

Since the beginning of 2018, the Banco Indusval has undertaken important measures in order to restructure its operations, improve its capital structure and reposition its market strategy: (i) the sale of controlling stake in our brokerage, Guide Investimentos, to Fosun, one of the largest privately-owned financial conglomerates in China, (ii) the development of a new digital banking platform for small and medium-sized companies through a joint venture with the Hive Brasil, to participate in this new disruptive wave of the banking sector, a joint venture that is structured in the bank's subsidiary, which is being renamed Banco SmartBank S.A. ("SmartBank"); and (iii) the repositioning of its agribusiness lending franchise: with focus on small and medium-sized agriculture producers, creating a highly diversified credit portfolio.

On November 5, 2018, Banco Indusval released a material fact stating the closing of Guide's control acquisition by the Fosun Group which was executed on February 26, 2018. The transaction will strengthen the bank's capital base. Bank's management is also committed to explore new alternatives to further strengthen the bank's capital base over the coming months.

The bank's free cash has remained historically high at R\$ 944.7 million, representing 44.5% of our total deposits.

Highlights

- 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.

IDVL4: R\$0.90 per share
Closing: Nov 14, 2018

Free float: 151,983,855
Market cap: R\$136.8 million
Price/Book Value: 0.70



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Ações com Governança
Corporativa Diferenciada



Índice de
Ações com Tag Along
Diferenciado



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Message from the Management

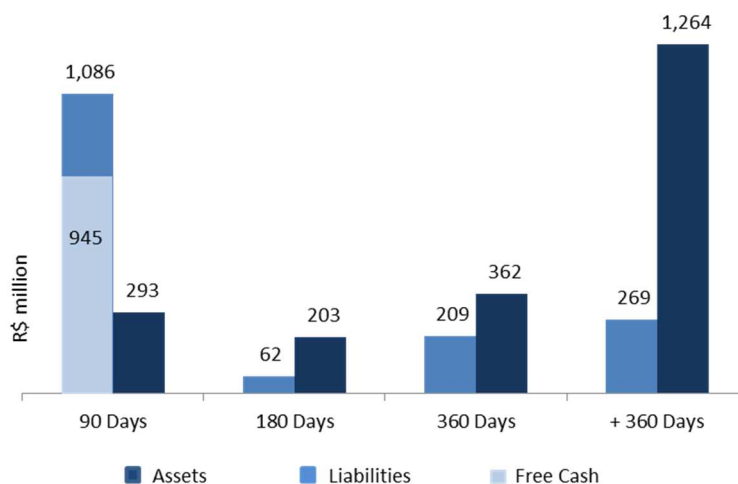
During the third quarter of 2018, considering our capital base, we maintained our credit policy of intentional reduction of our loan portfolio. As a result, we maintained a more rigorous loan concession policy (while maintaining existing NIM objectives) increased provisioning levels and further strengthened our focus on agribusiness companies and producers. We also increased our liquidity coefficient during the period maintaining a significant excess cash reserve.

The Bank's **Expanded Credit Portfolio** closed the quarter at R\$734.6 million, with a 45.2% intentional retraction year-over-year. We pointed out that at the end of this quarter the agro portfolio totaled R\$355 million (48.3% of the total portfolio), of which approximately 95% of its loans were classified between AA and C. It is also important to highlight the high liquidity of the bank's expanded portfolio since its average duration ended the nine months accumulated at only 10.3 months.

It is worth mentioning that the management of assets and liabilities reflects long-term profile of our funding sources versus the shorter-term profile of our assets, with **71% of our expanded credit portfolio's operations expiring within the next 12 months**.

Assets and Liabilities management

September 2018



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 by late 3Q17 – up 21% in the period.

Financial Intermediation Result before ALL managerial expenses totaled (R\$4.3 million) compared to (R\$8.9 million in 2Q18. This decline still impacted by (i) the voluntary reduction policy of the credit portfolio. (ii) the cost of cash carryover and assets without financial compensation.

We attained high growth levels on both the Individual and Institutional channels of **Guide Investimentos**. The individual segment which includes Digital platform, the wealth management area and our independent agent network the Individual segment reached the outstanding milestone of approximately R\$18 billion (hired) in assets under custody at the end of 3Q2018. In the nine months accumulated of 2018, Guide's revenue grew 88% over the same period last year and our managerial EBITDA was R\$ 15mm higher on the same comparative basis. At the same time, the Institutional segment had the maturity of the products launched at the end of last year which both boosted our revenues and increased our market share as well as having specialized desks recognized in the market as major providers of liquidity for the main players in the market.

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.

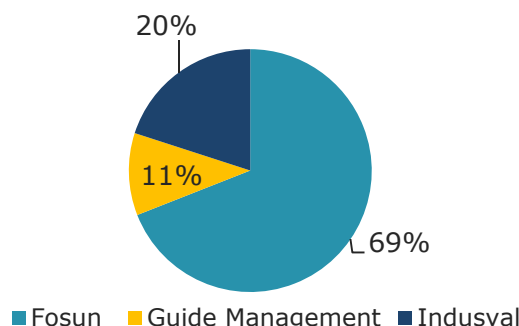
The quarter's Net Result was negative in R\$58.8 million, reflecting (i) the high expenditure with ALL due to the conservative standing of the bank's management (it is worth mentioning that management expects to reverse a significant share of the provisions recorded in the 3Q18 already in the 4Q18), (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.

On November 5, 2018 Banco Indusval released a material fact stating the closing deal of the acquisition Guide's control by the Fosun Group which has been signed on February 26, 2018 details are below:

	Total Shares	Amount R\$ thousand	Note
FOSUN	234,519 (195,115 Common and 39,404 Preferred shares)	R\$155,900	Paid Nov 05, 2018
		R\$12,000	escrow account deposit
		Up to R\$120,000	Will be paid to Banco Indusval subject to Guide's financial results in the fiscal years of 2018 and 2019 (earn out).
Guide Management	2,933 (Preferred Shares)	R\$2,100	Indusval sold preferred shares of Guide to certain executive officers
Indusval	67,841 (Preferred Shares)		Banco Indusval will maintain a minority equity interest of 67,841 preferred shares.

Banco Indusval has transferred to Fosun 195,115 (common shares) and 39,404 (preferred shares) issued by Guide of which represent 69.14% of the broker's total capital base stock. The transaction amount sum of up to R\$ 287.9 million, as of: i) R\$ 155.9 million was paid to the bank on the day of the material fact was released. ii) R\$ 12 million was deposited in an escrow account to guarantee eventual payment of indemnity that might be owed by BI&P to Fosun. iii) Depending on Guide's financial results in the years 2018 and 2019 Indusval will receive the sum of up to R\$ 120 million. iv) Banco Indusval has sold to certain Guide executives the amount of 2,933 preferred shares the sum of R\$ 2.1 million and will maintain a minority interest of 67,841 Preferred shares representing 20% of Guide's capital base.

Capital Base Guide



Macroeconomic Scenario

The third quarter of 2018 was marked by the sharp upswing of the dollar, which reached a high of R\$4.20 in mid-September. Endogenous and exogenous factors had contributed to the robust exchange devaluation. The political turmoil related to the electoral process triggered the Brazilian Real devaluation locally. On the other hand, in the external scenario the intensification of the crisis in Argentina and Turkey had also contributed to the devaluation of the Real.

The rise in commodities and the dollar in the third quarter substantially influenced expectations for the IGP-M in 2018. The index spiked from 7.70% in mid-July to 9.60% in mid-September. In the same cycle, the CRB commodity index of the Central Bank (BCB), IC-BR increased 1.13% while the Dollar rose 4.46%.

Political uncertainty boosted by the strong US Dollar has negatively affected investors' expectations on local economic growth. According to the Focus Report, GDP growth forecast for 2018 fell from 1.50% to 1.35% over the period. By 2019 the GDP growth estimate remained stable at 2.50%.

Despite the sharp drop in GDP expectations for 2018, the labor market continued to show a slight downtrend in unemployment. According to the National Household Sample Survey (PNAD), the unemployment rate diminished to 12.1% in the third quarter of 2018 up from 12.4% in the second quarter.

Regarding inflation the IPCA ended the third quarter with accrued 12-month gains of 4.53% above the previous quarter's result (4.39%) and slightly higher than the target ceiling (4.5%). According to the Focus Report, inflation forecasts for 2018 and 2019 stand at 4.30% and 4.20%, respectively. In spite of the sharp upswing of the exchange rate in August which peaked at R\$4.20, the IPCA had not revealed significant increase rising 0.48%.

In May 2018, the BCB decided to interrupt the cycle of falling on the SELIC rate. The tone of the COPOM statement was neutral for both meetings June and August where the interest rate was maintained. Although the interest rate kept its pace of 6.50% in the September meeting the Central Bank considered a possible worsening of the scenario for inflation and asset price which could force a gradual return of high interest rates.

The total stock of credit operations reached R\$ 3.2 trillion in September climbing 1.23% over the previous quarter. Average loan concessions were up 2.45% in the quarter with a 2.90% rise in corporations and 2.10% in individual. The average loan term of the concessions increased to 119.2 months in September 2018 from 116.8 months in June. Credit as a share of GDP ended this year's third quarter at 46.7% the same level recorded in the previous quarter.

In free credit operations, default by individuals fell to 4.90% in September 2018 compared to 5.00% in June. In addition the default rate of legal entities declined slightly falling to 3.10% from 3.70% in June. An improvement is expected on indexes due to the interest rates fall, the recovery of employment levels and an increase of workers' income.

In the foreign front, the US Central Bank (Fed) increased the short-term interest rate (FEDS) again by 0.25% to the range of 2.00% to 2.25%. Although the Fed Funds upswing was highly expected the Fed's speech was more conservative. Notwithstanding the steady economic growth and a strong labor market the Central Bank has signaled the end of the era of an expansionary monetary policy. The Fed's more conservative rhetoric coupled with good economic data released throughout the third quarter pressured 10-year US interest rates which rose from 2.85% at the close of June to 3.10% at the close of September. In Europe, the economy continues to show a slight deceleration in the level of activity with the main themes of the third quarter being the late deadline for England's exit from the euro zone and fiscal uncertainty in relation to fiscal policy in Italy. The Italian government's political nod toward an "anti-austerity" fiscal policy made the country's 10-year interest rate rise from 2.70% at the end of June to 3.35% at the end of September. At last, the Chinese economy continues to show a slight slowdown in growth. Production and export data were weaker the Chinese currency depreciated 3.75% against the dollar between the end of June and the end of September. The trade war with the US and regulation of the informal credit market in China are the most cited reasons. In contrast the Chinese government has been reducing the compulsory banking and has been keeping an activist rhetoric of the role of the state in maintaining economic growth.

EARNINGS RELEASE

3rd Quarter 2018

Macroeconomic Data	3Q18	2Q18	3Q17	2017	2018
Real GBP Growth (Q/Previous Q)	0.80% (e)	0.16%	0.60%	1.00%	1.60% (e)
Inflation (IPCA - IBGE) – quarterly change	0.72%	1.89%	0.22%	0.96%	0.72%
Inflation (IPCA - IBGE) – annual change	4.53%	4.39%	3.00%	2.95%	4.15% (e)
FX (US\$/R\$) – quarterly change	4.46%	17.25%	4.41%	1.50%	11.00% (e)
Interest Rate (Selic)	6.5%	6.5%	10.25%	7.0%	6.50% (e)

e= expected

Key Indicators

Financial Intermediation Result before ALL managerial expenses totaled (R\$4.3 million) compared to (R\$8.9 million) in 2Q18. This decline still impacted by (i) the voluntary reduction policy of the credit portfolio, (ii) the cost of cash carryover and assets without financial compensation.

Results	3Q18	2Q18	3Q18/2Q18	3Q17	3Q18/3Q17	9M18	9M17	9M18/9M17
Revenues from Loan Operations & Agro Bonds ¹	10.9	19.6	(44.2%)	25.1	(56.57%)	45.3	112.1	(59.59%)
Revenues Securities (w/o Agro Bonds). Derivatives & FX ²	34.0	17.6	93.4%	44.4	(23.33%)	81.2	144.4	(43.8%)
Financial Intermediation Expenses (w/o ALL) ³	(49.2)	(46.1)	6.7%	(68.4)	(28.07%)	(138.3)	(259.4)	(46.3%)
Result from Financial Intermediation before ALL	(4.3)	(8.9)	(51.69%)	1.1	(490.91%)	(11.7)	11.1	(205.95%)
Managerial ALL Expense ⁴	(22.2)	(20.5)	8.2%	(63.6)	(65.0%)	(109.9)	(92.5)	18.8%
Result from Financial Intermediation	(26.5)	(29.4)	(9.86%)	(62.5)	(57.6%)	(121.6)	(81.4)	49.34%
Revenues from Services Rendered and Tariffs ⁵	27.4	28.4	(3.52%)	20.9	31.10%	81.0	55.0	47.27%
Personnel and Administrative Expenses	(49.7)	(45.6)	8.99%	(42.4)	17.22%	(140.0)	(122.4)	15.0%
Personnel Expenses without Guide	(13.1)	(13.3)	(1.5%)	(13.0)	0.77%	(39.8)	(39.0)	2.05%
Personnel Expenses Guide	(10.1)	(9.9)	2.02%	(8.4)	20.4%	(29.2)	(24.5)	19.6%
Administrative Expenses without Guide	(12.3)	(11.3)	8.85%	(9.6)	28.4%	(35.2)	(31.7)	10.73%
Administrative Expenses Guide	(14.2)	(11.1)	27.93%	(12.7)	12.7%	(35.8)	(29.0)	23.45%
Other operating income and expenses	(4.8)	(1.3)	269.23%	(7.3)	(34.25%)	(11.1)	(15.9)	(30.19%)
Foreign investments hedge effect	0.0	0.0	n.c.	0.0	n.c.	0.0	0.0	n.c.
Recurring Operating Result	(53.6)	(47.9)	12.0%	(91.3)	(41.2%)	(191.8)	164.6	(216.44%)
Non-Recurring Operating Expenses	(1.9)	(2.2)	(13.5%)	0.0	n.c.	(4.0)	0.0	n.c.
Effect of discontinuance of hedge accounting	0.0	0.0	n.c.	0.0	n.c.	0.0	0.0	n.c.
Other non-Recurring Operating Expenses	(1.9)	(2.2)	(13.5%)	0.0	n.c.	(4.0)	0.0	n.c.
Operating Result	(55.5)	(50.1)	10.78%	(91.3)	(39.2%)	(195.9)	(164.6)	19.0%
Non-operating Profit	(7.0)	(8.3)	(15.7%)	(3.0)	137.1%	(17.7)	(6.5)	171.2%
Foreign investments hedge effect	0.0	0.0	n.c.	0.0	n.c.	0.0	0.0	n.c.
Income tax and social contribution	7.7	13.3	(41.9%)	23.2	(66.6%)	49.0	19.9	145.7%
Statutory contributions & Profit sharing	(4.0)	(6.7)	(40.3%)	(3.9)	3.8%	(15.2)	(10.7)	41.7%
Net Profit (Loss)	(58.8)	(51.8)	13.5%	(74.9)	(21.5%)	(179.8)	(161.9)	11.1%

¹ The financial and operating information presented in this report are based on consolidated financials prepared in millions of Real (local currency), according to Brazilian Central Bank rules, except where otherwise stated. Since 2Q14, Banco BI&P has presented its results through the Managerial Income Statement, which is based on reclassifications of accounting Income Statement and is provided to help analyses.

² Excludes the effects of (i) recoveries of loans written off, and (ii) discounts granted upon settlement of loans in the period, (iii) the credit risk amount related to securities operations.

³ Excludes the effect of discontinuance of the designation of hedge accounting in 2Q12. This effect is included in Non-Recurring Operating Expenses.

⁴ Includes expenses related to financial intermediation, such as (i) expenses related to the joint venture C&BI, (ii) commission paid to the distributors of our funding products, especially LCAs and LCIs, which are classified under administrative expenses. Excludes the accounting heading Result of Sale/Transfer of Financial Assets resulting from the shareholders' agreement at the time of acquisition of Banco Intercep. This account is considered while calculating the managerial expense with allowance for loan losses.

⁵ Managerial expense with allowance for loan losses is calculated by adding to the expense with allowance for loan losses, the effects of (i) the recovery of loans written off, (ii) discounts granted upon settlement of loans in the period, (iii) expense with allowance for guarantees issued (LGs & L/Cs), started in December 2014, (iv) the credit risk amount assigned to securities operations and (v) the impacts of other credit assignments in the Income Statement in the accounting heading Result of Sale/Transfer of Financial Assets. In 2Q14 and 2Q15 it also excludes the impacts of the shareholders' agreement at the time of acquisition of Banco Intercep in the Income Statement: (i) from the accounting heading Result of Sale/Transfer of Financial Assets; and (ii) from other operating expenses and income.

⁶ Includes expenses booked under administrative expenses related to income from services rendered.

⁷ Excludes (i) non-recurring operating expenses, (ii) expenses related to financial intermediation and (iii) expenses related to income from services rendered.

EARNINGS RELEASE

3rd Quarter 2018

⁸ Result of the sum of (i) Other operating income and expenses, (ii) taxes and (iii) Result from affiliated companies. Excludes other operating income and expenses resulting from the shareholders' agreement at the time of acquisition of Banco Interacap.

n.c. = not comparable (percentage above 300% or below -300%. or number divided by zero).

Key Indicators

The consolidated financial and operational information presented in this report is based on BACEN accounting practices and expressed in millions of Brazilian Reais except when otherwise indicated.

Assets & Liabilities	3Q18	2Q18	3Q18/2Q18	3Q17	3Q18/3Q17
Loan Portfolio	447.4	558.7	-19.9%	828.7	-46.0%
Expanded Loan Portfolio ¹	734.6	862.1	-14.8%	1,340.0	-45.2%
Cash & Short Term Investments	750.6	460.7	62.9%	693.7	8.2%
Securities and Derivatives	608.2	702.9	-13.5%	844.8	-28.0%
Securities w/o Agro Sec. & Private Credit Bonds ²	507.5	594.2	-14.6%	603.9	-16.0%
Total Assets	2,722.6	2,546.2	6.9%	3,147.0	-13.5%
Total Deposits	2,124.5	1,968.2	7.9%	2,484.4	-14.5%
Open Market	238.0	171.0	39.2%	75.2	216.3%
Foreign Borrowings	0.0	0.0	n.c.	0.0	n.c.
Domestic Onlendings	9.0	9.5	-6.1%	16.4	-45.4%
Shareholders' Equity	95.2	151.2	-37.0%	333.6	-71.5%

Performance	3Q18	2Q18	3Q18/2Q18	3Q17	3Q18/3Q17
Free Cash	944.7	801.5	17.9%	1,139.0	-17.1%
NPL 90 days value ³	35.6	62.9	-43.4%	121.3	-70.7%
Basel Index	-16.8%	-12.5%	-4.3 p.p.	6.1%	-22.9 p.p.
ROAE	-92.6%	-75.0%	-17.6 p.p.	-59.4%	-33.1 p.p.
Net Interest Margin with Clients	3.42%	3.84%	-0.42 p.p.	4.24%	-0.82 p.p.
Efficiency Ratio	323.4%	260.8%	-62.6 p.p.	298.0%	-25.4 p.p.
Efficiency Ratio BI&P Group w/o Guide Investimentos	165.9%	74.4%	91.5 p.p.	98.9%	67.0 p.p.

Other Information	3Q18	2Q18	3Q18/2Q18	3Q17	3Q18/3Q17
Number of Employees	366	364	0.6%	374	-2.1%
Banco BI&P employees	163	167	-2.4%	194	-100.0%
Guide Investimentos and Serglobal employees	203	197	3.1%	180	-100.0%

¹ Including Guarantees issued, Private Credit Bonds (PNs and Debentures) and Agro Securities (Agro Credit Rights Certificates (CDCA) and CPR).

² Excluding Agro Securities (CPRs and Agro Credit Rights Certificates (CDCA)) and Private Credit Bonds (PNs and debentures) for trading.

³ Adjusted for the extraordinary, nonrecurring event involving Ceagro Agrícola Ltda.

n.c. = not comparable (percentage above 300% or below -300%. or number divided by zero).

Operating Performance

Financial Intermediation Result before ALL managerial expenses totaled (R\$4.3 million) compared to (R\$8.9 million) in 2Q18 this decline still impacted by (i) the voluntary reduction policy of the credit portfolio (ii) the cost of cash carryover and assets without financial compensation.

Profitability

Financial Intermediation	3Q18	2Q18	3Q18/2Q18	3Q17	3Q18/3Q17	9M18	9M17	9M18/9M17
Financial Intermediation Revenues	44.9	37.2	20.7%	69.5	(35.4%)	126.2	270.0	(53.3%)
Loan Operations and Agro Bonds	10.9	19.6	(44.6%)	30.4	(64.3%)	45.0	125.5	(64.2%)
Loans, Discount Receivables and Agro Bonds	7.2	15.1	(52.3%)	21.7	(66.8%)	31.9	92.9	(65.7%)
Financing	3.7	4.5	(17.78%)	8.7	(57.9%)	13.1	32.7	(60.0%)
Other	0.0	0.0	(0%)	0.0	0%	0.0	0.0	0%
Securities (w/o Agro Bonds)	13.9	14.8	(6.1%)	29.0	(52.1%)	52.6	108.3	(51.5%)
Derivatives	11.7	(7.1)	264.8%	6.4	81.7%	5.8	22.7	(74.3%)
FX Operations Result	8.5	9.9	(14.4%)	3.6	135.0%	22.9	13.4	70.7%
Financial Intermediation Expenses	(49.2)	(46.1)	6.28%	(68.4)	(26.22%)	(138.3)	(259.4)	(46.7%)
Money Market Funding	(45.0)	(46.2)	(2.81%)	(66.0)	(31.8%)	(131.0)	(252.2)	(48.1%)
Time Deposits	(37.2)	(37.8)	(1.6%)	(47.6)	(21.85%)	(104.4)	(163.8)	(36.3%)
Repurchase Transactions	(2.2)	(1.3)	69.23%	(2.9)	(24.4%)	(5.6)	(11.2)	(50.0%)
Interbank Deposits	(0.0)	(0.5)	(99.0%)	(0.2)	(97.0%)	(1.0)	(9.2)	(89.6%)
Agro Bonds (LCA), Real Estate Notes (LCI) & Bank Notes (LF)	(5.1)	(6.2)	(17.1%)	(14.9)	(65.8%)	(18.7)	(64.6)	(64.7%)
Others	(0.4)	(0.4)	0%	(1.6)	(75.0%)	(1.2)	(3.4)	(22.6%)
Loans, Assignments & Onlending	(4.2)	0.1	n.c.	(1.1)	281.82%	(7.3)	(7.0)	5.71%
Foreign Borrowings	(4.0)	0.2	n.c.	(0.9)	n.c.	(6.8)	(6.1)	13.1%
Domestic Borrowings & Onlending	(0.2)	(0.2)	0%	(0.2)	0%	(0.5)	(0.9)	(33.33%)
Sales operations/transfer of financial assets	0.0	0.0	n.c.	(0.0)	n.c.	(0.6)	(0.9)	(100%)
Gross Result from Financial Intermediation before ALL	(4.3)	(8.9)	(52.1%)	2.3	(286.5%)	(12.1)	12.4	(198.0%)
Managerial ALL Expense	(22.2)	(20.5)	7.77%	(63.6)	(65.0%)	(87.7)	(92.5)	(5.19%)
Gross Result from Financial Intermediation	(26.5)	(29.4)	(10.17%)	(62.5)	-57.66%	(99.4)	(81.9)	21.37%

Net Interest Margin (NIM)

Managerial interest margin with clients was 3.42% in the 3Q18.

Net Interest Margin	3Q18	2Q18	3Q18/2Q18	3Q17	3Q18/3Q17	9M18	9M17	9M18/9M17
A. Result from Financial Intermediation before ALL ¹	(4.3)	(8.9)	-51.9%	1.1	-491.0%	(11.7)	11.1	-205.95%
B. Average Interest bearing Assets	1.647.0	1.639.4	0.5%	2.310.9	-28.7%	1.685.3	2.713.5	-37.9%
Adjustm. for non-remunerated average assets ²	(188.0)	(153.6)	22.4%	(124.0)	51.6%	(154.0)	(150.7)	2.2%
B.a. Adjusted Average Interest bearing Assets	1.459.0	1.485.8	-1.8%	2.186.9	-33.3%	1.531.3	2.562.8	-40.2%
Net Interest Margin (Aa/Ba)	-1.4%	-2.4%	1.0 p.p.	0.4%	-1.8 p.p.	-1.0%	0.5%	-1.5 p.p.
Managerial NIM with Clients	3.42%	3.84%	-0.4 p.p.	4.24%	-0.8 p.p.	3.61%	4.35%	-0.7 p.p.

¹ Repos with equivalent volumes tenors and rates both in assets and liabilities.

² Adjusted for the extraordinary nonrecurring event involving Ceagro Agrícola Ltda.

Efficiency

Throughout 3Q18 we maintained our strict expenditure control both personnel and administrative expenses. To this end the Bank + Guide's personnel expenses showed a slight increase of 0.2% quarter-on-quarter proving the effectiveness of the efforts made. It should be stressed that Financial Intermediation Result was impacted by the events detailed in the Operational Performance section.

Efficiency Ratio	3Q18	2Q18	3Q18/2Q18	3Q17	3Q18/3Q17	9M18	9M17	9M18/9M17
Personnel Expenses	23.2	23.2	0.2%	21.3	8.9%	69.1	63.4	8.9%
Contributions and Profit-sharing	4.0	6.7	(40.3%)	3.9	3.8%	15.2	10.7	41.7%
Administrative Expenses	26.5	22.4	18.6%	19.8	33.9%	71.0	58.3	21.7%
Taxes	4.2	4.0	6.8%	2.7	55.7%	11.9	8.1	46.3%
A. Total Operating Expenses	58.0	56.3	3.1%	47.8	21.5%	167.2	140.6	18.9%
Gross Income Financial Intermediation (w/o ALL)	(4.2)	(8.9)	112.3%	2.3	n.c.	(11.7)	12.9	(190.8%)
Income from Services Rendered	27.4	28.4	(3.7%)	18.5	48.1%	81.0	52.6	53.8%
Other Net Operating Income *	(0.9)	2.0	(144.3%)	(4.7)	(81.1%)	(0.6)	(8.4)	(93.2%)
B. Total Operating Income	22.3	21.6	3.4%	16.0	39.2%	68.7	57.2	20.1%
Efficiency Ratio (A/B)	261%	262%	(1.0 p.p.)	283.2%	(22.2 p.p.)	244%	244%	0 p.p.

* Net of other operating expenses to eliminate the effects of the revenues and costs of the BI&P Cereais operation.

Expanded Credit Portfolio

The bank's Expanded Credit Portfolio ended 3Q18 at R\$734.6 million, an intentional downsizing of 45.2% in twelve months.

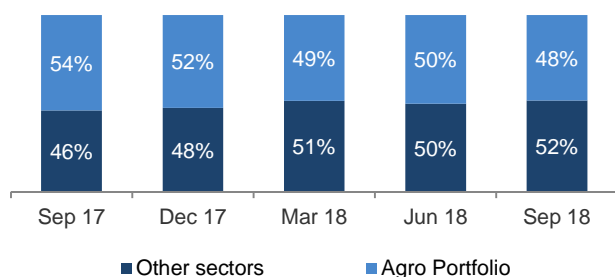
Expanded Credit Portfolio by Product Group	3Q18	2Q18	3Q18/2Q18	3Q17	3Q18/3Q17
Loans & Financing in Real	347.7	465.8	(25.4%)	716.1	(51.4%)
Assignment of Receivables Originated by our Customers	26.9	25.4	5.9%	26.0	3.3%
Trade Finance (ACC/ACE/IMPFIN)	56.1	50.1	12.1%	52.9	6.2%
Other	16.7	17.4	(3.9%)	33.7	(50.4%)
Credit Portfolio	447.4	558.7	(19.9%)	828.7	(46.0%)
Guarantees Issued (LGs & L/Cs)	69.7	79.4	(12.2%)	158.8	(56.1%)
Agro Bonds (Securities: CPRs & CDA/WA; Credit: CDCAs)	66.4	72.0	(7.8%)	203.6	(67.4%)
Private Credit Bonds (Securities: Debentures)	34.4	36.7	(6.2%)	37.4	(7.9%)
Other	116.8	115.4	1.2%	111.6	4.6%
Expanded Credit Portfolio	734.6	862.1	(14.8%)	1.340.0	(45.2%)

¹ The Other segment basically consists of Consumer Credit operations for Used Vehicles and financing of non-operating assets.

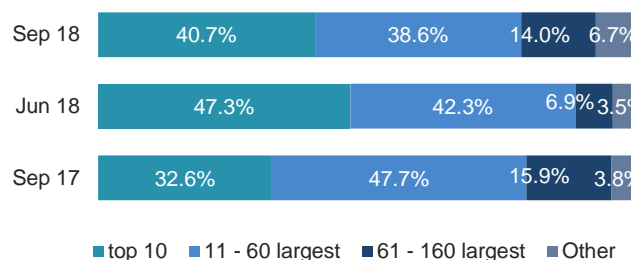
² FIDC: corresponds to the operation that was not being recorded in the credit portfolio until 2Q16.

The Agro segment continues to account for a large part of the expanded credit portfolio, since it represents 48.4% of the total portfolio in the 3Q18, while the other sectors closed the same period represents 51.6% of the expanded loan portfolio. Reflecting the aforementioned strategy of strengthening our franchise in the agribusiness sector.

Expanded Credit Portfolio by Segment



Expanded Credit Portfolio by Client Concentration

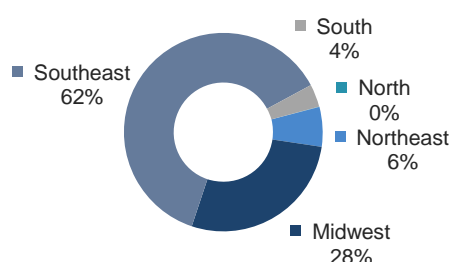


* The Other segment basically consists of Consumer Credit operations for Used Vehicles and financing of non-operating asset.

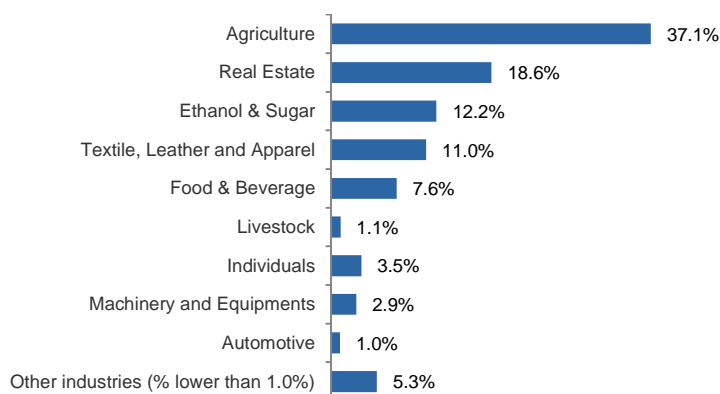
In 3Q18, the agro bonds portfolio classified under marketable securities, totaled R\$72.9 million, drop of (7.7%) in the quarter and (71.1%) in 12 months. The decrease in 12 months is mainly due to the intentional downsizing of the loan portfolio.

Agro Bonds Portfolio	3Q18	2Q18	3Q18/2Q18	3Q17	3Q18/3Q17
Booked under Securities	66.4	72.0	(7.8%)	203.6	(67.4%)
Warrants - CDA/WA	33.4	3.2	n.c.	17.6	89.6%
Agro Product Certificate - CPR	32.9	68.7	(52.1%)	186.0	(82.3%)
Booked under Credit Portfolio - Loans & Financing	6.5	6.9	(6.1%)	48.6	(86.6%)
Agro Credit Rights Certificate - CDCA	6.5	6.9	(6.1%)	48.6	(86.6%)
Agricultural Bonds	72.9	78.9	(7.7%)	252.2	(71.1%)

Expanded Credit Portfolio by Region



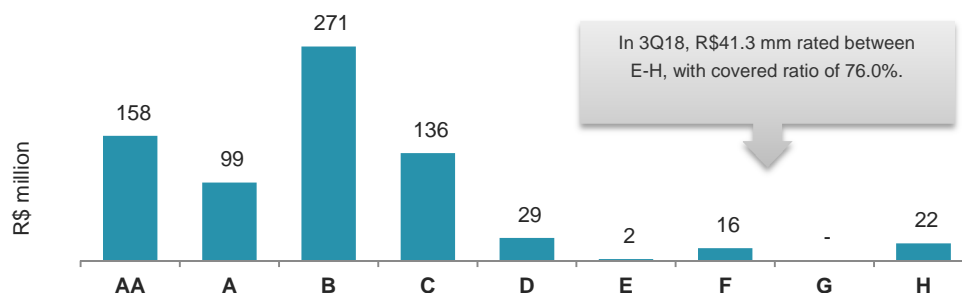
Expanded Credit Portfolio by Economic Sector



Quality of Expanded Credit Portfolio

During the course of 3Q18 we will continue to operate in specific niches of the credit market, with a strong focus on agribusiness and on operations that generate cross selling with investment banking transactions. Even though we are maintaining our conservative approach in relation to our credit policy with the reduction of the portfolio in the higher risk segment in order to reduce payment delays and defaults, we plan to resume the expansion of our loan portfolio in the coming quarters as we believe in an improvement of the Brazilian macroeconomic environment and the continued strength of the agribusiness sector, always giving priority to good quality and short duration loans.

Expanded Credit Portfolio by Rating



The default rate on loans overdue more than 90 days (NPL 90 days) totaled R\$35.6 million in 3Q18, excluding operations related to Ceagro Agrícola case as against R\$62.9 million in 2Q18, **with provisions covering 67% of this balance**. The increase in both quarterly and annual comparison is due to the stricter renegotiation processes, given the worsening macroeconomic situation and the Bank's conservative approach.

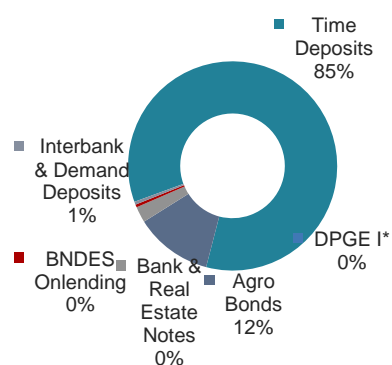
Funding

Funding totaled R\$2.1 billion in September 2018. 7.9% growth in the quarter and 14.5% decrease in twelve months. Our cash position remained comfortable thanks to our strategy of maintaining a high level of liquidity and diversifying

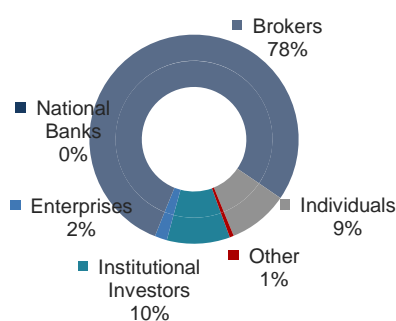
our funding sources in recent years and by the end of 3Q18, we had a depositor base of more than 35.874 members. compared to 29.559 at the end of 3Q17, an increase of 21%.

Total Funding	3Q18	2Q18	3Q18/2Q18	3Q17	3Q18/3Q17
Total Deposits	2,124.5	1,968.2	7.9%	2,484.4	(14.5%)
Time Deposits	1,805.7	1,544.4	16.9%	1,418.8	27.3%
Insured Time Deposits (DPGE)	0.0	22.2	n.c.	398.4	n.c.
DPGE I	0.0	21.4	n.c.	397.7	n.c.
DPGE II	0.0	0.8	n.c.	0.7	n.c.
Agro Notes (LCA)	255.6	306.3	(16.5%)	576.3	(55.6%)
Real Estate Notes (LCI)	52.6	53.1	(0.9%)	53.0	(0.8%)
Bank Notes (LF)	0.0	0.0	n.c.	5.2	n.c.
Interbank Deposits	0.0	29.5	n.c.	20.1	n.c.
Demand Deposits	10.5	12.8	(17.5%)	12.7	(17.2%)
Domestic Onlending	9.0	9.5	(6.1%)	16.4	(45.4%)
Foreign Borrowings	0.0	0.0	n.c.	0.0	n.c.
Trade Finance	0.0	0.0	n.c.	0.0	n.c.
Other Foreign Borrowings	0.0	0.0	n.c.	0.0	n.c.
Total Funding	2,133.4	1,977.7	7.9%	2,500.9	(14.7%)

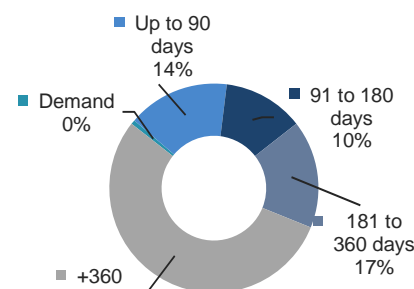
By Type



By Investor



By Maturity



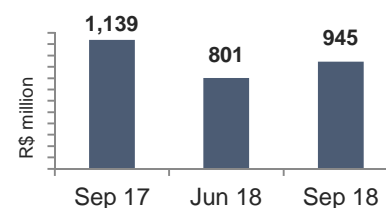
Average term of deposits is 818 days from issuance (695 days in September 2017) and 497 days from maturity (387 days in September 2017).

Type of Deposit	Average Term in days	
	from issuance	to maturity ¹
Interbank	0	0
Time Deposits	871	557
Insured Time Deposits (DPGE)	0	0
Agro Notes (LCA)	560	155
Real Estate Notes (LCI)	315	181
Bank Notes (LF)	0	0
Portfolio of Deposits ²	818	497

¹ From September 30, 2018. | ² Volume(weighted average).

Free Cash

On September 30, 2018 free cash totaled R\$944.7 million, increased 17.9% in the quarter and decreased 17.0% from September 30, 2017, corresponding however to 44.5% of total deposits versus 45.9% at the end of 3Q17 and 9.9 time shareholders' equity. The calculation considers cash. Short-term interbank investments and securities, less funds raised in the open market and debt securities classified under marketable securities comprising rural product certificates (CPR), agribusiness deposit certificates and warrants (CDAWA), debentures and promissory notes (NP).



Capital Adequacy

The Basel Accord provides for a minimum equity percentage that all banks must abide weighted by the risk incurred during operations. For this purpose, the Brazilian Central Bank determined that all banks installed in the country must comply with a required minimum equity percentage of 8.625%, in force for the year of 2018, calculated based on the rules established by the Basel Accord III, thus ensuring greater safety for the Brazilian financial system despite fluctuations in the economic conditions. In addition, the Brazilian Central Bank imposed an Additional Main Capital, which currently corresponds to a percentage of 1.875% of the assets weighted by the risk.

Basel Index	3Q18	2Q18	3Q18/2Q18	3Q17	3Q18/3Q17
	-16.8%	-12.5%	-4.3 p.p.	6.1%	-22.9 p.p.

Risk Ratings

Agency	Classification	Observation	Last Report
RiskBank	RiskBank Index: 6.97 Under observation	Disclosure: Good	10.18.2018

Capital Markets

Total Shares and Free Float

Type	Corporate Capital	Controlling Group	Management	Treasury	Number of shares as 09.30.2018	
					Free Float	%
Common	115,033,148	73,669,219	4,182,076		37,181,853	32.2%
Preferred	37,494,103	7,076,658	5,074,507	543,396	24,799,542	66.1%
TOTAL	152,527,251	80,745,877	9,256,583	543,396	61,981,395	40.6%

Stock Option Plan

The following Stock Option Plans approved for the Company's executive officers and managers as well as individuals who provide services to the Company had the following balances on September 30, 2018:

Stock Option Plan	Date of Approval	Grace Period	Term for Exercise	Quantity			
				Granted	Exercised	Extinct	Not Exercised
I	Mar 26, 2008	Three years	Five years	618,195		618,195	
II	Apr 29, 2011	Three years	Five years	1,840,584		1,840,584	
III	Apr 29, 2011	Five years	Seven years	1,850,786		151,024	1,699,762
IV	Apr 24, 2012	Up to five years	Five years	867,425		660,999	206,426
				5,176,990		3,270,802	1,906,188

The aforementioned Stock Options Plans are filed in the IPE system of the Securities and Exchange Commission of Brazil (CVM) and are also available in the Company's IR website.

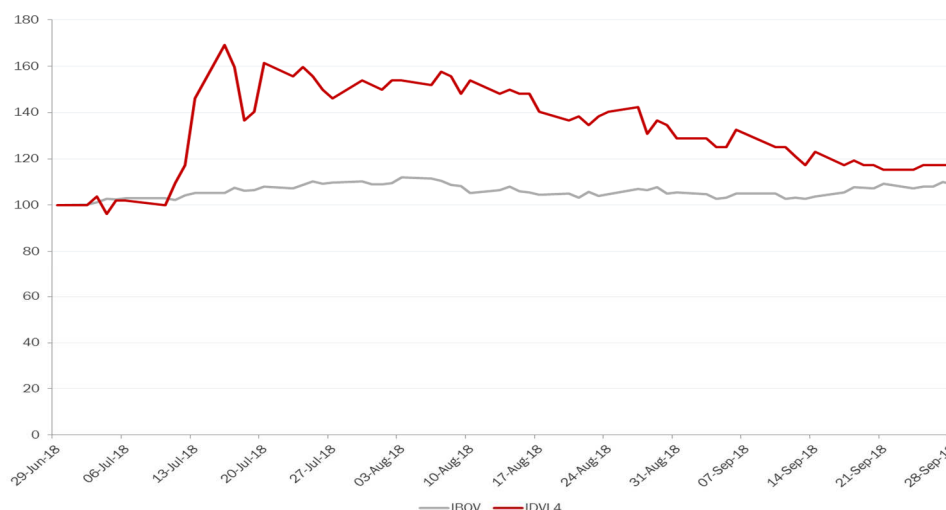
Remuneration to Shareholder

During 3Q18 the Bank neither provisioned nor paid interest on equity calculated based on the Long(Term Interest Rate (TJLP) and towards the minimum dividend for fiscal year 2018. The Board of Directors will, by the end of the year, study the possibility of early payment of interest on equity after considering the results and the tax efficiency of such payment.

Share Performance

The preferred shares of Banco BI&P (IDVL4) listed in the Level 2 Corporate Governance segment of BM&FBovespa closed the quarter at R\$0.61 for market cap of R\$93 million including the shares existing on September 2018 and excluding treasury stock. The price of IDVL4 shares increased 17% in the quarter and dropped 66% in the 12 months ended September 2018. In comparison, the Bovespa Index (Ibovespa) rose 8.9% in the quarter and 6.7% in relation to September 2017. At the end of 3Q18 the price/book value (P/BV) ratio was 0.97.

Share Price evolution in the last 3 months



Liquidity and Trading

The preferred shares of BI&P (IDVL4) were traded in 100.0% of the sessions in the quarter and 99.0% of the 245 sessions in the 12 months ended in September 2018. The volume traded on the spot market in the quarter was R\$6.5 million involving 8.1 million IDVL4 shares in 4,512 trades. Between the close of 3Q17 and 3Q18 the volume of IDVL4 shares traded on the spot market was R\$21.3 million involving around 20.7 million preferred shares in 12,269 trades.

Shareholder Base

Position as 09.30.2018

QTY	Type of Shareholder	IDVL3	%	IDVL4	%	TOTAL	%
5	Controlling Group	73,669,219	64.0%	7,076,658	18.9%	80,745,877	52.9%
4	Management	4,151,440	3.6%	5,069,100	13.5%	9,220,540	6.0%
	Treasury	0	0.0%	543,396	1.4%	543,396	0.4%
17	National Institutional Investors	1,201,090	1.0%	211,955	0.6%	1,413,045	0.9%
3	Foreign Investors	12,190,677	10.6%	16,792,711	44.8%	28,983,388	19.0%
26	Corporates	18	0.0%	1,473,168	3.9%	1,473,186	1.0%
961	Individuals	23,820,704	20.7%	6,327,115	16.9%	30,147,819	19.8%

EARNINGS RELEASE

3rd Quarter 2018

1.016	TOTAL	115,033,148	100.0%	37,494,103	100.0%	152,527,251	100.0%
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Balance Sheet

CONSOLIDATED		R\$ thousand		
ASSETS	30/09/2018	30/06/2018	30/09/2017	
Current	1.725.535	1.491.008	1.943.967	
Cash	15.568	18.007	66.968	
Short-term interbank investments	735.025	442.736	626.684	
Open market investments	723.813	413.534	606.554	
Interbank deposits	11.212	29.202	20.130	
Securities and derivative financial instruments	573.804	666.199	810.049	
Own portfolio	415.943	535.865	648.257	
Subject to repurchase agreements	11.705	12.440	11.503	
Linked to guarantees	135.911	117.541	146.071	
Subject to the Central Bank	9.709	-	-	
Derivative financial instruments	536	353	4.218	
Interbank accounts	104	769	870	
Payment and receipts pending settlement	91	275	206	
Restricted credits - Deposits with the Brazilian Central Bank	-	493	663	
Agreements	13	1	1	
Loans	215.149	192.580	285.230	
Loans - private sector	226.273	201.074	292.604	
Loans - assignments	-	-	3.691	
(-) Allowance for loan losses	(11.124)	(8.494)	(11.065)	
Other receivables	176.624	165.558	149.470	
Foreign exchange portfolio	61.759	59.912	54.168	
Income receivables	4.093	3.110	1.600	
Negotiation and intermediation of securities	52.908	56.371	68.246	
Sundry	58.038	46.537	28.871	
(-) Allowance for loan losses	(174)	(372)	(3.415)	
Other assets	9.261	5.159	4.696	
Other receivables and assets not for own use	6.986	1.676	3.481	
Prepaid expenses	2.275	3.483	1.215	
Long term	934.861	990.144	1.139.944	
Marketable securities and derivative financial instruments	34.398	36.666	34.758	
Own portfolio	2.261	761	1.664	
Subject to repurchase agreements	32.137	35.905	32.683	
Interbank Accounts	3.188	2.754	2.623	
Pledged Deposits - Caixa Economica Federal	3.188	2.754	2.623	
Loans	60.269	132.421	267.800	
Loans - private sector	97.558	187.587	308.756	
(-) Allowance for loan losses	(37.289)	(55.166)	(40.956)	
Other receivables	616.524	587.051	592.839	
Trading and Intermediation of Securities	500	488	-	
Foreign exchange portfolio	-	-	2.956	
Income receivables	1.155	1.144	470	
Sundry	639.306	658.456	657.751	
(-) Allowance for loan losses	(24.437)	(73.037)	(72.794)	
Other assets	220.482	231.252	241.924	
Permanent Assets	62.248	65.056	63.072	
Investments	18.294	18.245	18.037	
Subsidiaries and Affiliates	16.560	16.524	16.316	
Other investments	1.734	1.721	1.721	
Property and equipment	3.389	3.708	4.697	
Other property and equipment	25.215	25.251	25.716	
(-) Accumulated depreciation	(21.826)	(21.543)	(21.019)	
Intangible	40.565	43.103	40.338	
Goodwill	28.702	28.702	28.702	
Other intangible assets	47.347	46.965	37.214	
(-) Accumulated amortization	(35.484)	(32.564)	(25.578)	
TOTAL ASSETS	2.722.644	2.546.208	3.146.983	

EARNINGS RELEASE

3rd Quarter 2018

CONSOLIDATED		R\$ thousand		
LIABILITIES	30/09/2018	30/06/2018	30/09/2017	
Current	1.296.579	1.246.498	1.658.087	
Deposits	609.013	595.039	891.638	
Cash deposits	10.517	12.751	12.696	
Interbank deposits	-	29.497	20.101	
Time deposits	598.496	552.791	858.841	
Funds obtained in the open market	238.011	171.040	75.245	
Own portfolio	44.479	48.029	44.442	
Third party portfolio	193.532	123.011	30.803	
Funds from securities issued or accepted	263.272	304.414	514.389	
Agribusiness Letters of Credit, Real Estate Notes & Bank Notes	263.272	304.414	514.389	
Interbank accounts	85	270	167	
Receipts and payment pending settlement	85	270	167	
Interdepartmental accounts	10.531	1.917	2.913	
Third party funds in transit	10.531	1.917	2.913	
Onlendings	1.415	1.770	7.827	
BNDES	-	289	1.902	
FINAME	1.415	1.481	5.925	
Other liabilities	174.252	172.048	165.908	
Collection and payment of taxes and similar charges	63	64	50	
Foreign exchange portfolio	602	3.552	1.474	
Taxes and social security contributions	6.240	5.980	7.342	
Social and statutory liabilities	3.704	11.295	3.625	
Negotiation and intermediation securities	145.992	131.938	137.023	
Derivative financial instruments	-	3.171	352	
Sundry	17.651	16.048	16.042	
Long Term	1.329.221	1.146.965	1.150.788	
Deposits	1.207.239	1.013.851	958.340	
Time deposits	1.207.239	1.013.851	958.340	
Funds from securities issued or accepted	44.928	54.898	120.064	
Agribusiness Letters of Credit, Real Estate Notes & Bank Notes	44.928	54.898	120.064	
Onlending operations - Governmental Bureaus	7.544	7.774	8.592	
Federal Treasure	4.137	4.040	3.775	
BNDES	-	-	-	
FINAME	3.217	3.544	4.627	
Other Institutions	190	190	190	
Other liabilities	69.510	70.442	63.792	
Taxes and social security contributions	125	421	68	
Derivative financial instrument	-	-	-	
Sundry	69.385	70.021	63.724	
Future results	1.672	1.595	4.501	
Shareholders' Equity	95.172	151.150	333.606	
Capital	849.843	849.843	849.843	
Capital Reserve	35.960	35.960	35.960	
(-) Treasury stock	(4.283)	(4.283)	(4.283)	
Asset valuation Adjustment	(321)	(105)	(215)	
Accumulated Profit / (Loss)	(790.044)	(731.394)	(548.899)	
Minority Interest	4.017	1.129	1.200	
TOTAL LIABILITIES	2.722.644	2.546.208	3.146.983	

Income Statement Consolidated

	R\$ thousand				
INCOME STATEMENT CONSOLIDATED	3Q18	2Q18	3Q17	9M18	9M17
Income from Financial Intermediation	42.650	36.906	71.718	126.832	270.614
Loan operations	8.204	15.601	27.344	37.430	95.129
Income from securities	14.262	18.497	34.326	60.706	139.410
Income from derivative financial instruments	11.700	(7.099)	6.438	5.839	22.688
Income from foreign exchange transactions	8.484	9.907	3.610	22.857	13.388
Expenses from Financial Intermediation	(68.588)	(65.551)	(133.340)	(246.098)	(349.919)
Money market funding	(44.581)	(45.750)	(65.632)	(129.742)	(248.891)
Loans, assignments and onlendings	(4.157)	72	(1.138)	(7.316)	(6.980)
Sales operations/transfer of financial assets	-	-	(40)	-	(8.105)
Allowance for loan losses	(19.850)	(19.873)	(66.530)	(109.040)	(85.943)
Gross Profit from Financial Instruments	(25.938)	(28.646)	(61.622)	(119.266)	(79.304)
Other Operating Income (Expense)	(29.575)	(21.418)	(29.635)	(76.622)	(85.251)
Income from services rendered	34.267	33.898	22.441	98.961	62.370
Income from tariffs	116	98	103	312	303
Personnel expenses	(23.230)	(23.185)	(21.341)	(69.071)	(63.433)
Other administrative expenses	(35.841)	(30.523)	(24.281)	(94.516)	(69.910)
Taxes	(4.235)	(3.965)	(2.720)	(11.908)	(8.141)
Equity in results of subsidiaries	290	595	185	1.304	670
Other operating income	11.425	7.198	24.022	37.966	171.067
Other operating expense	(12.367)	(5.534)	(28.043)	(39.670)	(178.176)
Operating Profit	(55.513)	(50.064)	(91.257)	(195.888)	(164.555)
Non-Operating Profit	(7.024)	(8.332)	(2.963)	(17.658)	(6.511)
Earnings before taxes and profit-sharing	(62.537)	(58.396)	(94.220)	(213.546)	(171.066)
Income tax and social contribution	7.749	13.330	23.200	49.003	19.940
Income tax	209	(449)	(106)	(836)	(1.486)
Social contribution	181	(347)	(192)	(615)	(1.143)
Deferred fiscal assets	7.359	14.126	23.497	50.454	22.570
Statutory Contributions & Profit Sharing	(4.031)	(6.749)	(3.883)	(15.216)	(10.741)
Net Profit for the Period	(58.819)	(51.815)	(74.903)	(179.759)	(161.866)