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

# Earnings Presentation






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Disclaimer: This presentation may include references and statements on expectations, planned synergies, growth estimates, projections of results, and future strategies for Banco Votorantim, its associated and affiliated companies, and subsidiaries. Although these references and statements reflect the management's belief, they also involve imprecision and risks that are highly difficult to be foreseen. Consequently, they may conduct to different results from those anticipated and discussed here. These expectations are highly dependent on market conditions, on Brazil's economic and banking system performances, as well as on international market conditions. Banco Votorantim is not responsible for bringing up to date any estimate in this presentation.

# Net income of 3Q19 reached R\$ 355M and ROE of 15.1%

Consistent revenue generation and cost basis control

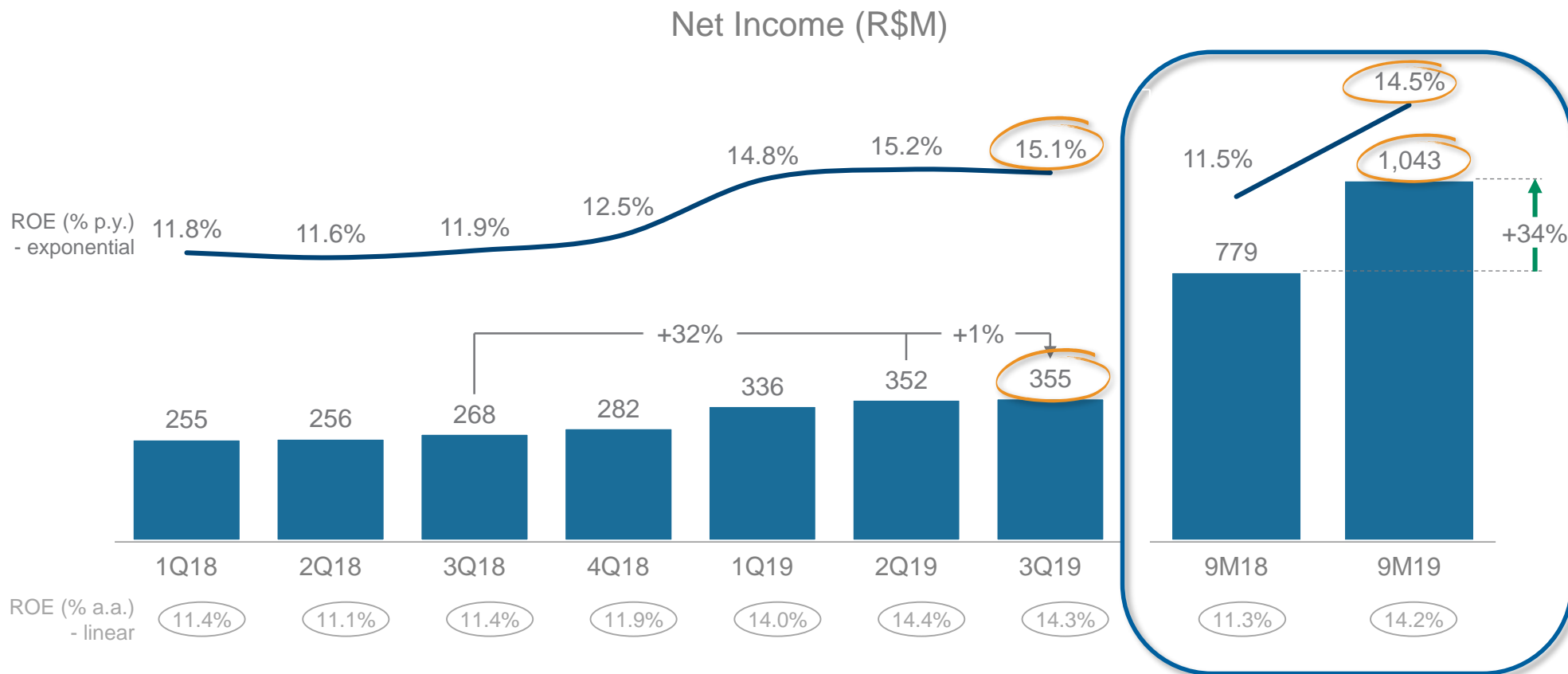
## Highlights of results

 <b>Net income</b>	<div> <div>▲ +33.8% (9M19/9M18)</div> <div>▲ +0.9% (3Q19/2Q19)</div> </div> <div> <div>R\$1,043M</div> <div>R\$355M</div> </div>	<ul style="list-style-type: none"> <li>▲ Net income of R\$1,043M in 9M19, compared to R\$779M in 9M18</li> <li>▲ Return on Equity (ROE) of 14.5% p.y. in 9M19 (11.5% in 9M18). In 3Q19, ROE increased to 15.1% p.y. (11.9% no 3Q18).</li> </ul>
 <b>Revenues</b>	<div> <div>▲ +11.4% (9M19/9M18)</div> <div>▼ -3.0% (3Q19/2Q19)</div> </div> <div> <div>R\$5,890M</div> <div>R\$1,945M</div> </div>	<ul style="list-style-type: none"> <li>▲ Total revenues (NII + revenues from services and insurance) increased by 11.4% in 9M19/9M18, reflecting the higher profitability in the businesses</li> <li>▲ Net Interest Margin (NIM) increased to 7.0% in the 9M19, a versus 6.2% in 9M18</li> </ul>
 <b>Credit costs<sup>1</sup></b>	<div> <div>▲ +34.0% (9M19/9M18)</div> <div>▼ -12.9% (3Q19/2Q19)</div> </div> <div> <div>R\$1,301M</div> <div>R\$390M</div> </div>	<ul style="list-style-type: none"> <li>▲ Cost of credit decreased in 3Q19 and increased on the nine months, reflecting the higher Consumer Finance portfolio.</li> <li>▲ 90-day Coverage Ratio decreased to 171% in Sep/19 (Jun/19: 178%)</li> </ul>
 <b>Delinquency (NPL90)</b>	<div> <div>▲ +40bsp (Sep19/Sep18)</div> <div>▲ +20bsp (Sep19/Jun19)</div> </div> <div> <div>NPL90</div> <div>4.6%</div> </div>	<ul style="list-style-type: none"> <li>▲ 90-day NPL of 4.6% in Sep/19, 20bsp increase in the quarter</li> <li>• <u>Consumer Finance</u>: NPL90 of 4.8%, stable in comparison with Jun/19</li> <li>• <u>Wholesale</u>: NPL90 increased to 4.0%, comparable to 3.1% in Jun/19</li> </ul>
 <b>Efficiency Ratio<sup>2</sup></b>	<div> <div>▼ -70bsp (Sep19/Sep18)</div> <div>— 0.0bsp (Sep19/Jun19)</div> </div> <div> <div>IE</div> <div>32.7%</div> </div>	<ul style="list-style-type: none"> <li>▲ Efficiency Ratio of 32.7% in Sep/19, reduction of 70bsp reflection of consistent revenues generation in the last 12 months.</li> </ul>

1. Net of revenues from recovery of written-off loans. Includes provision for loan losses, guarantees and impairments; 2. Last 12 months. Excludes labor lawsuits and profit sharing expenses

# Net income reached R\$1bi on the 9M19

Increase of 34% in 9M19 and 32% in 3Q19 versus 3Q18



**Nine months net income confirms new result level**

# Consistent revenue generation and cost control

Net income increased 34% in relation to 9M18

## Managerial Income Statement

(R\$ Million)	3Q18	2Q19	3Q19	Var. 3Q19/2Q19	9M18	9M19	Var. 9M19/9M18
<b>Net Interest Income (A)</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>
Result of loan losses <sup>1</sup> (B)	(265)	(447)	(390)	-12.9%	(971)	(1,301)	34.0%
<b>Net Financial Margin (A+B)</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>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>
Income from Services and Banking Fees	341	343	336	-2.0%	1,010	1,020	1.0%
Personnel <sup>2</sup> 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%
Income from 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 (Loss)</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>

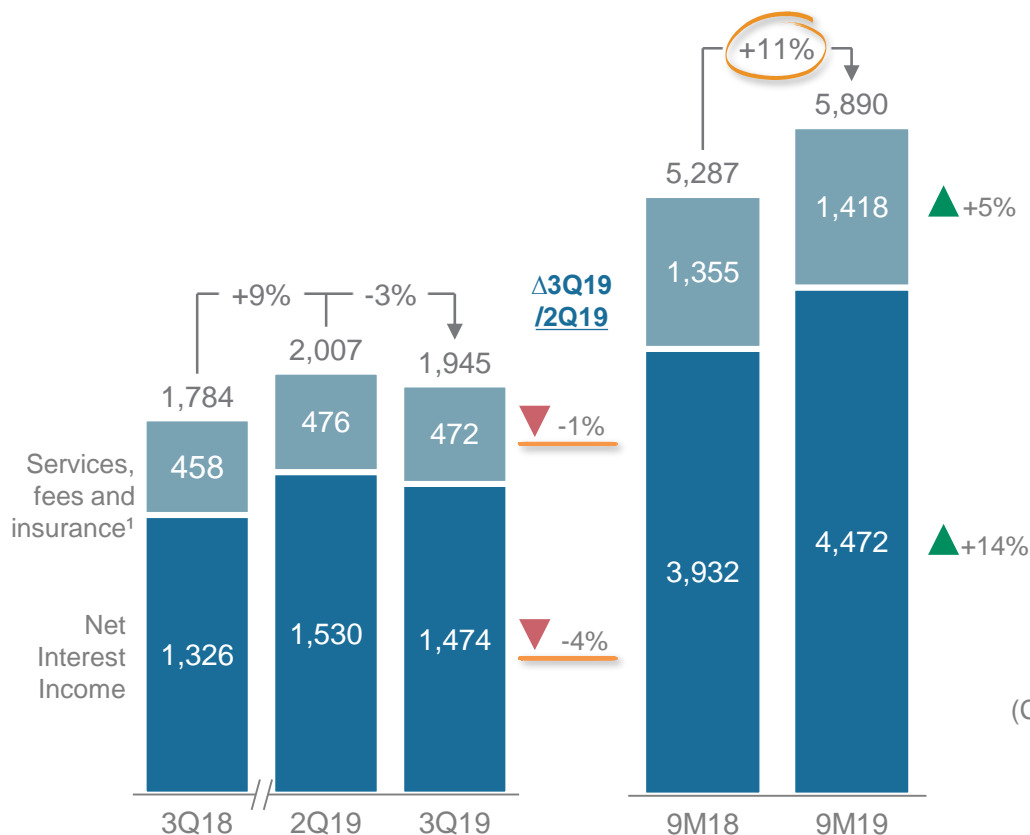
**Banco Votorantim continues advancing in its agenda of improving the profitability of businesses, operational efficiency and revenue diversification**

1. Net of revenues from recovery of written-off loans. Includes provision for loan losses, guarantees and impairments; 2. Includes profit sharing expenses.

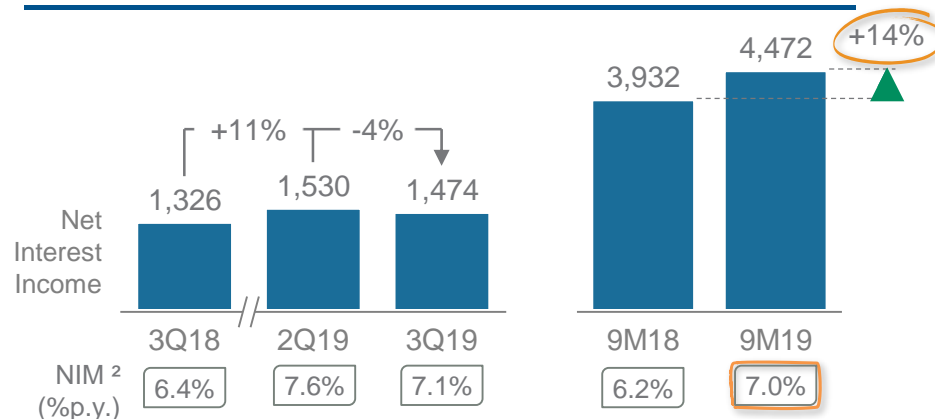
# Consistent and diversified revenue generation

9M19x9M18: expansion of both NII and income from services and insurance

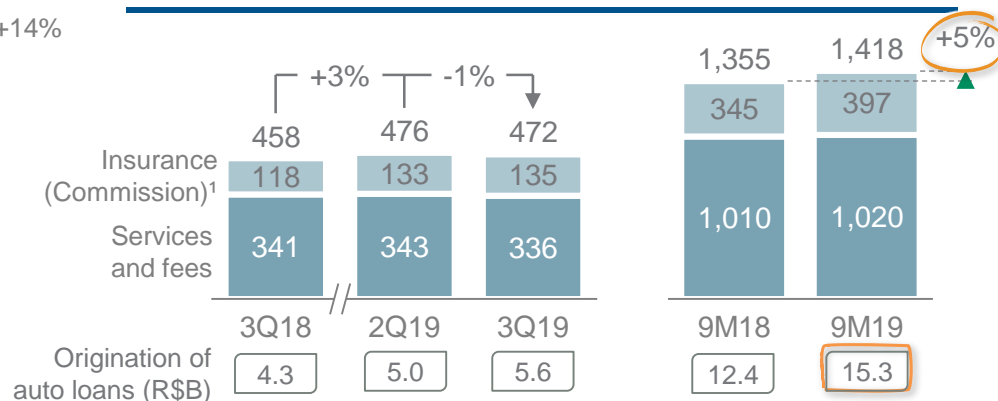
## Revenue generation (R\$M)



NIM increased to 7.0% in 9M19, driven by the NII growth reflecting the higher portfolio



Services and insurance revenues grew in the 9M19, reflecting the higher origination of auto loans

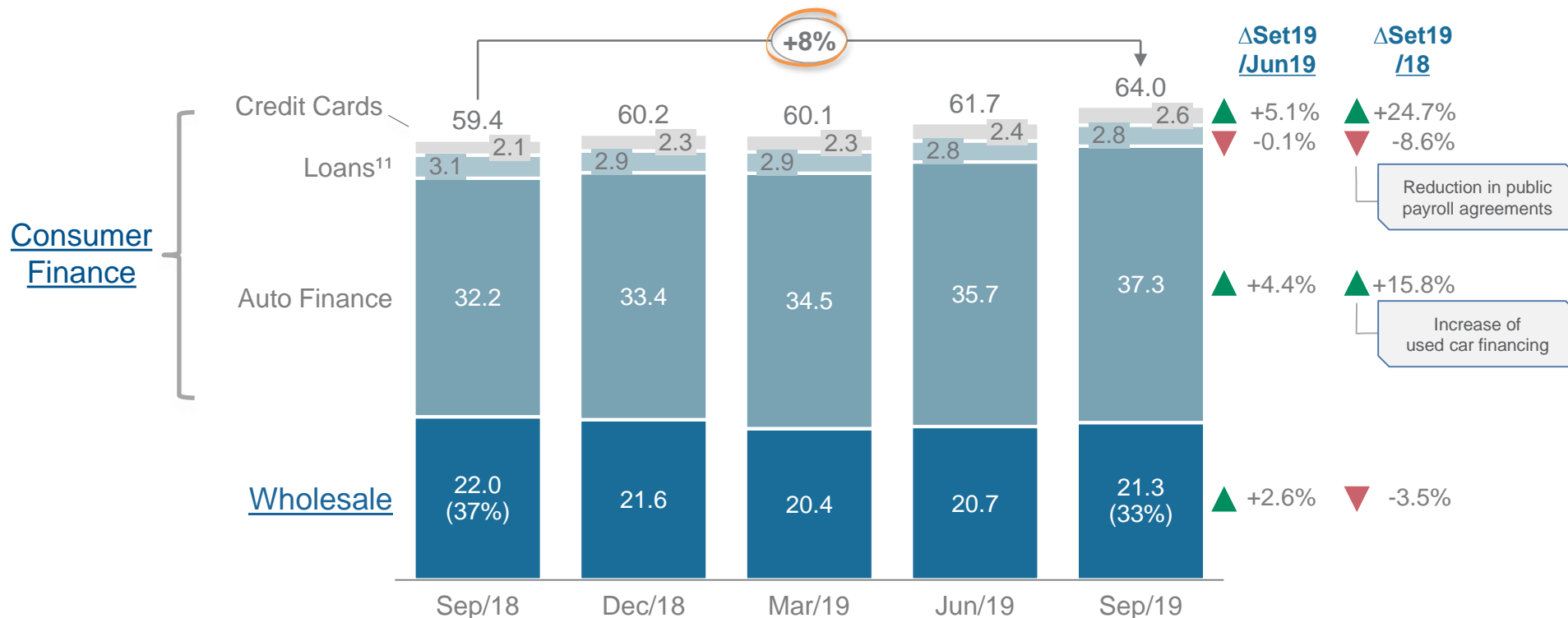


1. Result of the stake in Votorantim Corretora de Seguros (insurance brokerage) is recognized using the equity method; 2. Ratio between Net Interest Income and Average Interest-Earning Assets.

# Consistent growth on Auto Finance and Credit Card portfolio

Portfolio grew 8% over Sep/18, with increased participation of the Consumer Finance business

Expanded credit portfolio (R\$B)  
(includes guarantees provided and private securities)

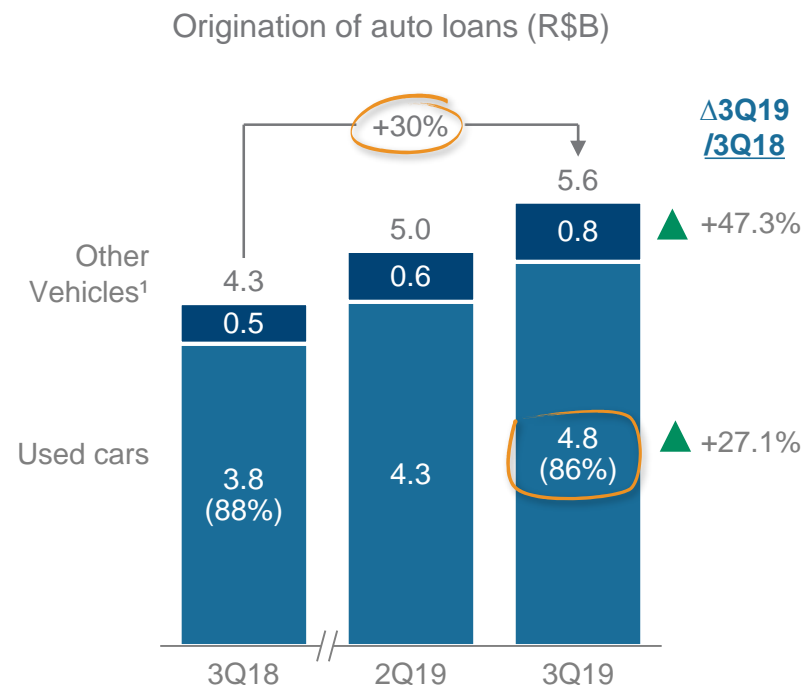


**Focus on profitability and asset quality**

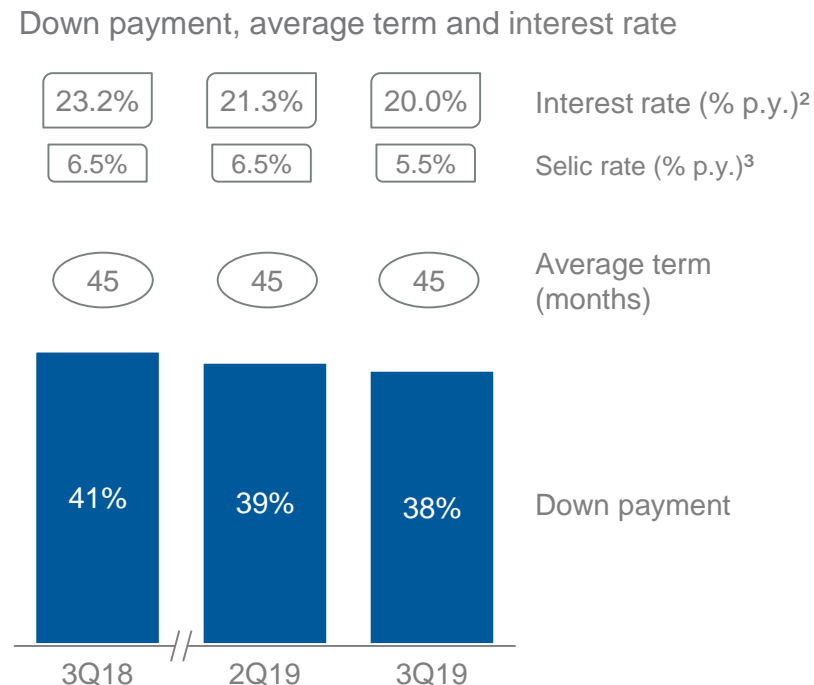
1. Portfolio comprised by products: payroll (retirees, private and public), personal credit (with and without guarantee), home equity, student credit and solar.

# Auto finance: continued focus on used cars and maintenance of tight credit origination standards

Focus on used car financing, which represented 86% of 3Q19 origination



Maintenance of conservative lending standards



**Banco Votorantim is one of the market leaders in auto financing**

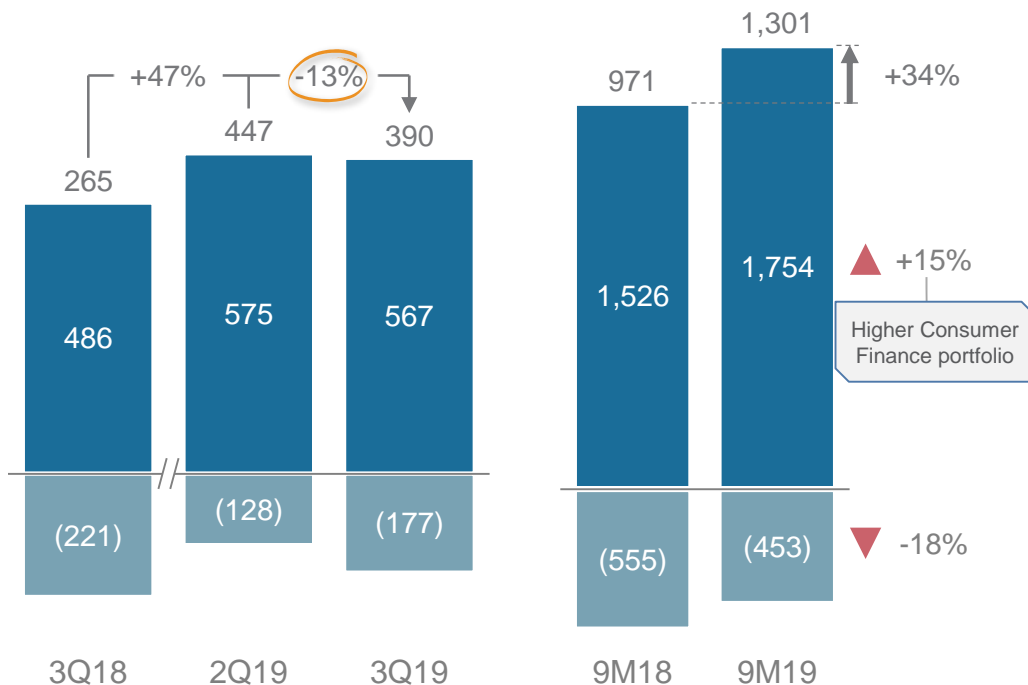
1. New cars, trucks and motorcycles; 2. Weighted average rate for the quarterly origination; 3. End of the period.  
Note: In Set/19, the average ticket size was R\$25,000 and the average vehicle age was 6.2 years (portfolio).

# Credit cost dropped 12.9% in relation to 2Q19

90-day Coverage Ratio reached 171% in Sep/19

**Credit Cost decreased compared to 2Q19, reflecting the increase of credit recovery revenues**

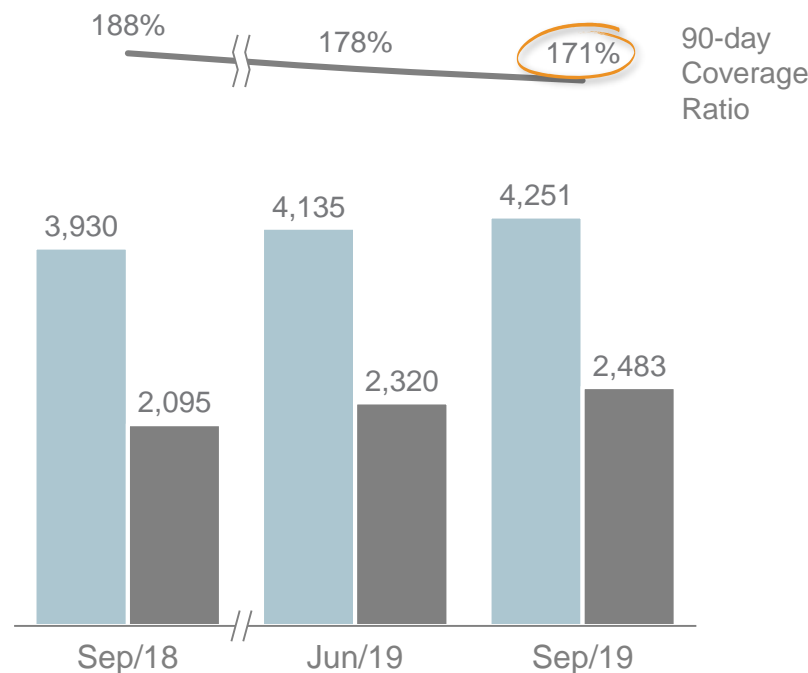
Result<sup>1</sup> of loan losses, guarantees provided and impairments - (R\$M)



■ Provision for loan losses, guarantees and impairments  
 ■ Revenues from recovery of loans written-offs

**90-day Coverage Ratio remains in a sturdy level**

90-day Coverage Ratio<sup>2</sup>



■ Allowance for loan losses balance (R\$M)  
 ■ 90-day NPL balance (R\$M)

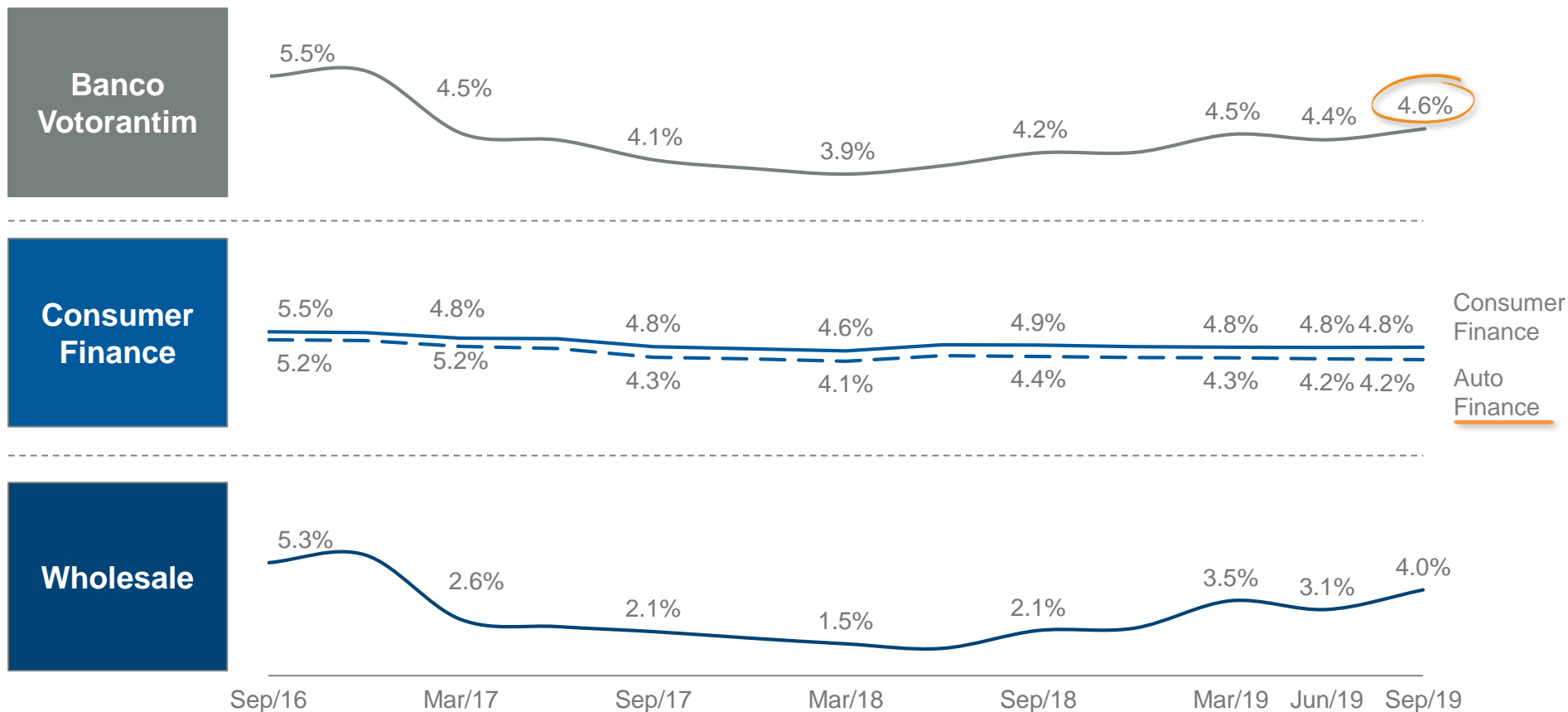
1. Net of revenues from recovery of written-off loans; 2. Ratio between the balance of Allowances for Loan Losses and the balance of loans past due over 90 days. Includes provision for guarantees.



## NPL90 of 4.6% in Sep/19

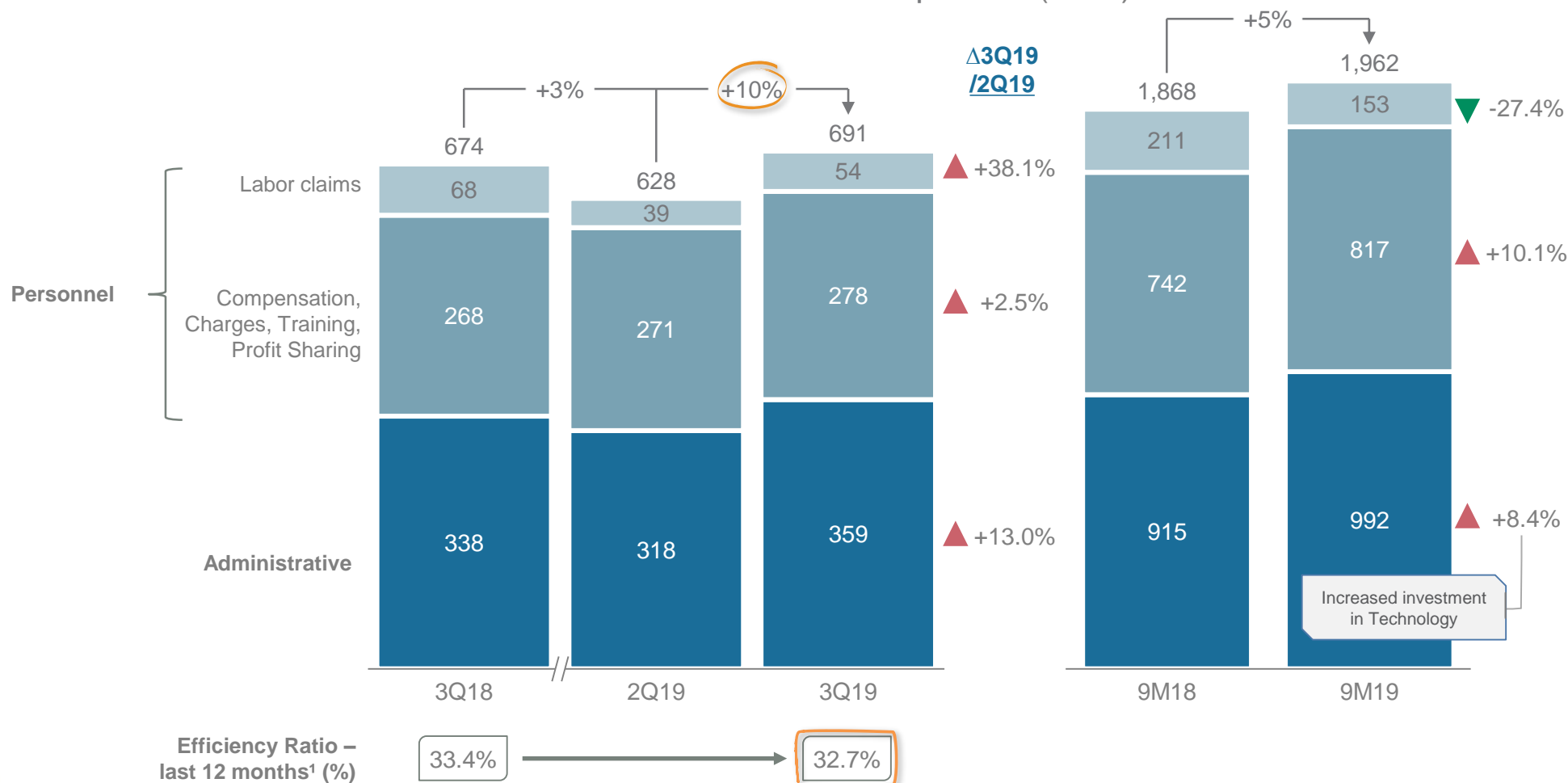
Vehicles: delinquency has maintained a downward trend; Wholesale: increased due to a specific case

90-day NPL ratio of the loan portfolio (%)



# The cost base management contributed to the improvement of the Efficiency Ratio for the last 12 months

Personnel<sup>1</sup> and administrative expenses (R\$M)



1. Excludes expenses with labor lawsuits and profit sharing expenses

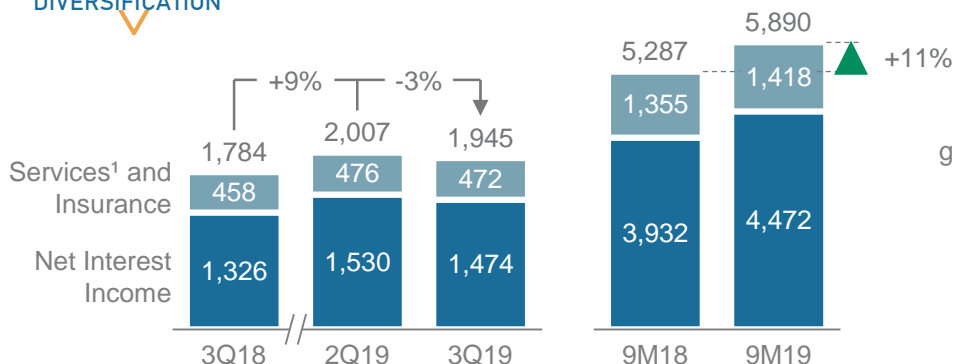
# Net income of 3Q19 reached R\$355M, and ROE of 15.1%

Maintenance of the credit cost and improvement of efficiency

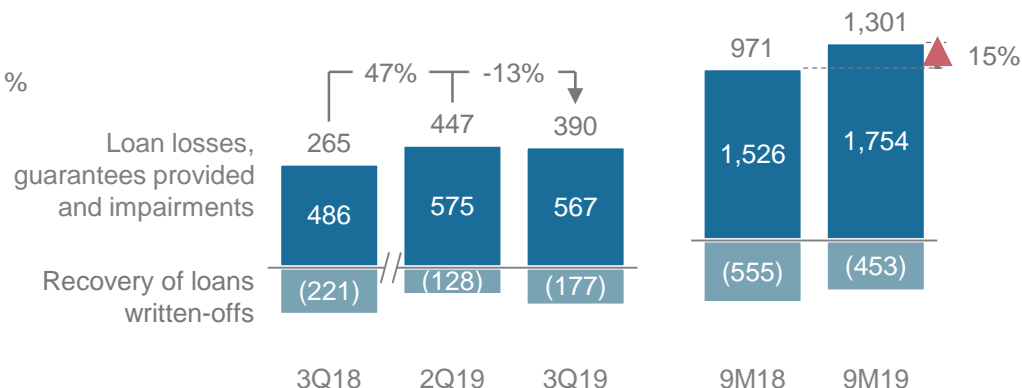
R\$ Million

## NII and Income from Services<sup>1</sup> and Insurance

revenue  
DIVERSIFICATION

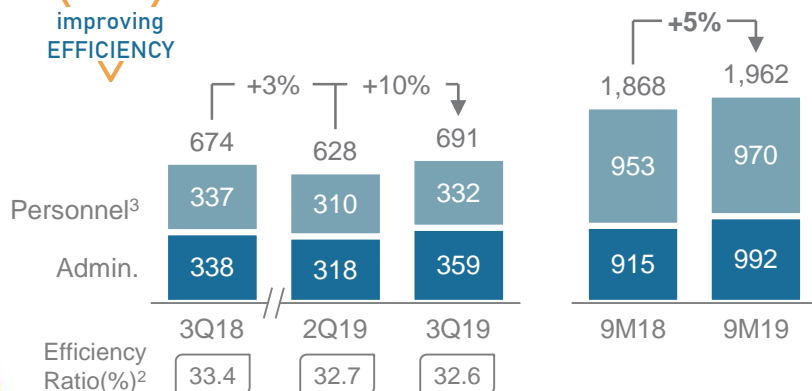


## Result<sup>2</sup> of loan losses



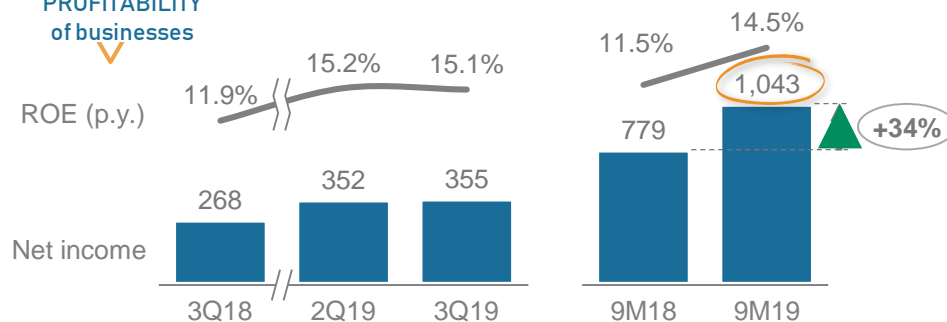
## Personnel and Administrative expenses

improving  
EFFICIENCY



## Net income and ROE

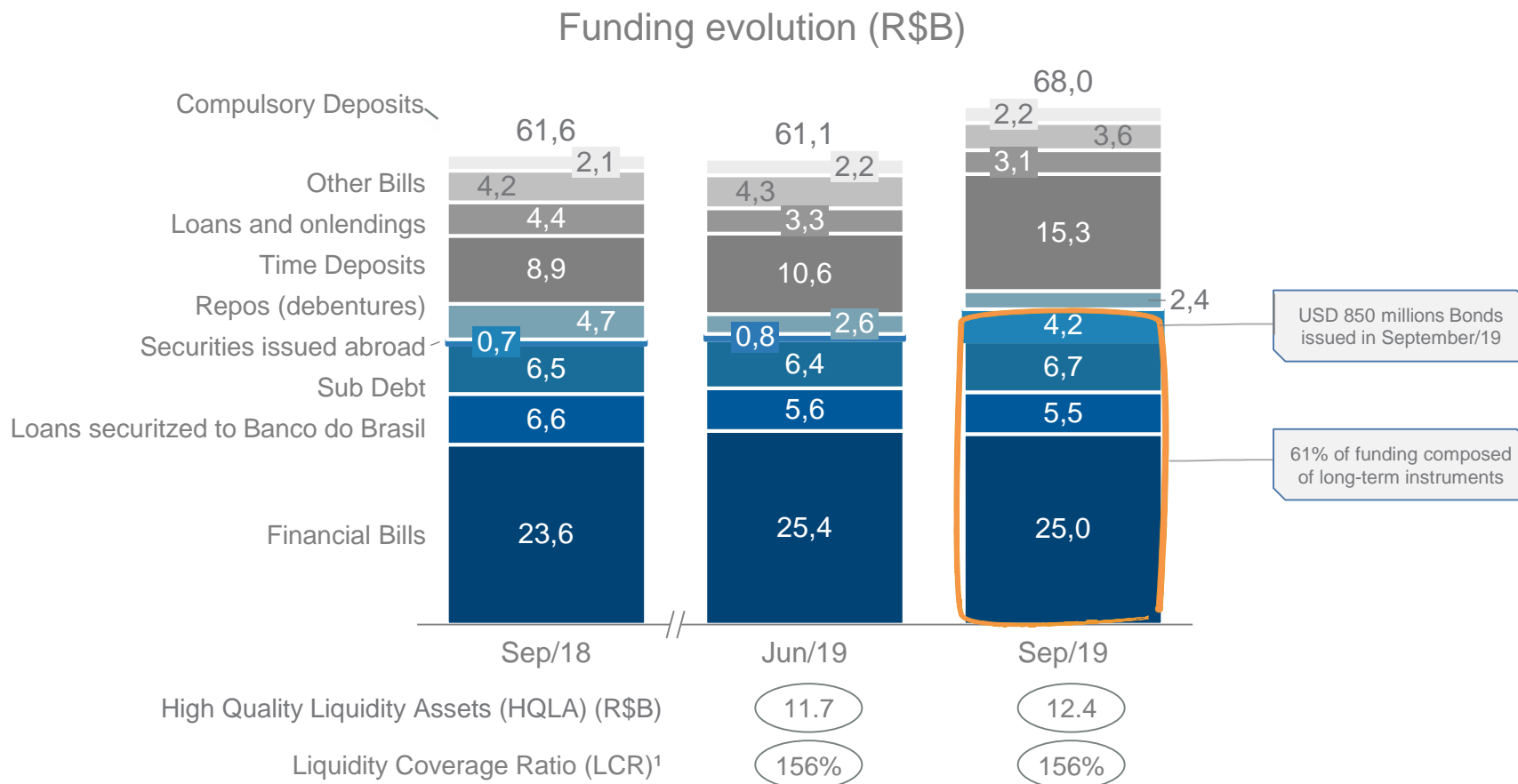
PROFITABILITY  
of businesses



1. Income from services and banking fees; 2. Last 12 months. Excludes expenses with labor lawsuits and profit sharing expenses; 3. Includes profit sharing expenses.

# Funding volume amounted to R\$68.0B in Sep/19

Stable funding instruments accounted for 61% of total funding

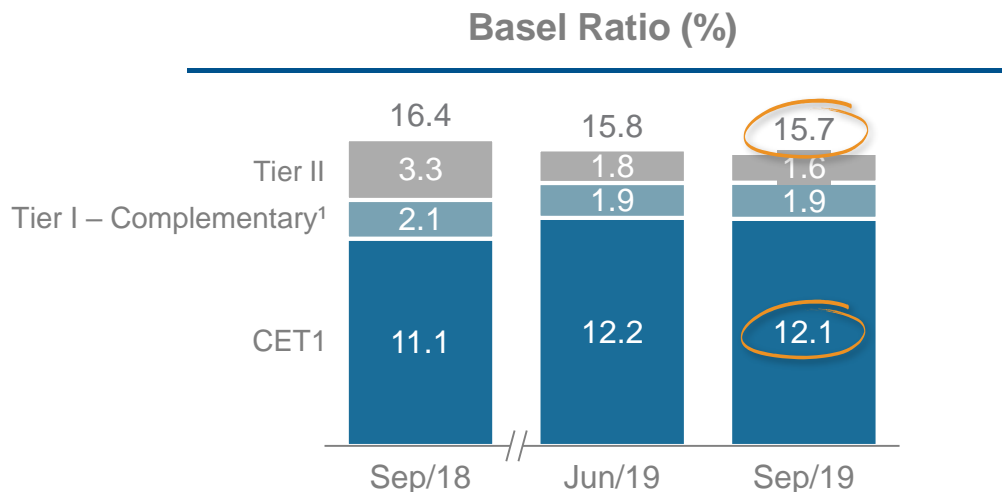


**Additionally, Banco Votorantim has a standby credit facility with BB since 2009, which has never been tapped**

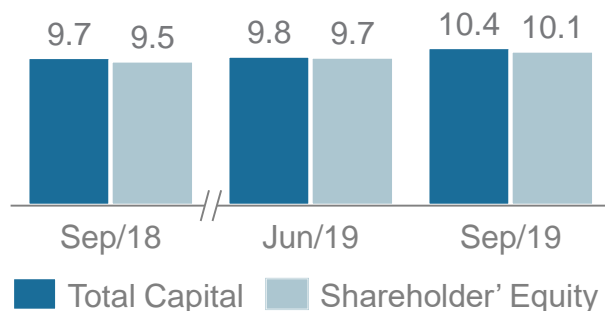
1. Ratio of total high quality liquid assets (HQLA) and the total cash inflows for a 30 days period in a stress scenario, being the minimum regulatory of 90%. Does not consider standby credit facility with Banco do Brasil.

# Basel Ratio of 15.7% in Sep/19

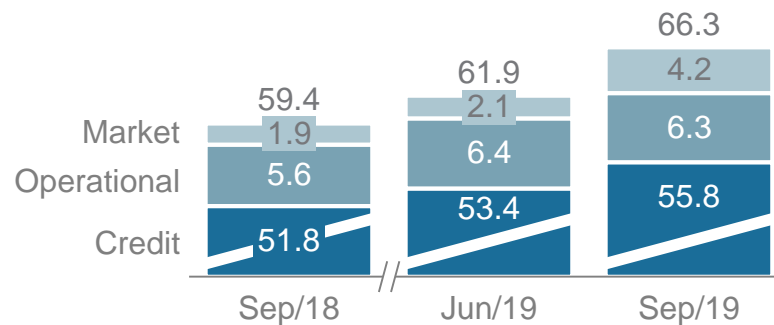
Tier I Capital Ratio of 14.1%, with 12.1% of CET1




## Total Capital and Shareholders' Equity (R\$B)



## Risk-weighted assets – RWA (R\$B)



1. On Nov / 17 the Bank issued USD 300M in perpetual bonds, which were approved in Mar/18 to compose complementary CET1.  
 Note: In 2019, the minimum regulatory capital requirement was 10.5% for the Basel Ratio, 8.50% for Tier I Capital Ratio and 7.00% for CET1

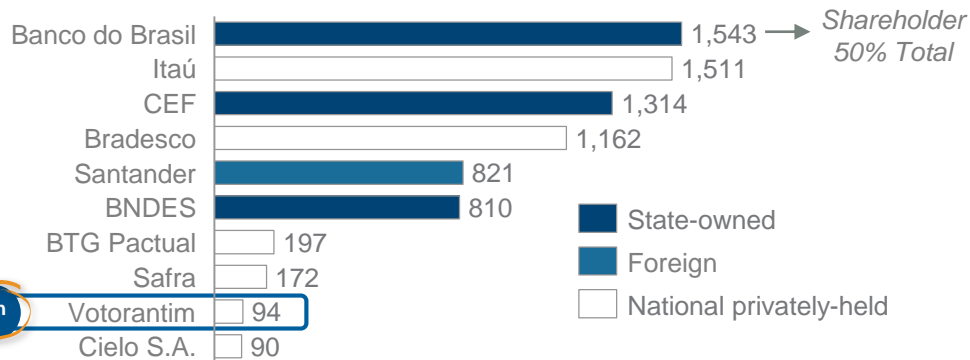
- 
- ▲ Overview
  - ▲ Strategy
  - ▲ Key indicators
  - ▲ Ratings

# Banco Votorantim is one of the leading banks in Brazil

Top 10 in total assets, with strong shareholders and shared governance

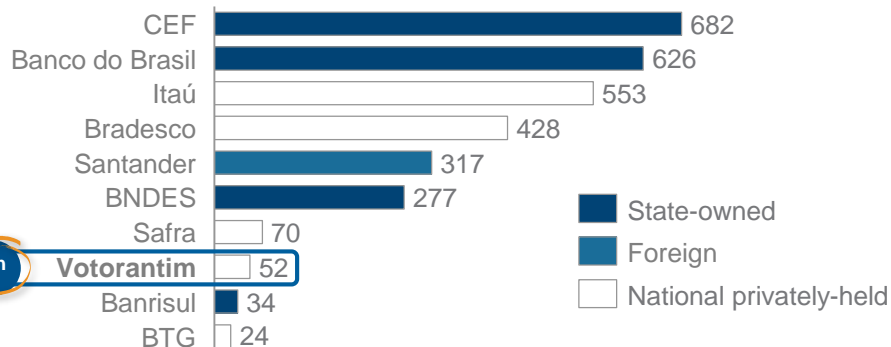
**Banco Votorantim is one of the largest privately-held Brazilian banks in total assets...**

10 largest Banks in Jun/19 - Total Assets (R\$B)



**...and also in terms of loan portfolio**

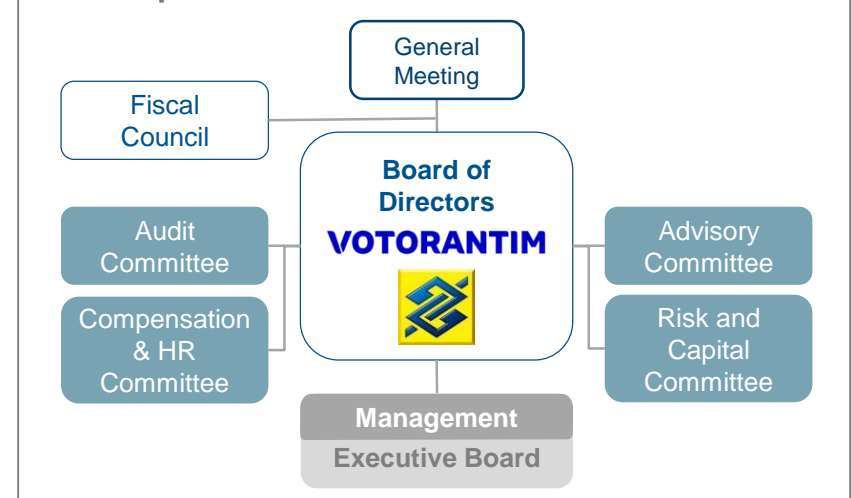
10 largest Banks in Jun/19 - Loan Portfolio<sup>1</sup> (R\$B)



## Ownership Structure

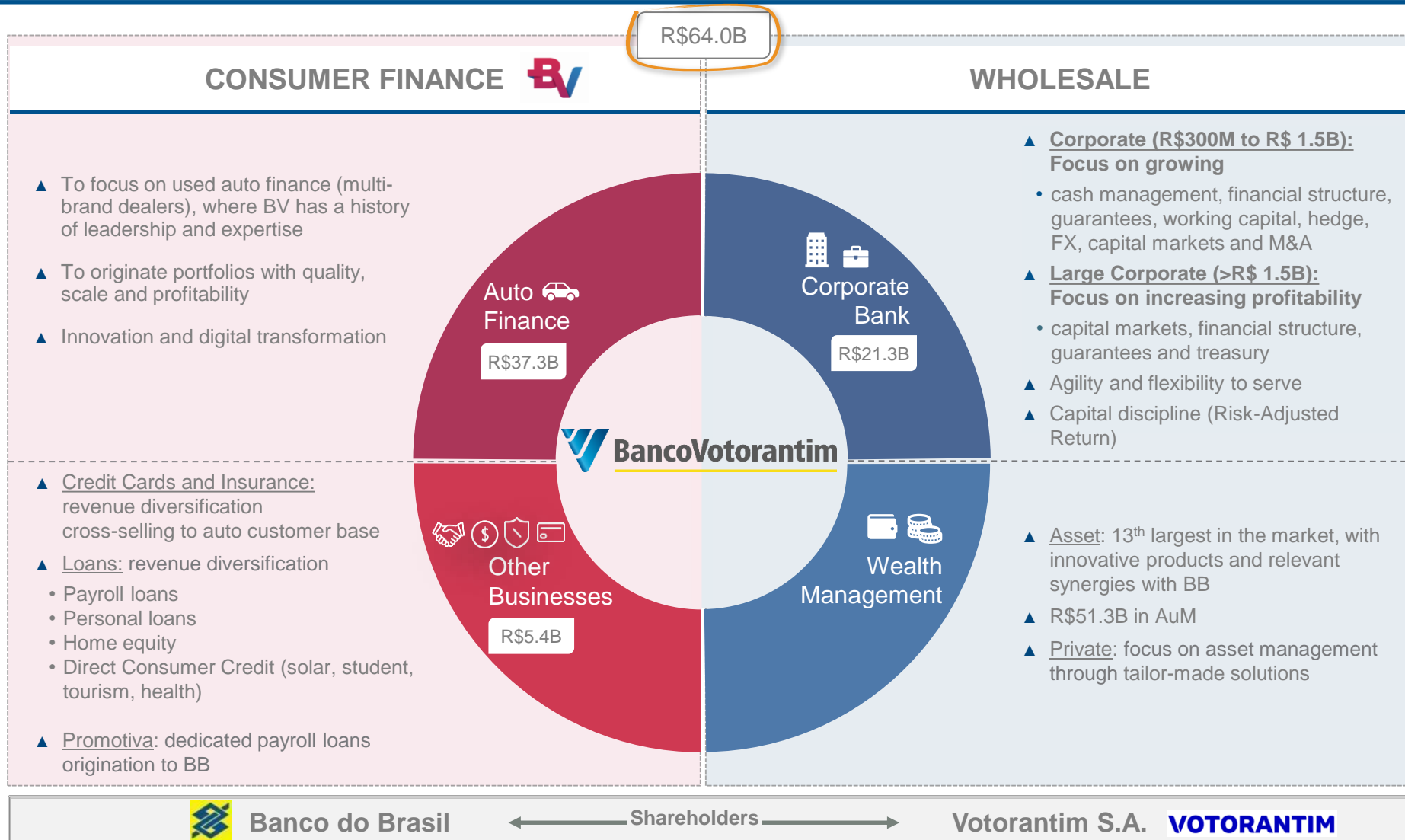


## Corporate Governance Structure



# Diversified business portfolio

Focus on increasing profitability, operational efficiency and diversifying revenues



R\$ B Expanded credit portfolio in Jun/19 (includes guarantees provided by the Bank and private securities)

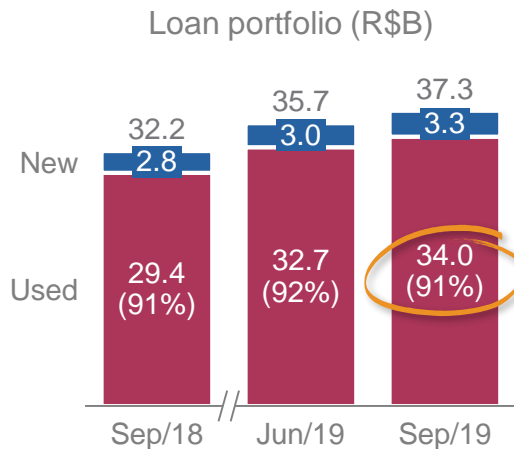




# Consumer Finance: increased focus on used auto finance and selective operation in loans agreements

## Consumer Finance Businesses

### Auto finance

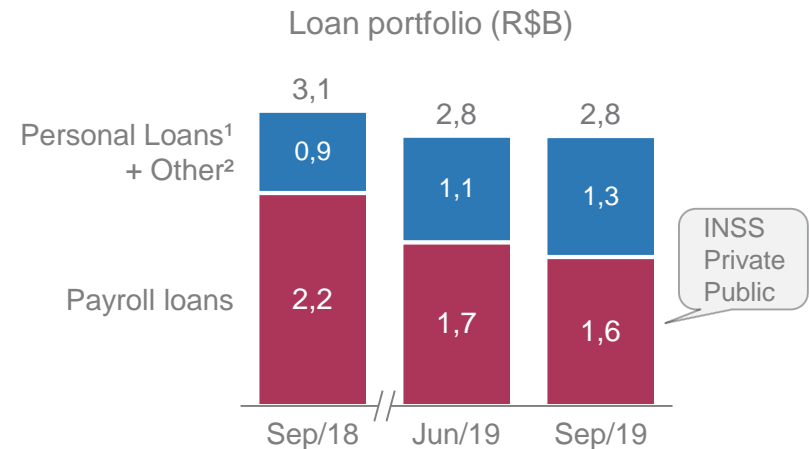


Among market leaders in auto financing, with the following advantages:

- ▲ Capillarity: presence in ~18,000 car dealerships nationwide; 65 own stores; ~ 1,200 banking correspondents; mobile app
- ▲ Agility: 96% of proposals with automatic credit decision
- ▲ Expertise: continuous improvement of management tools
- ▲ Long-term relationship: access to the 1<sup>st</sup> customer proposal
- ▲ Digital transformation: creation of data science and innovation lab (BV Lab)



### Loans and financing



#### Payroll loans

- ▲ Reduction of the exposure of Public and INSS agreements; growth of the Private portfolio through new agreements.

#### Personal loans and other businesses

- ▲ Personal loans
- ▲ Student loans
- ▲ Home equity
- ▲ Solar energy

#### Partnerships focused on diversification

- ▲ Neon, GuiaBolso, Yalo, CVC, Quero Quitar! among others

1. With and without guarantees; 2. Includes home equity, student credit and solar energy.

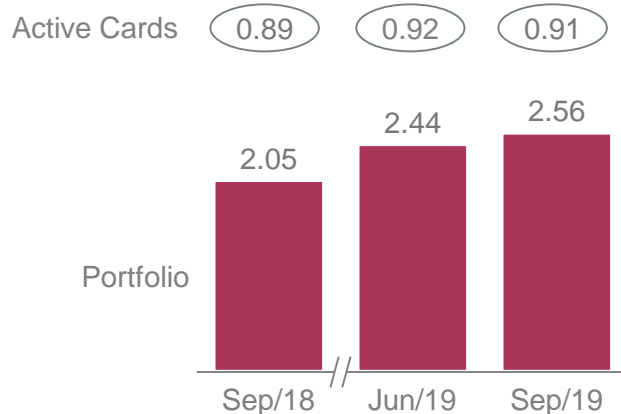


# Credit Cards and Insurance: revenue diversification through cross-selling to auto finance customers

## Consumer Finance Businesses

### Credit Cards

Active cards (million) and Loan Portfolio (R\$B)



Issuance of Elo, Visa and Mastercard credit cards

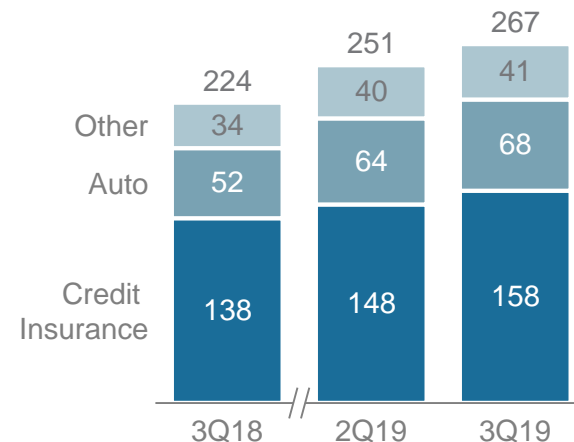
Focus on exploring the current customer base of auto finance...

... and growing organically through new business partnerships (ex.: Netpoints), and investment in new technologies (digital wallet, artificial intelligence, virtual credit card etc.)



### Insurance brokerage

Insurance premiums (R\$M)



Focus on increase brokerage revenues, leveraging the Consumer Finance customer base

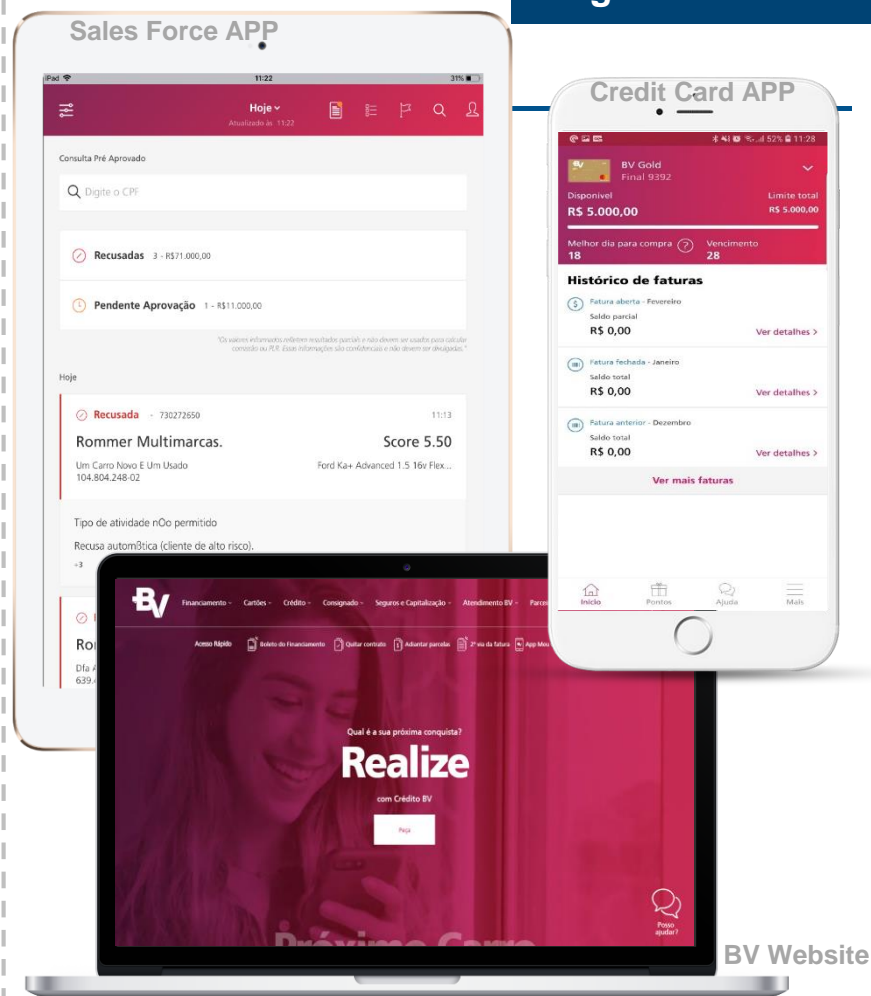
Wide portfolio of insurance and assistance, with more than 15 products:

- ▲ Life
- ▲ Dental
- ▲ Residential
- ▲ Personal accidents, etc.



# Digital Transformation into numbers

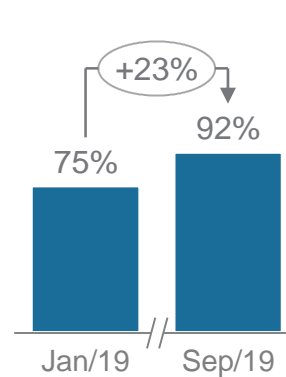
## Digital Transformation on Consumer Finance



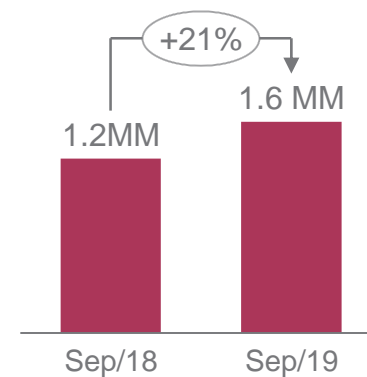
## Improve Customer Experience and Efficiency



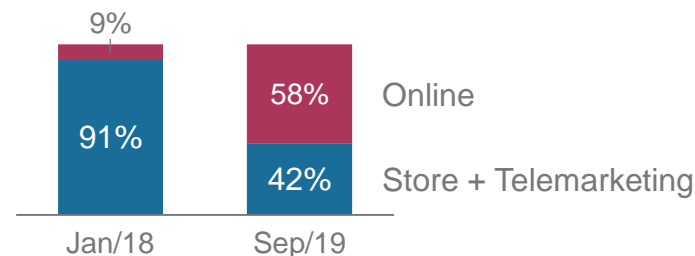
Paperless  
Formalization



Visits to website  
bv.com.br



Online Personal Credit Origination



# Wholesale: focus on growing in the Corporate segment to improve return on capital and diversify credit risk



## Wholesale Business

### Corporate Bank

Wide range of products

Local currency & Cash Management

Foreign currency & FX

Corporate Finance

Derivatives

Capital market & M&A

Funding

### Highlights and strategy

**Large Corporate (> R\$ 1,500M): increase profitability**

- ▲ Focus on capital market operations, financial structuring, guarantees and treasury

**Corporate bank (R\$ 300M to R\$ 1,500M): portfolio growth**

- ▲ Focus on cash management operations, financial structuring, guarantees, working capital, hedge, FX, capital markets and M&A

**Discipline in capital allocation and risk management (RAR<sup>1</sup>)**

**Leverage competitive capabilities**

- ▲ Agility and flexibility to serve clients
- ▲ Sectoral expertise (infrastructure and agribusiness)
- ▲ DCM distribution
- ▲ Officers held accountable for credit

**Improvement of cost-to-income ratio**



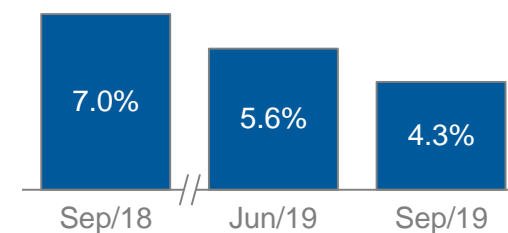
# Wholesale: credit portfolio

## Sectoral concentration<sup>1</sup>

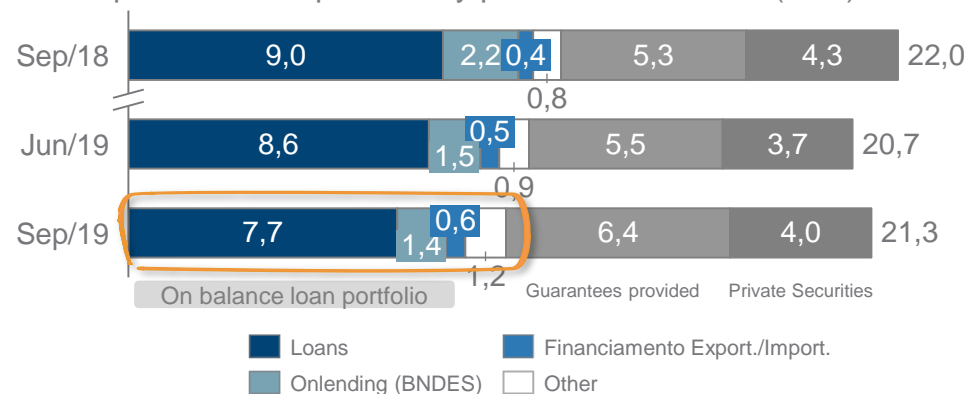
Wholesale Sectorial concentration	Sep/18		Sep/19	
	R\$M	Part.(%)	R\$M	Part.(%)
Telecom	1,532	9.6%	913	5.8%
Sugar and Ethanol	1,576	9.8%	1,341	8.5%
Retail	1,013	6.3%	1,475	9.3%
Financial Institutions	2,321	14.5%	2,589	16.3%
Automotive/Auto parts/Car Dealers	849	5.3%	392	2.5%
Oil & Gas	463	2.9%	687	4.3%
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>

## Loan portfolio

10 major debtors / Total loan portfolio



Expanded credit portfolio by product - Wholesale (R\$B)



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

Note: Does not consider application of Credit Conversion Factor of 50% in transactions relating to some specific guarantees provided

# Financial highlights

## Balance sheet

BALANCE SHEET   Assets (R\$ Million)	Sep.18	Jun.19	Sep.19
<b>CURRENT AND LONG-TERM ASSETS</b>	<b>95,729</b>	<b>91,183</b>	<b>98,827</b>
Cash and cash equivalents	405	306	129
Interbank funds applied	13,815	6,745	7,946
Securities and derivative financial instruments	20,341	23,132	23,175
Derivative financial instruments	4,536	2,896	7,411
Interbank accounts or relations	1,344	868	1,959
Loan Operations, Leases and Others receivables	47,366	50,347	51,285
Allowance for loan losses	(3,635)	(3,906)	(4,081)
Tax credit	6,997	6,405	6,276
Others	4,559	4,391	4,725
<b>NON-CURRENTS</b>	<b>1,527</b>	<b>2,396</b>	<b>2,181</b>
<b>TOTAL ASSETS</b>	<b>97,256</b>	<b>93,579</b>	<b>101,008</b>

BALANCE SHEET   Liabilities (R\$ Million)	Sep.18	Jun.19	Sep.19
<b>CURRENT AND LONG-TERM LIABILITIES</b>	<b>87,717</b>	<b>83,768</b>	<b>90,766</b>
Deposits	10,971	12,709	17,527
Demand and Interbank deposits	2,069	2,151	2,192
Time deposits	8,902	10,558	15,335
Money market borrowings	20,767	17,349	12,773
Acceptances and endorsements	28,452	30,509	32,808
Interbank accounts	1,281	1,575	1,606
Borrowings and onlendings	4,394	3,324	3,142
Derivative financial instruments	4,110	2,506	6,848
Others obligations	17,741	15,795	16,062
Subordinated debts	6,461	6,362	6,674
Credit transactions subject to assignment	6,635	5,575	5,481
Others obligations	4,645	3,858	3,907
<b>DEFERRED INCOME</b>	<b>41</b>	<b>66</b>	<b>96</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>9,498</b>	<b>9,745</b>	<b>10,147</b>
<b>TOTAL LIABILITIES</b>	<b>97,256</b>	<b>93,579</b>	<b>101,008</b>

## Managerial Income Statement

INCOME STATEMENT (R\$ Million)	3Q18	2Q19	3Q19
<b>Net Interest Income - NII</b>	<b>1,326</b>	<b>1,530</b>	<b>1,474</b>
Results of Loan Losses, guarantees provided and impairments	(265)	(447)	(390)
<b>Net financial margin</b>	<b>1,061</b>	<b>1,083</b>	<b>1,084</b>
<b>Other operating income/expenses</b>	<b>(518)</b>	<b>(562)</b>	<b>(562)</b>
Fee income	341	343	336
Personnel and administrative expenses	(674)	(628)	(691)
Tax expenses	(99)	(158)	(97)
Equity in income of subsidiaries	87	87	101
Other operating income/(expenses)	(172)	(205)	(211)
<b>Operating income</b>	<b>543</b>	<b>521</b>	<b>522</b>
<b>Non-operating income (loss)</b>	<b>(2)</b>	<b>(1)</b>	<b>7</b>
<b>Income before taxes</b>	<b>541</b>	<b>521</b>	<b>529</b>
Income tax and social contribution	(273)	(169)	(174)
<b>Net income</b>	<b>268</b>	<b>352</b>	<b>355</b>

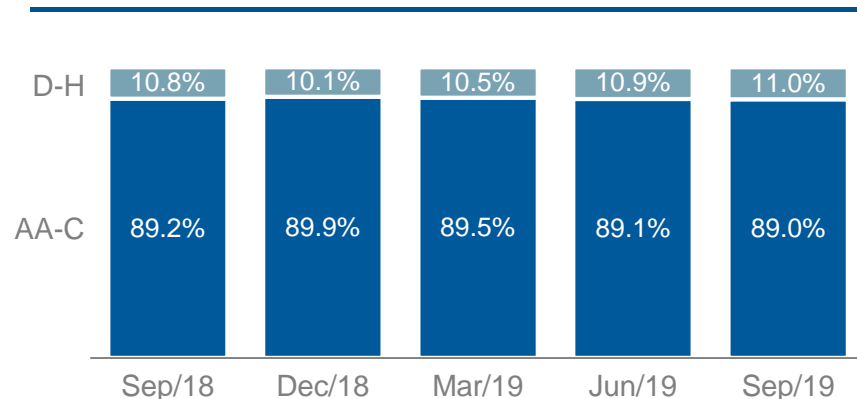
## Key indicators

(%)	3Q18	2Q19	3Q19
Return on Average Equity (ROAE) - exponential	11.9	15.2	15.1
Return on Average Equity (ROAE) - linear	11.4	14.4	14.3
Return on Average Assets (ROAA)	1.1	1.5	1.5
Net Interest Margin <sup>3</sup> (NIM)	6.4	7.6	7.1
Efficiency Ratio - LTM <sup>4</sup>	33.4	32.7	32.7

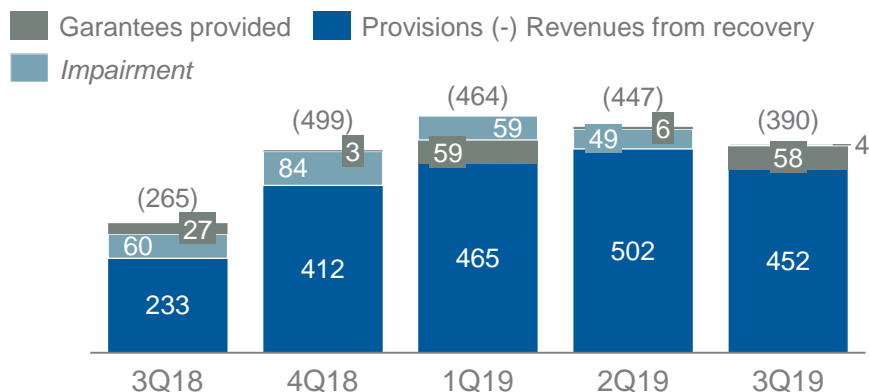
1. Net of revenues from recovery of written-off loans. Includes guarantees provided and impairments; 2. Includes profit sharing expenses; 3. Ratio between net interest income and average interest-earning assets of the period. This ratio is annualized; 4. ER = administrative and personnel expenses / (net interest income+ fee income/ banking fees income + equity in income from subsidiaries + other operational income and expenses);

# Credit quality indicators

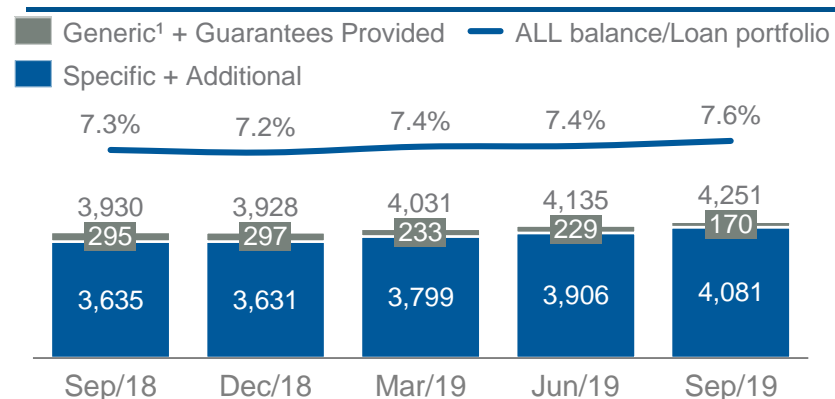
## Loan portfolio rated by risk level (%)



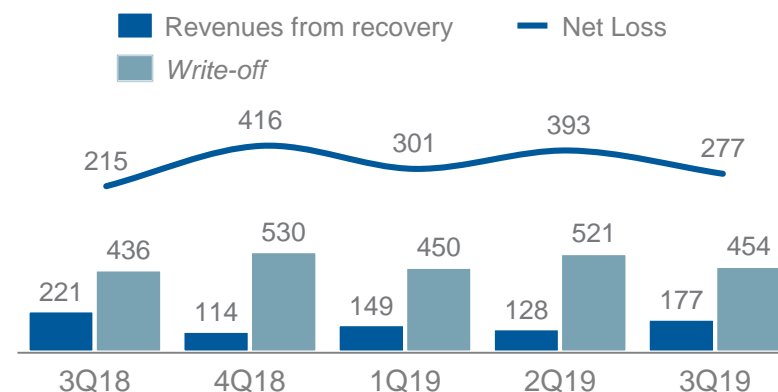
## Result of loan losses, guarantees and impairments (R\$M)



## Allowance for loan losses balance (R\$M)



## Net Loss<sup>2</sup> (R\$M)

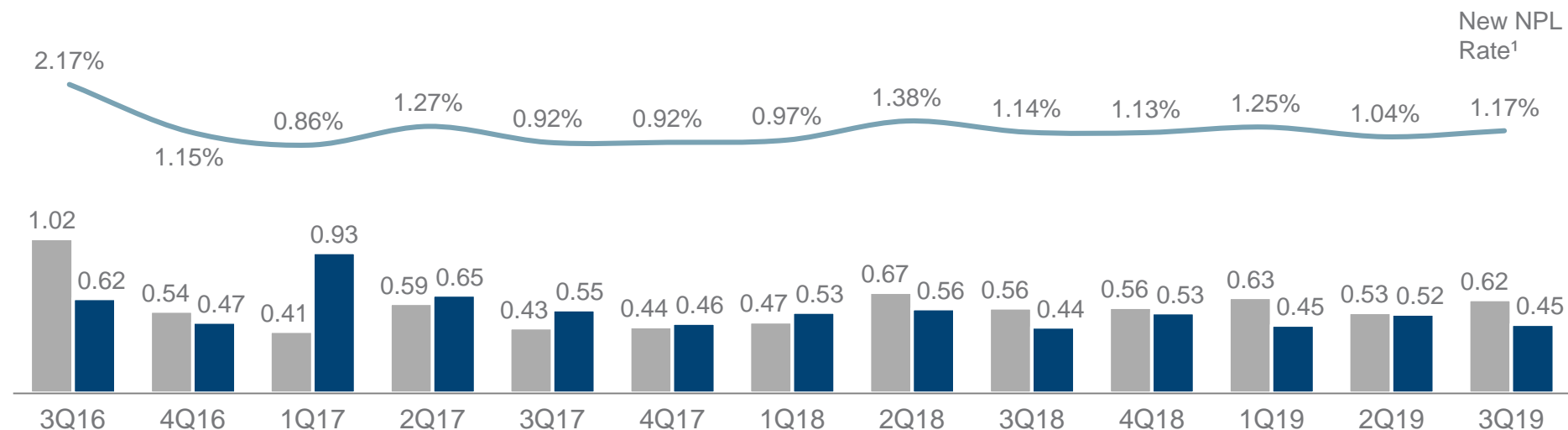


1. Considers credit provisions recognized as Liabilities in the "Other" line (see Note #18d of Financial Statements); 2. Net loss = loans written-off to losses in the quarter + revenues from credit recovery.

## New NPL rate

NEW NPL (R\$ Million)	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19
Managed Loan Portfolio (A)	47,031	47,620	46,931	46,828	47,608	48,679	48,185	49,170	49,771	50,478	51,199	52,480	53,519
90-day NPL Balance	2,567	2,638	2,120	2,068	1,947	1,925	1,861	1,969	2,095	2,128	2,310	2,320	2,483
90-day NPL Quarterly Variation (B)	393	71	(518)	(53)	(120)	(22)	(64)	108	126	34	181	11	162
Write-off (C)	624	469	926	646	549	461	534	557	436	531	449	521	454
New NPL (D=B+C)	1,017	540	408	594	429	439	470	665	562	565	630	532	616
New NPL Rate <sup>1</sup> (D/A)	2.17%	1.15%	0.86%	1.27%	0.92%	0.92%	0.97%	1.38%	1.14%	1.13%	1.25%	1.04%	1.17%

■ New NPL (R\$B) ■ Write-off (R\$B)



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



## Banco Votorantim's main ratings

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