



June 30th, 2013
Complete Financial Statements

BANCO VOTORANTIM S.A.

Management Report

To our Shareholders,

In compliance with legal and statutory provisions, we are presenting the Management Report and the individual and consolidated Financial Statements of Banco Votorantim S.A. (Banco) for the six month periods ended June 30, 2013 (1H13) and 2012 (1H12), accompanied by the corresponding notes and independent auditors' report.

1. Economic Environment and Banking Sector

The 1H13 was in line with the recovery of the US economy, which may mark the end of the crisis started in 2008. The prospect of an inversion of this negative tendency is therefore highly significant and is giving rise to a rearrangement of forces with consequences for the prices of assets in general. Other economies, such as Japan, China and to some extent Europe, also gave signs of local changes, which helped to alter prices.

The consequent valuation of US assets and the inversion of global capital flows, in an environment of considerable uncertainties regarding the pace of changes in progress, collaborated to a 8.8% devaluation of the Real in 1H13. As a result of this and of a local food price shock, which caused annualized inflation to exceed expectations and even the top of the inflation target interval, interest rates rose. Growing discomfort with the Brazilian tax policy among investors also contributed to this capital cost movement.

Due to this scenario, the Brazilian economy recorded lower-than-expected numbers for economic activity, leading to reviews of expectations for behavior of the GDP in 2013, which started the year at 3.3% and ended 1H13 at 2.5%. This deception with the evolution of the economy prevented a substantial improvement in the commitment of income of the population with their financial debts and also of the levels of delinquency of bank credit. This is due to the fact that the real income of workers slowed down from 4.1% of annual increase in 2012 to 1.7% in the first five months of this year and that the job market settled down, with the unemployment rate practically stabilized close to 5.5% in the period, i.e., without an additional relative increase of employment.

In this context, the levels of delinquency of transactions with non-earmarked resources, both corporate and individuals, continue high, but are already showing signs of a downslide. Total delinquency rate of corporate, which in Dec.11 was at 3.4%, went up to 3.7% in Dec.12 and ended Jun.13 by 3.5%. The total delinquency of individuals, in turn, rose from 7.7% in Dec.11 to 8.0% in Dec.12, but dropped to 7.2% in Jun.13. Delinquency in the auto finance segment, which reached its historical ceiling of 7.2% in Jun.12, ended Jun.13 at 6.1%.

For the rest of the year, as the agents assimilate the new direction of the main global economies, the volatility of markets should decrease, favoring the expansion of the horizon of projections so that the Brazilian economy will be capable of consolidating a consistent growth trajectory.

2. Key Information – Consolidated Position

	1H12	1H13	Variation
RESULTS (R\$ Million)			
Net Interest Income (a)	2,325	2,360	1.5%
Allowance for loan losses - ALL (b)	(3,025)	(2,069)	-31.6%
Gross Income from Financial Operations (a - b)	(700)	290	-141.5%
Fee income ¹	492	491	-0.3%
Administrative and personnel expenses	(1,213)	(1,197)	-1.3%
Operating income (Loss)	(1,756)	(841)	-52.1%
Net income (Loss)	(1,101)	(474)	-56.9%
MANAGEMENT INDICATORS (%)			
Return on Average Equity ² (ROAE)	(25.4)	(12.0)	13.4 p.p.
Return on Average Assets ³ (ROAA)	(2.0)	(0.8)	1.2 p.p.
Basel Ratio	15.5	13.9	-1.6 p.p.
BALANCE SHEET (R\$ Million)			
Total assets	112,503	111,869	-0.6%
Loan portfolio	58,809	55,748	-5.2%
Wholesale segment	20,484	18,648	-9.0%
Consumer Finance segment	38,325	37,100	-3.2%
Guarantees provided	12,481	12,051	-3.4%
Funding sources	81,088	76,146	-6.1%
Shareholders' equity	9,117	7,130	-21.8%
Capital (Basel Ratio)	13,624	10,769	-21.0%
OTHER INFORMATION			
AuM (R\$ Million)	43,203	42,730	-1.1%

1. Includes banking fees income;

2. Ratio between net income and average equity of the period. This ratio is annualized;

3. Ratio between net income and average assets of the period. This ratio is annualized.

3. Business Performance

Transactions of the Bank are conducted in the context of a set of subsidiaries that operate in an integrated manner in the financial market, including in relation to risk management. These subsidiary companies include BV Financeira, BV Leasing, Votorantim Asset Management (VAM) and Votorantim Corretora de Títulos e Valores Mobiliários.

The Bank relies on a robust and committed shareholder base (Votorantim Group and Banco do Brasil – “BB”) and on a diversified business portfolio of wholesale banking, consumer finance and wealth management.

Since 2011, the financial industry faced an environment of important regulatory changes, slowdown of the economic activity, retraction of credit expansion, and a high delinquency rate - especially in the auto finance segment – in addition to a drop in the interest rates, spreads and tariffs.

In this context, the Bank progressed in its Change Agenda, which includes the main strategic initiatives for its adjustment process, started in the 4th quarter of 2011 and having full support from its shareholders.

The recent results confirmed the concrete developments in the implementation of the Change Agenda:

1. Maintenance of the quality and scale in the auto finance origination. The continuous improvements in loan policies, processes and models resulted in the origination of auto finance operations with a higher quality. As a result, the Bank originated R\$ 6.6 billion in auto finance operations in 1H13 – expansion of 22% in comparison to 1H12 – and ended Jun.13 as leader of the used auto finance market, with a share of 22.5%.
2. Consistent downside of delinquency. The share of better quality consumer finance operations – vintages originated up to Jun.10 and after Sept.11 – grew to 62% of the managed auto finance portfolio, against 43% in Jun.12. This growth contributed to the reduction of delinquency of the managed loan portfolio, which fell to 5.7% in Jun.13, from 7.5% in Jun.12.
3. Further reduction in allowance for loan losses (ALL) in Consumer Finance. Allowance for loan losses expenses of Consumer Finance were down 41.6% in comparison to 1H12. In the consolidated statement, ALL expenses were down 31.6% from the same period of 2012.
4. Efficiency gain. Administrative and personnel expenses were down 1.3% in the comparison with 1H12, a result of various cost cutting and efficiency gain initiatives adopted since 2012.

These achievements in the Change Agenda were accompanied by the consistent performance of business – Consumer Finance and Wholesale. The Bank’s total revenues amounted to R\$ 3 billion in 1H13, stable in relation to 1H12.

Wholesale, segmented in Corporate & Investment Banking (CIB) and Middle Market, sought to explore opportunities linked to investments in infrastructure and to the capital market, keeping the focus on profitability and conservativeness in allowance for loan losses.

CIB is one of the leader in terms of the granting of credit to companies with annual revenues above R\$ 600 million. The expanded loan portfolio (including guarantees provided and private securities) of CIB ended 1H13 with a balance of R\$ 31.5 billion, down 3.7% from Jun.12, a result of the stronger discipline in the capital allocation.

Middle Market, which faced an unfavorable middle market and slower economic growth, ended Jun.13 with an expanded loan portfolio of R\$ 8.9 billion, a reduction of 6.5% in 12 months, mainly due to the Bank's more conservative posture and to the strategy of focusing on clients with annual turnover between R\$ 50 million and R\$ 600 million – a profile better suited to its value proposition.

Votorantim Wealth Management & Services (VWM&S), in turn, maintained its focus on being one of the best structurers and managers of high value-added products. It is worth emphasizing the recent second issue of shares of FIDC Fênix, a fund that acquires credit card receivables and that had BB as Leading Coordinator of the offering. VWM&S ended Jun.13 with R\$ 42.7 billion in AuM, remaining in the 9th place in Anbima's ranking of managers.

Consumer Finance, as mentioned previously, presented better results in 1H13 than in 1H12, and ended Jun.13 with an on balance loan portfolio of R\$ 37.1 billion.

The combination of consistent generation of revenues by the business areas, decrease in ALL expenses of Consumer Finance, and reduction of the cost base contributed to the improvement of consolidated results in relation to the same prior-year period. In 1H13, the negative result dropped to R\$ 474 million, from R\$-1,101 million in the same prior-year period. The gross income from financial operations, in turn, amounted to R\$ 290 million in 1H13, presenting an improvement of approximately R\$ 1 billion in comparison to 1H12.

As previously indicated to the market, the results of 1H13 have not yet been positive due to the following main factors:

- ALL expenses that still high, due mainly to the delinquency rate in the auto finance portfolios originated from Jul.10 to Sept.11, which have a lower quality than the historical average, and which still represent 38% of the managed auto finance portfolio; and
- Expenses on early settlement and ALL referring to the portfolios assigned with recourse until Dec.11.

In this context of results, the Bank maintained its conservative attitude in relation to liquidity, funding, provisions and capital.

Since the beginning of the adjustment process, in Sept.11, the on balance loan portfolio shrank 13% (Sept.11: R\$ 64 billion, Jun.13: R\$ 55.7 billion), reducing the need for funding. In view of this scenario, the Bank has worked on improving the profile of the funds raised. In the last 12 months, the Bank expanded the share of instruments with longer maturities, such as Financing Bills and credit assignments with recourse, also reducing the volume by 64% in time deposits. This funding instrument substitution movement, particularly of reduction of time deposits in favor of financing bills, has been observed in the banking system as a whole.

As regards provisions, the coverage ratio of loans past due over 90 days was raised to 111% in Jun.13, against 87% in Jun.12.

Regarding the capital, the Basel ratio ended Jun.13 at 13.9% (15.5% in Jun.12) and the shareholders, Banco do Brasil and Votorantim Finanças, remain committed to maintain the capitalization of Banco Votorantim at appropriate levels, as provided in the Shareholders' Agreement.

The Bank will continue progressing in all areas of its Change Agenda to complete the adjustment process and resume growth with profitability in a sustainable manner. The success already demonstrated in the implementation of the Change Agenda indicates that the consolidated results of 2013 will be substantially better.

For further information on the consolidated economic and financial performance of the Bank, see the "2Q13 Earnings Release" on the Investor Relations website (www.bancovotorantim.com.br/ir).

4. Strategic Partnership with Banco do Brasil

Since September 2009 a strategic partnership is in place in Banco Votorantim between BB and Votorantim Finanças, through which BB started holding 50% of Banco Votorantim's total capital.

This partnership has a strong strategic rationale and long-term view, and has allowed the exploitation of business opportunities in several segments, among which stand out:

- **Development of the credit asset origination model ("BV Originadora – BVO"):** the Bank and BB advanced in the structuring of a model of direct origination of credit assets to BB, "BVO" which is focused on new car dealers and BB clients. Based on this new model, which "pilot" began in the 2Q13, the Bank will be in charge of the sales force in new car dealers, whereas BB is in charge of the proposal entry web portal, credit analysis and policies, funding and pricing, credit collection and after-sales activities.
- **Offer of investment products:** BB DTVM and VWM&S have made a joint effort in the development and distribution of innovative and customized Credit Receivables Investment Funds (FIDCs), Real Estate Investment Funds (FIIs), Equity Investment Funds (FIPs) and Private Credit. At the end of Jun.13, the total volume of funds related to this partnership amounted to R\$ 4.1 billion, which are managed by VAM. As of Jun.13, it is worth emphasizing the second issue of shares of FIDC Fênix – in the total amount of R\$ 707 million - a fund that acquires credit card receivables and that had BB as Leading Coordinator of the offering.
- **Expansion of the business of CIB:** deepening of the partnership with BB in the Corporate & Investment Banking businesses, focusing on credit origination, structured products, derivatives (hedging), mandates for issues of shares and bonds in the international market.
- **Expansion of the business of Votorantim Corretora:** participation of Votorantim Corretora in the distribution of capital market operations structured by BB. In addition, BB uses Votorantim Corretora to conduct proprietary positions transactions, investment funds transactions and Consumer Finance segment (through BB's home broker system).

5. Rating Agencies

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

RATING AGENCIES		National	International
Fitch Ratings	Foreign Currency IDR (LT/ST)	-	BBB-/F3
	Local Currency IDR (LT/ST)	-	BBB-/F3
	National Scale (LT/ST)	AA+(bra)/F1+(bra)	-
Moody's	Foreign Currency Senior Unsecured MTN	-	Baa2/P-2
	Foreign Currency Deposits (LT/ST)	-	Baa2/P-2
	Local Currency Deposits (LT/ST)	Aaa.br/BR-1	Baa2/P-2
Standard & Poor's	Foreign Currency (LT/ST)	-	BBB-/A-3
	Local Currency (LT/ST)	-	BBB-/A-3
	National Scale (LT/ST)	brAAA/brA-1	-

LT: Long-Term / ST: Short-Term

In May.13, Standard & Poor's reaffirmed all the ratings of Banco Votorantim. The global scale rating was maintained at "BBB-/A-3" and that of national scale at "brAAA/brA-1".

In Jul.13 Fitch Ratings also affirmed all the ratings of Banco Votorantim and BV Leasing. The Bank's Long-term IDRs (Issuer Default Rating) were kept at "BBB-", with stable outlook.

6. Awards and Recognitions

Follows the main awards and recognitions received by the Bank and its subsidiaries in 1H13:

- **"Top Gestão – Renda Fixa" ("Top Management – Fixed Income" - Standard & Poor's/Valor Investe magazine):** in Jun.13, in recognition of its excellence and consistency in performance, VAM received the award "Top Gestão – Renda Fixa", in the Major Assets category, given to the best managers from the Brazilian industry of investment funds, based on the analysis of Standard & Poor's.
- **"Fundos Excelentes" ("Excellent Funds" - Luz Engenharia/Investidor Institucional magazine):** VAM had six funds highlighted as Excellent in the Best Funds for Institutional Investors ranking, published in the Apr.13 edition of "Investidor Institucional" magazine.
- **"Top 10 Geral" ("General Top 10" -Broadcast Projections ranking):** VAM's economics team placed 6th in the Broadcast Projections category in May 2013.
- **"Prêmio Broadcast Analistas" ("Broadcast Analysts Award" - Agência Estado):** in Apr.13, the head of the Equity Research area/Votorantim Corretora placed 6th in the Broadcast Analysts award for the average return of its portfolio of recommendations in 2012.
- **"The World's Top Forecasters" (ranking of Bloomberg Markets magazine):** the head economists of VWM&S and of the Bank were among the five economists who got the most projections right over the last two years.

7. Corporate Governance

Banco Votorantim's governance is divided between the two shareholders, with a model under continuous improvement to achieve more robustness and transparency, ensuring agility in decision-making processes — a strong characteristic of the Bank.

Governance is organized in two complementary levels of authority: the first is composed of the Board of Directors and its Advisory Committees (Finance and Products and Marketing), and involves the shareholders; the second is composed of the Executive Committee and its Operational Committees involving the executive leaders of the Bank.

Additionally, the Bank counts on 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, the body that monitors matters related to the Director Compensation Policy and HR practices.

Two new committees started to operate in 2013: Investment Bank Committee, whose objective is to discuss capital market transactions, and the Money Laundering Prevention Committee, which keeps track of the application of measures and the development of internal standards necessary for money laundering and terrorism financing prevention.

8. Personnel Management

At Banco Votorantim, the professionals are instructed and motivated by a management that is committed with the business sustainability. The leaders play an essential role in disseminating people management strategies and practices, contributing to the engagement and performance of employees.

The Human Resources area acts as a strategic partner in the development of actions that support business growth, besides providing the breakdown of institutional guidelines for all the employees, promoting actions geared towards human capital management and the maintenance of values and organizational culture.

The main fronts for the Human Resources area include the following initiatives:

Talent Hiring and Retention: the intention is to value human capital, bringing professionals with competitive differentials aligned with the values and organizational culture. The area also has the attributes of providing professional development opportunities through internal recruitment, and investing in the hiring of young talents and in diversity.

Performance Management: the performance management model supports the execution of the organizational structure through the planning and definition of indicators with targeted and systematized determination. The annual contacting of goals started with the clear and transparent disclosure of the institutional guidelines, in order to direct responsibilities and development of professionals, defining goals for 100% of the employees, thus contributing to the achievement of results.

Compensation: compensation practices are aligned with the business objectives and strategies and encouragement of high performance, thus ensuring internal equity and external competitiveness. The total compensation is composed by a fixed salary, short-term incentives and long-term incentives. The short and long-term incentives take into account the profit indicators, the area's achievements and the employee's individual performance. The model aims at aligning the interests of both shareholders and professionals, and stimulates the seeking of results and a high-performance culture.

Talent Management: the intention is to invest in the development, career and retention of talents through the mapping of the profile and individual performance of executives, enabling differentiated actions that support the sustainability of the succession plan for the organization's key positions. Management level professionals are eligible for the "Coaching Program", with the purpose of potentiating their performance through individual sessions, allowing the manager to enlarge the scope of activity and alignment with high performance requirements.

Corporate Education

The Bank invests continuously and strategically in the training of its employees, in a model that stimulates development and strengthens the values and organizational culture.

In 1H13 there were 17,933 hours of training and 19,759 participations, with 1,084 classroom and 18,675 in distance learning courses, with a total of 152 topics.

The solutions are offered through the Business Schools, divided into four pillars:

- BV School: disseminates the organization's culture and values and develops the essential competencies to increase individual performance and organizational excellence, with a focus on institutional actions. In 2013 there was the expansion of Educational Agreements, which support the personal and professional development process of the employees by means of partnerships with teaching institutions that offer discounts on short and/or long courses.
- Banking School: conducts technical and specific development actions in line with the practices and expertise of each business area. Development trails were launched in this six-month period for the Credit, Wealth Management & Services and Ombudsman areas.
- Market, Strategy and Client School: supports behavioral development and strategic vision capacity, and creates a learning environment specific for client or market management actions. Consumer Finance business teams were trained in the new branch virtualization model in 2013.
- Leadership, People and Results School: develops excellence in people and business management, to qualify leaders for a highly competitive environment. In this six-month period there was a development in the conceptual alignment Learning Agility for mapping of talents and potentials.

Climate and Culture Management

With a genuine concern for monitoring the work environment and keeping it pleasant, Banco Votorantim makes available to all employees the communication channels "HR com Você" ("HR and You" - internal ombudsman) and "Central RH" ("Central HR" - internal consulting of processes and HR services).

In order to ensure that the climate is consistent with the organization's culture, values and strategic guidelines, the internal Consulting also works strategically in climate monitoring and management.

In 2013, the employee relationship program "Viver Bem" ("Live Well") was reformulated, adding resources to afford satisfaction, health and safety inside and outside the work environment, addressing the topics: Health, Habits, Coexistence and Facilities.

9. Sustainability

The Sustainability concept is intrinsically linked to the institution's business practices and to the daily routine of its operations. Banco Votorantim aims to establish ethical, transparent and lasting relations across all areas of activity, respecting the economic, social, environmental and human aspects in its processes.

The Sustainability Committee, formed in 2011, defined the guidelines for the insertion of Sustainability across the organization, according to the Corporate Sustainability Policy in force. For the Bank to achieve these goals, the performance of the Sustainability area is based on three main pillars: Business Sustainability, Conscious Consumption and Social Investment.

Business Sustainability

Sustainability and its incorporation into the business strategy is a global movement that is becoming increasingly important in the Brazilian market. Regarding the inclusion of sustainability in business, some actions were given priority, among which the following should be highlighted:

- Implementation of a tool for social and environmental risk analysis to be used when granting loans;
- Implementation of PRI – Principles for Responsible Investment in VAM and Votorantim Corretora businesses;
- Internal actions for providing employees with sustainability and financial education information and concepts, through specific e-learning programs.

Conscious Consumption

For expanding employee adhesion and adjusting the organization's activities to the "Protocolo Verde" ("Green Protocol") principles, the organization continuously stimulates actions for conscious consumption and disseminates concepts and instructions regarding the Protocol, which the Bank signed in 2009.

Social Investment

According to its Social Investment Policy, the Bank provides funding incentives for cultural, sports and social projects developed by widely recognized third-sector institutions, prioritizing projects designed for the democratization of access to culture and sports and the fulfillment of demands of children and adolescents.

It is worth emphasizing that in the social area, funds were set aside for Municipal Funds for Children and Adolescents in municipalities where the Bank operates and present demands in the area of childhood and adolescence aligned to the guidelines of ECA – "Estatuto da Criança e do Adolescente" (Child and Adolescent Statute).

10. Acknowledgments

Banco Votorantim management is grateful to clients and shareholders for their confidence, as well as to all its employees for their continued effort and dedication.

São Paulo, August 07, 2013

The Executive Board

Independent auditors' report on financial statements

To
The Board of Directors and Shareholders of
Banco Votorantim S.A.
São Paulo - SP

We have examined the individual and consolidated financial statements of Banco Votorantim S.A. ("Institution") referred as "Bank" and "Consolidated", respectively, which comprise the balance sheet as of June 30, 2013 and the respective statements of income, changes in shareholders' equity and cash flows for the semester then ended and a summary of significant accounting practices and other accompanying notes to the financial statements.

Responsibility of management for the financial statements

The Institution's management is responsible for the preparation and adequate presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil, and the internal controls it deemed necessary to enable the preparation of these financial statements free of significant distortions, regardless of whether the latter were caused by fraud or error.

Responsibility of the Independent auditors

Our responsibility is to express an opinion on these financial statements based on our auditing, carried out in accordance with the Brazilian auditing and international accounting standards. These standards require the fulfillment of ethical requirements by the auditors and that the audit be planned and performed for the purpose of obtaining reasonable assurance that the financial statements are free of significant distortions.

An audit involves the carrying out of procedures selected to obtain evidence related to the amounts and disclosures presented in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of significant distortion in the financial statements, regardless of whether the latter are caused by fraud or error. In this risk assessment, the auditor considers relevant internal controls for the preparation and adequate presentation of the financial statements of the Institution, to plan the audit procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the efficacy of these internal controls of the Institution. An audit also includes the evaluation of the adequacy of adopted accounting practices and reasonability of accounting estimates made by Management, as well as an assessment of the presentation of financial statements taken as a whole.

We believe that the audit evidence obtained is sufficient and appropriate to support our opinion.

An opinion on the individual and consolidated financial statements

In our opinion, the individual and consolidated aforementioned financial statements present fairly, in all material respects, the financial position of Banco Votorantim S.A. at June 30, 2013, the performance of its operations and its cash flows, for the semester then ended, in accordance with the accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil.

Other issues - Statements of added value

We have also reviewed the individual and consolidated statement of added value (DVA), prepared directly under the responsibility of the Institution for the semester ended June 30, 2013, whose presentation has been carried out in a spontaneous manner by the Institution. These statements were submitted to the same audit procedures previously described and, in our opinion, these supplementary statements are adequately presented, in all material respects, in relation to the basic financial statements taken as a whole.

São Paulo, August 7, 2013

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original report in Portuguese signed by
Alberto Spilborghs Neto
Accountant CRC 1SP167455/O-0

Banco Votorantim S.A.

Statements of financial position

June 30, 2013 and 2012

(In thousands of Reals)

	Bank		Consolidated			Bank		Consolidated	
	2013	2012	2013	2012		2013	2012	2013	2012
Assets					Liabilities				
Current assets	88.920.139	89.024.208	59.089.699	58.878.980	Current liabilities	58.538.423	87.322.077	64.027.208	71.548.393
Cash	42.592	90.451	129.851	162.873	Deposits	7.466.273	18.566.196	7.131.185	18.334.321
Interbank funds applied	43.027.520	42.925.411	14.575.386	14.157.961	Demand deposits	267.341	475.046	277.236	479.795
Money market repurchase commitments	12.785.980	16.972.110	12.785.893	12.369.519	Interbank deposits	1.432.120	2.468.676	1.091.179	2.243.302
Interbank deposits	29.998.195	25.757.552	1.533.245	1.580.257	Time deposits	5.766.812	15.622.474	5.762.770	15.611.224
Foreign currency investments	243.345	195.749	256.248	208.185	Money market repurchase agreements	32.368.309	34.309.910	33.368.389	28.660.349
Securities and derivative financial instruments	34.625.529	31.890.577	13.703.188	10.744.443	Own portfolio	21.664.071	20.486.944	27.126.010	20.489.520
Own portfolio	11.618.147	9.377.389	4.938.832	3.903.404	Third-party portfolio	10.274.920	13.278.747	5.813.061	7.626.610
Subject to repurchase commitments	20.684.113	19.714.107	6.665.425	4.417.299	Free portfolio	429.318	544.219	429.318	544.219
Derivative financial instruments	912.915	1.754.565	661.869	1.332.424	Acceptances and endorsements	7.863.198	8.425.579	7.882.650	11.258.791
Subject to guarantees provided	1.410.354	1.044.516	1.437.062	1.091.316	Funds from housing bonds, mortgage notes, letters of credit and alike	5.556.900	6.972.101	5.556.900	6.972.101
Interbank investments	399.452	3.013.454	399.452	3.013.454	Debtenture funds	-	-	-	-
Payments and receipts to be settled	562	544	562	544	Securities issued abroad	2.306.298	1.453.478	2.325.750	1.453.478
Receivables related	301.664	2.835.795	301.664	2.835.795	Interbank investments	2.612	5.532	2.612	5.532
Brazilian Central Bank deposits	301.664	2.835.795	301.664	2.835.795	Payments and receipts to be settled	2.612	5.532	2.612	5.532
Interbank onlendings	96.441	176.199	96.441	176.199	Interbank funds applied	31.293	124.564	34.212	124.588
Correspondents	785	916	785	916	Third-party funds in transit	31.293	124.564	31.293	124.564
Loans	8.007.791	9.270.887	23.996.636	24.013.217	Internal funds transfer	-	-	2.919	24
Public sector	26.232	27.590	26.232	27.590	Liabilities from borrowings and repass	5.107.662	6.167.786	5.109.025	6.169.341
Private sector	8.389.750	9.567.933	22.457.540	26.411.236	Borrowings in local currency - Other institutions	3.846	3.885	3.846	3.885
Loans subject to assignment	-	-	3.660.400	41.311	Foreign borrowings	3.553.507	3.574.832	3.553.507	3.574.832
Allowance for loan losses	(408.191)	(324.636)	(2.147.536)	(2.466.920)	Onlending in the country - Official institutions	1.550.309	2.589.069	1.551.672	2.590.624
Lease operations	-	-	1.184.139	2.194.636	National Treasury	82.648	107.032	82.648	107.032
Lease receivable - Private sector	-	-	2.016.285	3.426.536	BNDES	881.158	1.676.895	881.158	1.676.895
Unearned income from leasing	-	-	(759.356)	(1.127.619)	FINAME	586.503	805.142	587.866	806.697
Provision for doubtful commercial leasing receivables	-	-	(72.790)	(104.281)	Derivative financial instruments	4.221.750	17.700.374	1.699.192	2.110.731
Other receivables	2.739.816	1.768.612	4.826.785	4.320.784	Derivative financial instruments	4.221.750	17.700.374	1.699.192	2.110.731
Foreign exchange portfolio	1.981.571	1.284.568	1.981.571	1.284.568	Other liabilities	1.477.326	2.022.136	8.799.943	4.884.740
Income receivables	36.516	43.704	56.746	65.711	Collection and levy of taxes and alike	5.476	6.324	11.819	12.864
Securities Clearing Accounts	279.882	129.812	554.837	302.274	Foreign exchange portfolio	958.789	286.352	958.789	286.352
Other	513.517	361.821	2.305.301	2.719.524	Social and statutory	94.672	60.192	181.796	114.489
Allowance for other loan losses	(71.670)	(51.293)	(71.670)	(51.293)	Tax and social security	26.643	98.412	412.571	1.198.780
Other assets	77.439	64.816	274.262	271.612	Securities Clearing Accounts	241.883	19.925	472.535	211.885
Other assets	13.670	327	163.303	143.408	Subordinated debts	-	1.396.182	-	1.396.182
Provisions for devaluations	-	-	(13.919)	(9.473)	Other	149.863	154.749	6.762.433	1.664.188
Prepaid expenses	63.769	64.489	124.878	137.677	Long-term liabilities	50.008.585	33.580.154	40.682.045	31.811.610
Long-term assets	22.373.588	36.810.999	52.430.545	53.235.443	Deposits	2.555.126	4.727.582	2.543.541	4.634.226
Interbank funds applied	845.448	13.809.216	236.662	526.750	Interbank deposits	1.404.910	1.344.143	1.404.911	1.261.559
Interbank deposits	845.448	13.809.216	236.662	526.750	Time deposits	1.150.216	3.383.439	1.138.630	3.372.667
Securities and derivative financial instruments	11.558.259	12.620.447	20.224.640	20.260.001	Money market repurchase agreements	3.063.197	3.623.787	3.064.781	3.629.051
Own portfolio	4.794.704	5.261.891	9.978.685	7.897.734	Own portfolio	3.063.197	3.584.184	3.064.781	3.589.448
Subject to repurchase commitments	4.688.825	4.112.057	7.537.340	8.289.660	Free portfolio	-	39.603	-	39.603
Derivative financial instruments	1.239.605	1.177.658	1.104.959	828.802	Acceptances and endorsements	13.886.743	10.167.685	15.366.667	10.168.115
Subject to guarantees provided	835.125	2.068.841	1.603.656	3.243.805	Funds from housing bonds, mortgage notes, letters of credit and alike	8.703.580	5.253.647	8.703.580	5.253.647
Loans	8.511.679	9.334.170	25.800.874	27.049.188	Debtenture funds	-	-	1.499.376	430
Public sector	-	25.329	-	25.329	Securities issued abroad	5.183.163	4.914.038	5.163.711	4.914.038
Private sector	9.024.618	9.747.250	22.351.116	28.706.550	Liabilities from borrowings and repass	3.388.347	4.829.613	3.398.285	4.847.204
Loans subject to assignment	-	-	4.852.132	55.460	Borrowings in local currency - Other institutions	5.671	9.451	5.671	9.451
Allowance for loan losses	(512.939)	(438.409)	(1.402.374)	(1.738.151)	Foreign borrowings	355.074	1.804.048	355.074	1.804.048
Lease operations	-	-	141.461	228.319	Onlending in the country - Official institutions	3.027.602	3.016.114	3.037.540	3.033.705
Lease receivable - Private sector	-	-	651.583	1.408.119	National Treasury	4.658	20.781	4.658	20.781
Unearned income from leasing	-	-	(469.241)	(1.080.754)	BNDES	1.659.252	1.328.919	1.659.252	1.328.919
Provision for doubtful commercial leasing receivables	-	-	(40.881)	(99.046)	FINAME	1.363.692	1.666.414	1.373.630	1.684.005
Other receivables	1.347.858	874.501	5.210.926	4.140.987	Derivative financial instruments	19.210.180	3.174.590	808.683	736.048
Foreign exchange portfolio	2.245	-	2.245	-	Derivative financial instruments	19.210.180	3.174.590	808.683	736.048
Income receivables	1.405	-	1.405	-	Other liabilities	7.904.992	7.056.897	15.500.088	7.796.966
Securities Clearing Accounts	4.209	8.253	4.209	8.253	Tax and social security	849.860	627.062	2.416.111	1.208.065
Other	1.340.187	866.248	5.203.255	4.132.734	Securities Clearing Accounts	26.572	-	35.096	-
Allowance for other loan losses	(188)	-	(188)	-	Subordinated debts	7.019.812	6.429.835	7.019.812	6.429.835
Other assets	110.344	172.665	815.982	1.030.198	Other	8.748	-	6.029.069	159.066
Other assets	-	4.402	-	4.402	Deferred income	29.271	25.759	29.271	25.759
Prepaid expenses	110.344	168.263	815.982	1.025.796	Interest of non-controlling shareholders	-	-	1	-
Permanent assets	4.412.937	4.210.043	348.666	388.599	Shareholders' equity	7.130.385	9.117.260	7.130.385	9.117.260
Investments	4.325.841	4.122.981	186.175	209.002	Capital				
Ownership interest in Brazilian subsidiaries	4.229.915	4.032.107	106.444	140.030	Domestic	7.026.841	7.026.841	7.026.841	7.026.841
Ownership interest in subsidiaries abroad	71.699	64.596	-	-	Capital reserves	585.104	585.104	585.104	585.104
Other investments	41.318	37.312	120.451	111.413	Profit reserves	299.612	2.504.820	299.612	2.504.820
Provision for losses	(17.091)	(11.034)	(40.720)	(42.441)	Equity assessment adjustments	(307.021)	319.208	(307.021)	319.208
Fixed assets	29.070	33.290	84.079	103.565	Accumulated losses	(474.151)	(1.318.713)	(474.151)	(1.318.713)
Other fixed assets for use	84.680	80.473	197.330	200.606	Total liabilities	115.706.664	130.045.250	111.868.910	112.503.022
Accumulated depreciation	(55.610)	(47.183)	(113.251)	(97.041)					
Intangible assets	32.323	25.423	52.626	47.359					
Intangible assets	32.618	25.496	68.648	57.256					
Accumulated amortization	(295)	(73)	(16.022)	(9.897)					
Deferred assets	25.703	28.349	25.786	28.673					
Organizational and expansion expenses	35.147	35.140	41.449	43.168					
Accumulated amortization	(9.444)	(6.791)	(15.663)	(14.495)					
Total assets	115.706.664	130.045.250	111.868.910	112.503.022					

See the accompanying notes to the financial statements.

Banco Votorantim S.A.

Statements of income

Semesters ended June 30, 2013 and 2012

(In thousands of Reais, except net income for the period per share)

	<u>Bank</u>		<u>Consolidated</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Financial operation income	<u>3.964.555</u>	<u>5.744.269</u>	<u>6.686.389</u>	<u>7.331.755</u>
Loans	1.053.308	1.286.601	4.240.430	4.819.928
Income from lease operations	-	-	129.714	211.518
Securities income	3.320.284	5.046.342	1.840.015	2.467.012
Income from derivative financial instruments	(581.902)	(860.693)	(496.563)	(439.773)
Foreign exchange income	153.458	87.025	153.436	87.008
Compulsory deposits	19.402	184.994	19.402	184.994
Sale or transfer operation from financial assets	5	-	799.955	1.068
Financial operation expenses	<u>(4.074.949)</u>	<u>(5.276.680)</u>	<u>(6.396.086)</u>	<u>(8.031.398)</u>
Money market repurchase agreements	(3.194.349)	(4.537.925)	(3.248.017)	(4.517.077)
Loans, assignments and onlendings	(431.259)	(488.527)	(431.679)	(489.276)
Sale or transfer operation from financial assets	-	-	(647.071)	-
Allowance for doubtful accounts	(449.341)	(250.228)	(2.069.319)	(3.025.045)
Gross income from financial operations	<u>(110.394)</u>	<u>467.589</u>	<u>290.303</u>	<u>(699.643)</u>
Other operating income / (expenses)	<u>(521.440)</u>	<u>(1.515.874)</u>	<u>(1.131.250)</u>	<u>(1.056.412)</u>
Income from services rendered	142.045	139.326	242.825	244.363
Income from banking fees	1.253	1.476	248.190	247.889
Personnel expenses	(188.776)	(181.815)	(478.093)	(478.822)
Other administrative expenses	(125.339)	(120.954)	(718.462)	(734.052)
Tax expenses	(50.764)	(58.411)	(253.529)	(222.006)
Equity in income of associated companies and subsidiaries	(355.924)	(1.343.096)	44.127	30.145
Other operational income	71.864	58.473	124.202	104.266
Other operational expenses	(15.799)	(10.873)	(340.510)	(248.195)
Operating results	<u>(631.834)</u>	<u>(1.048.285)</u>	<u>(840.947)</u>	<u>(1.756.055)</u>
Non-operating income	<u>(3.539)</u>	<u>1.531</u>	<u>(14.978)</u>	<u>(72.378)</u>
Income before taxation and profit sharing	<u>(635.373)</u>	<u>(1.046.754)</u>	<u>(855.925)</u>	<u>(1.828.433)</u>
Income and social contribution taxes	<u>183.391</u>	<u>20.121</u>	<u>461.843</u>	<u>934.135</u>
Provision for income tax	62	(2.572)	147.103	(255.398)
Provision for social contribution	624	37	87.327	(152.806)
Deferred tax	182.705	22.656	227.413	1.342.339
Profit sharing	<u>(22.169)</u>	<u>(74.645)</u>	<u>(59.991)</u>	<u>(206.980)</u>
Net income (loss) before interest of non-controlling shareholders	<u>(474.151)</u>	<u>(1.101.278)</u>	<u>(454.073)</u>	<u>(1.101.278)</u>
Interest of non-controlling shareholders	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) for the period	<u>(474.151)</u>	<u>(1.101.278)</u>	<u>(454.073)</u>	<u>(1.101.278)</u>
Loss per share - R\$	(4,56)	(10,59)		

See the accompanying notes to the financial statements.

Banco Votorantim S.A.

Statements of changes in shareholders' equity

Semesters ended June 30, 2013 and 2012

(In thousands of Reais)

	<u>Capital Social</u>		<u>Profit reserves</u>			Equity value adjustments	Retained earnings/ (loss)	Total
	Realized capital	Capital increase	Capital reserves	Legal	Expansion			
Opening balances adjusted on December 31, 2011	4.026.841	1.000.000	585.104	421.612	2.083.208	(75.346)	(217.435)	7.823.984
Capital increase	3.000.000	(1.000.000)	-	-	-	-	-	2.000.000
Equity assessment adjustments	-	-	-	-	-	394.554	-	394.554
Net income (loss) for the period	-	-	-	-	-	-	(1.101.278)	(1.101.278)
Balances at June 30, 2012	<u>7.026.841</u>	<u>-</u>	<u>585.104</u>	<u>421.612</u>	<u>2.083.208</u>	<u>319.208</u>	<u>(1.318.713)</u>	<u>9.117.260</u>
Balances at December 31, 2012	7.026.841	-	585.104	299.612	-	298.879	-	8.210.436
Equity assessment adjustments	-	-	-	-	-	(605.900)	-	(605.900)
Net income (loss) for the period	-	-	-	-	-	-	(474.151)	(474.151)
Balances at June 30, 2013	<u>7.026.841</u>	<u>-</u>	<u>585.104</u>	<u>299.612</u>	<u>-</u>	<u>(307.021)</u>	<u>(474.151)</u>	<u>7.130.385</u>

See the accompanying notes to the financial statements.

Banco Votorantim S.A.

Consolidated statements of cash flows

Semesters ended June 30, 2013 and 2012

(In thousands of Reais)

	Bank		Consolidated	
	2013	2012	2013	2012
Cash flows from operations				
Net income (loss) for the period	<u>(474.151)</u>	<u>(1.101.278)</u>	<u>(474.151)</u>	<u>(1.101.278)</u>
Adjustments to net income / (loss):	<u>658.177</u>	<u>1.433.323</u>	<u>3.663.145</u>	<u>2.167.109</u>
Depreciation and amortization	6.342	5.538	15.320	15.424
Equity in income of subsidiaries	355.924	1.343.096	(44.127)	(30.145)
Allowance for loan losses	449.341	250.228	2.069.319	3.025.045
Provision for loss in investments	5.300	-	(3.484)	-
Provision for contingent liabilities/ legal oblig.	23.523	26.021	376.520	218.825
Adjustment to fair value recognized in the income (loss)	(180.308)	(189.865)	1.254.192	(1.054.851)
Non-operating income	<u>(1.945)</u>	<u>(1.695)</u>	<u>(4.595)</u>	<u>(7.189)</u>
Statements of financial position variations				
Interbank funds applied	9,554.523	(4.249.692)	1.892.551	(1.988.524)
Trading securities and derivative financial instruments	782.841	(6.457.502)	810.320	(714.648)
Interbank accounts and investments	905.691	3.026.822	908.100	3.026.628
Loan and leases	681.024	547.753	(1.193.955)	(1.663.588)
Other receivables	1.369.183	(365.391)	2.015.755	(2.235.525)
Other assets	35.587	32.434	86.690	(34.053)
Deposits	(5.812.270)	(2.594.764)	(5.779.607)	(2.656.096)
Money market repurchase agreements	(4.408.555)	4.408.146	(5.885.807)	(1.245.595)
Acceptances and endorsements	425.481	3.857.768	428.799	3.560.262
Liabilities from borrowings and repass	(1.568.521)	(564.738)	(1.611.148)	(535.812)
Other liabilities	(2.010.691)	191.653	4.664.259	79.154
Deferred income	<u>(5.093)</u>	<u>(16.107)</u>	<u>(5.093)</u>	<u>(16.107)</u>
Cash generated/ (consumed) by operations	<u>133.226</u>	<u>(1.851.573)</u>	<u>(480.142)</u>	<u>(3.358.073)</u>
Cash flows from investment activities				
Securities available for sale	(349.376)	(906.338)	260.752	(2.590.390)
Sale of fixed assets for use and lease property	527	2.564	14.740	2.787
Disposal in intangible assets	271	1.453	7.473	2.812
Acquisition of investment	(4.005)	(3.260.016)	-	(109.605)
Acquisition of fixed assets for use	(2.722)	(2.060)	(18.877)	(7.005)
Investments in intangible assets	(4.002)	(6.899)	(12.355)	(12.357)
Dividends received	147.175	8.079	117.949	8.079
Others	<u>(3)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>
Net cash generated / (consumed) in investment activities	<u>(212.135)</u>	<u>(4.163.217)</u>	<u>369.679</u>	<u>(2.705.679)</u>
Cash flows from financing activities				
Capital increase	-	2.000.000	-	2.000.000
Dividends paid	-	-	-	(10)
Subordinated debts	<u>28.601</u>	<u>428.707</u>	<u>28.601</u>	<u>428.707</u>
Net cash generated / (consumed) in financing activities	<u>28.601</u>	<u>2.428.707</u>	<u>28.601</u>	<u>2.428.697</u>
Net variation in cash and cash equivalents	<u>(50.308)</u>	<u>(3.586.083)</u>	<u>(81.862)</u>	<u>(3.635.055)</u>
Cash and cash equivalents at the beginning of the period	1.023.422	5.444.251	1.177.501	5.594.048
Cash and cash equivalents at the end of the period	<u>973.114</u>	<u>1.858.168</u>	<u>1.095.639</u>	<u>1.958.993</u>
Increase / (decrease) in cash and cash equivalents	<u>(50.308)</u>	<u>(3.586.083)</u>	<u>(81.862)</u>	<u>(3.635.055)</u>

See the accompanying notes to the financial statements.

Banco Votorantim S.A.

Statements of added value

Semesters ended June 30, 2013 and 2012

(In thousands of Reais)

	Bank		Consolidated	
	2013	2012	2013	2012
Income	<u>3.711.038</u>	<u>5.683.974</u>	<u>4.876.799</u>	<u>4.582.655</u>
Financial operation income	3.964.555	5.744.269	6.686.389	7.331.755
Income from rendered service and banking fees	143.298	140.802	491.015	492.252
Allowance for doubtful accounts	(449.341)	(250.228)	(2.069.319)	(3.025.045)
Other income / (expenses)	56.065	47.600	(216.308)	(143.929)
Non-operating income	(3.539)	1.531	(14.978)	(72.378)
Financial operation expenses	<u>(3.625.608)</u>	<u>(5.026.452)</u>	<u>(4.326.767)</u>	<u>(5.006.353)</u>
Inputs acquired from third parties	<u>(97.339)</u>	<u>(94.241)</u>	<u>(648.770)</u>	<u>(652.887)</u>
Materials, energy and other	(1.365)	(1.440)	(3.198)	(3.822)
Outsourced services	(2.131)	(1.989)	(7.389)	(6.170)
Other	<u>(93.843)</u>	<u>(90.812)</u>	<u>(638.183)</u>	<u>(642.895)</u>
Communications	(4.802)	(4.824)	(32.656)	(38.541)
Maintenance and preservation of assets	(2.297)	(2.361)	(8.711)	(7.253)
Data processing	(29.049)	(24.497)	(85.615)	(80.112)
Promotions and public relations	(744)	(1.706)	(1.593)	(2.861)
Publications	(357)	(431)	(788)	(868)
Advertising and publicity	(129)	(263)	(802)	(1.993)
Services of the financial system	(17.266)	(18.348)	(75.360)	(87.893)
Specialized technical services	(26.779)	(25.402)	(230.129)	(220.037)
Transportation	(2.033)	(2.336)	(6.446)	(9.251)
Other	<u>(10.387)</u>	<u>(10.644)</u>	<u>(196.083)</u>	<u>(194.086)</u>
Gross added value	<u>(11.909)</u>	<u>563.281</u>	<u>(98.738)</u>	<u>(1.076.585)</u>
Expenses of amortization / depreciation	(6.342)	(5.538)	(15.320)	(15.424)
Net added value produced by the Entity	<u>(18.251)</u>	<u>557.743</u>	<u>(114.058)</u>	<u>(1.092.009)</u>
Added value received as transfer	<u>(355.924)</u>	<u>(1.343.096)</u>	<u>44.127</u>	<u>30.145</u>
Equity in income of associated companies and subsidiaries	(355.924)	(1.343.096)	44.127	30.145
Distribution of added value	<u>(374.175)</u>	<u>(785.353)</u>	<u>(69.931)</u>	<u>(1.061.864)</u>
Total added value paid	<u>(374.175)</u>	<u>(785.353)</u>	<u>(69.931)</u>	<u>(1.061.864)</u>
Personnel	<u>183.457</u>	<u>228.387</u>	<u>490.646</u>	<u>622.506</u>
Salaries and fees	130.536	113.761	318.217	298.729
Profit sharing	22.169	74.645	80.069	206.980
Benefits and training programs	20.354	30.254	65.460	88.960
FGTS (Government Severance Indemnity Fund for Employees)	10.398	9.717	26.729	27.679
Others	-	10	171	158
Taxes	<u>(105.139)</u>	<u>66.363</u>	<u>(140.798)</u>	<u>(648.833)</u>
INSS on salaries	27.488	28.073	67.516	63.296
Tax expenses (except Income and Social contribution taxes)	50.764	58.411	253.529	222.006
Income and social contribution taxes	(183.391)	(20.121)	(461.843)	(934.135)
Remuneration of Third-party capital	<u>21.658</u>	<u>21.175</u>	<u>54.372</u>	<u>65.741</u>
Rental	21.658	21.175	54.372	65.741
Remuneration of own capital	<u>(474.151)</u>	<u>(1.101.278)</u>	<u>(474.151)</u>	<u>(1.101.278)</u>
Loss	(474.151)	(1.101.278)	(474.151)	(1.101.278)

See the accompanying notes to the financial statements.

Notes to the individual and consolidated financial statements

(In thousands of Reais)

1 Operations

Banco Votorantim S.A. (the “Company”) is a private corporation that, operating in the form of a Multiple Bank, develops banking activities in authorized categories, by means of its commercial, investment, financing and foreign exchange operation portfolios.

Through its subsidiaries, the Company also operates in various other categories, with an emphasis on the activities of consumer credit, leasing, administration of investment funds and credit cards, of securities brokerage and distribution and any activities permitted to institutions that are part of the National Financial System.

Transactions are conducted in the context of a set of institutions that operate in an integrated manner in the financial market, including in relation to risk management, and certain transactions have the joint participation or the intermediation of member institutions, which form an integral part of the financial system. The benefits of the services provided between these institutions and the costs of the operational and administrative structure, are absorbed based on the practicality and reasonableness of the allocation of benefits and costs, jointly or individually.

2 Presentation of financial statements

The financial statements were prepared based on the accounting guidelines derived from Corporation Law and rules and instructions of the National Monetary Council (CMN), of Central Bank of Brazil, presented in accordance with the Accounting Plan for Institutions in the National Financial System (COSIF).

Law 11638/07 was enacted on December 28, 2007, amended by Law 11941/09, which amended Corporate Law regarding accounting practices adopted in Brazil. Although such Law is already effective, some changes it introduced depend on ratification by the National Monetary Council. The amendments approved by CMN were:

- Procedures observed in the Conceptual Pronouncement approved by preparation and disclosure of financial reports approved by the Accounting Pronouncements Committee (CPC), on matters that do not conflict with the standards issued by CMN or Brazilian Central Bank – CPC-00 (R1);
- Procedures to measure the recoverable value of assets – CPC-01 (R1);
- Elaboration of the Statement of cash flows in place of the statement of changes in financial position – CPC-03 (R2);
- The disclosure of related party information in notes to the financial statements – CPC-05 (R1);
- Share based payment – CPC-10 (R1);
- Defining of the criteria for the selection, alteration and disclosure of accounting policies, for alterations in accounting estimates and for error corrections – CPC-23;

- Subsequent events – CPC-24; and
- Procedures for the recognition, measurement and disclosure of provisions, contingent assets and liabilities – CPC-25.

The following pronouncement that does not conflict with Brazilian Central Bank standards was also applied, as determined by prevailing law:

- Statement of added-value – CPC-09.

The consolidated financial statements include Banco Votorantim and its direct subsidiaries, and are listed below:

	Ownership interest	
	06/30/2013	06/30/2012
Direct subsidiaries in Brazil		
Votorantim Corretora de Títulos e Valores Mobiliários Ltda.	99.99%	99.99%
Votorantim Asset Management Distribuidora de TVM Ltda.	99.99%	99.99%
BV Financeira S.A. Crédito, Financiamento e Investimento	100%	100%
BV Leasing Arrendamento Mercantil S.A.	100%	100%
Direct subsidiaries overseas		
Votorantim Bank Limited	99.99%	100%
Banco Votorantim Securities Inc.	100%	100%
Banco Votorantim Securities (UK) Limited	100%	100%

Interests in corporations, as stated in the chart above, are comprised only of common shares.

The consolidated financial statements were prepared in conformity with the consolidation rules and instructions of National Monetary Council (CMN), applicable to the financial conglomerate. The main procedures applied in the consolidation process are:

- Elimination of the balances of accounts of assets, liabilities, income and expenses between parent company and subsidiaries;
- Elimination of investments in the subsidiaries' capital, reserves and retained earnings;
- Presentation of leases under the financial method, reclassifying "Lease property" to "Leases", net of the residual value received in advance. as well as the respective effects in income (loss);
- The book balances of the overseas direct subsidiaries, which are prepared according to international accounting standards, were translated into Reais, using the US dollar quotation on the closing date of the period, and were adjusted to accounting practices described in Note 4;
- The exchange variation of the operations of the branch and of the subsidiary companies overseas was is reflected in the Statement of Income, according to the respective assets and liabilities that originated them; and

- The process does not include the consolidation of the exclusive investment funds and of the credit receivable investment funds in conformity with the consolidation rules established by the CMN.

a. Reclassifications

Balances as of June 30, 2012 were reclassified in the Statement of financial position to permit comparison between financial statements. The Conglomerate started to record tax credit values deriving from temporary differences at net value of their deferred tax obligations, according to Resolution 3059/2002. The main reclassifications were:

	Bank		
	Previous disclosure	Reclassification	Balance reclassified
Other receivables - Sundry – Tax credit of taxes and contributions	693,103	(178,797)	514,306
Other liabilities - Taxes and social security contributions payable – Provisions for deferred taxes and contributions	178,797	(178,797)	-
	Consolidated		
	Previous disclosure	Reclassification	Balance reclassified
Other receivables - Sundry – Tax credit of taxes and contributions	4,223,358	(920,894)	3,302,464
Other liabilities - Taxes and social security contributions payable – Provisions for deferred taxes and contributions	1,576,957	(920,894)	656,063

b. Change in the accounting policy

In the second semester of 2012, the subsidiary BV Financeira, based on the assumption of the accrual basis and in the comparison of expenses with the related income calculated with individual basis of credit contracts was required to change the accounting criteria applied to the costs associated with the production of loans and borrowings, incurred after the origination of the transaction, now recording them as expenses when paid.

The change in the accounting policy affected the Company's Statements of Financial position, the Statements of Changes in Shareholders' Equity, and the Statements of Cash Flows and Added Value for the years for the periods presented. In order to maintain comparability of financial statements and in compliance with CPC 23 (CMN Resolution nº 4,007/11), we are presenting Financial Statements as at June 30, 2012 with the following adjustments:

	Previous disclosure	Adjustments	Adjusted balance
Bank			
At June 30, 2012			
Assets			
Investments			
Ownership interest in Brazilian subsidiaries	4,218,658	(186,551)	4,032,107
Shareholders' equity			
Accumulated losses	(1,132,162)	(186,551)	(1,318,713)
Effect in shareholders' equity	9,303,811	(186,551)	9,117,260
Income (loss)			
Equity in income of associated companies and subsidiaries	(1,373,980)	30,884	(1,343,096)

	Previous disclosure	Adjustments	Adjusted balance
Effect in income	(1,132,162)	30,884	(1,101,278)
Consolidated			
At June 30, 2012			
Assets			
Other receivables – Sundry – Taxes and contributions recoverable	299,637	143,939	443,576
Other receivables - Other	252,327	(104,101)	148,226
Other assets - prepaid expenses	1,389,862	(226,389)	1,163,473
Shareholders' equity			
Accumulated losses	(1,132,162)	(186,551)	(1,318,713)
Effect in shareholders' equity	9,303,811	(186,551)	9,117,260
Income (loss)			
Other operational income	97,521	6,745	104,266
Other operational expenses	(292,923)	44,728	(248,195)
Provision for income tax	(242,530)	(12,868)	(255,398)
Provision for social contribution	(145,085)	(7,721)	(152,806)
Effect in income	(1,132,162)	30,884	(1,101,278)

The authorization for issuance of Financial Statements was given by Company's directors on August 07, 2013.

3 Risk management

The integrated risk-management approach includes adopting instruments to ensure that material risks incurred by the Conglomerate. This approach aims to organize the decision process and define the mechanisms that establish risk appetite and risk level that is acceptable and compatible with the volume of capital available, in line with the business strategy adopted.

Risk management policies comply with market best practices and are in line with the guidelines defined by the CMN. They encompass bank institutions that comprise Votorantim Financial Conglomerate (the “Conglomerate”).

The Company implemented procedures and a risk management system capable of managing, evaluating and mitigating the risks inherent to Conglomerate’s business, providing the Management with a view of all incurred risks.

Market risk

Market risk is defined as the possibility of losses arising from the variation in the fair value of exposures held by the Conglomerate. These financial losses may be incurred due to the impact produced by changes in interest rates, exchange rates, and stock or commodity prices. Market risk management is executed in a centralized manner, by an area that is independent in relation to the Treasury.

The basic principles adopted for risk management are:

- Involvement of Top Management: the existing committees and commissions are structured aiming at involving Top Management in the global supervision of risk acceptance;

- Segregation of portfolios: for the purpose of consolidated management and control of market risk exposures, transactions are segregated depending on their business strategy: trading portfolio (trading) or banking portfolio (non-trading);
- Independence of functions: segregation of functions between units responsible for trade execution and defining business strategies. Units responsible for accounting, risk control, compliance and internal controls and auditing - structured in order to ensure independence and autonomy in the conduct of the duties inherent to its functions;
- Clear definition of responsibilities: clear definition of processes and the range of activities of each function involved in market risk management and control, providing an efficient operational management;
- Definition of pricing methodologies and risk calculation: for the purpose of risk control, structured methodologies based on best market practices are adopted for mandatory corporate use;
- Setting limits: clear and objective definition of authorized risk limits, based on measures of risks so that risk tolerance levels defined by the Board of Directors;
- Monitoring limits: definition of the process of monitoring and reporting the level of use of authorized limits;

The Conglomerate undertakes operations that involve derivative financial instruments, operating in organized and over-the-counter markets, in order to ensure the management of market risk appropriate to its policy. These instruments are used for hedging positions to meet the demands of counterparties and as a means of reversing the positions at times of significant oscillations.

Operational risk

Operational risk is defined as the risk of loss resulting from fault, deficiency or inadequacy of internal processes, people and systems or from Conglomerate's external events - includes legal risk but excludes strategic risk and image risk.

Basic principles that are observed by the Conglomerate in the management and control of operational risks are in accordance with prevailing regulations of the Brazilian Central Bank and best market practices and include the following:

- Top Management is involved in the global supervision of risk acceptance through committees and commissions;
- Mapping of operating and system processes, mapping of existing controls and analysis of inherent and residual risks;
- Capture of operating losses and maintenance of the database structured with information referring to events;
- Analysis, communication and implementation of action plans to improve processes and controls to mitigate incurred risks; and
- Calculating capital allocated to operational risk based on structured methods that are appropriate with regulatory requirements.

Credit risk

Credit risk consists of the possibility of occurring losses related a borrower or a counterpart's failure to fulfill their respective financial obligations under the agreed-upon conditions, and losses associated to devaluation of a loan agreement due to deterioration of the borrower's risk classification, reduction in gains or compensations, advantages granted in renegotiations and loan recovery costs.

Basic principles that are observed in the management and control of credit risks are in accordance with prevailing regulations and best market practices and include the following:

- Manuals and documents containing the organizational structure, products, corporate policies, standards and procedures containing flows and rules related to the processes of governance, business and credit support;
- Adequate technological environment encompassing the credit cycle with a flow of systems from admission, follow-up and monitoring, through to credit restructuring;
- Validation process covering risks involved in systems, accuracy of models used for calculations and quality of processed data, as well as the coverage of the documentation;
- Committee structure and powers for approving credit;
- Criteria and procedures for selecting clients and preventing money laundering;
- Guidelines for credit analysis and lending;
- Procedures for review, approval and release of new products involving credit risk;
- Classification of portfolio risk levels, considering ratings of clients, collateral involved, maturity dates and arrears;
- Classification and analysis of country risk;
- Tracking geographic, sector and conglomerate concentration, and monitoring internal and regulatory limits defined by policies and rules;
- Managing counterparty credit risk and limits for derivatives;
- Evaluating risk in transactions for sales or transfer of assets;
- Formalized procedures covering credit recovery flows;
- Establishment of exposure limits for transactions subject to credit risk, both individually and at the aggregate level - a group of companies with common economic interest - and for borrowers or counterparties with similar characteristics;
- Control of guarantees and instruments for mitigating credit risk;
- Monitoring active credit portfolio with warning signs that may influence clients' financial or operational performance to minimize risk of losses;

- The institution counts with stress test models for credit portfolios, both for retail and wholesale markets. Both models were reviewed and are in the validation process;
- Periodic reporting to Senior Management showing the performance of risk management indicators arising from policies and strategies adopted; and
- Documented procedures for policy exceptions.

Liquidity risk

Liquidity risk management intends to organize, evaluate and monitor the Votorantim Financial Conglomerate by establishing processes, tools and limits required to generate and analyze prospective liquidity scenarios and monitor risk tolerance levels defined by Top Management.

Main principles:

- Basic principles that are observed in the management and control of liquidity risk are in accordance with National Monetary Council Resolution n° 4090/2012 and best market practices and include the following:
- Involvement of the Top Management: the existing committees and commissions are structured aiming at involving Top Management in the global supervision of risk acceptance;
- Independence of functions: segregation of functions between units responsible for trade execution and defining business strategies, and the units responsible for accounting, risk control, compliance and internal controls and auditing - structured in order to ensure independence and autonomy in the conduct of the duties inherent to each function;
- Definition of responsibilities: clear definition of the range of processes and activities of each function involved in managing and controlling liquidity risk - structured with the aim of enabling organized and efficient operational management;
- Definition of methodologies for building scenarios: structured methodologies are adopted for mandatory corporate use, based on best market practices, to incorporate the dynamics of new transactions and settlement of existing portfolios;
- Setting limits: clear and objective definition of authorized risk limits, based on measures of risk, structured so that risk tolerance levels defined by the Board of Directors are part of everyday business;
- Monitoring limits: definition of the process of monitoring and reporting the level of use of authorized limits; and
- Liquidity contingency plan: The institution has a Liquidity Contingency Plan Activation Guide, with assignment of roles and responsibilities in case of a liquidity crisis situation.

Management and control governance and commissions

Monitoring of liquidity risk management activities is part of the following agencies' assignment, with clear definition of assignments, composition and periodicity:

- The Board of Directors is responsible for defining key guidelines of the Conglomerate's general policy, and for verifying and monitoring its execution;

- The Executive Committee is responsible for discussing and monitoring businesses recurring matters in operating committees and commissions and continuously reviewing internal governance structure to promote improvements and approve possible adjustments and changes in operating committees and subcommittees of internal governance;
- The ALM Committee, Risks and Capital is responsible for analyzing and ratifying proposals submitted for approval by subordinated Commissions and forward them to the Executive Committee referring to shares for risk management and control and capital management.
- The Liquidity Commission is responsible for monitoring and deciding on matters related to liquidity risk management and for submitting them to be followed-up by ALM, Risks and Capital Operating Committee.

Risk Measures and Limits for Management and Control

The Conglomerate adopts a set of objective measures to manage and control liquidity risk:

- And Minimum Cash: includes establishing minimum acceptable levels and ranges, setting limits for the various prospective liquidity scenario;
- Maturity scenarios: calculating future profile of liquidity based on the general premise of current portfolios maturing;
- Budget scenarios: calculating future liquidity profile, with premises consistent with budget planning, based on the general premise of current portfolio rollover;
- Stress scenarios: include simulations of impact on portfolios arising from extreme market conditions and/or the dynamics and composition of portfolios, which may change significantly, and the projections for liquidity scenarios of the Bank;
- Sensitivity analyses: sensitivity simulations for future liquidity profile arising from small fluctuations in market conditions and/or dynamics and composition of portfolios; and
- Funding concentration profile: includes monitoring the concentration profile of the portfolios in terms of volumes, timing, tools, threads and counterparties.

Risk measures are used to set limits and for risk taking. These limits include definitions of maximum authorized amounts setting minimum cash and contingency actions. Market Risk and Liquidity area is responsible for daily monitoring liquidity risk and activating competent forums in case of risk increase.

Amounts established in liquidity limits and the contingency plan are periodically updated and reviewed as a result of significant change in market conditions or in the dynamics and composition of portfolios.

Measuring systems and communication process

The corporate systems of the Conglomerate for measuring and controlling liquidity risk combine internally developed applications with market solutions of proven robustness. These systems deploy integrated treatment of information.

In addition, the Conglomerate adopts a structured process for reporting issues related to liquidity risk management. This communication process comprises:

- Periodically issuing objective reports showing liquidity scenarios and evolution of the profile of funding portfolios, and showing levels of use of authorized limits;
- Periodically holding collective monitoring forums, within decision-making competencies, in which current issues are discussed with full participation.

Notifying limits exceeded and Contingency Plan

There is a two-stage procedure for monitoring minimum cash levels and a contingency plan: notification and monitoring.

- **Communication:** For notification purposes, the liquidity scenarios and metrics are submitted to the ALM Committee and Liquidity Risk Commission, variations are analyzed with predetermine trigger levels if there may be failure to maintain limits.
- **Monitoring:** Any extrapolation of limits will necessarily lead to implementation of agreed business strategies, with investment and funding portfolio management to rebuild liquidity levels, including, if necessary, taking initiatives previously determined in the contingency plan; These strategies are the responsibility of business managers, considering market conditions, and subsequent monitored by the Liquidity Risk Commission and ALM Committee, Risks and Capital.

Asset and liability management

The Assets & Liabilities Operating Committee (“ALM”), Risks and Capital is in charge of managing the structural risks of interest rate, liquidity and exchange rate, as well as the capital management, aiming to optimize the risk/return ratio and seeking greater efficiency when composing the factors that impact the solvability index (Basel).

Basel Index		06/30/2013	06/30/2012
Capital (PR)	(a)	<u>10,793,059</u>	<u>13,624,297</u>
Level I		<u>7,400,053</u>	<u>8,948,314</u>
Shareholders' equity		7,130,386	9,303,811
Deferred permanent assets		(37,354)	(36,289)
Adjustment to fair value		307,021	(319,208)
Level II		<u>3,393,006</u>	<u>4,675,983</u>
Adjustment to fair value		(307,021)	319,208
Subordinated debt eligible to capital		4,611,440	4,356,775
(-) Excess preferred shares issued under a redemption clause with original maturity below 10 (ten) years and Subordinated debt instruments		(911,413)	-
Capital requirement (PRE)		<u>8,540,701</u>	<u>9,669,244</u>
Credit risk		7,990,779	9,109,878
Market risk		267,800	239,420
Operational risk		282,122	319,946
Excess of Capital		<u>2,252,358</u>	<u>3,955,053</u>
Basel Index (PR x 100/(PRE/0.11))		<u>13.9%</u>	<u>15.5%</u>

Fixed assets limit	06/30/2013	06/30/2012
Fixed assets limit	5,396,529	6,812,147
Value of fixed assets limit position	311,311	352,307
Value of margin or insufficiency	5,085,217	6,459,840

- (a) Basel index presented on June 30, 2012 does not contemplate effects from prior period adjustments.

In compliance with the Brazilian Central Bank (BACEN) Circular n° 3.477/09, Conglomerate maintains additional information on its risk management process available in the website: www.bancovotorantim.com.br/ri.

4 Significant accounting practices

a. Statement of income

Income and expenses are recorded on an accrual basis using the pro rata criterion and calculated with a basis on the exponential method, excepting those related to transactions with foreign countries, which are calculated by the straight-line method.

b. Cash and cash equivalents

Cash and cash equivalents comprise available funds, interbank deposits, investments in foreign currency with high liquidity and insignificant risk of changes in value and money market repurchase agreements – own portfolio, with original maturities of up to 90 days.

c. Interbank funds applied

Interbank funds applied are recorded at investment value, plus income accrued up to the statement of financial position date, calculated pro rata with a basis on the variation of the index and on the agreed interest rates.

d. Securities

Securities are recorded by the amount effectively paid and classified into three different categories based on Management's intent:

- (i) **Trading securities** - Acquired for the purpose of being actively and frequently traded. Adjusted to its fair value with the corresponding entry to profit or loss for the period;
- (ii) **Securities available for sale** - Securities that are not for trading or held to maturity. Adjusted to fair value with the corresponding entry to a separate account in shareholders' equity, net of taxes; and
- (iii) **Securities held to maturity** - Securities acquired with the intention and financial capacity to hold them in the portfolio to maturity. Recorded at cost of acquisition, plus income accrued in contra account to profit or loss for the period. In this category, the securities are held at amortized cost.

The market valuation methodology was established in compliance with consistent and verifiable criteria, which take into consideration the average price of trading on the date of calculation, or, in the absence thereof, the daily adjustment value of future market transactions disclosed by Andima, BM&FBovespa and BACEN, or the probable net realizable value obtained using interest rate future value curves, exchange rates, price and currency indexes, besides any adjustments in the prices of securities of low liquidity.

Income accrued with securities, regardless of the category in which it is classified, is calculated pro rata with a basis on the variation of the index and on the agreed interest rates, by the exponential or straight-line method, up to the date of maturity or of the final sale of the security, and is recognized directly in income for the period.

e. Derivative financial instruments

As regards policies and strategies, we inform you that derivatives carried out to hedge market risks are made to meet the customers' demands, as well as necessities of global risk exposure management.

Derivative financial instruments are stated at fair value, with consistent and verifiable criteria, considering the average price of trading on the date of calculation, or, in the absence thereof, conventional and proven methodologies, pricing models that reflect the net realizable value.

Derivative financial instruments are classified in accordance with Management's intent considering its aim, used to offset, in whole or in part, the risks arising from exposure to variations in asset or liability fair values are considered hedge instruments and are classified according to their nature as:

- (i) **Fair value hedge** - adjustments to fair value of the derivative financial instruments classified in this category, as well as of the *item hedged*, are recognized in profit or loss for the period; and
- (ii) **Cash flow hedge** - Derivative financial instruments classified in this category have their adjustments to fair value recorded in the account in shareholders' equity, net of tax effects, instruments that do not fulfill the hedge criteria have their adjustments to fair value recorded directly in income for the period.

Upon initial designation of the hedge, Management formally documents the relationship between the hedge instruments and the hedged instruments, including the risk management goals and the strategy in the execution of the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedge relationship, considering conventional and well-established calculation methods. Management makes an assessment, both in the beginning of this relationship, and on an on-going basis, to determine if these hedging instruments are highly effective in the compensation of changes in fair value of the respective hedged items during the period for which they are designed, and if actual results are within the range of 80-125 per cent, as provided in the regulation in force.

For those items that are no longer included in the hedge program and that remain recorded in the Statement of financial position, when allowed, mark-to-market adjustment is incorporated to cost and is prospectively accounted for at amortized cost, using the effective interest rate method.

f. Loans and leases, advances on foreign exchange contracts, other receivables with loan characteristics and allowance for loan losses

Loan and lease operations, advances on foreign exchange contracts and other receivables with loan characteristics are classified according to Management's judgment with respect to the level of risk, taking into consideration the economic environment, past experience and specific risks in relation to the operation, to debtors and guarantors, periods of delinquency, and economic group, observing the parameters established by the CMN, which requires the analysis of the portfolio and its rating at nine levels, ranging from AA (minimum risk) to H (maximum risk). In relation to the period of delinquency verified in retail operations with a term of over thirty-six

(36) months, a double count is permitted over intervals of delinquency defined for the nine levels. In cases there are ongoing reviews, a rating lower than verified non-performing risk is accepted, provided that the custodian banks' receipt of the amount required to settle part or total debt is proven through the Conglomerate account bank statement. Income from loans overdue for more than sixty (60) days, regardless of their level of risk, are only recognized as income when effectively received.

Operations rated at level H continue in this status for 180 days, when they are written off against the existing provision and controlled in memorandum accounts. Renegotiated operations are maintained, at a minimum, at the same level at which they were rated, in conformity with CMN Resolution n° 2682, except when there is significant amortization of transactions or when new relevant events justify the change in risk level. Renegotiations of loans that had already been written off against provision that were in memorandum accounts are rated as level H and any gains from renegotiation are recognized as income when effectively received.

Loan and lease operations that are subjects of *hedges* of market risk are stated at fair value using consistent and verifiable criterion. The adjustments of valuation at fair value of these operations are recorded, when positive, in Other Receivables - Other, and, when negative, in Other liabilities - Other, in a contra entry to Derivative financial instruments.

The income from loan assignments with recourse performed up to December 31, 2011, was calculated on the date of assignment and the income was fully recognized through write-off of the correspondent assets, whether risk was retained or not. For the portfolio of loan operations granted with recourse, Management established a provision for losses, recorded under "Other liabilities - Other".

As of January 1, 2012, financial assets assigned consider the transfer level of risks and benefits of assets transferred to other entity:

- When financial assets are transferred to other entity, but there is no substantial transfer of the risks and benefits related to the transferred assets, assets remain recognized in the statement of financial position of the Company; and
- When all the risks and benefits related to assets are substantially transferred to an entity, assets are written-off in the statement of financial position of the Company.

g. Prepaid expenses

Funds applied in prepayments, where the benefits or rendering of services are to occur in future periods, are recorded. Prepaid expenses are recorded at cost and amortized as realized.

Transactions related to "Usufruct right on shares" have been recognized based on the funds paid for Banco Votorantim to be granted the temporary beneficial ownership of other companies' preferred shares in exchange for a consideration. These shares grant the right to receive dividends in the manner provided for in the bylaws of each of these companies, among other rights and benefits. The funds paid are deferred with a corresponding entry to profit or loss, in accordance with the term of each beneficial ownership transaction, whereas the amounts arising from rights to the payment of dividends are recognized as revenues when proven.

h. Accounting estimates

Preparation of the financial statements requires that Management use its judgment in determining and recording accounting estimates. The settlement of transactions involving these estimates may result in significantly different amounts due to the lack of precision inherent to

the process of their determination. Significant items subject to these estimates and assumptions include assessment of financial assets and liabilities and derivative financial instruments at their fair value, analysis of credit risk to determine allowance for doubtful accounts, as well as analysis of contingent liabilities. Management reviews the estimates and assumptions on a regular basis or when there is indication of impairment loss.

The main amounts recognized in the Financial Statements through estimates are included in the following notes:

- No. 8 - Securities;
- No. 9 - Derivative financial instruments;
- No. 11 – Loans and leases, advances on foreign exchange contracts, other receivables with loan characteristics and allowance for loan losses, and
- No. 49 – Contingent assets and legal obligations.

i. Fixed assets

- (i) Investments in equity interests are valued using the equity method. Other permanent investments are valued at cost of acquisition less allowance for losses, when applicable;
- (ii) Property, plant and equipment stated at acquisition cost, less accumulated depreciation. Depreciation of fixed assets is calculated using the straight line method, based on the following annual rates according to the estimated useful economic lives of the assets, as follows:
 - Facilities, furniture and equipment in use - 10%
 - Communication, security, and transportation systems - 10%; and
 - Data processing systems - 20%
- (iii) Deferred assets are stated at acquisition or formation cost less the respective amortization, comprised basically of expenses on third-party property up to September 30, 2008. Amortization is calculated by the straight-line method, based on the period over which the benefit is generated. There were no acquisitions during the period owing to the regulations in force. Losses on leases are amortized over the remaining useful life of the leased items and in compliance with current regulation; and
- (iv) Intangible include rights relating to assets that are intended for the maintenance of the company or exercised for this purpose. Amortization is calculated by the straight-line method, based on the period over which the benefit is generated. Intangible assets are less allowance for losses, when applicable.

Non-financial assets are subject to annual impairment testing.

j. Employee benefits

Employee benefits related to short-term benefits to current employees are recognized at the accrual basis in accordance with services rendered.

For the Short and Long-Term Incentive Program for the Conglomerate’s directors and employees, the opportunity to invest in “virtual shares” of the Company is offered. Adjustment of amounts to be paid according to grant periods over one to four years, at maximum, counted as of concession date, are recorded under “Other Sundry Obligations – Provision for personnel expenses” as a contra entry to caption “Personnel Expenses – Proceeds”.

k. Taxes

Taxes are calculated based on rates shown in the chart below:

Taxes	Rate
Income tax (15% + 10% additional)	25%
Social contribution on net income – CSLL	(a) 15%
PIS / Pasep	0,65%
Contribution for Social Security Funding - COFINS	(b) 4%
Service tax (ISS) – ISSQN	De 2% a 5%

(a) Rate applicable to financial companies. For other non-financial companies, CSLL (social contribution on net income) rate corresponds to 9%.

(b) For non-financial companies that opted for the non-cumulative calculation regime, PIS/Pasep rate is 1.65% and Cofins rate is 7.6%.

Deferred tax assets (tax credits) and deferred tax liabilities are recognize through the application of prevailian tax rates on respective bases. For recognition, maintenance and write-off of deferred tax assets, criteria established in CMN Resolution no. 3,059/2002, as changed by CMN Resolutions no. 3,355/2006 and 3,655/2008, are followed, supported by a study on realization capacity.

Deferred income tax is recognized at the subsidiary BV Leasing, calculated at the rate of 25%, on the adjustments of excess of depreciation of the lease portfolio.

l. Contingent assets, liabilities and legal obligations

The recognition, measuring and disclosure of contingent assets, contingent liabilities and legal obligations are carried out according to the following criteria:

(i) **Contingent assets**- These are not recorded except when Management has full control over the situation or when there are secured guarantees or favorable sentences to which no further appeals are applicable. characterizing a favorable judgment as practically certain;

(ii) **Contingent liabilities** - These are recognized in the financial statements when, based on the opinion of the legal counsel and of Management, the risk of loss of a lawsuit or administrative proceeding is considered probable, with a probable outflow of financial resources for the settlement of obligations and when the sums involved are measurable with sufficient assurance. Contingent liabilities classified as possible losses are not accounted for, and should only be disclosed in the notes to the financial statements, whereas those classified as remote do not require provision and disclosure; and

(iii) **Legal obligations** - Are lawsuits related to tax obligations, where the subject being contested is their legality or constitutionality which, regardless of the probability of success of the lawsuits in progress, have their amounts recognized in full in the financial statements.

m. Other assets and liabilities

Assets are stated at realizable values, including, when applicable, monetary and exchange variations earned (on a pro rata daily basis) and a provision for losses, when considered necessary. Liabilities are stated at known or calculated amounts, plus charges and monetary variations and exchange variations incurred (on a pro rata daily basis).

5 Cash and cash equivalents

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Cash	42,592	90,451	129,851	162,873
Interbank funds applied	930,522	1,767,717	965,788	1,796,120
Purchase and sale commitments - own portfolio	184,994	1,177,416	184,994	1,177,416
Interbank deposits	502,183	394,552	524,546	410,519
Investments in foreign currency	243,345	195,749	256,248	208,185
Total	973,114	1,858,168	1,095,639	1,958,993

6 Cash

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Cash	145	327	176	359
Bank deposits	642	91	70,127	58,505
Free reserves	6,922	54,841	6,922	54,841
Cash in foreign currency	34,883	35,192	52,626	49,168
Total	42,592	90,451	129,851	162,873

7 Interbank funds applied

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Purchase and sale commitments - own portfolio	1,918,369	3,241,444	1,918,282	2,473,518
National treasury bills	1,505,961	827,897	1,505,961	59,971
National treasury notes	368,091	2,397,460	368,004	2,397,460
Other	44,317	16,087	44,317	16,087
Purchase and sale commitments - Financed operations	10,406,567	13,220,953	10,406,567	9,386,288
Financing bills	500,101	-	500,101	-
National treasury bills	7,241,350	13,162,948	7,241,350	9,328,283
National treasury notes	2,665,116	58,005	2,665,116	58,005
Purchase and sale commitments - Short position	461,044	509,713	461,044	509,713
National treasury bills	220,039	211,894	220,039	211,894
National treasury notes	241,005	297,819	241,005	297,819
Interbank deposits	30,843,643	39,566,768	1,769,907	2,107,007
Foreign currency investments	243,345	195,749	256,248	208,185
Total	43,872,968	56,734,627	14,812,048	14,684,711

8 Securities

Composition by category, in Brazil and Abroad

Bank	06/30/2013			06/30/2012		
	Accrual value	Fair value (book value)	Unrealized gain/ (Loss)	Accrual value	Fair value (book value)	Unrealized gain/ (Loss)
Trading securities						
Domestic	30,085,534	30,010,585	(74,949)	25,879,265	25,924,895	45,630
Financing bills	482,943	483,321	378	1,223,884	1,227,974	4,090
National treasury bills	2,605,368	2,567,276	(38,092)	461,581	462,904	1,323
National treasury notes	2,801,047	2,767,568	(33,479)	2,398,617	2,409,507	10,890
Debentures	23,951,778	23,950,802	(976)	21,239,040	21,239,049	9
Rural Product Bills	236,569	234,136	(2,433)	534,988	564,239	29,251
Shares of listed companies	7,829	7,482	(347)	21,155	21,222	67
Abroad	285,789	278,695	(7,094)	354,497	355,797	1,300
Foreign governments	95,262	95,269	7	-	-	-
National Treasury	64,514	62,314	(2,200)	165,046	165,043	(3)
Other	126,013	121,112	(4,901)	189,451	190,754	1,303
Total	<u>30,371,323</u>	<u>30,289,280</u>	<u>(82,043)</u>	<u>26,233,762</u>	<u>26,280,692</u>	<u>46,930</u>
Bank	06/30/2013			06/30/2012		
	Accrual value	Fair value (book value)	Unrealized gain/ (Loss)	Accrual value	Fair value (book value)	Unrealized gain/ (Loss)
Securities available for sale						
Domestic	12,804,448	12,519,594	(284,854)	12,734,055	13,071,558	337,503
National treasury bills	2,362,042	2,238,888	(123,154)	1,211,137	1,219,686	8,549
National treasury notes	3,638,413	3,595,688	(42,725)	5,656,125	5,936,009	279,884
Real estate receivables						
Certificates	37,294	38,402	1,108	44,267	45,559	1,292
Debentures	3,117,578	3,080,258	(37,320)	2,394,272	2,403,700	9,428
Agricultural debt securities	28,509	29,419	910	30,996	33,203	2,207
Promissory notes	340,778	340,792	14	437,315	432,661	(4,654)
Shares in invest. funds	966,781	966,781	-	890,980	890,980	-
Quotas of FIDC	74,685	74,685	-	341,922	341,922	-
Rural Product Bills	655,872	648,012	(7,860)	-	-	-
Shares of listed companies	156,632	72,876	(83,756)	69,521	50,666	(18,855)
Shares of non-listed companies	1,311,943	1,319,207	7,264	1,606,543	1,666,195	59,652
Other securities	113,921	114,586	665	50,977	50,977	-
Abroad	1,259,233	1,222,394	(36,839)	2,241,010	2,226,551	(14,459)
Foreign governments	493,072	492,291	(781)	1,350,819	1,365,487	14,668
Other securities	766,161	730,103	(36,058)	890,191	861,064	(29,127)
Total	<u>14,063,681</u>	<u>13,741,988</u>	<u>(321,693)</u>	<u>14,975,065</u>	<u>15,298,109</u>	<u>323,044</u>

Consolidated	06/30/2013			06/30/2012		
	Accrual value	Fair value (book value)	Unrealized gain/ (Loss)	Accrual value	Fair value (book value)	Unrealized gain/ (Loss)
Trading securities						
Domestic	<u>6,325,815</u>	<u>6,252,696</u>	<u>(73,119)</u>	<u>4,967,519</u>	<u>5,018,754</u>	<u>51,235</u>
Financing bills	523,343	523,786	443	1,492,894	1,497,537	4,643
National treasury bills	2,605,368	2,567,276	(38,092)	461,581	462,904	1,323
National treasury notes	2,826,650	2,794,934	(31,716)	2,444,000	2,459,943	15,943
Debentures	118,838	117,863	(975)	6,104	6,112	8
Rural Product Bills	236,569	234,137	(2,432)	534,988	564,239	29,251
Shares in invest. funds	7,218	7,218	-	6,798	6,798	-
Shares of listed companies	7,829	7,482	(347)	21,154	21,221	67
Abroad	<u>307,945</u>	<u>300,850</u>	<u>(7,095)</u>	<u>374,709</u>	<u>376,009</u>	<u>1,300</u>
Foreign governments	117,418	117,424	6	20,213	20,212	(1)
National Treasury	64,514	62,314	(2,200)	165,046	165,043	(3)
Other securities	126,013	121,112	(4,901)	189,450	190,754	1,304
Total	<u><u>6,633,760</u></u>	<u><u>6,553,546</u></u>	<u><u>(80,214)</u></u>	<u><u>5,342,228</u></u>	<u><u>5,394,763</u></u>	<u><u>52,535</u></u>

Consolidated	06/30/2013			06/30/2012		
	Accrual value	Fair value (book value)	Unrealized gain/ (Loss)	Accrual value	Fair value (book value)	Unrealized gain/ (Loss)
Securities available for sale						
Domestic	<u>24,877,140</u>	<u>24,385,059</u>	<u>(492,081)</u>	<u>20,636,670</u>	<u>21,221,904</u>	<u>585,234</u>
National treasury bills	12,729,310	12,396,991	(332,319)	7,028,545	7,254,198	225,653
National treasury notes	4,147,979	4,107,194	(40,785)	6,163,017	6,473,527	310,510
Real estate receivables certificates	37,294	38,402	1,108	44,267	45,559	1,292
Debentures	3,117,578	3,080,258	(37,320)	2,035,471	2,044,901	9,430
Agricultural debt securities	28,509	29,419	910	30,996	33,203	2,207
Promissory notes	340,778	340,792	14	437,315	432,661	(4,654)
Rural Product Bills	655,872	648,012	(7,860)	-	-	-
Shares in invest. funds	2,135,803	2,135,803	-	2,794,830	2,794,830	-
Quotas of FIDC	101,521	101,521	-	375,186	375,185	(1)
Shares of listed companies	156,632	72,876	(83,756)	69,521	50,666	(18,855)
Shares of non-listed companies	1,311,943	1,319,207	7,264	1,606,543	1,666,195	59,652
Other securities	113,921	114,584	663	50,979	50,979	-
Abroad	<u>1,259,232</u>	<u>1,222,395</u>	<u>(36,837)</u>	<u>2,241,010</u>	<u>2,226,551</u>	<u>(14,459)</u>
Foreign governments	493,071	492,292	(779)	1,350,819	1,365,487	14,668
Other securities	766,161	730,103	(36,058)	890,191	861,064	(29,127)
Total	<u><u>26,136,372</u></u>	<u><u>25,607,454</u></u>	<u><u>(528,918)</u></u>	<u><u>22,877,680</u></u>	<u><u>23,448,455</u></u>	<u><u>570,775</u></u>

At June 30, 2013, there are no securities reclassified as “held to maturity”.

9 Derivative financial instruments

For derivative financial instruments, market price quotations are used to determine these instruments’ fair value. Swap fair value is determined using discounted cash flows modeling techniques that use remuneration curves, reflecting proper risk factors. Information to build remuneration curves are obtained mainly from stock exchange BM&FBOVESPA and from secondary domestic market. Fair value of forward and futures contract is also determined based on market price quotations for derivatives traded in stock exchanges or using methodologies

similar to those described for swaps. In the options market, asset or long positions have the Conglomerate as the holder, while liability or short positions have the Conglomerate as the seller.

Derivative financial instruments substantially refer to swaps and futures transactions that are registered with the Clearinghouse for Custody and Financial Settlement of Securities - CETIP and with BM&FBOVESPA.

The Conglomerate uses statistical methodologies and simulation to measure its positions' risks, including with derivatives, using value at risk and sensitivity models and stress analysis.

Main risks inherent in derivative financial instruments deriving from the Conglomerate and its subsidiaries' businesses are credit risk, market risk, liquidity risk and operational risk.

a. Composition of assets and liabilities

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Assets				
Differential receivable from <i>swap</i>	1,565,211	2,107,905	1,179,519	1,336,908
Term currency contracts	25,939	784	25,939	784
Purchase of call options - shares	183	176	183	176
Purchase of put options - shares	149,527	4,005	149,527	4,005
Purchase of call options - Financial assets/ goods	123,282	520,960	123,282	520,960
Purchase of put options - Financial assets/goods	29,193	29,296	29,193	29,296
Credit derivatives	6,156	24,050	6,156	24,050
<i>Non Deliverable Forward - NDF</i>	253,029	245,047	253,029	245,047
Total	2,152,520	2,932,223	1,766,828	2,161,226
	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Liabilities				
Differential payable from swap	1,091,603	1,335,583	953,499	1,208,767
Term currency contracts	26,070	758	26,070	758
Sale of call options - Shares	437	236	437	236
Sale of put options - Shares	96,068	4,128	96,068	4,128
Sale of call options - Financial assets/ goods	213,177	474,195	213,177	474,195
Sale of put options - financial assets/goods	90,584	47,530	90,584	47,530
Option box - Fixed income strategy	21,845,075	18,923,872	1,059,124	1,022,503
Credit derivatives	9,722	22,992	9,722	22,992
<i>Non Deliverable Forward - NDF</i>	59,194	65,670	59,194	65,670
Total	23,431,930	20,874,964	2,507,875	2,846,779

b. Composition of swap contracts by index

Bank	06/30/2013			06/30/2012		
	Original value	Cost	Fair value	Original value	Cost	Fair value
Asset position	<u>49,191,709</u>	<u>54,692,617</u>	<u>55,398,155</u>	<u>48,381,597</u>	<u>55,699,897</u>	<u>57,784,531</u>
DI (Interbank deposit rates)	12,632,534	13,685,693	14,416,608	13,422,274	14,545,859	15,716,679
Dollar	3,153,548	3,917,762	4,052,622	4,643,783	5,614,951	5,740,111
Euro	63,340	66,187	66,362	461,391	518,395	522,059
IGPM - inflation index	551,363	808,668	848,375	1,070,857	1,435,979	1,525,866
IPCA - inflation index	4,535,223	5,202,936	5,132,440	5,045,032	5,638,048	5,783,089
Pre-fixed	26,017,157	28,488,458	28,336,694	21,603,653	25,640,786	26,208,037
Libor	1,432,398	1,560,456	1,577,847	1,388,557	1,458,217	1,436,958
Long Term Interest Rate (TJLP)	23,000	23,171	23,719	-	-	-
Commodities	9,759	9,857	8,608	1,808	1,808	1,569
Swiss Franc	441,047	597,089	605,930	441,047	542,659	553,396
Other	332,340	332,340	328,950	303,195	303,195	296,767
Liability position	<u>49,191,709</u>	<u>54,034,658</u>	<u>54,924,547</u>	<u>48,381,597</u>	<u>54,928,633</u>	<u>57,012,209</u>
DI (Interbank deposit rates)	32,077,969	34,828,401	34,887,145	27,738,461	32,268,483	32,291,714
Dollar	2,246,571	2,751,954	2,812,387	2,531,409	2,930,266	2,955,211
Euro	31,202	33,471	33,461	31,781	32,157	32,098
IGPM - inflation index	352,000	595,511	629,501	613,570	900,680	969,679
IPCA - inflation index	5,315,437	6,676,662	6,703,453	6,146,638	7,853,642	8,227,103
Pre-fixed	7,795,238	7,702,477	8,447,830	10,764,893	10,374,445	11,992,030
Libor	753,782	801,192	819,754	282,195	276,293	250,692
Long Term Interest Rate (TJLP)	602,046	621,212	566,803	257,890	270,282	270,439
Commodities	9,600	9,286	9,209	2,855	2,824	2,423
Other	7,864	14,492	15,004	11,905	19,561	20,820
Net differential	<u>-</u>	<u>657,959</u>	<u>473,608</u>	<u>-</u>	<u>771,264</u>	<u>772,322</u>
Consolidated	06/30/2013			06/30/2012		
	Original value	Cost	Fair value	Original value	Cost	Fair value
Asset position	<u>23,998,096</u>	<u>26,864,615</u>	<u>27,710,012</u>	<u>27,025,478</u>	<u>30,191,189</u>	<u>31,766,188</u>
DI (Interbank deposit rates)	10,280,624	11,057,861	11,788,777	11,499,002	12,290,654	13,461,474
Dollar	3,134,571	3,890,839	4,025,314	4,588,397	5,545,987	5,671,178
Euro	63,340	66,187	66,362	461,391	518,395	522,059
IGPM - inflation index	551,363	808,668	848,375	1,070,857	1,435,979	1,525,866
IPCA - inflation index	4,535,223	5,202,936	5,132,440	5,045,032	5,638,048	5,783,089
Pre-fixed	3,194,431	3,315,211	3,303,690	2,226,192	2,456,247	2,513,832
Libor	1,432,398	1,560,456	1,577,847	1,388,557	1,458,217	1,436,958
Long Term Interest Rate (TJLP)	23,000	23,171	23,719	-	-	-
Commodities	9,759	9,857	8,608	1,808	1,808	1,569
Swiss Franc	441,047	597,089	605,930	441,047	542,659	553,396
Other	332,340	332,340	328,950	303,195	303,195	296,767
Liability position	<u>23,998,096</u>	<u>26,584,311</u>	<u>27,483,992</u>	<u>27,025,478</u>	<u>29,629,840</u>	<u>31,638,047</u>
DI (Interbank deposit rates)	9,236,265	10,085,814	10,144,498	8,305,614	9,276,194	9,299,425
Dollar	2,246,571	2,751,954	2,812,387	2,516,109	2,911,790	2,936,757
Euro	31,202	33,471	33,461	31,781	32,157	32,098
IGPM - inflation index	352,000	595,511	629,501	613,570	900,680	969,679
IPCA - inflation index	5,315,437	6,676,662	6,703,453	6,146,638	7,853,642	8,227,103
Pre-fixed	5,443,329	4,994,717	5,749,922	8,856,921	8,086,417	9,628,611
Libor	753,782	801,192	819,754	282,195	276,293	250,692
Long Term Interest Rate (TJLP)	602,046	621,212	566,803	257,890	270,282	270,439
Commodities	9,600	9,286	9,209	2,855	2,824	2,423
Other	7,864	14,492	15,004	11,905	19,561	20,820
Net differential	<u>-</u>	<u>280,304</u>	<u>226,020</u>	<u>-</u>	<u>561,349</u>	<u>128,141</u>

c. Composition of forward contracts by index

Bank and consolidated	06/30/2013			06/30/2012		
	Original value	Accrual value	Fair value	Original value	Accrual value	Fair value
Asset position - Forward currency	13,269	26,007	25,939	30,493	986	784
Liability position - Forward currency	12,738	26,007	26,070	30,493	5,092	758

d. Composition of options contracts by index

Bank and consolidated	06/30/2013		06/30/2012	
	Amount contracted	Fair value (book value)	Amount contracted	Fair value (book value)
Long position				
Dollar	4,245,544	91,838	5,536,488	465,032
Index	1,023,744	3,978	11,708,281	8,655
Shares	2,838,690	149,710	454,151	4,181
Commodities	-	-	2,922	563
Flexible	1,514,334	56,659	1,407,175	76,006
Total	9,622,312	302,185	19,109,017	554,437
Short position				
Dollar	5,167,956	128,921	8,207,531	480,642
Index	1,172,850	98,673	11,476,436	6,211
Shares	2,814,420	96,505	459,800	4,364
Commodities	-	-	42,679	2,688
Flexible	1,907,322	76,167	1,168,629	32,184
Total	11,062,548	400,266	21,355,075	526,089

e. Composition of the future contracts by index

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Commitment of purchase	18,644,839	48,202,252	18,644,839	48,202,252
DDI	10,854,066	13,139,042	10,854,066	13,139,042
Dollar	2,553,084	1,880,268	2,553,084	1,880,268
DI	4,486,064	32,895,058	4,486,064	32,895,058
Exchange Coupon	8,273	7,533	8,273	7,533
Commodities	52,582	1,603	52,582	1,603
Index	487,861	22,371	487,861	22,371
Euro	38,943	-	38,943	-
SCC (a)	163,966	256,377	163,966	256,377
Commitment of sale	29,951,739	32,895,665	63,157,005	75,825,605
DDI	10,347,986	14,886,597	10,347,986	14,886,597
Dollar	3,437,192	409,384	3,437,192	409,384
DI	15,809,892	17,246,117	49,015,158	60,176,057
Exchange Coupon	153,545	412	153,545	412
Commodities	12,216	30,033	12,216	30,033
Index	24,395	71,203	24,395	71,203
Euro	-	502	-	502
BGI (b)	343	3,901	343	3,901
SCC (a)	166,170	247,516	166,170	247,516
Total	(11,306,900)	15,306,587	(44,512,166)	(27,623,353)

- (a) Foreign exchange swap with periodic adjustment.
- (b) Future contracts for Fattened steer.

f. Composition of NDF contracts by index

Bank and consolidated	06/30/2013		06/30/2012	
	Amount contracted	Fair value (book value)	Amount contracted	Fair value (book value)
Assets	3,372,456	253,029	4,863,965	245,047
Dollar	3,261,684	202,188	3,582,699	149,959
Euro	8,578	570	9,063	193
Other	102,194	50,271	1,272,203	94,895
Liabilities	1,254,452	59,194	1,711,237	65,670
Dollar	976,759	50,389	587,483	33,149
Euro	66,202	5,356	-	4
Other	211,491	3,449	1,123,754	32,517
Total	2,118,004	193,835	3,152,728	179,377

g. Credit derivatives

The Conglomerate carries out credit derivative transactions for the purpose of managing portfolio's credit risk. Comprised by customers whose risk is classified as investment grade and counterparty is comprised of main international market leaders for these transactions. For hedge sales, credit limit is approved both for risk customer and its counterparty, according to credit committee's levels and forums. Credit limit is assigned to the risk customer at derivative notional value, considering amounts deposited in guarantee.

To acquire hedge, transaction is conducted in a trading portfolio with a sovereign risk customer, mainly of the Federative Republic of Brazil. In this case, future possible exposure is considered to assign the counterparty limit.

Bank and consolidated	06/30/2013		06/30/2012	
	Reference value	Fair value	Reference value	Fair value
Risk taken - Credit swaps	853,006	(2,764)	3,264,400	(8,866)
Risk transferred - Credit swaps	653,602	802	811,612	(9,924)

As of June 30, 2013, effect of received risk on Capital Requirement was R\$ 48,987 (R\$ 190,659 in 2012).

h. Credit derivatives by index

Bank and Consolidated	06/30/2013			06/30/2012		
	Original value	Accrual value	Fair value	Original value	Accrual value	Fair value
Asset position - Prefixed	853,006	4,963	6,156	3,335,145	16,716	24,050
Liability position - Prefixed	653,602	1,307	9,722	740,867	5,370	22,992

i. Composition of Option box contracts - Fixed income strategy

Bank	06/30/2013		06/30/2012	
	Amount contracted	Fair value / Risk exposure	Amount contracted	Fair value / Risk exposure
Prefixed risk	<u>43,303,549</u>	<u>21,845,075</u>	<u>15,797,507</u>	<u>18,923,872</u>
Liability position				
Sale of Call with high limit	9,494,051	8,703,388	5,456,850	6,872,299
Sale of Put with low limit	33,809,498	13,141,687	10,340,657	12,051,573
Dollar risk	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Asset position				
Sale of Put with low limit	-	15,135,267	-	16,465,615
Liability position				
Sale of Call with high limit	-	15,135,267	-	16,465,615
Consolidated	06/30/2013		06/30/2012	
	Amount contracted	Fair value / Risk exposure	Amount contracted	Fair value / Risk exposure
Prefixed risk	<u>1,991,760</u>	<u>1,059,124</u>	<u>971,537</u>	<u>1,022,503</u>
Liability position				
Sale of Call with high limit	436,031	388,978	303,772	354,235
Sale of Put with low limit	1,555,729	670,146	667,765	668,268
Dollar risk	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Asset position				
Sale of Put with low limit	-	801,814	-	841,437
Liability position				
Sale of Call with high limit	-	801,814	-	841,437

j. Securities given in guarantee

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Stock Exchange transactions	864,595	763,715	1,649,983	1,960,374
National treasury notes	676,709	763,715	693,566	785,410
Financing bills	11,759	-	11,759	-
National treasury bills	176,127	-	944,658	1,174,964
Clearing House operations	114,637	101,876	114,637	101,876
National treasury notes	30,408	101,876	30,408	101,876
Financing bills	11,220	-	11,220	-
National treasury bills	73,009	-	73,009	-
Other	1,266,247	2,247,766	1,276,098	2,272,871
National treasury notes	420,628	503,860	420,628	503,860
Financing bills	3,370	16,027	13,221	41,132
National treasury bills	453,749	-	453,749	-
Others	(a) 388,500	1,727,879	388,500	1,727,879
Total	2,245,479	3,113,357	3,040,718	4,335,121

- (b) In 2013, basically refer to securities of foreign governments, in the amount of R\$ 388,500 (R\$ 355,146 in 2012), and other securities abroad, in the amount of R\$ 1,365,487 in 2012.

k. Financial derivative instruments segregated by trading location and counterpart

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Asset position				
Stock Exchange transactions	302,185	554,437	302,185	554,437
Over-the-Counter	1,850,335	2,377,786	1,464,643	1,606,789
Financial institutions	1,271,509	2,043,925	885,817	1,272,928
Trade accounts receivable	578,826	333,861	578,826	333,861
Total	2,152,520	2,932,223	1,766,828	2,161,226

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Liability position				
Stock Exchange transactions	400,266	526,089	400,266	526,089
Over-the-Counter	23,031,664	20,348,875	2,107,609	2,320,690
Financial institutions	22,900,837	20,250,246	1,976,782	2,222,061
Trade accounts receivable	130,827	98,629	130,827	98,629
Total	23,431,930	20,874,964	2,507,875	2,846,779

I. Composition of derivative financial instruments used in hedge strategies

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Hedge instruments				
Market risk hedge				
Assets	9,323,576	23,980,773	9,323,576	20,221,475
Futures	8,452,177	18,903,915	8,452,177	18,903,915
Swap	871,399	3,759,298	871,399	-
Options	-	1,317,560	-	1,317,560
Liabilities	11,002,401	21,297,783	45,756,838	59,880,934
Futures	11,002,401	16,248,003	45,756,838	57,774,391
Swap	-	2,943,237	-	-
Options	-	2,106,543	-	2,106,543
Cash flow risk hedge				
Assets	-	883,305	-	883,305
Swap	-	883,305	-	883,305
Items to be hedged				
Market risk hedge				
Assets	10,030,416	4,748,508	43,480,502	50,453,233
Loans	4,819,328	2,304,280	36,917,352	45,207,907
Securities	5,211,088	380,362	5,211,088	430,798
Lease operations	-	-	1,352,062	2,750,662
Foreign investments	-	731,065	-	731,065
Other assets	-	1,332,801	-	1,332,801
Liabilities	8,567,993	6,944,931	8,567,993	6,944,931
Other liabilities	8,567,993	6,944,931	8,567,993	6,944,931
Cash flow risk hedge				
Liabilities	-	883,125	-	883,125
Other liabilities	-	883,125	-	883,125

m. Hedge accounting

Market risk hedge

Bank	Object of hedge			Hedge instruments		
	06/30/2013		06/30/2012	Derivative	06/30/2013	
Strategies / Risk	Fair value	Unrealized gain/ (Loss)	Fair value		Fair value	Fair value
Hedge of repurchase and resale commitments/ prefixed rate Securities	4,936,685	(4,953)	4,072,502	Future DI	5,565,571	3,610,941
hedge/ Exchange variation	274,403	47,325	305,300	Future DDI	288,682	336,122
Loan transaction hedge/ prefixed rate / exchange variation	4,819,328	230,397	5,812,595	Future DI	2,499,105	2,931,649
Security obligations hedge overseas / exchange variation	5,511,431	(194,109)	3,194,482	Future DDI	2,649,043	2,746,871
Subordinated debt hedge / Exchange variation	3,056,562	(174,919)	3,137,272	Future DDI Swap	5,038,020 605,807	3,339,683 552,980
				Future DDI Swap	3,414,157 265,592	3,109,559 -

Consolidated	Object of hedge			Hedge instruments		
	06/30/2013		06/30/2012	Derivative	06/30/2013	
Strategies / Risk	Fair value	Unrealized gain/ (Loss)	Fair value		Fair value	Fair value
Purchase and sale commitment hedge prefixed rate Securities	4,936,685	(4,953)	4,072,502	Future DI	5,565,571	3,610,941
hedge/ Exchange variation	274,403	47,325	305,300	Future DDI	288,682	336,122
Loan and lease transaction hedge/ prefixed rate / exchange variation	38,269,414	81,054	45,973,350	Future DI	37,253,542	47,231,101
Security obligations hedge overseas / exchange variation	5,511,431	(194,109)	3,194,482	Future DDI	2,649,043	2,746,871
Subordinated debt hedge / exchange variation	3,056,562	(174,919)	3,137,272	Future DDI Swap	5,038,020 605,807	3,339,683 552,980
				Future DDI Swap	3,414,157 265,592	3,109,559 -

The effectiveness verified in the hedge portfolio complies with the provisions of regulation in force.

Cash flow hedge

Bank and consolidated	06/30/2012			
	Object of hedge		Hedge instruments	
Strategies / Risk	Fair value	Unrealized gain/ (Loss)	Derivative	Fair value
Hedge of obligations due to foreign borrowings/ exchange variation	883,125	19,468	Swap	883,305

The effectiveness verified in the hedge portfolio complies with the provisions of regulation in force.

Gains and losses from instruments' and hedged items' result

	Bank		Consolidated	
	01/01 to 06/30/2013	01/01 to 06/30/2012	01/01 to 06/30/2013	01/01 to 06/30/2012
Losses from hedged items	(1,317,386)	(1,419,989)	(2,302,302)	(1,419,989)
Gains from hedge instruments	1,316,063	1,454,237	2,345,695	1,454,237
Net effect	(1,323)	34,248	43,393	34,248
Gains from hedge items	884,690	1,219,961	1,036,448	2,622,746
Losses from hedge instruments	(874,127)	(1,137,472)	(1,049,624)	(2,510,682)
Net effect	10,563	82,489	(13,176)	112,064

10 Interbank accounts

Assets	Bank and consolidated	
	06/30/2013	06/30/2012
Payments and receipts to be settled	562	544
Mandatory reserves - BACEN ("Brazilian Central Bank")	301,664	2,835,795
Compulsory deposits related to deposits on demand	92,050	116,105
Compulsory charge on time funds	204,144	1,548,222
Compulsory charge on additional requirement	-	1,165,625
Compulsory charge on microfinance transactions	5,470	5,843
Interbank onlendings	96,441	176,199
Correspondent relations	785	916
Total	399,452	3,013,454
Liabilities		
	06/30/2013	06/30/2012
Payments and receipts to be settled	2,612	5,532
Total	2,612	5,532

11 Loans and leases, advances on foreign exchange contracts, other receivables with loan characteristics and allowance for loan losses

a. Composition of operations by category and past due and falling due installments

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Advances to depositors	392	641	392	641
Loans	8,253,591	9,447,695	13,896,906	16,706,306
Discounted securities	382,200	65,302	382,200	65,302
Loans and financing	3,575,891	4,693,012	25,326,864	33,237,004
Export financing	3,371,186	3,559,919	3,371,186	3,559,919
Financing in foreign currency	752,469	631,911	752,469	631,911
Rural financing agreements	489,242	556,426	489,242	556,426
Real estate financing agreements	615,629	413,196	615,629	413,196
Loans subject to assignments	-	-	8,512,532	96,771

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Subtotal	17,440,600	19,368,102	53,347,420	55,267,476
Advances against exchange contracts	960,387	914,921	960,387	914,921
Foreign exchange rate difference	935	431	935	431
Lease operations	-	-	1,439,271	2,626,282
Total lending operations	18,401,922	20,283,454	55,748,013	58,809,110
Installments past due (from 15 days)	286,875	226,234	1,461,197	2,219,666
Payments falling due	18,115,047	20,057,220	54,286,816	56,589,444
Total installments	18,401,922	20,283,454	55,748,013	58,809,110

b. Concentration of operations

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Ten largest debtors	2,842,499	2,957,037	2,842,499	3,046,802
Fifty following largest debtors	4,010,441	4,095,018	4,010,441	4,187,632
Hundred following largest debtors	2,850,952	3,106,930	2,850,952	3,167,985
Other debtors	8,698,030	10,124,469	46,044,121	48,406,691
Total	18,401,922	20,283,454	55,748,013	58,809,110

c. Composition of operations by sector of economic activity

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Legal entities	18,254,946	19,901,313	19,529,922	21,719,119
Public sector				
Services	26,232	52,919	26,232	52,919
Private sector				
Industry	9,633,278	10,410,037	9,760,342	10,573,947
Commerce	2,802,139	3,138,904	3,299,181	3,866,042
Rural	489,242	556,426	489,243	556,426
Services	5,304,055	5,743,027	5,954,924	6,669,785
Individuals	146,976	382,141	36,218,091	37,089,991
Total	18,401,922	20,283,454	55,748,013	58,809,110

d. Composition of operations and allowance for loan losses by level of risk and type of portfolio

Bank		06/30/2013				06/30/2012	
Level of risk	% Minimum provision required	Loans to fall due	Loans overdue	Total	Existing provision	Total	Existing provision
AA	-	5,847,807	-	5,847,807	-	9,249,735	-
A	0.5	6,314,354	-	6,314,354	31,572	4,832,204	24,160
B	1	3,491,628	12,322	3,503,950	35,039	3,484,967	34,849
C	3	723,052	28,126	751,178	22,535	1,119,755	33,592
D	10	503,022	192,159	695,181	97,842	581,971	58,197
E	30	532,285	61,855	594,140	222,368	485,262	178,024
F	50	86,675	53,759	140,434	70,217	49,477	24,739
G	70	66,758	71,452	138,210	96,747	64,352	45,046
H	100	62,319	354,349	416,668	416,668	415,731	415,731
Total		17,627,900	774,022	18,401,922	992,988	20,283,454	814,338
Percentage of the portfolio					5.40%		

Consolidated		06/30/2013				06/30/2012	
Level of risk	% Minimum provision required	Loans to fall due	Loans overdue	Total	Existing provision	Total	Existing provision
AA	-	6,662,313	-	6,662,313	-	9,598,830	-
A	0.5	26,293,154	-	26,293,154	131,466	33,441,152	167,206
B	1	8,882,468	1,226,779	10,109,247	101,092	5,909,396	59,094
C	3	5,364,346	1,454,445	6,818,791	204,564	2,995,355	89,861
D	10	664,244	891,394	1,555,638	183,888	1,571,889	157,189
E	30	609,022	529,863	1,138,885	385,790	1,137,551	373,709
F	50	129,550	439,943	569,493	284,746	648,602	324,301
G	70	105,575	416,422	521,997	365,398	726,678	508,674
H	100	91,789	1,986,706	2,078,495	2,078,495	2,779,657	2,779,657
Total		48,802,461	6,945,552	55,748,013	3,735,439	58,809,110	4,459,691
Percentage of the portfolio					6.70%		

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Provision for loans and discounted securities	701,224	495,682	1,154,240	1,079,472
Provision for financing	189,277	258,547	2,257,021	3,116,298
Provision for rural and agro-industrial financing	3,752	5,759	3,752	5,759
Provision for Real Estate financing	26,877	3,057	26,876	3,057
Provision for loans granted after January 1, 2012	-	-	108,021	484
Provision for financial leases	-	-	106,228	187,282
Provision for other receivables	71,858	51,293	79,301	67,339
Total	992,988	814,338	3,735,439	4,459,691

e. Movement of allowance for loan losses in the period

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Opening balance	854,543	652,592	4,153,969	3,206,327
Formation / (reversals)	449,341	250,228	2,069,319	3,025,045
Write-offs to loss	(310,896)	(88,482)	(2,487,849)	(1,771,681)
Closing balance	992,988	814,338	3,735,439	4,459,691

f. Information on loan assignments carried out up to December 31, 2011

In the semester ended June 30, 2013, the Conglomerate determined early settlement expenses of R\$ 158,331 fully recognized in the statement of income, and provision for losses of R\$ 48,237, regarding assignments carried out up to December 31, 2011. A provision for loan losses, in the amount of R\$ 269,419 (R\$ 277,943 in 2012), was recorded under caption Other obligations – Sundry.

Balance of credit assignments with recourse	06/30/2013	06/30/2012
Financial institutions – Related parties	7,008,823	13,205,999
Other Financial Institutions	197,763	534,354
Total	7,206,586	13,740,353

g. Information on loan assignments carried out as of January 1, 2012

In the semester ended June 30, 2013, transfers of financial assets were undertaken (consumer loans), with a substantial retaining of the risks and benefits to related parties and credit receivable investment funds, of which Banco Votorantim and BV Financeira, (through quotas of multimarket investment funds) holds 100% of the subordinated quotas as demonstrated below:

	06/30/2013	
	Financial asset sale object	Liability referring to assumed obligation
BV Financeira FIDC II	132,099	139,017
BV Financeira FIDC III	34,931	35,805
BV Financeira FIDC IV	1,200	1,204
BV Financeira FIDC V	12,041	12,272
BV Financeira FIDC VI	1,040,932	1,159,111
Financial institutions – Related parties	7,291,329	8,937,452
Total	8,512,532	10,284,861

In the semester ended June 30, 2013, the income from sold or transferred assets totaled R\$ 799,955, and liabilities with sales or transfer operations of financial assets totaled R\$ 647,071.

In the semester ended June 30, 2013, transfers of financial assets (loans) without substantial retention of risks and benefits were not performed.

The Bank has not adopted the option provided in Resolution 4036/2011 on treatment of early settlement losses, fully recognizing losses at the time they occur.

h. Supplementary information

	Bank		Consolidated	
	2013	2012	2013	2012
Amount of credit amended/renegotiated in the period between 01.01 to 30.06	3,430,569	3,333,014	3,711,810	3,500,320
Amount part of credits recovered written-off as loss between 01.01 to 30.06	15,647	7,939	190,472	95,511
Guarantees granted at 30.06	12,051,303	12,480,688	12,051,303	12,480,688

Banco Votorantim has FIDC V shares in the amount of R\$ 68,499 (R\$ 333,435 in 2012) and its subsidiary BV Financeira have indirect hold through Invest Fund. Nióbio I Renda fixa, 100% of the subordinated quotas of credit receivables investment funds as follows:

	06/30/2013	06/30/2012
BV Financeira FIDC I	137,626	278,066
BV Financeira FIDC II	133,562	128,467
BV Financeira FIDC III	51,455	179,711
BV Financeira FIDC IV	38,884	423,176
BV Financeira FIDC VI	723,641	820,995
Total investments in quotas	<u>1,085,168</u>	<u>1,830,415</u>

12 Foreign exchange portfolio

	Bank and consolidated	
	06/30/2013	06/30/2012
Other receivables		
Purchased foreign exchange to be settled	1,631,158	1,091,537
Receivables from foreign exchange sales	346,897	168,887
Advances in national currency received	(17,045)	(1,513)
Advances in foreign currency received	-	(141)
Earnings receivable from granted advances	22,806	25,798
Total	<u>1,983,816</u>	<u>1,284,568</u>
Other liabilities		
Sold foreign exchange to be settled	352,247	164,374
Liabilities for foreign exchange purchases	1,544,123	1,011,093
Advances against exchange	(937,581)	(889,123)
Amount in foreign currency – payable	-	8
Total	<u>958,789</u>	<u>286,352</u>
Net foreign exchange position	<u>1,025,027</u>	<u>998,216</u>

13 Securities Clearing Accounts

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Other receivables				
Cash pending settlement	303	129	50,656	5,994
Debtors accounting settlement pending	-	16,695	46,152	145,326
Operations with unsettled financial assets and commodities	221,532	21,789	399,414	59,226
Deposits in guarantee abroad	62,256	99,452	62,824	99,981
Total	284,091	138,065	559,046	310,527
	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Other liabilities				
Cash pending settlement	1	420	164	475
Commissions and brokerage fees payable	363	500	377	1,025
Creditors - unsettled accounts	15	129	229,765	191,509
Stock loan creditors	18	18,863	18	18,863
Operations with unsettled financial assets and commodities	241,701	13	241,706	13
Other obligations for securities clearing accounts	26,357	-	35,601	-
Total	268,455	19,925	507,631	211,885

14 Other receivables - Other

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Advanced and prepaid salaries	5,635	5,445	12,932	12,386
Advances to suppliers	1,259	1,954	1,763	2,174
Tax credit of taxes and contributions	1,273,529	514,306	5,621,421	3,302,464
Deposits in guarantee	206,227	166,510	726,521	519,008
Taxes and contributions recoverable	76,584	107,600	374,500	443,576
Recoverable taxes and contributions	-	-	4	1
Credit card transactions	-	-	383,567	297,547
Adjustment to fair value on loans and leases	230,397	236,419	251,895	1,968,289
Settlement of securities overseas	53,344	158,586	53,344	158,587
Other	6,729	37,249	82,609	148,226
Total	1,853,704	1,228,069	7,508,556	6,852,258

15 Other assets

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Prepaid expenses	11,550	16,468	776,578	944,875
Insurance costs	55	227	2,204	5,809
Data processing expenses	4,227	4,558	7,257	5,183
Commission for intermediation of operations	(a) -	-	740,620	860,536
Prepaid financial system service expenses	4,352	6,788	22,112	61,133
Prepaid specialized technical service expenses	2,916	4,895	4,385	12,214
Other assets	176,233	221,013	313,666	356,935
Non-operating assets – real state	10,122	4,041	10,122	4,041
Non-operating assets – vehicles and related	3,215	327	152,621	142,826
Provision for impairment of non-operating assets	-	-	(13,919)	(9,473)
Usufruct rights on shares	159,475	213,637	159,475	213,637
Other	3,421	3,008	5,367	5,904
Total	187,783	237,481	1,090,244	1,301,810

- (a) Refer to the deferral of costs associated to loan transactions granted by BV Financeira incurred in its origin.

16 Investments

a. Equity in the income of subsidiaries in Brazil and abroad

	Balance at 12/31/2012	Dividends / Other events	Capital injection / Acquisition of investments	Equity in income of subsidiaries	Equity evaluation adjustment	Balance at 06/30/2013
Domestic	4,992,068	(147,101)	-	(358,452)	(256,600)	4,229,915
Votorantim CTVM Ltda.	257,439	(1,905)	-	(440)	-	255,094
Votorantim Asset DTVM Ltda.	97,843	(19,235)	-	8,677	-	87,285
BV Financeira S.A.	3,126,688	-	-	(449,441)	(256,600)	2,420,647
BV Leasing Arrend. Merc. S.A.	1,329,828	(8,012)	-	38,625	-	1,360,441
BVIP - BV Inv. e Partic. S.A.	38	-	-	(11)	-	27
BVIA - BV Inv. Alt. Gestão S.A.	114	-	-	(10)	-	104
Votorantim Corretora de Seguros S.A.	180,118	(117,949)	-	44,148	-	106,317
Abroad	69,171	-	-	2,528	-	71,699
Votorantim Bank Limited	40,363	-	-	2,231	-	42,594
Banco Votorantim Securities	15,989	-	-	268	-	16,257
Votorantim Securities (UK) Limited	12,819	-	-	29	-	12,848
Total	5,061,239	(147,101)	-	(355,924)	(256,600)	4,301,614

06/30/2013

	Capital	Shareholders' equity	Net income (loss)	Number of common shares/quotas held by the Bank (in units)
Domestic				
Votorantim CTVM Ltda.	169,280	255,094	(440)	16,928,021,130
Votorantim Asset DTVM Ltda.	46,536	87,285	8,677	4,653,477,324
BV Financeira S.A.	5,845,718	2,420,647	(449,441)	1,641,109
BV Leasing Arrend. Merc. S.A.	998,800	1,360,441	38,625	510,404
BVIP - BV Inv. e Partic. S.A.	301	25	(11)	301,000
BVIA - BV Inv. Alt. Gestão S.A.	301	102	(10)	301,000
Votorantim Corretora de Seguros S.A.	54,802	106,316	44,148	200,000
Abroad				
Votorantim Bank Limited	91,483	42,594	(1,169)	6,002,120
Banco Votorantim Securities	26,587	16,257	(1,078)	4,000,000
Votorantim Securities (UK) Limited	13,479	12,848	(229)	4,000,000

b. Other investments

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Investments via tax incentives	41,037	37,031	120,139	111,102
Membership certificates	175	175	176	176
Shares and quotas	6	6	6	6
Other	100	100	130	129
Subtotal	41,318	37,312	120,451	111,413
Allowance for losses in investments due to fiscal incentives	(17,091)	(11,034)	(40,720)	(42,441)
Total	24,227	26,278	79,731	68,972

17 Fixed assets for use

Bank	06/30/2013			06/30/2012
	Accrual value	Accumulated depreciation	Net Balance	Net balance
Furniture and equipment in use	33,432	(15,082)	18,350	20,795
Communication systems	7,411	(5,440)	1,971	2,461
Data processing systems	41,125	(33,673)	7,452	8,545
Security systems	2,296	(999)	1,297	1,489
Transportation systems	416	(416)	-	-
Total	84,680	(55,610)	29,070	33,290

Consolidated	06/30/2013			06/30/2012
	Accrual value	Accumulated depreciation	Net balance	Net balance
Facilities	44,856	(10,576)	34,280	44,780
Furniture and equipment in use	55,590	(26,066)	29,524	34,500
Communication systems	12,092	(8,564)	3,528	4,406
Data processing systems	81,508	(66,207)	15,301	18,228
Security systems	2,344	(1,018)	1,326	1,523
Transportation systems	940	(820)	120	128
Total	197,330	(113,251)	84,079	103,565

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/31/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Opening balance	31,322	37,947	90,469	110,436
Acquisitions	2,721	2,060	18,877	7,005
Disposals	(527)	(2,564)	(14,740)	(2,787)
Depreciation	(4,446)	(4,153)	(10,527)	(11,089)
Closing balance	29,070	33,290	84,079	103,565

18 Intangible assets

Bank	06/30/2013			06/30/2012
	Accrual value	Accumulated amortization	Net balance	Net balance
Software	4,234	-	4,234	756
Corporate projects	28,384	(295)	28,089	24,667
Total	32,618	(295)	32,323	25,423

Consolidated	06/30/2013			06/30/2012
	Accrual value	Accumulated amortization	Net balance	Net balance
SISBEX BM&FBOVESPA	200	(200)	-	-
Software	6,237	(1,168)	5,069	1,717
Licenses	26,412	(12,069)	14,343	13,990
Sales rights agreements	5,000	(2,290)	2,710	3,460
Corporate projects	30,799	(295)	30,504	28,192
Total	68,648	(16,022)	52,626	47,359

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Opening balance	29,160	20,050	51,143	40,250
Acquisitions	4,002	6,899	12,355	12,357
Write-offs	(271)	(1,453)	(7,473)	(2,812)
Amortization	(568)	(73)	(3,399)	(2,436)
Closing balance	32,323	25,423	52,626	47,359

Amortization estimates for intangible assets

	06/30/2013	
	Bank	Consolidated
In 2013	597	3,808
In 2014	1,196	7,620
In 2015	1,196	7,245
<i>In 2016</i>	1,196	3,283
Above 5 years	28,138	30,670
Total	32,323	52,626

19 Deferred assets

Bank	06/30/2013			06/30/2012
	Accrual value	Accumulated amortization	Net balance	Net balance
Leasehold improvements	35,147	(9,444)	25,703	28,349
Total	35,147	(9,444)	25,703	28,349

Consolidated	06/30/2013			06/30/2012
	Accrual value	Accumulated amortization	Net balance	Net balance
Leasehold improvements	39,840	(14,113)	25,727	28,543
Expenses on software acquisition and development	1,609	(1,550)	59	130
Total	41,449	(15,663)	25,786	28,673

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Opening balance	27,028	29,661	27,177	30,572
Foreign exchange Amortization	3 (1,328)	- (1,312)	3 (1,394)	- (1,899)
Closing balance	25,703	28,349	25,786	28,673

20 Deposits

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Demand deposits	267,341	475,046	277,236	479,795
Individuals	43,251	17,351	44,606	17,970
Legal entities	224,020	457,623	232,560	461,753
Financial institutions	27	44	27	44
Other	43	28	43	28
Interbank deposits	2,837,030	3,812,819	2,496,090	3,504,861
Time deposits	6,917,028	19,005,913	6,901,400	18,983,891
Individuals	403,989	789,871	403,989	789,871
Legal entities	6,513,039	18,216,042	6,497,411	18,194,020
Total	10,021,399	23,293,778	9,674,726	22,968,547

21 Money market repurchase commitments

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Own portfolio	24,727,268	24,071,128	30,190,791	24,078,968
Financing bills	-	1,177,510	-	1,177,510
National treasury bills	3,403,125	1,596,555	9,016,696	1,596,555
National treasury notes	4,717,606	4,228,429	4,565,954	4,228,429
Debentures - own issue	16,351,009	16,182,304	16,351,009	16,182,304
Other	255,528	886,330	257,132	894,170
Third-party portfolio	10,274,920	13,278,747	5,813,061	7,626,610
Financing bills	500,101	-	53	-
National treasury bills	7,174,093	13,220,735	5,692,726	7,568,598
National treasury notes	2,600,726	58,012	120,282	58,012
Free portfolio	429,318	583,822	429,318	583,822
National treasury bills	207,242	219,912	207,242	219,912
National treasury notes	222,076	322,123	222,076	322,123
Other	-	41,787	-	41,787
Total	35,431,506	37,933,697	36,433,170	32,289,400

22 Acceptances and endorsements

	Rate of restatement	First funding date	Last funding date	Bank		Consolidated	
				06/30/2013	06/30/2012	06/30/2013	06/30/2012
Debentures							
Post-fixed	R\$ 100.00% to 111.00% of DI	06/2006	07/2027	-	-	1,499,376	2,833,642
Funds from Real estate credit notes							
Post-fixed	R\$ 94.00% to 97.36% of DI	11/2011	07/2015	195,682	88,494	195,682	88,494
Agribusiness credit bills (LCA)							
Post-fixed	R\$ 80.00% to 98.00% of DI	12/2007	03/2020	2,356,793	2,006,103	2,356,793	2,006,103
Pre-fixed	R\$ 9.22% p.a.	03/2013	06/2014	314	14,466	314	14,466
Financial bills							
Pre-fixed	R\$ 8.27% to 13.95% p.a.	06/2010	11/2022	250,180	122,309	250,180	122,309
Post-fixed	R\$ 100.00% to 112.02% of DI	09/2010	04/2019	10,899,788	9,609,081	10,899,788	9,609,081
Post-fixed	R\$ 108.30% to 109.30% of Selic	12/2011	04/2015	200,732	136,849	200,732	136,849
Post-fixed	R\$ 3.11% to 7.64% p.a. + IPCA	01/2011	05/2020	353,531	245,659	353,531	245,659
Post-fixed	R\$ 4.55% to 5.99% p.a. + IGPM	08/2011	06/2015	3,460	2,787	3,460	2,787
Foreign securities							
Pre-fixed	R\$ 4.25% to 19.77% p.a.	03/2010	12/2019	1,405,810	1,494,968	1,405,810	1,494,968
Post-fixed	R\$ 79.49% to 101.40% of DI	01/2011	02/2017	11,905	-	11,905	-
With exchange variation	0.30% p.a. to 5.53% p.a. + exchange variation	09/2006	03/2019	5,470,259	4,275,039	5,470,259	4,275,039
With exchange variation	0.55% p.a. to 2.75% p.a. + exchange variation	12/2012	12/2013	601,487	597,509	601,487	597,509
Total				21,749,941	18,593,264	23,249,317	21,426,906

23 Interbank funds applied

	Bank		Consolidated				
	06/30/2013	06/30/2012	06/30/2013	06/30/2012			
Liabilities							
Funds in transit - Associated companies	1,451	4,749	1,451	4,749			
Receipts in transit - Third parties	233	513	233	513			
Payment orders in foreign currency	29,609	119,302	29,609	119,302			
Local transfer of funds	-	-	2,919	24			
Total				31,293	124,564	34,212	124,588

24 Borrowings and onlendings

		Bank		Consolidated			
		06/30/2013	06/30/2012	06/30/2013	06/30/2012		
Domestic loans							
With exchange variation	(a)	9,517	13,336	9,517	13,336		
Foreign borrowings							
With exchange variation	(b)	3,908,581	5,378,880	3,908,581	5,378,880		
Domestic onlendings – National Treasury							
Pre-fixed	(c)	78,766	65,386	78,766	65,386		
Post-fixed	(d)	8,540	62,427	8,540	62,427		
Domestic Onlendings - BNDES							
Pre-fixed	(e)	639,797	993,992	639,797	993,992		
Post-fixed	(f)	1,814,962	1,906,059	1,814,962	1,906,059		
With exchange variation	(g)	85,651	105,763	85,651	105,763		
Domestic Onlendings - FINAME							
Pre-fixed	(h)	1,648,976	1,979,252	1,660,277	1,998,398		
Post-fixed	(i)	299,959	492,304	299,959	492,304		
With exchange variation	(j)	1,260	-	1,260	-		
Total				8,496,009	10,997,399	8,507,310	11,016,545

- (a) Discount rate in 2013: CDI + 0.40 % p.a. + foreign exchange.
- (b) Discount rate in 2013: from 1.19 % p.a. to 8.45 % p.a. + foreign exchange / 0.30 % p.a. to 3.60 % p.a. + Libor.
- (c) Discount rate in 2013: from 5.50 % p.a. to 6.75 % p.a.
- (d) Discount rate in 2013: Selic.
- (e) Discount rate in 2013: from 1.50 % p.a. to 7.30 % p.a.
- (f) Discount rate in 2013: from 7.02 % p.a. to 9.91 % p.a. + IPCA / 0.50 % p.a. to 4.50 % p.a. + TJLP.
- (g) Discount rate in 2013: from 0.90 % p.a. to 6.23% p.a. + foreign exchange
- (h) Discount rate in 2013: from 0.30% p.a. to 9.80% p.a.
- (i) Discount rate in 2013: from 0.50 % p.a. to 5.50 % p.a. + TJLP.
- (j) Discount rate in 2013: from 0.90 % p.a. to 1.40% p.a. + foreign exchange

25 Other liabilities - Social and statutory

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Provision for profit sharing	94,672	60,192	181,796	114,489
Total	94,672	60,192	181,796	114,489

26 Other liabilities - Tax and social security

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Taxes and contributions on income payable	-	34,687	149,698	77,648
Taxes and contributions on outsourced services	595	585	4,256	3,836
Taxes and contribution on the salary	2,490	2,307	4,532	3,751
Taxes and contributions on interest earning bank deposits	25,861	56,068	25,892	57,491
PIS	967	2,498	4,064	6,458
COFINS	5,950	1,873	25,009	20,999
ISS	1,193	976	3,628	3,793
Provision for tax risks	(a) 839,446	626,480	2,184,433	1,576,805
Provision for deferred taxes and contributions	-	-	427,170	656,063
Other taxes and contributions	1	-	-	1
Total	876,503	725,474	2,828,682	2,406,845

- (a) As of June 30, 2013, Financial Conglomerate companies have a Writ of Mandamus in which they discuss the time COFINS will be deducted from Taxable Income and CSLL calculation basis. For financial statements' adequacy purposes, a provision for the liability under discussion was restated in the semester, as shown in Note 49 – Contingent assets, liabilities and Legal obligations.

27 Other liabilities - Subordinated debts

Funding	Remuneration p.a.	Funding date	Maturity	Bank e consolidated	
				06/30/2013	06/30/2012
Bank deposit certificate					
Post-fixed	1.64% p.a. to 1.67% p.a. + CDI	08/2009	12/2014	1,915,948	2,832,723
Post-fixed	7.86% p.a. to 8.00% p.a. + IPCA	08/2009	08/2014	117,121	303,852
Post-fixed	7.22% p.a. + IGPM	12/2007	12/2012	-	119,024
Subordinated bill					
With exchange variation	7.38% p.a. + exchange variation	01/2010	01/2020	2,828,518	2,481,287
Subordinated financial bills					
Post-fixed	1.30% p.a. to 1.94% p.a. + CDI or 115.00% to 119.00% of DI	11/2010	10/2017	1,486,908	1,489,794
Post-fixed	6.71% p.a. to 7.70% p.a. + IGPM	05/2011	10/2017	229,150	209,594
Post-fixed	7.00% p.a. to 8.02% + IPCA	05/2011	11/2020	442,167	389,743
Total				<u>7,019,812</u>	<u>7,826,017</u>

28 Other liabilities - Other

	Bank		Consolidated		
	06/30/2013	06/30/2012	06/30/2013	06/30/2012	
Provision for personnel expenses	80,656	41,282	179,979	124,316	
Provision for Administrative Expenses	11,064	6,002	89,588	70,076	
Provision for contingent liabilities	33,077	20,002	975,213	499,040	
Commission for intermediation of operations	-	-	6,844	21,063	
Amounts subject to onlendings to assignees	-	-	136,729	199,547	
Provision for assigned credit losses up to December 31, 2011	-	35,033	269,419	277,943	
Credit card transactions	-	-	389,121	297,957	
Settlement of securities overseas	8,299	36,136	8,634	36,650	
Loan operations and leases to be released	-	15	23,105	19,459	
Market adjustments for loans analysis and leases	-	-	170,841	-	
Liabilities regarding transactions related to assignments	(a)	-	10,284,861	103,184	
Other	(b)	25,515	16,279	257,168	
Total		<u>158,611</u>	<u>154,749</u>	<u>12,791,502</u>	<u>1,823,254</u>

- (a) Refers to liabilities regarding sales or transfers operations of financial assets with substantial retaining of the risks and benefits, performed as of January 01, 2012, as current law.
- (b) It basically refers to unprocessed amounts arising from the operating cash flow from the loan operation portfolio and lease.

29 Shareholders' equity

a. Capital

Capital is represented by 103,949,376,612 nominative shares, 85,049,489,946 of which are common shares with no par value and 18,899,886,666 nominative preferred shares with no par value.

According to the Extraordinary General Meeting held on June 27, 2012, was resolved and approved the capital increase in the amount of R\$ 2,000,000, issuing 22,410,553,662 new shares, fully subscribed and paid-in. The capital injection was approved by the Brazilian Central Bank (BACEN) on June 29, 2012. The capital increase was approved by the Brazilian Central Bank (BACEN) on June 29, 2012.

b. Profit reserves

Legal reserve

Formed compulsorily on the basis of 5% of net income for the period, until it reaches 20% of the capital stock. Legal reserve may not be formed when the result of its addition to capital reserves is greater than 30% of capital stock. The legal reserve can only be used for capital increase or to offset loss.

Expansion reserve

To fulfill the requirements established in the corporate legislation and rules of the Brazilian Central Bank at period-end, Management proposes that, at the end of the year, the portion of retained earnings not distributed, if it exists, is allocated for "Expansion reserve". The balance in reserves will remain at the shareholders' disposal for a subsequent resolution by the General Shareholders' Meeting.

c. Adjustments to equity value recognized in shareholders' equity in the period

	<u>Consolidated</u>	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Opening balance	298,879	(75,346)
Securities available for sale	<u>(979,574)</u>	<u>647,605</u>
Banco Votorantim S.A.	(552,033)	383,456
Subsidiary companies	(427,541)	264,149
Cash flow hedge	<u>-</u>	<u>(19,159)</u>
Banco Votorantim S.A.	-	(19,159)
Tax effects	<u>373,674</u>	<u>(233,892)</u>
Closing balance	<u><u>(307,021)</u></u>	<u><u>319,208</u></u>

30 Balance sheet by maturity

The “balance sheet by maturity” as of June 30, 2013 was prepared considering the maturity term of the assets and liabilities, regardless of the category in which they are classified.

Regarding assets and liabilities of indefinite term, operations with assets are classified in long-term assets and operations with liabilities in current liabilities. Fixed assets and shareholders’ equity are being presented as “over 5 years”.

In the schedule presented below, securities classified in the “Trading securities” category are presented as Current Assets, regardless of the maturity terms.

Lease operations are presented at the financial method, which consists of reclassifying leased property, plant and equipment to the caption lease transactions, less residual value received in advance.

Bank

a. Assets

	Up to 90 days	From 91 to 360 days	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Cash	42,592	-	-	-	-	42,592
Interbank funds applied	25,982,972	17,044,548	824,141	21,307	-	43,872,968
Purchase and sale commitments – own portfolio	1,591,184	327,185	-	-	-	1,918,369
Purchase and sale commitments - Financed operations	10,006,771	399,796	-	-	-	10,406,567
Purchase and sale commitments. - Free movement	424,159	36,885	-	-	-	461,044
Interbank deposits	13,717,513	16,280,682	824,141	21,307	-	30,843,643
Foreign currency investments	243,345	-	-	-	-	243,345
Securities	2,485,219	1,881,120	6,791,837	6,722,891	26,150,201	44,031,268
Trading securities	342,249	600,756	5,318,288	800,025	23,227,962	30,289,280
Securities available for sale	2,142,970	1,280,364	1,473,549	5,922,866	2,922,239	13,741,988
Derivative financial instruments	374,880	538,035	808,650	205,487	225,468	2,152,520
Differential from <i>swap</i>	109,776	286,985	751,516	191,466	225,468	1,565,211
Term currency contracts	9,810	16,129	-	-	-	25,939
Purchase of options - shares	87,055	62,655	-	-	-	149,710
Purchase of options - Financial assets/goods	86,498	64,304	1,673	-	-	152,475
Credit derivatives	5,440	716	-	-	-	6,156
<i>Non Deliverable Forward</i>	76,301	107,246	55,461	14,021	-	253,029
Interbank investments / Interdepartment.	348,110	51,342	-	-	-	399,452
Loans	3,452,399	4,963,583	5,584,638	1,905,152	1,534,828	17,440,600
Allowance for loan losses	(272,411)	(135,780)	(352,632)	(140,303)	(20,004)	(921,130)
Other receivables	1,767,336	972,480	664,763	288,023	395,072	4,087,674
Foreign exchange portfolio	1,305,713	675,858	2,245	-	-	1,983,816
Income receivables	11,845	24,671	973	255	177	37,921
Securities Clearing Accounts	273,391	6,491	4,209	-	-	284,091
Other	228,814	284,703	657,524	287,768	394,895	1,853,704
Allowance for loan losses	(52,427)	(19,243)	(188)	-	-	(71,858)
Other assets	27,727	49,712	85,088	22,990	2,266	187,783
Permanent	-	-	-	-	4,412,937	4,412,937
Total	<u>34,208,824</u>	<u>25,365,040</u>	<u>14,406,485</u>	<u>9,025,547</u>	<u>32,700,768</u>	<u>115,706,664</u>

b. Liabilities

	Up to 90 days	From 91 to 360 days	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Deposits	2,789,069	4,677,204	1,670,894	109,339	774,893	10,021,399
Demand deposits	267,341	-	-	-	-	267,341
Interbank deposits	252,402	1,179,718	623,810	10,418	770,682	2,837,030
Time deposits	2,269,326	3,497,486	1,047,084	98,921	4,211	6,917,028
Money market repurchase commitments	22,370,821	9,997,488	2,810,820	137,221	115,156	35,431,506
Own portfolio	11,701,421	9,962,650	2,810,820	137,221	115,156	24,727,268
Third-party portfolio	10,274,920	-	-	-	-	10,274,920
Free portfolio	394,480	34,838	-	-	-	429,318
Acceptances and endorsements	2,269,311	5,593,887	12,411,949	1,424,631	50,163	21,749,941
Interbank investments / Interdepartment.	33,905	-	-	-	-	33,905
Liabilities from borrowings and onlendings	1,992,810	3,114,852	1,954,247	754,158	679,942	8,496,009
Derivative financial instruments	1,163,527	3,058,223	18,843,689	157,649	208,842	23,431,930
Differential from <i>swap</i>	14,034	217,688	493,390	157,649	208,842	1,091,603
Term currency contracts	9,907	16,163	-	-	-	26,070
Purchase of options - shares	69,826	26,679	-	-	-	96,505
Purchase of options - Financial assets/goods	194,647	102,316	6,798	-	-	303,761
Option box	829,243	2,676,024	18,339,808	-	-	21,845,075
Credit derivatives	9,073	649	-	-	-	9,722
<i>Non Deliverable Forward</i>	36,797	18,704	3,693	-	-	59,194
Other liabilities	1,371,268	106,058	2,044,028	4,991,349	869,615	9,382,318
Collection and levy of taxes and alike	5,476	-	-	-	-	5,476
Foreign exchange portfolio	951,593	7,196	-	-	-	958,789
Social and statutory	-	94,672	-	-	-	94,672
Tax and social security	24,994	1,649	10,416	-	839,444	876,503
Securities Clearing Accounts	241,487	396	193	26,379	-	268,455
Subordinated debts	-	-	2,033,069	4,956,572	30,171	7,019,812
Other	147,718	2,145	350	8,398	-	158,611
Deferred income	950	8,082	13,221	5,585	1,433	29,271
Shareholders' equity	-	-	-	-	7,130,385	7,130,385
Total	<u>31,991,661</u>	<u>26,555,794</u>	<u>39,748,848</u>	<u>7,579,932</u>	<u>9,830,429</u>	<u>115,706,664</u>

Consolidated

a. Assets

	Up to 90 days	From 91 to 360 days	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Cash	129,851	-	-	-	-	129,851
Interbank funds applied	13,422,050	1,153,336	232,500	4,162	-	14,812,048
Purchase and sale commitments – own portfolio	1,591,097	327,185	-	-	-	1,918,282
Purchase and sale commitments - Financed operations	10,006,771	399,796	-	-	-	10,406,567
Purchase and sale commitments. - Free movement	424,159	36,885	-	-	-	461,044
Interbank deposits	1,143,775	389,470	232,500	4,162	-	1,769,907
Foreign currency investments	256,248	-	-	-	-	256,248
Securities	2,783,655	4,713,552	11,019,716	8,533,561	5,110,516	32,161,000

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	Up to 90 days	From 91 to 360 days	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Trading securities	379,704	629,730	3,685,734	828,066	1,030,312	6,553,546
Securities available for sale	2,403,951	4,083,822	7,333,982	7,705,495	4,080,204	25,607,454
Derivative financial instruments	327,403	334,466	674,331	205,168	225,460	1,766,828
Differential from <i>swap</i>	62,299	83,416	617,197	191,147	225,460	1,179,519
Term currency contracts	9,810	16,129	-	-	-	25,939
Purchase of options - shares	87,055	62,655	-	-	-	149,710
Purchase of options - Financial assets/goods	86,498	64,304	1,673	-	-	152,475
Credit derivatives	5,440	716	-	-	-	6,156
<i>Non Deliverable Forward</i>	76,301	107,246	55,461	14,021	-	253,029
Interbank investments / Interdepartment.	348,110	51,342	-	-	-	399,452
Loans	9,671,426	16,472,746	22,088,441	3,577,097	1,537,710	53,347,420
Lease Operations	1,027,633	229,296	143,288	39,054	-	1,439,271
Allowance for loan losses	(1,347,948)	(872,378)	(1,192,247)	(230,863)	(20,145)	(3,663,581)
Other receivables	2,752,700	2,074,085	3,357,799	544,484	1,308,643	10,037,711
Foreign exchange portfolio	1,305,713	675,858	2,245	-	-	1,983,816
Income receivables	32,076	24,670	973	255	177	58,151
Securities Clearing Accounts	548,346	6,491	4,209	-	-	559,046
Other	918,992	1,386,309	3,350,560	544,229	1,308,466	7,508,556
Allowance for loan losses	(52,427)	(19,243)	(188)	-	-	(71,858)
Other assets	215,841	58,421	725,195	87,315	3,472	1,090,244
Permanent	-	-	-	-	348,666	348,666
Total	<u>29,330,721</u>	<u>24,214,866</u>	<u>37,049,023</u>	<u>12,759,978</u>	<u>8,514,322</u>	<u>111,868,910</u>

b. Liabilities

	Up to 90 days	From 91 to 360 days	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Deposits	2,761,454	4,369,731	1,659,309	109,339	774,893	9,674,726
Demand deposits	277,236	-	-	-	-	277,236
Interbank deposits	214,892	876,287	623,811	10,418	770,682	2,496,090
Time deposits	2,269,326	3,493,444	1,035,498	98,921	4,211	6,901,400
Money market repurchase commitments	23,370,882	9,997,507	2,812,404	137,221	115,156	36,433,170
Own portfolio	17,163,341	9,962,669	2,812,404	137,221	115,156	30,190,791
Third-party portfolio	5,813,061	-	-	-	-	5,813,061
Free portfolio	394,480	34,838	-	-	-	429,318
Acceptances and endorsements	2,269,311	5,613,339	13,899,095	1,424,631	42,941	23,249,317
Interbank investments / Interdepartment.	36,824	-	-	-	-	36,824
Liabilities from borrowings and onlendings	1,992,858	3,116,167	1,962,044	756,299	679,942	8,507,310
Derivative financial instruments	683,151	1,016,041	443,062	156,779	208,842	2,507,875
Differential from <i>swap</i>	13,640	141,667	432,571	156,779	208,842	953,499
Term currency contracts	9,907	16,163	-	-	-	26,070
Purchase of options - shares	69,826	26,679	-	-	-	96,505
Purchase of options - Financial assets/goods	194,647	102,316	6,798	-	-	303,761
Option box	349,261	709,863	-	-	-	1,059,124
Credit derivatives	9,073	649	-	-	-	9,722
<i>Non Deliverable Forward</i>	36,797	18,704	3,693	-	-	59,194
Other liabilities	4,861,990	3,937,953	8,279,303	5,008,460	2,212,325	24,300,031
Collection and levy of taxes and alike	11,819	-	-	-	-	11,819
Foreign exchange portfolio	951,593	7,196	-	-	-	958,789
Social and statutory	-	181,796	-	-	-	181,796

	Up to 90 days	From 91 to 360 days	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
Tax and social security	110,103	302,468	233,968	23	2,182,120	2,828,682
Securities Clearing Accounts	472,139	396	193	34,903	-	507,631
Subordinated debts	-	-	2,033,069	4,956,572	30,171	7,019,812
Other	3,316,336	3,446,097	6,012,073	16,962	34	12,791,502
Deferred income	950	8,082	13,221	5,585	1,433	29,271
Interest of non-controlling shareholders	-	-	-	-	1	1
Shareholders' equity	-	-	-	-	7,130,385	7,130,385
Total	35,977,420	28,058,820	29,068,438	7,598,314	11,165,918	111,868,910

31 Loans

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Advances to depositors	17	89	17	89
Loans	515,844	713,768	1,572,282	1,632,145
Discounted securities	6,740	5,984	6,740	5,984
Loans and financing	103,532	200,406	2,521,261	3,135,102
Income from real estate project financing	31,501	21,325	31,501	21,325
Export financing	317,674	292,802	317,674	292,802
Financing in foreign currency	16,211	16,393	16,211	16,393
Rural financing agreements	18,024	26,873	18,024	26,873
Income from loan assignments - Assignment of the period	-	-	-	366
Income from loan assignments - Early settlement	-	-	(158,331)	(131,875)
Recovery of loans written off	14,310	7,842	181,548	89,785
Other	(a) 29,455	1,119	(266,497)	(269,061)
Total	1,053,308	1,286,601	4,240,430	4,819,928

- (a) In the Consolidated, refer basically to revenue and costs related to the production of credit transactions.

32 Leases

	Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Lease operations income	996,010	890,024
Financial leases	365,567	424,382
Income from the sale of leased assets	530,813	451,703
Recovery of loans written off	7,586	5,629
Other	92,044	8,310
Expenses from lease operations	(866,296)	(678,506)
Financial leases	(866,296)	(678,506)
Total	129,714	211,518

33 Securities

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Money market repurchase agreements	536,674	661,713	536,674	606,416
Interbank deposits	1,338,966	2,120,610	46,201	71,504
Fixed income securities	1,391,731	2,047,757	1,090,647	1,389,582
Securities overseas	56,470	124,604	56,479	124,608
Variable income securities	98,612	170,232	98,612	170,232
Investments in investment funds	43,224	52,834	159,911	238,165
Adjustment to fair value	(118,276)	(5,429)	(120,876)	(7,324)
Other	(27,117)	(125,979)	(27,633)	(126,171)
Total	3,320,284	5,046,342	1,840,015	2,467,012

34 Derivative financial instruments

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Swap contracts	(61,839)	195,488	373,693	(71,251)
Forward contracts	13	(519)	13	(519)
Futures contracts	(155,646)	(126,117)	703,897	(1,414,201)
Agreements of share options	56,999	(9,268)	56,999	(9,268)
Option agreements - Financial assets / goods	(40,176)	82,945	(40,176)	82,945
Credit derivatives	1,304	23,408	1,304	23,408
“Box” of options	(353,220)	(1,168,529)	(30,361)	(104,258)
<i>Non Deliverable Forward</i>	71,248	61,929	71,248	61,929
Adjustment to fair value from <i>hedge</i> items	(88,060)	87,234	(1,620,650)	998,706
Other	(12,525)	(7,264)	(12,530)	(7,264)
Total	(581,902)	(860,693)	(496,563)	(439,773)

35 Foreign exchange operations

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Income from exports	25,996	24,589	25,996	24,589
Income from imports	2,419	822	2,419	822
Foreign exchange income	(352)	(101)	(352)	(101)
Variations and differences in rates	87,701	52,548	87,701	52,548
Cash in foreign currencies	36,357	9,070	36,335	9,053
Recovery of loans written off	1,337	97	1,337	97
Total	153,458	87,025	153,436	87,008

36 Money market expenses

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Securities transactions overseas	(699,782)	(907,329)	(699,782)	(907,329)
Interbank deposits	(114,227)	(173,638)	(100,126)	(158,117)
Time deposits	(374,547)	(1,112,186)	(373,791)	(1,111,181)
Purchase and sale commitments	(1,404,372)	(1,711,969)	(1,413,117)	(1,565,166)
Agribusiness credit bills (LCA)	(71,562)	(78,963)	(71,562)	(78,963)
Real estate credit note	(6,286)	(983)	(6,287)	(983)
Financial bills	(516,586)	(537,951)	(516,586)	(537,951)
Debentures	-	-	(59,779)	(142,481)
Other	(6,987)	(14,906)	(6,987)	(14,906)
Total	<u>(3,194,349)</u>	<u>(4,537,925)</u>	<u>(3,248,017)</u>	<u>(4,517,077)</u>

37 Expenses with borrowings and onlendings

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Domestic loans	(356)	(787)	(356)	(787)
Foreign borrowings	(267,909)	(470,272)	(267,909)	(470,272)
National Treasury Onlendings	(2,726)	(3,456)	(2,726)	(3,456)
BNDES Onlendings	(97,663)	(119,489)	(97,663)	(119,489)
Onlendings - FINAME	(38,216)	(58,753)	(38,636)	(59,502)
Obligations to foreign bankers	(125,652)	(109,489)	(125,652)	(109,489)
Adjustment to fair value	9,730	(24,244)	9,730	(24,244)
Foreign exchange	91,533	297,963	91,533	297,963
Total	<u>(431,259)</u>	<u>(488,527)</u>	<u>(431,679)</u>	<u>(489,276)</u>

38 Fee income

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Management of investment funds	-	-	62,197	71,540
Collection income	5,230	6,761	5,230	6,761
Commissions on placing of securities	36,394	36,068	37,302	34,756
Brokerage of Stock Exchange transactions	-	-	9,427	12,293
Income from custody services	43	29	303	291
Income from guarantees granted	88,458	82,456	88,458	82,456
Credit card transactions	-	-	15,390	12,090
Insurance brokerage commission	2,238	-	11,977	7,805
Financial advisory	4,778	9,893	4,778	10,432
Income from banking services	-	-	55	262
Other	4,904	4,119	7,708	5,677
Total	<u>142,045</u>	<u>139,326</u>	<u>242,825</u>	<u>244,363</u>

39 Banking fees income

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Individuals	-	7	244,412	241,990
Master file registration	-	-	130,401	146,354
Transfers	-	-	1	1
Contract amendments	-	-	1,857	5,463
Appraisal of assets	-	7	86,906	69,009
Credit cards	-	-	22,880	16,772
Other	-	-	2,367	4,391
Legal entities	1,253	1,469	3,778	5,899
Master file registration	-	-	1,738	3,327
Transfers	540	733	543	741
Appraisal of assets	-	-	784	1,095
Other	713	736	713	736
Total	1,253	1,476	248,190	247,889

40 Personnel expenses

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Fees	(5,094)	(5,706)	(7,783)	(10,088)
Benefits	(20,105)	(26,886)	(64,726)	(85,038)
Social charges	(37,886)	(37,800)	(94,416)	(91,133)
Dividends	(125,442)	(108,055)	(310,434)	(288,641)
Training	(249)	(3,368)	(734)	(3,922)
Total	(188,776)	(181,815)	(478,093)	(478,822)

41 Other administrative expenses

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Water, energy and gas	(1,057)	(1,110)	(2,191)	(2,761)
Rental	(21,658)	(21,175)	(54,372)	(65,741)
Communications	(4,802)	(4,824)	(32,656)	(38,541)
Maintenance and preservation of assets	(2,297)	(2,361)	(8,711)	(7,253)
Material	(308)	(330)	(1,007)	(1,061)
Data processing	(29,049)	(24,497)	(85,615)	(80,112)
Promotions and public relations	(744)	(1,706)	(1,593)	(2,861)
Publications	(357)	(431)	(788)	(868)
Advertising and publicity	(129)	(263)	(802)	(1,993)
Insurance	(438)	(685)	(5,896)	(5,736)
Services of the financial system	(17,266)	(18,348)	(75,360)	(87,893)

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Outsourced services	(2,131)	(1,989)	(7,389)	(6,170)
Surveillance and security	(537)	(559)	(1,700)	(1,925)
Specialized technical services	(26,779)	(25,402)	(230,129)	(220,037)
Transportation	(2,033)	(2,336)	(6,446)	(9,251)
Traveling	(2,561)	(2,227)	(5,411)	(4,812)
Judicial and notary public fees	(4,351)	(4,895)	(123,762)	(125,389)
Amortization	(1,896)	(1,385)	(4,793)	(4,335)
Depreciation	(4,446)	(4,153)	(10,527)	(11,089)
Other	(2,500)	(2,278)	(59,314)	(56,224)
Total	(125,339)	(120,954)	(718,462)	(734,052)

42 Tax expenses

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
ISS	(6,939)	(6,824)	(22,173)	(23,389)
PIS	(3,781)	(4,489)	(23,359)	(19,294)
COFINS	(23,269)	(27,626)	(148,746)	(118,730)
Federal taxes	(1,041)	(32)	(14,419)	(2,348)
State taxes	(18)	(26)	(25)	(27)
Local taxes	(1,406)	(1,114)	(2,629)	(2,936)
Foreign taxes	(70)	(23)	(147)	(283)
Updating tax liabilities	(12,917)	(18,195)	(39,760)	(52,063)
Other	(1,323)	(82)	(2,271)	(2,936)
Total	(50,764)	(58,411)	(253,529)	(222,006)

43 Other operational income

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Recovery of charges and expenses	-	-	334	-
Foreign exchange variation of foreign invest.	60,295	51,828	65,300	56,552
Reversal of provision for contingent liabilities	5,407	141	6,982	6,582
Monetary restatement - judicial deposits	3,299	5,465	13,157	16,073
Monetary variation assets	1,490	1,023	3,974	12,837
Reimbursement of costs associated	-	-	7,419	12,120
Reversal of provision for bonuses	-	-	22,294	-
Other	1,373	16	4,742	102
Total	71,864	58,473	124,202	104,266

44 Other operational expenses

	<u>Bank</u>		<u>Consolidated</u>	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Costs associated with the production	(1,770)	(1,431)	(1,770)	43,295
Provision for contingent liabilities	378	(8,053)	(180,022)	(173,429)
Civil reparations	-	-	(102,605)	(88,927)
Recovery of charges and expenses	-	10	-	10
Judicial deposits	(7)	(708)	(39)	(5,521)
Other	(14,400)	(691)	(56,074)	(23,623)
Total	<u>(15,799)</u>	<u>(10,873)</u>	<u>(340,510)</u>	<u>(248,195)</u>

45 Non-operational results

	<u>Bank</u>		<u>Consolidated</u>	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Disposal of assets	(300)	(165)	(22,896)	(79,569)
Investments via tax incentives	4,005	1,626	9,038	6,342
Reversal / (Provision) for losses fiscal incentives	(5,300)	-	3,484	-
Other	(1,944)	70	(4,604)	849
Total	<u>(3,539)</u>	<u>1,531</u>	<u>(14,978)</u>	<u>(72,378)</u>

46 Income and social contribution taxes

a. Charges due on operations

	<u>Bank</u>		<u>Consolidated</u>	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Income / (loss) before income tax, social contribution and interest	<u>(635,373)</u>	<u>(1,046,754)</u>	<u>(855,925)</u>	<u>(1,828,433)</u>
Charges at the current nominal rate	<u>254,149</u>	<u>418,702</u>	<u>342,270</u>	<u>731,373</u>
Additions/ (exclusions)	<u>(248,791)</u>	<u>(450,547)</u>	<u>(571,089)</u>	<u>(826,767)</u>
Tax loss	(28,055)	9,187	16,812	(38,341)
Carryforwards	(19,356)	4,694	(19,072)	(32,037)
Market adjustments of securities	(19,595)	(69,818)	(20,225)	(70,308)
Derivatives - Adjustment to fair value	38,082	65,001	550,521	(281,106)
Market adjustments for loans analysis / leases	(31,314)	24,966	(646,443)	389,557
Profit sharing	22,322	29,858	36,639	82,792
Variable compensation program	(3,359)	-	(4,916)	-
Allowance for loans losses	(109,512)	(80,133)	(348,970)	(891,421)
Provision for contingencies	2,314	(3,187)	(69,171)	(66,760)
Derivatives – Cash basis	(1,331)	(1,817)	(1,331)	(1,817)
Provision for assigned credit losses	3,758	-	18,155	4,733
Provision for tax obligation	(15,880)	-	(49,542)	-
Excess (insufficient) depreciation	-	-	(126,933)	(31,204)
Provision for payments	(5,200)	-	(5,200)	-
Additions and permanent exclusions and tax incentives	(79,626)	(428,440)	87,446	119,972
Other	(2,039)	(858)	11,141	(10,827)

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Current income and social contribution taxes	5,358	(31,845)	(228,719)	(95,394)
Deferred income and social contribution taxes	(4,672)	29,310	463,149	(312,810)
Total income and social contribution taxes	686	(2,535)	234,430	(408,204)

b. Deferred income and social contribution taxes with an impact on income for the period

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Tax credit				
Additions/ (exclusions)				
Tax loss	28,055	(9,187)	(16,812)	38,341
Carryforwards	19,356	(4,694)	19,072	32,037
Market adjustments of securities	19,595	-	19,606	-
Derivatives - Adjustment to fair value	(765)	(47,642)	(344,760)	298,327
Market adjustments for loans analysis / leases	-	-	68,336	-
Profit sharing	(13,454)	-	(4,611)	-
Variable compensation program	3,359	-	4,916	-
Allowance for loans losses	109,512	80,133	348,970	891,421
Provision for contingencies	(2,314)	3,187	69,171	66,760
Provision for assigned credit losses	(3,758)	-	(18,155)	(4,733)
Provision for tax obligation	15,880	-	49,542	-
Excess (insufficient) depreciation	-	-	38,080	9,361
Provision for payments	5,200	-	5,200	-
Other	2,039	858	(11,142)	10,825
Total	182,705	22,655	227,413	1,342,339

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Deferred tax liabilities				
Additions/ (exclusions)				
Market adjustments of securities	-	69,818	619	70,308
Derivatives - Adjustment to fair value	(37,317)	(17,359)	(205,761)	(17,221)
Market adjustments for loans analysis and leases	31,314	(24,966)	578,107	(389,557)
Derivatives – Cash basis	1,331	1,817	1,331	1,817
Excess (insufficient) depreciation	-	-	88,853	21,843
Total	(4,672)	29,310	463,149	(312,810)

c. Deferred income and social contribution taxes with effects on equity accounts in the period

	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Assets (Other receivables - Other)				
Opening balance	892,837	590,663	4,673,715	2,510,903
Tax loss	28,055	(9,187)	(16,812)	38,341
Carryforwards	19,356	(4,694)	19,072	32,037
Market adjustments of securities	222,255	-	305,105	(6,567)
Derivatives - Adjustment to fair value	(765)	(47,642)	(344,760)	298,327
Market adjustments for loans analysis and leases	-	-	68,336	-
Profit sharing	(13,454)	-	(4,611)	-
Variable compensation program	3,359	-	4,916	-
Allowance for loans losses	109,512	80,133	348,970	891,421
Provision for contingencies	(2,314)	3,187	69,171	66,760
Provision for assigned credit losses	(3,758)	-	(18,155)	(4,733)
Provision for tax obligation	15,880	-	49,542	-
Excess (insufficient) depreciation offsetting	-	-	38,080	(534,850)
Provision for payments	5,200	-	5,200	-
Deferred tax assets offsetting	(4,672)	(99,012)	434,793	-
Other	2,038	858	(11,141)	10,825
Closing balance	1,273,529	514,306	5,621,421	3,302,464
	Bank		Consolidated	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Liabilities (Other liabilities - Tax and social security)				
Opening balance	-	-	543,701	660,049
Market adjustments of securities	-	64,075	(88,794)	162,678
Derivatives - Adjustment to fair value	37,317	11,788	205,761	11,650
Market adjustments for loans analysis and leases	(31,314)	24,966	(578,107)	389,557
Derivatives – Cash basis	(1,331)	(1,817)	(1,331)	(1,817)
Excess (insufficient) depreciation	-	-	(88,853)	(21,843)
Deferred tax assets offsetting	(4,672)	(99,012)	434,793	(544,211)
Closing balance	-	-	427,170	656,063

d. Composition of tax credit and deferred tax liabilities

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Deferred income and social contribution taxes				
- assets	1,273,529	514,306	5,621,421	3,302,464
Tax loss	47,041	66,591	728,766	894,849
Carryforwards	22,945	32,060	22,986	69,711
Market adjustments of securities	303,711	-	386,598	-
Derivatives - Adjustment to fair value	-	-	18,456	404,061
Market adjustments for loans analysis and leases	-	-	68,336	-
Profit sharing	37,869	-	72,736	-
Variable compensation program	3,359	-	4,916	-
Allowance for loans losses	546,597	364,539	3,356,240	2,432,613
Provision for contingencies	13,796	8,568	391,836	201,279
Provision for assigned credit losses	-	-	107,768	97,165
Provision for legal obligations (a)	267,831	81,877	740,971	223,003
Income from foreign branches	138,433	138,433	138,433	138,433
Excess (insufficient) depreciation offsetting	-	-	(179,075)	(258,889)
Provision for payments	5,200	-	5,200	-
Deferred tax liabilities offsetting (b)	(121,533)	(178,796)	(289,979)	(920,894)
Other	8,280	1,034	47,233	21,133
Deferred income and social contribution taxes				
- liabilities	-	-	427,170	656,063
Market adjustments of securities	-	79,517	728	180,851
Derivatives - Adjustment to fair value	37,317	11,788	205,761	11,791
Market adjustments for loans analysis and leases	83,021	86,600	91,622	779,349
Derivatives – Cash basis	1,195	891	1,195	891
Excess (insufficient) depreciation	-	-	417,843	604,075
Deferred tax liabilities offsetting (b)	(121,533)	(178,796)	(289,979)	(920,894)
Tax credits, net of deferred tax liabilities	1,273,529	514,306	5,194,251	2,646,401

Statement of values written-off of deferred tax assets and liabilities:

Bank	06/30/2013		06/30/2012	
	Assets	Liabilities	Assets	Liabilities
Total value before tax credits offsetting	1,395,062	121,533	693,102	178,796
Offsetting of deferred tax obligations (liabilities) against deferred tax (assets) (b)	(121,533)	(121,533)	(178,796)	(178,796)
Net value after offset of tax credits	1,273,529	-	514,306	-
Consolidated				
	06/30/2013		06/30/2012	
	Assets	Liabilities	Assets	Liabilities
Total value before tax credits offsetting	5,911,400	717,149	4,223,358	1,576,957
Offsetting of deferred tax obligations (liabilities) against deferred tax (assets) (b)	(289,979)	(289,979)	(920,894)	(920,894)
Net value after offset of tax credits	5,621,421	427,170	3,302,464	656,063

- (a) As a result of lawsuit that discusses COFINS calculation basis, Financial Conglomerate companies have a Writ of Mandamus in which they discuss the time COFINS will be deducted from Taxable Income and CSLL calculation basis. For financial statements' adequacy purposes, a tax credit was recognized in accordance with characteristics/ arguments of said lawsuit, in the amount of R\$ 185,953 up to June 30, 2013.
- (b) The Financial Conglomerate started to record tax credit values deriving from temporary differences at net value of its deferred tax obligations, in accordance with the provisions of Article 1, item II, Resolution n° 3059/2002 of the National Monetary Council, which provides that recognition of tax credits should be accompanied by the recognition of deferred tax obligations and, when realization and maturing periods are compatible, asset and liability amounts referring to tax credits and obligations should be offset. For comparison purposes, 2012 balances were reclassified to reflect this offset.

e. Tax credit collection expectation

	Bank		Consolidated	
	Nominal value	Present value	Nominal value	Present value
In 2013	121,580	116,334	740,271	699,054
In 2014	160,553	139,158	935,420	809,820
In 2015	166,370	128,975	606,586	477,760
In 2016	193,055	133,732	867,470	618,906
As of 2017	631,971	331,298	2,471,674	1,363,836
Total	1,273,529	849,497	5,621,421	3,969,376

In the semester of 2013, Banco Votorantim realized tax credits in the amount of R\$ 155,959 thousand and corresponding to 22% of usage estimated for the period of 2013, included in the technical study prepared on December 31, 2012.

There were no tax credits not recorded in assets.

47 Related parties

a. Summary of related party transactions

Related party transactions refer to the companies that form part of the Banco do Brasil Financial Conglomerate and of the Votorantim Industrial Conglomerate, the main companies of which are Votorantim Finanças S.A. and Votorantim Industrial S.A.

	06/30/2013	06/30/2012
Assets / (liabilities)		
Cash		
Banco do Brasil S.A. and subsidiaries	7,023	323
Interbank funds applied		
BV Financeira S.A. - Crédito, Financiamento e Investimento	29,096,099	42,078,319
Correspondent relations		
Banco do Brasil S.A. and subsidiaries	-	51
Securities		
BV Leasing Arrendamento Mercantil S.A.	23,832,939	21,591,737
Derivative financial instruments		
Banco do Brasil S.A. and subsidiaries	11,276	66,869
Votorantim Finanças S.A. and subsidiaries	-	5,060

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	06/30/2013	06/30/2012
BV Leasing Arrendamento Mercantil S.A.	381,757	765,488
Votorantim C.T.V.M. Ltda.	3,935	5,510
Loan assignments (net of allowance for doubt accounts)		
Banco do Brasil S.A. and subsidiaries	7,207,385	30,331
Fundo de Investimento Nióbio I Renda Fixa	1,197,127	-
Foreign exchange portfolio - Asset position		
Banco do Brasil S.A. and subsidiaries	124,670	101,035
Other receivables		
BV Participações S.A. and subsidiaries	279	-
Deposits		
Individuals	(64,796)	-
Banco do Brasil S.A. and subsidiaries	-	(24,689)
Votorantim Finanças S.A. and subsidiaries	(277,908)	(181,800)
BV Financeira S.A. - Crédito, Financiamento e Investimento	(1,649)	(2,030)
BV Leasing Arrendamento Mercantil S.A.	(230)	(216)
Votorantim C.T.V.M. Ltda.	(254,382)	(247,519)
Votorantim Asset Management D.T.V.M Ltda.	(102,578)	(82,796)
BV Participações S.A. and subsidiaries	(119,623)	(158,474)
Votorantim Corretora de Seguros Ltda.	(108,570)	-
Votorantim Bank Limited	(1)	(1)
Foreign exchange portfolio - Liability position		
Votorantim Finanças S.A. and subsidiaries	(2,953)	(1,286)
Assets / (liabilities)		
Obligations related to committed operations		
Banco do Brasil S.A. and subsidiaries	-	(1,102,337)
Votorantim Finanças S.A. and subsidiaries	(284,003)	(342,311)
BV Leasing Arrendamento Mercantil S.A.	(4,613,726)	(5,652,137)
BV Participações S.A. and subsidiaries	(36,919)	-
Acceptances and endorsements		
Votorantim Finanças S.A. and subsidiaries	(6,618)	-
Liabilities from borrowings and onlendings		
Banco do Brasil S.A. and subsidiaries	-	(30,295)
Derivative financial instruments		
Banco do Brasil S.A. and subsidiaries	(107,450)	(35,274)
Votorantim Finanças S.A. and subsidiaries	(1,045,374)	(857,222)
BV Leasing Arrendamento Mercantil S.A.	(20,924,056)	(18,028,064)
Votorantim C.T.V.M. Ltda.	-	(121)
Other amounts receivable / (payable)		
Individuals	(5,710)	-
Banco do Brasil S.A. and subsidiaries	(9,070,740)	(136,755)
Votorantim Finanças S.A. and subsidiaries	3	-
BV Financeira S.A. - Crédito, Financiamento e Investimento	-	674
BV Leasing Arrendamento Mercantil S.A.	(266)	(450)
Votorantim C.T.V.M. Ltda.	(15)	(129)
Fundo de Investimento Nióbio I Renda Fixa	(1,347,410)	-
Banco Votorantim Securities Inc.	115	(519)
Votorantim Bank Limited	(191)	(177)
BV Participações S.A. and subsidiaries	(16,440)	(55,736)
Loans		
Banco do Brasil S.A. and subsidiaries	(155,642)	(109,423)
Securities income		
Banco do Brasil S.A. and subsidiaries	4,104	3,289
BV Financeira S.A. - Crédito, Financiamento e Investimento	1,353,003	2,104,427
BV Leasing Arrendamento Mercantil S.A.	790,013	948,436
Votorantim Corretora de Seguros Ltda.	7,194	-

	06/30/2013	06/30/2012
Income from derivative financial instruments		
Banco do Brasil S.A. and subsidiaries	(46,377)	(36,643)
Votorantim Finanças S.A. and subsidiaries	7,937	13,399
Votorantim C.T.V.M. Ltda.	1,010	1,697
BV Leasing Arrendamento Mercantil S.A.	(759,402)	(799,228)
Foreign exchange income		
Banco do Brasil S.A. and subsidiaries	(130,687)	(13,293)
Votorantim Finanças S.A. and subsidiaries	(939)	(212)
Market funding operations		
Banco do Brasil S.A. and subsidiaries	(19,348)	(23,856)
Votorantim Finanças S.A. and subsidiaries	(20,360)	(24,821)
BV Leasing Arrendamento Mercantil S.A.	(137,775)	(147,441)
Votorantim C.T.V.M. Ltda.	(9,096)	(12,098)
Votorantim Asset Management D.T.V.M. Ltda.	(4,235)	(4,257)
Votorantim Bank Limited	-	(1)
	From 01/01 to	From 01/01 to
	06/30/2013	06/30/2012
Income / (Expense)		
BV Participações S.A. and subsidiaries	(5,314)	(6,166)
Loans, assignments and onlendings		
Banco do Brasil S.A. and subsidiaries	(341)	(524)
Income / (Expenses) from services rendered		
Banco do Brasil S.A. and subsidiaries	85	-
BV Financeira S.A. - Crédito, Financiamento e Investimento	-	1,396
BV Leasing Arrendamento Mercantil S.A.	91	92
Banco Votorantim Securities Inc.	(2,670)	(4,062)
Other Administrative Expenses		
Banco do Brasil S.A. and subsidiaries	3,398	-
BV Participações S.A. and subsidiaries	(34,708)	(102,282)
Other income (expenses)		
Individuals	(2,469)	-
Banco do Brasil S.A. and subsidiaries	-	63
Votorantim Finanças S.A. and subsidiaries	(9)	-

In the semester ended June 30, 2013, Conglomerate, through its subsidiary BV Financeira, carried out credit assignments with a related party, with substantial risk retention. Present values totaled R\$7,749,192 and were traded at usual market conditions.

b. Management key personnel remuneration

On June 30, 2013, Banco Votorantim expensed R\$ 50,058 in remuneration of Management key personnel.

	Consolidated
Fees	(6,919)
Bonuses	(31,440)
Social charges	(11,699)
Total	(50,058)

48 Employee benefits

There are no post-employment benefits, such as pensions, other retirement benefits, post-employment life insurance and medical care, other long-term benefits to employees, including long service leave and other leaves, jubilee or other benefits per years of service, share-based remuneration and rescission of contract benefits, except those provided for in collective bargaining of the category.

Variable compensation program

During the first semester of 2013, the new remuneration policy was implemented through the Short and Long-Term Incentive Program for the Conglomerate's directors and employees. This new policy was approved by the Board of Directors on May 10, 2012. This program establishes conditions to be met by the participant to have the opportunity to invest in the Company's Investment Units (denominated "virtual shares"). Objectives of the program are (i) attraction, motivation and talent retention; (ii) alignment of interests among directors, employees with shareholders' objectives and interests; (iii) income generation and sustainable creation of value; and (iv) creation of a long-term vision.

In the period, the Conglomerate recognized R\$12,289 in income under caption "Profit Sharing" in relation to long-term incentive transactions. This expense, measured at payment transactions' fair value on concession date, derives from agreements entered into with some Conglomerate's employees, in conformity with remuneration policy. Incentives are granted with no restrictions regarding the Conglomerate's financial performance and, in general, become a right from one to four years counted as of concession date, provided that holders are Conglomerate's employees during the period. On June 30, 2013 the Conglomerate recorded under caption "Other liabilities – Other – Provision for personnel expenses", in the amount of R\$ 12,289.

In the hypotheses of early redemption caused by work agreement rescission for cause and voluntary terminations, the employee loses the right to installment amounts whose grant period has not elapsed. For redemptions caused by work agreement rescission without cause, the employee redeems amounts when they become available. Amounts contributed by employees, regardless of termination type, will be paid. Amount will be paid based on virtual share value calculated in the quarter immediately prior to redemption date, multiplied by the number of redeemed virtual shares.

Calculation of fair value

In the first semester of 2013, the Conglomerate granted 9,033,791 virtual shares to employees and executives. Initial value of shares was calculated on Shareholders' equity as of December 31, 2012, and the par value of R\$1.00 was assigned to each virtual share unit.

Virtual share value is calculated at least on a quarterly basis and is based on the Company's income for the year and on entries directly made to Shareholders' equity accounts, as determined by prevailing accounting practices. From said Shareholders' equity value, possible movements will be excluded, individually evaluated and submitted to the Remuneration Committee, which will decide on its exclusion or not from Shareholders' equity calculation basis to value virtual share.

49 Contingent assets, liabilities and legal obligations

a. Breakdown of contingent liabilities rated risk category probable

		Bank		Consolidated	
		06/30/2013	06/30/2012	06/30/2013	06/30/2012
Tax contingencies	(a)	187,468	1,460	526,303	4,802
Civil contingencies	(b)	387	218	328,643	231,506
Labor contingencies	(c)	32,690	19,784	646,570	267,534
Legal obligations	(d)	651,978	625,020	1,658,130	1,572,003
Total		872,523	646,482	3,159,646	2,075,845

- (a) As a result of the lawsuit that discusses COFINS calculation basis, Financial Conglomerate companies have a Writ of Mandamus in which they discuss the time COFINS will be deducted from Taxable Income and CSLL calculation basis. For financial statements' adequacy purposes, a provision for the liability under discussion was recognized in the semester (under caption Other obligations – Tax and Social Security); as well as a corresponding tax credit, in accordance with characteristics/ arguments of said lawsuit (under caption Other credits – Other).
- (b) In the Consolidated figures, they refer basically to legal claims of the following nature: refutation of the total real cost of the agreements entered into; review of contractual conditions and charges; and fees, and were presented under caption Other liabilities - Sundry.
- (c) In the Consolidated, they mostly refer to lawsuits filed by former employees involving indemnities, overtime, working time exemption, supplement per function and representation, among other matters; and were presented under caption Other liabilities - Sundry.
- (d) In the consolidated, with reference, basically, to claims of nonpayment of COFINS based on the revenues not derived from monthly invoicing (expansion of the calculation basis introduced by Law 9718/98).

b. Changes in contingent liabilities and legal obligations rated in risk category probable

	Tax demands		Civil demands		Labor Demands		Legal obligations	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Bank								
Opening balance	171,562	1,680	312	157	38,550	11,879	639,086	606,745
Constitutions	12,912	87	89	61	12,489	7,905	-	-
Reversals	-	(141)	(14)	-	(17,839)	-	-	-
Revaluation	2,994	40	-	-	-	-	12,892	18,275
Write-offs	-	(206)	-	-	(510)	-	-	-
Closing balance	<u>187,468</u>	<u>1,460</u>	<u>387</u>	<u>218</u>	<u>32,690</u>	<u>19,784</u>	<u>651,978</u>	<u>625,020</u>

	Tax demands		Civil demands		Labor Demands		Legal obligation	
	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012	From 01/01 to 06/30/2013	From 01/01 to 06/30/2012
Consolidated								
Opening balance	476,454	5,305	274,758	192,217	528,058	139,633	1,612,135	1,519,861
Constitutions	37,569	1,237	136,474	43,608	235,396	128,585	6,150	-
Reversals	(108)	(1,579)	(23,898)	(4,319)	(67,434)	(684)	-	-
Revaluation	12,638	35	-	-	-	-	39,733	52,142
Write-offs	(138)	(204)	(58,691)	-	(49,450)	-	-	-
Reclassifications	(112)	-	-	-	-	-	112	-
Closing balance	<u>526,303</u>	<u>4,802</u>	<u>328,643</u>	<u>231,506</u>	<u>646,570</u>	<u>267,534</u>	<u>1,658,130</u>	<u>1,572,003</u>

c. Breakdown of contingent liabilities classified in the possible risk category

		Bank		Consolidated	
		06/30/2013	06/30/2012	06/30/2013	06/30/2012
Tax contingencies	(a)	354,764	483,980	675,057	1,001,279
Civil contingencies	(b)	3,165	3,169	14,046	19,600
Labor contingencies	(c)	10,749	1,646	186,433	23,916
Total		368,678	488,795	875,536	1,044,795

- (a) In the Consolidated, refers basically to: a) IRPJ/CS on equity investments abroad R\$ 194,682; b) Income and social contribution tax unduly offset and bonuses to senior managers R\$ 24,070; d) Corporate income tax allocated to FINOR (2006/2007) R\$ 10,291; d) INSS on profit sharing of Agência Nassau Branch R\$ 44,258; e) ISS R\$ 75,273; f) INSS R\$ 144,308, and g) PIS / COFINS on demutualization R\$ 31,838.
- (b) The Consolidated refers to, basically, to credit collection actions.
- (c) In the Consolidated, they mostly refer to lawsuits filed by former employees involving indemnities, overtime, working time exemption, supplement per function and representation, among other matters.

d. Judicial deposits presented in Other credits - Other

	Bank		Consolidated	
	06/30/2013	06/30/2012	06/30/2013	06/30/2012
Tax contingencies	200,663	163,147	543,846	416,558
Civil contingencies	-	-	117,572	64,936
Labor contingencies	5,534	3,330	64,938	37,358
Other	30	33	165	156
Total	206,227	166,510	726,521	519,008

e. Public civil actions

Conglomerate has contingent liabilities involving public civil actions in which, based on the opinion of the legal advisors and management's judgment, the risk of loss is considered possible. Due to their current stage of completion, measurement of amounts involved in these lawsuits could not be determined safely.

Main themes discussed in these lawsuits refer to collection of tariffs and issues involving payroll credit to INSS retirees and pensioners.

f. Contingent assets

There is no contingent asset recorded.

50 Subsequent events

On July 31, 2013, Banco Votorantim managers approved the merger of BV Participações into its equity pursuant to the terms of the Merger Agreement. Merged net assets were evaluated at book value as of June 30, 2013, base date of the transaction in the amount R\$98,920, plus equity

variations occurring from base date of accounting appraisal report to merger date. Merger is justified because it represents an improvement of respective corporate structure, rationalizes transactions, simplifies management, facilitates accounting and financial procedures, and minimizes administrative expenses, thus optimizing its assets and income. As a natural outcome, legal personality of BV Participações was extinct and Banco Votorantim became the universal successor of all its rights and obligations. The merger will cause an increase in the Bank's capital at the same amount of shareholders' equity to be merged, through the issuance of 1,442,096,204 new shares, being 1,179,896,894 common shares and 262,199,310 preferred shares, all of them with no par value, to be assigned to Votorantim Finanças and Banco do Brasil, the only shareholders of BV Participações, in proportion to the interest each of them holds in BV Participações capital, to replace shares of BV Participações that will be extinct.

BV Participações balance sheet balances merged by Banco Votorantim are as follows:

- Assets: 99,090
- Liabilities: 170
- Shareholders' equity 98,920

On July 31, 2013, Banco Votorantim managers approved the merger of CP Promotora to BV Financeira net assets pursuant to the terms of the Merger Agreement. Merged net assets were evaluated at book value as of June 30, 2013, the transaction base date, in the amount of R\$65,046, plus equity changes occurred from base date of accounting appraisal report to merger date. Merger is justified because it represents an improvement of respective corporate structure, rationalizes transactions, simplifies management, facilitates accounting and financial procedures, and minimizes administrative expenses. As a natural outcome, legal personality of CP Promotora was extinct and BV Financeira became the universal successor of all its rights and obligations. The merger will cause an increase in BV Financeira's capital at the same amount of shareholders' equity to be merged, through the issuance of 80,601 new common shares, nominative and with no par value, to be assigned to BV Financeira, the only shareholder of CP Promotora, to replace shares of CP Promotora that will be extinct.

Balance sheet balances of CP Promotora that were merged by BV Financeira are as follows:

- Assets: 220,916
- Liabilities: 155,870
- Shareholders' equity 65,046