Contents

Company Information/ Ownership structure

Number of shares (Thousand)	Current quarter 9/30/2014
Paid-in capital	
Common shares	86,371
Preferred shares	0
Total	86,371
Treasury	
Common shares	0
Preferred shares	0
Total	0

Company information / Cash proceeds

Event	Approval	Proceeds	Beginning of payment	Type of share	Class of share	Earnings per shar (Reais/ share
Board of Directors meeting	8/8/2014	Interest on equity	8/28/2014	Common shares		0.8678
Board of Directors meeting	8/8/2014	Dividends	8/28/2014	Common shares		0.3890

Individual financial statements / Balance sheet assets
(In thousands of reais)

Account Code	Account description	Current quarter 9/30/2014	Prior year 12/31/2013
1	Total assets	38,060,615	33,817,503
1.01	Current assets	22,545,048	15,349,319
1.01.01	Cash and equivalents	154,738	155,909
1.01.02	Interbank investments	9,328,553	7,737,065
1.01.02.01	Open market investments	9,225,618	7,606,592
1.01.02.02	Interbank deposits	102,935	130,473
1.01.03	Marketable securities	5,570,220	690,164
1.01.03.01	Own portfolio	4,032,947	690,083
1.01.03.02	Derivative financial instruments	0	81
1.01.03.03	Linked to guarantees	206,112	0
1.01.03.04	Held under repurchase commitments	1,331,161	0
1.01.04	Interbank accounts	445,918	369,442
1.01.04.01	Unsettled payments and receipts	58,109	1,236
1.01.04.02	Deposits – Central Bank of Brazil	356,821	351,120
1.01.04.03	National Treasury - Rural credit funds	28,252	14,492
1.01.04.04	Interbank onlending	1,173	1,130
1.01.04.05	Correspondents	1,563	1,464
1.01.06	Loans	4,699,871	4,365,875
1.01.06.01	Public sector	153,671	158,847
1.01.06.02	Private sector	4,867,500	4,592,242
1.01.06.03	Allowance for loan losses	-321,300	-385,214
1.01.08	Other receivables	2,316,748	2,004,904
1.01.08.02	Foreign exchange portfolio	574,996	540,994
1.01.08.03	Income receivable	11,894	9,568
1.01.08.04	Securities trading and brokerage	4	4
1.01.08.05	Other receivables	1,752,729	1,471,727
1.01.08.06	Allowance for losses on other receivables	-22,875	-17,389
1.01.09	Other assets	29,000	25,960
1.01.09.01	Other assets	11,059	5,654
1.01.09.02	Valuation allowance	-695	-695
1.01.09.03	Prepaid expenses	18,636	21,001
1.02	Long-term assets	15,280,196	18,232,580
1.02.02	Marketable securities	8,292,151	11,313,849
1.02.02.01	Own portfolio	7,649,629	9,547,043
1.02.02.02	Held under repurchase commitments	131,319	1,126,481
1.02.02.03	Derivative financial instruments	379,536	337,967
1.02.02.04	Linked to guarantees	131,667	302,358
1.02.03	Interbank accounts	55,509	42,634
1.02.03.01	National Treasury - Rural credit funds	151	554
1.02.03.02	National Housing System (SFH)	53,598	39,254
1.02.03.03	Interbank onlending	1,760	2,826
1.02.05	Loans	6,271,641	5,882,508
1.02.05.01	Public sector	1,155,342	1,211,833
1.02.05.02	Private sector	5,620,570	5,161,846
1.02.05.03	Allowance for loan losses	-504,271	-491,171

Individual financial statements / Balance sheet – Assets

(In thousands of reais)

Account Code	Account description	Current quarter 9/30/2014	Prior year 12/31/2013
1.02.07	Other receivables	660,895	993,589
1.02.07.02	Income receivable	18,049	18,049
1.02.07.03	Other receivables	689,323	1,022,017
1.02.07.04	(Allowance for losses on other receivables)	-46,477	-46,477
1.03	Permanent assets	235,371	235,604
1.03.01	Investments	1,862	1,825
1.03.01.04	Other investments	7,165	7,128
1.03.01.05	Allowance for losses	-5,303	-5,303
1.03.02	Property and equipment (P&E) in use	218,486	220,993
1.03.02.01	Real estate in use	157,972	159,881
1.03.02.02	Real estate revaluation	107,628	105,410
1.03.02.03	Other property and equipment in use	253,020	235,024
1.03.02.04	Accumulated depreciation	-300,134	-279,322
1.03.04	Intangible assets	14,803	12,308
1.03.04.01	Intangible assets	14,803	12,308
1.03.05	Deferred charges	220	478
1.03.05.01	Restructuring and expansion costs	1,234	2,008
1.03.05.02	Accumulated amortization	-1,014	-1,530

Individual financial statements / Balance sheet – Liabilities

(In thousands of reais)

Account code	Account description	Current quarter 9/30/2014	Prior year 12/31/2013
2	Total liabilities	38,060,615	33,817,503
2.01	Current liabilities	14,685,060	13,285,888
2.01.01	Deposits	5,810,283	5,910,777
2.01.01.01	Demand deposits	236,877	244,175
2.01.01.02	Savings deposits	1,794,956	1,872,563
2.01.01.03	Interbank deposits	1,053,922	774,655
2.01.01.04	Time deposits	2,724,528	3,019,384
2.01.02	Open market funding	1,474,334	1,127,212
2.01.02.01	Own portfolio	1,330,277	1,073,895
2.01.02.02	Third party portfolio	144,057	53,317
2.01.03	Funds from acceptance and issue of securities	84,360	19,488
2.01.03.01	Receivables from real estate, mortgage-related, credit and other similar notes	57,230	9,621
2.01.03.02	Payables for securities issued abroad	27,130	9,867
2.01.04	Interbank accounts	37,707	1,805
2.01.04.01	Unsettled receipts and payments	37,707	1,805
2.01.05	Interdepartmental accounts	6,774	5,409
2.01.05.01	Third-party funds in transit	6,450	5,399
2.01.05.02	Internal fund transfer	324	10
2.01.06	Borrowings	864,524	777,276
2.01.06.01	Domestic borrowings - official institutions	0	19,416
2.01.06.02	Foreign borrowings	864,524	757,860
2.01.07	Domestic onlending	148,831	156,842
2.01.07.01	National treasury	490	230
2.01.07.02	BNDES (National Bank for Economic and Social Development)	120,984	132,408
2.01.07.03	FINAME (National Equipment Financing Authority)	27,357	24,204
2.01.08	Foreign onlending	107,464	101,113
2.01.09	Other liabilities	6,150,783	5,185,966
2.01.09.01	Derivative financial instruments	0	978
2.01.09.02	Collection of taxes and other contributions	31,614	1,798
2.01.09.03	Foreign exchange portfolio	7,082	10,830
2.01.09.04	Social and statutory	36,846	61,835
2.01.09.05	Tax and social security	410,039	487,475
2.01.09.06	Securities trading and brokerage	91	68
2.01.09.07	Financial and development funds	4,006,854	3,103,568
2.01.09.08	Hybrid equity/debt instruments	60,736	78,471
2.01.09.09	Other expenses	1,597,521	1,440,943
2.02	Total long-term liabilities	19,975,541	17,491,785
2.02.01	Deposits	5,647,939	5,080,669
2.02.01.01	Demand deposits	0	8,819
2.02.01.02	Interbank deposits	238,681	102,711
2.02.01.03	Time deposits	5,409,258	4,969,139
2.02.02	Open market funding	130,632	50,383
2.02.02.01	Own portfolio	130,632	50,383
2.02.03	Funds from acceptance and issue of securities	1,524,872	1,467,778
2.02.03.02	Payables for securities issued abroad	1,524,872	1,467,778

Individual quarterly information / Balance sheet – Liabilities

(In thousands of reais)

Account Code	Account description	Current quarter 9/30/2014	Prior year 12/31/2013
2.02.07	Domestic onlending	1,507,197	1,549,999
2.02.07.01	National Treasury	161	468
2.02.07.02	BNDES	1,364,289	1,395,929
2.02.07.03	FINAME	142,747	153,602
2.02.08	Foreign onlending	711,509	745,417
2.02.09	Other liabilities	10,453,392	8,597,539
2.02.09.01	Derivative financial instruments	0	416
2.02.09.02	Financial and development funds	5,721,488	3,983,648
2.02.09.03	Hybrid equity/debt instruments	1,249,016	1,194,110
2.02.09.04	Subordinated debts eligible for capital	1,565,174	1,455,982
2.02.09.05	Other expenses	1,917,714	1,963,383
2.05	Equity	3,400,014	3,039,830
2.05.01	Capital	2,844,000	2,437,000
2.05.03	Revaluation reserves	19,975	20,610
2.05.03.01	Own assets	19,975	20,610
2.05.04	Income reserves	374,592	590,265
2.05.04.01	Legal	164,372	148,072
2.05.04.02	Statutory	201,398	427,203
2.05.04.07	Other income reserves	8,822	14,990
2.05.04.07.01	Treasury shares	0	-384
2.05.04.07.02	Special profit reserve - other	8,822	15,374
2.05.05	Equity valuation adjustments	130,585	-8,045
2.05.05.01	Adjustments to marketable securities	130,585	-8,045
2.05.06	Retained earnings (accumulated losses)	30,862	0

Individual financial statements – Income statements

(In thousands of reais)

Account Code	Account description	Current quarter 7/1/2014 à 9/30/2014	Accumulated in current Year 1/1/2014 à 9/30/2014	Third Quarter in Prior Year 7/1/2013 à 9/30/2013	Accumulated in Prior Year 1/1/2013 à 9/30/2013
3.01	Income from financial intermediation	1,246,518	3,002,289	895,250	2,585,668
3.01.01	Loans	441,937	1,229,691	427,713	1,283,243
3.01.02	Marketable securities transactions	607,709	1,630,766	416,587	1,103,048
3.01.03	Derivative financial instruments	122,908	10,948	25,817	77,037
3.01.04	Foreign exchange transactions	67,392	98,321	19,547	102,716
3.01.05	Gains from compulsory investments	6,572	30,308	4,751	13,498
3.01.06	Sales or transfers of financial assets	0	2,255	835	6,126
3.02	Expenses from financial intermediation	-1,008,574	-2,193,846	-555,805	-1,909,602
3.02.01	Funding operations	-438,428	-963,806	-272,480	-754,724
3.02.02	Borrowing and onlending	-441,106	-896,945	-182,282	-657,805
3.02.04	Allowance for loan losses	-129,040	-333,095	-101,043	-497,073
3.03	Gross income from financial intermediation	237,944	808,443	339,445	676,066
3.04	Other operating income (expenses)	-39,611	-106,146	-105,458	-255,808
3.04.01	Income from services provided	456,576	1,395,041	359,898	1,204,707
3.04.02	Personnel expenses	-348,903	-1,110,370	-310,864	-910,801
3.04.03	Other administrative expenses	-235,940	-660,390	-209,020	-593,448
3.04.04	Tax expenses	-54,329	-176,284	-56,624	-163,188
3.04.05	Other operating income	358,320	1,179,847	307,022	1,026,847
3.04.06	Other operating (expenses)	-215,335	-733,990	-195,870	-819,925
3.05	Operating income (expenses)	198,333	702,297	233,987	420,258
3.06	Non- operating income (expenses)	3,668	4,509	-277	-194
3.06.01	Income	3,946	5,725	1,454	2,253
3.06.02	Expenses	-278	-1,216	-1,731	-2,447
3.07	Income (loss) before taxes and profit sharing	202,001	706,806	233,710	420,064
3.08	Provision for income and social contribution tax	-62,670	-180,347	-64,939	-281,574
3.09	Deferred income tax	-22,533	-34,819	-63,383	181,008
3.10	Profit sharing/ statutory contributions	-13,759	-62,589	-1,693	-15,775
3.10.01	Profit sharing	-13,759	-62,589	-1,693	-15,775

Individual financial statements – Income statements

(In thousands of reais)

Account Code	Account description	Current quarter 7/1/2014 à 9/30/2014	Accumulated in current Year 1/1/2014 à 9/30/2014	Third Quarter in Prior Year 7/1/2013 à 9/30/2013	Accumulated in Prior Year 1/1/2013 à 9/30/2013
3.13	Net income (loss) for the period	103,039	429,051	103,695	303,723
3.99	Earnings per share – (Reais/Share)	1.19298	4.96748	1.19201	3.49139

Individual financial statements – Statement of other comprehensive income

(In thousands of reais)

Account Code	Account description	Current quarter 7/1/2014 à 9/30/2014	Accumulated in current Year 1/1/2014 à 9/30/2014	Third Quarter in Prior Year 7/1/2013 à 9/30/2013	Accumulated in Prior Year 1/1/2013 à 9/30/2013
4.01	Net income (loss) for the period	103,039	429,051	103,695	303,723
4.02	Other comprehensive income (loss)	179,005	139,265	-32,197	-270,689
4.02.01	Equity valuation adjustment of available-for-sale securities	-2,320	-78,697	-138,931	-475,336
4.02.02	Tax effect on equity valuation adjustment of available-for-sale securities	928	31,479	55,572	190,134
4.02.03	Revaluation reserve released to retained earnings	968	1,716	956	2,868
4.02.04	Tax effect on revaluation reserve released to retained earnings	105	-1,081	-382	-1,147
4.02.05	Actuarial gains/ losses	179,324	185,848	50,588	12,792
4.03	Comprehensive income (loss) for the period	282,044	568,316	71,498	33,034

Individual financial statements – Cash flow statements – Indirect method (In thousands of reais)

Account Code	Account description	Accumulated in Current year 1/1/2014 to 9/30/2014	Accumulated in Prior year 1/1/2013 to 9/30/2013
6.01	Net cash from operating activities	3,414,901	2,582,198
6.01.01	Cash flows from operations	1,260,959	1,446,920
6.01.01.01	Net income (loss) for the period	429,051	303,723
6.01.01.02	Depreciation and amortization	27,889	26,166
6.01.01.03	Allowance for losses on other assets	0	-37
6.01.01.04	Allowance for loan losses	316,223	482,093
6.01.01.05	Allowance for loan losses on other receivables	16,872	14,980
6.01.01.06	Provision for contingent liabilities (FNE risk)	310,190	495,493
6.01.01.07	Provision for contingent liabilities	52,258	31,956
6.01.01.08	Provision for post employment benefits	96,402	112,287
6.01.01.09	Expenses on other operating provisions	10,716	5,250
6.01.01.10	Reversal of operating provisions	-38,504	-14,995
6.01.01.11	Expenses on subordinated debts eligible for capital	109,193	90,032
6.01.01.12	Expenses on hybrid equity/debt instruments	118,540	102,125
6.01.01.13	Provision for dividends and interest on equity	-149,611	-202,153
6.01.01.14	Prior-year adjustment	-38,260	0
6.01.02	Changes in assets and liabilities	2,153,942	1,135,278
6.01.02.01	Interbank investments	-63,200	-2,586
6.01.02.02	Interbank and interdepartmental accounts	-52,084	-34,123
6.01.02.03	Loans	-1,039,352	-138,066
6.01.02.04	Other receivables	130,239	108,544
6.01.02.05	Other assets	2,247	-6,666
6.01.02.06	Deposits	466,776	1,113,598
6.01.02.07	Open market funding	427,371	290,924
6.01.02.08	Funds from acceptance and issue of securities	121,966	67,021
6.01.02.09	Liabilities with loans and onlending	8,878	122,310
6.01.02.10	Derivative financial instruments	-42,882	-96,324
6.01.02.11	Other liabilities	2,357,150	67,666
6.01.02.14	Income and social contribution taxes paid	-163,167	-357,020
6.02	Net cash used in investing activities	-1,711,184	-677,800
6.02.01	Available-for-sale securities	-1,864,089	-631,014
6.02.02	Actuarial gains/ losses	185,848	12,792
6.02.03	Addition to investments	-37	-80
6.02.04	Additions to property and equipment in use	-25,785	-52,136
6.02.05	Addition to intangible assets	-2,495	-7,996
6.02.06	Addition to assets for own use	-5,390	-333
6.02.08	Disposal of property. plant and equipment	661	610
6.02.09	Disposal of assets not for own use	103	357
6.03	Cash flow from financing activities	-176,600	-241,890
6.03.01	Dividends and interest on equity paid	-157,466	-241,890
6.03.02	Treasury shares	-19,134	0
6.05	Increase (decrease) in cash and cash equivalents	1,527,117	1,662,508
6.05.01	Cash and cash equivalents at the beginning of the period	7,709,183	6,484,104
6.05.02	Cash and cash equivalents at the end of the period	9,236,300	8,146,612

Individual financial statements - Statements of changes in equity (SCE) – 1/1/2014 to 9/30/2014

(In thousands of reais)

Account Code	Account description	Capital	Capital reserves	Revaluation reserves	Income reserves	Retained earnings/ accumulated losses	Equity valuation adjustments	Total net equity
5.01	Opening balance	2,437,000	0	20,610	590,649	0	-8,429	3,039,830
5.02	Prior-year adjustment	0	0	0	0	-38,260	0	-38,260
5.03	Prior year adjusted balance	2,437,000	0	20,610	590,649	-38,260	-8,429	3,001,570
5.04	Income (loss) for the period	0	0	0	0	429,051	0	429,051
5.05	Allocations	0	0	0	210,461	-360,072	0	-149,611
5.05.01	Dividends	0	0	0	0	-2,694	0	-2,694
5.05.02	Interest on equity	0	0	0	0	-100,300	0	-100,300
5.05.03	Other allocations	0	0	0	210,461	-257,078	0	-46,617
5.05.03.01	Legal reserve	0	0	0	16,301	-16,301	0	0
5.05.03.02	Statutory reserve	0	0	0	200,713	-200,713	0	0
5.05.03.03	Additional dividends proposed (Dividends and IOE)	0	0	0	31.242	-31.242	0	0
5.05.03.04	Additional dividends proposed and approved	0	0	0	-37.795	-8.822	0	-46.617
5.07	Equity valuation adjustments	0	0	-635	-19,518	143	139,014	119,004
5.07.01	Marketable security adjustments	0	0	0	0	0	-47,218	-47,218
5.07.05	Reserve realization	0	0	-635	0	143	0	-492
5.07.06	Acquisition of treasury shares	0	0	0	-19,518	0	384	-19,134
5.07.07	Actuarial gains and losses	0	0	0	0	0	185,848	185,848
5.08	Capital increase (decrease)	407,000	0	0	-407,000	0	0	0
5.08.01	Transfer for capital increase	407,000	0	0	-407,000	0	0	0
5.13	Closing balance	2,844,000	0	19,975	374,592	30,862	130,585	3,400,014

Individual financial statements - Statements of changes in equity (SCE) – 1/1/2013 to 9/30/2013

(In thousands of reais)

Account code	Account description	Capital	Capital reserves	Valuation reserves	Income reserves	Retained earnings accumulated losses	Equity valuation adjustment	Total equity
5.01	Opening balance	2,142,000	0	22,904	425,494	0	93,353	2,683,751
5.02	Prior-year adjustments	0	0	0	0	312,129	-312,129	0
5.03	Adjusted balance	2,142,000	0	22,904	425,494	312,129	-218,776	2,683,751
5.04	Income/loss for the period	0	0	0	0	303,723	0	303,723
5.05	Allocations	0	0	0	345,751	-547,904	0	-202,153
5.05.01	Dividends	0	0	0	0	-83,821	0	-83,821
5.05.02	Interest on equity	0	0	0	0	-67,800	0	-67,800
5.05.03	Other allocations	0	0	0	345,751	-396,283	0	-50,532
5.05.03.01	Legal reserve	0	0	0	10,001	-10,001	0	0
5.05.03.02	Statutory reserve	0	0	0	327,042	-327,042	0	0
5.05.03.03	Additional dividends proposed (Dividends and IOE)	0	0	0	8,708	-59,143	0	-50,435
5.05.03.04	Provision for income tax on IOE	0	0	0	0	-97	0	-97
5.07	Equity valuation adjustments	0	0	-1,721	0	1,721	-272,410	-272,410
5.07.01	Marketable securities adjustments	0	0	0	0	0	-285,202	-285,202
5.07.04	Realization of reserves	0	0	-1,721	0	1,721	0	0
5.07.05	Actuarial gains and losses	0	0	0	0	0	12,792	12,792
5.08	Capital increase/ decrease	295,000	0	0	-295,000	0	0	0
5.08.01	Transfer for capital increase	295,000	0	0	-295,000	0	0	0
5.13	Closing balance	2,437,000	0	21,183	476,245	69,669	-491,186	2,512,911

Individual financial statements - Statement of value added (In thousands of reais)

Account code	Account description	Accumulated in current year 1/1/2014 to 9/30/2014	Accumulated in prior year 1/1/2013 to 9/30/2013
7.01	Revenues	4,514,601	3,500,031
7.01.01	Financial intermediation revenue	3,002,289	2,585,668
7.01.02	Services provided	1,395,041	1,204,707
7.01.03	Allowance (reversal) for loans losses	-333,095	-497,073
7.01.04	Other	450,366	206,729
7.02	Financial intermediation expenses	-1,860,751	-1,412,529
7.03	Inputs acquired from third parties	-615,285	-554,539
7.03.01	Material. electric power and other	-47,443	-50,340
7.03.02	Third-party services	-315,999	-283,423
7.03.04	Other	-251,843	-220,776
7.03.04.01	Data processing and telecommunications	-127,451	-120,528
7.03.04.02	Advertising. promotions and publishing	-28,498	-16,319
7.03.04.03	Transport	-15,808	-13,940
7.03.04.04	Security	-26,037	-21,130
7.03.04.05	Travel	-14,827	-10,848
7.03.04.06	Other	-39,222	-38,011
7.04	Gross value added	2,038,565	1,532,963
7.05	Retentions	-27,889	-26,166
7.05.01	Depreciation. amortization and depletion	-27,889	-26,166
7.06	Net value added produced	2,010,676	1,506,797
7.08	Total value added for distribution	2,010,676	1,506,797
7.09	Distribution of value added	2,010,676	1,506,797
7.09.01	Personnel	1,027,014	800,574
7.09.01.01	Salaries and wages	766,327	551,836
7.09.01.02	Benefits	215,038	208,146
7.09.01.03	FGTS (Government Severance Indemnity Fund for Employees)	45,649	40,592
7.09.02	Taxes. charges and contributions	537,395	389,757
7.09.02.01	Federal	521,536	377,153
7.09.02.02	State	74	62
7.09.02.03	Municipal	15,785	12,542
7.09.03	Debt remuneration	17,216	12,743
7.09.03.01	Rent	17,216	12,743
7.09.04	Equity remuneration	429,051	303,723
7.09.04.01	Interest on Equity (IOE)	109,122	101,206
7.09.04.02	Dividends	33,936	108,460
7.09.04.03	Retained earnings/loss for the period	285,993	94,057

INTRODUCTION

In the third quarter of 2014, Banco do Nordeste do Brasil (BNB) entered into credit operations amounting to R$ 8.0 billion, represented by 1,185,733 loan and financing operations. As compared with the prior-year period, this corresponds to 13.0% growth in the number of operations and 70.4% in the amount under these headings. Keeping the leading position in microfinance and family farming, and becoming the main bank for micro and small-sized companies in the Northeast region of Brazil are two of the strategic objectives defined for 2014. Accordingly, BNB continues supporting the regional production agent, both in long-term financing and short-term loans, by using funds from the Northeast Financing Constitutional Fund (FNE) and other sources at its disposal, always focusing on the family farmer, mini and small rural producer, micro and small urban businesses, and informal microbusinesses.

ACTIONS FOCUSING DEVELOPMENT

<u>Banco do Nordeste enters into an agreement with the Rio de Janeiro Fostering Agency (AgeRio)</u> – The presidents of Banco do Nordeste and AgeRio entered into an agreement to benefit operations which, for financing purposes, are guaranteed by receivables (which represent the amounts an entity is to receive from its debtors). The agreement is expected to allow receivables guarantee to be operated more efficiently by AgeRio. When a branch customer gives receivables as guarantee to take out a loan, such customer may open a current account at BNB Rio de Janeiro branch, in which receivables provided as guarantee shall be deposited. Accordingly, both institutions are benefited: AgeRio, for operating the receivables guarantees, and BNB, for the possibility of increasing the number of customers.

<u>BNB and BNDES meet to confirm partnership</u> – Management members and executives of Banco do Nordeste and Brazilian Development Bank (BNDES) met at BNDES head office, in Rio de Janeiro, to enhance collaboration between both institutions. Such meeting addressed the management of Private Equity Funds (FIPs) by BNB, Cultural Public Notices, matters related to regional development and shared operations. The increase in BNB interest in FIP Nordeste has already been approved, and the matter now is the participation of BNDES in a new FIP, to be managed by BNB. In addition, BNDES proposed to participate in the Banco do Nordeste cultural public notice with contribution of R$ 6 million. In the field of regional development, the matters addressed in the meeting included the increase of BNDES participation in the Crediamigo microloan, from R$ 50 million to R$ 150 million. On shared operations, matters such as Banco do Nordeste participation in BNDES card operations, risk sharing in major projects, Investment Insurance Fund (FGI), project analysis methodology, and training sessions for the BNDES Automático product were discussed.

<u>Banco do Nordeste and Sebrae reinforce integrated actions to support micro and small-sized companies (MPEs)</u> - Banco do Nordeste and the Brazilian Association of State Sebraes (Abase) entered into an intention agreement so as to promote supplementary initiatives and strengthen their partnership, in order to provide technical and financial support to MPE in the Northeast region. By means of its partnership with Sebrae, BNB has access to qualified customers, who attend management, finance, strategic planning, marketing and innovation training sessions, enters into agreements at state

level and conducts integrated actions linked to the fostering and incentive to the expansion of the MPE segment. The meeting was also an opportunity for representatives of both entities to debate the recent changes introduced in the Brazilian Statute for Micro and Small-Sized Companies – General Law for Micro and Small-Sized Companies (Supplementary Law No. 123/2006), particularly regarding the provisions addressing the universalization of taxes paid by the MPEs, which increases the target public of beneficiaries of the law, and generates opportunities for new businesses in the segment.

<u>Ceará Superintendence of State and Industry Federation enter into a technical cooperation agreement</u> – Enter into an agreement in order to expand access to credit and promote joint actions to strengthen business capacity and competitiveness of Ceará state industries. This is the objective that led Banco do Nordeste and Ceará State Industry Federation (FIEC) to execute a technical cooperation agreement. BNB implemented instruments to modernize and expedite both the loan granting process and debt renegotiation. For instance, it is currently possible to assess loan granting amounting to up to R$ 10 million by means of the *Credit Scoring* tool. The partnership brings together BNB, main financial institution fostering sustainable development in the Northeast region of Brazil, and FIEC, major corporate representation entity which operates by encouraging production investments, particularly in micro, small and medium-sized companies. The strategy to perform the agreement is to conduct business rounds by sector, considering, as an example, the model adopted in the existing partnership between Banco do Nordeste and one of the workers' union linked to FIEC – the Union of Chemical, Pharmaceutical and Oil Distillation and Refining Industries in the State of Ceará (Sindiquímica).

ADMINISTRATIVE EVENTS

<u>President Dilma Rousseff appoints Nelson Antonio de Sousa</u> – President Dilma Rousseff effected Nelson Antônio de Souza as president of Banco do Nordeste. Nelson Antônio de Souza, who has been the temporary president of the Bank since last April 3, has been in Banco do Nordeste since July 2012, when he took over the Strategy, Management and IT board, and has been in charge of the Strategy, Organizational Structure, Marketing, Communication, Logistics, Human Development and IT areas. He worked for the Federal Savings and Loans Bank (Caixa Econômica Federal), where he assumed strategic roles, such as National Superintendent of the Unemployment Compensation Fund (FGTS), chief of President’s Office, and executive director of People Management. He has a degree in Languages and Literature, in Psychology, and an MBA in Marketing from the Rio de Janeiro Business Study Institute.

<u>Banco do Nordeste microloan is addressed in the international press</u> – Customers of the rural and urban microloan programs, respectively Agroamigo and Crediamigo, were interviewed by international journalist Celeste Jones, from the French news agency AFP. She was in the city of Fortaleza and visited the Banco do Nordeste head office. The story, which will be broadcast in several television networks, focuses upon the benefits generated by the Soccer World Cup, mainly for entrepreneurs.

<u>Banco do Nordeste provides small-business customers with card machines</u> - MPE/Corporate and Urban Microfinance (Crediamigo) segment customers can already sell by means of credit and debit cards. The action is a result from the partnership between Banco do Nordeste and companies Global Payments and Nexxpago, which

provides machines developed specially for this purpose. The partnership was announced in the Hotel Gran Marquise, in Fortaleza (CE), with the presence of representatives of corporate entities, retail businesses, industries involved, institutional partners and Banco do Nordeste customers. “The partnership will allow Bank customers to accept credit and debit cards, and sell in installments, which makes payment easier. These machines also provide security, mobility and, they will surely generate an increase in sales,” stated Banco do Nordeste president. Global Payments is one for the three major payment processing entities in the world and is present in 26 countries. Nexxpago is one of the companies in the Nexxera Group, which has partnerships with major Brazilian companies.

Three new officers appointed for Banco do Nordeste - Isaias Matos Dantas, Francisco das Chagas Soares and Romildo Carneiro Rolim, employees of Banco do Nordeste, were appointed as executive director in the institution. They will assume, respectively, the Management, IT and Sustainable Development offices. Isaías Matos Dantas joined the Bank in 1976, having already worked as Piauí, Ceará and Maranhão State Superintendent Officer, and branch manager in the cities of Salvador, Maceió and Fortaleza. Until he was appointed, he chaired the Banco do Nordeste Pension Plan for Employees (Capef). Francisco das Chagas Soares has been a Banco do Nordeste employee since 1969. He was assigned to the Ceará State Government, as the director of Desenvolvimento Setorial da Agência de Desenvolvimento do Estado do Ceará S.A. (Adece). Romildo Carneiro Rolim, employee with over 20 years in the bank, has already worked as superintendent of Capital Market and Financial Operations, and of the Assets Restructuring area.

Company supported by Criatec Fund reaches 1st place in the Exame PME magazine ranking – Company supported by Criatec Fund, Welle Tecnologia Laser reached 1st place in the ranking of PMEs that grew the most over the past three years, prepared by Exame PME magazine and Deloitte advisory service firm. Other four Fund companies were also recognized by the award: Geofusion (20th), Cianet (53rd), RPH (75th) and Imeve (112th). Welle is specialized in the manufacture of laser-marking, laser-engraving and micromachining machinery and equipment. Criatec is a seed capital fund, partnership between Banco do Nordeste and BNDES, intended to invest in emerging innovative companies. It is mainly engaged in obtaining capital gains and other earnings by means of long-term investments in companies at their initial phase that project high returns, in the information technology, biotechnology, new materials, nanotechnology and agribusiness industries, and by providing them with appropriate management support. The Fund was organized with initial equity of R$ 100 million, will be effective for ten years, and contributed funds in 36 companies, of the 1,722 investment opportunities analyzed.

Banco do Nordeste launches new branches – In the 3Q2014, Banco do Nordeste launched 10 new branches. The new operating units that will improve the institution's presence where it operates are located in the cities of Dias D’Avila and Catu (Bahia state), Fortaleza and Eusébio (Ceará state), Colinas, Viana and São João dos Patos (Maranhão state), Picuí (Paraíba state), and Escada and Cabo de Santo Agostinho (Pernambuco state).

OPERATIONAL PERFORMANCE

In the third quarter of 2014, Banco do Nordeste do Brasil (BNB) entered into credit operations amounting to R$ 8.0 billion, represented by 1,185,733 loan and financing operations. As compared with the prior-year period, this corresponds to 13.0% growth in the number of operations and 70.4% in the amount under these headings.

The funds involved in long-term loans operations were mostly from the FNE, from which R$ 4.7 billion was taken out, with 132,348 operations, which account for 103,3% growth in amount taken out and 2.0% decrease in the number of operations vis-à-vis the 3Q2013.

By means of its urban production microloan program, Crediamigo, BNB disbursed approximately R$ 1.7 billion in the 3Q2014, in 947,434 operations with micro-entrepreneurs of all the area where it operates. In the 3Q2013, R$ 1.4 billion was disbursed, with 840,941 operations entered into. By comparing both periods, BNB grew by 23.4% considering the amount disbursed and 12.7% in the number of operations.

As regards the National Program to Strengthen Family Agriculture, Pronaf, BNB entered into 121,952 financing operations, involving funds in the region of R$ 606.4 million, which accounts for growth by 14.6% in the amount taken out, and decrease by 3.0% in the number of operations in relation to the 3Q2013.

Within Pronaf, BNB operates Agroamigo, a rural production microloan program. In this type of credit, 114,716 operations were entered into with family farms, which account for R$ 445.3 million in the 3Q2014 – 33.1% growth in the amount taken out, and 3.8% growth in the number of operations regarding the 3Q2013.

All in all, BNB production microloan program, involving Crediamigo for the urban area and Agroamigo for the rural area, was entered into in the amount of R$ 2.2 billion (1,062,150 operations), supporting urban and rural micro-entrepreneurs of all the area where BNB operates, which accounts for 25.2% growth in the amount and 11.6% growth in the number of operations regarding the same period in 2013.

As regards support to micro and small-sized companies, BNB entered into 60,946 operations amounting to R$ 865.8 million over the 3Q2014, which accounts for 280.8% increase in the number of operations and 23.9% in the amount taken out.

As for the financial income, BNB net income amounted to R$ 103.0 million in the 3Q2014, which is 0.7% lower than the 3Q2013, when the Bank recorded net income amounting to R$ 103.7 million.

CVM RULE NO. 381, OF JANUARY 14, 2003

In reference to Brazilian Securities and Exchange Commission (CVM) Rule No. 381/03, of January 14, 2003, Banco do Nordeste states that Ernst & Young Auditores Independentes S/S, engaged as an independent auditor, provided no services to the Bank other independent audit services for the 3Q2014.

NOTES TO FINANCIAL STATEMENTS

Quarters ended September 30, 2014 and 2013

Amounts expressed in thousands of reais, unless otherwise indicated

Contents

NOTE 1 - The Bank and its characteristics

Banco do Nordeste do Brasil S.A. (Bank) is an all-purpose bank established by Federal Law No. 1649, of 07.19.1952, with its head office at Dr. Silas Munguba 5700, Passaré, Fortaleza, Ceará State, Brazil. The Bank was structured as a mixed economy, publicly-traded corporation and its mission is: "to operate, in its capacity of a public financial institution, as a catalytic agent in promoting the sustainable development of the Northeast in a competitive and profitable manner." Banco do Nordeste, as an All Purpose Bank, is authorized to operate all the portfolios permitted for multiple service banks, except mortgage loan portfolio. As an institution devoted to regional development, the Bank acts as the executive agent of public policies and is responsible for managing the Northeast Constitutional Financing Fund (FNE) – the main source of funds used by the Bank for long-term financing – and the operation of the National Family Farming Strengthening Program (PRONAF) in its jurisdiction. It is also the operator of the Northeast Investment Fund (FINOR) and the Northeast Development Fund (FDNE), the latter created in 2001 and altered in 2007 by Supplementary Law No. 125, which recreated the Northeast Development Authority (SUDENE). In 1998, the Bank created its Production-Oriented Microcredit Program (Crediamigo), a Production Microloan Program that facilitates credit access to thousands of small entrepreneurs who engage in production-related, product sale, and service activities. In addition to federal funds, the Bank has access to other sources of financing in the domestic and foreign markets through funds raised directly, as well as partnerships with domestic and foreign institutions, including multilateral institutions such as the World Bank and the InterAmerican Development Bank (IDB).

NOTE 2 - Basis of preparation and presentation of the financial statements

The financial statements have been prepared in accordance with Brazilian Corporation Law, as amended by Laws No. 11638 and No. 11941, of 12.28.2007 and 05.27.2009, respectively, and regulations of the National Monetary Council (CMN), the Central Bank of Brazil (BACEN), and the Brazilian Securities and Exchange Commission (CVM), and are presented in accordance with the Standard Chart of Accounts for National Financial Institutions (COSIF).

The Bank's financial statements are in conformity with the pronouncements issued by the Brazilian FASB (CPC) in the process of convergence between the Brazilian accounting standards and the International Financial Reporting Standards (IFRS), as approved by the National Monetary Council (CMN), and the Brazilian Securities and Exchange Commission (CVM) standards that are in line with CMN rules, as follows:

- CPC 00 (R1) - Conceptual Framework for Financial Reporting (CMN Resolution No. 4144, of September 27, 2012);
- CPC 01 – Impairment of Assets (CMN Resolution No. 3566, of May 29, 2008);
- CPC 03 - Cash Flow Statement (CMN Resolution 3604, of August 29, 2008);
- CPC 05 – Related-party Disclosures (CMN Resolution No. 3750, of June 30, 2009);
- CPC 23 - Accounting Policies, Changes in Accounting Estimates and Correction of Errors (CMN Resolution No. 4007, of August 25, 2011).
- CPC 24 - Subsequent Events (CMN Resolution No. 3973, of May 26, 2011);
- CPC 25 - Provisions, Contingent Liabilities and Contingent Assets (CMN Resolution No. 3823, of December 16, 2009);
- CPC 09 - Statement of Value Added (CVM Rule No. 557, of November 12, 2008);
- CPC 22 - Segment Reporting (CVM Rule No. 582, of July 31, 2009);
- CPC 27 – Property and Equipment (CVM Rule No. 583, of July 31, 2009);

- CPC 32 - Income Taxes (CVM Rule No. 599, of September 15, 2009);
- CPC 33 (R1) - Employee Benefits (CVM Rule No. 695, of December 13, 2012); and
- CPC 41 – Earnings per Share (CVM Rule No. 636, of August 06, 2010).

NOTE 3 – Summary of significant accounting practices

a) Functional currency

The Bank's functional and reporting currency is the Brazilian Real.

Assets and liabilities denominated in foreign currency are recognized at the average exchange rate in force on the transaction date, while nonmonetary assets are stated at historical cost.

At the end of each period, monetary assets and liabilities denominated in foreign currency are restated by the average exchange rate, and any variations are recorded under profit or loss (P&L) for the period.

b) Revenue recognition criteria

Revenues and expenses are recognized on a monthly basis, following the accrual method and considering the pro rata temporis criterion.

c) Current and noncurrent assets and liabilities

Assets and receivables are stated at realizable values, plus income earned and currency adjustments and foreign exchange fluctuation, less unearned income or allowance, if applicable. Liabilities are stated at original amounts plus, if applicable, accrued interest and monetary and exchange variations, less deferred expenses. Available funds from FNE (Northeast Constitutional Financing Fund) are classified in Current and Long-term liabilities according to the expected outflow of funds.

Receivables and payables are recorded in Current assets and Long-term receivables and in Current and Long-term liabilities, respectively, according to maturity dates.

d) Cash and cash equivalents

Cash and cash equivalents correspond to the balances of cash and cash equivalents, interbank investments and marketable securities immediately convertible into cash or with original maturity equal to or less than ninety days, with an insignificant risk of change in the fair value.

e) Interbank investments

Interbank investments are recorded at acquisition cost or investment value, plus income earned and adjusted by the allowance for losses, when applicable.

f) Securities

Securities are recorded at cost, plus brokerage and other fees, and are classified and accounted for as described below:

Trading securities: securities acquired to be actively and frequently traded, adjusted to fair value against P&L for the period;

Held-to-maturity securities: securities that the Bank has the positive intent and ability to hold to maturity, stated at acquisition cost, plus income earned, against P&L for the period; and

Available-for-sale securities: securities not classified as either trading securities or held-to-maturity securities and reported at fair value, net of taxes, with unrealized gains and losses reported in a separate component of Equity.

The classification of Available-for-sale securities and Held-to-maturity securities in current assets and long-term receivables was determined according to their maturities, which does not mean unavailability of the securities, which are of the highest quality and highly liquid.

g) Derivative financial instruments

The Bank limits its operations in the derivative market to swap transactions intended solely to hedge its asset and liability positions.

Swap transactions are stated in balance sheet and memorandum accounts, according to their nature, based on prevailing accounting standards and legal provisions. They are measured at fair value upon preparation of monthly trial balances and half-yearly balance sheets. Valuations or devaluations are stated in revenue or expense accounts. The rates disclosed by the Securities, Commodities and Futures Exchange (BM&FBOVESPA) are used to calculate the fair value of these transactions.

Hedge accounting

Considering the risk of foreign exchange exposure and conditions of the funding market abroad through long-term Senior Unsecured Notes, the Bank designated derivative financial instruments (swap agreements) to fully hedge the loans raised and corresponding interest payable (market risk hedge). To equalize the effects of marking-to-market of derivatives designated as hedging instruments, the hedged item is also adjusted for changes in fair value.

Changes in the market value of derivatives designated as hedging instruments are recognized in P&L. However, the market value adjustment of the hedged item is recorded as part of its book value, and is also recognized in P&L. If the hedging instrument expires or is sold, cancelled or exercised, or when the hedging position does not fall under hedge accounting conditions, the hedging relationship ends.

The risk management objectives and the hedging strategy of such risks during the entire transaction are adequately documented, and so is the assessment of the transaction effectiveness. A hedge is expected to be highly effective if the changes in market value or cash flow attributed to the hedging instrument offsets the changes in market value of the hedged item, in an interval between 80% and 125%.

The market values of derivative financial instruments used for hedging purposes and of the hedged item are disclosed in Note 7.c.1.

h) Loans, advances on foreign exchange contracts, other receivables with loan features and allowance for loan losses

Loans, advances on foreign exchange contracts, and other receivables with loan features are classified in accordance with Management's judgment on risk level, taking into consideration the economic scenario, past experience and specific risks related to the operation, creditors and guarantors, considering the standards established by CMN Resolution No. 2682 of 12.21.1999, which require the periodic analysis of the portfolio and its rating into nine risk levels, where AA is the minimum risk and H is the maximum risk, as well as the classification of operations in arrears for more than 15 days as past due operations.

Income from loans over 59 days past due, regardless of the risk level, is only recognized as revenue when realized.

H-rated operations remain under this rating for 180 days, when they are then written off from assets against the existing allowance and controlled for five years, no longer being included in the balance sheet.

Renegotiated operations remain at minimum at the same level into which they were classified.

Renegotiated loans that have been written off against the allowance are rated as H, and possible recoveries are recognized as income when received.

i) Prepaid expenses

These refer to funds used in advanced payments, whose benefits or service rendering will occur in coming years.

j) Permanent assets

Investments are stated at cost, net of valuation allowance.

Property and equipment in use include depreciation calculated under the straight-line method at the following annual rates: Buildings - 4%; data processing systems and vehicles - 20%; tractors and motorcycles - 25%; and other - 10%. Real estate in use includes the revaluation amount.

Deferred charges include expenses on third-party properties and software purchase and development incurred through 09.30.2008 and include amortization calculated under the straight-line method at the annual rate of 20%.

CMN Resolution No. 3617, of 09.30.2008, determines that any balances of property and equipment and deferred charges existing before the Resolution came into effect that have been recorded based on prior standards should be maintained until such balances are actually written off.

Intangible assets correspond to rights whose subject matter is represented by intangible assets intended for the maintenance of the Bank's activities or exercised for such purpose, including the goodwill acquired.

An asset meets the criterion for identification of an intangible asset whenever: it is separable, i.e., can be separated from the entity and sold, transferred or licensed, rented or exchanged individually or together with a contract, related assets or liabilities, irrespective of the intended use by the entity or arises from contractual or other legal rights, irrespective of whether those rights are transferable or separable from the entity or from other rights and obligations.

Intangible assets are comprised of disbursements for acquisition of software rights that, are currently, in the implementation phase, the useful lives of which will be estimated within 10 years, from the date of their availability for use, and will be amortized on a straight-line basis. When applicable, intangible assets will be adjusted for impairment losses (Note 12.c).

k) Taxes

Corporate Income Tax (IRPJ) is calculated at the rate of 15% plus a 10% surtax (on taxable profit exceeding R$240 for the year), and Social Contribution Tax on Net Profit (CSLL) is calculated at the rate of 15%, after the adjustments defined in tax legislation. Deferred tax assets and liabilities are calculated, substantially, on temporary differences between accounting and tax bases, arising from allowances for loan losses, reserves for post-employment benefits, mark-to-market of marketable securities, derivative financial instruments, and hedged item.

In accordance with current legislation, the expected realization of tax credits is based on the projection of future taxable profits and on technical studies carried out every six months.
The federal contribution taxes on gross revenue for Public Service Employee Savings Program (PASEP) and for Social Security Financing (COFINS) are calculated at the rates of 0.65% and 4.00%, respectively.
Service Tax (ISSQN) is levied on service revenue at 5%.

l) Employee benefits

The Bank grants its employees short-term and post-employment benefits. Short-term benefits are recognized and measured at their original amounts (excluding the effect of the discount to present value or actuarial calculation) based on the monthly accrual basis of accounting.
Post-employment benefits refer to defined benefit and variable contribution pension plans, a defined benefit health care plan, and a defined benefit group life insurance.
For "defined benefit" plans and for the portion of unanticipated benefits of the variable contribution plan, which has characteristics of defined benefit plan, the net current service cost and net interest on net actuarial liabilities, including interest on the defined benefit asset limit effect, as applicable, are recognized in P&L, whereas actuarial gains and losses and return on plan assets, less net interest on net liabilities, are recognized under "Other equity adjustments", in Equity.
Contributions referring to the portion of defined contribution of the variable contribution plan are recognized in P&L.
The post-employment benefit involving group life insurance offered by the Bank to its employees and retirees at September 30, 2014 is as follows:

Specification	**Amount**
Actuarial liabilities as at December 31, 2013 [1]	(38,260)
Current service cost and interest for the period, net	(2,201)
Sponsor's contribution for the period	1,745
Actuarial gains for the period	2,835
Actuarial liabilities as at September 30, 2014	(35,881)

[1] Amount recognized in "Retained earnings (accumulated losses)" as described in Note 19.d.

m) Impairment testing

Impairment losses are recognized when the carrying amount of an asset exceeds its recoverable amount. Significant nonfinancial assets are reviewed at least at the end of each reporting period, to determine if there is any indication of impairment loss.

n) Provisions, contingent assets and liabilities and legal obligations

Provisions, contingent assets and liabilities and legal obligations are recognized, measured and disclosed according to the criteria defined in CPC 25 – Provisions, Contingent Liabilities and Contingent Assets, approved by CMN Resolution 3823, of 12.16.2009 and Circular Letter No. 3429, of 2.11.2010.
Provisions for civil, tax, labor and other claims are recognized in the financial statements when, based on the opinion of legal advisors and management, the likelihood of loss in a given legal or administrative proceeding is rated as probable, the settlement of which is likely to result in an outflow of economic benefits, and the amounts involved can be reliably measured upon court reference/notification, reviewed as required by procedural changes, and monetarily restated on a monthly basis.
Contingent assets are recognized in the financial statements only when their realization can be reliably measured from evidence, which may be the final and unappealable decision on a lawsuit or the confirmation of their recoverability, either through their receipt or offset against another liability, and contingent liabilities are not recognized in the financial statements.
Legal obligations derive from the tax obligations and a provision of their full amount is recognized in the financial statements regardless of the likelihood of success in ongoing lawsuits.

o) Use of estimates

The preparation of the financial statements includes estimates and assumptions, such as in determining allowances for loan losses, fair value measurement of financial instruments, provision for contingencies, impairment losses and other provisions, e.g. reserves for actuarial liabilities for health care and pension plans. Actual results could differ from such estimates and assumptions.

p) Earnings per share

The Bank's basic and diluted earnings per share were calculated by dividing net income attributable to shareholders by the weighted average number of total common shares. The Bank has no stock option, subscription bonus or any other right to acquire shares. Accordingly, basic and diluted earnings per share are the same.

NOTE 4 - Segment reporting

For management purposes, the Bank is organized into two operating segments based on products and services:

a) Own Portfolio - comprises own portfolio products and services such as lending and market operations, fund management and provision of other banking services and collaterals; and

b) FNE - comprises loans within the scope of FNE.

The Bank’s management manages operating income (loss) separately in order to make decisions on the fund allocation and performance evaluation. The performance of each segment is determined based on the financial margin plus bank fees.

No revenue from transactions with one single external customer accounted for 10% or more of the Bank's total revenues at 9.30.2014 and 9.30.2013.

The table below, prepared in the format used by the Bank's management, shows information on revenues, costs, expenses and financial margin of operating segments. Administrative expenses, as well as other expenses not directly allocated to each operating segment, are classified as corporate expenses and were included in column “Total”:

Notes

Specification	01.01 to 9.30.2014			01.01 to 9.30.2013		
	Own portfolio	FNE	Total	Own portfolio	FNE	Total
Revenue	**2,631,412**	**1,555,232**	**4,186,644**	**2,388,002**	**1,224,320**	**3,612,322**
Income from loans	1,229,691	-	1,229,691	1,283,243	-	1,283,243
Securities transactions, net	876,424	754,342	1,630,766	621,149	481,899	1,103,048
Derivative financial instruments, net	10,948	-	10,948	77,037	-	77,037
Foreign exchange transactions, net	98,321	-	98,321	102,716	-	102,716
Compulsory investments, net	30,308	-	30,308	13,498	-	13,498
Sales or transfer of financial assets	2,255	-	2,255	6,126	-	6,126
Other revenues	383,465	800,890	1,184,355	284,233	742,421	1,026,654
Expenses	**(1,475,515)**	**(1,033,930)**	**(2,509,445)**	**(1,455,166)**	**(958,388)**	**(2,413,554)**
Open market funding	(963,806)	-	(963,806)	(754,724)	-	(754,724)
Borrowings and onlending	(176,552)	(720,393)	(896,945)	(197,597)	(460,208)	(657,805)
Allowance for loan losses	(333,095)	(310,190)	(643,285)	(497,073)	(495,493)	(992,566)
Other contingent liabilities (Note 20.g)	(2,062)	(2,859)	(4,921)	(5,772)	(2,388)	(8,160)
PROAGRO provision receivable	-	(488)	(488)	-	(299)	(299)
Financial margin	**1,155,897**	**521,302**	**1,677,199**	**932,836**	**265,932**	**1,198,768**
Service income	269,488	1,099,339	1,368,827	214,948	966,235	1,181,183
Income from fees, rates and commissions	26,214	-	26,214	23,524	-	23,524
PASEP and COFINS	**(65,883)**	**(93,510)**	**(159,393)**	**(67,042)**	**(82,831)**	**(149,873)**
Income (loss) after fees and commissions	**1,385,716**	**1,527,131**	**2,912,847**	**1,104,266**	**1,149,336**	**2,253,602**
Administrative expenses			**(1,770,760)**			**(1,504,249)**
Personnel expenses			(1,110,370)			(910,801)
Depreciation and amortization			(27,889)			(26,166)
Other administrative expenses			(632,501)			(567,282)
Other expenses (1)			**(377,228)**			**(300,243)**
Expenses with provisions, except allowance for loan losses			**(58,053)**			**(29,046)**
Income before taxes and profit sharing			**706,806**			**420,064**
Income and social contribution taxes			(215,166)			(100,566)
Profit sharing			(62,589)			(15,775)
Net income			**429,051**			**303,723**

(1) Expenses referring to PASEP and COFINS on import of services in the amount of R$ 24 (R$ 15 at 9.30.2013) are included in other expenses

NOTE 5 - Cash and cash equivalents

Specification	**9.30.2014**	**12.31.2013**
Cash in local currency	152,456	153,121
Cash in foreign currency	2,282	2,788
Total cash	**154,738**	**155,909**
Interbank investments	9,081,562	7,553,274
Total cash and cash equivalents (Note 27.c)	**9,236,300**	**7,709,183**

NOTE 6 - Interbank investments

a) Breakdown

Specification	**9.30.2014**	**12.31.2013**
a) Open market investments	**9,225,618**	**7,606,592**
Resale agreements pending settlement - Self-funding position	9,081,561	7,553,274
Resale agreements pending settlement - Financed position	144,057	53,318
b) Interbank deposits	**102,935**	**130,473**
Foreign currency investments	28,718	46,764
Interbank deposits	74,217	83,709
Total	**9,328,553**	**7,737,065**
Current	9,328,553	7,737,065

b) Income from interbank investments

Specification	**01.01 to 9.30.2014**	**01.01 to 9.30.2013**
a) Income from open market investments (Note 7.b)	**650,616**	**419,038**
Self-funded position	635,080	413,748
Financed position	15,536	5,290
b) Income from interbank deposits (Note 7.b)	**8,305**	**3,357**
Total	**658,921**	**422,395**

NOTE 7 – Marketable securities and derivative financial instruments

a) Securities

The adjusted cost (plus income earned) and the market value of securities are as follows:

a.1) Securities portfolio

Specification	**9.30.2014**	**12.31.2013**
Available-for-sale securities	13,329,223	11,642,248
Held-to-maturity securities	153,612	23,717
Swap differential receivable	379,536	338,048
Total	**13,862,371**	**12,004,013**
Current	5,570,220	690,164
Long-term	8,292,151	11,313,849

a.2) Available-for-sale securities

Specification	9.30.2014				12.31.2013			
	Cost	Market (book) value	Mark-to-market	Maturity	Cost	Market (book) value	Mark-to-market	Maturity
Fixed income securities	**13,460,881**	**12,980,179**	**(480,702)**		**11,612,627**	**11,190,805**	**(421,822)**	
Financial Treasury Bills (LFTs)	9,585,525	9,585,713	188	2015 to 2020	8,277,985	8,281,099	3,114	2014 to 2018
National Treasury Bills (LTNs)	-	-	-		12	12	-	2014
National Treasury Notes (NTNs)	1,259,912	1,207,496	(52,416)	2050	1,219,825	1,115,050	(104,775)	2050
Financial Bills (LFs)	1,856,670	1,796,518	(60,152)	2015 to 2019	1,333,889	1,294,421	(39,468)	2014 to 2019
Debentures	724,670	384,313	(340,357)	2016 to 2035	747,118	495,281	(251,837)	2014 to 2019
Federal government bonds (FCVS)	5,963	5,949	(14)	2027	6,288	4,747	(1,541)	2027
Federal government bonds - Other	27,875	-	(27,875)	1993	27,248	-	(27,248)	1993
Agrarian Debt Securities (TDAs)	266	190	(76)	2014 to 2022	262	195	(67)	2014 to 2022
Investment fund shares	**3,089**	**1,682**	**(1,407)**		**10,360**	**8,983**	**(1,377)**	
Social Development Funds (FDS)	1,407	-	(1,407)	No maturity	1,377	-	(1,377)	No maturity
Receivables Investment Fund (FIDC) shares	-	-	-		7,286	7,286	-	2014
Real Estate Investment Fund (FII)	1,356	1,356	-	2100	1,403	1,403	-	2100
Investment Guarantee Fund (FGI)	308	308	-	No maturity	251	251	-	No maturity
Operation Guarantee Fund (FGO)	18	18	-	No maturity	43	43	-	No maturity
Variable income securities	**16,404**	**9,583**	**(6,821)**		**140,298**	**140,102**	**(196)**	
Other tax incentives (FINOR)	163	148	(15)	No maturity	350	148	(202)	No maturity
Publicly-traded companies shares	16,241	9,435	(6,806)	No maturity	139,948	139,954	6	No maturity
Security deposits [1]	**351,524**	**337,779**	**(13,745)**		**302,941**	**302,358**	**(583)**	
Financial Treasury Bills (LFTs)	335,870	335,881	11	2015 to 2020	302,151	302,281	130	2015 to 2018
Federal government bonds – Nuclebrás	706	-	(706)		690	-	(690)	1993
Federal government bonds – Other	95	95	-	1993 to 2027	100	77	(23)	2027
Debentures	14,853	1,803	(13,050)	2035				
Total	**13,831,898**	**13,329,223**	**(502,675)**		**12,066,226**	**11,642,248**	**(423,978)**	
Tax credit (Note 21.b)	-	-	204,736		-	-	209,602	-
Provision for deferred taxes and contributions (Note 21.c)	-	-	(3,666)		-	-	(40,011)	-
Total mark-to-market	-	-	**(301,605)**		-	-	**(254,387)**	-

[1] Breakdown: Guarantees on stock exchange transactions R$ 173,417 (R$ 160,763 at 12.31.2013); guarantees on clearing house association transactions R$ 1,959 (R$ 1,816 at 12.31.2013); guarantees on legal proceedings R$ 144,566 (R$ 123,245 at 12.31.2013); and other guarantees R$ 17,836 (R$ 16.534 at 12.31.2013).

Account “Federal Government Securities - Other” under items Fixed Income Securities and Security Deposits records cash investments in government securities named by the National Treasury as NUCL910801 and CVSB970101 maturing on 08.31.1993 and 01.01.2027, but not yet redeemed. These securities recorded a full devaluation due to their maturity, without, however, falling under the concept of permanent loss, as provided by BACEN Circular No. 3068, of 11.08.2001.

In view of the classification of assets under “Available-for-sale securities”, the amount of R$(502,675) (R$ (423,978) at 12.31.2013) was recorded in Equity under “Equity adjustments” account. This adjustment, net of tax effects, corresponds to R$ (301,605) (R$ (254,387) at 12.31.2013).

a.3) Held-to-maturity securities

Specification	9.30.2014			12.31.2013		
	Cost (book) value	Market value (1)	Maturity	Cost (book) value	Market value (1)	Maturity
Fixed income securities	**153,612**	**100,376**		**23,717**	**23,710**	
Investment Fund Shares - Ne.Empreendedor	3,010	3,010	2015	2,020	2,020	2015
National Treasury Notes (NTN) - P	131,530	78,294	2014 to 2030	102	95	2014
Investment Fund Shares - CRIATEC	10,629	10,629	2017	12,579	12,579	2017
Investment Fund Shares – CRIATEC II	306	306	2023	860	860	2023
FIP Brasil Agronegócios	8,137	8,137	2018	8,156	8,156	2018
Total	**153,612**	**100,376**		**23,717**	**23,710**	

(1) The market values described above are for illustrative purposes only, and no accounting record has been made in this respect, as required by BACEN Circular No. 3068, of 11.08.2001.

a.4) In the third quarter of 2014, there were no reclassifications of securities into the categories above, and no held-to-maturity securities were sold.

a.5) The aging of Investment Funds classified as held-to-maturity is shown in the table above.

a.6) We hereby represent that the Bank has the financial ability and intention to hold to maturity the securities classified as held to maturity.

b) Income from securities

Specification	01.01 to 9.30.2014	01.01 to 9.30.2013
Interbank investments (Note 6.b)	650,616	419,038
Interbank deposits (Note 6.b)	8,305	3,357
Fixed income securities	971,206	673,236
Variable income securities	639	7,417
Total	**1,630,766**	**1,103,048**

c) Derivative financial instruments

The Bank operates under a conservative investment policy focused on investing strictly in compliance with the maturity terms and rates established by the respective sources of funds in order to avoid any mismatching among assets and liabilities in terms of maturities, interest rates and applicable indices.

As at 9.30.2014, the Bank had swap transactions registered with CETIP (OTC Clearing House) and the notional value of these transactions is recorded in memorandum accounts notional value while the related book value is recorded under the captions ‘Differential Payable’ and ‘Differential Receivable’, as shown below:

Breakdown at 9.30.2014								
Specification	Notional Value	Market Value		Curve		Mark-to-market		MTM, net
		Difference Receivable	Difference Payable	Difference Receivable	Difference Payable	Positive	Negative	
Asset (long) position								
Foreign Currency (US$)	1,087,635	379,536	-	342,829	-	36,707	-	36,707
Liability (short) position								
Fixed rate	-	-	-	-	-	-	-	-
Total	**1,087,635**	**379,536**	**-**	**342,829**	**-**	**36,707**	**-**	**36,707**
Tax credit (Note 21.b)								-
Provision for deferred taxes and contributions (Note 21.c)								14,683

Breakdown at 12.31.2013								
Specification	Notional Value	Market Value		Curve		Mark-to-market		MTM, net
		Difference Receivable	Difference Payable	Difference Receivable	Difference Payable	Positive	Negative	
Asset (long) position								
Foreign Currency (US$)	1,087,635	335,847	-	317,087	-	18,760	-	18,760
Liability (short) position								
Fixed rate	69,654	2,201	1,394	-	1,973	2,829	50	2,779
Total	**1,157,289**	**338,048**	**1,394**	**317,087**	**1,973**	**21,589**	**50**	**21,539**
Tax credit (Note 21.b)								20
Provision for deferred taxes and contributions (Note 21.c)								8,636

Specification	9.30.2014		12.31.2013	
	Difference Receivable	Difference Payable	Difference Receivable	Difference Payable
Within 3 months	-	-	-	322
3 to 12 months	-	-	81	656
1 to 3 years	222,082	-	206,512	416
3 to 5 years	157,454	-	216	-
5 to 15 years	-	-	131,239	-
Total	**379,536**	**-**	**338,048**	**1,394**

c.1) Derivative financial instruments classified as market risk hedge (Hedge Accounting)

Specification	9.30.2014				
Hedging instrument	Curve		Market Value		MTM
	Asset US Dollar	Liability CDI	Asset US Dollar	Liability CDI	
Swap – Foreign currency – (Long) position	1,481,836	1,139,006	1,548,179	1,168,642	36,707
Hedged item	**Curve[(1)]**		**Market Value[(1)]**		**MTM**
Eurobonds – Senior Unsecured Notes		1,494,339		1,548,611	54,272
Tax credit (Note 21.b)					21,709

[(1)] Net of withholding taxes on loan transaction, totaling R$ 3,391.

Specification	12.31.2013				
Hedging instrument	Curve		Market Value		MTM
	Asset US Dollar	Liability CDI	Asset US Dollar	Liability CDI	
Swap – Foreign currency – (Long) position	1,420,740	1,103,652	1,476,038	1,140,190	18,760
Hedged item	**Curve[(1)]**		**Market Value[(1)]**		**MTM**
Eurobonds – Senior Unsecured Notes		1,414,194		1,476,412	62,218
Tax credit (Note 21.b)					24,887

[(1)] Net of withholding taxes on loan transaction, totaling R$ 1,233.

Considering the currency risk exposure as well as funding market conditions abroad through Eurobonds - Senior Unsecured Notes, the Bank entered into swap agreements to fully hedge the loans raised and corresponding interest payable, classified according to their nature as market risk hedge. The hedged principal, plus interest payable, is stated at market value, and any changes are recorded as part of the book value, recognized in P&L for the six-month period.
Considering that the financial flow (principal and interest) of hedged item (Eurobonds-Senior Unsecured Notes) and financial flows of financial instruments (swaps) designated are identical, the expected effectiveness upon the hedging instrument designation and in the course of transaction is in accordance with that established by BACEN.
The transactions were assessed as effective under BACEN Circular No. 3082, of 01.30.2002, based on the financial flows (principal and interest) of the hedged item, Eurobonds - Senior Unsecured Notes, and of hedging instruments (swap agreements).

d) Income from derivative financial instruments

Specification	01.01 to 9.30.2014	01.01 to 9.30.2013
Swap	10,948	77,037
Total	**10,948**	**77,037**

NOTE 8 - Interbank accounts - Restricted deposits

a) Restricted deposits

Specification	9.30.2014			12.31.2013		
	Gross	Allowance	Net	Gross	Allowance	Net
Mandatory payments - Savings accounts	318,896	-	318,896	312,541	-	312,541
Compulsory reserves – Cash funds	37,925	-	37,925	38,579	-	38,579
National Housing System (SFH)	66,203	(12,605)	53,598	63,321	(24,067)	39,254
National Treasury - Rural credit	28,916	(513)	28,403	15,524	(478)	15,046
Total	**451,940**	**(13,118)**	**438,822**	**429,965**	**(24,545)**	**405,420**
Current	385,586	(513)	385,073	366,090	(478)	365,612
Long-term	66,354	(12,605)	53,749	63,875	(24,067)	39,808

b) Compulsory investments, net

Specification	01.01 to 9.30.2014	01.01 to 9.30.2013
Income from restricted deposits – Central Bank of Brazil	15,925	11,841
Income from restricted deposits – SFH	2,882	2,368
Income from restricted deposits – Rural Credit	39	181
Valuation/(Devaluation) of restricted deposits	11,462	(892)
Total	**30,308**	**13,498**

NOTE 9 - Loan portfolio and allowance for loan losses

a) Loan portfolio and allowance for loan losses

Specification	9.30.2014		12.31.2013	
	Gross	Allowance	Gross	Allowance
Loans	**11,797,083**	**(825,571)**	**11,124,768**	**(876,385)**
Current	5,021,171	(321,300)	4,751,089	(385,214)
Long-term	6,775,912	(504,271)	6,373,679	(491,171)
Other accounts with loan features (Note 10.f)	**542,853**	**(22,875)**	**552,814**	**(17,389)**
Current	536,852	(22,875)	508,210	(17,389)
Long-term	6,001	-	44,604	-
Total	**12,339,936**	**(848,446)**	**11,677,582**	**(893,774)**

a.1) Breakdown of loan portfolio

Specification	9.30.2014	12.31.2013
Advances to depositors	2,033	89
Loans	5,078,451	4,962,233
Discounted notes	61,245	54,190
Financing	2,088,458	2,093,478
Financing in foreign currency	325,085	236,532
Refinancing with the Federal Government (Note 28.a.1)	390,597	384,355
Rural and agroindustrial financing	1,612,395	1,620,354
Real estate financing (1)	243	243
Infrastructure and development financing	2,238,576	1,773,294
Loans subtotal	**11,797,083**	**11,124,768**
Income receivable from advances	14,967	11,181
Debtors due to purchase of assets	5,905	6,357
Notes and credits receivable	23,648	7,002
Advances on foreign exchange contracts (2) (Note 11.a)	498,333	473,046
Loans linked to transactions acquired on assignment	-	55,228
Other accounts with loan features subtotal	**542,853**	**552,814**
Total	**12,339,936**	**11,677,582**

(1) Refer to transactions contracted before the discontinuance of real estate financing activities.
(2) Accounts classified as “Other liabilities/ Foreign exchange portfolio”.

a.2) Income from loans

Specification	01.01 to 9.30.2014	01.01 to 9.30.2013
Loans and discounted notes	641,182	639,569
Financing	402,385	426,804
Rural and agroindustrial financing	103,636	113,867
Recovery of loans written off as loss	82,102	102,449
Other	386	554
Total	**1,229,691**	**1,283,243**

b) Breakdown by maturity

b.1) Current loans [1]

Customer type/ activity	01 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	Above 360 days	Total at 9.30.2014	Total at 12.31.2013
Rural	1,794	1,919	6,764	6,469	38,767	1,519,075	1,574,788	1,574,065
Manufacturing	88,482	74,401	81,862	183,901	296,208	1,925,306	2,650,160	2,138,343
Government	11,170	11,170	11,170	53,061	67,100	1,155,342	1,309,013	1,370,680
Other services	203,048	90,180	159,728	204,091	341,452	1,497,710	2,496,209	4,471,758
Trading	659,793	561,713	534,889	810,891	690,958	443,061	3,701,305	1,426,556
Financial	21	20	21	62	128	667	919	85,212
Housing	-	-	-	2	3	236	241	4,337
Individuals	9,835	5,222	4,208	11,987	2,436	1,841	35,529	33,699
Total	**974,143**	**744,625**	**798,642**	**1,270,464**	**1,437,052**	**6,543,238**	**11,768,164**	**11,104,650**

[1] Includes loans overdue up to 14 days.

b.2) Past due loans

Falling due								
Customer type/ activity	01 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	Above 360 days	Total at 9.30.2014	Total at 12.31.2013
Rural	320	107	92	308	984	16,660	18,471	10,025
Manufacturing	2,924	2,447	2,872	7,520	10,773	32,747	59,283	74,742
Other services	4,239	4,788	4,146	10,360	14,602	46,191	84,326	218,122
Trading	10,287	8,907	8,311	17,546	46,256	107,363	198,670	67,818
Financial	10	10	10	29	58	403	520	-
Housing	-	-	-	-	-	-	-	14
Individuals	776	616	752	1,052	1,176	2,968	7,340	11,269
Total	**18,556**	**16,875**	**16,183**	**36,815**	**73,849**	**206,332**	**368,610**	**381,990**

Past due								
Customer type/ activity	01 to 14 days	15 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	Above 360 days	Total at 9.30.2014	Total at 12.31.2013
Rural	34	371	321	330	1,257	1,596	30,914	34,823	48,910
Manufacturing	732	2,096	4,019	2,282	5,657	7,663	303	22,752	27,378
Other services	1,408	3,138	5,228	5,328	19,160	5,682	415	40,359	66,623
Trading	2,082	10,044	11,928	11,323	40,607	21,059	694	97,737	38,755
Financial	-	-	-	5	18	-	-	23	-
Housing	-	-	-	-	-	-	-	-	30
Individuals	8	290	732	728	1,763	3,930	17	7,468	9,246
Total	**4,264**	**15,939**	**22,228**	**19,996**	**68,462**	**39,930**	**32,343**	**203,162**	**190,942**

c) Breakdown by risk level

Risk level	9.30.2014				12.31.2013			
	Current [1]	Past due	Total portfolio	Allowance	Current [1]	Past due	Total portfolio	Allowance
AA	4,617,216	-	4,617,216	-	3,956,011	-	3,956,011	-
A	4,130,347	-	4,130,347	20,652	4,146,203	-	4,146,203	20,731
B	2,045,568	27,281	2,072,849	20,728	1,979,895	26,162	2,006,057	20,061
C	103,187	29,946	133,133	3,994	364,117	25,798	389,915	11,697
D	242,345	136,990	379,335	37,933	68,107	20,190	88,297	8,830
E	162,606	41,977	204,583	61,375	133,034	133,034	266,068	79,820
F	37,509	68,939	106,448	53,224	20,924	38,427	59,351	29,676
G	93,339	58,284	151,623	106,138	119,494	22,908	142,402	99,681
H	336,047	208,355	544,402	544,402	316,865	306,413	623,278	623,278
Total	**11,768,164**	**571,772**	**12,339,936**	**848,446**	**11,104,650**	**572,932**	**11,677,582**	**893,774**

[1] Include loans overdue up to 14 days.

d) Changes in the allowance for the period

Specification	9.30.2014	12.31.2013
Opening balance (Allowance for losses on loan portfolio)	893,774	832,982
(+) Net allowance recognized for the period	333,095	700,422
(-) Receivables written off as loss for the period	(378,423)	(639,630)
(=) Allowance for losses on loan portfolio	**848,446**	**893,774**
Opening balance (Allowance for losses on other receivables without loan features)	46,477	46,569
(+) Net allowance recognized for the period	307	431

(-) Receivables written off as loss for the period	(307)	(523)
(=) Allowance for losses on other receivables without loan features (Note 10.f)	**46,477**	**46,477**
(=) Allowance for loan losses	**894,923**	**940,251**

e) Breakdown of the allowance expense balance

Specification	01.01 to 9.30.2014	01.01 to 9.30.2013
(+) Expenses on allowance for loan losses	316,223	482,093
(+) Expenses on allowance for losses on other receivables	16,872	14,943
(=) Balance of expenses on allowance for losses on operations with loan features	**333,095**	**497,036**
(+) Expenses on allowance for losses on other receivables without loan features	25	131
(-) Reversal of allowances for losses on other receivables without loan features	(25)	(94)
(=) Balance of expenses on allowance for loan losses	**333,095**	**497,073**

f) By the third quarter, receivables that had been written off as loss were recovered in the amount of R$ 82,103 (R$ 102,449 at 9.30.2013) and renegotiations amounted to R$ 531,133 (R$ 682,075 at 9.30.2013).

g) Recovery of receivables on legal grounds

In accordance with Law No. 11322, of 07.13.2006, Law No. 11775, of 09.17.2008, and Law No. 12249, of 06.11.2010, as well as Law No. 12716, of 09.21.2012, concerning rescheduling of debts arising from rural credit transactions, that provides for rebates in the debt balance, discounts for prompt payment of installments, reduction of interest rate, and extension of payment terms of the referred to transactions, a positive effect on the Bank's income, for 9.30.2014, was recognized in the amount of R$ 51,383 (R$ 84,612 at 9.30.2013), shown below. Pursuant to the abovementioned legal provisions, part of these transactions was acquired by the Northeast Constitutional Financing Fund (FNE).

Specification	01.01 to 9.30.2014	01.01 to 9.30.2013
Income earned	22,360	33,116
Recovery of transactions written off of assets	13,551	15,283
Expenses on discounts	(74)	(3,972)
Net effect of allowances	15,546	40,185
Total	**51,383**	**84,612**

NOTE 10 - Other receivables

Specification	9.30.2014	12.31.2013
a) Receivables for guarantees and sureties honored	**-**	**-**
b) Foreign exchange portfolio (Note 11.a)	**574,996**	**540,994**
c) Income receivable	**29,943**	**27,617**
d) Securities trading	**4**	**4**
e) Other receivables	**2,442,052**	**2,493,744**
Tax credits – Allowances (Note 21.b)	1,001,134	1,032,755
Tax credits - marketable securities, derivative financial instruments and hedged item (Notes 7.a.2, 7.c and 21.b)	226,445	234,509
Debtors from escrow deposits	703,987	664,381
Taxes and contributions recoverable	**152,727**	**243,490**
From prepayments (Note 21.a.2)	141,397	223,033
Other	11,330	20,457
Tax incentive options	26,748	26,748
Notes and credits receivable	23,648	7,002
Receivables linked to transactions granted under assignment	-	55,228
Prepaid salaries and advances	24,926	2,694
Payments to be refunded	10,532	8,931
Recalculation, discounts, waivers and bonuses in BNDES transactions	2,743	9,705
Recalculation, discounts, waivers and bonuses in FAT transactions	13,682	20,133
STN - Equalization of interest on Crediamigo	161,587	56,943
Other	93,893	131,225
f) Allowance for losses on other receivables	**(69,352)**	**(63,866)**
Receivables with loan features (Note 9.a)	(22,875)	(17,389)
Receivables without loan features (Note 9.d)	(46,477)	(46,477)
Total	**2,977,643**	**2,998,493**
Current	2,316,748	2,004,904
Long-term	660,895	993,589

NOTE 11 – Foreign exchange portfolio

a) Breakdown

Specification	9.30.2014	12.31.2013
Assets - other receivables	**574,996**	**540,994**
Foreign exchange receivable	555,114	520,631
Receivables for foreign exchange sold	5,647	10,057
Advances received in local currency	(732)	(875)
Income receivable from advances	14,967	11,181
Current assets (Note 10.b)	**574,996**	**540,994**
Liabilities – other liabilities	**7,082**	**10,830**
Foreign exchange purchases	499,768	473,873
Foreign exchange payable	5,646	10,003
(Advances on foreign exchange contracts) (Note 9.a.1)	(498,333)	(473,046)
Other	1	-
Current liabilities (Note 16.b)	**7,082**	**10,830**

b) Foreign exchange gains

Specification	01.01. to 9.30.2014	01.01. to 9.30.2013
Exchange income	98,616	103,118
Exchange expenses	(295)	(402)
Total	**98,321**	**102,716**

NOTE 12 - Permanent assets

a) Investments

Specification	12.31.2013	01.01.2014 to 9.30.2014			9.30.2014		
	Book balance	Changes		Book balance	Cost	Impairment loss	Book balance
		Additions	Exclusions				
Shares and units of interest	652	-	-	652	945	(293)	652
Artwork and valuables	1,173	37	-	1,210	1,210	-	1,210
Total	**1,825**	**37**	**-**	**1,862**	**2,155**	**(293)**	**1,862**

b) Property and equipment

Specification	12.31.2013	01.01.2014 to 9.30.2014				9.30.2014			
	Book balance	Changes (2)			Book balance	Cost	Accumulated depreciation	Impairment loss (2)	Book balance
		Additions	Exclusions	Depreciation					
Buildings	103,564	309	-	(8,452)	95,421	248,575	(153,154)	-	95,421
Data processing system	48,642	18,545	(247)	(12,167)	54,773	124,336	(69,563)	-	54,773
Furniture and equipment in use	28,455	3,674	(375)	(4,003)	27,751	66,799	(39,048)	-	27,751
Land	17,025	-	-	-	17,025	17,025	-	-	17,025
Facilities	6,577	903	-	(1,128)	6,352	18,949	(12,597)	-	6,352
Communication system	90	8	(5)	(15)	78	378	(300)	-	78
Construction in progress (1)	6,288	1,205	-	-	7,493	7,493	-	-	7,493
Security system	9,680	1,140	(34)	(1,208)	9,578	18,944	(9,366)	-	9,578
Transportation system	672	1	-	(658)	15	16,121	(16,106)	-	15
Total	**220,993**	**25,785**	**(661)**	**(27,631)**	**218,486**	**518,620**	**(300,134)**	**-**	**218,486**

(1) This refers to the transfer to Buildings given the conclusion of construction.
(2) There was no record of impairment for P&E.

c) Deferred charges

Specification	12.31.2013	01.01.2014 to 9.30.2014				9.30.2014			
	Book balance	Changes			Book balance	Cost	Accumulated amortization	Impairment loss (1)	Book balance
		Additions	Exclusions	Amortization					
Leasehold improvements	478	-	-	(258)	220	1,234	(1,014)	-	220
Total	**478**	**-**	**-**	**(258)**	**220**	**1,234**	**(1,014)**	**-**	**220**

(1) Impairment on deferred charges was not recorded.

d) Intangible assets

Specification	12.31.2013	01.01.2014 to 9.30.2014				9.30.2014			
	Book balance	Changes			Book balance	Cost	Accumulated amortization	Impairment loss (1)	Book balance
		Additions	Exclusions	Amortization					
Spending on intangible assets in process	12,308	2,495	-	-	14,803	14,803	-	-	14,803
Total	**12,308**	**2,495**	**-**	**-**	**14,803**	**14,803**	**-**	**-**	**14,803**

(1) Provision for impairment of intangible assets was not recorded

NOTE 13 - Deposits and open market funding

a) Deposits and open market funding by maturity

Specification	0 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	5 to 15 years	Above 15 years	Total at 9.30.2014	Total at 12.31.2013
Demand deposits	**227,640**	**9,237**	**-**	**-**	**-**	**-**	**236,877**	**252,994**
Domestic Currency deposits	227,640	-	-	-	-	-	227,640	235,298
Foreign currency deposits	-	9,237	-	-	-	-	9,237	17,696
Savings deposits	**1,794,956**	**-**	**-**	**-**	**-**	**-**	**1,794,956**	**1,872,563**
Interbank deposits	**358,877**	**695,045**	**178,604**	**60,077**	**-**	**-**	**1,292,603**	**877,366**
Time deposits	**1,207,567**	**1,516,961**	**3,355,915**	**779,799**	**1,131,839**	**141,705**	**8,133,786**	**7,988,523**
Time deposits	328,464	1,452,669	2,871,671	604,283	957,425	133,905	6,348,417	6,182,870
Interest-bearing judicial deposits	855,250	-	-	-	-	-	855,250	777,003
FINOR/cash and cash equivalents and reinvestments – Law No. 8167	-	-	362,907	59,605	59,606	-	482,118	507,747
FAT - available funds	4,219	5,249	9,905	9,442	9,305	704	38,824	49,775
FAT – invested funds	19,197	59,043	111,432	106,215	105,503	7,096	408,486	470,465
Other	437	-	-	254	-	-	691	663
Funds from acceptance and issue of securities	**359**	**84,001**	**751,171**	**773,701**	**-**	**-**	**1,609,232**	**1,487,266**
Eurobonds	-	27,130	751,171	773,701	-	-	1,552,002	1,477,645
LCA – Agribusiness Credit Bills	359	56,871	-	-	-	-	57,230	9,621
Hybrid equity-debt instruments	**-**	**60,736**	**-**	**-**	**-**	**1,249,016**	**1,309,752**	**1,272,581**
Subordinated debts	**-**	**-**	**-**	**-**	**-**	**1,565,174**	**1,565,174**	**1,455,982**
Total	**3,589,399**	**2,365,980**	**4,285,690**	**1,613,577**	**1,131,839**	**2,955,895**	**15,942,380**	**15,207,275**
Current							5,955,379	6,008,736
Long-term							9,987,001	9,198,539

b) Deposits

Specification	9.30.2014	12.31.2013
Demand deposits	**236,877**	**252,994**
Foreign currency deposits in Brazil	9,237	17,696
Government deposits	28,256	15,062
Restricted deposits	137,567	143,942
Legal entities	45,181	59,181
Individuals	15,765	15,631
Other	871	1,482
Savings deposits	**1,794,956**	**1,872,563**
Free savings deposits - individuals	1,204,723	1,172,247
Free savings deposits - legal entities	589,639	699,694
From related parties and Financial System Institutions	594	622
Interbank deposits	**1,292,603**	**877,366**
Time deposits	**8,133,786**	**7,988,523**
Time deposits	6,348,417	6,182,870
Interest-bearing judicial deposits	855,250	777,003
Other time deposits	**930,119**	**1,028,650**
Interest-bearing special deposits/FAT (Note 26 and Note 28)	**447,310**	**520,240**
Available funds (Note 26)	**38,824**	**49,775**
Proger Urbano	5,297	4,217
Protrabalho	491	1,208
Infrastructure	29,123	29,018
National Program for Production-Oriented Microcredit (PNMPO)	3,913	15,332
Invested funds (Note 26)	**408,486**	**470,465**
Proger Urbano	29,960	37,464
Protrabalho	95,743	110,088
Infrastructure	146,002	174,821
National Program for Production-Oriented Microcredit (PNMPO)	136,781	148,092
FINOR/cash and cash equivalents and reinvestments - Law No. 8167	**482,118**	**507,747**
Other	**691**	**663**
Total	**11,458,222**	**10,991,446**
Current	5,810,283	5,910,777
Long-term	5,647,939	5,080,669

c) Open market funding

Specification	9.30.2014	12.31.2013
Own portfolio	**1,460,909**	**1,124,278**
Financial Treasury Bills (LFTs)	1,460,909	1,124,278
Third party portfolio	**144,057**	**53,317**
National Treasury Notes (NTNs)	144,057	53,317
Total	**1,604,966**	**1,177,595**
Current	1,474,334	1,127,212
Long-term	130,632	50,383

d) Expenses on open market funding

Specification	01.01. to 9.30.2014	01.01. to 9.30.2013
Deposit funding costs	**(860,698)**	**(698,145)**
Time deposits	(438,217)	(328,087)
Savings deposits	(66,674)	(51,337)
Judicial deposits	(52,867)	(37,440)
Interbank deposits	(28,107)	(17,781)
Special deposits	(54,812)	(54,477)
Expenses on funds from acceptance and issue of securities	(211,277)	(200,519)
Other deposits	(8,744)	(8,504)
Expenses on open market funding transactions	**(103,108)**	**(56,579)**
Third-party portfolio	(15,576)	(5,347)
Own portfolio	(87,532)	(51,232)
Total	**(963,806)**	**(754,724)**

NOTE 14 - Borrowings and onlending
a) Borrowings and onlending by maturity

Specification	0 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	5 to 15 years	Above 15 years	Total at 9.30.2014	Total at 12.31.2013
Domestic borrowings	-	-	-	-	-	-	-	19,416
Foreign borrowings	315,635	548,889	-	-	-	-	864,524	757,860
Domestic onlending	46,274	102,557	302,384	341,263	656,912	206,638	1,656,028	1,706,841
Foreign onlending	38,999	68,465	207,733	207,734	296,042	-	818,973	846,530
Total	**400,908**	**719,911**	**510,117**	**548,997**	**952,954**	**206,638**	**3,339,525**	**3,330,647**
Current							1,120,819	1,035,231
Long-term							2,218,706	2,295,416

b) Borrowing

Specification	Annual restatement rate (%)	9.30.2014	12.31.2013
Domestic borrowings – Official institutions/Refinancing	TJLP+3.0 or 7.75	-	19,416
Foreign borrowings/Foreign currency payables	USD	864,524	757,860
Total		**864,524**	**777,276**
Current		864,524	777,276
Long-term		-	-

c) Domestic onlending - Official institutions

Specification	Annual restatement rate (%)	9.30.2014	12.31.2013
National Treasury	IGP-DI + 2.0 or 6.75	**651**	**698**
BNDES		**1,485,273**	**1,528,337**
Joint loans program – POC	TJLP/IGPM/IPCA+1.5	1,145,739	1,173,699
Credit Facility for investment in agriculture	TJLP/IGPM/IPCA+1.5	339,534	354,638
FINAME		**170,104**	**177,806**
“Programa Automático” (program for purchase of new machinery and equipment by companies based in Brazil)	TJLP/IGPM/IPCA+1.5	151,430	159,659
Agricultural Program	TJLP/IGPM/IPCA+1.5	18,674	18,147
Total (Note 28.a.1)		**1,656,028**	**1,706,841**
Current		148,831	156,842
Long-term		1,507,197	1,549,999

d) Foreign onlending

Specification	Annual restatement rate (%)	9.30.2014	12.31.2013
BID-Prodetur I	USD + 3.04	393,658	407,281
BID-Prodetur II	USD + 1.12	418,766	432,274
BID-Other programs	USD + 1.12	6,549	6,975
Total		**818,973**	**846,530**
Current		107,464	101,113
Long-term		711,509	745,417

e) Expenses on borrowings and onlending

Specification	01.01. to 9.30.2014	01.01. to 9.30.2013
Expenses on borrowings	**(961)**	**(2,061)**
Domestic borrowings	(961)	(2,061)
Expenses on onlending	**(179,892)**	**(190,306)**
Domestic onlending – Official institutions	**(84,081)**	**(79,014)**
National Treasury	(18)	(50)
BNDES	(79,903)	(74,532)
FINAME	(4,160)	(4,432)
Foreign onlending	**(95,811)**	**(111,292)**
Expenses on onlending with foreign banks	**(87,864)**	**(84,166)**
Expenses on financial and development funds	**(628,228)**	**(381,272)**
Total	**(896,945)**	**(657,805)**

NOTE 15 - Funds from acceptance and issue of securities

a) Payables for securities issued abroad

Specification	Funding date	Maturity	Annual interest (%)	Contractual amount in thousands of US$	Contractual amount at 9.30.2014[2]	Market Value at 9.30.2014 [2]	Market Value at 12.31.2013[2]
Eurobonds – Senior Unsecured Notes [1]	11.09.2010	11.09.2015	3,625	300,000	747,316	763,187	731,640
Eurobonds – Senior Unsecured Notes [1]	05.03.2012	05.03.2019	4,375	300,000	750,414	788,815	746,005
Total				**600,000**	**1,497,730**	**1,552,002**	**1,477,645**
Current						27,130	9,867
Long-term						1,524,872	1,467,778

(1) The notes are not subject to interim payments and principal is settled on the transaction maturity date. Interest on notes is payable every six months.
(2) Considering tax effects.

According to Note 7.c.1, swap transactions conducted to hedge dollar-denominated liabilities against market fluctuations, arising from foreign funding, were classified as hedging accounting, and therefore the liabilities balances are adjusted to market value.

b) Agribusiness Credit Bills issued

Specification	Annual interest (%)	Nominal value	9.30.2014	12.31.2013
Agribusiness credit bills[1]	88.60 CDI	56,095	57,230	9,621
Current			57,230	9,621
Long-term			-	-

(1) Security with average maturity term of 364 days.

NOTE 16 - Other liabilities

Specification	9.30.2014	12.31.2013
a) Collected taxes and other contributions	**31,614**	**1,798**
Federal taxes received	28,720	-
Tax on Financial Transactions (IOF) payable	2,215	1,696
Other taxes and levies	679	102
b) Foreign exchange portfolio (Note 11.a)	**7,082**	**10,830**
c) Social and statutory	**36,846**	**61,835**
Dividends and bonuses payable	471	32,580
Profit sharing	36,375	29,255
d) Tax and social security	**410,039**	**487,475**
Provision for tax contingencies	**126,390**	**118,073**
Taxes and contributions (Note 22.j.1.i)	88,970	84,925
Tax lawsuits (Note 22.j.1.i and iii)	37,420	33,148
Provision for deferred taxes and contributions (Note 21.c)	**58,858**	**81,649**
Marketable securities and derivative financial instruments	18,349	48,647
Revaluation of buildings and land	5,534	6,616
Arising from recovered credits	34,975	26,386
Provision for income and social contribution taxes (Note 21.a.2)	**167,285**	**222,767**
Income tax (1)	102,919	135,847
Social contribution tax (2)	64,366	86,920
Taxes and contributions payable/receivable	**57,506**	**64,986**
e) Securities trading and brokerage	**91**	**68**
f) Financial and development funds	**9,728,342**	**7,087,216**
Northeast Constitutional Financing Fund (FNE) (Note 28.a.1)	8,954,538	6,915,797
Other	773,804	171,419
g) Hybrid equity-debt instruments (Note 17 and Note 28.a.1)	**1,309,752**	**1,272,581**
h) Subordinated debts eligible for capital (Note 18 and Note 28.a.1)	**1,565,174**	**1,455,982**
i) Other	**3,515,235**	**3,404,326**
Provision for contingent liabilities	**2,433,708**	**2,362,896**
Labor claims (Note 22.j.iv)	216,325	198,291
Civil lawsuits (Note 22.j.v)	118,094	105,499
Other lawsuits (Note 22.j.vi)	573	663
FNE (Note 22.j.2.i)	**2,044,666**	**2,022,091**
Onlending	1,026	1,301
Full risk	114,151	100,972
Shared risk	1,929,489	1,919,818
FDNE (Note 22.j.2.ii)	627	515
PROAGRO (Note 22.j.2.iii)	2,419	2,152
Dividends and interest on equity (Note 22.j.2.iv)	24,601	-
Other contingent liabilities (Note 22.j.2.iv)	26,403	33,685
Accrued Liabilities	**952,924**	**969,159**
Post-employment benefits	**621,259**	**800,661**
DB pension and retirement plan (Note 28.a.2)	-	78,344
Health care plan (Note 28.a.2)	621,259	722,317
Personnel expenses	274,384	138,690
Other	57,281	29,808
Other	**128,603**	**72,271**
Total	**16,604,175**	**13,782,111**
Current	6,150,783	5,184,988
Long-term	10,453,392	8,597,123

(1) At 12.31.2013, this balance includes a supplementary amount of R$ 1,945 (no amounts at 9.30.2014) referring to the annual adjustment for calendar years from 2009 to 2012.
(2) At 12.31.2013, this balance includes a supplementary amount of R$ 1,196 (no amounts at 9.30.2014) referring to the annual adjustment for calendar years from 2009 to 2012.

NOTE 17 – Hybrid equity-debt instruments

Specification	Amount issued	Interest	Funding date	9.30.2014	12.31.2013
Hybrid equity-debt instruments (Notes 16.g and 28.a.1)	1,000,000	IPCA + 6,5715% p.a.	12.22.2010	1,309,752	1,272,581
Current				60,736	78,471
Long-term				1,249,016	1,194,110

NOTE 18 - Subordinated debts

Specification	9.30.2014	12.31.2013
Northeast Constitutional Financing Fund (FNE)	1,565,174	1,455,982
Funds available (1)	867,023	709,475
Funds invested (2)	698,151	746,507
Total (Note 28.a.1)	**1,565,174**	**1,455,982**

(1) Yield based on extra-market rates disclosed by the Central Bank of Brazil, pursuant to item A, article 9 of Law No. 7827 dated 09.27.1989.

(2) Yielding rates as agreed upon with borrowers, less *del credere* commission of the institution, pursuant to item A, article 9 of Law No. 7827 dated 09.27.1989.

NOTE 19 - Equity

a) Capital

The Special General Meeting held on 03.28.2014 approved a capital increase of R$407,000 resulting from addition of statutory reserves, with no new issue of shares. Capital increased from R$ 2,437,000, to R$ 2,844,000 represented by 86,371,464 registered, paid-in shares with no par value. Capital increase is awaiting approval by BACEN. At that meeting the cancellation of 630,437 common shares was also approved, with 10,232 shares in treasury and 620,205 stemming from the refund of dissident shareholders for the conversion of preferred shares to common shares approved by the Special Shareholders' Meeting held on 8.23.2013. The total cost of the acquisition of 630,437 cancelled shares amounted to R$ 19,518. It should be stressed that this cancellation of shares provided no reduction in the value of capital, considering that was used for the acquisition of the Statutory Reserve balance, as provided in the Bank's Charter.

Breakdown at 9.30.2014		
Shareholders	**Total shares**	**% Capital**
Federal Government	44,049,447	51.00
BB FGEDUC - Multimarket Investment Fund	30,216,918	34.98
BB FGO – Share Investment Fund	6,237,350	7.22
National Development Fund (FND)	3,846,968	4.45
Other	2,020,781	2.35
Total	**86,371,464**	**100.00**

Breakdown at 12.31.2013					
Shareholders	**Common shares**	**Preferred shares**	**Total shares**	**% Voting capital**	**% Tota capital**
Federal Government	45,146,025	29,123,190	74,269,215	93.11	85.
Operation Guarantee Fund (FGO)	-	6,250,000	6,250,000	-	7.
National Development Fund (FND)	1,473,704	2,373,264	3,846,968	3.04	4.
Study and Project Financing Institution (FINEP)	1,449,254	-	1,449,254	2.99	1.
BNB Employees' Pension Fund (CAPEF)	269,723	110,515	380,238	0.56	0.
BNDES Participações S.A – BNDESPAR	-	373,200	373,200	-	0.
Other	146,069	286,957	433,026	0.30	0.
Total	**48,484,775**	**38,517,126**	**87,001,901**	**100.00**	**100.**

b) Revaluation reserve

The amount of R$ 19,975 (R$ 20,610 at 12.31.2013) refers to revaluation of property and equipment in use, recognized on 02.26.1993. This reserve will be maintained through its actual realization date either as a result of depreciation, write-off or disposal, pursuant to CMN Resolution No. 3565, of 05.29.2008. By the third quarter, a reserve amounting to R$ 635 (R$ 2,294 at 12.31.2013) was transferred to Retained earnings (accumulated losses).

c) Treasury shares

The Bank does not have treasury shares. The 10,232 shares corresponding to R$ 384 that were held in treasury at 12.31.2013 were cancelled at the Special Shareholders' Meeting held on 3.28.2014.

d) Payment of dividends and interest on equity

The Bank's Charter ensures its shareholders a minimum dividend of 25% on net income, adjusted as prescribed by Law.

Considering the dividends and interest on equity (IOE) for 2014, the Board of Directors approved, in a meeting held on August 8, 2014, the early payment of dividends and interest on equity, attributable to the dividend amount, of 35.03% on adjusted net income for the six-month period ended June 30, 2014. The amount of R$ 108,561 was paid out in the third quarter of 2014, including R$74,912 of IOE and R$33,649 of dividends, which, together with supplementary dividends and IOE for 2013 approved by the Annual and Special Meeting of March 28, 2014 and paid out in the first half of 2014 in a total R$48,823, including R$48,818 of IOE and R$5 of dividends, and together with prior years' dividends and IOE paid out in the amount of R$82, totaled R$157,466 for the period from January to September 2014.

Total IOE distributed on net income reported as at June 30, 2014 decreased tax expenses by R$29,533 at the same date.

e) Prior years' adjustments

Given the post-employment benefit recognized in the form of group life insurance offered by the Bank to its employees and retirees, as described in Note 3.l, a debtor adjustment totaling R$38,260 was recorded in "Retained earnings (accumulated losses)" relating to actuarial liabilities recorded as at 12.31.2013. This adjustment has no tax effects.

NOTE 20 - Other operating income/expenses

Specification	01.01. to 9.30.2014	01.01. to 9.30.2013
a) Service revenue	**1,368,827**	**1,181,183**
Investment fund management	18,330	15,319
Fund and program management	1,129,314	992,744
Service rendering	221,183	173,120
b) Income from banking fees	**26,214**	**23,524**
c) Personnel expenses	**(1,110,370)**	**(910,801)**
Salaries	(594,691)	(528,852)
Voluntary Dismissal Program	(101,551)	-
Social charges	(220,103)	(195,606)
Retirement and pension plan and DB and VC I Capef Plan (Note 28.a.2)	(34,511)	(64,759)
Health care plan - Camed Natural Plan (Note 28.a.2)	(61,891)	(47,528)
Benefits, training, fees and compensation of interns	(97,623)	(74,056)
d) Other administrative expenses	**(660,390)**	**(593,448)**
Data processing	(107,365)	(100,045)
Advertising and publicity	(22,107)	(6,334)
Third-party services	(269,603)	(244,340)
Rentals, material and public utilities	(36,797)	(31,624)
Travel	(14,827)	(10,848)
Communications	(20,086)	(20,483)
Depreciation and amortization	(27,889)	(26,166)
Asset maintenance and upkeep	(27,862)	(31,458)
Surveillance, security and transportation	(41,845)	(35,070)
Promotions, public relations and publications	(6,391)	(9,985)
Financial system services	(18,547)	(14,951)
Specialized technical services	(27,849)	(24,132)
Insurance	(3,196)	(3,350)
Court, notary and attorneys' fees	(17,218)	(17,144)
Worker' union dues and associations	(1,625)	(1,715)
Condominium fees, catering, kitchen and meals	(3,329)	(3,057)
FUNDECI (Science and Technology Development Fund)	-	(3,000)
Other	(13,854)	(9,746)
e) Tax expenses (Note 21.d)	**(176,284)**	**(163,188)**
COFINS and PIS/PASEP	(159,417)	(149,888)
ISS and IPTU/Improvement tax	(15,107)	(12,053)
Other	(1,760)	(1,247)
f) Other operating income	**1,179,847**	**1,026,847**
Del credere commission on fund management	804,774	745,711
Exchange gain (loss) on borrowings	203,000	99,162
Reversal of operating provisions for risks on FNE transactions	284	93
Recovery of charges and expenses	5,645	6,383
Reversal of operating provisions	26,652	14,834
Interest	1,780	2,729
Monetary restatement	2,014	857
Mark-to-market adjustment	-	9,528
FNE – Recovery of amounts settled by the Bank	95,021	72,629
Other	40,677	74,921
g) Other operating expenses	**(733,990)**	**(819,925)**
Exchange losses on exchange area	(645)	(1,766)

Exchange gain (loss) on loans granted	(109,753)	(67,929)
Negative monetary restatement of loans	(6,108)	(47)
Discounts granted in renegotiations	(1,010)	(3,030)
Loans charges	(2,297)	(8,158)
Tax contingencies	(10,716)	(5,250)
Risks on FNE transactions	(310,190)	(495,493)
Risks on FDNE transactions	(111)	(89)
Labor claims	(21,732)	(20,011)
Civil lawsuits	(25,549)	(3,385)
Other lawsuits	(56)	(400)
Other contingent liabilities	(4,921)	(8,160)
Hybrid equity-debt instruments	(118,540)	(102,125)
FNE remuneration - available funds - item A, article 9 of Law No. 7827	(56,895)	(26,957)
FNE remuneration - invested funds - item A, article 9, Law No. 7827	(52,298)	(63,075)
Other	(13,169)	(14,050)
Total	**(106,146)**	**(255,808)**

NOTE 21 - Taxes and contributions

a) Income and social contribution taxes

The Bank is subject the taxable profit regime whereby taxes are computed based on the Bank's accounting records, and income and social contribution taxes are paid monthly on an estimated basis. Income tax expenses for the third quarter of 2014 amounted to R$ 101,935 (R$ 160,856 at 9.30.2013) and Social contribution tax expenses amounted to R$ 63,775 (R$ 99,891 at 9.30.2013).

a.1) Specification of the provision for income and social contribution tax expense	**Income tax**		**Social contribution tax**	
	01.01 to 9.30.2014	**01.01 to 9.30.2013**	**01.01 to 9.30.2014**	**01.01 to 9.30.2013**
Income before income taxes on profit and profit sharing	706,806	420,064	706,806	420,064
Statutory profit sharing (PLR)	(62,589)	(15,775)	(62,589)	(15,775)
Interest on equity (IOE)	(109,122)	(101,206)	(109,122)	(101,206)
Income before income taxes, less statutory profit sharing and interest on equity	535,095	303,083	535,095	303,083
Permanent additions/exclusions	119,404	(40,610)	119,352	(40,680)
Temporary additions/exclusions	(225,344)	403,542	(225,344)	403,542
Taxable income	429,155	666,015	429,103	665,945
Expenses with provision for IRPJ (25%) [(1)] and CSLL (15%) - before tax incentives and revaluation reserve	(107,271)	(166,486)	(64,365)	(99,892)
Deductions (tax incentives)	4,352	5,611	-	-
Provision for IRPJ/CSLL on revaluation reserve released to retained earnings	984	717	590	430
Current IRPJ/CSLL expenses – after tax incentives and revaluation reserve	(101,935)	(160,158)	(63,775)	(99,462)
Provision for deferred taxes and contributions arising from tax credits recovered and derivative financial instruments	(9,148)	(13,723)	(5,489)	(8,233)
Provision for income and social contribution taxes	(111,083)	(173,879)	(69,264)	(107,695)
IRPJ/CSLL tax credits – provision, Derivative Financial Instruments (DFIs) and hedged item	(21,760)	113,132	(13,059)	67,876
Total income and social contribution taxes	(132,843)	(60,748)	(82,323)	(39,819)
Effective rate (%)	18.79	14.46	11.65	9.48
a.2) Specification of the provision for income and social contribution taxes	**Income tax**		**Social contribution tax**	
	9.30.2014	**12.31.2013**	**9.30.2014**	**12.31.2013**
Provision for income and social contribution taxes	101,935	132,946	63,775	85,150
Provision for taxes on revaluation reserve released to retained earnings	984	956	590	574
Provision for income and social contribution taxes (Note 16.d)	102,919	133,902	64,365	85,724
Taxes recoverable on prepayments, including withholding taxes[(2)] (Note 10.e)	(82,577)	(140,065)	(59,051)	(83,732)
Taxes payable (recoverable) for the period	20,342	(6,163)	5,314	1,992

(1) A 15% rate is applied to the taxable base referring to income tax payable plus a 10% surtax on the amount exceeding the annual limit of R$ 240.

(2) Including the following withholding taxes at 9.30.2014 – IRPJ: R$ 191 and CSLL: R$ 40; at 12.31.2013 – IRPJ: R$ 704 and CSLL: R$ 60.

b) Tax credits on temporary differences

Income and social contribution tax credits on temporary differences of allowances for loan losses and for provision for post-employment benefits are recorded in conformity with the following major standards: CMN Resolution No. 3059, of 12.20.2002 (amended by CMN Resolution No. 3355, of 03.31.2006) and BACEN Circular No. 3171, of 12.30.2002; and are based on technical studies conducted every six months determining the probable realization of tax credits for a period of five years.

In accordance with BACEN Circular Letters No. 3068, of 08.11.2001 and No. 3082, of 01.30.2002, the Bank recognized tax credits on market value adjustments to marketable securities classified under ‘available-for-sale securities’ and on derivative financial instruments (DFI).

Specification	9.30.2014		12.31.2013		9.30.2014	12.31.201
	IRPJ	CSLL	IRPJ	CSLL	Total	
Effect on income						
a) Provisions						
Opening balance	645,463	387,292	596,574	357,958	1,032,755	954,
Set up	204,968	122,992	299,839	179,918	327,960	479,
Realization/reversal	(224,729)	(134,852)	(250,950)	(150,584)	(359,581)	(401,5
Closing balance (Note 10.e)	625,702	375,432	645,463	387,292	1,001,134	1,032,
b) Derivative financial instruments						
Opening balance	13	7	1,402	841	20	2
Set up	2,089	1,253	6,762	4,057	3,342	10,
Realization/reversal	(2,102)	(1,260)	(8,151)	(4,891)	(3,362)	(13,0
Closing balance (Note 7.c)	-	-	13	7	-	
c) Hedged item						
Opening balance	15,554	9,333	23,063	13,838	24,887	36,
Set up	12,797	7,678	12,538	7,523	20,475	20,
Realization/reversal	(14,783)	(8,870)	(20,047)	(12,028)	(23,653)	(32,0
Closing balance (Note 7.c.1)	13,568	8,141	15,554	9,333	21,709	24,
Effect on equity						
d) Marketable securities						
Opening balance	131,001	78,601	84,026	50,416	209,602	134,
Set up	320,659	192,395	174,582	104,749	513,054	279,
Realization/reversal	(323,700)	(194,220)	(127,607)	(76,564)	(517,920)	(204,1
Closing balance (Note 7.a.2)	127,960	76,776	131,001	78,601	204,736	209,

Income and social contribution tax credits recognized and not recognized in assets are broken down as follows:

Specification	Income tax		Social contribution tax	
	9.30.2014	12.31.2013	9.30.2014	12.31.2013
1. Total temporary differences	4,298,771	4,544,276	4,298,771	4,544,276
2. Tax credits on temporary differences	1,074,693	1,136,069	644,816	681,641
3. Tax credits recognized in assets on Provisions	625,702	645,463	375,432	387,292
4. Tax credits recognized in assets due to mark-to-market of marketable securities, DFIs and hedged item	141,528	146,568	84,917	87,941
5. Total tax credits recognized in assets (item 3+ item 4) [1]	767,230	792,031	460,349	475,233
6. Tax credits not recognized in assets (item 2 - item 5) [2]	307,463	344,038	184,467	206,408

[1] Tax credits are recognized in assets under "OTHER RECEIVABLES – Other receivables”

[2] Not recognized in assets as they do not meet the realization requirements provided for in CMN Resolution No. 3355, of 03.31.2006.

Estimated realization of tax credits on temporary differences at 9.30.2014 is as follows:

Period	Goal for over-SELIC rate - average (%) [1]	Realization of income tax credit		Realization of social contribution tax credit		Total	
		Book value	Present value	Book value	Present value	Book value	Present value
4Q2014	2.64	171,934	167,512	103,161	100,507	275,095	268,019
2015	11.56	172,083	150,284	103,250	90,170	275,333	240,454
2016	10.80	67,922	53,536	40,753	32,121	108,675	85,657
2017	10.28	52,196	37,306	31,318	22,383	83,514	59,689
2018	9.76	77,552	50,500	46,552	30,315	124,104	80815
1Q to 3Q2019	7.23	84,015	51,020	50,398	30,605	134,413	81,625
Total		**625.702**	**510,158**	**375,432**	**306,101**	**1,001,134**	**816,259**

[1] For present value calculation purposes, we considered the goal for average Over-Selic rates projected by BACEN as at 9.30.2014.

Any tax credit on market value adjustments of marketable securities, derivative financial instruments and hedged item, determined at present value, pursuant to BACEN Circular Letters No. 3068, of 11.08.2001 and No. 3082, of 01.30.2002, will be realized according to the maturities of the securities:

Period	Realization of income tax credit	Realization of social contribution tax credit	Total
4Q2014	9,203	5,522	14,725
2015	4,946	2,968	7,914
2016	1,987	1,192	3,179
2017	2,490	1,494	3,984
2018	16,809	10,086	26,895
2019	15,316	9,191	24,507
After 2019	90,777	54,464	145,241
Total (Note 10.e)	**141,528**	84,917	226,445

c) Provisions for deferred taxes and contributions

Specification	9.30.2014		12.31.2013		9.30.2014	12.31.2013
	IRPJ	CSLL	IRPJ	CSLL	Total	
Effect on income						
a) Derivative financial instruments						
Opening balance	5,399	3,237	14,165	8,497	8,636	22,662
Set up	13,034	7,821	22,076	13,245	20,855	35,321
Realization/reversal	(9,256)	(5,552)	(30,842)	(18,505)	(14,808)	(49,347)
Closing balance (Note 7.c)	9,177	5,506	5,399	3,237	14,683	8,636
b) Revaluation reserve						
Opening balance	4,134	2,482	5,090	3,056	6,616	8,146
Set up	228	135	-	-	363	-
Realization/reversal	(903)	(542)	(956)	(574)	(1,445)	(1,530)
Closing balance	3,459	2,075	4,134	2,482	5,534	6,616
c) Arising from recovered loans [(1)]						
Opening balance	16,491	9,895	-	-	26,386	-
Set up	5,874	3,525	16,491	9,895	9,399	26,386
Realization/reversal	(505)	(305)	-	-	(810)	-
Closing balance (Note 16.d)	21,860	13,115	16,491	9,895	34,975	26,386
Effect on equity						
d) Marketable securities						
Opening balance	25,005	15,006	123,082	73,851	40,011	196,933
Set up	60,761	36,457	337,651	202,591	97,218	540,242
Realization/reversal	(83,475)	(50,088)	(435,728)	(261,436)	(133,563)	(647,164)
Closing balance (Note 7.a.2)	2,291	1,375	25,005	15,006	3,666	40,011

[(1)] Based on Law No. 9430, article 12, of 12.27.1996.

The provisions on fair value adjustments to marketable securities and DFIs determined at present value will be written off according to the following schedule.

Period	IRPJ	CSLL	Total
2015	3,774	2,265	6,039
2016	119	71	190
2017	85	51	136
2018	505	302	807
2019	6,985	4,192	11,177
Total	**11,468**	**6,881**	**18,349**

The provisions on revaluation reserves determined at present value will be written off according to the following schedule:

Period	IRPJ	CSLL	Total
4Q2014	242	145	387
2015	968	581	1,549
2016	968	581	1,549
2017	968	581	1,549
2018	313	187	500
Total	**3,459**	**2,075**	**5,534**

Allowances for recovered loans, under article 12 Law No. 9.430, dated 12.27.1996, calculated at present value will be written off according to the following schedule:

Period	IRPJ	CSLL	Total
4Q2014	4,712	2,827	7,539
2015	2,724	1,634	4,358

2016	2,301	1,380	3,681
2017	1,919	1,151	3,070
2018	1,151	691	1,842
2019	543	326	869
After 2019	8,510	5,106	13,616
Total	**21,860**	**13,115**	**34,975**

d) Tax expenses

Specification	01.01 to 9.30.2014	01.01 to 9.30.2013
COFINS and PIS/PASEP	(159,417)	(149,888)
ISS and IPTU/Improvement tax	(15,107)	(12,053)
Other	(1,760)	(1,247)
Total (Note 20)	**(176,284)**	**(163,188)**

e) Law No. 12973, of 05.13.2014

On May 13, 2014, Provisional Executive Order No. 627, of November 11, 2013, was made into Law No. 12973, which amends the Federal Tax Legislation on IRPJ, CSLL, PIS/PASEP and COFINS. Based on the prevailing wording thereof, we project that it will not entail any significant accounting effects on the Bank's Financial Statements.

NOTE 22 – Provisions, contingent assets and liabilities and legal obligations - tax and social security

a) The Bank is a party to various administrative and legal proceedings involving civil, tax, labor and other matters. To recognize, measure and disclose provisions, contingent assets and liabilities and legal obligations, CPC 25 - Provisions, Contingent Liabilities and Contingent Assets shall be complied with, received by Bacen through CMN Resolution No. 3823, of 12.16.2009, and Bacen Circular Letter No. 3429, of 02.11.2010.

b) Provisions, contingent liabilities and contingent assets are measured on a case-by-case basis, considering the following factors: i) reasonableness of the factual and legal arguments of the other party; ii) arguments and legal basis developed by the Bank; iii) history of losses in similar cases; iv) understanding of higher courts and supervisory authorities on the matters in litigation; v) decisions already rendered on each proceeding (decision, award, injunction, interim relief, writ of payment, writ of attachment etc); and vi) existence of procedural defects in administrative and legal proceedings.

c) The Bank sets up a full provision for lawsuits unfavorable outcome of which is probable, which are accounted for and represented by Civil lawsuits (claiming compensation for pain and suffering and property damage, including, among others, protest of notes, return of checks, and provision of information to credit reporting agencies), Labor Claims (claiming labor rights, in light of specific professional category legislation, such as overtime pay, salary equalization, job reinstatement, transfer allowance, severance pay, retirement supplementation, including enforcement notices issued by Regional Labor Offices and others), Tax and Social Security Lawsuits (represented by legal and administrative proceedings involving federal and municipal taxes) and Other Lawsuits (such as enforcement notices issued by Regional Councils that regulate the exercise of professions). Taking into consideration that the procedures adopted by Bank are in compliance with legal and regulatory provisions, management understands that the provisions recorded are sufficient to cover losses arising from the respective legal and administrative proceedings.

d) In addition, the Bank fully provides for the lawsuits classified as Legal Obligations, pursuant to BACEN Circular Letter No. 3429, of 02.11.2010, regardless of the legal advisor´s assessment of loss. For lawsuits unfavorable outcome of which is possible or remote, provisions are not set up, under CPC No. 25, based on the comparative table as at 9.30.2014 and 12.31.2013, as follows:

Specification	9.30.2014		12.31.2013	
	Base value	Provision	Base value	Provision
a) PROVISION FOR TAX CONTINGENCIES (Note 16.d)				

a.1) Taxes and contributions – legal obligation	**88,970**	**88,970**	**84,925**	**84,925**
a.2) Tax lawsuits	**1,308,731**	**37,420**	**1,167,404**	**33,148**
i) Legal obligation (Note 22 j.1.ii)	273	273	281	281
ii) Other liabilities - other (Note 22 j.1.iii)	1,308,458	37,147	1,167,123	32,867
Probable	37,147	37,147	32,867	32,867
Possible	1,008,703	-	894,405	-
Remote (1)	262,608	-	239,851	-
b) PROVISION FOR CONTINGENT LIABILITIES				
b.1) Labor claims	**392,687**	**216,325**	**346,068**	**198,291**
Probable (Note 16.i)	216,325	216,325	198,291	198,291
Possible	87,944	-	71,541	-
Remote	88,418	-	76,236	-
b.2) Civil lawsuits	**3,452,168**	**118,094**	**3,343,767**	**105,499**
Probable (Note 16.i)	118,094	118,094	105,499	105,499
Possible	706,465	-	627,358	-
Remote (2)	2,627,609	-	2,610,910	-
b.3) Other lawsuits	**2,791**	**573**	**2,208**	**663**
Probable (Note 16.i)	573	573	663	663
Possible	1,924	-	1,543	-
Remote	294	-	2	-

(1) Contingent liabilities relating to tax claims rated as remote loss and the respective estimated financial loss are concentrated on the following cases: a) Corporate Income Tax (IRPJ) – R$ 116,228 (R$ 107,596 at 12.31.2013); b) Social Contribution Tax on Net Profit (CSLL) and Withholding Income Tax (IRRF) - R$ 79,474 (R$ 73,602 at 12.31.2013); c) Corporate Income Tax (IRPJ) – R$ 24,949 (R$ 23,293 at 12.31.2013). The sum of these cases resulted in contingent liabilities totaling R$ 220,651 (R$ 204,492 at 12.31.2013).

(2) Contingent liabilities relating to civil claims rated as remote loss and the respective estimated financial loss are concentrated on the following cases: a) payment of supplementary contribution referring to the supplementary pension benefit – Capef – R$ 950,007, (R$ 828,765 at 12.31.2013); b) compensation for property damage and pain and suffering –R$ 253,741 (R$ 221,358 at 12.31.2013); c) payment of fine and compensation for pain and suffering – R$ 205,182 (R$ 178,996 at 12.31.2013); and d) compensation for property damage and pain and suffering – R$119,408 (R$ 118,504 at 12.31.2013). The sum of these cases resulted in contingent liabilities totaling R$ 1,528,338 (R$ 1,347,623 at 12.31.2013).

e) The Bank has lawsuits handled by its legal counsel, most of which relate to loan collection actions, whose assessment of loss is performed by the Legal Department, pursuant to item "b" above.

f) Tax lawsuits classified as Legal Obligation pursuant to the terms of BACEN Circular Letter No. 3429, of 02.11.2010, whose amounts were presented in item "d", subitems a.1 and a.2.i, discuss, respectively, the IRPJ 1999 and Service Tax (ISSQN).

g) Below, a brief description of lawsuits to which the Bank is a party, involving significant contingent liabilities assessed as possible losses:

Tax lawsuit filed to annul a tax delinquency notice relating to ISSQN on service income. The estimated possible financial loss totaled at 9.30.2014 R$ 495,162 (12.31.2013 - R$ 438,790) posing a "possible" risk of loss. Two tax lawsuits filed to annul tax delinquency notices referring to ISSQN on service revenue. Estimated possible financial losses totaled at 9.30.2014 R$ 244,164 and R$ 165,586, respectively (12.31.2013 - R$ 216,367 and R$ 146,734, respectively), posing a "possible" risk of loss.

Civil lawsuit filed to claim loss of profits and payment of administration fees under the allegation of losses incurred due to interruption of financial onlending contracted for the construction of commercial facilities. The estimated possible financial loss totaled at 9.30.2014 R$ 244,164 (12.31.2013 - R$ 118,225), posing a "possible" risk of loss.

Civil lawsuit that seeks to annul contractual clauses, as well as removal of the name of the plaintiff from restrictive credit agency records. The estimated possible financial loss totaled at 9.30.2014 R$ 54,980 (12.31.2013 - R$ 47,963), posing a "possible" risk of loss.

Civil lawsuit for refund of overpayment under the allegation of undue collection and withholding. The estimated possible financial loss totaled at 9.30.2014 R$ 52,794 (12.31.2013 - R$ 46,056), posing a "possible" risk of loss.

Civil lawsuit claiming compensation for property damage and pain and suffering, under the allegation of amounts unduly transferred from the deposit accounts. The estimated possible financial loss totaled at 9.30.2014 R$ 38,036 (12.31.2013 - R$ 33,182), posing a "possible" risk of loss.

h) Escrow and appeal deposits made to guarantee legal and administrative proceedings, recognized for provisions and contingent liabilities, are set out as under:

Specification	9.30.2014	12.31.2013
Labor claims	412,931	392,741
Tax lawsuits	210,684	210,037
Civil lawsuits	47,838	41,381
Total	**671,453**	**644,159**

i) The amount of R$ 8,210 (R$ 16,141, at 12.31.2013) recorded as "Other contingent liabilities", at 9.30.2014, refers to the provision to cover the Bank risk on loans granted with indication of irregularities, which are the subject of inquiry proceedings carried out by the Internal Audit. This account also includes the amounts of R$ 14,995 (R$ 12,776, at 12.31.2013) for loan risk on securitized transactions under Law No. 9138, of 11.29.1995, currently recorded in memorandum accounts, and R$ 3,198 (R$ 4,767, at 12.31.2013) for accrued operational risks arising from the Loan Inventory.

j) Changes in Provisions

j.1) Tax, labor, civil and other claims and legal obligation

Specification	9.30.2014	12.31.2013
i) Taxes and contributions (legal obligation)		
Opening balance	84,925	82,258
Set up	4,877	6,178
Reversal/use/write-off	(832)	(3,511)
Closing balance (Note 16.d)	88,970	84,925
ii) Tax lawsuits (legal obligation)		
Opening balance	281	655
Set up	33	56
Reversal/use/write-off	(41)	(430)
Closing balance (Note 22.d)	273	281
iii) Tax lawsuits (other liabilities - other)		
Opening balance	32,867	35,431
Set up	4,417	4,272
Reversal/use/write-off	(137)	(6,836)
Closing balance (Note 22.d)	37,147	32,867
iv) Labor claims (other liabilities - other)		
Opening balance	198,291	179,319
Set up	24,965	34,861
Reversal/use/write-off	(6,931)	(15,889)
Closing balance (Note 16.i)	216,325	198,291
v) Civil lawsuits (other liabilities - other)		
Opening balance	105,499	106,080
Set up	34,985	36,040
Reversal/use/write-off	(22,390)	(36,621)
Closing balance (Note 16.i)	118,094	105,499
vi) Other claims (other liabilities - other)		
Opening balance	663	258
Set up	69	470
Reversal/use/write-off	(159)	(65)
Closing balance (Note 16.i)	573	663

j.2) Other provisions

Specification	9.30.2014	12.31.2013
i) FNE		
Opening balance	2,022,091	1,820,070
Set up	749,509	560,930
Reversal/use/write-off	(726,934)	(358,909)
Closing balance (Note 16.i)	2,044,666	2,022,091
ii) FDNE		
Opening balance	515	420
Set up	112	103
Reversal/use/write-off	-	(8)
Closing balance (Note 16.i)	627	515
iii) Proagro		

Opening balance	2,152	3,388
Set up	453	185
Reversal/use/write-off	(186)	(1,421)
Closing balance (Note 16.i)	2,419	2,152
iv) Dividends and IOE		
Opening balance	-	-
Set up	24,601	-
Reversal/use/write-off	-	-
Closing balance (Note 16.i)	24,601	-
v) Other contingent liabilities		
Opening balance	33,685	36,195
Set up	4,999	11,696
Reversal/use/write-off	(12,281)	(14,206)
Closing balance (Note 16.i)	26,403	33,685

NOTE 23 – Employee and officer compensation (in R$1.00)

a) Monthly employee compensation

Gross compensation (1)	**9.30.2014**	**9.30.2013**
Maximum	30,744.54	28,467.55
Minimum	1,148.97	1,040.44
Average	7,844.14	7,657.41

(1) Includes overtime (including night shift premium), when actually incurred.

b) Compensation paid to the Executive Board, Board of Directors and Supervisory Board for the third quarter

Specification	**9.30.2014**	**9.30.2013**	**9.30.2014**	**9.30.2013**	**9.30.2014**	**9.30.2013**
Gross compensation (1)	**Executive Board**		**Board of Directors**		**Supervisory Board**	
Highest individual compensation (2)	556,304.33	474,975.05	36,221.55	33,183.88	36,221.55	33,183.88
Lowest individual compensation (3)	443,376.61	395,635.33	36,221.55	33,183.88	36,221.55	33,183.88
Average individual compensation (4)	511,981.69	450,437.07	35,201.81	32,735.74	36,029.29	32,517.32
Number of officers/directors (5)	7	7	6	6	5	6

(1) Amounts approved at the 61st Annual General Meeting and the 95th Special General Meeting of the Bank, both held on 03.28.2014.
(2) Amount computed without any exclusion, considering all compensation amounts recognized for the period.
(3) Amount reached after excluding all those who have not served in their position during the entire period.
(4) This corresponds to the total compensation for the period paid by each body divided by the number of officers/directors.
(5) The number of officers/directors corresponds to the annual average number of officers/directors of each body calculated on a monthly basis.

At 9.30.2014, the Bank had 6,937 employees (6,479 at 12.31.2013), a headcount increase of 7.07%.

NOTE 24 - Post-employment benefits

Pursuant to CVM Rule No. 695, of 12.13.2012, which approved CPC 33 (R1) - Employee Benefits, the post-employment benefit information is presented below. Actuarial evaluations are conducted by an experienced independent actuary, based on information provided by Capef, Camed and the Bank.

a) General description of the benefit plan characteristics

a.1) Pension plans of Banco do Nordeste do Brasil's employees

The Bank sponsors two benefit plans managed by C*aixa de Previdência dos Funcionários do Banco do Nordeste do Brasil (CAPEF)*, a closed-ended private pension plan entity that provides the payment benefits supplementary to social security (INSS) to participants and beneficiaries.

Pension plans sponsored by the Bank offer their participants the benefits of supplemental retirement by time of contribution, age and disability, as well as supplemental pension and annuity to beneficiaries of participants.

The defined benefit plan (DB) has not been open to new participants since 11.26.1999. In general terms, the Defined Benefit (DB) plan benefits are calculated based on the difference between the employees' contribution salary and the INSS retirement benefit, weighted by the number of contributions paid to the plan, limited to 360, including any working hours extension, weighted by the number of contributions paid thereon, all effective since July 1997 and projected in accordance with the plan regulation up to the date of the participant's retirement. In addition, a rate equivalent to 21.25% is discounted out of the benefit as a special contribution, resulting on average in 78.75% of the average contribution salary.

The variable contribution plan (VC I), authorized to operate by the MPS /Previc /Detec Ordinance No. 189 of 3.25.2010, began its operations on 5.19.2010, on receipt of the first contributions. The scheduled retirement benefits of the VC I plan are calculated based on the balance of the individual account for each participant on the date of retirement and are paid in two phases, as follows: the first phase as annuity within the deadline established under the defined contribution (DC) plan and the second phase as life annuity under the defined benefit (DB) plan. In addition, the plan provides coverage for unplanned benefits, such as disability and death in activity, and these benefits are classified by the Bank as defined benefit.

The DB, VC I and Natural plans are particularly exposed to investment, interest rate, longevity and administrative expense risks. The CV I and Natural plans are also exposed to the salary change risk and the DB and Natural plans to the option for the benefit regarding the partiicpant's postponement of retirement.

a.1.1) Actuarial method within CAPEF

Classified as defined benefit, the DB plan adopts the fully funded financial system in the actuarial calculation of reserves related to all benefits offered to its participants and their beneficiaries. VC-I plan in accordance with CVM Rule No. 695, of 12.13.2012, combines the characteristics of the defined contribution plan and the defined benefit plan. This plan adopts the fully funded financial system in the actuarial calculation of reserves for planned benefits and the shared risk coverage regime for the other benefits offered to its participants and their beneficiaries.

a.1.2) Past due obligations and contributions due

As at 9.30.2014, the Bank has no past due obligations or contribution debts referring to plans DB and VC I, neither informal practices that originate constructive obligations that may be included in the measurement of the plans' defined benefit obligation.

a.1.3) Contribution Ratio (Participants/Sponsor)

The ratio of participant contributions to Bank contributions meets the parity set by Constitutional Amendment 20, of 12.15.1998, with a contribution ratio of 1:1 as at 9.30.2014 (12.31.2013 - 1:1).

a.2) Health care plan

The Bank is the sponsor of a health care plan managed by Caixa de Assistência dos Funcionários do Banco do Nordeste do Brasil - CAMED, whose primary purpose is to provide health care to its associate participants and dependents participating in the Natural Plan, through granting of subsidies to cover or reimburse expenses incurred in connection with health promotion, protection and recovery.

a.2.1) Past due obligations and contributions due

As at 9.30.2014, the Bank has no past due obligations or contribution debts referring to this plan, neither informal practices that originate constructive obligations that may be included in the measurement of the plans' defined benefit obligation.

a.2.2) Contributions

The Natural Plan is funded primarily by contributions made by the associate participants, contributions related to the enrolment of natural dependents, financial protection and emergency service fees, financial co-participation paid by each associate member for services utilized and matched contributions from the Bank.

a.3) Group Life Insurance

The Bank offers its employees and retirees basic group life insurance coverage: natural and accidental death, and supplementary disability coverage due to accident and illness.
The group life insurance is substantially exposed to interest rate and longevity risks.

a.3.1) Past due obligations and contributions due

As at 9.30.2014, the Bank has no past due obligations or contribution debts referring to group life insurance, neither informal practices that originate constructive obligations that may be included in the measurement of the group life insurance defined benefit obligation.

NOTE 25 - Northeast Constitutional Financing Fund (FNE)

a) The total assets of FNE, amounting to R$ 52,134,241 (R$ 47,642,592 at 12.31.2013) are recorded in the Bank's memorandum accounts "Net assets of managed public funds".

b) The Fund's cash and cash equivalents, totaling R$ 8,947,417 (R$ 6,908,697 at 12.31.2013), recorded in 'Other liabilities/Financial and development funds' bear interest at extra-market rate. The expense with interest on cash and cash equivalents totaled R$ 611,201 (R$ 370,176 at 9.30.2013).

c) The provision to cover the risk on FNE transactions is recognized pursuant to the following criteria:

c.1) Transactions contracted until 11.30.1998 are risk-free;

c.2) For operations contracted beginning 12.01.1998, excluding Land Program financing lines and transactions under PRONAF (groups A, B, A/C, Forest, Semi-arid Region, Emergency, Flood, Drought/1998, Semi-arid Region-Drought 2012 and Drought-2012-Cost), the Bank's risk is 50 percent of the amount calculated pursuant to CMN Resolution No. 2682, of 12.21.1999; and

c.3) The Bank assumes all the risks on renegotiated and reclassified FNE loan transactions, as set forth by Law No. 11775, of 09.17.2008, and transactions recognized in the Fund's 'Interbank accounts', as prescribed by Ministry of Integration Administrative Ruling No. 616, of 05.26.2003. Loans funded by FNE, under Law No. 12716, of 09.21.2012, for the purpose of settling BNB transactions with other funds, will maintain the same risk position of the transaction to be settled. The balances of financing and allowances accounted for in the Bank's "Provision for Contingent Liabilities" are as follows:

Risk level	Balances	Provision at 9.30.2014	Provision at 12.31.2013
AA	6,970,792	-	-
A	12,950,399	32,508	29,781
B	8,801,365	44,304	47,060
C	763,397	11,314	13,469
D	886,227	44,297	35,478
E	601,199	90,809	80,081
F	401,717	100,855	52,022
G	268,272	94,622	114,631
H	3,197,676	1,625,957	1,649,569
Total	**34,841,044**	**2,044,666**	**2,022,091**

d) The Bank's *del credere* commission on transactions entered as agreement by 11.30.1998 is nil. The Bank's financial commission on transactions entered as agreement after this date is 3% p.a., when the risk is 50%, and 6% p.a. when the Bank is a direct party to the transaction backed by onlending based on article 9 - A of Law No. 7827, of 09.27.1989. In operations reclassified for FNE based on No. Law 11775, of 09.17.2008, financial commission is 3% p.a. or 6% p.a., as regulated by Interministerial Ruling No. 245, of 10.14.2008, of the Ministry of Finance and Ministry of National Integration. Income from financial commission totaled R$ 800,605 (R$ 742,328 at 9.30.2013).

e) the management fee of 3% p.a. is calculated on the Fund's equity, less the amounts under the onlending agreement entered into with the Bank, balances of onlending to other institutions with the risk fully assumed by the Bank, and the balances of PRONAF investments (Groups B, A/C, Forest, Semi-arid region, Emergency, Flood, Drought/1998, Semi-arid Region-Drought 2012 and Drought-2012/Cost), and is limited to 20% of the transfers made by the National Treasury each fiscal year. The management fee totaled R$ 913,982 (R$ 830,290 at 9.30.2013).

NOTE 26 - Workers' Fund (FAT)

The Workers' Fund (FAT) is a special financial-accounting fund linked to the Ministry of Labor and Employment (MTE), whose purpose is to finance the Unemployment Insurance, Salary Bonus and Economic Development Programs. The main actions financed by the Bank with FAT funds are as follows:

Specification	Tade	9.30.2014	12.31.2013
Special Program to Fight Drought Effects	016/2006	-	441
Proger-Urbano - Investment	017/2006	16,553	21,671
FAT - Infrastructure	018/2006	227,472	245,254

Pronaf - Cost	001/2007	-	3
Proger-Rural - Investment	002/2007	-	129
Protrabalho - Investment	004/2007	169,107	163,923
PNMPO-National Program for Production-Oriented Microcredit	001/2010	163,683	172,798
Total		**576,815**	**604,219**

Funds derived from the Workers' Fund (FAT), recorded under 'Interest-bearing special deposits', totaling R$ 447,310 (R$ 520,240 at 12.31.2013) are subject to SELIC (Central Bank overnight rate) while they are not used in loans, and to TJLP after they are released to final borrowers. Available funds bearing interest at SELIC totaled R$ 38,824 (R$ 49,775 at 12.31.2013).

Pursuant to CODEFAT (FAT Board) Resolution No. 439, of 06.02.2005, these funds began to be reimbursed to FAT on a monthly basis, with a minimum amount equivalent to 2% calculated on the total balance of each FAT Special Deposit Allocation Statement (TADE), plus cash to meet the following conditions, considering the period they remain in the Bank's cash:

- after 2 months, with respect to the reimbursements of the final borrowers, not reused in new financing; and
- after 3 months, with respect to the new deposits made by FAT and not released to final borrowers.

Specification	**Tade**	**Return of FAT funds**			**9.30.2014**		
		Form (1)	**R.A.**	**SELIC remuneration**	**TMS available (2)**	**TJLP used (3)**	**Total**
Special Program to Fight Drought Effects	16/2006	RA	6,233	61	-	-	-
Proger – Urbano - Investment	17/2006	RA	24,569	546	5,297	29,960	35,257
FAT - Infrastructure(4)	18/2006	RA	46,617	2,707	29,123	146,002	175,125
Protrabalho-Investment	04/2007	RA	25,692	77	491	95,743	96,234
PNMPO-National Program for Production-Oriented Microcredit	01/2010	RA	37,695	1,957	3,913	136,781	140,694
Total (Note 13.b)			**140,806**	**5,348**	**38,824**	**408,486**	**447,310**

Specification	**Tade**	**Return of FAT funds**			**12.31.2013**		
		Form (1)	**R.A.**	**SELIC remuneration**	**TMS available (2)**	**TJLP used (3)**	**Total**
Special Program to Fight Drought Effects	16/2006	RA	7,463	137	-	-	-
Proger – Urbano - Investment	17/2006	RA	28,256	572	4,218	37,464	41,682
FAT - Infrastructure	18/2006	RA	57,419	2,554	29,017	174,821	203,838
Pronaf - Investment	19/2006	RA	-	-	-	-	-
Pronaf - Cost	01/2007	RA	-	-	-	-	-
Protrabalho-Investment	04/2007	RA	29,709	81	1,208	110,088	111,296
PNMPO-National Program for Production-Oriented Microcredit	01/2010	RA	43,775	1,647	15,332	148,092	163,424
Total (Not 13.b)			**166,622**	**4,991**	**49,775**	**470,465**	**520,240**

(1) RA - Automatic Return (Monthly, 2% on balance);
(2) Funds yielding SELIC rate;
(3) Funds yielding Long-term Interest Rate (TJLP); and
(4) Regarding FAT - Infrastructure, RA is 1% on the balance and deductible reimbursements refer to the last 4 months.

NOTE 27 – Risk management and Basel ratio
a) Risk and capital management

The Bank's corporate governance instruments include a regularly reviewed risk management and internal control structure so that the operational, credit, market and liquidity risks may be adequately monitored. The risk management methodology observes the guidance set forth by the Basel Committee and Basel II requirements, with priority to identification of possible risks existing in the different Bank processes, and implementation and monitoring of key indicators and of mechanisms to mitigate any identified risks.

Risk management structure

The corporate risk management policy sets forth guidelines and standards that integrate the Bank's activities, for management of credit, liquidity, market and operational risks. The Corporate Risk Management Committee analyzes and approves the risk management policies. The Executive Board is responsible for approving risk policies and subsequent reporting to the Board of Directors. The Control

and Risk Executive Board coordinates the implementation of risk policies and the Bank's performance. A specific area defines management methodologies and models, and promotion and dissemination of the risk management culture throughout the Bank.
Information relating to risk management focusing on Referential equity (RE) and Required Referential Equity Capital (PRE), in accordance with Circular No. 3678, dated 10.31.2013, of the Central Bank of Brazil, can be found at ***www.bnb.gov.br*** under the Investor Relations link.

Capital management structure

The Executive Board is responsible for approving the capital management structure, including the Capital Plan for the period 2014 to 2016, which was also approved by the Board of Directors, on 12.20.2013. The Control and Risk Executive Board is responsible for Capital Management, and a specific administrative unit has been structured for this purpose, as required by CMN Resolution No. 3988, of 06.30.2011. The Capital Management Structure information can be found at ***www.bnb.gov.br*** under the Investor Relations link.

b) Credit risk

Credit risk is defined as the risk of incurring losses associated to default by the borrower or counterparty to financial obligations under the agreed to terms and conditions, impairment of a loan agreement arising from downgrading of the borrowers' risk rating, decrease in gains or returns, advantages granted in renegotiations, and the costs of recovery. The Bank's credit risk exposures, pursuant to the classification defined in Bacen Circular Letter No. 3644, of 03.04.2013, is broken down as follows:

Exposure by industry	**Exposure**	
	9.30.2014	**12.31.2013**
Loans, co-obligations and guarantees given	**32,230,132**	**30,618,909**
Public sector	**1,361,499**	**1,422,455**
Private sector	**30,868,633**	**29,196,454**
Trading	3,674,434	3,399,551
Foreign trade	862,276	743,824
Housing	242	242
Manufacturing	9,147,457	8,445,949
Infrastructure	3,290,901	3,563,125
Financial Brokers	270	84,113
Urban micro-financing	2,393,361	2,184,415
Individuals	210,932	224,311
Rural	6,749,805	6,494,519
Other services	4,538,955	4,056,405
Market transactions	**25,885,094**	**22,078,166**
Federal government bonds	**22,100,812**	**18,489,953**
Repurchase agreements	12,294,635	9,912,872
Other	9,806,177	8,577,081
Interbank deposits	**74,217**	**83,709**
Other marketable securities	**2,190,413**	**1,929,804**
Other transactions	**1,519,652**	**1,574,700**
Other assets	**3,337,859**	**3,257,853**
Total	**61,453,085**	**55,954,928**

The Bank uses the constant information flow to identify, measure, control and mitigate risks, thus ensuring that credit risk exposure is within acceptable parameters. To this end, the Bank uses instruments, such as: credit policies, managerial reports, risk rating system, performance indicators by macro sectors, by portfolio and source of funds, aiming to identify, within the product and customer portfolio, the main risk factors with a view to adopting preventive and corrective procedures for the Bank's overall risk management.

Furthermore, any approval in terms of risk limits is based on the level of authority by body, except the automatic approval of the Overall Risk Limit (LRG) using the automatic scoring method. In accordance with their characteristics and amount, the limits may be analyzed and defined by the branches' credit assessment committees, or by the Credit Centers' risk limit approval committees, or also be decided by the customer risk limit approval committee of the General Executive Board, Executive Board or Board of Directors.

All loans are subject to risk rating, based on the customer's risk rating and loan grade, in accordance with its characteristics, value, term, collaterals and condition.

Collaterals for loans above R$5,000 with full risk for the Bank

The collateral for loans is determined based on their quality, capacity to be removed and sufficiency. Balances exposed to credit risk above R$5,000 amount to R$ 4,844,734 (R$ 4,717,354 at 12.31.2013). They are backed by collaterals totaling R$ 3,879,016 (R$ 3,714,495 at 12.31.2013), which are assessed at least once every three years, or within a shorter period, as long as there are material events involving the client or the transaction. In addition to typical collateral (including, among others, mortgage, pledge and leased chattels), and other personal securities (guarantee and collateral security) these transactions are also backed by other types of guarantees, including, among others, unsecured bonds, guarantee of notes, guarantee funds, risk fund (FGPC), collateralization of FPM/FPE shares and bank guarantees.

c) Liquidity risk

Liquidity risk is the possibility of occurring mismatches between tradable assets and payable liabilities that could affect the Bank's ability to pay.

The Bank adopts projection models for variables that impact cash, for liquidity management purposes, and information referring to this risk is communicated to management through daily reports.

The daily market and liquidity risk management report includes the Bank's liquidity ratio, represented by the ratio between available funds and commitments estimated for the next 90 (ninety) days. Available funds comprising the liquidity ratio calculation base include banking reserves, interbank deposits, repurchase agreements and own securities portfolio.

Specification		9.30.2014 (%)	12.31.2013 (%)
Liquidity ratio	At the base date	384.06	314.25
	Average for the last 12 months	342.96	349.68
	Maximum for the last 12 months	411.55	404.61
	Minimum for the last 12 months	273.40	287.74

The maturities of funding transactions, considering the projected future payment flows, including the related contractual rates, are as under. Total balance of subordinated debts was included under the "Over 5 years" column since subordinated debts do not bear interest and their maturity dates are undetermined. The Hybrid Equity-Debt Instruments (IHCD) amounts under 5 (five) years reflect payments of annual interest, while amounts over 5 (five) years include principal (undetermined maturity date) and interest up to 2050, for calculation purposes only:

Specification	9.30.2014				
	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Above 5 years
Interbank deposits	219,575	139,948	708,213	317,134	-
Time deposits	180,214	147,233	1,596,761	4,444,979	3,832,425
Repurchase agreements	1,475,266	-	-	182,629	-
Agribusiness Credit Notes (LCAs)	239	124	61,484	-	-
Subordinated debts eligible for capital	-	-	-	-	1,565,174
Hybrid Equity-Debt Instruments (IHCD)	-	-	82,079	328,316	3,875,547
Total	**1,875,294**	**287,305**	**2,448,537**	**5,273,058**	**9,273,146**
Available funds (Note 5)	**9,236,300**				

Specification	12.31.2013				
	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Above 5 years
Interbank deposits	91,230	368,450	321,107	141,923	-
Time deposits	25,011	781,923	1,457,064	3,666,526	4,467,958
Repurchase agreements	1,128,001	-	-	77,203	-
Agribusiness Credit Notes (LCAs)	3,614	1,523	4,657	-	-
Subordinated debts eligible for capital	-	-	-	-	1,455,982
Hybrid Equity-Debt Instruments (IHCD)	78,471	-	-	313,884	3,783,649
Total	**1,326,327**	**1,151,896**	**1,782,828**	**4,199,536**	**9,707,589**
Available funds (Note 5)	**7,709,183**				

d) Market risk

Market risk is the possibility of impairment of assets and/or increase in liability costs arising from changes in interest rates, exchange rates, and stock and commodity prices.

In managing market risks, the Bank considers market-approved methodologies and instruments, such as:

a) VaR (value at risk) of asset and liability transactions in trading and banking portfolios, by risk factor;

b) capital requirement map, for coverage of market and liquidity risks;

c) foreign exchange exposure risk;

d) sensitivity analysis;

e) stress testing;

f) backtesting; and

g) reports on monitoring of limits established for portions exposed to market risk.

The preparation of daily, monthly, quarterly and annual managerial reports for management and supervisory bodies is critical to market risk management. Such reports include, among others, detailed information on and analysis of exposure levels of trading and banking portfolios, foreign exchange exposure levels, liquidity levels and ratios.

In addition to these reports, the monitoring of market and liquidity risk exposure limits includes a warning system implemented in order to expedite the preparation of managerial information necessary for the decision-making process by the proper levels of authority, based on the following procedures:

Risk exposure limits	Control procedure
• Trading portfolio: 1% of the referential equity • Banking portfolio: 5% of the referential equity	If the exposure level exceeds 80% of the limit, the risk management area issues a warning to the area responsible for the financial operations.

Sensitivity analysis

As set forth in CVM Ruling No. 475, of 12.17.2008, the sensitivity analysis was conducted in order to identify significant risks capable of generating losses to the Bank, considering alternative scenarios for the behavior of several risk factors in trading and banking portfolio transactions, and its results are as follows:

Portfolio/risk factor	Risk type	Scenario 1 (probable)	Scenario 2 (Change of 25%)		Scenario 3 (Change of 50%)	
		Balance	Balance	Loss	Balance	Loss
Trading portfolio						
Fixed interest	Increase in interest rate	7,816,649	7,799,774	(16,876)	7,783,332	(33,318)
Banking portfolio						
Dollar coupon	Increase in the dollar coupon	45,148	43,461	(1,687)	41,785	(3,363)
Euro coupon	Increase in the euro coupon	(299)	(301)	(2)	(302)	(3)
IGP coupon	Increase in the IGP coupon	872,432	816,303	(56,128)	765,938	(106,493)
IPCA coupon	Decrease in the IPCA coupon	(200,421)	(219,041)	(18,620)	(240,486)	(40,065)
TJLP coupon	Increase in the TJLP coupon	586,586	524,193	(62,393)	470,513	(116,073)
TR coupon	Decrease in the TR coupon	(1,901,049)	(1,927,637)	(26,588)	(1,947,656)	(46,607)
Fixed interest	Increase in interest rate	4,099,838	3,978,692	(121,146)	3,873,418	(226,421)

For purposes of abovementioned calculations, Scenario 1, which presents the most probable situation, considered the net balances of portfolios, at marked-to-market values - considering the rates used at BM&FBOVESPA. As regards Scenarios 2 and 3, changes of 25% and 50% were applied, respectively, to the risk factors, and new net balances were estimated for the portfolios. Losses correspond to the differences between the balances under scenario 1 and the balances under Scenarios 2 and 3.

The sensitivity analysis was also conducted for swap transactions and their related hedged items as follows:

Nature of transaction	Risk type	Financial instrument	Scenario 1 (probable)	Scenario 2 (Change of 25%)	Scenario 3 (Change of 50%)
Hedging derivatives	Increase in the reference rate BM&FBOVESPA DI vs. Dollar	Dollar vs. DI Swap	1,540,417	1,506,762	1,475,081
		Liabilities in FC	(1,570,556)	(1,542,853)	(1,516,673)
		Net exposure	(30,139)	(36,091)	(41,592)

As at 9.30.2014, market value losses were considered in the net exposure of scenarios 2 and 3 and, as regards scenario 1, arising from increase in opportunity costs, in fixed-rate operations, and those arising from exchange coupon increase, in foreign currency transactions.

DI vs. Fixed Rate Swap

The method used to prepare the sensitivity analysis of DI vs. fixed-rate swap transactions was to determine the balances of fixed-rate asset transactions and hedge (swap) transactions exposed to this type of risk (scenario 1), and then determine the net exposure. The adverse stresses related to scenarios 2 and 3 were applied to this result, as detailed below:

Scenario 1 - refers to the current situation of risk exposure factors based on market information (BM&FBOVESPA). Under this scenario, 100% of the DI vs. fixed-interest swap rate is applied.

Scenario 2 - Under this scenario, 125% of the DI vs. fixed interest swap rate is applied.

Scenario 3 - Under this scenario, 150% of the DI vs. fixed interest swap rate is applied.

Dollar vs. DI Swap

The method used to prepare the sensitivity analysis of dollar vs. DI swap transactions was to determine the balances of fixed-rate liability transactions indexed to the dollar and hedge (swap) transactions exposed to this type of risk (scenario 1), and determine the net exposure thereto. The adverse stresses related to scenarios 2 and 3 were applied to this result, as detailed below:

Scenario 1 - refers to the current situation of risk exposure factors based on market information (BM&FBOVESPA). Under this scenario, 100% of the DI vs. Dollar swap rate is applied.

Scenario 2 - Under this scenario, 125% of the DI vs. dollar swap rate is applied.

Scenario 3 - Under this scenario, 150% of the DI vs. dollar swap rate is applied.

e) Operational risk

Operational risk is the possibility of losses on failure in, weakness in or inadequacy of internal procedures, people and systems or on external factors, including those related to legal issues.

The operational risk management requires continuous commitment and involvement of all managers, employees and associates, whose main purpose is to maintain at acceptable levels the probabilities and/or impacts from losses.

The operational risk management system aims at ensuring compliance with the corporate policy, which should be in line with the strategic planning of the Bank in accordance with governance principles and the policies set by the National Monetary Council (CMN), based on the timetable defined by the banking supervisory body. Management is made of processes according to the current Organizational Architecture carried out on a dynamic and ongoing basis which ensure, through mitigating measures, acceptable risk exposure levels.

The Bank’s operational risk management is strengthened through a specific organizational structure designed to support assessment and compliance related to adoption of controls for all processes, mainly based on the provisions set forth in the institutional regulatory system. The qualitative approach comprises methodologies, control tools, mitigating measures and managerial reports that describe the control over processes carried out in all institutional areas. This analysis describes management by process and architecture design - macroprocesses, processes - identification of risk, control, mitigation and corrective plan. Another methodology used is the RCSA (Risk and Control Self-Assessment) that allows knowing risks inherent to activities, as well as defining their impact. RCSA further allows building a Risk Matrix and defining indicators, aiming at reaching an expanded vision of the processes and improved management.

f) Foreign exchange exposure

Transactions under agreements that provide for foreign exchange adjustment clause presented net balance of foreign currency sold, in the amount of R$ 96,566 (R$ 89,995 at 12.31.2013 – short position), as follows:

Specification	9.30.2014	12.31.2013	Specification	9.30.2014	12.31.2013
Cash and cash equivalents	2,282	2,787	Deposits	9,237	17,696
Interbank investments	28,718	46,764	Interdepartmental accounts	6,450	5,399
Loans	758,208	804,445	Domestic - Borrowings and onlending	72,285	73,237
Other receivables	895,166	768,343	Foreign - Borrowings and onlending	2,370,975	2,324,175
			Other obligations	870,172	767,864
Total assets in foreign currency, excluding derivatives	**1,684,374**	**1,622,339**	**Total liabilities in foreign currency**	**3,329,119**	**3,188,371**
Swap transactions	1,548,179	1,476,037	Swap transactions	-	-
Total long position in foreign currency	**3,232,553**	**3,098,376**	**Total short position in foreign currency**	**3,329,119**	**3,188,371**

Foreign currency exposure is maintained below the limits established in the Corporate Risk Management, Internal Control and Safety Policy (5% of the Referential equity - RE).

g) Operating limits - Basel Accord

In March 2013, BACEN disclosed the standards that rule the implementation in Brazil of recommendations from the Basel Committee on Banking Supervision, referring to capital structure of financial institutions, jointly known as Basel III, effective from October 2013.
These standards basically promoted the following changes in relation to those requirements in force up to that date:

i. new methodology for calculation of regulatory capital that in Brazil is denominated Referential Equity (RE), which will continue to be divided into Tiers I and II;
ii. calculation of required capital maintenance, adopting minimum requirements for Referential Equity, of Tier I and Principal Capital and introduction of the Additional Principal Capital; and
iii. review of some weightings and adjustments in the calculation of credit risk exposure.

Calculation of minimum required capital is established as a percentage of the amount of Risk-Weighted Assets (RWA). The new standards establish three independent capital requirements to be observed on a continuous basis by financial institutions, which are as follows:

i. 4.5% for Principal Capital, which primarily comprises of shares, units of interests, reserves and retained profits;
ii. 5.5% for Tier I, represented by Principal Capital and other instruments able to absorb losses with the financial institution in operation; and
iii. 8% for total RE, which is comprised of Tier I and other funding instruments able to absorb losses upon closure of the institution.

In addition to the aforementioned requirements, BACEN also determined the creation of a supplementary enforceability denominated Additional Principal Capital, which corresponds to the so-called conservation capital (fixed) and countercyclical capital (variable) set out in Basel III. At the end of the implantation period, the Additional Principal Capital must be, at lease, of 2.5% and at most of 5% of the RWA amount and its exact amount must be established by BACEN according to the macroeconomic context.

At 9.30.2014, the Bank presented an Extended Basel Ratio (including capital for RBAN coverage) of 16.24% (15.76% at 12.31.2013) and both indexes of Tier I and Principal Capital remained at 9.58% (8.94% at 12.31.2013). The RE, as determined, amounted to R$ 5,846,854 (R$ 5,524,588 at 12.31.2013), Tier I and Principal Capital presented the same amount of R$ 3,372,898 (R$ 3.039.352 at 12.31.2013), while RWA totaled R$ 35,207,388 (R$ 34,015,667 at 12.31.2013).

i. Minimum Equity Requirements (Based III)

Specification	9.30.2014	12.31.2013
Referential Equity (RE)	**5,846,854**	**5,524,588**
. Tier I	**3,372,898**	**3,039,352**
. Principal Capital	3,372,898	3,039,352
. Tier II	**2,473,956**	**2,485,236**
Risk-Weighted Assets (RWA)	**35,207,388**	**34,015,667**
. Parcela RWACPAD	29,483,029	28,947,518
. Parcela RWACAM	223,844	-
. Parcela RWAJUR	70,391	55,036
. Parcela RWACOM	3,036	2,900
. Parcela RWAOPAD	5,427,088	5,010,213
RBAN amount	**801,321**	**1,047,966**
Margin on Minimum Referential Equity (RE – [RWA * 11%])	**1,974,041**	**1,782,865**
Margin on Minimum Referential Equity considering RBAN {PR – ([RWA + RBAN]* 11%)}	**1,885,896**	**1,667,588**
Basel ratios:		
. Principal Capital ratio (Minimum requirement of 4.5%)	9.58%	8.94%
. Tier I ratio (Minimum requirement of 5.5%)	9.58%	8.94%
. Basel ratio (Minimum requirement of 11%)	16.61%	16.24%
. Basel ratio including RBAN	16.24%	15.76%

Where:
. RWACPAD: amount related to credit risk exposures.
. RWACAM: amount related to exposure to gold, foreign currency and assets subject to foreign exchange variation.
. RWAJUR: amount related to exposures subject to change in interest rates.
. RWACOM: amount related to exposures subject to change in commodity prices.
. RWAOPAD: amount related to operational risk.
. RBAN: capital to cover risk in transactions subject to change in interest rates not classified in the trading portfolio.

ii. Breakdown of Referential Equity (Basel III)

Specification	9.30.2014	12.31.2013
REFERENTIAL EQUITY (RE)	**5,846,854**	**5,524,588**
TIER I	**3,372,898**	**3,039,352**
Principal Capital	**3,372,898**	**3,039,352**
Capital	2,844,000	2,437,000
Income reserves	374,592	590,649
Capital and revaluation reserves	19,975	20,610
Credit P&L accounts	2,322,918	-
Debit P&L accounts	(2,254,044)	-
Unrealized gains or losses - Equity valuation and marketable securities	130,585	(8,045)
Treasury shares and other Bank-issued instruments	-	(384)
Retained earnings or accumulated losses	(38,012)	-
Prudential adjustments	(27,116)	(478)
Prudential adjustment – Intangible assets	(1,361)	-
Prudential adjustment – Deferred assets	(220)	(478)
Prudential adjustment – Tax credits from temporary differences	(25,535)	-
TIER II	**2,473,956**	**2,485,236**
Instruments eligible to Tier II	2,527,088	2,538,135
Investment in other entities deducted from Tier II	(53,132)	(52,899)

The Subordinated Debt Instruments contracted with the Fundo Constitucional de Financiamento do Nordeste (FNE), authorized to comprise RE Tier II before the entry into force of CMN Resolution No. 4192, according to paragraph 2 of its article 23, shall remain eligible up to their amortization, and therefore these instruments are not subject to the limits listed in the article 28 of such Resolution.

Regarding the Hybrid Equity and Debt instrument entered into by and between the Federal Government and Banco do Nordeste, the authorization to continue including it as part of Referential Equity (RE) in the form of Principal Capital will be required of BACEN after signing an amendment, where bases have been negotiated with the National Treasury (STN). Meanwhile, this instrument is subject to the limits defined in article 28 of CMN Resolution No. 4192, of 03.01.2013.

iii. Investment index

CMN Resolution No. 2669 of 11.25.1999 set forth a limit of 50% of adjusted RE, as from December 2002, for the investment index, applicable to the Bank, as follows:

Specification	9.30.2014	12.31.2013
Referential equity (RE) for investment limit	5,846,854	5,524,588
Investment limit	2,923,427	2,762,294
(-) Current status	221,813	208,915
Margin	2,701,614	2,553,379
Investment index	3.79%	3.78%

NOTE 28 – Related parties

a) Transactions with related parties

a.1) Significant transactions with state-owned companies, autonomous government agencies, programs and funds controlled by the Federal Government are broken down as follows:

Specification	9.30.2014	12.31.2013
Assets		
Loans - refinancing with the Federal Government (Note 9.a.1)	390,597	384,355
Total	**390,597**	**384,355**

Specification	9.30.2014	12.31.2013
Liabilities		
Time deposits - FAT (Note 13.b. and Note 26)	**447,310**	**520,240**
Domestic onlending – Official institutions (Note 14.c.)	**1,656,028**	**1,706,841**
National Treasury	651	698
BNDES	1,485,273	1,528,337
FINAME	170,104	177,806
Other liabilities	**11,829,464**	**9,644,360**
Fundo Constitucional de Financiamento do Nordeste (FNE) - (Note 16.f)	8,954,538	6,915,797
Hybrid equity-debt instruments (Note 16.g and Note 17)	1,309,752	1,272,581
Subordinated debts eligible for capital (Note 16.h and Note 18)	1,565,174	1,455,982
Total	**13,932,802**	**11,871,441**

a.2) Significant transactions with entities related to the Bank's employees, namely, *Caixa de Previdência* (CAPEF) and *Caixa de Assistência Médica* (CAMED), break down as follows:

Specification	9.30.2014	12.31.2013
Liabilities	**621,259**	**800,661**
Post-employment benefits CAPEF DB Plan (Note 16.i)	-	78,344
Post-employment benefits CAMED Natural Plan (Note 16.i)	621,259	722,317
Total	**621,259**	**800,661**

b) Management compensation

The compensation of the Board of Directors, Board of Executive Officers and Supervisory Board is shown below:

Specification	01.01 to 9.30.2014	01.01 to 9.30.2013
Short-term benefits	**3,701**	**3,357**
Fees	**2,671**	**2,633**
Executive Board	2,279	2,259
Board of Directors	200	186
Supervisory Board	192	188
Other	**223**	**194**
Profit sharing	**807**	**530**
Total short-term benefits	**3,701**	**3,357**
Post-employment benefits	**218**	**169**
Total	**3,919**	**3,526**

The Bank does not have variable stock-based compensation and other long-term benefits and does not offer post-employment benefits to management, except for those comprising the headcount, participants of the Bank's Pension and Health Care Plan.
The Bank does not grant loans to its Executive Officers, members of its Board of Directors and Supervisory Board, as forbidden by the Central Bank of Brazil to financial institutions.

NOTE 29 – Statement of comprehensive income (loss)

Specification	**7.01 to 9.30.2014**	**01.01 to 9.30.2014**	**7.01 to 9.30.2013**	**01.01 to 9.30.2013**
Net income	**103,039**	**429,051**	**103,695**	**303,723**
Other comprehensive income (loss)	**179,005**	**139,265**	**(32,197)**	**(270,689)**
Equity adjustment to available-for-sale securities	(2,320)	(78,697)	(138,931)	(475,336)
Tax effect on equity adjustment to available-for-sale securities	928	31,479	55,572	190,134
Revaluation reserve released to retained earnings	968	1,716	956	2,868
Tax effect on revaluation reserve released to retained earnings	105	(1,081)	(382)	(1,147)
Actuarial gains or losses	179,324	185,848	50,588	12,792
Comprehensive income (loss)	**282,044**	**568,316**	**71,498**	**33,034**

NOTE 30 - Other information

a) Guarantees given

Co-obligations and risks related to guarantees given by the Bank are broken down as follows:

Specification	**9.30.2014**	**12.31.2013**
Import financing	120,266	54,614
Export credits confirmed	58,500	-
Guarantee beneficiaries	**17,749,680**	**16,974,159**
- Individuals or nonfinancial legal entities	10,000	20,450
- FNE	17,633,786	16,869,908
- Other entities	105,894	83,801
Credit assignment co-obligations	25,856	22,660

b) Voluntary Dismissal Program (PID)

The Bank's Board of Directors approved the Voluntary Dismissal Program (PID), valid from 02.24.2014 to 03.31.2014. At the end of the term, 541 employees adhered to the program amounting to an expense of R$ 101,541.

Fortaleza, November 07, 2014.

The Executive Board

NOTE: See accompanying notes.

A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil

Independent auditor's review report on quarterly information

The Shareholders, Board of Directors and Officers
Banco do Nordeste do Brasil S.A.

Introduction

We have reviewed the interim financial information of Banco do Nordeste do Brasil S.A. ("Bank") contained in the Quarterly Information Form (ITR) for the quarter ended September 30, 2014, comprising the balance sheet as at September 30, 2014 and the related income statements and statements of comprehensive income for the three- and nine-month periods then ended, and the statement of changes in equity and cash flow statement for the nine-month period then ended, including explanatory notes.

Management is responsible for the preparation of the interim financial information in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil, as well as for the fair presentation of this information in conformity with specific rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to preparation of Quarterly Information. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity 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 auditing standards 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 accompanying interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil, consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Information (ITR).

Other matters

Interim statements of value added

We have also reviewed the interim statements of value added (SVA) prepared by the Bank's management for the nine-month period ended September 30, 2014, whose presentation in the interim financial information is required by CVM rules applicable to preparation of Quarterly Information (ITR). These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in accordance with the overall interim financial information.

São Paulo, November 7, 2014.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6 – F - CE

Eduardo Braga Perdigão
Accountant CRC-1CE013803/O-8

Resubmission Reasons

Resubmission Reasons	
Version	**Description**
2	Special Review Report - no exceptions Incomplete in the 1st version