BancoVotorantim

4Q13 Earnings Release

São Paulo, February 13th, 2014. Banco Votorantim S.A. ("BV") announces its results for the fourth quarter (4Q13) and for the full year of 2013. 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

In 4Q13, we once again recorded positive results – net income of R$ 121 million, confirming the concrete progress in Banco Votorantim's restructuring process, which will allow the resumption of growth with profitability and in a sustainable manner.

The main highlights of 2013 results were:

- **Consistent revenue generation.** Net Interest Income (NII) grew 2.3% in 2013/2012, totaling R$ 4.6 billion, driven by the continuous improvement of asset quality – especially auto finance – and by the focus on enhancing profitability of the business portfolio. Net Interest Margin (NIM) reached 4.4% p.a. in 2013, an improvement of 0.2 p.p. over the previous year.
- **Improved asset quality.** Better quality auto finance – vintages originated up to June.10 and after Sept.11 – already represents 73% of the managed auto finance portfolio (53% in Dec.12), contributing to the reduction of delinquency rates. The consolidated 90-day NPL ratio dropped to 5.1% in Dec.13 – an improvement of 0.4 p.p. in the quarter and 1.5 p.p. in 12 months. Light vehicles' 90-day NPL ratio reduced to 6.2% in Dec.13, sixth consecutive quarterly reduction.
- **Reduction in allowance for loan losses (ALL) expenses.** Total ALL expenses, net of income with recovery, were down 23.9% in the 2013/2012 comparison, totaling R$ 3,875 million. In Consumer Finance, the decrease reached 47.6% (R$ 2.2 billion) in the period. It is important to note that this reduction was accompanied by an increase in the 90-day coverage ratio, which reached 147% in Dec.13, against 100% in Dec.12. It is worth emphasizing that in 4Q13 there was an increase in ALL expenses, mainly reflect of a specific case in Wholesale.
- **Increase in Net Margin.** The Net Financial Margin grew R$ 1,320 million in 2013/2012, totaling R$ 740 million, driven by both the increase in NII and the decrease in ALL expenses.
- **Expenses under control.** We continue to capture the benefits of the various cost cutting and efficiency increasing initiatives adopted since 2012. Personnel and administrative expenses were down 2.2% in 2013/2012. Excluding expenses with labor claims, mostly related to the restructuring process, this reduction would have been of 6.9% in 2013, against 5.9% of inflation (IPCA – Amplified Consumer Price Index).

As previously communicated to the market, 2013 results (R$ -512 million) were still impacted by:

- ALL expenses still high, due to the lower quality of auto finance vintages originated between July.10 and Sept.11 and to the extraordinary allowance for loan losses expenses in Wholesale;
- Non-recurring expenses associated with the restructuring process in progress; and
- Expenses resulting from the early settlement of portfolios assigned with recourse until Dec.11 (before Bacen's Res. 3,533), which have already had their revenues fully recognized at the time of the assignment.

In the coming quarters we shall conclude the restructuring process and consolidate our growth strategy, which has three key elements: (i) enhancing profitability of current businesses, (ii) increasing operating efficiency and (iii) expanding synergies with Banco do Brasil.

In this context, in spite of the past impacts that still persist, in 2014 we should generate positive results.

Corporate Strategy

Banco Votorantim aims to consolidate its position among the three main privately-held Brazilian banks, getting recognized for its guidance in sustainably serving clients and partners through long-term relationships, as well as leveraging synergies with Banco do Brasil (BB). For such, BV has a diversified business portfolio, internally classified into Wholesale and Consumer Finance, with well defined goals:

Wholesale Bank Businesses

- **Corporate & Investment Banking (CIB):** to be one of the main banking partners for its clients, focusing on efficient relationships, with long-term vision and industry knowledge. CIB offers integrated financial solutions (credit, structured products and investment banking services) tailored to its clients' needs. Positioned among market leaders in lending to large enterprises, CIB has been increasing its relevance to those with annual revenues above R$ 600 million, strengthening its platform of value-added products and services - structured products, derivatives (hedge), FX, investment banking services – and both local and international distribution (New York and London);

- **Middle Market:** to serve companies with annual revenues between R$ 100 million and R$ 600 million, with agility and long-term vision, focusing on: (i) enhancement of its client base profitability, through the offer of services and products with low capital consumption – derivatives (hedge), FX, investment banking services – and (ii) growth among companies with annual revenues above R$ 200 million. Middle Market has also sought to expand its operating efficiency, contributing to improve the profitability of operations; and

- **Wealth Management (VWM&S):** to sustainably develop and provide the best solutions for estate planning is part of VWM&S's mission, which has well established objectives for the two different markets in which it operates:
  - Asset Management: to be recognized for its consistent performance and for the development of appropriate solutions to clients' needs, through the innovative and differentiated capacity for structuring and managing value-added products. Votorantim Asset Management (VAM) holds an important position within its peer group (asset managers with no retail structure) and has been expanding its partnership with BB in the development, administration, management and distribution of innovative and customized investment funds; and
  - Private Bank: to consolidate its position among the five best private bank services in the market, expanding integrated estate planning operations by offering differentiated solutions.

Consumer Finance Businesses

- **Auto finance:** to remain among leaders in the auto finance market through BV Financeira, that operates as an extension of BB in auto finance outside the branch network. BV Financeira concentrates on multi-brand dealers (used vehicles), in which it has a history of leadership and recognized expertise.

- **Payroll Loans:** to maintain a relevant position in the payroll loan market, focused on the National Institute of Social Security - INSS (i.e. retirees and pensioners) modality, which presents the best risk profile. Regarding public and private payroll loans, the strategy is to selectively operate focused on agreements with attractive profitability; and

- **Other businesses:** to grow organically in synergic businesses, increasing income with credit cards and insurance brokerage (e.g.: auto insurance and credit insurance). Furthermore, BV will continue to explore new business opportunities, with special emphasis on products and services sold in partnership with the shareholder BB (e.g. syndicated loans, real estate, "Mais BB").

Key Information

The tables below highlight the evolution of BV's main information:

	4Q12	3Q13	4Q13	2012	2013	Variation % 4Q13/3Q13	Variation % 2013/2012
RESULTS (R$ Milhões)							
Net Interest Income (a)	1,156	1,154	1,226	4,512	4,615	6.3%	2.3%
Allowance for loan losses - ALL (b)	(951)	(761)	(1,266)	(5,092)	(3,875)	66.4%	-23.9%
Net financial margin (a - b)	205	393	(40)	(580)	740	-110.1%	-227.5%
Fee income / banking fees income	286	257	282	1,035	1,030	9.8%	-0.5%
Administrative and personnel expenses	(721)	(604)	(693)	(2,550)	(2,493)	14.8%	-2.2%
Operating income (loss)	(624)	(235)	(98)	(3,085)	(1,144)	-58.3%	-62.9%
Net income (loss)	(428)	(159)	121	(1,988)	(512)	-176.2%	-74.2%
MANAGEMENT INDICATORS (%)							
Return on Average Equity[1] (ROAE)	(18.8)	(8.7)	7.0	(24.1)	(6.9)	15.6 p.p.	17.3 p.p.
Return on Average Assets[2] (ROAA)	(1.5)	(0.6)	0.4	(1.7)	(0.4)	1.0 p.p.	1.3 p.p.
Net Interest Margin[3] (NIM)	4.4	4.6	5.0	4.2	4.4	0.4 p.p.	0.2 p.p.
Efficiency Ratio (ER) - accumulated of 12 months[4]	50.6	51.0	43.4	50.6	43.4	-7.6 p.p.	-7.2 p.p.
Basel ratio	14.3	13.9	14.3	14.3	14.3	0.3 p.p.	0.0 p.p.
MACROECONOMIC INDICATORS[5]							
CDI - in the period (%)	1.7	2.1	2.3	8.4	8.0	0.2 p.p.	-0.4 p.p.
Selic rate- end of the period benchmark (annual %)	7.25	9.00	10.00	7.25	10.00	1.0 p.p.	2.8 p.p.
IPCA - in the period (%)	2.0	0.6	2.0	5.8	5.9	1.4 p.p.	0.1 p.p.
Dolar exchange rate - end of the period (R$)	2.04	2.23	2.34	2.04	2.34	5.0%	14.6%
EMBI Brazil Risk (points)	140	232	224	140	224	-8.0 p.p.	84.0 p.p.

	Dec.12	Sept.13	Dec.13	Variation Dec13/Sept13	Variation Dec13/Dec12
BALANCE SHEET (R$ Million)					
Total assets	121,762	110,714	105,490	-4.7%	-13.4%
Loan portfolio (on-balance)	56,739	54,903	54,889	0.0%	-3.3%
Wholesale segment	19,315	18,014	18,244	1.3%	-5.5%
Consumer Finance segment	37,424	36,889	36,645	-0.7%	-2.1%
Guarantees provided	12,947	11,740	11,084	-5.6%	-14.4%
Credit assignments with recourse to Financial Institutions	9,054	5,396	4,419	-18.1%	-51.2%
Credit assignments with recourse to FIDC	2,376	981	698	-28.8%	-70.6%
Funding sources	80,741	73,892	75,600	2.3%	-6.4%
Shareholder's equity	8,210	7,098	7,141	0.6%	-13.0%
Capital (Basel ratio)	12,111	10,728	11,218	4.6%	-7.4%
LOAN PORTFOLIO QUALITY INDICATORS[7] (%)					
90-day NPL / Loan portfolio	6.6%	5.5%	5.1%	-0.4 p.p.	-1.5 p.p.
Allowance for loan losses / 90-day NPL	100%	119%	147%	27.8 p.p.	46.6 p.p.
Allowance for loan losses / Loan portfolio	6.6%	6.5%	7.5%	1.0 p.p.	0.9 p.p.
OTHER INFORMATION					
AuM[8] (R$ Million)	47,315	42,656	39,374	-7.7%	-16.8%

1 Ratio between net income and average equity of the period. This ratio is annualized;
2. Ratio between net income and average assets of the period. This ratio is annualized;
3. Ratio between net interest income and average interest earning assets of the period. This ratio is annualized;
4. ER = administrative and personnel expenses / (net interest income+fee income/ banking fees income + equity in income from subsidiares +other operational income and expenses);
5. Source: Cetip; Bacen; IBGE;
6. Investment funds in credit rights in which Banco Votorantim holds 100% of subordinated quotas;
7. Includes balance of credit assignments with recourse to Financial Institutions and credit assigments to FIDCs up to Dec/11 (before Resolution 3,533/Bacen)
8. Includes onshore funds (ANBIMA criteria) and private clients' resources

Managerial Result Statement

With the objective of allowing a better understanding of the business and of BV's performance, the explanations of the result are based on the Managerial Income Statement, which considers some managerial reallocations performed in the audited Income Statement. These reallocations basically 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 these 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 allowance for loan losses referring to the portfolios assigned with recourse prior to Resolution 3,533 and income from recovery of credits written-off to loss, both recorded in Loans and reallocated to Allowance for Loan Losses.

The strategy for management of the foreign exchange risk of capital invested abroad is intended to avoid effects resulting from foreign exchange variation on income. For this purpose, foreign exchange risk is neutralized using derivative financial instruments, so that investments are remunerated in Reais. The strategy of hedging overseas investments also considers the impact of the associated tax effects.

Reconciliation of Audited and Managerial Net Income – 3Q13 and 4Q13

INCOME STATEMENT (R$ Million)	3Q13 Audited	Adjustments	3Q13 Managerial	4Q13 Audited	Adjustments	4Q13 Managerial
Income from financial intermediation	**3,544**	**(197)**	**3,347**	**4,001**	**(102)**	**3,899**
Loans	2,624	(189)	2,435	2,775	(169)	2,607
Leases	64	-	64	55	-	55
Securities	957	-	957	1,047	-	1,047
Derivative financial instruments	(156)	(8)	(164)	39	67	106
Foreign exchange operations	53	-	53	85	-	85
Compulsory deposits	2	-	2	0	-	0
Expenses from financial intermediation	**(2,193)**	**-**	**(2,193)**	**(2,673)**	**-**	**(2,673)**
Money market borrowings	(1,596)	-	(1,596)	(2,013)	-	(2,013)
Borrowings and onlendings	(111)	-	(111)	(168)	-	(168)
Sale or transfer operation from financial assets	(487)	-	(487)	(491)	-	(491)
Net interest income	**1,351**	**(197)**	**1,154**	**1,328**	**(102)**	**1,226**
Allowance for loan losses - ALL	(950)	189	(761)	(1,435)	169	(1,266)
Net financial margin	**401**	**(8)**	**393**	**(107)**	**67**	**(40)**
Other operating income/expenses	**(624)**	**(4)**	**(627)**	**(16)**	**(42)**	**(58)**
Fee income/ banking fees income	257	-	257	282	-	282
Personnel and administrative expenses	(604)	-	(604)	(693)	-	(693)
Tax expenses	(144)	1	(142)	(112)	(3)	(115)
Equity in income of associated companies and subsidiaries	30	-	30	35	-	35
Other operating income/expenses	(163)	(5)	(168)	472	(39)	433
Operating income (loss)	**(223)**	**(12)**	**(235)**	**(123)**	**25**	**(98)**
Non-operating income (loss)	**(14)**	**-**	**(14)**	**(8)**	**-**	**(8)**
Income (loss) before taxation and profit sharing	**(237)**	**(12)**	**(249)**	**(130)**	**25**	**(106)**
Provision for income tax and social contribution	160	12	**172**	334	(25)	**310**
Profit sharing	(82)	-	**(82)**	(83)	-	**(83)**
Net income (loss)	**(159)**	**-**	**(159)**	**121**	**-**	**121**

Reconciliation of Audited and Managerial Net Income – 2012 and 2013

INCOME STATEMENT (R$ Million)	2012 Audited	Adjustments	2012 Managerial	2013 Audited	Adjustments	2013 Managerial
Income from financial intermediation	**13,895**	**(254)**	**13,641**	**14,235**	**(427)**	**13,808**
Loans	9,289	(331)	8,958	10,443	(579)	9,864
Leases	382	-	382	248	-	248
Securities	4,940	-	4,940	3,844	-	3,844
Derivative financial instruments	(1,108)	77	(1,031)	(613)	152	(461)
Foreign exchange operations	142	-	142	291	-	291
Compulsory deposits	251	-	251	22	-	22
Expenses from financial intermediation	**(9,130)**	**-**	**(9,130)**	**(9,193)**	**-**	**(9,193)**
Money market borrowings	(8,252)	-	(8,252)	(6,857)	-	(6,857)
Borrowings and onlendings	(808)	-	(808)	(711)	-	(711)
Sale or transfer operation from financial assets	(70)	-	(70)	(1,625)	-	(1,625)
Net interest income	**4,766**	**(254)**	**4,512**	**5,042**	**(427)**	**4,615**
Allowance for loan losses - ALL	(5,423)	331	(5,092)	(4,454)	579	(3,875)
Net financial margin	**(657)**	**77**	**(580)**	**588**	**152**	**740**
Other operating income/expenses	**(2,444)**	**(61)**	**(2,505)**	**(1,774)**	**(109)**	**(1,883)**
Fee income/ banking fees income	1,035	-	1,035	1,030	-	1,030
Personnel and administrative expenses	(2,550)	-	(2,550)	(2,493)	-	(2,493)
Tax expenses	(478)	(2)	(479)	(510)	(5)	(515)
Equity in income of associated companies and subsidiaries	70	-	70	109	-	109
Other operating income/expenses	(522)	(59)	(581)	89	(104)	(14)
Operating income (loss)	**(3,101)**	**16**	**(3,085)**	**(1,186)**	**43**	**(1,144)**
Non-operating income (loss)	(139)	-	**(139)**	(37)	-	**(37)**
Income (loss) before taxation and profit sharing	**(3,241)**	**16**	**(3,224)**	**(1,223)**	**43**	**(1,180)**
Provision for income tax and social contribution	1,616	(16)	**1,600**	956	(43)	**913**
Profit sharing	(363)	-	**(363)**	(245)	-	**(245)**
Net income (loss)	**(1,988)**	**-**	**(1,988)**	**(512)**	**-**	**(512)**

Analysis of Managerial Result

Net Interest Income (NII)

NII grew 6.3% in 4Q13/3Q13, totaling R$ 1,226 million, reflecting the improvement of asset quality and the greater focus on enhancing business profitability. In the 2013/2012 comparison, NII was up 2.3%.

Income from financial intermediation increased 16.5% (or R$ 552 million) in relation to 3Q13, mainly due to the R$ 270 million increase in income from derivative financial instruments, that are regularly used to hedge not only overseas investments, but also positions in loans, securities, foreign exchange operations, money market borrowings, credit assignments and onlendings with risks associated with foreign currency, index and interest rates. In the 4Q13/3Q13 comparison there was also a 7.1% (or R$ 172 million) expansion in the total income from loans, which includes income from credit assignments with recourse under Resolution 3,533.

NET INTEREST INCOME (NII) (R$ Million)	4Q12	3Q13	4Q13	2012	2013	Variation (%) 4Q13/3Q13	Variation (%) 2013/2012
Income from Financial Intermedation	**3,234**	**3,347**	**3,899**	**13,641**	**13,808**	**16.5**	**1.2**
Loans[1]	2,113	2,435	2,607	8,958	9,864	7.1	10.1
Leases	82	64	55	382	248	(15.1)	(34.9)
Securities	1,391	957	1,047	4,940	3,844	9.4	(22.2)
Derivative Financial Instruments	(406)	(164)	106	(1,031)	(461)	(164.8)	(55.3)
Foreign Exchange Operations	32	53	85	142	291	60.9	104.5
Compulsory Deposits	22	2	0	251	22	(88.8)	(91.3)
Expenses from Financial Intermedation	**(2,077)**	**(2,193)**	**(2,673)**	**(9,130)**	**(9,193)**	**21.9**	**0.7**
Money Market Borrowings	(1,872)	(1,596)	(2,013)	(8,252)	(6,857)	26.2	(16.9)
Borrowings and Onlendings	(145)	(111)	(168)	(808)	(711)	51.5	(12.0)
Sale or transfer operation from financial assets	(60)	(487)	(491)	(70)	(1,625)	1.0	-
Net Interest Income	**1,156**	**1,154**	**1,226**	**4,512**	**4,615**	**6.3**	**2.3**

1 Includes Income from sale or transfer operations from financial assets (credits assigned after Res. 3.533 came into force)

In the year 2013 income from financial intermediation was up 1.2% over 2012, driven by the 10.1% expansion in total income from loans, mainly related to auto finance. It is significant to note that this increase in income from loans occurred in spite of the 3.3% drop in the loan portfolio in the last 12 months.

Additionally, we must bear in mind that BV operates as an extension of BB in auto finance outside the branch network and that, up to Dec.11, BV recognized the revenues from credit assignments with recourse at the time of the respective assignments – in accordance with the legislation in effect at that time. However, Resolution 3,533 has been in force since Jan.12, altering the rules for the accounting of credit assignments with substantial risk retention performed as of 2012. Under the new rules, revenues from these operations started being allocated over the remaining period of the assigned contracts. Moreover, credits assigned with recourse remain on record in the assets of the assignor (selling institution).

By the end of Dec.13, the off-balance sum of assets assigned with recourse until Dec.11 totaled R$ 4.4 billion, against R$ 5.4 billion in Sept.13. As mentioned in the foregoing paragraph, BV has already recognized the income from these assets at the time of the assignment, but remains liable for the expenses associated with the early settlement (prepayment) of these assigned contracts, as well as for allowance for loan losses expenses. In 4Q13, BV recognized expenses amounting to R$ 45 million referring to the early settlement of those agreements (R$ 266 million in 2013), which negatively impacted revenues from loans in the period. As explained above in this report, ALL expenses for those contracts are managerially reallocated to allowance for loan losses, with no effects in the Net Interest Income. Furthermore, it is noteworthy that BV has not taken the option provided by Resolution 4,036 on the treatment of losses originated from early settlements, fully recognizing them when they occur.

Expenses from financial intermediation were up 21.9% (or R$ 480 million) over 3Q13, impacted mainly by effects of foreign exchange variations (i.e. Real depreciated 5.0% against the US dollar in 4Q13), which are mostly offset by the use of derivative financial instruments. The 1.0 p.p. rise in the Selic rate in 4Q13 also contributed to the increase in expenses from financial intermediation.

In the 2013/2012 comparison, expenses from financial intermediation grew 0.7%, impacted by effects related to the 14.6% depreciation of the Real against the US dollar and to the 2.75 p.p. rise in the Selic rate (Dec.13: 10.00% p.a.; Dec.12: 7.25% p.a.). It is worth emphasizing that these effects were mitigated by the reduction of the average balance of funding sources and by the strategy of using funds raised from the assignment with recourse of loan assets and from the issuance of Financing Bills to reduce the average funding cost.

In 2013, as part of the funding strategy of extension of average terms and reduction of cost, BV raised R$ 13.2 billion through the assignment, with recourse, of R$ 10.9 billion in Consumer Finance loan assets to Banco do Brasil (BB).

The Net Interest Margin (NIM) reached 5.0% p.a. in 4Q13, up 0.4 p.p. over the previous quarter, driven by both the NII increase and the reduction of the average earning assets. In the 2013/2012 comparison, NIM recorded expansion of 0.2 p.p.

NET INTEREST MARGIN (NIM) (R$ Million)	4Q12	3Q13	4Q13	2012	2013
Net Interest Income (A)	**1,156**	**1,154**	**1,226**	**4,512**	**4,615**
Average earning assets (B)	**106,762**	**102,260**	**99,754**	**106,331**	**104,272**
Compulsory deposits	1,438	200	113	3,067	477
Interbank funds applied	13,289	15,374	13,821	15,026	15,077
Securities	34,519	31,360	30,924	29,965	32,913
Loans	57,517	55,326	54,896	58,273	55,805
NIM (A/B)	**4.4%**	**4.6%**	**5.0%**	**4.2%**	**4.4%**

Credit Portfolio

BV is responsible for the risk of credit assignments with recourse to other financial institutions and credit assignments to FIDCs (Credit Receivables Investment Funds) of which it holds 100% of the subordinated shares. Due to that, and aiming at ensuring more consistent communication to the market, this report discloses information on the managed loan portfolio, which includes all assets assigned with substantial risk retention (both on-balance sheet and off-balance sheet).

In Dec.13, the consolidated loan portfolio classified by Resolution 2,682 reached R$ 54.9 billion, stable in relation to Sept.13 and with a decline of 3.3% in the last 12 months. The managed loan portfolio, in turn, ended Dec.13 at R$ 60.0 billion, with a reduction of 1.8% in relation to Sept.13 and of 12.0% in the last 12 months. It is important to clarify that in view of the new regulatory environment imposed by Resolution 3,533, credits assigned with substantial risk retention since Jan.12 remain recorded in BV's assets. For this reason, the off-balance sum of credits assigned with risk retention tends towards zero over time, causing the managed portfolio to converge towards the loan portfolio.

Wholesale's expanded credit portfolio, which includes guarantees provided and private securities, ended Dec.13 with a balance of R$ 35.1 billion, a reduction of 3.0% in the quarter and of 7.3% in 12 months, result of the greater discipline in capital allocation and of the review of Middle Market's action strategy.

The Middle Market segment, which serves companies with annual turnover between R$ 100 million and R$ 600 million, ended Dec.13 with an expanded credit portfolio of R$ 7.6 billion, a reduction of 5.9% in the quarter and of 17.9% in the last 12 months. These reductions are related to the greater focus on increasing return on the portfolio (vs. growth) and to the strategic decision to gradually reduce exposure to companies with annual turnover below R$ 100 million. In the last 12 months, the share of clients with annual turnover below R$ 100 million in Middle Market's expanded portfolio fell from 32% to 18%.

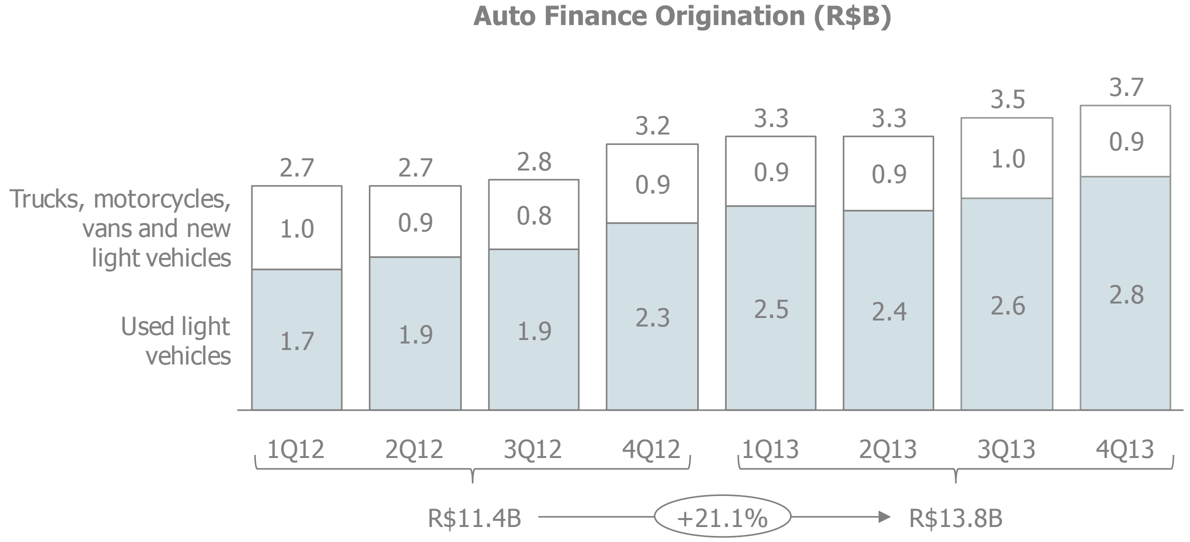
LOAN PORTFOLIO (R$ Million)	Dec.12	Sept.13	Dec.13	Variation (%) Dec13/Sept13	Variation (%) Dec13/Dec12
Wholesale segment (a)	**19,315**	**18,014**	**18,244**	**1.3**	**(5.5)**
CIB	11,109	10,958	11,606	5.9	4.5
Middle market	8,207	7,056	6,639	(5.9)	(19.1)
Consumer Finance segment (b)	**37,424**	**36,889**	**36,645**	**(0.7)**	**(2.1)**
Auto finance (direct credit to consumer and leasing)	29,893	29,832	29,904	0.2	0.0
Payroll loans	7,173	6,637	6,318	(4.8)	(11.9)
Other (credit cards and individual loans)	358	420	423	0.6	18.1
On-balance loan portfolio (c=a+b)	**56,739**	**54,903**	**54,889**	**(0.0)**	**(3.3)**
Guarantees provided (d)	12,947	11,740	11,084	(5.6)	(14.4)
Private securities[1] (e)	5,624	6,446	5,779	(10.3)	2.8
Expanded credit portfolio (f=c+d+e)	**75,310**	**73,090**	**71,753**	**(1.8)**	**(4.7)**
Off-balance credit assignments[2] - Consumer Finance	**11,430**	**6,377**	**5,117**	**(19.8)**	**(55.2)**
Credit assignments with recourse to Financial Institutions	9,054	5,396	4,419	(18.1)	(51.2)
Auto finance (direct credit to consumer and leasing)	6,537	3,870	3,144	(18.8)	(51.9)
Payroll loans	2,516	1,526	1,275	(16.5)	(49.3)
Credit assignments to FIDC[3]	2,376	981	698	(28.8)	(70.6)
Expanded managed credit portfolio (h=f+g)	**86,740**	**79,467**	**76,869**	**(3.3)**	**(11.4)**
Wholesale segment (a+d+e)	**37,886**	**36,200**	**35,108**	**(3.0)**	**(7.3)**
Corporate	28,622	28,117	27,503	(2.2)	(3.9)
Middle Market	9,264	8,083	7,605	(5.9)	(17.9)
Consumer Finance segment (b+g)	**48,854**	**43,267**	**41,761**	**(3.5)**	**(14.5)**
Auto Finance (Direct Credit to Consumer and Leasing)	38,807	34,683	33,745	(2.7)	(13.0)
Payroll Loans	9,689	8,163	7,593	(7.0)	(21.6)
Other (credit cards and individual loans)	358	420	423	0.6	18.1

1. Expanded credit portfolio's criteria were revised in 3Q13, in order to be better aligned to BB's methodology; 2. Credits assigned before Resolution 3,533; 3. Investment funds in credit rights (FIDCs) in which Banco Votorantim and BV Financeira hold 100% of subordinated quotas.

In Consumer Finance, loan portfolio reached R$ 36.6 billion in Dec.13, with a slight reduction of 0.7% in relation to Sept.13, resulting from the downslide of the payroll loan portfolio. In the last 12 months the loan portfolio presented a downslide of 2.1%, reflecting greater conservatism in loan concessions and focus on guaranteeing the quality and profitability of new vintages. It is worth emphasizing that even with the downslide of the loan portfolio in the last 12 months, there was growth in income from loans in Consumer Finance, partly due to the continuous improvement of delinquency. In turn, the managed loan portfolio totaled R$ 41.7 billion in Dec/13, a reduction of 14.5% in 12 months mainly due to the decrease in the balance of credits assigned until Dec/11.

Auto finance origination

BV increased the volume of auto finance origination in the 2013/2012 comparison by 21.1%, intensifying the focus on used light vehicles, a segment in which the institution has a history of market leadership and recognized expertise, and that was responsible for 74% of 2013 production (68% in 2012).



Since the beginning of the restructuring process in 4Q11, BV has continuously refined Consumer Finance's credit policies, processes and models, especially of the auto finance business. In 2012, for instance, it implemented new variables in the credit model, such as BB's internal rating, and additional information from credit bureaus (e.g.: Serasa Experian). In 2013 occurred the implementation of a new "credit engine", a tool that allows greater risk discrimination and agility in credit decisions, among other benefits. With several improvements implemented in the last quarters, the percentage of automatic credit decisions for light vehicles reached 65% in Dec.13, compared to only 28% in Jan.12.

BV has also been more conservative in the concession of auto finance loans, practicing shorter terms and requesting higher down payments in comparison to 2010 and 2011.

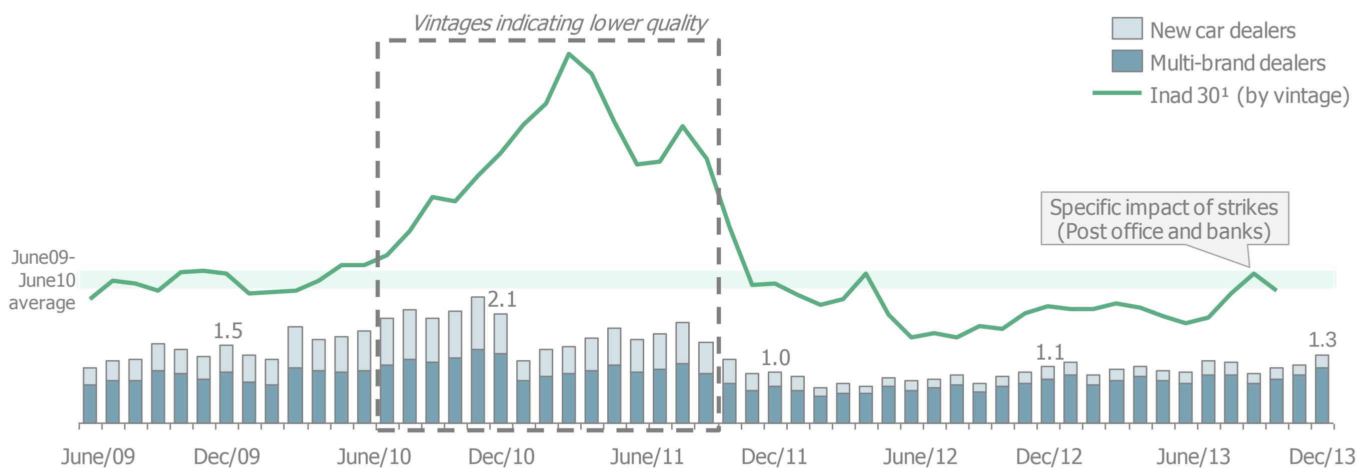
AUTO FINANCE - Origination	4Q12	3Q13	4Q13	Variation 4Q13/3Q13	Variation 4Q13/4Q12
Average rate (% per year)	23.6	25.0	26.6	1.7 p.p.	3.0 p.p.
Average term (months)	44	45	45	(0)	1
Down payment/Total asset value (%)	36.1	37.3	38.0	0.7 p.p.	1.9 p.p.
Used vehicles/Light vehicles (%)	78.2	81.3	84.2	3.0 p.p.	6.0 p.p.

AUTO FINANCE - Loan Portfolio	Dec.12	Sept.13	Dec.13	Variation Dec13/Sept13	Variation Dec13/Dec12
Average rate[1] (% per year)	26.7	27.1	26.8	-0.3 p.p.	0.1 p.p.
Maturity (months)	17	16	16	0	(1)
Down payment/Total asset value (%)	32.4	34.5	33.7	-0.8 p.p.	1.3 p.p.
Average vehicle age (years)	5	5	5	(0)	(0)
Used vehicles/Auto finance loan portfolio (%)	69.8	73.4	74.9	1.5 p.p.	5.1 p.p.

1 Rate calculated based on quarterly average portfolio

The combination of improvements in credit processes and models and the conservatism adopted in the concession of loans has produced concrete results. BV has been originating auto finance with a quality standard above or equal to the historical average for over two years. The graph below shows the evolution of the light vehicles' "Inad 30", an indicator that shows, for each vintage, the percentage of financings that recorded delinquency above 30 days in the first installment. Despite the one-off impact of the bank and post office strikes in 4Q13, it can be seen in the graph that since the end of 2011 the "Inad 30" has remained at levels below the historical, indicating that auto finance vintages originated since then have delinquency under control.

Light vehicles – Origination by channel (R$B) and 1st payment default¹ (%)

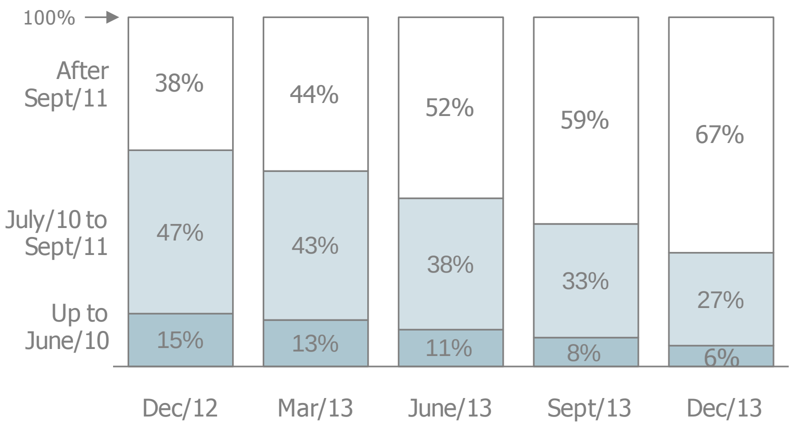


1. % of each month's production with first installment past due over 30 days

Delinquency and Allowance for Loan Losses (ALL)

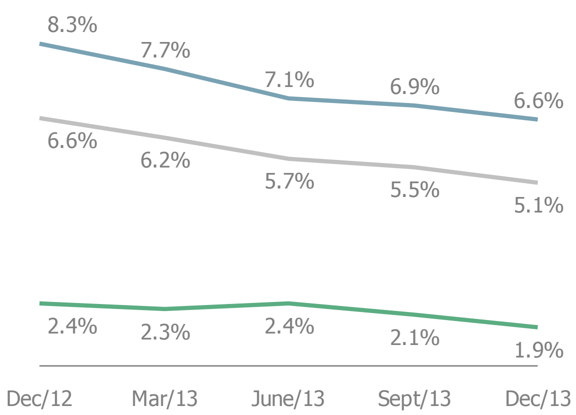
The auto finance portfolios originated until June.10 and after Sept.11, which present better quality, represented 73% of the managed auto finance portfolio in Dec.13, against 53% in Dec.12.

Auto Finance managed portfolio by vintage (%)

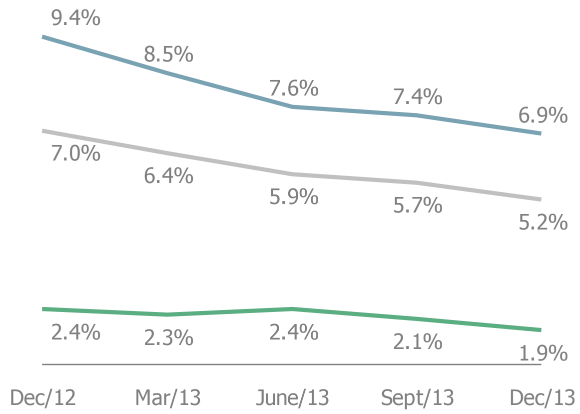


This growing share of better quality vintages has contributed to the continuous reduction of delinquency over 90 days ("90-day NPL ratio"). The 90-day NPL ratio of the managed loan portfolio dropped to 5.1% in Dec.13, from 5.5% in Sept.13, the sixth consecutive quarterly reduction and that evidences the continuous quality improvement of the portfolio.

NPL 90 / Managed loan portfolio (%)



NPL 90 / On-balance loan portfolio (%)



In Wholesale, the 90-day NPL ratio ended Dec.13 at 1.9%, 0.2 p.p. below Sept.13. This reduction was driven by the evolution of CIB's 90-day NPL ratio, which dropped to 0.8% in Dec.13, from 1.1% in Sept.13.

In Consumer Finance, the managed portfolio's 90-day NPL ratio maintained the downtrend observed in the last few quarters, dropping to 6.6% in Dec.13, an improvement of 0.3 p.p. over Sept.13. It is important to emphasize the consistent evolution of the 90-day NPL ratio of the managed light vehicles portfolio, which dropped to 6.2% in Dec.13 – an improvement of 0.3 p.p. in relation to Sept.13 and of 1.5 p.p. in 12 months.

Improvement in the quality of the portfolio can also be observed through the "New NPL" rate, which represents the quarterly variation in the balance of loans past due for over 90 days, adjusted by the volume of write-offs as loss. In 4Q13, the New NPL dropped to R$ 578 million, against R$ 659 million in 3Q13. As a result, the "New NPL/Portfolio" rate dropped to 0.94%, against 1.04% in 3Q13.

MANAGED LOAN PORTFOLIO QUALITY INDICATORS (R$ Million, except were indicated)	**Dec.12**	**Sept.13**	**Dec.13**
Loan portfolio	68,169	61,281	60,006
90-day NPL/ Loan portfolio	6.6%	5.5%	5.1%
Write-off to loss (a)	(1,434)	(902)	(869)
Credit recovery (b)	93	223	119
Write-off (a+b)	(1,341)	(679)	(750)
Write-off / Loan portfolio - annualized	8.1%	4.5%	5.1%
New NPL	678	659	578
New NPL / Loan portfolio[1]	0.9%	1.0%	0.9%
ALL provisions	4,518	4,003	4,514
ALL provisions / Loan portfolio	6.6%	6.5%	7.5%
ALL provisions / 90-day NPL	100%	119%	147%
AA-C	61,454	55,194	53,319
AA-C / Loan portfolio	90.1%	90.1%	88.9%

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

In the 2013/2012 comparison, the improvement of delinquency indicators was accompanied by the reduction in allowance for loan losses expenses, net of income from recovery of loans. In relation to 2012, consolidated ALL expenses were down 23.9% and, in Consumer Finance, the reduction reached 47.6%. In the 4Q13/3Q13 comparison, however, there was a one-off rise in ALL expenses in the Wholesale business.

NET FINANCIAL MARGIN (R$ Million)	**4Q12**	**3Q13**	**4Q13**	**2012**	**2013**	**Variation (%)**	
						4Q13/3Q13	**2013/2012**
Net Interest Income	**1,156**	**1,154**	**1,226**	**4,512**	**4,615**	**6.3**	**2.3**
Allowance for loan losses	(951)	(761)	(1,266)	(5,092)	(3,875)	66.4	(23.9)
Wholesale	(181)	(199)	(849)	(546)	(1,494)	327.4	173.5
Consumer Finance	(770)	(563)	(417)	(4,545)	(2,382)	(25.8)	(47.6)
Net Financial Margin	**205**	**393**	**(40)**	**(580)**	**740**	**(110.1)**	**(227.5)**

Wholesale's ALL expenses grew R$ 650 million in relation to 3Q13, mainly impacted by an one-off case of guarantee honored by BV, as well as by the strengthening of the prudential position in allowance for loan losses. In Consumer Finance, ALL expenses were down R$ 145 million (or 25.8%) in comparison to 3Q13, seventh consecutive quarterly reduction that reflects the (i) lower impact of portfolios originated between July.10 and Sept.11, which have a record of delinquency above historical average; (ii) better quality of the vintages originated as of Sept.11, and (iii) continuous improvement in credit collection processes.

It is important to emphasize that even with the reduction in ALL expenses, BV has recorded consistent evolution of the 90-day Coverage Ratio, which increased from 78% in Sept.11 – start of the adjustment process, to 119% in Sept.13 and 147% in Dec.13, reflecting BV's conservative attitude towards provisions.

Since Mar.12, for example, BV has revised the so-called "departure rating" in auto finance origination, aggravating the initial rating of new operations. This prudential action largely explains the increase observed in the balance of "Falling due" loans classified as B and C risks (Resolution 2,682) in the last 12 months, according to the table below. (Dec.13: R$ 14.5 billion; Dec.12: R$ 9.7 billion).

LOAN PORTFOLIO BY RISK LEVEL (R$ Million)	Dec.12			Sept.13			Dec.13		
	Total	Past due	Falling due	Total	Past due	Falling due	Total	Past due	Falling due
AA	7,855	-	7,855	5,065	-	5,065	4,638	-	4,638
A	30,060	-	30,060	26,285	-	26,285	27,139	-	27,139
B	7,955	1,625	6,330	10,062	1,125	8,936	9,198	988	8,210
C	4,796	1,403	3,393	7,814	1,303	6,511	7,551	1,273	6,278
D	1,371	820	551	1,339	678	661	1,416	603	814
E	1,014	531	483	1,180	469	711	682	432	249
F	477	399	78	461	379	82	681	361	320
G	536	448	88	537	358	178	1,311	883	428
H	2,674	2,550	124	2,162	2,035	127	2,274	1,969	305
TOTAL	**56,739**	**7,776**	**48,963**	**54,903**	**6,347**	**48,557**	**54,889**	**6,510**	**48,379**
B-C	**12,751**	**3,028**	**9,723**	**17,875**	**2,428**	**15,447**	**16,749**	**2,261**	**14,488**
B-C/Total	**22%**	**39%**	**20%**	**33%**	**38%**	**32%**	**31%**	**35%**	**30%**

Another example of BV's prudential position in allowance for loan losses was the reclassification, in 4Q13, of honored Wholesale loans from "AA" to "A", with minimum provision of 0.5%. This reclassification explains the reduction in the balance of loans rated as "AA" between Sept.13 and Dec.13, according to the previous table.

Fee Income

Fees and banking fees income grew 9.8% in relation to the prior quarter, due mainly to the increase in income related to Wholesale businesses (financial advisory services and security placements). Consumer Finance businesses also recorded income expansion in 4Q13/3Q13, mainly because of the higher volume of auto finance origination. In the 2013/2012 comparison, fee income recorded a slight downslide of 0.5%.

FEE INCOME[1] (R$ Million)	4Q12	3Q13	4Q13	2012	2013	Variation (%) 4Q13/3Q13	Variation (%) 2013/2012
Master file registration	85	72	79	313	284	9.8	(9.3)
Appraisal of assets	42	44	47	148	179	7.5	20.8
Credit cards	12	15	18	40	56	14.0	38.8
Income from guarantees granted	44	43	39	171	171	(9.6)	0.2
Management of investment funds	38	32	29	139	123	(7.5)	(11.1)
Commisions on placing of securities	27	14	19	80	70	41.7	(12.3)
Financial advice	10	4	16	33	25	305.5	(24.6)
Other	28	32	34	111	122	4.3	9.6
Total Fee Income	**286**	**257**	**282**	**1,035**	**1,030**	**9.8**	**(0.5)**

1 Includes Banking fees income

Personnel Expenses

Personnel expenses totaled R$ 292 million in 4Q13, against R$ 241 million in the previous quarter. In the year 2013 personnel expenses amounted to R$ 1,011 million, up 3.4% over the previous year. The variations recorded in the 4Q13/3Q13 and 2013/2012 comparisons are mainly explained by the higher volume of expenses with labor claims – related to the restructuring process.

It is important to observe that expenses with labor claims amounted to R$ 136 million in 2013, against R$ 17 million in the previous year. Disregarding these expenses, personnel expenses would have presented a nominal reduction of 8.9% in the 2013/2012 comparison, despite the collective agreement.

The accumulated Efficiency Ratio of the last 12 months ended Dec.13 at 43.4%, still impacted by non-recurring expenses related to the restructuring process.

Banco Votorantim ended Dec.13 with 5,457 employees, including interns and statutory employees.

Administrative Expenses

In 4Q13, administrative expenses were up R$ 38 million over the previous quarter, mainly due to the one-off increase in expenses associated with the restructuring process. It is important to emphasize that in the 2013/2012 comparison there was a nominal reduction of 5.7% in administrative expenses, with special emphasis on the reductions of expenses with financial system services, telecommunications, credit collection (legal charges) and rent.

ADMINISTRATIVE EXPENSES (R$ Million)	4Q12	3Q13	4Q13	2012	2013	Variation (%)	
						4Q13/3Q13	2013/2012
Rentals	(43)	(24)	(31)	(136)	(110)	27.3	(18.8)
Communication	(17)	(15)	(17)	(80)	(64)	16.7	(20.0)
Data processing	(46)	(46)	(48)	(169)	(180)	3.4	6.1
Services of the financial system	(47)	(33)	(36)	(190)	(145)	10.2	(23.6)
Specialized technical services	(155)	(141)	(134)	(492)	(506)	(4.9)	2.8
Judicial and Notary public fees	(74)	(50)	(44)	(263)	(218)	(10.9)	(17.2)
Other	(61)	(53)	(89)	(242)	(259)	67.0	7.3
Total Administrative Expenses	**(443)**	**(363)**	**(400)**	**(1,572)**	**(1,482)**	**10.3**	**(5.7)**

Other Operating Income/Expenses

In 4Q13, the sum of other operating income and other operating expenses amounted to R$ 433 million, against R$ -168 million in 3Q13. This positive variation is mainly explained by the net impact of BV's adhesion to Bacen's fiscal recovery program (Refis), provided for in Law 12,865, published on October 9th, 2013. In 4Q13/3Q13, the better result with provisions for labor contingencies, especially linked to the restructuring process, also contributed to this positive variation.

Considering that some of BV's companies were challenging in court the enlargement of the COFINS (Contribution for Funding of Social Welfare Programs) calculation basis, as provided for by Law 9,718/98, the decision was made to adhere to Refis, with the possibility of cash payment provided for in Law 12,865 and respective withdrawal from the court litigation. As a result of the payment, the provision for the referred contingent liability was reverted.

In the 2013/2012 comparison, the positive variation observed is also explained mainly by the adhesion to Refis, as well as the better result with provisions for labor contingencies.

Funding and Liquidity

Total funding sources reached R$ 75.6 billion at the end of Dec.13, with a 2.3% increase in comparison to Sept.13, as presented in the table below.

FUNDING SOURCES (R$ Bilhões)	Dec.12	Sept.13	Dec.13	Variation % Dec13/Sept13	Variation % Dec13/Dec12
Debentures (associated to Repos)	20.2	16.3	16.1	(1.0)	(20.0)
Deposits	15.5	7.6	8.5	11.1	(45.2)
Time deposits	12.8	5.1	5.8	14.6	(54.6)
Other	2.6	2.6	2.7	4.1	0.7
Bills	13.3	15.0	15.7	4.1	17.6
Financing bills	11.0	12.3	12.9	5.6	18.0
Agribusiness credit bills ("LCA")	2.2	2.6	2.5	(2.4)	14.4
Real estate credit bills ("LCI")	0.1	0.2	0.2	(1.8)	41.7
Borrowings and onlendings	10.2	7.7	6.7	(13.1)	(35.0)
Subordinated notes	7.0	7.1	7.4	4.1	5.2
Foreign securities	8.0	7.2	6.9	(4.3)	(14.2)
Securitization	3.5	10.4	12.8	22.8	264.7
Other funding sources[1]	3.0	2.6	1.6	(36.4)	(46.0)
Total funding (a)	**80.7**	**73.9**	**75.6**	**2.3**	**(6.4)**
On-balance loan portfolio (b)	**56.7**	**54.9**	**54.9**	**(0.0)**	**(3.3)**
On-balance loan portfolio/Total funding (b/a) (%)	**70.3**	**74.3**	**72.6**	-1.7 p.p.	2.3 p.p.

1 Includes debenture issuances and box of options

It is important to emphasize that since the beginning of the restructuring process, in Sept.11, BV's on-balance loan portfolio decreased about 14% (Sept.11: R$ 64.0 billion, Dec.13: R$ 54.9 billion), which significantly reduced the need for funding. Greater discipline in capital allocation was adopted in Wholesale, while the volume of credit origination was moderated in Consumer Finance (in relation to 2010-2011), in order to guarantee the quality and profitability of new vintages.

In this context of reduced demand for funding, BV has worked on improving the profile of funding sources – extending the average term and reducing the cost. Since early 2012, BV has increased the share of more stable funding instruments, such as Bills (i.e. Financing Bills, Real Estate Credit Bills and Agribusiness Credit Bills) and credit assignments with recourse, and has reduced the volume of term deposits (CDs – Certificates of Deposit). It is worth noting that this reduction in the volume of CDs in favor of Financing Bills is a tendency observed in the banking system as a whole, in part because Financing Bills do not pay compulsory deposits and do not require contributions to the Credit Guarantee Fund (FGC).

In 3Q13, still as part of the strategy of average funding term extension and cost reduction, BV raised R$ 3.9 billion through the assignment with recourse of R$ 3.4 billion in Consumer Finance loan assets to BB. In the year 2013, the amount raised through credit assignments with recourse totaled R$ 13.2 billion.

In relation to liquidity, in light of the uncertainties that still persist in the macroeconomic scenario, BV has maintained its free cash at a very conservative level, above the historic threshold. Additionally, it is important to emphasize that BV has a credit facility from BB, in the amount of approximately R$ 7 billion, which represents a significant liquidity reserve and has never been used.

Basel Ratio

As of October 1st, 2013 in Brazil, came into effect the legislative assembly that implemented the recommendations of the Basel Banking Supervision Committee regarding the capital structure of financial institutions, known as Basel III. Bacen, through Resolutions 4,192 and 4,193 and Circular 3,644, provided for the new methodology for calculating the minimum requirements of Capital (PR), Tier I and Common Equity Tier I. The new rules were subsequently amended by, respectively, Resolutions 4,278 and 4,281, and Circular 3,679 of Oct.13. The minimum Capital requirement remains at 11%, while the Tier I requirement is of 5.5%, and Common Equity Tier I is 4.5%.

The Basel ratio ended Dec.13 at 14.3%, 0.4 p.p. above Sept.13, and stable when compared to Dec.12. Tier I ended Dec.13 at 9.0%, entirely composed of Common Equity Tier I. All references to the Capital and Capital Requirement (PRE) of dates prior to October 1st, 2013, refer to the Basel II methodology and were calculated according to criteria established by Resolutions 3,444 and 3,490, respectively.

BASEL RATIO (R$ Million)	Dec.12	Sept.13	Dec.13
Capital (PR)	**12,111**	**10,728**	**11,218**
Tier I	7,875	7,338	7,101
Tier II	4,236	3,390	4,117
Capital Requirement (PRE)	**9,310**	**8,481**	**8,654**
Credit risk	8,721	7,846	8,069
Market risk	294	234	185
Operational risk	296	400	400
Excess Capital	**2,800**	**2,247**	**2,564**
Basel Ratio (PR/(PRE/0,11))	**14.3%**	**13.9%**	**14.3%**
Tier I	9.3%	9.5%	9.0%
Common Equity Tier I	-	-	9.0%
Additional Tier I Capital	-	-	-
Tier II	5.0%	4.4%	5.2%

Ratings

Banco Votorantim holds investment grade ratings from the three leading international rating agencies, in recognition of its capacity to honor its commitments.

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

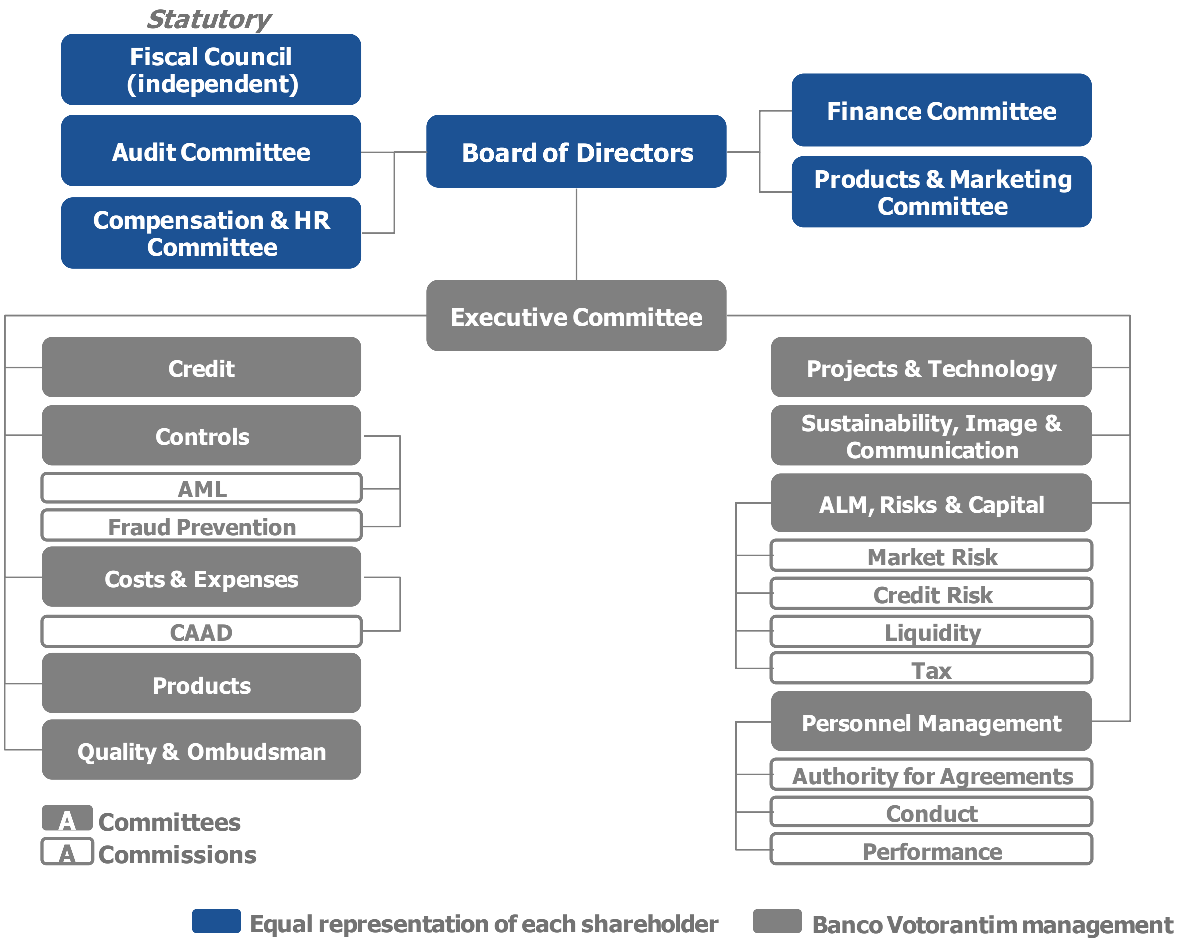
Corporate Governance

Banco Votorantim's governance model is under continuous improvement to achieve more robustness and transparency, ensuring agility in decision-making processes — BV's strong characteristic.

Governance is shared among the two shareholders, Votorantim Group and Banco do Brasil, with equal participation of each of them in the Board of Directors and its Advisory Committees (Finance and Products & Marketing), besides three Statutory Bodies:

- Fiscal Council, which is an independent body created to supervise the administrative management acts;
- Audit Committee, a body whose duties include evaluating the effectiveness of the internal control system and of the internal and independent audits, besides reviewing and issuing an opinion on the quality of the financial statements; and
- Compensation and Human Resources Committee, a body that monitors matters related to the Management Compensation Policy and HR practices.

In addition, BV's administrative management is conducted by the Executive Committee and its Operational Committees, involving its executive leaderships.



Balance Sheet

BALANCE SHEET (R$ Million)	Dec.12	Sept.13	Dec.13	Variation % Dec13/Sept13	Variation % 2013/2012
ASSETS					
CURRENT ASSETS	**64,234**	**61,752**	**54,105**	**(12.4)**	**(15.8)**
Cash and cash equivalents	155	136	206	52.2	33.0
Interbank funds applied	16,563	15,481	11,623	(24.9)	(29.8)
Securities and instruments	14,096	15,102	14,815	(1.9)	5.1
Derivative financial					
Interbank accounts	1,310	199	238	19.6	(81.8)
Interbranch accounts	-	-	1	-	-
Loans	24,301	23,696	22,988	(3.0)	(5.4)
Leases	1,628	945	542	(42.7)	(66.7)
Other receivables	5,910	5,643	3,177	(43.7)	(46.2)
Other assets	271	551	515	(6.5)	90.0
LONG-TERM ASSETS	**57,112**	**48,551**	**50,943**	**4.9**	**(10.8)**
Interbank funds applied	199	455	83	(81.9)	(58.5)
Securities and instruments	23,068	16,683	17,701	6.1	(23.3)
Derivative financial		-	-		
Loans	27,231	25,454	25,525	0.3	(6.3)
Leases	273	179	372	108.2	36.4
Other receivables	5,433	5,327	6,841	28.4	25.9
Other assets	908	452	421	(6.8)	(53.6)
FIXED ASSETS	**416**	**411**	**442**	**7.3**	**6.1**
Investments	247	245	280	14.2	13.3
Fixed assets for use	90	93	95	1.5	4.5
Intangible	51	47	42	(11.5)	(18.1)
Deferred charges	27	25	25	(2.6)	(9.0)
TOTAL ASSETS	**121,762**	**110,714**	**105,490**	**(4.7)**	**(13.4)**
LIABILITIES					
CURRENT LIABILITIES	**76,914**	**65,436**	**64,442**	**(1.5)**	**(16.2)**
Deposits	12,170	5,400	6,923	28.2	(43.1)
Demand deposits	282	258	269	4.3	(4.6)
Interbank deposits	993	845	1,497	77.2	50.7
Time deposits	10,895	4,298	5,158	20.0	(52.7)
Money market borrowings	38,572	32,727	30,276	(7.5)	(21.5)
Acceptances and endorsements	7,756	9,757	11,312	15.9	45.8
Interbank accounts	-	3	-	(100.0)	-
Interbranch accounts	39	33	37	10.7	(6.4)
Borrowings and onlendings	7,192	4,661	3,672	(21.2)	(48.9)
Derivative financial instruments	1,512	1,507	586	(61.1)	(61.2)
Other liabilities	9,673	11,348	11,637	2.5	20.3
LONG-TERM LIABILITIES	**36,603**	**38,140**	**33,873**	**(11.2)**	**(7.5)**
Deposits	3,284	2,224	1,549	(30.4)	(52.8)
Interbank deposits	1,363	1,449	891	(38.5)	(34.7)
Time deposits	1,921	775	658	(15.2)	(65.8)
Money market borrowings	3,747	3,460	2,178	(37.1)	(41.9)
Acceptances and endorsements	15,064	14,000	12,726	(9.1)	(15.5)
Interbranch accounts	-	-	0		
Borrowings and onlendings	3,044	2,996	2,980	(0.5)	(2.1)
Derivative financial instruments	1,183	762	776	1.9	(34.4)
Other liabilities	10,280	14,699	13,664	(7.0)	32.9
Deferred income	**34**	**40**	**34**	**(14.5)**	**(0.2)**
SHAREHOLDERS' EQUITY	**8,210**	**7,098**	**7,141**	**0.6**	**(13.0)**
TOTAL LIABILITIES	**121,762**	**110,714**	**105,490**	**(4.7)**	**(13.4)**

Managerial Income Statement

INCOME STATEMENT (R$ Million)	4Q12	3Q13	4Q13	2012	2013	Variation (%)	
						4Q13/3Q13	2013/2012
Income from financial intermediation	**3,234**	**3,347**	**3,899**	**13,641**	**13,808**	**16.5**	**1.2**
Loans	2,113	2,435	2,607	8,958	9,864	7.1	10.1
Leases	82	64	55	382	248	(15.1)	(34.9)
Securities	1,391	957	1,047	4,940	3,844	9.4	(22.2)
Derivative financial instruments	(406)	(164)	106	(1,031)	(461)	(164.8)	(55.3)
Foreign exchange operations	32	53	85	142	291	60.9	104.5
Compulsory deposits	22	2	0	251	22	(88.8)	(91.3)
Expenses from financial intermediation	**(2,077)**	**(2,193)**	**(2,673)**	**(9,130)**	**(9,193)**	**21.9**	**0.7**
Money market borrowings	(1,872)	(1,596)	(2,013)	(8,252)	(6,857)	26.2	(16.9)
Borrowings and onlendings	(145)	(111)	(168)	(808)	(711)	51.5	(12.0)
Sale or transfer operation from financial assets	(60)	(487)	(491)	(70)	(1,625)	1.0	-
Net interest income	**1,156**	**1,154**	**1,226**	**4,512**	**4,615**	**6.3**	**2.3**
Allowance for loan losses	(951)	(761)	(1,266)	(5,092)	(3,875)	66.4	(23.9)
Net financial margin	**205**	**393**	**(40)**	**(580)**	**740**	**(110.1)**	**(227.5)**
Other operating income/expenses	**(829)**	**(627)**	**(58)**	**(2,505)**	**(1,883)**	**(90.7)**	**(24.8)**
Fee income/ banking fees income	286	257	282	1,035	1,030	9.8	(0.5)
Personnel expenses	(279)	(241)	(292)	(978)	(1,011)	21.4	3.4
Administrative expenses	(443)	(363)	(400)	(1,572)	(1,482)	10.3	(5.7)
Tax expenses - ISS, PIS and Cofins	(128)	(142)	(115)	(479)	(515)	(19.0)	7.4
Equity in income of associated companies and subsidiaries	22	30	35	70	109	18.1	55.0
Other operational income (expenses)	(288)	(168)	433	(581)	(14)	(357.9)	(97.5)
Operating income (loss)	**(624)**	**(235)**	**(98)**	**(3,085)**	**(1,144)**	**(58.3)**	**(62.9)**
Non-operating income (loss)	**(24)**	**(14)**	**(8)**	(139)	(37)	**(45.6)**	**(73.8)**
Income (loss) before taxation and profit sharing	**(648)**	**(249)**	**(106)**	**(3,224)**	**(1,180)**	**(57.5)**	**(63.4)**
Provision for income tax and social contribution	340	172	310	1,600	913	80.6	(42.9)
Profit sharing	(120)	(82)	(83)	(363)	(245)	1.2	(32.4)
Net income (loss)	**(428)**	**(159)**	**121**	**(1,988)**	**(512)**	**(176.2)**	**(74.2)**

Managed Loan Portfolio per Risk Level

Consolidated

RISK (R$ Million)	Dec.12			Sept.13			Dec.13		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	7,912	-	11.6%	5,077	-	8.3%	4,647	-	7.7%
A	39,480	197	57.9%	31,322	157	51.1%	31,168	156	51.9%
B	8,695	87	12.8%	10,559	106	17.2%	9,606	96	16.0%
C	5,368	161	7.9%	8,235	247	13.4%	7,898	237	13.2%
D	1,616	175	2.4%	1,521	138	2.5%	1,569	142	2.6%
E	1,109	366	1.6%	1,229	413	2.0%	723	217	1.2%
F	558	279	0.8%	504	254	0.8%	715	359	1.2%
G	612	428	0.9%	574	375	0.9%	1,340	938	2.2%
H	2,819	2,819	4.1%	2,258	2,258	3.7%	2,340	2,299	3.9%
TOTAL	**68,169**	**4,513**	**100.0%**	**61,281**	**3,948**	**100.0%**	**60,006**	**4,443**	**100.0%**
AA-C	**61,454**	**445**	**90.1%**	**55,194**	**509**	**90.1%**	**53,319**	**489**	**88.9%**
D-H	**6,715**	**4,068**	**9.9%**	**6,086**	**3,439**	**9.9%**	**6,687**	**3,954**	**11.1%**

Wholesale

RISK (R$ Million)	Dec.12			Sept.13			Dec.13		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	7,301	-	37.8%	4,269	-	23.7%	3,805	-	20.9%
A	5,769	29	29.9%	6,875	34	38.2%	7,238	36	39.7%
B	3,555	36	18.4%	3,849	38	21.4%	3,563	36	19.5%
C	1,110	33	5.7%	1,082	32	6.0%	795	24	4.4%
D	545	68	2.8%	573	43	3.2%	717	57	3.9%
E	485	179	2.5%	670	246	3.7%	169	51	0.9%
F	58	29	0.3%	67	35	0.4%	315	159	1.7%
G	40	28	0.2%	181	100	1.0%	992	694	5.4%
H	453	453	2.3%	448	448	2.5%	652	610	3.6%
TOTAL	**19,315**	**854**	**100.0%**	**18,014**	**977**	**100.0%**	**18,244**	**1,666**	100.0%
AA-C	**17,735**	**98**	**91.8%**	**16,075**	**105**	**89.2%**	**15,401**	**96**	**84.4%**
D-H	**1,581**	**756**	**8.2%**	**1,939**	**872**	**10.8%**	**2,844**	**1,570**	**15.6%**

Consumer Finance

RISK (R$ Million)	Dec.12			Sept.13			Dec.13		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	611	-	1.3%	809	-	1.9%	842	-	2.0%
A	33,710	169	69.0%	24,447	122	56.5%	23,930	120	57.3%
B	5,140	51	10.5%	6,710	67	15.5%	6,043	60	14.5%
C	4,259	128	8.7%	7,153	215	16.5%	7,104	213	17.0%
D	1,072	107	2.2%	947	95	2.2%	852	85	2.0%
E	624	187	1.3%	559	168	1.3%	555	166	1.3%
F	500	250	1.0%	438	219	1.0%	400	200	1.0%
G	572	401	1.2%	393	275	0.9%	348	244	0.8%
H	2,366	2,366	4.8%	1,810	1,810	4.2%	1,689	1,689	4.0%
TOTAL	**48,854**	**3,659**	**100.0%**	**43,267**	**2,971**	**100.0%**	**41,761**	**2,777**	**100.0%**
AA-C	**43,720**	**348**	**89.5%**	**39,119**	**404**	**90.4%**	**37,918**	**393**	**90.8%**
D-H	**5,134**	**3,311**	**10.5%**	**4,148**	**2,567**	**9.6%**	**3,843**	**2,384**	**9.2%**

Glossary

Earning Assets: reflects the sum of all assets that generate financial income for the institution. The total return of these assets is included in Income from Financial Intermediation.

Efficiency Ratio (ER): productivity indicator that expresses the ratio between administrative and personnel expenses and the sum of Net Interest Income, Fee Income, Equity in Income of Associated Companies and Subsidiaries, and Other Operating Income/Expenses. The lower the ER, the more "efficient" the institution.

On-Balance Loan Portfolio: loan portfolio accounted according to the criteria established by Resolution No. 2,682/99 of the National Monetary Council (CMN).

Expanded Credit Portfolio: on-balance loan portfolio with the addition of transactions with private securities acquired by BV and guarantees provided.

Managed Loan Portfolio: on-balance loan portfolio with the addition of assets assigned with recourse to other financial institutions and assets assigned to Credit Receivables Investment Funds – FIDCs, of which BV holds 100% of the subordinated shares.

Expanded Managed Credit Portfolio: managed loan portfolio, with the addition of private securities acquired by BV and guarantees provided.

Guarantees provided: operations in which BV guarantees the financial settlement of contracts.

Interest Bearing Liabilities: reflect the sum of all the liabilities that generate financial expense for the institution. The total expenses of these liabilities are included in Expenses from Financial Intermediation.

Net Interest Income (NII): difference between income and expenses from financial intermediation considering management reallocations. Represents the result from financial intermediation, before allowance for loan losses expenses.

Net Interest Margin (NIM): ratio between the net interest income and the average earning assets of the period.

Net Interest Rate: difference between the average rate of earning assets and the average rate of interest bearing liabilities.

New NPL: 90-day NPL formation index, calculated by the variation in the balance of loans past due over 90 days (90-day NPL) added to the loans written-off to loans in the quarter, divided by the loan portfolio by the end of the immediately preceding quarter.

90-day NPL: indicator that demonstrates the ratio between the balance of loans past due over 90 days and the total balance of the loan portfolio

Reallocations: managerial adjustments made in the Corporate Income Statement with the objective of enabling a better understanding of the business and of the company's performance.

Return on Average Assets (ROAA): Ratio between net income of the period and average total assets of the period. Annualized exponentially.

Return on Average Equity (ROAE): Ratio between net income of the period and the average shareholders' equity of the period. Annualized exponentially.