

Profile

BI&P - Banco Indusval & Partners is a commercial bank listed under Level 2 corporate governance segment at BM&FBOVESPA (tickers: IDVL3 and IDVL4) with more than 50 years of experience in the Brazilian financial market, focusing its activities in corporate credit products in local and foreign currencies, fixed income and corporate finance.

Banco BI&P relies on a network of 6 branches in corporate credit for “emerging companies” and corporate segments through a broad range of financial products and services in order to conduct recurring operations with our client base in order to meet all their financial needs strategically located in economically relevant Brazilian regions and an offshore branch, its brokerage firm Guide Investimentos in brokerage activities, asset allocation and wealth management, and BI&P Cereais, which originates agricultural bonds.

With its business guided by the integrity of its Management and respect for its customers and stakeholders, the Bank is led by a team of professionals widely recognized in the financial and capital markets, under an innovative vision and excellence in corporate lending.

Our Vision is to be an innovative bank, marked by excellence

- The sale of our brokerage and distribution platform for financial products' control, **Guide Investimentos**, to Fosun, one of the largest privately-owned financial conglomerates in China, with a consequent readjustment of the bank's capital base;
- Development of a **new digital banking platform** for small and medium-sized companies through a joint venture with the Hive Brasil, formed by Brazilian and Silicon Valley entrepreneurs with extensive experience in fintechs, to participate in this new disruptive wave of the banking sector to build strong franchises;
- Repositioning and strengthening of its **agribusiness lending franchise**: with small and medium agriculture producers, creating a highly diversified credit portfolio.

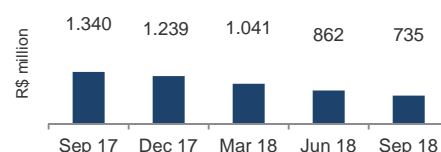
Competitive Advantages

- Committed and experienced management and teams
- Deep knowledge of market variables and of our customers' businesses
- Development of edge and expertise in certain business chains
- Broader product and service offer, tailor-made to meet the needs of our customers and the industries where they operate
- Development of effective relationships with mid-sized and large corporate customer (emerging companies and corporate)

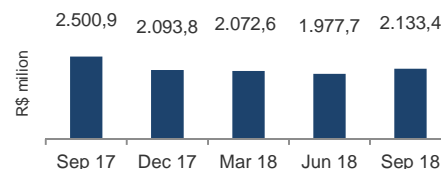
Highlights 3Q18

- Banco Indusval released a material fact on November 5, 2018, stating the closing of Guide's control acquisition by the Fosun Group, which was executed on February 26, 2018. The Guide transaction along with the recovery of fully provisioned loans (in advanced stages of negotiation) shall strengthen the bank's balance sheet in 4Q18. In addition, Bank's management is actively pursuing new alternatives to further strengthen its capital base.
- **Digital Bank:** The new and innovative digital banking platform directed to small and medium-sized enterprises (SMEs) is already in a pre-operational phase. The purpose of this platform is precisely to position the bank in the new disruptive mega trend of the banking sector around the world. Our focus is in SME clients, which, in our opinion, are not being adequately met in their needs by the large retail banks.
- The **Bank's Expanded Credit Portfolio** closed the quarter at R\$734.6 million, with a 45.2% intentional retraction year-over-year. At the end of this quarter, the agribusiness credit portfolio totalled R\$355 million (48.3% of the total portfolio), of which approximately 95% of the portfolio was classified between AA and C. It is also important to highlight the high liquidity of the bank's expanded portfolio, since its average duration at the end of 3Q18 was of only 10.3 months.
- At the end of 3Q18, **free cash totaled R\$944.7 million, corresponding to 44.5% of total deposits** compared to 45.9% at the end of 3Q17, maintaining the historically high level of recent quarters. Our comfortable cash position is the result of our strategy to maintain a high level of liquidity and diversify our funding sources in recent years and by the end of 3Q18 we had a depositor base of more than 35.874 investors, compared to 29.559 in 3Q17 – up 21% in the period.
- Regarding the **Bank's management expenses**, personnel expenses dropped 1.5% in the quarter and grew 0.8% in the year, basically due to expenses related to staff adjustments, which fell 2.4% in the previous quarter and 16.0% in the year-over-year. Administrative expenses, in turn, increased 8.9% over 2Q18 and 21.8% year-over-year, explained by the digital bank launching and Guide's closing deal expenses. Excluding the non-recurring Guide's closing expenses and digital bank pre-operating expenditures, the administrative expenses would have dropped 19.8% vis-à-vis 2Q18 and 15.6% when compared to the 3Q17.
- The quarter's **Net Result** was negative in R\$58.8 million, reflecting (i) the high expenditure with ALL due to the conservative standing of the bank's management (it is worth mentioning that management expects to reverse a significant share of the provisions recorded in the 3Q18 already in the 4Q18), (ii) the voluntary reduction policy of the credit portfolio, and (iii) the negative cost of cash carryover and assets without financial yield. The 3Q18 results do not reflect the profit related to of Guide's sale to the Fosun Group as the transaction closed on 5.11.2018. The estimated profit before tax of this transaction is estimated at R\$ 135.3 million, which will be booked in the 4Q18 results.

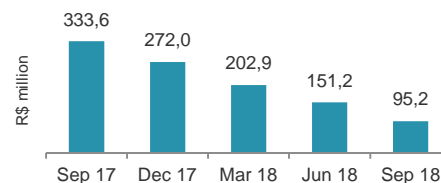
Expanded Credit Portfolio



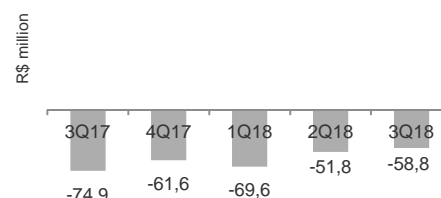
Funding



Shareholders' Equity



Net Profit



Main Economic & Financial Highlights

It is important to note that the NPL and Margin with client's indicators in 4Q16 were adjusted to the specific and non-recurring event related to Ceagro operations, as reported in the 2Q15 earnings release.

Amounts in BRL million, except where otherwise indicated.

RESULTS ¹	3 Q 18	2 Q 18	3 Q 18/2 Q 18	3 Q 17	3 Q 18/3 Q 17
Result from Financial Intermediation before ALL	(4,2)	(8,9)	52,9%	2,3	-283,3%
Managerial ALL Expenses	(22,2)	(20,5)	-8,2%	(63,6)	65,0%
Result from Financial Intermediation	(26,4)	(29,4)	10,2%	(61,3)	56,9%
Income from Services Rendered and Tariffs	27,4	28,4	-3,7%	18,5	48,1%
Personnel and Administrative Expenses	(49,8)	(45,6)	-9,2%	(41,2)	-20,9%
Other Operating Income and Expenses	(4,8)	(1,3)	-258,8%	(7,3)	33,5%
Recurring Operating Result	(53,6)	(47,9)	-12,0%	(91,3)	41,2%
Non-Recurring Operating Expenses	(1,9)	(2,2)	13,5%	0,0	n.c.
Non-Operating Result	(7,0)	(8,3)	15,7%	(3,0)	-137,1%
Income tax and social contribution	7,7	13,3	-41,9%	23,2	-66,6%
Statutory Contributions & Profit Sharing	(4,0)	(6,7)	40,3%	(3,9)	-3,8%
Net Profit (Loss)	(58,8)	(51,8)	-13,5%	(74,9)	21,5%

BALANCE SHEET	3 Q 18	2 Q 18	3 Q 18/2 Q 18	3 Q 17	3 Q 18/3 Q 17
Credit Portfolio	447,4	558,7	-19,9%	828,7	-46,0%
Expanded Credit Portfolio	734,6	862,1	-14,8%	1.340,0	-45,18%
<i>Emerging Companies</i>	253,3	295,1	-14,2%	349,2	-27,5%
<i>Corporate</i>	470,0	553,2	-15,0%	978,2	-52,0%
<i>Others</i>	16,7	17,4	-3,9%	33,7	-50,4%
Total Deposits	2.124,5	1.968,2	7,9%	2.484,4	-14,5%
Total Funding	2.133,4	1.977,7	7,9%	2.500,9	-14,7%
Total Assets	2.722,6	2.546,2	6,9%	3.147,0	-13,5%
Shareholders' Equity*	95,2	151,2	-37,0%	333,6	-71,5%

PERFORMANCE	3 Q 18	2 Q 18	3 Q 18/2 Q 18	3 Q 17	3 Q 18/3 Q 17
Free Cash	944,7	801,5	17,9%	1.139,0	-17,1%
Leverage (Expanded Credit Portfolio / Equity)	7,7	5,7	2,0 p.p.	4,0	3,7 p.p.
NPL 90 days / Credit Portfolio	35,6	62,9	-0,4 p.p.	30,8	0,2 p.p.
Basel Index *	-16,8%	-12,5%	-0,3 p.p.	6,1%	n.c.
Return on Average Equity (ROAE)	-92,6%	-75,0%	-0,2 p.p.	-59,4%	-0,6 p.p.
Adjusted Net Interest Margin (NIMA)	3,4%	3,8%	-0,1 p.p.	4,2%	-0,2 p.p.
Efficiency Ratio	260,1%	260,8%	0,0 p.p.	298,0%	-0,1 p.p.
Efficiency Ratio w/o Guide Investimentos	#N/D	#N/D	n.c.	#N/D	n.c.

SHARES	3 Q 18	2 Q 18	3 Q 18/2 Q 18	3 Q 17	3 Q 18/3 Q 17
Number of Shares Outstanding ²	151.983.855	151.983.855	0,0%	151.983.855	0,0%
Net Profit per Share - R\$	-0,39	-0,34	-13,5%	-0,49	21,5%
Book Value - R\$	0,63	0,99	-37,0%	2,20	-71,5%
Interest on Own Equity per Share - R\$	0,00	0,00	n.c.	0,00	n.c.
Market Value	92,7	211,3	-56,1%	179,3	-48,3%

OTHER INFORMATION	3 Q 18	2 Q 18	3 Q 18/2 Q 18	3 Q 17	3 Q 18/3 Q 17
Number of Employees	366	364	0,5%	374	-2,1%

¹ Number of Shares Outstanding = Issued shares - Treasury shares. | n.c. = not comparable

Agency	Rating	Last Report
RiskBank	RiskBank Index: 6.97 Under Observation	Out/18

Índice de Ações com Tag Along Diferenciado **ITAG**

IDVL3
NÍVEL 2
BM&FBVESPA

Índice de Ações com Governança Corporativa Diferenciada **IGC**

IDVL4
NÍVEL 2
BM&FBVESPA