1Q15 Earnings Release

Contents

São Paulo, May 14, 2015. Banco Votorantim S.A. ("Bank") announces its results for the first quarter of 2015 (1Q15). 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 2014, we concluded our restructuring process and consolidated the return of profitability. In 1Q15, we continued to advance in the implementation of our earnings growth agenda.

The main highlights in terms of results during the first quarter were as follows:

- **Net income of R$ 122 million**, against R$75 million in 4Q14. Consequently, shareholders' equity totaled R$ 7,679 million at the end of the quarter.
- **Consistent revenue generation.** The Net Interest Income (NII) amounted to R$ 1,223 million in 1Q15, remaining practically stable in comparison to 4Q14. We maintained our focus on the increase of the profitability of our business portfolio and conservative granting of loans, which resulted in the maintenance of the balance of the expanded loan portfolio at R$ 68.7 billion. The net interest margin (NIM) ratio reached 5.4% per year, a decrease of 0.1 p.p. in comparison to 4Q14, as a result of an increase in the balance of interest-earning assets, caused by foreign exchange variation and assignments of credits with recourse.
- **Drop in delinquency in the Consumer Finance segment.** The Consumer Finance 90-day NPL ratio declined to 5.3% in March 2015 (5.5% in December 2014), the lowest level since June 2011, which reflects the consistent improvement in the quality of the auto finance portfolio. However, consolidated delinquency rose to 6.5% (5.7% in December 2014), basically due to delinquency on loans in the Wholesale segment, for which a substantial allowance for loan losses had already been recorded.
- **Reduction in allowance for loan losses.** The allowance for loan losses (ALL) expenses, net of revenues from credit recovery, decreased by 17.3% (R$ 87 million) in relation to 4Q14 and by 41.5% (R$ 296 million) in relation to 1Q14, mainly as a result of the improved quality of the loan portfolios of the Consumer Finance segment. It is worth mentioning that the volume of ALL expenses in 1Q15 (R$ 417 million) was the lowest level since 1Q11.
- **Reduction of the cost base.** Administrative and personnel expenses posted a nominal reduction of 3.8% compared to 4Q14, and of 6.2% in the 1Q15/1Q14 comparison, despite the high inflation during the period. As a result of a strict control of costs, our Efficiency ratio for the last twelve months reached 37.8% in March 2015.

In addition, we maintained our conservative stance in the management of funding, liquidity and capital, enhancing the quality of our credit risk. In the last 12 months we have increased the participation of more stable funding instruments, such as bills and credit assignments with recourse, which together already represent 44% of our funding. We also kept our cash at prudentially high levels, above the historical plateau. We closed March 2015 with a Basel ratio of 13.8%, 9.0% of which in the form of primary capital. The decrease in the ratio in comparison to December 2014, which was already expected, resulted mainly from the gradual implementation of the Basel III prudential adjustments.

Over the next quarters, we will continue to advance in the implementation of our earnings growth agenda, which is based on three key elements:

- Increase of the profitability of current and new businesses;
- Increase of operational efficiency; and
- Building of synergies with Banco do Brasil.

Corporate strategy

Banco Votorantim aims to consolidate its position among the main national private banks, recognized for guidance in serving its clients and partners in a sustainable manner and with long-term relationships, leveraging synergies with Banco do Brasil (BB) shareholder. For this purpose, the Bank has a diversified business portfolio in the Wholesale, Wealth Management and Consumer Finance segments, with clearly defined objectives.

Wholesale Bank Businesses

Positioned among the market leaders in lending to large enterprises, Corporate & Investment Banking (CIB) segment is intended to increase its relevance with annual revenues above R$200 million for the clients by strengthening its platform of high value-added products and low capital consumption- structured products, derivatives (hedge), FX, investment banking services (ECM, DCM and M&A) and local and international distribution (New York and London). By means of long-term relationships, agile service and sectoral expertise, the Bank provides integrated financial solutions adequate to its clients' needs.

It is important to mention that, at the end of 2013, the Bank revised its operating strategy for the medium enterprises. BV's Middle Market, which catered for medium enterprises, has been merged into CIB. In addition, the Bank has decided to gradually reduce its exposure to companies with annual revenue below R$ 200 million, also known as the "lower middle market", which, at the end of March 2015, accounted for approximately R$ 1 billion of the expanded credit portfolio (in comparison to R$ 3 billion in December 2013).

Wealth Management Business (VWM&S)

To develop and provide, in a sustainable manner, the best solutions for estate planning, is part of VWM&S's mission, which has well established objectives for the two different markets where it operates:

- **Asset Management:** to be recognized for its consistent performance and for developing solutions appropriate to the clients' needs by means of its innovative and differentiated capacity for restructuring and managing products that have a high added value. Votorantim Asset Management (VAM) holds an important position within its peer group (Assets without retail structure) and has been expanding its partnership with BB structure, management, administration and distribution of investment funds; and

- **Private Bank:** to consolidate its position among the best private banks in the market, by expanding its operations in estate planning integrated by means of differentiated solutions.

Consumer Finance Business

- **Auto finance:** to remain among the leaders in auto finance through BV Financeira (subsidiary of Banco Votorantim), which operates as an extension of BB in auto finance outside its branch network. BV Financeira concentrates its operations on used cars (multi-brand dealers), a segment in which the Bank has a history of market leadership and acknowledged expertise.

- **Payroll loans:** to maintain an important position in the market of payroll loans, focusing on INSS – National Institute of Social Security (refinancing of portfolio) and Private categories (portfolio growth).

- **Other businesses:** to grow organically in synergic businesses, increasing, for example, revenues from credit cards and insurance brokerage (e.g.: auto and credit insurance). In addition, the Bank will continue to explore new business opportunities in partnership with the stockholder BB, leveraging its competence in asset origination and management of banking correspondents.

Throughout the next quarters, the Bank will continue to advance in the implementation of its strategic plan, which is based on three key elements: increase of the profitability of current and new businesses, increase of operational efficiency, and building of synergies with Banco do Brasil.

Key Information

	1Q14	4Q14	1Q15	Variation 1Q15/4Q14	Variation 1Q15/1Q14
RESULTS (R$ Million)					
Net Interest Income (a)	1,296	1,220	1,223	0.3%	-5.7%
Alowance for loan losses - ALL (b)	(714)	(505)	(417)	-17.3%	-41.5%
Net Financial Margin (a - b)	583	715	806	12.7%	38.3%
Income from services nad banking fees	244	276	243	-12.1%	-0.5%
Personnel and adiministrative expenses	(628)	(613)	(590)	-3.8%	-6.2%
Operating Income (loss)	78	29	221	-	182.9%
Net Income (loss)	152	75	122	62.7%	-20.0%
MANAGEMENT INDICATORS (%)					
Return on Average Equity[1] (ROAE)	8.7	4.0	6.6	2.6 p.p.	-2.1 p.p.
Return on Average Assets[2] (ROAA)	0.6	0.3	0.5	0.2 p.p.	-0.1 p.p.
Net Interest Margin[3] (NIM)	5.5	5.5	5.4	-0.2 p.p.	-0.1 p.p.
Efficiency Ratio (ER) - accumulated of 12 months[4]	37.9	36.9	37.8	1.0 p.p.	-0.1 p.p.
Basel ratio	14.5	15.0	13.8	-1.2 p.p.	-0.7 p.p.
MACROECONOMIC INDICATORS[5]					
CDI - in the period (%)	2.4	2.7	2.8	0.0 p.p.	0.4 p.p.
Selic rate- end of the period (p.y.%)	10.75	11.75	12.75	1.0 p.p.	2.0 p.p.
IPCA - in the period (%)	2.2	1.7	3.8	2.1 p.p.	1.7 p.p.
Dolar exchange rate - end of the period (R$)	2.26	2.66	3.21	20.8%	41.8%
EMBI Brazil Risk (points)	228	259	319	60.0 p.p.	91.0 p.p.

	Mar.14	Dec.14	Mar.15	Variation Mar.15/Dec.14	Variation Mar.15/Mar.14
BALANCE SHEET (R$ Million)					
Total assets	104,617	98,682	105,511	6.9%	0.9%
Loan portfolio (on-balance)	54,167	53,473	54,310	1.6%	0.3%
Wholesale segment	17,508	17,509	18,488	5.6%	5.6%
Consumer Finance segment	36,659	35,964	35,822	-0.4%	-2.3%
Guarantees provided	9,913	9,927	8,937	-10.0%	-9.8%
Expanded credit Portfolio	69,560	68,689	68,704	0.0%	-1.2%
Funding sources	74,705	72,267	75,243	4.1%	0.7%
Shareholders' equity	7,339	7,554	7,679	1.7%	4.6%
Capital (Basel ratio)	10,770	11,276	10,523	-6.7%	-2.3%
LOAN PORTFOLIO QUALITY INDICATORS[6] (%)					
90-day NPL / Managed loan portfolio	6.1	5.7	6.5	0.8 p.p.	0.4 p.p.
Allowance for loan losses / 90-day NPL	124	130	115	-14.7 p.p.	-9.1 p.p.
Allowance for loan losses / Managed loan portfolio	7.6	7.4	7.5	0.1 p.p.	-0.1 p.p.
OTHER INFORMATION					
AuM[7] (R$ Million)	40,620	40,551	41,255	1.7%	1.6%

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. Includes balance of credit assignments with recourse to Financial Institutions and credit assigments to FIDCs up to Dec.11(before Resolution 3,533/Bacen)
7. Includes onshore funds (ANBIMA criteria) and private clients' resources.

Managerial Statement of Income

In order to enable a better understanding, comparison and analysis of the Bank's results and the performance of its businesses, the explanations contained in this report are based on the Managerial Statement of Income, which considers certain managerial reallocations made in the audited Statement of Income. These reallocations basically refer to:

- Expenses with characteristics of allowance for loan losses recorded under "Revenues from Loans", such as the allowances for off-balance assignments of portfolios with recourse before Resolution 3,533 entered into effect, were reallocated to the "Allowance for Loan Losses";

- Revenues from credit recovery written off as uncollectible, which are accounted for under "Revenues from Loans", were reallocated to the "Allowance for Loan Losses"; and

- 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 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".

The management strategy 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 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 – 4Q14 and 1Q15

INCOME STATEMENT (R$ Million)	4Q14 Audited	Adjustments	4Q14 Managerial	1Q15 Audited	Adjustments	1Q15 Managerial
Income from financial intermediation	**4,262**	**(47)**	**4,214**	**5,417**	**76**	**5,493**
Loans[1]	2,959	(168)	2,791	3,451	(251)	3,200
Leases	25	-	25	29	-	29
Securities	985	-	985	1,163	-	1,163
Derivative financial instruments	193	120	313	539	327	866
Foreign exchange operations	100	-	100	235	-	235
Compulsory deposits	-	-	-	-	-	-
Expenses from financial intermediation	**(2,995)**	**-**	**(2,995)**	**(4,277)**	**7**	**(4,270)**
Money market borrowings	(2,145)	-	(2,145)	(3,154)	-	(3,154)
Borrowings and onlendings	(155)	-	(155)	(401)	-	(401)
Sale or transfer from financial assets	(695)	-	(695)	(722)	7	(714)
Net interest income - NII	**1,267**	**(47)**	**1,220**	**1,140**	**83**	**1,223**
Allowance for loan losses - ALL	(672)	168	(505)	(689)	271	(417)
Net financial margin	**595**	**120**	**715**	**451**	**354**	**806**
Other operating income/expenses	**(603)**	**(84)**	**(686)**	**(355)**	**(229)**	**(585)**
Fee income	276	-	276	243	-	243
Personnel and administrative expenses	(613)	-	(613)	(590)	-	(590)
Tax expenses	(100)	(4)	(104)	(117)	(15)	(132)
Equity in income of subsidiaries	37	-	37	38	-	38
Other operating income/expenses	(203)	(80)	(282)	71	(214)	(143)
Operating income (loss)	**(8)**	**36**	**29**	**96**	**125**	**221**
Non-operating income (loss)	**(8)**	**-**	**(8)**	**(3)**	**-**	**(3)**
Income (loss) before taxes and contributions	**(16)**	**36**	**20**	**93**	**125**	**218**
Provision for income tax and social contribution	141	(36)	104	82	(125)	(43)
Profit sharing	(50)	-	(50)	(53)	-	(53)
Net income (loss)	**75**	**0**	**75**	**122**	**(0)**	**122**

1.Includes income from loan assets assigned with recourse under Resolution 3,533

Reconciliation of Audited and Managerial Net Income – 1Q14 and 1Q15

INCOME STATEMENT (R$ Million)	1Q14 Audited	Adjustments	1Q14 Managerial	1Q15 Audited	Adjustments	1Q15 Managerial
Income from financial intermediation	**3,487**	**(162)**	**3,325**	**5,417**	**76**	**5,493**
Loans[1]	2,639	(89)	2,550	3,451	(251)	3,200
Leases	42	-	42	29	-	29
Securities	843	-	843	1,163	-	1,163
Derivative financial instruments	(13)	(73)	(86)	539	327	866
Foreign exchange operations	(25)	-	(25)	235	-	235
Compulsory deposits	0	-	0	-	-	-
Expenses from financial intermediation	**(2,029)**	**-**	**(2,029)**	**(4,277)**	**7**	**(4,270)**
Money market borrowings	(1,431)	-	(1,431)	(3,154)	-	(3,154)
Borrowings and onlendings	(25)	-	(25)	(401)	-	(401)
Sale or transfer from financial assets	(574)	-	(574)	(722)	7	(714)
Net interest income - NII	**1,458**	**(162)**	**1,296**	**1,140**	**83**	**1,223**
Allowance for loan losses - ALL	(803)	89	(714)	(689)	271	(417)
Net financial margin	**656**	**(73)**	**583**	**451**	**354**	**806**
Other operating income/expenses	**(539)**	**35**	**(504)**	**(355)**	**(229)**	**(585)**
Fee income	244	-	244	243	-	243
Personnel and administrative expenses	(628)	-	(628)	(590)	-	(590)
Tax expenses	(115)	5	(111)	(117)	(15)	(132)
Equity in income of subsidiaries	41	-	41	38	-	38
Other operating income/expenses	(81)	30	(51)	71	(214)	(143)
Operating income (loss)	**116**	**(38)**	**78**	**96**	**125**	**221**
Non-operating income (loss)	**142**	**-**	**142**	**(3)**	**-**	**(3)**
Income (loss) before taxes and contributions	**259**	**(38)**	**220**	**93**	**125**	**218**
Provision for income tax and social contribution	(60)	38	(22)	82	(125)	(43)
Profit sharing	(46)	-	(46)	(53)	-	(53)
Net income (loss)	**152**	**0**	**152**	**122**	**(0)**	**122**

1. Includes income from loan assets assigned with recourse under Resolution 3,533

Analysis of managerial result

Net Interest Income (NII)

The NII remained practically stable in the comparison between 1Q15/4Q14, totaling R$ 1,223 million. In 1Q15, the Bank maintained its strategic focus on the increase of the profitability of its business and the conservative approach to the granting of loans, which resulted in the maintenance of the balance of the extended loan portfolio at R$ 68.7 billion. In the 1Q15/1Q14 comparison, the NII decreased by 5.7%, mainly due to the reduction of the average expanded loan portfolio. Since September 2011, when the Bank commenced its restructuring process (which was completed in 2014), the institution has reinforced its discipline in the use of capital, which resulted in a higher selectivity in credit concession, and emphasis on services and products with high value added and low capital consumption.

Net Interest income (NII) (R$ Million)	1Q14	4Q14	1Q15	Variation (%)	
				1Q15/4Q14	1Q15/1Q14
Income from Financial Intermediation	**3,325**	**4,214**	**5,493**	**30.3**	**65.2**
Total loans	2,550	2,791	3,200	14.6	25.5
Loans	1,696	1,837	2,220	20.8	30.9
Sale or transfer from financial assets[1]	854	954	980	2.7	14.7
Leases	42	25	29	16.1	(30.9)
Securities	843	985	1,163	18.2	38.0
Derivative financial instruments	(86)	313	866	176.3	-
Foreign exchange operations	(25)	100	235	134.4	-
Compulsory deposits	0	-	-	-	(100.0)
Expenses from Financial Intermedation	**(2,029)**	**(2,995)**	**(4,270)**	**42.6**	**110.5**
Money market repurchase agreements	(1,431)	(2,145)	(3,154)	47.1	120.5
Borrowings and onlendings	(25)	(155)	(401)	158.8	-
Sale or transfer from financial assets	(574)	(695)	(714)	2.8	24.5
Net Interest Income	**1,296**	**1,220**	**1,223**	**0.3**	**(5.7)**

1 Income from sale or transfer operations from financial assets (credits assigned after Res. 3,533 came into force)

Income from financial intermediation grew by 30.3% (R$ 1,279 million) in comparison to 4Q14, mainly impacted by foreign exchange variation effects, most of which are offset through the use of derivatives as hedging instruments.

It is important to note that, as part of its market risk management strategy, the Bank regularly enters into derivative transactions to hedge positions of loans, securities, foreign exchange, open market funding, borrowings, assignments and onlendings that are subject to risks related to foreign currencies, indices and interest rates. More information on the Bank's market risk management strategy is provided by the Report on Capital Risk Management, available at www.bancovotorantim.com.br/ir.

In 1Q15, the US dollar appreciated by 20.8% against the Real (the US dollar closed March 2015 at R$ 3.21, against R$ 2.66 in December 2014). In the income statement, this appreciation of the US dollar had a positive impact, for example, on revenues from loans with exposure to the US dollar, such as Export Credit Notes (NCEs). However, at the same time, this appreciation of the US dollar adversely impacted the costs of funding obtained in US dollars. The use of derivatives as hedging mechanisms has virtually offset the impact of this foreign exchange variation on the NII.

In the 1Q15/1Q14 comparison, income from financial intermediation had a growth of 65.2% (R$ 2,167 million), mainly driven by the positive variation in the result with derivative financial instruments and by the increase in the total income from loans. It is important to observe that the total revenues from loans grew 25.5% over 1Q14, despite the on-balance portfolio have been stable in the last 12 months.

It should be stressed that the Bank periodically carries out assignments of receivables (with recourse) to its shareholder BB. These transactions are carried out pursuant to Resolution 3,533, and, therefore, do not impact the Bank's statement of income at the time of the assignment, but rather form part of its funding strategy. However, it is worth emphasizing that when a contract is assigned with recourse, the income from this contract is henceforth recognized on the line of "Sales or Transfers of Financial Assets", instead of "Loans". For this reason, for a better understanding of the effective performance of the loan portfolio, these revenues were grouped in "Total Loans" in the prior table.

As part of the strategy to extend the maturity profile of funding sources obtained and reduce their respective costs, in 1Q15, the Bank raised R$ 3.1 billion (R$ 2.2 billion in 4Q14) by means of assignment of loan assets from the Consumer Finance segment to BB (with recourse), totaling R$ 2.6 billion, thus helping to maintain the Bank's cash position at a prudentially high level.

In the 1Q15/4Q14 comparison, expenses from financial intermediation grew by 42.6%, impacted by the effects of both foreign exchange variations and the higher SELIC interest rate (March 2015: 12.75% p.y.; December 14: 11.75% p.y.). The impact of these two factors was offset to a great extent through the use of derivatives (hedge). In comparison to 1Q14, expenses from financial intermediation increased by 110.5%, also due to the effects of foreign exchange variation and the higher SELIC interest rate.

The annualized net interest margin reached 5.4% in 1Q15, a decrease of 0.1 p.p. in comparison to the previous quarter. This is explained by a decline in the balance of interest-earning assets, caused by foreign exchange variations and assignments of receivables with recourse. In the comparison to 1Q14, the NIM also posted a decline of 0.1 p.p., due to a decrease in the net interest income.

NET INTEREST MARGIN (NIM) (R$ Million)	1Q14	4Q14	1Q15	Variation (%)	
				1Q15/4Q14	1Q15/1Q14
Net Interest Income (A)	**1,296**	**1,220**	**1,223**	**0.3**	**(5.7)**
Average Interest-Earning Assets (B)	**96,317**	**89,774**	**93,183**	**3.8**	**(3.3)**
Compulsory deposits	94	52	48	(7.3)	(48.6)
Interbank funds applied	11,860	9,295	11,059	19.0	(6.8)
Securities	29,568	27,046	28,184	4.2	(4.7)
Loans	54,794	53,381	53,892	1.0	(1.6)
NIM (A/B)	**5.5%**	**5.5%**	**5.4%**	**-0.1 p.p.**	**-0.1 p.p.**

Loan portfolio

The Bank is responsible for the risk of assets assigned with recourse to other financial institutions and assets assigned to FIDCs (Credit Receivables Investment Funds). Due to that, and aiming at ensuring a more consistent communication to the market, that report shows information on the "managed" portfolio, which includes all assets assigned with a substantial retention of risk (both on-balance sheet and off-balance sheet).

In March 2015, the consolidated portfolio of the loans classified by Resolution 2,682 reached R$ 54.3 billion, an increase of 1.6% in comparison to the balance at the end of December 2014 and remained practically stable in the last twelve months. The managed loan portfolio closed March 2015 at R$ 55.4 billion, remaining stable in relation to December 2014 and presenting a reduction of 5.2% in comparison to March 2014. It is important to recall that in view of the new regulatory environment imposed by Resolution 3,533, credits assignments with recourse since January 12 remain recorded in the Institution's assets. Therefore, off-balance assets assigned with retention of risk tends toward zero over time, causing the balances of the managed and classified portfolios to converge.

The expanded credit portfolio of the Consumer Finance segment, which includes guarantees provided and private securities, closed March 2015 with a balance of R$ 32.9 billion, an increase of 0.5% over the balance posted for December 2014, driven by the foreign exchange variation during the period.

In Consumer Finance, the classified loan portfolio reached R$ 35.8 billion in March 15, lower than in December 14. In the last 12 months the loan portfolio presented a downslide of 2.3%, reflecting the conservativeness in loan concessions, the focus on guaranteeing the quality and profitability of the new vintages, and the moderation of demand. The managed Consumer Finance portfolio in turn totaled R$ 36,9 billion in March 15, a 9.4% drop over 12 months, chiefly due to the decline in the balance of portfolios assigned with recourse until December 11 (before the Resolution 3,533 became effective).

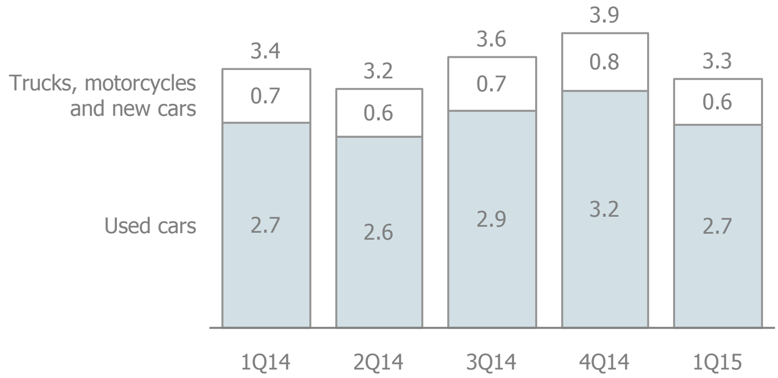
CREDIT PORTFOLIO (R$ Million)	Mar.14	Dec.14	Mar.15	Variation (%) Mar.15/Dec.14	Mar.15/Mar.14
Wholesale segment - CIB (a)	**17,508**	**17,509**	**18,488**	**5.6**	**5.6**
Consumer Finance segment (b)	**36,659**	**35,964**	**35,822**	**(0.4)**	**(2.3)**
Auto finance (direct credit and leasing)	29,679	29,410	29,387	(0.1)	(1.0)
Payroll loans	5,968	5,374	5,251	(2.3)	(12.0)
Credit Cards[1]	859	1,032	1,033	0.1	20.3
Individual Loans	153	148	152	2.6	(0.6)
On-balance loan portfolio (c=a+b)	**54,167**	**53,473**	**54,310**	**1.6**	**0.3**
Guarantees provided (d)	9,913	9,927	8,937	(10.0)	(9.8)
Private securities (e)	5,480	5,290	5,456	3.2	(0.4)
Expanded credit portfolio (f=c+d+e)	**69,560**	**68,689**	**68,704**	**0.0**	**(1.2)**
Off-balance credit assignments[2] - Consumer Finai	**4,114**	**1,758**	**1,111**	**(36.8)**	**(73.0)**
Credit assignments with recourse to Financial Institution	3,566	1,564	1,110	(29.0)	(68.9)
Auto finance (direct credit to consumer and leasing)	2,515	1,043	720	(30.9)	(71.4)
Payroll loans	1,051	522	390	(25.2)	(62.9)
Credit assignments to FIDC[3]	548	194	1	(99.4)	(99.8)
Expanded managed credit portfolio (h=f+g)	**73,674**	**70,448**	**69,815**	**(0.9)**	**(5.2)**
Wholesale segment - CIB (a+d+e)	**32,900**	**32,725**	**32,882**	**0.5**	**(0.1)**
Consumer Finance segment (b+g)	**40,773**	**37,723**	**36,934**	**(2.1)**	**(9.4)**
Auto Finance (Direct Credit to Consumer and Leasing)	32,743	30,647	30,108	(1.8)	(8.0)
Payroll Loans	7,019	5,896	5,641	(4.3)	(19.6)
Other (credit cards and individual loans)	1,012	1,180	1,185	0.4	17.1

1. History were revised starting from Mar.14; 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.

Auto finance origination

The auto finance origination volume was R$ 3.3 billion in 1Q15. It is important to notice that in the used car segment, in which the Bank has a history of market leadership and recognized expertise, the originated volume totaled R$ 2.7 billion in 1Q15, almost stable in relation to 1Q14. The lower originated volume in relation to 4Q14 is explained by seasonal effects and a downturn in demand.

Volume of auto finance origination (R$B)



Since the beginning of the restructuring process in 4Q11, the Bank has continuously improved the policies, processes and credit models of Consumer Finance, especially of the auto finance business. In 2012, for instance, the Bank incorporated new variables in its credit model, such as BB's internal rating, and additional information from credit bureaus (e.g.: Serasa Experian information full package). In 2013 a new "credit engine" was implemented, resulting in processes automation and efficiency gains, among other benefits. In 2014, credit risk management continued effective and timely, with several improvements implemented in commercial management, fraud fighting and credit collection.

In 2015, the Bank has maintained a more conservative stance in the concession of auto finance loans, practicing shorter terms and requesting higher down payments in relation to 2010 and 2011 vintages. In 4Q10, for example, the average production term was 52 months and the average down payment percentage was 26%. In 1Q15, in turn, the average production term was 44 months and the average down payment percentage was 40%, as per the following table.

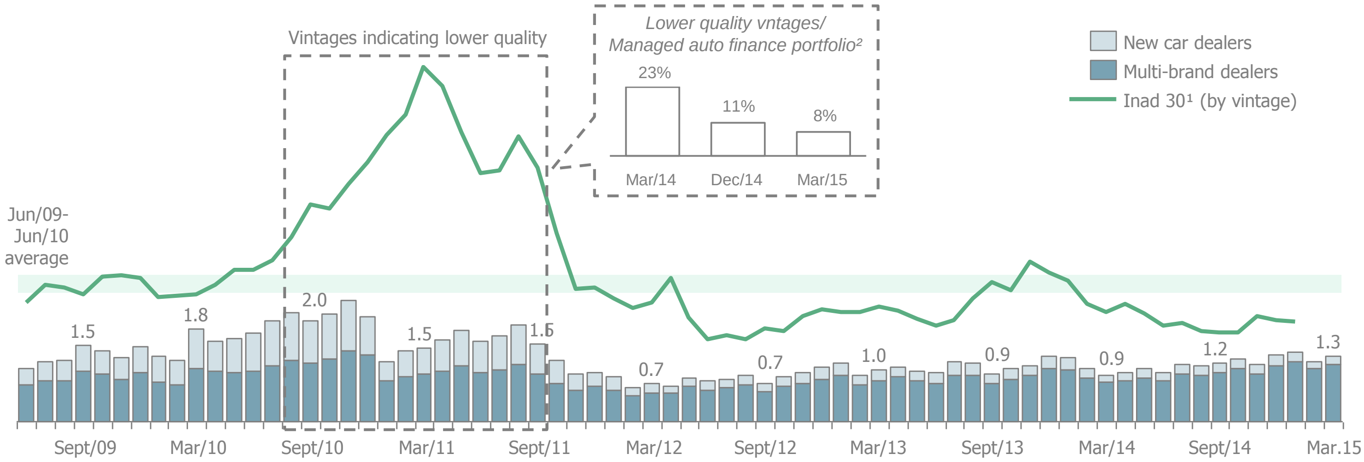
AUTO FINANCE - Origination	1Q14	4Q14	1Q15	Variation	
				1Q15/4Q14	1Q15/1Q14
Average rate (% per year)	26.6	26.4	27.5	1.1 p.p.	0.9 p.p.
Average term (months)	44	44	44.3	0	0
Loan-to-Value (%)	61.1	60.3	59.8	-0.5 p.p.	-1.3 p.p.
Used cars/cars origination (%)	86.1	86.4	89.1	2.6 p.p.	3.0 p.p.

AUTO FINANCE - Loan Portfolio	Mar.14	Dec.14	Mar.15	Variation	
				Mar.15/Dec.14	Mar.15/Mar.14
Average rate[1] (% per year)	25.2	25.6	25.7	0.1 p.p.	0.5 p.p.
Maturity (months)	16	16	16	0	0
Loan-To-Value (%)	59.2	55.2	53.5	-1.7 p.p.	-5.7 p.p.
Used cars/Auto finance portfolio (%)	76.4	80.5	81.9	1.3 p.p.	5.4 p.p.
Average vehicle age (years)	5	5	5	0	0

1 Rate calculated based on quarterly average portfolio

The combination of improvements in the credit processes and models and the prudence in the granting of loans has produced concrete results. The Bank has been originating auto finance for 42 months with a quality standard above or equal to the historical average rate. The following chart shows the progress of the first installment delinquency indicator (known as "*Inad 30*" in Portuguese) for cars, which shows, by vintage, the financing percentage with default in the payment of the first installment in excess of 30 days.

Cars – Production by channel (R$B) and first-installment delinquency[1] (%)



1. % of each month's production with first installment past due over 30 days; 2. Includes securitization with substantial risk retention before Res. 3,533.

Loan portfolios originated until June 10 and after September 11, which are of better quality, represented 92% of the managed auto finance portfolio in March 15, against 76% in March 14. That contributed to the 1.2 p.p. improvement in 90-day NPL ratio of the cars portfolio for the past 12 months (March 2015: 5.1%; March 14: 6.3%).

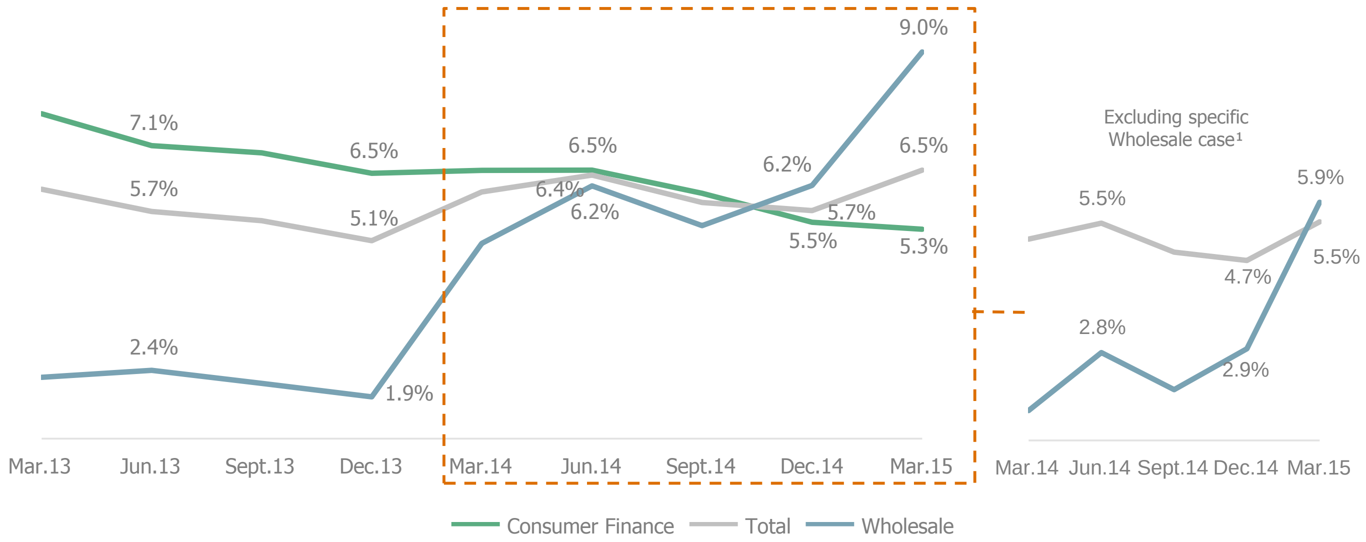
Delinquency and allowance for loan losses (ALL)

In Consumer Finance, the delinquency of the managed portfolio ended March 15 at 5.3 %, down 0.2 p.p. from December 14, due mainly to the improved quality of the auto finance portfolio. It's important to emphasize that it is the lowest delinquency level since June 11.

In Wholesale, the delinquency percentage increased to 9.0% in March 2015, compared to 6.2% in December 2014, mostly impacted by loans that already had a high allowance level. However, it is worth pointing out that the short-term delinquency level in Wholesale, which comprises 15-90-day NPL decreased from 4.1% in December 2014 to 2.4% in March 2015, and allowance for loan losses expenses in that segment decreased 6.1% in 1Q15/4Q14.

The 90-day NPL ratio in the consolidated expanded managed credit portfolio closed March 2015 at 6.5%, with 0.8 p.p. growth in the quarter and 0.5 p.p. growth in 12 months. Disregarding one specific case in Wholesale, which is classified as risk "G" under Resolution 2,682, with a 90% allowance since March 2014, the consolidated delinquency would have closed March 2015 at 5.5%.

90-day NPL ratio/Managed portfolio (%)



1. Specific case that, by the end of Mar/15, was classified in the "G" risk level, with 90% of provisioning (R$ 541M).

Allowance for loan losses expenses ("ALL"), net of credit recovery, decreased 17.3% (R$ 87 million) from 4Q14 and 41.5% (R$ 296 million) when compared to 1Q14, mostly as an effect of the better quality in Consumer Finance portfolios. This reduction of consolidated allowance for loan losses expenses contributed to the growth of the Net Financial Margin, which amounted to R$ 806 million in 1Q15, according to the table below.

NET FINANCIAL MARGIN (R$ Million)	1Q14	4Q14	1Q15	Variation (%) 1Q15/4Q14	Variation (%) 1Q15/1Q14
Net Interest Income	**1,296**	**1,220**	**1,223**	**0.3**	**(5.7)**
Allowance for loan losses	(714)	(505)	(417)	(17.3)	(41.5)
Wholesale	(156)	(212)	(147)	(30.8)	(6.1)
Consumer Finance	(557)	(293)	(271)	(7.6)	(51.4)
Net Financial Margin	**583**	**715**	**806**	**12.7**	**38.3**

It is important to highlight that, even in view of the trend of reduction in the ALL for the last few quarters, the coverage ratio (CR) of operations past due over 90 days increased 78% in September 2011 (when the restructuring started) to 115% in March 2015. The one-time CR reduction in 1Q15 is the effect of the delinquency of Wholesale loans that already had a high level of allowance.

MANAGED LOAN PORTFOLIO QUALITY INDICATORS (R$ Million, except where indicated)	Mar.14	Dec.14	Mar.15
Loan portfolio	58,281	55,231	55,422
90-day NPL/ Loan portfolio	6.1%	5.7%	6.5%
Write-off(a)	(874)	(666)	(578)
Credit recovery (b)	119	157	166
Net Loss (a+b)	(755)	(508)	(412)
Net Loss / Loan portfolio - annualized	5.3%	3.7%	3.0%
New NPL	1,356	547	1,052
New NPL / Loan portfolio[1]	2.2%	1.0%	1.9%
ALL balance	4,421	4,092	4,174
ALL balance / Loan portfolio	7.6%	7.4%	7.5%
ALL balance / 90-day NPL	124%	130%	115%
AA-C balance	51,559	49,498	49,617
AA-C balance / Loan portfolio	88.5%	89.6%	89.5%
ALL expenses / Loan portfolio	1.2%	0.9%	0.8%

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

Also regarding loan portfolio quality information presented in the table above, we highlight the following:

- The net loss kept downward trend, and amounted to R$ 412 million in 1Q15. In annualized terms, that loss is equivalent to 3.0% of the loan portfolio;
- Loans classified between "AA-C" (the best risk levels) according to Resolution 2,682 represented, at the end of March 2015, 89.5% of the managed loan portfolio – virtually the same level as in December 2014 and 1 p.p. higher than in March 2014; and
- The ratio between ALL expenses (net of recoveries) and the managed loan portfolio continued mostly unchanged in 1Q15, and 0.4 p.p. lower than the indicator in 1Q14.

Fee income/income from bank fees

Fee income/income from bank fees decreased 12.1% in relation to 4Q14, mostly due to the lower volume of auto finance originated in 1Q15, which impacted income from master file registration and appraisal of financed assets (auto). In the comparison with the same quarter in the previous year, fee income/ banking fees income remained virtually unchanged.

Fee Income[1] (R$ Million)	1Q14	4Q14	1Q15	Variation (%) 1Q15/4Q14	Variation (%) 1Q15/1Q14
Master file registration	75	80	69	(13.9)	(8.2)
Appraisal of assets	46	51	44	(13.5)	(4.0)
Credit cards	29	38	35	(6.5)	19.7
Income from guarantees provided	34	38	38	(1.3)	12.4
Management of investment funds	29	28	22	(19.7)	(23.9)
Commisions on placing of securities	7	16	11	(33.4)	43.7
Other[2]	24	27	25	(6.5)	2.3
Total Fee Incomes	**244**	**276**	**243**	**(12.1)**	**(0.5)**

1 Includes Income from bank fees; 2. Includes brokerage fees from Stock Exchange operations, commissions from insurance brokerage, and income from credit cards annuities.

Personnel expenses

Personnel expenses decreased 1.8% in relation to the previous quarter as the effect of the continuous gains in operating efficiency. In the 1Q15/1Q14 comparison, personnel expenses showed a nominal reduction of 8.5%, mostly due to the lower labor lawsuit expenses, still in connection with the restructuring process. Disregarding those labor lawsuits, personnel expenses would have remained practically unchanged in the 1Q15/1Q14 comparison, in spite of the period's inflation. The inflation for the last 12 months, as measured by the consumer price index, was 8.1%.

PERSONNEL EXPENSES (R$ Million)	1Q14	4Q14	1Q15	Variation (%)	
				1Q15/4Q14	1Q15/1Q14
Fees	(4)	(5)	(4)	(6.8)	5.5
Benefits	(32)	(35)	(33)	(5.6)	3.2
Social Charges	(50)	(46)	(57)	22.8	13.8
Dividends	(136)	(146)	(127)	(13.0)	(6.9)
Training	(0)	(1)	(0)	(71.7)	10.9
Subtotal	**(222)**	**(233)**	**(221)**	**(5.0)**	**(0.6)**
Labor lawsuits	(123)	(89)	(94)	6.6	(22.9)
Total Personnel Expenses	**(345)**	**(321)**	**(316)**	**(1.8)**	**(8.5)**

The Bank closed March 2015 with 4,780 employees, not counting statutory personnel and interns, compared to 4,838 in December 14.

Administrative expenses

In 1Q15, administrative expenses decreased 6.0% in relation to the previous quarter. In the 1Q15/1Q14 comparison, administrative expenses showed a 3.4% reduction (or R$ 10 million), with highlights in the following expenses: (i) "Rentals", arising from efficiency actions, such as the "Occupation Project", and (ii) "Judicial and notary public fees", resulting from the lower credit collection costs (e.g. legal agents, Traffic Department, motor vehicle taxes and notary office fees), mostly due to the great improvement in the quality of the auto financing portfolio.

ADMINISTRATIVE EXPENSES (R$ Million)	1Q14	4Q14	1Q15	Variation (%)	
				1Q15/4Q14	1Q15/1Q14
Rentals	(31)	(20)	(20)	0.7	(34.3)
Communication	(16)	(20)	(18)	(10.7)	9.6
Data processing	(42)	(43)	(45)	4.5	8.9
Services of the financial system	(33)	(23)	(24)	2.4	(28.3)
Specialized technical services	(79)	(91)	(87)	(4.8)	9.7
Judicial and Notary public fees	(36)	(35)	(25)	(28.6)	(29.6)
Other	(47)	(58)	(55)	(6.2)	17.0
Total Administrative Expenses	**(284)**	**(291)**	**(274)**	**(6.0)**	**(3.4)**

The Efficiency Ratio for the last 12 months closed March 2015 at 37.8%, compared to 37.9% in March 2014, as shown below. It is worth highlighting that in 1Q15 the Efficiency Ratio was only 36.4%. That result shows the continuous efforts for reducing the cost base, including efficiency actions established by the Cost and Expense Committee and investments in technology, which have been generating improvements in internal processes. In Consumer Finance, for instance, the implementation of the new "credit engine" increased the percentage of automatic decisions, thus reducing the need for personnel at the credit desk, an efficiency gain.

EFFICIENCY RATIO (ER) (R$ million)	1Q14	4Q14	1Q15	Variation (%) 1Q15/4Q14	1Q15/1Q14
Total Personnel¹ and Administrative expenses (A)	**506**	**524**	**495**	**-5.6%**	**-2.2%**
Total Revenues (B)	**1,531**	**1,250**	1,360	**8.8%**	**-11.2%**
Net Interest Income (NII)	1,296	1,220	1,223	0.3%	-5.7%
Fee/Banking Fee Income	244	276	243	-12.1%	-0.5%
Equity in Income of Associated Companies and Subsidiaries	41	37	38	2.4%	-8.8%
Other Operating Income/Expenses	(51)	(282)	(143)	-49.2%	182.3%
Efficiency Ratio - quarter (A/B)	**33.1%**	**41.9%**	**36.4%**	**-5.5 p.p.**	**3.3 p.p.**
Efficiency Ratio - 12 months	**37.9%**	**36.9%**	**37.8%**	**1.0 p.p.**	**-0.1 p.p.**

1. Excludes expenses with Labor Lawsuits

Other operating income and expenses

In 1Q15, other operating income and expenses amounted to R$-143 million, compared to R$-282 million in the previous quarter, mostly due to the one-time adjustment in income from credit assignment early settlement in 4Q14.

In the 1Q15/1Q14, the negative variation of R$ 92 million is explained by the reversal, in 1Q14, of provisions for variable compensation in the amount of R$ 162 million.

OTHER OPERATING INCOME/EXPENSES (R$ Million)	1Q14	4Q14	1Q15	Variation (%) 1Q15/4Q14	1Q15/1Q14
Reversal of provision for variable compensation	162	4	0	(100.0)	(100.0)
Reversal of provision for contingent liabilities	0	29	32	9.0	-
Adjustment of early settlement of credit assignments	0	(125)	0	(100.0)	-
Costs associated with the production¹	(154)	(139)	(162)	16.9	5.0
Provision for contingent liabilities	(37)	(13)	(0)	(99.2)	(99.7)
Civil reparations	(45)	(50)	(37)	(24.8)	(17.6)
Others	24	10	24	146.8	0.7
Total Other Operating Income/Expenses	**(51)**	**(282)**	**(143)**	**(49.2)**	**182.3**

1. Reclassification from "Lending Operations" to " Other Operating Income/Expense"; history adjusted.

Funding and Liquidity

The funding resources volume amounted to R$ 75.2 billion at the end of March 2015, with growth of 0.7% for the past 12 months, as shown below.

FUNDING SOURCES (R$ Billion)	Mar.14	Dec.14	Mar.15	Variation % Mar.15/Dec.14	Variation % Mar.15/Mar.14
Bills	**15.9**	**16.3**	**17.2**	**5.5**	**8.0**
Financing bills ("LF")	13.2	13.0	13.9	6.6	5.4
Agribusiness credit bills ("LCA") and Real estate credit bills ("LCI")	2.7	3.3	3.3	1.0	20.1
Borrowings and onlendings	**6.1**	**6.7**	**7.5**	**12.6**	**22.4**
Debentures (BV Leasing)	**18.2**	**17.4**	**15.4**	**(11.1)**	**(15.3)**
Deposits	**6.9**	**3.8**	**4.9**	**29.3**	**(28.8)**
Time deposits	4.3	2.4	3.2	31.9	(24.9)
Deposits (on demand and interbank)	2.6	1.4	1.7	24.8	(35.0)
Foreign securities	**6.0**	**6.6**	**7.2**	**9.2**	**19.9**
Securitization with recourses	**13.9**	**15.2**	**15.9**	**4.1**	**14.6**
Subordinated debts	**7.5**	**6.2**	**7.1**	**13.5**	**(5.8)**
Subordianted Financing bills	0.4	2.1	2.2	3.4	406.3
Others subordinated debts	7.1	4.1	4.9	18.6	(30.7)
Others[1]	**0.1**	**0.0**	**0.0**	**0.3**	**(71.6)**
Total funding	**74.7**	**72.3**	**75.2**	**4.1**	**0.7**

1 Includes box of options and Structured Operations Certificates

Since the beginning of the restructuring process in September 2011, the loan portfolio has decreased 15.1% (September 2011: R$ 64.0 billion, March 15: R$ 54.3 billion), which significantly reduced the need for funding. Greater discipline in the use of capital was adopted in Wholesale segment, 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 the new vintages.

In this context of lower demand for funding, the Bank has made efforts toward improving the profile of its funding sources. In the past 12 months, the Bank expanded the share of more stable funding instruments, such as credit bills (financing bills, Real estate credit bills and agribusiness credit bills) and credit assignment with recourse, which already account for 44% (R$ 33.1 billion) out of the total funding sources in March 2015, compared to 40% in March 2014. In addition, the Bank reduced the time deposit volume (certificates of deposit - CDs). It is important to note that the movement to replace CDs by financing bills is a trend observed in the domestic banking system, partly because financing bills do not require a compulsory deposit nor a contribution to the Credit Guarantee Fund ("FGC").

In 1Q15, the Bank funded R$ 3.1 billion through assignment, with recourse, of R$ 2.6 billion in loan assets to the shareholder Banco do Brasil. These credit assignment operations do not have an immediate impact on results, as was the case prior to December 11 – before Resolution 3,533 took effect, but contribute to the strategy of extending the average funding term and reducing its cost.

In relation to liquidity, in light of the uncertainties that still persist in the macroeconomic scenario, the Bank has maintained its cash position at a very conservative level, above the historical average. Additionally, it is important to emphasize that the Bank has a committed credit facility at Banco do Brasil, in the amount of R$ 6.8 billion, which represents a significant liquidity reserve and that has never been used.

Basel ratio

From Oct.13 onwards, the set of rules that implemented in Brazil the recommendations of the Basel Committee on Banking Supervision related to the Capital structure of financial institutions, known as Basel III, came into effect. The Brazilian Central Bank, through its Resolutions No. 4,192 and 4,193, provided a new method for calculating minimum capital, Tier 1 capital and principal capital requirements. Until the end of 2015, the minimum capital requirement will remain at 11%, the principal capital will be 4.5% and the Tier 2 capital will be 5.0%.

Schedule - Basel III	2014	2015	2016	2017	2018	2019
Capital Requirement (CR)	**11.00%**	**11.00%**	**9.88%**	**9.25%**	**8.63%**	**8.00%**
Common Equity Tier I	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Additional Tier I	1.00%	1.50%	1.50%	1.50%	1.50%	1.50%
Tier II	5.50%	5.00%	3.88%	3.25%	2.63%	2.00%
Minimum Additional Capital Requirement	**-**	**-**	**0.63%**	**1.25%**	**1.88%**	**2.50%**
Maximum Additional Capital Requirement	**-**	**-**	**1.25%**	**2.50%**	**3.75%**	**5.00%**
CR + Maximum Additional Capital	**11.00%**	**11.00%**	**11.13%**	**11.75%**	**12.38%**	**13.00%**
Deductions from capital	**20%**	**40%**	**60%**	**80%**	**100%**	**100%**
Restrainer of sub debts issued prior to Res. 4,192	**80%**	**70%**	**60%**	**50%**	**40%**	**30%**

The scope of consolidation used as a basis to verify the operational limits was also altered, and includes (i) the Financial Conglomerate until December 14, and (ii) the Prudential Conglomerate, defined in Resolution 4,280, as of Jan.15. The difference in scope comparison is essentially an effect of the consolidation of companies considered similar to financial institutions.

In March 2015, the Consolidated Prudential capital requirement amounted to R$ 10,523 million, and risk-weighted assets amounted to R$ 76,289 million. At the end of March 2015 the Basel ratio was 13.8%, and the Tier 1 index (which, for the Bank is equivalent to the Principal Capital) closed March 2015 at 9.0%.

We emphasize that the reduction observed in 1Q15 arises, to a great extent, from the gradual implementation of Basel III prudential adjustments. The prudential adjustment factor application was changed, as established in Resolution No. 4,192, from 20% in December 14 to 40% beginning Jan.15. In addition, a change from 80% to 70% occurred in the limit of subordinated debt issued before Resolution 4,192.

BASEL RATIO (R$ Million)	Mar.14	Dec.14	Mar.15
Total Capital	**10,770**	**11,276**	**10,523**
Tier I Capital	7,029	7,159	6,873
Common Equity Tier I	7,029	7,159	6,873
Additional Tier I	-	-	-
Tier II Capital	3,741	4,117	3,651
Risk Weighted Assets (RWA)	**74,299**	**75,375**	**76,289**
Credit risk	68,624	67,932	68,988
Market risk	1,513	3,255	2,894
Operational risk	4,162	4,188	4,407
Minimum Capital Requirement	**8,173**	**8,291**	**8,392**
Basel Ratio (Capital/RWA)	**14.5%**	**15.0%**	**13.8%**
Tier I Capital Ratio	9.5%	9.5%	9.0%
Common Equity Tier I Ratio	9.5%	9.5%	9.0%
Additional Tier I Ratio	-	-	-
Tier II Capital Ratio	5.0%	5.5%	4.8%

Ratings

Banco Votorantim has achieved investment grade status granted by Fitch Ratings and Moody´s, in recognition of its ability to honor commitments.

RATINGS 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	-	Baa3/P-3
	Foreign Currency Deposits (LT/ST)	-	Baa3/P-3
	Local Currency Deposits (LT/ST)	Aa1.br/BR-1	-
Standard & Poor's	Foreign Currency (LT/ST)	-	BB+/B
	Local Currency (LT/ST)	-	BB+/B
	National Scale (LT/ST)	brAA+/braA-1	-

LT: Long-Term / ST: Short-Term

In April 2015, Fitch Ratings agency, due to the change in the outlook for long-term sovereign ratings of Brazil, changed from stable to negative its outlook of the Bank's long-term IDRs in foreign and local currencies.

In March 2015, the Moody's rating agency published its new method for bank rating, impacting the Banco Votorantim's Baseline Credit Assessment. Thus, in May 15 Moody's downgraded the bank's long-term global scale deposit and senior debt ratings to Baa3 from Baa2, its short-term ratings to P-3 from P-2, and its long-term Brazilian national scale deposit rating to Aa1.br from Aaa.br. The outlook was changed to negative as a result of the weak economic environment.

In March 14, the risk rating agency Standard & Poor's (S&P) lowered Brazil's sovereign rating from "BBB" to "BBB-". Afterwards, S&P reviewed Brazil's BICRA (Banking Industry Country Risk Assessment) from "4" to "5" and the anchor from "bbb" to "bbb-". This BICRA review reflected on the ratings of several financial institutions, including Banco Votorantim. In May.14, S&P reviewed Banco Votorantim's rating from "BBB-" to "BB+", with stable outlook.

Corporate Governance

The current corporate governance model is continuously improved for more robustness and transparency and to ensure fast decision making, which is a characteristic quality of the Bank.

The Bank's governance is shared by the Votorantim Group shareholders and Banco do Brasil, both enjoying parity of participation in the Board of Directors and its advisory committees (Finance & Products and Marketing), and in the following 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, body that monitors matters related to the Management Compensation Policy and HR practices.

In addition, the Bank's management structure counts on an Executive Committee and operating committees and commissions, with the participation of the institution's executive leaders.

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 CEO and Vice-President 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
Alexandre Correa Abreu*	Chairman	José Ermírio de Moraes Neto	Vice-Chairman
Antonio Mauricio Maurano *	Director	Celso Scaramuzza	Director
Paulo Rogério Caffarelli	Director	João Carvalho de Miranda	Director

*Under approval by the Central Bank.

Appendix 1 - Financial statement

BALANCE SHEET | Assets (R$ Million)	Mar.14	Dec.14	Mar.15	Variation % Mar.15/Dec.14	Variation % Mar.15/Mar.14
CURRENT AND LONG-TERM ASSETS	**104,272**	**98,227**	**105,142**	**7.0**	**0.8**
Cash and cash equivalents	90	190	124	(35.0)	36.8
Interbank funds applied	12,015	7,374	14,743	99.9	22.7
Securities and derivative financial instruments	27,846	29,133	27,236	(6.5)	(2.2)
Derivative financial instruments	1,105	1,505	2,227		
Interbank accounts or relations	171	77	67	(13.3)	(61.0)
Loan Operations, Leases and Others receivables	53,245	52,783	53,619	1.6	0.7
Alowance for loan losses	(4,214)	(3,999)	(4,117)	2.9	(2.3)
Tax credit	6,559	6,657	6,825	2.5	4.1
Others	7,454	4,508	4,419	(2.0)	(40.7)
NON-CURRENTS	**346**	**455**	**369**	(18.9)	6.7
Investments	187	300	195	(35.1)	3.8
Fixed assets	93	94	101	8.0	9.1
Intangible and deferred charges	66	62	73	18.8	11.4
TOTAL ASSETS	**104,617**	**98,682**	**105,511**	6.9	0.9

BALANCE SHEET | Liabilities (R$ Million)	Mar.14	Dec.14	Mar.15	Variation % Mar.15/Dec.14	Variation % Mar.15/Mar.14
CURRENT AND LONG-TERM LIABILITIES	**97,247**	**91,096**	**97,803**	**7.4**	**0.6**
Deposits	6,917	3,811	4,928	29.3	(28.8)
Demand deposits	176	149	86	(42.5)	(51.3)
Interbank deposits	2,472	1,230	1,636	33.0	(33.8)
Time deposits	4,268	2,432	3,206	31.9	(24.9)
Money market borrowings	29,350	27,986	29,227	4.4	(0.4)
Acceptances and endorsements	23,457	22,914	24,409	6.5	4.1
Interbank accounts	41	36	177	-	-
Borrowings and onlendings	6,126	6,662	7,500	12.6	22.4
Derivative financial instruments	1,390	1,674	2,746	64.0	97.5
Others obligations	29,966	28,013	28,816	2.9	(3.8)
Subordinated debts	7,512	6,240	7,079	13.5	(5.8)
Credit transactions subject to assignment	13,856	15,250	15,873	4.1	14.6
Others obligations	8,597	6,524	5,863	(10.1)	(31.8)
DEFERRED INCOME	**32**	**32**	**29**	**(9.2)**	**(6.6)**
SHAREHOLDERS' EQUITY	**7,339**	**7,554**	**7,679**	**1.7**	**4.6**
TOTAL LIABILITIES	**104,617**	**98,682**	**105,511**	**6.9**	**0.9**

Appendix 2 - Managerial Statement of Income

INCOME STATEMENT (R$ Million)	1Q14	4Q14	1Q15	Variation (%) 1Q15/4Q14	Variation (%) 1Q15/1Q14
Income from financial intermediation	**3,325**	**4,214**	**5,493**	**30.3**	**65.2**
Loans[1]	2,550	2,791	3,200	14.6	25.5
Leases	42	25	29	16.1	(30.9)
Securities	843	985	1,163	18.2	38.0
Derivative financial instruments	(86)	313	866	176.3	-
Foreign exchange operations	(25)	100	235	134.4	-
Income from Compulsory Deposits	0	-	-	-	(100.0)
Expenses from financial intermediation	**(2,029)**	**(2,995)**	**(4,270)**	**42.6**	**110.5**
Money market borrowings	(1,431)	(2,145)	(3,154)	47.1	120.5
Borrowings and onlendings	(25)	(155)	(401)	158.8	-
Sale or transfer from financial assets	(574)	(695)	(714)	2.8	24.5
Net interest income	**1,296**	**1,220**	**1,223**	**0.3**	**(5.7)**
Allowance for loan losses	(714)	(505)	(417)	(17.3)	(41.5)
Net financial margin	**583**	**715**	**806**	**12.7**	**38.3**
Other operating income/expenses	**(504)**	**(686)**	**(585)**	**(14.8)**	**15.9**
Fee Income	244	276	243	(12.1)	(0.5)
Personnel expenses	(345)	(321)	(316)	(1.8)	(8.5)
Administrative expenses	(284)	(291)	(274)	(6.0)	(3.4)
Tax expenses - ISS, PIS and Cofins	(111)	(104)	(132)	26.9	19.6
Equity in income of subsidiaries	41	37	38	2.4	(8.8)
Other operational income (expenses)	(51)	(282)	(143)	(49.2)	182.3
Operating income (loss)	**78**	**29**	**221**	**674.7**	**182.9**
Non-operating income (loss)	**142**	**(8)**	**(3)**	**(64.5)**	**(102.1)**
Income (loss) before taxes and contribution	**220**	**20**	**218**	**983.3**	**(1.1)**
Provision for income tax and social contribution	(22)	104	(43)	(141.5)	95.6
Profit sharing	(46)	(50)	(53)	6.1	14.8
Net income (loss)	**152**	**75**	**122**	**62.7**	**(20.0)**

1.Includes income from loan assets assigned with recourse under Resolution 3,533

Appendix 3 - Quality of the Loan Portfolio

Consolidated – Classification by level of risk (Res. 2,682)

RISK (R$ Million)	Mar.14			Dec.14			Mar.15		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	4,283	-	7.3%	4,678	-	8.5%	3,520	-	6.4%
A	30,797	154	52.8%	27,779	139	50.3%	27,355	137	49.4%
B	9,162	92	15.7%	9,777	98	17.7%	10,278	103	18.5%
C	7,317	220	12.6%	7,264	218	13.2%	8,463	254	15.3%
D	1,637	164	2.8%	1,215	122	2.2%	1,183	118	2.1%
E	757	227	1.3%	741	222	1.3%	814	244	1.5%
F	846	425	1.5%	402	201	0.7%	386	193	0.7%
G	1,339	998	2.3%	1,346	1,062	2.4%	1,392	1,094	2.5%
H	2,142	2,142	3.7%	2,030	2,030	3.7%	2,030	2,030	3.7%
TOTAL	**58,281**	**4,421**	**100.0%**	**55,231**	**4,092**	**100.0%**	**55,422**	**4,174**	**100.0%**
AA-C	**51,559**	**465**	**88.5%**	**49,498**	**455**	**89.6%**	**49,617**	**493**	**89.5%**
D-H	**6,722**	**3,956**	**11.5%**	**5,734**	**3,637**	**10.4%**	**5,805**	**3,680**	**10.5%**

Wholesale – sectorial concentration

Wholesale - Sectoral concentration	Mar/14		Dec/14		Mar/15	
	R$M	Part.(%)	R$M	Part.(%)	R$M	Part.(%)
Financial Institutions	4,609	17.6%	4,201	16.0%	4,297	16.5%
Sugar and Ethanol	2,439	9.3%	2,160	8.2%	2,522	9.7%
Telecom	1,575	6.0%	2,066	7.9%	1,687	6.5%
Agribusiness	1,343	5.1%	1,323	5.1%	1,375	5.3%
Petrochemical	1,071	4.1%	1,078	4.1%	1,310	5.0%
Retail	1,036	4.0%	1,898	7.2%	1,234	4.7%
Agro Trading	934	3.6%	984	3.8%	800	3.1%
Eletricity Generation	878	3.4%	828	3.2%	777	3.0%
Oil & Gas	-	0.0%	525	2.0%	772	3.0%
Heavy Construction	918	3.5%	640	2.4%	749	2.9%
Metallurgy	865	3.3%	748	2.9%	735	2.8%
Services	647	2.5%	665	2.5%	713	2.7%
Railways	619	2.4%	731	2.8%	705	2.7%
Pulp and Paper	632	2.4%	700	2.7%	662	2.5%
Road Cargo Transportation	708	2.7%	663	2.5%	649	2.5%
Government	448	1.7%	524	2.0%	600	2.3%
Automotive	349	1.3%	503	1.9%	533	2.0%
Mining	638	2.4%	590	2.3%	480	1.8%
Slaughterhouses	519	2.0%	446	1.7%	460	1.8%
Residential Construction	0	0.0%	364	1.4%	381	1.5%
Other sectors	5,925	22.7%	4,548	17.4%	4,669	17.9%
Total	**26,151**	**100.0%**	**26,185**	**100.0%**	**26,110**	**100.0%**

1. Excludes private securities

Glossary

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

Loan portfolio: Loan portfolio accounted for according to the criteria established by Resolution No. 2,682/99 of the National Monetary Council (CMN), including the mark-to-market of loans and leases in compliance with BACEN Circular Letter No. 3,624 (as of June 14).

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

Managed Loan Portfolio: loan portfolio accounted according to Resolution CMN No. 2,682/99, with the addition of the assets assigned with recourse to other financial institutions and the assets assigned to Credit Receivables Investment Funds - FIDCs - of which the Bank holds 100% of the subordinated shares.

Expanded Managed Credit Portfolio: managed loan portfolio, with the addition of private securities acquired by the Bank, guarantees provided and other operations with credit risk.

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

90-day NPL ratio: indicator that shows the ratio between 90-day NPL and total loans.

Efficiency Ratio (ER): Productivity indicator that expresses the ratio between administrative and personnel expenses (net of labor lawsuits) 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.

FIDC: Investment Fund in Credit Rights

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

New NPL Index: The index for calculating delinquency above 90 days, based on the variation of the balance of NPLs past due over 90 days and taking into account the quarter’s write-offs as loss, divided by the final portfolio of the previous quarter.

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.

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.

Average Net-Interest Margin (NIM): ratio between net interest income and interest-earnings assets in the period.