Banco Industrial do Brasil S.A.

Financial statements
December 31, 2014 and 2013

Contents

BANCO INDUSTRIAL DO BRASIL S.A.

MANAGEMENT REPORT - DECEMBER 2014

The Management of Banco Industrial do Brasil S.A. (Banco Industrial) hereby submits for your appreciation the Individual and Consolidated Financial Statements for the year ended December 31, 2014, consisting of the Management Report and the corresponding financial information, reviewed by the independent auditors, without qualifications.

Economic Scenario

The basic facts of the US economy point towards continued robust growth, with controlled inflation mainly due to the fall in energy prices. However, most countries are facing significant challenges for acceleration in growth in the short and medium term.

The Fed (US central bank) has continued its process for monetary regulation, this time changing the official statement issued after the decision in order to gain more freedom if it chooses to raise interest rates at some point in 2015.

In Europe, recovery continues to be intermittent. Despite the fact that it is no longer in technical recession, the block is still facing difficulties in order to accelerate growth. Recent events have once again focused attention on Greece. The radical left-wing political party, Syriza, is leading the polls for the January elections with a platform totally contrary to the measures for financial adjustment necessary for the country to continue receiving financial aid from abroad.

In Russia, the sharp drop in oil prices and the economic sanctions imposed by the West due to conflicts against Ukraine have put the country in an extremely delicate situation. After a sharp depreciation in the currency, some stabilization has been achieved, but the government itself believes it will take two years to recover from the local crisis.

In China, there is no sign of stabilization in growth. The government, accordingly, has adopted a more proactive, aggressive approach in conducting its monetary policy, providing liquidity to the market and anticipating infrastructure projects in order to put a floor on growth.

In Brazil, we continue to experience a period of low growth and high inflation, especially in early 2015, where the numbers will show pressure for adjustments to administered prices, particularly in urban transport fares and electric power charges. It will be a very challenging year, but one which is starting with a good sign, the disposition of the new economic team to improve Brazil's fiscal situation.

In view of the challenges for the productive sector, the management of Banco Industrial Bank expects a defensive 2015, with a focus on maintaining high levels of liquidity and a conservative profile on granting credit.

Performance Profile

Banco Industrial do Brasil operates essentially as a credit bank, focusing on the financing of medium sized companies, through offering competitive, complementary products, directed, especially, towards its clients' working capital needs. It also operates with the granting of payroll guaranteed personal loans, seeking to maintain the composition of the loan portfolio with approximately 85% in wholesale loans and 15% in retail loans.

The Bank's management gives priority to the high quality of the credit portfolio, adopting for this purpose, a conservative lending policy and the development of long-term relationships with clients. All loans are subject to approval by the Credit Committee. Customers are evaluated according to objective parameters that take into consideration financial capacity, liquidity of guarantees, punctuality in complying with obligations and performance of the receivables.

The Treasury does not operate with the purpose of obtaining results, but rather with ensuring competitive funding in line with the profile of the Bank's assets and eliminating exposures in term, currency and interest rate. Cash is managed in order to maintain a comfortable level of liquidity, whose balance at the end of the period was 145.3% of shareholders' equity. Finally, the Bank maintains a high level of capitalization, reflected in the Basel Index of 16.9%.

Performance

The Industrial Bank recorded net income of R$ 40.3 million in 2014, and a rate of return on average equity (ROAE) of 8.7% over the period. The shareholders' equity at the end of the financial year, reached a balance of R$ 471.3 million.

Credit

The Bank's credit portfolio, including endorsements and guaranties, totaled R$ 1,829.0 million at the end of the year. The Bank maintains coverage of more than 90% of the portfolio with receivables and real guarantees of high liquidity, which contributes to the maintenance of the low rate of defaults, which represented 1.0% of the portfolio at the end of the period, considering the loans overdue for more than 90 days.

The middle market segment represented 88% of the total portfolio, with a volume of R$ 1,601.9 million, where R$ 169.7 million is related to trade finance loans. The middle market portfolio includes loans for purchase of assets, in conformity with note No. 13. The retail portfolio, which comprises the payroll guaranteed loans, totaled R$ 227.1 million.

Banco Industrial Bank prioritizes the high quality of its portfolio, adopting for this purpose, a conservative lending policy. The Bank approves specific credit limits for each client profile, following objective parameters, taking into account their financial capacity, the providing of guarantees of high liquidity, punctuality in complying with their obligations and an assessment of the performance of their receivables portfolio.

Raising of funds

Banco Industrial's funding operations totaled R$ 1,953.8 million at the end of the year, representing growth of 17.9% compared to the same period of last year. Domestic funding, which represents the main source of the institution's funds, occurs mainly through time and interbank deposits, and financial bills. At the closing of the financial year these portfolios reached a balance of R$ 1,512.4 million, representing growth of 23.3% in relation to the same period of last year.

Corporate Governance

Management: Banco Industrial is managed by a Board of Directors and an Executive Board, with the powers conferred by the prevailing legislation and the by-laws, whose content is available for consultation at the investor relations site (ri.bancoindustrial.com.br). The Board of Directors is composed of five members, where three are independent directors, and the Executive Board is composed of eight members. The investiture of the directors of Banco Industrial Bank is subject to the signing of the instrument of consent of administrators, through which they take responsibility personally to submit to and to act in accordance with the adhesion contract at Level 1 of corporate governance and the corresponding regulations.

Code of ethics: Applicable to all officers and staff of Banco Industrial, the code of ethics groups together the guidelines that should be observed in professional performance to achieve the highest standards of ethical conduct in the performance of their activities. It reflects the cultural identity and the commitments that Banco Industrial assumes in the markets in which it operates. It can be accessed through the investor relations site (ri.bancoindustrial.com.br).

Internal controls and Compliance: The Internal Controls and Compliance system adopted by Banco Industrial is composed of a structured process that covers all employees, in order to permit safer, more adequate and more efficient management of the activities performed by the Bank. Prepared in accordance with the best market practices, it constitutes an important instrument for ensuring compliance with legal standards, guidelines, plans, and procedures and internal rules, as well as ensuring their periodic review and adjustment, thus minimizing the risks of operating losses and endangering the image.

Prevention of the crime of money laundering: Banco Industrial has a program for prevention of the crime of money laundering to combat the misuse of its products and services for brokering of resources originating from illicit activities and for the financing of terrorism. To this end, it has established a set of policies, processes, training and specific systems aimed at knowing its customers and monitoring their operations, enabling timely identification of suspicious or atypical situations, their assessment and notification of the competent authorities.

Operating Risk: the operating risk management process comprises the activities of identifying and assessing risks, implementing control activities and periodically assessing their effectiveness, monitoring the financial losses arising from the materialization of risk events, the corrective actions undertaken in order to correct deviations identified in the processes and reporting of information relevant to the decision-making process. It counts on the participation of all functional areas of the institution, through its Sectorial Compliance Agents, who report directly to the Executive Board and to the Board of Directors.

Market risk: market risk is managed following the rules defined by the Basel III agreement, regulated in Brazil by the Central Bank. Banco Industrial monitors the level of exposure of its positions, daily, through the calculation of the VaR (Value at Risk) and the simulation of stress scenarios. Exposure limits are defined by the Market Risk Committee, which is convened whenever material deviations are observed or the limits are broken. The monitoring is carried out independently, by the Compliance and Risks department, and reported to the Executive Board and to the Financial Desk.

Liquidity risk: Banco Industrial Bank adopts a strict stance on liquidity risk management. To do so, it makes use of a set of controls and tools that permit it to measure adequate levels of funds. The Bank maintains a conservative policy of minimum cash, monitored daily and subjected to stress scenarios, which guide the updating of the liquidity contingency plan.

Capital Management: the management of Banco Industrial's capital is a continuous process of monitoring and control of the institution's capital levels, to cope with the different risks associated with its activity. In addition, the process prospectively evaluates capital requirements, considering the Bank's goals and strategic objectives, in addition to possible changes in market conditions. Banco Industrial publishes and updates the "Capital Risk Management" report annually. This report comprises a detailed explanation of the management process. The report is available on the investor relations website, corporate governance section > risk management.

Credit Risk: credit risk management is a continuous evolving process of charting, measuring and diagnosing the models, tools, policies and procedures in force. It is based on the economic scenario and its prospects, the specifics and the behavior of each sector of the economy, and the Bank's past performance and experience in the management of its credit assets. The review process is conducted with a high degree of discipline, integrity and independence, while approval is obtained only by decision of the Credit Committee.

Information security: practices adopted by Banco Industrial at all its functional levels, consisting of a set of policies, processes, organizational structures and procedures, aimed at protecting the clients' and the Bank's information, in the aspects of confidentiality, integrity and availability.

Policy of Transparency and Disclosure of Information: Banco Industrial makes available for public consultation, in its investor relations website (ri.bancoindustrial.com.br), all the information related to its past and operating profile, shareholding structure, financial statements and risk assessments prepared by the rating agencies. The investor relations website is available in Portuguese and English.

Sustainability: the Management of Banco Industrial believes that sustainable development constitutes a determining factor for the continuity of the economic environment. In this context, the Bank acts aiming at stimulating a change in the conduct of its stakeholders, through the implementation of the socio-environmental risk assessment methodology as background information for the decision on extending credit. In addition, it makes use of the exclusion lists, defined by the multilateral banks with which it maintains business relationships, which exclude the financing of companies that harm the environment, adopt illegal labor practices or produce certain classes of products.

Banco Industrial also invests in social inclusion through the establishment of partnerships with programs aimed at insertion of young low-income people in the labor market, and in addition it invests in opportunities for the professional development of its employees by granting scholarships for professional qualification courses and undergraduate and post-graduate university training.

Human Resources

Banco Industrial Bank closed 2014 with 256 employees, including 5 young apprentices and 31 contracted employees working in the operating areas.

Ratings

The ratings obtained by Banco Industrial from the main credit rating agencies are as follows:

- **Moody's:** Ba2 (Global) / A1 (National) / Stable Outlook
- **Fitch Ratings:** BB-(Global) / A (National) / Stable Outlook
- **Riskbank:** Low risk in the medium-term / Disclosure: Excellent

Relationship with the Auditors

In accordance with to the rules of CVM Instruction 381, KPMG Auditores Independentes does not provide any other service to Banco Industrial and its related companies, besides those expressly related to the external audit, thus preserving the independence and the integrity required for the execution of this activity.

Acknowledgements

We wish to thank our clients, partners and suppliers for their support and trust and in particular our employees, for their commitment to the pursuit of excellence.

KPMG Auditores Independentes
R. Dr. Renato Paes de Barros, 33
04530-904 - São Paulo, SP - Brasil
Caixa Postal 2467
01060-970 - São Paulo, SP - Brasil

Central Tel 55 (11) 2183-3000
Fax Nacional 55 (11) 2183-3001
Internacional 55 (11) 2183-3034
Internet www.kpmg.com.br

Independent auditors' report on the financial statements

To
The Board of Directors and Shareholders
Banco Industrial do Brasil S.A.
São Paulo - SP

We have examined the accompanying individual ("Parent company") and consolidated ("Consolidated") financial statements of Banco Industrial do Brasil S.A. ("Bank"), which comprise the balance sheets as of December 31, 2014 and the related statements of income, changes in shareholders ' equity and cash flows for the year and semester then ended for the individual financial statements and for the year then ended for the consolidated financial statements, as well as the summary of the main accounting practices and other explanatory notes.

Management's responsibility for the financial statements
The Bank's management is responsible for the preparation and fair presentation of these individual and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil and for the internal controls that it considered necessary to enable the preparation of the financial statements free of material misstatement, regardless of whether caused by fraud or error.

Responsibility of the independent auditors
Our responsibility is to express an opinion on these financial statements based on our audit, conducted in accordance with Brazilian and international auditing standards. These standards demand compliance with ethical requirements by the auditors and that the audit is planned and conducted for the purpose of obtaining reasonable assurance that the financial statements are free of material misstatement.

An audit involves the performance of selected procedures in order to obtain evidence with respect to the amounts and disclosures presented in the financial statements. The procedures selected depend on the auditor's judgment and include an assessment of the risks of material misstatement in the financial statements, regardless of whether caused by fraud or error. In this risk assessment, the auditor considers the relevant internal controls for the preparation and adequate presentation of the Bank's financial statements, in order to plan the audit procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the effectiveness of the Bank's internal controls. An audit also includes the evaluation of the adequacy of the accounting practices used and the reasonableness of the accounting estimates made by management, as well as the evaluation of the presentation of the financial statements taken as a whole.

We believe that the audit evidence obtained is sufficient and appropriate for expressing our opinion.

Opinion on the individual and consolidated financial statements

In our opinion, the aforementioned individual and consolidated financial statements present fairly, in all material respects, the financial position of Banco Industrial do Brazil S.A. as of December 31, 2014, the performance of its operations and its cash flows for the financial year and semester then ended for the individual financial statements and for the year ended on that date for the consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil.

Other issues

Statements of added value

We have also examined the individual and consolidated statements of added value, which are the responsibility of the directors of the Bank, as of December 31, 2014 for the year and semester then ended for the individual financial statements and for the year then ended for the consolidated financial statements, whose presentation is required by Brazilian corporate legislation for publicly-held companies. These financial statements were submitted to the same audit procedures described previously and, in our opinion, are presented fairly, in all material respects, in relation to the financial statements, taken as a whole.

São Paulo, January 26, 2015

KPMG Auditores Independentes
CRC 2SP014428/O-6
(Original report in Portuguese signed by)
André Dala Pola
Accountant CRC 1SP214007/O-2

Banco Industrial do Brasil S.A.

Balance sheets at December 31, 2014 and 2013

(In thousands of Reais)

	Note	Parent company		Consolidated	
Assets		**2014**	**2013**	**2014**	**2013**
Current assets		2.064.486	1.785.544	2.072.390	1.801.878
Cash and cash equivalents	4	6.465	8.075	15.112	15.720
Short-term interbank investments	5	612.199	276.462	612.199	276.462
Money market		610.175	261.098	610.175	261.098
Interbank deposits		2.024	15.364	2.024	15.364
Marketable securities		111.445	109.192	111.445	114.686
Own portfolio	6	67.078	23.229	67.078	28.723
Subject to repurchase commitments	6	32.393	74.217	32.393	74.217
Subject to guarantees provided:	6	11.939	11.746	11.939	11.746
Derivative financial instruments	7	35		35	
Interbank accounts	8	265	974	265	974
Term deposits		265	974	265	974
Loans	9,10	813.742	802.900	813.742	802.900
Loans - Private sector		824.848	839.813	824.848	839.813
Allowance for doubtful accounts		(11.106)	(36.913)	(11.106)	(36.913)
Lease operations	9,11	-	-	-	315
Leases - Private Sector			45		315
Unearned lease income - Private Sector			(45)	-	-
Other receivable		495.382	564.093	494.639	566.973
Foreign exchange portfolio	12	170.179	176.345	170.179	176.345
Amount receivable from subsidiary		1.752	1.562	378	350
Securities clearing accounts			377		377
Other		323.451	385.809	324.082	389.901
Recoverable income tax		4.169	10.864	4.633	10.997
Tax credits	13,19	3.967	5.970	3.967	5.970
Other debtors - Brazil	13	3.264	16.734	3.277	16.840
Guarantee deposits receivable		55.900	50.643	55.900	50.643
Advances for payments of suppliers		2.061	5.285	2.061	5.288
Credit notes receivable	9,13	256.921	295.084	256.921	295.084
Other		1.567	3.805	1.721	7.655
Allowance for doubtful receivable	10	(4.398)	(2.576)	(4.398)	(2.576)
Other assets	14	24.988	23.848	24.988	23.848
Assets not for own use		18.556	16.385	18.556	16.385
Prepaid expenses		6.432	7.463	6.432	7.463
Long-term receivables		405.557	364.964	405.557	364.964
Loans	9,10	375.950	325.029	375.950	325.029
Loans - Private sector		380.686	337.895	380.686	337.895
Allowance for doubtful accounts		(4.736)	(12.866)	(4.736)	(12.866)
Lease operations	9,11	-	-	-	-
Leases - Private Sector		-	-	-	-
Unearned lease - Private Sector		-	-	-	-
Other receivable	13	29.457	39.091	29.457	39.091
Other:					
Tax credits	13,19	20.491	30.320	20.491	30.320
Options for tax incentives		271	271	271	271
Debtors for purchase of assets and securities and goods	9,13	8.972	8.552	8.972	8.552
Allowance for doubtful accounts	9,13	(277)	(52)	(277)	(52)
Other assets	14	150	844	150	844
Prepaid expenses		150	844	150	844
Permanent assets		50.526	49.320	37.386	28.417
Investments		13.388	15.624	248	248
Interests in subsidiaries	15	13.140	15.376	-	-
Other investments		248	248	248	248
Premises and equipment	16	36.135	26.597	36.135	26.597
Real estate properties		27.592	27.592	27.592	27.592
Other fixed assets		15.683	4.749	15.683	4.749
Accumulated depreciation		(7.140)	(5.744)	(7.140)	(5.744)
Leased assets	17	-	5.527	-	-
Leased assets			5.540	-	-
Accumulated depreciation			(5.540)	-	-
Excess Depreciation			5.527	-	-
Deferred charges	18	125	182	125	182
Deferred charges		2.987	2.987	2.987	2.987
Accumulated amortization		(2.862)	(2.805)	(2.862)	(2.805)
Intangible assets	18	878	1.390	878	1.390
Intangible assets		2.953	2.953	2.953	2.953
Accumulated amortization		(2.075)	(1.563)	(2.075)	(1.563)
		2.520.569	2.199.828	2.515.333	2.195.259

See the accompanying notes to the financial statements.

Banco Industrial do Brasil S.A.

Balance sheets at December 31, 2014 and 2013

(In thousands of Reais)

	Note	Parent company		Consolidated	
Liabilities		**2014**	**2013**	**2014**	**2013**
Current liabilities		1.649.356	1.282.822	1.652.143	1.280.656
Deposits	20	988.476	641.285	984.977	641.200
Demand deposits		37.674	39.922	37.397	39.837
Interbank deposits		117.763	111.149	114.541	111.149
Time deposits		833.039	490.214	833.039	490.214
Money market repurchase commitments	20	32.096	73.431	32.096	73.431
Own portfolio		32.096	73.431	32.096	73.431
Acceptances and endorsements	20	332.520	286.385	332.520	286.385
Income from real estate bills, loan mortgages		332.520	286.385	332.520	286.385
Interbranch accounts		5.229	4.408	5.229	4.408
Third-party funds in transit		5.229	4.408	5.229	4.408
Borrowings	20.21a	203.578	189.487	203.578	189.487
Foreign currency trade finance borrowings		203.578	189.487	203.578	189.487
Domestic onlending	20,21 b	6.661	10.594	6.661	10.594
BNDES			427		427
FINAME		6.661	10.167	6.661	10.167
Foreign currency onlending	20,21 c	1.184	-	1.184	-
Foreign currency onlending		1.184	-	1.184	-
Derivative financial instruments	7	-	10	-	10
Derivative financial instruments		-	10		10
Other liabilities	23	79.612	77.222	85.898	75.141
Collection of taxes		498	248	498	248
Foreign exchange portfolio	12,23	2.085	338	2.085	338
Shareholders and statutory		11.807	58	11.807	58
Tax and social security	22c, 23	45.048	57.629	47.546	57.699
Securities clearing accounts		1.986	-	1.986	-
Creditors through early payment of residual value	11,23	-	5.212	-	-
Provision for payments to be made		4.534	1.948	4.552	2.019
Provision for contingent liabilities	22,23	12.070	8.006	12.351	8.093
Subordinated debts	20,23	965	1.377	965	1.377
Other creditors		612	1.897	4.101	4.800
Other		7	509	7	509
Long-term liabilities		398.726	461.953	391.866	460.420
Deposits	20	114.695	143.053	107.835	139.408
Interbank deposits		9.747	3.411	3.142	-
Time deposits		104.948	139.642	104.693	139.408
Acceptances and endorsements	20	124.429	199.086	124.429	199.086
Income from real estate bills, loan mortgages		124.429	199.086	124.429	199.086
On-lending		119.838	45.871	119.838	45.871
Domestic onlending	20,21 b	40.524	45.871	40.524	45.871
Foreign currency onlending	20,21 c	79.314		79.314	
Derivative financial instruments	7	-	10	-	10
Derivative financial instruments			10		10
Other liabilities	23	39.764	73.933	39.764	76.045
Tax and social security			3.809		5.921
Subordinated debts		39.764	70.124	39.764	70.124
Deferred income	36	1.192	896	-	-
Minority interest		-	-	29	26
Shareholders' Equity	24	471.295	454.157	471.295	454.157
Updated paid-in capital:					
Domestic		367.222	367.222	367.222	367.222
Revaluation reserve		73	73	73	73
Profit reserve		104.133	86.549	104.133	86.549
(-) Adjustment to market value of securities and derivatives		(133)	313	(133)	313
		2.520.569	2.199.828	2.515.333	2.195.259

See the accompanying notes to the financial statements.

Banco Industrial do Brasil S.A.

Statements of income

Years ended December 31, 2014 and 2013 and semester ended December 31, 2014

(In thousands of Reais, except net income per lot of a thousand shares)

	Note	Parent company			Consolidated	
		Semester	Year		Year	
		2014	2014	2013	2014	2013
Financial operations income		207.903	351.187	305.395	351.571	306.252
Loans	9e	106.565	212.407	196.464	212.407	196.464
Lease operations	9e	618	5.531	1.158	5.531	1.158
Securities income	6f	47.190	76.455	47.457	76.839	48.314
Income from derivative financial instruments	7d	14.705	6.890	1.515	6.890	1.515
Trade finance and foreign exchange income	12	38.825	49.904	58.801	49.904	58.801
Financial operations expenses		(165.075)	(261.084)	(230.654)	(255.413)	(229.991)
Deposits, money market and interbank funds	20c	(93.857)	(167.620)	(118.469)	(166.216)	(117.806)
Borrowings, assignments and onlending	20c	(62.500)	(71.720)	(62.679)	(67.453)	(62.679)
Lease operations	9e	(618)	(5.527)	(1.095)	(5.527)	(1.095)
Allowance for doubtful accounts	10	(8.100)	(16.217)	(48.411)	(16.217)	(48.411)
Gross income on financial operations		42.828	90.103	74.741	96.158	76.261
Other operating income (expenses)		(21.381)	(34.654)	(35.299)	(40.389)	(36.921)
Service fee income		3.310	6.009	4.867	7.214	5.455
Income from banking fees		1.843	3.722	3.716	3.722	3.716
Equity in earnings of subsidiaries	15	(1.031)	(2.236)	1.145	-	-
Personnel expenses	25	(24.778)	(47.507)	(44.232)	(48.470)	(45.603)
Other administrative expenses	26	(11.599)	(21.778)	(20.626)	(22.178)	(21.139)
Tax expenses	27	(5.839)	(11.835)	(11.513)	(12.376)	(11.662)
Other operating income	28	17.934	40.408	31.728	36.693	33.301
Other operating expenses	28	(1.221)	(1.437)	(384)	(4.994)	(989)
Operating result		21.447	55.449	39.442	55.769	39.340
Non-operating result	29	(2.587)	(2.198)	650	(2.198)	661
Income before income taxes and minority interest		18.860	53.251	40.092	53.571	40.001
Income tax and social contribution	19	(2.297)	(12.967)	(6.617)	(13.284)	(6.526)
Provision for income tax		(1.827)	(535)	(12.476)	(724)	(12.416)
Provision for social contribution		(1.229)	(499)	(7.758)	(627)	(7.727)
Deferred tax assets		759	(11.933)	13.617	(11.933)	13.617
Minority interest		-	-	-	(3)	-
Net income for the year / semester		16.563	40.284	33.475	40.284	33.475
Net income per lot of a thousand shares - R$		96,68	235,14	195,40		

See the accompanying notes to the financial statements.

Banco Industrial do Brasil S.A.

Statements of changes in shareholders' equity

Years ended December 31, 2014 and 2013 and semester ended December 31,2014

(In thousands of Reais)

	Note	Paid in capital	Capital reserves	Revaluation reserve	Profit reserve: Legal reserve	Profit reserve: Statutory Reserve	Adjustment to market value and securities and derivatives	Retained earnings	Total
Balances at June 30, 2014		367.222	-	73	13.560	87.710	198	-	468.763
Adjustment to market value of securities and derivatives		-	-	-	-	-	(331)	-	(331)
Net income		-	-	-	-	-	-	16.563	16.563
Distribution of net income:									
Legal reserve	24b	-	-	-	828	-	-	(828)	-
Statutory reserves	24b	-	-	-	-	2.035	-	(2.035)	-
Interest paid on shareholders' equity	24c	-	-	-	-	-	-	(13.700)	(13.700)
Balances at December 31, 2014		367.222	-	73	14.388	89.745	(133)	-	471.295
Changes in the semester		-	-	-	828	2.035	(331)	-	2.532
Balances at December 31, 2013		367.222	-	73	12.374	74.175	313	-	454.157
Adjustment to market value of securities and derivatives							(446)		(446)
Net income		-	-	-	-	-	-	40.284	40.284
Distribution of net income:									
Legal reserve	24b	-	-	-	2.014	-	-	(2.014)	-
Statutory Reserves	24b	-	-	-	-	15.570	-	(15.570)	-
Interest paid on shareholders' equity	24c	-	-	-	-	-	-	(22.700)	(22.700)
Balances at December 31, 2014		367.222	-	73	14.388	89.745	(133)	-	471.295
Changes in the year		-	-	-	2.014	15.570	(446)	-	17.138
Balances at December 31, 2012		367.222	-	73	10.700	64.374	46	-	442.415
Adjustment to market value of securities and derivatives							267		267
Net income		-	-	-	-	-	-	33.475	33.475
Distribution of net income:									
Legal reserve	24b	-	-	-	1.674	-	-	(1.674)	-
Statutory Reserves	24b	-	-	-	-	9.801	-	(9.801)	-
Interest paid on shareholders' equity	24c	-	-	-	-	-	-	(22.000)	(22.000)
Balances at December 31, 2013		367.222	-	73	12.374	74.175	313	-	454.157
Changes in the year		-	-	-	1.674	9.801	267	-	11.742

See the accompanying notes to the financial statements.

Banco Industrial do Brasil S.A.

Statements of cash flows (indirect method)

Years ended December 31, 2014 and 2013 and semester ended December 31, 2014

(In thousands of Reais)

	Note	Parent company			Consolidated	
		Semester	Year		Year	
		2014	2014	2013	2014	2013
Adjusted net income for the period		32.399	73.128	85.140	65.562	85.349
Net income for the period	19d	16.563	40.284	33.475	40.284	33.475
Minority interests		-	-	-	3	-
Depreciation / Amortization	26	1.057	1.964	2.269	1.964	1.174
Insufficient / Excess depreciation	17	618	5.527	(624)	-	-
Equity in earnings of subsidiaries	15	1.031	2.236	(1.145)	-	-
Allowance for doubtful accounts	10	9.016	17.133	48.411	17.133	48.411
Provision for tax risks and contingent liabilities	22	4.445	6.430	2.487	6.624	2.022
Adjustment to market value of securities		(331)	(446)	267	(446)	267
Changes in Operating Assets - (Increase) / Decrease		(76.579)	13.886	414.216	23.319	423.338
Interbank funds applied	5	11.836	13.340	530	13.340	530
Marketable securities and derivative financial instruments	6b	2.077	(2.252)	380.244	3.241	388.703
Interbank and interbranch accounts	8a	2.509	709	648	709	648
Loans and Leases	9a	(53.825)	(77.980)	(60.733)	(77.665)	(59.505)
Other Receivables and Other Assets	13,14 b	(39.176)	80.069	93.527	83.694	92.962
Changes in Operating Liabilities - Increase / (Decrease)		(27.580)	(38.027)	22.455	(32.263)	18.526
Interbank and interbranch accounts	8	1.634	821	(17.960)	821	(17.960)
Other liabilities	23	(29.430)	(39.089)	40.085	(33.029)	36.466
Deferred income	23	331	296	310	-	-
Derivative financial instruments	7	(115)	(55)	20	(55)	20
Net cash provided by / (used in) operating activities		(71.760)	48.987	521.811	56.618	527.213
Net cash provided by /(used in) investment activities		(1.418)	(13.105)	2.621	(13.105)	2.621
Sale of assets not for own use	14a			3.826		3.826
Disposal of investments		-	-	-	-	-
Acquisition of assets not for own use	14a	(1.304)	(2.171)	-	(2.171)	-
Additions to premises and equipment	16	(114)	(10.934)	(731)	(10.934)	(731)
Investments in intangible assets	18			(474)		(474)
Net cash (provided by)/used in financing activities		165.637	311.585	(501.690)	304.956	(500.896)
Deposits	20a	121.960	318.833	(309.444)	312.204	(308.650)
Repurchase operations	20a	680	(41.335)	(341.235)	(41.335)	(341.235)
Acceptances and endorsements	20a	4.698	(28.522)	224.343	(28.522)	224.343
Borrowings and onlending	20a	51.999	85.309	(53.354)	85.309	(53.354)
Interest paid on shareholders' equity	24c	(13.700)	(22.700)	(22.000)	(22.700)	(22.000)
Increase / (decrease) in cash and cash equivalents		92.459	347.467	22.742	348.469	28.938
Changes in financial position						
Cash and cash equivalents						
At beginning of period	4,5	524.181	269.173	246.431	276.818	247.880
At end of period	4,5	616.640	616.640	269.173	625.287	276.818
Increase / (decrease) in cash and cash equivalents		92.459	347.467	22.742	348.469	28.938

See the accompanying notes to the financial statements.

Banco Industrial do Brasil S.A.

Statements of added value

Years ended December 31, 2014 and 2013 and semester ended December 31, 2014

(In thousands of Reais)

	Note	Parent company			Consolidated	
		Semester	Year		Year	
		2014	2014	2013	2014	2013
Income		202.369	342.503	266.217	344.092	267.673
Financial operations income		207.903	351.187	305.395	351.571	306.252
Service fee income		5.153	9.731	8.583	10.936	9.171
Allowance for doubtful loans- Reversal / (formation)	10	(8.100)	(16.217)	(48.411)	(16.217)	(48.411)
Other non operating income (expenses)	29	(2.587)	(2.198)	650	(2.198)	661
Financial operations expenses		(156.975)	(244.867)	(182.243)	(239.196)	(181.580)
Inputs acquired from third parties		6.637	20.088	14.093	12.476	13.540
Material, power and others	26	(7.919)	(12.511)	(12.406)	(12.728)	(13.769)
Third-party services	26	(2.157)	(6.372)	(4.846)	(6.495)	(5.003)
Other operating income (expenses)	28	16.713	38.971	31.345	31.699	32.312
Gross added value		52.031	117.724	98.067	117.372	99.633
Depreciation, amortization and depletion	26	(1.057)	(1.964)	(2.269)	(1.964)	(1.174)
Net added value produced by the entity		50.974	115.760	95.798	115.408	98.459
Transferred added value		(1.031)	(2.236)	1.145	(3)	-
Equity accounting results	15	(1.031)	(2.236)	1.145	-	-
Minority interests		-	-	-	(3)	-
Added value to be distributed		49.943	113.524	96.943	115.405	98.459
Distribution of added value		49.943	113.524	96.943	115.405	98.459
Personnel	25	24.778	47.507	44.232	48.470	45.603
Direct remuneration		20.291	32.773	30.019	33.416	30.950
Benefits		3.629	6.892	6.410	7.060	6.627
Payroll charges		858	7.842	7.803	7.994	8.026
Taxes, fees and contributions	19d, 27	8.136	24.802	18.130	25.660	18.188
Federal		7.615	23.782	17.323	24.807	17.337
Municipal		521	1.020	807	853	851
Remuneration of third-party capital	26	466	931	1.106	991	1.193
Rents		466	931	1.106	991	1.193
Remuneration of shareholders' equity	24c	16.563	40.284	33.475	40.284	33.475
Interest on shareholders' equity and dividends		13.700	22.700	22.000	22.700	22.000
Retained earnings		2.863	17.584	11.475	17.584	11.475

See the accompanying notes to the financial statements.

Notes to the financial statements

(In thousands of Reais)

1 Operations

Banco Industrial do Brasil S.A. (Bank) is a publicly-held joint-stock company in conformity with its registration granted by the Brazilian Securities Commission (CVM) on March 7, 2008. Up till the present date the Bank has not made an Initial Offer of Shares and consequently its shares are not traded on the stock exchange.

The Bank is organized in the form of a multi-service bank authorized to operate with: (i) commercial, (ii) investment, (iii) credit, financing and investment, (iv) foreign exchange and (v) leasing portfolios.

Its operations are conducted in the context of a group of institutions that operate in an integrated manner on the financial market, and certain transactions have the participation or intermediation of assocuated institutions, members of the financial system, whose activities include portfolios for management of investment funds, distribution and brokerage of foreign exchange and securities. The benefits of the services provided between these instutions and the costs of the operating and administrative framework are absorbed according to the practicality that is attributed to them, either jointly or individually.

2 Presentation and preparation of the financial statements

The individual financial statements of Banco Industrial do Brazil S.A. and the consolidated financial statements of Banco Industrial do Brazil S.A. and its subsidiaries have been prepared in accordance with the Corporation Law, and rules of the Central Bank of Brazil (BACEN) and the Brazilian Securities Commission (CVM), where applicable.

Authorization for the conclusion of these financial statements was given by Management on January 26, 2015.

a. Consolidated financial statements

The consolidated financial statements include Banco Industrial do Brasil S.A. and its subsidiaries listed below:

Corporate name	**Activity**	**Ownership (%)**	
		2014	**2013**
Direct interest			
Industrial do Brasil Distribuidora de Títulos e Valores Mobiliários Ltda.	Securities dealer	99.64	99.64
Monceau Consultadoria e Serviços Ltd.	Service provider	100.00	100.00
Industrial do Brasil Administração de Créditos Ltda.	Credit service provider	99.99	99.99

The accounting policies were applied uniformly in all the consolidated companies and are consistent with those used in previous periods.

b. Description of the main consolidation procedures

- Elimination of asset and liability account balances between the consolidated companies;
- Elimination of interests in the capital, reserves and retained earnings of the subsidiaries;
- Leasing operations are presented using the financial method (residual value)and the other accounts that comprise the calculation of the present value of leasing transactions were reclassified to "Leasing" in accordance with the information presented in Note 11;
- Reclassification of foreign exchange gains/losses on foreign investments to Other operating income (gains) or Other operating expenses (losses).
- Allocation of minority interests in the consolidated financial statements.

3 Description of significant accounting policies

The main criteria adopted for the preparation of the financial statements are as follows:

a. Statement of income

Income and expenses are recognized on the accrual basis.

b. Cash and cash equivalents

They are represented by cash in local currency, money market investments and interbank deposits that are used by the institution to manage its short-term commitments whose maturities are equal to or less than 90 days and which present an immaterial risk of change in fair value.

c. Accounting estimates

The preparation of financial statements in accordance with accounting practices adopted in Brazil requires that management uses its judgment in determining and recording accounting estimates. Significant assets and liabilities subject to these estimates and assumptions include the allowance for doubtful accounts, deferred income taxes, provision for contingencies and appreciation of derivative financial instruments. The settlement of transactions involving these estimates may result in amounts different from those estimated due to the lack of precision inherent to the process of their determination. The estimates and underlying assumptions are reviewed at least quarterly.

d. Foreign currency

Monetary assets and liabilities denominated in foreign currencies were translated into reais at the foreign exchange rate on the balance sheet date and the foreign exchange differences arising on translation were recognized in the statement of income for the period. For the subsidiary located abroad, assets and liabilities were translated into Reais at the exchange rate in force on the balance sheet date.

e. Current and non-current assets

- ***Short-term interbank investments***
  They are stated at the amount invested or purchased, plus income accrued up to the balance sheet date.

- ***Marketable securities and derivative financial instruments***
According to rules established by the Central Bank of Brazil, securities and derivative financial instruments are classified and evaluated as follows:

Marketable securities

(i) Securities held for trading - Bought for the purpose of being actively and frequently traded, they are adjusted to market value, computing the appreciation or depreciation, as corresponding entries against the corresponding income or expense in the income statement.

(ii) Securities available for sale - They are securities that are not classified as trading securities nor as securities held to maturity. They are adjusted to market value as corresponding entries against a separate account of shareholders' equity, less tax effects.

(iii) Securities held to maturity - Acquired with the intention and the financial ability to be held in portfolio until their maturity, they are valued at their cost of acquisition plus income earned as corresponding entries against the results for the period.

Derivative financial instruments
They are valued based on the market value and the resulting valuations and devaluations are recorded in the income statement for the period. However, in cases where the derivative financial instruments, in accordance with Circular 3,082/02 the Central Bank of Brazil, are classified as cash flow hedge, the aforementioned appreciation or depreciation is totally or partially recorded in a specific account in shareholders' equity, net of tax effects. Adjustments to market value shall not be recognized in the accounting only when the derivative financial instruments are contracted in connection with the raising or investing of funds in the terms of Circular 3,150/02 of the Central Bank of Brazil.

- ***Loans and allowance for doubtful loans***
Loans are classified in accordance with management's judgment with respect to the risk level, taking into consideration the economic situation, past experience and specific risks with respect to the loan, the borrowers and guarantors, observing the parameters established by CMN Resolution 2682/99, which requires periodic analyses of the portfolio and its classification into nine risk levels, where AA is a minimum risk and H is a loss. The earnings from loans overdue for more than 60 days, regardless of their risk level, will only be recognized as revenue when effectively received.

Loans classified as level H remain in this classification for six months when they are then written off against the existing provision and are controlled for five years in memorandum accounts, but are no longer presented in the balance sheets. Renegotiated loans are held at least at the same risk level in which they were classified. Renegotiations of loans which had already been written off against the provision and which were in memorandum accounts are classified as level H, and eventual gains resulting from renegotiation are only recognized as revenue when actually received.

Provisions for overdue receivables are calculated according to the classification of the loans held in the Bank's portfolio and assigned with co-obligation in one of the nine different risk levels (from AA to H). The rules of the National Monetary Council (CMN) determine the minimum provision for each classification level, from 0% (for cases of loans which are not overdue) to 100% (for loans that are more than 180 days overdue).

- ***Lease operations***
  Pursuant to the rules of the Central Bank, the accounting balances of leases, calculated in accordance with the provisions of Law 6099/74, are adjusted to the present value of the future flow of receipts from the respective contracts, taking as a basis the contractual rates. In the parent company's statement the difference obtained is recorded in fixed assets as excess or insufficient depreciation and the related tax effects are recognized.

- ***Other assets - Assets not for own use***
  They consist of assets and property available for sale, received as payments in kind on account of non-performing credits. They are adjusted to market value through the recognition of a provision, in accordance with the prevailing rules and regulations.

- ***Other assets - Prepaid expenses***
  They are basically represented by the commissions paid for the intermediation for granting of loans, which are deferred for the term of the contracts. If the loans are granted the respective commission is fully recognized in the income statement.

- ***Other current and non-current assets***
  Stated at cost, including, when applicable, the income, monetary gains (on a "pro rata" basis) and foreign exchange gains and the provisions for losses, when applicable.

f. Permanent assets

- ***Investments***
  Investments in subsidiaries, in the individual financial statements, are valued using the equity accounting method.

  The financial statements of foreign subsidiaries are adapted to the accounting principles in force in Brazil and translated into reais and their effects are recognized in the income statement for the period.

  Other investments are valued at cost of acquisition and are adjusted to market value through the recognition of a provision, when applicable.

  The certificate of a full non-equity member of BM&F Bovespa S.A. is valued at the equity value, informed by the respective stock exchange, and the tax incentives and other investments are stated at cost of acquisition, less a provision for loss, when applicable.

- ***Premises and equipment***
  Premises and equipment are stated at cost of acquisition and complemented by the revaluation of a subsidiary in 2007. Depreciation is calculated using the straight-line method at annual rates that consider the economic useful lives of the assets at the rates of 4%, 10% and 20% for property, equipment and other assets, respectively.

- ***Leased assets***
  Leased assets are stated at cost of acquisition. Depreciation is calculated using the straight-line basis over the useful life of the asset considering, when applicable, a decrease of 30% in this useful life, as determined by Ministry of Finance Ordinance 140/84.

- ***Deferred charges***
  Deferred charges from organization and expansion consist basically of improvements to third party properties and the acquisition and development of software, until December 3, 2008, when Circular Letter 3357 which restricted the recording of these amounts as Deferred Charges came into effect. They are recorded at cost of acquisition, with amortization at the rates of 10% and 20% per annum, respectively, which take into consideration the useful life of the intangible assets (term of validity of the contractual rights).

- ***Intangible assets***
  The expenses for software development are recorded at cost of acquisition and are amortized at the rate of 20% per year, and consider the useful life of these intangible assets.

g. Current and non-current liabilities

- ***Deposits and open market funds***
  They are stated at the amounts of the liabilities and take into consideration the charges due up to the balance sheet date, recognized on a daily pro-rata basis.

- ***Other current and non-current liabilities***
  They are stated at the known or estimated amounts, plus, when applicable, the corresponding charges and monetary and/or exchange variations incurred up to the balance sheet date.

h. Contingent assets and liabilities and legal obligations

Positive and negative contingencies and legal obligations are evaluated recognized and presented in accordance with the determinations established in CVM Resolution 594, which approved Technical Pronouncement CPC 25 of the Accounting Pronouncements Committee. In parallel, the abovementioned Technical Statement was approved by Brazilian Central Bank Resolution 3823 on December 16, 2009.

The assessment of the probability of loss of the contingencies is classified as Remote, Possible or Likely, based on the opinion of in-house or external lawyers, on the legal grounds of the cause, on the feasibility of producing proof, on the jurisprudence in question, on the possibility of appealing to higher courts and on the Bank's past experience. This is a subjective exercise, subject to the uncertainties of a prediction of future events. Accordingly, it is understood that the assessments are subject to frequent updating and changes.

- **Contingent liabilities** - They are recognized when the opinion of legal advisors assesses the likelihood of loss as probable. The cases with chances of loss classified as possible are only disclosed in a note (Note 22).

- **Legal obligations** - They are recognized and accrued in the balance sheet, regardless of the assessment of the chances of success in the course of judicial proceedings (Note 22).

i. Income tax and social contribution

Income tax and social contribution for the current and deferred period , are calculated at the rate of 15% plus a surcharge of 10% on taxable income in excess of R$ 240 thousand per year for income tax and 15% for social contribution , and consider the offsetting of tax loss carry forwards and negative basis of social contribution limited to 30% of taxable income.

Deferred tax assets arising from temporary differences were recorded at the rate of 25% for income tax and 15% for social contribution in accordance with Central Bank of Brazil Resolution 3059 of December 20, 2002 and the amendments introduced by Resolution 3355 of March 31, 2006 and CVM Instruction 371 of June 27, 2003, and take into consideration past profitability and expectations of generation of future taxable income based on technical feasibility studies.

j. Statements of added value

The Bank has prepared individual and consolidated statements of added value in the terms of CPC 09 - Statement of Added Value, which are presented as an integral part of these financial statements in conformity with BR GAAP applicable to publicly-held companies.

4 Cash and cash equivalents

	Parent company		Consolidated	
	2014	**2013**	**2014**	**2013**
Local currency	201	248	355	417
Foreign Currency	6,264	7,827	14,757	15,303
Total	6,465	8,075	15,112	15,720

5 Short-term interbank investments

a. Money market

	Parent company		Consolidated	
	2014	**2013**	**2014**	**2013**
Up to 30 days				
Own resources				
Financial Treasury Bills	68,020	-	68,020	-
National Treasury Bills	42,009	1,000	42,009	1,000
National Treasury Notes	500,146	260,098	500,146	260,098
Total	**610,175**	**261,098**	**610,175**	**261,098**

b. Interbank deposits

	Parent company and Consolidated	
	2014	**2013**
From 1 to 30 days	-	13,337
From 31 to 180 days	1,009	1,009
From 181 to 360 days	1,015	1,018
Total	**2,024**	**15,364**

c. Income from interbank funds applied

Classified in the income statement as a result of transactions with securities.

	Semester	Parent company		Consolidated	
	2014	**2014**	**2013**	**2014**	**2013**
Income from repurchase operations					
Own resources	40,321	63,007	24,105	63,007	24,105
Financed position	277	304	720	304	720
Subtotal	40,598	63,311	24,825	63,311	24,825
Income from interbank deposits	61	352	742	352	742
Total	40,659	63,663	25,567	63,663	25,567

6 Marketable securities

a. Description of procedures for classification and evaluation

Os títulos públicos e as debêntures estão classificados na categoria “disponíveis para a venda” e possuem seu valor de custo atualizado pelos rendimentos incorridos até a data do balanço e ajustado pelo valor de mercado, sendo esse ajuste lançado em conta específica do patrimônio líquido.

b. Diversification by type

	Parent company		Consolidated	
	2014	**2013**	**2014**	**2013**
Marketable securities	111.410	109.192	111.410	114.686
Own portfolio	67.078	23.229	67.078	28.723
National Treasury Bills - LTN	65,073	17.456	65.073	17.456
Debentures	2.005	-	2,005	-
Shares of publicly-held companies	-	5,773	-	11,267
Subject to repurchase commitments	32.393	74.217	32.393	74.217
National Treasury Bills - LTN	17,246	63.556	17.246	63.556
Debentures	15.147	10.661	15.147	10.661
Subject to guarantees provided:	11.939	11.746	11.939	11.746
National Treasury Bills - LTN	11,939	11.746	11.939	11.746
Total	111.410	109.192	111.410	114.686
Short-term portion	111.410	109.192	111.410	114.686
Long-term portion	-	-	-	-

Os títulos são escriturais e estão registrados no Sistema Especial de Liquidação e Custódia (Selic) e na Cetip SA Mercados Organizados.

c. Diversification by term

	Parent company		Consolidated	
	2014	**2013**	**2014**	**2013**
Due between 3 and 12 months	79.017	29.202	79.017	29.202
Falling due within 3 months	32.393	74.217	32.393	74.217
With no maturity	-	5.773	-	11,267
Total portfolio	111.410	109.192	111.410	114.686

d. Classification of the securities portfolio

	2014	
	Available for sale	
	Parent company	**Consolidated**
Letras do Tesouro Nacional - LTN	94,258	94.258
Debentures	17.152	17.152
Total portfolio	111.410	111.410

	2013	
	Available for sale	
	Parent company	**Consolidated**
Shares of publicly-held companies	5,773	11.267
National Treasury Bills - LTN	92,758	92.758
Debentures	10,661	10.661
Total portfolio	109,192	114.686

e. Market value of the securities

The updated cost values of the securities portfolio, compared to their respective fair values, are presented as follows:

	2014					
	Parent company			Consolidated		
	Updated cost value	Valor de mercado (i)	Mark-to-market	Updated cost value	Valor de mercado (i)	Mark-to-market
Securities						
Letras do Tesouro Nacional - LTN	94,737	94.258	(479)	94,737	94.258	(479)
Debentures	16.894	17.152	258	16.894	17.152	258
	111.631	111.410	(221)	111,631	111.410	(221)

	2013					
	Parent company			Consolidated		
	Updated cost value	Valor de mercado (i)	Mark-to-market	Updated cost value	Valor de mercado (i)	Mark-to-market
Securities						
Shares of publicly-held companies	296	5.773	5.477	509	11.267	10.758
National Treasury Bills - LTN	92,756	92.758	2	92.756	92.758	2
Debentures	10,071	10.661	590	10.071	10.661	590
	103.123	109.192	6.069	103.336	114.686	11.350

(i) O valor de mercado é apurado com base nos preços dos ativos divulgados por fontes externas, como Anbima, BM&F Bovespa S/A. e debentures.com.

f. Securities income

	Semester	Parent company		Consolidated	
	2014	**2014**	**2013**	**2014**	**2013**
Short-term interbank investments	40.659	63.663	25.567	63.663	25.567
Títulos de renda fixa	6.320	11.913	22.076	11.913	23.100
Variable income securities	-	6,357	112	12.021	231
Positive/negative adjustment to market value	211	(5.478)	(298)	(10.758)	(584)
Total	47.190	76.455	47.457	76.839	48.314

7 Derivative financial instruments

The Bank operates with derivative financial instruments for the purpose of hedging against market risk, which arise mainly from the fluctuations in the interest and exchange rates.

The management of the need for hedge is conducted based on the consolidated positions per currency. Accordingly, the positions of US dollars and reais are observed, subdivided into the various indexes (pre and long-term interest rate (TJLP)).

The derivative financial instruments used are necessarily of the highest liquidity, registered at BM&FBovespa SA, which are valued at market value, through daily adjustments.

The effectiveness of the hedge instruments is assured by the equilibrium of the price fluctuations of the derivative contracts and the market values of the objects of the hedge. Hedge instruments can be operated in periods different from the respective objects, for the purpose of seeking the instrument's best liquidity. There is a forecast for the need for renewal or contracting of new hedge operation, in those where the derivative financial instrument presents maturity prior to the maturity of the hedged item.

After the implementation of the policy of a floating exchange rate, the dollar portfolio is being managed so that there is a lower mismatch between term and possible financial volume. On the other hand, these derivative financial instruments that do not meet the classification of hedge, in accordance with parameters established in Central Bank Circular 3082/02, but which are used to hedge against risks inherent to fluctuations of prices and rates, i.e. to the overall risk exposure, are recorded in the accounting at market value, with the realized and unrealized gains and losses recognized directly in the Bank's income statement.

Risk management controls

The portfolios are controlled and consolidated by the Managerial Information Department, under management of the Administrative Board, which is responsible for verifying the market value of the derivative positions and of their respective hedge objects. This information is forwarded to the Finance Bureau and the Risk Management Department, which, in daily cash meetings, defines the best management of the Bank's different asset and liability portfolios, considering market and liquidity risks, providing the hedge instruments required in accordance with the policy previously established by the Management.

The uncovered positions are monitored constantly to check whether they are within the limits approved by the Market Risk Committee.

a. Position

Swaps

	Parent company and Consolidated			
	2014			
	Notional value	Curve Value - Assets	Amount of Value - Liabilities	Net value receivable
CDI vs. IGP-M (*)	5.592	6.203	(6.168)	35
Total	**5.592**	**6.203**	**(6.168)**	**35**

	Parent company and Consolidated			
	2013			
	Notional value	Curve Value - Assets	Amount of Value - Liabilities	Net value (payable)
CDI x IGP-M (*)	11,703	11.716	(11.736)	(20)
Total	**11.703**	**11.716**	**(11.736)**	**(20)**

Future Operations

	Parent company and Consolidated		Parent company and Consolidated	
	2014		2013	
	Value of principal		Value of principal	
	Posição position	Asset position	Asset position	Asset position
Futures market (*):				
Interest Rate - ID	-	763.543	-	1.177.074
Currency	125.682	-	59.482	-
	125.682	763.543	59.482	1.177.074

(*) These transactions are used to hedge against risks inherent to fluctuations in prices and rates - see Note 7e.

b. *Diversification by maturity*

Derivative financial instrument contracts are distributed at BM&F Bovespa SA in the following maturities:

	Parent company and Consolidated					
	2014					
	Up to 3 months	From 3 to 12 months	From 12 to 36 months	From 36 to 60 months	More than 60 months	Total
Swaps						
CDI vs. IGP-M	2	7	19	6	1	35
Futures market						
Long position	38.686	5.267	50.763	-	30.966	125.682
Short position	557.275	190.124	16.144	-	-	763.543

	Parent company and Consolidated					
	2013					
	Up to 3 months	**From 3 to 12 months**	**From 12 to 36 months**	**From 36 to 60 months**	**More than 60 months**	**Total**
Swaps						
CDI vs. IGP-M	1	9	6	3	1	20
Futures market						
Long position	34,522	-	-	-	24.960	59.482
Short position	810,885	263.516	102.673	-	-	1.177.074

The daily adjustments of the transactions on the future market are recorded as actual income or expense when incurred and represent their market value.

Futures and swap transactions are recorded in memorandum accounts at contract value or principal amount. These operations are performed within BM&F Bovespa S.A.

The amounts payable for swaps are recorded under "Derivative financial instruments".

c. *Types of margins offered as guarantee for derivative financial instruments*

Thetypes of margins offered as guarantee for derivative financial instruments are basically represented by:

	Parent company and Consolidated	
	2014	**2013**
National Treasury Bills	10,877	10,640
Letters of Guarantee	23,000	16,000
Total	33,877	26,640

d. *Results of derivative financial instruments*

The amounts of net income and expenses are as follows:

	Semester	Parent company and Consolidated	
	2014	**2014**	**2013**
Swaps	115	55	(20)
Futures contracts	14,590	6,835	1,535
Total	14,705	6,890	1,515

e. *Positions of financial instruments and risk sensitivity analysis*

CVM Instruction 475 of December 17, 2008 addresses the presentation of information about financial instruments, including hedging derivatives, which include the sensitivity analysis for each type of market risk considered relevant by the Management. This analysis included:

1. A situation considered likely by management that considered a deterioration of 1% in the risk variable (foreign exchange and interest rate), which was intended to show a certain stability.

2. A situation with deterioration of at least 25% (*) in the risk variable (foreign exchange and interest rate).

3. A situation with deterioration of at least 50% (*) in the risk variable (foreign exchange and interest rate).

(*) Percentages established in CVM Instruction 475 of December 17, 2008.

I - Table presenting the positions
We present below the derivative financial instruments outstanding at December 31, 2014 and the respective amounts of the portfolios hedged by these instruments:

Operation / Hedged portfolio	**Factor**	**Derivative financial instrument**	**Amount of hedged portfolio**	**Position (a)**
Hedge (*) - Debt in Foreign currency				
Foreign currency repass borrowings / Subordinated Debt	Exchange	125,682	(133,.665)	(7,.983)
Hedge (*) - Pre Banking	*Rate of*			
Loans	Interest	(763,543)	769,903	6,360
Total		(637,861)	636,238	(1,623)

(a) It refers to the net position between the book balances of the hedged portfolios and their derivative financial instruments, and does not represent the actual exposure in each of the operations, which have different maturities.

II - Illustrative Table of Sensitivity Analysis - Effect of the Changes in Fair Value

Operation	Risk	**Position at Dec 30, 2014**	Scenario I *1% deterioration*	Scenario II *25% deterioration*	Scenario III *50% deterioration*
Currency hedge Debt in Foreign Currency	Derivative (risk of fall in US$)	125.682.384	(86)	(2.145)	(4.290)
	Debt (risk of increase in US$)	(133.665.061)	141	3.531	7.062
	Net effect	(7.982.677)	55	1.386	2.772
Hedge Trading PRE Assets in R$	Derivatives (risk of fall in Selic)	-	-	-	-
	Securities + CDI (risk of increase in Selic)	-	-	-	-
	Net effect	-	-	-	-
Hedge Banking PRE Assets in R$	Derivatives (risk of fall in Selic)	(694.328.531)	92	2.305	4.610
	Receivables (risk of increase in Selic)	769.902.720	(734)	(18.351)	(36.703)
	Net effect	75.574.189	(642)	(16.046)	(32.093)
	Net Effect TOTAL	67.591.512	(587)	(14.660)	(29.321)

II - Illustrative Table of Sensitivity Analysis - Effect of the Changes in Fair Value - CONSOLIDATED

Operation	Risk	MTM Net exposure	Scenario I *1% deterioration*	Scenario II *25% deterioration*	Scenario III *50% deterioration*
Book exchange rate	Fall in foreign currency	(7.982.677)	55	1.386	2.772
Book Pre	High of the CDI	69.302.917	(555)	(13.887)	(27.774)
Book Index	Null (Post)	2.673.863	Null	Null	Null
	Net Effect TOTAL	63.994.103	(500)	(12.501)	(25.002)

(*) As mentioned previously, although these operations are used to hedge against risks inherent to fluctuations in prices and rates, they are not recorded in the accounting as such as they did not comply with the parameters defined in Central Bank Circular 3082/02.

8 Interbank accounts - Term deposits

Breakdown of the balance

The balance of term deposits was presented as follows:

	Parent company and Consolidated	
	2014	**2013**
Reserve requirements on demand deposits	265	649
Proceeds from Micro credits	-	325
Total in the short-term	265	974

9 Loans, leases, advances on foreign exchange contracts, endorsements and guarantees and operations for purchasing assets (consolidated)

a. Diversification by product

	Parent company and Consolidated	
	2014	**2013**
Private sector		
Resolution 63	2,572	2,773
Guaranteed accounts	242,634	290,562
Financing in foreign currencies	18,326	13,798
Acquisition of credit rights (*)	302	5,972
Cashing of drafts	111	14
BNDES	-	428
Working capital	634.208	525,641
Unified Health System - SUS	34,724	47,912
Direct consumer credit	227,064	234,942
Leasing (at present value)	-	315
Endorsements and guarantees	205,558	165,685
FINAME	46,340	56,116
Other receivable:		
Advances on export contracts (**)	147,506	156,734
Purchase of assets receivable	2,609	1,701
Income receivable from advances granted (**)	3,875	5,434
Purchase of assets (***)	263,155	303,636
Total before allowance for loan losses and loan assignments	1,828,984	1,811,663
Assignment of receivables with co-obligation	-	(4)
Total before allowance for doubtful accounts	1,828,984	1,811,659
Provision for doubtful accounts	(21,433)	(52,407)
Total	1,807,551	1,759,252
Short-term portion	1,422,707	1,425,723
Long-term portion	384,844	333,529

(*) Transactions with co-obligation made with other financial institutions.

(**) Advances on exchange contracts are recorded as "Other Liabilities - Foreign Exchange Portfolio" and rents receivable from advances arerecorded in "Other receivable - Exchange portfolio" (see Note 12).

(***)It refers to the acquisition of credit rights without co-obligation with respect to commercial sales and purchases, where the income earned is recorded under other operating income. This operation is valued by the requirements reported in CMN Resolution 2682/99.

Loans invariably have guarantees of endorsements, sureties, mortgages, liens on vehicles, properties and other assets, trade notes, commercial pledges etc.. In the BNDES, FINAME and leasing transactions the guarantees are the goods that are the objects of the contracts.

b. Diversification by activity

	Parent company and Consolidated	
	2014	**2013**
Private sector		
Industry	382,047	542,516
Commerce	346,113	158,079
Financial middlemen	25,242	6,157
Services	749,049	862,153
Individuals	326,533	242,758
Total before the assignment	1,828,984	1,811,663
Assignment of receivables with co-obligation	-	(4)
Total portfolio	1,828,984	1,811,659

c. Diversification by term

	Parent company and Consolidated	
	2014	**2013**
Private sector		
Falling due in more than 60 months	26,818	26,942
Falling due between 36 and 60 months	68,862	63,577
Falling due between 12 and 36 months	293,978	255,928
Falling due between 3 and 12 months	610,788	532,802
Falling due within 3 months	803,352	866,882
Payments overdue:	25,186	65,532
Total before the assignment	1,828,984	1,811,663
Assignment of receivables with co-obligation	-	(4)
Total portfolio	1,828,984	1,811,659

d. Credit assignments

In the years ended December 31, 2013 and 2014 no credit assignments were made.

e. Credit concentration

	2014		2013	
	Risk	**% of total**	**Risk**	**% of total**
Largest debtor	35,629	1.94%	33,664	2.05%
10 largest debtors	248,163	13.57%	244,684	14.87%
20 largest debtors	386,202	21,12%	358,383	21,77%
50 largest debtors	607,524	33,22%	539,365	32,77%
100 largest debtors	790,322	43,21%	680,917	41,37%

f. Income from loans

	Semester	Parent company and Consolidated	
	2014	**2014**	**2013**
Loans			
Income from loans	95,527	185,851	173,417
Income from discounted drafts	4	5	563
Income from financing	9,015	16,348	19,568
Recovery of credits written off as loss	2,019	10,203	2,916
Total income from loans	106,565	212,407	196,464
Leasing operations			
Income	618	5,531	1,158
Expenses	(618)	(5,527)	(1,095)
Total leasing	-	4	63

10 Provision for doubtful accounts

The changes in the allowance for doubtful loans were as follows:

	Semester	Parent company and Consolidated	
	2014	**2014**	**2013**
Balance at the beginning of the period	(19,659)	(52,407)	(18,163)
Formation of provisions	(10,024)	(18,141)	(48,969)
Reversal of provisions	1,008	1,008	558
Net formation	(9,016)	(17,133)	(48,411)
Write-off to loss	7,242	48,107	14,173
Provision / Reversal on assigned portfolio allocated to liabilities (a)	-	-	(6)
Balance at the end of the period	(21,433)	(21,433)	(52,407)

(a) Reversal of provision for doubtful accounts on loans granted with co-obligation in the amount of R$ 6 for 2013.

We present below the breakdown of the portfolio by risk levels:

Parent company and Consolidated

2014

		Total loans			Provision for doubtful accounts
Level of Risk	**Level of provisioning (%)**	**Performing loans**	**Delay**	**Total**	**Total**
AA	0.0	753,317		753,317	
A	0.5	822,085		822,085	4,110
B	1.0	194,763	3,597	198,360	1,984
C	3.0	19,795	1,974	21,769	653
D	10.0	6,337	1,074	7,411	741
E	30.0	1,466	11,920	13,386	4,016
F	50.0	1,455	941	2,396	1,198
G	70.0	4,513	582	5,095	3,566
H	100.0	67	5,098	5,165	5,165
Total portfolio		1,803,798	25,186	1,828,984	21,433

Parent company and Consolidated

2013

		Total loans			Provision for doubtful accounts
Level of Risk	**Level of provisioning (%)**	**Performing loans**	**Delay**	**Total**	**Total**
AA	0.0	775,815		775,815	
A	0.5	898,082		898,082	4,490
B	1.0	45,199	3,896	49,095	491
C	3.0	11,813	10,737	22,550	676
D	10.0	13,817	3,863	17,680	1,768
E	30.0	939	2,557	3,496	1,049
F	50.0	22	1,168	1,190	595
G	70.0	394	982	1,376	963
H	100.0	46	42,329	42,375	42,375
Total of the non-assigned portfolio		1,746,127	65,532	1,811,659	52,407
Credits assigned with co-obligation				4	-
Total portfolio before the assignment				1,811,663	

Loans were recovered in the amount of R$ 2,019 in the 2nd semester and R$ 10,203 in fiscal year 2014 (R$ 2,916 in 2013). Loans were renegotiated in the amount of R$ 2,430 in 2014 (R$ 1,974 in 2013).

11 Leasing (Parent company)

The value of lease contracts is represented by their respective present value calculated based on the internal rate of return of each contract. These amounts, in compliance with the rules of the Central Bank of Brazil, are presented in various equity accounts, which are summarized as follows:

	2014	2013
Lease receivables	-	45
Unearned lease income	-	(45)
Leased assets	-	5,540
Excess of depreciation	-	5,527
Accumulated depreciation	-	(5,540)
Anticipated residual value	-	(5,212)
Present value of the lease contracts	**-**	**315**

In compliance with the accounting guidelines established by Central Bank Circular No. 1.429/1989 and aiming at sharing specific accounting practices, the present value of the flows receivable from the leases was calculated using the internal rate of return of each contract. The adjustment is recognized under Shortage of or Excess Depreciation, as offsetting entries against income. In the consolidated statements the amounts of these operations are reclassified as described in note 17.

The Bank recorded a provision for shortage of depreciation in the amount of R$ 618 in the 2nd semester and R$ 5,527 in 2014, classified as leasing income (excess of R$ 519 in 2013), equivalent to the adjustment to actual present value of future flows of the leasing portfolio, calculated based on the implicit rates of return of each operation.

The leases receivable are guaranteed by the assets that are the object of leasing, and the contracts contain a mandatory insurance clause in favor of the lessor.

12 Foreign exchange portfolio

	Parent company and Consolidated	
	2014	**2013**
Assets - Other receivable		
Unsettled purchased exchange	165,714	170,782
Rights on sale of exchange	1,388	232
(-) Advances received in local currency	(797)	(103)
Income receivable	3,874	5,434
	170,179	176,345
Liabilities - Other liabilities		
Unsettled sold exchange	1,402	231
Liabilities for exchange purchases	148,189	156,841
Advances on foreign exchange contracts - LA	(146,115)	(153,463)
Advances on foreign exchange contracts - LE	(1,391)	(3,271)
	2,085	338

	Semester	**Parent company and Consolidated**	
Trade finance and foreign exchange income	**2014**	**2014**	**2013**
Exchange income	44,607	79,929	87,475
Exchange expenses	(5,782)	(30,025)	(28,674)
Total	38,825	49,904	58,801

The responsibilities for loans signed for importing in the amount of R$ 21,434 at December 2014 (R$ 16,025 in 2013), are recorded in memorandum accounts.

13 Other receivables

	Parent Company		Consolidated	
	2014	**2013**	**2014**	**2013**
Foreign exchange portfolio	170,179	176,345	170,179	176,345
Income receivable (*)	1,752	1,562	378	350
Securities clearing accounts	-	377	-	377
Deferred tax assets (Note 19)	24,458	36,290	24,458	36,290
Purchase of assets receivable	2,609	1,701	2,609	1,701
Guarantee deposits receivable	55,900	50,643	55,900	50,643
Recoverable income tax	4,169	10,864	4,633	10,997
Tax incentives options	271	271	271	271
Purchase of assets receivable (**)	263,155	303,636	263,155	303,636
Other debtors - Domestic / Foreign	4,010	16,734	4,023	16,840
Advances for payments of suppliers	2,061	5,285	2,061	5,288
Other	949	2,104	1,103	5,954
(-) Allowance for doubtful receivable (Note 10)	(4,674)	(2,628)	(4,674)	(2,628)
TOTAL	524,839	603,184	524,096	606,064
Short-term portion	495,382	564,093	494,639	566,973
Long-term portion	29,457	39,091	29,457	39,091

(*) It refers to the amount receivable for the decrease in capital in the subsidiary Monceau Consultadoria e Serviços Ltd. (See Note 15.) The funds will be internalized at the time when the Central Bank approves the process for opening of the foreign branch.

(**) It refers to the acquisition of credit rights without co-obligation with respect to commercial sales and purchases, where the income earned is recorded under other operating income. This operation is valued with the same requirements reported in CMN Resolution 2682/99 with provision recorded for R$ 1,280 in 2014 and R$ 1,863 in 2013.

14 Other assets

a. Assets not for own use

	Parent company and Consolidated	
	2014	**2013**
Real estate properties	13,557	7,835
Vehicles	4,999	5,449
Machinery and equipment	-	3,101
Total	18,556	16,385

b. Prepaid expenses

	Parent company and Consolidated	
	2014	**2013**
Commission and Awards	44	37
Prepaid expenses (i)	6,538	8,270
Total	6,582	8,307

(i) They are basically represented by the commissions paid for the intermediation for granting of loans, which are deferred for the term of the contracts. If the loans are granted the respective commission is fully recognized in the income statement.

15 Interests in subsidiaries

	2014 Semester			
Information on Investments	**D.T.V.M**	**Monceau**	**IB Adm. Créditos**	**Total**
Paid in Capital	4,116	2,609	1,483	
Shareholders' equity	7,797	5,010	264	
Profit / Loss for the semester	396	(1,950)	4	
Quotas	683,500	5,031,674	1,482,436	
Ownership percentage - %	99,64	100,00	99,99	
Equity in earnings of subsidiaries	394	(**) (1,429)	4	(1,031)
Book Value of Investments	7,866	5,010	264	13,140
Operations in Subsidiaries (*)				
Assets :				
Cash and cash equivalents	99	-	178	277
Interbank deposits	9,827	-	-	9,827
Marketable Securities	-	-	255	255
Liabilities:				
Accounts payable	-	1,374	-	1,374
Income:				
Securities Income	514	-	5	519
Service fee income	280	-	815	1,095

	2014			
Information on Investments	**D.T.V.M**	**Monceau**	**IB Adm. Créditos**	**Total**
Paid in Capital	4,116	2,609	1,483	
Shareholders' equity	7,797	5,010	264	
Net income/loss for the year	917	(3,293)	(111)	
Quotas	683,500	5,031,674	1,482,436	
Ownership percentage - %	99.64	100.00	99.99	
Equity in earnings of subsidiaries	914	(**) (3,039)	(111)	(2,236)
Book Value of Investments	7,866	5,010	264	13,140
Operations in Subsidiaries (*)				
Assets :				
Cash and cash equivalents	99	-	178	277
Interbank deposits	9,827	-	-	9,827
Marketable Securities	-	-	255	255
Liabilities:				
Accounts payable	-	1,374	-	1,374
Income:				
Securities Income	836	-	9	845
Service fee income	560	-	1,206	1,766

	2013			
Information on Investments	**D.T.V.M**	**Monceau**	**IB Adm. Créditos**	**Total**
Paid in Capital	4,116	2,301	1,483	
Shareholders' equity	6,978	8,048	376	
Net income/loss for the year	(13)	465	(328)	
Quotas	683,500	5,031,674	1,482,436	
Ownership percentage - %	99.64	100.00	99.99	
Equity in earnings of subsidiaries	(13)	(**) 1,486	(328)	1,145
Book Value of Investments	6,952	8,048	376	15,376
Operations in Subsidiaries (*)				
Assets :				
Cash and cash equivalents	81	-	4	85
Interbank deposits	3,411	-	-	3,411
Marketable Securities	-	-	234	234
Liabilities:				
Accounts payable	-	1,212	-	1,212
Income:				
Securities Income	258	-	45	303
Service fee income	360	-	552	912

(*) Operations conducted under market conditions, considering the absence of risk.

(**) The equity income includes exchange gains in the amount of R$ 521 in the second semester and R$ 254 in 2014 (R$ 1,022 in 2013).

16 Premises and equipment

		Parent company/Consolidated			
		2014		2013	
Other investments in fixed assets	**Annual rate of depreciation (%)**	**Cost of acquisition**	**Accumulated Depreciation**	**Cost of acquisition**	**Accumulated Depreciation**
Real estate properties					
Land	-	21,559		21,559	
Buildings	4	6,033	(2,473)	6,033	(2,232)
Subtotal		**27,592**	**(2,473)**	**27,592**	**(2,232)**
Furniture and equipment	10	1,394	(1,065)	1,264	(1.004)
Communication system	20	342	(236)	342	(232)
Data processing system	20	2,678	(2,243)	2,412	(2,113)
Security system	10	40	(40)	40	(39)
Aircrafts / Vehicles	20	11,229	(1,083)	691	(124)
Subtotal		**15,683**	**(4,667)**	**4,749**	**(3,512)**
Total		**43,275**	**(7,140)**	**32,341**	**(5,744)**

17 Leased assets (Parent company)

	Annual rate of depreciation (%)	**2014**	**2013**
Vehicles and similar	20	-	5,540
Accumulated depreciation	-	-	(5,540)
Excess of depreciation	-	-	5,527
Total		-	5,527

The accounting item Leased Assets is one of the accounts that comprise the calculation of the present value of leasing operations, which are reclassified to "Leases" in Consolidated (see Note 11).

18 Deferred / Intangible

		Deferred - Parent Company / consolidated			
		2014		2013	
	Annual rate of Amortization (%)	**Cost of acquisition**	**Accumulated Depreciation**	**Cost of acquisition**	**Accumulated Depreciation**
Leasehold improvements	20	2,987	(2,862)	2,987	(2,805)
Total		**2,987**	**(2,862)**	**2,987**	**(2,805)**

Intangible -Parent Company / consolidated

		2014		2013	
	Annual rate of Amortization (%)	**Cost of acquisition**	**Accumulated Depreciation**	**Cost of acquisition**	**Accumulated Depreciation**
Intangible assets - software	20	2,953	(2,075)	2,953	(1,563)
Total		**2,953**	**(2,075)**	**2,953**	**(1,563)**

19 Deferred tax assets - parent company and consolidated

The Bank and its subsidiaries adopt procedures for recognizing Income Tax (IR) and social contribution (CS) credits on temporary differences, tax loss carry forwards and negative basis of social contribution, based on the prevailing rates of 25% and 15% respectively. On December 31, 2014 and 2013, there were no tax credits beyond those demonstrated in the table below.

a. Nature and origin of deferred tax assets

	2014			2013		
	Income Tax	**Social Contribution**	**Total**	**Income Tax**	**Social Contribution**	**Total**
Temporary differences:						
Allowance for doubtful accounts	6,469	3,881	10,350	14,727	8,836	23,563
Mark-to-market of papers	55	33	88	-	-	-
Contingent liabilities	9,119	4,901	14,020	8,311	4,416	12,727
Total	15,643	8,815	24,458	23,038	13,252	36,290

b. Expectations of realization

Based on a technical study prepared by Management, the expectations for realization of the deferred tax assets at December 31, 2014 is as follows:

Years	**Expectation of realization by year**	**Present value (i)**
2015	3,967	3,537
2016	2,391	1,901
2017	2,713	1,923
2018	1,367	864
2017 (ii)	14,020	7,902
	24,458	16,127

(i) To deduct the deferred tax assets to the present value the ID rate of December 31, 2014 (0.96% per month) was used.

(ii) Estimate for closing of the judicial process that gave rise to the provision for tax contingencies as described in Note 22.

c. Changes in deferred tax assets in the period

	2014	2013
Balance at the beginning of the year	36,290	22,659
Formation in the year	8,234	19,601
Reversal / realization in the year	(20,066)	(5,970)
Balance at the end of the year	24,458	36,290
Representativeness of deferred tax assets over net equity (%)	5,19%	7,99%

d. Expense for income tax (IR) and social contribution (CS) - Parent Company (accumulated)

	2014		2013	
	Income Tax	**Social Contribution**	**Income Tax**	**Social Contribution**
Net income before taxation	53,251	53,251	40,092	40,092
Interest paid on shareholders' equity	(22,700)	(22,700)	(22,000)	(22,000)
Net income before income tax and social contribution	30,551	30,551	18,092	18,092
Additions/exclusions	(16,271)	(21,736)	33,544	34,010
Profit obtained abroad	-	-	465	465
Equity accounting result	2,236	2,236	(1,145)	(1,145)
Loans written off as loss	(50,169)	(50,169)	(14,924)	(14,924)
Excess/shortfall of depreciation	5,527	-	(518)	-
Provision for doubtful accounts	17,133	17,133	48,411	48,411
Provision for tax risks - Law 9718/98	84	84	95	95
Mark to market of securities and derivatives	5,479	5,479	298	298
Civil and labor contingent liabilities	3,148	3,148	655	655
Donations	114	114	104	104
Other inclusions/exclusions	177	239	103	51
Calculation basis	14,280	8,815	51,636	52,102
Charges at the rates of 15% (IR) and 15% (CS)	2,142	1,322	7,745	7,815
Income tax surcharge at 10% on the portion amount in excess of R$ 240	1,404		5,140	
Tax incentives	(241)	-	(430)	-
Income tax/social contribution	3,305	1,322	12,455	7,815
Deferred income tax	(2,770)	(823)	21	(57)
Income tax/social contribution	535	499	12,476	7,758
Realization (formation) of deferred tax assets	7,450	4,483	(8,520)	(5,097)

20 Raising of capital

a. Diversification by product

	Parent Company		Consolidated	
	2014	**2013**	**2014**	**2013**
Demand deposits	37,674	39,922	37,397	39,837
Interbank deposits	127,510	114,560	117,683	111,149
Term deposits	937,987	629,856	937,732	629,622
Money market repurchase commitment (*)	32,096	73,431	32,096	73,431
Acceptances and endorsements (**)	456,949	485,471	456,949	485,471
Trade Finance	203,578	189,487	203,578	189,487
Domestic repass borrowings	47,185	56,465	47,185	56,465
Foreign currency repass borrowings (***)	80,498	-	80,498	-
Subordinated debts (****)	40,729	71,501	40,729	71,501
Total	1,964,206	1,660,693	1,953,847	1,656,963

(*) The repurchase commitments for securities at fixed prices, with settlement on January 1, 2015 and March 31, 2015, are backed by National Treasury Bills (LTN) maturing mot later than October 1, 2015 in the amount of R$ 17,246 and Debentures maturing not later than July 1, 2016 in the amount of R$ 15,147.

(**) Raising of funds via Treasury bills R$ 347,843 and Real Estate Credit Bills R$ 109,106.

(***) On December 30, 2010, Banco Industrial subscribed to a line of credit with IFC International Finance Corporation of up to US$ 60 million with a term of payment in up to 5 years whose amount at December 31, 204 is R$ 80,498.

(****) On 8 January 2007, Banco Industrial signed with DEG - Deustsche Investions Und Entwicklungsgesellschaft MBH a subordinated long-term loan - 10 years - in the amount of US$ 15 million, indexed to the LIBOR + 4.41% p.a. DEG is a wholly owned subsidiary of KFW - Kreditanstalt fur Wiederaufbau with its head office in Germany. On January 28, 2008, the Central Bank of Brazil approved the classification of the aforementioned transaction as a Subordinated Debt in accordance with Resolution 2,837. Accordingly, the US$ 15 million can be considered as additional Tier II capital, increasing the Net Equity of Banco Industrial do Brasil S/A by R$ 16,291 at December 31, 2014. On August 26, 2013 we received a new subordinated loan in the amount of US$ 15 million maturing in 8 years, indexed to the LIBOR + 5.47% p.a. The use of new funds as additional Tier II capital is pending approval by the Central Bank of Brazil. These contracts require the maintenance of minimum financial ratios (financial covenants), which are monitored quarterly.

b. Diversification by term

	Parent company		Consolidated	
	2014	**2013**	**2014**	**2013**
Falling due in more than 60 months	46,022	43,652	46,022	43,652
Falling due between 36 and 60 months	6,039	41,574	6,039	41,574
Falling due between 12 and 36 months	346,665	372,908	339,805	369,263
Falling due between 3 and 12 months	603,699	599,459	600,477	599,459
Falling due within 3 months	924,107	563,178	924,107	563,178
With no maturity	37,674	39,922	37,397	39,837
Total	1,964,206	1,660,693	1,953,847	1,656,963

c. Expenses for funding, loans, assignments and onlending

	Semester	Parent company		Consolidated	
	2014	**2014**	**2013**	**2014**	**2013**
Deposits, money market and interbank funds					
Interbank deposits	8,772	15,161	10,143	14,325	9,885
Time deposits	52,588	90,645	57,114	90,077	56,709
Money market repurchase commitments	3,460	5,267	11,893	5,267	11,893
Other	29,037	56,547	39,319	56,547	39,319
Total	93,857	167,620	118,469	166,216	117,806
Domestic onlending	1,100	1,871	1,545	1,871	1,545
Foreign currency onlending	23,275	23,275	8,328	19,008	8,328
Expenses from liabilities with foreign bankers	38,125	46,574	52,806	46,574	52,806
Total	62,500	71,720	62,679	67,453	62,679

d. DPGE - Resolution 3692

The Bank raised funds in DPGE (Time Deposits with Special Guarantees) established by CMN Resolution 3692 of March 26, 2009 in the amount of R$ 79 million at a rate of up to 105.5% of the CDI, for the period up till April 2016. At December 31, 2014, the balance of these operations is R$ 86,506, recorded as "Time deposits".

21 Borrowings and onlending

a. Foreign currency trade finance borrowings

They basically comprise financing of imports with letters of credit, falling due up till September 2015.

b. Domestic onlending

It refers to transfers of funds from BNDES and FINAME, maturing in October 2023, and restated by the long-term interest rate (TJLP).

c. Foreign currency onlending

- ***Trade Finance - Limits with Multilateral Organizations***

  In September 2006 Banco Industrial signed with the IDB (Inter-American Development Bank) a contract through which the IDB extends to Banco Industrial Bank do Brasil S.A. a line with an initial value of US$ 6 million for Trade Finance operations for a period of up to 3 years guaranteed by the Trade Finance Facilitation Program. This line was increased to US$ 20 million in April 2010. In November 2009, Banco Industrial signed with IFC (International Finance Corporation), the financing arm for the private sector of the World Bank, a line with an initial value of US$ 10 million, increased to US$ 30 million in April 2012, under the guarantee of the Global Trade Finance Program.

- ***IFC - International Finance Corporation***
  In March 2014 the Industrial Bank raised funds of US$ 15 million for three years through a loan. These funds will be directed towards companies that have participation of women in their management.

22 Provisions, liabilities, positive and negative contingencies

The Bank and its subsidiary are parties to judicial and administrative proceedings in various courts and government agencies, arising from the normal course of their operations, involving tax, labor, civil and other issues.

a. Negative contingencies and legal liabilities:

The provisions recognized for accounting purposes are represented by: (i) Labor Suits aiming at recognition of labor rights such as overtime and ancillary allowances, among others, and (ii) tax and social security - a provision for tax risks represented by processes where the constitutionality or legality of various taxes and contributions is being challenged. When required by law, deposits are made in court, presented under "Other receivable - Guarantee deposits receivable".

There are 20 cases of labor grievances and 1,691 civil claims classified as possible by our legal advisors.

The Bank and its subsidiaries, based on the opinion of its legal advisors, does not expect to incur losses on the outcome of these processes, beyond those already recorded as provisions.

b. Breakdown of the provisions

Based on information from its legal advisers, an analysis of the pending legal proceedings and previous experience with respect to amounts claimed, Management recorded a provision in an amount considered sufficient to cover the estimated losses from the lawsuits in progress, as follows:

	Parent company	
	2014	**2013**
Provision for tax risks (*)	37,610	35,244
Contingent liabilities	12,070	8,006
Civil (**)	7,462	7,057
Labor	3,692	949
Other liabilities	916	-
	49,680	**43,250**

	Consolidated	
	2014	**2013**
Provision for tax risks (*)	37,610	35,244
Contingent liabilities	12,351	8,093
Civil (**)	7,462	7,057
Labor	3,973	1,036
Other liabilities	916	-
	49,961	**43,337**

(*) Contingent liabilities recorded under "Taxes and Social Security": include the criteria for determining the calculation basis of PIS and COFINS; and the increase in rates of social contribution, among others.

(**) It represents the Bank's historical loss with respect to the outstanding lawsuits. Legal questioning on indexation of contracts among others. The provision is made by taking as basis the actual disbursement of agreements entered into historically.

c. Changes in the provisions

	Parent company				
	2013	**2014**			
	Closing Balance	**Addition to the provision**	**Use/ Reversal**	**SELIC restatement**	**Closing balance**
Provision for tax risks	35,244	84	-	2,282	37,610
Contingent liabilities:	8,006	4,064	-	-	12,070
Civil	7,057	405	-	-	7,462
Labor	949	2,743	-	-	3,692
Other liabilities	-	916	-	-	916
Total provision	**43,250**	**4,148**	**-**	**2,282**	**49,680**

	Consolidated				
	2013	**2014**			
	Closing Balance	**Addition to the provision**	**Use/ Reversal**	**SELIC restatement**	**Closing Balance**
Provision for tax risks	35,244	84	-	2,282	37,610
Contingent liabilities:	8,093	4,258	-	-	12,351
Civil	7,057	405	-	-	7,462
Labor	1,036	2,937	-	-	3,973
Other liabilities	-	916			916
Total provision	**43,337**	**4,342**	**-**	**2,282**	**49,961**

	Parent company				
	2012	**2013**			
	Opening Final	**Addition to the provision**	**Use/ Reversal**	**SELIC restatement**	**Closing Balance**
Provision for tax risks	33,412	95	-	1,737	35,244
Contingent liabilities:	7,351	655	-	-	8,006
Civil	6,711	346	-	-	7,057
Labor	640	309	-	-	949
Total provision	**40,763**	**750**	**-**	**1,737**	**43,250**

	Consolidated				
	2012	**2013**			
	Closing Balance	**Addition to the provision**	**Use/ Reversal**	**SELIC SELIC rate**	**Closing Balance**
Provision for tax risks	33,412	95	-	1,737	35,244
Contingent liabilities:	7,903	655	465	-	8,093
Civil	6,711	346	-	-	7,057
Labor	1,192	309	465	-	1,036
Total provision	**41,315**	**750**	**465**	**1,737**	**43,337**

23 Other liabilities

	Parent company		Consolidated	
	2014	**2013**	**2014**	**2013**
Payment and collection of taxes	498	248	498	248
Exchange Portfolio (Note 12)	2,085	338	2,085	338
Due to Shareholders	11,807	58	11,807	58
Taxes payable	45,048	61,438	47,546	63,620
Taxes payable on profits	4,628	20,270	7,056	20,293
Taxes payable	2,810	2,115	2,880	2,162
Provision for deferred income-tax	-	3,809	-	5,921
Provision for tax risks (Note 22)	37,610	35,244	37,610	35,244
due in connection with securities dealing	1,986	-	1,986	-
Creditors through prepayment of residual values (Note 11)	-	5,212	-	-
Provision for payments to be made	4,534	1,948	4,552	2,019
Provision for contingent liabilities (Note 22)	12,070	8,006	12,351	8,093
Subordinated debts (Note 20)	40,729	71,501	40,729	71,501
Other creditors - Brazil / abroad (*)	612	1,897	4,101	4,800
Other	7	509	7	509
Total	119,376	151,155	125,662	151,186
Short term portion	79,612	77,222	85,898	75,141
Long-term portion	39,764	73,933	39,764	76,045

(*) In the Consolidated Balance Sheet the balance of deferred income was reclassified to Other Creditors Brazil in December 2014 and 2013 (R$1,192 and R$ 896 respectively).

24 Equity

a. Capital

The Bank's fully paid-in capital is represented by registered shares with no par value, where 113,735,909 are common shares and 57,581,392 are preferred shares. Shareholders are assured a minimum dividend of 25% on the adjusted net income pursuant to the legislation in force.

b. Reserves

Profit reserve - Legal reserve

The legal reserve is recorded in accordance with the prevailing law by the allocation of 5% of net income for the period, limited to 20% of the realized capital, or 30% of the capital plus capital reserves.

Profit retention - Statutory reserves

The statute of Banco Industrial establishes the allocation of reserves and the disposition of the statutory bodies, for future investments with the portion of profits not distributed to shareholders.

c. Dividends

Shareholders are assured a minimum dividend of 25% on the adjusted net income pursuant to the legislation in force.

During 2014, the Bank paid interest on shareholders' equity to its shareholders, calculated on the equity accounts, based on the variation of the long-term interest rate (TJLP), pursuant to Law ° 9249, of December 26, 1995, in the amount of R$ 22,700 (R$ 22,000 distributed in 2013).

25 Personnel expenses

	Semester	**Parent company**		**Consolidated**	
	2014	**2014**	**2013**	**2014**	**2013**
Salaries and wages	14,643	27,914	25,711	28,556	26,473
Benefits (i)	3,630	6,892	6,410	7,061	6,627
Payroll charges	4,006	7,843	7,685	7,994	7,908
Fees - Executive officers and Board of Directors	2,380	4,617	4,189	4,618	4,358
Other	119	241	237	241	237
Total	**24,778**	**47,507**	**44,232**	**48,470**	**45,603**

(i) It includes the following benefits: medical care, food allowance and transport vouchers, among others.

26 Other administrative expenses

Administrative expenses	Semester	Parent company		Consolidated	
	2014	2014	2013	2014	2013
Water, electricity and gas	191	380	361	387	370
Rents	466	931	1,106	991	1,193
Leasing of assets	-	210	2,412	210	2,412
Communications	1,227	2,301	2,281	2,344	2,343
Maintenance and upkeep of assets	641	1,423	1,104	1,425	1,103
Material	192	398	313	402	319
Data Processing	2,444	4,904	3,904	5,019	4,033
Promotions and public relations	547	961	906	976	918
Publications	1	2	3	10	12
Insurance	44	44	160	44	160
Financial system services	347	646	523	674	552
Third-party services	1,652	2,781	2,378	2,800	2,394
Specialized technical services	1,811	2,945	1,945	3,021	2,078
Transport	186	424	487	433	497
Domestic and foreign travel	468	789	1,034	789	1,034
Fines Imposed by the Central Bank	54	54	-	54	-
Other administrative expenses	271	621	535	635	547
Depreciation / Amortization	1,057	1,964	1,174	1,964	1,174
Total	**11,599**	**21,778**	**20,626**	**22,178**	**21,139**

27 Tax expenses

	Semester	Parent company		Consolidated	
	2014	2014	2013	2014	2013
Federal / Municipal Taxes	302	611	615	626	629
Service tax (ISS)	270	513	448	601	496
Turnover tax on gross profits (Cofins)	3,496	7,251	7,496	7,624	7,568
Social integration program (PIS)	568	1,178	1,217	1,243	1,232
Other	1,203	2,282	1,737	2,282	1,737
Total	**5,839**	**11,835**	**11,513**	**12,376**	**11,662**

28 Other Operating Income / Expenses

	Semester	Parent company	
	2014	2014	2013
Other operating income	17,934	40,408	31,728
Updating of Purchase/sale of Assets (*)	15,689	32,364	28,981
Monetary variation gains	2,008	3,540	2,418
Exchange variation	237	237	155
Recovery of expenses	-	4,267	174
Other operating expenses	(1,221)	(1,437)	(384)
Other	(22)	(40)	(38)
Provisions for contingencies	(1,199)	(1,322)	(346)
Exchange Variation Monceau	-	(75)	-
Total	16,713	38,971	31,344

	Consolidated	
	2014	**2013**
Other operating income	36,693	33,301
Operating Reversals	-	466
Updating of purchase/sale of Assets (*)	32,364	28,981
Monetary variation gains	3,560	2,418
Exchange variation	237	159
Other	-	41
Recovery of expenses	522	174
Exchange variation Monceau Consultadoria e Serviços Ltd	-	1,062
Other operating expenses	(4,994)	(989)
Other	(40)	(38)
Provisions for contingencies and endorsements and guaranties	(1,322)	(346)
Exchange variation Monceau Consultadoria e Serviços Ltd	(3,632)	(605)
TOTAL	31,699	32,312

(*) It refers to the purchase of credit rights without co-obligation, with respect to trade sales and purchases, whose income earned is recorded under other operating income as a corresponding entry against Purchase of Assets Receivable - Other receivables - Note 13.

29 Non-operating result

	Semester	Parent company		Consolidated	
	2014	**2014**	**2013**	**2014**	**2013**
Non-operating income	628	1,017	977	1,017	988
Profit on the Sale of Assets	628	1,017	977	1,017	977
Other					11
Non-operating expenses	(3,215)	(3,215)	(327)	(3,215)	(327)
Loss on the sale of assets	(3,101)	(3,101)	(223)	(3,101)	(223)
Donations	(114)	(114)	(104)	(114)	(104)
TOTAL	**(2,587)**	**(2,198)**	**650**	**(2,198)**	**661**

30 Risk indicators (Basel) and operating limits

The index of exposure of the reference equity to the operation risk is 16.9% at December 31, 2014 (17.9 % at December 31, 2013).

	Consolidated	
	2014	**2013**
Reference equity	**471,295**	**454,157**
Decrease in deferred assets pursuant to Central Bank of Brazil Resolution 3444	(129)	(1,389)
Decrease in revaluation reserves	-	-
Minorities/Others	-	26
Reference equity - Level I	**471,166**	**452,794**
Subordinated debt instruments	16,292	21,560
Reference equity - Level II	**16,292**	**21,560**
Total reference equity (Level I + Level II)	**487,458**	**474,354**
Reference equity (a)	**487,458**	**474,354**
Allocation of capital by risk		
RWAcpad - credit	277,075	253,204
RWAcam - foreign exchange	8,818	5,678
RWAjur - market	11,049	10,896
RWAacs - shares	-	1,803
RWAopad - operational	21,200	20,109
Required reference equity (b)	**318,142**	**291,690**
Margin (a-b)	**169,316**	**182,664**
Rban - Nonnegotiable interest portfolio	(35,609)	(25,010)
Margin (a-b)	**133,707**	**157,654**
Assets weighted by risk (i) (c)	**2,892,200**	**2,651,726**
Basel index (a/c)	**16,85%**	**17,89%**

(i) As of October 1, 2013, through CMN Resolution 4192 a new methodology was implemented for calculating 11% of the RWA (Risk Weighted Asset) based on the Reference Equity

31 Market value of financial instruments

The financial statements are prepared based on accounting policies which assume the normal continuity of operations of the Bank and its subsidiaries. The carrying value of financial instruments, recorded in equity accounts or not, closely approximates the value that might be obtained by them through trading on an active market or, in the absence thereof, closely approximates the present value of the cash flows adjusted by the rate of interest prevailing on the market.

This does not apply to the following items, for which we present the carrying value and the respective value that would be obtained on an active market or the present value of the cash flow, which we call market value.

The estimated realization amounts of the Bank's financial assets and liabilities were calculated through information available on the market and appropriate valuation methodologies. However, considerable judgment was required to interpret the market data in order to produce the most appropriate estimated realization value. Accordingly, the estimates presented below do not necessarily represent the amounts that could be realized on the current exchange market. The use of different market methodologies may have a material effect on the estimated realization amounts.

The management of these instruments is performed through operating strategies aiming at liquidity, profitability and security. The control policy consists of permanently monitoring the contracted rates versus prevailing market rates. The Company and its subsidiaries do not invest in derivative instruments or any other risky assets on a speculative basis.

a. Breakdown of the balances

	2014		
	Book value	**Market value**	**Potential Gain / (Loss)**
Assets			
Loan	1,623,426	1,690,783	67,357
Liabilities			
Deposits	1,522,446	1,535,545	(13,099)
Subordinated debts	121,227	110,025	11,202
Total			65,460

	2013		
	Book value	**Market value**	**Potential Gain / (Loss)**
Assets			
Loan	1,645,974	1,701,749	55,775
Liabilities			
Deposits	1,299,673	1,312,725	(13,052)
Subordinated debts	71,501	63,421	8,080
Total			50,803

b. Criteria, assumptions and limitations used in the calculation of market values

Securities and derivative financial instruments, investments and subordinated debt are based on quoted market prices on the balance sheet date. If there is no market price quotation available, the values are estimated based on quotations of distributors, price definition models, price quotation models or price quotations for instruments with similar characteristics.

Fixed rate loans were determined by discounting the estimated cash flows, adopting the interest rates charged by the Bank and its subsidiaries in new contracts with similar characteristics. These rates are consistent with the market at the balance sheet date.

Term deposit, funds from issuing bonds and borrowings and onlending have been calculated by discounting the difference between cash flows under the contractual terms and the rates practiced on the market at the balance sheet date.

Limitations: The market values were estimated at the balance sheet date, based on "relevant market information". Changes in assumptions could materially affect these estimates.

c. Guarantees

The Bank and its subsidiaries in the formalization of their financial instruments do not count on guarantees that can be sold or repledged without the occurrence of default by the debtor, as established in item 15 of CPC 40.

32 Transactions with related parties

For the Bank, related parties are defined as its controllers and shareholders with a material interest, companies related to them, their directors and other members of key management personnel and their families. The man balances of assets and liabilities at December 31, 2014 and 2013, as well as the transactions that affected the results of the periods, are summarized in Note 15 (Investments in subsidiaries).

In addition to these values, time deposits with related parties total R$ 47,895 at December 31, 2014 (R$ 47,895 at December 31, 2013) 31, whose rates range from 95% to 107% of the ID (interbank deposit), with maturities until July 2016.

Remuneration of the Officers and the Board of Directors: (i) the Officers are the Company's legal representatives, responsible mainly for its daily operations and for implementing the general policies and guidelines established by the Board of Directors. They are all Brazilians and residents in Brazil. According to the Bank's bylaws, the Board must consist of 5 to 12 members. (article 6 of the Bank's bylaws). In 2014, the remuneration of the directors amounted to R$ 2,379, divided into: (i) salaries for the current year, and (ii) participation in the Company's results for the year. In 2013, the remuneration of the directors amounted to R$ 4,358 divided into: (i) salaries and (ii) participation in the Company's results for the year, in accordance with a program approved by the Board of Directors.

Expenditure on remuneration of directors is recorded under Expenses for Fees - Executive Officers and Board of Directors. The remuneration of the officers was set at R$ 6,000 at the Annual General Meeting of April 30, 2013.

The officers are not shareholders of the Company and there are no share purchase options granted by the Company.

33 Commitments and responsibilities

Guarantees given to third parties, including endorsements, guaranties and others total R$ 205.558 at December 31, 2014 (R$ 165.685 at December 31, 2013).

34 Insurance

The Bank has a policy of taking out insurance coverage for assets subject to risks in amounts considered sufficient to cover eventual losses, considering the nature of its activity. The risk assumptions adopted, given their nature, are not part of the scope of a review of financial statements and, accordingly, were not examined by our independent auditors. The insurance policy was taken out with Tokio Marine Seguradora S/A, valid from June 17, 2014 to June 17, 2015 , embodying two distinct policies: Head office / Branches.

The policy also includes sub-limits as follows:

Insurance coverage	**Sub-limits - (Head office)**
Fire/lightning/explosion/implosion/smoke	23,000
Loss of earnings (net profit + fixed expenses)	12,000
Gale/hurricane/impact of vehicles/falling aircraft/hail/tornado	2,500
Civil liability operations	2,000
Floods/flooding	500
Electronic equipment	500
Robbery and theft of assets	500
Electrical damages	300
Contingent liabilities	300
Garage responsibility/fire/theft	300
Breakage of windows	100
Theft inside the establishment	30
Theft outside the establishment	10

Branches and Shops

The policy also includes sub-limits as described below:

Insurance coverage	**Sub-limits - (Branches)**
Fire/lightning/explosion/implosion/smoke	1,000
Loss of earnings (net profit + fixed expenses)	1,000
Gale/hurricane/impact of vehicles/falling aircraft/hail/tornado	150
Civil liability operations	1,000
Spillage and/or leaking pipes	150
Electronic equipment	200
Robbery and theft of assets	300
Electrical damages	100
Breakage of windows	50
Loss or payment of rent resulting from the basic coverage	300

In the case of leased assets the tenant is responsible for taking out the insurance, pursuant to the contractual clauses of the lease transactions.

35 Other information

a. According to the conditions approved in the collective bargaining, profit sharing has been allocated to employees, net of taxes, in the amount of R$ 3.515 in fiscal year 2014 (R$ 4,687 in fiscal year 2013).

b. The Bank does not offer a pension plan and/or any type of post-employment benefits to employees.

c. The Bank has a single shareholder, Mr. Carlos Alberto Mansur, who also accumulates the positions of Chief Executive Officer (CEO) and Chairman of the Board of Directors, it does not have shares traded on the market and in consideration of this, it is not disclosing the information per operating segment.

36 Breakdown of cash and cash equivalents

Description	Semester	Parent company		Consolidated	
	2014	2014	2013	2014	2013
At the beginning of the period	**524,181**	**269,173**	**246,431**	**276,818**	**247,880**
Cash and cash equivalents	4,885	8,075	25,071	15,720	26,520
Short term Interbank investments (*)	519,296	261,098	221,360	261,098	221,360
At the end of the period	**616,640**	**616,640**	**269,173**	**625,287**	**276,818**
Cash and cash equivalents	6,465	6,465	8,075	15,112	15,720
Short term Interbank investments (*)	610,175	610,175	261,098	610,175	261,098

(*) The short term Interbank investments (investments in the money market, in interbank deposits and in foreign currency), are characterized by transactions maturing within 90 days, thus configuring cash equivalents.