



September 30, 2016
Consolidated Financial Statements

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Report on the review of consolidated interim financial statements

To
The Board of Directors and Shareholders of
Banco Votorantim S.A.
São Paulo - SP

Introduction

We reviewed the accompanying consolidated balance sheet of Banco Votorantim S.A. ("Conglomerate") as at September 30, 2016, and the respective consolidated statements of income and changes in shareholders' equity for the three and nine-month period then ended and the cash flows for the nine-month period then ended, comprising a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with the accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information referred above were not prepared, in all material aspects, in accordance with accounting practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil.



Other matters

Statement of value added

We also reviewed the consolidated interim financial statements of value added, the preparation of which is the responsibility of the Company's Management, for the nine-month period ended September 30, 2016, which are presented voluntarily by Management as supplementary information. These statements were subject to the same review procedures described above and, based on our review, we are not aware of any fact that would lead us to believe that it was prepared, in all material respects, according to the consolidated interim financial statement taken as a whole.

São Paulo, November 08, 2016

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original report in portuguese signed by
João Paulo Dal Poz Alouche
Accountant CRC 1SP245785/O

Banco Votorantim S.A.
CONSOLIDATED BALANCE SHEET

in September 30, 2016 and December 31, 2015

(In thousands of Reais)

	09.30.2016	12.31.2015		09.30.2016	12.31.2015
CURRENT ASSETS	56,896,622	61,654,408	CURRENT LIABILITIES	67,437,477	70,841,194
Funds available (Note 4)	175,785	179,915	Deposits (Note 15a)	3,022,002	2,627,146
Interbank funds applied (Note 5a)	17,026,506	16,892,435	Demand deposits	60,465	81,331
Money market repurchase commitments	15,343,039	14,851,895	Interbank deposits	898,620	778,942
Interbank deposit investments	1,683,467	2,040,540	Time Deposits	2,062,917	1,766,873
Securities and derivative financial instruments	13,164,089	15,691,286	Money market repurchase commitments (Note 15c)	37,519,753	32,050,247
Own portfolio (Note 6a)	9,013,486	10,078,538	Own portfolio	24,640,251	26,291,499
Subject to repurchase agreements (Note 6a)	2,059,176	3,486,611	Third-party portfolio	11,664,417	4,713,636
Subject to guarantees provided (Note 6a)	481,986	1,157,610	Free portfolio	1,215,085	1,045,112
Derivative financial instruments (Note 6a)	1,776,765	1,299,153	Acceptances and endorsements (Note 17)	9,249,181	15,483,086
(Provision for impairment of free securities) (Note 6a)	(167,324)	(330,626)	Funds from real estate bills, mortgage, credit and similar	8,490,868	7,659,358
Interbank relations	330,422	72,157	Debtenture funds	-	571
Payments and receipts to settle	53	-	Securities issued overseas	758,313	7,823,157
Reserve requirements (Note 7a)	330,282	20,232	Interbranch accounts	101,506	83,208
Compulsory deposits at the Central Bank of Brazil	330,282	20,232	Third-party funds in transit	101,506	83,208
Interbank onlendings	-	51,668	Borrowings (Note 16a)	1,817,259	4,090,964
Correspondents	87	257	Foreign borrowings	1,817,259	4,090,964
Loan operations (Note 8a)	19,728,663	21,187,840	Domestic onlendings - Official institutions (Note 16b)	735,449	878,211
Public sector	112,611	117,549	National Treasury	90,103	71,884
Private sector	14,902,756	15,611,411	BNDES	310,029	417,564
Loan operations subject to assignment	6,661,813	7,345,265	Finame	335,317	388,763
(Allowance for loans losses)	(1,948,517)	(1,886,385)	Derivative financial instruments (Note 6d)	2,099,708	1,805,525
Leases (Note 8a)	95,605	142,319	Private sector	101,339	165,161
Private sector	101,339	165,161	(Allowance for leases losses)	(5,734)	(22,842)
(Allowance for leases losses)	(5,734)	(22,842)	Other liabilities	12,892,619	13,822,807
Other receivables	5,933,849	7,237,536	Collection and levy of taxes and alike	19,697	17,975
Foreign exchange portfolio (Note 10a)	1,489,978	2,192,550	Foreign exchange portfolio (Note 10a)	1,014,177	1,533,310
Income receivable	12,866	18,372	Social and statutory	120,051	297,798
Securities clearing accounts	135,152	722,307	Tax and social security (Note 18a)	436,489	595,021
Sundry (Note 9)	4,512,069	4,601,484	Securities clearing accounts	258,737	324,096
(Allowance for other receivables losses) (Note 8a)	(216,216)	(297,177)	Subordinated debts (Note 18b)	1,598,803	576,404
			Sundry (Note 18d)	9,444,665	10,478,203
Other assets (Note 11)	441,703	250,920	NON-CURRENT LIABILITIES	27,950,245	31,763,457
Non-operating assets and material inventories	305,258	262,969	LONG-TERM LIABILITIES	27,911,951	31,715,210
(Provision for devaluation)	(54,991)	(45,293)	Deposits (Note 15a)	1,513,028	1,578,732
Prepaid expenses	191,436	33,244	Interbank deposits	1,254,234	1,153,560
NON-CURRENT ASSETS	46,907,477	48,566,907	Time Deposits	258,794	425,172
LONG-TERM ASSETS	46,304,548	48,045,215	Money market repurchase commitments (Note 15c)	1,319,871	749,675
Interbank funds applied (Note 5a)	66,962	294,207	Own portfolio	1,170,827	749,675
Interbank deposit investments	66,962	294,207	Free portfolio	149,044	-
Securities and Derivative financial instruments	18,458,883	17,282,722	Acceptances and endorsements (Note 17)	9,412,261	9,839,719
Own portfolio (Note 6a)	8,391,250	8,199,104	Funds from real estate bills, mortgage, credit and similar	9,026,819	9,539,573
Subject to repurchase agreements (Note 6a)	7,207,314	5,844,175	Securities issued overseas	385,442	300,146
Subject to guarantees provided (Note 6a)	1,981,550	1,989,055	Borrowings (Note 16a)	126,312	137,011
Derivative financial instruments (Note 6a)	1,621,254	1,250,388	Foreign borrowings	126,312	137,011
(Provision for impairment of free securities) (Note 6a)	(742,485)	-	Domestic onlendings - Official institutions (Note 16b)	2,774,960	2,787,022
Loan operations (Note 8a)	21,786,058	23,057,311	National Treasury	1,945	5,804
Public sector	450,859	587,746	BNDES	1,316,474	1,164,276
Private sector	17,064,749	17,176,631	Finame	1,456,541	1,616,942
Loan operations subject to assignment	5,148,477	6,677,220	Derivative financial instruments (Note 6d)	867,047	1,108,857
(Allowance for loans losses)	(878,027)	(1,384,286)	Other liabilities	11,898,472	15,514,194
Leases (Note 8a)	16,296	24,258	Tax and social security (Note 18a)	214,063	573,104
Private sector	17,273	28,151	Securities clearing accounts	138,343	140,726
(Allowance for leases losses)	(977)	(3,893)	Subordinated debts (Note 18b)	3,593,996	5,469,532
Other receivables	5,891,016	7,012,047	Debt instruments eligible to capital (Note 18c)	1,122,994	881,642
Credits for sureties and guarantees paid	174,084	197,497	Sundry (Note 18d)	6,829,076	8,449,190
Income receivable	888	585	DEFERRED INCOME	38,294	48,247
Securities clearing accounts	389	566	SHAREHOLDERS' EQUITY	8,416,377	7,616,664
Sundry (Note 9)	5,735,611	7,370,951	Capital	7,826,980	7,483,754
(Allowance for other receivables losses) (Note 8a)	(19,956)	(557,552)	Domestic (Note 21a)	7,826,980	7,483,754
Other assets (Note 11)	85,333	374,670	Capital reserves (Note 21b)	372,120	372,120
Assets not in use and materials in stock	-	375	Profit reserves (Note 21c)	58,928	392,434
(Provision for devaluation)	-	(164)	Equity evaluation adjustments (Note 21d)	(138,398)	(631,644)
Prepaid expenses	85,333	374,459	Retained earnings	296,747	-
FIXED ASSETS	602,929	521,692	INTERESET OF NON-CONTROLLING SHAREHOLDERS	-	-
Investments	405,967	324,449	Property for use (Note 13)	90,481	97,125
Investments in subsidiaries (Note 12a)	335,038	255,969	Other property for use	265,195	248,989
Domestic	335,038	255,969	(Accumulated depreciation)	(174,714)	(151,864)
Other investments (Note 12b)	123,476	115,712	Intangible assets (Note 14a)	95,928	85,351
(Accumulated impairment) (Note 12b)	(52,547)	(47,232)	Intangible assets	186,437	170,330
Property for use (Note 13)	90,481	97,125	(Accumulated amortization)	(72,897)	(60,129)
Other property for use	265,195	248,989	(Accumulated impairment)	(17,612)	(24,850)
(Accumulated depreciation)	(174,714)	(151,864)	Deferred assets	10,553	14,767
Intangible assets (Note 14a)	95,928	85,351	Organizational and expansion expenses	35,573	36,851
Intangible assets	186,437	170,330	(Accumulated amortization)	(25,020)	(22,084)
(Accumulated amortization)	(72,897)	(60,129)	TOTAL ASSETS	103,804,099	110,221,315
(Accumulated impairment)	(17,612)	(24,850)	TOTAL LIABILITIES	103,804,099	110,221,315
Deferred assets	10,553	14,767			
Organizational and expansion expenses	35,573	36,851			
(Accumulated amortization)	(25,020)	(22,084)			

See the accompanying notes to the financial statements.

Banco Votorantim S.A.
CONSOLIDATED STATEMENT OF INCOME
From January 01 to September 30, 2016 and 2015 and
quarter ended September 30, 2016

(In thousands of Reais, except for income for the year per thousand shares)

		3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
FINANCIAL INTERMEDIATION INCOME		4,255,497	11,820,987	15,572,499
Loan operations	(Note 8b)	1,700,552	4,702,235	6,621,164
Leases	(Note 8h)	48,334	161,988	600,415
Income from securities	(Note 6b)	1,597,518	3,610,879	3,619,211
Income from derivative financial instruments	(Note 6 d)	147,265	704,648	1,661,060
Income from compulsory deposits	(Note 7b)	17,271	33,655	-
Sale or transfer of financial assets	(Note 8k)	744,557	2,607,582	3,070,649
FINANCIAL INTERMEDIATION EXPENSES		(3,607,296)	(9,080,969)	(14,740,850)
Money market repurchase agreements	(Note 15d)	(2,325,866)	(5,916,930)	(8,612,506)
Borrowings and onlendings	(Note 16c)	(86,227)	453,420	(1,450,323)
Leases	(Note 8h)	(40,226)	(134,803)	(546,625)
Income from foreign exchange operations	(Note 10b)	31,805	(287,512)	528,072
Sale or transfer of financial assets	(Note 8k)	(481,788)	(1,798,921)	(2,242,707)
Allowance for doubtful accounts	(Note 8f)	(704,994)	(1,396,223)	(2,416,761)
GROSS INCOME FROM FINANCIAL INTERMEDIATION		648,201	2,740,018	831,649
OTHER OPERATING INCOME/EXPENSES		(429,114)	(1,838,123)	(1,225,722)
Service income	(Note 19a)	114,963	351,163	316,274
Income from banking fees	(Note 19b)	165,546	450,140	378,766
Personnel expenses	(Note 19c)	(263,968)	(860,095)	(904,763)
Other administrative expenses	(Note 19d)	(283,056)	(843,583)	(819,085)
Tax expenses	(Note 22c)	(87,328)	(291,615)	(312,432)
Income from subsidiaries accounted by the equity method	(Note 12a)	70,966	(140,110)	670,428
Other operating income	(Note 19e)	80,670	204,726	292,511
Other operating expenses	(Note 19f)	(226,907)	(708,749)	(847,421)
OPERATING INCOME		219,087	901,895	(394,073)
NON-OPERATING INCOME	(Note 20)	3,079	8,582	(26,821)
Non-operating income		13,739	46,444	21,414
Non-operating expenses		(10,660)	(37,862)	(48,235)
INCOME BEFORE TAXES AND CONTRIBUTIONS		222,166	910,477	(420,894)
INCOME TAX AND SOCIAL CONTRIBUTION	(Note 22a)	(80,634)	(491,531)	966,561
PROFIT SHARING - EMPLOYEES AND MANAGEMENT		(29,474)	(112,479)	(140,955)
INTEREST OF NON-CONTROLLING SHAREHOLDERS		-	-	-
NET INCOME		112,058	306,467	404,712

See the accompanying notes to the financial statements.

Banco Votorantim S.A.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
From January 01 to September 30, 2016 and 2015 and
quarter ended September 30, 2016

(In thousands of Reais)

EVENTS	Capital Realized capital	Capital reserves	Profit reserves		Adjustments to equity value	Retained earnings	Total
			Legal	Other			
Balances at 12.31.2014	7,125,761	372,120	25,123	357,993	(327,123)	-	7,553,874
Capital increase (Note 21a)	357,993	-	-	(357,993)	-	-	-
Equity evaluation adjustments (Note 21d)	-	-	-	-	(180,903)	-	(180,903)
Net income for the period	-	-	-	-	-	404,712	404,712
Allocations: legal reserve	-	-	13,389	-	-	(13,389)	-
Balances at 09.30.2015	7,483,754	372,120	38,512	-	(508,026)	391,323	7,777,683
Changes in the period	357,993	-	13,389	(357,993)	(180,903)	391,323	223,809
Balances at 06.30.2016	7,826,980	372,120	58,928	-	(160,300)	184,689	8,282,417
Equity evaluation adjustments (Note 21d)	-	-	-	-	21,902	-	21,902
Net income for the period	-	-	-	-	-	112,058	112,058
Balances at 09.30.2016	7,826,980	372,120	58,928	-	(138,398)	296,747	8,416,377
Changes in the period	-	-	-	-	21,902	112,058	133,960
Balances at 12.31.2015	7,483,754	372,120	49,208	343,226	(631,644)	-	7,616,664
Capital increase (Note 21a)	343,226	-	-	(343,226)	-	-	-
Equity evaluation adjustments (Note 21d)	-	-	-	-	493,246	-	493,246
Net income for the period	-	-	-	-	-	306,467	306,467
Allocations: legal reserve	-	-	9,720	-	-	(9,720)	-
Balances at 09.30.2016	7,826,980	372,120	58,928	-	(138,398)	296,747	8,416,377
Changes in the period	343,226	-	9,720	(343,226)	493,246	296,747	799,713

Earnings per share are disclosed in the Statement of Income.
See the accompanying notes to the financial statements.

Banco Votorantim S.A.
STATEMENT OF CASH FLOWS
From January 01 to September 30, 2016 and 2015

(In thousands of Reais)

	01.01 to 09.30.2016	01.01 to 09.30.2015
Cash flows from operating activities		
Income before income and social contribution taxes	910,477	(420,894)
Adjustments to Income before income and social contribution taxes	1,208,663	566,894
Provision for credits, lease and other credits (Note 8f)	1,396,223	2,416,761
Depreciation and amortization (Note 19)	52,177	31,908
Income from appraisal of recoverable value of assets	583,490	59,461
Equity in income of subsidiaries	140,110	(670,428)
Foreign exchange variation of investments	(284,849)	554,205
(Income) Loss on disposal of assets (Note 20)	20,698	14,781
Provision (Reversal) to devaluation of other assets (Note 20)	2,296	(1,147)
Expenses (Reversal) with civil, labor and tax provisions	(27,261)	(80,303)
Effect of changes in foreign exchange rates on funds available	170,612	(247,800)
Interest income and foreign exchange losses of securities available for sale	(279,852)	(986,725)
Interest income from securities held to maturity	(507,122)	(494,534)
Other operating income and expenses	(58,001)	(28,497)
Other adjustments	142	(788)
Adjusted income before income and social contribution taxes	2,119,140	146,000
Equity variations	(14,487,488)	(2,581,463)
(Increase) decrease in interbank funds applied	(6,291,386)	(6,460,596)
Increase (decrease) in trading securities and derivative financial instruments	(4,563,300)	(3,461,090)
(Increase) decrease in interbank accounts	71,154	145,936
(Increase) Decrease in compulsory deposits at the Central Bank of Brazil	(310,050)	27,095
(Increase) Decrease in credit transactions	843,606	(621,170)
(Increase) Decrease in lease operations	52,175	159,164
(Increase) /decrease in other receivables, net of deferred taxes	2,323,132	(1,134,744)
(Increase) decrease in other assets	75,560	185,651
Income and social contribution taxes paid	(177,057)	(342,823)
(Decrease) increase in deposits	329,152	1,015,942
(Decrease) increase in money market repurchase commitments	6,039,702	2,101,129
(Decrease) Increase in acceptances and endorsements	(6,661,363)	1,997,659
(Decrease) increase in liabilities from borrowings and onlendings	(2,439,228)	1,449,237
(Decrease) Increase in other obligations	(3,769,632)	2,349,670
(Decrease) increase in the income of future years	(9,953)	7,477
CASH GENERATED (USED) BY OPERATING ACTIVITIES	(12,368,348)	(2,435,463)
Cash flows from investment activities		
(Acquisition) of securities available for sale	(6,577,829)	(6,285,745)
(Acquisition) of securities held to maturity	(3,659,542)	-
(Acquisition) of investments	(92,947)	(17,959)
(Acquisition) of property for use	(24,567)	(50,194)
(Acquisition) of intangible	(31,214)	(43,962)
Disposal, maturity of securities available for sale	10,518,822	8,712,444
Maturity of securities held to maturity	6,585,365	1,649,534
Disposal/Decrease of investments	-	2,340
Disposal of property for use	5,070	26,560
Disposal of intangible	1,505	3,570
Disposal of deferred assets	949	12
Interest on own capital / Dividends received	150,852	142,615
NET CASH GENERATED (CONSUMED) IN INVESTMENT ACTIVITIES	6,876,464	4,139,215
Cash flows from financing activities		
Dividends paid	(114,409)	(119,331)
(Decrease) Increase in obligations due to subordinated debts	(853,137)	144,289
(Decrease) Increase in capital and debt instruments	241,352	412,822
CASH GENERATED (USED) BY FINANCING ACTIVITIES	(726,194)	437,780
Net variation for cash and cash equivalents	(6,218,078)	2,141,532
Beginning of the period	8,867,951	2,801,920
Effect of changes in foreign exchange rates on funds available	(170,612)	247,800
End of the period (Note 4)	2,479,261	5,191,252
Increase in cash and cash equivalents	(6,218,078)	2,141,532

See the accompanying notes to the financial statements.

Banco Votorantim S.A.
STATEMENT OF VALUE ADDED
From January 01 to September 30, 2016 and 2015

(In thousands of Reais)

	01.01 to 09.30.2016	01.01 to 09.30.2015
Income	10,730,626	13,269,047
Financial operations income	11,820,987	15,572,499
Service income and banking fees (Note 19a/ 19b)	801,303	695,040
Allowance for doubtful accounts (Note 8f)	(1,396,223)	(2,416,761)
Other income (expenses) (Note 19e/ 19f/ 20)	(495,441)	(581,731)
Financial intermediation expenses	(7,684,746)	(12,324,089)
Inputs acquired from third parties	(741,153)	(719,621)
Water, electricity and gas (Note 19d)	(7,837)	(8,591)
Outsourced services (Note 19d)	(5,940)	(6,328)
Communications (Note 19d)	(56,164)	(55,683)
Data processing (Note 19d)	(145,012)	(136,455)
Transportation (Note 19d)	(9,162)	(9,572)
Surveillance and security services (Note 19d)	(1,511)	(1,462)
Specialized technical services (Note 19d)	(276,233)	(269,275)
Financial system services (Note 19d)	(71,242)	(75,951)
Advertising and publicity (Note 19d)	(3,113)	(2,351)
Judicial and notary public fees (Note 19d)	(82,563)	(76,781)
Other (Note 19d)	(82,376)	(77,172)
Gross added value	2,304,727	225,337
Amortization/depreciation expenses (Note 19d)	(52,177)	(31,908)
Net added value produced by the Entity	2,252,550	193,429
Added value received as transfer	(140,110)	670,428
Equity in income of subsidiaries (Note 12a)	(140,110)	670,428
Added value payable	2,112,440 100,00%	863,857 100,00%
Distributed added value	2,112,440 100,00%	863,857 100,00%
Personnel	876,731 41,50%	948,825 109,84%
Salaries and fees	636,564	669,577
Profit sharing - Employees and Management	112,479	140,955
Benefits and training programs	93,864	99,842
FGTS	33,210	37,468
Other charges	614	983
Taxes, rates and contributions	878,989 41,61%	(557,236) -64,51%
Federal	838,618	(601,539)
State	1,507	5,447
Municipal	38,864	38,856
Third-party capital remuneration	50,253 2,38%	67,556 7,82%
Rental (Note 19d)	50,253	67,556
Remuneration of own capital	306,467 14,51%	404,712 46,85%
Retained earnings	306,467	404,712

See the accompanying notes to the financial statements.

Notes to the financial statements

1. THE CONGLOMERATE AND ITS OPERATIONS

Banco Votorantim S.A. (“Banco Votorantim” or “Conglomerate”) is a private company which, operating as a Multiple Bank, develops banking activities in authorized categories, including commercial banking, investment banking and foreign exchange operation portfolios.

Through its subsidiaries, the Company also carries out activities in the areas of consumer credit, leasing, administration of investment funds and credit cards, securities brokerage and distribution and any other activities in which institutions that are part of the National Financial System are permitted to engage.

Transactions are conducted in the context of a set of institutions that operate in an integrated manner in the financial market, including in relation to risk management, and certain transactions have the joint participation or the intermediation of member institutions, which form an integral part of the financial system. The benefits of the services provided between these institutions and the costs of the operational and administrative structure, are absorbed based on the practicality and reasonableness of the allocation of benefits and costs, jointly or individually.

2. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements were prepared based on the accounting guidelines derived from Brazilian Corporation Law and the rules and instructions of the National Monetary Council (CMN), the Central Bank of Brazil, and are presented in accordance with the Accounting Plan for Institutions in the National Financial System (COSIF) highlighting the devices related to the Financial Conglomerate.

The preparation of the consolidated interim Financial Statements in accordance with accounting practices adopted in Brazil, applicable to financial institutions, requires that Management uses its judgment in determining and recording accounting estimates, when applicable. Significant assets and liabilities subject to these estimates and assumptions include: the residual value of permanent assets, allowance for doubtful accounts, deferred tax assets, provision for labor, tax and civil claims, valuation of financial instruments and other provisions. Definitive values of transactions involving these estimates are recognized only upon settlement.

In the preparation of consolidated interim Financial Statements, intercompany transactions, and any unrealized income and expenses arising from intercompany transactions, and intercompany balances, including interest held by one company in another, were eliminated, net of tax effects. Interest held by non-controlling shareholders in the shareholders’ equity of the subsidiaries and in income were highlighted in financial statements. Lease transactions were considered from a financial method viewpoint, and the reclassified amounts under leased property, plant and equipment to the caption lease transactions including the excess and/or insufficient depreciation, less residual value received in advance. The process does not include the consolidation of the exclusive investment funds and of the credit receivable investment funds and non-financial subsidiaries in conformity with the consolidation rules established by the CMN for the purposes of the Financial Conglomerate. The book balances of the overseas direct subsidiaries, which are prepared in accordance with International Financial Reporting Standards (IFRS), were translated into Reais, using the foreign currency quotation on the closing date of the period, and were adjusted to conform to the accounting policies described in Note 3. The exchange variation of the operations of the branch and of the subsidiary companies abroad was distributed on the lines of the statement of income, according to the respective assets and liabilities which originated them.

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The Accounting Pronouncements Committee (CPC) issues accounting standards and interpretations aligned with IFRS and approved by the Brazilian Securities and Exchange Commission. The National Monetary Council (CMN) approved the following pronouncements, which were fully applied by the Bank, as applicable: CPC 00 (R1) - Basic Conceptual Pronouncement, CPC 01 (R1) - Impairment of assets, CPC 03 (R2) - Statement of cash flows, CPC 05 (R1) - Related party disclosures, CPC 10 (R1) - Share-based payment, CPC 23 - Accounting Policies, Change in Accounting Estimates and Correction of Errors, CPC 24 - Subsequent events, CPC 25 - Provisions, contingent assets and liabilities and CPC 33 (R1) - Employee Benefits.

The Bank applies pronouncement CPC 09 - Statement of value added, which is not in conflict with the rules of the Central Bank of Brazil, as provided for in the prevailing regulations.

On September 29, 2016, CMN Resolution no. 4,524 was issued, which addresses the accounting procedures to be followed in the recognition of the effects of exchange rate variations on translation of financial statements and in the Hedge of exchange rate of dependents and affiliates or subsidiaries abroad. This standard revoked Resolution no. 4,455 of December 17, 2015 and Resolution no. 4,491, of May 31, 2016, and must be applied prospectively from January 1, 2017. There will be no impact on the Conglomerate in the application of this standard.

The consolidated interim Financial Statements were authorized for issue by Executive Board on November 08, 2016.

Shareholding interest included in consolidated interim Financial Statements, segregated by business segments:

		09.30.2016	12.31.2015
	Activity	Interest %	
Banking segment - Domestic			
BV Financeira S.A. Crédito, Financiamento e Investimento	Financial	100.00%	100.00%
BV Leasing Arrendamento Mercantil S.A.	Lease	100.00%	100.00%
Votorantim Corretora de Títulos e Valores Mobiliários Ltda.	Brokerage house	99.99%	99.99%
Fund management segment			
Votorantim Asset Management Distribuidora de TVM Ltda.	Asset Management	99.99%	99.99%
Banking segment - Foreign			
Votorantim Bank Limited	Banking	99.99%	99.99%
Banco Votorantim Securities Inc.	Brokerage house	100.00%	100.00%
Votorantim Securities (UK) Limited	Brokerage house	100.00%	100.00%

Information for comparison purpose

Reclassifications have been made in the Income Statement, for comparison purposes, in order to better highlight the essence of operations, among which we highlight:

- Reclassification of foreign exchange variation on foreign investments of Other Operating Income/ Expenses to Equity in earnings of subsidiaries.

Statement of income

	01.01 to 09.30.2015		
	Previous disclosure	Reclassification	Reclassified balance
OTHER INCOME / EXPENSES	(1,225,722)	-	(1,225,722)
Equity in earnings of subsidiaries (Note 12a)	116,223	554,205	670,428
Other operating income (Note 19e)	912,212	(619,701)	292,511
Other operating expenses (Note 19f)	(888,312)	40,891	(847,421)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by Banco Votorantim were consistently applied to all periods presented in these financial statements and have been applied consistently by all entities of the Conglomerate.

a) Statement of income

Revenues and expenses are recognized on an accrual basis in the period earned or incurred. Transactions that were carried out with floating financial charges are adjusted on a *pro rata* basis, based on the variation of the respective agreed-on indices; and transactions with fixed financial charges are recorded at redemption value, rectified by unrecognized income or unrecognized expenses corresponding to the future period. Transactions indexed to foreign currencies are adjusted at the reporting sheet date at the current rate criteria.

b) Measurement at present value

Financial assets and liabilities are presented at present value as a result of application of accrual regime for recognition of respective interest revenues and expenses.

Non-contractual obligations, mainly represented by provisions for lawsuits and legal obligations whose disbursement date is unknown and not under control of the Conglomerate, are measured at present value, as they are initially recognized at estimated disbursement value on evaluation date and are adjusted on a monthly basis.

c) Cash and cash equivalents

Cash and cash equivalents comprise domestic and foreign currency, money market repurchase commitments - own portfolio, interbank accounts or relations and investments in foreign currency, with high liquidity and insignificant risk of changes in value, and original maturities of 90 days or less from the acquisition date.

d) Interbank funds applied

Interbank investments are shown at cost of investment or acquisition, plus income accrued up to the reporting date and adjusted for reserve for losses, as applicable.

e) Securities

Securities are recorded at the amount effectively paid, net of reserve for losses, and classified into three different categories based on Management's intent, according with current law:

Trading securities: Securities acquired for the purpose of being actively and frequently negotiated. Subsequent to initial recognition, trading securities are measured at fair value with changes therein recognized in profit or loss;

Securities available for sale: Securities that may be traded at any time, though are not acquired for the purpose of being actively and frequently negotiated. Subsequent to initial recognition, securities available for sale are measured at fair value with changes therein recognized in a separate account in shareholders' equity, net of taxes; and

Securities held to maturity: Securities acquired with the positive intent and financial capacity to hold to maturity. Held-to-maturity securities are initially recognized at cost plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets

are measured at amortised cost using the effective interest method, less any impairment losses. For securities reclassified to this category, the mark-to-market adjustment is incorporated to cost and kept prospectively at amortized cost using the effective interest rate method.

The methodology of adjustment at market value was established in compliance with consistent and verifiable criteria, which take into consideration the average price of trading on the date of calculation, or, in the absence thereof, the daily adjustment value of future market transactions disclosed by external sources, or the probable net realizable value obtained pricing models, using interest rate future value curves, exchange rates, price and currency indexes, besides any adjustments in the prices of securities of low liquidity, all duly in conformity with the prices adopted in the period.

The market value considers the credit risk of counterparty (credit valuation adjustment).

Income on securities, regardless of the category, is accrued pro rata, based on the variation of the index and on the agreed-upon interest rates, by the compounding or straight-line method, up to the date of maturity or of the final sale of the security, and is recognized directly in profit or loss.

Losses on securities classified as available for sale and as held to maturity that are not temporary losses are directly recognized in profit or loss and now comprise the new asset cost basis.

Upon disposal, difference determined between sales value and acquisition cost adjusted by earnings is considered as the transaction result and is accounted for on transaction date as Income or Loss with securities.

f) Derivative financial instruments

Derivative financial instruments are valued at market value, upon the preparation of monthly trial balances and balance sheets. Changes in value are recorded in the income or expense accounts of the respective financial instruments.

The mark-to-market methodology of derivative financial instruments was established based on consistent and verifiable criteria, considering the average price of trading on the date of calculation, or, in the absence thereof, conventional and proven methodologies and pricing models that reflect the net realizable value. The market value considers the credit risk of counterparty (credit valuation adjustment).

Derivative financial instruments used to offset, in whole or in part, the risks arising from exposure to variations in the market value of financial assets or liabilities are considered hedging instruments and are classified according to their nature as either:

Market risk hedge: changes in the market values of the financial instruments and the corresponding hedged items are recognized in profit or loss; and

Cash flow hedge: The financial instruments are allocated to compensate the variation of future cash flow of the institution. For these operations, both derivative financial instruments as the hedged items are adjusted by fair value. For financial instruments classified in this category, effective portion of appreciation or devaluation is recorded in a separate account of Shareholders' equity. Effective portion is that portion for which hedged item variation directly related to corresponding risk is offset against hedging financial instrument variation, considering transaction accumulated effect. Other variations in these instruments are directly recognized in profit or loss for the period.

For object items that were discontinued from the hedge list and that remain recorded in the

balance sheet, as in the case of credit contracts assigned with substantial retention of risks and benefits, when applicable, the mark-to-market adjustment is recognized over the remaining period at the new effective interest rate.

g) Loan and lease operations, advances on foreign exchange contracts, other receivables with loan characteristics and allowance for doubtful accounts

Loans and lease operations, advances on foreign exchange contracts and other receivables with loan characteristics are classified according to Management's assessment regarding the level of risk, taking into consideration the current economic environment, past experience and risks specifically related to the respective operation, the counterparty and guarantors, periods of delinquency, and economic group in accordance with the parameters established by CMN, which requires the classification of the portfolio into nine risk levels, ranging from AA (minimum risk) to H (maximum risk), as well as the classification of transactions with delinquency of more than 14 days as non-performing loans. In relation to the delinquency period for operations with a term of over thirty-six (36) months, a double count is adopted over intervals of delinquency defined for the nine levels to retail operations. For wholesale operations, a double count for the intervals of delinquency is also permitted, according to the internal assessment.

Interest from credit transactions overdue for more than 59 days is recognized as income only when effectively received, regardless of risk level.

Operations with a risk level H continue in this status for 180 days, at which time they are written off against the existing provision and controlled in memorandum accounts.

Renegotiated operations are maintained, at a minimum, at the level at which they were initially rated on the date of renegotiation. Renegotiations of credit transactions that had been previously written off against provisions are rated as level H and any gains from renegotiation are recognized in profit or loss when effectively received.

The allowance for doubtful accounts, considered sufficient by Management, complies with the requirement established by the CMN Resolution 2,682/1999 (Note 8e).

Loan operations that are hedged against market risk are stated at fair value using consistent and verifiable criterion. Adjustments to these transactions from mark-to-market valuations are recorded in loans operations transactions, as a contra-entry to "Income from derivative financial instruments".

The income from loan assignments with recourse performed up to December 31, 2011, was calculated on the date of assignment and the income was fully recognized through write-off of the corresponding assets, whether risk was retained or not. For the portfolio of loans assigned with recourse, Management established a reserve for losses, recorded under "Other liabilities - Sundry - Sundry domestic creditors".

As of January 1, 2012, financial assets assigned consider the transfer level of risks and benefits of assets transferred to the other entity:

- When financial assets are transferred to another entity, but there is no substantial transfer of the risks and benefits related to the transferred assets, assets remain on the Company's balance sheet; and
- When all the risks and benefits related to the assets are substantially transferred to an entity, assets are derecognized.

h) Prepaid expenses

These expenses refer to the application of payments made in advance, for which the benefits or the services will occur in subsequent periods. Prepaid expenses are recorded at cost and amortized as incurred.

Transactions related to "Usufruct rights on shares" have been recognized based on the funds paid by the Conglomerate for temporary beneficial ownership of other companies' preferred shares in exchange for consideration. These "Usufruct rights on shares" grant the right to receive dividends in the manner provided for in the bylaws of each of these companies, among other rights and benefits. The funds paid are deferred with a corresponding entry to profit or loss, in accordance with the term of each beneficial ownership transaction, whereas the amounts arising from rights to the payment of dividends are recognized as revenues when proven.

Beginning January 02, 2015, in compliance with requirements of CMN Resolution no. 4,294/2013, and in accordance with permission provided for in BACEN Circular Letter no. 3,738/2014, two thirds of the remuneration relating to 2015 origination of credit or lease transactions by correspondents are recorded in assets, and the remaining portion is recognized in profit or loss for the period upon origination.

Assets recorded pursuant to permission provided for in BACEN Circular Letter no. 3,738/2014 are amortized on a straight-line basis over the maximum period of 36 months.

In 2016, up to a third of the remuneration relating to origination of credit transactions became to be recorded in assets and recognized in income on a straight-line basis, for a maximum period of 36 months. Said remuneration for transactions generated beginning as of January 1, 2017 will be fully recognized as expenses.

Beginning as of January 1, 2020, all amounts recorded in assets and related to remuneration of correspondents in Brazil will be immediately written off, with contra-entry in the appropriate expense account for the period.

i) Fixed assets

Investments: investments in subsidiaries with significant influence or interest of 20% or more in the voting capital are accounted for by the equity method based on the shareholders' equity in the subsidiary. Financial statements of subsidiaries abroad are conformed to accounting criteria in force in Brazil and translated into Brazilian Reais in accordance with prevailing law, and their effects are recognized in profit or loss. Other permanent investments are valued at cost of acquisition, less provision for impairment, as applicable.

Property for use: property, plant and equipment is valued at acquisition cost less depreciation, which is calculated on a straight-line basis using the following annual rates, as follows: vehicles - 20%, data processing systems - 20% and other items - 10% (Note 13).

Deferred assets: the deferred asset is recorded at acquisition or formation cost, net of respective accumulated amortization. Deferred assets primarily comprises the Company's reorganization expenditures and expenditures made up to September 30, 2008 with third parties' properties deriving from installation of facilities and amortization calculated on a straight-line basis, considering the period in which the benefit is created. There were no acquisitions during the period owing to the regulations in force. Losses on leases are amortized over the remaining useful life of the leased items and in compliance with current regulation.

Intangible assets: intangible assets corresponds to the rights that refer to incorporeal personal property intended for the maintenance of the Company or exercised with this purpose. Intangible

assets have defined useful lives and primarily relates to software amortized on a straight line basis at a rate of 20% p.a., beginning as when the intangible asset is available for use (Note 14). The entity assesses at the end of each reporting period, if there is any sign that an intangible asset has suffered impairment. If so, the entity should estimate the asset's recoverable value. Amortization is calculated by the straight-line method, based on the period over which the benefit is generated, calculated under Other administrative expenses - Amortization (Note 19d). The entity shall assess at the end of each reporting period whether there is any indication that an intangible asset has been devaluated. If there is any indication, the entity estimates the recoverable amount of the asset.

j) Impairment of non-financial assets

The company assesses at the end of each period, if there is any sign that an asset may be impaired. If so, the company estimates the asset's recoverable value, which is the greater of: i) the asset's fair value less costs to sell; and ii) the asset's value in use.

If the asset's recoverable value is lower than its carrying value, the asset's carrying value is reduced to its recoverable value through a provision for impairment losses that is recognized in profit or loss.

Methodologies applied to the valuation of the recoverable value of main non-financial assets:

Investments

The methodology for determining the recoverable value of investments accounted for by the equity method is based on valuation of equity in investees, their business plans and invested amounts' return capacity. A provision for impairment loss is recognized in profit or loss in the period when the carrying value of an investment exceeds its recoverable value.

Intangible assets

Software - software is developed internally and according to the Conglomerate's needs. This development process is in compliance with the Bank investment policy which aims the modernization and adequacy to new technologies and business requirements. As there are no similar items in the market and also because of the high cost to implement metrics that permit determining the value in use, testing of software recoverability is comprised of the valuation of its utility for the Company such that when the software no longer has future economic benefits, the recoverable value of the intangible asset is adjusted.

Impairment loss recognized to adjust these assets' recoverable value is stated in respective notes.

k) Employee benefits

Recognition, measurement and disclosure of employee benefits (short and long-term) are conducted in accordance with criteria defined in CPC 33 - Benefits to employees, approved by the CMN Resolution No. 4,424/2015. In accordance with the accrual regime, this pronouncement requires that an entity recognize a liability when the employee provides services in exchange for benefits to be paid in the future as a contra-entry to the net income of the period.

For the Short and Long-Term Incentive Program for the Conglomerate's directors and employees, the opportunity to invest in "virtual shares" of the Company is offered. Amounts to be paid that are adjusted according to the grace period (from one to a maximum of four years) and to the characteristics of each benefit are recorded under "Other sundry obligations - Provision for

payments” as a contra entry to caption “Personnel expenses - Proceeds”. Program details are disclosed in Note 24.

l) Deposits and money market repurchase commitments

Deposits and money market repurchase commitments are stated at the amounts of the liabilities and consider, when applicable, the charges enforceable up to the reporting date, recognized on a “pro rata” daily basis.

m) Taxes

Taxes are calculated based on rates shown in the chart below:

Taxes	Current rate
Income tax (15% + 10% additional)	25%
Social contribution on net income - CSLL ⁽¹⁾	20%
PIS / PASEP	0.65%
Contribution for Social Security Funding - COFINS	4%
Service tax (ISS) - ISSQN	From 2 to 5%
⁽¹⁾ Rate applicable to financial companies, from September 01, 2015 (the rate was 15% until August 31, 2015). Beginning as of January 2019, the rate will return to 15%.	

Deferred tax assets and deferred tax liabilities are recognize through the application of prevailing tax rates on the respective bases. For recognition, maintenance and write-off of deferred tax assets, the criteria established in CMN Resolution no. 3,059/2002, as changed by CMN Resolutions no. 3,355/2006 and 4,192/2013, are followed, supported by a study on realization capacity.

The deferred tax assets resulting from the increase of the CSLL rate from 15% to 20% are being recognized in a sufficient amount to its consumption until the end of the term of the new rate (December 2018), according to Law no. 13,169/2015.

Deferred income tax is recognized in the subsidiary BV Leasing, calculated at the rate of 25%, on the adjustment of excess of depreciation of the lease portfolio of subsidiary BV Leasing.

n) Provisions, contingent assets and liabilities and legal obligations

Recognition, measurement and disclosure of provisions, contingent assets and liabilities and of legal obligations are conducted in accordance with criteria defined in CPC 25 - Provisions, Contingent Liabilities and Contingent Assets, approved by the CMN Resolution 3,823/2009 (Note 25).

Contingent assets are not recognized except when Management has full control over the situation or when there are secured guarantees or favorable sentences to which no further appeals are applicable, characterizing a favorable judgment as practically certain.

Contingent liabilities are recognized when, based on the opinion of legal counsel and Management, the risk of loss of a lawsuit or administrative proceeding is considered probable, with a probable outflow of financial resources for the settlement of obligations and when the sums involved are reasonably estimable. Contingent liabilities rated as possible losses are not recognized and are only be disclosed in notes; those rated “remote” do not require provision or disclosure.

Legal obligations comprise lawsuits related to tax obligations, where the subject being contested is the legality or constitutionality of such obligations, which, regardless of the probability of success, are recognized in full in the consolidated interim financial statements.

o) Guarantees and sureties

Guarantee provided by the Company, and not yet called upon, that are not in cash, are recorded in memorandum accounts, and procedures are established to control, record and monitor the administrative actions that will result in the guarantee being called as a result of future occurrences, either foreseen or fortuitous.

When the obligation value is subject to exchange variation or to any other type of adjustment, balances of these accounts are adjusted at the reporting date.

Income for the period from provided guarantee and sureties commissions not yet received, are accounted for on a monthly basis in "Commissions for Co-obligations Receivable, as a contra entry to Income from Provided Guarantees.

Commissions received in advance are accounted for under advanced income in group deferred income, on a monthly basis at the accrual system.

When, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation, based on the occurrence or not of one or more uncertain future events, the Conglomerate recognizes a contingent liability "Unpaid guarantee", which is measured as the best estimate at the reporting date of the disbursement required to settle the obligation.

Operations of delinquent sureties and guarantees will have provisions recognized for each client of the economic group based on characteristics such as sector of operation, competitive and regulatory environment, shareholding control and management, as well as financial soundness, and these variables are captured through "rating" models on qualitative and quantitative basis, considering the respective minimum provisions as defined by CMN Resolution No. 2.682/1999, non-honored provision for sureties is recognized in Other obligations - Sundry - Sundry Domestic Creditors (note 18d).

p) Others Assets and Liabilities

Other assets and liabilities are stated at realizable values, including, when applicable, monetary and exchange variations (on a pro rata basis) and a reserve for losses, as necessary. Liabilities are stated at known measurable amounts plus, as applicable, monetary charges, inflation adjustments and foreign exchange variation on a *pro rata* basis.

4. CASH AND CASH EQUIVALENTS

	09.30.2016	12.31.2015
Cash and cash equivalents	175,785	179,915
Cash and cash equivalents in national currency	5,428	5,213
Cash and cash equivalents in foreign currency	170,357	174,702
Interbank funds applied ⁽¹⁾	2,303,476	8,688,036
Money market investments subject to repurchase agreements -Sales pending settlement - own portfolio	1,658,184	7,499,104
Interbank accounts or relations	161,847	991,360
Investments in foreign currency	483,445	197,572
Total	2,479,261	8,867,951

(1) Refer to transactions with original maturities of 90 days or less from the acquisition date and are subject to an insignificant risk change in fair value.

5. INTERBANK FUNDS APPLIED

a) Breakdown

	09.30.2016	12.31.2015
Money market repurchase commitments	15,343,039	14,851,895
Sales pending settlement - Own portfolio	2,256,449	9,054,888
Financial Treasury Bills	562,389	1,300,057
National Treasury Bills	1,048,744	576,875
National Treasury Notes	645,316	7,177,956
Sale pending settlement - Financed operations	11,731,008	4,725,598
Financial Treasury Bills	8,540,477	-
National Treasury Bill	760,800	707,030
National Treasury Notes	2,429,731	4,018,568
Sale pending settlement - Short position	1,355,582	1,071,409
Federal public securities - National Treasury	1,355,582	1,071,409
Interbank deposit investments	1,750,429	2,334,747
Total	17,093,468	17,186,642
Current assets	17,026,506	16,892,435
Non-current assets	66,962	294,207

b) Income from interbank funds applied

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Income from money market repurchase commitments	747,691	1,879,715	1,199,429
Own portfolio	130,740	421,403	571,907
Financed Operations	585,058	1,355,257	597,904
Short position	31,893	103,055	29,618
Income from interbank deposits	31,445	102,919	82,426
Total	779,136	1,982,634	1,281,855

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6. SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

a) Securities

In the Balance sheet, securities classified in the “Trading securities” category are presented as Current Assets, regardless of the maturity terms.

a.1) Breakdown of the portfolio by category, type of paper and maturity term

Maturity in days	09.30.2016								12.31.2015		
	Market value				Total			Total			
	Without maturity	From 0 to 30 days	From 31 to 180 days	From 181 to 360 days	Over 360 days	Cost	Market value	Mark-to-market	Cost	Market value	Mark-to-market
1 - Trading securities	339	6,749,545	58,374	59,739	1,462,096	8,323,839	8,330,093	6,254	5,291,493	5,214,663	(76,830)
Government bonds	-	6,749,545	52,007	59,739	1,424,757	8,280,011	8,286,048	6,037	5,161,629	5,085,070	(76,559)
Financial Treasury Bills	-	-	245	17,449	138,761	156,464	156,455	(9)	580,720	580,703	(17)
National Treasury Bills	-	6,749,545	-	-	843,424	7,588,770	7,592,969	4,199	2,945,833	2,944,685	(1,148)
National Treasury Notes	-	-	50,780	42,290	438,689	529,933	531,759	1,826	1,621,663	1,546,970	(74,693)
Brazilian Foreign Debt Securities	-	-	982	-	3,883	4,844	4,865	21	13,413	12,712	(701)
Corporate securities	339	-	6,367	-	37,339	43,828	44,045	217	129,864	129,593	(271)
Debentures	339	-	-	-	-	52	339	287	52	203	151
Shares	-	-	6,367	-	10,059	16,496	16,426	(70)	1,842	981	(861)
Eurobonds	-	-	-	-	-	-	-	-	97,820	97,820	-
Financial Bills	-	-	-	-	27,280	27,280	27,280	-	30,150	30,589	439
Other	610,276	45,764	1,192,496	380,547	12,206,131	14,824,493	14,435,214	(389,279)	18,937,776	18,061,323	(876,453)
2 - Securities available for sale	-	-	881,210	108,861	6,031,158	6,945,070	7,021,229	76,159	10,811,150	10,275,980	(535,170)
Government bonds	-	-	-	237	943,673	944,387	943,910	(477)	1,525	1,525	-
National Treasury Bills	-	-	881,210	-	509,320	1,386,059	1,390,530	4,471	5,185,339	4,996,967	(188,372)
National Treasury Notes	-	-	-	107,930	3,190,957	3,304,459	3,298,887	(5,572)	4,539,090	4,257,412	(281,678)
Agricultural debt securities	-	-	-	694	-	683	694	11	1,322	1,310	(12)
Brazilian Foreign Debt Securities	-	-	-	-	1,387,208	1,309,482	1,387,208	77,726	1,083,874	1,018,766	(65,108)
Corporate securities	610,276	45,764	311,286	271,686	6,174,973	7,879,423	7,413,985	(465,438)	8,126,626	7,785,343	(341,283)
Debentures ⁽¹⁾	-	15,390	8,844	112,967	3,694,422	4,129,302	3,831,623	(297,679)	3,199,560	3,081,252	(118,308)
Promissory notes ⁽²⁾	-	-	-	-	224,870	224,870	224,870	-	636,030	585,321	(50,709)
Shares ⁽³⁾	592,494	-	-	-	-	691,478	592,494	(98,984)	652,513	659,046	6,533
Shares in investment funds	17,782	-	-	-	1,271,272	1,289,054	1,289,054	-	1,629,152	1,629,152	-
Rural Product Notes - Commodities ⁽⁴⁾	-	30,374	44,557	58,562	98,309	240,651	231,802	(8,849)	390,383	374,127	(16,256)
Eurobonds ⁽⁵⁾	-	-	715	-	455,597	518,104	456,312	(61,792)	670,230	535,991	(134,239)
Credit Linked Notes	-	-	-	100,157	-	100,920	100,157	(763)	242,451	220,067	(22,384)
Financial Bills	-	-	257,170	-	51,709	309,343	308,879	(464)	443,184	439,012	(4,172)
Other	-	-	-	-	378,794	375,701	378,794	3,093	263,123	261,375	(1,748)
3 - Securities held to maturity	-	-	812,483	-	4,751,594	5,459,646	5,564,077	104,431	7,148,481	7,084,905	(63,576)
Government bonds	-	-	812,483	-	4,751,594	5,459,646	5,564,077	104,431	7,148,481	7,084,905	(63,576)
National Treasury Bills	-	-	-	-	4,000,217	3,898,329	4,000,217	101,888	5,186,366	5,151,226	(35,140)
National Treasury Notes	-	-	812,483	-	751,377	1,561,317	1,563,860	2,543	1,962,115	1,933,679	(28,436)
Total (1 + 2 + 3)	610,615	6,795,309	2,063,353	440,286	18,419,821	28,607,978	28,329,384	(278,594)	31,377,750	30,360,891	(1,016,859)

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The market value considers the prudential adjustment of credit risk spread, fulfilling the provision in Article 8 of the Resolution no. 4,277/2013 of the Brazilian Central Bank.

The securities classified as "Held to maturity" are recorded at cost in accordance with BACEN Circular No. 3,068/2001. For purposes of presentation, these operations are adjusted at market value.

- (1) The cost value includes provision of R\$ 758,289 (R\$ 75,764 on December 31, 2015) as a contra-entry to "Income from securities".
- (2) The cost value includes provision of R\$ 101,397 on December 31, 2015 as a contra-entry to "Income from securities".
- (3) The cost value includes provision of R\$ 74,745 (R\$ 87,844 on December 31, 2015) as a contra-entry to "Income from securities". The Market value of shares represents the quotation published by BM&FBovespa.
- (4) Market value of Rural Product Notes includes provision of R\$ 8,286 (R\$ 7,132 on December 31, 2015) as a contra-entry to "Income from securities".
- (5) Market value of Eurobond includes provision of R\$ 68,489 (R\$ 58,889 on December 31, 2015) as a contra-entry to "Income from securities".

a.2) Composition of portfolio by balance sheet captions and maturity term in days

Maturity in days	09.30.2016						12.31.2015				
	Market value					Cost	Total		Total		
	Without maturity	From 0 to 30 days	From 31 to 180 days	From 181 to 360 days	Over 360 days		Market value	Mark-to-market	Cost	Market value	Mark-to-market
By portfolio	610,615	6,795,309	2,063,353	440,286	18,419,821	28,607,978	28,329,384	(278,594)	31,377,750	30,360,891	(1,016,859)
Own portfolio	685,360	6,819,568	394,675	231,010	8,451,467	17,859,287	16,582,080	(1,277,207)	13,522,977	18,254,337	4,731,360
Subject to repurchase clause	-	-	1,618,219	41,370	8,501,877	9,182,510	10,161,466	978,956	14,879,999	9,301,830	(5,578,169)
Subject to guarantees provided	-	-	118,779	167,906	2,208,962	2,475,990	2,495,647	19,657	3,305,400	3,135,350	(170,050)
Allowance for securities losses	(74,745)	(24,259)	(68,320)	-	(742,485)	(909,809)	(909,809)	-	(330,626)	(330,626)	-

a.3) Composition of portfolio by category and maturity term in years

Maturity in years	09.30.2016						12.31.2015		
	Market value					Cost	Market value	Total	
	Without maturity	Falling due, up to 1 year	Falling due - From 1 to 5 years	Falling due from 5 to 10 years	Falling due for more than 10 years			Cost	Market value
By category	610,615	9,298,948	14,098,095	2,873,269	1,448,457	28,607,978	28,329,384	31,377,750	30,360,891
Trading securities	339	6,867,658	1,406,422	43,757	11,917	8,323,839	8,330,093	5,291,493	5,214,663
Securities available for sale	610,276	1,618,807	7,940,079	2,829,512	1,436,540	14,824,493	14,435,214	18,937,776	18,061,323
Securities held to maturity	-	812,483	4,751,594	-	-	5,459,646	5,564,077	7,148,481	7,084,905

a.4) Summary of the portfolio by captions

	09.30.2016			12.31.2015		
	Book value			Book value		
	Current	Non-current	Total	Current	Non-current	Total
By portfolio	11,387,324	16,837,629	28,224,953	14,392,133	16,032,334	30,424,467
Own portfolio	9,013,486	8,391,250	17,404,736	10,078,538	8,199,104	18,277,642
Subject to repurchase commitment	2,059,176	7,207,314	9,266,490	3,486,611	5,844,175	9,330,786
Subject to guarantees provided	481,986	1,981,550	2,463,536	1,157,610	1,989,055	3,146,665
Allowance for securities losses	(167,324)	(742,485)	(909,809)	(330,626)	-	(330,626)

a.5) Summary of the portfolio by category

By category	09.30.2016		12.31.2015	
1 - Trading securities	8,330,093	30%	5,214,663	17%
2 - Securities available for sale	14,435,214	51%	18,061,323	59%
3 - Securities held to maturity	5,459,646	19%	7,148,481	24%
Book value of portfolio	28,224,953	100%	30,424,467	100%
Mark-to-market of category 3	104,431		(63,576)	
Market value of portfolio	28,329,384		30,360,891	

The Conglomerate, in fulfilling the provision of Article 8 of Circular 3,068/01, of the Central Bank of Brazil, declares that it has the necessary financial capacity and intention to hold to maturity the securities classified in the "securities held to maturity" category, in the amount of R\$ 5,429,646 (R\$ 7,148,481 on December 31, 2015), representing 19% of the total securities (24% on December 31, 2015).

b) Income from securities

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Interbank funds applied (Note 5b)	779,136	1,982,634	1,281,855
Fixed income securities	649,724	1,552,556	2,217,342
Foreign securities	26,886	(50,942)	(104,741)
Variable income securities	85,878	44,977	69,319
Investments in investment funds	55,855	156,515	155,281
Other	39	(74,861)	155
Total	1,597,518	3,610,879	3,619,211

c) Reclassification of securities

On September 30, 2016 there was no reclassification of securities.

d) Derivative financial instruments

The Conglomerate uses Derivative Financial Instruments to manage its positions on a consolidated basis and to fulfill the needs of its client's, classifying its own positions as necessary for hedging (of market risk and cash flow hedge) or trading, both with approval limits in the Company. The hedging strategy for asset protection, which is approved by Management, is in line with the macroeconomic scenario analyses.

In the options market, assets or long positions have the Conglomerate as the holder, while liability or short positions have the Conglomerate as the seller.

The models employed in derivative risk management are periodically reviewed, and decision making is based on the best risk/return ratios, with likely losses being estimated following an analysis of macroeconomic scenarios.

The Conglomerate has tools and systems that are adequate to manage derivative financial instruments. Negotiation of new derivatives, standardized or not, depends on prior risk analysis.

Subsidiaries' risk valuation is carried out on an individual basis and its management is carried out on a consolidated basis.

The Conglomerate uses statistical methodologies and simulation to measure its positions' risks, including with derivatives, using value at risk and sensitivity models and stress analysis.

Risks

The principal risks inherent in derivative financial instruments deriving from the Bank and its subsidiaries' businesses are credit risk, market risk, liquidity risk and operational risk.

Credit Risk is defined as the likelihood of losses occurring due to a counterparty's not complying with its respective financial obligations in accordance with contractual terms. Exposure to credit risk in futures contracts is minimized due to the daily financial settlement. Swap contracts registered with CETIP are subject to credit risk in case that the counterparty is not able or willing to comply with its contractual obligations, while swap contracts registered with BM&FBovespa are not subject to the same risk, considering that Conglomerate's transactions in this stock exchange have the same guarantor.

Market risk is defined as the possibility of financial losses arising from variations in the market value of exposures held by a financial institution. These financial losses may be due to variations in interest rates, exchange rates and prices of shares and commodities.

Liquidity risk is defined as:

- The possibility of not being able to effectively honor expected and unexpected current and future obligations, including those deriving from binding guarantees, without affecting its daily operations and without incurring significant losses; and
- The possibility that the Bank may not be able to trade a position at the market price due to its large size in relation to the usually traded volume, or due to market discontinuity.

Operating risk is defined as the possibility of loss arising from any failure, deficiency or inadequacy of internal processes, people or systems, or from events apart from the Institution.

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d.1) Breakdown of Derivatives Portfolio by Index

By index	09.30.2016			12.31.2015		
	Reference value	Cost	Market value	Reference value	Cost	Market value
Futures contracts						
Purchase commitments	27,694,304	-	-	31,336,697	-	-
Interbank deposits	8,067,462	-	-	9,689,066	-	-
Currencies	7,875,385	-	-	3,655,150	-	-
Index	698,674	-	-	492,173	-	-
Foreign currency coupon	11,052,783	-	-	17,500,308	-	-
Sales commitments	64,773,474	-	-	52,433,963	-	-
Interbank deposits	32,791,717	-	-	25,848,628	-	-
Currencies	2,177,281	-	-	807,850	-	-
Index	326,843	-	-	32,794	-	-
Foreign currency coupon	29,477,633	-	-	25,744,691	-	-
Forward transactions						
Asset position	421,222	421,222	421,103	5,088	5,088	5,127
Forward currency	56,927	56,927	56,927	5,088	5,088	5,127
Government bond term	364,295	364,295	364,176	-	-	-
Liability position	421,222	(421,222)	(421,032)	5,088	(5,088)	(5,088)
Forward currency	56,927	(56,927)	(56,835)	5,088	(5,088)	(5,088)
Government bond term	364,295	(364,295)	(364,197)	-	-	-
Option contracts ⁽¹⁾						
Call - Long position	13,343,508	502,008	244,526	11,867,709	472,390	592,222
Foreign currency	8,730,963	419,403	180,633	8,837,000	413,343	494,547
Flexible options	1,801,645	24,776	3,182	2,865,709	49,064	96,505
Shares	2,810,900	57,829	60,711	165,000	9,983	1,170
Put - Long position	13,403,222	697,877	868,678	9,095,592	225,159	83,882
Foreign currency	7,579,056	232,395	295,149	8,556,044	198,163	43,015
Flexible options	2,643,430	125,326	103,856	6,048	336	233
Shares	3,180,736	340,156	469,673	533,500	26,660	40,634
Call - Short position	18,754,182	(831,994)	(494,466)	14,799,098	(629,808)	(1,295,934)
Foreign currency	12,423,038	(533,005)	(188,733)	13,142,625	(485,323)	(1,261,532)
Flexible options	3,500,944	(250,712)	(243,514)	1,289,173	(136,269)	(33,848)
Shares	2,830,200	(48,277)	(62,219)	367,300	(8,216)	(554)
Put - Short position	12,479,566	(435,645)	(899,843)	8,397,037	(168,309)	(98,931)
Foreign currency	7,384,825	(335,219)	(791,659)	6,142,250	(111,633)	(60,366)
Flexible options	1,169,691	(25,733)	(83,071)	2,129,287	(51,319)	(29,255)
Shares	3,925,050	(74,693)	(25,113)	125,500	(5,357)	(9,310)
Swap contracts ⁽¹⁾⁽²⁾						
Asset position	12,980,881	1,691,148	1,659,055	18,511,827	1,716,859	1,570,371
Interbank deposits	7,499,266	783,689	713,786	12,756,083	249,039	377,992
Foreign currency	1,584,658	383,162	354,853	1,977,587	949,677	790,663
Pre fixed	758,889	46,227	139,737	938,579	36,443	8,886
ÍPCA	2,375,996	277,347	239,426	2,301,378	216,788	120,353
IGPM	360,000	105,415	97,300	362,000	91,019	79,267
Libor	306,447	95,283	101,146	154,133	173,887	191,216
Other	95,625	25	12,807	22,067	6	1,994
Liability position	6,958,277	(866,059)	(958,750)	10,003,941	(1,427,146)	(1,394,212)
Interbank deposits	1,542,229	(91,027)	(64,262)	1,947,021	(27,713)	(249,082)
Foreign currency	1,661,680	(172,627)	(189,651)	4,968,147	(820,265)	(723,891)
Pre fixed	759,338	(13,908)	(150,641)	58,571	(72)	(29)
ÍPCA	2,685,634	(493,809)	(475,652)	2,641,604	(412,780)	(253,605)
IGPM	130,000	(78,970)	(77,281)	170,000	(81,020)	(78,827)
Libor	169,396	-	(574)	218,598	(85,296)	(88,778)
Other	10,000	(15,718)	(689)	-	-	-
Other Derivative financial instruments						
Asset position	3,807,354	211,624	206,536	2,389,962	326,824	354,192
Non Deliverable Forward ⁽¹⁾	3,661,275	201,140	195,491	2,376,944	326,782	354,147
Credit derivatives	146,079	10,484	11,045	13,018	42	45
Liability position	2,925,032	(220,188)	(192,664)	2,689,617	(75,714)	(120,217)
Non Deliverable Forward ⁽¹⁾	2,321,239	(205,231)	(184,102)	1,963,324	(53,907)	(72,677)
Credit derivatives	603,793	(14,957)	(8,562)	726,293	(21,807)	(47,540)

⁽¹⁾ The market value for swap operations, options and non-deliverable forward considers the credit risk of the counterparty (Credit valuation adjustment).

⁽²⁾ Includes swaps accounted for in accordance with BACEN Circular No. 3,129/2002 at cost. For purposes of presentation by index, these operations are adjusted at market value. In the quarter ended September 30, 2016 the mark-to-market asset position was positive R\$ 1,879 (asset position was R\$ 56,253, on December 31, 2015).

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d.2) Breakdown of derivative financial instruments by maturity date (reference value)

Maturity in days	From 0 to 30 days	From 31 to 180 days	From 181 to 360 days	Over 360 days	09.30.2016	12.31.2015
Future contracts	26,163,235	20,848,297	12,731,119	32,725,127	92,467,778	83,770,660
Term contracts	364,295	56,927	-	-	421,222	5,088
Option contracts	16,377,679	30,625,738	9,610,933	1,366,128	57,980,478	44,159,436
Swap contracts	533,989	2,353,625	2,466,835	14,584,709	19,939,158	28,515,768
Credit derivatives	-	-	324,620	425,252	749,872	739,311
Non Deliverable Forward - Foreign currency	1,347,581	1,944,105	2,373,897	316,931	5,982,514	4,340,268

d.3) Breakdown of Derivative Portfolio by negotiation place and counterparty (reference value on September 30, 2016)

	Futures	Term	Options	Swap	Credit derivative	Non Deliverable Forward
BM&FBovespa	92,467,778	-	49,292,204	-	-	-
Over-the-counter (CETIP)	-	421,222	8,688,274	19,939,158	749,872	5,982,514
Financial institutions	-	421,222	5,237,710	12,033,826	749,872	1,675,492
Client	-	-	3,450,564	7,905,332	-	4,307,022

d.4) Breakdown of credit derivative portfolio

	09.30.2016			12.31.2015		
	Reference value	Cost	Market value	Reference value	Cost	Market value
Credit Swap	749,872	(4,473)	2,483	739,311	(21,765)	(47,495)
Received risk	279,173	(14,935)	(8,006)	348,831	(21,738)	(46,203)
Transferred risk	470,699	10,462	10,489	390,480	(27)	(1,292)
By index	749,872	(4,473)	2,483	739,311	(21,765)	(47,495)
Asset position - Prefixed	146,079	10,484	11,045	13,018	42	45
Liability position - Prefixed	603,793	(14,957)	(8,562)	726,293	(21,807)	(47,540)

For hedge sales, credit limits are approved both for client risk and counterparty risk, according to the credit committee's levels and forums. Credit limits are assigned to the risk client at derivative reference value, considering amounts deposited in guarantee.

To acquire hedge, transaction is conducted in a trading portfolio with a sovereign risk client. In this case, future possible exposure is considered to assign the counterparty limit. The credit derivatives portfolio impacted Portion Referring to Weighed Exposures per Risk Factor (PRMR) for determination of the Bank's Basel ratio of R\$ 4,512 (R\$ 9,552 as of December 31, 2015).

d.5) Breakdown of Margin Given in Guarantee of operations with Derivative Financial Instruments

	09.30.2016	12.31.2015
Financial Treasury Bills	50,949	13,210
National Treasury Notes	1,428,746	1,420,010
National Treasury Bills	901,391	1,679,865
Other	64,786	203,758
Total	2,445,872	3,316,843

d.6) Breakdown of derivatives portfolio for hedging

Hedge transactions were evaluated as effective, in accordance with provisions of BACEN Circular Letter no. 3,082/2002, and hedge effectiveness varies from 80% to 125%.

Market risk hedge

The Conglomerate, in order to protect itself against fluctuations in its financial instruments' interest and exchange rates, contracted derivatives to offset risks deriving from exposures to market value variations.

	30/09/2016	31/12/2015
Market risk hedge		
Hedge Instruments		
Assets	3,600,655	9,154,356
Future	3,128,429	9,088,434
Swap	31,950	65,922
Options	440,276	-
Liabilities	27,810,009	17,230,896
Future	27,810,009	17,230,896
Items to be hedged		
Assets	22,547,323	26,049,354
Interbank	5,180,203	3,443,442
Securities	995,594	6,009,320
Loan and lease operations	16,371,526	16,596,592
Liabilities	3,238,350	9,091,821
Foreign securities	-	5,085,442
Subordinated debt	3,238,350	4,006,379

Cash flow hedge

To protect the future cash flows of payments against exposure to variable interest rate (CDI), the Conglomerate traded DI Future contracts at BM&FBOVESPA.

The market-to-market of the effective portion in the amount of R\$ 25,369, was recognized in equity and the ineffective portion in the amount of R\$ 14 was recognized in the Income Statement as "Income from derivative financial instruments".

	09.30.2016	12.31.2015
Cash flow hedge		
Hedge instruments		
Liabilities	256,690	-
Future	256,690	-
Items to be hedged		
Liabilities	241,571	-
Financial Bills	22,738	-
Subordinated debt	218,833	-

The maturity of cash flow hedged items, on September 30,2016, are as follows:

Maturity	Book value
January/2019	22,738
January/2020	72,605
October/2021	146,228
Total Cash Flow hedged items	241,571

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d.7) Gains and losses from hedge instruments' and hedged items' result

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Losses from hedged Items	(152,542)	(944,342)	(4,656,169)
Gains from hedge instruments	154,068	983,332	4,702,166
Net effect	1,526	38,990	45,997
Gains from hedge Items	824,887	3,541,422	3,373,356
Losses from hedge instruments	(826,418)	(3,561,745)	(3,375,013)
Net effect	(1,531)	(20,323)	(1,657)

Net losses of tax effects relating to cash flow hedges that the conglomerate expects to recognize in income over the next 12 months totaling R\$ 3,128.

d.8) Derivative financial instruments divided into Current and Non-current

	09.30.2016		12.31.2015	
	Current	Non-current	Current	Non-current
Assets				
Term Operations	421,103	-	5,127	-
Options market	652,561	460,643	661,195	14,909
Swap contracts	511,994	1,145,182	341,804	1,172,314
Credit derivatives	-	11,045	45	-
Non Deliverable Forward - Foreign currency	191,107	4,384	290,982	63,165
Total	1,776,765	1,621,254	1,299,153	1,250,388
Liabilities				
Term Operations	(421,032)	-	(5,088)	-
Options market	(1,364,254)	(30,055)	(1,384,884)	(9,981)
Swap contracts	(138,223)	(820,527)	(363,879)	(1,030,333)
Credit derivatives	(556)	(8,006)	-	(47,540)
Non Deliverable Forward - Foreign currency	(175,643)	(8,459)	(51,674)	(21,003)
Total	(2,099,708)	(867,047)	(1,805,525)	(1,108,857)

d.9) Income from derivative financial instruments

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Swap	59,288	1,120,193	(232,730)
Term	2,150	175	2,813
Options	(45,306)	165,688	(805,519)
Future	(64,975)	(1,239,901)	2,637,047
Credit derivatives	8,055	30,701	(19,165)
Mark-to-market of hedged credit transactions	169,232	777,110	(421,272)
Box of options	-	-	(322)
Non Deliverable Forward	18,821	(149,318)	500,208
Total	147,265	704,648	1,661,060

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d.10) Hedge accounting

Strategy/Risk	Object of hedge			Derivative	Hedge instruments	
	09.30.2016		12.31.2015		09.30.2016	12.31.2015
	Market value	Unrealized gain (loss)	Market value		Market value	Market value
Purchase and sale commitment hedge/ fixed rate	5,180,203	4,831	3,443,442	Future DI	4,445,673	4,584,069
Securities hedge / fixed rate/ exchange variation	995,594	(125,962)	6,009,320	Swap Options	810,137 440,276	6,020,277
Loan transaction hedge/ fixed rate / exchange variation	16,371,526	377,684	16,596,592	Future DI Future DDI Future Libor	13,685,454 1,737,116 527,479	13,305,967 2,496,538 748,012
Hedge of obligations due to foreign borrowings/ exchange variation	-	-	5,085,442	Future DDI	-	5,089,518
Subordinated debt hedge / exchange variation / IGP-M	3,238,350	(191,813)	4,006,379	Future DDI Swap	3,128,429 377,350	3,998,916 338,261
Hedge of Financial bills and subordinated debt / Cash flow/ fixed rate	241,571	-	-	Future DI	256,690	-

7. INTERBANK RELATIONS

a) Reserve requirements

	09.30.2016	12.31.2015
Compulsory deposits at the Central Bank of Brazil	330,282	20,232
Demand deposits	4,114	17,596
Time deposits	323,697	-
Microfinance transactions	2,471	2,636
Total	330,282	20,232
Current assets	330,282	20,232

b) Income from compulsory deposits

	09.30.2016	01.01 to 09.30.2016	01.01 to 09.30.2015
Credits linked to Central Bank of Brazil	17,271	33,655	-
Requirement on time deposits	17,193	33,577	-
Additional liabilities	78	78	-
Total	17,271	33,655	-

8. LOAN OPERATIONS

a) Portfolio by modality

	09.30.2016	12.31.2015
Loan operations	44,341,265	47,515,822
Loans and discounted notes	8,184,518	9,262,464
Financings	23,549,606	23,303,591
Rural and agribusiness financing	474,284	458,207
Real estate financing agreements	322,567	469,075
Loan operation linked to assignments ⁽¹⁾	11,810,290	14,022,485
Other receivables	2,558,655	3,274,626
Credit card operations	816,144	769,792
Advances on exchange contracts ⁽²⁾	522,611	593,551
Guarantees and sureties paid	174,084	197,497
Trade and credit receivables with credit assignment characteristics	1,045,816	1,713,786
Leases	118,612	193,312
Total loan portfolio	47,018,532	50,983,760
Allowance for doubtful accounts	(3,069,427)	(4,152,135)
(Allowance for loans losses)	(2,826,544)	(3,270,671)
(Allowance for other receivables losses)	(236,172)	(854,729)
(Allowance for leases losses)	(6,711)	(26,735)
Total loan portfolio, net of provisions	43,949,105	46,831,625

⁽¹⁾ Credit transactions assigned with substantial retention of the risks and benefits of the financial asset that is the transaction object.

⁽²⁾ Advances on exchange contracts are recorded as a reducer of the "Other Liabilities" account.

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b) Income from loan and lease operations

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Loan operations	1,700,552	4,702,235	6,621,164
Loans and discounted notes	516,432	1,578,386	1,585,514
Financings	1,014,942	2,627,949	4,448,976
Rural and agribusiness financing	7,772	25,030	26,410
Real estate financing agreements	11,498	45,301	46,327
Recovery of loans written off as loss ⁽¹⁾	144,646	413,452	462,576
Financing in foreign currency	1,608	1,031	37,573
Guarantees and sureties paid	120	713	4,368
Other	3,534	10,373	9,420
Income from leases (Note 8h)	8,108	27,185	53,790
Total ⁽²⁾	1,708,660	4,729,420	6,674,954

⁽¹⁾ Operational sales were made written off at the expense of R\$ 702,364 in the nine-month period ended on September 30, 2016 (with an impact on the result of R\$ 18,300) and R\$ 233,755 in the nine-month period ended on September 30, 2015 (affecting the income of R\$ 7,220), through credit assignments without recourse to non-members of the National Financial System entities as CMN Resolution 2,836/2001.

⁽²⁾ Credit operations disposals are not included. Considering such assets, revenues from credit and leasing of Consolidated operations for the quarter ended on September 30, 2016 total R\$ 7,337,002 (R\$ 9,745,603 in the quarter ended September 30, 2015).

c) Loan portfolio by sector of economic activity

	09.30.2016	%	12.31.2015	%
Public sector	563,470	1.21%	705,295	1.38%
Government	563,470	1.21%	705,295	1.38%
Public administration	563,470	1.21%	705,295	1.38%
Private sector	46,079,491	98.79%	50,522,628	98.62%
Individual ⁽¹⁾	32,709,676	70.13%	33,764,187	65.91%
Legal Entity	13,369,815	28.66%	16,758,441	32.71%
Animal agribusiness	317,718	0.68%	339,346	0.66%
Vegetable agribusiness	273,965	0.59%	373,637	0.73%
Specific construction activities	390,600	0.84%	438,540	0.86%
Automotive	40,802	0.09%	217,740	0.43%
Wholesale commerce and sundry industries	4,355,191	9.34%	5,634,465	11.00%
Retail business	675,694	1.45%	1,153,163	2.25%
Heavy Construction	48,279	0.10%	651,076	1.27%
Electronics	1,725	0.00%	1,676	0.01%
Electric power	580,663	1.24%	623,897	1.22%
Real estate	303,889	0.65%	394,731	0.77%
Financial institutions and services	367,250	0.79%	241,033	0.47%
Wood and furniture	8,645	0.02%	19,617	0.04%
Mining and Metallurgy	443,281	0.95%	320,343	0.63%
Paper and pulp	305,040	0.65%	672,619	1.31%
Chemical	1,089,003	2.33%	1,251,800	2.44%
Services	1,766,214	3.79%	2,209,689	4.31%
Telecommunications	69,760	0.15%	91,287	0.18%
Textile and apparel	73,880	0.16%	148,290	0.29%
Transportation	1,304,549	2.80%	1,533,474	2.99%
Other activities	953,667	2.04%	442,018	0.85%
Total	46,642,961	100.00%	51,227,923	100.00%
(+/-) Adjustment to market value ⁽²⁾	375,571		(244,163)	
Total mark-to-market loan portfolio	47,018,532		50,983,760	

⁽¹⁾ Includes loans operations of the agribusiness sectors and other sectors of economic activity made with individuals.

⁽²⁾ Refers to mark-to-market adjustment of loan operations that are objects of market risk hedge.

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d) Loan portfolio per risk level and maturity

	AA	A	B	C	D	E	F	G	H	09.30.2016	12.31.2015
Performing loans											
Falling due installments	3,509,840	22,606,415	6,509,813	6,043,572	759,944	124,042	108,288	41,813	136,961	39,840,688	45,668,593
From 01 to 30	374,291	1,435,254	299,705	205,436	15,042	3,043	3,890	1,586	6,377	2,344,624	2,789,174
From 31 to 60	154,349	1,303,545	243,137	215,537	26,444	4,992	1,894	4,520	4,315	1,958,733	2,326,628
From 61 to 90	161,753	1,260,589	257,860	213,439	16,342	3,222	3,610	1,597	4,255	1,922,667	1,911,463
From 91 to 180	429,686	2,932,784	680,005	588,724	58,003	10,784	8,548	4,428	13,624	4,726,586	5,623,533
From 181 to 360 days	268,561	4,941,479	1,303,997	1,069,009	70,371	28,730	21,533	7,195	29,009	7,739,884	8,690,360
Over 360 days	2,121,200	10,732,764	3,725,109	3,751,427	573,742	73,271	68,813	22,487	79,381	21,148,194	24,327,435
Installments Overdue	-	928,439	29,530	27,132	3,390	1,027	502	194	3,382	993,596	796,789
Up to 14 days	-	928,439	29,530	27,132	3,390	1,027	502	194	3,382	993,596	796,789
Subtotal	3,509,840	23,534,854	6,539,343	6,070,704	763,334	125,069	108,790	42,007	140,343	40,834,284	46,465,382
Non-performing loans											
Falling due installments	-	-	921,017	1,110,339	407,551	294,705	190,888	185,940	615,536	3,725,976	2,978,961
From 01 to 30	-	-	56,506	63,261	26,657	17,507	10,853	12,086	43,354	230,224	183,571
From 31 to 60	-	-	54,111	56,673	22,600	14,036	9,289	9,799	38,112	204,620	164,784
From 61 to 90	-	-	52,086	55,455	30,199	15,716	9,350	16,568	37,667	217,041	164,992
From 91 to 180	-	-	142,335	154,902	64,419	40,387	25,466	26,545	102,256	556,310	423,998
From 181 to 360 days	-	-	229,633	249,238	95,967	65,477	39,991	57,042	155,758	893,106	663,686
Over 360 days	-	-	386,346	530,810	167,709	141,582	95,939	63,900	238,389	1,624,675	1,377,930
Installments Overdue ⁽¹⁾	-	-	123,782	224,651	216,579	157,482	92,438	173,615	1,094,154	2,082,701	1,783,580
From 0 to 14	-	-	1,854	27,531	14,329	10,026	4,687	3,861	18,767	81,055	103,040
From 15 to 30	-	-	117,927	99,282	69,310	24,922	11,566	10,635	46,697	380,339	289,795
From 31 to 60	-	-	4,001	90,255	41,050	30,143	11,566	12,322	56,119	245,456	249,092
From 61 to 90	-	-	-	5,538	61,643	19,885	10,803	11,411	43,502	152,782	137,927
From 91 to 180	-	-	-	2,045	30,247	51,851	50,574	119,292	410,036	652,433	437,251
From 181 to 360 days	-	-	-	-	-	20,655	3,242	16,094	476,278	510,891	559,114
Over 360 days	-	-	-	-	-	-	-	-	42,755	59,745	7,361
Subtotal	-	-	1,044,799	1,334,990	624,130	452,187	283,326	359,555	1,709,690	5,808,677	4,762,541
Total	3,509,840	23,534,854	7,584,142	7,405,694	1,387,464	577,256	392,116	401,562	1,850,033	46,642,961	51,227,923
(+/-) Adjustment to market value ⁽²⁾										375,571	(244,163)
Total mark-to-market loan portfolio										47,018,532	50,983,760

⁽¹⁾ For transactions with unelapsed terms higher than 36 months, delayed periods are counted in double, as permitted by CMN Resolution no. 2,682/1999. For wholesale operations, a double count for the intervals of delinquency is also permitted, according to the internal assessment.

⁽²⁾ Refers to mark-to-market adjustment of loan operations that are hedged objects of Market risk.

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e) Allowance for loan losses by risk levels

Risk level	% Provision	09.30.2016				12.31.2015			
		Value of Operations	Minimum provision required	Additional provision	Existing provision	Value of Operations	Minimum provision required	Additional provision	Existing provision
AA	0%	3,509,840	-	-	-	4,181,166	-	-	-
A	0,50%	23,534,854	(117,674)	(47)	(117,721)	24,878,818	(124,395)	(838)	(125,233)
B	1%	7,584,142	(75,841)	(305)	(76,146)	8,029,925	(80,298)	(7,969)	(88,267)
C	3%	7,405,694	(222,171)	(4,841)	(227,012)	8,393,910	(251,817)	(37,128)	(288,945)
D	10%	1,387,464	(138,746)	(5,492)	(144,238)	1,505,541	(150,553)	(32,970)	(183,523)
E	30%	577,256	(173,178)	(1,649)	(174,827)	606,496	(181,949)	(9,814)	(191,763)
F	50%	392,116	(196,058)	(439)	(196,497)	434,228	(217,115)	(6,302)	(223,417)
G	70%	401,562	(281,093)	(1,860)	(282,953)	918,587	(643,011)	(128,724)	(771,735)
H	100%	1,850,033	(1,850,033)	-	(1,850,033)	2,279,252	(2,279,252)	-	(2,279,252)
Total		46,642,961	(3,054,794)	(14,633)	(3,069,427)	51,227,923	(3,928,390)	(223,745)	(4,152,135)
(+/-) Adjustment to market value ⁽¹⁾		375,571				(244,163)			
Total mark-to-market loan portfolio		47,018,532				50,983,760			

⁽¹⁾ Refers to mark-to-market adjustment of loan operations that are hedged objects of Market risk.

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f) Changes in the allowance for doubtful accounts

It is comprised of credit transactions, lease operations and other receivables with loan characteristics.

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Opening balance	2,988,867	4,152,135	4,033,543
Reinforcement / (reversal)	704,994	1,396,223	2,416,761
Minimum provision required	729,129	1,605,334	2,278,403
Additional provision	(24,135)	(209,111)	138,358
Write-offs to losses	(624,434)	(2,478,931)	(2,249,925)
Closing balance	3,069,427	3,069,427	4,200,379

g) Lease portfolio by maturity

	09.30.2016	12.31.2015
Up to 1 year ⁽¹⁾	101,376	165,984
From 1 to 5 years	17,279	28,291
Total present value ⁽²⁾	118,655	194,275

⁽¹⁾ Includes the amount related to installments overdue.

⁽²⁾ Includes Securities and credits receivable under "Other credits".

h) Net income from Leases

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Lease transactions	48,334	161,988	600,415
Financial leases	27,607	104,361	262,837
Recovery of loans written off as loss	14,909	39,885	317,569
Profit on sale of leased assets	5,818	17,742	20,009
Expenses from lease operations	(40,226)	(134,803)	(546,625)
Financial leases	(39,704)	(132,245)	(546,178)
Loss on disposal of leased assets	(522)	(2,558)	(447)
Total	8,108	27,185	53,790

i) Concentration of Credit Transactions

	09.30.2016	% of portfolio	12.31.2015	% of portfolio
Largest debtor	1,001,614	2.15%	1,214,226	2.38%
10 largest debtors	3,712,215	7.96%	4,862,267	9.54%
20 largest debtors	5,246,106	11.25%	6,569,802	12.89%
50 largest debtors	8,051,451	17.26%	9,760,914	19.15%
100 largest debtors	10,338,730	22.17%	12,482,182	24.48%

j) Information on loan assignments carried out up to December 31, 2011

In the nine-month period ended September 30, 2016, the Conglomerate determined early settlement expenses fully recognized in profit or loss of R\$ 1,020 (R\$ 100,049 in the quarter ended September 30, 2015) and reserve for losses of R\$ 4,619 (R\$ 22,220 in the nine-month period ended September 30, 2015), regarding assignments carried out up to December 31, 2011.

On September 30, 2016, an allowance for losses on assigned loans in the amount of R\$ 383 (R\$ 7,260 on December 31, 2015), was recorded under caption "Other obligations - Sundry - Reserve for Losses - Others risks".

Balance of joint obligations with loan assignments	09.30.2016	12.31.2015
Financial institutions - related parties	13,070	276,235
Total	13,070	276,235

k) Information on loan assignments carried out from January 1, 2012

Transfers of financial assets (consumer loans) were made, with a substantial retaining of the risks and benefits to related parties.

	09.30.2016		12.31.2015	
	Financial assets subject to sale	Liability related to obligation assumed ⁽¹⁾	Financial assets subject to sale	Liability related to obligation assumed ⁽¹⁾
Financial Institutions - related parties	11,810,290	13,207,609	14,022,485	15,676,940
Total	11,810,290	13,207,609	14,022,485	15,676,940

⁽¹⁾ Recorded in caption "Other liabilities - Sundry - Bond transactions linked to disposals (Note 18d).

In the Conglomerate, in the nine-month period ended September 30, 2016, the income from assigned financial assets totaled R\$ 2,607,582 (R\$ 3,070,649 in the nine-month period ended September 30, 2015) and expenses on the liabilities with assigned financial assets totaled R\$ 1,798,921 (R\$ 2,242,707 in the nine-month period ended September 30, 2015).

The Bank has not adopted the option provided in CMN Resolution no. 4,036/2011 on treatment of early settlement losses, instead it recognizes the full losses at the time they occur.

l) Changes in renegotiated loans

	3Q16	01.01 to 09.30.2016	01/01 a 09.30.2015
Opening balance	6,846,858	7,961,559	2,906,644
Signings ⁽¹⁾	1,240,699	3,179,195	8,074,242
(Receipt) and accrual of interest	(1,045,505)	(3,706,468)	(2,747,888)
Write-offs	(201,319)	(593,553)	(382,015)
Final balance	6,840,733	6,840,733	7,850,983

⁽¹⁾ In the nine-month period ended on September 30, 2015 includes the increase in inventory balances renegotiated due to the change of the classification criteria of the renegotiation of objects credits.

m) Supplementary information

	09.30.2016	12.31.2015
Credit contracted to be released	1,647,046	1,569,173
Guarantees provided	7,809,169	9,362,459

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Amount of credit amended/renegotiated in the period	176,487	457,217	486,097

⁽¹⁾ Recorded in income under Income from Financial Intermediation - Income from Loans, Lease Transactions and Income from Foreign Exchange Operations, as per CMN Resolution no. 2,836/2001.

9. OTHER RECEIVABLES - SUNDRY

	09.30.2016	12.31.2015
Deferred tax assets (Note 22e)	7,238,410	7,833,099
Deposits in guarantee – Contingencies (Note 25g)	801,932	1,169,530
Deposits in guarantee – Other	381	331
Credit card operations (Note 8a)	816,144	769,792
Operations under Court-Ordered Reorganization approved	15,587	600,882
Trade and credit receivables	1,030,229	1,112,904
Credits linked to transactions acquired through assignment	-	88,562
Taxes and contributions recoverable	198,252	253,918
Recoverable taxes and contributions	-	31
Awards on credits linked to transactions acquired through assignment	14,209	19,104
Sundry domestic debtors	107,937	65,601
Receivables from associated companies	-	2,668
Other	24,599	56,013
Total	10,247,680	11,972,435
Current assets	4,512,069	4,601,484
Non-current assets	5,735,611	7,370,951

10. FOREIGN EXCHANGE PORTFOLIO

a) Breakdown

	09.30.2016	12.31.2015
Other receivables		
Purchased foreign exchange to be settled	989,278	1,562,382
Receivables from foreign exchange sales	510,712	631,864
(Advances in domestic/foreign currency received)	(19,942)	(18,200)
Earnings receivable from granted advances	9,930	16,504
Total	1,489,978	2,192,550
Current assets	1,489,978	2,192,550
Other liabilities		
Sold foreign exchange to be settled	(511,806)	(623,601)
Liabilities for foreign exchange purchases	(1,009,168)	(1,460,187)
(Advances on exchange contracts)	506,797	550,478
Total	(1,014,177)	(1,533,310)
Current liabilities	(1,014,177)	(1,533,310)
Net foreign exchange portfolio	475,801	659,240
Memorandum Accounts		
Credits opened for imports	25,114	13,826

b) Income from foreign exchange operations

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Foreign exchange income	363,423	1,530,318	2,211,603
Recovery of loans written off as loss	26,023	26,023	3,512
Foreign exchange expenses	(357,641)	(1,843,853)	(1,687,043)
Foreign exchange income	31,805	(287,512)	528,072

11. OTHER ASSETS

	09.30.2016	12.31.2015
Assets not for own use	304,675	262,421
Vehicles and alike	110,531	79,233
Real estate	94,876	180,630
Properties under special regime	96,530	1,561
Machinery and equipment	2,738	997
Materials in stock	583	923
Subtotal	305,258	263,344
(Provision for devaluation)	(54,991)	(45,457)
Prepaid expenses	276,769	407,703
Insurance costs	2,581	1,844
Data processing expenses	7,580	3,527
Commission for intermediation of operations ⁽¹⁾	255,463	388,476
Financial system service expenses	2,259	2,651
Specialized technical service expenses	2,658	1,417
Usufruct right to shares	2,104	6,167
Other	4,124	3,621
Total	527,036	625,590
Current assets	441,703	250,920
Non-current assets	85,333	374,670

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⁽¹⁾ Refer to the Amounts to be deferred for costs associated to loan and lease transactions granted incurred in its origin.

Credit transactions originated in January 02, 2015, pursuant to the terms of CMN Resolution no. 4,294/2013 and in compliance with permission provided for in BACEN Circular Letter no. 3,738/2014, had remuneration paid to correspondents recognized in assets, corresponding to the amount of R\$ 169,213 (R\$ 170,112 in the year ended December 31, 2015). In the nine-month period ended September 30, 2016, was recognized expenses amounting to R\$ 167,353 (R\$ 83,693 in the nine-month period ended September 30, 2015) referring to early recognition of the remuneration to correspondent was recognized under caption "Other Operating Expenses".

12. INVESTMENTS

a) Changes in interest in subsidiaries

	Book balance	Changes in 01.01 to 09.30.2016		Book balance	Equity in income of subsidiaries
	12.31.2015	Dividends /Other events	Equity in income of subsidiaries ⁽²⁾	09.30.2016	01.01 to 09.30.2015 ⁽³⁾
Domestic	255,969	(65,668)	144,737	335,038	116,223
Non Consolidated	255,969	(65,668)	144,737	335,038	116,223
Votorantim Corretora de Seguros S.A.	215,022	(149,259)	126,517	192,280	111,588
BV Investimentos Alternativos e Gestão de Recursos S.A	36,355	83,591	9,976	129,922	4,866
Promotiva S.A ⁽¹⁾	4,592	-	8,244	12,836	(231)
Total interest in subsidiaries	255,969	(65,668)	144,737	335,038	116,223

⁽¹⁾ Current domination of BV Promotora S.A.

⁽²⁾ The equity income does not include the result of exchange variation of foreign subsidiaries in the amount of R\$ (284,847) totaling R\$ (140,110) on September 30, 2016.

⁽³⁾ The equity income does not include the result of exchange variation of foreign subsidiaries in the amount of R\$ 554,205 totaling R\$ 670,428 on September 30, 2015.

b) Resumed financial information of non-consolidated ownership in the Consolidated Financial Statements

	09.30.2016			12.31.2015		
	Votorantim Corretora de Seguros S.A.	BV Investimentos Alternativos e Gestão de Recursos S.A	Promotiva S.A	Votorantim Corretora de Seguros S.A.	BV Investimentos Alternativos e Gestão de Recursos S.A	Promotiva S.A.
Total assets	260,279	132,062	35,187	291,737	41,074	4,765
Total liabilities	260,279	132,062	35,187	291,737	41,074	4,765
Liabilities	67,999	2,140	22,351	76,715	4,719	173
Shareholder's equity	192,280	129,922	12,836	215,022	36,355	4,592
Net income in the period	126,517	9,976	8,244	149,259	6,706	(94)

c) Other investments

	09.30.2016	12.31.2015
Investments via tax incentives	121,410	115,398
Membership certificates	176	176
Shares and quotas	1,758	6
Other	132	132
Total	123,476	115,712
(Accumulated impairment)	(52,547)	(47,232)

13. PROPERTY FOR USE

	12.31.2015	01.01 to 09.30.2016		09.30.2016		
	Book balance	Changes	Depreciation	Cost	Accumulated depreciation	Book balance
Facilities	47,911	4,762	(6,851)	74,680	(28,858)	45,822
Furniture and equipment in use	23,264	(1,498)	(6,522)	52,975	(37,731)	15,244
Communication system	3,544	1,275	(2,252)	15,149	(12,582)	2,567
System data processing	21,207	14,810	(9,414)	119,206	(92,603)	26,603
Security system	903	(1)	(871)	2,399	(2,368)	31
Transportation system	296	7	(89)	786	(572)	214
Total	97,125	19,335	(25,999)	265,195	(174,714)	90,481

14. INTANGIBLE ASSETS

a) Changes and Breakdown

	12.31.2015	01.01 to 09.30.2016				09.30.2016			
	Book balance	Acquisition	Write-offs	Amortiz.	Impairment	Cost	Acc. amortiz.	Accumulated impairment	Book balance
Software acquired	13,989	2,942	(1)	(4,602)	(743)	22,940	(11,355)	-	11,585
Use licenses	48,327	6,303	(319)	(12,662)	-	89,085	(47,436)	-	41,649
Sales rights agreements	835	-	-	(565)	-	5,000	(4,728)	-	272
Software internally developed	22,200	21,967	(1,185)	(560)	-	69,412	(9,378)	(17,612)	42,422
Total	85,351	31,214	(1,505)	(18,389)	(743)	186,437	(72,897)	(17,612)	95,928

b) Amortization estimate

	2016	2017	2018	2019	2020	From 2021	Total
Amounts to be amortized	7,604	28,769	26,358	18,292	8,794	6,111	95,928

15. DEPOSITS AND MONEY MARKET REPURCHASE COMMITMENTS

a) Deposits

	09.30.2016	12.31.2015
Demand deposits	60,465	81,331
Individuals	16,472	12,532
Legal entities	43,952	68,758
Restricted deposits	41	41
Interbank deposits	2,152,854	1,932,502
Time deposits	2,321,711	2,192,045
Local currency	1,747,245	2,109,148
Foreign currency	574,466	82,897
Total	4,535,030	4,205,878
Current liabilities	3,022,002	2,627,146
Non-current liabilities	1,513,028	1,578,732

b) Segregation of Time Deposits per Maturity

	Without maturity	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	09.30.2016	12.31.2015
Demand deposits	60,465	-	-	-	-	-	60,465	81,331
Interbank accounts or relations	-	455,746	442,874	80,415	13,596	1,160,223	2,152,854	1,932,502
Time Deposits	-	1,439,526	623,391	234,956	15,078	8,760	2,321,711	2,192,045
Total	60,465	1,895,272	1,066,265	315,371	28,674	1,168,983	4,535,030	4,205,878

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c) Money Market repurchase commitments

	09.30.2016	12.31.2015
Own portfolio	25,811,078	27,041,174
Corporate securities - Debentures ⁽¹⁾	17,529,879	17,926,765
Financial Treasury Bills	130,311	4,031
National Treasury Bills	4,126,266	5,133,719
National Treasury Notes	2,746,050	3,121,013
Corporate securities - Other	1,278,572	855,646
Third-party portfolio	11,664,417	4,713,636
National Treasury Bills	757,332	696,198
Financial Treasury Bills	8,542,251	-
National Treasury Notes	2,364,834	4,017,438
Free portfolio	1,364,129	1,045,112
Total	38,839,624	32,799,922
Current liabilities	37,519,753	32,050,247
Non-current liabilities	1,319,871	749,675

⁽¹⁾ Includes repurchase commitments with debentures issued by the subsidiaries.

d) Money market expenses

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Money Market Funding Expenses	(126,345)	(378,923)	(363,384)
Time Deposits	(61,462)	(182,205)	(207,929)
Interbank accounts or relations	(64,883)	(196,718)	(155,455)
Expenses with money market repurchase commitments	(1,297,699)	(3,686,111)	(2,567,880)
Own portfolio	(732,682)	(2,329,681)	(1,909,712)
Third-party portfolio	(529,510)	(1,218,949)	(601,319)
Free portfolio	(35,507)	(137,481)	(56,849)
Expenses with Fund Raising from Acceptance and Issuance of Securities	(763,170)	(2,285,389)	(3,966,531)
Real estate credit bills	(10,726)	(34,249)	(37,807)
Agribusiness Credit Bills	(85,518)	(270,915)	(250,467)
Financial bills	(655,961)	(1,911,690)	(1,657,000)
Issue of securities abroad	(9,701)	(63,122)	(2,012,897)
Debentures	(4)	(55)	(420)
Certificate of Structured Transactions	-	-	(1,697)
Other	(1,260)	(5,358)	(6,243)
Expenses with Subordinated Debts Abroad	(138,652)	433,493	(1,714,711)
Total	(2,325,866)	(5,916,930)	(8,612,506)

16. BORROWINGS AND ONLENDINGS

a) Borrowings

	Up to 90 days	From 91 to 360 days	From 1 to 3 years	09.30.2016	12.31.2015
Abroad	511,589	1,305,670	126,312	1,943,571	4,227,975
Raised from foreign banks	446,785	1,296,759	126,312	1,869,856	4,143,258
Exports	9,605	4,878	-	14,483	72,768
Imports	55,199	4,033	-	59,232	11,949
Total	511,589	1,305,670	126,312	1,943,571	4,227,975
Current liabilities				1,817,259	4,090,964
Non-current liabilities				126,312	137,011

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b) Onlendings

Domestic - Official institutions

Programs	Rates of restatement	09.30.2016	12.31.2015
National Treasury		92,048	77,688
Fixed rate	From 5.5% to 10.5% p.a.	84,686	77,069
Variable rate	Selic	7,362	619
BNDES		1,626,503	1,581,840
Fixed rate	Until 9.50% p.a.	428,743	568,262
Variable rate	From 7.02% to 10.01% p.a. + IPCA Until 4.50% p.a. + TJLP From 1.70% to 2.50% p.a. + Selic	1,147,562	934,406
Exchange rate variation	From 1.30% to 3.00% p.a. + exchange variation	50,198	79,172
FINAME		1,791,858	2,005,705
Fixed rate	Until 18,96% p.a.	1,706,574	1,910,245
Variable rate	From 0.50% to 5.50% p.a. + TJLP From 1.70% to 2.48% p.a. + SELIC	84,656	94,560
Exchange rate variation	1.70% p.a. + exchange variation	628	900
Total		3,510,409	3,665,233
Current liabilities		735,449	878,211
Non-current liabilities		2,774,960	2,787,022

c) Expenses with liabilities from borrowings and onlendings

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Borrowing expenses	(37,522)	454,561	(32,785)
Expenses with Onlendings	(48,742)	(137,489)	(181,033)
National Treasury	(1,222)	(4,293)	(4,338)
BNDES	(27,524)	(72,229)	(133,307)
FINAME	(19,996)	(60,967)	(43,388)
Expenses with Obligations to foreign bankers ⁽¹⁾	37	136,348	(1,236,505)
Total	(86,227)	453,420	(1,450,323)

⁽¹⁾ Includes foreign exchange variation on Loans and Onlendings abroad.

17. ACCEPTANCES AND ENDORSEMENTS

Funding	Currency	Amount issued	Remuneration p.a.	Funding date	Maturity	09.30.2016	12.31.2015
Debentures							571
Variable rate	R\$	-	100.00% DI	2011	2016	-	571
Real estate credit note funds						325,203	389,439
Fixed rate	R\$	13,546	11.85% to 15.36% p.a.	2014	2021	15,922	14,812
Variable rate	R\$	273,114	88.00% to 100.00% DI	2014	2020	301,194	367,118
Variable rate	R\$	6,907	4.85% to 6.07% p.a. + IPCA	2015	2018	8,087	7,509
Agribusiness credit bills						2,640,698	3,175,519
Fixed rate	R\$	68,525	11.79% to 16.31% p.a.	2014	2021	78,536	94,434
Variable rate	R\$	2,191,474	87.50% to 98.50% p.a. DI	2008	2022	2,522,886	3,035,283
Variable rate	R\$	34,132	4.52% to 6.50% p.a. + IPCA	2015	2021	39,276	45,802
Financial bills						14,551,786	13,633,973
Fixed rate	R\$	285,506	9.98% to 18.01% p.a.	2012	2024	343,688	391,883
Variable rate	R\$	11,835,946	103.00% to 112.02% DI	2011	2020	13,619,135	12,746,766
Variable rate	R\$	425,147	4.03% to 8.31% p.a. + IPCA	2012	2021	588,331	483,191
Variable rate	R\$	589	5.70% p.a. to 7.43% + IGPM	2016	2019	632	12,133
Securities issued abroad						1,143,755	8,123,303
Fixed rate	R\$	79,842	9.20% to 19.77% p.a.	2009	2020	917,505	1,158,483
Variable rate	R\$	6,355	81.00% to 101.40% DI	2012	2017	58,775	11,272
Exchange rate variation	USD	357,475	No Coupon 6.60% + foreing exchange variation	2012	2020	96,303	6,948,425
Exchange rate variation	EUR	19,500	0.48% p.a. + foreing exchange variation	2016	2017	71,172	5,123
Total						18,661,442	25,322,805
Current liabilities						9,249,181	15,483,086
Non-current liabilities						9,412,261	9,839,719

18. OTHER LIABILITIES

a) Tax and social security

	09.30.2016	12.31.2015
Legal obligations (Note 25h)	13,665	9,686
Taxes and contributions on income payable	156,568	515,597
Provision for tax claims (Note 25e1)	46,766	45,724
Provision for taxes and contributions on income	202,949	257,787
Taxes and contributions payable	64,878	80,660
Deferred tax liabilities (Note 22d)	165,726	258,671
Total	650,552	1,168,125
Current liabilities	436,489	595,021
Non-current liabilities	214,063	573,104

b) Subordinated debts

Funding	Amount issued	Remuneration p.a.	Funding date	Maturity	09.30.2016	12.31.2015
Subordinated debt					2,870,624	3,652,280
Foreign Exchange variation	USD 808,048	7.38% p.a. + foreign Exchange variation	2013	2020	2,870,624	3,652,280
Subordinated financing bills					2,322,175	2,393,656
Fixed rate	300	14.21% p.a.	2016	2023	313	5,558
Variable rate	1,536,597	From 1.27% a 1.91% p.a. + CDI	2010	2023	1,630,949	1,506,957
Variable rate	7	From 115.00% to 119.00% DI				
Variable rate	187,200	From 6.60% to 7.57% a.a. + IGPM	2011	2017	367,307	318,754
Variable rate	226,671	From 7.00% to 8.00% p.a. + IPCA	2011	2022	323,606	562,387
Total					5,192,799	6,045,936
Current liabilities					1,598,803	576,404
Non-current liabilities					3,593,996	5,469,532

c) Debt instruments eligible to capital

Funding	Amount issued	Remuneration p.a.	Funding date	Maturity	09.30.2016	12.31.2015
Subordinated financing bills						
Variable rate	457,431	From 1.72% to 2.16% p.a. + CDI	2014	2023	615,956	530,061
Variable rate	289,842	From 111.00% to 120.00% of DI				
Variable rate	27,500	From 7.32% to 9.31% p.a. + IPCA	2013	2030	391,200	312,809
Variable rate	27,500	117,50% SELIC	2016	2023	29,504	-
Fixed rate	73,510	From 14.52% p.a. to 17.98% p.a.	2015	2022	86,344	38,772
Total					1,122,994	881,642
Non-current liabilities					1,122,994	881,642

d) Sundry

	09.30.2016	12.31.2015
Obligations from transactions linked to assignments ⁽¹⁾	13,207,609	15,676,940
Liabilities for acquisition of assets and rights	87	209
Provision for unsettled payments	559,530	533,225
Provisions for civil claims (Note 25e1)	322,907	300,598
Provisions for labor claims (Note 25e1)	859,100	909,712
Sundry creditors - abroad	1,454	2,158
Provision for losses - Unpaid guarantee	71,621	64,704
Provision for losses - Other risks	201,218	257,709
Sundry domestic creditors	227,925	398,072
Credit card operations	821,198	784,032
Other	1,092	34
Total	16,273,741	18,927,393
Current liabilities	9,444,665	10,478,203
Non-current liabilities	6,829,076	8,449,190

⁽¹⁾ Refers to liabilities regarding sales or transfers operations of financial assets with substantial retaining of the risks and benefits, performed from January 01, 2012, as current law.

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19. OTHER OPERATING INCOME/EXPENSES

a) Service income

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Fund management	25,772	83,624	76,424
Collection	549	1,636	2,189
Commissions on placing of securities	20,318	49,614	32,576
Brokerage of Stock Exchange transactions	4,678	14,220	12,145
Income from custody services	1,309	3,330	1,728
Income from guarantees granted	30,718	95,580	89,061
Credit card transactions	20,371	57,850	49,043
Insurance brokerage commission	5,239	12,869	11,709
Financial advisory services	1,697	12,066	6,372
Other services	4,312	20,374	35,027
Total	114,963	351,163	316,274

b) Income from banking fees

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Master file registration	84,241	229,204	189,106
Funds transfer	116	313	274
Appraisal of assets	56,892	151,822	130,388
Income from credit card	23,847	67,553	57,499
Other	450	1,248	1,499
Total	165,546	450,140	378,766

c) Personnel expenses

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Fees and retainer fee	(4,593)	(14,281)	(13,618)
Benefits	(29,911)	(91,742)	(97,713)
Social charges	(34,666)	(129,667)	(135,344)
Salary	(147,271)	(409,107)	(441,609)
Labor claims	(46,600)	(213,176)	(214,350)
Training	(927)	(2,122)	(2,129)
Total	(263,968)	(860,095)	(904,763)

d) Other administrative expenses

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Water, energy and gas	(1,745)	(5,322)	(5,009)
Rental	(16,210)	(50,253)	(67,556)
Communications	(20,611)	(56,164)	(55,683)
Maintenance and preservation of assets	(3,972)	(11,352)	(12,636)
Material	(962)	(2,515)	(3,582)
Data processing	(51,772)	(145,012)	(136,455)
Promotions and public relations	(2,492)	(5,184)	(3,903)
Advertising and publicity	(1,189)	(3,113)	(2,351)
Publications	(232)	(1,136)	(713)
Insurance	(2,113)	(3,312)	(1,758)
Financial system services	(21,735)	(71,242)	(75,951)
Outsourced services	(2,177)	(5,940)	(6,328)
Surveillance and security services	(548)	(1,511)	(1,462)
Specialized technical services	(91,875)	(276,233)	(269,275)
Transportation	(3,155)	(9,162)	(9,572)
Traveling	(2,631)	(6,847)	(8,771)
Judicial and notary public fees	(28,320)	(82,563)	(76,781)
Amortization	(7,425)	(26,178)	(16,807)
Depreciation	(5,711)	(25,999)	(15,101)
Other	(18,181)	(54,545)	(49,391)
Total	(283,056)	(843,583)	(819,085)

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e) Other operating income

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Recovery of charges and expenses	566	1,648	971
Reversal of provisions - civil and tax claims	-	-	31,024
Restatement of judicial deposits	19,854	70,799	65,710
Monetary variation on assets	2,835	7,611	12,184
Reversal of provision for losses - Other risks	39,042	62,239	-
Reversal of provision for losses - Unpaid guarantees	-	-	95,173
Other	18,373	62,429	87,449
Total	80,670	204,726	292,511

f) Other operating expenses

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Costs associated with the production - Business partners ⁽¹⁾	(127,708)	(383,015)	(413,696)
Costs associated with the production - Business partners ⁽¹⁾	(5,379)	(21,078)	(23,500)
Civil and tax claims	(27,793)	(166,413)	(137,041)
Civil reparations	139	(282)	-
Provision for losses - Unpaid guarantees	(4,169)	(7,010)	-
Provision for losses - Other risks	-	-	(66,676)
Expenses with interest COFINS (REFIS joining)	(9,161)	(32,298)	(32,165)
Judicial Deposits	(32,908)	(32,942)	(235)
Other ⁽²⁾	(19,928)	(65,711)	(174,108)
Total	(226,907)	(708,749)	(847,421)

⁽¹⁾ Refers mainly to commissions on loans originated by the partners and trade agreements with retailers.

⁽²⁾ In the nine-month period ended September 30, 2015 includes restructuring provision in the amount of R\$ 100,039 referring to the plan for downsizing and operational realignment with the aim of reducing expenses.

20. NON-OPERATING INCOME

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Non-operating income	13,739	46,444	21,414
Income on disposal of assets ⁽¹⁾	-	14,703	-
Rental income	1,008	2,698	252
Reversal of impairment allowance of other assets	-	-	1,147
Other non-operating income	12,731	29,043	20,015
Non-operating expenses	(10,660)	(37,862)	(48,235)
Loss on disposal of assets	(13,525)	(20,698)	(14,781)
Losses in investments due to tax incentives	(1,694)	(3,437)	(3,884)
Capital losses	(770)	(809)	(18,160)
Devaluation of other assets	15,357	(2,296)	-
Other non-operating expenses	(10,028)	(10,622)	(11,410)
Total	3,079	8,582	(26,821)

⁽¹⁾ In the quarter ended September 30, 2016, was recognized the amount of R\$ 14,703 regarding the sale of intangible asset.

21. SHAREHOLDERS' EQUITY

a) Capital

Capital of Banco Votorantim S.A., fully subscribed and paid-in, in the amount of R\$ 7,826,980 (R\$ 7,483,754 on December 31, 2015) is represented by 105,391,472,816 nominative shares, of which 86,229,386,840 are common shares with no par value and 19,162,085,976 nominative preferred shares with no par value.

At the Extraordinary Shareholders' Meeting held on March 25, 2015 decided and approved the increase of Capital Stock through incorporation of the special profit reserve in the amount of R\$ 357,993, without issuance of new shares, approved on May 14, 2015 by the Central Bank of Brazil.

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At the Extraordinary Shareholders' Meeting held on April 28, 2016 decided and approved the increase of Capital Stock through incorporation of the special profit reserve in the amount of R\$ 343,226, without issuance of new shares, homologated by Central Bank of Brazil on May 12, 2016.

b) Capital reserve

Capital reserve is recognized from goodwill on subscription of shares, in the amount of R\$ 372,120.

c) Profit reserve

Legal reserve

Composed mandatorily of 5% of the period's Net Income, up to the limit of 20% of Capital. The Legal Reserve may cease to be funded when jointly with Capital Reserves it should exceed 30% of Capital. The Legal Reserve may be employed only in a capital increase or to offset losses.

Special profit reserve

Management may propose that the portion of profit not distributed should be destined to "Special profit reserve", which will be available to shareholders for future deliberation at General Meeting.

d) Equity valuation adjustments

	09.30.2016				12.31.2015			
	Opening balance	Changes	Tax effect	Closing balance	Opening balance	Changes	Tax effect	Closing balance
Securities available for sale	(631,644)	717,685	(210,486)	(124,445)	(327,123)	(408,502)	103,981	(631,644)
Banco Votorantim	(324,509)	325,319	(147,486)	(146,676)	(211,298)	(229,633)	116,422	(324,509)
Foreign branches	(237,196)	252,367	-	15,171	(11,328)	(225,868)	-	(237,196)
Subsidiaries	(69,939)	139,999	(63,000)	7,060	(104,497)	46,999	(12,441)	(69,939)
Cash flow Hedge	-	(25,369)	11,416	(13,953)	-	-	-	-
Banco Votorantim	-	(25,369)	11,416	(13,953)	-	-	-	-
Total	(631,644)	692,316	(199,070)	(138,398)	(327,123)	(408,502)	103,981	(631,644)

22. TAXES

a) Statement of Income Tax and Social Contribution Expenses

	3Q16	01.01 to 09.30.2016	01.01 to 09.30. 2015
Current amounts	(11,079)	(188,862)	(178,805)
IR & CSLL in Brazil - current	(16,957)	(202,832)	(219,289)
IR & CSLL in Brazil - prior years	5,878	13,970	40,484
Deferred amounts	(69,555)	(302,669)	1,145,366
Deferred tax liabilities	(50,763)	92,949	116,050
Mark-to-market	(54,981)	77,769	16,807
Excess depreciation	4,218	15,180	99,243
Deferred tax assets	(18,792)	(395,618)	1,029,316
Tax losses/negative basis of CSLL	(101,718)	(4,148)	(50,888)
Temporary differences	76,987	(161,895)	742,470
Mark-to-market	5,939	(229,575)	337,734
Total	(80,634)	(491,531)	966,561

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b) Reconciliation of IR and CSLL charges

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Income (loss) before taxes and contributions	222,166	910,477	(420,894)
Total IR charges (25% rate) and CSLL (15% until August 2015 and 20% from September 2015)	(99,975)	(409,717)	189,403
Equity in the earnings of subsidiaries	31,145	(63,839)	301,693
Charges on employees' profit sharing	13,262	50,614	63,430
Other amounts ⁽¹⁾	(25,066)	(68,589)	412,035
Income tax and social contribution in the period	(80,634)	(491,531)	966,561

⁽¹⁾ Includes in the nine-month period ended September 30, 2015 the amount of R\$ 409,602 on the activation of tax credits resulting from the increase of the social contribution rate (Law no. 13,169/2015).

c) Tax expenses

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
COFINS	(58,543)	(205,308)	(217,807)
ISSQN	(12,051)	(35,753)	(35,982)
PIS	(9,519)	(33,447)	(35,595)
Other	(7,215)	(17,107)	(23,048)
Total	(87,328)	(291,615)	(312,432)

d) Deferred tax liabilities

	09.30.2016	12.31.2015
Deriving from excess depreciation over leasing operations	-	15,179
Mark-to-market	165.726	243,492
Total deferred tax liabilities	165.726	258,671
Income tax	92.070	150,452
Social contribution	73.656	108,219

e) Deferred tax assets

	12.31.2015	01.01 to 09.30.2016	09.30.2016
	Saldo	Net changes in the period ⁽²⁾	Saldo
Temporary differences	6,666,488	(590,541)	6,075,947
Allowance for doubtful accounts	4,659,470	(351,594)	4,307,876
Liability provisions	982,158	185,657	1,167,815
Mark-to-market ⁽¹⁾	998,034	(428,645)	569,389
Other provisions	26,826	4,041	30,867
CSLL tax loss/negative basis	1,166,611	(4,148)	1,162,463
Total deferred tax assets activated	7,833,099	(594,689)	7,238,410
Income tax	4,772,429	(290,260)	4,482,169
Social contribution	3,060,670	(304,429)	2,756,241

⁽¹⁾ In the nine-month period ended September 30, 2016, the amount of R\$ 115,606 (of the total of R\$ 569,389) is the tax credit arising from mark-to-market adjustment of securities classified as available for sale, recorded in account Shareholder's equity.

⁽²⁾ The amount corresponding to the movement of tax credits arising from adjustments to market value of securities available for sale, recorded in Shareholder's equity account in the nine-month period ended September 30, 2016 is R\$ 199,070 of the total R\$ 428,645.

f) Deferred tax asset (Not recognized)

	09.30.2016	12.31.2015
Deferred tax assets abroad	13,495	11,855
Total of deferred tax assets not recognized	13,495	11,855
Income tax	7,497	7,409
Social contribution	5,998	4,446

Realization estimate

The realization estimate of deferred tax assets supports in the technical study prepared on June 30, 2016.

	Nominal value	Present Value
In 2016	1,098,847	1,079,280
In 2017	1,330,076	1,225,230
In 2018	1,095,418	943,747
In 2019	813,974	655,538
In 2020	1,064,532	801,842
As from 2021	1,835,563	1,150,372
Total deferred tax	7,238,410	5,856,009

Realization of nominal values for deferred tax assets

	Tax losses/Social contribution on net income to offset ⁽¹⁾	Intertemporal Differences ⁽²⁾
In 2016	13%	16%
In 2017	5%	21%
In 2018	8%	16%
In 2019	21%	9%
In 2020	4%	17%
As from 2021	49%	21%

⁽¹⁾ Projected consumption linked to the capacity to generate IRPJ and CSLL taxable amounts in subsequent periods.

⁽²⁾ The consumption capacity arises from movements in provisions expectation of reversals, write-offs and uses).

23. RELATED PARTIES

Costs of salaries and other benefits granted to key management personnel of Banco Votorantim, formed by the Board, Audit Committee, Board of Directors and Fiscal Council:

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Fees and retainer fee	(4,593)	(14,281)	(13,618)
Bonuses	-	(30,125)	(25,463)
Social charges	(1,308)	(13,124)	(11,756)
Total	(5,901)	(57,530)	(50,837)

The Bank does not provide post-employment benefits to key management personnel.

The Bank does not grant loans to key Management personnel in accordance with the prohibition to any financial institution established by the current law.

The balances of accounts relating to transactions between consolidated companies of the Bank are eliminated in the consolidated financial statements and also take into consideration the lack of risk. Regarding the controlling shareholders, the transactions with the Banco do Brasil Financial Conglomerate and of the Votorantim S.A. are included, the main companies of which are Votorantim Finanças S.A. and Votorantim Industrial S.A. which maintains banking transactions with the Bank.

The Conglomerate carries out banking transactions with related parties, such as current account deposits (not remunerated), remunerated deposits, securities sold under repurchase agreements, derivative financial instruments and assignment of credit transaction portfolios. There are also service agreements.

These transactions are carried out under terms and conditions similar to those performed with third parties where applicable, prevailing at the transaction dates. These transactions do not involve extraordinary default risks.

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In the nine-month period ended September 30, 2016, the Bank sold securities (Shares in investment funds) classified in the category Available for sale to subsidiary BV Financeira. This operation generated no impact on the net income, subject to elimination in the financial Conglomerate's consolidation process.

In the nine-month period ended September 30, 2016, Conglomerate, through its subsidiary BV Financeira, carried out credit assignments with a related party, with substantial risk retention. Sum of present values totaled R\$ 4,729,022 (R\$ 8,168,844 on September, 2015). The net result of credit assignments, considering income and expenses of the assignments with substantial retention of risks and benefits is presented in the table below under "Income from interest, provision of services and other income".

	09.30.2016						Total
	Banco do Brasil Conglomerate	Votorantim Conglomerate	Financial subsidiaries (1)	Non- financial subsidiaries (2)	Key management personnel (3)	Other (4)	
Assets							
Cash and cash equivalents	1,318	-	-	-	-	-	1,318
Interbank funds applied	7,072,306	-	20,134,163	-	-	-	27,206,469
Securities and derivative financial instruments	-	218	18,990,335	-	-	1,169,662	20,160,215
Other receivables	1,909	4,618	14,850	-	257	288	21,922
Liabilities							
Demand deposits	(234)	(715)	(2,773)	(1,125)	(17)	-	(4,864)
Time Deposits	(683)	(11,893)	(3,060)	(231,239)	(415)	-	(247,290)
Interbank accounts or relations	-	-	(6,348,794)	-	-	-	(6,348,794)
Obligations related to purchase and sale commitments	(497,114)	(1,499,635)	(11,964,465)	-	(2,937)	-	(13,964,151)
Acceptances and endorsements	(55,662)	(374,050)	-	-	(9,535)	-	(439,247)
Borrowings and onlendings	(858,768)	-	-	-	-	-	(858,768)
Derivative financial instruments	(23,284)	(11,230)	-	-	-	-	(34,514)
Other liabilities	(13,338,772)	-	(969)	-	-	-	(13,339,741)
3Q16							
Income (loss)							
Income from interest, provision of services, derivatives and other income	354,600	-	1,386,706	-	-	53,443	1,794,749
Result with derivative financial instruments	(823)	897	-	-	-	-	74
Fund raising, administrative expenses and other	(26,553)	(59,290)	(396,884)	(20,538)	(428)	-	(503,693)
01.01 to 09.30.2016							
Income (loss)							
Income from interest, provision of services, derivatives and other income	1,061,706	-	4,121,331	-	2	80,853	5,263,892
Result with derivative financial instruments	244	7,497	(263,648)	-	-	-	(255,907)
Fund raising, administrative expenses and other	(66,598)	(160,380)	(1,009,143)	(34,534)	(1,530)	-	(1,272,185)

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	12.31.2015						
	Banco do Brasil Conglomerate	Votorantim Conglomerate	Financial subsidiaries (1)	Non-financial subsidiaries (2)	Key management personnel (3)	Other(4)	Total
Assets							
Cash and cash equivalents	380	-	-	-	-	-	380
Interbank funds applied	9,197,180	-	21,113,149	-	-	-	30,310,329
Securities and derivative financial instruments	486	10,981	19,377,069	-	-	994,974	20,383,510
Other receivables	4,364	18,345	113,473	34	1,292	232	137,740
Liabilities							
Demand deposits	(136)	(1,028)	(5,869)	(379)	(81)	-	(7,493)
Time Deposits	(619)	(23,710)	(5,928)	(254,757)	(23)	-	(285,037)
Interbank accounts or relations	-	-	(427,030)	-	-	-	(427,030)
Obligations related to purchase and sale commitments	(106,738)	(838,137)	(6,854,290)	-	(1,663)	-	(7,800,828)
Acceptances and endorsements	(66,475)	(422,855)	-	-	(19,132)	-	(508,462)
Borrowings and onlendings	(374,965)	-	-	-	-	-	(374,965)
Derivative financial instruments	(15,576)	(1,868)	(9,976,718)	-	-	-	(9,994,162)
Other liabilities	(15,762,580)	-	(35,125)	(12)	-	-	(15,797,717)
01.01 to 09.30.2015							
Income (loss)							
Income from interest, provision of services and other	850,648	15,692	4,785,108	-	58	114,168	5,765,674
Result with derivative financial instruments	(39,895)	4,110	(2,266,456)	-	-	-	(2,302,241)
Fund raising, administrative expenses and other	(14,583)	(65,008)	(43,461)	(26,907)	(1,490)	-	(151,449)

(1) Companies listed in Note 2, identified in item (1). Don't include operation between subsidiaries.

(2) It includes Promotiva S.A (actual denomination of BVIP - BV Investimentos e Participações S.A.), BVIA - BV Investimentos e Participações de Gestão de Recursos S.A. and Votorantim Corretora de Seguros S.A.

(3) Board of Directors, Executive Board, Audit Committee, Fiscal Council and family members (spouse, children and stepchildren) of key management personnel, as well as all companies in which the key management personnel has participation.

(4) In 2016 it includes BVIA FIP; and for 2015 it includes BVIA FIP, FIDCS I e VI.

24. EMPLOYEE BENEFITS

There are no post-employment benefits such as: pensions, other retirement benefits, post-employment life insurance and medical care, other long-term benefits to employees, including long service leave and other leaves, jubilee or other benefits per years of service, share-based remuneration and rescission of contract benefits, except for those set out in the collective agreement for banking staff.

Variable compensation program

The Company put in place the Short-term and Long-term Compensation Program during the six month period ended June 30, 2013. Executive officers and Conglomerate employees are eligible for the program. This program was approved by the Board of Directors on May 10, 2012.

The Company has three long-term incentives plans with the purpose of (i) attracting, motivating and retaining talents; (ii) aligning the interests of executive officers and employees to shareholders' objectives and interests; (iii) creating revenues and a sustainable creation of value; and (iv) creation of a long-term outlook. These are:

a) Conditioned Variable Incentive: a plan with a minimum one-year and maximum three-year duration, consisting of granting an incentive conditioned to performance during each year. All Conglomerate's employees and officers are eligible for the plan.

b) Long-term incentive: a plan with a four-year duration consisting in granting the Company's Investment Units (known as "virtual shares") based on performance during each year. All employees of the Conglomerate are eligible for the program.

c) Virtual share repurchase program: a plan with a four-year duration in which every executive officer and employee has the opportunity to invest part or all of their variable compensation available in the Company's Investment Units (known as "virtual shares"), and as a counterpart the Company will progressively grant additional Investment Units.

In the nine-month period ended on September 30, 2016 were recognized in the result, under Personnel Expenses - Earnings R\$ 131,767 (R\$ 117,987 on the nine-month period ended September 30, 2015) regarding to the transactions of long-term incentives. This expense derives from agreements entered into with some Conglomerate's employees, in conformity with the remuneration policy. These incentives in general become a right between one and in not more than four years as of the granting date, with settlement in cash.

In the nine-month period ended September 30, 2016, payments in the amount of R\$ 117,387 were made, of which R\$ 41,145 in regard to the Long-Term Compensation Program of 2012, R\$ 64,925 in regard to the Long-Term Compensation Program of 2013 and R\$ 11,317 in regard to the Long-Term Compensation Program of 2014.

On September 30, 2016, the Conglomerate recorded under caption "Other liabilities - Other - Sundry - Provision for unsettled payments", in the amount of R\$ 313,740 (R\$ 293,509 on December 31, 2015).

Virtual share value is calculated at least on a quarterly basis and is based on the Conglomerate's income and on entries made directly to Shareholders' equity accounts, as the applicable accounting practices. From this change in Shareholders' Equity value, non-recurring movements will be excluded after being submitted to and individually evaluated by the Remuneration Committee, which will decide on its exclusion or not from Shareholders' equity calculation basis to value virtual share.

Changes in virtual shares

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Opening quantity	57,578,495	65,642,106	36,715,932
New	10,578,315	31,744,406	29,469,445
Payd	-	(27,583,094)	(10,275,509)
Called off	(117,633)	(1,764,241)	(805,269)
Closing quantity	68,039,177	68,039,177	55,104,599

The initial value of the granted virtual shares is calculated on equity at the end of each fiscal year, which is assigned a nominal value of R\$ 1,00 (one real) for each virtual unity of action.

25. CONTINGENT ASSETS AND LIABILITIES AND LEGAL, TAX AND SOCIAL SECURITY OBLIGATIONS

a) Contingent assets

Contingent assets are not recognized in the Financial Statements, as CMN Resolution 3,823/2009.

b) Labor lawsuits

The Conglomerate is the defendant in labor lawsuits mostly filed by former employees. Provisions for probable losses represent several claims, such as: Indemnities, overtime, working time exemption, supplement per function and representation, among other matters.

c) Tax lawsuits

The Conglomerate is subject, in inspections made by tax authorities, to questionings related to taxes, which may eventually generate assessments, for example: composition of the IRPJ/CSLL tax basis (deductibility); and discussion related to the levy of taxes, upon occurrence of certain economic facts. Most lawsuits deriving from tax assessments refer to ISS, IRPJ, CSLL, PIS/COFINS and Employer Social Security Contributions. Some of them are guaranteed, when necessary, by escrow deposits made to suspend payment of taxes under discussion.

d) Civil lawsuits

Basically refer to indemnity actions whose natures are as follows: challenge on contracts' total effective cost; review on contract conditions and charges; and fees.

e) Provision for labor, tax and civil lawsuits - Probable

The Conglomerate recognized a provision for labor, tax and civil lawsuits with "probable" loss risk, quantified by individual or mass methodology (including processes with success probability as remote, possible or probable), according to the nature and/or value of the process.

The estimates of outcome and financial effect are determined by the nature of the actions, by the judgment of the entity's Management, by the opinion of the legal counsel, based on the process elements, supplemented by the experience and complexity of similar transactions.

The provision for labor, tax and civil lawsuits that was set up to cover the losses estimated, are considered sufficient by the Conglomerate's Management.

e.1) Changes in provisions for tax, civil and labor claims classified as probable

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Tax claims			
Opening balance	46,774	45,724	71,557
Additions	1,066	3,059	238
Reversal of provision	(1,252)	(5,613)	(25,681)
Write-offs due to payment	(38)	(1,727)	(7,946)
Monetary restatement	216	5,323	2,366
Closing balance	46,766	46,766	40,534
Civil claims			
Opening balance	335,604	300,598	324,967
Additions	38,575	108,943	92,693
Reversal of provision	(20,298)	(57,762)	(74,162)
Write-offs due to payment	(34,984)	(82,242)	(87,304)
Monetary restatement	4,010	53,370	39,493
Closing balance	322,907	322,907	295,687
Labor claims			
Opening balance	917,197	909,712	961,854
Additions	253,328	459,612	357,982
Reversal of provision ⁽¹⁾	(264,133)	(373,255)	(244,068)
Write-offs due to payment ⁽²⁾	(66,321)	(194,347)	(202,933)
Monetary restatement	19,029	57,378	69,019
Closing balance	859,100	859,100	941,854
Total Labor, Tax and Civil Claims	1,228,773	1,228,773	1,278,075

⁽¹⁾ Refer basically to the negotiation of agreements, review processes and loss forecasts.

⁽²⁾ Refer, basically, to labor compensations due to agreements.

⁽³⁾ From August 2016, the measurement criteria were changed with the implementation of a statistical model for calculating the provision for actions that have homogeneous or similar profiles and standards, which have been valued in a mass way. This change resulted in an reversal of provision in the amount of R\$ 16,810.

e.2) Estimated schedule of disbursements

	Labor	Tax	Civil
Up to 5 years	859,100	38,117	322,907
From 5 to 15 years	-	8,649	-
Total	859,100	46,766	322,907

Uncertain lawsuit duration and the possibility of changes in prior court judgments make disbursement schedule and values uncertain.

f) Contingent liabilities - Possible

Amounts shown in the chart below represent estimated disbursement value in case the Bank is convicted. Claims are classified as possible when there are no elements that permit concluding final lawsuit outcome and when likelihood of loss is lower than probable and higher than remote.

	09.30.2016	12.31.2015
Tax claims ⁽¹⁾	1,099,354	1,016,785
Civil claims ⁽²⁾	43,259	40,019
Labor claims ⁽³⁾	385,457	1,008,555
Total	1,528,070	2,065,359

⁽¹⁾ Refers basically to: a) IRPJ/CS on equity investments abroad R\$ 232,705 (R\$ 223,034 on December 31, 2015); b) INSS on Profit Sharing (PLR) R\$ 137,286 (R\$ 51,514 on December 31, 2015); c) IRPJ of exceeding amount destined to FINOR (2004 to 2010) R\$ 58,403 (R\$ 119,710 on December 31, 2015); d) ISS R\$ 10,912 (R\$ 11,139 on December 31, 2015); e) INSS on Profit Sharing - Nassau Branch R\$ 41,079 (R\$ 39,130 on December 31, 2015); f) PIS / COFINS on demutualization R\$ 38,352 (R\$ 36,651 on December 31, 2015); g) IRPJ/CS on undue offset of tax loss - Gratuities to statutory officers R\$ 28,085 (R\$ 27,043 on December 31, 2015); h) IRPJ/CSLL - Deduction Allowance for Doubtful Accounts (PDD) 2008 R\$ 103,213 (R\$ 99,113 on December 31, 2015); i) Infringement Fine (non-homologation of DCOMP) R\$ 139,166 (R\$ 127,753 on December 31, 2015); j) CSLL - Exclusion of Interests - Tax Assessments comprising improper exclusion in the BACEN relating to interest earned on the foreign public bonds (Denmark, Spain and Austria) of 2009 and 2010, in the amount of R\$ 135,600 (principal, fine and interest - R\$ 127,441 on December 31, 2015 relating to 2009). k) IRPJ/CSLL - Assesment notice: improper exclusion of goodwill on acquisition of securities of Foreign Governments (2010) in the amount of R\$ 11,652 of IRPJ and R\$ 9,987 of CSLL (R\$ 11,152 of IRPJ and R\$ 9,908 of CSLL in December 31, 2015); l) PerDcomp: impossibility of the utilization of IRRF abroad on remittances abroad as negative balance of IRPJ, in the amount of R\$ 31,892 (R\$ 29,827 in December 31, 2015).

⁽²⁾ Refers, basically, to collection actions.

⁽³⁾ Refers to actions mostly brought by former employees claiming compensation, overtime pay, working hours, extra pay associated with certain jobs, and representation costs, and others.

From August 2016, the measurement criteria were changed with the implementation of a statistical model for the calculation of the provision for actions that have homogeneous or similar profiles and standards, which are now being valued in a mass way. For comparability purposes, the amount of contingent liabilities classified as possible, calculated in the new model at December 31, 2015, is R \$ 467,292.

g) Deposits as collateral

Balances of escrow deposits recognized for contingencies

	09.30.2016	12.31.2015
Tax Claims	299,003	682,384
Civil claims	234,529	221,994
Labor claims	268,400	265,202
Total	801,932	1,169,530

h) Legal obligations

Conglomerate maintains the amount of R\$ 13,665 (R\$ 9,686 on December 31, 2015) recorded in specific Legal Obligations account., relating the following lawsuits:

h.1) PIS LC 07/70 - BV Financeira S.A. CFI

In December 1997, a Writ of Mandamus with injunction was filed by BV Financeira S.A. - CFI aiming at recognition of the Plaintiff's clear legal right of paying PIS contribution as provided for in Supplementary Law no. 7/70 for the period from July 1, 1997 up to 90 days after the publication of Constitutional Amendment no. 17/97. Also, it was claimed that, for subsequent period (from March 1998 to December 1999), said contribution be paid on gross operating income.

Currently, the Writ of Mandamus is suspended in the Federal Regional Court of the 3rd Region, waiting for the Supreme Court's decision. Such decision shall be replicated in all cases dealing with the same subject matter awaiting judgment.

For that process we have a provision of R\$ 705 (R\$ 684 on December 31, 2015) registered under Other obligations - Tax and social security - Legal obligations.

h.2. ISS (Service Tax) on Guarantees Provided - Banco Votorantim S.A.

A decision was delivered on Declaratory Action on Absence of Legal-Tax Relation cumulated with Recovery of Undue Payment intended to rule out levy of ISS on revenues from guarantor and collateral transactions and other guarantees provided by Banco Votorantim S.A., and obtain reimbursement of amounts paid as such in the last five years.

As injunctive relief request was rejected by the lower court judge, the Bank started to make a monthly escrow deposit of discussed amounts in order to suspend payment of deferred tax assets. Currently, Decision is being awaited.

For said case we have a provision of R\$ 9,991 (R\$ 6,215 on December 31, 2015) under Other obligations - Tax and social security - Legal obligations.

h.3) Accident Protection Factor - FAP - Banco Votorantim S.A., BV Financeira S.A. CFI

Declaratory Actions were filed with the aim of declaring the non-existence of a legal and tax relationship requiring the plaintiff to calculate and pay the contribution to Workplace Accident Insurance (SAT - *Seguro contra Acidentes de Trabalho*) by applying the Accident Protection Factor (FAP - *Fator Acidentário de Proteção*), starting in January 2010.

As the request for interim relief was dismissed by the judge of the first instance, the Bank and BV Financeira made judicial deposits of the amounts discussed for the year 2010, in order to suspend the collectability of the deferred tax assets. Thereafter, the amount began to be regularly paid.

Regarding the actions, there was a judgment dismissing the request, as well as in the first case, extinguishing the suit without resolution of merit in relation to the INSS, given its inability to show cause. Vis-à-vis these decisions, a Motion for Clarification was filed, and the Bank's appeal was upheld only to remedy the omission regarding the ad hoc claim of the Federal Government, however maintaining the decision dismissing the request. Thus, appeals were filed in order to fully reform the judgement of the first instance, which were received in their dual effect. Currently, we are awaiting the judgment of the Appeals filed.

Regarding the suit of BV Financeira, after the distribution of the case, there was a judgment that upheld the request, also granting interim relief. However, despite the favorable decision, an appeal was filed by the Plaintiff for the matter to also be considered by TRF3, since the judge of first instance did not consider the factual/evidentiary material. Therefore, this is merely a preventive appeal, in case the argument of unconstitutionality of FAP is dismissed by the Court. Currently, we are awaiting judgment of the Appeals filed.

For said case we have a provision of R\$ 2,969 (R\$ 2,787 in December 31, 2015) under Other obligations - Tax and social security - Legal obligations.

i) Public civil lawsuits

Conglomerate has contingent liabilities involving public civil actions in which, based on the opinion of the legal advisors and Management's judgment, the risk of loss is considered possible. Due to their current stage of completion, measurement of amounts involved in these lawsuits could not be determined safely.

Main themes discussed in these lawsuits refer to collection of tariffs and issues involving payroll credit to INSS retirees and pensioners.

26. RISK AND CAPITAL MANAGEMENT

a) Risk management process

The integrated risk-management approach includes adopting instruments to ensure that material risks incurred by the Conglomerate. This approach aims to organize the decision process and define the mechanisms that establish risk appetite and risk level that is acceptable and compatible with the volume of capital available, in line with the business strategy adopted.

The consolidation of risks covers material exposures inherent to the Conglomerate's business lines. The exposures are mainly grouped into the following risk categories: market, credit and liquidity. This consolidation process is carried out through a structured process which includes the mapping and calculation of the total values at risk.

The levels of risk exposure are monitored through a risk limit framework, incorporated into the Conglomerate's daily activities by means of an organized management and control process which assigns functional responsibilities to the areas involved. Senior Management gets involved by following up and performing actions that are necessary for risk management.

Financial return is calculated by processes that permit the monitoring of managerial earnings in different business lines, consistent with established budgets and in accordance with accounting income.

In sum, the Conglomerate follows the following principles in its integrated risk management process:

- Consolidated risk vision;
- Making risk exposure level, authorized limits and intended financial return compatible;
- Job segregation between business areas, risk control, audit and operational processing;
- Adoption of risk calculation methodologies based on the market practices; and
- Involvement of Senior Management.

b) Credit risk

Credit Risk is defined as the likelihood of losses occurring due to the borrower or counterparty not complying with their respective financial obligations in accordance with agreed terms.

c) Liquidity risk

Liquidity risk is defined as:

- Possibility of the institution not being able to effectively honor expected and unexpected current and future obligations, including those deriving from guarantee binding, without affecting its daily operations and without incurring significant losses; and
- Possibility that the Bank may not be able to trade a position at market price due to its large size in relation to the usually traded volume, or due to market discontinuity.

d) Operational risk

Operating risk is defined as the possibility of loss arising from any failure, deficiency or inadequacy of internal processes, people or systems, or from events apart from the Institution.

e) Market risk

Market risk is defined as the possibility of financial losses arising from variations in the market value of exposures held by a financial institution. These financial losses may be generated by variation in interest rates, exchange rates and prices of shares and commodities.

f) Capital management

Following the regulations of BACEN and in accordance with the recommendations of the Basel Committee on Banking Supervision, the Institution employs prudential guidelines of capital management in a consolidated manner aiming at the efficient and sustainable management of its resources and contributing to promote the stability of the National Financial System.

In line with CMN Resolution no. 3,988 and BACEN Circular Letter no. 3,547, the institutional has structure and policies for capital management approved by the Board of Directors, in compliance with the internal process for valuation of capital Adequacy (ICAAP), contemplating the following items:

- Identification and assessment of material risks;
- Documented policies and strategies;
- Capital Plan for three years, including Capital targets and projections, main funding sources and Capital contingency plan;
- Stress tests and their impacts on Capital;
- Managerial reports to the Senior Management (Executive Board and Board of Directors);
- Valuation of Capital Adequacy in the Regulatory and Economic View; and
- Annual Report of Internal capital adequacy assessment process (ICAAP).

Capital Adequacy (Regulatory view)

At the institution, capital is managed in order to ensure adequacy within regulatory limits and to establish a strong capital base, enabling the Institution to develop business and transactions in accordance with its strategic plan.

Our annual capital plan includes growth projections for the loan portfolio and other transactions and assets, in order to assess adequacy of its consolidated capital to deal with the associated risks and ensure compliance with regulatory operational limits.

Management reports tracking the capital allocated to risks and the capital indices (Basel, Level I and Core) are disclosed on a monthly basis after the determination of the Capital and Capital Requirement.

Capital ratios

Capital ratios are calculated according to the criteria set by CMN Resolutions 4,192/2013 and 4,193/2013, which refer to the calculation of Reference Equity (PR) and the Minimum Regulatory Capital (PRMR) in relation to Risk-Weighted Assets (RWA), respectively.

In October 2013, onwards the set of rules that implemented in Brazil the recommendations of the Basel Committee on Banking Supervision related to the Capital structure of financial institutions, known as Basel III, came into effect. Newly adopted rules address the following matters:

I - new methodology to determine regulatory capital, which continues to be divided into Levels I and II, Level I being comprised of Main Capital (less Prudential Adjustments) and Supplementary Capital;

II - new methodology to determine requirements to maintain capital, adopting minimum PR, Level I and Main Capital requirements, and introducing the Additional Main Capital.

Since January 2014, CMN Resolution no. 4,192/2013 defines the following items relating to prudential adjustments to be deducted from Reference Equity:

- (i) goodwill paid on acquisition of investments based on expected future income net of deferred tax liabilities;
- (ii) intangible assets formed as from October 2013;
- (iii) actuarial assets related to defined benefit pension plans net of deferred tax liabilities associated to them;
- (iv) non-controlling interest;
- (v) direct or indirect investments higher than 10% of capital of entities similar to non-consolidated financial institutions and of insurance and reinsurance firms, capitalization organizations and open pension plan entities (higher investments);
- (vi) deferred tax assets deriving from temporary differences that depend from future income generation or tax revenues for their realization;
- (vii) deferred tax assets from depreciation excess tax loss;
- (viii) deferred tax assets deriving from tax losses and social contribution on net income negative basis.

In accordance with CMN Resolution no. 4,192/2013, deductions referring to prudential adjustments will be carried out gradually, at 20% p.a. from 2014 to 2018, except for deferred assets and funding instruments issued by financial institutions, which are already being fully deducted since October 2013.

Consolidation scope used as the basis to verify operating limits and also considers the Financial Conglomerate, and the Prudential Conglomerate beginning as of January 1, 2015, as defined in CMN Resolution no. 4,280/2013.

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For comparison purposes, Basel Ratio information is presented for Prudential Conglomerate:

Basel ratio	09.30.2016	12.31.2015
PR - Reference Equity	9,736,671	10,742,263
Tier I	6,893,922	6,686,016
Common Equity	6,893,922	6,686,016
Shareholders' equity	8,254,110	7,616,664
Prudential adjustments	(1,360,188)	(930,648)
Deferred assets	(10,553)	(14,767)
Other	(1,347,421)	(913,229)
Adjustment to market value	(2,214)	(2,652)
Tier II	2,842,749	4,056,247
Subordinated debts eligible as capital	2,842,749	4,056,247
Subordinated debts authorized pursuant to CMN Resolution no. 4,192/2013	975,019	834,046
Subordinated debts authorized pursuant to rules prior to CMN Resolution no. 4,192/2013 ^{(1) (2)}	1,867,730	3,222,201
Funding sources abroad	1,722,374	1,884,476
Funds obtained with CDB	-	272,451
Funds raised with Financing Bills	145,356	1,065,274
Risk-weighted assets (RWA)	61,625,645	70,549,049
Credit risk (RWACPAD)	56,870,700	62,926,270
Market risk (RWAMPAD)	1,129,537	2,842,895
Operational risk (RWA _{OPAD})	3,625,408	4,779,884
Minimum Required Regulatory Capital ⁽³⁾	6,085,032	7,760,395
Minimum Required Capital ⁽⁴⁾	2,773,154	3,174,707
Tier I Minimum Required Reference Equity ⁽⁵⁾	3,697,539	4,232,943
Regulatory Capital determined to cover interest rate risk of transactions not classified in trading portfolio (RBAN)	257,554	392,989
Margin on Minimum Required Regulatory Capital	3,651,640	2,981,868
Margin on Minimum Required Capital	4,120,768	3,511,308
Margin on Minimum Required Tier I Regulatory Capital	3,196,384	2,453,073
Margin on Minimum Required Regulatory Capital including RBAN	3,393,585	2,588,879
Common Equity Ratio (CP / RWA)	11.19%	9.48%
Tier I Capital Ratio (Tie I / RWA)	11.19%	9.48%
Basel Ratio (PR / RWA)	15.80%	15.23%

⁽¹⁾ Instruments authorized by BACEN to comprise PR in accordance with CMN Resolution no. 3,444/2007 - and that do not qualify for requirements of CMN Resolution no. 4,192/2013 - will decay 10% p.a. from 2013 to 2022, on amounts that comprised PR as of December 31, 2012.

⁽²⁾ The balance of Subordinated Debt instruments comprising Reference Equity as of December 31, 2012 was considered after applying on it the decay of 10% as determined by CMN Resolution no. 4,192/2013.

⁽³⁾ Corresponds to the application of the "F" factor to RWA amount, being "F" equal to:

- a. 11% of RWA, from October 10, 2013 to December 31, 2015.
- b. 9.875% of RWA, from January 1, 2016 to December 31, 2016.
- c. 9.25% of RWA, from January 1, 2017 to December 31, 2017.
- d. 8.625% of RWA, from January 1, 2018 to December 31, 2018.
- e. 8% of RWA, as from January 1, 2019.

⁽⁴⁾ It represents at least 4.5% of RWA.

⁽⁵⁾ It represents at least 5.5% of RWA, from October 1, 2013 to December 31, 2014, and 6% of RWA, as from January 1, 2015.

Prudential Adjustments deducted from Common Equity:

	09.30.2016	12.31.2015
Prudential Adjustments II - Intangible assets	(55,466)	(31,447)
Prudential Adjustments VII Tax credit and Intertemporal differences	(593,896)	(418,931)
Prudential Adjustments VIII - Tax credit of Tax losses/negative basis of CSLL	(698,059)	(462,851)
Prudential Adjustments IX - Deferred assets	(10,553)	(14,767)
Prudential Adjustments XV - Understatement - Resolution 4,277/13 Adjustments	(2,214)	(2,652)
Total	(1,360,188)	(930,648)

g) Fixed asset ratio

Beginning as of 2015, property, plant and equipment index started to be required only for Prudential Conglomerate, totaling 15,06% (4,68% on December 31, 2015), and determined in conformity with CMN Resolutions no. 4,192/2013 and 2,669/1999.

Fixed assets limit	09.30.2016	12.31.2015
Fixed assets limit	4,868,335	5,371,131
Value of fixed assets limit position	1,466,526	503,015
Value of margin or insufficiency	3,401,809	4,868,116

In compliance with the BACEN Circular 3,477/09, Conglomerate maintains additional information on its risk and capital management process available in the website: www.bancovotorantim.com.br/ri.

27. OTHER INFORMATION

a) Commitments undertaken due to funding from international financial institutions

The Conglomerate is a borrower of short-term loans from international financial institutions, who in certain cases may require compliance with financial ratios (financial covenants). When required, the financial ratios are calculated based on the financial information prepared in accordance with Brazilian law and standards of the Central Bank of Brazil (BACEN). On September 30, 2016 the Conglomerate did not have operations with these characteristics.

b) Information about branches and subsidiaries abroad

	09.30.2016	12.31.2015
Asset		
Banco Votorantim S.A. – Nassau Branch	6,276,360	9,234,863
Others subsidiaries	62,061	98,056
Total assets	6,338,421	9,332,919
Liabilities	(4,834,055)	(7,891,914)
Banco Votorantim S.A. – Nassau Branch	(4,820,441)	(7,878,700)
Others subsidiaries	(13,614)	(13,214)
Shareholders' equity	(1,504,366)	(1,441,005)
Banco Votorantim S.A. – Nassau Branch	(1,455,919)	(1,356,163)
Others subsidiaries	(48,447)	(84,842)
Total liabilities	(6,338,421)	(9,332,919)

	3Q16	01.01 to 09.30.2016	01.01 to 09.30.2015
Income or loss	106,647	49,094	37,686
Banco Votorantim S.A. – Nassau Branch	112,950	48,671	35,161
Others subsidiaries	(6,303)	423	2,525

c) Insurance coverage

The Conglomerate contracts insurance coverage for assets subject to risks for amounts considered to be sufficient to cover eventual claims, considering the nature of its activity. The adopted risk assumptions, in view of their nature, are not part of the scope of an audit of Financial Statements; therefore, were not analyzed by our independent auditors.

d) Agreements for offset and settlement of liabilities in the scope of the National Financial System

Agreements were executed for the offset and settlement of receivables and payables pursuant to CMN Resolution No. 3,263/2005, the purpose of which is to enable the offsetting of credits and debits maintained with the same counterparty, and in which the maturity dates of receivables and payables can be advanced to the date in event of default by one of the parties occurs or in case of the bankruptcy of the debtor.
