

Banco Industrial e Comercial S.A.

Financial Statements
June 30, 2015 and 2014

(A free translation of the original report in Portuguese prepared in
accordance with accounting practices adopted in Brazil)

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Independent Auditors' report on the financial statements

To
The Board of Directors and Shareholders
Banco Industrial e Comercial S.A.
São Paulo - SP

We have examined the individual and consolidated financial statements of Banco Industrial e Comercial S.A. (the "Bank"), which comprise the balance sheet as of June 30, 2015 and the statements of income, changes in equity and cash flows for the semester then ended, as well as a summary of the main accounting practices and other notes to the financial statements.

Management's responsibility for the financial statements

The Bank's Management is responsible for the preparation and adequate presentation of these individual and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil and for the internal controls that it considered necessary to enable the preparation of the financial statements free of material misstatement, regardless of whether caused by fraud or error.

Responsibility of the independent auditors

Our responsibility is to express an opinion on these financial statements based on our audit, conducted in accordance with Brazilian and international auditing standards. These standards demand compliance with ethical requirements by the auditors and that the audit is planned and conducted for the purpose of obtaining reasonable assurance that the financial statements are free of material misstatement.

An audit involves the performance of selected procedures in order to obtain evidence with respect to the amounts and disclosures presented in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement in the financial statements, regardless of whether caused by fraud or error. In the assessment of these risks, the auditor considers the relevant internal controls for the preparation and adequate presentation of the Bank's financial statements in order to plan the audit procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the effectiveness of its internal controls. An audit also includes the evaluation of the adequacy of the accounting practices used and the reasonableness of the accounting estimates made by management, as well as the evaluation of the presentation of the financial statements taken as a whole.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the individual and consolidated financial statements

In our opinion, the individual and consolidated financial statements above referred to fairly present, in all material respects, the financial position of Banco Industrial e Comercial S.A. as of June 30, 2015, and the results of its operations and its cash flows for the semester then ended, in accordance with accounting policies adopted in Brazil and applicable to the institutions authorized to operate by the Central Bank of Brazil.

Emphasis of a matter***Transfer of controlling interest***

As described in note 1 - Operations, as from the transfer of controlling interest in the Bank, which occurred on August 29, 2014, its operations are now conducted as part of the operations of its new controlling company which includes, in its business plan, the expectation of generating tax gains sufficient to realize the deferred tax assets and the minimum required regulatory capital limits. Our opinion does not contain any qualification with respect to this subject.

Other matters***Statement of value added***

We have also audited the individual and consolidated statements of value added, prepared under the responsibility of the Bank's Management, for the semester ended June 30, 2015, whose presentation is required by Brazilian corporate law for public companies. That statement has been subjected to the same audit procedures described before and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

São Paulo, August 11, 2015

KPMG Auditores Independentes

CRC 2SP014428/O-6

Original report in Portuguese signed by

Fernando Antônio Rodrigues Alfredo

Accountant CRC 1SP252419/O-0

Balance sheets

At June 30,2015 and 2014

(In thousands of Reals)

Note	BICBANCO		BICBANCO Consolidated	
Assets	2015	2014	2015	2014
Current assets	9,648,699	9,702,298	9,564,180	9,274,511
Cash and cash equivalents	4a. 226,753	301,376	228,310	303,136
Interbank funds applied	882,208	2,002,747	348,312	1,051,065
Money market	4b. 73,097	890,000	83,475	937,318
Interbank deposits	4c. 617,364	1,099,126	73,090	100,126
Foreign currency	4d. 191,747	13,621	191,747	13,621
Securities and derivative financial instruments	3,174,491	338,019	3,176,264	417,827
Own portfolio	5b. 1,399,243	118,717	1,402,347	190,522
Subject to repurchase commitments	5b. 1,150,885	43,012	1,150,885	43,012
Subject to Brazilian Central Bank	5b. -	-	-	-
Subject to guarantees	5b. 62,127	99,089	62,127	107,092
Derivative financial instruments	6b. 562,236	77,201	560,905	77,201
Interbank accounts	70,131	125,005	70,131	125,005
Unsettled payments and receipts	8,185	28,907	8,185	28,907
Restricted deposits:	7. 61,926	96,094	61,926	96,094
Brazilian Central Bank	20	4	20	4
Domestic correspondents				
Loans	3,760,833	5,583,104	4,065,581	5,826,777
Loans	8. 4,189,912	5,657,239	4,639,424	6,131,493
Public sector	122,775	158,741	122,775	158,741
Private sector	4,067,137	5,498,498	4,516,649	5,972,752
Loans linked to assignments	130,294	213,198	130,294	213,198
Allowance for loan losses	9. (559,373)	(287,333)	(573,843)	(304,716)
Lease operations	8l. -	-	103,513	160,578
Lease receivables - Private sector	-	-	123,161	170,671
Allowance for doubtful lease receivables	-	-	(19,648)	(10,093)
Other receivables	1,497,714	1,302,901	1,515,633	1,324,105
Guarantee and Sureties Honored	28,828	6,642	28,828	6,642
Foreign exchange portfolio	10. 1,294,407	1,101,602	1,294,407	1,101,602
Income receivable	13,107	12,582	13,087	12,582
Securities clearing accounts	11. 1,226	555	1,226	569
Other	283,185	239,483	301,163	260,679
Allowance for losses	9. (123,039)	(57,963)	(123,078)	(57,969)
Other assets	36,569	49,146	56,436	66,018
Prepayments	12b. 36,569	49,146	56,436	66,018
Noncurrent assets	5,655,806	5,287,974	5,571,062	5,558,059
Interbank funds applied	571,822	245,461	975	12,989
Interbank deposits	4c. 571,822	245,461	975	12,989
Foreign currency	4d. -	-	-	-
Securities and derivative financial instruments	1,657,606	1,504,026	1,610,418	1,437,252
Own portfolio	5b. 1,059,489	1,035,331	1,012,301	968,557
Subject to repurchase commitments	5b. 14,835	122,877	14,835	122,877
Subject to guarantees	4c. 150,757	-	150,757	-
Derivative financial instruments	6b. 432,525	345,818	432,525	345,818
Loans	1,571,479	2,081,342	1,943,412	2,404,065
Loans	8. 1,729,344	2,055,573	2,286,129	2,634,194
Public sector	25,708	103,896	25,708	103,896
Private sector	1,703,636	1,951,677	2,260,421	2,530,298
Loans linked to assignments	176,618	250,116	-	-
Allowance for loan losses	9. (334,483)	(224,347)	(342,717)	(230,129)
Lease operations	8l. -	-	52,686	141,187
Lease receivables - Private sector	-	-	65,077	151,201
Allowance for doubtful lease receivables	-	-	(12,391)	(10,014)
Other receivables	1,591,070	1,060,843	1,683,079	1,144,310
Foreign exchange portfolio	10. 1,495	-	1,495	-
Securities clearing accounts	-	-	-	-
Other	11. 1,603,159	1,062,784	1,695,192	1,146,257
Allowance for losses	9. (13,584)	(1,941)	(13,608)	(1,947)
Other assets	263,829	396,302	280,492	418,256
Other assets	12a. 317,889	383,087	329,151	390,762
Prepayments	12b. 15,975	40,677	26,335	55,595
Provision for devaluation of other assets	12a. (70,035)	(27,462)	(74,994)	(28,101)
Permanent assets	560,842	572,766	178,616	188,907
Investments	440,807	443,854	712	716
Investments in domestic subsidiaries	15. 440,097	443,141	-	-
Other investments	1,158	1,161	1,202	1,206
Provision for devaluation of investments	(448)	(448)	(490)	(490)
Fixed assets	118,262	125,987	119,181	127,092
Property for use	166,847	158,177	166,847	158,177
Other fixed assets	33,594	38,765	36,455	41,391
Accumulated depreciation	(82,179)	(70,955)	(84,121)	(72,476)
Intangible	1,773	2,925	58,723	61,099
Intangible assets	6,862	5,852	114,275	113,371
Accumulated amortization	(5,089)	(2,927)	(55,552)	(52,272)
Deferred charges	13d. -	-	-	-
Organization and expansion costs	43,866	43,886	43,866	43,886
Accumulated amortization	(43,866)	(43,886)	(43,866)	(43,886)
Total assets	15,865,347	15,563,838	15,313,858	15,021,477

See the accompanying notes to the financial statements.

Note	BICBANCO		BICBANCO Consolidated	
Liabilities	2015	2014	2015	2014
Current liabilities	11,465,973	7,591,423	11,145,626	7,224,667
Deposits	17a. 4,995,243	4,360,149	4,898,108	4,215,373
Demand deposits	173,928	227,086	170,620	222,854
Saving deposits	13,605	14,169	13,605	14,169
Interbank deposits	227,706	123,732	227,706	123,732
Time deposits	4,578,878	3,995,162	4,485,051	3,854,618
Foreign deposits	1,126	-	1,126	-
Money market repurchase commitments	18. 1,160,967	165,117	998,007	90,997
Own portfolio	1,160,967	165,117	998,007	90,997
Third parties portfolio	-	-	-	-
Debt securities	1,638,192	624,432	1,638,192	626,725
Resources from issued bills and notes	532,081	564,757	532,081	564,757
Real Estate Credit Bill	218,326	145,343	218,326	145,343
Agrribusiness bills	253,046	307,584	253,046	307,584
Financial bills	60,709	111,830	60,709	111,830
Funds from Debentures issued	20. -	-	-	2,293
Resources of exchange acceptance	19. 1,106,111	59,675	1,106,111	59,675
Securities issued abroad				
Interbank accounts	2,901	7,755	2,901	7,755
Unsettled payments and receipts	2,894	7,754	2,894	7,754
Domestic correspondents	7	1	7	1
Interbranch accounts	8,028	66,155	8,028	66,155
Third parties funds in transit	8,028	66,155	8,028	66,155
Internal transfers	-	-	-	-
Borrowings	21. 2,975,803	1,562,770	3,000,211	1,563,548
Foreign currency borrowings	2,975,803	1,562,770	3,000,211	1,563,548
Repass borrowings	22. 37,526	40,657	37,526	40,657
BNDES	-	-	-	-
Ministry of Agriculture - Funcafé	24,333	25,541	24,333	25,541
Ministry of City - PSH	13,193	15,116	13,193	15,116
Foreign currency repass borrowings	21. 229,414	337,730	229,414	337,730
Derivative financial instruments	6b. 3,397	1,380	3,397	1,380
Other liabilities	414,502	425,278	329,842	274,347
Tax Collection	2,382	15,727	2,752	15,889
Foreign exchange portfolio	10. 36,636	25,807	36,636	25,807
Social and statutory payables	914	914	914	914
Taxes and social security contributions	23. 24,973	37,579	42,330	51,972
Securities clearing accounts	4,875	748	4,875	756
Resources for specific destination - PSH	-	-	-	-
Subordinated debts	26. 14,446	9,561	14,446	9,561
Other	25. 330,276	334,942	211,621	155,139
Other - credit receivables investments fund's	-	-	16,268	14,309
Noncurrent liabilities	3,429,784	6,129,361	3,199,003	5,954,776
Deposits	17a. 1,131,636	3,177,325	1,073,653	3,145,064
Interbank deposits	424,489	176,636	424,489	176,636
Time deposits	707,147	3,000,689	649,164	2,968,428
Debt securities	211,228	967,538	211,452	967,735
Resources from issued bills and notes	151,841	141,044	151,841	141,044
Real Estate Credit Bill	63,815	45,114	63,815	45,114
Agrribusiness bills	29,176	39,134	29,176	39,134
Financial bills	58,850	56,796	58,850	56,796
Securities issued abroad	19. 59,387	826,494	59,387	826,494
Borrowings	21. -	4,711	-	4,711
Foreign currency borrowings	-	4,711	-	4,711
Repass borrowings	22. -	-	-	-
Ministry of Agriculture - FUNCAFÉ	-	-	-	-
Foreign currency repass borrowings	21. 26,901	193,255	26,901	193,255
Derivative financial instruments	6b. -	-	-	-
Other liabilities	2,060,019	1,786,532	1,886,997	1,644,011
Taxes and social security contributions	23. 624,185	569,777	664,050	627,644
Subordinated debts	26. 1,222,171	908,769	1,222,171	908,769
Other	213,663	307,986	776	3
Other - credit receivables investments fund's	25. -	-	-	107,595
Deferred incomes	27. 24,964	26,752	24,964	26,752
Shareholders' equity	28. 944,626	1,815,502	944,265	1,815,282
Total Paid-in Capital	2,012,810	2,012,810	2,012,810	2,012,810
Capital - Domestic	1,793,104	1,810,846	1,793,104	1,810,846
Capital - Foreign	219,706	201,964	219,706	201,964
Revenue reserves	-	8,659	-	8,497
Valuation Adjustments to equity	(18,773)	(7,525)	(18,774)	(7,525)
Net income of the period	(994,306)	(143,337)	(994,666)	(143,395)
(-) Treasury share	(55,105)	(55,105)	(55,105)	(55,105)
Total liabilities	15,865,347	15,563,838	15,313,858	15,021,477

Banco Industrial e Comercial S.A. and BICBANCO Consolidated

Statements of income

At June 30, 2015 and 2014

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

	Note	BICBANCO		BICBANCO Consolidated	
		2015	2014	2015	2014
Financial operations income		1,516,331	701,581	1,526,758	722,288
Loans	30a.	589,322	687,222	665,775	743,600
Leases		-	-	(1,972)	21,334
Securities	30b.	317,284	191,247	250,383	134,242
Derivative financial instruments	30c.	372,599	(152,605)	375,446	(152,605)
Foreign exchange transactions	30d.	237,003	(25,473)	237,003	(25,473)
Income from compulsory investments		123	129	123	129
Assignments of financial assets		-	1,061	-	1,061
Financial operations expenses		(1,733,006)	(682,449)	(1,697,316)	(654,287)
Deposits, money market and interbank funds	30e.	(923,503)	(427,822)	(906,127)	(415,615)
Borrowings and repasses	30f.	(303,319)	69,810	(308,359)	69,522
Derivative financial instruments	30c.	-	-	-	-
Foreign exchange transactions	30d.	-	-	-	-
Assignments of financial assets		(27,827)	(36,531)	(1,730)	(168)
Allowance for loan losses	9a.	(478,357)	(287,906)	(481,100)	(308,026)
Gross profit from financial operations		(216,675)	19,132	(170,558)	68,001
Other operating income (expenses)		(242,921)	(224,818)	(283,174)	(272,277)
Service fee income		26,470	30,040	34,237	36,081
Income from banking services		5,918	13,678	5,939	13,706
Personnel expenses	30i.	(98,776)	(102,116)	(107,620)	(110,539)
Tax	30k.	(12,933)	(24,893)	(17,967)	(29,391)
Equity earnings of subsidiaries	15.	3,341	10,583	-	-
Other administrative expenses	30j.	(65,582)	(81,719)	(81,726)	(96,192)
Other operating income	30g.	23,997	30,871	31,722	33,455
Other operating expenses	30h.	(125,356)	(101,262)	(147,759)	(119,397)
Operating result		(459,596)	(205,686)	(453,732)	(204,276)
Non operating result	30m.	2,792	(22,772)	1,864	(20,103)
Income before taxes		(456,804)	(228,458)	(451,868)	(224,379)
Income tax	29c.	(4,573)	(5,262)	(7,340)	(9,375)
Social contribution	29c.	(2,744)	(3,158)	(4,639)	(6,992)
Tax credit	29c.	195,951	101,408	195,860	105,218
Statutory profit sharing		-	(7,867)	-	(7,867)
Net income		(268,170)	(143,337)	(267,987)	(143,395)
Number of shares paid in (thousand)	28.	252,904	252,904		
Net income per share - R\$		(1.06)	(0.57)		

See the accompanying notes to the financial statements.

Banco Industrial e Comercial S.A. and BICBANCO Consolidated

Statements of changes in shareholders' equity

At June 30, 2015 and 2014

(In thousands of Reais)

	Note	Capital	Capital Increase	Tresuary Share	Revenue reserves		Valuation Adjustments to equity	Retained earnings	Total
					Legal	Statutory			
Adjusted Balances at January 01, 2014		1,434,206		(57,507)	78,538	508,725	(11,617)	-	1,952,345
Grant of Shares Held				2,402					2,402
capital increase with reserve			578,604		(75,487)	(503,117)			-
Valuation Adjustments to equity							4,092		4,092
Net income of the period							-	(143,337)	(143,337)
Distribution of income:									
Reserves	28d.				-	-	-	-	-
Balances at June 30, 2014		1,434,206	578,604	(55,105)	3,051	5,608	(7,525)	(143,337)	1,815,502
Changes in the period		-		2,402	(75,487)	(503,117)	-	4,092	(136,843)
Balances at January 01, 2015		2,012,810	-	(55,105)	-	-	(11,586)	(726,136)	1,219,983
Valuation Adjustments to equity							(7,187)		(7,187)
Net income of the period								(268,170)	(268,170)
Distribution of income:									-
Reserves	28d.				-	-	-	-	-
Balances at June 30, 2015		2,012,810	-	(55,105)	-	-	(18,773)	(994,306)	944,626
Changes in the period		-	-	-	-	-	(7,187)	(268,170)	(275,357)

Banco Industrial e Comercial S.A. and BICBANCO Consolidated

Cash flow

At June 30, 2015 and 2014

(In thousands of Reais)

Cash flow - Indirect method

	BICBANCO		BICBANCO Consolidated	
	2015	2014	2015	2014
Cash flow of operating activities				
Net income for the period	(268,170)	(143,337)	(267,987)	(143,395)
Adjustments to the net income	489,559	322,196	500,200	348,162
Provisions for loan losses	478,357	287,906	481,100	308,026
Depreciation and amortization	8,969	16,281	9,352	16,690
Grant of Shares Held	-	2,402	-	2,402
Provision & Reversal of Provisions	(3,312)	11,283	(1,746)	11,204
Civil, Labor and Fiscal Provisions	10,175	4,847	13,609	2,229
Equity earnings from subsidiaries	(3,341)	(10,583)	-	-
(Earnings)/Losses for selling of fixed assets	47	(36)	47	(36)
Losses for selling assets not for own use	(1,336)	10,096	(2,154)	7,647
Others	-	-	(8)	-
Adjusted net Income	221,389	178,859	232,213	204,767
(Increase) Decrease in interbank funds applied	101,393	(102,586)	(1,476)	10,100
Decrease in securities and derivative financial instruments	(590,046)	166,541	(540,696)	216,055
(Increase) Decrease in interbank/interbranch accounts	13,416	(70,205)	13,416	(70,205)
Increase in lending and leasing operations	717,604	436,310	729,296	335,946
Increase in other assets	(276,087)	(380,967)	(270,012)	(371,445)
Increase in deposits	(686,333)	315,952	(703,947)	311,891
(Increase) Decrease money market repurchase commitments	(585,485)	75,838	(616,637)	49,896
Increase in Other Liabilities	(78,744)	29,938	(28,611)	(1,372)
Decrease in deferred income	(1,136)	6,556	(1,136)	6,556
Net cash provided by (used in) operating activities	(1,164,029)	656,236	(1,187,590)	692,189
Cash flow of investing activities				
(Increase) Decrease in securities	13,735	(1,697)	21,340	(19,908)
Selling of assets not for own use	5,703	68,258	7,729	73,891
Disposal of investments	7	-	7	-
Selling of fixed and Lease assets	37	144	37	165
Investment in assets not for own use	(9,633)	(20,752)	(13,138)	(23,456)
Investments	(1,045)	-	(4)	-
Investment of fixed and Lease assets	(2,503)	(5,181)	(2,574)	(5,334)
Investment in intangible assets	(759)	(1,784)	(539)	(1,877)
Net cash provided by (used in) investing activities	5,542	38,988	12,858	23,481
Cash flow of financing activities				
Increase (decrease) in issuing of securities	72,020	(255,176)	72,034	(257,966)
Increase in borrowings and onlending resources	1,157,681	(380,872)	1,166,211	(384,196)
Increase in subordinated debts	156,964	(28,303)	156,964	(28,303)
Net cash provided by (used in) financing activities	1,386,665	(664,351)	1,395,209	(670,465)
Statement of cash variations	228,178	30,873	220,477	45,205
Cash at the beginning of the period	263,419	1,174,124	287,466	1,208,505
Cash at the end of the period	491,597	1,204,997	507,943	1,253,710
(Increase) decrease in cash and equivalents	228,178	30,873	220,477	45,205

See the accompanying notes to the financial statements.

Banco Industrial e Comercial S.A. and BICBANCO Consolidated

Statements of Value added

At June 30, 2015 and 2014

(In thousands of Reais)

	BICBANCO		BICBANCO Consolidated	
	2015	2014	2015	2014
Income	1,053,592	599,685	1,055,611	597,157
Financial intermediation	1,516,331	879,659	1,526,758	900,366
Fees for services rendered	32,388	43,718	40,176	49,787
Allowance for loan losses	(478,357)	(287,906)	(481,100)	(308,026)
Other	(16,770)	(35,786)	(30,223)	(44,970)
Financial intermediation expenses	1,254,649	572,621	1,216,216	524,339
Inputs acquired from third parties	103,243	88,619	118,684	103,160
Materials, energy and other	12,082	13,935	19,413	18,890
Third party services	24,096	33,071	30,763	39,992
Losses/Recovery of assets values	67,065	41,613	68,508	44,278
Gross value added	(304,300)	(61,555)	(279,289)	(30,342)
Allowance & Reversal of Provisions	8,969	16,281	9,352	16,690
Net value added produced by the entity	(313,269)	(77,836)	(288,641)	(47,032)
Value added received in transfer	3,610	10,818	269	235
Equity in earnings	3,341	10,583	-	-
Other	269	235	269	235
Value added to distribute	(309,659)	(67,018)	(288,372)	(46,797)
Value added to distribute	(309,659)	(67,018)	(288,372)	(46,797)
Personnel	83,286	94,672	90,748	101,800
Direct remuneration	68,342	80,241	73,696	85,394
Benefits	9,548	9,575	11,186	11,019
FGTS	5,396	4,856	5,866	5,387
Taxes, fees and contributions	(138,633)	(33,872)	(125,966)	(22,133)
Federal	(147,127)	(39,958)	(135,773)	(29,546)
State	247	290	421	533
Cities	8,247	5,796	9,386	6,880
Third-party capital compensation	13,858	15,518	14,834	16,931
Rents	13,858	15,518	14,834	16,931
Shareholder's equity compensation	(268,170)	(143,336)	(267,988)	(143,395)
Retained earnings/loss of the year	(268,170)	(143,336)	(267,988)	(143,395)

See the accompanying notes to the financial statements.

Notes to the financial statements

(In thousands of Reais)

1 Operational context

Banco Industrial e Comercial SA (BICBANCO) is a publicly listed company, incorporated on December 29, 1938 and authorized by the Brazilian Central Bank (BACEN) to operate as a Multiple Bank, developing its operations through commercial, investments, mortgage and foreign exchange.

Through its subsidiaries, the Bank acts in the markets of Leasing, credit, financing and investment, investment funds management, brokerage and dealing of securities and credit card administration. The Bank also has a 50% participation in a Joint Venture for operations in factoring and forfaiting markets.

BICBANCO, as intervener, has entered into an Agreement of Purchase and Sale of Shares, signed on October 31, 2013 between China Construction Bank Corporation (CCB) "Buyer", and its controlling shareholders "Sellers", for the purpose of direct and indirect acquisition by CCB, of the shares representing 72% of the total capital stock of the BICBANCO.

Having verified the precedent conditions, contractually provided for, among them the conclusion of a corporate reorganization, the release of a Brazilian Presidential Decree and, the Approval by the Brazilian Central Bank - Bacen in July 2014, the operation for transfer of control was completed on August 29th, 2014, with the acquisition of shares of Banco Industrial e comercial S/A-BICBANCO and its subsidiaries, by CCB Brazil Financial Holding Company - Investimentos e Participações Ltda (CCB Holding).

After the Extraordinary General Meeting of Shareholders, held on September 1st. 2014, the controlling shareholder "CCB Holding" elected three representatives to the Board of Directors of the Bank, being that, one of them shall be the President of the Board. On the same date, through Extraordinary Meeting of the Board of Directors under the guidance of CCB Holding, five new members of the Senior Management were elected, among them, one shall be the President of the Senior Management, two shall be Vice Presidents and two shall be non-specified Senior Managers. The approval from the Brazilian Central Bank occurred on March, 23rd. 2015 and took possession on May 26th. 2015. The Corporate Governance of BICBANCO shall be exercised by the members remaining from the previous Management, being three members of the Board of Directors and four members of the Senior Management, most of them as independent Managers.

Therefore, as of the transfer of control of BICBANCO its operations started to be conducted in the operational context of the new controller, including the consistency of internal policies & procedures, accounting estimates, the alignment of operating practices, the strengthening and addressing the funding costs, the repositioning of the income from financial intermediation towards the recovery of positive operating results, the maintenance of taxable income in sufficient levels to cover the balances of tax credits, the compliance with the minimum operating limits even also with issuance of instruments analogous to Capital. In this context lies: (a) the issuance of securities abroad in the amount of US\$ 300 million , approved by the Senior Management on June 22nd. 2015 , destined to fit as subordinated debt (Tier II Capital),

and (b) the development of a plan for capitalization through Tier I Capital - both actions to meet the future capital needs, such as determined by the Brazilian Central Bank for alignment with Basel III requirements, and matching to the commitment made by the new controller in its Business Plan for installation and operation in Brazil, which lies on the basic assumptions of adequate maintenance of capitalization of the Brazilian financial institutions. In addition to the actions above mentioned, in the six months ended June 30, 2015, it was raised from the controller abroad, the amount of R\$ 1,556,354 (US\$ 500 million), as disclosed in note 21.

In conformity with the regulation in force, CCB Holding submitted on September 1st. 2014, to the examination and approval by the Brazilian Exchange Commission - CVM, an application for a public offer to acquire all of BICBANCO's shares held by minority shareholders, towards the cancellation of its registering as a "listed Company" and remains awaiting for final approval from that authority.

2 Presentation of the Financial Information

a. Presentation of the financial statements

The Individual Financial Information of Banco Industrial e Comercial S.A. (BICBANCO-Multiple Bank), including the Overseas Branch, and the Consolidated Financial Information of Banco Industrial e Comercial S.A. and its subsidiary companies, credit receivable investment funds and the Joint Venture BRASILFactors - (BICBANCO CONSOLIDATED) - were prepared in accordance with the provisions of the Brazilian Corporate Law n° 6.404/76, the amendments introduced by Laws n° 11.638/07 and n°. 11.941/09; associated with the rules and instructions issued by the National Monetary Council (CMN), the Brazilian Central Bank (BACEN), and the Brazilian Securities Exchange Commission (CVM), as applicable.

Since 2008, the Brazilian "Comitê de Pronunciamentos Contábeis - CPC" has issued a number of pronouncements related to the process of convergence with international accounting standards, being that not all pronouncements has been ratified by BACEN. In this way, for the preparation of the financial statements, the following pronouncements already ratified by BACEN were adopted by BICBANCO:

- (a) CPC 01 - fair market value - Resolution CMN (National Monetary Council) n° 3566/08;
- (b) CPC 03 - statement of cash flow - Resolution CMN n°3604/08;
- (c) CPC 05 - exhibit on related party transactions - Resolution CMN n° 3750/09;
- (d) CPC 10 - payment based on shares - Resolution CMN n° 3.989/11;
- (e) CPC 25 - provisions, contingent assets liabilities and legal obligations - Resolution CMN n° 3823/09;
- (f) CPC 23 - Accounting policies & procedures, changes in estimation and correction of errors - Resolution CMN n° 4.007/11; and
- (g) CPC 24 - Subsequent Event - Resolution CMN n°. 3.973/11.
- (h) CPC Conceptual Basic Pronouncement- Resolution CMN n° 4.144/2013.

(i) CPC 33 – Employee benefits – Resolution CMN nº 4.424/15.

The financial statements were completed by the administration on February, 20th, 2014 and approved for release by the Board of Directors on August 14th, 2015.

b. Consolidated financial statements

The consolidated financial statements include BICBANCO MÚLTIPLO and its subsidiaries (as shown below), the Credit Receivables Investment Fund's (FIDC's) and proportionally "BRASILFactors" prepared in accordance with the consolidation principles of Law #11.638/07 and Law #11.941/09, the rules and standards enacted by the CMN and the CVM when applicable, which require the booking of Leasing operations by using the financial method with reclassification of "Fixed Assets for Leasing Operations" to "Lease Operations" accounts, deducted from the "anticipated residual value".

The Equity balances and results of operations among subsidiary companies were eliminated upon consolidation.

Investment - 2015	%
BIC Arrendamento Mercantil S.A.	100
BIC Distribuidora de Títulos e Valores Mobiliários S.A.	100
BIC Informática S.A.	100
BIC Administradora de Cartões de Crédito S/C Ltda.	100
Sul Financeira S.A. Crédito, Financiamento e Investimentos	100
Sul Financeira S.A Promotora de Vendas Ltda.	100
Sul Financeira Cobrança Ltda.	100
BrasilFactors (*).	50

(*) Proportionally consolidated

b.1 Credit Receivables Investment Fund's - FIDC

The information regarding the FIDC's - Corporate Credit Investment Funds I and II and Open Credit Investment Fund, were consolidated into the accounting, in compliance with the rules of CVM (the Brazilian Exchange commission), taking into consideration the Bank's condition of originator of the receivables ceded.

Beside those funds, it was also proportionally included in consolidated financial statements, the Investment Fund in Asset-Backed Securities "BrasilFactors Corporate Credit", whose subordinate quotas are entirely held by BrasilFactors (Joint Venture). The Investment Fund in Asset-Backed Securities "Corporate Credit I" was settled-down on April 17th, 2015.

The FIDC's were constituted in the form of CVM instruction no. 409/04, characterized as "closed condominium", from lending operations with indeterminate duration, having the BICBANCO subscribed the totality of subordinate quotas, whereas the senior quotas were subscribed by "qualified investors".

In the Individual Financial Statements (BICBANCO-MULTIPLO), the investment in subordinate quotas is registered under the heading "Noncurrent Assets - Securities and Derivative Financial Instruments - own Portfolio".

The FIDC's of BICBANCO presented the following equity positions on June 30, 2015 and 2014:

	Jun/2015	Jun/2014
Assets		
Cash and Cash Equivalents	12	18
Interbank funds applied	10,378	46,953
Federal Government Bonds	9,018	66,376
Credit Receivables	2,926	72,971
Allowance for Loans Losses	-	(7,907)
(-) Provision for other receivables	-	(1,127)
Other receivables	1	14
Total Assets	22,335	177,298
Liabilities		
Other Liabilities	78	196
Shareholders' Equity	22,257	177,102
Senior Quotas of BICBANCO's FIDC	16,268	83,296
Subordinated Quotas of BICBANCO's FIDC	5,989	93,806
Total liabilities	22,335	177,298

b.2 Investment in Joint Venture - BRASILFactors

On April 25, 2011, BICBANCO acquired 40% of the capital of BRASILFactors S.A, a joint venture in partnership with FIMBank PLC (40%) and the International Finance Corporation - IFC (20%). In the first quarter 2015, BICBANCO and FIMBank changed the percentage of shareholding BRASILFactors SA to 50% each, the management control also remains shared.

The main activities of the company are driven to factoring and forfaiting services, including the purchase of receivables in domestic and international market, having small and medium companies as target market.

b.3 Balance sheet of subsidiaries under direct control

As of June 30, 2015						
	BIC Distribuidora	BIC Arrendamento	Sul Financeira CFI	BIC Cartões	Others	
Total assets	19,013	436,655	1,104,663	35,531	31,977	1,627,839
Current and non-current assets	19,013	436,655	1,103,197	35,531	31,871	1,626,267
Cash and cash equivalentes	21	510	1,066	2,007	28	3,632
Interbank Investment	-	148,260	14,700	-	-	162,960
Securities and derivative financial instruments	18,570	93,927	-	22,938	25,274	160,709
Loans	-	-	639,803	-	2,934	642,737
Leasing operations	-	156,200	-	-	-	156,200
Other receivables	422	32,988	419,688	10,586	3,538	463,502
Other assets	-	4,770	31,660	-	97	36,527
Permanent assets	-	-	1,466	-	106	1,572
Total liabilities	19,013	436,655	1,104,663	35,531	31,977	1,627,839

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Current and non-current liabilities	1,471	220,239	970,833	25,959	25,779	1,244,281
Deposits	-	168,936	946,186	-	-	1,115,122
Debentures issued	-	-	224	-	-	224
Borrowings and Repasses	-	-	-	-	24,407	24,407
	-	-	-	-	445	445
Other liabilities	1,471	51,303	24,423	25,959	927	104,083
Shareholders' equity	16,921	214,454	134,806	8,241	5,795	380,217
Net income of the period	621	1,962	(976)	1,331	403	3,341

As of June 30, 2014

	BIC Distribuidora	BIC Arrendamento	Sul Financeira CFI	BIC Cartões	Others	
Total assets	17,538	542,622	1,134,590	30,181	11,461	1,736,392
Current and non-current assets	17,538	542,622	1,132,449	30,181	11,359	1,734,149
Cash and cash equivalents	15	1,969	704	2,269	1,017	5,974
Interbank Investment	-	69,020	5,100	-	-	74,120
Securities and derivative financial instruments	17,149	136,439	14,243	18,617	5,827	192,275
Loans	-	-	549,670	-	2,821	552,491
Leasing operations	-	301,764	-	-	-	301,764
Other receivables	374	27,530	529,869	9,295	1,641	568,709
Other assets	-	5,900	32,863	-	53	38,816
Permanent assets	-	-	2,141	-	102	2,243
Total liabilities	18	431	1,178,869	33	29	1,691
Current and non-current liabilities	1,212	318,394	1,001,555	22,833	6,576	1,350,570
Deposits	-	253,005	978,467	-	-	1,231,472
Debentures issued	-	-	197	-	4,585	4,782
Borrowings and Repasses	-	-	-	-	778	778
Other liabilities	1,212	65,389	22,891	22,833	1,213	113,538
Shareholders' equity	15,891	219,291	127,314	7,332	5,411	375,239
Net income of the period	435	4,937	5,721	16	(526)	10,583

b.4 Reconciliation of net income and Shareholders' Equity of BICBANCO and BICBANCO CONSOLIDATED

	Jun/2015	Jun/2014
Net income of BICBANCO	(268,170)	(143,337)
MTM from Securities of related parties - 2014	183	(58)
<u>Net income of BICBANCO-Consolidated</u>	<u>(267,987)</u>	<u>(143,395)</u>

	Jun/2015	Jun/2014
Shareholders' Equity of BICBANCO	944,626	1,815,502
MTM from Securities of related parties - 2014	183	(58)
MTM from Securities of related parties - prior year	(544)	(162)
Consolidated Shareholders' Equity	944,265	1,815,282

3 Description of significant accounting policies

a. Statement of income

Income and expenses are recorded on accrual basis.

b. Accounting estimates

The preparation of the financial statements in accordance with accounting practices adopted in Brazil requires that the Management use its judgment in determining and recording accounting estimates. Significant assets and liabilities subject to these estimates and assumptions include: the allowance for doubtful loans, the technical studies to estimate the periods for tax credits realization, the assessment of liabilities and contingencies for its provisions, impairment of assets and derivative financial instruments.

The actual amounts required to settle these transactions may be different from the amounts estimated due to the lack of precision inherent in the estimation process. BICBANCO reviews the adequacy of the estimates and assumptions at a minimum, every three months.

c. Currency of the financial statements, foreign currency

The financial statements are presented in "Brazilian Real" (R\$), which is the BICBANCO's functional currency.

The monetary assets and liabilities denominated in foreign currency have been converted into Brazilian Reais at the foreign exchange rate effective as of the date of the balance sheet, as released by the BACEN, being that, the relevant exchange variations are recognized in profit & loss of the period.

In relation to the overseas branch, since it essentially is an extension of the activities of Brazil, the assets, liabilities and results are adapted to the accounting practices used by BICBANCO and were converted into Brazilian Reais by the use of exchange rate at the balance sheet date. The result of exchange rate variations is recorded in the relevant accounts which originated them, in the income statement.

d. Cash and cash equivalents

Cash and cash equivalents comprise liquid assets in local or foreign currency, open-market investments, inter-bank investment deposits and own portfolio of securities, generally with maturities of less than 90 days at acquisition, with insignificant risk of changes in their fair value in case of early redemption.

e. Current and non-current assets

e.1 Interbank funds applied

These assets are recorded *at cost*, including accrued income as of the reporting date.

e.2 Securities and derivative financial instruments

Securities

According to the Brazilian Central Bank rules (Circular 3.068/01), the classification and evaluation of securities are defined as follows:

Trading securities - Securities acquired for the purpose of being actively and frequently traded are adjusted to their market value, with the corresponding entry recorded in profit or loss for the period;

Securities available for sale - Securities that are not available for trading or held to maturity are adjusted to their market value with unrealized gains and losses recorded in shareholders' equity, net of any tax effects;

Securities held to maturity - Securities acquired for which the Bank has the intention and financial ability to be held as part of its portfolio until maturity date. These securities are measured at acquisition cost, plus income earned. Interest income is recognized in profit or loss.

e.3 Derivative financial instruments

Derivative financial instruments are generally measured at fair value, with unrealized gains and losses recognized in profit or loss for the period, except those described in note 6b1a.

e.4 Credit operations and allowance for credit losses

The Loans are classified by level of risk, taking into consideration the overall economic situation, the past experience and the specific risks of the operation, the debtors and guarantors, in line with the parameters established by Resolution 2682/99 of BACEN (the Brazilian Central Bank), which requires a continuous review of the portfolio and its classification in nine levels, being AA the lower risk and H, potential loss, according to the Management's judgement.

As of September 1st. 2014, aiming to align the internal policies & procedures for classification and assignment of ratings to the practices of the new Controller, based on the regulations of Resolução #2682 of BACEN, the provisioning for doubtful loans takes into consideration the following aspects, deemed as significant:

- a) Greater emphasis on the weighting of the financial situation of the companies, prevailing over other elements taken into account in the analysis of the risk;
- b) Revision of the importance attributed to the guarantees offered by the clients, in the improvement of their ratings;
- c) Revision of minimum time as limits for down grade in ratings, when arising from delay in payments;
- d) Reduction of the minimum reference for down grade in ratings, for attribution to the entire "economic group" when arising from delay in payments;
- e) Immediate reclassification of risk (down grade), in transactions with companies in "Judicial Reorganization" (a legal frame for insolvent companies), regardless of the stage of that process.

Finally, the Management considered as necessary the repositioning of the main elements considered in economic analysis of its clients and to adopt these rules in calculating the

allowances for loan losses, complying with the minimum required by Resolução 2682/99 from BACEN.

The income from credit operations in arrears for more than 60 days, will only be recognized as income when effectively received, regardless of their risk classification.

Overdue loans classified as “H” are retained in this category for six months. After that, they are written off as losses and monitored by five years, in off-balance sheets accounts no longer in equity accounts. The provision for loan losses, meets the minimum requirements established by the above mentioned Resolution, as shown in the explanatory “Note 9c - Composition of provision by risk levels”.

e.5 Assets not for own use

Assets not in use are recorded on the basis of evaluation report prepared by specialized companies. The base date of this record is the actual receipt of the goods and, consequently, the settlement of the transaction. Profits or losses incurred in sales are recognized in the income statement of the period. The assets not for own use are subject to annual review of impairment or whenever there is indication of depreciation of its value.

e.6 Other current and non-current financial assets

They are measured at net value of realization.

f. Permanent assets

f.1 Investments in subsidiaries are valued by the equity method. The goodwill in investments resulting from the estimated profitability is amortized based on estimated profits from the acquired company.

f.2 Fixed assets, stated at cost, are depreciated using the straight line method based on annual rates that take into consideration the useful lives of the assets, as follows: property - 4%, fixtures, fittings, communication systems and facilities - 10%, data processing system and vehicles - 20%.

f.3 Intangible assets comprise “Software”, which are stated at cost and amortized using the straight-line method, utilizing a depreciation rate of 20% per annum.

f.4 “Deferred Charges” comprise investment and acquisition of software and benefits on third parties’ real estate, incurred through December 31, 2008, with an annual amortization rate of 20% or by the term of the contracts. According to “Resolução BACEN nº3617/08”, these expenses should remain in the balance sheet up to its full amortization.

g. Current and non-current liabilities

Current and non-current Liabilities are stated at contractual or estimated amounts, including charges, monetary variation and foreign exchange variation on a daily pro rata basis.

Income tax and social contribution are recorded in “Other liabilities - Tax and social security contributions” calculated on the book income adjusted by additions and exclusions, at the rate of 15%, plus a surcharge of 10% above a determined limit for income tax, and 15% on the income before income tax for social contribution. The deferred Income Tax and Social contribution are

registered in the account “Other Liabilities - Others”.

h. Contingencies and legal obligations

The recognition, measurement and disclosure of contingent asset and liabilities and legal obligations is performed in accordance with CMN - Resolution nº 3823/09.

Contingent assets - are not recognized in the books unless there is a favorable judicial decision, for which no appeals are admitted, and unless the probability of realization of the the contingent is practically assured. Contingent assets with a likely success of realization are disclosed in a note to the Financial Statements (note 24). BICBANCO has no contingent assets for which realization is deemed probable.

Contingent liabilities - have accounting recognition when, based on the opinion of the Bank’s management and its legal advisors, the chance of loss is deemed. Cases where the likelihood of loss is considered possible are simply disclosed in a note to the Financial Statements (note 24).

Legal obligations – recognized, regardless of the evaluation of the loss probability during the course of the judicial proceeding.

i. Financial assets selling or transfer - Credit assignment

A financial asset is writed-off when the contractual right to its cash flows expires or, in the case of saling or transfer.

According to the BACEN Resolution No. 3.533/08, the sale or transfer of a financial asset can be classified into three categories:

- ***Operations with substantial transfer of risks and benefits***

Transactions in which the seller substantially transfers all risks and benefits of the financial asset, such as: (i) unconditional sale of financial asset (ii) sale of financial asset together with repurchase option at fair value, of the asset at the time of repurchase, (iii) sale of financial asset together with the option of buying or selling, the exercise of which is unlikely to occur.

- ***Operations with substantial retaining of risks and benefits***

Operations in which the seller substantially retains all the risks and benefits of the financial asset, such as: (i) the sale of financial asset together with a commitment to repurchase the asset at a fixed price or sale price plus any income, (ii) contracts for securities lending and securities, (iii) sale of a financial asset in connection with swap of the rate return that transfers the full exposure to market risk to the seller, (iv) sale of financial asset together with the option of buying or selling which is likely to occur, (v) sale of receivables for which the seller guarantees to compensate the buyer for losses that may occur, or whose sale has occurred in connection with the acquisition of subordinated quotas of the buyer Investment Fund (FIDC).

- ***Operations without substantial transfer or retaining of risks and benefits***

Operations in which the Bank (the seller) neither transfer nor retains the substantial risks and benefits of the financial asset.

The assessment of the transfer or retaining of risks and benefits of the financial assets is made on the basis of a consistent and verifiable criterion, using as methodology the comparison of the exposure before and after the sale or transfer, with regard to the variation of the present value of expected cash flows, associated with financial asset discounted by the appropriate market interest rate.

j. Value added statements

BICBANCO prepared individual and consolidated statements of value added (DVA) in compliance with the “Technical Pronouncement CPC 09” (the Brazilian “Accounting Pronouncements Committee), which are presented as additional information to this financial statements.

4 Cash and cash equivalents and Interbank funds applied

a. Cash and cash equivalents

	BICBANCO		BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014	Jun/2015	Jun/2014
Cash and cash equivalents	1,712	6,056	1,713	6,058
Foreign currency investments, abroad (*)	225,041	295,320	226,597	297,078
Total	226,753	301,376	228,310	303,136

(*) Of the total consolidated deposits abroad in foreign currencies, R\$ 201,799 (Jun 2014 R\$ 246,990) is remunerated at average rate of 0.06% p.a. (Jun 2014 - 0.08% p.a.).

b. Money market

	BICBANCO		BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014	Jun/2015	Jun/2014
Maturity				
Due up to 30 days	73,097	890,000	83,475	937,318
Total	73,097	890,000	83,475	937,318

c. Interbank deposits

	BICBANCO		BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014	Jun/2015	Jun/2014
Maturity				
Due up to 30 days	201,950	252,848	1,826	2,913
From 31 to 90 days	120,504	220,301	30,696	46,613
From 91 to 360 days	294,910	625,977	40,568	50,600
Over 360 days	571,822	245,461	975	12,989
Total (*)	1,189,186	1,344,587	74,065	113,115

d. Foreign currency

	BICBANCO and BICBANCO CONSOLIDATED	
Maturity	Jun/2015	Jun/2014

Due up to 30 days	191,747	13,621
Total	191,747	13,621

5 Securities

a. The Bank's policy

The securities are valued, as to their distribution, upon acquisition and the portfolio formed is valued at every semi-annual reporting date. BICBANCO has the intention and the financial capacity to hold the securities classified as "held to maturity" until their maturity dates.

b. Composition of securities by type and category

	BICBANCO consolidated					BICBANCO		
	No Maturity.	Up to 90 days	91 to 360 days	Over 360 days	Total book value I	Accrued cost value	Market Value	Total book value II
Securities for trading	1,706	27,492	284	2,585,877	2,615,359	2,613,670	2,615,359	2,606,266
Own portfolio	1,706	27,492	-	1,373,149	1,402,347	1,400,657	1,402,347	1,393,254
Financial Treasury Bills	-	27,416	-	1,373,120	1,400,537	1,400,553	1,400,537	1,391,519
National Treasury Notes-B	-	76	-	-	76	75	76	-
National Treasury Notes-C	-	-	-	29	29	28	29	29
Variable income portfolio	1,706	-	-	-	1,706	1	1,706	1,706
Subject to repurchase agreements	-	-	-	1,150,885	1,150,885	1,150,885	1,150,885	1,150,885
Financial Treasury Bills	-	-	-	1,150,885	1,150,885	1,150,885	1,150,885	1,150,885
Subject to guarantees	-	-	284	61,843	62,127	62,128	62,127	62,127
Financial Treasury Bills	-	-	284	-	284	285	284	284
National Treasury Notes-B	-	-	-	61,843	61,843	61,843	61,843	61,843
Securities available for sale	-	-	-	1,045,533	1,045,533	1,076,823	1,045,533	1,045,533
Own Portfolio	-	-	-	879,941	879,941	906,751	879,941	879,941
National Treasury Bills - B	-	-	-	879,941	879,941	906,751	879,941	879,941
Linked to Repurchase commitments	-	-	-	14,835	14,835	15,513	14,835	14,835
National Treasury Bills - B	-	-	-	14,835	14,835	15,513	14,835	14,835
Linked to Repurchase commitments	-	-	-	150,757	150,757	154,559	150,757	150,757
National Treasury Bills - B	-	-	-	150,757	150,757	154,559	150,757	150,757
Securities held to maturity	-	-	-	132,360	132,360	132,360	129,002	185,537
Own portfolio	-	-	-	132,360	132,360	132,360	129,002	185,537
National Treasury Notes-B	-	-	-	83,889	83,889	83,889	80,531	83,889
Quotas - FIDC	-	-	-	48,471	48,471	48,471	48,471	101,648
Total in Jun/2015	1,706	27,492	284	3,763,770	3,793,252	3,822,853	3,789,895	3,837,336
Total in Jun/2014	14,385	153,536	49,879	1,214,260	1,432,060	1,345,538	1,396,498	1,419,026

(*) Total of transactions in connection to guarantees R\$ 212,884 (Jun 2014 - R\$ 107,092) being the amount of R\$ 137,966 (Jun 2014 - R\$ 74,537) related to deposited margins as guarantees in transactions involving derivative financial instruments, according to explanatory note nº6b5.

The government securities are registered in the Special System for Settlement and Custody (SELIC) of the Brazilian Central Bank, and the corporate bonds in the Clearing House for the Custody and Settlement of Securities (CETIP). The stocks are registered in the Brazilian Company for Settlement and Custody (CBLC) and the FIDCs quotas, are controlled by the Fund Administrators.

The market value of securities was gathered on the basis of the *unit prices*, disclosed by ANBIMA on the balance sheet date.

The shares that comprise the variable income portfolio were adjusted based on the average negotiated quotation on the last business day, or in the absence of such, on the last quotation available in the stock exchange. The remaining securities were valued at BM&FBOVESPA market rates; the investment funds by the value of quotas released by the administrator.

c. Composition of securities by indexer

BICBANCO CONSOLIDATED

Jun/2015

	Selic	IPCA	Others	Total
Shares	-	-	1,706	1,706
Funds	-	-	48,471	48,471
Financial Treasury Bills	2,551,705	-	-	2,551,705
National Treasury Notes (NTN-B)	-	1,191,341	-	1,191,341
National Treasury Notes (NTN-C)	-	-	29	29
Total	2,551,705	1,191,341	50,206	3,793,252

BICBANCO CONSOLIDATED

Jun/2014

	Dollar	Selic	CDI	IPCA	Others	Total
Shares	-	-	-	-	1,570	1,570
Deposit Certificates	-	-	4	-	-	4
Debentures	-	-	44,465	-	-	44,465
Funds	12,815	-	-	-	22,795	35,610
Eurobonds	13,535	-	-	-	-	13,535
Financial Treasury Bills	-	93,615	-	-	-	93,615
National Treasury Notes (NTN-B)	-	-	-	1,243,218	-	1,243,218
National Treasury Notes (NTN-C)	-	-	-	-	43	43
Total	26,350	93,615	44,469	1,243,218	24,408	1,432,060

6 Derivative financial instruments portfolio

a. Financial instruments - “CVM Instruction nº 475/08 and Deliberation 550/08”

The carrying value of the financial instruments registered in the balance sheet is close to that which could be obtained by negotiation in the market, or in its absence, close to the present

value of adjusted cash flows calculated using the prevailing market interest, except for Loans and Lease operations.

The market value of Loans was calculated on the basis indexes available in the market and in accordance with the characteristic of each operation.

The market values of Interbank Deposits and “pre-fixed” Time Deposits and Debentures were calculated by using the discounted cash flows of the operations based on the market interest rate published by the Brazilian Futures and Commodities Exchange.

The securities issued abroad had the market value calculated on the basis of the values available at feeder released by Bloomberg screen.

The estimated fair values on December 31, 2014 were gathered by using the available market information and the usual methodology of pricing: the evaluation of the nominal value until the maturity date and the discounted present value of future market rates, published in the bulletins of the Stock Exchange Securities, Commodities and Futures Exchange - BM & F or other market sources.

These estimates of fair values presented are not necessarily indicative of values that the institution and its subsidiaries could achieve in the market. The use of different assumptions or valuation methodologies may differ from the estimated fair value amounts presented herein, in view of the need of considerable portion of judgment in the interpretation of market information and its liquidity.

The principal financial instruments recorded in equity accounts, compared to the above-referenced market value, are as follows:

	BICBANCO		BICBANCO consolidated	
	Jun/2015		Jun/2015	
	Book value	Fair value	Book value	Fair value
Assets				
Securities	3,837,337	3,833,979	3,793,253	3,789,895
Derivatives (net)	994,761	994,761	993,430	993,430
Loans and Lease Operations	7,739,974	8,083,785	8,630,755	8,974,566
Liabilities				
Interbank Deposits	652,195	656,110	652,195	656,110
Time Deposits	5,286,025	5,352,701	5,134,215	5,200,891
Derivatives	3,397	3,397	3,397	3,397
Securities issued abroad	1,166,114	1,166,793	1,166,114	1,166,793
Subordinated debt	1,240,935	1,393,304	1,240,935	1,393,304

	BICBANCO		BICBANCO consolidated	
	Jun/2014		Jun/2014	
	Book value	Fair value	Book value	Fair value
Assets				

Securities	1,419,026	1,406,207	1,432,060	1,396,498
Derivatives (net)	423,019	423,019	423,019	423,019
Loans and Lease Operations	9,620,905	10,040,034	10,535,786	10,365,353
Liabilities				
Interbank Deposits	300,368	300,516	300,368	300,516
Time Deposits	6,995,851	7,260,666	6,823,046	7,087,861
Derivatives	1,380	1,380	1,380	1,380
Securities issued abroad	886,169	889,325	886,169	889,325
Debentures	-	-	2,293	2,293
Subordinated debt	918,330	1,037,623	918,330	1,037,623

b. Derivatives

b.1 The adopted policy for the use of derivatives

The Bank engages in traditional derivative operations, which aim at meeting the clients' needs, and also aim at executing its risk management policy as a way of minimizing the risks arising from commercial and financial operations. Its objective is to mitigate the exposure to market variables which impair assets and liabilities of the Bank. In view of this, the Bank designates hedge operations to protect the cash flow and mitigate risks from the variability of exposures.

The derivative instruments traded are acquired for two basic functions:

Trading - as an instrument to contract own portfolio and of derivatives risk management traded with clients which aim at managing market risks resulting from the volatility of floating interest rates, exchange rates and asset prices.

Hedge - for the realization of hedge of structural portfolio;

The derivatives that compose the Bank's Trading Book have their risks measured, have their limits and own strategies that encompass all the operations intended to hedge other elements of the trading book. Strategically, the limits of the Trading Portfolio are quite lower than those of the Banking Portfolio and there is no positioning which come to be accepted beyond those defined by the Policy. At every operation with a client, the conditions of hedging with counterparty are immediately evaluated, giving revenues for the Bank in its unique role of intermediary. The calculation of risk for this portfolio is daily performed and reported to the Committee of Treasury. Any breach of limits is promptly assessed and necessarily originate containment measures.

For the Banking Portfolio, the Bank uses "Hedge" as a defensive strategy to avoid the risks caused by the variation of prices and rates in certain positions or in the future, through the offset between the results produced by items objects of hedge and the financial instruments used in protection. Avoiding losses, a Hedging transaction also eliminates the possibility of gains, being its economic objective the transfer of inherent risks in the operations to another agent in opposite position.

The derivative financial instrument is widely used to protect assets and liabilities, assumed commitments and future transactions, both for variations caused by changes in interest and exchange rates and prices, and to ensure the achievement of forecasted cash flows.

Derivatives serves as a fundamental function in the management and risk control, to the extent that matches risks with greater effectiveness. The derivatives enable the pricing of transactions and redistribution of the main inherent risks, granting the movement of capital between the

different markets and creating new opportunities of business with the consequent increase and diversification of portfolios.

The contracts negotiated with costumers in Brazil refer to derivative transactions of Swaps and Future Market, registered at BM&FBOVESPA SA (BM&F) or CETIP. Future contracts involving interbank rates and US\$-BM&F are mainly used to hedge the exchange rate variation of the investment in the Cayman Branch and to lock the financing rates of loans provided to clients with mismatched terms and currencies of the resources used for this purpose. Operations made abroad are performed with derivative contracts NDF (Non Deliverable Forward) with the objective of accounting hedge foreign funds.

b.2 *Protection of foreign exchange exposures*

BICBANCO enters into Swap and NDF's operations to hedge its obligations of securities issued abroa, to protect the foreign exchange risk and coupon of operations against currency fluctuations by the use of economic hedge for these operations.

b.3 *Risk management*

BICBANCO operates with derivative financial instruments as a part of the range of products offered to its clients and to meet its own necessity related to the management of market risks which arise, principally, due to the normal mismatches between currencies, interest rates, indices and terms of its asset and liability operations. The derivative financial instruments represent future commitments to swap currency or index, or to purchase and sell financial assets on dates and previously established contractual terms.

BICBANCO has the policy of minimizing exposure to market risks consistent with its main business purpose, which is the granting of loans. Risk management is performed directly by upper management through instruments previously tested and evaluated.

The strategy of exchange risk management for capital invested abroad is to prevent impacts on income derived from exchange variation. In order to achieve this goal, exchange risk is neutralized and the investments are remunerated in Reais (R\$) through the use of derivative financial instruments.

b.4 *Strategies and parameters used for risk management for each market operation strategy*

The main risk factors of the derivatives contracted at March 31, 2015 are related to exchange rate, interest rate, dollar and variable income coupon, which aim to maximize the return-risk ratio, even in circumstances of high volatility. The risk management control of the portfolios is performed through the use of systems, such as: VaR, Profitability and Liquidity Risk.

b.5 *Criteria for valuation and measurement, methods and assumptions used in the determination of the market value*

Normally, the quoted prices at the stock exchange are the best ones to give a parameter of the Market Fair Value of the Financial Instruments. However, not all instruments have market liquidity or quotations. The valuation of these instruments requires the use of estimates using present value and other pricing techniques. To obtain these market values the following criteria are adopted:

Futures and Forward: quotations on stock exchanges;

Swap: it is used the cash flows of each part discounted to the present value, according to the interest curves, obtained through BM&FBOVESPA, and/or in the market prices of public securities for the operations of Brazil, and in the prices of international exchanges for operations abroad, whenever applicable;

- **Options:** statistical models that incorporate the behavior of the price of the asset, purpose of the contract, interest, the price of exercising and the spot price of the commodities.

b.6 Recording of the values

The balances of these operations are recorded in equity and memorandum accounts, in accordance with the specific rules issued by the Brazilian Central Bank.

The derivative instruments are classified, according to Management's intention of using them as "Hedge" or not, according to Bacen-Circular no. 3.082 /02 and its subsequent updates.

The operations with financial instruments, by request of customers, or that do not meet the criteria of Hedge (mainly derivatives used to manage the overall risk exposure), are accounted by the market value, with the realized and unrealized gains and losses recognized directly in the statement of income.

Specifically for Hedge of the Market Risk - The financial assets and liabilities, as well as their financial instruments are accounted at market value with the realized and unrealized gains and losses recognized directly in the statement of income.

The result of these operations is shown in Note 30.c.

The Outstanding Operations at June 30, 2015 have the following characteristics:

BICBANCO CONSOLIDATED						
Reference Value						
Net Position of Assets and Liabilities contracts						
	Differential receivable	Differential payable	Maturing within 3 months	Maturing between 3 and 12 months	Maturing 12 months	Total
Swap contracts						
Interbank market	1,283	-	4,978	(1,121,890)	(428,969)	(1,545,881)
Foreign currency	947,454	456	1,230	1,122,272	429,338	1,552,840
Shares BICB4	4,648	-	7,234	-	-	7,234
Prefixed	-	621	(13,442)	(382)	(369)	(14,193)
Subtotal	953,385	1,077	-	-	-	-
Market value adjustment	31,937	(99)	-	-	-	-
Total	985,322	978	-	-	-	-
NDF contracts						
Forward for buying - NDF	5,707	853	48,648	59,270	-	107,918
Forward for selling - NDF	2,401	1,187	(92,641)	(79,562)	-	(172,203)
Subtotal	8,108	2,040	-	-	-	-
Flexible Options contracts						
Flexible Options - buying	-	-	-	-	139,585	139,585
Flexible Options selling	-	379	(14,332)	-	-	(14,332)
Subtotal	-	379	-	-	-	-
Total	993,430	3,397	-	-	-	-

Future contracts

Buy – Interbank market	-	-	-	-	-	-
Sell - Interbank market	-	-	(223,886)	(211,684)	(3,774,106)	(4,209,676)
Buy - IND	-	-	1,614	-	-	1,614
Buy-DDI-Coupon Exchange	-	-	30,814	103,446	-	134,260
Sell-DDI-Coupon Exchange	-	-	(49,616)	(16,791)	-	(66,407)
Buy - foreign currency	-	-	59,011	-	-	59,011
Sell – foreign currency	-	-	(224,576)	-	-	(224,576)

Outstanding Operations at June 30, 2014 have the following characteristics:

Reference Value						
Net Position of Assets and Liabilities contracts						
	Differential receivable	Differential payable	Maturing within 3 months	Maturing between 3 and 12 months	Maturing 12 months	Total
Swap contracts						
Interbank market	3,605	75	23,075	(238,540)	(1,102,830)	(1,318,295)
Foreign currency	363,442	-	(29,669)	195,354	1,095,485	1,261,170
Shares BICB4	13,386	-	7,054	43,619	8,502	59,175
Prefixed	-	7	(460)	(433)	(1,157)	(2,050)
Subtotal	380,433	82	-	-	-	-
Market value adjustment	38,158	(6)	-	-	-	-
Total	418,591	76	-	-	-	-
NDF contracts						
Forward for buying - NDF	234	1,259	-	-	-	-
Forward for selling - NDF	4,194	3	-	-	-	-
Subtotal	4,428	1,262	-	-	-	-
Sale of flex-options	-	42	-	-	-	-
Subtotal	-	42	-	-	-	-
Total	423,019	1,380	-	-	-	-
Future contracts						
Sell - Interbank market	-	-	(72,970)	(452,883)	(262,872)	(788,725)
Buy-DDI-Coupon	-	-	3,317	97,094	-	100,411
Sell-DDI-Coupon Exchange	-	-	(13,210)	-	-	(13,210)
Buy - foreign currency	-	-	12,907	-	-	12,907
Sell - foreign currency Exchange	-	-	(133,453)	-	-	(133,453)

The swap operations are registered in the Futures and Commodities Exchange (BM&FBOVESPA) and in the Clearing House for the Custody and Settlement of Securities (CETIP). The operations performed in the future market are registered in the Futures and Commodities Exchange (BM&FBOVESPA). The adjustments related to differences to pay or to receive are recorded in assets or liabilities accounts with the differential recognized monthly in the balance sheets.

Guarantees given for transactions involving derivative financial instruments comprise the following:

BICBANCO and BICBANCO CONSOLIDATED					
Paper	Due Date	Jun/2015		Jun/2014	
		Book value	Market value	Book value	Market value
National Treasury Notes-B	08/15/2014	-	-	71,850	71,850
Financial Treasury Bills – LFT	09/07/2014	-	-	2,687	2,687
National Treasury Notes-B	08/15/2016	137,966	137,966	-	-
Total		137,966	137,966	74,537	74,537

b.7 Sensitivity - Qualitative and quantitative information on the Derivative Financial Instruments

The Sensitivity Analysis presents operations involving financial instruments registered in the Bank's equity accounts, maintained for the administration and hedge of its market risk exposure, especially in times of braking of the historical standards.

The Committee of Treasury defines a set of scenarios containing a combination of prices and interest rates in an environment of crisis and taken to the area of risk management for simulation.

For the elaboration of the chart below, the following assumptions were taken into consideration:

- (i) the values of the trading portfolio (Trading Book) and of the transactions from the business lines of the Bank as well as its relevant Hedges (Banking Book), were calculated for each one of the three scenarios;
- (ii) for each one of the risk factors, the largest possibility of losses was chosen and, on this value, a defined "increase or decrease" hypothesis was applied;
- (iii) Finally, the losses corresponding to each pertinent scenario were obtained.

The following scenarios do not necessarily reflect the risk management of the institution nor are associated with its accounting practices. The stress models can present a very extreme situation, distant from the usual business environment of the Bank.

Summary of assumptions for each scenario:

For each portfolio, the direction (increase or decrease) was chosen that maximizes the loss for each risk factor. The parallel displacement curves were kept, i.e. a dislocation of + 1,000 basis points means that across the forward curve there was a 10% increase at current rates.

Scenario 1 - Probable Situation, reflects the perception of the Bank in relation to the scenario with highest probability for a three month horizon, considering macroeconomic factors and market information (BM & F Bovespa, ANBIMA, CETIP).

Scenario 2 - Occasional situation. Assumptions used: parallel shock of 25.0% for the risk variables, based on market conditions observed on 03/31/2015 taking into consideration the worst losses by risk factor, not incorporating the dynamics of relationships between macroeconomic variables.

Scenario 3 - Occasional situation. Assumptions used: parallel shock of 50% for the risk variables, based on market conditions observed on 03/31/2015 and taking into consideration the worst losses by risk factor, not incorporating the dynamics of relationships between macroeconomic variables.

Risk Factor Assumptions -Trading Portfolio					
	Prefixed rate R\$	US\$ Coupon	US\$ Spot	BM&F Bovespa	Inflation
Scenario 1	+ 1000 basis points	+ 1000 basis points	10% increase	10% decrease	10% increase
Scenario 2	+ 2500 basis points	+ 2500 basis points	25% increase	25% decrease	25% increase
Scenario 3	+ 5000 basis points	+ 5000 basis points	50% increase	50% decrease	50% increase

The scenarios presented in the table above, reflect a decline in the macroeconomic expectations: interest rates (prefixed and exchange coupon) increase sharply (10%, 25% and 50%), the Brazilian Stock Exchange inflation rates decrease, facts which reflect on the indices and indexed contracts.

The scenarios in the table below (Banking Portfolio) also reflect a decline in macroeconomic expectations in the sense that maximizes the loss for each risk factor of this portfolio. Toward this, interest rates (pre) increase sharply (10%; 25% and 50%), there is a substantial parallel displacement of the curves of exchange coupon, the exchanges rates increase, the Brazilian stock market falls, the inflation increases, reflecting on ratios and indexed contracts.

Risk Factor Assumptions -Banking Portfolio					
	Prefixed rate R\$	US\$ Coupon	US\$ Spot	BM&F Bovespa	Inflation
Scenario 1	+ 1000 basis points	+ 1000 basis points	10% increase	10% decrease	10% increase
Scenario 2	+ 2500 basis points	+ 2500 basis points	25% increase	25% decrease	25% increase
Scenario 3	+ 5000 basis points	+ 5000 basis points	50% increase	50% decrease	50% increase

The results deriving from the losses calculated in the scenarios for the “Trading and Banking portfolios”, are shown in the chart below:

Trading Portfolio			
Results for the Risk Factors - in thousand of Reais			
Risk Factor	Scenario 1	Scenario 2	Scenario 3
USD and USD Cupom	(549)	(1,375)	(2,758)
Prefixed rate in R\$	(785)	(1,932)	(3,772)
Shares And Indexes	(162)	(404)	(807)
Inflation	-	1	(2)
Total Loss	(1,496)	(3,710)	(7,339)

Banking Portfolio			
Results for the Risk Factors - in thousand of Reais			
Risk Factor	Scenario 1	Scenario 2	Scenario 3
USD and USD Cupom	(63,339)	(160,100)	(324,484)
Prefixed rate in R\$	(6,155)	(10,817)	(8,442)
Shares And Indexes	(1,486)	(3,703)	(7,372)
Inflation	(6,894)	(16,969)	(33,085)
Total Loss	(77,874)	(191,589)	(373,383)

The risk factors are:

US\$ Coupon – Comprises all products that present price variations connected to variations of the US dollar and of the interest rate in dollars.

Prefixed rate in Reais- Comprises all products that present price variations in the interest rate variations denominated in Reais.

Shares and Indexes - Comprises shares and indexes of stock exchanges, shares and options linked to share indexes.

Inflation - It refers to all products whose price variation is linked to the variations in inflation coupons and inflation indexes.

For the calculation purposes the assumptions of a confidence interval of 95% for the VaR calculation and a timeframe of 10 days to exit the position were adopted.

The sensitivity analysis disclosed has certain limitations. The economic impact on an occasional interest rate fluctuation could not necessarily represent a material accounting gain or loss for the Institution. The specific combination of price that determines each scenario is an arbitrary decision. The signs of the historical correlations between assets were not necessarily considered and even the chosen scenarios were observed in the past.

The accounting of the Banking portfolio Instruments, mostly evaluated “by the market”, do not necessarily follow the “curve contracted”. They do not differ from the derivative financial instruments of the Trading portfolio, subject to fluctuations in their accounting records, resulting from the “marking to market” procedures.

The results presented in the table for the “*Banking Portfolio*”, designed with a drop in interest rates and rising inflation (in opposite direction of the common sense), could give the impression of high sensitivity to volatility. However, the presented table does not consider the correlations between different factors of risk. This analysis ignores the correlation between “pre-fixed” rates and the “CDI” (Interbank Deposit Rate standard) or, in other words, the losses with fixed rates in this model, are not offset by gains with “CDI”. In addition the results presented in the table for the “*Banking Portfolio*”, designed with a drop in interest rates and rising inflation, in opposite direction of the common sense.

Likewise, in the “chart of sensitivity”, the interest rates and foreign exchanges were considered as non-correlated. The limitations of scenarios analysis also involve the mark-to-market of the Bank’s positions, contradicting the decisions of the Management, to keep its positions, especially the foreign liabilities, as “held to maturity”. Although the balances of the loans, in these cases, represent the balances calculated by the curves, their respective “Hedges” are marked to market. This may lead the reader to misinterpretation, since even the losses of the derivatives were calculated regardless of those objects of the Hedge.

b.8 Fair value effects

The effects of the fair value net of tax in the period on the “SWAP” transactions are presented below:

BICBANCO consolidated	
Fair value reversal on prior fiscal year	(3,112)
Fair value effects in the period	18,125
Net income in June 30, 2015	15,013

(*) The gross amount in 2015, before tax is R\$ 30,211.

BICBANCO consolidated	
Fair value reversal on prior fiscal year	(19,046)
Fair value effects in the period	22,654
Net income in June 30, 2014	(3,608)

(*) The gross amount in 2014, before tax is R\$ 37,757.

b.9 Accounting Hedge

As of the first half year 2015, seeking protection against exposure to changes in foreign exchange coupon of funding in foreign currency, BICBANCO entered into swap operations (USDxCDI) in CETIP , with similar values, terms and rates, and classified this structure as accounting hedge of market risk . The effectiveness figured for the hedge portfolio complies with the provisions of Bacen Circular No. 3082 of January 30th. 2002

On June 30, 2015 the hedging structure is represented as follows:

BICBANCO and BICBANCO CONSOLIDATED				
	Hedge instrument		Hedge object	
	Nominal value	Adjustment to market value (*)	Book value	Adjustment to market value (*)
Hedge funds raised abroad	621,621	660	621,316	544

(*) Recorded as Income from securities and derivative financial instruments.

7 Interbank accounts - Deposits at the Central Bank

	BICBANCO and BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014
Compulsory Deposits on demand deposits	51,789	86,906
Compulsory Deposits on saving deposits (*)	5,594	7,935
Micro-finance destination of resources	4,543	1,253
Total	61,926	96,094

(*) For revenues generated on compulsory deposits, see note nº 30g.

8 Loans

a. Diversification by type of operation

	BICBANCO		BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014	Jun/2015	Jun/2014
Working capital and discounts	3,538,993	5,098,497	3,576,106	5,188,458
Secured accounts	108,058	758,900	108,058	758,900
Consigned personal credit (*)	93,072	15,358	783,162	800,496
Compror	292	9,537	292	9,537
Corporate Checks	6,925	56,880	6,925	56,880
Import financing	1,039,116	480,492	1,039,116	480,492
Export financing	505,832	583,093	505,832	583,093
Rural and agro-industrial financing	92,272	59,337	92,272	59,337
Real estate and housing	2,236	2,047	2,236	2,047
Financing of machinery and heavy vehicles	54,058	106,766	54,058	106,766
Resolution 63 (current Resolution 3.844)	9,482	6,638	9,482	6,638
Vendor	-	3,110	-	3,110
Personal/consumer credit	97,628	163,404	376,722	341,181
Loans linked to assignments	306,912	463,314	-	-
Others	371,292	368,752	371,292	368,752
Loans	6,226,168	8,176,125	6,925,553	8,765,687
Guarantees and Sureties Honored	28,828	6,642	28,828	6,642
Debtors through purchase of assets	131,907	152,136	134,003	154,615
Purchased Credits	-	3,966	-	3,966
Notes and credits receivable	225,441	176,990	226,504	177,958
Advances on export contracts (**)	1,127,630	1,105,046	1,127,630	1,105,046
Other receivables	1,513,806	1,444,780	1,516,965	1,448,227
Leases	-	-	188,238	321,872
Total	7,739,974	9,620,905	8,630,756	10,535,786

- (*) BICBANCO Consolidated includes loans ceded before the issuing of BACEN Resolution nº 3533 to the FIDC as follows:
- working capital and discounts in the amount of R\$ (Jun/2014 - R\$ 7,907).
 - Sul Financeira S/A - CFI portfolio in the amount of R\$ 383,178 (Jun/2014 – 386,755) and loans to individuals in the amount of R\$ 279,094 (Jun/2014 R\$ 177,777) .
 - It was also added, taking into consideration a proportionality, working capital and discounts from the joint venture BrasilFactors in the amount of R\$ 3,034 (Jun/2014 - R\$ 2,836) and credits of FIDC BrasilFactors in the amount of R\$ 34,079 (Jun/2014 – 14,286) totaling R\$ 699,385 (Jun/2014 - R\$ 578,722).
- (**) BICBANCO Consolidated includes loans linked to assignment under BACEN Resolution nº 3533, distributed according to the type of operations which have originated the credit as follows:
- FIDC in working capital and discounts, in the amount of R\$ - (Jun/2014 - R\$ 64,930) ;
 - Sul Financeira S/A consigned payroll loans to individuals in the amount of R\$ 306,912 (Jun/2014 - R\$ 398,383) totaling R\$ 306,912 (Jun/2014 - R\$ 463,314).
- (***) The transactions of “Advances on Export Contracts - ACC” are recorded in “Other liabilities - Foreign exchange portfolio”. Income receivable on advances granted is recorded in “Other receivables - Foreign exchange portfolio”. For purposes of presentation in this note, both amounts have been presented as “Other receivables”.

b. Diversification by activity

	BICBANCO		BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014	Jun/2015	Jun/2014
Public sector	148,483	262,637	148,483	262,637
Federal Government	108,544	0	108,544	0
State Government	38,011	259,364	38,011	259,364
Municipal Government	1,928	3,273	1,928	3,273
Private sector	7,068,002	8,740,458	7,285,742	9,077,236
Agribusiness	379,405	276,194	380,678	284,482
Industry	3,700,514	4,197,432	3,816,369	4,342,719
Builders, Contractors & Undertakers	537,885	814,560	558,745	852,398
Sugar and alcohol refinery	492,788	704,062	504,341	723,463
Incorporators	443,758	438,290	449,835	449,935
Production of flour, pasta, cakes and biscuits	152,541	169,934	153,348	171,475
Slaughterhouses and meat industry	104,246	146,396	105,679	150,978
Chemical and petrochemical industry	140,548	224,197	149,439	234,858
Metallurgical & Mechanical Production	148,515	197,510	151,016	201,461
Production of electric and electronic goods	87,567	63,437	87,582	66,783
Pulp and paper manufacturing	220,139	183,420	222,429	186,538
Production of manures, fertilizers, Insecticides	125,846	87,695	126,317	90,545
Beverage industry in general	134,001	109,488	134,541	110,392
Building material industry	93,480	119,895	95,566	123,516
Production of pipes and metalwork	111,226	120,113	111,226	126,350
Manufacture of vehicles, body parts and others	104,710	132,766	109,455	137,080
Plastic packaging manufacturing	51,840	73,931	53,736	79,600
Production of threads and fabrics	60,057	87,283	60,057	87,330
Production of footwear and leather goods	82,566	71,680	83,037	71,830
Tobacco industry	82,906	66,565	82,906	66,565
Vegetal and mineral extraction	401,838	59,000	414,549	78,749
Graphic arts services	10,894	47,248	10,894	47,419
Clothing industry	57,759	60,555	57,759	60,555
Furniture manufacturing	9,532	25,353	10,500	26,808
Others	45,872	194,054	83,412	198,091
Commerce	1,203,944	1,506,366	1,226,153	1,541,580
Supermarkets and wholesalers	332,289	302,606	337,761	312,449
Vehicle dealerships and sale yards	135,842	220,434	136,011	221,745
Commerce of others Chemical Products	43,860	63,193	43,860	63,193
Commerce of agricultural products	49,929	83,457	49,929	83,457
Commerce of medicines	42,524	75,908	42,524	75,908
Commerce of electric and electronic products	113,675	225,703	113,675	226,113
Commerce of clothing and fabrics	102,323	81,617	102,323	81,617
Commerce of machinery and equipments	79,294	76,571	80,599	78,165
Trading Companies	67,313	91,719	67,313	91,719
Commerce of Oil derivatives	39,939	76,889	48,176	86,350
Commerce of furniture and items for decoration	62,357	49,772	62,357	49,772
Commerce of Metallurgical Products	7,613	3,541	7,853	4,759
Commerce of building material	47,755	60,704	47,773	60,822
Commerce of books, magazines and newspapers	1,372	2,559	1,372	4,500
Import/export of agricult, Products & foodstuffs	13,250	19,752	13,250	19,752
Commerce of footwear and leather goods	4	263	4	263
Commerce of haberdashery in general	226	81	226	81

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Others	64,379	71,597	71,147	80,915
Financial intermediation	42,006	94,474	42,115	94,783
Other services	1,742,133	2,665,992	1,820,427	2,813,672
Medical and dental services	125,821	268,009	131,074	284,077
Technical and professional services	241,255	320,542	249,762	336,510
Passenger and cargo transportation	298,737	337,943	317,775	379,328
Holdings in general	271,096	525,605	271,227	527,667
Services of public utility	87,638	84,319	91,177	91,687
Renting in general	148,766	189,173	166,388	218,742
Distribution of power	67,422	128,183	67,422	128,183
Education	19,861	68,065	21,756	72,019
Communication and entertainment services	16,629	32,801	21,201	39,105
Repairing, maintenance and installation services	81,919	63,123	81,984	63,206
Sports Associations	14,920	48,648	14,920	48,648
Unions and Associations	5,129	15,795	5,129	15,995
Storage services	24,490	38,462	24,490	38,462
Cleaning, preservation and surveillance services	19,668	24,326	21,752	26,711
Accommodation services	1,806	12,633	1,860	12,734
Cooperatives of production	5,789	25,505	5,789	25,505
Metallurgical Services	17,405	51,717	17,840	52,402
Telecommunication Services	5,349	21,635	5,383	21,635
Cards Administration	21,519	28,670	21,519	28,670
Data processing services	0	1,015	0	1,066
Others	266,914	379,823	281,979	401,320
Individuals	523,489	617,810	1,196,531	1,195,913
Total	7,739,974	9,620,905	8,630,756	10,535,786

(*) The operations of personal credit and consigned personal credit assigned (note 8 h.1), were sold to BICBANCO's subsidiary Sul Financeira SA Credito, Financiamento e Investimento, which concentrates operations provided to individuals.

c. Diversification by term

	BICBANCO				BICBANCO CONSOLIDATED			
	Jun/2015	%	Jun/2014	%	Jun/2015	%	Jun/2014	%
Public sector								
Due within 3 months	38,837	0.50	51,366	0.53	38,837	0.45	51,366	0.49
Due from 3 to 12 months	83,938	1.08	103,447	1.08	83,938	0.97	103,447	0.98
Due over 1 year	25,708	0.33	103,896	1.09	25,708	0.30	103,896	0.99
Overdue (from 15 days on)	-	0.00	3,928	0.04		0.00	3,929	0.04
Private sector								
Due within 3 months	2,151,041	27.79	3,327,323	34.58	2,270,701	26.31	3,444,318	32.69
Due from 3 to 12 months	2,907,433	37.57	3,544,675	36.84	3,177,023	36.81	3,829,331	36.35
Due over 1 year	1,978,093	25.56	2,319,878	24.11	2,431,870	28.18	2,811,914	26.69
Overdue (from 15 days on)	554,924	7.17	166,392	1.73	602,679	6.98	187,585	1.77
Total	7,739,974	100.00	9,620,905	100.00	8,630,756	100.00	10,535,786	100.00

d. Diversification by indexer

BICBANCO CONSOLIDATED						
Jun/2015						
Type of operation	Prefixed	CDI	TR/TBF	Dollar	Others (*)	Total
Loans	1,676,977	4,176,328	23,650	2,176,228	-	8,053,183
Leasing	19,919	168,319	-	-	-	188,238
Others	289,799	79,540	-	-	19,996	389,335
Total	1,986,695	4,424,187	23,650	2,176,228	19,996	8,630,756

(*) Mainly consisted of transactions subject to indexation with TJLP and IGPM.

BICBANCO CONSOLIDATED						
Jun/2014						
Type of operation	Prefixed	CDI	TR/TBF	Dollar	Others (*)	Total
Loans	1,921,462	6,321,465	23,911	1,592,176	11,719	9,870,733
Leasing	32,250	289,622	-	-	-	321,872
Others	240,689	82,803	174	-	19,515	343,181
Total	2,194,401	6,693,890	24,085	1,592,176	31,234	10,535,786

(*) Mainly consisted of transactions subject to indexation with TJLP and IGPM.

e. Geographic distribution

BICBANCO CONSOLIDATED				
	Jun/2015		Jun/2014	
	R\$	%	R\$	%
Northern region	30,602	0.35	90,743	0.86
Northeastern region	1,343,773	15.57	2,161,406	20.52
Southeastern region	4,187,660	48.52	4,955,504	47.03
Center-western region	836,025	9.69	1,252,881	11.89
Southern region	1,429,285	16.56	1,710,468	16.23
Abroad	803,411	9.31	364,784	3.47
Total	8,630,756	100.00	10,535,786	100.00

f. Risk concentration level

BICBANCO CONSOLIDATED				
	Jun/2015		Jun/2014	
	R\$	%	R\$	%
Largest debtor	225,637	2.61	196,408	1.86
10 largest debtors	1,218,473	14.12	1,090,349	10.35
20 largest debtors	1,764,578	20.45	1,604,906	15.23
50 largest debtors	2,906,452	33.68	2,618,286	24.85
100 largest debtors	3,964,062	45.93	3,774,877	35.83
Largest economic group debtor	225,637	2.61	307,913	2.92

g. Distribution of terms by portfolio

g.1 Maturities of the trade portfolio (installments)

BICBANCO CONSOLIDATED				
	Jun/2015		Jun/2014	
	R\$	%	R\$	%
Up to 3 months	1,371,676	26.51	2,547,954	33.67
3 months to 1 year	1,676,359	32.39	2,551,853	33.73
More than 1 year	1,646,592	31.82	2,285,451	30.20
Overdue (from 15 days on)	480,388	9.28	181,401	2.40
Total	5,175,015	100.00	7,566,659	100.00

g.2 Maturities of trade finance (installments)

BICBANCO CONSOLIDATED				
	Jun/2015		Jun/2014	
	R\$	%	R\$	%
Up to 3 months	855,393	32.01	864,581	39.87
3 months to 1 year	1,369,203	51.23	1,162,999	53.62
More than 1 year	335,323	12.54	140,270	6.47
Overdue (from 15 days on)	112,659	4.22	781	0.04
Total	2,672,578	100.00	2,168,631	100.00

g.3 Maturities of consigned personal credit (installments)

BICBANCO CONSOLIDATED				
	Jun/2015		Jun/2014	
	R\$	%	R\$	%
Up to 3 months	82,469	10.53	83,149	10.39
3 months to 1 year	215,399	27.50	217,926	27.22
More than 1 year	475,663	60.74	490,089	61.22
Overdue (from 15 days on)	9,632	1.23	9,332	1.17
Total	783,163	100.00	800,496	100.00

h. Credit assignment

h.1 Interbank credit assignment

In the half year ended on June 30, 2015, BICBANCO, assigned credits to its subsidiary “Sul Financeira SA Credito Financiamento e Investimentos”. As set out in Resolution no. 3.533/08 of BACEN which established new criteria for accounting, recognition and classification of transfers of credit, made effective since January 1st. 2012, these assets were classified in the "substantial retaining of risk and benefits" category, at the present value of R\$ 20,022 (Jun 2014 - R\$ 126,324). The relevant amount recorded as obligations related to this operations is R\$ 23,524 (Jun 2014 R\$ 147,251). The result of R\$ 3,503 (Jun 2014 - R\$ 20,927) shall be recognized in the Bank by using the “*pro rata temporis methodology*” by the term of every contract. These assignments are subject to the statements of Bacen - Resolution N° 2.682/99 for purpose of risk classification and provisioning for loan losses.

In the half year ended on June 30, 2015, BICBANCO entered into credit assignment transactions with substantial transfer of risks and benefits in the amount of R\$ 9,927 with Itaú Unibanco S / A. The negative result of R\$ 483 was booked as a result of the period.

h.2 Assignment of credit for investment fund in asset-backed Securities

In the half year ended on June 30, 2015, BICBANCO entered into operations of assignment of credit in the type of "working capital" for Investment Funds in "Corporate Credit I, II and Open". The prices of the assignments correspond to the accounting balances of credits, which totalizes R\$ 14,081 (Jun 2014 - R\$ 157,153). Consequently, there were no gains in such operations. As set forth in Resolution no. 3,533 /08 of BACEN, those transactions were classified in the category of "operations with substantial retention of risk and benefits". The credit operations transferred are subject to application of the Resolution no. 2.682 /99, for the purpose of classification of credit risk and constitution of allowances for credit losses.

h.3 Credit assignment to a Credit Securitization - Related Company

There were no assignment for a credit securitization company during the half year ended on June 30, 2015 and 2014.

h.4 Assignment of credit to a non-financial Company

During the half year ended on June 30, 2015 some credit operations, with substantial transfer of risks and benefits in the amount of R\$ 2,398 (June 2014 – R\$ 19,276) were transferred for non-financial, non-related entities, resulting in a negative result in the amount of R\$ 1,247 (June 2014 R\$ 168).

In the half year ended on June 30, 2015, some operations previously written-off were sold, with R\$ 1,400 of results (June 2014 - R\$ 425).

i. Lease operations

The value of leasing transactions is presented at their present value, as determined pursuant to the internal rate of return set under each contract. Pursuant to the applicable Central Bank rules, these amounts are presented in several line items in the balance sheet, as follows:

	BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014
Lease receivables	171,869	307,036
Unearned lease income	(168,271)	(303,589)
Leased goods	459,282	576,591
Depreciation surplus	76,611	148,323
Depreciation of leased goods	(247,795)	(292,466)
Losses to amortize of lease operations	5,718	5,384
Anticipated Residual Value	(109,176)	(119,407)
Total Lease Operations	188,238	321,872

9 Allowance for loan losses

From September 1, 2014, under administration of the “new Control”, the BICBANCO Management reassessed the internal model of customer classification and assignment of ratings and proceeded changes in its Credit Policies, fundamentally based on Resolution No. 2,682/99 of BACEN, to achieve an alignment of practices and criteria adopted by the new Controller.

As starters of revision and reassessment of policies & procedures, the following aspects were deemed as relevant: a) greater emphasis on the weighting of the financial situation of the companies, prevailing over other elements taken into account in the analysis of the risk; b) revision of the importance attributed to the guarantees offered by the clients, in the improvement of their ratings; c) revision of minimum time as limits for down grade in ratings, when arising from delay in payments; d) tightening of conditions for dragging down risks of a same group companies with operations in arrears; e) immediate reclassification of risk (down grade), in transactions with companies which declare in “*judicial reorganization*” (a legal frame for insolvent companies), regardless the stage of that process.

Finally, the Bank’s Senior Management, decided for a repositioning in the assessment of the main elements taken into account in economic analysis of the clients, and then to adopt a more conservative approach in the calculation of the provision for loan losses, respecting the minimum conditions required by the Resolução n.2682/99 of BACEN.

a. Movement of the allowance

	BICBANCO		BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014	Jun/15	Jun/2014
Opening balance	1,121,119	384,747	1,184,920	418,984
Net increase	478,357	295,505	512,165	325,583
Reversal of provisions	-	(7,599)	(31,065)	(17,557)
Subtotal	1,599,476	672,653	1,666,020	727,010
Write-offs	(568,997)	(101,069)	(580,735)	(112,142)
Closing balance	1,030,479	571,584	1,085,285	614,868
Written-off credit, recovery	57,017	6,801	59,181	8,021
Renegotiated loans	141,479	216,256	141,479	216,256
% of allowance for loans and leases	11.94%	5.94%	10.30%	5.84%

b. Composition of the allowance by type of operation

	BICBANCO		BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014	Jun/2015	Jun/2014
Working capital and discounts	513,721	305,714	513,955	315,342
Secured accounts	20,017	15,802	20,017	15,802
Consigned personal credit	7,097	6,765	22,422	19,534
Compror	9	1,837	9	1,837
Corporate check	2,388	1,983	2,388	1,983
Import financing	78,072	10,507	78,072	10,507
Export financing	115,111	19,312	115,111	19,312
Rural and agro-industrial financing	836	89	836	89
Housing & Real Estate	6	8	6	8
Financing of machinery and heavy vehicles	12,327	6,114	12,327	6,114
Personal/consumer credit	1,507	302	17,414	9,686
Loans linked to assignments	8,762	8,617	-	-
Others	134,003	134,630	134,003	134,631
Loans	893,856	511,680	916,560	534,845
Guarantees and Sureties Honored	15,013	3,863	15,013	3,863
Debtors for buying assets	18,527	3,189	18,590	3,201
Bills and other receivables	88,759	35,728	88,759	35,728
Advances on exchange contracts	14,324	17,124	14,324	17,124
Other receivables	136,623	59,904	136,686	59,916
Leases	-	-	32,039	20,107
Total	1,030,479	571,584	1,085,285	614,868

c. Composition of the provision per risk level

Risk level	BICBANCO					
	Jun/2015			Jun/2014		
	Calculation basis	Provision	%	Calculation basis	Provision	%
AA	2,481,408	-	32.06	4,232,620	-	43.99
A	1,708,781	8,543	22.08	2,428,779	12,143	25.24
B	697,550	6,975	9.01	1,018,240	10,182	10.58
C	898,210	26,946	11.60	732,207	21,966	7.61
D	646,895	64,689	8.36	342,065	34,206	3.56
E	324,029	97,209	4.19	263,127	78,938	2.73
F	236,006	118,003	3.05	269,220	134,610	2.80
G	129,937	90,956	1.68	183,700	128,591	1.91
H	617,158	617,158	7.97	150,947	150,948	1.57
Total	7,739,974	1,030,479	100.00	9,620,905	571,584	100.00

BICBANCO CONSOLIDATED						
Risk level	Jun/2015			Jun/2014		
	Calculation basis	Provision	%	Calculation basis	Provision	%
AA	2,591,274	-	30.02	4,429,799	-	42.05
A	2,317,463	11,587	26.85	2,966,262	14,832	28.15
B	725,348	7,253	8.40	1,090,952	10,909	10.35
C	949,846	28,495	11.01	763,661	22,910	7.25
D	676,505	67,650	7.84	362,177	36,218	3.44
E	339,232	101,771	3.93	278,656	83,597	2.64
F	244,294	122,147	2.83	280,093	140,046	2.66
G	134,709	94,297	1.56	192,765	134,935	1.83
H	652,085	652,085	7.56	171,421	171,421	1.63
Total	8,630,756	1,085,285	100.00	10,535,786	614,868	100.00

10 Foreign exchange portfolio

BICBANCO and BICBANCO CONSOLIDATED		
	Jun/2015	Jun/2014
Assets		
Foreign exchange purchased to settle	1,257,453	1,065,462
Rights from sale of foreign exchange	16,097	22,169
Advances received in local currency	(833)	(13,289)
Income receivable on advances of foreign exchange contracts	23,185	27,260
Total	1,295,902	1,101,602

BICBANCO and BICBANCO CONSOLIDATED		
	Jun/2015	Jun/2014
Liabilities		
Foreign exchange sold to settle	21,360	21,584
Financed imports - Contracted foreign exchange	-	(12,598)
Liabilities from foreign exchange purchases	1,119,716	1,094,500
Advances on foreign exchange contracts	(1,104,445)	(1,077,787)
Unearned income on conceded advances	5	1
Foreign currency liabilities	-	107
Total	36,636	25,807

11 Other receivables – Other

	BICBANCO		BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014	Jun/2015	Jun/2014
Salary advances and prepayments	4,850	4,577	5,214	4,892
Advances for payments	2,810	1,793	2,863	1,802
Deferred tax credits (Note 29a)	1,209,305	629,198	1,287,214	704,240
Debtors from the purchase of assets	131,907	152,136	134,003	154,614
Debtors from guaranteed deposits	234,973	223,555	241,686	227,701
Income tax to compensate & recover	55,467	73,344	65,708	81,969
Payments to compensate	4,302	3,338	5,799	3,833
Loans linked to credit acquisitions	-	3,966	-	3,966
Accounts receivable	231,016	195,592	241,679	202,828
Sundry domestic debtors	11,714	14,768	12,189	21,091
Total	1,886,344	1,302,267	1,996,355	1,406,936

(*) Comprises: R\$ 55,061 (June 2014 R\$ 54,845) of IRRF on remittance of interest to the Cayman Islands branch, R\$ nil (June 2014 R\$ 17,425) on interest on capital and taxes retained by public Organism and R\$ 406 (June 2014 – 1,074) of credits of PIS Law decree #2445/88. The IRRF offsetting on remittance of interest to the Cayman Islands branch occurred on a regular basis until the fiscal year 2011. In order to ensure and accelerate the off-set of such withholding tax, the Bank has undertaken changes in its business strategy, increasing the generation of eligible results subject to that off-set, in line with a technical study.

(**) Including: receivables for acquisition of financial assets of credit operations without substantial transfer of risks and benefits.

12 Other assets

a. Assets not for own use

Comprises assets received in settlement of loans as follows:

The Bank's management prepared an "impairment analysis" which resulted in the provision for losses shown in the table below:

	BICBANCO		BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014	Jun/2015	Jun/2014
Property	288,034	351,936	290,674	351,936
Vehicles and similar	3,643	3,770	11,981	11,268
Machinery and equipment	25,847	26,867	26,131	27,044
Material in stock	365	514	365	514
Subtotal	317,889	383,087	329,151	390,762
Provision for other assets	(70,035)	(27,462)	(74,994)	(28,101)
Total	247,854	355,625	254,157	362,661

b. Prepayments

Refer mainly to prepaid expenses deferred for obtaining benefits for over one year, composed of expenses on resources gathered abroad and commissions paid to correspondent banks, due to the origination of loan and financing, which will be recognized as expenses according to the term of contracted operations or as a result of pre-payment, loss or redemption.

For new commissions originated and paid to banking agents in 2015, BICBANCO opted for accounting of two-thirds of the total value in equity accounts – on balance sheet as "Prepaid expenses", as allowed by Circular No. 3738/14 from Bacen. The effects of this option in the income statement was of R\$ 6,673, and R \$ 26,854 related to prior periods, totaling the amount recorded as "Other operating expenses – payroll loans fees" (Note 30h) R\$ 33,527.

13 Fixed assets for use

a. Investments

See details of investments in subsidiaries and controlled companies in the Explanatory Note #15.

b. Fixed assets for own use

		BICBANCO consolidated							
	Depreciation rate %	Cost		Provision for loss		Accumulated depreciation		Net value	
		Jun/2015	Jun/2014	Jun/2015	Jun/2014	Jun/2015	Jun/2014	Jun/2015	Jun/2014
Land	-	3,913	3,913	-	-	-	-	3,913	3,913
Buildings	4	158,545	154,476	(10)	(212)	(60,971)	(45,984)	97,564	108,280
Installations	10	1,922	1,839	-	-	(1,440)	(1,131)	482	708
Machinery and equipment for	10	17,518	20,188	(615)	(886)	(8,063)	(9,093)	8,840	10,209
Data processing system	20	12,722	13,186	(42)	(707)	(11,746)	(11,451)	934	1,028
Transport systems	20	1,255	4,374	-	-	(475)	(3,142)	780	1,232
Communication system	10	2,199	2,812	-	(911)	(809)	(1,193)	1,390	708
Security System	10	1,515	1,535	(19)	(39)	(617)	(482)	879	1,014
Others		4,399	-	-	-	-	-	4,399	-
Total		203,988	202,323	(686)	(2,755)	(84,121)	(72,476)	119,181	127,092

c. Intangible assets

c.1 Intangible assets

The Intangible Assets have defined useful lives and comprise the following:

BICBANCO consolidated							
		Cost		Accumulated amortization		Net amount	
Amortization rate %		Jun/2015	Jun/2014	Jun/2015	Jun/2014	Jun/2015	Jun/2014
Softwares (*)	20	9,085	8,181	(6,901)	(4,400)	2,184	3,781
Goodwill	10	105,190	105,190	(48,651)	(47,872)	56,539	57,318
Total		114,275	113,371	(55,552)	(52,272)	58,723	61,099

c.2 Movement of intangible assets

BICBANCO consolidated				
	Opening balance	Addition	Amortization	Final balance
Software's (*)	2,915	944	(1,675)	2,184
Goodwill	55,563	-	976	56,539
Total	58,478	944	(699)	58,723

(*) Software purchased and/or developed by specialized companies.

(**) The Goodwill recorded on the acquisition of the company Sul Financeira S/A, in November 03, 2009, corresponding to the sum of the amount paid in the transaction with the amount of negative net assets, resulted in the net value of R\$ 105,190. The mentioned goodwill is supported on estimations of results, which takes into consideration the assessment of synergy identified in the retail operations of BICBANCO and Sul Financeira S/A as stated in a valuation report, prepared by specialized consulting company. The expectation for realization of the goodwill is of 10 years, and the periodic depreciation takes into consideration the positive values by the "Equity method", in compliance with the regulations of the BACEN.

d. Deferred assets

		BICBANCO consolidated							
Amortization rate %		Cost		Accumulated Amortization		Impairment		Net Amount	
		Jun/2015	Jun/2014	Jun/2015	Jun/2014	Jun/2015	Jun/2014	Jun/2015	Jun/2014
Leasehold improvements	20	32,132	32,132	(32,132)	(32,132)	-	-	-	-
Branches improvements expenses	20	11,734	11,754	(11,734)	(11,754)	-	-	-	-
Total		43,866	43,886	(43,866)	(78,945)	-	-	-	-

14 Overseas branch

At the balance sheet, the operations conducted in the Cayman Islands branch presented: net equity of R\$ 235,824 (June 2014 - R\$ 203,253) and total assets of R\$ 1,690,192 (June 2014 - R\$ 822,011). The balances were converted into Reais at the US dollar exchange rate informed by the BACEN.

15 Domestic subsidiaries

The main information on the Bank's subsidiaries is presented below:

Company name	Jun/2015					Jun/2014	
	Number of shares / quotas held	Investment percentage	Shareholders' equity	Net income for the period	Equity pick up	Book value of investments	Book value of investments
BIC Arrendamento Mercantil S.A.(*)	180,920,168	100%	216,416	1,962	1,962	216,416	224,228
BIC Distribuidora de Títulos e Valores Mobiliários	14,223,228	100%	17,542	621	621	17,542	16,326
BIC Informática S.A,	50,000	100%	617	26	26	617	573
BIC Adm, Cartão Créd, S/C Ltda,	3,670,000	100%	9,572	1,331	1,331	9,572	7,348
Sul Financeira S.A, CFI (*)	116,405,774	100%	133,830	(976)	(976)	190,369	190,353
Brasil Factors	78,664	50%	11,163	754	377	5,581	4,313
Total					3,341	440,097	443,141

(*) Including premium, net of amortization in the amount of R\$ 56,539 (Jun 2014 - R\$ 57,318) calculated on the acquisition of Sul Financeira S/A.

16 Related party transactions

a. Related party transactions

The Bank and its subsidiaries undertake transactions among themselves, which are eliminated in the consolidation process.

The balances from operations between Banco Industrial e Comercial S.A. with direct subsidiaries, indirect and key personnel of the administration are presented below:

	Assets / (Liabilities)		Revenues / (Expenses)	
	Jun/15	Jun/14	Jun/15	Jun/14
Interbank deposits	1,115,121	1,231,472	65,876	56,146
BIC Arrendamento Mercantil S.A, (a)	168,935	253,005	9,964	12,507
Sul Financeira S.A, Crédito, Financiamentos e Investimentos (a)	946,186	978,467	55,912	43,639
FIDC Quotas	66,077	17,451	5,457	336
BRASILFactors	66,077	17,451	5,457	336
Credit Assignments	34,103	283,477	43,527	46,321
Sul Financeira S.A. Crédito, Financiamentos e Investimentos (a)	20,022	126,324	43,527	46,321
Fundos de Investimentos em Direitos Creditórios - FIDC's (note 8.h2.)	14,081	157,153	-	-
Demand Deposits	(3,796)	(6,272)	-	-
BIC Distribuidora de Títulos e Valores Mobiliários S.A. (a)	(21)	(15)	-	-
BIC Arrendamento Mercantil S.A. (a)	(510)	(1,969)	-	-
BIC Informática Ltda. (a)	(1)	(3)	-	-
BIC Administradora de Cartões de Crédito S/C Ltda. (a)	(2,133)	(1,670)	-	-
BIC Corretora de Câmbio e Valores S.A, (a)	-	(15)	-	-
Fênix Securitizadora de Créditos Financeiros Ltda, (b)	-	(512)	-	-
Golden Key Participações e Empreendimentos Ltda, (b)	-	(53)	-	-
Sul Financeira S.A. Crédito, Financiamentos e Investimentos (a)	(643)	(576)	-	-

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	Assets / (Liabilities)		Revenues / (Expenses)	
	Jun/15	Jun/14	Jun/15	Jun/14
Management Key Personnel and Controllers (c)	(488)	(1,459)	-	-
Saving deposits	-	(68)	-	(12)
Management Key Personnel and Controllers (c)	-	(68)	-	(12)
Time Deposits	(169,502)	(186,072)	(8,975)	(9,692)
BIC Distribuidora de Títulos e Valores Mobiliários S.A. (a)	(18,310)	(11,385)	(1,162)	(599)
BIC Arrendamento Mercantil S.A. (a)	(93,827)	(136,438)	(5,252)	(6,748)
BIC Informática Ltda. (a)	(626)	(582)	(37)	(20)
BIC Corretora de Câmbio e Valores S.A. (a)	-	(5,033)	-	(265)
BIC Administradora de Cartões de Crédito S/C Ltda. (a)	(22,317)	(18,617)	(1,298)	(1,101)
BRASILFactors (a)	(16,731)	(2,531)	(1,035)	(163)
Fênix Securitizadora de Créditos Financeiros Ltda (b)	-	(6,347)	-	(527)
Golden Key Participações e Empreendimentos Ltda (b)	-	(1,202)	-	(39)
Primus Holding S.A. (c)	-	-	-	(1)
CCB Brazil Financial Holding Ltda (e)	(17,691)	-	(191)	-
Management Key Personnel and Controllers (c)	-	(3,937)	-	(229)
Repurchase Commitments	(162,960)	(74,120)	(8,425)	(3,659)
BIC Arrendamento Mercantil S.A. (a)	(148,260)	(69,020)	(7,435)	(3,090)
Sul Financeira S.A. Crédito, Financiamentos e Investimentos (a)	(14,700)	(5,100)	(990)	(569)
Debentures	-	(2,306)	-	(124)
BRASILFactors (a)	-	2,306	-	(124)
LCA (agribusiness bills)	(1,644)	(3,693)	(33)	(288)
Management Key Personnel and Controllers (c)	(1,644)	(3,693)	(33)	(288)
LCI	(2,224)	(35,926)	(168)	(1,965)
Management Key Personnel and Controllers (c)	(2,224)	(35,926)	(168)	(1,965)
Borrowings and Repasses	(1,556,354)	-	(32,217)	-
Foreign borrowings	(1,556,354)	-	(32,217)	-
Swap	-	-	4,178	-
BRASILFactors (a)	-	-	4,178	-
NDF	445	-	446	-
BRASILFactors (a)	445	-	446	-
Services rendered	20	-	64	60
BIC Arrendamento Mercantil S.A. (a)	20	-	64	60

Being:

- (a) Direct - Subsidiaries
- (b) Indirect - Subsidiaries
- (c) Management Key Personnel and Controlles (c)
- (d) Foreign Indirect Controller Company (note 1)
- (e) Direct Controller Company

a.1 Maturities and rates of the operations

The interbank “pos fixed” investments are valued at the “average CDI” (Interbank Deposits rates) of 104% and the “pre-fixed” at the average rate of 10,68%; the Repo operations were made at the average rates 13.65% (June 2014 – 10,90%) with maturity on July 01, 2015, backed by securities maturing over 3 years (Jun 2014: over 2 years); the LCA operations (Agribusiness Credit Bills) were performed at interest rates of 97% of CDI (June 2014 – 100%) and final due date up to 3 years (June 2014 – up to 02 years). The operations of LCI were performed with rates of 97.00% of CDI (June 2014 – 99.98%) and have final maturity up to 03 years (June 2014 up to 3 years). The time deposits are remunerated by the average rate of 105% of the CDI (June 2014 - 105% of CDI), directly related to the amount invested, with final maturity up to 03 years. The borrowings were made at the average rate of 0.99% plus foreign exchange variation, with

final due date within 1 year (June / 14 -). The information regarding the transfers of credit, with related parties, is included in the explanatory note #8h.

b. Remuneration of key Management personnel - BICBANCO Consolidated

The maximum aggregate remuneration for members of the Senior Management, Board of Directors, Executives and Auditing Committee, as well as the maximum participation of the Management in the profit of the fiscal year, is set at the Annual General Meeting of shareholders.

As of January 1st, 2012, The BACEN Resolution N° 3921/10 of, established a minimal structure of variable remuneration to be paid to the Directors of financial institutions, stipulating: 50% of variable remuneration may be paid in cash; 10% of variable remuneration should be paid in shares (of BICBANCO), with deliberation and immediate availability; and 40% of variable remuneration should be paid in shares of BICBANCO with the availability deferred proportionally for 3 consecutive years, conditioned to the meeting, in each of those years, of individual; of the team and of the Corporate goals, established in “Specific Plan”, that links the payment of variable remuneration to the effective and positive performance of the Institution.

BICBANCO paid compensation in the first hal year 2014 in the amount of R\$ 2,402 concerning the financial years of 2013 and 2012, following the provisions of Resolution no. 3.921/10, regarding the payment in cash and payment in shares. The accounting effect is recorded as Statutory Profit Sharing, in line with the statutory limitations.

b.1 Short-term benefits - Board of Directors and Executive Board

	BICBANCO and BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014
Fixed remuneration	6,167	8,634
Variable remuneration	0	7,536
Other	359	936
Total	6,526	17,106

b.2 Post-retirement benefits

BICBANCO does not offer long term retirement benefits for the key personnel of the Administration.

b.3 Long-term benefits

BICBANCO does not offer long-term benefits for extinguishing of labor contracts to the key personnel of the Administration.

b.4 Other information

In accordance with the legislation in force, BICBANCO cannot grant loans or advances to:

Directors and members of consulting or administrative councils, tax and similar boards, nor to their respective spouses and relatives up to the 2nd. degree;

Individuals or Legal Entities that hold interest in its capital, of more than 10%;

Legal entities of whose capital the financial institution itself, any directors or managers of the institution, as well as their respective spouses and relatives up to 2nd, Degree, hold interest, of more than 10%.

Thereby, BICBANCO didn't do any loans or financing to any subsidiary, members of Board of Directors or of the Executive Board, Auditing Committee, its spouses and their second degree relatives.

b.5 Corporate interest

The operation for acquisition by Brazil CCB Financial Holding - Investimentos e Participações Ltda (CCB Holding) a subsidiary of China Construction Bank Corporation –CCB (China), of the shares representing the control of the Banco Industrial and Commercial Banco S / A - BICBANCO and its subsidiaries, was concluded on August 29, 2014

In June 2015, the members of the Board of Directors and of the Executive Board hold jointly the following corporate interest:

Direct Participation	
Common shares	0,00%
Preferred shares	0,35%

17 Deposits

a. Composition per type of client

BICBANCO CONSOLIDATED						
Jun/2015						
	Demand deposits	Time deposits (*)	Interbank deposits	Saving deposits	Foreign currency	Total
Legal entities	148,104	2,995,293	-	2,700	1,126	3,147,223
Individuals	18,943	192,428	-	10,905	-	222,276
Financial institutions	-	1,920,317	-	-	-	1,920,317
Institutional investors	3,573	26,177	652,195	-	-	681,945
Total	170,620	5,134,215	652,195	13,605	1,126	5,971,761

(*) Of the total amount of R\$ 5,134,215 of time deposits, R\$ 2,473,640 is made with special FGC-DPGE guarantees, according to Resolução BACEN nº 3692/2009.

BICBANCO CONSOLIDATED					
Jun/2014					
	Demand deposits	Time deposits (*)	Interbank deposits	Saving deposits	Total
Legal entities	203,636	3,710,944	-	1,736	3,916,316
Individuals	18,501	360,135	-	12,433	391,069
Financial institutions	-	2,719,903	-	-	2,719,903
Institutional investors	717	32,064	300,368	-	333,149
Total	222,854	6,823,046	300,368	14,169	7,360,437

- (*) Of the total amount of R\$ 6,823,046 of time deposits, R\$ 3,256,283 is made with special FGC-DPGE guarantees, according to Resolução BACEN nº 3692/2009.

b. Diversification per term

BICBANCO CONSOLIDATED						
Jun/2015						
	Demand deposits	Time deposits (*)	Interbank deposits	Saving deposits	Foreign currency	Total
No due date	170.620	-	-	13.605	-	184.225
Up to 3 months	-	1.621.785	98.381	-	1.126	1.721.292
3 months to 1 year	-	2.454.643	129.325	-	-	2.583.968
1 to 3 years	-	1.057.624	40.410	-	-	1.098.034
3 to 5 years	-	163	244.681	-	-	244.844
Over 5 years	-	-	139.398	-	-	139.398
Total	170.620	5.134.215	652.195	13.605	1.126	5.971.761

- (*) Of the total amount of time deposits with maturity over one year, the amount of R\$ 408,623 refers to deposit with liquidity commitment and is registered in CETIP SA - OTC Derivatives and Asset and - classified in current liabilities in the balance sheet.

BICBANCO CONSOLIDATED					
Jun/2014					
	Demand deposits	Time deposits (*)	Interbank deposits	Saving deposits	Total
No due date	222,854	-	-	14,169	237,023
Up to 3 months	-	1,045,963	31,087	-	1,077,050
3 months to 1 year	-	1,978,753	92,645	-	2,071,398
1 to 3 years	-	3,684,707	121,785	-	3,806,492
3 to 5 years	-	113,623	-	-	113,623
Over 5 years	-	-	54,851	-	54,851
Total	222,854	6,823,046	300,368	14,169	7,360,437

- (*) Of the total amount of time deposits with maturity over one year, the amount of R\$ 829,902 refers to deposit with liquidity commitment and is registered in CETIP SA - OTC Derivatives and Asset and - classified in current liabilities in the balance sheet.

c. Number of depositors

BICBANCO CONSOLIDATED		
	Jun/2015	Jun/2014
Demand deposits (active accounts)	4,793	6,099
Saving deposits	817	884
Time deposits	1,361	2,261
Foreign currency deposits	1	-

d. Concentration of main depositors - Time deposits

	BICBANCO CONSOLIDATED			
	Jun/2015		Jun/2014	
Depositors	R\$	%	R\$	%
The largest depositor	211,090	5.29	455,201	6.67
10 largest depositors	912,579	19.85	1,229,334	18.02
20 largest depositors	1,302,621	27.01	1,652,499	24.22
50 largest depositors	1,932,614	38.14	2,300,824	33.72
100 largest depositors	2,762,450	52.84	3,131,879	45.90

18 Resources gathered from the Open Market and Mortgage Bills

a. Money Market resources

Basically represented by repurchase commitments of securities at a fixed price, to be settled on January 1, 2015, backed by NTN-B with maturities between May 2018 and September 2020.

b. Resources from issued Bills

Comprised by LCA- Letras de Credito de Agronegocio (Agribusiness Bills), LF - Letras Financeiras (Financial Bills) and LCI – Mortgage Bills.

b.1 Composition per type of client

	BICBANCO CONSOLIDATED					
	Jun/2015			Jun/2014		
	LCI	LCA	LF	LCI	LCA	LF
Legal entities	-	-	26,408	200	102,016	21,850
Individuals	231,109	258,652	-	183,088	208,917	2,574
Financial institutions	-	23,570	-	-	-	5,926
Institutional investors	51,032	-	93,151	7,169	35,785	138,276
Total	282,141	282,222	119,559	190,457	346,718	168,626

b.2 Diversification per term

	BICBANCO CONSOLIDATED					
	Jun/2015			Jun/2014		
	LCI	LCA	LF	LCI	LCA	LF
Up to 3 months	99,463	115,095	42,752	62,875	224,038	8,500
3 months to 1 year	118,863	137,951	17,957	82,468	83,546	103,330
1 to 3 years	63,815	29,176	58,850	45,114	22,696	56,796
3 to 5 years	-	-	-	-	16,438	-
Total	282,141	282,222	19,559	190,457	346,718	168,626

19 Foreign debt securities

Basically represented by the issuance of securities in the international market for on-lending, with charges due at the average rate of 5.08% p.a. (June 2014 – 5.13% p.a.), and whose maturities are as follows:

BICBANCO CONSOLIDATED				
	Jun/2015		Jun/2014	
	R\$	%	R\$	%
Up to 3 months	11,087	0.95	17,181	1.94
3 months to 1 year	1,095,024	93.95	42,494	4.80
1 to 3 years	59,387	5.1	826,494	93.26
Total	1,165,498	100.00	886,169	100.00

The expenses related to the foreign funds in the amount of R\$ 616 (Jun 2014 - R\$2,638) are recorded as reducers of the relevant funding accounts and accrued according to the term of the operations.

20 Funds from Debentures

On February 06, 2013, the BICBANCO's joint ventured company BRASILFactors S.A. , issued 10 (ten) simple debentures, not convertible into shares, nominative, indented, unsecured, series 001 BRFA11, relating to the 1st. issuing, in the amount of R\$ 10,000, maturing on November 16, 2014 and remuneration corresponding to 115% of the average CDI of a day calculated and released by CETIP.

The debentures were settled down on the due date (November 16, 2014), observed the proportional participation into the consolidated, the debentures had the following accounting position:

	Jun/2015	Jun/2014
Issued quantity	-	4
Net on	-	4
Present value (R\$)	-	1,146
Total	-	4,585

On May 15th. 2013, the Bank's subsidiary BIC Distribuidora de Títulos e Valores Mobiliários S.A. acquired 5 (five) debentures of BrasilFactors S.A. demonstrated in the table above. Below the position with regard to the consolidation into BICABANCO's books:

	Jun/2015	Jun/2014
Issued quantity	-	5
Net on	-	5
Total	-	2,293

21 Foreign currency borrowings and “on-lending”

Basically refers to the funds raising for import and export financing and re-passes provided by the Direct Controller Company and by the multilateral development agencies, on which fixed charges are due at the average rate of 1.45% p.a. (June 2014 – 2.33% p.a.).

BICBANCO CONSOLIDATED				
	Jun/2015		Jun/2014	
	R\$	%	R\$	%
Up to 3 months	625,127	19.20	478,680	22.80
3 months to 1 year	2,488,282	76.41	1,422,598	67.77
1 to 3 years	81,103	2.48	141,380	6.73
3 to 5 years	35,435	1.09	25,149	1.20
Over 5 years	26,579	0.82	31,437	1.50
Total	3,256,526	100.00	2,099,244	100.00

- The expenses related to the foreign funds in the amount of R\$ 2,970 (June 2014 - R\$ 3,273) are recorded as reducers of the relevant funding accounts and accrued according to the term of the operations.

- The foreign borrowing and onlending operations and subordinated debt (note 26), whose contracts contains restrictive clauses ("covenants") were classified as current liability in the Balance Sheet for non-compliance with some financial ratios. However, the note above keeps the deadlines previously established, considering the success of "waiver" obtained at earlier dates.

22 On-lending borrowings

On lending operations performed with resources from the Ministry of Agriculture in the type of FUNCAFÉ with maturities up to May 2016 and Ministry of Cities in the types of PSH - Social Program of Housing and PMCMV - *My House My Life Program*, this one, without final due date.

23 Other liabilities - Tax and social security contributions

	BICBANCO		BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014	Jun/2015	Jun/2014
Taxes and contributions on profits to pay	-	-	135	113
Provision for Taxes and contributions on profit	-	-	15,930	13,065
Taxes and contributions payable	9,685	15,226	10,833	16,346
Provision for deferred income	15,288	22,353	34,584	59,529
Provisions for tax liabilities (*)	624,185	569,777	644,898	590,563
Total	649,158	607,356	706,380	679,616

(*) Refer to legal and contingent liabilities, as stated in note 24.

24 Contingent assets and liabilities and legal obligations

BICBANCO and its subsidiaries are parties to legal and/or administrative proceedings arising from the normal course of operations, involving civil, labor, tax and social security issues.

a. Contingent assets

There are no contingent assets registered in the Bank's books.

b. Civil, labor and tax liabilities

Based on information of its legal advisors, analysis of pending legal proceedings, and previous experience with regard to the amounts claimed, the Senior Management recorded provisions in amounts considered sufficient to cover probable losses from the lawsuits in progress.

c. Legal obligations and contingent liabilities classified as probable

The legal obligations and contingent liabilities classified as probable losses are fully covered by provisions. The most relevant issues are:

c.1 CSLL (Social Contribution on Net Profits) Isonomy

Pleads to cancel the imposition of CSLL based on 2008 and subsequent periods, in relation to the increasing of tax rates from 9% valid for non-financial entities to 15%, required from financial institutions, in view of the non-observance of the constitutional criterion of isonomy. "Judicial Deposits" was made in the amount involved.

c.2 COFINS- Law 9718/98

Pleads the payment of the contribution, as of November 2005, on the basis of the calculation stipulated by Complementary Law 7/70, in view of the unconstitutionality of the enlargement of the calculation basis determined in Law 9 718/98. Part of the amount involved was collected as "Judicial Deposits".

c.3 PIS- Law 9718/98

Pleads the payment of the contribution, as of November 2005, on the basis of the calculation of Complementary Law 7/70, in view of the unconstitutionality of the enlargement of the calculation basis determined in Law 9 718/98. Part of the amount involved was collected as "Judicial Deposits".

c.4 PIS - Constitutional Amendment No. 10/96

Pleads the rejection of requirement of PIS retroactively, for the period of 90 days between 03/07/1996 and 06/07/1996, in observance of the principles of "retroactivity" and "prior ninetyeth" as well as to ensure the right to calculate and collect as of from 06.07.1996 the contribution to PIS on the gross operating income, so understood as that arising solely from the provision of services and sale of goods as defined in Art. 44 of Law No. 4.506/64, in Art.12 of Decree-Law No. 1.587/77 and Art. 226 Decree No. 1.041/94. "Judicial Deposits" was made in the amount involved.

d. Contingencies

d.1 Fiscal and social security processes

The contingent liabilities classified as possible losses are monitored by the Institution based on legal advisors opinion in relation to each judicial and administrative proceeding. Therefore, in compliance with the laws that regulate this matter in Brazil, there's no accounting registers of the contingencies classified as possible losses, and mainly refer to the following issues:

PIS - Constitutional Amendment 17/97 - amount involved R\$ 10,598: Pleads to reject the requirement of PIS retroactively for the period of 90 days between 11/25/97 and 02/23/98 in observance of the principles of "retroactivity" and "prior ninetyeth" as well as to ensure the right to calculate and collect as of from 02/23/98 the contribution to PIS in the form of the Complementary Law N° 7/70.

- **IRF on Interests Remittance Abroad - amount involved R\$ 11,191:** pleads offset amounts unduly retained as income tax on remittances of interest abroad, with the same income tax of legal entities under art. 39 of Law No. 9.250/96, removing the restrictions contained in Carta Circular N°s 2.269/92 and 2.372/93, and "Comunicado" No. 2.747/92, which conditioned the application of zero rate of income tax compliance of minimum terms for repayment, for violation of the principle of legality. "Judicial Deposits" was made in the amount involved.

ISS - Services Taxed (List of Taxable Services) Annex to LC No.56/87 -amount involved R\$ 17,001: pleads the extinguishing of debit launched on alleged revenue service taxable, not expressly provided for in the list of services attached to LCNo.56/87, once referred list is merely illustrative, and also in violation of the conclusive character of the Superior Court jurisprudence. "Judicial Deposits" was made in the amount involved.

PLL/1994 - Amount involved R\$ 20,417: pleads to deduct the calculation of tax and social contribution on net profits based on the fiscal year of 1994, of the expenditure on the allowance for doubtful debts, in the terms of the National Monetary Council and the Brazilian Central Bank regulations, as provided in Resolution No.1.748/90 and subsequent changes, moving unconstitutional and illegal from the provisions of art.43, paragraph4, of Law No.8.981/95. "Judicial Deposits" was made in the amount involved.

INSS - Management's participation in the profits - amount involved R\$ 66,676: pleads the reversal of launched debits regarding to INSS, concerning the period-basis from 2006 to 2011, through *note of infraction*, by the fact that (i) already have occurred the time barred in relation to debits on tax generating facts occurred up to October 10, 2006 and, (ii) because there's no incidence of INSS on profit sharing, as stated in the Federal Constitution and in - Art. 7 item XI, and Law no. 8.812/1991 in Art. 28, § 9.

INSS - Prior Notice Indemnity - amount involved R\$1,229: pleads to move the requirement of INSS incident on the sums paid to employees as indemnity in face of the legal nature of indemnification, being not subject to the contribution to the Social Security System provided for in the Art. 22°, item I, and Art. 28°, of Law 8.212/1991.

d.2 Labor processes

BICBANCO is party to 95 labor processes (June 2014 - 98 processes) assessed by the legal advisors and classified as probable risks which were fully covered by provisions totaling R\$21,353 (June 2014 - R\$ 16,006). There are 121 processes (June 2014 - 123 processes), for which the claimed indemnifications amounts to R\$ 15,314 (June 2014 - R\$ 49,654), classified as 'possible risks' and for which no provision was recorded.

According to the appraisal of the legal advisors, the maximum amount of indemnification for these processes is R\$ 8,209 (June 2014 - R\$ 15,818). The contingency is related to processes in which labor issues are discussed such as overtime, wages, transfers and related matters of specific legislation of the banking professional category.

d.3 Civil processes

BICBANCO is part of 2,756 civil cases (June 2014 - 2,873), assessed as probable risk, which were fully covered by provisions totaling R\$ 80,433 (June 2014 - R\$ 38,181). BICBANCO is part of 606 (June 2014 - 624) processes, for which the amounts claimed reaches R\$ 984,203 (June 2014 - R\$ 778,977) and which are classified as possible risks and therefore no provision was recorded. According to the estimate of the legal advisors, the maximum amount of indemnification from these processes is R\$ 446,102 (June 2014 - R\$ 313,924). The contingencies are generally due to review of contract and compensation for material and moral damages, the most part of it belonging to the Special Civil Court.

e. Movement of provisions

BICBANCO CONSOLIDATED					
Description	Opening balance	Additions	Reversals	Utilization	Closing balance Jun/15
Civil	71.908	10.534	(969)	(1.040)	80.433
Labor	17.533	5.349	(818)	(711)	21.353
Subtotal	89.441	15.883	(1.787)	(1.751)	101.786

Fiscal	Opening balance	Additions	Reversals	Utilization	Closing balance Jun/15
CSL Isonomy (*)	118.747	-	-	4.880	123.627
PIS Amend, 10/96	11.762	-	-	144	11.906
PIS Law 9,718	68.489	-	(2.053)	2.280	68.716
Cofins Law 9,718	424.881	-	-	14.119	439.000
ISS - LC 56/87	1.435	-	-	53	1.488
ISS - Leasing	159	-	-	-	159
Subtotal	625.473	-	(2.053)	21.476	644.896
Total	714.914	15.883	(3.840)	19.725	746.682

For the contingencies above described, BICBANCO has deposited as guarantee (note 11 - Other Receivable - Other) the amount of R\$ 8,742 (June 2014 - R\$ 8,479) for civil processes, R\$ 17,555 (June 2014 - R\$ 13,263) for labor processes and R\$ 215,317 (June 2014 - R\$ 205,887) for fiscal processes.

25 Other liabilities – Other

	BICBANCO		BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014	Jun/2015	Jun/2014
Banker's checks	1	17,054	1	17,054
Liabilities for assignment of financial assets (c)	350,631	527,003	-	-
Obligation acceptance contracts	-	12,711	-	12,711
Accounts payable	30,893	26,122	59,770	52,059
Provision for legal claims (a)	88,487	44,075	101,786	54,187
FDIC liabilities (b)	-	-	16,268	121,904
Other domestic creditors (d)	73,927	15,963	50,840	19,131
Total	543,939	642,928	228,665	277,046

- (a) Refers to the provisions for labor, civil, processes - note 24e;
- (b) Refers to the BICBANCO's FIDC Senior Quotas reclassified for purposes of consolidation.
- (c) Refers to obligations for the assignment of credits with substantial retention of risk, to be amortized by the re-passes to the assignees. The costs of this obligation will be recognized in profit or loss during the term of the contract.
- (d) Including the amount of R\$ 59,090 as Provisions for Losses from Guarantees and Sureties, in the first half year 2015 (Note 34) .

26 Funding and foreign borrowings

a. Subordinated debt

Represented by foreign and domestic funds classified as Capital Tier II, as follows:

BICBANCO CONSOLIDATED							
Funding	Value	Issuing	Maturity	Issuing value	Interest Rate	Jun/2015	Jun/2014
Time deposits - subordinated debt status	R\$ 200,00	03/11/2009	11/04/2019	200.000	100% Selic	342,618	306,270
Eurobonds	US\$ 300,000	04/27/2010	04/27/2020	529,153	8,50%	797,524	546,333
Securities issued abroad	US\$ 32,000	06/21/2010	12/15/2017	52,093	7,31%	100,793	71,548
Total - Capital Tier II						1,240,935	924,151
(-) Expenses						(4,318)	(5,821)
Total						1,236,617	918,330

27 Deferred Income

Refers to revenues received before completion of term of the obligation that gave rise to them, on which there is no potential of liability and for which the accrual as income solely depends on the passage of time.

28 Shareholders' equity

a. Stocks

The Bank's Capital is R\$ 2,012,810 represented by 252,903,569 registered shares, of which 160,206,833 are common shares and 92,696,736 are preferred shares, without nominal value.

On April 22, 2014, the *Extraordinary General Meeting* approved the capital increase from R\$ 1,434,206 to R\$ 2,012,810 thousand, without issuing of new shares, through the incorporation of the revenue reserves, in the amount of R\$ 578,604.

b. Treasury Shares

The Board of Directors authorized the Bank's Senior Management to repurchase shares issued to stay in treasury for further cancellation.

Only July 06, 2011, the Bank's Senior Management was authorized to acquire shares issued by the BICBANCO in the period from July 6, 2011 to July 5, 2012, without Capital reduction, up to the limit of 10% of the nominative preferred shares issued, or up to 6,879,540 shares (4th. repurchase program).

To comply with CVM Instruction nº 10, from 02/14/80, it is stated that:

1. The referred authorization deliberated by the Board of Directors aim the investment of available resources from "capital reserves".
2. In the period from January 1, 2011 to December 31, 2011 the Bank acquired the amount of 6,879,540 shares, amounting to R\$ 58,593. The weighted average cost was R\$ 8.52 per share, the maximum cost was R\$ 9.70 and the minimum cost was R\$ 6.96.
3. The market price of the shares was R\$ 7.74 per share on June 30, 2015 (June 2014 - R\$ 7.55).

In the first half 2014, BICBANCO transferred to the Management, shares of its own issuing which were held in treasury, as payment of variable remuneration of 2013 (307,188 shares - See note 16.b)

The treasury shares shifting in the period was as follows:

	R\$	Shares
"4 th . Share repurchase program"	57.507	6.705.706
Payment in shares - Resolution 3.921/10	(2.402)	(307.188)
Closing balance on June 30, 2015	55.105	6.398.518

c. Interest on capital

A minimum dividend corresponding to 25% of net income of the year, is assured to the shareholders in accordance with Brazilian corporate law.

There were not payment of interests on capital.

d. Reserves

Legal Reserves - made on the basis of 5% on net income, limited to 20% of Capital.

Statutory Reserves - Comprised of remaining values of net profits from closed periods, deducted by legal reserves, dividends and interest on capital and is intended to strengthen the social and working capital of the Bank, through the accumulation of profits not distributed to the shareholders.

29 Income tax and social contribution

The tax credit and deferred liabilities relating to Social Contribution on Net Income (CSLL) of June 30, 2015, calculated on the basis of assumptions of Technical Study for Deferred Tax was calculated at rate of 15%.

a. Tax credits

The income tax and social contribution recorded in BICBANCO - “Non-current assets - Other receivables - Other” and Non-current liabilities - other liabilities - tax and social security contributions presented the following movement:

	BICBANCO			
	Dec/2014	Jun/2015		
Description	Opening balance	Realization	Additions	Closing balance
Income tax				
Provisions for loan losses	345,324	(25,008)	114,754	435,070
Provisions for the devaluation of assets not for own use	17,699	(2,654)	1,826	16,871
Provisions for contingencies and others	159,313	(11,375)	31,383	179,321
Subtotal	522,336	(39,037)	147,963	631,262
Fiscal losses	89,221	-	16,524	105,745
Fiscal losses previous year	(23)	-	-	(23)
Subtotal	611,534	(39,037)	164,487	736,984
Social contribution				
Allowance for loan losses	207,196	(15,005)	68,852	261,043
Provision for the devaluation of assets not for own use	10,619	(1,592)	1,096	10,123
Provision for contingencies and others	95,586	(6,826)	18,829	107,589
Subtotal	313,401	(23,423)	88,777	378,755
Fiscal losses from Lease operations	83,651	-	9,915	93,566
Subtotal	397,052	(23,423)	98,693	472,321
Total	1,008,586	(62,460)	263,179	1,209,305

BICBANCO

Description	Opening balance Dec/2013	Realization	Additions	Closing balance Jun/2014
Income tax				
Allowance for loan losses	152,154	(67,128)	73,488	158,514
Provision for the devaluation of assets not for own use	3,922	(325)	3,146	6,743
Provision for contingencies and others	130,273	(5,330)	17,018	141,961
Subtotal	286,349	(72,783)	93,652	307,218
Fiscal losses from Lease operations	43,193	(23)	40,082	83,252
Subtotal	329,542	(72,806)	133,734	390,470
Social contribution				
Allowance for loan losses	91,294	(40,277)	44,093	95,110
Provision for the devaluation of assets not for own use	2,352	(195)	1,887	4,044
Provision for contingencies and others	78,162	(3,196)	10,211	85,177
Subtotal	171,808	(43,668)	56,191	184,331
Fiscal losses from Lease operations	29,180	(14)	25,229	54,395
Subtotal	200,988	(43,682)	81,420	238,726
Total	530,530	(116,488)	215,154	629,196

BICBANCO CONSOLIDATED

Description	Dec/2014	Jun/2015		
	Opening balance	Realization	Additions	Closing balance
Income tax				
Allowance for loan losses	361,037	(31,979)	122,064	451,122
Provision for the devaluation of assets not for own use	19,046	(3,064)	2,156	18,138
Provision for contingencies and others	168,852	(12,398)	32,560	189,014
Subtotal	548,935	(47,441)	156,780	658,274
Fiscal losses from Lease operations	111,274	(1,163)	17,148	127,259
Subtotal	660,209	(48,604)	173,928	785,533
Social contribution				
Allowance for loan losses	216,623	(19,187)	73,239	270,675
Provision for the devaluation of assets not for own use	11,427	(1,836)	1,295	10,886
Provision for contingencies and others	101,314	(7,440)	19,534	113,408
Subtotal	329,364	(28,463)	94,068	394,969
Fiscal losses from Lease operations	96,662	(696)	10,748	106,712
Subtotal	426,026	(29,159)	104,816	501,681
Total	1,086,235	(77,763)	278,744	1,287,214

BICBANCO CONSOLIDATED				
Description	Dec/2013	Jun/2014		Closing balance
	Opening balance	Realization	Additions	
Income tax				
Allowance for loan losses	163,208	(69,912)	79,520	172,816
Provision for the devaluation of assets not for own use	4,807	(395)	3,429	7,841
Provision for contingencies and others	137,908	(5,531)	17,844	150,221
Subtotal	305,923	(75,838)	100,793	330,878
Fiscal losses from Lease operations	69,985	(3,772)	41,316	107,529
Subtotal	375,908	(79,610)	142,109	438,407
Social contribution				
Allowance for loan losses	97,927	(41,946)	47,713	103,694
Provision for the devaluation of assets not for own use	2,883	(237)	2,057	4,703
Provision for contingencies and others	82,745	(3,316)	10,706	90,135
Subtotal	183,555	(45,499)	60,476	198,532
Fiscal losses from Lease operations	42,287	(918)	25,919	67,288
Subtotal	225,842	(46,417)	86,395	265,820
Total	601,750	(126,027)	228,504	742,227

Realization of tax credits - Based on technical studies, the Bank managed to estimate the generation of future taxable profits, on which will occur the realization of the tax credits. For the tax credits existing at the balance sheet date, the following percentage of accomplishment was estimated:

21.0% up to December 2015; 39.0% up to December 2016; 2.6% up to December 2017; 4.3% up to December 2018; 7.8% up to December 2019; 19.0% up to December 2020, 3.1% Until December 2021; 1.1% up to December 2022; 0.1% up to December 2023 and 2.0% until December 2024.

It is important to emphasize that such study of realization of the tax credit was made in view of new controller business plan taking into consideration the actions to be implemented by the Management and by the Parent Company, which will promptly be reviewed in accordance with the regulations in force.

The realization and maintenance of the record of tax credit depend on the reaching of some future taxable profits and the accomplishment of the deadlines and condition as defined by the Brazilian Central Bank Resolution # 3,355 /06. In this context, some aspects should be pointed out in relation to the tax credits accounting conditions:

The mentioned *Resolution* # 3,355 provides that the tax credit accounting entry can only be made under the condition that the Bank presents historical taxable income for income tax and social contribution purposes, proved by the occurrence of this situation in at least three of the last five fiscal years. The Bank recorded fiscal losses of income tax and negative basis of social contribution in the last two fiscal years (2012 and 2013);

The above condition is no longer applicable in the Bank in the fiscal year 2014, since there was an effective change of control and so that, a new five year's historic of profitability has then started.

The Bank's New Management, exercised under the influence of the new Controllers, believes that the efforts to generate future taxable income, as shown in the aforementioned technical study, and within the operational context (note 1) in which the Bank is inserted, will be sufficient to support the realization of such tax credits.

- **Present value of tax credits** - Based on the projected Selic rate (the Brazilian basic interest rate) less tax effects, the present value of tax credit amounts to approximately R\$ 875,948 (June 2014 - R\$ 536,054).

b. Deferred liability

BICBANCO has R\$ 15,287 (Jun 2014 - R\$ 22,353) as deferred income tax and social contribution calculated on the positive adjustment of "MTM" (marked-to-market) of the government securities portfolio, which will be realized during the term of operations with securities at "fair-value".

The subsidiary company BIC Arrendamento Mercantil recorded R\$ 19,153 (Jun 2014 - R\$ 37,081) as deferred income tax on excess of depreciation, which will be realized during the term of the leasing operations.

BICBANCO CONSOLIDATED				
	Dec/2014	Jun/2015		
Deferred liability	Opening balance	Realization	Additions	Closing Balance
IR e CS on positive MTM adjustment	7,970	(7,970)	15,287	15,287
Income tax on depreciation surplus	30,554	(11,401)	-	19,153
Total	38,524	(19,371)	15,287	34,440

BICBANCO CONSOLIDATED				
	Dec/2013	Jun/2014		
Deferred liability	Opening balance	Realization	Additions	Closing Balance
IR e CS on positive MTM adjustment	13,933	(13,933)	22,353	22,353
Income tax on depreciation surplus	40,313	(3,387)	155	37,081
Total	54,246	(17,320)	22,508	59,434

c. Income tax and social contribution - Calculation

BICBANCO		
	Jun/2015	
Calculation	Income Tax	Social contribution
Income before taxes, contributions and interest	(456,804)	(456,804)
(-) Profit sharing	-	-
Calculation basis for income tax and social contribution	(456,804)	(456,084)
Temporary differences	560,564	560,564
Permanent differences	75,531	75,531
Exclusions	(245,389)	(245,389)
Adjusted profit and calculation basis of CSLL (Accumulated 2015)	(66,098)	(66,098)
Reconciliation with results		
Income Tax - Deferred CSLL	4,573	2,744
(=) Income Tax and CSLL provisions (2015)	4,573	2,744

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Constitution of tax credits on temporary additions	(144,983)	(86,989)
Constitution of tax credits on fiscal losses	(16,524)	(29,915)
Tax Credit realization (reversal of temporary additions)	39,037	23,423
(=) Net effect of tax credits	(122,470)	(73,481)
Income Tax and CSLL expenses	(117,897)	(70,737)

Calculation	BICBANCO	
	Jun/2014	
	Income Tax	Social contribution
Income before taxes, contributions and interest	(228,458)	(228,458)
(-) Profit sharing	(7,867)	(7,867)
Calculation basis for income tax and social contribution	(236,325)	(236,325)
Temporary differences	362,091	362,091
Permanent differences	80,813	72,946
Exclusions	(366,909)	(366,909)
Adjusted profit and calculation basis of CSLL (Accumulated 2014)	(160,330)	(168,197)
Fiscal Loss Compensation / CSLL - Negative Calculation Basis	-	-
Adjusted profit	(160,328)	(168,195)
Reconciliation with results		
Income Tax - Deferred CSLL	5,262	3,158
(=) Income Tax and CSLL provisions (2014)	5,262	3,158
Constitution of tax credits on temporary additions	(90,523)	(54,314)
Constitution of tax credits on fiscal losses	(40,082)	(25,230)
Tax Credit realization (reversal of temporary additions)	67,964	40,777
Realization of tax credits (compensation on fiscal losses and negative calculation basis - CSLL)	23	14
(=) Net effect of tax credits	(62,641)	(38,767)
Income Tax and CSLL expenses	(57,379)	(35,609)

Calculation	BICBANCO consolidated	
	Jun/2015	
	Income Tax	Social contribution
Income before taxes, contributions and interest	(451,869)	(451,869)
(-) Profit sharing	-	-
Calculation basis for income tax and social contribution	(451,869)	(451,869)
Temporary differences	614,168	614,580
Permanent differences	75,722	75,722
Exclusions	(245,241)	(292,800)
Adjusted profit and calculation basis of CSLL (Accumulated 2015)	(7,220)	(54,367)
(+) Negative fiscal result of consolidated subsidiaries	68,592	71,653
(-) Off-setting of fiscal losses - negative basis of CSLL	(4,652)	(4,653)
Adjusted Net Profit and basis for Income tax and CSLL	56,720	12,633
Expenses at 15% - Income tax and CSLL	8,508	1,895
Additional of 10% of income tax	5,660	-
Taxes	14,168	1,895
Reconciliation with results		
Income Tax - Deferred CSLL	(6,828)	2,744
(=) Provisions - Income Tax and CSLL (2014)	7,340	4,639
Constitution of tax credits on temporary additions	(153,544)	(92,187)
Constitution of tax credits on fiscal losses	(17,148)	(10,748)

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Tax Credit realization (reversal of temporary additions)	47,441	28,463
Tax Credit realization (without losses off-setting and negative basis of CSLL)	1,163	698
(=) Net effect of tax credits	(122,086)	(73,774)
Income Tax and CSLL expenses	(114,746)	(69,135)

BICBANCO consolidated		
Jun/2014		
	Income Tax	Social contribution
Calculation		
Income before taxes, contributions and interest	(224,379)	(224,379)
(-) Profit sharing	(7,867)	(7,867)
Calculation basis for income tax and social contribution	(232,246)	(232,246)
Temporary differences	410,024	410,027
Permanent differences	80,824	72,957
Exclusions	(379,350)	(391,851)
Adjusted profit and calculation basis of CSLL (Accumulated 2015)	(120,748)	(141,113)
(+) Negative fiscal result of consolidated subsidiaries	165,264	172,793
(-) Off-setting of fiscal losses - negative basis of CSLL	(15,088)	(6,120)
Adjusted Net Profit and basis for Income tax and CSLL	29,428	25,567
Expenses at 15% - Income tax and CSLL	4,414	3,834
Additional of 10% of income tax	2,931	-
Taxes	7,345	3,834
Reconciliation with results		
Taxes	7,345	3,834
Income Tax - Deferred CSLL	2,030	3,158
(=) Provisions - Income Tax and CSLL (2014)	9,375	6,992
Constitution of tax credits on temporary additions	(102,506)	(61,504)
Constitution of tax credits on fiscal losses	(41,316)	(25,919)
Tax Credit realization (reversal of temporary additions)	75,838	45,499
Tax Credit realization (without losses off-setting and negative basis of CSLL)	3,772	918
(=) Net effect of tax credits	(64,212)	(41,006)
Income Tax and CSLL expenses	(54,837)	(34,014)

30 Composition of the main income accounts

a. Income from loans

	BICBANCO	
	Jun/2015	Jun/2014
Working capital and discounts	375,047	504,921
Secured accounts	23,048	71,551
Personal consigned credit	1,922	397
“Compror”	156	1,230
Corporate checks	4,008	17,125
Import financing	9,718	7,550
Export financing	37,461	43,947
Rural and agro-industrial financing	3,323	3,067
Real estate and housing	138	139
Financing of machinery and heavy vehicles	7,822	13,344
Resolution 3.844 (former “Res, 63”)	335	351
Vendor	-	344
Personal credit	9,947	10,696
Other loans and financing	33,094	18,079
Recovery of loans written off as losses	57,017	6,801
Exchange variation on loans in foreign currency	26,286	(12,320)
Total	589,322	687,222

	BICBANCO consolidated	
	Jun/2015	Jun/2014
Working capital and discounts	370,215	500,005
Secured accounts	23,048	71,551
Personal consigned credit	49,280	43,107
“Compror”	156	1,230
Corporate checks	4,008	17,125
Import financing	9,718	7,550
Export financing	37,461	43,947
Rural and agro-industrial financing	3,323	3,067
Real estate and housing	138	139
Financing of machinery and heavy vehicles	39,427	30,545
Resolution 3.844 (former “Res, 63”)	335	351
Vendor	-	344
Personal credit	9,947	10,719
Other loans and financing	33,252	18,219
Recovery of loans written off as losses	59,181	8,021
Exchange variation on loans in foreign currency	26,286	(12,320)
Total	665,775	743,600

b. Income from securities

	BICBANCO	
	Jun/2015	Jun/2014
Income from Interbank funds invested	77,649	96,239
Income from fixed income securities	129,849	84,758
Income from REPO transactions	90,423	-
Other operations with securities	12,712	10,233
Exchange variation	6,651	17
Total	317,284	191,247

	BICBANCO consolidated	
	Jun/2015	Jun/2014
Income from Interbank funds invested	12,525	42,396
Income from fixed income securities	131,993	89,782
Income from REPO transactions	90,423	-
Other operations with securities	8,791	1,780
Exchange variation	6,651	284
Total	250,383	134,242

c. Results from derivative financial instruments

	BICBANCO	
	Jun/2015	Jun/2014
Future market – Dollar	(20,045)	(2,046)
Future market - Interbank Index	36,637	(4,895)
Result of stock-options	-	119
Result of flex-options	(23)	11
Swaps	(2,848)	(40,651)
Swap – Dollar	352,868	(113,032)
Forward currencies	6,010	7,889
Total	372,599	(152,605)

	BICBANCO consolidated	
	Jun/2015	Jun/2014
Future market – Dollar	(20,045)	(2,046)
Future market - Interbank Index	36,637	(4,895)
Result of stock-options	-	119
Result of flex-options	(23)	11
Swaps	1,330	(40,651)
Swap – Dollar	352,868	(113,032)
Forward currencies	4,679	7,889
Total	375,446	(152,605)

d. Foreign exchange results

	BICBANCO and BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014
Income from foreign exchange operations	41,011	32,284
Expenses with foreign exchange operations	(1,341)	(1,721)
Foreign exchange variations	197,333	(56,036)
Total	237,003	(25,473)

e. Deposits, money market and Interbank funds

	BICBANCO	
	Jun/2015	Jun/2014
Savings deposits	396	492
Foreign securities	78,633	56,393
Interbank deposits	30,902	16,326
Time deposits	390,047	382,108
Repurchase operations	94,583	5,610
Agribusiness bills expenses LCA	15,559	13,612
LCI – Mortgage Bills	16,068	8,773
Financial bills expenses - LF	7,769	12,283
Other	15,567	18,231
Exchange variations on securities issued abroad	273,979	(86,006)
Total	923,503	427,822

	BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014
Savings deposits	396	492
Foreign securities	78,633	56,393
Interbank deposits	30,902	16,326
Time deposits	381,081	373,423
Repurchase operations	86,158	1,951
Expenses with debentures	-	125
Agribusiness bills expenses LCA	15,559	13,612
LCI – Mortgage Bills	16,068	8,773
Financial bills expenses - LF	7,769	12,283
Other	15,582	18,243
Exchange variations on securities issued abroad	273,879	(86,006)
Total	906,027	415,615

f. Expenses (income) from borrowings and on-lending

	BICBANCO	
	Jun/2015	Jun/2014
BNDES repasses	1,710	1,099
Foreign banking expenses	26,608	27,447
Exchange variation on loans and re-passes	275,545	(98,356)
Marking to market – item subject to hedge	(544)	-
Total	303,319	(69,810)

	BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014
BNDES repasses	1,710	1,099
Foreign banking expenses	27,011	27,448
Exchange variation on loans and re-passes	280,182	(98,069)
Marcação a mercado – item objeto de hedge	(544)	-
Total	308,359	(69,522)

g. Other operating income

	BICBANCO	
	Jun/2015	Jun/2014
Recovery of charges and expenses	2,043	3,497
Remuneration of funds deposited with BACEN	91	94
Income from other receivables selling of other assets	7,024	8,499
Monetary restatement of deposits for guarantees	4,081	3,418
Reversal of provisions	2,146	245
Other operating income	8,612	15,118
Total	23,997	30,871

	BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014
Recovery of charges and expenses	4,461	3,445
Remuneration of funds deposited with BACEN	91	94
Income from other receivables selling of other assets	7,114	8,598
Monetary restatement of deposits for guarantees	4,273	3,418
Fiscal contingencies reversal	2,053	187
Reversal of provisions	2,772	606
Other operating income	10,958	17,107
Total	31,722	33,455

h. Other operating expenses

	BICBANCO	
	Jun/2015	Jun/2014
Expenses with discounts conceded in renegotiation	4,114	28,027
Expenses with labor and civil provisions	11,362	6,475
Provision for losses of guarantees and sureties	59,090	-
Expenses from updating of taxes	15,975	15,999
Commissions of assigned credits	18,393	19,621
Employees profit sharing	4,759	14,161
Taxes on exchange operations	557	2,061
Other operating expenses	11,106	14,918
Total	125,356	101,262

	BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014
Expenses with discounts conceded in renegotiation	4,114	28,027
Expenses with labor and civil provisions	16,337	9,724
Provision for losses of guarantees and sureties	59,090	-
Expenses from updating of taxes	16,687	17,032
Commissions of assigned credits	33,527	30,468
Employees profit sharing	5,035	14,325
Taxes on exchange operations	557	2,061
Other operating expenses	12,412	17,760
Total	147,759	119,397

i. Personnel expenses

	BICBANCO	
	Jun/2015	Jun/2014
Salaries	62,082	63,568
Benefits	9,445	9,484
Social charges	20,883	20,168
Directors' compensation	5,949	8,483
Other	417	413
Total	98,776	102,116

	BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014
Salaries	67,092	68,436
Benefits	11,075	10,922
Social charges	22,736	21,992
Directors' compensation	6,167	8,634
Other	550	555
Total	107,620	110,539

j. Other administrative expenses

	BICBANCO	
	Jun/2015	Jun/2014
Rents and rates	13,451	12,588
Communication	940	1,291
Maintenance and conservation	3,086	3,331
Data processing	4,718	6,356
Promotions and public relations	1,271	1,610
Publicity	1,179	937
Financial system services	4,429	5,083
Third party services	15,049	22,801
Transportation and travels	1,746	2,206
Amortization and depreciation	9,945	16,287
Other administrative expenses	9,768	9,229
Total	65,582	81,719

	BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014
Rents and rates	14,465	14,025
Communication	1,500	2,212
Maintenance and conservation	3,568	3,790
Data processing	9,352	8,488
Promotions and public relations	1,271	1,613
Publicity	1,406	1,106
Financial system services	6,590	6,459
Third party services	18,583	27,739
Transportation and travels	2,146	2,530
Amortization and depreciation	10,327	16,690
Other administrative expenses	12,518	11,540
Total	81,726	96,192

k. Tax expenses

Refer to federal taxes and contributions PIS and COFINS, which reached the amount of R\$ 12,906 (Jun 2014 - R\$ 20,208).

l. Financial operations results, variation of foreign exchange rates

In the "Gross Profit from Financial Operations", the foreign exchange variations on assets and liabilities indexed to the US dollar were computed, which net composition is as follows:

	BICBANCO	
	Jun/2015	Jun/2014
Exchange variation on loans in foreign currency	26,286	(12,320)
Securities issued abroad	6,651	17
Future market – Dollar	(20,045)	(2,046)

Flexible options – Dollar	(23)	11
Swaps - Dollar	352,868	(113,032)
Forward currency – Dollar	6,010	7,889
Exchange operations result	197,333	(56,036)
Exchange variation on securities	(273,979)	86,006
Exchange variation on foreign currency borrowings and on-lending	(275,545)	98,356
Total	19,556	8,845

BICBANCO CONSOLIDATED		
	Jun/2015	Jun/2014
Exchange variation on loans in foreign currency	26,286	(12,320)
Securities issued abroad	6,651	284
Future market – Dollar	(20,045)	(2,046)
Flexible options – Dollar	(23)	11
Swaps - Dollar	352,868	(113,032)
Forward currency – Dollar	4,679	7,889
Exchange operations result	197,333	(56,036)
Exchange variation on securities	(273,979)	86,006
Exchange variation on foreign currency borrowings and on-lending	(280,182)	98,068
Total	13,588	8,824

m. Non-operating result

Basically refers to disposal of own assets and provisioning for adjustments to the realization value of goods or other non-operating assets.

BICBANCO		
	Jun/2015	Jun/2014
Results from selling of goods	1,289	(10,060)
Capital losses	(2,145)	(1,665)
Expenses of Provisions for adjustmet to the fair value	3,312	(11,282)
Others	336	235
Total	2,792	(22,772)

BICBANCO CONSOLIDATED		
	Jun/2015	Jun/2014
Results from selling of goods	1,927	(7,612)
Capital losses	(2,145)	(1,665)
Expenses of Provisions for adjustmet to the fair value	1,746	(11,204)
Others	336	378
Total	1,864	(20,103)

31 Operating segment

The Bank presents the statements of operating segment in accordance with “CPC 22”. According to this statement, an operating segment is a component of an entity that:

- a. Operates in activities that can earn revenue and incur expenses (including revenues and expenses related to transactions with other components of the same entity).
- b. Whose operating results are regularly reviewed by the chief of contracting for operational decisions related to resource allocation to the segment and assessing its performing.

Based on those guidelines, the Bank has identified the below listed business segments as its “operating segments”:

wholesale
retail

The Bank maintains its strategy of focusing its operations in the wholesale segment. This segment includes short term working capital transactions secured by receivables, one of the most profitable segments in the judgment of the Bank. A significant portion of the portfolio is represented by wholesale short-term loans that provide the bank with greater liquidity and more effective control of risk. Additionally, the Bank actively participates in foreign exchange market in partnership with foreign banks.

The Retail segment includes payroll loans to public sector employees, a segment, in which the bank has been operating for over ten years experiencing historically low delinquency ratios.

On November 3, 2009, the Bank signed the purchase agreement to acquire 100% of Sul Financeira SA Credito, Financiamento e Investimento, or Sul Financeira, a company based in Porto Alegre that provides loans to individuals (including payroll loans , personal loans and auto financing) and for small businesses (including discounting of notes receivable).

The condensed statements of income and other significant data are:

	BICBANCO CONSOLIDATED					
	Jun/2015			Jun/2014		
	Wholesale	Retail	Total	Wholesale	Retail	Total
Financial Operations Income	1,445,536	83,194	1,528,730	880,067	89,821	969,720
Loans	584,490	81,285	665,775	655,190	88,410	743,600
Leases	-	-	-	21,334	-	21,334
Securities	248,474	1,909	250,383	132,831	1,411	134,242
Derivative financial instruments	375,446	-	375,446	-	-	-
Borrowings and repasses	-	-	-	69,522	-	69,522
Foreign Exchange transactions	237,003	-	237,003	-	-	-
Income from Compulsory Investments	123	-	123	129	-	129
Financial Assets Assignment	-	-	-	1,061	-	893
Financial Operations Expenses	(1,651,328)	(47,960)	(1,699,288)	(852,024)	(55,875)	(907,731)
Leases	(1,972)	-	(1,972)	-	-	-
Deposits, Money markets, interbank funds	(850,201)	(55,926)	(906,127)	(371,965)	(43,650)	(415,615)
Derivative financial instruments	-	-	-	(158,617)	-	(158,617)
Borrowings and repasses	(308,359)	-	(308,359)	-	-	-

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Foreign Exchange transactions	-	-	-	(25,473)	-	(25,473)
Financial Assets Assignment	(26,047)	24,317	(1,730)	(168)	-	-
Allowance for loan losses	(464,749)	(16,351)	(481,100)	(295,801)	(12,225)	(308,026)
Gross profit from financial operations	(205,792)	35,234	(170,558)	28,043	33,946	61,989
Other operating income (expenses)	(248,183)	(34,991)	(283,174)	(243,287)	(28,990)	(272,277)
Service fee income	28,436	5,801	34,237	31,904	4,177	36,081
Income from banking tariff	5,939	-	5,939	13,706	-	13,706
Personnel expenses	(100,250)	(7,370)	(107,620)	(103,442)	(7,097)	(110,539)
Taxes	(14,909)	(3,058)	(17,967)	(26,620)	(2,771)	(29,391)
Other administrative expenses	(68,538)	(13,188)	(81,726)	(87,738)	(8,454)	(96,192)
Other operating income	28,486	3,236	31,722	32,658	797	33,455
Other operating expenses	(127,347)	(20,412)	(147,759)	(103,755)	(15,642)	(119,397)
Operating result	(453,975)	243	(453,732)	(215,244)	4,956	(210,288)
Non-operating result	2,025	(161)	1,864	(21,725)	1,622	(20,103)
Income before taxes	(451,950)	82	(451,868)	(236,969)	6,578	(230,391)

	BICBANCO CONSOLIDATED					
	Jun/2015			Jun/2014		
	Wholesale	Retail	Total	Wholesale	Retail	Total
Total assets	14,208,798	1,105,060	15,313,858	13,886,391	1,135,086	15,021,477
Total liabilities	13,128,504	1,241,089	14,369,593	12,198,760	1,007,435	13,206,195
Main line of the Assets						
Loans	7,616,748	1,014,008	8,630,756	9,508,219	1,027,567	10,535,786
Main line of the Liabilities						
Time deposits	5,025,575	946,186	5,971,761	5,844,579	978,467	6,823,046

32 Basel agreement

The Bank complies with the limits of Capital requirements or "Basel ratio", initially established by Resolution No. 2,099 / 94 of the CMN, with amendments introduced by Resolutions No. s 3444/07; 3490/07; and Circular No. s 3360/07 and 3644/13. The Bank's Management believes that the implementing of the business plan (note 1), shall enable to reach the objectives of capital requirements established in the referred business plan and to cope with the minimum capitalization levels required by the Brazilian Central Bank.

On March 1st. 2013, the Brazilian Central Bank (Bacen) issued a set of four "Resoluções" and 15 "Circulares", known as "Basel III", which established a new capital requirements for financial institutions active in the Brazilian banking system, among them Resolution #4192/13, which imposed measures of impact (especially in the treatment of tax credits and Tier II Capital) on the calculation methodology of the Reference Net Equity, in force since October / 2013, comprised, in the case of BICBANCO by subordinated debt, as detailed in note ° 26a.

	BICBANCO and BICBANCO CONSOLIDATED	
	Basel III Jun/2015	Basel III Jun/2014
Basel Index calculation		
Reference Net Equity – Tier I	677,636	1,788,860
Principal Capital	677,636	1,788,860
Reference Net Equity – Tier II	669,142	739,321

Subordinated Debt	669,142	739,321
REFERENCE NET EQUITY	1,346,778	2,528,181
Credit Risk	1,185,443	1,412,416
Market Risk	2,075	79,073
Operating Risk	131,177	172,101
RISK WEIGHTED ASSETS - RWA	1,318,695	1,663,590
Basel ratio	11.23%	16.72%
Tier I ratio	5.65%	11.83%
Tier II ratio	5.58%	4.89%

33 Statement of fixed assets limit

	BICBANCO and BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014
Limit	679,294	1,264,090
Situation	156,241	137,860
Margin	523,053	1,126,231
Fixed assets index	11.50%	5.45%

34 Guarantees and sureties provided

- a. Responsibilities for guarantees and sureties provided amounted to R\$ 2,228,613 (Jun 2014 - R\$ 2,431,038) presenting the following concentration:

	BICBANCO and BICBANCO CONSOLIDATED			
	Jun/2015	%	Jun/2014	%
Highest guarantee granted	151,983	6.82	135,963	5.59
10 largest guarantees	715,437	32.10	678,320	27.90
20 largest guarantees	1,084,039	48.64	1,041,657	42.85
50 largest guarantees	1,582,943	71.03	1,558,815	64.12

In the first half year 2015, BICBANCO recorded in "Other liabilities", the amount of R\$59,090 as provisions for losses from Guarantees and Sureties granted (note 25).

- b. Liabilities on guarantees honored amounts to R\$ 28,828 (Jun 2014 R\$ 6,642) classified in the loan portfolio in compliance with the "Resolução" #2682/99 of Bacen (Note 8a).

35 Risk Management Structure

The risk management system of the Bank ensures that risks are properly identified, measured, mitigated and managed, to support the sustainable development of the activities and continuous improvement of the risk management of the Institution.

The Bank has centralized the management of the Socio-Environmental, Market, Credit, Liquidity and Operational Risks and Capital Management in order to enhance the effectiveness of its controls. Therefore, it results in an overview of the exposures to which the Bank is subject by the nature of its activities, enabling the Bank to improve and become more agile in making

strategic decisions, ensuring compliance with established policies & procedures and improving the identification of risks that may affect the business strategy and achievement of objectives. The non-audit “Risk Management Report” in compliance with Circular No. 3678 of October 31st. 2013, which provides for the disclosure of information related to risk management, is available on the site www.bicbanco.com.br/ri and may provide further details about the subject.

In compliance with the (CMN) Resolution No. 3988 of Jun/2014, 2011, the structure of Capital Management is fully implemented. It was approved by the Board of Directors the appointment of the Director and the definition of the organizational structure, applicable to the whole financial conglomerate and companies integrating the financial conglomerate. There is an institutional policy and procedures defining the procedures and systems required for effective deployment of the Capital Management Structure.

In the same way, to comply with the Resolution #4090 of May 24, 2012 of the National Monetary Council (CMN), the structure of Liquidity Management was implemented and currently is phase of development. The organizational structure, applicable to the entire financial conglomerate and other companies’ members of economic-financial consolidation was approved by the Executive Board as well as the appointment of Director in charge of the area, and the institutional policies for the management of liquidity.

Resolution 4,327, of April 25th. 2014 from the National Monetary Council (CMN) is also observed in relation to the establishment and implementation of the Social and Environmental Responsibility Policy.

The Risk Management Policy & Procedures sets out the principles that guide the institutional strategy to control and manage risks in all operations. Administratively, the actions are evaluated in the various committees to ensure the adequacy of management, considering the complexity of products, the exposure to risk and the risk-return involving all business decisions of the institution. The risk management is in line with the guidelines established by the Central Bank and covers all the Bank’s subsidiaries.

The risk management policies and procedures of BICBANCO intend to support the formulation of risk appetite, to guide our employees and to provide procedures to monitor, control, and measure and report the risks to the Board. The involvement of the senior management with issues of risk management occurs through deliberations of its board of directors, defined statutorily as the Board of Directors, Executive Board and the Committees. The Corporate Governance structure ensures an effective management of risks. The risk management is carried out by the Institution through collegiate decisions, relying on specific committees. The Corporate Governance Area comprises, among others, three departments targeted for the management of market risk: i) social & environmental risk, ii) credit risk, iii) operational risk, iv) liquidity and capital management. These areas give support to the Risk Committees, Internal Controls Committees, Financial and Operational Committees who analyze and define strategies and actions within their area of expertise.

The committees and departments for management and controls of risks support the development and minimizing of losses by adopting an integrated and centralized outlook, aiming at the automation and creation of a database for management and risk modeling, based on a historical data of losses and evolution of the controls.

- I The mitigating controls allow the definition of limits in advance, taking into consideration the strategic and operational aspects of each unit.
- II The limits to the risk takes into consideration the values that the institution is willing to admit in achieving its objectives and is reflected in the philosophy of corporate risk management, which in turn influence the culture and way of operation of the institution. This tolerance is influenced by several factors, including risk assessment of consistency with corporate strategy.

I. Risks of the institution

In conducting its operations, BICBANCO is mainly exposed to the following risks:

1. External risk

Risk related to external factors which are not under the Bank's control.

2. Financial risks

(2.1) Credit risk

The possibility of incurring losses associated with the failure of the borrower or counterparty to comply with its financial obligations, and the devaluation of the credit agreement arising from the deterioration of the borrower's credit rating, reduction of the profit or remuneration, reduction of profitability for advantages granted in renegotiations, recovery costs and other amounts related to the breach of financial obligations by the counterparty.

(2.2) Market risk

The possibility of financial losses caused by oscillation of prices and interest rates of financial assets given any mismatching of maturities, currencies and indexes between the assets and liabilities of the Institution.

(2.3) Liquidity risk

Characterized by the mismatch in cash flows resulting from the difficulty to quickly dispose of an asset, or to obtain resources for the settlement of liabilities, generating "open positions". The Current Liabilities of BICBANCO's Balance Sheet is greater than Current Assets, however, the Bank has securities classified as "available for sale" (note 5b) in the amount of R\$ 1,045.533 thousand.

In addition, a significant portion of Borrowings included in the Bank's Liabilities, refers to transactions undertaken within related parties, which minimizes the risk of leading the Institution to an illiquid situation. On the other hand, the Bank has a weekly updated control of minimum cash, systematically controlling the level of resources to face stressful scenarios. The Minimum Cash Policies & Procedures establishes the level of cash sufficient to meet 30 days of non-entry cash (non-receipt of funds), which enables the Institution to face and comply in advance with any market liquidity changes.

3. Non-financial risk

(3.1) Operational risk

Operational risks are losses resulting from internal processes, inadequate or deficient people and/or systems and external events. This definition includes legal risk but excludes strategic and

image-related risks.

(3.2) *Socio-Environmental risk*

Environmental risk deals with own risks and those of customers and suppliers regarding the social and environmental impact of the activities, which and are adequately monitored, as these aspects can interfere with client performance and generate a higher credit risk. On the other hand, it can refer to the way in which clients treat the environment and society values differently to those adopted by the Bank, which could result in a risk of image and reputation.

4. *Strategic risk*

Strategic Risk is the risk of losses resulting from processes or decisions that affect the continuity, the growth and the competitive advantage of the Bank. The Bank has instruments, and systems that allow the monitoring of the outcome of actions and empower people to fast and decisively react when they face a risk of great magnitude, but even more important and effective is the ability to anticipate the risk and develop a plan to minimize impacts and transform them in advance.

II. *Risk management*

BICBANCO's Risk Management Policies define a set of controls, processes, tools, systems and reporting standards required for adequate control and management of risks.

The Bank has nominated the Senior Controlling Manager as the person responsible for Risk Structure at the Brazilian Central Bank (BACEN). The director nominated is not responsible for functions related to the administration of third party funds or treasury operations.

Market risk management

The Market Risk Management Department is in charge of maintaining and annually updating the Policy and structure of the area. It operates independently of the business and is responsible for the monitoring and analysis of market risks arising from trading activities and liquidity of the Bank. It is also responsible for ensuring that levels of risk exposure are consistent with the limits adopted by the Financial Committee, as well as monitoring appropriate levels of capitalization, consistent with those risks.

The Market risk comprises four main types of measures: position (stale positions), sensitivity (PV01), stress tests and "Value-at-Risk (including compliance tests and validations).

All risk metrics are continuously monitored in an integrated manner with the objective of providing an overview of the risk profile of BICBANCO. The monitoring and control of the positions of the Bank is not limited to the calculation of its market value since it recognizes the adequate sensitivity of the Bank's actual exposure to various risk factors. The completion of these measures with other tools of risk control makes it a better monitoring system and analyzes the exposures.

Instruments for managing the market risk

Scenario analysis

The Bank uses the analysis of scenarios for stress tests, which are important mechanisms to understand the sensitivity of capital and business plans of BICBANCO, in situations of extreme, but plausible events. Besides considering the potential financial effect on the business plans, this

tool enables the Board to establish action plans to mitigate such events, should they arise. Periodic exercises are conducted to compare the existing capital requirement with the volume demanded using stress scenarios, including the more severe deterioration of the global economic scenario. Qualitative and quantitative techniques are used to estimate the potential impact on the capital position under such scenarios. These tools assist in mitigating the risks posed by financial crises. Moreover, it is also necessary to use of past scenarios, which can represent inside information to identify the actions required to mitigate risks, when similar events occur.

Sensitivity analysis

The analysis of sensitivity shows the impact of the change of a particular risk factor on the Bank's portfolio. The analysis of sensitivity is a particularly important measurement for managing the interest rate risk to the institution because small changes in risk factors could generate significant gains or losses when considering all the portfolios.

In order to measure the potential loss in a portfolio derived from extreme-risk events (low probability) the Bank uses the "stress test". The "stress test" is a method to measure the potential loss in a portfolio due to extreme (low probability) events in the market. The stress test related to the market risk area complies with the overall policies of the Bank and the demands of the regulatory authorities. The stress tests are important tools for complementing the primary model of measuring risk (VaR).

The market risk area is responsible for setting and reviewing the methodology used for internal stress testing, monitoring of performance and periodic stress testing and for reporting test results. It is also responsible for achieving and defining parameters used in stress tests required by regulatory authorities.

Value at risk

The Value-at-Risk is an important risk management tool used internally and also used for purposes of calculating the regulatory capital. The Value-at-Risk (VaR) of a portfolio represents the maximum potential loss expected for a given level of confidence and for a certain period of time (holding period). The parameters used in the calculation of VaR can vary according to the profile of the positions under analysis.

Back testing

Back testing is a method used to assess the quality of the VaR model used by the Bank. The method compares the results predicted by the model with actual VaR results calculated by the differences in prices of assets and liabilities marked to market (clean P & L). Its function is to measure the forecasting ability of potential loss against the VaR model under normal market conditions, given a certain level of confidence. If the P & L exceeds VaR, there is an outlier, if the number of outliers exceeds the level of confidence, the model is reviewed.

Through the area of Corporate Governance, the Bank uses Back Testing to validate the model of Value-at-Risk in its portfolios.

Limits

The limits of market risk are important forms of control used to ensure that the exposures are in line with the risk appetite set by the Bank. The Financial Committee sets VaR limits for both the Treasury portfolio and the banking portfolio, beside specific limits when subjected to stress, and compares the various risk factors to which the Bank may be exposed. The type of limit to be set

will be determined in advance by the market risk area.

The market risk area is responsible for ensuring that all exposures to risk factors are in compliance with the limits previously established and approved. The monitoring of positions, regardless of the classification of operations and the results of the trading portfolio is daily obtained.

The market risk area is in charge of informing the excesses of market risk for a particular risk factor to the Financial Committee, which should take the necessary measures to adapt the exposure, according to the bank's internal policy. The market risk limits are annually reviewed by the Financial Committee.

In accordance with Bank policies and procedures of the Brazilian Central Bank that govern the subject (Resolução no. 3464 and Circular no. 3354), the operations are divided into “trading and banking” portfolios according to the following basic principle:

Trading portfolio - consists of all transactions in goods and financial instruments, including derivatives held-for-trading or to hedge other elements of the trading book, which are not subject to the limitation of their marketability. The operations held-for-trading are those intended for resale, and to obtain the benefit of price movements in actual or expected arbitrations.

Banking portfolio - Consists of transactions not classified in the trading book. The classification process is defined by the operations of the business at the time of the transaction.

Main market risk managed

1. Interest rate risk

The Bank and its subsidiaries use funds generated by operating activities and, in particular by attracting funds from customers. To complement its cash needs, the Bank and its subsidiaries gather resources substantially indexed to the CDI and, thus are at risk due to interest rates. To mitigate this effect, the Bank and its subsidiaries have adopted the policy of lending and financing its clients in transactions also indexed to the CDI. Only the spread of these transactions are exposed to the volatility of the CDI, which may influence the results and profits, in case of significant fluctuations.

2. Risk of exchange rate (coupon and dollar spot)

The objective of the strategy of exchange risk management is to avoid impairment on the income arising from variation in the price of currencies. Thus, the currency risk is neutralized and the investments are paid in Brazilian Reais, through the use of derivative financial instruments.

In line with its main business activity, which is granting loans to its clients, the Bank adopts the policy of avoiding significant foreign currency exposure that requires capital for its coverage. The positions of assets and liabilities of the Bank are widely hedged in its normal course, since its funding and loans are indexed to the CDI. Likewise, the international funding is protected through hedging with appropriate derivatives.

The use of derivatives such as swaps and futures contracts in U.S. dollars are intended to

counteract or minimize currency losses with a sharp devaluation of the Brazilian Real (R\$) against foreign currencies. After the hedge, these transactions are matched in terms of value, maturities and currencies, exchanging the initial foreign currency exposure on loans for the exposure to the CDI. The Bank ensures that the maturities of its hedges and transactions occur simultaneously.

3. *Risk of securities, commodities and futures exchange (BM&FOVSPA)*

They come from the position of the Treasury in its portfolio and may contain positions in stocks and futures that pose risks of volatility and impairment on the results.

4. *Inflation risk*

Based on the Bank's positions in securities or loans indexed to price indexes, which are hedged, it is improbable or nonexistent. The policies and procedures of risk exposure do not allow important impacts even in adverse scenarios, considering all the risk factors already mentioned in this report. The Bank conducts its business with minimal gaps between assets and liabilities, besides performing Hedge transactions of its operations in relation to CDI indices, exchange rates and inflation. Consequently, it is improbable that any volatility will impact the Bank's results significantly.

Operational risk management

The exposure to operational risk is reviewed at least every six months, including the assessment of its controls and their adjustment according to their strategies and risk appetite. The operational risk governance is exercised by the managers, the area of corporate governance and risks of the Institution. The management structure is distinct from those that deal with market and risk credit enabling an effective system of internal controls aimed at reducing the likelihood of human errors and irregularities in the processes, products and systems. The Committees on Risk and Internal Controls deliberate on the acceptable level of tolerance to risk.

The calculation of operational risk exposure is made and adjusted monthly according to the business strategy and risk appetite determined for that period.

Credit risk management

BICBANCO has an independent area for managing the Credit Risk, in accordance with best governance practices. This area operates independently from the structure of credit approval, and calculates the ratings of customers based on metrics that consider customer behavior in the market, in addition to the outcome of the institution's operations. Thus, it uses different concepts to those used by the area of credit approval, whose structure is based on thorough analysis procedures developed from the expertise the Bank has gained over the years.

In its process of providing credit, the Bank permanently enhances the methodologies and tools used to evaluate the social and environmental variables to mitigate risks associated with the client's capacity to solve its liabilities. Therefore, the Bank has established policies & procedures that enable (e.g.) the suspension of the operation, the anticipation of payment of contracts or limiting penalties.

In line with the practices of market benchmark, the Bank continues to improve its controls and analytical models. In compliance with CMN Resolução no. 3721 and the new Basel agreement, there are structures of committees and special committees to better manage, control and monitor this risk.

Rating tools

The calculation of risk of a portfolio of contracts containing credit risk is primarily done through a statistical measure called Credit Value-at-Risk (VaR credit). The VaR with a confidence level of 99% (standard adopted by the Bank) is the maximum expected loss that a portfolio can sustain in 99% of the cases, disregarding the rare events whose probability of occurrence is only 1% ($100\% - 99\% = 1\%$). The probability that the portfolio loss exceeds the VaR is 1%.

The results are obtained by the using of “Monte Carlo simulation”, which means a methodology where the credit events are simulated in a computational environment for a very large number of times, and the values of losses for each scenario are simulated, statistically grouped and stored in a collection, whereby the exposure values are directly calculated for each level of confidence.

This is an actuarial methodology that does not take into consideration the effects of interest rates on risk exposures, calculating the losses in terms of nominal value, adjusted to the recovery rate determined by BICBANCO, based on historical experience and evaluation, since the non-recovered portions are the effective exposures to credit risk. Thus, the model correctly catches the actuarial component of credit risk, adjusting the probabilities of default at the maturity of the contracts. The calculation methodology is sensitive to the fact that contracts with longer maturities have higher credit risk compared to those with shorter maturities.

The scale of risk is represented by a numerical interval from 01 to 22 (1 being the lowest risk and 22 the highest risk), which organizes the names into classes of risk, indicates the degree of risk of the company analyzed and the probability of default. The scale has taken 19 active classes and 03 indicative classes of default and an indication of the probability of default for each class of risk, which provides the objective measure of the degree of risk.

The calculation of LGD (Loss Given Default) is based on the observation of the recovery of nonperforming loans, taking into account not only revenues and expenses related to the recovery process, but also the moment it happens and any indirect costs resulting from this process.

36 Other information

- a.** The Bank has 37 selling points in Brazil and 01 (one) overseas branch. The bank’ staff is distributed as follows:

	<u>Jun/2015</u>	<u>Jun/2014</u>
Operational		
Trade	190	215
Funding	8	7
Subtotal	<u>198</u>	<u>222</u>
Support and control		
Administrative	327	336
Legal/audit	27	27
Controllership	96	86
Information technology	113	108
Other	1	9
Subtotal	<u>564</u>	<u>566</u>
Total	<u>762</u>	<u>788</u>

b. Commitments assumed by funding and guarantees received from International Organizations

BICBANCO is a beneficiary of guarantees from international organizations IDB (Inter-American Development Bank), IFC (International Finance Corporation) and debtor for loans from the IIC (Inter-American Investment Corporation), IDB (Inter-American Development Bank) and IFC (International Finance Corporation), DEG (Deutsche Investitions und Entwicklungsgesellschaft MbH) and Proparco (Societe de Promotion et de Participation pour la Coopération Economique.) for lending to Brazilian companies, with maturities ranging from 02 to 05 years, which contracts require maintenance of minimum financial ratios (financial covenants), beside requirement of social and environmental responsibilities & obligations.

The financial ratios are calculated on the basis of the financial information prepared in accordance with Brazilian law and the rules of the Central Bank. They are also monitored and quarterly checked by the above mentioned suppliers.

BICBANCO CONSOLIDATED	
Description	Required
Capitalization	≥ 11%
Immobilization	≤ 30%
Liquid Assets to short term liabilities	≥ 80%
Liquid Assets to short term liabilities	≥ 35%
Reference Net Equity (PR) to Total Assets	≥ 6%
Overdue loans ratio	≤ 6%
Allowance for loan losses	≥ 100%
D-H Loans + Goods - Provisions on PR	≤ 25%
E-H Loans + Goods - Provisions on PR	≤ 13%
Largest debtor on PR	≤ 20%
10 largest debtors (a tenth of PR) on PR	≤ 350%
Operating Expenses to Operating Result	≤ 75%
Foreign exchange Exposure to PR	≤ 15%
Foreign exchange Exposure aggregate of currencies on PR	≤ 25%
Liquidity Gap (90 days) in R\$	> 0
Liquidity Gap (90 days) – Ratio	> 0
Interest Risk Rate on PR	[-10% ; 10%]
Aggregate Interest Risk Rate on PR	[-20% ; 20%]
Aggregate Negative Interest Risk Rate on PR	≥ -250%

c. Pension and retirement plans

BICBANCO is not responsible for the maintenance of any pension and/or retirement plan, neither as administrator nor as a sponsor.

d. Insurance

BICBANCO maintains policy of risk protection. The Bank's Management believes that the values of its contracted insurance offers reasonable coverage for its business.

e. Cash and cash equivalents

	BICBANCO		BICBANCO CONSOLIDATED	
	Jun/2015	Jun/2014	Jun/2015	Jun/2014
Liquidity	226,753	301,376	228,302	303,135
Money Market Repurchase	73,097	890,000	87,885	936,953
Interbank Deposits	-	-	-	-
Foreign currency deposits	191,747	13,621	191,747	13,621
Total	491,597	1,204,997	507,934	1,253,709

f. Contracts for the exchange of financial flows - Swaps linked to preferred Shares of the Bank

According to a Relevant Fact disclosed on May 11th., 2012, informing the shareholders and the market in general, BICBANCO has signed contracts for the exchange of financial flows (Swaps), with the Goldman Sachs Brazil Multiple Bank S. A, in the total amount up to R\$ 100,000 (one hundred million Reais), with a term up to two years, equivalent to (in one side) the variation of *preferred* stocks - BICB4 and (in the other side) against a rate equivalent to the variation of the CDI plus a fixed rate. At the balance sheet date, the prize of Swap to receive was of R\$ 4,649 (june 2014 R\$ - R\$ 13,319 to receive). The reference value for these operations on June 30, 2015 was R\$ 7,235 (June 2014 R\$ 59,175).

g. Increase in the rate of Social Contribution on Net Income (CSLL) Medida Provisória (MP) 675/15

On May 22, 2015, enacted by the Government Executive the MP 675/15 (Medida Provisoria) , which increased the rate of CSL on earnings of financial institutions, including Banks, from 15% to 20% , imposed on taxable income generated from September 1st. 2015 . There was no impact from this MP in the BICBANCO'S financial statements of June 30th. 2015, since the effects of this MP were not considered in the Bank's books.

h. Prudential Adjustment in compliance with Resolution No. 4277/13

The BACEN Resolution No. 4277/13 implemented as of June 30, 2015, prudential adjustments regarding the valuation of derivative financial instruments booked at market value. The Bank has developed controls and pricing methodology approved by the Senior Management, as well as measures for evaluating the necessity of adjustments in the value of financial instruments. Such assessments, based on expressed policy revealed that, for the financial statements ended on June 30, 2015, there is no need of prudential adjustments by the Institution, justified by the following:

- a) the securities portfolio mainly consists of federal government bonds (98.7% on a securities portfolio of R\$ 3,793,252), which represent low risk and plentiful liquidity.
- b) the derivative instruments marked to market, amounting to R\$ 993,430 at June 30, 2015 is substantially made for hedge of liabilities positions of foreign funds, which will be brought up to the final maturity.
- c) there are no significant amounts of *other* financial instruments.

Senior Management

President Director: Tiejun Chen

Vice-President Senior
Managers: Jin Li
Xiaowei Dong
Yongdong Jiang
Milto Bardini
Paulo Celso Del Ciampo

Senior Managers: Hong Yang
Carlos José Roque
Francisco Edênio Barbosa Nobre

Board of Directors:

President: Wensheng Yang

Members: Tiejun Chen
Hong Yang
José Bezerra de Menezes
Daniel Joseph McQuoid
Heraldo Gilberto de Oliveira

Audit Committe:

President & Qualified member: Heraldo Gilberto de Oliveira

Members: Carlos Eduardo Sampaio Lofrano (*)
Walter Mallas Machado de Barros

(*) Mandate in force up to June 30, 2015.