Earnings Release – 3Q15

Contents

São Paulo, November 12, 2015. Banco Votorantim S.A. ("Bank") announces its results for the third quarter (3Q15) and nine-month period (9M15) of 2015. All financial information herein, except where indicated otherwise, is presented in nominal Brazilian Reais, based on consolidated numbers, and in accordance with the Brazilian GAAP (BRGAAP) accounting standards and the Brazilian Corporate Law.

Message from the CEO

In 3Q15, economic activity maintained the weakening trend observed in the first half of the year and, in our opinion, the current challenging scenario of the economy will persist for a few more quarters. In this context, we continue strengthening the quality of our balance sheet and advancing in the implementation of our earnings growth agenda, which has three pillars:

- Increase of the profitability of current and new businesses;
- Increase of operational efficiency; and
- Building of synergies with shareholder Banco do Brasil.

In the short term, however, the main emphasis of our agenda will be on improving our operational efficiency.

The main highlights of our results were:

- **Consistent net income.** Despite the challenging scenario, the net income totaled R$ 137 million in 3Q15, against R$ 146 million in 2Q15 and R$ 135 million in 3Q14. In 9M15, net income totaled R$ 405 million, versus R$ 428 million in 9M14.
- **Maintenance of conservative approach to credit.** The balance of our expanded credit portfolio dropped to 3.0% over the last 12 months and 0.7% in the last quarter. Our tight credit standards, combined with the increase in the Selic rate, impacted the gross margin. In the 3Q15/2Q15 comparison, the reduction of the gross margin is also explained by contraction of Wholesale revenues, which reflects current market conditions. However, the total revenue from services and insurance increased in the QoQ and YoY comparisons.
- **Delinquency under control.** The Consumer Finance 90-day NPL ratio declined 0.6 p.p., reaching 5.3% over the last 12 months. In Consumer Finance, the 90-day NPL ratio ended Sept.15 at 5.4%, with an improvement of 0.7 p.p. in the last 12 months, reflecting the quality of auto finance origination over the past four years and the improvements in credit collection processes. In Wholesale, the 90-day NPL ratio ended Sept.15 at 5.0%, 0.4 p.p. below Sept.14.
- **Additional strengthening of our balance sheet.** Although delinquency is under control, in view of the economic uncertainty, we decided to form prudential provisions to further enhance the quality of our balance sheet. Most of these prudential provisions were formed to credit provision expenses, resulting in an increase by 155% in the coverage ratio at the end of Sept.15, against 141% in Jun.15. In addition, it is worth emphasizing that in spite of the economic downturn, our expenses with allowance for loan losses in Consumer Finance were down 23% in 9M15/9M14, reflecting the quality of the originated auto portfolio in recent years.
- **Effective cost management.** Administrative and personnel expenses were down by 3.4% in 9M15/9M14, despite of the inflation for the period (i.e. IPCA of 9.5% in the last 12 months). As a result of our strict cost control, the Efficiency Ratio for the last twelve months remains below 40% (Sept.15: 39.6%).

In addition, we maintained our conservative approach in the management of funding, liquidity and capital, enhancing the quality of our credit risk. Over the last quarters, the Bank expanded the share of more stable funding instruments, such as Financing Bills and credit assignments with recourse, which together represented 44% of the total funding by the end of Sept.15. We also kept our cash at prudentially high levels, above the historical plateau and enough to cover our funding with daily liquidity. Finally, the Basel Ratio ended the 3Q15 at 14.4% – above the regulatory minimum capital of 11% – and with Tier I Capital of 9.05%, composed entirely of Common Equity.

The net income of 3Q15 confirms the consistency of Banco Votorantim's results.

Corporate strategy

Banco Votorantim aims to consolidate its position among the main national private banks, recognized for guidance in serving its clients and partners in a sustainable manner and with long-term relationships, leveraging synergies with Banco do Brasil (BB) shareholder. For this purpose, the Bank has a diversified business portfolio in the Wholesale, Wealth Management and Consumer Finance segments, with clearly defined objectives.

Wholesale Bank Businesses (CIB)

Positioned among the market leaders in lending to large enterprises, Corporate & Investment Banking (CIB) segment is intended to increase its relevance with annual revenues above R$200 million for the clients by strengthening its platform of high value-added products and services and low capital consumption- structured products, derivatives (hedge), FX, investment banking services and local and local and international distribution (New York and London). By means of long-term and agile relationships, and sectoral expertise, the Bank provides integrated financial solutions adequate to its clients' needs.

It is important to mention that, at the end of 2013, the Bank revised its operating strategy for the medium enterprises. BV's Middle Market, which catered for medium enterprises, has been merged into CIB. In addition, the Bank has decided to gradually reduce its exposure to companies with annual revenue below R$ 200 million, also known as the "lower middle market", which, at the end of Sept.15, accounted for approximately R$ 0.6 billion of the expanded credit portfolio (in comparison to R$ 3 billion in Dec.13).

Wealth Management Business (VWM&S)

To develop and provide the best solutions for estate planning in a sustainable manner is part of VWM&S's mission, which has well established objectives for the two different markets where it operates:

- **Asset Management:** to be recognized for its consistent performance and for developing solutions appropriate to the clients' needs by means of its innovative and differentiated capacity for restructuring and managing products that have a high added value. Votorantim Asset Management (VAM) holds an important position within its peer group (Assets without branch network structure) and has been expanding 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 estate planning integrated by means of differentiated solutions.

Consumer Finance Business

- **Auto finance:** to remain among the leaders in auto finance through BV Financeira (subsidiary of Banco Votorantim), which operates as an extension of BB in auto finance outside its branch network. BV Financeira concentrates its operations on light vehicles (multi-brand dealers), a segment in which the Bank has a history of market leadership and acknowledged expertise.

- **Payroll loans:** to maintain an important position in the market of payroll loans, focusing on INSS – National Institute of Social Security (refinancing of portfolio) and Private categories (portfolio growth).

- **Other businesses:** to grow organically in synergic businesses, increasing, for example, revenues from credit cards and insurance brokerage (e.g.: auto and credit insurance). In addition, the Bank will continue to explore new business opportunities in partnership with the stockholder BB, leveraging its competence in asset origination and management of banking correspondents.

Throughout the next quarters, the Bank will continue to advance in the implementation of its strategic plan, which is based on three key elements: increase of the profitability of current and new businesses, increase of operational efficiency, and building of synergies with Banco do Brasil.

Key Information

	3Q14	2Q15	3Q15	9M14	9M15	Variation 3Q15/2Q15	Variation 9M15/9M14
RESULTS (R$ Million)							
Net Interest Income (a)	1,303	1,247	1,134	3,892	3,604	-9.0%	-7.4%
Alowance for loan losses - ALL (b)	(451)	(448)	(1,075)	(1,688)	(1,941)	139.8%	15.0%
Net Financial Margin (a - b)	851	799	59	2,204	1,663	-92.6%	-24.6%
Income from services nad banking fees	249	220	232	699	695	5.7%	-0.6%
Personnel and adiministrative expenses	(661)	(596)	(563)	(1,811)	(1,748)	-5.5%	-3.4%
Operating Income (loss)	187	205	(496)	429	(70)	-	-
Net Income (loss)	135	146	137	428	405	-6.2%	-5.3%
MANAGEMENT INDICATORS (%)							
Return on Average Equity[1] (ROAE)	7.3	7.7	7.2	7.7	7.1	-0.5 p.p.	-0.6 p.p.
Return on Average Assets[2] (ROAA)	0.6	0.6	0.5	0.6	0.5	-0.1 p.p.	-0.1 p.p.
Net Interest Margin[3] (NIM)	6.0	5.3	4.8	5.6	5.1	-0.5 p.p.	-0.5 p.p.
Efficiency Ratio (ER) - accumulated of 12 months[4]	34.6	38.6	39.6	34.6	39.6	1.0 p.p.	5.0 p.p.
Basel ratio	15.3	14.9	14.4	15.3	14.4	-0.5 p.p.	-0.9 p.p.
Tier I Capital Ratio	10.0	9.6	9.0	10.0	9.0	-0.6 p.p.	-1.0 p.p.
MACROECONOMIC INDICATORS[5]							
CDI - in the period (%)	2.7	3.0	3.4	7.8	9.6	0.4 p.p.	1.8 p.p.
Selic rate- end of the period (p.y.%)	11.00	13.75	14.25	11.00	14.25	0.5 p.p.	3.3 p.p.
IPCA - in the period (%)	0.8	2.3	1.4	4.6	7.6	-0.9 p.p.	3.0 p.p.
Dolar exchange rate - end of the period (R$)	2.45	3.10	3.97	2.45	3.97	28.1%	62.3%
EMBI Brazil Risk (points)	239	302	447	239	447	145	208

	Sept.14	Jun.15	Sept.15	Variation Sept.15/Jun.15	Variation Sept.15/Sept.14
BALANCE SHEET (R$ Million)					
Total assets	98,016	103,335	110,313	6.8%	12.5%
Loan portfolio (on-balance)	53,289	51,761	51,114	-1.2%	-4.1%
Wholesale segment	17,332	16,675	16,959	1.7%	-2.2%
Consumer Finance segment	35,957	35,086	34,155	-2.7%	-5.0%
Guarantees provided	9,837	9,344	9,561	2.3%	-2.8%
Expanded credit Portfolio	68,210	66,663	66,174	-0.7%	-3.0%
Funding sources	72,401	73,980	74,203	0.3%	2.5%
Shareholders' equity	7,683	7,847	7,778	-0.9%	1.2%
Capital (Basel ratio)	11,190	10,967	10,866	-0.9%	-2.9%
LOAN PORTFOLIO QUALITY INDICATORS[6] (%)					
90-day NPL / Managed loan portfolio	5.9	5.2	5.3	0.1 p.p.	-0.6 p.p.
Allowance for loan losses / 90-day NPL	126	141	155	14.4 p.p.	29.0 p.p.
Allowance for loan losses / D - H balance	68.5	71.6	79.0	7.4 p.p.	10.5 p.p.
Allowance for loan losses / Managed loan portfolio	7.4	7.3	8.2	0.9 p.p.	0.8 p.p.
OTHER INFORMATION					
AuM[7] (R$ Million)	41,708.0	43,756.1	46,577.0	6.4%	11.7%

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 balance of credit assignments with recourse to Financial Institutions and credit asigments to FIDCs up to Dec.11 (before Resolution 3,533/Bacen)
7. 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. These reallocations basically refer to:

- Income from recovery of credits written-off to loss, recorded in "Revenues from loans" and reallocated to "Allowance for Loan Losses";
- Expenses with allowance for loan losses characteristics recorded in "Other Operating Income (Expenses)", such as allowances for loan losses for portfolios (off-balance) assigned with recourse prior to Resolution 3,533, which were reallocated to "Allowance for Loan Losses"; and
- Foreign exchange variations of overseas investments, which are recorded in "Other Operating Income (Expenses)" and were reallocated to "Derivative Financial Instruments", as well as the fiscal and tax effects of the hedging of these 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 foreign exchange variation on income. For this purpose, foreign exchange risk is neutralized using derivative financial instruments so investments are remunerated in Reais. The strategy of hedging overseas investments also considers the impact of the associated tax effects.

Reconciliation of Audited and Managerial Net Income – 2Q15 and 3Q15

INCOME STATEMENT (R$ Million)	2Q15 Audited	Adjustments	2Q15 Managerial	3Q15 Audited	Adjustments	3Q15 Managerial
Income from financial intermediation	**3,735**	**(220)**	**3,515**	**6,487**	**408**	**6,894**
Loans[1]	2,605	(151)	2,454	3,721	(170)	3,552
Leases	13	-	13	12	-	12
Securities	1,151	-	1,151	1,305	-	1,305
Derivative financial instruments	(35)	(69)	(104)	1,157	577	1,734
Foreign exchange operations	2	-	2	292	-	292
Compulsory deposits	-	-	-	-	-	-
Expenses from financial intermediation	**(2,268)**	**-**	**(2,268)**	**(5,760)**	**-**	**(5,760)**
Money market borrowings	(1,568)	-	(1,568)	(3,890)	-	(3,890)
Borrowings and onlendings	28	-	28	(1,077)	-	(1,077)
Sale or transfer from financial assets	(728)	-	(728)	(793)	-	(793)
Net interest income - NII	**1,467**	**(220)**	**1,247**	**727**	**408**	**1,134**
Allowance for loan losses - ALL	(514)	66	(448)	(1,214)	139	(1,075)
Net financial margin	**953**	**(154)**	**799**	**(487)**	**546**	**59**
Other operating income/expenses	**(701)**	**108**	**(593)**	**(254)**	**(301)**	**(555)**
Fee income	220	-	220	232	-	232
Personnel and administrative expenses	(596)	-	(596)	(563)	-	(563)
Tax expenses	(97)	2	(94)	(99)	(3)	(102)
Equity in income of subsidiaries	39	-	39	39	-	39
Other operating income/expenses	(268)	105	(162)	136	(298)	(162)
Operating income (loss)	**252**	**(47)**	**205**	**(742)**	**246**	**(496)**
Non-operating income (loss)	**(15)**	**-**	**(15)**	**(9)**	**-**	**(9)**
Income (loss) before taxes and contributions	**237**	**(47)**	**191**	**(751)**	**246**	**(505)**
Provision for income tax and social contribution	(36)	47	10	921	(246)	675
Profit sharing	(55)	-	(55)	(33)	-	(33)
Net income (loss)	**146**	**-**	**146**	**137**	**-**	**137**

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

Reconciliation of Audited and Managerial Net Income – 9M14 and 9M15

DEMONSTRAÇÃO DE RESULTADO DO EXERCÍCIO (R$ Milhões)	9M14 Audited	Adjustments	9M14 Managerial	9M15 Audited	Adjustments	9M15 Managerial
Income from financial intermediation	**11,468**	**(466)**	**11,002**	**15,554**	**348**	**15,902**
Loans[1]	8,534	(487)	8,047	9,692	(487)	9,205
Leases	102	-	102	54	-	54
Securities	2,650	-	2,650	3,619	-	3,619
Derivative financial instruments	117	21	138	1,661	834	2,495
Foreign exchange operations	65	-	65	528	-	528
Compulsory deposits	0	-	0	-	-	-
Expenses from financial intermediation	**(7,110)**	**-**	**(7,110)**	**(12,306)**	**7**	**(12,298)**
Money market borrowings	(5,104)	-	(5,104)	(8,613)	-	(8,613)
Borrowings and onlendings	(216)	-	(216)	(1,450)	-	(1,450)
Sale or transfer from financial assets	(1,789)	-	(1,789)	(2,243)	7	(2,235)
Net interest income - NII	**4,358**	**(466)**	**3,892**	**3,248**	**355**	**3,604**
Allowance for loan losses - ALL	(2,180)	492	(1,688)	(2,417)	476	(1,941)
Net financial margin	**2,179**	**25**	**2,204**	**832**	**831**	**1,663**
Other operating income/expenses	**(1,730)**	**(45)**	**(1,775)**	**(1,226)**	**(507)**	**(1,733)**
Fee income	699	-	699	695	-	695
Personnel and administrative expenses	(1,811)	-	(1,811)	(1,748)	-	(1,748)
Tax expenses	(341)	2	(338)	(312)	(16)	(328)
Equity in income of subsidiaries	111	-	111	116	-	116
Other operating income/expenses	(389)	(48)	(436)	24	(491)	(468)
Operating income (loss)	**449**	**(20)**	**429**	**(394)**	**324**	**(70)**
Non-operating income (loss)	**115**	**-**	**115**	**(27)**	**-**	**(27)**
Income (loss) before taxes and contributions	**563**	**(20)**	**543**	**(421)**	**324**	**(97)**
Provision for income tax and social contribution	4	20	24	967	(324)	642
Profit sharing	(140)	-	(140)	(141)	-	(141)
Net income (loss)	**428**	**-**	**428**	**405**	**-**	**405**

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

Analysis of managerial result

Net Interest Income (NII)

NII dropped 9% in comparison to the previous quarter, with a reduction of 7.4% in the 9M15/9M14 comparison, reflecting the conservative lending posture and the increase of the Selic rate, which pushed up the funding cost. In the 3Q15/2Q15 comparison, the reduction of net interest income is also explained by the drop in the volume of Wholesale income, particularly with structured operations.

Net Interest income (NII) (R$ Million)	3Q14	2Q15	3Q15	9M14	9M15	Variation (%)	
						3Q15/2Q15	9M15/9M14
Income from Financial Intermediation	**4,261**	**3,515**	**6,894**	**11,002**	**15,902**	**96.1**	**44.5**
Total loans	2,907	2,454	3,552	8,047	9,205	44.7	14.4
Loans	2,015	1,454	2,461	5,396	6,135	69.3	13.7
Sale or transfer from financial assets[1]	892	1,000	1,091	2,651	3,071	9.1	15.8
Leases	25	13	12	102	54	(11.4)	(47.4)
Securities	872	1,151	1,305	2,650	3,619	13.4	36.6
Derivative financial instruments	361	(104)	1,734	138	2,495	-	-
Foreign exchange operations	96	2	292	65	528	-	-
Compulsory deposits	-	-	-	0	-	-	(100.0)
Expenses from Financial Intermedation	**(2,959)**	**(2,268)**	**(5,760)**	**(7,110)**	**(12,298)**	**154.0**	**73.0**
Money market repurchase agreements	(2,189)	(1,568)	(3,890)	(5,104)	(8,613)	-	68.7
Borrowings and onlendings	(167)	28	(1,077)	(216)	(1,450)	-	-
Sale or transfer from financial assets	(603)	(728)	(793)	(1,789)	(2,235)	9.0	24.9
Net Interest Income	**1,303**	**1,247**	**1,134**	**3,892**	**3,604**	**(9.0)**	**(7.4)**

1 Income from sale or transfer operations from financial assets (credits assigned after Res. 3,533 came into force)

Income from financial intermediation increased 96.1% in relation to the prior quarter, due mainly to the increase in loans and in derivative financial instruments. It is worth emphasizing that the revenue from loans in 3Q15 is mainly due to the impact of exchange rate variation on Export Credit Notes (NCE) operations. This impact, however, is largely offset by the use of derivatives, which are employed to hedge Net Interest Income (NII) against foreign exchange variations.

It is important to note that, as part of its market risk management strategy, the Bank regularly enters into derivative transactions to protect the NII of the oscillation in values subjected to risks related to foreign currencies, indices and interest rates. That is, the impact of changes in interest rates, exchange rates and indexes is largely offset by the use of derivatives, as the situation described in the prior paragraph.

In the 9M15/9M14, income from financial intermediation had a growth of 44.5% mainly driven by the positive variation in the result with derivative financial instruments and by the increase in the total revenues from loans and securities operations.

It also should be stressed that the Bank periodically carries out assignments of receivables (with recourse) to its shareholder BB. These transactions are carried out pursuant to Resolution 3,533, and, therefore, do not impact the Bank's statement of income at the time of the assignment, but rather form part of its funding strategy. However, when a contract is assigned with recourse, the income from this contract is henceforth recognized on the line of "Sales or Transfers of Financial Assets", instead of "Loans". For this reason, for a better understanding of the effective performance of the loan portfolio, these revenues were grouped in "Total Loans" in the prior table.

The expenses from financial intermediation had an increase in relation to 2Q15 in the 9M15/9M14 comparison, mainly impacted by the effects of foreign exchange variations. It is worth remembering that the Dollar ended Sept.15 quoted at R$ 3.97, against R$ 3.10 (+28.1%) in Jun.15 and R$ 2.45 (+62.3%) in Sept.14.

As part of the strategy to extend the maturity profile of funding sources obtained and reduce their respective costs, in 3Q15, the Bank raised R$ 1.5 billion (R$ 3.5 billion in 2Q15) by means of assignment of loan assets from the Consumer Finance segment to BB (with recourse), totaling R$ 1.4 billion, thus helping to maintain the Bank's cash position at a prudentially high level.

The annualized net interest margin (NIM) reached 4.8% p.y. in 3Q15, 5.3% p.y. in 2Q15. This downslide of 0,5 p.p. is justified by the combination of the reduction of 9.0% in the NII and the growth of 0.6% in the average balance of earning assets, the latter resulting mainly from the appreciation of the Dollar against the Reais in 3Q15. In the comparison to 9M15/9M14, the NIM also posted a decline of 0.5 p.p.

NET INTEREST MARGIN (NIM) (R$ Million)	3Q14	2Q15	3Q15	9M14	9M15	Variation (%) 3Q15/2Q15	9M15/9M14
Net Interest Income (A)	**1,303**	**1,247**	**1,134**	**3,892**	**3,604**	**(9.0)**	**(7.4)**
Average Interest-Earning Assets (B)	**89,222**	**95,337**	**95,883**	**92,769**	**94,533**	**0.6**	**1.9**
Compulsory deposits	56	43	36	75	42	(15.6)	(43.8)
Interbank funds applied	8,888	16,475	17,199	10,374	14,129	4.4	36.2
Securities	26,839	25,783	27,210	28,203	27,697	5.5	(1.8)
Loans	53,439	53,036	51,438	54,117	52,665	(3.0)	(2.7)
NIM (A/B)	**6.0%**	**5.3%**	**4.8%**	**5.6%**	**5.1%**	**-0.5 p.p.**	**-0.5 p.p.**

Loan Portfolio

The Bank is responsible for the risk of assets assigned with recourse to other financial institutions and assets assigned to FIDCs (Credit Receivables Investment Funds). Due to that, and aiming at ensuring a more consistent communication to the market, that report shows information on the "managed" portfolio, which includes all assets assigned with a substantial retention of risk up to Dec.11, which are not recorded on the balance sheet. The balance of these assets ended Sept.15 at R$ 461 million, compared to R$ 2,135 million in Sept.14. It is important to remember that in view of the new regulatory environment imposed by Resolution 3,533, credits assigned with recourse since Jan.12 remain recorded in the Bank's assets. For this reason, the off-balance sum of assets assigned with risk retention up to Dec.11 tends towards zero over time, which will make the managed portfolio equal to the loan portfolio.

In Sept.15, the consolidated loan portfolio classified by the Resolution 2,682 totaled R$ 51.1 billion, 1.2% lower than the balance at the end of Jun.15 and 4.1% lower in the last 12 months. The managed loan portfolio closed Sept.15 at R$ 51.6 billion, a 1.8% reduction in relation to Jun.15 and 7.4% in relation to Sept.14. The Wholesale expanded loan portfolio, which includes guarantees provided and private securities, closed Sept.15 at R$ 32.0 billion, a 1.4% higher than in Jun.15, mainly due to the effects of foreign exchange variation.
In Consumer Finance, the classified loan portfolio reached R$ 34.2 billion in Sept.15, 2.7% lower than in Jun.15. In the last 12 months the loan portfolio presented a downslide of 5%, reflecting the conservativeness in loan concessions, the focus on guaranteeing the quality and profitability of the new vintages, and the moderation of demand. The managed Consumer Finance portfolio in turn totaled R$ 34.6 billion in Sept.15, a 9.8% drop over 12 months, chiefly due to the decline in the balance of portfolios assigned with recourse until Dec.11 (before the Resolution 3,533 became effective).

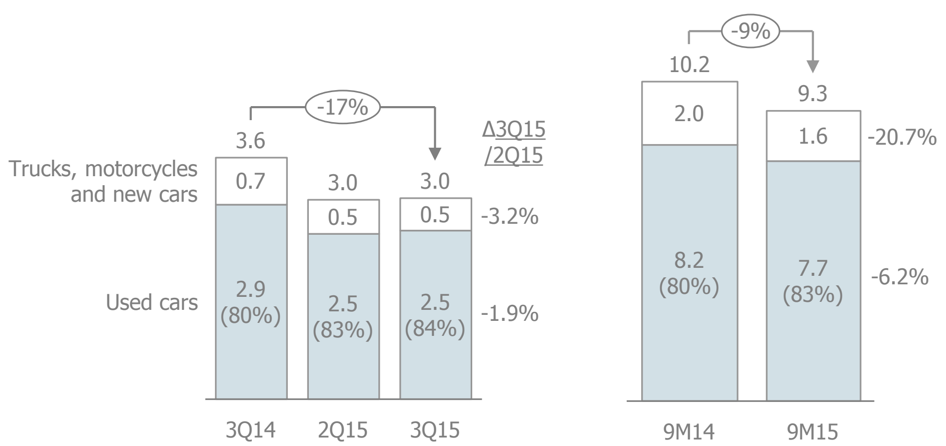
CREDIT PORTFOLIO (R$ Million)	Sept.14	Jun.15	Sept.15	Variation (%)	
				Sept.15/Jun.15	Sept.15/Sept.14
Wholesale segment - CIB (a)	**17,332**	**16,675**	**16,959**	**1.7**	**(2.2)**
Consumer Finance segment (b)	**35,957**	**35,086**	**34,155**	**(2.7)**	**(5.0)**
Auto finance (direct credit and leasing)	29,345	28,794	28,221	(2.0)	(3.8)
Payroll loans	5,533	5,051	4,713	(6.7)	(14.8)
Credit Cards	929	1,086	1,144	5.4	23.2
Individual Loans	150	155	77	(49.9)	(48.5)
On-balance loan portfolio (c=a+b)	**53,289**	**51,761**	**51,114**	**(1.2)**	**(4.1)**
Guarantees provided (d)	9,837	9,344	9,561	2.3	(2.8)
Private securities (e)	5,084	5,558	5,499	(1.1)	8.2
Expanded credit portfolio (f=c+d+e)	**68,210**	**66,663**	**66,174**	**(0.7)**	**(3.0)**
Off-balance credit assignments - Consumer Finance (g)[1]	**2,422**	**744**	**461**	**(38.0)**	**(80.9)**
Credit assignments with recourse to Financial Institutions	2,135	744	461	(38.0)	(78.4)
Auto finance (direct credit to consumer and leasing)	1,459	464	272	(41.4)	(81.4)
Payroll loans	677	281	190	(32.4)	(72.0)
Credit assignments to FIDC[2]	287	0	-	(100.0)	(100.0)
Expanded managed credit portfolio (h=f+g)	**70,633**	**67,407**	**66,635**	**(1.1)**	**(5.7)**
Wholesale segment - CIB (a+d+e)	**32,253**	**31,577**	**32,019**	**1.4**	**(0.7)**
Consumer Finance segment (b+g)	**38,379**	**35,830**	**34,617**	**(3.4)**	**(9.8)**
Auto Finance (Direct Credit to Consumer and Leasing)	31,090	29,258	28,493	(2.6)	(8.4)
Payroll Loans	6,210	5,332	4,902	(8.0)	(21.1)
Credit Cards	929	1,086	1,144	5.4	23.2
Individual loans and Home Equity	150	155	77	(49.9)	(48.5)

1. Credits assigned before Resolution 3,533; 2. Investment funds in credit rights (FIDCs) in which Banco Votorantim and BV Financeira hold 100% of subordinated quotas.

Auto finance origination

The auto finance origination volume was R$ 3.0 billion in 3Q15 and R$ 9.3 billion in 9M15. The Bank increased the share of used light vehicles – segment in which it has a history of leadership and recognized expertise – from 80% to 83% in 9M15/9M14 comparison.

Volume of auto finance origination (R$B)



In the last years, the Bank has continuously refined the policies, processes and credit models of Consumer Finance, especially of the auto finance loan business. In 2012, for instance, the Bank incorporated new variables in its credit model, such as BB's internal rating, and additional information from credit bureaus (e.g.: Serasa Experian information full package). In 2013 a new "credit engine" was implemented, a tool that allows greater discrimination of risk and speed in credit decisions, resulting in processes automation and efficiency gains, among other benefits.

In 2014, credit risk management continued effective and timely, with several improvements implemented in commercial management, fraud fighting and credit collection.

In 2015, the Bank has maintained a more conservative stance in the concession of auto finance loans, practicing shorter terms and requesting higher down payments in relation to 2010 and 2011 vintages. In 4Q10, for example, the average production period was 52 months and the average down payment percentage was 26%. In 3Q15, in turn, the average production term was 44 months and the average down payment percentage was 42%, as per the following table.

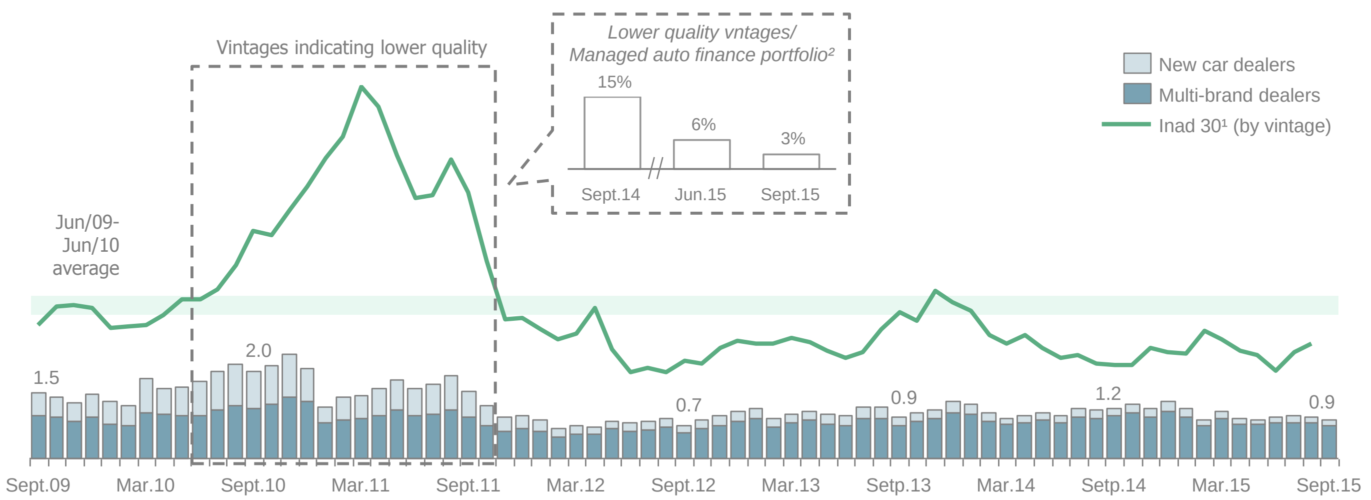
AUTO FINANCE - Origination	3Q14	2Q15	3Q15	Variation	
				3Q15/2Q15	3Q15/3Q14
Average rate (% per year)	26.2	27.6	28.0	0.4 p.p.	1.8 p.p.
Average term (months)	44	44	44	0	0
Loan-to-Value (%)	60.4	58.6	58.3	-0.3 p.p.	-2.1 p.p.
Used cars/cars origination (%)	86.6	90.9	91.7	0.8 p.p.	5.1 p.p.

AUTO FINANCE - Loan Portfolio	Sept.14	Jun.15	Sept.15	Variation	
				Sept.15/Jun.15	Sept.15/Sept.14
Average rate[1] (% per year)	25.4	26.1	26.4	0.3 p.p.	1.0 p.p.
Maturity (months)	47	46	46	0	-1
Loan-To-Value (%)	55.8	53.6	52.7	-0.9 p.p.	-3.1 p.p.
Used cars/Auto finance portfolio (%)	79.2	83.1	84.4	1.3 p.p.	5.2 p.p.
Average vehicle age (years)	5	5	5	0	0

1 Rate calculated based on quarterly average portfolio

The combination of improvements in the credit processes and models and the prudence in the granting of loans has produced concrete results. Since 2011, the Bank has been originating auto finance with a quality standard above or equal to the historical average rate. The following chart shows the progress of the first installment delinquency indicator (known as "Inad 30" in Portuguese) for light vehicles, which shows, by vintage, the financing percentage with default in the payment of the first installment in excess of 30 days.

Light vehicles – Production by channel (R$B) and first-installment delinquency[1] (%)



1. % of each month's production with first installment past due over 30 days; 2. Includes securitization with substantial risk retention before Res. 3,533.

Loan portfolios originated until Jun.10 and after Sept.11, which are of better quality, represented 97% of the managed auto finance portfolio in Sept.15, against 85% in Sept.14. That contributed to the 0.8 p.p. improvement in 90-day NPL ratio of the cars portfolio for the past 12 months (Sept.15: 5.1%; Sept.14: 5.9%).

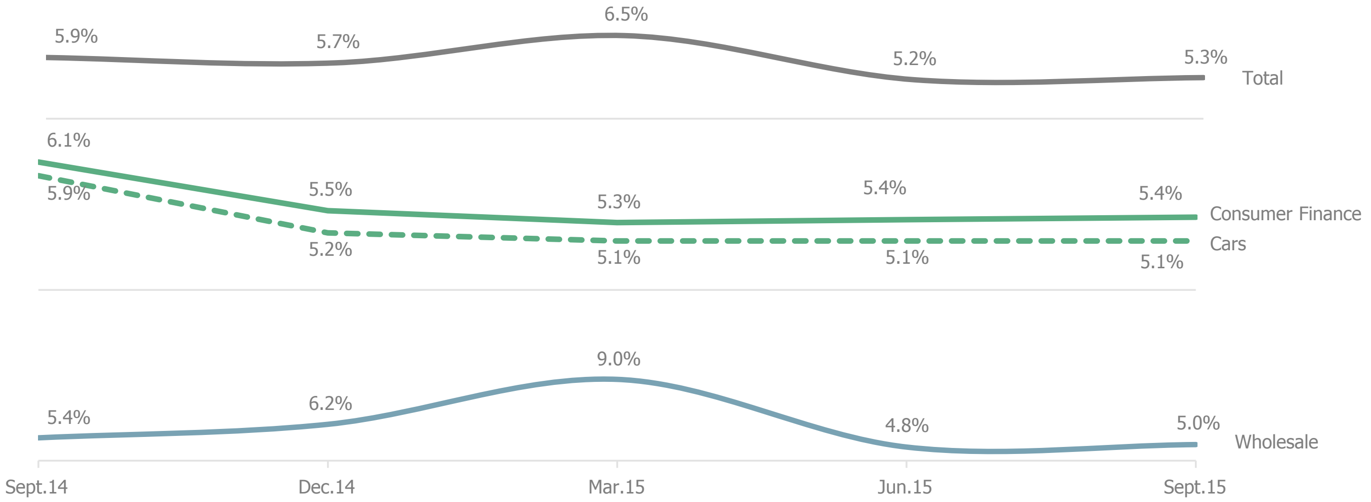
Delinquency and allowance for loan losses (ALL)

The 90-day NPL ratio of the managed credit portfolio closed Sept.15 at 5.3%, with 0.1 p.p. slight growth in the quarter and 0.6 p.p. reduction in the last 12 months.

In Consumer Finance, the delinquency ended Sept.15 at 5.4%, stable in relation to Jun.15, and 0.7 p.p. below the indicator of Sept.14 (6.1%). In regard to the portfolio of cars, delinquency ended Sept.15 at 5.1%, also stable in comparison to the previous quarter and with an improvement of 0.8 p.p. in the last 12 months, reflecting the quality of the originated loan portfolio in last years.

In Wholesale, 5% of loans had a 90-day NPL ratio at the end of Sept.15, compared to 4.8% in Jun.15 and 5.4% in Sept.14.

90-day NPL ratio/Managed portfolio (%)



Despite the relative stability of delinquency indicators, in view of the uncertainties of the macroeconomic scenario, the Bank decided to form prudential provisions to enhance the quality of its balance sheet. Most part of such prudential provisions was to allowance for doubtful accounts, resulting in an increase by 155% in the 90-day Coverage Ratio at the end of Sept.15, against 141% in Jun.15 and 126% in Sept.14.

Allowance for loan losses (ALL) expenses, net of income from recovery of credits previously written-off to loss, had an increase of R$ 627 million in relation to prior quarter, mainly due to the prudential provisions - and R$ 253 million in the current comparison. If we disregard prudential provisions, the ALL expenses would have reduced year on year.

Due to the prudential provisions, the net financial margin amounted to R$ 59 million in 3Q15 and R$ 1,663 million in 9M15. However, if we disregard prudential provisions, the net financial margin would have been R$ 618 million in 3Q15 and R$ 2,222 million in 9M15.

NET FINANCIAL MARGIN (R$ Million)	3Q14	2Q15	3Q15	9M14	9M15	Variation (%)	
						3Q15/2Q15	9M15/9M14
Net Interest Income	**1,303**	**1,247**	**1,134**	**3,892**	**3,604**	**(9.0)**	**(7.4)**
Allowance for loan losses	(451)	(448)	(1,075)	(1,688)	(1,941)	139.8	15.0
Wholesale	(74)	(90)	(672)	(346)	(909)	647.3	163.0
Consumer Finance	(378)	(358)	(402)	(1,342)	(1,031)	12.3	(23.2)
Net Financial Margin	**851**	**799**	**59**	**2,204**	**1,663**	**(92.6)**	**(24.6)**

In relation to the quality of the loan portfolio presented in the previous table), we should emphasize that:

- The timely reinforcement of allowance for loan losses (ALL) contributed to produce an 8.2% increase in the balance of allowance for loan losses (ALL) on the loan portfolio and a 79% increase in the balance of allowance for loan losses on operations classified between "D-H" by Resolution 2.682 ; and
- Loans classified between "AA-C" (best risk levels) according to Resolution 2,682 represented, at the end of Sept.15, 89.7% of the managed loan portfolio, an increase of 0.3 p.p. in the last 12 months.

MANAGED LOAN PORTFOLIO QUALITY INDICATORS (R$ Million, except where indicated)	Sept.14	Jun.15	Sept.15
Loan portfolio	55,712	52,505	51,576
90-day NPL/ Loan portfolio	5.9%	5.2%	5.3%
Write-off(a)	(771)	(834)	(838)
Credit recovery (b)	148	151	170
Net Loss (a+b)	(623)	(683)	(668)
Net Loss / Loan portfolio - annualized	4.5%	5.3%	5.3%
New NPL	383	(67)	823
New NPL / Loan portfolio[1]	0.7%	-0.1%	1.6%
ALL balance	4,114	3,843	4,212
ALL balance / Loan portfolio	7.4%	7.3%	8.2%
ALL balance / 90-day NPL	126%	141%	155%
ALL balance / D - H balance	68.5%	71.6%	79.0%
AA-C balance	49,805	47,141	46,248
AA-C balance / Loan portfolio	89.4%	89.8%	89.7%
ALL expenses / Loan portfolio	0.8%	0.9%	2.1%

1 Variation in the balance of NPL 90 +loans written-off to loss in the quarter, divided by loan portfolio by the end of the

Fee income/ banking fees income

Fee income/ banking fees income amounted to R$ 232 million in 3Q15, up 5.7% in comparison to the prior quarter, mainly due to the higher volume of income from guarantees provided and credit card income. In the 9M15/9M14 comparison there was a slight downslide of 0.6%, due mainly to the reduction in Wholesale revenues from commissions on the placement of securities and income from guarantees provided.

FEE INCOME[1] (R$ Million)	3Q14	2Q15	3Q15	9M14	9M15	Variation (%) 3Q15/2Q15	Variation (%) 9M15/9M14
Master file registration	56	61	60	168	189	(1.7)	12.4
Appraisal of assets	47	41	45	135	130	10.6	(3.3)
Credit cards	33	33	38	91	107	15.1	17.6
Income from guarantees provided	37	21	31	108	89	47.3	(17.7)
Management of investment funds	29	29	25	85	76	(15.4)	(10.3)
Commisions on placing of securities	24	12	10	45	33	(21.6)	(27.2)
Other[2]	23	22	24	67	71	7.1	5.7
Total Fee Incomes	**249**	**220**	**232**	**699**	**695**	**5.7**	**(0.6)**

1 Includes Income from bank fees; 2. Includes brokerage fees from Stock Exchange operations, commissions from insurance brokerage, and income from credit cards annuities.

It is important to emphasize that the Bank has expanded sales of insurance, such as credit assurance and auto, with revenues amounted to R$ 160 million in 9M15, against R$ 143 million in 9M14. Insurance sales are handled through the subsidiary Votorantim Corretora de Seguros, and the result of this operation is recognized under the equity method of accounting. Regarding the managerial net income, such operation has generated R$ 94 million in 9M15.

Personnel expenses

Personnel expenses decreased 12.4% compared to the previous quarter, mainly due to lower expenses with labor lawsuits related to the restructuring. In the 9M15/9M14 comparison, a decrease of 9.1% also reflects the fall in labor lawsuits, due to the lower volume of new cases.

PERSONNEL EXPENSES (R$ Million)	3Q14	2Q15	3Q15	9M14	9M15	Variation (%)	
						3Q15/2Q15	9M15/9M14
Fees	(4)	(5)	(5)	(13)	(15)	2.1	12.0
Benefits	(32)	(32)	(33)	(96)	(98)	1.4	1.8
Social Charges	(38)	(39)	(39)	(129)	(135)	(1.7)	5.2
Dividends	(165)	(155)	(159)	(439)	(442)	2.6	0.6
Training	(1)	(1)	(1)	(3)	(2)	28.7	(27.6)
Subtotal	**(241)**	**(233)**	**(237)**	**(679)**	**(691)**	**1.8**	**1.8**
Labor lawsuits	(121)	(81)	(38)	(317)	(214)	(52.9)	(32.4)
Total Personnel Expenses	**(362)**	**(314)**	**(275)**	**(997)**	**(906)**	**(12.4)**	**(9.1)**

The Bank closed Sept.15 with 4,575 employees, not counting statutory personnel and interns, compared to 4,705 in Jun.15.

Administrative expenses

Administrative expenses are under control, presenting an increase lower than the inflation (IPCA of 9.5% in the last 12 months). In 3Q15, administrative expenses increased 2.1% over the previous quarter, mainly due to the increase in expenses with Rentals, Data Processing and Court Fees. In 9M15/9M14 comparison, administrative expenses increased 3.6% due mainly to the increase in expenses increase of expenses with credit collection and with provisions for legal fees.

ADMINISTRATIVE EXPENSES (R$ Million)	3Q14	2Q15	3Q15	9M14	9M15	Variation (%)	
						3Q15/2Q15	9M15/9M14
Rentals	(21)	(20)	(27)	(75)	(68)	31.9	(9.6)
Communication	(22)	(20)	(18)	(56)	(56)	(10.6)	0.1
Data processing	(46)	(43)	(48)	(134)	(136)	11.6	2.1
Services of the financial system	(33)	(28)	(26)	(104)	(77)	(9.0)	(25.6)
Specialized technical services	(92)	(106)	(101)	(236)	(294)	(4.5)	24.8
Judicial and Notary public fees	(35)	(23)	(28)	(99)	(77)	22.8	(22.8)
Other	(50)	(42)	(40)	(111)	(136)	(3.3)	22.1
Total Administrative Expenses	**(298)**	**(282)**	**(288)**	**(814)**	**(844)**	**2.1**	**3.6**

The Efficiency Ratio for the last 12 months closed Sept.15 at 39.6%, compared to 38.6% in Jun.15, as shown below. Maintenance of Efficiency Ratio below 40% shows the continuous efforts for reducing the cost base, including efficiency actions established by the Cost and Expense Committee and investments in technology, which have been generating improvements in internal processes. In Consumer Finance, for instance, the implementation of the new "credit engine" increased the percentage of automatic decisions by 82% in Sept.15 against 78% in Dec.14 and 65% in Dec.13, resulting in efficiency gains in the credit desk.

EFFICIENCY RATIO (ER) (R$ million)	3Q14	2Q15	3Q15	Var. 3Q15/2Q15	9M14	9M15	Var. 9M15 /9M14
Total Personnel¹ and Administrative expenses (A)	**540**	**515**	**525**	**2.0%**	**1,494**	**1,534**	**2.7%**
Total Revenues (B)	**1,416**	**1,344**	1,244	**-7.4%**	**4,266**	**3,947**	-7.5%
Net Interest Income (NII)	1,303	1,247	1,134	-9.0%	3,892	3,604	-7.4%
Fee/Banking Fee Income	249	220	232	5.7%	699	695	-0.6%
Equity in Income of Associated Companies and Subsidiaries	36	39	39	-0.6%	111	116	4.6%
Other Operating Income/Expenses	(171)	(162)	(162)	-0.3%	**(436)**	**(468)**	**7.1%**
Efficiency Ratio - quarter (A/B)	**38.1%**	**38.3%**	**42.2%**	**3.9 p.p.**	**35.0%**	**38.9%**	**3.8 p.p.**
Efficiency Ratio - 12 months	**34.6%**	**38.6%**	**39.6%**	**1.0 p.p.**	**34.6%**	**39.6%**	**5.0 p.p.**

1. Excludes expenses with Labor Lawsuits

Other operating income and expenses

In 3Q15, other operating income and expenses totaled R$ -162 million, stable in comparison to the previous quarter. In this quarter was formed prudential provision in the amount of R$ 100 million for restructuring plans, offset by the reversal of allowance for losses honored in 3Q15.

OTHER OPERATING INCOME/EXPENSES (R$ Million)	3Q14	2Q15	3Q15	9M14	9M15	Variation (%)	
						3Q15/2Q15	9M15/9Q14
Reversal (provision) for variable compensation	204	1	35	145	68	-	(53.1)
Reversal (provision) for unhonored guarantees	(64)	(32)	110	(127)	95	-	-
Provision to losses - Others risks	(17)	(75)	(87)	(54)	(32)	16.9	(40.8)
Expenses of restructuring	-	-	(100)	-	(100)	-	-
Costs associated with the production	(131)	(143)	(133)	(420)	(438)	(7.2)	4.2
Others	(164)	86	13	20	(61)	(85.2)	-
Total Other Operating Income/Expenses	**(171)**	**(162)**	**(162)**	**(436)**	**(468)**	**(0.3)**	**7.1**

1. Reclassification from "Lending Operations" to " Other Operating Income/Expense"; history adjusted.

Operating Income (Loss)

Operating income totaled R$-496 million in 3Q15 (R$ 205 million in 2Q15), and R$-70 million in 9M15 (R$ 429 million in 9M14). The decrease in both periods is mainly due to the formation of R$ 681 million of prudential provisions in this quarter. Disregarding these provisions, the operating income would have been R$ 185 million in 3Q15 and R$ 611 million in 9M15.

Taxes

In 3Q15 occurred the activation of tax credits arising from the increase of the CSLL (social contribution on net income) – from 15% to 20% – in the amount of R$ 410 million, according to Note 23a of the Financial Statements.

Funding and Liquidity

The funding sources volume amounted to R$ 74.2 billion at the end of Sept.15, with growth of 2.5% for the past 12 months, as shown below.

FUNDING SOURCES (R$ Billion)	Sept.14	Jun.15	Sept.15	Variation %	
				Sept.15/Jun.15	Sept.15/Sept.14
Bills	**16.0**	**16.5**	**16.6**	**0.8**	**3.8**
Financing bills ("LF")	12.7	13.0	13.4	3.1	5.5
Agribusiness credit bills ("LCA") and Real estate credit bills ("LCI")	3.3	3.5	3.2	(8.0)	(2.9)
Borrowings and onlendings	**6.5**	**6.8**	**8.1**	**18.9**	**25.7**
Debentures (BV Leasing)	**16.0**	**14.3**	**13.4**	**(6.0)**	**(16.1)**
Deposits	**5.3**	**5.0**	**4.8**	**(4.1)**	**(9.1)**
Time deposits	3.2	3.2	2.9	(10.1)	(11.8)
Deposits (on demand and interbank)	2.1	1.8	2.0	6.2	(5.0)
Foreign securities	**6.1**	**7.2**	**8.3**	**15.2**	**35.9**
Securitization with recourses	**15.5**	**17.0**	**16.2**	**(5.0)**	**4.5**
Subordinated debts	**7.0**	**7.2**	**6.8**	**(5.2)**	**(3.5)**
Subordianted Financing bills	1.5	2.2	2.1	(2.5)	41.9
Others subordinated debts	5.6	5.0	4.7	(6.3)	(15.7)
Others[1]	**0.0**	**-**	**-**	**-**	**-**
Total funding	**72.4**	**74.0**	**74.2**	**0.3**	**2.5**

1 Includes box of options and Structured Operations Certificates

In recent quarters the Bank has maintained a conservative posture in relation to loan concession. In this context of lower demand for funding, the Bank has made efforts toward improving the profile of its funding sources. In the past 2 years, the Bank expanded the share of more stable funding instruments, such as credit bills (financing bills, Real estate credit bills and agribusiness credit bills) and credit assignment with recourse, which already account for 44% (R$ 32.8 billion) out of the total funding sources in Sept.15, compared to 43% in Sept.14 and 34% in Sept.13. In addition, the Bank reduced the time deposit volume (certificates of deposit - CDs). It is important to note that the movement to replace CDs by financing bills is a trend observed in the domestic banking system, partly because financing bills do not require a compulsory deposit nor a contribution to the Credit Guarantee Fund ("FGC").

In 3Q15, the Bank funded R$ 1.5 billion through assignment, with recourse, of R$ 1.4 billion in loan assets to the shareholder Banco do Brasil. These assignments of receivable operations do not have an immediate impact on results, as was the case prior to Dec.11 – before Resolution 3,533 took effect, but contribute to the strategy of extending the average funding period and reducing its cost.

In relation to liquidity, in light of the uncertainties that still persist in the macroeconomic scenario, the Bank has maintained its cash at a very conservative level, above the historical plateau and enough to cover our funding with daily liquidity. Additionally, it is important to emphasize that the Bank has a committed credit facility at Banco do Brasil, in the amount of R$ 6.8 billion, which represents a significant liquidity reserve and that has never been used.

Basel ratio

From Oct.13 onwards, the set of rules that implemented in Brazil the recommendations of the Basel Committee on Banking Supervision related to the Capital structure of financial institutions, known as Basel III, came into effect. The Brazilian Central Bank, through its Resolutions No. 4,192 and 4,193, provided a new method for calculating minimum capital, Tier 1 capital and principal capital requirements. Until the end of 2015, the minimum capital requirement will remain at 11%, the principal capital requirement is 4.5%.

Schedule - Basel III	2014	2015	2016	2017	2018	2019
Capital Requirement (CR)	**11.00%**	**11.00%**	**9.88%**	**9.25%**	**8.63%**	**8.00%**
Common Equity Tier I	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Additional Tier I	1.00%	1.50%	1.50%	1.50%	1.50%	1.50%
Tier II	5.50%	5.00%	3.88%	3.25%	2.63%	2.00%
Minimum Additional Capital Requirement	**-**	**-**	**0.63%**	**1.25%**	**1.88%**	**2.50%**
Maximum Additional Capital Requirement	**-**	**-**	**1.25%**	**2.50%**	**3.75%**	**5.00%**
CR + Maximum Additional Capital	**11.00%**	**11.00%**	**11.13%**	**11.75%**	**12.38%**	**13.00%**
Deductions from capital	**20%**	**40%**	**60%**	**80%**	**100%**	**100%**
Restrainer of sub debts issued prior to Res. 4,192	**80%**	**70%**	**60%**	**50%**	**40%**	**30%**

The scope of consolidation used as a basis to verify the operational limits was also altered in Oct.13, and includes (i) the Financial Conglomerate until Dec.14, and (ii) the Prudential Conglomerate, defined in Resolution 4,280, as of Jan.15. The difference in scope comparison is an effect of the consolidation of investment funds in which the conglomerate retains substantial risks and benefits.

In Sept.15, the Prudential Conglomerate capital amounted to R$ 10,866 million, and risk-weighted assets amounted to R$ 75,457 million. At the end of Sept.15 the Basel ratio was 14.4%, and the Tier 1 index (which, for the Bank is equivalent to the Principal Capital) closed Sept.15 at 9.0%. The reduction observed in the quarter reflects, mainly, (i) the increase in the credit risk assets impacted by the effects of foreign exchange variations, and (ii) the increase in prudential adjustments, resulting from the growth of tax credits and negative basis of social contribution.

BASEL RATIO (R$ Million)	Sept.14	Jun.15	Sept.15
Total Capital	**11,190**	**10,967**	**10,866**
Tier I Capital	7,344	7,105	6,828
Common Equity Tier I	7,344	7,105	6,828
Additional Tier I	-	-	-
Tier II Capital	3,847	3,862	4,038
Risk Weighted Assets (RWA)	**73,223**	**73,786**	**75,457**
Credit risk	66,967	66,293	67,384
Market risk	2,067	3,087	3,294
Operational risk	4,188	4,407	4,780
Minimum Capital Requirement	**8,055**	**8,116**	**8,300**
Basel Ratio (Capital/RWA)	**15.28%**	**14.86%**	**14.40%**
Tier I Capital Ratio	10.03%	9.63%	9.05%
Common Equity Tier I Ratio	10.03%	9.63%	9.05%
Additional Tier I Ratio	-	-	-
Tier II Capital Ratio	5.25%	5.23%	5.35%

Ratings

Banco Votorantim is rated by international rating agencies and the ratings assigned reflect several factors, including those related to the financial sector and to the economic environment in which the company is operating.
The table below presents the ratings assigned by the main agencies:

RATINGS AGENCIES		Fitch Ratings	Moody´s	Standard & Poor's
International	Long-term	BB+	Ba1	BB+
	Short-term	B	NP	B
National	Long-term	AA+(bra)	Aa2.br	brAA
	Short-term	F1+(bra)	BR-1	brA-1

Nota: LP = Longo Prazo; CP = Curto Prazo

In Sept.15, the risk rating agency Standard & Poor's (S&P) downgraded Brazil's sovereign rating from "BBB-" to "BB+". This review had an impact on the ratings of several financial institutions, including that of Banco Votorantim: the global scale long-term rating was affirmed as "BB+", while the national scale long-term rating was reviewed from "brAA+" to "brAA", both with negative outlook.

As a result of the review of Brazil's long-term sovereign ratings, in Oct.15, Fitch Rating reviewed the rating of Banco Votorantim on the global long-term scale from "BBB-" to "BB+", with negative outlook, and the short-term rating from "F-3" to "B".

In Nov.15, the Moody's rating agency Moody's downgraded the bank's long-term global scale deposit and senior debt ratings from Baa3 to Ba1, and its long-term Brazilian national scale deposit rating from Aa1.br to Aa2.br.

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 the Votorantim Group shareholders and Banco do Brasil, both enjoying parity of participation in the Board of Directors and its advisory committees (Finance & Products and Marketing), and in the following three statutory bodies:

- 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.

In addition, the Bank's management structure counts on an Executive Committee and operating committees and commissions, with the participation of the institution's executive leaders.

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
Alexandre Correa Abreu	Chairman	José Ermírio de Moraes Neto	Vice-Chairman
Antonio Mauricio Maurano	Director	Celso Scaramuzza	Director
Paulo Rogério Caffarelli	Director	João Carvalho de Miranda	Director

Appendix 1 - Balance sheet

BALANCE SHEET | Assets (R$ Million)	Sept.14	Jun.15	Sept.15	Variation % Sept.15/Jun.15	Variation % Sept.15/Sept.14
CURRENT AND LONG-TERM ASSETS	**97,606**	**102,935**	**109,839**	**6.7**	**12.5**
Cash and cash equivalents	150	221	224	1.5	49.0
Interbank funds applied	11,217	18,208	16,190	(11.1)	44.3
Securities and derivative financial instruments	24,958	24,330	30,091	23.7	20.6
Derivative financial instruments	1,515	1,423	3,199	124.8	111.2
Interbank accounts or relations	67	59	90	52.2	34.6
Loan Operations, Leases and Others receivables	52,624	51,675	51,276	(0.8)	(2.6)
Alowance for loan losses	(4,027)	(3,824)	(4,200)	9.8	4.3
Tax credit	6,414	6,732	7,773	15.5	21.2
Others	4,688	4,113	5,196	26.3	10.9
NON-CURRENTS	**411**	**400**	**472**	**18.1**	**15.0**
Investments	263	234	285	22.0	8.4
Fixed assets	95	94	102	9.3	7.7
Intangible and deferred charges	53	73	85	17.2	61.5
TOTAL ASSETS	**98,016**	**103,335**	**110,313**	**6.8**	**12.5**

BALANCE SHEET | Liabilities (R$ Million)	Sept.14	Jun.15	Sept.15	Variation % Sept.15/Jun.15	Variation % Sept.15/Sept.14
CURRENT AND LONG-TERM LIABILITIES	**90,297**	**95,457**	**102,495**	**7.4**	**13.5**
Deposits	5,312	5,034	4,826	(4.1)	(9.1)
Demand deposits	282	78	87	11.1	(69.1)
Interbank deposits	1,786	1,771	1,877	6.0	5.1
Time deposits	3,244	3,184	2,862	(10.1)	(11.8)
Money market borrowings	24,415	27,937	30,087	7.7	23.2
Acceptances and endorsements	23,700	23,691	24,912	5.1	5.1
Interbank accounts	27	57	222	-	-
Borrowings and onlendings	6,452	6,820	8,111	18.9	25.7
Derivative financial instruments	1,721	1,648	3,785	129.7	119.9
Others obligations	28,671	30,270	30,553	0.9	6.6
Subordinated debts	7,047	7,168	6,797	(5.2)	(3.5)
Credit transactions subject to assignment	15,470	17,015	16,163	(5.0)	4.5
Others obligations	6,154	6,086	7,593	24.7	23.4
DEFERRED INCOME	**36**	**31**	**40**	**28.3**	**11.3**
SHAREHOLDERS' EQUITY	**7,683**	**7,847**	**7,778**	**(0.9)**	**1.2**
Share Capital	7,126	7,484	7,484	**0.0**	**5.0**
Reservations	387	397	411	**0.0**	**0.0**
Adjustment of equity valuation	(242)	(302)	(508)	**68.4**	**109.5**
Others	428	268	391	**0.0**	**0.0**
TOTAL LIABILITIES	**98,016**	**103,335**	**110,313**	**6.8**	**12.5**

Appendix 2 - Managerial Statement of Income

INCOME STATEMENT (R$ Million)	3Q14	2Q15	3Q15	9M14	9M15	Variation (%) 3Q15/2Q15	Variation (%) 9M15/9M14
Income from financial intermediation	**4,261**	**3,515**	**6,894**	**11,002**	**15,902**	**96.1**	**44.5**
Loans[1]	2,907	2,454	3,552	8,047	9,205	44.7	14.4
Leases	25	13	12	102	54	(11.4)	(47.4)
Securities	872	1,151	1,305	2,650	3,619	13.4	36.6
Derivative financial instruments	361	(104)	1,734	138	2,495	-	-
Foreign exchange operations	96	2	292	65	528	-	-
Income from Compulsory Deposits	-	-	-	0	-	-	(100.0)
Expenses from financial intermediation	**(2,959)**	**(2,268)**	**(5,760)**	**(7,110)**	**(12,298)**	**154.0**	**73.0**
Money market borrowings	(2,189)	(1,568)	(3,890)	(5,104)	(8,613)	148.1	68.7
Borrowings and onlendings	(167)	28	(1,077)	(216)	(1,450)	-	-
Sale or transfer from financial assets	(603)	(728)	(793)	(1,789)	(2,235)	9.0	24.9
Net interest income	**1,303**	**1,247**	**1,134**	**3,892**	**3,604**	**(9.0)**	**(7.4)**
Allowance for loan losses	(451)	(448)	(1,075)	(1,688)	(1,941)	139.8	15.0
Net financial margin	**851**	**799**	**59**	**2,204**	**1,663**	**(92.6)**	**(24.6)**
Other operating income/expenses	**(665)**	**(593)**	**(555)**	**(1,775)**	**(1,733)**	**(6.4)**	**(2.4)**
Fee Income	249	220	232	699	695	5.7	(0.6)
Personnel expenses	(362)	(314)	(275)	(997)	(905)	(12.4)	(9.2)
Administrative expenses	(298)	(282)	(288)	(814)	(844)	2.1	3.6
Tax expenses - ISS, PIS and Cofins	(118)	(94)	(102)	(338)	(328)	7.9	(2.9)
Equity in income of subsidiaries	36	39	39	111	116	(0.6)	4.6
Other operational income (expenses)	(171)	(162)	(162)	(436)	(468)	(0.3)	7.1
Operating income (loss)	**187**	**205**	**(496)**	**429**	**(70)**	**(341.7)**	**-**
Non-operating income (loss)	**(27)**	**(15)**	**(9)**	115	(27)	**(35.8)**	**-**
Income (loss) before taxes and contribution	**159**	**191**	**(505)**	**543**	**(97)**	**(365.0)**	**-**
Provision for income tax and social contribution	25	10	675	24	642	-	-
Profit sharing	(50)	(55)	(33)	(140)	(141)	(40.0)	0.6
Net income (loss)	**135**	**146**	**137**	**428**	**405**	**(6.2)**	**(5.3)**

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

Appendix 3 - Quality of the Loan Portfolio

Consolidated - Classification by risk level

RISK (R$ Million)	Sept.14			Jun.15			Sept.15		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	5,098	-	9.1%	3,007	-	5.7%	3,218	-	6.2%
A	28,813	144	51.6%	24,997	125	47.6%	24,936	127	48.3%
B	9,695	97	17.4%	9,616	96	18.3%	8,832	105	17.1%
C	6,199	186	11.1%	9,521	286	18.1%	9,262	320	18.0%
D	1,376	149	2.5%	1,258	126	2.4%	1,125	151	2.2%
E	679	203	1.2%	755	227	1.4%	533	174	1.0%
F	600	298	1.1%	407	203	0.8%	418	218	0.8%
G	1,487	1,159	2.7%	938	774	1.8%	904	769	1.8%
H	1,885	1,878	3.4%	2,006	2,006	3.8%	2,348	2,348	4.6%
TOTAL	**55,830**	**4,114**	**100.0%**	**52,505**	**3,843**	**100.0%**	**51,576**	**4,212**	**100.0%**
AA-C	**49,805**	**426**	**89.2%**	**47,141**	**507**	**89.8%**	**46,248**	**552**	**89.7%**
D-H	**6,026**	**3,687**	**10.8%**	**5,364**	**3,336**	**10.2%**	**5,328**	**3,660**	**10.3%**

Wholesale – sectorial concentration

Wholesale - Sectoral concentration	Sept.14		Jun.15		Sept.15	
	R$M	Part.(%)	R$M	Part.(%)	R$M	Part.(%)
Financial Institutions	4,113	15.7%	4,448	18.1%	4,697	19.3%
Sugar and Ethanol	2,251	8.6%	2,290	9.3%	2,331	9.6%
Telecom	2,026	7.7%	1,708	7.0%	1,761	7.2%
Petrochemical	1,003	3.8%	1,365	5.6%	1,570	6.4%
Agribusiness	1,135	4.3%	1,288	5.3%	1,041	4.3%
Retail	642	2.5%	923	3.8%	834	3.4%
Pulp and Paper	638	2.4%	706	2.9%	771	3.2%
Government	459	1.8%	587	2.4%	705	2.9%
Mining	582	2.2%	508	2.1%	703	2.9%
Electricity Generation	926	3.5%	667	2.7%	684	2.8%
Railways	727	2.8%	627	2.6%	671	2.8%
Residential Construction	746	2.9%	668	2.7%	632	2.6%
Metallurgy	785	3.0%	631	2.6%	572	2.3%
Automotive	469	1.8%	515	2.1%	545	2.2%
Road Cargo Transportation	651	2.5%	460	1.9%	503	2.1%
Heavy Construction	834	3.2%	556	2.3%	482	2.0%
Services	541	2.1%	645	2.6%	471	1.9%
Agro Trading	992	3.8%	508	2.1%	303	1.2%
Slaughterhouses	438	1.7%	288	1.2%	292	1.2%
Oil & Gas	468	1.8%	201	0.8%	201	0.8%
Other sectors	5,805	22.2%	4,940	20.1%	4,582	18.8%
Total	**26,233**	**100.0%**	**24,532**	**100.0%**	**24,351**	**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 No. 2,682/99 of the National Monetary Council (CMN), including the mark-to-market of loans and leases in compliance with BACEN Circular Letter No. 3,624 (as of Jun.14).

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

Managed Loan Portfolio: loan portfolio accounted according to Resolution CMN No. 2,682/99, with the addition of the assets assigned with recourse to other financial institutions and the assets assigned to Credit Receivables Investment Funds - FIDCs - of which the Bank holds 100% of the subordinated shares.

Expanded Managed Credit Portfolio: managed loan portfolio, with the addition of private securities acquired by the Bank, guarantees provided and other operations with credit risk.

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 the sum of Net Interest Income, Fee Income, Equity in Income of Associated Companies and Subsidiaries, and Other Operating Income/Expenses. The lower the ER, the more "efficient" the institution.

FIDC: Investment Funds in Receivables

Net Interest Income: 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 variation of the balance of NPLs past due over 90 days and taking into account the quarter's write-offs as 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.