Financial Statements

Banco BTG Pactual S.A.

September 30, 2014

With independent auditors' review report

BANCO BTG PACTUAL S.A.

Financial Statements

September 30, 2014

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Building a better working world

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

Independent auditors' review report

To the Shareholders and Management of
Banco BTG Pactual S.A.

We have reviewed the interim financial statements of Banco BTG Pactual S.A. ("Bank") for the quarter ended September 30, 2014, which comprise the balance sheet as of September 30, 2014 and the related statements of income for the three and nine-month periods then ended, and changes in shareholders' equity and cash flows for the nine-month period then ended, and a summary of significant accounting practices and other explanatory notes.

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

Scope of review

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

Conclusion

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

Building a better working world

Emphasis of matter

As of September 30, 2014, the jointly controlled subsidiary Banco Pan S.A. has deferred tax assets recorded on its balance sheet amounting to R$ 2.9 billion, recognized based on long-term deferred tax realization projection. This deferred tax realization projection was reviewed by Banco Pan S.A.'s management based on current and future scenarios analysis on June 2014 and approved by its Board of Directors on June 30, 2014, which main assumptions used were the macroeconomics indexes for production, funding costs, a capital injection and disposal of assets. The realization of these tax credits, within the estimated realization period, depends on delivery of these projections and business plan as approved by the management bodies of Banco Pan S.A. Our conclusion is not qualified in respect to this matter.

Other matters

Statement of value added

We have also reviewed the statement of value added (SVA), for the nine-month period ended September 30, 2014, prepared under the responsibility of Bank's management, which financial statement presentation mentioned above is required by Brazilian Corporate Law, as supplementary information under the accounting practices applicable to institutions accredited by the Central Bank of Brazil. This statement has been subject to the same review procedures previously described, and based on our review nothing has come to our attention that causes us to believe that the statement of value added is not fairly presented, in all material respects, in relation to the overall interim financial statement.

Rio de Janeiro, November 4, 2014.

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

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

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

BANCO BTG PACTUAL S.A.

Balance sheets

As at September 30, 2014 and December 31, 2013

(In thousands of reais)

	Note	30/09/2014	31/12/2013
Assets			
Current assets		96,495,331	88,847,217
Cash at banks	6	732,391	791,500
Interbank investments	7	36,543,838	27,072,093
Open market investments		30,847,943	23,264,529
Interbank deposits		5,695,895	3,807,564
Securities and derivative financial instruments		36,060,584	37,515,129
Own portfolio	8	16,298,325	20,161,272
Subject to repurchase agreements	8	2,743,271	9,636,015
Subject to unrestricted repurchase agreements	8	473,125	964,890
Derivative financial instruments	9	15,900,536	3,228,102
Subject to guarantees	8	645,327	3,524,850
Interbank transactions		220,326	238,065
Payables and receivables pending settlement		101	-
Deposits in the Central Bank of Brazil		218,838	237,821
Correspondent banks		1,387	244
Loans	10	7,077,043	4,782,055
Loans		7,119,638	4,843,893
Transferred loans		193,849	-
Allowance for loan losses		(236,444)	(61,838)
Other receivables		15,773,415	18,413,921
Credits for guarantees honored		53,355	51,188
Foreign exchange portfolio	11	5,884,978	13,023,154
Income receivable	12	1,640,814	229,923
Securities trading and brokerage	11	6,032,080	4,151,169
Sundry	12	2,254,610	1,080,881
Allowance for losses on other receivables	10	(92,422)	(122,394)
Other assets		87,734	34,454
Temporary investments		52,149	-
Other assets		21,442	17,165
Prepaid expenses		25,327	25,476
Provision for losses		(11,184)	(8,187)
Long-term-assets		25,914,931	17,396,395
Interbank investments	7	93,140	102,180
Open market investments		73,883	50,863
Interbank deposits		19,257	51,317
Securities and derivative financial instruments		14,684,237	2,622,906
Own portfolio	8	5,215,387	423,821
Subject to repurchase agreements		3,550,678	-
Derivative financial instruments	9	5,698,754	2,199,085
Subject to guarantees		219,418	-
Interbank transactions		1,853	1,853
Restricted credits – National Housing System		1,853	1,853
Loans	10	8,032,653	9,347,667
Loans		8,160,145	9,452,070
Allowance for loan losses		(127,492)	(104,403)
Other receivables		3,077,124	5,305,219
Securities trading and brokerage	11	1,591,004	3,042,151
Sundry	12	1,490,414	2,276,251
Allowance for losses on other receivables	10	(4,294)	(13,183)
Other assets		25,924	16,570
Prepaid expenses		25,924	16,570
Permanent assets		12,873,672	8,581,823
Investments		12,697,906	8,412,298
Investments in subsidiaries, associates and jointly controlled entities - in Brazil	13	9,429,928	6,040,051
Investments in subsidiaries, associates and jointly controlled entities - abroad	13	3,178,311	2,282,911
Other investments		92,534	92,203
Allowance for losses		(2,867)	(2,867)
Property and equipment in use		68,294	71,882
Other property and equipment in use		133,886	127,114
Accumulated depreciation		(65,592)	(55,232)
Deferred charges		5,196	6,743
Amortization and expansion costs		28,703	28,703
Accumulated amortization		(23,507)	(21,960)
Intangible assets	14	102,276	90,900
Other intangible assets		142,944	117,037
Accumulated amortization		(40,668)	(26,137)
Total assets		135,283,934	114,825,435

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

BANCO BTG PACTUAL S.A.

Balance sheets

As at September 30, 2014 and December 31, 2013
(In thousands of reais)

	Note	30/09/2014	31/12/2013
Liabilities			
Current liabilities		84,565,675	78,008,940
Deposits	15	21,276,102	19,315,228
Demand deposits		226,524	158,912
Interbank deposits - with associates		634,400	588,016
Interbank deposits		598,381	320,313
Time deposits		19,816,797	18,247,987
Open market funding	15	28,808,223	29,659,459
Own portfolio		6,326,804	7,768,319
Third-party portfolio		15,688,056	8,301,735
Unrestricted portfolio		6,793,363	13,589,405
Funds from securities issued and accepted	15	7,295,973	6,986,102
Real estate, mortgage, credit and similar notes		5,442,785	4,859,427
Securities issued abroad		1,817,133	2,126,675
Structured transactions		36,055	-
Interbank transactions		6,573	2,513
Unsettled receipts and payments		6,573	2,513
Loans and onlending	15	3,126,091	2,985,505
Loans in Brazil		436,430	176,577
Loans abroad		2,681,231	2,802,386
Onlending in Brazil – official institutions		8,430	6,542
Derivative financial instruments	9	16,155,138	3,718,384
Derivative financial instruments		16,155,138	3,718,384
Other liabilities		7,897,575	15,341,749
Collection and payments of tax and similar charges		1,648	1,342
Foreign exchange portfolio	11	5,217,332	12,491,599
Social and statutory	16	222,398	730,398
Tax and social security	16	33,808	67,852
Securities trading and brokerage	11	1,909,266	1,747,499
Sundry	16	513,123	303,059
Long-term liabilities		36,371,544	24,605,163
Deposits	15	1,914,497	1,794,298
Interbank deposits		92,448	68,297
Time deposits		1,822,049	1,726,001
Open market funding	15	4,088,158	1,819,095
Own portfolio		205,380	1,805,341
Third-party portfolio		445,424	-
Unrestricted portfolio		3,437,354	13,754
Funds from securities issued and accepted	15	11,460,923	8,487,727
Real estate, mortgage, credit and similar notes		7,724,988	4,243,866
Securities issued abroad		3,735,935	4,243,861
Loans and onlending	15	1,478,622	1,715,153
Loans abroad		-	739,209
Loans in Brazil – official institutions		1,478,622	975,944
Derivative financial instruments	9	5,686,739	2,405,567
Derivative financial instruments		5,686,739	2,405,567
Other liabilities		11,742,605	8,383,323
Tax and social security	16	803,242	743,759
Securities trading and brokerage	11	-	128,329
Subordinated debt	15	7,134,039	6,748,716
Debt instrument eligible to equity	15	3,158,721	-
Sundry	16	646,603	762,519
Deferred income		125,885	136,883
Shareholders' equity	19	14,220,830	12,074,449
Capital stock - domiciled in Brazil		4,687,289	4,687,289
Capital stock - domiciled Abroad		1,719,574	1,719,574
Fair value of assets available for sale	13	41,848	57,543
Income reserves		5,700,382	5,610,043
Retained earnings		2,071,737	-
Total liabilities and shareholders' equity		135,283,934	114,825,435

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

BANCO BTG PACTUAL S.A.

Statements of income

Nine-month period and quarter ended September 30
(In thousands of reais, except for earnings per share)

	Note	Quarter ended: 30/09/2014	Quarter ended: 30/09/2013	Nine-month period ended: 30/09/2014	Nine-month period ended: 30/09/2013
Financial income		2,454,535	2,500,866	7,729,156	6,632,809
Loans		540,980	324,414	1,212,925	961,974
Securities		1,942,757	1,999,776	5,515,865	5,315,949
Foreign exchange		(34,707)	169,627	979,634	337,236
Mandatory investments		5,505	7,049	20,732	17,650
Financial expenses		(3,566,374)	(2,021,789)	(7,113,788)	(5,080,455)
Funding operations		(1,952,434)	(1,601,790)	(5,901,848)	(3,495,842)
Borrowing and onlending		(977,051)	(33,351)	(926,853)	(563,590)
Derivative financial instruments		(539,549)	(361,847)	(67,637)	(890,703)
Allowance for loan losses and other receivables	10	(97,340)	(24,801)	(217,450)	(130,320)
Net financial income		(1,111,839)	479,077	615,368	1,552,354
Other operating income (expenses)		1,498,257	247,473	1,981,431	564,202
Income from services rendered	20	263,234	262,989	750,952	738,320
Personnel expenses		(60,589)	(59,738)	(183,111)	(167,397)
Other administrative expenses	23	(145,397)	(98,163)	(391,924)	(323,927)
Tax charges		(15,155)	(57,436)	(121,187)	(162,849)
Equity pick up in subsidiaries, associates and jointly controlled entities	13	1,429,070	168,626	1,875,194	420,690
Other operating income	21	51,414	50,431	127,894	104,610
Other operating expenses	22	(24,320)	(19,236)	(76,387)	(45,245)
Operating income		386,418	726,550	2,596,799	2,116,556
Non-operating income (expenses)		(1,359)	1,090	(5,828)	2,085
Income before taxation and profit sharing		385,059	727,640	2,590,971	2,118,641
Income tax and social contribution	18	500,526	(102,071)	141,622	(76,501)
Provision for income tax		195,320	(20,693)	652	(223,953)
Provision for social contribution		120,228	(12,416)	1,901	(137,061)
Deferred income tax and social contribution		184,978	(68,962)	139,069	284,513
Statutory profit sharing		(81,843)	(10,779)	(122,078)	(202,554)
Net income for the quarter/period		803,742	614,790	2,610,515	1,839,586
Interest on equity	19	-	-	(301,800)	(255,000)
Weighted average numbers of share outstanding		2,714,902,212	2,714,902,212	2,714,902,212	2,714,902,212
Net income per share - R$		0.30	0.23	0.96	0.68

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

BANCO BTG PACTUAL S.A.

Statements of changes in shareholders' equity

Nine-month period and quarter ended September 30

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

	Note	Capital	Increase in capital	Income reserves				Fair value adjustments	Retained earnings	Total
				Legal	Unrealized	Statutory	Total			
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)	-	-	-	-	-	-	-
Changes in fair value of assets available for sale - jointly controlled		-	-	-	-	-	-	3,656	-	3,656
Net income for the period		-	-	-	-	-	-	-	1,839,586	1,839,586
Net income allocation	19									
Legal reserve		-	-	61,240	-	-	61,240	-	(61,240)	-
Intermediate interest on equity (R$ 0.09 per share)	19	-	-	-	-	-	-	-	(255,000)	(255,000)
Intermediate dividends (R$ 0.02 per share)	19	-	-	-	-	-	-	-	(60,465)	(60,465)
Balances as at September 30, 2013		6,406,863	-	387,279	1,291,350	2,044,244	3,722,873	3,656	1,462,881	11,596,273
Balances as at December 31, 2013		6,406,863	-	458,187	1,078,592	4,073,264	5,610,043	57,543	-	12,074,449
Changes in fair value of assets available for sale	13	-	-	-	-	-	-	(11,724)	-	(11,724)
Changes in fair value of assets available for sale - jointly controlled		-	-	-	-	-	-	(3,971)	-	(3,971)
Net income for the period		-	-	-	-	-	-	-	2,610,515	2,610,515
Net income allocation	19									
Legal reserve		-	-	90,339	-	-	90,339	-	(90,339)	-
Intermediate interest on equity (R$0.11 per share)	19	-	-	-	-	-	-	-	(301,800)	(301,800)
Intermediate dividends (R$0.05 per share)	19	-	-	-	-	-	-	-	(146,639)	(146,639)
Balances as at September 30, 2014		6,406,863	-	548,526	1,078,592	4,073,264	5,700,382	41,848	2,071,737	14,220,830

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

BANCO BTG PACTUAL S.A.

Statements of cash flows

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

	Note	30/09/2014	30/09/2013
Operating activities			
Net income for the period		2,610,515	1,839,586
Adjustments to net income		(1,848,637)	(398,428)
Equity pick up in subsidiaries, associates and jointly controlled entities	13	(1,887,821)	(418,277)
Goodwill amortization	13	12,627	(2,413)
Depreciation and amortization	23	26,557	22,262
Adjusted net income for the period		761,878	1,441,158
Operational activities			
Short-term interbank investments		2,277,224	(17,399,511)
Securities and derivative financial instruments		2,816,699	1,253,176
Loans		(979,974)	(4,933,481)
Other receivables and other assets		6,415,813	(9,767,600)
Interbank transactions		21,799	216,402
Other liabilities		(7,249,845)	7,349,853
Deferred income		(10,998)	(13,927)
Deposits		2,081,073	4,698,678
Open market funding		1,417,827	10,019,454
Loans and onlending		(95,945)	2,019,744
Cash (used in)/provided by operating activities		7,455,551	(5,116,054)
Investing activities			
Acquisition of investments	13	(2,242,914)	(23,651)
Sale of investments	13	218,880	39,895
Acquisition of other investments		(331)	(6,903)
Sale of property and equipment in use		49	-
Acquisition of property and equipment in use		(3,214)	(11,885)
Acquisition of equity interests	13	-	(1,030,194)
Acquisition of intagible assets	14	(25,663)	(19,938)
Dividends received		278,880	319,910
Cash (used in) / provided in investing activities		(1,774,313)	(732,766)
Financing activities			
Funds from securities issued and accepted		3,283,067	5,500,089
Subordinated debt and		385,323	370,428
Debt instrument eligible to equity		3,158,721	-
Interest on equity		(548,700)	(475,000)
Dividends distributed		(278,829)	(252,551)
Cash provided by financing activities		5,999,582	5,142,966
Increase in cash and cash equivalents	25	11,680,820	(705,854)
Balance of cash and cash equivalents			
At the beginning of the period		10,195,250	15,206,103
At the end of the period		21,876,070	14,500,249
Increase in cash and cash equivalents		11,680,820	(705,854)
Noncash transactions		(2,278,746)	-
Transfer of shares BTGP E&P		(2,278,746)	-

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

BANCO BTG PACTUAL S.A.

Statements of value added

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

	Note	30/09/2014	30/09/2013
Income		8,342,605	7,302,259
Financial income		7,725,300	6,632,809
Services rendered	20	750,952	738,320
Allowance for loan losses and other receivables	10	(217,450)	(130,320)
Other		83,803	61,450
Expenses		(6,926,163)	(4,950,135)
Financial brokerage		(6,926,163)	(4,950,135)
Inputs acquired from third parties		(324,019)	(258,208)
Materials, energy and other		(4,326)	(4,851)
Outsourced services		(319,693)	(253,357)
Gross value added		1,092,423	2,093,916
Depreciation and amortization		(26,557)	(22,262)
Net value added produced by the entity		1,065,866	2,071,654
Value added received through transfer		1,875,194	420,690
Equity pick up in subsidiaries, associates and jointly controlled entities	13	1,875,194	420,690
Value added to be distributed		2,941,060	2,492,344
Distribution of value added		2,941,060	2,492,344
Personnel		309,631	344,983
Direct compensation		277,100	314,311
Benefits		22,524	21,710
FGTS – government severance pay fund		10,007	8,962
Taxes, fees and contributions		(20,434)	272,617
Federal		(55,661)	227,772
Municipal		35,227	44,845
Remuneration of third party capital		41,348	35,158
Rent		41,348	35,158
Remuneration of shareholders		2,610,515	1,839,586
Interest on equity	19	301,800	255,000
Dividends declared	19	146,639	60,465
Retained earnings		2,162,076	1,524,121

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 Pactual Group.

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

The financial statements were approved by Bank's Management on November 4, 2014, and they contain a true and fair view of the development and results of the Bank.

2. Corporate restructuring and acquisitions

Corporate events

Banco Pan S.A. ("Banco Pan"), Bank and Caixa Participações S.A. - CAIXAPAR ("Caixapar"), on August 21, 2014, executed a purchase and sale agreements through which Banco Pan sold (i) its 100% interest in Panamericana de Seguros S.A. to BTG Pactual Seguradora S.A. ("BTGP Seguradora"), a Bank's subsidiary, as well as (ii) its 100% interest in Pan Corretora to BTG Pactual and Caixapar, for the total combined amount of R$580,000, which will be adjusted by the 100% positive variation of DI (interbank deposit) rate until the closing of the Transactions. Caixapar, within the scope of the Transactions, protected its right to maintain, after the closing of the Transactions, its current condition as co-controlling shareholder of Panamericana de Seguros S.A..

The effective closing of each Transaction will be subject (i) also to the closing of the other Transaction, since these refer to mutually dependent businesses and purchase and sale agreements and (ii) to usual conditions for transactions of this nature, including all the necessary and applicable regulatory approvals by the appropriate Brazilian authorities.

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

The Bank and Caixapar exercised their respective preemptive rights in connection with the capital issuance described in (i) and made a total capital contribution of R$1,331.6 million, becoming the joint holders of all voting shares and 80.7% of Banco Pan's total capital stock. CaixaPar and Bank have also guaranteed, in the aggregate, 100% of the subscription of the redeemable preferred shares described in (ii) above.

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

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

In December 2013, the bank sold its interests in BTG Pactual Absolute Return Fund II, L.P ("ARF II") to an independent third party for a total consideration equal to the net asset value ("NAV") of such interests. On the same date, such third party entered into a separate binding agreement to sell such interests in ARF II to BTG Investment L.P. ("BTGI"), which is the primary investment vehicle for the principal investments business unit of the BTG Pactual Group.

The legal title to the interests in ARF II will be transferred from the bank to the third party (and from the third party to BTGI) only upon payment of the total consideration for the transaction. However, in December 2013 the transaction was considered for all relevant purposes to represent the immediate transfer of the risk, rewards and control from the bank to the third party (and from the third party to BTGI).

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 the bank, received authorization from SUSEP to offer reinsurance products in Brazil.

Acquisitions and disposal

BTG Pactual Group has entered into a joint venture to establish a reinsurance business operating through a number of regulated reinsurance entities. As part of the growth strategy of the joint venture, as at July 10, 2014, the Bank has agreed to acquire 100% of the shares of Ariel Re (Holdings) Limited's operations ("Ariel"), a non-life international reinsurance group, based in London and Bermuda, that specializes in property catastrophe reinsurance. Subsequently to the approval of the acquisition by the Brazilian and non-Brazilian regulators, including the Brazilian Central Bank approval, Ariel will be transferred to the joint venture and as a consequence our interest on it will be equivalent to 50%

As at July 14, 2014 the Bank signed a binding agreement to acquire all of the shares of BSI SA, a Swiss private bank indirectly owned by Assicurazioni Generali S.p.A. ("Seller"). The total purchase consideration envisaged for the transaction, subject to potential adjustments in accordance with the terms of the agreement, is CHF 1.5 billion (R$ 3.7 billion) ("Consideration"), to be paid in the proportion of 80% in cash and 20% in BBTG11 Units. In order to implement such payment structure, on the closing date (i) BSI shares representing 84% of the Consideration will be directly acquired by an international subsidiary of Banco BTGP ("International Subsidiary"); and (ii) a Brazilian vehicle owned by the Seller and holding BSI shares representing 16% of the Consideration will be merged into BTG Pactual. Upon the authorization of the Brazilian Central Bank in relation to such merger, (i) the shares issued by BTG Pactual in the context of the merger shall be used by the Seller to form BBTG11 Units; and (ii) the remaining part of BSI shares owned by BTG Pactual as a result of the merger shall be contributed to the International Subsidiary, which will be the owner of the totality of BSI's share capital.

The conclusion and closing of the transaction are subject to the customary conditions for this type of transaction, including the obtaining of all necessary Brazilian and non-Brazilian regulatory approvals, including the Brazilian Central Bank approval.

On November 21, 2013 the Bank sold to Harpia Ômega Participações S.A, controlled invest by BTG Investiments LP, an amount of shares equivalent to 21.42% from the total of 24.53% on BR properties equity participation. On December 2013 Harpia Ômega Participações S.A. subscribed capital in BTG Pactual Property Co with its total shares of BR Properties. On January 23, 2014, the bank sold the remaining 2.98% equity interest to BTG Pactual PropertyCo II LLC, a "BTG Investments LP" subsidiary. Both trades were done in BM&FBovespa, based on the opening price of the day.

On April 10, 2014, BTG Pactual Property Co and BTG Pactual Property Co II LLC sold 15% and 3.65%, respectively, of its shares to the fund Propertyco FIM CP IE, whose shareholder is the Bank. The referred transaction was executed on the Brazilian Stock Exchange (BM&FBovespa) based on the closing price of April 10, 2014, for a total consideration of R$1,075 million. Such assets were classified as "Securities" in trading category.

During the period ended September 30, 2014, and year ended December 31, 2013, the company's investments was measured by equity pickup using affiliates net worth on base dates, deducted from non-permanent devaluation provision. This action is based on BACEN Resolution No. 3566 (CPC01 – Impairment of Assets), these results were recognized in the line of equity pick up in associates and jointly controlled entities.

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. For accounting purposes, the acquisition date of TTG was July 01, 2013 and the goodwill recorded in the transaction was R$0.7 million. In addition, on September 6, 2013 and through its subsidiary BTG Pactual Timberland Investments Group LLC, the Bank acquired timberland management contracts from Regions Timberland Group ("RTG"), a division of Regions Bank. This acquisition, which expands BTG Pactual's current timberland investment platform and establishes it as the largest independent timberland manager in Latin America and one of the largest worldwide, with committed and invested assets of nearly US$3 billion and a portfolio of over 1.77 million acres (716,000 hectares) diversified across the USA, Latin America, Europe and South Africa.

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$1.5 billion. As of June 30, 2014 the bank had approximately 33% indirect economic interest in PO&G after the sale of the economic interest to 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"), against Banco Bamerindus do Brasil S/A ("Bamerindus"), 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 due diligence process, complete the extrajudicial liquidation of the Institution and its subsidiaries, and the settlement of certain of their financial obligations, resulting in positive shareholders' equity. The Institution's assets do not include the Bamerindus brand.

The transaction remains subject to the satisfaction of several typical closing conditions, including the receipt of all required regulatory approvals, the completion of the extrajudicial liquidation of Bamerindus and its subsidiaries, and the settlement of certain of their financial obligations in order for Bamerindus to have positive shareholders' equity. In October 2013, we signed an amendment to the agreement extending the period that the parties had to satisfy the typical closing conditions. We expect the transaction to close in 2014, although there can be no assurance that the transaction will be concluded.

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.

3. Presentation of the financial statements

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

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

Functional currency

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

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

4. Significant accounting practices

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

a. Cash and cash equivalents

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

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

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

c. Securities

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

i. Trading securities

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

ii. Available for sale securities

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

iii. Held to maturity securities

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

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

d. Derivative financial instruments

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

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

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

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

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

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

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

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

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

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

f. Financial instruments – net presentation

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

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

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

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

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

i. Allowance for loan losses

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

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

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

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

j. Investments

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

k. Goodwill or negative goodwill

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

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

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

l. Property and equipment in use and deferred charges

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

m. Intangible assets

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

n. Impairment

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

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

o. Income tax and social contribution

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

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

Recognized according to the criteria described below:

i. Contingent assets

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

ii. Contingent liabilities

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

iii. Legal obligation – tax and social security

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

q. Earnings per share

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

r. Revenue recognition

Revenues and expenses are recorded on the accrual basis.

5. Risk management

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

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

a. Operating limits

	30/09/2014	31/12/2013
Reference Shareholders' Equity	14,220,830	10,966,010
Tier I	12,807,960	11,375,535
Common Equity	12,807,960	11,375,535
Tier II	4,545,445	5,113,625
Reference Shareholders' Equity (PR) - (a)	17,353,405	16,489,160
Required Reference Shareholders' Equity (PRE)	11,910,026	10,201,774
Total exposure risk-weighted - (b)	11,910,026	10,202,073
Credit risk	6,869,498	6,309,435
Operational risk	644,830	398,908
Market risk	4,395,698	3,493,730
Basel ratio - (a/b*11%)	16.0%	17.8%
Tier I capital	11.8%	12.3%
Tier II capital	4.2%	5.5%
Fixed assets ratio	99.8%	73.6%
Fixed assets to equity capital ratio	8,669,800	8,237,556
Status for fixed assets to equity capital ratio	8,655,396	6,062,576
Amount of margin or insufficient	14,404	2,174,979

The resolutions 4.192/13 and 4.278/13 issued by the CMN regulates the requirements on Minimum Required Capital for Tier I and Additional Capital and Resolution 4.193/13 institute the Additional for the Main Capital. Credit risk was calculated based on the Circular BACEN 3.644/13, 3.652/13, 3.679/13 and 3.696/14, market risk based on Circulars 3.634, 3.635, 3.636, 3.637, 3.638, 3.639, 3.641 and 3.645, of 2013 and Circulars-Letters 3.310/08 and 3.498/11, and operational risk based on Circulars 3.640/13 and 3.675/13 and Circular-Letter 3.625/13 for operating risk.

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

As at September 30, 2014 and December 31,2013 the Bank was in compliance with all operating limits.

b. Market risk

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

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

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

In millions of R$	**September 2014**	**December 2013**	**September 2013**
Daily average VaR	65.8	52.5	53.7

c. Credit risk

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

the financial instruments that may generate counterparty risks, such as private bonds, derivatives, guarantees given, possible settlement risks among others.

d. Liquidity risk

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

e. Operating risk

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

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

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

6. Cash at banks

Cash refer basically to deposits abroad in prime banks.

7. Interbank investments

	30/09/2014					31/12/2013
	Total	Up to 90 days	90 to 365 days	1 to 3 years	Over 3 years	Total
Open market investments	30,921,826	29,964,261	883,682	39,293	34,590	23,315,392
Own portfolio	4,942,493	4,807,706	124,440	5,503	4,844	2,286,266
Federal government bonds	4,493,220	4,358,433	124,440	5,503	4,844	2,123,640
Corporate bonds	446,725	446,725	-	-	-	159,655
Federal foreign government bonds	2,548	2,548	-	-	-	2,971
Third-party portfolio	22,170,735	21,435,430	671,769	33,790	29,746	15,313,302
Federal government bonds	22,045,651	21,310,346	671,769	33,790	29,746	15,313,302
Corporate bonds	125,084	125,084	-	-	-	-
Short position	3,808,598	3,721,125	87,473	-	-	5,715,824
Federal government bonds	3,808,598	3,721,125	87,473	-	-	5,715,824
Interbank investments	5,715,152	5,576,173	119,722	19,257	-	3,858,881
Interbank deposit certificates	2,670,043	2,531,064	119,722	19,257	-	2,071,787
Investments in foreign currency - overnight	3,045,109	3,045,109	-	-	-	1,787,094
	36,636,978	35,540,434	1,003,404	58,550	34,590	27,174,273

The collateral received in repurchase agreements amounts to R$31,151,610 (December 31, 2013- R$23,372,662), whereas the collateral granted amounts to R$32,910,329 (December 31, 2013 – R$31,529,145).

8. Securities

a. Summary by type of portfolio

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

	30/09/2014							31/12/2013
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	21,611,494	21,513,712	3,474,382	2,240,018	5,577,884	7,212,687	3,008,741	20,585,093
Federal government bonds	782,613	779,920	525,648	88,902	107,748	53,309	4,313	936,127
Brazilian foreign debt securities	27,586	27,585	-	807	368	1,588	24,822	29,084
Debentures/Eurobonds (i)	5,459,384	5,476,139	567,885	554,870	1,372,266	1,315,959	1,665,159	3,192,378
Bank credit certificate	-	-	-	-	-	-	-	76,912
Certificate of real estate receivables	1,155,176	1,152,083	63,697	-	5,070	331	1,082,985	1,348,704
Investment fund quotes								
Multimarket	5,667,768	5,667,768	404,789	-	-	5,262,979	-	6,237,738
Shares	578,041	578,041	-	-	-	578,041	-	73,583
FIDC - Credit rights	725,443	725,443	-	-	725,443	-	-	1,005,124
Equity investment fund	2,646,251	2,646,251	-	-	2,646,251	-	-	4,551,305
Real estate	265,694	265,694	-	-	265,694	-	-	318,193
Shares	777,683	677,388	677,388	-	-	-	-	762,309
Promissory notes	1,291,526	1,291,238	62,836	1,228,402	-	-	-	35,166
Others	197,355	190,772	-	43	140	455	190,134	154,599
Foreign private securities								
Shares	150,540	152,748	152,748	-	-	-	-	369,668
Foreign government bonds								
Denmark	921,420	917,893	465,491	-	452,402	-	-	929,521
Others	965,014	964,749	553,900	366,994	2,502	25	41,328	564,682
Unrestricted portfolio	485,437	473,125	-	-	-	-	473,125	964,890
Federal government bonds	485,437	473,125	-	-	-	-	473,125	964,890
Subject to repurchase agreements	6,367,127	6,293,949	-	724,556	847,437	1,353,377	3,368,579	9,636,015
Federal government bonds	2,096,137	2,007,522	-	2,089	16,051	959,281	1,030,101	5,874,156
Brazilian foreign debt securities	5,090	5,090	-	-	-	-	5,090	13,833
Corporate bonds / Eurobonds (i)	4,265,900	4,281,337	-	722,467	831,386	394,096	2,333,388	3,748,026
Subject to guarantees	918,412	864,745	182,368	204,695	223,501	118,328	135,853	3,524,850
Federal government bonds	268,338	261,928	-	3,664	4,083	118,328	135,853	2,953,377
Corporate bonds / Eurobonds (i)	404,267	402,442	-	201,031	201,411	-	-	427,470
Shares	227,792	182,368	182,368	-	-	-	-	115,214
Others	18,015	18,007	-	-	18,007	-	-	28,789
Trading securities	17,072,897	16,847,682	2,903,238	610,415	3,508,454	7,551,136	2,274,439	33,631,487
Available for sale securities	12,309,573	12,297,849	753,512	2,558,854	3,140,368	1,133,256	4,711,859	1,079,361
	29,382,470	**29,145,531**	**3,656,750**	**3,169,269**	**6,648,822**	**8,684,392**	**6,986,298**	**34,710,848**

(i) Substantially securities issued by Brazilian companies.

b. Trading securities

	30/09/2014							31/12/2013
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	13,995,515	13,909,457	2,720,870	604,662	3,488,320	6,465,335	630,270	19,505,732
Federal government bonds	782,613	779,920	525,648	88,902	107,748	53,309	4,313	936,127
Brazilian foreign debt securities	27,586	27,585	-	807	368	1,588	24,822	29,084
Debentures/Eurobonds (i)	1,885,494	1,902,249	565,919	147,959	59,171	569,393	559,807	3,192,378
Bank credit certificate	-	-	-	-	-	-	-	76,912
Certificate of real estate receivables	3,093	-	-	-	-	-	-	1,348,704
Investment fund quotes								
Multimarket	5,667,768	5,667,768	404,789	-	-	5,262,979	-	6,237,738
Shares	578,041	578,041	-	-	-	578,041	-	73,583
FIDC - Credit rights	725,443	725,443	-	-	725,443	-	-	1,005,124
Equity investment fund	1,863,268	1,874,992	-	-	1,874,992	-	-	4,127,484
Real estate	265,694	265,694	-	-	265,694	-	-	318,193
Shares	152,670	52,375	52,375	-	-	-	-	106,769
Promissory notes	288	-	-	-	-	-	-	35,166
Others	6,583	-	-	-	-	-	-	154,599

	30/09/2014							31/12/2013
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Shares	150,540	152,748	152,748	-	-	-	-	369,668
Foreign government bonds								
Denmark	921,420	917,893	465,491	-	452,402	-	-	929,521
Others	965,014	964,749	553,900	366,994	2,502	25	41,328	564,682
Unrestricted portfolio	485,437	473,125	-	-	-	-	473,125	964,890
Federal government bonds	485,437	473,125	-	-	-	-	473,125	964,890
Subject to repurchase agreements	2,093,982	2,020,804	-	2,089	16,051	967,473	1,035,191	9,636,015
Federal government bonds	2,096,137	2,007,522	-	2,089	16,051	959,281	1,030,101	5,874,156
Brazilian foreign debt securities	5,090	5,090	-	-	-	-	5,090	13,833
Corporate bonds / Eurobonds (i)	(7,245)	8,192	-	-	-	8,192	-	3,748,026
Subject to guarantees	497,963	444,296	182,368	3,664	4,083	118,328	135,853	3,524,850
Federal government bonds	268,338	261,928	-	3,664	4,083	118,328	135,853	2,953,377
Corporate bonds / Eurobonds (i)	1,825	-	-	-	-	-	-	427,470
Shares	227,792	182,368	182,368	-	-	-	-	115,214
Others	8	-	-	-	-	-	-	28,789
	17,072,897	**16,847,682**	**2,903,238**	**610,415**	**3,508,454**	**7,551,136**	**2,274,439**	**33,631,487**

(i) Substantially securities issued by Brazilian companies.

c. Available-for-sale securities

	30/09/2014							31/12/2013
	Cost	Market	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Market
Own portfolio	7,615,979	7,604,255	753,512	1,635,356	2,089,564	747,352	2,378,471	1,079,361
Shares	625,013	625,013	625,013	-	-	-	-	655,540
Debentures	3,573,890	3,573,890	1,966	406,911	1,313,095	746,566	1,105,352	-
Bank credit certificate	-	-	-	-	-	-	-	-
Certificate of real estate receivables	1,152,083	1,152,083	63,697	-	5,070	331	1,082,985	-
Promissory notes	1,291,238	1,291,238	62,836	1,228,402	-	-	-	-
Others	190,772	190,772	-	43	140	455	190,134	-
Investment fund quotes								
Equity investment fund	782,983	771,259	-	-	771,259	-	-	423,821
Subject to repurchase agreements	4,273,145	4,273,145	-	722,467	831,386	385,904	2,333,388	-
Debentures	4,273,145	4,273,145	-	722,467	831,386	385,904	2,333,388	-
Subject to guarantees	420,449	420,449	-	201,031	219,418	-	-	-
Debentures	402,442	402,442	-	201,031	201,411	-	-	-
Others	18,007	18,007	-	-	18,007	-	-	-
	12,309,573	**12,297,849**	**753,512**	**2,558,854**	**3,140,368**	**1,133,256**	**4,711,859**	**1,079,361**

d. Reclassification of securities

Management classifies securities according to its trading intention.

Management classifies the securities according to its trading intention. Durinh the period ended September 30, 2014 the Bank's Management reclassified R$10,334,333 from the category trading securities for available to sale securities, with no effect on current gain or loss. No reclassifications or changes in intention were made by Management during the year ended in December 31, 2013.

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 September 30, 2014 and December 31, 2013, the Bank does not have derivative financial instruments classified as hedge accounting.

a. Recognized in memorandum and balance sheet accounts

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

	30/09/2014				31/12/2013
	Up to 6 months	6 to 12 months	Over 1 year	Total	Total
Futures market					
Long position	36,457,191	34,679,415	4,032,234	75,168,840	125,446,789
Currency	67,858	279,774	36,538	384,170	3,617,055
Interest rate	36,367,517	34,399,641	3,995,696	74,762,854	121,201,555
Commodities	21,816	-	-	21,816	628,179
Short position	57,767,904	50,934,492	6,067,499	114,769,895	33,663,003
Currency	3,167,873	-	-	3,167,873	20,704,330
Interest rate	54,262,947	50,757,048	6,067,499	111,087,494	11,776,298
Commodities	249,564	177,444	-	427,008	1,074,332
Index	87,520	-	-	87,520	108,043
Swap					
Long position	60,425,923	17,888,909	40,127,262	118,442,094	105,571,415
Currency	578,371	107,400	740,108	1,425,879	3,451,504
Interest rate	58,195,429	15,882,887	33,595,507	107,673,823	98,398,241
Commodities	8,849	-	-	8,849	24,961
Index	967,470	1,432,777	4,900,859	7,301,106	1,133,762
Equities	231,207	453,938	58,377	743,522	2,097,548
Other	444,597	11,907	832,411	1,288,915	465,399
Short position	60,425,923	17,888,909	40,127,262	118,442,094	105,571,415
Currency	578,371	107,400	740,108	1,425,879	5,204,545
Interest rate	58,195,429	15,882,887	33,595,507	107,673,823	93,269,185
Index	967,470	1,432,777	4,900,859	7,301,106	3,303,783
Equities	231,207	453,938	58,377	743,522	2,066,731
Commodities	8,849	-	-	8,849	29,800
Other	444,597	11,907	832,411	1,288,915	1,697,371
Credit derivatives					
Long position	-	-	214,953	214,953	228,872
Sovereign	-	-	-	-	23,426
Corporate	-	-	214,953	214,953	205,446
Short position	306,375	-	349,758	656,133	346,002
Sovereign	245,100	-	98,040	343,140	58,565
Corporate	61,275	-	251,718	312,993	287,437

Non-deliverable forward - NDF

	30/09/2014				31/12/2013
	Up to 6 months	6 to 12 months	Over 1 year	Total	Total
Long position	21,277,437	2,469,394	2,352,479	26,099,310	17,240,592
Currency	17,772,642	1,869,082	2,118,035	21,759,759	14,220,003
Commodities	106,054	16,654	-	122,708	301,371
Interest rate	3,398,741	583,658	234,444	4,216,843	2,719,218
Short position	21,277,437	2,469,394	2,352,479	26,099,310	17,240,592
Currency	20,305,099	2,304,203	2,349,249	24,958,551	15,997,674
Commodities	57,966	-	-	57,966	59,759
Interest rate	914,372	165,191	3,230	1,082,793	1,183,159
Deliverable forward - DF					
Long position	19,288,472	584,820	2,270,552	22,143,844	3,953,296
Currency	19,210,040	584,820	2,270,552	22,065,412	3,953,296
Commodities	78,432	-	-	78,432	-
Short position	19,288,472	584,820	2,270,552	22,143,844	3,953,296
Currency	19,210,040	584,820	2,270,552	22,065,412	3,953,296
Interest rate	78,432	-	-	78,432	-
Security forwards					
Long position	8,004	193,258	3,033,104	3,234,366	542,904
Interest rate	5	133,903	1,613,219	1,747,127	242,021
Government bonds	7,999	59,355	1,419,885	1,487,239	300,883
Short position	8,004	193,258	3,033,104	3,234,366	542,904
Interest rate	7,999	59,355	1,419,885	1,487,239	300,883
Government bonds	5	133,903	1,613,219	1,747,127	242,021
Options market					
Long position					
Call option	1,154,515	327,128	2,231,531	3,713,174	9,172,512
Equities	85,505	8,522	11,655	105,682	130,104
Commodities	-	-	-	-	1,171
Index	708,438	-	16,710	725,148	3,579,700
Currency	360,572	318,606	2,203,166	2,882,344	4,739,809
Interest rate	-	-	-	-	721,728
Put option	15,935,200	316,388	2,388,464	18,640,052	4,652,668
Equities	207,669	6,840	-	214,509	517,524
Commodities	-	-	-	-	661,902
Index	1,132,674	-	48,642	1,181,316	3,141,019
Currency	630,857	309,548	2,339,822	3,280,227	332,223
Interest rate	13,964,000	-	-	13,964,000	-
Short position					
Call option	1,105,518	404,016	2,763,822	4,273,356	9,347,799
Equities	109,848	8,981	-	118,829	551,045
Commodities	-	-	-	-	174,267
Index	698,031	-	-	698,031	3,675,568
Currency	297,639	395,035	2,763,822	3,456,496	4,685,119
Interest rate	-	-	-	-	261,800
Put option	14,431,363	233,868	1,790,821	16,456,052	6,278,037
Equities	9,478	680	11,655	21,813	206,262
Commodities	-	-	-	-	1,125,066
Index	203,125	-	-	203,125	3,135,000
Currency	254,760	233,188	1,779,166	2,267,114	289,019
Interest rate	13,964,000	-	-	13,964,000	-
Other	-	-	-	-	1,522,690

b. By cost and market value

			30/09/2014			31/12/2013
	Cost	Market	Up to 6 months	6 to 12 months	Over 1 year	Total
Swaps						
Long position	660,205	656,508	195,940	104,277	356,291	722,868
Short position	1,105,632	1,030,860	217,895	125,005	687,960	976,852
Credit derivatives						
Long position	14,013	16,835	447	-	16,388	20,196
Short position	16,232	20,588	273	-	20,315	20,061
Non-deliverable forward - NDF						
Long position	610,191	614,817	365,093	58,903	190,821	299,486
Short position	619,489	606,220	371,326	48,671	186,223	488,468

	30/09/2014					31/12/2013
	Cost	Market	Up to 6 months	6 to 12 months	Over 1 year	Total
Deliverable forward - DF						
Long position	16,280,678	16,184,101	14,271,942	546,148	1,366,011	3,481,723
Short position	16,235,169	16,138,711	14,212,431	563,429	1,362,851	3,463,378
Forward transaction						
Long position	3,239,007	3,239,008	8,000	193,206	3,037,802	542,604
Short position	3,240,889	3,240,890	8,000	193,504	3,039,386	542,423
Options market						
Long position	827,974	888,021	64,587	91,993	731,441	360,310
Short position	775,532	804,608	390,556	24,048	390,004	632,769
Long position	**21,632,068**	**21,599,290**	**14,906,009**	**994,527**	**5,698,754**	**5,427,187**
Short position	**21,992,943**	**21,841,877**	**15,200,481**	**954,657**	**5,686,739**	**6,123,951**

c. Notional value by counterparty

	30/09/2014					31/12/2013
	BM&F Bovespa	Financial Institutions	Companies	Individuals	Total	Total
Futures market						
Long position	74,184,990	983,850	-	-	75,168,840	125,446,789
Short position	114,167,890	602,005	-	-	114,769,895	33,663,003
Swap						
Long position	2,774,022	112,582,166	3,081,189	4,717	118,442,094	105,571,415
Short position	2,774,022	112,582,166	3,081,189	4,717	118,442,094	105,571,415
Credit derivatives						
Long position	-	214,953	-	-	214,953	228,872
Short position	-	656,133	-	-	656,133	346,002
Non-deliverable forward - NDF						
Long position	-	21,026,797	5,002,040	70,473	26,099,310	17,240,592
Short position	-	21,026,797	5,002,040	70,473	26,099,310	17,240,592
Deliverable forward - DF						
Long position	-	22,133,678	10,166	-	22,143,844	3,953,296
Short position	-	22,133,678	10,166	-	22,143,844	3,953,296
Forward transactions						
Long position	-	2,470,071	764,295	-	3,234,366	542,904
Short position	-	2,470,071	764,295	-	3,234,366	542,904
Options market						
Long position	13,979,730	7,970,145	346,011	57,340	22,353,226	13,825,180
Short position	13,964,000	6,446,173	293,462	25,773	20,729,408	15,625,836
Long position	**90,938,742**	**167,381,660**	**9,203,701**	**132,530**	**267,656,633**	**266,809,048**
Short position	**130,905,912**	**165,917,023**	**9,151,152**	**100,963**	**306,075,050**	**176,943,048**

d. Credit derivatives

	30/09/2014	31/12/2013
Credit swap		
Transferred risk		
Sovereign	-	23,426
Corporate	214,953	205,446
Risk received		
Sovereign	(343,140)	(58,565)
Corporate	(312,993)	(287,437)
	(441,180)	(117,130)

During the period ended on September 30, 2014 and year ended December 31, 2013, there was no credit events related to triggering facts provided for in agreements.

According to CMN resolution 3490, the effect on the calculation of the required reference shareholders' equity (PRE) as at September 30, 2014 is R$41,297 (December 31, 2013 – R$8,414).

e. Guarantee margin

Guarantee margin in transactions traded on BM&FBovespa and other stock exchanges with derivatives comprises federal government bonds totaling R$218,527 (December 31, 2013 – R$2,467,401), equities in the amount of R$182,368 (December 31, 2013 – R$115,214).

f. Fair value of financial instruments

The fair values of financial instruments are calculated as follows:

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

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

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

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

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

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

10. Loans

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

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

Loans and other operations with loan characteristics are as follows:

a. Loans

i. By type of credit

Type of credit	30/09/2014		31/12/2013	
	Balance	Allowance	Balance	Allowance
Loans	11,362,032	(262,897)	10,928,215	(120,413)
Financing	2,393,476	(84,372)	2,364,576	(35,782)
FINAME/BNDES	1,511,402	(11,871)	993,635	(10,046)
Securities financing	12,873	-	9,537	-
Total	15,279,783	(359,140)	14,295,963	(166,241)

ii. By risk level and maturity

	30/09/2014						31/12/2013	
		Maturity						
Risk level	Overdue	Up to 6 months	6 to 12 months	Over 12 months	Total	Allowance	Total	Allowance
AA	-	750,057	508,867	3,501,628	4,760,552	-	4,002,303	-
A	-	1,499,835	482,355	2,849,297	4,831,487	(24,157)	6,506,771	(32,535)
B	-	1,119,096	966,404	989,240	3,074,740	(30,747)	2,075,006	(20,750)
C	14,044	230,534	214,696	409,598	868,872	(28,255)	1,347,740	(43,066)
D	14,318	535,930	691,877	282,951	1,525,076	(194,166)	323,964	(41,765)
E	11,542	51,468	23,670	113,145	199,825	(66,571)	11,730	(3,519)
F	-	-	-	-	-	-	6,961	(3,480)
G	-	-	562	12,726	13,288	(9,301)	1,210	(847)
H	3,268	446	669	1,560	5,943	(5,943)	20,278	(20,279)
Total	43,172	4,187,366	2,889,100	8,160,145	15,279,783	(359,140)	14,295,963	(166,241)

iii. By activity sector

Sector	30/09/2014	31/12/2013
Commerce	136,410	1,268,104
Industry	476,127	2,433,675
Services	13,453,374	8,257,444
Rural	328,102	437,741
Individuals	885,770	1,898,999
Total	15,279,783	14,295,963

b. Other receivables with loans characteristics and transferred loan

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

i. By risk level and maturity

	30/09/2014						31/12/2013	
		Maturity						
Risk level	Overdue	Up to 6 months	6 to 12 months	Over 12 months	Total	Allowance	Total	Allowance
AA	-	183,980	115,226	92,527	391,733	-	273,699	-
A	-	140,170	-	356,625	496,795	(2,484)	223,428	(1,117)
B	-	125,201	19,491	45,863	190,555	(1,906)	559,645	(5,596)
C	-	22	138,735	23,750	162,507	(4,875)	42,121	(1,264)
D	-	-	-	21,910	21,910	(2,191)	19,332	(1,933)
E	-	1,217	-	-	1,217	(365)	-	-
G	-	-	-	-	-	-	13,552	(9,992)
H	-	-	486	-	486	(486)	479	(671)
Total	-	450,590	273,938	540,675	1,265,203	(12,307)	1,132,256	(20,573)
Transfered loans					193,849	(4,796)	-	-
Securities and credits receivable (note 12(b))					1,071,354	(7,511)	1,132,256	(20,573)

ii. By activity sector

Sector	30/09/2014	31/12/2013
Individuals	127,703	175,818
Commerce	170,472	-
Services	967,028	956,438
Total	1,265,203	1,132,256

c. Advances in foreign exchange contracts

i. By risk level and maturity

	30/09/2014						31/12/2013	
		Maturity						
Risk level	Overdue	Up to 6 months	6 to 12 months	Over 12 months	Total	Allowance	Total	Allowance
A	-	11,662	252,752	-	264,414	(1,322)	108,385	(542)
B	-	34,084	280,649	-	314,733	(3,147)	34,613	(346)
C	-	-	45,013	-	45,013	(1,350)	172,301	(5,169)
D	-	-	-	-	-	-	143,114	(14,311)
F	-	-	-	-	-	-	31,689	(15,844)
G	24,937	-	-	-	24,937	(17,389)	-	-
Total	24,937	45,746	578,414	-	649,097	(23,208)	490,102	(36,212)

ii. By activity sector

Sector	30/09/2014	31/12/2013
Industry	104,523	145,895
Services	544,574	344,207
Total	649,097	490,102

d. Credit risk concentration

	30/09/2014	%	31/12/2013	%
Largest debtors				
10 largest debtors	6,491,934	38%	5,641,543	35%
20 following largest debtors	4,304,010	25%	4,327,898	27%
50 following largest debtors	3,636,277	21%	3,621,365	23%
100 following largest debtors	2,382,640	14%	2,062,425	13%
200 following largest debtors	379,222	2%	265,090	2%
Total	17,194,083	100%	15,918,321	100%

e. Allowance

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

	Quarter ended:		Nine-month period ended:	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
Opening balances	(329,658)	(214,117)	(223,026)	(191,454)
Reversal/(recording) of allowance	(61,871)	14,701	(190,625)	(71,114)
Exchange rate variation	(3,861)	(2,601)	(1,807)	(3,581)
Credits written off as loss	735	14,555	20,803	78,687
Closing balances	(394,655)	(187,462)	(394,655)	(187,462)
Breakdown of closing balances				
Allowance for loan losses	(359,140)	(159,235)	(359,140)	(159,235)
Allowance for transfered loans	(4,796)	-	(4,796)	-
Allowance for other receivables	(7,511)	(11,506)	(7,511)	(11,506)
Allowance for advances on foreign exchange contracts	(23,208)	(16,721)	(23,208)	(16,721)
	(394,655)	(187,462)	(394,655)	(187,462)

Changes in the allowance for other receivables without loan characteristics in the periods as follows:

	Quarter ended:		Nine-month period ended:	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
Opening balances	(127,741)	(112,278)	(159,662)	(92,458)
Reversal/(recording) of allowance	(35,469)	(39,502)	(26,825)	(59,206)
Exchange rate variation	(3,316)	248	-	132
Credits written off as loss	-	-	19,961	-
Closing balances (i)	(166,526)	(151,532)	(166,526)	(151,532)

(i) As at September 30, 2014, included R$100,529 (December 31, 2013 – 80,871) relating to provision for stand-by letters and guarantees granted, which was recorded as Other obligations – sundry (note 16(c)).

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 period ended September 30, 2014, the amount of R$199,720 were relative to renegotiation (December 31, 2013 – R$ 113,643). In the period ended September 30, 2014 there was the amount of R$11,815 relative to written off loans recuperation (December 31, 2013 – R$4,553).

g. Transferred loan

In the period ended September 30, 2014, there was credit assignment with co-obligation in the amount of R$193,456 (2013 – zero).

11. Other receivables/obligations

a. Foreign exchange portfolio

	30/09/2014		31/12/2013	
	Assets	Liabilities	Assets	Liabilities
Unsettled exchange purchased/sold	2,138,877	3,843,808	1,630,915	11,388,019
Rights on foreign exchange sales	3,742,740	-	11,382,798	-
(-) Advances on foreign Exchange contracts (Note 10 (c))	7,647	(641,450)	19,640	(470,462)
(-) Advances on foreign currency received	(3,607)	-	-	-
(-) Advances in local currency received	(679)	-	(10,199)	-
Liability for foreign exchange purchase	-	2,014,974	-	1,574,042
	5,884,978	5,217,332	13,023,154	12,491,599
Current	5,884,978	5,217,332	13,023,154	12,491,599
Long term	-	-	-	-

Guarantees for foreign exchange transactions carried out through BM&FBovespa – Securities, Commodities and Futures Exchange (BM&FBovespa), are represented by federal government bonds in the amount of R$43,401 (December 31, 2013 - R$485,976).

b. Securities trading and brokerage

	30/09/2014		31/12/2013	
	Assets	Liabilities	Assets	Liabilities
Clearing houses	1,039,021	138,755	144,637	331,392
Commissions and brokerage payable	-	95	-	118
Debtors/creditors – pending settlement account	3,731,009	1,492,831	3,383,343	891,326
Unsettled third-party interbank investments	6,013	1,612	-	-
Creditors for gold loans	-	-	-	223,226
Creditors for stock loans	-	17,974	-	31,853
Securities trading and brokerage	2,847,041	257,999	3,665,340	397,913
	7,623,084	1,909,266	7,193,320	1,875,828
Current	6,032,080	1,909,266	4,151,169	1,747,499
Long term	1,591,004	-	3,042,151	128,329

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

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

12. Other receivables

a. Income receivable

	30/09/2014	31/12/2013
Dividends and bonus	1,609,846	167,393
Receivables from services rendered	20,989	25,443
Management and performance fees from investment funds and portfolios	4,592	9,811
Distribution fees	-	14,147
Commissions on guarantees	5,382	13,122
Other	5	7
	1,640,814	229,923
Current	1,640,814	229,923
Long term	-	-

b. Sundry

	30/09/2014	31/12/2013
Deferred tax assets - IR/CS (Note 18)	1,009,396	1,019,070
Deferred tax assets - Others	13,135	30,097
Judicial deposits	808,149	760,487
Taxes to offset	378,485	202,656
Tax incentive options	1,317	1,317
Securities and credits receivable		
With loan characteristics (Note 10(b))	1,071,354	1,132,256
Without loan characteristics	5,334	30,208
Sundry - Brazil	452,562	180,414
Other	5,292	627
	3,745,024	3,357,132
Current	2,254,610	1,080,881
Long term	1,490,414	2,276,251

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

	Subsidiaries, associates and jointly controlled entities					
	Shareholders Equity		Net Income		Equity interest	
	30/09/2014	31/12/2013	30/09/2014	30/09/2013	30/09/2014	31/12/2013
In Brazil						
BTG Pactual Asset Management S.A. DTVM	459,796	516,673	177,724	51,627	99.99%	99.99%
BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	362,672	373,681	46,292	14,986	99.99%	99.99%
BTG Pactual Serviços Financeiros S.A. DTVM	92,465	62,786	33,679	3,595	99.99%	99.99%
BTG Pactual Corretora de Mercadorias Ltda.	112,844	97,947	14,898	5,188	99.99%	99.99%
BTG Pactual Corporate Services Ltda.	4,271	6,863	143	59	0.01%	0.01%
BTG Pactual Securitizadora S.A.	879	911	(32)	2	99.99%	99.99%
BTG Pactual Holding Internacional S.A.	2,715,087	2,420,588	433,857	25,154	99.99%	99.99%
BTG Pactual Comercializadora de Energia Ltda	808,882	806,732	343,667	11,747	99.99%	99.99%
BTGP Recovery Holdings S.A.	-	61,280	-	-	99.99%	99.99%
Recovery do Brasil Consultoria Ltda.	62,295	-	4,026	2,572	64.52%	100.00%
Vivere Soluções e Serviços S.A.	(20,858)	10,875	(25,256)	(3,064)	20.32%	20.32%
BR Properties S.A.	6,156,912	7,650,441	350,293	89,555	0.12%	3.10%
BW Properties S.A.	569,600	443,560	45,119	111,018	67.86%	67.49%
Warehouse 1 Empreendimentos Imobiliários S.A.	119,280	68,205	(6,364)	-	35.00%	35.00%
Max Casa XIX Empreendimentos Imobiliários S.A.	41,042	22,920	6,197	2,743	50.00%	50.00%
ACS Omicron Empreendimentos Imobiliários Ltda.	18,990	24,307	5,411	-	44.74%	44.74%
BTG Pactual Commodities S.A.	311,644	49,184	7,460	3,614	99.99%	99.99%
BTG Pactual Holding de Seguros	474,856	408,339	29,052	756	99.99%	99.99%
TTG Participações Holding	52,971	17,991	(2,650)	(5,332)	99.99%	99.99%
BTGP E&P	2,319,390	-	297,245	-	99.99%	99.99%
Jointly-controlled entities - In Brazil						
Banco Pan S.A. (ii)	3,408,121	2,308,053	(218,641)	(26,776)	34.06%	34.06%
Abroad						
BTG Pactual Overseas Corporation	1,262,678	590,454	215,976	-	100.00%	100.00%
Spring Valley Management LLC	8,016,864	6,686,825	1,271,348	1,404,970	20.00%	20.00%
BTG Pactual Chile Internacional Ltd.	33,846	12,240	21,040	7,100	99.99%	99.99%
BTG Pactual Chile SPA	-	1,049,979	-	28,980	0.00%	99.99%
BTG Pactual Chile Capital S.A.	-	-	-	(69,868)	0.00%	0.00%
Banco BTG Pactual Luxembourg S.A.	134,879	-	(2,377)	-	99.99%	-
BTG Pactual S.A. Comisionista de Bolsa	94,799	85,258	9,541	1,278	99.99%	99.99%

		Changes in investments					
	31/12/2013	Aquisition / Increase / (Sales)	Dividends paid	Equity pick up	Incorporation of investment	30/09/2014	Equity pick up in 30/09/2013
Subsidiaries and associates - In Brazil							
BTG Pactual Asset Management S.A. DTVM	516,670	-	(234,600)	177,725	-	459,795	176,659
BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	373,681	-	(57,300)	46,292	-	362,673	61,707
BTG Pactual Serviços Financeiros S.A. DTVM	62,786	-	(4,000)	33,679	-	92,465	9,702
BTG Pactual Corretora de Mercadorias Ltda.	97,947	-	-	14,898	-	112,845	15,581
BTG Pactual Securitizadora S.A.	910	-	-	(32)	-	878	(69)
BTG Pactual Holding Internacional S.A.	2,420,628	646,000	(785,359)	433,818	-	2,715,087	60,447
BTG Pactual Comercializadora de Energia Ltda.	806,729	(19,995)	(321,521)	343,666	-	808,879	54,092
Recovery do Brasil Consultoria Ltda.	30,788	12,877	(1,944)	3,897	-	45,618	4,904
Goodwill - Recovery do Brasil Consultoria Ltda.	-	2,556	-	-	-	2,556	-
BTG Pactual Vivere Participações S.A.	2,210	3,294	-	(6,448)	-	(944)	(2,089)
Saíra Diamante Empreendimentos Imobiliários S.A.	-	-	-	-	-	-	-
BR Properties S.A.	179,665	(171,890)	(2,358)	(678)	-	4,739	(349,364)
BW Properties S.A.	301,002	(402)	-	27,411	-	328,011	142,317
Goodwill – BW Properties S.A.	2,322	-	-	-	-	2,322	-
Warehouse 1 Empreendimentos Imobiliários S.A.	15,121	(1,750)	-	28,565	-	41,936	(1,166)
Max Casa XIX Empreendimentos Imobiliários S.A.	11,460	5,857	-	2,242	-	19,559	2,652
ACS Omicron Empreendimentos Imobiliários Ltda.	8,638	(3,272)	-	3,131	-	8,497	1,911
BTG Pactual Commodities S.A.	49,185	255,000	-	7,460	-	311,645	3,609
TTG Participações Holding	55,621	-	-	(2,650)	-	52,971	(5,333)
BTGP E&P	-	2,297,146	(275,000)	299,561	-	2,321,707	-
BTG Pactual Holding de Seguros	408,338	60,100	(22,635)	29,052	-	474,855	3,442
	5,343,701	**3,085,521**	**(1,704,717)**	**1,441,589**	**-**	**8,166,094**	**179,002**
Jointly-controlled entities - In Brazil							
Banco Pan S.A. (ii)	786,123	672,649	-	(79,623)	(3,971)	1,375,178	(15,288)
Negative goodwill - Pan S.A.	(89,773)	(21,571)	-	-	-	(111,344)	-
	696,350	**651,078**	**-**	**(79,623)**	**(3,971)**	**1,263,834**	**(15,288)**
Total	**6,040,051**	**3,736,599**	**(1,704,717)**	**1,361,966**	**(3,971)**	**9,429,928**	**163,714**
Abroad							
Pactual Overseas Corporation (i)	590,454	428,925	-	243,296	-	1,262,675	2,414
Spring Valley Management LLC (i)	1,533,111	-	(184,009)	254,270	-	1,603,372	280,994
BTG Pactual Chile Internacional Ltd. (i)	12,240	-	-	21,606	-	33,846	9,314
BTG Pactual Chile Capital S.A.	-	-	-	-	-	-	(2)
BTG Pactual Chile SPA (i)	-	-	-	-	-	-	(29,142)
Banco BTG Pactual Luxembourg S.A. (i)	-	137,256	-	(2,377)	-	134,879	-
BTG Pactual S.A. Comisionista de Bolsa (i)	80,740	-	-	9,060	-	89,800	(4,189)
Goodwill - BTG Pactual S.A. Comisionista de Bolsa (i)	66,366	-	-	(12,627)	-	53,739	(2,413)
	2,282,911	**566,181**	**(184,009)**	**513,228**	**-**	**3,178,311**	**256,976**
Total	**8,322,962**	**4,302,780**	**(1,888,726)**	**1,875,194**	**(3,971)**	**12,608,239**	**420,690**

(i) The diference between equity pick up in subsidiaries and net income of subsidiaries refers to exchange variation.
(ii) Formely Banco Panamericano S.A.

14. Intangible asset

		Changes in intangible assets			
	31/12/2013	Acquisitions	Amortization expenses / derecognition	Exchange variation	30/09/2014
Other intangible assets					
Cost					
Softwares	46,635	22,280	-	244	69,159
Leasehold improvements	70,402	3,383	-	-	73,785
Amortization					
Softwares	(16,693)	-	(9,049)	-	(25,742)
Leasehold improvements	(9,444)	-	(5,380)	(102)	(14,926)
	90,900	25,663	(14,429)	142	102,276

The intangible asset amortization period is 5 years.

15. Fund raising and loans onlending

a. Summary

	30/09/2014						31/12/2013
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Deposits	23,190,599	14,373,294	6,902,808	1,825,596	56,152	32,749	21,109,526
Open market funding	32,896,381	25,129,503	3,678,720	1,063,615	385,792	2,638,751	31,478,554
Funds from securities issued and accepted	18,756,896	2,769,181	4,526,792	8,085,427	1,044,666	2,330,830	15,473,829
Loans and onlending	4,604,713	1,836,991	1,289,100	31,474	88,762	1,358,386	4,700,658
Subordinated debts and equity elegible debt instrument	10,292,760	-	-	1,076,188	5,379,240	3,837,332	6,748,716
Total	89,741,349	44,108,969	16,397,420	12,082,300	6,954,612	10,198,048	79,511,283

b. Deposits

	30/09/2014						31/12/2013
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Demand deposits	226,524	226,524	-	-	-	-	158,912
Interbank deposits	1,325,229	378,420	854,361	57,876	32,143	2,429	976,626
Time deposits	21,638,846	13,768,350	6,048,447	1,767,720	24,009	30,320	19,973,988
Total	23,190,599	14,373,294	6,902,808	1,825,596	56,152	32,749	21,109,526

c. Open market funding

Open market funding has collateral on the following securities:

	30/09/2014						31/12/2013
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Own portfolio	6,532,184	3,509,889	2,816,915	29,008	-	176,372	9,573,660
Federal government bonds	1,989,583	1,813,211	-	-	-	176,372	5,884,279
Corporate bonds	4,542,601	1,696,678	2,816,915	29,008	-	-	3,689,381
Federal foreign government bonds	-	-	-	-	-	-	-
Third-party portfolio	16,133,480	15,688,056	-	162,941	-	282,483	8,301,735
Federal government bonds	16,009,864	15,564,440	-	162,941	-	282,483	8,301,735
Corporate bonds	123,616	123,616	-	-	-	-	-
Unrestricted portfolio	10,230,717	5,931,558	861,805	871,666	385,792	2,179,896	13,603,159
Federal government bonds	10,230,717	5,931,558	861,805	871,666	385,792	2,179,896	13,603,159
	32,896,381	25,129,503	3,678,720	1,063,615	385,792	2,638,751	31,478,554

d. Fund from securities issued and accepted

	30/09/2014						31/12/2013
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Securities – Brazil	13,203,828	2,105,812	3,373,028	6,198,751	1,037,474	488,763	9,103,293
Financial bills	9,947,607	944,038	1,912,478	5,624,404	980,147	486,540	6,568,707
Mortgage bonds/letters of credit for agrobusiness	3,220,166	1,151,458	1,434,811	574,347	57,327	2,223	2,534,586
Structured transactions	36,055	10,316	25,739	-	-	-	-
Securities – abroad	5,553,068	663,369	1,153,764	1,886,676	7,192	1,842,067	6,370,536
Medium term notes	3,608,324	-	-	1,823,316	-	1,785,008	4,277,485
Fixed rate notes and others	1,944,744	663,369	1,153,764	63,360	7,192	57,059	2,093,051
	18,756,896	2,769,181	4,526,792	8,085,427	1,044,666	2,330,830	15,473,829

As at September 30, 2014, liabilities on bonds and securities in Brazil were basically indexed o interest referenced rates (CDI) between 50% and 116.55% or inflation indexes (IPCA and IGPM) plus 1.2% p.a. to 7.8% p.a. (December 31, 2013 – indexed to (CDI) between 40% and 116.55% or inflation indexes (IPCA and IGPM) plus 1.2% p.a. to 7.9% p.a.).

On September 30, 2014, liabilities on bonds and securities abroad have rates between 0.1% p.a. and 7% p.a. (December 31, 2013 – between 0.15% p.a. and 7% p.a.).

e. Loans and onlending

	30/09/2014						31/12/2013
	Total	Up to 90 days	90 to 365 days	1 to 3 years	3 to 5 years	Over 5 years	Total
Loans abroad	2,681,231	1,399,157	1,282,074	-	-	-	3,541,595
Foreign currency	208,899	24,821	184,078	-	-	-	493,935
Loans abroad	2,472,332	1,374,336	1,097,996	-	-	-	3,047,660
Loans - Brazil	436,430	436,430	-	-	-	-	176,577
Loans	436,430	436,430	-	-	-	-	176,577
Onlending in Brazil – official institution	1,487,052	1,404	7,026	31,474	88,762	1,358,386	982,486
FINAME/BNDES	1,487,052	1,404	7,026	31,474	88,762	1,358,386	982,486
	4,604,713	1,836,991	1,289,100	31,474	88,762	1,358,386	4,700,658

On September 30, 2014, liabilities for loans and onlending have rates between 0.94% p.a. to 11.25% p.a. (December 31, 2013 – between 0.21% p.a. and 3.5% p.a.).

f. Subordinated debt and debt instrument eligible to equity

	30/09/2014					31/12/2013
Type - original currency	Issued amount (original currency)	Issued	Maturity	Total compensation a.a.	Net amount	Net amount
Financial bills - R$ (i)	4,161,000	15/04/2011	15/04/2021	Inflation plus fixed rates	5,286,942	4,993,634
Subordinated debt - US$	800,000	28/09/2012	15/09/2022	5.75%	1,847,097	1,755,081
Junior subordinated debt - US$	1,300,000	12/09/2014	Callable at September 2019	8.75%	3,158,721	-
Total					10,292,760	6,748,715

(i) Repayment every six months.

16. Other obligations

a. Social and statutory

	30/09/2014	31/12/2013
Dividends and profit sharing payable	-	361,076
Employees' profit sharing	222,398	99,790
Other benefits	-	269,532
	222,398	730,398
Current	222,398	730,398
Long-term	-	-

b. Tax and social security

	30/09/2014	31/12/2013
Tax and contributions to be collected	28,554	55,733
Tax and contribution payable	-	80
Deferred income tax and social contribution (Note 18)	5,254	20,570
Suspended-payment taxes and other tax liabilities (Note 17 (c))	803,242	735,228
	837,050	811,611
Current	33,808	67,852
Long-term	803,242	743,759

c. Sundry

	30/09/2014	31/12/2013
Payable for acquisition of assets and rights (i)	628,587	578,778
Allowance for accounts payable	78,244	223,506
Payable - subject to loans operations	198,256	-
Provision for guarantees (Note 10 (e))	100,529	80,871
Provision for contingent liabilities (Note 17 (c))	11,902	23,328
Other creditors - Brazil	142,207	158,759
Other	1	336
	1,159,726	1,065,578
Current	513,123	303,059
Long-term	646,603	762,519

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

17. Contingent assets and liabilities and legal obligations

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

a. Contingent assets

As at September 30, 2014 and December 31, 2013, the Bank did not record contingent assets.

b. Contingent liabilities classified as probable losses and legal obligations

i. Labor provisions

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

ii. Civil provisions

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

iii. Tax and social security provisions

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

c. Breakdown and changes in provisions

The Bank's Management is challenging the constitutionality of certain procedures regarding federal taxes, in addition to being party to legal, tax and civil proceedings. Based on the opinion of its legal counsel, Management considers that the provisions recorded for such proceedings at September 30, 2014 are appropriate to cover probable losses arising therefrom.

The provisions recognized and their changes are as follows for the periods ended September 30:

	30/09/2014				30/09/2013
	Tax	Civil	Labor	Total	Total
Balance at the beginning of the period	735,228	16,031	7,297	758,556	633,316
Recognition	105,018	852	3,191	109,061	108,769
Write-off	(37,004)	(13,852)	(1,617)	(52,473)	(2,667)
Balance at the end of the period	803,242	3,031	8,871	815,144	739,418
Suspended-payment taxes and other taxes contingencies				803,242	708,127
Provision for contingent liabilities				11,902	31,291

The natures of the main provisions are presented below.

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

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

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

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

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

As at September 30, 2014, the Bank was part to taxes lawsuits with a possible outcome, which were not recorded in provision. The descriptions of the main lawsuits are as follows:

- Lawsuits relating to the payment of profit sharing, challenging the payment of social security contribution on the amounts and non-deductibility of income tax and social contribution tax base. The amount claimed is R$966 million. Part of this amount is security by indemnity clause, as it refers to the period before the acquisition of the Bank by the current controllers.

- Judicial action filed to discuss demands by the São Paulo City Hall, relative of ISS on services provided in Rio de Janeiro, as the tax authority from the city of São Paulo understands that such services were effectively rendered in São Paulo. The amount claimed is R$124 million. Part of this amount is security by indemnity clause, as it refers to the period before the acquisition of the Bank by the current controllers.

- Lawsuits relating to the demutualization and IPO of BM&F Bovespa, challenging the taxation of PIS, Cofins, income tax and social contribution on revenues earned from the sale of shares of the companies previously mentioned. The amount claimed is R$16,8 million. Part of this amount is security by indemnity clause, as it refers to the period before the acquisition of the Bank by the current controllers.

- In October 2012, we received a tax assessment, which in September 30, 2014 totaled R$2.236 million alleging that our use of the amortization of certain goodwill to reduce the amount of the IRPJ and CSLL taxes payable by us was inappropriate. Such goodwill was originated in connection with the acquisition of us by UBS in 2006. The amortization of such goodwill occurred from February 2007 to January 2012, although the tax assessment solely relates to the IRPJ and CSLL tax returns for the calendar years 2007, 2008 and 2009. We have filed an appeal of this tax assessment. In February 2013 a preliminary administrative decision was issued, providing for a partial reduction of the tax assessment. Based on our analysis of applicable case law, including in recent similar cases, we believe that the tax assessment is without merit and that we will ultimately prevail in its appeal. As a result, we do not expect to incur any losses (other than the costs of the appeal) in connection with this matter, and have not established (and do not expect to establish) any related reserves on our financial statements. In addition to our assessment as to the validity of this tax assessment, in the event that we incur losses in connection with this matter, we believe we are entitled to be indemnified by third parties for part of these losses. Accordingly, in no event do we do not to incur any material losses in connection with this matter.

ii. Provision for other contingent liabilities

As at September 30, 2014, the bank was part to several civil, labor, lawsuits and other contingences with a possible outcome, which were not recorded in provisions.

18. Income tax and social contribution

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

	Quarter ended:		Nine-month period ended:	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
Tax base	303,216	716,861	2,167,093	1,661,087
Income before taxes and profit sharing	385,059	727,640	2,590,971	2,118,641
Statutory profit sharing	(81,843)	(10,779)	(122,078)	(202,554)
Interest on equity	-	-	(301,800)	(255,000)
Total charge of income tax and social contribution at the current rates	(121,286)	(286,744)	(866,837)	(664,435)
Permanent (additions) / deductions in taxation calculation	544,692	78,210	856,590	320,521
Equity pick up in subsidiaries and associates and jointly controlled companies in Brazil	495,196	78,273	529,226	232,516
Income/(loss) of foreign exchange on foreign investments	104,966	4,691	59,280	67,772
Income on foreign investments	(31,211)	(42,460)	(57,997)	(42,460)
Dividends	12,160	10,945	418,744	37,186
Other Permanent (additions) / deductions	(36,419)	26,761	(92,663)	25,507
Temporary (additions) / deductions on the taxation calculation	(36,328)	175,425	81,562	(68,334)
Reversal of provision for goodwill on the acquisition of investments	28,428	28,428	85,283	85,283
Interest on equity	120,720	102,000	-	-
Marked-to-market evaluation of securities and derivatives	(100,588)	53,997	148,252	71,773
Allowance for loan losses	(18,386)	5,843	(71,653)	(8,849)
Tax contingencies and provision for suspended-payment taxes	(162)	(4,079)	(12,914)	(19,691)
Offset of tax losses carry forward - Abroad	-	141,340	-	-
Provision on investments	-	(167,030)	24,974	(167,030)
Other provisions	(66,340)	14,926	(92,380)	(29,820)
Offset of tax losses carry forward - Brazil	(71,530)	-	(68,762)	51,234
Tax and social contribution expense	315,548	(33,109)	2,553	(361,014)
Temporary differences				
Recognition / (reversal) of the quarter/period	36,327	(175,117)	(81,563)	229,596
Recognition / (reversal) on losses in Brazil	74,656	-	71,889	(51,234)
Recovery of income tax of investment abroad	73,995	106,155	148,743	106,151
(Expenses) / revenues from deferred taxes assets	184,978	(68,962)	139,069	284,513
Total revenues / (expenses)	500,526	(102,071)	141,622	(76,501)

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

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

Income tax and social contribution	31/12/2013	Recognition	Realization (i)	30/09/2014
Tax loss carryforward	2,564	71,889	-	74,453
Interest on equity	-	120,720	(120,720)	-
Impairment on investments (ii)	26,120	-	(26,120)	-
Allowance for loan losses	173,095	103,995	(32,343)	244,747
Marked-to-market valuation of securities and derivatives	259,105	1,283,497	(1,431,749)	110,853
Goodwill on the acquisition of investment	310,617	-	(85,283)	225,334
Tax contingencies and provision for suspended-payment taxes	183,148	12,914	-	196,062
Other temporary differences	64,421	125,359	(31,833)	157,947
	1,019,070	1,718,374	(1,728,048)	1,009,396

Income tax and social contribution	31/12/2012	Recognition	Realization (i)	30/09/2013
Tax loss carryforward	52,780	-	(52,780)	-
Impairment on investments (ii)	-	327,978	-	327,978
Allowance for loan losses	145,680	33,711	(23,416)	155,975
Marked-to-market valuation of securities and derivatives	166,904	431,658	(505,370)	93,192
Goodwill on the acquisition of investment	425,194	-	(86,150)	339,044
Tax contingencies and provision for suspended-payment taxes	160,852	15,355	-	176,207
Tax from investments abroad (i)	130,139	-	(130,139)	-
Other temporary differences	146,470	89,341	(51,964)	183,847
	1,228,019	898,043	(849,819)	1,276,243

(i) On December 31, 2013, the foreign income tax paid was recorded on deferred tax asset, and the amount of R$128,002 compensated in January of 2014 with tax on foreign gains available in Brazil. As at September 30, 2014 the total of R$148,743 refers to compensation of taxes paid abroad.
(ii) Refers to the tax credit provision for loss on investment in the company BR Properties S.A. (note 13).

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

Description	Tax credits on temporary differences	Tax loss carry forwards	Total
2014	227,440	232,400	459,840
2015	188,798	-	188,798
2016	184,435	-	184,435
2017	88,162	-	88,162
After 2018	88,161	-	88,161
	776,996	232,400	1,009,396
Present value	590,609	209,991	800,600

The Bank has deferred tax obligations in the amount of R$5,254 (December 31, 2013 - R$20,570) according to Note 16(b).

19. Shareholders' equity

a. Capital

As at September 30, 2014, fully subscribed and paid in capital consists of 2,714,902,212 shares (December 31, 2013 – 2,714,902,212), of which 1,390,671,404 common shares (December 31, 2013 – 1,390,671,404), 508,380,404 class A preferred shares (December 31, 2013 – 508,380,404) and 815,850,404 class B preferred shares (December 31, 2013 – 815,850,404), all no-par, registered shares.

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

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

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

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

b. Legal reserve

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

c. Statutory reserve

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

d. Unrealized income reserve

Established considering undistributed dividends obtained in foreign branch.

e. Profit distribution

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

As at June 30, 2014 the Bank has accrued R$301,800 (December 31, 2013 – R$246,900), relating to interest on equity, equivalent to R$ 0.11 per share (December 31, 2013 - R$0.05 per share) wich generated R$120,720 (2013 – R$98,760) of tax benefit. These amounts were approved in the Special Shareholders' Meeting held on August 5, 2014 (2013 – March 11, 2014).

As at June 30, 2014 the Bank has accrued R$146,639 (December 31, 2013 – R$132,190), relating to intermediate dividends, equivalent to R$0.05 per share (2013 – R$0.05 per share). These amounts were approved in the Special Shareholders' Meeting held on August 5, 2014 (2013 – February 18, 2014).

20. Income from services rendered

	Quarter ended:		Nine-month period ended:	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
Management and performance fee from investment funds and portfolios	82,350	39,539	159,251	166,297
Technical services	104,650	141,302	395,797	340,086
Commission on the placement of securities	18,386	36,029	36,503	83,941
Guarantees granted	44,184	40,099	116,925	115,622
Other services	13,664	6,020	42,476	32,374
	263,234	262,989	750,952	738,320

21. Other operating income

	Quarter ended:		Nine-month period ended:	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
Recovery of charges and expenses	849	203	1,882	458
Reversal of allowances - other	15	520	4,443	1,824
Reimbursement of clients	-	1	62	202
Reversal of allowances - contingencies	598	621	1,407	2,059
Adjustment to inflation of judicial deposits	17,630	42,232	35,780	61,220
Exchange rate variation	86	1	144	90
Certificate of potencial additional of construction *("CEPAC")*	1,347	-	1,347	3,709
Adjustments of purchase price - Coomex	-	-	-	28,000
Adjustments of receivables from sale	29,177	-	77,646	-
Other operating income	1,712	6,853	5,183	7,048
	51,414	50,431	127,894	104,610

22. Other operating expenses

	Quarter ended:		Nine-month period ended:	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
Guarantees granted allowances	7,610	-	14,573	-
Expenses with taxes adjusted for inflation	224	5,328	864	5,593
Reimbursement of clients	-	144	611	313
Adjustment of amounts payable for sale of investments	18,239	12,785	49,810	36,425
Exchange rate variation - other	136	35	882	1,016
Expenses adjustment of taxes	43	-	195	-
Others	(1,932)	944	9,452	1,898
Total	24,320	19,236	76,387	45,245

23. Other administrative expenses

	Quarter ended:		Nine-month period ended:	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
Outsourced services and consulting	29,434	24,736	81,156	83,032
Telecommunications and data processing	35,005	33,515	106,258	90,754
Leases and condominiums	16,450	12,959	49,094	46,063
Travel and lodging	8,807	8,443	26,322	23,664
Expenses of the financial system	7,244	5,387	22,806	13,556
Advertising and public relations	4,375	2,174	27,198	12,595
Depreciation/amortization	9,355	7,752	26,557	22,262
Others	34,727	3,197	52,533	32,001
Total	145,397	98,163	391,924	323,927

24. Related parties

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

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

			Assets/(Liabilities)		Revenues/(Expenses)	
	Relationship	Maturity	30/09/2014	12/31/2013	30/09/2014	30/09/2013
Assets						
Short-term interbank investments						
Open market investments						
- FIM CP LS Investimento no Exterior	Subsidiary	07/11/2016	3,740,862	3,639,810	493,547	587,366
- FIM B-2 (i)	Related	01/10/2014	1,280,892	1,436,052	135,539	49,437
Interbank investments deposits						
- Banco Pan S.A.	Jointly controlled	21/11/2014	2,458,861	1,308,963	176,482	18,091
Securities						
- BTG Investments LP (i)	Related	17/04/2018	70,136	38,958	-	-
- Banco Pan S.A.	Jointly controlled	23/04/2020	62,128	40,824	-	-
Derivative financial instruments						
- BTG Investments LP (i)	Related	01/10/2014	-	-	-	(38,151)
- BTG Absolute Return Master Fund (i)	Related	01/10/2014	-	3,916	-	-
- BTG Pactual International Port Fund SPC - Class C	Subsidiary	13/12/2023	54,064	245,543	-	-
- BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	Subsidiary	01/10/2014	-	-	1,112	6,611
- BTG Pactual Commodities Absolute Return Ltd	Subsidiary	01/10/2014	23,207	35,236	-	-
-BTG Pactual Commodities (Singapore) PLC	Subsidiary	01/12/2014	3,212	-	-	-
- Banco Pan S.A.	Jointly controlled	-	-	2,459	-	-
- Global Ltd.	Subsidiary	-	-	-	-	93,243
Income receivable						
- BTG Pactual Oil & Gas FIQ FIP	Subsidiary	No maturity	-	149,888	-	-

			Assets/(Liabilities)		Revenues/(Expenses)	
	Relationship	Maturity	30/09/2014	12/31/2013	30/09/2014	30/09/2013
- BTG Pactual Comercializadora de Energia Ltda.	Subsidiary	No maturity	321,521	-	-	-
- BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.	Subsidiary	No maturity	14,705	-	-	-
- BTG Global Asset Management Limited	Subsidiary	No maturity	3,400	2,697	22,246	18,629
- BTG Pactual Serviços Financeiros S.A.-DTVM	Subsidiary	No maturity	3,400	2,697	-	18,629
- BTG Pactual Asset Management S.A.-DTVM	Subsidiary	No maturity	14,960	2,697	-	18,629
-BTG Pactual E&P Empreendimentos e Participações S.A.		No maturity	422,391	-	-	-
-BTG Pactual Holding Internacional S/A.	Subsidiary	No maturity	785,359	-	-	-
Securities trading and brokerage						
- BTG Absolute Return Master Fund (i)	Related	No maturity	-	9,573	-	-
- BTG Pactual Holding S.A	Parent Company	No maturity	-	4,106	-	-
- BTG Pactual Corretora deTítulos e Valores Mobiliários S.A.	Subsidiary	No maturity	-	341	-	-
- BTG Pactual Corretora de Mercadorias Ltda	Subsidiary	No maturity	-	55,479	-	-
- BTG Pactual International Port Fund SPC - Class C	Subsidiary	No maturity	26,952	-	-	-
- FIM CP LS Investimento no Exterior	Subsidiary	No maturity	-	166,363	-	-
Sundry						
- ACS Omicron Empreendimentos imobiliários S.A.	Associate	No maturity	895	1,187	-	-
- BW Properties S.A.	Subsidiary	No maturity	-	958	-	-
- BTG Pactual Serviços Financeiros S.A.-DTVM	Subsidiary	No maturity	26,868	11,733	-	-
- BTG Pactual Europe LLP	Subsidiary	No maturity	-	-	-	(4,867)
- BTG PactuaL Global Asset Management Limited	Subsidiary	No maturity	-	-	-	3,352
- BTG Pactual Comisionista de Bolsa	Subsidiary	No maturity	-	-	-	7,563
- BTG Pactual Corretora deTítulos e Valores Mobiliários S.A.	Subsidiary	No maturity	-	27,538	-	-
- BTG Pactual Corretora de Mercadorias Ltda	Subsidiary	No maturity	-	7,479	-	-
Liabilities						
Deposits						
Interbank deposits						
- BTG Pactual Asset Management S.A.- DTVM	Subsidiary	19/12/2014	(232,964)	(166,906)	-	(7,246)
- BTG Pactual Serviços Financeiros S.A. - DTVM	Subsidiary	24/12/2014	(121,960)	(93,619)	-	(3,528)
- BTG Pactual Corretora deTítulos e Valores Mobiliários S.A.	Subsidiary	08/12/2014	(279,475)	(327,490)	-	(13,054)
Time deposits						
- BTG Pactual Corretora de Mercadorias S.A.	Subsidiary	12/12/2014	(40,647)	(92,971)	(6,249)	(4,555)
- BTG Pactual Corporate Services Ltda	Subsidiary	18/09/2014	(1,398)	(4,048)	-	-
- BTG Pactual WM Gestão de Recursos Ltda	Subsidiary	12/12/2014	(15,132)	(39,718)	(1,900)	(1,873)
- BTG Pactual Comercializadora de Energia Ltda.	Subsidiary	04/03/2015	(70,711)	(258,572)	(14,509)	(12,399)
- BTG Pactual Serviços Energéticos Ltda.	Subsidiary	01/10/2014	-	(12,638)	-	(642)
- BTG Pactual Gestora de Recursos Ltda	Subsidiary	11/12/2014	(33,549)	(174,813)	(7,065)	(7,867)
- BTG Pactual Gestora de Investimentos Alternativos Ltda	Subsidiary	01/10/2014	(2,153)	-	-	-
- BTG Pactual Commodities S.A.	Subsidiary	04/11/2014	-	(36,937)	(3,729)	(687)
- BTG Pactual Commodities Holding (UK) Limited	Subsidiary	01/10/2014	(7,459)	(488,519)	-	-
- BTG Pactual Commodities (UK) LLP	Subsidiary	01/10/2014	(5,494)	(17,632)	-	-
- BTG Pactual Commodities (US) LLC	Subsidiary	01/10/2014	(10,399)	(664)	-	-
-BTG Pactual Commodities (Singapore) PLC	Subsidiary	01/10/2014	(63,050)	-	-	-
- BTG Pactual Commodities (Switzerland) AS	Subsidiary	01/10/2014	(53,906)	(1,722)	-	-
- BTG Pactual Commodities Absolute Return Ltd	Subsidiary	01/10/2014	(1,378,253)	(197,512)	(1,378)	-
- BTG Pactual Pharma Participações S.A.	Subsidiary	01/10/2014	(1,258)	-	-	-
-BTGP Warehousing (UK) Ltd	Subsidiary	01/10/2014	(1,100)	-	-	-
-BTGP Warehousing (US) LLC	Subsidiary	01/10/2014	(2,248)	-	-	-
-BTGP Warehousing (SG) LTD	Subsidiary	01/10/2014	(459)	-	-	-
- BTG Pactual Holding Internacional S.A.	Subsidiary	11/12/2014	(260,582)	(3,215)	-	-
- Recovery do Brasil Consultoria S.A.	Subsidiary	27/10/2014	(4,124)	(3,857)	-	(221)
- BTG Pactual RE Holding LTDA	Subsidiary	-	-	-	-	(1,280)
- BTG Pactual Asset Management US, LLC (iii)	Subsidiary	01/10/2014	-	(171,255)	-	-
- BTG Pactual Asia Limited (iii)	Subsidiary	01/10/2014	(6,116)	(10,132)	-	-
- BTG Pactual US Capital, LLC (iii)	Subsidiary	01/10/2014	(161,156)	(205,612)	-	-
- BTG Pactual International Port Fund SPC - Class C (iii)	Subsidiary	01/10/2014	(304,719)	(833,222)	-	-
- BTG Pactual Global Asset Management Limited (iii)	Subsidiary	01/10/2014	(29,325)	(31,676)	-	-
- BTG Pactual US AM Corp.	Subsidiary	01/10/2014	(257,119)	-	-	-
- BTG Pactual Global Fund (iii)	Subsidiary	01/10/2014	(36,188)	(43,705)	-	-
- BTG Pactual Overseas Corporation (iii)	Subsidiary	01/10/2014	(18,960)	(18,122)	-	-
- BTG Pactual Europe LLP (iii)	Subsidiary	01/10/2014	(125,103)	(165,871)	-	-
- BTG Pactual Timber US	Subsidiary	01/10/2014	(5,365)	(11,661)	-	-
- BTG Pactual Latam Fund LLC	Subsidiary	01/10/2014	(24,347)	(23,290)	-	-
-TTG Brasil Investimentos Florestais Ltda..	Subsidiary	-	-	(18,212)	(1,226)	-
- BTG Pactual Proprietary Feeder (1) Limited (i) (iii)	Related	01/10/2014	(11,878)	(370,171)	-	-
- BTG Pactual Capital Participações S.A. (i)	Related	24/12/2014	-	(2,138)	-	(980)
- Harpia Ômega Participações S.A. (i)	Related	24/12/2014	-	(1,815)	-	-
- BTG Investments LP (i) (iii)	Related	01/10/2014	(156,099)	(323,828)	-	-
- BTG MB Investments LP (ii) (iii)	Related	01/10/2014	-	(251)	-	-
- BTG Pactual Absolute Return Master Fund (i)	Related	01/10/2014	-	(4,413)	-	-

	Relationship	Maturity	Assets/(Liabilities) 30/09/2014	Assets/(Liabilities) 12/31/2013	Revenues/(Expenses) 30/09/2014	Revenues/(Expenses) 30/09/2013
- BTG Pactual Absolute Return Master Fund II (i)	Related	01/10/2014	(151,100)	(12,137)	-	-
- BTG Equity Investments LLC (i)	Related	01/10/2014	-	(23,243)	-	-
- BTG Pactual Reinsurance Holdings LP (i)	Related	01/10/2014	-	(1,044)	-	-
- BTG Alpha Investments LLC (ii)	Related	01/10/2014	-	(6,306)	-	-
- Aigues de Catalunya Ltd (i)	Related	01/10/2014	-	(1,331)	-	-
- BTG Pactual Stigma LLC (i)	Related	01/10/2014	-	(2,330)	-	-
- BTG Pact Commodities Trading US LLC	Related	01/10/2014	(27,433)	(2,330)	-	-
Open market funding						
Own portfolio						
- BTG Pactual Holding S.A	Parent Company	26/12/2020	(36,571)	(2,764)	-	-
- BTG Pactual Beta Participações S.A. (ii)	Related	15/03/2017	(1,449)	-	-	-
Third-party portfolio						
- Banco Pan S.A.	Jointly controlled	-	39,935	(49,999)	(1,923)	-
- FIM CP LS Investimento no Exterior	Subsidiary	01/10/2014	-	(341,475)	-	(273,416)
- FIM B-2 (i)	Related	01/10/2014	-	(96,769)	-	-
Funds from securities issued and accepted						
Real Estate Bills						
- BTG Pactual Comercializadora de Energia Ltda.	Subsidiary	04/03/2015	-	(1,175)	-	-
- Partners	Key personnel	19/02/2015	(28,431)	(14,670)	-	-
Securities issued abroad						
- Global Ltd.	Subsidiary	No maturity	(2,700,461)	(575,686)	-	-
Derivative financial instruments						
- BTG Pactual International Port Fund SPC - Class C	Subsidiary	13/12/2023	-	(457,696)	-	-
- BTG Pactual Corretora deTítulos e Valores Mobiliários S.A.	Subsidiary	01/10/2014	(1,347)	-	-	(6,644)
- Global Ltd.	Subsidiary	19/02/2018	(321,436)	(123,504)	192,548	(109,235)
- BTG Pactual Commodities Absolute Return Ltd	Subsidiary	01/10/2014	-	(35,161)	-	-
- BTG Pactual Commodities S.A.	Subsidiary	-	-	(13,256)	-	-
- Leblon Investment Fund Ltd.	Related	02/01/2015	-	(20,978)	-	-
- Banco Pan S.A.	Jointly controlled	22/04/2020	(102,205)	(91,537)	193,994	(5,690)
-BTG Pactual Commodities Holding (UK) Limited		01/10/2014	(3,398)	-	-	-
-BTG Pactual Commmodities Brasil S.A.		01/12/2014	(26,472)	-	(9,907)	-
Other obligations						
Securities trading and brokerage						
- BTG Absolute Return Master Fund (i)	Related	No maturity	-	(45,779)	-	-
- BTG Pactual Corretora de Mercadorias Ltda	Subsidiary	No maturity	(109,401)	-	-	-
- BTG Pactual International Port Fund SPC - Class C	Subsidiary	No maturity	-	(9,188)	-	-
- Leblon Investment Fund Ltd.	Related	No maturity	-	(40,028)	-	-
- FIM CP LS Investimento no Exterior	Subsidiary	No maturity	-	(6,249)	-	-
Sundry						
- BTG Pactual Corretora de Mercadorias Ltda.	Subsidiary	No maturity	-	(397)	-	(3,727)
- BTG Pactual US AM Corp.	controlled	No maturity	-	(55,131)	-	(25,558)
- BTG Pactual US Capital Corp.	Subsidiary	No maturity	-	(944)	-	105
- Banco Pan S.A.	Jointly controlled	No maturity	-	-	-	(14,424)
- BTG Pactual Europe LLP	Subsidiary	No maturity	-	(1,613)	-	(106,499)
- BTG Pactual Asia Limited	Subsidiary	-	-	-	-	(9,924)
- BTG Pactual Casa de Bolsa, S.A. de C.V.	Subsidiary	No maturity	-	(7,239)	-	-
- BTG Pactual Commodities (US) LLC	Subsidiary	No maturity	-	(51,725)	-	-

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

Total compensation paid in the period to key management personnel totaling R$30,550 (December 31, 2013 – R$142,294) is considered a short-term benefit.

25. Other information

a. Cash and cash equivalents

	31/12/2013	31/12/2012
Balances as at beginning of period		
Cash at banks	791,500	188,402
Open market investments	6,410,858	13,303,570
Interbank deposits	2,992,892	1,714,131
	10,195,250	15,206,103

	30/09/2014	30/09/2013
Balances as at end of period		
Cash at banks	732,391	280,271
Open market investments	15,589,709	10,180,404
Interbank deposits	5,553,970	4,039,564
	21,876,070	14,500,239

b. Commitments and responsibilities

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

	30/09/2014	31/12/2013
Co-obligation and risks for guarantees granted	9,779,682	6,729,464
Responsibility for the management of futures and investment portfolio (i)	13,090,905	10,109,493
Securities under custody	165,859,427	176,339,652
Securities trading and brokerage	1,261,024,713	867,721,889
Loans contracted to release	1,307,737	3,854,812

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

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

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

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

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

On December, 2013, the Bank has entered into investment opportunities in the private equity business. As of September 30, 2014 the total commitment undrawn was approximately R$1,254 million (December 31, 2013 – R$1,197 milion) and it represented substantially by the investments in private equity funds. The drawdown notice is subject to investment opportunities identified and agreed and therefore it is difficult to precisely estimate the cash outflows relating to these commitments.