Earnings Release – 4Q15

Contents

São Paulo, February 25, 2016. Banco Votorantim S.A. ("Bank") announces its results for the fourth quarter (4Q15) and year 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 4Q15, economic activity maintained the weakening trend observed in the previous quarters, and in our opinion, the current challenging scenario of the economy should continue 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.

The main highlights of the results of 2015 were:

- **Net income of R$ 482 million**, against R$ 502 million in 2014. It is worth emphasizing that net non-operating income of R$ 89 million was recorded in 1Q14 with the sale of shares resulting from tax incentives (FINOR – Fundo de Investimento do Nordeste). Without this specific effect, the net income of 2015 would have grown 16.7% over 2014. Net income of 4Q15 amounted to R$ 77 million, against R$ 137 million in 3Q15 and R$ 75 million in 4Q14.
- **Maintenance of conservative approach to credit.** The balance of expanded credit portfolio dropped to 4.6% over the last 12 months and 1.0% in the last quarter. This conservative attitude of the company in lending, combined with the moderation of demand and the increase in the Selic rate, resulted in the reduction of the Gross Margin. On the other hand, the total income with banking fees and sale of insurance amounted to R$ 1.2 billion in 2015 – stable in comparison to 2014.
- **Delinquency under control.** The 90-day NPL ratio of the managed portfolio ended Dec.15 at 5.7%, stable in comparison to Dec.14. In Wholesale, the 90-day NPL ratio ended Dec.15 at 5.8%, down 0.4 p.p. from Dec.14. In Consumer Finance, the 90-day NPL ratio ended Dec.15 at 5.7%, up 0.2 p.p. over Dec.14. It should be emphasized that the 90-day NPL ratio of our auto finance portfolio dropped 0.2 p.p. in the last 12 months to 5.3%, while the market indicator (SFN) rose 0.2 p.p. in the same period – reflecting the continuous improvement of our processes and models for loan concession and credit collection.
- **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. Consequently, the coverage ratio of delinquent operations reached 150% at the end of Dec.15, against 134% in Dec.14. It should be emphasized that allowance for loan losses expenses in Consumer Finance dropped 19.5% in 2015/2014; nevertheless, the coverage ratio of Consumer Finance climbed from 116% to 123% in the last 12 months, reflecting the diminished delinquency of the auto finance portfolio in the period.
- **Effective cost management.** Administrative and personnel expenses decreased nominally by 3.7% in the 2015/2014, despite the inflation for the period (i.e., IPCA of 10.7% in the last 12 months). As a result of strict cost control, our Efficiency Ratio for the last 12 months is still under the level of 40% (Dec.15: 39.5%).

In addition, we maintained our conservative attitude in the management of funding, liquidity and capital, enhancing the quality of our credit risk. In Dec.15, funds obtained through Bills (financing bills, agribusiness credit bills and real estate credit bills) and credit assignments (with recourse) to Banco do Brasil represented 42% (R$ 32.9 billion) of our funding, contributing to extend the average term of our liabilities. In terms of liquidity, we ended 2015 with cash at a record level, more than sufficient to fully cover our funding with daily liquidity. Regarding capital, the Basel Ratio ended the 4Q15 at 15.2% - above the regulatory minimum capital of 11% - in Tier I Capital of 9.5%, composed entirely of Principal Capital.

The good quality of the results accomplished in 2015 and the continuous strengthening of our balance sheet confirm the development in our sustainable growth agenda and put us in a position to overcome the challenges of 2016.

Corporate strategy

Banco Votorantim aims to consolidate its position among the main national privately-held banks and to be 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 portfolio for wholesale bank business, 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 Dec.15, accounted for approximately R$ 0.4 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 loans:** to remain among the leaders in auto finance loans through BV Financeira (subsidiary of Banco Votorantim), which operates as an extension of BB in Auto finance loans 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

	4Q14	3Q15	4Q15	2014	2015	Variation 4Q15/3Q15	Variation 2015/2014
RESULTS (R$ Million)							
Net Interest Income (a)	1,222	1,134	1,098	5,114	4,702	-3.2%	-8.1%
Alowance for loan losses - ALL (b)	(505)	(1,075)	(453)	(2,193)	(2,394)	-57.8%	9.2%
Net Financial Margin (a - b)	717	59	645	2,921	2,308	-	-21.0%
Income from services nad banking fees	276	232	266	975	961	14.5%	-1.4%
Personnel and adiministrative expenses	(619)	(561)	(607)	(2,430)	(2,339)	8.2%	-3.7%
Operating Income (loss)	29	(496)	102	457	32	-	-93.0%
Net Income (loss)	75	137	77	502	482	-43.8%	-4.1%
MANAGEMENT INDICATORS (%)							
Return on Average Equity[1] (ROAE)	4.0	7.2	4.0	6.7	6.2	-3.2 p.p.	-0.5 p.p.
Return on Average Assets[2] (ROAA)	0.3	0.5	0.3	0.5	0.5	-0.2 p.p.	0.0 p.p.
Net Interest Margin[3] (NIM)	5.6	4.8	4.6	5.5	4.9	-0.2 p.p.	-0.6 p.p.
Efficiency Ratio (ER) - accumulated of 12 months[4]	36.7	39.5	39.5	36.7	39.5	0.0 p.p.	2.8 p.p.
Basel ratio	15.0	14.4	15.2	15.0	15.2	0.8 p.p.	0.2 p.p.
Tier I Capital Ratio	9.5	9.0	9.5	9.5	9.5	0.5 p.p.	0.0 p.p.
MACROECONOMIC INDICATORS[5]							
CDI - in the period (%)	2.8	3.4	3.4	10.8	13.2	0.0 p.p.	2.4 p.p.
Selic rate- end of the period (p.y.%)	11.75	14.25	14.25	11.75	14.25	0.0 p.p.	2.5 p.p.
IPCA - in the period (%)	1.7	1.4	2.8	6.4	10.7	1.4 p.p.	4.3 p.p.
Dolar exchange rate - end of the period (R$)	2.66	3.97	3.90	2.66	3.90	-1.7%	47.0%
EMBI Brazil Risk (points)	259	447	517	259	517	70	258

	Dec.14	Sept.15	Dec.15	Variation Dec.15/Sept.15	Variation Dec.15/Dec.14
BALANCE SHEET (R$ Million)					
Total assets	98,682	110,313	110,221	-0.1%	11.7%
Loan portfolio (on-balance)	53,473	51,114	50,984	-0.3%	-4.7%
Wholesale segment	17,509	16,959	17,377	2.5%	-0.7%
Consumer Finance segment	35,964	34,155	33,606	-1.6%	-6.6%
Guarantees provided	9,927	9,561	9,468	-1.0%	-4.6%
Expanded credit Portfolio	68,689	66,174	65,526	-1.0%	-4.6%
Funding sources	72,267	74,203	77,953	5.1%	7.9%
Shareholders' equity	7,554	7,791	7,617	-2.2%	0.8%
Capital (Basel ratio)	11,276	10,866	10,742	-1.1%	-4.7%
LOAN PORTFOLIO QUALITY INDICATORS[6] (%)					
90-day NPL / Managed loan portfolio	5.7	5.3	5.7	0.4 p.p.	0.0 p.p.
Allowance for loan losses / 90-day NPL	134	163	150	-13.0 p.p.	16.0 p.p.
Allowance for loan losses / D - H balance	73.7	83.0	76.1	-6.9 p.p.	2.4 p.p.
Allowance for loan losses / Managed loan portfolio	7.7	8.6	8.6	0.0 p.p.	0.9 p.p.
OTHER INFORMATION					
AuM[7] (R$ Million)	40,551	46,577	47,418	1.8%	16.9%

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 assigments 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 credit recovery 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 – 3Q15 and 4Q15

INCOME STATEMENT (R$ Million)	3Q15 Audited	Adjustments	3Q15 Managerial	4Q15 Audited	Adjustments	4Q15 Managerial
Income from financial intermediation	**6,487**	**408**	**6,894**	**4,266**	**(271)**	**3,996**
Loans[1]	3,721	(170)	3,552	2,694	(197)	2,497
Leases	12	-	12	12	-	12
Securities	1,305	-	1,305	1,388	-	1,388
Derivative financial instruments	1,157	577	1,734	192	(73)	119
Foreign exchange operations	292	-	292	(20)	-	(20)
Compulsory deposits	-	-	-	-	-	-
Expenses from financial intermediation	**(5,760)**	**-**	**(5,760)**	**(2,898)**	**-**	**(2,898)**
Money market borrowings	(3,890)	-	(3,890)	(2,122)	-	(2,122)
Borrowings and onlendings	(1,077)	-	(1,077)	9	-	9
Sale or transfer from financial assets	(793)	-	(793)	(785)	-	(785)
Net interest income - NII	**727**	**408**	**1,134**	**1,369**	**(271)**	**1,098**
Allowance for loan losses - ALL	(1,214)	139	(1,075)	(644)	191	(453)
Net financial margin	**(487)**	**546**	**59**	**724**	**(79)**	**645**
Other operating income/expenses	**(254)**	**(301)**	**(555)**	**(575)**	**31**	**(543)**
Fee income	232	-	232	266	-	266
Personnel and administrative expenses	(561)	-	(561)	(607)	-	(607)
Tax expenses	(99)	(3)	(102)	(89)	1	(88)
Equity in income of subsidiaries	39	-	39	40	-	40
Other operating income/expenses	134	(298)	(163)	(184)	31	(153)
Operating income (loss)	**(742)**	**246**	**(496)**	**150**	**(48)**	**102**
Non-operating income (loss)	**(9)**	**-**	**(9)**	**(2)**	**-**	**(2)**
Income (loss) before taxes and contributions	**(751)**	**246**	**(505)**	**148**	**(48)**	**100**
Provision for income tax and social contribution	921	(246)	675	(31)	48	17
Profit sharing	(33)	-	(33)	(40)	-	(40)
Net income (loss)	**137**	**-**	**137**	**77**	**-**	**77**

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

Reconciliation of Audited and Managerial Net Income – 2014 and 2015

INCOME STATEMENT (R$ Million)	2014 Audited	Adjustments	2014 Managerial	2015 Audited	Adjustments	2015 Managerial
Income from financial intermediation	**15,722**	**(503)**	**15,218**	**19,820**	**77**	**19,898**
Loans[1]	11,484	(644)	10,840	12,386	(684)	11,703
Leases	127	-	127	65	-	65
Securities	3,634	-	3,634	5,007	-	5,007
Derivative financial instruments	310	141	451	1,853	761	2,614
Foreign exchange operations	165	-	165	508	-	508
Compulsory deposits	0	-	0	-	-	-
Expenses from financial intermediation	**(10,104)**	**-**	**(10,104)**	**(15,203)**	**7**	**(15,196)**
Money market borrowings	(7,249)	-	(7,249)	(10,734)	-	(10,734)
Borrowings and onlendings	(372)	-	(372)	(1,441)	-	(1,441)
Sale or transfer from financial assets	(2,484)	-	(2,484)	(3,028)	7	(3,020)
Net interest income - NII	**5,617**	**(503)**	**5,114**	**4,617**	**85**	**4,702**
Allowance for loan losses - ALL	(2,852)	659	(2,193)	(3,061)	667	(2,394)
Net financial margin	**2,765**	**156**	**2,921**	**1,556**	**752**	**2,308**
Other operating income/expenses	**(2,324)**	**(140)**	**(2,464)**	**(1,800)**	**(476)**	**(2,276)**
Fee income	975	-	975	961	-	961
Personnel and administrative expenses	(2,430)	-	(2,430)	(2,339)	-	(2,339)
Tax expenses	(440)	(2)	(442)	(402)	(15)	(417)
Equity in income of subsidiaries	148	-	148	156	-	156
Other operating income/expenses	(577)	(138)	(714)	(177)	(461)	(637)
Operating income (loss)	**441**	**16**	**457**	**(244)**	**276**	**32**
Non-operating income (loss)	**106**	**-**	**106**	**(29)**	**-**	**(29)**
Income (loss) before taxes and contributions	**547**	**16**	**563**	**(273)**	**276**	**3**
Provision for income tax and social contribution	145	(16)	129	936	(276)	660
Profit sharing	(190)	-	(190)	(181)	-	(181)
Net income (loss)	**502**	**-**	**502**	**482**	**-**	**482**

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

Analysis of managerial result

Net Interest Income (NII)

NII ended 4Q15 at R$ 1,098 million, down 3.2% from 3Q15, reflecting the maintenance of the conservative attitude towards credit and the moderation of demand. In the 2015/2014 comparison, NII was down 8.1% due both to the retraction of 4.6% in the expanded credit portfolio, and to the increase in the Selic rate. This reduction in the portfolio reflects not only conservativeness in lending, but also the focus on increasing the return on assets and expanding banking fee income.

Net Interest income (NII) (R$ Million)	4Q14	3Q15	4Q15	2014	2015	Variation (%)	
						4Q15/3Q15	2015/2014
Income from Financial Intermediation	**4,216**	**6,894**	**3,996**	**15,218**	**19,898**	**(42.0)**	**30.7**
Total loans	2,793	3,552	2,497	10,840	11,703	(29.7)	8.0
Loans	1,839	2,461	1,429	7,235	7,563	(41.9)	4.5
Sale or transfer from financial assets[1]	954	1,091	1,068	3,605	4,139	(2.0)	14.8
Leases	25	12	12	127	65	0.9	(48.6)
Securities	985	1,305	1,388	3,634	5,007	6.4	37.8
Derivative financial instruments	313	1,734	119	451	2,614	(93.1)	-
Foreign exchange operations	100	292	(20)	165	508	-	-
Compulsory deposits	-	-	-	0	-	-	(100.0)
Expenses from Financial Intermedation	**(2,995)**	**(5,760)**	**(2,898)**	**(10,104)**	**(15,196)**	**(49.7)**	**50.4**
Money market repurchase agreements	(2,145)	(3,890)	(2,122)	(7,249)	(10,734)	(45.5)	48.1
Borrowings and onlendings	(155)	(1,077)	9	(372)	(1,441)	-	-
Sale or transfer from financial assets	(695)	(793)	(785)	(2,484)	(3,020)	(1.0)	21.6
Net Interest Income	**1,222**	**1,134**	**1,098**	**5,114**	**4,702**	**(3.2)**	**(8.1)**

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

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.

The income from financial intermediation decreased 42.0% (R$ 2,898 million) compared to 3Q15, mainly affected by the reduction in income from loans and derivative financial instruments. The reduction in income from loans is mainly due to the effect of foreign exchange variation on Export Credit Note (NCE) operations, which is largely offset by the use of derivatives. It is worth emphasizing that income from financial intermediation of 3QT15 was positively impacted by the high depreciation of the Brazilian Real vs. the US Dollar in that quarter (i.e. the US Dollar ended Dec.15 at R$ 3.90, compared to R$ 3.97 in Sept.15 and R$ 3.10 in Jun.15).

In the 2015/2014 comparison, income from financial intermediation had a growth of 30.7% (R$ 4,679 million), mainly driven by the positive variation in the result with derivative financial instruments, an impact of the appreciation of the US dollar against the Brazilian real, and by the increase in securities.

It 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.

Expenses from financial intermediation, in turn, dropped 49.7% in the 4Q15/3Q15 comparison. This reduction is also mainly due to the considerable depreciation of the Real vs. the Dollar in 3Q15, which increased expenses from financial intermediation in that quarter. As mentioned previously, the use of derivatives to hedge the margin largely offset this increase in expenses. In the 2015/2014 comparison, expenses from financial intermediation grew 50.4%, influenced by foreign exchange variation and also by the increase in the Selic rate (Dec.15: 14.25% p.y.; Dec.14: 11.75% p.y.).

As part of the strategy to extend the maturity profile of funding sources obtained and reduce their respective costs, in 4Q15, the Bank raised R$ 1.9 billion (R$ 1.5 billion in 3Q15) by means of assignment of loan assets from the

Consumer Finance segment to BB (with recourse), totaling R$ 1.7 billion, thus helping to maintain the Bank's cash position at a prudentially high cash level.

The annualized net interest margin (NIM) reached 4.6% p.y. in 4Q15, compared to 4.8% p.y. in 3Q15. This downslide of 0,2 p.p. is justified by the combination of the reduction of 3.2% in the NII and the growth of 2.2% in the average balance of earning assets, the latter resulting mainly from the appreciation of the Dollar. In the 2015/2014 comparison, the NIM (net interest margin) recorded a reduction of 0.6 p.p., also due to the retraction of NII and the growth of average earning assets.

NET INTEREST MARGIN (NIM) (R$ Million)	4Q14	3Q15	4Q15	2014	2015	Variation (%)	
						4Q15/3Q15	2015/2014
Net Interest Income (A)	**1,222**	**1,134**	**1,098**	**5,114**	**4,702**	**(3.2)**	**(8.1)**
Average Interest-Earning Assets (B)	**89,774**	**95,883**	**98,020**	**92,222**	**95,350**	**2.2**	**3.4**
Compulsory deposits	52	36	24	71	38	(33.2)	(46.9)
Interbank funds applied	9,295	17,199	16,689	9,774	14,740	(3.0)	50.8
Securities	27,046	27,210	30,258	28,389	28,243	11.2	(0.5)
Loans	53,381	51,438	51,049	53,988	52,329	(0.8)	(3.1)
NIM (A/B)	**5.6%**	**4.8%**	**4.6%**	**5.5%**	**4.9%**	**-0.2 p.p.**	**-0.6 p.p.**

Loan Portfolio

The Bank is responsible for the risk of assets assigned with recourse to other financial institutions. 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 Dec.15 at R$ 267 million, compared to R$ 1,564 million in Dec.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 Dec.15, the consolidated loan portfolio classified by the Resolution 2,682 totaled R$ 51.0 billion, 0.3% lower than the balance at the end of Sept.15 and 4.7% lower than in Dec.14. The managed loan portfolio closed Dec.15 at R$ 51.3 billion, a 0.6% reduction in relation to Sept.15 and 7.2% lower than in Dec.14.

The expanded credit portfolio of Wholesale, which includes guarantees provided and private securities, ended Dec.15 with a balance of R$ 31.9 billion, 0.3% lower than Sept.15 and 2.5% lower than Dec.14, a result of greater discipline in the use of capital and moderation of demand for credit.

In Consumer Finance, the classified loan portfolio reached R$ 33.6 billion in Dec.15, 1.6% lower than in Sept.15. In the last 12 months the loan portfolio presented a downslide of 6.6%, 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$ 33.9 billion in Dec.15, a 10.2% 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)	Dec.14	Sept.15	Dec.15	Variation (%)	
				Dec.15/Sept.15	Dec.15/Dec.14
Wholesale segment - CIB (a)	**17,509**	**16,959**	**17,377**	**2.5**	**(0.7)**
Consumer Finance segment (b)	**35,964**	**34,155**	**33,606**	**(1.6)**	**(6.6)**
Auto finance (direct credit and leasing)	29,410	28,221	27,719	(1.8)	(5.8)
Payroll loans	5,374	4,713	4,551	(3.4)	(15.3)
Credit Cards	1,032	1,144	1,263	10.4	22.4
Individual Loans	148	77	74	(4.7)	(50.1)
On-balance loan portfolio (c=a+b)	**53,473**	**51,114**	**50,984**	**(0.3)**	**(4.7)**
Guarantees provided (d)	9,927	9,561	9,468	(1.0)	(4.6)
Private securities (e)	5,290	5,499	5,074	(7.7)	(4.1)
Expanded credit portfolio (f=c+d+e)	**68,689**	**66,174**	**65,526**	**(1.0)**	**(4.6)**
Off-balance credit assignments - Consumer Finance (g)[1]	**1,758**	**461**	**267**	**(42.2)**	**(84.8)**
Credit assignments with recourse to Financial Institutions	1,564	461	267	(42.2)	(83.0)
Auto finance (direct credit to consumer and leasing)	1,043	272	148	(45.4)	(85.8)
Payroll loans	522	190	118	(37.6)	(77.3)
Credit assignments to FIDC[2]	194	-	-	-	(100.0)
Expanded managed credit portfolio (h=f+g)	**70,448**	**66,635**	**65,793**	**(1.3)**	**(6.6)**
Wholesale segment - CIB (a+d+e)	**32,725**	**32,019**	**31,920**	**(0.3)**	**(2.5)**
Consumer Finance segment (b+g)	**37,723**	**34,617**	**33,873**	**(2.1)**	**(10.2)**
Auto Finance (Direct Credit to Consumer and Leasing)	30,647	28,493	27,867	(2.2)	(9.1)
Payroll Loans	5,896	4,902	4,669	(4.8)	(20.8)
Credit Cards	1,032	1,144	1,263	10.4	22.4
Individual loans and Home Equity	148	77	74	(4.7)	(50.1)

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.

In managed loan portfolio for payroll loans reached R$ 4.7 billion in Dec.15, 20.8% lower than in Dec.14. In the last 12 months, Public Payroll Loans exhibited the greatest reduction (35.7%), according to the table below. Such a downslide reflects the Bank's selective strategy of action in public agreements, maintaining the focus on refinancing the INSS Payroll Loan portfolio and on the gradual expansion of the Private Payroll Loan portfolio.

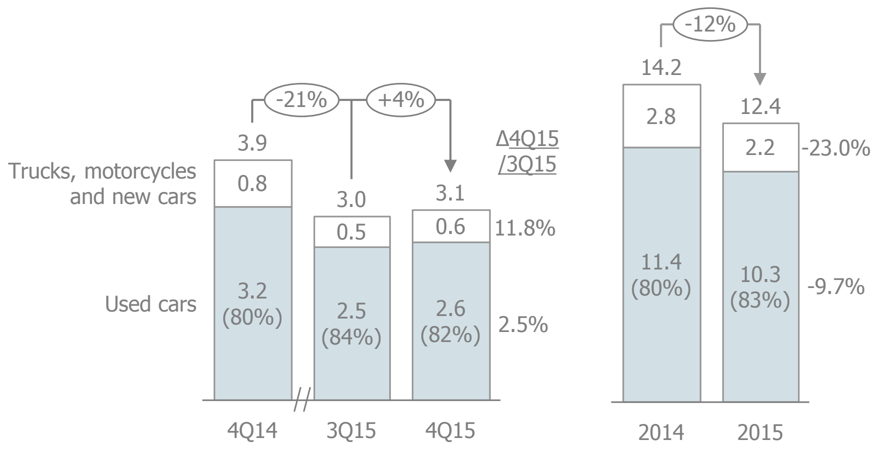
Payroll Loans - Portfolio Composition (R$ Million)	Dec.14	Sept.15	Dec.15	Variation %	
				Dec.15/Sept.15	Dec.15/Dec.14
Payroll Loans Total[1]	**5,896**	**4,902**	**4,669**	**(4.8)**	**(20.8)**
INSS (retirees and pensioners)	3,938	3,265	3,130	(4.1)	(20.5)
Private	776	785	778	(0.8)	0.3
Public	1,183	853	761	(10.7)	(35.7)
State	477	346	308	(11.0)	(35.5)
Federal	391	292	261	(10.9)	(33.3)
Municipal	315	214	193	(10.2)	(38.8)

1.Includes credits assigned before Resolution 3.533.

Auto finance loans

The auto finance origination volume was R$ 3.1 billion in 4Q15 and R$ 12.4 billion in 2015. The Bank increased the share in used light vehicles – segment in which it has a history of leadership and recognized expertise – from 80% to 83% of total production in 2015/2014 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 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 4Q15, in turn, the average production period was 44 months and the average down payment percentage was 41%, as per the table below.

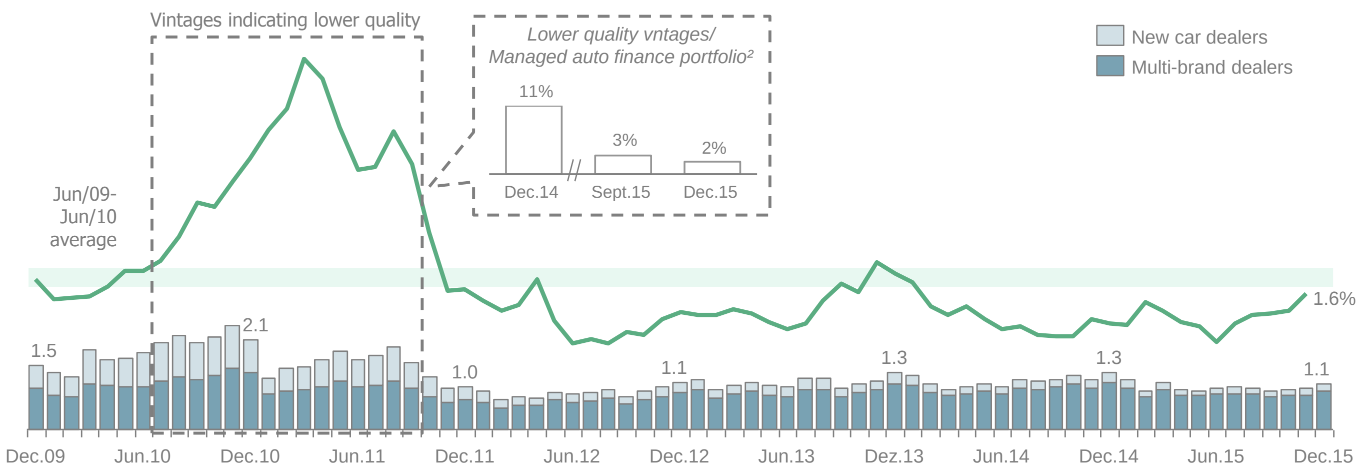
AUTO FINANCE - Origination	4Q14	3Q15	4Q15	Variation	
				4Q15/3Q15	4Q15/4Q14
Average rate (% per year)	26.4	28.0	29.1	1.1 p.p.	2.7 p.p.
Average term (months)	45	44	44	0	0
Loan-to-Value (%)	60.3	58.3	58.6	-0.3 p.p.	-1.7 p.p.
Used cars/cars origination (%)	86.4	91.7	90.1	-1.6 p.p.	3.7 p.p.

AUTO FINANCE - Loan Portfolio	Dec.14	Sept.15	Dec.15	Variation	
				Dec.15/Sept.15	Dec.15/Dec.14
Average rate[1] (% per year)	25.6	26.4	26.8	0.4 p.p.	1.2 p.p.
Maturity (months)	47	46	46	0	-1
Loan-To-Value (%)	55.2	52.7	52.8	0.1 p.p.	-2.4 p.p.
Used cars/Auto finance portfolio (%)	80.5	84.4	85.3	0.9 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 98% of the managed auto finance portfolio in Dec.15, against 89% in Dec.14. That contributed to the reduction of 90-day NPL ratio ("Inad 90") of the cars portfolio from 5.5% to 5.3% in the past 12 months.

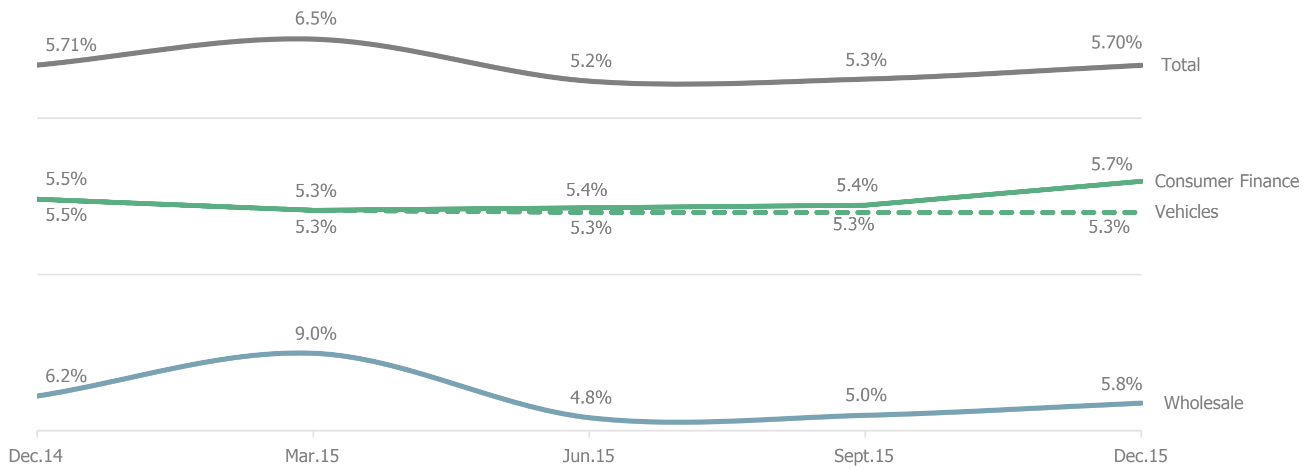
Delinquency and allowance for loan losses (ALL)

Despite the presence of a challenging macroeconomic scenario, the 90-day NPL ratio of the managed portfolio ended Dec.15 at 5.7%, stable in comparison to Dec.14.

In Consumer Finance, delinquency ended Dec.15 at 5.7%, up 0.2 p.p. over Dec.14. As regards the auto finance portfolio, delinquency exhibited a reduction of 0.2 p.p. in the last 12 months, while the delinquency of the financial system was up 0.2 p.p. in the same period, according to data from the Brazilian Central Bank (Bacen).

In Wholesale, 5.8% of loans had a 90-day NPL ratio at the end of Dec.15, compared to 6.2% in Dec.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 in 2015 to enhance the quality of its balance sheet and mostly for allowance for loan losses.

Allowance for loan losses (ALL) expenses, net of income from credit recovery previously written-off to loss, had a reduction of R$ 622 million in relation to prior quarter - mainly due to the prudential provisions in the 3Q15. In the

2015/2014 comparison, allowance for loan losses expenses exhibited an increase of 9.2%; however, without the prudential provisions of 2015, allowance for loan losses expenses would have decreased by 11.6%.

The Net Financial Margin amounted to R$ 645 million in 4Q15 and R$ 2,308 million in 2015. Without considering prudential provisions, the Net Financial Margin in 2015 would have been R$ 2,826 million.

NET FINANCIAL MARGIN (R$ Million)	4Q14	3Q15	4Q15	2014	2015	Variation (%) 4Q15/3Q15	Variation (%) 2015/2014
Net Interest Income	**1,222**	**1,134**	**1,098**	**5,114**	**4,702**	**(3.2)**	**(8.1)**
Allowance for loan losses	(505)	(1,075)	(453)	(2,193)	(2,394)	(57.8)	9.2
Wholesale	(212)	(672)	(168)	(558)	(1,077)	(75.0)	93.2
Consumer Finance	(293)	(402)	(285)	(1,635)	(1,316)	(29.2)	(19.5)
Net Financial Margin	**717**	**59**	**645**	**2,921**	**2,308**	**991.0**	**(21.0)**

The coverage ratio of Operations past due over 90 days increased from 134% in Dec.14 to 150% in Dec.15. During the same period, the balance of allowance for loan losses, Portfolio D-H, increased from 73.3% to 76.1%.

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

- The balance of allowance for loan losses over the loan portfolio in Dec.15 was of 8.6%, with no change in relation to Sept.15 and a 0.9% improvement in relation to Dec.14, chiefly due to the timely reinforcement of allowance for loan losses (ALL) in 3Q15; and
- The relation between expenses from allowance for loan losses (net of recoveries) and the balance of managed loan portfolio declined by 1.2 p.p. for 4Q15 as compared to 3Q15, a result of the prudential provisions created during that quarter, and remained stable when compared to 4Q14.

MANAGED LOAN PORTFOLIO QUALITY INDICATORS (R$ Million, except where indicated)	Dec.14	Sept.15	Dec.15
Loan portfolio	55,231	51,576	51,250
90-day NPL/ Loan portfolio	5.7%	5.3%	5.7%
Write-off(a)	(666)	(838)	(693)
Credit recovery (b)	157	169	197
Net Loss (a+b)	(508)	(669)	(495)
Net Loss / Loan portfolio - annualized	3.7%	5.3%	3.9%
New NPL	547	823	903
New NPL / Loan portfolio[1]	1.0%	1.6%	1.8%
ALL balance[2]	4,227	4,425	4,387
ALL balance / Loan portfolio	7.7%	8.6%	8.6%
ALL balance / 90-day NPL	134%	163%	150%
ALL balance / D - H balance	73.7%	83.0%	76.1%
AA-C balance	49,497	46,248	45,486
AA-C balance / Loan portfolio	89.6%	89.7%	88.8%
ALL expenses / Loan portfolio	0.9%	2.1%	0.9%

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 Dec.15, R$ 235M of "generic" credit provision recognized as Liabilities in the "Other" line (Note # 19d of 4Q15 Financial

Fee income/ banking fees income

The fee income/ banking fees income totaled R$ 266 million for 4Q15, a 14.5% increase as compared to the preceding quarter, chiefly due to the increase in Wholesale revenues with commissions from sales of securities and revenues from Consumer Finance services. In the 2015/2014 comparison there was a downslide of 1.4%, due mainly to the reduction in Wholesale revenues from guarantees provided. However, please note the increase in credit card income, with a 16.2% growth in 2015 as compared to 2014.

We stress that the Bank has encouraged sales of insurance for credit insurance and auto, resulting in revenues totaling R$ 214 million in 2015. Sales are handled through the subsidiary Votorantim Corretora de Seguros, and the result of this operation is recognized under the equity method of accounting.

FEE INCOME[1] (R$ Million)	4Q14	3Q15	4Q15	2014	2015	Variation (%)	
						4Q15/3Q15	2015/2014
Master file registration	80	60	69	248	258	14.7	3.9
Appraisal of assets	51	45	46	185	177	2.1	(4.7)
Credit cards	38	38	43	128	149	11.4	16.2
Income from guarantees provided	38	31	37	146	126	19.4	(14.2)
Management of investment funds	28	25	31	113	107	24.2	(5.0)
Commisions on placing of securities	16	10	22	61	54	125.3	(10.2)
Other[2]	27	24	19	94	90	(18.8)	(3.6)
Total Fee Incomes	**276**	**232**	**266**	**975**	**961**	**14.5**	**(1.4)**

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

Personnel expenses

Personnel expenses increased by 10.8% as compared to the previous quarter. Yet, a 2015/2014 comparison reflects an 8.2% decline owing to a drop in labor lawsuits.

PERSONNEL EXPENSES (R$ Million)	4Q14	3Q15	4Q15	2014	2015	Variation (%)	
						4Q15/3Q15	2015/2014
Fees	(5)	(5)	(5)	(18)	(20)	2.1	11.2
Benefits	(35)	(33)	(33)	(131)	(130)	(0.2)	(0.1)
Social Charges	(46)	(38)	(45)	(175)	(179)	19.6	2.4
Dividends	(146)	(160)	(142)	(585)	(584)	(11.5)	(0.1)
Training	(1)	(1)	(1)	(4)	(3)	(16.2)	(32.9)
Subtotal	**(233)**	**(237)**	**(226)**	**(912)**	**(916)**	**(4.6)**	**0.4**
Labor lawsuits	(89)	(38)	(79)	(406)	(294)	106.2	(27.7)
Total Personnel Expenses	**(321)**	**(275)**	**(305)**	**(1,318)**	**(1,210)**	**10.8**	**(8.2)**

The Bank closed Dec.15 with 4,284 employees, not counting statutory personnel and interns, compared to 4,575 in Sept.15.

Administrative expenses

Administrative expenses are under control, presenting an increase lower than the inflation (IPCA of 10.67% in the last 12 months). For 4Q15, administration expenses increased by 5.6% as compared to the preceding quarter, chiefly due to the increase in Legal Fees and Specialized Technical Services. A 2015/2014 comparison discloses that administrative expenses increased by 1.6% owing to the expansion of expenses with Specialized Technical Services related to Consumer Finance credit collection campaigns.

ADMINISTRATIVE EXPENSES (R$ Million)	4Q14	3Q15	4Q15	2014	2015	Variation (%) 4Q15/3Q15	Variation (%) 2015/2014
Rentals	(20)	(27)	(17)	(95)	(85)	(36.8)	(11.0)
Communication	(20)	(18)	(18)	(75)	(73)	(2.3)	(2.9)
Data processing	(43)	(48)	(41)	(177)	(178)	(14.3)	0.2
Services of the financial system	(23)	(24)	(21)	(127)	(97)	(13.7)	(23.7)
Specialized technical services	(99)	(99)	(103)	(335)	(380)	3.8	13.6
Judicial and Notary public fees	(35)	(28)	(34)	(135)	(111)	19.2	(17.8)
Other	(57)	(42)	(69)	(168)	(206)	65.7	22.7
Total Administrative Expenses	**(298)**	**(286)**	**(302)**	**(1,112)**	**(1,129)**	**5.6**	**1.6**

The accrued Efficiency Ratio (EI) for the last 12 months ended Dec.15 at 39.5%, unchanged as compared to Sept.15 and a 2.8 p.p. increase over Dec.14, due chiefly to the 8.1% decline in net interest income for 2015. 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 84% in Dec.15 against 78% in Dec.14 and 65% in Dec.13, resulting in efficiency gains in the credit desk.

EFFICIENCY RATIO (ER) (R$ million)	4Q14	3Q15	4Q15	Var. 4Q15/3Q15	2014	2015	Var. 2015 /2014
Total Personnel[1] and Administrative expenses (A)	**530**	**523**	**528**	**1.0%**	**2,024**	**2,046**	**1.1%**
Total Revenues (B)	**1,257**	**1,242**	1,251	**0.7%**	**5,522**	**5,181**	-6.2%
Net Interest Income (NII)	1,222	1,134	1,098	-3.2%	5,114	4,702	-8.1%
Fee/Banking Fee Income	276	232	266	14.5%	975	961	-1.4%
Equity in Income of Associated Companies and Subsidiaries	37	39	40	1.2%	148	156	5.4%
Other Operating Income/Expenses	(278)	(163)	(153)	-6.3%	(714)	(637)	-10.8%
Efficiency Ratio (A/B) - period	**42.2%**	**42.1%**	**42.2%**	**0.1 p.p.**	**36.7%**	**39.5%**	**2.8 p.p.**
Efficiency Ratio - last 12 months	**36.7%**	**39.5%**	**39.5%**	**0.0 p.p.**	**36.7%**	**39.5%**	**2.8 p.p.**

1. Excludes expenses with Labor Lawsuits

Other operating income and expenses

Operating income and expenses totaled R$ -153 million for 4Q15, a 6.3% improvement as compared to 3Q15 and resulting mainly from the drop in costs related to production. A 2015/2014 comparison shows that operating income and expenses improved by 10.8%, mainly explained by the reversal of the allowance for loss on honored guarantees in 2015.

OTHER OPERATING INCOME/EXPENSES (R$ Million)	4Q14	3Q15	4Q15	2014	2015	Variation (%) 4Q15/3Q15	Variation (%) 2015/2014
Interest expense (enrollment in the REFIS program)	(10)	(12)	(12)	(13)	(44)	(2.4)	-
Reversal (provision) for contingent liabilities	(25)	(39)	(81)	(170)	(179)	-	5.4
Reversal (provision) for unhonored guarantees	(133)	110	114	(260)	209	3.2	-
Provision to losses - Others risks	11	(87)	15	44	(54)	-	-
Reversal of provision for variable compensation	4	-	-	166	0	-	(100.0)
Costs associated with the production	(139)	(133)	(119)	(559)	(556)	(10.5)	(0.4)
Others	12	(3)	(71)	77	(13)	-	-
Total Other Operating Income/Expenses	**(278)**	**(163)**	**(153)**	**(714)**	**(637)**	**(6.3)**	**(10.8)**

1. Reclassification from "Lending Operations" to " Other

Operating income

Operating income totaled R$ 102 million for 4Q15 (R$ -496 million in 3Q15), and R$ 32 million for 2015 (R$ 457 million in 2014). The drop in the 2014/2015 comparison arose from the creation of R$ 620 million in prudential provisions during the year. Without considering these provisions, Operating Income would have increased to R$ 651 million, i.e. a 42.5% expansion as compared to 2014 and in line with the Bank's growth agenda.

Funding and Liquidity

The funding resources volume amounted to R$ 78.0 billion at the end of Dec.15, with growth of 7.9% for the past 12 months, as shown below.

FUNDING SOURCES (R$ Billion)	Dec.14	Sept.15	Dec.15	Variation %	
				Dec.15/Sept.15	Dec.15/Dec.14
Debentures (BV Leasing)	**17.4**	**13.4**	**17.9**	**33.8**	**3.1**
Deposits	**3.8**	**4.8**	**4.2**	**(12.9)**	**10.4**
Time deposits	2.4	2.9	2.2	(23.4)	(9.9)
Deposits (on demand and interbank)	1.4	2.0	2.0	2.5	46.0
Bills	**16.3**	**16.6**	**17.2**	**3.5**	**5.7**
Financing bills	13.0	13.4	13.6	1.6	4.8
Agribusiness credit bills ("LCA") and Real estate credit bills ("LCI")	3.3	3.2	3.6	11.4	9.5
Borrowings and onlendings	**6.7**	**8.1**	**7.9**	**(2.7)**	**18.5**
Subordinated debts	**6.2**	**6.8**	**6.9**	**1.9**	**11.0**
Subordianted Financing bills	2.1	2.1	1.8	(16.0)	(15.7)
Others subordinated debts	4.1	4.7	5.2	10.0	24.6
Securities abroad	**6.6**	**8.3**	**8.1**	**(2.0)**	**22.8**
Securitization with recourses	**15.2**	**16.2**	**15.7**	**(3.0)**	**2.8**
Others[1]	**0.0**	**-**	**-**	**-**	**-**
Total funding	**72.3**	**74.2**	**78.0**	**5.1**	**7.9**
Expanded credit portfolio[2] (B)	**58.8**	**56.6**	**56.1**	**(1.0)**	**(4.6)**
(B) / (A) %	**81.4**	**76.3**	**71.9**	**-4.4 p.p.**	**-9.4 p.p.**

1 Includes box of options and Structured Operations Certificates; 2. Excludes guarantees provided.

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 assignments of receivables with recourse, which account for 42% (R$ 32.9 billion) out of the total funding sources in Dec.15 against 38% in Dec.13. In addition, the Bank reduced the time deposit volume (certificates of deposit - CDs).

In 4Q15, the Bank funded R$ 1.9 billion through assignment, with recourse, of R$ 1.7 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 addition, in Sept.15 the Bank partially repurchased the overseas subordinated debt issue of roughly US$ 300 million (R$ 1.15 billion), which also contributed to reduce the cost of funding for 2015.

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, and more than 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. It is also worth emphasizing that the expanded credit portfolio ratio over third-party funding declined from 81.4% in Dec.14 to 71.9% in Dec.15, when the "cash" of the Bank reached record level.

The table below highlights the main securities issued by Banco Votorantim abroad in effect on Dec.15:

External Funding (US$ million)	Index	Balance at Sept.15	Balance at Dec.15	Issue date	Maturity date	Coupon %a.a.
Medium Term Notes	**Fixed rate**	**1,250**	**1,250**	**02/11/2013**	**02/11/2016**	**5.25%**
Medium Term Notes	**IPCA**	**797**	**737**	**11/16/2012**	**05/16/2016**	**6.25%**
Eurobond - Subordinated	**Fixed rate**	**846**	**842**	**01/21/2013**	**01/21/2020**	**7.38%**

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 was 11%. In 2016, the minimum Reference Equity requirement was changed to 10.50%, including 0.63% in a minimum additional capital requirement.

Schedule - Basel III	2014	2015	2016	2017	2018	2019
Total Capital	**11.00%**	**11.00%**	**9.88%**	**9.25%**	**8.63%**	**8.00%**
Tier I Capital	5.50%	6.00%	6.00%	6.00%	6.00%	6.00%
Common Equity Tier I	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Additional TierI	1.00%	1.50%	1.50%	1.50%	1.50%	1.50%
Tier II Capital	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 + Minimum Additional Capital	**11.00%**	**11.00%**	**10.50%**	**10.50%**	**10.50%**	**10.50%**
CR + Maximum Additional Capital	**11.00%**	**11.00%**	**11.13%**	**11.75%**	**12.38%**	**13.00%**

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 Dec.15, the Prudential Conglomerate capital amounted to R$ 10,742 million, and risk-weighted assets amounted to R$ 70,549 million. At the end of Dec.15 the Basel ratio was 15.2%, and the Tier 1 index (which, for the Bank is equivalent to the Principal Capital) closed Dec.15 at 9.5%. This quarterly increase is a result mainly of a decline in credit risk assets, partly due to the decrease in Risk Weighting Factor (RWF) of escrows pursuant to BACEN Circular no. 3770 (as of Oct.15).

BASEL RATIO (R$ Million)	Dec.14	Sept.15	Dec.15
Total Capital	**11,276**	**10,866**	**10,742**
Tier I Capital	7,159	6,828	6,686
Common Equity Tier I	7,159	6,828	6,686
Additional Tier I	-	-	-
Tier II Capital	4,117	4,038	4,056
Risk Weighted Assets (RWA)	**75,375**	**75,457**	**70,549**
Credit risk	67,932	67,384	62,926
Market risk	3,255	3,294	2,843
Operational risk	4,188	4,780	4,780
Minimum Capital Requirement	**8,291**	**8,300**	**7,760**
Basel Ratio (Capital/RWA)	**15.0%**	**14.4%**	**15.2%**
Tier I Capital Ratio	9.5%	9.0%	9.5%
Common Equity Tier I Ratio	9.5%	9.0%	9.5%
Additional Tier I Ratio	-	-	-
Tier II Capital Ratio	5.5%	5.4%	5.8%

Considering the current capital base, if the Basel III rules were fully applied, the Tier I capital would be 8.2% in Dec.15

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

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

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

In Feb.16, the risk rating agency Standard & Poor's (S&P) lowered Brazil's sovereign rating from "BB+" 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.

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
Carlos Massaru Takahashi	Director	João Carvalho de Miranda	Director

Appendix 1 - Balance sheet

BALANCE SHEET | Assets (R$ Million)	Dec.14	Sept.15	Dec.15	Variation % Dec.15/Sept.15	Variation % Dec.15/Dec.14
CURRENT AND LONG-TERM ASSETS	**98,227**	**109,839**	**109,698**	**(0.1)**	**11.7**
Cash and cash equivalents	190	224	180	(19.7)	(5.4)
Interbank funds applied	7,374	16,190	17,187	6.2	133.1
Securities and derivative financial instruments	29,133	30,091	30,424	1.1	4.4
Derivative financial instruments	1,505	3,199	2,550	(20.3)	69.4
Interbank accounts or relations	77	90	72	(19.5)	(5.9)
Loan Operations, Leases and Others receivables	52,817	51,276	51,138	(0.3)	(3.2)
Alowance for loan losses	(4,034)	(4,200)	(4,152)	(1.1)	2.9
Tax credit	6,657	7,773	7,833	0.8	17.7
Others	4,508	5,196	4,466	(14.1)	(0.9)
NON-CURRENTS	**455**	**472**	**522**	**10.4**	**14.7**
Investments	300	285	324	13.9	8.3
Fixed assets	94	102	97	(5.2)	3.8
Intangible and deferred charges	62	85	100	17.7	62.3
TOTAL ASSETS	**98,682**	**110,313**	**110,221**	**(0.1)**	**11.7**

BALANCE SHEET | Liabilities (R$ Million)	Dec.14	Sept.15	Dec.15	Variation % Dec.15/Sept.15	Variation % Dec.15/Dec.14
CURRENT AND LONG-TERM LIABILITIES	**91,096**	**102,482**	**102,556**	**0.1**	**12.6**
Deposits	3,811	4,826	4,206	(12.9)	10.4
Demand deposits	149	87	81	(6.7)	(45.5)
Interbank deposits	1,230	1,877	1,933	2.9	57.1
Time deposits	2,432	2,862	2,192	(23.4)	(9.9)
Money market borrowings	27,986	30,087	32,800	9.0	17.2
Acceptances and endorsements	22,914	24,912	25,323	1.7	10.5
Interbank accounts	36	222	83	(62.5)	130.1
Borrowings and onlendings	6,662	8,111	7,893	(2.7)	18.5
Derivative financial instruments	1,674	3,785	2,914	(23.0)	74.1
Others obligations	28,013	30,539	29,337	(3.9)	4.7
Subordinated debts	6,240	6,797	6,928	1.9	11.0
Credit transactions subject to assignment	15,250	16,163	15,677	(3.0)	2.8
Others obligations	6,524	7,579	6,732	(11.2)	3.2
DEFERRED INCOME	**32**	**40**	**48**	**20.8**	**48.6**
SHAREHOLDERS' EQUITY	**7,554**	**7,778**	**7,617**	**(2.2)**	**0.8**
TOTAL LIABILITIES	**98,682**	**110,313**	**110,221**	**(0.1)**	**11.7**

Appendix 2 - Managerial Statement of Income

INCOME STATEMENT (R$ Million)	4Q14	3Q15	4Q15	2014	2015	Variation (%) 4Q15/3Q15	2015/2014
Income from financial intermediation	**4,216**	**6,894**	**3,996**	**15,218**	**19,898**	**(42.0)**	**30.7**
Loans[1]	2,793	3,552	2,497	10,840	11,703	(29.7)	8.0
Leases	25	12	12	127	65	0.9	(48.6)
Securities	985	1,305	1,388	3,634	5,007	6.4	37.8
Derivative financial instruments	313	1,734	119	451	2,614	(93.1)	-
Foreign exchange operations	100	292	(20)	165	508	(106.9)	-
Income from Compulsory Deposits	-	-	-	0	-	-	(100.0)
Expenses from financial intermediation	**(2,995)**	**(5,760)**	**(2,898)**	**(10,104)**	**(15,196)**	**(49.7)**	**50.4**
Money market borrowings	(2,145)	(3,890)	(2,122)	(7,249)	(10,734)	(45.5)	48.1
Borrowings and onlendings	(155)	(1,077)	9	(372)	(1,441)	(100.9)	-
Sale or transfer from financial assets	(695)	(793)	(785)	(2,484)	(3,020)	(1.0)	21.6
Net interest income	**1,222**	**1,134**	**1,098**	**5,114**	**4,702**	**(3.2)**	**(8.1)**
Allowance for loan losses	(505)	(1,075)	(453)	(2,193)	(2,394)	(57.8)	9.2
Net financial margin	**717**	**59**	**645**	**2,921**	**2,308**	**991.0**	**(21.0)**
Other operating income/expenses	**(688)**	**(555)**	**(543)**	**(2,464)**	**(2,276)**	**(2.1)**	**(7.6)**
Fee Income	276	232	266	975	961	14.5	(1.4)
Personnel expenses	(321)	(275)	(305)	(1,318)	(1,210)	10.8	(8.2)
Administrative expenses	(298)	(286)	(302)	(1,112)	(1,129)	5.6	1.6
Tax expenses - ISS, PIS and Cofins	(104)	(102)	(88)	(442)	(417)	(13.1)	(5.8)
Equity in income of subsidiaries	37	39	40	148	156	1.2	5.4
Other operational income (expenses)	(278)	(163)	(153)	(714)	(637)	(6.3)	(10.8)
Operating income (loss)	**29**	**(496)**	**102**	**457**	**32**	**(120.5)**	**(93.0)**
Non-operating income (loss)	**(8)**	**(9)**	**(2)**	106	(29)	**(79.2)**	**-**
Income (loss) before taxes and contribution	**20**	**(505)**	**100**	**563**	**3**	**(119.8)**	**(99.5)**
Provision for income tax and social contribution	104	675	17	129	660	(97.5)	-
Profit sharing	(50)	(33)	(40)	(190)	(181)	20.7	(4.6)
Net income (loss)	**75**	**137**	**77**	**502**	**482**	**(43.8)**	**(4.1)**

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

RISCO (R$ Milhões)	Dec.14			Sept.15			Dec.15		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	4,676	-	8.7%	3,218	-	6.3%	3,937	-	7.7%
A	26,444	132	49.5%	24,605	126	48.1%	24,879	125	48.8%
B	9,622	96	18.0%	8,781	105	17.2%	8,030	88	15.7%
C	7,122	214	13.3%	9,216	318	18.0%	8,394	289	16.5%
D	1,147	115	2.1%	1,101	148	2.2%	1,506	184	3.0%
E	726	218	1.4%	529	173	1.0%	606	192	1.2%
F	392	196	0.7%	415	217	0.8%	434	223	0.9%
G	1,337	1,056	2.5%	902	767	1.8%	919	772	1.8%
H	2,007	2,007	3.8%	2,346	2,346	4.6%	2,279	2,279	4.5%
TOTAL	**53,473**	**4,034**	**100.0%**	**51,114**	**4,200**	**100.0%**	**50,984**	**4,152**	**100.0%**
AA-C	**47,864**	**442**	**89.5%**	**45,820**	**549**	**89.6%**	**45,240**	**502**	**88.7%**
D-H	**5,609**	**3,591**	**10.5%**	**5,294**	**3,652**	**10.4%**	**5,744**	**3,650**	**11.3%**

Note: ALL Balance does not consider, in Dec.15, R$ 235M of "generic" credit provision recognized as Liabilities in the "Other" line (Note #19d of 4Q15 Financial Statement)

Wholesale – sectorial concentration

Wholesale - Sectorial concentration	Dec.14		Sept.15		Dec.15	
	R$M	Part.(%)	R$M	Part.(%)	R$M	Part.(%)
Financial Institutions	4,201	16.0%	4,697	19.3%	3,108	14.6%
Sugar and Ethanol	2,160	8.2%	2,331	9.6%	2,140	10.1%
Petrochemical	1,078	4.1%	1,570	6.4%	1,607	7.6%
Retail	1,208	4.6%	834	3.4%	1,201	5.7%
Telecom	2,066	7.9%	1,761	7.2%	1,064	5.0%
Agribusiness	1,323	5.1%	1,041	4.3%	1,001	4.7%
Pulp and Paper	700	2.7%	771	3.2%	755	3.6%
Railways	731	2.8%	671	2.8%	750	3.5%
Mining	867	3.3%	1,006	4.1%	721	3.4%
Government	524	2.0%	705	2.9%	705	3.3%
Eletricity Generation	828	3.2%	684	2.8%	683	3.2%
Road Cargo Transportation	663	2.5%	503	2.1%	533	2.5%
Residential Construction	707	2.7%	632	2.6%	522	2.5%
Heavy Construction	640	2.4%	482	2.0%	472	2.2%
Services	665	2.5%	471	1.9%	412	1.9%
Oil & Gas	525	2.0%	201	0.8%	401	1.9%
Automotive	503	1.9%	545	2.2%	399	1.9%
Slaughterhouses	446	1.7%	292	1.2%	284	1.3%
Agro Trading	984	3.8%	303	1.2%	256	1.2%
Metallurgy	472	1.8%	269	1.1%	101	0.5%
Other sectors	4,895	18.7%	4,582	18.8%	4,131	19.4%
Total[1]	**26,185**	**100.0%**	**24,351**	**100.0%**	**21,248**	**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 (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 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.