
Earnings Presentation

1st Quarter | 2018

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Net income of R\$ 255M in 1Q18, and ROE of 11.8%

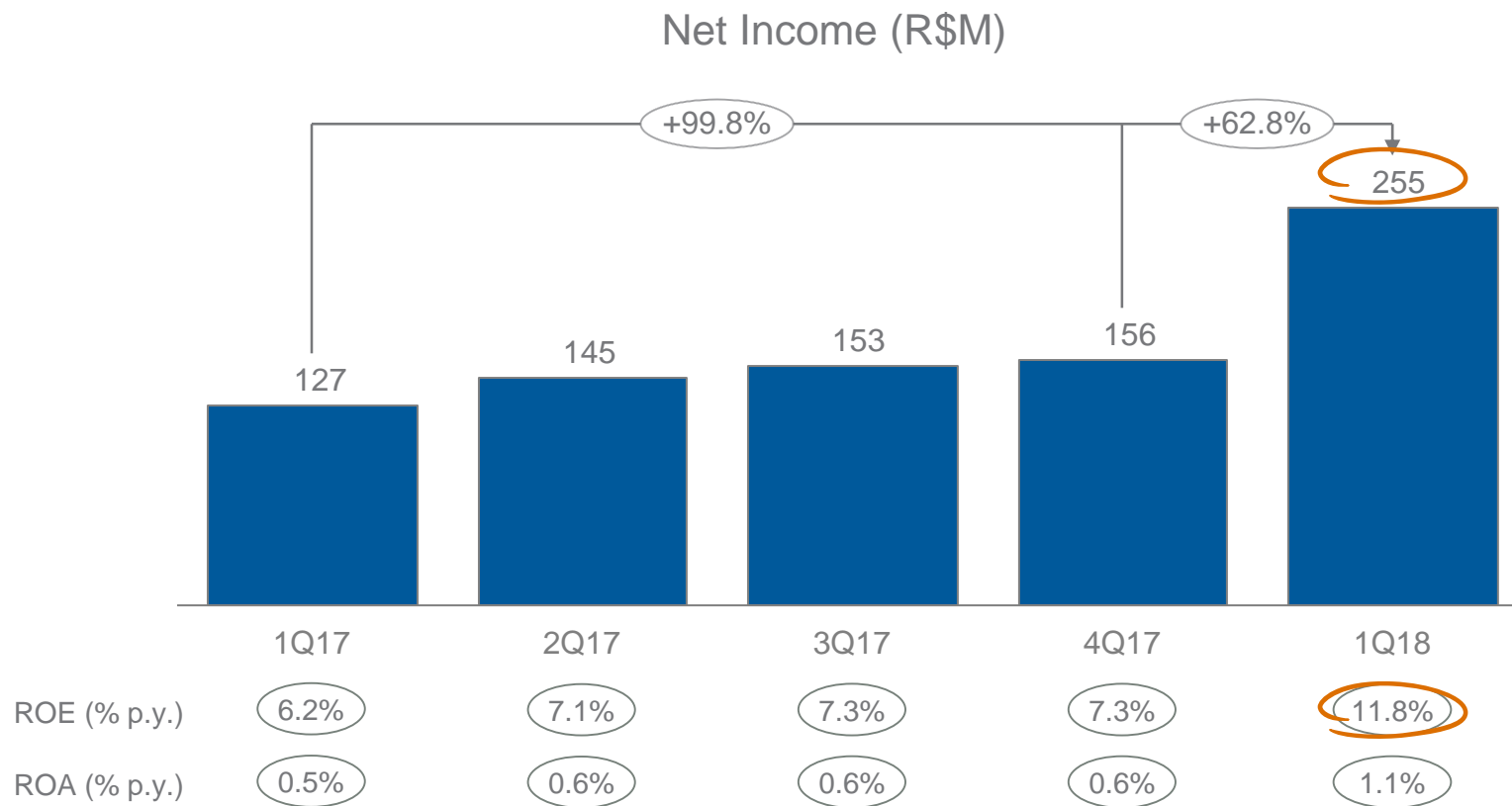
Consistent revenues generation, drop of loan losses and cost base reduction

Highlights of results

<p>Growing net income</p>	<p>Net income of R\$ 255M in 1Q18, compared to R\$ 156M in 4Q17 and R\$ 127M in 1Q17 Return on Equity (ROE) increased to 11.8% (4Q17: 7.3%; 1Q17: 6.2%)</p>
<p>Consistent revenues generation</p>	<p>NII increased 11.8% in 1Q18/1Q17, to R\$ 1.35B, reflecting the higher profitability in the businesses</p> <ul style="list-style-type: none"> • Net Interest Margin (NIM) increased to 6.6% in 1Q18, compared to 5.3% in 1Q17 <p>Revenues from Services and Insurance grew 18.4% in 1Q18/1Q17, due to higher auto finance origination</p>
<p>Drop in credit costs</p>	<p>Result¹ of loan losses decreased 22.4% in 1Q18/1Q17</p> <ul style="list-style-type: none"> • 90-day Coverage Ratio of 191% in Mar/18 (Dec/17: 192%; Mar/17: 153%) <p>Net Margin (post- provisions¹) grew 30.1% against 1Q17, to R\$ 1.02B</p>
<p>Drop in delinquency</p>	<p>90-day NPL of 3.9%, down 10 bps against Dec/17 and 60 bps in 12 months</p> <ul style="list-style-type: none"> • <u>Wholesale</u>: 90-day NPL dropped to 1.5% (Dec/17: 1.8%; Mar/17: 2.6%) • <u>Consumer Finance</u>: 90-day NPL of 4.6% (Dec/17:4.7%). Auto Finance's NPL dropped to 4.1% (Dec/17:4.2%)
<p>Effective cost management</p>	<p>Personnel² and administrative expenses decreased 0.6% over 4Q17</p> <p>The ongoing efforts of cost base management contributed to the improvement of the Efficiency Ratio for the last 12 months, which decreased to 33.7% in Mar/18 (Mar/17: 36.7%)</p>

1. Net of revenues from recovery of written-off loans and impairments; 2. Includes profit sharing expenses.

Net income of R\$ 255M in 1Q18, and ROE of 11.8%



Quarterly profit of Banco Votorantim reaches a new level

Highlights of Results

1Q18/4Q17: Consistent revenues generation and reduction of loan losses

Managerial Income Statement (R\$M)

(R\$ Million)	1Q17	4Q17	1Q18	Var. 1Q18/4Q17	Var. 1Q18/1Q17
Net Interest Income (A)	1,205	1,332	1,347	1.2%	11.8%
Result of loan losses ¹ (B)	(420)	(487)	(326)	-33.1%	-22.4%
Net Financial Margin (A+B)	785	845	1,021	20.9%	30.1%
Operating Income/Expenses	(506)	(546)	(517)	-5.4%	2.2%
Income from Services and Banking Fees	290	376	325	-13.6%	12.1%
Personnel ² and Administrative expenses	(540)	(657)	(653)	-0.6%	20.9%
Tax expenses	(88)	(112)	(92)	-17.5%	4.6%
Income from subsidiaries	58	81	80	-1.1%	37.1%
Other Operating Income/(Expenses)	(226)	(234)	(176)	-24.7%	-22.0%
Operating Income (Loss)	279	298	505	69.2%	80.7%
Non-Operating Income (Loss)	(16)	(4)	(3)	-25.7%	-80.3%
Income before Taxes	263	294	501	70.6%	90.7%
Income Tax and Social Contribution	(135)	(138)	(247)	79.3%	82.2%
Net Income	127	156	255	62.8%	99.8%

Banco Votorantim continues advancing in the profitability of its businesses, operational efficiency and revenue diversification

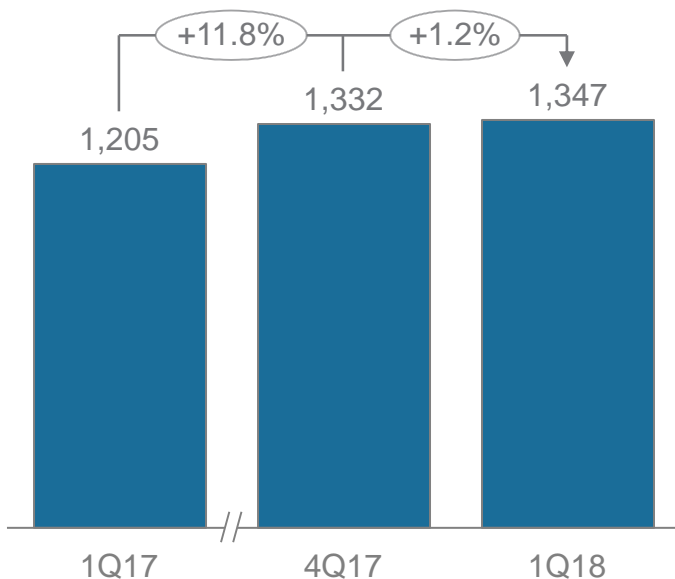
1. Net of revenues from recovery of written-off loans and impairments; 2. Includes profit sharing expenses.

Growing and diversified revenue base

Revenues from Services and Insurance grew over 1Q17, due to higher auto finance origination

NIM reached 6.6% in 1Q18, driven by the growth of Net Interest Income

Net Interest Income – NII (R\$M)



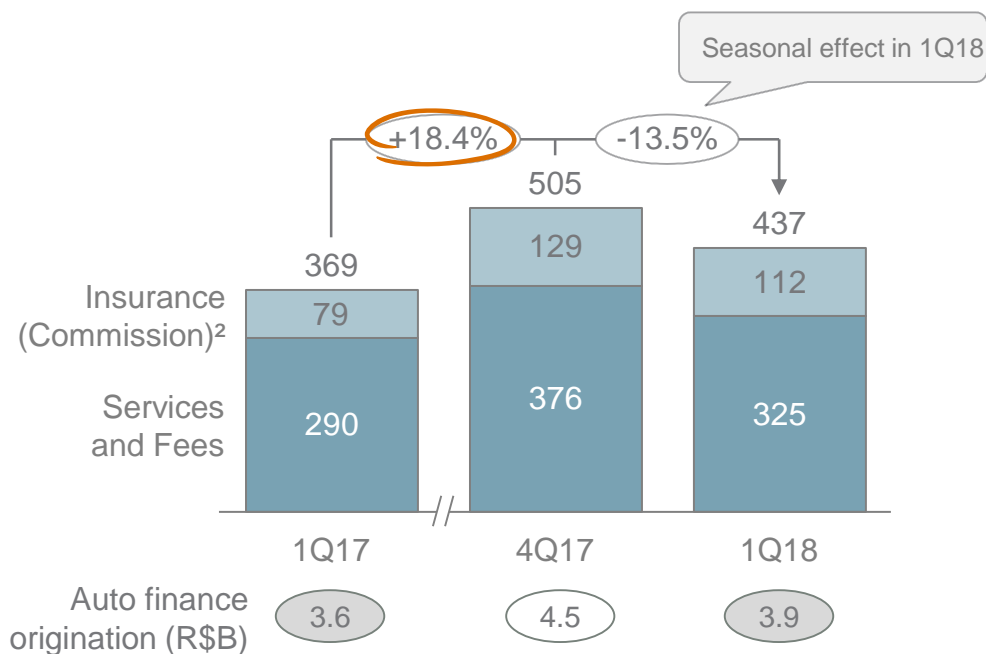
NIM¹ (%p.y.) 5.3%

6.3%

6.6%

Income from Services grew 1Q18/1Q17, reflecting the higher auto finance origination

Income from Services, Fees and Insurance² (R\$M)



Auto finance origination (R\$B) 3.6

4.5

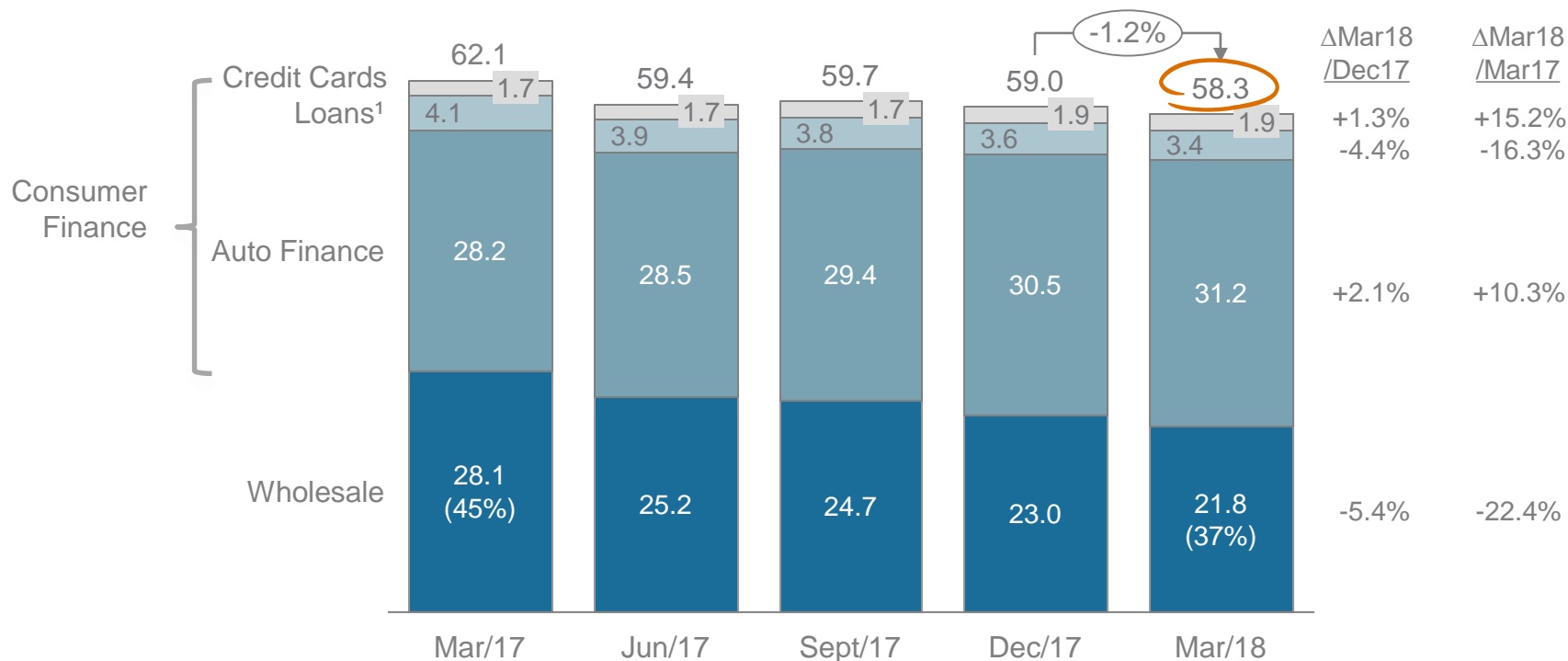
3.9

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

Maintenance of the conservative approach to credit

Expanded credit portfolio of R\$ 58.3B in Mar/18, decrease of 1.2% in 1Q18, mainly in Wholesale

Expanded credit portfolio (R\$B)
(includes guarantees provided and private securities)

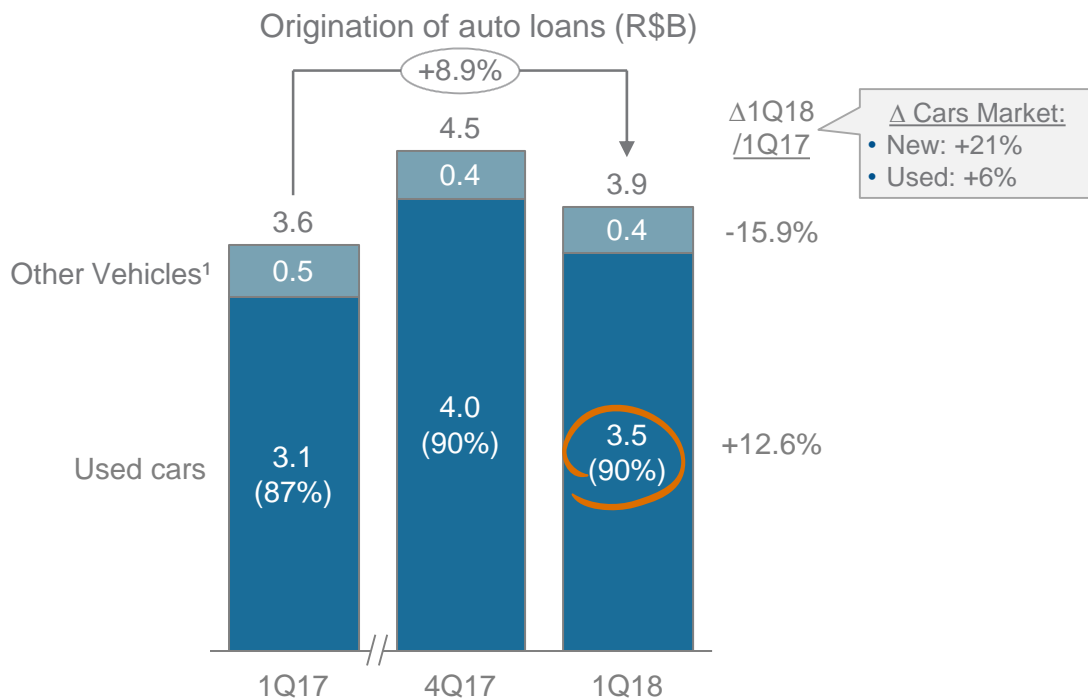


Focus on profitability, with increased participation of the Consumer Finance business in the portfolio

1. Portfolio comprised by products: payroll (retirees, private and public), personal credit (with and without guarantee), home equity, student credit and solar

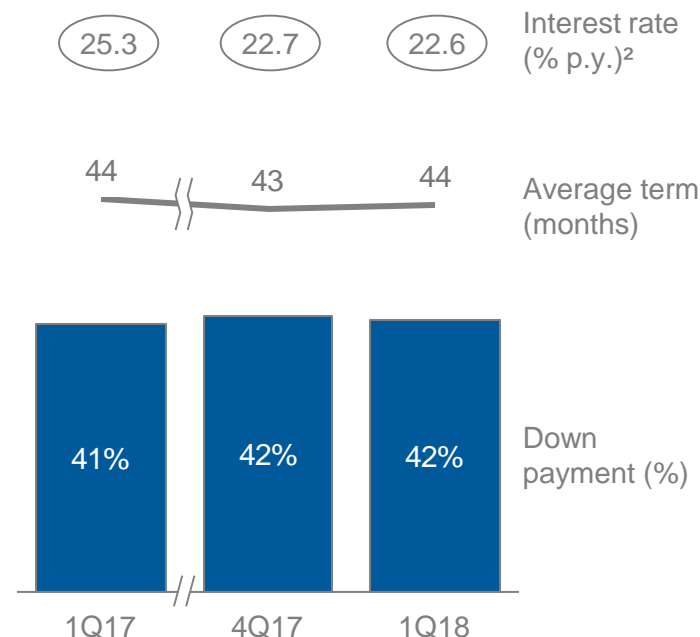
Auto finance: continued focus on used cars and maintenance of tight credit origination standards

Focus on used cars, which represented 90% of 1Q18 origination



Maintenance of conservative lending standards

Down payment, average term and interest rate



Banco Votorantim is one of the market leaders in auto financing

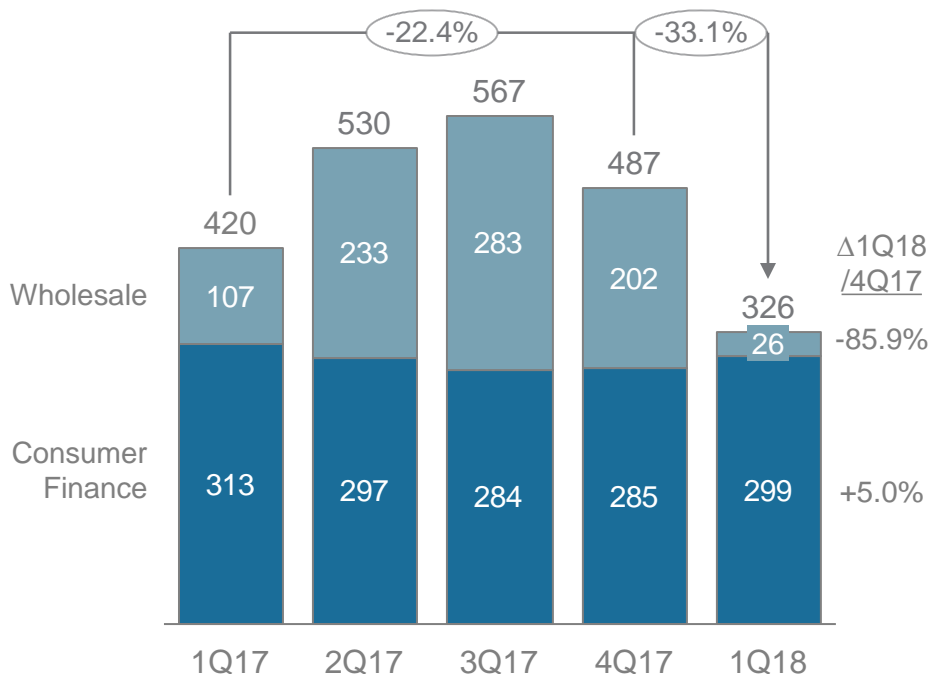
1. New cars, trucks and motorcycles; 2. Weighted average rate for the quarterly origination.
 Note: in Mar/18, the average ticket size was R\$ 22,000, and the average vehicle age was 5.0 years (portfolio).

Result of loan losses and impairments dropped 33% in 1Q18

90-day Coverage Ratio reached 191% in Mar/18

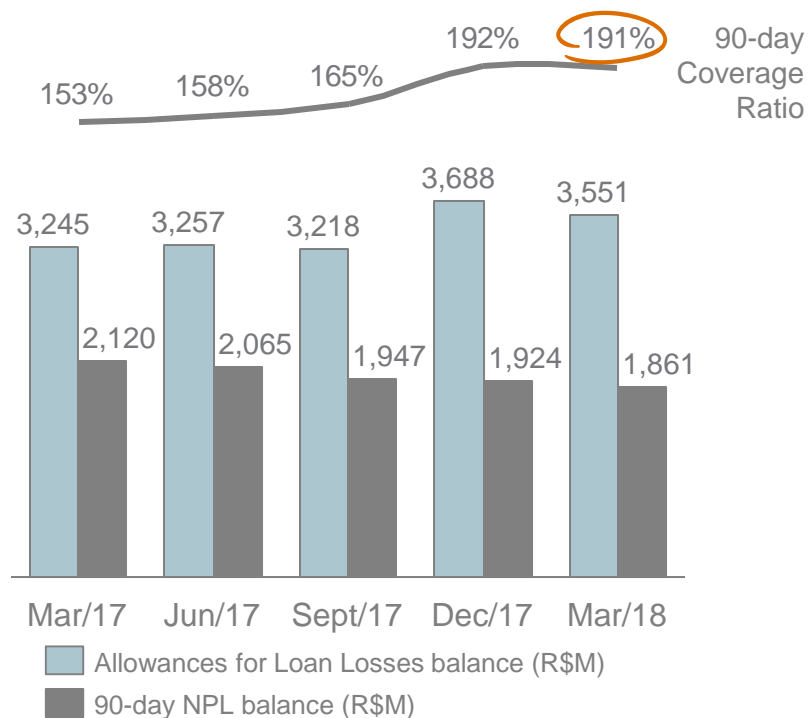
Result¹ of loan losses and impairments declined over the 1Q17, mainly in Wholesale

Result of loan losses¹ and impairments - (R\$M)



90-day Coverage Ratio remains in a conservative level

90-day Coverage Ratio² (CR)

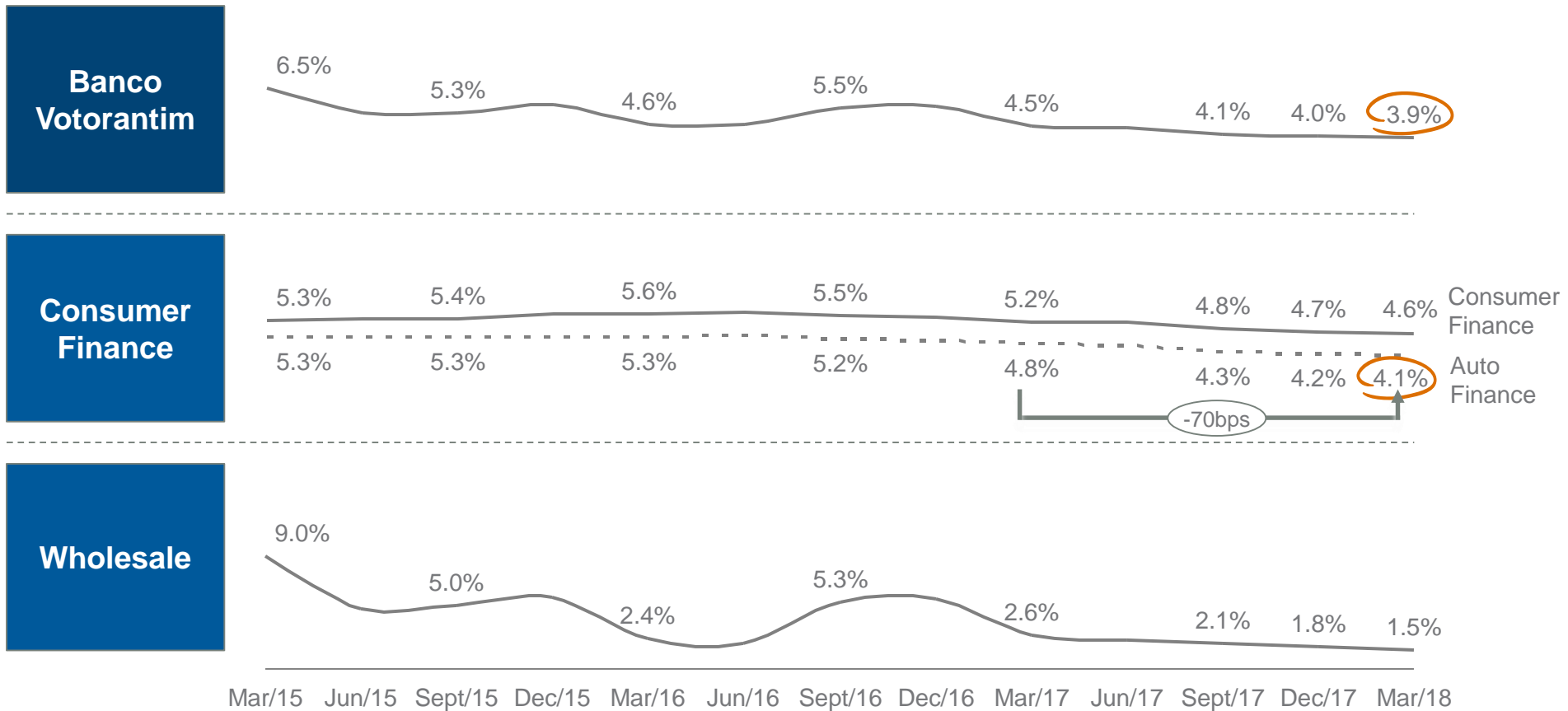


1. Net of revenues from recovery of written-off loans; 2. Ratio between the balance of Allowances for Loan Losses and the balance of loans past due over 90 days.

90-day NPL declined to 3.9% in Mar/18 (4.5% in Mar/17)

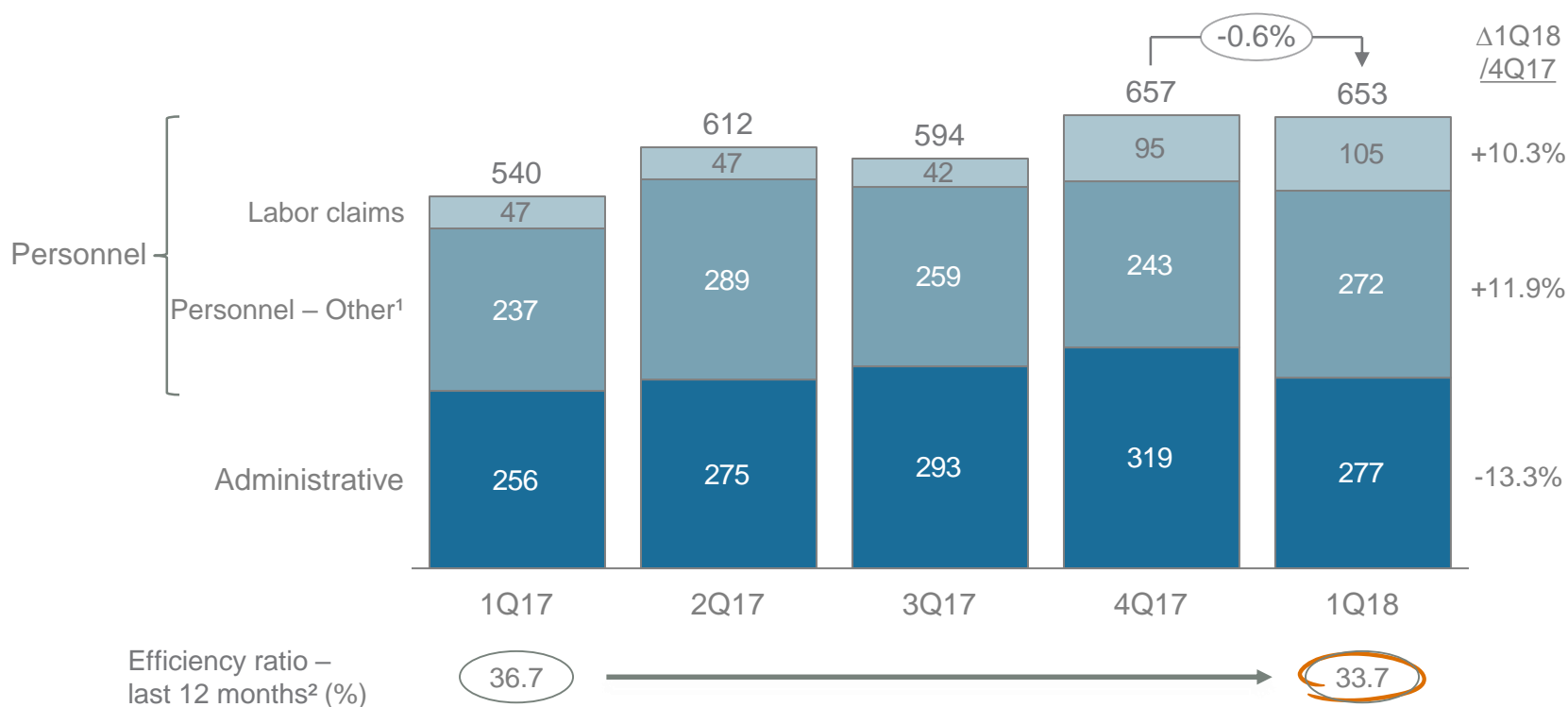
Auto Finance: delinquency decreased 70bps in the last 12 months, to 4.1%

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



The cost base management contributed to the improvement of the Efficiency Ratio for the last 12 months

Personnel¹ and administrative expenses (R\$M)



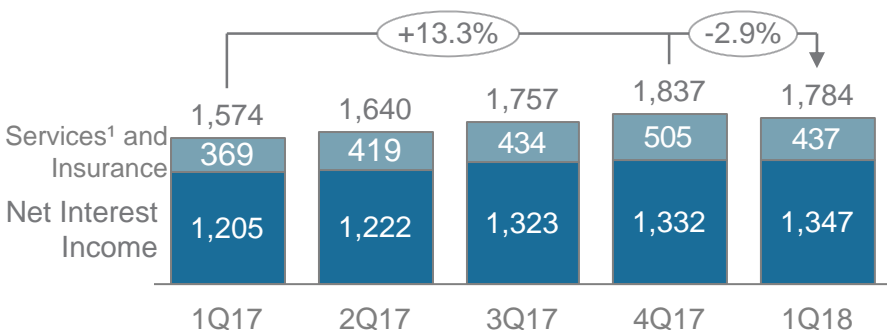
1. Includes profit sharing expenses; 2. Excludes expenses with labor lawsuits and profit sharing expenses.

Summary: Net income of R\$ 255M in 1Q18

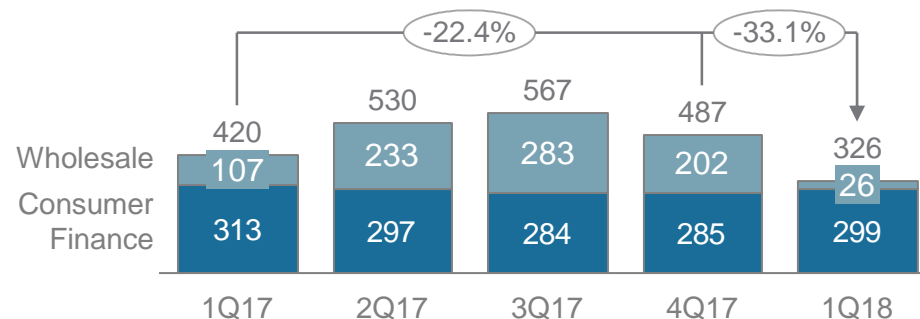
Consistent generation of revenues, reduction of loan losses and control of the cost base

R\$ Million

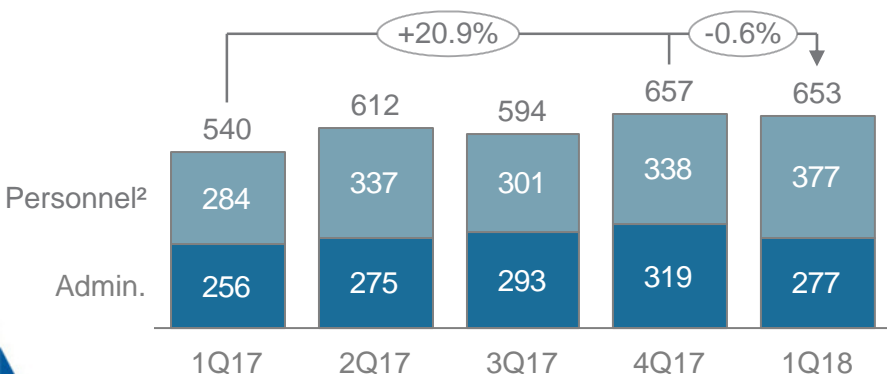
NII and Income from Services¹ and Insurance



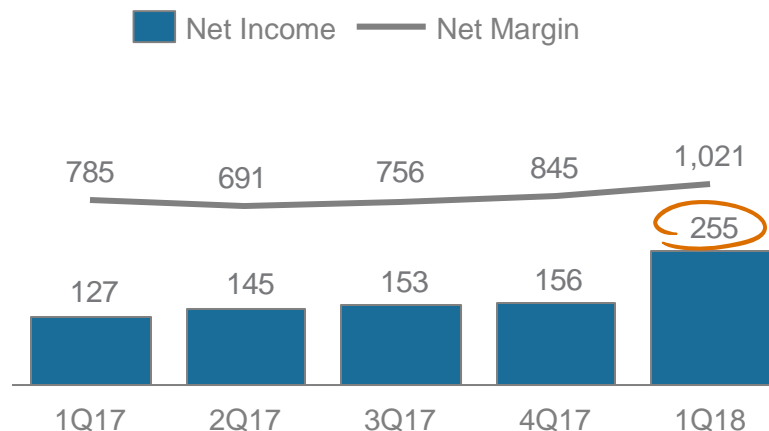
Result³ of loan losses and impairments



Personnel and Administrative expenses



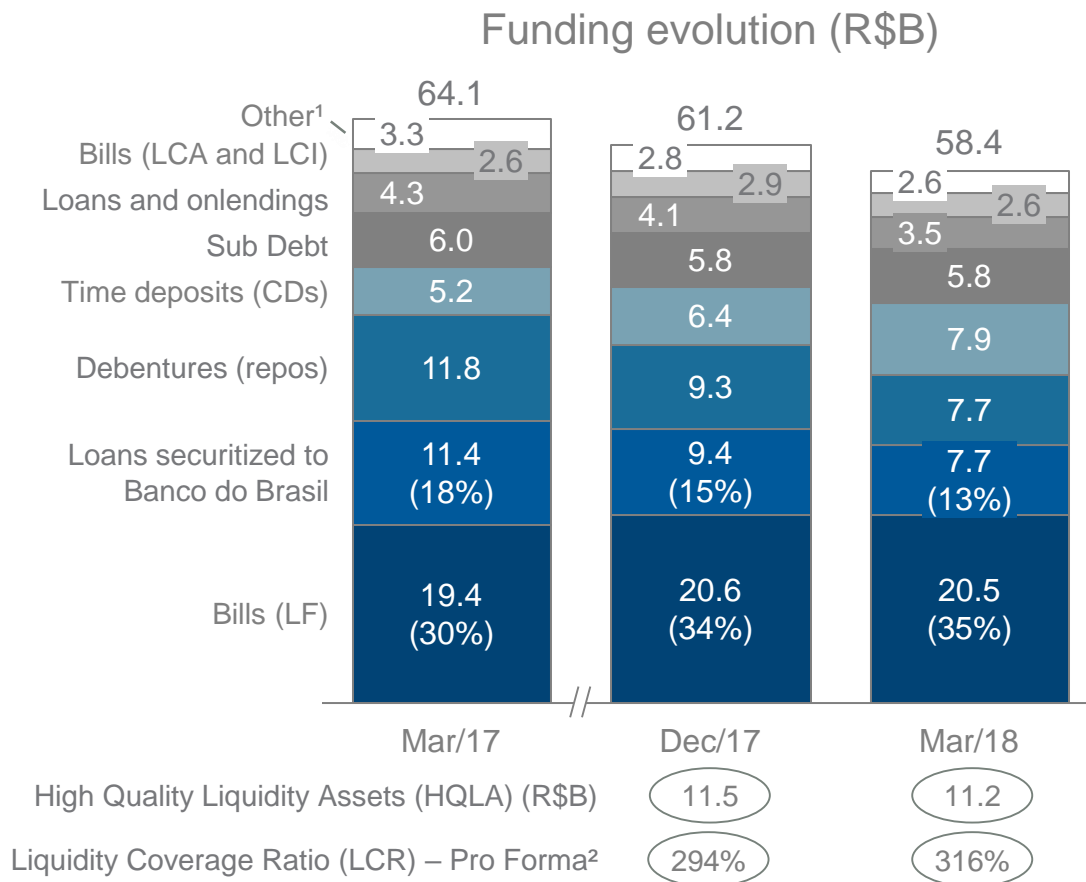
Net Income and Net Margin (post provisions)



1. Income from services and banking fees; 2. Includes profit sharing expenses; 3. Net of revenues from recovery of written-off loans .

Funding volume amounted to R\$ 58.4B in Mar/18

Credit assignments and Bills represented almost half of total funding



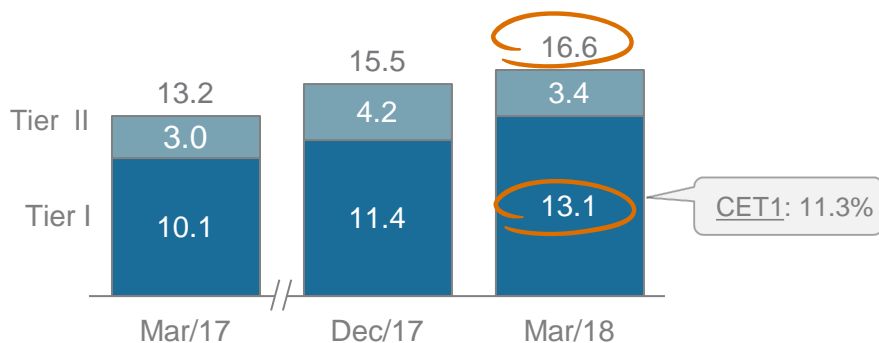
Additionally, Banco Votorantim has a stand-by credit facility of ~R\$ 7B from BB, which has never been tapped

1. Includes cash and interbank deposits, and securities abroad, whose balance was R\$ 0.4B in Mar/18; 2. Ratio of total high quality liquid assets (HQLA) and the total cash inflows for a 30 days period. Considers stand-by credit facility with Banco do Brasil. Excluding it, the LCR regulatory reported to the Central Bank in Mar/18 was 196%, and the regulatory minimum of 90%.

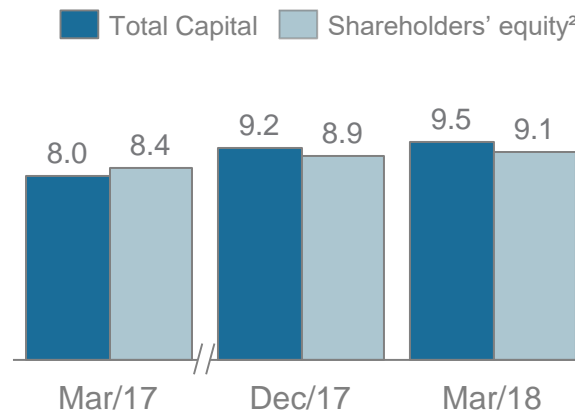
Basel Ratio of 16.6% in Mar/18

Tier I Capital ratio of 13.1%, with 11.3% of CET1

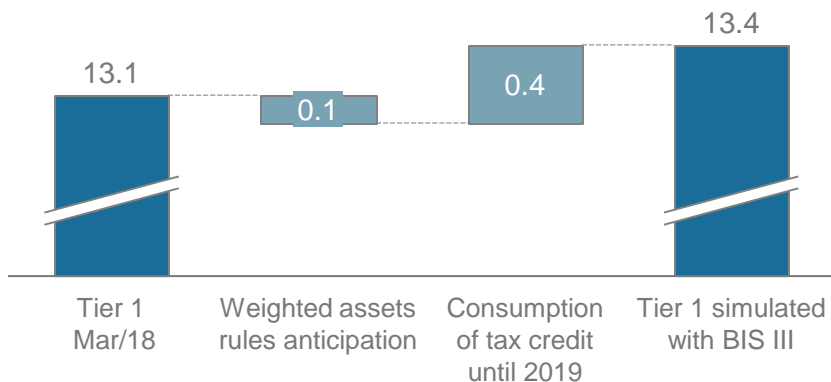
Basel Ratio (%)



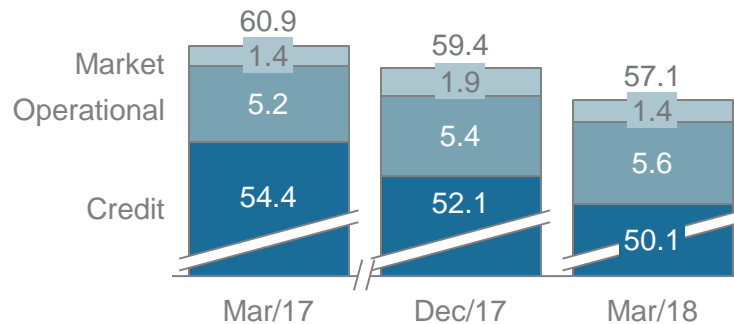
Total Capital and Shareholders' Equity (R\$B)



Simulation: CET1 under full Basel III (%)



Risk-weighted assets – RWA (R\$B)



1. On Nov / 17 the Bank issued USD 300M in perpetual bonds, which were approved in Mar/18 to compose complementary CET1.
 Note: In 2018, the minimum regulatory capital requirement was 10.5% for the Basel Ratio, 7.88% for Tier I Capital Ratio and 6.38% for CET1.

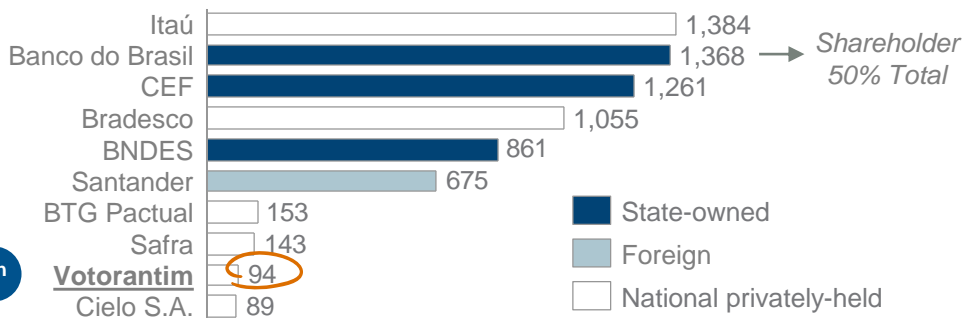
Appendix

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...

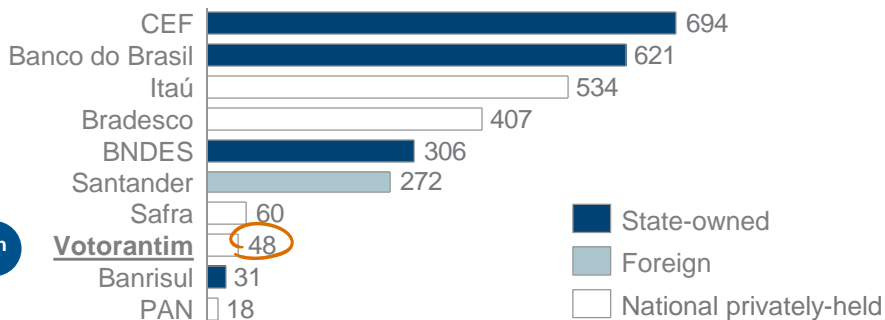
10 largest Banks in Dec/17 - Total Assets (R\$B)



9th

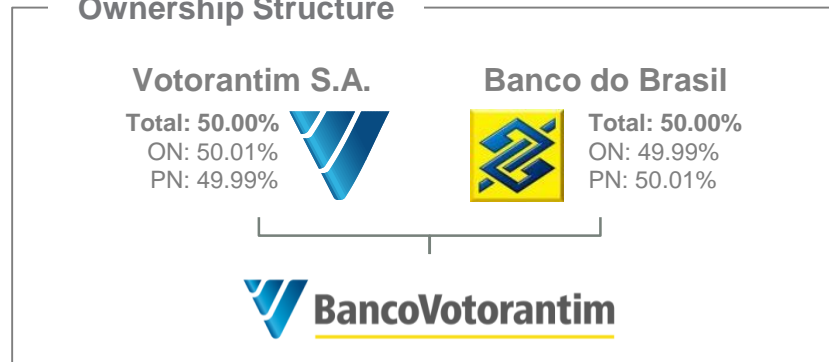
...and also in terms of loan portfolio

10 largest Banks in Dec/17 – Loan Portfolio¹ (R\$B)

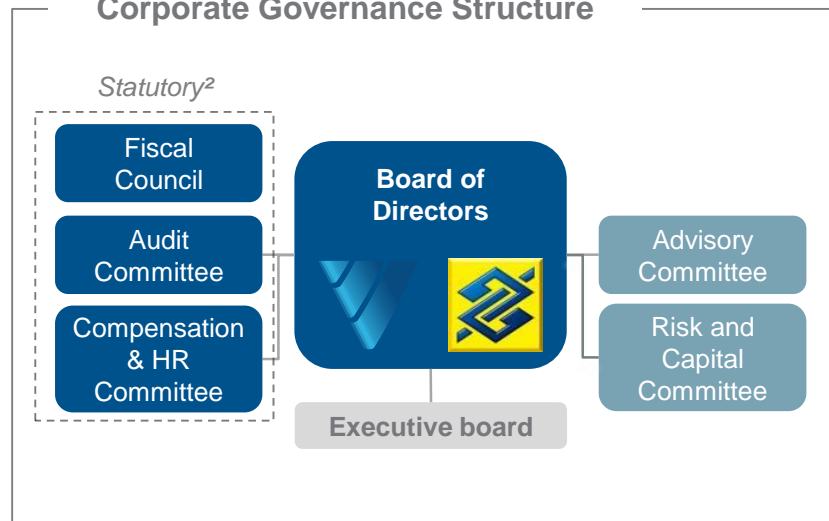


8th

Ownership Structure



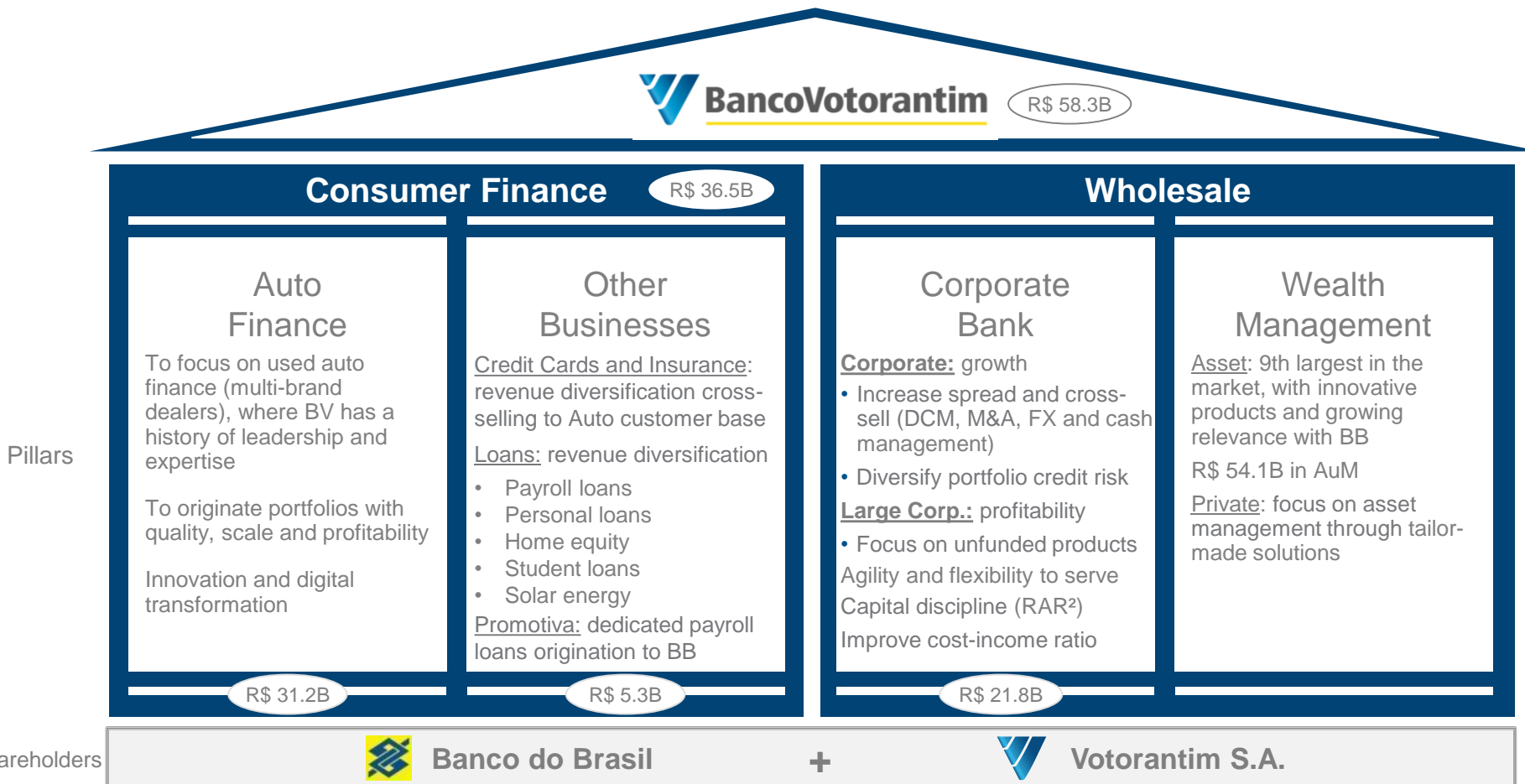
Corporate Governance Structure



1. On-balance loan portfolio according to Bacen's Resolution 2,682; 2. Equal representation of each shareholder.

Diversified business portfolio

Focus on increasing profitability, operating efficiency and diversifying revenues



○ Expanded¹ credit portfolio

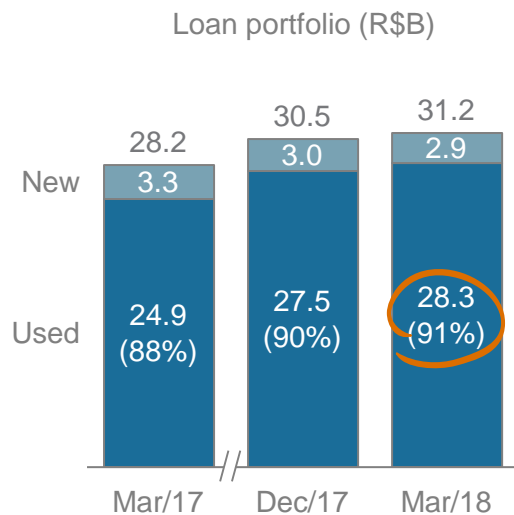
1. Includes guarantees provided by the Bank and private securities; 2. Risk-adjusted return.

Consumer Finance: increased focus on used auto finance and selective operation in loans agreements



Consumer Finance Businesses

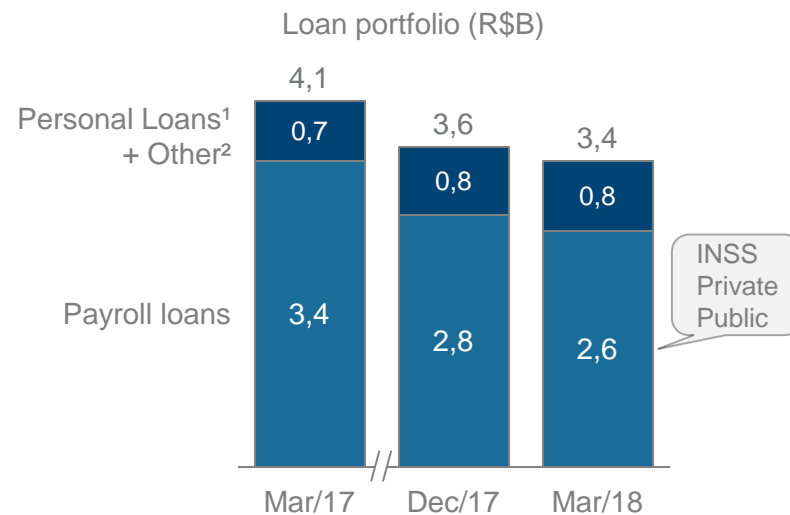
Auto finance



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

- **Capillarity:** presence in ~18,000 car dealerships nationwide
- **Agility:** 90% of proposals with automatic credit decision
- **Expertise:** continuous improvement of management tools (pricing, credit, collection etc.)
- **Long-term relationship:** first access to customer record

Loans and financing



Payroll loans: refinancing of the INSS (retirees and pensioners) portfolio; increasing the Private portfolio; selective operation in Public payroll agreements

Personal loans and other businesses:

- Personal loans
- Student loans
- Home equity
- Solar energy
- Partnerships with fintechs (ex: Guia Bolso e Neon Pagamentos)

1. With and without warranty; 2. Includes home equity, student credit and solar energy; 3. Partnership does not include operations with credit risk

Credit Cards and Insurance: revenue diversification through cross-selling to auto finance customers



Consumer Finance Businesses

Credit Cards

Active cards (million) and Loan Portfolio (R\$B)



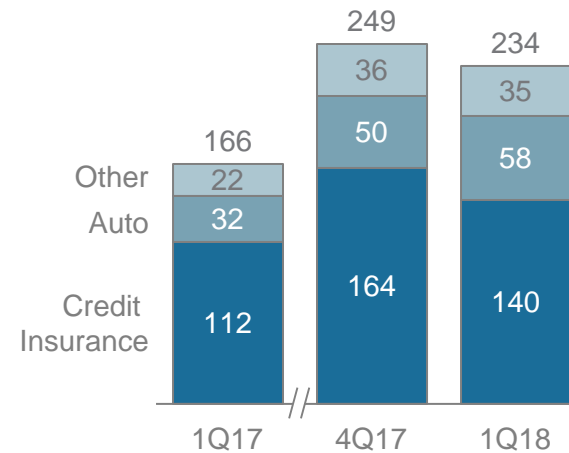
Issuance of Visa and Mastercard credit cards

Focus on exploring the current customer base of vehicle financing...

... and growing organically through new business partnerships (ex.: Netpoints)

Insurance brokerage

Insurance premiums (R\$M)



Increase commission revenues by leveraging retail customer base

Diversify the insurance portfolio:

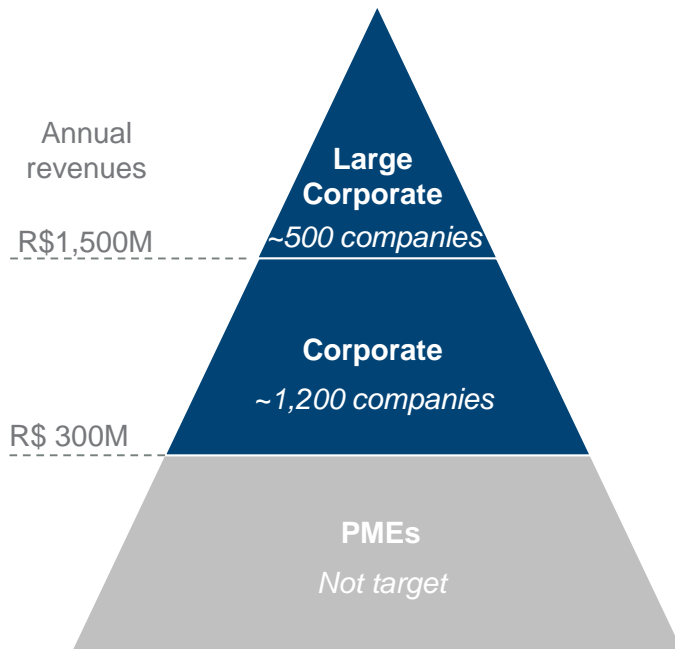
- Life
- Home
- Personal incidents, etc.

Wholesale: focus on growing in the Corporate segment to improve return on capital and diversify credit risk

Wholesale Business

Corporate Bank

Target market (R\$B e %)



Highlights and strategy

Large Corporate (> R\$ 1,500M): increase profitability

- Focus on unfunded products (guarantees)

Corporate bank (R\$ 300M to R\$ 1,500M): portfolio growth

- Increase spread and cross-sell (FX, derivatives, DCM, M&A, funding, cash management)
- Diversify portfolio credit risk

Discipline in capital allocation and risk management (RAR¹)

Leverage competitive capabilities

- Agility and flexibility to serve clients
- Sectoral expertise (infrastructure and agribusiness)
- DCM distribution
- Officers with responsibility for credit

Improve cost-to-income ratio

1. Risk-adjusted return.

Financial highlights

Balance sheet

BALANCE SHEET Assets (R\$ Million)	Mar.17	Dec.17	Mar.18
CURRENT AND LONG-TERM ASSETS	103,612	92,503	93,309
Cash and cash equivalents	170	296	159
Interbank funds applied	17,932	15,110	16,356
Securities and derivative financial instruments	27,012	21,083	18,309
Derivative financial instruments	4,211	2,036	3,414
Interbank accounts or relations	107	14	233
Loan Operations, Leases and Others receivables	46,561	47,206	46,749
Allowance for loan losses	(3,223)	(3,674)	(3,540)
Tax credit	7,486	7,215	7,102
Others	3,357	3,218	4,527
NON-CURRENTS	552	1,016	1,054
TOTAL ASSETS	104,166	93,519	94,363

BALANCE SHEET Liabilities (R\$ Million)	Mar.17	Dec.17	Mar.18
CURRENT AND LONG-TERM LIABILITIES	95,778	84,619	85,255
Deposits	7,429	8,503	10,128
Demand and Interbank deposits	2,227	2,143	2,180
Time deposits	5,202	6,360	7,948
Money market borrowings	33,563	25,737	25,119
Acceptances and endorsements	23,154	24,085	23,549
Interbank accounts	53	64	139
Borrowings and onlendings	4,304	4,062	3,533
Derivative financial instruments	4,341	1,701	3,199
Others obligations	22,933	20,468	19,588
Subordinated debts	5,987	5,818	5,766
Credit transactions subject to assignment	11,438	9,445	7,731
Others obligations	5,508	5,205	6,090
DEFERRED INCOME	30	32	34
SHAREHOLDERS' EQUITY	8,358	8,868	9,074
TOTAL LIABILITIES	104,166	93,519	94,363

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Net Income	127	156	255

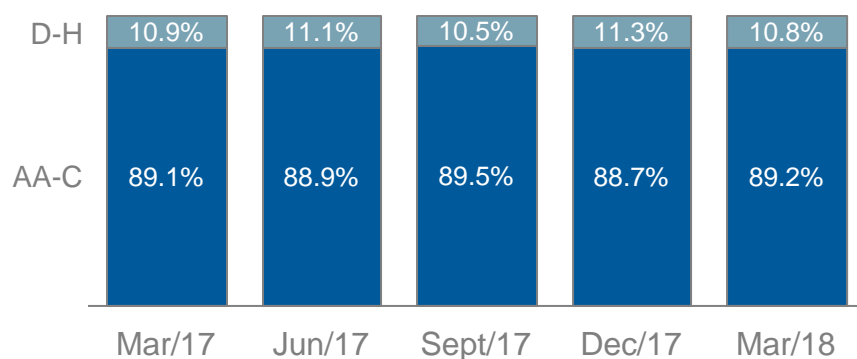
Key indicators

(%)	1Q17	4Q17	1Q18
Return on Average Equity (ROAE)	6.2	7.3	11.8
Return on Average Assets (ROAA)	0.5	0.6	1.1
Net Interest Margin³ (NIM)	5.3	6.3	6.6
Efficiency Ratio - LTM⁴	36.7	34.4	33.7

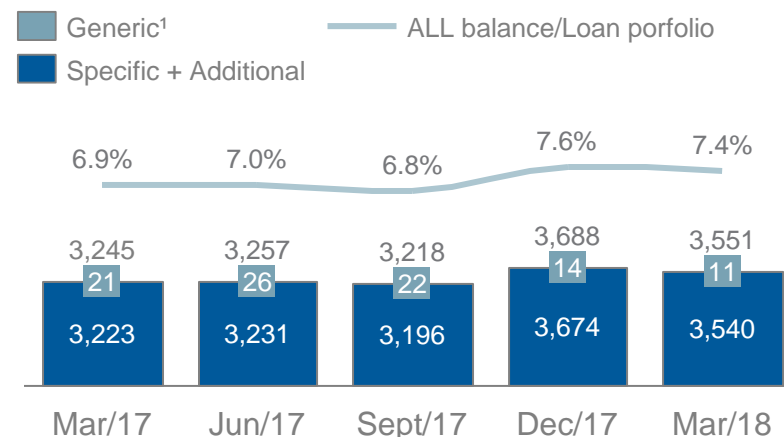
1. Net of revenues from recovery of written-off loans and impairments; 2. Includes profit sharing expenses; 3. Ratio between net interest income and average interest-earning assets of the period. This ratio is annualized; 4. ER = administrative and personnel expenses / (net interest income+ fee income/ banking fees income + equity in income from subsidiaries + other operational income and expenses);

Credit quality indicators

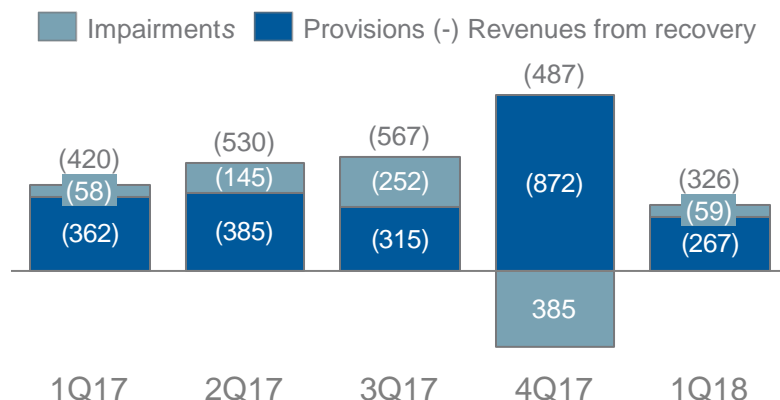
Loan portfolio rated by risk level (%)



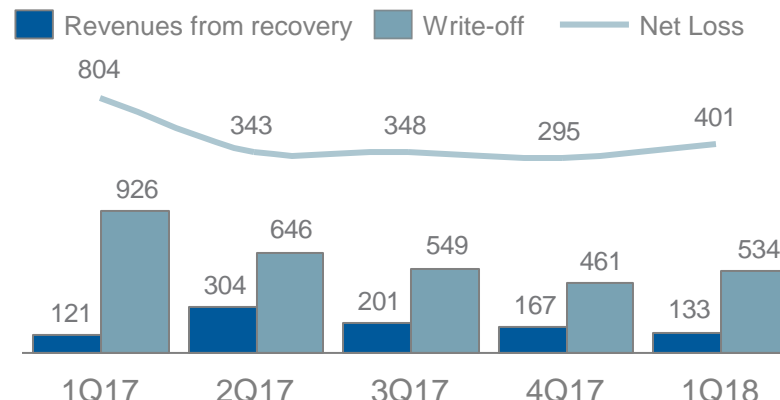
Allowance for loan losses balance (R\$M)



Result of loan losses and impairments (R\$M)



Net Loss² (R\$M)

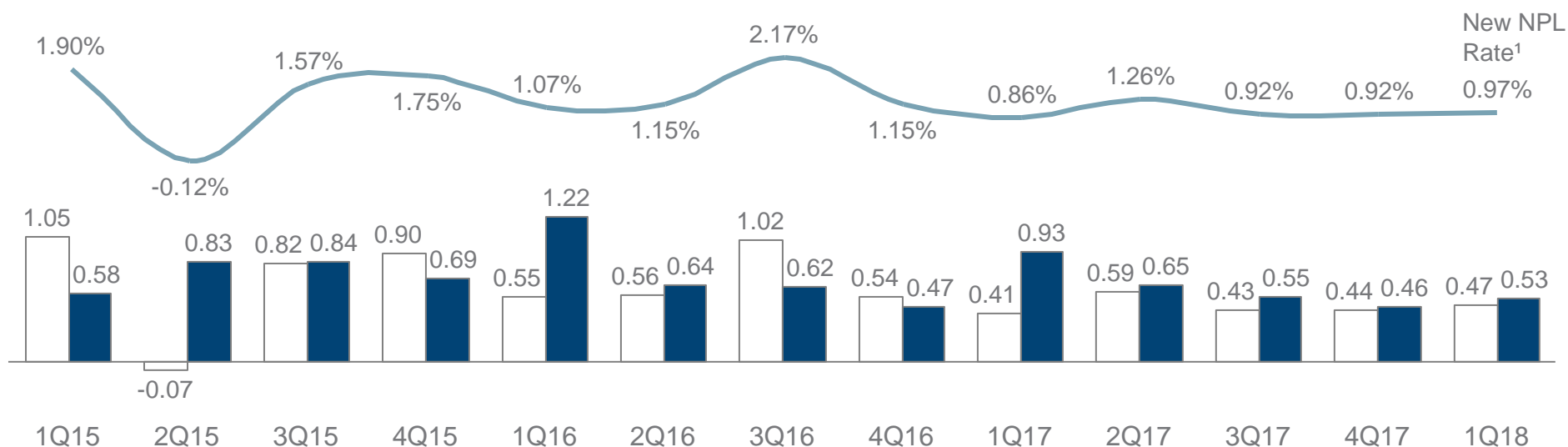


1. Considers credit provisions recognized as Liabilities in the "Other" line (see Note #18d of Financial Statements); 2. Net loss = loans written-off to losses in the quarter + revenues from credit recovery.

New NPL rate

NEW NPL (R\$ Million)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18
Managed Loan Portfolio (A)	55,422	52,505	51,576	51,250	48,799	46,925	47,031	47,620	46,931	46,828	47,608	48,679	48,185
90-day NPL Balance	3,628	2,727	2,712	2,923	2,254	2,174	2,567	2,638	2,120	2,065	1,947	1,924	1,861
90-day NPL Quarterly Variation (B)	474	(902)	(14)	211	(669)	(80)	393	71	(518)	(55)	(118)	(23)	(63)
Write-off (C)	578	834	838	693	1,215	639	624	469	926	646	549	461	534
New NPL (D=B+C)	1,052	(67)	823	903	546	560	1,017	540	408	591	431	439	471
New NPL Rate ¹ (D/A)	1.90%	-0.12%	1.57%	1.75%	1.07%	1.15%	2.17%	1.15%	0.86%	1.26%	0.92%	0.92%	0.97%

□ New NPL (R\$B) ■ Write-off (R\$B)



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.

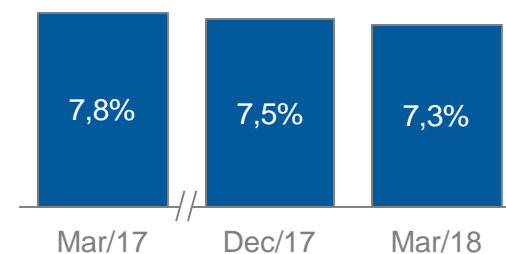
Wholesale credit portfolio

Sectoral concentration¹

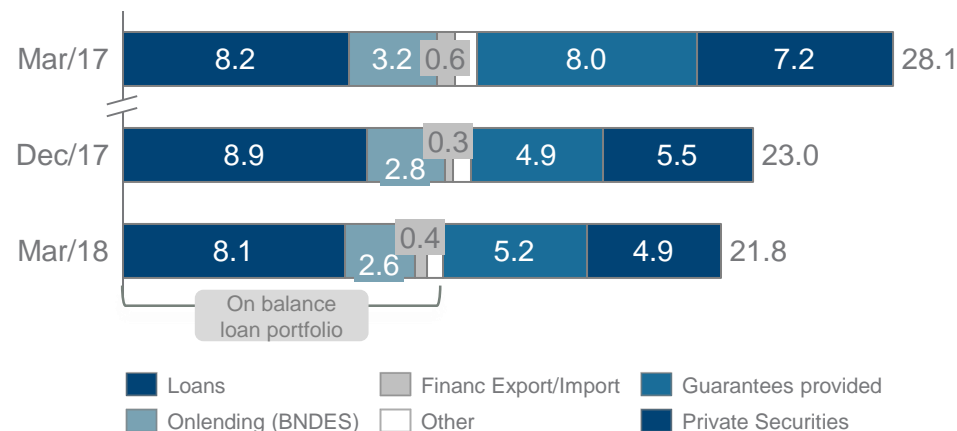
Wholesale Sectorial concentration	Mar.17		Mar.18	
	R\$M	Part.(%)	R\$M	Part.(%)
Financial Institutions	4,783	24.4%	2,211	14.5%
Sugar and Ethanol	2,050	10.5%	1,721	11.3%
Telecom	1,489	7.6%	1,393	9.2%
Mining	915	4.7%	952	6.3%
Agribusiness	828	4.2%	843	5.5%
Retail	905	4.6%	841	5.5%
Petrochemical	1,293	6.6%	769	5.1%
Railways	706	3.6%	573	3.8%
Food and beverages industry	316	1.6%	479	3.2%
Oil & Gas	409	2.1%	466	3.1%
Trading Agro	230	1.2%	429	2.8%
Government	471	2.4%	414	2.7%
Services	231	1.2%	338	2.2%
Electricity Distribution	313	1.6%	329	2.2%
Automotive/Auto parts/Car Dealers	383	2.0%	317	2.1%
Electricity Generation	524	2.7%	290	1.9%
Steel industry	326	1.7%	281	1.8%
Industry	178	0.9%	275	1.8%
Residential Construction	364	1.9%	248	1.6%
Slaughterhouses	255	1.3%	232	1.5%
Other sectors	2,630	13.4%	1,805	11.9%
Total¹	19,598	100.0%	15,206	100.0%

Loan portfolio

10 largest debtors / Total loan portfolio



Expanded credit portfolio by product - Wholesale (R\$B)



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		International		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-		brAA-	BB-
	Short-term	B		brA-1+	