



June 30, 2015
Consolidated Financial Statements

BANCO VOTORANTIM S.A.

Management report

To the 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. (Bank) for the semesters ended June 30, 2015 (1H15) and 2014 (1H14), and accompanying explanatory notes and independent auditor's report.

1. Economic Environment and Banking Sector

The 1H15 was marked by intense adjustments in Brazil's economic policy. Several measures were implemented aiming to bring a new balance to the macroeconomic framework due to the current adverse scenario. The external sector hardly boosted the domestic economy, since major global economies have not presented a steady growth trend, while others deep into a deceleration process. Commodity prices remained at low levels and the Brazilian real depreciated 16.8% in the period to R\$ 3.10 per US dollar. On the other hand, the continuation of a scenario of interest rates very close to zero in major economies kept volatility of the financial assets at controlled levels, favoring the adjustments in the local monetary, fiscal, foreign exchange and credit policies, as well as administered prices.

Internally, the Brazilian government was quick in giving an important fiscal responsibility signal to economic agents that it would not forgo control over the level of public indebtedness by seeking to readjust the public expenditures to the evolution of tax revenues, which are very dependent on the performance of the economy. In this sense, relative prices have been realigned, old tax cuts – which in the past aimed at stimulating consumption – were reversed and social programs were reviewed. The Brazilian Central Bank, in turn, also reinforced its commitment to restrict the extent of these effects as much as possible, increasing the basic interest rate to 13.75% p.y. in Jun.15.

Similarly, population started reviewing their finances again, since the commitment of its income has remained high, the cost of money became higher, and a higher tax burden was imposed on consumer goods prices, increasing them. Consequently, the credit market underwent a downturn. In real terms, the volume of loans to individuals increased by 1.8% in 12 months up to Jun.15, compared to the increase of 6.5% in 2014. Auto finance, in turn, followed the downward trend in the domestic sales of light vehicles – 20.7% in the 1H15/1H14 comparison. The actual decrease of 12.2% in this type of credit observed in 2014 deepened to 15.9% in 12 months up to Jun.15. However, the level of delinquency in auto finance remained stable in the first half of 2015, while the delinquency indicator of individuals showed signs of deterioration in the same period.

The approval of the first phase of fiscal adjustment is already underway in the Congress, with few pending items. The government could then turn its attention to measures to stimulate economic growth, especially by stimulating investments. New public undertaking concession projects to the private sector, such as roads, railways and airports, are being prepared. There is also a discussion underway on the simplification of certain taxes, which tends to improve the productivity of businesses, benefiting the growth prospects for the coming quarters.

2. Main Information – Consolidated position

	1H14	1H15	Variation
RESULTS (R\$ Million)			
Net Interest Income (a)	3,089	2,577	-16.6%
Allowance for loan losses - ALL (b)	(1,570)	(1,203)	-23.4%
Gross Income from Financial Operations (a - b)	1,518	1,374	-9.5%
Income from services and banking fees ¹	450	463	2.9%
Administrative and personnel expenses	(1,175)	(1,190)	1.3%
Operating income (Loss)	308	348	13.0%
Net income (Loss)	292	268	-8.2%
MANAGEMENT INDICATORS (%)			
Return on Average Equity ² (ROAE)	8.1	7.1	-1.0 p.p.
Return on Average Assets ³ (ROAA)	0.6	0.5	-0.1 p.p.
Basel Ratio	15.1	14.9	-0.2 p.p.
BALANCE SHEET (R\$ Million)			
Total assets	96,284	103,335	7.3%
Loan portfolio	53,604	51,761	-3.4%
Wholesale segment	17,163	16,675	-2.8%
Consumer Finance segment	36,440	35,086	-3.7%
Guarantees provided	10,148	9,344	-7.9%
Funding sources	71,677	73,980	3.2%
Shareholders' equity	7,587	7,847	3.4%
Capital (Basel Ratio)	11,052	10,967	-0.8%
LOAN PORTFOLIO QUALITY INDICATORS (%)			
90-day NPL/ Loan portfolio	6.6	5.2	-1.4 p.p.
ALL provisions / 90-day NPL	119	141	22.5 p.p.
ALL provisions / Loan portfolio	7.8	7.4	-0.4 p.p.
OTHER INFORMATION			
AuM ⁴ (R\$ Million)	40,594	43,756	7.8%

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.

4. Includes onshore funds (ANBIMA criteria) and private clients' assets (fixed income, equities and offshore funds).

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.

Having Votorantim Group and Banco as its shareholders, Banco Votorantim is one of the largest Brazilian private banks in total assets and also in loan portfolio, and has a diversified wholesale bank, consumer finance and wealth management business portfolio.

The 1H15 results confirm the progress in the implementation of the earnings growth agenda. The main highlights of the results of the half were:

1. Net income of R\$ 268 million, equivalent to annualized return on shareholders' equity of 7.1%.
2. Maintenance of the quality in the auto finance origination. The Bank has been providing light auto finance origination with quality and scale since 2011. The growing participation of better quality vintages – originated up to Jun.10 and after Sept.11 – contributed to a reduction in the delinquency over 90 days of this segment in the last 12 months (Jun.15: 5.1%; Jun.14: 6.5%).
3. Further reduction in allowance for loan losses (ALL). Reflecting the improvement in portfolio quality, the expenses with ALL dropped 23.4% (R\$ 367 million) in the 1H15/1H14 comparison. Even with this reduction, the coverage ratio increased from 119% in Jun.14 to 130% in Dec.14 and 141% in Jun.15.
4. Effective cost management. A 1H15/1H14 comparison shows that administrative and personnel expenses rose 1.3%, below the period's inflation (IPCA of 8.9% in the last 12 months). It is worth highlighting a 20.5% reduction in expenses with labor lawsuits in this comparison.

These results reflect the developments achieved in all the Bank's businesses.

With this renewed structure since 2014, the Corporate Investment Banking (CIB) has focused on profitability through discipline in the use of capital, correct pricing of assets and the credit portfolio's active management. Positioned among the market leaders in lending to large enterprises, CIB is intended to increase its relevance for the clients by strengthening its platform of high value-added products - structured products, derivatives (hedge), foreign exchange, investment banking operations (ECM, DCM and M&A) and local and international distribution (New York and London). The expanded credit portfolio (including guarantees provided and private securities) of CIB ended Jun.15 with a balance of R\$ 31.6 billion, down 2.3% from Jun.14.

Votorantim Wealth Management & Services (VWM&S), in turn, maintained the focus on being one of the best structurers and managers of high value added products. VWM&S occupied 9th place in Anbima's ranking of managers, ending Jun.15 with R\$ 43.8 billion in AuM (Asset under Management) (R\$ 40.6 billion in Jun.14).

In Consumer Finance, the Bank maintained its focus on guaranteeing the quality and profitability of the new vintages, ending Jun.15 with a loan portfolio of R\$ 35.1 billion (R\$ 36.4 billion in Jun.14).

In the auto finance business, the Bank increased the focus on used light auto finance – segment in which it has a history of leadership and recognized expertise – and originated R\$ 6.3 billion in 1H15, volume 5% lower than that recorded in 1H14. As mentioned before, the Bank has been providing finance origination with quality and scale, despite the more

challenging macroeconomic environment, a result of the continuous refinement of the credit policies, processes and models.

In the payroll loans business, the Bank continued to prioritize the refinancing of payroll loans to retirees and pensioners, who have a better risk profile, besides acting selectively in private and public agreements.

The consistent evolution of the earnings rationale contributed to the growth of 13.0% in operating income in the 1H15/1H14 comparison, totaling R\$ 348 million. Net income, in turn, totaled R\$ 268 million in 1H15 (R\$ 292 million in 1H14).

Moreover, the Bank managed Funding, Liquidity and Capital conservatively, strengthening its credit risk quality.

Since the beginning of the adjustment process, in Sept.11, the Bank's on balance loan portfolio decreased 24% (Sept.11: R\$ 64.0 billion, Jun.15: R\$ 51.8 billion), reducing the need for new funding. In view of this scenario, the Bank has worked on improving the profile of the funding sources. In the last 12 months, the Bank expanded the share of instruments with longer maturities, such as Financing Bills and credit assignments with recourse, that together represented 45% of funding in Jun.15 (40% in Jun.14), also reducing the volume in time deposits (CDBs), substantially reducing the mismatch between assets and liabilities.

As regards capital, the Basel Ratio ended Jun.15 at 14.9%, 9.6% of which in Level I Capital, composed entirely of Core Capital. It is worth highlighting that the capital index continues 3.9 p.p. above the regulatory minimum capital, that up to the end of 2015 remains at 11%.

In the coming quarters, the Bank will continue advancing in the implementation of the Earnings Growth Agenda, which has three key pillars: (i) increase in profits of current and new businesses, (ii) increase in operational efficiency and (iii) development of synergies with Banco do Brasil.

Banco Votorantim, in compliance with the provisions of Article 8 of Bacen Circular no 3,068/01, declares that it has the necessary financial capacity and intention to hold to maturity the securities classified in the "held to maturity" category, in the amount of R\$ 6.8 billion, representing 28% of the total securities."

For further information on the consolidated economic and financial performance of the Bank, see the "Management Report on Results of 2Q15" on the Investor Relations website (www.bancovotorantim.com.br/ri).

4. Rating agencies

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

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

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

RATINGS AGENCIES		Fitch Ratings	Moody´s	Standard & Poor's
International	Long-term	BBB-	Baa3	BB+
	Short-term	F3	P-3	B
National	Long-term	AA+(bra)	Aa1.br	brAA+
	Short-term	F1+(bra)	BR-1	brA-1

5. Awards and Recognitions

We present below the main awards and recognitions received by the Bank and its subsidiaries in 1S15:

- **“Top Management Star Ranking” (Standard & Poor's/Valor Investe magazine):** in Jun.15, in recognition of its excellence and consistency in performance, VAM received the Top Management 2015 – Flexible Combined Allocation award, given to the best managers from the Brazilian industry of investment funds, based on the analysis of Standard & Poor's. In addition, in the same award, 11 investment funds were highlighted with at least 4 stars.
- **“Top 5 of the Central Bank”:** The Central Bank recognizes the five institutions with the highest degree of accuracy in their short, medium and long term forecasts. On Jun.15, Banco Votorantim has been classified in three different categories: Exchange Rate, Selic Rate and IGP-M. The ranking aims to highlight institutions that have been most consistent in the accuracy of their forecasts in order to encourage further investment in macroeconomic research.

6. Corporate Governance

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

The Bank's governance is shared by the Votorantim Group shareholders and Banco do Brasil, both enjoying parity of participation in the Board of Directors and its advisory committees (Finance & Products and Marketing), and in the following three statutory bodies:

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

In addition, the Bank's management structure is led by the Executive Board and their respective internal bodies: Executive Committee and subordinated Operational Committees and Commissions, with the participation of the Bank's executive leaders.

7. Personnel Management

The Human Resources (HR) area acts as a strategic partnership 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.

At the end of Jun.15, the number of employees totaled 4,705, with 49.7% of men and 50.3% of women.

The main work areas 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 goals with targeted and systematized determination of corporate competencies with details of the expected behaviors for all employees. The annual contacting of goals starts with the clear and transparent disclosure of the institutional guidelines, in order to direct responsibilities and development of professionals.

Compensation: compensation practices are aligned with the business objectives and strategies and provide encouragement for 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.

Management of Talents and Succession: the Talent Management process begins with the mapping of the "organization's potential candidates" through combined exercises that identifies professionals with potential, providing information for planning development and retention actions, in addition to supporting the Organization Succession Plan.

The Succession Planning is held annually, identifying successors for key positions, average preparedness time, risk of loss and possible career and development paths to fill the mapped position.

This model ensures continuity and sustainability of the businesses and of the organization, and ensures continuous renewal of a qualified leadership for all key positions.

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.

The Organizational Culture project occurred in 1H15, involving approximately 500 leaders and 8,000 hours of training. In addition, a training on derivative products with around 2,500 hours took place, with 202 course diplomas related to new insurance and other initiatives that together account for an approximate number of 17,000 hours of training.

Climate and Culture Management

With a genuine concern for monitoring the work environment and keeping it pleasant, the Bank makes available to all employees the communication channels such as the contact of Human Resources Consultants, which are present in all areas, and the Central HR that services employees and managers in a centralized manner in matters relating to Human Resources processes. Ensure that the climate is consistent with the organization's culture, values and strategic guidelines, we operate steadily in the climate management and monitoring, through our Climate Survey and Focus Groups held annually.

8. Sustainability

Banco Votorantim is committed to establishing ethical, transparent and lasting relations across all areas of activity, considering the economic, social, environmental and human aspects in its processes.

Thus, the Sustainability concept is handled in a transversal manner by the Bank, linked to the institutions' business practices and to the daily routine of its operations.

Social and Environmental Sustainability and Responsibility Policy (PSRSA)

In 2014, the Bank started the review process of its Social and Environmental Sustainability and Responsibility Policy (PSRSA) and of its specific governance structure linked to this issue, reaffirming its commitment to the principles of sustainable development that permeate its activities and operations.

The new version of this policy was published in Feb.15, bringing guidelines related to issues such as governance, social and environmental risk management, relationships with employees, customers, suppliers and communities. An action plan that permeates all internal and business areas of the Bank was defined for the implementation of the PSRSA.

Expert Panel (or Stakeholder Consultation)

In Mar.15, an expert panel was assembled with the purpose of mapping the expectations of stakeholders regarding Banco Votorantim performance in sustainability. The event brought together external guests representing several stakeholders, such as customers, shareholders, industrial sector, financial sector and academia in order to discuss with bank executives how the evolution of the 'sustainable development' issue and social and environmental changes and requirements are affecting the various business sectors and how companies are responding to them. The panel also discussed how financial institutions are adapting to this new reality and how they can contribute to the adaptation of its customers.

Financial Education

In its Social and Environmental Sustainability and Responsibility Policy, Banco Votorantim is committed to promoting financial education in the relationship with its stakeholders. In line with this policy, some actions have been taken in the first half.

Communities: Financial education presentation for young people – in March there were two lectures on financial planning with over 80 young people from a poor community in São Paulo.
Clients: Multipliers training program – The training of a group of 40 relationship managers was carried out to bring the issue “Family Budget” to their customers.

Social Responsibility

This year, companies from Banco Votorantim's Consolidated Financial area are supporting 35 social projects in several areas:

In the cultural area, incentive funds are set aside for projects that contemplate cultural diffusion, training of audiences, and the extent of the project's social impact.

In the social area, funds were set aside for Municipal Funds for Children and Adolescents in municipalities with high levels of social vulnerability, for projects that meet the demands in the area of childhood and adolescence aligned to the guidelines of ECA – Child and Adolescent Statute. Still in the social area, funds are also invested in entities that promote improved quality of life of elderly people through the Municipal Funds of Elderly Rights.

In the area of sports, funding incentives were provided for projects which offers sports and educational activities to children and adolescents in a situation of social vulnerability, in in cities where we operate.

In the health sector, we support projects that seek to expand the service for preventing and fighting cancer and for the prevention and rehabilitation of disabled persons.

9. Acknowledgement

The Management of Banco Votorantim is grateful to its clients and shareholders for their trust and to the employees for their continuous effort and dedication.

São Paulo, August 06, 2015.

The Executive Board

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Independent auditors' report on the financial statements

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

We have audited the individual and consolidated (Financial Conglomerate) financial statements of Banco Votorantim S.A. ("Company") referred as "Bank" and "Consolidated", respectively, which comprise the balance sheet as of June 30, 2015 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.

Management's Responsibility for the financial statements

Management is responsible for the preparation and adequate presentation of the individual and consolidated (Financial Conglomerate) 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit, carried out in accordance with the Brazilian auditing and international accounting standards. Those 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 from significant distortions.

An audit involves performing procedures to obtain audit evidence about 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 Company, 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 Company. An audit also includes the evaluation of the adequacy of adopted accounting practices and reasonability of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion on the individual and consolidated financial statements

In our opinion, the individual and consolidated (Financial Conglomerate) aforementioned financial statements present fairly, in all material respects, the financial position of Banco Votorantim S.A. as of June 30, 2015, 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 matters - Statements of added value

We have also audited the individual and consolidated (Financial Conglomerate) statement of added value, prepared directly under responsibility of the Company's Management for the semester ended June 30, 2015, whose presentation has been carried out in a spontaneous manner by the Company. 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 6, 2015

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.
BALANCE SHEET

June 30, 2015 and 2014

(In thousands of Reals)

	Bank		Consolidated			Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014		06/30/2015	06/30/2014	06/30/2015	06/30/2014
CURRENT ASSETS	41,217,033	48,975,433	55,139,618	48,561,578	CURRENT LIABILITIES	76,712,336	67,591,158	62,150,256	56,591,289
Cash and cash equivalents (Note 5)	170,665	82,790	220,552	118,713	Deposits (Note 16a)	3,927,982	4,737,318	3,532,218	4,369,076
Interbank funds applied (Note 6a)	26,351,526	6,313,023	18,033,784	6,320,890	Demand deposits	82,829	137,439	78,459	164,981
Money market repurchase commitments	16,233,853	4,942,499	16,233,853	4,926,781	Interbank deposits	1,065,506	1,451,841	674,112	1,068,818
Interbank deposit investments	10,117,673	1,370,524	1,799,931	1,394,109	Time Deposits	2,779,647	3,148,038	2,779,647	3,135,277
					Money market repurchase commitments (Note 16c)	25,958,932	22,722,248	27,926,243	23,244,475
Securities and Derivative financial instruments	5,751,189	33,652,415	8,877,173	14,189,830	Own portfolio	19,451,528	18,594,444	21,418,839	19,116,671
Own portfolio (Note 7a)	1,774,441	13,996,075	2,824,930	9,340,754	Third-party portfolio	6,307,448	3,731,343	6,307,448	3,731,343
Subject to repurchase agreements (Note 7a)	2,674,468	18,386,279	4,702,012	3,552,410	Free portfolio	199,956	396,461	199,956	396,461
Subject to guarantees provided (Note 7a)	931,872	867,267	976,325	896,755					
Derivative financial instruments (Note 7d)	442,513	475,377	446,011	472,484	Acceptances and endorsements (Note 18)	13,342,508	11,294,211	13,342,789	12,800,989
(Provision for impairment of free securities) (Note 7a)	(72,105)	(72,583)	(72,105)	(72,583)	Funds from real state bills, mortgage, credit and similar	7,133,783	10,217,180	7,133,783	10,217,180
					Debtenture funds	-	-	281	1,506,778
Interbank relations	58,861	108,581	58,861	108,581	Securities issued overseas	6,208,725	1,046,464	6,208,725	1,046,464
Payments and receivables to be settled	200	349	200	349	Certificates of structured transactions	-	30,567	-	30,567
Reserve requirements (Note 8a)	44,280	63,729	44,280	63,729					
Compulsory deposits at the Central Bank of Brazil	44,280	63,729	44,280	63,729	Interbank accounts or relations	982	2,416	982	2,416
Interbank lendings	14,271	43,321	14,271	43,321	Unsettled payables and receivables	982	2,416	982	2,416
Corresponding	110	1,182	110	1,182					
					Interbranch accounts	55,345	41,908	56,327	43,366
Interbranch accounts	-	-	-	1,377	Third-party funds in transit	55,345	41,908	55,345	41,908
Internal funds transfer	-	-	-	1,377	Internal funds transfer	-	-	982	1,458
Loan operations (Note 9a)	5,932,091	6,997,374	22,536,801	23,692,653	Borrowings (Note 17a)	2,446,887	1,602,129	2,446,887	1,602,129
Public sector	55,287	30,639	55,287	30,639	Domestic loans - Other institutions	1,912	3,835	1,912	3,835
Private sector	6,451,269	7,753,527	17,171,313	20,899,484	Foreign borrowings	2,444,975	1,598,294	2,444,975	1,598,294
Loan operations subject to assignment	-	-	7,373,223	5,302,033					
(Allowance for loans losses)	(574,465)	(786,792)	(2,063,022)	(2,539,503)	Domestic lendings - Official institutions (Note 17b)	1,097,663	1,336,773	1,098,091	1,338,885
					National Treasury	52,460	72,476	52,460	72,476
Leases (Note 9a)	-	-	226,357	459,103	BNDES	621,796	728,299	621,796	728,299
Private sector	-	-	249,102	499,430	Finame	423,407	535,998	423,835	538,110
(Allowance for leases losses)	-	-	(22,745)	(40,327)					
					Derivative financial instruments (Note 7d)	27,681,797	21,970,904	964,466	665,656
Other receivables	2,873,526	1,765,148	5,015,282	3,493,957	Other liabilities	2,200,240	3,883,251	12,782,253	12,524,297
Foreign exchange portfolio (Note 11a)	2,060,591	1,707,735	2,060,591	1,707,735	Collection and levy of taxes and alike	6,888	3,709	19,889	10,409
Income receivable	5,535	1,424	14,513	21,418	Foreign exchange portfolio (Note 11a)	1,363,046	985,225	1,363,046	985,225
Securities clearing accounts	143,733	93,382	238,474	159,111	Social and statutory	65,504	56,180	110,269	104,811
Sundry (Note 10)	894,459	644,750	2,936,689	2,290,727	Tax and social security	79,447	99,468	260,668	682,807
(Allowance for other receivables losses) (Note 9a)	(230,792)	(682,143)	(234,985)	(685,034)	Securities clearing accounts	135,323	50,896	251,133	125,327
					Subordinated debts (Note 19b)	-	-	-	2,271,081
					Sundry (Note 19d)	549,932	416,692	10,777,248	8,344,627
Other assets (Note 12)	79,175	56,102	170,808	176,474	NON-CURRENT LIABILITIES	25,450,145	25,146,482	33,337,953	32,106,492
Non-operating assets and material inventories	55,714	23,100	156,358	127,940					
(Provision for devaluation)	(8,195)	(7,820)	(33,050)	(30,256)	LONG-TERM LIABILITIES	25,419,020	25,117,689	33,306,828	32,077,699
Prepaid expenses	31,656	40,822	47,500	78,790					
NON-CURRENT ASSETS	68,792,514	51,348,782	48,195,657	47,722,778	Deposits (Note 16a)	1,507,223	1,509,206	1,501,696	1,509,206
LONG-TERM ASSETS	65,997,786	48,304,951	47,795,840	47,342,445	Interbank deposits	1,097,085	956,145	1,097,085	956,145
Interbank funds applied (Note 6a)	10,926,143	27,613,674	173,903	237,647	Time Deposits	410,138	553,061	404,611	553,061
Money market repurchase commitments	4,421	11,526	4,421	11,526					
Interbank deposit investments	10,921,722	27,602,148	169,482	226,121	Money market repurchase commitments (Note 16c)	2,006,447	2,586,149	10,469	2,586,149
					Own portfolio	2,004,749	2,574,480	8,771	2,574,480
					Free portfolio	1,698	11,669	1,698	11,669
Securities and Derivative financial instruments	44,517,749	10,773,103	16,875,744	15,652,231	Acceptances and endorsements (Note 18)	10,348,702	10,659,119	10,348,702	10,659,624
Own portfolio (Note 7a)	22,100,327	5,030,116	7,334,164	5,042,666	Funds from real state bills, mortgage, credit and similar	9,360,819	5,601,247	9,360,819	5,601,247
Subject to repurchase agreements (Note 7a)	20,305,581	3,301,709	6,979,091	7,591,191	Debtenture funds	-	-	-	505
Subject to guarantees provided (Note 7a)	1,181,602	1,774,638	1,632,250	2,372,210	Securities issued overseas	987,883	5,057,872	987,883	5,057,872
Derivative financial instruments (Note 7d)	977,029	670,450	977,029	649,974					
(Provision for impairment of free securities) (Note 7a)	(46,790)	(3,810)	(46,790)	(3,810)	Borrowings (Note 17a)	683,370	1,890	683,370	1,890
					Domestic loans - Other institutions	-	1,890	-	1,890
Loan operations (Note 9a)	8,299,717	7,528,385	23,931,857	23,892,529	Foreign borrowings	683,370	-	683,370	-
Public sector	531,947	410,598	531,947	410,598					
Private sector	8,104,173	7,378,970	16,728,944	18,324,602	Domestic lendings - Official institutions (Note 17b)	2,580,680	2,713,864	2,591,601	2,717,247
Loan operations subject to assignment	-	-	7,631,232	6,064,264	National Treasury	5,736	8,260	5,736	8,260
(Allowance for loans losses)	(336,403)	(261,183)	(960,266)	(906,935)	BNDES	1,220,593	1,471,058	1,220,593	1,471,058
					Finame	1,354,351	1,234,546	1,365,272	1,237,929
Leases (Note 9a)	-	-	1,358	96,437	Derivative financial instruments (Note 7d)	681,818	1,894,655	683,356	600,826
Private sector	-	-	5,037	111,479	Other liabilities	7,610,780	5,752,806	17,487,634	14,002,757
(Allowance for leases losses)	-	-	(3,679)	(15,042)	Tax and social security (Note 19a)	187,539	246,196	712,755	863,947
					Securities clearing accounts	124,700	73,765	157,384	95,196
Other receivables	2,247,456	2,361,964	6,341,570	6,792,532	Subordinated debts (Note 19b)	6,498,894	5,291,448	6,498,894	5,291,448
Credits for sureties and guarantees paid	46,613	628,375	46,613	628,375	Debt instruments eligible to capital (Note 19c)	669,531	113,733	669,531	113,733
Foreign exchange portfolio (Note 11a)	934	1,483	934	1,483	Sundry (Note 19d)	130,116	27,664	9,449,070	7,638,433
Income receivable	1,222	541	1,222	541					
Securities clearing accounts	493	203	493	203	DEFERRED INCOME	31,125	28,793	31,125	28,793
Sundry (Note 10)	2,737,675	1,732,219	6,831,992	6,163,519					
(Allowance for other receivables losses) (Note 9a)	(539,481)	(857)	(539,684)	(1,589)	INTEREST OF NON-CONTROLLING SHAREHOLDERS	-	-	-	-
Other assets (Note 12)	6,721	27,825	471,408	671,069	SHAREHOLDERS' EQUITY	7,847,066	7,586,575	7,847,066	7,586,575
Prepaid expenses	6,721	27,825	471,408	671,069					
FIXED ASSETS	2,794,728	3,043,831	399,817	380,333	Capital (Note 22a)	7,483,754	7,125,761	7,483,754	7,125,761
Investments	2,711,576	2,968,002	233,551	226,920	Domestic	7,483,754	7,125,761	7,483,754	7,125,761
Investments in subsidiaries (Note 13a)	2,702,513	2,958,768	172,476	165,374					
Domestic	2,630,522	2,892,665	172,476	165,374	Capital reserves (Note 22b)	372,120	372,120	372,120	372,120
Abroad	71,991	66,103	-	-					
Other investments (Note 13b)	26,473	26,473	104,859	104,940	Profit reserves (Note 22c)	38,512	14,622	38,512	14,622
(Accumulated impairment) (Note 13b)	(17,410)	(17,239)	(43,784)	(43,394)					
					Equity evaluation adjustments (Note 22d)	(301,707)	(203,743)	(301,707)	(203,743)
Property for use (Note 14)	36,660	27,121	93,673	89,399					
Other property for use	107,270	91,218	235,733	223,151	Retained earnings	254,387	277,815	254,387	277,815
(Accumulated depreciation)	(70,610)	(64,097)	(142,060)	(133,752)					
Intangible assets (Note 15a)	26,091	25,643	51,970	40,679					
Intangible assets	60,201	31,727	124,521	74,796					
(Accumulated amortization)	(16,919)	(6,084)	(48,437)	(27,702)					
(Accumulated impairment)	(17,191)	-							

Banco Votorantim S.A.
STATEMENT OF INCOME
Semesters ended June 30, 2015 and 2014

(In thousands of Reais, except for income (loss) for the year per thousand shares)

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
FINANCIAL INTERMEDIATION INCOME	5,320,766	3,283,249	9,565,907	8,028,846
Loan operations (Note 9b)	1,215,294	666,663	4,045,622	3,752,817
Leases (Note 9h)	-	-	485,728	866,781
Income from securities (Note 7b)	4,963,376	3,898,900	2,314,415	1,777,507
Income from derivative financial instruments (Note 7d.9)	(1,102,218)	(1,257,708)	503,976	(96,180)
Income from foreign exchange operations (Note 11b)	236,132	(31,282)	236,142	(31,282)
Income from compulsory deposits (Note 8b)	-	278	-	278
Sale or transfer of financial assets	8,182	6,398	1,980,024	1,758,925
FINANCIAL INTERMEDIATION EXPENSES	(5,343,802)	(3,125,603)	(8,191,815)	(6,510,623)
Money market repurchase agreements (Note 16d)	(4,703,205)	(2,750,456)	(4,722,242)	(2,914,867)
Borrowings and onlendings (Note 17c)	(373,110)	(49,029)	(373,641)	(49,732)
Leases (Note 9h)	-	-	(443,517)	(789,290)
Sale or transfer of financial assets	(7,154)	-	(1,449,557)	(1,186,455)
Allowance for doubtful accounts (Note 9f)	(260,333)	(326,118)	(1,202,858)	(1,570,279)
GROSS INCOME (LOSS) FROM FINANCIAL INTERMEDIATION	(23,036)	157,646	1,374,092	1,518,223
OTHER OPERATING INCOME/EXPENSES	187,799	60,355	(1,026,387)	(1,210,010)
Service income (Note 20a)	95,448	103,406	210,791	214,490
Income from banking fees (Note 20b)	470	1,080	251,884	235,561
Personnel expenses (Note 20c)	(207,089)	(224,648)	(629,631)	(634,464)
Other administrative expenses (Note 20d)	(111,693)	(97,784)	(560,546)	(540,699)
Tax expenses (Note 23c)	(58,856)	(35,077)	(213,533)	(228,543)
Equity in income of subsidiaries (Note 13a)	314,385	256,556	77,051	75,201
Other operating income (Note 20e)	233,660	88,878	366,815	189,299
Other operating income (Note 20f)	(78,526)	(32,056)	(529,218)	(520,855)
OPERATING INCOME	164,763	218,001	347,705	308,213
NON-OPERATING INCOME (Note 21)	(3,085)	90,319	(17,497)	141,746
Non-operating income	6,374	94,173	25,410	167,623
Non-operating expenses	(9,459)	(3,854)	(42,907)	(25,877)
INCOME (LOSS) BEFORE TAXES AND CONTRIBUTIONS	161,678	308,320	330,208	449,959
INCOME TAX AND SOCIAL CONTRIBUTION (Note 23a)	156,830	19,930	45,395	(67,242)
PROFIT SHARING - EMPLOYEES AND MANAGEMENT	(50,732)	(35,813)	(107,827)	(90,280)
INTEREST OF NON-CONTROLLING SHAREHOLDERS	-	-	-	-
NET INCOME	267,776	292,437	267,776	292,437
EARNINGS PER SHARE				
Income (loss) per share in R\$	2.54	2.77		
Number of shares (per thousand shares)	105,391,473	105,391,473		

See the accompanying notes to the financial statements.

Banco Votorantim S.A.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Semesters ended June 30, 2015 and 2014

(In thousands of Reais)

EVENTS	Capital		Capital reserves	Profit reserves		Adjustments to equity value	Retained earnings	Total
	Realized capital	Capital increase		Legal	Other			
Balances at 12/31/2013	<u>7,026,841</u>	<u>98,920</u>	<u>372,120</u>	-	-	<u>(357,199)</u>	-	<u>7,140,682</u>
Equity evaluation adjustments (Note 22d)	-	-	-	-	-	153,456	-	153,456
Capital increase (Note 22a)	98,920	(98,920)	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-	292,437	292,437
Allocations:								
- Legal reserve	-	-	-	14,622	-	-	(14,622)	-
Balances at 06/30/2014	<u>7,125,761</u>	<u>-</u>	<u>372,120</u>	<u>14,622</u>	<u>-</u>	<u>(203,743)</u>	<u>277,815</u>	<u>7,586,575</u>
Changes in the period	<u>98,920</u>	<u>(98,920)</u>	<u>-</u>	<u>14,622</u>	<u>-</u>	<u>153,456</u>	<u>277,815</u>	<u>445,893</u>
Balances at 12/31/2014	<u>7,125,761</u>	<u>-</u>	<u>372,120</u>	<u>25,123</u>	<u>357,993</u>	<u>(327,123)</u>	<u>-</u>	<u>7,553,874</u>
Capital increase (Note 22a)	357,993	-	-	-	(357,993)	-	-	-
Equity evaluation adjustments (Note 22d)	-	-	-	-	-	25,416	-	25,416
Net income for the period	-	-	-	-	-	-	267,776	267,776
Allocations:								
- Legal reserve	-	-	-	13,389	-	-	(13,389)	-
Balances at 06/30/2015	<u>7,483,754</u>	<u>-</u>	<u>372,120</u>	<u>38,512</u>	<u>-</u>	<u>(301,707)</u>	<u>254,387</u>	<u>7,847,066</u>
Changes in the period	<u>357,993</u>	<u>-</u>	<u>-</u>	<u>13,389</u>	<u>(357,993)</u>	<u>25,416</u>	<u>254,387</u>	<u>293,192</u>

Earnings per share are disclosed in the Statement of Income.
See the accompanying notes to the financial statements.

Banco Votorantim S.A.
STATEMENT OF CASH FLOWS
Semesters ended June 30, 2015 and 2014

(In thousands of Reais)

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Cash flows from operations				
Income before income and social contribution taxes	161,678	308,320	330,208	449,959
Adjustments to Income before income and social contribution taxes	(705,312)	(139,911)	300,948	613,713
Provision for credits, lease and other credits (Note 9f)	260,333	326,118	1,202,858	1,570,279
Depreciation and amortization (Note 20d)	10,167	6,749	21,405	16,353
Income from appraisal of recoverable value of assets	173	73	737	2,416
Equity in the earnings of subsidiaries (Note 13a)	(314,385)	(256,556)	(77,051)	(75,201)
(Income) Loss on disposal of assets (Note 21)	6,562	518	11,084	3,316
(Income) loss on sale of investments (Note 21)	-	(94,113)	-	(157,116)
Provision (Reversal) to devaluation of other assets (Note 21)	(3,910)	2,970	(2,420)	8,457
Expenses (Reversal) with civil, labor and tax provisions	45,185	(50,390)	142,792	92,934
Effect of changes in foreign exchange rates on cash and cash equivalents	(71,849)	45,079	(84,007)	46,941
Interest income from securities available for sale	(464,641)	(85,205)	(548,477)	(317,343)
Interest income from securities held to maturity	(172,879)	(35,064)	(365,673)	(577,102)
Other adjustments	(68)	(90)	(300)	(221)
Adjusted income before income and social contribution taxes	(543,634)	168,409	631,156	1,063,672
Equity variations	3,836,365	(7,593,939)	(2,572,055)	(9,177,714)
(Increase) decrease in interbank funds applied	322,645	(642,462)	(4,121,662)	1,125,436
Increase (decrease) in trading securities and derivative financial instruments	1,346,032	96,062	(1,881,777)	146,131
(Increase) decrease in interbank accounts and investments	29,921	83,271	28,069	74,360
(Increase) Decrease in compulsory deposits at the Central Bank of Brazil	10,925	64,045	10,925	64,045
(Increase) Decrease in credit transactions	453,744	814,985	217,065	73,929
(Increase) Decrease in lease operations	-	-	143,713	326,986
(Increase) /decrease in other receivables, net of deferred taxes	(696,414)	(376,051)	(411,874)	(938,461)
(Increase) decrease in other assets	9,014	72,562	172,742	76,883
Income and social contribution taxes paid	(70,465)	-	(296,477)	(273,410)
(Decrease) increase in deposits	1,250,830	(2,608,270)	1,223,366	(2,593,798)
(Decrease) increase in money market repurchase commitments	(18,490)	(4,257,573)	(49,109)	(6,622,699)
(Decrease) Increase in acceptances and endorsements	777,438	(579,941)	777,601	(577,076)
(Decrease) increase in liabilities from borrowings and onlendings	159,731	(989,061)	158,172	(991,865)
(Decrease) Increase in other obligations	262,790	733,988	1,458,527	937,319
(Decrease) increase in the income of future years	(1,336)	(5,494)	(1,336)	(5,494)
CASH GENERATED (USED) BY OPERATIONS	3,292,731	(7,425,530)	(1,940,899)	(8,114,042)
Cash flows from investment activities				
(Acquisition) of securities available for sale	(2,769,108)	(923,886)	(1,751,928)	(2,616,111)
(Acquisition) of securities held to maturity	-	-	-	(230,540)
(Purchase) of investments	(31,415)	(24,500)	-	(32,468)
(Acquisition) of property for use	(13,110)	(3,910)	(35,335)	(6,779)
(Acquisition) of intangible	(15,350)	(3,164)	(24,020)	(5,976)
(Acquisition) of deferred charges	5,324,824	3,386,424	7,781,706	6,326,509
Disposal, maturity of securities available for sale	-	-	1,649,534	-
Maturity of securities held to maturity	19,118	1,634,958	-	180,594
Disposal/decrease in investments	2	2,410	25,036	2,702
Disposal of property for use	1,789	271	1,839	1,694
Disposal of intangible assets	12	121	12	10
Disposal of deferred assets	164,921	529,016	142,614	114,176
Interest on own capital / Dividends received	-	-	-	-
NET CASH GENERATED (CONSUMED) IN INVESTMENT ACTIVITIES	2,681,683	4,597,740	7,789,458	3,733,811
Cash flows from financing activities				
Dividends paid	(119,331)	-	(119,331)	-
(Reduction) Increase in obligations due to subordinated debts	693,646	204,326	693,646	204,326
(Decrease) Increase in capital and debt instruments	235,241	113,733	235,241	113,733
CASH GENERATED (USED) BY FINANCING ACTIVITIES	809,556	318,059	809,556	318,059
Net variation for cash and cash equivalents	6,783,970	(2,509,731)	6,658,115	(4,062,172)
Beginning of the period	2,620,506	3,435,355	2,801,920	5,049,165
Effect of changes in foreign exchange rates on cash and cash equivalents	71,849	(45,079)	84,008	(46,941)
End of the period (Note 5)	9,476,325	880,545	9,544,043	940,052
Increase in cash and cash equivalents	6,783,970	(2,509,731)	6,658,115	(4,062,172)

See the accompanying notes to the financial statements.

Banco Votorantim S.A.
STATEMENT OF ADDED VALUE
Semesters ended June 30, 2015 and 2014

(In thousands of Reais)

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Income	5,308,400	3,208,758	8,645,824	6,718,808
Financial operations income	5,320,766	3,283,249	9,565,907	8,028,846
Service income and banking fees	95,918	104,486	462,675	450,051
Allowance for doubtful accounts	(260,333)	(326,118)	(1,202,858)	(1,570,279)
Other income (expenses)	152,049	147,141	(179,900)	(189,810)
Financial intermediation expenses	(5,083,469)	(2,799,485)	(6,988,957)	(4,940,344)
Inputs acquired from third parties	(90,221)	(76,246)	(498,434)	(470,572)
Water, electricity and gas	(675)	(730)	(5,786)	(2,327)
Outsourced services	(649)	(1,404)	(4,171)	(7,748)
Communications	(2,701)	(3,433)	(37,723)	(34,038)
Data processing	(24,978)	(25,325)	(88,441)	(87,840)
Transportation	(1,039)	(1,551)	(6,457)	(8,225)
Surveillance and security services	(285)	(384)	(983)	(1,463)
Specialized technical services	(19,407)	(16,667)	(192,795)	(143,886)
Financial system services	(11,099)	(14,742)	(51,742)	(70,594)
Advertising and publicity	(103)	(100)	(1,115)	(1,190)
Judicial and notary public fees	(4,181)	(3,340)	(48,328)	(64,550)
Other	(25,104)	(8,570)	(60,893)	(48,711)
Gross added value	134,710	333,027	1,158,433	1,307,892
Amortization/depreciation expenses	(10,167)	(6,749)	(21,405)	(16,353)
Net added value produced by the Entity	124,543	326,278	1,137,028	1,291,539
Added value received as transfer	314,385	256,556	77,051	75,201
Equity in income of subsidiaries	314,385	256,556	77,051	75,201
Added value payable	438,928 100.00%	582,834 100.00%	1,214,079 100.00%	1,366,740 100.00%
Distributed added value	438,928 100.00%	582,834 100.00%	1,214,079 100.00%	1,366,740 100.00%
Personnel	231,399 52.72%	236,168 40.52%	667,797 55.00%	661,350 48.39%
Salaries and fees	156,398	169,559	466,984	478,906
Profit sharing - Employees and Management	50,732	35,813	107,827	90,280
Benefits and training programs	14,876	19,555	66,096	65,410
FGTS	9,383	11,234	26,085	26,454
Other charges	10	7	805	300
Taxes, rates and contributions	(71,552) -16.30%	39,440 6.77%	237,799 19.59%	359,179 26.28%
Federal	(77,850)	32,614	209,859	334,683
State	1	3	725	13
Municipal	6,297	6,823	27,215	24,483
Third-party capital remuneration	11,305 2.58%	14,789 2.54%	40,707 3.35%	53,774 3.93%
Rental	11,305	14,789	40,707	53,774
Remuneration of own capital	267,776 61.00%	292,437 50.17%	267,776 22.06%	292,437 21.40%
Retained earnings	267,776	292,437	267,776	292,437

See the accompanying notes to the financial statements.

Notes to the financial statements

1. THE BANK AND ITS OPERATIONS

Banco Votorantim S.A. ("Banco Votorantim" or "Bank") is a Closed Company that, operating in the form of a Multiple Bank, develops banking activities in authorized categories, by means of its commercial, investment 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. CORPORATE RESTRUCTURINGS

On January 31, 2014, the directors of Banco Votorantim approved the merger of BV Sistemas de Tecnologia da Informação S.A. into its equity under the terms of Merger Protocol and Justification Agreement. Merged net assets were evaluated at book value as of December 31, 2013, base date of the transaction, as R\$ 20,813; plus equity variations occurring from base date of accounting appraisal report to merger date. As a natural outcome, legal personality of BV Sistemas was extinct and Banco Votorantim became the universal successor of all its rights and obligations. The merger did not result in an increase of the Capital of the Bank and the articles of organization remained unaffected.

On December 31, 2013, BV Sistemas balance sheets merged by Banco Votorantim are as follows:

- Assets: R\$ 65,852
- Liabilities: R\$ 45,039
- Shareholders' equity: R\$ 20,813

Mergers are justified because they represent an improvement of respective corporate structure, rationalize transactions, simplifies management, facilitates accounting and financial procedures, and minimizes administrative expenses, thus optimizing its assets and income.

3. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements were prepared based on the accounting guidelines derived from Corporation Law and observing 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).

The preparation of the financial statements in accordance with accounting practices adopted in Brazil, applicable to financial institutions, requires that Management uses its judgment in determining and recording accounting estimates, when applicable. Significant assets and liabilities subject to these estimates and assumptions include: the residual value of permanent assets, allowance for doubtful accounts, deferred tax assets, provision for labor, tax and civil claims, valuation of financial instruments and other provisions. Definitive values of transactions involving these estimates are recognized only upon settlement.

In the preparation of consolidated financial statements, values deriving from intercompany transactions, including interest held by one company in another, balance sheet balances, revenues and expenses, as well as unrealized income were eliminated, net of tax effects. Interest held by non-controlling shareholders in the shareholders' equity of the subsidiaries and in income were highlighted in financial statements. Lease transactions were considered from a financial method viewpoint, and the reclassified amounts under leased property, plant and equipment to the caption lease transactions including the excess and/or insufficient depreciation, less residual value received in advance. The process does not include the consolidation of the exclusive investment funds and of the credit receivable investment funds and non-financial subsidiaries in conformity with the consolidation rules established by the CMN for the purposes of the Financial Conglomerate. 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 abroad was distributed on the lines of the statement of income, according to the respective assets and liabilities that originated them.

The Accounting Pronouncements Committee (CPC) issues accounting standards and interpretations aligned with international accounting standards and approved by the Brazilian Securities and Exchange Commission. National Monetary Council (CMN) approved the following pronouncements, which were fully complied with by the Bank, when applicable: CPC 00 (R1) - Basic Conceptual Pronouncement, CPC 01 - Impairment of assets, CPC 03 - Statement of cash flow, CPC 05 - Related party disclosures, CPC 10 (R1) - Share-based payment, CPC 23 - Accounting Policies, Change in Accounting Estimates and Correction of Errors, CPC 24 - Subsequent events and CPC 25 - Provisions, contingent assets and liabilities.

The Bank applies the pronouncement CPC 09 - Statement of added value, which is not in conflict with the rules of the Central Bank of Brazil, as provided for in the prevailing regulations.

In addition, the Central Bank of Brazil amended CMN Resolution no. 3.533, of January 31, 2008, which became effective on January 2012 and established procedures for classification, bookkeeping and disclosing transactions of sale or transfer of financial assets. This Resolution agrees with criteria to write-off financial assets specified in CPC 38 – Financial Instruments: Recognition and measurement.

In case it applies other standards that depend on BACEN's regulations, effects will result in immaterial effects or changes in disclosure, except for the following pronouncement that may cause relevant impact on financial statements:

The authorization for issuance of Financial Statements was given by Executive Board on August 06, 2015.

Shareholding interest included in consolidated financial statements, segregated by business segments:

		06/30/2015	06/30/2014
		Activity	Interest %
Banking segment – Domestic			
BV Financeira S.A. Crédito, Financiamento e Investimento	(1)	Financial	100.00%
BV Leasing Arrendamento Mercantil S.A.	(1)	Lease	100.00%
Votorantim Corretora de Títulos e Valores Mobiliários Ltda.	(1)	Brokerage house	99.99%
Fund management segment			
Votorantim Asset Management Distribuidora de TVM Ltda.	(1)	Asset Management	99.99%
Banking segment – Foreign			
Votorantim Bank Limited	(1)	Banking	99.99%
Banco Votorantim Securities Inc.	(1)	Brokerage house	100.00%
Votorantim Securities (UK) Limited	(1)	Brokerage house	100.00%
(1) Subsidiaries.			

Information for comparison purpose

Reclassifications were made in the Balance Sheet and the Statement of Income for comparison purposes and to better evidence transactions' essence, highlighted as follows:

- Reclassification of securities and credits receivable from Lease transactions to Other credits on June 30, 2014.
- Provision for lease transactions referring to securities and credits receivable for Provision for other credits on June 30, 2014.
- Reclassification of costs associated to production from lending operations of Income from Financial Intermediation – Loan operations to Other Operating Income/Expenses – Other Operating Expenses.

Balance sheet

Consolidated	06/30/2014		
	Previous disclosure	Reclassification	Reclassified balance
Leases (Note 9a)	640,429	(29,520)	610,909
(Provision for leases) (Note 9a)	(58,992)	3,623	(55,369)
Other receivables – Sundry (Note 10)	8,424,726	29,520	8,454,246
Other receivables - (Provision for other receivables) (Note 9a)	(683,000)	(3,623)	(686,623)
Intangible assets - (Accumulated amortization)	(27,902)	200	(27,702)
Intangible assets - (Accumulated impairment)	(6,215)	(200)	(6,415)

Statement of income

Bank	1H14		
	Previous disclosure	Reclassification	Reclassified balance
FINANCIAL INTERMEDIATION INCOME	3,314,680	(31,431)	3,283,249
Loan operations (Note 9b)	666,812	(149)	666,663
Foreign exchange income (Note 11b)	-	(31,282)	(31,282)
FINANCIAL INTERMEDIATION EXPENSES	(3,156,885)	31,282	(3,125,603)
Foreign exchange income (Note 11b)	(31,282)	31,282	-
GROSS INCOME (LOSS) FROM FINANCIAL INTERMEDIATION	157,795	(149)	157,646
OTHER OPERATING INCOME/EXPENSES	60,206	149	60,355
Other operating expenses (Note 20e)	(32,205)	149	(32,056)
NON-OPERATING INCOME	90,319	-	90,319
Non-operating income (Note 21)	94,113	60	94,173
Non-operating expenses (Note 21)	(3,794)	(60)	(3,854)

Consolidated	1H14		
	Previous disclosure	Reclassification	Reclassified balance
FINANCIAL INTERMEDIATION INCOME	7,771,606	257,240	8,028,846
Loan operations (Note 9b)	3,466,343	286,474	3,752,817
Leases (Note 9h)	864,733	2,048	866,781
Foreign exchange income (Note 11b)	-	(31,282)	(31,282)
FINANCIAL INTERMEDIATION EXPENSES	(6,541,905)	31,282	(6,510,623)
Foreign exchange income (Note 11b)	(31,282)	31,282	-
GROSS INCOME (LOSS) FROM FINANCIAL INTERMEDIATION	1,229,701	288,522	1,518,223
OTHER OPERATING INCOME/(EXPENSES)	(921,488)	(288,522)	(1,210,010)
Other operating expenses (Note 20e)	(232,333)	(288,522)	(520,855)
NON-OPERATING INCOME	141,746	-	141,746
Non-operating income (Note 21)	157,116	10,507	167,623
Non-operating expenses (Note 21)	(15,370)	(10,507)	(25,877)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by Banco Votorantim are consistently applied in all reported periods in such Financial Statements and uniformly to all entities of the Conglomerate.

a) Statement of income

In conformity with the accrual regime, revenues and expenses are recognized in statement of income for the period to which they belong and when they simultaneously correlate, regardless of receipt or payment. Transactions that were carried out with floating financial charges are adjusted at the *pro rate die* criterion, based on variation of respective agreed-on indices; and transactions with fixed financial charges are recorded at redemption value, rectified by unrecognized income or unrecognized expenses corresponding to the future period. Transactions pegged to foreign currencies are restated up to the balance sheet date at the current rate criteria.

b) Measurement at present value

Financial assets and liabilities are presented at present value as a result of application of accrual regime for recognition of respective interest revenues and expenses.

Non-contractual obligations, mainly represented by provisions for lawsuits and legal obligations whose disbursement date is unknown and not under control of the Conglomerate, are measured at present value, as they are initially recognized at estimated disbursement value on evaluation date and are adjusted on a monthly basis.

c) Cash and cash equivalents

Cash and cash equivalents are represented by cash and cash equivalents in domestic, foreign currency, money market repurchase commitments - own portfolio, interbank accounts or relations and investments in foreign currency with high liquidity and insignificant risk of changes in value and money market repurchase commitments - own portfolio, with original maturities of up to 90 days.

d) Interbank funds applied

Interbank investments are shown at cost of investment or acquisition, plus income accrued up to the balance sheet date and adjusted for reserve for losses, when applicable.

e) Securities

Securities are recorded by the amount effectively paid, net of reserve for losses, and classified into three different categories based on Management's intent:

Trading securities: Securities acquired for the purpose of being actively and frequently negotiated. Adjusted to its market value with the corresponding entry to the income for the period;

Securities available for sale: Securities that may be traded at any time, though are not acquired for the purpose of being actively and frequently negotiated. Adjusted to fair value with the corresponding entry to a separate account in shareholders' equity, net of taxes; and

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 income for the period. In this category, the securities are held at amortized cost. For securities reclassified to this category, the mark-to-market adjustment is incorporated to cost and bookkept prospectively at amortized cost using the effective interest rate method.

The methodology of adjustment at market value 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 external sources, or the probable net realizable value obtained pricing models, using interest rate future value curves, exchange rates, price and currency indexes, besides any adjustments in the prices of securities of low liquidity, all duly in conformity with the prices adopted in the period.

The market value considers the credit risk of the counterparty (*Credit valuation adjustment - CVA*).

Income accrued with securities, regardless of the category in which it is classified, is appropriated 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.

Losses in trade notes classified as available for sale and as held to maturity that are not temporary losses are directly recognized in income for the period and now comprise the new asset cost basis.

Upon disposal, difference determined between sales value and acquisition cost adjusted by earnings is considered as the transaction result and is accounted for on transaction date as Income or Loss with securities.

f) Derivative financial instruments

Derivative financial instruments are valued at market value, upon the preparation of monthly trial balances and balance sheets. Increases or decreases in value are recorded in income or expense accounts of the respective financial instruments.

The mark-to-market methodology of derivative financial instruments was established based on 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.

The market value considers the credit risk of the counterparty (*Credit valuation adjustment - CVA*).

Derivative financial instruments used to offset, in whole or in part, the risks arising from exposure to variations in financial asset or liability market values are considered hedge instruments and are classified according to their nature as:

Market risk hedge: appreciation or devaluation of these financial instruments, as well of hedged item, is recognized in accounts of income for the period; and

Cash flow hedge: For financial instruments classified in this category, effective portion of appreciation or devaluation is recorded in a separate account of Shareholders' equity, less tax effects. Effective portion is that portion for which hedged item variation directly related to corresponding risk is offset against hedging financial instrument variation, considering transaction accumulated effect. Other variations in these instruments are directly recognized in income for the period. No cash flow hedging transactions were stated in this financial statement.

For object items that were discontinued from the hedge list and that remain recorded in the balance sheet, as in the case of credit contracts granted with substantial transfer of risks and benefits, when applicable, the mark-to-market adjustment is incorporated to cost and recognized over the remaining period at the new effective interest rate.

g) Loan and lease operations, advances on foreign exchange contracts, other receivables with loan characteristics and allowance for doubtful accounts

Loans and lease operations, advances on foreign exchange contracts and other receivables with loan characteristics are classified according to Management's discernment with respect to the level of risk,

taking into consideration the economic panorama, past experience and specific risks in relation to the operation, to obligators and guarantors, periods of delinquency, and economic group, observing the parameters established by CMN, which requires the analysis of the portfolio and its rating at nine levels, ranging from AA (minimum risk) to H (maximum risk), as well as the classification of transactions with delinquency of more than 14 days as abnormal transactions.

In relation to the period of delinquency verified in retail operations with a term of over thirty-six (36) months, a double count is adopted over intervals of delinquency defined for the nine levels.

Income from credit transactions overdue for more than 60 days, including, 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. Renegotiations of credit transactions that had already been written off against provision are rated as level H and any gains from renegotiation are recognized as income when effectively received.

The allowance for doubtful accounts, considered sufficient by Management, complies with the minimum requirement established by the CMN Resolution 2,682/1999 (Note 9e).

Loan and lease operations that are subjects of hedges of market risk are stated at fair value using consistent and verifiable criterion. Adjustments to these transactions deriving from market value evaluation are recorded in credit and lease transactions, as a contra-entry to Income from 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 loans assigned with recourse, Management established a reserve for losses, recorded under "Other liabilities - Sundry - Sundry domestic creditors".

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 Company's balance sheet; and
- When all the risks and benefits related to assets are substantially transferred to an entity, assets are written-off the Company's balance sheet.

h) 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 Conglomerate 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.

Up to December 31, 2014, remuneration portion referring to origination of credit or lease transactions forwarded by bank correspondents was recorded in assets and recognized under expenses over contract period, or immediately upon settlement or write-off of transaction.

Beginning as of January 1, 2015, in compliance with requirements of CMN Resolution no. 4,294/2013, and in accordance with permission provided for in BACEN Circular Letter no. 3,738/2014, two thirds of remuneration referring to 2015 origination of credit or lease transactions forwarded by correspondents are recorded in assets, and remaining portion is recognized as expenses for the period upon origination.

Amounts recorded in assets based on permission provided for in BACEN Circular Letter no. 3,738/2014 are amortized at the straight-line basis over the maximum period of 36 months.

In 2016, up to a third of remuneration referring to origination of credit transactions will be recorded in assets and recognized in income at the straight-line basis, respecting maximum period of 36 months. Said remuneration for transactions generated beginning as of January 1, 2017 will be fully recognized as expenses.

Beginning as of January 1, 2020, all amounts recorded in assets and related to remuneration of correspondents in Brazil will be immediately written-off, with contra-entry in proper expense account for the period.

i) Fixed assets

Investments: investments in subsidiaries with significant influence or interest of 20% or more in the voting capital are valued by the equity method of accounting based on the shareholders' equity of the subsidiary. Financial statements of subsidiaries abroad are adequate to accounting criteria in force in Brazil and translated into Brazilian Reais in accordance with prevailing law, and their effects are recognized in income for the period. Other permanent investments are valued at cost of acquisition, less provision for impairment, when applicable.

Property for use: property, plant and equipment is evaluated at acquisition cost less respective depreciation account, whose value is calculated at the straight-line basis using the following annual rates in accordance with estimated useful lives of assets, as follows: vehicles - 20%, data processing systems - 20% and other items - 10% (Note 14).

Deferred assets: the deferred asset is recorded at acquisition or formation cost, net of the respective accumulated amortizations. Contemplates, mainly, the Company's reorganization expenditures and expenditures made up to September 30, 2008 with third parties' properties deriving from installation of facilities and amortization calculated at the straight-line basis, considering the period in which the benefit is created. 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.

Intangible assets: intangible assets- corresponds to the rights that refer to incorporeal personal property intended for the maintenance of the Company or exercised with this purpose. Intangible assets have defined useful lives and basically refer to software amortized at the straight line basis and rate of 20% p.a., beginning as of the date in which it is available for use. The entity assesses at the end of each reporting period, if there is any sign that an intangible asset may have lost value. If so, the entity should estimate the asset's recoverable value.

Amortization is calculated by the straight-line method, based on the period over which the benefit is generated, calculated under Other administrative expenses - Amortization (Note 20d).

j) Impairment of non-financial assets

The entity assesses at the end of each period, if there is any sign that an asset may have lost value. If so, the entity should estimate the asset's recoverable value, which is the greater of: i) its fair value less costs to sell; and ii) its value in use.

If the asset's recoverable value is lower than its book value, the asset's book value is reduced to its recoverable value through a provision for impairment losses that is recognized in the Statement of Income.

Methodologies applied to the evaluation of the recoverable value of main non-financial assets:

Investments

Methodology of recoverable value of investments accounted for at the equity method of accounting is based on evaluation of equity from investees, their business plans and invested amounts' return capacity. A provision for impairment losses is recognized in income for the period when book value of an investment exceeds its recoverable value.

Intangible assets

Software - software is developed internally and according to the Conglomerate's needs and constantly takes part of the investments policy aiming modernization and adequacy to new technologies and business requirements. As there are no similar items in the market and also because of the high cost to implement metrics that permit calculating its value in use, testing of software recoverability is comprised of the evaluation of its utility for the Company so that, whenever software does not reach the generation of future economic benefits provided by the Management, the recoverable value of the intangible asset is adjusted.

Losses recorded in income to adjust these assets' recoverable value are stated in respective notes.

k) Employee benefits

Benefits to employees (short and long-term) to the current employees are recognized at the accrual system according to the validity of each program/ benefit assigned to the employee.

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. Amounts to be paid that are adjusted according to the grace period (from one to a maximum of four years) and to the characteristics of each benefit are recorded under "Other sundry obligations - Provision for payments" as a contra entry to caption "Personnel expenses - Proceeds". Program details are disclosed in Note 25.

On June 25, 2015, Central Bank of Brazil published Resolution no. 4,424/2015, which will become effective on January 1, 2016 and that approves Technical Pronouncement CPC 33- Benefits to Employees, which must be applied by the employing entity in bookkeeping and disclosure of benefits granted to employees.

This Pronouncement requires the entity to recognize a liability when the employee provided services in exchange for benefits to be paid in the future and an expense when the entity uses the economic benefit deriving from services received from the employee in exchange for benefits to this employee.

l) Deposits and money market repurchase commitments

Deposits and money market repurchase commitments are stated at the amounts of the liabilities and consider, when applicable, the charges enforceable up to the balance sheet date, recognized on a "pro rata" daily basis.

m) Taxes

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

Taxes	Current rate
Income tax (15% + 10% additional)	25%
Social contribution on net income – CSLL	(a) 15%
PIS / PASEP	(b) 0.65%
Contribution for Social Security Funding - COFINS	(b) 4%
Service tax (ISS) – ISSQN	From 2 to 5%

(a) Rate applicable to financial companies.

- (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 recognized through the application of prevailing 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 4,192/2013, 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 adjustment of excess of depreciation of the lease portfolio of subsidiary BV Leasing.

n) Provisions, contingent assets and liabilities and legal obligations

Recognition, measurement and disclosure of provisions, contingent assets and liabilities and of legal obligations are conducted in accordance with criteria defined in CPC 25 - Provisions, Contingent Liabilities and Contingent Assets, approved by the CMN Resolution 3,823/2009 (Note 26).

Contingent assets are not recorded in Consolidated Financial Statements 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.

Contingent liabilities are recognized in the consolidated interim 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 rated as possible losses are not recognized and should only be disclosed in notes, those rated "remote" do not require provision or disclosure.

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 interim consolidated financial statements.

o) Guarantees and collaterals

Guarantee and collateral that are not honored and provided by the Institution, not in cash, are recorded on behalf of guaranteed or collateralized entities in memorandum accounts, after complying with actions provided for to control, record and follow-up administrative actions that may become obligations deriving from future occurrences, either foreseen or fortuitous.

When the obligation value is subject to exchange variation or to any other type of adjustment, balances of these accounts are adjusted at balance sheet dates.

Income from provided guarantee and collateral commissions, belonging to the period and not received, are accounted for on a monthly basis in Commissions for Co-obligations Receivable, as a contra entry to Income from Provided Guarantees.

Commissions received in advance are accounted for under advanced income in group deferred income, on a monthly basis at the accrual system.

When in a situation resulting from a past event, there may be a disbursement of funds involving future economic benefits for the settlement of a current or possible obligation whose existence will be confirmed only by the occurrence or not of one or more uncertain future events not fully under the control of the Institution, the Institution recognizes a Contingent Liability based on reliable estimates of the obligation, which is measured as the best estimate of disbursement required to settle current obligation on balance sheet date.

Operations of delinquent collaterals and guarantees will have provisions recognized for each client of the economic group based on characteristics such as sector of operation, competitive and regulatory

environment, shareholding control and management, as well as financial soundness, and these variables are captured through “rating” models on qualitative and quantitative basis, considering the respective minimum provisions as defined by CMN Resolution No. 2.682/1999, non-honored provision for collateral is recognized in Other obligations - Sundry - Sundry Domestic Creditors (note 19d)”.

p) Others 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 reserve for losses, when considered necessary. Liabilities are stated at known measurable amounts plus, when applicable, incurred monetary charges, inflation adjustment and foreign exchange variation on a *pro rata die* basis.

5. CASH AND CASH EQUIVALENTS

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Cash and cash equivalents	170,665	82,790	220,552	118,713
Cash and cash equivalents in national currency	1,088	16,561	10,449	38,205
Cash and cash equivalents in foreign currency	169,577	66,229	210,103	80,508
Interbank funds applied	(a) 9,305,660	797,755	9,323,491	821,339
Money market repurchase commitments – Sales pending settlement – own portfolio	8,427,161	306,403	8,427,161	306,403
Interbank accounts or relations	619,650	398,919	620,354	409,290
Investments in foreign currency	258,849	92,433	275,976	105,646
Total	9,476,325	880,545	9,544,043	940,052

(a) Refer to transactions with original maturity equal to or lower than 90 days and present insignificant risk of fair value change.

6. INTERBANK FUNDS APPLIED

a) Breakdown

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Money market repurchase commitments	16,238,274	4,954,025	16,238,274	4,938,307
Sales pending settlement - Own portfolio	9,710,531	821,075	9,710,531	805,357
Financial Treasury Bills - LFT	3,438,018	554,201	3,438,018	538,483
National Treasury Bills - LTN	1,699,276	266,874	1,699,276	266,874
National Treasury Notes – NTN	4,570,519	-	4,570,519	-
Other	2,718	-	2,718	-
Sale pending settlement - Financed operations	6,325,607	3,729,890	6,325,607	3,729,890
Financial Treasury Bills - LFT	4,530,841	-	4,530,841	-
National Treasury Bills - LTN	1,654,639	3,704,910	1,654,639	3,704,910
National Treasury Notes – NTN	140,127	24,980	140,127	24,980
Sale pending settlement - Short position	202,136	403,060	202,136	403,060
Federal public securities – National Treasury	200,431	391,534	200,431	391,534
Other	1,705	11,526	1,705	11,526
Interbank deposit investments	21,039,395	28,972,672	1,969,413	1,620,230
Total	37,277,669	33,926,697	18,207,687	6,558,537
Current assets	26,351,526	6,313,023	18,033,784	6,320,890
Non-current assets	10,926,143	27,613,674	173,903	237,647

b) Income from interbank funds applied

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Income from money market repurchase commitments	740,002	386,601	740,002	386,601
Own portfolio	369,271	226,646	369,271	226,646
Financed Operations	348,507	138,770	348,507	138,770
Short position	22,224	21,185	22,224	21,185
Income from interbank deposits	1,452,364	1,312,255	46,192	59,832
Total	2,192,366	1,698,856	786,194	446,433

7. SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

a) Securities

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

a.1) Breakdown of the portfolio by category, type of paper and maturity term

Bank	06/30/2015									06/30/2014		
	Market value					Total			Total			
	Maturity in days	Without maturity	From 0 to 30 days	From 31 to 180 days	From 181 to 360 days	Over 360 days	Cost	Market value	Mark-to-market	Cost	Market value	Mark-to-market
1 – Trading securities		252	470,483	869,940	2,751	3,575,454	4,952,180	4,918,880	(33,300)	30,247,627	30,279,330	31,703
Government bonds		-	469,761	869,800	215	3,388,144	4,760,818	4,727,920	(32,898)	3,870,012	3,898,960	28,948
Financial Treasury Bills - LFT		-	-	312	-	168,804	169,075	169,116	41	477,684	477,570	(114)
National Treasury Bills - LTN		-	469,761	869,488	215	1,242,699	2,581,365	2,582,163	798	2,121,502	2,127,230	5,728
National Treasury Notes - NTN		-	-	-	-	1,953,457	1,985,497	1,953,457	(32,040)	1,214,709	1,237,932	23,223
Brazilian Foreign Debt Securities		-	-	-	-	23,184	24,881	23,184	(1,697)	56,117	56,228	111
Private securities		252	722	140	2,536	187,310	191,362	190,960	(402)	26,377,615	26,380,370	2,755
Debentures		-	-	-	-	-	-	-	-	26,154,345	26,154,845	500
Shares		252	-	-	-	-	52	252	200	6,435	6,906	471
Rural product notes - Commodities	(b)	-	-	-	-	-	-	-	-	3,815	5,000	1,185
Eurobonds		-	-	140	2,536	67,006	70,962	69,682	(1,280)	213,020	212,848	(172)
Financial Bills		-	-	-	-	90,348	90,348	90,348	-	-	-	-
Other		-	722	-	-	29,956	30,000	30,678	678	-	771	771
2 – Securities available for sale		21,491	280,615	516,082	2,406,808	37,662,228	41,096,199	40,887,224	(208,975)	12,252,761	11,983,609	(269,152)
Government bonds		-	141	4,939	-	3,171,891	3,337,835	3,176,971	(160,864)	6,660,340	6,463,101	(197,239)
National Treasury Bills - LTN		-	-	-	-	747,299	779,497	747,299	(32,198)	4,570,687	4,447,231	(123,456)
National Treasury Notes - NTN		-	-	-	-	2,423,313	2,552,002	2,423,313	(128,689)	2,071,244	1,997,187	(74,057)
Agricultural debt securities		-	141	4,939	-	1,279	6,336	6,359	23	18,409	18,683	274
Private securities		21,491	280,474	511,143	2,406,808	34,490,337	37,758,364	37,710,253	(48,111)	5,592,421	5,520,508	(71,913)
Debentures		-	168,423	7,508	2,125,537	31,493,553	33,819,416	33,795,021	(24,395)	2,635,816	2,609,629	(26,187)
Promissory notes		-	56,907	360,750	77,794	-	496,050	495,451	(599)	205,606	205,606	-
Shares	(a)	21,491	-	-	-	-	39,037	21,491	(17,546)	93,469	51,089	(42,380)
Shares in investment funds		-	-	-	-	1,453,260	1,453,260	1,453,260	-	1,230,156	1,230,156	-
FIDC quotas		-	-	-	-	25,728	25,728	25,728	-	-	-	-
Rural Product Notes - Commodities	(b)	-	55,144	136,676	169,359	134,356	514,231	495,535	(18,696)	685,278	671,708	(13,570)
Eurobonds	(c)	-	-	-	11,180	523,537	534,204	534,717	513	173,455	148,874	(24,581)
Credit Linked Notes		-	-	-	-	368,239	351,419	368,239	16,820	398,698	431,529	32,831
Financial Bills		-	-	6,209	-	311,158	320,020	317,367	(2,653)	20,467	20,467	-
Other		-	-	-	22,938	180,506	204,999	203,444	(1,555)	149,476	151,450	1,974
3 - Securities held to maturity		-	-	-	-	2,997,669	3,043,292	2,997,669	(45,623)	1,016,752	1,015,120	(1,632)
Government bonds		-	-	-	-	2,997,669	3,043,292	2,997,669	(45,623)	1,016,752	1,015,120	(1,632)
National Treasury Bills - LTN		-	-	-	-	1,923,920	1,946,122	1,923,920	(22,202)	-	-	-
National Treasury Notes - NTN		-	-	-	-	1,073,749	1,097,170	1,073,749	(23,421)	1,016,752	1,015,120	(1,632)
Total (1 + 2 + 3)		21,743	751,098	1,386,022	2,409,559	44,235,351	49,091,671	48,803,773	(287,898)	43,517,140	43,278,059	(239,081)

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Consolidated	06/30/2015									06/30/2014		
	Maturity in days	Market value					Total			Total		
		Without maturity	From 0 to 30 days	From 31 to 180 days	From 181 to 360 days	Over 360 days	Cost	Market value	Mark-to-market	Cost	Market value	Mark-to-market
1 – Trading securities	252	470,483	882,745	2,751	3,607,103	4,996,633	4,963,334	(33,299)	4,855,250	4,886,927	31,677	
Government bonds	-	469,761	882,605	215	3,419,793	4,805,271	4,772,374	(32,897)	3,922,759	3,951,680	28,921	
Financial Treasury Bills - LFT	-	-	13,117	-	200,453	213,528	213,570	42	508,406	508,265	(141)	
National Treasury Bill - LTN	-	469,761	869,488	215	1,242,699	2,581,365	2,582,163	798	2,121,502	2,127,230	5,728	
National Treasury Notes - NTN	-	-	-	-	1,953,457	1,985,497	1,953,457	(32,040)	1,214,709	1,237,932	23,223	
Brazilian Foreign Debt Securities	-	-	-	-	23,184	24,881	23,184	(1,697)	56,117	56,228	111	
Foreign governments' securities	-	-	-	-	-	-	-	-	22,025	22,025	-	
Private securities	252	722	140	2,536	187,310	191,362	190,960	(402)	932,491	935,247	2,756	
Debentures	-	-	-	-	-	-	-	-	18,330	18,831	501	
Shares	252	-	-	-	-	52	252	200	6,435	6,906	471	
Shares in investment funds	-	-	-	-	-	-	-	-	6,124	6,124	-	
FIDC quotas	-	-	-	-	-	-	-	-	684,767	684,767	-	
Rural Product Notes - Commodities (b)	-	-	-	-	-	-	-	-	3,815	5,000	1,185	
Eurobonds	-	-	140	2,536	67,006	70,962	69,682	(1,280)	213,020	212,848	(172)	
Financial Bills	-	-	-	-	90,348	90,348	90,348	-	-	-	-	
Other	-	722	-	-	29,956	30,000	30,678	678	-	771	771	
2 – Securities available for sale	1,071,979	280,615	516,082	803,448	9,891,444	12,830,421	12,563,568	(266,853)	18,098,220	17,843,824	(254,396)	
Government bonds	-	141	4,939	401,654	4,124,151	4,722,469	4,530,885	(191,584)	11,428,270	11,209,195	(219,075)	
Financial Treasury Bills - LFT	-	-	-	-	824	824	824	-	-	-	-	
National Treasury Bills - LTN	-	-	-	401,654	1,158,318	1,621,224	1,559,972	(61,252)	9,136,007	8,990,240	(145,767)	
National Treasury Notes - NTN	-	-	-	-	2,963,730	3,094,085	2,963,730	(130,355)	2,273,854	2,200,272	(73,582)	
Agricultural debt securities	-	141	4,939	-	1,279	6,336	6,359	23	18,409	18,683	274	
Private securities	1,071,979	280,474	511,143	401,794	5,767,293	8,107,952	8,032,683	(75,269)	6,669,950	6,634,629	(35,321)	
Debentures	-	168,423	7,508	120,523	2,763,650	3,084,498	3,060,104	(24,394)	2,635,816	2,609,629	(26,187)	
Promissory notes	-	56,907	360,750	77,794	-	496,050	495,451	(599)	205,606	205,606	-	
Shares (a)	1,056,420	-	-	-	-	1,107,984	1,056,420	(51,564)	1,152,145	1,146,357	(5,788)	
Shares in investment funds	15,559	-	-	-	1,453,260	1,468,819	1,468,819	-	1,243,239	1,243,239	-	
FIDC quotas	-	-	-	-	32,587	25,728	32,587	6,859	5,770	5,770	-	
Rural Product Notes - Commodities (b)	-	55,144	136,676	169,359	134,356	514,231	495,535	(18,696)	685,278	671,708	(13,570)	
Eurobonds (c)	-	-	-	11,180	523,537	534,204	534,717	513	173,455	148,874	(24,581)	
Credit Linked Notes	-	-	-	-	368,239	351,419	368,239	16,820	398,698	431,529	32,831	
Financial Bills	-	-	6,209	-	311,158	320,020	317,367	(2,653)	20,467	20,467	-	
Other	-	-	-	22,938	180,506	204,999	203,444	(1,555)	149,476	151,450	1,974	
3 - Securities held to maturity	-	-	-	1,606,615	5,090,761	6,802,975	6,697,376	(105,599)	5,988,842	6,017,239	28,397	
Government bonds	-	-	-	1,606,615	5,090,761	6,802,975	6,697,376	(105,599)	5,988,842	6,017,239	28,397	
National Treasury Bills - LTN	-	-	-	1,606,615	3,218,193	4,890,957	4,824,808	(66,149)	4,171,135	4,189,697	18,562	
National Treasury Notes - NTN	-	-	-	-	1,872,568	1,912,018	1,872,568	(39,450)	1,817,707	1,827,542	9,835	
Total (1 + 2 + 3)	1,072,231	751,098	1,398,827	2,412,814	18,589,308	24,630,029	24,224,278	(405,751)	28,942,312	28,747,990	(194,322)	

The market value considers the credit risk of the counterparty (Credit valuation adjustment - CVA).

The securities classified as "Held to maturity" are recorded under BACEN Circular No. 3068/2001 at cost value. For purposes of presentation by indexing unit, these operations are adjusted at market value (Note 7a.5).

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- (a) Market value includes the reserve for losses amounting to R\$ 68,682 (R\$ 69,245 on June 30, 2014) as a contra-entry to Income from securities. The market value of shares represents the price disclosed by BM&FBOVESPA.
- (b) As of June 30, 2014, market value of Investment fund quotas is net of provision for losses amounting to R\$ 3,810 as a contra-entry to Income from securities.
- (c) Market value of Rural Product Notes also considers the reserve for losses amounting to R\$ 3,423 (R\$ 3,338 on June 30, 2014) as a contra-entry to Income from securities.
- (d) Market value of Eurobond also considers the provisions for losses amounting to R\$ 46,790 as a contra-entry to Income from securities.

a.2) Breakdown of the portfolio by captions of publication and maturity term

Maturity in days	06/30/2015					Total			06/30/2014		
	Market value					Cost	Market value	Mark-to-market	Total		
	Without maturity	From 0 to 30 days	From 31 to 180 days	From 181 to 360 days	Over 360 days				Cost	Market value	Mark-to-market
Bank											
By portfolio	21,743	751,098	1,386,022	2,409,559	44,235,351	49,091,671	48,803,773	(287,898)	43,517,140	43,278,059	(239,081)
Own portfolio	90,425	754,521	516,534	1,772,503	20,740,785	23,866,768	23,874,768	8,000	19,119,924	19,024,892	(95,032)
Subject to repurchase clause	-	-	869,488	637,056	21,434,042	23,048,141	22,940,586	(107,555)	21,773,130	21,688,685	(84,445)
Subject to guarantees provided	-	-	-	-	2,107,314	2,176,762	2,107,314	(69,448)	2,624,086	2,640,875	16,789
Provision for impairment of free securities	(68,682)	(3,423)	-	-	(46,790)	-	(118,895)	(118,895)	-	(76,393)	(76,393)
Consolidated											
By portfolio	1,072,231	751,098	1,398,827	2,412,814	18,589,308	24,630,029	24,224,278	(405,751)	28,942,312	28,747,990	(194,322)
Own portfolio	1,140,913	754,521	516,534	404,505	7,335,530	10,178,250	10,152,003	(26,247)	14,444,282	14,412,149	(32,133)
Subject to repurchase clause	-	-	869,488	2,008,309	8,719,895	11,779,915	11,597,692	(182,223)	11,247,099	11,144,298	(102,801)
Subject to guarantees provided	-	-	12,805	-	2,580,673	2,671,864	2,593,478	(78,386)	3,250,931	3,267,936	17,005
Provision for impairment of free securities	(68,682)	(3,423)	-	-	(46,790)	-	(118,895)	(118,895)	-	(76,393)	(76,393)

a.3) Composition of the portfolio by category and maturity term in years

Maturity in years	06/30/2015					Total		06/30/2014	
	Market value					Cost	Market value	Total	
	Without maturity	Falling due, up to 1 year	Falling due - From 1 to 5 years	Falling due from 5 to 10 years	Falling due for more than 10 years			Cost	Market value
Bank									
By category	21,743	4,546,679	10,512,108	6,264,330	27,458,913	49,091,671	48,803,773	43,517,140	43,278,059
Trading securities	252	1,343,174	2,340,650	1,220,156	14,648	4,952,180	4,918,880	30,247,627	30,279,330
Securities available for sale	21,491	3,203,505	5,173,789	5,044,174	27,444,265	41,096,199	40,887,224	12,252,761	11,983,609
Securities held to maturity	-	-	2,997,669	-	-	3,043,292	2,997,669	1,016,752	1,015,120
Consolidated									
By category	1,072,231	4,562,739	13,048,692	3,977,243	1,563,373	24,630,029	24,224,278	28,942,312	28,747,990
Trading securities	252	1,355,979	2,372,298	1,220,156	14,649	4,996,633	4,963,334	4,855,250	4,886,927
Securities available for sale	1,071,979	1,600,145	5,585,633	2,757,087	1,548,724	12,830,421	12,563,568	18,098,220	17,843,824
Securities held to maturity	-	1,606,615	5,090,761	-	-	6,802,975	6,697,376	5,988,842	6,017,239

a.4) Summary of the portfolio by captions of publication

	06/30/2015			06/30/2014		
	Current	Non-current	Total	Current	Non-current	Total
Bank						
By portfolio	5,308,676	43,540,720	48,849,396	33,177,038	10,102,653	43,279,691
Own portfolio	1,774,441	22,100,327	23,874,768	13,996,075	5,030,116	19,026,191
Subject to repurchase commitment	2,674,468	20,305,581	22,980,049	18,386,279	3,301,709	21,687,988
Subject to guarantees provided	931,872	1,181,602	2,113,474	867,267	1,774,638	2,641,905
Provision for impairment of free securities	(72,105)	(46,790)	(118,895)	(72,583)	(3,810)	(76,393)
Consolidated						
By portfolio	8,431,162	15,898,715	24,329,877	13,717,336	15,002,257	28,719,593
Own portfolio	2,824,930	7,334,164	10,159,094	9,340,754	5,042,666	14,383,420
Subject to repurchase commitment	4,702,012	6,979,091	11,681,103	3,552,410	7,591,191	11,143,601
Subject to guarantees provided	976,325	1,632,250	2,608,575	896,755	2,372,210	3,268,965
Provision for impairment of free securities	(72,105)	(46,790)	(118,895)	(72,583)	(3,810)	(76,393)

a.5) Summary of the portfolio by category

By category	06/30/2015		06/30/2014	
Bank				
1 – Trading securities	4,918,880	10%	30,279,330	70%
2 – Securities available for sale	40,887,224	84%	11,983,609	28%
3 - Securities held to maturity	3,043,292	6%	1,016,752	2%
Book value of portfolio	48,849,396	100%	43,279,691	100%
Mark-to-market of category 3	(45,623)		(1,632)	
Market value of portfolio	48,803,773		43,278,059	
Consolidated				
1 – Trading securities	4,963,334	20%	4,886,927	17%
2 – Securities available for sale	12,563,568	52%	17,843,824	62%
3 - Securities held to maturity	6,802,975	28%	5,988,842	21%
Book value of portfolio	24,329,877	100%	28,719,593	100%
Mark-to-market of category 3	(105,599)		28,397	
Market value of portfolio	24,224,278		28,747,990	

The Conglomerate, fulfilling the provision in Article 8 of Circular 3,068/01, of Central Bank of Brazil, declares that it has the necessary financial capacity and intention to hold to maturity the securities classified in the “securities held to maturity” category, in the amount of R\$ 6,802,975 (R\$ 5,988,842 on June 30, 2014), representing 28% of the total securities (21% on June 30, 2014). At the Bank, the corresponding amount totals R\$ 3,043,292 (R\$ 1,016,752 on June 30, 2014), representing 6% of the total securities (2% on June 30, 2014).

b) Income from securities

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Interbank funds applied (Note 6b)	2,192,366	1,698,856	786,194	446,433
Fixed income securities	2,752,460	2,106,685	1,373,505	1,273,313
Securities abroad	(36,841)	(34,089)	(36,157)	(33,561)
Variable income securities	9,009	125,483	82,249	136,136
Investments in investment funds	46,281	1,935	108,523	(44,855)
Other	101	30	101	41
Total	4,963,376	3,898,900	2,314,415	1,777,507

c) Reclassification of securities

As of June 30, 2014, Rural Product Notes was reclassified, going from category “Securities for trading” to category “Available for sale”, as a result of Management’s intention review on respective securities. Reclassification of these securities did not impact Results and shareholders’ equity in the respective base date.

	Bank and Consolidated		
	Cost	Market value	Unrealized gain/ (Loss)
Rural product bills	123,719	120,854	(2,865)
Total	123,719	120,854	(2,865)

As of June 30, 2015, Private Securities - Debentures was reclassified, going from category "Securities for trading" to category "Available for sale", as a result of Management's intention review on respective securities. Reclassification of these securities does not impact results and shareholders' equity in the respective base date.

	Bank		
	Cost	Market value	Unrealized gain/ (Loss)
Debentures - subsidiaries	29,221,339	29,221,339	-
Total	29,221,339	29,221,339	-

d) Derivative financial instruments

The Conglomerate uses Derivative Financial Instruments to manage its positions on a consolidated basis and fulfilling its client's needs, classifying own positions as intended for hedging (of market risk) and trading, both with approval limits in the Company. The hedging strategy for asset protection is in line with the macroeconomic scenario analyses, and is approved by Management.

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.

The models employed in derivative risk management are periodically reviewed, and decision making is based on the best risk/return ratios, with likely losses being estimated following an analysis of macroeconomic scenarios.

The Conglomerate has tools and systems that are adequate to manage derivative financial instruments. Negotiation of new derivatives, standardized or not, depends on prior risk analysis.

Subsidiaries' risk evaluation is carried out on an individual basis and its management is carried out on a consolidated basis.

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.

Risks

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

Credit Risk is defined by the likelihood of losses occurring due to the borrower or counterparty not complying with their respective financial obligations in accordance with agreed terms. Exposure to credit risk in futures contracts is minimized due to the daily settlement in cash. Swap contracts registered with Cetip are liable to credit risk in case the counterparty is not able or willing to comply with its contract obligations, while swap contracts registered with BM&FBovespa are not liable to the same risk, considering that Conglomerate's transactions in this stock exchange have the same guarantor.

Market risk is defined as the possibility of financial losses arising from the variation in the market value of exposures held by a financial institution. These financial losses may be incurred due to the impact generated by the variation in interest rates, exchange rate parity and prices of shares and commodities.

Liquidity risk is defined by:

- Possibility of the institution not being able to effectively honor expected and unexpected current and future obligations, including those deriving from guarantee binding, without affecting its daily operations and without incurring significant losses; and
- Possibility that the Bank may not be able to trade a position at market price due to its large size in relation to the usually traded volume, or due to market discontinuity.

Operating risk is defined as the possibility of loss arising from any failure, deficiency or inadequacy of internal processes, people or systems, or from events apart from the Institution.

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d.1) Breakdown of Derivatives Portfolio per Index

By index	Bank						Consolidated					
	06/30/2015			06/30/2014			06/30/2015			06/30/2014		
	Reference value	Cost	Market value	Reference value	Cost	Market value	Reference value	Cost	Market value	Reference value	Cost	Market value
Futures contracts												
Purchase commitments	38,330,259	-	-	20,462,618	-	-	38,330,259	-	-	20,462,864	-	-
DI	10,561,246	-	-	6,200,475	-	-	10,561,246	-	-	6,200,721	-	-
Currencies	11,100,317	-	-	2,825,541	-	-	11,100,317	-	-	2,825,541	-	-
Index	517,855	-	-	526,928	-	-	517,855	-	-	526,928	-	-
Foreign currency coupon	16,150,841	-	-	10,907,368	-	-	16,150,841	-	-	10,907,368	-	-
Commodities	-	-	-	2,306	-	-	-	-	-	2,306	-	-
Sales commitments	40,570,738	-	-	39,714,077	-	-	56,689,116	-	-	66,927,745	-	-
DI	8,825,214	-	-	13,738,427	-	-	24,943,592	-	-	40,952,095	-	-
Currencies	476,711	-	-	399,910	-	-	476,711	-	-	399,910	-	-
T-Note	-	-	-	289,424	-	-	-	-	-	289,424	-	-
Index	60,091	-	-	-	-	-	60,091	-	-	-	-	-
Foreign currency coupon	31,208,722	-	-	25,282,116	-	-	31,208,722	-	-	25,282,116	-	-
Commodities	-	-	-	4,200	-	-	-	-	-	4,200	-	-
Forward transactions												
Asset position	19,348	19,348	19,217	35,312	35,312	35,312	19,348	19,348	19,217	35,312	35,312	35,312
Forward currency	11,349	11,349	11,218	35,312	35,312	35,312	11,349	11,349	11,218	35,312	35,312	35,312
Term of Government bonds	7,999	7,999	7,999	-	-	-	7,999	7,999	7,999	-	-	-
Liability position	19,348	(19,348)	(18,504)	35,312	(35,312)	(35,400)	19,348	(19,348)	(18,504)	35,312	(35,312)	(35,400)
Forward currency	11,349	(11,349)	(10,505)	35,312	(35,312)	(35,400)	11,349	(11,349)	(10,505)	35,312	(35,312)	(35,400)
Term of Government bonds	7,999	(7,999)	(7,999)	-	-	-	7,999	(7,999)	(7,999)	-	-	-
Option contracts												
Purchase – Long position	7,899,508	172,013	139,703	10,669,524	106,489	75,935	7,899,508	172,013	139,703	10,669,524	106,489	75,935
Foreign currency	6,476,513	140,255	109,124	2,880,725	52,798	19,198	6,476,513	140,255	109,124	2,880,725	52,798	19,198
DI index	-	-	-	6,628,000	3,107	-	-	-	-	6,628,000	3,107	-
Flexible options	1,241,095	29,406	28,693	514,299	34,906	37,700	1,241,095	29,406	28,693	514,299	34,906	37,700
Shares	181,900	2,352	1,886	286,500	7,997	9,811	181,900	2,352	1,886	286,500	7,997	9,811
Other	-	-	-	360,000	7,681	9,226	-	-	-	360,000	7,681	9,226
Sale – Long position	10,862,174	176,982	51,519	1,663,235	31,747	48,490	10,862,174	176,982	51,519	1,663,235	31,747	48,490
Foreign currency	6,687,863	166,642	43,846	1,034,525	14,334	35,206	6,687,863	166,642	43,846	1,034,525	14,334	35,206
DI index	3,672,000	1,176	-	-	-	-	3,672,000	1,176	-	-	-	-
Flexible options	30,111	224	96	77,150	1,035	786	30,111	224	96	77,150	1,035	786
Shares	422,200	7,758	6,396	464,000	12,111	9,699	422,200	7,758	6,396	464,000	12,111	9,699
Other	50,000	1,182	1,181	87,560	4,267	2,799	50,000	1,182	1,181	87,560	4,267	2,799
Purchase – Short position	14,175,025	(461,581)	(636,631)	5,959,610	(306,479)	(284,083)	14,175,025	(461,581)	(636,631)	5,959,610	(306,479)	(284,083)
Foreign currency	11,970,375	(292,427)	(463,926)	3,385,700	(73,061)	(22,022)	11,970,375	(292,427)	(463,926)	3,385,700	(73,061)	(22,022)
Flexible options	1,462,550	(155,357)	(164,155)	1,822,525	(218,673)	(243,740)	1,462,550	(155,357)	(164,155)	1,822,525	(218,673)	(243,740)
Shares	678,100	(13,068)	(8,034)	491,385	(13,239)	(16,237)	678,100	(13,068)	(8,034)	491,385	(13,239)	(16,237)
Other	64,000	(729)	(516)	260,000	(1,506)	(2,084)	64,000	(729)	(516)	260,000	(1,506)	(2,084)

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By index	Bank						Consolidated					
	06/30/2015			06/30/2014			06/30/2015			06/30/2014		
	Reference value	Cost	Market value	Reference value	Cost	Market value	Reference value	Cost	Market value	Reference value	Cost	Market value
Sale – Short position	9,004,153	(134,943)	(96,722)	2,442,622	(39,619)	(39,875)	9,004,153	(134,943)	(96,722)	2,442,622	(39,619)	(39,875)
Foreign currency	3,523,375	(40,397)	(14,170)	1,223,988	(10,514)	(16,766)	3,523,375	(40,397)	(14,170)	1,223,988	(10,514)	(16,766)
DI index	3,668,000	(524)	-	-	-	-	3,668,000	(524)	-	-	-	-
Flexible options	1,138,278	(33,047)	(19,299)	365,594	(9,633)	(9,437)	1,138,278	(33,047)	(19,299)	365,594	(9,633)	(9,437)
Shares	539,500	(17,130)	(15,374)	623,600	(12,721)	(8,312)	539,500	(17,130)	(15,374)	623,600	(12,721)	(8,312)
Other	135,000	(43,845)	(47,879)	229,440	(6,751)	(5,360)	135,000	(43,845)	(47,879)	229,440	(6,751)	(5,360)
Swap contracts (a) (b)												
Asset position	12,116,054	1,093,815	1,025,953	16,514,764	752,523	890,172	17,716,844	1,088,143	1,081,986	14,224,764	743,117	866,813
DI	6,788,079	65,180	158,693	6,827,633	177,824	224,978	12,638,869	60,181	215,010	6,827,633	177,824	224,978
Foreign currency	1,822,016	545,540	489,658	1,492,029	149,827	182,041	1,822,016	545,540	489,658	1,492,029	149,827	182,041
Pre-fixed	590,607	24,289	49,770	2,675,888	20,211	89,632	340,607	23,616	49,486	385,888	10,805	66,273
IPCA	2,323,296	262,025	122,458	4,760,363	270,603	215,536	2,323,296	262,025	122,458	4,760,363	270,603	215,536
IGPM	395,000	77,610	70,540	521,000	96,825	114,038	395,000	77,610	70,540	521,000	96,825	114,038
Libor	168,267	118,887	131,493	196,533	37,016	62,843	168,267	118,887	131,493	196,533	37,016	62,843
Commodities	-	-	-	654	-	54	-	-	-	654	-	54
Other	28,789	284	3,341	40,664	217	1,050	28,789	284	3,341	40,664	217	1,050
Liability position	30,745,835	(987,968)	(1,011,027)	25,908,747	(885,661)	(1,050,799)	6,411,835	(894,646)	(803,184)	8,539,570	(779,077)	(841,062)
DI	25,678,782	(137,854)	(266,726)	19,673,129	(178,466)	(273,766)	1,344,782	(44,532)	(58,883)	2,303,952	(71,882)	(64,029)
Foreign currency	2,500,268	(366,496)	(341,245)	325,164	(11,261)	(20,634)	2,500,268	(366,496)	(341,245)	325,164	(11,261)	(20,634)
Pre-fixed	226,503	(3,051)	(24,272)	1,276,414	(63,465)	(94,657)	226,503	(3,051)	(24,272)	1,276,414	(63,465)	(94,657)
IPCA	1,978,861	(349,040)	(248,292)	4,088,587	(533,855)	(550,327)	1,978,861	(349,040)	(248,292)	4,088,587	(533,855)	(550,327)
IGPM	200,000	(73,412)	(74,044)	307,000	(90,928)	(106,675)	200,000	(73,412)	(74,044)	307,000	(90,928)	(106,675)
TR	-	-	-	7,865	(2,461)	(2,532)	-	-	-	7,865	(2,461)	(2,532)
Libor	161,179	(58,115)	(56,402)	133,905	(1,287)	(1,663)	161,179	(58,115)	(56,402)	133,905	(1,287)	(1,663)
Commodities	242	-	(46)	616	(42)	(50)	242	-	(46)	616	(42)	(50)
Other	-	-	-	96,067	(3,896)	(495)	-	-	-	96,067	(3,896)	(495)
Other Derivative financial instruments												
Asset position	2,568,392	205,883	203,024	2,256,115	100,006	95,918	2,568,392	205,883	203,024	2,256,115	100,006	95,918
Non Deliverable	2,485,652	205,287	202,535	1,665,103	86,271	88,889	2,485,652	205,287	202,535	1,665,103	86,271	88,889
Forward	82,740	596	489	591,012	13,735	7,029	82,740	596	489	591,012	13,735	7,029
Credit derivatives												
Liability position	51,395,151	(26,721,167)	(26,597,183)	43,685,291	(22,554,397)	(22,455,402)	2,345,651	(89,522)	(87,695)	2,441,365	(75,858)	(66,062)
Non Deliverable	1,908,184	(85,185)	(79,867)	2,015,184	(65,591)	(53,874)	1,908,184	(85,185)	(79,867)	2,015,184	(65,591)	(53,874)
Forward	437,467	(4,337)	(7,828)	407,463	(571)	(2,476)	437,467	(4,337)	(7,828)	407,463	(571)	(2,476)
Credit derivatives												
Box of options - Pre-fixed	49,049,500	(26,631,645)	(26,509,488)	41,262,644	(22,488,235)	(22,399,052)	-	-	-	18,718	(9,696)	(9,712)

- (a) The market value from swap operations, options and non-deliverable forward considers the credit risk of the counterparty (Credit valuation adjustment).
- (b) Includes swaps accounted for under BACEN Circular No. 3,129/2002 at cost value. For purposes of presentation by indexing unit, these operations are adjusted at market value. In the semester ended June 30, 2015, the mark-to-market in the Bank's asset position was positive R\$ 19,874 and the liability position was negative R\$ 3,548 and in the Consolidated, the mark-to-market asset position was positive R\$ 72,409 and the liability position was negative R\$ 5,086.

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d.2) Breakdown of derivative financial instruments by maturity date (referential value)

Maturity in days	From 0 to 30 days	From 31 to 180 days	From 181 to 360 days	Over 360 days	06/30/2015	06/30/2014
Bank						
Future contracts	12,666,548	14,384,948	24,096,236	27,753,265	78,900,997	60,176,695
Forward contracts	11,589	7,759	-	-	19,348	35,312
Option contracts	16,385,343	16,070,533	9,484,984	-	41,940,860	20,734,991
Swap contracts	132,008	19,234,259	7,518,804	15,976,818	42,861,889	42,423,511
Credit derivatives	5,172	67,224	10,344	437,467	520,207	998,475
Non Deliverable Forward - Foreign currency	1,270,681	2,111,455	791,963	219,737	4,393,836	3,680,287
Box of options - Pre-fixed	-	36,683,239	12,366,261	-	49,049,500	41,262,644
Consolidated						
Future contracts	12,703,529	17,923,353	27,307,543	37,084,950	95,019,375	87,390,609
Forward contracts	11,589	7,759	-	-	19,348	35,312
Option contracts	16,385,343	16,070,533	9,484,984	-	41,940,860	20,734,991
Swap contracts	919,008	805,259	3,643,449	18,760,963	24,128,679	22,764,334
Credit derivatives	5,172	67,224	10,344	437,467	520,207	998,475
Non Deliverable Forward - Foreign currency	1,270,681	2,111,455	791,963	219,737	4,393,836	3,680,287
Box of options - Pre-fixed	-	-	-	-	-	18,718

d.3) Breakdown of Derivative Portfolio per negotiation place and counterparty (reference value on June 30, 2015)

	Bank						Consolidated					
	Futures	Term	Options	Swap	Credit derivative	Options box and Non Deliverable Forward	Futures	Term	Options	Swap	Credit derivative	Options box and Non Deliverable Forward
BM&FBovespa	78,900,997	-	39,383,531	-	-	-	95,019,375	-	39,383,531	-	-	-
Over-the-counter	-	19,348	2,557,329	42,861,889	520,207	53,443,336	-	19,348	2,557,329	24,128,679	520,207	4,393,836
Financial institutions	-	19,348	-	35,167,082	520,207	49,121,480	-	19,348	-	16,433,872	520,207	71,980
Client	-	-	2,557,329	7,694,807	-	4,321,856	-	-	2,557,329	7,694,807	-	4,321,856

d.4) Breakdown of credit derivative portfolio

Bank and Consolidated	06/30/2015			06/30/2014		
	Reference value	Cost	Market value	Reference value	Cost	Market value
Credit Swap						
Long position – Received risk	209,947	(3,724)	(6,170)	293,673	170	2,154
Short position – Transferred risk	310,260	(17)	(1,169)	704,802	12,994	2,399
By index						
Asset position - Prefixed	82,740	596	489	591,012	13,735	7,029
Liability position - Prefixed	437,467	(4,337)	(7,828)	407,463	(571)	(2,476)

Credit derivative portfolio is comprised by clients 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 client and its counterparty, according to credit committee's levels and forums. Credit limit is assigned to the risk client at derivative notional value, considering amounts deposited in guarantee.

To acquire hedge, transaction is conducted in a trading portfolio with a sovereign risk client. In this case, future possible exposure is considered to assign the counterparty limit. The credit derivatives portfolio impacted Portion Referring to Weighed Exposures per Risk Factor (PRMR) for determination of the Bank's Basel ratio of R\$ 6,895 (R\$ 13,217 as of June 30, 2014).

d.5) Breakdown of Margin Given in Guarantee of operations with Derivative Financial Instruments

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Financial Treasury Bills - LFT	-	55,737	17,957	70,462
National Treasury Notes - NTN	1,106,521	1,275,693	1,556,345	1,777,871
National Treasury Bills - LTN	1,001,633	922,291	1,001,633	1,017,685
Other	50,324	407,466	50,324	407,466
Total	2,158,478	2,661,187	2,626,259	3,273,484

d.6) Breakdown of derivatives portfolio for hedging

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Market risk hedge				
Hedge instruments				
Assets	8,608,267	6,886,733	8,610,512	6,886,733
Future	8,592,130	6,596,364	8,592,130	6,596,364
Swap	16,137	290,369	18,382	290,369
Liabilities	14,873,153	5,268,411	30,812,029	32,481,835
Future	14,869,604	5,268,411	30,808,480	32,481,835
Swap	3,549	-	3,549	-
Items to be hedged				
Assets	8,134,041	4,919,334	28,077,552	31,593,676
Interbank funds applied	2,654,997	1,114,965	2,654,997	1,114,965
Securities	2,060,985	97,142	5,820,668	97,142
Loan and lease operations	3,418,059	3,707,227	19,601,887	30,381,569
Liabilities	8,372,933	6,213,234	8,372,933	6,213,234
Foreign securities	4,036,675	2,928,448	4,036,675	2,928,448
Foreign borrowings	-	223,178	-	223,178
Subordinated debt	4,336,258	3,061,608	4,336,258	3,061,608

The Conglomerate, in order to protect itself against fluctuations in its financial instruments' interest and exchange rates, contracted derivatives to offset risks deriving from exposures to market value variations. Hedge transactions were evaluated as effective, in accordance with provisions of BACEN Circular Letter no. 3,082/2002, and hedge effectiveness varies from 80% to 125%.

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d.7) Gains and losses from hedge instruments' and hedged items' result

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Losses from hedged items	(2,428,968)	(518,236)	(2,428,968)	(540,532)
Gains from hedge instruments	2,445,871	514,351	2,445,871	522,014
Net effect	16,903	(3,885)	16,903	(18,518)
Gains from hedge items	1,494,197	623,683	2,478,529	2,207,954
Losses from hedge instruments	(1,486,979)	(619,647)	(2,474,831)	(2,179,829)
Net effect	7,218	4,036	3,698	28,125

As from the first half of 2014, credit granting portfolio is no longer qualified as hedge pursuant to the terms of Article 5 of Circular Letter no. 3,082, and its futures contracts traded in BM&F were settled. Effect from adjustment to fair value of hedged item in income for the period was an expense of R\$ 1,493, net of tax effects.

d.8) Derivative financial instruments divided into Current and Non-current

	Bank				Consolidated			
	06/30/2015		06/30/2014		06/30/2015		06/30/2014	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Assets								
Forward transactions	19,217	-	35,312	-	19,217	-	35,312	-
Options market	191,222	-	87,675	36,750	191,222	-	87,675	36,750
Swap contracts	77,901	928,178	279,965	610,207	81,399	928,178	277,082	589,731
Credit derivatives	489	-	389	6,640	489	-	389	6,640
Non deliverable forward	153,684	48,851	72,036	16,853	153,684	48,851	72,036	16,853
Total	442,513	977,029	475,377	670,450	446,011	977,029	472,494	649,974
Liabilities								
Forward transactions	(18,504)	-	(35,400)	-	(18,504)	-	(35,400)	-
Options market	(733,353)	-	(177,450)	(146,508)	(733,353)	-	(177,450)	(146,508)
Swap contracts	(349,280)	(665,295)	(603,945)	(446,854)	(141,437)	(666,833)	(394,208)	(446,854)
Option box - Fixed income strategy	(26,509,488)	-	(21,105,223)	(1,293,829)	-	-	(9,712)	-
Credit derivatives	-	(7,828)	-	(2,476)	-	(7,828)	-	(2,476)
Non deliverable forward	(71,172)	(8,695)	(48,886)	(4,988)	(71,172)	(8,695)	(48,886)	(4,988)
Total	(27,681,797)	(681,818)	(21,970,904)	(1,894,655)	(964,466)	(683,356)	(665,656)	(600,826)

d.9) Income from derivative financial instruments

	Bank		Consolidated	
	1S15	1S14	1S15	1S14
Swap	(116,329)	(46,630)	(29,331)	31,104
Term	3,141	(15)	3,141	(15)
Options	(301,623)	33,432	(301,623)	33,432
Future	538,153	(15,990)	637,814	(250,386)
Credit derivatives	1,378	(7,296)	1,378	(7,296)
Mark-to-market of hedged credit transactions	11,584	3,283	25,093	252,847
Box of options	(1,406,348)	(1,074,281)	(322)	(5,655)
Non Deliverable Forward	167,826	(150,211)	167,826	(150,211)
Total	(1,102,218)	(1,257,708)	503,976	(96,180)

d.10) Hedge accounting

Bank Strategy/Risk	Object of hedge			Derivative	Hedge instruments	
	06/30/2015		06/30/2014		06/30/2015	06/30/2014
	Market value	Unrealized gain (loss)	Market value		Market value	Market value
Purchase and sale commitment hedge/ prefixed rate	2,654,997	(911)	1,114,965	Future DI	3,184,282	1,381,288
Securities hedge / pre-fixed rate/ exchange variation	2,060,985	(3,421)	97,142	Future DDI Swap	122,939 1,947,669	104,783 -
Loan transaction hedge/ pre-fixed rate / exchange variation	3,418,059	169,046	3,707,227	Future DI Future DDI Future Libor	485,235 2,353,386 602,799	1,120,243 2,238,035 424,062
Hedge of obligations from Securities abroad/ foreign exchange variation	4,036,675	69,295	2,928,448	Future DDI	4,073,313	3,028,876
Hedge of obligations due to foreign borrowings/ exchange variation	-	-	223,178	Future DDI	-	222,740
Subordinated debt hedge / exchange variation / IGP-M	4,336,258	326,805	3,061,608	Future DDI Swap	4,518,817 311,892	3,344,748 290,369

Consolidated Strategy/Risk	Object of hedge			Derivative	Hedge instruments	
	06/30/2015		06/30/2014		06/30/2015	06/30/2014
	Market value	Unrealized gain (loss)	Market value		Market value	Market value
Purchase and sale commitment hedge/ pre-fixed rates	2,654,997	(911)	1,114,965	Future DI	3,184,282	1,381,288
Securities hedge / pre-fixed rate/ exchange variation	5,820,668	(3,421)	97,142	Future DDI Swap	122,939 5,720,308	104,783 -
Loan and lease hedge / prefixed rate / foreign exchange	19,601,887	(116,976)	30,381,569	Future DI Future DDI Future Libor	16,424,110 2,353,386 602,799	28,333,667 2,238,035 424,062
Hedge of obligations from Securities abroad/ foreign exchange variation	4,036,675	69,295	2,928,448	Future DDI	4,073,313	3,028,876
Hedge of obligations due to foreign borrowings/ exchange variation	-	-	223,178	Future DDI	-	222,740
Subordinated debt hedge / foreign exchange / IGP-M	4,336,258	326,805	3,061,608	Future DDI Swap	4,518,817 311,892	3,344,748 290,369

8. INTERBANK RELATIONS

a) Reserve requirements

	Bank and Consolidated	
	06/30/2015	06/30/2014
Compulsory deposits at the Central Bank of Brazil	44,280	63,729
Compulsory charge on demand deposits	41,148	58,899
Compulsory charge on microfinance transactions	3,132	4,830
Total	44,280	63,729
Current assets	44,280	63,729

b) Income from compulsory deposits

	Bank and Consolidated	
	1H15	1H14
Credits linked to Central Bank of Brazil		
Requirement on time deposits	-	278
Total	-	278

9. LOAN OPERATIONS

a) Portfolio by modality

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Loan operations	15,142,676	15,573,734	49,491,946	51,031,620
Loans and discounted notes	5,607,230	7,025,432	10,133,197	11,073,574
Financings	8,650,343	7,517,273	23,469,191	27,560,720
Rural and agribusiness financing	469,756	545,123	469,756	545,123
Real estate financing agreements	415,347	485,906	415,347	485,906
Loan operations linked to grants (a)	-	-	15,004,455	11,366,297
Other receivables	1,358,837	1,382,551	2,015,005	1,945,566
Credit card operations	-	-	652,149	533,495
Advances on exchange contracts (b)	723,746	754,176	723,746	754,176
Guarantees and collaterals paid	46,613	628,375	46,613	628,375
Trade and credit receivables with credit assignment characteristics	588,478	-	592,497	29,520
Leases	-	-	254,139	610,909
Total loan portfolio	16,501,513	16,956,285	51,761,090	53,588,095
Allowance for doubtful accounts	(1,681,141)	(1,730,975)	(3,824,381)	(4,188,430)
(Allowance for loans losses)	(910,868)	(1,047,975)	(3,023,288)	(3,446,438)
(Allowance for other receivables losses)	(770,273)	(683,000)	(774,669)	(686,623)
(Allowance for leases losses)	-	-	(26,424)	(55,369)
Total loan portfolio, net of provisions	14,820,372	15,225,310	47,936,709	49,399,665

- (a) Credit transactions granted with substantial retention of risks and benefits of the financial asset that is the transaction object.
(b) Advances on exchange contracts are recorded as a reducer of the "Other Liabilities" account.

b) Income from loan and lease operations

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Loan operations	1,215,294	666,663	4,045,622	3,752,817
Loans and discounted notes	362,860	428,134	1,031,591	1,003,411
Financings	745,653	123,041	2,601,049	2,315,608
Rural and agribusiness financing	16,153	12,837	16,153	12,837
Real estate financing agreements	29,482	30,352	29,482	30,352
Recovery of loans written off as loss	40,780	67,676	299,807	329,168
Financing in foreign currency	16,936	3,895	16,936	3,895
Guarantees and collaterals paid	989	5,207	989	5,207
Other	2,441	(4,479)	49,615	52,339
Income from leases (Note 9h)	-	-	42,211	77,491
Total	(a) 1,215,294	666,663	4,087,833	3,830,308

- (a) Credit transactions linked to grants are not included. Considering such assets, income from Consolidated loan operations in the first half of 2015 would total R\$ 6,067,857 (R\$ 5,589,233 in the first half of 2014).

c) Loan portfolio by sector of economic activity

Bank	06/30/2015	%	06/30/2014	%
Public sector	587,234	3,56%	441,237	2,60%
Government	587,234	3,56%	441,237	2,60%
Public administration	587,234	3,56%	441,237	2,60%
Private sector	15,914,279	96,44%	16,515,048	97,40%
Individual	359,274	2,18%	71,657	0,42%
Legal Entity	15,555,005	94,26%	16,443,391	96,98%
Animal agribusiness	366,129	2,22%	161,273	0,95%
Vegetable agribusiness	353,327	2,14%	277,394	1,64%
Specific construction activities	408,586	2,48%	385,284	2,27%
Automotive	714,537	4,33%	508,139	3,00%
Fuels	192,328	1,17%	136,507	0,81%
Wholesale commerce and sundry industries	5,393,000	32,68%	5,957,587	35,13%
Retail business	592,874	3,59%	461,135	2,72%
Heavy Construction	664,014	4,02%	729,241	4,30%
Other activities	347,799	2,11%	814,205	4,81%
Electronics	1,429	0,01%	1,755	0,01%
Electric power	619,311	3,75%	766,960	4,52%
Real estate	481,655	2,92%	500,670	2,95%
Financial institutions and services	262,772	1,59%	248,290	1,46%
Wood and furniture	29,053	0,18%	77,466	0,46%
Mining and Metallurgy	76,265	0,46%	115,060	0,68%
Paper and pulp	601,769	3,65%	623,110	3,67%
Chemical	1,012,279	6,13%	746,776	4,40%
Services	2,005,051	12,15%	2,619,370	15,45%
Telecommunications	89,366	0,54%	97,107	0,58%
Textile and apparel	145,875	0,88%	144,202	0,85%
Transportation	1,197,586	7,26%	1,071,860	6,32%
Total	16,501,513	100,00%	16,956,285	100,00%

Consolidated	06/30/2015	%	06/30/2014	%
Public sector	587,234	1,13%	441,237	0,82%
Government	587,234	1,13%	441,237	0,82%
Public administration	587,234	1,13%	441,237	0,82%
Private sector	51,173,856	98,87%	53,146,858	99,18%
Individual	35,115,689	67,84%	35,242,232	65,77%
Legal Entity	16,058,167	31,03%	17,904,626	33,41%
Animal agribusiness	366,603	0,71%	162,207	0,30%
Vegetable agribusiness	354,595	0,69%	279,629	0,52%
Specific construction activities	426,518	0,82%	412,041	0,77%
Automotive	719,532	1,39%	514,571	0,96%
Fuels	192,328	0,37%	136,507	0,25%
Wholesale commerce and sundry industries	5,431,902	10,49%	6,015,139	11,22%
Retail business	632,568	1,22%	532,196	0,99%
Heavy Construction	664,420	1,28%	730,151	1,36%
Other activities	510,406	1,00%	1,811,707	3,39%
Electronics	1,795	0,00%	2,595	0,01%
Electric power	619,457	1,20%	767,288	1,43%
Real estate	482,741	0,93%	502,370	0,94%
Financial institutions and services	263,045	0,51%	248,687	0,47%
Wood and furniture	31,350	0,06%	81,420	0,15%
Mining and Metallurgy	76,848	0,15%	116,009	0,22%
Paper and pulp	602,224	1,16%	623,990	1,16%
Chemical	1,012,526	1,96%	747,185	1,39%
Services	2,085,729	4,03%	2,755,491	5,14%
Telecommunications	89,556	0,17%	97,420	0,19%
Textile and apparel	147,779	0,29%	147,183	0,27%
Transportation	1,346,245	2,60%	1,220,840	2,28%
Total	51,761,090	100,00%	53,588,095	100,00%

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d) Loan portfolio per risk level and maturities

Bank	AA	A	B	C	D	E	F	G	H	06/30/2015	06/30/2014
Performing loans											
Falling due installments	3,121,486	5,229,934	3,466,115	1,907,170	497,145	53,002	34,628	602,617	186,602	15,098,699	15,805,609
From 01 to 30	273,182	182,691	231,900	82,030	58,078	2,507	1,427	146	2,729	834,690	932,660
From 31 to 60	106,558	173,692	232,690	72,961	9,032	1,946	1,807	107	5,279	604,072	1,021,656
From 61 to 90	180,502	237,723	320,048	103,805	8,978	4,015	1,841	111	2,523	859,546	576,390
From 91 to 180	244,705	485,656	578,065	169,078	30,382	6,332	6,000	1,105	6,157	1,527,480	2,322,620
From 181 to 360 days	543,198	771,097	676,972	480,570	59,252	8,900	4,891	893	22,480	2,568,253	3,161,478
Over 360 days	1,773,341	3,379,075	1,426,440	998,726	331,423	29,302	18,662	600,255	147,434	8,704,658	7,790,805
Installments Overdue	261	833	-	315	502	2,235	3,462	161	5,608	13,377	26,770
Up to 14 days	261	833	-	315	502	2,235	3,462	161	5,608	13,377	26,770
Subtotal	3,121,747	5,230,767	3,466,115	1,907,485	497,647	55,237	38,090	602,778	192,210	15,112,076	15,832,379
Non-performing loans											
Falling due installments	-	-	20,220	104,158	101,376	179,984	16,114	33,280	117,547	572,679	438,264
From 01 to 30	-	-	230	1,058	2,006	2,132	1,733	2,612	6,864	16,635	25,244
From 31 to 60	-	-	129	1,274	2,143	3,340	1,675	751	1,893	11,205	27,832
From 61 to 90	-	-	5,837	1,104	7,051	5,539	474	1,067	4,114	25,186	23,193
From 91 to 180	-	-	10,589	3,245	9,017	8,350	1,772	4,489	12,539	50,001	63,674
From 181 to 360 days	-	-	2,276	4,802	15,549	13,376	9,808	4,342	20,302	70,455	78,784
Over 360 days	-	-	1,159	92,675	65,610	147,247	652	20,019	71,835	399,197	219,537
Installments Overdue	(a)	-	1,680	4,877	68,571	42,721	24,844	19,469	483,624	645,786	886,773
From 0 to 14	-	-	4	1,426	794	3,835	990	582	4,762	12,393	10,445
From 15 to 30	-	-	1,676	1,626	4,610	9,404	11,864	840	86,251	116,271	29,402
From 31 to 60	-	-	-	1,825	15,368	7,542	6,167	6,755	13,266	50,923	30,728
From 61 to 90	-	-	-	-	47,799	8,919	2,051	3,323	7,484	69,576	31,152
From 91 to 180	-	-	-	-	-	13,021	3,772	3,972	79,274	100,039	129,032
From 181 to 360 days	-	-	-	-	-	-	-	3,997	292,587	296,584	655,884
Over 360 days	-	-	-	-	-	-	-	-	-	-	130
Subtotal	-	-	21,900	109,035	169,947	222,705	40,958	52,749	601,171	1,218,465	1,325,037
Total	3,121,747	5,230,767	3,488,015	2,016,520	667,594	277,942	79,048	655,527	793,381	16,330,541	17,157,416
(+/-) Adjustment to market value										170,972	(201,131)
Total mark-to-market loan portfolio										16,501,513	16,956,285

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Amounts expressed in thousands of Reais, unless when indicated

Consolidated	AA	A	B	C	D	E	F	G	H	06/30/2015	06/30/2014
	Performing loans										
Falling due installments	3,123,962	23,812,967	8,864,007	8,452,433	644,316	183,190	114,026	674,175	284,347	46,153,423	46,268,985
From 01 to 30	274,029	1,493,514	463,909	362,391	67,116	10,739	5,926	3,540	8,147	2,689,311	2,736,981
From 31 to 60	106,933	1,123,709	440,862	314,841	17,167	8,244	5,650	3,825	10,194	2,031,425	2,365,383
From 61 to 90	180,726	1,164,998	525,107	341,727	16,918	10,222	5,611	3,993	7,341	2,256,643	1,911,779
From 91 to 180	245,145	3,093,078	1,179,657	868,246	52,307	24,122	16,746	11,966	19,574	5,510,841	6,159,784
From 181 to 360 days	543,551	5,070,924	1,746,186	1,727,944	95,049	39,186	23,358	18,857	44,850	9,309,905	9,704,322
Over 360 days	1,773,578	11,866,744	4,508,286	4,837,284	395,759	90,677	56,735	631,994	194,241	24,355,298	23,390,736
Installments Overdue	261	638,964	10,897	4,198	954	2,283	3,482	186	5,785	667,010	565,672
Up to 14 days	261	638,964	10,897	4,198	954	2,283	3,482	186	5,785	667,010	565,672
Subtotal	3,124,223	24,451,931	8,874,904	8,456,631	645,270	185,473	117,508	674,361	290,132	46,820,433	46,834,657
	Non-performing loans										
Payments falling due	-	-	559,814	824,495	373,884	415,183	166,111	152,627	697,942	3,190,056	4,335,039
From 01 to 30	-	-	37,677	46,850	22,987	18,154	12,438	12,490	84,280	234,876	320,207
From 31 to 60	-	-	35,316	39,724	19,163	16,722	10,640	8,213	37,300	167,078	248,933
From 61 to 90	-	-	39,143	38,290	23,208	18,530	9,007	8,454	38,041	174,673	238,603
From 91 to 180	-	-	99,736	107,552	53,301	44,506	25,360	24,547	104,607	459,609	663,421
From 181 to 360 days	-	-	138,346	170,260	82,254	70,377	46,599	34,518	160,381	702,735	1,048,937
Over 360 days	-	-	209,596	421,819	172,971	246,894	62,067	64,405	273,333	1,451,085	1,814,938
Installments Overdue (a)	-	-	104,185	171,210	202,748	149,246	118,183	107,399	1,015,260	1,868,231	2,320,420
From 0 to 14	-	-	1,376	28,595	14,717	12,413	6,444	4,599	22,198	90,342	168,842
From 15 to 30	-	-	99,473	49,132	30,068	27,237	22,529	9,368	114,118	351,925	233,913
From 31 to 60	-	-	3,336	86,187	45,363	26,293	18,746	17,726	55,859	253,510	280,509
From 61 to 90	-	-	-	5,308	106,330	27,499	14,646	14,326	51,641	219,750	209,324
From 91 to 180	-	-	-	1,988	6,270	53,394	52,520	55,116	217,598	386,886	460,681
From 181 to 360 days	-	-	-	-	-	2,410	3,298	6,264	542,584	554,556	947,980
Over 360 days	-	-	-	-	-	-	-	-	11,262	11,262	19,171
Subtotal	-	-	663,999	995,705	576,632	564,429	284,294	260,026	1,713,202	5,058,287	6,655,459
Total	3,124,223	24,451,931	9,538,903	9,452,336	1,221,902	749,902	401,802	934,387	2,003,334	51,878,720	53,490,116
(+/-) Adjustment to market value										(117,630)	97,979
Total mark-to-market loan portfolio										51,761,090	53,588,095

(a) For transactions with unelapsed terms higher than 36 months, delayed periods are counted in double, as permitted by CMN Resolution no. 2,682/1999.

e) Formation of allowance for loan losses by risk levels

Risk level	% Provision	06/30/2015				06/30/2014			
		Value of Operations	Minimum provision required	Additional provision	Existing provision	Value of Operations	Minimum provision required	Additional provision	Existing provision
Bank									
AA	0.0%	3,121,747	-	-	-	3,950,624	-	-	-
A	0.5%	5,230,767	(26,154)	-	(26,154)	6,335,279	(31,676)	-	(31,676)
B	1.0%	3,488,015	(34,879)	-	(34,879)	3,193,136	(31,931)	-	(31,931)
C	3.0%	2,016,520	(60,496)	-	(60,496)	955,194	(28,656)	-	(28,656)
D	10.0%	667,594	(66,760)	-	(66,760)	651,676	(65,167)	-	(65,167)
E	30.0%	277,942	(83,383)	-	(83,383)	143,099	(42,930)	-	(42,930)
F	50.0%	79,048	(39,524)	-	(39,524)	412,386	(206,193)	-	(206,193)
G	70.0%	655,527	(458,868)	(117,696)	(576,564)	1,039,335	(727,535)	(120,200)	(847,735)
H	100.0%	793,381	(793,381)	-	(793,381)	476,687	(476,687)	-	(476,687)
Total		16,330,541	(1,563,445)	(117,696)	(1,681,141)	17,157,416	(1,610,775)	(120,200)	(1,730,975)
(+/-) Adjustment to market value		170,972				(201,131)			
Total mark-to-market loan portfolio		16,501,513				16,956,285			
Consolidated									
AA	0.0%	3,124,223	-	-	-	4,801,907	-	-	-
A	0.5%	24,451,931	(122,260)	-	(122,260)	27,349,233	(136,746)	-	(136,746)
B	1.0%	9,538,903	(95,389)	-	(95,389)	8,584,501	(85,846)	-	(85,846)
C	3.0%	9,452,336	(283,570)	-	(283,570)	6,560,212	(196,806)	-	(196,806)
D	10.0%	1,221,902	(122,190)	-	(122,190)	1,388,680	(138,868)	-	(138,868)
E	30.0%	749,902	(224,970)	-	(224,970)	683,959	(205,188)	-	(205,188)
F	50.0%	401,802	(200,901)	-	(200,901)	819,920	(409,960)	-	(409,960)
G	70.0%	934,387	(654,071)	(117,696)	(771,767)	1,356,294	(949,406)	(120,200)	(1,069,606)
H	100.0%	2,003,334	(2,003,334)	-	(2,003,334)	1,945,410	(1,945,410)	-	(1,945,410)
Total		51,878,720	(3,706,685)	(117,696)	(3,824,381)	53,490,116	(4,068,230)	(120,200)	(4,188,430)
(+/-) Adjustment to market value		(117,630)				97,979			
Total mark-to-market loan portfolio		51,761,090				53,588,095			

f) Changes in the allowance for doubtful accounts

It is comprised of credit transactions, lease operations and other receivables with loan characteristics.

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Opening balance	1,826,115	1,729,276	4,033,543	4,348,716
Reinforcement / (reversal)	260,333	326,118	1,202,858	1,570,279
Minimum provision required	262,781	207,355	1,205,306	1,451,516
Additional provision	(2,448)	118,763	(2,448)	118,763
Write-offs to losses	(405,307)	(324,419)	(1,412,020)	(1,730,565)
Closing balance	1,681,141	1,730,975	3,824,381	4,188,430

g) Lease portfolio by maturity

	06/30/2015	06/30/2014
Up to 1 year	(a) 252,455	523,127
From 1 to 5 years	5,702	117,302
Total present value	(b) 258,157	640,429

(a) Includes the amount related to installments overdue.

(b) Includes Securities and credits receivable under "Other credits".

h) Leases

	Consolidated	
	1H15	1H14
Lease transactions	485,728	866,781
Financial leases	195,618	345,400
Recovery of loans written off as loss	13,949	12,017
Profit on sale of leased assets	276,161	509,364
Expenses from lease operations	(443,517)	(789,290)
Financial leases	(443,517)	(789,290)
Total	42,211	77,491

i) Concentration of Credit Transactions

	06/30/2015	% of portfolio	06/30/2014	% of portfolio
Bank				
Greatest debtor	976,959	5,92%	685,393	4,04%
10 greatest debtors	4,185,233	25,36%	3,705,455	21,85%
20 greatest debtors	5,606,328	33,97%	5,129,496	30,25%
50 greatest debtors	8,471,348	51,34%	7,720,647	45,53%
100 greatest debtors	10,836,771	65,67%	9,995,042	58,95%
Consolidated				
Greatest debtor	976,959	1,89%	685,393	1,28%
10 greatest debtors	4,185,233	8,09%	3,728,066	6,96%
20 greatest debtors	5,675,752	10,97%	5,155,230	9,62%
50 greatest debtors	8,667,961	16,75%	7,787,631	14,53%
100 greatest debtors	11,053,435	21,35%	10,064,609	18,78%

j) Information on loan assignments carried out up to December 31, 2011

In the first half 2015, the Conglomerate determined early settlement expenses of R\$ 99,430 (R\$ 36,966 in the first half of 2014) fully recognized in the statement of income, and reserve for losses of R\$ 16,353 (R\$ 70,092 in the first half of 2014), regarding assignments carried out up to December 31, 2011.

On June 30, 2015, an allowance for losses on assigned loans in the amount of R\$ 26,173 (R\$ 111,124 on June 30, 2014), was recorded under caption Other obligations – Sundry - Sundry Creditors - Domestic.

Balance of joint obligations with loan assignments	06/30/2015	06/30/2014
Financial institutions - related parties	781,703	2,974,621
Other Financial Institutions	-	46,633
Total	781,703	3,021,254

k) Information on loan assignments carried out as of January 1, 2012

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 holds 100% of the subordinated quotas as demonstrated below:

	06/30/2015		06/30/2014	
	Financial assets subject to sale	Liability related to obligation assumed (a)	Financial assets subject to sale	Liability related to obligation assumed (a)
BV Financeira FIDC I (b)	-	-	96,172	104,493
BV Financeira FIDC II (b)	-	-	6,355	6,488
BV Financeira FIDC VI (b)	-	-	555,695	600,237
Financial institutions - related parties	15,004,455	17,014,966	10,715,432	12,440,216
Adjustment to market value - Credit assignments	-	-	(7,357)	-
Total	15,004,455	17,014,966	11,366,297	13,151,434

(a) Recorded in caption Other obligations - Sundry - Obligations of loans related to assignment.

(b) In the semester ended June 30, 2015 occurred the settlement of credit right investment funds.

In the Conglomerate, in the semester ended June 30, 2015, the income from sold or transferred assets totaled R\$ 1,980,024 (R\$ 1,758,925 in the semester ended June 30, 2014) and liabilities with sales or transfer operations of financial assets totaled R\$ 1,449,557 (R\$ 1,186,455 in the semester ended June 30, 2014).

In the semester ended June 30, 2015, subsidiary BV Financeira sold overdue (for more than 360 days) credit transactions for the amount of R\$ 233,755, with no substantial retention of risks and benefits. The amount of R\$ 7,220, recognized in income for the period under caption "Income from loan operations - Recovery of written-off credits", was received for this sale.

In the semester ended June 30, 2014, subsidiary BV Financeira, sold overdue (for more than 360 days) credit transactions for the amount of R\$1,699,294, with no substantial retention of risks and benefits. The amount of R\$53,192, recognized in income for the period under caption "Income from loan operations - Recovery of written-off credits", was received for this sale.

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

l) Supplementary information

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Credit contracted to be released	709,015	512,828	1,818,889	1,439,477
Amount of credit amended/renewed in the period	3,051,660	1,732,773	3,324,408	1,970,281
Amount part of credits recovered, written-off as loss (a)	44,089	68,950	317,065	342,459
Guarantees provided	9,343,530	10,147,509	9,343,530	10,147,509

(a) Recorded in income under Income from Financial Intermediation – Income from Loans, Lease Transactions and Income from Foreign Exchange Operations, as per CMN Resolution no. 2,836/2001.

On June 30, 2014, the subsidiary BV Financeira hold 100% of the subordinated quotas of credit receivables investment funds as follows:

Bank and Consolidated	06/30/2014
BV Financeira FIDC I	144,681
BV Financeira FIDC II	75,484
BV Financeira FIDC VI	464,602
Total investments in quotas	684,767

In the semester ended June 30, 2015, there was the settlement of credit right investment funds.

10. OTHER RECEIVABLES - SUNDRY

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Deferred tax assets – Tax credit (Note 23e)	2,245,329	1,878,265	6,731,783	6,462,844
Deposits in guarantee (Note 26c)	250,512	224,338	1,046,519	825,518
Credit card operations (Note 9a)	-	-	652,149	533,495
Operations under Court-Ordered Reorganization approved	588,478	-	588,478	-
Credits linked to transactions acquired through granting	60,462	27,883	60,462	27,883
Taxes and contributions recoverable	40,473	100,324	187,731	375,496
Recoverable taxes and contributions	-	159	11	167
Awards on credits linked to transactions acquired through granting	16,209	10,633	16,209	10,633
Sundry domestic debtors	389,208	108,393	439,630	164,203
Receivables from associated companies	13,500	19,954	831	648
Other	27,963	7,020	44,878	53,359
Total	3,632,134	2,376,969	9,768,681	8,454,246
Current assets	894,459	644,750	2,936,689	2,290,727
Non-current assets	2,737,675	1,732,219	6,831,992	6,163,519

11. FOREIGN EXCHANGE PORTFOLIO

a) Breakdown

Bank and Consolidated	06/30/2015	06/30/2014
Other receivables		
Purchased foreign exchange to be settled	1,280,201	1,124,262
Receivables from foreign exchange sales	867,748	597,348
(Advances in domestic/foreign currency received)	(117,101)	(31,082)
Earnings receivable from granted advances	30,677	18,690
Total	2,061,525	1,709,218
Current assets	2,060,591	1,707,735
Non-current assets	934	1,483
Other liabilities		
Sold foreign exchange to be settled	(856,263)	(584,004)
Liabilities for foreign exchange purchases	(1,180,790)	(1,136,189)
(Advances on exchange contracts)	674,019	734,968
Amount in foreign currency - Payable	(12)	-
Total	(1,363,046)	(985,225)
Current liabilities	(1,363,046)	(985,225)
Net foreign exchange portfolio	698,479	723,993
Memorandum Accounts		
Credits opened for imports	21,334	27,578

b) Income from foreign exchange operations

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Foreign exchange income	1,223,990	846,924	1,224,090	846,924
Recovery of loans written off as loss	3,309	1,275	3,309	1,275
Foreign exchange expenses	(991,167)	(879,481)	(991,257)	(879,481)
Foreign exchange income	236,132	(31,282)	236,142	(31,282)

12. OTHER ASSETS

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Assets not for own use	55,192	22,576	155,058	126,101
Vehicles and alike	3,285	2,411	102,672	105,774
Real estate	49,193	16,901	49,672	17,063
Properties under special regime	1,562	3,042	1,562	3,042
Machinery and equipment	1,152	222	1,152	222
Material inventories	522	524	1,300	1,839
Subtotal	55,714	23,100	156,358	127,940
(Provision for devaluation)	(a) (8,195)	(7,820)	(33,050)	(30,256)
Prepaid expenses	38,377	68,647	518,908	749,859
Insurance costs	287	194	676	735
Data processing expenses	1,331	5,826	1,963	10,454
Commission for intermediation of operations	(b) -	-	478,312	618,635
Financial system service expenses	4,347	4,251	4,456	9,673
Specialized technical service expenses	1,409	1,573	2,015	3,028
Usufruct right on shares	27,707	53,829	27,707	103,457
Other	3,296	2,974	3,779	3,877
Total	85,896	83,927	642,216	847,543
Current assets	79,175	56,102	170,808	176,474
Non-current assets	6,721	27,825	471,408	671,069

(a) In the first half of 2015, the Bank recognized a reversal of the provision for devaluation of assets not in use in the amount of R\$ 16.

In the half of 2015, Consolidated recognized a reversal of the provision for devaluation of Non-operating assets in the amount of R\$ 324 (provision amounting to R\$ 842 in the first half of 2014).

(b) Refer to the Amounts to be deferred for costs associated to loan and lease transactions granted incurred in its origin.

Credit transactions originated in the first half of 2015, pursuant to the terms of CMN Resolution no. 4,294/2013 and in compliance with permission provided for in BACEN Circular Letter no. 3,738/2014, had two thirds of remuneration paid to correspondents recognized in assets, corresponding to the amount of R\$ 103,881 on June 30, 2015. In the first half of 2015, expenses amounting to R\$ 46,720 referring to early recognition of remuneration to correspondent was recognized under caption "Other Operating Expenses".

13. INVESTMENTS

a) Changes in interest in subsidiaries

	Book balance	Changes in 1H15		Book balance		Equity in income of subsidiaries
	12/31/2014	Dividends/Other events	Equity in income of subsidiaries	06/30/2015	06/30/2014	1H14
Domestic	2,442,879	(113,462)	301,105	2,630,522	2,892,665	269,188
Consolidated	2,204,853	29,139	224,054	2,458,046	2,727,291	193,987
BV Financeira S.A. - Crédito, Financiamento e Investimento	928,525	30,526	196,032	1,155,083	1,379,489	86,097
BV Leasing Arrendamento Mercantil S.A.	932,304	(1,387)	30,130	961,047	986,116	80,974
Votorantim CTVM Ltda.	261,894	-	2,819	264,713	276,676	21,277
Votorantim Asset DTVM Ltda.	82,130	-	(4,927)	77,203	85,010	5,639
Non-consolidated (a)	238,026	(142,601)	77,051	172,476	165,374	75,201
Abroad (b)	68,721	(10,010)	13,280	71,991	66,103	(12,632)
Consolidated	68,721	(10,010)	13,280	71,991	66,103	(12,632)
Votorantim Bank Limited	48,038	(41,425)	7,120	13,733	40,698	(3,726)
Banco Votorantim Securities	2,929	31,415	2,789	37,133	10,257	(9,259)
Votorantim Securities (UK) Limited	17,754	-	3,371	21,125	15,148	353
Total interest in subsidiaries	2,511,600	(123,472)	314,385	2,702,513	2,958,768	256,556

(a) Includes shareholding interest held in non-financial companies Votorantim Corretora de Seguros S.A., BV Investimentos Alternativos e Gestão de Recursos S.A. and BV Investimentos e Participações S.A.

(b) Equity in investees abroad contemplates income from foreign exchange variation.

Balances at 06/30/2015	Capital	Adjusted shareholders' equity	Net income (loss) 1H15	Number of Common Shares (in thousands)	Ownership interest %
Domestic					
Votorantim CTVM Ltda.	185,970	264,713	2,819	18,597,000	99,99%
Votorantim Asset DTVM Ltda.	50,884	77,203	(4,927)	5,088,368	99,99%
BV Financeira S.A. – Crédito Financiamento e Investimento (a)	916,422	1,169,786	196,032	3,080	100,00%
BV Leasing Arrendamento Mercantil S.A.	872,800	961,048	30,130	510	100,00%
Abroad					
Votorantim Bank Limited	109,493	13,733	(2,119)	97	99,99%
Banco Votorantim Securities	68,257	37,133	2,686	22,000	100,00%
Votorantim Securities (UK) Limited	19,518	21,125	203	4,000	100,00%

(a) The Adjusted Shareholders' Equity of the subsidiary BV Financeira includes unrealized results of transactions with related parties, net of taxes and contributions in the amount of R\$ 14,703, eliminated in the Financial Conglomerate in the consolidation process.

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b) Other investments

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Investments via tax incentives	26,191	26,191	104,547	104,628
Membership certificates	176	176	176	176
Shares and quotas	6	6	6	6
Other	100	100	130	130
Total	26,473	26,473	104,859	104,940
(Accumulated impairment)	(17,410)	(17,239)	(43,784)	(43,394)

14. PROPERTY FOR USE

	12/31/2014	1H15		06/30/2015		06/30/2015	
	Book balance	Changes	Depreciation	Book balance	Accumulated depreciation	Book balance	Book balance
Bank							
Facilities	85	5,190	(182)	5,282	(189)	5,093	-
Furniture and equipment in use	16,402	1,994	(990)	37,220	(19,814)	17,406	16,987
Communication system	1,894	37	(92)	7,777	(5,938)	1,839	1,875
System data processing	7,041	5,936	(1,967)	53,762	(42,752)	11,010	6,782
Security system	1,058	3	(92)	2,350	(1,381)	969	1,135
Transportation system	384	13	(57)	876	(536)	340	342
Construction in process	3	-	-	3	-	3	-
Total	26,867	13,173	(3,380)	107,270	(70,610)	36,660	27,121
Consolidated							
Facilities	40,133	2,308	(2,997)	57,632	(18,188)	39,444	40,406
Furniture and equipment in use	28,926	(1,307)	(2,080)	55,666	(30,127)	25,539	30,330
Communication system	3,384	36	(363)	13,020	(9,963)	3,057	3,355
System data processing	19,652	9,322	(4,676)	105,749	(81,451)	24,298	13,746
Security system	1,089	(4)	(94)	2,398	(1,407)	991	1,168
Transportation system	337	77	(73)	1,265	(924)	341	394
Construction in process	3	-	-	3	-	3	-
Total	93,524	10,432	(10,283)	235,733	(142,060)	93,673	89,399

15. INTANGIBLE ASSETS

a) Changes and Breakdown

	12/31/2014	1H15				06/30/2015			30.06.2014	
	Book balance	Acquisition	Write-offs	Amortiz.	Impairment	Cost	Acc. amortiz.	Accumulated impairment	Book balance	Book balance
Bank										
Software acquired	7,752	6,583	-	(2,426)	-	16,919	(5,010)	-	11,909	3,805
Use licenses	7,582	8,005	(39)	(2,933)	-	16,669	(4,054)	-	12,615	148
Software internally developed	2,666	762	(1,750)	(111)	-	26,613	(7,855)	(17,191)	1,567	21,690
Total	18,000	15,350	(1,789)	(5,470)	-	60,201	(16,919)	(17,191)	26,091	25,643
Consolidated										
SISBEX BM&FBOVESPA	-	-	-	-	-	200	-	(200)	-	-
Software acquired	8,364	8,370	(1)	(2,624)	(322)	27,627	(7,303)	(6,537)	13,787	4,418
Use licenses	25,489	13,966	(42)	(6,482)	-	61,791	(28,860)	-	32,931	11,272
Sales rights agreements	1,585	1	-	(376)	-	5,000	(3,790)	-	1,210	1,960
Software internally developed	4,284	1,847	(1,793)	(296)	-	29,903	(8,484)	(17,377)	4,042	22,949
Goodwill	-	-	-	-	-	-	-	-	-	80
Total	39,722	24,184	(1,836)	(9,778)	(322)	124,521	(48,437)	(24,114)	51,970	40,679

b) Amortization estimate

	2015	2016	2017	2018	From 2019	Total
Bank						
Amounts to be amortized	9,773	12,921	2,425	238	734	26,091
Consolidated						
Amounts to be amortized	16,279	25,831	6,476	1,073	2,311	51,970

16. DEPOSITS AND MONEY MARKET REPURCHASE COMMITMENTS

a) Deposits

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Demand deposits	82,829	137,439	78,459	164,981
Individuals	16,207	18,713	16,207	19,710
Legal entities	62,205	115,748	62,205	145,203
Related companies	4,370	2,910	-	-
Restricted deposits	40	46	40	46
Institutions of the financial system	7	22	7	22
Interbank deposits	2,162,591	2,407,986	1,771,197	2,024,963
Time deposits	3,189,785	3,701,099	3,184,258	3,688,338
Local currency	2,042,761	3,574,700	2,037,234	3,561,939
Foreign currency	1,147,024	126,399	1,147,024	126,399
Total	5,435,205	6,246,524	5,033,914	5,878,282
Current liabilities	3,927,982	4,737,318	3,532,218	4,369,076
Non-current liabilities	1,507,223	1,509,206	1,501,696	1,509,206

b) Segregation of Time Deposits per Maturity

	Without maturity	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	Over 5 years	06/30/2015	06/30/2014
Bank								
Demand deposits	82,829	-	-	-	-	-	82,829	137,439
Interbank accounts or relations	-	718,928	346,578	81,944	51,652	963,489	2,162,591	2,407,986
Time Deposits	-	1,713,435	1,066,212	383,791	12,947	13,400	3,189,785	3,701,099
Total	82,829	2,432,363	1,412,790	465,735	64,599	976,889	5,435,205	6,246,524
Consolidated								
Demand deposits	78,459	-	-	-	-	-	78,459	164,981
Interbank accounts or relations	-	410,067	264,045	81,944	51,652	963,489	1,771,197	2,024,963
Time Deposits	-	1,713,435	1,066,212	378,264	12,947	13,400	3,184,258	3,688,338
Total	78,459	2,123,502	1,330,257	460,208	64,599	976,889	5,033,914	5,878,282

c) Money market repurchase commitments

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Own portfolio	21,456,277	21,168,924	21,427,610	21,691,151
Private securities - Debentures	14,252,420	15,841,015	14,252,420	15,841,015
Financial Treasury Bills	127,679	200,004	95,978	200,004
National Treasury Bills	3,603,612	2,985,810	3,603,612	3,503,159
National Treasury Notes	3,132,500	1,976,038	3,132,500	1,976,038
Private securities - Other	340,066	166,057	343,100	170,935
Third-party portfolio	6,307,448	3,731,343	6,307,448	3,731,343
Financial Treasury Bills	4,529,170	-	4,529,170	-
National Treasury Bill	1,638,151	3,706,363	1,638,151	3,706,363
National Treasury Notes	140,127	24,980	140,127	24,980
Free portfolio	201,654	408,130	201,654	408,130
Total	27,965,379	25,308,397	27,936,712	25,830,624
Current liabilities	25,958,932	22,722,248	27,926,243	23,244,475
Non-current liabilities	2,006,447	2,586,149	10,469	2,586,149

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d) Money market expenses

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Money Market Funding Expenses	(249,688)	(448,150)	(227,035)	(427,650)
Time Deposits	(132,576)	(298,167)	(132,253)	(297,388)
Interbank accounts or relations	(117,112)	(149,983)	(94,782)	(130,262)
Expenses with money market repurchase commitments	(1,603,090)	(1,301,639)	(1,644,618)	(1,400,883)
Own portfolio	(1,222,518)	(1,116,918)	(1,263,975)	(1,296,486)
Third-party portfolio	(352,368)	(137,477)	(352,439)	(57,153)
Free portfolio	(28,204)	(47,244)	(28,204)	(47,244)
Expenses with Fund Raising from Acceptance and Issuance of Securities	(2,055,953)	(991,980)	(2,056,115)	(1,077,647)
Real estate credit bills	(22,808)	(13,686)	(22,808)	(13,686)
Agribusiness Credit Bills	(156,413)	(117,808)	(156,413)	(117,808)
Financial bills	(1,053,758)	(844,368)	(1,053,758)	(844,368)
Issue of securities abroad	(817,809)	(10,716)	(817,809)	(10,716)
Debentures	-	-	(162)	(85,667)
Certificate of Structured Transactions	(1,697)	(190)	(1,697)	(190)
Other	(3,468)	(5,212)	(3,468)	(5,212)
Expenses with Subordinated Debts Abroad	(794,474)	(8,687)	(794,474)	(8,687)
Total	(4,703,205)	(2,750,456)	(4,722,242)	(2,914,867)

17. BORROWINGS AND ONLENDINGS

a) Borrowings

Bank and Consolidated	Up to 90 days	From 91 to 360 days	From 1 to 3 years	From 3 to 5 years	06/30/2015	06/30/2014
Domestic	-	1,912	-	-	1,912	5,725
In foreign currency	-	1,912	-	-	1,912	5,725
Abroad	799,040	1,645,935	621,318	62,052	3,128,345	1,598,294
Raised from foreign banks	757,315	1,514,601	621,318	62,052	2,955,286	1,215,344
Exports	26,453	90,038	-	-	116,491	318,409
Imports	15,272	41,296	-	-	56,568	64,541
Total	799,040	1,647,847	621,318	62,052	3,130,257	1,604,019
Current liabilities					2,446,887	1,602,129
Non-current liabilities					683,370	1,890

b) Onlendings

Domestic - Official institutions

Programs	Rates of restatement	Bank		Consolidated	
		06/30/2015	06/30/2014	06/30/2015	06/30/2014
National Treasury		58,196	80,736	58,196	80,736
Pre-fixed	From 5.5% to 6.5% p.a.	58,109	80,736	58,109	80,736
Post fixed	Selic	87	-	87	-
BNDES		1,842,389	2,199,357	1,842,389	2,199,357
Pre-fixed	From 0.70% to 7.00% p.a.	702,897	756,853	702,897	756,853
Post fixed	From 7.02% to 9.91% p.a. + IPCA From 0.50% to 4.00% p.a. + TJLP From 1.30% to 2.50% p.a. + Selic	1,049,673	1,369,330	1,049,673	1,369,330
Exchange rate variation	From 1.30% to 3.00% p.a. + exchange variation	89,819	73,174	89,819	73,174
FINAME		1,777,758	1,770,544	1,789,107	1,776,039
Pre-fixed	From 0.30% to 8.50% p.a.	1,668,136	1,594,168	1,679,485	1,599,663
Post fixed	From 0.50% to 5.50% p.a. + TJLP From 1.70% to 8.00% p.a. + SELIC	109,622	176,298	109,622	176,298
Exchange rate variation	From 0.90% to 1.40% p.a. + exchange variation	-	78	-	78
Total		3,678,343	4,050,637	3,689,692	4,056,132
Current liabilities		1,097,663	1,336,773	1,098,091	1,338,885
Non-current liabilities		2,580,680	2,713,864	2,591,601	2,717,247

c) Expenses with liabilities from borrowings and onlendings

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Borrowing expenses	(18,551)	41,006	(18,551)	41,006
Expenses with Onlendings	(107,486)	(99,710)	(108,017)	(100,413)
National Treasury	(2,995)	(1,996)	(2,995)	(1,996)
BNDES	(77,221)	(67,771)	(77,221)	(67,771)
FINAME	(27,270)	(29,943)	(27,801)	(30,646)
Expenses with Obligations to foreign bankers (a)	(247,073)	9,675	(247,073)	9,675
Total	(373,110)	(49,029)	(373,641)	(49,732)

(a) Includes foreign exchange variation on Loans and Onlendings abroad.

18. ACCEPTANCES AND ENDORSEMENTS

Currency	Currency	Amount issued	Remuneration p.a.	Funding date	Maturity	Bank		Consolidated	
						06/30/2015	06/30/2014	06/30/2015	06/30/2014
Debentures						-	-	281	1,507,283
Post fixed	R\$	380	100.00% do DI	04/2011	04/2016	-	-	281	1.507.283
Real estate credit note funds						426,619	520,922	426,619	520,922
Pre-fixed	R\$	5,200	12.10% a 12.90% p.a.	11/2014	03/2017	5.445	-	5.445	-
Post fixed	R\$	404,250	88.00% a 100.00% do DI	04/2014	08/2019	420.515	520.922	420.515	520.922
Post fixed	R\$	630	5.03% a 6.40% p.a. + IPCA	02/2015	03/2017	659	-	659	-
Agribusiness credit bills (LCA)						3,050,264	2,495,813	3,050,264	2,495,813
Pre-fixed	R\$	31,636	11.76% a 13.52% p.a.	02/2014	01/2021	32.525	4.696	32.525	4.696
Post fixed	R\$	2,830,627	85.00% a 98.50% p.a. do DI	12/2007	12/2022	3.004.803	2.491.117	3.004.803	2.491.117
Post fixed	R\$	13,337	3.65% a 6.66% p.a. +IPCA	07/2014	06/2017	12.936	-	12.936	-
Financial bills						13,017,719	12,801,692	13,017,719	12,801,692
Pre-fixed	R\$	707,965	8.95% a 14.65% p.a.	07/2011	02/2024	836.325	768.939	836.325	768.939
Post fixed	R\$	10,436,196	104.00% a 112.02% do DI	06/2011	04/2019	11.745.565	11.546.980	11.745.565	11.546.980
Post fixed	R\$	339,303	3.17% a 7.42% p.a. + IPCA	01/2012	09/2021	422.480	377.247	422.480	377.247
Post fixed	R\$	11,867	3.67% a 5.90% p.a. + IGPM	09/2013	06/2016	13.349	12.358	13.349	12.358
Post fixed	R\$	30,000	109.30% da Selic	04/2012	04/2015	-	96.168	-	96.168
Structured operations						-	30,567	-	30,567
Pre-fixed	R\$	30,378	11.25% p.a.	06/2014	06/2015	-	30.567	-	30.567
Foreign securities						7,196,608	6,104,336	7,196,608	6,104,336
Pre-fixed	R\$	911,207	6.25% a 19.77% p.a.	10/2009	07/2020	1.115.570	1.193.034	1.115.570	1.193.034
Post fixed	R\$	4,097	86.00% a 101.40% do DI	02/2012	02/2017	4.649	4.136	4.649	4.136
Exchange rate variation	USD	2,098,160	0.22% a 5.53% p.a. + exchange rate	09/2006	06/2020	6.072.932	4.907.166	6.072.932	4.907.166
Exchange rate variation	EUR	1,000	No Coupon + foreign Exchange variation	01/2015	07/2015	3.457	-	3.457	-
Total						23.691.210	21.953.330	23.691.491	23.460.613
Current liabilities						13,342,508	11,294,211	13,342,789	12,800,989
Non-current liabilities						10,348,702	10,659,119	10,348,702	10,659,624

19. OTHER LIABILITIES

a) Tax and social security

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Legal obligations (Note 26d)	3,716	-	4,387	11,149
Taxes and contributions on income payable	136,906	-	492,024	318,240
Provision for tax claims (Note 26a)	(a) 2,639	201,540	42,930	655,264
Provision for taxes and contributions on income	(a) 24,716	-	169,012	-
Taxes and contributions payable	31,391	29,251	68,315	56,178
Deferred tax liabilities (Note 23d)	67,618	114,873	196,755	505,923
Total	266,986	345,664	973,423	1,546,754
Current liabilities	79,447	99,468	260,668	682,807
Non-current liabilities	187,539	246,196	712,755	863,947

- (a) In August 2014, IRPJ/CSLL debts on COFINS deductibility that had been deposited in court were included in Federal Revenue amnesty benefit, reopened through Law no. 11,941/2009, Waiver of lawsuits discussing the matter was filed and conversion of a portion of escrow deposit into Union income is being awaited, with resulting determination of amnesty amount. Amounts recorded as a provision in contingent liability accounts were fully reversed and the amount equivalent was calculated to escrow deposit to be determined by the Federal Government was recorded in account Taxes and contributions on profit payable.

b) Subordinated debts

Funding	Amount issued	Remuneration p.a.	Funding date	Maturity	Bank and Consolidated	
					06/30/2015	06/30/2014
Bank deposit certificate					-	2,271,091
Post fixed	1,290,000	From 1.64% to 1.67% p.a. + CDI	Aug 2009	Dec 2014	-	2,136,413
Post fixed	69,500	From 7.86% to 8.00% p.a. + IPCA	Aug 2009	Aug 2014	-	134,678
Subordinated bill					4,049,103	2,803,932
Exchange rate variation	USD 1,150,000	7.38% p.a. + exchange variation	Jan 2013	Jan 2020	4,049,103	2,803,932
Subordinated financing bills					2,449,791	2,487,516
Post fixed	1,475,250	From 1.28% to 1.91% p.a. + CDI From 114.00% to 119.00% of DI	Nov 2010	Jun 2022	1,508,888	1,687,492
Post fixed	187,200	From 6.60% to 7.57% p.a. + IGPM	May 2011	Oct 2017	287,155	257,675
Post fixed	449,112	From 6.84% to 8.09% p.a. + IPCA	May 2011	Feb 2023	653,748	542,349
Total					6,498,894	7,562,539
Current liabilities					-	2,271,091
Non-current liabilities					6,498,894	5,291,448

c) Debt instruments eligible to capital

Funding	Amount issued	Remuneration p.a.	Funding date	Maturity	Bank and Consolidated	
					06/30/2015	06/30/2014
Subordinated financing bills					669,531	113,733
Post fixed		From 1.72% to 2.16% p.a. + CDI From 116.00% to 119.00% of DI	Jan 2014	April 2022	483.664	52.904
Post fixed		From 7.32% to 8.63% p.a. + IPCA	Nov 2013	May 2030	149.759	60.829
Pre-fixed		From 14.52% p.a. to 15.11% p.a.	Apr 2015	May 2022	36.108	-
					669,531	113,733
Non-current liabilities					669,531	113,733

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d) Sundry

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Obligations from transactions linked to grants (a)	-	-	17,014,966	13,151,434
Liabilities for acquisition of assets and rights	523	212	564	258
Provision for unsettled payments	232,197	162,818	465,196	407,440
Provisions for civil claims (Note 26a)	1,265	1,200	325,632	337,305
Provisions for labor claims (Note 26a)	147,083	87,986	1,033,360	876,887
Amounts payable - associated companies	1,665	3,084	44	236
Sundry creditors – abroad	1,236	2,157	1,874	2,734
Sundry domestic creditors	296,017	186,883	731,138	675,336
Credit card operations	-	-	653,479	531,414
Loan operations and leases to be released	62	16	65	16
Other	680,048	444,356	20,226,318	15,983,060
Total				
Current liabilities	549,932	416,692	10,777,248	8,344,627
Non-current liabilities	130,116	27,664	9,449,070	7,638,433

(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.

20. OTHER OPERATING INCOME/EXPENSES

a) Service income

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Fund management	-	-	51,586	55,879
Collection	1,500	2,304	1,500	2,304
Commissions on placing of securities	20,629	20,624	22,897	21,195
Brokerage of Stock Exchange transactions	-	-	7,181	5,907
Income from custody services	798	438	1,087	728
Income from guarantees granted	58,458	71,469	58,458	71,469
Credit card transactions	-	-	31,984	22,228
Insurance brokerage commission	-	-	7,828	7,994
Financial advisory services	4,617	3,299	4,617	3,299
Other services	9,446	5,272	23,653	23,487
Total	95,448	103,406	210,791	214,490

b) Income from banking fees

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Master file registration	-	-	129,359	113,441
Funds transfer	197	279	197	284
Appraisal of assets	-	-	84,922	89,211
Income from loan	-	-	36,381	30,484
Other	273	801	1,025	2,141
Total	470	1,080	251,884	235,561

c) Personnel expenses

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Directors' fees	(5,051)	(3,967)	(8,769)	(7,871)
Benefits	(13,967)	(18,323)	(64,936)	(63,907)
Social charges	(35,815)	(35,534)	(96,551)	(90,148)
Dividends	(106,253)	(120,502)	(282,268)	(274,589)
Labor claims	(45,094)	(45,090)	(175,947)	(196,446)
Training	(909)	(1,232)	(1,160)	(1,503)
Total	(207,089)	(224,648)	(629,631)	(634,464)

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d) Other administrative expenses

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Water, energy and gas	(545)	(696)	(3,185)	(1,835)
Rental	(11,305)	(14,789)	(40,707)	(53,774)
Communications	(2,701)	(3,433)	(37,723)	(34,038)
Maintenance and preservation of assets	(1,547)	(1,918)	(8,942)	(8,303)
Material	(130)	(34)	(2,601)	(492)
Data processing	(24,978)	(25,325)	(88,441)	(87,840)
Promotions and public relations	(1,355)	(1,365)	(2,495)	(2,403)
Advertising and publicity	(103)	(100)	(1,115)	(1,190)
Publications	(409)	(374)	(613)	(795)
Insurance	(655)	(609)	(749)	(1,995)
Financial system services	(11,099)	(14,742)	(51,742)	(70,594)
Outsourced services	(649)	(1,404)	(4,171)	(7,748)
Surveillance and security services	(285)	(384)	(983)	(1,463)
Specialized technical services	(19,407)	(16,667)	(192,795)	(143,886)
Transportation	(1,039)	(1,551)	(6,457)	(8,225)
Traveling	(2,327)	(2,059)	(5,798)	(4,915)
Judicial and notary public fees	(4,181)	(3,340)	(48,328)	(64,550)
Amortization	(6,787)	(3,664)	(11,122)	(6,963)
Depreciation	(3,380)	(3,085)	(10,283)	(9,390)
Other	(18,811)	(2,245)	(42,296)	(30,300)
Total	(111,693)	(97,784)	(560,546)	(540,699)

e) Other operating income

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Recovery of charges and expenses	-	-	611	493
Foreign exchange variation of foreign investment	173,299	(38,728)	185,809	(42,954)
Reversal of provisions – civil and tax claims	-	-	40,586	878
Restatement of judicial deposits	10,066	7,908	39,393	22,525
Monetary variation assets	298	12,649	7,077	17,824
Reimbursement of costs associated	-	-	414	2,349
Reversal of provision for variable compensation	-	95,975	-	162,069
Other	49,997	11,074	92,925	26,115
Total	233,660	88,878	366,815	189,299

f) Other operating expenses

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Costs associated with the production – Business partners	-	-	(289,364)	(262,606)
Costs associated with the production – Other expenses	(177)	(408)	(15,624)	(26,473)
Civil and tax claims	(91)	(495)	(7,431)	(59,435)
Civil reparations	(14)	(965)	(91,935)	(106,043)
Reserve for losses - Unpaid guarantees	(71,174)	(25,012)	(71,174)	(25,012)
Expenses with interest COFINS (REFIS joining)	(5,614)	-	(20,236)	-
Other	(1,456)	(5,176)	(33,454)	(41,286)
Total	(78,526)	(32,056)	(529,218)	(520,855)

(a) Refers mainly to commissions on loans originated by the partners and trade agreements with retailers.

21. NON-OPERATING INCOME

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Non-operating income	6,374	94,173	25,410	167,623
Investments through tax incentives (a)	-	94,113	-	157,116
Income on disposal of assets	268	60	8,635	10,462
Rental income	5,854	-	6,282	45
Reversal of provision for devaluation of other assets	252	-	10,493	-
Other non-operating income	(9,459)	(3,854)	(42,907)	(25,877)
Non-operating expenses	(6,830)	(578)	(19,719)	(13,778)
Loss on disposal of assets	(173)	(73)	(416)	(2,416)
Losses in investments due to tax incentives	(478)	(233)	(7,804)	(1,181)
Capital losses	(1,944)	(2,970)	(3,862)	(8,502)
Devaluation of other assets	(34)	-	(11,106)	-
Other non-operating expenses	(3,085)	90,319	(17,497)	141,746
Total				

(a) Refers to gains earned by the Conglomerate on sale of shares from tax incentives (FINOR) to Votorantim Cimentos S.A.

22. SHAREHOLDERS' EQUITY

a) Capital

Capital of Banco Votorantim S.A., fully subscribed and paid-in, in the amount of R\$ 7,483,754 (7,125,761 in June 30, 2014) is represented by 105,391,472,816 nominative shares, of which 86,229,386,840 are common shares with no par value and 19,162,085,976 nominative preferred shares with no par value.

According to the Extraordinary General Meeting held on July 31, 2013, was resolved and approved the equity capital increase in the amount of R\$ 98,920 upon the issuance of 1,442,096,204 new shares, of which 1,179,896,894 are common shares and 262,199,310 preferred shares, with no par value. Capital increase was approved and homologated by Central Bank of Brazil on February 25, 2014.

The Extraordinary Shareholders' Meeting held on March 25, 2015 decided and approved the increase of Capital Stock through incorporation of the special profit reserve in the amount of R\$ 357,993, without issuance of new shares, pending approval by May 14, 2015 the Central Bank of Brazil.

b) Capital reserve

Capital reserve is recognized from goodwill on subscription of shares, in the amount of R\$ 372,120.

c) Profit reserve

Legal reserve

Composed mandatorily of 5% of the period's Net Income, up to the limit of 20% of Capital. The Legal Reserve may cease to be funded when jointly with Capital Reserves it should exceed 30% of Capital. The Legal Reserve may be employed only in a capital increase or to offset losses.

Special profit reserve

Management may propose that the portion of profit not distributed should be destined to "Special profit reserve", which will be available to shareholders for future deliberation at General Meeting.

d) Equity evaluation adjustments

	1H15				1H14			
	Opening balance	Changes	Tax effect	Closing balance	Opening balance	Changes	Tax effect	Closing balance
Securities available for sale								
Banco Votorantim	(211,298)	(38,069)	15,253	(234,114)	(199,508)	101,762	(29,653)	(127,399)
Foreign branches	(11,328)	19,093	-	7,765	349	31,635	-	31,984
Subsidiaries	(104,497)	48,565	(19,426)	(75,358)	(158,040)	82,854	(33,142)	(108,328)
Total	(327,123)	29,589	(4,173)	(301,707)	(357,199)	216,251	(62,795)	(203,743)

23. TAXES

a) Statement of Income Tax and Social Contribution Expenses

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Current amounts	(23,576)	-	(171,713)	(318,567)
IR & CSLL in Brazil - current	(23,576)	-	(167,872)	(318,306)
IR & CSLL in Brazil - previous years	-	-	(3,841)	(261)
Deferred amounts	180,406	19,930	217,108	251,325
Deferred tax liabilities	(4,546)	(27,912)	137,089	257,654
Mark-to-market	(4,546)	(27,912)	54,594	119,738
Excess depreciation	-	-	82,495	137,916
Deferred tax assets	184,952	47,842	80,019	(6,329)
Tax losses/negative basis of CSLL	(9,715)	67,313	(67,067)	30,368
Temporary differences	80,605	(1,439)	33,026	88,510
Mark-to-market	114,062	(18,032)	114,060	(125,207)
Total	156,830	19,930	45,395	(67,242)

b) Reconciliation of IR and CSLL charges

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
Income (loss) before taxes and contributions	161,678	308,320	330,208	449,959
Total IR charges (25% rate) and CSLL (15% rate)	(64,671)	(123,328)	(132,083)	(179,984)
Equity in the earnings of subsidiaries	125,754	102,622	30,820	30,079
Charges on employees' profit sharing	20,293	14,323	42,939	34,072
Other amounts	75,454	26,313	103,719	48,591
Income tax and social contribution in the period	156,830	19,930	45,395	(67,242)

c) Tax expenses

	Bank		Consolidated	
	1H15	1H14	1H15	1H14
COFINS	(42,249)	(17,499)	(150,451)	(145,669)
ISSQN	(5,316)	(5,315)	(24,398)	(21,601)
PIS	(6,930)	(3,179)	(24,587)	(22,408)
Other	(4,361)	(9,084)	(14,097)	(38,865)
Total	(58,856)	(35,077)	(213,533)	(228,543)

d) Deferred tax liabilities

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Deriving from excess depreciation over leasing operations	-	-	43,313	303,321
Mark-to-market	67,618	114,873	153,442	202,602
Total deferred tax liabilities	67,618	114,873	196,755	505,923
Income tax	42,261	71,796	139,214	429,948
Social contribution	25,357	43,077	57,541	75,975

e) Deferred tax assets (Tax credit)

Activated

Bank	12/31/2014	1H15		06/30/2015	06/30/2014
	Balance	Formation	Write-off	Balance	Balance
Temporary differences	1,633,973	227,276	-	1,861,249	1,588,499
Allowance for doubtful accounts	890,007	126,694	-	1,016,701	915,066
Liability provisions	343,479	(27,167)	-	316,312	448,316
Mark-to-market (a)	388,769	129,312	-	518,081	221,989
Other provisions	11,718	(1,563)	-	10,155	3,128
CSLL tax loss/negative basis	411,152	(27,072)	-	384,080	289,766
Total tax credit assets activated	2,045,125	200,204	-	2,245,329	1,878,265
Income tax	1,276,637	124,268	-	1,400,905	1,175,467
Social contribution	768,488	75,936	-	844,424	702,798

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Consolidated	12/31/2014	1H15		06/30/2015	06/30/2014
	Balance	Formation	Write-off	Balance	Balance
Temporary differences	5,405,751	159,349		5,565,100	5,594,568
Allowance for doubtful accounts	3,846,459	117,969		3,964,428	3,685,276
Liability provisions	952,200	(53,038)		899,162	1,561,155
Mark-to-market (a)	585,899	95,516		681,414	294,264
Other provisions	21,193	(1,098)		20,096	53,873
CSLL tax loss/negative basis	1,251,111	(84,428)		1,166,683	868,276
Total tax credit assets activated	6,656,862	74,921		6,731,783	6,462,844
Income tax	4,354,834	34,730		4,389,564	4,257,272
Social contribution	2,302,028	40,191		2,342,219	2,205,572

- (a) The installments of R\$ 174,706 (of the total of R\$ 518,081) and R\$ 224,945 (of the total of R\$ 681,414) refer to tax credits deriving from Mark-to-market adjustment of securities classified as available for sale, recorded under Shareholders' equity.

Not activated

	30.06.2015	30.06.2014
Tax credits abroad	9,382	6,021
Total of tax credits not recorded in assets	9,382	6,021
Income tax	5,864	3,763
Social contribution	3,518	2,258

On June 30, 2015, the unrecorded tax credit balance totals R\$ 9,382 (R\$ 6,021 on June 30, 2014), which will be recorded upon meeting the meet regulatory aspects and presenting actual realization perspective.

Realization estimate

The realization estimate of deferred tax assets (tax credits) supports in the technical study prepared in the first half of 2015.

	Bank		Consolidated	
	Nominal value	Present value	Nominal value	Present value
In 2015	64,898	60,655	619,809	579,285
In 2016	387,655	339,244	1,377,201	1,205,213
In 2017	214,856	166,568	1,033,206	801,000
In 2018	280,001	194,066	1,052,573	729,528
In 2019	264,289	163,502	893,468	552,744
As from 2020	1,033,630	472,343	1,755,526	749,776
Total tax credits	2,245,329	1,396,378	6,731,783	4,617,546

During the semester ended on June 30, 2015, tax credits were realized in Banco Votorantim totaling R\$ 133,532 (R\$ 238,181 in 2014), equal to 45% (94% in 2014) of the respective use projection for the entire 2015 calendar year and included in the technical study prepared on December 31, 2014.

Realization of nominal values for tax credit assets

	Bank		Consolidated	
	Tax losses/Social contribution on net income to offset (a)	Intertemporal Differences (b)	Tax losses/Social contribution on net income to offset (a)	Intertemporal Differences (b)
In 2015 (c)	-	3%	5%	10%
In 2016	-	19%	9%	23%
In 2017	14%	9%	12%	16%
In 2018	11%	12%	10%	17%
In 2019	17%	11%	5%	14%
As from 2020	58%	46%	59%	20%

- (a) Projected consumption linked to the capacity to generate IRPJ and CSLL taxable amounts in subsequent periods. The tax credit on the tax loss and negative base also includes the loss suffered by an overseas subsidiary.
- (b) The consumption capacity arises from movements in provisions expectation of reversals, write-offs and uses).
- (c) Projection for consumption of tax credit in the second half of 2015.

24. RELATED PARTIES

Costs of salaries and other benefits granted to key management personnel of Banco Votorantim, formed by the Board, Audit Committee, Board of Directors and Fiscal Council:

	1H15	1H14
Fees	8,702	7,775
Bonuses	25,463	18,606
Social charges	10,316	7,732
Total	44,481	34,113

The Bank does not provide post-employment benefits to key management personnel.

The Bank does not grant loans to key Management personnel in accordance with the prohibition to any financial institution established by the Central Bank of Brazil.

The balances of accounts relating to transactions between consolidated companies of the Bank are eliminated in the consolidated financial statements and also take into consideration the lack of risk. Regarding the controlling shareholders, the transactions with the Banco do Brasil Financial Conglomerate and of the Conglomerado Votorantim Participações are included, the main companies of which are Votorantim Finanças S.A. and Votorantim Industrial S.A. which maintains banking transactions with the Bank.

The Conglomerate carries out banking transactions with related parties, such as current account deposits (not remunerated), remunerated deposits, money market repurchase commitments, derivative financial instruments and assignment of credit transaction portfolios. There are also service agreements.

These transactions are carried out under terms and conditions similar to those performed with third parties where applicable, prevailing at the transaction dates. These transactions do not involve extraordinary default risks.

In the first half of 2014, Banco Votorantim sold securities (privately held companies' shares) classified in the category Available for sale to subsidiary BV Financeira and earned unrealized income, net of taxes and contributions, of R\$27,630, eliminated in the financial Conglomerate's consolidation process.

In the first semester ended June 30, 2015, Conglomerate, through its subsidiary BV Financeira, carried out credit assignments with a related party, with substantial risk retention. Sum of present values totaled R\$ 6,632,066 (R\$ 3,877,833 on June 30, 2014). The net result of credit assignments, considering income and expenses of the assignments with substantial retention of risks and benefits is presented in the table below under "Income from interest, provision of services and other income".

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	06/30/2015						Total
	Banco do Brasil Conglomerate	Votorantim Conglomerate	Financial subsidiaries (a)	Non-financial subsidiaries (b)	Key management personnel (c)	Other (c)	
Assets							
Cash and cash equivalents	2,324	-	-	-	-	-	2,324
Interbank funds applied	7,768,807	-	19,087,812	-	-	-	26,856,619
Securities and derivative financial instruments	449	9,825	30,735,201	-	304	891,512	31,637,291
Other receivables	15,759	1,376	30,547	10	6,672	145	54,509
Liabilities							
Demand deposits	(104)	(1,114)	(4,370)	(243)	(84)	(6)	(5,921)
Time Deposits	-	(45,862)	(5,527)	(157,187)	(266)	-	(208,842)
Interbank accounts or relations	-	-	(379,294)	-	-	-	(379,294)
Obligations related to purchase and sale commitments	(15,273)	(605,338)	(32,462)	-	(525)	-	(653,598)
Acceptances and endorsements	-	(271,286)	-	-	(14,286)	-	(285,572)
Derivative financial instruments	-	(5,250)	(26,717,331)	-	-	-	(26,722,581)
Other liabilities	(17,027,914)	(126)	(1,892)	(45)	-	-	(17,029,977)
1H15							
Income (loss)							
Income from interest, provision of services and other	525,501	6,904	1,651,354	-	52	69,026	2,252,837
Fund raising, administrative expenses and other	(5,695)	(38,944)	(26,155)	(10,500)	(871)	-	(82,165)

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	06/30/2014						Total
	Banco do Brasil Conglomerate	Votorantim Conglomerate	Financial subsidiaries (a)	Non-financial subsidiaries (b)	Key management personnel (c)	Other (c)	
Assets							
Cash and cash equivalents	4,219	-	-	-	-	-	4,219
Interbank funds applied	3,532,135	-	27,406,482	-	-	-	30,938,617
Securities and derivative financial instruments	32,704	9,833	26,159,293	-	-	1,409,569	27,611,399
Other receivables	198,464	3	20,373	28	-	-	218,868
Liabilities							
Demand deposits	-	(2,547)	(2,561)	(94)	(13)	-	(5,215)
Time Deposits	-	(6,704)	(12,761)	(147,093)	(36,648)	-	(203,206)
Interbank accounts or relations	-	-	(383,024)	-	-	-	(383,024)
Obligations related to purchase and sale commitments	(292,148)	(295,300)	(18)	-	-	-	(587,466)
Borrowings and onlendings	(10,671)	-	-	-	-	-	(10,671)
Derivative financial instruments	(49,033)	(11,072)	(22,599,077)	-	-	-	(22,659,182)
Other liabilities	(12,628,684)	-	(2,980)	(228)	(5)	(711,218)	(13,343,115)
1H14							
Income (loss)							
Income from interest, provision of services and other	635,386	150,092	1,366,782	-	-	127,610	2,279,870
Fund raising, administrative expenses and other	(6,141)	(8,243)	(308,503)	(9,055)	(1,903)	-	(333,845)

- (a) Companies listed in Note 3, identified in item (1).
- (b) It includes BVIP – BV Investimentos e Participações S.A., BVIA – BV Investimentos e Participações de Gestão de Recursos S.A., Votorantim Corretora de Seguros S.A.
- (c) Board of Directors, Executive Board, Audit Committee and Fiscal Council.
- (d) In 2015 it includes FIDCs I and VI; and for 2014 it includes FIDC I, II and VI.

25. 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

The Company put in place the new Short-term and Long-term Compensation Program during the first half of 2013. Executive officers and Conglomerate employees are eligible for the program. This program was approved by the Board of Directors on May 10, 2012.

The Company has three long-term incentives plans with the purpose of (i) attracting, motivating and retaining talents; (ii) aligning the interests of executive officers and employees to shareholders'

objectives and interests; (iii) creating revenues and a sustainable creation of value; and (iv) creation of a long-term outlook. These are:

a) Conditioned Variable Incentive: a plan with a minimum one-year and maximum three-year duration, consisting in granting an incentive conditioned to performance during each year. All Conglomerate's employees and officers are eligible to the plan.

b) Long-term incentive: a plan with a four-year duration consisting in granting the Company's Investment Units (known as "virtual shares") based on performance during each year. Executive officers and executive-level employees are eligible for the program.

c) Virtual share repurchase program: a plan with a four-year duration in which every executive officer and employee has the opportunity to invest part or all of their variable compensation available in the Company's Investment Units (known as "virtual shares"), and as a counterpart the Company will progressively grant additional Investment Units.

In the first half of 2015 were recognized in the result, under Personnel Expenses – Earnings R\$ 77,625 (R\$ 93,365 on the first half of 2014) in regard to the transactions of long-term incentives. This expense derives from agreements entered into with some Conglomerate's employees, in conformity with remuneration policy. These incentives in general become a right between one and in not more than four years as of the granting date, provided that their holders remain employed by the Conglomerate during the period, with settlement in species.

In the first half of 2015, payments in the amount of R\$ 36,284 were made, of which R\$ 27,652 in regard to the Long-Term Remuneration Program of 2012 and R\$ 8,632 in regard to the Long-Term Remuneration Program of 2013.

On June 30, 2015, the Conglomerate recorded under caption "Other liabilities - Other - Sundry - Provision for unsettled payments", in the amount of R\$ 222,637 (R\$ 121,841 30 in June 2014).

Calculation of fair value

In the first half of 2015, the Conglomerate granted 133,568,900 (56,283,522 on June 30, 2014) virtual shares to directors and employees. Initial value of virtual shares was calculated on Shareholders' equity as of December 31, 2014, 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 Conglomerate's income and on entries directly made to Shareholders' equity accounts, as determined by prevailing accounting practices. From said Shareholders' Equity value, non-recurring 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.

26. CONTINGENT ASSETS AND LIABILITIES AND LEGAL, TAX AND SOCIAL SECURITY OBLIGATIONS

Contingent assets

Contingent assets are not recognized in the financial statements, as CMN Resolution 3,823/2009.

Labor lawsuits

The Conglomerate is the defendant in labor lawsuits mostly filed by former employees. Provisions for probable losses represent several claims, such as: Indemnities, overtime, working time exemption, supplement per function and representation, among other matters.

Tax lawsuits

The Conglomerate is subject, in inspections made by tax authorities, to questionings related to taxes, which may eventually generate assessments, for example: composition of the IRPJ/CSLL tax basis

(deductibility); and discussion related to the levy of taxes, upon occurrence of certain economic facts. Most lawsuits deriving from tax assessments refer to ISS, IRPJ, CSLL, PIS/Cofins and Employer Social Security Contributions. Some of them are guaranteed, when necessary, by escrow deposits made to suspend payment of taxes under discussion.

Civil lawsuits

Basically refer to indemnity actions whose natures are as follows: challenge on contracts' total effective cost; review on contract conditions and charges; and fees.

a) Provision for labor, tax and civil lawsuits - Probable

In conformity with CMN Resolution no. 3,823/2009, the Conglomerate recognized a provision for labor, tax and civil lawsuits with "probable" loss risk.

Changes in provisions for tax, civil and labor claims classified as probable

Bank	1H15	1H14
Tax claims		
Opening balance	2,577	194,029
Monetary restatement	62	7,511
Closing balance	2,639	201,540
Civil claims		
Opening balance	1,234	706
Formations	18	662
Reversal of provision	(41)	(190)
Write-offs due to payment	-	(4)
Monetary restatement	54	26
Closing balance	1,265	1,200
Labor claims		
Opening balance	121,659	43,858
Formations	56,812	44,110
Reversal of provision (a)	(24,122)	(1,157)
Write-offs due to payment	(15,697)	(2,237)
Monetary restatement	8,431	3,412
Closing balance	147,083	87,986
Total Labor, Tax and Civil Claims	150,987	290,726
Consolidated		
Tax claims		
Opening balance	71,557	573,264
Formations	82	45,516
Reversal of provision	(22,858)	(3,473)
Write-offs due to payment	(7,734)	(1,023)
Monetary restatement	1,883	40,980
Closing balance	42,930	655,264
Civil claims		
Opening balance	324,967	327,696
Formations	59,734	87,058
Reversal of provision	(37,739)	(44,972)
Write-offs due to payment	(50,690)	(49,503)
Monetary restatement	29,360	17,026
Closing balance	325,632	337,305
Labor claims		
Opening balance	961,854	751,257
Formations	219,315	172,494
Reversal of provision (a)	(110,545)	(61,129)
Write-offs due to payment	(86,480)	(32,989)
Monetary restatement	49,216	47,254
Closing balance	1,033,360	876,887
Total Labor, Tax and Civil Claims	1,401,922	1,869,456

(a) Reversals and write-offs of labor contingencies refer basically to severance pay due to agreements.

Estimated schedule of disbursements

	Bank			Consolidated		
	06/30/2015			06/30/2014		
	Labor	Tax	Civil	Labor	Tax	Civil
Up to 5 years	147,083	2,639	1,265	1,033,360	42,150	325,632
From 5 to 15 years	-	-	-	-	780	-
Total	147,083	2,639	1,265	1,033,360	42,930	325,632

Uncertain lawsuit duration and the possibility of changes in prior court judgments make disbursement schedule and values uncertain.

b) Contingent liabilities - Possible

Amounts shown in the chart below represent estimated disbursement value in case the Bank is convicted. Claims are classified as possible when there are no elements that permit concluding final lawsuit outcome and when likelihood of loss is lower than probable and higher than remote.

		Bank		Consolidated	
		06/30/2015	06/30/2014	06/30/2015	06/30/2014
Tax claims	(a)	499,835	371,098	1,094,196	779,019
Civil claims	(b)	8,516	6,511	34,037	20,593
Labor claims	(c)	399,757	242,224	1,215,280	1,383,852
Total		908,108	619,833	2,343,513	2,183,464

(a) In the consolidated refer basically to: a) IRPJ/CS on equity investments abroad R\$ 216,638 (R\$ 203,515 on June 30, 2014); b) INSS on Profit Sharing (PLR) R\$ 222,952 (R\$ 151,582 on June 30, 2014); c) IRPJ of exceeding amount destined to FINOR (2004 to 2010) R\$ 97,303 (R\$ 109,968 on June 30, 2014); d) ISS R\$ 10,768 (R\$ 10,762 on June 30, 2014); e) INSS on Profit Sharing - Nassau Branch R\$ 37,841 (R\$ 46,247 on June 30, 2014); f) PIS / COFINS on demutualization R\$ 35,096 (R\$ 33,316 on June 30, 2014); g) IRPJ/CS on undue offset of tax loss – Gratuities to statutory officers R\$ 26,354 (R\$ 25,022 on June 30, 2014); h) IRPJ/CSLL – Deduction Allowance for Doubtful Accounts (PDD) 2008 R\$ 96,402 (R\$ 92,229 on June 30, 2014); i) Infringement Fine (non-homologation of DCOMP) R\$ 120,204; j) CSLL – Undue Exclusion at BC of Interest on Foreign Government Securities R\$ 116,014 ; k) IRPJ/CSLL – Exclusion of Interests - Foreign public bonds: Tax Assessments comprising social contribution amounts of 2009 (in 12/2014) and 2010 (05/2015), relating to interest earned on the foreign public bonds (Denmark, Spain and Austria) excluded from its calculation basis; Goodwill amortization in the Acquisition of Foreign Public Bonds Tax Assessment arising from net income adjustments in order to determine the calculation basis for corporate income tax and social contribution, which did not consider the amortization of goodwill in Income accounts, leading to an exclusion greater than that actually recorded in income, as Interest Income from Foreign Securities, in the amount of R\$ 28,443. Amount disallowed and amounts of R\$ 10,772 million of corporate income tax (R\$ 10,822 in 06/2015) and R\$ 9,233 of social contribution (R\$ 9,276 in 06/2015) assessed.

(b) The Consolidated refers to, basically, to collection actions.

(c) On consolidation, refers to actions mostly brought by former employees claiming compensation, overtime pay, working hours, extra pay associated with certain jobs, and representation costs, and others.

c) Deposits as collateral

Balances of escrow deposits recognized for contingencies

	Bank		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Tax Claims	233,516	212,333	639,193	584,261
Civil claims	1,638	35	187,563	103,026
Labor claims	15,358	11,970	219,763	138,231
Total	250,512	224,338	1,046,519	825,518

d) Legal obligations

Conglomerate maintains the amount of R\$ 4,387 (R\$ 11,149 on June 30, 2014) recorded in specific Legal Obligations account, related to the following lawsuits:

d.1) PIS LC 07/70 – BV Financeira S.A. CFI

In December 1997, a Writ of Mandamus with injunction was filed by BV Financeira S.A. - CFI aiming at recognition of the Plaintiff's clear legal right of paying PIS contribution as provided for in Supplementary Law no. 7/70 in the period from July 1, 1997 up to 90 days before publication of Constitutional Amendment no. 17/97. Also, it was claimed that, for subsequent period (from March 1998 to December 1999), said contribution be paid on gross operating income.

Currently, the Writ of Mandamus is suspended in the Federal Regional Court of the 3rd Region, waiting for the Supreme Court decision on the controversy, and such decision shall be replicated in all cases dealing with the same subject matter awaiting judgment.

For that process totals R\$ 671 (R\$ 649 on June 30, 2014).

d.2. ISS (Service Tax) on Guarantees Provided – Banco Votorantim S.A.

A decision was delivered on Declaratory Action on Absence of Legal-Tax Relation cumulated with Recovery of Undue Payment intended to rule out levy of ISS on revenues from guarantor and collateral transactions and other guarantees provided by Banco Votorantim S.A., and obtain reimbursement of amounts paid as such in the last five years.

As injunctive relief request was rejected by the lower court judge, the Bank started to make a monthly escrow deposit of discussed amounts in order to suspend payment of tax credit. Currently, Decision is being awaited.

For said case we have the amount of R\$ 3,716.

e) Public civil lawsuits

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.

27. RISK AND CAPITAL MANAGEMENT

a) Risk management process

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.

The consolidation of risks covers material exposures inherent to the Conglomerate's business lines. The exposures are mainly grouped into the following risk categories: market, credit and liquidity. This consolidation process is carried out through a structured process which includes the mapping and calculation of the total values at risk.

The levels of risk exposure are monitored through a risk limit framework, incorporated into the Conglomerate's daily activities by means of an organized management and control process which

assigns functional responsibilities to the areas involved. Senior Management gets involved by following up and performing actions that are necessary for risk management.

Financial return is calculated by processes that permit the monitoring of managerial earnings in different business lines, consistent with budget schedule and in accordance with accounting income.

In sum, the Conglomerate adopts the following principles in its integrated risk management process:

- Consolidated risk vision;
- Making risk exposure level, authorized limits and intended financial return compatible;
- Job segregation between business areas, risk control, audit and operational processing;
- Adoption of risk calculation methodologies based on the market practices; and
- Involvement of Senior Management.

b) Credit risk

Credit Risk is defined as the likelihood of losses occurring due to the borrower or counterparty not complying with their respective financial obligations in accordance with agreed terms.

c) Liquidity risk

Liquidity risk is defined by:

- Possibility of the institution not being able to effectively honor expected and unexpected current and future obligations, including those deriving from guarantee binding, without affecting its daily operations and without incurring significant losses; and
- Possibility that the Bank may not be able to trade a position at market price due to its large size in relation to the usually traded volume, or due to market discontinuity.

d) Operational risk

Operating risk is defined as the possibility of loss arising from any failure, deficiency or inadequacy of internal processes, people or systems, or from events apart from the Institution.

e) Market risk

Market risk is defined as the possibility of financial losses arising from the variation in the market value of exposures held by a financial institution. These financial losses may be incurred due to the impact generated by the variation in interest rates, exchange rate parity and prices of shares and commodities.

f) Capital management

Following the regulations of BACEN and in accordance with the recommendations of the Basel Committee on Banking Supervision, the Institution adopts the prudential guidelines of capital management in a consolidated manner aiming at the efficient and sustainable management of its resources and contributing to promote the stability of the National Financial System.

In line with CMN Resolution no. 3,988 and BACEN Circular Letter no. 3,547, the institutional has structure and policies for capital management approved by the Board of Directors, in compliance with the internal process for evaluation of capital Adequacy (ICAAP), contemplating the following items:

- Identification and assessment of material risks;
- Documented policies and strategies;
- Capital Plan for three years, including Capital targets and projections, main funding sources and Capital contingency plan;
- Stress tests and their impacts on Capital;
- Managerial reports to the Senior Management (Executive Board and Board of Directors);
- Evaluation of Capital Adequacy in the Regulatory and Economic View; and
- Annual Report of Internal capital adequacy assessment process (ICAAP).

Capital Adequacy (Regulatory view)

At the institution, capital is managed in a consolidated manner in order to ensure adequacy within regulatory limits and to establish a strong capital base enabling the Institution to develop business and transactions in accordance with its strategic plan.

Our annual capital plan includes growth projections for the loan portfolio and other transactions and assets, in order to assess adequacy of its consolidated capital to deal with the associated risks and ensure compliance with regulatory operational limits.

Management reports tracking the capital allocated to risks and the capital indices (Basel, Level I and Core) are disclosed on a monthly basis after the determination of the Capital and Capital Requirement.

Capital ratios

The capital ratios are being calculated according to the criteria set by CMN Resolutions 4192/2013 and 4193/2013, which refer to the calculation of Reference Equity (PR) and the Minimum Regulatory Capital (PRMR) in relation to Risk-Weighted Assets (RWA), respectively.

In October 2013, onwards the set of rules that implemented in Brazil the recommendations of the Basel Committee on Banking Supervision related to the Capital structure of financial institutions, known as Basel III, came into effect. Newly adopted rules address the following matters:

I - new methodology to determine regulatory capital, which continues to be divided into Levels I and II, being Level I comprised of Main Capital (less Prudential Adjustments) and Supplementary Capital;

II - new methodology to determine requirements to maintain capital, adopting minimum PR, Level I and Main Capital requirements, and introducing the Additional Main Capital.

Since January 2014, CMN Resolution no. 4,192/2013 defines the following items referring to prudential adjustments to be deducted from Reference Equity:

- (i) goodwill paid on acquisition of investments based on expected future income;
- (ii) intangible assets formed as from October 2013;
- (iii) actuarial assets related to defined benefit pension plans net of deferred tax liabilities associated to them;
- (iv) non-controlling interest;
- (v) direct or indirect investments higher than 10% of capital of entities similar to non-consolidated financial institutions and of insurance and reinsurance firms, capitalization organizations and open pension plan entities (higher investments);
- (vi) tax credits deriving from temporary differences that depend from future income generation or tax revenues for their realization;
- (vii) tax credits from depreciation excess tax loss;
- (viii) tax credits deriving from tax losses and social contribution on net income negative basis.

In accordance with CMN Resolution no. 4,192/2013, deductions referring to prudential adjustments will be carried out gradually, at 20% p.a. from 2014 to 2018, except for deferred assets and funding instruments issued by financial institutions, which are already being fully deducted since October 2013.

Consolidation scope used as the basis to verify operating limits and also considers the Financial Conglomerate, and the Prudential Conglomerate beginning as of January 1, 2015, as defined in CMN Resolution no. 4,280/2013.

For comparison purposes, Basel Index information is presented both for the Financial Conglomerate and the Prudential Conglomerate.

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Basel ratio	06/30/2015		06/30/2014
	Prudential	Financial	Financial
PR – Reference Equity	10,967,143	10,967,143	11,052,446
Level I	7,105,058	7,105,058	7,256,196
Main Capital	7,105,058	7,105,058	7,256,196
Shareholders' equity	7,847,066	7,847,066	7,586,575
Prudential adjustments	(742,008)	(742,008)	(330,379)
Deferred assets	(40,110)	(40,110)	(47,635)
Other	(699,555)	(699,555)	(282,744)
Adjustment to market value	(2,343)	(2,343)	-
Level II	3,862,085	3,862,085	3,796,250
Subordinated debts eligible to capital	3,862,085	3,862,085	3,796,250
Subordinated debts authorized pursuant to CMN Resolution no. 4,192/2013	639,883	639,883	113,733
Subordinated debts authorized pursuant to rules prior to CMN Resolution no. 4,192/2013 (a) (b)	3,222,202	3,222,202	3,682,517
Funding sources abroad	1,884,476	1,884,476	2,153,687
Funds obtained with CDB	272,451	272,451	311,374
Funds raised with Financing Bills	1,065,275	1,065,275	1,217,456
Risk-weighted assets (RWA)	73,786,152	74,196,521	73,118,652
Credit risk (RWACPAD)	66,292,634	66,262,838	66,708,807
Market risk (RWAMPAD)	3,086,678	3,086,678	2,247,878
Operational risk (RWA _{OPAD})	4,406,840	4,847,005	4,161,967
Minimum Required Regulatory Capital (c)	8,116,477	8,161,617	8,043,052
Minimum Required Capital (d)	3,320,377	3,338,843	3,290,339
Tier I Minimum Required Reference Equity (e)	4,427,169	4,451,791	4,021,526
Regulatory Capital determined to cover interest rate risk of transactions not classified in trading portfolio (RBAN)	189,986	-	157,653
Margin on Minimum Required Regulatory Capital	2,850,666	2,805,526	3,009,394
Margin on Minimum Required Capital	3,784,681	3,766,215	3,965,857
Margin on Minimum Required Tier I Regulatory Capital	2,677,889	2,653,267	3,234,670
Margin on Minimum Required Regulatory Capital including RBAN	2,660,680	2,805,526	2,851,741
Main Capital Index (CP / RWA)	9.63%	9.58%	9.92%
Tier I Capital Index (Tie I / RWA)	9.63%	9.58%	9.92%
Basel Ratio (PR / RWA)	14.86%	14.78%	15.12%

(a) Instruments authorized by BACEN to comprise PR in accordance with CMN Resolution no. 3,444/2007 - and that do not qualify for requirements of CMN Resolution no. 4,192/2013 - will decay 10% p.a. from 2013 to 2022, on amounts that comprised PR as of December 31, 2012.

(b) The balance of Subordinated Debt instruments comprising Reference Equity as of December 31, 2012 was considered after applying on it the decay of 10% as determined by CMN Resolution no. 4,192/2013.

(c) Corresponds to the application of the "F" factor to RWA amount, being "F" equal to:

- a. 11% of RWA, from October 10, 2013 to December 31, 2015.
- b. 9.875% of RWA, from January 1, 2016 to December 31, 2016.
- c. 9.25% of RWA, from January 1, 2017 to December 31, 2017.
- d. 8.625% of RWA, from January 1, 2018 to December 31, 2018.
- e. 8% of RWA, as from January 1, 2019.

(d) It represents at least 4.5% of RWA.

(e) It represents at least 5.5% of RWA, from October 1, 2013 to December 31, 2014, and 6% of RWA, as from January 1, 2015.

Prudential Adjustments deducted from Main Capital:

	Financeiro	
	30.06.2015	30.06.2014
Prudential Adjustments II – Intangible assets	(16,907)	(746)
Prudential Adjustments VII Tax credit and Intertemporal differences	(232,223)	(168,250)
Prudential Adjustments VIII – Tax credit of Tax losses/negative basis of CSLL	(450,426)	(113,749)
Prudential Adjustments IX – Deferred assets	(40,110)	(47,635)
Prudential Adjustments XV – Understatement – Resolution 4,277/13 Adjustments	(2,343)	-
Total	(742,009)	(330,380)

g) Fixed asset ratio

Beginning as of 2015, property, plant and equipment index started to be required only for Prudential Conglomerate, totaling 3,30% on June 30, 2015, and determined in conformity with CMN Resolutions no. 4,192/2013 and 2,669/1999.

In 2014, property, plant and equipment index was determined based on Financial Conglomerate, totaling 3,44%.

Fixed assets limit	06/30/2015	06/30/2014
Fixed assets limit	5,483,570	5,526,222
Value of fixed assets limit position	362,284	380,440
Value of margin or insufficiency	5,121,286	5,145,782

In compliance with the Brazilian Central Bank (BACEN) Circular 3,477/09, Conglomerate maintains additional information on its risk and capital management process available in the website: www.bancovotorantim.com.br/ri.

28. OTHER INFORMATION

a) Commitments undertaken due to funding from international financial institutions

The Conglomerate is a borrower of short-term loans from international financial institutions, whose contracts require compliance with financial ratios (financial covenants). The financial ratios are calculated based on the financial information prepared in accordance with Brazilian law and standards of the Central Bank of Brazil (BACEN). On June 30, 2015 the Conglomerate did not have operations with these characteristics.

b) Law 12,973/2014 (Provisional Measure 627/2013)

On May 14, 2014, the Law 12,973, conversion of Provisional Measure no. 627 (PM 627/13), which changes federal tax law on IRPJ, CSLL, PIS and COFINS, was published; Provides on:

- Revoking of the Transitional Tax Regime (RTT) by establishing the adjustments required by new accounting methods and criteria introduced due to the convergence of Brazilian and international accounting standards;
- Taxation of legal entities domiciled in Brazil regarding equity increase resulting from interest on overseas profits by subsidiaries and affiliated companies; and
- A special installment plan for payment of PIS/PASEP/COFINS (taxes on income).

The Conglomerate opted to adopt impacts of Law no. 12,973/2014 beginning as of 2014.

c) New commercial partnership with Banco do Brasil

On August 12, 2014, Banco Votorantim S.A. ("BV") and Banco do Brasil S.A. ("BB") approved a partnership for expansion of commercial capacity and capacity to prospect new businesses through bank correspondents for the purpose of improving operating efficiency and specialization in Payroll Credit. This partnership provides for the use of a wholly-owned subsidiary linked to BV that will promote sales and will manage trade correspondents' network.

Regulatory agencies approved completion of deal in accordance with prevailing regulation.

d) Law 13,097/2015 (PM no. 656/2014)

Law 13,097, of 01.20.2015 (conversion of PM 656/2014), changed the limits for purposes of deductibility of losses on receipt of credits delinquent beginning on 10.08.2014 (publication date of the PM). For operations delinquent up to October 7, 2014, the prior limits prevail.

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e) Information about branches and subsidiaries abroad

	06/30/2015	06/30/2014
Assets	8,423,313	4,471,634
Banco Votorantim S.A. – Nassau Branch	8,347,306	4,372,575
Others subsidiaries	76,007	99,059
Total assets	8,423,313	4,471,634
Liabilities	(7,098,477)	(3,519,740)
Banco Votorantim S.A. – Nassau Branch	(7,094,461)	(3,486,784)
Others subsidiaries	(4,016)	(32,956)
Shareholders' equity	(1,324,836)	(951,894)
Banco Votorantim S.A. – Nassau Branch	(1,252,845)	(885,791)
Others subsidiaries	(71,991)	(66,103)
Total liabilities	(8,423,313)	(4,471,634)
	1H15	1H14
Income or loss	41,375	(2,469)
Banco Votorantim S.A. – Nassau Branch	40,605	5,937
Others subsidiaries	770	(8,406)

f) Insurance coverage

The Conglomerate adopts the policy of contracting insurance coverage for assets subject to risks for amounts considered to be sufficient to cover eventual claims, considering the nature of its activity. The adopted risk assumptions, in view of their nature, are not part of the scope of an audit of Financial Statements; therefore, were not analyzed by our independent auditors.

g) MP 675/2015

On May 21, 2015, Provisional Measure no. 675 was issued and increased social contribution rate from 15% to 20% for Financial Institutions and other entities. This Provisional Measure becomes effective on September 1, 2015. Conglomerate will wait for enactment of Provisional Measure no. 675/2015 into Law to analyze impacts of this Provisional Measure on Conglomerate's Entities, due to possible amendments to the PM that can be proposed by the National Congress.
