
Earnings Presentation

2nd Quarter | 2017

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Net Income of R\$ 145M in 2Q17 and R\$ 273M in 1H17

Consistent result, with drop in delinquency and effective cost management

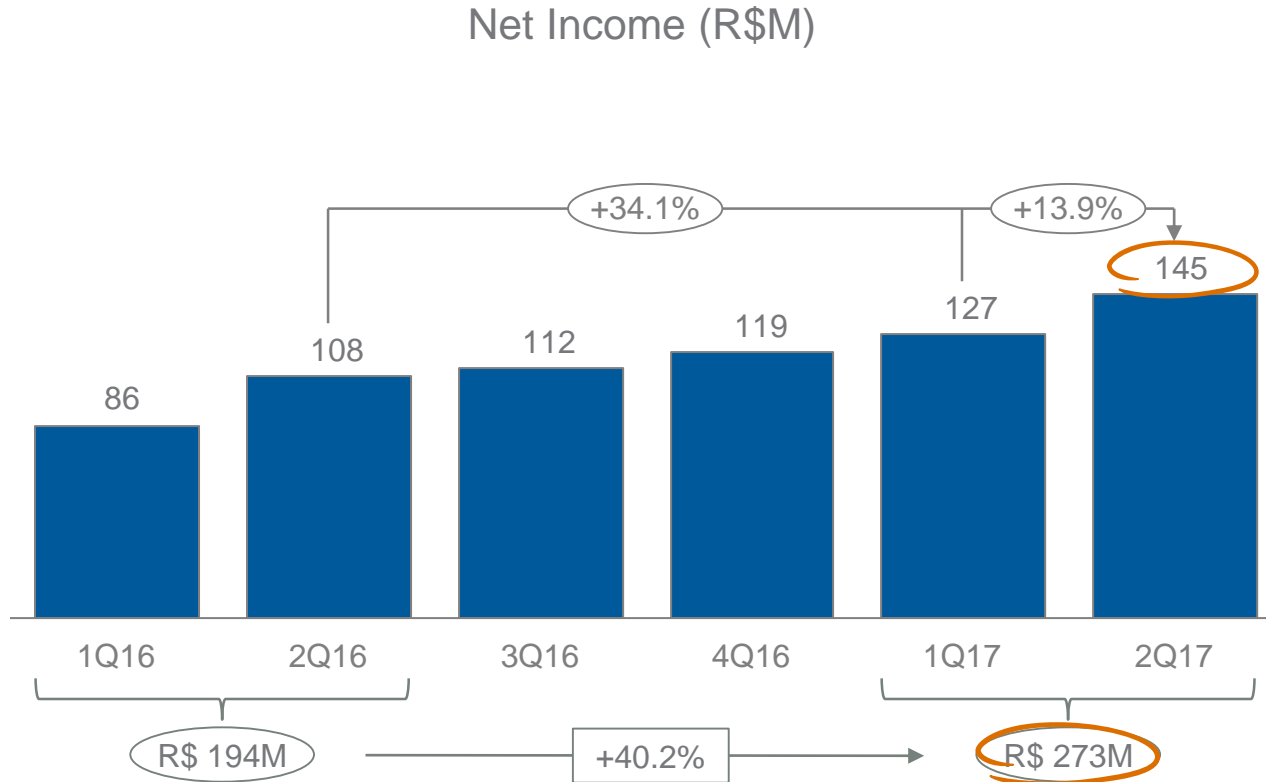
Highlights of results

<p>Net Income of R\$ 145M</p>	<p>Net income of R\$ 145M in 2Q17, compared to R\$ 127M in 2Q17 and R\$ 108M in 2Q16</p> <ul style="list-style-type: none"> In 1H17, the net income totaled R\$ 273M, growth of 40.2% over 1H16 (R\$ 194M) <p>Shareholders' equity reached R\$ 8.51B in Jun/17</p>
<p>Diversification of revenues</p>	<p>Income from Services and Insurance increased 23.6% in 1H17/1H16, virtually offsetting the 10.1% decrease in the NII, due to the retraction in the corporate market and the greater conservatism in credit</p> <p>Expanded credit portfolio of R\$ 57.3B in Jun/17, down 4.5% in 2Q17 and 3.7% in the last 12 months</p>
<p>Reduction of ALL in 1H17/1H16</p>	<p>ALL expenses¹ increased 4.7% in 2Q17/1Q17, but reduced 21.9% in 1H17/1H16</p> <ul style="list-style-type: none"> Wholesale and Consumer Finance presented an ALL expenses reduction in half-yearly comparison <p>Coverage Ratio of 158% in Jun/17 (Jun/16: 148%)</p>
<p>Drop in delinquency</p>	<p>90-day NPL of 4.4%, 10 bps lower than Mar/17</p> <ul style="list-style-type: none"> <u>Wholesale</u>: 90-day NPL dropped to 2.3% (Mar/17: 2.6%) <u>Consumer Finance</u>: 90-day NPL of 5.2% (Mar/17: 5.2%). Vehicles' NPL dropped to 4.7% (Mar/17: 4.8%)
<p>Effective cost management</p>	<p>Personnel² and administrative expenses decreased nominally 7.1% in 1H17/1H16</p> <p>Efficiency Ratio for the last 12 months reached 38.1% in Jun/17 (Jun/16: 39.1%)</p>

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

Net Income of R\$ 145M in 2Q17 and R\$ 273M in 1H17

Result grew 34% over 2Q16 and 40% in the 1H17/1H16 comparison



2Q17 profit confirms the consistency of Banco Votorantim's results

Highlights of Results

1H17/1H16: decrease of ALL expenses, diversification of revenues and cost base reduction

Managerial Income Statement (R\$M)

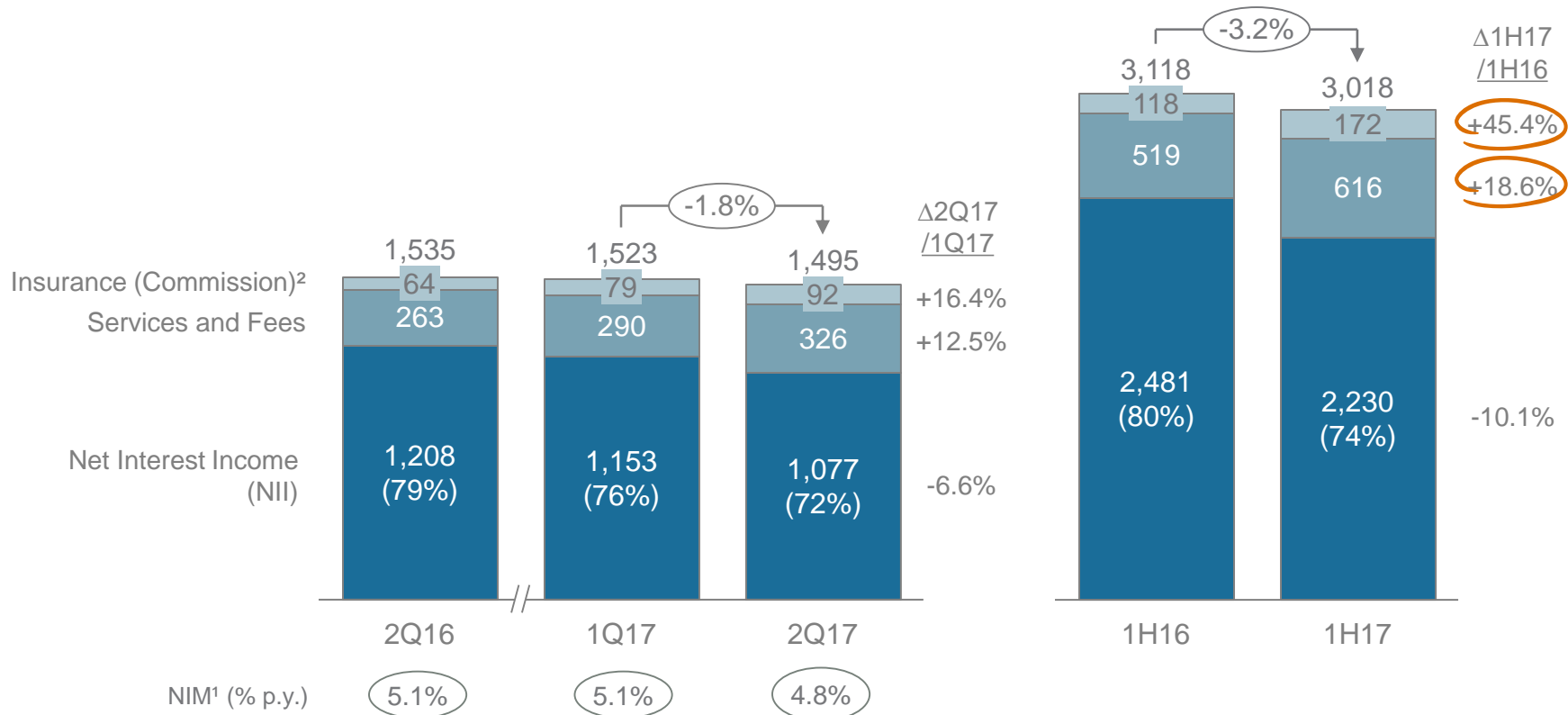
(R\$ Million)	2Q16	1Q17	2Q17	Var. 2Q17/1Q17	1H16	1H17	Var. 1H17/1H16
Net Interest Income (A)	1,208	1,153	1,077	-6.6%	2,481	2,230	-10.1%
ALL expenses ¹ (B)	(457)	(368)	(385)	4.7%	(965)	(753)	-21.9%
Net Financial Margin (A+B)	751	785	691	-11.9%	1,516	1,477	-2.6%
Operating Income/Expenses	(591)	(506)	(506)	0.1%	(1,167)	(1,012)	-13.2%
Income from Services and Banking Fees	263	290	326	12.5%	519	616	18.6%
Personnel ² and Administrative expenses	(646)	(540)	(612)	13.2%	(1,240)	(1,152)	-7.1%
Tax expenses	(95)	(88)	(92)	4.5%	(177)	(180)	1.6%
Income from subsidiaries	47	58	66	13.5%	90	124	38.5%
Other Operating Income/(Expenses)	(161)	(226)	(195)	-13.7%	(359)	(421)	17.2%
Operating Income (Loss)	160	279	185	-33.7%	349	464	33.0%
Non-Operating Income (Loss)	6	(16)	(1)	-	6	(17)	-
Income before Taxes	166	263	185	-29.8%	355	447	26.2%
Income Tax and Social Contribution	(58)	(135)	(39)	-70.9%	(160)	(175)	9.1%
Net Income	108	127	145	13.9%	194	273	40.2%

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

Diversification of revenue sources

Growth in service and insurance revenues virtually offset the reduction in the NII

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

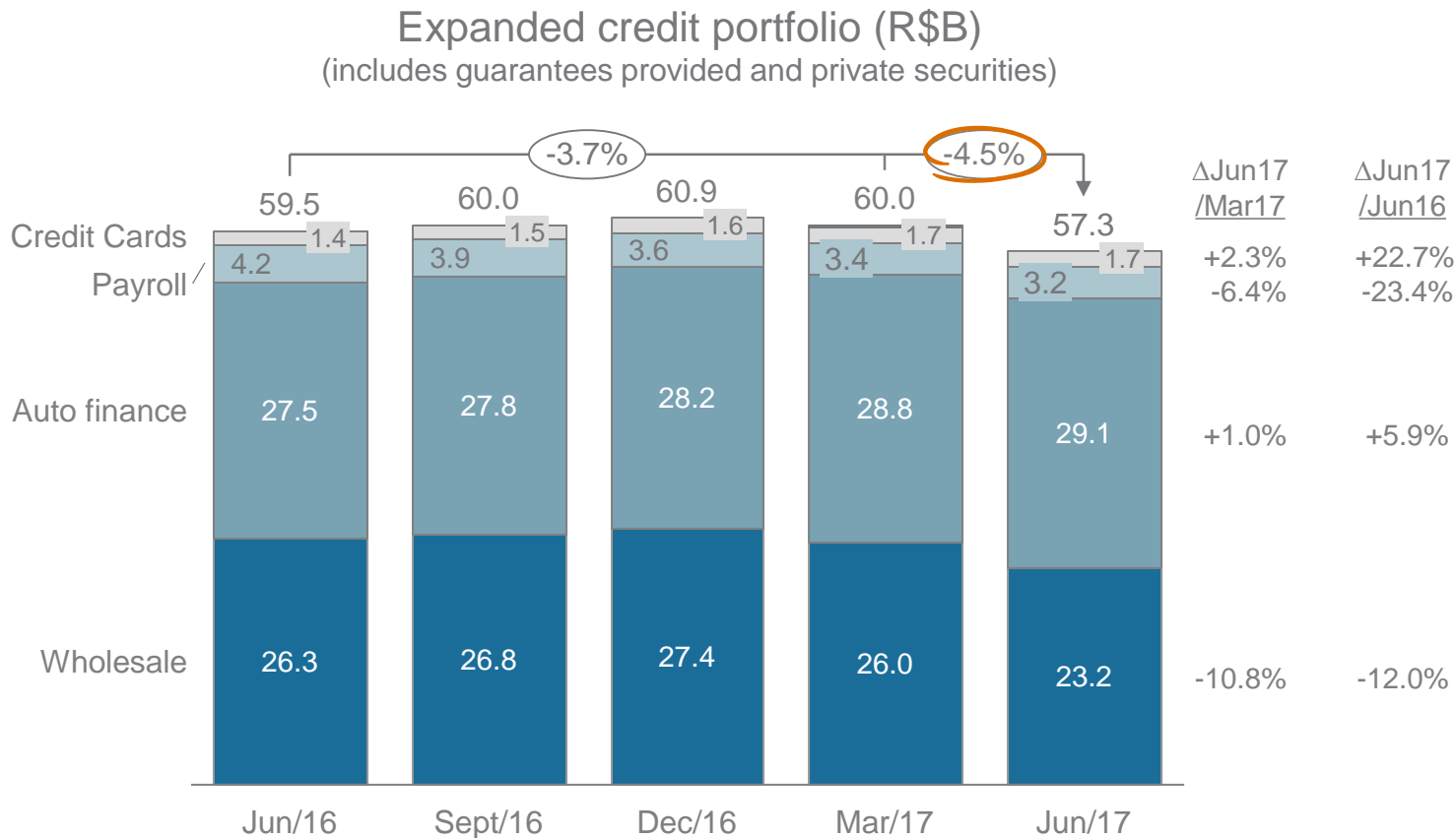


Higher share of service and insurance in total revenues

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\$ 57.3B in Jun/17, down 4.5% against Mar/17



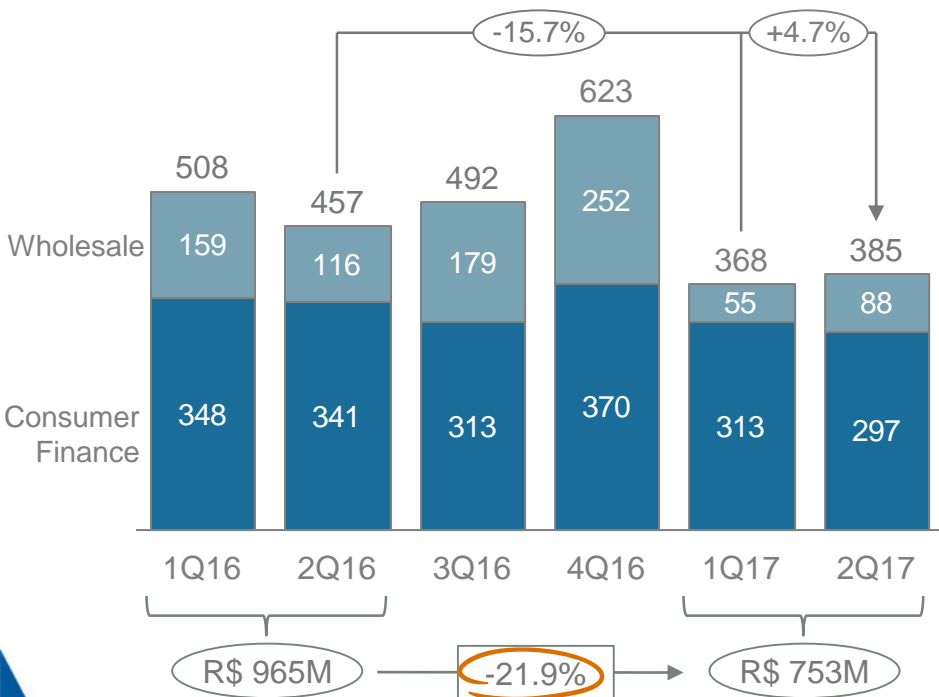
Focus on profitability (vs. growth)

Credit provision expenses reduced 21.9% in 1H17/1H16

90-day Coverage Ratio reached 158% in Jun/17

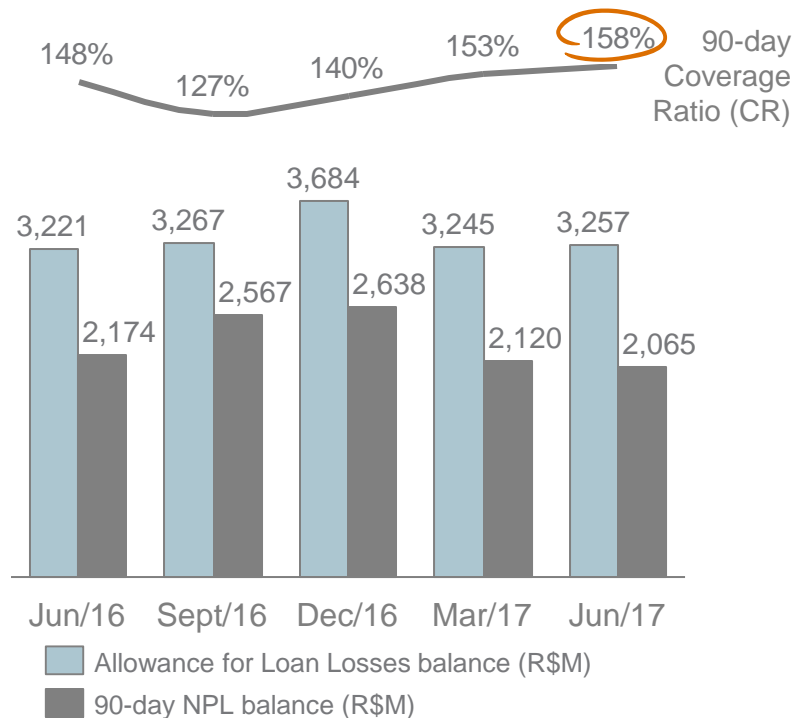
Credit provision expenses reduced 15.7% in 2Q17/2Q16

Credit provision expenses – ALL¹ (R\$M)



90-day CR remains in a conservative level: 158% in Jun/17

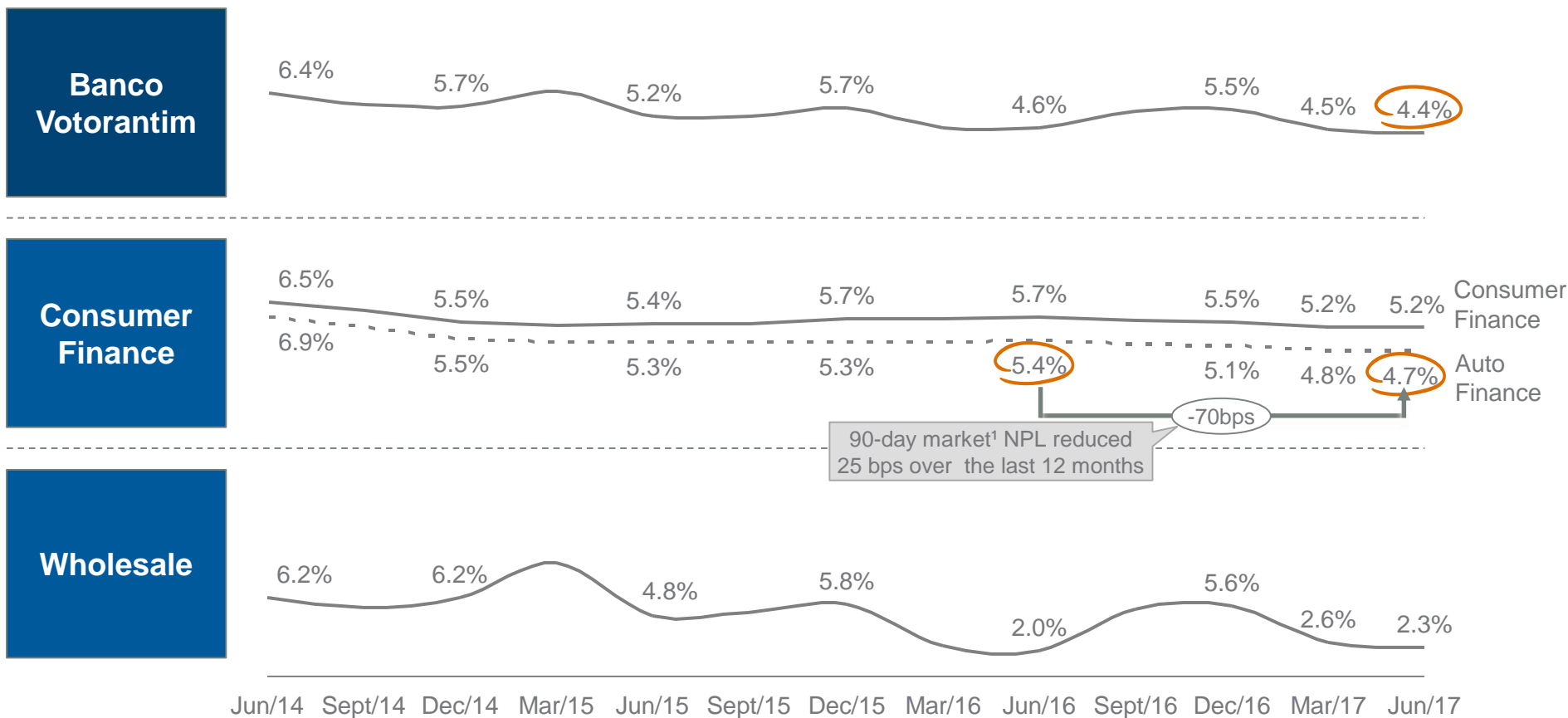
90-day Coverage Ratio² (%) – Credit portfolio



90-day NPL declined to 4.4% in Jun/17

Auto Finance: delinquency reduced 70bps against Jun/16, to 4.7%

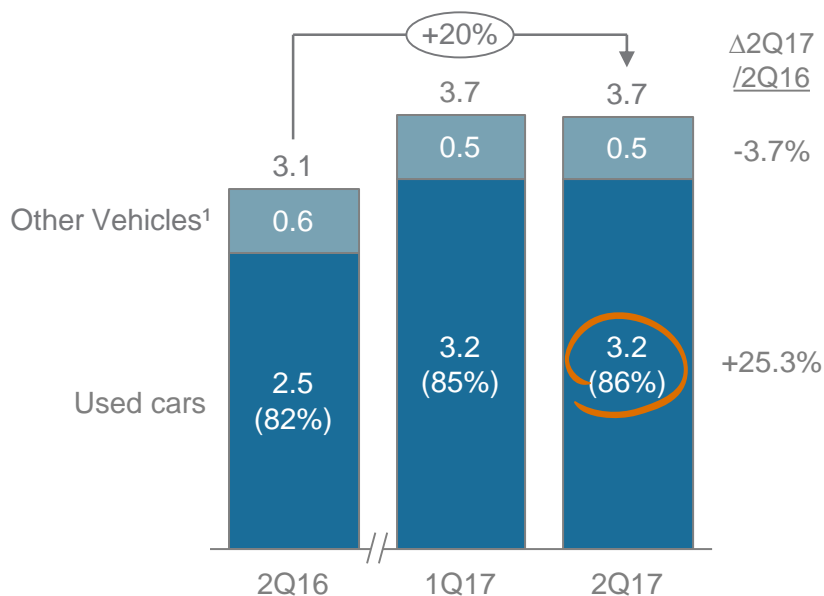
90-day NPL ratio of the credit portfolio (%)



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

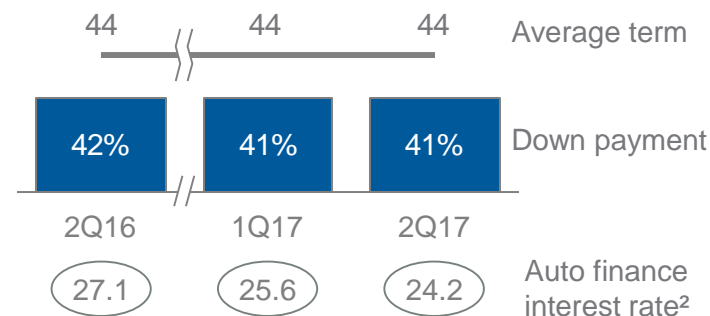
Focus on used cars, which represented 86% of 2Q17 origination

Origination of auto loans (R\$B)

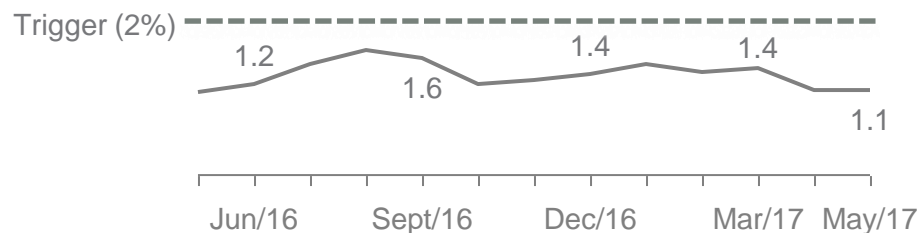


Maintenance of conservative lending standards

Down payment (%) and Average term (months)



First payment default by vintage³ (%)



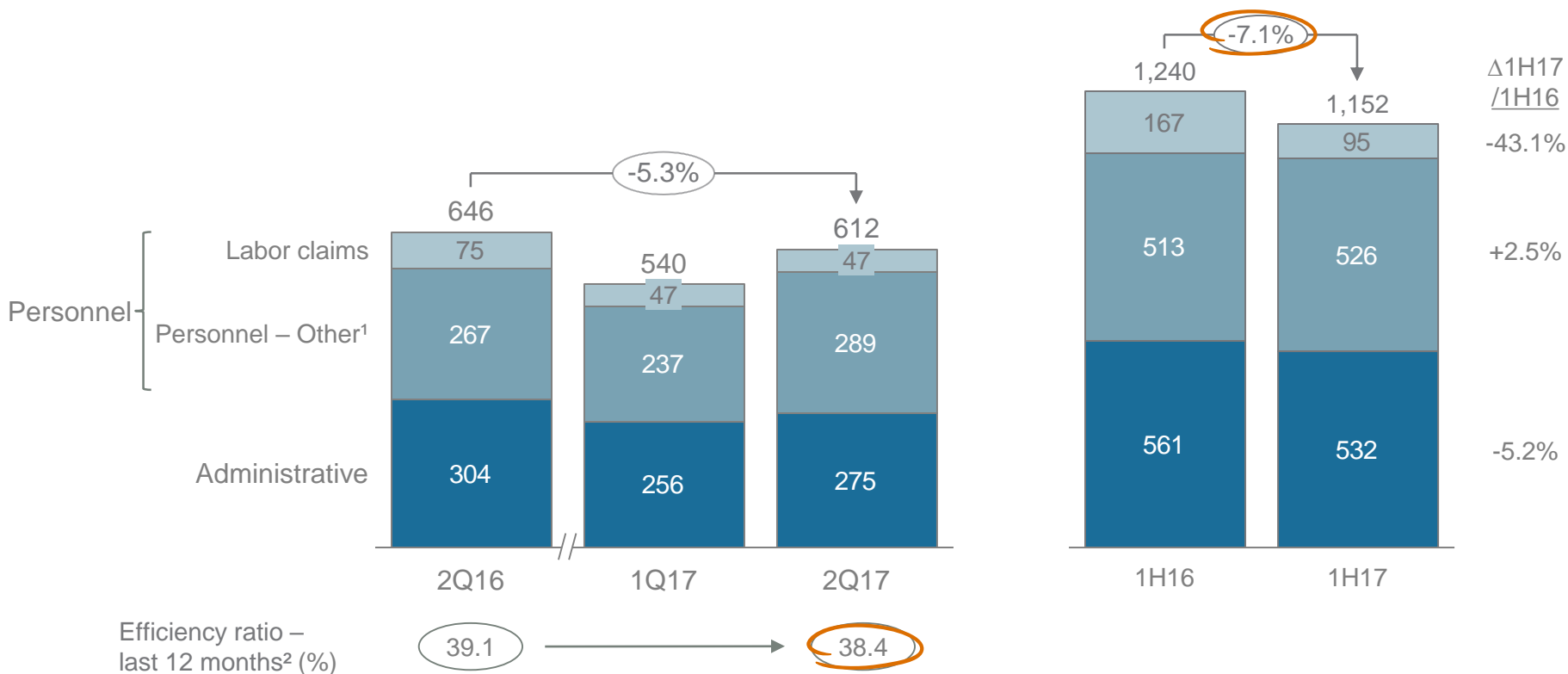
Banco Votorantim is one of the leading players in the auto financing market

1. New cars, trucks and motorcycles; 2. Average rate practiced in the last month of the quarter; 3. % of each month's production with first installment past due over 30 days. Note: In Jun/17, the average ticket size was R\$ 22,000, and the average vehicle age was 4.9 years (portfolio)

Effective cost management, with efficiency gain

Personnel¹ and administrative expenses decreased 7.1% in 1H17/1H16

Personnel¹ and administrative expenses (R\$M)



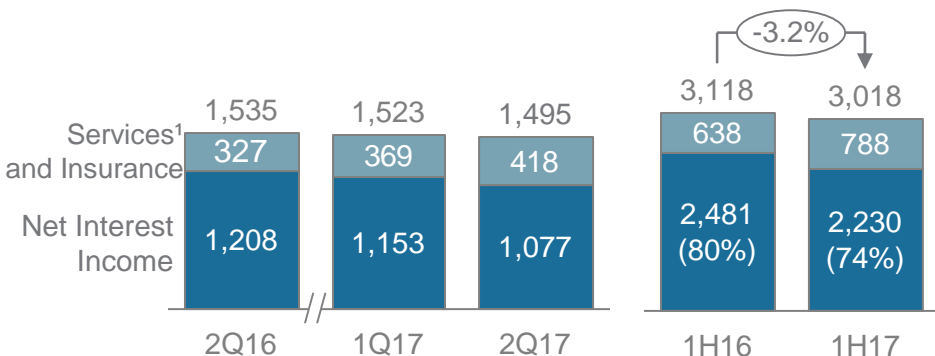
1. Includes profit sharing expenses; 2. Excludes expenses with labor lawsuits and profit sharing expenses.

Summary: Net income of R\$145M in 2Q17 and R\$273M in 1H17

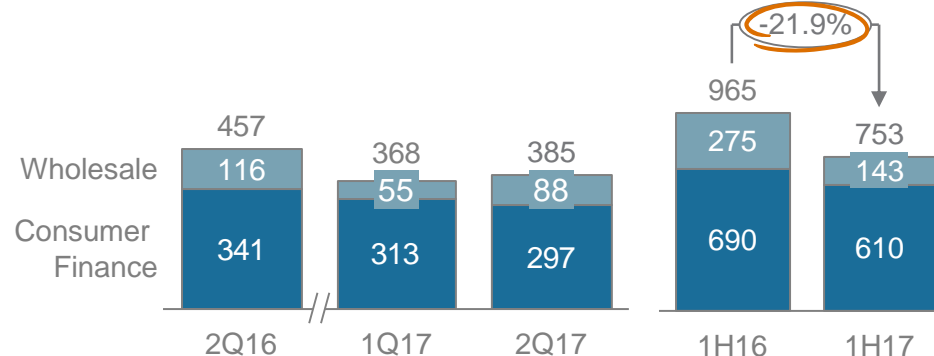
1H17/1H16: decrease of ALL expenses, diversification of revenues and cost base reduction

R\$ Million

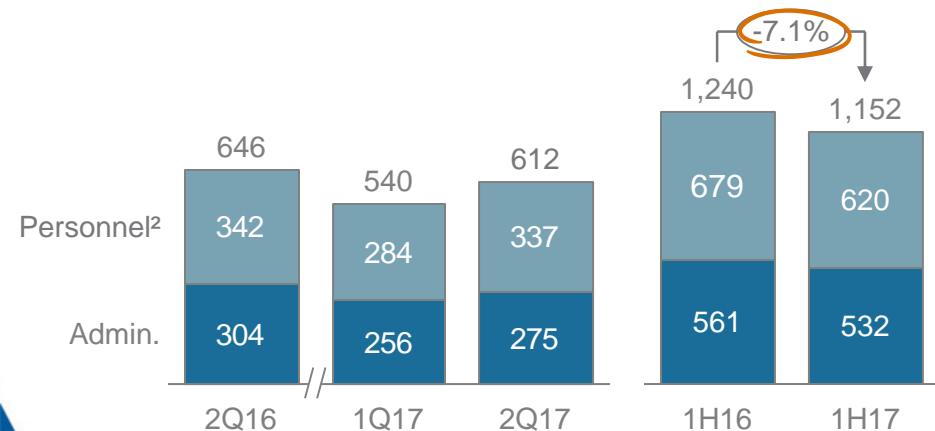
NII and Income from Services¹ and Insurance



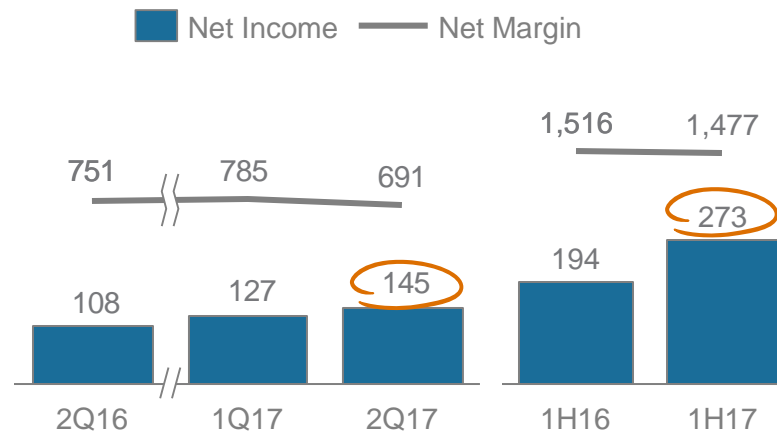
Credit provision expenses – ALL



Personnel and Administrative expenses

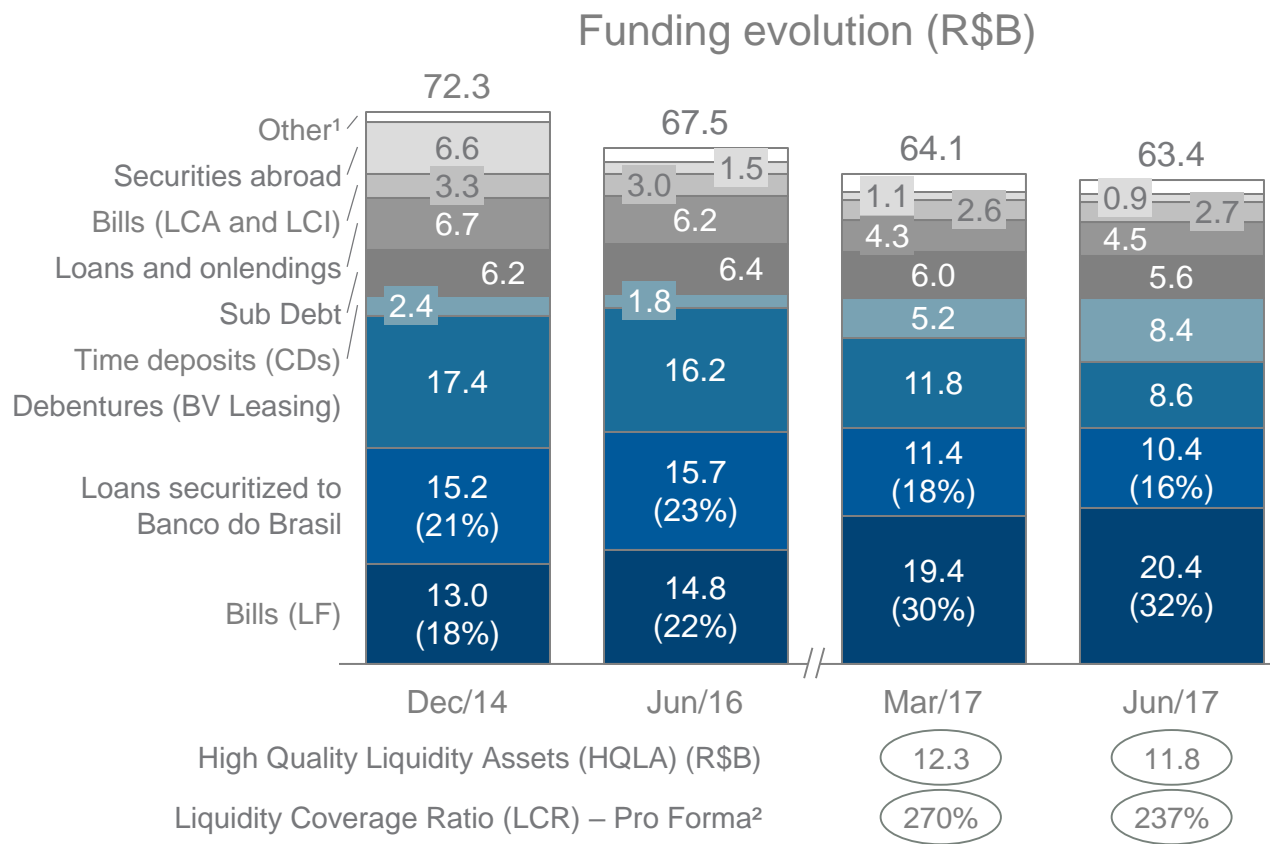


Net Income and Net Margin (post provisions)



Funding volume amounted to R\$ 63.4B in Jun/17

Reduction in debentures was offset by time deposit and Financial Letters



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; 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 Jun/17 was 150% and the regulatory minimum of 80%. Note: In 2016, Bacen introduced Resolution 4,527, which prevents the use of debentures from controlled leasing in repo operations transactions.

Basel Ratio of 13.5% in Jun/17

Tier I Capital ratio of 10.3%, entirely composed of Common Equity

BASEL RATIO (R\$ Million)	Jun.16	Mar.17	Jun17
Total Capital	9,675	8,010	8,178
Tier I Capital	6,892	6,164	6,255
Common Equity Tier I	6,892	6,164	6,255
Additional Tier I	-	-	-
Tier II Capital	2,782	1,846	1,923
Risk Weighted Assets (RWA)	64,839	60,872	60,445
Credit risk	57,168	54,358	53,575
Market risk	1,654	1,363	1,719
Operational risk	6,016	5,151	5,151
Minimum Capital Requirement	7,132	6,011	5,591
Basel Ratio (Capital/RWA)	14.9%	13.2%	13.5%
Tier I Capital Ratio	10.6%	10.1%	10.3%
Common Equity Tier I Ratio	10.6%	10.1%	10.3%
Additional Tier I Ratio	-	-	-
Tier II Capital Ratio	4.3%	3.0%	3.2%

Note 1: In 2017, the minimum capital requirement is 10.5%. For Tier I Capital, it is 7.25% and 5.75% for Common Equity Tier I.

Note 2: There is R\$ 319M in subordinated debt issued under the Bacen approval process, equivalent to an additional 52 bps in Tier II.

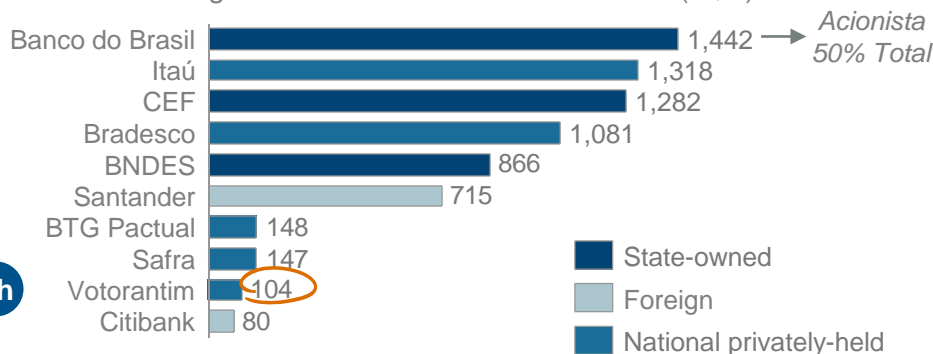
Appendix

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...

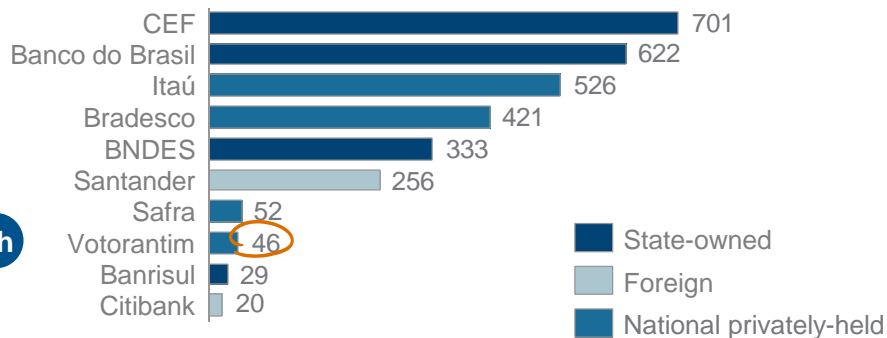
10 largest Banks in Mar/17 - Total Assets (R\$B)



9th

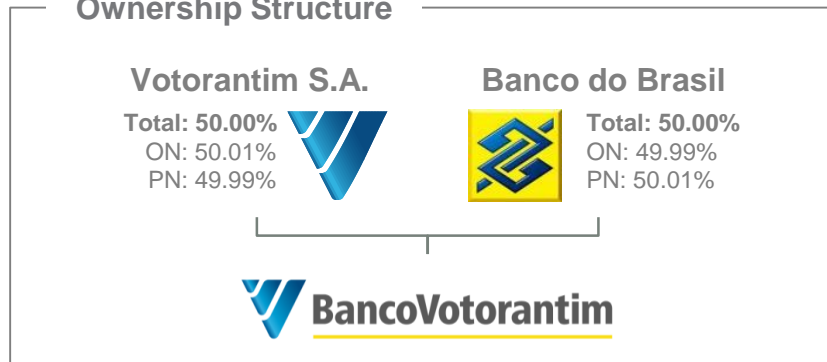
...and also in terms of loan portfolio

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

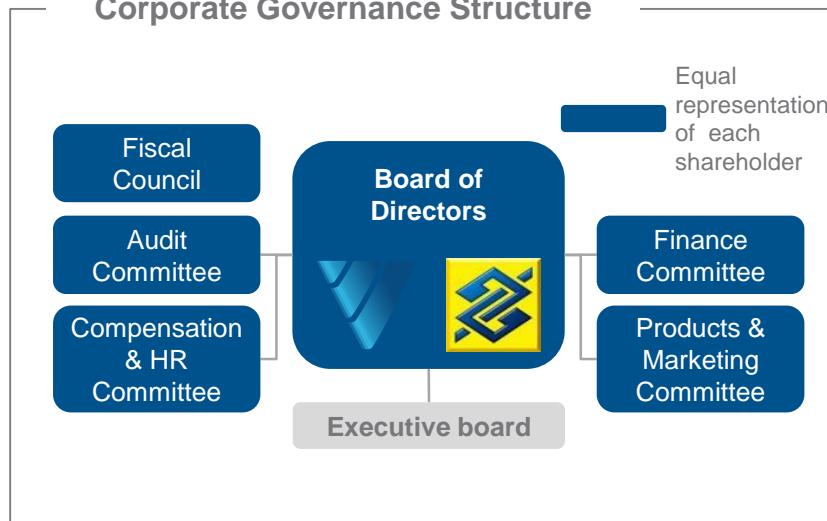


8th

Ownership Structure

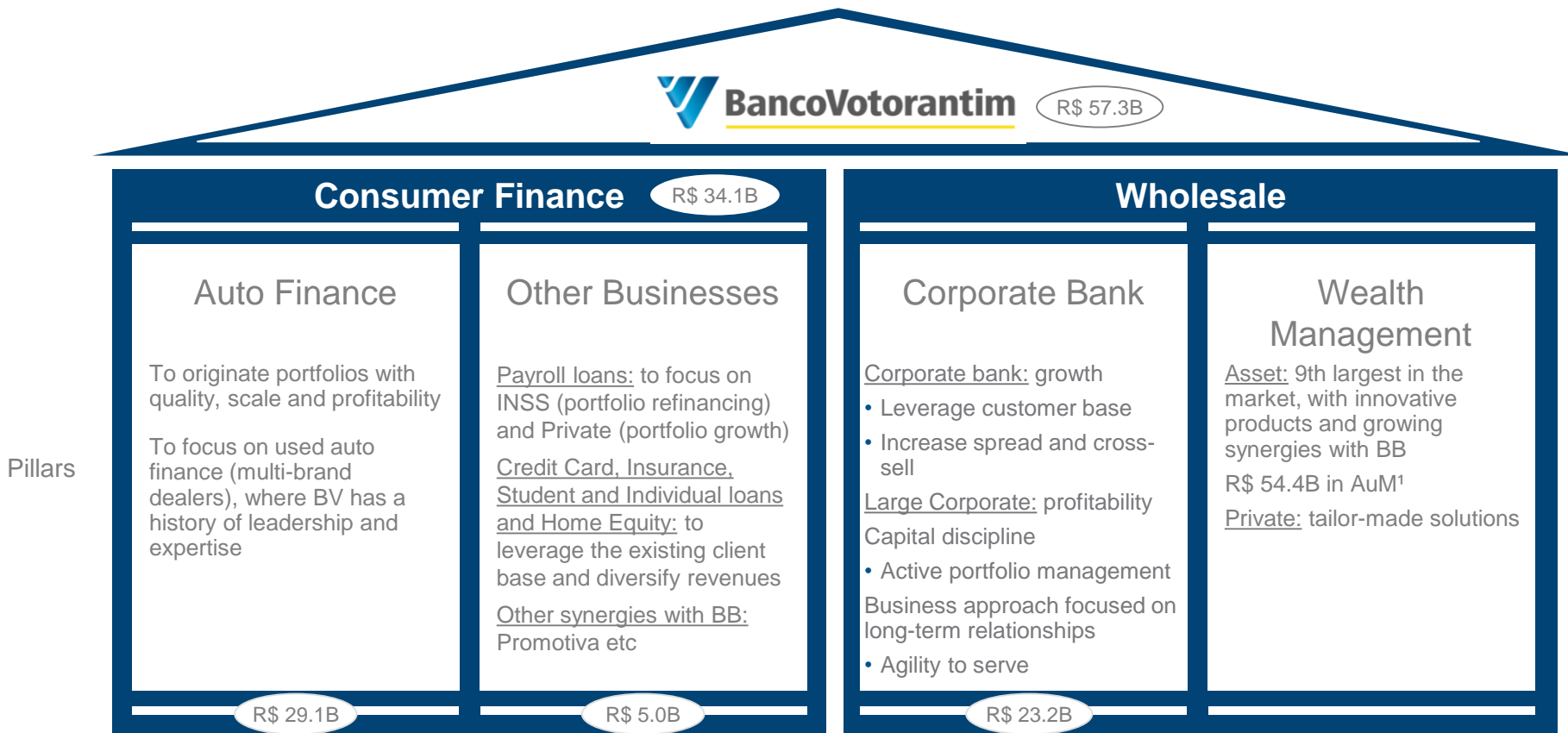


Corporate Governance Structure



Diversified business portfolio

Focus on increasing profitability and operating efficiency, and diversifying revenues



Pillars

Shareholders



Banco do Brasil

+



Votorantim S.A.

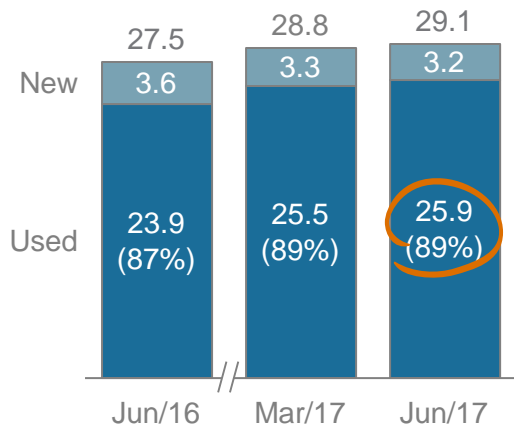
(XX) Expanded² credit portfolio

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

Consumer Finance Businesses

Auto finance

Loan portfolio (R\$B)

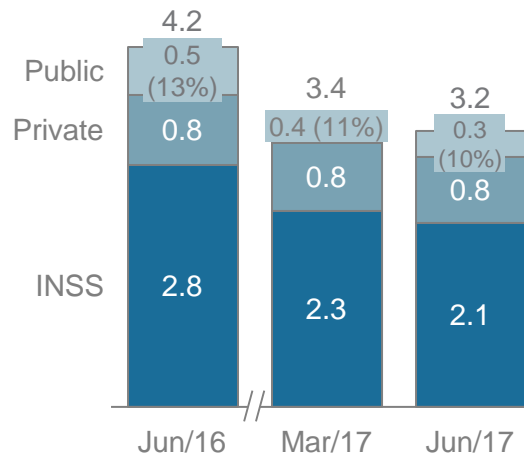


Among market leaders in auto financing, with the following advantages:

- Capillarity: presence in ~12,000 car dealerships nationwide
- Agility: 83% 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

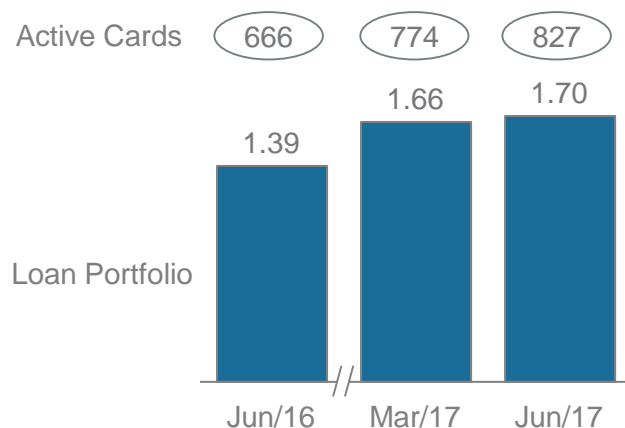
Continuous improvement of management tools (pricing, credit, collection etc.)

Cards and Insurance: diversification of revenue sources

Consumer Finance Businesses

Credit Cards

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



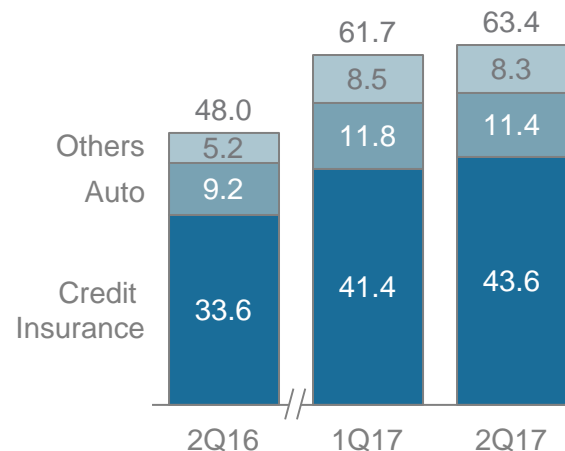
Issuance of Visa and Mastercard credit cards

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

... and growing organically through new business partnerships

Insurance

Insurance premiums (R\$M)



Increase commission revenues by leveraging retail customer base

Diversify the insurance portfolio:

- Credit insurance
- Auto
- Personal injury, etc.

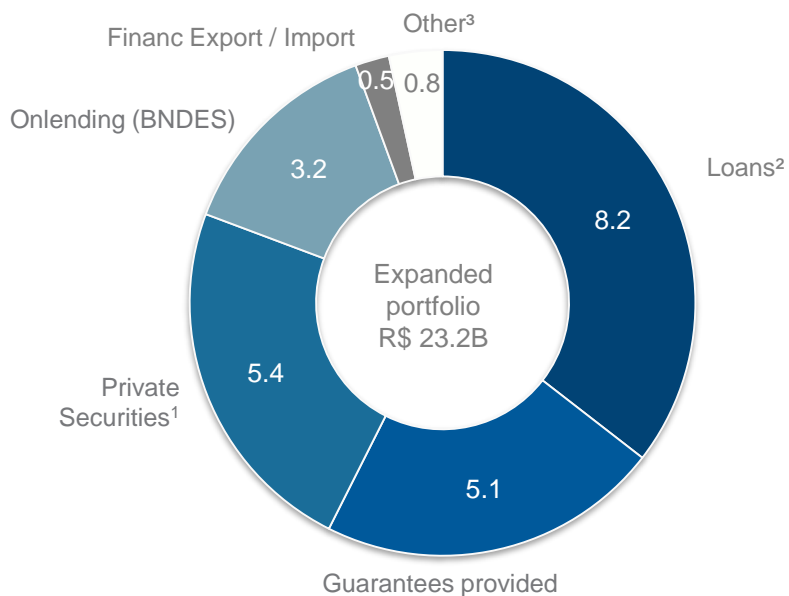
Wholesale: continued focus on improving return on capital

Leverage Corporate customer base, increasing spread and cross-sell

Wholesale Business (CIB)

Corporate Bank

Expanded credit portfolio (R\$B and %)



Highlights and strategy

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

- Increase and leverage the customer base
- Increase spread and cross-sell (FX, derivatives, DCM, M&A)
- Diversify risk and revenue base

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

- Focus on unfunded products (guarantees) and BNDES onlendings

Discipline in capital allocation

- Risk x return management
- Active portfolio management
- Officers with responsibility for credit

Business approach focused on long-term relationships

- Agility to serve clients

Explore competitive advantages (e.g.: DCM)

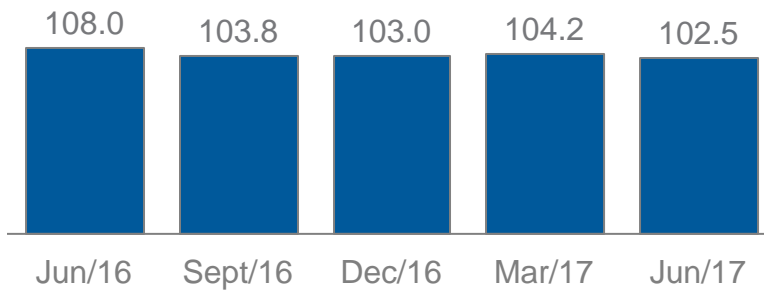
Balance Sheet

BALANCE SHEET Assets (R\$ Million)	Jun.16	Mar.17	Jun17	Variation %	
				Jun17/Mar.17	Jun17/Jun.16
CURRENT AND LONG-TERM ASSETS	107,564	103,613	101,658	(1.9)	(5.5)
Cash and cash equivalents	141	170	135	(20.6)	(4.4)
Interbank funds applied	19,855	17,932	17,942	0.1	(9.6)
Securities and derivative financial instruments	27,458	27,012	27,004	(0.0)	(1.7)
Derivative financial instruments	4,231	4,211	2,722	(35.4)	(35.7)
Interbank accounts or relations	619	107	357	-	(42.3)
Loan Operations, Leases and Others receivables	46,457	46,641	46,563	(0.2)	0.2
Allowance for loan losses	(2,969)	(3,220)	(3,231)	0.3	8.8
Tax credit	7,260	7,486	7,495	0.1	3.2
Others	4,511	3,274	2,671	(18.4)	(40.8)
NON-CURRENTS	463	552	809	46.6	74.6
Investments	262	338	579	71.1	121.3
Fixed assets	95	95	95	0.1	0.3
Intangible and deferred charges	107	119	135	13.8	26.3
TOTAL ASSETS	108,028	104,166	102,468	(1.6)	(5.1)
BALANCE SHEET Liabilities (R\$ Million)	Jun.16	Mar.17	Jun17	Variation %	
				Jun17/Mar.17	Jun17/Jun.16
CURRENT AND LONG-TERM LIABILITIES	99,709	95,778	93,928	(1.9)	(5.8)
Deposits	3,708	7,429	10,255	38.0	176.5
Demand deposits	76	77	67	(12.6)	(12.5)
Interbank deposits	1,795	2,151	1,754	(18.4)	(2.2)
Time deposits	1,837	5,202	8,433	62.1	-
Money market borrowings	38,070	33,563	31,017	(7.6)	(18.5)
Acceptances and endorsements	19,276	23,154	24,054	3.9	24.8
Interbank accounts	32	53	56	6.0	74.9
Borrowings and onlendings	6,209	4,304	4,459	3.6	(28.2)
Derivative financial instruments	3,856	4,341	2,960	(31.8)	(23.2)
Others obligations	28,559	22,933	21,127	(7.9)	(26.0)
Subordinated debts	6,426	5,987	5,560	(7.1)	(13.5)
Credit transactions subject to assignment	15,690	11,438	10,447	(8.7)	(33.4)
Others obligations	6,443	5,508	5,121	(7.0)	(20.5)
DEFERRED INCOME	36	30	31	2.5	(13.6)
SHAREHOLDERS' EQUITY	8,282	8,358	8,508	1.8	2.7
TOTAL LIABILITIES	108,028	104,166	102,468	(1.6)	(5.1)

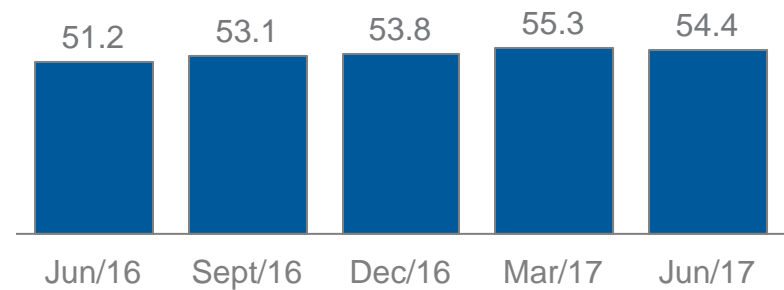
Financial highlights

R\$ Billion

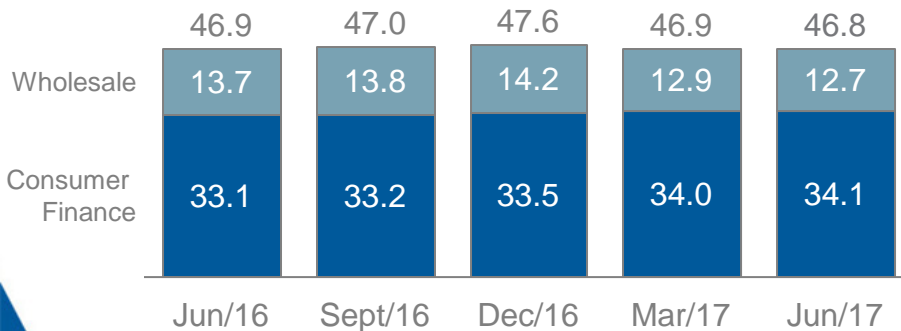
Total Assets



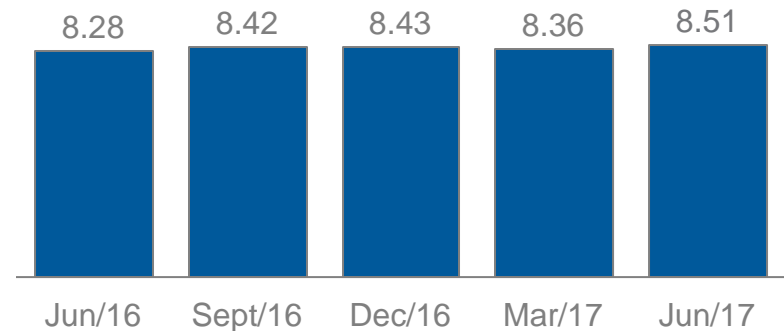
Assets under Management¹



Loan portfolio



Shareholders' Equity



1. Includes onshore funds (ANBIMA criteria) and private clients resources.

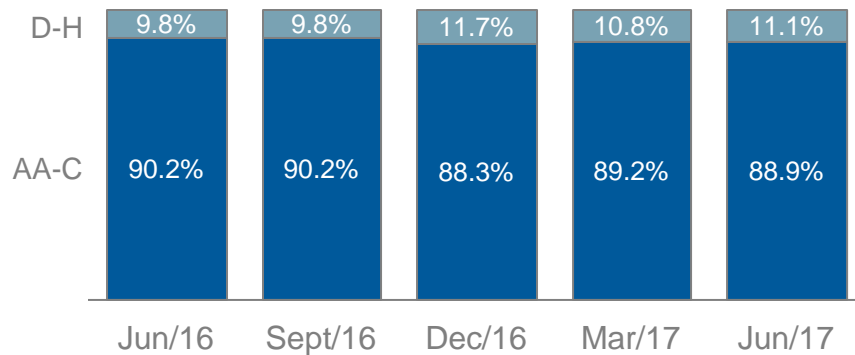
Efficiency Ratio

EFFICIENCY RATIO (ER) (R\$ Million)	2Q16	1Q17	2Q17	Var. 2Q17/1Q17
Total Personnel¹ and Administrative expenses (A)	526	454	507	11.5%
Total Revenues (B)	1,357	1,276	1,274	-0.1%
Net Interest Income (NII)	1,208	1,153	1,077	-6.6%
Income from Services and Banking Fees	263	290	326	12.5%
Income from subsidiaries	47	58	66	13.5%
Other Operating Income/Expenses	(161)	(226)	(195)	-13.7%
Efficiency Ratio (A/B) - period	38.7%	35.6%	39.8%	4.2 p.p.
Efficiency Ratio - last 12 months	39.1%	38.1%	38.4%	0.2 p.p.

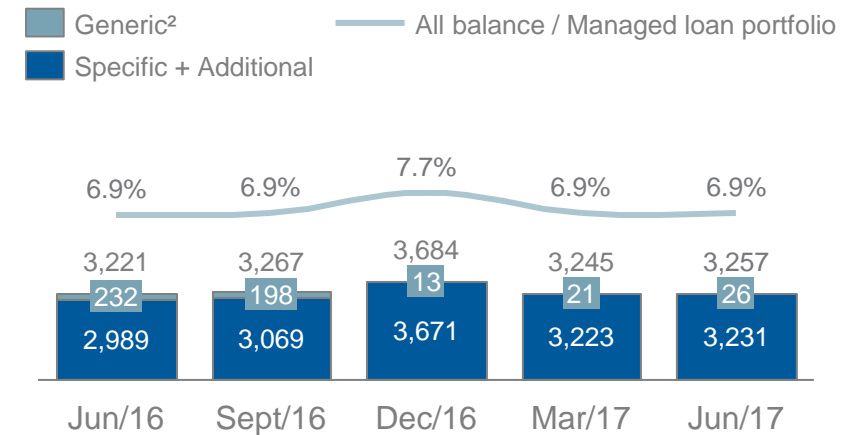
1. Excludes labor lawsuits and profit sharing expenses.

Credit quality indicators

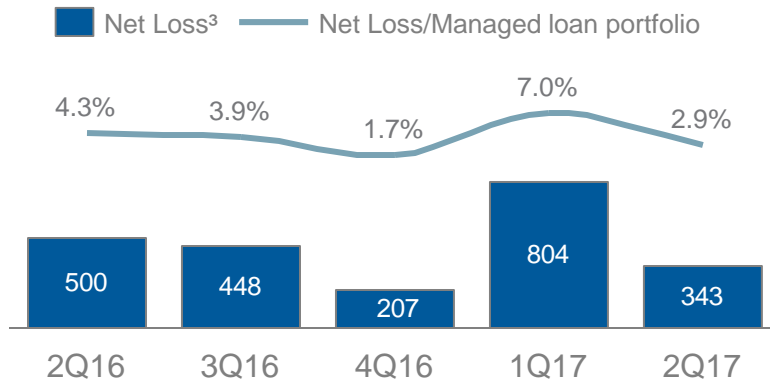
Loan portfolio rated by risk level¹ (%)



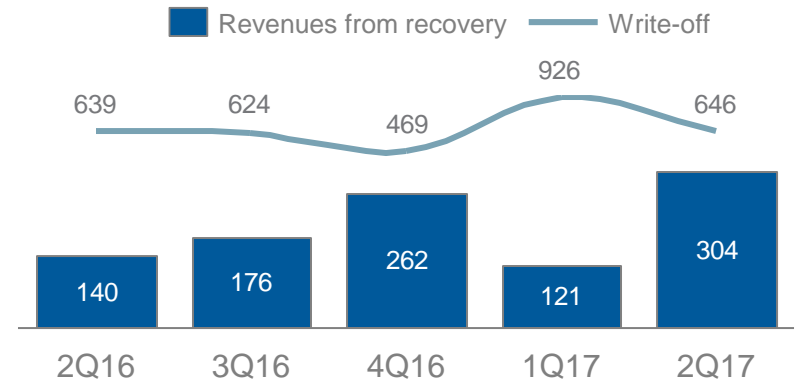
ALL Balance (R\$M)



Net Loss (R\$M)



Credit Recovery (R\$M)



1. According to Bacen's Resolution 2,682; 2. Considers credit provisions recognized as Liabilities in the "Other" line (see Note #18d of Financial Statements); 3. Net Loss = loans written-off to losses in the quarter + revenues from credit recovery.

Wholesale has a diversified credit portfolio

Wholesale Sectorial concentration	Jun.16		Mar.17		Jun17	
	R\$M	Part.(%)	R\$M	Part.(%)	R\$M	Part.(%)
Sugar and Ethanol	1,823	8.9%	1,996	10.1%	2,034	12.4%
Financial Institutions	3,752	18.2%	4,445	22.4%	1,739	10.6%
Petrochemical	1,567	7.6%	1,541	7.8%	1,520	9.3%
Telecom	1,606	7.8%	1,468	7.4%	1,478	9.0%
Mining	883	4.3%	914	4.6%	951	5.8%
Retail	1,236	6.0%	911	4.6%	921	5.6%
Railways	781	3.8%	706	3.6%	652	4.0%
Agribusiness	762	3.7%	685	3.5%	563	3.4%
Electricity Generation	605	2.9%	537	2.7%	526	3.2%
Government	565	2.7%	471	2.4%	499	3.0%
Automotive	324	1.6%	548	2.8%	490	3.0%
Oil & Gas	401	1.9%	401	2.0%	401	2.4%
Pulp and Paper	361	1.8%	326	1.6%	335	2.0%
Electricity Distribution	426	2.1%	336	1.7%	307	1.9%
Residential Construction	459	2.2%	388	2.0%	287	1.8%
Steel industry	116	0.6%	289	1.5%	273	1.7%
Road Cargo Transportation	507	2.5%	306	1.5%	273	1.7%
Meat and Poultry	286	1.4%	255	1.3%	254	1.5%
Car rental	231	1.1%	256	1.3%	237	1.4%
Services	314	1.5%	208	1.0%	217	1.3%
Other sectors	3,569	17.3%	2,815	14.2%	2,449	14.9%
Total¹	20,576	100.0%	19,801	100.0%	16,405	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		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		brA+	BB
	Short-term	B		brA-1	