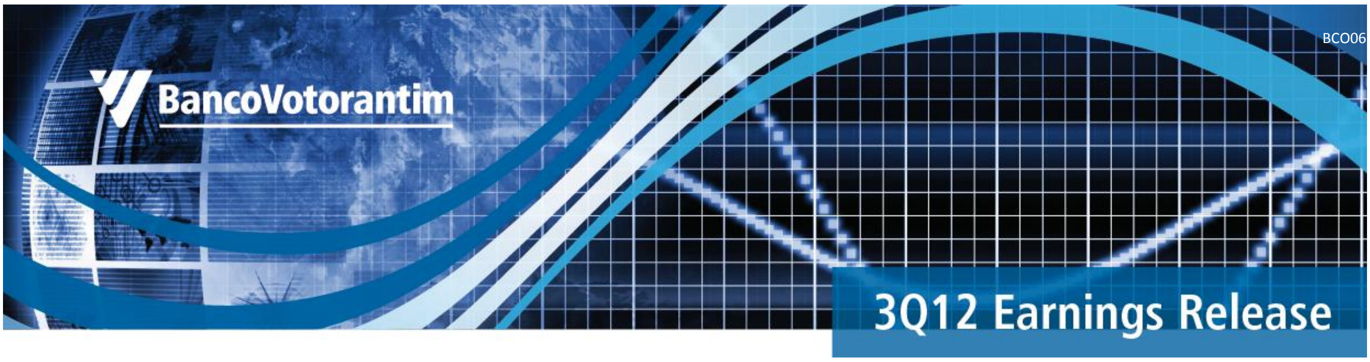


São Paulo, November 08, 2012. Banco Votorantim S.A. ("BV") is announcing its results for the third quarter (3Q12) and for the accumulated basis of nine months of 2012 (9M12). All financial information herein, except where indicated otherwise, is presented in nominal Brazilian Reais, based on consolidated numbers, and in accordance with the Brazilian GAAP (BRGAAP) accounting standards and the Brazilian Corporate Law.

Message from the CEO

Since 2011, the financial industry has been impacted by economic and regulatory changes, such as the slowdown of economic activity, rising delinquency, macroprudential measures, Bacen Resolution 3,533, and others.

For institutions focused on consumer finance, two changes were particularly striking:

- Systemic increase of delinquency: in the auto finance market, in which we have a strong presence through BV Financeira, delinquency doubled in 2011 (Dec.10: 2.5%; Dec.11: 5.0%) and reached 6.0% in Sept.12; and
- Taking effect of Bacen Resolution 3,533: defined new rules for the accounting method of credit assignments with recourse as of Jan.12, producing an impact on the securitization market and on the income/loss of the banks operating in it.

In view of this new economic-regulatory scenario, we started a prudential adjustment process in 4Q11, with broad support from the shareholders. In 2012, we continue advancing in the implementation of our Change Agenda. After a period of strong growth, the current focus lies on increasing the medium-term return on capital.

As informed in the latest earnings disclosures, our consolidated results were once again impacted by four main factors – all related to Consumer Finance:

- Delinquency: expenses with credit provisions in Consumer Finance amounted to R$1,167 million in 3Q12 (R$1,279 million in 2Q12), still impacted by the delinquency of auto finance portfolios originated between Jul.10 and Sept.11;
- Resolution 3,533/Bacen: In view of this regulatory change, it was decided not to perform further credit assignments with recourse, impacting BV Financeira's revenues;
- Reduction of production: reduction of approximately 50% in the volume originated by Consumer Finance in 9M12 compared to the same period of 2011, in order to guarantee the quality and profitability of the new financings; and
- Gradual rise in the Coverage Ratio: the coverage ratio of Consumer Finance's managed loan portfolio, which includes credit assignments with risk retention, was raised to 98% in Sept.12 (95% in Dec.11).

Besides the abovementioned factors, in 3Q12 there was an increase in expenses with provisions for contingencies, reflecting the restructuring process commenced in 4Q11.

Even when faced with these factors, consolidated results exhibited a slight improvement in comparison to the previous quarter (R$-497 million in 3Q12; R$-536 million in 2Q12), mainly because of the R$112 million reduction in expenses with credit provisions (R$1,286 million in 3Q12; R$1,398 million in 2Q12).

It is worth emphasizing two additional points related to results:

- Wholesale Businesses (Corporate & Investment Banking, Middle Market, Asset Management, Private Bank and Treasury) maintained a good performance, with consistent generation of revenues;
- Personnel and administrative expenses amounted to R$615 million in 3Q12, stable in relation to the R$616 million recorded in 2Q12. Personnel expenses decreased R$23 million (or 9.4%) in the quarter, already reflecting efficiency gains associated with the integration of corporate areas of Wholesale and Consumer Finance and with the adaptation of the organizational structures to the new origination levels of Consumer Finance.

In this context of results, we continue to strengthen the quality of Banco Votorantim's credit risk profile:

- Liquidity: we kept free cash at a conservative level – above the historical threshold. In addition, we have a credit facility of approximately R$7 billion with Banco do Brasil (BB), which was never used;

- Funding: we reduced the maturity mismatch between assets and liabilities to very conservative and historically low levels. Moreover, the greater focus on return on capital (vs. growth) substantially reduced the need for additional funding. This favorable context has allowed us to focus on the reduction of our funding cost;
- Coverage ratio for loans: we maintained the Wholesale coverage ratio at conservative levels (177% in Sept.12) and gradually raised the coverage ratio of Consumer Finance's managed loan portfolio in 2012 (Sept.12: 98%; Dec.11: 95%); and
- Capital: Basel Ratio ended Sept.12 at 15.2% (15.5% in June.12). BB and Votorantim Finanças are committed to keep the capitalization of Banco Votorantim at appropriate levels, as set out in the Shareholders' Agreement.

To resume growth with profitability, we continue progressing in the implementation of the Change Agenda, which has three main fronts:

- Production quality: since Sept.11, the improvement of the credit policies, processes and models, as well as the greater focus on return on capital (vs. growth), have resulted in the improvement of the risk level of recent vintages. The auto financings originated in 2012 present the lowest level of the indicator of 1st installment delinquency in the history of BV Financeira, contributing to keep the delinquency of vehicles at 8.7% – stable in relation to June.12;
- Handling of the stock originated between Jul.10 and Sept.11: review and intensification of the credit collection processes, with a more segmented performance towards clients. In addition, we have promoted a gradual increase in the coverage ratio over 2012; and
- Efficiency and Governance: besides hiring experienced market professionals and adapting the organizational structures to the new production levels of Consumer Finance, we continue working on the refinement of internal controls and on the implementation of operational improvements in Consumer Finance.

The progress in the Change Agenda creates the conditions for Banco Votorantim to resume growth with profitability over the medium-term. However, as anticipated to the market, short-term results will continue impacted by four factors related to Consumer Finance:

- Delinquency above the historical average of the auto finance portfolios originated by BV Financeira between Jul.10 and Sept.11, still representing about half of the managed loan portfolio;
- Resolution 3,533 – reduction of revenues with credit assignments with recourse until the consolidation of the "BV Financeira Originadora" model along with BB;
- Adequacy of the origination volumes to levels that ensure the quality of the new vintages; and
- Gradual increase of the coverage ratio of Consumer Finance loans.

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

Corporative 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 been 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:** continue to grow with quality in the segment of medium sized companies, with gains of scale, efficiency and profitability. Middle Market focuses on relationships 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 holding important positions in supplementary businesses. The strategic objectives of Consumer Finance businesses include:

- **Auto Finance:** to remain among the leaders 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, in turn, BV Financeira and BB have made joint progress in the structuring of a model of direct origination of credit assets to BB, 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 and consolidation 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.

Key Information

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

	3Q11	2Q12	3Q12	9M11	9M12	Variation 3Q12/2Q12	Variation 9M12/9M11
RESULTS (R$ Million)							
Gross financial margin[1] (a)	1,314	1,099	1,120	4,240	3,355	2.0%	-20.9%
Allowance for loan losses - ALL (b)	(950)	(1,398)	(1,286)	(2,214)	(4,140)	-8.0%	87.0%
Net income from financial intermediation (a - b)	364	(299)	(166)	2,026	(785)	-44.5%	-138.7%
Fee income/ Banking fees income	331	249	256	959	749	2.9%	-21.9%
Administrative and personnel expenses	(649)	(616)	(615)	(1,761)	(1,828)	0.0%	3.8%
Operating income (Loss)	(124)	(883)	(794)	662	(2,578)	-10.1%	-489.5%
Net income (Loss)	(85)	(536)	(497)	455	(1,630)	-7.1%	-457.9%
MANAGEMENT INDICATORS (%)							
Return on Average Equity[2] (ROAE)	(3.9)	(23.1)	(20.2)	7.1	(24.9)	2.9 p.p.	-32.0 p.p.
Return on Average Assets[3] (ROAA)	(0.3)	(1.9)	(1.8)	0.5	(1.9)	0.1 p.p.	-2.4 p.p.
Net Interest Margin[4] (NIM)	4.7	4.2	4.4	5.3	4.3	0.2 p.p.	-1.0 p.p.
Efficiency Ratio (ER) - accumulated basis of 12 months[5]	39.0	50.4	54.3	39.0	54.3	3.8 p.p.	15.2 p.p.
Basel Ratio	12.7	15.5	15.2	12.7	15.2	-0.3 p.p.	2.5 p.p.
MACROECONOMIC INDICATORS[6]							
CDI - in the period (%)	3.0	2.1	1.9	8.7	6.6	-0.2 p.p.	-2.1 p.p.
Selic rate - end of the period benchmark (annual %)	12.0	8.5	7.5	12.0	7.5	-1.0 p.p.	-4.5 p.p.
IPCA - in the period (%)	1.1	1.1	1.4	5.0	3.8	0.3 p.p.	-1.2 p.p.
Dollar exchange rate - end of the period (R$)	1.85	2.02	2.03	1.85	2.03	0.5%	9.5%
EMBI Brazil Risk	274	213	164	274	164	-23.0%	-40.1%

	Sept.11	June.12	Sept.12	Variation Sept.12/June.12	Variation Sept.12/Sept.11
BALANCE SHEET (R$ Million)					
Total assets	124,339	113,610	111,559	-1.8%	-10.3%
Loan portfolio	63,978	58,809	58,079	-1.2%	-9.2%
Wholesale segment	21,621	20,484	20,266	-1.1%	-6.3%
Consumer Finance segment	42,357	38,325	37,812	-1.3%	-10.7%
Guarantees provided	10,929	12,634	12,592	-0.3%	15.2%
Credit assignments with recourse	13,523	12,031	10,494	-12.8%	-22.4%
FIDCs[7]	3,503	3,345	2,908	-13.1%	-17.0%
Funding sources	86,074	80,984	78,079	-3.6%	-9.3%
Shareholders' equity	8,718	9,304	8,829	-5.1%	1.3%
Capital (Basel Ratio)	13,057	13,624	13,002	-4.6%	-0.4%
LOAN PORTFOLIO QUALITY INDICATORS[8] (%)					
90-day NPL[9]/ Loan portfolio	3.6%	6.3%	6.5%	0.1 p.p.	2.9 p.p.
Allowance for loan losses / 90-day NPL[9]	103.9%	108.1%	106.3%	-1.9 p.p.	2.4 p.p.
Allowance for loan losses / Loan portfolio	3.7%	6.9%	6.9%	0.0 p.p.	3.2 p.p.
OTHER INFORMATION					
AuM (R$ Million)	38,584	43,203	45,557	5.4%	18.1%

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 results, the explanations of the result will be based on the Managerial Income Statement, which considers reclassifications made in the audited income statement. Basically, the 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 relating to the portfolios assigned with recourse and Revenues from recovery of loans written off to 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 there was a depreciation of 0.5% of the Real in relation to the US dollar in 3Q12, against depreciation of 11.0% in the previous quarter.

Reconciliation of Audited Net Income and Managerial Net Income - 2Q12 and 3Q12

INCOME STATEMENT (R$ Million)	2Q12 Audited	Adjustments	2Q12 Managerial	3Q12 Audited	Adjustments	3Q12 Managerial
Income from Financial Intermediation	**3,872**	**74**	**3,946**	**3,214**	**(47)**	**3,167**
Loans	2,522	(40)	2,482	2,232	(46)	2,186
Leases	102	-	102	88	-	88
Securities	1,204	-	1,204	1,081	-	1,081
Derivative Financial Instruments	(129)	114	(15)	(264)	(1)	(265)
Foreign Exchange Operations	106	-	106	23	-	23
Compulsory Deposits	66	-	66	45	-	45
Sale or transfer operation from financial assets	1	-	1	9	-	9
Expenses from Financial Intermediation	**(2,847)**	**-**	**(2,847)**	**(2,046)**	**-**	**(2,046)**
Money Market Borrowings	(2,399)	-	(2,399)	(1,863)	-	(1,863)
Borrowings and Onlendings	(448)	-	(448)	(174)	-	(174)
Sale or transfer operation from financial assets	-	-	-	(10)	-	(10)
Gross Financial Margin	**1,025**	**74**	**1,099**	**1,168**	**(47)**	**1,120**
Allowance for Loan Losses	(1,438)	40	(1,398)	(1,332)	46	(1,286)
Net Income from Financial Intermediation	**(413)**	**114**	**(299)**	**(164)**	**(1)**	**(166)**
Other Operating Income / Expenses	**(511)**	**(73)**	**(584)**	**(626)**	**(2)**	**(628)**
Fee Income/ Banking Fees Income	249	-	249	256	-	256
Administrative and Personnel Expenses	(616)	-	(616)	(615)	-	(615)
Tax Expenses	(106)	(5)	(111)	(127)	0	(126)
Equity in Income of Associated Companies and Subsidiaries	16	-	16	18	-	18
Other Operational (Expenses) Income	(55)	(68)	(123)	(158)	(3)	(161)
Operating Income (Loss)	**(924)**	**41**	**(883)**	**(790)**	**(4)**	**(794)**
Non-Operating Income (Loss)	**(44)**	**-**	**(44)**	**(43)**	**-**	**(43)**
Income (Loss) before Taxation and Profit Sharing	**(968)**	**41**	**(927)**	**(834)**	**(4)**	**(838)**
Provision for Income Tax and Social Contribution	525	(41)	484	373	4	377
Profit Sharing	(93)	-	(93)	(36)	-	(36)
Net Income (Loss)	**(536)**	**-**	**(536)**	**(497)**	**-**	**(497)**

Reconciliation of Audited Net Income and Managerial Net Income - 9M11 and 9M12

INCOME STATEMENT (R$ Million)	9M11 Audited	Adjustments	9M11 Managerial	9M12 Audited	Adjustments	9M12 Managerial
Income from Financial Intermediation	**12,878**	**58**	**12,935**	**10,546**	**(138)**	**10,408**
Loans	8,193	(32)	8,161	7,052	(217)	6,835
Leases	380	-	380	300	-	300
Securities	4,087	-	4,087	3,548	-	3,548
Derivative Financial Instruments	(382)	90	(292)	(704)	79	(625)
Foreign Exchange Operations	95	-	95	110	-	110
Compulsory Deposits	505	-	505	230	-	230
Sale or transfer operation from financial assets	-	-	-	10	-	10
Expenses from Financial Intermediation	**(8,695)**	**-**	**(8,695)**	**(7,071)**	**-**	**(7,071)**
Money Market Borrowings	(7,911)	-	(7,911)	(6,380)	-	(6,380)
Borrowings and Onlendings	(784)	-	(784)	(663)	-	(663)
Sale or transfer operation from financial assets	-	-	-	(10)	-	(10)
Gross Financial Margin	**4,182**	**58**	**4,240**	**3,493**	**(138)**	**3,355**
Allowance for Loan Losses	(2,246)	32	(2,214)	(4,357)	217	(4,140)
Net Income from Financial Intermediation	**1,936**	**90**	**2,026**	**(864)**	**79**	**(785)**
Other Operating Income / Expenses	**(1,298)**	**(66)**	**(1,364)**	**(1,734)**	**(59)**	**(1,793)**
Fee Income/ Banking Fees Income	959	-	959	749	-	749
Administrative and Personnel Expenses	(1,761)	-	(1,761)	(1,828)	-	(1,828)
Tax Expenses	(473)	(3)	(476)	(349)	(2)	(351)
Equity in Income of Associated Companies and Subsidiaries	(0)	-	(0)	48	-	48
Other Operational (Expenses) Income	(22)	(63)	(85)	(354)	(57)	(411)
Operating Income (Loss)	**638**	**24**	**662**	**(2,598)**	**20**	**(2,578)**
Non-Operating Income (Loss)	**10**	**-**	**10**	**(116)**	**-**	**(116)**
Income (Loss) before Taxation and Profit Sharing	**648**	**24**	**672**	**(2,714)**	**20**	**(2,694)**
Provision for Income Tax and Social Contribution	78	(24)	54	1,327	(20)	1,308
Profit Sharing	(271)	-	(271)	(243)	-	(243)
Net Income (Loss)	**455**	**-**	**455**	**(1,630)**	**-**	**(1,630)**

Analysis of Managerial Result

Gross Financial Margin

In 3Q12, Gross financial margin totaled R$ 1,120 million, an expansion of 2.0% in relation to the previous quarter.

Income from financial intermediation amounted to R$ 3,167 million in 3Q12, a downslide of 19.7% in relation to the previous quarter, due mainly to the reduction in revenues from loans and in derivative financial instruments.

GROSS FINANCIAL MARGIN (R$ Million)	3Q11	2Q12	3Q12	9M11	9M12	Variation (%) 3Q12/2Q12	9M12/9M11
Income from Financial Intermediation	**6,229**	**3,946**	**3,167**	**12,935**	**10,426**	**(19.7)**	**(19.4)**
Loans	3,206	2,482	2,186	8,161	6,835	(11.9)	(16.2)
Leases	99	102	88	380	300	(13.8)	(21.1)
Securities	1,778	1,204	1,081	4,087	3,548	(10.2)	(13.2)
Derivative Financial Instruments	887	(15)	(265)	(292)	(625)	-	113.8
Foreign Exchange Operations	80	106	23	95	129	(78.2)	34.8
Compulsory Deposits	178	66	45	505	230	(32.5)	(54.5)
Sale or transfer operation from financial assets	-	1	9	-	10	713.3	-
Expenses from Financial Intermediation	**(4,914)**	**(2,847)**	**(2,046)**	**(8,695)**	**(7,071)**	**(28.1)**	**(18.7)**
Money Market Borrowings	(4,117)	(2,399)	(1,863)	(7,911)	(6,380)	(22.4)	(19.4)
Borrowings and Onlendings	(798)	(448)	(174)	(784)	(663)	(61.2)	(15.5)
Sale or transfer operation from financial assets	-	-	(10)	-	(10)	-	-
Gross Financial Margin	**1,314**	**1,099**	**1,120**	**4,240**	**3,355**	**2.0**	**(20.9)**

Revenues from loans amounted to R$ 2,186 million in 3Q12, down 11.9% in relation to the previous quarter. It is worth remembering that there was a depreciation of the Real vs. the US dollar of 11.0% in 2Q12, against 0.5% in 3Q12, which had a positive impact on the revenues of some operations of the Wholesale segment in that quarter (e.g.: NCE - Export Credit Note). These effects of foreign exchange variations are mainly offset by derivative financial instruments. In relation to the first nine months of 2011, revenues from loans presented a downslide of 16.2%, due mainly to the non-realization of credit assignments with recourse in 2012.

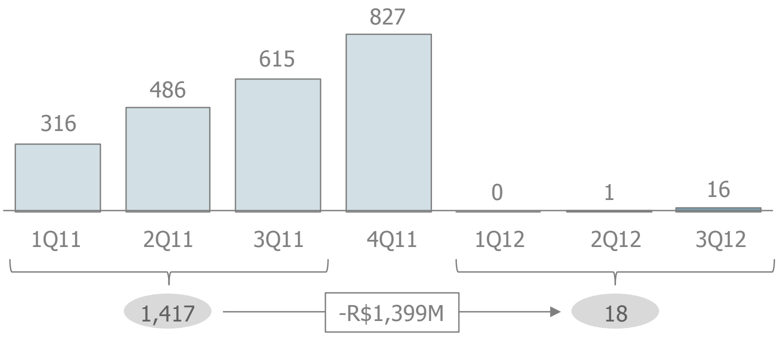
Resolution 3,533 came into effect in Jan.12, changing the accounting method of credit assignments with recourse. Under the new rules, the revenues from these operations, previously recognized in full upon assignment, must be allocated over the remaining period of the contracts. Moreover, credits assigned 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 further credit assignments with recourse, impacting Consumer Finance's revenues.

In this new regulatory context, BV Financeira, which operates as an extension of BB in auto financing operations outside the branch environment, has advanced in the structuring of a model of direct origination of credit assets to BB, focused on new car dealers. This new model, internally called "BV Originadora – BVO", will combine the asset origination capacity of Banco Votorantim with the broad funding base of BB.

The graph below shows that in 3Q12 the gross results from credit assignments were R$16 million, against R$615 million in 3Q11. In the first nine months of 2012, the gross results from credit assignments were R$18 million, R$1,399 million lower than the amount recorded in the same period of 2011.

It is also worth emphasizing the recognition in 3Q12 of R$ 93 million expenses relating to the early settlement of contracts assigned with recourse until Dec.11, which had a negative impact on revenues from loans in the period.

Gross Results from Credit Assignments (R$M)



Securities totaled R$1,081 million in 3Q12, a reduction of 10.2% in relation to the previous quarter. In the first nine months of 2012, securities amounted to R$ 3,548 million, a downslide of 13.2% in relation to the same period of 2011.

Derivative financial instruments amounted to R$-265 million in 3Q12, against R$-15 million in 2Q12. This result is 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, indexes and interest rates.

Expenses from financial intermediation totaled R$ 2,046 million in 3Q12, a reduction of 28.1% in relation to 2Q12, justified mainly by the reduction of the base interest rate (Selic) and by the decrease in the average balance of funding sources. Furthermore, the lower depreciation of the Real in relation to the US dollar in 3Q12 (0.5%) against 2Q12 (11%) also contributed to the reduction in expenses from financial intermediation. These foreign exchange variation effects, as explained previously, are mainly offset by derivative financial instruments.

AVERAGE FUNDING (R$ Million)	3Q11	2Q12	3Q12	9M11	9M12	Variation (%) 3Q12/2Q12	9M12/9M11
Deposits	24,299	24,266	20,671	24,285	23,133	(14.8)	(4.7)
Repos[1]	20,003	18,417	17,992	18,873	19,325	(2.3)	2.4
Issuance of Securities	16,784	20,284	20,769	14,222	19,636	2.4	38.1
Onlendings	7,209	5,816	5,418	7,119	5,790	(6.8)	(18.7)
Borrowings and Other[2]	9,119	7,344	6,745	9,178	7,296	(8.2)	(20.5)
Subordinated Debt	6,196	7,671	7,937	6,553	7,697	3.5	17.5
Average Funding	**83,610**	**83,797**	**79,532**	**80,231**	**82,875**	**(5.1)**	**3.3**
Average Funding and Securitization	**99,842**	**100,475**	**93,921**	**95,430**	**99,700**	**(6.5)**	**4.5**

1 Includes private securities; 2. Includes Option Box and NCE repos.

In the 9M12, financial intermediation expenses reached R$7,071 million, a decrease of 18.7% in comparison to the same prior-year period.

After Banco Votorantim's success in the expansion of the average term of its funding, which contributed to the reduction of the maturity mismatch between assets and liabilities to very conservative and historically low levels, the moderation of the loan portfolio's pace of expansion substantially reduced the need for additional funding. In this favorable funding context, Banco Votorantim has acted to reduce its funding cost.

The net interest margin (NIM) was 4.4% in 3Q12, and increase of 20 base points over the previous quarter due to the increase of the gross financial margin. The net interest margin was 4.3% in 9M12, down 100 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 Sept.12, the consolidated loan portfolio reached R$58.1 billion, presenting a slight downslide in relation to June.12 and reduction of 9.2% in the last 12 months. The managed loan portfolio, with includes assets assigned with recourse to other financial institutions and assets assigned to FIDCs – Credit Receivables Investment Funds – of which Banco Votorantim holds 100% of the subordinated shares, closed Sept.12 at R$71.5 billion.

Consumer Finance's loan portfolio reached R$37.8 billion in Sept.12, presenting a reduction of 1.3% in the quarter and of 10.7% in comparison to Sept.11. The managed loan portfolio of Consumer Finance, in turn, totaled R$51.2 billion in Sept.12, down 4.6% over June.12 and 13.8% over Sept.11.

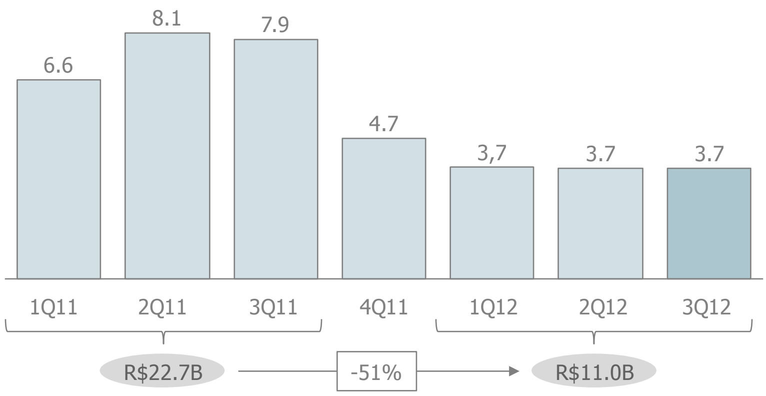
The balance of assets originated by Consumer Finance and assigned with recourse closed Sept.12 at R$10.5 billion, presenting a further reduction on account of the decision not to perform new credit assignments with recourse in 2012 due to the Resolution 3,533/Bacen. Of this amount, R$10.1 billion, or 96% of the total balance, had as 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)	Sept.11	June.12	Sept.12	Variation (%)	
				Sept.12/June.12	Sept.12/Sept.11
Consumer Finance Segment	**42,357**	**38,325**	**37,812**	**(1.3)**	**(10.7)**
Auto Finance[1]	35,959	30,941	30,274	(2.2)	(15.8)
Payroll Loans	6,042	7,023	7,168	2.1	18.6
Other	357	362	370	2.4	3.8
Wholesale Segment	**21,621**	**20,484**	**20,266**	**(1.1)**	**(6.3)**
Corporate	13,645	11,962	11,758	(1.7)	(13.8)
Middle Market	7,976	8,522	8,508	(0.2)	6.7
Loan Portfolio	**63,978**	**58,809**	**58,079**	**(1.2)**	**(9.2)**
Guarantees Provided	10,929	12,634	12,592	(0.3)	15.2
Other[2]	7,913	8,856	8,494	(4.1)	7.3
Expanded Loan Portfolio[3]	**82,821**	**80,300**	**79,164**	**(1.4)**	**(4.4)**
Credit Assignments with Recourse[4]	13,523	12,031	10,494	(12.8)	(22.4)
Auto Finance[1]	8,962	8,680	7,574	(12.7)	(15.5)
Payroll Loans	4,562	3,351	2,921	(12.8)	(36.0)
Credit Assignments to FIDCs[5]	3,503	3,345	2,908	(13.1)	(17.0)
Consumer Finance Managed Loan Portfolio[6]	**59,384**	**53,701**	**51,214**	**(4.6)**	**(13.8)**
Total Managed Loan Portfolio[6]	**81,005**	**74,185**	**71,480**	**(3.6)**	**(11.8)**
Expanded Managed Loan Portfolio[7]	**99,848**	**95,676**	**92,566**	**(3.3)**	**(7.3)**

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 loan portfolio, credit assignments and FIDCs.

The downslide of the Consumer Finance loan portfolio is associated with the institution's more conservative attitude on account of the new economic-regulatory context and the systemic increase of delinquency of individual, particularly in the auto finance segment. The graph below shows that Consumer Finance reduced by 51% the volume originated in the first nine months of 2012 in relation to the accumulated basis of 2011, in order to guarantee the quality of the new auto finance operations.

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 three main fronts: (1) improvement of new production quality, (2) handling of the auto finance stock originated between Jul.10 and Sept.11, and (3) increase in efficiency and refinement of corporate governance.

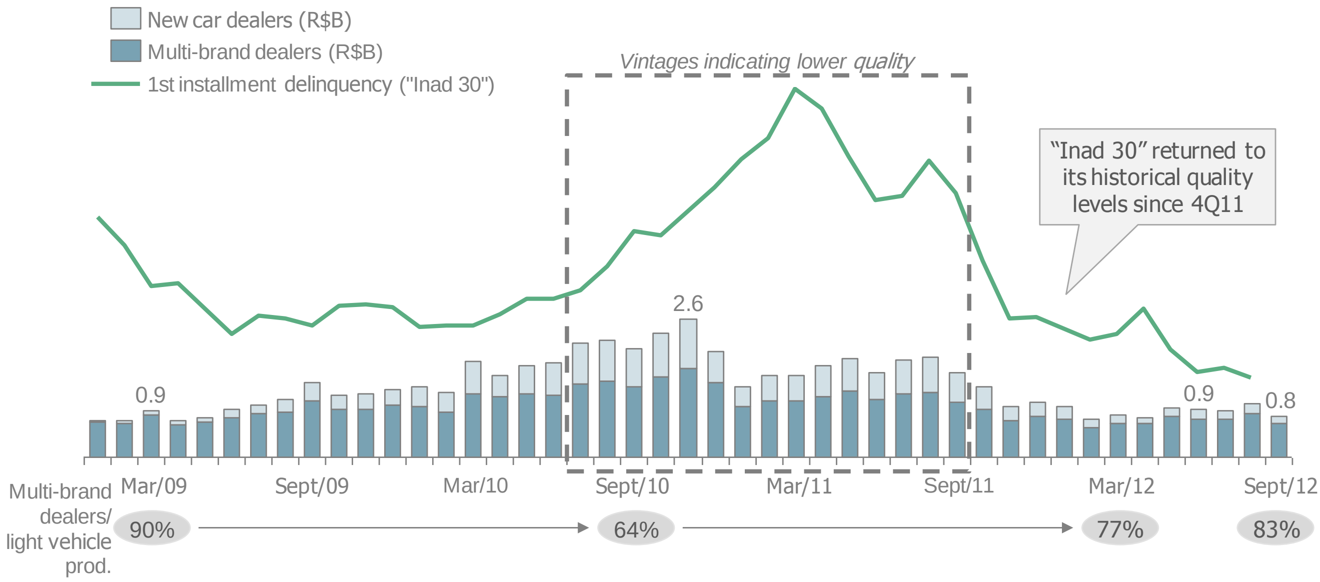
Quality of the new production. The priority of the prudential adjustment process, initiated in Sept.11, was to improve the quality and profitability of the new auto finance operations. For this purpose, a series of initiatives have been implemented from 4Q11, including:

- Credit: improvement of the credit policies, processes and models. Besides incorporating new variables in the credit assignment model, such as the internal rating of BB, BV Financeira increased the percentage of automatic credit decisions and reduced both the average production term and the loan-to-value;
- Profitability: focus on clients with a better risk profile, with adequacy of the origination volumes. It is worth emphasizing that, even in view of the decrease observed in interest rates practiced in the market, the good profitability of recent vintages was maintained by means of measures such as the reduction of commissions paid to the banking correspondents; and
- Operating model: intensification of the focus on multi-brand dealers (used vehicles) for origination of finance operations targeting own loan portfolio. In addition, Banco Votorantim and BB advanced in the structuring of a model of direct origination of credit assets to BB (BV Originadora, or "BVO"), which will focus on new car dealers. In 3Q12, for example, it was defined that Banco Votorantim will be responsible for the sales force at new car dealers, while BB will be responsible for the incoming proposals' web portal, for the credit policy and analysis, as well as funding and pricing of operations.

AUTO FINANCE LOANS	Sept.11	June.12	Sept.12	Variation Sept.12/June.12	Variation Sept.12/Sept.11
Origination					
Average rate (% per year)	27.5	24.5	24.1	-0.5 p.p.	-3.5 p.p.
Average Term (months)	48.6	45.2	44.1	(1.1)	(4.6)
Loan-to-Value (Financed Value / Total Asset Value) (9	65.5	56.9	57.0	0.1 p.p.	-8.6 p.p.
Used Vehicles / Light Vehicles (%)	65.7	77.0	80.5	3.6 p.p.	14.8 p.p.
Multi-brand dealers / Light Vehicles (%)	65.3	81.1	83.0	1.9 p.p.	17.7 p.p.
Loan Portfolio					
Average rate (% per year)	22.5	25.6	25.5	-0.1 p.p.	3.0 p.p.
Duration (months)	21.1	18.8	17.0	(1.8)	(4.1)
Average Vehicle Age (years)	4.9	4.8	4.8	-	(0.1)
Used Vehicles / Vehicles Portfolio (%)	67.9	67.9	68.1	0.2 p.p.	0.2 p.p.

The strategies and initiatives already adopted in Consumer Finance resulted in consistent improvement of the risk level of auto finance operations originated since Sept.11, evidenced by the behavior of the "1st installment delinquency indicator" ("Inad30"), which is strongly correlated with delinquency over 90 days. After reaching a peak in Mar.11, "Inad 30" returned to its historical threshold of good quality as from 4Q11. In 3Q12, "Inad 30" reached historically low levels, indicating that the auto finance vintages originated in this period are of very good quality.

Light vehicles[1] – Origination by channel (R$B) and first installment delinquency[2] (%)

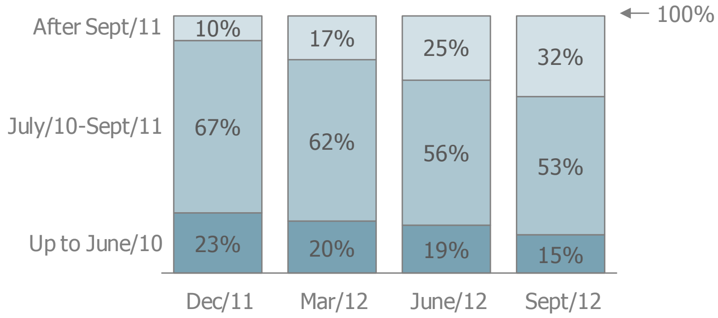


1. Includes CDC – vehicles and vans (excludes leasing); 2. % of each month's production with first installments past due by over 30 days

Handling of Stock. The second front of the Change Agenda is related to the handling of auto finance portfolios originated between Jul.10 and Sept.11, which have delinquency above the historical average. In the first nine months of 2012, there was a gradual increase in the coverage ratio of the Consumer Finance loans (98% in Sept.12; 95% in Dec.11). Additionally, there was review and intensification of the credit collection processes in Consumer Finance targeting delinquency reduction and the recovery and/or minimization of losses. For example, a policy was implemented for the settlement of overdue auto loans based on the restated value of the asset vs. amount of the debt.

The graph below shows that the share of vintages produced between Jul.10 and Sept.11 in Consumer Finance's managed loan portfolio dropped to 53% in Sept.12, against 67% in Dec.11. Moreover, the graph indicates that the loan portfolios originated after Sept.11 already represent 32% of the Consumer Finance loan portfolio, against 10% in Dec.11.

Light vehicles loan portfolio – Breakdown by vintages (%)



Efficiency and governance. The third front of the Change Agenda addresses initiatives that aim to increase the efficiency and refine corporate governance, such as:

- Structure: adaptation of the organizational structures to the new auto financing origination levels. In addition, it is worth remembering that in 2H11 the corporate areas (e.g.: Legal, Finance, HR) of Wholesale and Consumer Finance were consolidated, with gains in governance and cost reduction;
- Compensation: review of the internal compensation model and of the incentives paid to distribution channels (multi-brand dealers, new car dealers and banking correspondents);
- Talents: hiring of another 20 senior level professionals in credit, modeling and credit collection;

- Efficiency: continuity of actions aiming at the structural reduction of the cost base. The Committee for Analysis and Approval of Expenses, created in the second half of 2011, continued to work to enhance the efficiency of the organization in the management of costs and expenses; and
- Processes and Controls: continuity of improvements in internal controls and processes. For example, in 3Q12 there was the implementation of measures for downgrading initial ratings in auto finance operations and for refinement of manual drag rules.

The loan portfolio of Wholesale reached R$20.3 billion in Sept.12, presenting a reduction of 1.1% in the quarter and of 6.3% in the last 12 months. Wholesale's expanded loan portfolio, which includes guarantees provided and private securities, closed Sept.12 with a balance of R$41.7 billion, a slight expansion of 1.9% in comparison with Sept.11.

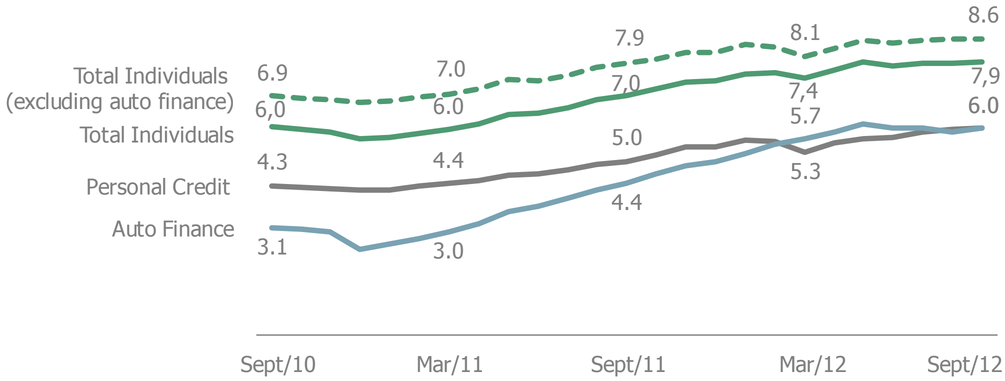
The Middle Market segment ended Sept.12 with a portfolio of R$ 8.5 billion, practically stable in the quarter and with an expansion of 6.7% in the last 12 months. The expanded loan portfolio reached R$ 9.5 billion, growth of 8.1% in 12 months. Middle Market continues to operate with a high level of strong guarantees (high and medium mitigation power), which covered 89% of the loan portfolio in Sept.12, including commodities, trade notes, sale of vehicles, equipments and real estate, cash collaterals, performing receivables and bank guarantees. Furthermore, at the end of Sept.12, 91% of the loan portfolio of the Middle Market segment was rated between AA–C by the Resolution 2,682/Bacen criteria, evidencing its quality standard.

The Corporate & Investment Banking (CIB) segment ended Sept.12 with a loan portfolio of R$11.8 billion, a reduction of 1.7% in relation to the previous quarter and of 13.8% in relation to Sept.11. The expanded loan portfolio reached R$32.2 billion, remaining practically stable in the last 12 months. CIB is one of the main players in loans to large companies, with high market penetration (more than 430 economic groups with credit risk). 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 6.1% in May.12, setting a new record in the Brazilian Central Bank history. At the end of Sept.12, delinquency still remained at the high level of 6.0%.

Bacen's delinquency for individuals – over 90 days (%)



Even in this context of systemic increase of delinquency, expenses with allowance for loan losses (ALL), net of revenues with recovery of loans written off to loss, presented a reduction of 8.0% in 3Q12, amounting to R$1,286 million (R$1,398 million in 2Q12). In Consumer Finance, expenses with ALL amounted to R$1,167 million, a reduction of 8.7% in relation to the R$1,279 million recorded in 2Q12.

The gradual reduction of ALL expenses of Consumer Finance can be explained by three factors: (i) lower impact of the loan portfolios originated between Jul.10 and Sept.11, which have a record of delinquency above the historical average; (ii) better quality of the vintages originated as from Sept.11; and (iii) improvement in the credit collection processes, with application of new policies, metrics and incentives.

In relation to consolidated numbers, delinquency above 90 days (Bacen Res. 2682 criteria) reached 6.5% of the managed loan portfolio in Sept.12, up 20 base points over June.12.

Consumer Finance's delinquency reached 8.1% in Sept.12, up 10 base points over June.12, partly impacted by post office and bank strikes. It is worth emphasizing that the delinquency of the managed auto finance portfolio, which represents approximately 80% of the Consumer Finance portfolio, stabilized at 8.7% in 3Q12. Moreover, delinquency between 15 and 90 days of this portfolio presented a further downslide, ending Sept.12 at 8.9% (June.12: 9.4%; Mar.12: 12.1%). This leading indicator reflects the result of the Change Agenda's initiatives and signposts the tendency for gradual improvement in the behavior of delinquency over 90 days for the next few months.

In Wholesale, delinquency ended Sept.12 at 2.5%, 30 points above June.12, due to the growth of delinquency in the Middle Market segment (Sept.12: 3.3%; June. 12: 2.3%). The rise in delinquency among medium sized companies, also observed in the market, results mainly from the slower pace of economic activity. According to data from Bacen, the average delinquency of legal entities ended Sept.12 at 4.0%.

At the end of Sept.12, the coverage ratio (balance of credit provisions/balance of overdue operations classified at E-H by Bacen Res. 2,682) of the managed loan portfolio reached 106%, compared to 104% in Dec.11. In Consumer Finance, the coverage ratio of the managed loan portfolio ended Sept.12 at 98%, against 95% in Dec.11.

The percentage of the managed loan portfolio rated between AA–C (Bacen Resolution No. 2,682 criteria) was 89.7% in Sept.12, against 89.9% in June.12.

LOAN PORTFOLIO QUALITY INDICATORS[1]	Sept.11	June.12	Sept.12
Loan Portfolio (R$ Million)	81,005	74,185	71,480
90-day NPL[2] (R$ Million)	2,881	4,708	4,625
90-day NPL/ Loan Portfolio	3.6%	6.3%	6.5%
Write-off (a)	(282)	(1,079)	(1,269)
Recovery of loans written off (b)	42	52	64
Net Loss (a+b)	(239)	(1,027)	(1,205)
Net Loss/ Loan Portfolio - annualized	1.2%	5.7%	6.9%
ALL (R$ Million)	2,992	5,091	4,914
ALL/ Loan Portfolio	3.7%	6.9%	6.9%
ALL/ 90-day NPL[3]	103.9%	108.1%	106.3%
AA-C (R$ Million)	76,057	66,675	64,117
AA-C/ Loan Portfolio	93.9%	89.9%	89.7%

1 Including credit assignments with recourse and credit assignments to FIDCs; 2. According to Bacen Resolution 2,682; 3. The methodology for calculating the coverage ratio was revised from Sept.12.

Fee income/Banking Fees Income

Fee income, including banking fees, amounted to R$256 million in 3Q12, an increase of 3.0% in relation to 2Q12, due mainly to the increase in revenues with financial advisory services and in commissions on placing of securities. In 9M12, the sum of fee income and banking fees income totaled R$749 million, a reduction of 21.9% in comparison to 9M11 due to the lower production volume of Consumer Finance.

FEE INCOME[1] (R$ Million)	3Q11	2Q12	3Q12	9M11	9M12	Variation (%) 3Q12/2Q12	9M12/9M11
Master file registration	144	79	78	412	228	(1.4)	(44.7)
Appraisal of assets	63	36	36	173	107	1.2	(38.2)
Credit cards	7	8	11	17	28	33.9	68.9
Income from guarantees granted	37	43	44	104	126	2.0	20.9
Management of investment funds	13	41	30	71	101	(27.1)	43.2
Commissions on placing of securities	14	13	18	49	53	41.4	7.5
Financial advice	3	2	12	8	23	721.5	199.5
Other	50	28	27	126	84	(4.0)	(33.7)
Total Fee Income	**331**	**249**	**256**	**959**	**749**	**3.0**	**(21.9)**

1 Includes Banking fees income

Administrative Expenses

In the first nine months of 2012, administrative expenses presented slight expansion of 1.5% in relation to the same prior-year period, due mainly to the intensification of credit collection processes in Consumer Finance.

It is worth remembering that, as of 2011, a series of efficiency actions were undertaken with the intention of optimizing the management of expenses and costs. 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 rental, communication, advisory, events and travel, among other expenses.

In 3Q12, administrative expenses amounted to R$395 million, against R$372 million in 2Q12. This increase results mainly from non-recurring expenses incurred in the period, such as the remittance to clients of the annual debt settlement letter, besides the intensification of credit collection processes in Consumer Finance.

ADMINISTRATIVE EXPENSES (R$ Million)	3Q11	2Q12	3Q12	9M11	9M12	Variation (%) 3Q12/2Q12	9M12/9M11
Rentals	(34)	(34)	(27)	(100)	(93)	(19.7)	(7.3)
Communications	(27)	(19)	(24)	(74)	(63)	29.0	(15.3)
Data processing	(39)	(43)	(43)	(112)	(123)	1.3	10.1
Services of the financial system	(46)	(44)	(55)	(121)	(143)	25.6	18.1
Specialized technical services	(139)	(102)	(117)	(341)	(337)	14.4	(1.3)
Judicial and Notary public fees	(55)	(72)	(64)	(139)	(190)	(10.3)	36.1
Other	(74)	(59)	(64)	(223)	(180)	7.7	(19.2)
Total Administrative Expenses	**(415)**	**(372)**	**(395)**	**(1,112)**	**(1,129)**	**6.1**	**1.5**

Personnel Expenses

Personnel expenses amounted to R$221 million in 3Q12, reduction of R$23 million (or 9.4%) in relation to the previous quarter. This performance reflects efficiency gains associated with the integration of corporate areas of Wholesale and Consumer Finance, besides the adequacy of the organizational structures to the new origination levels of Consumer Finance.

The accumulated efficiency ratio of the last 12 months ended Sept.12 at 54.3%, impacted by non-recurring expenses associated with the restructuring process and by the reduction in the volume of total revenues. The downslide in total revenues is explained by the non-realization of credit assignments with recourse in 2012.

Banco Votorantim closed Sept.12 with 6,137 employees, considering interns and statutory employees.

Other Operating Income (Expenses)

Other operating income (expenses) went from R$-123 million in 2Q12 to R$-161 million in 3Q12. In 9M12, other operating income (expenses) totaled R$-411 million, against R$-85 million in 9M11. The increase of expenses in both periods is explained by the rise in expenses with contingencies.

In 3Q12, expenses with civil contingencies totaled R$80 million, up 23.3% over 2Q12. In 9M12, these contingencies amounted to R$213 million, compared with the expenses of R$84 million recorded in the same period of 2011.

Expenses with labor contingencies, in turn, totaled R$103 million in 3Q12, against R$74 million in 2Q12, impacted by the restructuring process in progress. In 9M12, these contingencies amounted to R$232 million, compared with the expenses of R$46 million recorded in the same prior-year period.

Additional considerations on the audited financial statements disclosed

Income statement balances as of September 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 amount of funds obtained reached R$78.1 billion at the end of Sept.12, down 3.6% in the quarter and 9.3% in the last 12 months. Including the resources originating from credit assignments, the balance of funds obtained amounted to R$91.5 billion, a reduction of 5.1% in relation to June.12.

In the funding composition, it is worth emphasizing the growth of the balance of Financing Bills, which have occupied the room of the Bank Deposit Certificates (CDs). The balance of Financing Bills rose from R$6.6 billion in Sept.11 to R$9.8 billion in Sept.12. Considering the volume of Subordinated Financing Bills (R$2.2 billion in June.12), the balance of Financing Bills totaled R$12.0 billion in Sept.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)	Sept.11	June.12	Sept.12	Variation % Sept.12/June.12	Variation % Sept.12/Sept.11
Deposits	25.0	23.0	18.4	(20.0)	(26.4)
Repos[1]	20.6	16.2	19.8	22.4	(4.0)
Issuance of Securities	17.9	21.4	20.1	(6.1)	12.4
Financing Bills	6.6	10.1	9.8	(2.7)	49.0
Foreign Securities	6.4	6.4	6.5	1.9	1.7
Other[2]	4.9	4.9	3.8	(23.4)	(23.0)
Subordinated Debt	6.7	7.8	8.0	2.8	19.9
Bank Deposit Certificates	3.0	3.3	3.3	2.4	11.3
Subordinated Bills	2.2	2.5	2.6	3.1	16.9
Subordinated Financing Bills	1.5	2.1	2.2	3.1	41.2
Onlendings	7.3	5.6	5.2	(7.3)	(28.4)
Borrowings	5.4	5.4	5.0	(7.7)	(7.4)
Other funding[3]	3.2	1.6	1.6	(0.4)	(51.9)
Total Funding	**86.1**	**81.0**	**78.1**	**(3.6)**	**(9.3)**
Securitization	**17.0**	**15.4**	**13.4**	(12.8)	(21.3)
Credit Assignments with Recourse	13.5	12.0	10.5	(12.8)	(22.4)
Credit Assignments to FIDCs[4]	3.5	3.3	2.9	(13.1)	(17.0)
Total Funding and Securitization	**103.1**	**96.4**	**91.5**	**(5.1)**	**(11.3)**
International Funding[5]/Total Funding and Securitization (%)	13.5%	14.8%	**15.3%**		
Loan Portfolio/Total Funding (%)	74.3	72.6	**74.4**		
Loan Portfolio/Total Funding, excluding Compulsory Deposits (%)	80.0	75.3	**76.0**		

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

After Banco Votorantim's success in the expansion of the average term of its funding sources, which contributed to the reduction of the maturity mismatch between assets and liabilities to very conservative and historically low levels, the moderation of the pace of expansion of the loan portfolio substantially reduced the need for additional funding. In Sept.12, own loan portfolio represented 77% of total funds raised (excluding the balance of Compulsory Deposits), against 79.9% in Sept.11. In this favorable funding context, in which the Brazilian Central Bank also reduced the Selic rate, Banco Votorantim has managed to reduce its funding cost.

In relation to liquidity, faced with the uncertainties of the macroeconomic scenario, Banco Votorantim has kept its free cash level prudentially high – above the historical threshold. Additionally, Banco Votorantim has a Stand-by Credit Facility with shareholder Banco do Brasil, in the approximate amount of R$7 billion, which represents a significant liquidity reserve that has never been used.

Basel Ratio

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 maintain the Bank's capital structure at appropriate levels. This commitment of the shareholders extends to the preparation of the institution for the new regulatory environment of Basel III.

In June.12, the shareholders increase Banco Votorantim's capital in the amount of R$2 billion, involving equal investments of R$1 billion each.

In Sept.12, the Basel ratio closed at 15.2% (9.9% in the form of Tier I), recording a reduction of 30 base points in relation to June.12.

BASEL RATIO (R$ Million)	Sept.11	June.12	Sept.12
Capital (a)	**13,057**	**13,624**	**13,002**
Level I	8,741	8,948	8,449
Level II	4,316	4,676	4,553
Capital Requirement (b)	**11,295**	**9,669**	**9,396**
Excess of Capital	**1,763**	**3,955**	**3,606**
Basel Ratio (a/b/0.11)	**12.7%**	**15.5%**	**15.2%**
Tier I	8.5%	10.2%	9.9%
Tier II	4.2%	5.3%	5.3%

Ratings

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

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)	-	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

Recent Developments in Businesses

Wholesale Bank Businesses:

- **Corporate & Investment Banking (CIB):** focused on economic groups with annual revenues above R$ 400 million, CIB closed 3Q12 with an expanded loan portfolio of R$32.2 billion (R$31.8 billion in 3Q11). In 2012, 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 invested heavily in the derivatives platform and closed Sept.12 among the top ten banks in the CETIP ranking, with 3% market share;
  - Investment Bank (IB): emphasis on the following segments: (i) Fixed Income – 50 operations concluded, of which 34 were as Leading Coordinator, which totaled R$32.0 billion and positioned Banco Votorantim in the 6th place in Anbima's ranking of consolidated fixed income distribution (last 12 months until Sept.12); (ii) Variable Income – two operations concluded, totaling R$1.3 billion (10th place in Anbima's ranking of number of operations), with special emphasis on participation as a Joint bookrunner in the IPO of Locamérica; (iii) M&A – the conclusion of an operation in the consumer goods sector (cosmetics) was announced in 3Q12, totaling five operations in 9M12. This performance has put Banco Votorantim in 8th place in Anbima's M&A ranking with R$2.4 billion in volume of advised transactions, corresponding to a global volume of transactions of R$4,0 billion (as of June.12).
  - Project Finance: Banco Votorantim concluded and disbursed a total amount in operations of R$2.3 billion in 9M12, of which R$1.4 billion was related to operations advised and/or structured by the Bank itself. Furthermore, it participated as financial advisor in auctions of Airports, Transmission Lines and Highways; and
  - Corporate Finance: total disbursement of operations of R$1.1 billion in 9M12.

  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 Sept.12, Middle Market segment had an expanded loan portfolio of R$9.5 billion, 8% of growth in 12 months. The moderation in the pace of growth in 2012 is related to the more conservative attitude on account of the slower pace of economic activity. In 2012, Middle Market kept its focus on gains of efficiency and profitability and expects 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 18% its volume of managed funds in the last twelve months; and, at the end of Sept.12 was the eighth largest fund manager according to the ranking of fund managers disclosed by Anbima, with a 1.93% market share. In 3Q12, VAM was highlighted in important rankings, which serves to reinforce its commitment to the consistency of its performance. VAM had 11 funds awarded 4 and 5 stars in the Star Ranking, drawn up by Standard & Poor's, publicized by Valor Investe magazine in the September edition. VAM was also the winner of the "Guia Exame-Investimentos Pessoais 2012" award in the categories of best managers of the year in "Fundos de Atacado – Wholesale Funds" (large investors) and of "Fundos Multimercados Ativo – Multimarket Funds" (shares, interest, currencies and derivatives), besides having been classified as the 9th largest asset manager by the "Top Asset" ranking, produced by Luz Engenharia in partnership with Investidor Institucional magazine, occupying prominent positions in the following categories: FIDCs – Credit Receivables Investment Funds (3rd place), Real Estate Funds (4th place) and Private Equity (7th place).

- **Private Bank:** achieved growth of 12% in the volume of assets under management in the last 12 months, focusing on integrated asset planning through customized solutions.

- **Votorantim Corretora:** over the course of 9M12, 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 demonstrate Votorantim Corretora's expertise for operating in the derivatives and equity markets. 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 73 companies in the end of Sept.12, thus reinforcing its positioning as a full broker.

- **Treasury:** 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 market practices.

Consumer Finance Businesses

- **Auto Finance Loans:** there was an intensification of the focus on multi-brand dealers (used vehicles) for origination of credit assets targeting own portfolio. In Sept.12, this distribution channel represented 83% of the light vehicle financings originated by BV Financeira, against 81% in June.12. It is worth emphasizing that BV Financeira closed Sept.12 among the leaders in the financing of used vehicles, with 18.9% of market share in terms of origination;
- **Payroll loans:** the own portfolio of payroll loans grew 2.1% in 3Q12, reaching R$7.2 billion (R$7.0 billion in June.12). BV Financeira operates in this segment mainly through promoters (banking correspondents), focused on INSS (National Institute of Social Security) – which represented 66% of loans granted in 3Q12;
- **Credit cards:** the base of active cards amounted to 346 thousand at the end of Sept.12, an expansion of 10.3% in the last 12 months.

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:

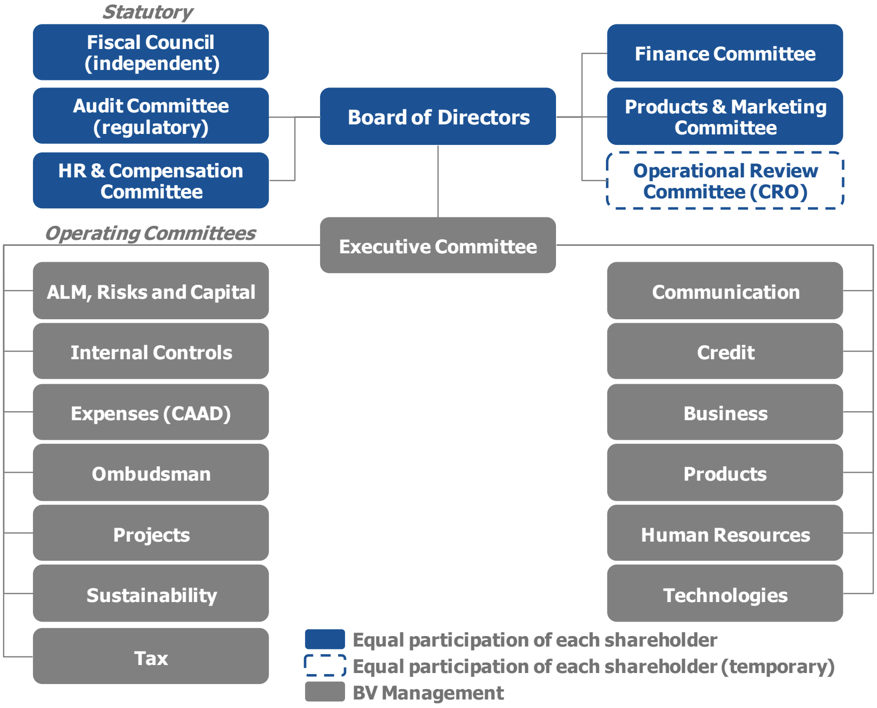
- **Development of the credit asset origination model ("BV Originadora – BVO"):** faced with the new economic- regulatory context, Banco Votorantim and BB advanced in the structuring of a model of direct origination of credit assets to BB ("BV Originadora – BVO"), which will be focused on new car dealers. In 3Q12, it was defined that Banco Votorantim will be responsible for the sales force at the new car dealers, while BB will be responsible for the incoming proposals' web portal, for the credit policy and analysis, and for funding and pricing of operations. Additionally, it was confirmed that BB will be responsible for the postsales and credit collection activities.
- **"Mais BB" Project:** in the consumer finance segment, BV Financeira has acted as manager of a network of sales promoters to offer BB products (payroll loans, prepayment of 13th month salary, among others) at the branches of BB. In 3Q12, this operation generated revenues of approximately R$7 million in commissions for Banco Votorantim.
- **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 9M12, VWM&S continued with its business expansion in partnership with BB, with the development of structured products exclusively tailored for the needs of the shareholder partner in a total volume that reached about R$3.7 billion in Sept.12. Other projects are approaching completion and should be concluded by the closing of 2012.
- **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.
- **Expansion of the business of Votorantim Corretora:** BB is making more extensive use of Banco Votorantim's brokerage firm to transact 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 2011 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 2012, Banco Votorantim continued with the process of improving its governance with 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 2012, Banco Votorantim hired several experienced market professionals in areas such as Consumer Finance Business, Consumer Finance Credit and Collection, Wholesale Credit, Middle Market, Internal Auditing and Finance and Investor Relations, to join its staff of executives.

Balance Sheet

BALANCE SHEET (R$ Million)	Sept.11	June.12	Sept.12	Variation % Sept.12/June.12	Variation % Sept.12/Sept.11
ASSETS					
CURRENT ASSETS	**79,135**	**59,115**	**54,091**	**(8.5)**	**(31.6)**
Cash and cash equivalents	125	163	141	(13.6)	12.6
Interbank Funds Applied	17,304	14,158	9,654	(31.8)	(44.2)
Securities and Derivative Financial Instruments	20,185	10,744	11,565	7.6	(42.7)
Interbank Accounts/Relations	6,254	3,013	1,836	(39.1)	(70.6)
Loans	24,992	24,013	23,865	(0.6)	(4.5)
Leases	3,112	2,008	1,843	(8.2)	(40.8)
Other Receivables	6,855	4,743	4,895	3.2	(28.6)
Other Assets	307	272	293	7.8	(4.6)
LONG-TERM ASSETS	**44,961**	**54,107**	**57,063**	**5.5**	**26.9**
Interbank Funds Applied	338	527	163	(69.1)	(51.9)
Securities and Derivative Financial Instruments	7,220	20,260	23,923	18.1	-
Loans	32,080	27,049	26,669	(1.4)	(16.9)
Leases	397	228	281	23.2	(29.2)
Other Receivables	3,623	4,786	4,894	2.3	35.1
Other Assets	1,303	1,257	1,134	(9.7)	(12.9)
FIXED ASSETS	**243**	**389**	**405**	**4.2**	**66.8**
Investments	65	209	227	8.7	247.6
Fixed Assets for Use	110	104	101	(2.9)	(8.4)
Intangible	36	47	49	4.2	38.3
Deferred Charges	32	29	28	(2.7)	(12.7)
TOTAL ASSETS	**124,339**	**113,610**	**111,559**	**(1.8)**	**(10.3)**
LIABILITIES					
CURRENT LIABILITIES	**81,930**	**71,876**	**68,453**	**(4.8)**	**(16.4)**
Deposits	20,250	18,334	14,661	(20.0)	(27.6)
Demand Deposits	379	480	306	(36.2)	(19.3)
Interbank Deposits	2,170	2,243	1,682	(25.0)	(22.5)
Time Deposits	17,700	15,611	12,674	(18.8)	(28.4)
Money Market Borrowings	36,715	28,660	32,325	12.8	(12.0)
Acceptances and Endorsements	6,793	11,259	6,737	(40.2)	(0.8)
Interbank Accounts / Relations	10	6	4	(23.5)	(59.2)
Interbranch Accounts	72	125	37	(70.1)	(48.6)
Borrowings and Onlendings	7,006	6,169	6,222	0.9	(11.2)
Derivative Financial Instruments	4,645	2,111	1,601	(24.2)	(65.5)
Other Liabilities	6,439	5,212	6,866	31.7	6.6
LONG-TERM LIABILITIES	**33,659**	**32,405**	**34,238**	**5.7**	**1.7**
Deposits	4,716	4,634	3,711	(19.9)	(21.3)
Interbank Deposits	22	1,262	1,296	2.7	-
Time Deposits	4,693	3,373	2,415	(28.4)	(48.5)
Money Market Borrowings	3,808	3,629	3,892	7.2	2.2
Acceptances and Endorsements	11,100	10,168	13,373	31.5	20.5
Borrowings and Onlendings	5,645	4,847	3,967	(18.2)	(29.7)
Derivative Financial Instruments	680	736	1,020	38.6	50.1
Other Liabilities	7,710	8,391	8,275	(1.4)	7.3
DEFERRED INCOME	**32**	**26**	**38**	47.9	17.7
SHAREHOLDERS' EQUITY	**8,718**	**9,304**	**8,829**	**(5.1)**	**1.3**
TOTAL LIABILITIES	**124,339**	**113,610**	**111,559**	**(1.8)**	**(10.3)**

Income Statement - Managerial Overview

INCOME STATEMENT (R$ Million)	3Q11	2Q12	3Q12	9M11	9M12	Variation (%) 3Q12/2Q12	9M12/9M11
Income from Financial Intermediation	**6,229**	**3,946**	**3,167**	**12,935**	**10,426**	**(19.7)**	**(19.4)**
Loans	3,206	2,482	2,186	8,161	6,835	(11.9)	(16.2)
Leases	99	102	88	380	300	(13.8)	(21.1)
Securities	1,778	1,204	1,081	4,087	3,548	(10.2)	(13.2)
Derivative Financial Instruments	887	(15)	(265)	(292)	(625)	-	113.8
Foreign Exchange Operations	80	106	23	95	129	(78.2)	34.8
Compulsory Deposits	178	66	45	505	230	(32.5)	(54.5)
Sale or transfer operation from financial assets	-	1	9	-	10	713.3	-
Expenses from Financial Intermediation	**(4,914)**	**(2,847)**	**(2,046)**	**(8,695)**	**(7,071)**	**(28.1)**	**(18.7)**
Money Market Borrowings	(4,117)	(2,399)	(1,863)	(7,911)	(6,380)	(22.4)	(19.4)
Borrowings and Onlendings	(798)	(448)	(174)	(784)	(663)	(61.2)	(15.5)
Sale or transfer operation from financial assets	-	-	(10)	-	(10)	-	-
Gross Financial Margin	**1,314**	**1,099**	**1,120**	**4,240**	**3,355**	**2.0**	**(20.9)**
Allowance for Loan Losses	(950)	(1,398)	(1,286)	(2,214)	(4,140)	(8.0)	87.0
Net Income from Financial Intermediation	**364**	**(299)**	**(166)**	**2,026**	**(785)**	**(44.5)**	**(138.7)**
Other Operating Income / Expenses	**(487)**	**(584)**	**(628)**	**(1,364)**	**(1,793)**	**7.6**	**31.4**
Fee Income/ Banking Fees Income	331	249	256	959	749	2.9	(21.9)
Personnel Expenses	(235)	(244)	(221)	(650)	(700)	(9.4)	7.7
Other Administrative Expenses	(415)	(372)	(395)	(1,112)	(1,129)	6.1	1.5
Tax Expenses	(151)	(111)	(126)	(476)	(351)	14.3	(26.3)
Equity in Income of Associated Companies and Subsidiaries	(0)	16	18	(0)	48	11.9	-
Other Operational Income	(18)	(123)	(161)	(85)	(411)	30.7	382.4
Operating Income (Loss)	**(124)**	**(883)**	**(794)**	**662**	**(2,578)**	**(10.1)**	**(489.5)**
Non-Operating Income (Loss)	**(7)**	**(44)**	**(43)**	**10**	(116)	**(0.9)**	**-**
Income (Loss) before Taxation and Profit Sharing	**(131)**	**(927)**	**(838)**	**672**	**(2,694)**	**(9.6)**	**(501.1)**
Provision for Income Tax and Social Contribution	126	484	377	54	1,308	(22.2)	-
Profit Sharing	(80)	(93)	(36)	(271)	(243)	(60.9)	(10.1)
Net Income (Loss)	**(85)**	**(536)**	**(497)**	**455**	**(1,630)**	**(7.1)**	**(457.9)**

Managed Loan Portfolio by Risk Level

Consolidated

RISK (R$ Million)	Sept.11			June.12			Sept.12		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	12,655	-	15.6%	11,519	-	15.5%	8,152	-	11.4%
A	55,731	279	68.8%	44,648	223	60.2%	44,112	221	61.7%
B	5,086	51	6.3%	6,822	68	9.2%	7,524	75	10.5%
C	2,584	78	3.2%	3,687	111	5.0%	4,328	130	6.1%
D	1,286	129	1.6%	1,819	182	2.5%	1,664	166	2.3%
E	1,054	316	1.3%	1,235	403	1.7%	1,230	402	1.7%
F	569	284	0.7%	727	364	1.0%	644	322	0.9%
G	527	364	0.7%	789	553	1.1%	758	530	1.1%
H	1,513	1,492	1.9%	2,939	3,188	4.0%	3,068	3,068	4.3%
TOTAL	**81,005**	**2,992**	**100.0%**	**74,185**	**5,091**	**100.0%**	**71,480**	**4,914**	**100.0%**
AA-C	**76,057**	**407**	**93.9%**	**66,675**	**402**	**89.9%**	**64,117**	**426**	**89.7%**
D-H	**4,948**	**2,585**	**6.1%**	**7,510**	**4,689**	**10.1%**	**7,363**	**4,489**	**10.3%**

Wholesale

RISK (R$ Million)	Sept.11			June.12			Sept.12		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	11,465	-	53.0%	9,250	-	45.2%	7,586	-	37.4%
A	5,930	30	27.4%	5,024	25	24.5%	6,202	31	30.6%
B	2,583	26	11.9%	3,486	35	17.0%	3,550	35	17.5%
C	637	19	2.9%	1,121	34	5.5%	1,232	37	6.1%
D	271	27	1.3%	583	58	2.8%	599	60	3.0%
E	360	108	1.7%	487	178	2.4%	514	187	2.5%
F	45	23	0.2%	51	25	0.2%	72	36	0.4%
G	137	96	0.6%	65	46	0.3%	48	34	0.2%
H	193	193	0.9%	417	417	2.0%	463	463	2.3%
TOTAL	**21,621**	**522**	**100.0%**	**20,484**	**819**	**100.0%**	**20,266**	**884**	**100.0%**
AA-C	**20,614**	**75**	**95.3%**	**18,881**	**94**	**92.2%**	**18,570**	**103**	**91.6%**
D-H	**1,007**	**447**	**4.7%**	**1,603**	**725**	**7.8%**	**1,697**	**780**	**8.4%**

Consumer Finance

RISK (R$ Million)	Sept.11			June.12			Sept.12		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	1,191	-	2.0%	2,269	-	4.2%	566	-	1.1%
A	49,801	249	83.9%	39,624	198	73.8%	37,910	190	74.0%
B	2,503	25	4.2%	3,336	33	6.2%	3,974	40	7.8%
C	1,948	58	3.3%	2,565	77	4.8%	3,097	93	6.0%
D	1,014	101	1.7%	1,236	124	2.3%	1,065	106	2.1%
E	694	208	1.2%	748	224	1.4%	716	215	1.4%
F	524	262	0.9%	676	338	1.3%	572	286	1.1%
G	389	268	0.7%	724	507	1.3%	709	497	1.4%
H	1,320	1,299	2.2%	2,522	2,771	4.7%	2,605	2,605	5.1%
TOTAL	**59,384**	**2,471**	**100.0%**	**53,701**	**4,272**	**100.0%**	**51,214**	**4,031**	**100.0%**
AA-C	**55,443**	**332**	**93.4%**	**47,794**	**308**	**89.0%**	**45,547**	**322**	**88.9%**
D-H	**3,941**	**2,138**	**6.6%**	**5,907**	**3,964**	**11.0%**	**5,667**	**3,709**	**11.1%**

Quality Indicators of the Managed Loan Portfolio

Wholesale

LOAN PORTFOLIO QUALITY INDICATORS[1]	Sept.11	June.12	Sept.12
Loan Portfolio (R$ Million)	21,621	20,484	20,266
90-day NPL[1] (R$ Million)	275	433	500
90-day NPL/ Loan Portfolio	1.3%	2.1%	2.5%
Write-off (a)	(23)	(44)	(61)
Recovery of loans written off (b)	1	1	2
Net Loss (a+b)	(22)	(43)	(59)
Net Loss/ Loan Portfolio - annualized	0.4%	0.9%	1.2%
ALL (R$ Million)	522	819	884
ALL/ Loan Portfolio	2.4%	4.0%	4.4%
ALL/ 90-day NPL	189.7%	188.9%	176.6%
AA-C (R$ Million)	20,614	18,881	18,570
AA-C/ Loan Portfolio	95.3%	92.2%	91.6%

1 According to Bacen Resolution 2,682

Consumer Finance

LOAN PORTFOLIO QUALITY INDICATORS[1]	Sept.11	June.12	Sept.12
Loan Portfolio (R$ Million)	59,384	53,701	51,214
90-day NPL[2] (R$ Million)	2,606	4,275	4,124
90-day NPL/ Loan Portfolio	4.4%	8.0%	8.1%
Write-off (a)	(259)	(1,034)	(1,208)
Recovery of loans written off (b)	42	51	63
Net Loss (a+b)	(217)	(983)	(1,146)
Net Loss/ Loan Portfolio - annualized	1.5%	7.5%	9.3%
ALL (R$ Million)	2,471	4,272	4,031
ALL/ Loan Portfolio	4.2%	8.0%	7.9%
ALL/ 90-day NPL [3]	94.8%	99.9%	97.7%
AA-C (R$ Million)	55,443	47,794	45,547
AA-C/ Loan Portfolio	93.4%	89.0%	88.9%

1 Including credit assignments with recourse and credit assignments to FIDCs; 2. According to Bacen Resolution 2,682; 3. The methodology for calculating the coverage ratio was revised from Sept.12.

Disclaimer: *Any statements regarding estimates and prospects of the business of Banco Votorantim S.A. are based on management's current expectations and on information currently available. These considerations involve future risks and uncertainties and therefore cannot be read as guarantees of performance. Given the risks and uncertainties involved, the estimates and statements may not occur and eventually also the general economic conditions in the country, industry and other factors may affect future results and performance and could lead future results to differ materially from those expressed in this report.*