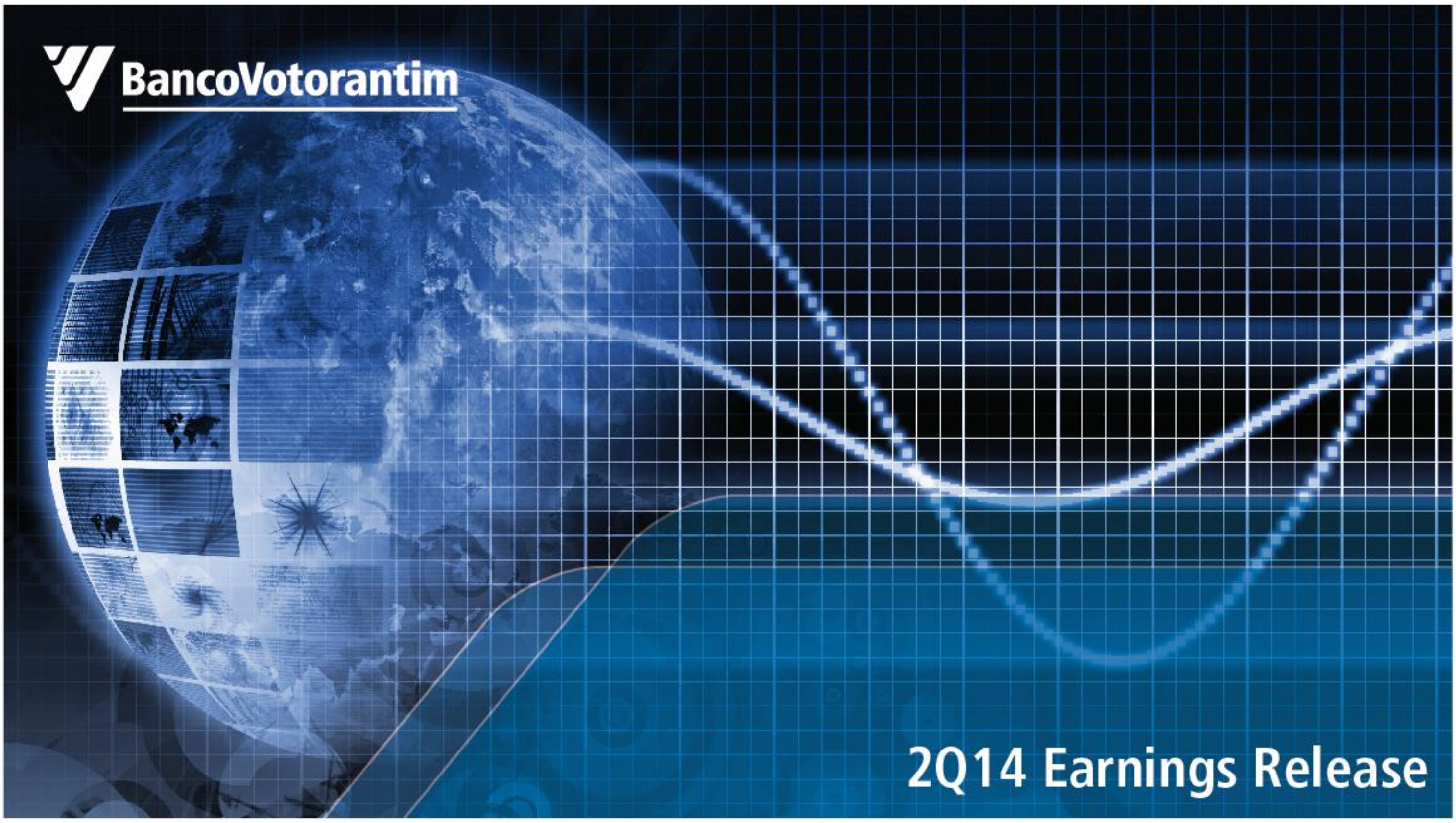
BancoVotorantim
2Q14 Earnings Release

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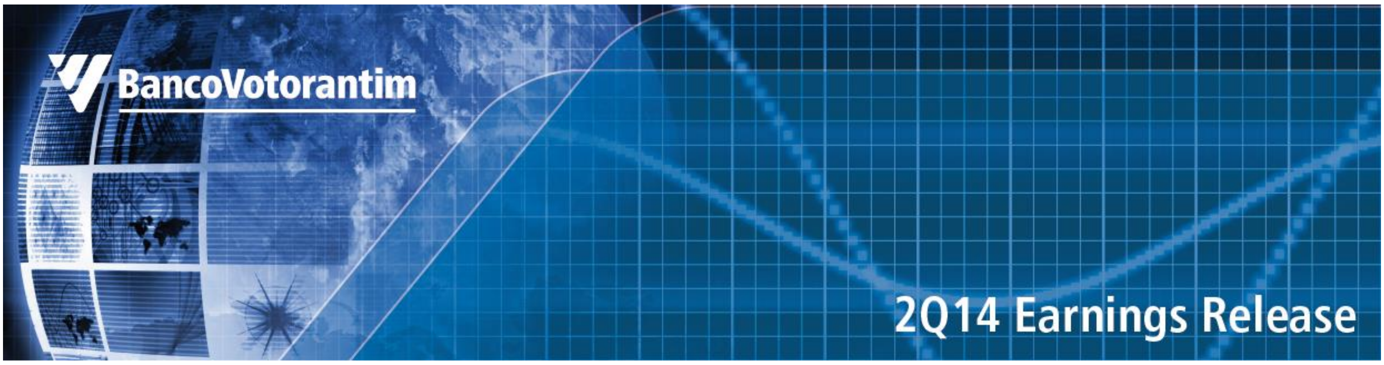


São Paulo, August 14th, 2014. Banco Votorantim S.A. ("BV") announces its results for the second quarter (2Q14) and first semester (1H14) of 2014. All financial information herein, except where indicated otherwise, is presented in nominal Brazilian Reais, based on consolidated numbers and in accordance with the Brazilian GAAP (BRGAAP) accounting standards and the Brazilian Corporate Law.

Message from the CEO

The results of 2Q14 once again confirm the concrete developments in the restructuring process:

- **Net income of R$ 140 million in 2Q14**, third consecutive quarter of positive results, with net profit in each of the last nine months. In 1H14, net income totaled R$ 292 million, against R$-474 million in 1H13.
- **Consistent revenue generation.** Net Interest Income (NII) grew 4.8% over 1Q14, even with the 1.4% reduction in the expanded credit portfolio, driven by higher revenues from structured Wholesale operations. The NIM (Net Interest Margin), in turn, reached 5.4% p.y. in 2Q14, increasing both in relation to 1Q14 (4.9%) and to 2Q13 (4.3%) due to our strategic focus on increasing profits from the current business portfolio (vs. growth of assets).
- **Maintenance of auto finance origination with quality.** We have originated light auto finance origination with quality and scale for more than 30 months. The growing participation of better quality vintages – originated up to June.10 and after Sept.11 – contributed to a reduction in this segment's delinquency in the last 12 months (June.14:6.5%; June.13: 6.8%).
- **Further reduction in allowance for loan losses (ALL).** Consolidated allowance for loan losses expenses, net of recovery revenues, were down 26.7% (R$ 191 million) against 1Q14 and 33.1% (R$ 611 million) in the 1H14/1H13 comparison. It is important to emphasize the evolution of the 90-day Coverage Ratio, which rose from 78% in Sept.11 – start of the restructuring, to 111% in June.13 and 118% in June.14.
- **Reduction in cost base.** Administrative and personnel expenses were down 13.0% against 1Q14 and 10.6% in the 1H14/1H13 comparison, in spite of inflation for the period, reflecting the various initiatives to cut expenses and to increase operational efficiency implemented throughout the restructuring process. Accordingly, our Efficiency Ratio for the last 12 months reached 36.0% in June.14 (46.3% in June.13), maintaining the trajectory of improvement.

Moreover, we managed funding, liquidity and capital conservatively, strengthening our credit risk quality. In the last 12 months, we increased the relevance of more stable funding instruments, such as bills and credit assignments with recourse which, together, already represent 40% of our funding. We also maintained our free cash at prudentially high levels – above the historical average. Finally, we ended this first semester with a 15.1% Basel Ratio, 0.6 p.p. above Mar.14. It is worth highlighting that the Tier I Capital ratio reached 9.9% in June.14, 0.4 p.p. greater than Mar.14, showing the improvement in our capital quality.

We have continued advancing in the transition to our new Growth Agenda, based on three key elements: (i) enhancing profitability of current businesses; (ii) increasing operating efficiency and (iii) expanding synergies with Banco do Brasil.

Under these circumstances, in the 2H14 we will continue to work on consolidating net profit and, in 2015, the focus will be on increasing our return on capital.

Corporate Strategy

Banco Votorantim aims to consolidate its position among the three main privately-held Brazilian banks, and to get 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 composed of Wholesale Bank, Wealth Management and Consumer Finance, with well-defined goals:

Wholesale Bank Businesses

In 2013, BV revised its Wholesale Bank business strategy, directing its focus towards companies with annual revenues above R$ 200 million. In Jan.14, the CIB (Corporate & Investment Banking) segment incorporated the Middle Market segment, which ceased to exist. This process involved the unification of assistance structures, with operating efficiency gains.

With its renewed structure, CIB keeps focused on profitability through disciplined capital allocation, accurate pricing asset pricing and an active management of the credit portfolio. Through relationships with long-term vision and agile service, as well as industry expertise, BV provides integrated financial solutions adequate to its clients' needs. Positioned among the market leaders in credit to large companies, CIB seeks to increase its relevance for the clients with annual revenues above R$ 200 million, by strengthening its platform of high value-added products - structured products, derivatives (hedge), FX, investment banking services and local and international distribution (New York and London).

Wealth Management Businesses (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 high value-added products. Votorantim Asset Management (VAM) holds an important position within its peer group (asset managers with no retail structure) and has been enhancing its partnership with BB in the structuring, management, administration, and distribution of 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 the partnership with its shareholder, BB (e.g. syndicated loans, real estate, "Mais BB"), leveraging its expertise in the management of banking correspondents.

Over the next quarters, BV will move forward in the implementation of its new Growth Agenda based on three key elements: (i) enhancing profitability of current businesses; (ii) increasing operating efficiency and (iii) expanding synergies with Banco do Brasil.

Financial Highlights

	2Q13	1Q14	2Q14	1H13	1H14	Variation % 2Q14/1Q14	Variation % 1H14/1H13
RESULTS (R$ Million)							
Net Interest Income (a)	1,112	1,142	1,197	2,235	2,339	4.8%	4.7%
Allowance for loan losses - ALL (b)	(959)	(714)	(523)	(1,848)	(1,237)	-26.7%	-33.1%
Net financial margin (a - b)	153	428	674	386	1,102	57.3%	185.2%
Income from services and banking fees	253	244	206	491	450	-15.7%	-8.3%
Administrative and personnel expenses	(595)	(628)	(547)	(1,315)	(1,175)	-13.0%	-10.6%
Operating income (loss)	(396)	78	164	(811)	242	110.3%	-129.9%
Net income (loss)	(196)	152	140	(474)	292	-7.9%	-161.7%
MANAGEMENT INDICATORS (%)							
Return on Average Equity[1] (ROAE)	(10.2)	8.7	7.7	(12.0)	8.1	-1.0 p.p.	20.1 p.p.
Return on Average Assets[2] (ROAA)	(0.7)	0.6	0.6	(0.8)	0.6	0.0 p.p.	1.4 p.p.
Net Interest Margin[3] (NIM)	4.3	4.9	5.4	4.2	5.1	0.5 p.p.	0.9 p.p.
Efficiency Ratio (ER) - accumulated of 12 months[4]	46.3	37.9	36.0	46.3	36.0	-1.9 p.p.	-10.4 p.p.
Basel ratio	13.9	14.5	15.1	13.9	15.1	0.6 p.p.	1.2 p.p.
MACROECONOMIC INDICATORS[5]							
CDI - in the period (%)	1.8	2.4	2.5	3.4	4.9	0.1 p.p.	1.5 p.p.
Selic rate- end of the period benchmark (annual %)	8.0	10.75	11.0	8.00	11.0	0.3 p.p.	3.0 p.p.
IPCA - in the period (%)	1.2	2.2	1.5	3.2	3.8	-0.6 p.p.	0.6 p.p.
Dolar exchange rate - end of the period (R$)	2.22	2.26	2.20	2.22	2.20	-2.7%	-0.6%
EMBI Brazil Risk (points)	237	228	208	237	208	-20.0 p.p.	-29.0 p.p.

	June.13	Mar.14	June.14	Variation % June14/Mar14	Variation % June14/June13
BALANCE SHEET (R$ Million)					
Total assets	111,988	104,617	96,284	-8.0%	-14.0%
Loan portfolio (on-balance)	55,748	53,810	53,055	-1.4%	-4.8%
Wholesale segment	18,648	17,315	17,163	-0.9%	-8.0%
Consumer Finance segment	37,100	36,496	35,891	-1.7%	-3.3%
Guarantees provided	12,051	9,913	10,148	2.4%	-15.8%
Credit assignments with recourse to Financial Institutions	6,507	3,566	2,812	-21.2%	-56.8%
Credit assignments with recourse to FIDC	1,291	548	406	-25.8%	-68.5%
Funding sources	76,146	74,705	71,677	-4.1%	-5.9%
Shareholders' equity	7,130	7,339	7,587	3.4%	6.4%
Capital (Basel ratio)	10,793	10,770	11,052	2.6%	2.4%
LOAN PORTFOLIO QUALITY INDICATORS[7] (%)					
90-day NPL / Managed loan portfolio	5.7	6.2	6.5	0.3 p.p.	0.8 p.p.
Allowance for loan losses / 90-day NPL	111	124	118	-6.4 p.p.	7.1 p.p.
Allowance for loan losses / Managed loan portfolio	6.3	7.6	7.7	0.0 p.p.	1.4 p.p.
OTHER INFORMATION					
AuM[8] (R$ Million)	42,730	40,620	40,594	-0.1%	-5.0%

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 Income 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 before 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 on income resulting from foreign exchange variation. 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 –1Q14 and 2Q14

INCOME STATEMENT (R$ Million)	1Q14 Audited	Adjustments	1Q14 Managerial	2Q14 Audited	Adjustments	2Q14 Managerial
Income from financial intermediation	**3,333**	**(162)**	**3,171**	**3,618**	**(299)**	**3,319**
Loans	2,486	(89)	2,397	2,739	(245)	2,494
Leases	41	-	41	34	-	34
Securities	843	-	843	934	-	934
Derivative financial instruments	(13)	(73)	(86)	(83)	(54)	(137)
Foreign exchange operations	(25)	-	(25)	(7)	-	(7)
Compulsory deposits	0	-	0	-	-	-
Expenses from financial intermediation	**(2,029)**	**-**	**(2,029)**	**(2,122)**	**-**	**(2,122)**
Money market borrowings	(1,431)	-	(1,431)	(1,484)	-	(1,484)
Borrowings and onlendings	(25)	-	(25)	(25)	-	(25)
Sale or transfer operation from financial assets	(574)	-	(574)	(613)	-	(613)
Net interest income	**1,304**	**(162)**	**1,142**	**1,496**	**(299)**	**1,197**
Allowance for loan losses - ALL	(803)	89	(714)	(768)	245	(523)
Net financial margin	**501**	**(73)**	**428**	**728**	**(54)**	**674**
Other operating income/expenses	**(385)**	**35**	**(350)**	**(536)**	**27**	**(510)**
Income from services and banking fees	244	-	244	206	-	206
Personnel and administrative expenses	(628)	-	(628)	(547)	-	(547)
Tax expenses	(115)	5	(111)	(113)	3	(110)
Equity in income of associated companies and subsidiaries	41	-	41	34	-	34
Other operating income/expenses	73	30	103	(116)	23	(93)
Operating income (loss)	**116**	**(38)**	**78**	**192**	**(28)**	**164**
Non-operating income (loss)	**142**	**-**	**142**	**(0)**	**-**	**(0)**
Income (loss) before taxation and profit sharing	**259**	**(38)**	**220**	**191**	**(28)**	**164**
Provision for income tax and social contribution	(60)	38	(22)	(7)	28	21
Profit sharing	(46)	-	(46)	(44)	-	(44)
Net income (loss)	**152**	**-**	**152**	**140**	**-**	**140**

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

Reconciliation of Audited and Managerial Net Income –1H13 and 1H14

INCOME STATEMENT (R$ Million)	1H13 Audited	Adjustments	1H13 Managerial	1H14 Audited	Adjustments	1H14 Managerial
Income from financial intermediation	**6,690**	**(128)**	**6,561**	**6,951**	**(388)**	**6,563**
Loans	5,044	(221)	4,823	5,225	(334)	4,892
Leases	130	-	130	75	-	75
Securities	1,840	-	1,840	1,778	-	1,778
Derivative financial instruments	(497)	93	(404)	(96)	(54)	(150)
Foreign exchange operations	153	-	153	(31)	-	(31)
Compulsory deposits	19	-	19	0	-	0
Expenses from financial intermediation	**(4,327)**	**-**	**(4,327)**	**(4,151)**	**-**	**(4,151)**
Money market borrowings	(3,248)	-	(3,248)	(2,915)	-	(2,915)
Borrowings and onlendings	(432)	-	(432)	(50)	-	(50)
Sale or transfer operation from financial assets	(647)	-	(647)	(1,186)	-	(1,186)
Net interest income	**2,363**	(128)	**2,235**	**2,800**	**(388)**	**2,412**
Allowance for loan losses - ALL	(2,069)	221	(1,848)	(1,570)	245	(1,326)
Net financial margin	**294**	93	**386**	**1,230**	**(143)**	**1,086**
Other operating income/expenses	**(1,135)**	(63)	**(1,198)**	**(921)**	**27**	**(895)**
Income from services and banking fees	491	-	491	450	-	450
Personnel and administrative expenses	(1,315)	-	(1,315)	(1,175)	-	(1,175)
Tax expenses	(254)	(4)	(257)	(229)	3	(225)
Equity in income of associated companies and subsidiaries	44	-	44	75	-	75
Other operating income/expenses	(101)	(60)	(161)	(43)	23	(20)
Operating income (loss)	**(841)**	**30**	**(811)**	**308**	**(117)**	**191**
Non-operating income (loss)	**(15)**	**-**	**(15)**	**142**	**-**	**142**
Income (loss) before taxation and profit sharing	**(856)**	**30**	**(826)**	**450**	**(117)**	**333**
Provision for income tax and social contribution	462	(30)	432	(67)	28	(39)
Profit sharing	(80)	-	(80)	(90)	-	(90)
Net income (loss)	**(474)**	(0)	**(474)**	**292**	-	**292**

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

Analysis of Managerial Result

Net Interest Income (NII)

Net Interest Income grew 4.8% in the 2Q14/1Q14 comparison and 4.7% in the 1H14/1H13 comparison, even in the presence of the expanded credit portfolio retraction, reflecting BV's strategic focus on increasing the profitability of its current business portfolio (vs. growth of assets). Besides maintaining discipline in capital usage, which includes selectivity in credit concession, active management of the portfolio and emphasis on services and products with low capital consumption, BV has also worked towards reducing expenses with funding sources.

NET INTEREST INCOME (R$ Million)	2Q13	1Q14	2Q14	1H13	1H14	Variation (%)	
						2Q14/1Q14	1H14/1H13
Income from Financial Intermediation	**3,972**	**3,171**	**3,319**	**6,561**	**6,490**	**4.7**	**(1.1)**
Total Loans	2,616	2,397	2,494	4,823	4,892	4.0	1.4
Loans	1,964	1,543	1,590	3,860	3,133	3.0	(18.8)
Sale or transfer operation from financial assets[1]	652	854	905	963	1,759	5.9	82.6
Leases	64	41	34	130	75	(16.6)	(41.8)
Securities	919	843	934	1,840	1,778	10.8	(3.4)
Derivative Financial Instruments	217	(86)	(137)	(404)	(223)	59.1	(44.7)
Foreign Exchange Operations	151	(25)	(7)	153	(31)	(73.6)	(120.4)
Compulsory Deposits	6	0	-	19	0	(100.0)	(98.6)
Expenses from Financial Intermedation	**(2,860)**	**(2,029)**	**(2,122)**	**(4,327)**	**(4,151)**	**4.6**	**(4.1)**
Money Market Borrowings	(2,008)	(1,431)	(1,484)	(3,248)	(2,915)	3.7	(10.3)
Borrowings and Onlendings	(409)	(25)	(25)	(432)	(50)	1.6	(88.5)
Sale or transfer operation from financial assets	(444)	(574)	(613)	(647)	(1,186)	6.8	83.4
Net Interest Income	**1,112**	**1,142**	**1,197**	**2,235**	**2,339**	**4.8**	**4.7**

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

Income from financial intermediation grew 4.7% (R$ 148 million) over 1Q14, driven by the better result with securities and by the new expansion of total revenues with loans, which include revenues from interest on credit assignments with substantial risk retention to the shareholder Banco do Brasil (BB) (credit assignments with recourse under Resolution 3,533).

It is important to observe that BV performs credit assignments (with recourse) to BB periodically. Until Dec.11, the revenues from these operations were recognized upon assignment – according to the legislation in force at the time. However, Resolution 3,533 has been in force since Jan.12, altering the rules for the accounting of credit assignments operations with substantial risk and benefit retention. Under the new rules, credit assignments with recourse remain recorded in the assets of the assignor (selling institution), which appropriates the revenues from these operations over the period of the contracts. In other words, credit assignment operations (with recourse) performed under Resolution 3,533 do not affect results at the time of the assignment. However, it is worth emphasizing that when a contract is assigned with recourse, the revenues from this contract are recognized on the line of "Sale or Transfer of Financial Assets", instead of "Loans". For this reason, to get a better understanding of the effective performance of the loan portfolio, these revenues were grouped in "Total Loans" in the table above.

In the 1H14/1H13 comparison, income from financial intermediation was down 1.1% (R$ 71 million), due mainly to the lower foreign exchange operations income, which is related to effects of exchange variations. It is important to observe that the total revenues from loans grew 1.4% over 1H13, climbing to R$ 4,892 million even with the retraction of 4.8% in the on-balance loan portfolio in the last 12 months. This growth was mainly driven by the better performance of the auto finance business, which benefited from the reduction of delinquency above 60 days (i.e. growth of the income-generating portion of the portfolio).

By the end of June.14, the off-balance sum of assets assigned with recourse until Dec.11 totaled R$ 2.8 billion, against R$ 6.5 billion in June.13. 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 1H14, BV recognized expenses in the amount of R$ 42 million referring to the early settlement of those agreements, compared to R$ 158 million in 1H13, which negatively impacted revenues from loans in the period. As previously explained, 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 increased 4.6% (R$ 93 million) compared to 1Q14, mainly due to the effects of foreign exchange fluctuations, which are greatly offset through the use of derivative financial instruments (hedge).

In the 1H14/1H13 comparison, expenses from financial intermediation decreased 4.1% (R$ 176 million), mainly due to the reduction of the average balance of funding sources and to the strategy of using funds raised from credit assignments with recourse to reduce BV's average funding cost.

In 1H14, as part of the strategy for extending the average funding term and reducing its cost, BV obtained R$ 3.9 billion through the assignment, with substantial retention of risks and benefits, of R$ 3.3 billion in Consumer Finance assets to BB.

Net Interest Margin (NIM) reached 5.4% p.y. in 2Q14, a 0.5 p.p. improvement on the previous quarter. In the 1H14/1H13 comparison, NIM registered a 0.9 p.p. expansion, related both to the NII increase and to the drop in the average balance of Interest-Earning Assets.

NET INTEREST MARGIN (NIM) (R$ Million)	2Q13	1Q14	2Q14	1H13	1H14
Net Interest Income (A)	**1,112**	**1,142**	**1,197**	**2,235**	**2,339**
Average Interest-Earning Assets (B)	**105,840**	**95,872**	**91,065**	**107,284**	**93,380**
Compulsory deposits	491	94	62	720	84
Interbank funds applied	15,492	11,860	9,287	15,915	10,093
Securities	33,719	29,568	28,283	34,239	29,285
Loans	56,138	54,350	53,433	56,410	53,918
NIM (A/B)	**4.3%**	**4.9%**	**5.4%**	**4.2%**	**5.1%**

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 and off-balance sheet).

In June.14, the consolidated on-balance loan portfolio (according to Res. 2,682) reached R$ 53.0 billion, a decline of 1.4% compared to Mar.14 and of 4.8% in the last 12 months. The managed loan portfolio, in turn, ended June.14 at R$ 56.3 billion, with a reduction of 2.9% in relation to Mar.14 and of 11.4% 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 loan portfolio to converge towards the loan portfolio.

Wholesale's expanded credit portfolio, which includes guarantees provided and private securities, ended June.14 at R$ 32.3 billion, a reduction of 1.2% in the quarter and of 12.6% in 12 months, result of greater discipline in capital allocation and of the revised performance strategy regarding medium companies ("middle market"). By the end of 2013, BV made the strategic decision of directing its focus towards companies with annual revenues above R$ 200 million, thus gradually reducing its exposure to the "lower middle market" – which, by the end of June.14, amounted to R$ 1.3 billion, compared to R$ 1.8 billion in Mar.14.

CREDIT PORTFOLIO (R$ Million)	June.13	Mar.14	June.14	Variation (%) June14/Mar14	Variation (%) June14/June13
Wholesale segment - CIB (a)	**18,648**	**17,315**	**17,163**	**(0.9)**	**(8.0)**
Consumer Finance segment (b)	**37,100**	**36,496**	**35,891**	**(1.7)**	**(3.3)**
Auto finance (direct credit and leasing)	29,710	29,981	29,586	(1.3)	(0.4)
Payroll loans	6,990	6,043	5,789	(4.2)	(17.2)
Other (credit cards and individual loans)	401	471	516	9.5	28.9
On-balance loan portfolio (c=a+b)	**55,748**	**53,810**	**53,055**	**(1.4)**	**(4.8)**
Guarantees provided (d)	12,051	9,913	10,148	2.4	(15.8)
Private securities[1] (e)	6,297	5,480	5,011	(8.6)	(20.4)
Expanded credit portfolio (f=c+d+e)	**74,096**	**69,203**	**68,213**	**(1.4)**	**(7.9)**
Off-balance credit assignments[2] - Consumer Finance (g)	**7,798**	**4,114**	**3,218**	**(21.8)**	**(58.7)**
Credit assignments with recourse to Financial Institutions	6,507	3,566	2,812	(21.2)	(56.8)
Auto finance (direct credit to consumer and leasing)	4,692	2,515	1,959	(22.1)	(58.3)
Payroll loans	1,815	1,051	853	(18.8)	(53.0)
Credit assignments to FIDC[3]	1,291	548	406	(25.8)	(68.5)
Expanded managed credit portfolio (h=f+g)	**81,893**	**73,318**	**71,431**	**(2.6)**	**(12.8)**
Wholesale segment - CIB (a+d+e)	**36,996**	**32,708**	**32,322**	**(1.2)**	**(12.6)**
Consumer Finance segment (b+g)	**44,898**	**40,610**	**39,109**	**(3.7)**	**(12.9)**
Auto Finance (Direct Credit to Consumer and Leasing)	35,692	33,045	31,951	(3.3)	(10.5)
Payroll Loans	8,805	7,094	6,642	(6.4)	(24.6)
Other (credit cards and individual loans)	401	471	516	9.5	28.9

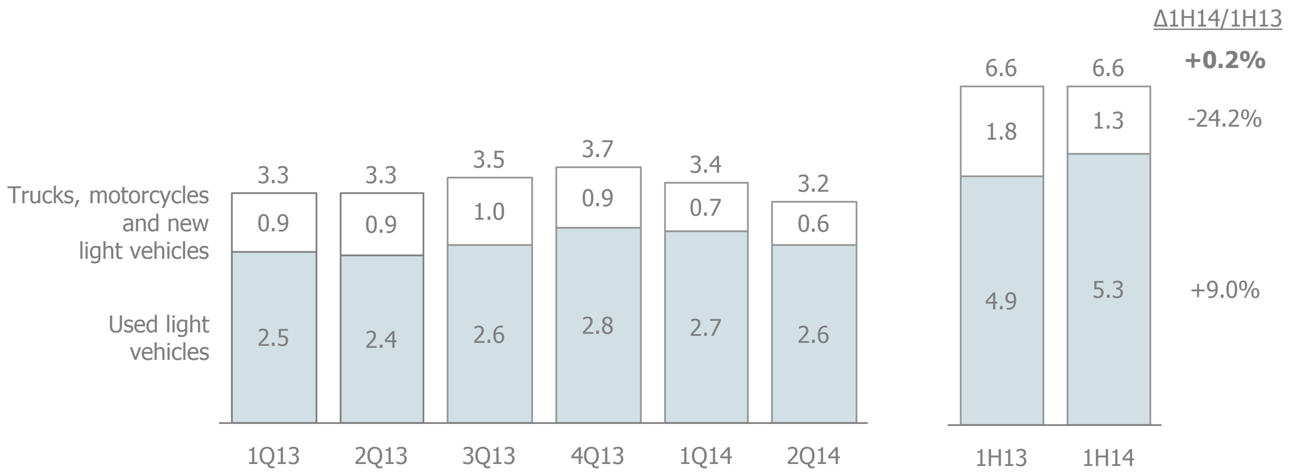
1. Expanded credit portfolio's criteria were revised in 3Q13, in order to be better aligned to BB's methodology; 2. Credits assigned before Resolution 3,533; 3. Investment funds in credit rights (FIDCs) in which Banco Votorantim and BV Financeira hold 100% of subordinated quotas.

In Consumer Finance, the loan portfolio reached R$ 35.9 billion in June.14, a reduction of 1.7% in relation to Mar.14 resulting from the decrease in the auto finance and payroll loan portfolios. In the last 12 months the loan portfolio presented a downslide of 4.8%, reflecting the conservativeness in credit concession, the focus on assuring quality and profitability of new vintages, and the moderation in demand. It is worth noting that despite the reduction in the loan portfolio over the last 12 months, there was an increase in Consumer Finance's total income from loans, as previously explained. The managed Consumer Finance portfolio, in turn, reached R$ 39.1 billion in June.14, with a 12.9% drop over 12 months, mainly due to the decline in the balance of credits assigned with recourse until Dec.11, which tend to zero.

Auto Finance Origination

The volume of auto finance origination amounted to R$ 6.6 billion in 1H14, practically stable in relation to the first half of the prior year. It is important to emphasize that in the used light vehicles segment, in which BV has a history of market leadership and recognized expertise, the originated volume grew 9.0% over 1H13, adding up to R$ 5.3 billion in 1H14.

Auto Finance Origination Volume (R$B)



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 72% in June.14, compared to 65% in Dec.13 and 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 relation to 2010 and 2011 vintages. In 4Q10, for example, the average term of production was 52 months and the average down payment percentage was 26%. In 2Q14, in turn, the average production term was 44 months and the average down payment percentage was 39%, as per the table below.

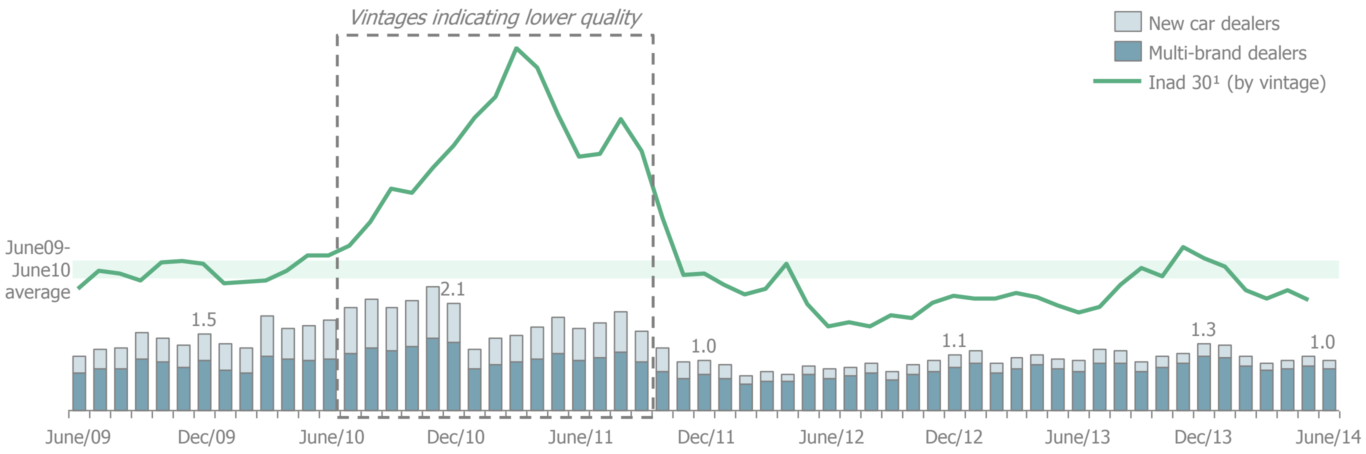
AUTO FINANCE - Origination	2Q13	1Q14	2Q14	Variation	
				2Q14/1Q14	1H14/1H13
Average rate (% per year)	24.1	26.6	26.4	-0.2 p.p.	2.3 p.p.
Average term (months)	44	44	44	-	-
Loan-to-Value (%)	63.1	61.1	60.7	-0.3 p.p.	-2.4 p.p.
Used vehicles/Light vehicles (%)	80.2	86.1	86.3	0.3 p.p.	6.2 p.p.

AUTO FINANCE - Loan Portfolio	June.13	Mar.14	June.14	Variation	
				June14/Mar14	June14/June13
Average rate[1] (% per year)	25.3	25.2	25.3	0.1 p.p.	0.0 p.p.
Maturity (months)	17	16	16	0	1
Loan-To-Value (%)	65.3	59.2	57.3	-1.9 p.p.	-8.0 p.p.
Used vehicles/Auto finance portfolio (%)	72.3	76.4	78.0	1.6 p.p.	5.7 p.p.
Average vehicle age (years)	5	5	5	-	-

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 30 months. The graph below shows the evolution of light vehicles' "Inad 30", an indicator that shows, by vintage, the percentage of financings in which there was delinquency above 30 days in the payment of the first installment.

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

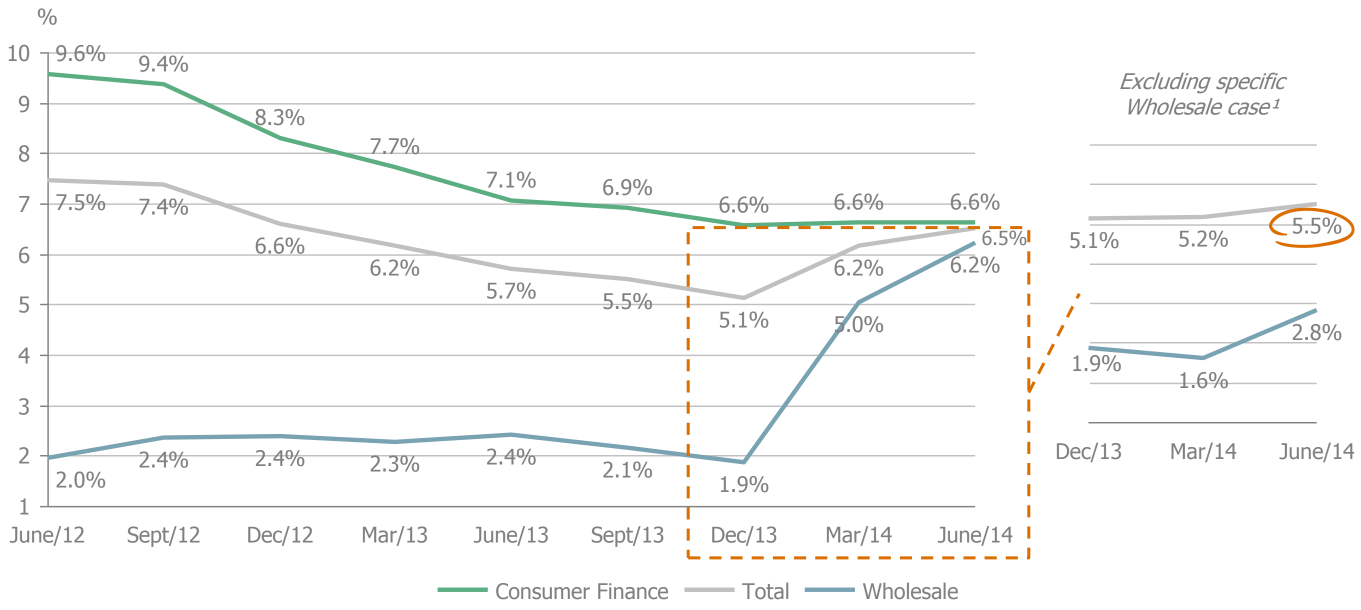
Portfolios originated up to June.10 and after Sept.11, which present better quality, represented 81% of the managed auto finance portfolio in June.14, compared to 62% in June.13. This evolution has contributed to improve light vehicles' 90-day delinquency (90-day NPL) in the last 12 months (June.14: 6.5%; June.13: 6.8%).

Delinquency and Expenses with Credit Provisions (ALL)

Consolidated managed portfolio's delinquency ended June.14 at 6.5%, with growth of 0.8 p.p. in 12 months, mainly due to the delay in a specific Wholesale case, which is classified in the "G" risk level according to Resolution 2,682, with 90% provisioning (R$ 541 million). Without this specific case, consolidated delinquency would have ended June.14 at 5.5%, with a 0.2 p.p. reduction in 12 months.

In Consumer Finance, the managed loan portfolio delinquency ended June.14 at 6.6%, practically stable in relation to Mar.14, and 0.5 p.p. below the June.13 indicator. In Wholesale, delinquency reached 6.2% in June.14, with growth over Mar.14 – partly due to the retraction of the portfolio and partly due to new cases, which had already been provisioned in previous quarters. It is important to note that the percentage of the Wholesale portfolio rated between AA-C (by Resolution 2,682) reached 84.1% in June.14, against 83.1% in Mar.14 (see Appendix 3).

90-day NPL / Managed loan portfolio (%)



1. Specific case that was classified in the risk level "G" in June.14, with 90% of provisioning (or R$ 541M)

Consolidated allowance for loan losses (ALL) expenses, net of income from credit recovery, were down 26.7% in the 2Q14/1Q14 comparison and 33.1% in the 1H14/1H13 comparison, mainly because of the quality improvement in the auto finance portfolio – reduction in the participation of vintages originated between July.10 and Sept.11. In 2Q14, the improvement in ALL expenses is also explained by the higher income from credit recovery.

This reduction in consolidated ALL expenses contributed to the growth of Net Financial Margin, which totaled R$ 674 million in 2Q14, as shown in the following table.

NET FINANCIAL MARGIN (R$ Million)	2Q13	1Q14	2Q14	1H13	1H14	Variation (%)	
						2Q14/1Q14	1H14/1H13
Net Interest Income	**1,112**	**1,142**	**1,197**	**2,235**	**2,339**	**4.8**	**4.7**
Allowance for loan losses	(959)	(714)	(523)	(1,848)	(1,237)	(26.7)	(33.1)
Wholesale	(290)	(156)	(116)	(446)	(272)	(25.9)	(39.1)
Consumer Finance	(669)	(557)	(407)	(1,402)	(965)	(26.9)	(31.2)
Net Financial Margin	**153**	**428**	**674**	**386**	**1,102**	**57.3**	**185.2**

It is important to emphasize that even with the reduction in allowance for loan losses expenses, the 90-day coverage ratio ended June.14 at 118%, a percentage higher than the 111% of June.13 and the 78% of Sept.11 – start of the restructuring process, reflecting the prudential position in relation to provisions.

MANAGED LOAN PORTFOLIO QUALITY INDICATORS (R$ Million, except where indicated)	June.13	Mar.14	June.14
Loan portfolio	63,546	57,925	56,273
90-day NPL/ Loan portfolio	5.7%	6.2%	6.5%
Write-off(a)	(1,339)	(832)	(860)
Credit recovery (b)	103	119	223
Net Loss (a+b)	(1,236)	(713)	(636)
Net Loss / Loan portfolio - annualized	8.0%	5.0%	4.6%
New NPL	900	1,314	1,492
New NPL / Loan portfolio[1]	1.4%	2.2%	2.6%
ALL provisions	3,996	4,421	4,308
ALL provisions / Loan portfolio	6.3%	7.6%	7.7%
ALL provisions / 90-day NPL	111%	124%	118%
AA-C balance	57,193	51,203	49,827
AA-C balance / Loan portfolio	90.0%	88.4%	88.5%
ALL expenses / Loan portfolio	1.5%	1.2%	0.9%

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

The credit write-off from the portfolio, net of credit recovery, totaled R$ 636 million in 2Q14, with reduction of R$ 77 million in relation to 1Q14 and of R$ 600 million in relation to 2Q13. The ratio between written-off operations, net of recovery, and the managed loan portfolio, reached 4.6% in 2Q14 (annualized indicator), down 0.4 p.p. against the previous quarter.

In 2Q14, the ratio between ALL expenses, net of credit recovery, and the managed loan portfolio, reached 0.9%, 0.3 p.p. lower than the indicator of the previous quarter, and in the lowest level since 1Q11.

Income from Services and Banking Fees

Income from services and banking fees was down 15.7% against 1Q14, partly due to the retraction in Consumer Finance's volume of fees. In relation to 1H13, there was a reduction of 8.3% in service and banking fees, mainly due to the decrease in Wholesale income from guarantees provided and placing of securities.

INCOME FROM SERVICES AND BANKING FEES[1] (R$ Million)	2Q13	1Q14	2Q14	1H13	1H14	Variation (%) 2Q14/1Q14	Variation (%) 1H14/1H13
Master file registration	62	75	68	132	142	(9.4)	7.8
Appraisal of assets	43	46	42	88	88	(8.2)	(0.1)
Credit cards	8	11	11	15	22	0.1	44.4
Income from guarantees provided	43	34	38	88	71	13.1	(19.2)
Management of investment funds	32	29	27	62	56	(8.8)	(10.2)
Commisions on placing of securities	26	7	14	37	21	88.6	(43.2)
Financial advice	5	1	2	5	3	21.0	(31.0)
Other[2]	33	41	5	63	46	(88.1)	(27.1)
Total Income from Services and Banking Fees	**253**	**244**	**206**	**491**	**450**	**(15.7)**	**(8.3)**

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

Personnel Expenses

Personnel expenses recorded a nominal reduction of 16.0% against the previous quarter. In the 1H14/1H13 comparison, personnel expenses grew 6.3%, impacted by higher expenses with labor lawsuits and provisions for variable compensation programs. Disregarding expenses with labor lawsuits, the reduction in personnel expenses would have been of 3.0% in relation to 1Q14.

PERSONNEL EXPENSES (R$ Million)	2Q13	1Q14	2Q14	1H13	1H14	Variation (%) 2Q14/1Q14	Variation (%) 1H14/1H13
Fees	(3)	(4)	(4)	(8)	(9)	4.0	11.5
Benefits	(32)	(32)	(32)	(65)	(64)	2.1	(1.3)
Social Charges	(45)	(54)	(45)	(94)	(98)	(17.0)	4.2
Dividends	(164)	(255)	(207)	(429)	(462)	(18.7)	7.7
Training	(0)	(0)	(1)	(1)	(2)	208.6	104.9
Total Personnel Expenses	**(244)**	**(345)**	**(290)**	**(597)**	**(634)**	**(16.0)**	**6.3**
Labor lawsuits	(25)	(123)	(74)	(170)	(196)	(39.6)	15.7
Total Personnel Expenses excl. Labor lawsuits	**(219)**	**(222)**	**(216)**	**(427)**	**(438)**	**(3.0)**	**2.6**

The Efficiency Ratio for the last 12 months ended June.14 at 36.0%, compared to 37.9% in Mar. 14, benefited from BV's increased revenues and reduced cost base.

Banco Votorantim ended June.14 with 5,024 employees, excluding interns and statutory employees.

Administrative Expenses

In 2Q14, administrative expenses were down 9.3% (R$ 26 million) against the prior quarter. In the 1H14/1H13 comparison, administrative expenses were down almost 25% (R$ 178 million), concretely reflecting the various initiatives to cut costs and to increase operational efficiency adopted since 2012, with special emphasis on the reduction of Consumer Finance's expenses with credit collection – reflecting the rationalization of costs with legal agents, DETRAN (Traffic Department), notary fees and legal consultancy fees.

ADMINISTRATIVE EXPENSES (R$ Million)	2Q13	1Q14	2Q14	1H13	1H14	Variation (%) 2Q14/1Q14	Variation (%) 1H14/1H13
Rentals	(25)	(31)	(23)	(54)	(54)	**(26.4)**	**(1.1)**
Communication	(17)	(16)	(18)	(33)	(34)	11.5	4.2
Data processing	(45)	(42)	(46)	(86)	(88)	10.7	2.6
Services of the financial system	(38)	(33)	(38)	(75)	(71)	13.6	(6.3)
Specialized technical services	(114)	(79)	(65)	(230)	(144)	(18.6)	(37.5)
Judicial and Notary public fees	(56)	(36)	(29)	(124)	(65)	(19.2)	(47.8)
Other	(57)	(47)	(39)	(117)	(86)	(16.0)	(26.2)
Total Administrative Expenses	**(351)**	**(284)**	**(257)**	**(718)**	**(541)**	**(9.3)**	**(24.7)**

Other Operating Income and Expenses

In 2Q14, other operating income and expenses totaled R$-93 million, against R$ 103 million in 1Q14. This negative variation is mainly explained by the reversal, in 1Q14, of R$ 162 million in labor provisions.

In 1H14, other operating income and expenses totaled R$ 10 million, against R$-161 million in 1H13. This positive variation is also mainly explained by the reversal of labor provisions performed in 1Q14.

OTHER OPERATING INCOME/EXPENSES (R$ Million)	2Q13	1Q14	2Q14	1H13	1H14	Variation (%) 2Q14/1Q14	Variation (%) 1H14/1H13
Provisions for contingent liabilities	(19)	(37)	(22)	(56)	(59)	(40.8)	6.0
Civil reparations	(52)	(45)	(61)	(103)	(106)	33.2	3.4
Provision for losses - Guarantees not honored	-	14	(39)	-	(25)	(374.7)	-
Reversal of provision for variable compensation	-	162	-	-	162	(100.0)	-
Others[1]	(22)	10	29	(2)	39	198.9	-
Total Other Operating Income / Expenses	**(93)**	**103**	**(93)**	**(161)**	**10**	**(190.1)**	**(106.4)**

1 Includes costs associated with production, fraud, operational errors, escrow deposits, among others

Funding and Liquidity

Total funding sources reached R$ 71.7 billion at the end of June.14, with a 5.9% decrease in the last 12 months, as presented in the table below.

FUNDING SOURCES (R$ Bilhões)	June.13	Mar.14	June.14	Variation % June14/Mar14	Variation % June14/June13
Debentures (associated to Repos)	16.4	16.7	15.8	(5.1)	(3.1)
Deposits	9.7	6.9	5.9	(15.0)	(39.2)
Time deposits	6.9	4.3	3.7	(13.6)	(46.6)
Other	2.8	2.6	2.2	(17.3)	(21.0)
Bills	14.3	15.9	15.8	(0.5)	10.9
Financing bills	11.7	13.2	12.8	(2.7)	9.3
Agribusiness credit bills ("LCA")	2.4	2.6	2.5	(2.8)	5.9
Real estate credit bills ("LCI")	0.2	0.2	0.5	207.2	166.2
Borrowings and onlendings	8.5	6.1	5.7	(7.6)	(33.5)
Subordinated notes	7.0	7.5	7.7	2.2	9.4
Foreign securities	7.5	6.0	6.1	1.4	(18.5)
Securitization	10.3	13.9	13.2	(5.1)	27.9
Other funding sources[1]	2.6	1.7	1.5	(8.2)	(39.5)
Total funding (a)	**76.1**	**74.7**	**71.7**	**(4.1)**	**(5.9)**
On-balance loan portfolio (b)	**55.7**	**53.8**	**53.0**	**(1.6)**	**(5.0)**
On-balance loan portfolio/Total funding (b/a) (%)	**73.2**	**72.0**	**73.9**	**1.9 p.p.**	**0.7 p.p.**

1 Includes debenture issuances and box of options;

Since the beginning of the restructuring process, in Sept.11, the on-balance loan portfolio decreased 17.1% (Sept.11: R$ 64.0 billion, June.14: R$ 53.1 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. 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 which, together, already represent 40% (or R$ 29.0 billion) of our total funding sources, compared to 33% in June.13. Additionally, BV has reduced the volume of term deposits (CDs – Certificates of Deposit). It is worth noting that this movement of substitution of CDs for 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 1H14, BV raised R$ 3.9 billion through the assignment, with recourse, of R$ 3.3 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 Dec.11 – before Resolution 3,533 took effect, but contribute to the strategy of extending the average funding period and reducing its cost.

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 Banco do Brasil, in the amount of approximately R$ 7 billion, which represents a significant liquidity reserve and has never been used.

Basel Ratio

As of October, 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 4,193/2013 and Circular 3,644, provided for the new methodology for calculating the Minimum Capital Requirement (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%.

Since January 2014, Resolution 4,192/2013 has defined items relating to the prudential adjustments to be deducted from Capital and that will be made gradually, at 20% per year, from 2014 to 2018, with the exception of deferred charges and funding instruments issued by financial institutions, which are already deducted in full, and have been since October 2013.

The scope of consolidation used as basis to verify the operational limits was also altered, and now includes only the Financial Conglomerate, from 10/1/2013 to 12/31/2014, and the Prudential Conglomerate, defined in Resolution 4,280/2013, as of 01/01/2015.

The Basel Ratio ended June.14 at 15.1%, 0.6 p.p. above the ratio of Mar.14 and 1.2 p.p. above the ratio of 12 months ago. It is important to emphasize that the Tier I Capital ratio ended June.14 at 9.9%, 0.4 p.p. higher than Mar.14 and entirely composed of Common Equity – evidencing the improvement in Banco Votorantim's capital quality. Moreover, it is worth emphasizing the reduction in the portion of credit risk in the Risk Weighted Assets in the last 12 months, which reflects discipline in the use of capital associated with the strategy for increasing the profits of current business (vs. growth).

BASEL RATIO (R$ Million)	June.13	Mar.14	June.14
Total Capital	**10,793**	**10,770**	**11,052**
Tier I Capital	7,400	7,029	7,256
Common Equity Tier I	7,400	7,029	7,256
Additional Tier I		-	-
Tier II Capital	3,393	3,741	3,796
Risk Wighted Assets (RWA)	**77,653**	**74,299**	**73,119**
Credit risk	72,654	68,624	66,709
Market risk	2,435	1,513	2,248
Operational risk	2,565	4,162	4,162
Minimum Capital Requirement	**8,542**	**8,173**	**8,043**
Basel Ratio (Capital/RWA)	**13.9%**	**14.5%**	**15.1%**
Tier I Capital Ratio	9.5%	9.5%	9.9%
Common Equity Tier I Ratio	9.5%	9.5%	9.9%
Additional Tier I Ratio	-	-	-
Tier II Capital Ratio	4.4%	5.0%	5.2%

All references to the Capital, Capital Requirement, and Risk Weighted Assets 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.

Ratings

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

On March 24th, 2014, the 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 revision was 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.

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	-	Baa2/P-2
	Foreign Currency Deposits (LT/ST)	-	Baa2/P-2
	Local Currency Deposits (LT/ST)	Aaa.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

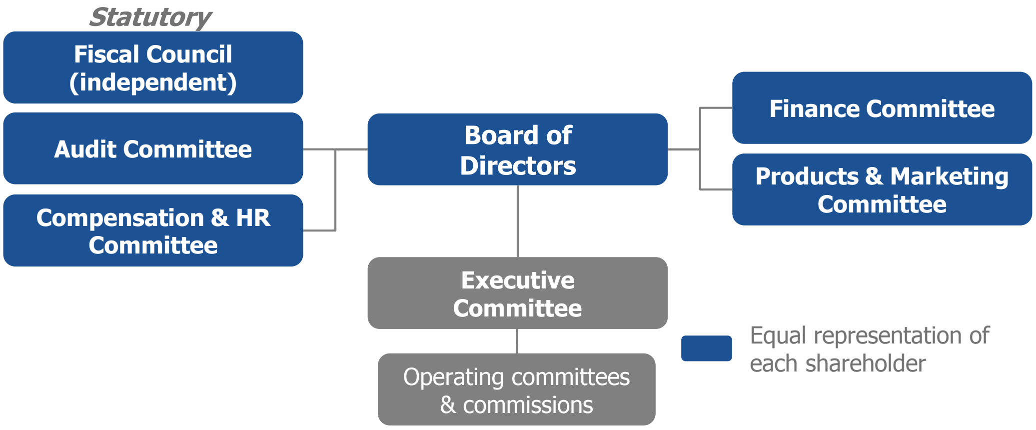
Corporate Governance

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 the three following 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 management structure counts on an Executive Committee and Operational Committees and Commissions, which involve its executive leaderships.



The Board of Directors is composed of six members, and 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
Aldemir Bendine	Vice-Chairman	José Ermírio de Moraes Neto	Chairman
Ivan de Souza Monteiro	Director	Celso Scaramuzza	Director
Paulo Rogério Caffarelli	Director	João Carvalho de Miranda	Director

Appendix 1 – Balance Sheet

BALANCE SHEET (R$ Million)	June.13	Mar.14	June.14	Variation % June14/Mar14	Variation % June14/June13
ASSETS					
CURRENT ASSETS	**59,063**	**55,648**	**49,190**	**(11.6)**	**(16.7)**
Cash and cash equivalents	130	90	119	31.3	(8.6)
Interbank funds applied	14,575	11,854	6,321	(46.7)	(56.6)
Securities and instruments	13,703	12,285	14,190	15.5	3.6
Derivative financial				-	-
Interbank accounts	399	169	109	(35.8)	(72.8)
Interbranch accounts	-	1	1	0.1	-
Loans	23,954	23,012	23,693	3.0	(1.1)
Leases	1,197	425	480	12.9	(59.9)
Other receivables	4,830	7,318	4,102	(44.0)	(15.1)
Other assets	274	492	176	(64.2)	(35.7)
LONG-TERM ASSETS	**52,576**	**48,624**	**46,714**	**(3.9)**	**(11.2)**
Interbank funds applied	237	162	238	47.0	0.4
Securities and instruments	20,225	16,666	15,652	(6.1)	(22.6)
Derivative financial					
Loans	25,899	24,701	23,893	(3.3)	(7.7)
Leases	150	312	102	(67.5)	(32.2)
Other receivables	5,250	6,380	6,159	(3.5)	17.3
Other assets	816	403	671	66.5	(17.8)
FIXED ASSETS	**349**	**346**	**380**	**10.0**	**9.1**
Investments	186	187	227	21.1	21.9
Fixed assets for use	84	93	89	(3.4)	6.3
Intangible	53	42	41	(2.6)	(22.7)
Deferred charges	26	24	23	(2.8)	(9.5)
TOTAL ASSETS	**111,988**	**104,617**	**96,284**	**(8.0)**	**(14.0)**
LIABILITIES					
CURRENT LIABILITIES	**64,000**	**61,903**	**56,591**	**(8.6)**	**(11.6)**
Deposits	7,131	5,258	4,369	(16.9)	(38.7)
Demand deposits	277	176	165	(6.5)	(40.5)
Interbank deposits	1,091	1,555	1,069	(31.3)	(2.0)
Time deposits	5,763	3,527	3,135	(11.1)	(45.6)
Money market borrowings	33,368	26,522	23,244	(12.4)	(30.3)
Acceptances and endorsements	7,883	10,660	12,801	20.1	62.4
Interbank accounts	3	2	2	3.2	(7.5)
Interbranch accounts	34	39	43	12.3	26.8
Borrowings and onlendings	5,109	3,080	2,941	(4.5)	(42.4)
Derivative financial instruments	1,699	526	666	26.5	(60.8)
Other liabilities	8,773	15,816	12,524	(20.8)	42.8
LONG-TERM LIABILITIES	**40,828**	**35,344**	**32,078**	**(9.2)**	**(21.4)**
Deposits	2,544	1,659	1,509	(9.0)	(40.7)
Interbank deposits	1,405	917	956	4.2	(31.9)
Time deposits	1,139	741	553	(25.4)	(51.4)
Money market borrowings	3,065	2,828	2,586	(8.6)	(15.6)
Acceptances and endorsements	15,367	12,797	10,660	(16.7)	(30.6)
Interbranch accounts	-	-	-	-	-
Borrowings and onlendings	3,398	3,046	2,719	(10.7)	(20.0)
Derivative financial instruments	809	864	601	(30.5)	(25.7)
Other liabilities	15,646	14,150	14,003	(1.0)	(10.5)
Deferred income	**29**	**32**	**29**	**(8.8)**	**(1.6)**
SHAREHOLDERS' EQUITY	**7,130**	**7,339**	**7,587**	**3.4**	**6.4**
TOTAL LIABILITIES	**111,988**	**104,617**	**96,284**	**(8.0)**	**(14.0)**

Appendix 2 – Managerial Income Statement

INCOME STATEMENT (R$ Million)	2Q13	1Q14	2Q14	1H13	1H14	Variation (%) 2Q14/1Q14	1H14/1H13
Income from financial intermediation	**3,972**	**3,171**	**3,319**	**6,561**	**6,490**	**4.7**	**(1.1)**
Loans[1]	2,616	2,397	2,494	4,823	4,892	4.0	1.4
Leases	64	41	34	130	75	(16.6)	(41.8)
Securities	919	843	934	1,840	1,778	10.8	(3.4)
Derivative financial instruments	217	(86)	(137)	(404)	(223)	59.1	(44.7)
Foreign exchange operations	151	(25)	(7)	153	(31)	(73.6)	(120.4)
Compulsory deposits	6	0	-	19	0	(100.0)	(98.6)
Expenses from financial intermediation	**(2,860)**	**(2,029)**	**(2,122)**	**(4,327)**	**(4,151)**	**4.6**	**(4.1)**
Money market borrowings	(2,008)	(1,431)	(1,484)	(3,248)	(2,915)	3.7	(10.3)
Borrowings and onlendings	(409)	(25)	(25)	(432)	(50)	1.6	(88.5)
Sale or transfer operation from financial assets	(444)	(574)	(613)	(647)	(1,186)	6.8	83.4
Net interest income	**1,112**	**1,142**	**1,197**	**2,235**	**2,339**	**4.8**	**4.7**
Allowance for loan losses	(959)	(714)	(523)	(1,848)	(1,237)	(26.7)	(33.1)
Net financial margin	**153**	**428**	**674**	**386**	**1,102**	**57.3**	**185.2**
Other operating income/expenses	**(549)**	**(350)**	**(510)**	**(1,198)**	**(860)**	**45.5**	**(28.2)**
Income from services and banking fees	253	244	206	491	450	(15.7)	(8.3)
Personnel expenses	(244)	(345)	(290)	(597)	(634)	(16.0)	6.3
Administrative expenses	(351)	(284)	(257)	(718)	(541)	(9.3)	(24.7)
Tax expenses - ISS, PIS and Cofins	(133)	(111)	(110)	(257)	(220)	(0.6)	(14.3)
Equity in income of associated companies and subsidiaries	20	41	34	44	75	(17.6)	70.4
Other operational income (expenses)	(93)	103	(93)	(161)	10	(190.1)	(106.4)
Operating income (loss)	**(396)**	**78**	**164**	**(811)**	**242**	**110.3**	**(129.9)**
Non-operating income (loss)	**3**	**142**	**(0)**	(15)	142	**(100.3)**	**-**
Income (loss) before taxation and profit sharing	**(393)**	**220**	**164**	**(826)**	**384**	**(25.7)**	**(146.5)**
Provision for income tax and social contribution	215	(22)	21	432	(1)	(194.4)	(100.3)
Profit sharing	(18)	(46)	(44)	(80)	(90)	(3.2)	12.8
Net income (loss)	**(196)**	**152**	**140**	**(474)**	**292**	**(7.9)**	**(161.7)**

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

Appendix 3 – Managed Loan Portfolio by Risk Level

Total

RISK (R$ Million)	June.13			Mar.14			June.14		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	6,678	-	10.5%	3,927	-	6.8%	4,371	-	7.8%
A	32,505	163	51.2%	30,797	154	53.2%	29,785	148	52.9%
B	10,699	107	16.8%	9,162	92	15.8%	8,865	89	15.8%
C	7,310	219	11.5%	7,317	220	12.6%	6,806	204	12.1%
D	1,764	205	2.8%	1,637	164	2.8%	1,512	151	2.7%
E	1,206	406	1.9%	757	227	1.3%	715	215	1.3%
F	630	315	1.0%	846	425	1.5%	850	425	1.5%
G	570	399	0.9%	1,339	998	2.3%	1,376	1,084	2.4%
H	2,183	2,183	3.4%	2,142	2,142	3.7%	1,992	1,992	3.5%
TOTAL	**63,546**	**3,996**	**100.0%**	**57,925**	**4,421**	**100.0%**	**56,273**	**4,308**	**100.0%**
AA-C	**57,193**	**489**	**90.0%**	**51,203**	**465**	**88.4%**	**49,827**	**441**	**88.5%**
D-H	**6,353**	**3,508**	**10.0%**	**6,722**	**3,956**	**11.6%**	**6,446**	**3,867**	**11.5%**

Wholesale

RISK (R$ Million)	June.13			Mar.14			June.14		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	5,895	-	31.6%	3,116	-	18.0%	3,754	-	21.9%
A	6,454	32	34.6%	7,259	36	41.9%	6,480	32	37.8%
B	3,532	35	18.9%	3,304	33	19.1%	3,225	32	18.8%
C	762	23	4.1%	717	22	4.1%	971	29	5.7%
D	698	98	3.7%	757	76	4.4%	654	65	3.8%
E	600	224	3.2%	191	57	1.1%	145	43	0.8%
F	141	70	0.8%	442	223	2.5%	414	207	2.4%
G	138	97	0.7%	995	757	5.7%	1,041	849	6.1%
H	427	427	2.3%	533	533	3.1%	479	479	2.8%
TOTAL	**18,648**	**1,007**	**100.0%**	**17,315**	**1,737**	**100.0%**	**17,163**	**1,737**	100.0%
AA-C	**16,643**	**90**	**89.3%**	**14,397**	**91**	**83.1%**	**14,430**	**93**	**84.1%**
D-H	**2,004**	**916**	**10.7%**	**2,918**	**1,646**	**16.9%**	**2,733**	**1,644**	**15.9%**

Consumer Finance

RISK (R$ Million)	June.13			Mar.14			June.14		
	Balance	Provision	Part.%	Balance	Provision	Part.%	Balance	Provision	Part.%
AA	783	-	1.7%	811	-	2.0%	617	-	1.6%
A	26,051	130	58.0%	23,538	118	58.0%	23,305	117	59.6%
B	7,167	72	16.0%	5,858	59	14.4%	5,639	56	14.4%
C	6,549	196	14.6%	6,599	198	16.3%	5,835	175	14.9%
D	1,066	107	2.4%	881	88	2.2%	857	86	2.2%
E	605	182	1.3%	566	170	1.4%	571	171	1.5%
F	490	245	1.1%	405	202	1.0%	436	218	1.1%
G	431	302	1.0%	344	241	0.8%	335	235	0.9%
H	1,756	1,756	3.9%	1,609	1,609	4.0%	1,513	1,513	3.9%
TOTAL	**44,898**	**2,990**	**100.0%**	**40,610**	**2,684**	**100.0%**	**39,109**	**2,571**	**100.0%**
AA-C	**40,549**	**398**	**90.3%**	**36,806**	**374**	**90.6%**	**35,397**	**348**	**90.5%**
D-H	**4,349**	**2,591**	**9.7%**	**3,804**	**2,310**	**9.4%**	**3,713**	**2,223**	**9.5%**

Glossary

Earning Assets: reflect 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 (net of labor lawsuits) and the sum of Net Interest Income, Service and Banking Fees 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 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 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.

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.