Financial Statements

Banco BTG Pactual S.A.

June 30, 2013

With independent auditors' limited review report.

BANCO BTG PACTUAL S.A.

Financial Statements

June 30, 2013

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A free translation from Portuguese into English of the Independent Auditors' Review Report on financial statement prepared in accordance with the accounting practices adopted in Brazil applicable to institutions accredited by the Central Bank of Brazil

Independent Auditors' Review Report

The Shareholders and Management of
Banco BTG Pactual S.A.

We have reviewed the financial statements of Banco BTG Pactual S.A. ("Bank") for the quarter ended June 30, 2013, which comprise the balance sheet as of June 30, 2013 and the related statements of income for the three and six-month periods ended June 30, 2013, and of changes in shareholders' equity and cash flows for the six-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 financial statements in accordance with the accounting practices adopted in Brazil applicable to institutions accredited by the Central Bank of Brazil. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

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

Conclusion

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

Emphasis

As of June 30, 2013, jointly controlled subsidiary Banco Panamericano S.A. has income and social contribution deferred tax assets amounting to R$ 2.9 billion, recognized substantially on the basis of financial projections and business plan reviewed on June 30, 2013 and approved by its Board of Directors. The realization of these tax credits depends on delivery of these projections and business plan as approved by the management bodies of Banco Panamericano S.A. Our conclusion is not modified in respect of this matter.

Other matters

We have also reviewed the statement of value added (SVA), for the six-month period ended June 30, 2013, prepared under the responsibility of Bank's management, the presentation of which is considered a supplementary information. This statement have 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 financial statement.

São Paulo, August 06, 2013.

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

Flávio Serpejante Peppe
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Emerson Morelli
Accountant CRC - SP 249.401/O-4

BANCO BTG PACTUAL S.A.

Balance sheets
As at June 30, 2013 and December 31, 2012
(In thousands of reais)

	Note	6/30/2013	12/31/2012
Assets			
Current Assets		103,734,992	72,857,865
Cash at banks	6	376,424	188,402
Interbank investments	7	49,486,586	24,290,470
Open market investments		44,546,423	22,380,445
Interbank deposits		4,940,163	1,910,025
Securities and derivative financial instruments		40,402,752	38,997,680
Own portfolio	8	21,917,971	22,361,124
Subject to repurchase agreements	8	6,800,064	9,191,601
Subject to unrestricted repurchase agreements	8	1,074,830	48,082
Subject to Central Bank of Brazil	8	-	53,515
Derivative financial instruments	9	7,982,957	6,004,493
Subject to guarantees	8	2,626,930	1,338,865
Interbank transactions		480,380	473,130
Payables and receivables pending settlement		408	-
Deposits in the Central Bank of Brazil		479,555	472,502
Correspondent banks		417	628
Loans	10	2,824,375	3,082,188
Loans – private sector		2,885,219	3,065,658
Transferred loans		-	155,813
Allowance for loan losses		(60,844)	(139,283)
Other receivables		10,136,343	5,804,749
Credits for guarantees honored		192	178
Foreign exchange portfolio	11	5,454,361	1,952,190
Income receivable	12	81,591	128,642
Securities trading and brokerage	11	3,186,738	1,910,006
Sundry	12	1,491,773	1,861,556
Allowance for losses on other receivables	10	(78,312)	(47,823)
Other assets		28,132	21,246
Other assets		20,462	20,467
Prepaid expenses		18,350	11,459
Provision for losses		(10,680)	(10,680)
Long-term-assets		11,884,061	6,491,161
Interbank investments	7	33,440	873,021
Open market investments		28,656	865,209
Interbank deposits		4,784	7,812
Securities and derivative financial instruments		1,108,181	250,326
Derivative financial instruments	9	1,108,181	250,326
Interbank transactions		1,853	1,853
Restricted credits – National Housing System		1,853	1,853
Loans	10	8,070,069	3,675,034
Loans – private sector		8,176,978	3,717,211
Allowance for loan losses		(106,909)	(42,177)
Other receivables		2,650,827	1,678,617
Securities trading and brokerage	11	-	52
Sundry	12	2,656,880	1,680,091
Allowance for losses on other receivables	10	(6,053)	(1,526)
Other assets		19,691	12,310
Prepaid expenses		19,691	12,310
Permanent assets		7,341,751	7,371,205
Investments		7,176,125	7,214,021
Investments in subsidiaries, associates and jointly controlled entities - in Brazil	13	4,596,396	4,753,961
Investments in subsidiaries, associates and jointly controlled entities - abroad	13	2,501,869	2,385,890
Other investments		80,727	77,037
Allowance for losses		(2,867)	(2,867)
Property and equipment in use		71,059	68,692
Other property and equipment in use		119,730	110,913
Accumulated depreciation		(48,671)	(42,221)
Deferred charges		7,839	9,294
Amortization and expansion costs		28,703	28,703
Accumulated amortization		(20,864)	(19,409)
Intangible assets	14	86,728	79,198
Other intangible assets		105,041	90,822
Accumulated amortization		(18,313)	(11,624)
Total assets		122,960,804	86,720,231

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

BANCO BTG PACTUAL S.A.

Balance sheets
As at June 30, 2013 and December 31, 2012
(In thousands of reais)

	Note	6/30/2013	12/31/2012
Liabilities			
Current liabilities		90,920,805	60,581,941
Deposits	15	18,164,900	14,182,212
Demand deposits		222,589	285,476
Interbank deposits - with associates		406,757	418,261
Interbank deposits		403,542	578,706
Time deposits		17,132,012	12,899,769
Open market funding	15	48,274,040	30,417,440
Own portfolio		6,544,022	9,170,806
Third-party portfolio		17,973,735	17,399,974
Unrestricted portifolio		23,756,283	3,846,660
Funds from securities issued and accepted	15	5,440,590	2,926,735
Real estate, mortgage, credit and similar notes		2,677,728	1,758,467
Securities issued abroad		2,762,862	1,168,268
Interbank transactions		4,647	389
Unsettled receipts and payments		4,647	389
Loans and onlending	15	2,570,598	1,403,295
Loans in Brazil		170,199	-
Loans abroad		2,388,302	1,394,768
Onlending in Brazil – official institutions		12,097	8,527
Derivative financial instruments	9	8,272,667	6,139,795
Derivative financial instruments		8,272,667	6,139,795
Other liabilities		8,193,363	5,512,075
Collection and payments of tax and similar charges		8,736	4,222
Foreign exchange portfolio	11	4,775,089	1,413,910
Social and statutory	16	735,439	839,563
Tax and social security	16	309,206	441,051
Securities trading and brokerage	11	2,048,485	2,421,115
Sundry	16	316,408	392,214
Long-term liabilities		20,942,685	15,957,877
Deposits	15	2,117,078	1,755,806
Interbank deposits		55,309	48,372
Time deposits		2,061,769	1,707,434
Open market funding	15	193,745	209,565
Own portfolio		165,161	209,565
Unrestricted portifolio		28,584	-
Funds from securities issued and accepted	15	8,832,911	5,561,448
Real estate, mortgage, credit and similar notes		4,902,114	4,055,599
Securities issued abroad		3,930,797	1,505,849
Loans and onlending	15	689,841	501,441
Loans in Brazil		-	-
Loans abroad – official institutions		689,841	501,441
Derivative financial instruments	9	1,284,961	429,991
Derivative financial instruments		1,284,961	429,991
Other liabilities		7,824,149	7,499,626
Tax and social security	16	673,217	618,247
Securities trading and brokerage	11	-	2,800
Subordinated debt	15	6,575,700	6,246,109
Sundry	16	575,232	632,470
Deferred income		119,488	111,917
Shareholders' equity	19	10,977,826	10,068,496
Capital stock - domiciled in Brazil		4,510,876	4,510,876
Capital stock - domiciled Abroad		1,895,987	1,843,499
Increase in capital		-	52,488
Income reserves		3,722,873	3,661,633
Retained earnings		848,090	-
Total liabilities and shareholders' equity		122,960,804	86,720,231

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

BANCO BTG PACTUAL S.A.

Statements of income
Semester and quarter ended June 30
(In thousands of reais, except for earnings per share)

	Note	Quarter ended:		Semester ended:	
		6/30/2013	6/30/2012	6/30/2013	6/30/2012
Financial income		2,224,591	1,520,633	4,131,943	3,519,144
Loans		402,184	228,436	637,560	353,804
Securities		1,673,810	1,037,858	3,316,173	2,676,591
Derivative financial instruments		-	155,764	-	324,102
Foreign Exchange		143,512	80,124	167,609	123,415
Mandatory investments		5,085	18,451	10,601	41,232
Financial expenses		(2,141,415)	(1,312,800)	(3,058,666)	(2,515,923)
Funding operations		(875,860)	(1,080,268)	(1,894,052)	(2,292,249)
Borrowing and onlending		(483,203)	(205,022)	(530,239)	(179,409)
Derivative financial instruments		(725,143)	-	(528,856)	-
Allowance for loan losses and other receivables	10	(57,209)	(27,510)	(105,519)	(44,265)
Net financial income		83,176	207,833	1,073,277	1,003,221
Other operating income (expenses)		376,728	442,398	316,729	484,798
Income from services rendered	20	277,006	212,027	475,331	352,785
Personnel expenses		(54,644)	(51,737)	(107,659)	(107,691)
Other administrative expenses	23	(107,701)	(123,147)	(225,764)	(181,173)
Tax charges		(42,456)	(46,904)	(105,413)	(99,780)
Equity pick up in subsidiaries, associates and jointly controlled entities	13	303,028	441,752	252,064	503,722
Other operating income	21	13,119	31,440	54,179	61,115
Other operating expenses	22	(11,624)	(21,033)	(26,009)	(44,180)
Operating income		459,904	650,231	1,390,006	1,488,019
Non-operating income (expenses)		(1)	-	995	(18)
Income before taxation and profit sharing		459,903	650,231	1,391,001	1,488,001
Income tax and social contribution	18	395,522	59,756	25,570	(203,788)
Provision for income tax		(29,625)	(46,994)	(203,260)	(127,987)
Provision for social contribution		(17,742)	(28,281)	(124,645)	(76,822)
Deferred income tax and social contribution		442,889	135,031	353,475	1,021
Statutory profit sharing		(113,235)	(187,308)	(191,775)	(360,702)
Net income for the quarter/semester		742,190	522,679	1,224,796	923,511
Interest on equity	19	(255,000)	(220,000)	(255,000)	(220,000)
Weighted average numbers of shares outstanding		2,714,902,212	2,565,600,000	2,714,902,212	2,482,800,000
Net income per share - R$		0.27	0.20	0.45	0.37

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

BANCO BTG PACTUAL S.A.

Statements of changes in shareholders' equity
Semesters ended June 30
(In thousands of reais, except for dividends and interest on equity per share)

	Note	Capital	Increase in capital	Income reserves				Retained Earnings	Total
				Legal	Unrealized	Statutory	Total		
Balances as at December 31, 2011		2,971,350	271,150	224,836	413,847	2,462,782	3,101,465	-	6,343,965
Capital increase	19	2,991,150	(271,150)	-	-	(650,000)	(650,000)	-	2,070,000
Net income for the semester		-	-	-	-	-	-	923,511	923,511
Net income allocation									
Interest on equity (R$ 0.09 per share)	19	-	-	-	-	-	-	(220,000)	(220,000)
Dividends (R$ 0.07 per share)	19	-	-	-	-	-	-	(181,610)	(181,610)
Balances as at June 30, 2012		5,962,500	-	224,836	413,847	1,812,782	2,451,465	521,901	8,935,866
Balances as at December 31, 2012		6,354,375	52,488	326,039	1,291,350	2,044,244	3,661,633	-	10,068,496
Capital increase	19	52,488	(52,488)	-	-	-	-	-	-
Net income for the semester		-	-	-	-	-	-	1,224,796	1,224,796
Net income allocation									
Legal Reserve		-	-	61,240	-	-	61,240	(61,240)	-
Interest on equity (R$ 0.09 per share)	19	-	-	-	-	-	-	(255,000)	(255,000)
Dividends (R$ 0.02 per share)	19	-	-	-	-	-	-	(60,466)	(60,466)
Balances as at June 30, 2013		6,406,863	-	387,279	1,291,350	2,044,244	3,722,873	848,090	10,977,826

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

BANCO BTG PACTUAL S.A.

Statements of cash flows
Semesters ended June 30
(In thousands of reais)

	Note	6/30/2013	6/30/2012
Operating activities			
Net income for the semester		1,224,796	923,511
Ajusts to net income		(237,554)	(495,048)
Equity pick up in subsidiaries, associates and jointly controlled entities	13	(254,774)	(594,816)
Goodwill amortization	13	2,710	91,094
Depreciation and amortization	23	14,510	8,674
Adjusted net income for the semester		987,242	428,463
Operational activities			
Short-term interbank investments		(22,709,482)	(10,992,864)
Securities and derivative financial instruments		724,913	(4,557,820)
Loans		(4,137,221)	(50,596)
Other receivables and other assets		(5,324,909)	(3,609,884)
Interbank transactions		3,850	(7,720)
Other liabilities		2,772,837	4,073,715
Deferred income		7,571	23,431
Deposits		4,343,961	1,677,124
Open market funding		17,840,779	9,387,002
Loans and onlending		1,355,703	487,594
Cash used in operating activities		(4,134,756)	(3,141,555)
Investing activities			
Sale of investments	13	39,895	-
Acquisition of investments	13	(3,431)	(22,014)
Acquisition of other investments		(3,690)	-
Sale of property and equipment in use and deferred charges		-	19
Acquisition of property and equipment in use and deferred charges		(9,121)	(64,511)
Acquisition of equity interests	13	(7,000)	(377,706)
Acquisition of intagible assets	14	(13,832)	-
Dividends received	13	264,186	132,121
Cash provided by/(used in) investing activities		267,007	(332,091)
Financing activities			
Issuance of shares	19	-	2,070,000
Funds from securities issued and accepted		5,785,318	1,268,120
Increase capital		329,591	328,077
Interest on equity		(220,000)	-
Dividends distributed		(192,085)	-
Cash provided by financing activities		5,702,824	3,666,197
Increase in cash and cash equivalents	25	1,835,075	192,551
Balance of cash and cash equivalents			
At the beginning of the semester		15,206,103	13,774,023
At the end of the semester		17,041,178	13,966,574
Increase in cash and cash equivalents		1,835,075	192,551
Noncash transactions		315,466	2,347,818
Capital contribution - Banco Panamericano S.A.		-	495,477
Incorporation - One Properties S.A. for BR Properties S.A.		-	1,450,731
Interest on equity	19	255,000	220,000
Dividends distributed	19	60,466	181,610

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

BANCO BTG PACTUAL S.A.

Statements of value added
Semesters ended June 30
(In thousands of reais)

	Note	6/30/2013	6/30/2012
Income		4,530,920	3,844,582
Financial income	20	4,131,943	3,519,144
Services rendered	10	475,331	352,785
Allowance for loan losses and other receivables		(105,519)	(44,265)
Other		29,165	16,918
Expenses		(2,953,147)	(2,471,658)
Financial brokerage		(2,953,147)	(2,471,658)
Inputs acquired from third parties		(184,743)	(151,127)
Materials, energy and other		(2,448)	(48,283)
Outsourced services		(182,295)	(102,844)
Gross value added		1,393,030	1,221,797
Depreciation and amortization		(14,510)	(8,674)
Net value added produced by the entity		1,378,520	1,213,123
Value added received through transfer		252,064	503,722
Equity pick up in subsidiaries, associates and jointly controlled entities	13	252,064	503,722
Value added to be distributed		1,630,584	1,716,845
Distribution of value added		(1,630,584)	(1,716,845)
Personnel		(283,253)	(468,394)
Direct compensation		(265,847)	(452,898)
Benefits		(11,655)	(10,478)
FGTS – government severance pay fund		(5,751)	(5,018)
Taxes, fees and contributions		(96,024)	(303,568)
Federal		(66,648)	(288,021)
Municipal		(29,376)	(15,547)
Remuneration of third party capital		(26,511)	(21,372)
Rent		(26,511)	(21,372)
Remuneration of shareholders		(1,224,796)	(923,511)
Interest on equity	19	(255,000)	(220,000)
Dividends	19	(60,466)	(181,610)
Retained earnings		(909,330)	(521,901)

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

1. Operations

Banco BTG Pactual S.A. (Bank) 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 Group.

On April 30, 2012, BTG Pactual Group completed its primary public offering (IPO), issuing 82,800,000 units at a price of R$31.25 (thirty-one reais and twenty five cents) per unit. In that transaction, the Bank issued 248,400,000 shares, representing a capital increase by R$2,070 million and generating cash net of costs of commissions, fees and taxes of R$2,018 million.

The financial statements were approved by Bank's Management in August 6, 2013.

2. Corporate restructuring and acquisitions

Corporate events

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 remains subject to the approval of the Chilean authorities.

At the same date, the Central Bank of Brazil also approved the allocation of resources totaling US$300 million, with the purpose of investment in the new established companies in connection with our commodities business.

On February 26, 2013, BTG Pactual RE Holding SA, a subsidiary of Banco BTG Pactual, received authorization from SUSEP to offer reinsurance products in Brazil.

On December 31, 2012, BTG Pactual Gestora de Recursos Ltda ("BTG Pactual Gestora"), subsidiary of BTG Pactual Asset Management S.A. DTVM, merged Brazilian Capital Companhia de Gestão de Investimentos ("Brazilian Capital") with the objective to simplify the corporate structure and consequently reduce financial and operational costs. As a consequence, BTG Pactual Gestora amortized the remaining goodwill in the amount of R$112,000 and increased its shareholders' equity in the amount of R$84,247 due to the deferred income tax asset recognized on the goodwill amortization.

On December 20, 2012, the subsidiary BTG Pactual SEG Holding SA received authorization from SUSEP to offer insurance products in Brazil.

On March 29, 2012, Saíra Diamante Empreendimentos Imobiliários S.A. ("Saíra"), Wtorre Empreendimentos Imobiliários S.A. ("Wtorre") and BR Properties S.A. ("BR Properties") approved the transactions involving successive mergers of Saíra and its jointly controlled investee with Wtorre, One Properties S.A. ("One Properties"), into BR Properties. After the closing of the transaction the Bank held interest on BR Properties equity and accounts for this investment by the equity method (see note 13).

Acquisitions

On June 14, 2013 the Bank and Petróleo Brasileiro S.A. - Petrobras ("Petrobras"), through its subsidiary Petrobras International Braspetro B.V. ("PIBBV"), established a joint venture for oil and gas exploration and production in Africa. The joint venture was established upon the acquisition by BTG Pactual and its clients, acting through BTG Pactual E&P Empreendimentos e Participações S.A., of 50% of the shares issued by Petrobras Oil & Gas B.V. ("PO&G"). The price for such shares, which were previously fully owned by PIBBV, was US$1.525 billion. Banco BTG Pactual is expected to have an approximately 30% economic interest in PO&G after participation of its clients. The joint venture involves PO&G's E&P operations located in Angola, Benin, Gabon, Namibia, and Tanzania.

On January 30, 2013, the Bank signed definitive agreements related to its acquisition of certain credits and rights held by Fundo Garantidor de Créditos - FGC ("FGC") against Banco Bamerindus do Brasil S/A, in Extrajudicial Liquidation (the "Institution"), and other companies in the Institution's economic group ("Transaction"). In connection with the Transaction, BTG Pactual will pay approximately R$418 million to the FGC in five installments, the first of which will be paid at the closing of the Transaction and the other four on the first through fourth anniversary of the closing. The four installments will be adjusted. Consummation of the Transaction is subject the termination of the process complete the extrajudicial liquidation of the Institution and its subsidiaries, and the settlement of certain of of their financial obligations, resulting in positive shareholders' equity. The Institution's assets do not include the Bamerindus brand.

This transaction will result in BTG Pactual acquiring (i) control of the Institution and its subsidiaries, (ii) an interest in the Institution greater than ninety-eight percent 98% of its total and voting capital, and (iii) the receivables and assets held by the Institution, which will be used in BTG Pactual credit operations context. The consummation of the Transaction is subject to certain conditions, including obtaining all required regulatory approvals.

On December 20, 2012 the Bank concluded the purchase of all outstanding shares of Bolsa y Renta for a total consideration of US$58.4 million (approximately R$120.5 million). The former owners of Bolsa y Renta acquired equity interest in Banco BTG Pactual for US$25.4 million (R$52.5 million), representing approximately 0.25% of the capital stock in the Bank. For accounting purposes, the acquisition date of Bolsa y Renta was December 31, 2012 and the goodwill recorded in the transaction was US$22.7 million (R$47.1 million) , based on expected future profitability.

On February 8, 2012, the Bank announced the agreement for the acquisition of 100% of the outstanding shares of Celfin Capital (Celfin), operating in Chile, Peru and Colombia. On November 13, 2012 the Bank paid to the owners of Celfin US$451 million (approximately R$930 million) in cash, of which US$190 million (approximately R$392 million) were used to purchase shareholding interest of the Bank by Celfin's shareholders, representing 2.2% of the capital. In the transaction, goodwill of US$352 million (approximately R$726 million) was recorded, based on expected future profitability.

On January 31, 2012, the Bank and Banco Panamericano entered into a definitive agreement to purchase 100% of the shares of Brazilian Finance & Real Estate S.A. (BFRE), for approximately R$1.2 billion, of which R$940 million was paid by Banco Panamericano and R$270 million was paid by the Bank. Prior to the closing of the transaction on July 19, 2012, BFRE was divided into two companies by means of a spin-off. The company acquired by the Bank, the Brazilian Capital Companhia de Gestão de Investimentos, retained the rights to advise, manage and/or administer certain real estate and equity investment funds. In this transaction the Bank recorded goodwill of R$248 million, based on expected future profitability, which was amortized in R$136 million until December 31, 2012 due to profitability recognized. Additionally, the Bank acquired quotes of Real Estate Funds owned by BFRE, in the amount of R$335 million.

3. Presentation of the financial statements

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

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

Functional currency

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

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

4. Significant accounting practices

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

a. Cash and cash equivalents

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

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

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

c. Securities

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

i. Trading securities

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

ii. Available for sale securities

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

iii. Held to maturity securities

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

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

d. Derivative financial instruments

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

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

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

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

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

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

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

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

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

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

f. Financial instruments – net presentation

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

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

As of 2012, the transactions of sale or transfer of financial assets when the entity has retained substantially all the risks and benefits of operations, remains registered in their respective categories of assets, with a liability relating to obligation.

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

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

i. Allowance for loan losses

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

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

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

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

j. Investments

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

k. Goodwill or negative goodwill

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

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

Negative goodwill is recognized in Investments.

l. Property and equipment in use and deferred charges

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

m. Intangible assets

Corresponds to acquired rights that have as their subject intangible assets destined to the entities' maintenance or exercised with such purpose, in accordance with CMN Resolution 3642, of November 26, 2008. Amortization is calculated using the straight-line basis over the period in which the rights generate benefits.

n. Impairment

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

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

o. Income tax and social contribution

The provisions for income tax and social contribution are recorded based on book income adjusted by additions and deductions provided by the tax legislation. Deferred income tax and social contribution are calculated on temporary differences, whenever the realization of these amounts is considered as probable, at the rate of 15% for income tax, plus

a 10% surtax on the annual taxable income exceeding R$240, and 15% for social contribution of financial institutions and 9% for non-financial institutions.

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

Recognized according to the criteria described below:

i. Contingent assets

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

ii. Contingent liabilities

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

iii. Legal obligation – tax and social security

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

q. Earnings per share

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

r. Revenue recognition

Revenues and expenses are recorded on the accrual basis.

5. Risk management

The Bank's committee structure allows for the inputs from the entire organization and ensures that the decisions are implemented effectively. The main committees involved in risk management activities are: (i) Management Committee, which approves policies, defines overall limits and is ultimately responsible for managing risks, (ii) New Business Committee, which assesses the feasibility and supervises the implementation of proposals for new businesses and products, (iii) Credit Risk Committee, which is responsible for approving new loans according to the guidelines set forth by the Bank's Risk Committee, (iv) Market Risk Committee, which is responsible for monitoring market risk, including the use of our risk limits (Value at Risk - VaR), and approving exceptions, (v) Operational Risk Committee, which assesses the main operational risks for the internal policies and regulatory risks established, (vi) ALM (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 systens, including credit, financial, operational, compliance, tax and legal systems. We believe 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

According to the recommendations of the New Capital Accord (Basel II), BACEN disclosed the methodology to calculate the Reference Shareholders' Equity (PR) and the Required Reference Shareholders' Equity (PRE), as of July 1, 2008, through CMN Resolutions 3444/07 and 3490/07. In addition, BACEN Circular Letters 3360/07, 3361/07 to 3366/07, 3368/07, 3383/08, 3388/08 and 3389/08 established the guidelines to determine credit, market and operating risks.

The Basel ratio was calculated based on the financial statements, on a consolidated basis, including all subsidiaries.

	6/30/2013	12/31/2012
Reference Shareholders' Equity (PR)	15,764,638	14,593,354
Shareholders' equity – Tier 1	11,028,016	10,249,644
Shareholders' equity – Tier 2	5,514,008	5,124,822
Deductions from the Reference Shareholders' Equity	(777,385)	(781,112)
Required Reference Shareholders' Equity (PRE)	9,770,645	9,273,372
Credit risk	6,251,965	5,606,749
Market risk	3,173,230	3,440,807
Operating risk	345,450	225,816
Exceeding Required Reference Equity: (PR-PRE)	5,993,993	5,319,982
Capital adequacy ratio (based index): (PRx100)/PRE/0.11)	17.75%	17.31%

Management elected the basic indicator approach to measure the operating risk.

The fixed assets ratio, as determined by CMN Resolution 2283/96, amended by Resolution 2669/99 and with the wording of Resolutions 2743/00 and 3426/06, are also calculated on a consolidated basis considering all subsidiaries:

	6/30/2013	12/31/2012
Reference Shareholders' Equity (PR)	15,764,638	14,593,354
Equity securities	(14,254)	(17,374)
Reference Shareholders' Equity for fixed assets to equity capital ratio (PR_LI)	15,750,385	14,575,980
Fixed assets to equity capital ratio (50%)	7,875,192	7,287,990
Status for fixed assets to equity capital ratio	7,044,246	5,883,100
Permanent assets	3,025,947	3,463,787
Deferred permanent assets	(5,536)	(6,586)
Equity securities	(14,254)	(17,374)
Investment in subsidiaries authorized to operate under BACEN	(772,947)	(779,577)
Variable income securities recognized in current assets	4,811,035	3,222,850
Margin	830,946	1,404,890

As at June 30, 2013 and December 31, 2012, all operating limits are duly complied.

b. Market risk

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

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

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

In millions of R$	June 2013	December 2012	June 2012
Daily average VaR	48.4	67.7	52.6

c. Credit risk

All of the Bank's and its subsidiaries' counterparties are subject to strict credit risk analyses focusing mainly on an assessment of their paying ability, based on simulations of cash flows, debt leverage and schedule, asset quality, interest coverage and working capital. Qualitative aspects, such as strategic guidance, business sector, expert areas, efficiency, regulatory environment and market share, are regularly assessed and used to supplement the credit analysis process.

The Bank's counterparties credit limits and its subsidiaries are established by the Credit Committee and are regularly reviewed. The measurement and monitoring of the total risk to which the Bank and its subsidiaries are exposed cover all the financial instruments that may generate counterparty risks, such as private bonds, derivatives, guarantees given, possible settlement risks amoug others.

d. Liquidity risk

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

e. Operating risk

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

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

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

6. Cash at banks

Cash refer basically to deposits abroad in prime banks.

7. Interbank investments

	6/30/2013					12/31/2012
	Total	Up to 90 days	90 to 365 days	1 to 3 years	Over 3 years	Total
Open market investments	44,575,079	40,703,865	3,842,558	28,656	-	23,245,654
Own portfolio	2,856,642	2,581,363	275,259	20	-	2,316,834
Federal government bonds	2,715,726	2,440,447	275,259	20	-	2,203,511
Corporate bonds	130,454	130,454	-	-	-	113,136
Federal foreign government bonds	10,462	10,462	-	-	-	187
Third-party portfolio	31,287,312	30,284,649	1,002,663	-	-	18,857,128
Federal government bonds	31,218,576	30,215,913	1,002,663	-	-	18,821,058
Corporate bonds	68,736	68,736	-	-	-	36,070
Short position	10,431,125	7,837,853	2,564,636	28,636	-	2,071,692
Federal government bonds	10,431,125	7,837,853	2,564,636	28,636	-	2,071,692
Interbank investments	4,944,947	4,297,634	642,529	4,784	-	1,917,837
Interbank deposit certificates	2,529,943	1,882,630	642,529	4,784	-	1,406,961
Investments in foreign currency - overnight	2,415,004	2,415,004	-	-	-	510,876
	49,520,026	45,001,499	4,485,087	33,440	-	25,163,491

The collateral received in repurchase agreements amounts to R$43,350,315 (December 31, 2012- R$23,309,582), whereas the collateral granted amounts to R$48,052,860 (December 31, 2012 – R$30,205,959).

8. Securities

a. Summary by type of portfolio

As at June 30, 2013 and December 31, 2012, the securities portfolio was fully classified as securities held for trading.

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

	6/30/2013							12/31/2012
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	22,138,451	21,917,971	5,310,388	983,809	11,473,869	1,368,058	2,781,847	22,361,124
Federal government bonds	688,807	638,957	129,085	28,639	49,874	-	431,359	1,594,573
Brazilian foreign debt securities	7,032	6,649	-	-	1,523	509	4,617	20,723
Debentures/Eurobonds (i)	4,163,295	4,180,361	12,181	422,867	1,058,232	1,287,459	1,399,622	5,985,617
Bank credit certificate	40,773	40,016	-	10,764	-	-	29,252	44,826
Investment fund quotes								
Multimarket	8,084,488	8,084,487	3,902,309	-	4,182,178	-	-	5,783,772
Shares	66,996	66,996	-	-	66,996	-	-	67,783
FIDC - Credit rights	1,384,802	1,384,802	-	-	1,384,802	-	-	1,791,571
Equity investment fund	4,036,346	4,036,346	-	-	4,036,346	-	-	1,806,798
Real estate	553,059	553,059	-	-	553,059	-	-	629,708
Shares	909,624	748,743	748,743	-	-	-	-	909,877
Promissory notes	1,037,003	1,039,080	517,541	521,539	-	-	-	2,003,745
Financial bills	-	-	-	-	-	-	-	28,511
Federal foreign government bonds								
United States	17,181	16,579	-	-	-	-	16,579	-
Others	4,966	4,657	529	-	362	-	3,766	404,967
Foreign private securities	-	-	-	-	-	-	-	204,964
Certificate of real estate receivables	952,136	934,789	-	-	112,786	80,090	741,913	883,452
Others	191,943	182,450	-	-	27,711	-	154,739	200,237
Unrestricted portfolio	1,104,742	1,074,830	-	-	-	41	1,074,789	48,082
Federal government bonds	1,104,742	1,074,830	-	-	-	41	1,074,789	48,082
Subject to repurchase agreements	6,936,794	6,800,064	97,065	339,688	1,421,022	1,349,318	3,592,971	9,191,601
Federal government bonds	3,355,598	3,231,998	15,609	19,881	837,124	831,698	1,527,686	6,769,347
Corporate bonds / Eurobonds (i)	3,527,466	3,515,322	81,456	319,807	583,898	517,620	2,012,541	2,422,254
Brazilian foreign debt securities	42,936	42,209	-	-	-	-	42,209	-
Foreign government bonds	10,794	10,535	-	-	-	-	10,535	-
Subject to guarantees	2,769,565	2,626,930	66,075	384,629	870,162	155,690	1,150,374	1,338,865
Federal government bonds	2,209,334	2,067,689	-	384,629	376,996	155,690	1,150,374	873,109
Corporate bonds / Eurobonds (i)	459,242	457,235	-	-	457,235	-	-	-
Shares	65,058	66,075	66,075	-	-	-	-	465,756
Others	35,931	35,931	-	-	35,931	-	-	-
Subject to Central Bank - Brazil	-	-	-	-	-	-	-	53,515
Federal government bonds	-	-	-	-	-	-	-	53,515
	32,949,552	32,419,795	5,473,528	1,708,126	13,765,053	2,873,107	8,599,981	32,993,187

(i) Substantially securities issued by Brazilian companies.

b. Reclassification of securities

Management classifies securities according to its trading intention.

No reclassifications or changes in intention were made by Management during the semester ended in June 30, 2013 and year ended in December 31, 2012.

9. Derivative financial instruments

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

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

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

As at June 30, 2013 and December 31, 2012, the Bank does not have derivative financial instruments classified as hedge accounting.

a. Recognized in memorandum and balance sheet accounts

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

	6/30/2013				12/31/2012
	Up to 6 months	6 to 12 months	Over 1 year	Total	Total
Futures market					
Long position	1,166,817	75,319	7,076,838	8,318,974	97,842,807
Currency	747,818	33,229	2,096,500	2,877,547	3,132,701
Interest rate	6,957	42,090	4,969,329	5,018,376	94,087,268
Commodities	351,778	-	9,773	361,551	460,223
Index	58,374	-	-	58,374	126,496
Equities	1,890	-	-	1,890	36,119
Other	-	-	1,236	1,236	-
Short position	16,327,237	2,266,952	3,514,287	22,108,476	15,768,550
Currency	3,961,243	1,945,565	2,340,771	8,247,579	5,190,410
Interest rate	12,002,850	321,387	927,252	13,251,489	8,953,557
Commodities	208,984	-	246,264	455,248	542,863
Index	154,160	-	-	154,160	1,006,196
Equities	-	-	-	-	75,524
Swap					
Long position	45,135,388	11,217,769	15,888,922	72,242,079	81,039,751
Currency	769,492	176,653	1,117,745	2,063,890	3,276,973
Interest rate	42,523,303	9,985,332	14,214,094	66,722,729	75,790,782
Commodities	4,025	-	8,530	12,555	77,626
Index	327,722	55,965	518,844	902,531	933,412
Equities	1,376,116	908,341	23,429	2,307,886	900,317
Other	134,730	91,478	6,280	232,488	60,641
Short position	45,135,387	11,217,769	15,888,923	72,242,079	81,039,751

	6/30/2013				12/31/2012
	Up to 6 months	6 to 12 months	Over 1 year	Total	Total
Currency	1,724,129	449,119	2,863,867	5,037,115	5,985,469
Interest rate	41,453,667	8,946,184	11,585,316	61,985,167	71,462,132
Index	198,899	1,007,032	1,410,922	2,616,853	1,793,048
Equities	1,482,729	801,811	2,369	2,286,909	856,149
Commodities	33,371	-	-	33,371	41,151
Other	242,592	13,623	26,449	282,664	901,802
Credit derivatives					
Long position	-	-	44,312	44,312	323,269
Sovereign	-	-	44,312	44,312	323,269
Short position	609,290	-	77,546	686,836	1,062,621
Sovereign	498,510	-	-	498,510	715,226
Corporate	110,780	-	77,546	188,326	347,395
Non-deliverable forward - NDF					
Long position	36,298,660	2,796,461	2,160,441	41,255,562	40,128,880
Currency	35,388,970	2,735,150	1,740,766	39,864,886	39,388,759
Commodities	6,837	-	-	6,837	11,921
Interest rate	902,853	61,311	419,675	1,383,839	728,200
Short position	36,298,660	2,796,460	2,160,441	41,255,561	40,128,880
Currency	34,612,174	2,543,037	2,120,867	39,276,078	38,892,475
Interest rate	1,686,486	253,423	39,574	1,979,483	1,236,405
Deliverable forward - DF					
Long position	3,352,963	228,412	569,475	4,150,850	5,082,557
Currency	3,045,518	228,412	569,475	3,843,405	4,877,861
Equities	85,502	-	-	85,502	-
Commodities	221,943	-	-	221,943	204,696
Short position	3,352,963	228,412	569,475	4,150,850	5,082,558
Currency	3,267,461	228,412	569,475	4,065,348	5,082,558
Interest rate	85,502	-	-	85,502	-
Security forwards					
Long position	4,023,943	-	-	4,023,943	2,974,212
Interest rate	2,236,538	-	-	2,236,538	1,503,668
Government bonds	1,787,405	-	-	1,787,405	1,470,544
Short position	4,023,943	-	-	4,023,943	2,974,212
Interest rate	1,787,405	-	-	1,787,405	1,470,544
Government bonds	2,236,538	-	-	2,236,538	1,503,668
Options market					
Long position					
Call option	1,054,327	2,627,223	439,069	4,120,619	16,273,939
Equities	364,507	1,199,273	14,169	1,577,949	336,442
Commodities	21,602	-	-	21,602	537,032
Index	105,000	-	-	105,000	8,218,226
Currency	398,768	1,336,007	424,900	2,159,675	565,739
Interest rate	164,450	91,943	-	256,393	6,616,500
Put option	6,973,995	3,316,185	-	10,290,180	46,855,599
Equities	1,597,818	-	-	1,597,818	53,744
Commodities	140,912	-	-	140,912	82,966
Index	769,021	3,135,000	-	3,904,021	6,263,330
Currency	876,598	181,185	-	1,057,783	842,123
Interest rate	-	-	-	-	36,586,900
Other	3,589,646	-	-	3,589,646	3,026,536
Short position					
Call option	2,409,454	4,289,567	424,900	7,123,921	25,786,540
Equities	1,538,680	2,534,569	-	4,073,249	251,684
Commodities	104,355	-	-	104,355	637,725
Index	87,082	33,061	-	120,143	14,861,549
Currency	534,159	1,492,637	424,900	2,451,696	980,194
Interest rate	145,178	229,300	-	374,478	9,055,388
Put option	2,115,979	3,329,998	1,458,851	6,904,828	42,116,292
Equities	1,084,484	1,746	12,064	1,098,294	50,312
Commodities	172,263	-	6,647	178,910	98,284
Index	1,506	3,135,000	-	3,136,506	12,945,717
Currency	857,726	193,252	-	1,050,978	663,354
Interest rate	-	-	-	-	27,030,350
Other	-	-	1,440,140	1,440,140	1,328,275

b. By cost and market value

	6/30/2013					12/31/2012
	Cost	Market	Up to 6 months	6 to 12 months	Over 1 year	Total
Swaps						
Long position	533,053	697,309	270,850	93,319	333,140	425,065
Short position	753,102	828,493	283,800	140,850	403,843	579,965
Credit derivatives						
Long position	6,649	2,860	988	-	1,872	3,393
Short position	904	779	-	-	779	242
Non-deliverable forward - NDF						
Long position	800,831	820,005	655,783	33,149	131,073	174,790
Short position	843,048	860,373	570,667	138,024	151,682	172,474
Deliverable forward - DF						
Long position	3,181,792	3,181,792	2,388,711	226,454	566,627	2,556,202
Short position	3,206,615	3,203,321	2,413,644	226,469	563,208	2,559,120
Forward transaction						
Long position	2,235,878	4,046,466	4,046,466	-	-	2,878,723
Short position	1,786,878	4,045,322	4,045,322	-	-	2,873,647
Options market						
Long position	221,939	342,706	73,203	194,034	75,469	216,646
Short position	368,527	619,340	174,859	279,032	165,449	384,338
Long position	6,980,142	9,091,138	7,436,001	546,956	1,108,181	6,254,819
Short position	6,959,074	9,557,628	7,488,292	784,375	1,284,961	6,569,786

c. Notional value by counterparty

	6/30/2013					12/31/2012
	BM&F Bovespa	Financial Institutions	Companies	Individuals	Total	Total
Futures market						
Long position	7,907,038	411,936	-	-	8,318,974	97,842,807
Short position	21,446,385	662,091	-	-	22,108,476	15,768,550
Swap						
Long position	12,659,765	51,943,807	7,638,507	-	72,242,079	81,039,751
Short position	12,659,765	51,943,807	7,638,507	-	72,242,079	81,039,751
Credit derivatives						
Long position	-	44,312	-	-	44,312	323,269
Short position	-	686,836	-	-	686,836	1,062,621
Non-deliverable forward - NDF						
Long position	-	37,885,402	3,370,160	-	41,255,562	40,128,880
Short position	-	37,885,401	3,370,160	-	41,255,561	40,128,880
Deliverable forward - DF						
Long position	85,502	4,065,348	-	-	4,150,850	5,082,557
Short position	85,502	4,065,348	-	-	4,150,850	5,082,558
Forward transactions						
Long position	-	4,023,943	-	-	4,023,943	2,974,212
Short position	-	4,023,943	-	-	4,023,943	2,974,212
Options market						
Long position	4,296,187	9,646,256	438,213	30,143	14,410,799	63,129,538
Short position	3,384,965	10,008,368	583,861	51,555	14,028,749	67,902,832
Long position	24,948,492	108,021,004	11,446,880	30,143	144,446,519	290,521,014
Short position	37,576,617	109,275,794	11,592,528	51,555	158,496,494	213,959,404

d. Credit derivatives

	6/30/2013	12/31/2012
Credit swap		
Transferred risk		
Sovereign	44,312	323,269
Risk received		
Sovereign	(498,510)	(715,226)
Corporate	(188,326)	(347,395)
	(642,524)	(739,352)

As at the semester ended on June 30, 2013 and the year ended on December 31, 2012, there were no credit events related to triggering facts provided for in agreements.

According to CMN resolution 3490, the effect on the calculation of the required reference shareholders equity (PRE) as at June 30, 2013 is R$20,744 (December 31, 2012 – R$41,213).

e. Guarantee margin

Guarantee margin in transactions traded on BM&FBOVESPA and other stock exchanges with derivatives comprises federal government bonds totaling R$1,088,665 (December 31, 2012 – R$353,380), equities in the amount of R$66,075 (December 31, 2012 – R$465,756) and private securities R$493.166 (December 31, 2012 – zero).

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, Brazilian government bonds traded on the secondary or derivative market and securities traded abroad. These yield curves may be used to obtain the fair value of currency swaps, interest rate swaps and swaps based on other risk factors (commodities, stock market indexes, etc.).

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

- Options: the fair value of these instruments are calculated based on mathematical models (such as Black & Scholes) that use data containing implied volatility, interest rate yield curve and the fair value of the underlying asset. This data is 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. This data is 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 BOVESPA. Fund quotas are valued based on quota prices disclosed by the custodian.

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

10. Loans

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

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

Loans and other operations with loan characteristics are as follows:

a. Loans

i. By type of credit

Type of credit	6/30/2013		12/31/2012	
	Balance	Allowance	Balance	Allowance
Loans	8,347,145	(100,390)	5,141,670	(135,702)
Financing	2,714,932	(67,363)	1,586,294	(41,338)
FINAME/BNDES	-	-	45,214	(3,641)
Securities financing	120	-	9,691	-
Total	11,062,197	(167,753)	6,782,869	(180,681)

ii. By risk level and maturity

	6/30/2013						12/31/2012	
		Maturity						
Risk level	Overdue	Up to 6 months	6 to 12 months	Over 12 months	Total	Allowance	Total	Allowance
AA	-	185,706	243,519	2,816,846	3,246,071	-	1,845,408	-
A	-	1,186,115	364,859	2,104,563	3,655,537	(18,278)	2,414,432	(12,073)
B	33,052	311,026	316,770	2,360,286	3,021,134	(30,220)	1,921,289	(19,215)
C	-	79,650	76,449	751,058	907,157	(29,711)	254,168	(9,784)
D	-	18,614	12,618	55,349	86,581	(8,658)	171,542	(17,154)
E	-	856	4,687	19,420	24,963	(7,489)	55,982	(16,795)
F	17,711	6,630	4,317	60,991	89,649	(44,825)	11,458	(5,729)
G	-	-	-	8,442	8,442	(5,909)	28,861	(20,202)
H	12,157	10,471	12	23	22,663	(22,663)	79,729	(79,729)
Total	62,920	1,799,068	1,023,231	8,176,978	11,062,197	(167,753)	6,782,869	(180,681)

iii. By activity sector

Sector	6/30/2013	12/31/2012
Commerce	994,943	97,780
Industry	1,762,198	2,070,372
Services	6,205,448	3,481,081
Rural	533,654	463,259
Individuals	1,565,954	670,377
Total	11,062,197	6,782,869

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

	6/30/2013						12/31/2012	
		Maturity						
Risk level	Overdue	Up to 6 months	6 to 12 months	Over 12 months	Total	Allowance	Total	Allowance
AA	373	315,048	-	189,642	505,063	-	586,275	-
A	43,339	-	-	877,494	920,833	(4,604)	515,415	(2,577)
B	-	137,873	40,938	49,893	228,704	(2,287)	321,911	(3,219)
B	-	-	-	38,902	38,902	(1,167)	-	-
D	-	4	-	-	4	-	479	(48)
F	-	207	-	-	207	(104)	196	(98)
G	1,958	6,826	1,116	-	9,900	(6,930)	-	-
Total	45,670	459,958	42,054	1,155,931	1,703,613	(15,092)	1,424,276	(5,942)
Securities and credits receivable (note 12(b))					1,703,613	(15,092)	1,268,463	(5,163)
Other credits - loans transferred					-	-	155,813	(779)

ii. By activity sector

Sector	6/30/2013	12/31/2012
Commerce	146,111	187,881
Industry	-	77,770
Services	1,557,502	1,158,625
Total	1,703,613	1,424,276

c. Advances in foreign exchange contracts

i. By risk level and maturity

	6/30/2013						12/31/2012	
		Maturity						
Risk level	Overdue	Up to 6 months	6 to 12 months	Over 12 months	Total	Allowance	Total	Allowance
AA	-	-	-	-	-	-	38,721	-
A	-	136,949	71,508	-	208,457	(1,042)	338,424	(1,692)
B	13,432	-	124,232	-	137,664	(1,377)	71,198	(712)
C	-	41,720	87,202	-	128,922	(3,868)	63,200	(2,427)
E	-	-	83,284	-	83,284	(24,985)	-	-
Total	13,432	178,669	366,226	-	558,327	(31,272)	511,543	(4,831)

ii. By activity sector

Sector	6/30/2013	12/31/2012
Industry	76,016	175,617
Services	482,311	335,926
Total	558,327	511,543

d. Credit risk concentration

	6/30/2013	%	31/12/2012	%
Largest debtors				
10 largest debtors	5,236,397	39%	3,058,731	35%
20 following largest debtors	3,812,226	29%	2,500,226	29%
50 following largest debtors	2,956,669	22%	2,331,883	27%
100 following largest debtors	1,201,386	9%	788,831	9%
200 following largest debtors	117,459	1%	39,017	0%
Total	13,324,137	100%	8,718,688	100%

e. Allowance

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

	Quarter ended:		Semester ended:	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012
Opening balances	(215,312)	(96,775)	(191,454)	(85,898)
Reversal/(recording) of allowance	(40,170)	(18,199)	(85,815)	(34,368)
Exchange rate variation	(1,437)	(1,410)	(980)	(1,145)
Credits written off as loss	42,802	3,398	64,132	8,425
Closing balances	(214,117)	(112,986)	(214,117)	(112,986)
Breakdown of closing balances				
Allowance for loan losses	(167,753)	(108,260)	(167,753)	(108,260)
Allowance for transferred loans	-	-	-	-
Allowance for other receivables	(15,092)	(1,290)	(15,092)	(1,290)
Allowance for advances on foreign exchange contracts	(31,272)	(3,436)	(31,272)	(3,436)
	(214,117)	(112,986)	(214,117)	(112,986)

Changes in the allowance for other receivables without loan characteristics in the quarters and semesters as follows:

	Quarter ended:		Semester ended:	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012
Opening balances	(95,110)	(42,628)	(92,458)	(42,085)
Reversal/(recording) of allowance	(17,039)	(9,311)	(19,704)	(9,897)
Exchange rate variation	(129)	(300)	(116)	(257)
Closing balances (i)	(112,278)	(52,239)	(112,278)	(52,239)

(i) Included R$76,844 relating to provision for stand-by letters and guarantees granted, which was recorded as Other obligations – sundy (note 16(c)) and other credits – sudry (note 12(b)).

Allowances for other receivables with loan characteristics refer to the acquisition of credit rights, as illustrated in item (b) of this note. Allowances for other receivables without loan characteristics (notes 12(b)) refer to allowance for income receivables, other credits without loan characteristics and provision for stand-by letters and guarantees granted (note 25(b)).

f. Renegotiation/recovery of credits written off to loss

In the semester ended June 30, 2013, the Bank renegotiated credit loans in the amount of R$38,940 (2012 – zero) and recovered amounts relating to credit written off in previous periods in the amount of R$2,375 (2012 – R$13,810).

g. Transferred loan

In the semester ended June 30, 2013, the Bank did not transfer loans and retained substantially all the risks and benefits (2012 – R$82,034).

11. Other receivables/obligations

a. Foreign exchange portfolio

	6/30/2013		12/31/2012	
	Assets	Liabilities	Assets	Liabilities
Unsettled Exchange purchased/sold	1,880,376	3,484,012	867,074	1,053,465
Rights on foreign exchange sales	3,567,731	-	1,074,129	-
(-) Advances on foreign Exchange contracts (Note 10 (c))	12,695	(545,632)	14,336	(497,207)
(-) Advances on foreign currency received	(32)	-	(3,120)	-
(-) Advances in local currency received	(6,409)	-	(229)	-
Liability for foreign exchange purchase	-	1,836,709	-	857,652
	5,454,361	4,775,089	1,952,190	1,413,910
Current	5,454,361	4,775,089	1,952,190	1,413,910
Long term	-	-	-	-

Guarantees for foreign exchange transactions carried out through BM&F BOVESPA S.A. – Securities, Commodities and Futures Exchange (BM&FBOVESPA), are represented by federal government bonds in the amount of R$979,024 (December 31, 2012 - R$519,729).

b. Securities trading and brokerage

	6/30/2013		12/31/2012	
	Assets	Liabilities	Assets	Liabilities
Clearing houses	502,628	233,828	290,741	35,760
Commissions and brokerage payable	-	34	-	31
Debtors/creditors – pending settlement account	2,649,943	887,093	1,619,256	1,516,660
Creditors for gold loans	-	196,881	-	201,734
Creditors for stock loans	-	19,712	-	48,833
Securities trading and brokerage	34,167	710,937	61	620,897
	3,186,738	2,048,485	1,910,058	2,423,915
Current	3,186,738	2,048,485	1,910,006	2,421,115
Long term	-	-	52	2,800

The item "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.

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

12. Other receivables

a. Income receivable

	6/30/2013	12/31/2012
Dividends and bonus	23,197	9,455
Receivables from services rendered	38,020	30,007
Management and performance fees from investment funds and portfolios	2,908	66,180
Distribution fees	13,912	14,732
Commissions on guarantees	3,545	8,233
Other	9	35
	81,591	128,642
Current	81,591	128,642
Long term	-	-

b. Sundry

	6/30/2013	12/31/2012
Deferred tax assets (note 18)	1,453,492	1,228,019
Judicial deposits	747,408	615,464
Taxes to offset	82,026	166,105
Tax incentive options	1,317	1,317
Securities and credits receivable		
With loan characteristics (Note 10(b))	1,703,613	1,268,463
Without loan characteristics	26,732	26,732
Sundry - Brazil	128,437	229,766
Other	5,628	5,781
	4,148,653	3,541,647
Current	1,491,773	1,861,556
Long term	2,656,880	1,680,091

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

	Subsidiaries, associates and jointly controlled entities							
	Shareholders Equity		Net income (loss)				Equity interest	
			Quarter ended		Semester ended			
	6/30/2013	12/31/2012	6/30/2013	6/30/2012	6/30/2013	6/30/2012	6/30/2013	12/31/2012
In Brazil								
BTG Pactual Asset Management S.A. DTVM	419,816	374,783	70,610	42,178	125,032	65,388	99.99%	99.99%
BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	379,712	352,991	17,506	14,485	46,721	30,423	99.99%	99.99%
BTG Pactual Serviços Financeiros S.A. DTVM	56,673	70,566	5,891	6,796	6,107	13,050	99.99%	99.99%
BTG Pactual Corretora de Mercadorias Ltda.	95,727	85,334	5,126	913	10,393	3,033	99.99%	99.99%
BTG Pactual Corporate Services Ltda.	6,737	6,554	51	(564)	183	(1,620)	0.01%	0.01%
BTG Pactual Securitizadora S.A.	908	979	(39)	(50)	(71)	(61)	99.99%	99.99%
BTG Pactual Holding Internacional S.A.	502,327	467,034	52,103	25,114	35,293	9,457	99.99%	99.99%
BTG Pactual Comercializadora de Energia Ltda	740,724	695,967	39,590	53,867	44,757	53,533	99.99%	99.99%
BTGP Recovery Holdings S.A. (iii)	-	-	-	2,304	-	827	0.00%	0.00%
Recovery do Brasil Consultoria Ltda. (iii)	53,472	48,608	4,397	-	4,325	-	50.24%	50.24%
BTG Pactual Vivere Participações S.A (iv)	-	-	-	(12,900)	-	(18,111)	99.99%	0.00%
Vivere Soluções e Serviços S.A. (iv)	17,188	12,799	-	-	(4,316)	-	30.00%	30.00%
BR Properties S.A. (i)	7,935,197	7,943,692	49,847	332,390	140,740	785,103	24.53%	25.03%
BW Properties S.A.	295,125	202,996	111,251	(1,743)	98,704	(1,743)	67.49%	67.49%
Warehouse 1 Empreendimentos Imobiliários S.A.	68,201	70,307	4	29,065	4	29,065	35.00%	35.00%
Max Casa XIX Empreendimentos Imobiliários S.A.	20,177	17,615	1,734	(291)	2,769	1,677	50.00%	50.00%
ACS Omicron Empreendimentos Imobiliários Ltda.	24,307	20,034	-	(6)	-	3,371	44.74%	44.74%
BTG Pactual Commodities S.A. (v)	41	46	(4)	-	(5)	-	99.99%	99.99%
BTG Pactual Holding de Seguros	156,754	147,067	(94)	1,549	2,686	1,549	99.99%	99.99%
Jointly-controlled entities - In Brazil					-			
Banco Panamericano S.A.	2,532,944	2,552,409	(34,387)	(287,685)	(19,090)	(322,576)	34.06%	34.06%
Abroad								
Pactual Overseas Corporation	9,441	6,977	168	(15)	1,876	(43)	99.99%	100.00%
Spring Valley Management LLC	9,220,999	8,295,276	1,337	48,553	50,053	101,148	20.00%	20.00%
Celfin Internacional Ltd.	3,925	1,737	-	-	-	-	99.99%	99.99%
Celfin Capital S.A.	-	925,298	-	-	-	-	99.99%	99.99%
BTG Pactual Chile SPA	930,805	923,560	(31,332)	-	(28,980)	-	99.99%	99.99%
Bolsa y Renta S.A.	75,469	74,051	2,778	-	4,701	-	94.50%	94.50%

		Changes in investments				
	12/31/2012	Aquisition / Increase / (Sales)	Dividends paid	Equity pick up in 6/30/2013	6/30/2013	Equity pick up in 6/30/2012
In Brazil						
BTG Pactual Asset Management S.A. DTVM	374,783	-	(80,000)	125,032	419,815	65,388
BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	352,991	-	(20,000)	46,721	379,712	30,423
BTG Pactual Serviços Financeiros S.A. DTVM	70,566	-	(20,000)	6,107	56,673	13,050
BTG Pactual Corretora de Mercadorias Ltda.	85,334	-	-	10,393	95,727	3,033
BTG Pactual Securitizadora S.A.	977	-	-	(71)	906	(61)
BTG Pactual Holding Internacional S.A.	467,034	-	-	35,293	502,327	9,457
BTGP Recovery Holdings S.A. (iii)	-	-	-	-	-	(13,374)
Recovery do Brasil Consultoria Ltda. (iii)	24,420	-	(1,168)	3,612	26,864	-
BTG Pactual Empresa Op. do Mercado Energético Ltda. - Coomex	695,964	-	-	44,757	740,721	53,533
Goodwill - BTG Pactual Empresa Op. do Mercado Energético Ltda. - Coomex	-	-	-	-	-	(69,509)
BTG Pactual Vivere Participações S.A (iv)	-	-	-	-	-	(18,110)
Vivere Soluções e Serviços S.A. (iv)	3,785	-	-	1,727	5,512	-
Saíra Diamante Empreendimentos Imobiliários S.A. (i)	-	-	-	-	-	14,195
BR Properties S.A. (i)	1,576,472	(39,822)	(39,264)	(306,419)	1,190,967	315,823
BW Properties S.A.	132,566	678	-	67,030	200,274	(1,175)
Goodwill – BW Properties S.A. (iii)	-	2,322	-	-	2,322	(21,585)
Warehouse 1 Empreendimentos Imobiliários S.A.	24,607	431	-	(1,167)	23,871	16,868
Max Casa XIX Empreendimentos Imobiliários S.A.	8,808	-	-	1,281	10,089	833
ACS Omicron Empreendimentos Imobiliários Ltda.	8,964	-	-	1,911	10,875	889
BTG Pactual Commodities S.A. (v)	46	-	-	(5)	41	(13)
BTG Pactual Holding de Seguros	147,067	7,000	-	2,686	156,753	1,549
	3,974,384	(29,391)	(160,432)	38,888	3,823,449	401,214
Jointly-controlled entities - In Brazil						
Banco Panamericano S.A.	869,350	-	-	(6,630)	862,720	(106,744)
Deságio - Panamericano S.A.	(89,773)	-	-	-	(89,773)	9,436
	779,577	-	-	(6,630)	772,947	(97,308)
Abroad						
Pactual Overseas Corporation (ii)	6,977	-	-	2,464	9,441	450
Spring Valley Management LLC (ii)	1,337,366	-	(103,754)	215,768	1,449,380	199,366
Celfin Internacional Ltd. (ii)	1,737	-	-	2,188	3,925	-
Celfin Capital S.A. (ii)	77	(73)	-	(2)	2	-
BTG Pactual Chile SPA (ii)	925,297	-	-	5,507	930,804	-
Bolsa y Renta S.A. (ii)	69,975	-	-	(3,409)	66,566	-
Goodwill - Bolsa y Renta S.A. (ii)	44,461	-	-	(2,710)	41,751	-
	2,385,890	(73)	(103,754)	219,806	2,501,869	199,816
Total	7,139,851	(29,464)	(264,186)	252,064	7,098,265	503,722

(i) See corporate restructuring described in Note 2. The investment in the consolidated subsidiary Saira and its corresponding goodwill totaling R$1,436 million at December 31, 2011, were converted into equity investment in BR Properties. During the semester, the Bank recognized equity loss of R$306 million net of allowance for non-permanent impairment of R$353 million. As at June 30, 2013 the impairment was R$756 million. The equity pickup was measured based on equity of the associate at June 30, 2013, less impairment recorded based on Resolution No. 3566 of the Central Bank (CPC 01 - Reduction in Recoverable Value of Assets), to reflect the realizable value of the shares of the affiliate.
(ii) The difference among equity pick up in subsidiaries and associates and net income (loss) presented refers to foreign exchange.
(iii) As at December 31, 2012, BTGP Recovery Holdings S.A. was incorporate by its subsidiary, Recovery do Brasil Consultoria Ltda.
(iv) As at November 30, 2012, a BTG Pactual Vivere Participações S.A. was incorporate by its subsidiary, Vivere soluções e Serviços S.A.
(v) Formerly G.U.A.S.P.E Empreendimentos e Participações S.A.

14. Intangible Asset

		Changes in Intangible assets			
	12/31/2012	Acquisitions	Amortization expenses / disposal	Exchange variation	6/30/2013
Other intangible assets					
Cost					
Softwares	34,155	6,295	-	387	40,837
Leasehold improvements	56,667	7,537	-	-	64,204
Amortization					
Softwares	(8,358)	-	(3,697)	(107)	(12,162)
Leasehold improvements	(3,266)	-	(2,885)	-	(6,151)
	79,198	13,832	(6,582)	280	86,728

The intangible asset amortization periods are 5 years.

15. Fund raising and loans onlending

a. Summary

	6/30/2013						12/31/2012
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Deposits	20,281,978	11,761,680	6,403,220	930,807	1,185,045	1,226	15,938,018
Open market funding	48,467,785	44,227,742	4,046,298	161,504	-	32,241	30,627,005
Funds from securities issued and accepted	14,273,501	2,035,002	3,405,588	3,827,751	2,271,297	2,733,863	8,488,183
Loans and onlending	3,260,439	986,658	1,583,940	12,255	27,751	649,835	1,904,736
Subordinated debts	6,575,700	-	-	60,852	1,850,578	4,664,270	6,246,109
Total	92,859,403	59,011,082	15,439,046	4,993,169	5,334,671	8,081,435	63,204,051

b. Deposits

	6/30/2013						12/31/2012
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Demand deposits	222,589	222,589	-	-	-	-	285,476
Interbank deposits	865,608	349,075	461,224	30,331	23,752	1,226	1,045,339
Time deposits	19,193,781	11,190,016	5,941,996	900,476	1,161,293	-	14,607,203
Total	20,281,978	11,761,680	6,403,220	930,807	1,185,045	1,226	15,938,018

c. Open market funding

	6/30/2013						12/31/2012
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Own portfolio	6,709,183	5,030,701	1,513,321	132,920	-	32,241	9,380,371
Federal government bonds	3,273,201	3,240,960	-	-	-	32,241	7,038,120
Corporate bonds	3,432,545	1,786,304	1,513,321	132,920	-	-	2,342,251
Federal foreign government bonds	3,437	3,437	-	-	-	-	31,984
Third-party portfolio	17,973,735	17,973,735	-	-	-	-	17,399,974
Federal government bonds	17,905,050	17,905,050	-	-	-	-	17,367,990
Federal foreign government bonds	-	-	-	-	-	-	31,984
Corporate bonds	68,685	68,685	-	-	-	-	-
Unrestricted portfolio	23,784,867	21,223,306	2,532,977	28,584	-	-	3,846,660
Federal government bonds	23,784,867	21,223,306	2,532,977	28,584	-	-	3,846,660
	48,467,785	44,227,742	4,046,298	161,504	-	32,241	30,627,005

d. Fund from securities issued and accepted

	6/30/2013						12/31/2012
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Securities – Brazil	7,579,842	577,773	2,099,955	3,827,751	496,008	578,355	5,814,066
Financial bills	5,510,753	65,018	785,406	3,590,502	492,517	577,310	3,978,170
Mortgage bonds/letters of credit for agrobusiness	2,069,089	512,755	1,314,549	237,249	3,491	1,045	1,835,896
Securities – abroad	6,693,659	1,457,229	1,305,633	-	1,775,289	2,155,508	2,674,117
Medium term notes	4,005,474	-	75,411	-	1,774,555	2,155,508	1,556,650
Credit linked notes	2,688,185	1,457,229	1,230,222	-	734	-	1,117,467
	14,273,501	2,035,002	3,405,588	3,827,751	2,271,297	2,733,863	8,488,183

As at June 30, 2013 securitites issued in Brazil are basically indexed to interbank deposit rates (CDI) between 40% and 116.5% or inflation indexes (IPCA e IGPM) plus 3.1% p.a. to 7.9% p.a. (December 31, 2012 - indexed to interbank deposit rates (CDI) between 35% e 109.25% or inflation indexes (IPCA e IGPM) plus 1.2% p.a. to 7.9% p.a.).

As at June 30, 2013 securities abroad have rates between 4.0% p.a. and 7.0% p.a. (December 21, 2012 – between 0.9% p.a. to 19.3% p.a.).

e. Loans and onlending

	6/30/2013						12/31/2012
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Loans abroad	2,388,302	809,192	1,579,110	-	-	-	1,394,768
Foreign currency	975,813	459,591	516,222	-	-	-	695,251
Loans abroad	1,412,489	349,601	1,062,888	-	-	-	699,517
Loans - Brazil	170,199	170,199	-	-	-	-	-
Loans	170,199	170,199	-	-	-	-	-
Onlending in Brazil – official institution	701,938	7,267	4,830	12,255	27,751	649,835	509,968
FINAME	701,938	7,267	4,830	12,255	27,751	649,835	509,968
	3,260,439	986,658	1,583,940	12,255	27,751	649,835	1,904,736

As at June 30, 2013 borrowing and transfers have rates between 0.2% p.a. and 8.8% p.a. (December 31, 2012 - between 0.9% p.a. to 8.58% p.a.).

f. Subordinated debt

As at June 30, 2013, the outstanding balance of this item was R$6,575,700 (December 31, 2012 – R$6,246,109), as represented by (i) R$4,847,665 (December 31, 2012 – R$4,652,973) from financial bills issued on April 15, 2011 with repayment every six months and maturity beginning October 2016 and ending April 15, 2021, indexed to fixed rates plus inflation; and (ii) R$1,728,035 from subordinated notes issued on September 25, 2012 and due September 2022, which bear interest at 5.75% per year (December 31, 2012 – R$1,593,136).

16. Other obligations

a. Social and statutory

	6/30/2013	12/31/2012
Dividends and profit sharing payable	315,466	379,285
Employees' profit sharing	346,999	160,561
Other benefits	72,974	299,717
	735,439	839,563
Current	735,439	839,563
Long-term	-	-

b. Tax and social security

	6/30/2013	12/31/2012
Tax and contributions to be collected	48,542	105,641
Tax and contribution payable	260,664	335,410
Deferred income tax and social contribution (Note 18)	8,532	8,532
Suspended-payment taxes and other tax liabilities (Note 17 (c))	664,685	609,715
	982,423	1,059,298
Current	309,206	441,051
Long-term	673,217	618,247

c. Sundry

	6/30/2013	12/31/2012
Payable for acquisition of assets and rights (i)	551,713	574,226
Provision for accounts payable	216,252	219,795
Allowance for guarantees	76,844	53,103
Provision for contingent liabilities (Note 17 (c))	23,519	23,601
Other creditors - Brazil	23,308	86,309
Obligations related to loans transferred	-	67,339
Other	4	311
	891,640	1,024,684
Current	316,408	392,214
Long-term	575,232	632,470

(i) Refers to amounts payable for the acquisition of investments (Substantially Panamericano and COOMEX)

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. Managements 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 June 30, 2013 and December 31, 2012 the Bank did not record contingent assets.

b. Contingent liabilities classified as probable losses and legal obligations

i. Labor provisions

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

ii. Civil provisions

For civil lawsuits with chances of unfavorable outcome (pain and suffering and pecuniary injury, among others), contingency amounts are recorded based on 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 counsel and the court level to which each proceeding was submitted.

c. Breakdown and changes in provisions in the semester

The Bank's management is challenging the constitutionality of certain procedures regarding federal taxes, in addition to being a party to legal, tax and civil proceedings. Based on the opinion of its legal counsel, Management considers that the provisions recorded for such proceedings at June 30, 2013 are appropriate to cover probable losses arising therefrom.

The provisions recognized and their changes are as follows for the semesters ended June 30:

	6/30/2013				6/30/2012
	Tax	Civil	Labor	Total	Total
Balance at the beginning of the semester	609,715	18,763	4,838	633,316	507,632
Recognition	54,970	647	1,210	56,827	64,456
Write-off	-	(625)	(1,314)	(1,939)	(4,404)
Balance at the end of the semester	664,685	18,785	4,734	688,204	567,684
Suspended-payment taxes and other taxes contingencies				664,685	544,900
Provision for contingent liabilities				23,519	22,784

The natures of the main provisions are presented below.

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

BTG Pactual Group has been challenging in court the legal nature of some taxes and contributions. The amounts relating to legal obligations and contingencies assessed a possible loss by the internal 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 June 30, 2013, Banco BTG Pactual and its subsidiaries were parties to taxes lawsuits with a possible outcome, which were not recorded in provision. The description 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$932.6 million. These lawsuits have guarantee of indemnity clause as it refers to the period before the acquisition of the Bank by the current controllers. We emphasize that not all the processes of profit sharing are comprehended by the period claim.

- Administrative proceedings challenging the tax assessment by the São Paulo Local Government, charging ISS on services provided in Rio de Janeiro, as the tax authority from the city of São Paulo understands that such services were effectively rendered in São Paulo. The amount claimed is R$108.7 million.

- Lawsuits relating to the demutualization and IPO of Bovespa and BM&F, challenging the taxation of PIS, Cofins, income tax and social contribution on revenues earned from the sale of shares of the companies previously mentioned. The amount claimed is R$91.1 million.

- In October 2012, we received a tax assessment, which in June 30, 2013 totaled R$2,036.5 million alleging that our use of the amortization of certain goodwill to reduce the amount of the IRPJ and CSLL taxes payable by us was inappropriate. Such goodwill was originated in connection with the acquisition of us by UBS in 2006. The amortization of such goodwill occurred from February 2007 to January 2012, although the tax assessment solely relates to the IRPJ and CSLL tax returns for the calendar years 2007, 2008 and 2009. We have filed an appeal of this tax assessment. In February 2013 a preliminary administrative decision was issued, providing for a partial reduction of the tax assessment. Based on our analysis of applicable case law, including in recent similar cases, we believe that the tax assessment is without merit and that we will ultimately prevail in its appeal. As a result, we do not expect to incur any losses (other than the costs of the appeal) in connection with this matter, and have not established (and do not expect to establish) any related reserves on our financial statements. In addition to our assessment as to the validity of this tax assessment, in the event that we incur losses in connection with this matter, we believe we are entitled to be indemnified by third parties for such 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 (Note 16c)

As at June 30, 2013, BTG Pactual Group was part to several civil, labor, lawsuits and other contingences with a possible outcome, which were not recorded in provisions. In addition, there is a challenge of Central Bank of Brazil related to day-trade derivatives transactions, from 2002 to 2004 that potentially favored foreign investor over the bank. The value concerning the results of operations on claimed is US$189 million.

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:		Semester ended:	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012
Tax base	91,668	242,923	944,226	907,299
Income before taxes and profit sharing	459,903	650,231	1,391,001	1,488,001
Statutory profit sharing	(113,235)	(187,308)	(191,775)	(360,702)
Interest on equity	(255,000)	(220,000)	(255,000)	(220,000)
Total charge of income tax and social contribution at the current rates	(36,667)	(97,169)	(377,690)	(362,920)
Permanent (additions) / deductions in taxation calculation	273,240	157,015	242,311	163,593
Equity pick up in subsidiaries and associates and jointly controlled companies in Brazil	178,511	135,482	154,243	158,000
Income/(loss) of foreign exchange on foreign investments	74,004	44,507	63,081	30,902
Dividends	18,507	11,539	26,241	11,743
Other Permanent (additions) / deductions	2,218	(34,513)	(1,254)	(37,052)
Temporary (additions) / deductions on the taxation calculation	(282,394)	(167,359)	(243,760)	(93,263)
Reversal of provision for goodwill on the acquisition of investments	28,427	28,428	56,855	86,291
Interest on equity	(102,000)	(88,000)	(102,000)	(88,000)
Marked-to-market evaluation of securities and derivatives	(31,329)	(15,053)	17,776	(18,597)
Allowance for loan losses	(1,251)	(12,275)	(14,692)	(20,947)
Tax contingencies and provision for suspended-payment taxes	(4,684)	(6,351)	(15,612)	(17,767)
Offset of tax losses carry forward - Abroad	-	(3,365)	-	77,987
Provision on investments	(141,340)	-	(141,340)	-
Other provisions	(30,217)	(70,743)	(44,747)	(112,230)
Offset of tax losses carry forward - Brazil	(1,546)	(32,238)	51,234	(87,781)
Tax and social contribution expense	(47,367)	(75,275)	(327,905)	(204,809)
Temporary differences				
Recognition / (reversal) of the quarter/semester	441,343	163,905	404,709	166,789
Recognition / (reversal) on losses in Brazil	1,546	(32,239)	(51,234)	(87,781)
Recognition of loss on investment abroad	-	3,365	-	(77,987)
(Expenses) / revenues from deferred taxes assets	442,889	135,031	353,475	1,021
Total revenues / (expenses)	395,522	59,756	25,570	(203,788)

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	12/31/2012	Recognition	Realization (i)	6/30/2013
Tax loss carryforward	52,780	-	(52,780)	-
Impairment on investments (ii)	-	302,288	-	302,288
Interest on equity	-	102,000	(26,178)	75,822
Allowance for loan losses	145,680	42,316	(528,012)	(340,016)
Marked-to-market valuation of securities and derivatives	166,904	508,247	-	675,151
Goodwill on the acquisition of investment	425,194	-	(57,722)	367,472
Tax contingencies and provision for suspended-payment taxes	160,852	15,612	-	176,464
Tax from investments abroad (i)	130,139	-	(128,002)	2,137
Other temporary differences	146,470	79,584	(31,880)	194,174
	1,228,019	1,050,047	(824,574)	1,453,492

Income tax and social contribution	12/31/2011	Recognition	Realization	6/30/2012
Tax loss carryforward	345,983	-	(167,313)	178,670
Allowance for loan losses	76,033	55,495	(34,548)	96,980
Marked-to-market valuation of securities and derivatives	2,438	353,883	(335,286)	21,035
Interest on equity	-	88,000	-	88,000
Goodwill on the acquisition of investment	568,340	-	(86,291)	482,049
Tax contingencies and provision for suspended-payment taxes	121,565	17,767	-	139,332
Other temporary differences	64,060	142,137	(32,823)	173,374
	1,178,419	657,282	(656,261)	1,179,440

(i) On December 31, 2012, the foreign income tax paid was recorded on deferred tax asset, and the amount of R$128,002 compensated in 2013 with tax on foreign gains available in Brazil.

(ii) Refers to the tax credit provision for loss on investment in the company BR Properties S.A (note 13).

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

Description	Tax credits on temporary differences	Tax loss carry forwards	Total
2013	571,293	2,136	573,429
2014	180,496	-	180,496
2015	167,426	-	167,426
2016	163,064	-	163,064
After 2017	369,077	-	369,077
	1,451,356	2,136	1,453,492
Present value	1,182,931	1,994	1,184,925

Deferred tax obligations in the amount of R$8,532 (December 31, 2012 - R$8,532) according to note 16(b).

19. Shareholders' equity

a. Capital

As at June 30, 2013, fully subscribed and paid in capital consists of 2,714,902,212 shares (December 31, 2012 – 2,714,902,212), of which 1,390,671,404 commom shares (December 31, 2012 – 1,390,671,404), 508,380,404 class A preferred shares (December 31, 2012 – 508,380,404) and 815,850,404 class B preferred shares (December 31, 2012 – 815,850,404), all no-par, registered shares.

In the meeting of the Board of Directors held on December 20, 2012, directors approved a capital increase of R$52,488, through the issuance of 2,302,068 common shares and 4,604,136 preferred shares class A. This decision was approved by the Central Bank in January 22, 2013.

In the special shareholders meeting held on April 2, 2012 the capital increase was approved without an issuance of shares in the total amount of R$650,000 through the incorporation of the statutory reserve.

In the board of directors meeting held on April 24, 2012 was approved (i) the capital increase of R$2,070,000 was approved through the issuance of 82,800,000 commom shares and 165,600,000 preferred shares class A and (ii) conversion of 85,544,000 Class B preferred shares into common shares. These decisions were approved by the Brazilian Central Bank on June 29, 2012.

In the special shareholders meeting held on December 31, 2011 approved the capital increase of R$ 271,150 without issuing shares. This decision was approved by BACEN on April 16, 2012.

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

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

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

The Class B preferred shares are convertible into common shares, upon request by writing to the holder or the Company without deliberation and board or shareholders meeting, provided that (i) such conversion occurs at the time of issuance of new shares by the Company 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 Company and (iii) conversion is in accordance with the Company's shareholders' agreement. Class B preferred shares can be convertible into Class A preferred shares at the request of its holder, and provided that (i) the Company is a public company with shares listed on stock exchanges and (ii) conversion is in accordance with the Company's shareholders' agreement.

b. Legal reserve

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

c. Statutory reserve

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

d. Unrealized income reserve

Established considering undistributed dividends obtained in foreign branch.

e. Profit distribution

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

On June 30, 2013 the Bank has provisioned R$60,466 (June 30, 2012 – R$181,610), relating to dividends on profits of the semester and R$255,000 (June 30, 2012 – R$220,000), related to interest on equity, which generated R$102,000 (2012 - R$88,000) of tax benefit. These amounts were approved in the Special Shareholders' Meeting held on august 6, 2013 (2012 – August 8, 2012).

20. Income from services rendered

	Quarter ended:		Semester ended:	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012
Management and performance fee from investment funds and portfolios	51,357	69,753	126,758	124,626
Technical services	151,912	88,743	198,784	136,838
Commission on the placement of securities	23,727	23,259	47,912	33,522
Guarantees	36,024	21,813	75,523	40,762
Other services	13,986	8,459	26,354	17,037
	277,006	212,027	475,331	352,785

21. Other operating income

	Quarter ended:		Semester ended:	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012

Recovery of charges and expenses	7	9	255	1,782
Reversal of allowances - other	801	-	1,304	3,451
Reimbursement of clients	201	140	201	140
Reversal of allowances - contingencies	1,242	225	1,438	3,213
Adjustment to inflation of judicial deposits	9,192	9,874	18,988	30,688
Exchange rate variation	89	11,332	89	11,332
Certificate of potencial additional of construction (CEPAC)	1,764	-	3,709	-
Adjustments of purchase price - Coomex	-	-	28,000	-
Indemnities	-	6,233	-	6,233
Other operating income	(177)	3,627	195	4,276
	13,119	31,440	54,179	61,115

22. Other operating expenses

	Quarter ended:		Semester ended:	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012
Other operating provisions	-	1,500	-	10,680
Expenses with taxes adjusted for inflation	137	2,284	265	2,333
Reimbursement of clients	169	357	169	357
Adjustment of amounts payable for acquisition of investments(i)	10,585	15,987	23,640	27,816
Exchange rate variation - other	857	336	981	1,738
Expenses with taxes adjusted	68	-	68	-
Others	(192)	569	886	1,256
Total	11,624	21,033	26,009	44,180

(i) Refers to update of amount payable for the acquisition of investments (basically Banco Panamericano and COOMEX).

23. Other administrative expenses

	Quarter ended:		Semester ended:	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012
Outsourced services and consulting	18,357	63,768	58,296	76,009
Telecommunications and data processing	29,460	18,319	57,239	35,891
Leases and condominiums	14,922	13,576	33,104	18,677
Travel and lodging	8,308	6,543	15,221	12,073
Expenses of the financial system	4,337	4,374	8,169	7,525
Advertising and public relations	3,798	5,865	10,421	9,576
Depreciation/amortization	7,586	4,422	14,510	8,674
Others	20,933	6,280	28,804	12,748
Total	107,701	123,147	225,764	181,173

24. Related parties

Institutions comprising the Grupo BTG Pactual invest their cash and cash equivalents mainly in funding products offered by BTG Pactual S.A.

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

			Assets/Liabilities		Revenues/Expenses	
	Relationship	Maturity	6/30/2013	12/31/2012	6/30/2013	6/30/2012
Assets						
Short-term interbank investments						
Open market investments						
- FIM CP LS Investimento no Exterior	Subsidiary	2/1/2015	2,395,956	3,071,923	64,163	115,858
- B2 - FIM	Related	7/1/2013	1,114,855	-	21,286	-
Interbank investments deposits						
- Banco Panamericano S.A.	Jointly controlled	7/24/2013	1,506,047	1,203,256	307	5,820
Securities and derivative financial instruments						
Derivative financial instruments						
- BTG Investments LP (i)	Related	7/4/2014	205,628	284,323	(21,688)	(93,272)
- BTG Pactual Corretora deTítulos e Valores Mobiliários S.A.	Subsidiary	7/1/2013	67,720	-	4,102	-
- BTG Pactual International Port Fund SPC - Class C	Subsidiary	2/28/2018	61,765	609,861	-	-
- Banco Panamericano S.A.	Jointly controlled	12/28/2015	1,887	-	-	-
- BTG Absolute Return Master Fund (i)	Related	-	13,777	37,363	-	-
- Global Ltd.	Subsidiary	-	-	-	56,927	82,863
Income receivable						
- BTG Global Asset Management Limited	Subsidiary	No maturity	1,896	61,832	13,600	10,761
Securities trading and brokerage						
- BTG Absolute Return Master Fund (i)	Related	-	14,225	35,017	-	-
- BTG Pactual Corretora deTítulos e Valores Mobiliários S.A.	Subsidiary	No maturity	10,802	-	-	-
- BTG Pactual Corretora de Mercadorias Ltda	Subsidiary	No maturity	16,475	-	-	-
-BTG Pactual International Port Fund SPC - Class C	Subsidiary	No maturity	13,312	3,340	-	-
- FIM CP LS Investimento no Exterior	Subsidiary	No maturity	221,779	66,954	-	-
Sundry						
- Max Casa XIX Empreendimentos Imobiliários S.A.	Associate	-	-	5,453	-	-
- ACS Omicron Empreendimentos imobiliários S.A.	Associate	-	-	1,187	-	-
- Warehouse 1 Empreendimentos imobiliários S.A.	Associate	-	-	432	-	-
- BW Properties S.A.	Subsidiary	No maturity	958	958	-	-
- BTG PactuaL Global Asset Management Limited	Subsidiary	-	-	-	-	69,763
- Banco Panamericano S.A.	Jointly controlled	-	-	-	-	7,971
- BTG Investments LP (i)	Related	-	-	35,017	-	-
- Global Ltd	Subsidiary	-	-	-	-	100,574
Liabilities						
Deposits						
Demand deposits						
- BTG Pactual Holding S.A	Parent Company	-	-	(137)	-	-
- BTG Pactual Asset Management S.A.-DTVM	Subsidiary	No maturity	(206)	(100)	-	-
- BTG Pactual Serviços Financeiros S.A.-DTVM	Subsidiary	No maturity	(701)	(535)	-	-
- BTG Pactual Corretora deTítulos e Valores Mobiliários S.A.	Subsidiary	No maturity	(102)	(100)	-	-
- BTG Pactual Corretora de Mercadorias S.A.	Subsidiary	-	-	(252)	-	-
- BTG Pactual Securitizadora S.A.	Subsidiary	-	-	(100)	-	-
- BTG Pactual Gestora de Recursos Ltda.	Subsidiary	No maturity	(296)	(301)	-	-
- BTG Pactual Serviços Energéticos Ltda. - Coomex	Subsidiary	No maturity	(119)	-	-	-
- BTG Pactual Empresa Oper.do Mercado Energético Ltda. - Coomex	Subsidiary	No maturity	(403)	(102)	-	-
- BTG Pactual Comercializadora de Energia Ltda.	Subsidiary	-	-	(108)	-	-
- BTG Pactual Mining S.A. (i)	Related	-	-	(100)	-	-
- BTG Pactual Reinsurance Holdings LP (i)	Related	-	-	(961)	-	-
- Aigues de Catalunya Ltd (i)	Related	-	-	(54)	-	-
- BTG Pactual Spanish Trading Holdings Ltd (i)	Related	-	-	(135)	-	-
- Sócios e pessoal chave da administração	Key personnel	-	-	-	-	-
- BTG Alpha Investments LLC	Related	-	-	-	-	(1,501)
- BTG Pactual RE Holding Ltda	Related	-	-	-	(1,280)	-
Interbank deposits						
- BTG Pactual Asset Management S.A.- DTVM	Subsidiary	2/28/2014	(109,099)	(111,550)	(4,573)	(5,670)
- BTG Pactual Serviços Financeiros S.A. - DTVM	Subsidiary	3/21/2014	(37,700)	(23,994)	(2,013)	(4,542)
- BTG Pactual Corretora deTítulos e Valores Mobiliários S.A.	Subsidiary	3/20/2014	(259,959)	(282,716)	(8,611)	(11,557)
- Banco Panamericano S.A.	Jointly controlled	-	-	-	-	(47,773)
Time deposits						
- BTG Pactual Holding S.A	Parent Company	5/15/2014	(318)	(24,240)	-	-
- BTG Pactual Corretora de Títulos e Valores Mobiliários S.A	Subsidiary	-	-	-	-	(11,557)
- BTG Pactual Empresa Oper.do Mercado Energético Ltda. - Coomex	Subsidiary	3/15/2013	(12,099)	-	(388)	(4,586)
- BTG Pactual SEG Holding LTDA	Subsidiary	-	-	-	-	(626)
- BTG Pactual Alpha Participações Ltda.	Related	-	-	-	-	(91)
- BTG Pactual Corretora de Mercadorias S.A.	Subsidiary	6/20/2014	(87,228)	(67,863)	(2,670)	(2,775)
- BTG Pactual Corporate Services Ltda	Subsidiary	9/23/2013	(3,998)	(3,912)	(133)	(1,386)
- BTG Pactual WM Gestão de Recursos Ltda	Subsidiary	6/23/2014	(36,471)	(27,870)	(1,027)	(701)
- BTG Pactual Comercializadora de Energia Ltda.	Subsidiary	6/28/2014	(253,074)	(122,136)	(5,971)	(4,302)
- BTG Pactual Serviços Energéticos Ltda. - Coomex	Subsidiary	-	-	(11,782)	-	(279)

	Relationship	Maturity	Assets/Liabilities 6/30/2013	Assets/Liabilities 12/31/2012	Revenues/Expenses 6/30/2013	Revenues/Expenses 6/30/2012
- BTG Pactual Gestora de Investimentos Alternativos S.A.	Subsidiary	-	-	-	-	(387)
- BTG Pactual Gestora de Recursos Ltda	Subsidiary	6/20/2014	(157,842)	(142,437)	(4,489)	(907)
- BTG Pactual Securitizadora S.A.	Subsidiary	-	-	-	(15)	-
- BTG Pactual Recovery Holding S.A.	Subsidiary	-	-	-	-	(340)
- BTG Pactual Holding Internacional S.A.	Subsidiary	-	-	(1,337)	(29)	-
- Recovery do Brasil Consultoria S.A.	Subsidiary	2/25/2014	(3,364)	(10,277)	(151)	-
- Harpia ômega Participações S.A	Subsidiary	11/4/2014	(1,787)	-	(28)	-
- BTG Pactual RE Holding LTDA	Subsidiary	-	-	(104,499)	-	(1,253)
- BTG Pactual Asset Management US, LLC (iii)	Subsidiary	1/7/2013	(129,458)	(41,846)	-	-
- BTG Pactual Asia Limited (iii)	Subsidiary	1/7/2013	(5,816)	(5,346)	-	-
- BTG Pactual US Capital, LLC (iii)	Subsidiary	1/7/2013	(83,989)	(32,215)	-	-
- BTG Pactual International Port Fund SPC - Class C (iii)	Subsidiary	1/7/2013	(370,510)	(100,198)	-	-
- BTG Pactual Global Asset Management Limited (iii)	Subsidiary	1/7/2013	(2,402)	(13,160)	-	-
- BTG Pactual Global Fund (iii)	Subsidiary	1/7/2013	(51,694)	(103,790)	-	-
- BTG Pactual Overseas Corporation (iii)	Subsidiary	1/7/2013	(9,122)	(6,370)	-	-
- BTG Pactual Europe LLP (iii)	Subsidiary	1/7/2013	(117,821)	(74,835)	-	-
- BTG Pactual Proprietary Feeder (1) Limited (i) (iii)	Related	1/7/2013	(7,653)	(2,768)	-	-
- BTG Investments LP (i) (iii)	Related	1/7/2013	(208,605)	(10,869)	-	-
- BTG MB Investments LP (ii) (iii)	Related	-	-	(2,130)	-	-
- BTG Pactual Absolute Return Master Fund (i)	Related	1/7/2013	(116,884)	(2,821)	-	-
- BTG Equity Investments LLC (i)	Related	1/7/2013	(55,173)	(6,615)	-	-
- BTG Alpha Investments LLC (ii)	Related	1/7/2013	(2,076)	(1,499)	-	-
- BTG Pactual Stigma LLC (i)	Related	-	-	(704)	-	-
- BTG Pactual Beta Participações S.A. (ii)	Related	6/23/2014	(1,188)	(1,979)	-	(50)
- BTG Pactual Pharma Participações S.A. (ii)	Related	11/22/2013	(298)	(388)	-	(14)
- Latan Fund	Subsidiary	1/7/2013	(22,041)	(20,355)	-	-
- BTG Pactual Reinsurance Holdings LP (i)	Related	1/7/2013	(1,001)	-	-	-
Open market funding						
Own portfolio						
- FIM CP LS Investimento no Exterior	Subsidiary	1/7/2013	(838,965)	-	(13,292)	-
Third-party portfolio						
- Banco Panamericano S.A.	Jointly controlled	1/7/2013	(138,017)	(6,002)	-	5,327
- FIM CP LS Investimento no Exterior	Subsidiary	-	-	(110,688)	-	-
- BTG Pactual Saúde Fundo de Investimento em Participações	Subsidiary	1/7/2013	(133)	(4,460)	-	-
Funds from securities issued and accepted						
Real Estate Bills						
- BTG Pactual Comercializadora de Energia Ltda.	Subsidiary	No maturity	(1,009)	(8,095)	-	-
- BTG Pactual Serviços Energéticos Ltda.	Subsidiary	No maturity	(278)	-	-	-
- Sócios e pessoal chave da administração	Key personnel	11/9/2013	(28,233)	(30,711)	-	-
Derivative financial instruments						
- BTG Pactual International Port Fund SPC - Class C	Subsidiary	3/1/2020	(522,335)	(736,105)	-	-
- BTG Pactual Corretora deTítulos e Valores Mobiliários S.A.	Subsidiary	7/1/2013	(67,753)	-	(4,135)	-
- Global Ltd.	Subsidiary	2/19/2018	(91,573)	(52,522)	(91,687)	(152,688)
- Leblon Investment Fund Ltd.	Related	-	-	(22,325)	-	-
- Banco Panamericano S.A.	Jointly controlled	4/22/2020	(96,484)	(101,783)	(19,986)	(50,495)
Other obligations						
Securities trading and brokerage						
- BTG Pactual Corretora de Mercadorias Ltda.	Subsidiary	-	-	(66,079)	-	-
- BTG Pactual Corretora de Títulos e Valores Mobiliários S.A	Subsidiary	-	-	(27,637)	-	-
- BTG Pactual International Port Fund SPC - Class C	Subsidiary	-	-	(49,977)	-	-
- FIM CP LS Investimento no Exterior	Subsidiary	-	-	(238,495)	-	-
Sundry						
- BTG Pactual Corretora de Mercadorias Ltda.	Subsidiary	No maturity	(432)	-	-	(2,585)
- BTG Pactual Corretora de Títulos e Valores Mobiliários S.A	Subsidiary	-	-	(27,637)	-	-
- BTG Pactual Serviços Financeiros S.A.-DTVM	Subsidiary	-	-	(17,211)	-	-
- BTG Pactual US AM Corp.	controlled	No maturity	(8,676)	-	(17,539)	-
- BTG Pactual Chile SPA	Subsidiary	-	-	(1,738)	-	-
- BTG Pactual US Capital, LLC	Subsidiary	No maturity	(713)	(14,193)	-	-
- BTG Pactual Europe LLP	Subsidiary	No maturity	(66,489)	(3,983)	(66,184)	(74,243)
- BTG Pactual Asia Limited	Subsidiary	No maturity	(10,918)	(8,664)	(8,641)	(14,145)

(i) Subisidieries of BTG Pactual Participations Ltd.
(ii) Controlled by BTG MB Investments.
(iii) Classified as Demand deposits until December 31, 2012.

As of June 30, 2013 the Bank holds trading securities, issued by third parties, which are backed by guarantees issued by BTG Investments LP in the approximately amount of R$521 million (December 31, 2012 – R$500 million).

Total compensation paid in the semester to key management personnel totaling R$71,147 (June 30, 2012 – R$35,780) is considered a short-term benefit.

25. Other information

a. Cash and cash equivalents

Balacentes at beginning of semester	12/31/2012	12/31/2011
Cash at banks	188,402	435,144
Open market investments	13,303,570	12,521,959
Interbank deposits	1,714,131	816,920
	15,206,103	13,774,023

Balancetes of end of semester	6/30/2013	6/30/2012
Cash at banks	376,424	227,412
Open market investments	13,962,283	12,666,288
Interbank deposits	2,702,471	1,072,874
	17,041,178	13,966,574

b. Commitments and responsibilities

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

	6/30/2013	12/31/2012
Co-obligation and risks for guarantees granted	5,972,467	7,182,668
Responsibility for the management of futures and investment portfolio (i)	10,275,592	12,006,304
Securities under custody	392,516,100	273,729,992
Securities trading and brokerage	974,446,060	1,937,259,799
Loans contracted to release	2,172,423	2,681,347

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

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

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

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

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

26. Subsequent events

On July 26, 2013 the Bank concluded the acquisition process of 94.34% of TTG Brasil Investimentos Florestais Ltda. ("TTG Brasil") for a total amount of R$20.2 million. TTG Brasil is one of the largest timberland asset management

companies in Latin America and has offices in Brazil and New York City. This acquisition was approved on June 24, 2013 by the Central Bank of Brazil.