











**3<sup>rd</sup> Quarter 2019**

**EARNINGS RELEASE**

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 **BancoVotorantim**

# CONTENTS

<b>Executive Summary</b> .....	
Key Information	
<b>Corporate strategy</b> .....	
<b>Analysis of Managerial Result</b> .....	
Net interest income	
Cost of credit	
Income from services and insurance	
Administrative and personnel expenses	
Other operating income and expenses	
<b>Balance sheet analysis</b> .....	
Balance sheet	
Loan portfolio	
Auto finance	
Loan portfolio quality	
Funding and Liquidity	
Capital	
<b>Ratings</b> .....	
<b>Corporate Governance</b> .....	
<b>Accounting x Managerial Reconciliation</b> .....	
<b>Appendices</b> .....	





## EXECUTIVE SUMMARY

▲ **9M19 net income totaled R\$1,043 million** - equivalent to annualized return on equity (**ROE**) of **14.5% p.y.**, when compared to R\$ 779 million in 9M18, representing a 34% growth in the period. In 3Q19, net income totaled R\$355 million, 0.9% higher than in 2Q19.

▲ **Total revenues** (gross margin + services and insurance revenues) **grew 11.4%** over 9M18. The isolated margin grew 14% in the period, reflecting the higher profitability in the segments and the greater participation of Retail in the portfolio. As a result, Net Interest Margin (NIM) **increased to 7.0%** in 9M19 from 6.2% in 9M18.

▲ **The cost of credit decreased if compared to 2Q19** due to higher credit recovery revenues. **In the 9M19 / 9M18 comparison, there was a 34.0% growth** mainly due to the growth of the Retail loan portfolio. Coverage Ratio of operations in arrears over 90 days reached 171% at the end of Sep.19.

▲ **The over 90 days delinquency** in the loan portfolio **ended Sep.19 at 4.6%**, an increase of 0.2 pp in the quarter and 0.4 pp in the last 12 months. Auto Finance delinquency has maintained a downward trend, and the Wholesale indicator increased to 4.0% in Sep.19, reflecting the case-by-case rollover of the Large Companies segment that had already been adequately provisioned.

▲ Effective cost base management and consistent and diversified revenue generation in 9M19 contributed to the **Efficiency Ratio improvement over the last 12 months**, which was reduced to 32.7% in Sep.19 (33.4% in Sep. 18).

▲ **Funding:** Funds raised totaled R\$68.0 billion in Sep.19. Stable funding instruments represented 61% of total funding.

**Liquidity:** conservative free cash, at a very  
▲ comfortable level to cover funding fully with daily liquidity.

**Capital:** The Basel Ratio reached 15.7% in  
▲ Sep.19, with 14.1% of Tier I Capital, consisting of the sum of Core Capital (12.1%) and Supplementary Capital (1.9%).

The Bank has advanced its strategy of monetizing business, increasing operating efficiency and diversifying revenue streams by continuously investing in digital transformation aimed at enhancing the customer experience

Banco Votorantim also celebrated in the third quarter the 88% favorability index in the Korn Ferry 2019 Climate Survey, among the 10% best companies applying the consulting tool. As a result of the research with employees and the Bank's actions with their talents, the result reflects the effectiveness of the institution's cultural transformation, which support its business strategy and results growth.

Additionally, in line with the Bank's objectives of maintaining more stable funding, in September USD 850 million Bonds were issued abroad, in two tranches.



## Key Information

In the table below you will find information and managerial indicators selected by Banco Votorantim which aim at allowing the analysis to be over the same comparison basis.

	3Q18	2Q19	3Q19	9M18	9M19	Variation 3Q19/2Q19 9M19/9M18	
RESULTS (R\$ Million)							
Net Interest Income	1,326	1,530	1,474	3,932	4,472	-3.7%	13.8%
Results of loan losses, guarantees provided and impairments	(265)	(447)	(390)	(971)	(1,301)	-12.9%	34.0%
Income from services and banking fees	341	343	336	1,010	1,020	-2.0%	1.0%
Personnel and admin. expenses (includes profit sharing)	(674)	(628)	(691)	(1,868)	(1,962)	10.1%	5.0%
Operating Income	543	521	522	1,515	1,551	0.2%	2.4%
Net Income	268	352	355	779	1,043	0.9%	33.8%
MANAGERIAL INDICATORS (%)							
Return on Average Equity <sup>1</sup> (ROAE) - exponential	11.9	15.2	15.1	11.5	14.5	-0.1 p.p.	3.0 p.p.
Return on Average Equity <sup>1</sup> (ROAE) - linear	11.4	14.4	14.3	11.3	14.2	-0.1 p.p.	2.9 p.p.
Return on Average Assets <sup>2</sup> (ROAA)	1.1	1.5	1.5	1.1	1.4	0.0 p.p.	0.3 p.p.
Net Interest Margin <sup>3</sup> (NIM)	6.4	7.6	7.1	6.2	7.0	-0.5 p.p.	0.8 p.p.
Efficiency Ratio (ER) - accumulated of 12 months <sup>4</sup>	33.4	32.7	32.7	33.4	32.7	0.0 p.p.	-0.7 p.p.
Basel ratio	16.4	15.8	15.7	16.4	15.7	-0.1 p.p.	-0.7 p.p.
Tier I Capital Ratio	13.1	14.0	14.1	13.1	14.1	0.1 p.p.	1.0 p.p.
Common Equity Tier I	11.1	12.2	12.1	11.1	12.1	-0.1 p.p.	1.0 p.p.
MACROECONOMIC INDICATORS <sup>5</sup>							
CDI - in the period (%)	1.6	1.5	1.5	4.8	4.6	0.0 p.p.	-0.2 p.p.
Selic rate-end of the period (p.y.%)	6.50	6.50	5.50	6.50	5.50	-1.0 p.p.	-1.0 p.p.
IPCA - in the period (%)	0.7	0.7	0.3	3.3	2.5	-0.4 p.p.	-0.8 p.p.
Dolar exchange rate - end of the period (R\$)	4.00	3.83	4.16	4.00	4.16	8.7%	4.0%
	Sep18	Jun19	Sep19	Variation Sep19/Jun19 Sep19/Sep18			
BALANCE SHEET (R\$ Million)							
Total assets	97,256	93,579	101,008	7.9%	3.9%		
Expanded loan portfolio	59,417	61,738	63,978	3.6%	7.7%		
Wholesale segment	22,031	20,730	21,265	2.6%	-3.5%		
Consumer Finance segment	37,387	41,008	42,712	4.2%	14.2%		
Funding sources	61,606	61,088	67,995	11.3%	10.4%		
Shareholders' equity	9,498	9,745	10,147	4.1%	6.8%		
LOAN PORTFOLIO QUALITY INDICATORS (%)							
90-day NPL	4.2	4.4	4.6	0.2 p.p.	0.4 p.p.		
Coverage Ratio (90-day NPL)	188	178	171	-7.0 p.p.	-16.4 p.p.		
OTHER INFORMATION							
Employees <sup>6</sup> (quantity)	3,892	3,776	3,830	1.4%	-1.6%		
AuM <sup>7</sup> (R\$ Million)	50,121	50,980	51,258	0.5%	2.3%		

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 subsidiaries + other operational income and expenses); 5. Source: Cetip; Bacen; IBGE; 6. Does not consider trainees and statutory; 7. Includes onshore funds (ANBIMA criteria) and private clients' resources.

Note: In line with market best practices and in synergy with shareholders, from 2Q19 on we will disclose the ROE calculated by the exponential and linear methodology.




## CORPORATE STRATEGY

Banco Votorantim seeks to consolidate itself among the leading national private banks, leveraging synergies with shareholders and bringing the customer to the core of the business. Therefore, the Bank has focused on business profitability, increased operating efficiency and diversification of revenue sources, by continuously investing in digital transformation aimed at improving the customer experience. The Bank's portfolio is divided into three business units:

- Retail Business (Consumer Finance)
- Wholesale Bank (Corporate Bank)
- Wealth Management



### Retail Business (Consumer Finance)

 Retail's core business is Auto Finance, in which the Bank operates through its subsidiary BV, mainly in the used light car financing market (multi-brand dealers), where it has a history of leadership and recognized expertise. Among its competitive advantages, it is worth mentioning: (i) expertise in pricing, lending and collection; (ii) high capillarity through an extensive outsourced distribution network; (iii) agility in decision making; and (iv) relationship with resellers.

Leveraging its Auto Finance customer base, the Bank seeks to diversify revenue sources through credit cards and insurance brokerage, both with well-defined strategies:



#### Credit Cards

It seeks to expand the volume of active cards - issued under the Elo, MasterCard and Visa brands, both by offering to the current auto finance customer base and by offering it to customers of business partners.



#### Insurance Brokerage

Through Votorantim Insurance Broker, it aims to increase insurance brokerage revenues. In addition to continuing to grow in products such as Auto and Lender, the Bank has also diversified its portfolio, which currently includes capitalization and life insurance, as well as residential, personal accident, and other types of insurance.

In addition, the Bank has specific strategies for other loan and financing products.



#### Consigned Payroll Credit

It aims to maintain a relevant position in the payroll-deductible loan market, focusing on the Private Loan portfolio through the increase of new agreements.



#### Personal Credit and other businesses

- Personal Credit: partnership with fintechs (e.g. Guia Bolso, Yalo, and Neon Payments) and leveraging the BV customer base;
- Student Credit: a partnership with Kroton and PRAVALER;
- Real estate secured credit;
- Financing for acquisition of residential solar energy plates in partnership with Portal Solar.

In addition, the Bank has sought to increase commission income from Promotiva S.A., a joint venture with BB that primarily operates in the origination of payroll loans (Public and INSS pension) directly to the shareholder.



## Whole Sale Bank (Corporate Bank)

With agile, tailor-made solutions that streamline everyday business processes, Corporate & Investment Banking (CIB) offers a wide range of loans, capital market, treasury, and service products, and also enables fast and secure integration with systems from our corporate customers and fintechs through the availability of various APIs. CIB addresses economic groups with annual revenues of over R\$300 million, classified into two segments:

### Large Corporate

Clients<sup>1</sup> (includes financial institutions) with annual revenues above R\$1.5 billion, focused mainly on capital market operations, financial structuring, guarantees, and treasury.



### Corporate

Clients<sup>1</sup> with revenues of up to R\$1.5 billion, whose focus is to operate selectively in cash management, financial structuring, guarantees, working capital, hedge funds, currency exchange, capital markets, and mergers and acquisitions.

### Broad offer of products

### Local Currency & Cash Management

### Foreign Currency & FX

### Corporate Finance

### Derivatives

### Capital Market & M&A

### Fund Raising

1. Economic Groups

## Asset Management (Wealth Management)

The Asset Management business develops and provides sustainable solutions in asset management, with well-defined strategic objectives for the two distinct markets in which it operates:

### Asset Management

Recognized for a consistent performance, great innovative capacity, development of solutions tailored to customer needs and extensive knowledge of real economy, Votorantim Asset Management (VAM) has a prominent position in the resource management industry in Brazil, ranking 13th in ANBIMA, and positioned as the second-largest real estate fund manager in the country.



### Private Bank

It offers products and financial solutions tailored to the needs of each investor, whose profile is always carefully analyzed, and always seeks the best solutions in asset and portfolio management. It is supported by modern management tools, advanced statistical models and systems specially developed for a better interpretation of stress scenarios and risk monitoring.



## ANALYSIS OF MANAGERIAL RESULT

This section presents the components of Banco Votorantim's financial and operating results.

In 3Q19, **net income totaled R\$355 million, a 0.9% increase over 2Q19**, mainly driven by the reduction in ALL and impairments, reflecting the higher credit recovery volume and lower credit costs. On the other hand, in 3Q19 there was an increase in personnel and administrative expenses mainly due to the bank sector collective agreement. ROE reached **15.1% p.y. in 3Q19**.

Net income totaled **R\$1,043 million in 9M19, a growth of 33.8%** over the same period last year, reaching 98% of the profit in 2018. This increase reflects the advance in the strategy and was driven **by the growth of Gross Margin and revenues from services and insurance brokerage**. It is worth mentioning the reduction in the effective tax rate in 9M19, the impact of the CSLL rate return of 15%, compared to 20% up to Dec.18.

ROE reached **14.5% p.y. in 9M19**, compared to **11.5% p.y. in 9M18**.

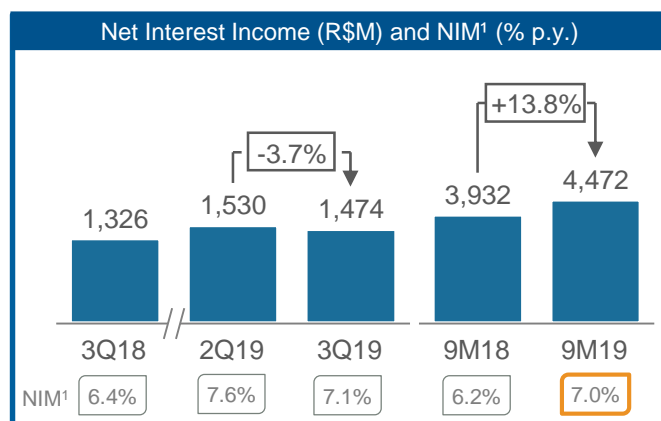
INCOME STATEMENT (R\$ Million)	3Q18	2Q19	3Q19	Variation (%) 3Q19/2Q19	9M18	9M19	Variation (%) 9M19/9M18
<b>Net Interest Income - NII</b>	<b>1,326</b>	<b>1,530</b>	<b>1,474</b>	<b>(3.7)</b>	<b>3,932</b>	<b>4,472</b>	<b>13.8</b>
Results of Loan Losses, guarantees provided and impairments	(265)	(447)	(390)	(12.9)	(971)	(1,301)	34.0
<b>Net financial margin</b>	<b>1,061</b>	<b>1,083</b>	<b>1,084</b>	<b>0.1</b>	<b>2,960</b>	<b>3,171</b>	<b>7.1</b>
<b>Other operating income/expenses</b>	<b>(518)</b>	<b>(562)</b>	<b>(562)</b>	<b>0.0</b>	<b>(1,445)</b>	<b>(1,620)</b>	<b>12.1</b>
Fee income	341	343	336	(2.0)	1,010	1,020	1.0
Personnel and administrative expenses	(674)	(628)	(691)	10.1	(1,868)	(1,962)	5.0
Tax expenses	(99)	(158)	(97)	(39.0)	(300)	(357)	19.1
Equity in income of subsidiaries	87	87	101	16.1	250	279	11.7
Other operating income/(expenses)	(172)	(205)	(211)	2.8	(537)	(600)	11.8
<b>Operating income</b>	<b>543</b>	<b>521</b>	<b>522</b>	<b>0.2</b>	<b>1,515</b>	<b>1,551</b>	<b>2.4</b>
<b>Non-operating income (loss)</b>	<b>(2)</b>	<b>(1)</b>	<b>7</b>	<b>-</b>	<b>(7)</b>	<b>7</b>	<b>-</b>
<b>Income before taxes</b>	<b>541</b>	<b>521</b>	<b>529</b>	<b>1.6</b>	<b>1,509</b>	<b>1,558</b>	<b>3.3</b>
Income tax and social contribution	(273)	(169)	(174)	3.2	(729)	(515)	(29.3)
<b>Net income</b>	<b>268</b>	<b>352</b>	<b>355</b>	<b>0.9</b>	<b>779</b>	<b>1,043</b>	<b>33.8</b>
<b>Return on Equity (ROAE) - exponential</b>	<b>11.9%</b>	<b>15.2%</b>	<b>15.1%</b>		<b>11.5%</b>	<b>14.5%</b>	
<b>Return on Equity (ROAE) - linear</b>	<b>11.4%</b>	<b>14.4%</b>	<b>14.3%</b>		<b>11.3%</b>	<b>14.2%</b>	

In line with market best practices and in synergy with shareholders, as of 2Q19 we will disclose the ROE calculated by the exponential and linear methodology.

### Gross Financial Margin (GFM)

**GFM grew 13.8% compared to 9M19 / 9M18**, reflecting the higher profitability of the businesses, particularly Retail, in which participation of the portfolio has grown consistently. In 3Q19 GFM decreased by 3.7% due to the increase in financial intermediation expenses.

**NIM<sup>1</sup> grew to 7.0% p.y. in 9M19**, driven by the increase in the share of Auto Finance and Cards in the portfolio mix.



1. Net Interest Margin: Quotient between NII and Average Profitable Assets





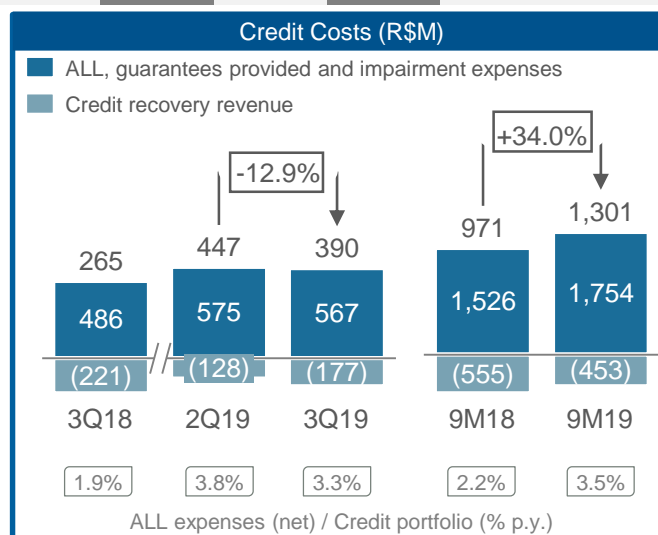
## Credit Cost

Result of loans losses, guarantees provided and impairments (R\$ Million)	3Q18	2Q19	3Q19	9M18	9M19	Variation (%)	
						3Q19/2Q19	9M19/9M18
Allowance for loan losses expenses (managerial)	(454)	(629)	(629)	(1,381)	(1,871)	(0.1)	35.5
Revenues from recovery of written-off loans	221	128	177	555	453	38.6	(18.3)
Impairments	(60)	49	4	(170)	(6)	(91.5)	(96.5)
Reversal (provision) for guarantees provided	27	6	58	25	123	-	-
<b>Credit costs</b>	<b>(265)</b>	<b>(447)</b>	<b>(390)</b>	<b>(971)</b>	<b>(1,301)</b>	<b>(12.9)</b>	<b>34.0</b>

As from 1Q19, provisions provided for guarantees were managerially reclassified to compose the credit cost, and the history was adjusted.

**Compared to 2Q19, the cost of credit decreased 12.9%**, reflecting higher credit recovery revenues.

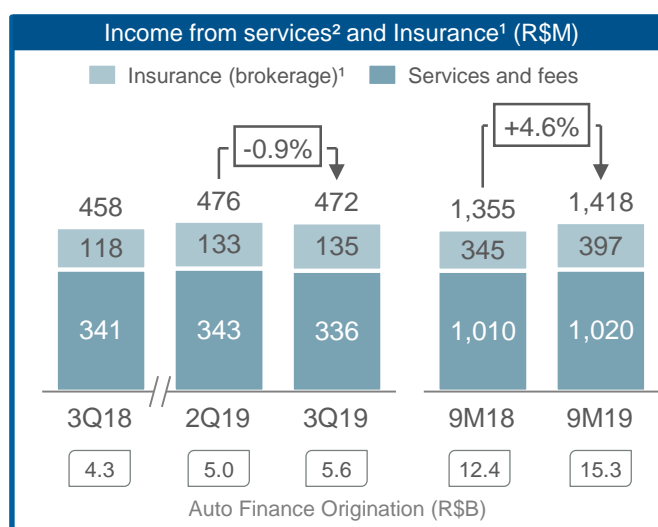
**Compared to 9M18, the cost of credit increased 34.0%**, mainly reflecting the growth of the Retail portfolio in the last 12 months.



## Revenue from Services<sup>2</sup> and Insurance<sup>1</sup>

**Revenues from services, fees, and insurance grew 4.6% in 9M19 / 9M18**, reflecting (i) the higher origination of Auto Finance in 2019, (ii) the higher commissions on indexed-securities placement, and (iii) the higher insurance brokerage revenues.

Compared to 2Q19, there was a reduction of 0.9%, mainly due to lower revenues from the Wholesale segment.



1. Income from Votorantim Corretora de Seguros (VCS) insurance brokerage, and the result of recognized under the equity method of accounting. For more details, see page 24

INCOME FROM SERVICES AND FEES <sup>2</sup> (R\$ Million)	3Q18	2Q19	3Q19	9M18	9M19	Variation (%)	
						3Q19/2Q19	9M19/9M18
Master file registration and Appraisal of assets	176	185	197	530	568	6.6	7.2
Credit cards	63	46	51	185	164	10.5	(11.1)
Income from guarantees provided	28	23	20	76	64	(13.9)	(15.6)
Management of investment funds	33	36	36	111	104	0.9	(6.3)
Commissions on placing of securities	18	32	12	40	56	(62.5)	40.8
Other	24	23	22	69	64	(5.6)	(7.0)
<b>Total Income From Services</b>	<b>341</b>	<b>343</b>	<b>336</b>	<b>1,010</b>	<b>1,020</b>	<b>(2.0)</b>	<b>1.0</b>
Revenues from insurance brokerage	118	133	135	345	397	1.9	15.2
<b>Total Income From Services and Insurance</b>	<b>458</b>	<b>476</b>	<b>472</b>	<b>1,355</b>	<b>1,418</b>	<b>(0.9)</b>	<b>4.6</b>

2. Includes Revenues with Banks fees.



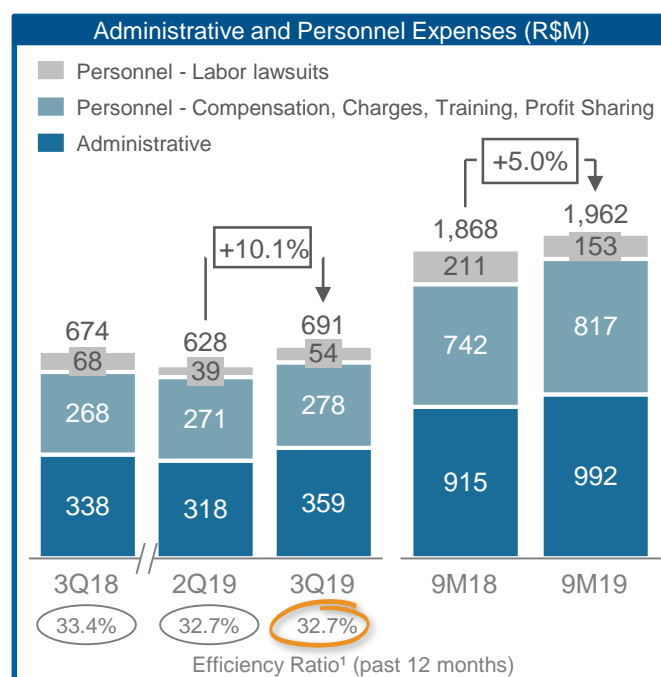


## Personnel and Administrative Expenses

Personnel and administrative **overall expenses**, including profit sharing (PLR), totaled R\$1,962 million in 9M19, 5.0% higher than 9M18, mainly due to higher administrative expenses and personnel expenses. Compared to 2Q19, general expenses increased 10.1%, reflecting the growth in administrative expenses.

**Personnel expenses** increased 1.8% if compared to 9M18, impacted by higher provisions linked to variable remuneration, as a result of the better business performance and the bank sector collective agreement. Compared to 2Q19, expenses increased 7%, reflecting expenses with labor claims.

**Administrative expenses** increased by 13.0% if compared to 2Q19. Compared to 9M18, the 8.4% growth is explained by higher expenses (i) in the specialized technical services line with collection advisory services, fraud prevention and information security, and (ii) in the data processing line. Both reflect the higher turnover and higher investments in technology, in line with the Bank's digital transformation process.



1. Does not consider labor lawsuits and PLR.

**The Bank ended Sept.19 with 3,830 employees (excluding interns and statutory employees)**

**The Efficiency Ratio ended Sept.19 at 32.7%, an improvement over the Sept.18 ratio of 33.4%**, reflecting consistent and diversified revenue generation and the continued efforts of effective cost base management, in line with the Bank's strategy of increasing operational efficiency.

ADMINISTRATIVE AND PERSONNEL EXPENSES (R\$ Million)	3Q18	2Q19	3Q19	9M18	9M19	Variation (%)	
						3Q19/2Q19	9M19/9M18
<b>Personnel Expenses</b>	<b>(337)</b>	<b>(310)</b>	<b>(332)</b>	<b>(953)</b>	<b>(970)</b>	<b>7.0</b>	<b>1.8</b>
Salaries, Benefits e Social Charges	(216)	(219)	(232)	(625)	(674)	6.0	7.9
Labor lawsuits	(68)	(39)	(54)	(211)	(153)	38.1	(27.4)
Profit sharing expense	(51)	(51)	(43)	(114)	(138)	(14.4)	21.1
Training	(2)	(2)	(3)	(4)	(6)	60.9	57.6
<b>Administrative Expenses</b>	<b>(338)</b>	<b>(318)</b>	<b>(359)</b>	<b>(915)</b>	<b>(992)</b>	<b>13.0</b>	<b>8.4</b>
Specialized technical services	(119)	(112)	(122)	(310)	(347)	8.5	11.8
Data processing	(61)	(55)	(71)	(162)	(190)	29.8	17.9
Services of the financial system	(25)	(24)	(25)	(77)	(70)	2.9	(9.1)
Judicial and Notary public fees	(23)	(22)	(24)	(62)	(65)	6.5	4.1
Marketing	(15)	(12)	(19)	(38)	(40)	59.7	3.7
Other	(95)	(93)	(100)	(266)	(280)	6.9	5.4
<b>Total</b>	<b>(674)</b>	<b>(628)</b>	<b>(691)</b>	<b>(1,868)</b>	<b>(1,962)</b>	<b>10.1</b>	<b>5.0</b>



## Other Operating Income and Expenses

As from 1Q19, provisions provided for guarantees were managerially reclassified from Other Operating Income and Expenses to compose the Credit Cost, and the history was adjusted.

Other operating revenues and expenses totaled R\$600 million in 9M19, an 11.8% increase over 9M18, mainly due to higher costs related to the higher origination of auto finance. Compared to 2Q19, other operating revenues and expenses increased by 2.8%, also due to the higher origination of auto finance.

OTHER OPERATING INCOME/(EXPENSES) (R\$ Million)	3Q18	2Q19	3Q19	9M18	9M19	Variation (%)	
						3Q19/2Q19	9M19/9M18
Costs associated with the production	(144)	(162)	(174)	(442)	(491)	7.5	11.0
Reversal (provision) for contingent liabilities	(29)	(36)	(31)	(112)	(97)	(13.2)	(13.5)
Other	1	(7)	(6)	17	(13)	(21.6)	-
<b>Total Other Operating Income/(Expenses)</b>	<b>(172)</b>	<b>(205)</b>	<b>(211)</b>	<b>(537)</b>	<b>(600)</b>	<b>2.8</b>	<b>11.8</b>



## BALANCE SHEET HIGHLIGHTS

### Balance Sheet

Total assets reached R\$101 billion at the end of Sept.19, an increase of 3.9% in twelve months and 7.9% in the quarter. Net equity totaled R\$10 billion in the same period.

BALANCE SHEET   Assets (R\$ Million)	Sep18	Jun19	Sep19	Variation (%)	
				Sep19/Jun19	Sep19/Sep18
<b>CURRENT AND LONG-TERM ASSETS</b>	<b>95,729</b>	<b>91,183</b>	<b>98,827</b>	<b>8.4</b>	<b>3.2</b>
Cash and cash equivalents	405	306	129	(57.7)	(68.1)
Interbank funds applied	13,815	6,745	7,946	17.8	(42.5)
Securities and derivative financial instruments	20,341	23,132	23,175	0.2	13.9
Derivative financial instruments	4,536	2,896	7,411	155.9	63.4
Interbank accounts or relations	1,344	868	1,959	125.8	45.8
Loan Operations, Leases and Others receivables	47,366	50,347	51,285	1.9	8.3
Allowance for loan losses	(3,635)	(3,906)	(4,081)	4.5	12.3
Tax credit	6,997	6,405	6,276	(2.0)	(10.3)
Other Assets	4,559	4,391	4,725	7.6	3.7
<b>NON-CURRENTS</b>	<b>1,527</b>	<b>2,396</b>	<b>2,181</b>	<b>(9.0)</b>	<b>42.8</b>
Investments	1,196	1,962	1,731	(11.8)	44.7
Fixed	110	98	96	(1.9)	(12.8)
Intangible and Diferred	221	336	354	5.3	60.3
<b>TOTAL ASSETS</b>	<b>97,256</b>	<b>93,579</b>	<b>101,008</b>	<b>7.9</b>	<b>3.9</b>

BALANCE SHEET   Liabilities (R\$ Million)	Sep18	Jun19	Sep19	Variation (%)	
				Sep19/Jun19	Sep19/Sep18
<b>CURRENT AND LONG-TERM LIABILITIES</b>	<b>87,717</b>	<b>83,768</b>	<b>90,766</b>	<b>8.4</b>	<b>3.5</b>
Deposits	10,971	12,709	17,527	37.9	59.8
Demand and interbank deposits	2,069	2,151	2,192	1.9	6.0
Time deposits	8,902	10,558	15,335	45.2	72.3
Money market borrowings	20,767	17,349	12,773	(26.4)	(38.5)
Acceptances and endorsements	28,452	30,509	32,808	7.5	15.3
Interbank accounts	1,281	1,575	1,606	1.9	25.4
Borrowings and onlendings	4,394	3,324	3,142	(5.5)	(28.5)
Derivative financial instruments	4,110	2,506	6,848	173.2	66.6
Other obligations	17,741	15,795	16,062	1.7	(9.5)
Subordinated debts	6,461	6,362	6,674	4.9	3.3
Credit transactions subject to assignment	6,635	5,575	5,481	(1.7)	(17.4)
Other	4,645	3,858	3,907	1.3	(15.9)
<b>DEFERRED INCOME</b>	<b>41</b>	<b>66</b>	<b>96</b>	<b>44.9</b>	<b>133.1</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>9,498</b>	<b>9,745</b>	<b>10,147</b>	<b>4.1</b>	<b>6.8</b>
<b>TOTAL LIABILITIES</b>	<b>97,256</b>	<b>93,579</b>	<b>101,008</b>	<b>7.9</b>	<b>3.9</b>



## Credit Portfolio

At the end of Sept.19, the expanded loan portfolio (including endorsement operations, guarantees, and private securities) reached R\$64.0 billion, growth of 7.7% in the last 12 months and 3.6% in relation to Jun.19, with an increased share of the Retail business in both comparisons.

Wholesale expanded portfolio reached R\$21.3 billion in Sept.19, a 3.5% decrease in the last 12 months. In comparison with Jun.19, there was a growth of 2.6%.

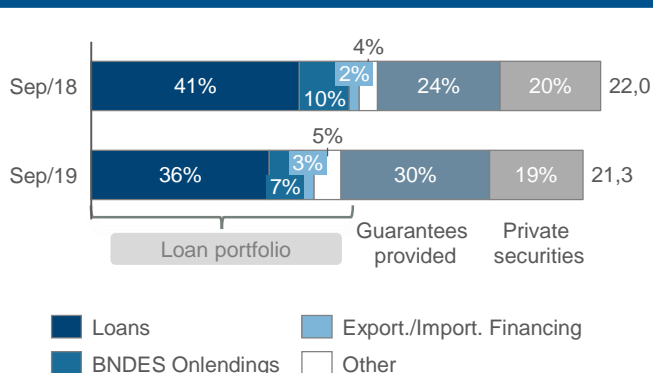
In the Retail segment, the loan portfolio reached R\$42.7 billion in Sept.19, an increase of 14.2% if compared to Sept.18, and 4.2% if compared to Jun.19, driven by the growth in Auto Finance, mainly from used cars.

It is worth highlighting the 24.7% growth of the credit card portfolio in the last 12 months, reflecting the strategy of revenue diversification. The Bank has been strengthening its card portfolio and refining its offer to current customers and business partners.

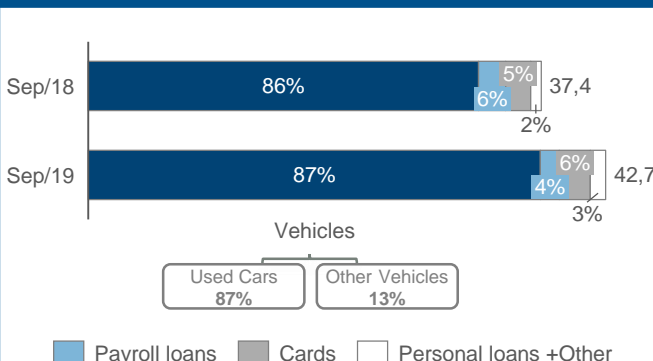
CREDIT PORTFOLIO (R\$ Million)	Sep18	Jun19	Sep19	Variation (%)	
				Sep19/Jun19	Sep19/Sep18
<b>Wholesale segment (a)</b>	<b>12,383</b>	<b>11,472</b>	<b>10,807</b>	<b>(5.8)</b>	<b>(12.7)</b>
<b>Consumer Finance segment (b)</b>	<b>37,387</b>	<b>41,008</b>	<b>42,712</b>	<b>4.2</b>	<b>14.2</b>
Auto finance	32,224	35,726	37,309	4.4	15.8
Loans and financing <sup>1</sup>	3,110	2,845	2,843	(0.1)	(8.6)
Credit Cards	2,053	2,436	2,560	5.1	24.7
<b>On-balance loan portfolio (a+b)</b>	<b>49,770</b>	<b>52,480</b>	<b>53,519</b>	<b>2.0</b>	<b>7.5</b>
Guarantees provided (c)	5,299	5,543	6,412	15.7	21.0
Private securities (d)	4,349	3,715	4,047	8.9	(6.9)
<b>Expanded credit portfolio (a+b+c+d)</b>	<b>59,417</b>	<b>61,738</b>	<b>63,978</b>	<b>3.6</b>	<b>7.7</b>
<b>Wholesale segment (a+c+d)</b>	<b>22,031</b>	<b>20,730</b>	<b>21,265</b>	<b>2.6</b>	<b>(3.5)</b>
<b>Consumer Finance segment (b)</b>	<b>37,387</b>	<b>41,008</b>	<b>42,712</b>	<b>4.2</b>	<b>14.2</b>

1. Payroll loans (INSS, private and government), individual loans (with and without guarantee), home equity, student credit and solar; For more details, see page 24.

### Mix of credit Wholesale – expanded portfolio (R\$B)



### Mix of credit Consumer Finance (R\$B)







## Auto Finance

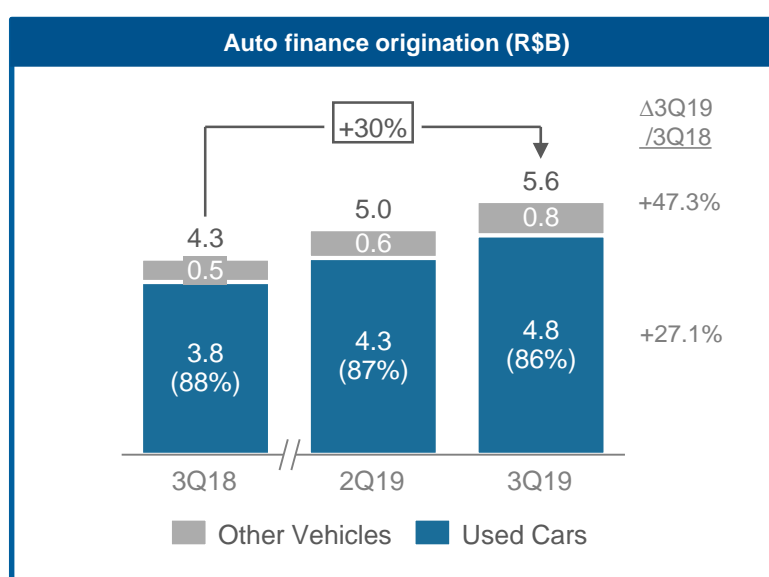
Auto Finance origination volume totaled R\$5.6 billion in the quarter, with 86% of used light vehicles. The combination of continuous improvements in credit processes and models and prudent lending has maintained the quality of Auto Finance origination, which volume grew 30.2% if compared to 3Q18.

The reduction in the % of the down payment for auto finance came from a change in the policy for best customers, who now have the possibility of a lower down payment for financing. Even with this change, the quality of the loan portfolio remained stable.

**Banco Votorantim is one of the leaders in the auto finance market.**

AUTO FINANCE - Origination	3Q18	2Q19	3Q19	Variation (%)	
				3Q19/2Q19	3Q19/3Q18
Average rate (% p.y.)	23.2	21.3	20.0	-1.3 p.p.	-3.2 p.p.
Average term (months)	45	45	45	-	-
Down payment (%)	40.9	39.3	38.2	-1.1 p.p.	-2.7 p.p.
Used cars/Auto finance origination (%)	88.1	87.1	86.4	-0.7 p.p.	-1.7 p.p.
Total auto finance origination (R\$ billion)	4.3	5.0	5.6	12.0%	30.2%

AUTO FINANCE - Loan Portfolio	Sep18	Jun19	Sep19	Variation (%)	
				Sep19/Jun19	Sep19/Sep18
Average rate (% p.y.)	24.0	23.1	22.5	-0.6 p.p.	-1.5 p.p.
Maturity (months)	45	46	46	-	1
Used cars/Auto finance portfolio (%)	88.0	87.7	87.4	-0.3 p.p.	-0.6 p.p.
Average vehicle age (years)	6	6	6	-	-
Auto Finance portfolio (R\$ billion)	32.2	35.7	37.3	4.4%	15.8%





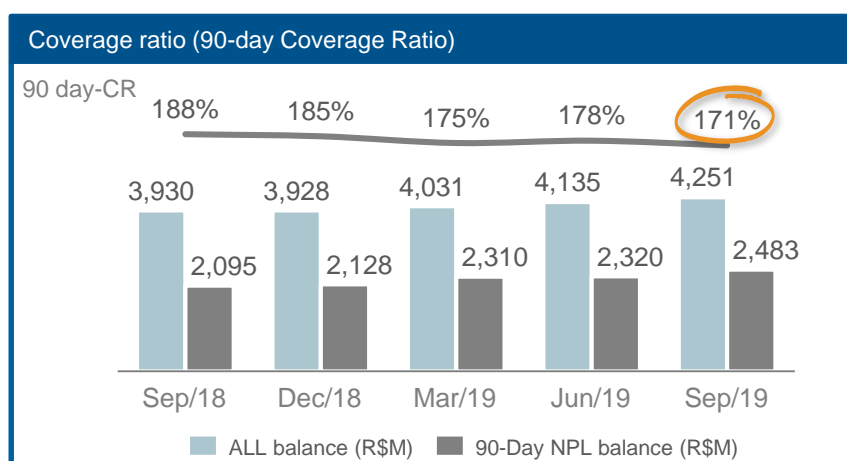
## Quality of the Credit Portfolio

All credit portfolio risk segmentation in this section refers to the classified portfolio (CMN Res. 2,682 / 99) unless otherwise indicated. The Bank maintains a consistent credit risk assessment and monitoring process in its operations with clients.

LOAN PORTFOLIO QUALITY INDICATORS (R\$ Million, except where indicated)	Sep18 Jun19 Sep19		
	Sep18	Jun19	Sep19
90-Day NPL balance	2,095	2,320	2,483
90-Day NPL ratio	4.2%	4.4%	4.6%
Write-off (a)	(436)	(521)	(454)
Credit recovery (b)	221	128	177
Net Loss (a+b)	(215)	(393)	(277)
Net Loss / Loan portfolio - annualized	1.7%	3.0%	2.1%
New NPL	562	532	616
New NPL / Loan portfolio <sup>1</sup> - quarter	1.1%	1.0%	1.2%
ALL balance <sup>2</sup>	3,930	4,135	4,251
ALL balance / Loan portfolio	7.3%	7.4%	7.6%
ALL balance / 90-day NPL	188%	178%	171%
AA-C balance	44,390	46,743	47,651
AA-C balance / Loan portfolio	89.2%	89.1%	89.0%

## Coverage Ratio

Reflecting the solid risk management model and the soundness of the balance sheet, the overdue balance Coverage Ratio over 90 days remained at a comfortable level, reaching 171% in Sep.19.

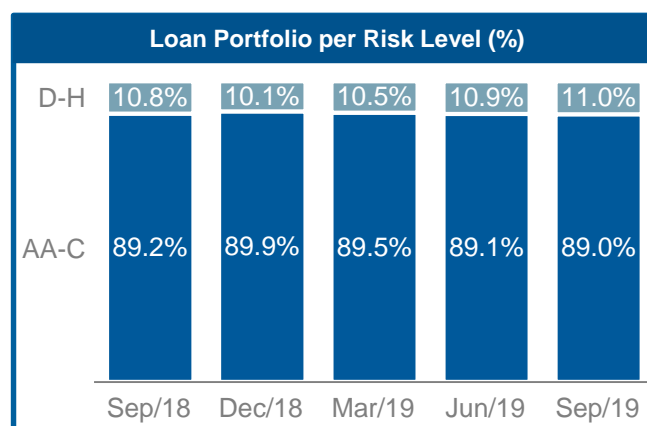




### Credit portfolio by risk level (%)

The Bank's credit risk management aims to maintain the quality of the loan portfolio at levels that are appropriate for each market segment.

Loans classified as "AA-C", according to Central Bank Resolution 2,682 (BACEN), represented 89.0% of the loan portfolio at the end of Sept.19, when compared to 89.2% in Sept.18.



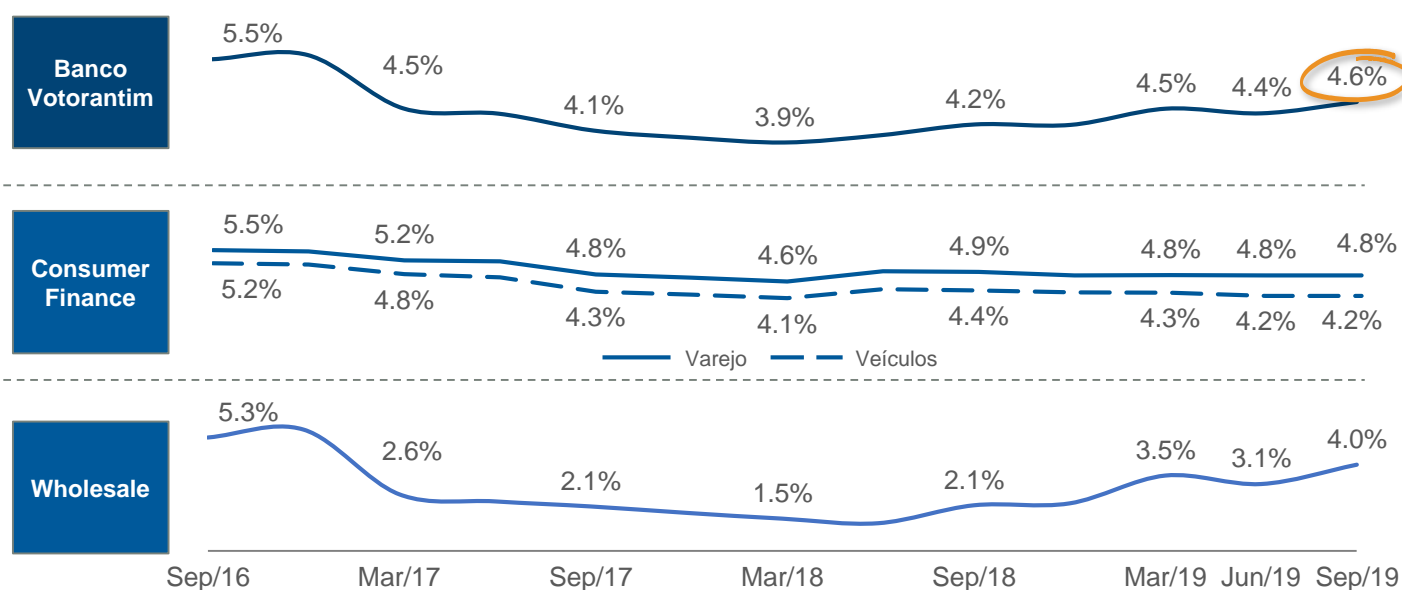
### Credit Portfolio Delinquency – Inad 90

The portfolio quality indicators were kept under control, supported by the combination of continuous improvements in credit models and prudent lending.

The consolidated delinquency ratio over 90 days (Inad 90) reached 4.6% at the end of Sept.19, up 0.2 pp from Jun.19, and 0.4 pp higher than Sept.18.

Retail Inad 90 ended Sept.19 at 4.8%, stable if compared to Jun.19 and 0.1 pp lower than in Sept.18. It is worth mentioning that the Retail portfolio grew 14.2% in the last 12 months, driven by the growth in Auto Finance, in which Inad 90 ended Sept.19 at 4.2%, and has maintained a downward trend.

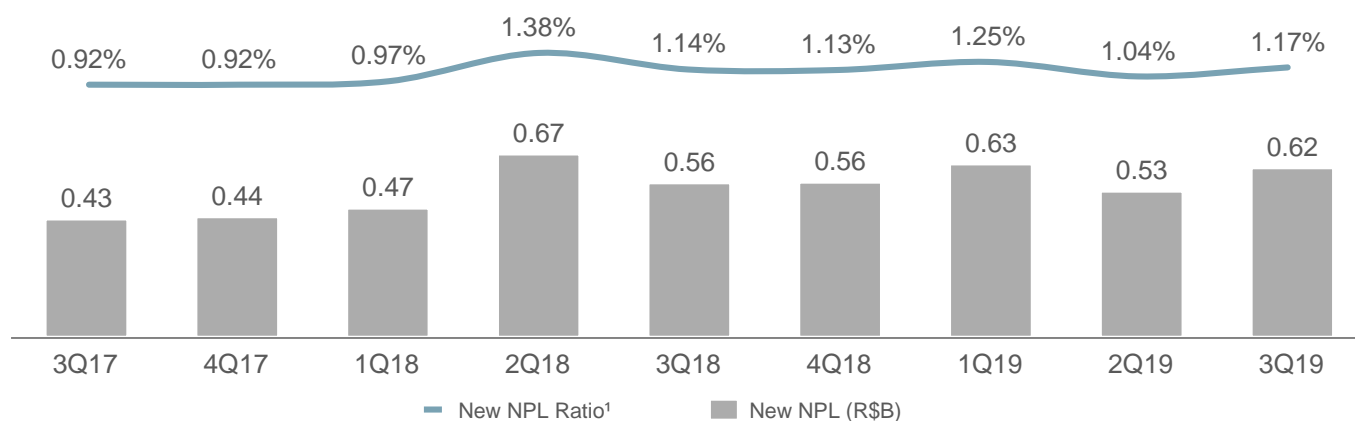
Wholesale Inad 90 increased to 4.0% in Sept.19, from 3.1% in Jun.19, the increase in the indicator reflects a specific case that was already adequately provisioned.





## New NPL Index

The *New NPL*, which considers the volume of credit operations that became delinquent over 90 days in the quarter, was R\$ 616 million in 3Q19. As a result, the *New NPL* in relation to the portfolio was 1,17% in Sept.19.

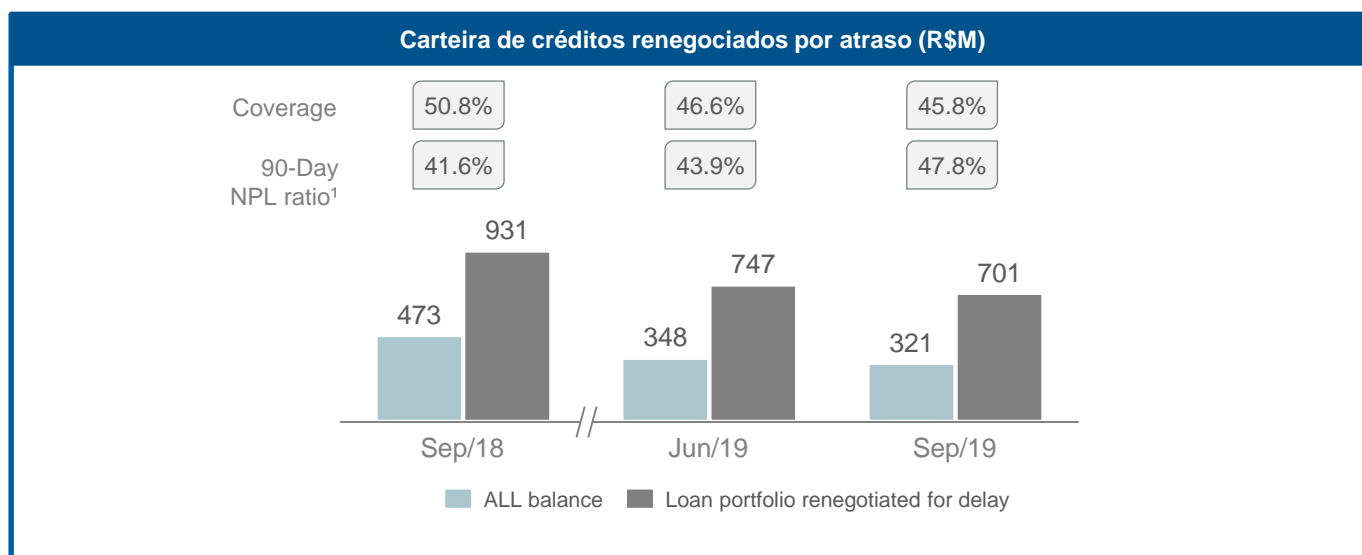


1.  $\Delta$  NPL quarterly + write-offs of loss for the period) / Credit Portfolio for the immediately previous quarter.

## Overdue Credit Negotiated

The following graphs present information on the credit portfolio renegotiated due to late payment.

More information can be found in the Financial Statements of Sep.19, NE 9k.



1. Delinquency ratio over 90 days (90-day NPL ratio).

The balance of overdue loans renegotiated totaled R\$701 million in Sept.19. Compared to Sept.18, there was a 24.7% decrease in the renegotiated portfolio balance.

Delinquencies over 90 days (Inad90) increased 6.2 pp over the last 12 months, while the portfolio coverage ratio decreased by 5.0 pp when compared to Sept.18.





## Funding and Liquidity

Total funds raised reached R\$68.0 billion in Sept.19, an increase of 11.3% in the quarter and 10.4% in 12 months. Funding with Financial Bills continued to grow in this quarter, together with assignments with recourse and subordinated debt, and issuance of USD 850 million in foreign bonds in 3Q19 – more stable funding instruments, representing 61% of the total of funds raised in Sept.19.

It is noteworthy that the reduction in funding with debentures in the last 12 months is due to the lower balance of BV Leasing's repurchase commitment, reflecting the regulatory change introduced by Res. 4,527, which made it impossible to perform new repurchase agreements with debentures of subsidiaries from 2018 on. In order to replace this instrument, the Bank has increased the volume of fundraising in time deposits (CDB) and Financial Bills.

FUNDING SOURCES (R\$ Billion)	Sep18	Jun19	Sep19	Variation (%)	
				Sep19/Jun19	Sep19/Sep18
<b>Debentures (repos)</b>	4.7	2.6	2.4	(9.4)	(49.7)
<b>Deposits</b>	11.0	12.7	17.5	37.9	59.8
Time deposits	8.9	10.6	15.3	45.2	72.3
Deposits on demand and interbank	2.1	2.2	2.2	1.9	6.0
<b>Subordinated debts</b>	6.5	6.4	6.7	4.9	3.3
Subordinated Financing bills	2.1	2.2	2.2	0.2	7.0
Others subordinated debts	4.4	4.1	4.4	7.5	1.5
<b>Borrowings and onlendings</b>	4.4	3.3	3.1	(5.5)	(28.5)
<b>Bills</b>	27.8	29.7	28.6	(3.8)	3.0
Financing bills	23.6	25.4	25.0	(1.6)	5.8
Agribusiness credit bills ("LCA") and real estate credit bills ("LCI")	2.5	2.1	2.1	1.6	(14.6)
Financial lease bills ("LAM")	1.7	2.3	1.5	(33.7)	(11.8)
<b>Securitization with recourses</b>	6.6	5.6	5.5	(1.7)	(17.4)
<b>Securities abroad</b>	0.7	0.8	4.2	444.8	521.1
<b>Total funding</b>	61.6	61.1	68.0	11.3	10.4

With regards to liquidity, the Bank has kept its free cash at a very conservative level, which is quite comfortable to cover the total funding with daily liquidity. **In addition, it is important to note that the Bank has had a credit line with BB since 2009, which represents a significant liquidity reserve, and that has never been used.**

The following table shows the calculation of the "LCR" indicator, which aims to measure banks' short-term liquidity in a stress scenario, with the regulatory minimum of 100%.

### Liquidity Coverage Ratio (LCR)

	2Q19	3Q19
High Quality Liquidity Assets (HQLA) <sup>1</sup>	11,663	12,361
Total cash inflows	7,461	7,937
<b>LCR</b>	<b>156%</b>	<b>156%</b>

1. Mainly federal public securities and bank reserves;

Further details on LCR can be found in the "Risk and Capital Management Report" on the RI website: [www.bancovotorantim.com.br/ri](http://www.bancovotorantim.com.br/ri).



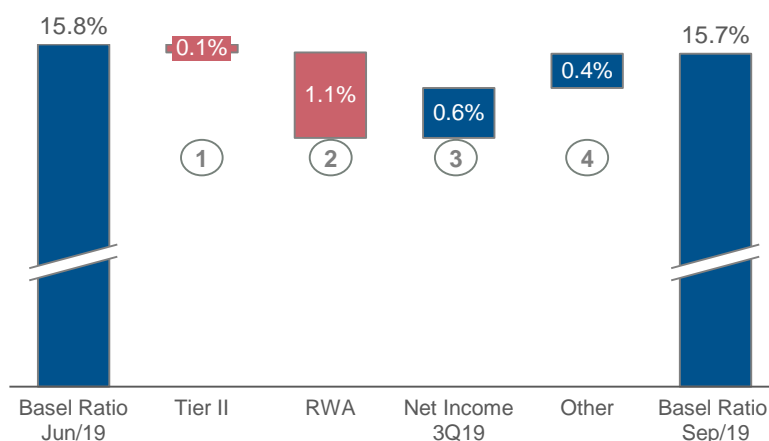
## Capital

The Basel Ratio reached 15.7% in Sept.19, with the Tier I Capital ratio totaling 14.1%, with 12.1% of Core Capital and 1.9% of Supplementary Capital.

Compared to June.19, the ratio remained reduced 10bsp, mainly impacted by (1) the decline in subordinated debt that makes up Tier II Capital and (2) the increase in assets, weighted by the risk arising from the increase in the commercial portfolios.

This reduction was partially offset by (3) the generation of net income of R\$355 million and (4) the variation of the supplementary capital and lower deductions.

Change in Basel ratio for 3Q19



BASEL RATIO (R\$ Million)			
	Sep18	Jun19	Sep19
<b>Total Capital</b>	<b>9,731</b>	<b>9,808</b>	<b>10,383</b>
Tier I Capital	7,801	8,695	9,322
Common Equity Tier I	6,570	7,544	8,040
Additional Tier I	1,230	1,151	1,281
Tier II Capital	1,930	1,113	1,062
<b>Risk Weighted Assets (RWA)</b>	<b>59,364</b>	<b>61,912</b>	<b>66,319</b>
Credit risk	51,842	53,448	55,841
Market risk	1,926	2,063	4,174
Operational risk	5,597	6,401	6,304
<b>Minimum Capital Requirement</b>	<b>5,120</b>	<b>4,953</b>	<b>5,305</b>
<b>Basel Ratio (Capital/RWA)</b>	<b>16.4%</b>	<b>15.8%</b>	<b>15.7%</b>
Tier I Capital Ratio	13.1%	14.0%	14.1%
Common Equity Tier I Ratio	11.1%	12.2%	12.1%
Additional Tier I Ratio	2.1%	1.9%	1.9%
Tier II Capital Ratio	3.3%	1.8%	1.6%

In relation to Sept.18, the Basel Ratio decreased by 70bsp pp, mainly due to the decay of subordinated debts that make up Tier II Capital. However, Tier I Capital grew 100bsp over the same period due to the consistent generation of net income.

The Basel Ratio was calculated according to the Basel III methodology in order to determine the minimum requirements of Reference Equity, Tier I and Core Capital. In 2019, the minimum capital requirement is 10.50%, with a minimum of 8.50% for Tier I Capital and 7.00% for Core Capital (CET1).



## RATINGS

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

The table below shows the *ratings* assigned by major agencies:

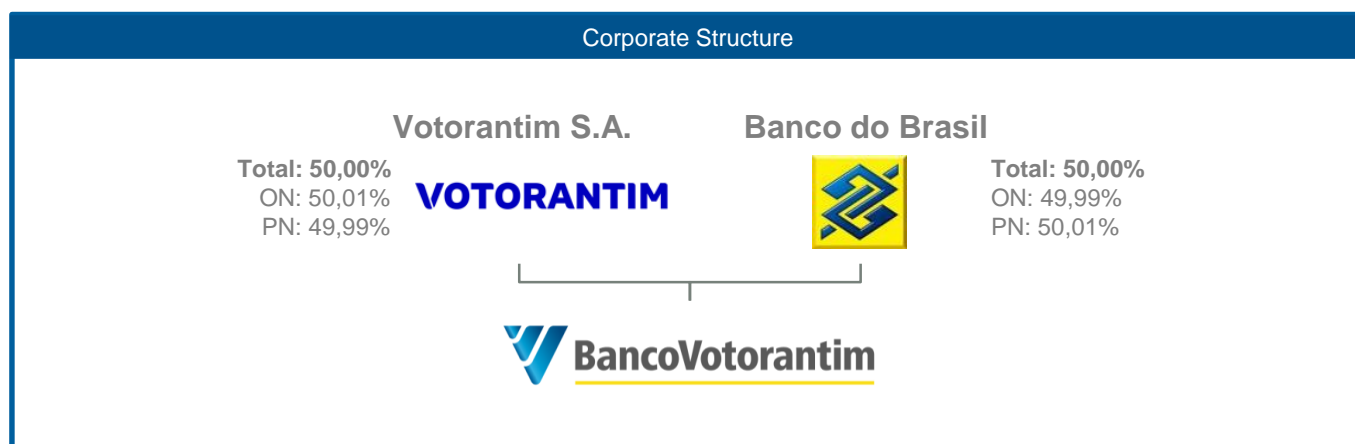
RATING AGENCIES		International		National
		Local	Foreign	Local
Moody's	Long-term	Ba2 (stable)	Ba3	Aa3.br
	Short-term	NP	NP	BR-1
Standard & Poor's	Long-term	BB- (stable)		brAAA
	Short-term	B		brA-1+

In Mar.19 we had our ratings reaffirmed with international agencies. Standard & Poor's reaffirmed our rating on a global scale, maintaining it at 'BB-', with the outlook at stable, following the outlook at sovereign. Moody's, not only has reaffirmed its global rating at 'Ba2' (local currency), but also has changed the outlook from negative to stable, equaling the country's rating.



## CORPORATE GOVERNANCE

The Votorantim Financial Conglomerate adopts the best governance practices, ensuring transparency and equity in information, in order to contribute to the decision-making process.



The Bank's management is shared between the shareholders Votorantim Finanças and Banco do Brasil, with their equal participation in the Board of Directors (BoD), which is composed of six members.

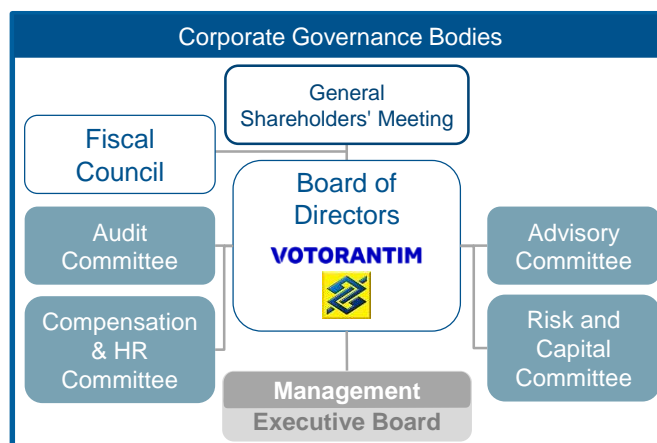
Board of Directors meetings are held at least monthly to deliberate on strategic issues and to monitor and guide the business of the Conglomerate. Decisions are taken by an absolute majority, with no casting vote.

Each board member has a two-year term and the positions of chairman and vice-chairman have alternated annually between the two shareholders.

Governing bodies also include the Fiscal Council and the advisory forums to the Board of Directors, as well as the Executive Committee, and technical committees of internal governance.

At the Ordinary General Meeting held in Apr.19, in addition to the reelection of the members of the Board of Directors for the next biennial term of office that will be effective until 2021, José Luiz Majolo and Rubem de Freitas Novaes were re-elected, respectively, for the positions of Chairman and Vice-Chairman of the Board.

Members of the Board of Directors		
Name	Position	Shareholder
José Luiz Majolo	Chairman	Votorantim Finanças
Rubem de Freitas Novaes	Vice-Chairman	Banco do Brasil
Celso Scaramuzza	Director	Votorantim Finanças
Carlos Hamilton V. Araújo	Director	Banco do Brasil
Jairo Sampaio Saddi	Director	Votorantim Finanças







## RECONCILIATION BETWEEN ACCOUNTING AND MANAGERIAL INCOME STATEMENT

For a better understanding and analysis of the Bank's performance, the explanations in this report are based on the Management Income Statement, which considers some management reallocations made in the audited Corporate Income Statement, without impact on net income. These reallocations refer to:

- Revenue from loan loss write-off that is recorded under "Revenue from Loan Operations" and that has been reallocated to "Allowance for doubtful accounts";
- Expenses with characteristics of credit provisions that are accounted under "Other Operating Income (Expenses)" and that have been reallocated to "Allowance for doubtful accounts";
- *Impairments* of private securities of the Wholesale segment classified in Gross Financial Margin, which have been reallocated to "Allowance for Doubtful Accounts";
- Expenses with provisions for provided financial guarantees that are accounted under "Other Operating Income (Expenses)" and have been reallocated to "Allowance for doubtful accounts";
- Tax and fiscal effects of the hedge funds relating to foreign currency exchange variations of investments made abroad that are accounted in "Tax Expenses" (PIS and Cofins) and "Income Tax and Social Contribution", and which have been reallocated to "Results with Financial Derivative Instruments".

The foreign currency exchange risk management strategy of funds invested abroad aims to avoid effects arising from currency exchange variation on the result, and to this end, foreign currency exchange risk is neutralized by means of the use of derivative financial instruments.

### Reconciliation between Accounting and Management Results – 3Q19, 2Q19 e 3Q18

INCOME STATEMENT (R\$ Million)	3Q18 Audited	Adjust ments	3Q18 Managerial	2Q19 Audited	Adjust ments	2Q19 Managerial	3Q19 Audited	Adjust ments	3Q19 Managerial
<b>Income from financial intermediation</b>	<b>3,053</b>	<b>(94)</b>	<b>2,959</b>	<b>2,930</b>	<b>(195)</b>	<b>2,735</b>	<b>3,320</b>	<b>(75)</b>	<b>3,245</b>
Loans <sup>1</sup>	2,471	(221)	2,249	2,395	(128)	2,267	2,549	(177)	2,372
Leases	11	-	11	6	-	6	11	-	11
Securities	625	60	684	821	(49)	772	627	(4)	622
Derivative financial instruments	(114)	68	(46)	(307)	(19)	(326)	13	106	119
Foreign exchange operations	46	-	46	7	-	7	103	-	103
Compulsory deposits	15	-	15	9	-	9	18	-	18
<b>Expenses from financial intermediation</b>	<b>(1,633)</b>	<b>-</b>	<b>(1,633)</b>	<b>(1,205)</b>	<b>-</b>	<b>(1,205)</b>	<b>(1,771)</b>	<b>-</b>	<b>(1,771)</b>
Money market borrowings	(1,320)	-	(1,320)	(1,061)	-	(1,061)	(1,428)	-	(1,428)
Borrowings and onlendings	(115)	-	(115)	(4)	-	(4)	(218)	-	(218)
Sale or transfer from financial assets	(198)	-	(198)	(140)	-	(140)	(125)	-	(125)
<b>Net interest income - Nil</b>	<b>1,420</b>	<b>(94)</b>	<b>1,326</b>	<b>1,726</b>	<b>(195)</b>	<b>1,530</b>	<b>1,549</b>	<b>(75)</b>	<b>1,474</b>
Result of loan losses, guarantees and impairments	(449)	184	(265)	(628)	181	(447)	(629)	239	(390)
<b>Net financial margin</b>	<b>971</b>	<b>90</b>	<b>1,061</b>	<b>1,098</b>	<b>(14)</b>	<b>1,083</b>	<b>920</b>	<b>164</b>	<b>1,084</b>
<b>Other operating income/expenses</b>	<b>(444)</b>	<b>(23)</b>	<b>(467)</b>	<b>(506)</b>	<b>(5)</b>	<b>(511)</b>	<b>(456)</b>	<b>(62)</b>	<b>(518)</b>
Fee income	341	-	341	343	-	343	336	-	336
Personnel and administrative expenses	(624)	-	(624)	(577)	-	(577)	(648)	-	(648)
Tax expenses	(98)	(1)	(99)	(157)	(1)	(158)	(92)	(4)	(97)
Equity in income of subsidiaries	87	-	87	87	-	87	101	-	101
Other operating income/expenses	(150)	(22)	(172)	(201)	(4)	(205)	(153)	(58)	(211)
<b>Operating income (loss)</b>	<b>527</b>	<b>67</b>	<b>594</b>	<b>592</b>	<b>(20)</b>	<b>572</b>	<b>464</b>	<b>102</b>	<b>566</b>
<b>Non-operating income (loss)</b>	<b>(2)</b>	<b>-</b>	<b>(2)</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>7</b>	<b>-</b>	<b>7</b>
<b>Income (loss) before taxes and contributions</b>	<b>525</b>	<b>67</b>	<b>592</b>	<b>591</b>	<b>(20)</b>	<b>571</b>	<b>471</b>	<b>102</b>	<b>573</b>
Provision for income tax and social contribution	(206)	(67)	(273)	(188)	20	(169)	(72)	(102)	(174)
Profit sharing	(51)	-	(51)	(51)	-	(51)	(43)	-	(43)
<b>Net income (loss)</b>	<b>268</b>	<b>0</b>	<b>268</b>	<b>352</b>	<b>-</b>	<b>352</b>	<b>355</b>	<b>0</b>	<b>355</b>

1. Includes revenues from credit portfolios assigned with recourse under Resolution 3,533.



## Reconciliation between Accounting and Management Results – 9M19 and 9M18

INCOME STATEMENT (R\$ Million)	9M18		9M18 Managerial	9M19		9M19 Managerial
	Audited	Adjustments		Audited	Adjustments	
<b>Income from financial intermediation</b>	<b>9,186</b>	<b>(171)</b>	<b>9,015</b>	<b>9,101</b>	<b>(364)</b>	<b>8,737</b>
Loans <sup>1</sup>	7,398	(667)	6,731	7,297	(453)	6,843
Leases	33	-	33	25	-	25
Securities	1,774	170	1,944	2,012	6	2,018
Derivative financial instruments	(252)	326	74	(408)	84	(325)
Foreign exchange operations	206	-	206	140	-	140
Compulsory deposits	27	-	27	35	-	35
<b>Expenses from financial intermediation</b>	<b>(5,083)</b>	<b>-</b>	<b>(5,083)</b>	<b>(4,264)</b>	<b>-</b>	<b>(4,264)</b>
Money market borrowings	(4,030)	-	(4,030)	(3,577)	-	(3,577)
Borrowings and onlendings	(411)	-	(411)	(287)	-	(287)
Sale or transfer from financial assets	(642)	-	(642)	(400)	-	(400)
<b>Net interest income - NII</b>	<b>4,103</b>	<b>(171)</b>	<b>3,932</b>	<b>4,836</b>	<b>(364)</b>	<b>4,472</b>
Result of loan losses, guarantees and impairments	(1,488)	517	(971)	(1,874)	573	(1,301)
<b>Net financial margin</b>	<b>2,614</b>	<b>346</b>	<b>2,960</b>	<b>2,962</b>	<b>209</b>	<b>3,171</b>
<b>Other operating income/expenses</b>	<b>(1,300)</b>	<b>(32)</b>	<b>(1,331)</b>	<b>(1,350)</b>	<b>(133)</b>	<b>(1,483)</b>
Fee income	1,010	-	1,010	1,020	-	1,020
Personnel and administrative expenses	(1,754)	-	(1,754)	(1,824)	-	(1,824)
Tax expenses	(289)	(11)	(300)	(350)	(7)	(357)
Equity in income of subsidiaries	250	-	250	279	-	279
Other operating income/expenses	(517)	(20)	(537)	(474)	(126)	(600)
<b>Operating income (loss)</b>	<b>1,315</b>	<b>314</b>	<b>1,629</b>	<b>1,612</b>	<b>77</b>	<b>1,689</b>
<b>Non-operating income (loss)</b>	<b>(7)</b>	<b>-</b>	<b>(7)</b>	<b>7</b>	<b>-</b>	<b>7</b>
<b>Income (loss) before taxes and contributions</b>	<b>1,308</b>	<b>314</b>	<b>1,622</b>	<b>1,619</b>	<b>77</b>	<b>1,696</b>
Provision for income tax and social contribution	(415)	(314)	(729)	(438)	(77)	(515)
Profit sharing	(114)	-	(114)	(138)	-	(138)
<b>Net income (loss)</b>	<b>779</b>	<b>-</b>	<b>779</b>	<b>1,043</b>	<b>-</b>	<b>1,043</b>

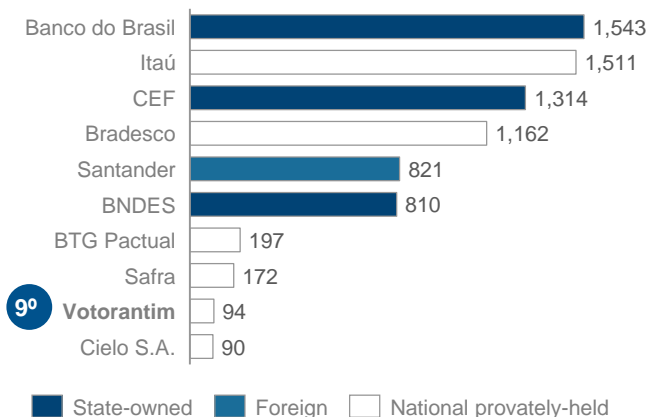


## APPENDICES

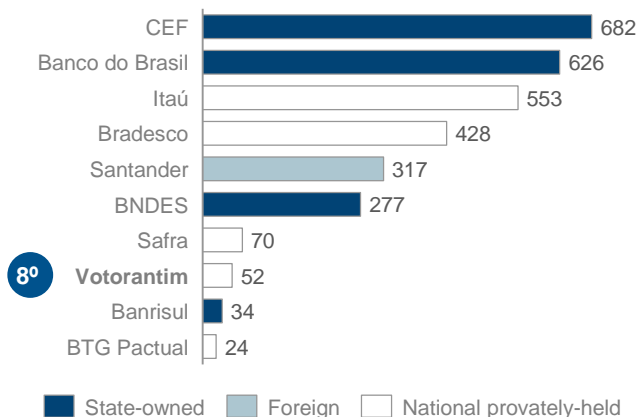
### Overview – Banco Votorantim Position

Banco Votorantim is one of the largest Brazilian private banks in total assets and credit portfolio.

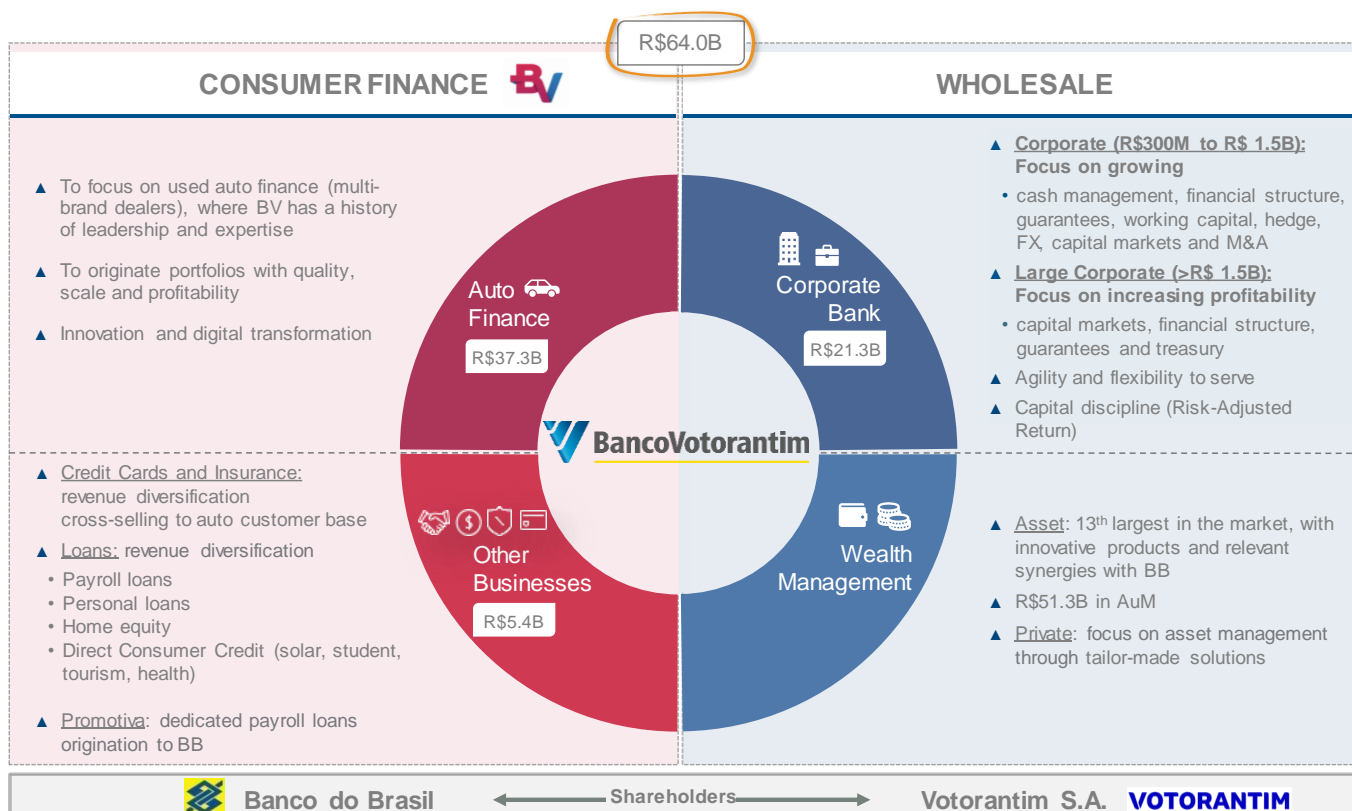
10 Largest Banks in Assets – Jun.19 (R\$B)



10 Largest Banks in Loan Portfolio – Jun.19 (R\$B)



### Strategy – View per business



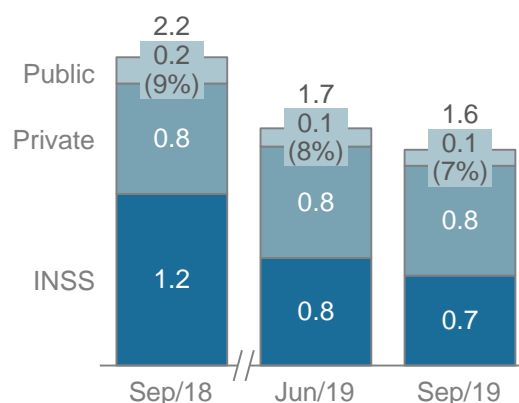


## Retail - Other Business

### \$ Consigned Payroll

- ▲ Reduction in the exposure of the portfolios from Public agreements and INSS
- ▲ Growth of the consigned payroll loan portfolio through the increase of new agreements.
- ▲ Continuous improvement of management tools (pricing, credit, collection, etc.)

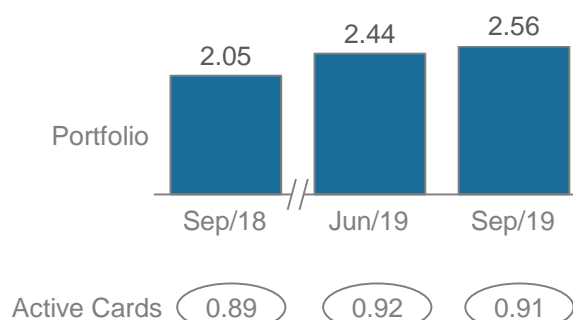
### Payroll loans - Loan Portfolio (R\$B)



### Credit Cards

- ▲ Elo, Visa and Mastercard credit card issuance
- ▲ Focus on exploring the current Auto Finance customer base
- ▲ Grow organically through new business partnerships (e.g. Netpoints)
- ▲ Invest in new technologies (digital wallet, artificial intelligence, virtual card, etc.)

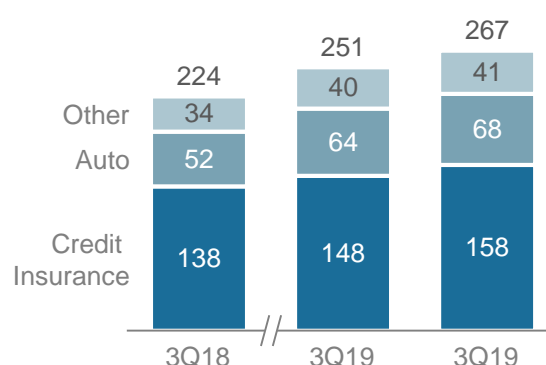
### Active cards (Million) and Portfolio (R\$B)



### Insurance Brokerage

- ▲ Increase brokerage revenue by leveraging retail's customer base
- ▲ Diversify the insurance portfolio:
  - Life Insurance
  - Residential Insurance
  - Personal Accident Insurance, etc

### Insurance premiums (R\$M)

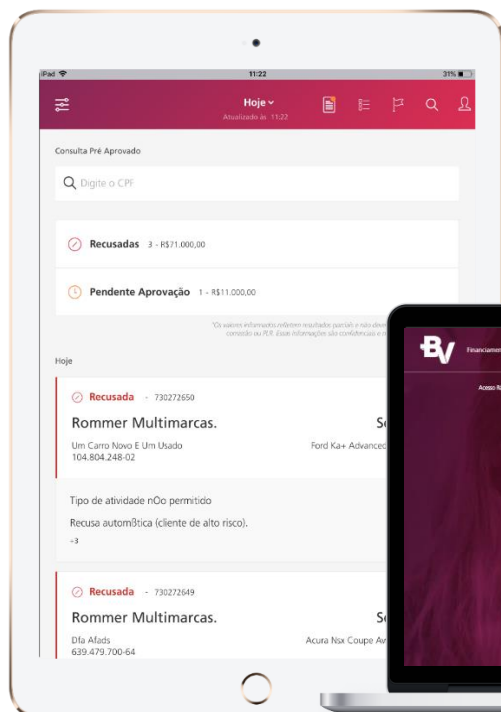






## Retail – Digital Transformation at Retail

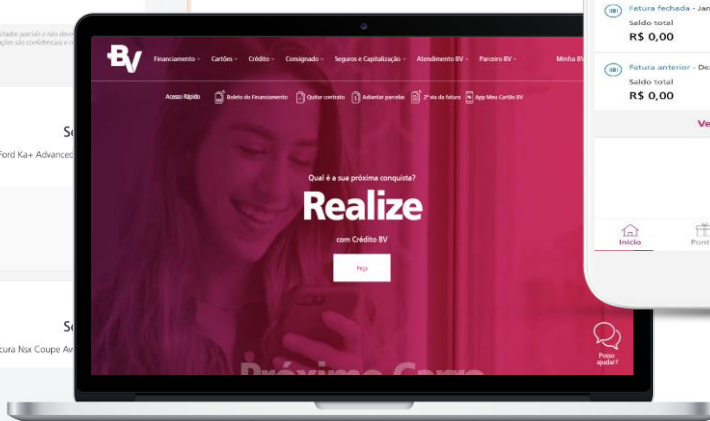
### APP Sales Force



### APP Cards



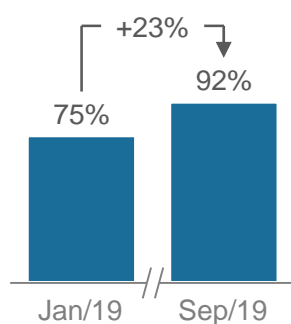
### Site BV



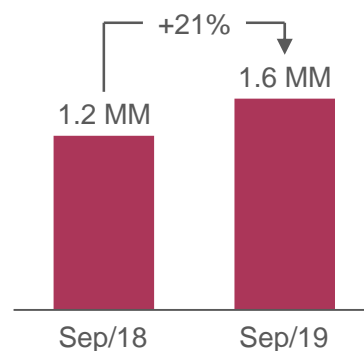
## Better Customer Experience and Efficiency



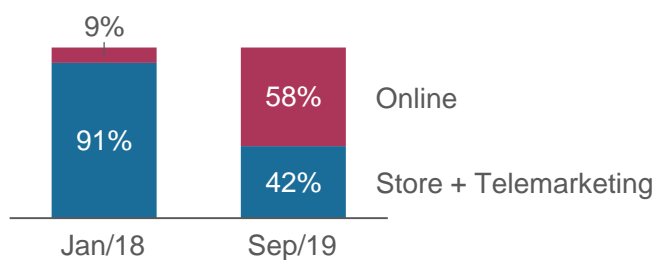
### Paperless Formalization



### Visits to the site bv.com.br



### Online Personal Credit Origination





## Quality of Credit Portfolio - Wholesale

### Sector Concentration - Wholesale

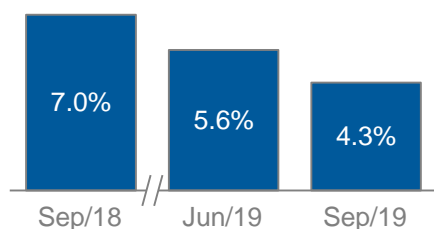
Wholesale Sectorial concentration	Sep/18		Sep/19	
	R\$M	Part.(%)	R\$M	Part.(%)
Telecom	1,532	9.6%	913	5.8%
Sugar and Ethanol	1,576	9.8%	1,341	8.5%
Retail	1,013	6.3%	1,475	9.3%
Financial Institutions	2,321	14.5%	2,589	16.3%
Automotive/Auto parts/Car Dealers	849	5.3%	392	2.5%
Oil & Gas	463	2.9%	687	4.3%
Car Rental	268	1.7%	482	3.0%
Food and beverages industry	486	3.0%	762	4.8%
Industry	412	2.6%	577	3.6%
Railways	575	3.6%	457	2.9%
Mining	764	4.8%	497	3.1%
Electricity Generation	257	1.6%	486	3.1%
Cooperatives	256	1.6%	655	4.1%
Slaughterhouses	322	2.0%	306	1.9%
Services	356	2.2%	265	1.7%
Agrochemistry	346	2.2%	343	2.2%
Civil Construction - Residential	140	0.9%	278	1.8%
Agribusiness	382	2.4%	247	1.6%
Other	3,715	23.2%	3,090	19.5%
<b>Total<sup>1</sup></b>	<b>16,033</b>	<b>100.0%</b>	<b>15,842</b>	<b>100.0%</b>

1. Numbers exclude private securities and are net of credit provisions.

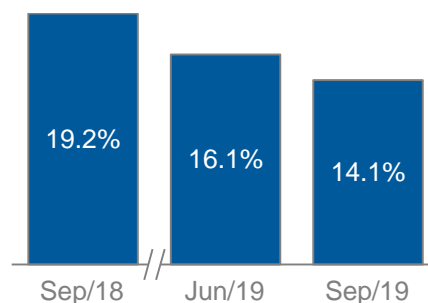
### Credit Concentration

#### 10 Major debtors<sup>1</sup>

Only 4.3% of credit risk is concentrated in the 10 largest debtors.



#### 100 Major debtors<sup>1</sup>



1. In relation to consolidated loan portfolio.