

EARNINGS RELEASE

1st Semester of 2014

EARNINGS RELEASE

1st Semester of 2014

BANCO PAULISTA has announced its results for 1S14.

BANCO PAULISTA is recognized for providing foreign exchange and treasury services, in addition to funding for middle market companies and asset management, settlement and custody. In addition it offers Settlement Bank services at the CETIP, SELIC, BM&FBOVESPA and CBLC for financial institutions, in addition to being the Clearing House agent for brokerage houses at the CBLC.

SOCOPA, a full subsidiary and experienced securities and foreign exchange broker, operates in these segments on the São Paulo Stock and Commodities and Futures Exchange (BM&F&BOVESPA) on the domestic and international markets.

MESSAGE FROM THE MANAGEMENT

BANCO PAULISTA ended the semester with substantial net income of R\$ 17.9 million, representing a return on average shareholders' equity (ROAE) of 23.0%. The progress of the results shows that the change of emphasis in its business to maximizing shareholders' return has been successful. The benefits of having restructured the business model are increasingly evident with the passage of every business period, which leaves no doubts as to the Bank's future prospects, whereby a conservative approach will be the basis for sustainable growth of its activities.

The Bank continues to prioritize quality when granting loans, further strengthening the focus on managing the current portfolio while providing additional services to our existing customer base. This means we believe strongly in gradually growing the portfolio, while our range of services will take an ever-increasing share of results within the area.

The foreign exchange department once again proved to be the Bank's flagship area. Asset origination services provided to institutional clients – with the same strict internal analysis parameters applied when choosing credit transactions for the Bank's own portfolio – now take an increasing share of the consolidated result.

The Basel Ratio stood at the comfortable level of 24.3% in June 2014, affording the Bank a substantial margin for available growth, but always backed up by rigorous analysis of quality assets.

Riviera Investimentos, the Bank's subsidiary fund management company, has now established itself as an important Group subsidiary, with around R\$ 6 billion under management, allocated between Equity Investment Funds (FIP), Private Credit Funds, Multimarket Funds (FIM), Overseas Investment Funds and Credit Receivables Investment Funds (FIDC).

BANCO PAULISTA is enhancing its commitment to strength, transparency and governance, the pillars that have supported the Bank's operational improvements and which will be essential in the constant search for efficiency.

MAIN INDICATORS

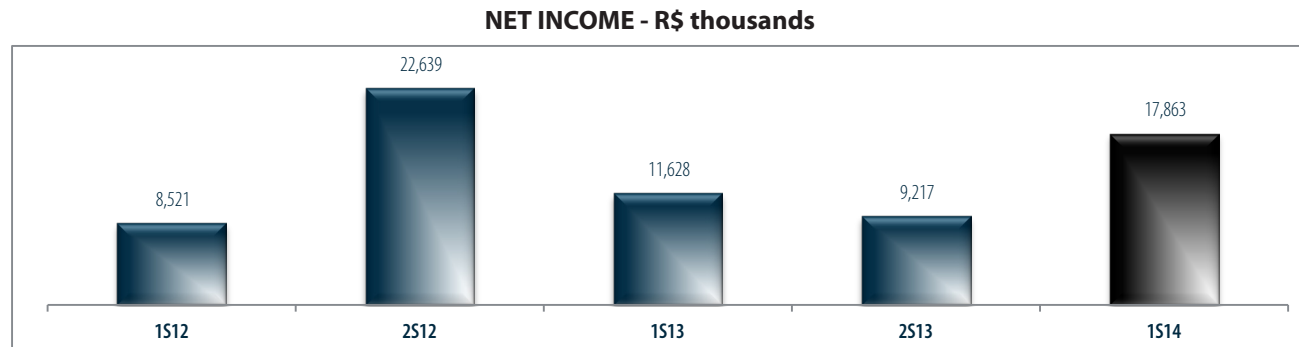
Main Indicators (R\$ thousands)	1S14	2S13	Var. (%)	1S13	Var. (%)
Result of Financial Intermediation	68,035	49,620	37.1%	61,055	11.4%
Operating Income	28,585	10,576	170.3%	18,450	54.9%
Net Income (Loss)	17,863	9,217	93.8%	11,629	53.6%
Shareholders' Equity	163,577	146,953	11.3%	144,964	12.8%
Total Assets	1,783,421	1,367,583	30.4%	1,647,645	8.2%
Total Credit Portfolio	256,999	235,815	9.0%	189,581	35.6%
Total Funding	1,142,760	945,312	20.9%	990,676	15.4%
Net Interest Margin (NIM) (% p.a.)	0.0%	0.0%	0.0 p.p.	0.0%	0.0 p.p.
Return on Average Equity (ROAE)	23.0%	12.6%	10.4 p.p.	16.5%	6.5 p.p.
Efficiency Ratio	62.9%	68.9%	-6.0 p.p.	61.3%	1.5 p.p.
Basel Ratio	24.3%	24.0%	0.4 p.p.	25.8%	-1.5 p.p.

PERFORMANCE

Net Income

Net Income stood at R\$ 17.9 million in 1S14, a substantial increase of 53.6% over the same period in 2013, providing further proof of the sustained operational improvement of BANCO PAULISTA and underlining the soundness and profitability of its traditional business areas.

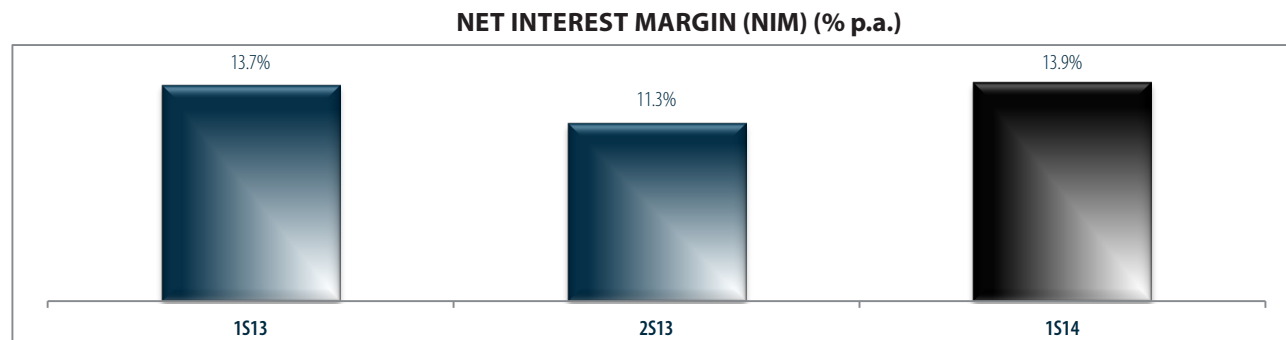
Profitability rose in practically all business lines of the Bank, the highlight being the income from securities and the gradual resumption of credit transactions.



Interest Margin

The annualized Net Interest Margin (NIM) stood at 13.9% in June/14, practically in line with 1S13 and up by 2.6 p.p. over the previous semester.

In comparison with 1S13, the NIM reflected the growth of 37.1% in income from financial intermediation and the more favorable mix of income-earning assets, which can be observed in the higher volume of assets with higher margins.



EFFICIENCY RATIO

The efficiency ratio ended the semester at 62.9%, against 68.9% in 2S13 and 61.3% in 1S13. Growth in revenues from financial intermediation, combined with management's efforts to control operating costs and expenses, meant that the ratio remained at interesting levels for the Bank. When compared to the previous semester, revenues rose by 10.3%, while expenses rose by a mere 0.7%. Dilution of fixed costs thanks to the increase in transactions points to efficiency gains in forthcoming semesters.

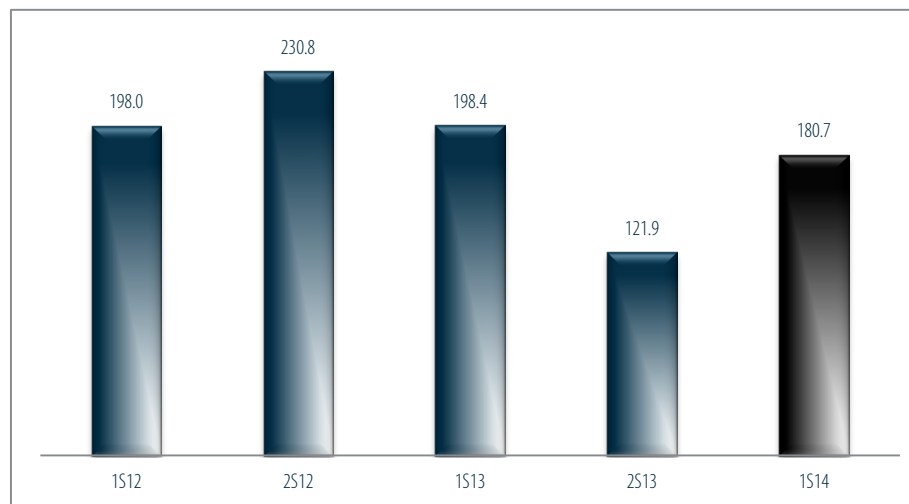
Efficiency Ratio (R\$ thousands)	1S14	2S13	Var. (%)	1S13	Var. (%)
Expenses	59,685	59,294	0.7%	61,643	-3.2%
personnel	24,471	24,109	1.5%	22,612	8.2%
administrative	27,626	28,881	-4.3%	30,551	-9.6%
tax	7,588	6,304	20.4%	8,480	-10.5%
Revenues	94,953	86,076	10.3%	100,537	-5.6%
result of financial intermediation	68,035	49,620	37.1%	61,055	11.4%
+ provision for doubtful debts	3,293	6,271	-47.5%	9,339	-64.7%
from services	23,625	30,185	-21.7%	30,143	-21.6%
Efficiency Ratio	62.9%	68.9%	-6.0 p.p.	61.3%	1.5 p.p.

LIQUIDITY

Distribution of Net Assets (R\$ thousands)	1S14	2S13	Var. (%)	1S13	Var. (%)
Cash and cash equivalents	262,488	250,356	4.8%	215,701	21.7%
Short-term interbank investments	71,624	102,089	-29.8%	93,404	-23.3%
Open Market Investments (net)	28,477	73,499	-61.3%	32,022	-11.1%
Investments in Interbank Deposits	43,147	28,590	50.9%	61,382	-29.7%
Securities and Derivatives (Trading Book - Available for Sale)	85,389	122,276	-30.2%	175,377	-51.3%
Interbranch Business (Net)	21,050	19,939	5.6%	19,845	6.1%
Total Net Assets	440,552	494,660	-10.9%	504,327	-12.6%

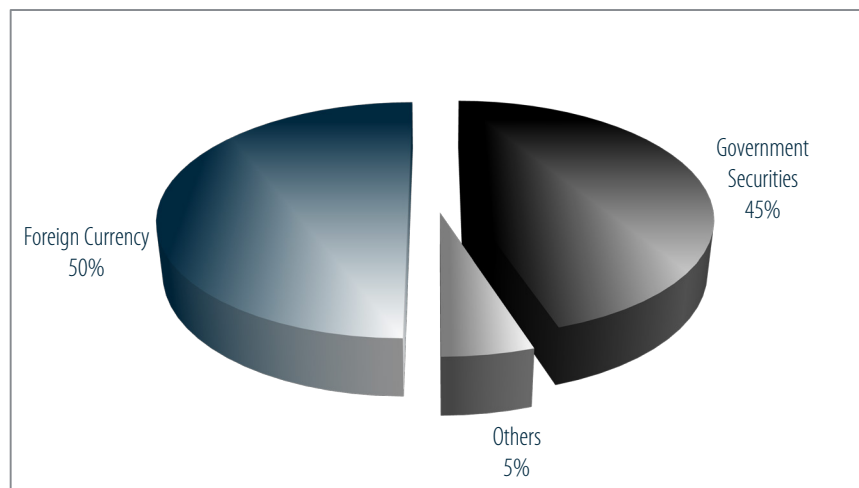
Net assets totaled R\$ 440.6 million in 1S14. Liquidity remains comfortable and sufficient for the Institution's requirements. Attention should also be drawn to the fact that BANCO PAULISTA also has access to additional liquidity through the Term Deposits with Special Guarantee mechanism (DPGE), amounting to R\$ 308,0 million, funds to which the bank has access as and when management deems it to be in its interest. In addition, the Bank has adopted a more conservative approach to renewing the current DPGEs, as these involve higher costs on account of the high level of liquidity they provide.

CASH GROWTH - R\$ thousands

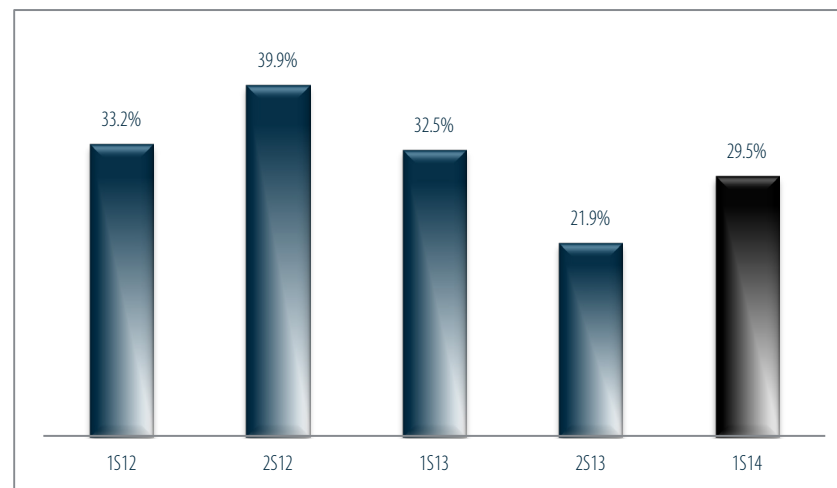


The Bank's cash position remained at comfortable levels at the close of the period, amounting to R\$ 180.7 million. This amount was primarily channeled to meeting the demand for short-term foreign exchange transactions. The cash position was divided 50.0% in foreign currency; 45.0% in government securities; and 5.0% in other investments.

BREAKDOWN OF THE CASH POSITION (June/14)



CASH / TOTAL DEPOSITS



BANCO PAULISTA also monitors its liquidity level using the ratio of the cash position to total deposits, which in 1S14 stood at 29.5%.

Asset and Liability Management

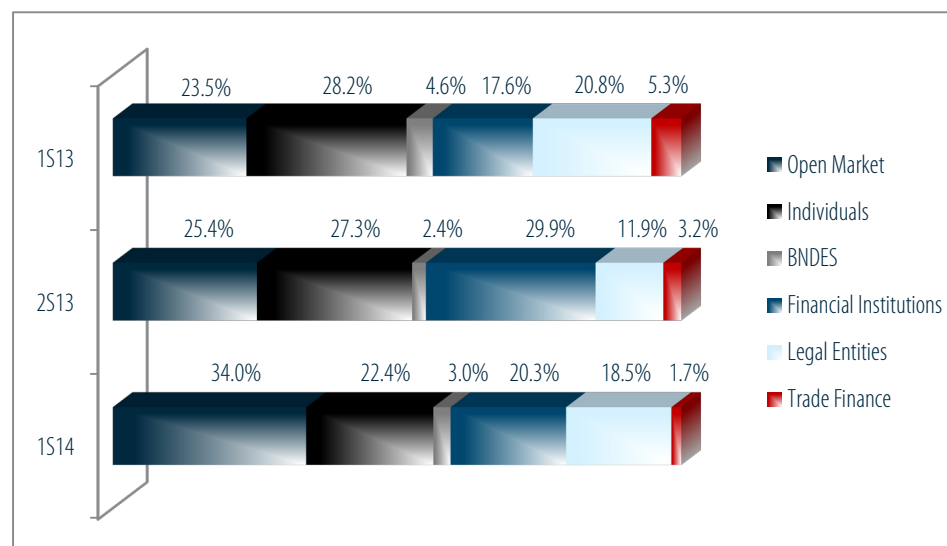
The Bank remains adequately matched in terms of assets and liabilities, enabling it to minimize exposure to occasional mismatches between rates and terms applied. The average maturity term of credit transactions is 198 days, while the average funding term is 411 days, excluding Treasury Bills, creating a positive gap of 213 days.

FUNDING

During 1S14, total funding stood at R\$ 1,142.8 million, growth of 15.4% in comparison with the same semester of the previous year, and 20.9% over 2S13. Management has changed the funding mix, allocating priority to transactions that are more attractive for the Bank. Given its very comfortable cash position, BANCO PAULISTA has been more selective in renewing its current funding portfolio, which is at a perfectly healthy level to address the institution's requirements, both in terms of maturities and volume.

Funding (R\$ thousands)	1S14	2S13	Var. (%)	1S13	Var. (%)
Call deposits	89,624	72,584	23.5%	106,494	-15.8%
Term deposits	512,033	448,353	14.2%	392,070	30.6%
Up to 1 year	247,042	234,664	5.3%	227,845	8.4%
Over 1 year	264,992	213,689	24.0%	164,225	61.4%
Interbank deposits	74,637	59,599	25.2%	87,849	-15.0%
Open market funding	388,628	239,681	62.1%	232,922	66.8%
Liabilities for overseas loans and on-lending	19,700	29,817	-33.9%	52,252	-62.3%
BNDES/FINAME on-lending	34,667	23,014	50.6%	45,892	-24.5%
DPGE	23,471	72,264	-67.5%	73,197	-67.9%
Total Funding	1,142,760	945,312	20.9%	990,676	15.4%

FUNDING



OPERATING HIGHLIGHTS

CREDIT PORTFOLIO

The outstanding credit portfolio balance stood at R\$ 257.0 million at the close of 1S14, growth of 35.6% in relation to the same period of 2013 and up by 9.0% in comparison with 2S13. The apparent high growth over 2013 can be attributed to the low comparative base, a period when market defaults were at a high level, when management took the decision to reduce credit transactions.

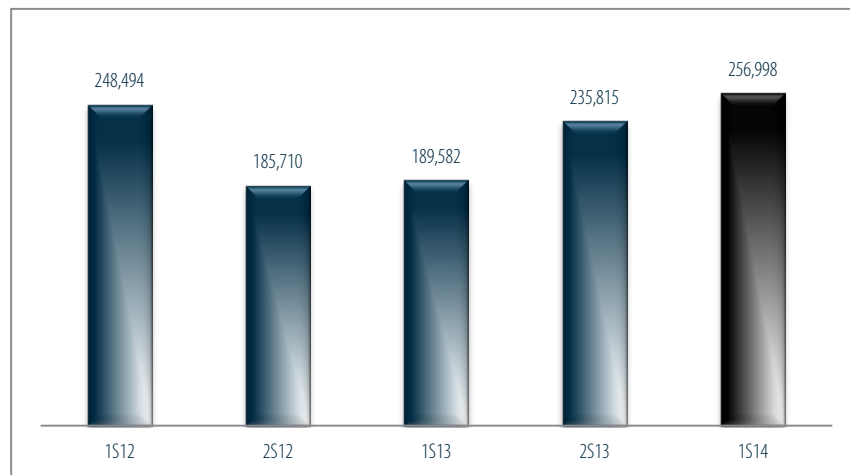
The Bank continues to emphasize quality when granting loans, concerning itself less with higher transaction volumes. This further strengthens the focus on managing the current portfolio and on providing additional services to the existing customer base. This underlines our strong belief in gradually growing the portfolio, while our range of services will take an ever-increasing share of results within the area.

Credit Portfolio (R\$ thousands)	jun/14	dec/13	Var. (%)	jun/13	Var. (%)
Middle Market	256,226	233,233	9.9%	186,734	37.2%
Loans	218,401	200,774	8.8%	175,411	24.5%
Bills Discounted	21,386	9,892	116.2%	4,725	352.6%
Financing	16,439	22,567	-27.2%	6,598	149.1%
Retail	772	2,582	-70.1%	2,848	-72.9%
Payroll-deductible loans + CDC – Others (*)	104	450	-77.0%	314	-67.0%
Vehicles	669	2,131	-68.6%	2,534	-73.6%
Total Assets	256,998	235,815	9.0%	189,582	35.6%
PDD – Middle Market	(13,227)	(10,884)	21.5%	(9,053)	46.1%
PDD – Retail Market	(288)	(469)	-38.5%	(903)	-68.1%
Total Net Assets	243,484	224,463	8.5%	179,626	35.6%
CDC (Assigned)	-	-	0.0%	5,368	-100.0%
PDD CDC (Assigned)	-	-	0.0%	(1,533)	-100.0%
Total Portfolio	243,484	224,463	8.5%	183,461	32.7%

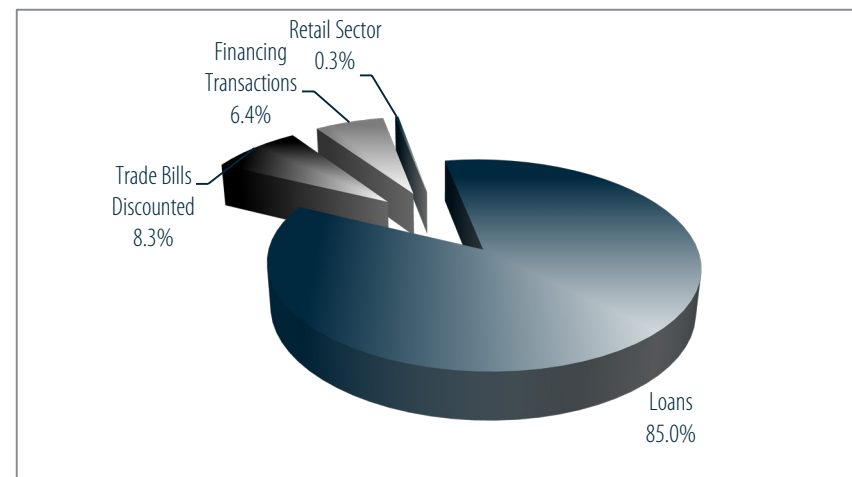
(*) Includes CDC, overdrafts, bills discounted and others.

The personal loan portfolio stood at R\$ 0.8 million (including CDC) at June 30, 2014, a drop of 72.9% in relation to 1S13. This decline reflects the Bank's strategy, namely the assignment of its CDC portfolio at the end of 2009, and a halt to new transactions of this nature.

EVOLUTION OF THE CREDIT PORTFOLIO – R\$ thousands



DISTRIBUTION OF THE CREDIT PORTFOLIO BY MODALITY



BANCO PAULISTA is still incurring CDC-related expenses, and this will prevail until the transactions assigned with co-obligation have matured. These expenses primarily involve pre-payments, provisions for doubtful loans, insurance and collection expenses. These expenses show a gradual decline, and they are expected to decline even more significantly by the end of the year, given the sharp reduction in the portfolio.

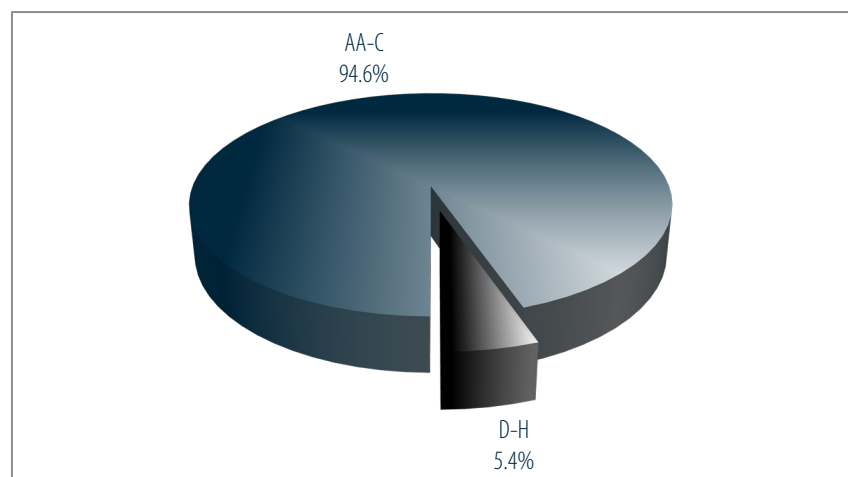
Loans

Loans via call account intended to meet companies' working capital requirements, with partial amortization of principal permitted at any time up to the final maturity date. These also consist of loans for no specific purpose under the following modalities: Bank Credit Notes, Commercial Credit Notes and Industrial Credit Notes. At the end of semester BANCO PAULISTA had a total loan portfolio of R\$ 218.4 million.

PORTFOLIO AND RISK LEVEL-BASED PROVISIONS

Classific.	(%) Provision Required	Past due	Outstanding maturities	Total Portfolio	(%) Relative share	Provisions Past due	Provision for Outstanding Maturities	Total Provision	Provisions Excl. CDC	CDC Provision
AA	-	-	-	-	0.0%	-	-	-	-	-
A	0.5	-	2,609	2,609	1.1%	-	13	13	12	1
B	1.0	104	94,517	94,621	40.1%	1	945	946	933	13
C	3.0	1,458	123,163	124,621	52.8%	44	3,695	3,739	3,733	6
D	10.0	213	1,210	1,423	0.6%	21	121	142	121	21
E	30.0	2,811	2,272	5,083	2.2%	843	682	1,525	1,482	43
F	50.0	1,562	2,149	3,711	1.6%	781	1,075	1,855	1,823	32
G	70.0	1,637	414	2,051	0.9%	1,146	290	1,436	1,374	62
H	100.0	442	1,254	1,696	0.7%	442	1,254	1,696	1,406	289
Total		8,228	227,587	235,815	100.0%	3,278	8,074	11,352	10,884	469

PORTFOLIO BY GROUPED RISK LEVELS



RATIO OF NON-PERFORMING LOANS (D-H Portfolio delinquencies) per Type of Client

	jun/14	dec/13	jun/13	jun/14 x dec/13	jun/14 x jun/13
Individuals	0.1%	0.2%	0.4%	0.0 p.p.	-0.3 p.p.
Businesses	2.1%	1.2%	1.7%	1.0 p.p.	0.4 p.p.
Total	2.0%	1.1%	1.5%	1.0 p.p.	0.6 p.p.

RATIO OF NON-PERFORMING LOANS (Portfolio more than 15 days past due) per Type of Client

	jun/14	dec/13	jun/13	jun/14 x dec/13	jun/14 x jun/13
Individuals	0.1%	0.2%	0.5%	-0.1 p.p.	-0.4 p.p.
Businesses	2.2%	1.2%	1.7%	1.0 p.p.	0.5 p.p.
Total	2.1%	1.1%	1.5%	1.0 p.p.	0.6 p.p.

CREDIT PORTFOLIO COVERAGE RATIO (*)

	jun/14	dec/13	jun/13	jun/14 x dec/13	jun/14 x jun/13
Total	231.34%	353.23%	246.55%	-121.9 p.p.	-15.2 p.p.

(*) Coverage ratio is calculated by dividing the balance of the provision for doubtful loans by the balance of transactions more than 90 days in default

FOREIGN EXCHANGE

Since 1.992 BANCO PAULISTA has operated in the spot and future currency markets in exports, imports, financial transactions and tourism (bank notes), a combination of the extensive variety of transactions existing in this department. It has arrangements with logistics companies, trading companies and international credit agencies. Its foreign currency centralizing banks are Bank of America Merrill Lynch, Commerzbank AG and Commerzbank AG, and it is also a member of SWIFT.

The principal relevant facts worthy of note in the foreign exchange area in the first semester of 2014 were:

- » Over 85,000 transactions, making a total amount of approximately US\$ 24.8 billion, representing growth of 35% in comparison with the previous semester;
- » For three years the Bank has been one of the 20 largest financial institutions in trading volume, and one of the 10 largest in the number of transactions, out of a total of 179 institutions authorized to operate in the foreign exchange market, having climbed three positions in relation to the previous period, from 19th position to 16th (Source: Brazilian Central Bank);
- » In the case of bank notes (imports, exports and distribution of foreign and domestic currency in cash), BANCO PAULISTA provides custody at cash delivery companies in around 56 cities strategically distributed across Brazil, with more than 135 active clients, which enabled it to trade an amount exceeding US\$ 2.8 billion in the period (growth of 40% over the previous semester), hoisting the Bank to the position of leader in this highly promising market.

The foreign exchange department of BANCO PAULISTA remains focused on the services segment, consolidating its excellent track record in structured transactions, thanks to proper investment and the support of the technology and business areas, plus the technical knowledge and effort of its entire staff complement, whether in over-the-counter (tourism) or (commercial) foreign exchange transactions.

SOCOPA – SOCIEDADE CORRETORA PAULISTA

A SOCOPA - CORRETORA PAULISTA, a full subsidiary of BANCO PAULISTA, operates on the domestic and international stock and commodities markets, in addition to brokering foreign exchange transactions for financial institutions, pension and investment funds and private and corporate investors. It also operates for private customers in general, providing personalized products such as investment clubs and managed portfolios, in addition to internet-based investments and home broker services through Socopa Home Broker, the first web site in Brazil to offer real-time stock exchange investments.

SOCOPA advises its clients when they close foreign exchange transactions with both BANCO PAULISTA and other financial institutions.

The equity pick-up from SOCOPA in 1S14 was R\$ 2.6 million, against income of R\$ 0.5 million in the same period of 2013 and a positive result of R\$ 0.6 million in 2S13.

SOCOPA ended the semester with R\$ 9.19 billion in funds under management, significant growth over the figure of R\$ 7.66 billion in 2S13.

ASSET MANAGEMENT AND CUSTODY SERVICES

Recent semesters have seen significant challenges for the funds segment in the principal market where BANCO PAULISTA and SOCOPA operate, namely credit funds (FIDC). This market segment shrank, while the new investments in custody services required for adapting to the new rules were very time-consuming and demanded much higher levels of investment than in previous years, which affected profitability in the first semester.

The benefits of adopting the new FIDC custody system are easy to see, representing greater productivity gains as well as a better quality service to meet the growing demand for this product, which should lead to higher profitability and a better position in relation to the competition.

The position in the FIDC segment remained sound, with R\$ 3.5 billion under custody and R\$ 3.0 billion under management. SOCOPA has bolstered its presence in the FIDC management segment, with the clear objective of diversifying the services it provides to customers.

It is worth pointing out that BANCO PAULISTA and SOCOPA held important positions in the 2013 ranking organized by Uqbar.

- » 1st place – FIDC Custodian by number of transactions (BANCO PAULISTA);
- » 1st place – FIDC Manager by number of transactions - consolidated (SOCOPA);
- » 4th place – Leader in CRI placements by number of transactions (SOCOPA).

RIVIERA INVESTIMENTOS

In 2011 BANCO PAULISTA invested in creating Riviera Investimentos (RIVIERA), an asset management subsidiary of the Bank whose focus is on meeting the demand from institutional investors for structured products. The difficulty in achieving actuarial targets has created the need for managers to look for fixed income assets with higher returns, a market of which Riviera is acclaimed for its knowledge.

In July 2014 the rating agency Standard & Poor's (S&P) granted a score of 3 to the AMP (Asset Manager Practices) of RIVIERA, which corresponds to "Practices considered GOOD" on the global scale used by S&P. This recognition is supremely important for Riviera as an asset management company with a relatively recent track record in the market.

Notwithstanding this short track record, worthy of note are the R\$ 6 billion under management achieved during the semester, allocated between Equity Investment Funds (FIP), Share Funds (FIA) and Multimarket Funds (FIM), Real Estate Funds (FII), Overseas Investment Funds, Credit Receivables Investment Funds (FIDC), Credit Funds and a range of Fixed Income Funds.

In recent months the management team has been bolstered by hiring professionals in the Fixed Income and Fund of Funds areas, two products that Riviera believes hold huge growth potential.

The next steps will concentrate on the roll-out of two real estate investment funds (FII) and an equity interest investment fund (FIP), while also increasing exposure to credit funds. The FIP fund involving logistic storage units is in the asset development phase while the overseas investment fund (FIM Mortgage) has shown consistent growth in profitability.

RATINGS

Moody's attributes the following ratings to BANCO PAULISTA:

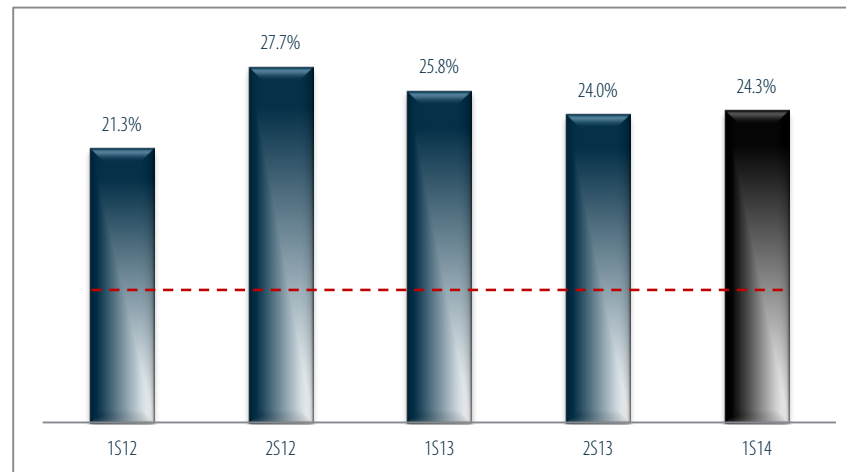
- » Banks Financial Strength: E+
- » Long-term Global Local Currency Deposits: B1
- » Short-term Global Local Currency Deposits: Not Prime
- » Long-term foreign currency deposits: B1
- » Short-term foreign currency deposits: Not Prime
- » Long-term national scale deposits in BR: Baa2.br
- » Short-term national scale deposits in BR: BR-3
- » Ratings outlook: Stable

Austin attributes the following ratings to BANCO PAULISTA:

- » Long-term credit rating: brBBB+
- » Short-term rating: brA-2
- » Ratings outlook: Estável

BASEL RATIO

As at June 30, 2014, the Basle Ratio as ascertained in accordance with Resolution 2.099, as amended by Resolutions 3.444 and 3.490, and Circular 3.360, stood at 24.3%, (24.0% in 2S13 and 25.8% in 1S13). The Bank is comfortable with its Basel Ratio, and there is sufficient leeway for leveraging its operations as and when management deems this appropriate.



EXTERNAL AUDIT

The financial information has been reviewed by Ernst & Young Terco, who issued an opinion on August 11 2014, with no reservations.

CONTACTS

São Paulo

Av. Brigadeiro Faria Lima, 1355 – 1st, 2nd, 3rd and 5th floors

Phone: (55 11) 3299-2000

Marcelo Varejão

Financial Analyst

Marcelo Guimarães

Head of Market Relations

EXHIBIT I – BALANCE SHEET

ASSETS – R\$ thousands	1S14	2S13	1S13
Current	1,498,727	1,186,444	1,329,496
Cash and cash equivalents	262,488	250,356	215,701
Interbank investments	383,878	222,516	260,740
Securities and derivative financial instruments	222,357	258,476	192,644
Interbank relations	22,439	20,743	20,879
Credit transactions	229,403	215,833	168,194
Foreign Exchange transactions	321,550	162,264	409,419
Other credits	55,209	54,768	60,728
Other valuables and assets	1,403	1,488	1,191
Long-term receivables	193,161	92,393	230,833
Securities and derivative financial instruments	85,690	-	132,018
Credit transactions	14,081	8,630	11,431
Other credits	93,390	83,763	87,384
Permanent assets	91,533	88,746	87,316
Investments	87,479	84,611	83,749
Fixed assets for use	2,942	3,031	2,714
Intangible assets	1,112	1,104	853
Total Assets	1,783,421	1,367,583	1,647,645

LIABILITIES - R\$ thousands	1S14	2S13	1S13
Current	1,312,777	955,291	1,227,665
Deposits	402,085	383,053	440,408
Open market funding	388,628	239,681	232,922
Acceptances and securities issued	42,511	44,610	-
Interbranch and interbank relations	34,346	24,626	13,632
Liabilities for loans and on-lending	54,377	52,898	98,144
Derivative financial instruments	1,448	-	-
Foreign Exchange portfolio	341,112	157,876	407,521
Other liabilities	48,270	52,547	35,038
Long-term liabilities	307,067	265,339	275,016
Deposits	209,825	172,968	169,715
Acceptances and securities issued	105	100	-
Other liabilities	97,137	92,271	105,301
Shareholders' Equity	163,577	146,953	144,964
Capital Stock – domiciled in Brazil	127,000	127,000	127,000
Capital reserve	97	97	97
Profit reserves	40,555	22,692	20,471
Mark-to-market – securities and derivatives (+/-)	(4,075)	(2,836)	(2,604)
Total Liabilities	1,783,421	1,367,583	1,647,645

EXHIBIT II – STATEMENT OF INCOME

Six-Month Statement of Income - R\$ thousands	1S14	2S13	Var. %	1S13	Var. %
Revenue from financial intermediation	123,728	101,461	21.9%	108,653	13.9%
Credit transactions	24,264	19,535	24.2%	17,264	40.5%
Income from securities	36,230	23,928	51.4%	31,359	15.5%
Income from derivative financial instruments	13,799	(5,576)	-347.5%	(4,593)	-400.4%
Income from foreign exchange transactions	49,435	63,574	-22.2%	64,623	-23.5%
Expenses with financial intermediation	(55,693)	(51,841)	7.4%	(47,598)	17.0%
Funding transactions	(49,612)	(38,525)	28.8%	(29,869)	66.1%
Loans and on-lending transactions	(2,788)	(7,045)	-60.4%	(8,390)	-66.8%
Provision for doubtful debts	(3,293)	(6,271)	-47.5%	(9,339)	-64.7%
Gross Income from financial intermediation	68,035	49,620	37.1%	61,055	11.4%
Operating revenues (expenses)	(39,450)	(39,044)	1.0%	(42,605)	-7.4%
Revenues from services rendered	23,625	30,185	-21.7%	30,143	-21.6%
Personnel expenses	(24,471)	(24,109)	1.5%	(22,612)	8.2%
Other administrative expenses	(27,626)	(28,881)	-4.3%	(30,551)	-9.6%
Tax Expenses	(7,588)	(6,304)	20.4%	(8,480)	-10.5%
Income from equity interests in associate companies and subsidiaries	2,960	818	261.9%	594	398.3%
Other operating revenues	3,735	10,386	-64.0%	8,026	-53.5%
Other operating expenses	(10,085)	(21,139)	-52.3%	(19,725)	-48.9%
Operating Income	28,585	10,576	170.3%	18,450	54.9%
Non-operating result	48	79	-39.2%	40	20.0%
Income before taxes and minority interests	28,633	10,655	168.7%	18,490	54.9%
Income and social contribution taxes	(10,770)	(1,438)	649.0%	(6,862)	57.0%
Provision for income tax	(3,325)	316	-1152.2%	(316)	952.2%
Provision for social contribution tax	(2,052)	202	-1115.8%	(202)	915.8%
Deferred fiscal assets	(4,453)	(1,471)	202.7%	(5,732)	-22.3%
Statutory profit sharing	(940)	(485)	93.8%	(612)	53.6%
Net Income (Loss)	17,863	9,217	93.8%	11,629	53.6%
Equity interest	-	-	-	(7,046)	-
Loss per 1000 shares - R\$	82.00	42.13	94.6%	53.17	54.2%

EXHIBIT III – STATEMENT OF CASH FLOW

Statement of Cash Flow - R\$ thousands	1514	2513	1513
Adjusted net income for the semester	22,744	16,560	23,128
Profit/loss for the semester	17,863	9,217	11,628
Adjustments for reconciling net loss to net cash	4,881	7,343	11,500
Provision for doubtful debts	3,293	6,271	9,339
Provisions for deferred income and social contribution taxes	4,453	1,471	5,732
Depreciations and amortizations	546	515	496
Equity income from subsidiaries	(2,960)	(818)	(594)
Reversal of operating provisions	(78)	-	(2,285)
Monetary restatement of funds received in advance for assigned retail credit transactions	-	225	545
Monetary restatements of court deposits	(396)	-	-
Provision for losses on retail transaction credits assigned with co-obligation	-	(6,799)	(3,226)
Provisions for civil, fiscal and labor contingencies	487	6,478	1,493
Provision for sureties given	674		
M-T-M Adjustments	(1,138)	-	-
Variance in assets and liabilities	137,358	1,142	(30,138)
Reduction (increase) in short-term interbank investments	(14,481)	12,614	(12,781)
Reduction (increase) in securities	(51,923)	50,888	(78,852)
Reduction (increase) in interbranch business	8,024	11,130	3,995
Reduction (increase) in credit transactions	(22,314)	(51,109)	(35,144)
Reduction (increase) in other credits	(173,411)	255,420	(140,485)
Reduction (increase) in other valuables and assets	85	(297)	1,260
Reduction (increase) in derivative financial instruments – (assets) liabilities	3,352	15,359	(16,129)
(Reduction) increase in other liabilities	183,190	(245,518)	136,212
(Reduction) increase in deposits	55,889	(54,103)	31,600
(Reduction) increase in liabilities for repo transactions	148,947	6,758	80,186
Net cash from operations	160,102	17,702	(7,010)

Statement of Cash Flow - R\$ thousands	1514	2513	1513
From investments			
Net cash (used) in investments	(474)	(1,127)	(466)
Acquisitions of fixed assets for use	(313)	(794)	(395)
Investments in intangibles	(191)	(402)	(112)
Investments	(9)		
Divestments	-	(44)	(48)
Divestments of fixed assets for use	39	113	89
From Financing			
Net cash generated (used) in financing	(615)	(7,531)	34,587
(Reduction) increase in proceeds from acceptances and securities issued	(2,094)	44,710	-
(Reduction) increase in obligations for loans and on-lending	1,479	(45,245)	34,587
Equity Interest	-	(6,996)	-
Increase in cash and cash equivalents	159,013	9,044	27,111
Cash and cash equivalents at the beginning of the semester	454,315	445,271	418,160
Cash and cash equivalents at the end of the semester	613,328	454,315	445,271
Increase in cash and cash equivalents	159,013	9,044	27,111