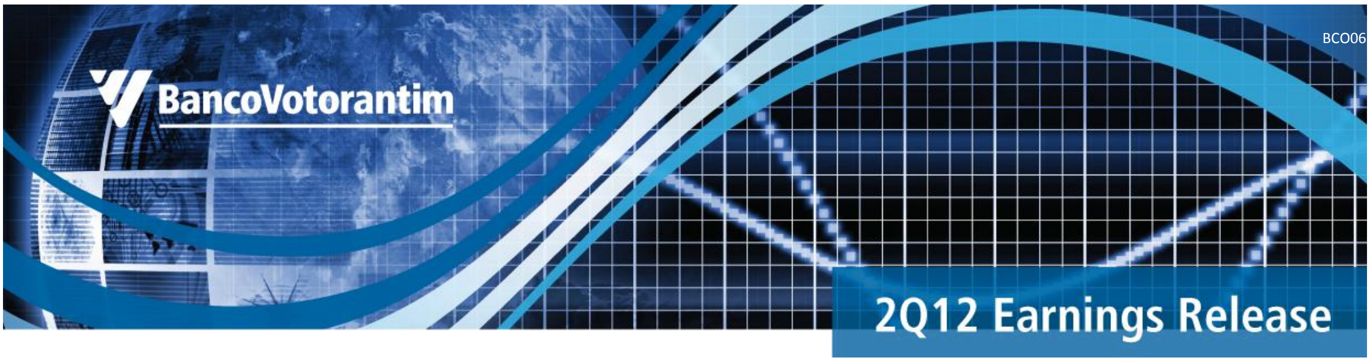


São Paulo, August 14, 2012. Banco Votorantim S.A. ("BV") is announcing its results for the second quarter and first half of 2012. All financial information herein, except where indicated otherwise, is presented in nominal Brazilian Reais, based on consolidated numbers, and in accordance with the Brazilian GAAP (BRGAAP) accounting standards and the Brazilian Corporate Law.

Message from the CEO

Since 2011, economic-regulatory shifts and the worsening of the international crisis have changed the Brazilian banking scenario. At the same time, a systemic increase of delinquency concerning Individuals was recorded, imposing challenges mainly to financial institutions more focused on consumer finance, such as Banco Votorantim.

In the auto finance market, in which Banco Votorantim has a strong presence, delinquency doubled last year (2.5% in Dec.10; 5.0% in Dec.11) and reached 6.0% in June.12.

In addition, Bacen Resolution 3,533 came into effect on Jan.12, changing the accounting method of credit assignments with recourse. This regulatory change had an impact on the securitization market and on the results of the banks that operate in it.

In this context, Banco Votorantim continued to advance in its prudential adjustment process, started in 4Q11, moving forward on the strategic initiatives from its Change Agenda. After a period of strong growth, the current focus is on increasing the return on capital of all business lines in the medium-term.

As we anticipated in the last "Message from the CEO", Banco Votorantim had its 2Q12 results impacted by four main factors – all related to Consumer Finance:

- Delinquency: expenses with credit provisions in Consumer Finance amounted to R$ 1,331M in 2Q12 (R$ 1,357M in 1Q12), still impacted by delinquency above the historical average of the auto finance portfolios originated by BV Financeira between Jul.10 and Sept.11;
- Resolution 3,533/Bacen: in view of this regulatory change, it was decided not to perform credit assignments with recourse in 1H12, impacting Consumer Finance revenues;
- Reduced production: reduction of 55% in the monthly average volume originated by Consumer Finance in 1H12 (R$ 1.2B per month) vs. 2011 (R$ 2.5B per month), in order to guarantee the quality of the new financings; and
- Increase of Coverage Ratio: the coverage ratio of Consumer Finance's managed loan portfolio, which includes assets assigned with recourse, was increased to 100% in June.12 (94% in Mar.12).

Even when faced with these factors, consolidated results exhibited a slight improvement in comparison to the previous quarter (R$-536M in 2Q12; R$-597M in 1Q12), mainly because of the reduction of R$ 42M in expenses with credit provisions (R$ 1,449M in 2Q12; R$ 1.491M in 1Q12). It is worth emphasizing that even with this reduction in expenses with credit provisions, which should occur once again in 2H12, there was an increase in the coverage ratio of the consolidated managed loan portfolio, which reached 108% in June.12 (102% in Mar.12).

It is worth emphasizing two additional points related to results:

- The Wholesale bank businesses (Corporate & Investment Banking, Middle Market, Asset Management, Private Bank and Treasury) recorded a good performance once more in 2Q12, with consistent generation of revenues and delinquency under control; and
- Personnel and administrative expenses amounted to R$ 1,213M in 1H12, down 6.1% over 2H11 due to actions that resulted in the structural reduction of the organization's cost base. In 2Q12, however, there was an increase of R$ 19M (or 3.1%) over the previous quarter (R$ 616M in 2Q12; R$ 597M in 1Q12), resulting from non-recurring expenses associated with the restructuring in progress and from the increase with credit collection expenses in Consumer Finance.

In this context of results, Banco Votorantim has significantly strengthened the quality of its credit risk profile:

- Liquidity: the cash level continues prudentially high, complemented by a credit facility of approximately R$ 7B at Banco do Brasil (BB), which has never been used;

- Funding: after extending the average funding tenor in 2010/11, with significant reduction of the maturity mismatch between assets and liabilities, the greater focus on return on capital (vs. growth) substantially reduced the need for additional funding;
- Coverage ratio for loans: maintenance of the Wholesale coverage ratio at conservative levels and increase of the coverage ratio of Consumer Finance's managed loan portfolio to 100% in June.12 (94% in Mar.12); and
- Capital: the Basel index closed June.12 at 15.5%, 250 base points over Mar.12, benefiting from the capital investment of R$ 2B made in June.12. With this measure, Banco do Brasil and Votorantim Finanças maintain the capitalization of Banco Votorantim at appropriate levels, as provided in the Shareholders' Agreement.

To resume growth with profitability, Banco Votorantim continued progressing in 2Q12 in the implementation of a series of strategic initiatives in its Change Agenda, with special emphasis on:

- Auto finance operating model: intensification of the focus on multi-brand dealers for origination to Banco Votorantim´s loan portfolio. In 2Q12, the multi-brand dealer channel represented 83% of light vehicle financing originated by BV Financeira (67% in 2Q11). It is worth emphasizing that BV Financeira closed June.12 as leader in the financing of used vehicles, with a market share of 18.3%;
- Credit: new improvements of Consumer Finance policies, processes and models. After the significant progress in risk levels of credits originated in 4Q11, 1H12 productions maintained the track record of good quality. This fact is evidenced by the behavior of the leading indicator of "late payment of the 1st installment" of vehicle production, which is strongly correlated with delinquency over 90 days;
- Credit Collection: review of Consumer Finance processes, targeting delinquency reduction and the recovery and/or minimization of losses. In 2Q12, for example, a new policy was implemented for the settlement of overdue auto finance based on the restated value of the asset vs. amount of debt;
- Incentives: adjustment of commissions paid to the distribution channels (multi-brand dealers, new car dealers and banking correspondents);
- Efficiency: adaptation of the organizational structures to the new production threshold of Consumer Finance;
- Talents reinforcement: aggregation of experienced market professionals to management team; and
- Operations: continuity of the work of the Operational Review Committee (CRO), formed by representatives of the shareholders, which has worked with teams from BV Financeira in the refinement of internal controls and implementation of operational improvements.

The progress in the Change Agenda creates the conditions for Banco Votorantim to resume growth with profitability over the medium-term. However, as informed previously, the short-term results will continue impacted by the same four factors mentioned previously – Delinquency, Resolution 3,533/Bacen, reduction of auto finance origination and increase in the coverage ratio – all related to Consumer Finance.

The strategies and initiatives adopted, whose effects are evident both in maintaining the good performance of Wholesale, and in the generation of good, new businesses with profitability in Consumer Finance, will allow Banco Votorantim to resume its path of sustainable growth with profitability in the medium-term.

This prudential adjustment process relies on full support from the shareholders, committed to maintaining the capital structure at adequate levels, as set out in the Shareholders' Agreement. The shareholders' commitment extends to the preparation of Banco Votorantim to the new regulatory context of Basel III.

Corporate Strategy

Banco Votorantim has a diversified business portfolio, internally classified into Wholesale and Consumer Finance.

Wholesale is constituted of three major businesses with well-established strategic objectives, as follows:

- **Corporate & Investment Banking (CIB):** to be one of the main partner banks for its clients focused on long-term relationships. CIB seeks to offer integrated financial credit solutions, structured products and investment bank services, always adapted to the needs of its clients. CIB is one of the market leaders in lending to large companies and has increasing its relevance for the clients by strengthening its platform of high value-added products - structured products, derivatives (hedging), investment banking services (ECM, DCM and M&A) and local and international distribution.

- **Middle Market (medium sized companies):** continue to grow with quality in the appealing and growing segment of medium sized companies, with gains of scale, efficiency and profitability. Middle Market focuses on relationship and operational agility to better serve its clients. Additionally, it seeks to expand its offer of products and services, also leveraging the value-added product platform of the CIB segment.

- **Wealth Management (VWM&S):** modern organizational model, developed with the objective of gaining agility, efficiency and greater competitiveness in the two different and dynamic markets in which it operates:

  - Asset Management (VAM): to be recognized for its innovative and differentiated ability to structure and manage high value-added products, occupying a leading position inside its peer group (Assets without consumer finance structure). VAM strives to achieve these aspirations by acting as one of the best asset managers, delivering solutions tailored to the needs of clients, developed with innovation and quality. Additionally, VAM plans to expand the partnership with BB, leveraging its capacity for development and distribution of structured products.
  - Private Bank: rank among the top five in the Private Bank market and be recognized as one of the best wealth managers in Brazil, establishing close and long-lasting relationships by means of differentiated solutions in the domestic and international markets, tailored to client profiles.

In Consumer Finance, Banco Votorantim is one of the market leaders, focused on the auto finance industry and important positions in supplementary businesses. The strategic objectives of the Consumer Finance businesses include:

- **Auto Finance:** to remain among the key players in auto finance through BV Financeira, which operates as an extension of BB in auto finance outside the branch network. For origination to BV's own loan portfolio, BV Financeira concentrates on multi-brand dealers (used vehicles), in which it has a history of leadership and recognized expertise. For origination to BB's loan portfolio, in turn, BV Financeira and BB have progressed together in the structuring of a model of assignment without recourse ("BV Financeira Originadora"), focused on new car dealers.

- **Other businesses:** increase profitability in individual loans, focusing on National Institute of Social Security (INSS) payroll loans, which present a better risk profile. In addition, Consumer Finance plans to continue growing organically in credit cards and to boost insurance brokerage revenues (e.g.: auto insurance and money lending).

Over the next few years, Banco Votorantim's business portfolio should reach full maturity, with the strengthening of Corporate & Investment Banking, the expansion of Middle Market, the continuous growth of Wealth Management (VWM&S) and the transition to a new consumer finance model, always deepening the partnership with BB.

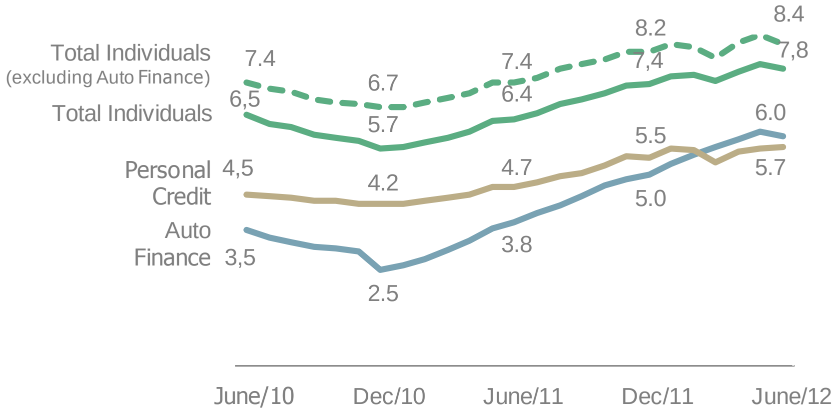
Economic Environment and Banking Sector

1H12 period was marked by the instability in the global financial market, derived from the European sovereign and banking crisis. Brazil continues to be highly assessed by the rest of the world, as attested by the positive foreign exchange flow of the period, of US$ 22.9 billion, which helped international reserves to set a new record high of US$ 373.9 billion. However, the country did not escape unscathed from this turbulence and some of its indicators became weaker. The second wave of the global crisis of 2008/09 affected the Brazilian economy through two main channels: (i) that of international trade, with the reduction of 45.4% in the trade surplus over the same period last year; and (ii) that of confidence of local entrepreneurs, so that investments in expansion of productive capacity were significantly reduced.

Even with the several stimulant measures to reanimate the economy, unemployment at historical minimum levels and expanding income, the increase in family indebtedness and the consequent impairment of income with these debts prevented a more pronounced reaction from consumers.

At the same time, and still reflecting the changes in the economic and regulatory context as of 2010/11, which has been affecting Brazilian economic activity since then, the delinquency of individuals continued to expand and reached 7.8% in June.12 (7.4% in Dec.11). This growth was boosted by the market delinquency of the auto finance segment, niche in which Banco Votorantim operates, which reached 6.0% in June.12 (5.0% in Dec.11) and rose at a faster pace than the other categories of loans for individuals.

Individuals: Operations past-due by over 90 days(%) - Bacen



The volume of credit concession for auto finance operations by individuals reached the monthly average of R$ 7.5 billion in 1H12, down 11.7% from the monthly average of 2011 (R$ 8.5 billion), when the macroprudential credit restriction measures were still in force.

It is estimated that economic activity will accelerate in 2H12, reflecting the significant reduction of the basic interest rate of the economy promoted in recent months and the tax reliefs already introduced by the government, besides the impetus that should be given in public investment, in order to create conditions for the gradual reduction of delinquency levels.

Key Information

The tables below highlight the evolution of the main information on Banco Votorantim:

	2Q11	1Q12	2Q12	1H11	1H12	Variation 2Q12/1Q12	Variation 1H12/1H11
RESULTS (R$ Million)							
Gross financial margin[1] (a)	1,463	1,171	1,150	3,016	2,321	-1.8%	-23.1%
Allowance for loan losses - ALL (b)	(893)	(1,491)	(1,449)	(1,354)	(2,940)	-2.8%	117.2%
Net income from financial intermediation (a - b)	570	(320)	(299)	1,663	(619)	-6.6%	-137.2%
Fee income/ Banking fees income	328	243	249	627	492	2.5%	-21.5%
Administrative and personnel expenses	(564)	(597)	(616)	(1,112)	(1,213)	3.1%	9.1%
Operating income (Loss)	134	(901)	(883)	786	(1,784)	-1.9%	-327.1%
Net income (Loss)	156	(597)	(536)	541	(1,132)	-10.2%	-309.4%
MANAGEMENT INDICATORS (%)							
Return on Average Equity[2] (ROAE)	7.4	(27.2)	(23.1)	13.0	(25.4)	417 bps	-3,839 bps
Return on Average Assets[3] (ROAA)	0.5	(2.1)	(1.9)	1.0	(2.0)	22 bps	-295 bps
Net Interest Margin[4] (NIM)	5.5	4.5	4.4	5.7	4.4	-6 bps	-131 bps
Efficiency Ratio (ER) - accumulated basis of 12 months[5]	36.2	43.4	48.1	36.2	48.1	467 bps	1,189 bps
Basel Index	13.9	13.0	15.5	13.9	15.5	246 bps	165 bps
MACROECONOMIC INDICATORS[6]							
CDI - in the period (%)	2.8	2.5	2.1	5.5	4.6	-36 bps	-88 bps
Selic rate - end of the period benchmark (annual %)	12.3	9.8	8.5	12.3	8.5	-125 bps	-375 bps
IPCA - in the period (%)	1.4	1.2	1.1	3.9	2.3	-14 bps	-155 bps
Dollar exchange rate - end of the period (R$)	1.56	1.82	2.02	1.56	2.02	11.0%	29.5%
EMBI Brazil Risk	147	176	213	147	213	21.0%	44.9%

	June.11	Mar.12	June.12	Variation June12/Mar12	Variation June12/June11
BALANCE SHEET (R$ Million)					
Total assets	119,190	113,495	113,610	0.1%	-4.7%
Loan portfolio	61,213	58,795	58,809	0.0%	-3.9%
Wholesale segment	20,443	20,334	20,484	0.7%	0.2%
Consumer Finance segment	40,769	38,462	38,325	-0.4%	-6.0%
Guarantees provided	10,598	12,252	12,634	3.1%	19.2%
Credit assignments with recourse	12,943	13,638	12,031	-11.8%	-7.0%
FIDCs[7]	2,926	4,342	3,345	-23.0%	14.3%
Funding sources	81,145	86,610	80,984	-6.5%	-0.2%
Shareholders' equity	8,706	7,566	9,304	23.0%	6.9%
Capital (Basel Index)	12,592	11,282	13,624	20.8%	8.2%
LOAN PORTFOLIO QUALITY INDICATORS[8] (%)					
90-day NPL[9]/ Loan portfolio	2.7%	5.8%	6.3%	55 bps	365 bps
Allowance for loan losses / 90-day NPL[9]	108.2%	102.0%	108.1%	617 bps	-6 bps
Allowance for loan losses / Loan portfolio	2.9%	5.9%	6.9%	95 bps	395 bps
OTHER INFORMATION					
AuM (R$ Million)	37,839	44,649	43,203	-3.2%	14.2%

1 Net income from financial intermediation before allowance for loan losses (ALL);
2. Ratio between net income and average equity of the period. This ratio is annualized;
3. Ratio between net income and average assets of the period. This ratio is annualized;
4. Ratio between net income from financial intermediation and average interest earning assets of the period. This ratio is annualized;
5. ER = administrative and personnel expenses / (gross financial margin + fee income/ banking fees income + other operational income and expenses + fiscal hedge adjustment);
6. Source: Cetip; Bacen; IBGE;
7. Investment funds in credit rights in which Banco Votorantim holds 100% of subordinated quotas;
8. Includes credit assignments and FIDCs;
9. According to Resolution 2,682/Bacen.

Managerial Income Statement

As of 2Q12, with the objective of allowing better analysis and comparability of Banco Votorantim's results, the explanations of the result will be based on the Managerial Income Statement, which considers reclassifications made in the audited income statement. Basically, these managerial adjustments refer to:

- Foreign exchange variations of overseas investments, which are recorded in Other Operating Income (Expenses) and were reallocated to Derivative Financial Instruments, as well as the fiscal and tax effects of the hedging strategy of 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; and
- Expenses with credit provisions referring to the portfolios assigned with recourse and Revenues from recovery of loans written off as loss, both recorded in Loans and reallocated to Allowance for Loan Losses.

The management strategy of the foreign exchange risk of capital invested abroad is intended to disallow effects resulting from foreign exchange variation on income. For this purpose, foreign exchange risk is neutralized and investments are remunerated in Reais, using derivative financial instruments. It is emphasized that the Brazilian real depreciated 11.0% in 2Q12 against the US dollar, in comparison to appreciation of 3.0% in the previous quarter.

Reconciliation between Audited Net Income and the Managerial Net Income – 1Q12 and 2Q12

INCOME STATEMENT (R$ Million)	Audited 1Q12	Adjustments	Managerial 1Q12	Audited 2Q12	Adjustments	Managerial 2Q12
Income from Financial Intermediation	**3,478**	**(130)**	**3,349**	**3,872**	**125**	**3,997**
Loans	2,298	(96)	2,202	2,522	11	2,533
Leases	109	-	109	102	-	102
Securities	1,263	-	1,263	1,204	-	1,204
Derivative Financial Instruments	(311)	(34)	(345)	(129)	114	(15)
Foreign Exchange Operations	-	-	-	106	-	106
Compulsory Deposits	119	-	119	66	-	66
Sale or transfer operation from financial assets	-	-	-	1	-	1
Expenses from Financial Intermediation	**(2,178)**	**-**	**(2,178)**	**(2,847)**	**-**	**(2,847)**
Money Market Borrowings	(2,118)	-	(2,118)	(2,399)	-	(2,399)
Borrowings and Onlendings	(42)	-	(42)	(448)	-	(448)
Foreign Exchange Operations	(19)	-	(19)	-	-	-
Gross Financial Margin	**1,300**	**(130)**	**1,171**	**1,025**	**125**	**1,150**
Allowance for Loan Losses	(1,587)	96	(1,491)	(1,438)	(11)	(1,449)
Net Income from Financial Intermediation	**(287)**	**(34)**	**(320)**	**(413)**	**114**	**(299)**
Other Operating Income / Expenses	**(597)**	**16**	**(580)**	**(511)**	**(73)**	**(584)**
Fee Income/ Banking Fees Income	243	-	243	249	-	249
Administrative and Personnel Expenses	(597)	-	(597)	(616)	-	(616)
Tax Expenses	(116)	2	(114)	(106)	(5)	(111)
Equity in Income of Associated Companies and Subsidiaries	14	-	14	16	-	16
Other Operational (Expenses) Income	(140)	14	(126)	(55)	(68)	(123)
Operating Income (Loss)	**(883)**	**(17)**	**(901)**	**(924)**	**41**	**(883)**
Non-Operating Income (Loss)	**(29)**	**-**	**(29)**	**(44)**	**-**	**(44)**
Income (Loss) before Taxation and Profit Sharing	**(912)**	**(17)**	**(929)**	**(968)**	**41**	**(927)**
Provision for Income Tax and Social Contribution	430	17	447	525	(41)	484
Profit Sharing	(114)	-	(114)	(93)	-	(93)
Net Income (Loss)	**(597)**	**-**	**(597)**	**(536)**	**-**	**(536)**

Reconciliation of Audited Net Income and Managerial Net Income - 1H11 and 1H12

INCOME STATEMENT (R$ Million)	Audited 1H11	Adjustments	Managerial 1H11	Audited 1H12	Adjustments	Managerial 1H12
Income from Financial Intermediation	**6,797**	**0**	**6,797**	**7,350**	**(5)**	**7,346**
Loans	4,960	85	5,045	4,820	(85)	4,735
Leases	281	-	281	212	-	212
Securities	2,309	-	2,309	2,467	-	2,467
Derivative Financial Instruments	(1,094)	(85)	(1,180)	(440)	80	(359)
Foreign Exchange Operations	15	-	15	106	-	106
Compulsory Deposits	327	-	327	185	-	185
Sale or transfer operation from financial assets	-	-	-	1	-	1
Expenses from Financial Intermediation	**(3,781)**	**-**	**(3,781)**	**(5,025)**	**-**	**(5,025)**
Money Market Borrowings	(3,794)	-	(3,794)	(4,517)	-	(4,517)
Borrowings and Onlendings	13	-	13	(489)	-	(489)
Foreign Exchange Operations	-	-	-	(19)	-	(19)
Gross Financial Margin	**3,016**	**0**	**3,016**	**2,325**	**(5)**	**2,321**
Allowance for Loan Losses	(1,268)	(85)	(1,354)	(3,025)	85	(2,940)
Net Income from Financial Intermediation	**1,748**	**(85)**	**1,663**	**(700)**	**80**	**(619)**
Other Operating Income / Expenses	**(923)**	**46**	**(877)**	**(1,108)**	**(57)**	**(1,165)**
Fee Income/ Banking Fees Income	627	-	627	492	-	492
Administrative and Personnel Expenses	(1,112)	-	(1,112)	(1,213)	-	(1,213)
Tax Expenses	(330)	5	(326)	(222)	(3)	(225)
Equity in Income of Associated Companies and Subsidiaries	(0)	-	(0)	30	-	30
Other Operational (Expenses) Income	(108)	42	(67)	(195)	(54)	(249)
Operating Income Loss)	**825**	**(39)**	**786**	**(1,808)**	**24**	**(1,784)**
Non-Operating Income (Loss)	**17**	**-**	**17**	**(72)**	**-**	**(72)**
Income (Loss) before Taxation and Profit Sharing	**842**	**(39)**	**803**	**(1,880)**	**24**	**(1,856)**
Provision for Income Tax and Social Contribution	(111)	39	(72)	955	(24)	931
Profit Sharing	(190)	-	(190)	(207)	-	(207)
Net Income (Loss)	**541**	**0**	**541**	**(1,132)**	**0**	**(1,132)**

Analysis of Managerial Result

Gross Financial Margin

Gross financial margin totaled R$ 1,150 million in 2Q12, down 1.8% over the previous quarter.

Income from financial intermediation amounted to R$ 3,997 million in 2Q12, an increase of 19.4% in comparison to 1Q12, driven mainly by the positive variations in revenues from loans (+R$ 331 million) and in derivative financial instruments (+R$ 330 million).

GROSS FINANCIAL MARGIN (R$ Million)	2Q11	1Q12	2Q12	1H11	1H12	Variation (%) 2Q12/1Q12	Variation (%) 1H12/1H11
Income from Financial Intermediation	**3,458**	**3,349**	**3,997**	**6,797**	**7,346**	**19.4**	**8.1**
Loans	2,588	2,202	2,533	5,045	4,735	15.0	(6.1)
Leases	130	109	102	281	212	(6.5)	(24.6)
Securities	1,284	1,263	1,204	2,309	2,467	(4.7)	6.8
Derivative Financial Instruments	(720)	(345)	(15)	(1,180)	(359)	(95.7)	(69.5)
Foreign Exchange Operations	6	-	106	15	106	-	589.6
Compulsory Deposits	170	119	66	327	185	(44.6)	(43.4)
Sale or transfer operation from financial assets	-	-	1	-	1	-	-
Expenses from Financial Intermediation	**(1,995)**	**(2,178)**	**(2,847)**	**(3,781)**	**(5,025)**	**30.7**	**32.9**
Money Market Borrowings	(2,036)	(2,118)	(2,399)	(3,794)	(4,517)	13.3	19.1
Borrowings and Onlendings	41	(42)	(448)	13	(489)	975.1	-
Foreign Exchange Operations	-	(19)	-	-	(19)	(100.0)	-
Gross Financial Margin	**1,463**	**1,171**	**1,150**	**3,016**	**2,321**	**(1.8)**	**(23.1)**

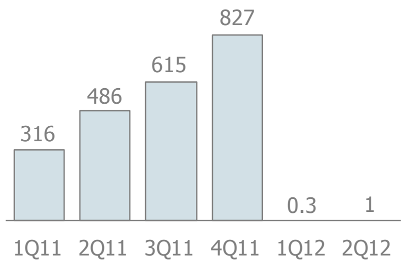
Revenues from loans amounted to R$ 2,533 million in 2Q12, up 15% over the previous quarter, due mainly to effects of foreign exchange variation on operations such as the NCE – Export Credit Note, which are mostly offset by derivative financial instruments, and due to the maintenance of the good performance of the Wholesale business. In 1H12 revenues from loans were down 6.1% over 1H11, mainly due to the non-realization of new credit assignments with recourse in the period.

Resolution 3,533 came into effect in Jan.12, changing the accounting method of credit asset assignments with recourse. Under the new rules, the revenues from these operations, previously recognized in full upon assignment, must be allocated over the remaining period of the contracts. Moreover, credits assigned with substantial retention of risks must remain fully recorded in the assets of the assignor (selling institution). In view of this regulatory change, the decision was made not to perform credit assignments with recourse in 1H12, impacting the revenues of Consumer Finance.

In this new regulatory context, BV Financeira, which acts as an extension of BB in auto finance outside the branch environment, has made progress in the structuring of a model of assignment without recourse at BB, focused on new car dealers (new vehicles). A pilot operation of assignments without recourse in the total of R$ 16.6 million was carried out in June.12 in order to test and refine some systemic developments of this new model, which should be consolidated in 2H12.

The graph below shows that in 1Q12 the gross income from assignments was only R$ 1 million – relating to the above mentioned pilot operation, compared with the result of R$ 486 million in 2Q11. It is also worth emphasizing that expenses relating to the early settlement of contracts assigned until Dec.11 totaled R$ 80 million in 2Q12.

Gross results from credit assignments (R$M)



Securities totaled R$ 1,204 million in 2Q12, compared to R$ 1,263 million in 1Q12. Securities amounted to R$ 2,467 million in 1H12, up 6.8% over 1H11, mainly due to income from structured operations of the Corporate & Investment Banking (CIB) segment and to the good performance of Treasury.

Derivative financial instruments amounted to R$-15 million in 2Q12, against R$-345 million in 1Q12, composed of income and expenses associated with swaps, futures and other derivatives that are regularly used to hedge overseas investments and positions of loans, securities, foreign exchange, money market borrowings, borrowings and onlendings that have risks in foreign currency, indices and interest rates.

Expenses from financial intermediation totaled R$ 2,847 million in 2Q12, up 30.7% over 1Q12, mainly explained by the effects of foreign exchange variations in the period, whose effects on funding costs are mainly offset on the line of result with derivative financial instruments, as explained previously. Disregarding foreign exchange variation effects, expenses from financial intermediation presented a reduction of approximately 21% in 2Q12 in comparison to the previous quarter, mainly justified by the reduction in the interest rate and by the 2.8% decrease in the average balance of funding sources.

AVERAGE FUNDING (R$ Million)	2Q11	1Q12	2Q12	1H11	1H12	Variação (%) 2Q12/1Q12	1H12/1H11
Deposits	24,289	25,594	24,266	24,059	24,719	(5.2)	2.7
Repos[1]	18,579	20,658	18,417	18,292	19,166	(10.8)	4.8
Issuance of Securities	14,349	18,503	20,284	12,998	19,478	9.6	49.8
Onlendings[2]	7,100	6,161	5,816	7,065	5,982	(5.6)	(15.3)
Borrowings and Other[3]	9,632	7,846	7,344	9,369	7,549	(6.4)	(19.4)
Subordinated Debt	6,298	7,457	7,671	6,500	7,580	2.9	16.6
Average Funding	**80,248**	**86,219**	**83,797**	**78,283**	**84,474**	**(2.8)**	**7.9**
Average Funding and Securitization	**95,578**	**105,480**	**100,475**	**93,019**	**102,440**	**(4.7)**	**10.1**

1 Includes private securities; 2. Onlendings included as of March12; 3. Includes Option Box and NCE repos.

Expenses from financial intermediation reached R$ 5,025 million in 1H12, up 32.9% over 1H11, also explained mainly by the effects of foreign exchange variations. Moreover, there was a 7.9% increase in the average funding balance, with the extension of its average tenor and greater subordination. This improvement in the funding profile can be observed, for instance, in the increase of the balance of financing bills, which reached R$ 10.1 billion in June.12 (R$ 5.7 billion in June.11), without considering the volume of subordinated financing bills (R$ 2.1 billion in June.12).

In the last 15 months, the mismatch of terms between assets and liabilities decreased by approximately 200 days, reaching significantly conservative and historically low levels.

The net interest margin (NIM) was 4.4% in 2Q12, with a slight decrease of 10 base points over the previous quarter due to the decrease of the gross financial margin. The net interest margin was 4.4% in 1H12, down 130 base points in comparison to the same prior-year period, due mainly to the impact of the non-realization of credit assignments with recourse in the period.

Loan Portfolio

In June.12, the consolidated loan portfolio reached R$ 58.8 billion, remaining practically stable in comparison to Mar.12 and with a downslide of 3.9% in the last 12 months. The managed loan portfolio, with includes assets assigned with recourse to other financial institutions and the assets assigned to FIDCs – Credit Receivables Investment Funds – of which Banco Votorantim holds 100% of the subordinated shares, closed June.12 at R$ 74.2 billion, a downslide of 3.4% in relation to Mar.12 and of 3.8% in relation to June.11.

The loan portfolio of Consumer Finance reached R$ 38.3 billion in June.12, presenting a slight reduction of 0.4% in the quarter and of 6% in comparison to June.11. The managed loan portfolio of Consumer Finance, in turn, totaled R$ 53.7 billion in June.12, down 4.9% over Mar.12 and 5.2% over June.11.

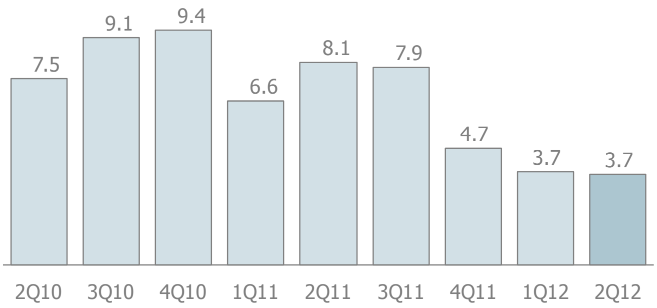
The balance of assets originated by Consumer Finance and assigned with recourse closed June.12 at R$ 12.0 billion, presenting a further reduction on account of the decision not to perform new credit assignments with recourse. Of this amount, R$ 11.5 billion, or 96% of the total balance, had as an assignee the shareholder BB, which acquires auto finance and payroll loan portfolios originated by Banco Votorantim, in line with its operating strategy in consumer finance.

LOAN PORTFOLIO (R$ Million)	June.11	Mar.12	June.12	Variation (%)		Variation (R$)	
				June12/Mar12	June12/June11	June12/Mar12	June12/June11
Consumer Finance Segment	**40,769**	**38,462**	**38,325**	**(0.4)**	**(6.0)**	**(136)**	**(2,444)**
Auto Finance[1]	34,647	31,399	30,941	(1.5)	(10.7)	(458)	(3,707)
Payroll Loans	5,834	6,700	7,023	4.8	20.4	322	1,189
Other	288	362	362	(0.1)	25.5	(0)	73
Wholesale Segment	**20,443**	**20,334**	**20,484**	**0.7**	**0.2**	**150**	**40**
Corporate	13,646	12,046	11,962	(0.7)	(12.3)	(84)	(1,685)
Middle Market	6,797	8,288	8,522	2.8	25.4	234	1,725
Loan Portfolio	**61,213**	**58,795**	**58,809**	**0.0**	**(3.9)**	**14**	**(2,404)**
Guarantees Provided	10,598	12,252	12,634	3.1	19.2	382	2,036
Other[2]	7,974	8,540	8,856	3.7	11.1	317	883
Expanded Credit Portfolio[3]	**79,784**	**79,587**	**80,300**	**0.9**	**0.6**	**712**	**515**
Credit Assignments with Recourse[4]	12,943	13,638	12,031	(11.8)	(7.0)	(1,607)	(912)
Auto Finance[1]	8,603	9,860	8,680	(12.0)	0.9	(1,180)	77
Payroll Loans	4,339	3,778	3,351	(11.3)	(22.8)	(427)	(989)
Loan Assignments to FIDCs[5]	2,926	4,342	3,345	(23.0)	14.3	(997)	419
Managed Credit Portfolio[6]	**77,082**	**76,775**	**74,185**	**(3.4)**	**(3.8)**	**(2,590)**	**(2,897)**
Expanded Managed Credit Portfolio[7]	**95,653**	**97,567**	**95,676**	**(1.9)**	**0.0**	**(1,891)**	**22**

1 Includes individual loans and leases; 2. Includes private securities ; 3. Includes guarantees provided and private securities; 4. Credit assignments with recourse to other financial institutions; 5. Investment funds in credit rights in which Banco Votorantim holds 100% of subordinated quotas; 6. Includes loan portfolio, credit assignments and FIDCs; 7. Includes expanded credit portfolio, credit assignments and FIDCs.

The moderation of the growth of the Consumer Finance portfolio is associated with the institution's more conservative attitude on account of the new economic and regulatory context and of the systemic rise in the delinquency of individuals, particularly in the auto finance segment. After a period of accelerated growth, Banco Votorantim has been focusing, since 4Q11, on increasing the return on capital of all the business lines. The following graph shows the evolution of the quarterly origination of Consumer Finance.

Consumer Finance Origination – Auto Finance and Payroll Loans (R$B)



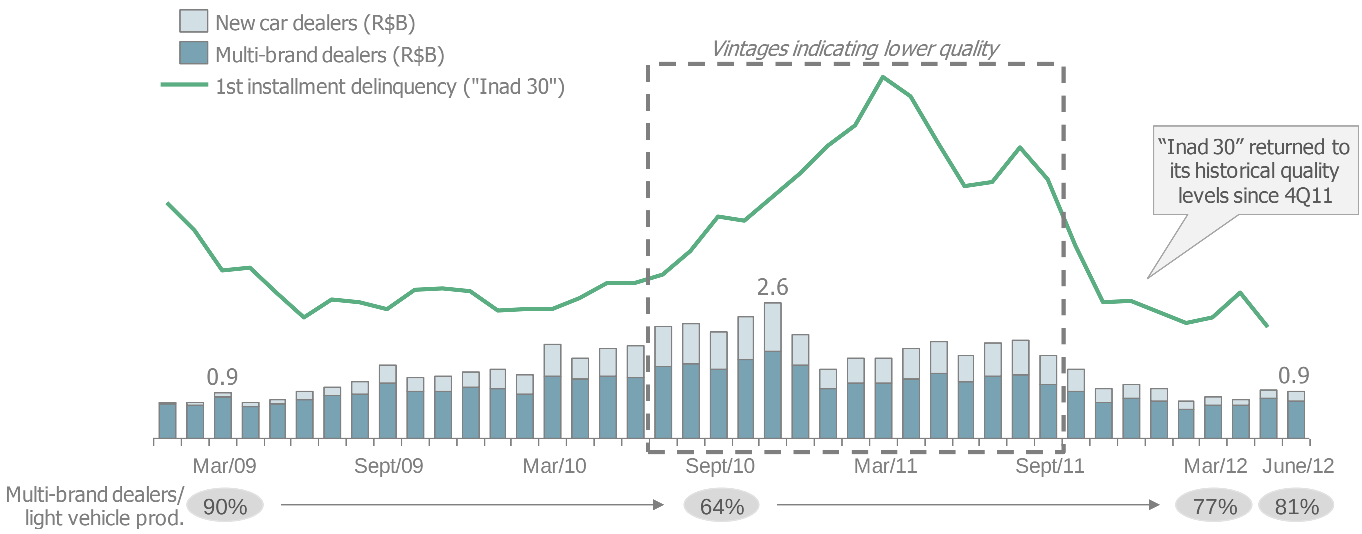
To resume sustainable growth with profitability in the medium-term, Banco Votorantim has been making speedy progress in the implementation of its Change Agenda, with full support from its shareholders. The initiatives adopted include:

- Auto finance operating model: intensification of the focus on multi-brand dealers for loans originated to Banco Votorantim´s credit portfolio. In 2Q12, the multi-brand dealer channel represented 83% of light vehicle financing originated by BV Financeira (67% in 2Q11). It is worth emphasizing that BV Financeira closed June.12 as leader in the financing of used vehicles, with a market share of 18.3%;
- Credit: new improvements of Consumer Finance policies, processes and models. The internal rating model practiced by BB in the loan approval process came into use in 1Q12, in addition to new tools and indicators for performance management of the portfolio. Moreover, the concession of auto finance over a period of 60 months and without a down payment was restricted. In 2Q12, in turn, the improvements included (i) review of the loan approval models, with the incorporation of new variables and (ii) review of the prioritization of proposal queues, with the objective of increasing the effectuation rate at clients with better credit scores;
- Credit Collection: review of Consumer Finance processes, targeting delinquency reduction and the recovery and/or minimization of losses. In 2Q12, for example, a new policy was implemented for the settlement of overdue auto loans based on the restated value of the asset vs. amount of debt. New challenge goals were also negotiated for the collection advisories;
- Incentives: adjustment of commissions paid to the distribution channels (multi-brand dealers, new car dealers and banking correspondents);
- Efficiency: continuity of actions aiming at the structural reduction of cost base, including the adaptation of the organizational structures to the new production threshold of Consumer Finance. The Committee for Analysis and Approval of Expenses, created in the second half of 2011, continued to work to enhance the efficiency of Banco Votorantim in the management of costs and expenses;
- Talents reinforcement: aggregation of experienced market professionals to management team (e.g.: Wholesale Credit, Audit); and
- Operations: continuity of the work of the Operational Review Committee, composed of representatives of the shareholders, which has worked with teams from BV Financeira in the refinement of internal controls and implementation of operational improvements in five areas – ROE, PDD, Credit, Credit Collection and Processes.

AUTO FINANCE LOANS	June.11	Mar.12	June.12	Variation June12/Mar12	Variation June12/June11
Origination					
Average rate (% per year)	28,5	26,8	24,5	-230 bps	-398 bps
Average Term (months)	48,8	45,6	45,2	(0,4)	(3,6)
Loan-to-Value (Financed Value / Total Asset Value) (%)	65,2	58,8	56,9	-191 bps	-834 bps
Used Vehicles / Light Vehicles (%)	66,4	77,0	77,0	3 bps	1055 bps
Multi-brand dealers / Light Vehicles (%)	67,1	78,6	81,1	252 bps	1396 bps
Loan Portfolio					
Average rate (% per year)	22,8	25,1	25,6	55 bps	278 bps
Duration (months)	21,5	19,5	18,8	(0,8)	(2,7)
Average Vehicle Age (years)	5,1	4,8	4,8	0,0	(0,4)
Used Vehicles / Vehicles Portfolio (%)	69,1	67,0	67,9	88 bps	-122 bps

The strategies and initiatives adopted in Consumer Finance resulted in the consistent improvement of the risk level of auto finance operations originated since Sept.11, evidenced by the behavior of the "late payment of the 1st installment indicator" ("Inad30"). After reaching a peak in Mar.11, "Inad30" resumed its track record of good quality in 4Q11 and maintained this level in 1H12, as shown in the graph below.

Light vehicles – Origination by channel (R$B) and first installment delinquency (%)



The participation of the portfolios originated between Jul.10 and Sept.11, with indication of below-average quality, reduced to 56% of the Consumer Finance managed portfolio as of June.12, compared to 67% as of Dec.11. On the other hand, the share of portfolios originated after Sept.11, which have delinquency records in line with the historical level of quality, rose to 25% of the portfolio in Consumer Finance as of June.12, compared to 10% as of Dec.11.

The Wholesale loan portfolio, in turn, reached R$ 20.5 billion in June.12, with slight growth of 0.7% in the quarter and 0.2% in the last 12 months. The Wholesale expanded loan portfolio, which includes guarantees provided and private securities, closed June.12 with a balance of R$ 42.3 billion, growth of 2% over the previous quarter and 9.8% in the last 12 months.

Middle Market segment (medium sized companies) closed June.12 with a portfolio of R$ 8.5 billion, growth of 2.8% in the quarter and 25.4% in the last 12 months. The expanded loan portfolio reached R$ 9.6 billion, growth of 30% in 12 months. Middle Market continues to operate with a high level of strong guarantees (high and medium mitigation power), which covered 89% of the portfolio in June.12, including commodities, trade notes, sale of vehicles, equipments and real estate, cash collaterals, performing receivables and bank guarantees. Furthermore, at the end of June.12, 91.6% of the loan portfolio of the Middle Market segment was rated between AA–C by the Resolution 2,682/Bacen criterion, evidencing its standard of quality.

Corporate & Investment Banking (CIB) segment ended June.12 with a portfolio of R$ 12.0 billion, down 0.7% over the previous quarter and 12.3% over June.11. The expanded loan portfolio reached R$ 32.7 billion, expansion of 5% in 12 months. CIB is one of the major players in terms of the granting of credit to large companies, with a high market penetration (more than 550 economic groups met). With the intention of increasing its importance to clients and of expanding service revenues, CIB strengthened its platform of high value-added products (derivatives, structured products, investment banking services and domestic and international distribution).

Allowance for loan losses - ALL

In the auto finance market, in which Banco Votorantim has a strong presence, delinquency doubled last year (2.5% in Dec. 10; 5.0% in Dec. 11) and reached 6.0% in June.12.

In this context, expenses with allowance for loan losses (PDD) continued to be impacted, amounting to R$ 1,449 million in 2Q12, against R$ 893 million in 2Q11. However, a reduction of 2.8% in the level of expenses with ALL was recorded in comparison to 1Q12. Consumer Finance, responsible for the auto finance business, accounted for R$ 1,331 million of the expenses with ALL in 2Q12 (92% of the total), presenting a reduction of 1.9% in comparison to the R$ 1,357 million recorded in 1Q12.

This reduction of expenses with ALL of Consumer Finance can be explained by three factors: (i) lesser impact of the portfolios originated between Jul.10 and Sept.11, which have a record of above-average delinquency; (ii) better quality of the vintages originated as of Sept.11, evidenced by the behavior of the late payment of the 1st installment indicator ("Late payment indicator of the 1st installment"); and (iii) improvement in the credit collection processes, with application of new metrics and indicators.

Additionally, it is worth emphasizing that the managed portfolio of Consumer Finance with delays between 15 and 90 days dropped to 8.1% in June.12, against 8.7% in Mar.12 (Res. 2,682/Bacen criterion). This leading indicator reflects the impact of the Change Agenda initiatives and signals a tendency towards improvement in the behavior of delays above 90 days in the next few months.

In Wholesale, expenses with ALL amounted to R$ 119 million in 2Q12, down 11.7% over the previous quarter, mainly due to the fact that delinquency was kept under control both in the Corporate & Investment Banking and in Middle Market segments.

In the consolidated, in June.12, delinquency on the managed loan portfolio reached 6.3% (criterion of BACEN Resolution No. 2,682), an increase of 50 base points in comparison with Mar.12. This growth was driven by the delinquency in Consumer Finance, which reached 8.0% of the portfolio managed in June.12, in comparison with the 7.1% in Mar.12. Delinquency on the managed auto finance portfolio, in turn, reached 8.7% at the end of June.12 in comparison with 7.8% in Mar.12.

At the end of June.12, the coverage ratio of the managed loan portfolio reached 108.1%, in comparison with 102.0% in Mar.12. The coverage ratio of the managed consumer finance portfolio also increased, as anticipated in the last disclosure of results, and closed 2Q12 at 99.9% (94.0% in Mar.12).

The percentage of the managed loan portfolio classified between AA-C (criterion of BACEN Resolution No. 2,682) was 89.9% in June.12, in comparison with 90.6% in Mar.12.

LOAN PORTFOLIO QUALITY INDICATORS[1]	June.11	Mar.12	June.12
Loan Portfolio (R$ Million)	77,082	76,775	74,185
90-day NPL[2] (R$ Million)	2,078	4,449	4,708
90-day NPL/ Loan Portfolio	2.7%	5.8%	6.3%
Write-off (a)	(304)	(693)	(1,079)
Recovery of loans written off (b)	37	44	52
Net Loss (a+b)	(268)	(650)	(1,027)
Net Loss/ Loan Portfolio - annualized	1.4%	3.4%	5.7%
ALL[3] (R$ Million)	2,248	4,536	5,091
ALL/ Loan Portfolio	2.9%	5.9%	6.9%
ALL/ 90-day NPL	108.2%	102.0%	108.1%
ALL Expenses[4]/ Average Loan Portfolio[5]	2.5%	6.0%	6.7%
AA-C (R$ Million)	73,078	69,573	66,675
AA-C/ Loan Portfolio	94.8%	90.6%	89.9%

1 Includes credit assignments with recourse and credit assignments to FIDCs; 2. According to Resolution #2682; 3. ALL: Allowance for Loan Losses; 4. Includes ALL Expenses of credit assignments; 5. Accumulated basis of 12 months

Fee income/Banking fees income

Revenues from services, including banking fees, totaled R$ 249 million in 2Q12, an increase of 2.5% in relation to 1Q12, mainly due to the increase in revenues from management of funds. In the first half of 2012, fee income and banking fees income totaled R$ 492 million, a reduction of 21.5% in relation to the same period of the previous year, due to the reduction of approximately 50% in the volume of financed vehicles for the period in relation to the first half of 2011.

FEE INCOME/ BANKING FEES INCOME (R$ Million)	2Q11	1Q12	2Q12	1H11	1H12	Variation (%) 2Q12/1Q12	Variation (%) 1H12/1H11
Master file registration	144	70	79	268	150	13.1	(44.2)
Appraisal of assets	64	34	36	110	70	5.9	(36.2)
Income from guarantees granted	34	39	43	68	82	8.9	22.0
Management of investment funds	31	31	41	57	72	30.8	25.0
Commissions on placing of securities	20	22	13	34.712	34.756	(42.8)	0.1
Other	36	46	37	90	84	(18.9)	(6.8)
Total Fee Income/ Banking Fees Income	**328**	**243**	**249**	**627**	**492**	**2.5**	**(21.5)**

Administrative expenses

In the first half of 2012, administrative expenses decreased by 13.4% in relation to the 2H11 as a result of a number of actions adopted as from 2011, for the purpose of optimizing the management of costs and expenses. In addition to the establishment of the Committee for Analysis and Approval of Expenses, which meets on a weekly basis to review the main expenses and make a follow-up of the budget, actions were implemented to lower expenses incurred with communication, advisory, events and travel, among other expenses. In 2Q12, administrative expenses totaled R$ 372 million, in comparison with R$ 362 million in 1Q12. This increase mainly arises from the intensification of collection procedures in the Consumer Finance segment to prevent and reduce delinquency and recover receivables and/or minimize losses. Disregarding Consumer Finance credit collection expenses, administrative expenses would have increased by only 1.7% in relation to the previous quarter.

ADMINISTRATIVE EXPENSES (R$ Million)	2Q11	1Q12	2Q12	1H11	2H11	1H12	Variation (%) 2Q12/1Q12	1H12/2H11	1H12/1H11
Rents	(30)	(32)	(34)	(66)	(68)	(66)	4.1	(3.0)	(0.1)
Communications	(24)	(20)	(19)	(47)	(54)	(39)	(3.4)	(28.7)	(18.6)
Data processing	(38)	(37)	(43)	(73)	(79)	(80)	14.6	0.8	10.1
Services of the financial system	(41)	(44)	(44)	(75)	(93)	(88)	0.4	(5.2)	16.8
Specialized technical services	(107)	(118)	(102)	(202)	(284)	(220)	(13.3)	(22.4)	8.7
Judicial/ Notary public fees	(47)	(54)	(72)	(84)	(122)	(125)	33.8	3.1	48.4
Other	(67)	(57)	(59)	(149)	(149)	(116)	2.8	(21.8)	(21.9)
Total Administrative Expenses	**(354)**	**(362)**	**(372)**	**(697)**	**(848)**	**(734)**	**2.9**	**(13.4)**	**5.3**
Consumer Finance credit collection costs	(149)	(168)	(175)	(269)	(374)	(344)	4.2	(8.1)	27.6
Administrative Expenses, excludes Consumer Finance credit collection costs	**(205)**	**(194)**	**(197)**	**(428)**	**(474)**	**(390)**	**1.7**	**(17.7)**	**(8.7)**

Personnel expenses

Personnel expenses increased from R$ 235 million in 1Q12 to R$ 244 million in 2Q12 as a result of non-recurring expenses related to the prudential adjustment process that started in 4Q11. As part of this process, Banco Votorantim integrated the Wholesale and Consumer Finance corporate areas, such as the Credit, Finance and Legal areas, obtaining governance and efficiency gains. At the end of June.12, Banco Votorantim had 5,431 employees, without considering interns and statutory employees.

The efficiency ratio of the last 12 months was 48.1% at the end of June.12, above to that 43.4% recorded in Mar. 12, mainly as a result of the decrease in total revenues.

Other operating income (expenses)

Other operating income (expenses) decreased from R$ 126 million in 1Q12 to R$ 123 million in 2Q12. In the first half of 2012, other operating income (expenses) totaled R$ 249 million, in comparison with R$ 67 million in the same period of the previous year, as a result of the increase in the reserves for civil and labor lawsuits of Consumer Finance.

Additional considerations on the audited financial statements disclosed

Income statement balances as of June 30, 2011 were reclassified to permit comparability of financial statements, as a result of the change in internal aggregation policies of revenues and expenses accounts, having as main objective to provide the user of the statements better understanding of the result of Banco Votorantim. Additional information can be found in Note # 2 to the financial statements disclosed.

Additionally, in 1Q12, Banco Votorantim acquired from BV Participações S.A. the total shares of Votorantim Corretora de Seguros S.A. This ownership interest is recorded within “Investments” on the equity method of accounting.

Funding and Liquidity

The total funds raised were R$ 81.0 billion at the end of June.12, a decrease of 6.5% in the quarter and of 0.2% in the last 12 months. If we include the funds arising from credit assignments, the balance of raised funds totaled R$ 96.4 billion, a reduction of 7.9% in comparison with Mar.12.

In the funding composition, we emphasize the 77.3% growth in financing bills over the last 12 months, which increased from R$ 5.7 billion in June.11 to R$ 10.1 billion in June.12. Considering the volume of subordinated financing bills (R$ 2.1 billion in June.12), the balance of financing bills totaled R$ 12.2 billion in June.12, which contributed to the extension of the average maturity of the funding sources – the financing bills have a minimum redemption term of two years.

FUNDING SOURCES (R$ Billion)	June.11	Mar.12	June.12	Variation % June12/Mar12	Variation % June12/June11
Deposits	23.6	25.6	23.0	(10.2)	(2.8)
Repos[1]	19.4	20.7	16.2	(21.6)	(16.5)
Issuance of Securities	15.7	19.1	21.4	11.9	36.7
Financing Bills	5.7	8.4	10.1	19.7	77.3
Foreign Securities	5.4	5.9	6.4	7.9	18.4
Other[2]	4.6	4.8	4.9	3.2	7.6
Subordinated Debt	5.7	7.5	7.8	4.1	37.8
Bank Deposit Certificates	2.9	3.2	3.3	2.5	12.2
Subordinated Bills	1.7	2.2	2.5	14.1	45.2
Subordinated Financial Bills	1.1	2.2	2.1	(3.6)	95.4
Debentures	-	-	-	-	-
Onlendings	7.1	6.0	5.6	(6.4)	(21.2)
Borrowings	5.6	4.9	5.4	9.4	(3.0)
Other funding[3]	4.1	2.8	1.6	(44.2)	(61.6)
Total Funding	**81.1**	**86.6**	**81.0**	**(6.5)**	**(0.2)**
Securitization (Credit assignments + FIDCs)	**15.9**	**18.0**	**15.4**	(14.5)	(3.1)
Credit Assignments with Recourse	12.9	13.6	12.0	(11.8)	(7.0)
Credit Assignments to FIDCs[4]	2.9	4.3	3.3	(23.0)	14.3
Total Funding and Securitization	**97.0**	**104.6**	**96.4**	**(7.9)**	**(0.7)**
International Funding[5]/Total Funding and Securitization (%)	13.0%	12.4%	**14.8%**		
Loan Portfolio/Total Funding (%)	75.4	67.9	**72.6**		
Loan Portfolio/Total Funding, excluding Compulsory Deposits (%)	81.5	71.0	**75.3**		

1 Includes private securities; 2. Includes Debentures, Real estate credit note funds and Agribusiness credit bill funds; 3. Includes Option Box and NCE repos; 4. Investment funds in credit rights in which Banco Votorantim holds 100% of subordinated quotas; 5. Includes foreign securities, foreign borrowings and subordinated bills.

After the Bank's success in extending the average tenor of its funding sources, which helped to reduce the maturity mismatch between assets and liabilities by approximately 200 days over the last 15 months, the lower growth rate of the portfolio substantially reduced the need for additional funding. In June.12, the Bank's own loan portfolio accounted for 75.3% of total funds raised (excluding the balance of Compulsory deposits), in comparison with 81.5% in June.11.

As regards liquidity, in view of the uncertainties in the macroeconomic scenario, Banco Votorantim has been prudently maintaining a high cash level. Additionally, Banco Votorantim has Stand-by Credit Facility with shareholder Banco do Brasil, in the approximate amount of R$ 7.0 billion, which represents a significant liquidity reserve that has never been used.

Basel Index

The prudential adjustment process in progress, which started in 4Q11, has the full support of the shareholders (Banco do Brasil and Votorantim Finanças), who are committed to maintaining the Bank's capital structure at appropriate levels. The shareholders' commitment also extends to the preparation of Banco Votorantim to the new regulatory context of Basel III.

In June.12, the shareholders approved an increase in Bank's share capital of R$ 2.0 billion, involving equal contributions of R$ 1.0 billion each. As a result, at the end of June.12, the Basel index was 15.5% (10.2% in the form of Tier I), recording an increase of 250 base points in comparison with Mar.12.

BASEL INDEX (R$ Million)	June.11	Mar.12	June.12
Capital (a)	**12,592**	**11,282**	**13,624**
Level I	8,825	7,491	8,948
Level II	3,767	3,791	4,676
Capital Requirement (b)	**10,000**	**9,520**	**9,669**
Excess of Capital	**2,592**	**1,763**	**3,955**
Basel Index (a/b/0.11)	**13.9%**	**13.0%**	**15.5%**
Tier I	9.7%	8.7%	10.2%
Tier II	4.1%	4.4%	5.3%

Ratings

Banco Votorantim holds investment grade rating from the three leading international rating agencies, in recognition of its risk credit quality.

RATING AGENCIES		National	Internacional
Fitch Ratings	Foreign Currency IDR (LT/ST)	-	BBB-/F3
	Local Currency IDR (LT/ST)	-	BBB-/F3
	National Scale (LT/ST)	AA+(bra)/F1+(bra)	-
Moody´s	Foreign Currency Senior Unsecured MTN	-	Baa2/P-2
	Foreign Currency Deposits (LT/ST)	-	Baa2/P-2
	Local Currency Deposits (LT/ST)	Aaa.br/BR-1	Baa2/P-2
Standard & Poor´s	Foreign Currency (LT/ST)	-	BBB-/A-3
	Local Currency (LT/ST)	-	BBB-/A-3
	National Scale (LT/ST)	brAAA/brA-1	-

LT: Long-Term / ST: Short-Term

In Apr.12, Fitch Ratings affirmed the Bank's IDR's (Issuer Default Ratings) in foreign and local currency, as well as the ratings at the national level.

In June.12, Moody's changed the Senior Unsecured Issuer Ratings from Baa1/P-2 to Baa2/P-2, and the local currency deposit rating from A3/P-2 to Baa2/P-2, following an alteration in its global bank assessment methodology.

Also in June.12, Standard & Poor's affirmed our BBB-/A-3 global scale ratings, as well as our national scale ratings.

Recent Developments in Businesses

Wholesale Bank Businesses:

- **Corporate & Investment Banking (CIB):** focuses on groups with annual revenues of more than R$ 400 million, and, at the end of 2Q02, had an expanded loan portfolio of R$ 32.7 billion, a 5.0% increase in twelve months. During the quarter, CIB maintained its strategy of being one of the main partners of its clients, providing integrated loan solutions, structured products, derivatives (hedge) and investment bank services, mainly:
  - Derivatives: CIB has strongly invested in the derivatives (hedge) platform and, at the end of the first half of 2012, was in eighth position in the CETIP ranking, with a market share of approximately 3%;
  - Investment Bank (IB): in the first half of 2012, 31 transactions were concluded in the following segments: (i) Fixed Income – 25 transactions were concluded, 15 of which as a lead coordinator, with a total volume in excess of R$ 27.0 billion; (ii) Variable Income – two transactions were completed, totaling R$ 1.3 billion, where its participation as a Joint book runner in the IPO of Locamérica stands out; (iii) M&A – four transactions in the Renewable Energy and Infrastructure sectors were announced, with a total volume in excess of R$ 4.0 billion, with the result that Banco Votorantim was ranked fourth in terms of the volume of advised transactions in the M&A ranking disclosed by the Brazilian Financial and Capital Markets Association (Anbima) for 1Q12; and
  - Project Finance: Banco Votorantim concluded transactions and disbursed a total of R$ 1.1 billion in the first half of 2012, R$ 800 million of which refers to transactions advised and/or structured by the Bank itself. In addition, the Bank participated in Airport, Transmission Line and Highway auctions as a financial advisor.

  The above figures reinforce the positioning and focus of Banco Votorantim in consolidating its relationship with its clients in this segment through products which have a higher added value.

- **Middle Market:** made up of companies with annual revenues between R$ 20 million and R$ 400 million, at the end of June.12, Middle Market segment had an expanded loan portfolio of R$ 9.6 billion, a 30.0% growth in 12 months. In the first half of 2012, the moderate growth rate is explained by the downturn in the economy and the scenario of uncertainty that still prevails. The delinquency of Middle Market remains below the estimated market average, at 2.3% at the end of June.12 (criterion of BACEN Resolution 2,682), which evidences the high quality of the portfolio. Additionally, Middle Market continued to focus on efficiency and profitability gains, with an expected growth of 15% and 17% in the expanded loan portfolio in 2012, and a higher share in the total investment bank and treasury revenues.

- **VAM:** focuses on the structuring and management of innovative products with high quality and high added value, VAM increased by 14% its volume of managed funds in the last twelve months; and, at the end of June.12 was the eighth largest fund manager according to the ranking of fund managers disclosed by Anbima, with a 1.88% market share. In the segment of structured products, the Securities Real Estate Investment Fund ("Fundo de Investimento Imobiliário Securities") stood out, with a strategy of spreading the CRI's (Certificates of Real Estate Receivables) in its asset portfolio, combined with the tax benefit that real estate products provide for individual investors, reaching an increase of 24% in its shareholders' equity in the first half of 2012. Furthermore, in the first half of 2012, the FIP IE BB Votorantim Energia Sustentável I, II and III funds entered into an agreement for the acquisition of a 60% interest in the Faísa LTDA wind power complex, made up of five wind farms located in the State of Ceará, with a total capacity of 136.5 MW, for R$ 480 million.

- **Private Bank:** reached a 12% growth in the volume of managed assets and a 17% growth in its client base over the last 12 months, focusing on integrated asset planning through customized solutions. In Apr. 12, Private Bank was also awarded the ISO 9001:2008 quality certification in Relationship, Asset Management and Advisory activities for Brazilian Private Clients, which strengthened the good practices already in place.

- **Votorantim Corretora:** throughout the first half of 2012, Votorantim Corretora received the certifications of the Operational Qualification Program (PQO) for the Bovespa segment (Carrying Broker, Execution Broker, Retail Broker and Home Broker), in addition to the seals it had already received for the BM&F segment. The eight seals received evidence Votorantim Corretora's expertise in operating in the derivatives and equity markets, and places it among the other two market brokers that have the eight PQO seals. In addition, as its main focus in the first half of 2012, Votorantim Corretora strengthened its Research team, which started to cover 12 sectors of the economy and 64 companies, thus reinforcing its positioning as a full broker.

- **Treasury area:** continued the process of revising and expanding the scope of its activities, which started in 2H11, focusing on facilitating businesses with Wholesale bank clients. During this quarter, the Treasury area continued to reinforce its Derivatives team (Structuring and Sales) and to promote the integration of new teams to sell loan products, spot foreign exchange and funding transactions. As a result, a competitive sales platform was established in line with the Bank's commercial segments and good market practices.

Consumer Finance Businesses

- **Auto Finance Loans**: there was an increase in the focus on multi-brand dealers (used vehicles) to originate loan assets for the own portfolio origination. In 2Q12, this distribution channel accounted for 83% of the financing of light vehicles originated by BV Financeira, in comparison with 67% in 2Q11. It is worth emphasizing that BV Financeira closed June.12 as leader in the financing of used vehicles, with a market share of 18.3%;

- **Payroll loans:** the own payroll loan portfolio grew by 4.8% in 2Q12, reaching R$ 7.0 billion (R$ 6.7 billion in Mar.12). BV Financeira operates in this segment mainly through promoters (bank correspondents), with a focus on the National Institute of Social Security (INSS), which accounted for 63% of the loans granted in 2Q12;

- **Credit cards:** in June.12, there was a growth of 8.5% in the number of active credit cards (which considers the total cards used by primary and additional cardholders over the last 90 days) in comparison with June.11, reaching approximately 330 thousand active cards.

Advances in the Strategic Partnership with Banco do Brasil

Banco Votorantim and Banco do Brasil (BB) have explored joint business opportunities in several segments, with tangible progress achieved, such as:

- **Development of new credit assignment model without recourse:** in view of the new economic and regulatory context, BV Financeira has prioritized the production at multi-brand dealers (used vehicles) for BV's own loan portfolio, in which it has recognized expertise, and in 2012 has made progress in the structuring of a new credit assignment model without recourse to BB ("BV Financeira Originadora"), focused on the channel of new car dealers. In 2Q12, a pilot operation was executed to test and refine the systemic developments of this new model, to be consolidated in 2H12.

- **Offer of investment products:** BB DTVM and Votorantim Wealth Management & Services (VWM&S), the consolidating structure of Banco Votorantim's third-party asset management, have made a joint effort in the development and distribution of innovative and customized Credit Receivables Investment Funds (FIDCs), Real Estate Investment Funds (FIIs), Equity Investment Funds (FIPs) and Private Credit. In 1H12, VWM&S continued with the business expansion in partnership with BB, with the development of exclusively structured products tailored for the needs of the shareholder partner in a total volume that reached about R$ 2.2 billion in June.12. Other projects are approaching completion and should be concluded over the course of 2H12.

- **Expansion of the business of CIB:** deepening of the partnership with BB in the Corporate & Investment Banking businesses, focusing on credit origination, structured products, derivatives (hedging), mandates for issues of shares and bonds in the international market. In 1H12, it is worth emphasizing the joint performance of Banco Votorantim and BB in the IPO of Locamérica.

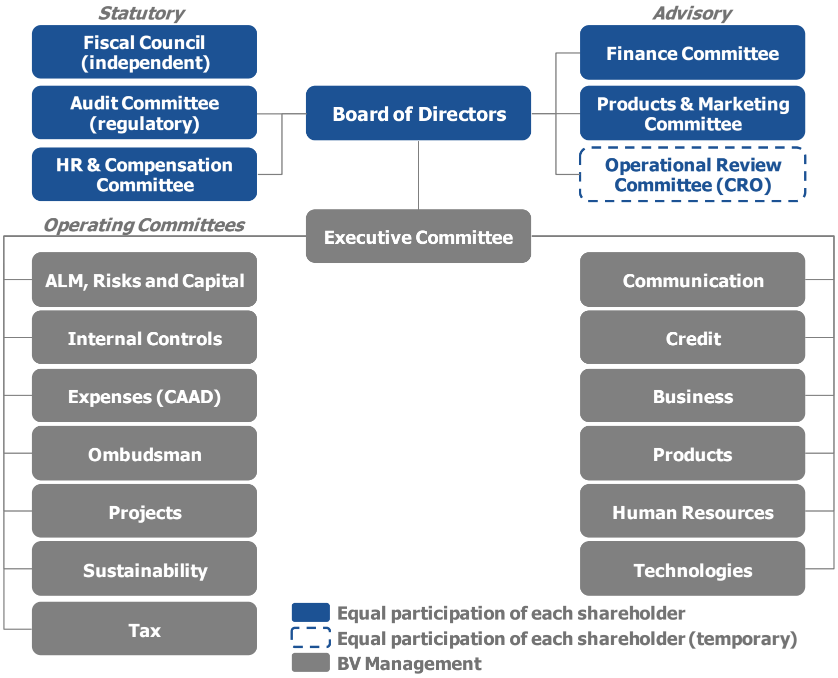
- **Expansion of the business of Votorantim Corretora:** BB is making more extensive use of Banco Votorantim's brokerage firm to trade propriety positions, investment funds and its consumer finance segment (via BB's home broker).

Corporate governance

Banco Votorantim's governance is divided between the two shareholders, with a model under continuous improvement to achieve more robustness and transparency, ensuring agility in decision-making processes — a strong characteristic of Banco Votorantim.

Governance is organized in two complementary levels of authority: the first is composed of the Board of Directors and its Advisory Committees (Finance, Products and Marketing, and Compensation and Human Resources), and involves the shareholders; the second is composed of the Executive Committee and its Operational Committees involving the executive leaders of Banco Votorantim.

In addition, Banco Votorantim counts on a Fiscal Council, which is an independent body created to supervise the administrative management acts of Banco Votorantim, and an Audit Committee, which provides advice to the Board of Directors.



As part of its Change Agenda, as of Sept.11, Banco Votorantim has been promoting the integration of corporate areas, such as Credit, Finance and Legal, and has also created two committees that have contributed towards an efficiency increase and improvement of the institution's governance:

- **Cost Analysis and Approval of Expenses Committee (Comitê de Análise e Aprovação de Despesas - CAAD):** formed by corporate executives, CAAD's duties include helping management in the implementation of initiatives targeting greater efficiency in the management of costs and expenses; and
- **Operational Review Committee (Comitê de Revisão Operacional - CRO):** composed of representatives of the shareholders, the CRO is a temporary committee that has worked together with the teams of BV Financeira in the identification and implementation of operational and internal control improvements.

In 1H12 Banco Votorantim continued with the process of improving its governance within the establishment of the "Compensation and Human Resources" committee to provide advice to the Board of Directors. This new committee contains representatives of both the shareholders, besides the CEO of Banco Votorantim and an independent member, who meet on a quarterly basis to keep track of and decide on matters related to the Director's Compensation Policy and HR practices within the jurisdiction of the Board of Directors. Also in 1H12, Banco Votorantim hired several professionals with market experience in areas such as Credit and Collection of Consumer Finance, Wholesale bank, Middle Market (segment of mid-sized companies), and others to join its staff of executives.

Balance Sheet

BALANCE SHEET (R$ Million)	June.11	Mar.12	June.12	Variation % June12/Mar12	Variation % June12/June11
ASSETS					
CURRENT ASSETS	**73,825**	**63,919**	**59,115**	**(7.5)**	**(19.9)**
Cash and cash equivalents	152	97	163	68.6	7.4
Interbank Funds Applied	16,681	17,034	14,158	(16.9)	(15.1)
Securities and Derivative Financial Instruments	19,587	13,374	10,744	(19.7)	(45.1)
Interbank Accounts/Relations	6,114	3,927	3,013	(23.3)	(50.7)
Loans	23,482	23,332	24,013	2.9	2.3
Leases	3,209	2,380	2,008	(15.6)	(37.4)
Other Receivables	3,797	3,497	4,743	35.6	24.9
Other Assets	805	278	272	(2.1)	(66.3)
LONG-TERM ASSETS	**45,124**	**49,209**	**54,107**	**10.0**	**19.9**
Interbank Funds Applied	383	528	527	(0.2)	37.6
Securities and Derivative Financial Instruments	10,191	14,971	20,260	35.3	98.8
Loans	31,362	27,874	27,049	(3.0)	(13.8)
Leases	213	419	228	(45.5)	7.0
Other Receivables	2,395	4,148	4,786	15.4	99.8
Other Assets	581	1,269	1,257	(1.0)	116.4
FIXED ASSETS	**240**	**368**	**389**	**5.7**	**62.0**
Investments	65	186	209	12.1	219.4
Fixed Assets for Use	109	106	104	(2.6)	(5.3)
Intangible	32	46	47	3.9	46.4
Deferred Charges	33	30	29	(2.8)	(12.6)
TOTAL ASSETS	**119,190**	**113,495**	**113,610**	**0.1**	**(4.7)**
LIABILITIES					
CURRENT LIABILITIES	**74,979**	**69,344**	**71,876**	**3.7**	**(4.1)**
Deposits	19,134	19,992	18,334	(8.3)	(4.2)
Demand Deposits	374	349	480	37.4	28.2
Interbank Deposits	1,131	2,067	2,243	8.6	98.4
Time Deposits	17,629	17,576	15,611	(11.2)	(11.4)
Money Market Borrowings	35,612	30,144	28,660	(4.9)	(19.5)
Acceptances and Endorsements	2,148	7,589	11,259	48.4	-
Interbank Accounts / Relations	12	5	6	9.3	(52.0)
Interbranch Accounts	114	34	125	-	9.7
Borrowings and Onlendings	6,978	4,832	6,169	27.7	(11.6)
Derivative Financial Instruments	5,261	2,715	2,111	(22.2)	(59.9)
Other Liabilities	5,722	4,034	5,212	29.2	(8.9)
LONG-TERM LIABILITIES	**35,466**	**36,555**	**32,405**	**(11.4)**	**(8.6)**
Deposits	4,498	5,572	4,634	(16.8)	3.0
Interbank Deposits	30	1,220	1,262	3.4	-
Time Deposits	4,468	4,352	3,373	(22.5)	(24.5)
Money Market Borrowings	4,319	3,955	3,629	(8.2)	(16.0)
Acceptances and Endorsements	13,527	11,552	10,168	(12.0)	(24.8)
Borrowings and Onlendings	5,722	6,106	4,847	(20.6)	(15.3)
Derivative Financial Instruments	1,076	734	736	0.3	(31.6)
Other Liabilities	6,323	8,637	8,391	(2.8)	32.7
Deferred Income	39	31	26	(15.8)	(33.7)
SHAREHOLDERS' EQUITY	**8,706**	**7,566**	**9,304**	**23.0**	**6.9**
TOTAL LIABILITIES	**119,190**	**113,495**	**113,610**	**0.1**	**(4.7)**

Income Statement - Managerial Overview

INCOME STATEMENT (R$ Million)	2Q11	1Q12	2Q12	1H11	1H12	Variation (%) 2Q12/1Q12	Variation (%) 1H12/1H11
Income from Financial Intermediation	**3,458**	**3,349**	**3,997**	**6,797**	**7,346**	**19.4**	**8.1**
Loans	2,588	2,202	2,533	5,045	4,735	15.0	(6.1)
Leases	130	109	102	281	212	(6.5)	(24.6)
Securities	1,284	1,263	1,204	2,309	2,467	(4.7)	6.8
Derivative Financial Instruments	(720)	(345)	(15)	(1,180)	(359)	(95.7)	(69.5)
Foreign Exchange Operations	6	-	106	15	106	-	589.6
Compulsory Deposits	170	119	66	327	185	(44.6)	(43.4)
Sale or transfer operation from financial assets	-	-	1	-	1	-	-
Expenses from Financial Intermediation	**(1,995)**	**(2,178)**	**(2,847)**	**(3,781)**	**(5,025)**	**30.7**	**32.9**
Money Market Borrowings	(2,036)	(2,118)	(2,399)	(3,794)	(4,517)	13.3	19.1
Borrowings and Onlendings	41	(42)	(448)	13	(489)	975.1	-
Foreign Exchange Operations	-	(19)	-	-	(19)	(100.0)	-
Gross Financial Margin	**1,463**	**1,171**	**1,150**	**3,016**	**2,321**	**(1.8)**	**(23.1)**
Allowance for Loan Losses	(893)	(1,491)	(1,449)	(1,354)	(2,940)	(2.8)	117.2
Net Income from Financial Intermediation	**570**	**(320)**	**(299)**	**1,663**	**(619)**	**(6.6)**	**(137.2)**
Other Operating Income / Expenses	**(436)**	**(580)**	**(584)**	**(877)**	**(1,165)**	**0.7**	**32.8**
Fee Income/ Banking Fees Income	328	243	249	627	492	2.5	(21.5)
Personnel Expenses	(210)	(235)	(244)	(415)	(479)	3.5	15.4
Other Administrative Expenses	(354)	(362)	(372)	(697)	(734)	2.9	5.3
Tax Expenses	(166)	(114)	(111)	(326)	(225)	(3.3)	(30.9)
Equity in Income of Associated Companies and Subsidiarie	(0)	14	16	(0)	30	16.9	-
Other Operational Income (Expenses)	(33)	(126)	(123)	(67)	(249)	(1.9)	273.7
Operating Income (Loss)	**134**	**(901)**	**(883)**	**786**	**(1,784)**	**(1.9)**	**(327.1)**
Non-Operating Income	**7**	**(29)**	**(44)**	**17**	**(72)**	**53.3**	**(525.7)**
Income (Loss) before Taxation and Profit Sharing	**142**	**(929)**	**(927)**	**803**	**(1,856)**	**(0.2)**	**(331.3)**
Provision for Income Tax and Social Contribution	95	447	484	(72)	931	8.3	-
Profit Sharing	(81)	(114)	(93)	(190)	(207)	(19.1)	8.7
Net Income (Loss)	**156**	**(597)**	**(536)**	**541**	**(1,132)**	**(10.2)**	**(309.4)**

Annex 1 - Own Loan Portfolio by Risk Level

Consolidated

RISK (R$ Million)	June.11 Balance	June.11 Provision	June.11 Part.%	Mar.12 Balance	Mar.12 Provision	Mar.12 Part.%	June.12 Balance	June.12 Provision	June.12 Part.%
AA	11,399	-	18.6%	9,712	-	16.5%	9,599	-	16.3%
A	39,958	200	65.3%	33,354	167	56.7%	33,441	167	56.9%
B	4,228	42	6.9%	6,024	60	10.2%	5,909	59	10.0%
C	2,028	61	3.3%	3,117	94	5.3%	2,995	90	5.1%
D	1,392	139	2.3%	1,589	159	2.7%	1,572	157	2.7%
E	520	156	0.8%	1,219	398	2.1%	1,138	374	1.9%
F	487	243	0.8%	641	321	1.1%	649	324	1.1%
G	271	190	0.4%	789	552	1.3%	727	509	1.2%
H	929	929	1.5%	2,350	2,350	4.0%	2,780	2,780	4.7%
TOTAL	**61,213**	**1,960**	**100.0%**	**58,795**	**4,100**	**100.0%**	**58,809**	**4,460**	**100.0%**
AA-C	**57,614**	**303**	**94.1%**	**52,207**	**321**	**88.8%**	**51,945**	**316**	**88.3%**
D-H	**3,599**	**1,657**	**5.9%**	**6,588**	**3,780**	**11.2%**	**6,864**	**4,144**	**11.7%**

Wholesale

RISK (R$ Million)	June.11 Balance	June.11 Provision	June.11 Part.%	Mar.12 Balance	Mar.12 Provision	Mar.12 Part.%	June.12 Balance	June.12 Provision	June.12 Part.%
AA	11,100	-	54.3%	9,554	-	47.0%	9,250	-	45.2%
A	5,603	28	27.4%	5,003	25	24.6%	5,024	25	24.5%
B	2,247	22	11.0%	3,160	32	15.5%	3,486	35	17.0%
C	544	16	2.7%	1,080	32	5.3%	1,121	34	5.5%
D	579	58	2.8%	556	56	2.7%	583	58	2.8%
E	16	5	0.1%	497	181	2.4%	487	178	2.4%
F	137	68	0.7%	44	22	0.2%	51	25	0.2%
G	28	19	0.1%	144	101	0.7%	65	46	0.3%
H	189	189	0.9%	295	295	1.4%	417	417	2.0%
TOTAL	**20,443**	**406**	**100.0%**	**20,334**	**744**	**100.0%**	**20,484**	**819**	**100.0%**
AA-C	**19,495**	**67**	**95.4%**	**18,797**	**89**	**92.4%**	**18,881**	**94**	**92.2%**
D-H	**949**	**339**	**4.6%**	**1,536**	**655**	**7.6%**	**1,603**	**725**	**7.8%**

Consumer Finance

RISK (R$ Million)	June.11 Balance	June.11 Provision	June.11 Part.%	Mar.12 Balance	Mar.12 Provision	Mar.12 Part.%	June.12 Balance	June.12 Provision	June.12 Part.%
AA	299	-	0.7%	158	-	0.4%	349	-	0.9%
A	34,355	172	84.3%	28,350	141	73.7%	28,417	142	74.1%
B	1,981	20	4.9%	2,864	29	7.4%	2,423	24	6.3%
C	1,483	44	3.6%	2,037	61	5.3%	1,874	56	4.9%
D	813	81	2.0%	1,033	103	2.7%	989	99	2.6%
E	504	151	1.2%	722	217	1.9%	651	195	1.7%
F	350	175	0.9%	597	299	1.6%	598	299	1.6%
G	243	170	0.6%	644	451	1.7%	661	463	1.7%
H	740	740	1.8%	2,055	2,055	5.3%	2,363	2,363	6.2%
TOTAL	**40,769**	**1,554**	**100.0%**	**38,462**	**3,356**	**100.0%**	**38,325**	**3,641**	**100.0%**
AA-C	**38,119**	**236**	**93.5%**	**33,410**	**231**	**86.9%**	**33,063**	**223**	**86.3%**
D-H	**2,651**	**1,318**	**6.5%**	**5,052**	**3,125**	**13.1%**	**5,262**	**3,419**	**13.7%**

Annex 2 - Managed Loan Portfolio by Risk Level (includes credit assignments)

Consolidated

RISK (R$ Million)	June.11			Mar.12			June.12		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	12,322	-	16.0%	12,004	-	15.6%	11,519	-	15.5%
A	53,856	269	69.9%	46,591	233	60.7%	44,648	223	60.2%
B	4,648	46	6.0%	7,134	71	9.3%	6,822	68	9.2%
C	2,252	68	2.9%	3,844	115	5.0%	3,687	111	5.0%
D	1,503	150	1.9%	1,815	182	2.4%	1,819	182	2.5%
E	582	174	0.8%	1,312	426	1.7%	1,235	403	1.7%
F	534	267	0.7%	712	356	0.9%	727	364	1.0%
G	302	204	0.4%	843	590	1.1%	789	552	1.1%
H	1,084	1,069	1.4%	2,520	2,563	3.3%	2,939	3,188	4.0%
TOTAL	**77,082**	**2,248**	**100.0%**	**76,775**	**4,536**	**100.0%**	**74,185**	**5,091**	**100.0%**
AA-C	**73,078**	**383**	**94.8%**	**69,573**	**420**	**90.6%**	**66,675**	**402**	**89.9%**
D-H	**4,004**	**1,865**	**5.2%**	**7,202**	**4,116**	**9.4%**	**7,510**	**4,689**	**10.1%**

Consumer Finance

RISK (R$ Million)	June.11			Mar.12			June.12		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	1,222	-	2.2%	2,449	-	4.3%	2,269	-	4.2%
A	48,252	241	85.2%	41,588	207	73.7%	39,624	198	73.8%
B	2,401	24	4.2%	3,974	40	7.0%	3,336	33	6.2%
C	1,708	51	3.0%	2,764	83	4.9%	2,565	77	4.8%
D	923	92	1.6%	1,259	126	2.2%	1,236	124	2.3%
E	566	170	1.0%	815	244	1.4%	748	224	1.4%
F	397	199	0.7%	668	334	1.2%	676	338	1.3%
G	274	185	0.5%	699	489	1.2%	724	507	1.3%
H	895	880	1.6%	2,225	2,268	3.9%	2,522	2,771	4.7%
TOTAL	**56,638**	**1,842**	**100.0%**	**56,441**	**3,792**	**100.0%**	**53,701**	**4,272**	**100.0%**
AA-C	**53,583**	**317**	**94.6%**	**50,775**	**330**	**90.0%**	**47,794**	**308**	**89.0%**
D-H	**3,055**	**1,525**	**5.4%**	**5,666**	**3,462**	**10.0%**	**5,907**	**3,964**	**11.0%**

The Wholesale credit portfolio is not impacted by the credit assignments, as assignments are made through the subsidiary BV Financeira.

Annex 3 - Credit Assignments with Recourse (without FIDC's)

RISK (R$ Million)	June.11			Mar.12			June.12		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	141	-	1.1%	36	-	0.3%	30	-	0.3%
A	12,081	60	93.3%	11,562	58	84.8%	10,070	50	83.7%
B	304	3	2.4%	995	10	7.3%	847	8	7.0%
C	160	5	1.2%	648	19	4.8%	633	19	5.3%
D	85	8	0.7%	188	19	1.4%	217	22	1.8%
E	49	15	0.4%	75	22	0.5%	82	25	0.7%
F	32	16	0.2%	56	28	0.4%	65	33	0.5%
G	20	7	0.2%	41	29	0.3%	51	35	0.4%
H	71	56	0.5%	37	41	0.3%	35	38	0.3%
TOTAL	**12,943**	**171**	**100.0%**	**13,638**	**226**	**100.0%**	**12,031**	**230**	**100.0%**
AA-C	**12,685**	**68**	**98.0%**	**13,241**	**87**	**97.1%**	**11,581**	**78**	**96.3%**
D-H	**257**	**103**	**2.0%**	**397**	**139**	**2.9%**	**450**	**152**	**3.7%**

Annex 4 - Quality Indicators of the Own Loan Portfolio

Consolidated

LOAN PORTFOLIO QUALITY INDICATORS	June.11	Mar.12	June.12
Loan Portfolio (R$ Million)	61,213	58,795	58,809
90-day NPL[1] (R$ Million)	1,976	4,285	4,543
90-day NPL/ Loan Portfolio	3.2%	7.3%	7.7%
Write-off (a)	(304)	(693)	(1,079)
Recovery of loans written off (b)	37	44	52
Net Loss (a+b)	(268)	(650)	(1,027)
Net Loss/ Loan Portfolio - annualized	1.8%	4.5%	7.2%
ALL[2](R$ Million)	1,960	4,100	4,460
ALL/ Loan Portfolio	3.2%	7.0%	7.6%
ALL/ 90-day NPL	99.2%	95.7%	98.2%
ALL Expenses/ Average Loan Portfolio[3]	2.9%	7.4%	8.4%
AA-C (R$ Million)	57,614	52,207	51,945
AA-C/ Loan Portfolio	94.1%	88.8%	88.3%

1 According to Resolution 2,682/Bacen; 2. ALL: Allowance for Loan Losses; 3. Accumulated basis of 12 months

Wholesale

LOAN PORTFOLIO QUALITY INDICATORS	June.11	Mar.12	June.12
Loan Portfolio (R$ Million)	20,443	20,334	20,484
90-day NPL[1] (R$ Million)	226	413	433
90-day NPL/ Loan Portfolio	1.1%	2.0%	2.1%
Write-off (a)	(7)	(45)	(44)
Recovery of loans written off (b)	2	7	1
Net Loss (a+b)	(5)	(38)	(43)
Net Loss/ Loan Portfolio - annualized	0.1%	0.7%	0.9%
ALL[2] (R$ Million)	406	744	819
ALL/ Loan Portfolio	2.0%	3.7%	4.0%
ALL/ 90-day NPL	179.7%	179.9%	188.9%
ALL Expenses/ Average Loan Portfolio[3]	0.7%	2.4%	2.5%
AA-C (R$ Million)	19,495	18,797	18,881
AA-C/ Loan Portfolio	95.4%	92.4%	92.2%

1 According to Resolution 2,682/Bacen; 2. ALL: Allowance for Loan Losses; 3. Accumulated basis of 12 months

Consumer Finance

LOAN PORTFOLIO QUALITY INDICATORS	June.11	Mar.12	June.12
Loan Portfolio (R$ Million)	40,769	38,462	38,325
90-day NPL[1] (R$ Million)	1,750	3,872	4,109
90-day NPL/ Loan Portfolio	4.3%	10.1%	10.7%
Write-off (a)	(297)	(648)	(1,034)
Recovery of loans written off (b)	35	36	51
Net Loss (a+b)	(263)	(612)	(983)
Net Loss/ Loan Portfolio - annualized	2.6%	6.5%	10.7%
ALL[2](R$ Million)	1,554	3,356	3,641
ALL/ Loan Portfolio	3.8%	8.7%	9.5%
ALL/ 90-day NPL	88.8%	86.7%	88.6%
ALL Expenses/ Average Loan Portfolio[3]	4.0%	10.0%	11.5%
AA-C (R$ Million)	38,119	33,410	33,063
AA-C/ Loan Portfolio	93.5%	86.9%	86.3%

1 According to Resolution 2,682/Bacen; 2. ALL: Allowance for Loan Losses; 3. Accumulated basis of 12 months

Annex 5 – Quality Indicators of the Managed Consumer Finance Loan Portfolio

LOAN PORTFOLIO QUALITY INDICATORS[1]	June.11	Mar.12	June.12
Loan Portfolio (R$ Million)	56,638	56,441	53,701
90-day NPL[2] (R$ Million)	1,852	4,035	4,275
90-day NPL/ Loan Portfolio	3.3%	7.1%	8.0%
Write-off (a)	(297)	(648)	(1,034)
Recovery of loans written off (b)	35	36	51
Net Loss (a+b)	(263)	(612)	(983)
Net Loss/ Loan Portfolio - annualized	1.9%	4.4%	7.5%
ALL[3] (R$ Million)	1,842	3,792	4,272
ALL/ Loan Portfolio	3.3%	6.7%	8.0%
ALL/ 90-day NPL	99.5%	94.0%	99.9%
ALL Expenses[4]/ Average Loan Portfolio[5]	3.2%	7.3%	8.2%
AA-C (R$ Million)	53,583	50,775	47,794
AA-C/ Loan Portfolio	94.6%	90.0%	89.0%

1 Including credit assignments with recourse and credit assignments to FIDCs; 2. According to Resolution 2,682/Bacen; 3. ALL: Allowance for Loan Losses; 4. Includes ALL Expenses of credit assignments; 5. Accumulated basis of 12 months

factors may affect future results and performance and could lead future results to differ materially from those expressed in this report.