Contents

Company Information / Ownership Structure

Number of shares (thousand)	Current quarter 9/30/2013
Paid-up capital	
Common	48,485
Preferred	38,517
Total	87,002
Treasury shares	
Common	8
Preferred	2
Total	10

Company Information / Cash Proceeds

Event	Date of Approval	Type	Date of payment	Type of share	Class	Share (Reais / share)
Board of Directors' Meeting	7/31/2013	Interest on equity	8/14/2013	Common		0,74634
Board of Directors' Meeting	7/31/2013	Interest on equity	8/14/2013	Preferred		0,82097
Board of Directors' Meeting	7/31/2013	Dividend	8/14/2013	Common		1,19392
Board of Directors' Meeting	7/31/2013	Dividend	8/14/2013	Preferred		1,31332

A free translation from Portuguese into English of financial statements prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil

Individual Financial Statements / Balance Sheet Assets

(In thousands of Brazilian reais)

Code	Description	Current quarter 9/30/2013	Prior year 12/31/2012
1	Total assets	33,863,244	31,888,888
1.01	Current assets	15,832,719	14,312,230
1.01.01	Cash and cash equivalents	132,089	121,853
1.01.02	Interbank investments	8,197,716	6,514,841
1.01.02.01	Open market investments	8,041,673	6,384,020
1.01.02.02	Interbank deposits	156,043	130,821
1.01.03	Securities and derivatives financial instruments	686,234	459,453
1.01.03.01	Own portfolio	685,802	309,498
1.01.03.02	Held under repurchase commitments	365	-
1.01.03.03	Derivative financial instruments	14	-
1.01.03.04	Linked to guarantees	53	149,955
1.01.04	Interbank accounts	426,914	315,987
1.01.04.01	Unsettled payments and receipts	91,277	1,126
1.01.04.02	Deposits - Central Bank of Brazil	319,262	306,374
1.01.04.03	National Treasury - Rural credit funds	14,508	6,191
1.01.04.04	Interbank onlending	1,067	986
1.01.04.05	Correspondents	800	1,310
1.01.06	Loans	4,237,946	4,775,461
1.01.06.01	Public sector	129,371	102,633
1.01.06.02	Private sector	4,527,151	5,096,503
1.01.06.03	Allowance for loan losses	(418,576)	(423,675)
1.01.08	Other receivables	2,120,535	2,100,029
1.01.08.01	Receivables for guarantees honored	-	8
1.01.08.02	Foreign exchange portfolio	567,872	592,978
1.01.08.03	Income receivable	8,994	25,434
1.01.08.04	Securities trading and brokerage	4	4
1.01.08.05	Other receivables	1,561,761	1,558,087
1.01.08.06	Allowance for losses on other receivables	(18,096)	(76,482)
1.01.09	Other assets	31,285	24,606
1.01.09.01	Other assets	5,789	5,924
1.01.09.02	(Valuation allowance)	(723)	(760)
1.01.09.03	Prepaid expenses	26,219	19,442
1.02	Long-term assets	17,795,527	17,375,096
1.02.02	Securities and derivatives financial instruments	10,964,322	10,783,710
1.02.02.01	Own portfolio	9,299,196	9,691,773
1.02.02.02	Held under repurchase commitments	1,086,431	665,509
1.02.02.03	Derivative financial instruments	283,224	193,640
1.02.02.04	Linked to guarantees	295,471	232,788
1.02.03	Interbank accounts	41,776	40,609
1.02.03.01	National Treasury - Rural credit funds	542	3
1.02.03.02	National Housing System (SFH)	38,565	37,156
1.02.03.03	Interbank onlendings	2,669	3,450
1.02.05	Loans	5,942,356	5,748,868
1.02.05.01	Public sector	1,219,005	1,262,790
1.02.05.02	Private sector	5,125,882	4,861,160
1.02.05.03	Allowance for loan losses	(402,531)	(375,082)

Individual Financial Statements / Balance Sheet Assets

(In thousands of Brazilian reais)

Code	Description	Current quarter 9/30/2013	Prior year 12/31/2012
1.02.07	Other receivables	847,073	801,909
1.02.07.01	Income receivable	18,049	7
1.02.07.02	Other receivables	875,631	806,214
1.02.07.03	Allowance for loan losses on other receivables	(46,607)	(4,312)
1.03	Permanent assets	234,998	201,562
1.03.01	Investments	1,800	1,720
1.03.01.04	Other investments	7,103	7,023
1.03.01.05	Allowance for losses	(5,303)	(5,303)
1.03.02	Property and equipment in use	224,622	198,906
1.03.02.01	Real estate in use	159,937	152,457
1.03.02.02	Real estate revaluation	105,410	105,410
1.03.02.03	Other property and equipment in use	231,069	191,645
1.03.02.04	Accumulated depreciation	(271,794)	(250,606)
1.03.04	Intangible assets	7,996	-
1.03.05	Deferred charges	580	936
1.03.05.01	Organization and expansion costs	2,033	2,939
1.03.05.02	Accumulated amortization	(1,453)	(2,003)

Individual Financial Statements / Balance Sheet Liabilities

(In thousands of Brazilian reais)

Code	Description	Current quarter 9/30/2013	Prior year 12/31/2012
2	Total liabilities	33,863,244	31,888,888
2.01	Current liabilities	11,365,326	10,594,408
2.01.01	Deposits	5,671,905	4,772,938
2.01.01.01	Demand deposits	173,038	118,635
2.01.01.02	Savings deposits	1,631,935	1,615,970
2.01.01.03	Interbank deposits	961,855	593,137
2.01.01.04	Time deposits	2,905,077	2,445,196
2.01.02	Open market funding	1,055,771	738,598
2.01.02.01	Own portfolio	1,028,620	581,802
2.01.02.02	Third-party portfolio	27,151	156,796
2.01.03	Funds from acceptance and issue of securities	39,893	75,476
2.01.03.01	Receivables from real estate, mortgage-related, credit and similar notes	15,209	66,869
2.01.03.02	Payables for securities issued abroad	24,684	8,607
2.01.04	Interbank accounts	61,972	66
2.01.04.01	Unsettled receipts and payments	61,972	66
2.01.05	Interdepartmental accounts	31,651	15,586
2.01.05.01	Third-party funds in transit	31,419	15,578
2.01.05.02	Internal transfer of funds	232	8
2.01.06	Borrowings	831,587	826,189
2.01.06.01	Domestic borrowings - official institutions	19,145	17,912
2.01.06.02	Foreign borrowings	812,442	808,277
2.01.07	Domestic onlending	156,991	121,769
2.01.07.01	National Treasury	223	253
2.01.07.02	BNDES (National Bank for Economic and Social Development)	132,519	101,633
2.01.07.03	FINAME (National Equipment Financing Authority)	24,249	19,883
2.01.08	Foreign onlendings	97,523	88,354
2.01.09	Other liabilities	3,418,033	3,955,432
2.01.09.01	Derivative financial instruments	1,170	2,184
2.01.09.02	Collected taxes and other contribuitions	28,827	3,154
2.01.09.03	Foreign exchange portfolio	15,590	32,008
2.01.09.04	Social and statutory	16,037	95,061
2.01.09.05	Tax and social security	527,881	825,052
2.01.09.06	Securities trading and brokerage	68	68
2.01.09.07	Financial and development funds	1,190,142	1,673,702
2.01.09.08	Hybrid equity/debt instruments	57,264	74,143
2.01.09.09	Other	1,581,054	1,250,060
2.02	Long-term liabilities	19,985,007	18,610,729
2.02.01	Deposits	5,263,132	5,048,501
2.02.01.01	Demand deposits	8,395	15,383
2.02.01.02	Interbank deposits	112,812	78,890
2.02.01.03	Time deposits	5,141,925	4,954,228
2.02.02	Open market funding	55,668	81,917
2.02.02.01	Own portfolio	55,668	81,917
2.02.03	Funds from acceptance and issue of securities	1,421,373	1,318,769
2.02.03.01	Receivables from real estate, mortgage-related, credit and other similar notes	-	418

Individual Financial Statements / Balance Sheet Liabilities

(In thousands of Brazilian reais)

Code	Description	Current quarter 9/30/2013	Prior year 12/31/2012
2.02.03.02	Payables for securities issued abroad	1,421,373	1,318,351
2.02.06	Borrowings	-	17,912
2.02.06.01	Domestic borrowings - official institutions	-	17,912
2.02.07	Domestic onlendings	1,549,850	1,464,432
2.02.07.01	National Treasury	536	556
2.02.07.02	BNDES (National Bank for Economic and Social Development)	1,396,579	1,333,988
2.02.07.03	FINAME (National Equipment Financing Authority)	152,735	129,888
2.02.08	Foreign onlendings	741,856	736,841
2.02.09	Other liabilities	10,953,128	9,942,357
2.02.09.01	Derivative financial instruments	693	6,405
2.02.09.02	Financial and development funds	5,823,801	5,005,676
2.02.09.03	Hybrid equity/debt instruments	1,171,240	1,128,249
2.02.09.04	Subordinated debt eligible for capital	1,422,415	1,332,382
2.02.09.05	Other	2,534,979	2,469,645
2.05	Equity	2,512,911	2,683,751
2.05.01	Capital	2,437,000	2,142,000
2.05.03	Revaluation reserve	21,183	22,904
2.05.03.01	Own assets	21,183	22,904
2.05.04	Income reserves	475,861	425,110
2.05.04.01	Legal	140,055	130,054
2.05.04.02	Statutory	327,483	295,440
2.05.04.07	Other income reserves	8,323	(384)
2.05.04.07.01	Treasury shares	(384)	(384)
2.05.04.07.02	Special reserve profit other	8,707	-
2.05.05	Equity valuation adjustments	(490,802)	(218,392)
2.05.05.01	Securities adjustments	(490,802)	(218,392)
2.05.06	Retained earnings (accumulated losses)	69,669	312,129

Individual Financial Statements / Statements of Income

(In thousands of Brazilian reais)

Code	Description	Current quarter 7/1/2013 to 9/30/2013	Current Accumulated year 1/1/2013 to 9/30/2013	Same prior quarter period 7/1/2012 to 9/30/2012	Prior Accumulated year 1/1/2012 to 9/30/2012
3.01	Income from financial intermediation	895,250	2,585,668	773,842	2,703,090
3.01.01	Lending operations	427,713	1,283,243	408,766	1,410,624
3.01.02	Marketable securities transactions	416,587	1,103,048	326,428	1,020,900
3.01.03	Derivative financial instruments	25,817	77,037	-20	114,245
3.01.04	Foreign exchange transactions	19,547	102,716	32,304	139,627
3.01.05	Compulsory investments	4,751	13,498	4,195	15,525
3.01.06	Sale or transfer of financial assets	835	6,126	2,169	2,169
3.02	Expenses from financial intermediation	(555,805)	(1,909,602)	(514,791)	(2,026,336)
3.02.01	Funding operations	(272,480)	(754,724)	(199,261)	(784,341)
3.02.02	Borrowings and onlendings	(182,282)	(657,805)	(160,955)	(846,713)
3.02.03	Sale or transfer of financial assets	-	-	(2)	(2)
3.02.04	Allowance for loan losses	(101,043)	(497,073)	(154,573)	(395,280)
3.03	Gross income from financial intermediation	339,445	676,066	259,051	676,754
3.04	Other operating income (expenses)	(105,458)	(255,808)	(166,103)	(374,690)
3.04.01	Income from services provided	359,898	1,204,707	(314,932)	1,038,908
3.04.02	Personnel expenses	(310,864)	(910,801)	(274,551)	(821,868)
3.04.03	Other administrative expenses	(209,020)	(593,448)	(195,729)	(615,509)
3.04.04	Tax expenses	(56,624)	(163,188)	(46,264)	(142,534)
3.04.05	Other operating income	307,022	1,026,847	335,512	1,149,564
3.04.06	Other operating expenses	(195,870)	(819,925)	(300,003)	(983,251)
3.05	Operating income (expenses)	233,987	420,258	92,948	302,064
3.06	Non operating income (expenses)	(277)	(194)	1,151	2,270
3.06.01	Income	1,454	2,253	1,261	2,937
3.06.02	Expenses	(1,731)	(2,447)	(110)	(667)
3.07	Income (loss) before taxes and profit sharing	233,710	420,064	94,099	304,334
3.08	Provision for income and social contribution taxes	(64,939)	(281,574)	(81,432)	(221,744)
3.09	Deferred income tax	(63,383)	181,008	240,555	618,492
3.10	Profit sharing/statutory contributions	(1,693)	(15,775)	(4,498)	(22,004)
3.10.01	Profit sharing	(1,693)	(15,775)	(4,498)	(22,004)
3.13	Net income (loss) for the period	103,695	303,723	248,724	679,078
3.99	Earnings per share – (R$ / share)	1.19201	3.49137	2.85916	7.80621

Individual Financial Statements / Statement of Comprehensive Income (Loss)

(In thousands of Brazilian reais)

Code	Description	Current quarter 7/1/2013 to 9/30/2013	Current Accumulated year 1/1/2013 to 9/30/2013	Same prior quarter period 7/1/2012 to 9/30/2012	Prior Accumulated year 1/1/2012 to 9/30/2012
4.01	Net income (loss) for the period	103,695	303,723	248,724	679,078
4.02	Other comprehensive income (loss)	(32,197)	(270,689)	(274,105)	(393,784)
4.02.01	Equity valuation adjustments of available-for-sale securities	(138,931)	(475,336)	(17,622)	88,249
4.02.02	Tax effect on equity valuation adjustments of available-for-sale securities	55,572	190,134	7,049	(35,300)
4.02.03	Revaluation reserve released to retained earnings	956	2,868	956	2,868
4.02.04	Tax effect on revaluation reserve released to retained earnings	(382)	(1,147)	(383)	(1,148)
4.02.05	Actuarial gains/ losses	50,588	12,792	(264,105)	(448,453)
4.03	Comprehensive income (loss) for the period	71,498	33,034	(25,381)	285,294

Individual Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of Brazilian reais)

Code	Description	Accumulated Current year 1/1/2013 to 9/30/2013	Same period Prior year 1/1/2012 to 9/30/2012
6.01	Net cash provided by (used in)from operating activities	2,582,198	4,426,557
6.01.01	Cash flows from operations	1,446,920	1,728,643
6.01.01.01	Net income (loss) for the period	303,723	679,078
6.01.01.02	Depreciation and amortization	26,166	21,749
6.01.01.04	Allowance for losses on other assets	(37)	(404)
6.01.01.05	Allowance for loan losses	482,093	366,526
6.01.01.06	Provision for other receivables	14,980	28,754
6.01.01.07	Provision for contingent liabilities (FNE Risk)	495,493	488,223
6.01.01.08	Provision for contingent liabilities	31,956	102,021
6.01.01.09	Provision for post-employment benefits	112,287	103,475
6.01.01.10	Expenses on other operating provisions	5,250	4,212
6.01.01.11	Reversal of operating provisions	(14,995)	(118,357)
6.01.01.12	Expenses on subordinated debts eligible for capital	90,032	87,319
6.01.01.13	Expenses on hybrid debt and equity instruments	102,125	96,186
6.01.01.14	Provision for dividends and Interest on equity	(202,153)	(130,123)
6.01.01.16	Deferred income	-	(16)
6.01.02	Changes in assets and liabilities	1,135,278	2,697,914
6.01.02.01	Interbank investments	(2,586)	(125,256)
6.01.02.02	Interbank and interdepartmental accounts	(34,123)	(50,783)
6.01.02.03	Loans	(138,066)	(100,908)
6.01.02.04	Other receivables	108,544	(397,041)
6.01.02.05	Other assets	(6,666)	(11,816)
6.01.02.06	Deposits	1,113,598	1,004,845
6.01.02.07	Open market funding	290,924	166,906
6.01.02.08	Funds from acceptance and issue of securities	67,021	682,197
6.01.02.09	Borrowings and onlendings	122,310	266,168
6.01.02.10	Derivative financial instruments	(96,324)	(142,426)
6.01.02.11	Other liabilities	67,666	1,722,066
6.01.02.14	Income and social contribution taxes paid	(357,020)	(316,038)
6.02	Net cash provided by (used in) investing activities	(677,800)	(1,233,601)
6.02.01	Available-for-sale securities	(631,014)	(752,675)
6.02.02	Actuarial gains/losses	12,792	(448,453)
6.02.03	Addition to investments	(80)	(147)
6.02.04	Addition to property and equipment in use	(52,136)	(32,496)
6.02.05	Addition to intangible assets	(7,996)	-
6.02.06	Addition to assets not for own use	(333)	(383)
6.02.08	Disposal of property and equipment in use	610	28
6.02.09	Disposal of assets not for own use	357	525
6.03	Cash flow from financing activities	(241,890)	(130,113)
6.03.01	Dividends and interest on equity paid	(241,890)	(130,113)
6.05	Increase (decrease) in cash and cash equivalents	1,662,508	3,062,843
6.05.01	Cash and cash equivalents at the beginning of the period	6,484,104	3,185,693
6.05.02	Cash and cash equivalents at the end of the period	8,146,612	6,248,536

Individual Financial Statements / Statement of Changes in Equity - 1/1/2013 to 9/30/2013

(In thousands of Brazilian reais)

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

Individual Financial Statements / Statement of Changes in Equity - 1/1/2012 to 9/30/2012

(In thousand of Brazilian reais)

Code	Description	Capital	Capital reserve	Revaluation reserves	Income reserves	Retained earnings/ accumulated losses	Equity adjustments	Total
5.01	Opening balance	2,010,000	-	25,198	244,536	-	49,765	2,329,499
5.03	Adjusted balance	2,010,000	-	25,198	244,536	-	49,765	2,329,499
5.04	Net income (loss) for the period	-	-	-	-	679,078	-	679,078
5.05	Allocations	-	-	-	117,030	(247,152)	-	(130,122)
5.05.01	Dividends	-	-	-	0,000	(61,467)	-	(61,467)
5.05.03	Other allocations	-	-	-	117,030	(185,685)	-	(68,655)
5.05.03.01	Legal reserve	-	-	-	12,300	(12,300)	-	-
5.05.03.02	Statutory reserve	-	-	-	111,768	(111,768)	-	-
5.05.03.03	Additional dividends proposed	-	-	-	-	(61,521)	-	(61,521)
5.05.03.04	Provision for income tax on interest on equity	-	-	-	-	(96)	-	(96)
5.05.03.05	Other	-	-	-	(7,038)	-	-	(7,038)
5.07	Equity valuation adjustments	-	-	(1,720)	-	1,720	(395,504)	(395,504)
5.07.01	Marketable securities adjustments	-	-	-	-	-	52,949	52,949
5.07.05	Realization of reserve	-	-	(1,720)	-	1,720	-	-
5.07.06	Actuarial gains/losses	-	-	-	-	-	(448,453)	(448,453)
5.08	Increase/decrease in capital	132,000	-	-	(132,000)	-	-	-
5.08.01	Transfer for capital increase	132,000	-	-	(132,000)	-	-	-
5.13	Closing balance	2,142,000	-	23,478	229,566	433,646	(345,739)	2,482, 951

Individual Financial Statements / Statement of Value Added

(In thousands of Brazilian reais)

Code	Description	Current accumulated year 1/1/2013 to 9/30/2013	Prior accumulated year 1/1/2012 to 9/30/2012
7.01	Revenues	3,500,031	3,515,302
7.01.01	Interest income	2,585,668	2,703,090
7.01.02	Services provided	1,204,707	1,038,908
7.01.03	Allowance for/Reversal of loan losses	(497,073)	(395,280)
7.01.04	Other	206,729	168,584
7.02	Interest expenses	(1,412,529)	(1,631,056)
7.03	Inputs purchased from third parties	(554,539)	(584,374)
7.03.01	Materials, electric power and other	(50,340)	(45,246)
7.03.02	Third-party services	(283,423)	(262,621)
7.03.04	Other	(220,776)	(276,507)
7.03.04.01	Data Processing and telecommunications	(120,528)	(129,230)
7.03.04.02	Advertising, promotions and publishing	(16,319)	(34,678)
7.03.04.03	Transportation	(13,940)	(12,089)
7.03.04.04	Security	(21,130)	(17,694)
7.03.04.05	Travel	(10,848)	(11,255)
7.03.04.06	Other	(38,011)	(71,561)
7.04	Gross value added	1,532,093	1,299,872
7.05	Retentions	(26,166)	(21,749)
7.05.01	Depreciation, amortization and depletion	(26,166)	(21,749)
7.06	Net value added produced	1,506,797	1,278,123
7.08	Total value added for distribution	1,506,797	1,278,123
7.09	Distribution of value added	1,506,797	1,278,123
7.09.01	Personnel	800,574	730,119
7.09.01.01	Salaries and wages	551,836	502,202
7.09.01.02	Benefits	208,146	191,328
7.09.01.03	Government Severance Indemnity Fund for Employees(FGTS)	40,592	36,589
7.09.02	Taxes, charges and contributions	389,757	(140,460)
7.09.02.01	Federal	377,153	(151,334)
7.09.02.02	State	62	33
7.09.02.03	Municipal	12,542	10,841
7.09.03	Debt remuneration	12,743	9,386
7.09.03.01	Rents	12,743	9,386
7.09.04	Equity remuneration	303,723	679,078
7.09.04.01	Interest on equity	101,206	67,300
7.09.04.02	Dividends	108,460	55,785
7.09.04.03	Retained earnings / loss for the period	94,057	555,993

Comments on Performance

INTRODUCTION

In the third quarter of 2013, Banco do Nordeste took out R$ 4.7 billion, referring to 1,049,554 transactions involving loans and financing, which presented a 12.2% increase in the number of transactions and a 4.4% increase in value as compared to 3Q12. Accordingly, Banco do Nordeste expanded its support to the production sector, both in quantity of contracted transactions and volume of funds made available, seeking through credit and other actions described below to improve social and economic indicators and to reduce regional differences. In line with the strategic objectives of "continuing to be a leader in microfinance and family farming and to be the main Bank of Small and Medium Sized Companies in the Northeast Region", the Bank endeavored to preferably serve family farmers, mini and small-sized rural producers, micro and small-sized companies and formal micro-entrepreneurs.

ACTIONS TOWARDS DEVELOPMENT

Meeting with the Inter-American Development Bank (IADB) to conclude the last mission of Prodepro – In the week from August 12 to 15, nine specialists from IADB met in the Administrative Center of Banco do Nordeste, in order to consider certain conditions necessary for structuring the Program for Development of Production in the Northeast Region (Prodepro), seeking to move on to the loan negotiation stage. This meeting, denominated "orientation mission", endeavored to discuss the financial design of the operation; the overall economic evaluation, including the results and impacts matrix; the selection of priority projects to be carried out in the first stage; the eligibility criteria for these projects and the analysis of the Bank's institutional capacity, as program executor.

Prodepro aims at developing production, providing financing for infrastructure and associated ventures in the production chains. It also seeks to maximize physical integration of the states in the Northeast region with the other regions in Brazil, expanding trade activities within and outside the territory of such states, attracting investments and fostering exports, generating increase in jobs and income in the Northeast region. The amount of US$ 1 billion will be made available to finance infrastructure projects and ventures necessary to clear bottlenecks in the main production chains in the Region.

Program for export to companies in the semiarid region - In order to promote exports and the generation of foreign currency, Banco do Nordeste expanded the conditions of the Northeast Export Program (Nexport), expanding its reach to large export trading companies located in the semiarid region. The program finances the purchase of raw materials and inputs used in the production process of industrial and agro-industrial companies for the production of goods destined to export, as well as goods for the formation of inventories of commercial companies earmarked for export. Depending on funds from the Constitutional Financing Fund for the Northeast Region (FNE), Nexport charges effective interest rate of 10.0% p.a. The program may grant financing of up to R$ 40 million payable within up to 12 months. Banco do Nordeste preferably fosters the export sector in the Northeast region through credit extension for working capital purposes through Advances on Foreign Exchange Contracts (ACC) and Advances on Exchange Bills Delivered (ACE). The Bank destined R$ 402.9 million to foreign trade in 1H13, originating in various sources.

Execution of agreements between Banco do Nordeste and institutions in the Maranhão state - Banco do Nordeste, the State Fishing and Aquiculture Department and the Federal Fishing Superintendence entered into a cooperation agreement to expand the methodology of the Rural Microcredit Program of Banco do Nordeste, denominated *Agroamigo*, to other groups of the National Program for Strengthening Family Farming (Pronaf). With this, artisanal fishermen and family farmers in the Maranhão state will benefit from credit extension, technical and rural assistance and monitoring of the ventures. With the State Department for Social and Family Farming Development (Sedes), the technical and financial agreement is going to implement actions of the Program Against Extreme Poverty, denominated *Viva Oportunidades*, supported by the *Crediamigo* program. At the head office of the Maranhão State Federation of Industries (Fiema), Banco do Nordeste signed a letter of intent, ensuring extension of differentiated benefits to Fiema associated entrepreneurs, in order to promote access to financing to allow strengthening their entrepreneurial capacity, competitiveness and development of production of companies of all sizes, as long as located in the Maranhão state.

Execution of a partnership agreement between Banco do Nordeste and Brazilian Service of Support for Micro and Small Enterprises – SEBRAE - Banco do Nordeste and Sebrae entered into a cooperation agreement at Sebrae's head office, in Vitória (Espírito Santo state). The objective of this agreement is to intensify actions to disclose businesses of the Oriented Microcredit Program of the Bank, denominated *Crediamigo*, and to promote managerial capacity and technical orientation, access to credit and the development of urban entrepreneurs. The active portfolio of *Crediamigo* program in the Espírito Santo state, up to August, aggregated more than R$ 4.9 million, with 2,626 clients, corresponding to a 34% increase compared with the same prior year period.

ADMINISTRATIVE FACTS

Expansion of the client service network - Banco do Nordeste inaugurated other five agencies. In the Maranhão state the Timon and Imperatriz Bernardo Sayão agencies were inaugurated. In the Ceará state, the Bank inaugurated the Sobral Domingos Olímpio and Fortaleza Washington Soares agencies, and in Bahia, the Seabra agency, a full unit. The new units will work with minimum paperwork, since documents are digitalized. Agencies in the Ceará state will focus on micro, small and medium sized companies.

Conduction of workshop on project management – Seeking to align evolution and project management challenges, Banco do Nordeste conducted for its managers the first "Workshop on Project Management". During the workshop, participants had the opportunity of knowing the evolution and challenges in project management in other institutions and to learn how a Projects Office may operate to increase value and sustainability of the company.

Conversion of preferred shares into common shares – The 94th Special Shareholders' Meeting, held on August 23, 2013, approved the conversion of preferred shares into common shares and the consequent statutory changes, eliminating the articles that describe the characteristics and rights of preferred shares. This conversion had the objective of increasing liquidity of BNB shares and the corporate governance level to promote Banco do Nordeste share value appreciation.

Execution of a partnership agreement between Banco do Nordeste and Banco do Brasil to expand the shared self-service network - Banco do Nordeste expanded by 471% its shared self-service network. BNB negotiated with Banco do Brasil the expansion of sharing of the client service network of terminals, in order to increase its capillarity and thus allow more comfort to clients. In addition to more than five thousand external points, there was increase in the number of served municipalities from 175 to 1 thousand, totaling almost 2 thousand new self-service rooms linked to Banco do Brasil agencies. The expansion in use of client service terminals in new municipalities in the Northeast Region will particularly benefit microfinance clients of Banco do Nordeste, since the initiative focused on market places in which there is higher number of microfinance clients and businesses or with large business potential. The partnership will allow fund withdrawals to be made by clients in their municipality, thus reducing travels for this and optimizing their production activity. In the shared network, clients of Banco do Nordeste may make withdrawal and account balance consultation operations. Withdrawals are limited to R$ 1 thousand reais per day, reduced to R$ 500 at night. The service is charged after the 5th current account withdrawal or the 3rd savings account withdrawal, in the same month.

Company Pro-Ethics Cadastre - Banco do Nordeste adhered to the Company Pro-Ethics Cadastre, voluntarily assuming the public commitment to government and society to adopt measures to avoid and combat corruption and support ethics in businesses. The Company Pro-Ethics Cadastre allows visibility of companies that share the idea that corruption is a problem that should be avoided and combated not only by government but also by the private sector and the society. With this, Banco do Nordeste reaffirms its compliance with good practices for promoting corporate ethics and integrity.

Taking out of Direct Consumer Credit (CDC) through a mobile phone application - Banco do Nordeste updated the *Nordeste Eletrônico Móvel* application, which allows its clients to take out CDC directly using their mobile phone, and also pay bills using optical barcode reading. This allows clients to increase speed and security in their operations.

Review of administrative decision-making levels - Banco do Nordeste carried out a review of its administrative decision-making levels editing a new ‘Basic Manual on Administrative Decision-Making Levels’. This review mainly aimed at strengthening the Bank’s corporate governance since it established collegiate decisions at all levels entailing joint liability of managers.

OPERATING PERFORMANCE

Banco do Nordeste took out R$ 4.7 billion in 3Q13, referring to 1,049,554 transactions involving loans and financing, which presented a 12.2% increase in number and a 4.4% increase in value as compared to 3Q12.

The funds involved in long-term loans referred mostly to Brazilian Constitutional Financing Fund for the Northeast (FNE). In 3Q13, the funds taken out with FNE amounted to R$ 2.3 billion, with 135,048 transactions carried out, down 5.8% in the number of transactions and up 4.9% in the amount taken out in relation to the same period of 2012.

Through its urban production-oriented microcredit (Crediamigo) program, Banco do Nordeste disbursed R$ 1.4 billion, contracting 840,941 operations in 3Q13, as support to microentrepreneurs across its area of operation. In 3Q12, the amount of R$ 1.0 billion was disbursed in connection with the contracting of 673,974 operations. By comparing both periods, Banco do Nordeste increased disbursements by 40.0% and the number of related operations by 24.8%.

As regards the Family Farming Strengthening Program (Pronaf), Banco do Nordeste entered into 125,688 loans involving funds in the amount of R$ 529.0 million in 3Q13, which represents a decrease of 14.0% in value taken out and of 5.1% in the number of operations as compared to 3Q12.

Worth noting is that, within the Pronaf, BNB operates Agroamigo, a production-oriented microcredit program to the rural area, taking out R$ 335.4 million in 3Q13, with 110,640 operations carried out with small-scale farmers, i.e. an increase in value by 35.0% and in the number of operations by 9.6% as compared to the same period of 2012.

As regards the support to micro and small enterprises, Banco do Nordeste contracted 16,005 financing operations for R$ 698.6 million over 3Q13, which is an increase in value taken out by 5.9% and a decrease in the number of operations by 30.3% as compared to 3Q12.

As regards financial results, Banco do Nordeste recorded net income of approximately R$ 103.7 million in 3Q13, against net loss of R$ 15.4 million in 3Q12.

CVM RULING No. 381, OF O1.14.2003

As regards CVM Ruling No. 381/03, of 01/14/2003, Banco do Nordeste informs that Ernst & Young Terco Auditores Independentes S/S, engaged as its external auditor, did not provide any services other than independent audit services in 3Q13.

NOTES TO FINANCIAL STATEMENTS
Quarters ended September 30, 2013 and 2012
Amounts expressed in thousands of reais, unless otherwise stated

Contents of the Notes to Financial Statements

NOTE 1 - The Bank and its characteristics

Banco do Nordeste do Brasil S.A. is an all-purpose bank established by Federal Law No. 1649, of 07.19.1952, with head office at Avenida Pedro Ramalho, nº 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 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 9.27.2012);
- CPC 01 - Impairment of Assets (CMN Resolution No. 3566, of 05.29.2008);
- CPC 03 - Cash Flow Statement - (CMN Resolution 3604, of 08.29.2008);
- CPC 05 – Related Party Disclosures (CMN Resolution No. 3750, of 06.30.2009);
- CPC 23 – Accounting Policies, Changes in Accounting Estimates and Correction of Errors (CMN Resolution No. 4007, of 08.25.2011);
- CPC 24 – Subsequent Events (CMN Resolution No. 3973, of 05.26.2011);
- CPC 25 - Provisions, Contingent Liabilities and Contingent Assets (CMN Resolution No. 3823, of 12.16.2009);
- CPC 09 - Statement of Value Added (CVM Rule No. 557, of 11.12.2008);

- CPC 22 – Segment Reporting (CVM Rule No. 582, of 07.31.2009);
- CPC 27 – Property, Plant and Equipment (CVM Rule No. 583, of 07.31.2009);
- CPC 32 – Income Taxes (CVM Rule No. 599, of 09.15.2009); and
- CPC 33 (R1) – Employee Benefits (CVM Rule No. 695, of 12.13.2012).

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:

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; and

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.

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) <u>Loans, advances on foreign exchange contracts, other receivables with loan features and allowance for loan losses</u>

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 against the existing allowance and controlled for five years, no longer being included in the balance sheet.

Renegotiated operations are remain at least 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

<u>Investments</u> are stated at cost, net of valuation allowance.

<u>Property and equipment in use</u> includes 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.

<u>Deferred charges</u> 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.

k) <u>Income tax, social contribution tax, PASEP and COFINS</u>

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.

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, and a defined benefit health care plan.

As from January 2013, when CVM Rule No. 695 of 12.13.2012 became effective, the accounting practice for post-employment benefits has changed, as current service cost and net interest on net liability are recognized in P&L whereas actuarial gains and losses, and return on plan assets, excluding the amounts considered in net interest on net liability, are recognized as Equity adjustments, in Equity.

Considering that the Bank recognized in P&L all actuarial gains and losses since 2010, there was no need for calculations retrospectively to 12.31.2011 for adoption of the provisions contained in CVM Rule No. 695 of 12.13.2012.

Restatement of comparative balances

The financial statements as of September 30 and December 31, 2012, presented for comparative purposes, have been adjusted so as to reflect the calculation of actuarial losses for the periods, using the best estimates based on available information for such calculations. These financial statements have been restated due to the change in accounting criterion applicable to post-employment benefits, as required by CVM Rule No. 695 of 12.13.2012.

The effects of this restatement are summarized as follows:

BALANCE SHEETS	December 31, 2012		
	Original	Adjustment	Restated
Retained earnings/Accumulated losses (1)	-	312,129	312,129
Equity adjustments (2)	93,737	(312,129)	(218,392)

(1) The adjustment recognized in “Retained earnings/ Accumulated losses” refers to the actuarial loss computed, originally recognized in P&L (“Personnel Expenses”).

(2) The change recognized in “Equity adjustments” refers to the actuarial loss computed, originally recognized in P&L (“Personnel expenses”).

INCOME STATEMENTS	07.01 to September 30, 2012			01.01 to September 30, 2012		
	Original	Adjustment	Restated	Original	Adjustment	Restated
Personnel expenses (1)	(538,656)	264,105	(274,551)	(1,270,321)	448,453	(821,868)
Net income (1)	(15,381)	264,105	248,724	230,625	448,453	679,078

(1) The adjustment recorded in “Personnel expenses” arises from the actuarial loss computed.

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)	07.01 to September 30, 2012			01.01 to September 30, 2012		
	Original	Adjustment	Restated	Original	Adjustment	Restated
Net income (1)	(15,381)	264,105	248,724	230,625	448,453	679,078
Actuarial gains and losses (2)	-	(264,105)	(264,105)	-	(448,453)	(448,453)

(1) The adjustment recorded in “Personnel expenses” arises from the actuarial loss computed.

(2) The adjustment recorded in “Actuarial Gains and Losses” refers to the actuarial loss computed.

CASH FLOW STATEMENTS	September 30, 2012		
	Original	Adjustment	Restated
Net income for the period (1)	230,625	448,453	679,078
Provision (post-employment benefits) (2)	551,928	(448,453)	103,475
Dividends and interest on equity for the period (3)	(9)	(130,114)	(130,123)
Actuarial gains and losses (4)	-	(448,453)	(448,453)
Other liabilities (5)	1,143,499	578,567	1,722,066

(1) The adjustment recorded in “Net income” refers to the actuarial loss computed.

(2) The change recognized in “Provision (post-employment benefits)” refers to the actuarial loss computed.

(3) The change recognized in “Dividends and interest on equity” arises from evidence of provisioned dividends and interest on equity from January to September/2012 (R$ 130,114)

(4) The adjustment recorded in “Actuarial Gains and Losses” refers to the actuarial loss computed.

(5) The change recognized in “Other liabilities” arises from evidence of the actuarial loss computed (R$ 448,453) and provisioned dividends and interest on equity from January to September/2012 (R$ 130,114)

STATEMENTS OF CHANGES IN EQUITY	September 30, 2012			December 31, 2012		
	Original	Original	Adjustment	Original	Adjustment	Restated
Retained earnings/Accumulated losses (1)	(14,807)	448,453	433,646	-	312,129	312,129
Equity adjustments (2)	102,714	(448,453)	(345,739)	93,737	(312,129)	(218,392)

(1) The adjustment recorded in “Income or loss for the period” refers to the actuarial loss computed.

(2) The adjustment recorded in “Actuarial Gains and Losses” refers to the actuarial loss computed.

STATEMENTS OF VALUE ADDED	September 30, 2012		
	Original	Adjustment	Restated
Benefits [(1)]	639,781	(448,453)	191,328
Retained profits for the period [(2)]	107,540	448,453	555,993

[(1)] The adjustment to "Benefits" refers to the actuarial loss computed.

[(2)] The adjustment recorded in "Retained profits for the period" refers to the actuarial loss computed.

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) Contingent assets, liabilities and legal obligations

Contingent assets, contingent liabilities and legal obligations are recognized, measured and disclosed according to the criteria defined in CMN Resolution 3823, of 12.16.2009.

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.

Contingent liabilities 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 restated on a monthly basis.

Legal obligations derive from tax obligations and a provision in 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.

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.

As at September 30, 2013 and September 30, 2012, no revenue from transactions with one single external customer accounted for 10% or more of the Bank's total revenues.

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":

Specification	01.01 to 09.30.2013 Own portfolio	01.01 to 09.30.2013 FNE	01.01 to 09.30.2013 Total	01.01 to 09.30.2012 Own portfolio	01.01 to 09.30.2012 FNE	01.01 to 09.30.2012 Total
Revenue	**2,388,002**	**1,224,320**	**3,612,322**	**2,727,295**	**1,127,629**	**3,854,924**
Income from loans	1,283,243	-	1,283,243	1,410,624	-	1,410,624
Securities transactions, net	621,149	481,899	1,103,048	579,937	440,963	1,020,900
Derivative financial instruments, net	77,037	-	77,037	114,245	-	114,245
Foreign exchange transactions, net	102,716	-	102,716	139,627	-	139,627
Compulsory investments, net	13,498	-	13,498	15,525	-	15,525
Sales or transfer of financial assets	6,126	-	6,126	2,169	-	2,169
Other	284,233	742,421	1,026,654	465,168	686,666	1,151,834
Expenses	**(1,455,166)**	**(958,388)**	**(2,413,554)**	**(1,631,602)**	**(939,145)**	**(2,570,747)**
Open market funding	(754,724)	-	(754,724)	(784,341)	-	(784,341)
Borrowings and onlending	(197,597)	(460,208)	(657,805)	(425,589)	(421,124)	(846,713)
Sales or transfer of financial assets	-	-	-	(2)	-	(2)
Allowance for loan losses	(497,073)	(495,493)	(992,566)	(395,280)	(488,223)	(883,503)
Other contingent liabilities (Note 20.g)	(5,772)	(2,388)	(8,160)	(26,390)	(29,633)	(56,023)
PROAGRO provision receivable	-	(299)	(299)	-	(165)	(165)
Financial margin	**932,836**	**265,932**	**1,198,768**	**1,095,693**	**188,484**	**1,284,177**
Service income	214,948	966,235	1,181,183	175,528	843,053	1,018,581
Income from fees, rates and commissions	23,524	-	23,524	20,327	-	20,327
PASEP and COFINS (1)	**(67,042)**	**(82,831)**	**(149,873)**	**(56,183)**	**(74,208)**	**(130,391)**
Income (loss) after fees and commissions	**1,104,266**	**1,149,336**	**2,253,602**	**1,235,365**	**957,329**	**2,192,694**
Administrative expenses			**(1,504,249)**			**(1,437,377)**
Personnel expenses			(910,801)			(821,868)
Depreciation and amortization			(26,166)			(21,749)
Other administrative expenses			(567,282)			(593,760)
Other expenses			**(300,243)**			**(400,773)**
Expenses with provisions, except allowance for loan losses			**(29,046)**			**(50,210)**
Income before taxes and profit sharing			**420,064**			**304,334**
Income and social contribution taxes			(100,566)			396,748
Profit sharing			(15,775)			(22,004)
Net income			**303,723**			**679,078**

(1) Expenses referring to PASEP and COFINS on import of services in the amount of R$ 15 (R$ 223 at 09.30.2012) are included in Other Expenses

NOTE 5 – Cash and cash equivalents

Specification	09.30.2013	12.31.2012
Cash in local currency	130,932	118,242
Cash in foreign currency	1,157	3,611
Total cash	**132,089**	**121,853**
Investment in marketable securities	-	28,017
Interbank investments	8,014,523	6,334,234
Total cash and cash equivalents (Note 27.c)	**8,146,612**	**6,484,104**

NOTE 6 – Interbank investments

a) Breakdown

Specification	09.30.2013	12.31.2012
a) Open market investments	**8,041,673**	**6,384,020**
Resale agreements pending settlement – Self-funding position	8,014,523	6,227,215
Resale agreements pending settlement – Financed position	27,150	156,805
b) Interbank deposits	**156,043**	**130,821**
Foreign currency investments	74,406	23,801
Interbank deposits	81,637	107,020
Total	**8,197,716**	**6,514,841**
Current	8,197,716	6,514,841

b) Income from interbank investments

Specification	01.01 to 09.30.2013	01.01 to 09.30.2012
a) Income from open market investments (Note 7.b)	**419,038**	**288,755**
Self-funding position	413,748	281,105
Financed position	5,290	7,650
b) Income from interbank deposits (Note 7.b)	**3,357**	**16,294**
Total	**422,395**	**305,049**

NOTE 7 - 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	09.30.2013	12.31.2012
Available-for-sale securities	11,344,981	11,028,442
Held-to-maturity securities	22,337	21,081
Swap differential receivable	283,238	193,640
Total	**11,650,556**	**11,243,163**
Current	686,234	459,453
Long-term	10,964,322	10,783,710

a.2) Available-for-sale securities

Specification	09.30.2013				12.31.2012			
	Cost	Market (book) value	Mark-to-market	Maturity	Cost	Market (book) value	Mark-to-market	Maturity
Fixed income securities	**11,215,588**	**10,893,836**	**(321,752)**		**10,332,613**	**10,494,910**	**162,297**	
Financial Treasury Bills (LFTs)	8,098,376	8,102,847	4,471	2014 to 2018	7,904,113	7,904,764	651	2013 to 2018
National Treasury Bills (LTNs)	11	11	-	2014	11	11	-	2014
National Treasury Notes (NTNs)	1,181,965	1,166,972	(14,993)	2050	1,155,266	1,562,643	407,377	2050
Financial Bills (LFs)	1,153,446	1,114,074	(39,372)	2014 to 2019	477,168	447,406	(29,762)	2014 to 2016
Debentures	748,173	504,896	(243,277)	2014 to 2019	760,074	572,019	(188,055)	2014 to 2018
Bank Credit Notes (CCBs)	-	-	-	-	2,709	2,622	(87)	2013
Federal government bonds (FCVS)	6,397	4,829	(1,568)	2027	6,755	5,231	(1,524)	2027
Federal government bonds – Other	26,936	-	(26,936)	1993	26,237	-	(26,237)	1993
Agrarian Debt Securities (TDAs)	284	207	(77)	2013 to 2022	280	214	(66)	2013 to 2022
Investment fund shares	**12,154**	**10,785**	**(1,369)**		**15,569**	**14,211**	**(1,358)**	
Social Development Funds (FDS)	1,369	-	(1,369)	2014	1,358	-	(1,358)	2014
Receivables Investment Fund (FIDC) shares	9,017	9,017	-	2014	13,850	13,850	-	2014
Real Estate Investment Fund (FII)	1,490	1,490	-	2100	-	-	-	
Investment Guarantee Fund (FGI)	232	232	-	No maturity	221	221	-	No maturity
Operation Guarantee Fund (FGO)	46	46	-	No maturity	140	140	-	No maturity
Variable income securities	**140,299**	**144,836**	**4,537**		**140,298**	**136,579**	**(3,719)**	
Other tax incentives (FINOR)	350	202	(148)	No maturity	350	218	(132)	No maturity
Publicly-traded companies shares	139,949	144,634	4,685	No maturity	139,948	136,361	(3,587)	No maturity
Security deposits (1)	**296,049**	**295,524**	**(525)**		**383,734**	**382,742**	**(992)**	
Financial Treasury Bills (LTN)	295,265	295,446	181	2015 to 2018	379,297	379,358	61	2013 to 2018
Federal government bonds – Other	784	78	(706)	1993 to 2027	772	85	(687)	1993 to 2027
Debentures	-	-	-		3,665	3,299	(366)	2018
Total	**11,664,090**	**11,344,981**	**(319,109)**		**10,872,214**	**11,028,442**	**156,228**	
Tax credit (Note 21.b)	-	-	168,110		-	-	134,442	
Provision for deferred taxes and contributions (Note 21.c)	-	-	(40,466)		-	-	(196,933)	
Total fair value adjustment	-	-	**(191,465)**		-	-	**93,737**	

(1) Breakdown: Guarantees on stock exchange transactions R$ 157,121 (R$ 148,277 at 12.31.2012); guarantees on clearing house association transactions R$ 1,775 (R$ 1,678 at 12.31.2012); guarantees on legal proceedings R$ 120,468 (R$ 217,510 at 12.31.2012); and other guarantees R$ 16,160 (R$ 15,277 at 12.31.2012).

Account “Federal Government Securities - Other” 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$ (319,109) (R$ 156,228 at 12.31.2012) was recorded in Equity under “Equity adjustments” account. Such adjustment, net of taxes, corresponds to R$ (191,465) (R$ 93,737 at 12.31.2012).

a.3) Held-to-maturity securities

Specification	09.30.2013			12.31.2012		
	Cost (book) value	Market value (1)	Maturity	Cost (book) value	Market value (1)	Maturity
Fixed income securities	**22,337**	**22,327**		**21,081**	**21,068**	
Investment Fund Shares – Ne.Empreendedor	2,020	2,020	2014	2,020	2,020	2013
National Treasury Notes (NTN) - P	241	231	2013 to 2014	247	234	2013 to 2014
Investment Fund Shares - CRIATEC	12,465	12,465	2017	11,974	11,974	2017
FIP Brasil Agronegócios	7,611	7,611	2018	6,840	6,840	2018
Total	**22,337**	**22,327**		**21,081**	**21,068**	

(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 3Q13, there were no reclassifications of securities into the categories above, and no held-to-maturity securities were sold.

a.5) The Company uses the criteria below to measure market value, according to the following order of priority:
-1st - Market Prices disclosed by the National Association of Financial Market Institutions (ANBIMA) and BM&FBOVESPA;
-2nd - Goodwill/Negative Goodwill over the past three months in CETIP S.A. – Mercados Organizados;
-3rd - Calculation of probable realizable value based on own pricing model.

b) Income from securities

Specification	01.01 to 09.30.2013	01.01 to 09.30.2012
Interbank investments (Note 6.b)	419,038	288,755
Interbank deposits (Note 6.b)	3,357	16,294
Fixed income securities	673,236	709,085
Variable income securities	7,417	6,766
Total	**1,103,048**	**1,020,900**

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 09.30.2013, the Bank had swap transactions registered with CETIP (OTC Clearing House) and the notional value of these transactions is recorded in memorandum accounts while the related book value is recorded under the captions ‘Differential Payable’ and ‘Differential Receivable’, as shown below:

Breakdown at 09.30.2013								
Specification	Notional value	Market value		Curve value		Mark-to-market		MTM, net
		Differential Receivable	Differential Payable	Differential Receivable	Differential Payable	Positive	Negative	
Asset position								
Foreign currency (US$)	1,087,635	281,441	-	232,497	-	48,944	-	48,944
Liabilities position								
Fixed rate	77,796	1,797	1,863	-	2,340	2,448	(174)	2,274
Total	**1,165,431**	**283,238**	**1,863**	**232,497**	**2,340**	**51,392**	**(174)**	**51,218**
Tax credit (Note 21.b)								70
Provision for deferred taxes and contributions (Note 21.c)								(20,557)

Breakdown at 12.31.2012								
Specification	Notional value	Market value		Curve value		Mark-to-market		MTM, net
		Differential Receivable	Differential Payable	Differential Receivable	Differential Payable	Positive	Negative	
Asset position								
Foreign currency (US$)	1,087,635	193,611	-	137,066	56,545	56,545	-	56,545
Liabilities position								
Fixed rate	194,672	29	8,589	-	(5,498)	109	5,607	(5,498)
Total	**1,282,307**	**193,640**	**8,589**	**137,066**	**51,047**	**56,654**	**5,607**	**51,047**
Tax credit (Note 21.b)								2,243
Provision for deferred taxes and contributions (Note 21.c)								(22,662)

Specification	09.30.2013		12.31.2012	
	Differential Receivable	Differential Payable	Differential Receivable	Differential Payable
Up to 3 months	-	120	-	402
3 to 12 months	14	1,050	-	1,782
1 to 3 years	173,449	693	121,537	5,198
3 to 5 years	469	-	29	1,207
5 to 15 years	109,306	-	72,074	-
Total	**283,238**	**1,863**	**193,640**	**8,589**

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

Specification	09.30.2013				
Hedging instruments	Curve value		Market value		Mark-to-market adjustment
	Asset - dollar	Liabilities - CDI	Asset - dollar	Liabilities - CDI	
Swap – Foreign currency – Asset	1,358,529	1,126,032	1,442,366	1.160.925	48.944
Hedged item	**Curve value(1)**		**Market value(1)**		**Mark-to-market adjustment**
Eurobonds – Senior Unsecured Notes	1,359,599		1,442,972		83,373
Tax credit (Note 21.b)					33,349

(1) Net of tax effects in the amount of R$ 3,085 on the transaction interest.

Specification	12.31.2012				
Hedging instruments	Curve value		Market value		Mark-to-market adjustment
	Asset - dollar	Liabilities - CDI	Asset - dollar	Liabilities - CDI	
Swap – Foreign currency – Asset	1,236,368	1,099,301	1,325,291	1,131,679	56,545
Hedged item	**Curve value(1)**		**Market value(1)**		**Mark-to-market adjustment**
Eurobonds – Senior Unsecured Notes	1,233,631		1,325,882		92,251
Tax credit (Note 21.b)					36,901

(1) Net of tax effects in the amount of R$ 1,076 on the transaction interest.

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 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).

c.2) Other derivative financial instruments

Specification	09.30.2013				
Hedging instruments	Curve value		Market value		Mark-to-market adjustment
	Asset - CDI	Liability – fixed rate	Asset - CDI	Liability – fixed rate	
Fixed rate – Liabilities position	90,290	92,630	92,307	92,373	2,274

Specification	12.31.2012				
Hedging instruments	Curve value		Market value		Mark-to-market adjustment
	Asset - CDI	Liability – fixed rate	Asset - CDI	Liability – fixed rate	
Fixed rate – Liabilities position	213,189	216,250	218,139	226,698	(5,498)

d) Income from derivative financial instruments

Specification	01.01 to 09.30.2013	01.01 to 09.30.2012
Swap	77,037	114,245
Total	**77,037**	**114,245**

NOTE 8 – Interbank accounts – Restricted deposits

a) Restricted deposits

Specification	09.30.2013			12.31.2012		
	Gross	Allowance	Net	Gross	Allowance	Net
Mandatory payments – Savings accounts	292,292	-	292,292	262,606	-	262,606
Compulsory reserves – Cash funds	26,970	-	26,970	43,768	-	43,768
National Housing System (SFH)	62,413	(23,848)	38,565	60,045	(22,889)	37,156
National Treasury – Rural credit	16,323	(1,273)	15,050	7,370	(1,176)	6,194
Total	**397,998**	**(25,121)**	**372,877**	**373,789**	**(24,065)**	**349,724**
Current	335,043	(1,273)	333,770	313,741	(1,176)	312,565
Long-term	62,955	(23,848)	39,107	60,048	(22,889)	37,159

b) Compulsory investments, net

Specification	01.01 to 09.30.2013	01.01 to 09.30.2012
Income from restricted deposits – Central Bank of Brazil	11,841	11,093
Income from restricted deposits – SFH	2,368	2,391
Income from restricted deposits – Rural Credit	181	44
Devaluation of restricted deposits	(892)	1,997
Total	**13,498**	**15,525**

NOTE 9 - Loan portfolio and allowance for loan losses

a) Loan portfolio and allowance for loan losses

Specification	09.30.2013		12.31.2012	
	Gross	Allowance	Gross	Allowance
Loans	**11,001,409**	**(821,107)**	**11,323,086**	**(798,757)**
Current	4,656,522	(418,576)	5,199,136	(423,675)
Long term	6,344,887	(402,531)	6,123,950	(375,082)
Other accounts with loan features (Note 10.f)	**589,310**	**(18,097)**	**699,792**	**(34,225)**
Current	544,053	(18,097)	607,699	(29,913)
Long term	45,257	-	92,093	(4,312)
Total	**11,590,719**	**(839,204)**	**12,022,878**	**(832,982)**

a.1) Breakdown of loan portfolio

Specification	09.30.2013	12.31.2012
Advances to depositors	222	273
Loans	4,747,755	5,038,759
Discounted notes	53,381	95,074
Financing	2,054,784	2,019,435
Financing in foreign currency	275,513	334,816
Refinancing with the Federal Government (Note 28.a.1)	392,171	443,895
Rural and agroindustrial financing	1,633,243	1,575,278
Real estate financing [1]	243	243
Infrastructure and development financing	1,844,097	1,815,313
Loans subtotal	**11,001,409**	**11,323,086**
Guarantees and sureties honored	-	16
Income receivable from advances	18,449	13,335
Debtors due to purchase of assets	1,998	1,545
Notes and credits receivable	7,452	33,314
Advances on foreign exchange contracts [2] (Note 11.a)	502,381	540,285
Loans linked to transactions acquired on assignment	59,030	111,297
Other accounts with loan features subtotal	**589,310**	**699,792**
Total	**11,590,719**	**12,022,878**

(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 09.30.2013	01.01 to 09.30.2012
Loans and discounted notes	639,569	702,559
Financing	426,804	522,925
Rural and agroindustrial financing	113,867	123,300
Recovery of loans written off as loss	102,449	61,175
Other	554	665
Total	**1,283,243**	**1,410,624**

b) Breakdown by maturity
b.1) Current loans [1]

Type of Customer/Activity	01 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	Over 360 days	Total at 09.30.2013	Total at 12.31.2012
Rural	5,033	42,467	5,105	10,260	48,091	1,473,550	1,584,506	1,537,264
Manufacturing	71,677	50,077	70,808	161,863	310,825	1,440,938	2,106,188	2,141,798
Government	7,725	7,725	7,725	44,175	62,022	1,219,005	1,348,377	1,365,420
Other services	588,312	519,308	485,120	714,397	436,331	1,491,099	4,234,567	4,366,458
Trading	86,715	118,041	89,768	215,714	530,670	445,257	1,486,165	1,490,195
Financial	2,825	2,726	2,820	8,071	15,063	62,062	93,567	217,446
Housing	1,007	840	679	1,007	207	268	4,008	3,825
Individuals	5,561	3,539	4,175	11,084	4,396	13,039	41,794	53,071
Total	**768,855**	**744,723**	**666,200**	**1,166,571**	**1,407,605**	**6,145,218**	**10,899,172**	**11,175,477**

(1) Include loans overdue up to 14 days.

b.2) Past due loans

	Falling due							
Type of Customer/Activity	**01 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 to 180 days**	**181 to 360 days**	**Over 360 days**	**Total at 09.30.2013**	**Total at 12.31.2012**
Rural	72	1,663	226	2,154	1,886	9,841	15,842	17,518
Manufacturing	2,487	2,253	2,636	6,009	12,677	39,125	65,187	99,722
Other services	8,575	7,615	6,058	13,615	20,950	164,971	221,784	165,980
Trading	5,679	5,447	5,272	13,974	21,148	26,998	78,518	103,306
Financial	-	-	-	-	-	-	-	2,292
Housing	9	4	2	2	1	-	18	44
Individuals	281	266	238	502	3,850	3,991	9,128	4,207
Total	**17,103**	**17,248**	**14,432**	**36,256**	**60,512**	**244,926**	**390,477**	**393,069**

Type of Customer/Activity	Past due 01 to 14 days	15 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	Over 360 days	Total at 09.30.2013	Total at 12.31.2012
Rural	556	337	2,075	2,954	9,288	11,450	16,753	43,413	35,369
Manufacturing	1,350	1,733	4,633	1,560	15,864	101,070	132	126,342	159,609
Other services	1,018	5,510	7,311	6,877	17,719	22,344	41	60,820	153,701
Trading	1,989	3,918	6,941	11,270	13,475	24,945	134	62,672	95,897
Financial	-	-	-	-	-	-	-	-	4,594
Housing	-	8	2	4	7	12	-	33	22
Individuals	18	453	900	828	3,652	1,854	85	7,790	5,140
Total	**4,931**	**11,959**	**21,862**	**23,493**	**60,005**	**161,675**	**17,145**	**301,070**	**454,332**

c) Breakdown by risk level

Risk level	09.30.2013				12.31.2012			
	Current [(1)]	Past due	Total portfolio	Allowance	Current [(1)]	Past due	Total portfolio	Allowance
AA	3,889,787	-	3,889,787	-	3,227,863	-	3,227,863	-
A	3,879,415	-	3,879,415	19,397	4,606,780	-	4,606,780	23,034
B	2,204,667	30,480	2,235,147	22,351	2,195,279	30,772	2,226,051	22,260
C	322,182	99,706	421,888	12,657	539,012	162,347	701,359	21,041
D	78,241	72,531	150,772	15,077	140,787	61,917	202,704	20,270
E	143,765	42,956	186,721	56,016	127,966	148,345	276,311	82,893
F	47,697	94,470	142,167	71,084	133,261	64,891	198,152	99,076
G	117,398	23,270	140,668	98,468	13,973	50,194	64,167	44,917
H	216,020	328,134	544,154	544,154	190,556	328,935	519,491	519,491
Total	**10,899,172**	**691,547**	**11,590,719**	**839,204**	**11,175,477**	**847,401**	**12,022,878**	**832,982**

[(1)] Include loans overdue up to 14 days.

d) Changes in the allowance for the period

Specification	09.30.2013	12.31.2012
Opening balance (Allowance for losses on loan portfolio)	832,982	630,060
(+) Net allowance recognized for the period	497,036	614,291
(-) Receivables written off as loss for the period	(490,814)	(411,369)
(=) Allowance for losses on loan portfolio	**839,204**	**832,982**
Opening balance (Allowance for losses on other receivables without loan features)	46,569	46,064
(+) Net allowance recognized for the period	299	599
(-) Receivables written off as loss for the period	(262)	(94)
(=)Allowance for losses on other receivables without loan features (Note 10.f)	**46,606**	**46,569**
(=) Allowance for loan losses	**885,810**	**879,551**

e) Breakdown of the allowance expense balance

Specification	01.01 to 09.30.2013	01.01 to 09.30.2012
(+) Expenses on allowance for loan losses	482,093	366,526
(+) Expenses on allowance for losses on other receivables	14,943	28,363
(-) Reversal of allowance for loan losses and for losses on other receivables	-	(1)
(=) Balance of expenses on allowance for losses on operations with loan features	**497,036**	**394,888**
(+) Expenses on allowance for losses on other receivables without loan features	131	392
(-) Reversal of allowances for losses on other receivables without loan features	(94)	-
(=) Balance of expenses on allowance for loan losses	**497,073**	**395,280**

f) In 3Q13, receivables that had been written off as loss were recovered in the amount of R$ 102,449 (R$ 61,175 at 09.30.2012) and renegotiations amounted to R$ 682,075 (R$ 646,043 at 09.30.2012).

g) Recovery of receivables with legal grounds

In conformity 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, referring to 09.30.2013, was recognized in the amount of R$ 84,612 (R$ 56,545 at 09.30.2012), 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 09.30.2013	01.01 to 09.30.2012
Income earned	33,116	17,849
Recovery of transactions written off of assets	15,283	23,211
Expenses on discounts	(3,972)	(5,420)
Net effect of allowances	40,185	20,905
Total	**84,612**	**56,545**

NOTE 10 – Other receivables

Specification	09.30.2013	12.31.2012
a) Receivables for guarantees honored	**-**	**15**
b) Foreign exchange portfolio (Note 11.a)	**567,872**	**592,978**
c) Income receivable	**27,043**	**25,434**
d) Securities trading	**4**	**4**
e) Other receivables	**2,437,392**	**2,364,301**
Tax credits – Allowances (Note 21.b)	1,141,264	954,532
Tax credits – marketable securities, derivative financial instruments and hedged item (Note 21.b)	201,529	173,585
Debtors from escrow deposits	612,954	683,936
Taxes and contributions recoverable	**174,259**	**208,888**
From prepayments – Brazilian IRS Revenue Procedure (IN SRF) No. 90/92	162,027	200,754
Other	12,232	8,134
Tax incentive options	26,748	26,748
Notes and credits receivable	7,452	33,314
Prepaid salaries and advances	23,312	1,650
Payments to be refunded	9,455	9,905
Recalculation, discounts, waivers and bonuses in BNDES transactions	3,361	3,687
Recalculation, discounts, waivers and bonuses in FAT transactions	7,768	7,793
Other	229,290	260,263
f) Allowance for losses on other receivables	**(64,703)**	**(80,794)**
Receivables with loan features (Note 9.a)	(18,097)	(34,225)
Receivables without loan features (Note 9.d)	(46,606)	(46,569)
Total	**2,967,608**	**2,901,938**
Current	2,120,535	2,100,029
Long-term	847,073	801,909

NOTE 11 – Foreign exchange portfolio

a) Breakdown

Specification	09.30.2013	12.31.2012
Assets – Other receivables		
Foreign exchange receivable	537,246	561,941
Receivables for foreign exchange sold	13,951	21,677
Advances received in local currency	(1,774)	(3,975)
Income receivable from advances	18,449	13,335
Current assets (Note 10.b)	**567,872**	**592,978**
Liabilities – other liabilities		
Foreign exchange purchases	504,156	550,656
Foreign exchange payable	13,815	21,637
(Advances on foreign exchange contracts) (Note 9.a.1)	(502,381)	(540,285)
Current liabilities (Note 16.c)	**15,590**	**32,008**

b) Foreign exchange results

Specification	01.01. to 09.30.2013	01.01. to 09.30.2012
Exchange income	103,118	140,159
Exchange expenses	(402)	(532)
Total	**102,716**	**139,627**

NOTE 12 – Permanent assets

a) Investments

Specification	12.31.2012	01.01.2013 to 09.30.2013			09.30.2013		
	Book balance	Changes		Book balance	Cost	Provision for impairment	Book balance
		Additions	Exclusions				
Shares and units of interest	652	-	-	652	944	(292)	652
Artworks and valuables	1,068	80	-	1,148	6,159	(5,011)	1,148
Total	**1,720**	**80**	**-**	**1,800**	**7,103**	**(5,303)**	**1,800**

b) Property and equipment

Specification	12.31.2012	01.01.2013 to 09.30.2013				09.30.2013		
	Book balance	Changes [2]			Book balance	Cost	Accumulated depreciation	Book balance
		Additions	Exclusions	Depreciation				
Buildings	105,813	7,480	-	(7,420)	105,873	248,323	(142,450)	105,873
Data processing system	30,833	29,127	(253)	(10,352)	49,355	109,233	(59,878)	49,355
Furniture and equipment in use	23,099	9,783	(276)	(3,801)	28,805	63,988	(35,183)	28,805
Land	17,025	-	-	-	17,025	17,025	-	17,025
Facilities	6,681	1,005	(2)	(1,107)	6,577	17,898	(11,321)	6,577
Communication system	114	16	(11)	(17)	102	402	(301)	102
Construction in progress [1]	5,209	600	-	-	5,809	5,809	-	5,809
Security system	6,638	4,125	(68)	(995)	9,700	17,617	(7,916)	9,700
Transportation system	3,494	-	-	(2,118)	1,376	16,121	(14,745)	1,376
Total	**198,906**	**52,136**	**(610)**	**(25,810)**	**224,622**	**496,416**	**(271,794)**	**224,622**

[1] Refers to transfer to Buildings, considering the completion of the construction.
[2] Provision for impairment of property and equipment was not recorded.

c) Deferred charges

Specification	12.31.2012	01.01.2013 to 09.30.2013				09.30.2013		
	Book balance	Changes [1]			Book balance	Cost	Accumulated amortization	Book balance
		Additions	Exclusions	Amortization				
Leasehold improvements	936	-	-	(356)	580	2,033	(1,453)	580
Total	**936**	**-**	**-**	**(356)**	**580**	**2,033**	**(1,453)**	**580**

[1] Provision for impairment on deferred charges.

d) Intangible assets

Specification	12.31.2012	01.01.2013 to 09.30.2013				09.30.2013		
	Book balance	Changes [1]			Book balance	Cost	Accumulated amortization	Book balance
		Additions	Exclusions	Amortization				
Intangible assets in preparation - expenses	-	7,996	-	-	7,996	7,996	-	7,996
Total	**-**	**7,996**	**-**	**-**	**7,996**	**7,996**	**-**	**7,996**

[1] Provision for impairment 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	Over 15 years	Total at 09.30.2013	Total at 12.31.2012
Demand deposits	**164,627**	**8,411**	**8,395**	**-**	**-**	**-**	**181,433**	**134,018**
Domestic currency deposits	164,627	-	-	-	-	-	164,627	110,836
Foreign currency deposits	-	8,411	8,395	-	-	-	16,806	23,182
Savings deposits	**1,631,935**	**-**	**-**	**-**	**-**	**-**	**1,631,935**	**1,615,970**
Interbank deposits	**576,262**	**385,593**	**63,625**	**45,514**	**3,673**	**-**	**1,074,667**	**672,027**
Time deposits	**1,040,112**	**1,864,965**	**3,067,156**	**682,800**	**1,234,417**	**157,552**	**8,047,002**	**7,399,424**
Time deposits	247,803	1,799,300	2,498,658	448,689	1,014,428	129,755	6,138,633	5,411,838
Interest-bearing judicial deposits	767,503	-	-	-	-	-	767,503	741,822
FINOR/cash and cash equivalents and reinvestments – Law No. 8167	-	-	411,392	81,045	81,028	-	573,465	584,007
FAT - available funds	4,653	12,648	17,148	16,680	15,168	3,033	69,330	101,634
FAT – invested funds	19,708	53,017	139,958	136,132	123,793	24,764	497,372	559,375
Other	445	-	-	254	-	-	699	748
Funds from acceptance and issue of securities	**-**	**39,893**	**700,759**	**-**	**720,614**	**-**	**1,461,266**	**1,394,245**
Hybrid debt/equity instruments	**-**	**57,264**	**-**	**-**	**-**	**1,171,240**	**1,228,504**	**1,202,392**
Subordinated debts	**-**	**-**	**-**	**-**	**-**	**1,422,415**	**1,422,415**	**1,332,382**
Total	**3,412,936**	**2,356,126**	**3,839,935**	**728,314**	**1,958,704**	**2,751,207**	**15,047,222**	**13,750,458**
Current							5,769,062	4,922,557
Long-term							9,278,160	8,827,901

b) Deposits

Specification	09.30.2013	12.31.2012
Demand deposits	**181,433**	**134,018**
Foreign currency deposits in Brazil	16,806	23,182
Government deposits	19,278	14,256
Restricted deposits	98,557	61,875
Legal entities	29,309	21,824
Individuals	16,011	11,548
Other	1,472	1,333
Savings deposits	**1,631,935**	**1,615,970**
Free savings deposits - Individuals	1,071,746	987,872
Free savings deposits – Legal entities	559,550	627,331
From related parties and Financial System Institutions	639	767
Interbank deposits	**1,074,667**	**672,027**
Time deposits	**8,047,002**	**7,399,424**
Time deposits	6,138,633	5,411,838
Interest-bearing judicial deposits	767,503	741,822
Other time deposits	**1,140,866**	**1,245,764**
Interest-bearing special deposits/FAT – available funds (Note 26 and Note 28)	**69,330**	**101,634**
Proger Urbano	19,698	4,416
Protrabalho	669	2,049
Infrastructure	29,459	37,398
Drought	6,277	161
National Program for Production-Oriented Microcredit (PNMPO)	13,227	57,610
Interest-bearing special deposits/FAT – invested funds (Note 26 and Note 28)	**497,372**	**559,375**
Proger Urbano	38,498	63,028
Protrabalho	116,134	133,046
Infrastructure	184,150	214,391
Drought	-	7,126
National Program for Production-Oriented Microcredit (PNMPO)	158,590	141,784
FINOR/cash and cash equivalents and reinvestments – Law No. 8167	**573,465**	**584,007**
Other	**699**	**748**
Total	**10,935,037**	**9,821,439**
Current	5,671,905	4,772,938
Long-term	5,263,132	5,048,501

c) Open market funding

Specification	09.30.2013	12.31.2012
Own portfolio	**1,084,288**	**663,719**
Financial Treasury Bills (LTNs)	1,084,288	663,719
Third-party portfolio	**27,151**	**156,796**
Financial Treasury Bills (LTNs)	-	156,796
National Treasury Bills (LTNs)	27,151	-
Total	**1,111,439**	**820,515**
Current	1,055,771	738,598
Long-term	55,668	81,917

d) Expenses on open market funding

Specification	01.01. to 09.30.2013	01.01. to 09.30.2012
Deposit funding costs	**(698,145)**	**(730,477)**
Time deposits	(328,087)	(310,542)
Savings deposits	(51,337)	(49,203)
Judicial deposits	(37,440)	(35,501)
Interbank deposits	(17,781)	(11,981)
Special deposits	(54,477)	(68,720)
Expenses on funds from acceptance and issue of securities	(200,519)	(247,458)
Other deposits	(8,504)	(7,072)
Expenses on open market funding transactions	**(56,579)**	**(53,864)**
Third-party portfolio	(5,347)	(7,664)
Own portfolio	(51,232)	(46,200)
Total	**(754,724)**	**(784,341)**

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	Over 15 years	Total at 09.30.2013	Total at 12.31.2012
Domestic borrowings	-	19,145	-	-	-	-	19,145	35,824
Foreign borrowings	342,338	470,104	-	-	-	-	812,442	808,277
Domestic onlending	45,510	111,481	319,441	365,188	661,864	203,357	1,706,841	1,586,201
Foreign onlending	35,224	62,299	189,713	189,833	362,310	-	839,379	825,195
Total	**423,072**	**663,029**	**509,154**	**555,021**	**1,024,174**	**203,357**	**3,377,807**	**3,255,497**
Current							1,086,101	1,036,312
Long-term							2,291,706	2,219,185

b) Borrowings

Specification	Annual restatement rate (%)	09.30.2013	12.31.2012
Domestic borrowings – Official institutions/Refinancing	TJLP+3.0 or 7.75	19,145	35,824
Foreign borrowings/Foreign currency payables	USD	812,442	808,277
Total		**831,587**	**844,101**
Current		831,587	826,189
Long-term		-	17,912

c) Domestic onlending – Official institutions

Specification	Annual restatement rate (%)	09.30.2013	12.31.2012
National Treasury	IGP-DI + 2.0 or 6.75	**759**	**809**
BNDES		**1,529,098**	**1,435,621**
POC (credit facility granted by the BNDES agents to small and medium-sized companies to buy shares in capital increases)	TJLP/IGPM/IPCA+1.5	1,168,738	1,060,969
Credit Facility for investment in agriculture	TJLP/IGPM/IPCA+1.5	360,360	374,652
FINAME		**176,984**	**149,771**
"Programa Automático" (program for purchase of new machinery and equipment by companies based in Brazil)	TJLP/IGPM/IPCA+1.5	159,062	132,471
Agricultural Program	TJLP/IGPM/IPCA+1.5	17,922	17,300
Total (Note 28.a.1)		**1,706,841**	**1,586,201**
Current		156,991	121,769
Long-term		1,549,850	1,464,432

d) Foreign onlending

Specification	Annual restatement rate (%)	09.30.2013	12.31.2012
BID-Prodetur I (Tourism Development Program with funds provided by the IDB)	USD + 2.40	422,440	414,436
BID-Prodetur II	USD + 1.17	410,317	403,862
BID-Other programs	USD + 1.17	6,622	6,690
Other programs	USD + 6.0	-	207
Total		**839,379**	**825,195**
Current		97,523	88,354
Long-term		741,856	736,841

e) Expenses on borrowings and onlending

Specification	01.01. to 09.30.2013	01.01. to 09.30.2012
Expenses on borrowings	**(2,061)**	**(2,988)**
Domestic borrowings	(2,061)	(2,988)
Expenses on onlending	**(190,306)**	**(363,224)**
Domestic onlending – Official institutions	**(79,014)**	**(214,008)**
National Treasury	(50)	(22)
BNDES	(74,532)	(209,266)
FINAME	(4,432)	(4,720)
Foreign onlending	**(111,292)**	**(149,216)**
Expenses on onlending with foreign banks	**(84,166)**	**(134,495)**
Expenses on financial and development funds	**(381,272)**	**(346,006)**
Total	**(657,805)**	**(846,713)**

NOTE 15 – Funds from acceptance and issue of securities

a) Payable for securities issued abroad

Specification	Funding date	Maturity	Annual interest (%)	Contractual amount in thousands of US dollars	Contractual amount at 09.30.2013[2]	Market value at 09.30.2013 [2]	Market value at 12.31.2012[2]
Eurobonds – Senior Unsecured Notes [1]	11.09.2010	11.09.2015	3.625	300,000	679,932	711,692	647,714
Eurobonds – Senior Unsecured Notes [1]	05.03.2012	05.03.2019	4.375	300,000	682,752	734,365	679,244
Total				**600,000**	**1,362,684**	**1,446,057**	**1,326,958**
Current						24,684	8,607
Long-term						1,421,373	1,318,351

(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 fair value.

b) Agribusiness Credit Bills issued

Specification	Annual interest (%)	Nominal value	09.30.2013	12.31.2012
Agribusiness Credit Bills[1]	91.03 CDI	14,793	15,209	67,287
Current			15,209	66,869
Long-term			-	418

(1) Security with average maturity term of 231 days.

NOTE 16 – Other liabilities

Specification	09.30.2013	12.31.2012
a) Derivative financial instruments	**1,863**	**8,589**
b) Collected taxes and other contributions	**28,827**	**3,154**
Funds from PROAGRO	-	118
Federal taxes received	25,580	-
Tax on Financial Transactions (IOF) payable	1,838	2,927
Other taxes and levies	1,409	109
c) Foreign exchange portfolio (Note 11.a)	**15,590**	**32,008**
d) Social and statutory	**16,037**	**95,061**
Dividends and bonuses payable	464	65,066
Profit sharing	15,573	29,663
Other taxes and levies	-	332
e) Tax and social security	**527,881**	**825,052**
Provision for tax contingencies (Note 22.d)	**120,456**	**118,345**
Taxes and contributions	83,824	82,258
Tax lawsuits	36,632	36,087
Provision for deferred taxes and contributions (Note 21.c)	**92,081**	**227,740**
Marketable securities and derivative financial instruments	61,023	219,595
Revaluation of buildings and land	6,998	8,145
Arising from recovered tax credits	24,060	-
Provision for income and social contribution taxes (Note 21.a)	**260,767**	**401,577**
Income tax (1)	160,875	246,087
Social contribution tax (2)	99,892	155,490
Taxes payable	**54,577**	**77,390**
f) Securities trading and brokerage	**68**	**68**
g) Financial and development funds	**7,013,943**	**6,679,378**
Northeast Constitutional Financing Fund (FNE) - (Note 28.a.1)	6,850,710	6,534,337
Other	163,233	145,041
h) Hybrid equity-debt instruments (Note 17 and Note 28.a.1)	**1,228,504**	**1,202,392**
i) Subordinated debts eligible for capital (Note 18 and Note 28.a.1)	**1,422,415**	**1,332,382**
j) Other	**4,116,033**	**3,719,705**
Provision for contingent liabilities	**2,427,720**	**2,145,730**
Labor lawsuits (Note 22.e.iv)	193,909	179,319
Civil lawsuits (Note 22.e.v)	102,235	106,080
Other lawsuits (Note 22.e.vi)	658	258
FNE (Note 22.e.vii and Note 25.c.iii)	**2,062,044**	**1,820,070**
Onlending	1,253	1,308
Full risk	100,100	99,149
Shared risk	1,960,691	1,719,613
FDNE (Note 22.e.viii)	507	420
PROAGRO (Note 22.e.ix)	2,108	3,388
Dividends and interest on equity (Note 22.e.x)	23,953	-
Other contingent liabilities (Note 22.e.xi)	42,306	36,195
Accrued Liabilities	**1,558,298**	**1,493,127**
Post-employment benefits	**1,342,811**	**1,327,310**
Retirement and DB pension plan (Note 28.a.2)	555,957	576,635
Retirement and VC pension plan (Note 28.a.2)	194	99
Health care plan (Note 28.a.2)	786,660	750,576
Personnel expenses	175,924	131,998
Other	39,563	33,819
Other	**130,015**	**80,848**
Total	**14,371,161**	**13,897,789**
Current	3,418,033	3,955,432
Long-term	10,953,128	9,942,357

(1) At 12.31.2012, this balance includes a supplementary amount of R$ 281 referring to the annual adjustment for 2011.
(2) At 12.31.2012, this balance includes a supplementary amount of R$ 162 referring to the annual adjustment for 2011.

NOTE 17 – Hybrid equity-debt instruments

Specification	Amount issued	Interest	Funding date	09.30.2013	12.31.2012
Hybrid equity-debt instruments (Notes 16.h and 29.a.1)	1,000,000	IPCA + 6.5715% p.a.	12.22.2010	1,228,504	1,202,392
Current				57,264	74,143
Long-term				1,171,240	1,128,249

NOTE 18 – Subordinated debts

Specification	09.30.2013	12.31.2012
Northeast Constitutional Financing Fund (FNE)	1,422,415	1,332,382
Funds available [1]	578,716	433,857
Funds invested [2]	843,699	898,525
Total (Note 28.a.1 and 16.i)	**1,422,415**	**1,332,382**

[1] Yielding 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 03.22.2013 approved a capital increase of R$ 295,000, resulting from addition of statutory reserves, with no new issue of shares. Capital increased from R$ 2,142,000 to R$ 2,437,000 represented by 87,001,901 registered, paid-in shares with no par value.

The Special General Meeting held on 08.23.2013 approved the conversion of preferred shares into common shares, in the proportion of one common share for each existing preferred share. The conversion process is nearing completion, pending the approval of the minutes of the Meeting by the Central Bank, for subsequent registration with the Commercial Registry and publication, in compliance with Article 135, first paragraph, Law No. 6404, of 12.15.1976.

Breakdown at 09.30.2013					
Shareholders	**Common shares**	**Preferred shares**	**Total shares**	**% Voting capital**	**% Total capital**
Federal Government	46,595,279	35,373,190	81,968,469	96.10	94.21
National Development Fund (FND)	1,473,704	2,373,264	3,846,968	3.04	4.42
BNB Employees' Pension Fund (CAPEF)	269,723	110,515	380,238	0.56	0.44
Other	146,069	660,157	806,226	0.30	0.93
Total	**48,484,775**	**38,517,126**	**87,001,901**	**100.00**	**100.00**

Breakdown at 12.31.2012					
Shareholders	**Common shares**	**Preferred shares**	**Total shares**	**% Voting capital**	**% Total capital**
Federal Government	46,595,279	35,373,190	81,968,469	96.10	94.21
National Development Fund (FND)	1,473,704	2,373,264	3,846,968	3.04	4.42
BNB Employees' Pension Fund (CAPEF)	269,723	110,515	380,238	0.56	0.44
Other	146,069	660,157	806,226	0.30	0.93
Total	**48,484,775**	**38,517,126**	**87,001,901**	**100.00**	**100.00**

b) Revaluation reserve

The amount of R$ 21,183 (R$ 22,904 at 12.31.2012) 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. Its realization in 3Q13 totaled R$ 1,721 (R$ 2,294 at 12.31.2012).

c) Treasury shares – in R$ 1.00

The Bank holds 10,232 own shares, 8,088 of which are registered common shares (ON) and 2,144 are registered preferred shares (PN), bought back on 02.17.2009. These shares, whose fair value on 09.30.2013 represent, respectively, R$ 28.79 and R$ 24.50 per share, are held in treasury to be later disposed of or cancelled.

NOTE 20 – Other operating income (expenses)

Specification	01.01. to 09.30.2013	01.01. to 09.30.2012
a) Service rendered	**1,181,183**	**1,018,581**
Investment fund management	15,319	12,846
Fund and program management	992,744	860,734
Services rendered	173,120	145,001
b) Income from banking fees	**23,524**	**20,327**
c) Personnel expenses	**(910,801)**	**(821,868)**
Salaries	(528,852)	(473,753)
Payroll charges	(195,606)	(174,638)
Retirement and pension plan	(64,759)	(62,842)
Health care plan	(47,528)	(40,634)
Benefits, training, fees and compensation of interns	(74,056)	(70,001)
d) Other administrative expenses	**(593,448)**	**(615,509)**
Data processing	(100,045)	(105,189)
Advertising and marketing	(6,334)	(19,703)
Third-party services	(244,340)	(220,463)
Rentals, material and public utilities	(31,624)	(31,010)
Travel	(10,848)	(11,255)
Communications	(20,483)	(24,042)
Depreciation and amortization	(26,166)	(21,749)
Asset maintenance and upkeep	(31,458)	(23,623)
Surveillance, security and transportation	(35,070)	(29,783)
Promotions, public relations and publications	(9,985)	(14,975)
Financial system services	(14,951)	(13,266)
Specialized technical services	(24,132)	(28,890)
Insurance	(3,350)	(3,250)
Court, notary and attorney fees	(17,144)	(30,879)
Trade Association Contribution and membership charges	(1,715)	(1,075)
Condominium fees, catering, kitchen and meals	(3,057)	(2,914)
FUNDECI (Science and Technology Development Fund)	(3,000)	(18,200)
Other	(9,746)	(15,243)
e) Tax expenses (Note 21.d)	**(163,188)**	**(142,534)**
COFINS and PIS/PASEP	(149,888)	(130,614)
ISS and IPTU/Improvement tax	(12,053)	(10,445)
Other	(1,247)	(1,475)
f) Other operating income	**1,026,847**	**1,149,564**
Del credere commission on fund management	745,711	689,388
Negative exchange variation loans obtained	99,162	205,213
Reversal of operating provisions/FNE risks	93	-
Recovery of charges and expenses	6,383	6,476
Reversal of operating provisions	14,834	116,183
Interest and commissions	2,729	637
Monetary restatement	857	9,003
Mark-to-market adjustments	9,528	9,368
Monetary restatement of taxes	-	-
FNE – Recovery of amounts settled by the Bank	72,629	40,561
Other	74,921	72,735
g) Other operating expenses	**(819,925)**	**(983,251)**
Exchange loss from foreign exchange area	(1,766)	(4,390)
Exchange loss on loans granted	(67,929)	(175,872)
Monetary restatement of loans	(47)	(22)
Discounts granted in renegotiations	(3,030)	(3,018)
Interest on loans	(8,158)	(5,873)
Tax contingencies	(5,250)	(4,212)
Risks on FNE transactions	(495,493)	(488,223)
Risks on FDNE transactions	(89)	(340)
Labor lawsuits	(20,011)	(23,419)
Civil lawsuits	(3,385)	(22,446)
Other lawsuits	(400)	(133)
Other contingent liabilities	(8,160)	(56,023)
Hybrid equity-debt instruments	(102,125)	(96,186)
FNE remuneration – available funds – item A, article 9 of Law No. 7827	(26,957)	(21,322)
FNE remuneration – invested funds – item A, article 9, Law No. 7827	(63,075)	(65,997)
Other	(14,050)	(15,775)
Total	**(255,808)**	**(374,690)**

NOTE 21 – Taxes and contributions

a) Income and social contribution taxes

The Bank is subject to taxation whereby taxable profit is based on accounting records, and income and social contribution taxes are paid monthly on an estimated basis. Income and social contribution tax expenses for 3Q13 totaled R$ 160,158 (R$ 136,375 at 09.30.2012) and R$ 99,462 (R$ 85,369 at 09.30.2012), respectively.

a.1) Specification of the provision for income and social contribution tax expenses	**Income tax**		**Social contribution tax**	
	01.01 to 09.30.2013	**01.01 to 09.30.2012**	**01.01 to 09.30.2013**	**01.01 to 09.30.2012**
Income before income taxes on profit and profit sharing	420,064	(144,119)	420,064	(144,119)
Statutory profit sharing (PLR)	(15,775)	(22,004)	(15,775)	(22,004)
Interest on equity (IOE)	(101,206)	(67,300)	(101,206)	(67,300)
Income before income taxes, less statutory profit sharing and interest on equity	303,083	(233,423)	303,083	(233,423)
Permanent additions/(exclusions)	(40,610)	(29,848)	(40,680)	(29,854)
Temporary additions/(exclusions)	403,542	835,272	403,542	835,272
Taxable profit	666,015	572,001	665,945	571,995
Expenses with provision for IRPJ (25%) [1] and CSLL (15%) – before tax incentives and revaluation reserve	(166,486)	(142,982)	(99,892)	(85,799)
Deductions (tax incentives)	5,611	5,890	-	-
Provision for IRPJ/CSLL on revaluation reserve released to retained earnings	717	717	430	430
Current IRPJ/CSLL expenses – after tax incentives and revaluation reserve	(160,158)	(136,375)	(99,462)	(85,369)
Provision for deferred taxes and contributions – Tax credits recovered and derivative financial instruments	(13,723)	-	(8,233)	-
Provision for income and social contribution taxes	(173,879)	(136,375)	(107,695)	(85,369)
IRPJ/CSLL tax credits – provision, Derivative Financial Instruments (DFIs) and hedged item	113,132	386,560	67,876	231,932
Total IRPJ/CSLL	(60,748)	250,185	(39,819)	146,563
% total tax expenses in relation to income before taxes on profit and profit sharing	(14.46%)	(173.60%)	(9.48%)	(101.70%)
a.2) Specification of the provision for income and social contribution taxes	**Income tax**		**Social contribution tax**	
	09.30.2013	**12.31.2012**	**09.30.2013**	**12.31.2012**
Expense with provision for income and social contribution taxes	160,158	244,850	99,462	154,755
Provision for taxes on revaluation reserve released to retained earnings	717	956	430	573
Provision for Income and social contribution taxes	160,875	245,806	99,892	155,328
Taxes recoverable on prepayments, including withholding taxes	(111,039)	(138,400)	(51,668)	(64,323)
Taxes payable for the period	49,836	107,406	48,224	91,005

[1] A 15% rate is applied to the taxable base referring to income tax payable + 10% surtax on the amount exceeding the annual limit of R$ 240.

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 fair value adjustments to marketable securities classified under 'available-for-sale securities' and on derivative financial instruments (DFI).

Specification	09.30.2013		12.31.2012		09.30.2013	12.31.2012
	Income tax	Social contribution tax	Income tax	Social contribution tax	Total	
Impact on P&L						
a) Allowances						
Opening balance	596,574	357,958	156,634	93,995	954,532	250,629
Set up	294,221	176,544	496,202	297,735	470,765	793,937
Realization/Reversal	(177,512)	(106,521)	(56,262)	(33,772)	(284,033)	(90,034)
Closing balance	713,283	427,981	596,574	357,958	1,141,264	954,532
b) Derivative financial instruments						
Opening balance	1,402	841	-	-	2,243	-
Set up	6,762	4,057	1,402	841	10,819	2,243
Realization/Reversal	(8,120)	(4,872)	-	-	(12,992)	-
Closing balance	44	26	1,402	841	70	2,243
c) Hedged item						
Opening balance	23,063	13,838	-	-	36,901	-
Set up	11,191	6,715	23,063	13,838	17,906	36,901
Realization/Reversal	(13,411)	(8,047)	-	-	(21,458)	-
Closing balance	20,843	12,506	23,063	13,838	33,349	36,901
Impact on equity						
d) Marketable securities						
Opening balance	84,026	50,416	14,658	8,795	134,442	23,453
Set up	12,665,866	7,599,519	6,974,740	4,184,844	20,265,385	11,159,584
Realization/Reversal	(12,644,823)	(7,586,894)	(6,905,372)	4,143,223	(20,231,717)	(2,762,149)
Closing balance	105,069	63,041	84,026	50,416	168,110	134,442

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

Specification	Income tax		Social contribution tax	
	09.30.2013	12.31.2012	09.30.2013	12.31.2012
1. Total temporary differences	5,168,402	4,687,741	5,168,402	4,687,741
2. Tax credits on temporary differences	1,292,100	1,171,935	775,260	703,161
3. Tax credits recognized in assets on Provisions	713,283	596,574	427,981	357,958
4. Tax credits recognized in assets due to mark-to-market of marketable securities, DFIs and hedged item	125,956	108,491	75,573	65,094
5. Total tax credits recognized in assets (item 3+ item 4) (1)	839,239	705,065	503,554	423,052
6. Tax credits not recognized in assets (item 2 - item 5) (2)	452,861	466,870	271,706	280,109

(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 09.30.2013 is as under:

Period	Goal for over-Selic rate - average (1)	Realization of income tax credit		Realization of CSLL credit		Total	
		Book value	Present value	Book value	Present value	Book value	Present value
2013	9.75	111,911	104,368	67,150	62,624	179,061	166,992
2014	9.88	132,284	112,276	79,370	67,365	211,654	179,641
2015	10.18	60,531	46,628	36,318	27,977	96,849	74,605
2016	9.58	88,197	62,001	52,919	37,201	141,116	99,202
2017	9.17	204,187	131,483	122,513	78,890	326,700	210,373
2018	9.17	116,173	68,524	69,711	41,119	185,884	109,643
Total		**713,283**	**525,280**	**427,981**	**315,176**	**1,141,264**	**840,456**

(1) For present value calculation purposes, we considered the goal for average Over-Selic rates projected by BACEN as at 09.30.2013.

Any tax credit on fair 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 CSLL credit	Total
2013	28,503	17,101	45,604
2014	1,037	623	1,660
2015	9,903	5,941	15,844
2016	61,507	36,904	98,411
2017	2	1	3
2018 to 2020	20,852	12,513	33,365
2021 to 2023	5	3	8
2027 to 2029	398	239	637
2050 to 2052	3,748	2,249	5,997
Total	**125,955**	**75,574**	**201,529**

c) Provisions for deferred taxes and contributions

Specification	09.30.2013		12.31.2012		09.30.2013	12.31.2012
	Income tax	Social contribution tax	Income tax	Social contribution tax	Total	
Impact on P&L						
a) Derivative financial instruments						
Opening balance	14,165	8,497	-	-	22,662	-
Set up	22,075	13,246	14,165	8,497	35,321	22,662
Realization/Reversal	(23,392)	(14,034)	-	-	(37,426)	-
Closing balance	12,848	7,709	14,165	8,497	20,557	22,662
b) Revaluation reserve						
Opening balance	5,090	3,055	6,048	3,628	8,145	9,676
Set up	-	-	-	-	-	-
Realization/Reversal	(716)	(431)	(958)	(573)	(1,147)	(1,531)
Closing balance	4,374	2,624	5,090	3,055	6,998	8,145
c) Arising from recovered tax credits (1)						
Opening balance	-	-	-	-	-	-
Set up	15,038	9,022	-	-	24,060	-
Realization/Reversal	-	-	-	-	-	-
Closing balance	15,038	9,022	-	-	24,060	-
Impact on equity						
d) Marketable securities						
Opening balance	123,083	73,850	35,552	21,332	196,933	56,884
Set up	623,692	374,215	15,368,680	9,221,208	997,907	24,589,888
Realization/Reversal	(721,483)	(432,891)	(15,281,149)	(9,168,690)	(1,154,374)	(24,449,839)
Closing balance	25,292	15,174	123,083	73,850	40,466	196,933

(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	Income tax	Social contribution tax	Total
2013	22,731	13,639	36,370
2014	57	34	91
2015	5,777	3,466	9,243
2016	517	310	827
2017	666	400	1,066
2018 to 2020	8,392	5,034	13,426
2021 to 2023	-	-	-
2027 to 2029	-	-	-
2050 to 2052	-	-	-
Total	**38,140**	**22,883**	**61,023**

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

Period	Income tax	Social contribution tax	Total
2013	874	524	1,398
2014	875	525	1,400
2015	875	525	1,400
2016	875	525	1,400
2017	875	525	1,400
Total	**4,374**	**2,624**	**6,998**

The provisions on taxes recovered, according to Law No. 9430 article 12, of 12.27.1996, determined at present value, will be written off according to the following schedule:

Period	Income tax	Social contribution tax	Total
2013	417	250	667
2014	2,218	1,331	3,549
2015	2,557	1,534	4,091
2016	2,207	1,324	3,531
2017	1,325	795	2,120
2018 to 2022	3,433	2,060	5,493
2023 to 2027	2,715	1,629	4,344
2028 to 2032	166	99	265
Total	**15,038**	**9,022**	**24,060**

d) Tax expenses

Specification	01.01 to 09.30.2013	01.01 to 09.30.2012
COFINS and PIS/PASEP	(149,888)	(130,614)
ISS and IPTU/Improvement tax	(12,053)	(10,445)
Other	(1,247)	(1,475)
Total (Note 20)	**(163,188)**	**(142,534)**

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 provision and contingent liabilities, contingencies are classified in accordance with CMN Resolution No. 3823 of 12.16.2009 and BACEN Circular Letter No. 3429, of 02.11.2010.

b) The assessment of the provision and contingent liability, risk level of new lawsuits, and reassessment of already existing lawsuits are made by the Legal Department, case by case, and are classified according to the likelihood of loss, as probable, possible and remote. Such classification is based on analysis of 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) Contingencies classified as probable losses 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 Claims (represented by legal and administrative proceedings involving federal and municipal taxes) and Other Claims (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) The Bank fully provided for the lawsuits classified as probable losses, as well as for those classified as Legal Obligations, pursuant to BACEN Circular Letter No. 3429, of 02.11.2010, regardless of the legal advisor´s assessment of loss, and provisions are not applicable to lawsuits classified as possible and remote losses, as the comparative table below for 09.30.2013 and 12.31.2012:

Specification	09.30.2013		12.31.2012	
	Base value	Provision	Base value	Provision
a) PROVISION FOR TAX CONTINGENCIES (Note 16.e)				
a.1) Taxes – Legal obligation	**83,824**	**83,824**	**82,258**	**82,258**
a.2) Tax lawsuits	**1,114,102**	**36,632**	**989,961**	**36,087**
i) Legal obligation	664	664	655	655
ii) Other liabilities – sundry	1,113,437	35,968	989,306	35,432
Probable	35,968	35,968	35,432	35,432
Possible	841,845		730,784	-
Remote	235,624		223,090	-
b) PROVISION FOR CONTINGENT LIABILITIES (Note 16.j)				
b.1) Labor lawsuits	**316,717**	**193,909**	**287,462**	**179,319**
Probable	193,909	193,909	179,319	179,319
Possible	43,364		35,504	-
Remote	79,444		72,639	-
b.2) Civil lawsuits	**3,213,668**	**102,235**	**2,970,422**	**106,080**
Probable	102,235	102,235	106,080	106,080
Possible	600,258		504,709	-
Remote (1)	2,511,175		2,359,633	-
b.3) Other lawsuits	**2,140**	**658**	**1,382**	**258**
Probable	658	658	258	258
Possible	1,480		1,091	-
Remote	2		33	-

(1) Contingent liabilities relating to civil lawsuits rated as remote loss and the respective estimated financial loss are concentrated on the following cases: a) payment of additional contribution to the supplementary pension plan (CAPEF) - R$ 793,190 (R$ 696,964 at 12.31.2012); b) refund of unduly paid amount - R$ 300,991 (R$ 264,477 at 12.31.2012); c) compensation for pain and suffering and property damage - R$ 211,856 (R$ 186,155 at 12.31.2012); and d) payment of fine and compensation for pain and suffering - R$ 171,312 (R$ 150,530 at 12.31.2012). These lawsuits represented contingent liabilities summing up to R$ 1,477,349 (R$ 1,298,126 at 12.31.2012).

e) Changes in provisions

Specification	09.30.2013	12.31.2012
i) Taxes (Legal obligation)		
Opening balance	82,258	82,269
Set up	4,162	1,742
Reversal/use/write-off	(2,596)	(1,753)
Closing balance	83,824	82,258
ii) Tax lawsuits (Legal obligation)		
Opening balance	655	1,063
Set up	42	157
Reversal/use/write-off	(33)	(565)
Closing balance (Note 22.d)	664	655
iii) Tax lawsuits (Other liabilities - other)		
Opening balance	35,431	29,246
Set up	2,409	6,269
Reversal/use/write-off	(1,872)	(84)
Closing balance (Note 22.d)	35,968	35,431
iv) Labor lawsuits (Other liabilities - other)		
Opening balance	179,319	182,824
Set up	27,369	33,983
Reversal/use/write-off	(12,779)	(37,488)
Closing balance (Note 16.i)	193,909	179,319
v) Civil lawsuits (Other liabilities - other)		
Opening balance	106,080	106,653
Set up	27,651	52,148
Reversal/use/write-off	(31,496)	(52,721)
Closing balance (Note 16.j)	102,235	106,080
vi) Other lawsuits (Other liabilities - other)		
Opening balance	258	140
Set up	430	207
Reversal/use/write-off	(30)	(89)
Closing balance (Note 16.j)	658	258
vii) FNE		
Opening balance	1,820,070	1,386,807
Set up	495,400	699,670
Reversal/use/write-off	(253,426)	(266,407)
Closing balance (Note 16.j)	2,062,044	1,820,070
viii) FDNE		
Opening balance	420	1,593
Set up	87	340
Reversal/use/write-off	-	(1,513)
Closing balance (Note 16.j)	507	420
ix) Proagro		
Opening balance	3,388	3,299
Set up	135	155
Reversal/use/write-off	(1,415)	(66)
Closing balance (Note 16.j)	2,108	3,388
x) Dividends and IOE		
Opening balance	-	-
Set up	23,953	-
Reversal/use/write-off	-	-
Closing balance (Note 16.j)	23,953	-
xi) Other contingent liabilities		
Opening balance	36,195	86,551
Set up	33,892	61,615
Reversal/use/write-off	(27,781)	(111,971)
Closing balance (Note 16.j)	42,306	36,195

f) The Bank has lawsuits handled by outside attorneys, most of which relate to loan collection actions, whose assessment of the contingent liabilities is performed by the Legal Department, pursuant to item “b” above.

g) 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.2.1, discuss, respectively, the IRPJ 1999 and Service Tax (ISSQN).

h) 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 R$ 413,399 at 09.30.2013 (R$ 328,645 at 12.31.2012). Two tax lawsuits filed to annul tax delinquency notices referring to ISSQN on service income. Estimated possible financial losses total R$ 203,847 and R$ 138,244, respectively, at 09.30.2013 (R$ 191,019 and R$ 129,544, respectively, at 12.31.2012).

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. Estimated possible financial loss for this lawsuit totaled R$ 113,150 at 09.30.2013 (R$ 99,423 at 12.31.2012).

Civil lawsuit for refund of overpayment under the allegation of undue collection and withholding. Estimated possible financial loss totaled R$ 44,079 at 09.30.2013 (R$ 38,732 at 12.31.2012).

Civil lawsuit claiming compensation for property damage and pain and suffering, under the allegation of amounts unduly transferred from the savings deposits. Estimated possible financial loss for this lawsuit totaled R$ 31,758 at 09.30.2013 (R$ 27,905 at 12.31.2012).

i) Escrow and appeal deposits made to guarantee legal and administrative proceedings, recognized for contingent liabilities assessed as probable, possible and/or remote losses are set out as under.

Specification	**09.30.2013**	**12.31.2012**
Labor lawsuits	214,745	207,801
Tax lawsuits	344,539	434,226
Civil lawsuits	37,058	31,145
Total	**596,342**	**673,172**

j) The amount R$ 17,659 (R$ 21,464 at 12.31.2012) recorded as “Other contingent liabilities”, at 09.30.2013, 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 area. This account also includes the amounts of R$ 15,163 (R$ 14,731 at 12.31.2012) for loan risk on securitized transactions under Law No. 9138, of 11.29.1995, currently recorded in memorandum accounts, and R$ 9,484 (no amounts for 12.31.2012) for accrued operating risks arising from the Loan Inventory.

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

a) Monthly employee compensation

Gross compensation (1)	**01.01 to 09.30.2013**	**01.01 to 09.30.2012**
Maximum	28,467.55	26,481.45
Minimum	1,040.44	948.65
Average	7,657.41	7,185.90

(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 period

Specification	**09.30.2013**	**09.30.2012**	**09.30.2013**	**09.30.2012**	**09.30.2013**	**09.30.2012**
Gross compensation (1)	**Executive Board**		**Board of Directors**		**Supervisory Board**	
Highest individual compensation (2)	474,975.05	315,144.94	33,183.88	23,750.22	33,183.88	23,750.22
Lowest individual compensation (3)	395,635.33	268,564.90	33,183.88	23,750.22	33,183.88	23,750.22
Average individual compensation (4)	450,437.07	278,857.57	32,735.74	22,809.32	32,517.32	23,824.63
Number of officers/directors (5)	7	7	6	6	6	6

(1) Amounts approved at the 60th Annual General Meeting and the 93rd Special General Meeting of the Bank, both held on 03.22.2013.
(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 09.30.2013, the Bank had 6,387 employees (6,169 at 12.31.2012), a headcount increase of 3.53%.

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 Gama Consultores Associados Ltda., based on information provided by Capef, Camed and the Bank.

a) General description of the benefit plan characteristics

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

The Bank sponsors two benefit plans managed by Caixa de Previdência dos Funcionários do Banco do Nordeste do Brasil (CAPEF), a closed-ended private pension plan entity that provides the payment of supplementary pension plan benefits to members and beneficiaries.

The Defined Benefit (BD) plan is not open to new members since 11.26.1999 and has currently reached its mature stage. The Variable Contribution (CV I) plan, authorized to operate through Administrative Ruling MPS/PREVIC/DETEC 189, of 03.25.2010, started operations on 05.19.2010, when it received the first contributions. Currently it is at its earlier maturity stage. These plans offer retirement benefits based on the contribution period, age and disability to the plan members and savings plans to their dependents.

In general terms, the Defined Benefit (BD) plan benefits are calculated based on the difference between the employees' contribution salary and the INSS retirement benefit, as weighted by the number of contributions paid to the plan, limited to 360. In addition, a rate equivalent 21.50% is discounted out of the benefit as a special contribution, resulting on average in 78.50% of the average contribution salary.

The CV I plan benefits are calculated based on the individual account balance of each participant existing on the retirement date.

The plans are exposed to actuarial risks, such as investment risk, interest rate risk, longevity risk and salary risk.

a.1.1) Actuarial method within CAPEF

Classified as defined benefit, the BD plan adopts the fully funded financial system in the actuarial calculation of reserves related to all benefits offered to its members and their beneficiaries. CV-I plan combines the characteristics of the defined contribution plan and the defined benefit plan, and is classified, under CVM Rule No. 695, of 12.13.2012, as a 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 members and their beneficiaries.

a.1.2) Past due obligations and contributions due

As at 09.30.2013, the Bank has no past due obligations or contribution debts referring to plans BD and CV I, neither informal practices that originate constructive obligations included in the measurement of the plans' defined benefit obligation.

a.1.3) Contribution Ratio (Members/Sponsor)

The ratio of member 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 09.30.2013 (1:1 at 12.31.2012).

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 members 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 09.30.2013, the Bank has no past due obligations or contribution debts referring to this plan, neither informal practices that originate constructive obligations 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 members, 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 sponsors.

NOTE 25 - Northeast Constitutional Financing Fund (FNE)

a) The total assets of FNE, amounting to R$ 46,472,673 (R$ 42,848,130 at 12.31.2012), are recorded in the Bank's memorandum accounts (Net assets of managed public funds).

b) The Fund's cash and cash equivalents, totaling R$ 6,848,545 (R$ 6,532,248 at 12.31.2012), 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$ 370,176 (R$ 333,805 at 09.30.2012).

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 Contingent liabilities are as follows:

Risk level	**Balances**	**Provision 09.30.2013**	**Provision 12.31.2012**
AA	5,056,573	-	-
A	11,543,023	28,847	30,863
B	9,826,291	49,660	45,937
C	1,042,746	15,509	16,678
D	489,045	24,349	33,787
E	589,797	88,827	67,542
F	263,061	66,190	144,175
G	302,748	119,934	96,118
H	3,316,154	1,668,728	1,384,970
Total	**32,429,438**	**2,062,044**	**1,820,070**

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$ 742,328 (R$ 686,666 at 09.30.2012).

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$ 830,290 (R$ 770,654 at 09.30.2012).

NOTE 26 - Workers' Assistance Fund (FAT)

The Workers' Assistance 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**	**09.30.2013**	**12.31.2012**
Special Program to Fight Drought Effects	16/2006	604	1,073
Proger-Urbano - Investment	17/2006	21,995	22,817
FAT - Infrastructure	18/2006	251,609	268,446
Pronaf - Investment	19/2006	-	139
Proger-Rural - Cost	20/2006	-	1,757
Pronaf - Cost	01/2007	1	207
Proger-Rural - Investment	02/2007	106	26,944
Protrabalho - Investment	04/2007	167,235	161,139
PNMPO-National Program for Production-Oriented Microcredit	01/2010	181,550	155,249
Total		**623,100**	**637,771**

Funds derived from the Workers' Assistance Fund (FAT), recorded under 'Interest-bearing special deposits', totaling R$ 566,702 (R$ 661,009 at 12.31.2012), 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$ 69,330 (R$ 101,634 at 12.31.2012).

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			09.30.2013		
		Form (1)	R.A.	SELIC remuneration	TMS available (2)	TJLP used(3)	Total
Special Program to Fight Drought Effects	16/2006	RA	1,682	82	6,278	-	6,278
Proger – Urbano - Investment	17/2006	RA	15,563	424	19,698	38,498	58,196
FAT - Infrastructure	18/2006	RA	53,069	2,368	29,459	184,150	213,609
Pronaf - Investment	19/2006	RA	-	-	-	-	-
Pronaf - Cost	01/2007	RA	-	-	-	-	-
Protrabalho - Investment	04/2007	RA	31,179	107	669	116,134	116,803
PNMPO-National Program for Production-Oriented Microcredit	01/2010	RA	42,883	1,234	13,226	158,590	171,816
Total (Note 13.b)			**144,376**	**4,215**	**69,330**	**497,372**	**566,702**

Specification	TADE	Return of FAT funds			12.31.2012		
		Form (1)	R.A.	SELIC remuneration	TMS available (2)	TJLP used(3)	Total
Special Program to Fight Drought Effects	16/2006	RA	3,133	45	161	7,126	7,287
Proger – Urbano - Investment	17/2006	RA	19,878	684	4,416	63,028	67,444
FAT - Infrastructure	18/2006	RA	33,185	1,785	37,399	214,390	251,789
Pronaf - Investment	19/2006	RA	699	15	-	-	-
Pronaf - Cost	01/2007	RA	150	3	-	-	-
Protrabalho - Investment	04/2007	RA	36,207	248	2,049	133,046	135,095
PNMPO-National Program for Production-Oriented Microcredit	01/2010	RA	30,546	1,167	57,609	141,785	199,394
Total (Note 13.b)			**123,798**	**3,947**	**101,634**	**559,375**	**661,009**

(1) RA - Automatic Return (Monthly, 2% on balance) and AB - Available Balance less deposits made in the last 3 months and reimbursements in the last 2 months;

(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 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 coordinates the credit, liquidity, market and operational risks at the corporate level, with definition of management methodologies and models, and promotion and dissemination of the risk management culture throughout the Bank.

Information related to risk management, focusing matters related to reference assets (PR) and minimum required capital (PRE), pursuant to Circular Letter No. 3477, of 12.28.2009, issued by the Central Bank of Brazil, is available at *www.bnb.gov.br*, Relação com Investidores.

Capital management structure

The Executive Board is responsible for approving the capital management structure, including the Capital Plan for the period 2013 to 2015, which was also approved by the Board of Directors, on 12.14.2012. 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 June 30, 2011. The Capital Management Structure information is available at *www.bnb.gov.br*, Relações com Investidores.

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.

Exposure by Industry	Exposure	
	09.30.2013	12.31.2012
Loans, co-obligations and guarantees given	**29,982,180**	**29,435,172**
Public sector	**1,412,629**	**1,482,348**
Private Sector	**28,569,551**	**27,952,824**
Trading	3,133,102	2,947,052
Foreign trade	798,056	905,124
Housing	242	242
Manufacturing	8,256,204	7,593,036
Infrastructure	3,722,731	4,128,723
Financial	91,942	214,950
Urban micro-financing	1,936,678	1,637,913
Individuals	225,310	210,694
Rural	6,440,095	6,441,335
Other services (1)	3,965,191	3,873,755
Market transactions	**22,127,650**	**19,862,617**
Federal government bonds	**18,726,250**	**17,062,177**
Repurchase agreements	10,242,415	7,871,834
Other	8,483,835	9,190,343
Interbank deposits	**81,637**	**107,020**
Other marketable securities	**1,763,805**	**1,158,626**
Other transactions	**1,555,958**	**1,534,794**
Other assets	**3,159,333**	**2,945,858**
Total	**55,269,163**	**52,243,647**

(1) The amount of other co-obligations not related to FNE loans was transferred to "Other services" account, and is no longer included in "Other assets" account, as in the prior year.

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 and performance indicators by macro sectors.

Furthermore, any approval in terms of risk limits is based on the level of authority by body. In accordance with their characteristics and amount, the limits may be analyzed and defined by the branches' credit assessment committees, or by the Operational Supporting 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 collaterals for loans are determined based on their quality, capacity to be removed and sufficiency. Balances exposed to credit risk above R$ 5,000 amount to R$ 4,890,864 (R$ 5,366,682 at 12.31.2012). They are backed by collaterals totaling R$ 3,736,183 (R$ 3,286,241 at 12.31.2012), 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 collaterals (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, consolidated annually.

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 days. Available funds comprising the liquidity ratio calculation base include banking reserves, interbank deposits, repurchase agreements and own securities portfolio.

Specification		09.30.2013 (%)	12.31.2012 (%)
Liquidity ratio	At the base date	341.78	349.87
	Average for the last 12 months	353.00	274.75
	Maximum for the last 12 months	405.00	382.42
	Minimum for the last 12 months	317.00	195.93

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 years reflect payments of annual interest, while amounts over 5 years include principal (undetermined maturity date) and interest up to 2050, for calculation purposes only:

Specification	09.30.2013				
	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Interbank deposits	94,127	484,544	391,509	146,983	6,416
Time deposits	155,955	92,415	1,922,082	3,653,032	4,116,820
Repurchase agreements	1,056,021	-	-	84,776	-
Agribusiness Credit Notes (LCAs)	4,087	2,952	8,528	-	-
Subordinated debts eligible for capital	-	-	-	-	1,422,415
Hybrid Equity-Debt Instruments (IHCD)	-	-	76,968	307,872	3,711,184
Total	**1,310,190**	**579,911**	**2,399,087**	**4,192,663**	**9,256,835**
Available funds (Note 5)	**8,146,612**				

Specification	12.31.2012				
	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Interbank deposits	67,206	90,545	439,746	98,457	-
Time deposits	39,302	229,897	788,330	3,995,990	2,720,447
Repurchase agreements	738,999	-	-	119,223	-
Agribusiness Credit Notes (LCAs)	33,318	11,267	23,042	455	-
Subordinated debts eligible for capital	-	-	-	-	1,332,382
Hybrid Equity-Debt Instruments (IHCD)	-	-	148,433	222,650	3,652,738
Total	**878,825**	**331,709**	**1,399,551**	**4,436,775**	**7,705,567**
Available funds (Note 5)	**6,484,104**				

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, and monitoring of limits of operations carried out with other financial institutions.

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 reference assets • Banking portfolio: 5% of the reference assets	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	7,072,793	6,998,203	(4,590)	6,993,712	(9,081)
Banking portfolio						
Dollar coupon	Decrease in the dollar coupon	(71,703)	(71,905)	(202)	(72,240)	(537)
Euro coupon	Increase in the Euro coupon	2,405	2,401	(4)	3,396	(8)
IGP coupon	Increase in the IGP coupon	967,243	911,285	(55,958)	860,503	(106,740)
IPCA coupon	Decrease in the IPCA coupon	(394,687)	(438,958)	(44,270)	(490,047)	(95,360)
TJLP coupon	Increase in the TJLP coupon	602,781	538,920	(63,861)	483,722	(119,060)
TR coupon	Increase in the TR coupon	(1,888,812)	(1,888,588)	223	(1,887,964)	848
Fixed interest	Increase in interest rate	3,038,998	2,987,012	(51,986)	2,939,250	(99,748)

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%)**
Other derivatives	Increase in the reference rate BM&FBOVESPA DI x fixed rate	DI x Fixed Rate Swap	(92,323)	(89,297)	(86,485)
		Fixed-rate assets	92,681	85,640	79,311
		Net exposure	358	(3,657)	(7,174)
Hedging derivatives	Increase in the reference rate BM&FBOVESPA DI x Dollar	Dollar x DI Swap	1,399,528	1,358,871	1,321,048
		Liabilities in FM	(1,436,201)	(1,400,575)	(1,367,223)
		Net exposure	(36,673)	(41,704)	(46,175)

As at 09.30.2013, 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 x Fixed Rate Swap

The method used to prepare the sensitivity analysis of DI x 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 x fixed-interest swap rate is applied.

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

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

Dollar x DI Swap

The method used to prepare the sensitivity analysis of dollar x 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 x Dollar swap rate is applied.

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

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

e) Operational risk

The operational risk results in potential, actual or recovered loss arising from human failures or errors in processes, systems or arising from 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 corporate operational risk management system aims at ensuring compliance with the corporate policy and 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 and subprocesses carried out on a dynamic and ongoing basis which ensure, through mitigating measures, acceptable risk exposure levels.

The Bank's corporate operational risk management is strengthened through a specific organizational structure designed to support assessment and compliance related to adoption of controls for all processes and operations carried out, 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 and subprocesses - 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 and procedures, 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) Currency exposure

Transactions under agreements that provide for foreign exchange adjustment clause presented net balance of foreign currency sold, in the amount of R$ 105,366 (R$ 8,539 at 12.31.2012 – short position), as follows:

Specification	09.30.2013	12.31.2012	Specification	09.30.2013	12.31.2012
Cash and cash equivalents	1,156	3,611	Deposits	16,806	23,182
Interbank investments	74,406	23,802	Interdepartmental accounts	31,419	15,578
Loans	776,928	820,813	Borrowings and onlending - Domestic	71,511	104,096
Other receivables	831,207	942,868	Borrowings and onlending - Foreign	2,285,436	2,152,154
			Other liabilities	826,257	829,914
Total assets in foreign currency, excluding derivatives	**1,683,697**	**1,791,094**	**Total liabilities in foreign currency**	**3,231,429**	**3,124,924**
Swap transactions	1,442,366	1,325,291	Swap transactions	-	-
Total long position In foreign currency	**3,126,063**	**3,116,385**	**Total short position in foreign currency**	**3,231,429**	**3,124,924**

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

g) Operational limits - Basel Accord

As set forth in CMN Resolutions No. 3444 and No. 3490, of 02.28.2007 and 08.29.2007, respectively, and supplementary regulations, the CMN set forth additional requirements for capital allocation, including new risk-exposed components: Credit Commitment Unconditionally or Unilaterally Non-Cancelable by the Bank; exposure to stock risk (PACS); exposure to risk of assets indexed to commodities prices (PCOM); exposure to risk of assets in foreign currency (PCAM); exposure to operational risk (POPR) and market risk of operations not classified in the trading portfolio (RBAN). The prevailing guidelines maintained the minimum capital allocation ratio by 11%, which is the ratio between a financial institution's reference assets (PR) and the total risks assumed in loans, including collaterals offered and co-obligations, and market and operational risks as at September 30, 2013.

At 09.30.2013, the capital adequacy ratio (Extended Basel Ratio) of Banco do Nordeste was 16.11% (16.24% at 12.31.2012), while PR was R$ 5,044,842 (R$ 5,184,271 at 12.31.2012). The Minimum Required Capital (PRE), which represents the consolidation of all risk exposures, with a capital allocation ratio of 11%, was R$ 3,336,854 at 09.30.2013 (R$ 3,366,123 at 12.31.2012).

i. Matching of PR with PRE

Specification	**09.30.2013**	**12.31.2012**
a) Reference Assets (PR)	**5,044,842**	**5,184,271**
. Tier I	2,727,812	2,611,406
. Tier II	2,370,257	2,572,865
. Deductions	(53,227)	-
b) Minimum Required Capital (PRE)	**3,336,854**	**3,366,123**
. PEPR [(1)]	2,780,343	2,872,393
. PJUR	5,027	3,707
. PCOM	361	350
. POPR	551,123	489,673
c) RBAN amount	106,861	146,338
Margin (a-b-c)	**1,601,127**	**1,671,810**
Basel ratio (BACEN Circular No. 3477, of 12.28.2009)	16.63%	16.94%
Extended Basel Ratio (including RBAN amount)	16.11%	16.24%

[(1)] 11% of Weighted Risk Factor Exposures, pursuant to articles 11 to 16 of BACEN Circular No. 3360, of 09.12.2007.

ii. Breakdown of PR

Specification	**09.30.2013**	**12.31.2012**
Reference Assets (PR)	5,044,842	5,184,271
. Tier I	2,727,812	2,611,406
Equity	2,442,623	2,683,751
Profit and loss accounts - Creditors	1,860,306	-
Profit and loss accounts - Debtors	(1,790,017)	-
Revaluation reserves	(21,183)	(22,904)
Tax credits excluded	(6,633)	(6,633)
Deferred permanent assets	(619)	(942)
Market value adjustment – Securities and derivative financial instruments	243,335	(41,866)
. Tier II	2,370,257	2,572,865
Revaluation reserves	21,183	22,904
Hybrid equity-debt instruments classified as Tier II of PR [(1)]	1,228,504	1,202,392
Subordinated debt instruments [(2)]	1,422,415	1,332,382
Market value adjustment – Securities and derivative financial instruments	(243,335)	41,866
Excess subordinated debt instruments	(58,510)	(26,679)
. Deductions	(53,227)	-
Assets classified as subordinated debt instruments	(53,227)	-

[(1)] The hybrid equity-debt instrument was entered into with the National Treasury Department for an indefinite term.

[(2)] The subordinated debt instruments were entered into with the Northeast Constitutional Financing Fund (FNE) for an indefinite term.

iii. Investment index

CMN Resolution No. 2669 of 11.25.1999 set forth a limit of 50% of adjusted PR, as from December 2002, for the investment index. The Bank's status is as follows:

Specification	09.30.2013	12.31.2012
Reference assets (PR) for investment limit	5,044,842	5,184,271
Investment limit	2,522,421	2,592,135
Current status	(234,378)	(200,619)
Margin	2,288,043	2,391,516
Investment index	4.65%	3.87%

NOTE 28 – Transactions with 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	09.30.2013	12.31.2012
Assets		
Loans - Refinancing with Federal Government (Note 9.a.1)	392,171	443,895
Total	**392,171**	**443,895**

Specification	09.30.2013	12.31.2012
Liabilities		
Time deposits - FAT (Note 13.b and Note 26)	**566,702**	**661,009**
Domestic onlending – Official institutions (Note 14.c)	**1,706,841**	**1,586,201**
National Treasury	759	809
BNDES	1,529,098	1,435,621
FINAME	176,984	149,771
Other liabilities	**9,501,629**	**9,069,111**
Northeast Constitutional Financing Fund (FNE) (Note 16.g)	6,850,710	6,534,337
Hybrid equity-debt instruments (Note 16.h and Note 17)	1,228,504	1,202,392
Subordinated debts eligible for capital (Note 16.i and Note 18)	1,422,415	1,332,382
Total	**11,775,172**	**11,316,321**

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

Specification	09.30.2013	12.31.2012
Liabilities		
Post-employment benefits CAPEF BD Plan (Note 16.j)	555,957	576,635
Post-employment benefits CAPEF CV I Plan (Note 16.j)	194	99
Post-employment benefits CAMED Natural Plan (Note 16.j)	786,660	750,576
Total	**1,342,811**	**1,327,310**

b) Management compensation

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

Specification	01.01 to 09.30.2013	01.01 to 09.30.2012
Short-term benefits		**2,062**
Fees	**2,633**	**1,923**
Executive Board	2,259	1,638
Board of Directors	186	142
Supervisory Board	188	143
Other	**194**	**129**
Profit sharing	**530**	**10**
Total short-term benefits	**3,357**	**2,062**
Post-employment benefits	**169**	**175**
Total	**3,526**	**2,237**

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, members of the Bank's Pension and Health Care Plan.

The Bank does not grant loans to its Executive Officers, directors of its Board of Directors and Supervisory Board, since this practice is forbidden to financial institutions regulated by the Central Bank of Brazil.

NOTE 29 – Statement of comprehensive income (loss)

Specification	07.01 to 09.30.2013	01.01 to 09.30.2013	07.01 to 09.30.2012	01.01 to 09.30.2012
Net income	**103,695**	**303,723**	**248,724**	**679,078**
Other comprehensive income (loss)	**(32,197)**	**(270,689)**	**(274,105)**	**(393,784)**
Equity adjustment to available-for-sale securities	(138,931)	(475,336)	(17,622)	88,249
Tax effect on equity adjustment to available-for-sale securities	55,572	190,134	7,049	(35,300)
Revaluation reserve released to retained earnings	956	2,868	956	2,868
Tax effect on revaluation reserve released to retained earnings	(382)	(1,147)	(383)	(1,148)
Actuarial gains/(losses)	50,588	12,792	(264,105)	(448,453)
Comprehensive income (loss)	**71,498**	**33,034**	**(25,381)**	**285,294**

NOTE 30 – Other information

a) Guarantees given

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

Specification	09.30.2013	12.31.2012
Import financing	20,946	23,804
Guarantee beneficiaries		
- Individuals or non-financial legal entities	30,450	82,669
- FNE	16,418,890	15,153,541
- Other entities	83,260	64,584
Credit assignment co-obligations	26,326	24,786

Fortaleza, October 22, 2013.

The Executive Board

Note: The explanatory note are an integral par of the financial statements.

Quarterly Information

Banco do Nordeste do BRASIL S.A.

September 30, 2013
with Independent Auditor's Review Report on Quarterly Information

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, 2013, comprising the balance sheet as at September 30, 2013 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 the 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, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the 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.

Emphasis of a matter

Restatement of corresponding amounts

As mentioned in Note 3l, due to the change in accounting practice, with application of the revised standard CPC 33(R1) – Employee Benefits, approved by Brazilian FASB (CPC), the corresponding amounts, related to the balance sheet for the year ended December 31, 2012 and the corresponding interim financial information related to the income statements and the statements of comprehensive income for the three and nine-month periods ended September 30, 2012, and the statement of changes in equity, cash flow statement and statement of value added (supplementary information), for the nine-month period ended September 30, 2012, presented for purposes of comparison, were adjusted and are being restated as provided for by CPC 23 – Accounting Policies, Changes in Accounting Estimates and Errors and CPC 26(R1) – Presentation of Financial Statements. Our conclusion is not modified in respect of this matter.

Other matters

Interim statements of value added

We have also reviewed the interim statements of value added (SVA) for the nine-month period ended September 30, 2013, prepared under the responsibility of the Bank's management, of which 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 13, 2013.

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

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

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