1Q18

Earnings Release

BancoVotorantim

Contents

São Paulo, May 10, 2018. Banco Votorantim S.A. ("Bank") announces its results for the first quarter of 2018. All financial information herein, except where indicated otherwise, is presented in nominal Brazilian Reais, based on consolidated position, and in accordance with the Brazilian GAAP (BRGAAP) accounting standards.

Message from the CEO

We started 2018 continuing to improve the implantation of our strategic plan, based on increasing our business profitability, operational efficiency and revenue diversification. In this quarter we obtained the higher profitability of the past seven years for the reporting period and we recorded two-digit ROE, attaining a new level of result.

- **Net income of R$ 255 million,** against income of R$ 156 million in 4Q17 and R$ 127 million in 1Q17, corresponding to ROE of 11.8% in 1Q18.

- **Consistent and diversified income generation.** Net Interest Income in 1Q18 grew 1.2% in relation to 4Q17 and 11.8% in relation to 1Q17, which increased NIM to 6.6% p.y. (1Q17: 5.3%; 4Q17: 6.3%). Income from services and insurance grew 18.4% in 1Q18/1Q17, which reflects the higher origination of auto finance in the period, and decreased 13.5% in relation to 4Q17 due to the seasonality at the beginning of the year.

- **Drop in credit costs.** The result of loan losses and impairments in 1Q18 decreased 33.1% compared to 4Q17 and 22.4% compared to 1Q17, due to lower Wholesale expenses and the improvement of quality of the auto finance portfolio. Coverage ratio of operations past due over 90 days increased from 153% in Mar.17 to 191% in Mar.18, evidencing the strengthening of our balance sheet quality.

- **Drop in delinquency.** The 90-day NPL ratio of the loan portfolio ended Mar.18 at 3.9% and 0.1 p.p. lower in the quarter and 0.6 p.p in relation to Mar.17. The 90-day NPL ratio of Consumer Finance decreased by 4.6% in Mar.18, due to the improvement in auto finance portfolio quality, whose delinquency reduced 0.7 p.p. in the last 12 months, to 4.1%. In the Wholesale segment, 90-day NPL ratio fell to 1.5% in Mar.18 (Mar.17: 2.6%).

- **Control of the cost base.** Administrative and personnel expenses had a nominal decrease of 0.6% against 4Q17. Our strict control of costs contributes to the improvement in the Efficiency ratio for the last twelve months, decreasing to 33.7% in Mar.18 against 36.7% in Mar.17.

In addition, we strengthened the quality of our balance sheet and maintained the conservatism in the management of funding, liquidity and capital, with emphasis on the evolution of our Level I Capital, which reached 13.1% driven by perpetual bonds issued on Nov.17. As for funding, we increased the participation of more stable instruments, and in terms of liquidity, we kept the free cash at a conservative level.

In this quarter, we continued to advance in the strategy of diversifying business and digital transformation. We implemented "BV Lab", an innovation lab of the Bank dedicated to connecting the institution with new technologies, aimed to improve the experience of our clients. We have also begun the repositioning of BV, Consumer Finance brand of the Bank, with the launching of the logo more modern and without the term "financeira". This change reflects the consolidation of the positioning of Consumer Finance, which has worked to broaden the offer of credit solutions and the distribution channels to make us even closer to our partners and clients.

In the diversification front, additional to growing in commercial partnerships to offer student credit and solar energy, we announced, in early May, a new strategic partnership with Neon Pagamentos. Through this partnership, the Bank has become responsible for the custody services and handling the Neon's payment accounts. We plan to jointly develop a set of initiatives in the digital banking market, maintaining independence in operations while leveraging the strengths of the two companies.

We will keep the focus on our strategy, investing even more in the innovation of our operations so as to sustain the consistency of our results, which goes through transformation of the corporate culture to bring the final client to the center of the business, based on the understanding of their needs.

Corporate Strategy

Banco Votorantim aims to consolidate its position among the main national privately-held banks, leveraging synergies with Banco do Brasil (BB) shareholder. For this purpose, the Bank has focused on the generation of income from the businesses, increase of operating efficiency and diversification of sources of revenues. The portfolio of the Bank is divided into three business units: Consumer Finance (Financing to Consumption), Wholesale Bank and Wealth Management, with well-defined strategies.

Consumer Finance Business

The core business of Consumer Finance is **Auto finance**, in which the Bank operates through the subsidiary BV mainly in the used auto finance market (multi-brand dealers), in which it has history of leadership and recognized expertise. Its competitive differentials include: (i) *expertise* in pricing, concession of credit and credit collection, (ii) high capillarity through extensive network of outsourced distribution (around 18 thousand resales of vehicles), (iii) agility in decision-making (approximately 90% of the proposals of credit are decided on automatic basis), and (iv) quality of the relationship with resales.

Using the client base of Vehicles, the Bank seeks to diversify its sources of revenues through the *cross-selling* of credit cards and insurance, both products with well-defined strategies:

- **Credit Cards:** to increase the volume of active cards – issued with the brands MasterCard and Visa – through *cross-sell* for the current client base of auto finance, as well as offering to clients of commercial partners, such as the rewarding program Netpoints.
- **Insurance brokerage:** through the subsidiary Votorantim Corretora de Seguros, the Bank aims to increase revenues from insurance brokerage. Besides continuing growth in insurance such as Auto and Credit Insurance, the Bank has also been diversifying its portfolio, which currently includes capitalization and other insurance products, such as life, residential, personal accidents etc.

In addition, the Bank has specific strategies for other loans and financing products:

- **Payroll credit:** to maintain an important position in the market of payroll loans, focusing on Private categories (organic portfolio growth) and INSS – National Institute of Social Security (refinancing of portfolio). In addition, the Bank has been seeking to increase revenues from commissions of Promotiva S.A., *joint-venture* with BB which is mainly engaged in the origination of payroll credit (types Public and INSS) directly to the shareholder. Promotiva operates outside the branch network of BB, as a complementary distribution channel.
- **Other businesses:** to diversify sources of income through businesses such as individual loans - partnership with *fintech*s (e.g.: Guia Bolso and Neon Pagamentos) and cross-sell to BV's clients; Student loan - partnership with Ideal Invest and Kroton; Home Equity and Financing for acquisition of residential solar power panel - partnership with Portal Solar, the largest digital *market-place* of the sector.

Wholesale Bank Businesses

With a diversified portfolio of products, agile and flexible service and sectorial expertise, the Wholesale Bank serves economic groups with minimum annual revenues of R$ 300 million, which are internally grouped in two sectors. In the Corporate sector - companies with annual revenues up to R$ 1.5 billion – the focus is to expand the base of active clients, dispersing the risk (lower average ticket) and increasing the average spread and cross-sell of high value-added products such as derivatives (hedge), structured products, DCM (Debt Capital Market) and FX. In the Large Corporate segment – companies with annual revenues above R$ 1.5 billion – the focus is to increase the profitability, especially through unfunded products (guarantees).

Wealth Management Business (VWM&S)

To develop and provide the best solutions for wealth management in a sustainable manner is part of Wealth's mission, which has well established strategic objectives for the two different markets where it operates:

- **Asset Management:** to be recognized for its consistent performance and for developing appropriate solutions to the clients' needs by means of its innovative and differentiated capacity for restructuring and managing high added value products. Votorantim Asset Management (VAM) holds an important position within its peer group (Assets without branch network structure) and has its partnership with BB structure, management, administration and distribution of investment funds; and
- **Private Bank:** to consolidate its position among the best private banks in the market, by expanding its operations in integrated wealth management through differentiated solutions.

Key Information

	1Q17	4Q17	1Q18	Variation 1Q18/4Q17	Variation 1Q18/1Q17
RESULTS (R$ Million)					
Net Interest Income (a)	1,205	1,332	1,347	1.2%	11.8%
Result of loan losses and impairments (b)	(420)	(487)	(326)	-33.1%	-22.4%
Net Financial Margin (a - b)	785	845	1,021	20.9%	30.1%
Income from services and banking fees	290	376	325	-13.6%	12.1%
Personnel and administrative expenses	(540)	(657)	(653)	-0.6%	20.9%
Operating Income (loss)	318	325	561	72.5%	76.2%
Net Income (loss)	127	156	255	62.8%	99.8%
MANAGERIAL INDICATORS (%)					
Return on Average Equity[1] (ROAE)	6.2	7.3	11.8	4.5 p.p.	5.6 p.p.
Return on Average Assets[2] (ROAA)	0.5	0.6	1.1	0.5 p.p.	0.6 p.p.
Net Interest Margin[3] (NIM)	5.3	6.3	6.6	0.3 p.p.	1.3 p.p.
Efficiency Ratio (ER) - accumulated of 12 months[4]	36.7	34.4	33.7	-0.7 p.p.	-3.0 p.p.
Basel ratio	13.2	15.5	16.6	1.1 p.p.	3.4 p.p.
Tier I Capital Ratio	10.1	11.4	13.1	1.7 p.p.	3.0 p.p.
MACROECONOMIC INDICATORS[5]					
CDI - in the period (%)	3.0	1.8	1.6	-0.2 p.p.	-1.4 p.p.
Selic rate- end of the period (p.y.%)	12.25	7.00	6.50	-0.5 p.p.	-5.8 p.p.
IPCA - in the period (%)	1.0	1.2	0.7	-0.5 p.p.	-0.3 p.p.
Dolar exchange rate - end of the period (R$)	3.17	3.31	3.32	0.5%	4.9%
EMBI Brazil Risk (points)	270	240	246	6.0	-24.0

	Mar.17	Dec.17	Mar.18	Variation Mar.18/Dec.17	Variation Mar.18/Mar.17
BALANCE SHEET (R$ Million)					
Total assets	104,166	93,519	94,363	0.9%	-9.4%
Loan portfolio (on-balance)	46,931	48,679	48,185	-1.0%	2.7%
Wholesale segment	12,932	12,687	11,687	-7.9%	-9.6%
Consumer Finance segment	33,998	35,992	36,498	1.4%	7.4%
Guarantees provided	7,985	4,862	5,242	7.8%	-34.4%
Expanded credit Portfolio	62,101	59,021	58,294	-1.2%	-6.1%
Funding sources	64,073	61,203	58,444	-4.5%	-8.8%
Shareholders' equity	8,358	8,868	9,074	2.3%	8.6%
Capital (Basel ratio)	8,010	9,233	9,467	2.5%	18.2%
LOAN PORTFOLIO QUALITY INDICATORS (%)					
90-day NPL / Loan portfolio	4.5	4.0	3.9	-0.1 p.p.	-0.6 p.p.
Allowance for loan losses / 90-day NPL	153	192	191	-1 p.p.	38 p.p.
Allowance for loan losses / D - H balance	63.6	67.3	67.9	0.6 p.p.	4.3 p.p.
Allowance for loan losses / Loan portfolio	6.9	7.6	7.4	-0.2 p.p.	0.5 p.p.
OTHER INFORMATION					
AuM[6] (R$ Million)	55,262	54,749	54,086	-1.2%	-2.1%

1 Ratio between net income and average equity of the period. This ratio is annualized;2. Ratio between net income and average assets of the period. This ratio is annualized; 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 subsidiares + other operational income and expenses); 5. Source: Cetip; Bacen; IBGE; 6. Includes onshore funds (ANBIMA criteria) and private clients' resources.

Managerial Statement of Income

In order to enable a better understanding, comparison and analysis of the Bank's results and the performance of its businesses, the explanations contained in this report are based on the Managerial Statement of Income, which considers certain managerial reallocations made in the audited Statement of Income, with no impact in net income. These reallocations refer to:

- Income from credit recovery written-off to loss, recorded in "Revenues from loans" and reallocated to "Result of Loan Losses and Impairments";

- Expenses with loan losses characteristics recorded in "Other Operating Income (Expenses)", which were reallocated to "Result of Loan Losses and Impairments"; and

- Impairment of Wholesale segment's private securities, classified as Net Interest Income, which were reclassified to "Result of Loan Losses and Impairments".

- Fiscal and tax effects of the hedge in relation to changes in exchange rates for overseas investments, which are recorded in "Tax Expenses" (PIS and Cofins) and "Income Tax and Social Contribution", and that were also reallocated to "Derivative Financial Instruments".

The management strategy of the foreign exchange risk of capital invested abroad is intended to avoid effects resulting from exchange-rate change on income. For this purpose, foreign exchange risk is neutralized using derivative financial instruments so investments are remunerated in Reais.

Reconciliation of Audited and Managerial Net Income – 1Q17, 4Q17, 1Q18

INCOME STATEMENT (R$ Million)	1Q17 Audited	Adjust ments	1Q17 Managerial	4Q17 Audited	Adjust ments	4Q17 Managerial	1Q18 Audited	Adjust ments	1Q18 Managerial
Income from financial intermediation	**3,584**	**(109)**	**3,475**	**3,556**	**(481)**	**3,075**	**2,820**	**(67)**	**2,753**
Loans[1]	2,347	(121)	2,226	2,474	(167)	2,307	2,323	(133)	2,190
Leases	5	-	5	4	-	4	9	-	9
Securities	1,180	58	1,238	1,185	(385)	800	522	59	580
Derivative financial instruments	46	(46)	(0)	(170)	70	(99)	(54)	7	(46)
Foreign exchange operations	(2)	-	(2)	61	-	61	18	-	18
Compulsory deposits	8	-	8	2	-	2	1	-	1
Expenses from financial intermediation	**(2,270)**	**-**	**(2,270)**	**(1,847)**	**104**	**(1,743)**	**(1,405)**	**-**	**(1,405)**
Money market borrowings	(1,844)	-	(1,844)	(1,325)	-	(1,325)	(1,100)	-	(1,100)
Borrowings and onlendings	(15)	-	(15)	(113)	-	(113)	(58)	-	(58)
Sale or transfer from financial assets	(411)	-	(411)	(409)	104	(305)	(248)	-	(248)
Net interest income - NII	**1,314**	**(109)**	**1,205**	**1,709**	**(377)**	**1,332**	**1,414**	**(67)**	**1,347**
Result of loan losses and impairments	(477)	58	(420)	(939)	452	(487)	(400)	75	(326)
Net financial margin	**837**	**(51)**	**785**	**770**	**75**	**845**	**1,014**	**7**	**1,021**
Other operating income/expenses	**(477)**	**10**	**(467)**	**(509)**	**(11)**	**(520)**	**(461)**	**(0)**	**(461)**
Fee income	290	-	290	376	-	376	325	-	325
Personnel and administrative expenses	(501)	-	(501)	(631)	-	(631)	(597)	-	(597)
Tax expenses	(92)	4	(88)	(105)	(6)	(112)	(92)	(0)	(92)
Equity in income of subsidiaries	58	-	58	81	-	81	80	-	80
Other operating income/expenses	(232)	6	(226)	(230)	(5)	(234)	(176)	0	(176)
Operating income (loss)	**360**	**(42)**	**318**	**261**	**64**	**325**	**553**	**7**	**561**
Non-operating income (loss)	**(16)**	**-**	**(16)**	**(4)**	**-**	**(4)**	**(3)**	**-**	**(3)**
Income (loss) before taxes and contributions	**344**	**(42)**	**302**	**257**	**64**	**321**	**550**	**7**	**557**
Provision for income tax and social contribution	(177)	42	(135)	(74)	(64)	(138)	(239)	(7)	(247)
Profit sharing	(39)	-	(39)	(27)	-	(27)	(56)	-	(56)
Net income (loss)	**127**	**-**	**127**	**156**	**-**	**156**	**255**	**-**	**255**

1.Includes income from loan assets assigned with recourse under Resolution 3,533

Analysis of Managerial Result

Banco Votorantim reached a new level of result and recorded net income of R$ 255 million in 1Q18, against income of R$ 156 million in 4Q17 and R$ 127 million in 1Q17. The average return on shareholders' equity (ROE) reached 11.8% in 1Q18, against 6.2% in 1Q17. The income was mainly due to (i) the growth in gross margin (ii) lower expenses with provisions for loan losses and impairments, (iii) result of insurance brokerage and (iv) lower personnel and administrative expenses.

INCOME STATEMENT (R$ Million)	1Q17	4Q17	1Q18	Variation (%)	
				1Q18/4Q17	1Q18/1Q17
Net interest income - NII	**1,205**	**1,332**	**1,347**	**1.2**	**11.8**
Results of Loan Losses and impairments	(420)	(487)	(326)	(33.1)	(22.4)
Net financial margin	**785**	**845**	**1,021**	**20.9**	**30.1**
Other operating income/expenses	**(467)**	**(520)**	**(461)**	**(11.3)**	**(1.3)**
Fee income	290	376	325	(13.6)	12.1
Personnel and administrative expenses	(501)	(631)	(597)	(5.3)	19.2
Tax expenses	(88)	(112)	(92)	(17.5)	4.6
Equity in income of subsidiaries	58	81	80	(1.1)	37.1
Other operating income/expenses	(226)	(234)	(176)	(24.7)	(22.0)
Operating income (loss)	**318**	**325**	**561**	**72.5**	**76.2**
Non-operating income (loss)	**(16)**	**(4)**	**(3)**	**(25.7)**	**(80.3)**
Income (loss) before taxes and contributions	**302**	**321**	**557**	**73.8**	**84.7**
Provision for income tax and social contribution	(135)	(138)	(247)	79.3	82.2
Profit sharing	(39)	(27)	(56)	-	43.9
Net income (loss)	**127**	**156**	**255**	**62.8**	**99.8**

1.Includes income from loan assets assigned with recourse

Net Interest Income (NII)

NII grew 1.2% in relation to the former quarter and 11.8% compared to 1Q17, due to the higher profitability of the businesses segments, particularly the Consumer Finance operation, whose share in the portfolio has grown on consistent basis.

NIM (Net Interest Margin) grew to 6.6% p.y. in 1Q18, due to the increase of the share of auto finance and credit cards in the mix of portfolio, combined with the reduction of the average balance of earning assets.

NET INTEREST MARGIN (NIM) (R$ Million)	1Q17	4Q17	1Q18	Variation (%)	
				1Q18/4Q17	1Q18/1Q17
Net Interest Income (A)	**1,205**	**1,332**	**1,347**	**1.2**	**11.8**
Average Interest-Earning Assets (B)	**92,769**	**86,719**	**83,984**	**(3.2)**	**(9.5)**
Compulsory deposits	224	187	124	(33.8)	(44.8)
Interbank funds applied	17,524	16,506	15,733	(4.7)	(10.2)
Securities	27,746	21,882	19,696	(10.0)	(29.0)
Loans	47,275	48,144	48,432	0.6	2.4
NIM (A/B)	**5.3%**	**6.3%**	**6.6%**	**0.3 p.p.**	**1.3 p.p.**

Result of loans losses and impairments

The result of loan losses and *impairments* decreased 33.1% in relation to 4Q17, and 22.4% compared to 1Q17, mainly due to lower expenses with provisions for Wholesale credit in 1Q18.

Combined with the growth of NII, this improved result positively affected the net financial margin, which grew 20.9% and 30.1% compared to 4Q17 and 1Q17, respectively.

NET FINANCIAL MARGIN (R$ Million)	1Q17	4Q17	1Q18	Variation (%)	
				1Q18/4Q17	1Q18/1Q17
Net Interest Income	**1,205**	**1,332**	**1,347**	**1.2**	**11.8**
Results of loan losses and impairments	**(420)**	**(487)**	**(326)**	**(33.1)**	**(22.4)**
Allowance for loan losses expenses	(483)	(1,039)	(400)	(61.5)	(17.1)
Impairments	(58)	385	(59)	(115.3)	1.5
Revenues from recovery of written-off loans	121	167	133	(20.0)	10.2
Net Financial Margin	**785**	**845**	**1,021**	**20.9**	**30.1**

Revenue from service (fee income)

Fee income amounted to R$ 325 million in 1Q18, a reduction of 13.6% in relation to 4Q17 mainly related to the categories of registering preparation and assets evaluation, due to the seasonal reduction in the auto finance origination in 1Q18. It is worth mentioning that commissions on placement of securities decreased in relation to 4Q17 due to the lower activity in the capital market in the last quarter.

Compared to 1Q17, total service fee income grew 12.1% due to the increase of auto finance origination. It is worth emphasizing that total fee/banking fees and insurance income grew 18.4% in the 1Q18/1Q17 comparison, a reflex of the expansion in third party insurance trading, such as Credit Insurance and Auto Finance, whose income amounted to R$ 112 million in the 1Q18, in relation to R$ 79 million in the 1Q17. Sales are handled through the subsidiary Votorantim Corretora de Seguros (VCS), and the result is recognized under the equity method of accounting.

INCOME FROM SERVICES[1] (R$ Million)	1Q17	4Q17	1Q18	Variation (%)	
				1Q18/4Q17	1Q18/1Q17
Master file registration	92	127	106	(16.5)	15.0
Appraisal of assets	62	84	72	(14.7)	16.5
Credit cards	48	61	61	(0.2)	26.9
Income from guarantees provided	31	25	22	(10.3)	(28.7)
Management of investment funds	28	38	32	(15.9)	12.6
Commisions on placing of securities	5	16	10	(41.3)	105.0
Other[2]	23	24	22	(8.1)	(6.0)
Total Income From Services	**290**	**376**	**325**	**(13.6)**	**12.1**
Total Income From Services and Insurance[3]	**369**	**505**	**437**	**(13.5)**	**18.4**

1 Includes banking fee; 2. Includes brokerage fees from Stock Exchange operations, commissions from insurance brokerage, and income from credit cards annuities; 3. Insurance brokerage revenues of Votorantim Corretora de Seguros, whose results are recognized using the equity method.

Personnel expenses

Personal expenses increased 30.9% compared to 1Q17, impacted by prudential provisions with labor claims due to the possibility of changing the indexer that corrects the value of labor lawsuits. Disregarding it, the increase would have been 9.0%, due to higher expenses with profit sharing aligned to the better performance of business.

Compared to 4Q17, total personnel expenses grew 3.0%, but they remained stable when excluding the impact of labor lawsuits.

At the end of Mar.18, the Bank had 3,808 employees, not counting interns and statutory employees.

PERSONNEL EXPENSES (R$ Million)	1Q17	4Q17	1Q18	Variation (%) 1Q18/4Q17	1Q18/1Q17
Fees	(4)	(4)	(4)	3.1	22.9
Benefits	(29)	(32)	(32)	(1.8)	11.3
Social Charges	(74)	(41)	(80)	97.0	7.9
Salaries	(91)	(137)	(99)	(28.1)	8.7
Training	(0)	(1)	(1)	(65.6)	3.4
Subtotal	**(198)**	**(216)**	**(216)**	**(0.2)**	**9.0**
Labor lawsuits	(47)	(95)	(105)	10.3	122.9
Total Personnel Expenses[1]	**(245)**	**(311)**	**(320)**	**3.0**	**30.9**

1 Excludes profit sharing expenses.

Administrative expenses

Administrative expenses amounted to R$ 277 million in 1Q18, a reduction of 13.3% in relation to 4Q17 mainly due to lower expenses with consulting and advisory services contracted, which are seasonally lower in the first quarter. In the 1Q18/1Q17 comparison, administrative expenses grew 7.9%, due to increase of expenses with specialized technical services.

ADMINISTRATIVE EXPENSES (R$ Million)	1Q17	4Q17	1Q18	Variation (%) 1Q18/4Q17	1Q18/1Q17
Rentals	(14)	(12)	(12)	0.3	(14.2)
Communication	(17)	(18)	(17)	(3.7)	1.2
Data processing	(49)	(51)	(49)	(3.6)	0.2
Services of the financial system	(24)	(25)	(25)	(0.4)	4.2
Specialized technical services	(82)	(111)	(92)	(17.1)	12.1
Judicial and Notary public fees	(21)	(22)	(20)	(9.4)	(5.3)
Other	(49)	(80)	(61)	(23.7)	24.5
Total Administrative Expenses	**(256)**	**(319)**	**(277)**	**(13.3)**	**7.9**

The Efficiency Index (IE) accumulated for the last 12 months closed Mar.18 at 33.7%, better compared to 36.7% in Mar.17, reflecting the ongoing efforts of effective management of cost base, in compliance with Bank's strategy of income diversification and increase in operational efficiency.

EFFICIENCY RATIO (R$ Million)	1Q17	4Q17	1Q18	Var. 1Q18/4Q17
Total Personnel[1] and Administrative expenses (A)	**454**	**535**	**492**	**-8.0%**
Total Revenues (B)	**1,327**	**1,554**	**1,576**	**1.4%**
Net Interest Income (NII)	1,205	1,332	1,347	1.2%
Income from Services and Banking Fees	290	376	325	-13.6%
Income from subsidiaries	58	81	80	-1.1%
Other Operating Income/Expenses	(226)	(234)	(176)	-24.7%
Efficiency Ratio (A/B) - period	**34.2%**	**34.5%**	**31.3%**	**-3.2 p.p.**
Efficiency Ratio - last 12 months	**36.7%**	**34.4%**	**33.7%**	**-0.8 p.p.**

1. Excludes expenses with Labor Lawsuits and profit sharing expenses.

Other operating income and expenses

Other operating income and expenses totaled R$ 176 million in 1Q18, a reduction of 24.7% in relation to 4Q17, mainly due to lower costs related to the auto finance origination in the quarter (seasonal effect). In relation to 1Q17, the reduction of 22.0% resulted, mainly, from lower expenses with provision for civil lawsuits.

OTHER OPERATING INCOME / (EXPENSES) (R$ MilLION)	1Q17	4Q17	1Q18	Variation (%)	
				1Q18/4Q17	1Q18/1Q17
Costs associated with the production	(160)	(166)	(149)	(10.2)	(6.8)
Reversal (provision) for contingent liabilities	(93)	(40)	(32)	(19.9)	(65.1)
Reversal (provision) for unhonored guarantees	(16)	(21)	(3)	(84.9)	(80.8)
Other	43	(7)	8	(217.5)	(80.8)
Total Other Operating Income/ (Expenses)	**(226)**	**(234)**	**(176)**	**(24.7)**	**(22.0)**

Loan Portfolio

In 1Q18, the expanded credit portfolio recorded reduction of 1.2%, totaling R$ 58.3 billion. In relation to March 17, the reduction was of 6.1%, mainly in the Wholesale segment.

The expanded credit portfolio of Wholesale, which includes guarantees provided and private securities, ended Mar.18 with a balance of R$ 21.8 billion, 5.4% lower than Dec.17 and 22.4% lower than Mar.17, mainly due to the reduction in balance of guarantees and private securities, which had lower demand in the period.

In Consumer Finance, the loan portfolio reached R$ 36.5 billion in Mar.18, 1.4% higher than in Dec.17 and up 7.4% compared to Mar.17, leveraged by growth in auto finance - mainly used vehicles.

It is worth mentioning the 15.2% growth in the credit card portfolio over the last twelve months, a result of the strategy on the diversification of revenues. During 1Q18 the Bank strengthened its portfolio of credit cards and grew on organic basis through cross-sell for the current client base of auto finance, as well as through the offer to clients of commercial partners (e.g.: Netpoints).

CREDIT PORTFOLIO (R$ Million)	Mar.17	Dec.17	Mar.18	Variation (%)	
				Mar.18/Dec.17	Mar.18/Mar.17
Wholesale segment (a)	**12,932**	**12,687**	**11,687**	**(7.9)**	**(9.6)**
Consumer Finance segment (b)	**33,998**	**35,992**	**36,498**	**1.4**	**7.4**
Auto finance (direct credit and leasing)	28,245	30,520	31,158	2.1	10.3
Loans and financing	4,092	3,582	3,426	(4.4)	(16.3)
Credit Cards	1,661	1,890	1,914	1.3	15.2
On-balance loan portfolio (a+b)	**46,931**	**48,679**	**48,185**	**(1.0)**	**2.7**
Guarantees provided (c)	7,985	4,862	5,242	7.8	(34.4)
Private securities (d)	7,185	5,480	4,866	(11.2)	(32.3)
Expanded credit portfolio (a+b+c+d)	**62,101**	**59,021**	**58,294**	**(1.2)**	**(6.1)**
Wholesale segment (a+c+d)	**28,102**	**23,029**	**21,795**	**(5.4)**	**(22.4)**
Consumer Finance segment (b)	**33,998**	**35,992**	**36,498**	**1.4**	**7.4**

Auto finance loans

The core business of Consumer Finance is Auto finance, in which the Bank operates through the subsidiary BV mainly in the market of used cars (multi-brand dealers), in which it has history of leadership and recognized expertise. The auto finance loan origination volume was R$ 3.9 billion in the quarter, and 90% comprised of used light vehicles. The combination of continuous improvements in the credit processes and models and the prudence in the granting of loans has maintained the quality in vehicle origination, whose volume grew 8.9% in relation to 1Q17.

The Bank maintained conservative standards when granting auto finance, with an average down payment percentage of 42% and an average production term of 44 months.

AUTO FINANCE - Origination	1Q17	4Q17	1Q18	Variation 1Q18/4Q17	Variation 1Q18/1Q17
Average rate (% per year)	25.3	22.7	22.6	-0.3 p.p.	-2.9 p.p.
Average term (months)	44	43	44	0	-1
Down payment (%)	40.9	42.2	41.6	-0.6 p.p.	0.7 p.p.
Used cars/Auto finance origination (%)	87.0	90.2	90.0	-0.2 p.p.	3.0 p.p.
Total auto finance origination (R$ billion)	3.6	4.5	3.9	-11.5%	8.9%

AUTO FINANCE - Loan Portfolio	Mar.17	Dec.17	Mar.18	Variation Mar.18/Dec.17	Variation Mar.18/Mar.17
Average rate (% per year)	27.1	25.6	24.9	-0.7 p.p.	-2.2 p.p.
Maturity (months)	46	45	45	0	-1
Down payment (%)	48.0	48.0	47.8	-0.2 p.p.	-0.2 p.p.
Used cars/Auto finance portfolio (%)	88.2	90.2	90.8	0.6 p.p.	2.6 p.p.
Average vehicle age (years)	5	5	5	0	0

1 Rate calculated based on quarterly average portfolio

Portfolio Quality

All the segmentations of the credit portfolio risk in this section refer to the loan portfolio (Resolution CMN No. 2.682/99), unless otherwise indicated. The Bank maintains a consistent process of evaluation and monitoring of the credit risk on operations carried out with clients. The strategy of reduction of risk on credit concession directly affected the quality indicators of the portfolio, as shown below:

LOAN PORTFOLIO QUALITY INDICATORS (R$ Million, except where indicated)	Mar.17	Dec.17	Mar.18
Loan portfolio	46,931	48,679	48,185
90-day NPL/ Loan portfolio	4.5%	4.0%	3.9%
Write-off (a)	(926)	(461)	(534)
Credit recovery (b)	121	167	133
Net Loss (a+b)	(804)	(295)	(401)
Net Loss / Loan portfolio - annualized	7.0%	2.4%	3.4%
New NPL	408	439	471
New NPL / Loan portfolio[1] - quarter	0.9%	0.9%	1.0%
ALL balance[2]	3,245	3,688	3,551
ALL balance / Loan portfolio	6.9%	7.6%	7.4%
ALL balance / 90-day NPL	153%	192%	191%
ALL balance / D - H balance	63.6%	67.3%	67.9%
AA-C balance	41,829	43,196	42,959
AA-C balance / Loan portfolio	89.1%	88.7%	89.2%
ALL expenses / Loan portfolio	0.8%	1.6%	0.7%

1 (Δ NPL 90 balance + loans written-off to loss in the quarter) / Loan portfolio by the end of the immediately preceding quarter
2.Includes, in Mar.18, R$ 11M of "generic" credit provision recognized as Liabilities in the "Other" line (Note # 18d of 1Q18 FS)

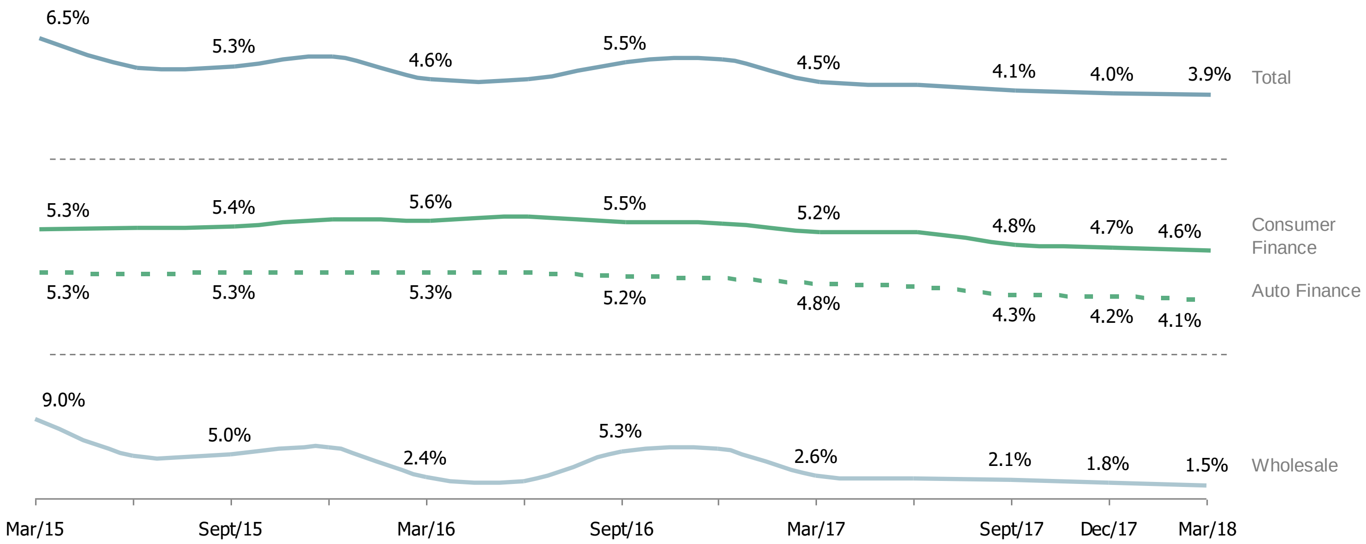
Reflecting our solid risk management model, the Coverage Ratio of operations past due over 90 days remained at comfortable level. The indicator grew from 153% in Mar.17 to 191% in Mar.18, evidencing the strengthening of the balance sheet quality.

The New NPL, that considers the volume of loans that defaulted above 90 days in the quarter, was R$ 471 million in 1Q18. Due to this, the New NPL in relation to portfolio was 1.0% in Mar.18.

Loans classified between credit rating "AA-C" (best risk levels) according to Resolution 2,682 of the Brazilian Central Bank represented, at the end of Mar.18, 89.2% of the managed loan portfolio, against 88.7% in Dec.17.

The 90-day NPL ratio of the consolidated portfolio decreased to 3.9% in Mar.18 against 4.0% in Dec.17 and 4.5% in Mar.17, with a reduction both in Consumer Finance and Wholesale segments.

90-day NPL ratio



The delinquency of Consumer finance portfolio ended Mar.18 at 4.6%, 0.1% lower in relation to Dec.17 and 0.6 p.p. lower than in Mar.17, due to the improvement in auto finance portfolio quality, whose 90-day NPL ratio reduced 0.7 p.p. in the last 12 months to 4.1%, the lowest level since Mar.11. The index improvement is a result of the combination of enhancements in the credit processes and models and the prudence in the granting of loans.

In Wholesale segment, the delinquency decreased to 1.5% in Mar.18, compared to 1.8% in Dec.17 and 2.6% in Mar.17.

The table below shows the renegotiated loan portfolio. The balance of renegotiated loans amounted to R$ 5,539 million in Mar.18, a reduction of 13.3% in 12 months and 2.3% in the quarter. It is worth mentioning that the balance of the renegotiated Consumer Finance portfolio reduced in 1Q18, and most of the portfolio is composed of renewed operations without past due (refinancing), mainly of Payroll loans product.

CREDITS RENEGOTIATED - CHANGES (R$ Million)	1Q17	4Q17	1Q18	Variation (%) 1Q18/4Q17	Variation (%) 1Q18/1Q17
Wholesale	**2,639**	**2,290**	**2,264**	**(1.1)**	**(14.2)**
Consumer Finance	**3,751**	**3,381**	**3,275**	**(3.1)**	**(12.7)**
Payroll loans (Refinancing without delay)	2,800	2,320	2,156	(7.1)	(23.0)
Others	951	1,009	1,119	11.0	17.8
Final Balance	**6,390**	**5,671**	**5,539**	**(2.3)**	**(13.3)**

Funding and Liquidity

The funding sources volume amounted to R$ 58.4 billion at the end of Mar.18, decrease of 8.8% in the last 12 months, a result of the conservative position that the Bank maintained regarding credit concession.

In this context of lower demand for funding, the Bank has focused on the improvement of the profile of funding sources, expanded the share of more stable funding instruments, such as Financing Bills, which accounted for 35% out of the total funding sources in Mar.18.

FUNDING SOURCES (R$ Billion)	Mar.17	Dec.17	Mar.18	Variation % Mar.18/Dec.17	Variation % Mar.18/Mar.17
Debentures (BV Leasing)	**11.8**	**9.3**	**7.7**	**(16.7)**	**(34.2)**
Deposits	**7.4**	**8.5**	**10.1**	**19.1**	**36.3**
Time deposits (CDs)	5.2	6.4	7.9	25.0	52.8
Deposits (on demand and interbank)	2.2	2.1	2.2	1.7	(2.1)
Subordinated debts	**6.0**	**5.8**	**5.8**	**(0.9)**	**(3.7)**
Subordianted Financing bills	3.3	2.0	2.0	2.2	(39.0)
Others subordinated debts	2.7	3.9	3.8	(2.5)	39.1
Borrowings and onlendings	**4.3**	**4.1**	**3.5**	**(13.0)**	**(17.9)**
Bills	**22.0**	**23.5**	**23.2**	**(1.4)**	**5.0**
Financing bills	19.4	20.6	20.5	(0.4)	5.7
Agribusiness credit bills ("LCA") and Real estate credit bills ("LCI")	2.6	2.9	2.6	(8.3)	0.0
Securities abroad	**1.1**	**0.6**	**0.4**	**(35.8)**	**(64.9)**
Securitization with recourses	**11.4**	**9.4**	**7.7**	**(18.1)**	**(32.4)**
Other	**0.0**	**0.0**	**0.0**	**-**	**-**
Total funding	**64.1**	**61.2**	**58.4**	**(4.5)**	**(8.8)**

It is worth mentioning the decrease in the balance of repos backed by BV Leasing debentures in relation to Mar.17, reflecting the regulatory change introduced by Resolution 4,527, which makes it impossible new repos operations with debentures of lease subsidiaries as of 2018. As a substitute for this instrument, the Bank increased the volume of funding with bank deposit certificates (term deposit) and Financing Bills.

In relation to liquidity, the Bank has maintained its cash at a very conservative level enough to cover our funding with daily settlement. Additionally, it is important to emphasize that the Bank has a credit facility at BB, in the amount of R$ 6.8 billion, which represents a significant liquidity reserve and that has never been used.

In Oct.15 Bacen Circular Letter No. 3,749 became effective, establishing minimum limits of the indicator "Short-Term Liquidity" (LCR - *Liquidity Coverage Ratio*), whose purpose is to measure the short-term liquidity of banks in a scenario of stress. It corresponds to the ratio between the inventory of high liquidity assets (HQLA - *High quality liquid assets,* proxy of Bank's cash) and the total net cash outflows expected for a period of 30 days. In 2018, the minimum requirement of LCR was 90%, and it will reach 100% in 2019.

The table below shows that the balance of HQLA was R$ 11.2 billion in Mar.18, and the Management LCR of the Bank, which includes the credit facility with BB, which was 316%.

Liquidity Coverage Ratio (LCR) (R$ Million)	4Q17	1Q18
Total high-quality liquid assets (HQLA)[1] (A)	11,515	11,172
Stand-by credit facility from BB (B)	6,800	6,800
Total cash outflows (C)	6,236	5,692
LCR (A/C)	**185%**	**196%**
Management LCR[2] [(A+B)/C)]	**294%**	**316%**

1 Include a stand-by credit facility from BB; 2. Maily dueFederal public securities and bank reserves

Further details about the LCR may be found in the Report on Management of Risks and Capital at the website of RI: www.bancovotorantim.com.br/ri.

Capital

In Mar.18, the Prudential Conglomerate capital amounted to R$ 9,467 million in relation to risk-weighted assets which amounted to R$ 57,135 million, resulting in a Basel ratio of 16.6% in Mar.18 (15.5% in Dec.17). The capital index Tier I reached 13.1%, of which 11.3% comprised of Common Equity Tier (CET1).

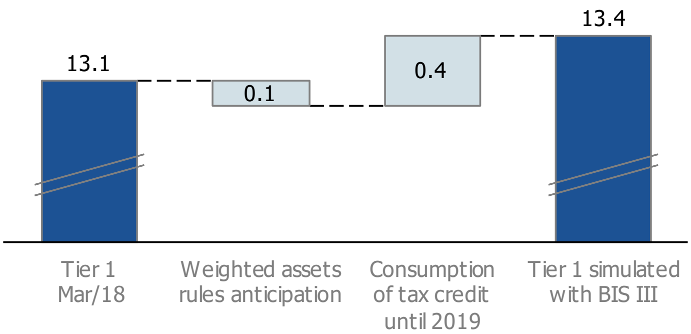
It is worth mentioning that the growth of the Basel ratio in the quarter occurred despite the change in Basel III schedule, which began to apply deductions of 100% on capital prudential adjustments in 2018 (80% in 2017). This growth is result of (i) the increase of the additional Capital Tier I and (ii) the reduction of RWA of credit risk, affected by the retraction of the expanded Wholesale credit portfolio.

BASEL RATIO (R$ Million)	Mar.17	Dec.17	Mar.18
Total Capital	**8,010**	**9,233**	**9,467**
Tier I Capital	6,164	6,759	7,503
Common Equity Tier I	6,164	6,759	6,479
Additional Tier I	-	-	1,024
Tier II Capital	1,846	2,475	1,964
Risk Weighted Assets (RWA)	**60,872**	**59,410**	**57,135**
Credit risk	54,358	52,083	50,073
Market risk	1,363	1,937	1,422
Operational risk	5,151	5,390	5,640
Minimum Capital Requirement	**6,696**	**5,867**	**5,285**
Basel Ratio (Capital/RWA)	**13.2%**	**15.5%**	**16.6%**
Tier I Capital Ratio	10.1%	11.4%	13.1%
Common Equity Tier I Ratio	10.1%	11.4%	11.3%
Additional Tier I Ratio	-	-	1.8%
Tier II Capital Ratio	3.0%	4.2%	3.4%

In Nov.17 the Bank issued USD 300 million in perpetual bonds abroad, eligible to compose the additional capital tier I. This operation was approved in Mar.18 by the Brazilian Central Bank, which ended up strengthening the capital base of the Bank.

The Basel ratio was calculated in accordance with Resolutions 4192 and 4193, which provide a Basel III methodology for calculating the minimum requirements for Reference Equity, Tier I and principal capital. In 2018, the minimum capital requirement was 10.50%, where 7.88% was the minimum for Tier I Capital, and 6.38% for Equity Tier (CET1).

Considering the current capital base, if the Basel III rules established by Brazilian Central Bank would be fully and immediately applied, Tier I Capital ratio would be 13.4% in Mar.18, including the consumption of tax credits estimated up to 2019.



Ratings

Banco Votorantim is rated by international rating agencies and the ratings assigned reflect its operating performance, financial soundness and the quality of its management, in addition to other factors related to the financial sector and economic environment in which the company is operating. It is worth noting that the long-term foreign currency rating is limited to Brazil's sovereign rating.

The table below presents the ratings assigned by the main agencies:

RATINGS AGENCIES		Internacional		National	Brazil
		Local Currency IDR	Foreign Currency IDR	Local Currency IDR	Sovereign rating
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+	

In Mar.18, the rating agency S&P reaffirmed the ratings of the Bank, maintaining them at 'BB-' (global scale/long term) and brAA- (national scale /long term), both with stable outlook, following the sovereign outlook.

Also in Mar.18, Moody's rating agency reaffirmed the Bank's rates, maintaining them as Ba2 (domestic currency) and Ba3 (foreign currency), both with negative outlook.

Corporate Governance

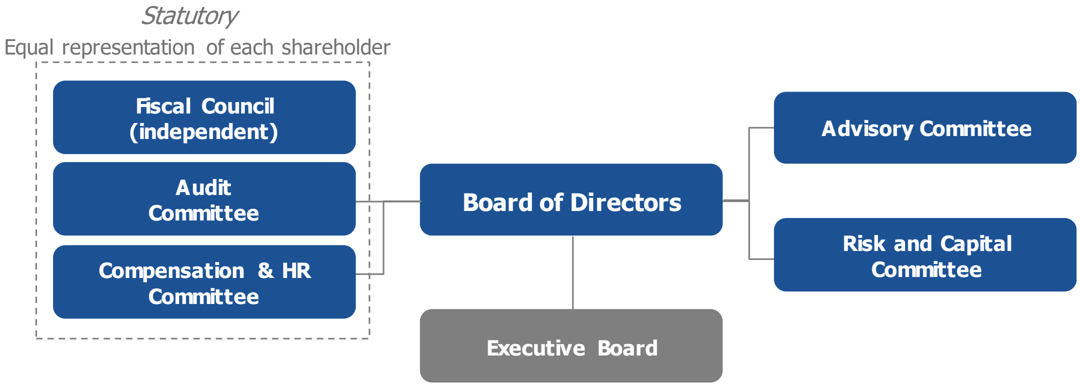
The current corporate governance model is continuously improved for more robustness and transparency and to ensure fast decision making, which is a characteristic quality of the Bank.

The Bank's governance is shared by shareholders of Votorantim Group and Banco do Brasil, both enjoying parity of participation in the Board of Directors, Fiscal Council and other forums which advise the Board of Directors. Among the statutory bodies, the highlights are the following:

- Fiscal Council, which is an independent body created to supervise the administrative management acts;
- Audit Committee, a body whose duties include evaluating the effectiveness of the internal control system and of the internal and independent audits, besides reviewing and issuing an opinion on the quality of the financial statements; and
- Compensation and Human Resources Committee, body that monitors matters related to the Management Compensation Policy and HR practices.

Moreover, the Bank's administrative management is conducted by the Board of Executive officers and its respective internal bodies: Executive Committee and other subordinated Committees, always involving the Bank's executive leaders.

At the beginning of year 2018, the Risk and Capital Committee was implemented, with direct report to the Board and whose principal attribution is the assessment of the operation of the structures of Management of Risks and Capital of the Bank.



The Board of Directors is composed of six members, where each shareholder has the same representation (three members each). Each member holds office for a two-year term, and the positions of CEO and Vice-President are annually alternated between both shareholders. The Board of Directors meetings are periodically held to deliberate on strategic issues and track the business performance. With respect to decision-making process, the Board of Directors decisions are made by absolute majority with no "casting vote".

Board of Directors

Banco do Brasil	Position	Votorantim Finanças	Position
Paulo Rogério Caffarelli	Chairman	José Luiz Majolo	Vice-Chairman
Antonio Mauricio Maurano	Director	Celso Scaramuzza	Director
Marcelo Augusto Dutra Labuta	Director	Jairo Sampaio Saddi	Director

Appendix 1 - Balance sheet

BALANCE SHEET | Assets (R$ Million)	Mar.17	Dec.17	Mar.18	Variation % Mar.18/Dec.17	Variation % Mar.18/Mar.17
CURRENT AND LONG-TERM ASSETS	**103,612**	**92,503**	**93,309**	**0.9**	**(9.9)**
Cash and cash equivalents	170	296	159	(46.3)	(6.4)
Interbank funds applied	17,932	15,110	16,356	8.3	(8.8)
Securities and derivative financial instruments	27,012	21,083	18,309	(13.2)	(32.2)
Derivative financial instruments	4,211	2,036	3,414	67.7	(18.9)
Interbank accounts or relations	107	14	233	-	118.2
Loan Operations, Leases and Others receivables	46,561	47,206	46,749	(1.0)	0.4
Alowance for loan losses	(3,223)	(3,674)	(3,540)	(3.7)	9.8
Tax credit	7,486	7,215	7,102	(1.6)	(5.1)
Others	3,357	3,218	4,527	40.7	34.9
NON-CURRENTS	**552**	**1,016**	**1,054**	**3.8**	**90.9**
TOTAL ASSETS	**104,166**	**93,519**	**94,363**	**0.9**	**(9.4)**

BALANCE SHEET | Liabilities (R$ Million)	Mar.17	Dec.17	Mar.18	Variation % Mar.18/Dec.17	Variation % Mar.18/Mar.17
CURRENT AND LONG-TERM LIABILITIES	**95,778**	**84,619**	**85,255**	**0.8**	**(11.0)**
Deposits	7,429	8,503	10,128	19.1	36.3
Demand and interbank deposits	2,227	2,143	2,180	0.0	0.0
Time deposits	5,202	6,360	7,948	25.0	52.8
Money market borrowings	33,563	25,737	25,119	(2.4)	(25.2)
Acceptances and endorsements	23,154	24,085	23,549	(2.2)	1.7
Interbank accounts	53	64	139	118.2	163.2
Borrowings and onlendings	4,304	4,062	3,533	(13.0)	(17.9)
Derivative financial instruments	4,341	1,701	3,199	88.1	(26.3)
Others obligations	22,933	20,468	19,588	(4.3)	(14.6)
Subordinated debts	5,987	5,818	5,766	(0.9)	(3.7)
Credit transactions subject to assignment	11,438	9,445	7,731	(18.1)	(32.4)
Others obligations	5,508	5,205	6,090	17.0	10.6
DEFERRED INCOME	**30**	**32**	**34**	**6.6**	**13.3**
SHAREHOLDERS' EQUITY	**8,358**	**8,868**	**9,074**	**2.3**	**8.6**
TOTAL LIABILITIES	**104,166**	**93,519**	**94,363**	**0.9**	**(9.4)**

Appendix 2 - Managerial Statement of Income

INCOME STATEMENT (R$ Million)	1Q17	4Q17	1Q18	Variation (%) 1Q18/4Q17	1Q18/1Q17
Income from financial intermediation	**3,475**	**3,075**	**2,753**	**(10.5)**	**(20.8)**
Loans[1]	2,226	2,307	2,190	(5.1)	(1.6)
Leases	5	4	9	126.7	84.3
Securities	1,238	800	580	(27.4)	(53.1)
Derivative financial instruments	(0)	(99)	(46)	(53.4)	-
Foreign exchange operations	(2)	61	18	(70.3)	-
Income from Compulsory Deposits	8	2	1	(51.8)	(85.6)
Expenses from financial intermediation	**(2,270)**	**(1,743)**	**(1,405)**	**(19.4)**	**(38.1)**
Money market borrowings	(1,844)	(1,325)	(1,100)	(17.0)	(40.3)
Borrowings and onlendings	(15)	(113)	(58)	(48.6)	296.5
Sale or transfer from financial assets	(411)	(305)	(248)	(18.9)	(39.8)
Net interest income	**1,205**	**1,332**	**1,347**	**1.2**	**11.8**
Results of loan losses and impairments	(420)	(487)	(326)	(33.1)	(22.4)
Net financial margin	**785**	**845**	**1,021**	**20.9**	**30.1**
Other operating income/expenses	**(467)**	**(520)**	**(461)**	**(11.3)**	**(1.3)**
Fee Income	290	376	325	(13.6)	12.1
Personnel expenses	(245)	(311)	(320)	3.0	30.9
Administrative expenses	(256)	(319)	(277)	(13.3)	8.0
Tax expenses - ISS, PIS and Cofins	(88)	(112)	(92)	(17.5)	4.6
Equity in income of subsidiaries	58	81	80	(1.1)	37.1
Other operational income (expenses)	(226)	(234)	(176)	(24.7)	(22.0)
Operating income (loss)	**318**	**325**	**561**	**72.5**	**76.2**
Non-operating income (loss)	**(16)**	**(4)**	**(3)**	**(25.7)**	**(80.3)**
Income (loss) before taxes and contribution	**302**	**321**	**557**	**73.8**	**84.7**
Provision for income tax and social contribution	(135)	(138)	(247)	79.3	82.2
Profit sharing	(39)	(27)	(56)	109.5	43.9
Net income (loss)	**127**	**156**	**255**	**62.8**	**99.8**

1.Includes income from loan assets assigned with recourse under Resolution 3,533

Appendix 3 - Quality of the Loan Portfolio

Consolidated Loan Portfolio – by level of risk

RISK (R$ Million)	Mar.17			Dec.17			Mar.18		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	3,688	-	7.9%	4,451	-	9.1%	4,280	-	8.9%
A	21,654	108	46.1%	20,625	103	42.4%	21,153	106	43.9%
B	7,979	79	17.0%	9,668	97	19.9%	9,060	91	18.8%
C	8,508	255	18.1%	8,452	254	17.4%	8,465	254	17.6%
D	1,695	170	3.6%	1,610	174	3.3%	1,432	156	3.0%
E	649	195	1.4%	583	175	1.2%	621	186	1.3%
F	416	208	0.9%	473	237	1.0%	494	247	1.0%
G	446	312	1.0%	1,053	872	2.2%	1,047	868	2.2%
H	1,895	1,895	4.0%	1,763	1,763	3.6%	1,632	1,632	3.4%
TOTAL	46,931	**3,223**	**100.0%**	**48,679**	**3,674**	**100.0%**	**48,185**	**3,540**	**100.0%**
AA-C	**41,829**	**443**	**89.1%**	**43,196**	**453**	**88.7%**	**42,959**	**450**	**89.2%**
D-H	**5,102**	**2,780**	**10.9%**	**5,483**	**3,221**	**11.3%**	**5,226**	**3,090**	**10.8%**

Note: ALL Balance does not consider, in Mar.18, R$ 11M of "generic" credit provision recognized as Liabilities in the "Other" line (Note #18d of 1Q18 Financial Statement)

Wholesale – sectorial concentration

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 nad benerages 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%
Eletricity 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%
Total[1]	**19,598**	**100.0%**	**15,206**	**100.0%**

1. Excludes private securities

Glossary

Earning Assets: reflect the sum of all the assets that generate financial income for the institution. The total return of these assets is included in Income from Financial Intermediation.

Loan portfolio: Loan portfolio accounted for according to the criteria established by Resolution 2682/99 of the National Monetary Council (CMN), including the mark-to-market of loans and leases in compliance with BACEN Circular Letter 3624 (as of Jun.14).

Expanded Credit Portfolio: on balance loan portfolio with the addition of transactions with private securities acquired by the Bank.

Guarantees provided: operations in which the Bank guarantees the financial settlement of contracts.

90-day NPL ratio: indicator that shows the ratio between 90-day NPL and total loans.

Efficiency Ratio (ER): Productivity indicator that expresses the ratio between administrative and personnel expenses (net of labor lawsuits and profit sharing) and the sum of Net Interest Income, Fee Income, Equity in Income of Associated Companies and Subsidiaries, and Other Operating Income/Expenses. The lower the index, the more "efficient" the institution.

Net Interest Income (NII): difference between income and expenses from financial intermediation considering management reallocations. Represents the result of financial intermediation, before allowance for loan losses expenses.

New NPL Index: The index for calculating delinquency above 90 days, based on the change of the balance of NPLs past due over 90 days and taking into account the quarter's write-offs to loss, divided by the final portfolio of the previous quarter.

Interest Bearing Liabilities: reflect the sum of all the liabilities that generate financial expense for the institution. The total expenses of these liabilities are included in Expenses from Financial Intermediation.

Reallocations: managerial adjustments made in the Corporate Income Statement with the objective of enabling a better understanding of the business and of the company's performance.

Return on Average Assets (ROAA): Ratio between net income of the period and average total assets of the period. Annualized exponentially.

Return on Average Equity (ROAE): Ratio between net income of the period and the average shareholders' equity of the period. Annualized exponentially.

Average Net-Interest Margin (NIM): ratio between net interest income and interest-earnings assets in the period.