Management Report

1st Half 2019

Management Report

Porto Alegre, August 29, 2019 – **Banco Agibank S.A.** ("Bank" or "Agibank"), an innovative bank offering products and services to improve and facilitate people's everyday and financial lives, announces its **results for the 1st half of 2019 (1H19)**. The financial statements were prepared based on accounting practices considering the Brazilian corporate legislation, associated with the rules and instructions of the National Monetary Council (CMN) and the Central Bank of Brazil (BACEN).

MESSAGE FROM THE MANAGEMENT

The first half of 2019 was marked by Agibank's progress in the construction of tomorrow's bank, playing a leading role in financial services and product digitalization in Brazil. The bank reached the end of the period with R$ 1,747.2 million credit portfolio (+15.3% from 1H18), net income of R$ 13.9 million (-86.1% from 1H18), return on average equity (ROAE) of 13.2% and return on average assets (ROAA) of 2.8%. Its risk and liquidity indicators – Basel Ratio of 14% and Liquidity Coverage Ratio (LCR) of 2,852.7% – showcase the institution's comfortable capital and liquidity positions. Return was down compared with the bank's track record – the result of a gradual change in the credit portfolio's profile, favoring facilities with lower risk and return, such as payroll-deductible loans. The share of this type of operation in the portfolio was 10% (*versus* 5% in Jun/18), in line with the purpose of increasingly building long-term relationships with clients and decelerating the growth of the credit portfolio, due to a more challenging economic environment and an increase in the cost of risk. In addition, Agibank continued to invest in technology, in improving its credit-granting model and other stages in the credit cycle, in improving internal processes, and in a better client experience, leading to higher numbers of digital transactions and cross selling of products. Taken together, these factors bode well for the bank going forward.

Reaching the end of the first half with a network of 596 outlets and a presence in every Brazilian city with populations of more than 100 thousand, the bank strengthened its omnichannel strategy, providing a unique experience to its more than 1.2 million clients. Products and services such as credit, checking accounts, credit and debit cards, investments, consortia, insurance and payments, enable clients to enjoy the converging sales and service channels, which complement each other in a comprehensive financial services platform including the app, internet banking, artificially intelligent call center, experience points, and cash withdrawal solutions. In addition to its proprietary platform, Agibank also provides financial services by means of a partner network with over 35 thousand withdrawal terminals and 2 million establishments certified for QR Code-based payments.

Recognition in the first half of the year also placed Agibank in the spotlight of the transformation which is taking place in the domestic financial industry, testifying to the quality of the service provided to clients, which are always at the heart of all of our strategic initiatives. The period was also marked by the consolidation of important partnerships, the release of new services and features, and the reinforcement of our role in society by means of our engagement in social projects.

RA1000 Certification. Banco Agibank was the only financial institution to make the RA 1000 index according to the *Reclame Aqui* semi-annual reputational ranking. According to the Website, Agibank has responded to 100% of complaints and resolved 89.5% of cases, for a total score of 8.8. Out of all clients, 81.4% would do business with Agibank again. *Reclame Aqui*'s criteria include a response index (IR), the average of consumer-assigned scores, and the resolution index (IS), which only considers finalized and reviewed complaints. To earn the certificate, an organization must have a response index over 50% and 10 or more reviews. This recognition is proof that the Bank can grow its client base even as it improves service quality at every point of contact – be it the app, virtual and phone service channels, and the 596 brick-and-mortar sites across Brazil.

Innovation Champions. In April, Agibank was voted the sixth most innovative company in the south of Brazil, and placed first in the financial services category. The award is coordinated by the Amanhã Group and includes technical reviews by the IXL-Center (Center for Innovation, Excellence and Leadership) from Boston (USA) a world reference for investigation of best innovation management practices.

***Projeto Pescar*.** The third class of Agibank's Projeto Pescar unit began in 2019, with another 10 young people. In addition to opening up a world of prospects for the underprivileged, the project provides an exercise in learning and citizenship for employees, who were able to serve as volunteer teachers, sponsors and tutors to students. The initiative is part of the Agibank Experience Journey, and stands as one of its strategies to foster the development of the Bank's employees and executives.

Payroll-Deductible Loan Digitalization. In May this year, Agibank proved to be in the vanguard of the race for payroll-deductible loan digitalization and was the first digital bank in Brazil to certify an API with DataPrev, the Social Security's technology and information company, pursuing transformation of clients' experience using the product. In practice, this means having access to client information straight from the source, enabling far more accurate credit analysis and, thereby, faster release of funds, more flexible rates, and lower fraud risk. After the trials phase with DataPrev, Agibank clients are expected to be able to enjoy all of the improvements made to this type of loan, which may be accessed both at the institution's brick-and-mortar units and through digital channels, reinforcing the Bank's omnichannel strategy and reaffirming its DNA for innovation.

Agibank Experience Journey. Also in May, the Bank launched the Agibank Experience Journey, a platform intended to transform employees' careers with the institution, boosting their development and the promotion of new talents. Structured on four main pillars – Live, Grow, Enjoy, and Come –, the initiatives encourage each one to play a leading role in their own professional development, increases visibility in connection with internal opportunities and benefits, and adds to the corporate education and performance & meritocracy practices, which the institution holds dear.

Financial Bonds Issue. In early June, according to the strategy for diversification of the funding structure, Agibank completed its first financial bonds issue on the domestic debt market, thereby raising R$ 112.2 million. The issue was in the form of a restructured efforts public offering (ICVM 476) and exceeded the expected R$ 100 million minimum demand. Add to this another R$ 30 million raised by means of private placement, for a total R$ 142.2 million raised. Fitch Ratings assigned a "BBB(bra)" Domestic Long-Term Rating to the public issue.

Great Place to Work. Also in the first half of 2019, Agibank became a GPTW-certified company. This achievement is the product of a GPTW survey with more than 1,000 randomly selected employees of Agibank and its affiliates. The survey found a satisfaction level of 82%, giving the Bank the credentials to earn this important certificate in the first edition in which it participated. This is additional evidence that our results and deliveries were only possible by means of an engaged and motivated team of over 3.2 thousand, making Agibank one of the best places to work in Brazil today.

Prospects. Given the positive signs indicating a recovery – albeit gradual – of the local economy, the second half begins with a promising outlook for Brazil, notwithstanding the pending approval of important reforms and tensions globally that may speed up or hold back improvements in the domestic economy. Perceiving a more prosperous environment and a growing potential market, Agibank announces an expansion plan that includes opening another 100 outlets in the next 12 months, projecting a total **1,200 points of service by 2023**, which means doubling the existing physical network and consolidating a presence in cities of more than 50 thousand, magnifying the strategy of using brick-and-mortar sites as a means for client digitalization and experience. For Agibank, a brick-and-mortar site is more than a place for physical service: it is an experience venue where clients are digitally included as they become able to address their financial needs with the assistance of technology, far removed from the red tape of the traditional banking market.

At the same time, the Bank is digitalizing the products and services contracting processes, ensuring the best possible client experience on all platforms. By the end of the year, all of our sites will offer free-access Wi-Fi, allowing clients to download the app, open checking accounts, carrying out paycheck portability, choosing Agibank to collect their social security benefits, in addition to browsing information and, as needed, get their questions answered by our more than 2 thousand consultants nationwide. These initiatives are line with the omnichannel strategy, according to which every brick-and-mortar site enables clients to experience and feel firsthand what it is to be an Agibank account holder, in addition to fostering long-term relationships that lead to a virtuous cycle of growth based on increasingly simple and attractive products and services, so that people may lead better lives.

At Agibank, innovation will continue: in the second half, our more than 2 thousand consultants will be able to rely on a specific app where they can run the entire credit review and granting process – including application and document logs – on their mobile phones alone. Facial recognition and document digitization technologies will enable cutting the time spent on these activities by more than half, which will ultimately translate into nimbler and more qualitative service. With a highly engaged team, committed to Agibank's proposition and capable of carrying out these transformations, the Bank has good prospects for the second half, with incremental product cross-selling and investments in technology, in line with its positioning: **Always digital, brick-and-mortar where clients need it to be, and shoulder-to-shoulder with people all the time**.

Acknowledgments. Agibank thanks its clients, employees, service providers and partners for their continued support, trust and dedication in this half year.

Porto Alegre, August 23, 2019.
Management

HIGHLIGHTS – 1H19

- Agibank registered more than **72.0 thousand new clients** in the first six months of the year, for a total of **1.2 million clients;**
- In the same period, **108.1 thousand accounts** were opened, for a total of **643.4 thousand accounts** by the end of the first half;
- The **digital transactions volume** was up **413.1%**, indicating significant gains in clients' use of the Bank's products and Services, along with a **71.3%** decrease in **cost per transaction**, showcasing Agibank's ability to scale up its operations;
- In line with its strategy as a **relationship bank**, Agibank made an important move in the period at hand, with a **13.0%** cut in **average interest on non-payroll deductible credit**, as verified in the Central Bank of Brazil's Website;
- **The Credit Portfolio** reached **R$ 1,747.2 million** in the period, up **15.3%** from June 2018, particular emphasis due on the payroll-deductive portfolio, which gained 53.5%;
- The Bank opened **8 new outlets** and closed another 14 in the period, targeting more attractive markets and improved operational efficiency, reaching **596** units by the end of June 2019;
- Accumulated **CAPEX** was **R$ 15.9 million** in the year to date, showcasing the Bank's expanding investments in technology, with a particular focus on digital transformation and innovation projects;
- The Bank's **Basel Capital Adequacy Ratio** of **14%** and its **LCR** of **2,852.7%** illustrate the institutions comfortable capital and liquidity positions, respectively;
- The Bank's **Cash** position was **R$ 989.2 million** in June 2019, up **122.9%** from June 2018;
- **Net Income** was **R$ 13.9 million** in 1H19, down 86.1% from the same period in 2018, due mainly to lower income from intermediation. This is the product of a gradual change in the credit portfolio's profile, favoring facilities with lower risk and return, in addition to a more challenging economic scenario;
- **Net Equity** was **R$ 481.6 million** in the period, up **11.6%** from 1H18;
- **Return on Average Equity (ROAE)** was **13.2%** in 1H19, down **38.9 p.p.** from the same period in the previous year;
- **Return on Average Assets (ROAA)** was **2.8%** in 1H19, down **10.2 p.p.** from 1H18.

The only bank in which the client opens a checking account and immediately receives a credit offer.

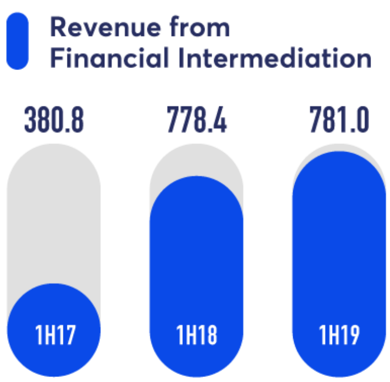
PRINCIPAL INDICATORS

	In millions of Reais, unless otherwise stated	1H19	1H18	1H17	1H19 / 1H18	1H19 / 1H17
Results	Revenue from Financial Intermediation	781.0	778.4	380.8	0.3%	105.1%
	Expenses from Financial Intermediation	(451.8)	(278.4)	(133.7)	62.2%	237.9%
	Gross Profit from Financial Intermediation	329.2	499.9	247.1	-34.1%	33.2%
	Operating Expenses	(319.0)	(326.5)	(193.2)	-2.3%	65.1%
	Operating Income	10.2	173.5	53.9	-94.1%	-81.1%
	Net Income	13.9	100.1	30.0	-86.1%	-53.7%
Performance	ROAE(1) a.a. (%)	13.2%	52.1%	30.9%	-38.9 p.p.	-17.7 p.p.
	ROAA(2) a.a. (%)	2.8%	13.0%	8.3%	-10.2 p.p.	-5.5 p.p.
	Net Interest Margin(3) (%)	36.2%	67.4%	61.7%	-31.2 p.p.	-25.5 p.p.
	Operating Efficiency Ratio(4) (%)	97.2%	67.6%	79.2%	29.6 p.p.	18.0 p.p.
	Net Margin(5) (%)	4.2%	20.0%	12.1%	-15.8 p.p.	-7.9 p.p.
Balance Sheet	Net Equity	481.6	431.5	259.3	11.6%	85.7%
	Assets	2,480.4	1,868.8	901.4	32.7%	175.2%
	Credit Portfolio	1,747.2	1,515.6	751.0	15.3%	132.7%
	Leverage(6)	3.6	3.5	2.9	0.1 p.p.	0.7 p.p.
	Allowance for Bad Debts/Credit Portfolio (%)	32.6%	20.9%	19.3%	11.7 p.p.	13.3 p.p.
	Capital Adequacy Ratio (%)	14.0%	18.1%	16.9%	-4.1 p.p.	-2.9 p.p.
Others	Total Number of Clients	1,162,076	745,539	304,934	55.9%	281.1%
	Total Number of Accounts	643,403	266,253	42,232	141.7%	1423.5%
	Total Number of Outlets	596	522	400	14.2%	49.0%
	Total Number of Outlets Net Openings	-6	87	137	-	-
	CAPEX	15.9	34.5	11.3	-54.0%	40.4%

(1) ROAE = 12M Net Income / Average Net Equity; (2) ROAA = 12M Net Income / Average Assets; (3) Net Interest Margin = 12M Gross Profit from Financial Intermediation / Average Profitable Assets; (4) Operating Efficiency Ratio = (Adm. Expenses + Personnel Expenses + Tax Expenses + Other Expenses and Operating Revenues) / Gross Profit from Financial Intermediation + Revenues from Services + Income from Bank Fees; (5) Net Margin = Net Income / Gross Profit from Financial Intermediation; (6) Leverage = Gross Credit Portfolio / Net Equity.

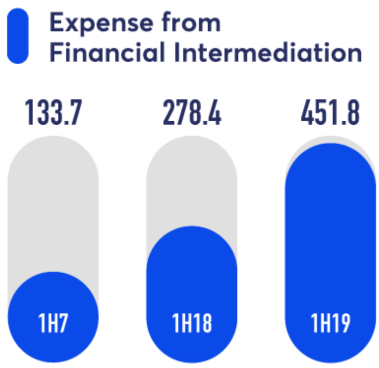
ECONOMIC AND FINANCIAL PERFORMANCE

REVENUE FROM FINANCIAL INTERMEDIATION



Revenue from Financial Intermediation was R$ 781.0 million in 1H19, practically flat from the same period in the previous year.

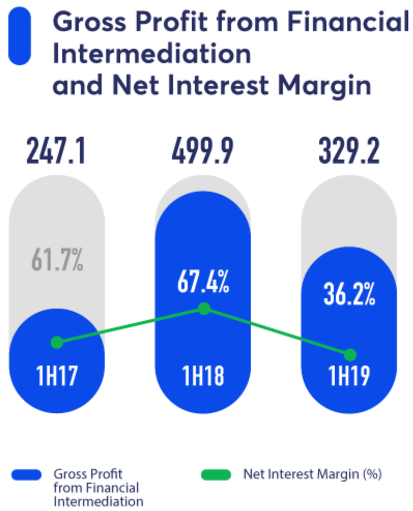
EXPENSES FROM FINANCIAL INTERMEDIATION



Expense from Financial Intermediation amounted to R$ 451.8 million in 1H19, up 62.2% from 1H18, due mainly to higher Provisions against Bad Credits ("Provisão para Devedores Duvidosos" – PDD).

The Bank's funding structure mainly involves CDB-based funding, which is adequate to the profile of its credit portfolio, which is managed conservatively, maintaining comfortable levels of liquidity.

GROSS PROFIT FROM FINANCIAL INTERMEDIATION



Gross Profit from Financial Intermediation was R$ 329.2 million in the first half of 2019, down 34.1% from the same period in the previous year, reflecting increased provisioning against bad credits.

The annualized Net Interest Margin, which is calculated as the ratio of Gross Profit from Financial Intermediation to Interest-Earning Assets, reached 36.2% no 1H19, down 31.2 p.p. from 1H18.

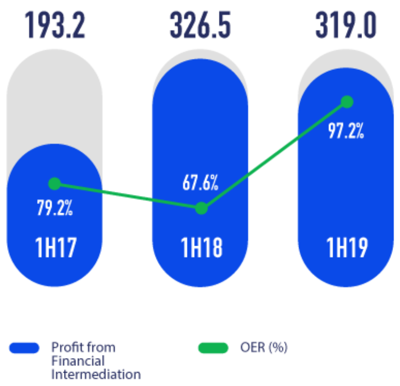
REVENUES FROM SERVICES

In millions of Reais, unless otherwise stated	1H19	1H18	1H17	1H19 / 1H18	1H19 / 1H17
Banking Fees	11.2	11.1	0.0	0.8%	-
Purchase Pool Administration Fees	2.2	2.2	0.0	3.5%	-
Sign up Fees	7.0	7.5	4.8	-7.7%	43.6%
Annuities	5.0	9.3	4.8	-45.7%	4.1%
Other Fees	6.1	6.2	2.4	-0.6%	159.6%
Total	**31.6**	**36.3**	**12.0**	**-12.9%**	**162.4%**

Revenues from Services, including fee and services provided revenues, were R$ 31.6 million in 1H19, down 12.9% from 1H18, due mainly to lower revenues from credit card annual dues.

OPERATING EXPENSES

Operating Expenses and Operating Efficiency Ratio



Operating Expenses were down 2.3% from 1H18, at R$ 319.0 million in 1H19, due mainly to lower payroll expenses (-11.3%) and tax expenses (-13.7%).

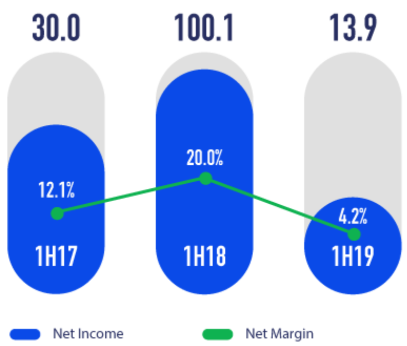
The Operating Efficiency Ratio, whose calculation methodology is shown next, was 97.2% in 1H19, up 29.6p.p., due basically to lower Profit from Financial Intermediation.

OPERATING EFFICIENCY RATIO

In millions of Reais, unless otherwise stated	1H19	1H18	1H17	1H19 / 1H18	1H19 / 1H17
Employee Expenses	88.5	99.7	16.5	-11.3%	-
Administrative Expenses	208.2	204.4	171.4	1.9%	21.5%
Tax Expenses	45.1	52.3	16.8	-13.7%	168.2%
Other Operating Income (Expenses)	8.8	6.3	0.6	39.6%	-
Total Expenses	**350.6**	**362.7**	**205.2**	**-3.3%**	**70.8%**
Revenue from Financial Intermediation	329.2	499.9	247.1	-34.1%	33.2%
Revenue from Expenses	31.6	36.3	12.0	-12.9%	162.4%
Total Revenues	**360.8**	**536.2**	**259.2**	**-32.7%**	**39.2%**
Operating Efficiency Ratio (%)	**97.2%**	**67.6%**	**79.2%**	29.6 p.p.	18.0 p.p.

NET INCOME

Net Income and Net Margin

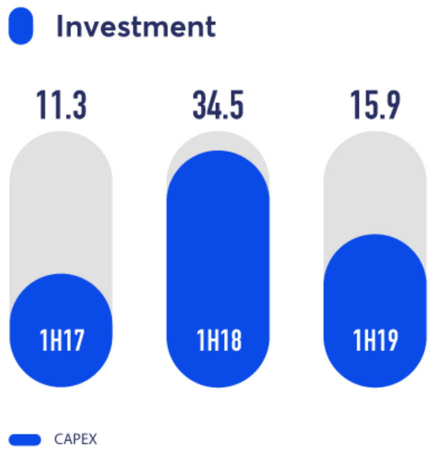


Agibank's Net Income in 1H19 was R$ 13.9 million, down 86.1% from 1H18. Net Margin was 4.2%.

DIVIDENDS AND INTEREST ON EQUITY CAPITAL

In 1H19, Agibank paid out dividends as Interest on Equity Capital in the amount of R$ 5.2 million, corresponding to R$ 9.335077 per one thousand shares.

CAPEX



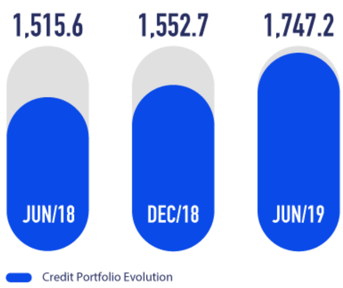
Agibank is innovation-driven and aims to offer solutions to improve its clients' everyday lives. The Bank's investment guidelines directly reflect this strategy.

The Bank aims to expand and accelerate its information technology investments to provide clients with a quality experience and consolidate a distinctive offering for its chosen market, as well as to increase operational efficiency. This investment is based on Agibank's technology strategy, which is structured based on four key elements: an omnichannel architecture, a hybrid infrastructure, an agile solutions development model (ASA – Agile Scale Agibank), and information security

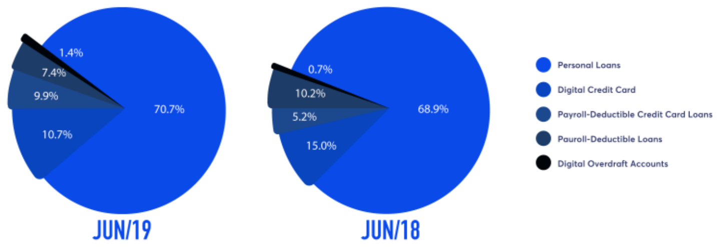
CAPEX was R$ 15.9 million in the first six months of the year, down 54.0% from the same period in the previous year, due basically to a slower pace of outlets opening and the completion of technology projects offering business distinctiveness and innovation.

ANALYSIS OF CREDIT OPERATIONS

Credit Portfolio Evolution



Credit Portfolio Breakdown



CREDIT PORTFOLIO

In millions of Reais, unless otherwise stated	Portfolio			Var. %	
Credit Portfolio	**Jun/19**	**Dec/18**	**Jun/18**	**Jun/19 x Dec/18**	**Jun/19 x Jun/18**
Personal Credit	1,235.3	1,053.0	1,044.7	17.3%	18.2%
Digital Credit Cards	186.1	231.3	226.9	-19.6%	-18.0%
Payroll-Deductible Loans	172.8	112.6	79.3	53.5%	117.8%
Credit Card linked Payroll-Deductible Loans	129.3	135.0	154.4	-4.2%	-16.2%
Digital Overdraft Accounts	23.6	20.7	10.3	13.9%	130.3%
Credit Portfolio	**1,747.2**	**1,552.7**	**1,515.6**	**12.5%**	**15.3%**
Allowance for other doubtful accounts	(569.6)	(372.7)	(316.9)	52.8%	79.7%
Net Credit Portfolio	**1,177.6**	**1,179.9**	**1,198.6**	**-0.2%**	**-1.8%**

As of June 30, 2019, the Total Credit Portfolio was R$ 1,747.2 million, a 15.3% gain from June 2018. Particular emphasis is due on the growth of the payroll-deductible (+117.8%) and personal credit (+18.2%) portfolios.

The Credit Portfolio, net of Provision for Bad Credits, was R$ 1,177.6 million, practically flat relative to December and June in the previous year.

CREDIT PORTFOLIO QUALITY

In millions of Reais, unless otherwise stated		Portfolio			Provision		
Rating	**% of provision**	**Jun/19**	**Dec/18**	**Jun/18**	**Jun/19**	**Dec/18**	**Jun/18**
A	0.5%	894.2	804.0	857.6	(4.5)	(4.0)	(4.3)
B	1%	73.2	94.3	96.7	(0.7)	(0.9)	(1.0)
C	3%	71.8	91.5	87.0	(2.2)	(2.7)	(2.6)
D	10%	59.4	79.8	78.8	(5.9)	(8.0)	(7.9)
E	30%	56.4	98.9	72.2	(16.9)	(29.7)	(21.7)
F	50%	68.7	77.2	61.6	(34.4)	(38.6)	(30.8)
G	70%	61.7	60.9	43.1	(43.2)	(42.6)	(30.2)
H	100%	461.8	246.2	218.5	(461.8)	(246.2)	(218.5)
Total		**1,747.2**	**1,552.7**	**1,515.6**	**(569.6)**	**(372.7)**	**(316.9)**

CAPITAL MANAGEMENT

CAPITAL ADEQUACY RATIO

In millions of Reais, unless otherwise stated	Jun/19	Dec/18	Jun/18
Referential Equity - Tier I	410.4	410.9	398.9
Core Capital	410.4	410.9	398.9
Referential Equity	**440.7**	**410.9**	**398.9**
Referential Equity - Tier II	30.3	-	-
Credit Risk-weighted Assets	1,238.2	1,211.6	1,158.5
Market Risk-weighted Assets	10.8	17.4	37.1
Operational Risk-weighted Assets	1,895.2	1,375.7	1,013.3
Risk-weighted Assets	**3,144.2**	**2,604.7**	**2,208.9**
RBAN	250.9	80.6	86.2
Capital Adequacy Ratio *(RE/RWA)*	**14.0%**	**15.8%**	**18.1%**
Expanded Capital Adequacy Ratio *(RE/(RWA+RBAN))*	**13.0%**	**15.3%**	**17.4%**

Agibank has in place a risk-management, internal controls and compliance framework with a dedicated team responsible for keeping the Bank's policies current, its processes mapped, and its systems updated to measure, monitor, assess and mitigate the institution's risks on a daily basis. Agibank embraces best risk-management practices, measuring and monitoring compliance, operational, credit, market, liquidity and capital risks according to specific calculations and indicators.

The Bank's Basel Capital Adequacy Ratio was 14.0% in June 2019, down 4.1 p.p. from June 2018, due basically to the credit portfolio's expansion and the change in the operational risk determination period.

LIQUIDITY MANAGEMENT

LIQUIDITY COVERAGE RATIO - LCR

In millions of Reais, unless otherwise stated	Jun/19	Dec/18	Jun/18
High Quality Liquid Assets	625.9	548.0	301.2
Potential Cash Outflows	21.9	23.9	21.6
LCR (%)	**2852.7%**	**2292.9%**	**1392.3%**

LCR indicates the capacity of the Bank to absorb the effects of a scenario of stress with the outflow of a large volume of highly liquid assets. The amounts are calculated on the basis of the methodology defined by Brazilian Central Bank regulations in line with Basel III guidelines.

In June 2019, LCR was 2,852.7%, up 1,460.4 p.p. from June 2018, due mainly to the increased position in highly liquid assets and reduced funding with liquid obligations.

ABOUT AGIBANK

Agibank is an innovative bank whose purpose is to make people's everyday lives better and their financial lives easier. Under a distinctive value proposition, Agibank operates based on a disruptive business model and a highly scalable digital infrastructure. It is a lean, horizontal and modern bank with a startup culture.

The Bank aims to fully meet its clients' needs, and has developed a high-tech financial platform that offers simple and agile solutions. Agibank is constantly connected with its more than 1.2 million active clients, offering services such as credit, checking accounts, cards, investments, consortia, insurance and payments based on an omnichannel strategy that combines digital channels and a network of 596 brick-and-mortar sites nationwide in June 2019. It is a unique model that focuses on an effective and direct relationship with clients, enabling profitable and sustainable growth.

DISCLAIMER

The statements in this document related to the prospects for the businesses, forecasts on operating and financial results and those relating to the outlook for growth of Banco Agibank S.A., are merely estimates and as such are based exclusively on the expectations of Management as to the future of the businesses. These expectations depend substantially on market conditions, the performance of the Brazilian economy, the sector and the international markets and are therefore subject to change without prior notice. All variations presented herein are calculated based on the numbers in thousands of Brazilian *Reais* as well as the roundings.

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Balance Sheet | Assets – Consolidated

(R$ thousands)

ASSETS	Jun/19	Jun/18	Jun/17
Current Assets	**2,112,948**	**1,688,465**	**824,981**
Cash and bank deposits	1,401	1,466	9
Short-term interbank investments	733,920	297,162	60,747
Securities and derivative financial instruments	87,760	93,476	62,352
Interbank accounts	3,472	993	465
Loan operations	1,624,721	1,463,344	737,718
Allowance for loan losses	(566,137)	(315,986)	(144,487)
Securities trading and brokerage	1	-	-
Taxes and contributions recoverable	23,728	4,694	14,223
Receivables from affiliated companies	98	26	2,775
Deferred tax assets	75,822	73,568	58,786
Miscellaneous	41,082	23,001	8,924
Notes and credits receivable	84,864	42,151	23,690
Allowance for loan losses	(3,188)	(790)	(342)
Prepaid expenses	5,404	5,360	121
Long-term Receivables	**295,848**	**123,559**	**64,120**
Securities and derivative financial instruments	166,076	51,726	30,965
Loan operations	122,439	52,222	13,233
Allowance for loan losses	(3,440)	(957)	(219)
Funds receivable from closed groups	2,627	2,006	-
Securities credits receivable	5	8	-
Taxes and contributions to compensate	-	-	2,160
Escrow deposits on judicial claims	1,142	13,683	690
Prepaid expenses	4,521	4,871	87
Tax credits	2,478	-	17,204
Permanent Assets	**71,607**	**56,801**	**12,273**
Investments	34	114	-
Property, plant and equipment	13,101	27,364	7,651
Intangible assets	58,472	29,323	4,622
TOTAL ASSETS	**2,480,403**	**1,868,825**	**901,374**

Balance Sheet | Liabilities – Consolidated

(RS thousands)

LIABILITIES	Jun/19	Jun/18	Jun/17
Current liabilities	**1,058,888**	**458,385**	**460,188**
Demand deposits	19,562	18,648	2,783
Interbank deposits	53,607	-	-
Time deposits	873,197	192,110	226,164
Funds from acceptance	357	57,823	146,269
Interbank accounts	426	412	133
Financing and borrowings	-	3,000	-
Collection and payment of taxes and similar	579	860	619
Social and statutory	145	10,171	-
Derivative Financial Instruments	-	5	20
Tax and social security contributions	10,518	51,217	24,569
Funds obligations with closed groups	485	898	-
Other liabilities	100,012	123,241	59,631
Long-term liabilities	**939,838**	**978,693**	**181,895**
Time deposits	764,036	943,224	117,318
Funds from acceptance	-	487	62,904
Real Estate Credit Notes, Mortgage Notes, Credit and Similar Notes	118,098	-	-
Funds pending receipt - judicial collection	2,627	2,006	-
Tax and social security	6,216	3,216	-
Equity eligible debt instruments	30,337	-	-
Other liabilities	18,524	29,760	1,673
Non-controlling interest	112	224	-
EQUITY	**481,565**	**431,523**	**259,291**
Capital Stock	326,927	313,384	178,469
Capital Reserves	11,436	11,436	-
Profit Reserves	143,190	106,699	80,810
Adjustments to Market Value - securities and derivatives	12	4	12
TOTAL LIABILITIES AND EQUITY	**2,480,403**	**1,868,825**	**901,374**

Income Statement – Consolidated

(R$ thousands)

Statements of Income	1H19	1H18	1H17	1H19 / 1H18	1H19 / 1H17
Revenue from Financial Intermediation	**781,005**	**778,387**	**380,841**	**0.3%**	**105.1%**
Loan operations	755,573	764,876	367,474	-1.2%	105.6%
Short-term interbank investiments	18,732	9,102	5,013	105.8%	273.7%
Securities transactions	6,697	4,201	8,048	59.4%	-16.8%
Derivative financial instruments	(16)	(33)	279	-51.5%	-105.7%
Foreign exchange	19	241	27	-92.1%	-29.6%
Expenses from Financial Intermediation	**(451,768)**	**(278,444)**	**(133,707)**	**62.2%**	**237.9%**
Market funding expenses	(61,258)	(39,855)	(35,073)	53.7%	74.7%
Loan operations and onlending	(116)	(120)	(264)	-3.3%	-56.1%
Allowance for loan losses	(389,936)	(238,606)	(98,028)	63.4%	297.8%
Allowance for other doubtful accounts	(458)	137	(342)	-434.3%	33.9%
Gross Profit from Financial Intermediation	**329,237**	**499,943**	**247,134**	**-34.1%**	**33.2%**
Operating Expenses	**(319,047)**	**(326,456)**	**(193,200)**	**-2.3%**	**65.1%**
Revenue from services	18,825	16,996	893	10.8%	2008.1%
Banking fees	12,745	19,265	11,140	-33.8%	14.4%
Employee expenses	(88,451)	(99,744)	(16,505)	-11.3%	435.9%
Administrative expenses	(208,231)	(204,391)	(171,354)	1.9%	21.5%
Tax expenses	(45,113)	(52,264)	(16,818)	-13.7%	168.2%
Other operating income (expenses)	(8,822)	(6,318)	(556)	39.6%	1486.7%
Non-Operating Income	719	976	-	-26.3%	-
Income Before Taxes	**10,909**	**174,463**	**53,934**	**-93.7%**	**-79.8%**
Tax and social contribution	3,060	(74,340)	(23,944)	-104.1%	-112.8%
Non-controlling interest	(76)	(63)	-	20.6%	-
Net Income	**13,893**	**100,060**	**29,990**	**-86.1%**	**-53.7%**

RATING

FitchRatings

-- Domestic Long-Term Rating ‘BBB(bra)’, Stable Outlook
-- Domestic Short-Term Rating ‘F3(bra)’