
3rd Quarter | 2018

Earnings Presentation

Disclaimer: This presentation may include references and statements on expectations, planned synergies, growth estimates, projections of results, and future strategies for Banco Votorantim, its associated and affiliated companies, and subsidiaries. Although these references and statements reflect the management's belief, they also involve imprecision and risks that are highly difficult to be foreseen. Consequently, they may conduct to different results from those anticipated and discussed here. These expectations are highly dependent on market conditions, on Brazil's economic and banking system performances, as well as on international market conditions. Banco Votorantim is not responsible for bringing up to date any estimate in this presentation.

Net income of R\$ 779M in 9M18, and ROE of 11.5%

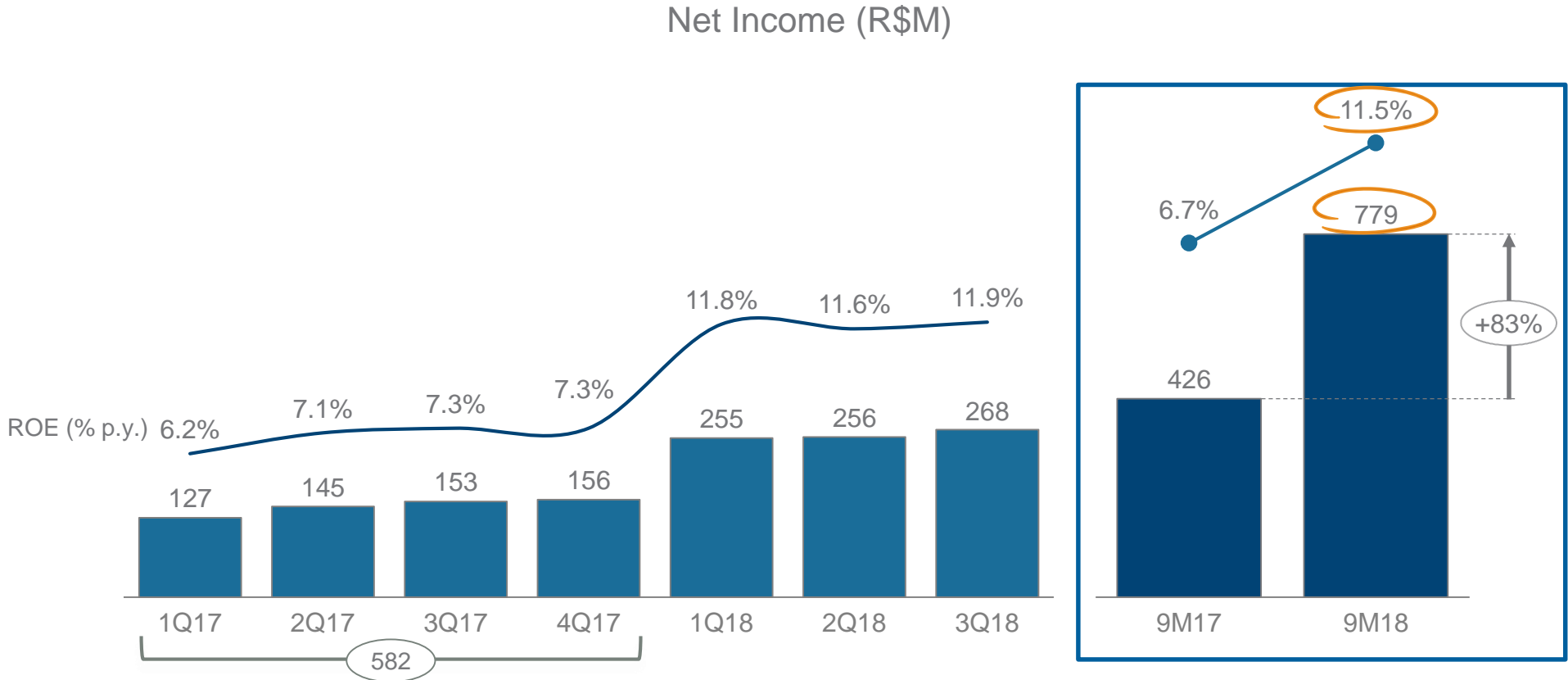
Consistent revenue generation, maintenance of credit quality e increased operational efficiency

Highlights of results

Net Income	▲ +83.0% (9M18/9M17)	R\$ 779M	▲ Net income of R\$ 779M in 9M18, compared to R\$ 426M in 9M17
	▲ +4.7% (3Q18/2Q18)	R\$ 268M	▲ Return on Equity (ROE) of 11.5% p.y. in 9M18 (6.7% in 9M17)
Revenues	▲ +6.3% (9M18/9M17)	R\$ 5,286M	▲ Total revenues (NII + revenues from services and insurance) increased by 6.3% in 9M18/9M17, reflecting the higher profitability in the businesses
	▲ +3.8% (3Q18/2Q18)	R\$ 1,784M	▲ Net Interest Margin (NIM) increased to 6.2% in 9M18, compared to 5.5% in 9M17
Credit Costs ¹	▼ -34.3% (9M18/9M17)	R\$ 997M	▲ Result ¹ of loan losses decreased 34.3% in 9M18/9M17, and 22.9% compared to 2Q18
	▼ -22.9% (3Q18/2Q18)	R\$ 292M	▲ 90-day Coverage Ratio reached 174% in Sept/18 (Sept/17: 165%)
Delinquency (NPL90)	▲ +0.1p.p. (9M18/9M17)	90-day NPL 4.2%	▲ 90-day NPL of 4.2% in Sept/18
	▲ +0.2p.p. (3Q18/2Q18)		<ul style="list-style-type: none"> • <u>Consumer Finance</u>: 90-day NPL remained stable at 4.9% (Sept/17: 4.8%) • <u>Wholesale</u>: 90-day NPL grew to 2.1%, reflex of specific case adequately provisioned
Efficiency Ratio ²	▼ -1.9p.p. (9M18/9M17)	ER 33.2%	▲ Efficiency Ratio of 33.2% in Sept/18, with reduction in the 12 months driven by the consistent and diversified revenues generation
	▲ +0.3p.p. (3Q18/2Q18)		

1. Net of revenues from recovery of written-off loans and impairments; 2. Last 12 months; Excludes labor lawsuits and profit sharing expenses.

Net income of R\$ 779M in 9M18, and ROE of 11.5%



Quarterly net income confirms new level of Banco Votorantim results

Consistent and diversified revenue generation

9M18x9M17: Consistent generation of revenues, with reduction of the credit costs

Managerial Income Statement (R\$M)

(R\$ Million)	3Q17	2Q18	3Q18	Var. 3Q18/2Q18	9M17	9M18	Var. 9M18/9M17
Net Interest Income (A)	1,323	1,259	1,326	5.3%	3,749	3,931	4.9%
Result of loan losses ¹ (B)	(567)	(379)	(292)	-22.9%	(1,517)	(997)	-34.3%
Net Financial Margin (A+B)	756	880	1,034	17.5%	2,232	2,935	31.5%
Operating Income/Expenses	(491)	(412)	(491)	19.1%	(1,504)	(1,420)	-5.6%
Income from Services and Banking Fees	326	344	341	-1.1%	943	1,010	7.2%
Personnel ² and Administrative expenses	(594)	(541)	(674)	24.7%	(1,746)	(1,868)	7.0%
Tax expenses	(106)	(109)	(99)	-9.1%	(286)	(300)	4.8%
Income from subsidiaries	80	83	87	5.1%	204	250	22.3%
Other Operating Income/(Expenses)	(197)	(190)	(145)	-23.4%	(618)	(511)	-17.3%
Operating Income (Loss)	264	468	543	16.1%	729	1,515	107.9%
Non-Operating Income (Loss)	24	(2)	(2)	-1.9%	8	(7)	-
Income before Taxes	289	466	541	16.1%	736	1,509	104.9%
Income Tax and Social Contribution	(136)	(210)	(273)	30.2%	(310)	(729)	-
Net Income	153	256	268	4.7%	426	779	83.0%

Banco Votorantim continues advancing in its agenda of improving the profitability of 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

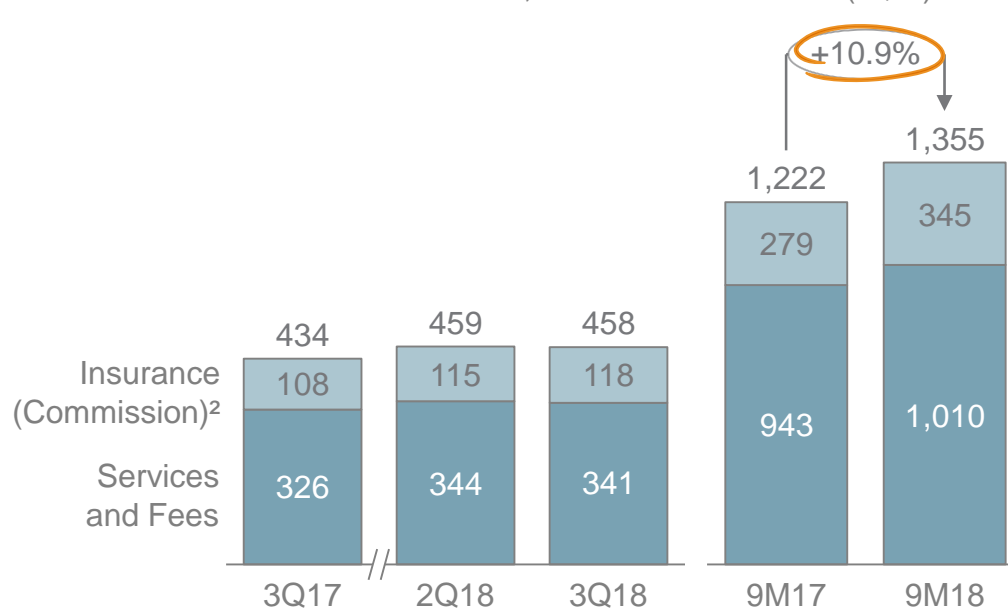
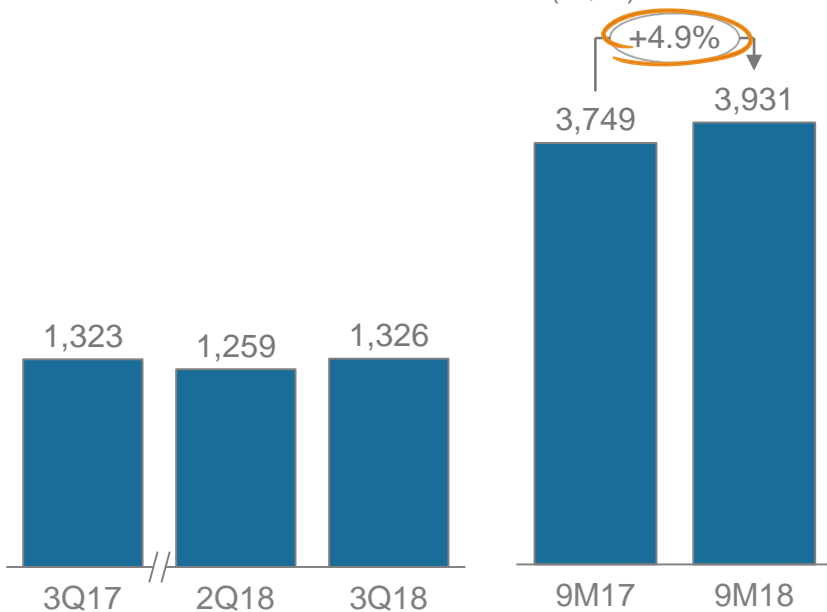
9M18x9M17: Both NII and income from services and insurance increased

NIM increased to 6.2% in 9M18, driven by the higher profitability in the businesses

Income from services and insurance increased in 9M18, reflecting the auto finance origination

Net Interest Income – NII (R\$M)

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



NIM¹ (%p.y.)

3Q17	6.0%
2Q18	6.1%
3Q18	6.4%
9M17	5.5%
9M18	6.2%

Auto finance origination (R\$B)

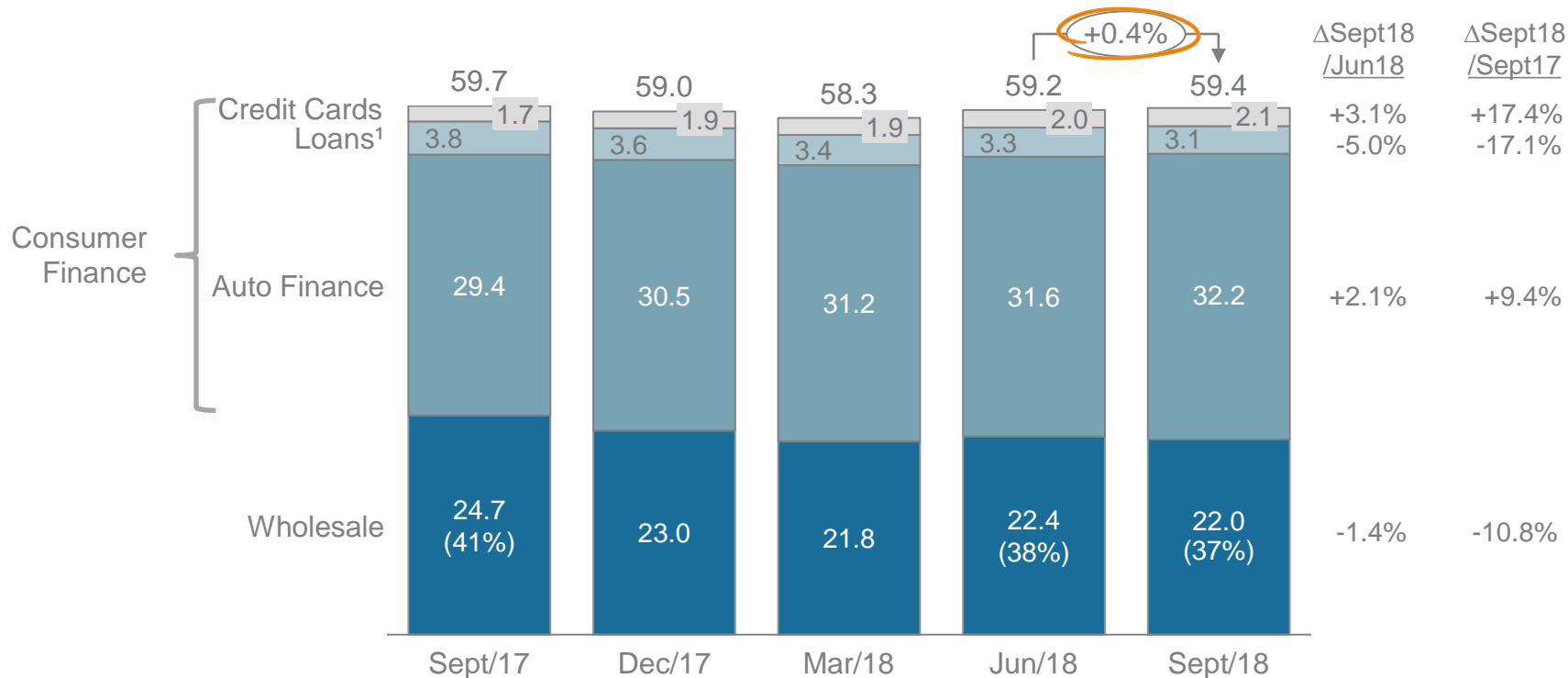
3Q17	4.1
2Q18	4.1
3Q18	4.3
9M17	11.3
9M18	12.4

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

Extended portfolio grew 0.4% in 3Q18, with increased participation of the Consumer Finance business

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

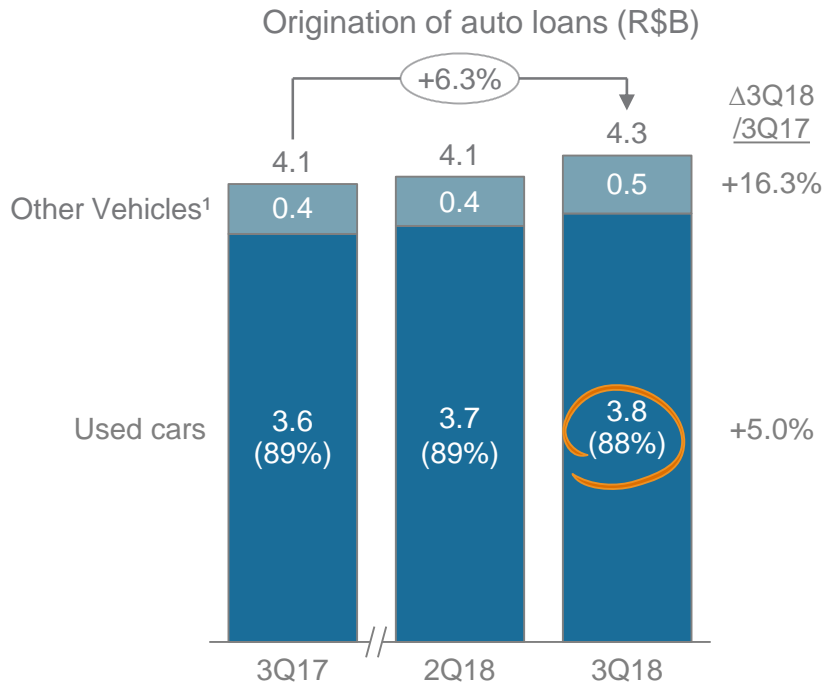


Focus on profitability and asset quality

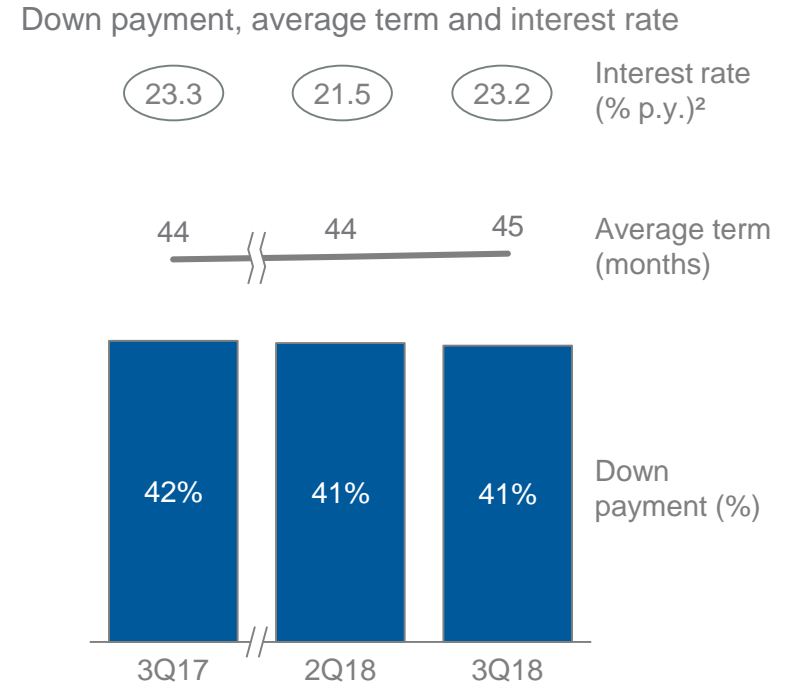
1. Portfolio comprised by products: payroll (retirees, private and public), personal credit (with and without guarantee), home equity, student credit and solar.

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

Focus on used cars, which represented 88% of 3Q18 origination



Maintenance of conservative lending standards



Banco Votorantim is one of the market leaders in auto financing

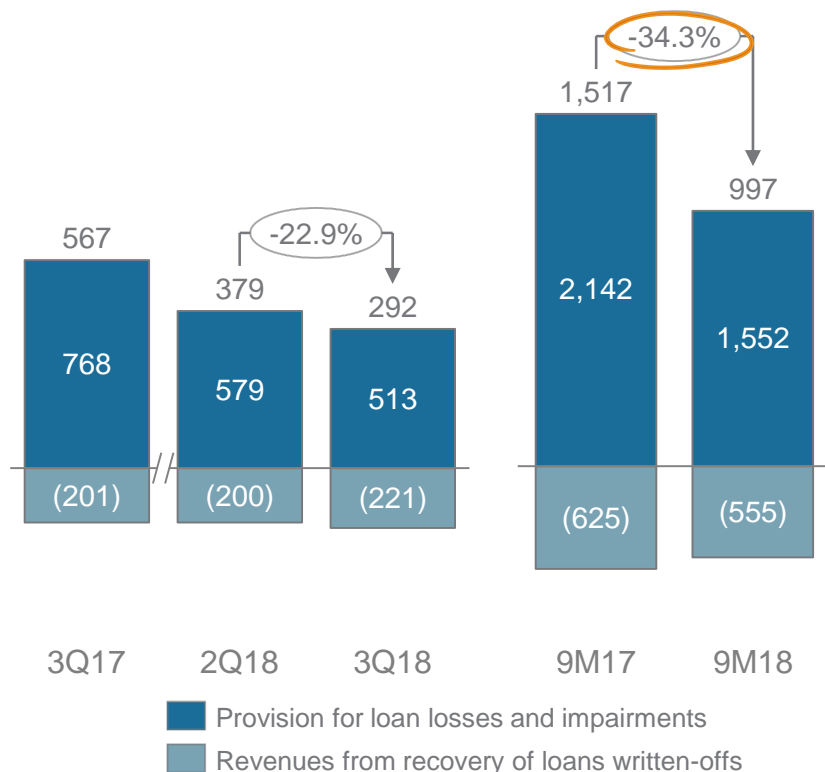
1. New cars, trucks and motorcycles; 2. Weighted average rate for the quarterly origination.
 Note: in Sept/18, the average ticket size was R\$ 23,000, and the average vehicle age was 5.6 years (portfolio).

Result of loan losses and impairments dropped 34% in 9M18/9M17

90-day Coverage Ratio reached 174% in Sept/18

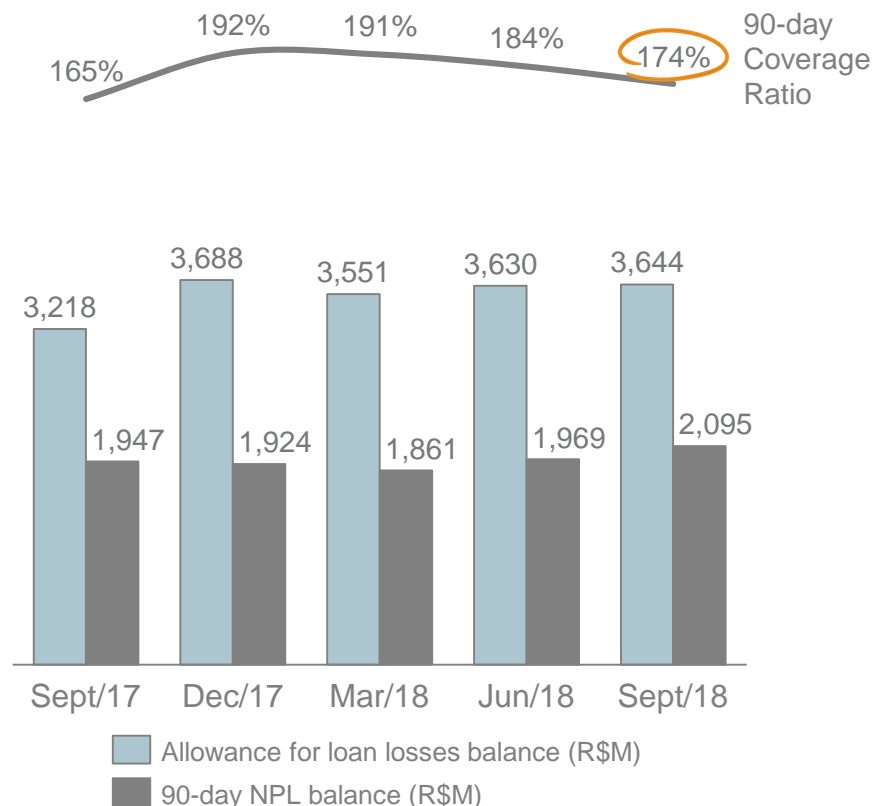
Result¹ of loan losses and impairments declined due to the lower cost of credit

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



90-day Coverage Ratio remains in a sturdy level

90-day Coverage Ratio²

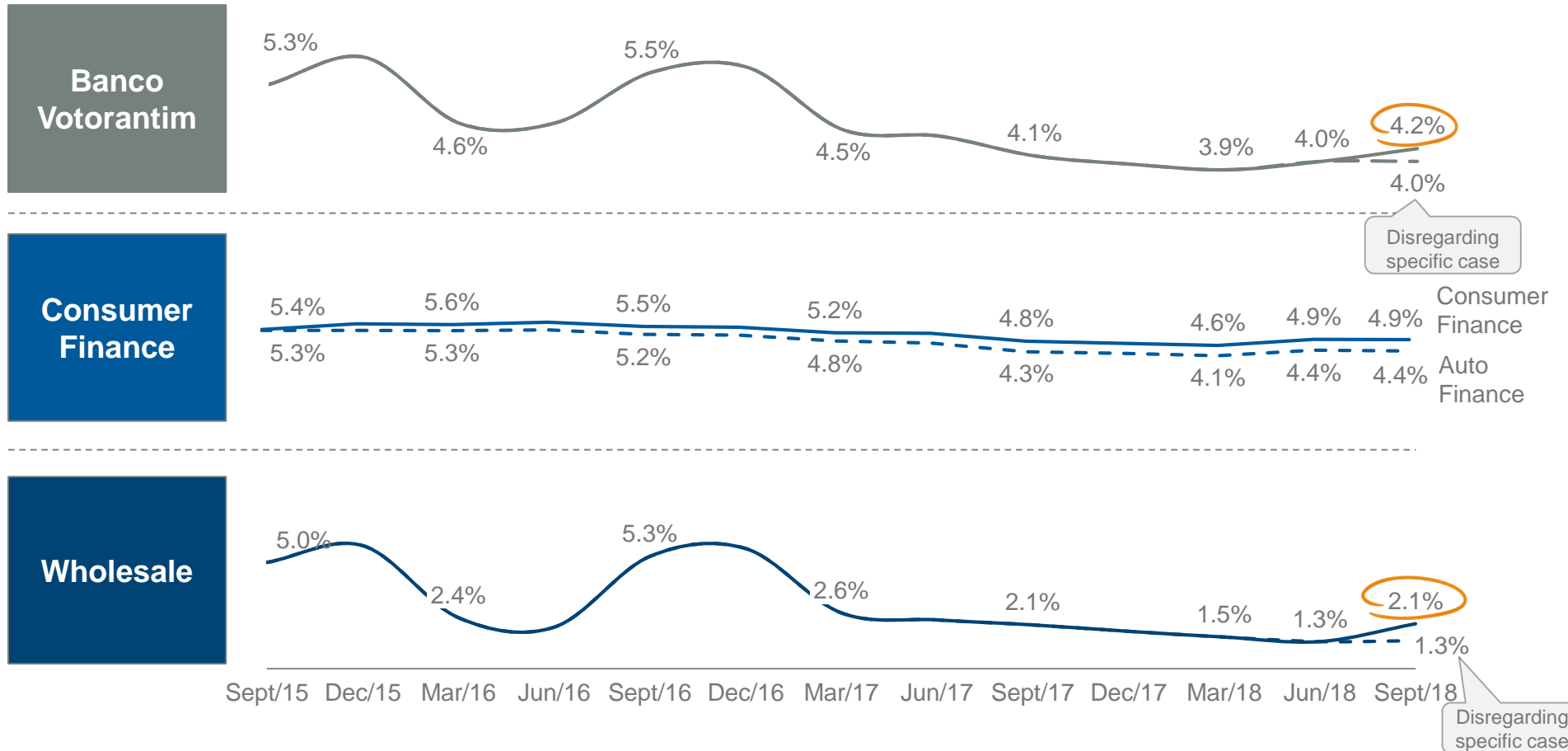


1. Net of revenues from recovery of written-off loans; 2. Ratio between the balance of Allowances for Loan Losses and the balance of loans past due over 90 days

90-day NPL of 4.2% in Sept/18 (4.0% in Jun/18)

Increase in the indicator reflects Wholesale's specific case adequately provisioned

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



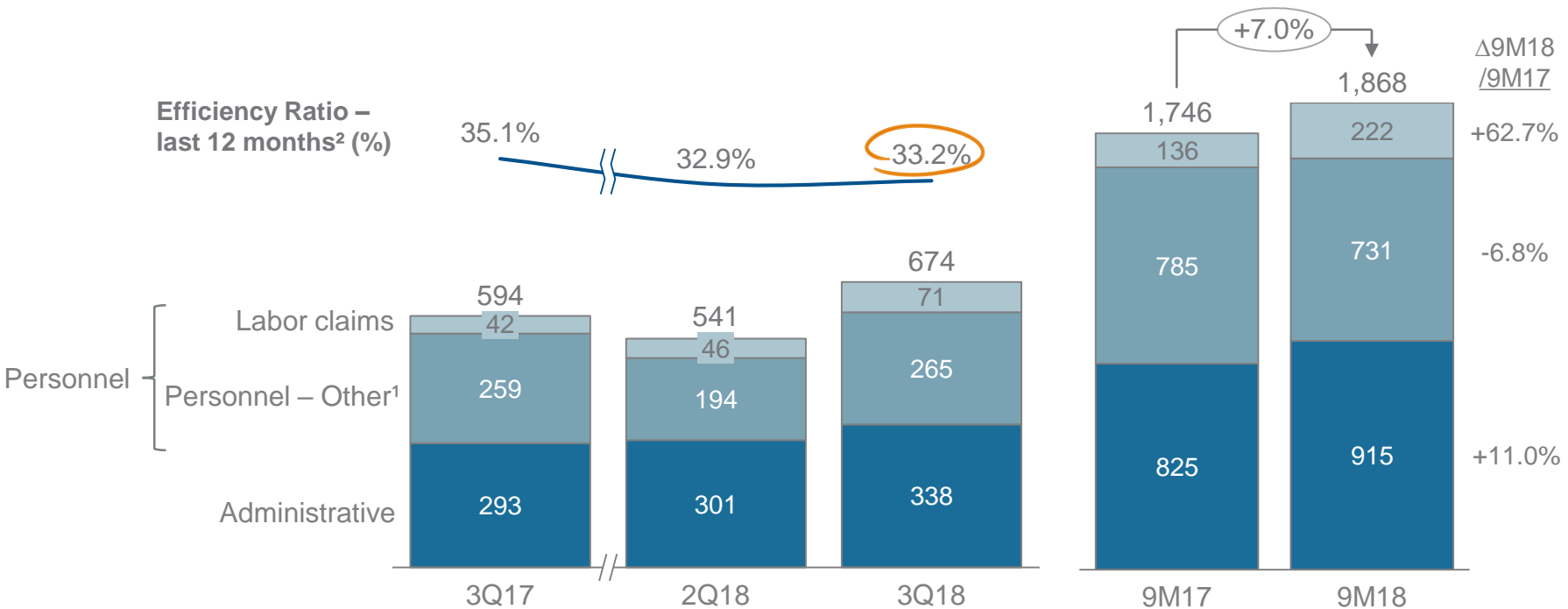
Disregarding specific case

Consumer Finance
Auto Finance

Disregarding specific case

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

Personnel¹ and administrative expenses (R\$M)



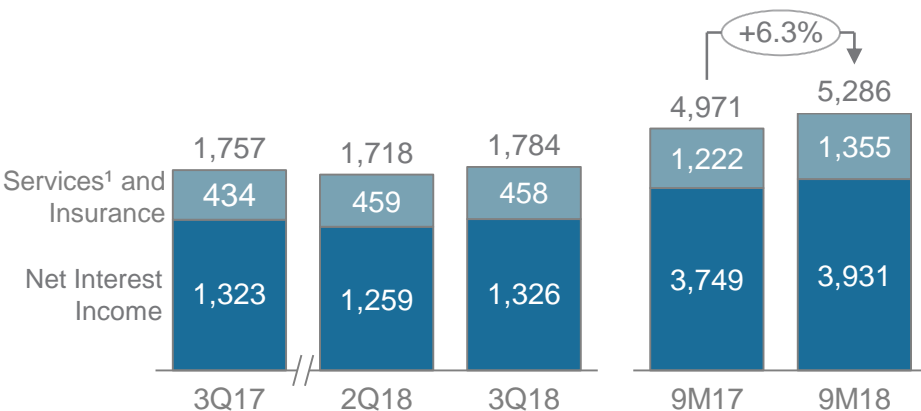
1. Includes profit sharing expenses; 2. Excludes expenses with labor lawsuits and profit sharing expenses.

Net income of R\$ 779M in 9M18, and ROE of 11.5%

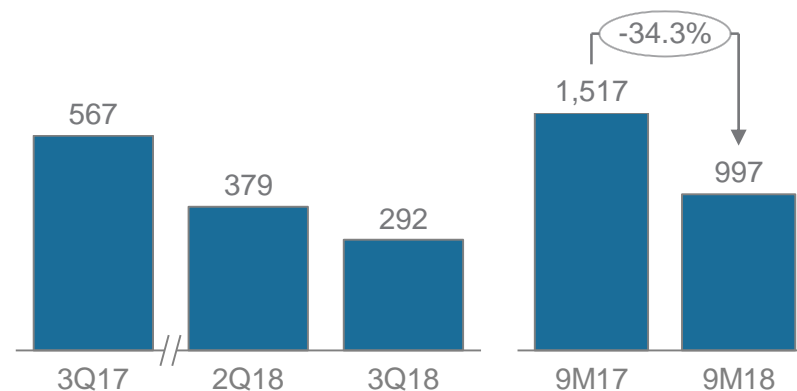
Consistent generation of revenues, with reduction of the credit costs

R\$ Million

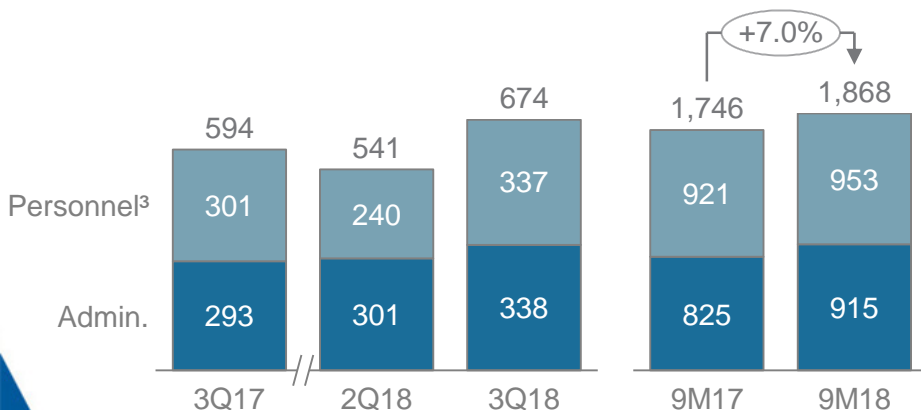
NII and Income from Services¹ and Insurance



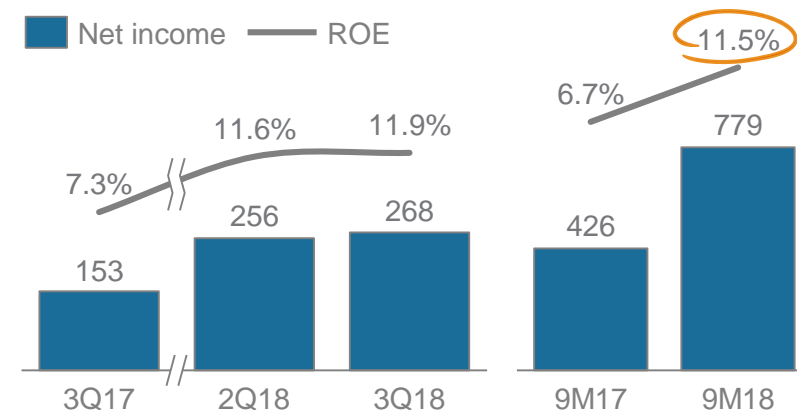
Result² of loan losses and impairments



Personnel and Administrative expenses



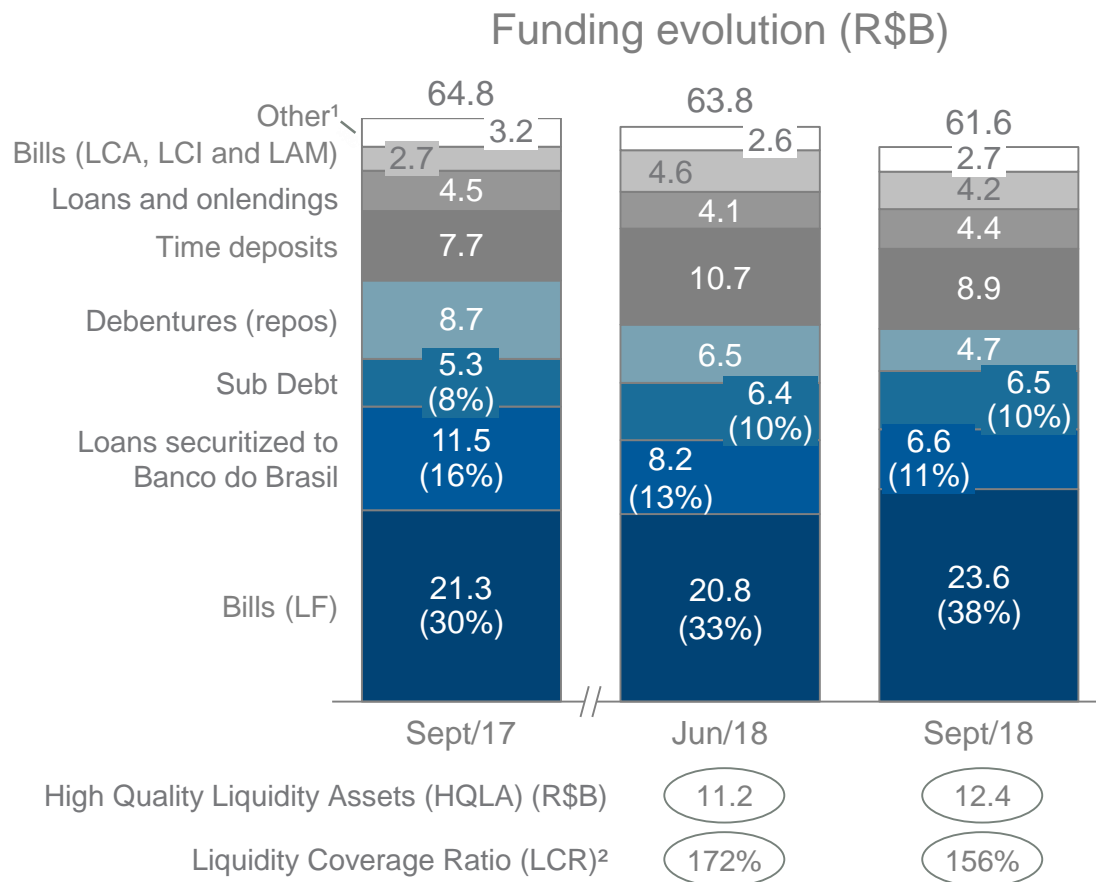
Net Income and ROE



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

Funding volume amounted to R\$ 61.6B in Sept/18

Stable funding instruments accounted for more than half of total funding



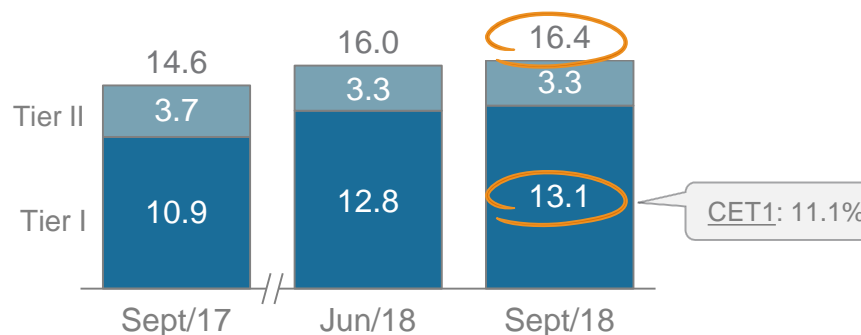
Additionally, Banco Votorantim has a standby credit facility with BB since 2009, which has never been tapped

1. Includes cash and interbank deposits, and securities abroad, whose balance was R\$ 0.7B in Sept/18; 2. Ratio of total high quality liquid assets (HQLA) and the total cash inflows for a 30 days period in a stress scenario, being the minimum regulatory of 90%. Does not consider standby credit facility with Banco do Brasil.

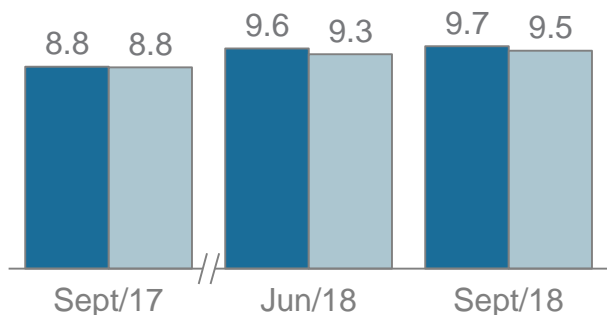
Basel Ratio of 16.4% in Sept/18

Tier I Capital ratio of 13.1%, with 11.1% of CET1

Basel Ratio¹ (%)

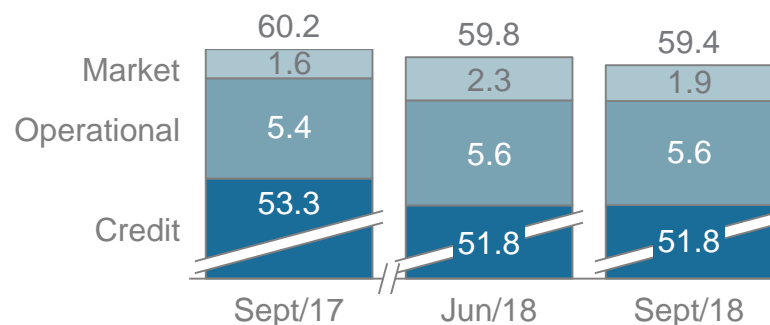


Total Capital and Shareholders' Equity (R\$B)



■ Total Capital ■ Shareholders' equity

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.

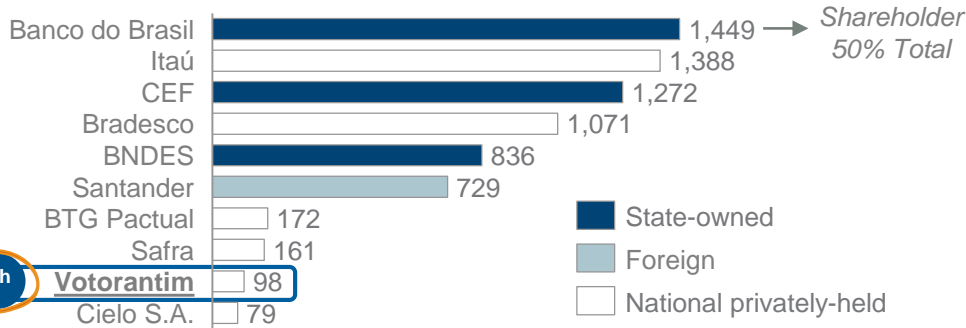
- ▲ Overview
- ▲ Strategy
- ▲ Key indicators
- ▲ Ratings

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...

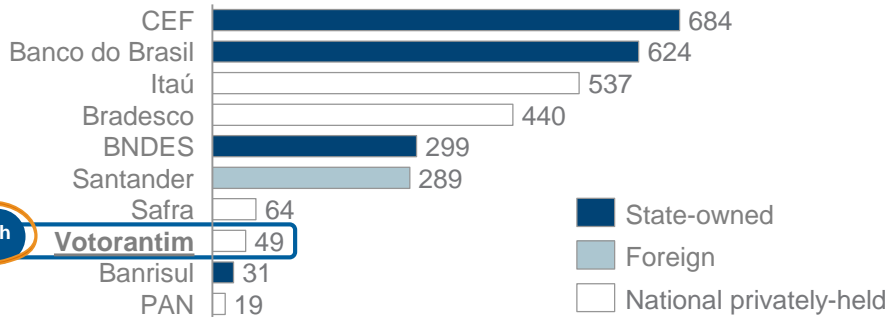
10 largest Banks in Jun/18 - Total Assets (R\$B)



9th

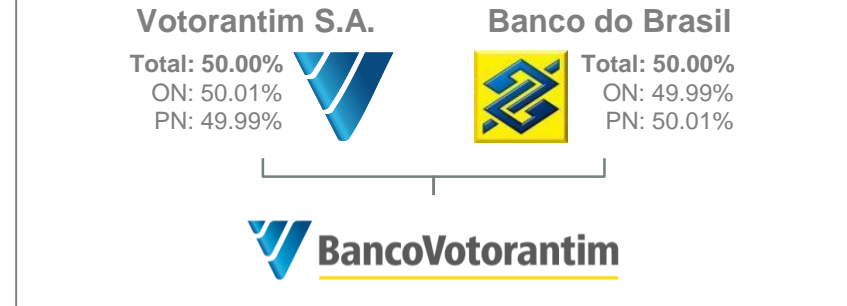
...and also in terms of loan portfolio

10 largest Banks in Jun/18 - Loan Portfolio¹ (R\$B)

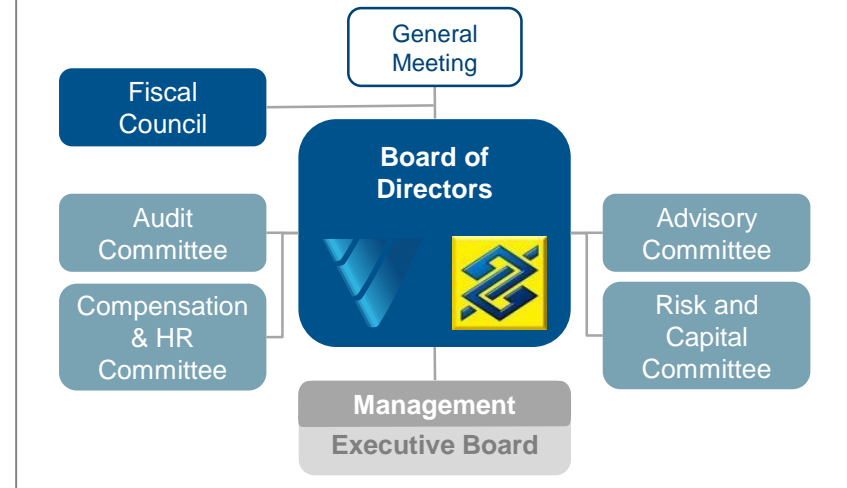


8th

Ownership Structure



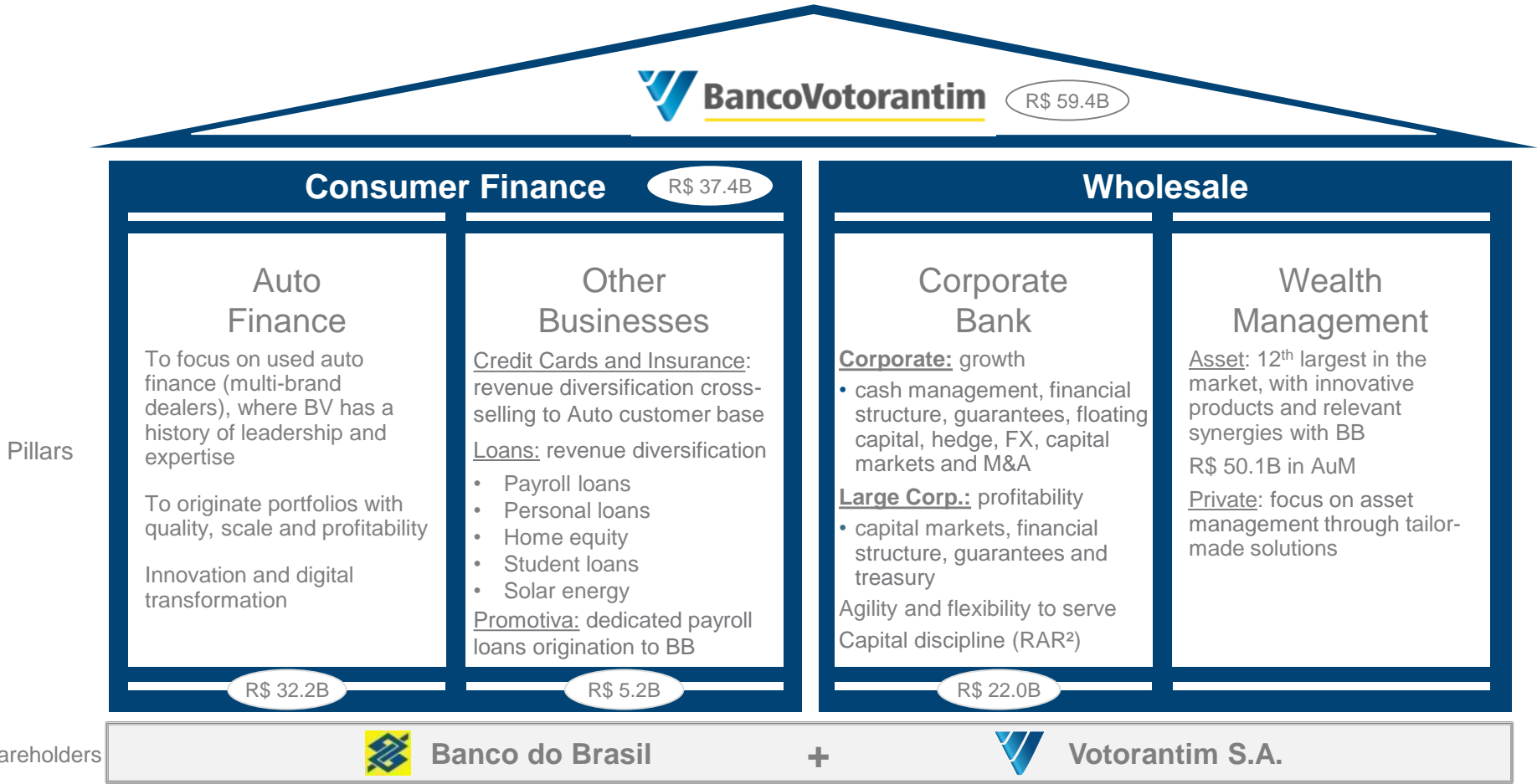
Corporate Governance Structure



1. On-balance loan portfolio according to Central Bank's Resolution 2,682

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.

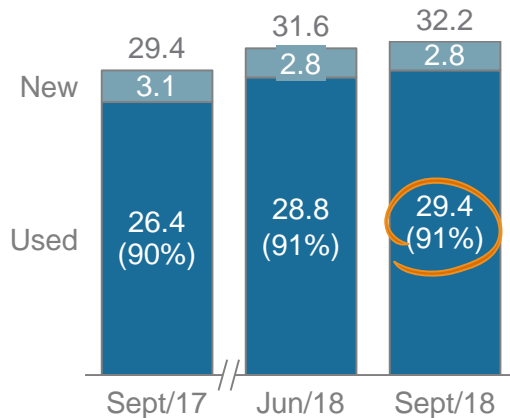
Consumer Finance: increased focus on used auto finance and selective operation in loans agreements



Consumer Finance Businesses

Auto finance

Loan portfolio (R\$B)

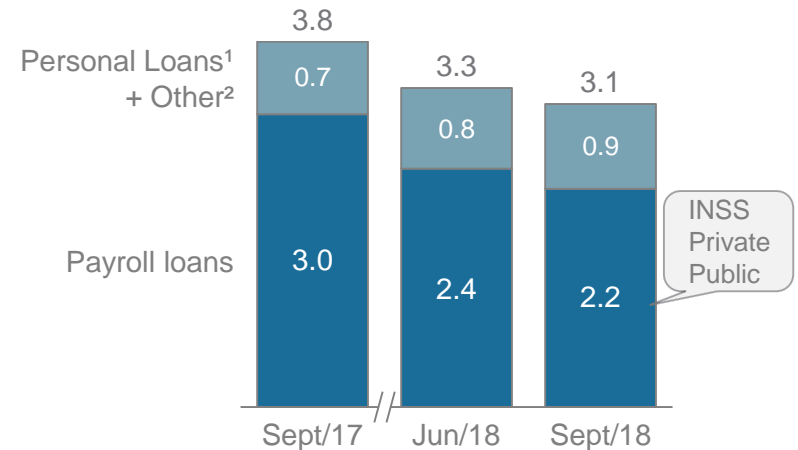


Among market leaders in auto financing, with the following advantages:

- **Capillarity:** presence in ~18,000 car dealerships nationwide
- **Agility:** 91% of proposals with automatic credit decision
- **Expertise:** continuous improvement of management tools (pricing, credit, collection etc.)
- **Long-term relationship:** access to the 1st customer card

Loans and financing

Loan portfolio (R\$B)



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; Neon Pagamentos)

1. With and without guarantees; 2. Includes home equity, student credit and solar energy.



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)



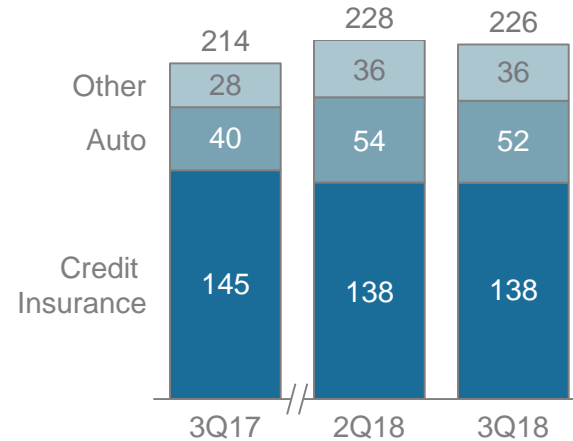
Issuance of Visa and Mastercard credit cards

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 accidents, etc.

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

Wholesale Business

Corporate Bank

Wide range of products

Local currency & Cash Management

Foreign currency & FX

Corporate Finance

Project Finance

Derivatives

Capital market & M&A

Funding

Highlights and strategy

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

- ▲ Focus on capital market operations, financial structuring, guarantees and treasury

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

- ▲ Focus on cash management operations, financial structuring, guarantees, floating capital, hedge, FX, capital markets and M&A

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.

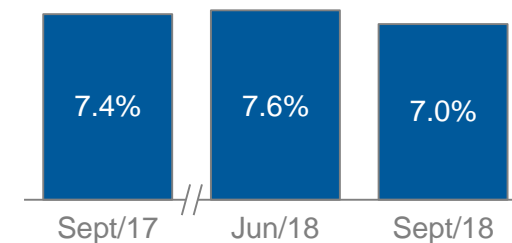
Wholesale : credit portfolio

Sectoral concentration¹

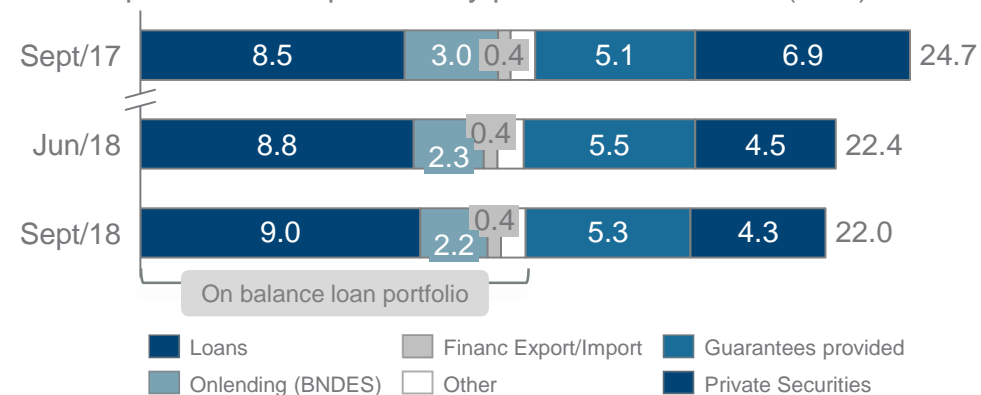
Wholesale Sectorial concentration	Sept.17		Sept.18	
	R\$M	Part.(%)	R\$M	Part.(%)
Financial Institutions	1,793	10.9%	2,321	14.2%
Sugar and Ethanol	1,875	11.4%	1,576	9.9%
Telecom	1,522	9.3%	1,532	8.4%
Retail	956	5.8%	1,013	6.2%
Automotive/Auto parts/Car Dealers	319	1.9%	849	5.9%
Mining	970	5.9%	764	5.7%
Railways	645	3.9%	575	5.4%
Government	437	2.7%	509	4.0%
Food and beverages industry	404	2.5%	486	3.8%
Oil & Gas	410	2.5%	479	3.1%
Slaughterhouses	231	1.4%	435	3.0%
Industry	243	1.5%	412	2.3%
Trading Agro	330	2.0%	382	2.3%
Services	318	1.9%	356	2.1%
Agrochemistry	64	0.4%	346	2.0%
Agribusiness	51	0.3%	295	2.0%
Electricity Distribution	267	1.6%	271	1.9%
Car Rental	294	1.8%	268	1.8%
Electricity Generation	487	3.0%	257	1.7%
Cooperatives	56	0.3%	256	1.6%
Other	4,732	28.8%	2,651	12.6%
Total¹	16,406	100.0%	16,033	100.0%

Loan portfolio

10 largest debtors / Total loan portfolio



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



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.

Financial highlights

Balance sheet

BALANCE SHEET Assets (R\$ Million)	Sept.17	Jun.18	Sept.18
CURRENT AND LONG-TERM ASSETS	98,504	96,750	95,729
Cash and cash equivalents	102	92	405
Interbank funds applied	17,903	20,658	13,815
Securities and derivative financial instruments	22,682	15,143	20,341
Derivative financial instruments	3,419	4,817	4,536
Interbank accounts or relations	401	1,297	646
Loan Operations, Leases and Others receivables	46,102	47,448	48,071
Allowance for loan losses	(3,196)	(3,622)	(3,635)
Tax credit	7,311	7,042	6,997
Others	3,780	3,877	4,553
NON-CURRENTS	915	1,404	1,527
TOTAL ASSETS	99,420	98,154	97,256

BALANCE SHEET Liabilities (R\$ Million)	Sept.17	Jun.18	Sept.18
CURRENT AND LONG-TERM LIABILITIES	90,604	88,766	87,717
Deposits	9,945	12,636	10,971
Demand and Interbank deposits	2,249	1,984	2,069
Time deposits	7,696	10,652	8,902
Money market borrowings	26,289	22,124	20,767
Acceptances and endorsements	24,840	26,058	28,452
Interbank accounts	77	72	594
Borrowings and onlendings	4,468	4,111	4,394
Derivative financial instruments	2,856	4,285	4,110
Others obligations	22,129	19,480	18,428
Subordinated debts	5,294	6,352	6,461
Credit transactions subject to assignment	11,510	8,198	6,635
Others obligations	5,326	4,930	5,332
DEFERRED INCOME	39	40	41
SHAREHOLDERS' EQUITY	8,777	9,349	9,498
TOTAL LIABILITIES	99,420	98,154	97,256

Managerial Income Statement

(R\$ Million)	3Q17	2Q18	3Q18
Net Interest Income (A)	1,323	1,259	1,326
Result of loan losses ¹ (B)	(567)	(379)	(292)
Net Financial Margin (A+B)	756	880	1,034
Operating Income/Expenses	(491)	(412)	(491)
Income from Services and Banking Fees	326	344	341
Personnel ² and Administrative expenses	(594)	(541)	(674)
Tax expenses	(106)	(109)	(99)
Income from subsidiaries	80	83	87
Other Operating Income/(Expenses)	(197)	(190)	(145)
Operating Income (Loss)	264	468	543
Non-Operating Income (Loss)	24	(2)	(2)
Income before Taxes	289	466	541
Income Tax and Social Contribution	(136)	(210)	(273)
Net Income	153	256	268

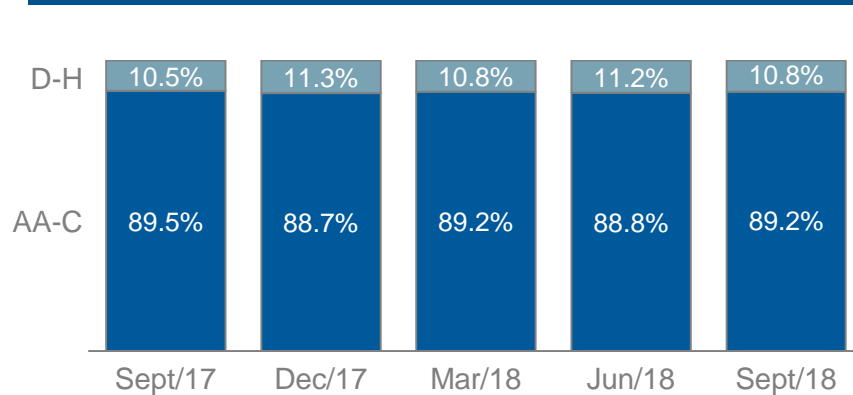
Key indicators

(%)	3Q17	2Q18	3Q18
Return on Average Equity (ROAE)	7.3	11.6	11.9
Return on Average Assets (ROAA)	0.6	1.1	1.1
Net Interest Margin³ (NIM)	6.0	6.1	6.4
Efficiency Ratio - LTM⁴	35.1	32.9	33.2

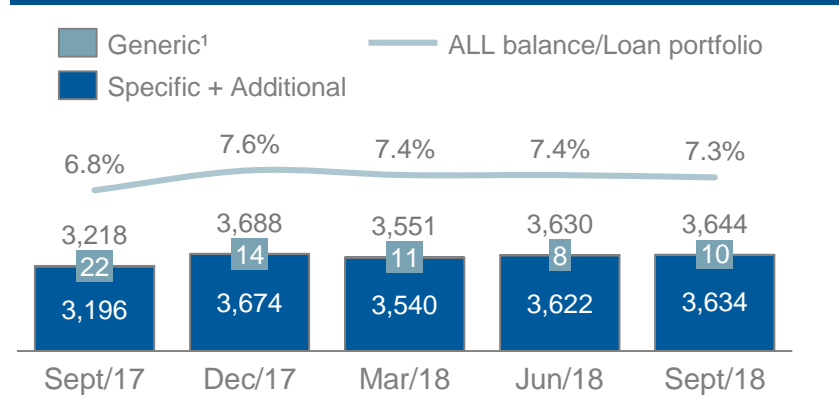
1. Net of revenues from recovery of written-off loans and impairments; 2. Includes profit sharing expenses; 3. Ratio between net interest income and average interest-earning assets of the period. This ratio is annualized; 4. ER = administrative and personnel expenses / (net interest income+ fee income/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

Credit quality indicators

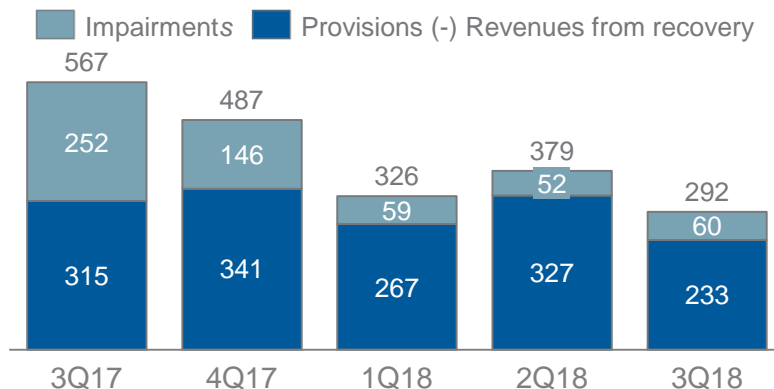
Loan portfolio rated by risk level (%)



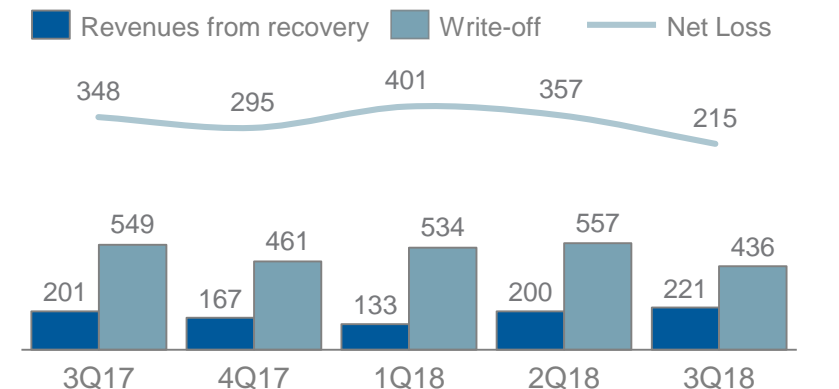
Allowance for loan losses balance (R\$M)



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



Net Loss² (R\$M)

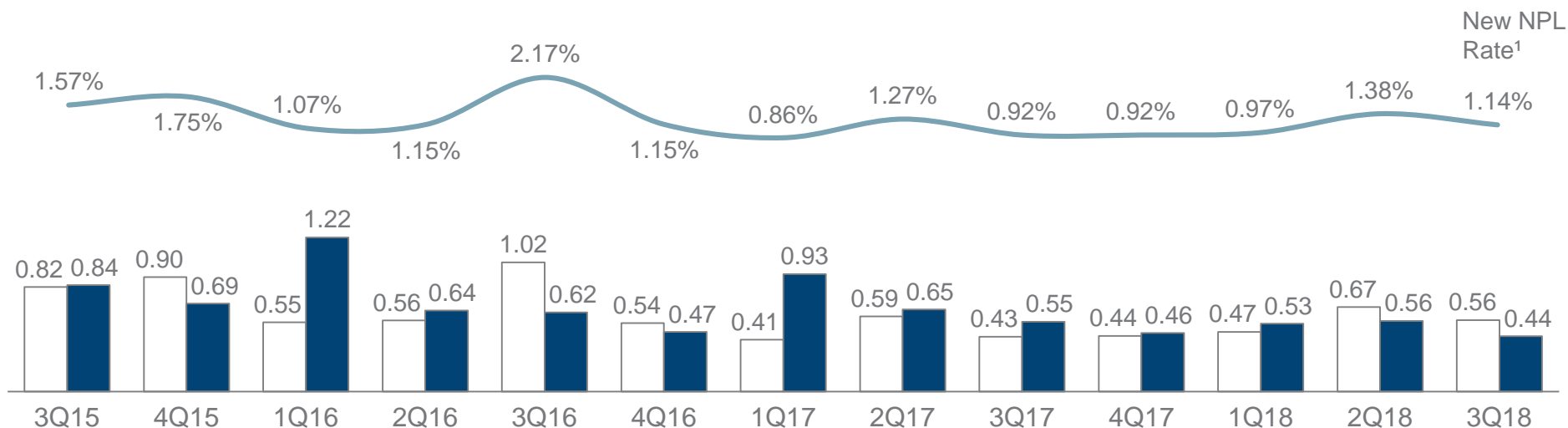


1. Considers credit provisions recognized as Liabilities in the "Other" line (see Note #18d of Financial Statements); 2. Net loss = loans written-off to losses in the quarter + revenues from credit recovery.

New NPL rate

NEW NPL (R\$ Million)	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Managed Loan Portfolio (A)	51,576	51,250	48,799	46,925	47,031	47,620	46,931	46,828	47,608	48,679	48,185	49,170	49,771
90-day NPL Balance	2,712	2,923	2,254	2,174	2,567	2,638	2,120	2,068	1,947	1,925	1,861	1,969	2,095
90-day NPL Quarterly Variation (B)	(14)	211	(669)	(80)	393	71	(518)	(53)	(120)	(22)	(64)	108	126
Write-off (C)	838	693	1,215	639	624	469	926	646	549	461	534	557	436
New NPL (D=B+C)	823	903	546	560	1,017	540	408	594	429	439	470	665	562
New NPL Rate ¹ (D/A)	1.57%	1.75%	1.07%	1.15%	2.17%	1.15%	0.86%	1.27%	0.92%	0.92%	0.97%	1.38%	1.14%

□ 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.

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-		brAAA	BB-
	Short-term	B		brA-1+	