3Q17
Earnings Release

BancoVotorantim

Contents

São Paulo, November 09, 2017. Banco Votorantim S.A. ("Bank") announces its results for the third quarter (3Q17) and nine months (9M17) of 2017. 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

Net income for the 3Q17 confirms the consistent performance of Banco Votorantim's results and the development made in implementing our strategic plan, which is based on increasing our business profitability, operational efficiency, and revenue diversification.

- **Net income of R$ 153 million**, against R$ 145 million in 2Q17 and R$ 112 million in 3Q16. In the 9M17, Net Income was R$426 million, with growth of 39.0% in relation to the 9M16, when it totaled R$306 million.

- **Growing and diversified revenue generation.** In 3Q17 there was expansion of the net interest income (NII) and of income from services and insurance brokerage, which together totaled R$ 1,757 million. Because of the growth of 8.3% of NII in 3Q17/2Q17, our net interest margin (NIM) reached 6.0%, against 5.4% in the previous quarter. In addition, it is worth emphasizing that income from services and insurance brokerage grew to 25% of total income in the 9M17, in comparison with 21% in the 9M16.

- **Reduction in allowance for loan losses in Consumer Finance.** Consolidated result of loan losses and impairments – net of credit recovery income – grew 6.9% in the 3Q17/2Q17, basically impacted by Wholesale impairments. It is worth emphasizing that Consumer Finance segment maintained its trajectory of improving income from allowance for loan losses, which decreased 4.4% in 3Q17/2Q17, and 10.8% in 9M17/9M16. The coverage ratio of operations past due over 90 days remains at a conservative level – closed Sept.17 at 165%, against 127% in Sept.16.

- **Drop in delinquency.** The 90-day NPL ratio of the loan portfolio ended Sept.17 at 4.1%, down 0.3 p.p. in the quarter and 1.4 p.p in relation to Sept.16. The 90-day NPL ratio of the Consumer Finance portfolio ended Jun.17 at 4.8%, due to the improved quality of the auto finance portfolio, whose NPL reduced 0.8 p.p. in the last 12 months, to 4.3%. In Wholesale, delinquency was down to 2.1% in the end of Sept.17, in view of 2.3% in Jun.17.

- **Control of the cost base.** Administrative and personnel expenses posted a nominal reduction of 2.9% in the quarter and 3.9% in the 9M17/9M16 comparison. As a result of our strict control of costs, the Efficiency ratio for the last 12 months improved – decreased to 35.1% in Sept.17, against 37.5% in Sept.16.

In addition, we have maintained our conservative approach in the management of funding, liquidity and capital, enhancing the quality of our credit risk. Volume of funding sources reached R$64.8 billion in Sept.17, with expansion of more stable funding instruments, such as Financing Bills. In terms of liquidity, we ended Sept.17 with cash position more than sufficient to fully cover our funding with daily liquidity. Regarding capital, the Basel Ratio ended Sept.17 at 14.6% - above the regulatory minimum capital of 10.5% - and with a Tier I Capital of 10.9%, composed entirely of Common Equity Tier I (CET1).

In the 3Q17, we also made progress in our diversification and digital transformation strategy. We reached 1 million credit card clients and, in Sept.17, went past the mark of R$70 million in insurance premiums issued per month. In a partnership established with Guia Bolso, one of the best Fintechs in activity in Brazil, we implemented a new product, 100% digital, designed to offer individual loans via app. And in a partnership with company Portal Solar, the largest solar energy market-place in activity in Brazil, we launched our financing product for acquisition of home solar energy panels. We also implemented the new web platform for car dealers.

In the next quarters, we will keep moving forward to boost the profitability of our businesses, increase operational efficiency, and diversify our revenues as to maintain the consistent trajectory of our results.

Corporate Strategy

Banco Votorantim aims to consolidate its position among the main national privately-held banks, leveraging synergies with Banco do Brasil (BB) shareholder. For this purpose, the Bank has a diversified portfolio for Wholesale Bank Business, Wealth Management and Consumer Finance segments, with clearly defined strategic objectives.

Wholesale Bank Business (Corporate Bank)

By means of long-term, commercial and agile relationships, and efficient capital management (risk/return ratios), the Corporate provides integrated financial solutions adequate to its clients' needs. With a diversified product portfolio, the segment's goal is to grow in companies with annual revenue from R$ 300 million to R$ 1.5 billion, through an increase in spread and cross-selling. In the Large Corporate segment – companies with annual revenue above R$ 1.5 billion – the focus is to increase the profitability of capital, especially through unfunded guarantees and transfers.

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 strategic 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 a relevant partnership with BB in the structuring, management, administration and distribution of investment funds;

- **Private Bank:** to consolidate its position among the best private banks in the market, by expanding its operations in integrated asset management through differentiated solutions

Consumer Finance Business

- **Auto finance loans:** to remain among the leaders in auto finance loan through BV Financeira, a subsidiary of Banco Votorantim. BV concentrates its operations on used vehicle finance (multi-brand dealers), a segment in which 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). In addition, has advanced in Promotiva S.A., a subsidiary of Banco Votorantim that operates in the origination of payroll loans outside the branches of Banco do Brasil directly to the shareholder.

- **Credit cards:** to grow organically by exploring the current client base of auto finance loans and commercial partnerships.

- **Insurance:** to boost insurance brokerage revenues (e.g.: auto insurance and credit insurance), diversifying the product portfolio and leveraging the Consumer Finance client base.

- **Other businesses:** to diversify sources of income through businesses such as individual loans, student loans, home equity, as well as the Promotiva. 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.

The Bank will continue advancing 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 diversification of revenues.

BancoVotorantim

Key Information

	3Q16	2Q17	3Q17	9M16	9M17	Variation 3Q17/2Q17	Variation 9M17/9M16
RESULTS (R$ Million)							
Net Interest Income (a)	1,210	1,222	1,323	3,726	3,755	8.3%	0.8%
Result of loan losses and impairments (b)	(493)	(530)	(567)	(1,494)	(1,523)	6.9%	2.0%
Net Financial Margin (a - b)	717	691	756	2,233	2,232	9.3%	0.0%
Income from services and banking fees	281	326	326	800	943	0.0%	17.8%
Personnel and administrative expenses	(576)	(612)	(594)	(1,816)	(1,746)	-2.9%	-3.9%
Operating Income (loss)	232	243	305	664	866	25.7%	30.4%
Net Income (loss)	112	145	153	306	426	5.6%	39.0%
MANAGEMENT INDICATORS (%)							
Return on Average Equity[1] (ROAE)	5.5	7.1	7.3	5.1	6.7	0.2 p.p.	1.6 p.p.
Return on Average Assets[2] (ROAA)	0.4	0.6	0.6	0.4	0.6	0.0 p.p.	0.2 p.p.
Net Interest Margin[3] (NIM)	5.3	5.4	6.0	5.2	5.5	0.6 p.p.	0.3 p.p.
Efficiency Ratio (ER) - accumulated of 12 months[4]	37.5	36.0	35.1	37.5	35.1	-0.9 p.p.	-2.4 p.p.
Basel ratio	15.8	13.5	14.6	15.8	14.6	1.1 p.p.	-1.2 p.p.
Tier I Capital Ratio	11.2	10.3	10.9	11.2	10.9	0.6 p.p.	-0.2 p.p.
MACROECONOMIC INDICATORS[5]							
CDI - in the period (%)	3.5	2.5	2.3	10.4	10.4	-0.3 p.p.	0.0 p.p.
Selic rate- end of the period (p.y.%)	14.25	10.25	8.25	14.25	8.25	-2.0 p.p.	-6.0 p.p.
IPCA - in the period (%)	1.0	0.2	0.6	5.5	1.8	0.4 p.p.	-3.7 p.p.
Dolar exchange rate - end of the period (R$)	3.25	3.31	3.17	3.25	3.17	-4.2%	-2.4%
EMBI Brazil Risk (points)	319	289	247	319	247	-42	-72

	Sept.16	Jun.17	Sept.17	Variation Sept.17/Jun.17	Variation Sept.17/Sept.16
BALANCE SHEET (R$ Million)					
Total assets	103,804	102,468	99,420	-3.0%	-4.2%
Loan portfolio (on-balance)	47,019	46,828	47,608	1.7%	1.3%
Wholesale segment	13,789	12,697	12,664	-0.3%	-8.2%
Consumer Finance segment	33,229	34,131	34,944	2.4%	5.2%
Guarantees provided	7,809	5,081	5,140	1.2%	-34.2%
Expanded credit Portfolio	60,010	57,305	57,450	0.3%	-4.3%
Funding sources	65,704	63,352	64,777	2.2%	-1.4%
Shareholders' equity	8,416	8,508	8,777	3.2%	4.3%
Capital (Basel ratio)	9,737	8,178	8,808	7.7%	-9.5%
LOAN PORTFOLIO QUALITY INDICATORS[6] (%)					
90-day NPL / Managed loan portfolio	5.5	4.4	4.1	-0.3 p.p.	-1.4 p.p.
Allowance for loan losses / 90-day NPL	127	158	165	7.5 p.p.	38.0 p.p.
Allowance for loan losses / D - H balance	70.9	62.7	64.6	2.0 p.p.	-6.2 p.p.
Allowance for loan losses / Managed loan portfolio	6.9	7.0	6.8	-0.2 p.p.	-0.2 p.p.
OTHER INFORMATION					
AuM[7] (R$ Million)	53,129	54,428	55,277	1.6%	4.0%

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, with no impact in net 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)", which were reallocated to "Allowance for Loan Losses"; and
- Fiscal and tax effects of the hedge in relation to foreign exchange rates for overseas investments, which are recorded in "Tax Expenses" (PIS and Cofins) and "Income Tax and Social Contribution", and that were also reallocated to "Derivative Financial Instruments".
- Impairment of Wholesale segment's private securities, previously classified as Net Interest Income, which, beginning as of the 3Q17, were reclassified to "Allowance for loan losses", and the historical series was adjusted.

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.

Reconciliation of Audited and Managerial Net Income – 3Q17, 2T17 and 3Q17

INCOME STATEMENT (R$ Million)	3Q16 Audited	Adjustments	3Q16 Managerial	2Q17 Audited	Adjustments	2Q17 Managerial	3Q17 Audited	Adjustments	3Q17 Managerial
Income from financial intermediation	**4,211**	**(160)**	**4,052**	**3,638**	**(88)**	**3,550**	**3,103**	**(19)**	**3,084**
Loans[1]	2,449	(176)	2,272	2,639	(304)	2,335	2,351	(201)	2,150
Leases	8	-	8	(1)	-	(1)	21	-	21
Securities	1,598	1	1,599	989	145	1,134	779	252	1,031
Derivative financial instruments	108	16	124	(44)	71	27	(50)	(70)	(120)
Foreign exchange operations	32	-	32	50	-	50	(3)	-	(3)
Compulsory deposits	17	-	17	4	-	4	6	-	6
Expenses from financial intermediation	**(2,842)**	**-**	**(2,842)**	**(2,363)**	**34**	**(2,328)**	**(1,769)**	**7**	**(1,762)**
Money market borrowings	(2,274)	-	(2,274)	(1,856)	-	(1,856)	(1,438)	-	(1,438)
Borrowings and onlendings	(86)	-	(86)	(133)	-	(133)	7	-	7
Sale or transfer from financial assets	(482)	-	(482)	(374)	34	(339)	(338)	7	(331)
Net interest income - NII	**1,369**	**(160)**	**1,210**	**1,275**	**(53)**	**1,222**	**1,334**	**(12)**	**1,323**
Result of loan losses and impairments	(705)	212	(493)	(654)	124	(530)	(514)	(53)	(567)
Net financial margin	**664**	**52**	**717**	**621**	**71**	**691**	**820**	**(65)**	**756**
Other operating income/expenses	**(445)**	**(39)**	**(485)**	**(443)**	**(6)**	**(449)**	**(452)**	**1**	**(451)**
Fee income	281	-	281	326	-	326	326	-	326
Personnel and administrative expenses	(547)	-	(547)	(554)	-	(554)	(553)	-	(553)
Tax expenses	(87)	(1)	(89)	(86)	(6)	(92)	(112)	6	(106)
Equity in income of subsidiaries	55	-	55	66	-	66	80	-	80
Other operating income/expenses	(146)	(38)	(184)	(195)	0	(195)	(192)	(5)	(197)
Operating income (loss)	**219**	**13**	**232**	**178**	**65**	**243**	**369**	**(64)**	**305**
Non-operating income (loss)	**3**	**-**	**3**	**(1)**	**-**	**(1)**	**24**	**-**	**24**
Income (loss) before taxes and contributions	**222**	**13**	**235**	**177**	**65**	**242**	**393**	**(64)**	**330**
Provision for income tax and social contribution	(81)	(13)	(94)	25	(65)	(39)	(199)	64	(136)
Profit sharing	(29)	-	(29)	(58)	-	(58)	(41)	-	(41)
Net income (loss)	**112**	**-**	**112**	**145**	**-**	**145**	**153**	**-**	**153**

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

Reconciliation of Audited and Managerial Net Income – 9M16 and 9M17

INCOME STATEMENT (R$ Million)	9M16 Audited	Adjustments	9M16 Managerial	9M17 Audited	Adjustments	9M17 Managerial
Income from financial intermediation	**11,179**	**(125)**	**11,054**	**10,325**	**(209)**	**10,115**
Loans[1]	7,313	(457)	6,856	7,336	(625)	6,711
Leases	27	-	27	25	-	25
Securities	3,611	567	4,178	2,949	455	3,404
Derivative financial instruments	482	(235)	247	(48)	(39)	(86)
Foreign exchange operations	(288)	-	(288)	45	-	45
Compulsory deposits	34	-	34	17	-	17
Expenses from financial intermediation	**(7,328)**	**-**	**(7,328)**	**(6,401)**	**41**	**(6,360)**
Money market borrowings	(5,982)	-	(5,982)	(5,137)	-	(5,137)
Borrowings and onlendings	453	-	453	(140)	-	(140)
Sale or transfer from financial assets	(1,799)	-	(1,799)	(1,123)	41	(1,082)
Net interest income - NII	**3,851**	**(125)**	**3,726**	**3,923**	**(168)**	**3,755**
Result of loan losses and impairments	(1,396)	(97)	(1,494)	(1,646)	123	(1,523)
Net financial margin	**2,455**	**(222)**	**2,233**	**2,278**	**(45)**	**2,232**
Other operating income/expenses	**(1,553)**	**(15)**	**(1,568)**	**(1,371)**	**5**	**(1,366)**
Fee income	800	-	800	943	-	943
Personnel and administrative expenses	(1,704)	-	(1,704)	(1,609)	-	(1,609)
Tax expenses	(292)	26	(266)	(290)	4	(286)
Equity in income of subsidiaries	145	-	145	204	-	204
Other operating income/expenses	(503)	(41)	(543)	(619)	1	(618)
Operating income (loss)	**902**	**(238)**	**664**	**907**	**(41)**	**866**
Non-operating income (loss)	**9**	**-**	**9**	**8**	**-**	**8**
Income (loss) before taxes and contributions	**910**	**(238)**	**673**	**914**	**(41)**	**874**
Provision for income tax and social contribution	(492)	238	(254)	(351)	41	(310)
Profit sharing	(112)	-	(112)	(137)	-	(137)
Net income (loss)	**306**	**-**	**306**	**426**	**-**	**426**

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

Analysis of Managerial Result

Banco Votorantim recorded net income of R$ 153 million in 3Q17, against R$145 million in 2Q17. In the 9M17, net income totaled R$ 426 million, up 39.0% over the 9M16, mainly due to (i) the growth in revenues from services (fee income) and insurance brokerage and (ii) the reduction in personnel and administrative expenses.

MANAGERIAL INCOME STATEMENT (R$ Million)	3Q16	2Q17	3Q17	Variation (%) 3Q17/2Q17	9M16	9M17	Variation (%) 9M17/9M16
Net interest income - NII	**1,210**	**1,222**	**1,323**	**8.3**	**3,726**	**3,755**	**0.8**
Results of Loan Losses and impairments	(493)	(530)	(567)	6.9	(1,494)	(1,523)	2.0
Net financial margin	**717**	**691**	**756**	**9.3**	**2,233**	**2,232**	**(0.0)**
Other operating income/expenses	**(485)**	**(449)**	**(451)**	**0.4**	**(1,568)**	**(1,366)**	**(12.9)**
Fee income	281	326	326	0.0	800	943	17.8
Personnel and administrative expenses	(547)	(554)	(553)	(0.2)	(1,704)	(1,609)	(5.6)
Tax expenses	(89)	(92)	(106)	15.5	(266)	(286)	7.6
Equity in income of subsidiaries	55	66	80	20.5	145	204	41.2
Other operating income/expenses	(184)	(195)	(197)	1.1	(543)	(618)	13.7
Operating income (loss)	**232**	**243**	**305**	**25.7**	**664**	**866**	**30.4**
Non-operating income (loss)	**3**	**(1)**	**24**	**-**	**9**	**8**	**(11.9)**
Income (loss) before taxes and contributions	**235**	**242**	**330**	**36.1**	**673**	**874**	**29.8**
Provision for income tax and social contribution	(94)	(39)	(136)	243.4	(254)	(310)	22.2
Profit sharing	(29)	(58)	(41)	(29.2)	(112)	(137)	22.1
Net income (loss)	**112**	**145**	**153**	**5.6**	**306**	**426**	**39.0**

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

Net Interest Income (NII)

NII totaled R$1,323 million in the 3Q17, up 8.3% in relation to the previous quarter, resulting from (i) increased income from auto finance loans, and (ii) better results with market transactions. In the accumulated comparison period, the increase of 0.8% in NII derived mainly from expansion of Vehicle and Card portfolios (see chart in page 11).

The net interest margin (NIM) reached 6.0% in 3Q17, up 60 bps compared to 2Q17 due to (i) the increase in NII and (ii) the reduction in the average balance of interest-earning assets.

NET INTEREST MARGIN (NIM) (R$ Million)	3Q16	2Q17	3Q17	9M16	9M17	Variation (%) 3Q17/2Q17	Variation (%) 3Q17/3Q16
Net Interest Income (A)	**1,210**	**1,222**	**1,323**	**3,726**	**3,755**	**8.3**	**0.8**
Average Interest-Earning Assets (B)	**93,721**	**92,056**	**90,342**	**95,815**	**91,556**	**(1.9)**	**(4.4)**
Compulsory deposits	458	232	358	332	291	54.5	(12.4)
Interbank funds applied	18,474	17,937	17,923	17,791	17,723	(0.1)	(0.4)
Securities	27,842	27,008	24,843	29,306	26,294	(8.0)	(10.3)
Loans	46,947	46,879	47,218	48,385	47,247	0.7	(2.4)
NIM (A/B)	**5.3%**	**5.4%**	**6.0%**	**5.2%**	**5.5%**	**0.6 p.p.**	**0.3 p.p.**

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 using derivatives, protecting NII.

Result of loan losses and impairments

Result of loan losses and impairment grew 6.9% in 3Q17/2Q17 and 2.0% in 9M17/9M16, due to increased expenses with impairment of private securities. Note that the result from loan losses in Consumer Finance maintained the downward trend - totaled R$ 284 million in 3Q17, equivalent to a decrease of 4.4% compared to 2T17, reflecting the improvement in delinquency in the period.

NET FINANCIAL MARGIN (R$ Million)	3Q16	2Q17	3Q17	9M16	9M17	Variation (%) 3Q17/2Q17	Variation (%) 9M17/9M16
Net Interest Income	**1,210**	**1,222**	**1,323**	**3,726**	**3,755**	**8.3**	**0.8**
Results of loan losses and impairments	**(493)**	**(530)**	**(567)**	**(1,494)**	**(1,523)**	**6.9**	**2.0**
Allowance for loan losses expenses	(668)	(689)	(516)	(1,913)	(1,694)	(25.1)	(11.5)
Impairments	(1)	(145)	(252)	(37)	(455)	73.8	-
Revenues from recovery of written-off loans	176	304	201	457	625	(33.9)	36.8
Net Financial Margin	**717**	**691**	**756**	**2,233**	**2,232**	**9.3**	**(0.0)**

Revenues from service (fee income)

In 3Q17, fee income totaled R$ 326 million, stable in relation to 2Q17. In the 9M17/9M16 comparison, there was an increase of 17.8%, mainly due to increase in revenue related to auto finance and credit card portfolio, which has contributed to diversify the revenue base.

It is worth emphasizing that total fee/banking fees and insurance income grew 23.2% in the 9M17/9M16 comparison, a reflex of the expansion in third party insurance trading, such as Credit Insurance and Auto, whose income amounted to R$ 108 million in the 3Q17, in relation to R$92 million in the 2Q17. Sales are handled through the subsidiary Votorantim Corretora de Seguros (VCS), and the result of recognized under the equity method of accounting.

INCOME FROM SERVICES[1] (R$ Million)	3Q16	2Q17	3Q17	9M16	9M17	Variation (%) 3Q17/2Q17	Variation (%) 9M17/9M16
Master file registration	84	94	112	229	298	19.2	29.9
Appraisal of assets	57	66	75	152	203	14.8	33.5
Credit cards	44	51	53	125	151	3.9	20.7
Income from guarantees provided	31	28	27	96	86	(5.4)	(9.8)
Management of investment funds	26	30	31	84	89	1.0	6.8
Commisions on placing of securities	20	30	9	50	43	(69.0)	(12.6)
Other[2]	18	28	20	65	72	(28.8)	11.0
Total Income From Services	**281**	**326**	**326**	**800**	**942**	**(0.0)**	**17.8**
Total Income From Services and Insurance[3]	**354**	**419**	**434**	**992**	**1,222**	**3.6**	**23.2**

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

Personnel expenses

Personnel expenses decreased 6.9% compared to 2Q17 and 8.9% in 9M17/9M16 comparison, mainly due to lower expenses with labor lawsuits, as well as operating efficiency gain initiatives.

PERSONNEL EXPENSES (R$ Million)	3Q16	2Q17	3Q17	9M16	9M17	Variation (%) 3Q17/2Q17	Variation (%) 9M17/9M16
Fees	(5)	(4)	(4)	(14)	(11)	6.4	(20.4)
Benefits	(30)	(32)	(31)	(92)	(91)	(4.5)	(0.6)
Social Charges	(35)	(42)	(38)	(130)	(155)	(9.8)	19.5
Salaries	(147)	(152)	(144)	(409)	(387)	(5.1)	(5.3)
Training	(1)	(1)	(1)	(2)	(3)	(28.4)	23.4
Subtotal	**(217)**	**(232)**	**(218)**	**(647)**	**(647)**	**(5.8)**	**0.1**
Labor lawsuits	(47)	(47)	(42)	(213)	(136)	(11.9)	(36.0)
Total Personnel Expenses[1]	**(264)**	**(279)**	**(260)**	**(860)**	**(784)**	**(6.9)**	**(8.9)**

1 Excludes profit sharing expenses.

At the end of Sept.17, Banco Votorantim had 3,889 employees, excluding interns and statutory employees.

Administrative expenses

Administrative expenses totaled R$ 293 million in the 3Q17, with increase of 6.5% in view of the 2Q17, mainly due to higher expenses with Specialized Technical Services related to credit collection and Court Emoluments linked to civil lawsuits. When comparing 9M17/9M16, administrative expenses decreased 2.3%, reflecting several initiatives that have improved operational efficiency.

ADMINISTRATIVE EXPENSES (R$ Million)	3Q16	2Q17	3Q17	9M16	9M17	Variation (%) 3Q17/2Q17	Variation (%) 9M17/9M16
Rentals	(16)	(15)	(15)	(50)	(45)	0.4	(10.7)
Communication	(21)	(17)	(17)	(56)	(51)	(2.0)	(9.5)
Data processing	(52)	(51)	(52)	(145)	(153)	2.1	5.6
Services of the financial system	(22)	(24)	(23)	(71)	(72)	(4.5)	0.5
Specialized technical services	(92)	(91)	(95)	(277)	(268)	5.3	(3.2)
Judicial and Notary public fees	(28)	(24)	(26)	(83)	(72)	9.4	(13.1)
Other	(53)	(52)	(63)	(162)	(164)	21.4	1.4
Total Administrative Expenses	**(283)**	**(275)**	**(293)**	**(845)**	**(825)**	**6.5**	**(2.3)**

The Efficiency Index (IE) accumulated for the last 12 months closed Sept.17 at 35.1%, lower in relation to 37.5% in Sept.16, reflecting the ongoing efforts of effective management of costs.

EFFICIENCY RATIO (ER) (R$ Million)	3Q16	2Q17	3Q17	Var. 3Q17/2Q17
Total Personnel[1] and Administrative expenses (A)	**500**	**507**	**511**	**0.9%**
Total Revenues (B)	**1,361**	**1,419**	**1,531**	**7.9%**
Net Interest Income (NII)	1,210	1,222	1,323	8.3%
Income from Services and Banking Fees	281	326	326	0.0%
Income from subsidiaries	55	66	80	20.5%
Other Operating Income/Expenses	(184)	(195)	(197)	1.1%
Efficiency Ratio (A/B) - period	**36.8%**	**35.7%**	**33.4%**	**-2.3 p.p.**
Efficiency Ratio - last 12 months	**37.5%**	**36.0%**	**35.1%**	**-0.9 p.p.**

1 Excludes expenses with Labor Lawsuits and profit sharing expenses.

Other operating income and expenses

In the 3Q17, other operating income and expenses totaled R$-197 million, practically stable in relation to the previous quarter. In 9M17/9M16, the growth of 17.2% mainly reflects the increase in the costs associated with Consumer Finance production, due to an increase of Vehicles portfolio and an increase due to the accounting of expenses with commissions paid to commercial partners, which from 2017 onwards are fully expensed - no longer deferred.

OTHER OPERATING INCOME/EXPENSES (R$ Million)	3Q16	2Q17	3Q17	9M16	9M17	Variation (%) 3Q17/2Q17	Variation (%) 9M17/9M16
Reversal (provision) for contingent liabilities	(28)	(113)	(44)	(139)	(136)	(60.9)	(2.3)
Reversal (provision) for unhonored guarantees	(4)	1	(6)	(3)	(16)	-	-
Costs associated with the production	(133)	(151)	(159)	(271)	(311)	5.6	14.6
Reversal of provision for losses - Other risks	39	14	6	23	20	(55.1)	(12.4)
Others	(58)	53	6	30	21	(89.0)	(31.2)
Total Other Operating Income/Expenses	**(184)**	**(195)**	**(197)**	**(359)**	**(421)**	**1.1**	**17.2**

Loan Portfolio

In Sept.17, the consolidated loan portfolio classified by the Resolution No. 2.682 totaled R$ 47.6 billion, with an increase of 1.7% compared to Jun.17 and 1.3% in 12 months, due to the expansion of the auto financing portfolio.

In Consumer Finance, the loan portfolio reached R$ 34.9 billion in Sept.17, 2.4% higher than in Jun.17 and 5.2 higher than in Sept.16, leveraged by growth in Vehicles - specially used cars, segment in which the Bank has renowned leadership and expertise. It is worth mentioning the 20.1% growth in the credit card portfolio over the last twelve months, a result of the strategy on the diversification of the Bank's revenues.

The expanded credit portfolio of Wholesale, which includes guarantees provided and private securities, ended Sept.17 with a balance of R$ 22.5 billion, 2.9% lower than Jun.17 and 16.0% lower than Sept.16, result of the reduction in balance of guarantees.

CREDIT PORTFOLIO (R$ Million)	Sept.16[1]	Jun.17	Sept.17	Variation (%)	
				Sept.17/Jun.17	Sept.17/Sept.16
Wholesale segment (a)	**13,789**	**12,697**	**12,664**	**(0.3)**	**(8.2)**
Consumer Finance segment (b)	**33,229**	**34,131**	**34,944**	**2.4**	**5.2**
Auto finance (direct credit and leasing)	27,810	29,137	30,079	3.2	8.2
Payroll loans	3,887	3,196	3,006	(5.9)	(22.7)
Credit Cards	1,455	1,700	1,748	2.8	20.1
Individual Loans and Home Equity	77	98	112	13.8	45.4
On-balance loan portfolio (a+b)	**47,019**	**46,828**	**47,608**	**1.7**	**1.3**
Guarantees provided (c)	7,809	5,081	5,140	1.2	(34.2)
Private securities (d)	5,183	5,397	4,702	(12.9)	(9.3)
Expanded credit portfolio (a+b+c+d)	**60,010**	**57,305**	**57,450**	**0.3**	**(4.3)**
Wholesale segment (a+c+d)	**26,781**	**23,175**	**22,506**	**(2.9)**	**(16.0)**
Consumer Finance segment (b)	**33,229**	**34,131**	**34,944**	**2.4**	**5.2**

1 Excludes the balance of R$ 13 million referring to assets assigned with recourse up to Dec.11, before Res. 3,533. This balance was zeroed in Dec.16.

Auto finance loans

In 3Q17, the Bank maintained its focus on the segment of used cars, in which it has a history of leadership and recognized competence. The auto finance origination volume was R$ 4.2 billion in the quarter, and 88% for used cars.

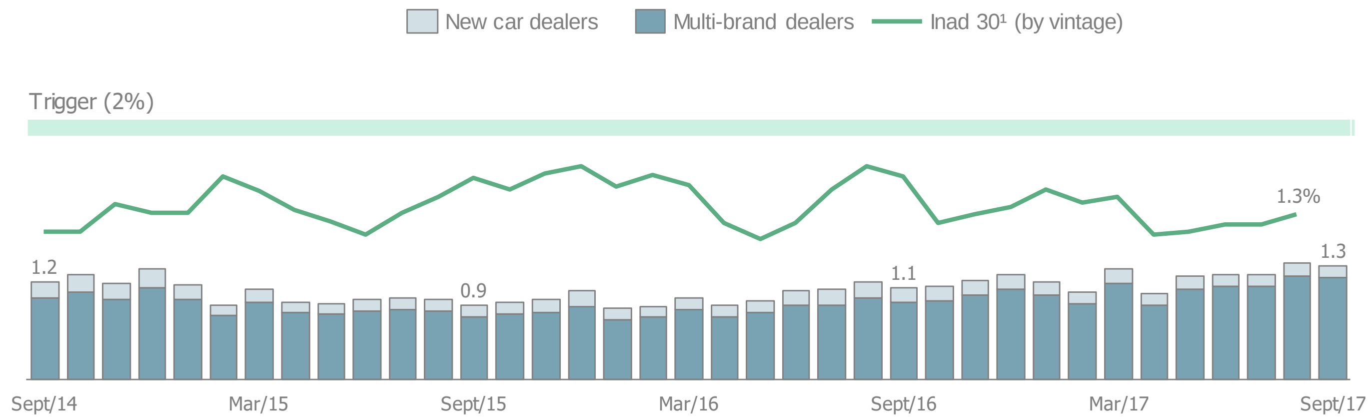
The Bank maintained conservative when granting auto finance loans and the average production term was 44 months and average down payment percentage was 42%, as per the table below.

AUTO FINANCE - Origination	3Q16	2Q17	3Q17	Variation	
				3Q17/2Q17	3Q17/3Q16
Average rate (% per year)	26.6	24.2	23.5	-0.7 p.p.	-2.9 p.p.
Average term (months)	45	44	44	0	-1
Down payment (%)	41.0	41.3	41.9	0.6 p.p.	0.9 p.p.
Used cars/Auto finance origination (%)	81.3	85.5	87.8	2.2 p.p.	6.5 p.p.
Total auto finance origination (R$ billion)	3.5	3.7	4.2	12.6%	17.5%

AUTO FINANCE - Loan Portfolio	Sept.16	Jun.17	Sept.17	Variation	
				Sept.17/Jun.17	Sept.17/Sept.16
Average rate (% per year)	27.4	26.7	26.2	-0.5 p.p.	-1.2 p.p.
Maturity (months)	45.8	45.7	45.6	-0.1 p.p.	0.0 p.p.
Down payment (%)	48.3	47.7	48.4	0.7 p.p.	0.1 p.p.
Used cars/Auto finance portfolio (%)	87.1	88.7	89.5	0.8 p.p.	2.4 p.p.
Average vehicle age (years)	4.9	5.2	5.3	0.1 p.p.	0.4 p.p.

The combination of continued improvements in the credit processes and models and the prudence in the granting of loans has produced concrete results. 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 past due over 30 days. Note that the origination quality remains under control - below the 2% trigger.

Cars – Production by channel (R$B) and first-installment delinquency (%)



1. % of each month's production with first installment past due over 30 days

Payroll loan

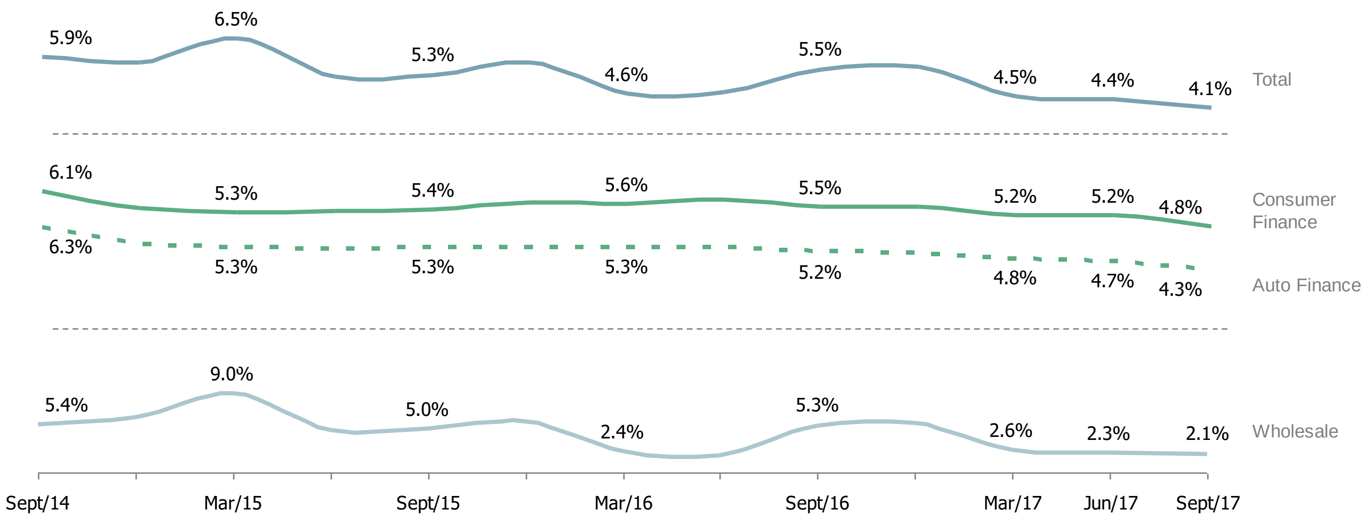
In loan portfolio for payroll loans reached R$ 3.0 billion in Sept.17, 22.7% lower than in Sept.16. Such a downslide reflects the selective strategy of action in public agreements and on refinancing the INSS payroll loan portfolio.

Payroll Loans - Portfolio Composition (R$ Million)	Sept.16	Jun.17	Sept.17	Variation (%) Sept.17/Jun.17	Sept.17/Sept.16
Payroll Loans Total	**3,887**	**3,196**	**3,006**	**(5.9)**	**(22.7)**
INSS (retirees and pensioners)	2,609	2,118	1,959	(7.5)	(24.9)
Private	801	763	766	0.5	(4.3)
Public	477	315	280	(11.0)	(41.2)

Delinquency and Portfolio Quality

Even despite the presence of a challenging macroeconomic scenario, the 90-day NPL ratio of the managed portfolio ended decreased to 4.1% Sept.17 against 4.4% in Jun.17 and 5.5% in Sept.16.

90-day NPL ratio/Managed portfolio (%)



The delinquency of Consumer finance managed portfolio ended Sept.17 at 4.8%, 0.4 p.p. lower in relation to Jun.17 and 0.7 p.p. lower than in Sept.16, due to the improvement in the quality of portfolio of Vehicles, whose 90-day NPL ratio reduced 0.9 p.p. in the last 12 months to 4.3%, the lowest level since Mar.11.

In Wholesale, delinquency was down to 2.1% in the end of Sept.17, in view of 2.3% in Jun.17, reflecting the best portfolio quality.

MANAGED LOAN PORTFOLIO QUALITY INDICATORS (R$ Million, except where indicated)	Sept.16	Jun.17	Sept.17
Loan portfolio	47,019	46,828	47,608
90-day NPL/ Loan portfolio	5.5%	4.4%	4.1%
Write-off(a)	(624)	(646)	(549)
Credit recovery (b)	176	304	201
Net Loss (a+b)	(448)	(343)	(348)
Net Loss / Loan portfolio - annualized	3.9%	3.0%	3.0%
New NPL	1,017	591	377
New NPL / Loan portfolio[1] - quarter	2.2%	1.3%	0.8%
ALL balance[2]	3,267	3,257	3,218
ALL balance / Loan portfolio	6.9%	7.0%	6.8%
ALL balance / 90-day NPL	127%	158%	165%
ALL balance / D - H balance	70.9%	62.7%	64.6%
AA-C balance	42,422	41,631	42,631
AA-C balance / Loan portfolio	90.2%	88.9%	89.5%
ALL expenses / Loan portfolio	1.0%	1.1%	1.2%

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 Sept.17, R$ 22M of "generic" credit provision recognized as Liabilities in the "Other" line (Note # 18d of 3Q17 Financial Statement)

The coverage ratio of operations past due over 90 days is still in a conservative level and closed Sept.17 at 165%, against 127% in Sept.16.

The *New NPL*, that considers the volume of loans that became default above 90 days in the quarter, was R$ 377 million in 3Q17, against R$ 591 million in 2Q17. Thus the New NPL/Portfolio dropped to 0.8%, compared to 1.3% in the prior quarter.

Loans classified between "AA-C" (best risk levels) according to Resolution No. 2,682 of the Brazilian Central Bank represented, at the end of Sept.17, 89.5% of the managed loan portfolio, against 88.9% in Jun.17.

CREDITS RENEGOTIATED - CHANGES (R$ Million)	3Q16	2Q17	3Q17
Initial Balance	**6,847**	**6,390**	**6,053**
Contracts	1,241	1,133	1,150
Amortization and Capitalized Interest	(1,046)	(1,323)	(1,812)
Write-off	(201)	(147)	(72)
Final Balance	**6,841**	**6,053**	**5,319**
Consumer Finance	**2,842**	**2,487**	**1,832**
Wholesale	**3,998**	**3,565**	**3,487**
Payroll loans (Refinancing without delay)	3,145	2,631	2,478
Others	853	934	1,009

The balance of renegotiated loans amounted to R$ 5,319 million in Sept.17, against R$ 6,053 in Jun.17. We point out that most of the active renegotiation portfolio is composed of operations renewed without delay (refinancing) of Wholesale and Consumer Finance, mainly of the payroll loans' product.

Funding and Liquidity

The funding sources volume amounted to R$ 64.8 billion at the end of Sept.17, decrease of 1.4% in the last 12 months. The following table shows the evolution of funding:

FUNDING SOURCES (R$ Billion)	Sept.16	Jun.17	Sept.17	Variation %	
				Sept.17/Jun.17	Sept.17/Sept.16
Debentures (BV Leasing)	**17.5**	**8.6**	**8.7**	**1.7**	**(50.3)**
Deposits	**4.5**	**10.3**	**9.9**	**(3.0)**	**119.3**
Time deposits (CDs)	2.3	8.4	7.7	(8.7)	231.5
Deposits (on demand and interbank)	2.2	1.8	2.2	23.5	1.6
Subordinated debts	**6.3**	**5.6**	**5.3**	**(4.8)**	**(16.2)**
Subordianted Financing bills	3.4	2.7	2.6	(2.5)	(24.9)
Others subordinated debts	2.9	2.9	2.7	(6.8)	(5.7)
Borrowings and onlendings	**5.5**	**4.5**	**4.5**	**0.2**	**(18.1)**
Bills	**17.5**	**23.1**	**23.9**	**3.7**	**36.7**
Financing bills	14.6	20.4	21.3	4.1	46.1
Agribusiness credit bills ("LCA") and Real estate credit bills ("LCI")	3.0	2.7	2.7	0.6	(9.7)
Securities abroad	**1.1**	**0.9**	**0.9**	**(6.1)**	**(22.0)**
Securitization with recourses	**13.2**	**10.4**	**11.5**	**10.2**	**(12.9)**
Others[1]	**-**	**0.0**	**0.0**	**-**	**-**
Total funding	**65.7**	**63.4**	**64.8**	**2.2**	**(1.4)**

1 Includes private securities, and 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 focused on the improvement of the profile of funding sources, expanded the share of more stable funding instruments, such as Financing Bills, which accounted for 33% out of the total funding sources in Sept.17.

It is worth mentioning the decrease in the balance of repos backed by BV Leasing debentures, reflecting the regulatory change introduced by Resolution No. 4,527, which will make it impossible new repos operations with debentures of lease subsidiaries as of 2018. As a substitute for this instrument, the Bank increased the volume of funding with bank deposit certificates (term deposit) and Financing Bills.

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

In Oct.15 Bacen Circular Letter No. 3,749 became effective, establishing minimum limits of the indicator "Short-Term Liquidity" (LCR - *Liquidity Coverage Ratio*), whose purpose is to measure the short-term liquidity of banks in a scenario of stress. It corresponds to the ratio between the inventory of high liquidity assets (HQLA - *High quality liquid assets,* proxy of Bank's cash) and the total net cash outflows expected for a period of 30 days. In 2017, the minimum requirement of LCR is 80%, and it will reach 100% in 2019.

The table below shows that the balance of HQLA was R$ 12.0 billion in Sept.17, and the Management LCR of the Bank, which includes the credit facility with BB, which was 284%.

Liquidity Coverage Ratio (LCR) (R$ Million)	2Q17	3Q17
Total high-quality liquid assets (HQLA)[1] (A)	11,769	11,966
Stand-by credit facility from BB (B)	6,800	6,800
Total cash outflows (C)	7,842	6,618
LCR (A/C)	**150%**	**181%**
Management LCR[2] [(A+B)/C)]	**237%**	**284%**

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

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

Capital

In Sept.17, the Prudential Conglomerate Reference Equity amounted to R$ 8,808 million, and risk-weighted assets amounted to R$ 60,213 million. Due to this, at the end of Sept.17 the Basel ratio was 14.6%, and the Tier I Capital index (which, for the Bank is equivalent to the Equity Tier) closed at 10.9%. The growth in the ratio in the 3Q17 is mainly due to the growth of Tier I capital, from the increase in equity from income generated in the period and (ii) the reduction in risk-weighted assets (RWA) of credit risk, affected by the downslide of the expanded credit portfolio of Wholesale.

BASEL RATIO (R$ Million)	Sept.16	Jun.17	Sept.17
Total Capital	**9,737**	**8,178**	**8,808**
Tier I Capital	6,894	6,255	6,592
Common Equity Tier I	6,894	6,255	6,592
Additional Tier I	-	-	-
Tier II Capital	2,843	1,923	2,216
Risk Weighted Assets (RWA)	**61,626**	**60,446**	**60,213**
Credit risk	56,871	53,575	53,267
Market risk	1,130	1,719	1,557
Operational risk	3,625	5,151	5,390
Minimum Capital Requirement	**6,779**	**5,969**	**5,570**
Basel Ratio (Capital/RWA)	**15.8%**	**13.5%**	**14.6%**
Tier I Capital Ratio	11.2%	10.3%	10.9%
Common Equity Tier I Ratio	11.2%	10.3%	10.9%
Additional Tier I Ratio	-	-	-
Tier II Capital Ratio	4.6%	3.2%	3.7%

The Basel ratio was determined as Resolutions No. 4.192 and 4.193, that provide a Basel III method for calculating minimum Reference Equity, Tier I capital and principal capital requirements. In 2017, the minimum reference equity requirement is 10.50%, including 1.25% for maintenance capital. For Tier I Capital, the minimum is 7.25% and for Principal Capital it is 5.75%.

Considering our current capital base, if we should fully and immediately apply Basel III rules, established by Brazilian Central Bank, Tier I Capital ratio would be 10.6% on September 30, 2017, including the consumption of tax credits estimated up to 2019.

Ratings

Banco Votorantim is rated by international rating agencies and the ratings assigned reflect its operating performance, financial soundness and the quality of its management, in addition to other factors related to the financial sector and economic environment in which the company is operating.

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

RATINGS AGENCIES		Internacional		National	Brazil
		Local Currency IDR	Foreign Currency IDR	Local Currency IDR	Sovereign rating
Moody's	Long-Term	Ba2	Ba3	Aa3.br	Ba2
	Short-Term	NP	NP	BR-1	
Standard & Poor's	Long-Term	BB		brAA-	BB
	Short-Term	B		brA-1+	

In Sept.17, the risk rating agency Standard & Poor's (S&P) removed the "credit watch" from Brazil's sovereign, maintaining a credit note at "BB" with negative outlook. This change reflected directly on ratings of Brazil's main banks, including Banco Votorantim. In addition, S&P also reviewed "from-to" scales of global and national ratings; accordingly, the Bank's national scale rates had an upgrade and became equal to sovereign rating.

Also in Sept.17, Moody's rating agency reaffirmed the Bank's rates, maintaining them as Ba2 (domestic currency) and Ba3 (foreign currency), both with negative outlook.

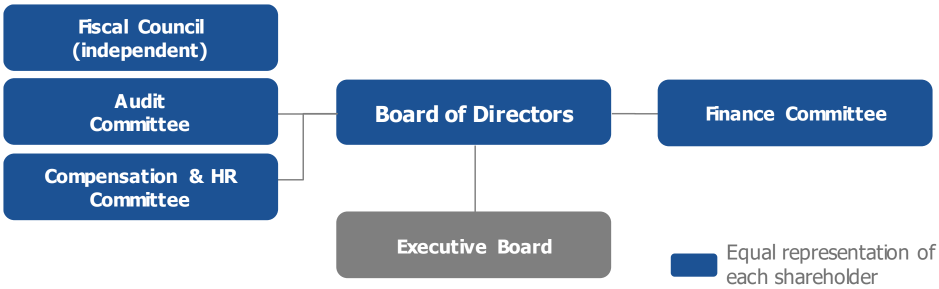
Corporate Governance

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

The Bank's governance is shared by the Votorantim Group shareholders and Banco do Brasil, both enjoying equal representation in the Board of Directors and Finance Committee, whose function is to advise the Board. The Bank also has three statutory bodies, namely:

- 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, 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
Paulo Rogério Caffarelli	Chairman	José Luiz Majolo	Vice-Chairman
Antonio Mauricio Maurano	Director	Celso Scaramuzza	Director
Alberto Monteiro de Queiroz Neto	Director	João Carvalho de Miranda	Director

Appendix 1 - Balance sheet

BALANCE SHEET | Assets (R$ Million)	Sept.16	Jun.17	Sept.17	Variation % Sept.17/Jun.17	Variation % Sept.17/Sept.16
CURRENT AND LONG-TERM ASSETS	**103,200**	**101,657**	**98,504**	**(3.1)**	**(4.6)**
Cash and cash equivalents	176	135	102	(24.4)	(42.0)
Interbank funds applied	17,093	17,942	17,903	(0.2)	4.7
Securities and derivative financial instruments	28,225	27,004	22,682	(16.0)	(19.6)
Derivative financial instruments	3,398	2,722	3,419	25.6	0.6
Interbank accounts or relations	330	357	401	12.3	21.4
Loan Operations, Leases and Others receivables	46,511	46,476	46,102	(0.8)	(0.9)
Alowance for loan losses	(3,055)	(3,231)	(3,196)	(1.1)	4.6
Tax credit	7,238	7,495	7,311	(2.5)	1.0
Others	3,283	2,757	3,780	37.1	15.1
NON-CURRENTS	**603**	**809**	**915**	**13.0**	**51.7**
TOTAL ASSETS	**103,804**	**102,468**	**99,420**	**(3.0)**	**(4.2)**

BALANCE SHEET | Liabilities (R$ Million)	Sept.16	Jun.17	Sept.17	Variation % Sept.17/Jun.17	Variation % Sept.17/Sept.16
CURRENT AND LONG-TERM LIABILITIES	**95,349**	**93,928**	**90,604**	**(3.5)**	**(5.0)**
Deposits	4,535	10,255	9,945	(3.0)	119.3
Demand and interbank deposits	2,213	1,821	2,249	0.0	0.0
Demand deposits	60	67	64	(4.4)	5.8
Interbank deposits	2,153	1,754	2,185	24.5	1.5
Time deposits	2,322	8,433	7,696	(8.7)	-
Money market borrowings	38,840	31,017	26,289	(15.2)	(32.3)
Acceptances and endorsements	18,661	24,054	24,840	3.3	33.1
Interbank accounts	103	56	77	38.1	(24.8)
Borrowings and onlendings	5,454	4,459	4,468	0.2	(18.1)
Derivative financial instruments	2,967	2,960	2,856	(3.5)	(3.7)
Others obligations	24,790	21,127	22,129	4.7	(10.7)
Subordinated debts	6,316	5,560	5,294	(4.8)	(16.2)
Credit transactions subject to assignment	13,208	10,447	11,510	10.2	(12.9)
Others obligations	5,267	5,121	5,326	4.0	1.1
DEFERRED INCOME	**38**	**31**	**39**	**24.7**	**1.1**
SHAREHOLDERS' EQUITY	**8,416**	**8,508**	**8,777**	**3.2**	**4.3**
TOTAL LIABILITIES	**103,804**	**102,468**	**99,420**	**(3.0)**	**(4.2)**

Appendix 2 - Managerial Statement of Income

INCOME STATEMENT (R$ Million)	3Q16	2Q17	3Q17	9M16	9M17	Variation (%) 3Q17/2Q17	Variation (%) 9M17/9M16
Income from financial intermediation	**4,052**	**3,550**	**3,084**	**11,054**	**10,115**	**(13.1)**	**(8.5)**
Loans[1]	2,272	2,335	2,150	6,856	6,711	(7.9)	(2.1)
Leases	8	(1)	21	27	25	-	(8.7)
Securities	1,599	1,134	1,031	4,178	3,404	(9.1)	(18.5)
Derivative financial instruments	124	27	(120)	247	(86)	(538.9)	-
Foreign exchange operations	32	50	(3)	(288)	45	(105.5)	-
Income from Compulsory Deposits	17	4	6	34	17	46.4	(48.6)
Expenses from financial intermediation	**(2,842)**	**(2,328)**	**(1,762)**	**(7,328)**	**(6,360)**	**(24.3)**	**(13.2)**
Money market borrowings	(2,274)	(1,856)	(1,438)	(5,982)	(5,137)	(22.5)	(14.1)
Borrowings and onlendings	(86)	(133)	7	453	(140)	(105.6)	-
Sale or transfer from financial assets	(482)	(339)	(331)	(1,799)	(1,082)	(2.3)	(39.8)
Net interest income	**1,210**	**1,222**	**1,323**	**3,726**	**3,755**	**8.3**	**0.8**
Results of loan losses and impairments	(493)	(530)	(567)	(1,494)	(1,523)	6.9	2.0
Net financial margin	**717**	**691**	**756**	**2,233**	**2,232**	**9.3**	**(0.0)**
Other operating income/expenses	**(485)**	**(449)**	**(451)**	**(1,568)**	**(1,366)**	**0.4**	**(12.9)**
Fee Income	281	326	326	800	943	0.0	17.8
Personnel expenses	(264)	(279)	(260)	(860)	(784)	(6.9)	(8.9)
Administrative expenses	(283)	(275)	(293)	(844)	(825)	6.6	(2.2)
Tax expenses - ISS, PIS and Cofins	(89)	(92)	(106)	(266)	(286)	15.5	7.6
Equity in income of subsidiaries	55	66	80	145	204	20.5	41.2
Other operational income (expenses)	(184)	(195)	(197)	(543)	(618)	1.1	13.7
Operating income (loss)	**232**	**243**	**305**	**664**	**866**	**25.7**	**30.4**
Non-operating income (loss)	**3**	**(1)**	**24**	9	8	**-**	**(11.9)**
Income (loss) before taxes and contribution	**235**	**242**	**330**	**673**	**874**	**36.1**	**29.8**
Provision for income tax and social contribution	(94)	(39)	(136)	(254)	(310)	243.4	22.2
Profit sharing	(29)	(58)	(41)	(112)	(137)	(29.2)	22.1
Net income (loss)	**112**	**145**	**153**	**306**	**426**	**5.6**	**39.0**

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

Appendix 3 - Quality of the Loan Portfolio

Consolidated Loan Portfolio – by level of risk

RISK (R$ Million)	Sept.16[1]			Jun.17			Sept.17		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	3,885	-	8.3%	4,277	-	9.1%	4,537	-	9.5%
A	23,535	117	50.1%	20,228	101	43.2%	20,212	101	42.5%
B	7,584	78	16.1%	8,572	86	18.3%	9,107	91	19.1%
C	7,406	243	15.8%	8,553	261	18.3%	8,775	262	18.4%
D	1,387	156	3.0%	1,715	177	3.7%	1,658	164	3.5%
E	577	176	1.2%	645	195	1.4%	582	173	1.2%
F	392	199	0.8%	559	280	1.2%	406	202	0.9%
G	402	286	0.9%	448	315	1.0%	449	314	0.9%
H	1,850	1,850	3.9%	1,829	1,829	3.9%	1,883	1,877	4.0%
TOTAL	**47,019**	**3,105**	**100.0%**	**46,828**	**3,244**	**100.0%**	**47,608**	**3,183**	**100.0%**
AA-C	**42,410**	**437**	**90.2%**	**41,631**	**448**	**88.9%**	**42,630**	**453**	**89.5%**
D-H	**4,608**	**2,668**	**9.8%**	**5,197**	**2,796**	**11.1%**	**4,978**	**2,730**	**10.5%**

Note: ALL Balance does not consider, in Sept.17, R$ 22M of "generic" credit provision recognized as Liabilities in the "Other" line (Note #18d of 2Q17 Financial Statement)

Wholesale – sectorial concentration

Wholesale - Sectorial concentration	Sept.16		Jun.17		Sept.17	
	R$M	Part.(%)	R$M	Part.(%)	R$M	Part.(%)
Sugar and Ethanol	1,996	9.7%	2,034	12.4%	1,882	11.5%
Financial Institutions	4,133	20.1%	1,739	10.6%	1,833	11.2%
Petrochemical	1,575	7.7%	1,520	9.3%	1,556	9.5%
Telecom	1,624	7.9%	1,478	9.0%	1,488	9.1%
Mining	861	4.2%	951	5.8%	965	5.9%
Retail	945	4.6%	921	5.6%	809	4.9%
Railways	775	3.8%	652	4.0%	645	3.9%
Agribusiness	768	3.7%	563	3.4%	596	3.6%
Eletricity Generation	591	2.9%	526	3.2%	486	3.0%
Government	573	2.8%	499	3.0%	437	2.7%
Oil & Gas	401	2.0%	401	2.4%	403	2.5%
Services	289	1.4%	217	1.3%	387	2.4%
Pulp and Paper	357	1.7%	335	2.0%	311	1.9%
Steel industry	270	1.3%	273	1.7%	310	1.9%
Residential Construction	415	2.0%	287	1.8%	285	1.7%
Eletricity Distribution	420	2.0%	307	1.9%	285	1.7%
Textile industry	203	1.0%	192	1.2%	258	1.6%
Road Cargo Transportation	467	2.3%	273	1.7%	242	1.5%
Food industry	330	1.6%	195	1.2%	241	1.5%
Trading Agro	234	1.1%	185	1.1%	235	1.4%
Other sectors	3,304	16.1%	2,858	17.4%	2,752	16.8%
Total[1]	**20,532**	**100.0%**	**16,405**	**100.0%**	**16,406**	**100.0%**

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. 3624 (as of Jun.14).

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

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

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

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

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

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

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

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

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

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

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