

# Results 3Q19

## Investor Relations Unit

Alexandre Ponzi | Head of Investor Relations

Emiliano Klein | Executive Manager

Banco do Estado do Rio Grande do Sul



September 2019

3 Q 19

# Income Accounts

Net Income

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NII

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Provision Expenses

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Funding

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Banking Fees

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Administrative Expenses

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Other Operating Income/ Expenses

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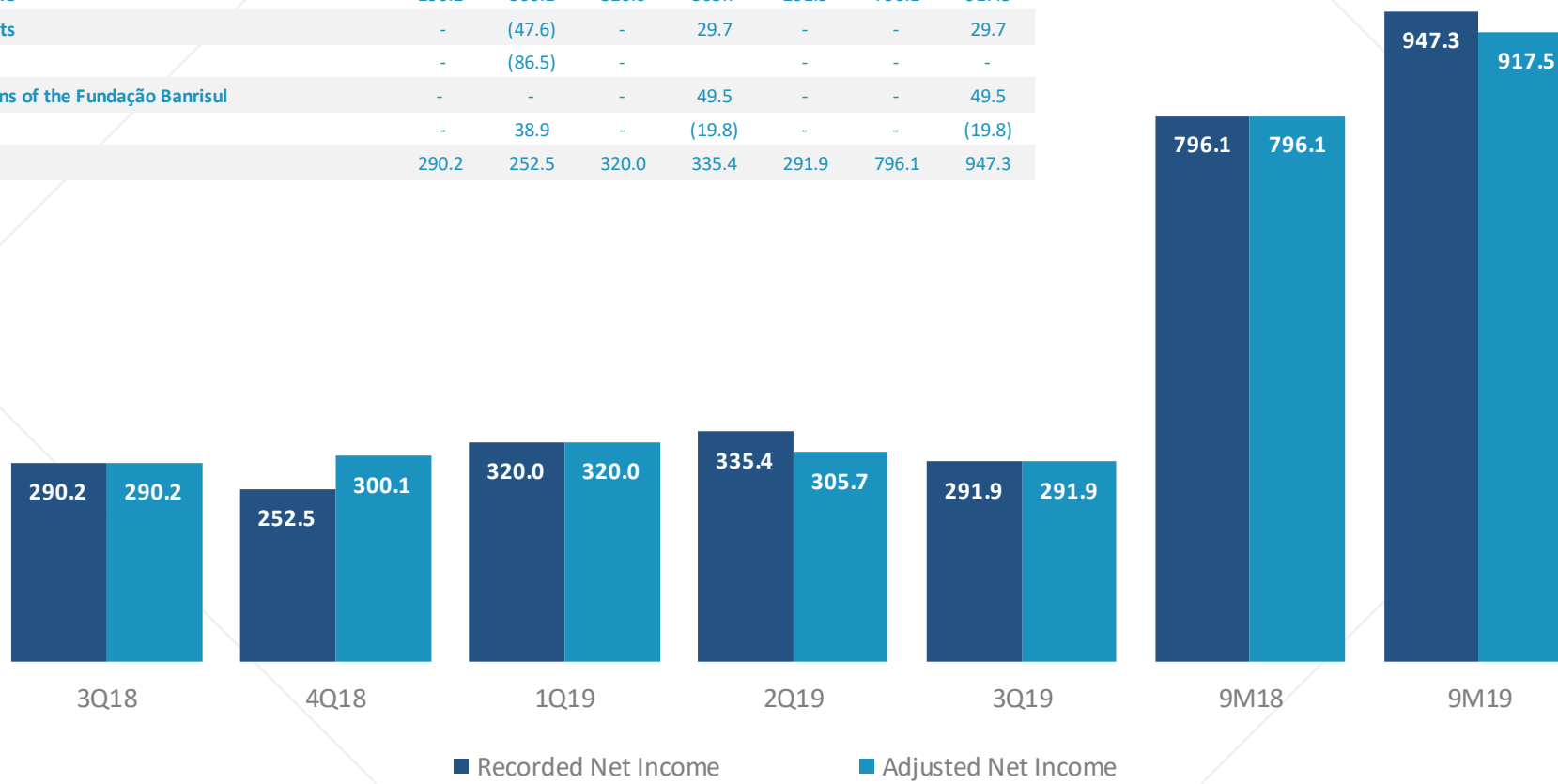
3 Q 19

# Net Income

R\$ million

Extraordinary Events - R\$ Million	3Q18	4Q18	1Q19	2Q19	3Q19	9M18	9M19
Adjusted Net Income	290.2	300.1	320.0	305.7	291.9	796.1	917.5
Extraordinary Events	-	(47.6)	-	29.7	-	-	29.7
Retirement Plans	-	(86.5)	-	-	-	-	-
Restructuring plans of the Fundação Banrisul	-	-	-	49.5	-	-	49.5
Tax Effects	-	38.9	-	(19.8)	-	-	(19.8)
Net Income	290.2	252.5	320.0	335.4	291.9	796.1	947.3

△% (Recorded)		△% (Adjusted)	
9M19/9M18	3Q19/2Q19	9M19/9M18	3Q19/2Q19
19.0%	-13.0%	15.2%	-4.5%



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# NII and NIM

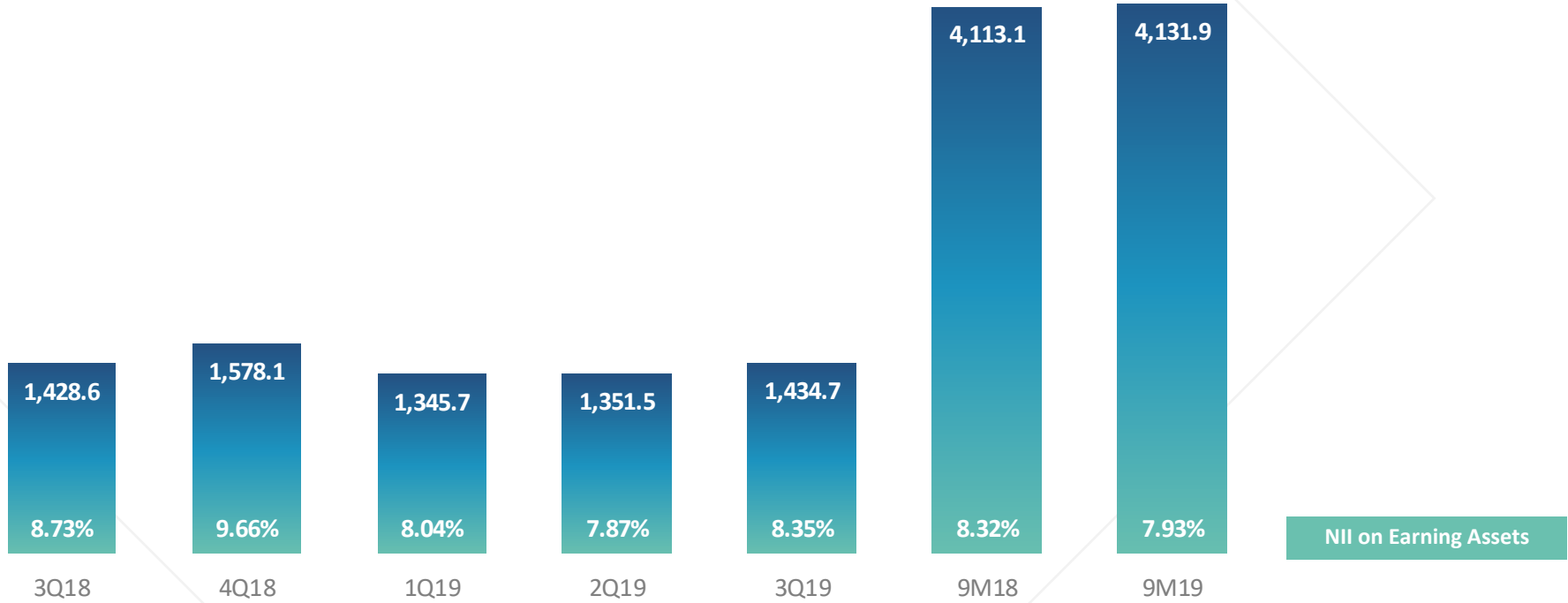
R\$ million

△%

9M19/9M18 3Q19/2Q19

0.5%

6.2%

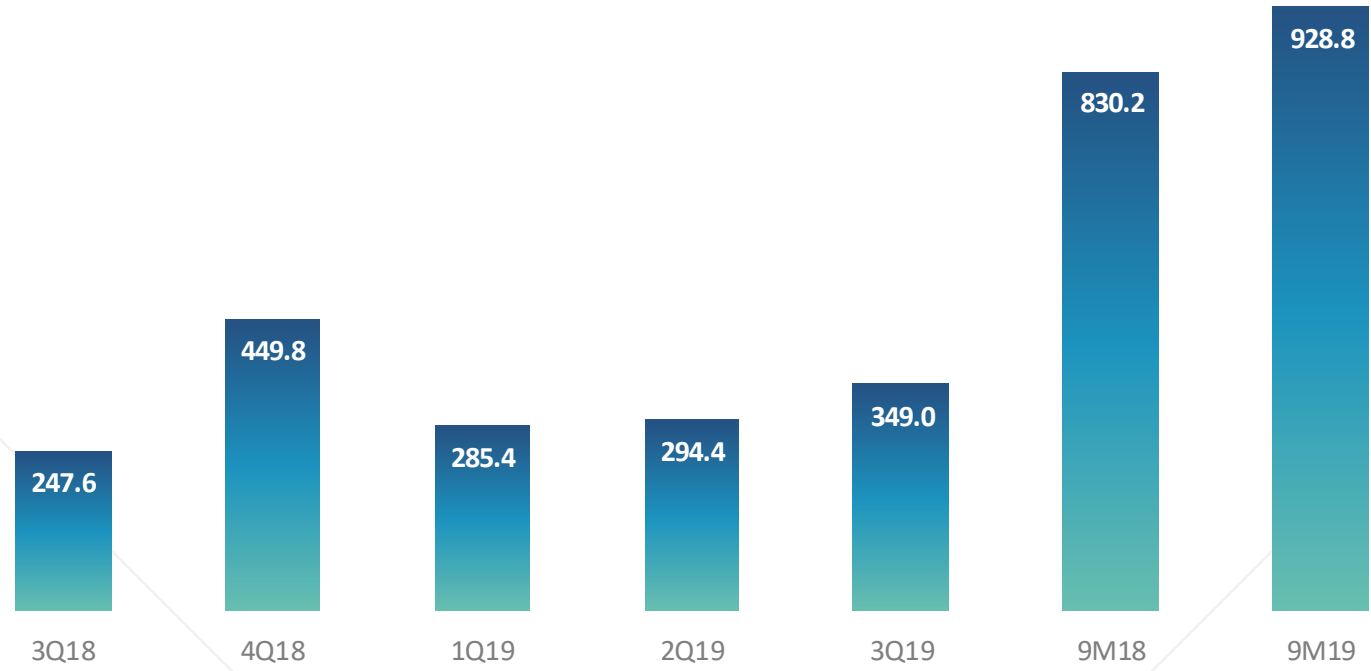


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# Provision Expenses

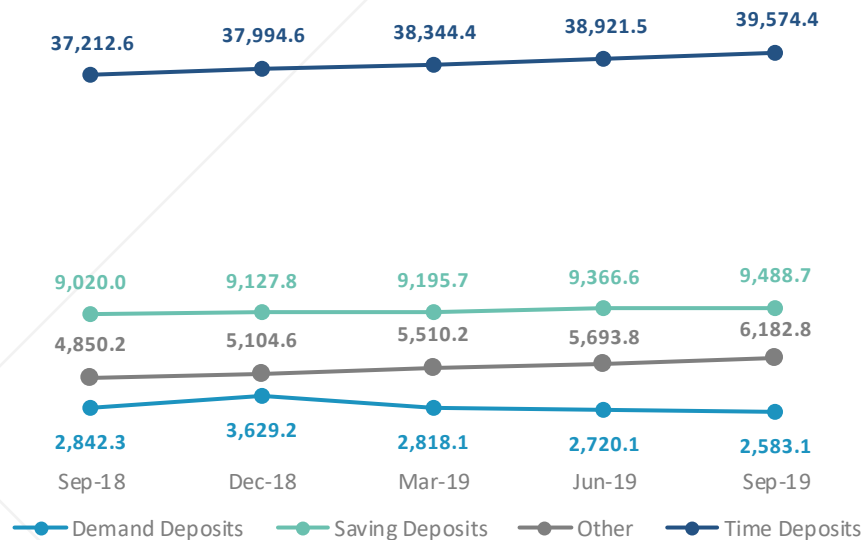
R\$ million

△%  
9M19/9M18 3Q19/2Q19  
11.9% 18.6%

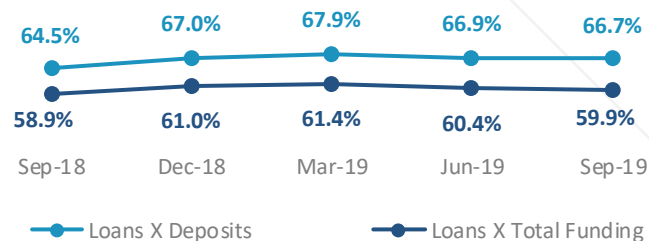


# Funding Structure

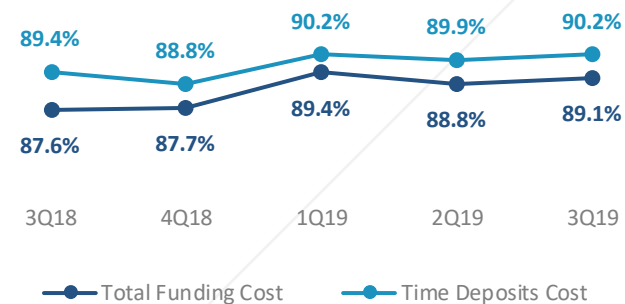
R\$ million



## Loans / Deposits Ratio



## Funding Cost\*



\*as % of Selic Rate

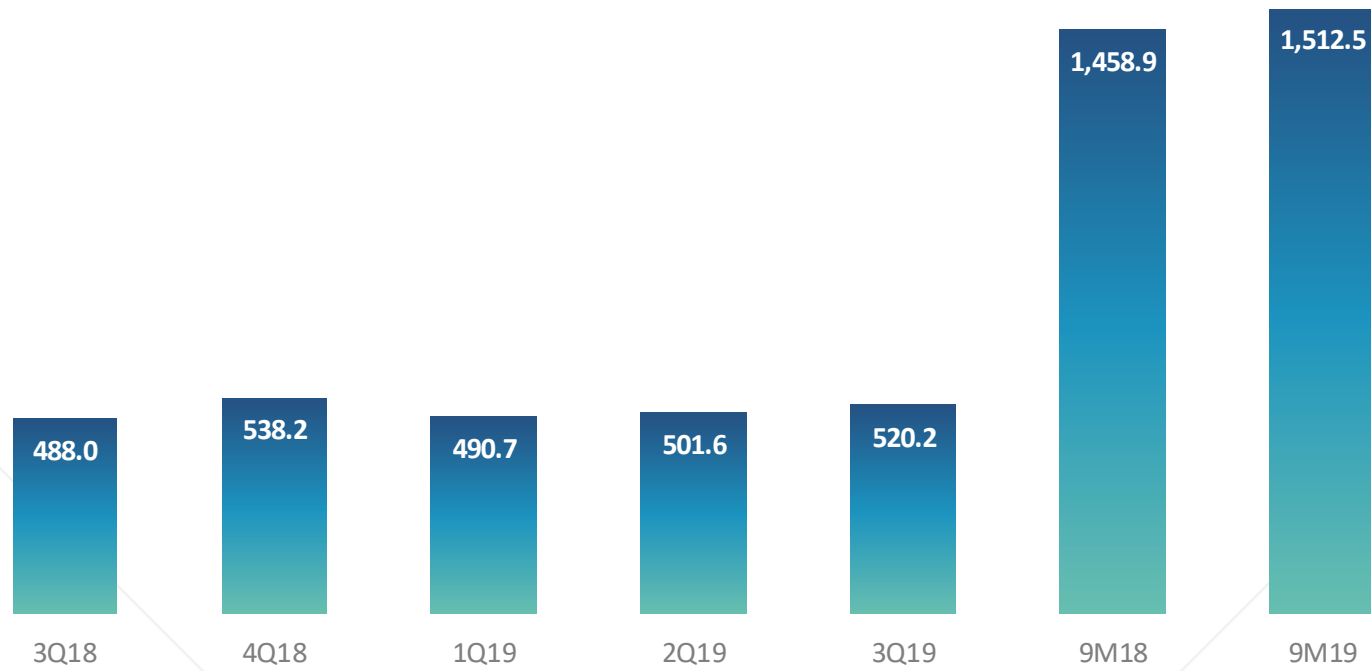
Funding	Sep-18	Jun-19	Sep-19	Δ 3M	Δ 12M
Time Deposits	69.01%	68.64%	68.43%	1.7%	6.3%
Saving Deposits	16.73%	16.52%	16.41%	1.3%	5.2%
Demand Deposits	5.27%	4.80%	4.47%	-5.0%	-9.1%
Bank Notes	4.87%	5.82%	6.05%	6.0%	33.2%
Subordinated Bond	3.89%	3.92%	4.08%	6.1%	12.3%
Other Deposits	0.23%	0.30%	0.56%	90.6%	162.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.0%</b>	<b>7.2%</b>

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# Banking Fees

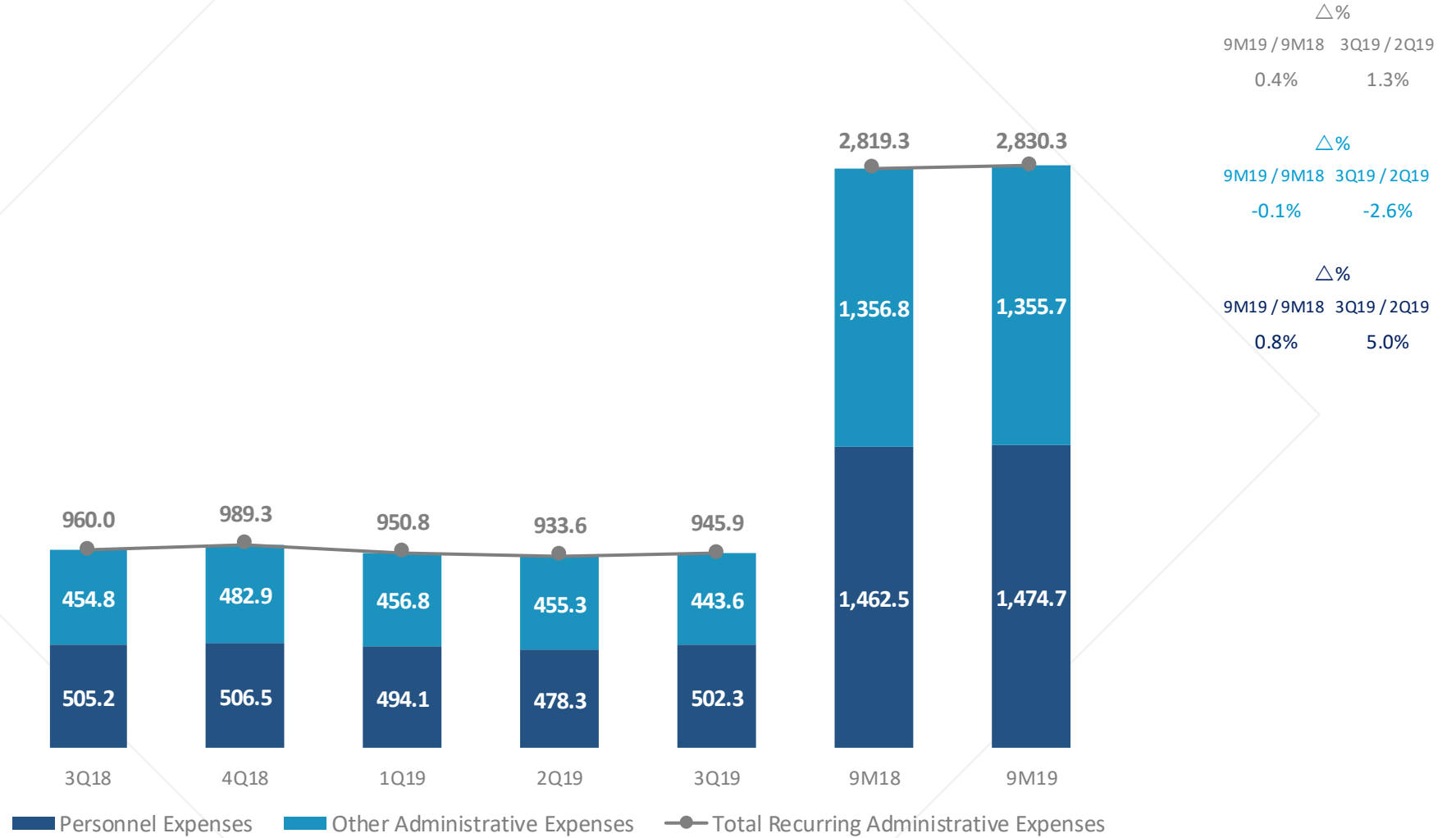
R\$ million

△%  
9M19/9M18 3Q19/2Q19  
3.7% 3.7%



# Administrative Expenses

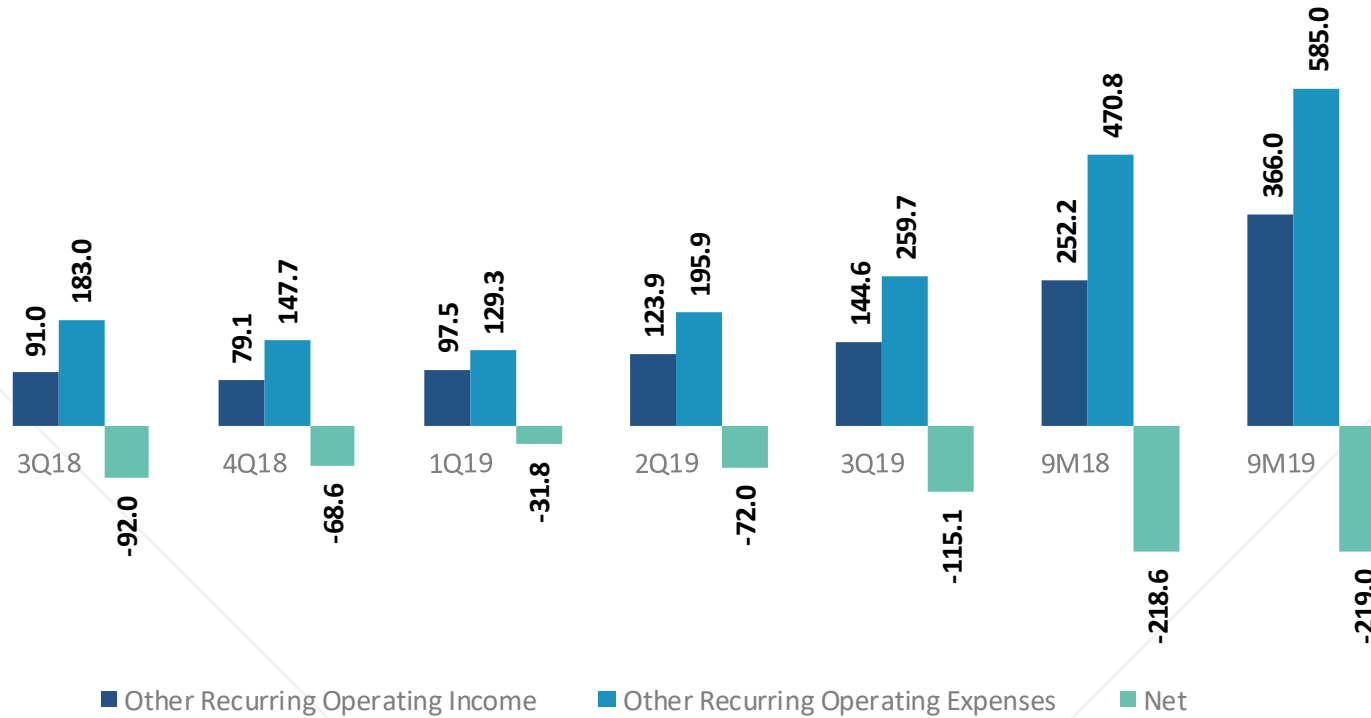
R\$ million





# Other Operating Income/Expenses

R\$ million



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# Balance Sheet Accounts

**Assets**

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**Securities**

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**Credit Portfolio**

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**Payroll Loans**

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**Provision Balance**

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**Funding and Assets Under Management**

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**Shareholders's Equity**

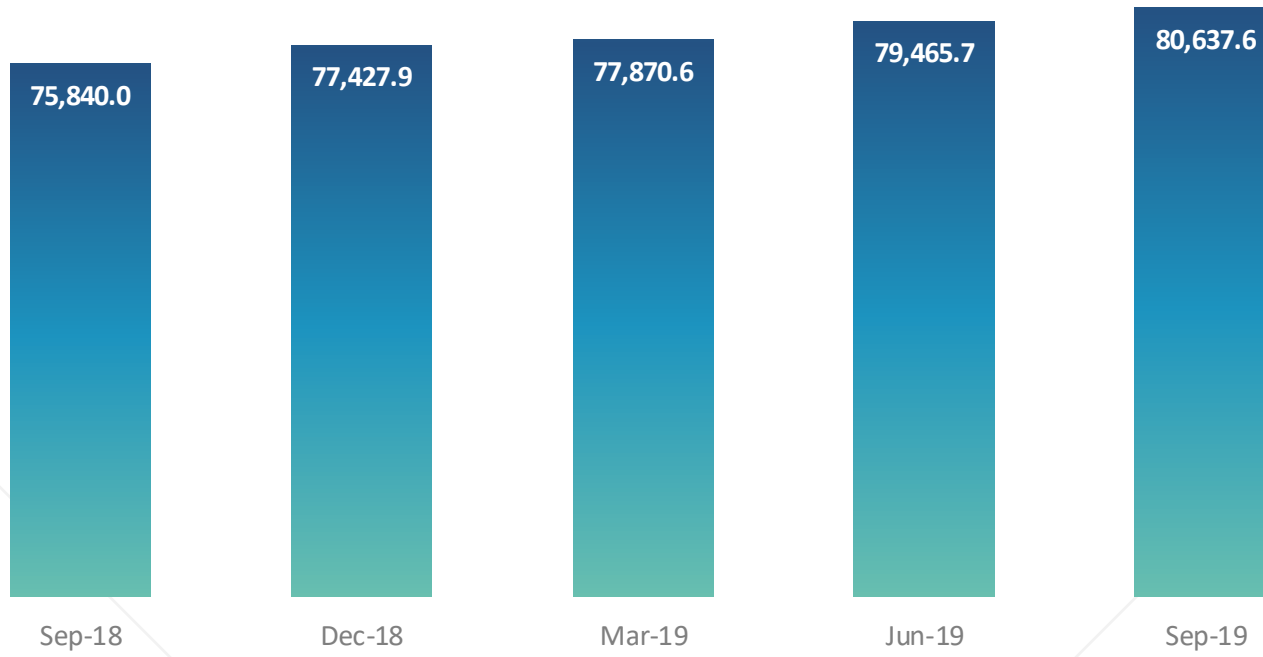
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# Assets

R\$ million

△%  
12M 6.3%  
3M 1.5%

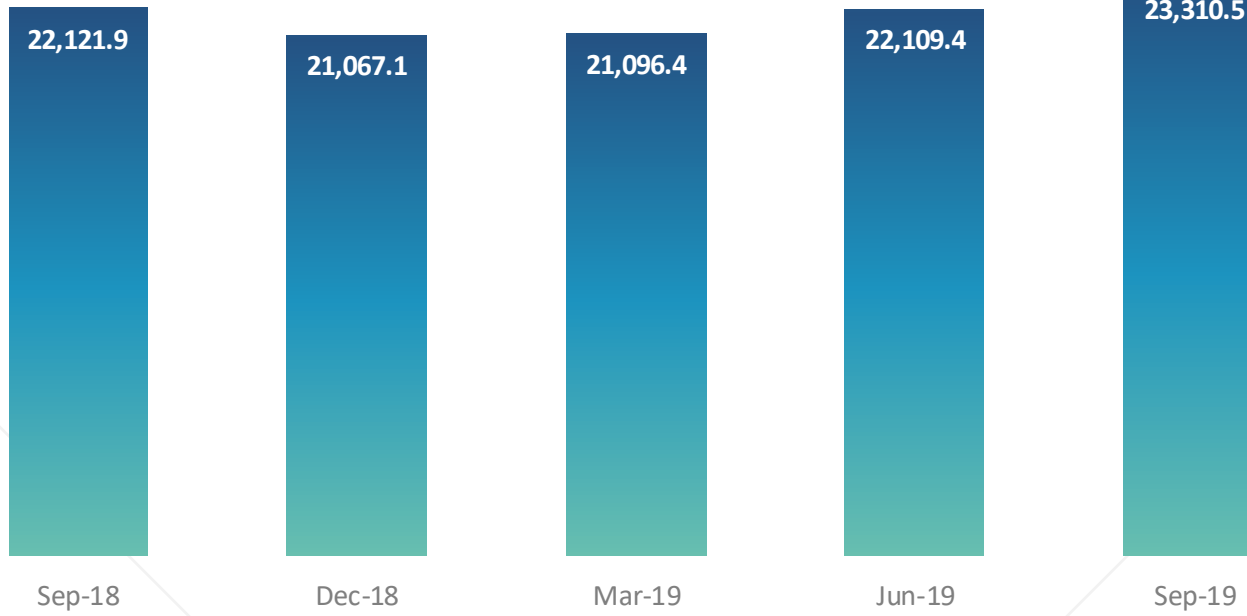


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# Securities

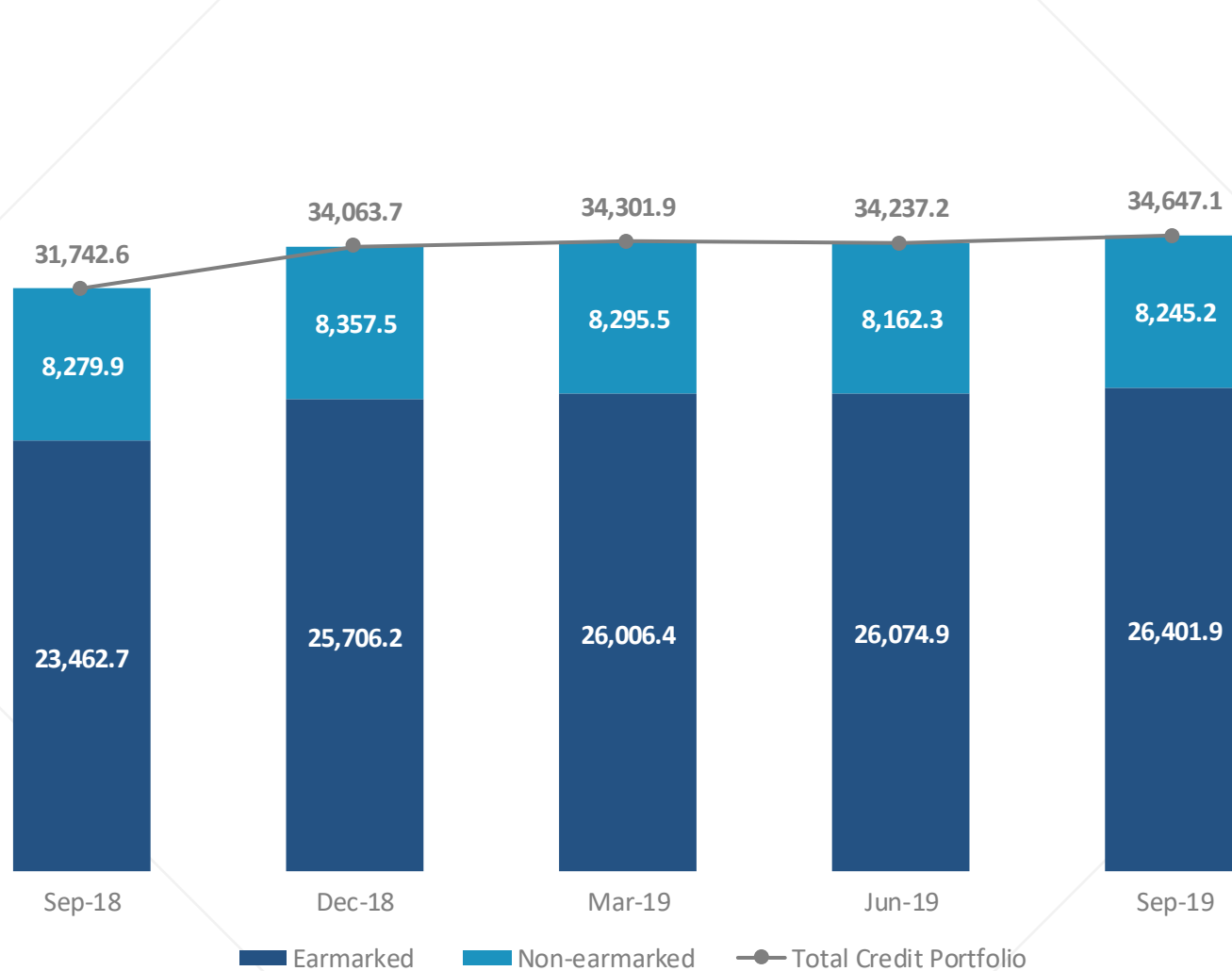
R\$ million

△%  
12M 3M  
5.4% 5.4%



# Credit Portfolio

R\$ million



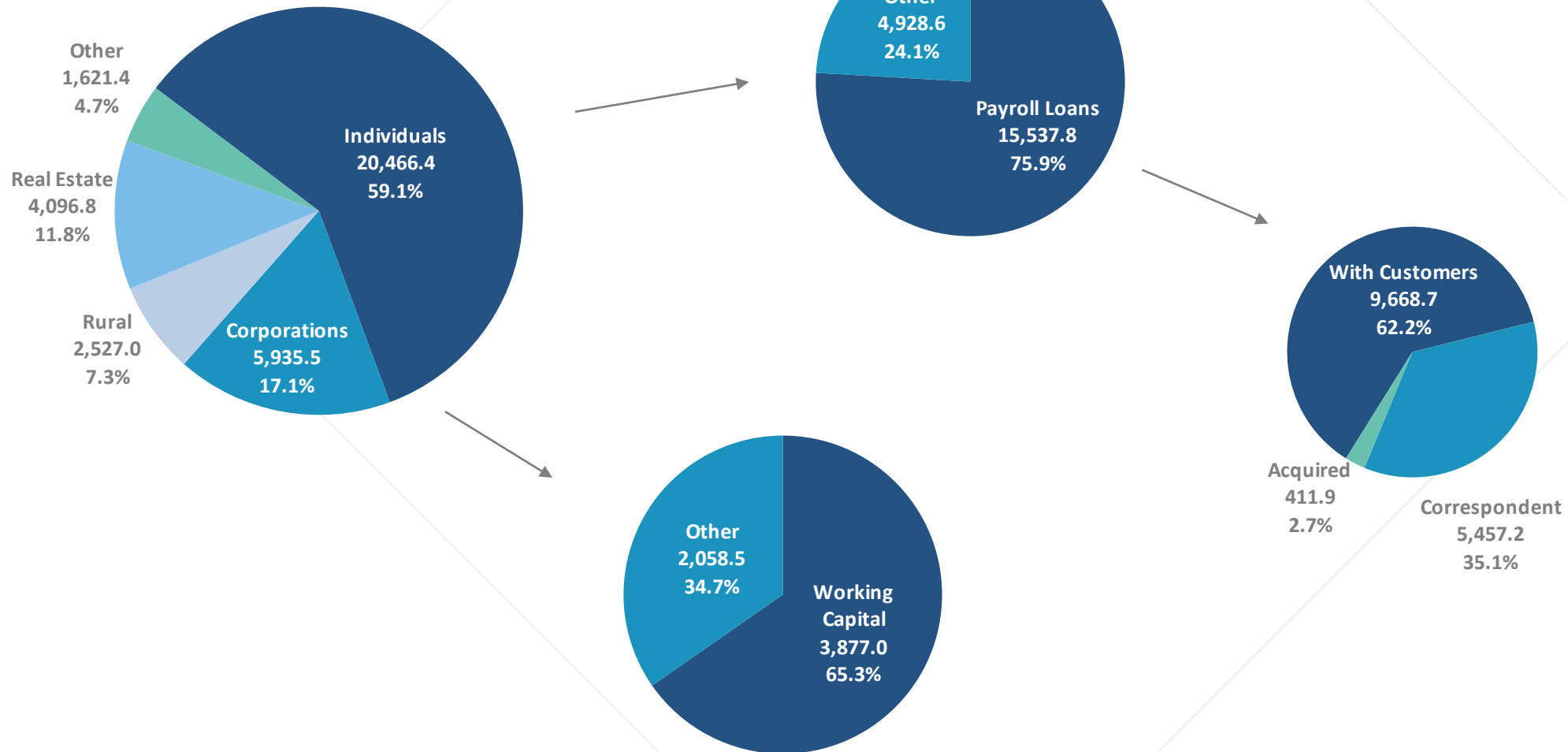
△% Total	
12M	3M
9.2%	1.2%

△% Non-Earmarked	
12M	3M
-0.4%	1.0%

△% Earmarked	
12M	3M
12.5%	1.3%

# Credit Portfolio

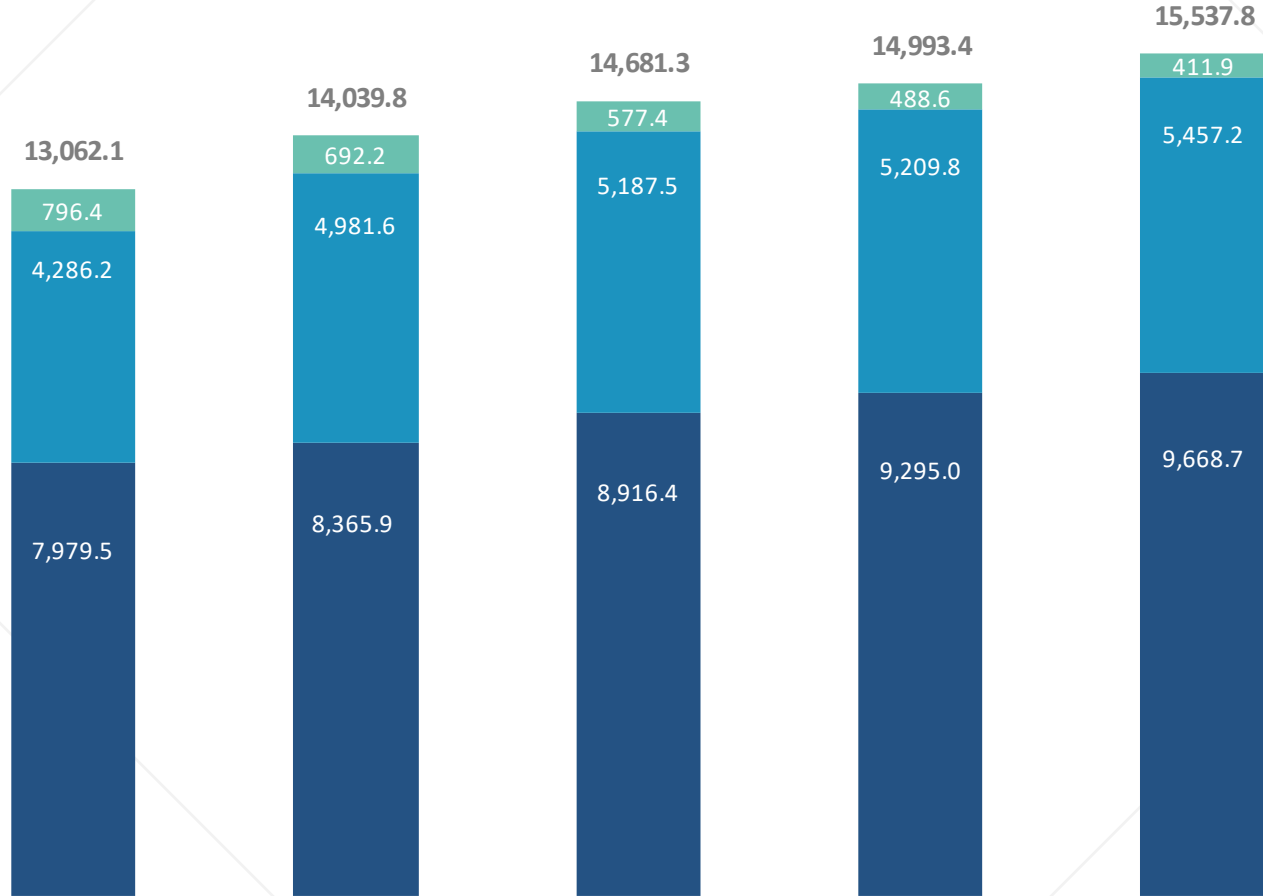
R\$ million



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# Payroll Loans

R\$ million



△% Payroll Loans  
 12M 3M  
 19.0% 3.6%

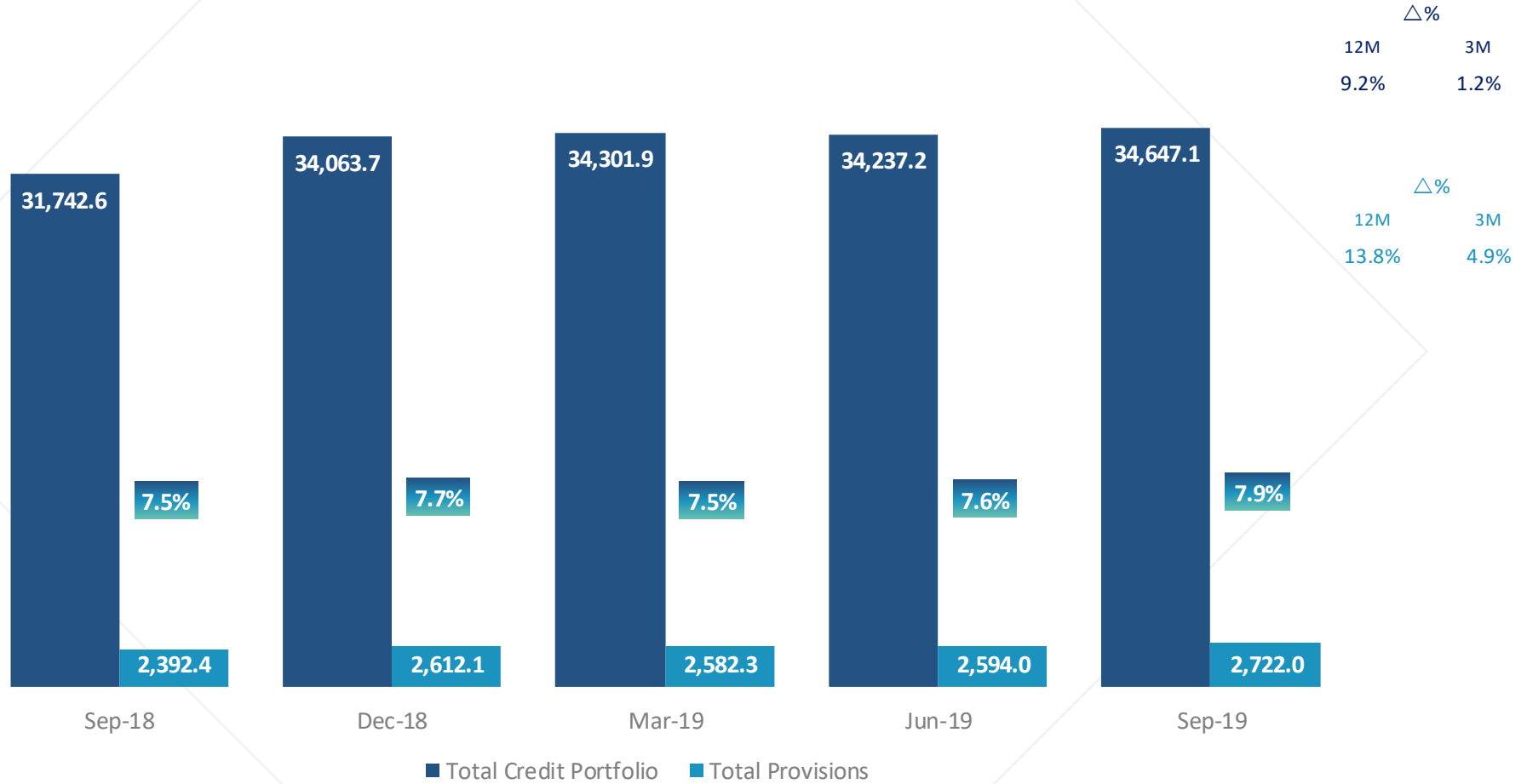
△% Acquired  
 12M 3M  
 -48.3% -15.7%

△% Bem  
 12M 3M  
 27.3% 4.7%

△% With Customers  
 12M 3M  
 21.2% 4.0%

# Total Provision x Loan Book

R\$ million

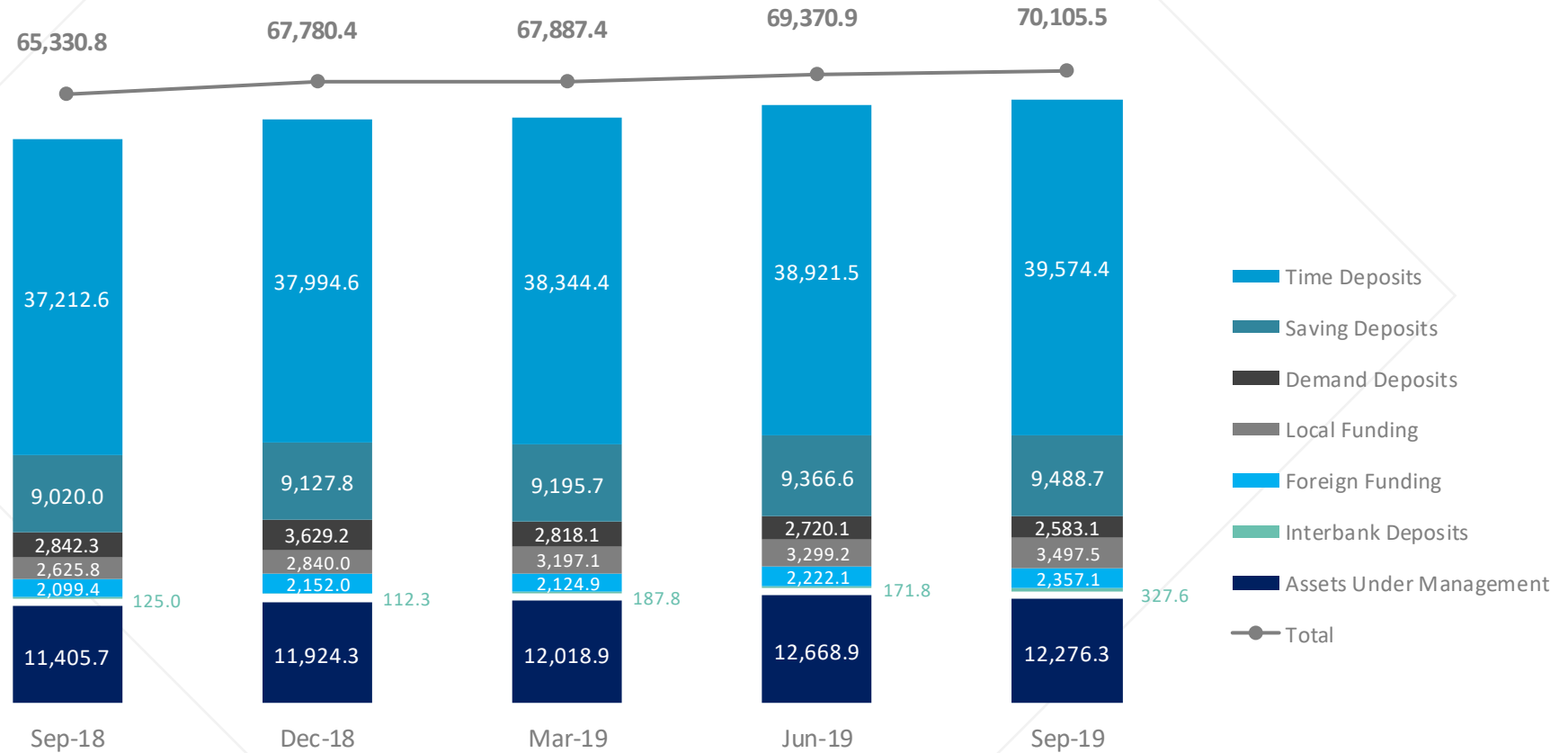




# Funding and Assets Under Management

R\$ million

Results Presentation



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# Shareholders' Equity

R\$ million

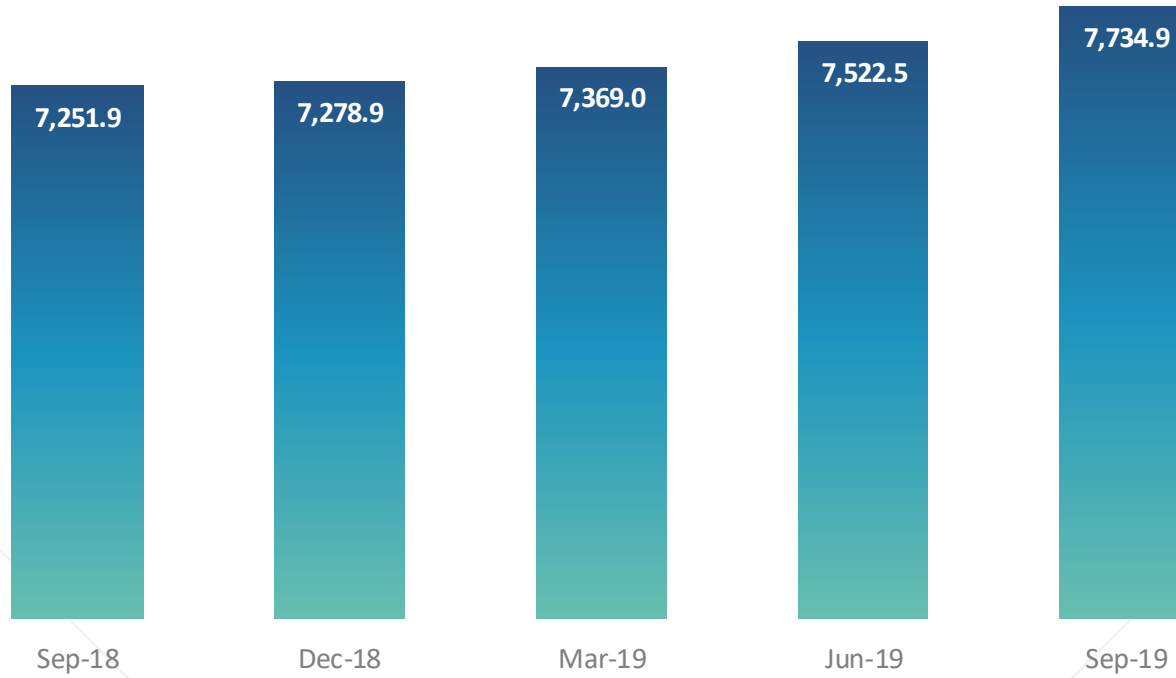
△%

12M

3M

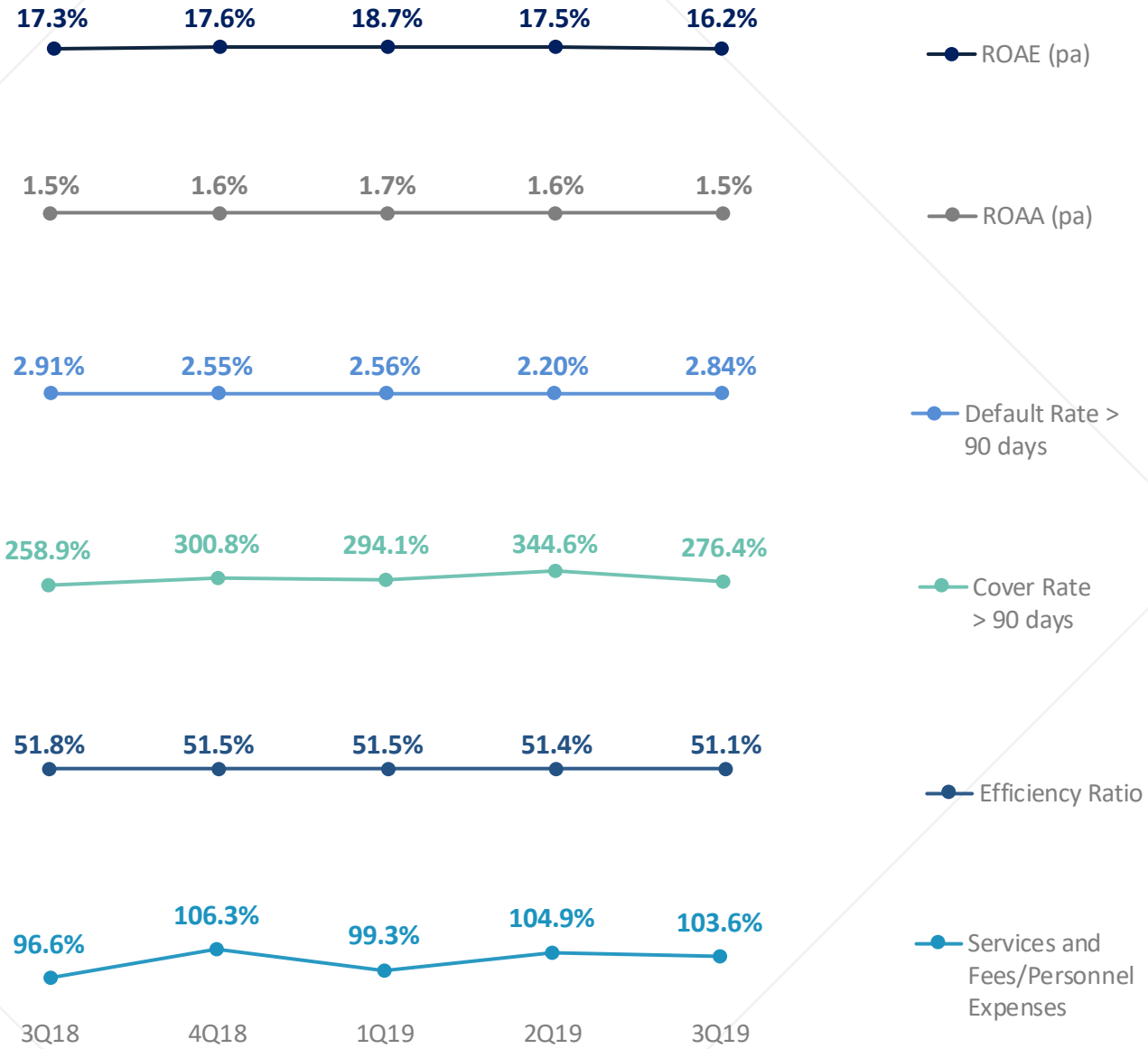
6.7%

2.8%



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# Indicators



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# Indicators



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# Guidance

Guidance	2019	
	Projected <sup>(1)</sup>	Reviewed Sep 2019
<b>Credit Portfolio</b>	4% to 8%	4% to 8%
<b>Non-direct Lending - Individuals</b>	6% to 10%	6% to 10%
<b>Non-direct Lending - Companies</b>	1% to 5%	-2% to 2%
<b>Real Estate Loans</b>	4% to 8%	0% to 4%
<b>Allowance for Loan Losses Expenses/Credit Portfolio</b>	3% to 4%	3% to 4%
<b>Allowance for Loan Losses Balance/Credit Portfolio</b>	6.5% to 7.5%	6.5% to 7.5%
<b>Funding</b>	6% to 10%	6% to 10%
<b>Recurring Return on Average Shareholders' Equity</b>	16% to 19%	16% to 19%
<b>Efficiency Ratio</b>	50% to 54%	50% to 54%
<b>Net Financial Margin / Interest-Earning Assets</b>	7.5% to 8.5%	7.5% to 8.5%

(1) Originally disclosed in 4Q2018 and maintained on 1Q2019

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September 2019