Consolidated Financial Statements

Banco BTG Pactual S.A. and subsidiaries

September 30, 2015

with independent auditors' review report

BANCO BTG PACTUAL S.A and subsidiaries

Consolidated financial statements

September 30, 2015

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A free translation from Portuguese into English of the independent auditors' review report on interim consolidated 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. and subsidiaries

We have reviewed the interim consolidated financial statements of Banco BTG Pactual and its subsidiaries ("Bank") for the quarter ended September 30, 2015, which comprise the consolidated balance sheet as of September 30, 2015 and the related consolidated statements of income for the three and nine-month period then ended, and changes in shareholders' equity and cash flows for the nine-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 consolidated financial statements in accordance with 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 consolidated financial statement 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 consolidated financial statement 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.

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Emphasis of matter

As of September 30, 2015, the jointly controlled subsidiary Banco Pan S.A. has deferred tax assets recorded on its balance sheet amounting to R$ 3.1 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 and approved by its Board of Directors on August 3, 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

Consolidated Statement of value added

We have also reviewed the consolidated statement of value added (SVA), for the nine-month period ended September 30, 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.

Separate financial statements

The Bank has prepared a full set of separate financial statements for the nine-month period ended September 30, 2015 in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil for which we issued an unqualified separate independent auditors' review report dated at November 4, 2015.

Rio de Janeiro, November 4, 2015.

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

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

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

BANCO BTG PACTUAL S.A. and subsidiaries

Consolidated balance sheets

As at September, 30, 2015 and December 31, 2014

(In thousands of reais)

	Note	30/09/2015	31/12/2014
Assets			
Current assets		229,478,992	124,581,666
Cash at banks	6	23,061,113	1,585,254
Short-term interbank investments	7	41,347,683	37,158,444
Open market investments		24,665,688	32,548,396
Interbank deposits		16,681,995	4,610,048
Securities and derivative financial instruments		75,887,022	50,079,671
Own portfolio	8	20,044,125	17,342,101
Subject to repurchase agreements	8	15,174,498	3,217,771
Subject to unrestricted repurchase agreements	8	331,675	529,059
Derivative financial instruments	9	39,159,541	27,360,156
Subject to guarantees	8	1,177,183	1,630,584
Interbank transactions		1,349,447	1,145,748
Unsettled receipts and payments		3,244	-
Deposits in the Central Bank of Brazil		1,345,057	1,145,666
Correspondent banks		1,146	82
Loans	10	53,676,314	7,992,259
Loans		54,798,855	8,054,765
Assigned loans		123,173	176,698
Allowance for loan losses		(1,245,714)	(239,204)
Other receivables		33,859,246	26,441,248
Foreign exchange portfolio	11	7,924,873	9,350,680
Income receivable	12	1,170,546	891,183
Securities trading and brokerage	11	14,609,892	9,850,147
Sundry	12	10,763,385	7,521,909
Allowance for losses on other receivables	10	(609,450)	(1,172,671)
Other assets		298,167	179,042
Temporary investments		38,445	52,149
Other assets		177,798	145,069
Prepaid expenses		135,894	35,949
Provision for losses		(53,970)	(54,125)
Long-term-assets		50,699,917	31,782,396
Long-term interbank investments	7	-	13,197
Interbank deposits		-	13,197
Securities and derivative financial instruments		20,126,821	17,658,670
Own portfolio	8	3,623,127	5,944,958
Derivative financial instruments	9	7,654,206	4,416,348
Subject to repurchase agreements	8	8,317,894	5,666,731
Subject to guarantees	8	531,594	1,630,633
Interbank transactions		337,983	18,233
Restricted credits – National Housing System		337,983	18,233
Loans	10	18,404,088	8,210,724
Loans		18,706,700	8,831,443
Allowance for loan losses		(302,612)	(620,719)
Other receivables		11,796,142	5,841,077
Income receivable	12	440,535	567,161
Securities trading and brokerage	11	527,954	1,381,419
Sundry	12	10,962,385	3,908,524
Allowance for losses on other receivables	10	(134,732)	(16,027)
Other assets		34,883	40,495
Temporary investments		13,704	-
Prepaid expenses		21,179	40,495
Permanent assets		10,231,833	6,298,796
Investments		8,427,550	5,433,738
Investments in associates and jointly controlled entities - in Brazil	13	2,320,677	1,760,301
Investments in associates and jointly controlled entities - abroad	13	6,070,135	3,632,684
Other investments		40,236	44,989
Allowance for losses		(3,498)	(4,236)
Property and equipment in use		771,861	138,437
Property in use		445,807	6,831
Other property and equipment in use		483,528	241,352
Accumulated depreciation		(157,474)	(109,746)
Deferred charges		25,608	22,209
Amortization and expansion costs		80,788	65,510
Accumulated amortization		(55,180)	(43,301)
Intangible assets	14	1,006,814	704,412
Other intangible assets		1,763,883	1,178,705
Accumulated amortization		(757,069)	(474,293)
Total assets		290,410,742	162,662,858

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

BANCO BTG PACTUAL S.A. and subsidiaries

Consolidated balance sheets

As at September, 30, 2015 and December 31, 2014
(In thousands of reais)

	Note	30/09/2015	31/12/2014
Liabilities			
Current liabilities		225,034,142	108,393,275
Deposits	15	95,456,668	17,694,167
Demand deposits		73,508,290	168,293
Interbank deposits		895,494	665,026
Time deposits		21,052,884	16,860,848
Open market funding	15	39,464,656	33,949,253
Own portfolio		23,524,853	8,597,541
Third-party portfolio		7,977,901	15,997,364
Free trading portfolio		7,961,902	9,354,348
Funds from securities issued and accepted	15	13,214,885	8,010,538
Real estate, mortgage, credit and similar notes		7,798,829	5,110,771
Securities issued abroad		5,380,092	2,867,941
Certificates of structured transactions		35,964	31,826
Interbank transactions		5,348	3,063
Unsettled receipts and payments		5,348	3,063
Loans and onlending	15	9,530,835	5,220,324
Loans abroad		8,001,996	4,411,564
Loans in Brazil		1,520,032	799,240
Onlending in Brazil		8,807	9,520
Derivative financial instruments	9	37,030,525	25,910,382
Derivative financial instruments		37,030,525	25,910,382
Other liabilities		30,331,225	17,605,548
Collection and payments of tax and similar charges		6,529	3,481
Foreign exchange portfolio	11	7,237,244	8,595,204
Social and statutory	16	1,000,945	1,208,328
Tax and social security	16	1,760,144	1,201,539
Securities trading and brokerage	11	14,652,403	4,632,474
Subordinated debt	15	79,570	-
Sundry	16	5,594,390	1,964,522
Long-term liabilities		45,730,241	38,772,355
Deposits	15	1,537,359	1,598,129
Interbank deposits		88,127	104,793
Time deposits		1,449,232	1,493,336
Open market funding	15	5,643,881	4,451,109
Own portfolio		281,785	418,271
Third-party portfolio		306,613	568,180
Free trading portfolio		5,055,483	3,464,658
Funds from securities issued and accepted	15	11,827,334	12,773,231
Real estate, mortgage, credit and similar notes		7,262,871	8,190,632
Securities issued abroad		4,564,463	4,582,599
Loans and onlending	15	2,637,209	1,648,303
Loans abroad		388,224	-
Onlending in Brazil		2,248,985	1,648,303
Derivative financial instruments	9	6,414,786	4,164,370
Derivative financial instruments		6,414,786	4,164,370
Other liabilities		17,669,672	14,137,213
Tax and social security	16	1,061,271	1,231,571
Subordinated debt	15	9,196,153	7,418,556
Debt instrument eligible to capital	15	5,137,697	3,497,836
Sundry	16	2,274,551	1,989,250
Deferred income		340,536	171,144
Non-controlling interest		386,519	592,757
Shareholders' equity	19	18,919,304	14,733,327
Capital - domiciled in Brazil		4,687,289	4,687,289
Capital - domiciled Abroad		1,719,574	1,719,574
Capital increase		773,663	-
Fair value of assets available for sale		(51,315)	40,442
Income reserves		8,244,142	8,286,022
Retained earnings		3,545,951	-
Total Liabilities and Shareholders' equity		290,410,742	162,662,858

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

BANCO BTG PACTUAL S.A. and subsidiaries

Consolidated statements of income

Nine-month period and quarters ended September 30
(In thousands of reais, except net income per share)

	Note	Quarter ended: 30/09/2015	Quarter ended: 30/09/2014	Nine-month period ended: 30/09/2015	Nine-month period ended: 30/09/2014
Financial income		5,691,443	3,307,240	12,320,543	10,177,531
Loans		1,269,455	630,777	2,604,092	1,536,209
Securities		4,390,598	2,282,105	9,634,099	5,919,262
Derivative financial instruments		-	388,853	-	1,761,683
Foreign Exchange		-	-	-	939,645
Mandatory investments		31,390	5,505	82,352	20,732
Financial expenses		(7,400,076)	(3,139,319)	(14,387,427)	(7,205,225)
Funding operations		(2,755,938)	(1,921,446)	(7,795,480)	(5,812,179)
Borrowing and onlending		(3,837,037)	(1,064,019)	(6,232,805)	(1,182,922)
Foreign Exchange		451,179	(59,169)	(68,826)	-
Derivative financial instruments		(1,505,152)	-	(352,614)	-
Allowance for loan losses and other receivables	10	246,872	(94,685)	62,298	(210,124)
Net financial income / (loss)		(1,708,633)	167,921	(2,066,884)	2,972,306
Other operating income / (expenses)		656,761	512,485	1,799,413	562,936
Income from services rendered	20	939,700	721,109	2,206,986	2,020,378
Personnel expenses		(489,145)	(204,271)	(1,036,010)	(543,824)
Other administrative expenses	23	(656,311)	(359,564)	(1,292,185)	(906,872)
Tax charges		150,129	(35,841)	(59,418)	(232,633)
Equity in the earnings of associates and jointly controlled entities	13	1,489,982	352,004	2,465,833	236,815
Other operating income	21	504,483	106,526	1,463,951	265,864
Other operating expenses	22	(1,282,077)	(67,478)	(1,949,744)	(276,792)
Operating income		(1,051,872)	680,406	(267,471)	3,535,242
Non-operating income	2	493,965	534	1,544,813	4,499
Income before taxation and profit sharing		(557,907)	680,940	1,277,342	3,539,741
Income tax and social contribution	18	2,852,291	268,434	3,735,917	(344,285)
Provision for income tax		(324,444)	(100,695)	(822,030)	(567,956)
Provision for social contribution		(89,259)	37,987	(250,331)	(180,406)
Deferred income tax and social contribution		3,265,994	331,142	4,808,278	404,077
Statutory profit sharing		(503,552)	(165,412)	(1,058,490)	(607,238)
Non-controlling interest		57,215	19,811	124,756	23,423
Net income for the quarter / period		1,848,047	803,773	4,079,525	2,611,641
Interest on equity	19	-	-	(422,000)	(301,800)
Weighted average numbers of share outstanding		2,748,536,622	2,714,902,212	2,726,113,682	2,714,902,212
Net income per share - R$		0.67	0.30	1.50	0.96

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

BANCO BTG PACTUAL S.A. and subsidiaries

Statements of changes in shareholders' equity – Parent company

Nine-month period ended September 30

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

	Note	Capital	Capital increase	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		-	-	-	-	-	-	(11,724)	-	(11,724)
Changes in fair value of assets available for sale - jointly controlled	13	-	-	-	-	-	-	(3,971)	-	(3,971)
Net income for the period		-	-	-	-	-	-	-	2,610,515	2,610,515
Net income allocation										
Income reserve		-	-	90,339	-	-	90,339	-	(90,339)	-
Intermediate interest on equity (R$0.11 per share)	19	-	-	-	-	-	-	-	(301,800)	(301,800)
Intermediate dividends (R$0.05 per share)	19	-	-	-	-	-	-	-	(146,639)	(146,639)
Balances as at September 30, 2014		6,406,863	-	548,526	1,078,592	4,073,264	5,700,382	41,848	2,071,737	14,220,830
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
Capital increase	19	-	773,663	-	-	-	-	-	-	773,663
Changes in fair value of assets available for sale		-	-	-	-	-	-	(89,378)	-	(89,378)
Changes in fair value of assets available for sale - jointly controlled	13	-	-	-	-	-	-	(2,379)	-	(2,379)
Dividends paid by previous years (R$0.04 per share)	19	-	-	-	-	(106,130)	(106,130)	-	-	(106,130)
Net income for the period		-	-	-	-	-	-	-	4,079,525	4,079,525
Net income allocation								-		
Income reserve		-	-	111,574	-	-	111,574	-	(111,574)	-
Intermediate interest on equity (R$0.16 per share)	19	-	-	-	-	-	-	-	(422,000)	(422,000)
Intermediate dividends (R$0.02 per share)		-	-	-	-	(47,324)	(47,324)	-	-	(47,324)
Balances as at September 30, 2015		6,406,863	773,663	738,169	2,467,107	5,031,725	8,237,001	(51,315)	3,545,951	18,912,163

Reconciliation of net income and shareholders' equity of Banco BTG Pactual S.A. and subsidiaries is presented in Note 19(f).

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

BANCO BTG PACTUAL S.A. and subsidiaries

Consolidated statements of cash flows

Nine-month period ended September 30
(In thousands of reais)

	Note	30/09/2015	30/09/2014
Operating activities			
Net income for the period		4,079,525	2,611,641
Adjusts to net income		(5,164,594)	702,454
Equity pick up from associates and jointly controlled entities	13	(2,465,833)	(236,815)
Interest expense with subordinated debt		2,108,488	1,145,734
Deferred income tax and social contribution		(4,808,278)	(404,077)
Goodwill amortization		146,240	120,127
Goodwill exchange variation	14	(195,845)	22,465
Permanent assets exchande variation		(29,464)	-
Depreciation and amortization	23	80,098	55,020
Adjusted net income for the period		(1,085,069)	3,314,095
Increase/decrease in operational activities			
Short-term interbank investments		6,398,582	1,193,083
Securities and derivative financial instruments		(10,633,158)	(702,777)
Loans		(4,235,515)	(227,580)
Other receivables and other assets		(4,392,088)	4,763,206
Interbank transactions		(521,164)	21,780
Other liabilities		1,079,124	(6,199,034)
Deferred income		169,392	(23,081)
Deposits		1,962,040	2,210,733
Open market funding		4,667,348	1,159,462
Loans and onlending		5,299,417	970,145
Cash (used in) / provide by operating activities		(1,291,091)	6,480,032
Investing activities			
Aquisition of other investment		-	(19,471)
Sale of other investment		4,753	-
Sale of investments	13	1,028,405	198,483
Acquisition of equity interests	13	(611,709)	(692,739)
Dividends and interest on equity received	13	140,210	35,007
Acquisition of property and deferred charges		(92,176)	(87,689)
Sale of property and deferred charges		41,987	47,468
Acquisition of intangible assets	14	(39,541)	(37,964)
Business combination, net of cash		12,687,350	-
Sale of intangible assets	14	16,843	73
Cash (used in) / provided by investing activities		13,176,122	(556,832)
Financing activities			
Funds from securities issued and accepted		4,258,450	3,857,864
Subordinated debt and debt instrument eligible to equity		1,762,603	2,398,310
Non-controlling interest		(206,238)	470,314
Interest on equity	19	(720,200)	(548,700)
Dividends distributed	19	(153,454)	(278,830)
Cash provided by financing activities		4,941,161	5,898,958
Increase in cash and cash equivalents		16,826,192	11,822,158
Balance of cash and cash equivalents	25		
At the beginning of the period		22,422,310	10,755,165
At the end of the period		39,248,502	22,577,323
Increase in cash and cash equivalents		16,826,192	11,822,158
Non-cash transaction			
Debentures converted		(985,979)	-
Subsidiary merger		773,663	-
Credit renegotiation		1,202,770	-
Changes in fair value of assets available for sale in jointly controlled entities		(2,379)	(3,971)

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

BANCO BTG PACTUAL S.A. and subsidiaries

Consolidated statements of value added

Nine-month period ended September 30
(In thousands of reais)

	30/09/2015	30/09/2014
Income	15,649,483	11,981,355
Financial brokerage	12,320,543	10,306,993
Services rendered	2,206,986	2,020,378
Allowance for loan losses and other receivables	62,298	(339,587)
Other	1,059,656	(6,429)
Expenses	(14,449,725)	(6,995,101)
Financial brokerage	(14,449,725)	(6,995,101)
Inputs acquired from third parties	(1,115,129)	(782,513)
Materials, energy and other	(26,806)	(9,003)
Outsourced services	(1,088,323)	(773,510)
Gross value added	84,629	4,203,741
Depreciation and amortization	(80,098)	(55,020)
Net value added produced by the entity	4,531	4,148,721
Value added received through transfer	2,465,833	236,815
Equity in the earnings of associates and jointly controlled entities	2,465,833	236,815
Value added to be distributed	2,470,364	4,385,536
Distribution of value added	2,470,364	4,385,536
Personnel	2,094,500	1,150,962
Direct compensation	1,868,512	1,031,726
Benefits	117,919	59,625
FGTS – government severance pay fund	108,069	59,611
Taxes, fees and contributions	(3,676,524)	576,919
Federal	(3,764,623)	514,887
Municipal	88,099	62,032
Remuneration of third party capital	97,620	69,437
Rent expenses	97,620	69,437
Remuneration of shareholders	3,954,768	2,588,218
Interest on equity	422,000	301,800
Dividends	47,324	146,639
Retained earnings	3,610,200	2,163,202
Non-controlling interest	(124,756)	(23,423)

The accompanying notes are an integral part of the consolidated 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.

The Bank and BTGP have units listing on NYSE Euronext in Amsterdam and BM&F BOVESPA in São Paulo. Each unit issued, corresponds to 1 common share and 2 preferred shares, class A, of Bank and 1 common share and 2 preferred shares, class B of BTG Pactual Participations Ltd. All units listed and traded in Amsterdam remained wholly interchangeable with the units in Brazil.

The consolidated financial statements were approved by Bank's Management in November 4, 2015 and they contain a true and fair view of the development and results of the Bank and subsidiaries.

2. Corporate reorganization and acquisitions

Corporate events

As at September 2015, ENEVA SA bankruptcy process was complete. As a result, part of the loans held by the Bank was converted into interest in the Company and the Bank has also contributed new assets in the Company. As at September 30, 2015, the Bank has a stake equivalent to 49.7% of the total capital of ENEVA. Such interest is accounted as "Other assets" until the conversion process of shares is complete.

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. In May 2015, the transfer of 49% of interest on Pan Seguros S.A. to the Caixapar was concluded.

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 issuance of the redeemable preferrance shares was cancelled on December 5, 2014.

The Bank and Caixapar exercised their respective pre-emptive 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, which 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 disposals

In April, the Bank through one of its subsidiaries, converted debentures in the amount of R$985,978, issued by Rede D'Or, and received shares equivalent to 21.1% of its equity, which generated a goodwill in the amount of R$649,807. In May, Rede D'Or received a capital increase which diluted the Bank interest to 19.4% and generated an equity pickup gain of R$269,174, net of proportional goodwill amortization. Additionally, in June, July and September, BTG Pactual sold 10.4% of its interest in Rede D'Or and recognized a gain of R$1,499,142. Also, the capital increase and sale contracts contain terms that might reduce the Bank remaining interest, in case Rede D'Or do not reach a determined EBITDA in 2015. As of September 30, 2015, the Bank estimated that the value of a potential dilution is zero.

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

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 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. On September 30, 2015, the acquisition was concluded and the aggregate consideration paid by Banco BTG Pactual was CHF1,248 million (R$4,935 million) as per the exchange rate on the date of acquisition, and it consisted of: (i) CHF1,048 (R$4,162 million) in cash totally paid in September 2015, and (ii) shares in the amount of CHF200 million (R$773 million). The transaction generated a negative goodwill of CHF27 million (R$109 million).

In addition, Generali NV used part of the cash proceeds CHF50 million (R$203 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. The shares issuance, mentioned above, was approved by the Brazilian Central Bank on November 3, 2015. Generali NV and BTG Pactual Group are currently in the administrative process of delivering effectively the share and forming the Units.

The table below presents a summary of the transaction under BACEN (COSIF):

	Acquisiton date (in thousands of reais)
Cash and cash equivalent	16,889,023
Short-term interbank investments	15,224,291
Securities and derivative financial instruments	8,674,372
Loans	53,405,471
Allowance for loan losses	(734,726)
Deposits	(75,739,691)
Open market funding and derivative financial instruments	(3,992,057)
Other assets and liabilities	(8,641,827)
Net assets acquired	5,084,856
Consideration paid	
Cash	4,161,728
Shares	773,663
Total consideration paid	4,935,391
Transactions costs capitalized	39,945
Negative goodwill	(109,520)
Business combination, net of cash	12,687,350

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 resulteded in BTG Pactual acquiring control of the Institution and its subsidiaries, with an interest greater than 98% of its total and voting capital.

3. Presentation of the financial statements

The Bank’s and its subsidiaries’ 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 Bank’s consolidated financial statements include the financial statements of the Bank, its foreign branches, direct and indirect subsidiaries in Brazil and abroad, investment funds and specific purpose entities (SPE).

The preparation of the financial statements in accordance with the accounting practices adopted in Brazil requires Management to use its judgment to determine and record 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 the fair value measurement of 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 and its subsidiaries periodically review these estimates and assumptions.

a. Consolidated financial statements

In the consolidated financial statements all intercompany balances of assets and liabilities, revenues, expenses and unrealized profit were eliminated, and were included the portions of net income (loss) and shareholders' equity relating to non-controlling interest.

Goodwill calculated on the acquisition of investment in subsidiaries is recognized in intangible assets, whereas negative goodwill of investments in subsidiaries is recognized as deferred income. Goodwill and negative goodwill calculated on the acquisition of jointly controlled entities is recognized in investments.

The subsidiaries and investment funds consolidated on the Bank's financial statements, are as follows:

		Equity interest - %	
	Country	30/09/2015	31/12/2014
Direct subsidiaries			
BTG Pactual Asset Management S.A. Distribuidora de Títulos e Valores Mobiliários	Brazil	99.99	99.99
BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	Brazil	99.99	99.99
BTG Pactual Serviços Financeiros S.A. Distribuidora de Títulos e Valores Mobiliários	Brazil	99.99	99.99
BTG Pactual Corretora de Mercadorias Ltda.	Brazil	99.99	99.99
BTG Pactual Securitizadora S.A.	Brazil	99.99	99.99
BTG Pactual Comercializadora de Energia Ltda.	Brazil	99.90	99.90
BTG Pactual Holding International S.A.	Brazil	99.99	99.99
BTG Pactual Overseas Corporation	Cayman	100.00	100.00
BW Properties S.A.	Brazil	67.86	67.86
BTG Pactual Holding de Seguros Ltda.	Brazil	99.99	99.99
BTG Pactual S.A. Comisionista de Bolsa	Colombia	94.50	94.50
Recovery do Brasil Consultoria S.A.	Brazil	73.23	73.23
BTG Pactual Chile International Ltd.	Cayman	100.00	100.00
BTG Pactual TTG Participações S.A.	Brazil	100.00	100.00
Banco BTG Pactual Luxembourg S.A.	Luxembourg	100.00	100.00
BTG Pactual Corretora de Seguros Ltda.	Brazil	100.00	100.00
Banco Sistema S.A.	Brazil	99.84	98.84
BPMB I Participações S.A.	Brazil	100.00	-
BSI S.A.	Switzerland	100.00	-
Indirect subsidiaries			
BTG Pactual Gestora de Investimentos Alternativos Ltda.	Brazil	99.98	99.98
BTG Pactual WM Gestão de Recursos Ltda.	Brazil	99.99	99.99
BTG Pactual Gestora de Recursos Ltda.	Brazil	99.99	99.99
BTG Pactual Corporate Services Ltda.	Brazil	99.99	99.99
BTG Pactual Serviços Energéticos Ltda.	Brazil	100.00	100.00
BTG Pactual NY Corporation	USA	100.00	100.00
BTG Pactual Global Asset Management Limited	Bermuda	100.00	100.00
BTG Pactual Europe LLP	UK	100.00	100.00
BTG Pactual Asset Management US, LLC	USA	100.00	100.00
BTG Pactual US Capital, LLC	USA	100.00	100.00
BTG Pactual Asia Limited	Hong Kong	100.00	100.00
BTG Global Asset Management (UK) Limited	UK	100.00	100.00

	Country	Equity interest - %	
		30/09/2015	31/12/2014
BTG Pactual Resseguradora S.A.	Brazil	100.00	100.00
BTG Pactual Vida e Previdência S.A.	Brazil	100.00	100.00
Banco BTG Pactual Chile S.A.	Chile	100.00	100.00
BTG Pactual Chile SPA	Chile	100.00	100.00
BTG Pactual Chile Capital S.A.	Chile	100.00	100.00
BTG Pactual Chile Capital S.A. Corredores de Bolsa	Chile	100.00	100.00
BTG Pactual Chile Capital Administradora de Fondos de Inversion de Capital Extranjero S.A	Chile	100.00	100.00
BTG Pactual Chile Capital S.A. Administradora General de Fondos	Chile	100.00	100.00
BTG Pactual Chile Inversiones Limitada	Chile	100.00	100.00
BTG Pactual Chile Servicios Financieros S.A.	Chile	100.00	100.00
BTG Pactual Chile Proyectos y Rentas S.A.	Chile	-	100.00
Inmobiliaria BTG Pactual Chile Limitada	Chile	100.00	100.00
BTG Pactual Chile Finanzas y Servicios S.A.	Chile	-	100.00
BTG Pactual Chile Servicios Empresariales Limitada	Chile	100.00	100.00
BTG Pactual Chile S.A. Administración de Activos	Chile	100.00	100.00
BTG Pactual Chile International Corp.	Chile	100.00	100.00
BTG Pactual Seguros de Vida	Chile	100.00	-
BTG Pactual Holding Delaware LLC	USA	100.00	100.00
BTG Pactual Peru Capital S.A. Sociedad Agente de Bolsa	Peru	100.00	100.00
BTG Pactual Peru Capital S.A. Sociedad Administradora de Fondos Inversion	Peru	100.00	100.00
BTG Pactual Perú S.A.C.	Peru	100.00	100.00
BTG Pactual Sociedad Fiduciaria (Colômbia) S.A.	Colombia	94.50	94.50
Laurel Sociedad Gestora Profissional S.A.S	Colombia	100.00	100.00
BTGP Corp SAS	Colombia	100.00	100.00
BTGP S.A.	Colombia	100.00	100.00
BTG Pactual E&P S.a.r.l.	Luxembourg	100.00	100.00
BTG Pactual Oil & Gas S.a.r.l.	Luxembourg	100.00	100.00
BTG Pactual Commodities Holding (UK) Limited	UK	100.00	100.00
BTG Pactual Commodities S.A.	Brazil	99.99	99.99
BTG Pactual Commodities (UK) LLP	UK	100.00	100.00
BTG Pactual Commodities (Singapore) PLC	Singapore	100.00	100.00
BTG Pactual Commodities (Switzerland) SA	Switzerland	100.00	100.00
BTG Pactual Commodities Holding (US) LLC	USA	100.00	100.00
BTG Pactual Commodities (US) LLC	USA	100.00	100.00
BTG Pactual Commodities (Keya) Limited	Kenya	100.00	-
BTG Pactual Commodities (South Africa) (Pty) Ltd	South Africa	100.00	100.00
BTG Pactual Commodities Argentina S.A.	Argentina	100.00	100.00
BTG Pactual Warehousing (SG) PTE	Singapore	100.00	100.00
BTG Pactual Commodities (Shanghai) Co	China	100.00	100.00
BTG Pactual Warehousing (US) LLC	USA	100.00	100.00
BTG Pactual Warehousing (UK) Ltd	UK	100.00	100.00
BTG Pactual Commodities Trading US LLC	USA	100.00	100.00
BTG Pactual Commodities Ukraine	Ukraine	100.00	100.00
BTG Pactual Commodities (Italy) SRL	Italy	100.00	100.00
BTG Pactual Commodities (Costa Rica) SRL	Costa Rica	100.00	100.00
BTG Pactual Commodities (Colombia) SAS	Colombia	100.00	100.00
BTG Pactual Commodities (Russia) LLC	Russia	100.00	100.00
BTG Pactual Commodities Absolute Return Ltd.	Cayman	100.00	100.00
TTG Brasil Investimentos Florestais Ltda.	Brazil	100.00	100.00
BTG Pactual Timberland Investments Group LLC	USA	100.00	100.00
BTG Pactual Casa de Bolsa, S.A. de C.V.	Mexico	100.00	100.00
Bamerindus Participações e Empreendimentos S.A.	Brazil	99.84	98.84
Bastec Tecnologia e Serviços Ltda.	Brazil	99.84	98.84
BTG Pactual Corretora de Resseguros Ltda.	Brazil	100.00	100.00
BTG Pactual UK Holdco Limited	UK	100.00	-
BTG Pactual Family Office S.A. de C.V. (i)	Mexico	100.00	-
BSI SA - Italian Branch (i)	Italy	100.00	-
BSI SA - Hong Kong Branch (i)	Hong Kong	100.00	-
BSI Art Collection S.A. (i)	Luxembourg	100.00	-
BSI Art Collection (Svizzera) S.A. (i)	Switzerland	100.00	-
BSI Asset Managers SAM (i)	Monaco	100.00	-
BSI Bank (Panama) S.A.(i)	Panama	100.00	-
BSI Bank Limited (i)	Singapore	100.00	-

	Country	Equity interest - % 30/09/2015	31/12/2014
BSI Europe S.A. (i)	Luxembourg	100.00	-
BSI Fund Management S.A. (i)	Luxembourg	100.00	-
BSI Laran S.A. (i)	Switzerland	100.00	-
BSI Monaco SAM (i)	Monaco	100.00	-
BSI Overseas (Bahamas) Ltd. (i)	Bahamas	100.00	-
BSI Trust Corporation (Malta) Ltd. (i)	Malta	100.00	-
BSI & Venture Partners S.A. (i)	Luxembourg	100.00	-
EOS Servizi Fiduciari SpA (i)	Italy	100.00	-
Oudart S.A. (i)	France	100.00	-
Oudart Gestion S.A. (i)	France	100.00	-
Oudart Patrimoine S.A. (i)	France	100.00	-
Patrimony 1873 S.A. (i)	Switzerland	100.00	-
BSI Investment Advisors (Panama) Inc. (i)	Panama	100.00	-
BTGP-BSI Limited (i)	UK	100.00	-
BTG Pactual Holding AG (i)	Switzerland	100.00	-
Investment funds			
Fundo de Investimento Multimercado Crédito Privado LS Investimento no Exterior	Brazil	100.00	100.00
BTG Pactual International Portfolio Fund SPC - CLASS C	Cayman	100.00	100.00
Fundo de Investimento em Direitos Creditórios Não Padronizados Precatórios Selecionados I	Brazil	100.00	100.00
Fundo de Investimento em Direitos Creditórios Não Padronizados NPL I	Brazil	70.75	70.75
BTG Pactual Saúde Fundo de Investimento em Participações	Brazil	-	95.67
Nala Fundo de Investimento em Participações	Brazil	100.00	100.00
BTG Pactual Global Fund LP	Cayman	100.00	100.00
Fundo de Investimento em Direitos Creditórios Não Padronizados Caixa BTG Pactual Multisegmentos	Brazil	100.00	100.00
BTG Pactual Gewinnstrategie Fundo de Investimento Multimercado Crédito Privado	Brazil	100.00	100.00
Fundo de Investimento em Participações Quartzo	Brazil	100.00	100.00
BTGP Latam Fund LLC	Cayman	100.00	100.00
BTG Pactual Oil & Gas FIQ FIP	Brazil	100.00	100.00
BTG Pactual E&P FIP	Brazil	-	100.00
BTG Pactual Mall Fundo de Investimento Imobiliário	Brazil	100.00	100.00
Fundo de Investimento Imobiliário BTG Pactual Shopping	Brazil	100.00	100.00
Propertyco FIM CP IE	Brazil	100.00	100.00
BTG Pactual Fundo de Investimento Imobiliário Ametista	Brazil	100.00	100.00
Warehouse Fundo de Investimento em Participação	Brazil	100.00	100.00
Caravelas Fundo de Investimento em Ações	Brazil	56.00	56.00
BTG Pactual Absolute Return III Master Fund LP	Cayman	100.00	100.00
CCF Ltd	Cayman	100.00	100.00
CCMF Ltd	Cayman	100.00	100.00
FI Imobiliario Property Invest	Brazil	100.00	-
FIM Usim CP IE	Brazil	100.00	-
BTG CMO FIM CP – IE	Brazil	100.00	-
BTG Pactual Real Estate Fund Ltd	Cayman	100.00	-

(i) Entities acquired through business combination of BSI.

b. 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 consolidated financial statements are presented in Reais (R$), which is the functional currency of the controller, the Bank. Assets and liabilities were translated into reais using the closing rate at the reporting period, while income and expense accounts were translated at the monthly average rate.

The financial statements of the companies abroad, originally stated in their functional currencies, were translated into reais at the foreign exchange rates on the reporting dates.

The effects of foreign exchange variations on investments abroad are distributed in the income statement accounts according to their respective nature.

Reclassification of financial statements

The Bank has revised its previously issued statement of cash flows as for the period ended September 30, 2014 resulting in a decrease in financing activities of R$1,145,734, and an increase in the same amount in adjusts to net income. This review was in order to apply accounting practices consistent with those applied as at September 30, 2015.

4. Significant accounting practices

The most significant accounting practices adopted by the Bank and its direct and indirect subsidiaries 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 3068/01 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, recognized to the income of the period.

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 that amount recorded in a separate account under shareholders' equity, net of tax effects, which will only be recognized in income (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, plus income earned, with a corresponding entry to income (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, will be recorded in income (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 are for hedge or not.

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

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); and

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

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, are calculated based on market price, price evaluation models, or based on the price determined for other financial instruments with similar characteristics. 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, adjusted for the difference between this amount and the price of the good or right adjusted at market prices, at the appropriate 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, with adjustments to fair value, recorded in income (loss).

The notional amount of the agreements recorded in memorandum accounts.

f. Financial instruments – net presentation

Financial assets and liabilities are stated at their net amounts in the balance sheet if, and only if, there is a current legally enforceable right to offset the amounts recognized 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 (operations with credit 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 the effective receipts 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 fully provisioned and gains are recorded in the results when actually received.

i. Allowance for loan losses

Recognized based on an analysis of loan risk losses at an amount deemed as sufficient to cover probable losses, pursuant to CMN Resolution 2682, of December 21, 1999, among which:

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

Considering exclusively the default, written of loans against losses are carried after 360 days from the credit due date or after 540 days, for transactions with maturity over 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. Investment property

Investment properties held by subsidiaries, which their main activity is real estate, are initially measured at cost including transactions costs. After initial recognition, investment properties are stated at fair value, reflecting the market conditions at each balance sheet date. Adjustments to fair value are determined considering the fair value of the property, minus the attributed costs of the property, and recognized in net income.

The fair value of investment properties are determined at least on an annual basis, or when the Company deems it necessary, and may involve an independent valuation.

Investment properties are derecognized when disposed of or when they cease to be used permanently and no further economics benefit are expected from their disposal.

k. Investments

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

l. Goodwill and negative goodwill

Goodwill and negative goodwill are calculated based on the difference between the acquisition amount paid and the net carrying amount of the net assets acquired.

Goodwill and negative goodwill, recorded according to the basis of expected future results of the acquired subsidiaries, are amortized according to cashflow projections underlying the transaction or, when the investment is written off, by disposal or impairment, before projections are achieved.

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

m. 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.

n. 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, (ii) for acquired rights of assets management contracts, and (iii) softwares and improvements in third part property. Amortization is calculated using the straight-line basis over the period in which the rights generate benefits.

o. Impairment on non-financial assets

Whenever there is clear evidence that the assets are measured at an unrecoverable amount, it is recorded as loss in the income or loss. 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 lower of value in use and 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.

p. 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 20% for income tax, plus a 10% surtax on the annual taxable income exceeding R$240, and 20% for social contribution of financial institutions and 9% for non-financial institutions.

q. Contingent assets and liabilities, and 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 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.

r. Earnings per share

Calculated based on weighted average shares outstanding for the period.

s. Revenue recognition

Revenues and expenses are recorded under the accrual method.

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 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

	30/09/2015	31/12/2014
Reference Shareholders' Equity	18,919,304	14,733,327
Tier I	20,536,796	16,736,911
Common Equity	15,416,074	13,239,074
Complementary Equity	5,120,722	3,497,836
Tier II	4,743,342	4,545,445
Reference Shareholders' Equity (PR) - (a)	25,280,139	21,282,355
Required Reference Shareholders' Equity (PRE)	19,446,895	13,402,263
Total exposure risk-weighted - (b)	19,446,895	13,402,263
Credit risk	14,512,561	7,657,999
Operational risk	83,440	644,830
Market risk	4,850,894	5,099,434
Basel ratio - (a/b*11%) (i)	14.30%	17.5%
Tier I capital	11.70%	13.7%
Tier II capital	2.70%	3.8%
Fixed assets ratio	86.4%	78.5%
Fixed assets to equity capital ratio	12,587,493	10,634,053
Status for fixed assets to equity capital ratio	10,881,487	8,352,612
Amount of margin (insufficiency)	1,706,006	2,281,441

(i) The table above considers the capital increase described in Notes 19 and 26.

The resolutions 4.192/13 and 4.278/13 issued by the CMN regulates the requirements on Minimun 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 e 3.645, 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.

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

As at the period ended September 30, 2015 and the year ended 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, with level of confidence of 95.0% and one year historical data. Reliable level of 95.0% means that there is one within twenty chances that the day trade net income remains below estimated VaR. Therefore, insufficiencies arising from net income expected from trade in a single day of trading exceeding the reported VaR would be expected to occur, on average, around once a month. Insufficiencies in a single day may exceed the VaR reported in material amounts. Insufficiencies 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 and its subsidiaries' daily average VaR for the periods ended:

In millions of R$	**September 2015**	**December 2014**	**September 2014**
Daily average VaR	130,7	64,4	65,8

c. Credit risk

All of the Bank's and its subsidiaries' counterparties are subject to 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 equity, derivatives, guarantees given and possible settlement risks.

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 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 at banks refer basically to deposits abroad in prime banks.

7. Interbank investments

	30/09/2015					31/12/2014
	Total	Up to 90 days	90 to 365 days	1 to 3 years	Over 3 years	Total
Open market investments	24,665,688	23,582,727	1,082,961	-	-	32,548,396
Own portfolio	2,863,052	2,787,504	75,548	-	-	3,704,830
Federal government bonds	2,283,658	2,208,110	75,548	-	-	2,400,344
Corporate bonds	579,394	579,394	-	-	-	1,293,088
Foreign government bonds	-	-	-	-	-	11,398
Third-party portfolio	14,152,316	13,611,659	540,657	-	-	25,475,018
Federal government bonds	13,661,307	13,120,650	540,657	-	-	24,883,413
Corporate bonds	175,813	175,813	-	-	-	291,858
Foreign government bonds	315,196	315,196	-	-	-	299,747
Short position	7,650,320	7,183,564	466,756	-	-	3,368,548
Federal government bonds	5,374,101	4,907,345	466,756	-	-	3,368,548
Corporate bonds	121,077	121,077	-	-	-	-
Foreign government bonds	2,155,142	2,155,142	-	-	-	-
Interbank investments (*)	16,681,995	16,676,745	5,250	-	-	4,623,245
Interbank deposit certificates	1,821,869	1,816,619	5,250	-	-	2,660,846
Investments in foreign currency - overnight	14,860,126	14,860,126	-	-	-	1,962,399
	41,347,683	40,259,472	1,088,211	-	-	37,171,641

(*) Refers basically to interbank deposits in prime banks.

The collateral received in repurchase agreements amounts to R$24,440,640 (December 31, 2014 - R$32,723,548), whereas the collateral granted amounts to R$44,912,290 (December 31, 2014 - R$39,041,504).

8. Securities

a. By type of portfolio

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

	30/09/2015							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	23,214,109	23,667,252	9,862,172	2,745,100	5,108,867	2,320,906	3,630,207	23,287,059
Federal government bonds	3,298,493	3,297,653	-	771,812	197,508	933,406	1,394,927	2,573,419
Brazilian foreign debt securities	7,896	7,895	3,670	-	754	628	2,843	19,682
Debentures/Eurobonds (i)	3,027,240	3,007,356	991,542	83,736	981,309	427,143	523,626	6,857,375
Bank certificates of deposit	15,519	15,519	13,785	1,734	-	-	-	104
Bank credit certificate	-	-	-	-	-	-	-	37,042
Investment fund quotes								
Shares	124,456	124,456	124,456	-	-	-	-	136,961
Multimarket	1,648,580	1,587,280	1,544,792	42,488	-	-	-	1,917,129
FIDC - Credit Rights	10,968	10,968	-	-	10,968	-	-	10,856
Real Estate	191,754	191,754	-	-	191,739	-	15	382,326
Equity Investment fund	819,007	819,007	-	-	745,997	-	73,010	1,363,780
Shares	3,738,218	4,033,227	4,032,251	-	976	-	-	4,455,070
Promissory notes	682,322	682,383	588,860	93,523	-	-	-	2,282,620
Certificate of real estate receivables	703,118	703,114	-	307	1,530	30,932	670,345	989,327
Other	26,510	21,021	3,337	78	542	-	17,064	181,999
Foreign government bonds	2,117,201	2,147,226	297,476	701,522	735,641	182,905	229,682	125,143
Foreign private securities								
Corporate Bond	3,746,752	3,925,726	1,929,733	626,033	430,938	311,901	627,121	183,835
Warrants	1,091,819	1,091,819	-	-	1,091,819	-	-	992,113
Other	1,964,256	2,000,848	332,270	423,867	719,146	433,991	91,574	778,278
Unrestricted portfolio	353,340	331,675	-	-	-	91,264	240,411	529,059
Federal government bonds	353,340	331,675	-	-	-	91,264	240,411	529,059
Subject to repurchase agreements	21,400,186	23,492,392	10,373,642	936,612	5,057,341	957,992	6,166,805	8,884,502
Federal government bonds	11,209,988	11,201,945	7,454,921	18,993	48,447	65,070	3,614,514	2,328,603
Brazilian foreign debt securities	8,709	8,709	3,432	-	-	5,277	-	-
Foreign government bonds	196,497	2,366,615	2,299,334	-	59,822	-	7,459	752,452
Foreign private securities								
Corporate Bond	83,692	83,692	-	-	-	83,692	-	-
Warrants	3,044,651	3,044,651	-	-	3,044,651	-	-	498,502
Shares	14,540	14,540	14,540	-	-	-	-	-
Other	-	-	-	-	-	-	-	9,889
Debentures / Eurobonds (i)	6,842,109	6,772,240	601,415	917,619	1,904,421	803,953	2,544,832	5,295,056
Subject to guarantees	1,709,205	1,708,777	500,828	465,943	6,654	594,157	141,195	3,261,217
Federal government bonds	1,032,382	1,031,954	-	289,948	6,654	594,157	141,195	2,774,829
Investment fund quotes		-						
Multimarket	150,009	150,009	150,009	-	-	-	-	-
Debentures / Eurobonds (i)	340,275	340,275	164,280	175,995	-	-	-	343,704
Shares	162,323	162,323	162,323	-	-	-	-	112,832
Foreign government bonds	-	-	-	-	-	-	-	15,438
Other	24,216	24,216	24,216	-	-	-	-	14,414
Trading securities	30,497,331	33,086,310	19,134,272	2,108,854	7,501,906	1,429,354	2,911,924	17,230,254
Available for sale securities	10,140,570	10,074,847	1,602,370	1,208,209	2,479,547	1,146,813	3,637,908	14,097,026
Held-to-maturity securities	6,038,939	6,038,939	-	830,592	191,409	1,388,152	3,628,786	4,634,557
	46,676,840	49,200,096	20,736,642	4,147,655	10,172,862	3,964,319	10,178,618	35,961,837

(i) Substantially securities issued by Brazilian companies.

b. Trading securities

	30/09/2015							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	17,656,766	18,105,762	8,855,382	1,813,527	3,930,380	1,058,452	2,448,021	13,076,979
Federal government bonds	1,464,516	1,463,676	-	74	10,260	72,687	1,380,655	1,209,240
Brazilian foreign debt securities	7,896	7,895	3,670	-	754	628	2,843	19,682
Debentures/Eurobonds (i)	1,120,650	1,117,589	637,289	17,809	290,021	56,340	116,130	3,038,391
Bank certificates of deposit	15,519	15,519	13,785	1,734	-	-	-	104
Investment fund quotes								
Shares	124,456	124,456	124,456	-	-	-	-	136,961
Multimarket	1,626,120	1,564,820	1,522,332	42,488	-	-	-	1,917,129
FIDC - Credit Rights	10,968	10,968	-	-	10,968	-	-	10,856
Real Estate	191,754	191,754	-	-	191,739	-	15	382,326
Equity Investment fund	449,095	449,095	-	-	449,094	-	1	424,233
Shares	3,722,487	3,991,034	3,991,034	-	-	-	-	3,830,057
Financial bills	-	-	-	-	-	-	-	-
Other	3,338	3,337	3,337	-	-	-	-	28,631
Foreign government bonds	2,117,201	2,147,226	297,476	701,522	735,641	182,905	229,682	125,143
Foreign private securities								
Corporate Bond	3,746,752	3,925,726	1,929,733	626,033	430,938	311,901	627,121	183,835
Warrants	1,091,819	1,091,819	-	-	1,091,819	-	-	992,113
Other	1,964,256	2,000,848	332,270	423,867	719,146	433,991	91,574	778,278
Unrestricted portfolio	353,340	331,675	-	-	-	91,264	240,411	529,059
Federal government bonds	353,340	331,675	-	-	-	91,264	240,411	529,059
Subject to repurchase agreements	11,676,835	13,838,911	9,910,434	64,233	3,569,033	212,914	82,297	2,278,916
Federal government bonds	7,595,474	7,587,431	7,454,921	18,993	48,447	65,070	-	616,024
Brazilian foreign debt securities	8,709	8,709	3,432	-	-	5,277	-	-
Foreign government bonds	196,497	2,366,615	2,299,334	-	59,822	-	7,459	752,452
Foreign private securities								
Corporate Bond	83,692	83,692	-	-	-	83,692	-	-
Warrants	3,044,651	3,044,651	-	-	3,044,651	-	-	498,502
Shares	14,540	14,540	14,540	-	-	-	-	-
Other	-	-	-	-	-	-	-	9,889
Debentures / Eurobonds (i)	733,272	733,273	138,207	45,240	416,113	58,875	74,838	402,049
Subject to guarantees	810,390	809,962	368,456	231,094	2,493	66,724	141,195	1,345,300
Federal government bonds	441,934	441,506	-	231,094	2,493	66,724	141,195	1,217,030
Investment fund quotes								
Multimarket	150,009	150,009	150,009	-	-	-	-	-
Debentures / Eurobonds	31,908	31,908	31,908	-	-	-	-	-
Shares	162,323	162,323	162,323	-	-	-	-	112,832
Foreign government bonds	-	-	-	-	-	-	-	15,438
Other	24,216	24,216	24,216	-	-	-	-	-
Total	30,497,331	33,086,310	19,134,272	2,108,854	7,501,906	1,429,354	2,911,924	17,230,254

c. Available-for-sale securities

	30/09/2015							31/12/2014
	Cost	Market value	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market value
Own portfolio	3,723,366	3,727,513	1,006,790	159,835	991,239	401,735	1,167,914	8,845,901
Shares	15,731	42,193	41,217	-	976	-	-	625,013
Investment fund quotes								
Multimarket	22,460	22,460	22,460	-	-	-	-	-
Equity investment fund	369,912	369,912	-	-	296,903	-	73,009	939,547
Debentures	1,906,590	1,889,767	354,253	65,927	691,288	370,803	407,496	3,818,984
Certificate of real estate receivables	703,118	703,114	-	307	1,530	30,932	670,345	989,327
Bank certificates of deposit	-	-	-	-	-	-	-	37,042
Promissory notes	682,383	682,383	588,860	93,523	-	-	-	2,282,620
Other	23,172	17,684	-	78	542	-	17,064	153,368
Subject to repurchase agreements	6,108,837	6,038,967	463,208	872,379	1,488,308	745,078	2,469,994	4,893,007
Debentures	6,108,837	6,038,967	463,208	872,379	1,488,308	745,078	2,469,994	4,893,007
Subject to guarantees	308,367	308,367	132,372	175,995	-	-	-	358,118
Debentures	308,367	308,367	132,372	175,995	-	-	-	343,704
Outros	-	-	-	-	-	-	-	14,414
Total	10,140,570	10,074,847	1,602,370	1,208,209	2,479,547	1,146,813	3,637,908	14,097,026

d. Held-to-maturity securities

	30/09/2015						31/12/2014
	Cost	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Cost
Own portfolio	1,833,977	-	771,738	187,248	860,719	14,272	1,364,179
Federal government bonds	1,833,977	-	771,738	187,248	860,719	14,272	1,364,179
Subject to re purchase	3,614,514	-	-	-	-	3,614,514	1,712,579
Federal government bonds	3,614,514	-	-	-	-	3,614,514	1,712,579
Subject to guarantees	590,448	-	58,854	4,161	527,433	-	1,557,799
Federal government bonds	590,448	-	58,854	4,161	527,433	-	1,557,799
Total	6,038,939	-	830,592	191,409	1,388,152	3,628,786	4,634,557

If measured at fair value, held-to-maturity securities would be reported as at the period ended September 30, 2015 with a negative adjustment of R$226,942 (December 31, 2014 – R$1,832 positive).

The Bank has intention and financial capacity to maintain such assets to maturity.

e. Reclassification of securities

Management classifies the securities according to its trading intention. No reclassifications or changes in intention were made by Management during the period ended in September 30, 2015. During the year ended December 31, 2014 the Bank's Management reclassified R$10,502,528 from the category trading securities for available for 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 through 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&F Bovespa and CETIP S.A. – Balcão Organizado de Ativos e Derivativos; 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 the period ended September 30, 2015 and year ended December 31, 2014, the Bank does not have derivative financial instruments classified as hedge accounting. However, it has the policy to economically hedge its exposures to foreign currencies, including exposures in subsidiaries or to associates, using derivatives or other financial instruments. The policy aims to mitigate any effect from changes in foreign currency on assets and liabilities, other than those ones for trading purpose.

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 3641/13, 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.

	30/09/2015				31/12/2014
	Up to 6 months	6 to 12 months	Over 1 year	Total	Total
Futures market					
Long position	136,743,159	18,367,696	14,315,485	169,426,340	92,904,844
Currency	442,579	62,960	-	505,539	13,261,343
Interest rate	112,771,013	9,354,527	7,743,790	129,869,330	7,239,587
Commodities	22,390,350	7,685,706	6,477,275	36,553,331	19,108,318
Index	510,538	830,082	94,420	1,435,040	53,295,596
Other	628,679	434,421	-	1,063,100	-
Short position	117,092,721	30,984,624	21,973,317	170,050,662	132,143,874
Currency	4,209,223	5,546,994	994,257	10,750,474	4,413,078
Interest rate	88,176,677	10,287,663	12,134,433	110,598,773	35,695,532
Commodities	22,789,060	13,579,989	8,844,627	45,213,676	23,204,657
Index	475,591	824,861	-	1,300,452	68,830,607
Other	1,442,170	745,117	-	2,187,287	-
Swap					
Long position	85,936,671	33,492,912	54,453,794	173,883,377	144,487,244
Currency	5,018,051	538,748	2,353,716	7,910,515	6,174,223
Interest rate	75,639,973	32,110,674	51,437,210	159,187,857	120,673,644

	30/09/2015				31/12/2014
	Up to 6 months	6 to 12 months	Over 1 year	Total	Total
Index	67,035	30,958	421,417	519,410	8,632,919
Equities	446,775	237,957	125,112	809,844	324,709
Commodities	4,581,395	521,070	86,487	5,188,952	4,112,719
Other	183,442	53,505	29,852	266,799	4,569,030
Short position	85,936,671	33,492,912	54,453,794	173,883,377	144,487,244
Currency	4,648,469	348,697	3,335,741	8,332,907	10,733,082
Interest rate	74,750,732	31,882,868	49,414,109	156,047,709	120,705,059
Index	40,331	176,894	1,183,874	1,401,099	4,471,139
Equities	434,585	56,899	307,656	799,140	263,885
Commodities	4,576,455	520,548	86,487	5,183,490	4,103,873
Other	1,486,099	507,006	125,927	2,119,032	4,210,206
Credit Derivatives					
Long position	974,727	-	685,389	1,660,116	432,164
Sovereign	-	-	79,458	79,458	185,934
Corporate	974,727	-	605,931	1,580,658	246,230
Short position	558,976	39,729	614,246	1,212,951	325,916
Corporate	558,976	39,729	614,246	1,212,951	325,916
Non-deliverable forward - NDF					
Long position	40,644,926	4,943,617	17,642,659	63,231,202	12,006,059
Currency	30,437,123	2,096,314	1,836,427	34,369,864	2,170,813
Commodities	3,193,984	2,551,995	15,776,180	21,522,159	-
Index	-	-	-	-	9,777,632
Interest rate	7,013,819	295,308	30,052	7,339,179	57,614
Short position	40,644,926	4,943,617	17,642,659	63,231,202	12,006,059
Currency	36,965,526	2,138,742	1,837,118	40,941,386	11,488,632
Commodities	3,199,301	2,551,821	15,776,180	21,527,302	-
Index	-	-	-	-	511,165
Interest rate	480,099	253,054	29,361	762,514	-
Other	-	-	-	-	6,262
Deliverable forward - DF					
Long position	172,998,470	8,347,001	1,800,121	183,145,592	72,714,522
Commodities	12,548,214	2,059,101	1,205,737	15,813,052	39,595,462
Currency	156,778,628	6,354,315	579,968	163,712,911	33,119,060
Interest rate	3,671,628	(66,415)	14,416	3,619,629	-
Short position	172,998,470	8,347,001	1,800,121	183,145,592	72,714,522
Commodities	6,660,486	530,793	1,067,259	8,258,538	39,185,365
Interest rate	9,559,356	1,461,893	152,894	11,174,143	-
Currency	156,778,628	6,354,315	579,968	163,712,911	33,529,157
Security forwards					
Long position	1,175,106	-	-	1,175,106	991,234
Interest rate	577,588	-	-	577,588	-
Government bonds	597,518	-	-	597,518	991,234
Short position	1,175,106	-	-	1,175,106	991,234
Interest rate	597,518	-	-	597,518	991,234
Government bonds	577,588	-	-	577,588	-
Options market					
Call option - long position	31,330,727	3,804,757	2,426,770	37,562,254	22,610,124
Equities	4,007,136	167,796	123,621	4,298,553	265,137
Commodities	3,439,650	455,195	151,050	4,045,895	1,265,298
Index	99,418	-	-	99,418	17,488,638
Currency	16,133,186	3,181,766	2,152,099	21,467,051	3,589,551
Interest rate	7,649,000	-	-	7,649,000	-
Other	2,337	-	-	2,337	1,500
Put option - long position	31,156,349	2,174,532	6,738,027	40,068,908	21,940,288
Equities	415,955	483,631	-	899,586	227,191
Commodities	6,864,499	347,899	4,395,338	11,607,736	3,742,256
Index	110,801	-	-	110,801	14,983,766

	30/09/2015				31/12/2014
	Up to 6 months	6 to 12 months	Over 1 year	Total	Total
Currency	18,029,094	1,338,780	2,342,689	21,710,563	2,987,075
Interest rate	5,736,000	4,222	-	5,740,222	-
Call option - short position	32,887,536	4,400,717	2,969,806	40,258,059	7,314,179
Equities	1,074,478	38,540	8,874	1,121,892	196,514
Commodities	5,066,843	963,655	242,744	6,273,242	1,391,569
Index	315,214	-	3,961	319,175	2,129,081
Currency	15,915,001	3,398,522	2,714,227	22,027,750	3,597,015
Interest rate	10,516,000	-	-	10,516,000	-
Put option - short position	25,270,414	2,131,777	2,777,847	30,180,038	36,024,628
Equities	743,306	300,252	8,874	1,052,432	151,285
Commodities	2,719,419	364,288	962,044	4,045,751	1,054,792
Index	760,651	102,668	26,139	889,458	31,660,845
Currency	15,311,038	1,364,569	1,780,790	18,456,397	3,157,706
Interest rate	5,736,000	-	-	5,736,000	-

b. By cost and market value

	30/09/2015					31/12/2014
	Cost	Market	Up to 6 months	6 to 12 months	Over 1 year	Total
Futures						
Long position	2,722	5,384	2,958	1,505	921	18,430
Short position	15,774	16,964	13,642	-	3,322	7,340
Swaps						
Long position	2,550,275	2,833,425	891,584	213,320	1,728,521	1,703,431
Short position	4,466,637	4,887,493	1,092,531	241,386	3,553,576	2,180,104
Credit derivatives						
Long position	30,090	73,515	41,623	-	31,892	20,840
Short position	49,750	106,910	54,608	749	51,553	29,001
Non-deliverable forward - NDF						
Long position	5,464,931	5,272,857	1,481,495	659,218	3,132,144	572,553
Short position	2,825,757	2,423,448	1,487,687	313,635	622,126	313,106
Deliverable forward - DF						
Long position	30,499,753	33,201,299	28,396,113	3,746,774	1,058,412	26,226,791
Short position	29,689,037	31,992,524	27,751,929	3,272,469	968,126	25,030,879
Security forwards						
Long position	1,174,554	1,174,554	1,174,554	-	-	1,863,795
Short position	1,174,570	1,174,570	1,174,570	-	-	1,864,206
Options market						
Long position	2,127,380	4,252,713	2,003,569	546,828	1,702,316	1,370,664
Short position	1,989,879	2,843,402	1,128,214	499,105	1,216,083	650,116
Long position	**41,849,705**	**46,813,747**	**33,991,896**	**5,167,645**	**7,654,206**	**31,776,504**
Short position	**40,211,404**	**43,445,311**	**32,703,181**	**4,327,344**	**6,414,786**	**30,074,752**

c. Notional by counterparty

	30/09/2015					31/12/2014
	BM&FBovespa	Financial Institutions (*)	Companies	Individuals	Total	Total
Futures market						
Long position	129,074,580	40,351,760	-	-	169,426,340	92,904,844
Short position	120,089,310	49,961,352	-	-	170,050,662	132,143,874
Swap						
Long position	31,136,875	132,601,037	10,141,258	4,207	173,883,377	144,487,244
Short position	31,136,875	132,601,037	10,141,258	4,207	173,883,377	144,487,244
Credit derivatives						
Long position	-	609,349	1,050,767	-	1,660,116	432,164
Short position	-	1,117,108	95,843	-	1,212,951	325,916
Non-deliverable forward - NDF						
Long position	-	32,491,632	30,185,245	554,325	63,231,202	12,006,059
Short position	-	32,491,632	30,185,245	554,325	63,231,202	12,006,059
Deliverable forward - DF						
Long position	-	140,265,455	31,318,822	11,561,315	183,145,592	72,714,522
Short position	-	140,265,455	31,318,822	11,561,315	183,145,592	72,714,522
Security forwards						
Long position	-	150,643	1,024,463	-	1,175,106	991,234
Short position	-	150,643	1,024,463	-	1,175,106	991,234
Options market						
Long position	13,693,760	52,206,235	4,352,632	7,378,535	77,631,162	44,550,412
Short position	16,723,540	49,772,430	2,237,807	1,704,320	70,438,097	43,338,807
Long position	**173,905,215**	**398,676,111**	**78,073,187**	**19,498,382**	**670,152,895**	**368,086,479**
Short position	**167,949,725**	**406,359,657**	**75,003,438**	**13,824,167**	**663,136,987**	**406,007,656**

(*) Includes investments funds.

d. Credit derivatives

	30/09/2015	31/12/2014
Credit swap		
Transferred risk		
Sovereign	79,458	185,934
Corporate	1,580,658	246,230
Risk received		
Corporate	(1,212,951)	(325,916)
	447,165	432,164

During the period ended on September 30, 2015 and year ended December 31, 2014, there was no credit events related to triggering facts provided for in agreements.

According to CMN's resolutions, the effect on the calculation of the required reference shareholders' equity (PRE) as at September 30, 2015 is R$27,849 (December 31, 2014 – R$42,414).

e. Guarantee margins

Guarantee margins in transactions traded on BM&FBovespa and other stock exchanges with derivatives comprises federal government and foreign government bonds totaling R$1,380,630 (December 31, 2014 – R$2,644,645) and shares in the amount of R$164,260 (December 31, 2014 – R$112,832).

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&F Bovespa, 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 (energy 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&F Bovespa. 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, when 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 credit characteristics are as follows:

a. Loans

i. By type of credit

Type of credit	30/09/2015		31/12/2014	
	Balance	Allowance	Balance	Allowance
Loans	60,943,327	(1,373,172)	12,692,663	(776,808)
Financing	1,985,483	(137,695)	4,054,285	(78,570)
FINAME/BNDES	2,311,394	(34,262)	-	-
Securities financing	8,265,351	-	139,260	-
Total	73,505,555	(1,545,129)	16,886,208	(855,378)

ii. By risk level and maturity

Risk level	30/09/2015						31/12/2014	
		Maturity						
	Overdue	Up to 6 months	6 to 12 months	Over 12 months	Total	Allowance	Total	Allowance
AA	-	42,219,063	2,192,082	9,139,445	53,550,590	-	5,180,963	-
A	-	5,083,533	435,004	7,288,222	12,806,759	(64,482)	5,303,775	(26,519)
B	-	2,220,504	545,731	1,128,591	3,894,826	(38,948)	3,471,519	(34,714)
C	45,082	256,267	123,761	83,572	508,682	(15,260)	699,704	(23,048)
D	40,033	115,249	33,456	826,302	1,015,040	(135,737)	798,010	(125,073)
E	72,491	14,569	27,407	55,885	170,352	(56,017)	1,290,936	(547,836)
F	50,223	5,847	369,033	75,486	500,589	(254,193)	77,986	(38,993)
G	111,546	24,362	44,822	80,022	260,752	(182,527)	13,731	(9,612)
H	10,223	735,688	22,879	29,175	797,965	(797,965)	49,584	(49,583)
Total	329,598	50,675,082	3,794,175	18,706,700	73,505,555	(1,545,129)	16,886,208	(855,378)

iii. By activity sector

Sector	30/09/2015	31/12/2014
Commerce	405,908	130,263
Industry	1,374,667	479,612
Services	67,507,963	14,682,574
Rural	387,671	471,414
Individuals	3,829,346	1,122,345
Total	73,505,555	16,886,208

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

	30/09/2015						31/12/2014	
		Maturity						
Risk level	Overdue	Up to 6 months	6 to 12 months	Over 12 months	Total	Allowance	Total	Allowance
AA	-	212,661	65,684	59,463	337,808	-	375,637	-
A	97	19,924	1,457	274,726	296,204	(1,481)	886,197	(4,431)
B	809	27,641	14,402	177,788	220,640	(2,203)	229,987	(2,300)
C	88,310	10,743	10,746	67,660	177,459	(5,316)	190,025	(5,701)
D	-	-	-	-	-	-	-	-
E	1,619	-	-	-	1,619	(486)	-	-
F	19,489	13,178	-	-	32,667	(16,334)	23,592	(11,796)
H	33,739	-	-	9,029	42,768	(42,768)	493	(493)
Total	144,063	284,147	92,289	588,666	1,109,165	(68,588)	1,705,931	(24,721)
Transfered loans with co-obligations					123,173	(3,197)	176,698	(4,545)
Securities and credits receivable (note 12(b))					985,992	(65,391)	1,529,233	(20,176)

ii. By activity sector

Sector	30/09/2015	31/12/2014
Commerce	42,824	-
Individuals	89,474	153,052
Services	976,867	1,552,879
Total	1,109,165	1,705,931

c. Advances in foreign exchange contracts

i. By risk level and maturity

	30/09/2015						31/12/2014	
		Maturity						
Risk level	Overdue	Up to 6 months	6 to 12 months	Over 12 months	Total	Allowance	Total	Allowance
AA	-	39,373	-	-	39,373	-	-	-
A	-	-	71,804	-	71,804	(442)	342,566	(1,713)
B	-	192,405	162,679	-	355,084	(4,563)	206,003	(2,060)
C	-	3,240	-	-	3,240	(123)	159,707	(4,791)
E	10,941	27,384	-	-	38,325	(15,498)	-	-
D	-	-	88,217	-	88,217	(11,028)	10,849	(1,085)
H	20,886	-	-	-	20,886	(20,886)	25,074	(17,552)
Total	31,827	262,402	322,700	-	616,929	(52,540)	744,199	(27,201)

ii. By activity sector

Sector	30/09/2015	31/12/2014
Industry	55,461	105,573
Services	561,468	638,626
Total	616,929	744,199

d. Credit concentration

	30/09/2015	%	31/12/2014	%
Largest debtors				
10 largest debtors	60,111,659	80%	7,213,532	37%
20 following largest debtors	6,730,152	9%	4,596,875	24%
50 following largest debtors	4,440,003	6%	3,998,715	21%
100 following largest debtors	2,814,218	4%	2,893,438	15%
200 following largest debtors	991,437	1%	633,778	3%
500 following largest debtors	135,937	0%	-	0%
600 following largest debtors	8,243	0%	-	0%
	75,231,649	100%	19,336,338	100%

e. Allowance

Changes in the allowance for loan losses and other receivables with loan characteristics are as follows:

	Quarter ended:		Nine-month period ended:	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Opening balances	(1,214,772)	(400,135)	(1,143,438)	(303,505)
Reversal/(accrual) of allowance	246,872	(94,685)	62,298	(210,124)
Allowance from acquired entity	(734,726)	-	(734,726)	-
Contigencies transfer provision	-	-	113,278	-
Exchange rate variation	(102,346)	(5,909)	(129,076)	(7,167)
Credits written off as loss	(16,707)	736	9,985	20,803
Closing balances	(1,821,679)	(499,993)	(1,821,679)	(499,993)
Breakdown of closing balances				
Allowance for loan losses	(1,545,129)	(364,314)	(1,545,129)	(364,314)
Allowance for transfered loans	(3,197)	(4,796)	(3,197)	(4,796)
Allowance for other receivables	(65,391)	(7,146)	(65,391)	(7,146)
Allowance for advances on foreign exchange contracts	(52,540)	(23,208)	(52,540)	(23,208)
Allowance for guarantes	(155,422)	(100,529)	(155,422)	(100,529)
	(1,821,679)	(499,993)	(1,821,679)	(499,993)

f. Renegotiation/recovery of credits written off as loss

As at the period ended September 30, 2015, the amount of R$1,392,653 were due to credit renegotiation (September 30, 2014 – R$199,720). Also in the period ended September 30, 2015 there were no recovery of credits written off loss (September 30, 2014 – R$11,815).

g. Transferred loan

During the period ended September 30, 2015, there was no credit assignment with co-obligation (September 30, 2015 - R$193,456).

11. Other receivables/obligations

a. Foreign Exchange portfolio

	30/09/2015		31/12/2014	
	Assets	Liabilities	Assets	Liabilities
Unsettled exchange purchased/sold	3,004,786	4,930,998	2,432,829	6,981,527
Rights on foreign exchange sales	4,911,614	-	6,906,287	-
(-) Advances on foreign exchange contracts (Note 10 (c))	10,940	(605,989)	15,820	(728,379)
(-) Advances in local currency received	-	-	(4,256)	-
Liability for foreign exchange purchase	(2,467)	2,912,235	-	2,342,056
	7,924,873	7,237,244	9,350,680	8,595,204
Current	7,924,873	7,237,244	9,350,680	8,595,204
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$163,887 (December 31, 2014 - R$130,185).

b. Securities trading and brokerage

	30/09/2015		31/12/2014	
	Assets	Liabilities	Assets	Liabilities
Clearing houses	933,635	630,498	1,417,845	990,364
Unsettled financial assets	7,567	7,431	18,418	14,210
Debtors/creditors – pending settlement account	10,880,674	5,974,996	7,029,507	2,660,428
Creditors for stock loans	-	6,400,238	-	361,578
Other securities trading and brokerage	3,315,837	1,637,228	2,765,673	605,537
Commissions and brokerage payable	-	2,012	-	357
Swap brokerage	133	-	123	-
	15,137,846	14,652,403	11,231,566	4,632,474
Current	14,609,892	14,652,403	9,850,147	4,632,474
Long-term	527,954	-	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&F Bovespa, and abroad through prime brokers, on the Bank's behalf or on behalf of third parties, on the regular term.

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

12. Other receivables

a. Income receivable

	30/09/2015	31/12/2014
Dividends and bonus	72,943	41,859
Receivables from services rendered	934,407	732,103
Management and performance fees for investment funds and portfolio	550,684	651,236
Distribution fees	13,684	18,940
Commissions on guarantees	5,972	9,762
Other	33,391	4,444
	1,611,081	1,458,344
Current	1,170,546	891,183
Long-term	440,535	567,161

b. Sundry

	30/09/2015	31/12/2014
Deferred tax assets - IR/CS (note 18)	5,506,675	1,670,881
Deferred tax assets - Others	364,170	33,492
Judicial deposits	2,518,587	1,508,902
Taxes recoverable to offset	1,617,771	926,938
Tax incentive options	1,319	1,319
Securities and credits receivable		
With loan characteristics (note 10 b)	985,992	1,529,233
Without loan characteristics	987,159	1,763,875
Investment properties	1,284,163	1,420,675
Held for sale (i)	-	321,501
Salaries advances	121,321	41,925
Commodities inventories	1,901,186	188,754
Sundry	5,354,774	1,822,499
Other	1,082,653	200,439
	21,725,770	11,430,433
Current	10,763,385	7,521,909
Long-term	10,962,385	3,908,524

(i) Refes to the equity interest investments, acquired by investors (Note 2).

13. Investments in associates and jointly controlled entities

	Associates and jointly-controlled entities							
	Shareholders' Equity		Net income (loss)				Interest	
			Quarter ended:		Nine-month period ended:			
	30/09/2015	31/12/2014	30/09/2015	30/09/2014	30/09/2015	30/09/2014	30/09/2015	31/12/2014
In Brazil								
Banco Pan S.A.	3,602,023	3,634,486	44,293	(69,654)	(25,625)	(218,641)	40.35%	40.35%
Warehouse 1 Empreendimentos Imobs S.A.	37,407	110,328	(22,594)	(6,509)	(2,438)	(6,364)	35.00%	35.00%
Max Casa XIX Empreendimentos Imobs S.A.	34,035	37,733	401	7,968	(354)	6,197	50.00%	50.00%
ACS Omicron Empreendimentos Imobs S.A.	12,374	17,375	1,120	3,419	1,594	5,411	44.74%	44.74%
BR Properties S.A.	5,596,292	6,005,116	(477,574)	107,934	(412,512)	350,293	0.12%	0.12%
BTG Pactual Vivere Participações S.A.	(22,531)	(16,008)	32,700	(20,381)	(5,009)	(25,256)	20.32%	20.32%
Pan Seguros S.A.	674,199	669,000	(4,648)	-	3,968	-	51.00%	51.00%
Pan Corretora S.A.	57,177	49,931	(45,789)	-	4,142	-	51.00%	51.00%
Rede D'OR São Luiz S/A	3,767,224	1,458,380	263,830	-	367,929	-	8.98%	0.00%
Abroad								
BTG Pactual Holding S.A.R.L.	6,679,609	4,540,855	102,329	63,402	84,566	271,272	80.00%	80.00%
Maybroke Holding S.A.	1,232,013	-	583	-	(18,133)	-	50.00%	0.00%

		Changes in investments					
	31/12/2014	Acquisition / Increase/ Transfer / (Sales)	Dividends paid	Fair value adjustment	Equity in earnings of subsidiaries	30/09/2015	Equity in earnings of associates from 01/01/2014 to 30/09/2014
In Brazil							
Banco Pan S.A.	1,372,933	-	(731)	(1,800)	(9,608)	1,360,794	(78,536)
Negative Goodwill - Banco Pan	(56,884)	-	-	-	-	(56,884)	-
Warehouse 1 Empreendimentos Imobs S.A.	38,614	(5,075)	(14,668)	-	(288)	18,583	28,565
Max Casa XIX Empreendimentos Imobs S.A.	18,866	(1,000)	(1,889)	-	(290)	15,687	2,242
ACS Omicron Empreendimentos Imobs S.A.	7,774	(4,251)	-	-	2,013	5,536	3,131
BR Properties S.A.	4,739	-	-	-	-	4,739	(678)
Vivere Soluções e Serviços S.A.	5	3,414	-	-	(3,419)	-	(6,453)
Pan Corretora S.A.	25,465	-	-	-	3,695	29,160	-
Ágio - Pan Corretora	1,017	-	-	-	(1,017)	-	-
Pan Seguros S.A.	347,772	-	-	(579)	(4,504)	342,689	-
Rede D'OR São Luiz S.A. (ii)	-	(32,100)	-	-	370,507	338,407	-
Goodwill - Rede D'OR São Luiz S/A	-	340,043	-	-	(78,077)	261,966	-
	1,760,301	301,031	(17,288)	(2,379)	279,012	2,320,677	(51,729)
Abroad							
BTG Pactual Holding S.A.R.L. (i)	3,632,684	-	(122,922)	-	1,833,925	5,343,687	288,544
Maybroke Holding S.A. (i)	-	266,347	-	-	349,552	615,899	-
Other non consolidation BSI entities (iii)	-	107,169	-	-	3,380	110,549	-
Other	-	36	-	-	(36)	-	-
	3,632,684	373,552	(122,922)	-	2,186,821	6,070,135	288,544
	5,392,985	674,583	(140,210)	(2,379)	2,465,833	8,390,812	236,815

(i) The diference between equity pick up in subsidiaries and net income of subsidiaries refers to exchange variation.
(ii) Note 2.
(iii) Note 3.

14. Intangible assets

	Changes in Intangible assets					
	31/12/2014	Acquisitions	Write off	Amortization expenses	Exchange variation	30/09/2015
Goodwill	**490,702**	**7,737**	**(16,249)**	**(146,240)**	**141,175**	**477,125**
Cost	876,282	7,737	(16,249)	-	227,483	1,095,253
Amortization	(385,580)	-	-	(146,240)	(86,308)	(618,128)
Other intangible assets	**213,710**	**301,220**	**(594)**	**(39,317)**	**54,670**	**529,689**
Cost	302,423	301,220	(594)	-	65,581	668,630
Amortization	(88,713)	-	-	(39,317)	(10,911)	(138,941)
	704,412	308,957	(16,843)	(185,557)	195,845	1,006,814

The intangible assets amortization period is 5 years.

15. Fund raising and loans and onlending

a. Summary

	30/09/2015						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	96,994,027	90,432,974	5,023,694	1,466,572	36,656	34,131	19,292,296
Open market funding	45,108,537	35,555,520	3,909,136	1,647,772	333,590	3,662,519	38,400,362
Funds from securities issued and accepted	25,042,219	4,629,323	8,585,562	7,299,637	3,184,102	1,343,595	20,783,769
Loans and onlending	12,168,044	8,543,609	987,226	459,942	130,428	2,046,839	6,868,627
Subordinated debts and subordinated debt eligible to equity	14,413,420	-	79,570	2,232,105	7,584,526	4,517,219	10,916,392
	193,726,247	139,161,426	18,585,188	13,106,028	11,269,302	11,604,303	96,261,446

b. Deposits

	30/09/2015						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	73,508,290	73,508,290	-	-	-	-	168,293
Interbank deposits	983,621	694,196	201,298	62,861	25,266	-	769,819
Time deposits	22,502,116	16,230,488	4,822,396	1,403,711	11,390	34,131	18,354,184
	96,994,027	90,432,974	5,023,694	1,466,572	36,656	34,131	19,292,296

c. Open market funding

Open market funding has collateral on the following securities:

	30/09/2015						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	23,806,638	20,746,763	2,778,090	281,785	-	-	9,015,812
Federal government bonds	14,240,696	14,234,943	5,753	-	-	-	2,291,604
Corporate securities	7,330,683	4,276,561	2,772,337	281,785	-	-	6,034,795
Foreign government bonds	2,235,259	2,235,259	-	-	-	-	689,413
Third-party portfolio	8,284,514	7,968,860	9,041	-	-	306,613	16,565,544
Federal government bonds	7,555,292	7,239,638	9,041	-	-	306,613	15,870,790
Corporate bonds	424,233	424,233	-	-	-	-	389,856
Foreign government bonds	304,989	304,989	-	-	-	-	304,898
Unrestricted portfolio (i)	13,017,385	6,839,897	1,122,005	1,365,987	333,590	3,355,906	12,819,006
Federal government bonds	10,746,176	4,568,688	1,122,005	1,365,987	333,590	3,355,906	12,819,006
Corporate bonds	121,142	121,142	-	-	-	-	-
Foreign government bonds	2,150,067	2,150,067	-	-	-	-	-
	45,108,537	35,555,520	3,909,136	1,647,772	333,590	3,662,519	38,400,362

(i) From the unrestricted portfolio, R$8,607,767 refers to short position and R$5,626,144 to third-party portfolio.

d. Funds from securities issued and accepted

	30/09/2015						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	15,097,664	1,685,466	6,149,327	6,012,032	862,084	388,755	13,333,229
Financial bills	12,204,629	871,174	4,685,561	5,407,376	851,763	388,755	10,195,820
Mortgage bonds/letters of credit for agribusiness	2,857,071	807,536	1,434,558	604,656	10,321	-	3,105,583
Certificates of structured transactions	35,964	6,756	29,208	-	-	-	31,826
Securities – abroad	9,944,555	2,943,857	2,436,235	1,287,605	2,322,018	954,840	7,450,540
Medium term notes	9,607,198	2,868,846	2,228,422	1,236,250	2,318,840	954,840	7,297,626
Fixed rate notes and others	337,357	75,011	207,813	51,355	3,178	-	152,914
	25,042,219	4,629,323	8,585,562	7,299,637	3,184,102	1,343,595	20,783,769

As at September 30, 2015, liabilities on bonds and securities in Brazil were basically indexed o interest referenced rates (CDI) between 86% 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 September 30, 2015, liabilities on bonds and securities abroad have rates between 0.70% p.a. and 7% p.a. (December 31, 2014 – between 0.75% p.a. and 7% p.a.).

e. Loans and onlending

	30/09/2015						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	8,390,220	7,021,354	980,642	388,224	-	-	4,411,564
Foreign currency	211,786	-	211,786	-	-	-	-
Loans abroad	8,178,434	7,021,354	768,856	388,224	-	-	4,411,564
Loans - Brazil	1,520,032	1,520,032	-	-	-	-	799,240
Loans	1,520,032	1,520,032	-	-	-	-	799,240
Onlending in Brazil	2,257,792	2,223	6,584	71,718	130,428	2,046,839	1,657,823
FINAME/BNDES	2,257,792	2,223	6,584	71,718	130,428	2,046,839	1,657,823
	12,168,044	8,543,609	987,226	459,942	130,428	2,046,839	6,868,627

On September 30, 2015, liabilities for loans and onlending have rates between 0.49% 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 capital

	30/09/2015					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	5,905,815	5,403,116
Subordinated debt - US$	800,000	28/09/2012	15/09/2022	5.75%	2,973,838	2,015,440
Subordinated debt - CHF	100,000	23/12/2011	23/12/2021	5.25%	396,070	-
Subordinated debt eligible to equity - US$	1,300,000	12/09/2014	Callable at September 2019	8.75%	5,137,697	3,497,836
Total					14,413,420	10,916,392

(i) Subordinated debt and instruments eligible to equity have different maturities and have interests and principal generally amortized every six months.

16. Other obligations

a. Social and statutory

	30/09/2015	31/12/2014
Dividends and profit sharing payable	158,232	327,294
Employees' profit sharing	772,769	448,710
Other benefits	69,944	432,324
	1,000,945	1,208,328
Current	1,000,945	1,208,328
Long term	-	-

b. Tax and social security

	30/09/2015	31/12/2014
Tax and contributions to be collected	277,251	144,765
Tax and contribution payable	769,545	346,845
Deferred social contribution and income tax (Note 18)	79,834	445,734
Deferred PIS and COFINS	223,090	96,783
Suspended-payment taxes and others tax liabilities (Note 17 (c))	1,471,695	1,398,983
	2,821,415	2,433,110
Current	1,760,144	1,201,539
Long term	1,061,271	1,231,571

c. Sundry

	30/09/2015	31/12/2014
Payable for acquisition of assets and rights (i)	1,099,593	1,034,142
Accounts payable - personnel	1,260,296	450,214
Provision for contingent liabilities (Note 17(c))	861,039	742,250
Other creditors - Brazil	2,520,745	1,291,646
Other creditors - Abroad	1,670,970	-
Allowance for guarantees (Note 10(e))	155,422	236,139
Obligations related to transferred loans	293,031	196,266
Other	7,845	3,115
	7,868,941	3,953,772
Current	5,594,390	1,964,522
Long term	2,274,551	1,989,250

(i) Refers to amounts payable for the acquisition of investments (substantially Banco Pan S.A. 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 the period ended September 30, 2015 and year ended 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 unfavourable outcome (pain and suffering and pecuniary injury, among others), contingency amounts are recorded based on estimate of probable losses 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 other legal, tax and civil proceedings. Based on the opinion of its legal counsel, Management considers that the provisions recorded for such proceedings as at September 30, 2015 are appropriate to cover probable losses arising therefrom.

The provisions recognized and their changes in the periods are as follows:

	30/09/2015				30/09/2014
	Tax	Civil	Labor	Total	Total
Balance at the beginning of the period	1,398,983	702,372	39,878	2,141,233	792,487
Recognition	179,036	262,556	23,644	465,236	124,083
Acquired companies (BSI)	-	203,161	-	203,161	-
Write-off	(106,324)	(336,601)	(33,971)	(476,896)	(55,756)
Balance at the end of the período	1,471,695	831,488	29,551	2,332,734	860,814
Suspended-payment taxes and other taxes contingencies				1,471,695	837,975
Provision for contingent liabilities				861,039	22,839

The nature of the main provisions is presented below:

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

The Bank's and its subsidiaries have 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 internal and external counsel are 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 September 30, 2015, Banco BTG Pactual and its subsidiaries were parties 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$823 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 and Cofins on revenues earned from the sale of shares of the companies previously mentioned. The amount claimed is R$18 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 September 30, 2015 totalled R$2,109 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. On June 03, 2015, a second instance decision was issued, wich cancel the isolated fine in the amount of R$329,9 million. 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 September 30, 2015, BTG Pactual and its subsidiaries were 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:

	Quarter ended:		Nine-month period ended:	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Income tax and social contribution				
Tax base	(1,061,459)	515,528	(203,148)	2,630,703
Income before taxes and profit sharing	(557,907)	680,940	1,277,342	3,539,741
Statutory profit sharing	(503,552)	(165,412)	(1,058,490)	(607,238)
Interest on equity	-	-	(422,000)	(301,800)

	Quarter ended:		Nine-month period ended:	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Total charge of income tax and social contribution at the current rates	424,584	(206,211)	81,259	(1,052,281)
Permanent (additions) / deductions in taxation calculation	1,620,090	258,181	2,448,683	311,873
Equity pick up in associated and jointly controlled companies in Brazil	580,171	13,453	985,018	(20,649)
Income/(loss) of foreign exchange on foreign investments	1,566,157	291,212	2,218,657	124,183
Foreign earnings	(302,898)	(100,612)	(542,078)	(171,415)
Dividends	22,532	12,162	58,500	418,814
Other Permanent (additions) / deductions	(245,872)	41,966	(271,414)	(39,060)
Temporary (additions) / deductions on the taxation calculation	(2,431,414)	(43,303)	(2,853,753)	63,460
Reversal of provision for goodwill on the acquisition of investments	32,209	32,640	71,859	103,401
Interest on equity	186,221	120,720	131,708	-
Fair value of securities and derivatives	(2,485,283)	(102,883)	(2,672,692)	148,318
Allowance for loan losses	(154,970)	(18,386)	(200,475)	(71,653)
Tax contingencies and provision for suspended-payment taxes	3,999	136	16,936	(13,671)
Non-permanent impairment of investments	-	-	-	24,974
Other provisions	(13,590)	(75,530)	(201,089)	(127,909)
Offset of tax losses carry forward - Brazil	(26,963)	(71,375)	(748,550)	(71,414)
Tax and social contribution expense	(413,703)	(62,708)	(1,072,361)	(748,362)
Temporary differences				
Recognition / (reversal) of the quarter / period	2,465,818	39,490	2,886,194	(67,273)
Recognition on goodwill on investments	255,282	-	255,282	-
Recognition / (reversal) of tax losses carry forward	26,963	74,501	748,550	74,540
Recognition on foreign companies tax losses carry forward	72,862	(149,614)	320,295	17,633
Recognition / (reversal) of loss on investment abroad	248,689	366,765	401,577	379,177
Increase in CSLL - 5% - prior periods	196,380	-	196,380	-
Revenues / (Expenses) from deferred taxes	3,265,994	331,142	4,808,278	404,077
Total revenues / (expenses)	2,852,291	268,434	3,735,917	(344,285)

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)	30/09/2015
Tax loss carryforwards	308,155	-	-	308,155
Tax loss - current year	-	624,524	(1,844)	622,680
Interest on equity	119,280	2,482	(119,280)	2,482
Allowance for loan losses	371,358	324,798	(146,410)	549,746
Marked-to-market evaluation of securities and derivatives	288,315	14,094,558	(11,523,718)	2,859,155
Goodwill on the acquisition of investment	266,639	31,230	(97,423)	200,446
Tax contingencies and provision for suspended-payment taxes	197,671	-	(15,263)	182,408
Other temporary differences	119,463	353,052	(127,010)	345,505
Tax increase effect - 5% CSLL	-	305,558	-	305,558
	1,670,881	15,736,202	(12,030,948)	5,376,135
Reflected on stockholder's equity				
Marked-to-market evaluation of securities and derivatives	-	23,380	-	23,380
Others	-	-	107,160	107,160
	1,670,881	15,759,582	(11,923,788)	5,506,675

Income tax and social contribution	31/12/2013	Recognition	Realization (i)	30/09/2014
Tax loss carryforwards	13,878	-	-	13,878
Tax loss - current year	-	89,522	(475)	89,047
Interest on equity	-	102,000	(102,000)	-
Provision for impairment on investments (ii)	26,120	-	(26,120)	-
Allowance for loan losses	173,095	103,995	(32,343)	244,747
Marked-to-market evaluation of securities and derivatives	261,489	1,285,025	(1,433,343)	113,171
Goodwill on the acquisition of investment	409,028	-	(103,401)	305,627
Tax contingencies and provision for suspended-payment taxes	199,328	13,671	-	212,999
Other temporary differences	89,405	157,303	(28,934)	217,774
	1,172,343	1,751,516	(1,726,616)	1,197,243

(i) On September 30, 2015, the amount of R$401,576 (December 31, 2014 – R$528,085), 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..

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
2015	27,077	155,401	182,478
2016	1,718,025	241,829	1,959,854
2017	1,291,645	399,583	1,691,228
2018	1,291,645	189,409	1,481,054
2019	7,027	-	7,027
2020 fonwards	185,034	-	185,034
Total	4,520,453	986,222	5,506,675
Present value	4,054,799	782,407	4,837,206

As at September 30, 2015 tax credits in the amount of R$1,364,078 (December 31, 2014 – R$1,457,275), from tax losses calculated between the period of 1993 and 2010, were not registered on the parent company, Banco Sistema S.A. (formely named Banco Bamerindus do Brasil S.A.). These tax credits will be registered, when they attend regulatory aspects and demonstrate realization perspective, in accordance with the management studies and analysis and BACEN standards.

Deferred income tax and social contribution liabilities amounts to R$781,282 (December 31, 2014 - R$445,734), according to note 16(b).

On May 21, 2015, Provisional Measure nº 675 (MP 675/15) was published which increased the rate of the Social Contribution on Net Profit of the financial and insurance sectors from 15% to 20% of taxable profit, from September, 2015. On October 7,2015, Law 13.169 was published which decrease the rate of the Social Contribution on Net Profit from 20% to 15% from 2019.

19. Shareholders equity

a. Capital

As at September 30, 2015, fully subscribed and paid in capital consists of 2,815,805,442 shares (December 31, 2014 – 2,714,902,212), of which 1,424,305,814 common shares (December 31, 2014 – 1,390,671,404), 575,649,224 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.

At Special General Meeting held on September 15, 2015, was approved capital increase of R$773,663, with issuance of 33,634,410 common shares and 67,268,820 Class A preferred shares, both nominative and without par value.

The common shares have right to one vote each in the deliberations of the General Shareholders Meeting 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 acquisition 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 Bank'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 Bank Shareholders' Agreement.

b. Legal reserve

This reserve is established at the rate of 5% of net income for the year, before any other allocation, limited to 20% of 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 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, equivalent to R$0.04 per share, which 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,which 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.

As at June 30, 2015 the Bank has accrued R$422,000 (June 30, 2014 – R$301,800), relating to interest on equity, equivalent to R$0.16 per share (June 30, 2014 - R$0.11 per share) which generated R$168,800 (June 30, 2014 – R$120,720) of tax benefit. These amounts were approved in the Special Shareholders' Meeting held on June 30, 2014 (June 2014 – August 5, 2014), and the payment occurred on March 5, 2015.

As at August 05, 2015, the Bank has approved the distribution of dividends in the amount of R$47,324, equivalent to R$0.2 per share. As at June 30, 2014 the Bank has accrued R$146,639, relating to intermediate dividends, equivalent to R$0.05 per share. These amounts were approved in the Special Shareholders' Meeting held on August 5, 2014 (2013 – February 18, 2014).

f. Reconciliation of net income (loss) and shareholders equity

	Shareholders' equity		Net income			
			Quarter ended:		Nine-month period ended:	
	30/09/2015	31/12/2014	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Banco BTG Pactual S.A.	18,864,839	14,678,862	1,848,047	803,773	4,079,525	2,610,515
Refers to the reconciliation of shareholders' equity and income (loss) in the individual and consolidated financial statements of Banco Pan S.A.(*)	54,465	54,465	-	-	-	1,126
Banco BTG Pactual S.A. Consolidated	18,919,304	14,733,327	1,848,047	803,773	4,079,525	2,611,641

(*) The consolidated information reported by Banco Pan S.A. includes its direct and indirect subsidiaries and special purpose entities, represented by credit rights investment funds (FIDCs). During consolidation of FIDCs, unrealized profit from transferred loan transactions from Banco Pan to FIDCs are eliminated, thus resulting in a difference between individual and consolidated shareholders' equity. This difference is reflected in the individual and consolidated shareholders' equity of Banco BTG Pactual S.A. due to the recognition of the investment in Pan through the equity method of accounting.

20. Income from services rendered

	Quarter ended:		Nine-month period ended:	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Management and performance fee from investment funds and portfolios	501,620	397,569	1,165,514	1,025,577
Brokerage	106,124	59,887	222,657	151,237
Technical services	189,148	135,617	479,796	512,612
Commission on the placement of securities	74,748	66,480	153,794	166,829
Guarantees	63,800	44,184	167,520	110,610
Other services	4,260	17,372	17,705	53,513
	939,700	721,109	2,206,986	2,020,378

21. Other operating income

	Quarter ended:		Nine-month period ended:	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Recovery of charges and expenses	14,431	1,594	14,723	3,853
Reversal of provision - employees' profit sharing	(44,381)	-	-	-
Reversal of allowances - other	9,151	49	9,151	9,830
Reversal of provision - contingencies	130,357	641	448,614	1,852
Adjustment to inflation of judicial deposits	55,415	4,533	240,231	40,552
Exchange gains	216,212	32,941	415,570	44,949
Fair value of investment properties	22,130	127	22,130	18,257
Adjustment of amounts payable for acquisition of investments	43,724	29,984	197,103	78,521
Other operating income	57,444	36,657	116,429	68,050
	504,483	106,526	1,463,951	265,864

22. Other operating expenses

	Quarter ended:		Nine-month period ended:	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Expenses with taxes adjusted for inflation	21,085	11,272	151,227	33,096
Exchange rate variation	21,889	4,520	87,028	28,219
Reimbursement of clients	1,391	285	4,001	2,742
Monetary variation expenses	52,939	34	172,841	356
Adjustment of amounts payable for acquisition of investments (i)	4,433	18,239	226,470	49,810
Goodwill amortization (ii)	91,485	41,520	146,240	120,127
Discounts granted in renegotiation	184,592	-	184,592	-
Allowance for other investments	570,237	-	570,237	-
Guarantees granted allowances	24,908	-	24,908	-
Net expenses of phisycal commodities	245,357	-	245,357	-
Other	63,761	(8,392)	136,843	42,442
	1,282,077	67,478	1,949,744	276,792

(i) Refers to update of amount payable for the acquisition of investments (mainly Banco Pan S.A. and Banco Sistema S.A.).
(ii) There was basically goodwill amortization from Celfin and Bolsa y Renta.

23. Other administrative expenses

	Quarter ended:		Nine-month period ended:	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Outsourced services and consulting	205,479	131,234	417,806	341,598
Telecommunications and data processing	135,723	66,013	281,814	178,793
Leases and condominiums	47,283	27,885	107,000	77,885
Travel and lodging	37,931	21,597	82,572	58,799
Expenses of the financial system	150,010	21,207	238,999	53,902
Advertising and public relations	16,668	8,812	38,307	39,992
Depreciation and amortization	37,289	21,089	80,098	55,020
Other	25,928	61,727	45,589	100,883
	656,311	359,564	1,292,185	906,872

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 arm's length, are reflected in the following accounts:

			Assets/(Liabilities)		Revenues/(Expenses)	
	Relationship	Maturity	30/09/2015	31/12/2014	30/09/2015	30/09/2014
Assets						
Open market investments						
- FIM B-2	Related	01/10/2015	1,015,243	1,323,968	238,004	135,539
Interbank investments deposits						
- Banco Pan S.A.	Jointly Controlled	01/10/2015	1,680,000	2,518,106	182,811	176,482
Securities						
- BTG Investments LP (i)	Related	17/04/2018	250,484	177,301	7,711	-
- Banco Pan S.A.	Jointly Controlled	23/04/2020	83,954	55,135	-	-
Derivative financial instruments						
- Banco Pan S.A.	Jointly Controlled	15/02/2022	6,640	2,204	140,823	193,994
Income Receivable						
- BTG Pactual Brazil Investment Fund I LP (i)	Related	No maturity	-	65,037	58,110	32,617
- BTG Absolute Return Master Fund (i)	Related	No maturity	6,150	4,274	59,232	34,553
- BTG Absolute Return Master Fund II (i)	Related	No maturity	-	8,391	-	-
Securities trading and brokerage						
- BTG Pactual Absolute Return Master Fund I	Related	No maturity	17,107	-	-	-
- BTG Alpha Investments LLC (ii)	Related	No maturity	9,527	-	-	-
Liabilities						
Time deposits						
- BTG Pactual Proprietary Feeder (1) Limited (i)	Related	01/10/2015	(58,455)	(78,977)	-	-
- BTG Equity Investment LLC (i)	Related	01/10/2015	(36,988)	-	-	-
- BTG MB Investments LP	Related	01/10/2015	(5,864)	(49,813)	-	-
- BTG Alpha Investments LLC (ii)	Related	01/10/2015	(4,408)	(6,306)	-	-
- Aigues de Catalunya Ltd (i)	Related	01/10/2015	(3,190)	-	-	-
- BTG Pactual Absolute Return Master Fund II (i)	Related	01/10/2015	(2,382)	(17,654)	-	-
- BTG Pactual Absolute Return Master Fund I	Related	01/10/2015	(2,232)	-	-	-
- BTG Pactual Property Co II LLC	Related	01/10/2015	(1,924)	-	-	-
Open market funding						
- BRPEC Agropecuária (i)	Related	21/03/2016	(86,356)	-	(8,030)	-
- Propertyco FIM CP IE	Related	06/11/2015	(1,966)			
- FIM B-2 (i)	Related	06/11/2015	(6,960)	-	-	-

	Relationship	Maturity	Assets/(Liabilities)		Revenues/(Expenses)	
			30/09/2015	31/12/2014	30/09/2015	30/09/2014
Funds from securities issued and accepted						
- Partners and key management	Partners	29/07/2016	(18,497)	(41,636)	-	-
Securities issued abroad						
- BTG MB Investments LP	Related	18/09/2019	(1,623,559)	(1,418,052)	(122,715)	-
- BTG Investments LP (i)	Related	17/04/2018	(756,881)	-	(11,876)	-
Derivative financial instruments						
- Banco Pan S.A.	Jointly Controlled	15/02/2022	(326,652)	(129,983)	-	-
Instrumentos de dívida elegíveis a capital						
- BTG Investments LP (i)	Related	17/04/2018	(627,428)	-	(12,643)	-

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

Total compensation paid to key management personnel totaling this semester R$52,665 (September 30, 2014 – R$34,477) which is considered short term benefit.

25. Other information

a. Cash and cash equivalents

Balances at beginning of the period	**31/12/2014**	**31/12/2013**
Cash and cash equivalents	1,585,254	1,074,026
Open market investments	16,356,157	6,688,247
Interbank deposits	4,480,899	2,992,892
	22,422,310	10,755,165

Balances of end of the period	**30/09/2015**	**30/09/2014**
Cash and cash equivalents	23,061,113	1,628,741
Open market investments	11,223,442	15,394,712
Interbank deposits	4,963,947	5,553,870
	39,248,502	22,577,323

b. Commitments and responsibilities

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

	30/09/2015	31/12/2014
Co-obligation and risks for guarantees granted	12,554,329	11,834,916
Responsibility for the management of futures and investment portfolio (i)	274,723,917	213,884,308
Securities under custody	364,244,136	222,719,863
Securities trading and brokerage	4,117,697,216	1,938,364,154
Loans contract to release	1,463,715	2,541,953
Commitments to be released	2,750,000	1,113,960

(i) Recognized by the sum of the equity values 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 loans contracted with clients to release.

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

c. Pension plan

BSI contributes to pension plan entities which provide post-employment benefits to current and retires employees. The most relevant pension schemes related to the Swiss employees whereas BSI's employees, through these entities, are enrolled in these mandatory occupational pension schemes in accordance with the Swiss Federal Law. These pension entities have their assets and obligations segregated from BSI and they are jointly managed by employees and BSI's representatives.

The pension benefits provided by these entities changed significantly on January 2015; and from that date onwards are considered defined contribution rather than defined benefit under Swiss GAAP. Under the old plan, pension benefits were calculated substantially based on a percentage of the last salaries; and under the new plan, pension benefits are calculated by applying the conversion rate to the assets accumulated by the insured person at the date of retirement.

AS of December 31, 2014, the last date of audited information from these entities, and taking into account the changes applicable from January 2015 onwards, BSI's management and its actuarial specialist estimated that there were no actuarial deficit under Swiss GAAP.

26. Subsequent event

As of November 3, 2015, the capital increase approval process described on note 19 was concluded.