



Earnings Presentation

2nd Quarter, 2016

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Net Income of R\$ 108M in 2Q16

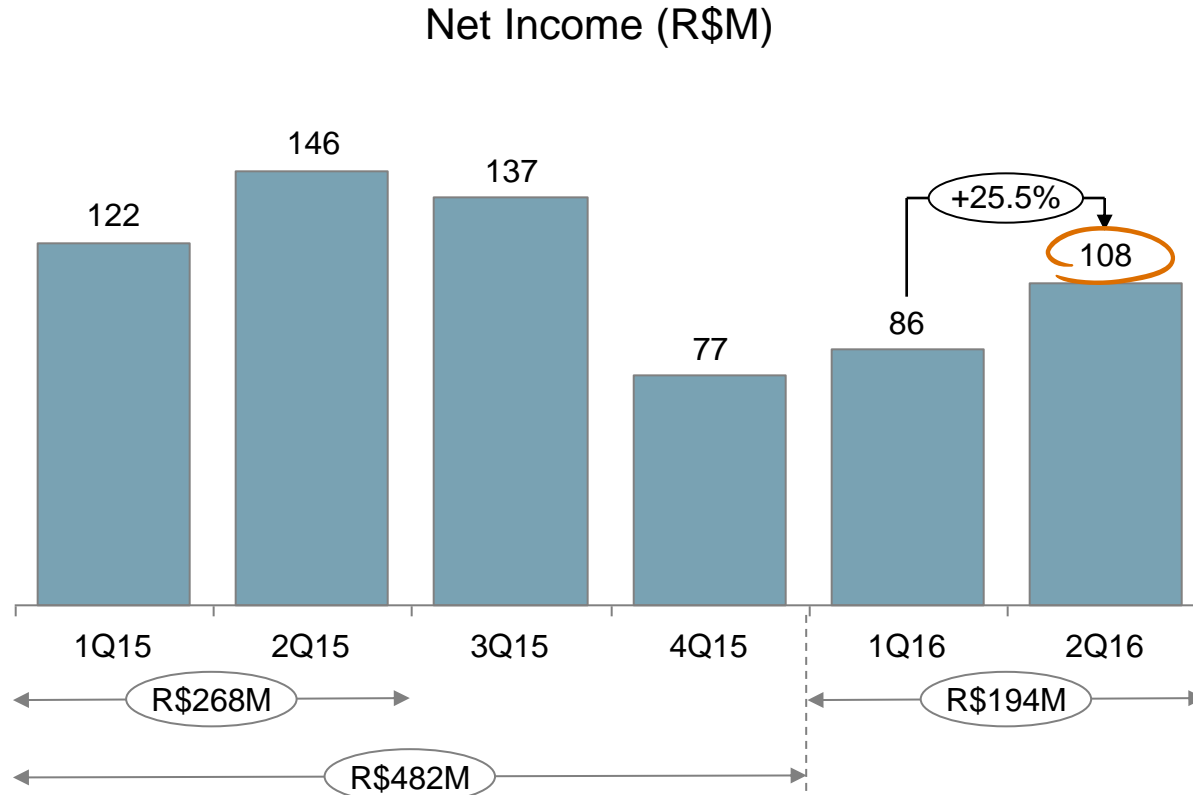
Consistent results, with delinquency under control and nominal reduction of cost base

Highlights of results

<p>Net Income of R\$ 108M</p>	<p>Net Income of R\$ 108M in 2Q16, compared to R\$ 86M in 1Q16</p> <ul style="list-style-type: none"> In 1H16, the net income totaled R\$ 194M (R\$ 268M in 1H15) <p>Shareholders' equity reached R\$ 8.28B in Jun/16 (R\$ 8.08B in Mar/16)</p>
<p>Consistent revenue generation</p>	<p>Income from Services and Insurance increased 12.3% in 1H16/1H15, to R\$ 639M...</p> <p>...which virtually offset the 3.0% decrease observed in the Net Interest Income in the same period, due to the conservatism in credit underwriting and demand retraction</p>
<p>Conservative approach to credit</p>	<p>Expanded credit portfolio decreased 10.9% in the last 12 months and 4.0% in 2Q16, to R\$ 59.4B</p> <ul style="list-style-type: none"> CIB led the portfolio reduction in the 2Q16 (Jun/16: R\$ 26.3B; Mar/16: R\$ 28.4B) In Consumer Finance, the Vehicles portfolio remained practically flat in 2Q16 (R\$ 27.5B)
<p>Delinquency under control</p>	<p>90-day NPL of 4.6%, stable in comparison to Mar/16</p> <ul style="list-style-type: none"> <u>Wholesale (CIB)</u>: 90-day NPL dropped to 2.0% (Mar/16: 2.4%) <u>Consumer Finance</u>: 90-day NPL of 5.7%, 10 bps higher than Mar/16 (5.6%) <p>Coverage Ratio of 148% in Jun/16, against 145% in Mar/16</p>
<p>Effective cost management</p>	<p>Personnel and administrative expenses decreased nominally 0.7% in 1H16/1H15¹</p> <p>Efficiency Ratio for the last 12 months remains below 40% (Jun/16: 39.7%)</p>

1. Despite inflation in the period (the IPCA price index reached 8.8% in the last 12 months)

Net Income of R\$ 108M in 2Q16



2Q16 profit confirms the consistency of Banco Votorantim's results

Highlights of Results

2Q16: ALL expenses reduction. 1H16: consistent revenue generation and reduction of cost base

Managerial Income Statement (R\$M)

(R\$ Million)	2Q15	1Q16	2Q16	Var. 2Q16/1Q16	1H15	1H16	Var. 1H16/1H15
Net Interest Income (A)	1,291	1,233	1,163	-5.7%	2,470	2,397	-3.0%
ALL expenses ¹ (B)	(448)	(508)	(457)	-10.0%	(866)	(965)	11.4%
Net Financial Margin (A+B)	843	726	706	-2.7%	1,604	1,432	-10.7%
Operating Income/Expenses	(638)	(551)	(547)	-0.7%	(1,178)	(1,098)	-6.8%
Income from Services and Banking Fees	220	257	264	3.0%	463	521	12.6%
Personnel and Administrative expenses	(584)	(556)	(601)	8.1%	(1,165)	(1,157)	-0.7%
Tax expenses	(94)	(96)	(96)	0.1%	(227)	(191)	-15.6%
Income from subsidiaries ²	39	43	47	11.0%	77	90	16.6%
Other Operating Income/Expenses	(219)	(199)	(162)	-18.3%	(326)	(361)	10.6%
Operating Income (Loss)	205	175	159	-8.8%	426	334	-21.6%
Non-Operating Income (Loss)	(15)	(0)	6	-	(17)	6	-
Income Tax and Profit Sharing	(45)	(88)	(57)	-35.3%	(141)	(145)	3.1%
Net Income	146	86	108	25.5%	268	194	-27.4%

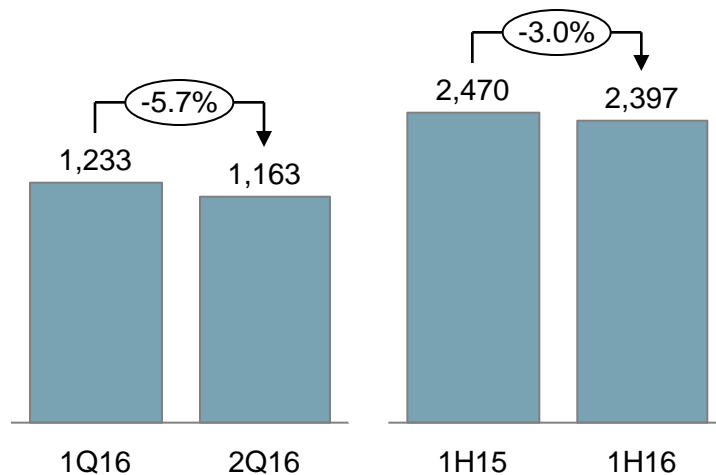
1. Allowance for Loan Losses (ALL), net of revenues from recovery of written-off loans; 2. Subsidiaries accounted by the equity method

Consistent revenue generation

1H16 x 1H15: reduction in NII offset by the growth of income from services and insurance sales

NII decreased in 2Q16/1Q16, reflecting the conservative approach to credit

Net Interest Income – NII (R\$M)



NIM¹ (% p.y.)

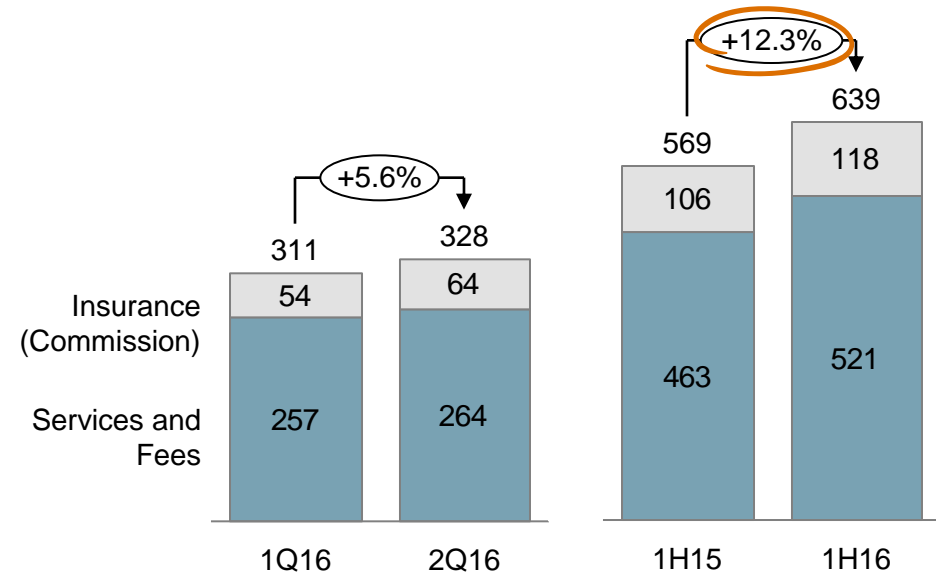


Expanded credit portfolio² (R\$B)



Income from Services and Insurance grew QoQ and YoY

Income from Services, Fees and Insurance³ (R\$M)



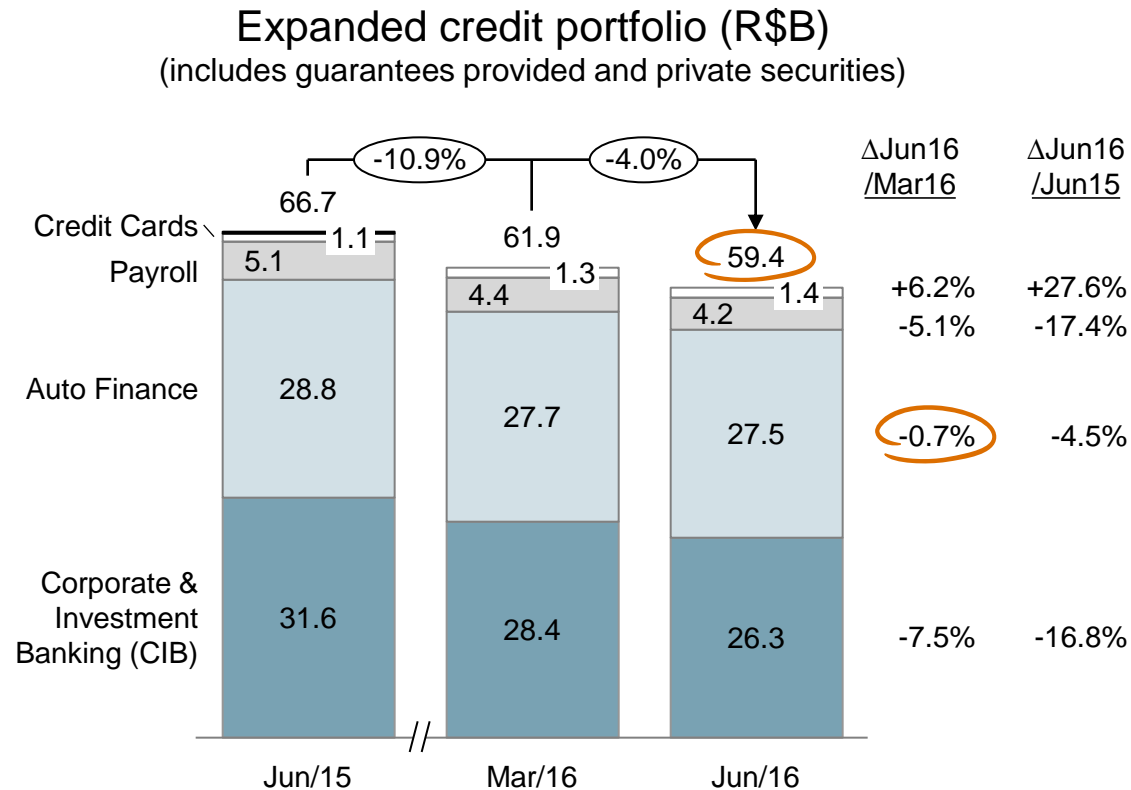
Auto finance origination (R\$B)



1. Ratio between Net Interest Income and Average Interest-Earning Assets; 2. Includes guarantees provided and private securities; 3. Result of the stake in Votorantim Corretora de Seguros (insurance brokerage) is recognized using the equity method.

Maintenance of the conservative approach to credit

Total credit portfolio decreased 4.0% in 2Q16, while the Vehicles portfolio remained virtually flat



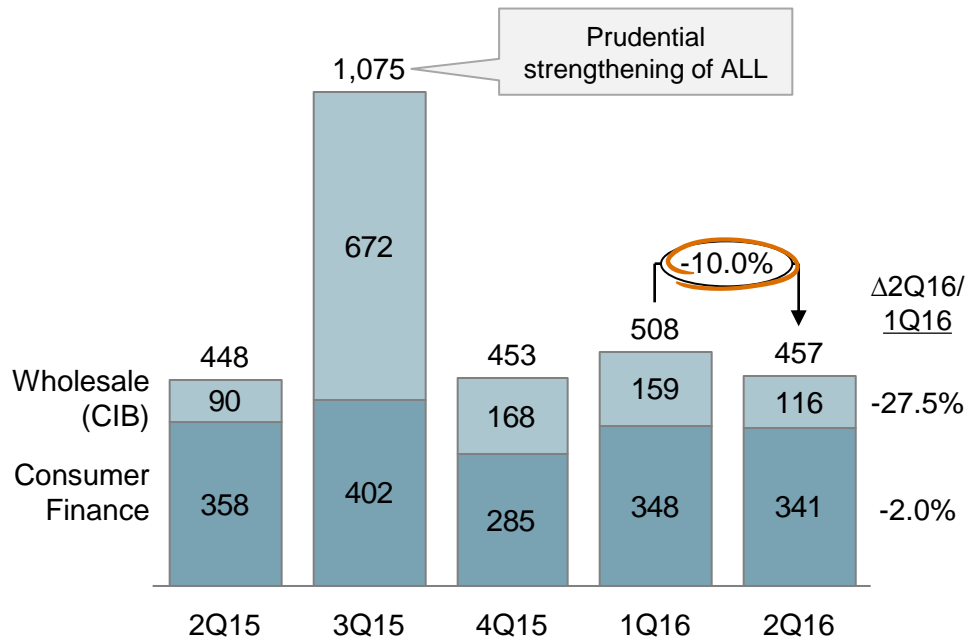
Portfolio contraction drives the continued focus on asset quality and profitability

Credit provision expenses reduced 10% in 2Q16/1Q16

Provision expenses reduced both in Consumer Finance and Wholesale (CIB)

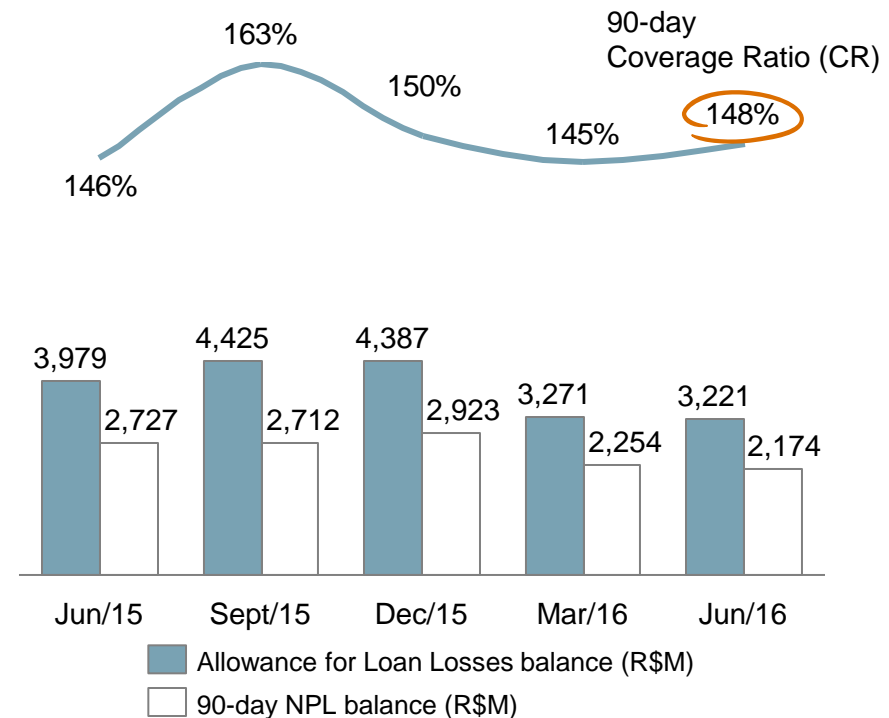
Credit provision expenses reduced 10% in 2Q16/1Q16

Credit provision expenses – ALL¹ (R\$M)



90-day CR remains in a conservative level, ending Jun/16 at 148%

90-day Coverage Ratio² (%) – Managed portfolio

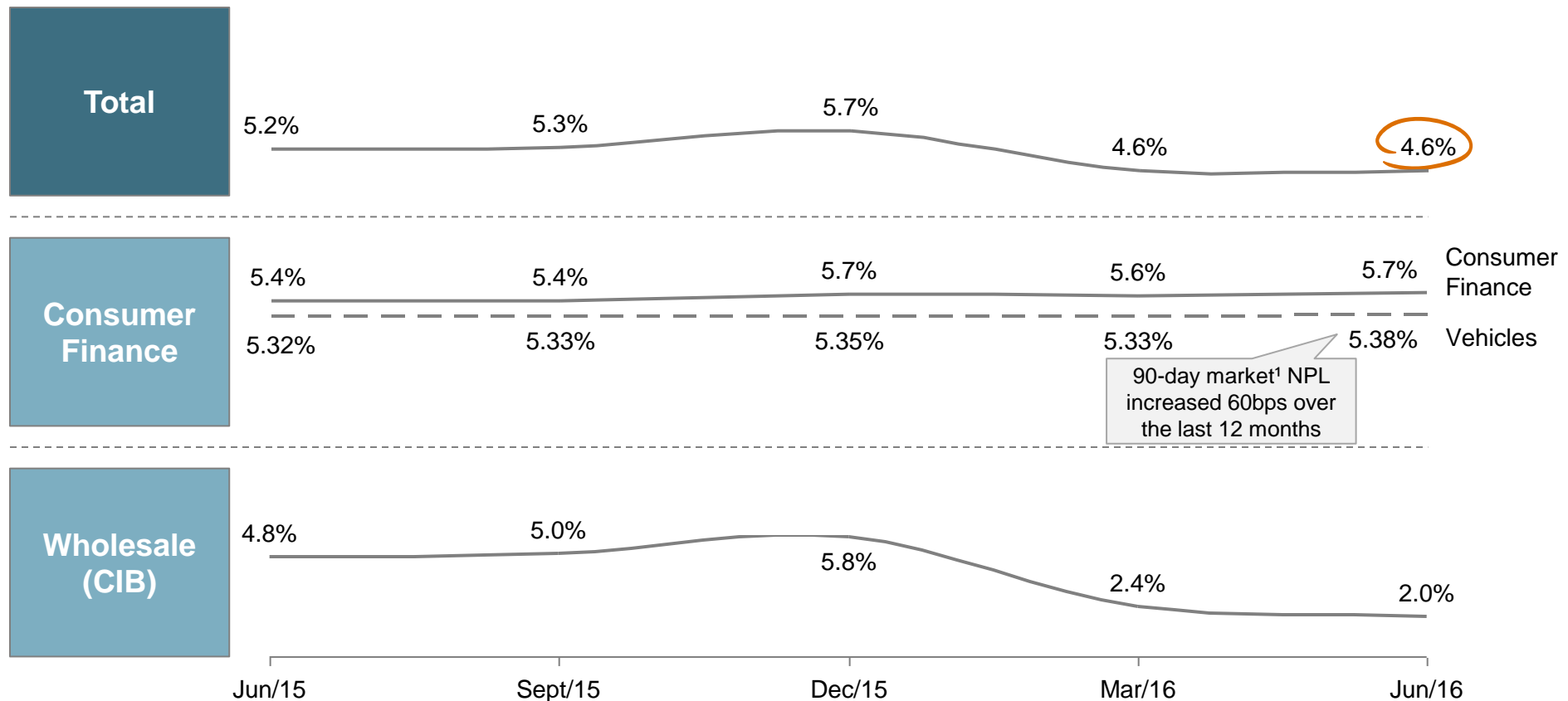


1. Allowance for Loan Losses, net of income from recovery of written-off loans; 2. Ratio between the balance of ALL and the balance of loans past due over 90 days

90-day NPL ratio of 4.6%, stable compared to Mar/16

In 2Q16, Wholesale's delinquency improved 40 bps and Vehicles' remained practically stable

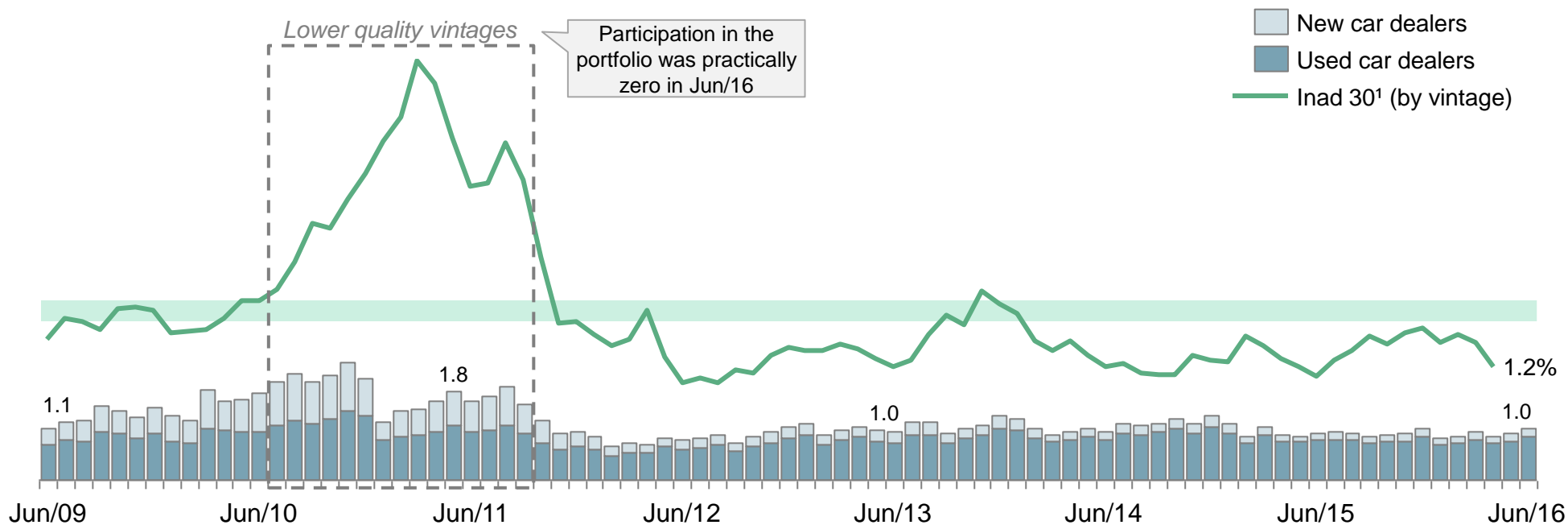
90-day NPL ratio of the managed loan portfolio (%)



1. National Financial System. 90-day NPL obtained in the historical series released on the Central Bank website

Auto finance: maintenance of quality in auto finance origination, focusing on used cars

Auto Finance – Origination by channel (R\$B) and first payment default by vintage – Inad 30¹ (%)



Steady quality in auto finance origination has contributed to the favorable trend in delinquency

1. First payment default, or % of each month's production with first installment past due over 30 days

Auto finance: continued focus on used cars and maintenance of tight credit origination standards

Focus on used cars, which represented 82% of 1H16 origination

Maintenance of conservative lending standards

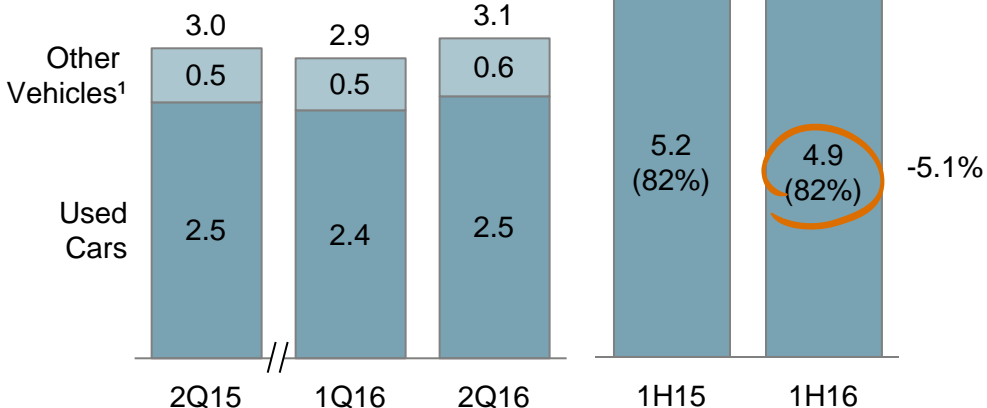
Origination of auto loans (R\$B)

Δ Cars Market:
 • New cars: -32%
 • Used cars: -10%

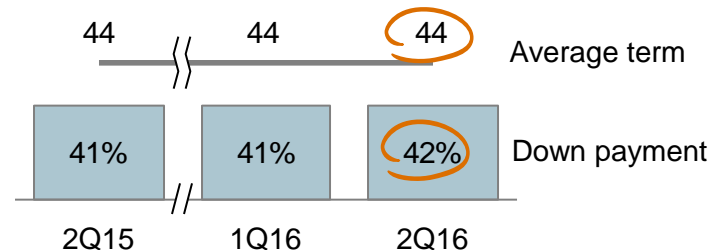
Δ1H16 /1H15

-6.1%

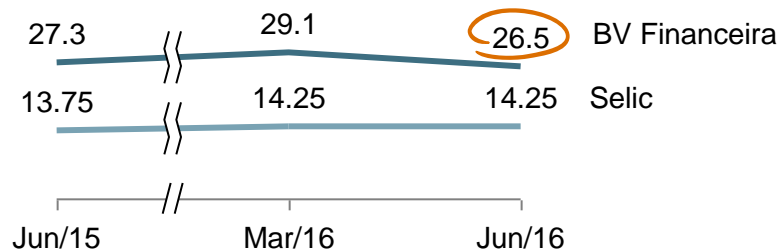
-5.1%



Down payment (%) and Average term (months)



Auto finance interest rate x Selic² rate (% p.y.)



Banco Votorantim is one of the leading players in the auto financing market

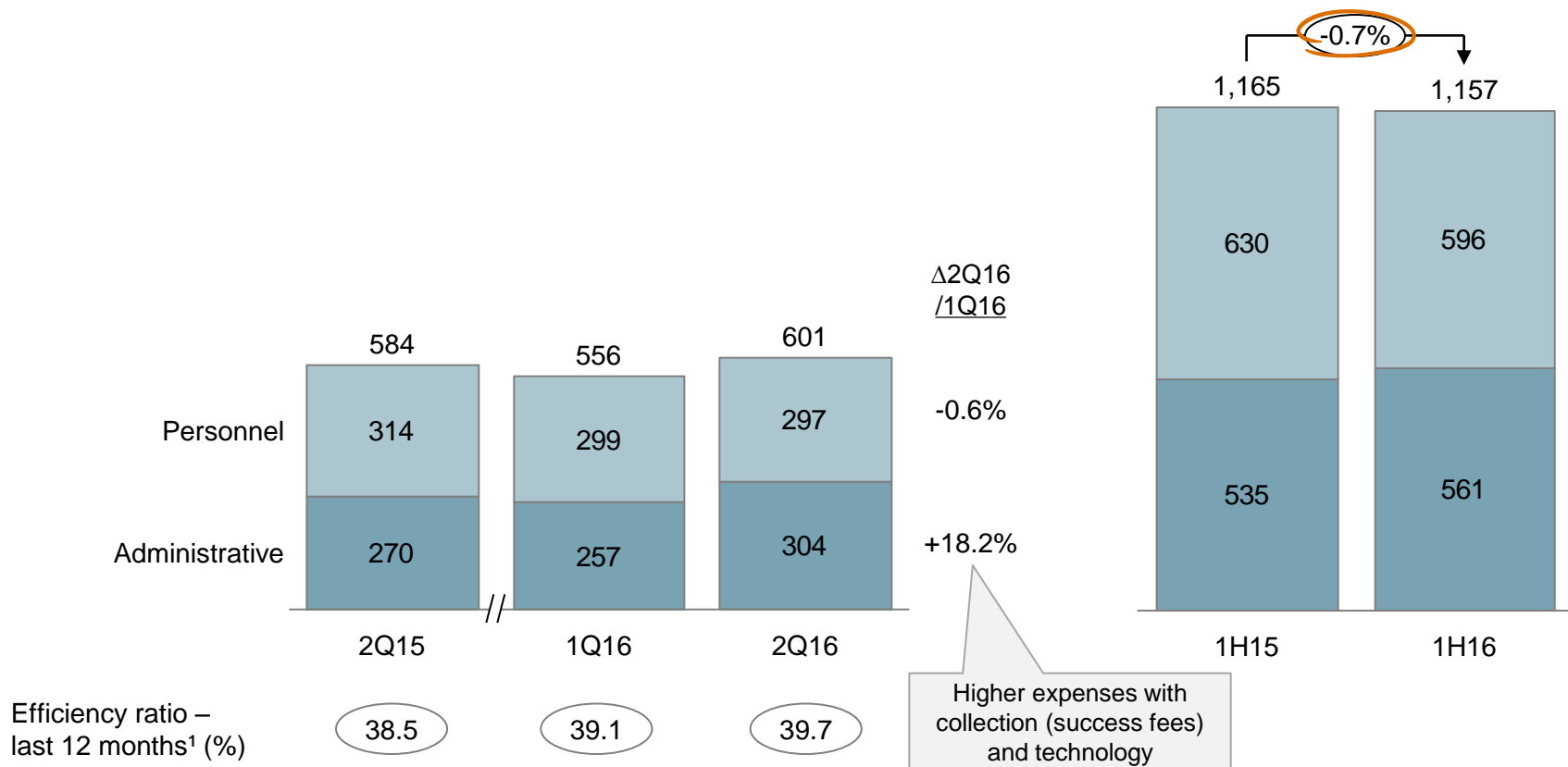
1. New cars, trucks and motorcycles; 2. Benchmark interest rate (Central Bank).
 Note: In Jun/16, the average ticket size was R\$ 21,000, and the average vehicle age was 4.8 years (portfolio)



Effective cost management

Administrative and personnel expenses showed a nominal reduction by 0.7% in 1H16/1H15

Personnel and administrative expenses (R\$M)



1. Excludes expenses with labor lawsuits

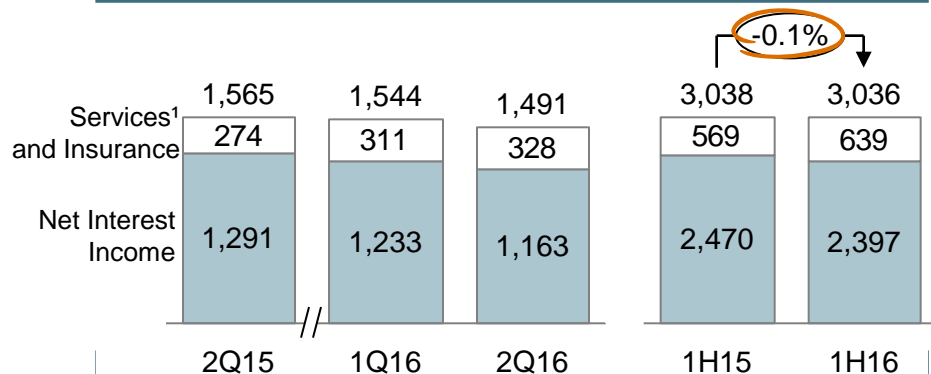
Note: The IPCA price index reached 8.8% in the last 12 months. In 2Q16 labor lawsuits summed up R\$ 75M against R\$ 92M in the 1Q16

Summary: Net Income of R\$ 108M in 2Q16

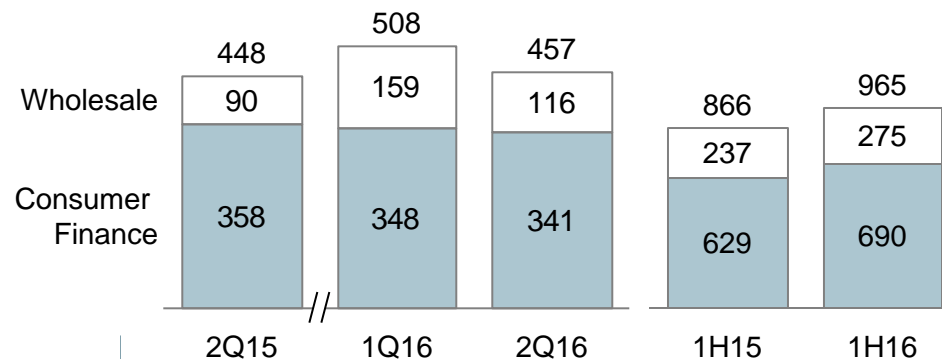
Highlight to the consistent revenue generation and effective cost base management

R\$ Million

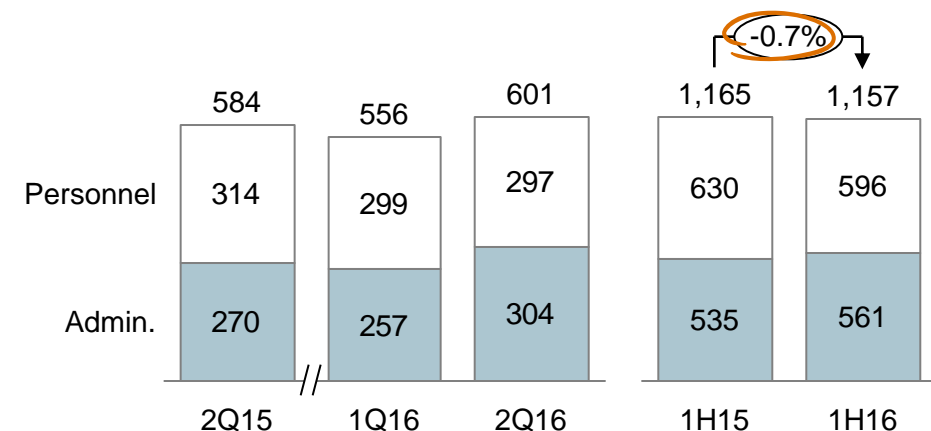
NII and Income from Services¹ and Insurance



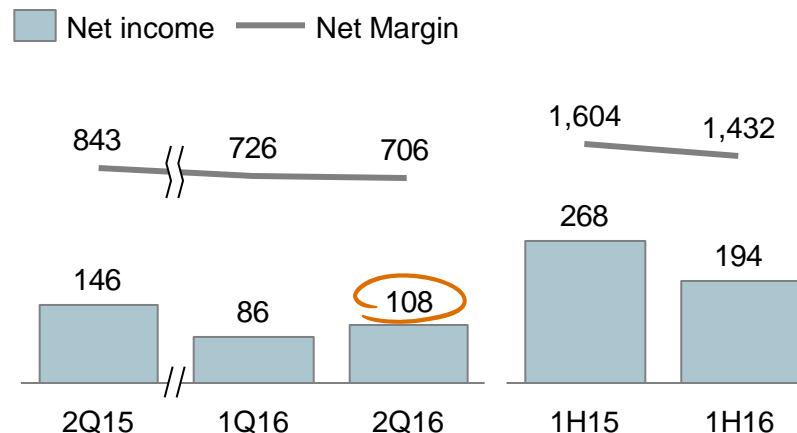
Credit provision expenses – ALL



Personnel and Administrative expenses



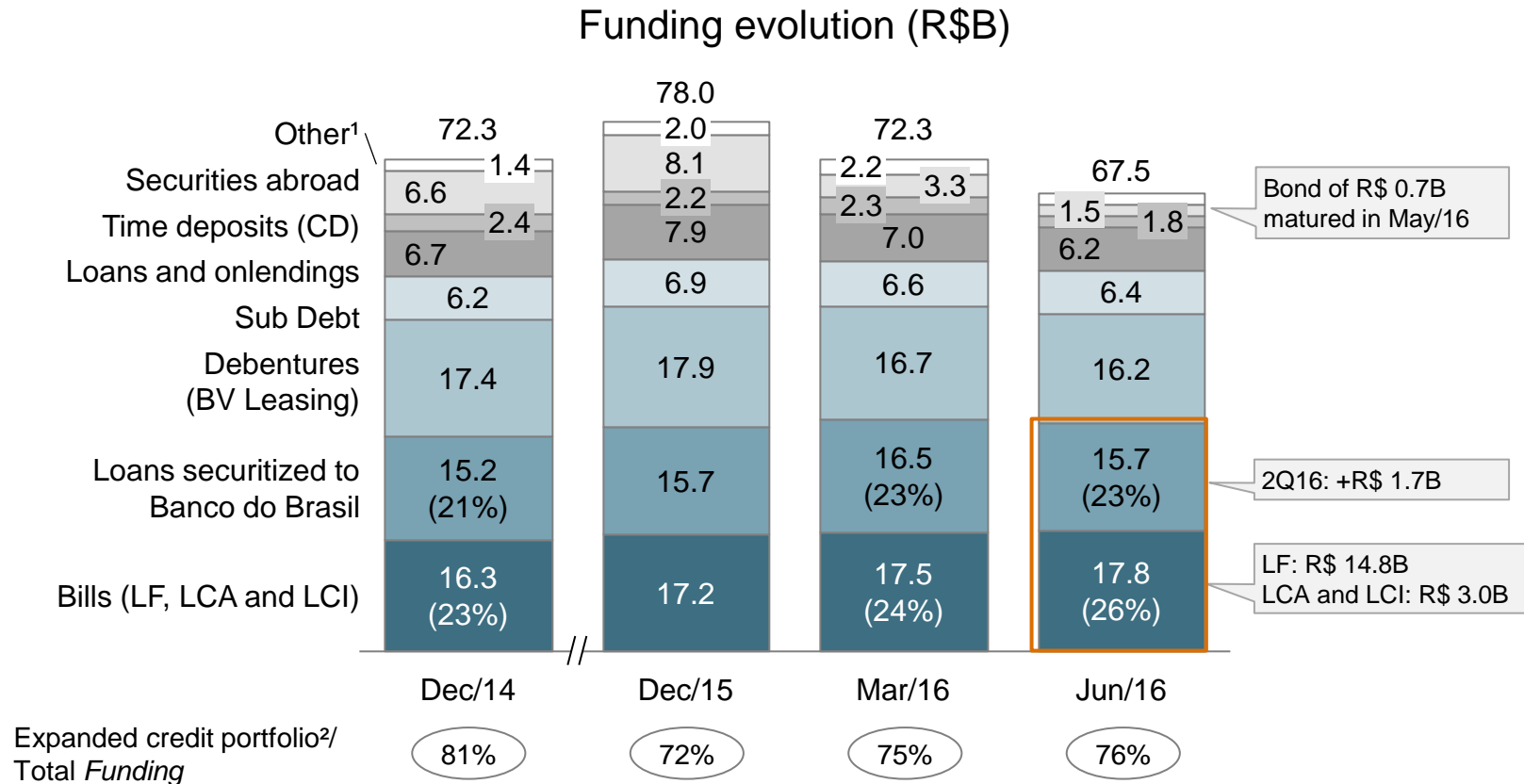
Net Income and Net Margin (post provisions)



1. Income from services and banking fees

Funding profile improved over the last years

Bills and Credit Assignments account for almost half (R\$ 33.5B) of the total funding sources



Additionally, Banco Votorantim has a stand-by credit facility of ~R\$ 7B from BB, which has never been tapped

1. Includes cash and interbank deposits and Structured finance certificates ("COEs"); 2. Excludes guarantees provided. Note: International funding is 100% hedged for BRL

Basel III Ratio of 14.9% in Jun/16

Tier I Capital ratio rose to 10.6%, entirely composed of Common Equity

BASEL RATIO (R\$ Million)	Jun.15	Mar.16	Jun.16
Total Capital	10,967	9,742	9,675
Tier I Capital	7,105	6,587	6,892
Common Equity Tier I	7,105	6,587	6,892
Additional Tier I	-	-	-
Tier II Capital	3,862	3,155	2,782
Risk Weighted Assets (RWA)	73,786	67,714	64,839
Credit risk	66,293	59,714	57,168
Market risk	3,087	1,984	1,654
Operational risk	4,407	6,016	6,016
Minimum Capital Requirement	8,116	6,687	6,403
BaseI Ratio (Capital/RWA)	14.86%	14.39%	14.92%
Tier I Capital Ratio	9.6%	9.7%	10.6%
Common Equity Tier I Ratio	9.6%	9.7%	10.6%
Additional Tier I Ratio	-	-	-
Tier II Capital Ratio	5.2%	4.7%	4.3%

Note: In 2016, the minimum capital requirement was changed to 10.50% (11.00% in 2015), including 0.63% for maintenance capital. For Tier I Capital, it is 6.0% and for Principal Capital it is 4.5%.

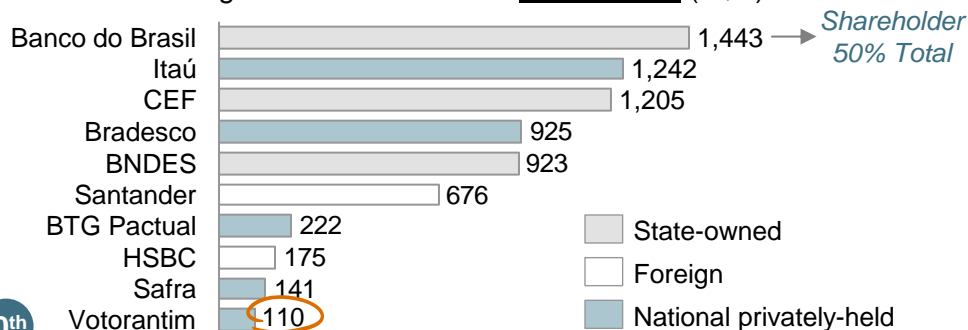
Appendix

Banco Votorantim is one of the leading banks in Brazil

“Top 10” in total assets, with strong shareholders and shared governance

Banco Votorantim is one of the largest privately-held Brazilian banks in total assets...

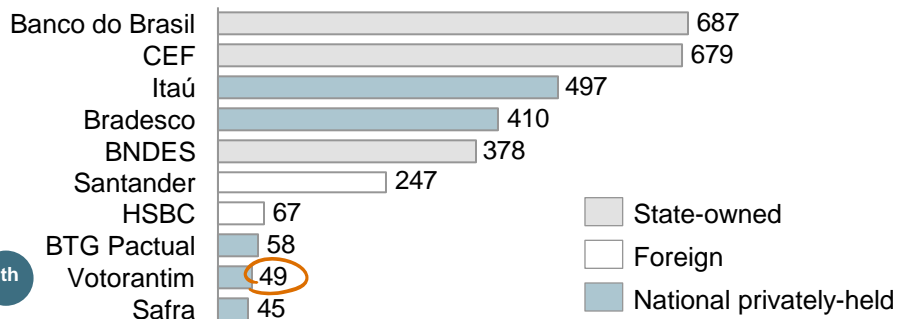
10 largest Banks in Mar/16 - Total Assets (R\$B)



10th

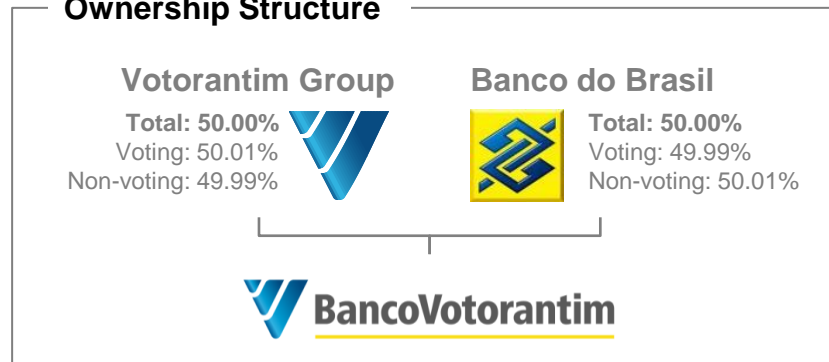
...and also in terms of loan portfolio

10 largest Banks in Mar/16 – Loan Portfolio¹ (R\$B)

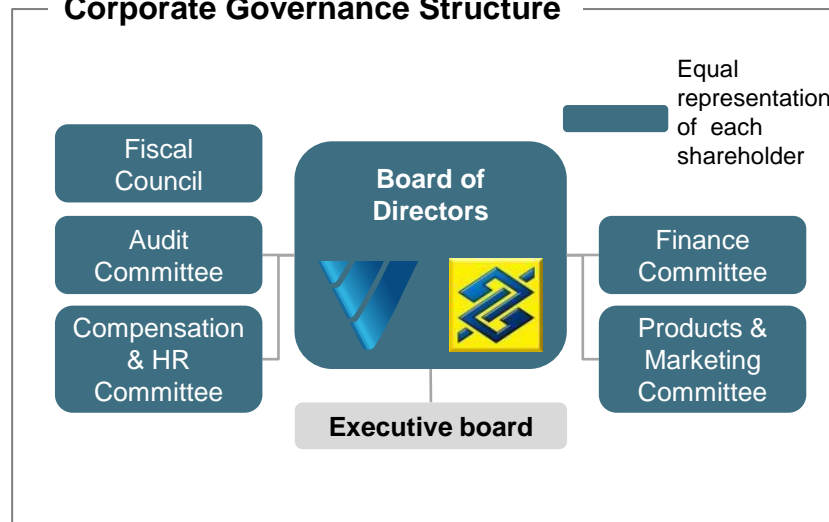


9th

Ownership Structure



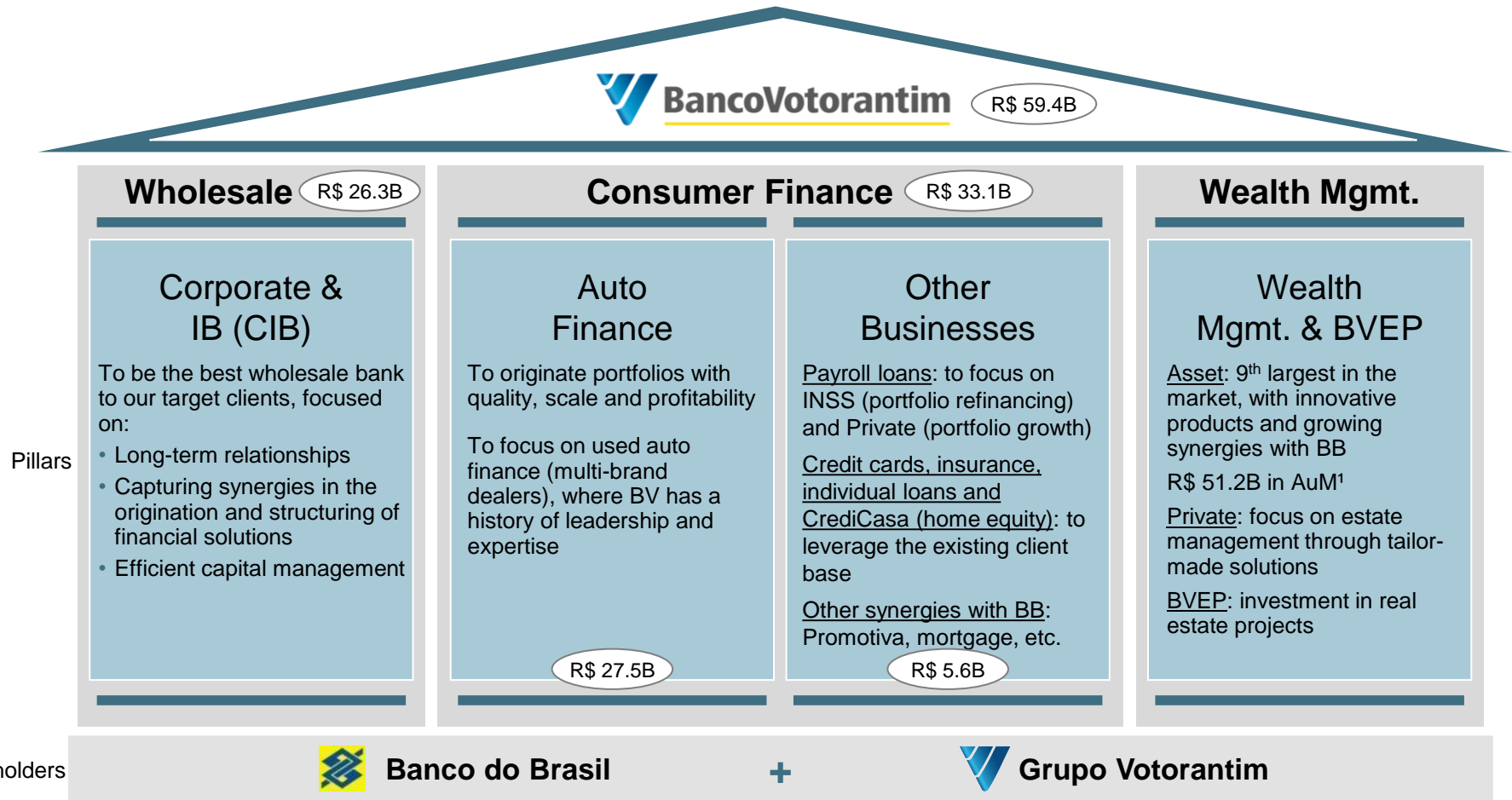
Corporate Governance Structure



1. On-balance loan portfolio according to Bacen's Resolution 2,682. Note: CADE (Conselho Administrativo de Defesa Econômica) approved in Jun/16 the acquisition of HSBC in Brazil by Bradesco

Diversified business portfolio

Focus on increasing business profitability, operating efficiency and synergies with BB



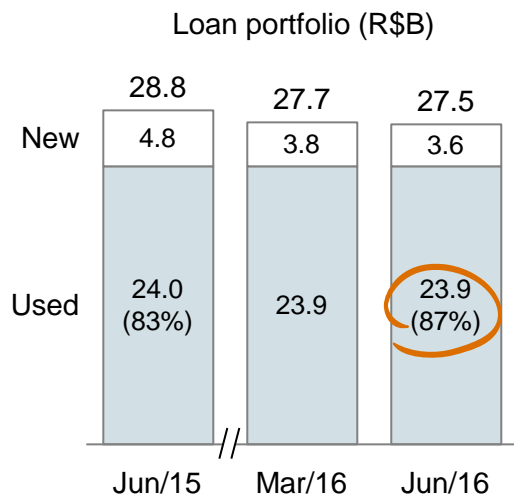
XX Expanded² credit portfolio

1. Assets under management 2. Includes guarantees provided by the Bank and private securities

Consumer Finance: increased focus on used auto finance and INSS payroll loans (retirees and pensioners)

Consumer Finance Businesses

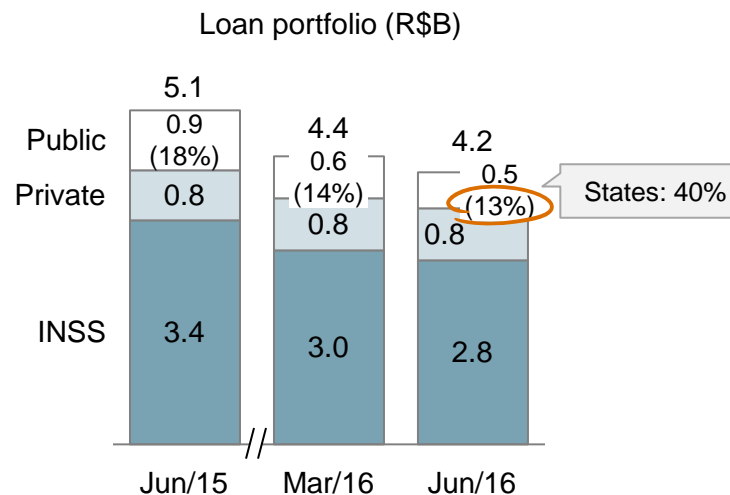
Auto finance



Among market leaders in auto financing, with the following advantages:

- **Capillarity:** presence in ~13,000 car dealerships nationwide
- **Agility:** 84% of proposals with automatic credit decision
- **Expertise:** continuous improvement of management tools (pricing, credit, collection etc.)
- **Long-term relationship:** first access to customer record

Payroll Loans



Focus on refinancing the INSS payroll loan portfolio (retirees and pensioners)...

...and on increasing the private payroll loan portfolio

Selective operation in public payroll agreements

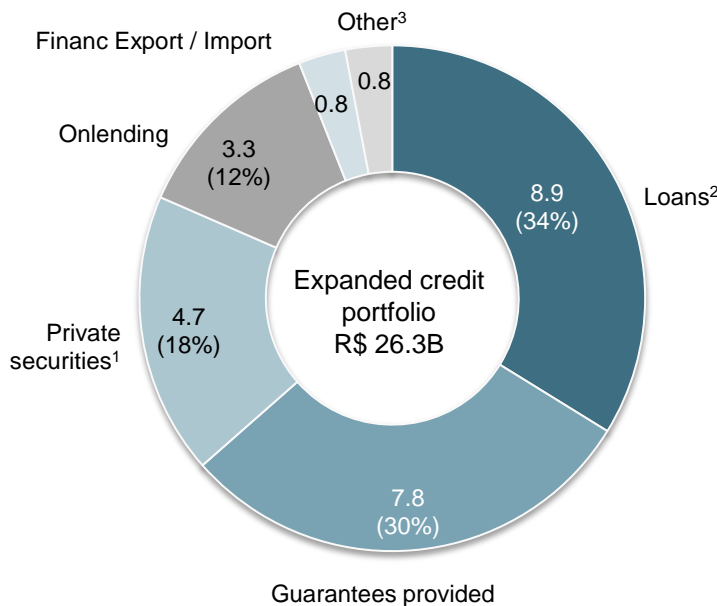
Continuous improvement of management tools (pricing, credit, collection etc.)

Wholesale: continued focus on improving return on capital and on strengthening the product portfolio

Wholesale Business (CIB)

Corporate & Investment Bank (CIB)

Expanded credit portfolio (R\$B and %)



Diversified portfolio of wholesale products

Highlights and strategy

Additional strengthening of the balance sheet

- Prudential strengthening of credit provisions in view of the uncertainties of the macroeconomic scenario
- 90-day Coverage Ratio exceeds 300% (261% in Mar/16)

Conservative approach to credit

- Focus on profitability (vs. asset growth)

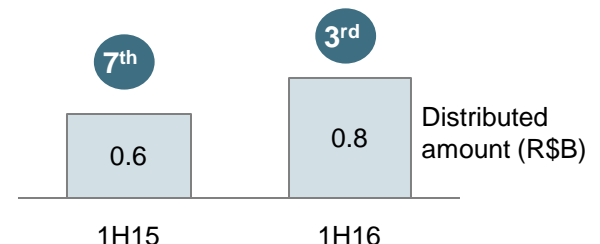
Increased relevance of BV to its target clients

- Focus on 400 Corporate groups with credit exposure and better risk profile, plus Financial Institutions

Exit of non-core clients

Focus on capturing synergies in the origination and structuring of Credit, IB, Derivatives and FX

Local Fixed Income Distribution Ranking⁴



1. Includes debentures and promissory notes; 2. Includes export credit notes, working capital and Loan Offshore; 3. Rural Financing e Advances on Exchange Contracts;

4. "Ranking Anbima de Distribuição – Renda Fixa Consolidado (Jun/16)"

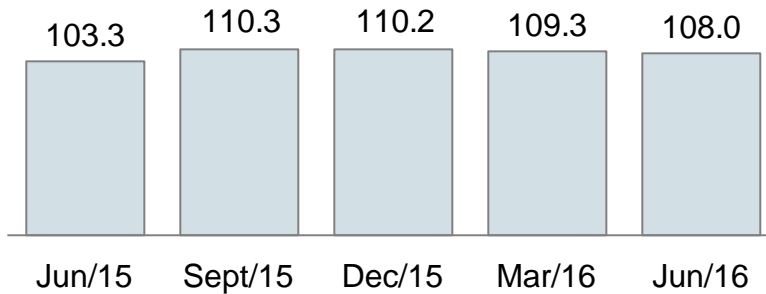
Balance Sheet

BALANCE SHEET Assets (R\$ Million)	Jun.15	Mar.15	Jun.16	Variation %	
				Jun.16/Mar.16	Jun.16/Jun.15
CURRENT AND LONG-TERM ASSETS	102,935	108,890	107,564	(1.2)	4.5
Cash and cash equivalents	221	210	141	(32.7)	(36.0)
Interbank funds applied	18,208	17,030	19,855	16.6	9.0
Securities and derivative financial instruments	24,330	31,117	27,458	(11.8)	12.9
Derivative financial instruments	1,423	2,929	4,231	44.5	197.3
Interbank accounts or relations	59	442	619	40.2	-
Loan Operations, Leases and Others receivables	51,675	48,363	46,477	(3.9)	(10.1)
Allowance for loan losses	(3,824)	(3,046)	(2,989)	(1.9)	(21.8)
Tax credit	6,732	7,273	7,260	(0.2)	7.9
Others	4,113	4,572	4,511	(1.3)	9.7
NON-CURRENTS	400	417	463	11.2	15.9
Investments	234	216	262	21.1	12.0
Fixed assets	94	98	95	(3.3)	1.0
Intangible and deferred charges	73	103	107	4.2	47.7
TOTAL ASSETS	103,335	109,307	108,028	(1.2)	4.5
BALANCE SHEET Liabilities (R\$ Million)	Jun.15	Mar.15	Jun.16	Variation %	
				Jun.16/Mar.16	Jun.16/Jun.15
CURRENT AND LONG-TERM LIABILITIES	95,457	101,186	99,709	(1.5)	4.5
Deposits	5,034	4,491	3,708	(17.4)	(26.3)
Demand deposits	78	78	76	(1.5)	(2.5)
Interbank deposits	1,771	2,086	1,795	(14.0)	1.3
Time deposits	3,184	2,327	1,837	(21.0)	(42.3)
Money market borrowings	27,937	36,653	38,070	3.9	36.3
Acceptances and endorsements	23,691	20,860	19,276	(7.6)	(18.6)
Interbank accounts	57	35	32	(8.2)	(44.3)
Borrowings and onlendings	6,820	7,032	6,209	(11.7)	(9.0)
Derivative financial instruments	1,648	2,776	3,856	38.9	134.0
Others obligations	30,270	29,339	28,559	(2.7)	(5.7)
Subordinated debts	7,168	6,648	6,426	(3.3)	(10.4)
Credit transactions subject to assignment	17,015	16,538	15,690	(5.1)	(7.8)
Others obligations	6,086	6,153	6,443	4.7	5.9
DEFERRED INCOME	31	41	36	(12.9)	15.5
SHAREHOLDERS' EQUITY	7,847	8,080	8,282	2.5	5.5
TOTAL LIABILITIES	103,335	109,307	108,028	(1.2)	4.5

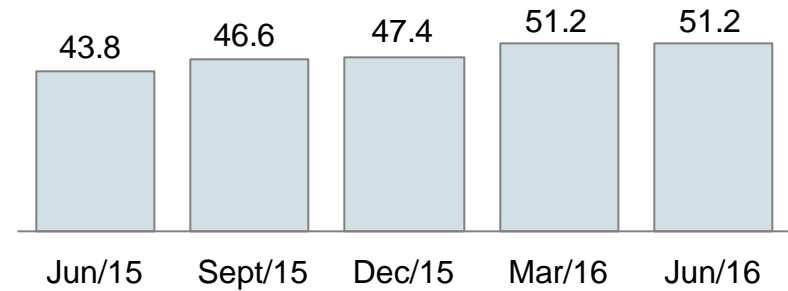
Financial highlights

R\$ Billion

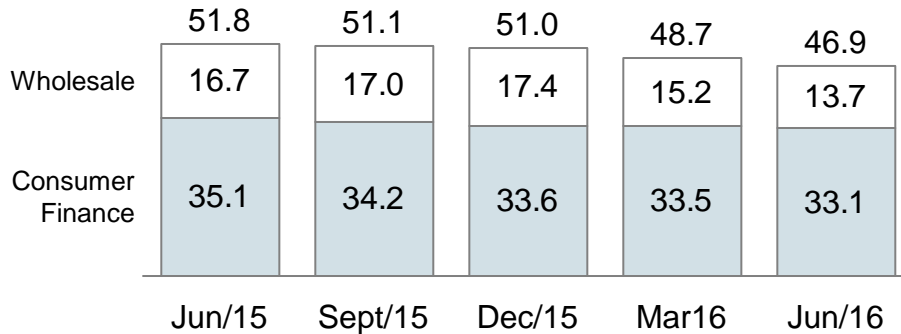
Total Assets



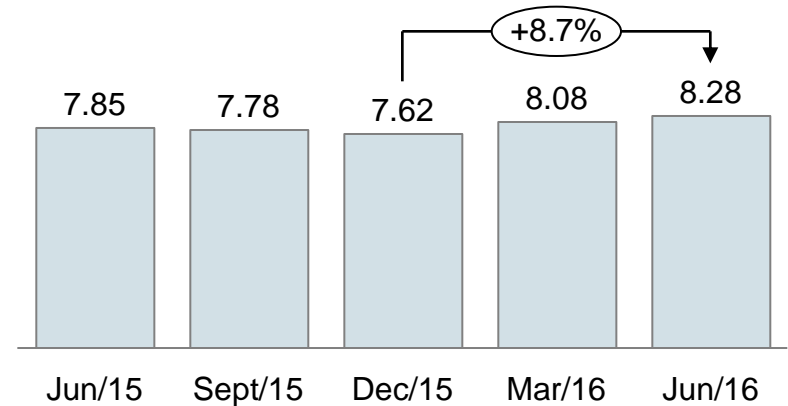
Assets under Management¹



On-balance loan portfolio



Shareholders' Equity



1. Includes onshore funds (ANBIMA criteria) and private clients resources. Note: Shareholders' Equity includes the destination of dividends (R\$ 114 million) in Dec/15

Net Interest Margin (NIM)

NET INTEREST MARGIN (NIM) (R\$ Million)	2Q15	1Q16	2Q16	Var. 2Q16/1Q16	1H15	1H16	Var. 1H16/1H15
Net Interest Income (A)	1,291	1,233	1,163	-5.7%	2,470	2,397	-3.0%
Average Interest-Earning Assets (B)	95,337	97,909	95,988	-2.0%	93,570	96,864	3.5%
Compulsory Deposits (Bacen)	43	206	489	137.0%	47	333	-
Interbanks Funds Applied	16,475	17,109	18,443	7.8%	13,442	18,024	34.1%
Securities	25,783	30,771	29,288	-4.8%	26,900	29,667	10.3%
Loan Portfolio	53,036	49,823	47,769	-4.1%	53,182	48,840	-8.2%
NIM (A/B)	5.5%	5.1%	4.9%	-0.2 p.p.	5.3%	5.0%	-0.3 p.p.

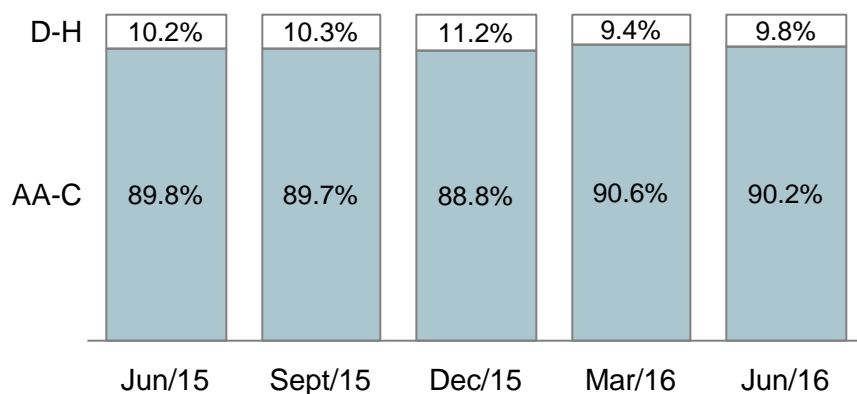
Efficiency Ratio

EFFICIENCY RATIO (ER) (R\$ Million)	2Q15	1Q16	2Q16	Var. 2Q16/1Q16	1H15	1H16	Var. 1H16/1H15
Total Personnel¹ and Administrative expenses (A)	503	464	526	13.3%	989	990	0.1%
Total Revenues (B)	1,332	1,334	1,313	-1.6%	2,683	2,647	-1.4%
Net Interest Income (NII)	1,291	1,233	1,163	-5.7%	2,470	2,397	-3.0%
Fee/Banking Fee Income	220	257	264	3.0%	463	521	12.6%
Income from subsidiaries ²	39	43	47	11.0%	77	90	16.6%
Other Operating Income/Expenses	(219)	(199)	(162)	-18.3%	(326)	(361)	10.6%
Efficiency Ratio (A/B) - period	37.7%	34.8%	40.1%	5.3 p.p.	36.9%	37.4%	0.5 p.p.
Efficiency Ratio - last 12 months	38.5%	39.1%	39.7%	0.6 p.p.	38.5%	39.7%	1.0 p.p.

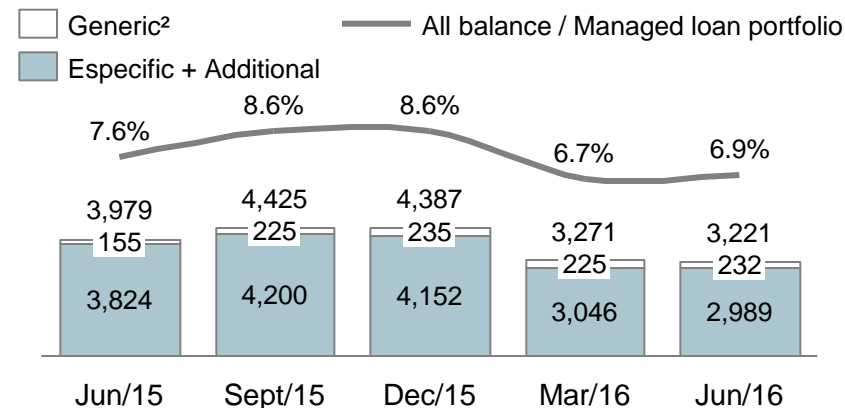
1. Excludes expenses with labor lawsuits; 2. Subsidiaries accounted by the equity method

Credit quality indicators

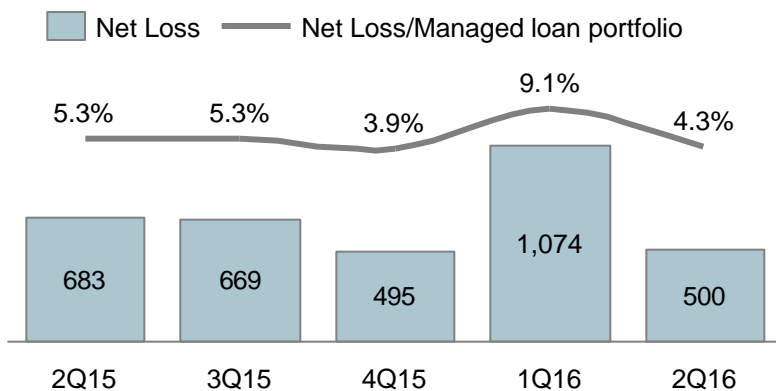
Managed loan portfolio rated by risk level¹ (%)



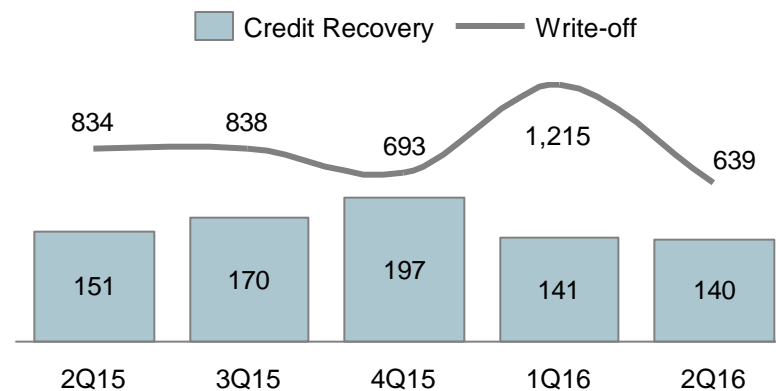
ALL Balance (R\$M)



Net Loss (R\$M)



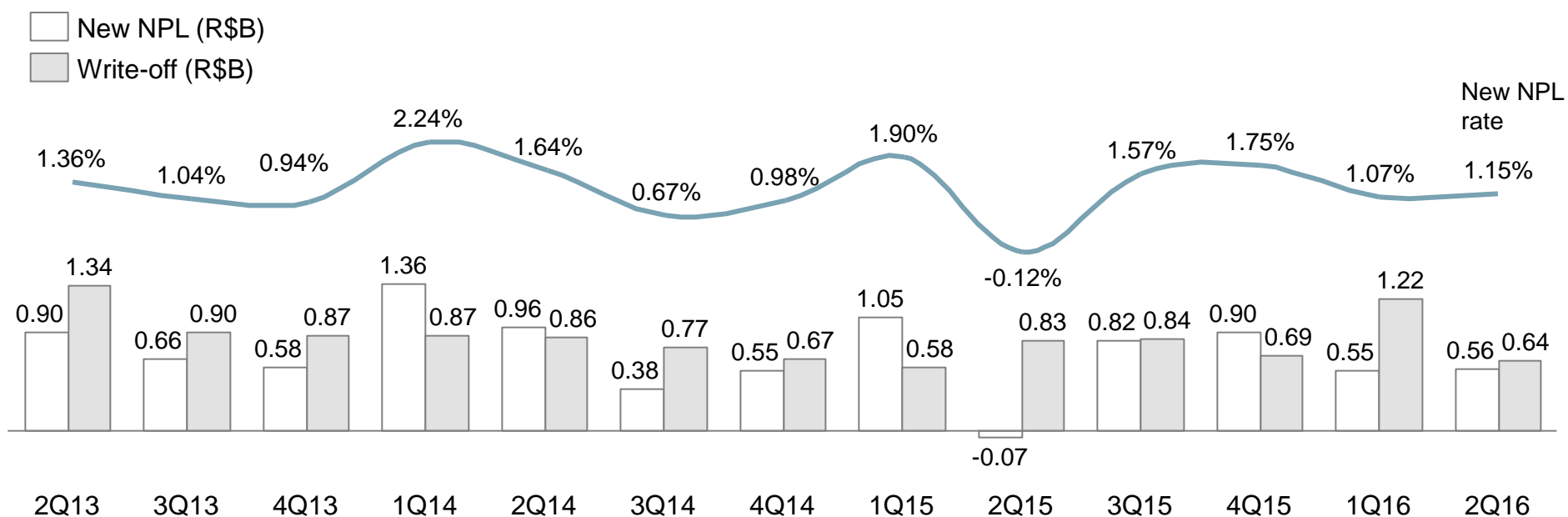
Credit Recovery (R\$M)



1. According to Bacen's Resolution 2,682; 2. Considers balance of R\$ 232M of "generic" credit provisions recognized as Liabilities in the "Other" line (see Note #18d of 2Q16 Financial Statements)

New NPL rate

<i>NEW NPL</i> (R\$ Million)	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
Managed Loan Portfolio (A)	63,546	61,281	60,539	58,281	56,806	55,712	55,231	55,422	52,505	51,576	51,250	48,799	46,925
90-day NPL Balance	3,616	3,373	3,081	3,563	3,662	3,273	3,154	3,628	2,727	2,712	2,923	2,254	2,174
90-day NPL Quarterly Variation (B)	(439)	(244)	(292)	482	99	(388)	(119)	474	(902)	(14)	211	(669)	(80)
Write-off (C)	1,339	902	869	874	857	771	666	578	834	838	693	1,215	639
New NPL (D=B+C)	900	659	578	1,356	955	383	547	1,052	(67)	823	903	546	560
New NPL Rate ¹ (D/A)	1.36%	1.04%	0.94%	2.24%	1.64%	0.67%	0.98%	1.90%	-0.12%	1.57%	1.75%	1.07%	1.15%



1. Variation in the balance of 90-day NPL balance + loans written-off to loss in the quarter, divided by loan portfolio by the end of the immediately preceding quarter

Wholesale has a diversified credit portfolio

Top 20 sectors account for 84% of the Wholesale credit exposure

Wholesale - Sectoral concentration	Jun.15		Mar.16		Jun.16	
	R\$M	Part.(%)	R\$M	Part.(%)	R\$M	Part.(%)
Financial Institutions	4,448	18.1%	3,800	17.3%	3,752	18.2%
Sugar and Ethanol	2,290	9.3%	2,033	9.2%	1,823	8.9%
Telecom	1,708	7.0%	1,568	7.1%	1,606	7.8%
Petrochemical	1,365	5.6%	1,558	7.1%	1,567	7.6%
Retail	923	3.8%	1,440	6.5%	1,236	6.0%
Mining	508	2.1%	889	4.0%	883	4.3%
Railways	627	2.6%	810	3.7%	781	3.8%
Agribusiness	1,288	5.3%	908	4.1%	762	3.7%
Electricity Generation	667	2.7%	751	3.4%	605	2.9%
Government	587	2.4%	616	2.8%	565	2.7%
Road Cargo Transportation	460	1.9%	527	2.4%	507	2.5%
Residential Construction	668	2.7%	462	2.1%	459	2.2%
Electricity Distribution	643	2.6%	448	2.0%	426	2.1%
Food Industry	316	1.3%	423	1.9%	411	2.0%
Oil & Gas	201	0.8%	401	1.8%	401	1.9%
Pulp and Paper	706	2.9%	606	2.8%	361	1.8%
Automotive	515	2.1%	391	1.8%	324	1.6%
Services	508	2.1%	304	1.4%	314	1.5%
Slaughterhouses	288	1.2%	292	1.3%	286	1.4%
Beverages	382	1.6%	235	1.1%	271	1.3%
Other sectors	5,432	22.1%	3,544	16.1%	3,235	15.7%
Total¹	24,532	100.0%	22,005	100.0%	20,576	100.0%

1. Numbers exclude private securities and are net of credit provisions. Note: Does not consider application of Credit Conversion Factor of 50% in transactions relating to some specific guarantees provided.

Banco Votorantim's main ratings

RATING AGENCIES		Internacional		National	Brazil Sovereign rating
		Local	Foreign	Local	
Moody's	Long-term	Ba2	Ba3	Aa3.br	Ba2
	Short-term	NP	NP	BR-1	
Standard & Poor's	Long-term	BB		brA+	BB
	Short-term	B		brA-1	