Provision for deferred income tax (Note 31.b/e)	28,157	-	113,709	85,271
Total	192,407	44,390	289,903	139,480

b) Sundry obligations:

	Bank		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Provision for payments to be effected	961,117	599,977	961,770	600,657
Civil, labor, and tax provisions (Note 19)	526,264	556,373	599,314	608,867
Assignments with co-obligation (1)	236,988	416,401	236,988	416,401
Collections	62,220	131,114	62,461	131,355
Credit card transactions	47,653	27,682	47,653	27,682
Amounts payable to affiliates	12,280	6,283	11,651	5,345
Specific consortium amounts	-	-	8,029	9,186
Other	68,123	42,580	69,501	43,746
Total	1,914,645	1,780,410	1,997,367	1,843,239

(1) Refer to the obligations assumed by credit assignment operations, with the substantial retention of risks and benefits (Note 8.f - II).



21) Equity

a) Composition of share capital

At 9/30/2019 and 12/31/2018, fully subscribed and paid-up capital totaled R\$ 3,653,410. The balance of R\$ 521,813 related to the primary offering of shares made in September 2019 is pending BACEN's approval. The nominative registered shares with no par value are shown below (in thousands of shares).

	9/30/2019	12/31/2018
Common	657,561	657,561
Preferred	547,495	484,245
Total	1,205,056	1,141,806

b) Changes in capital and number of shares:

The Bank's Board of Directors approved a capital increase on 9/19/2019. This capital increase amounting to R\$ 521,812,500.00 (five hundred and twenty-one million, eight hundred and twelve thousand and five hundred reais) was made within the authorized limit, with the issue of 63,250 thousand new registered book-entry preferred shares with no par value.

Number of shares (thousand shares)	Common	Preferred	Total
Outstanding at 12/31/2018	657,561	484,245	1,141,806
Capital increase	-	63,250	63,250
After the capital increase	657,561	547,495	1,205,056

c) Revenue reserves

Legal reserve - pursuant to its Bylaws, the Bank appropriates 5% of net income, after the deduction of accumulated losses and the income tax provision, to the legal reserve, the balance of which should not exceed 20% of the Bank's paid-up capital. However, in accordance with Article 193, paragraph 1, of Corporation Law 6,404/76, the Bank may opt not to appropriate a portion of its net income to the legal reserve in the year in which the balance of this reserve plus the capital reserves exceeds 30% of capital.

Reserve for integrity of equity - the purpose of the reserve is to ensure that there are sufficient funds to meet the Bank's regulatory and operational capital requirements. The reserve can be converted into capital by a decision of the Board of Directors. Observing the limit of authorized capital, the reserve can be formed, in accordance with a proposal of the Board of Directors, with up to 100% of the net income remaining after the annual appropriations, but may not exceed the amount of the Bank's capital.

d) Interest on capital

Stockholders are entitled to a minimum dividend calculated based on 35% of annual net income, adjusted pursuant to the Bylaws and Article 202 of Law 6,404/76.



The calculation of the provision for interest on capital is as follows:

	9/30/2019	% (1)	9/30/2018	% (1)
Net profit	348,365		147,890	
(-) Legal reserve	(17,418)		(7,394)	
Calculation base	330,947		140,496	
Interest on capital (gross)	136,272	41.2%	57,851	41.2%
Withholding income tax on interest on capital	(20,441)		(8,678)	
Interest on capital (net)	115,831	35.0%	49,173	35.0%

(1) Percentage of interest on capital on the calculation base.

22) Income from services rendered

	Bank		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Credit operations	145,253	118,783	145,275	118,810
Credit cards	87,862	91,233	87,862	91,233
Business intermediation	41,552	33,445	41,552	33,445
Consortium plan management	-	-	19,800	21,493
Other	8,078	8,927	8,316	9,203
Total	282,745	252,388	302,805	274,184

23) Personnel expenses

	Bank		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Payroll	217,944	195,925	218,631	196,623
Social charges	63,407	55,595	63,636	56,221
Benefits (Note 30)	52,350	45,925	52,574	46,211
Fees (Note 28.b)	18,420	9,955	18,420	11,650
Other	4,215	2,000	4,215	2,001
Total	356,336	309,400	357,476	312,706

24) Other administrative expenses

	Bank		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Commissions payable to correspondent banks	793,947	683,731	798,777	689,819
Third-party services	233,969	210,762	246,184	225,589
Data processing	156,831	131,654	158,366	131,808
Financial system services	101,967	96,559	102,586	97,303
Rentals	39,598	30,235	39,880	30,523
Communications	34,569	35,212	34,727	35,421
Depreciation and amortization	28,953	20,571	28,985	20,607
Advertising, promotions and publicity	35,557	21,547	35,821	21,931
Asset search and seizure expenses	23,647	23,044	23,662	23,117
Transportation	4,357	3,556	4,367	3,572
Maintenance and conservation of property	4,609	3,773	4,614	3,780
Fees and emoluments	4,211	3,975	4,744	4,746
Travel	4,153	2,156	4,158	2,165
Water, power and gas	2,012	1,578	2,017	1,584
Consumption materials	1,134	754	1,134	754
Other	30,447	32,956	32,107	35,524
Total	1,499,961	1,302,063	1,522,129	1,328,243

**25) Tax Expenses**

	Bank		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Social contribution on revenues (COFINS)	107,345	89,884	111,774	95,058
Social Integration Program (PIS)	17,444	14,606	18,266	15,565
Services Tax (ISS)	12,874	11,185	13,284	11,642
Taxes and charges	3,766	2,899	5,423	5,364
Total	141,429	118,574	148,747	127,629

26) Other operating income and expenses**a) Other operating income**

	Bank		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Recovery of charges and expenses (1)	196,292	140,026	197,565	141,382
Monetary and foreign exchange variations	44,679	35,388	46,006	36,492
Reversal of provisions	5,059	666	9,783	13,274
Residual benefit in securitized transactions	-	-	1,555	1,598
Other	9,293	3,723	12,736	9,634
Total	255,323	179,803	267,645	202,380

(1) Includes the recovery of PIS and COFINS credits calculated on commission expenses.

b) Other operating expenses

	Bank		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Assignment of loans	1,016,241	1,011,917	1,016,241	1,011,917
Provisions	131,091	206,867	161,937	224,597
Losses on loan/financing operations and frauds	43,144	36,467	43,144	36,467
Discounts granted	42,288	29,066	42,288	29,066
Amortization of goodwill (Note 15)	17,946	17,946	18,789	18,789
Liens	18,316	13,972	18,356	14,014
Monetary/foreign exchange variations	9,737	28,922	9,737	28,922
Other	10,539	18,801	11,414	23,563
Total	1,289,302	1,363,958	1,321,906	1,387,335

27) Non-operating loss

	Bank		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Disposal of other assets	(32,494)	(18,296)	(32,686)	(18,243)
Reversal of provision for other assets	8,661	10,738	8,780	11,035
Impairment of non-financial assets	(1,219)	(4,402)	(1,230)	(4,402)
Other	-	365	-	365
Total	(25,052)	(11,595)	(25,136)	(11,245)



28) Balances and Transactions with Related Parties

Transactions with related parties (direct and indirect) are carried out under conditions and rates which are compatible with the average terms practiced with third parties effective on the contract dates.

a) Balances and transactions with related parties

Bank	Maturity	9/30/2019	12/31/2018	9/30/2019	9/30/2018
		Assets (liabilities)	Assets (liabilities)	Income (expenses)	Income (expenses)
Short-term interbank investments (a)					
Banco BTG Pactual S.A.	10/1/2019	59,998	-	11,774	30,387
Caixa Econômica Federal	No term	-	-	657	935
Loan assignments (b)					
Caixa Econômica Federal	No term	2,367,477	1,652,816	714,659	521,170
Other credits					
Caixa Econômica Federal	No term	14,119	15,858	-	-
,Too Seguros S.A.	No term	4,382	5,858	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	4,867	4,470	-	-
Brazilian Securities Companhia de Securitização (c)	No term	21	24	-	-
Pan Administradora de Consórcio Ltda.(c)	No term	603	1,256	-	-
Brazilian Finance & Real Estate S.A. (c)(d)	No term	247	251	-	-
	No term	3,999	3,999	-	-
Demand deposits (e)					
,Too Seguros S.A.	No term	(573)	(480)	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	(527)	(343)	-	-
Pan Administradora de Consórcio Ltda.	No term	(3)	(35)	-	-
Pan Arrendamento Mercantil S.A.	No term	(13)	(16)	-	-
BM sua Casa Promotora de Vendas Ltda.	No term	(19)	(20)	-	-
Brazilian Finance & Real Estate S.A.	No term	(2)	(4)	-	-
Brazilian Securities Companhia de Securitização	No term	(3)	(6)	-	-
Key management personnel	No term	(6)	(3)	-	-
	No term	-	(53)	-	-
Interbank deposits (f)					
Banco BTG Pactual S.A.	10/1/2019	(7,019,170)	(7,367,646)	(348,298)	(411,672)
Caixa Econômica Federal	10/22/2019	(245,000)	(95,000)	(6,806)	(3,979)
Pan Arrendamento Mercantil S.A.	5/23/2022	(6,511,604)	(7,016,627)	(329,680)	(396,171)
		(262,566)	(256,019)	(11,812)	(11,522)
Time deposits (g)					
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	7/23/2022	(387,719)	(352,222)	(17,642)	(15,914)
Pan Administradora de Consórcio Ltda.	9/12/2022	(5,246)	(7,176)	(393)	(915)
Brazilian Securities Companhia de Securitização	9/5/2022	(49,895)	(43,640)	(2,182)	(1,872)
Brazilian Finance & Real Estate S.A.	9/14/2022	(154,022)	(143,918)	(6,870)	(6,009)
BM sua Casa Promotora de Vendas Ltda.	9/14/2022	(99,124)	(90,600)	(4,347)	(4,817)
Banco BTG Pactual S.A.	9/25/2023	(28,981)	(26,381)	(1,262)	(384)
Key management personnel	3/3/2022	(48,223)	(37,843)	(2,433)	(1,805)
		(2,228)	(2,664)	(155)	(112)
Liabilities for purchase and sale commitments					
Banco BTG Pactual S.A.	-	(8,242)	(89,336)	(4,625)	(1,590)
Caixa Econômica Federal	-	-	(79,999)	(3,866)	(972)
Pan Administradora de Consórcio Ltda.	2/28/2023	-	-	(368)	(227)
		(8,242)	(9,337)	(391)	(391)
Funds from real estate and agribusiness letters of credit and financial bills (h)					
Banco BTG Pactual S.A.	8/8/2022	(241,312)	(8,434)	(6,286)	(1,645)
Key management personnel	9/3/2021	(240,573)	(3,758)	(6,158)	(1,396)
		(1,008)	(4,676)	(128)	(249)



Notes to the accounting information

Derivative financial instruments (i)		246,096	77,959	90,599	(176,904)
Banco BTG Pactual S.A.	7/1/2020	246,096	77,959	90,599	(176,904)
Other obligations		(12,280)	(6,283)	-	-
,Too Seguros S.A.	No term	(11,651)	(5,345)	-	-
Brazilian Finance & Real Estate S.A.	No term	(481)	(730)	-	-
Brazilian Securities Companhia de Securitização	No term	(140)	(192)	-	-
Pan Administradora de Consórcio Ltda.	No term	(8)	(16)	-	-
Income from services rendered (j)		-	-	42,280	35,363
,Too Seguros S.A.	-	-	-	41,304	33,292
Pan Administradora de Consórcio Ltda.	-	-	-	9	204
Caixa Econômica Federal	-	-	-	967	1,867
Personnel expenses		-	-	(197)	(204)
,Too Seguros S.A.	-	-	-	(197)	(204)
Other administrative expenses		-	-	(19,870)	(20,875)
,Too Seguros S.A.	-	-	-	(4,289)	(4,624)
Banco BTG Pactual S.A.	-	-	-	(2,155)	(1,784)
BTG Pactual Corretora	-	-	-	(80)	(115)
Tecban S.A.	-	-	-	(474)	(1,112)
Interbank Payment Chamber	-	-	-	(12,872)	(13,240)
Income from loan assignments		-	-	670,008	909,609
Caixa Econômica Federal	-	-	-	609,966	909,609
Banco BTG Pactual S.A.	-	-	-	60,042	-

(a) Refers to the Bank's investments with rates equivalent to those of the Interbank Deposit Certificate (CDI);

(b) Refers to the performance bonus on the assignment of credits without recourse.

(c) Balance accrued related to dividends to be paid up to 12/31/2019 of which: R\$ 2,656 relates to Brazilian Finance & Real Estate S.A., R\$ 432 to Brazilian Securities Companhia de Securitização, and R\$ 244 to Pan Administradora de Consórcio Ltda.

(d) Balance provisioned of R\$ 1,343, related to the remaining balance of the capital decrease of Brazilian Finance & Real Estate S.A., according to the Extraordinary General Meeting held on 9/18/2013.

(e) Refer to the outstanding balances of current accounts of affiliates held at the Bank.

(f) Refer to the funding through interbank deposits with rates equivalent to those of the CDI.

(g) Refer to the funding through time deposits effected at the Bank.

(h) Refer to the raising of funds through agribusiness and real estate letters of credit and financial bills, with rates at an average of 104.59% of the CDI.

(i) Refer to swaps.

(j) Refer to the commissions paid to the Bank for insurance intermediation and the commissions paid to the correspondent for business intermediation.



Consolidated	Maturity	9/30/2019	12/31/2018	9/30/2019	9/30/2018
		Assets (liabilities)	Assets (liabilities)	Income (expenses)	Income (expenses)
Available funds (a)		69	769	-	-
Caixa Econômica Federal	10/1/2019	69	769	-	-
Interbank investments (b)		59,998	-	11,774	30,387
Banco BTG Pactual S.A.	10/1/2019	59,998	-	11,117	29,452
Caixa Econômica Federal	No term	-	-	657	935
Loan assignments (c)		2,367,477	1,652,816	714,659	521,170
Caixa Econômica Federal	No term	2,367,477	1,652,816	714,659	521,170
Other credits		9,270	10,352	-	-
Caixa Econômica Federal	No term	4,382	5,858	-	-
,Too Seguros S.A.	No term	4,867	4,470	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	21	24	-	-
Demand deposits (d)		(530)	(431)	-	-
,Too Seguros S.A.	No term	(527)	(343)	-	-
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	No term	(3)	(35)	-	-
Key management personnel	No term	-	(53)	-	-
Interbank deposits (e)		(6,756,604)	(7,111,627)	(336,486)	(400,150)
Banco BTG Pactual S.A.	7/1/2019	(245,000)	(95,000)	(6,806)	(3,979)
Caixa Econômica Federal	7/23/2019	(6,511,604)	(7,016,627)	(329,680)	(396,171)
Time deposits (f)		(55,697)	(47,683)	(2,981)	(2,832)
Pan Adm. e Corret. de Seg.de Prev. Privada Ltda.	7/23/2022	(5,246)	(7,176)	(393)	(915)
Banco BTG Pactual S.A.	9/5/2023	(48,223)	(37,843)	(2,433)	(1,805)
Key management personnel	3/3/2022	(2,228)	(2,664)	(155)	(112)
Liabilities for purchase and sale commitments		-	(79,999)	(4,234)	(1,199)
Banco BTG Pactual S.A.	-	-	(79,999)	(3,866)	(972)
Caixa Econômica Federal	2/28/2023	-	-	(368)	(227)
Funds from real estate and agribusiness letters of credit and financial bills (g)		(241,581)	(8,434)	(6,286)	(1,645)
Banco BTG Pactual S.A.	8/8/2022	(240,573)	(3,758)	(6,158)	(1,396)
Key management personnel	9/3/2021	(1,008)	(4,676)	(128)	(249)
Derivative financial instruments (h)		246,096	77,959	90,599	(176,904)
Banco BTG Pactual S.A.	7/1/2020	246,096	77,959	90,599	(176,904)
Other obligations		(11,651)	(5,345)	-	-
,Too Seguros S.A.	No term	(11,651)	(5,345)	-	-
Income from services rendered (i)		-	-	42,271	35,159
,Too Seguros S.A.	-	-	-	41,304	33,292
Caixa Econômica Federal	-	-	-	967	1,867
Personnel expenses		-	-	(197)	(204)
,Too Seguros S.A.	-	-	-	(197)	(204)
Other administrative expenses		-	-	(19,870)	(20,875)
,Too Seguros S.A.	-	-	-	(4,289)	(4,624)
Banco BTG Pactual S.A.	-	-	-	(2,155)	(1,784)
BTG Pactual Corretora	-	-	-	(80)	(115)



Notes to the accounting information

Tecban S.A.	-	-	-	(474)	(1,112)
Interbank Payment Chamber	-	-	-	(12,872)	(13,240)
Income from loan assignments	-	-	-	670,008	909,609
Caixa Econômica Federal	-	-	-	609,966	909,609
Banco BTG Pactual S.A.	-	-	-	60,042	-

(a) Refer to current accounts with Brazilian Securities Companhia de Securitização, BM Sua Casa Promotora de Vendas Ltda. and Brazilian Mortgages Companhia Hipotecária.

(b) Refers to the Bank's investments with rates equivalent to those of the CDI;

(c) Refers to the performance bonus on the assignment of credits without recourse.

(d) Refer to the outstanding balances of current accounts of affiliates held at the Bank.

(e) Refer to the funding through interbank deposits with rates equivalent to those of the CDI.

(f) Refer to the funding through time deposits effected at the Bank.

(g) Refer to the raising of funds through agribusiness and real estate letters of credit and financial bills with rates at an average of 104.59% of the CDI.

(h) Refer to swaps.

(i) Refer to the commission paid to the Bank for insurance intermediation.

b) Key management remuneration:

At the Extraordinary General Meeting held on May 22, 2019, the maximum overall amount for the remuneration of the PAN Conglomerate Officers for the year 2019 was approved (irrespective of the year in which the amounts are paid), in the amount of R\$ 25,385 (R\$ 22,423 in 2018).

Short-term benefits provided to management (1)

	Bank		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Fees (Note 23)	18,420	9,955	18,420	11,650
Social security contributions (INSS)	4,145	2,240	4,145	2,558
Total	22,565	12,195	22,565	14,208

(1) Recorded in the "Personnel expenses" account.

PAN does not provide long-term benefits or share-based remuneration to its key management personnel.

• Other information

Pursuant to legislation, the Bank realizes credit operations with related parties, only at comparable market conditions, including related limits, interest rates, grace periods, maturities and required guarantees. There are existing criteria to classify these operations according to their risks for purposes of constituting the allowance for probable losses, without additional or differentiated benefits in relation to the operations carried out with other customers with the same profile.

29) Financial Instruments

- **Risk management**

The Bank has exposure in assets and liabilities involving derivative financial instruments, which are recorded in its balance sheet, income and expenses and memorandum accounts.

The Bank's management establishes a risk policy and exposure limits. The control and compliance management area, which is independent of the business and operational areas, is responsible for identifying, assessing, monitoring and reporting compliance with the risk guidelines established by management.

- **Capital management**

The Bank considers capital management to be a strategic process designed to optimize the utilization of available capital, contribute to the achievement of its strategic objectives and comply with the minimum capital limits established by the regulatory authority.

The Bank's capital management framework is compatible with the nature of its operations, the complexity of its products and services and its risk exposure and covers all the companies of the Group's financial conglomerate.

Capital management is a continuous process for (i) monitoring and controlling capital; (ii) assessing the need for capital to meet potential risks; and (iii) planning the capital targets and requirements. Capital management is based on the Bank's strategic objectives, business opportunities and the regulatory environment.

The Bank manages its capital based on a timely and prospective approach, in line with best practices and in compliance with the recommendations issued by the Basel Committee, through policies and strategies that anticipate the capital that could be required as a result of possible changes in market conditions, and which are reviewed periodically by the Executive Board and Board of Directors.

OPERATING LIMITS - BASEL ACCORD

Banco PAN complies with the minimum capital requirements established by CMN Resolutions 4,192/13 and 4,193/13. Required capital amounts are calculated in accordance with BACEN Circular 3,644/13 for credit risk, BACEN Circulars 3,634/13 to 3,639/13, 3,641/13 and 3,645/13 for market risk, and BACEN Circular 3,640/13 for operating risk.

The calculation of the indicators of Prudential Capital of the Conglomerate is presented below:

Calculation base - Basel index	9/30/2019	12/31/2018
Tier I reference equity	2,465,269	2,273,783
Core capital	2,465,269	2,273,783
Tier II reference equity	-	358,112
Reference equity for comparison with risk-weighted assets (RWA)	2,465,269	2,631,895
Reference equity	2,465,269	2,631,895
- Credit risk	16,865,247	16,104,846
- Market risk	1,093	311,627
- Operating risk	2,309,501	2,278,424
Risk-weighted assets (RWA)	19,175,841	18,694,897
Basel index	12.86%	14.08%
Tier I	12.86%	12.16%
Tier II	-	1.92%

- **Proforma Basel Index**

The adjusted Basel Index due to the capital increase related to the primary distribution of preferred shares in the period, currently awaiting BACEN's approval.

The proforma calculation of the indicators of the Prudential Capital of the Conglomerate is as follows:

Calculation base - Basel index	9/30/2019
Tier I reference equity	3,039,263
Core capital	3,039,263
Reference equity for comparison with risk-weighted assets (RWA)	3,039,263
Reference equity	3,039,263
- Credit risk	16,995,701
- Market risk	1,093
- Operating risk	2,309,501
Risk-weighted assets (RWA)	19,306,295
Basel index	15.74%
Tier I	15.74%
Tier II	-

- **Credit risk**

Credit risk can arise from losses from the non-fulfillment by customers or counterparties of their corresponding financial obligations under the agreed terms, the devaluation of a loan agreement as a result of a deterioration in the borrower's risk rating, decreased gains or remuneration, advantages granted in renegotiations and recovery costs.

Management of credit risks involves policies and strategies, operating limits, risk mitigation techniques and procedures for maintaining the credit risk exposure at levels which are considered to be acceptable by the Institution.

- **Market risk**

This risk relates to the possibility of losses arising from rate volatility and the mismatching of the terms and currencies of the consolidated asset and liability portfolios. The risks are managed daily through methodologies in accordance with best practices.

The transactions are exposed to the following risk factors: fixed interest rates, interest rates linked to foreign exchange variations and their corresponding spot rates, interest rates linked to price indices (National Consumer Price Index (INPC), National Civil Construction Index (INCC), Amplified



Consumer Price Index (IPCA) and the General Market Price Index (IGPM), as well as other interest rates (TR), foreign exchange variations (US\$) and share price variations.

The financial instruments are segregated into the following portfolios:

Trading portfolio: all transactions conducted with financial instruments, including derivatives, realized with the intention of trading or for hedging other trading portfolio instruments. Transactions realized for trading are those intended for resale, for obtaining benefits from effective or expected changes in prices or arbitrage.

Banking portfolio: all transactions not classified in the trading portfolio. These consist of structured operations arising from the business lines of the organization and any related hedges.

Sensitivity analysis:

Risk factors	Trading and Banking Portfolio exposures subject to variation:	SCENARIOS(*)		
		(1) Probable	(2) Possible	(3) Remote
Interest rates	Fixed interest rates	(269)	(33,641)	(64,383)
Coupon - other interest rates	Coupon rates of interest rates	(40)	(6,310)	(11,523)
Coupon - price index	Coupon rates of price indices	(2)	(2,011)	(3,600)
Foreign currency	Foreign exchange rates	(1)	(23)	(46)
Foreign exchange coupon	Foreign exchange coupon rates	(1)	(95)	(188)
Total at 9/30/2019		(313)	(42,080)	(79,740)
Total at 12/31/2018		(1,323)	(220,780)	(424,981)

(*) Amounts gross of taxes.

The sensitivity analysis was effected based on the market data of September 30, 2019, always considering the adverse impact on the positions for each scenario. The effects do not consider the correlation between the scenario and the risk factors and tax effects.

Scenario 1: a one basis point (0.01%) stress factor (upward or downward) was applied to the forward interest rate structure in all scenarios/terms. For example: a 10% p.a. rate becomes 10.01% p.a. or 9.99% p.a. For foreign currencies and shares, a 1% stress factor was applied to the effective price.

Scenario 2: A 25% shock (increase or decrease) was applied to the rates (application of a 1.25 multiplier). For example: a 10% p.a. rate becomes 12.50% p.a. or 7.50% p.a. For foreign currencies and shares, a 25% stress factor was applied to the effective price.

Scenario 3: A stress factor (increase or decrease) of 50% was applied to the rates (application of 1.50 multiplier). For example: a 10% p.a. rate becomes 15.00% p.a. or 5.00% p.a. For foreign currencies and shares, a 50% stress factor was applied to the effective price.

The results of scenarios (2) and (3) refer to simulations which involve significant stress situations, without considering correlated factors among the indices. They do not reflect possible variations arising from market dynamics, the probability of the occurrence of which is considered to be low, and also, from measures which could be taken by the Institution itself to mitigate any potential risks.



The Bank uses derivative financial instruments principally for hedging purposes to meet its needs for managing market risks, arising from the mismatching of currencies, indices, portfolio terms and arbitrage.

Foreign Exchange Exposure

The assets and liabilities linked to foreign currencies at 9/30/2019 and 12/31/2018 are presented below:

Assets - U.S. Dollar	9/30/2019	12/31/2018
Credit operations (ACC/CCE)	-	61,150
Total	-	61,150

Liabilities - U.S. Dollar	9/30/2019	12/31/2018
Subordinated debts	1,989,373	1,790,563
Total	1,989,373	1,790,563

The Bank uses derivative financial instruments principally for hedging purposes to meet its needs for managing market risks, arising from the mismatching of currencies, indices, portfolio terms and arbitrage.

At 9/30/2019 and 12/31/2018, the position of derivative financial instruments in foreign currency was as follows:

	Notional value		Market value	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Purchased position - U.S. Dollar				
<i>Swap</i>	1,139,259	1,128,662	2,050,098	1,909,407
DDI	-	74,556	-	74,556
Options	-	222	-	222
Total	1,139,259	1,203,440	2,050,098	1,984,185
Sold position - U.S. Dollar				
Swap	-	25,568	-	25,735
DDI	-	95,563	-	95,563
DOL	2,079	24,240	2,079	24,240
Options	-	67	-	67
Total	2,079	145,438	2,079	145,605

- **Liquidity risk**

Liquidity risk is defined as the possibility of the Bank not being able to efficiently honor its expected and unexpected, current and future obligations, including those arising from related guarantees, without affecting its daily operations and without incurring significant losses; and also, the possibility of the Bank not being able to negotiate a specific position at market price, due to the amount being significant in relation to the financial volume normally transacted or some market interruptions.

The liquidity position, mismatching of primary risk factors, and of rates and terms of assets and liabilities in the portfolio, are constantly monitored.

The Bank maintains adequate liquidity levels, resulting from the quality of its assets and risk controls, in accordance with the Liquidity Risk Management Policy established and the regulatory requirements of the National Monetary Council (CMN) Resolutions 2,804/00 and 4,090/12. The results of the analyses of liquidity gaps are reported every two weeks to the Treasury Committee.

- **Operating risk**

This risk refers to the possibility of losses occurring as a result of the failure, deficiency or inadequacy of internal processes, people and systems, or external events. This definition includes legal risk, which is the risk related to the inadequacy or deficiency in contracts entered into by the Bank, as well as any sanctions imposed as a result of non-compliance with legal provisions and indemnities for damages to third parties arising from the activities carried out by the Bank.

The operating risk management structure is comprised of the Group's different areas and committees that participate in the operating and legal risk management process, with their respective roles and responsibilities, and which value the segregation of duties, seeking synergy between units, and efficiency, efficacy and effectiveness of processes, besides respecting risk limits and risk appetite defined by the Group's management.

In compliance with the requirements established by BACEN Circular No. 3,678 / 13, information about the risk management process is available at www.bancopan.com.br/ri Risk Management Report.

- **Market value**

The net book and market values of the main financial instruments are presented below:

Consolidated	9/30/2019			12/31/2018		
	Net book value	Market value	Unrealized profit (loss)	Net book value	Market value	Unrealized profit (loss)
Marketable securities	2,025,950	2,061,684	35,734	1,934,506	1,943,008	8,502
- Trading securities	364,409	364,409	-	401,225	401,225	-
- Available-for-sale securities	961,226	961,226	-	891,836	891,836	-
- Securities held to maturity	700,315	736,049	35,734	641,445	649,947	8,502
Credit operations	23,446,284	28,028,586	4,582,302	20,407,816	23,454,463	3,046,647
Interbank deposits	7,130,328	7,155,518	(25,190)	7,463,438	7,411,443	51,995
Time deposits	12,026,983	13,814,572	(1,787,589)	9,130,487	10,762,081	(1,631,594)
Funds from issuance of securities	1,871,633	1,896,309	(24,676)	1,249,961	1,266,549	(16,588)
Subordinated debts	1,998,536	1,999,570	(1,034)	1,978,132	1,977,420	712
Unrealized pre tax profit			2,779,547			1,459,674

Determination of the market value of financial instruments:

- The market values of marketable securities, subordinated debts and derivative financial instruments are based on market price quotations at the balance sheet date. When market quotations are not available, the market values are based on pricing models or equivalent instruments.



- The market values of the loan and leasing operations are determined by discounting future flows at the rates practiced in the market for equivalent transactions at the balance sheet date.
- The market values of time and interbank deposits and borrowings and onlendings are calculated by applying the rates practiced at the balance sheet date for equivalent instruments to the existing assets and liabilities.

30) Employee Benefits

In line with the best market practices, PAN offers a number of social benefits to its employees, including: (a) healthcare assistance; (b) dental care assistance; (c) life insurance; (d) meal vouchers; (e) food vouchers. In the period ended 9/30/2019 benefit expenses amounted to R\$ 52,350 and R\$ 52,574 in the Bank and in the Consolidated, respectively (R\$ 45,925 and R\$ 46,211 in the Bank and in the Consolidated, respectively, in the period ended 9/30/2018).

31) Income tax and social contribution

a) Calculation of income tax and social contribution in the results:

	Bank		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Profit before income tax and social contribution	470,926	303,056	479,514	320,926
Nominal rate (1) / (2)	40%	45%	-	-
Total income tax and social contribution charge at the nominal rate	(188,370)	(136,375)	(189,096)	(139,168)
Effect on tax calculation:				
Equity in the results of investees	7,940	15,064	-	-
Interest on capital	54,509	26,033	54,509	26,033
Other amounts	3,360	(59,888)	3,438	(59,901)
Income tax and social contribution expense	(122,561)	(155,166)	(131,149)	(173,036)

- (1) Standard rate: (i) the provision for income tax is recorded based on the rate of 15% of taxable profit, plus a 10% surcharge; (ii) the social contribution on net income for financial institutions is calculated at the rate of 15% and at the rate of 9% for other companies.
- (2) On October 7, 2015, Law No. 13,169 / 15 was published, arising from Provisional Measure (MP) No. 675/15, which raised from 15% to 20% the rate of Social Contribution on Net Income (CSLL) of financial institutions as from September 1, 2015. The collection was effective up to December 31, 2018, returning to the 15% level in 2019.

b) Origin and change in deferred income tax and social contribution assets:

Bank	Balance at 12/31/2018	Constituted	Amount realized	Balance at 9/30/2019
Allowance for losses	914,183	373,316	(408,378)	879,121
Provision for civil contingencies	110,545	51,355	(36,664)	125,236
Provision for labor contingencies	111,603	17,590	(44,389)	84,804
Provision for tax contingencies	401	65	-	466
Provision for loss on assets not for own use	21,451	3,194	(6,184)	18,461
Mark-to-market adjustment of derivatives	29,873	46,381	(76,254)	-
Other provisions	236,522	225,671	(72,113)	390,080
Total deferred tax assets on temporary differences	1,424,578	717,572	(643,982)	1,498,168
Income tax and social contribution losses	1,265,925	0	(51,082)	1,214,843
Total deferred tax assets (Note 11)	2,690,503	717,572	(695,064)	2,713,011
Deferred tax liabilities (Note 20.a/31.e)	-	(40,239)	12,082	(28,157)
Deferred tax assets, net of deferred tax liabilities	2,690,503	677,333	(682,982)	2,684,854



Consolidated	Balance at 12/31/2018	Constituted	Amount realized	Balance at 9/30/2019
Allowance for losses	927,066	373,603	(408,551)	892,118
Provision for civil contingencies	115,667	52,762	(38,925)	129,504
Provision for labor contingencies	115,709	19,275	(46,496)	88,488
Provision for tax contingencies	10,936	10,332	(492)	20,776
Provision for loss on assets not for own use	21,704	3,207	(6,205)	18,706
Mark-to-market adjustment of derivatives	39,710	46,382	(78,592)	7,500
Other provisions	235,389	226,808	(72,203)	389,994
Total deferred tax assets on temporary differences	1,466,181	732,369	(651,464)	1,547,086
Income tax and social contribution losses	1,466,823	41	(55,908)	1,410,956
Total deferred tax assets (Note 11)	2,933,004	732,410	(707,372)	2,958,042
Deferred tax liabilities (Note 20.a/31.e)	(85,271)	(40,840)	12,402	(113,709)
Deferred tax assets, net of deferred tax liabilities	2,847,733	691,570	(694,970)	2,844,333

c) Expected realization of deferred tax assets from temporary differences and income tax and social contribution carry-forward losses:

The projected realization of deferred tax assets was based on the study of the current and future scenarios, effected at June 30, 2019. The key assumptions utilized for the projections were macroeconomic indicators, production indicators and cost of funding. This projected realization of deferred tax assets, and of the assumptions adopted, was approved by the Bank's Board of Directors on July 29, 2019.

Deferred income tax and social contribution assets will be realized as the temporary differences are reversed or when they qualify for tax deductibility, or on the offset of the tax losses, a portion of which is being challenged at the administrative level, with excellent chances of success for the Bank.

The estimated realization of these assets is as follows:

Bank	Temporary differences		Income tax and social contribution losses		Total	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018	9/30/2019	12/31/2018
2019	473,224	749,253	16,279	11,823	489,503	761,076
2020	584,432	437,430	55,397	67,569	639,829	504,999
2021	307,419	75,246	69,489	118,822	376,908	194,068
2022	21,558	52,004	113,831	98,689	135,389	150,693
2023	16,425	37,894	142,987	139,755	159,412	177,649
2024	34,437	31,874	146,753	147,571	181,190	179,445
2025	9,802	25,510	164,976	161,316	174,778	186,826
2026	8,458	8,407	163,396	166,654	171,854	175,061
2027	4,914	4,914	187,207	191,843	192,121	196,757
2028	37,499	2,046	154,528	161,883	192,027	163,929
Total	1,498,168	1,424,578	1,214,843	1,265,925	2,713,011	2,690,503



Consolidated	Temporary differences		Income tax and social contribution losses		Total	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018	9/30/2019	12/31/2018
2019	479,861	753,850	17,091	13,146	496,952	766,996
2020	591,169	441,682	58,261	70,582	649,430	512,264
2021	314,527	80,382	77,440	127,041	391,967	207,423
2022	30,894	57,363	127,953	113,256	158,847	170,619
2023	18,812	39,751	159,726	157,013	178,538	196,764
2024	35,682	33,309	166,285	167,696	201,967	201,005
2025	10,898	26,790	187,156	184,167	198,054	210,957
2026	8,458	8,407	186,563	190,438	195,021	198,845
2027	4,914	4,914	210,576	215,995	215,490	220,909
2028	41,704	19,733	180,945	188,513	222,649	208,246
2029	10,167	-	-	-	10,167	-
Total	1,547,086	1,466,181	1,371,996	1,427,847	2,919,082	2,894,028

As of September 30, 2019, the present value of the tax credits, calculated considering Banco PAN's average funding rate, totaled R\$ 2,022,291 and R\$ 2,141,853 in the Consolidated (R\$ 1,788,995 in Banco PAN and R\$ 1,894,365 in the Consolidated at 12/31/2018).

In accordance with Article 5, paragraph 2 of CVM Resolution 3,059/02, the deferred tax assets arising from tax losses caused by the exclusion of the depreciation surplus credit from leasing operations, of R\$ 38,960 (R\$ 38,976 at 12/31/2018), are not restricted to the generation of profits based on a technical study.

d) Unrecorded deferred tax assets:

At 9/30/2019, there were tax losses of approximately R\$ 230,396 in the Bank and Consolidated (R\$ 230,396 at 12/31/2018 in the Bank and Consolidated), in respect of which tax credits were not recorded, amounting to R\$ 92,158 in the Bank and Consolidated (R\$ 92,158 at 12/31/2018), since they did not meet all of the conditions established by BACEN.

e) Deferred tax liabilities:

Bank	At 12/31/2018	Constituted	Amount realized	Balance at 9/30/2019
Mark-to-market adjustment of derivatives	-	(40,239)	12,082	(28,157)
Total (Note 20.a - 31.b)	-	(40,239)	12,082	(28,157)

Consolidated	At 12/31/2018	Constituted	Amount realized	Balance at 9/30/2019
Adjustment to market value of marketable and other securities	(6,982)	(40,840)	12,315	(35,507)
Surplus depreciation	(78,289)	-	87	(78,202)
Total (Note 20.a - 31.b)	(85,271)	(40,840)	12,402	(113,709)



32) Other Information

- a) Guarantees and sureties granted totaled R\$ 309,217 at 9/30/2019 (R\$ 295,430 at 12/31/2018).
- b) The policy of the Bank and its subsidiaries is to contract insurance covering cash, checks received as collateral and assets at amounts which are considered sufficient to cover potential losses.
- c) At 9/30/2019 and 12/31/2018, the Bank and its subsidiaries had no lease agreements for own acquisitions.
- d) Agreements for the Clearing and Settlement of Liabilities - CMN Resolution 3,263/05: the Bank entered into agreements for the clearing and settlement of liabilities in the ambit of the National Financial System (SFN), in respect of transactions with corporate entities, whether or not they were SFN members. The objective of this resolution is to permit the compensation of credits and debits with the same counterparty, where the maturity of the related rights and obligations can be accelerated to the date on which an event of default by either party occurs or in the case of the bankruptcy of the debtor.
- e) On January 20, 2015, Law 13,097 was published, converting Provisional Measure 656/14, which, among other matters, amends the rules for the tax deduction of losses on receivables for defaults on contracts as from October 8, 2014 (art. 9,430/96). For defaults on contracts prior to this date, the previously existing rules continue to be applicable.
- f) On March 8, 2019, the co-controlling stockholder CAIXAPAR exercised its right to acquire 50% of the shares subscribed and paid up by the co-controlling stockholder BTG Pactual, in relation to the capital increase approved by the Board of Directors on November 6, 2017, in the amount of R\$ 400,000,001.04 (amount in Reais). BACEN approved this capital increase on April 18, 2018.

Furthermore, as disclosed in the relevant facts published on September 9 and 19, 2019, the Bank made a primary public offering of 63,250,000 new preferred shares issued by it, already considering the additional batch, as well as the secondary public offering of 63,250,000 preferred shares issued by it, held by CAIXAPAR, already considering the additional batch (together, "Offering"). In this context, on September 19, 2019, the Board of Directors of the Bank and of CAIXAPAR approved the price per share of R\$ 8.25 (in Reais). As a result, the Offering totaled R\$ 1,043,625,000.00 (amount in Reais), of which R\$ 521,812,500.00 related to the primary offering, with a consequent increase in the Bank's share capital in the amount of R\$ 521,812,500.00.

Following the capital increase related to the primary offering mentioned above, and after the BACEN approval, the Bank's new share capital amounts to R\$ 4,175,222,120.70 (amount in Reais), represented by 1,205,056 thousand shares.

The new shareholding structure, including the Exercise of the Share Purchase Option by CAIXAPAR, the related share transfer of which is in progress, will be as follows:



Stockholders	Shareholding structure (thousands of shares)				Total	%
	Common	%	Preferred	%		
Banco BTG Pactual S.A.	334,131	50.8	142,148	25.9	476,279	39.5
Caixa Participações S.A. ¹	323,430	49.2	89,600	16.4	413,030	34.3
Market	-	-	315,747	57.7	315,747	26.2
Total	657,561	100.0	547,495	100.0	1,205,056	100.0



Declaration of the Board of Directors

In compliance with the determinations of Instruction 480/09, of the Brazilian Securities Commission (CVM), the Executive Board of Banco PAN S.A. declares that it has discussed, reviewed and approved the parent company and consolidated accounting information for the period ended 9/30/2019.



Declaration of the Board of Directors

In compliance with the determinations of Instruction 480/09, of the Brazilian Securities Commission (CVM), the Executive Board of Banco PAN S.A. declares that it has discussed, reviewed and agreed with the conclusion expressed by the auditors on the parent company and consolidated accounting information for the period ended 9/30/2019.



São Paulo, October 28, 2019.

BOARD OF DIRECTORS

Gregório Moreira Franco
CRC 1SP219426/O-2
Accountant

