
Earnings Presentation

4th Quarter | 2017

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Net income of R\$582M in 2017, up 36.7% compared to 2016

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

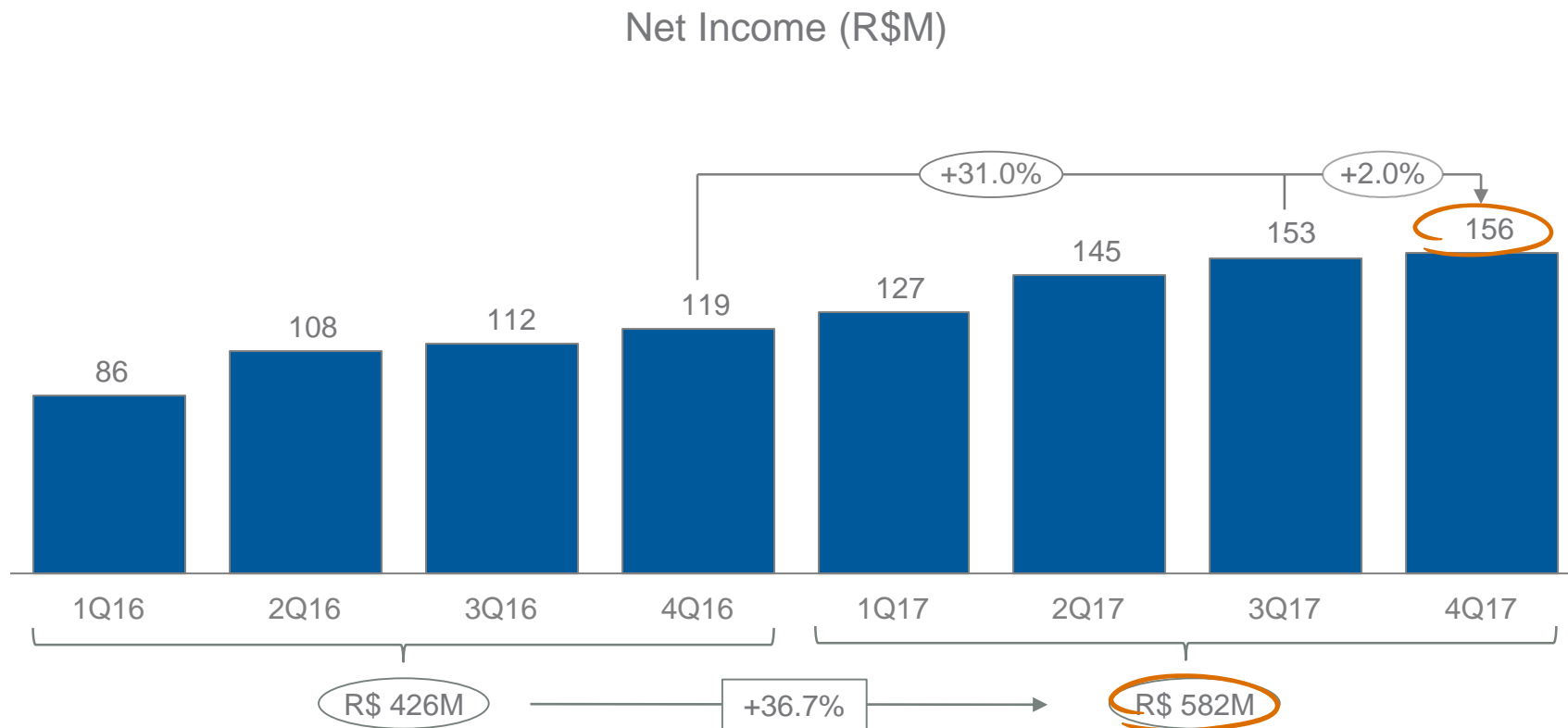
Highlights of results

<p>Consistent net income</p>	<p>Net income of R\$ 156M in 4Q17, compared to R\$ 153M in 3Q17 and R\$ 119M in 4Q16</p> <ul style="list-style-type: none"> In 2017, net income totaled R\$ 582M, up 36.7% over 2016 (R\$ 426M) <p>Shareholders' equity reached R\$ 8.87B in Dec/17</p>
<p>Growing and diversified revenues</p>	<p>NII + revenues from services and insurance increased 7.0% in 2017, to R\$ 6.8B</p> <ul style="list-style-type: none"> Net Interest Margin (NIM) increased to 5.6% in 2017, over 5.2% in 2016 <p>The share of services and insurance reached 25% of total revenue in 2017 (2016: 22%)</p>
<p>Drop in credit costs</p>	<p>Result¹ of loan losses reduced 11.3% in 2017/2016</p> <p>90-day Coverage Ratio of 192% in Dec/17 (Sept/17: 165%, Dec/16: 140%)</p> <p>Net Margin (post- provisions¹) grew 12.9% in 2017, to R\$ 3.1B</p>
<p>Drop in delinquency</p>	<p>90-day NPL of 4.0%, down 10 bps against Sept/17 and 150 bps in 12 months</p> <ul style="list-style-type: none"> <u>Wholesale</u>: 90-day NPL dropped to 1.8% (Sept/17: 2.1%) <u>Consumer Finance</u>: 90-day NPL of 4.7% (Sept/17: 4,8%). Vehicles' NPL dropped to 4.2% (Sept/17: 4.3%)
<p>Effective cost management</p>	<p>Personnel² and administrative expenses decreased 4.2% nominally in 2017/2016</p> <p>Efficiency Ratio for the last 12 months reached 34.4% (Dec/16: 36.4%)</p>

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

Net Income of R\$ 156M in the 4Q17 and R\$ 582M in 2017

Net profit grew 31% over 4Q16 and 37% in the annual comparison



4Q17 profit confirms the consistent trajectory of Banco Votorantim's results

Highlights of Results

2017/2016: Consistent revenues generation, reduction of loan losses and cost base reduction

Managerial Income Statement (R\$M)

(R\$ Million)	4Q16	3Q17	4Q17	Var. 4Q17/3Q17	2016	2017	Var. 2017/2016
Net Interest Income (A)	1,258	1,323	1,332	0.7%	4,985	5,081	1.9%
Result of loan losses ¹ (B)	(766)	(567)	(487)	-14.1%	(2,260)	(2,004)	-11.3%
Net Financial Margin (A+B)	492	756	845	11.8%	2,725	3,077	12.9%
Operating Income/Expenses	(595)	(491)	(546)	11.2%	(2,276)	(2,050)	-9.9%
Income from Services and Banking Fees	321	326	376	15.2%	1,123	1,318	17.4%
Personnel ² and Administrative expenses	(693)	(594)	(657)	10.7%	(2,510)	(2,403)	-4.2%
Tax expenses	(95)	(106)	(112)	5.0%	(361)	(398)	10.3%
Income from subsidiaries	50	80	81	1.4%	194	285	46.5%
Other Operating Income/(Expenses)	(179)	(197)	(234)	18.8%	(724)	(852)	17.8%
Operating Income (Loss)	(104)	264	298	12.8%	448	1,027	-
Non-Operating Income (Loss)	(8)	24	(4)	-	1	3	-
Income before Taxes	(111)	289	294	1.8%	449	1,030	-
Income Tax and Social Contribution	231	(136)	(138)	1.5%	(23)	(448)	-
Net Income	119	153	156	2.0%	426	582	36.7%

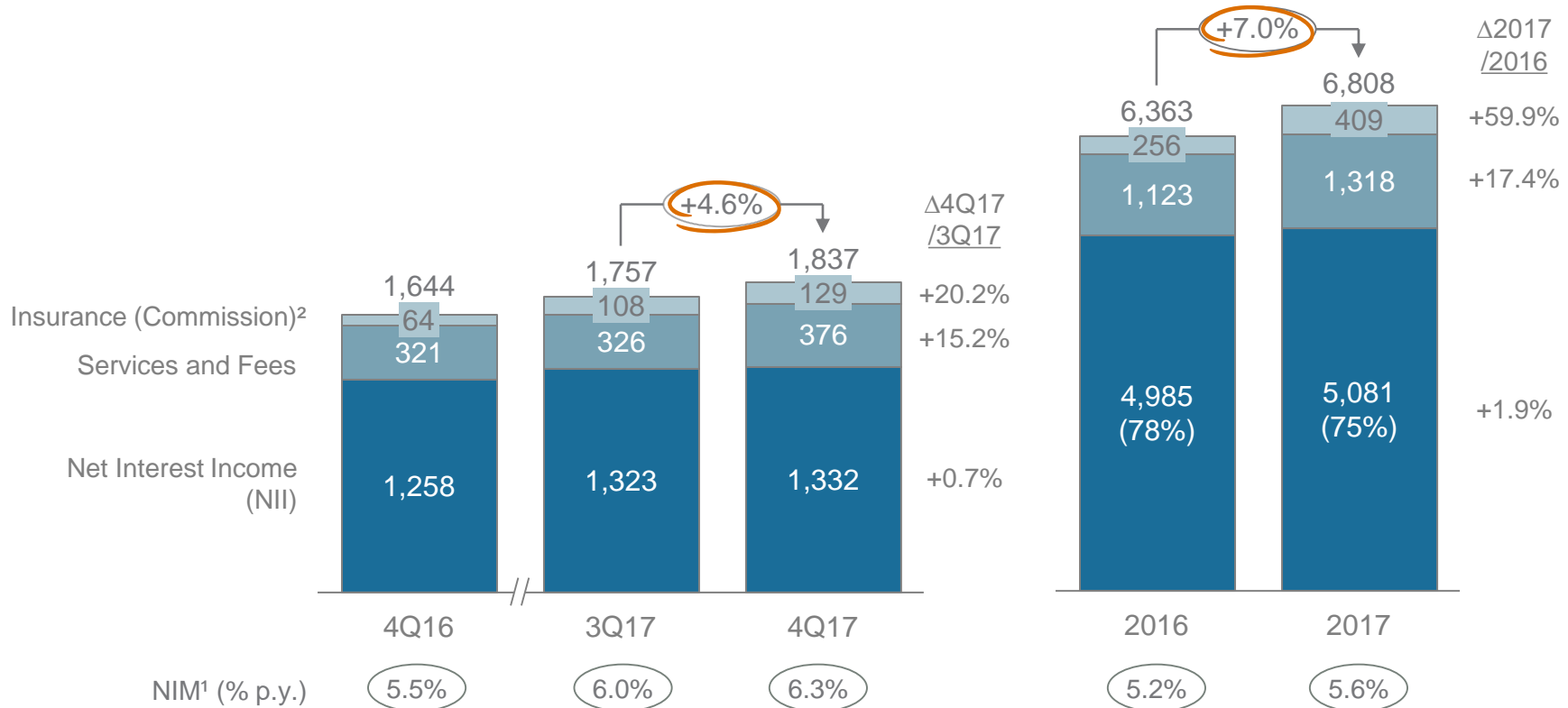
Banco Votorantim continues advancing in the profitability of its businesses, operational efficiency, and revenue diversification

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

Growing and diversified revenue base

The share of services and insurance in total revenues grew in 2017/2016

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



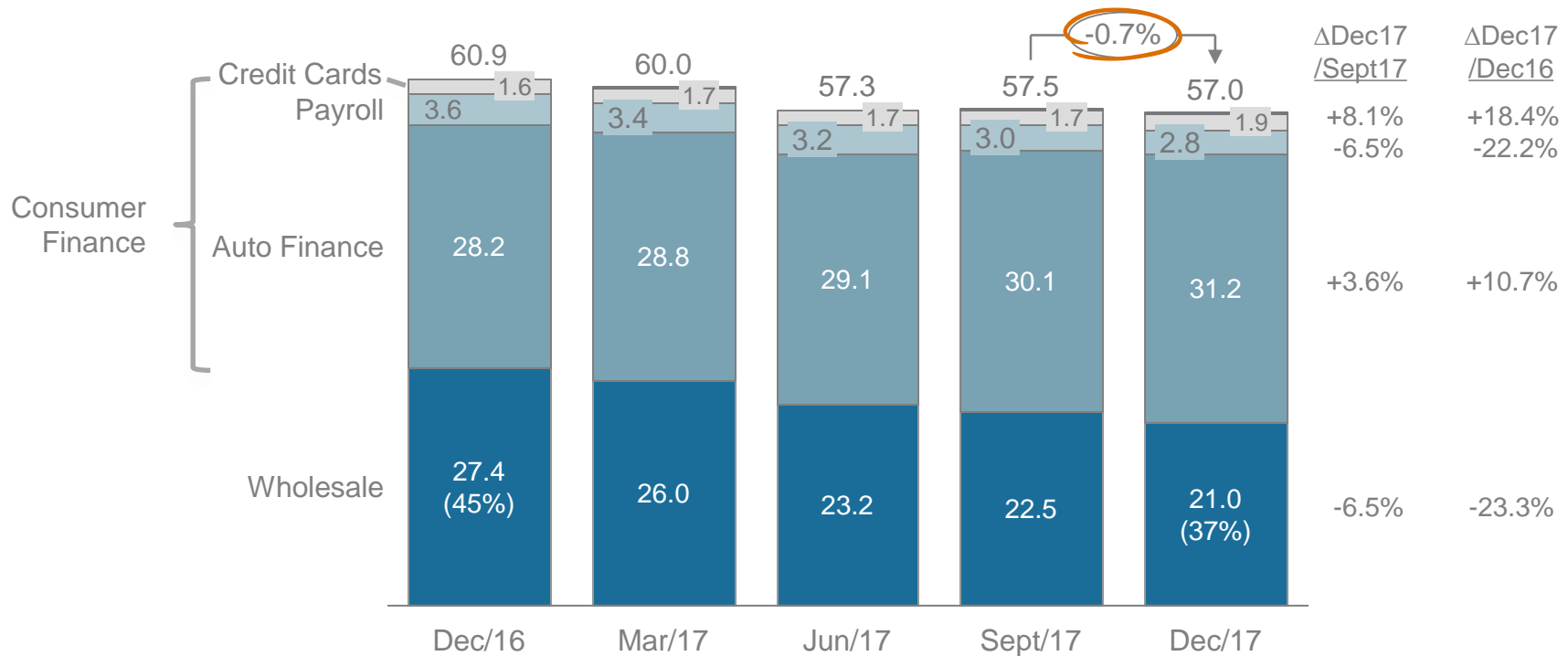
Net Interest Margin (NIM) grew to 5.6% in 2017

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\$ 57.0B in Dec/17, virtually stable against Sept/17

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

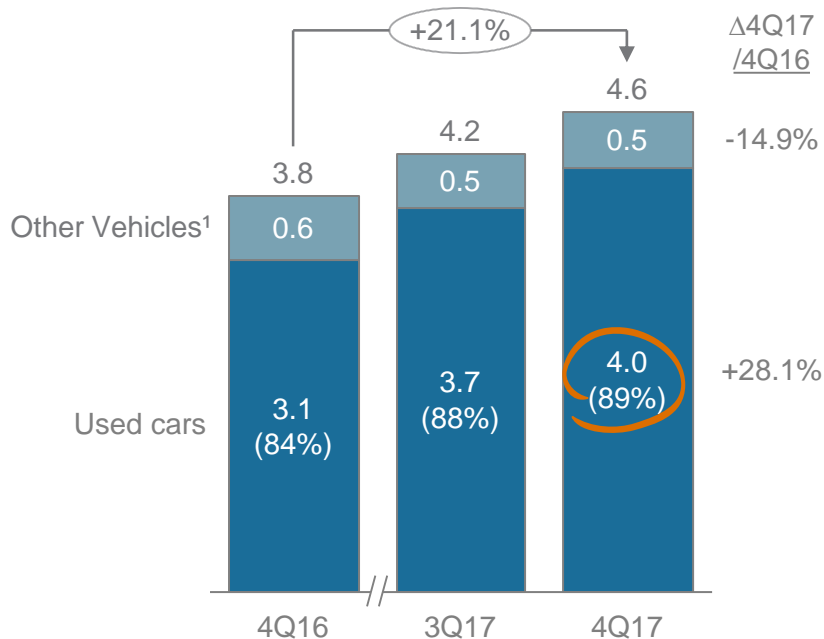


Focus on profitability, with increased participation of the Consumer Finance business in the portfolio

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

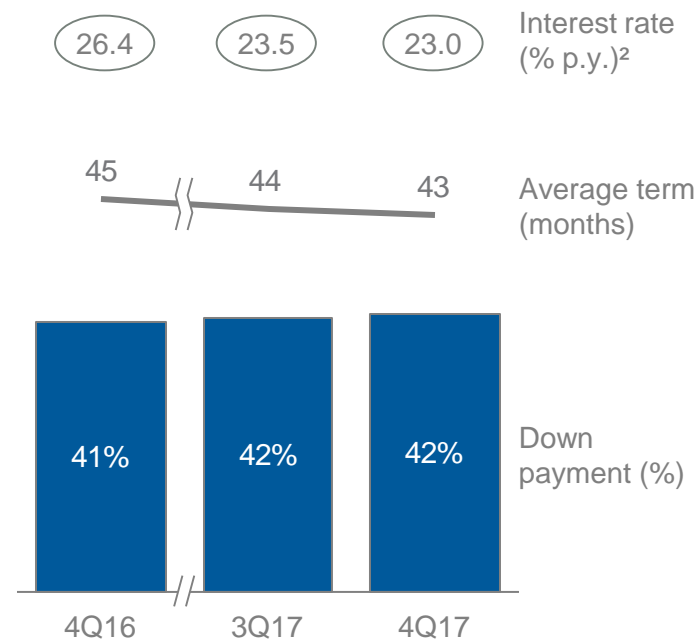
Focus on used cars, which represented 89% of 4Q17 origination

Origination of auto loans (R\$B)



Maintenance of conservative lending standards

Down payment, average term and interest rate



Banco Votorantim is one of the market leaders in auto financing

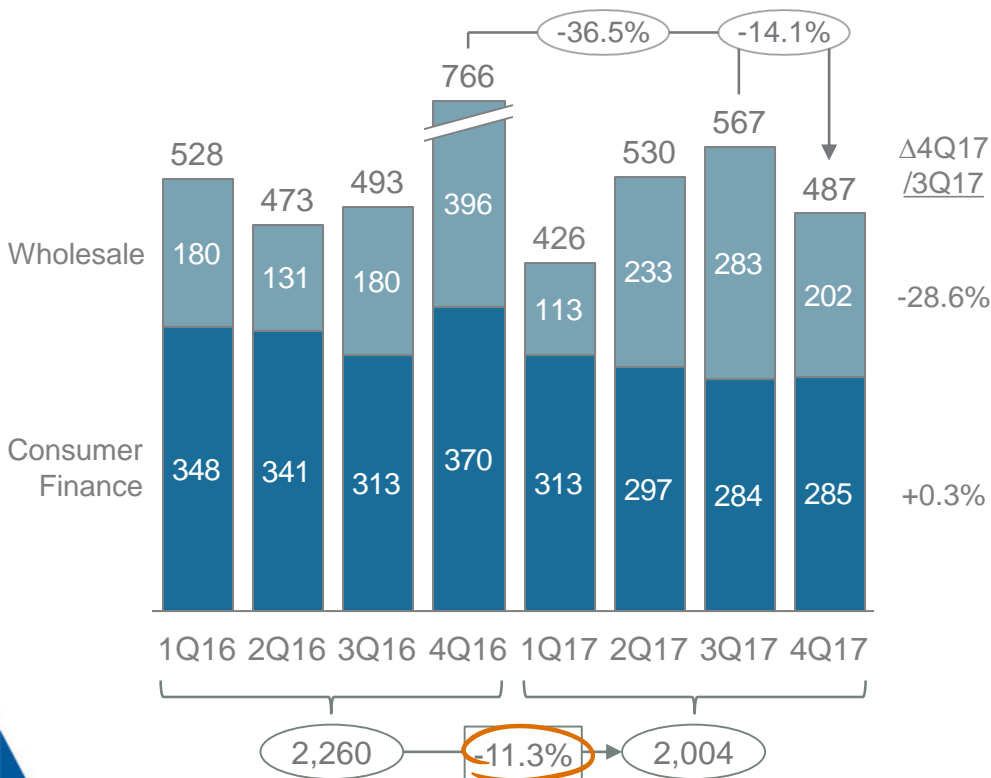
1. New cars, trucks and motorcycles; 2. Weighted average rate for the quarterly origination.
 Note: in Dec/17, the average ticket size was R\$ 21,000, and the average vehicle age was 5.0 years (portfolio).

Result of loan losses and impairments reduced 11.3% in 2017

90-day Coverage Ratio reached 192% in Dec/17

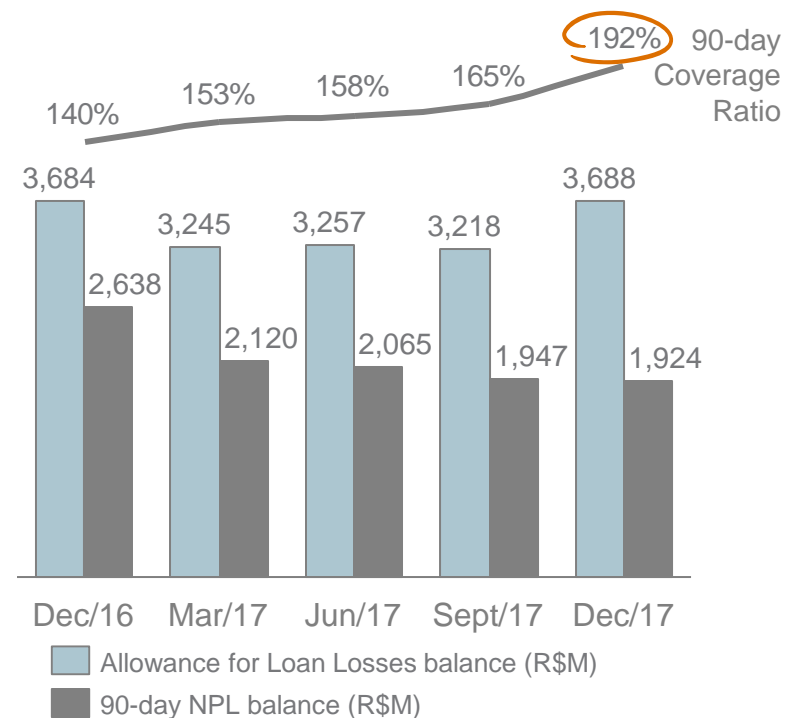
Result¹ of loan losses and impairments reduced 36.5% in 4Q17/4Q16

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



90-day CR remains in a conservative level

90-day Coverage Ratio² (CR)

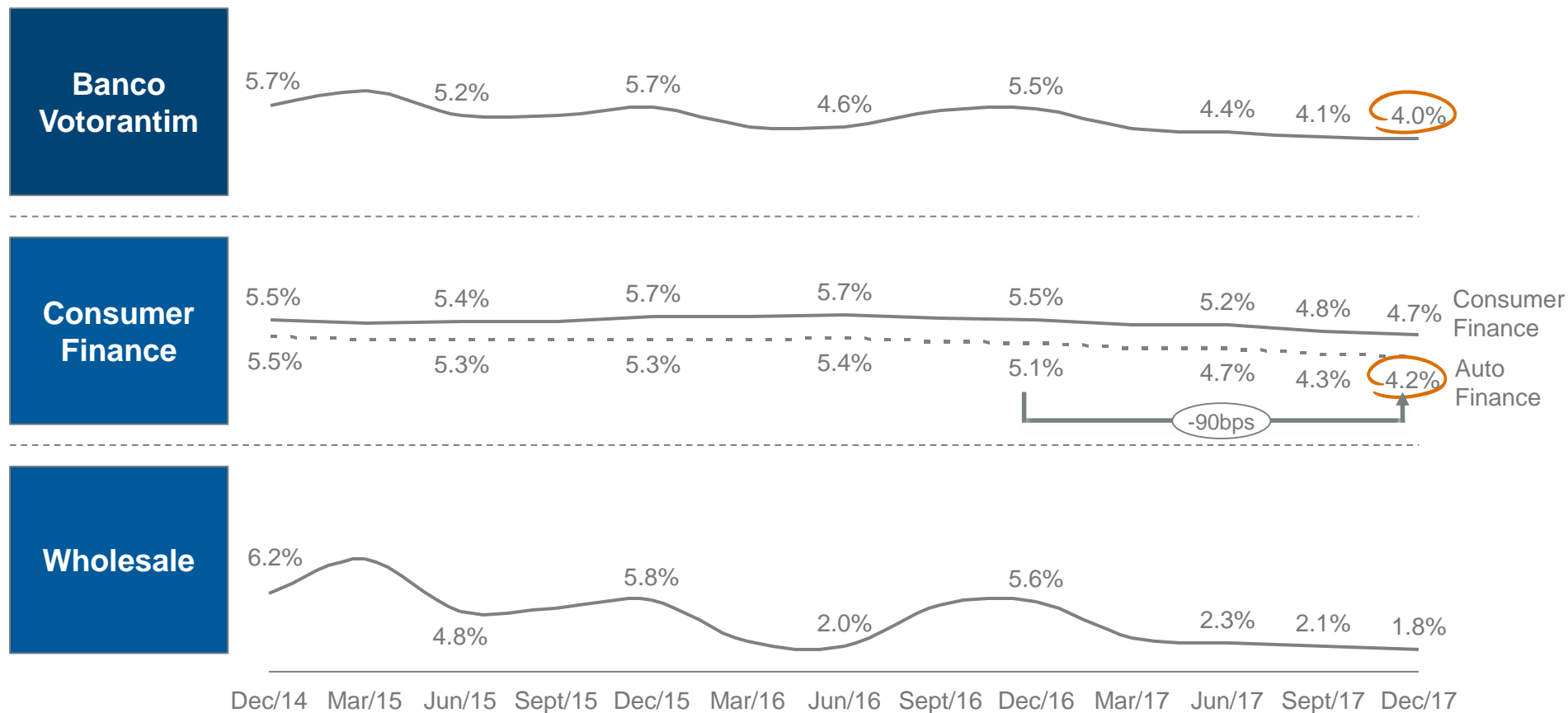


1. Net of revenues from recovery of written-off loans; 2. Ratio between the balance of ALL and the balance of loans past due over 90 days.

90-day NPL declined to 4.0% in Dec/17 (5.5% in Dec/16)

Auto Finance: delinquency reduced 90bps in the last 12 months, to 4.2%

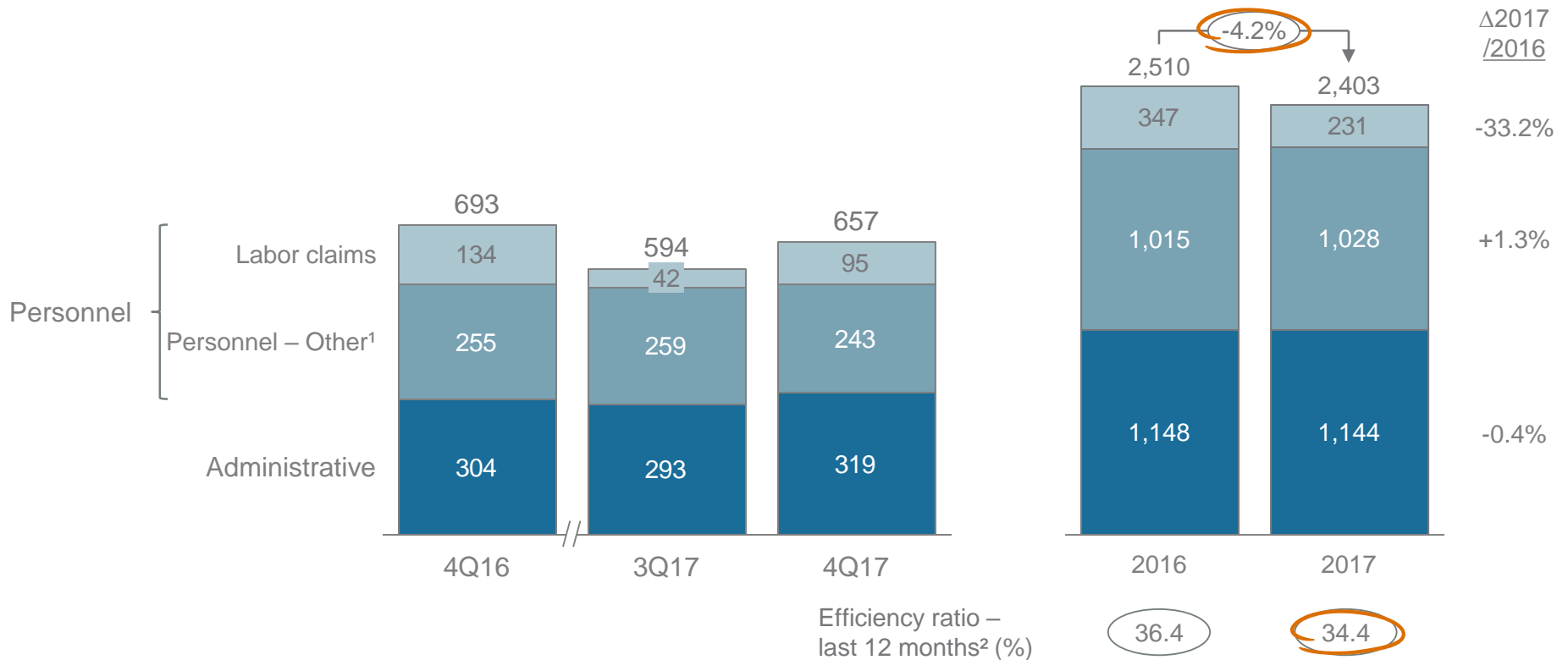
90-day NPL ratio of the loan portfolio (%)



Effective cost management, with efficiency gain

Personnel¹ and administrative expenses decreased 4.2% in 2017/2016

Personnel¹ and administrative expenses (R\$M)



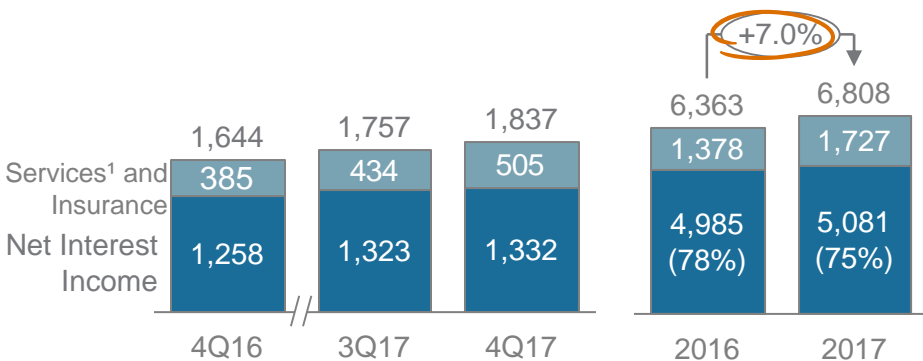
1. Includes profit sharing expenses; 2. Excludes expenses with labor lawsuits and profit sharing expenses.

Summary: Net income of R\$156M in 4Q17 and R\$582M in 2017

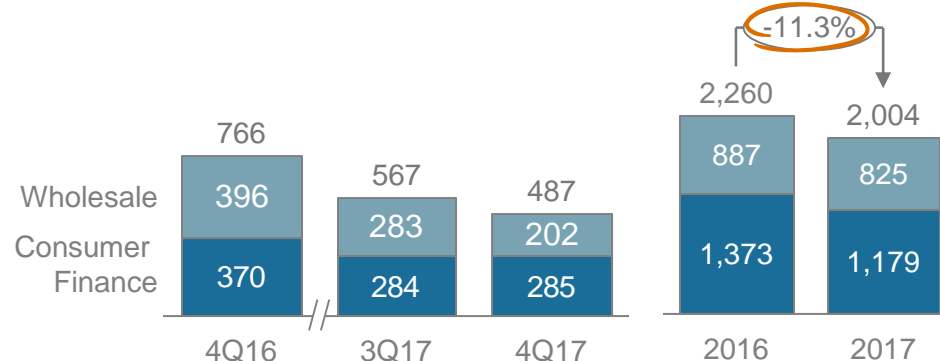
Consistent generation of revenues, reduction of loan losses and control of the cost basis

R\$ Million

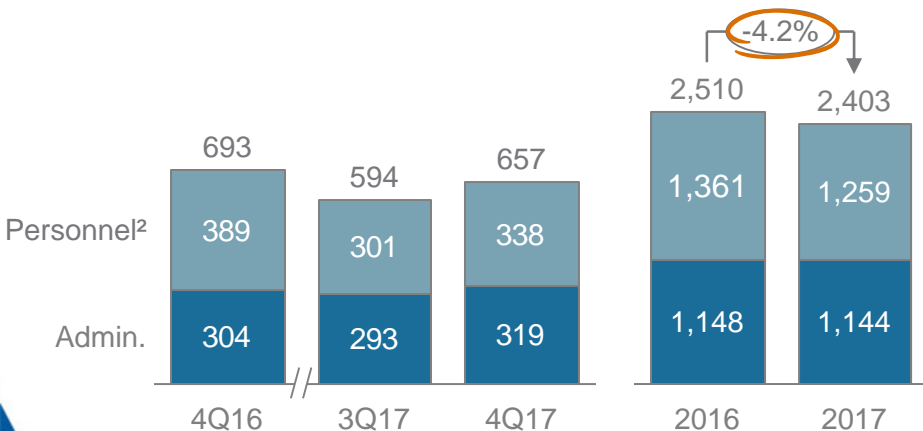
NII and Income from Services¹ and Insurance



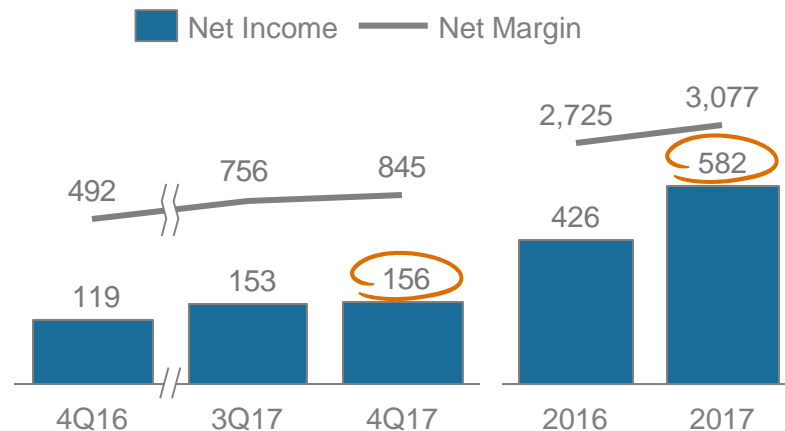
Result of loan losses and impairments



Personnel and Administrative expenses



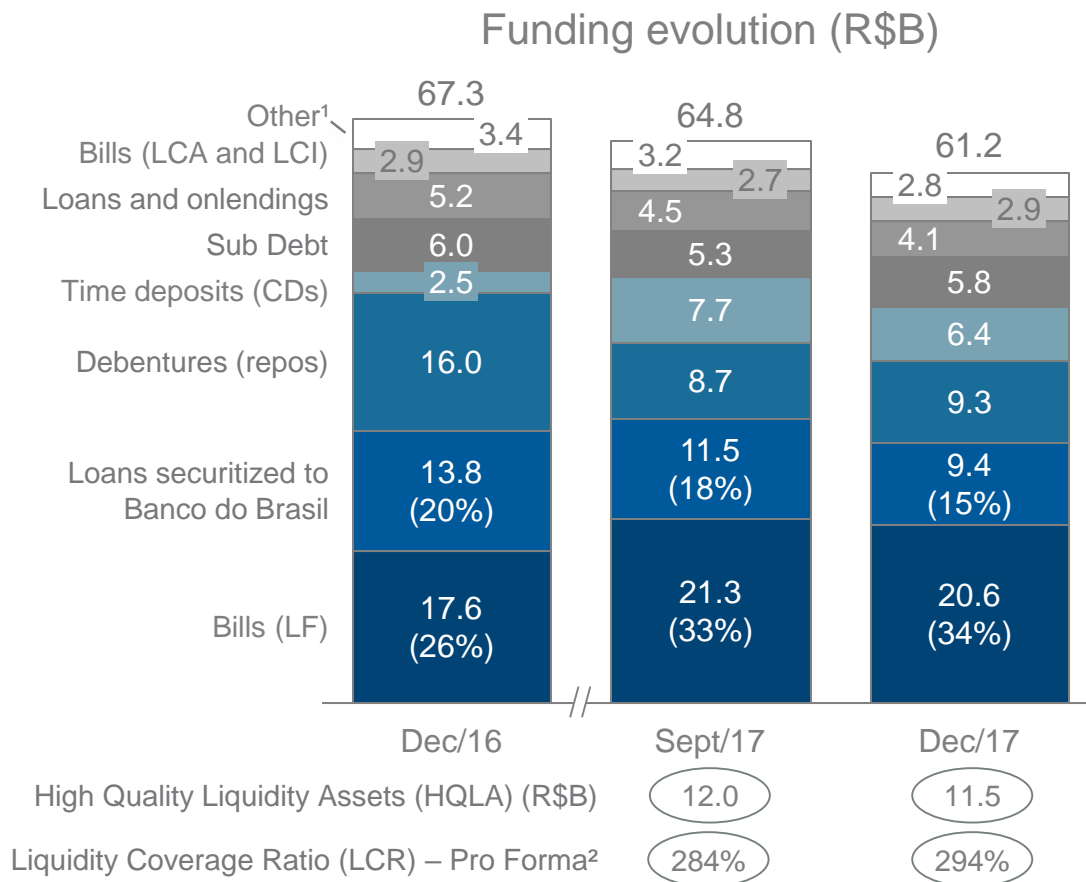
Net Income and Net Margin (post provisions)



1. Income from services and banking fees; 2. Includes profit sharing expenses.

Funding volume amounted to R\$ 61.2B in Dec/17

Credit assignments and Bills represented half of total funding



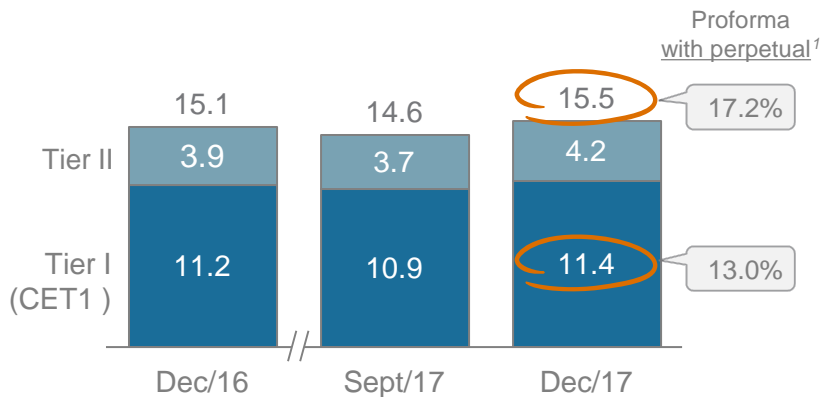
Additionally, Banco Votorantim has a stand-by credit facility of ~R\$ 7B from BB, which has never been tapped

1. Includes cash and interbank deposits, and securities abroad, whose balance was R\$ 0.6B in Dec/17; 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 the Central Bank in Dec/17 was 185%, and the regulatory minimum of 80%.

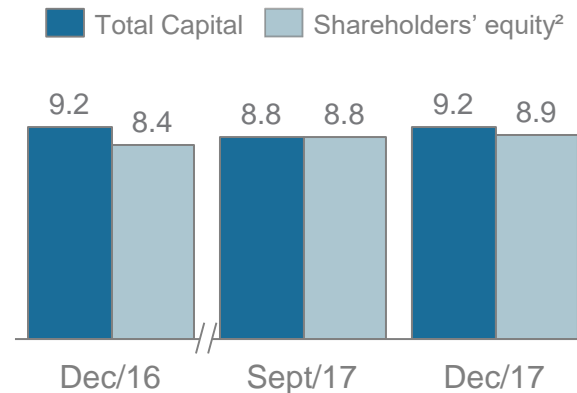
Basel Ratio of 15.5% in Dec/17

Tier I Capital ratio of 11.4%, entirely composed of CET1

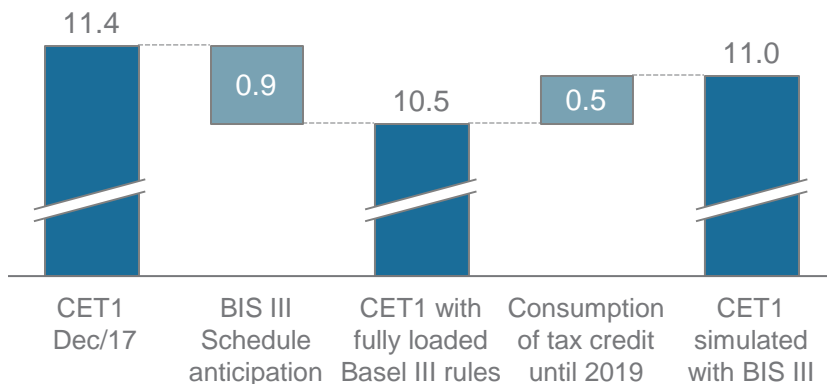
Basel Ratio (%)



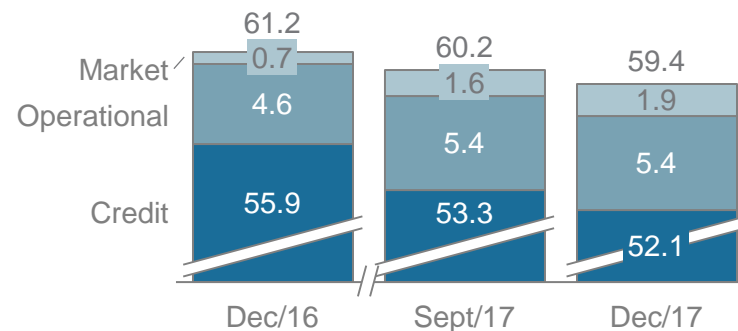
Total Capital and Shareholders' Equity (R\$B)



Simulation: CET1 under full Basel III (%)



Risk-weighted assets – RWA (R\$B)



1. In Nov/17 the Bank issued USD 300M in perpetual bonds eligible to compose the additional Tier I capital. This operation is being approved by the Central Bank;

2. Already contemplates the allocation of dividends in Dec/17 (R\$ 111M). Note: In 2017, the minimum regulatory capital requirement was 10.5% for the Basel Ratio, 7.25% for Tier I Capital Ratio and 5.75% for CET1. In 2018, the minimum regulatory for Tier I Capital Ratio is 7.88%, and 6.38% for CET1.

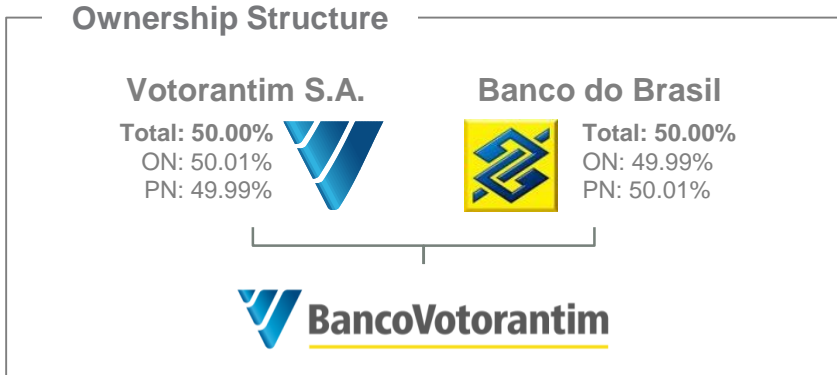
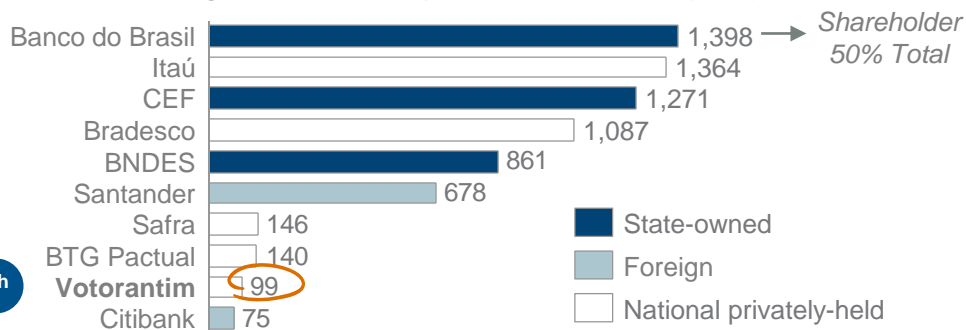
Appendix

Banco Votorantim is one of the leading banks in Brazil

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

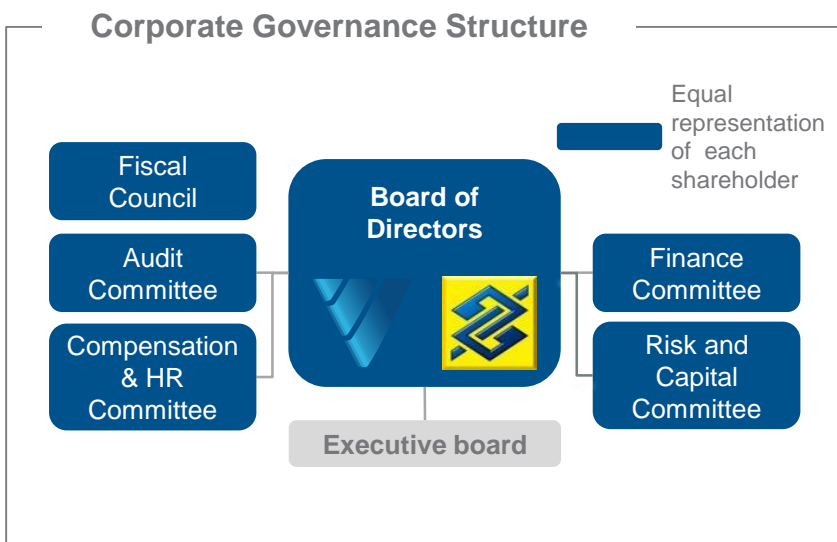
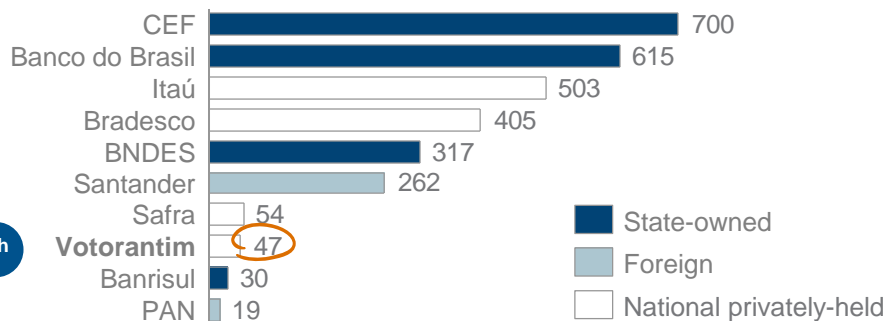
Banco Votorantim is one of the largest privately-held Brazilian banks in total assets...

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



...and also in terms of loan portfolio

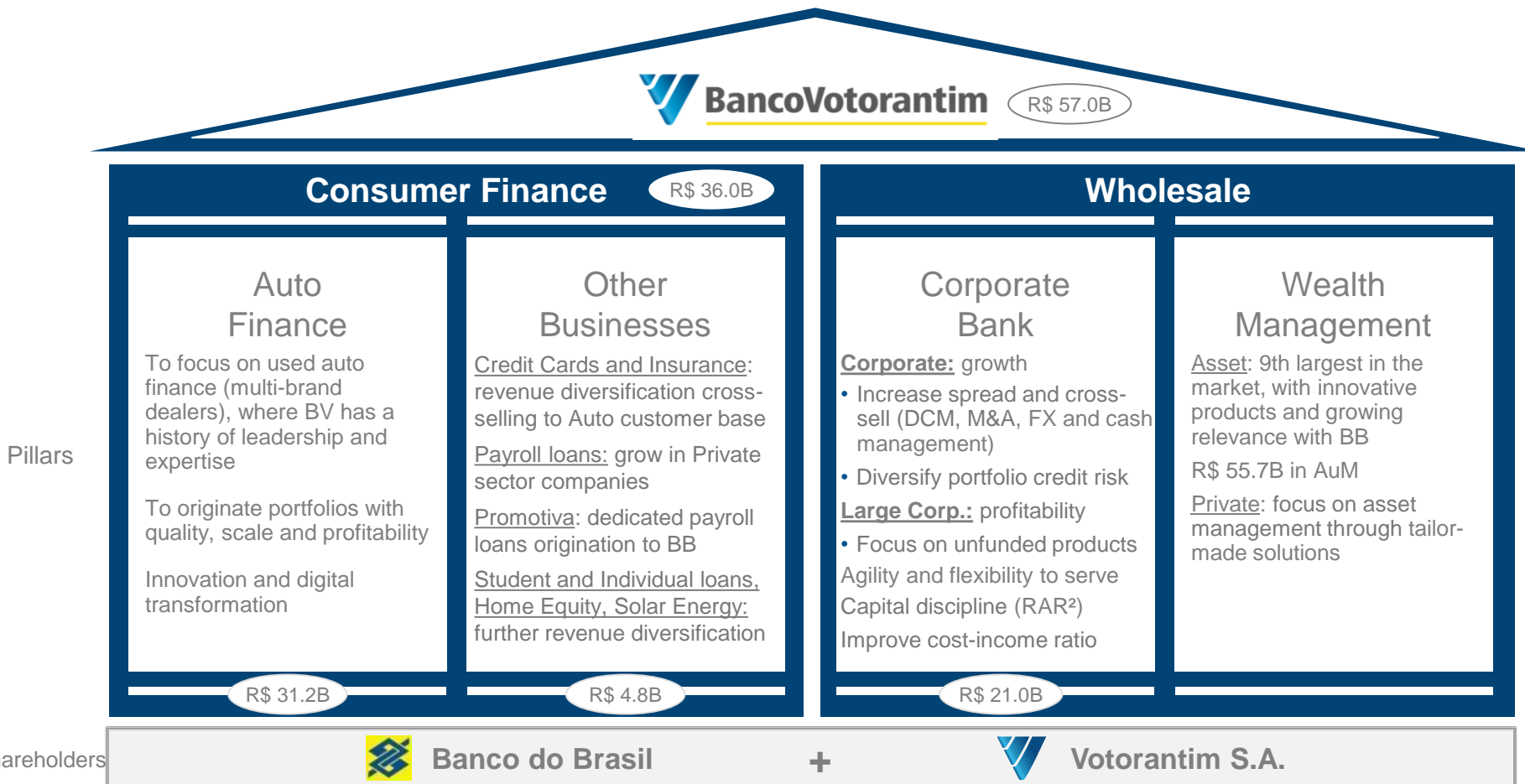
10 largest Banks in Sept/17– Loan Portfolio¹ (R\$B)



1. On-balance loan portfolio according to Bacen's Resolution 2,682;

Diversified business portfolio

Focus on increasing profitability and operating efficiency, and diversifying revenues



(XX) Expanded¹ credit portfolio

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

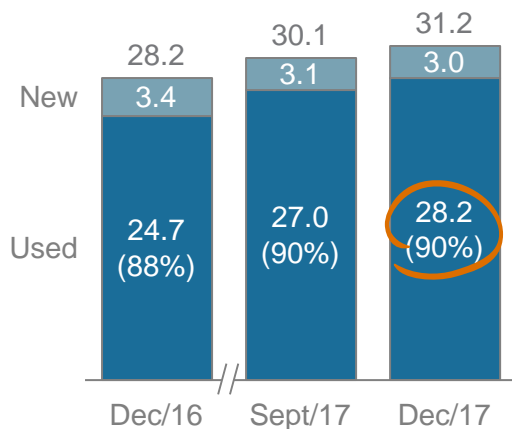
Consumer Finance: increased focus on used auto finance and selective operation in payroll agreements



Consumer Finance Businesses

Auto finance

Loan portfolio (R\$B)

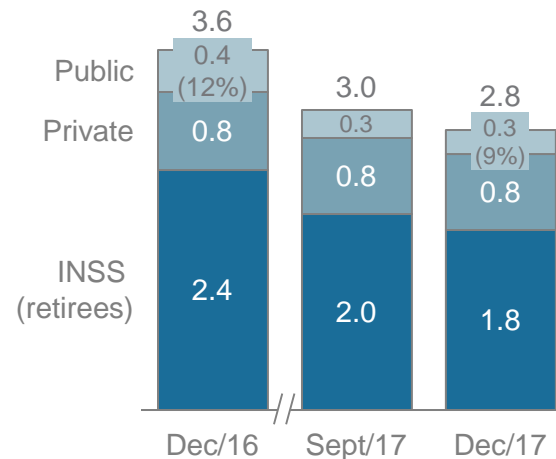


Among market leaders in auto financing, with the following advantages:

- **Capillarity:** presence in ~18,000 car dealerships nationwide
- **Agility:** 89% 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

Loan portfolio (R\$B)



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

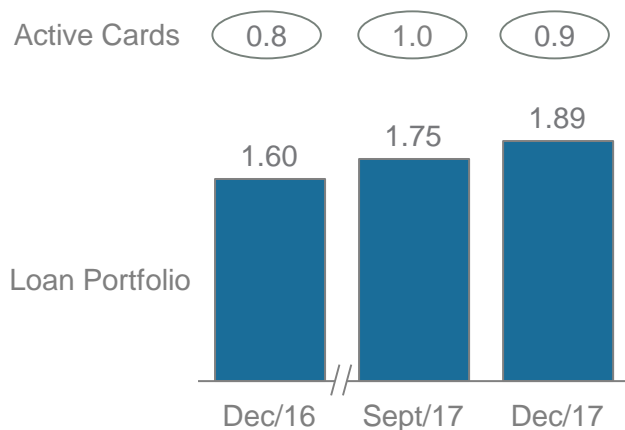
Continuous improvement of management tools (pricing, credit, collection etc.)

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

Consumer Finance Businesses

Credit Cards

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



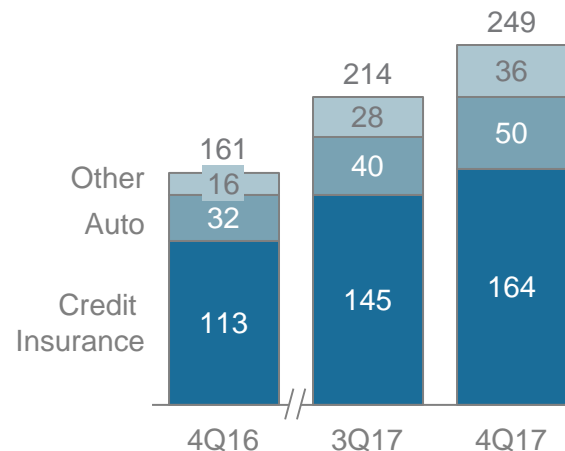
Issuance of Visa and Mastercard credit cards

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:

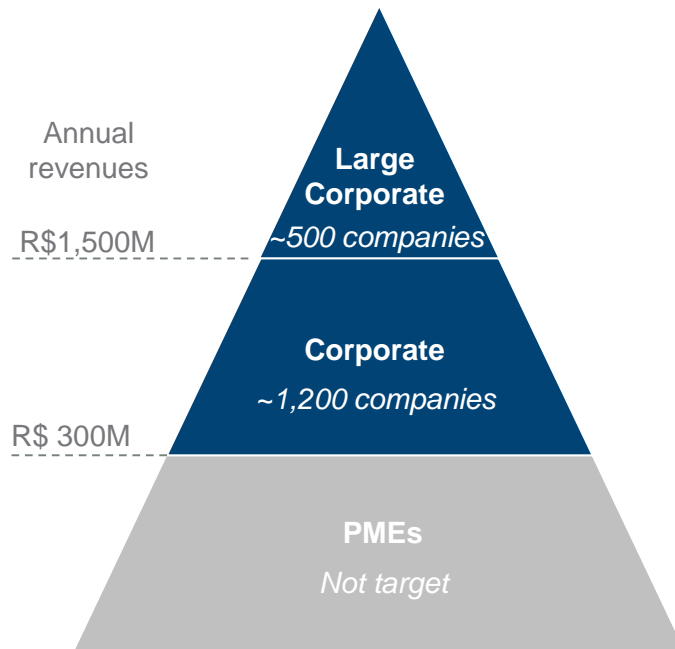
- Life
- Home
- Personal incidents, etc.

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)	Dec.16	Sept.17	Dec.17
CURRENT AND LONG-TERM ASSETS	102,337	98,504	92,503
Cash and cash equivalents	184	102	296
Interbank funds applied	17,116	17,903	15,110
Securities and derivative financial instruments	28,480	22,682	21,083
Derivative financial instruments	2,685	3,419	2,036
Interbank accounts or relations	341	401	14
Loan Operations, Leases and Others receivables	47,315	46,102	47,206
Allowance for loan losses	(3,671)	(3,196)	(3,674)
Tax credit	7,411	7,311	7,215
Others	2,476	3,780	3,218
NON-CURRENTS	660	915	1,016
TOTAL ASSETS	102,998	99,420	93,519

BALANCE SHEET Liabilities (R\$ Million)	Dec.16	Sept.17	Dec.17
CURRENT AND LONG-TERM LIABILITIES	94,535	90,604	84,619
Deposits	4,578	9,945	8,503
Demand and Interbank deposits	2,085	2,249	2,143
Time deposits	2,492	7,696	6,360
Money market borrowings	35,673	26,289	25,737
Acceptances and endorsements	21,802	24,840	24,085
Interbank accounts	100	77	64
Borrowings and onlendings	5,203	4,468	4,062
Derivative financial instruments	2,708	2,856	1,701
Others obligations	24,471	22,129	20,468
Subordinated debts	6,046	5,294	5,818
Credit transactions subject to assignment	13,756	11,510	9,445
Others obligations	4,669	5,326	5,205
DEFERRED INCOME	38	39	32
SHAREHOLDERS' EQUITY	8,426	8,777	8,868
TOTAL LIABILITIES	102,998	99,420	93,519

Managerial Income Statement

(R\$ Million)	4Q16	3Q17	4Q17	2016	2017
Net Interest Income (A)	1,258	1,323	1,332	4,985	5,081
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Income before Taxes	(111)	289	294	449	1,030
Income Tax and Social Contribution	231	(136)	(138)	(23)	(448)
Net Income	119	153	156	426	582

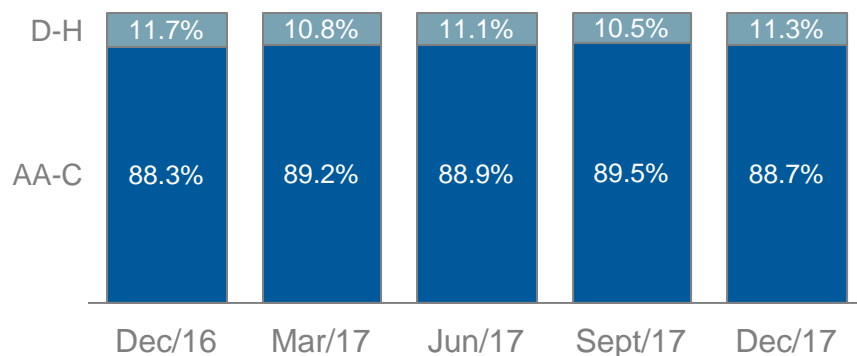
Key indicators

(%)	4Q16	3Q17	4Q17	2016	2017
Return on Average Equity (ROAE)	5.8	7.3	7.3	5.2	6.8
Return on Average Assets (ROAA)	0.5	0.6	0.6	0.4	0.6
Net Interest Margin³ (NIM)	5.5	6.0	6.3	5.2	5.6
Efficiency Ratio - LTM⁴	36.4	35.1	34.4	36.4	34.4

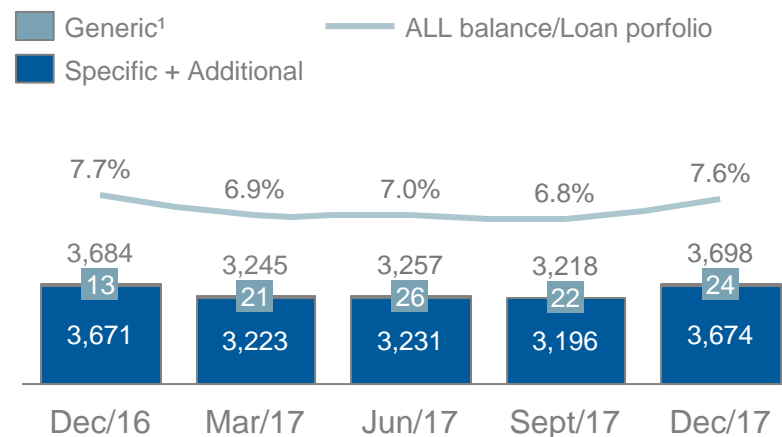
1. Net of revenues from recovery of written-off loans and impairments; 2. Includes profit sharing expenses; 3. Ratio between net interest income and average interest-earning assets of the period. This ratio is annualized; 4. ER = administrative and personnel expenses / (net interest income+ fee income/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

Credit quality indicators

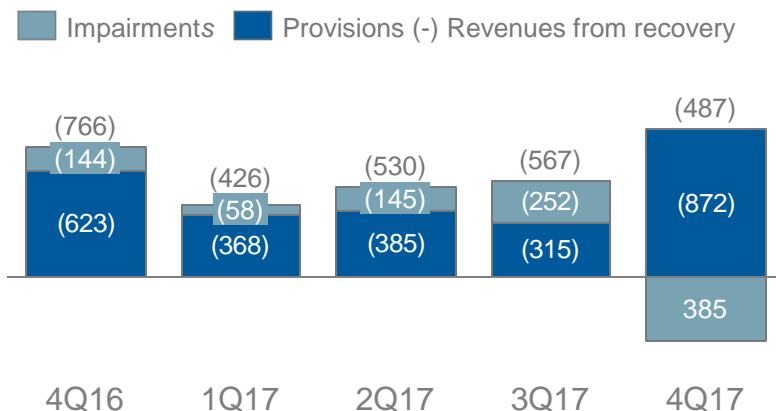
Loan portfolio rated by risk level (%)



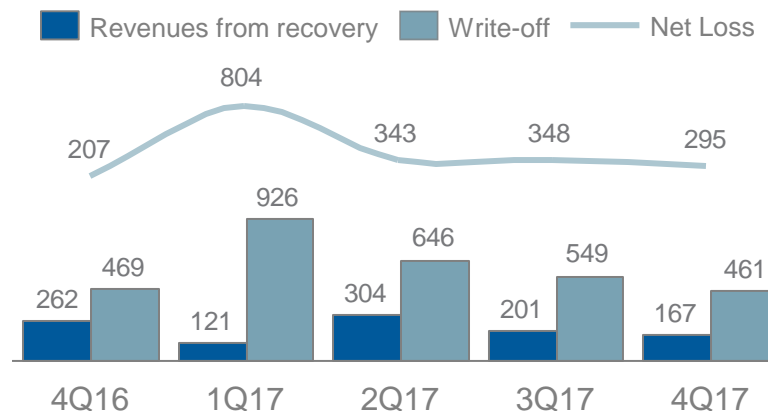
Allowance for loan losses balance (R\$M)



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



Net Loss² (R\$M)

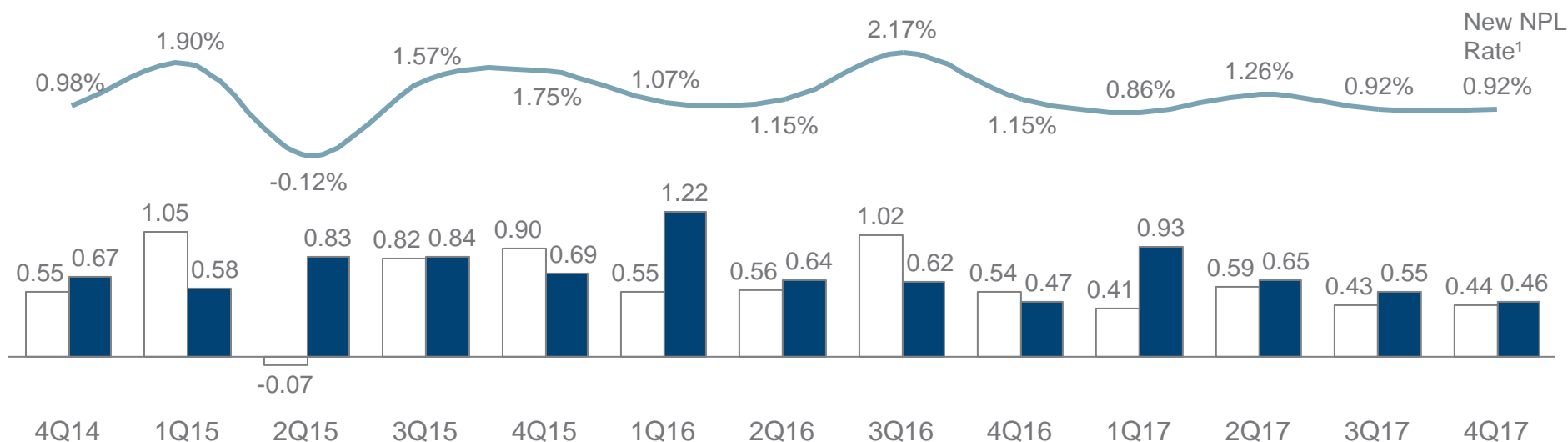


1. Considers credit provisions recognized as Liabilities in the "Other" line (see Note #18d of Financial Statements); 2. Net loss = loans written-off to losses in the quarter + revenues from credit recovery.

New NPL rate

NEW NPL (R\$ Million)	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Managed Loan Portfolio (A)	55,231	55,422	52,505	51,576	51,250	48,799	46,925	47,031	47,620	46,931	46,828	47,608	48,679
90-day NPL Balance	3,154	3,628	2,727	2,712	2,923	2,254	2,174	2,567	2,638	2,120	2,065	1,947	1,924
90-day NPL Quarterly Variation (B)	(119)	474	(902)	(14)	211	(669)	(80)	393	71	(518)	(55)	(118)	(23)
Write-off (C)	666	578	834	838	693	1,215	639	624	469	926	646	549	461
New NPL (D=B+C)	547	1,052	(67)	823	903	546	560	1,017	540	408	591	431	439
New NPL Rate ¹ (D/A)	0.98%	1.90%	-0.12%	1.57%	1.75%	1.07%	1.15%	2.17%	1.15%	0.86%	1.26%	0.92%	0.92%

□ 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.

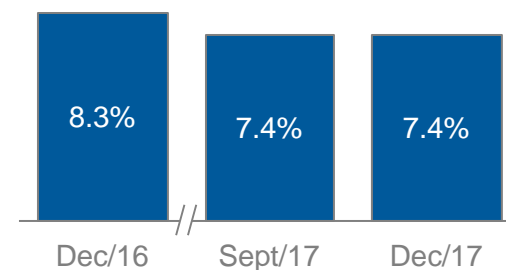
Wholesale credit portfolio

Sectoral concentration¹

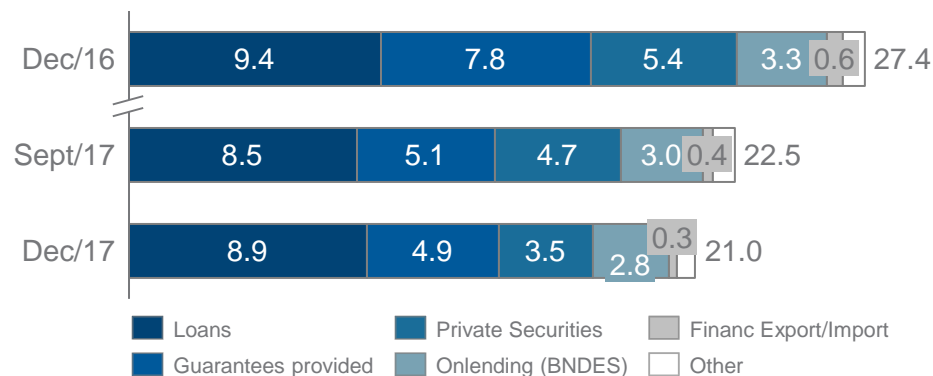
Wholesale Sectorial concentration	Dec.16		Dec.17	
	R\$M	Part.(%)	R\$M	Part.(%)
Financial Institutions	4,523	21.9%	1,875	9.1%
Sugar and Ethanol	1,831	8.9%	1,735	8.4%
Telecom	1,633	7.9%	1,306	6.3%
Retail	1,332	6.5%	1,132	5.5%
Mining	891	4.3%	1,027	5.0%
Petrochemical	1,395	6.8%	760	3.7%
Agribusiness	710	3.4%	731	3.5%
Railways	723	3.5%	596	2.9%
Government	525	2.5%	459	2.2%
Oil & Gas	401	1.9%	443	2.1%
Electricity Generation	542	2.6%	442	2.1%
Services	232	1.1%	359	1.7%
Textile industry	210	1.0%	358	1.7%
Pulp and Paper	355	1.7%	336	1.6%
Food industry	245	1.2%	323	1.6%
Steel industry	311	1.5%	282	1.4%
Residential Construction	416	2.0%	279	1.4%
Electricity Distribution	419	2.0%	255	1.2%
Slaughterhouses	258	1.3%	234	1.1%
Beverages industry	180	0.9%	224	1.1%
Other sectors	3,480	16.9%	2,538	12.3%
Total¹	20,614	100.0%	15,696	100.0%

Loan portfolio

10 largest debtors / Total loan portfolio



Expanded credit portfolio by product (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.

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+	