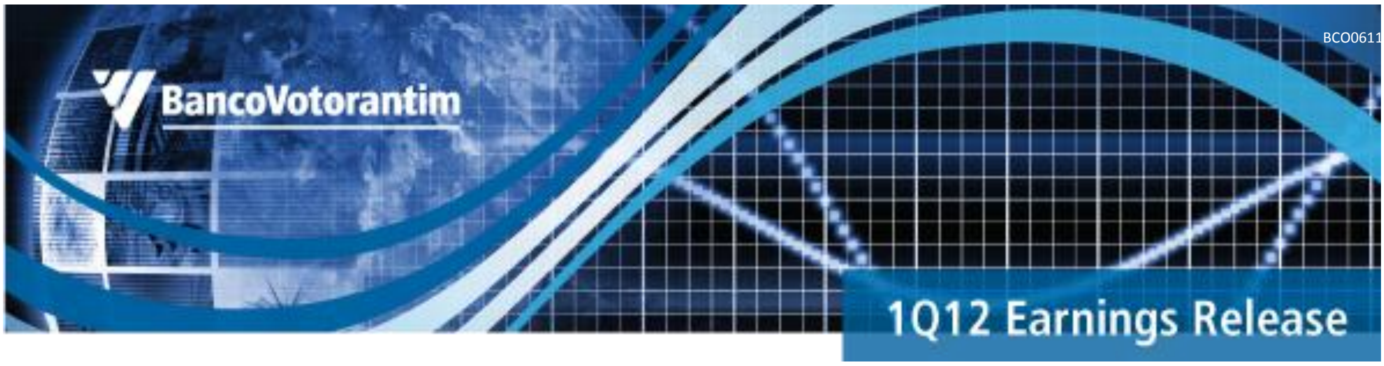


São Paulo, May 03, 2012. Banco Votorantim S.A. ("BV") announces its results for the first quarter of 2012. All financial information herein, except where indicated otherwise, is presented in nominal Brazilian Reais, based on consolidated numbers, and in accordance with the Brazilian GAAP (BRGAAP) accounting standards and the Brazilian Corporate Law.

Message from the CEO

The successful history of Banco Votorantim over the last 20 years places us today as the 3rd largest privately-held Brazilian bank in assets. We rely on a robust shareholder base – Banco do Brasil (BB) and Votorantim Group, and a diversified business portfolio of wholesale banking, consumer finance, and asset management. These factors allied to a strategic partnership with BB, place us in a privileged position to consolidate ourselves as one of the main Brazilian banks.

In the post-2008 crisis period, we recorded accelerated growth in the auto financing, consolidating our leadership position in multi-brand dealers and significantly expanding our presence in new car dealers. Managed vehicle loan portfolio reached R$45.6 billion in March 2012, growth of 128% in relation to December 2008.

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

The delinquency in auto finance market doubled last year (2.5% in Dec.10; 5.0% in Dec.11), and continued to grow in 1Q12, reaching 5.7% in March 2012, a record in Bacen historical series.

In addition, on January 12, Central Bank Resolution No. 3,533 came into effect, and changed the rules for recording credit assignments with recourse. That new regulatory change impacted the securitization market and the income of banks operating in it

In this context, Banco Votorantim continued its prudential adjustment process, from the 4Q11, advancing in the initiatives from its Change Agenda. After a strong growth period, with significant gains of scale, the focus now is on increasing profitability in all business lines in the medium term.

As we had anticipated in our last "Message from the CEO ", Banco Votorantim had its income again impacted in the 1Q12, due to three main factors, all related to consumer finance:

- Delinquency: Consumer Finance adjusted expenses with credit provisions totaled R$1,357 million in 1Q12 (R$1,181 million in 4Q11), mainly due to delinquency rates above historical average for auto finance operations that were originated by BV Financeira until September 2011, besides greater conservatism towards credit provisions;
- Central Bank Resolution No. 3,533: facing this regulatory change, it was decided not to execute any credit assignments in 1Q12, impacting BV Financeira's revenues. In 1Q12, BV Financeira registered R$-57 million in credit assignment results, related to credit provision and early settlement expenses of credits assigned until December 2011, vs. a positive result of R$496 million in the 4Q11; and
- Reduced production: focus on more profitable businesses, such as used vehicles via multi-brand dealers, with a reduction of approximately 50% in Consumer Finance origination volume vs. 2010/11 average.

Even facing these factors, consolidated results have shown a slight improvement when compared to the previous quarter (R$-597 million in the 1Q12; R$-656 million in the 4Q11), mainly because of:

- R$497 million growth in Gross Financial Margin (R$1,300 million in the 1Q12; R$803 million in the 4Q11), related to: (i) good performance achieved by Wholesale operations, with consistent results generated by Corporate & Investment Banking, Middle Market, Wealth Management and Treasury; (ii) recognition of prudential provisions made in the 4Q11 in the Allowance for Loan Losses (ALL) expenses line, at that time were registered as impacts on the Gross Financial Margin. This effect is mainly due to the repurchase of credit assignments with advanced delinquency; and (iii) R$172 million reduction in Expenses from financial intermediation (funding).
- R$76 million decrease in administrative expenses (R$362 million in 1Q12; R$438 million in 4Q11), explained by the structural adjustments made in Banco Votorantim's cost base; and

- R$102 million reduction in the expenses with civil provisions vs. 4Q11 (R$68 million in 1Q12; R$170 million in 4Q11), when there was a revision of provisioning criteria for Consumer Finance civil lawsuits.

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

- Liquidity: the cash level continues conservatively high. In addition, Banco Votorantim has a stand-by credit facility with Banco do Brasil, equal to its shareholders' equity, which was never used;
- Funding: after succeeding in increasing the average term in 2010/11, with a significant reduction of the mismatch between the terms of assets and liabilities, the increased focus on profitability (rather than growth) substantially reduced the need of additional funding and reduced the average term for assets;
- Coverage ratio for loan operations: maintenance of a coverage ratio at a conservative level in Wholesale, complemented by a gradual increase in the coverage ratio in consumer finance in 2012; and
- Capital: Basel index closed March, 2012 at 13.0%. The shareholders are committed to maintaining the capital structure at appropriate levels, as set out in the Shareholders' Agreement.

To resume growth and profitability in the medium term, in 1Q12 Banco Votorantim continued progressing in the implementation of a series of strategic initiatives in its Change Agenda, especially in:

- Auto finance operating model: enhancing presence in multi-brand dealers (used vehicles) for own origination, besides revision of incentives for distribution channels;
- Credit: improvement of Consumer Finance policies, processes, and models. After significant progress in the credit risk levels of 4Q11 origination, 1Q12 productions kept the good quality historic levels;
- Credit collection: intensification of Consumer Finance credit collection processes, aiming at prevention and delinquency reduction, and the recovery and/or minimization of losses;
- Incentives: revision of all incentive models, including those for sales force;
- Efficiency: consolidation of organizational structures and recurring reduction of the cost base;
- Talent reinforcement: aggregation of market-experienced professionals to management team;
- Operations: continuing the work of the Operational Review Committee (Comitê de Revisão Operacional – CRO) which works with BV Financeira teams in the implementation of operating improvements in five fronts: Return on equity, Allowance for loan losses, Credit Collection and Processes.

The progress in the Change Agenda creates the conditions for Banco Votorantim to resume growth with profitability over the medium term. However, as we had anticipated in our last disclosure, the short-term results will continue impacted by four consumer finance-related factors:

- Reduction of results from credit assignments: the entry into force of Resolution 3,533/Bacen impacted the model of credit assignments with recourse. Therefore, there will be decrease of revenues from credit assignments up to the consolidation of the model of credit assignments without recourse to BB ("BV Financeira Originadora"), which will focus on new car dealers;
- Delinquency in vehicles: the impact of the portfolios produced up to September 2011, with records of above-average delinquency rates, will continue pressing the provisions;
- Coverage ratio: gradual increase in the loan coverage ratio of Consumer Finance through 2012; and
- Reduction in production: focus on more profitable businesses, such as used vehicles in multi-brand dealerships, with reduction in the origination volume in relation to the 2010/11 average.

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

This process of prudential adjustment relies on full support of shareholders, who are committed to maintaining the Basil index at appropriate levels, as provided in the Shareholders' Agreement. The shareholders' commitment extends to the preparation of Banco Votorantim to the new regulatory context of Basel III.

Corporate Strategy

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

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

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

- **Middle Market:** to continue growing with quality in the attractive and increasing mid-sized company segment, with significant scale and efficiency gains and focus on relationship. Middle Market, also called as BV Empresas, focuses on relationships and operational agility to better serve its clients. Additionally, the Middle Market seeks to expand its offering of products and services, including leveraging CIB´s platform of products.

- **Wealth Management (VWM&S):** a modern organizational model developed with the objective of gaining agility, efficiency and increased competitiveness in both different and dynamic markets where VWM&S operates:

  - Asset Management (VAM): to be recognized by its innovating and differentiated capacity of organization and management of high valued-added products by occupying a leading position in its peer group (Asset Management without a consumer finance structure), in addition to expanding its international presence. VAM seeks to achieve such expectations by operating as one of the best asset managers, delivering appropriate solutions to the clients' needs, which are developed with innovation and quality. Additionally, VAM plans to expand its partnership with Banco do Brasil, by increasing its capacity of development and distribution of structured products.
  - Private Bank: to rank among the five best players in Private Bank market and to be recognized as one of the best asset managers in Brazil by establishing close and longstanding relationships through differentiated solutions in local and international markets, which are adequate to clients' profile.

In Consumer Finance, Banco Votorantim is one of the market leaders, focusing on the auto finance segment and relevant positions in other complementary lines of business. The institution's strategic objectives for Consumer Finance include:

- **Auto Finance:** To remain among the major players in auto financing through BV Financeira, which operates as an extension of Banco do Brasil (BB) in auto financing outside the branch network. For origination focused on own loan portfolio, BV Financeira focuses its activities on multi-brand dealers (used vehicles), channel in which has a leadership track record and recognized expertise. For origination dedicated to BB, in turn, BV Financeira and BB have moved forward to consolidate the model of credit assignments without recourse ("BV Financeira Originadora"), focusing on new car dealers.

- **Other businesses:** to increase profitability in individual loans focusing on payroll loans - INSS, which present better risk profile. Additionally, Consumer Finance plans to continue growing in credit cards and increasing revenues from insurance brokerage (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, expansion in Middle Market, continuing growth in Wealth Management and the transition to a new consumer finance model while constantly deepening its partnership with BB.

Key Information

	1Q11	4Q11	1Q12	Variation 1Q12/4Q11	Variation 1Q12/1Q11
RESULTS (R$ Million)					
Gross Financial Margin[1] (a)	1,551	803	1,300	61.8%	-16.2%
Allowance for Loan Losses - ALL (b)	(427)	(1,097)	(1,587)	44.7%	272.0%
Net Income from Financial Intermediation (a - b)	1,124	(293)	(287)	-2.3%	-125.5%
Fee Income/ Banking Fees Income	300	288	243	-15.6%	-18.9%
Administrative and Personnel Expenses	(548)	(647)	(597)	-7.7%	9.0%
Operating Income	667	(978)	(883)	-9.6%	-232.5%
Net Income (Loss)	385	(656)	(597)	-9.1%	-255.0%
MANAGEMENT INDICATORS (%)					
Return on Average Equity[2] (ROAE)	19.3	(27.8)	(27.2)	59 bps	-4655 bps
Return on Average Assets[3] (ROAA)	1.4	(2.2)	(2.1)	10 bps	-350 bps
Net Interest Margin[4] (NIM)	6.1	3.0	5.0	201 bps	-114 bps
Efficiency Ratio (ER) - accumulated basis of 12 months[5]	36.6	40.0	43.7	369 bps	710 bps
Basel Index	12.4	14.1	13.0	-109 bps	59 bps
MACROECONOMIC INDICATORS[6]					
CDI - in the period (%)	2.6	2.7	2.5	-22 bps	-15 bps
Selic rate - end of the period benchmark (annual %)	11.8	11.0	9.8	-125 bps	-200 bps
IPCA - in the period (%)	2.4	1.5	1.2	-24 bps	-122 bps
Dollar exchange rate - end of the period (R$)	1.63	1.88	1.82	-3.0%	11.7%
EMBI Brazil Risk	168	208	176	-15.4%	4.8%

	Mar.11	Dec.11	Mar.12	Variation Mar12/Dec11	Variation Mar12/Mar11
BALANCE SHEET (R$ Million)					
Total Assets	112,517	112,445	113,495	0.9%	0.9%
Loan Portfolio	58,528	58,726	58,795	0.1%	0.5%
Wholesale Segment	20,049	20,916	20,334	-2.8%	1.4%
Consumer Finance Segment	38,479	37,810	38,462	1.7%	0.0%
Guarantees Provided	10,422	11,859	12,252	3.3%	17.6%
Credit Assignments with Recourse	11,913	15,360	13,638	-11.2%	14.5%
FIDCs[7]	2,872	5,182	4,342	-16.2%	51.2%
Funding Sources	79,351	85,828	86,610	0.9%	9.1%
Shareholders' Equity	8,679	8,041	7,566	-5.9%	-12.8%
Capital (Basel Index)	12,020	12,054	11,282	-6.4%	-6.1%
LOAN PORTFOLIO QUALITY INDICATORS[8] (%)					
90-day NPL[9]/ Loan Portfolio	2.0%	4.5%	5.8%	133 bps	384 bps
Allowance for Loan Losses / 90-day NPL[9]	112.9%	103.9%	102.0%	-191 bps	-1097 bps
Allowance for Loan Losses / Loan Portfolio	2.2%	4.6%	5.9%	127 bps	370 bps
OTHER INFORMATION					
AuM (R$ Million)	35,703	42,985	44,649	3.9%	25.1%

1 Net income from financial intermediation 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. Ratio between net income from financial intermediation and average interest
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 #2682.

1Q12 Summary Results

As indicated in the disclosure materials for 4Q11, Banco Votorantim's consolidated net income was again impacted in 1Q12, and three main factors account for that, all related to Consumer Finance:

- Delinquency: Consumer Finance adjusted expenses with credit provisions totaled R$1,357 million in 1Q12 (R$1,181 million in 4Q11), mainly due to delinquency rates above historical average for auto finance operations that were originated by BV Financeira until September 2011, besides greater conservatism towards credit provisions;
- Central Bank Resolution No. 3,533: facing this regulatory change, it was decided not to execute any credit assignments in 1Q12, impacting BV Financeira's revenues. In 1Q12, BV Financeira registered R$-57 million in credit assignment results, related to credit provision and early settlement expenses of credits assigned until December 2011, vs. a positive result of R$496 million in the 4Q11; and
- Reduced production: focus on more profitable businesses, such as used vehicles via multi-brand dealers, with a reduction of approximately 50% in Consumer Finance origination volume vs. 2010/11 average.

Even facing these factors, consolidated results have shown a slight improvement when compared to the previous quarter (R$-597 million in the 1Q12; R$-656 million in the 4Q11), mainly because of:

- R$497 million growth in Gross Financial Margin (R$1,300 million in the 1Q12; R$803 million in the 4Q11), related to:
  - The good performance achieved by Wholesale operations, with consistent results generated by Corporate & Investment Banking, Middle Market, Wealth Management and Treasury;
  - Recognition of prudential provisions made in the 4Q11 in the Allowance for Loan Losses (ALL) expenses line, at that time were registered as impacts on the Gross Financial Margin. This effect is mainly due to the repurchase of credit assignments with advanced delinquency.
  - R$172 million reduction in Expenses from financial intermediation (funding).
- R$76 million decrease in administrative expenses (R$362 million in 1Q12; R$438 million in 4Q11), explained by the structural adjustments made in Banco Votorantim's cost base; and
- R$102 million reduction in the expenses with civil provisions vs. 4Q11 (R$68 million in 1Q12; R$170 million in 4Q11), when there was a revision of provisioning criteria for Consumer Finance civil lawsuits.

In this context of results, Banco Votorantim continued improving its credit risk quality and progressed in the implementation of the Change Agenda that guides its prudential adjustment process, with full support of shareholders. Among the initiatives adopted, the following deserve highlighting:

- Auto finance operating model: enhancing presence in multi-brand dealers (used vehicles) for own origination, besides revision of incentives for distribution channels (multi-brand dealers and new car dealers);
- Credit: improvement of Consumer Finance policies, processes, and models. After significant progress in the credit risk levels of 4Q11 origination, 1Q12 production kept the good quality historic levels;
- Credit collection: intensification of Consumer Finance credit collection processes, aiming at prevention and delinquency reduction, and the recovery and/or minimization of losses;
- Incentives: revision of all incentive models, including sale force's and for the distribution channels (multi-brand dealers and new car dealers);
- Efficiency: consolidation of organizational structures and recurring reduction of the cost base;
- Talent reinforcement: aggregation of market-experienced professionals to management team;
- Operations: continuity of the Operational Review Committee (CRO), composed of representatives of both shareholders, that have acted along with BV Financeira's teams in the implementation of operational improvements.

The advances in the Change Agenda create conditions for Banco Votorantim to resume growth with profitability in the medium-term. However, as anticipated in the last release, short-term results will keep impacted by four factors related to Consumer Finance:

- Reduced results from credit assignments: the entry into force of Central Bank's Resolution 3,533 impacted the model of credit assignment with recourse;
- Auto finance delinquency: the evolution of the portfolio originated until September 2011, with registered delinquency levels above the historical average, will keep on pressuring provisions in 2012;
- Coverage Ratio: gradual increase of Consumer Finance's credit operations Coverage Ratio during 2012; and
- Reduced production: focus on more profitable businesses, such as used vehicles via multi-brand dealers, with reduction in the origination volume when compared to 2010/11 average.

This process of prudential adjustment relies on full support of shareholders, who are committed to maintaining the Basel index at appropriate levels, as established in the Shareholders' Agreement.

Financial Performance Analysis

Gross Financial Margin

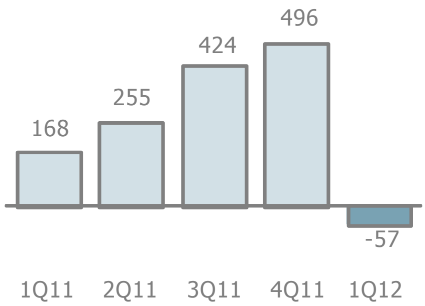
In 1Q12, the Gross financial margin totalized R$1,300 million, an increase of 61.8% compared to the previous quarter.

Income from financial intermediation was R$3,819 in 1Q12, an increase of 9.3% compared to the 4Q11, mainly stimulated by positive variation from derivative financial instruments (+R$500 million), and from securities (+R$492 million), but affected in part by the income reduction recorded with loans (-R$600 million).

GROSS FINANCIAL MARGIN (R$ Million)	1Q11	4Q11	1Q12	Variation (%) 1Q12/4Q11	1Q12/1Q11
Income from Financial Intermediation	**3,784**	**3,494**	**3,819**	**9.3**	**0.9**
Loans	2,423	2,898	2,298	(20.7)	(5.1)
Leases	599	467	450	(3.6)	(24.8)
Securities	1,025	771	1,263	63.8	23.2
Derivative Financial Instruments	(428)	(811)	(311)	(61.7)	(27.3)
Foreign Exchange Operations	9	11	-	(100.0)	(100.0)
Compulsory Deposits	157	158	119	(24.6)	(24.2)
Expenses from Financial Intermediation	**(2,233)**	**(2,691)**	**(2,519)**	**(6.4)**	**12.8**
Money Market Borrowings	(1,758)	(2,218)	(2,118)	(4.5)	20.5
Borrowings and Onlendings	(28)	(121)	(42)	(65.7)	50.1
Leases	(448)	(351)	(341)	(2.9)	(23.8)
Foreign Exchange Operations	-	-	(19)	-	-
Gross Financial Margin	**1,551**	**803**	**1,300**	**61.8**	**(16.2)**

Income from loans amounted to R$2,298 million in 1Q12, a 20.7% reduction in relation to the previous quarter, mostly due to the fact that no credit assignment operations to Banco do Brasil (BB) were made in the period. In 1Q12, the results from credit assignments amounted to R$-57 million, referring to allowance for loan losses and early settlement expenses of agreements assigned up to December 2011, compared to a positive income of R$496 million in 4Q11.

Results from Credit Assignments (R$M)



In January 2012 Central Bank Resolution No. 3,533 came into effect, changing the rules for recording credit assignment operations with recourse. Under the new rules, revenues from those operations, formerly recognized in full at the time of the credit transfers, must be recorded over the remaining period of the assigned agreements. In addition, the credits assigned with a substantial retention of risks must remain fully recorded in the selling assignor's assets. Due to that regulatory change, BV Financeira, which operates as an extension of BB outside the branches in relation to auto finance, is structuring, together with BB, a model of credit assignments without recourse, focused on new car dealers. The shareholders have already agreed on the main features of that model, internally called "BV

Financeira Originadora", which requires certain system development actions by both banks and which shall be consolidated in 2012.

In relation to 1Q11, income from loans have suffered a reduction of 5.1%, also due to impacts of Resolution No. 3,533. In 1Q11, the results from credit assignments, net of expenses on early settlements and credit provisions, had amounted to R$168 million.

The income from securities amounted to R$1,263 million in 1Q12, representing growth of 63.8% in relation to 4Q11, explained mostly by the good performance recorded by the Treasury. In addition, it should be recalled that the income in 4Q11 had been negatively impacted by a complementary provision for FIDC NP ("BV Financeira FIDC V"), structured in December 2010, in which Banco Votorantim is the holder of 100% of the subordinated quotas.

The income from derivative financial instruments was R$-311 million in the 1Q12, against R$-811 million in the 4Q11, comprised revenues and expenses associated with swaps, futures and other derivatives that are regularly used to hedge positions in loans, securities, foreign exchange, money market borrowings, borrowings and onlendings, which incur foreign currency, interest rates and fees risks. The line of income from derivatives financial instruments also includes the effects of the hedging strategy of BV Financeira's credit portfolio, which is based on interbank deposit futures agreements traded at the BM&F.

Expenses from financial intermediation, in turn, amounted to R$2,519 million in 1Q12, a R$76 million reduction in relation to 4Q11, mostly explained by the interest rate fluctuation in the period.

In relation to 1Q11, expenses from financial intermediation had an increase of 12.8%, or R$286 million, explained not only by the changes in interest rates in the period, but also by the increase of 12.2% in the average funding balance, with lengthening of the average term and greater subordination. The improvement in the funding profile can be observed, for instance, by the increase in the balance of Financial Bills, which amounted to R$ 8.4 billion in March 2012, not including the volume of subordinated Financing Bills (R$2.2 billion in March 2012). In the last 12 months, the time gap between assets and liabilities decreased 170 days, down to very adequate and historically low levels.

AVERAGE FUNDING (R$ Million)	1Q11	4Q11	1Q12	Variation (%) 1Q12/4Q11	1Q12/1Q11
Deposits	24,272	25,295	25,594	1.2	5.4
Repos[1]	17,744	20,641	20,658	0.1	16.4
Issuance of Securities	11,660	17,880	18,503	3.5	58.7
Onlendings[2]	7,029	6,797	6,161	(9.4)	(12.3)
Borrowings and Other[3]	9,237	8,283	7,846	(5.3)	(15.1)
Subordinated Debt	6,911	7,055	7,457	5.7	7.9
Average Funding	**76,853**	**85,951**	**86,219**	**0.3**	**12.2**
Average Funding and Securitization	**91,018**	**104,516**	**105,480**	**0.9**	**15.9**

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

The net interest margin in 1Q12 was 5.0%, a 200 basis points increase over the previous quarter, due to the growth of the gross financial margin. In relation to 1Q11, the net interest margin showed a decrease of 110 basis points, especially due to the impact of not making credit assignments in 1Q12.

Loan Portfolio

In March 2012, the consolidated loan portfolio reached R$58.8 billion, being almost stable when compared to the 4Q11 and with a slight increase in 0.5% in the last 12 months. The managed credit portfolio, which includes the assignments of credits with recourse to other financial institutions and the assets assigned to FIDC funds (of which Banco Votorantim holds 100% of subordinated quotas), closed March 2012 at R$76.8 billion, with a decrease of 3.1% in relation to December 2011.

Consumer finance portfolio reached R$38.5 billion in March 2012, recording an increase of 1.7% to the last quarter, and remaining stable compared to March 2011. Consumer Finance managed credit portfolio amounted to R$56.4 billion in March 2011, thus decreasing by 3.3% over December 2011. The balance of credits originated by Consumer Finance and assigned with recourse closed March 2012 at 13.6 billion, a decrease of 11.2% in relation to 4Q11, due to fact that no credit assignment operations to BB were made in 1Q12. From this amount, R$13.4 billion, or 98% of the total balance, was related to credits assigned to the shareholder Banco do Brasil. Banco do Brasil regularly acquires auto finance and payroll loan portfolios originated by Banco Votorantim, in line with its operational strategy on consumer finance.

The moderate Consumer Finance portfolio growth, is associated with a more conservative behavior of the institution toward the new economic-regulatory context and the systemic increase of delinquency rates of individuals in auto finance segment. After a period of accelerated growth and gains of scale, Banco Votorantim's focus is now on increasing the profitability of all business lines.

LOAN PORTFOLIO (R$ Million)	Mar.11	Dec.11	Mar.12	Variation (%) Mar12/Dec11	Mar12/Mar11
Consumer Finance Segment	**38,479**	**37,810**	**38,462**	**1.7**	**(0.0)**
Auto Finance[1]	32,999	31,255	31,399	0.5	(4.8)
Payroll Loans	5,184	6,201	6,700	8.1	29.3
Other	296	355	362	2.0	22.3
Wholesale Segment	**20,049**	**20,916**	**20,334**	**(2.8)**	**1.4**
Corporate	13,647	12,752	12,046	(5.5)	(11.7)
Middle Market	6,402	8,164	8,288	1.5	29.5
Loan Portfolio	**58,528**	**58,726**	**58,795**	**0.1**	**0.5**
Guarantees Provided	10,422	11,859	12,252	3.3	17.6
Other[2]	8,062	6,234	8,540	37.0	5.9
Expanded Credit Portfolio[3]	**77,012**	**76,819**	**79,587**	**3.6**	**3.3**
Credit Assignments with Recourse[4]	11,913	15,360	**13,638**	(11.2)	14.5
Auto Finance[1]	7,633	11,089	9,860	(11.1)	29.2
Payroll Loans	4,279	4,270	3,778	(11.5)	(11.7)
Credit Assignments to FIDCs[5]	2,872	5,182	**4,342**	(16.2)	51.2
Consumer Finance Managed Credit Portfolio[6]	**53,264**	**58,352**	**56,441**	**(3.3)**	**6.0**
Total Managed Credit Portfolio[6]	**73,313**	**79,268**	**76,775**	**(3.1)**	**4.7**
Expanded Managed Credit Portfolio[7]	**91,797**	**97,361**	**97,567**	**0.2**	**6.3**

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.

To resume its sustainable growth with profitability in the medium term, Banco Votorantim has advanced quickly towards implementing strategic initiatives that constituted its Change Agenda, fully supported by its two shareholders. Among the measures adopted, it is worth highlighting:

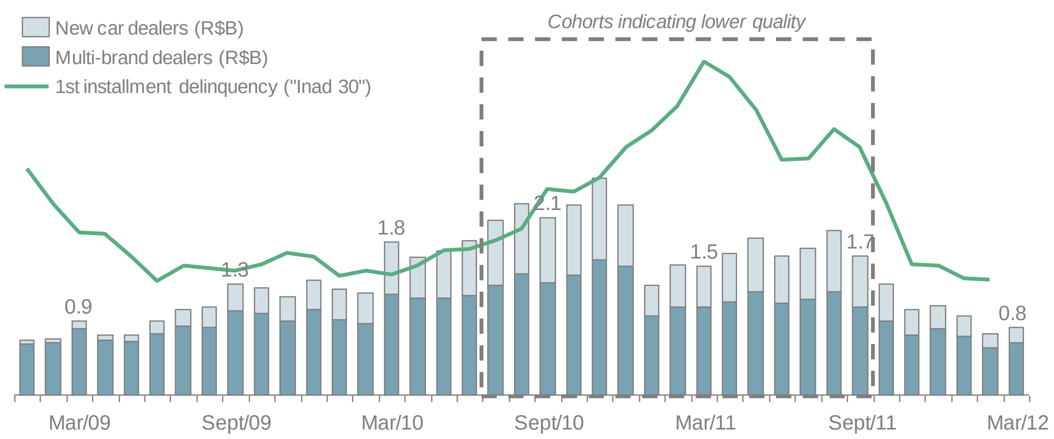
- Auto finance operating model: strengthening the focus on multi-brand dealerships (used vehicles) for origination in its own credit portfolio. Banco Votorantim, through BV Financeira, has historically been one of the main players in that distribution channel, in which the Bank has a well-known expertise. In March 2012, used vehicles accounted for 77% of all light vehicle financing (68% in March 2011). In addition, a review was made in the incentive system for distribution channels (multi-brand dealers and new car dealers);
- Credit: improving consumer finance policies, processes and models. In the 4Q11, stricter credit policies were adopted, including the restriction on tenors longer than 48 months and down payments lower than 20%. With that, a reduction was achieved on the average term and production loan-to-value ratio (the percentage financed for each vehicle) as shown in the table below. In addition, the bank started using the behavior scoring model applied by BB in the loan approval process, plus new tools and indicators for portfolio performance management;

- Credit collection: intensification of collection processes, aiming at preventing and reducing delinquency and at loss recovery and/or minimization. Among implemented actions, the main highlights were the adoption of stricter billing rules by clients profile, intensification of credit collection and recovery campaigns, in addition to the preventive actions for defaulting clients;
- Incentives: reviewing all incentive systems, including those for the sales force;
- Efficiency: permanent reduction in the cost base, through actions such as: consolidation of organizational structures of Wholesale and Consumer Finance, rationalization in the number of own stores, reduction of spending on consulting services, telephone and rent, among others. The Cost Analysis and Approval Committee (CAAD), created in the second half of 2011, continued to work in order to improve efficiency in managing the institution's costs and expenditures;
- Reinforcement of talents: addition of experienced market professionals to the executive staff, as in the areas of Credit Collection of Consumer Finance; and
- Operations: continuation of the efforts of the Operational Review Committee (Comitê de Revisão Operacional - CRO), formed by shareholders' representatives, which works with teams of BV Financeira in the implementation of operational improvements on five fronts (Return on equity, Allowance for credit losses, Credit Collection and Processes).

AUTO FINANCE LOANS	Mar.11	Dec.11	Mar.12	Variation Mar12/Dez11	Variation Mar12/Mar11
Origination					
Average rate (% per year)	29.8	26.4	26.8	41 bps	-294 bps
Average Term (months)	48.4	46.4	45.6	(0.8)	(2.8)
Loan-to-Value (Financed Value / Total Asset Value) (%)	62.7	59.5	58.8	-74 bps	-386 bps
Used Vehicles / Light Vehicles (%)	68.0	73.7	77.0	330 bps	894 bps
Loan Portfolio					
Average rate (% per year)	22.8	25.6	26.2	64 bps	346 bps
Duration (months)	19.3	20.2	19.5	(0.6)	0.3
Average Vehicle Age (years)	5.3	4.8	4.8	(0.0)	(0.5)

The strategies and initiatives adopted in Consumer Finance resulted in consistent improvement in the level of risk of auto finance operations originated in the last six months, evidenced by the behavior of the leading indicator of late payment of the 1st installment ("Inad 30"). After reaching a peak in March 2011, the indicator "Inad 30" has returned to its good track record quality in 4Q11 and kept its level in the 1Q12, as in the table below. It should be pointed out that the loan portfolios originated between July 2010 and September 2011, with an indication of quality below the historical average, will continue constraining Consumer Finance profitability in 2012.

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



Wholesale's loan portfolio, in turn, reached R$20.3 billion in December 2011, with a slight increase in 1.4% in the last 12 months. Wholesale's expanded credit portfolio, including guarantees provided and private securities, ended March 2012 with a balance of R$41.5 billion, an increase of 7.7% in the last 12 months.

The Middle Market (mid-sized companies) reached a loan portfolio of R$8.3 billion, increasing 29.5% compared to March 2011 and increasing 1.5% compared to December 2011. The Middle Market expanded credit portfolio ended March 2012 at R$9.1 billion, an increase of 35.0% in 12 months. Middle Market segment continues to operate at a high level of strong guarantees that covered 89% of the portfolio in March 2012, including goods, bills, disposal of vehicles, equipment and real estate, cash collaterals, performing credit rights, and bank guarantees. Additionally, at the end of March 2012, 92.0% of Middle Market segment loan portfolio was classified between AA and C under Resolution 2,682/Bacen criterion, thus evidencing its quality standard.

The Corporate segment (CIB) ended March 2012 with a loan portfolio of R$12.0 billion, which was down 11.7% on March 2011. Expanded credit portfolio amounted to R$32.4 billion in March 2012, thus decreasing by 2.0% in 12 months. CIB is one of the top players in the segment of large companies, and has a high level of market penetration (more than 550 economic groups served). Additionally, with the objective of increasing its relevance for the clients, CIB has strengthened its platform for value-added products (derivatives, structured products, investment bank services and local and international distribution).

Allowance for Loan Losses

The expenses of allowance for loan losses (ALL) increased by 44.7% in the 1Q12, reaching R$1,587 million, as compared to R$1,097 million recorded in the 4Q11. The Consumer Finance segment accounted for R$ 1,453 million of ALL expenses in 1Q12 (92% of total), compared to R$956 million in 4Q11.

This ALL expenses increase in Consumer Finance is justified mainly by the systemic increase in delinquency in auto finance in the last 15 months, which reached 5.7% in March 2012, a record of the time series of the Brazilian Central Bank, started in 2000. The current level of delinquency results from a combination of conjunctural factors, such as the slowdown in economic activity, higher inflation in 2011, the commitment level of household incomes, the emerging middle class's inexperience with credit, among others.

Bacen delinquency rate series – over 90 days (%)

In addition to the delinquency, also contributed to the increased ALL expenses in Consumer Finance, the greater conservatism adopted from the 4Q11. As for example, its worth highlighting the worsening in rating of INSS payroll operations according to the age of the borrower, as well as the acceleration of the rating to "H" in the residual balances of loans after the resumption of the financed vehicle.

Also in 1Q12, there was recognition of prudential provisions held in 4Q11 in ALL expenses line, at that period were recorded as impact on Gross Financial Margin. This effect is mainly due to the repurchase of assigned portfolio with advanced delay level. Considering the managerial relocation of these prudential provisions between Gross Financial Margin and ALL expenses lines, the ALL expenses grew 14.9% compared to 4Q11 (R$1,357 million in 1Q12; R$ 1,181 million in 4Q11).

In Wholesale, ALL expenses totaled R$134 million in 1Q12, a decrease of 4.8% over the previous quarter, even with prudential elevation of the coverage ratio of middle market loans. It should be highlighted that, even with the continued expansion of this segment, focused in mid-sized companies, delinquency rate was 1.9% in March 2012 (Resolution 2,682/Bacen criterion), below the market average estimate.

At consolidated level, delinquency rate accounted for 5.8% (Resolution 2,682/Bacen criterion) of managed credit portfolio in March 2012, increasing by 130 basis points over December 2011. That growth was driven from Consumer Finance delinquency rate, which reached 7.1% of managed credit portfolio in March 2012, as compared to 5.5% in December 2011. The delinquency rate of the auto finance managed credit portfolio, in turn, was 7.8%, compared to 5.9% in December 2011.

At the end of March 2012, the managed credit portfolio coverage ratio was 102.0%, as compared to 103.9% in December 2011. The percentage of the managed credit portfolio classified between AA and C (Resolution 2,682/Central Bank criterion) was 90.6% in March 2012, compared to 92.6% in December 2011.

LOAN PORTFOLIO QUALITY INDICATORS[1]	Mar.11	Dec.11	Mar.12
Loan Portfolio[1] (R$ Million)	73,313	79,268	76,775
90-day NPL[2] (R$ Million)	1,432	3,538	4,449
90-day NPL[2]/ Loan Portfolio	2.0%	4.5%	5.8%
ALL[3] (R$ Million)	1,617	3,675	4,536
ALL[3]/ Loan Portfolio	2.2%	4.6%	5.9%
ALL[3]/ 90-day NPL[2]	112.9%	103.9%	102.0%
AA-C (R$ Million)	70,706	73,440	69,573
AA-C / Loan Portfolio	96.4%	92.6%	90.6%

1 Including credit assignments with recourse and credit assignments to FIDCs; 2. According to Resolution #2682; 3. ALL: Allowance for Loan Losses.

Fee Income/Banking Fees Income

Fee income, including banking fees, amounted to R$243 million in 1Q12, decreasing by 15.6% over 4Q11, especially due to the reduction of 24% in volume of vehicles financed in the period, which was partially offset by the increase in commissions on securities placements (underwriting) from the Wholesale.

FEE INCOME/ BANKING FEES INCOME (R$ Million)	1Q11	4Q11	1Q12	Variation (%) 1Q12/4Q11	1Q12/1Q11
Master file registration	124	85	70	(17.1)	(43.5)
Appraisal of assets	46	42	34	(19.5)	(26.0)
Income from guarantees granted	34	36	39	8.6	16.5
Management of investment funds	27	55	31	(43.5)	16.9
Commissions on securities placements	15	13	22	69.2	50.2
Other	54	57	46	(18.7)	(14.9)
Total Fee Income/ Banking Fees Income	**300**	**288**	**243**	**(15.6)**	**(18.9)**

Administrative Expenses

The administrative expenses showed reduction of 17.4% for the 1Q12, totalizing R$362 million, compared to R$438 million registered in the 4Q11. This decrease is the result of a series of measures, adopted as of 2011, in order to optimize the management of expenses and costs. In addition to the creation of the CAAD (Cost Analysis and Approval Committee), which meets weekly to review the main expenditures and monitor the implementation of the budget, actions were implemented that resulted in the reduction of expenses on leasing, communications and specialized consulting services, among others.

ADMINISTRATIVE EXPENSES (R$ Million)	1Q11	4Q11	1Q12	Variation (%) 1Q12/4Q11	1Q12/1Q11
Rents	(36)	(34)	(32)	(4.4)	(9.8)
Communications	(24)	(27)	(20)	(27.7)	(16.9)
Data processing	(35)	(40)	(37)	(7.0)	8.0
Services of the financial system	(41)	(51)	(44)	(14.6)	6.9
Specialized technical services	(96)	(145)	(118)	(18.5)	23.0
Judicial/ Notary public fees	(37)	(67)	(54)	(19.6)	44.8
Other	(75)	(74)	(57)	(22.8)	(23.7)
Total Administrative Expenses	**(343)**	**(438)**	**(362)**	**(17.4)**	**5.5**

Personnel Expenses

Personnel expenses increased from R$209 million in 4Q11 to R$235 million in 1Q12, impacted by timely expenses related to the process of prudential adjustment, started in 4Q11. As part of this process, Banco Votorantim has promoted the integration of Wholesale and Consumer Finance corporate areas such as Credit, Finance and Legal, with governance and efficiency gains. Banco Votorantim ended March 2012 with 5,870 employees, excluding trainees and statutory.
The efficiency ratio accumulated in the previous 12 months ended March 2012 in 43.5% (lower is better), up from 40.0% in December 2011.

Other Operational Income

Other operational income rose from R$31 million in 4Q11 to R$23 million in 1Q12. This variation is mainly explained by the negative variation in shareholder's equity of Banco Votorantim's foreign subsidiaries.

Other Operational Expenses

Other operational expenses decrease from R$206 million in 4Q11 to R$163 million in 1Q12. This decrease is mainly related to the reduced expenditures on civil provisions in Consumer Finance, after the adaptation of the provisioning criterion undertaken in 4Q11.

Additional considerations on the financial statements published

In 1Q12, Banco Votorantim acquired from BV Participações S.A. – all the shares of Votorantim Corretora de Seguros S.A. This Participation is recorded in Investments and is valued by the equity method.

Funding and Liquidity

The total funds raised reached R$86.6 billion at end December 2012, expanding 9.1% in 12 months. Including the proceeds from credit assignments, the balance of funds raised totaled R$104.6 billion, up 11.1% over March 2011.

In the composition of funding, we highlight the 107.2% growth in the balance of Financing Bills in the last 12 months, from R$4.1 billion in March 2011 to R$8.4 billion in March 2012. Considering the volume of subordinated financing bills (R$2.2 billion in March 2012), the financing bills balance totaled R$10.6 billion in March 2012, helping to lengthen the average maturity of the funds raised - financing bills have a minimum redemption period of two years.

FUNDING SOURCES (R$ Billion)	Mar.11	Dec.11	Mar.12	Variation (%) Mar12/Dec11	Variation (%) Mar12/Mar11
Deposits	24.9	25.6	25.6	(0.2)	2.5
Repos[1]	17.8	20.7	20.7	(0.1)	16.2
Issuance of Securities	13.0	17.9	19.1	7.1	47.0
Financing Bills	4.1	7.1	8.4	18.3	107.2
Foreign Securities	4.2	5.9	5.9	(0.5)	40.7
Other (LCA, LCI and Debentures)	4.8	4.8	4.8	0.0	0.8
Subordinated Debt	6.9	7.4	7.5	1.6	8.7
Bank Deposit Certificates	3.4	3.1	3.2	2.8	(5.6)
Subordinated Bills	1.7	2.2	2.2	(1.2)	24.4
Subordinated Financial Bills	0.3	2.1	2.2	2.7	588.6
Debentures	1.5	-	-	-	(100.0)
Onlendings[2]	7.1	6.3	6.0	(4.9)	(14.9)
Borrowings	5.3	5.2	4.9	(4.5)	(7.5)
Other funding[3]	4.3	2.8	2.8	0.1	(34.9)
Total Funding	**79.4**	**85.8**	**86.6**	**0.9**	**9.1**
Securitization (Credit assignments + FIDCs)	**14.8**	**20.5**	**18.0**	(12.5)	21.6
Credit Assignments with Recourse	11.9	15.4	13.6	(11.2)	14.5
Credit Assignments to FIDCs	2.9	5.2	4.3	(16.2)	51.2
Total Funding and Securitization	**94.1**	**106.4**	**104.6**	**(1.7)**	**11.1**
International Funding[5]/Total Funding and Securitization (%)	12.0%	12.5%	**12.4%**		
Loan Portfolio/Total Funding (%)	73.8	68.4	**67.9**		
Loan Portfolio/Total Funding, excluding Compulsory Deposits (%)	80.1	73.4	**71.0**		

1 Includes private securities; 2. Onlendings included as of March 12; 3. Includes Option Box and NCE repos; 4. Investment funds in credit rights in which Banco Votorantim holds 100% of subordinated quotas; 5. Includes foreign securities, foreign borrowings and subordinated bills.

After Banco Votorantim's success in lengthening the average tenor of its funding, which contributed to the reduction of the gap between assets and liabilities in about 170 days over the last 12 months, the slower pace of expansion of the portfolio has substantially reduced the need for additional funding. In March 2012, the loan portfolio represented 71.0% of total funding (except Compulsory balance), compared to 80.1% in March 2011.

With regards to liquidity, given the uncertainties of the international economic scenario, Banco Votorantim prudentially raised its cash, which ended March 2012 65% above the average level of 2010/2011.

Additionally, Banco Votorantim has a Stand-by credit facility with Banco do Brasil, in the amount of a shareholder's equity of Banco Votorantim, which represents a significant liquidity reserve that was never used.

Basel Index

Basel index closed March 2012 at 13.0%, being 8.7% under Tier I.

It should be noted that the process of prudential adjustment in course, which began in 4Q11, relies on full support of shareholders, who are committed to maintaining the Basil index at appropriate levels. The shareholders' commitment extends to the preparation of Banco Votorantim to the new regulatory context of Basel III.

BASEL INDEX (R$ Million)	Mar.11	Dec.11	Mar.12
Capital (a)	**12,020**	**12,054**	**11,282**
Level I	8,797	8,086	7,491
Level II	3,223	3,968	3,791
Capital Requirement (b)	**10,623**	**9,386**	**9,520**
Excess of Capital	**1,398**	**2,668**	**1,763**
Basel Index (a/b/0.11)	**12.4%**	**14.1%**	**13.0%**
Tier I	9.1%	9.5%	8.7%
Tier II	3.3%	4.7%	4.4%

Ratings

Banco Votorantim holds investment grade ratings awarded by three leading rating agencies in recognition of its 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	-	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)	-	BBB-/A-3
	Local Currency (LT/ST)	-	BBB-/A-3
	National Scale (LT/ST)	brAAA/brA-1	-

LT: Long-Term / ST: Short-Term

In April 2012, Fitch Ratings affirmed the IDRs (Issuer Default Ratings - Ratings of Probability of Default of the Issuer) in foreign and local currency of Banco Votorantim, as well as ratings on a national scale.

Recent Business Developments

Wholesale Banking Business:

- **Corporate & Investment Banking (CIB):** focused on economic groups with annual sales exceeding R$ 400 million, CIB closed 1Q12 with a credit risk portfolio of R$32.4 billion, up 6.5% in 12 months. CIB maintained its strategy of becoming a leading partner for its clients, focused on long-term relationships and offer of integrated financial credit solutions, structured products, and investment bank services.

- **Middle Market:** composed of companies with annual sales between R$20 million and R$400 million, the Middle Market segment (BV Empresas) ended March 2012 with an extended credit portfolio of R$9.1 billion, growth of 35,0% in 12 months. In 1Q12, there was a moderation in growth rate due to the slower pace of economic activity and the scenario of uncertainties. The delinquency rate ended March 2012 at 1.9% (Resolution 2,682/Central Bank criterion), demonstrating the pattern of portfolio quality. The portfolio per officer reached R$44 million in March 2012, a 60% increase in 12 months.

- **VAM:** focused on the structuring and management of innovative and quality products, with high added value, VAM increased by 25% the volume of funds managed in the last 12 months, and closed out March 2012 at the position of 8th largest asset management company by the Anbima fund managers ranking, with a 2.0% market share. VAM also continues working in partnership with BB DTVM (Banco do Brasil) in the development and distribution of structured funds, such as "FIP BB Votorantim Energia Renovável", which closed out March 2012 with a shareholders' equity of R$308 million.

- **Private Bank:** Private has focused on estate planning of its client base, which represented growth of 28% in the last 12 months. In the same period, the volume of assets under management increased 20%.

- **Votorantim Corretora:** received all the seals of the Operational Qualification Program (PQO) for the Bovespa segment, in addition to the seals it already held for the BM&F segment, consolidating itself as a full broker. The nine seals received demonstrate Votorantim Corretora's expertise to operate in the derivatives market as well as the stock market, and positioned it between the two brokers on the market that have the nine PQO seals.

- **Treasury:** its role was revised in the last six months, with a broadening focus in achieving business with Wholesale banking business clients in line with corporate strategy. Accordingly the Derivatives team (Structuring and Sales) was enhanced. Additionally, on the new rules of consumption of capital for market risk, there was an adjustment of exposure limits of the Treasury, especially for trading positions.

Consumer Finance Businesses:

- **Auto Finance:** there was a revision of BV Financeira's operational model with focus on more profitable segments (multi-brand dealers) and advance in structuring the new "BV Financeira Originadora" model, deepening its partnership with BB.

- **Payroll loans:** The own credit portfolio of payroll loans increased 8.0% in 1Q12, reaching R$6.7 billion (R$6.2 billion in December 2011). BV Financeira works in this segment primarily through promoters (bank correspondents), focusing on Social Security (INSS) – accounting for 65% of loans granted in 1Q12.

- **Credit Cards:** there was evolution of 15% in the number of active credit cards in the last 12 months, reaching approximately 327,000 cards in March 2012.

Advances in Strategic Partnership with Banco do Brasil

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

- **Auto finance growth:** following the establishment of a partnership in 2009, BV Financeira started to operate as an extension of BB to finance vehicles out of bank branches, which has contributed to the growth recorded over the last three years. Over that period, BV Financeira consolidated its leading position in multi-brand dealers and significantly expanded its presence in new car dealers. Given the new economic-regulatory context, BV Financeira has given priority to origination in multi-brand dealers (used vehicles) in its own credit portfolio, in which it has a recognized expertise, and will endeavor to structure in 2012 a new assignment model ("BV Financeira Originadora"), without coobligation, to BB and focused on the new car dealers segment.

- **Asset securitization:** the balance of assets assigned with recourse to BB reached R$13.4 billion in March 2011, of which R$9.3 billion were auto finance and the remainder payroll loans. It is noteworthy that in January 2012, The Brazilian Central Bank's Resolution 3,533 entered into force, which changed the method of accounting for assignment of credit assets with recourse. Under the new rules, revenues from those operations, formerly recognized in full at the time of the credit transfers, must be recorded over the remaining period of the assigned agreements. Vis-à-vis this regulatory change, Banco Votorantim and Banco do Brasil opted not to make credit assignments in 1Q12 and continue moving forward together in the structuring of a model of credit assignments without recourse. The shareholders have already agreed on the main aspects of this model, which requires some systemic developments by both institutions and is expected to be consolidated in 2012.

- **Offer of investment products:** BB DTVM and Votorantim Wealth Management & Services (VWM&S), Banco Votorantim's wealth-management consolidating structure, have worked together 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. At the end of March 2012, the volume of funds associated to the partnership amounted to R$2.4 billion, with emphasis on FIC BB Seleção Private, FII BB Renda Corporativa, FIDC Fênix (Lojas Americanas) and FIP-IE BB Votorantim Energia Sustentável I, II & III. The latter is an Infrastructure Equity Investment Fund for Renewable Energy segment, which is a pioneer in its kind.

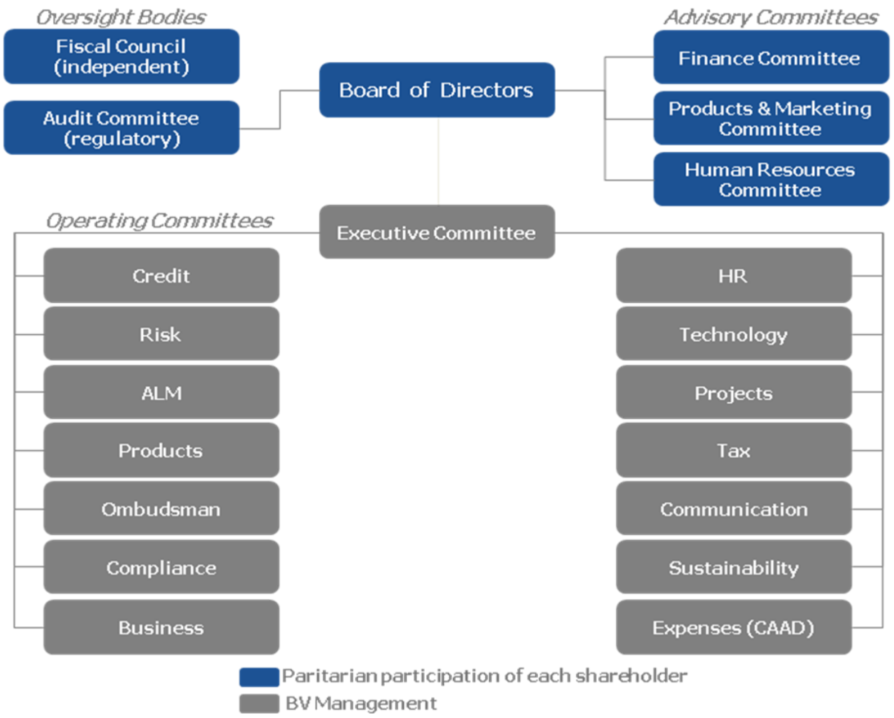
- **Expansion of the business of Votorantim Corretora:** BB is making more extensive use of Banco Votorantim's brokerage firm to trade proprietary positions, investment funds and its consumer finance segment (via BB's home broker service).

Corporate Governance

Since the strategic partnership between Votorantim Finanças and Banco do Brasil established in 2009, Banco Votorantim's governance was then divided between the two shareholders with a continuous improvement model to achieve more robustness and transparency, ensuring streamlined decision making - one of Banco Votorantim's strengths.

The governance is organized into two complementary competence levels: the first is composed of the Board of Directors and its Advisory Committees (Finance, Products & Marketing, and Human Resources), and includes the shareholders; the second is composed of the Executive Committee and its Operational Committees involving Banco Votorantim executive leadership.

Additionally, Banco Votorantim counts on a Fiscal Council, which is an independent body established to supervise Banco Votorantim management acts, and an Audit Committee, which reports directly to the Board of Directors and also has supervisory duties.



The Board of Directors is composed of six members, where each shareholder has the same representation (three members each). Each member holds office for a two-year term, and the positions of Chairman and Vice-Chairman are annually alternated between both institutions. The Board of Directors meetings are periodically held to deliberate on strategic issues and track the business performance. With respect to decision-making process, the Board of Directors decisions are made by absolute majority with no "casting vote".

Board of Directors

Banco do Brasil	Position	Votorantim Finanças	Position
Aldemir Bendine	Chairman	José Ermírio de Moraes Neto	Vice-Chairman
Ivan de Souza Monteiro	Member	Marcus de Camargo Arruda	Member
Paulo Rogério Caffarelli	Member	Wang Wei Chang	Member

The Executive Committee, composed by the CEO and six members of senior management, is supported by a group of operational committees with the participation of main executives, which support and qualify the decision-making process.

As part of its Change Agenda, in 2011 Banco Votorantim promoted the integration of corporate areas, including Credit, Finance and Legal, and also created two committees that in addition to contributing toward increased efficiency and profitability, also increase the level of transparency and governance of Banco Votorantim:

- Cost Analysis and Approval Committee (CAAD - Comitê de Análise e Aprovação de Despesas), having the duty of supporting the management in the implementation of initiatives for a greater efficiency of cost management; and

- Operational Review Committee (CRO - Comitê de Revisão Operacional), composed of shareholder representatives who work jointly with Banco Votorantim team to identify and implant operational improvements at BV Financeira.

Balance Sheet

BALANCE SHEET (R$ Million)	Mar.11	Dec.11	Mar.12	Variation % Mar12/Dec11	Variation % Mar12/Mar11
ASSETS					
CURRENT ASSETS	**70,339**	**63,500**	**63,919**	**0.7**	**(9.1)**
Cash and cash equivalents	106	188	97	(48.5)	(8.4)
Interbank Funds Applied	16,632	15,949	17,034	6.8	2.4
Securities and Derivative Financial Instruments	17,330	12,400	13,374	7.9	(22.8)
Interbank Accounts/Relations	6,331	6,033	3,927	(34.9)	(38.0)
Loans	22,438	23,017	23,332	1.4	4.0
Leases	3,532	2,737	2,380	(13.0)	(32.6)
Other Receivables	3,700	2,833	3,497	23.4	(5.5)
Other Assets	272	345	278	(19.5)	2.1
LONG-TERM ASSETS	**41,955**	**48,700**	**49,209**	**1.0**	**17.3**
Interbank Funds Applied	502	358	528	47.6	5.1
Securities and Derivative Financial Instruments	8,275	14,333	14,971	4.4	80.9
Loans	30,159	28,688	27,874	(2.8)	(7.6)
Leases	409	379	419	10.6	2.4
Other Receivables	1,939	3,779	4,148	9.8	114.0
Other Assets	671	1,164	1,269	9.0	89.1
FIXED ASSETS	**223**	**244**	**368**	**50.6**	**65.2**
Investments	57	63	186	196.3	225.2
Fixed Assets for Use	104	110	106	(3.7)	2.4
Intangible	27	40	46	13.2	65.9
Deferred Charges	34	31	30	(3.5)	(13.2)
TOTAL ASSETS	**112,517**	**112,445**	**113,495**	**0.9**	**0.9**
LIABILITIES					
CURRENT LIABILITIES	**71,765**	**65,889**	**69,344**	**5.2**	**(3.4)**
Deposits	19,597	19,634	19,992	1.8	2.0
Demand Deposits	366	432	349	(19.1)	(4.6)
Interbank Deposits	1,098	1,624	2,067	27.2	88.3
Time Deposits	18,133	17,578	17,576	(0.0)	(3.1)
Money Market Borrowings	29,925	29,141	30,144	3.4	0.7
Acceptances and Endorsements	4,682	5,156	7,589	47.2	62.1
Interbank Accounts / Relations	21	-	5	-	(75.8)
Interbranch Accounts	40	123	34	(72.2)	(14.4)
Borrowings and Onlendings	7,282	5,307	4,832	(8.9)	(33.6)
Derivative Financial Instruments	4,533	2,883	2,715	(5.8)	(40.1)
Other Liabilities	5,685	3,645	4,034	10.7	(29.0)
LONG-TERM LIABILITIES	**32,038**	**38,472**	**36,555**	**(5.0)**	**14.1**
Deposits	5,348	5,991	5,572	(7.0)	4.2
Money Market Borrowings	3,741	4,394	3,955	(10.0)	5.7
Acceptances and Endorsements	8,340	12,710	11,552	(9.1)	38.5
Borrowings and Onlendings	5,110	6,171	6,106	(1.1)	19.5
Derivative Financial Instruments	1,714	520	734	41.0	(57.2)
Other Liabilities	7,784	8,686	8,637	(0.6)	10.9
Deferred Income	35	42	31	(26.9)	(12.6)
SHAREHOLDERS' EQUITY	**8,679**	**8,041**	**7,566**	**(5.9)**	**(12.8)**
TOTAL LIABILITIES	**112,517**	**112,445**	**113,495**	**0.9**	**0.9**

Income Statement

INCOME STATEMENT (R$ Million)	1Q11	4Q11	1Q12	Variation (%) 1Q12/4Q11	1Q12/1Q11
Income from Financial Intermediation	**3,784**	**3,494**	**3,819**	**9.3**	**0.9**
Loans	2,423	2,898	2,298	(20.7)	(5.1)
Leases	599	467	450	(3.6)	(24.8)
Securities	1,025	771	1,263	63.8	23.2
Derivative Financial Instruments	(428)	(811)	(311)	(61.7)	(27.3)
Foreign Exchange Operations	9	11	-	(100.0)	(100.0)
Compulsory Deposits	157	158	119	(24.6)	(24.2)
Expenses from Financial Intermediation	**(2,233)**	**(2,691)**	**(2,519)**	**(6.4)**	**12.8**
Money Market Borrowings	(1,758)	(2,218)	(2,118)	(4.5)	20.5
Borrowings and Onlendings	(28)	(121)	(42)	(65.7)	50.1
Leases	(448)	(351)	(341)	(2.9)	(23.8)
Foreign Exchange Operations	-	-	(19)	-	-
Gross Financial Margin	**1,551**	**803**	**1,300**	**61.8**	**(16.2)**
Allowance for Loan Losses	(427)	(1,097)	(1,587)	44.7	272.0
Net Income from Financial Intermediation	**1,124**	**(293)**	**(287)**	**(2.3)**	**(125.5)**
Other Operating Income / Expenses	**(458)**	**(684)**	**(597)**	**(12.8)**	**30.4**
Fee Income/ Banking Fees Income	300	288	243	(15.6)	(18.9)
Personnel Expenses	(205)	(209)	(235)	12.5	14.8
Other Administrative Expenses	(343)	(438)	(362)	(17.4)	5.5
Tax Expenses	(161)	(150)	(116)	(22.1)	(27.6)
Equity in Income of Associated Companies and Subsidiaries	(0)	(0)	14	-	-
Other Operational Income	14	31	23	(25.0)	59.9
Other Operational Expenses	(63)	(206)	(163)	(21.0)	158.9
Operating Income	**667**	**(978)**	**(883)**	**(9.6)**	**(232.5)**
Non-Operating Income	**10**	**(85)**	**(29)**	**(66.5)**	**(400.4)**
Income before Taxation and Profit Sharing	**676**	**(1,063)**	**(912)**	**(14.2)**	**(234.9)**
Provision for Income Tax and Social Contribution	(182)	491	430	(12.6)	(336.5)
Profit Sharing	(109)	(85)	(114)	34.9	4.6
Net Income (Loss)	**385**	**(656)**	**(597)**	**(9.1)**	**(255.0)**

Annex 1 - Own Loan Portfolio Quality

Wholesale

RISK (R$ Million)	Mar.11 Balance	Mar.11 Provision	Mar.11 Part.%	Dec.11 Balance	Dec.11 Provision	Dec.11 Part.%	Mar.12 Balance	Mar.12 Provision	Mar.12 Part.%
AA	11,505	-	57.4%	10,514	-	50.3%	9,554	-	47.0%
A	5,791	29	28.9%	5,557	28	26.6%	5,003	25	24.6%
B	1,814	18	9.0%	2,604	26	12.5%	3,160	32	15.5%
C	529	16	2.6%	1,068	32	5.1%	1,080	32	5.3%
D	70	7	0.4%	310	31	1.5%	556	56	2.7%
E	9	3	0.0%	405	153	1.9%	497	181	2.4%
F	126	63	0.6%	34	17	0.2%	44	22	0.2%
G	30	21	0.2%	188	132	0.9%	144	101	0.7%
H	174	174	0.9%	235	235	1.1%	295	295	1.4%
TOTAL	**20,049**	**331**	**100.0%**	**20,916**	**654**	**100.0%**	**20,334**	**744**	**100.0%**
AA-C	**19,639**	**63**	**98.0%**	**19,743**	**86**	**94.4%**	**18,797**	**89**	**92.4%**
D-H	**410**	**268**	**2.0%**	**1,172**	**568**	**5.6%**	**1,536**	**655**	**7.6%**

Consumer Finance

RISK (R$ Million)	Mar.11 Balance	Mar.11 Provision	Mar.11 Part.%	Dec.11 Balance	Dec.11 Provision	Dec.11 Part.%	Mar.12 Balance	Mar.12 Provision	Mar.12 Part.%
AA	479	-	1.2%	132	-	0.3%	158	-	0.4%
A	32,965	165	85.7%	29,827	149	78.9%	28,350	141	73.7%
B	1,859	19	4.8%	2,002	20	5.3%	2,864	29	7.4%
C	1,312	39	3.4%	1,743	52	4.6%	2,037	61	5.3%
D	621	62	1.6%	999	100	2.6%	1,033	103	2.7%
E	352	105	0.9%	665	199	1.8%	722	217	1.9%
F	274	137	0.7%	545	272	1.4%	597	299	1.6%
G	177	124	0.5%	461	323	1.2%	644	451	1.7%
H	440	440	1.1%	1,437	1,437	3.8%	2,055	2,055	5.3%
TOTAL	**38,479**	**1,092**	**100.0%**	**37,810**	**2,553**	**100.0%**	**38,462**	**3,356**	**100.0%**
AA-C	**36,615**	**223**	**95.2%**	**33,704**	**221**	**89.1%**	**33,410**	**231**	**86.9%**
D-H	**1,864**	**869**	**4.8%**	**4,106**	**2,331**	**10.9%**	**5,052**	**3,125**	**13.1%**

Consolidated

RISK (R$ Million)	Mar.11 Balance	Mar.11 Provision	Mar.11 Part.%	Dec.11 Balance	Dec.11 Provision	Dec.11 Part.%	Mar.12 Balance	Mar.12 Provision	Mar.12 Part.%
AA	11,984	-	20.5%	10,647	-	18.1%	9,712	-	16.5%
A	38,756	194	66.2%	35,384	177	60.3%	33,354	167	56.7%
B	3,673	37	6.3%	4,606	46	7.8%	6,024	60	10.2%
C	1,841	55	3.1%	2,811	84	4.8%	3,117	94	5.3%
D	692	69	1.2%	1,309	131	2.2%	1,589	159	2.7%
E	361	108	0.6%	1,070	352	1.8%	1,219	398	2.1%
F	400	200	0.7%	579	289	1.0%	641	321	1.1%
G	208	145	0.4%	649	454	1.1%	789	552	1.3%
H	614	614	1.0%	1,672	1,672	2.8%	2,350	2,350	4.0%
TOTAL	**58,528**	**1,423**	**100.0%**	**58,726**	**3,206**	**100.0%**	**58,795**	**4,100**	**100.0%**
AA-C	**56,254**	**286**	**96.1%**	**53,448**	**307**	**91.0%**	**52,207**	**321**	**88.8%**
D-H	**2,274**	**1,137**	**3.9%**	**5,278**	**2,899**	**9.0%**	**6,588**	**3,780**	**11.2%**

Annex 2 - Managed Loan Portfolio Quality (includes credit assignments)

Wholesale

RISK (R$ Million)	Mar.11 Balance	Mar.11 Provision	Mar.11 Part.%	Dec.11 Balance	Dec.11 Provision	Dec.11 Part.%	Mar.12 Balance	Mar.12 Provision	Mar.12 Part.%
AA	11,505	-	57.4%	10,514	-	50.3%	9,554	-	47.0%
A	5,791	29	28.9%	5,557	28	26.6%	5,003	25	24.6%
B	1,814	18	9.0%	2,604	26	12.5%	3,160	32	15.5%
C	529	16	2.6%	1,068	32	5.1%	1,080	32	5.3%
D	70	7	0.4%	310	31	1.5%	556	56	2.7%
E	9	3	0.0%	405	153	1.9%	497	181	2.4%
F	126	63	0.6%	34	17	0.2%	44	22	0.2%
G	30	21	0.2%	188	132	0.9%	144	101	0.7%
H	174	174	0.9%	235	235	1.1%	295	295	1.4%
TOTAL	**20,049**	**331**	**100.0%**	**20,916**	**654**	**100.0%**	**20,334**	**744**	**100.0%**
AA-C	**19,639**	**63**	**98.0%**	**19,743**	**86**	**94.4%**	**18,797**	**89**	**92.4%**
D-H	**410**	**268**	**2.0%**	**1,172**	**568**	**5.6%**	**1,536**	**655**	**7.6%**

Consumer Finance

RISK (R$ Million)	Mar.11 Balance	Mar.11 Provision	Mar.11 Part.%	Dec.11 Balance	Dec.11 Provision	Dec.11 Part.%	Mar.12 Balance	Mar.12 Provision	Mar.12 Part.%
AA	1,593	-	3.0%	2,807	-	4.8%	2,449	-	4.3%
A	45,708	229	85.8%	46,392	232	79.5%	41,588	207	73.7%
B	2,250	23	4.2%	2,463	25	4.2%	3,974	40	7.0%
C	1,516	45	2.8%	2,035	61	3.5%	2,764	83	4.9%
D	707	71	1.3%	1,139	114	2.0%	1,259	126	2.2%
E	402	121	0.8%	748	224	1.3%	815	244	1.4%
F	310	155	0.6%	603	301	1.0%	668	334	1.2%
G	200	127	0.4%	512	358	0.9%	699	489	1.2%
H	578	516	1.1%	1,654	1,706	2.8%	2,225	2,268	3.9%
TOTAL	**53,264**	**1,286**	**100.0%**	**58,352**	**3,021**	**100.0%**	**56,441**	**3,792**	**100.0%**
AA-C	**51,067**	**297**	**95.9%**	**53,697**	**318**	**92.0%**	**50,775**	**330**	**90.0%**
D-H	**2,197**	**989**	**4.1%**	**4,656**	**2,704**	**8.0%**	**5,666**	**3,462**	**10.0%**

Consolidated

RISK (R$ Million)	Mar.11 Balance	Mar.11 Provision	Mar.11 Part.%	Dec.11 Balance	Dec.11 Provision	Dec.11 Part.%	Mar.12 Balance	Mar.12 Provision	Mar.12 Part.%
AA	13,098	-	17.9%	13,322	-	16.8%	12,004	-	15.6%
A	51,499	258	70.2%	51,948	260	65.5%	46,591	233	60.7%
B	4,064	41	5.5%	5,067	51	6.4%	7,134	71	9.3%
C	2,045	61	2.8%	3,103	93	3.9%	3,844	115	5.0%
D	777	78	1.1%	1,449	145	1.8%	1,815	182	2.4%
E	411	123	0.6%	1,153	377	1.5%	1,312	426	1.7%
F	436	218	0.6%	637	318	0.8%	712	356	0.9%
G	230	148	0.3%	700	490	0.9%	843	590	1.1%
H	752	690	1.0%	1,889	1,941	2.4%	2,520	2,563	3.3%
TOTAL	**73,313**	**1,617**	**100.0%**	**79,268**	**3,675**	**100.0%**	**76,775**	**4,536**	**100.0%**
AA-C	**70,706**	**360**	**96.4%**	**73,440**	**404**	**92.6%**	**69,573**	**420**	**90.6%**
D-H	**2,607**	**1,257**	**3.6%**	**5,828**	**3,272**	**7.4%**	**7,202**	**4,116**	**9.4%**

Annex 3 - Assigned Loan Portfolio Quality (without credit assignments for FIDCs)

RISK (R$ Million)	Mar.11			Dec.11			Mar.12		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	162	-	1.4%	77	-	0.5%	36	-	0.3%
A	11,112	56	93.3%	14,398	72	93.7%	11,562	58	84.8%
B	276	3	2.3%	339	3	2.2%	995	10	7.3%
C	143	4	1.2%	214	6	1.4%	648	19	4.8%
D	65	6	0.5%	102	10	0.7%	188	19	1.4%
E	42	13	0.4%	63	19	0.4%	75	22	0.5%
F	30	15	0.3%	43	21	0.3%	56	28	0.4%
G	19	0	0.2%	37	26	0.2%	41	29	0.3%
H	63	0	0.5%	88	88	0.6%	37	41	0.3%
TOTAL	**11,913**	**97**	**100.0%**	**15,360**	**246**	**100.0%**	**13,638**	**226**	**100.0%**
AA-C	**11,693**	**63**	**98.2%**	**15,028**	**82**	**97.8%**	**13,241**	**87**	**97.1%**
D-H	**219**	**35**	**1.8%**	**332**	**164**	**2.2%**	**397**	**139**	**2.9%**

Annex 4 – Own Loan Portfolio Quality Indicators

LOAN PORTFOLIO QUALITY INDICATORS	Mar.11	Dec.11	Mar.12
Loan Portfolio (R$ Million)	58,528	58,726	58,795
90-day NPL[1] (R$ Million)	1,352	3,388	4,285
90-day NPL[1]/ Loan Portfolio	2.3%	5.8%	7.3%
ALL[2] (R$ Million)	1,423	3,206	4,100
ALL[2] / Loan Portfolio	2.4%	5.5%	7.0%
ALL[2] / 90-day NPL[1]	105.2%	94.6%	95.7%

1. According to Resolution #2682; 2. ALL: Allowance for Loan Losses.