Financial Statements

Banco BTG Pactual S.A.

March 31, 2015

With independent auditors' limited review report

BANCO BTG PACTUAL S.A.

Financial Statements

March 31, 2015

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A free translation from Portuguese into English of the independent auditors' review report on interim financial statement prepared in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil.

Independent auditors' review report

To the Shareholders and Management of
Banco BTG Pactual S.A.
São Paulo-SP

We have reviewed the interim financial statements of Banco BTG Pactual S.A. ("Bank") for the quarter ended March 31, 2015, which comprise the balance sheet as of March 31, 2015 and the related statements of income, changes in shareholders' equity and cash flows for the three-month period then ended, and a summary of significant accounting practices and other explanatory notes.

Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements referred above have not been prepared, in all material respects, in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil.

Emphasis of matter

As of March 31, 2015, the jointly controlled subsidiary Banco Pan S.A. has deferred tax assets recorded on its balance sheet amounting to R$ 2.9 billion, recognized based on long-term deferred tax realization projection. This deferred tax realization projection was reviewed by Banco Pan S.A.'s management based on current and future scenarios analysis on December 2014 and approved by its Board of Directors on February 09, 2015, which main assumptions used were the macroeconomics indexes for production and funding costs. The realization of these tax credits, within the estimated realization period, depends on delivery of these projections and business plan as approved by the management bodies of Banco Pan S.A. Our conclusion is not qualified in respect to this matter.

Other matters

Statement of value added

We have also reviewed the statement of value added (SVA), for the three-month period ended March 31, 2015, prepared under the responsibility of Bank's management, which financial statement presentation mentioned above is required by Brazilian Corporate Law, as supplementary information under the accounting practices applicable to institutions accredited by the Central Bank of Brazil. This statement has been subject to the same review procedures previously described, and based on our review nothing has come to our attention that causes us to believe that the statement of value added is not fairly presented, in all material respects, in relation to the overall interim financial statement.

Rio de Janeiro, May 6, 2015.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP 015.199/O-6 – F – RJ

Rodrigo De Paula
Accountant CRC – 1SP 224.036/O-8

Grégory Gobetti
Accountant CRC – 1PR 039.144/O-8

BANCO BTG PACTUAL S.A.

Balance sheets

As at March 31, 2015 and December 31, 2014
(In thousands of reais)

	Note	31/03/2015	31/12/2014
Assets			
Current assets		118,208,157	113,685,159
Cash at banks	6	1,227,984	590,257
Interbank investments	7	38,894,415	38,523,326
Open market investments		34,936,660	33,913,671
Interbank deposits		3,957,755	4,609,655
Securities and derivative financial instruments		45,067,155	45,562,656
Own portfolio	8	17,229,620	18,385,437
Subject to repurchase agreements	8	4,679,940	1,961,591
Subject to unrestricted repurchase agreements	8	182,729	529,059
Derivative financial instruments	9	22,734,196	23,351,175
Subject to guarantees	8	240,670	1,335,394
Interbank transactions		1,037,641	1,144,756
Unsettled receipts and payments		760	-
Deposits in the Central Bank of Brazil		1,036,881	1,144,674
Correspondent banks		-	82
Loans	10	9,830,172	7,297,529
Loans		10,234,022	7,719,084
Transferred loans		145,106	176,698
Allowance for loan losses		(548,956)	(598,253)
Other receivables		22,080,540	20,471,447
Foreign exchange portfolio	11	9,070,844	9,273,814
Income receivable	12	1,236,795	1,653,945
Securities trading and brokerage	11	6,561,253	6,852,466
Sundry	12	5,266,157	2,733,086
Allowance for losses on other receivables		(54,509)	(41,864)
Other assets		70,250	95,188
Temporary investments		52,149	52,149
Other assets		21,951	21,504
Prepaid expenses		7,334	32,719
Provision for losses		(11,184)	(11,184)
Long-term-assets		22,563,596	25,330,953
Interbank investments	7	84,312	89,979
Open market investments		77,508	76,782
Interbank deposits		6,804	13,197
Securities and derivative financial instruments		12,804,562	12,575,425
Own portfolio	8	4,526,870	5,101,124
Subject to repurchase agreements	8	4,264,883	4,309,692
Derivative financial instruments	9	3,837,079	3,091,775
Subject to guarantees	8	175,730	72,834
Interbank transactions		1,853	1,853
Restricted credits – National Housing System		1,853	1,853
Loans	10	5,643,649	8,618,700
Loans		5,831,263	8,821,747
Allowance for loan losses		(187,614)	(203,047)
Other receivables		3,972,199	4,021,651
Securities trading and brokerage	11	1,298,720	1,381,419
Sundry	12	2,709,555	2,656,259
Allowance for losses on other receivables		(36,076)	(16,027)
Other assets		57,021	23,345
Prepaid expenses		57,021	23,345
Permanent assets		22,463,423	13,758,699
Investments		22,297,177	13,586,258
Investments in subsidiaries, associates and jointly controlled entities - in Brazil	13	19,244,296	11,659,812
Investments in subsidiaries, associates and jointly controlled entities - abroad	13	3,045,585	1,919,150
Other investments		10,163	10,163
Allowance for losses		(2,867)	(2,867)
Property and equipment in use		63,808	67,154
Other property and equipment in use		136,764	136,384
Accumulated depreciation		(72,956)	(69,230)
Deferred charges		4,164	4,679
Amortization and expansion costs		28,703	28,703
Accumulated amortization		(24,539)	(24,024)
Intangible assets	14	98,274	100,608
Other intangible assets		150,579	146,799
Accumulated amortization		(52,305)	(46,191)
Total assets		163,235,176	152,774,811

The accompanying notes are an integral part of the financial statements.

BANCO BTG PACTUAL S.A.

Balance sheets
As at March 31, 2015 and December 31, 2014
(In thousands of reais)

	Note	31/03/2015	31/12/2014
Liabilities			
Current liabilities		105,577,867	102,207,023
Deposits	15	21,968,707	22,256,869
Demand deposits		216,220	170,686
Interbank deposits - with associates		3,998,589	1,923,373
Interbank deposits		886,687	665,026
Time deposits		16,867,211	19,497,784
Open market funding	15	36,597,828	32,975,524
Own portfolio		8,722,001	6,017,903
Third-party portfolio		16,111,154	17,345,931
Unrestricted portfolio		11,764,673	9,611,690
Funds from securities issued and accepted	15	8,439,614	8,011,326
Real estate, mortgage, credit and similar notes		4,993,123	5,111,559
Securities issued abroad		3,406,091	2,867,941
Certificate of structured transactions		40,400	31,826
Interbank transactions		9,457	3,063
Unsettled receipts and payments		9,457	3,063
Loans and onlending	15	3,906,372	3,070,492
Loans abroad		3,897,550	3,060,972
Onlending in Brazil – official institutions		8,822	9,520
Derivative financial instruments	9	23,361,888	23,476,842
Derivative financial instruments		23,361,888	23,476,842
Other liabilities		11,294,001	12,412,907
Collection and payments of tax and similar charges		1,668	2,393
Foreign exchange portfolio	11	8,940,596	8,518,361
Social and statutory	16	23,537	507,200
Tax and social security	16	35,122	41,972
Securities trading and brokerage	11	1,820,676	2,789,791
Sundry	16	472,402	553,190
Long-term liabilities		42,042,874	35,751,884
Deposits	15	1,885,018	1,628,777
Interbank deposits		100,758	104,793
Time deposits		1,784,260	1,523,984
Open market funding	15	5,379,879	4,451,108
Own portfolio		355,174	418,269
Third-party portfolio		1,177,773	568,180
Unrestricted portfolio		3,846,932	3,464,659
Funds from securities issued and accepted	15	13,190,329	12,154,656
Real estate, mortgage, credit and similar notes		9,262,631	8,215,409
Securities issued abroad		3,927,698	3,939,247
Loans and onlending	15	1,754,074	1,648,303
Loans in Brazil – official institutions		1,754,074	1,648,303
Derivative financial instruments	9	5,752,177	3,126,899
Derivative financial instruments		5,752,177	3,126,899
Other liabilities		14,081,397	12,742,141
Tax and social security	16	858,345	831,624
Subordinated debt	15	8,057,186	7,418,556
Debt instrument eligible to equity	15	4,144,952	3,497,836
Sundry	16	1,020,914	994,125
Deferred income		146,619	137,042
Shareholders' equity	19	15,467,816	14,678,862
Capital stock - domiciled in Brazil		4,687,289	4,687,289
Capital stock - domiciled Abroad		1,719,574	1,719,574
Fair value of assets available for sale	13	(1,748)	40,442
Income reserves		8,125,427	8,231,557
Retained earnings		937,274	-
Total liabilities and shareholders' equity		163,235,176	152,774,811

The accompanying notes are an integral part of the financial statements.

BANCO BTG PACTUAL S.A.

Statements of income

Quarters ended March 31
(In thousands of reais, except for earnings per share)

	Note	31/03/2015	31/03/2014
Financial income		4,626,672	2,494,707
Loans		705,602	329,738
Securities		3,893,816	1,504,122
Derivative financial instruments		-	4,445
Foreign exchange		-	648,288
Mandatory investments		27,254	8,114
Financial expenses		(8,130,947)	(1,834,878)
Funding operations		(2,546,599)	(1,833,090)
Borrowing and onlending		(2,589,513)	46,768
Derivative financial instruments		(2,153,974)	-
Foreign exchange		(647,533)	-
Allowance for loan losses and other receivables	10	(193,328)	(48,556)
Net financial income		(3,504,275)	659,829
Other operating income (expenses)		3,028,261	653,297
Income from services rendered	20	178,974	209,107
Personnel expenses		(69,311)	(61,935)
Other administrative expenses	23	(101,869)	(106,712)
Tax charges		63,225	(44,311)
Equity pick up in subsidiaries, associates and jointly controlled entities	13	2,892,456	540,196
Other operating income	21	134,311	137,544
Other operating expenses	22	(69,525)	(20,592)
Operating income		(476,014)	1,313,126
Non-operating income (expenses)		2	(4,574)
Income before taxation and profit sharing		(476,012)	1,308,552
Income tax and social contribution	18	1,469,984	(372,900)
Provision for income tax		(20,845)	(96,409)
Provision for social contribution		(12,507)	(59,414)
Deferred income tax and social contribution		1,503,336	(217,077)
Statutory profit sharing		(56,698)	-
Net income for the quarter		937,274	935,652
Weighted average numbers of share outstanding		2,714,902,212	2,714,902,212
Net income per share - R$		0.35	0.34

The accompanying notes are an integral part of the financial statements.

BANCO BTG PACTUAL S.A.

Statements of changes in shareholders' equity

Quarters ended March 31

(In thousands of reais, except for dividends and interest on equity per share)

	Note	Capital	Income reserves				Fair value adjustments	Retained earnings	Total
			Legal	Unrealized	Statutory	Total			
Balances as at December 31, 2013		6,406,863	458,187	1,078,592	4,073,264	5,610,043	57,543	-	12,074,449
Changes in fair value of assets available for sale - jointly controlled		-	-	-	-	-	(76)	-	(76)
Changes in fair value of assets available for sale	13	-	-	-	-	-	(2,686)	-	(2,686)
Net income for the quarter		-	-	-	-	-	-	935,652	935,652
Balances as at March 31, 2014		6,406,863	458,187	1,078,592	4,073,264	5,610,043	54,781	935,652	13,007,339
Balances as at December 31, 2014		6,406,863	626,595	2,467,107	5,137,855	8,231,557	40,442	-	14,678,862
Changes in fair value of assets available for sale	13	-	-	-	-	-	(41,248)	-	(41,248)
Changes in fair value of assets available for sale - jointly controlled		-	-	-	-	-	(942)	-	(942)
Dividends paid by previous years (R$ 0.04 per share)	19	-	-	-	(106,130)	(106,130)	-	-	(106,130)
Net income for the quarter		-	-	-	-	-	-	937,274	937,274
Balances as at March 31, 2015		6,406,863	626,595	2,467,107	5,031,725	8,125,427	(1,748)	937,274	15,467,816

The accompanying notes are an integral part of the financial statements.

BANCO BTG PACTUAL S.A.

Statements of cash flows

Quarters ended March 31
(In thousands of reais)

	Note	31/03/2015	31/03/2014
Operating activities			
Net income for the quarter		937,274	935,652
Adjustments to net income		(2,882,867)	(531,901)
Equity pick up in subsidiaries, associates and jointly controlled entities	13	(2,895,700)	(546,955)
Goodwill amortization	13	3,244	6,759
Depreciation and amortization	23	9,589	8,295
Adjusted net income for the quarter		(1,945,593)	403,751
Operational activities			
Short-term interbank investments		(4,100,254)	(9,632,710)
Securities and derivative financial instruments		2,734,498	3,122,446
Loans		442,408	1,341,261
Other receivables and other assets		(1,043,128)	(2,836,568)
Interbank transactions		5,634	4,594
Other liabilities		(767,205)	2,262,581
Deferred income		9,577	(30,484)
Deposits		(31,921)	296,659
Open market funding		4,551,075	2,130,449
Loans and onlending		941,651	764,090
Cash provided by / (used in) operating activities		796,742	(2,173,931)
Investing activities			
Acquisition of investments	13	(6,244,105)	(515,773)
Sale of investments	13	4,200	171,885
Acquisition of other investments		-	(151)
Acquisition of property and equipment in use		96	(1,651)
Acquisition of intagible assets	14	(2,538)	(10,156)
Dividends received	13	3,123	-
Cash (used in) investing activities		(6,239,224)	(355,846)
Financing activities			
Funds from securities issued and accepted		1,463,961	452,149
Subordinated debt and debt instrument eligible to equity		1,285,746	109,046
Interest on equity		(298,200)	(246,900)
Dividends distributed		(106,130)	(132,190)
Cash provided by financing activities		2,345,377	182,105
Decrease in cash and cash equivalents	25	(3,097,105)	(2,347,672)
Balance of cash and cash equivalents			
At the beginning of the quarter		21,063,717	10,195,250
At the end of the quarter		17,966,612	7,847,578
Decrease in cash and cash equivalents		(3,097,105)	(2,347,672)
Noncash transactions		417,377	(1,822,505)
Interest on equity		417,377	-
Dividends declared		-	456,235
Transfer of shares BTGP E&P		-	(2,278,740)

The accompanying notes are an integral part of the financial statements.

BANCO BTG PACTUAL S.A.

Statements of value added

Quarters ended March 31
(In thousands of reais)

	Note	31/03/2015	31/03/2014
Income		4,677,106	2,767,636
Financial income		4,626,672	2,494,707
Services rendered	20	178,974	209,107
Allowance for loan losses and other receivables	10	(193,328)	(48,556)
Other		64,788	112,378
Expenses		(7,937,619)	(1,786,322)
Financial brokerage		(7,937,619)	(1,786,322)
Inputs acquired from third parties		(82,184)	(84,931)
Materials, energy and other		(1,205)	(1,020)
Outsourced services		(80,979)	(83,911)
Gross value added		(3,342,697)	896,383
Depreciation and amortization		(9,589)	(8,295)
Net value added produced by the entity		(3,352,286)	888,088
Value added received through transfer		2,892,456	540,196
Equity pick up in subsidiaries, associates and jointly controlled entities	13	2,892,456	540,196
Value added to be distributed		(459,830)	1,428,284
Distribution of value added		(459,830)	1,428,284
Personnel		126,009	61,935
Direct compensation		116,586	41,277
Benefits		6,619	16,962
FGTS – government severance pay fund		2,804	3,696
Taxes, fees and contributions		(1,533,210)	417,211
Federal		(1,541,654)	414,292
Municipal		8,444	2,919
Remuneration of third party capital		10,097	13,486
Rent		10,097	13,486
Remuneration of shareholders		937,274	935,652
Retained earnings		937,274	935,652

The accompanying notes are an integral part of the financial statements.

1. Operations

Banco BTG Pactual S.A. (‘’Bank’’ or “BTG Pactual”) is incorporated as a multiple Bank, operating jointly with its subsidiaries (“the Group”), offering financial products and services relating to commercial, including exchange, and investment portfolios, credit, financing and investment, leasing and real estate loans.

The transactions are conducted as part of a group of institutions fully participating in the financial market, and certain transactions are intermediated by other institutions of the BTG Pactual Group.

On October 10, 2013, the bank and BTG Pactual Participations Ltd have completed the listing of their units on NYSE Euronext in Amsterdam. The entities have not offered or issued any new shares or units on this process. Previously, the units were admitted to listing on NYSE Alternext, also in Amsterdam. All units listed and traded in Amsterdam remained wholly interchangeable with the units in Brazil on BM&FBovespa.

The financial statements were approved by Bank’s Management on May 06, 2015, and they contain a true and fair view of the development and results of the Bank.

2. Corporate restructuring and acquisitions

Corporate events

On February 26, 2015, BTGI, Brookfield Property Group and Fundo Imobiliário BTG Pactual Corporate Office Fund declared the intent to carry out a voluntary takeover offer for the acquisition of a minimum interest corresponding to 85% interest in BR Properties for the price of R$12.00 per share. The price per share is subject to usual adjustment and it represented a premium of c. 35% to the weighted average closing price over 30 auctions. The execution and the consummation of the takeover offer are subject to several precedent conditions.

Banco Pan S.A. ("Banco Pan"), Bank and Caixa Participações S.A. - CAIXAPAR ("Caixapar"), on August 21, 2014, executed a purchase and sale agreements through which Banco Pan sold (i) its 100% interest in Pan Seguros S.A. to BTG Pactual Seguradora S.A. ("BTGP Seguradora"), a Bank’s subsidiary, as well as (ii) its 100% interest in Pan Corretora S.A. to BTG Pactual and Caixapar, for the total combined amount of R$580,000, which will be adjusted by the 100% positive variation of DI (interbank deposit) rate until the closing of the transactions. This transaction generated a goodwill of R$ 393,668. Caixapar, within the scope of the transactions, protected its right to maintain, after the closing of the transactions, its current condition as co-controlling shareholder of Pan Seguros S.A. The Bank concluded and liquidated the transaction on December 29, 2014. After the acquisition were made the merger of the BTGP Seguradora by Pan Seguros S.A.

On June 13, 2014, Banco Pan approved a R$3.0 billion capital increase through the issuance of: (i) up to R$1.5 billion of 443,786,982 new nominative and non-par shares, of which up to 242,566,348 are common shares and up to 201,220,634 preferred shares, at the issuance price of R$ 3.38 per common or preferred share, for private subscription by Banco Pan’s shareholders; and (ii) up to R$1.5 billion of redeemable preferred shares with a term of five years, which will receive annual, fixed, cumulative priority dividends of 104% of the CDI over the issue price and which will not be traded on the BM&FBOVESPA.

The Bank and Caixapar exercised their respective preemptive rights in connection with the capital issuance described in (i) and made a total capital contribution of R$651 million and R$576 million respectively, wich generated negative goodwill of R$22 million, maintaining the condition of joint holders of all voting shares and 80.7% of Banco Pan's total capital stock. The creation and issuance of the new class of shares described above were reconsidered by the shareholder's.

On April 15, 2014, SUSEP approved BTG Pactual PV Holding LTDA. (subsequently had changed the name for BTG Pactual Vida e Previdência S.A.) to operate pension plan products.

On January 24, 2014 Banco BTG Pactual received licenses from the Luxembourg Ministry of Finance to the Bank's new offshore branch as well as its local subsidiary. Further infrastructure and operational processes were implemented initiate the business activities in 2014.

On April 22, 2013 the Central Bank of Brazil approved the formation of Banco BTG Pactual Chile in Santiago (Chile), with initial capital of US$50 million. This transaction was approved by Chilean authorities on December 17, 2014.

Acquisitions and disposal

BTG Pactual Group has entered into a joint venture to establish a reinsurance business operating through a number of regulated reinsurance entities. As part of the growth strategy of the joint venture, as at July 10, 2014, the Bank acquired 100% of the shares of Ariel Re (Holdings) Limited's operations ("Ariel"), a non-life international reinsurance group, based in London and Bermuda, that specializes in property catastrophe reinsurance. On January 12, 2015, the acquisition of Ariel was approved by the Brazilian Central Bank and on February 3, 2015, it was settled. Subsequently, Ariel will be transferred to the joint venture and as a consequent the Bank will ha 50% of interest.

On July 14, 2014, Banco BTG Pactual entered into a definitive share purchase agreement of BSI, providing for its acquisition, directly or indirectly, of 100% of the its capital shares, a Swiss financial institution subsidiary of Generali Group. Banco BTG Pactual believes the business of BSI has complementary geographic and client coverage to its existing client portfolio with limited overlap. Subject to the terms and conditions of the BSI share purchase agreement, the aggregate consideration payable by Banco BTG Pactual will consist of: (i) CHF1.26 billion in cash and (ii) a number of its common and preferred shares underlying the units of the BTG Pactual Group with a value of CHF240 million (based on trading price over a period prior to closing of the acquisition of BSI). In addition, Generali NV will use part of the cash proceeds (CHF60 million) to fund the acquisition of a corresponding number of equity interests of BTG Pactual Participations needed to form units of the BTG Pactual Group. At the same date, BTG Pactual Participations entered into a subscription agreement with Generali Group providing for the sale of such equity interests at the closing of the acquisition of BSI.

In certain limited circumstances involving required regulatory approval, Banco BTG Pactual may be obligated to pay Generali Group cash following the closing in exchange for the return and cancellation of the equity consideration issued at closing. On January 22, 2015, the acquisition of BSI S.A., was approved by the Brazilian Central Bank, however, the conclusion of the acquisition depends on the approval of some non-Brazilian regulatory agencies.

On December 19, 2014, was approved by BACEN, the acquisition of certain credits and rights held by Fundo Garantidor de Créditos ("FGC"), against Banco Bamerindus do Brasil S/A ("Bamerindus"), in Extrajudicial Liquidation (the "Institution"), and other companies in the Institution's economic group. In connection with the transaction and approval, BTG Pactual paid R$107 milion in December 2014, and will pay four annual installments of R$87 million, index to CDI, up to 2018, to the FGC. This transaction generated a negative goodwill R$ 26,551. Also in December 19, 2014, the Institution

and its subsidiaries, extrajudicial liquidation process concluded, and the Institution's name changed to Banco Sistema S.A. The Institution's assets do not include the Bamerindus brand.

The transaction resulted in BTG Pactual acquiring control of the Institution and its subsidiaries, with an interest greater than 98% (ninety-eight percent) of its total and voting capital.

3. Presentation of the financial statements

The Bank's financial statements were prepared in accordance with accounting practices adopted in Brazil, applicable to the institutions authorized to operate by the Central Bank of Brazil (BACEN), in accordance with the standards and instructions of the National Monetary Council (CMN), BACEN and Securities and Exchange Commission (CVM), when applicable.

The preparation of the financial statements in accordance with the accounting practices adopted in Brazil requires Management to use its judgment to determine and register accounting estimates. Assets and liabilities subject to these estimates and assumptions primarily relate to deferred income tax assets and liabilities, to the allowance for loan losses and other receivables, the provision for taxes and contributions with suspended eligibility, the provision for contingent liabilities and fair value measurement on financial instruments. The settlement of transactions involving these estimates may result in amounts that differ from those estimated due to inaccuracies inherent to its determination. The Bank periodically reviews these estimates and assumptions.

Functional currency

The items included in the Bank's financial statements are measured using the currency of the main economic environment in which the Bank operates (functional currency). The financial statements are presented in reais (R$), which is the Bank's functional currency. Assets and liabilities were translated into reais using the closing rate at the reporting date, while income and expense accounts were translated at the average monthly rate.

The financial statements of the foreign branch, originally stated in US dollars, were translated into reais using the closing rate at the reporting dates.

4. Significant accounting practices

The most relevant accounting practices adopted by the Bank are the following:

a. Cash and cash equivalents

For the purposes of statements of cash flows, cash and cash equivalents include, pursuant to CMN Resolution 3604/08, cash, bank deposits and highly-liquid short-term investments with original maturities up to 90 days, subject to an insignificant risk of change in value.

b. Short-term interbank investments, remunerated deposits at the Central Bank of Brazil, time and interbank deposits, open market funding, funds from securities issued and accepted, loans and onlending, subordinated debts and other asset and liability transactions

The transactions with clauses of adjustment for inflation/exchange rate adjustment and transactions with fixed interest rates are recorded at present value, net of transaction costs, calculated on a "*pro rata die"* basis, based on the effective rate of the transactions.

c. Securities

Measured and classified in accordance with the criteria established by BACEN Circular Letter 3068 of November 8, 2001, under the following categories:

i. Trading securities

Acquired with the purpose of being actively and frequently traded. Trading securities are initially recognized at cost plus income earned, and adjusted to fair value and accounted for in income (loss).

ii. Available for sale securities

These are securities that are neither classified as trading securities nor as held-to-maturity securities. They are stated at cost, with interest recorded on profit or loss, and subsequently adjusted to fair value, with a corresponding entry to a separate account under shareholders' equity, net of tax effects, which will only be recorded in profit or loss after the effective realization.

iii. Held to maturity securities

These are securities that the Bank has intention and ability to hold to maturity. They are stated at cost, with interest recorded on profit or loss. Decreases in the fair value of available-for-sale and held-to-maturity securities below their respective restated costs, related to non-temporary reasons, are recorded in profit or loss as realized losses.

According to BACEN Circular Letter 3068/01, trading securities are recorded in the balance sheet, in current assets, regardless of their maturity.

d. Derivative financial instruments

These are classified according to Management's intention, on the transaction date, considering whether such transactions will be conducted to hedge against risk or not.

The transactions using financial instruments performed on their own, or that does not comply with hedge criteria (mainly derivatives used to manage the global risk exposure), are accounted for at fair value, with gains and losses, realized or unrealized, recognized directly in income (loss) for the period.

Derivative financial instruments used to mitigate the risks arising from exposures to changes in the fair value of financial assets and financial liabilities and that are highly correlated in relation to changes in their fair value in relation to the fair value of the hedged item, both in the beginning and throughout the agreement, and deemed as effective in the reduction of risk associated to the exposure to be hedged, are deemed as hedge and are classified according to their nature:

- Fair value hedge: financial instruments included in this category, as well as their related hedged financial assets and liabilities, are measured at fair value, and their realized or unrealized related gains or losses are recorded in income (loss) for the period; and

- Cash flow hedge: the instruments classified in this category are measured at fair value, and the effective portion of the appreciation or depreciation are recorded in a separate account under shareholders' equity, net of tax effects. The non-effective portion of the respective hedge is directly recorded in income (loss) for the period.

e. Fair value of securities, derivative financial instruments and other rights and obligations

The fair value of securities, derivative financial instruments and other rights and obligations, whenever applicable, is calculated based on market price, price evaluation models, or based on the price determined for other financial instruments with similar characteristics. Therefore, at the time of financial settlement of these transactions, results may differ from the estimates. The daily adjustments of transactions performed in the futures market are recorded as effective income and expense when generated or incurred. The premium paid or received upon performance of transactions in the stock option market, other financial assets and commodities are recorded in the respective assets accounts for amounts paid or received, adjusted at market price against their results.

The transactions performed in the forward market of financial assets and commodities are registered by the final retained value, deducted from the difference between this amount and the price of the good or right adjusted at market prices, at the adequate assets or liabilities account. The income and expenses are recorded according to the maturity of their agreements.

Assets and liabilities resulting from swap and currency forward transactions of non-delivery forward agreements (NDF) are recognized in assets and liabilities at their carrying amount, adjusted at fair value, with a corresponding entry to income (loss).

The notional amount of the agreements is recorded in memorandum accounts.

f. Financial instruments – net presentation

Financial assets and liabilities are presented as net in the balance sheet if, and only if, there is a current and enforceable legal right to offset the amounts recorded and if there is an intention to simultaneously realize the asset and settle the liability.

g. Sale or transfer of financial assets with substantial retention of risks and benefits

Financial assets remain on the transferor's balance sheet when the transferor sells or transfers a financial asset and retains all or substantially all of the risks and benefits of the asset. In such case, a financial liability is recognized for the consideration received for such asset.

h. Loans and other receivables (transactions with loan characteristics)

Recorded at present value, calculated on a "*pro rata die"* basis on the index variation and on the agreed interest rate, updated up to 59th day of default, provided the expected receipt. As from the 60th day, the recognition in income (loss) occurs at the time of effective receipt of installments. Renegotiated transactions are maintained at least in the same level in which they were classified before the renegotiation and, if they had already been written off, they are classified as level H; gains are recorded in income when actually received.

i. Allowance for loan losses

Recognized based on an analysis of loan risk losses at an amount deemed sufficient to cover possible losses, pursuant to CMN Resolution 2682, of December 21, 1999. It also is estimated based on the analysis of transactions and specific risks presented in each portfolio, in accordance with the criteria established by CMN Resolution 2682/99.

Allowances are recorded for loans, based on the classification of the client's risk, due to the periodical analysis of client quality and of activity industries and not only upon default.

Considering exclusively the default, written off loans against losses are carried after 360 days from the credit due date or after 540 days, for transactions maturity term exceeding 36 months.

The allowance for loan losses and other receivables is estimated based on the analysis of transactions and specific risks presented in each portfolio, in accordance with the criteria established by CMN Resolution 2682/99.

j. Investments

Subsidiaries, associates and jointly controlled entities are accounted for under the equity method. Other investments in permanent assets are stated at cost, less allowance for losses, when applicable.

k. Goodwill or negative goodwill

Goodwill or negative goodwill is calculated based on the difference between the amount paid at the acquisition date and the net carrying amount of the assets acquired.

Goodwill and negative goodwill, recorded on the basis of expected future results of the acquired subsidiaries, are amortized in line with the cash flow projections underlying the transaction or when the investment is written off, due to sale or impairment, before projections are accomplished.

Negative goodwill is recognized in investments for jointly controlled entities, and in deferred income to subsidiaries, until the investment is realized.

l. Property and equipment in use and deferred charges

These are stated at cost. Depreciation is calculated on a straight-line basis based on the economic useful lives of the assets. Deferred charges correspond mainly to leasehold improvements. Amortization is calculated using the straight-line basis over the estimated period of usage and/or disposal.

m. Intangible assets

Corresponds to acquired rights that have as their subject intangible assets destined to the entities' maintenance or used for such purpose, in accordance with CMN Resolution 3642, of November 26, 2008. Comprised by (i) goodwill paid in acquisition transferred to intangible asset due to incorporation of acquirer's equity by the acquired, or consolidation of the company, and (ii) for acquired rights of management contracts, and (iii) softwares and leasehold improvements. Amortization is calculated using the straight-line basis over the period in which the rights generate benefits.

n. Impairment

Whenever there is clear evidence that the assets are value at an unrecoverable amount, it is recorded as loss in the lower of results for the period. This procedure is performed at least at the end of each fiscal year.

Assets subject to impairment are deducted, when applicable, of provision for losses that is calculated according to the value in use or fair value less costs to sell the assets. The main estimates used in determining the provision are: expectation of future cash flows, discount rates, illiquidity, among others.

o. Income tax and social contribution

The provisions for income tax and social contribution are recorded based on book income adjusted by additions and deductions provided by the tax legislation. Deferred income tax and social contribution are calculated on temporary differences, whenever the realization of these amounts is considered as probable, at the rate of 15% for income tax, plus a 10% surtax on the annual taxable income exceeding R$240, and 15% for social contribution of financial institutions and 9% for non-financial institutions.

p. Contingent assets and liabilities, legal, tax and social security obligations

Recognized according to the criteria described below:

i. Contingent assets

Contingent assets are not recognized in the financial statements, except when there is evidence ensuring their realization and when they are no longer subject to appeals.

ii. Contingent liabilities

Contingent liabilities are recognized in the financial statements when, based on the opinion of the legal counsel and management, the risk of loss in an legal or administrative proceeding is considered probable, and whenever the amounts involved can be measured reliably. Contingent liabilities assessed by the legal advisors as possible losses are only disclosed in the notes to the financial statements, while those classified as remote losses do not require the recording of provisions or disclosure.

iii. Legal obligation – tax and social security

Legal liabilities refer to lawsuits challenging the legality or constitutionality of certain taxes and contributions. The amount under dispute is measured and recorded.

q. Earnings per share

Calculated based on the weighted average numbers of shares outstanding for the period.

r. Revenue recognition

Revenues and expenses are recorded on the accrual basis.

5. Risk management

The Bank's committee structure allows for the inputs from the entire organization and ensures that the decisions are implemented effectively. The main committees involved in risk management activities are: (i) Management Committee, which approves policies, defines overall limits and is ultimately responsible for managing risks, (ii) New Business Committee, which assesses the feasibility and supervises the implementation of proposals for new businesses and products, (iii) Credit Risk Committee, which is responsible for approving new loans according to the guidelines set forth by the Bank's Risk Committee, (iv) Market Risk Committee, which is responsible for monitoring market risk, including the use of our risk limits (Value at Risk – VaR and Stress Test), and approving exceptions, (v) Operational Risk Committee, which assesses the main operational risks for the internal policies and regulatory risks established, (vi) AML (Anti Money Laundering) Compliance Committee, which is responsible for establishing policy rules and reporting potential problems related to money laundering, (vii) CFO Committee, which is responsible for monitoring liquidity risk, including cash and cash equivalents and capital structure, (viii) Audit Committee, which is responsible for independent verification of compliance with internal controls and assessment of maintenance of the accounting records.

The Bank monitors and controls risk exposure through several and different, supplemental internal systems, including credit, financial, operational, compliance, tax and legal systems. The Bank believes that the involvement of the Committees (including their subcommittees) with management and continuous risk control promotes a strict risk control culture in the organization as a whole. The Bank's commissions comprise senior members of the business units and senior members of the control departments, which do not depend on the business areas.

a. Operating limits

	31/03/2015	31/12/2014
Reference Shareholders' Equity	15,467,816	14,678,862
Tier I	17,389,046	16,736,911
Common Equity	13,254,742	13,239,075
Complementary equity	4,134,303	3,497,836
Tier II	4,322,965	4,545,445
Reference Shareholders' Equity (PR) - (a)	21,712,011	21,282,356
Required Reference Shareholders' Equity (PRE)	14,342,725	13,402,263
Total exposure risk-weighted - (b)	14,342,725	13,402,263
Credit risk	7,940,552	7,657,999
Operational risk	595,044	644,830
Market risk	5,807,129	5,099,434
Basel ratio - (a/b*11%)	16.7%	17.5%
Tier I capital	13.3%	13.7%
Tier II capital	3.3%	3.8%
Fixed assets ratio	98.5%	78.5%
Fixed assets to equity capital ratio	10,848,533	10,634,053
Status for fixed assets to equity capital ratio	10,687,893	8,352,612
Amount of margin or insufficient	160,639	2,281,441

The resolutions 4.192/13 and 4.278/13 issued by the CMN regulates the requirements on Minimum Required Capital for Tier I and Additional Capital and Resolution 4.193/13 institute the Additional for the Main Capital. Credit risk was calculated based on the Circular BACEN 3.644/13, 3.652/13, 3.679/13 and 3.696/14, market risk based on Circulars

3.634, 3.635, 3.636, 3.637, 3.638, 3.639, 3.641 and 3.645, of 2013 and Circulars-Letters 3.310/08 and 3.498/11, and operational risk based on Circulars 3.640/13 and 3.675/13 and Circular-Letter 3.625/13 for operating risk.

The Bank has chosen the basic indicator approach to measure operating risk.

As at March 31,2015 and December 31, 2014 the Bank was in compliance with all operating limits.

b. Market risk

VaR is the potential loss of value of the trading positions due to adverse movements in the market during a defined period within a specific level of confidence. Together with the Stress Test, VaR is used to measure the exposure of the Bank's positions at market risk. The Bank uses a historical simulation for calculation of VaR, applying real distributions and correlation amongst assets, not using Greek approximations and standard distributions. VaR may be measured in accordance with different periods, historical data and reliable levels. The accuracy of the market risk methodology is tested through daily back testing that compares the compliance between VaR estimates and gains and losses realized.

The VaR presented below was calculated for a one-day period, at a confidence level of 95.0% and one-year historical data. Reliable level of 95.0% means that there is one within twenty changes that the day trade net income remains below estimated VaR. Therefore, insufficiencies arising from net income expected from trading in a single day exceeding the reported VaR would be expected to occur, on average, around once a month. Losses in a single day may exceed the VaR reported in material amounts. Losses may also occur more frequently or accrue during a longer period, such as the number of consecutive trading days. As it is backed up by historical data, VaR's accuracy is limited to its capacity to predict unprecedented market changes, as historical distributions in market risk factors may not produce accurate prognostics of future market risk. VaR methodologies and assumptions on different distributions may produce a materially different VaR. In addition, VaR calculated for a one-day period does not consider the market risk of positions that may not be settled or offset with hedges within the term of one day. As previously mentioned, the Bank uses stress test models as a complement to VaR method for its daily risk activities.

The table below contains the Bank's daily average VaR for the quarters ended as follows:

In millions of R$	**March 2015**	**December 2014**	**March 2014**
Daily average VaR	93.2	64.4	67.9

c. Credit risk

All of the Bank's and its subsidiaries' counterparties are subject to strict credit risk analyses focusing mainly on an assessment of their paying ability, based on simulations of cash flows, debt leverage and schedule, asset quality, interest coverage and working capital. Qualitative aspects, such as strategic guidance, business sector, expert areas, efficiency, regulatory environment and market share, are regularly assessed and used to supplement the credit analysis process. The Bank's counterparties credit limits and its subsidiaries are established by the Credit Committee and are regularly reviewed. The measurement and monitoring of the total risk to which the Bank and its subsidiaries are exposed cover all the financial instruments that may generate counterparty risks, such as private bonds, derivatives, guarantees given, possible settlement risks among others.

d. Liquidity risk

The Bank and its subsidiaries manage liquidity risk by concentrating their portfolio in high-level credit and highly-liquid assets, using funds obtained from prime counterparties at extremely competitive rates. The Bank and its subsidiaries maintain a solid capital structure and a low level of leverage. Additionally, any mismatching between assets and liabilities is carefully monitored, considering the impact of extreme market conditions in order to assess their ability to realize assets or to reduce leverage.

e. Operating risk

In line with the BACEN guidelines and the Basel Committee concepts, an operating risk management policy applicable to the Bank and to its local and foreign subsidiaries was defined.

The policy establishes a set of principles, procedures and tools that enable risk management to be permanently adjusted to the nature and complexity of products, services, activities, processes and systems.

The Bank and its subsidiaries have a strong culture in managing operational risk, which takes into account the assessment, monitoring, simulation and validation of risks, based on consistent internal controls. The mechanisms for managing and controlling operational risks are continually improved with a view to comply with the requirements of regulatory agencies, rapidly adjusting to changes and anticipating future trends, among which the New Basel Capital Accord propositions are to be highlighted.

6. Cash at banks

Cash refer basically to deposits abroad in prime banks.

7. Interbank investments

	31/03/2015					31/12/2014
	Total	Up to 90 days	90 to 365 days	1 to 3 years	Over 3 years	Total
Open market investments	35,014,168	30,176,754	4,759,906	77,508	-	33,990,453
Own portfolio	2,195,354	1,242,230	930,908	22,216	-	3,482,198
Federal government bonds	1,984,936	1,031,812	930,908	22,216	-	2,177,712
Corporate bonds	205,802	205,802	-	-	-	1,293,088
Federal foreign government bonds	4,616	4,616	-	-	-	11,398
Third-party portfolio	27,327,587	23,829,729	3,444,629	53,229	-	26,834,834
Federal government bonds	26,942,803	23,444,945	3,444,629	53,229	-	26,518,805
Corporate bonds	384,784	384,784	-	-	-	291,858
Federal foreign government bonds	-	-	-	-	-	24,171
Short position	5,491,227	5,104,795	384,369	2,063	-	3,673,421
Federal government bonds	5,491,227	5,104,795	384,369	2,063	-	3,673,421
Interbank investments	3,964,559	3,936,398	21,357	6,804	-	4,622,852
Interbank deposit certificates	1,559,635	1,531,474	21,357	6,804	-	2,660,453
Investments in foreign currency - overnight	2,404,924	2,404,924	-	-	-	1,962,399
	38,978,727	34,113,152	4,781,263	84,312	-	38,613,305

The collateral received in repurchase agreements amounts to R$38,816,168 (December 31, 2014- R$32,887,202), whereas the collateral granted amounts to R$42,657,641 (December 31, 2014 – R$35,711,793).

8. Securities

a. Summary by type of portfolio

The breakdown by type of instrument and contractual maturity of the portfolio are as follows:

	31/03/2015							31/12/2014
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	21,657,339	21,756,490	11,596,183	1,706,849	5,381,186	364,112	2,708,160	23,486,561
Federal government bonds	1,611,588	1,611,587	1,611,587	-	-	-	-	906,728
Brazilian foreign debt securities	12,298	12,299	-	-	4,320	3,244	4,735	19,682
Debentures/Eurobonds (i)	4,248,892	4,242,041	608,312	774,675	1,454,974	355,218	1,048,862	5,037,383
Bank credit certificate	36,856	36,856	-	-	-	-	36,856	37,042
Certificate of real estate receivables	944,787	944,787	-	2,493	21,645	-	920,649	989,327
Investment fund quotes								
Multimarket	7,398,495	7,398,495	7,398,495	-	-	-	-	7,807,137
Shares	183,936	245,921	245,921	-	-	-	-	319,178
FIDC - Credit rights	588,280	588,280	-	-	588,280	-	-	743,080
Equity investment fund	2,892,848	2,948,761	-	-	2,948,761	-	-	2,875,678
Real estate	265,147	265,147	-	-	265,135	-	12	283,669
Shares	720,652	714,333	714,333	-	-	-	-	996,185
Promissory notes	1,062,292	1,062,292	193,352	868,940	-	-	-	2,282,620
Others	221,512	215,938	62,911	21	263	339	152,404	785,113
Foreign private securities								
Shares	761,272	761,272	761,272	-	-	-	-	363,024

	31/03/2015							31/12/2014
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Foreign government bonds	708484	708481	0	60720	97808	5311	544642	40715
Unrestricted portfolio	183,927	182,729	-	-	-	-	182,729	529,059
Federal government bonds	183,927	182,729	-	-	-	-	182,729	529,059
Subject to repurchase agreements	8,963,643	8,944,823	1,778,205	970,160	869,319	1,538,049	3,789,090	6,271,283
Federal government bonds	2,607,286	2,588,072	1,228,421	29,723	225,470	39,674	1,064,784	616,025
Brazilian foreign debt securities	10,870	10,870	-	-	-	-	10,870	-
Corporate bonds / Eurobonds (i)	6,186,043	6,186,437	549,784	893,688	534,347	1,498,375	2,710,243	5,650,596
Others	159,444	159,444	-	46,749	109,502	-	3,193	4,662
Subject to guarantees	443,114	416,400	84,507	135,999	178,119	-	17,775	1,408,228
Federal government bonds	20,726	20,164	-	-	2,389	-	17,775	937,714
Corporate bonds / Eurobonds (i)	300,898	300,898	-	125,168	175,730	-	-	343,703
Shares	110,659	84,507	84,507	-	-	-	-	112,397
Others	10,831	10,831	-	10,831	-	-	-	14,414
Trading securities	18,162,330	18,283,419	11,494,889	727,474	3,435,098	371,206	2,254,752	17,256,756
Available for sale securities	13,085,693	13,017,023	1,964,006	2,085,534	2,993,526	1,530,955	4,443,002	14,438,375
	31,248,023	**31,300,442**	**13,458,895**	**2,813,008**	**6,428,624**	**1,902,161**	**6,697,754**	**31,695,131**

(i) Substantially securities issued by Brazilian companies.

b. Trading securities

	31/03/2015							31/12/2014
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	14,468,079	14,635,900	10,181,961	527,351	3,033,259	285,450	607,879	14,654,850
Federal government bonds	1,611,588	1,611,587	1,611,587	-	-	-	-	906,728
Brazilian foreign debt securities	12,298	12,299	-	-	4,320	3,244	4,735	19,682
Debentures/Eurobonds (i)	793,875	854,753	12,478	466,631	40,259	276,895	58,490	1,573,941
Investment fund quotes								
Multimarket	7,398,495	7,398,495	7,398,495	-	-	-	-	7,807,137
Shares	183,936	245,921	245,921	-	-	-	-	319,178
FIDC - Credit rights	588,280	588,280	-	-	588,280	-	-	743,080
Equity investment fund	1,980,603	2,037,457	-	-	2,037,457	-	-	1,936,113
Real estate	265,147	265,147	-	-	265,135	-	12	283,669
Shares	95,639	89,320	89,320	-	-	-	-	29,838
Others	68,462	62,888	62,888	-	-	-	-	631,745
Shares	761,272	761,272	761,272	-	-	-	-	363,024
Foreign government bonds	708484	708481	0	60720	97808	5311	544642	40715
Unrestricted portfolio	183,927	182,729	-	-	-	-	182,729	529,059
Federal government bonds	183,927	182,729	-	-	-	-	182,729	529,059
Subject to repurchase agreements	3,378,939	3,360,119	1,228,421	200,123	399,450	85,756	1,446,369	1,022,736
Federal government bonds	2,607,286	2,588,072	1,228,421	29,723	225,470	39,674	1,064,784	616,025
Brazilian foreign debt securities	10,870	10,870	-	-	-	-	10,870	-
Corporate bonds / Eurobonds (i)	601,339	601,733	-	123,651	64,478	46,082	367,522	402,049
Others	159,444	159,444	-	46,749	109,502	-	3,193	4,662
Subject to guarantees	131,385	104,671	84,507	-	2,389	-	17,775	1,050,111
Federal government bonds	20,726	20,164	-	-	2,389	-	17,775	937,714
Shares	110,659	84,507	84,507	-	-	-	-	112,397
	18,162,330	**18,283,419**	**11,494,889**	**727,474**	**3,435,098**	**371,206**	**2,254,752**	**17,256,756**

(i) Substantially securities issued by Brazilian companies.

c. Available-for-sale securities

	31/03/2015							31/12/2014
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	7,189,260	7,120,590	1,414,222	1,179,498	2,347,927	78,662	2,100,281	8,831,711
Shares	625,013	625,013	625,013	-	-	-	-	966,347
Debentures	3,455,017	3,387,288	595,834	308,044	1,414,715	78,323	990,372	3,463,442
Bank credit certificate	36,856	36,856	-	-	-	-	36,856	37,042
Certificate of real estate receivables	944,787	944,787	-	2,493	21,645	-	920,649	989,327
Promissory notes	1,062,292	1,062,292	193,352	868,940	-	-	-	2,282,620
Others	153,050	153,050	23	21	263	339	152,404	153,368
Investment fund quotes								
Equity investment fund	912,245	911,304	-	-	911,304	-	-	939,565
Subject to repurchase agreements	5,584,704	5,584,704	549,784	770,037	469,869	1,452,293	2,342,721	5,248,547
Debentures	5,584,704	5,584,704	549,784	770,037	469,869	1,452,293	2,342,721	5,248,547
Subject to guarantees	311,729	311,729	-	135,999	175,730	-	-	358,117
Debentures	300,898	300,898	-	125,168	175,730	-	-	343,703
Others	10,831	10,831	-	10,831	-	-	-	14,414
	13,085,693	**13,017,023**	**1,964,006**	**2,085,534**	**2,993,526**	**1,530,955**	**4,443,002**	**14,438,375**

d. Reclassification of securities

Management classifies the securities according to its trading intention. No reclassifications or changes in intention were made by Management during the quarter ended in March 31, 2015. Durinh the year ended December 31, 2014 the Bank's Management reclassified R$10,334,333 from the category trading securities for available to sale securities, with no effect on current gain or loss.

9. Derivative financial instruments

The Bank actively engages in risk intermediation transactions involving derivative financial instruments, providing necessary hedging for its own needs and its clients aiming to reduce market, currency and interest rate risk exposures. Certain derivatives may be associated with operations involving securities or rights and obligations.

The risk underlying these operations is managed though strict control policies, the establishment of strategies, definitions of limits, among other monitoring techniques. The limits of risk exposure are determined by the Risk Committee and by type of instrument and counterparty concentration, among others.

Transactions conducted in Brazil are traded, registered or held in custody by BM&FBovespa and CETIP S.A. – OTC Clearing House; transactions conducted abroad are traded and registered with prime brokers. The Bank uses different financial instruments to achieve economical hedge such as options, forwards, futures and swaps with periodic adjustment. The use of these instruments is to hedge positions in the cash markets, aiming to improve the risk level in the portfolio, where the risk monitoring committees deemed necessary.

As at March 31, 2015 and December 31, 2014, the Bank does not have derivative financial instruments classified as hedge accounting.

a. Recognized in memorandum and balance sheet accounts

The notional amounts of transactions with financial instruments are recorded in memorandum accounts and the adjustment/premium in balance sheet accounts. The assumed positions arising from transactions with derivative financial instruments, demonstrated below, considers the provisions of BACEN Circular Letter 3389/08, which determines the exclusion of agreements in currency, gold and other assets linked to foreign exchange exposure, with maturity in the first business day following the date the exchange exposure is verified. The receivable leg and payable leg are presented separately for Swap, Non-Deliverable Forward (NDF) and Deliverable Forward (DF) derivatives in the table below.

	31/03/2015				31/12/2014
	Up to 6 months	6 to 12 months	Over 1 year	Total	Total
Futures market					
Long position	42,544,579	9,130,864	7,163,367	58,838,810	55,190,864
Currency	49,016	-	47,129	96,145	301,584
Interest rate	42,481,627	9,124,116	7,116,238	58,721,981	7,239,587
Index	-	-	-	-	47,649,693
Commodities	13,936	6,748	-	20,684	-
Short position	45,843,716	31,565,278	4,920,849	82,329,843	105,841,749
Currency	2,734,241	653,339	26,536	3,414,116	3,338,338
Interest rate	41,669,620	30,328,329	4,819,532	76,817,481	35,695,532
Commodities	1,438,006	583,610	74,781	2,096,397	933,248
Index	1,849	-	-	1,849	65,874,631
Swap					
Long position	71,796,790	35,211,957	119,078,441	226,087,188	151,047,511
Currency	1,367,398	135,838	20,036,504	21,539,740	2,608,027
Interest rate	68,888,373	33,597,444	97,803,199	200,289,016	137,669,218
Commodities	4,908	-	-	4,908	8,846
Index	174,018	13,799	173,596	361,413	8,632,919
Equities	1,056,079	873,595	1,374	1,931,048	584,533
Other	306,014	591,281	1,063,768	1,961,063	1,543,968
Short position	71,796,790	35,211,957	119,078,441	226,087,188	151,047,511
Currency	1,367,398	135,838	20,036,504	21,539,740	2,608,027
Interest rate	68,888,373	33,597,444	97,803,199	200,289,016	137,669,218
Index	174,018	13,799	173,596	361,413	8,632,919
Equities	1,056,079	873,595	1,374	1,931,048	584,533
Commodities	4,908	-	-	4,908	8,846
Other	306,014	591,281	1,063,768	1,961,063	1,543,968
Credit derivatives					
Long position	-	-	297,382	297,382	432,164
Sovereign	-	-	-	-	185,934
Corporate	-	-	297,382	297,382	246,230
Short position	-	32,080	281,342	313,422	325,916
Corporate	-	32,080	281,342	313,422	325,916
Non-deliverable forward - NDF					
Long position	28,137,845	4,147,178	3,139,213	35,424,236	12,758,890
Currency	17,552,635	3,133,231	2,916,690	23,602,556	1,731,250
Index	-	-	-	-	10,239,256
Commodities	1,616,107	450,899	100,321	2,167,327	-
Interest rate	8,969,103	563,048	122,202	9,654,353	-
Other	-	-	-	-	788,384
Short position	28,137,845	4,147,178	3,139,213	35,424,236	12,758,890
Currency	25,496,139	3,358,724	2,967,699	31,822,562	11,027,640
Index	11,416	2,610	-	14,026	1,719,352
Interest rate	2,630,290	785,844	171,514	3,587,648	-
Other	-	-	-	-	11,898
Deliverable forward - DF					
Long position	26,458,957	7,732,565	635,540	34,827,062	60,462,160
Currency	26,340,001	7,652,942	520,474	34,513,417	60,447,299

	31/03/2015				31/12/2014
	Up to 6 months	6 to 12 months	Over 1 year	Total	Total
Commodities	118,956	79,623	115,066	313,645	14,861
Short position	26,458,957	7,732,565	635,540	34,827,062	60,462,160
Currency	26,340,001	7,652,942	520,474	34,513,417	60,447,299
Interest rate	118,956	79,623	115,066	313,645	14,861
Security forwards					
Long position	2,132,920	-	-	2,132,920	933,902
Interest rate	1,066,716	-	-	1,066,716	-
Government bonds	1,066,204	-	-	1,066,204	933,902
Short position	2,132,920	-	-	2,132,920	933,902
Interest rate	1,066,204	-	-	1,066,204	933,902
Government bonds	1,066,716	-	-	1,066,716	-
Options market					
Long position					
Call option	9,642,940	604,439	2,359,973	12,607,352	21,315,068
Equities	7,844	43,740	126,122	177,706	235,735
Commodities	154,626	-	-	154,626	-
Index	49,757	51,473	-	101,230	17,488,546
Currency	9,429,213	509,226	2,233,851	12,172,290	3,589,287
Other	1,500	-	-	1,500	1,500
Put option	3,347,924	447,893	19,850,324	23,646,141	17,723,888
Equities	392,526	137,268	310,403	840,197	226,964
Index	5,863	-	-	5,863	14,509,849
Currency	1,393,984	310,625	19,539,921	21,244,530	2,987,075
Other	1,555,551	-	-	1,555,551	-
Short position					
Call option	7,567,743	712,564	19,892,697	28,173,004	5,900,606
Equities	31,437	16,842	-	48,279	173,795
Commodities	192,420	-	-	192,420	-
Index	454,880	42,894	-	497,774	2,129,081
Currency	6,889,006	652,828	19,892,697	27,434,531	3,597,730
Put option	4,238,201	234,408	1,885,016	6,357,625	34,876,701
Equities	651,224	3,348	3,941	658,513	58,150
Commodities	18,406	-	-	18,406	-
Index	282,304	-	-	282,304	31,660,845
Currency	3,286,267	231,060	1,881,075	5,398,402	3,157,706

b. By cost and market value

	31/03/2015					31/12/2014
	Cost	Market	Up to 6 months	6 to 12 months	Over 1 year	Total
Swaps						
Long position	1,377,873	1,634,287	192,450	187,563	1,254,274	959,330
Short position	3,151,608	3,059,515	456,093	315,239	2,288,183	1,658,267
Credit derivatives						
Long position	17,115	25,002	-	-	25,002	19,530
Short position	16,530	26,042	-	1,608	24,434	18,308
Non-deliverable forward - NDF						
Long position	1,040,530	1,027,876	458,306	128,735	440,835	736,418
Short position	1,448,011	1,310,377	747,588	91,370	471,419	642,178
Deliverable forward - DF						
Long position	19,409,051	19,385,794	13,266,254	5,755,465	364,075	21,922,396
Short position	19,521,559	19,531,669	13,377,083	5,786,297	368,289	21,996,903
Forward transaction						
Long position	2,134,953	2,134,953	2,134,953	-	-	1,749,139
Short position	2,134,997	2,134,997	2,134,997	-	-	1,749,573
Options market						
Long position	2,240,737	2,363,363	530,839	79,631	1,752,893	1,056,137
Short position	1,820,957	3,051,465	414,553	37,060	2,599,852	538,512
Long position	**26,220,260**	**26,571,275**	**16,582,802**	**6,151,394**	**3,837,079**	**26,442,950**
Short position	**28,093,663**	**29,114,065**	**17,130,314**	**6,231,574**	**5,752,177**	**26,603,741**

c. Notional value by counterparty

	31/03/2015					31/12/2014
	BM&F Bovespa	Financial Institutions	Companies	Individuals	Total	Total
Futures market						
Long position	57,569,704	1,269,106	-	-	58,838,810	55,190,864
Short position	80,115,986	2,213,857	-	-	82,329,843	105,841,749
Swap						
Long position	50,966,156	146,677,927	28,443,105	-	226,087,188	151,047,511
Short position	50,966,156	146,677,927	28,443,105	-	226,087,188	151,047,511
Credit derivatives						
Long position	-	297,382	-	-	297,382	432,164
Short position	-	313,422	-	-	313,422	325,916
Non-deliverable forward - NDF						
Long position	-	19,510,247	15,899,833	14,156	35,424,236	12,758,890
Short position	-	19,510,247	15,899,833	14,156	35,424,236	12,758,890
Deliverable forward - DF						
Long position	-	29,854,854	4,972,144	64	34,827,062	60,462,160
Short position	-	29,854,854	4,972,144	64	34,827,062	60,462,160
Forward transactions						
Long position	-	26,009	2,106,911	-	2,132,920	933,902

	31/03/2015					31/12/2014
	BM&F Bovespa	Financial Institutions	Companies	Individuals	Total	Total
Short position	-	26,009	2,106,911	-	2,132,920	933,902
Options market						
Long position	153,648	35,758,752	298,943	42,150	36,253,493	39,038,956
Short position	202,487	34,188,063	128,658	11,421	34,530,629	40,777,307
Long position	**108,689,508**	**233,394,277**	**51,720,936**	**56,370**	**393,861,091**	**319,864,447**
Short position	**131,284,629**	**232,784,379**	**51,550,651**	**25,641**	**415,645,300**	**372,147,435**

d. Credit derivatives

	31/03/2015	31/12/2014
Credit swap		
Transferred risk		
Sovereign	-	185,934
Corporate	297,382	246,230
Risk received		
Corporate	313,422	(325,916)
	610,804	106,248

As at the quarter ended on March 31, 2015 and year ended December 31, 2014, there was no credit events related to triggering facts provided for in agreements.

According to CMN resolution 3490, the effect on the calculation of the required reference shareholders' equity (PRE) as at March 31, 2015 is R$29,044 (December 31, 2014 – R$42,412).

e. Guarantee margin

Guarantee margin in transactions traded on BM&FBovespa and other stock exchanges with derivatives comprises federal government bonds totaling R$20.164 (December 31, 2014 – R$919,466), and equities in the amount of R$79.813 (December 31, 2014 – R$112,397).

f. Fair value of financial instruments

The fair values of financial instruments are calculated as follows:

- Swaps: cash flows are discounted to present value based on yield curves reflecting the proper risk factors. These yield curves are mainly based on the prices traded on BM&FBovespa, Brazilian government bonds traded on the secondary or derivative market and securities traded abroad. These yield curves may be used to obtain the fair value of currency swaps, interest rate swaps and swaps based on other risk factors (commodities, stock market indexes, etc.).

- Futures and Forward: using stock exchange quotations or criteria identical to those described for swaps above.

- Options: the fair value of these instruments are calculated based on mathematical models (such as Black & Scholes) that use data containing implied volatility, interest rate yield curve and the fair value of the underlying asset. These data are obtained from different sources (normally prices from brokers and brokerage firms, Bloomberg and Reuters).

- Credit derivatives: the fair value of these instruments is calculated based on mathematical models largely adopted in the market that uses data relating to the issuer's credit spread and interest rate yield curve. These data are obtained from different sources (normally market prices, Bloomberg and Reuters).

- Securities and short selling: the fair value of government bonds are calculated based on prices disclosed by the Brazilian Association of Financial and Capital Market Entities (ANBIMA). The fair value of corporate bonds is calculated based on prices traded on the secondary market, prices of similar assets and market visibility of the Company's commercial departments. Shares are calculated based on the prices informed by BM&FBovespa. Fund quotas are valued based on quota prices disclosed by the custodian.

- Financial assets at fair value through profit (loss): The Bank estimates the fair values of the financial instruments by discounting cash flows to present value based on yield curves reflecting the proper risk factors.

10. Loans

Loans are classified in risk levels in accordance with the criteria established by CMN Resolution 2682/99. This classification takes into consideration, among others, a periodic analysis of the transaction, defaults, client history and guarantee, as applicable.

The allowance for loan losses is calculated based on classification of clients in the risk levels, as defined by the same Resolution.

Loans and other operations with loan characteristics are as follows:

a. Loans

i. By type of credit

Type of credit	31/03/2015		31/12/2014	
	Balance	Allowance	Balance	Allowance
Loans	12,143,192	(630,487)	12,522,183	(720,617)
Financing	2,137,212	(80,020)	2,321,933	(63,597)
FINAME/BNDES	1,780,163	(22,219)	1,687,922	(12,542)
Securities financing	4,718	-	8,793	-
Total	16,065,285	(732,726)	16,540,831	(796,756)

ii. By risk level and maturity

	31/03/2015						31/12/2014	
		Maturity						
Risk level	Overdue	Up to 6 months	6 to 12 months	Over 12 months	Total	Allowance	Total	Allowance
AA	-	3,428,327	407,630	1,158,962	4,994,919	-	5,006,331	-
A	-	1,826,611	988,548	2,558,505	5,373,664	(26,868)	5,303,949	(26,519)
B	7,007	1,258,514	670,647	1,125,179	3,061,347	(30,613)	3,471,519	(34,714)
C	11,919	409,622	230,379	255,756	907,676	(29,480)	699,704	(23,048)
D	1,527	26,634	30,587	216,144	274,892	(39,770)	670,839	(110,197)
E	296,691	385,374	19,623	443,991	1,145,679	(405,099)	1,290,936	(547,837)
F	16,462	188,133	-	-	204,595	(102,297)	77,986	(38,993)
G	-	322	-	12,726	13,048	(9,134)	13,731	(9,612)
H	14,300	15,165	-	60,000	89,465	(89,465)	5,836	(5,836)
Total	347,906	7,538,702	2,347,414	5,831,263	16,065,285	(732,726)	16,540,831	(796,756)

iii. By activity sector

Sector	31/03/2015	31/12/2014
Commerce	122,165	130,179
Industry	438,116	477,920
Services	14,163,535	14,545,084
Rural	300,139	317,573
Individuals	1,041,330	1,070,075
Total	16,065,285	16,540,831

b. Other receivables with loans characteristics and transferred loan

Exclusively comprised by securities and receivables, relating to credit rights acquisition transactions and transferred loan, as follows:

i. By risk level and maturity

	31/03/2015						31/12/2014	
		Maturity						
Risk level	Overdue	Up to 6 months	6 to 12 months	Over 12 months	Total	Allowance	Total	Allowance
AA	-	503,785	233,235	93,081	830,101	-	461,576	-
A	256	143,740	149,680	353,753	647,429	(3,237)	886,031	(4,431)
B	83	20,629	15,927	118,985	155,624	(1,556)	229,987	(2,300)
C	208	113,607	11,863	76,548	202,226	(6,067)	190,025	(5,701)
E	1,298	32,630	13,178	-	47,106	(14,132)	-	-
F	-	-	-	-	-	-	23,592	(11,796)
H	-	152	-	30,821	30,973	(30,973)	493	(493)
Total	1,845	814,543	423,883	673,188	1,913,459	(55,965)	1,791,704	(24,721)
Transfered loans with co-obligations					145,106	(3,843)	176,698	(4,796)
Securities and credits receivable (note 12(b))					1,768,353	(52,122)	1,615,006	(19,925)

ii. By activity sector

Sector	31/03/2015	31/12/2014
Individuals	143,967	153,052
Commerce	404,701	85,938
Services	1,364,791	1,552,714
Total	1,913,459	1,791,704

c. Advances in foreign exchange contracts

i. By risk level and maturity

	31/03/2015						31/12/2014	
		Maturity						
Risk level	Overdue	Up to 6 months	6 to 12 months	Over 12 months	Total	Allowance	Total	Allowance
A	-	347,308	-	-	347,308	(1,737)	342,566	(1,713)
B	-	243,816	112,805	-	356,621	(3,566)	206,003	(2,060)
C	-	93,318	-	-	93,318	(2,800)	159,707	(4,791)
D	-	10,871	-	-	10,871	(1,087)	10,849	(1,085)
G	25,074	-	-	-	25,074	(17,552)	25,074	(17,552)
Total	25,074	695,313	112,805	-	833,192	(26,742)	744,199	(27,201)

ii. By activity sector

Sector	31/03/2015	31/12/2014
Industry	96,715	105,573
Services	736,477	638,626
Total	833,192	744,199

d. Credit risk concentration

	31/03/2015	%	31/12/2014	%
Largest debtors				
10 largest debtors	6,900,090	37%	7,213,541	38%
20 following largest debtors	4,914,739	26%	4,595,237	23%
50 following largest debtors	3,823,787	20%	3,932,932	21%
100 following largest debtors	2,445,043	13%	2,809,679	15%
200 following largest debtors	707,566	4%	525,345	3%
500 following largest debtors	20,711	0%	-	0%
Total	18,811,936	100%	19,076,734	100%

e. Allowance

Changes in the allowance for loan losses and other receivables with loan characteristics in the quaters ended:

	31/03/2015	31/03/2014
Opening balances	(971,801)	(303,897)
Reversal/(recording) of allowance	(193,328)	(56,505)
Exchange rate variation	(5,661)	(23)
Transfered provision on credit sale	256,196	-
Credits written off as loss	4,121	197
Closing balances	(910,473)	(360,228)
Breakdown of closing balances		
Allowance for loan losses	(732,726)	(188,546)
Allowance for transfered loans	(3,843)	-
Allowance for other receivables	(52,122)	(51,538)
Allowance for advances on foreign exchange contracts	(26,742)	(51,403)
Provision for stabdby letters of credit (note 16 c)	(95,040)	(68,741)
	(910,473)	(360,228)

f. Renegotiation/recovery of credits written off to loss

As at the quarter ended March 31, 2015, there were no credit renegotiation (March 31, 2014 – R$19,624). Also in the quarter ended March 31, 2015 there was an amount of R$15.685 due to recovery of credits written off loss (March 31, 2014 – R$4,500).

g. Transferred loan

During the quarter ended March 31, 2015 and 2014, there was no credit assignment with co-obligation.

11. Other receivables/obligations

a. Foreign exchange portfolio

	31/03/2015		31/12/2014	
	Assets	Liabilities	Assets	Liabilities
Unsettled exchange purchased/sold	3,502,707	6,523,904	2,403,783	6,950,193
Rights on foreign exchange sales	5,554,401	-	6,858,467	-
(-) Advances on foreign Exchange contracts (Note 10 (c))	26,092	(807,100)	15,820	(728,379)
(-) Advances in local currency received	(12,356)	-	(4,256)	-
Liability for foreign exchange purchase	-	3,223,792	-	2,296,547
	9,070,844	8,940,596	9,273,814	8,518,361
Current	9,070,844	8,940,596	9,273,814	8,518,361
Long term	-	-	-	-

Guarantees for foreign exchange transactions carried out through BM&FBovespa – Securities, Commodities and Futures Exchange (BM&FBovespa), are represented by federal government bonds in the amount of R$4.694 (December 31, 2014 - R$18,247).

b. Securities trading and brokerage

	31/03/2015		31/12/2014	
	Assets	Liabilities	Assets	Liabilities
Clearing houses	738,460	488,603	1,393,193	957,217
Commissions and brokerage payable	-	293	-	348
Debtors/creditors – pending settlement account	4,124,697	769,350	4,076,239	1,479,936
Unsettled third-party interbank investments	17,518	17,391	-	14,210
Creditors for gold loans	-	-	-	-
Creditors for stock loans	-	19,629	-	14,382
Securities trading and brokerage	2,979,298	525,410	2,764,453	323,698
	7,859,973	1,820,676	8,233,885	2,789,791
Current	6,561,253	1,820,676	6,852,466	2,789,791
Long term	1,298,720	-	1,381,419	-

"Debtors/creditors – pending settlement account" is basically represented by amounts pending settlement, relating to transactions involving the purchase and sale of securities and financial asset agreements at BM&FBovespa, and abroad through prime brokers, on the Bank's behalf or on behalf of third parties.

"Other securities trading and brokerage" basically represents, in assets, intermediation transactions, and in liabilities, it refers basically to the short position of foreign governments bonds to be settled.

12. Other receivables

a. Income receivable

	31/03/2015	31/12/2014
Dividends and bonus	1,197,827	1,602,835
Receivables from services rendered	12,485	17,396
Management and performance fees from investment funds and portfolios	7,229	6,123
Distribution fees	17,002	18,122
Commissions on guarantees	2,235	9,460
Other	17	9
	1,236,795	1,653,945
Current	1,236,795	1,653,945
Long term	-	-

b. Sundry

	31/03/2015	31/12/2014
Deferred tax assets - IR/CS (Note 18)	3,019,426	1,536,172
Deferred tax assets - Others	116,807	33,427
Judicial deposits	833,590	821,789
Taxes to offset	417,200	399,508
Tax incentive options	1,317	1,317
Securities and credits receivable		
With loan characteristics (Note 10(b))	1,768,353	1,615,006
Without loan characteristics	9,193	5,344
Held for sale	504,731	-
Sundry - Brazil	1,294,166	967,635
Other	10,929	9,147
	7,975,712	5,389,345
Current	5,266,157	2,733,086
Long term	2,709,555	2,656,259

13. Investments in subsidiaries, associates companies and jointly controlled entities

	Subsidiaries, associates and jointly controlled entities					
	Shareholders Equity		Net income (loss)		Equity interest	
	31/03/2015	31/12/2014	31/03/2015	31/03/2014	31/03/2015	31/12/2014
In Brazil						
BTG Pactual Asset Management S.A. DTVM	658,417	597,723	60,693	371,779	99.99%	99.99%
BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	378,139	359,463	18,676	347,906	99.99%	99.99%
BTG Pactual Serviços Financeiros S.A. DTVM	85,206	76,918	8,288	76,148	99.99%	99.99%
BTG Pactual Corretora de Mercadorias Ltda.	124,019	120,253	3,766	103,631	99.99%	99.99%
BTG Pactual Corporate Services Ltda.	4,333	4,302	31	4,203	0.01%	0.01%
BTG Pactual Securitizadora S.A.	845	850	(4)	886	99.99%	99.99%
BTG Pactual Holding Internacional S.A.	7,839,004	5,422,972	1,696,633	2,344,537	99.99%	99.99%
BTG Pactual Comercializadora de Energia Ltda	1,289,777	1,134,088	135,687	709,366	99.99%	99.99%
Recovery do Brasil Consultoria Ltda.	94,508	78,060	16,448	55,507	73.23%	73.23%
BTG Pactual Vivere Participações S.A.	(16,008)	(16,008)	(37,709)	(4,875)	20.32%	20.32%
BR Properties S.A.	6,105,904	6,005,116	(34,939)	59,466	0.12%	0.12%
BW Properties S.A.	595,218	596,906	(1,932)	455,302	57.62%	57.62%
Warehouse 1 Empreendimentos Imobiliários S.A.	108,218	110,328	20,156	145	35.00%	35.00%
Max Casa XIX Empreendimentos Imobiliários S.A.	36,381	37,733	(755)	1,539	50.00%	50.00%
ACS Omicron Empreendimentos Imobiliários Ltda.	17,375	17,375	474	-	44.74%	44.74%
BTG Pactual Commodities S.A.	-	295,868	-	102,386	0.00%	99.99%
BTG Pactual Holding de Seguros	1,095,272	1,061,926	18,345	479,828	99.99%	99.99%
TTG Participações Holding	66,872	16,797	11,007	18,245	99.99%	99.99%
BTGP E&P	-	-	-	2,346,453	0.00%	0.00%
Pan Corretora S.A.	51,963	49,931	2,031	110	51.00%	51.00%
Banco Sistema S.A.	6,003,498	804,454	191,044	-	99.84%	98,84%
BTGP Corretora de Seguros S.A.	2,195	1,285	910	-	99.99%	0.00%
Jointly-controlled entities - In Brazil						
Banco Pan S.A. (ii)	3,558,634	3,634,486	73,518	(81,825)	40.35%	40.35%
Abroad						
BTG Pactual Overseas Corporation (i)	2,127,940	1,604,458	190,171	1,307,283	99.99%	99.99%
Spring Valley Management LLC (i)	-	-	-	22,685	0.00%	0.00%
BTG Pactual Chile Internacional Ltd. (i)	52,079	32,217	13,170	25,778	99.99%	99.99%
Banco BTG Pactual Luxembourg S.A. (i)	173,235	144,958	(24,894)	1,681	99.99%	99.99%
BTG Pactual S.A. Comisionista de Bolsa (i)	139,503	89,785	3,115	82,374	94.53%	99.99%
Ariel Re (Holding) Limited (i)	742,376	-	11,523	-	50.00%	0.00%

		Changes in investments					
	31/12/2014	Aquisition / Increase / (Sales)	Dividends paid	Equity pick up	Incorporation of investment	31/03/2015	Equity pick up in 31/03/2014
Subsidiaries and associates - In Brazil							
BTG Pactual Asset Management S.A. DTVM	597,721	-	-	60,693	-	658,414	72,108
BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	359,463	-	-	18,676	-	378,139	14,225
BTG Pactual Serviços Financeiros S.A. DTVM	76,918	-	-	8,288	-	85,206	13,362
BTG Pactual Corretora de Mercadorias Ltda.	120,254	-	-	3,766	-	124,020	5,684
BTG Pactual Securitizadora S.A.	848	-	-	(2)	-	846	(25)
BTG Pactual Holding Internacional S.A.	5,422,959	719,400	-	1,696,646	-	7,839,005	(78,090)
BTG Pactual Comercializadora de Energia Ltda.	1,134,085	20,002	-	135,538	-	1,289,625	101,869
Recovery do Brasil Consultoria Ltda.	57,163	-	-	12,045	-	69,208	(2,901)
Goodwill - Recovery do Brasil Consultoria Ltda.	2,556	-	-	-	-	2,556	-
BTG Pactual Vivere Participações S.A.	-	2,093	-	-	-	2,093	510
BR Properties S.A.	4,739	-	-	-	-	4,739	(782)
BW Properties S.A.	344,957	-	-	(944)	-	344,013	7,968
Goodwill – BW Properties S.A.	2,322	-	-	-	-	2,322	-
Warehouse 1 Empreendimentos Imobiliários S.A.	38,614	(4,200)	(3,123)	(738)	-	30,553	29,195
Max Casa XIX Empreendimentos Imobiliários S.A.	18,866	-	-	(676)	-	18,190	1,732
ACS Omicron Empreendimentos Imobiliários Ltda.	7,774	-	-	212	-	7,986	1,828
BTG Pactual Commodities S.A.	295,869	(297,900)	-	2,031	-	-	(1,799)
TTG Participações Holding	55,865	-	-	11,007	-	66,872	(4,930)
BTGP E&P	-	-	-	-	-	-	67,708
BTG Pactual Holding de Seguros	1,061,926	15,000	-	16,560	-	1,093,486	11,489
BTGP Corretora de Seguros S.A.	1,285	-	-	910	-	2,195	-
Pan Corretora S.A.	25,465	-	-	1,036	-	26,501	-
Banco Sistema S.A.	795,122	5,000,000	-	198,770	-	5,993,892	-
Negative goodwill - Banco Sistema S.A.	(26,551)	-	-	-	-	(26,551)	-
	10,398,220	**5,454,395**	**(3,123)**	**2,163,818**	**-**	**18,013,310**	**239,151**
Jointly-controlled entities - In Brazil							
Banco Pan S.A.	1,372,936	-	-	(29,664)	(942)	1,342,330	(27,945)
Negative goodwill - Pan S.A.	(111,344)	-	-	-	-	(111,344)	-
	1,261,592	**-**	**-**	**(29,664)**	**(942)**	**1,230,986**	**(27,945)**
Total	**11,659,812**	**5,454,395**	**(3,123)**	**2,134,154**	**(942)**	**19,244,296**	**211,206**
Abroad							
Pactual Overseas Corporation (i)	1,604,458	-	-	523,482	-	2,127,940	320,804
Spring Valley Management LLC (i)	-	-	-	-	-	-	4,537
Ariel Re (Holding) Limited (i) (ii)	-	330,022	-	174,708	-	504,730	-
BTG Pactual Chile Internacional Ltd. (i)	32,217	-	-	19,863	-	52,080	13,290
Banco BTG Pactual Luxembourg S.A.	144,957	-	-	28,278	-	173,235	(583)
BTG Pactual S.A. Comisionista de Bolsa (i)	85,018	38,111	-	8,727	-	131,856	(2,299)
Goodwill - BTG Pactual S.A. Comisionista de Bolsa	52,500	-	-	3,244	-	55,744	(6,759)
	1,919,150	**368,133**	**-**	**758,302**	**-**	**3,045,585**	**328,990**
Total	**13,578,962**	**5,822,528**	**(3,123)**	**2,892,456**	**(942)**	**22,289,881**	**540,196**

(i) The diference between equity pick up in subsidiaries and net income of subsidiaries refers to exchange variation.
(ii) Preliminary numbers.

14. Intangible asset

	Changes in intangible assets				
	31/12/2014	Acquisitions	Amortization expenses / derecognition	Exchange variation	31/03/2015
Other intangible assets					
Cost					
Softwares	72,731	2,366	-	1,242	76,339
Leasehold improvements	74,068	172	-	-	74,240
Amortization					
Softwares	(29,540)	-	(3,522)	(766)	(33,828)
Leasehold improvements	(16,651)	-	(1,826)	-	(18,477)
	100,608	2,538	(5,348)	476	98,274

The intangible asset amortization period is 5 years.

15. Fund raising and loans onlending

a. Summary

	31/03/2015						31/12/2014
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Deposits	23,853,725	18,030,260	3,938,447	1,529,533	54,100	301,385	23,885,646
Open market funding	41,977,707	31,234,492	5,363,336	1,369,201	653,375	3,357,303	37,426,632
Funds from securities issued and accepted	21,629,943	3,492,932	4,946,682	9,826,817	2,911,881	451,631	20,165,982
Loans and onlending	5,660,446	2,257,022	1,649,350	47,872	102,281	1,603,921	4,718,795
Subordinated debts and subordinated debt eligible to equity	12,202,138	-	-	1,674,309	6,487,875	4,039,954	10,916,392
Total	105,323,959	55,014,706	15,897,815	14,447,732	10,209,512	9,754,194	97,113,447

b. Deposits

	31/03/2015						31/12/2014
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Demand deposits	216,220	216,220	-	-	-	-	170,686
Interbank deposits	4,986,034	4,218,275	667,001	66,241	32,295	2,222	2,693,192
Time deposits	18,651,471	13,595,765	3,271,446	1,463,292	21,805	299,163	21,021,768
Total	23,853,725	18,030,260	3,938,447	1,529,533	54,100	301,385	23,885,646

c. Open market funding

Open market funding has collateral on the following securities:

	31/03/2015						31/12/2014
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Own portfolio	9,077,175	5,148,185	3,573,816	195,196	-	159,978	6,436,172
Federal government bonds	2,541,170	2,374,250	6,942	-	-	159,978	600,976
Corporate bonds	6,423,499	2,661,429	3,566,874	195,196	-	-	5,831,325
Federal foreign government bonds	112,506	112,506	-	-	-	-	3,871
Third-party portfolio	17,288,927	15,945,837	165,317	172,178	-	1,005,595	17,914,111
Federal government bonds	16,888,575	15,545,485	165,317	172,178	-	1,005,595	17,494,823
Corporate bonds	400,352	400,352	-	-	-	-	389,856
Federal foreign government bonds	-	-	-	-	-	-	29,432
Unrestricted portfolio	15,611,605	10,140,470	1,624,203	1,001,827	653,375	2,191,730	13,076,349
Federal government bonds	15,611,605	10,140,470	1,624,203	1,001,827	653,375	2,191,730	13,076,349
	41,977,707	31,234,492	5,363,336	1,369,201	653,375	3,357,303	37,426,632

d. Fund from securities issued and accepted

	31/03/2015						31/12/2014
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Securities – Brazil	14,296,154	1,646,080	3,387,443	7,900,823	916,269	445,539	13,358,794
Financial bills	11,276,341	710,500	1,978,728	7,255,483	888,479	443,151	10,220,598
Mortgage bonds/letters of credit for agrobusiness	2,979,413	929,621	1,374,274	645,340	27,790	2,388	3,106,370
Structured transactions	40,400	5,959	34,441	-	-	-	31,826
Securities – abroad	7,333,789	1,846,852	1,559,239	1,925,994	1,995,612	6,092	6,807,188
Medium term notes	7,182,884	1,819,450	1,451,617	1,910,113	1,995,612	6,092	6,654,274
Fixed rate notes and others	150,905	27,402	107,622	15,881	-	-	152,914
	21,629,943	3,492,932	4,946,682	9,826,817	2,911,881	451,631	20,165,982

As at March 31, 2015, liabilities on bonds and securities in Brazil were basically indexed o interest referenced rates (CDI) between 50% and 113 % or inflation indexes (IPCA and IGPM) plus 1.2% p.a. to 7.8% p.a. (December 31, 2014 – indexed to (CDI) between 50% and 113% or inflation indexes (IPCA and IGPM) plus 1.2% p.a. to 7.8% p.a.).

On March 31, 2015, liabilities on bonds and securities abroad have rates between 0.75% p.a. and 7% p.a. (December 31, 2014 – between 0.75% p.a. and 7% p.a.).

e. Loans and onlending

	31/03/2015						31/12/2014
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Loans abroad	3,897,550	2,254,587	1,642,963	-	-	-	3,060,972
Foreign currency	-	-	-	-	-	-	-
Loans abroad	3,897,550	2,254,587	1,642,963	-	-	-	3,060,972
Onlending in Brazil – official institution	1,762,896	2,435	6,387	47,872	102,281	1,603,921	1,657,823
FINAME/BNDES	1,762,896	2,435	6,387	47,872	102,281	1,603,921	1,657,823
	5,660,446	2,257,022	1,649,350	47,872	102,281	1,603,921	4,718,795

On March 31, 2015, liabilities for loans and onlending have rates between 1.78% p.a. to 11.25% p.a. (December 31, 2014 – between 1.78% p.a. and 11.25% p.a.).

f. Subordinated debt and debt instrument eligible to equity

	31/03/2015					31/12/2014
Type - original currency	Issued amount (original currency)	Issued	Maturity	Total compensation a.a.	Net amount	Net amount
Financial bills - R$ (i)	4,161,000	15/04/2011	15/04/2021	Inflation plus fixed rates	5,334,164	5,403,116
Subordinated debt - US$	800,000	28/09/2012	15/09/2022	5.75%	2,723,022	2,015,440
Subordinated debt eligible to equity - US$	1,300,000	12/09/2014	Callable at September 2019	8.75%	4,144,952	3,497,836
Total					12,202,138	10,916,392

(i) Repayment every six months.

16. Other obligations

a. Social and statutory

	31/03/2015	31/12/2014
Dividends and profit sharing payable	-	298,200
Employees' profit sharing	-	209,000
Other benefits	23,537	-
	23,537	507,200
Current	23,537	507,200
Long-term	-	-

b. Tax and social security

	31/03/2015	31/12/2014
Tax and contributions to be collected	36,067	28,601
Tax and contribution payable	94	-
Deferred income tax and social contribution (Note 18)	55,255	21,902
Suspended-payment taxes and other tax liabilities (Note 17 (c))	802,051	823,093
	893,467	873,596
Current	35,122	41,972
Long-term	858,345	831,624

c. Sundry

	31/03/2015	31/12/2014
Payable for acquisition of assets and rights (i)	1,026,461	996,731
Allowance for accounts payable	37,468	59,792
Payable - subject to loans operations	154,336	196,266
Provision for guarantees (Note 10 (e))	95,040	123,123
Provision for contingent liabilities (Note 17 (c))	10,894	7,949
Other creditors - Brazil	165,528	163,454
Other	3,589	-
	1,493,316	1,547,315
Current	472,402	553,190
Long-term	1,020,914	994,125

(i) Refers to amounts payable for the acquisition of investments (substantially Banco Pan and Banco Sistema S.A.).

17. Contingent assets and liabilities and legal obligations

The Bank's and its subsidiaries' Management evaluate existing contingencies in relation to legal proceedings filed against these entities and recognizes a provision to cover probable losses on such proceedings. Management's judgment is based on the opinion of its internal and external legal counsel regarding the expected outcome for each proceeding.

a. Contingent assets

As at March 31, 2015 and December 31, 2014, the Bank did not record contingent assets.

b. Contingent liabilities classified as probable losses and legal obligations

i. Labor provisions

Comprise lawsuits filed by former employees, mostly claiming overtime and salary parity. The contingencies are recorded based on an analysis of the potential loss amounts, considering the current stage of the lawsuit and the opinion of external and internal legal counsel.

ii. Civil provisions

For civil lawsuits with chances of unfavorable outcome (pain and suffering and pecuniary injury, among others), contingency amounts are recorded based on the opinion of internal and external legal counsel.

iii. Tax and social security provisions

Tax and social security provisions are represented by legal and administrative proceedings of federal, state and municipal taxes, regarding legal obligations and contingent liabilities. The provisions are recognized based on the opinion of internal and external legal counselors and the court level to which each proceeding was submitted.

c. Breakdown and changes in provisions

The Bank's Management is challenging the constitutionality of certain procedures regarding federal taxes, in addition to being party to legal, tax and civil proceedings. Based on the opinion of its legal counsel, Management considers that the provisions recorded for such proceedings at March 31, 2015 are appropriate to cover probable losses arising therefrom.

The provisions recognized and their changes are as follows for the quarters ended March 31:

	31/03/2015				31/03/2014
	Tax	Civil	Labor	Total	Total
Balance at the beginning of the quarter	823,093	3,031	4,918	831,042	758,556
Recognition	12,032	-	3,409	15,441	26,213
Write-off / reversal	(33,074)	-	(464)	(33,538)	(920)
Balance at the end of the quarter	802,051	3,031	7,863	812,945	783,849
Suspended-payment taxes and other taxes contingencies (Note 16b)				802,051	760,779
Provision for contingent liabilities				10,894	23,070

The natures of the main provisions are presented below.

i. Suspended payment taxes and other taxes liabilities (Note 16b)

BTG Pactual Group has been challenging in court the legal nature of some taxes and contributions. The amounts relating to legal obligations and contingencies assessed a possible loss by the internal and external counsel is fully recorded in provision. The main legal disputes are the following:

COFINS ("Social security financing tax") - Challenge of the legal grounds for the levy of COFINS under rules established by Law 9718/98.

PIS ("Social integration program tax") - Challenge of the levy of PIS established by Constitutional Amendments 10 of 1996 and 17 of 1997.

CSL ("Social contribution tax") - Challenge of CSL payment required from financial institutions in the period from 1996 to 1998 at rates higher than those applied to legal entities in general, opposing the constitutional principle of equality.

As at March 31, 2015, the Bank was part to taxes lawsuits with a possible outcome, which were not recorded in provision. The descriptions of the main lawsuits are as follows:

- Lawsuits relating to the payment of profit sharing, challenging the payment of social security contribution on the amounts and non-deductibility of income tax and social contribution tax base. The amount claimed is R$602 million. Part of this amount is security by indemnity clause, as it refers to the period before the acquisition of the Bank by the current controllers.

- Judicial action filed to discuss demands by the São Paulo City Hall, relative of ISS on services provided in Rio de Janeiro, as the tax authority from the city of São Paulo understands that such services were effectively rendered in São Paulo. The amount claimed is R$133 million. Part of this amount is security by indemnity clause, as it refers to the period before the acquisition of the Bank by the current controllers.

- Lawsuits relating to the demutualization and IPO of BM&F Bovespa, challenging the taxation of PIS, Cofins, income tax and social contribution on revenues earned from the sale of shares of the companies previously mentioned. The amount claimed is R$17 million. Part of this amount is security by indemnity clause, as it refers to the period before the acquisition of the Bank by the current controllers.

- In October 2012, we received a tax assessment, which in March 31, 2015 totaled R$2,326 million alleging that our use of the amortization of certain goodwill to reduce the amount of the IRPJ and CSLL taxes payable by us was inappropriate. Such goodwill was originated in connection with the acquisition of us by UBS in 2006. The amortization of such goodwill occurred from February 2007 to January 2012, although the tax assessment solely relates to the IRPJ and CSLL tax returns for the calendar years 2007, 2008 and 2009. We have filed an appeal of this tax assessment. In February 2013 a preliminary administrative decision was issued, providing for a partial reduction of the tax assessment. Based on our analysis of applicable case law, including in recent similar cases, we believe that the tax assessment is without merit and that we will ultimately prevail in its appeal. As a result, we do not expect to incur any losses (other than the costs of the appeal) in connection with this matter, and have not established (and do not expect to establish) any related reserves on our financial statements. In addition to our assessment as to the validity of this tax assessment, in the event that we incur losses in connection with this matter, we believe we are

entitled to be indemnified by third parties for part of these losses. Accordingly, in no event do we do not to incur any material losses in connection with this matter.

ii. Provision for other contingent liabilities

As at March 31, 2015, the bank was part to several civil, labor, lawsuits and other contingences with a possible outcome, which were not recorded in provisions.

18. Income tax and social contribution

The reconciliation of income tax and social contribution expenses with the figure obtained by applying the tax rate on income before these taxes is as follows:

	31/03/2015	31/03/2014
Tax base	(532,710)	1,308,552
Income before taxes and profit sharing	(476,012)	1,308,552
Statutory profit sharing	(56,698)	-
Total charge of income tax and social contribution at the current rates	213,084	(523,421)
Permanent (additions) / deductions in taxation calculation	1,217,886	112,414
Equity pick up in subsidiaries and associates and jointly controlled companies in Brazil	851,612	84,482
Income/(loss) of foreign exchange on foreign investments	355,212	(32,079)
Income on foreign investments	(15,947)	(12,198)
Dividends	13,527	151,310
Other Permanent (additions) / deductions	13,482	(79,101)
Temporary (additions) / deductions on the taxation calculation	(542,320)	252,620
Reversal of provision for goodwill on the acquisition of investments	28,428	28,428
Fair value of securities and derivatives	(716,799)	197,840
Allowance for loan losses	(48,767)	(18,295)
Equity on interest	119,280	-
Tax contingencies and provision for suspended-payment taxes	12,854	(5,180)
Provision on investments	-	24,974
Other provisions	62,684	24,853
Offset of tax losses carry forward - Brazil	(922,001)	2,564
Tax and social contribution expense	(33,351)	(155,823)
Temporary differences		
Recognition / (reversal) of the quarter	542,696	(252,619)
Recognition / (reversal) on losses in Brazil	922,001	(2,564)
Recognition / (reversal) on losses on Branches abroad	1,648	-
Recovery of income tax of investment abroad	36,990	38,106
(Expenses) / revenues from deferred taxes assets	1,503,335	(217,077)
Total revenues / (expenses)	1,469,984	(372,900)

Income tax and social contributions are calculated and recorded in accordance with the criteria established by BACEN Circular Letter 3059/02, taking into account the period of realization.

Changes in deferred tax assets presented in “Other credits – Sundry" (Note 12(b)), are as follows:

Income tax and social contribution	31/12/2014	Recognition	Realization (i)	31/03/2015
Tax loss carryforward	221,444	923,650	-	1,145,094
Interest on equity	119,280	-	(119,280)	-
Allowance for loan losses	370,928	56,561	(7,794)	419,695
Marked-to-market valuation of securities and derivatives	284,077	2,862,688	(2,123,523)	1,023,242
Goodwill on the acquisition of investment	196,907	-	(28,428)	168,479
Tax contingencies and provision for suspended-payment taxes	196,062	-	(12,854)	183,208
Other temporary differences	147,474	1,176	(68,942)	79,708
	1,536,172	3,844,075	(2,360,821)	3,019,426

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Income tax and social contribution	31/12/2013	Recognition	Realization (i)	31/03/2014
Tax loss carryforward	2,564	-	(2,564)	-
Impairment on investments (ii)	26,120	-	(26,120)	-
Allowance for loan losses	173,095	29,844	(11,549)	191,390
Marked-to-market valuation of securities and derivatives	259,105	474,292	(672,131)	61,266
Goodwill on the acquisition of investment	310,617	-	(28,428)	282,189
Tax contingencies and provision for suspended-payment taxes	183,148	5,180	-	188,328
Other temporary differences	64,421	101	(23,808)	40,714
	1,019,070	509,417	(764,600)	763,887

(i) On March 31, 2015, the amount of R$28.082 (December 31, 2014 – R$38.106), refers to recovery paid taxes from investments abroad
(ii) Refers to the tax credit provision for loss on investment in the company BR Properties S.A. (note 13).

The present value of tax credits, based on the expected realization of deferred tax assets, is as follows:

Description	Tax credits on temporary differences	Tax loss carry forwards	Total
2014	784,116	40,037	824,153
2015	728,474	5,568	734,042
2016	120,581	220,711	341,292
2017	120,581	257,840	378,421
After 2018	120,581	620,937	741,518
	1,874,333	1,145,093	3,019,426
Present value	1,406,115	614,365	2,020,480

The Bank has deferred tax obligations in the amount of R$55.255 (December 31, 2014 - R$21,902) according to Note 16(b).

19. Shareholders' equity

a. Capital

As at March 31, 2015, fully subscribed and paid in capital consists of 2,714,902,212 shares (December 31, 2014 – 2,714,902,212), of which 1,390,671,404 common shares (December 31, 2014 – 1,390,671,404), 508,380,404 class A preferred shares (December 31, 2014 – 508,380,404) and 815,850,404 class B preferred shares (December 31, 2014 – 815,850,404), all no-par, registered shares.

The common shares have right to one vote each in the deliberations of the General Assembly and participate on equal terms with the Class A Preferred Shares and Class B preferred shares in the distribution of profits.

Preferred shares Class A and B have no right to vote and have priority in capital reimbursement, without premium, and participate on equal terms with the common shares in the profits distribution.

The Class A Preferred Shares shall have the right to be included in aquisition public offer due to transfer of control of the Company, provided their holders to receive a minimum amount per share equal to 80% (eighty percent) of the amount paid by common share of the control block.

The Class B preferred shares are convertible into common shares, upon request by writing to the holder or the Bank without deliberation and board or shareholders meeting, provided that (i) such conversion occurs at the time of issuance of new shares by the Bank whether or not within the limit of authorized capital (unless the shareholder converting the shares is BTG Pactual Holding S.A.) (ii) upon conversion, BTG Pactual Holding S.A. (or its successor in any capacity, including by virtue of merger, division or other corporate reorganization) continues to hold directly or indirectly, more than 50% of common shares issued by the Bank and (iii) conversion is in accordance with the Company's shareholders' agreement. Class B preferred shares can be convertible into Class A preferred shares at the request of its holder, and provided that (i) the Bank is a public company with shares listed on stock exchanges and (ii) conversion is in accordance with the Company's shareholders' agreement.

b. Legal reserve

This reserve is established every six months at the rate of 5% of net income for the year, before any other allocation, limited to 20% of the capital.

c. Statutory reserve

According to the Bank's Bylaws, the purpose of this reserve is to maintain working capital and is limited to the balance of the capital.

d. Unrealized income reserve

Established considering undistributed dividends obtained in foreign branch.

e. Profit distribution

The shareholders are entitled to minimum dividends of 1% on net income in accordance with Article 202 of Law 6404/76.

As at February 25, 2015, the Bank has approved the distribution of dividends, in the amount of R$106,130, wich refers to prior periods. The payment of such dividends, occurred on March 10, 2015.

As at December 30, 2014 the Bank has accrued R$298,200, relating to interest on equity, equivalent to R$0.11 per share,wich generated R$119,280 of tax benefit. These amounts were approved in the Special Shareholders' Meeting held on December, 2014 and the payment occurred on March 10, 2015.

20. Income from services rendered

	31/03/2015	31/12/2014
Management and performance fee from investment funds and portfolios	75,330	28,294
Technical services	35,248	117,642
Commission on the placement of securities	8,418	16,601
Guarantees granted	52,444	33,472
Other services	7,534	13,098
	178,974	209,107

21. Other operating income

	31/03/2015	31/03/2014
Recovery of charges and expenses	226	1,031
Reversal of allowances - other	26,562	73,280
Reversal of allowances - contingencies	32,201	785
Adjustment to inflation of judicial deposits	18,789	34,506
Exchange rate variation	1,312	-
Adjustments of receivables from sale	52,445	25,996
Other operating income	2,776	1,946
	134,311	137,544

22. Other operating expenses

	31/03/2015	31/03/2014
Guarantees granted allowances	1,846	3,030
Expenses with taxes adjusted for inflation	9,795	314
Reimbursement of clients	-	611
Adjustment of amounts payable for acquisition of investments (i)	34,055	15,218
Exchange rate variation - other	18,065	209
Expenses adjustment of taxes	199	-
Others	5,565	1,210
Total	69,525	20,592

(i) Refers to the update of the amounts payable for the acquisition of investments (basically Banco Pan S.A. and Banco Sistema S.A.).

23. Other administrative expenses

	31/03/2015	31/03/2014
Outsourced services and consulting	35,689	19,743
Telecommunications and data processing	22,736	29,806
Leases and condominiums	12,306	16,392
Travel and lodging	5,942	8,105
Expenses of the financial system	7,999	8,599
Advertising and public relations	4,046	7,598
Depreciation/amortization	9,589	8,295
Others	3,562	8,174
Total	101,869	106,712

24. Related parties

Institutions comprising the BTG Pactual Group invest their cash and cash equivalents mainly in funding products offered by the Bank.

Related-party balances, which are all carried at arms' length, are reflected in the following accounts:

			Assets/(Liabilities)		Revenues/(Expenses)	
	Relationship	Maturity	31/03/2015	31/12/2014	31/03/2015	31/03/2014
Assets						
Short-term interbank investments						
Open market investments						
- FIM CP LS Investimento no Exterior	Subsidiary	09/11/2015	4,237,280	1,717,632	89,330	-
- FIM B-2 (i)	Related	06/05/2015	1,037,482	1,323,968	34,582	77,628
Interbank investments deposits						
- Banco Pan S.A.	Jointly controlled	01/04/2015	1,390,000	2,518,106	54,123	14,717
Securities						
- BTG Investments LP (i)	Related	17/04/2018	214,749	177,301	-	-
- Banco Pan S.A.	Jointly controlled	23/04/2020	104,140	55,135	-	-
Derivative financial instruments						
- BTG Pactual Commodities Absolute Return Ltd	Subsidiary	01/04/2015	534,850	1,382,100	-	-
- BTG Pactual International Port Fund SPC - Class C	Subsidiary	13/12/2023	932,738	5,336,710	-	-
- BTG Pactual Commodities (Switzerland) AS	Subsidiary	05/03/2016	249,552	50,936	-	-
-BTG Pactual Commodities Holding (UK) Limited	Subsidiary	01/04/2015	250,986	80,692	-	-
- BTG Pactual Commodities S.A.	Subsidiary	01/12/2015	204,449	42,463	356,664	-
-BTG Pactual Commodities (Singapore) PLC	Subsidiary	01/12/2015	175,803	98,428	-	-
- BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	Subsidiary	01/04/2015	88,428	335,907	14,641	3,230
- Celfin Capital Colombia SA	Subsidiary	02/04/2015	22,395	2,204	-	-
- Banco Pan S.A.	Jointly controlled	25/07/2016	4,835	2,204	-	-
- BTG Absolute Return Master Fund (i)	Related	01/04/2015	-	10,636	-	-
Income receivable						
- BTG Global Asset Management Limited	Subsidiary	No maturity	5,507	14,705	24,623	4,989
- BTG Pactual Comercializadora de Energia Ltda.	Subsidiary	No maturity	321,521	321,521	10,539	-
- BTG Pactual Asset Management S.A.-DTVM	Subsidiary	No maturity	-	14,960	-	-
-BTG Pactual E&P Empreendimentos e Participações S.A.		No maturity	-	422,391	-	-
Securities trading and brokerage						
- BTG Pactual International Port Fund SPC - Class C	Subsidiary	No maturity	117,640	80,296	-	-
- BTG Absolute Return Master Fund (i)	Related	No maturity	210,189	-	-	-
- FIM CP LS Investimento no Exterior	Subsidiary	No maturity	-	10,375	-	64,124
Sundry						
-BTG Pactual Holding Internacional S/A.	Subsidiary	No maturity	720,000	785,359	-	-
- BTG Pactual Comercializadora de Energia Ltda.	Subsidiary	No maturity	365,154	85,938	-	-

	Relationship	Maturity	Assets/(Liabilities) 31/03/2015	Assets/(Liabilities) 31/12/2014	Revenues/(Expenses) 31/03/2015	Revenues/(Expenses) 31/03/2014
- BTG Pactual Asset Management S.A.-DTVM	Subsidiary	No maturity	10,349	-	-	-
- BTG Pactual Gestora de Recursos Ltda	Subsidiary	No maturity	10,281	30,435	-	-
- BTG Pactual Serviços Financeiros S.A.-DTVM	Subsidiary	No maturity	5,334	7,131	-	-
- BTG Investments LP (i)	Related	No maturity	4,038	-	-	-
- BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	Subsidiary	No maturity	1,765	-	-	-
- ACS Omicron Empreendimentos imobiliários S.A.	Subsidiary	No maturity	894	894	-	-
Liabilities						
Deposits						
Interbank deposits						
- Banco Sistema S.A.	Subsidiary	01/04/2015	(3,500,000)	(1,349,447)	(46,736)	-
- BTG Pactual Corretora deTítulos e Valores Mobiliários S.A.	Subsidiary	24/03/2016	(283,469)	(272,950)	(7,637)	(7,061)
- BTG Pactual Asset Management S.A.- DTVM	Subsidiary	11/03/2016	(149,187)	(242,220)	(6,100)	(4,604)
- BTG Pactual Serviços Financeiros S.A. - DTVM	Subsidiary	17/03/2016	(65,933)	(58,755)	(2,852)	(2,022)
Time deposits						
- BTG Investments LP (i) (iii)	Related	01/04/2015	(1,325,631)	(1,082,884)	-	-
- BTG Pactual Commodities Absolute Return Ltd	Subsidiary	01/04/2015	(2,992)	(25,644)	-	-
- BTG Pactual Absolute Return Master Fund II (i)	Related	01/04/2015	(707,057)	(17,654)	-	-
- BTG Pactual International Port Fund SPC - Class C	Subsidiary	01/04/2015	(503,142)	(207,597)	-	-
- BTG Pactual US AM Corp.	Subsidiary	01/04/2015	(268,018)	(274,930)	-	-
- BTG Pactual Asset Management US, LLC (iii)	Subsidiary	01/04/2015	(267,998)	(274,913)	-	-
- BTG Pactual Global Fund (iii)	Subsidiary	01/04/2015	(219,760)	(304,865)	-	(3,691)
- BTG Pactual US Capital, LLC (iii)	Subsidiary	01/04/2015	(171,162)	(193,696)	-	-
- BTG MB Investments LP	Related	01/04/2015	(101,389)	(49,813)	-	-
- BTG Pactual Europe LLP (iii)	Subsidiary	01/04/2015	(88,497)	(153,978)	-	-
- BTG Pactual Holding S.A	Subsidiary	01/04/2015	50,047	-	-	-
- BTG Pactual Corretora de Mercadorias S.A.	Subsidiary	04/09/2015	(54,332)	(32,684)	-	(2,022)
- BTG Pactual Global Asset Management UK Limited	Subsidiary	01/04/2015	(41,787)	-	-	-
- BTG Pact Commodities Trading US LLC	Related	01/04/2015	(39,471)	(96,477)	-	-
- BTG Pactual Comercializadora de Energia Ltda.	Subsidiary	31/07/2016	(37,973)	(74,178)	-	(5,985)
- BTG Pactual Overseas Corporation (iii)	Subsidiary	01/04/2015	(24,429)	(20,548)	-	-
- BTG Pactual Asia Limited (iii)	Subsidiary	01/04/2015	(16,145)	(8,098)	-	-
-BTG Pactual Commodities (Singapore) PLC	Subsidiary	01/04/2015	(15,111)	(562)	-	-
- BTG Pactual Global Asset Management Limited (iii)	Subsidiary	01/04/2015	(6,431)	(27,528)	-	-
- BTG Pactual Latam Fund LLC	Subsidiary	01/04/2015	(6,227)	(26,392)	-	-
- BTG Pactual Commodities (Switzerland) AS	Subsidiary	01/04/2015	(4,702)	(2,210)	-	-
- BTG Pactual Corretora de Seguros S.A.	Subsidiary	01/04/2015	(4,201)	-	-	-
- BTG Pactual Proprietary Feeder (1) Limited (i) (iii)	Related	01/04/2015	(3,484)	(78,977)	-	-
- BTG Pactual Timber US	Subsidiary	01/04/2015	(2,919)	(5,261)	-	-
- BTG Pactual Absolute Return Master Fund (i)	Related	01/04/2015	(2,992)	(25,644)	-	-
- BTG Pactual NY Corporation	Related	01/04/2015	(2,657)	-	-	-
- BTG Pactual Warehousing (US) LLC	Related	01/04/2015	(2,415)	-	-	-
- Aigues de Catalunya Ltd (i)	Related	01/04/2015	(2,311)	-	-	-
- BTG Pactual Capital Participações S.A.	Related	01/04/2015	(2,343)	-	-	-
- BTG Pactual Commodities (UK) LLP	Subsidiary	01/04/2015	(2,107)	(185)	-	-
- BTG Pactual Holding Internacional S.A.	Subsidiary	24/05/2015	(1,937)	260,582	-	-
- Recovery do Brasil Consultoria S.A.	Subsidiary	01/04/2015	(1,810)	(1,761)	-	-
- BTG Pactual Stigma LLC (i)	Related	01/04/2015	(1,859)	-	-	-
- BTG Pactual Corporate Services Ltda	Subsidiary	11/09/2015	(1,433)	(1,394)	-	-
- BTG Pactual Commodities (US) LLC	Subsidiary	01/04/2015	(1,115)	(334)	-	-
- BTG Pactual WM Gestão de Recursos Ltda	Subsidiary	09/10/2015	(527)	(8,678)	-	(953)
- BTG Pactual Gestora de Investimentos Alternativos Ltda	Subsidiary	23/11/2015	(219)	(3,340)	-	-
- BTG Pactual Gestora de Recursos Ltda	Subsidiary	30/10/2015	-	(2,301)	-	(4,311)
- BTG Pactual Pharma Participações S.A. (i) (ii)	Related	01/04/2015	-	(1,213)	-	-
Open market funding						
Own portfolio						
- FIM CP LS Investimento no Exterior	Subsidiary Parent	01/04/2015	(4,229,411)	-	(89,331)	-
- FIM B-2 (i)	Company	06/05/2015	(1,034,482)	-	(34,582)	-
- BTG Pactual Comercializadora de Energia LTDA	Subsidiary	31/07/2016	(408,519)	-	(5,337)	-
- Banco Sistema S.A.	Subsidiary	01/04/2015	(298,884)	-	-	-
- BRPEC Agropecuária (i)	Subsidiary	21/09/2015	(156,504)	-	-	-
-BTG Pactual Commmodities Brasil S.A.	Subsidiary	25/09/2015	(87,389)	(164,485)	(3,146)	-
- BTG Pactual Investimentos Florestais S.A.	Subsidiary	16/11/2015	(51,180)	(60,999)	-	-
- BTG Pactual Holding S.A	Subsidiary	15/09/2015	(47,950)	(1,473)	-	-
- BTG Pactual Corretora de Mercadorias Ltda	Subsidiary	29/09/2015	(39,976)	(66,248)	-	-
- BTG Pactual WM Gestão de Recursos Ltda	Subsidiary	14/03/2016	(34,000)	(22,054)	-	-
-TTG Brasil Investimentos Florestais Ltda..	Subsidiary	16/11/2015	(16,913)	(18,154)	-	-
- BSPE Participações e Empreendimentos	Subsidiary	18/08/2015	(12,254)	-	-	-

	Relationship	Maturity	Assets/(Liabilities) 31/03/2015	Assets/(Liabilities) 31/12/2014	Revenues/(Expenses) 31/03/2015	Revenues/(Expenses) 31/03/2014
- BTG Pactual Serviços Energéticos Ltda.	Subsidiary	31/08/2015	(9,604)	(30,771)	-	-
- BTG Pactual Gestora de Investimentos Alternativos Ltda	Subsidiary	29/02/2016	(8,700)	-	-	-
- BTG Pactual Gestora de Recursos Ltda	Subsidiary	14/03/2016	(5,300)	(46,950)	-	-
Third-party portfolio						
- Banco Sistema S.A.	Subsidiary	01/04/2015	(2,580,740)	-	(53,626)	-
- FIM CP LS Investimento no Exterior	Subsidiary	22/02/2016	(11,118)	(182,205)	-	(9,924)
Free traded- portfolio						
- FIM B-2 (i)	Related	06/05/2015	(106,237)	-	-	-
Funds from securities issued and accepted						
Real Estate Bills						
- FIM CP LS Investimento no Exterior	Subsidiary	05/08/2016	(25,524)	(24,777)	-	-
- Partners	Key personnel	14/01/2019	(21,973)	(41,636)	-	-
Securities issued abroad						
- BTG MB Investments LP	Parent Company	18/09/2019	(1,831,175)	(1,418,052)	(23,887)	-
- BTG Investments LP (i)	Parent Company	17/04/2018	(221,063)	-	(1,355)	-
Derivative financial instruments						
- BTG Pactual International Port Fund SPC - Class C	Subsidiary	13/12/2023	(1,227,335)	(5,379,296)	-	-
- BTG Pactual Commodities Absolute Return Ltd	Subsidiary	01/04/2015	(547,077)	(1,375,873)	-	-
- Banco Pan S.A.	Jointly controlled	22/04/2020	(250,860)	(129,983)	-	-
-BTG Pactual Commodities Holding (UK) Limited	Subsidiary	01/04/2015	(254,451)	(78,189)	(1,114)	-
- BTG Pactual Commodities (Switzerland) AS	Subsidiary	01/12/2015	(249,564)	(52,709)	(1,475)	-
-BTG Pactual Commodities (Singapore) PLC	Subsidiary	19/02/2018	(161,613)	(96,968)	-	-
- BTG Pactual Commodities S.A.	Subsidiary	-	(147,658)	(74,092)	(461,401)	-
- BTG Pactual Corretora deTítulos e Valores Mobiliários S.A.	Subsidiary	01/04/2015	(88,413)	(336,047)	(14,485)	(3,389)
- BTG Investments LP (i)	Parent Company	13/12/2023	(36,877)	-	-	-
- BTGP S.A.	Subsidiary	02/04/2015	(22,396)	-	-	-
- BTG Absolute Return Master Fund (i)	Related	01/12/2015	(4,485)	-	-	-
Other obligations						
Securities trading and brokerage						
- BTG Pactual Corretora de Mercadorias Ltda	Subsidiary	No maturity	(265,429)	(630,538)	-	-
- BTG Pactual International Port Fund SPC - Class C	Subsidiary	No maturity	(111,026)	-	-	-
- BTG Pactual Commodities (Switzerland) AS	Related	No maturity	(4,048)	-	-	-
- BTG Pactual Corretora deTítulos e Valores Mobiliários S.A.	Subsidiary	No maturity	-	(55,210)	-	-
- BTG Absolute Return Master Fund (i)	Related	No maturity	(17,675)	-	-	-
Sundry						
- BTG Pactual Europe LLP (iii)	Subsidiary	No maturity	(5,048)	-	-	-
- BTG Pactual Corretora de Mercadorias Ltda.	Subsidiary	No maturity	(1,066)	(411)	-	-
- BTG Pactual Corretora deTítulos e Valores Mobiliários S.A.	Subsidiary	No maturity	-	(4,578)	-	-
- BTG Pactual Casa de Bolsa, S.A. de C.V.	Subsidiary	No maturity	-	(13,930)	-	-

(i) Subsidiaries of BTG Pactual Participations Ltd.
(ii) Controlled by BTG MB Investments.

Total compensation paid in the quarter to key management personnel totaling R$16,025 (March 31, 2014 – R$10,168) is considered a short-term benefit.

25. Other information

a. Cash and cash equivalents

	31/12/2014	31/12/2013
Balances as at beginning of quarter		
Cash at banks	590,257	791,500
Open market investments	16,080,581	6,410,858
Interbank deposits	4,392,879	2,992,892
	21,063,717	10,195,250

	31/03/2015	31/12/2014
Balances as at end of quarter		
Cash at banks	1,227,984	246,233
Open market investments	12,943,704	4,754,158
Interbank deposits	3,794,924	2,847,187
	17,966,612	7,847,578

b. Commitments and responsibilities

The Bank's main commitments and responsibilities are as follows:

	31/03/2015	31/12/2014
Co-obligation and risks for guarantees granted	12,328,796	11,834,916
Responsibility for the management of futures and investment portfolio (i)	9,778,116	11,995,057
Securities under custody	199,110,693	174,666,511
Securities trading and brokerage	1,107,491,696	1,375,531,702
Loans contracted to release	1,839,795	2,552,099
Commitments to be released	1,024,140	865,577

(i) Recognized by the sum of the equity value of funds and investment portfolios.

"Co-obligations and risks for guarantees granted" mainly comprises guarantees granted or assets allocated to exchange trading securities.

"Securities under custody" reflects third-party public and private security positions under custody with SELIC, CETIP S.A. and BM&FBovespa S.A.

"Securities trading and brokerage" represents amounts from derivatives purchase and sale agreements related to third-party transactions.

"Loans contracted to release" register amounts related to loan contracts with clients to release.

"Commitments to be released" register amounts related to the financial commitments of the Bank with its investees.

26. Subsequent events

In April 2015, the transfer of 50% of interest on Ariel to the joint venture was concluded (note 2).