

**ICBC do Brasil Banco Múltiplo S.A.**

**Financial statements  
June 30, 2015 and 2014**

(Free translation of the original report in Portuguese as published in Brazil containing financial statements prepared in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil)

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## Management Report

Management of ICBC do Brasil Banco Múltiplo S/A hereby submits for your consideration the financial statements for the semester ended June 30, 2015, in comparison with June 30, 2014, including the Management Report and the corresponding financial information, audited by independent auditors, without qualifications.

The Bank ICBC do Brasil Banco Múltiplo S/A, received authorization to operate on December 19, 2012, from the Central Bank of Brazil. In 2015, it entered in its third year of operating cycle, compared with its strategic plan, has reached its adaptation and positioning goals in the Brazilian market, because since the first half of 2015, it reached a positive result in the amount net of taxes of R\$ 4,347 thousands, taking fully the negative retained earnings (R\$ 1,844 thousands), due to its investments and expenses in the process of installing its headquarters in São Paulo and the implementation of operational and support systems as well as the hiring process of qualified personnel. The profit for the period will be allocated to the Legal Reserve, as regulated in the amount of R \$ 217 thousands, retained to cover losses of R\$ 1,844 thousands and Statutory Reserves of R\$ 2,286 thousands.

Authorized to operate with commercial and investment portfolios and authorization to conduct operations in the exchange market, the bank had its operational start from September 2013 mainly contemplating customers "corporate" whose operation are in the international market and international companies that have subsidiaries in Brazil with special needs to operate in the market, "Trade Finance".

The result of this semester is basically composed of Income from securities, loan operations and financial intermediation, including advices to our clients in international transactions. The amount of allowance for doubtful loans in the amount of R\$ 1,031 thousands, based on Resol. 2682/Central Bank, with its movement in the result of the semester in a total amount of R\$ 494 thousands and R\$ 779 thousands of reversal, net of R\$ 285 thousands at income. Administrative expenses keeps on reasonable and adequate level with the Central Bank's structure, and tax expenses are consistent with the results of the bank. The Bank has for the tax statements, processes by the annual taxable income, in advance process (suspension and reduction or gross revenue) based on current regulations. The management monitors the result and the Bank's performance against the strategic plan outlined for business operations in Brazil, which has demonstrated alignment and positive performance related to estimative, which bases its strategy set for start-up and first years of ICBC in Brazil.

The Bank maintains a framework for compatible risk management with the activity level of the Bank, and their values monitored daily as Market risk, Operational, Liquidity and Credit, through the Risk Management Committee, and, when necessary, adopted measures and decisions that contribute to the proper classification of risks to levels consistent with the structure and business of the bank.

The Bank is adjusting its pricing process of financial instruments based on Resolutions 4277 and 4389, in order to make prudential adjustments where applicable, with the implement policies and procedures and the adequacy of the corporate governance process, as required by current regulations. There was no prudential adjustment on June 30, 2015.

Maintaining the economic scenario and the growth of international business in 2015 and future years, ICBC do Brasil Banco Múltiplo S/A, aimed at growth in the "trade finance" operations and consequently the growth of active customers portfolio.



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## Independent auditors' report on the financial statements

To  
The Shareholders and Directors  
ICBC do Brasil Banco Múltiplo S.A.  
São Paulo - SP

We have audited the accompanying financial statements of ICBC do Brasil Banco Múltiplo S.A. ("Bank"), which comprise the balance sheet as of June 30, 2015 and the respective statements of income, changes in shareholders' equity and cash flows for the semester then ended, as well as the summary of the main accounting practices and other notes to the financial statements.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from 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 and include 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 fair 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 the Bank's internal controls. An audit also includes an 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 obtained is sufficient and appropriate to provide a basis for our opinion.



**Opinion**

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of the Bank as of June 30, 2015, and the results of its operations and its cash flows for the semester then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil.

Sao Paulo, August 21, 2015

KPMG Auditores Independentes  
CRC 2SP014428/O-6  
*(Original report in Portuguese signed by)*  
Luciana Liberal Sâmia  
Accountant CRC 1SP198502/O-8

**ICBC do Brasil Banco Múltiplo S.A.**

**Balance sheet at June 30, 2015 and 2014**

(In thousand of Reais)

Assets		2015	2014	Liabilities		2015	2014
<b>Current assets</b>	<b>Note</b>	<b>601,505</b>	<b>677,166</b>	<b>Current liabilities</b>	<b>Note</b>	<b>367,575</b>	<b>478,578</b>
<b>Cash and cash equivalents</b>	(4)	<u>3,213</u>	<u>623</u>	<b>Demand deposits</b>	(15)	<u>33,109</u>	<u>2,522</u>
Adjusted income				Of a Legal entity		33,109	2,522
Cash and cash equivalents in Reais		188	88				
Net income for the semester		3,025	535	<b>Time deposits</b>	(15)	<u>104,234</u>	<u>251,264</u>
<b>Interbank investments</b>	(5)	<u>77,780</u>	<u>244,197</u>	Bank Deposit Certificate - CDB		104,234	251,264
Aplicações Interfinanceiras de Liquidez	Allowance for do	36,599	244,197	<b>Interbank accounts</b>	(16)	<u>88</u>	<u>9</u>
Interbank deposits		41,181	-	Amounts remitted to compensate		88	9
<b>Securities</b>	(6)	<u>264,351</u>	<u>210,246</u>	<b>Funds in transit</b>	(17)	<u>46</u>	<u>11</u>
Own portfolio		264,351	210,246	Third-party funds in transit		46	11
<b>Interbank accounts</b>		<u>1,557</u>	<u>42</u>	<b>Borrowings and onlendings</b>	(18)	<u>224,213</u>	<u>220,988</u>
Compulsory reserves with the Central Bank of Brazil	(8)	1,557	42	Foreign currency liabilities Importing up till 360 days		43,566	14,323
<b>Loans</b>		<u>74,930</u>	<u>25,189</u>	Other liabilities in foreign currency		180,647	206,665
Export Financing	(9)	15,515	14,343	<b>Other liabilities</b>		<u>5,885</u>	<u>3,784</u>
Financing in foreign currency	(9)	59,714	10,973	Taxes payable	(19) a	3,663	721
(-) Allowance for loan losses	(10)	(299)	(127)	Provision for payments to be made	(19) b	1,287	574
<b>Other receivable</b>		<u>179,664</u>	<u>196,861</u>	Social and statutory provisions	(19) c	-	259
Advance to suppliers	(12) a	21	10	Other domestic creditors	(19) d	147	5
Recoverable income tax and social contribution on net income	(12) b	1,505	424	Collection of taxes	(19) e	788	2,225
Exchange portfolio	(9),(11)	178,715	197,025	<b>Long-term liabilities</b>		<u>46,671</u>	<u>23,460</u>
(-) Allowance for doubtful accounts - Other receivables	(10)	(577)	(598)	<b>Borrowings and onlendings</b>	(18)	<u>46,671</u>	<u>23,460</u>
<b>Other assets</b>	(13)	<u>10</u>	<u>8</u>	Other liabilities in foreign currency		46,671	23,460
Prepaid expenses		10	8	<b>Shareholders' equity</b>		<u>204,752</u>	<u>199,655</u>
<b>Long-term receivables</b>		<u>15,404</u>	<u>22,019</u>	Capital			
<b>Loans</b>		<u>15,404</u>	<u>22,019</u>	Foreign	(20) a	202,100	202,100
Export Financing	(9)	15,559	22,129	Legal Reserve	(20) c	272	-
(-) Allowance for loan losses	(10)	(155)	(110)	Statutory Reserve	(20) d	2,286	-
<b>Permanent assets</b>	(14)	<u>2,089</u>	<u>2,508</u>	Assets valuation adjustment	(20) e	94	36
<b>Property, plant &amp; equipment</b>		<u>2,074</u>	<u>2,503</u>	Accumulated losses		-	(2,481)
Facilities, furniture and equipment		914	899	<b>Intangible assets</b>		<u>15</u>	<u>5</u>
Other fixed assets		2,315	2,207	Intangible assets		17	5
(-) Accumulated depreciation		(1,155)	(603)	(-) Accumulated amortization		(2)	-
<b>Total assets</b>		<u><b>618,998</b></u>	<u><b>701,693</b></u>	<b>Total liabilities</b>		<u><b>618,998</b></u>	<u><b>701,693</b></u>

See the accompanying notes to the financial statements.

# ICBC do Brasil Banco Múltiplo S.A.

## Statements of income

Semester ended at June 30, 2015 and June 30, 2014

*In thousands of Reais*

		2015	2014
<b>Financial operations income</b>	<b>Note</b>	<u>240,049</u>	<u>33,934</u>
<b>Adjusted income</b>			
Interbank investmens		10,764	4,829
Securities	Net income	14,303	9,532
Loans		63,418	1,509
Foreign exchange income		151,564	18,064
<b>Financial operations expenses</b>	<b>A</b>	<u>(221,946)</u>	<u>(23,409)</u>
Funding expenses		(12,035)	(4,154)
Borrowings and onlending		(210,196)	(18,420)
Accrual of allowance for loan losses	(10)	285	(835)
<b>Income on financial operations</b>		<u>18,103</u>	<u>10,525</u>
<b>Other operating income/(expenses)</b>		<u>(11,825)</u>	<u>(9,340)</u>
Deposits, money market and interbank funds	(21) a	(4,299)	(3,896)
Personal expenses	(21) b	(6,577)	(4,726)
Tax expenses	(23) a	(987)	(606)
Other Operating Income		218	31
Other Operating Expenses		(283)	(254)
Income from services rendered	(22)	103	111
<b>Operating result</b>		<u>6,278</u>	<u>1,185</u>
<b>Non-operating result</b>		<u>(32)</u>	<u>(107)</u>
<b>Result before income taxes and profit sharing</b>		6,246	1,078
Provision for income tax	(23) b, c	(1,150)	(433)
Provision for social contribution	(23) b, c	(722)	(229)
<b>Tax and social contribution</b>		<u>(1,872)</u>	<u>(662)</u>
<b>Net income for the semester before profit sharing</b>		<u>4,374</u>	<u>416</u>
<b>Profit sharing</b>		(27)	-
<b>Profit/loss for the semester/Year end</b>		<u><u>4,347</u></u>	<u><u>416</u></u>
<b>Number of shares paid in</b>		202,100,000	202,100,000
<b>Net income/loss per capital share</b>		0.022	0.002

See the accompanying notes to the financial statements.

# ICBC do Brasil Banco Múltiplo S.A.

## Statements of changes in shareholders' equity

Semester ended at June 30, 2015 and June 30, 2014

*In thousands of Reais*

	Capital stock	Legal reserve	Statutory reserve	Retained earnings/ Accumulated loss	Assets valuation adjustment	Total
<b>Balance at December 31, 2013</b>	<u>202,100</u>	<u>-</u>	<u>-</u>	<u>(2,897)</u>	<u>88</u>	<u>199,291</u>
Net income for the semester	-	-	-	416	-	416
Adjustment to market value of government bond	-	-	-	-	(52)	(52)
<b>Balance at June 30, 2014</b>	<u>202,100</u>	<u>-</u>	<u>-</u>	<u>(2,481)</u>	<u>36</u>	<u>199,655</u>
<b>Changes in the semester</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>416</u>	<u>(52)</u>	<u>364</u>
<b>Balance at December 31, 2014</b>	<u>202,100</u>	<u>55</u>	<u>-</u>	<u>(1,844)</u>	<u>131</u>	<u>200,442</u>
Net income for the semester	-	-	-	4,347	-	4,347
Legal reserve destination	-	217	-	(217)	-	-
Statutory reserve destination	-	-	2,286	(2,286)	-	-
Adjustment to market value of government bond	-	-	-	-	(37)	(37)
<b>Balance at June 30, 2015</b>	<u>202,100</u>	<u>272</u>	<u>2,286</u>	<u>-</u>	<u>94</u>	<u>204,752</u>
<b>Changes in the semester</b>	<u>-</u>	<u>217</u>	<u>2,286</u>	<u>1,844</u>	<u>(37)</u>	<u>4,310</u>

See the accompanying notes to the financial statements.

# ICBC do Brasil Banco Múltiplo S.A.

## Statements of cash flows

Semester ended at June 30, 2015 and June 30, 2014

*In thousands of Reais*

	2015	2014
<b>Operating activities:</b>		
<b>Adjusted income</b>	<u>4,125</u>	<u>1,520</u>
Net income for the semester	4,347	416
Adjustments to income /(loss)	<u>(222)</u>	<u>1,104</u>
Mark to market value of securities	-	(52)
Allowance for doubtful accounts	(285)	835
Depreciation	281	252
Reversal of operating provisions	(218)	67
Others	-	2
<b>Changes in assets and liabilities</b>	<u>(110,519)</u>	<u>156,349</u>
Decrease (increase) in securities	10,115	(11,264)
Increase (decrease) in loans	(23,256)	(47,445)
Increase (decrease) in interbank accounts	(69)	(33)
Increase in advances on exchange contracts	85,707	(160,848)
Increase (decrease) in other loans	180	30
Increase (decrease) in borrowings and onlendings	(61,129)	209,269
Increase (decrease) in exchange operations - Liability	-	(944)
Increase (decrease) in deposits	(123,249)	167,167
Increase (decrease) in third party funds in transit	20	(630)
Increase (decrease) in other liabilities	1,160	1,043
Increase (decrease) in other receivables and other assets	2	4
<b>Net cash (used in) /provided by operating activities</b>	<u>(106,394)</u>	<u>157,869</u>
<b>Investment activities:</b>	<u>(87)</u>	<u>(266)</u>
Acquisition of property and equipment in use	(87)	(263)
Acquisition of intangible	-	(3)
<b>Net cash used by investment activities</b>	<u>(87)</u>	<u>(266)</u>
<b>Net increase /(decrease) in cash and cash equivalents</b>	<u>(106,481)</u>	<u>157,603</u>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents at beginning of semester	146,293	87,217
Cash and cash equivalents at end of semester	<u>39,812</u>	<u>244,820</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(106,481)</u>	<u>157,603</u>

See the accompanying notes to the financial statements.

## Notes to the financial statements

*(In thousands of Reais)*

### 1 Operations

ICBC do Brasil Banco Múltiplo S/A (“Bank”) is a wholly owned subsidiary of ICBC - Industrial and Commercial Bank of China Ltd. whose incorporation obtained the favorable opinion of the Board of Governors of the Central Bank of Brazil (BACEN) on December 19, 2012. The Bank obtained authorization to operate as a multiservice bank and aims to conduct transactions with commercial and investment portfolios and it obtained authorization to operate on the foreign exchange market, in accordance with the laws and regulations of the Central Bank of Brazil, starting its operations as from September 2013.

### 2 Preparation and presentation of the financial statements

The financial statements were prepared in accordance with accounting practices derived from the Brazilian Corporation Law and the rules and instructions of the National Monetary Council (CMN), the Central Bank of Brazil and the Accounting Pronouncements Committee (CPC), when applicable. The presentation of these financial statements is in accordance with the Accounting Chart for Institutions of the National Financial System (COSIF).

The CPCs approved by the CMN (National Monetary Council / Central Bank of Brazil) to be followed by financial institutions are:

- **CPC 01 - R1** - Impairment of Assets - CMN Resolution 3566 - May 29, 2008
- **CPC 03 - R2** - Statement of Cash Flows - CMN Resolution 3604 - August 29, 2008
- **CPC 05 - R1** - Related Party Disclosures - CMN Resolution 3750 - June 30, 2009
- **CPC 10 (R1)** - Share-based Payment - CMN Resolution 3989 - June 30, 2011
- **CPC 23** - Accounting policies, changes in estimates and rectification of errors - CMN Resolution 4007 - August 25, 2011
- **CPC 24** - Subsequent Events - CMN Resolution 3973 - May 26, 2011
- **CPC 25** - Provisions, contingent liabilities and contingent assets - CMN Resolution 3823 - December 16, 2009
- **CPC 33 - R1** - Employee Benefits- Resolution CMN n 4424 - June 29, 2015 - starting on January 1, 2016.

Assumptions and estimates for stating and determining values of assets and liabilities amounts were used in the preparation of these financial statements. Accordingly, at the time of the effective financial settlement of these assets and liabilities the results obtained may be different from those estimated. Management reviews the estimates and the assumptions periodically in order to verify their consistency.

The financial statements were approved by management on August 13, 2015.

### **3 Description of significant accounting policies**

#### **Statement of income**

Income and expenses are recorded on an accrual basis and are recorded on a "pro rata" basis, calculated based on the exponential method, except for those related to transactions abroad, which are calculated based on a straight line basis.

#### **Functional currency and presentation currency**

The financial statements are presented in Brazilian Reais, the Bank's functional and presentation currency. Monetary assets and liabilities denominated in foreign currencies were translated into Reais at the foreign exchange rate at the balance sheet date, disclosed by the Central Bank of Brazil and the foreign exchange differences arising on translation are recognized in results for the semester.

#### **Cash and cash equivalents**

Cash and cash equivalents are presented in local currency, foreign currency, applications in the market, and when applicable, in interbank accounts, where the maturities of the transactions on the date of the effective investment are equal to or less than 90 days and present an immaterial risk of change in value in the event of early redemption. It includes the interbank funds applied due to the term and purpose of the transactions, which are very short term. It is included the Interbank accounts by the period and the scope of operations that are in very short-term.

#### **Securities**

Securities are classified according to the intention of trading by the management in three specific categories, namely:

- **Trading securities** - Securities purchased for the purpose of being actively and frequently traded. They are adjusted to market value as balancing items against the income for the semester;
- **Securities available for sale** - Securities that are not classified as "trading securities" or as "securities held until maturity". They are adjusted to market value as balancing entries against a separate account of the shareholders' equity, less tax effects, and
- **Securities held until maturity** - They are purchased with the intention and financial ability to be held in portfolio until their maturity. They are stated at cost of acquisition, plus accrued income, which is recognized as balancing items against the income statement for the semester. In this category, securities are not adjusted to their market value.

#### **Loans and allowance for doubtful loans**

- a. Loans are classified by an internal methodology, in conformity with the loan policy and classified in nine levels of risk as defined in CMN Resolution 2682/99 and the allowance for doubtful accounts is recorded based on the classification of the clients in risk levels defined by the National Monetary Council (CMN), as defined in this Resolution. This classification takes into consideration, among others, a periodic analysis of the transaction, the clients' history, the late payments and collateral received, when applicable.

- b.** As defined in COSIF (Accounting Chart for Institutions of the National Financial System), loans are presented net of unearned income, which is appropriated to income on a daily "pro-rata" basis. The earnings from loans overdue for more than 60 days, regardless of their risk level, are only recognized as revenue when effectively received.
- c.** The allowance for doubtful loans is based on an analysis of the loans and the clients' capacity and performed by management, to support the realization value of these receivables, taking into account the economic environment, experience and specific and general risks of each transaction and each client, the existing guarantees for each loan, as well as the rules and instructions of the Central Bank of Brazil, contained in CMN Resolution 2682/99.
- d.** For Guarantees and Warranties operations, the Bank has a provision for possible losses, using as a basis the rules and instructions of the Central Bank, contained in CMN Resolution No. 2682/99, and its classification is recorded in the liabilities' caption "Other provisions". There were no provisions for the semesters of June 30, 2015 and June 30, 2014.

#### **Premises and equipment and Intangible assets**

The items of premises and equipment are recorded at cost of acquisition. Depreciation is calculated using the straight line method at the following annual rates: 10% for equipment for own use, communication systems and security systems; and 20% for data processing system and transport system. The amortization of intangible assets is also calculated by the straight-line method at the rate of 20%.

#### **Current and non-current liabilities**

These amounts include, where applicable, charges and monetary variations (on a daily "pro rata" basis).

#### **Income tax and social contribution**

Income tax and social contribution are calculated based on the rates of 15% plus a surcharge of 10% on taxable income exceeding R\$ 240 thousand per year for income tax and 15% for social contribution and consider the offsetting of tax loss carry forwards and negative basis of social contribution, limited to 30% of the taxable income.

Deferred tax assets arising from tax loss, negative basis and temporary differences will be made, if applicable, in accordance with Resolution 3059/02 and amendments introduced by Resolution 3355/06, taking into consideration the expected generation of future taxable income based on technical feasibility studies.

#### **Decrease to recoverable value of assets (Impairment)**

CPC 01, as approved by CMN Resolution 3566/08, establishes procedures for the recognition, measurement and disclosure of losses related to impairment of assets. According to the resolution, the assets are reviewed for impairment whenever events or changes in circumstances indicate that the book amount may not be recoverable. Loss through impairment occurs when the net book value of the asset exceeds its recoverable value and it is recognized directly in the income statement. We did not identify assets subject to recognition of adjustments for impairment for the semesters of June 30, 2015 and June 30, 2014.

### **Contingent assets and liabilities and legal obligations**

The recognition, measurement and disclosure of contingent assets and contingent liabilities is made according to the following criteria:

- (i) **Contingent assets** - They are recognized in the financial statements, only when there is the existence of evidence that provides a guarantee of their realization, thus typifying the gain as practically certain;
- (ii) **Contingent liabilities** - They are recognized in the financial statements when, based on the opinion of legal advisers and management, the risk of loss of a judicial or administrative action is considered likely, with a probable outflow of funds for settlement of the obligations and when the amounts involved can be measured with sufficient security. Contingent liabilities classified as possible losses are not recognized in the accounts and are only disclosed in the notes, and those classified as remote do not require recognition or disclosure; and
- (iii) **Legal obligations** are recognized and recorded as provisions in the balance sheet, regardless of the assessment of the chances of success in the course of judicial proceedings.
- (iv) **Employee benefits** -The Bank's policy is to offer and provide certain benefits to employees, who are all eligible for Life Insurance, Medical and dental care, a food allowance and luncheon vouchers. For expatriate employees, during their stay in Brazil, it also provides an educational allowance for children of school age, which ceases upon their return to their country of origin.

## **4 Cash and cash equivalents**

The Bank concentrates its resources in its reserve account with the Central Bank of Brazil in the amount of R\$ 188, (R\$ 88 in June 2014) and cash and cash equivalents in foreign currency with a bankers abroad totaling R\$ 3,025 (R\$ 535 in June 2014). As concept of cash equivalents includes the applications in interbank for settlement in the very short term, amounting to R\$ 36,599 (R\$ 244,197 in June 2014).

### **Cash and cash equivalents**

	<b>jun/15</b>	<b>jun/14</b>
Cash in Reais	188	88
Cash in foreign currency	3,025	535
Applications in interbank	36,599	244,197
<b>Total</b>	<b>39,812</b>	<b>244,820</b>

## **5 Applications in interbank**

The interbank funds applied are concentrated in Repurchase Operations - own resources maturing in the short term, and Certificate of interbank deposit as shown below:

## Operações compromissadas -Compra com Revenda

<u>Purchase with resale</u>		<u>Spread</u>				Amount invested	Redemption value	In June 30, 2015
Purchase date	Return date	Note	Qty.	Issue	Maturity			
June 30, 2015	July 1, 2015	LTN	22,986	October 4, 2013	July 1, 2017	17,599	17,608	17,599
June 30, 2015	July 1, 2015	LTN	29,694	January 9, 2015	January 1, 2019	19,000	19,009	19,000
<b>Total</b>						<b>36,599</b>	<b>36,617</b>	<b>36,599</b>

		<u>Spread</u>				Amount invested	Redemption value	In June 30, 2014
Purchase date	Return date	Note	Qty.	Issue	Maturity			
June 30, 2014	July 1, 2014	LFT	7,369	March 6, 2009	March 7, 2015	45,597	45,616	45,597
June 30, 2014	July 1, 2014	NTN-F	216,875	March 9, 2012	January 1, 2023	198,600	198,681	198,600
<b>Total</b>						<b>244,197</b>	<b>244,297</b>	<b>244,197</b>

## Operations in interbank deposit certificate

Title	Issuing	Issue	Maturity	Qty.	June 30, 2015
CDI - post-fixed	Banco Votorantim S/A	January 16, 2015	July 15, 2015	39,000	41,181

## 6 Securities

The portfolio of securities presented in the balance sheet is classified according to the criteria established by Central Bank of Brazil Circular Letter 3068/01.

The government bonds are held in custody by the Special system for Settlement and Custody (SELIC).

The market value of the government bonds represents the value of securities valued by the average market price, as disclosed by the Brazilian Association of Financial and Capital Markets (Anbima).

The Debentures and the Financial Bills, classified in securities, corporate bonds, to mark to market purposes, were used the same procedures for comparison with the custodian entities and settlement, but both titles kept the curve value, the fact that there are no negotiations of these securities in the primary market nor the secondary market and the Management did not observe potential losses in prices of securities.

### Securities available for sale

The restated cost, plus income earned, and the market value of the securities classified as available for sale were presented as follows:

**Available for sale**

Portfolio	June 2015				Market value adjustment
	Quantity	Maturity	Book value	Market Value	
LFT	19,600	Up to 90 days	135,633	135,736	103
LFT	100	Up to 90 days	692	692	-
LFT	3,000	Up to 90 days	20,760	20,776	16
LFT	3,250	Up to 90 days	22,490	22,507	17
LFT	4,050	Up to 90 days	28,026	28,048	22
<b>Total</b>	<b>30,000</b>		<b>207,601</b>	<b>207,759</b>	<b>158</b>

Title	Issuer	Issue	Maturity	Qty	June 30,
					2015
Debentures	Paranaíba Transm. Energia	November 24, 2014	November 24, 2015	49	52,982
Letra Financeira - LF	Banco ABC Brasil S/A	May 22, 2014	May 23, 2016	21	3,610
Total Securities in June 30, 2015					<b>264,351</b>

Portfolio	June 2014				Market value adjustment
	Quantity	Maturity	Book value	Market Value	
LFT	33,960	More than 90 days	210,186	210,246	60
<b>Total</b>	<b>33,960</b>		<b>210,186</b>	<b>210,246</b>	<b>60</b>

In June 30, 2015 the unrealized gains in the amount of R\$ 94 (R\$ 36 in June 2014) are recorded as an adjustment to market value in return in a specific account in shareholders' equity.

On June 30, 2015 and June 30, 2014, the Bank did not hold securities classified as "held to maturity".

## 7 Derivative financial instruments

The bank did not operate with derivative financial instruments in the semesters of June 2015 and 2014.

## 8 Interbank relations

Refers to Compulsory Reserves on Liabilities of operations for rural credit and Micro Finance in the amount of R\$ 1,557 (R\$ 42 in June 2014). The Bank did not present the Compulsory Reserves to demand deposit and time deposit in June 2015 and June 2014.

## 9 Loans

The Bank has maintained loans in the "Corporate" line, financially assisting its clients with the financing of Import and Export operations. The loan portfolio on June 30, 2015 and 2014 is distributed as follows:

Loans sorted by maturity	<b>June 2015</b>		
	Maturity	Principal	Debit Balance
Export Credit Notes (CCE)	More than 360 days	15,535	15,559
Export Credit Notes (CCE)	Up to 360 days	15,491	15,515
Import Financing (FINIMP)	Up to 360 days	<u>58,793</u>	<u>59,714</u>
	<b>Total</b>	<b><u>89,819</u></b>	<b><u>90,788</u></b>

Loans sorted by maturity	<b>June 2014</b>		
	Maturity	Principal	Debit Balance
Export Credit Notes (CCE)	More than 360 days	22,086	22,129
Export Credit Notes (CCE)	Up to 360 days	10,952	10,973
Import Financing (FINIMP)	Up to 360 days	6,910	6,965
Import Financing (FINIMP)	Up to 360 days	<u>7,338</u>	<u>7,378</u>
	<b>Total</b>	<b><u>47,286</u></b>	<b><u>47,445</u></b>

Operations with credit characteristics	<b>June 2015</b>		
	Maturity	Principal	Debit Balance
Advances on Exchange Contracts (AEC)	Up to 360 days	<u>176,808</u>	<u>178,715</u>
		<b><u>176,808</u></b>	<b><u>178,715</u></b>

Operations with credit characteristics	<b>June 2014</b>		
	Maturity	Principal	Debit Balance
Advances on Exchange Contracts (AEC)	Up to 360 days	<u>195,969</u>	<u>197,025</u>
		<b><u>195,969</u></b>	<b><u>197,025</u></b>

**Breakdown of Portfolio by Maturity Bracket and Risk Level**

Payments falling due	<b>June 2015</b>			
	AA	A	B	Total
01 to 60	22,413	56,457	20,859	99,729
61 to 90	11,207	18,486	10,430	40,123
91 to 180	33,620	24,440	22,583	80,643
181 to 360	24,901	7,859	689	33,449
More than 360	-	<u>15,559</u>	-	<u>15,559</u>
<b>Overall Total June 30, 2015</b>	<b><u>92,141</u></b>	<b><u>122,801</u></b>	<b><u>54,561</u></b>	<b><u>269,503</u></b>

	<b>June 2014</b>			
	<b>AA</b>	<b>A</b>	<b>B</b>	<b>Total</b>
<b>Payments falling due</b>				
01 to 60	31,909	16,069	10,505	58,483
61 to 90	15,954	8,034	5,253	29,241
91 to 180	40,427	23,070	15,758	79,255
181 to 360	29,057	17,943	8,362	55,362
Acima de 365	-	22,129	-	22,129
<b>Overall Total June 30, 2014</b>	<b>117,347</b>	<b>87,245</b>	<b>39,878</b>	<b>244,470</b>

	<b>June 2015</b>		<b>June 2014</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Breakdown by activity segment</b>				
<b>Private sector</b>				
Legal Entity	269,503		244,470	
<b>Total</b>	<b>269,503</b>		<b>244,470</b>	

	<b>June 2015</b>		<b>June 2014</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Composition of customers - Major clients</b>				
Three major customers	146,702	54.43%	124,104	50.76%
Three following major customers	105,695	39.22%	106,023	43.37%
Other Customers	17,106	6.35%	14,343	5.87%
<b>Total</b>	<b>269,503</b>	<b>100%</b>	<b>244,470</b>	<b>100%</b>

## 10 Allowance for loan losses by risk levels

	<b>June 2015</b>			
	<b>AA</b>	<b>A</b>	<b>B</b>	<b>Total</b>
<b>Product</b>				
Advances on Exchange Contracts - AEC	93,374	25,384	45,045	163,803
Import Financing - FINIMP	-	59,714	-	59,714
Export Credit Notes - CCE	-	31,074	-	31,074
<b>Total</b>	<b>93,374</b>	<b>116,172</b>	<b>45,045</b>	<b>254,591</b>
<b>Allowance for loan losses percentage</b>	<b>0.00%</b>	<b>0.50%</b>	<b>1.00%</b>	
<b>Total</b>	<b>-</b>	<b>581</b>	<b>450</b>	<b>1,031</b>

	<b>June 2014</b>			
	<b>AA</b>	<b>A</b>	<b>B</b>	<b>Total</b>
<b>Product</b>				
Advances on Exchange Contracts - AEC	117,347	39,800	39,878	197,025
Import Financing - FINIMP	-	14,343	-	14,343
Export Credit Notes - CCE	-	33,102	-	33,102
<b>Total</b>	<b>117,347</b>	<b>87,245</b>	<b>39,878</b>	<b>244,470</b>
<b>Allowance for loan losses percentage</b>	<b>0.00%</b>	<b>0.50%</b>	<b>1.00%</b>	
<b>Total</b>	<b>-</b>	<b>436</b>	<b>399</b>	<b>835</b>

**Movement of Allowance for loan losses on June 2015**

	<b>Balance on December 31, 2014</b>	<b>Reversal</b>	<b>Addition</b>	<b>Balance in June 2015</b>
<b>Movimentation</b>	1,316	(779)	494	1,031

**Movement of Allowance for loan losses on June 2014**

	<b>Balance on December 31, 2013</b>	<b>Write-off</b>	<b>Addition</b>	<b>Balance in June 2014</b>
<b>Movimentation</b>	-	-	835	835

Note: In recognition of the allowance for doubtful accounts is not considering the foreign exchange variation in the Advance in Exchange Contract - AEC, as the advance is in Reais, according to the regulation.

## 11 Other receivables - Foreign Exchange transaction

The Bank has as one of its main products, foreign exchange transactions, providing foreign currency loans and intermediation of foreign currency remittances to its clients. On June 30, 2015 and 2014, the exchange rate position is presented as follows:

**Foreign exchange portfolio**

	<b>June 2015</b>	<b>June 2014</b>
<b>Assets - Other receivable</b>		
Exchange purchased pending settlement	176,808	195,969
Income receivable from granted advances	1,907	1,056
	<u>178,715</u>	<u>197,025</u>
<b>Total (i)</b>		
<b>Liabilities - Other Liabilities</b>		
Rights over exchange purchase	161,896	200,956
Advances on Exchange Contracts (ii)	(161,896)	(200,956)
	<u>-</u>	<u>-</u>
<b>Total</b>		

- (i) It refers to the financing operation for exports in the Advances on Exchange Contracts module (AEC) (see note 7) with a total term of 1 year. In its credit policy, the Bank limits the loans to guarantees provided, covering the principal amount, interest and charges for the full term of the loan, if applicable. On June 30, 2015, the Bank had as an operational guarantee of AEC, Promissory Note (PN) in the total amount of R\$ 139,586 (R\$ 83,672 in June 2014).
- (ii) It refers to the line transfer abroad to the Advances on Exchange Contracts module (AEC).

## 12 Other receivables - Other

<b>Credit</b>	<b>June 2015</b>	<b>June 2014</b>
<b>Advances to suppliers (a)</b>	21	10
<b>Income tax and social contribution to compensate (b)</b>	1,505	424

- (a) Advances to suppliers R\$ 21 (R\$ 2 in 2014), refers to amounts paid in advance on the part of contracted amounts in which will be liquidated after the complement of the performance of services, which in 2014 also includes employee travel advances amounting to R\$ 8.
- (b) Refers mainly to amounts related to advanced accumulated month of income tax and social contribution R\$ 1,505 (R\$ 332 in June 2014), referring to the adoption by the Bank of calculation criterion for Income Tax and Social Contribution through taxable income base suspension and reduction.

### 13 Other assets - Prepaid expenses

Refers to the balance of unearned car insurance premiums paid in the amount of R \$ 10 (R \$ 8 in June 2014), which are deferred over the term of the policies.

### 14 Permanent assets

<b>June 2015</b>				
<b>Property, plant &amp; equipment</b>	<b>Balance in December 2014</b>	<b>Acquisitions</b>	<b>Depreciation of Semester</b>	<b>Balance in June 2015</b>
Furniture and equipment for use	725	-	(51)	674
Data processing system	759	87	(108)	738
Security system	498	-	(80)	418
Transport system	285	-	(41)	244
<b>Total</b>	<b>2,267</b>	<b>87</b>	<b>(280)</b>	<b>2,074</b>

<b>June 2015</b>				
<b>Intangible assets</b>	<b>Balance in December 2014</b>	<b>Acquisitions</b>	<b>Amortization of Semester</b>	<b>Balance in June 2015</b>
Intangible assets	16	-	(1)	15
<b>Total</b>	<b>16</b>	<b>-</b>	<b>(1)</b>	<b>15</b>

<b>June 2014</b>				
<b>Property, plant &amp; equipment</b>	<b>Balance in December 2013</b>	<b>Acquisitions</b>	<b>Depreciation of Semester</b>	<b>Balance in June 2014</b>
Furniture and equipment for use	811	-	(51)	760
Data processing system	660	260	(82)	838
Security system	653	3	(78)	578
Transport system	368	-	(41)	327
<b>Total</b>	<b>2,492</b>	<b>263</b>	<b>(252)</b>	<b>2,503</b>

<b>June 2014</b>				
<b>Intangible assets</b>	<b>Balance in December 2013</b>	<b>Acquisitions</b>	<b>Amortization of Semester</b>	<b>Balance in June 2014</b>
Intangible assets	2	3	-	5
<b>Total</b>	<b>2</b>	<b>3</b>	<b>-</b>	<b>5</b>

### 15 Funding

Among the products that the Bank offers to the customers, we highlighted the current accounts of free movement and related operations, the administration of cash management as well as time deposits through time deposit certificate issuance, with varying maturity, depending on the needs of our customers. The position at the end of June 2015 and 2014 are presented below:

<b>June 2015</b>				
<b>Maturity</b>	<b>No maturity</b>	<b>Up to 90 days</b>	<b>Above 90 days</b>	<b>Total</b>
<b>Demand deposits</b>	33,109	-	-	33,109
<b>Time deposits</b>	-	2,458	101,776	104,234
<b>Total</b>	<b>33,109</b>	<b>2,458</b>	<b>101,776</b>	<b>137,343</b>
<b>June 2014</b>				
<b>Maturity</b>	<b>No maturity</b>	<b>Up to 90 days</b>	<b>Above 90 days</b>	<b>Total</b>
<b>Demand deposits</b>	2,522	-	-	2,522
<b>Time deposits</b>	-	248,353	2,911	251,264
<b>Total</b>	<b>2,522</b>	<b>248,353</b>	<b>2,911</b>	<b>253,786</b>

## **16 Interbank relations**

It refers to the collection of amounts remitted in the amount of R\$ 88 (R\$ 9 June 2014), with very short-term settlement, awaiting compensation for the Settlement Chamber.

## **17 Resources in transit**

Refers to transactions in payment orders by account and customer order with settlement in the short term, with the total value of these resources R\$ 46 (R\$ 11 in June 2014).

## **18 Borrowings and onlendings**

It refers to a foreign currency loan with ICBC NY and ICBC HO, in order to transfer the financing of exports and imports, with a minimum maturity of 1 year, in conformity with the following characteristics:

<b>June 2015</b>				
<b>Product</b>	<b>Principal</b>		<b>Debit Balance</b>	
	<b>Up to 360 days</b>	<b>Over 360 days</b>	<b>Up to 360 days</b>	<b>Over 360 days</b>
Foreign currency borrowing ACC	179,910	-	180,647	
Foreign currency borrowing for transfer to Import Financing (FINIMP)	43,427	-	43,566	
Foreign currency borrowing for transfer to Export Credit Notes (CCE)		46,529	-	46,671
<b>Total</b>	<b>223,337</b>	<b>46,529</b>	<b>224,213</b>	<b>46,671</b>

Product	<b>June 2014</b>			
	<b>Principal</b>		<b>Debit Balance</b>	
	<b>Up to 360 days</b>	<b>Over 360 days</b>	<b>Up to 360 days</b>	<b>Over 360 days</b>
Foreign currency borrowing ACC	195,969	-	197,002	-
Foreign currency borrowing for transfer to Import Financing (FINIMP)	14,248	-	14,323	-
Foreign currency borrowing for transfer to Export Credit Notes (CCE)	9,636	23,393	9,663	23,460
<b>Total</b>	<b>219,853</b>	<b>23,393</b>	<b>220,988</b>	<b>23,460</b>

## 19 Other liabilities

### a. Tax and social security

<b>Other liabilities</b>	<b>June 2015</b>	<b>June 2014</b>
<b>Taxes</b>		
Taxes on third party services (i)	9	3
Taxes on salaries and wages (i)	407	253
PIS (ii)	21	14
COFINS (ii)	128	92
Withholding tax (IRRF) on redemption of investment in Fixed Income (iii)	1,168	3
Provision for deferred taxes (iv)	63	24
Income tax (v)	1,150	236
Social Contribution (v)	715	96
Service Tax (vi)	2	-
<b>Total</b>	<b>3,663</b>	<b>721</b>

- (i) Refers to the provision for income and social contribution taxes in the amount of R\$ 416 (R\$ 256 in June 2014);
- (ii) PIS and COFINS on operating income in the amount of R\$ 149 (R\$ 106 in June 2014);
- (iii) IRRF over rescue application in fixed income of customers and remittance of interest on funding surplus abroad totaling R\$ 1,168 (R \$ 3 in June 2014);
- (iv) Provision for income tax and social contribution on mark-to-market of government bonds in the amount of R\$ 63 (R\$ 24 in June 2014);
- (v) Provision for income tax and social contribution in the amount of R\$ 1.865 (R\$ 332 in June 2014) and;
- (vi) Provision for service tax for June 2015 in the amount of R\$ 2.

### b. Provision for payments to be made

Bank adopts the biannual anticipation of the 13th salary and it is pay to all employees in May and proceeds to the payment of the referred advance to INSS.

***Open position to effect payment***

<b>Benefits</b>	<b>June 2015</b>	<b>June 2015</b>
Vacations	891	389
INSS over vacations	251	104
FGTS over vacations	77	33
13th salary	1	-
INSS over 13th salary	67	48
FGTS over 13th salary	-	-
	<hr/>	<hr/>
<b>Total</b>	<b><u>1,287</u></b>	<b><u>574</u></b>

**c. Statutory and payroll provisions**

It refers to the balance of a Provision for payment of a Bonus in the year ended of 2014 in the amount of R\$ 259. There were no open positions in June 2015.

**d. Other domestic creditors - Accounts payable to suppliers**

Refers to the provision for payment to service providers contracted in the amount of R\$ 147 in June 2015 and suppliers in the amount of R\$ 5 in June 2014.

**e. Billing and tax collection**

Amounts payable of IOF on foreign exchange operations totaling R\$ 788 (R\$ 2,218 in June 2014) and IOF on financial transactions in the amount of R\$ 7 in June 2014.

**20 Equity**

**a. Capital**

The Bank's capital is represented by 202,100,000 registered common shares, with a par value of R\$ 1,00, and its equity value R\$ 202.100 on June 30, 2015 and on June 30, 2014.

**b. Dividends**

The shareholders are guaranteed a minimum dividend of 25% of the annual net income for the year, adjusted in the terms of the Corporation Law, subject to approval by the General Shareholders' Meeting.

**c. Legal reserve**

Based on current regulation, the amount of Legal Reserve was established in 5% based on the result. In June the amount established of Legal Reserve was R\$ 217, totaling R\$ 272.

**d. Statutory reserve**

The administration seeking to optimize investments in Brazil, authorized the opening of Statutory Reserves in order to cover possible future losses, future capital increase and future distribution of dividends, observing the current legislation. In June 2015 he was transferred to this reserve the amount of R\$ 2,286, after the Legal Reserve and absorption of accumulated losses.

**e. Equity valuation adjustment**

It represents the unrealized gains and losses arising from the adjustment to fair value of securities classified as “available for sale”, as described in note 5. These gains and losses are transferred to the corresponding income accounts on the date that their actual financial realization occurs, on June 30, 2015 the amount recorded was R\$ 94 (R\$ 36 in June 2014), net of income tax and social contribution, as determined by the regulations.

**21 Other expenses**

**a. Administrative**

Description	June 2015	June 2014
Data processing	840	621
Rents	1,794	1,678
Condominium	398	418
Specialized technical services	43	107
Travel	464	340
Communications	141	97
Materials	91	48
Transports	52	63
Financial system services	111	134
Maintenance and upkeep	46	74
Insurance	12	13
Promotions and public relations	62	52
Publications	67	40
Water, electricity and gas	2	2
Other administrative expenses	176	209
<b>Total</b>	<b><u>4,299</u></b>	<b><u>3,896</u></b>

**b. Personal expenses**

Description	June 2015	June 2014
Benefits	740	596
Payroll charges	1,594	1,009
Salaries and wages	3,685	2,692
Training	22	22
Board of directors' fees	528	387
Remuneration of trainees	8	20
	<b><u>6,577</u></b>	<b><u>4,726</u></b>

**22 Service fee income**

Bank's service fee income is composed primarily of services in overseas to its clients, managed accounts, fee income and other, as shown below:

<b>Service fee income</b>	<b>June 2015</b>	<b>June 2014</b>
<b>Income Guarantee Fee</b>	36	100
<b>Income Bank Fees</b>	32	7
<b>Income Accounts Managed</b>	28	-
<b>Income Financial Advisory</b>	5	-
<b>Income Issue Money Order</b>	1	1
<b>Others</b>	1	3
	<hr/>	<hr/>
<b>Total</b>	<b>103</b>	<b>111</b>
	<hr/> <hr/>	<hr/> <hr/>

## 23 Basis for calculation of income tax and social contribution

The Bank recorded a taxable base for calculation of income tax and social contribution for the period ended on June 30, 2015 and June 30, 2014.

The Bank adopts the criterion to calculate the income tax and social contribution based on taxable income under the prepayment methods of suspension and gross revenue reduction and additions, proceeding with the monthly payment in return for the compensation amounts already anticipated monthly. The prepayments until June 30, 2015 assembles the balance of R\$ 1,505 (R\$ 424 in June 2014), as shown in note 12.

### a. Tax expenses

<u><b>Tax</b></u>	<b>June 2015</b>	<b>June 2014</b>
<b>Federal</b>		
IOF	-	1
Income tax	73	15
CIDE (Contribution for intervention in the economic domain)	-	7
PIS/COFINS on Importations	60	9
PIS	116	75
COFINS	717	460
Others	-	3
<b>State</b>		
IPVA (Vehicle tax)	13	23
State Taxes - Other	3	4
<b>Municipal</b>		
ISS	5	5
Municipal Taxes - Other	-	4
	<hr/>	<hr/>
<b>Total</b>	<b>987</b>	<b>606</b>
	<hr/> <hr/>	<hr/> <hr/>

**b. Income tax and social contribution**

	June 2015		June 2014	
	IRPJ	CSLL	IRPJ	CSLL
Income before taxation for income tax and social contribution	6,445	6,445	1,078	1,078
<b>Temporary additions</b>	<b>415</b>	<b>415</b>	<b>1,094</b>	<b>1,094</b>
Allowance for loan losses	268	268	835	835
Provision for payment of bonus	-	-	259	259
Provision for specialized service	147	147	-	-
<b>Permanent additions</b>	<b>245</b>	<b>245</b>	<b>667</b>	<b>291</b>
Non-deductible expenses	245	245	667	291
<b>Permanent exclusions</b>	<b>2,341</b>	<b>2,341</b>	<b>1,823</b>	<b>1,823</b>
Permanent exclusions	700	700	1,400	1,400
Reversion of provision for Loans	995	995		
Reversion of provision for specialized service	223	223		
Tax amortization	423	423	423	423
Value-basis for taxation	<b>4,764</b>	<b>4,764</b>	<b>1,016</b>	<b>640</b>
Rates	15% and 10%	15%	15% and 10%	15%
<b>Total income tax and social contribution payable in the current semester</b>	<b><u>1,150</u></b>	<b><u>715</u></b>	<b><u>236</u></b>	<b><u>96</u></b>

The difference between the current semester CSLL and the respectively expense in the result, in the amount of R\$ 7, refers to the adjustments made last year.

**c. Income tax and social contribution expenses**

The income tax and social contribution expenses, respectively, in the amounts of R\$ 1,150 and R\$ 722 refer to the return for the provision of income tax and social contribution recognized in the first half of 2015. The balance of the most recognized in the current social contribution expenses in the amount of R\$ 7, refers to adjustment made in 2014 calendar.

The income tax and social contribution expenses, respectively, in the amounts of R\$ 236 and R\$ 96, refer to the return in provisions recognized in the first half of 2014. The balance of the highest amount of income tax and social contribution expenses, respectively, in the amount R\$ 197 and R\$ 133, totaling R\$ 330 refer to adjustments in these tax bases in calendar of the year 2013.

**d. Tax credits not recognized, in accordance with their nature and origin**

Description	June 2015	June 2014
Provision for profit sharing - Income tax / social contribution	-	104
Provision for losses on loans - income tax / social contribution	107	334
<b>Total</b>	<b><u>107</u></b>	<b><u>438</u></b>

On June 30, 2015, tax credits for income tax and social contribution, in the amount of R\$ 107, refer to temporary differences represented by the provision for loan losses. However, the administration took the decision to not constitute deferred tax assets, as there are no history of taxable income, which is guided on a technical study showing the probability of future obligations with taxes and contributions on the realization of this credit no later than ten years, in accordance with clause 1, II, of the Brazilian Central Bank Resolution 3355 / 2002.

## 24 Risk management

### Risks and controls

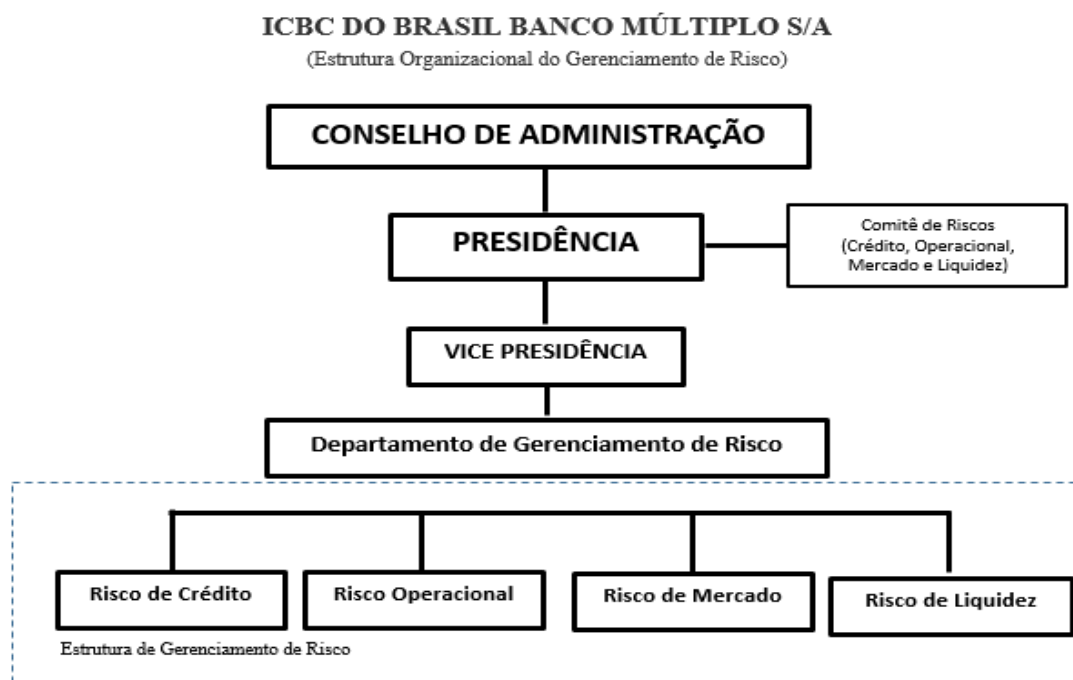
The main risks related to financial instruments arising from the Bank's business are the credit risk, market risk, liquidity risk and operating risk defined below.

### Risk management

ICBC do Brasil Banco Múltiplo S/A has an independent risk management department of your business area and audit - the Department of Risk Management - DGR, has the responsibility to identify, measure and continuously monitor credit risks, operational, market and liquidity risk, emphasizing the commitment of the institution to ensure proper management and in line with the requirements of the regulator and the concepts of the New Basel Capital Agreement.

The organizational structure for risk management in ICBC in Brazil with the participation policy, by operating risk committees reporting to senior management that establish policies and guidelines for the monitoring of risks. The Risk Management Committee comprises the Departments of Risk Management, Finance, Operations Department, Treasury and Compliance & Internal Controls, other areas may be convened if any demands or items to be discussed.

### Risk management framework



*The Risk Management Committee comprises the Departments of Risk Management, Finance, Operations Department, Treasury and Compliance & Internal Controls, other areas may be convened if any demands or items to be discussed.*

### **Credit risk**

ICBC do Brasil Banco Múltiplo S/A defines credit risk as the possibility of losses associated with non-compliance by the borrower or counterparty of their respective financial obligations under the agreed terms, the devaluation arising from the deterioration credit agreement in the borrower's risk rating, reduced gains or remuneration, the advantages granted upon renegotiation and recovery costs.

Credit risk is monitored, controlled and supervised by an independent area of the business area, the Department of Risk Management (DGR), which, through systems, controls and monitors adherence to the political and credit risks, seeking the identification, measurement, control and mitigation of credit risks.

The Structure of Credit Risk Management has a responsible board for management and was established in line with the regulations of Resolution No. 3721 of the National Monetary Council (CMN) on April 30, 2009.

### **Market risk**

O ICBC do Brasil Banco Múltiplo S/A defines the market risk as the possibility of losses resulting from changes in risk factors such as interest rates, exchange rates, indices and prices.

The Market Risk Management Framework has a responsible management and has been established in line with regulations under Resolution No. 3464 of June 26, 2007 from National Monetary Council (CMN).

### **Liquidity risk**

ICBC do Brasil Banco Múltiplo S/A defines liquidity risk as the risk that arises from the possibility of the institution not be able to efficiently meet its expected and unexpected obligations, current and future, including those resulting from binding guarantees, without affecting their daily operations and without incurring significant losses. It is defined also as the possibility of the institution not being able to negotiate the market price a position, due to its sheer size in relation to the volume normally traded or because of some discontinuity in the market.

The Structure of Liquidity Risk Management has responsibility for management and was established in accordance with regulations under Resolution No. 4090 of May 24, 2012 of the National Monetary Council (CMN).

### **Operating risk**

O ICBC do Brasil Banco Múltiplo S/A defines operational risk as the possibility of losses resulting from failure, deficiency or inadequacy of internal processes, people and systems or from external events.

The Operational Risk Management Framework has a responsible management board and was established in accordance with Resolution No. 3380 of June 29, 2006 of the National Monetary Council (CMN).

As for calculating the portion of Required Reference Equity (RFE) for operational risk (RWAOPAD) ICBC in Brazil adopts the methodology "Basic Indicator Approach", as set out in Circular No. 3383 of April 29, 2008 of the Central Bank of Brazil.

## Basel II

According to local regulations, financial institutions must maintain a maximum leverage of 9.09 times the reference equity or, in other words, present a Basel index of at least 11%. The index is given by the ratio between the sum of the risk weighted assets and the reference equity.

### Basel calculation

In line with Resolution 4193 of March 1, 2013, which provides for determination of the minimum requirements of reference equity, level I and Main Capital and establishing the Additional Principal Capital, the minimum required capital adequacy ratio is 11%, while the Bank basil ratio stood at 49.70% on June 30, 2015 and 45.50% on June 30, 2014.

#### *At June 30, 2015*

	Reference equity	Required reference equity	Amount of the margin
Amounts on June 30, 2015	204,752	412,008	159,431

#### *At June 30, 2014*

	Reference equity	Required reference equity	Amount of the margin
Amounts on June 30, 2014	199,650	48,260	151,390

## 25 Related parties

The Bank has a loan in foreign currency from ICBC New York, a direct branch of ICBC China office, without any other participation or correspondent relationship with ICBC Brazil and foreign currency loans directly with the Head office, controller with 100% participation, in ICBC Brasil, according to the statement below, with different characteristics and with minimum rates of 0.8% p.a. and maximum of 3.2% p.a.:

### a. Loans

Related parties	Maturity	Principal	June 2015
ICBC New York Branch	Up to 360 days	37,223	37,300
Head Office - Beijing - China	Up to 360 days	186,114	186,912
Head Office - Beijing - China	Above 360 days	46,529	46,672
	<b>total</b>	<b>269,866</b>	<b>270,884</b>
		<hr/>	<hr/>
Related parties	Maturity	Principal	June 2014
ICBC New York Branch	Up to 360 days	166,179	167,170
Head Office - Beijing - China	Up to 360 days	26,423	26,514
Head Office - Beijing - China	Above 360 days	33,029	33,123
	<b>total</b>	<b>225,631</b>	<b>226,807</b>
		<hr/>	<hr/>

Other related parties result basically with the key management personnel, in conformity with the statement below:

**b. Remuneration of key management**

Short-term benefits for officers	June 2015	June 2014
Fees	528	387
Other benefits	42	457
Payroll charges	119	165
<b>Total</b>	<b>689</b>	<b>1,009</b>

The overall amount of the officers' remuneration is fixed annually in the general shareholders' meeting.

**26 Other information**

**a. Provision for contingencies**

Since the beginning of its operations in Brazil, the Bank is not aware of being part (defendant) in legal, tax and labor claims or actions as well as in administrative proceedings. Therefore, there are no records for provision in contingencies on June 30, 2015 and 2014.

**b. Provisional Decree 675**

Provisional Decree 675 (MP 675/15) was published on May 21, 2015 and increased the rate of the Social Contribution on Net Income - CSLL of the financial and insurance sectors from 15% to 20% of taxable income from September 1st, 2015. The administration considers it appropriate to await the eventual conversion of MP 675/15 to Law for a more precise analysis of the impact on the Financial Statements of the Bank since there is the possibility that amendments proposed by Congress to change the current text of the MP.