BancoVotorantim

3Q11 Earnings Release

São Paulo, November 3, 2011. Banco Votorantim S.A. ("BV"), the third largest privately-held Brazilian bank, announces its results for the third quarter and for the nine month period of 2011 (3Q11 and 9M11). All financial information herein, except where indicated otherwise, are presented in nominal Brazilian Reais, based on consolidated numbers, and are in accordance with the Brazilian GAAP (BRGAAP) accounting standards and the Brazilian Corporate Law.

BV is a privately-held company that operates in the form of multiple bank since 1991. Business activities are conducted by a group of institutions controlled by BV, which operate in the financial markets and manage risk in an integrated manner. Among these directly controlled companies are BV Financeira, BV Leasing, Votorantim Asset Management and Votorantim Corretora de Títulos e Valores Mobiliários (brokerage house).

Message from the CEO

We are the third largest privately-held Brazilian bank and we have a robust shareholder base, comprised of a strategic partnership between **Banco do Brasil (BB)**, the country's largest financial institution, and **Votorantim Group** - one of Latin America's largest private-sector conglomerates.

We are well positioned to consolidate ourselves as one of Brazil's leading banks, occupying the space created by consolidation in the banking industry and by leveraging additional opportunities through our business portfolio while constantly expanding the partnership with BB.

However, the Brazilian banking environment has been significantly altered by macro-prudential measures and the worsening international crisis, so the local financial industry is beginning to face significant challenges that are likely to sharpen in the coming months. In this respect, the following scenario is the most probable:

- Increased capital requirements;
- Economic slowdown, with lending rising more slowly;
- Higher levels of delinquency and provisioning; and
- Rising funding costs associated with an external environment of higher volatility and risk aversion.

In this new regulatory and external volatility environment, in which the market is showing higher levels of delinquency rate of individuals, Banco Votorantim will see its earnings coming under pressure, as will other banks. After BV Financeira's rapid growth in the post-2008 crisis period, we have now prioritized the businesses more profitable and with lower capital requirements.

In our Consumer Finance business, with support from our shareholders, we continue to evolve our operating model in order to deepen the partnership with BB. To this end, we are working on improving BV Financeira's operational model to include assignments without recourse or even possibly originating assets directly to BB.

On the Wholesale side, we intensified our focus on delivering integrated financial solutions for credit, structured products and investment banking services, thus becoming more relevant for clients, in line with our strategic plan.

Finally, we have moved forward and taken a number of corporate initiatives that are boosting our ability to deal with the more difficult scenario we envision for the market as a whole. Over the last few months, we have taken a more conservative position in consumer credit and treatment of provisions, and we have strengthened our actions in credit collection. Additionally, we have taken far-reaching measures for more effective cost management and will gradually increase our coverage ratio in Consumer Finance.

Despite the challenges on the international and local scenarios, as well as adverse regulatory measures in the wake of a period of strong growth for us, we are fully confident that the adjustments we have made and the initiatives taken - although requiring a new growth-profitability equilibrium point - will consolidate and further strengthen Banco Votorantim's position, with support from our shareholders, employees and clients.

Corporate Strategy

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

Wholesale covers the Corporate (large companies), Investment Banking, Brokerage, Middle Market (mid-sized companies), Asset Management and Private Bank segments. BV's performance in Wholesale has clearly defined strategic objectives, namely:

- **Corporate & Investment Banking (CIB):** be one of the leading partner banks for our clients, offering integrated financial solutions for credit, structured products and investment banking services. BV is already a market leader in lending for major companies and has further built its position with clients by strengthening its platform of customized structured products, derivatives (hedging) and investment banking services (ECM, DCM and M&A). In addition, BV will continue to strengthen its distribution platform locally and internationally.

- **Middle Market:** grow with quality in this attractive and growing segment of mid-sized companies, with significant gains in scale and efficiency. BV's Middle Market unit (BV Empresas) will continue to use its agility and flexibility to better serve its clients, leveraging its platform of Corporate & Investment Banking segment products to expand its product offering and expertise in this segment.

- **Wealth Management:** VAM (Votorantim Asset Management) consolidate itself among the "Top 10" asset managers in the market, expanding the partnership with BB and leveraging its capability to develop and distribute innovative products on both structured products market, such as receivables funds (FIDCs), real-estate funds (FIIs) and equity investment funds (FIPs). In Private Bank, maintain robust growth through global wealth management and customized solutions, aiming to be ranked among the "Top 5" in the segment.

In Consumer Finance, BV is a market leader, focusing on the auto finance segment and relevant positions in other complementary lines of business. BV's strategic objectives for Consumer Finance include:

- **Auto Finance:** accounts for 1/3 of the total non-earmarked credit to individuals in Brazil, according to Brazilian Central Bank (Banco Central do Brasil) data. As BV's wholly owned subsidiary, BV Financeira acts as an extension of Banco do Brasil (BB) for auto financing outside its network of branches. BV Financeira plans to sustain its leadership in the financing of used vehicles and continue to explore profitable growth opportunities in the retail channel.

- **Other business:** grow above the industry average in complementary lines of business such as credit cards and insurance brokerage, building up the shares that these complementary lines of business contribute to our results. In payroll loans, BV seeks to increase margins in this segment, which has a market share of 6% in terms of origination.

Over the next few years, BV's business portfolio should reach full maturity, with the strengthening of Corporate & Investment Banking, growth in Middle Market, continuing growth in Wealth Management and the transition to a new consumer finance model while constantly strengthening our partnership with BB.

Key Information

The tables below show the evolution of the key information of BV:

RESULTS (R$ Million)	3Q10	2Q11	3Q11	9M10	9M11	Change (%) 3Q11/2Q11	Change (%) 9M11/9M10
Gross Financial Margin[1] (a)	1,348	1,310	1,174	3,756	4,205	(10.4)	12.0
Allowance for Loan Losses - ALL (b)	(323)	(842)	(978)	(1,194)	(2,246)	16.1	88.2
Gross Income from Financial Operations (a - b)	1,024	468	196	2,562	1,959	(58.0)	(23.5)
Income from Rendered Services and Banking Fees	321	328	331	975	959	1.1	(1.6)
Administrative and Personnel Expenses	(569)	(579)	(657)	(1,560)	(1,784)	13.5	14.3
Operating Results	576	158	(187)	1,480	638	(218.1)	(56.9)
Net Income (Loss)	266	156	(85)	743	455	(154.8)	(38.7)

MANAGEMENT INDICATORS (%)	3Q10	2Q11	3Q11	9M10	9M11	Change (%) 3Q11/2Q11	Change (%) 9M11/9M10
Return on Average Equity[2] (ROAE)	13.7%	7.4%	-3.9%	12.8%	7.1%	-11.2 bps	-5.7 bps
Return on Average Assets[3] (ROAA)	1.0%	0.5%	-0.3%	1.0%	0.5%	-0.8 bps	-0.5 bps
Net Interest Margin[4] (NIM)	5.6%	5.5%	4.2%	5.5%	5.2%	-1.3 bps	-0.3 bps
Efficiency Ratio (ER) - Accrued for the last 12 months[5]	34.5%	36.3%	37.2%	34.5%	37.2%	+0.9 bps	+2.7 bps
Basel Index	13.5%	13.9%	12.7%	13.5%	12.7%	-1.2 bps	-0.8 bps

BALANCE SHEET (R$ Million)	Sept.10	June 11	Sept.11	Change (%) Sept.11/ June11	Change (%) Sept.11/ Sept.10
Total Assets	112,131	119,190	124,339	4.3	10.9
Loan Portfolio	52,753	61,213	63,978	4.5	21.3
Wholesale Segment	18,319	20,443	21,621	5.8	18.0
Consumer Finance Segment	34,434	40,769	42,357	3.9	23.0
Guarantees Provided	9,545	10,598	10,929	3.1	14.5
Credit Assignments	9,961	12,943	13,523	4.5	35.8
FIDCs	1,212	2,934	3,065	4.5	153.0
Funding Sources	67,769	74,007	78,760	6.4	16.2
Shareholders' Equity	8,275	8,706	8,718	0.1	5.4
Capital (Basel Index)	11,945	12,592	13,057	3.7	9.3

LOAN PORTFOLIO QUALITY INDICATORS[6] (%)	Sept.10	June 11	Sept.11	Change (%) Sept.11/ June11	Change (%) Sept.11/ Sept.10
Overdue Loans +90 days[7]/ Loan Portfolio	2.4%	2.7%	3.6%	+0.9 bps	+1.2 bps
Allowance for Loan Losses / Overdue Loans +90 days[7]	110.0%	108.2%	103.8%	-4.4 bps	-6.2 bps
Allowance for Loan Losses / Loan Portfolio	2.6%	2.9%	3.7%	+0.8 bps	+1.1 bps

OTHER INFORMATION	Sept.10	June 11	Sept.11	Change (%) Sept.11/ June11	Change (%) Sept.11/ Sept.10
AuM (R$ Million)	28,556	36,718	38,515	4.9	34.9
Number of Employees[8]	7,381	7,040	6,963	(1.1)	(5.7)

1 Gross income from financial Operations before allowance for loan losses;
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. NIM : [(gross income from financial operations) / (average interest earning assets)]. This ratio is annualized;
5. ER: administrative and personnel expenses / (gross financial margin + income from rendered services and banking fees + other operating income and expenses + fiscal hedge adjustment);
6. Includes credit assignments and FIDCs;
7. According to Resolution #2682;
8. Excludes trainees and statutory employees.

Executive Summary - Financial Performance

For 9M11, BV reported net income of R$455 million, a decrease of 38.7% on the same period last year, due to two main factors:

- More modest growth of Gross Financial Margin, associated with higher funding costs; and
- Increased expenses of allowance for loan losses in Consumer Finance, impacted by market trends.

Our Gross Financial Margin totaled R$4,205 million through 9M11, which was 12.0% increase on 9M10, driven by increased revenues from lending (+R$2,121 million), income from derivative financial instruments (+R$1,135 million), which are used primarily for hedging, and income from securities (+R$982 million). These higher revenues were partially offset by higher funding expenses with deposits, money market and interbank funds (+R$3,394) and loans, assignments and onlendings (+R$650 million).

The increase in revenues from lending is associated with a higher average balance of the portfolio, due to the expansion in Consumer Finance and the Middle Market segment. The increase in the results with securities, in turn, is mainly explained by increased revenues from structured finance in Corporate segment, and results from Treasury.

Higher financial operations expenses were primarily due to:

- Increase in the volume of funding, with longer average tenor and more subordination;
- Effects of varying exchange rates and fluctuations in interest rates and fees, whose effects on the funding costs were largely offset by derivative financial instruments.

It should be emphasized that the positions of securities, loans, foreign exchange, money market, borrowings, assignments and onlendings, which have risks in foreign currency rates and interest rates, have respective hedge operations backed by derivative instruments to avoid exposures to market fluctuations.

INCOME STATEMENT SUMMARY (R$ Million)	3Q10	2Q11	3Q11	9M10	9M11	Change (%) 3Q11/2Q11	9M11/9M10
Gross Financial Margin	**1,348**	**1,310**	**1,174**	**3,756**	**4,205**	**(10.4)**	**12.0**
Allowance for Loan Losses	(323)	(842)	(978)	(1,194)	(2,246)	16.1	88.2
Gross Income from Financial Intermediation	**1,024**	**468**	**196**	**2,562**	**1,959**	**(58.0)**	**(23.5)**
Other Operating Income/Expenses	**(448)**	**(310)**	**(383)**	**(1,082)**	**(1,321)**	**23.5**	**22.1**
Income from Rendered Services and Banking Fees	321	328	331	975	959	1.1	(1.6)
Administrative and Personnel Expenses	(569)	(579)	(657)	(1,560)	(1,784)	13.5	14.3
Tax Expenses[1]	(143)	(169)	(143)	(411)	(473)	(15.6)	15.1
Other Operating Income/Expenses	(58)	111	86	(85)	(22)	(22.0)	(74.1)
Operating Results	**576**	**158**	**(187)**	**1,480**	**638**	**(218.1)**	**(56.9)**
Net Income (Loss)	**266**	**156**	**(85)**	**743**	**455**	**(154.8)**	**(38.7)**

1 Includes PIS/CONFINS/ISS.

However, the main factor that impacted net income in 9M11 was the increase of 88.2% in allowance for loan losses expenses, which totaled R$2,246 million in the period. Approximately 88% of these consolidated expenses for 9M11 were originated in Consumer Finance, which consists of the BV Financeira and BV Leasing subsidiaries.

Heightened levels of delinquency rate of individuals have been observed in the market in general. Central Bank data for auto finance, BV Financeira's principal operating segment, show that overdue loans averaging over 90 days rose from 3.1% in Sept.10 to 4.4% in Sept.11.

Note that BV Financeira has been improving its lending procedures and criteria and stepping up its collection initiatives. Since 2Q11, the quality of loans originated has shown improvement, which is likely to have positive effects on overdue loans and delinquency indicators in 2012.

Administrative and personnel expenses totaled R$1,784 million in 9M11, which was up 14.3% year on year. This variation is associated with investments to grow strategic business, such as auto finance and Middle Market, as well as enhanced corporate governance.

By the end of Sept.11, shareholders' equity totaled R$8.7 billion, with an annualized return on average equity of 7.1% in 9M11. The Basel index ended Sept.11 at 12.7%, of which 8.5% took the form of Tier I capital.

Financial Performance Analysis

Gross Financial Margin

Gross financial margin totaled R$4,205 million in 9M11, showing an increase of 12.0% on 9M10.

The 9M11 financial operations income rose 42.5% on the same period of the previous year, driven by positive growth in revenues from lending (+R$2,121 million), gains from derivatives (+R$1,135 million) and income from securities (+R$982 million).

GROSS FINANCIAL MARGIN (R$ Million)	3Q10	2Q11	3Q11	9M10	9M11	Change (%) 3Q11/2Q11	Change (%) 9M11/9M10
Financial Operations Income	**3,276**	**3,721**	**6,475**	**9,929**	**14,151**	**74.0**	**42.5**
Loans	2,090	2,381	3,233	6,073	8,194	35.8	34.9
Lease Operations	666	544	486	2,008	1,629	(10.7)	(18.9)
Securities Income	1,267	1,273	1,779	3,109	4,091	39.7	31.6
Derivative Financial Instruments	(812)	(654)	719	(1,499)	(363)	(209.9)	(75.8)
Foreign Exchange Operations	(43)	6	80	38	95	1,147.6	154.5
Compulsory Deposits	109	170	178	200	505	4.7	152.4
Financial Operations Expenses	**(1,928)**	**(2,411)**	**(5,301)**	**(6,174)**	**(9,945)**	**119.9**	**61.1**
Deposits, Money Market and Interbank Funds	(1,548)	(2,036)	(4,117)	(4,517)	(7,911)	102.2	75.2
Loans, Assignments and Onlendings	119	41	(798)	(135)	(784)	(2,039.6)	482.7
Lease Operations	(499)	(415)	(387)	(1,523)	(1,250)	(6.9)	(17.9)
Gross Financial Margin	**1,348**	**1,310**	**1,174**	**3,756**	**4,205**	**(10.4)**	**12.0**

The 34.9% increase in revenues from lending, which totaled R$8,194 million in 9M11, is primarily associated with a 28.5% increase in the average balance of the loan portfolio, particularly in the Consumer Finance and Middle Market segments.

AVERAGE LOAN PORTFOLIO (R$ Million)	2Q11	3Q11	9M10	9M11	Change (%) 3Q11/2Q11	Change (%) 9M11/9M10
Consumer Finance Segment	**39,624**	**41,563**	**30,027**	**39,705**	**4.9**	**32.2**
Wholesale Segment	**20,246**	**21,032**	**16,766**	**20,429**	**3.9**	**21.8**
Corporate	13,647	13,646	13,821	13,724	(0.0)	(0.7)
Middle Market	6,600	7,387	2,945	6,705	11.9	127.6
Loan Portfolio	**59,870**	**62,595**	**46,793**	**60,134**	**4.6**	**28.5**

Our result from derivative financial instruments comprised revenues and expenses associated with swaps, futures and other derivatives that are regularly used to hedge positions in securities loans, foreign exchange, money market, borrowings, assignments and onlendings, which incur foreign currency, interest rates and fees. The best result came from financial derivative instruments in 9M11 compared to 9M10, and was largely due to hedging gains on funding in the market and international loans.

The 31.6% increase in results from securities, which totaled R$4,091 million in 9M11, is mainly due to increase in revenues from the structured finance segment of the Corporate & Investment Banking segment, as redeemable preferred shares, plus the performance of Treasury.

However, the 42.5% increase in financial operations income was partially offset by an increase of 61.1% in financial operations expenses in the same period (9M11 against 9M10), which may be primarily explained by:

- A 22.5% rise in the average balance of funding sources, with a lengthening of average tenor and more subordination. The lengthening of the funding profile has been brought about both in the external market by issuing Eurobonds, as in the local market via Financing Bills (Letras Financeiras);

- Effects of varying exchange rates and fluctuations in interest rates and fees, which effects on funding costs were largely offset by the derivative financial instruments.

AVERAGE FUNDING (R$ Million)	2Q11	3Q11	9M10	9M11	Change (%) 3Q11/2Q11	9M11/9M10
Borrowings and Others[1]	9,632	9,119	8,509	9,178	(5.3)	7.9
Subordinated Debt	6,298	6,196	5,104	6,553	(1.6)	28.4
Issuance of Securities	14,349	16,784	6,821	14,222	17.0	108.5
Repos[2]	18,579	20,003	15,164	18,873	7.7	24.5
Deposits	24,289	24,299	24,067	24,285	0.0	0.9
Average Funding	**73,148**	**76,401**	**59,665**	**73,112**	**4.4**	**22.5**
Average Funding and Securitization	**88,478**	**92,633**	**67,902**	**88,311**	**4.7**	**30.1**

1 Includes Box of Options and NCE repos; 2. Includes private securities.

The 3Q11 gross financial margin totaled R$1,174 million, a 10.4% decrease on the previous quarter. This reduction was primarily due to higher financial operations expenses in 3Q11, associated with the Dollar's 18.8% appreciation against the Brazilian Real in the period.

Net Interest Margin (NIM) in 9M11 was 5.2%, with a decrease of 30 basis points over the same period in 2010. The quarter's NIM was 4.2%, 130 basis points lower than the previous quarter.

Loan Portfolio

In Sept.11, the consolidated loans portfolio reached R$64.0 billion, and was up 4.5% in the quarter and 21.3% in 12 months.

LOAN PORTFOLIO (R$ Million)	Sept.10	June11	Sept.11	Change % Sept.11/ June11	Sept.11/ Sept.10
Consumer Finance Segment	**34,434**	**40,769**	**42,357**	**3.9**	**23.0**
Auto Finance[1]	29,508	34,647	35,959	3.8	21.9
Payroll Loans	4,645	5,834	6,042	3.6	30.1
Other	280	288	357	23.7	27.3
Wholesale Segment	**18,319**	**20,443**	**21,621**	**5.8**	**18.0**
Corporate	14,053	13,646	13,645	(0.0)	(2.9)
Middle Market	4,266	6,797	7,976	17.3	87.0
Total Loan Portfolio	**52,753**	**61,213**	**63,978**	**4.5**	**21.3**
Guarantees Provided	9,545	10,598	**10,929**	3.1	14.5
Other[2]	6,675	7,974	**7,913**	(0.8)	18.5
Expanded Credit Portfolio[3]	**68,973**	**79,784**	**82,821**	**3.8**	**20.1**
Credit Assignments[4]	9,961	12,943	**13,523**	4.5	35.8
FIDCs	1,212	2,934	**3,065**	4.5	153.0
Managed Credit Portfolio[5]	**80,145**	**95,661**	**99,409**	**3.9**	**24.0**

1 Includes personal credit and leasing operations; 2. Includes private securities ; 3. Includes guarantees provided and private securities; 4. Credit assignments with recourse to other financial institutions; 5. Includes expanded loan portfolio, credit assignments and FIDCs.

In the Consumer Finance segment, the loan portfolio grew 23.0% in the last 12 months, rising from R$34.4 billion to R$42.4 billion. This growth was driven by the expansion of auto finance portfolio, which reached R$36.0 billion at the end of Sept.11. On 3Q11, Consumer Finance portfolio growth slowed to 3.9% on the previous quarter, mainly due to the impact of macro-prudential measures and tighter lending procedures and criteria.

Wholesale's loan portfolio, which includes the Middle Market (mid-sized companies) and Corporate (large companies) segments, reached R$21.6 billion in Sept.11, to show 18.0% growth on the last 12 months. Wholesale's expanded credit portfolio, including guarantees provided and private securities ended Sept.11 with a balance of R$40.6 billion, an increase of 17.5% on Sept.10.

The Middle Market segment kept to its growth path to reach a loan portfolio of R$8.0 billion, thus showing an 87.0% increase on Sept.10. The expanded credit portfolio ended Sept.11 at R$8.8 billion, an increase of 96.5% in 12 months. To ensure sustainable growth for this segment of mid-sized companies, in line with its corporate strategy, BV has strengthened its team of relationship managers, increased the number of branches to 42 (from 37 in June11), and continued to upgrade IT infrastructure.

The Corporate segment ended Sept.11 with a loan portfolio of R$13.6 billion, which was down 2.9% on Sept.10. The expanded credit portfolio, however, reached R$31.8 billion in Sept.11, growing 5.7% in 12 months. BV is one of the top players in this segment of large corporations, and has a high level of market penetration. Nevertheless, in order to strengthen its position in relation to clients, BV has sought to supplement its credit offering with structured products, investment banking services and derivatives for hedging purposes.

Note that BV revised its parameters for segmenting the Middle Market and Corporate business in 3Q11. Previously covering companies with annual revenues in the R$20-200 million range, Middle Market was extended to those with annual revenues of R$200-R$400 million. As a result, some R$300 million of loan portfolio was transferred from Corporate to Middle Market segment.

From a consolidated point of view, the loan portfolio has grown 20.1% in the last 12 months to reach R$82.8 billion. The balance of assets assigned rose to R$13.5 billion, of which R$12.5 billion, or 93% of the total balance, was related to credits assigned directly by the shareholder Banco do Brasil (BB). BB regularly acquires vehicle finance and payroll loans portfolios originated by BV through an Operating Agreement, in line with its strategy of expanding its consumer credit portfolio.

Allowance for Loan Losses (ALL)

The ALL expenses reached R$2,246 million in 9M11, against R$1,194 million in the same period of 2010. Approximately 88% of 9M11 consolidated ALL expenses came from Consumer Finance, which comprises the subsidiaries BV Financeira and BV Leasing.

The deteriorating international crisis and especially macro-prudential measures have significantly altered the context of the Brazilian financial industry. These two factors have fed into slower growth of lending, more pronounced accommodation in the economy and sharper increases in interest rates on consumer loans. Consequently, the market has seen a rise in delinquency rates for individuals. According to Central Bank of Brazil data, the average delinquency rate for individuals rose from 6.0% in Sept.10 to 6.8% in Sept.11. In auto finance, BV Financeira's main operating segment, which historically has seen low delinquency rates, the overdue loans more than 90 days in the market rose from 3.1% in Sept.10 to 4.4% in Sept.11.

At the end of Sept.11, the balance of ALL expenses on the BV Financeira's managed credit portfolio, including credit assignments with recourse and FIDCs reached 4.2% against 3.1% in Sept.10 (3.3% in June 11).

Note that as of 2Q11 there has been an improvement in the quality of new loans originated by BV Financeira, which is likely to have a positive impact on delinquency indicators in the medium term. In particular, the leading indicator for "first installment of repayment in arrears of over 30 days", which enables the bank to evaluate the quality of each cohort, has shown some evolution for all vehicles financed, although it remains above the historical average.

Additionally, BV Financeira has tightened its lending criteria and stepped up its collection initiatives. To take one example, the percentage of vehicle-loan applications approved in 3Q11 was 30% against 41% in 3Q10.

In Wholesale however, even with the Middle Market segment continuing to grow, delinquency stood at 1.3% in Sept.11, showing the high quality of this portfolio.

On a consolidated basis, overdue loans more than 90 days reached 3.6% of the loan portfolio in Sept.11, including credit assignments and FIDCs, an increase of 90 basis points on June 11.

DELIQUENCY INDICATORS	Sept.10	June11	Sept.11
Loan Portfolio (R$ Million)	52,753	61,213	63,978
Overdue Loans[1] (R$ Million)	3,897	6,071	7,358
Overdue Loans[1] / Loan Portfolio (%)	7.4%	9.9%	11.5%
Overdue Loans +90 days[2] (R$ Million)	1,524	2,078	2,873
Overdue Loans +90 days[2]/ Loan Portfolio[3]	2.4%	2.7%	3.6%
ALL[3] (R$ Million)	1,676	2,248	2,982
ALL[3] / Loan Portfolio[3] (%)	2.6%	2.9%	3.7%
ALL[3] / Overdue Loans +90 days[2] (%)	110.0%	108.2%	103.8%

1 Loans overdue +15 days; 2. According to Resolution #2682; 3. Allowance for loan losses including credit assignments and FIDCs.

At the end of Sept.11, 93.8% of BV's loan portfolio, including credit assignments, was rated between AA and C on the Brazilian Central Bank criteria (Resolution #2682), against 94.8% in June 11, as shown in the table below.

RISK (R$ Million)	Sept.10			June 11			Sept.11		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	22,060	50	35.2%	23,480	60	31.7%	24,282	63	31.3%
A	34,250	173	54.6%	40,099	200	54.1%	40,976	204	52.9%
B	3,205	32	5.1%	4,533	45	6.1%	4,964	50	6.4%
C	963	29	1.5%	2,187	66	2.9%	2,512	75	3.2%
D	498	50	0.8%	1,477	148	2.0%	1,251	125	1.6%
E	399	120	0.6%	569	171	0.8%	1,036	311	1.3%
F	218	109	0.3%	519	260	0.7%	557	278	0.7%
G	303	212	0.5%	292	204	0.4%	517	362	0.7%
H	817	817	1.3%	1,000	957	1.3%	1,406	1,380	1.8%
TOTAL[1]	**62,713**	**1,592**	**100.0%**	**74,156**	**2,110**	**100.0%**	**77,502**	**2,849**	**100.0%**
AA-C	**60,478**	**283**	**96.4%**	**70,299**	**371**	**94.8%**	**72,735**	**392**	**93.8%**
D-H	**2,235**	**1,308**	**3.6%**	**3,857**	**1,739**	**5.2%**	**4,767**	**2,457**	**6.2%**

1 Excludes FIDCs.

Income from Rendered Services

Income from rendered services, including banking fees, totaled R$959 million in 9M11, a fall of 1.6% against 9M10, mainly due to the reduced volume of vehicles financed in the period.

For 3Q11, income from services totaled R$331 and showed an increase of 1.1% on the previous quarter (R$328 million).

Administrative and Personnel Expenses

Administrative expenses rose 12.4% from R$1,010 million in 9M10 to R$1,135 million in 9M11. Personnel expenses rose 17.9% from R$551 million in 9M10 to R$650 million in 9M11. These variations were mainly due to investments in growing strategic business for BV, such as Auto Finance and Middle Market, as well as enhancing corporate governance through improved internal process and a modernized IT platform.

In 3Q11, administrative expenses totaled R$423 million, an increase of 14.5% on the R$369 million posted in 2Q11. The increase observed was mainly related to intensified credit collection processes and expenses for consulting services and projects, such as Sarbanes-Oxley compliance to enhance governance, and opening new Middle Market branches. Personnel expenses amounted to R$235 million in 3Q11, an increase of 11.8% from R$210 million in the previous quarter. This increase mainly reflected provisions relating to the 2011 collective bargaining agreement.

Even with substantial investment in growth and maturation of strategic business, the efficiency ratio for the previous 12 months ended Sept.11 at 37.2%, which is slightly higher than the 36.3% recorded in June 11, but still below the market average.

It should be emphasized that BV has historically reported efficiency rates below the average of other market players due to its business model of low fixed cost, based on an extensive network of third-party distribution and a highly variable remuneration system. Additionally, BV has been implementing initiatives to optimize its costs and expenses structure to ensure efficiency gains.

Tax Expenses

Tax expenses totaled R$473 million in 9M11, which amounts to an increase of 15.1% on 9M10, due to higher taxation bases for PIS, COFINS and ISS in the period, in addition to inflation-adjusted tax brackets. In 3Q11, the amount of R$143 million represented 15.6% reduction compared to R$169 million in 2Q11.

Other Operational Income

Other operational income increased from R$48 million in 9M10 to R$216 million in 9M11, thus showing an increase of R$168 million. Other operational income in 3Q11 reached R$170 million and showed an increase of R$139 million on the previous quarter. These variations were mainly due to variations in net shareholder’s equity of Banco Votorantim's foreign subsidiaries reflecting significant appreciation of the Dollar in the period.

Other Operational Expenses

Other operational expenses increased from R$132 million in 9M10 to R$238 million in 9M11 and the increase was mainly related to amounts involved in labor claims and tort cases.

Note that, in order to better reflect the financial performance of the business in the financials statements, from 2011 there were some changes in the internal politics of grouping of income and expenditure accounts. For example, both the other operational income and other operational expenses related to the origination business, especially those related to Total Effective Cost (CET), started to be included in the gross financial margin. The reclassifications made are fully described in the notes to financial statements as of September 30, 2011.

Non-Operating Results

Non-operating results rose from expense of R$27 million in 9M10 to revenue of R$10 million in 9M11. For 3Q11, an expense of R$7 million was posted against a revenue of R$7 million in the previous quarter.

Non-operating results primarily include proceeds from the disposal of assets not in use (BNDU), in particular sales of repossessed vehicles.

Income Tax and Social Contribution

Due to its negative calculation base for income tax in the period, BV recognized a credit of R$78 million in income tax and social contribution in 9M11, against an expense of R$402 million for the same period in 2010. Tax credit of R$189 million was deferred for 3Q11, against the R$71 million recognized in the previous quarter.

Funding Sources

The total funding in Sept.11, including proceeds from credit assignments (securitization) and FIDCs, was R$95.4 billion, an increase of 6.2% on June 11. Excluding the credit assignments, the amount of funds reached R$78.8 billion at end of Sept.11, expanding 6.4% in the last quarter.

In the local market, BV continued its long-term funding strategy of issuing Financing Bills (Letras Financeiras) for a total of R$8.1 billion in Sept.11, including R$1.5 billion in subordinated Financing Bills.

FUNDING SOURCES (R$ Billion)	Sept.10	June11	Sept.11	Change % Sept.11/ June11	Change % Sept.11/ Sept.10
Other funding	5.1	4.1	3.2	(21.4)	(37.7)
Borrowings	4.9	5.6	5.4	(3.4)	10.4
Subordinated Debt	6.6	5.7	6.7	18.2	2.4
Issuance of Securities	9.7	15.7	17.9		
Financing Bills	2.5	5.7	6.6	15.7	163.1
Foreign Securities	2.4	5.4	6.4	18.6	163.8
Other (LCA, LCI and Debentures)	4.7	4.6	4.9	7.0	3.6
Repos[1]	17.3	19.4	20.6	6.3	19.1
Deposits	24.2	23.6	25.0	5.6	3.0
Total Funding	**67.8**	**74.0**	**78.8**	**6.4**	**16.2**
Securitization	**11.2**	**15.9**	**16.6**	4.5	48.5
Credit Assignments	10.0	12.9	13.5	4.5	35.8
FIDCs	1.2	2.9	3.1	4.5	153.0
Total Funding and Securitization	**78.9**	**89.9**	**95.4**	**6.2**	**20.9**

1 Includes private securities.

In the year through 9M11, BV's issues on international markets totaled US$1.25 billion in USD and R$1.0 billion indexed to the IPCA inflation index, thus consolidating this market as an important source of long-term funding at attractive costs. In external funding, BV makes hedging with derivatives to avoid exposure to market fluctuations in the exchange rate.

The table below shows the evolution of international funding, which totaled R$13.9 billion in Sept.11, or approximately 15% of total funding.

International Funding (R$ Billion)	Sept.10	June11	Sept.11	Change % Sept.11/ June11	Change % Sept11/ Sept10
Foreign Securities	2.4	5.4	6.4	18.6	163.8
Foreign Borrowings	4.8	5.6	5.4	(3.2)	10.9
Subordinated Bill	2.0	1.7	2.2	28.1	10.8
Total International Funding	**9.2**	**12.6**	**13.9**	**10.3**	**50.9**
% of Total Funding and Securitization	**11.7%**	**14.1%**	**14.6%**		

Under its Operating Agreement, BV also continued to assign credits to its shareholder Banco do Brasil, in order to finance its growth in consumer credit, particularly auto loans. BV raised R$8.1 billion from BB through 9M11.

Finally, it is important to highlight that BV has a contract of Interbank Revolving Credit Line with Banco do Brasil, equivalent to an shareholder's equity of BV (R$8.7 billion in Sept.11), which represents a significant liquidity reserve.

Shareholders' Equity and Basel Index

Shareholders' equity totaled R$8.7 billion at the end of Sept.11, an increase of 5.4% in 12 months.

BV's Basel index ended Sept.11 at 12.7%, of which 8.5% was Tier I capital. The decrease of 120 basis points in relation to June 11(13.9%) was basically due to the impact of Brazilian Central Bank Circular #3515, which raised capital requirements for auto loans and payroll loans over 36 months. Circular #3515 came into force on December 3, 2010 and produced effects as of July 1, 2011.

By policy, the Board of Directors states that BV shall pursue a Basel Index of 13.0%, 200 bps above the floor established by the Brazilian Central Bank. To maintain this level BV has adopted various measures for efficient capital management, such as:

- Issuances of Financing Bills (Letras Financeiras) in the local market, which contribute to the increase in Tier II; and
- Consumer Finance asset securitizations to BB through the Operating Agreement, which contribute to reduce the capital requirement.

BASEL INDEX (R$ Million)	June10	Sept.10	June11	Sept.11
Capital (a)	**11,216**	**11,945**	**12,592**	**13,057**
Level I	7,996	8,261	8,825	8,741
Level II	3,220	3,684	3,767	4,316
Capital Requirement (b)	**8,982**	**9,716**	**10,000**	**11,295**
Excess of Capital	**2,234**	**2,228**	**2,592**	**1,763**
Basel Index (a/b/0.11))	**13.7%**	**13.5%**	**13.9%**	**12.7%**
Tier I	9.8%	9.4%	9.7%	8.5%
Tier II	3.9%	4.2%	4.1%	4.2%

Ratings

The table below shows Banco Votorantim's risk ratings from the three main international rating agencies: Moody's, Fitch Ratings and Standard & Poor's.

RATING AGENCIES		National	International
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 (LT/ST)	**-**	**Baa1/P-2**
	Foreign Currency Deposits (LT/ST)	**-**	**Baa2/P-2**
	Local Currency Deposits (LT/ST)	**Aaa.br/BR-1**	**A3/P-2**
Standard & Poor´s	Foreign Currency (LT/ST)	**-**	**BB+/B**
	Local Currency (LT/ST)	**-**	**BB+/B**
	National Scale (LT/ST)	**brAA+/brA-1**	**-**

LT: Long-Term / ST: Short-Term

Recent Business Developments

This section highlights some recent advances in BV's business segments:

- **Auto Finance:** BV Financeira had nationwide presence in approximately 24,000 auto dealerships in 3Q11 and retained its leadership in new loans operations for used vehicles and motorcycles. Volume of vehicles financed reached R$17.5 billion in 9M11 (R$6.2 billion in 3Q11), ranking BV Financeira as a leading player in vehicle financing in general (light vehicles, used vehicles and motorbikes).

- **Corporate & Investment Banking (CIB):** focused on conglomerates with annual revenues of over R$400 million, Corporate & Investment Banking has continued its strategy of strengthening and refining its platform for structured products, derivatives (hedging), and investment banking services, supplemented its offering of credit and enabling it to raise its relevance for clients.

- **Middle Market:** comprised of companies posting annual revenues of R$20 to R$400 million, the Middle Market segment's credit risk portfolio almost doubled in the last 12 months by reaching R$8.8 billion (+96.5% 3Q11/3Q10). 3Q11 growth was 19.3% on the previous quarter, driven by continued growth of the client base and the opening of five new branches, which reinforce the spirit of partnership and close relations with clients. Growth of the Middle Market has been accompanied by efficiency and scale gains, thus making a larger contribution to the consolidated results.

- **Asset Management:** Votorantim Wealth Management & Services (VWM&S) ended Sept.11 with R$38.5 billion in assets under management, increasing 34.9% on Sept.10 (+4.9% 3Q11/2Q11). VWM&S is focused on developing and delivering innovative and high quality products and in Sept.11, for example, launched the first family of private equity investment funds (FIPs) for renewable energy, which were distributed to individuals in partnership with BB DTVM. Named BB Votorantim Renewable Energy I, II and III, the portfolios are intended to buy shares in biomass plants, wind farms and small hydropower plants (PCHs). Votorantim Asset Management (VAM) confirmed its position as the 9th largest asset manager in the Anbima fund manager ranking, with 1.91% market share.

- **Private Bank (PB):** maintained a clear focus on the strategic planning of its clients. The number of PB clients expanded 27% in the first nine months of 2011. In the same period, the volume of assets under management increased 26%.

- **Brokerage:** Votorantim Corretora (brokerage) earned its "Home Broker" seal of quality under the Qualification Program (PQO) run by BM&FBOVESPA, and was ranked in the top four brokers in the market that have earned the five qualifying seals - Agro Broker, Carrying Broker, Execution Broker, Retail Broker and Home Broker. And with its Sagaz home broker, Votorantim Corretora continued to expand its client base.

- **Payroll Loans**: through relationships with more than 1,000 corresponding banks, BV Financeira's payroll loan portfolio reached R$6.0 billion by Sept.11, increasing 3.6% on June 2011, and the focus remained on INSS, which accounted for more than half of the loans.

- **Credit Cards:** evolution of 27% in the number of credit cards active in the last 12 months, reaching approximately 315,000 cards in Sept.11.

Advances in Strategic Partnership with Banco do Brasil

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

- **Asset securitization program:** under the Operating Agreement, BB regularly acquires credit assets portfolios originated by BV. The balance of assets purchased from BV reached R$12.5 billion in Sept.11, of which R$8.0 billion were auto loans and the remainder payroll loans. This program is advantageous to both institutions. It combines BV's high asset origination capability with BB's broad funding base, since the latter's strategy is to expand its consumer credit portfolio. In 2012, Brazilian Central Bank Resolution #3533 will be coming into effect, and the operational format for credit assignments is being reviewed so that assigned assets may continue to be recognized as BB assets.

- **Growth in auto financing:** since the establishment of the partnership, BV has been acting as an extension of BB outside the branches in relation to auto loans. On this basis, its estimated market share in terms of origination has doubled from 11% in 2008 to approximately 22% in 9M11.

- **Cross-offering for investment products:** VWM&S and BB DTVM have worked together to develop and distribute innovative customized investment funds backed by receivables (FIDCs), real estate (FIIs), and private equity investment (FIPs). Some examples of this are the FIDC Fênix (Lojas Americanas), BB Votorantim JHSF and BB Renda Corporativa I (real estate funds), and the BB Votorantim Renewable Energy (private equity investment fund), which are distributed to clients of both institutions. Note that the purpose of BB Renda Corporativa is to make long-term real estate investments by acquiring and developing assets in the state of São Paulo that will subsequently be leased to Banco do Brasil.

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

Corporate Governance

BV has a solid shareholder base formed by the Votorantim Group, one of Latin America's largest private industrial conglomerates and Banco do Brasil (BB), Brazil's largest financial institution, with more than 200 years of experience. Both shareholders have been rated "investment grade" by the top international rating agencies: Fitch Ratings, Moody's and Standard & Poor's.

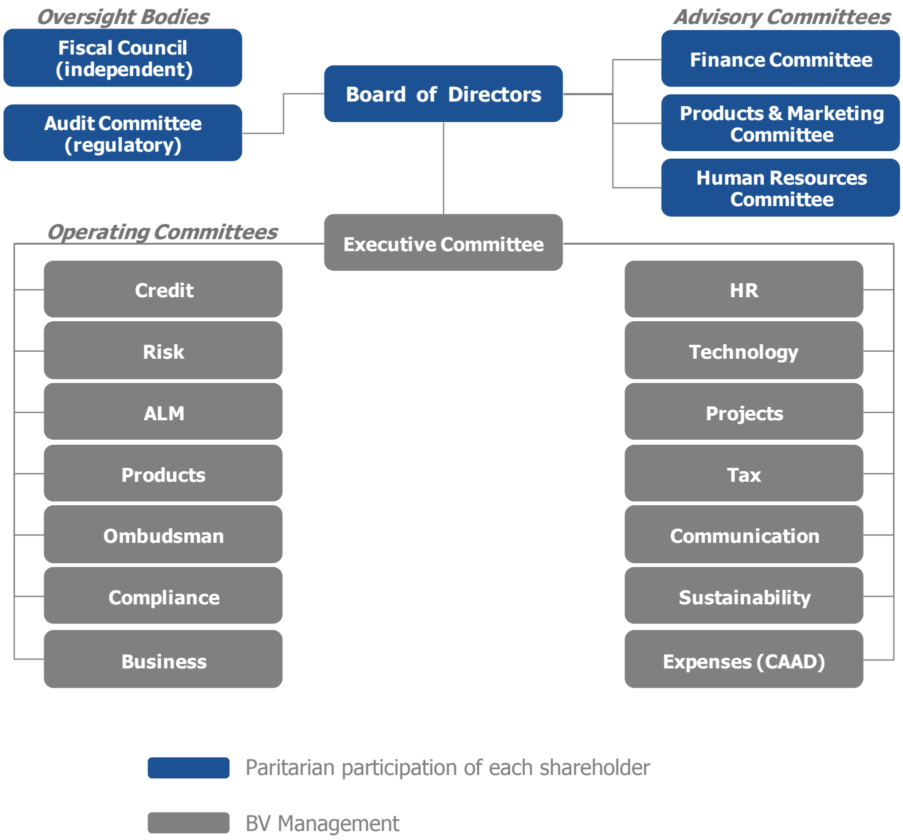
When the strategic partnership was agreed with BB in 2009, BV's governance was then divided between the two shareholders with a continuous improvement model to achieve more robustness and transparency, and ensure streamlined decision making - one of BV's strengths.

The Board of Directors comprises six members, being three representatives of Votorantim Finanças and three representatives of BB. The board meets on a regular basis to discuss specific matters and oversee management's conduct of the business.

The Board's work is supported by three advisory committees - Finance, Human Resources and Products and Marketing - that meet regularly to consider specific issues, without deliberative powers.

The governance structure also includes two oversight bodies – Fiscal Council and Audit Committee, which have an equal number of representatives of each shareholder.

The Executive Board is composed of a CEO, three vice-presidents and an integrated and experienced group of directors. The daily performance is supported by committees and commissions with participation of the top senior managers that support and qualify the decision-making.



Annex I - Balance Sheet

BALANCE SHEET (R$ Million)	Sept.10	June11	Sept.11	Change (%) Sept.11/ June11	Sept.11/ Sept.10
ASSETS					
CURRENT ASSETS	**71,960**	**73,825**	**79,135**	**7.2**	**10.0**
Cash	156	152	125	(17.6)	(20.1)
Interbank Funds Applied	19,532	16,681	17,304	3.7	(11.4)
Securities and Derivative Financial Instruments	20,228	19,587	20,185	3.1	(0.2)
Interbank Accounts/Relations	4,545	6,114	6,254	2.3	37.6
Loans	18,859	23,482	24,992	6.4	32.5
Lease Operations	1,274	3,209	3,112	(3.0)	144.3
Other Receivables	7,270	3,797	6,855	80.5	(5.7)
Other Assets	97	805	307	(61.9)	216.1
LONG-TERM ASSETS	**39,977**	**45,124**	**44,961**	**(0.4)**	**12.5**
Interbank Funds Applied	889	383	338	(11.6)	(61.9)
Securities and Derivative Financial Instruments	5,848	10,191	7,220	(29.1)	23.5
Loans	27,550	31,362	32,080	2.3	16.4
Lease Operations	3,068	213	397	86.1	(87.1)
Other Receivables	2,334	2,395	3,623	51.2	55.2
Other Assets	288	581	1,303	124.4	352.5
PERMANENT ASSETS	**193**	**240**	**243**	**1.2**	**25.7**
Investments	58	65	65	(0.1)	11.7
Fixed Assets for Use	72	109	110	0.4	52.9
Intangible	18	32	36	10.4	102.6
Deferred Charges	45	33	32	(2.5)	(29.4)
TOTAL ASSETS	**112,131**	**119,190**	**124,339**	**4.3**	**10.9**
LIABILITIES					
CURRENT LIABILITIES	**74,397**	**74,979**	**81,930**	**9.3**	**10.1**
Deposits	18,884	19,134	20,250	5.8	7.2
Demand Deposits	377	374	379	1.3	0.6
Interbank Deposits	720	1,131	2,170	92.0	201.3
Time Deposits	17,786	17,629	17,700	0.4	(0.5)
Other Deposits	0	0	0	(3.7)	(57.1)
Money Market Repurchase Commitments	34,079	35,612	36,715	3.1	7.7
Acceptances and Endorsements	1,254	2,148	6,793	216.2	441.7
Interbank Accounts / Relations	10	12	10	(9.9)	6.2
Interbranch Accounts	41	114	72	(36.3)	77.8
Borrowings and Onlendings	5,809	6,978	7,006	0.4	20.6
Derivative Financial Instruments	4,282	5,261	4,645	(11.7)	8.5
Other Liabilities	10,039	5,722	6,439	12.5	(35.9)
LONG-TERM LIABILITIES	**29,421**	**35,466**	**33,659**	**(5.1)**	**14.4**
Deposits	5,352	4,498	4,716	4.8	(11.9)
Money Market Repurchase Commitments	1,114	4,319	3,808	(11.8)	241.8
Acceptances and Endorsements	8,416	13,527	11,100	(17.9)	31.9
Borrowings and Onlendings	5,490	5,722	5,645	(1.3)	2.8
Derivative Financial Instruments	2,356	1,076	680	(36.8)	(71.2)
Other Liabilities	6,694	6,323	7,710	21.9	15.2
Deferred Income	38	39	32	(16.9)	(14.0)
SHAREHOLDERS´ EQUITY	**8,275**	8,706	**8,718**	**0.1**	**5.4**
TOTAL LIABILITIES	**112,131**	**119,190**	**124,339**	**4.3**	**10.9**

Annex II - Income Statement

INCOME STATEMENT (R$ Million)	3Q10	2Q11	3Q11	9M10	9M11	Change (%) 3Q11/2Q11	9M11/9M10
Financial Operations Income	**3,276**	**3,721**	**6,475**	**9,929**	**14,151**	**74.0**	**42.5**
Loans	2,090	2,381	3,233	6,073	8,194	35.8	34.9
Lease Operations	666	544	486	2,008	1,629	(10.7)	(18.9)
Securities Income	1,267	1,273	1,779	3,109	4,091	39.7	31.6
Derivative Financial Instruments	(812)	(654)	719	(1,499)	(363)	(209.9)	(75.8)
Foreign Exchange Operations	(43)	6	80	38	95	1,147.6	154.5
Compulsory Deposits	109	170	178	200	505	4.7	152.4
Financial Operations Expenses	**(1,928)**	**(2,411)**	**(5,301)**	**(6,174)**	**(9,945)**	**119.9**	**61.1**
Deposits, Money Market and Interbank Funds	(1,548)	(2,036)	(4,117)	(4,517)	(7,911)	102.2	75.2
Loans, Assignments and Onlendings	119	41	(798)	(135)	(784)	(2,039.6)	482.7
Lease Operations	(499)	(415)	(387)	(1,523)	(1,250)	(6.9)	(17.9)
Gross Financial Margin	**1,348**	**1,310**	**1,174**	**3,756**	**4,205**	**(10.4)**	12.0
Allowance for Loan Losses	(323)	(842)	(978)	(1,194)	(2,246)	16.1	88.2
Gross Income from Financial Operations	**1,024**	**468**	**196**	**2,562**	**1,959**	**(58.0)**	(23.5)
Other Operating Income / Expenses	**(448)**	**(310)**	**(383)**	**(1,082)**	**(1,321)**	**23.5**	**22.1**
Income from Rendered Services and Banking Fees	321	328	331	975	959	1.1	(1.6)
Personnel Expenses	(211)	(210)	(235)	(551)	(650)	11.8	17.9
Other Administrative Expenses	(358)	(369)	(423)	(1,010)	(1,135)	14.5	12.4
Tax Expenses	(143)	(169)	(143)	(411)	(473)	(15.6)	15.1
Other Operational Income	16	31	170	48	216	444.1	354.2
Other Operational Expenses	(74)	79	(84)	(132)	(238)	(205.7)	79.9
Operating Results	**576**	**158**	**(187)**	**1,480**	**638**	**(218.1)**	**(56.9)**
Non Operating Results	**(13)**	**7**	**(7)**	**(27)**	**10**	**(197.2)**	**(135.8)**
Income before Taxation and Profit Sharing	**563**	**165**	**(194)**	**1,453**	**648**	**(217.1)**	**(55.4)**
Provision for Income Tax and Social Contribution	(173)	71	189	(402)	78	165.4	(119.4)
Profit Sharing	(124)	(81)	(80)	(308)	(271)	(1.0)	(12.0)
Net Income (Loss)	**266**	**156**	**(85)**	**743**	**455**	**(154.8)**	**(38.7)**