

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.

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 aims 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;

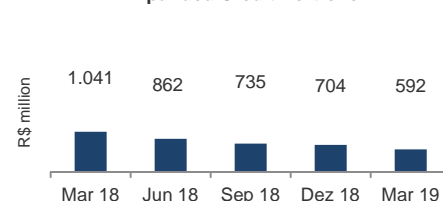
Competitive Advantages

- 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)

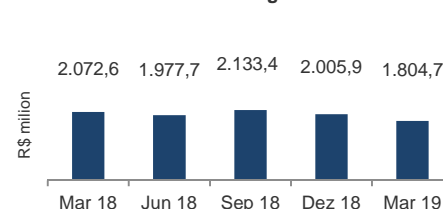
Highlights 1Q19

- Pursuant to the information disclosed in the Material Fact dated March 11, 2019 and the Notice to Shareholders dated March 27, 2019, regarding the share capital increase approved by the Company's General Shareholders' Meeting dated March 27, 2019 ("GSM"), a total of 71,546,110 shares were subscribed, during the applicable preemptive right period, at an issuance price of BRL 3.50 per common share, totaling BRL 250,411,385.00, fully paid up and deposited at the Central Bank, awaiting due approval and accreditation. The share capital increase process shall be completed upon approval by the Central Bank. The purpose of such capital increase is to improve the balance sheet of BI&P and its subsidiaries, in order to meet the Basel framework and ultimately recover their ability to generate new business operations and activities at Indusval.
- With regard to changes in the institution's management, we are currently at the final stage of the Central Bank of Brazil (BACEN) approval process. Upon such approval, Mr. Fernando Fegyveres, Mr. Alexandre Teixeira, and Mr. Guilherme Parente shall assume the positions of CEO, Director of Products and New Business, and Director of Risks and Operations, respectively. This election is an important aspect in the process of repositioning the institution and resuming its growth.
- The group's new digital platform, the subsidiary named Banco SmartBank S.A. (former Banco Intercap), is carrying out preliminary tests and the Central Bank of Brazil recently authorized the change in its corporate name and board of directors, comprised of Mr. Everson Lopes and Mr. Rodrigo Silva Guarino.
- **The expanded credit portfolio totaled BRL 591.8 million**, with an intentional reduction of 43.1% in twelve months. It is important to point out that our loan portfolio dedicated to agribusiness totaled BRL 256 million (43% of the total portfolio) at the end of this quarter, of which approximately 89% of its loans were classified as AA and C ratings, in addition to the high liquidity of the bank's expanded portfolio, since its average duration ended the quarter in only 12.5 months.
- **Free cash flow amounted to BRL 778.2 million** at the end of 1Q19, representing 43.3% of total deposits made, compared to 40.5% at the end of 1Q18, maintaining the same level of recent quarters. Our cash position is possible due to our strategy of holding high liquidity and somewhat liquidating acquisitions made over the past few years. It is important to note that we held a base of more than 31,260 depositors at the end of 1Q19, compared to 39,983 registered at the end of 4Q18 – a decrease of 22%. The calculation of such cash position did not include the amount of BRL 250,411,385.00 related to the aforementioned share capital increase, which has already been paid up and deposited at the Central Bank. Such amount shall be considered in the calculation upon BACEN's approval of the share capital increase.
- Regarding the Bank's management expenses, personnel expenses rose 6.7% in the quarter and 3.5% year over year – such increase is mainly attributed to expenses related to Smartbank staff hiring, among others. Excluding the online bank's staff expenses, the variation totaled -26% quarter over quarter and -27% year over year. Administrative expenses, in turn, dropped 9.9% compared to 4Q18, attributed to the Guide's divestment process on 11/05/2018. Despite lower credit portfolio activities year over year, administrative expenses rose 1.3%, below the inflation rate for the period – justified by the increase in expenses with the digital bank. It is important to note that, as of 11/05/2018, the revenues and some expenses of Guide Investimentos are no longer covered in the Bank's group of consolidated accounts.
- The quarter's result was negative at BRL 37.2 million, due to (i) lower credit portfolio volume, which, in turn, drove down revenue from credit operations; and (ii) transfer costs of cash and assets without financial income.
- We underline that Banco Indusval's repositioning, initiated with a capital increase and the arrival of new officers, is still in its early stages, preventing any short-term estimation regarding the bank's performance.

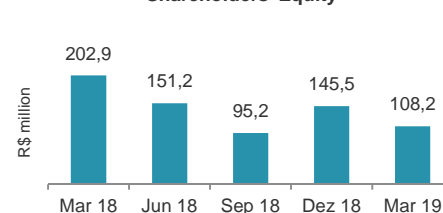
Expanded Credit Portfolio



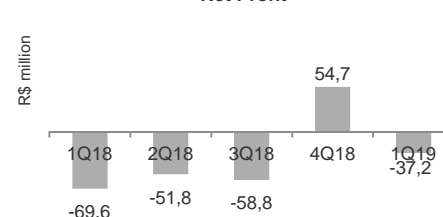
Funding



Shareholders' Equity



Net Profit



Main Economic & Financial Highlights

Amounts in BRL million, except where otherwise indicated.

RESULTS ¹	1Q19	4Q18	1Q19/4Q18	1Q18	1Q19/1Q18
Result from Financial Intermediation before ALL	(8.6)	12.6	-168.4%	1.3	n.c.
Managerial ALL Expenses	0.6	(79.8)	100.8%	(67.1)	100.9%
Result from Financial Intermediation	(8.0)	(67.2)	88.1%	(65.8)	87.9%
Income from Services Rendered and Tariffs	0.7	6.1	-88.7%	25.2	-97.3%
Personnel and Administrative Expenses	(25.5)	(32.2)	20.7%	(44.7)	42.9%
Other Operating Income and Expenses	(0.3)	(18.8)	98.2%	(5.0)	93.1%
Recurring Operating Result	(33.1)	(112.1)	70.4%	(90.3)	63.3%
Non-Recurring Operating Expenses	(1.9)	(2.4)	22.8%	0.0	n.c.
Non-Operating Result	(1.6)	149.6	-101.1%	(2.3)	30.8%
Income tax and social contribution	(0.6)	21.0	-102.8%	27.9	-102.1%
Statutory Contributions & Profit Sharing	(0.1)	(1.3)	94.8%	(4.4)	98.4%
Net Profit (Loss)	(37.3)	54.7	-168.1%	(69.1)	46.1%
BALANCE SHEET	1Q19	4Q18	1Q19/4Q18	1Q18	1Q19/1Q18
Credit Portfolio	344.7	402.2	-14.3%	652.6	-47.2%
Expanded Credit Portfolio	591.8	704.3	-16.0%	1,040.7	-43.14%
<i>Emerging Companies</i>	206.0	232.7	-11.5%	344.7	-40.2%
<i>Corporate</i>	373.9	460.7	-18.8%	681.4	-45.1%
<i>Others</i>	15.9	16.2	-2.0%	24.9	-35.9%
Total Deposits	1,796.6	1,997.4	-10.1%	2,061.5	-12.9%
Total Funding	1,804.7	2,005.9	-10.0%	2,072.6	-12.9%
Total Assets	2,213.0	2,445.0	-9.5%	2,703.7	-18.1%
Shareholders' Equity*	108.2	145.5	-25.7%	202.9	-46.7%
PERFORMANCE	1Q19	4Q18	1Q19/4Q18	1Q18	1Q19/1Q18
Free Cash	778.2	928.2	-16.2%	834.9	-6.8%
Leverage (Expanded Credit Portfolio / Equity)	5.5	4.8	0.6 p.p.	5.1	0.3 p.p.
NPL 90 days / Credit Portfolio	33.0	25.4	0.3 p.p.	47.7	-0.3 p.p.
Basel Index *	-13.7%	-10.4%	-0.3 p.p.	-6.9%	-1.0 p.p.
Return on Average Equity (ROAE)	-75.1%	347.5%	-1.2 p.p.	-74.8%	0.0 p.p.
Adjusted Net Interest Margin (NIMA)	3.2%	3.2%	0.0 p.p.	3.6%	-0.1 p.p.
Efficiency Ratio	-355.7%	3,746.4%	-1.1 p.p.	213.1%	-2.7 p.p.
Efficiency Ratio w/o Guide Investimentos	#N/D	#N/D	n.c.	#N/D	n.c.
SHARES	1Q19	4Q18	1Q19/4Q18	1Q18	1Q19/1Q18
Number of Shares Outstanding ²	15,251,725	15,251,725	0.0%	15,251,725	0.0%
Net Profit per Share - R\$	-2.44	3.59	-168.1%	-4.53	46.1%
Book Value - R\$	7.09	9.54	-25.7%	13.30	-46.7%
Interest on Own Equity per Share - R\$	0.00	0.00	n.c.	0.00	n.c.
Market Value	9.3	21.2	-56.1%	18.0	-48.3%
OTHER INFORMATION	1Q19	4Q18	1Q19/4Q18	1Q18	1Q19/1Q18
Number of Employees	431	431	0.0%	363	18.7%

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

Agency	Rating	Last Report
RiskBank	RiskBank Index: 8,03 Under Observation	May/19

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

IDVL3
NÍVEL 2
BM&FBOVESPA

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

IDVL4
NÍVEL 2
BM&FBOVESPA