



# **FINANCIAL STATEMENTS**

**Bank and FNE**

**In thousands of Reais**

**Position as of 06.30.2015**



**Financial Statements**

**BANK**

**In thousands of Reais**

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## 1 A WORD FROM THE PRESIDENT

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In the first semester of 2015, Banco do Nordeste strengthened its commitment to sustainable development. The Bank has overcome major challenges seeking best practices for the financing of production activities in the region without neglecting ethics as its driving principle.

Over this period, 2.5 million credit operations were contracted, amounting to R\$11.4 billion, which represents an increase of 26.5% as compared with the same prior-year period. Of this total, approximately R\$5 billion arise from the Northeast Financing Constitutional Fund (FNE - Fundo Constitucional de Financiamento do Nordeste), intended to implement, expand and modernize enterprises, mainly in the Brazilian Semiarid and family farming.

Participation in the segment of micro and small enterprises (MPE) reached R\$1.4 million contracted, thus benefiting 14,059 enterprises, an increase of 16% as compared with the same period of 2014.

In the Crediamigo program, a worldwide reference in production-oriented microcredit, the amount of R\$3.9 billion was disbursed in the first half of 2015, equivalent to an increase of 18.7% as compared with the same period of prior year. The amount of loans increased by 8.8% and two million loan transactions were carried out. The operating capacity of the program reached the average of 16.5 daily disbursements, representing an increase of 8.7% as compared with the same period of 2014.

By means of Agroamigo, the largest rural microfinance program in Latin America, the Bank financed R\$910,7 million, an increase of 37.18% as compared with the amounts contracted in the same period of 2014. Total of 222,181 transactions were contracted, thus reaching an active portfolio amounting to R\$3 billion and more than 1 million customers.

It is also worth stressing the Bank's effort to regularize 50,195 transactions - 40,296 thousand transactions with funds from FNE and 9,899 with other funds, thus recovering the amount of R\$826.9 million to be reinvested in the regional economy.

Partnership with other Federal agencies in the Northeast has been enhanced, and work sessions and meetings with a purposeful agenda were held, addressing a wide, balanced and integrated vision on development, which is critical for each institution to better perform actions, and, therefore, for growth in the region.

These achievements result from the efforts of a valuable team, comprising 7,114 professionals, 404 high-school scholarship students, 655 undergraduate scholarship students and 269 young apprentices.

Upon expressing our thanks to those who build a growth path in this institution, which is critical for regional development, we reaffirm our commitment to lead Banco do Nordeste to people, the essence of which lies in its existence.

*Marcos Costa Holanda*  
**CEO of Banco do Nordeste do Brasil S.A.**

## 2 HIGHLIGHTS

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**Agromigo exceeds R\$3 billion in active portfolio:** The rural microcredit program of Banco do Nordeste, Agroamigo, currently celebrating 10 years of operations, reached an active portfolio of R\$3 billion, and finances production activities of over 1 million active clients. The largest program in terms of rural micro financing in Latin America, Agroamigo has already contracted R\$6.9 billion since its inception. In the first half of 2015, Agroamigo contracted R\$910.7 million, allocated in over 222,181 thousand rural microfinance transactions.

**Prize awarded by Banco do Nordeste for micro and small companies recognizes successful initiatives in the northeast region:** In June, Banco do Nordeste held ceremonies to award the first edition of *Prêmio Banco do Nordeste da Micro e Pequena Empresa*. Trophies were awarded in recognition of micro and small companies in the northeast region that stood out through innovative initiatives and improved competitiveness in the Industry, Trade and Services segments.

**Banco do Nordeste becomes issuer of the Brazilian Development Bank (BNDES) card:** Banco do Nordeste became a financial agent in charge of issuing BNDES card, a preapproved revolving credit line which aims to acquire items needed for micro, small and medium-sized companies activities.

**Crediamigo released R\$3.9 billion in the first half of 2015:** Crediamigo disbursed R\$3.9 billion in the first half of 2015, an increase of 18.7% as compared with the amount achieved in the same period of 2014. The number of loans contracted increased by 8.8% and two million transactions were contracted over the period. The operating capacity of the program in the first half of 2015 reached an average of 16.5 thousand daily disbursements, representing an increase of 8.7% as compared with the same period of 2014.

## 3 ECONOMIC AND FINANCIAL RESULTS

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### Total assets

At the end of the first half of 2015, total assets of Banco do Nordeste increased by 6.2% as compared with the end of 2014. The Institution's assets include funds available from FNE (R\$3.4 billion) and funds committed to this Fund's loan transactions, i.e., related to transactions contracted awaiting fund release (R\$6.2 billion). The increase in the Bank's asset balances from December 2014 to June 2015 is mainly due to the increase in the balance of cash and cash equivalents, interbank investments, marketable securities and balance of loan transactions.

In the first half of 2015, total FNE assets increased by 6.4%, primarily arising from the inflow of funds from the National Treasury. During the first half of 2015, FNE's assets grew by R\$3.5 billion, as compared with the 3.3 billion contributed for the same period in 2014. Upon comparing positions at December 31, 2014 and June 30, 2015, there was an increase of 3.5% in the balance of FNE loan transactions (adjusted by allowances for loan losses) and increase of 22.9% for total cash and cash equivalents and funds committed for loans, as shown in Table 1 below:

Table 1 - Total Assets (in millions of *Reais* - R\$)

Specification	BNB		FNE	
	12/31/2014	06/30/2015	12/31/2014	06/30/2015
Cash and cash equivalents, (*) interbank investments and marketable securities	22,748.9	24,757.9	1,530.8	3,351.2
Funds committed for loan transactions	0.0	0.0	6,259.9	6,225.3
Interbank accounts	402.5	311.1	1,826.1	1,904.6
Loans transactions (adjusted by allowances)	11,736.3	11,988.7	43,852.9	45,388.2
Other loans (adjusted by allowances)	3,059.9	3,254.1	7.9	7.9
Other assets	27.7	32.2	1.3	1.1
Permanent assets	229.7	229.0	0.0	0.0
<b>Total</b>	<b>38,205.0</b>	<b>40,573.0</b>	<b>53,478.9</b>	<b>56,878.3</b>

(\*) Cash and cash equivalents of BNB include funds available and funds committed to FNE loan transactions.

### Marketable securities

The assets portfolio comprised of Cash and Cash equivalents, Interbank Investments and Marketable Securities at June 30, 2015, amounts to R\$24.8 billion, which represents an increase by R\$2.1 billion (8.8%) as compared with December 31, 2014, when such portfolio totaled R\$22.7 billion.

Pursuant to Circular No. 3068 of November 08, 2002, issued by the Central Bank of Brazil, Banco do Nordeste prepared a projected cash flow for purposes of classifying its Marketable Securities portfolio. This cash flow shows the availability of sufficient funds to meet all obligations and to apply the Bank's loan-granting policies, with no need to sell the securities classified as "Held to Maturity". As such, BNB management states that the Institution has the financial capacity and the intention to hold these securities classified into this category until their maturity.

### Cash and cash equivalents - FNE

The balance of FNE's cash and cash equivalents increased from R\$1.5 billion in 2014 to R\$3.4 billion in June 2015, which represents a positive variation by 118.9%. The increase in the balance of cash and cash equivalents arises primarily from inflow of funds from the National Treasury.

The funds committed with loan transactions decreased by 0.6%, from R\$6.3 billion in December 2014 to R\$6.2 billion in June 2015.

## Equity and P&L

As at June 30, 2015, Banco do Nordeste's equity amounted to R\$2,866.7 million (R\$3,367.8 million at December 31, 2014). Capital amounted to R\$2,8 billion, divided into 86,371,464 registered paid-up common shares with no par value. In the first half of 2015, Return on Average Equity (profitability) was 10.2% p.a.

Net income amounted to R\$158.1 million, representing earnings of R\$1.83 per share, a decrease of 51.5% as compared with the same period in 2014 (R\$326.0 million). This referred to performance was influenced by increase of expenses generated by accrued credit transactions.

In the first half of 2015, FNE's equity increased by 6.4%, totaling the amount of R\$56.9 billion. This increase was strongly influenced by the inflow of funds from the National Treasury that totaled R\$3,520 million.

## **4 OPERATING PERFORMANCE**

### Volume of Transactions

In the first half of 2015, BNB's overall transactions amounted to R\$11.4 billion, which represents an increase by 26.5% as compared with the same prior-year period. In terms of quantity, the volume reached nearly 2.5 million loan transactions.

Out of this amount, R\$5.5 billion (48.4%) was allocated to long-term financing (which includes rural, industrial, agro-industrial investments, as well as investments in infrastructure, trade and services), which corresponds to an increase of 29.8% as compared with the same period of 2014, as shown in Table 2:

Table 2 - Total Transactions

Product	2014.1		2015.1		Variation
	Quantity	Amount*	Quantity	Amount*	
Long-term	220,530	4,245.3	258,972	5,511.9	29.8%
Short-term	2,007,811	4,766.9	2,211,946	5,888.0	23.5%
<b>Total</b>	<b>2,228,341</b>	<b>9,012.2</b>	<b>2,470,918</b>	<b>11,399.9</b>	<b>26.5%</b>

(\*) Amounts in millions of *Reais* (R\$).

As regards short-term loans, which comprise Consumer Direct Credit (CDC), working capital, credit cards, secured accounts, foreign exchange and Crediamigo program, there was a 23.5% increase, totaling the amount of R\$5.9 billion). Of this total, R\$3.9 billion were granted through Crediamigo program, which corresponds to 66.7% of the total and represents an increase of 18.7% as compared with prior year, according to Table 3 as follows:

Table 3 - Short-term Loans

Product	2014.1		2015.1		Variation
	Quantity	Amount	Quantity	Amount	
Crediamigo	1,851,349	3,308.3	2,013,305	3,927.1	18.7%
CDC/Working capital	14,831	594.8	46,651	943.1	58.6%
Secured account	15,537	280.8	17,986	213.8	-23.9%
Foreign exchange	103	373.1	152	571.2	53.1%
Discount	118,185	170.9	118,829	191.2	11.9%
Credit card	7,806	39.0	15,023	41,6	6.7%
<b>Total</b>	<b>2,007,811</b>	<b>4,766.9</b>	<b>2,211,946</b>	<b>5,888.0</b>	<b>23.5%</b>

\* Amounts in millions of *Reais*.

Concerning the customers' profile, of the amount contracted in the first half of 2015, 70.6% was allocated to small-sized customers: micro and small-sized entrepreneurs, individuals, mini and small rural producers, and Crediamigo and Pronaf customers, including Agroamigo programs' customers. This amount corresponds to R\$8.0 billion and represented an increase of 24.3% as compared with the same period of 2014, as shown in Table 4 as follows:

Table 4 - Loan Transactions by Customer Size

Size	2014.1		2015.1		Variation
	Quantity	Amount*	Quantity	Amount*	
Small	2,205,114	6,475.4	2,442,453	8,048.6	24.3%
Medium	19,798	858,7	23,227	1,181.7	37.6%
Large	3,429	1,678.1	5,238	2,169.6	29.3%
<b>Total</b>	<b>2,228,341</b>	<b>9,012.2</b>	<b>2,470,918</b>	<b>11,399.9</b>	<b>26.5%</b>

\* Amounts in millions of *Reais*.

## 5 OPERATING EFFICIENCY

In the first half of 2015, Banco do Nordeste improved its operational efficiency by 11.2 percent as compared with the same period of prior year, measured according to its Coverage Ratio (when income from services rendered covers personnel and administrative expenses), from 79.1% to 90.3%.

In the first half of 2015, administrative expenses remained similar as compared to those achieved in the same period of 2014, totaling approximately the same amount of R\$1.19 billion.

Income from services rendered increased by 14.9%, totaling the amount of R\$1.08 billion. In the same period of 2014, BNB reached the amount of R\$938.5 million.

## 6 BUSINESS STRATEGY

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In light of the institutional mission and vision, strategic positioning, values, and analysis of external and internal environments of the Bank, strategic objectives were established and classified considering institutional, financial, customers, processes and competencies perspectives, according to the balanced scorecard (BSC) methodology.

Under the institutional perspective, directed towards the Bank's contribution to sustainable regional development, strategic objectives were defined that evidence Banco do Nordeste's commitment with economic, social and environmental policies of the Federal Government.

The financial perspective comprised strategic objectives and strengthening of the Bank as a sound and sustainable financial institution, as well as its operating efficiency and productivity.

The customer perspective focused on excellence in customer service, maintaining a leading position in microfinance and family farming, increase in the volume of loans to MPE segment, support to mid-sized and large companies and government, and expansion of relationship with customers and businesses in the commercial area.

The processes perspective is focused on operating efficiency by means of more agile Information and Communication Technology (ICT); adoption of competitive products and processes in the commercial area; expansion of customer service channels; and efficient risk management and recovery of loans.

The competencies perspective focused on the enhancement of human skills through continuous learning and management by skills, as well as improving processes that enable organizational alignment and decision-making based on strategic information.

## 7 OPERATION STRATEGY PER SEGMENT

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### Family Farming

National Family Farming Strengthening Program (PRONAF) is a Federal Government program to support the family farming segment. Banco do Nordeste is the main financial agent of PRONAF in the Northeast region. In June 2015, BNB relies on a loans portfolio amounting to R\$ 7.75 billion, which corresponds to 1.6 million transactions.

In the first half of 2015, the Bank entered into 233,028 loan transactions with family farmers, totaling R\$1.16 billion, and reached 105% of the target set for the period. Of the total funds, 67.8% were allocated to Brazil's Semiárid. Transactions carried out through Agroamigo methodology are also included in this group.



Upon comparing the results achieved in 2015 with those of the same period in 2014, there was an increase of 42.5% in the amount of funds invested in the segment. The number of transactions increased by 16.6%.

### Rural Microcredit Program - Agroamigo

The Agroamigo, rural microcredit program of Banco do Nordeste, launched in 2005, is premised on granting oriented and monitored loans to family farmers, adjusted to rural environment conditions. Agroamigo's main characteristic is the strong presence of the Microcredit Advisor in the communities.

In the first half of 2015, Banco do Nordeste financed R\$910.7 million through Agroamigo, which represents a 37.18% growth as compared with the amounts contracted in the same period of 2014. A total of 222,181 transactions was contracted, thus reaching an active portfolio amounting to R\$3.1 billion and 1,024,176 customers, 887,852 of which have current account with the Bank. Agroamigo, intended for family farmers, offers two types of programs: Agroamigo Crescer, intended for customers of Group B of Pronaf; and Agroamigo Mais, intended for the other groups under Pronaf, except for Groups A and A/C, in transactions of up to R\$15 thousand.

### Urban microfinance

Banco do Nordeste operates in the urban microfinance segment by means of Crediamigo. As from January to June 2015, the Bank disbursed R\$3.9 billion through this program, which represents an increase of 18.7% as compared with the amounts reached over the same period in 2014. In the first half of 2015, total loans disbursed grew 8.8%, and 2.0 million transactions were carried out. At the end of 2014, Crediamigo had 1.9 million customers with loans in force, 45% of which participate in the "Bolsa Família" program implemented by Brazil's Federal Government.

The operating capacity of Crediamigo program in the first half of 2015 reached an average of 16.5 thousand daily disbursements, representing an increase of 8.7% as compared with the same period of 2014.

At June 30, 2015, default was 1.1%, which represents loans overdue from 1 to 90 days in relation to the active portfolio. This result evidences quality of the portfolio, with history of low default, despite the significant increase in loan transactions.

### Micro and Small Companies

In the first half of 2015, Banco do Nordeste financed R\$1.4 billion referring to transactions with micro and small companies, through its short and long-term credit lines, R\$993.1 million of which used funds from FNE related to long-term loan transactions, and R\$357.2 million in short-term loan transactions through own funds. This total amount corresponds to an increase of 16% as compared with the same period of prior year.

Up to June 30, 2015, loans were granted to 14,059 micro and small companies. The trade segment was the most benefited and attended with R\$863.4 million in transactions, thus corresponding to 61% of total funds allocated by Banco do Nordeste

in this segment. It is worth highlighting that 57% of the transactions were taken out in the Brazilian Semiarid region.

### Business

The business segment comprises customers whose annual gross revenue ranges from R\$ 3.6 million to R\$200 million. At the end of the first half of 2015, the Bank reached 6,021 customers and total assets in the amount of R\$17.1 billion (FNE/Other Funds) in the business segment. The number of customers in this segment increased by 15% as compared with the number of customers existing in June 2014.

In the first half of 2015, this segment was as follows:

- Investment transactions contracted using FNE funds, amounting to R\$900.4 million;
- short-term transactions (commercial credit): R\$834.3 million;
- Foreign exchange transactions: R\$141.3 million;
- average balance of funding in the amount of R\$2.0 billion.

As compared with the same period of 2014, an increase of 25% is observed in long-term transactions contracted through funds from FNE, the result of which is driven mainly by investments in customers whose gross revenues range from 3.6 million to 16 million, which led to mitigation of risk due to spread of funds from the constitutional fund. The transactions led to a 23% increase in total assets (FNE/Other Funds) as compared with June 2014.

Foreign exchange transactions increased by 83% as compared with the same prior-year period, especially the Advances on Foreign Exchange Contracts (ACC).

Likewise, transactions contracted upon Commercial Credit increased by 36% as compared with June 2014.

### Corporate

The Corporate segment is comprised of customers whose annual gross revenue exceeds R\$200.0 million.

In the first half of 2015, the results obtained by the Bank in the Corporate segment were as follows: Investment transactions contracted using funds from FNE in the amount of R\$630.2 million; commercial credit transactions contracted in the amount of R\$187.7 million; costing transactions contracted in the amount of R\$26.9 million; investment transactions contracted in the amount of R\$53.6 million; Advance on Foreign Exchange Contract (ACC) and import transactions financed in the amount of R\$418.1 million; average balance of funding in the amount of R\$3,800.1 million.

As compared with the same period of 2014, a reduction by 20.4% is observed in long-term transactions contracted with funds from FNE, the result of which is greatly

influenced by the reduction of the level of economic activity and presentation of investment projects to the Bank.

In contrast, transactions contracted using external funds, especially ACC, increased by 56.8% based due to the US dollar and Euro increase. Likewise, transactions contracted within Commercial Credit increased by 100% as compared with June 2014.

### Government

Government segment customers are represented by members of the public entities direct and indirect administration, together with all their respective bodies, except for the so-called 'non-dependent' companies pertaining to indirect public administration, under current legislation.

Banco do Nordeste, as the Agent of the Federal Government, operates as a custodian of agreement funds, and as an authorized representative of the Government in pass-through arrangements arising from Voluntary Transfers of the Federal Government General Budget (OGU) for states, municipalities and nongovernmental entities.

The Bank also provides products and services related to the public sector, especially investment funds intended solely for receiving funds from the social security regimes instituted by the Federal Government, State Government, Federal District and Municipalities.

The credit facilities using funds from BNDES are also part of this line of products focused on this public, through which States and Municipalities may have access to financing related to the improvement of efficiency, quality, innovation and transparency in public management and tax management, as well as implementation, expansion and modernization of investments in urban and social infrastructure.

At June 30, 2015, loan transactions and funding in this segment reached a debt balance amounting to R\$1.4 billion and funding balance amounting to R\$979 million, respectively, with a portfolio comprised of 1,884 customers.

### Agribusiness - Individuals

In the first half of 2015, the Bank contracted the amount of R\$1.06 billion using funds from FNE in Agribusiness - producers who are individuals. Of this total, 46.9% of funds were intended for small customers and mini farmers.

Over this period, in the small and mini farmers (PMPR) segment, the amount of R\$497.5 million was contracted, which represents a 48.9% growth as compared with the same period of 2014.

### Individuals

The Bank's operation strategy for this segment aims the customer service to owners and employees of public or private companies, members of cooperatives and

professional unions, self-employed professionals, INSS retirees and other individuals in general.

The individuals portfolio ended the first half period with individuals commercial credit contracted amounting to R\$114 million and average balance in credit transactions amounting to R\$291.2 million, which represents a 17% growth as compared with the same period of 2014. In the case of funding, the individuals segment was responsible for 75.5% of investments in investment funds, time deposit and savings account, equivalent to R\$8,588.3 million in investments under these three types.

## 8 RECOVERY OF LOANS

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Amounts recorded in connection with recovery of loans totaled R\$826.9 thousand and allowed for cash receipts amounting to R\$218.5 million. A total of 50,195 transactions were regularized, 40,296 thousand of which had FNE as a source whereas 9,899 thousand had other sources of funds.

## 9 DEVELOPMENT AND SUSTAINABILITY

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### Fundo Constitucional do Nordeste (FNE)

The Northeast Financing Constitutional Fund (FNE) is comprised of public funds and its investment is guided by specific regulations, addressing support to priorities for regional development, thus setting up government investment policies.

Banco do Nordeste initiated operating these funds based on FNE regulations set forth by Law No. 7827 of September 27, 1989, promoting increased investment in the productive sectors of the region, with significant economic and social impacts.

In the first half of 2015, Banco do Nordeste financed the amount of R\$4,994.6 million using funds from FNE to rural and urban enterprises of eleven states comprising its regional operating area, as shown in Table 5. This total includes 250,623 operations in the first half period, distributed among 1988 municipalities, which corresponds to 99.9% of all region covered by FNE financing program, upon average amount of R\$19,928.7 per operation.

As regards distribution of funds by state, participation limits are defined for funding from FNE each year, considering the minimum of 4.5% (except for the state of Espírito Santo, that is under a smaller area covered by FNE funding) and maximum of 30% of total financed along the year.

As a partial result of the year, data from the first half of 2015, as shown in Table 5, indicate that the largest state participation was 25.5%, in compliance with maximum limit of 30%.

As regards the 4.5% base, the states of Alagoas and Rio Grande do Norte recorded participation of 4.2%, whereas Sergipe ended the period with 3.3% of total financing, results impacted by prioritizing assistance to smaller beneficiaries, with lower average funding, and that concentrated 80.2% of total financed for the first half of 2015 in these states.

In the coming months, while the actions will be continued together with small enterprises, prospects will be expanded and medium and large-sized projects procedural stages will be completed, and the perspectives observed in the states pursuant to annual limits of state participation.

**Table 5 - BNB/FNE: Financing - Total and per State**

(millions of *Reais* - R\$)

State	Contracted value	(%)
AL	208.9	4.2
BA	1,257.0	25.2
CE	1,070.9	21.4
ES	72.7	1.5
MA	525.4	10.5
MG	278.2	5.6
PB	258.8	5.2
PE	447.1	8.9
PI	500.7	10.0
RN	210.0	4.2
SE	164.9	3.3
<b>Total</b>	<b>4,994.6</b>	<b>100.0</b>

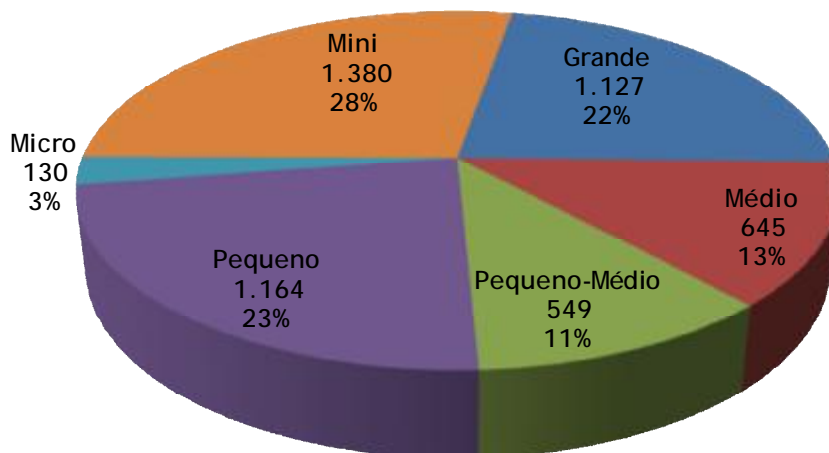
Source: Asset base; development: Department of Development Policies.

In the first half of 2015, in terms of distribution per beneficiary size, BNB granted loans to small enterprises on a priority basis, in compliance with FNE guidelines, thus promoting generation and decentralization of employment and income.

Accordingly, mini, micro, small and medium-small-sized enterprises, whether rural or urban, concentrated 65% of the total amount of loans contracted in the first half of 2015, as shown in Graphic 1 below. In this grouping, participation of family farmers (Pronaf based) and micro and small enterprises (MPE) stands out, thus expressing the importance of these segments in the regional economic dynamics.

**Graphic 1 - BNB/FNE Loans per Beneficiary size**

(millions of *Reais* - R\$)



Source: Asset base; development: Department of Development Policies.

Sectoral distribution of FNE in the first half of 2015 highlights the volume of funds contracted in Rural sectors (Agriculture and Livestock) and Trade and Services, followed by Industry, as shown in Table 6.

**Table 6 - BNB/FNE: Financing per Sector**

(millions of Reais - R\$)

Sector	Contracted value	(%)
Agriculture	1,260.2	25.2
Livestock	1,378.7	27.6
Trade	430.9	8.6
Agribusiness	57.2	1.2
Tourism	184.5	3.7
Trade and Services	1,312.5	26.3
Infrastructure	370.6	7.4
<b>Total</b>	<b>4,994.6</b>	<b>100.0</b>

As for the approach of priority areas, finance using FNE funds include support to sub-regional areas, defined in the National Policy for Regional Development (PNDR), aiming to reduce regional inequalities and promote equal access to development opportunities.

In this context, worth highlighting the funding of projects in the Semiarid totaling R\$1,866.2 million, 34.3% higher as compared with the same period of 2014, a growth mainly generated by an increase in loans to family farmers, rural enterprises, micro and small enterprises engaged in trade and services, in that order.

The volume of financing in priority micro regions (Low Income, Stagnant, Dynamic) in the National Policy for Regional Development (PNDR) reached a total amount of R\$3,861.1 million, approximately 77% of total FNE financing in the first half of 2015, whereas municipalities of the High Income micro regions, not prioritized in the PNDR, recorded 23% of the volume of contracts.

Differentiated Mesoregions and Integrated Development Regions are also special attention areas in the National Policy for Regional Development, are included in the FNE finance policy, and totaled R\$1,243.1 million financing in the first half of 2015.

These results highlight the BNB's attention upon operating FNE funds, providing long-term credit guided by this public policy financing guidelines, in cooperative activities with public and civil society organizations.

### Sustainability

Banco do Nordeste performs several social and environmental responsibility actions related both to its core business activity, namely the granting of finance for sustainable development of the area in which it operates, and to the activities related to the operation of the own entity. Important actions carried out in the first half of 2015 are as follows:

- Banco do Nordeste's Policy for Environmental Responsibility (PRSA) comprises aspects of social and environmental sustainability of all activities performed by the institution, from granting of finance to acquisition of goods and other services. This Policy for Environmental Responsibility (PRSA) consolidates the Bank's assumptions for a responsible social and environmental performance, committed to ethical and moral values and to transparency in the relationship with its stakeholders (shareholders, employees, customers, suppliers, community, federal, state and municipal government, development institutions and banking industry).
- The process of monitoring financing of projects related to environment and innovation recorded 5,512 finance transactions at June 30, 2015 totaling R\$108 million, contracted for environmental programs FNE Verde, Pronaf Semiárido, Pronaf Floresta, Pronaf Eco and Pronaf Agroecologia, in addition to R\$8 million invested in FNE Inovação program.
- Within the scope of cooperation and partnership for sustainable regional development, the contract entered into between Banco do Nordeste and the Ministry of Social Development and Fight against Hunger (MDS) is worthy of notice, in the amount of R\$85.7 million, which estimates the construction of 30,133 cisterns in 37 municipalities in the states of Bahia, Ceará, Minas Gerais and Paraíba, included in the Federal Government effort to provide universal access to water and its use to needy populations residing in rural communities undergoing water supply deficit. In 2015, 23,494 families were benefited from training in Water Resources Management (GRH), 16,315 of which already had their cisterns constructed and comprise 15,239 cisterns made of concrete slabs to store water for human consumption and 1,076 cisterns built to store water for food production and animal consumption (*cisternas calçadão*).



## 10 BANKING SERVICES AND PRODUCTS

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In line with the Strategic Objective “Provide the Bank with competitive products and processes in the commercial segment”, the following products/services were created:

- **BNB / BNDES CARD:** the card has a credit limit of up to R\$1 million, with attractive interest rates. Payment is made at fixed and equal installments, with a maximum term of 48 months. Brazilian-controlled companies with annual gross revenues of up to R\$90 million that are engaged in economic activities compatible with the operational and financing policies of BNDES are eligible for BNB/ BNDES card. If the company is part of an economic group, the annual gross revenue of the group also cannot exceed the limit of R\$90 million.
- **Payment through bank slips with envelope at Automated Teller Machines (ATM):** In partnership with the Service Excellence Program, the new solution aims to reduce the Average Wait Time (TME) at Banco do Nordeste branches, providing greater customer satisfaction.
- **Expansion of the Network of Shared Automated Teller Machines:** In partnership with Banco do Brasil, Automated Teller Machine rooms were expanded to 177 further locations, totaling 1.177 municipalities in which Banco do Nordeste customers are able to carry out bank transactions using the network of automated teller machines shared between the two institutions.
- **Crediamigo Classic credit card:** Initially offered to 200 thousand Crediamigo customers. This aims to expand the supply of financial products targeted for this audience, with a view to the large customer portfolio of this program.

## 11 CUSTOMER RELATIONSHIP

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In 2014, as one of its strategic priorities, Banco do Nordeste started up its Service Excellence Program with the purpose of consolidating a new service model based on perceived value and customer satisfaction.

Within the scope of this program, the following actions are highlighted:

- Implementation of the Credit Request application allowing simulation and entry of issues by costumers on the Internet;
- Implementation of card use warning via SMS in purchasing transactions as from R\$30.00;
- Opening of three agencies, reaching a total of 292 units.



## 12 TECHNOLOGY

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Pursuant to what the institution's Strategic Plan states in its objective to "Provide the Bank with Information Technology and Competitive Communication", actions were implemented that provided customers with greater flexibility and convenience, reduced costs, improved controls and information security, having thus allowed employees more time to act with customers and in strategic projects.

The amount invested by Banco do Nordeste in information technology totaled R\$78,829,617 in the first half of 2015. Among this year's main initiatives, aspects to be highlighted are the support addressed to the implementation of new products and services and investments in equipment modernization.

## 13 CORPORATE GOVERNANCE

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Banco do Nordeste's corporate governance structure comprises General Shareholders' Meetings, the Board of Directors, made up of six members, advised by the Audit Committee and Internal Audit; and the Executive Board, made up of six statutory officers and the Chairman. Banco do Nordeste also has a Supervisory Board, on a permanent basis.

In addition to its Bylaw, the Bank has Internal Regulations of the Executive Board, the Supervisory Board and the Audit Committee, as a guide for the actions and practices of their Statutory Bodies. These documents are in harmony with further regulations and existing laws and are the Corporate Governance's important instruments to the extent that they strengthen the decision-making process and the Bank's administrative and operational dynamics.

It is important to emphasize that, in line with the practices adopted in the market and in order to involve all managers in the definition of strategies and approval of proposals for the different businesses, Banco do Nordeste has standardized the definitions related to administrative levels of authority and assignments, as well as the composition and rules of operation of all its non-statutory bodies, in charge of administrative decisions.

The Code of Ethical Conduct of Banco do Nordeste is followed in the institutional relationships established by the Bank and is available on the Internet for all those concerned. This code stands out as the main guiding instrument of business ethics in the institution.

## 14 RISK MANAGEMENT

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The Corporate Risk Management Policy of Banco do Nordeste incorporates, as an essential principle, maintenance of structured risk management system that is integrated to the Bank's management activities. It provides information that supports the various decision-making bodies of the Bank to assess the risks involved and is intended to guide the management of credit, market, liquidity and operational risks that stand to achieve business objectives, establishing rules based on principles and

good corporate governance practices implemented under the guidance of the Bank's senior management and the supervisory bodies.

Risk management strategies and policies are systematically reviewed and approved by the Executive Board and the Board of Directors, in compliance with Resolutions No. 3721, 3380, 3464 and 4090/Bacen. The organizational structure of risk management, internal controls and corporate security is unified at strategic level and specific considering their business and support units, observing the activity segregation principle.

Highlighted main actions performed in the first half of 2015 to improve risk management are as follows:

- Performance and back-testing of Customer Risk Assessment models - Specialists and Generalists;
- Review of the weighting methodology of the personal type guarantee for the Specialist model;
- Review of the mark-to-market procedure of securities in default;
- Review of the mark-to-market process of EuroBonus and foreign exchange swaps;
- Development of procedures for calculation of short-term liquidity risk indicator - LCR; and
- Review and improvement of automation of stress and back-testing.

See more information in the Risk Management Report, available on the information and reporting site of Banco do Nordeste: <http://www.bnb.gov.br/web/quest/sobre-o-bnb>.

## 15 INTERNAL CONTROL

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The Internal Control System of Banco do Nordeste stands on the following principles: best practices in corporate governance; the integrity and ethical values of its personnel; and people who are highly committed to working in a diligent and transparent manner.

Of the actions implemented to strengthen internal controls of Banco do Nordeste and to improve the tools used in the certification activities in the first half of 2015, it is worth highlighting:

- Creation of rating for Central Register, Sector of Restructuring Asset and Department of Credit Recovery;
- Review of the rating of Branches, Bank's State Superintendencies and Credit Centers; and
- Certification of Product Compliance, Local Compliance in branches, Processes, Control Effectiveness Tests, Random Selection of Operations and Monitoring of Events.

## 16 PEOPLE MANAGEMENT

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At the end of the first half of 2015, Banco do Nordeste had 7,114 employees. It is worth highlighting the opportunity given to youth pursuant to Professional Learning Law No. 10097 and Law of Internship No. 11788 to foster technical and professional training for 404 high-school scholarship students, 655 undergraduate scholarship students and 269 young apprentices who are part of staff.

Over the first half of 2015, several measures directly or indirectly aligned with the Bank's strategic planning were developed. Among these actions the following are highlighted:

- 381 new employees joined the Bank in order to supply the demand arising from job opening for bank analysts in order to expand the number of branches;
- 28,432 training courses were held such as distance learning, in-person courses and formal education.
- In order to comply with the rules set forth by the Central Bank of Brazil, through the National Association of Financial and Capital Market Institutions (Anbima), the Bank has 3,154 employees who have Professional Certification CPA-10 and 517 employees who have CPA-20.
- Concerning Money Laundering Prevention and Fight (PLD), a requirement established by the Central Bank, up until June 2015, Banco do Nordeste had qualified 98.86% of its employees.

## 17 ENTITIES PROVIDING SOCIAL SECURITY AND HEALTHCARE SERVICES FOR BANCO DO NORDESTE EMPLOYEES

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### Caixa de Previdência dos Funcionários do Banco do Nordeste (CAPEF)

Caixa de Previdência dos Funcionários do Banco do Nordeste (CAPEF) is a closed supplementary pension plan entity established in 1967 that manages assets worth R\$3.6 billion, comprising 11,855 participants and beneficiaries assisted, related to two private pension plans: the Defined Benefit Plan (BD), closed for new participants, and the Variable Contribution Plan (CV I), created in 2010 in order to provide a solution for new employees.

In the first half of 2015, the BD Plan achieved a profitability of 8.53% equivalent to 88.76% of its actuarial goal (INPC + 5.50% p.a.) of 9.61%. This was basically due to the target index (INPC) being higher by 0.63 percentage points than the main index (IPCA), the latter corrects the assets as well as the property portfolio low return over this period.

At the end of the first half of 2015, BD plan had 1,768 active participants, 3,749 retired participants and 1,153 pensioners. There was an increase of 202 total retired

participants arising from the increase of retirement requests, under Voluntary Dismissal Plan (PID), implemented by Banco do Nordeste.

The CV I plan is in reserve accumulation phase. In the first half of 2015 the CV I Plan achieved a profitability of 9.16%, equivalent to 102.23% of its actuarial target of 8.96% (IPCA + 5.50% per year). In this case, there was no mismatch between the target index and the correction of the main assets.

At the end of the first half of 2015, CV I plan had 5,157 active participants, 13 retired participants and 15 pensioners. Following the dissemination of the work done by CAPEF in partnership with Banco do Nordeste, the plan obtained 88.30% participation percentage of employees who joined the Bank in this six-month period.

All these actions and results reinforce the commitment of Banco do Nordeste and CAPEF, to contribute to the well-being of its participants and beneficiaries.

### Caixa de Assistência dos Funcionários do Banco do Nordeste (CAMED)

The Caixa de Assistência dos Funcionários do Banco do Nordeste (CAMED) is part of the CAMED Group which includes Camed Corretora de Seguros and Creche Paulo VI. Camed Saúde has a portfolio of 39,540 beneficiaries and operates in the Northeast and Southeast regions, in addition to the Federal District. The beneficiaries also have exchange service, which consists of performing services by means of other operating companies.

The accumulated operating revenue of Camed Saúde in the first year after the sale of Camed Vida portfolio amounted to R\$69.7 million, an increase of 8% as compared with the first half of 2014, which represents an increase of R\$5 million. Camed Corretora, operating in Brazil through BNB branches, ends the first half with revenue of commissions totaling R\$12.4 million, a 5% growth as compared with the same period of prior year.

To provide comprehensive care for BNB employees' children, Camed Saúde offers Creche Paulo VI, consisting of a multidisciplinary team with educators, a nutritionist, psychologist and speech therapist. The institution ends the first half of 2015 with 142 children enrolled, 112 of which are relatives to the Bank's employees.

## **18 LEGAL INFORMATION**

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In accordance with the Brazilian Securities and Exchange Commission (CVM) Ruling No. 381/03 of January 14, 2003, Banco do Nordeste informs hereby that in the first half of 2015, Ernst & Young Auditores Independentes S/S, engaged as independent auditors, did not provide any services other than external audit services.

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

**BANCO DO NORDESTE DO BRASIL S.A.**  
 Head office: Av. Dr. SILAS MUNGUBA, 5700 - FORTALEZA - CEARÁ  
 Publicly-held financial institution - CNPJ No. 07.237.373/0001-20

**Balance sheets**  
**Six-month periods ended June 30, 2015 and 2014**  
 General Management and Branches in Brazil  
 (Amounts in R\$ thousand)

<b>ASSETS</b>			
		<b>06/30/2015</b>	<b>06/30/2014</b>
<b>CURRENT ASSETS</b>		<b>23.973.935</b>	<b>17.593.139</b>
CASH AND CASH EQUIVALENTS	(Note 5)	201.214	127.539
INTERBANK INVESTMENTS	(Note 6.a)	9.606.779	9.612.609
Open market investments		9.515.682	9.470.400
Interbank deposits		91.097	142.209
MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	(Note 7)	5.958.963	756.845
Own portfolio		3.669.364	756.845
Linked to repurchase agreements		1.670.791	-
Derivative financial instruments		408.451	-
Linked to guarantees given		210.357	-
INTERBANK ACCOUNTS		252.757	560.357
Unsettled payments and receipts		87.952	193.210
Linked credits:			
Central Bank Deposits	(Note 8.a)	132.964	350.392
National Treasury - Rural Credit Funds	(Note 8.a)	28.392	14.907
Interbank - Onlending		1.497	1.062
Correspondents		1.952	786
INTERBANK ACCOUNTS		172	135
Internal transfers of funds		172	135
LOANS		5.146.040	4.432.139
Loans	(Note 9.a)	5.886.323	4.778.952
Public sector		203.812	158.976
Private sector		5.682.511	4.619.976
(Allowance for loan losses)	(Note 9.a)	(740.283)	(346.813)
OTHER CREDITS		2.775.856	2.078.128
Guarantees and sureties honored	(Note 10.a)	50	-
Exchange portfolio	(Note 10.b)	892.144	451.115
Income receivable	(Note 10.c)	14.829	9.387
Trading Securities	(Note 10.d)	4	4
Other receivables	(Note 10.e)	2.018.181	1.637.849
(Allowance for other credits)	(Note 10.f)	(149.352)	(20.227)
OTHER ASSETS		32.154	25.387
Other assets		10.964	5.924
(Valuation allowance)		(638)	(696)
Prepaid expenses		21.828	20.159
<b>LONG-TERM RECEIVABLES</b>		<b>16.370.173</b>	<b>18.586.730</b>
MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	(Note 7)	8.990.978	11.751.623
Own portfolio		8.364.634	10.058.903
Linked to repurchase agreements		119.524	1.124.319
Derivative financial instruments		360.791	256.626
Linked to guarantees given		146.029	311.775
INTERBANK ACCOUNTS		58.286	54.918
Linked credits:			
National Treasury - Rural Credit Funds	(Note 8.a)	17	143
National Housing System (SFH)	(Note 8.a)	56.773	52.650
Interbank - Onlending		1.496	2.125
LOANS		6.842.651	6.021.943
Loans	(Note 9.a)	7.194.263	6.479.830
Public sector		1.246.893	1.112.004
Private sector		5.947.370	5.367.826
(Allowance for loan losses)	(Note 9.a)	(351.612)	(457.887)
OTHER CREDITS		478.258	758.246
Guarantees and sureties honored	(Note 10.a)	50	-
Income receivable	(Note 10.c)	18.049	18.049
Other receivables	(Note 10.e)	506.692	786.673
(Allowance for other credits)	(Note 10.f)	(46.533)	(46.476)
<b>PERMANENT ASSETS</b>	(Note 12)	<b>228.907</b>	<b>227.307</b>
INVESTMENTS		1.879	1.851
Other investments		7.182	7.154
(Allowance for losses)		(5.303)	(5.303)
PROPERTY AND EQUIPMENT IN USE		210.345	210.366
Property and equipment in use		167.682	157.935
Revaluation of property and equipment in use		107.628	107.628
Other property and equipment in use		253.770	236.585
(Accumulated depreciation)		(318.735)	(291.782)
INTANGIBLE ASSETS		16.610	14.803
Intangible assets		16.610	14.803
DEFERRED CHARGES		73	287
Organization and expansion costs		383	1.423
(Accumulated amortization)		(310)	(1.136)
<b>TOTAL ASSETS</b>		<b>40.573.015</b>	<b>36.407.176</b>

## BANCO DO NORDESTE DO BRASIL S.A.

Head office: Av. Dr. SILAS MUNGUBA, 5700 - FORTALEZA - CEARÁ  
Publicly held - CNPJ No. 07.237.373/0001-20

### Balance sheets

Six-month periods ended June 30, 2015 and 2014

General Management and Branches in Brazil  
(Amounts in R\$ thousand)

#### LIABILITIES AND EQUITY

		30.06.2015	30.06.2014
<b>CURRENT LIABILITIES</b>		<b>14.757.019</b>	<b>12.251.080</b>
DEPOSITS	(Note 13.b)	5.620.477	5.790.121
Demand deposits		220.601	274.020
Savings deposits		1.896.302	1.752.016
Interbank deposits		1.090.322	993.343
Time deposits		2.413.252	2.770.742
OPEN MARKET FUNDING	(Note 13.c)	1.735.149	1.259.665
Own portfolio		1.670.578	1.000.296
Third-party portfolio		64.571	259.369
FUNDS FROM ACCEPTANCE AND ISSUE OF SECURITIES	(Note 15)	1.125.415	35.981
Funds from real estate, mortgage, credit and similar notes		181.567	26.704
Liabilities for foreign marketable securities		943.848	9.277
INTERBANK ACCOUNTS		59.311	79.348
Unsettled payments and receipts		59.311	79.348
INTERDEPARTMENTAL ACCOUNTS		4.026	2.464
Third-party funds in transit		3.957	2.438
Internal transfers of funds		69	26
BORROWINGS	(Note 14.b)	1.136.037	599.181
Loans in Brazil – official entities		-	20.177
Foreign borrowings		1.136.037	579.004
DOMESTIC ONLENDING – OFFICIAL INSTITUTIONS	(Note 14.c)	151.710	151.205
National Treasury		605	467
National Bank for Economic and Social Development (BNDES)		123.088	124.505
FINAME		28.017	26.233
DERIVATIVE FINANCIAL INSTRUMENTS	(Note 7.c)	-	89
Derivative financial instruments		-	89
FOREIGN ONLENDING	(Note 14.d)	133.785	95.057
Foreign onlending		133.785	95.057
OTHER LIABILITIES		4.791.109	4.237.969
Collection of taxes and other contributions	(Note 16.a)	55.054	30.005
Exchange portfolio	(Note 16.b)	15.657	19.245
Social and statutory	(Note 16.c)	47.063	100.114
Tax and social security	(Note 16.d)	327.462	344.752
Securities trading	(Note 16.e)	101	91
Financial and development funds	(Note 16.f)	2.852.442	1.948.218
Hybrid debt-equity instruments	(Note 17)	42.369	38.859
Other	(Note 16.i)	1.450.961	1.756.685
<b>LONG-TERM PAYABLES</b>		<b>22.949.288</b>	<b>20.941.874</b>
DEPOSITS	(Note 13.b)	5.908.402	4.997.302
Demand deposits		-	4.147
Interbank deposits		191.802	144.409
Time deposits		5.716.600	4.848.746
OPEN MARKET FUNDING	(Note 13.c)	118.904	122.438
Own portfolio		118.904	122.438
FUNDS FROM ACCEPTANCE AND ISSUE OF SECURITIES	(Note 15)	937.311	1.385.522
Liabilities for foreign marketable securities		937.311	1.385.522
DOMESTIC ONLENDING – OFFICIAL INSTITUTIONS	(Note 14.c)	1.540.202	1.521.843
National Treasury		-	190
National Bank for Economic and Social Development (BNDES)		1.413.958	1.374.193
FINAME		126.244	147.460
DERIVATIVE FINANCIAL INSTRUMENTS	(Nota 7.c)	-	7
Derivative financial instruments		-	7
FOREIGN ONLENDING	(Note 14.d)	790.030	654.169
Onlending abroad		790.030	654.169
OTHER LIABILITIES		13.654.439	12.260.593
Financial and development funds	(Note 16.f)	7.672.026	7.520.265
Hybrid debt-equity instruments	(Note 17)	1.353.988	1.241.799
Subordinated debt eligible to capital	(Note 18)	1.691.087	1.526.376
Other	(Note 16.i)	2.937.338	1.972.153
<b>EQUITY</b>	(Note 19)	<b>2.866.708</b>	<b>3.214.222</b>
CAPITAL		2.844.000	2.844.000
Domiciled in Brazil		2.844.000	2.844.000
REVALUATION RESERVES		18.232	20.556
INCOME RESERVES		485.245	397.013
EQUITY ADJUSTMENTS		(480.769)	(47.347)
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>40.573.015</b>	<b>36.407.176</b>

## INCOME STATEMENTS

Six-month periods ended June 30, 2015 and 2014

General Management and Branches in Brazil  
(Amounts in R\$ thousand)

		1st half of 2015	1st half of 2014
<b>INCOME FROM FINANCIAL INTERMEDIATION</b>		<b>2.772.491</b>	<b>1.755.771</b>
Loans	(Note 9.a.2)	1.021.123	787.754
Gain (loss) on marketable securities transactions	(Note 7.b)	1.364.621	1.023.057
Gain (loss) on derivative financial instruments	(Note 7.d)	230.023	(111.960)
Foreign exchange gains (losses)	(Note 11.b)	145.870	30.929
Compulsory investments gains (losses)	(Note 8.b)	10.854	23.736
Sales or transfer of financial assets		-	2.255
<b>EXPENSES FROM FINANCIAL INTERMEDIATION</b>		<b>(2.407.090)</b>	<b>(1.185.272)</b>
Funding operations	(Note 13.d)	(964.089)	(525.378)
Borrowings and onlending	(Note 14.e)	(901.103)	(455.839)
(Allowance for loan losses)	(Note 9.e)	(541.898)	(204.055)
<b>GROSS INCOME FROM FINANCIAL INTERMEDIATION</b>		<b>365.401</b>	<b>570.499</b>
<b>OTHER OPERATING INCOME/EXPENSES</b>	(Note 20)	<b>(267.565)</b>	<b>(66.535)</b>
Income for services provided		1.054.776	924.060
Income from bank fees		23.879	14.405
Personnel expenses		(731.165)	(761.467)
Personnel expense		(657.607)	(697.715)
Post-employment benefits		(73.558)	(63.752)
Other Administrative Expenses		(463.018)	(424.450)
Tax expenses		(128.119)	(121.955)
Other operating income		776.674	821.527
Other Operating Expenses		(800.592)	(518.655)
<b>OPERATING INCOME (EXPENSES)</b>		<b>97.836</b>	<b>503.964</b>
<b>NON-OPERATING INCOME (EXPENSES)</b>		<b>1.304</b>	<b>841</b>
<b>INCOME BEFORE INCOME TAXES AND PROFIT SHARING</b>		<b>99.140</b>	<b>504.805</b>
<b>INCOME AND SOCIAL CONTRIBUTION TAXES</b>	(Note 21)	<b>92.213</b>	<b>(129.963)</b>
Provision for income tax		(99.012)	(72.634)
Provision for social contribution tax		(62.412)	(45.043)
Deferred tax asset		253.637	(12.286)
<b>STATUTORY PROFIT SHARING</b>		<b>(33.225)</b>	<b>(48.830)</b>
<b>NET INCOME</b> .....		<b>158.128</b>	<b>326.012</b>
<b>INTEREST ON EQUITY</b>	(Note 19.d)	<b>(53.165)</b>	<b>(74.957)</b>
Number of shares (in thousands)		86.371	86.371
Basic/diluted earnings per share (in R\$)		1,83	3,77

**STATEMENTS OF CHANGES IN EQUITY**

Six-month periods ended June 30, 2015 and 2014

General Management and Branches in Brazil  
(Amounts in R\$ thousand)

	PAID-IN CAPITAL		REVALUATION RESERVES	INCOME RESERVES			EQUITY ADJUSTMENTS	RETAINED EARNINGS (ACCUMULATED LOSSES)	TREASURY SHARES	TOTAL
	CAPITAL	CAPITAL INCREASE	OWN ASSETS	LEGAL	STATUTORY	OTHER				
<b>BALANCES at 12/31/2013</b>	2.437.000	-	20.610	148.072	427.203	15.374	(8.045)	-	(384)	3.039.830
EQUITY ADJUSTMENTS										
Marketable securities adjustment							(45.826)			(45.826)
Actuarial gains (losses)							6.524			6.524
CAPITAL INCREASE:										
From reserves:										
Transfer for capital increase		407.000			(407.000)					-
OTHER EVENTS:										
Acquisition of treasury share					(19.518)			384		(19.134)
Realization of Reserves:										
Realization of Reserves (Net of Tax Effects)			(54)					(438)		(492)
NET INCOME FOR THE SIX-MONTH PERIOD								326.012		326.012
Allocations:										
Reserves				16.301	200.713			(217.014)		-
Provision for Dividends/IOE								(77.318)		(77.318)
PROPOSED ADDITIONAL DIVIDENDS (Dividends and IOE)								(31.242)		-
Distributed additional dividends for 2013 (Dividends and IOE)							31.242			-
							(15.374)			(15.374)
<b>BALANCES at 06/30/2014</b>	2.437.000	407.000	20.556	164.373	201.398	31.242	(47.347)	-	-	3.214.222
<b>CHANGES IN THE SIX-MONTH PERIOD</b>	-	407.000	(54)	16.301	(225.805)	15.868	(39.302)	-	384	174.392
<b>BALANCES at 12/31/2014</b>	2.437.000	407.000	19.394	185.439	462.009	40.463	(183.496)	-	-	3.367.809
REVERSALS OF RESERVES										
Income Reserves						(283.648)		283.648		-
EQUITY ADJUSTMENTS										
Marketable securities adjustment							(4.123)			(4.123)
Actuarial gains (losses)							(293.150)			(293.150)
CAPITAL INCREASE:										
From reserves:										
Merger into capital	407.000	(407.000)								-
OTHER EVENTS:										
Revaluation of Assets:										
Realization of Reserves (Net of Tax Effects)			(1.162)					1.162		-
NET INCOME FOR THE SIX-MONTH PERIOD								158.128		158.128
Allocations:										
Reserves				7.907	98.219			(106.126)		-
Dividends and IOE								(37.845)		(37.845)
Proposed additional dividends (Dividends and IOE)								(15.319)		-
Provision for Dividends/IOE - 2014							15.319			-
							(40.463)			(324.111)
<b>BALANCES at 06/30/2015</b>	2.844.000	-	18.232	193.346	276.580	15.319	(480.769)	-	-	2.866.708
<b>CHANGES IN THE SIX-MONTH PERIOD</b>	407.000	(407.000)	(1.162)	7.907	(185.429)	(25.144)	(297.273)	-	-	(501.101)



**CASH FLOW STATEMENTS**  
**Six-month periods ended June 30, 2015 and 2014**  
General Management and Branches in Brazil  
(Amounts in R\$ thousand)

	06/30/2015	06/30/2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net income for the Period</b>	<b>158.128</b>	<b>326.012</b>
<b>Adjustments to Net Income:</b>		
Depreciation and Amortization Expenses	20.107	19.067
Reversal for Impairment of Other Assets	(55)	1
Net Allowance for loan losses	409.441	190.596
Net Allowance for other receivables	132.457	13.459
Net Provision for Contingent Liabilities (FNE Risks)	513.804	196.452
Net Provision for Contingent Liabilities ( FDNE Risks)	24	8
Net Provision for Contingent Liabilities	47.277	43.238
Net Provision (post-employment benefits)	73.558	63.752
Reversal of Operating Provisions	(108.011)	(26.090)
<b>Adjusted net income</b>	<b>1.246.730</b>	<b>826.495</b>
interbank investments	(79.168)	(217.787)
Interbank and Interdepartamental accounts	144.461	(128.736)
Loans	(661.835)	(396.295)
Other credits	(210.544)	264.159
Other assets	(3.836)	685
Deposits	(396.548)	(204.023)
Open Market Funding	97.706	204.508
Funds from acceptance and issue of securities	376.764	(65.761)
Loans and onlending obligations	206.811	(309.192)
Derivative financial instruments	(261.955)	80.124
Other liabilities	1.783.312	2.406.664
Income and Social Contribution Taxes Paid	(116.165)	(120.759)
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>2.125.733</b>	<b>2.340.082</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Available-for-Sale Securities	(385.190)	(631.703)
Addition to Investments	-	(27)
Addition to property in use	(19.850)	(8.840)
Addition to intangible assets	(204)	(2.495)
Addition to assets used by third parties	(638)	(154)
Disposal of property in use	799	591
Disposal of assets used by third parties	49	40
<b>CASH USED IN INVESTING ACTIVITIES</b>	<b>(405.034)</b>	<b>(642.588)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends and interest on equity paid	(433.835)	(48.973)
Treasury Shares	-	(19.134)
<b>CASH USED IN FINANCING ACTIVITIES</b>	<b>(433.835)</b>	<b>(68.107)</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>1.286.864</b>	<b>1.629.387</b>
<b>STATEMENT OF CHANGES IN CASH AND CASH EQUIVALENTS</b>		
At beginning of period	8.365.461	7.709.183
At end of period	9.652.325	9.338.570
<b>Increase in Cash and Cash Equivalents</b>	<b>1.286.864</b>	<b>1.629.387</b>

## STATEMENTS OF VALUE ADDED

Six-month periods ended June 30, 2015 and 2014

General Management and Branches in Brazil

(Amounts in R\$ thousand)

	06/30/2015	%	06/30/2014	%
<b>REVENUES</b>	<b>3.286.635</b>		<b>2.793.894</b>	
Financial intermediation	2.772.491		1.755.771	
Services rendered and bank fees	1.078.655		938.465	
Allowance for loan losses	(541.898)		(204.055)	
Other income/expenses	(22.613)		303.713	
<b>EXPENSES FROM FINANCIAL INTERMEDIATION</b>	<b>(1.865.192)</b>		<b>(981.217)</b>	
<b>INPUTS ACQUIRED FROM THIRD PARTIES</b>	<b>(427.652)</b>		<b>(394.782)</b>	
Materials, energy and other expenses	(35.075)		(31.222)	
Third-party services	(227.347)		(201.690)	
<b>Other</b>	<b>(165.230)</b>		<b>(161.870)</b>	
Data processing and telecommunications	(87.598)		(89.090)	
Advertising, promotions and publications	(16.447)		(15.591)	
Transportation	(12.085)		(9.974)	
Security	(22.625)		(16.746)	
Travel	(5.866)		(7.487)	
Other	(20.609)		(22.982)	
<b>GROSS VALUE ADDED</b>	<b>993.791</b>		<b>1.409.095</b>	
<b>RETENTIONS</b>	<b>(20.107)</b>		<b>(19.067)</b>	
Depreciation, Amortization and Depletion	(20.107)		(19.067)	
<b>NET VALUE ADDED PRODUCED BY THE ENTITY</b>	<b>973.684</b>		<b>1.398.828</b>	
<b>TOTAL VALUE ADDED TO BE DISTRIBUTED</b>	<b>973.684</b>		<b>1.398.828</b>	
<b>DISTRIBUTION OF VALUE ADDED</b>	<b>973.684</b>		<b>1.398.828</b>	
<b>PERSONNEL</b>	<b>660.269</b>	<b>67,8</b>	<b>714.300</b>	<b>51,1</b>
<b>COMPENSATION</b>	<b>473.027</b>	<b>48,6</b>	<b>547.491</b>	<b>39,1</b>
Salaries	439.802		498.661	
Profit sharing	33.225		48.830	
<b>BENEFITS</b>	<b>153.913</b>	<b>15,8</b>	<b>136.841</b>	<b>9,8</b>
Provisions (post-employment benefits)	73.558		63.752	
Benefits – Other	80.355		73.089	
<b>Unemployment Compensation Fund (FGTS)</b>	<b>33.329</b>	<b>3,4</b>	<b>29.968</b>	<b>2,1</b>
<b>TAXES, RATES AND CONTRIBUTIONS</b>	<b>140.028</b>	<b>14,4</b>	<b>347.915</b>	<b>24,9</b>
Federal	125.790		338.115	
State	27		68	
Municipal	14.211		9.732	
<b>DEBT REMUNERATION</b>	<b>15.259</b>	<b>1,6</b>	<b>10.601</b>	<b>0,8</b>
Rent	15.259		10.601	
<b>EQUITY REMUNERATION</b>	<b>158.128</b>	<b>16,3</b>	<b>326.012</b>	<b>23,3</b>
<b>INTEREST ON EQUITY</b>	<b>53.165</b>	<b>5,5</b>	<b>74.957</b>	<b>5,4</b>
Federal	27.114		38.228	
Other	26.051		36.729	
<b>DIVIDENDS</b> □	<b>-</b>	<b>-</b>	<b>33.603</b>	<b>2,4</b>
Federal	-		17.137	
Other	-		16.466	
<b>RETAINED PROFITS IN THE PERIOD</b>	<b>104.963</b>	<b>10,8</b>	<b>217.452</b>	<b>15,5</b>

# **NOTES TO FINANCIAL STATEMENTS**

## **Six-month periods ended June 30, 2015 and 2014**

**(Amounts expressed in thousands of reais, unless otherwise indicated)**

### **Notes to Financial Statements - Contents**

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### **NOTE 1 - The Bank and its Characteristics**

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

### **NOTE 2 - Basis of preparation and presentation of financial statements**

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

The pronouncements issued by the Brazilian Financial Accounting Standards Board - FASB (CPC) in the process of convergence between the Brazilian accounting standards and the International Financial Reporting Standards (IFRS), adopted by the CMN, as well as those approved by the CVM that do not clash with CMN rules, are included in the Bank's financial statements as follows:

- CPC 00 (R1) – Conceptual Framework for Financial Reporting (CMN Resolution No. 4144 of 09.27.2012);
- CPC 01 - Impairment of Assets (CMN Resolution No. 3566 of 05.29.2008);
- CPC 03 - Cash Flow Statement - (CMN Resolution No. 3604 of 08.29.2008);
- CPC 05 – Related Party Disclosures (CMN Resolution No. 3750 of 06.30.2009);
- CPC 09 - Statement of Value Added (CVM Rule No. 557 of 11.12.2008);
- CPC 12 – Present Value Adjustment (CVM Rule No. 564 of 12.17.2008);
- CPC 22 – Segment Reporting (CVM Rule No. 582 of 07.31.2009);
- CPC 23 – Accounting Policies, Changes in Accounting Estimates and Errors (CMN Resolution No. 4007 of 08.25.2011);
- CPC 24 – Subsequent Events (CMN Resolution No. 3973 of 05.26.2011);
- CPC 25 - Provisions, Contingent Liabilities and Contingent Assets (CMN Resolution No. 3823 of 12.16.2009);
- CPC 27 – Property and Equipment (CVM Rule No. 583 of 07.31.2009);
- CPC 32 - Income Taxes (CVM Rule No. 599 of 09.15.2009);
- CPC 33 (R1) - Employee Benefits (CVM Rule No. 695 of 12,13,2012); and
- CPC 41 - Earnings per Share (CVM Rule No. 636 of 08.06.2010).

### **NOTA 3 - Summary of significant accounting practices**

#### **a) Functional currency**

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

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

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

#### **b) Revenue recognition criteria**

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

#### **c) Current and noncurrent assets and liabilities**

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

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

#### **d) Cash and cash equivalents**

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

#### **e) Interbank investments**

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

#### **f) Marketable securities**

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

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

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

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

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

#### **g) Derivative financial instruments**

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

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

#### **Hedge Accounting**

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

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

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

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

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

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

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

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

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

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

**i) Prepaid expenses**

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

**j) Permanent assets**

Investments are stated at cost, net of valuation allowance.

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

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

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

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

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

**k) Taxes**

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

In accordance with current legislation, the expected realization of tax credits is based on the projection of future taxable profits and on technical studies carried out every six months.

The federal contribution taxes on gross revenue for Public Service Employee Savings Program (PASEP) and for Social Security Financing (COFINS) are calculated at the rates of 0.65% and 4.00%, respectively.

**l) Employee benefits**

The Bank grants its employees short-term and post-employment benefits. Short-term benefits are recognized and measured at their original amounts (excluding the effect of the discount to present value or actuarial calculation) based on the monthly accrual basis of accounting.

Post-employment benefits refer to defined benefit and variable contribution pension plans, a defined benefit health care plan, and defined benefit group life insurance.

For “defined benefit” plans and for the portion of unplanned benefits of the variable contribution plan, which has characteristics of defined benefit plan, the net current service cost and net interest on net actuarial liabilities, including interest on the defined benefit asset limit effect, as applicable, are recognized in P&L, whereas actuarial gains and losses and return on plan assets, less amounts considered in net interest, are recognized under “Other equity adjustments”, in Equity.

Contributions referring to the portion of defined contribution of the variable contribution plan are recognized in P&L.

**m) Deposits and open market funding**

Deposits and open market funding are recognized at their amount of liabilities, and charges payable, when applicable, are recorded based on a *pro rata die* criterion.

**n) Impairment of assets**

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

**o) Provisions, contingent assets, contingent liabilities and legal obligations**

Provisions, contingent assets, contingent liabilities and legal obligations are recognized, measured and disclosed according to the criteria defined in CPC 25 - Provisions, Contingent Liabilities and Contingent Assets, approved by CMN Resolution No. 3823 of 12.16.2009, and BACEN Circular No. 3429 of 02.11.2010.

Provisions for civil, tax, labor and other claims are recognized in the financial statements when, based on the opinion of legal advisors and management, the likelihood of loss in a given legal or administrative proceeding is rated as probable, the settlement of which is likely to result in an outflow of economic benefits, and the amounts involved can be reliably measured upon court reference/notification, reviewed as required by procedural changes, and monetarily restated on a monthly basis.

Contingent assets are recognized in the financial statements only when their realization can be reliably measured from evidence, which may be the final and unappealable decision on a lawsuit or the confirmation of their recoverability, either through their receipt or offset against another liability, and contingent liabilities are not recognized in the financial statements.

Legal obligations derive from tax obligations and a provision in their full amount is recognized in the financial statements, regardless of the likelihood of success in ongoing lawsuits.

**p) Use of estimates**

The preparation of the financial statements includes estimates and assumptions, such as in determining allowances for loan losses, market value measurement of financial instruments, provision for contingencies,

impairment losses and other provisions, e.g. actuarial liabilities for health care and pension plans, and life insurance. Actual results could differ from such estimates and assumptions.

**q) Earnings (losses) per share**

Bank's basic and diluted earnings per share were calculated by dividing net income attributable to shareholders by the weighted average number of total common shares. The Bank does not have no stock option, subscription bonus or any other right to acquire shares. Accordingly, basic and diluted earnings losses per share are the same.

**NOTE 4 - Segment reporting**

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

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

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

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

At the six-month periods ended 06.30.2015 and 06.30.2014, no revenue from transactions with one single external customer accounted for 10% or more of the Bank's total revenue.

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



Specification	01.01 to 06.30.2015			01.01 to 06.30.2014		
	Own portfolio	FNE	Total	Own portfolio	FNE	Total
<b>Revenues</b>	<b>2,378,173</b>	<b>1,172,297</b>	<b>3,550,470</b>	<b>1,581,162</b>	<b>996,977</b>	<b>2,578,139</b>
Income from loans	1,021,123	-	1,021,123	787,754	-	787,754
Securities transactions, net	790,881	573,740	1,364,621	556,264	466,793	1,023,057
Derivative financial instruments, net	230,023	-	230,023	(111,960)	-	(111,960)
Foreign exchange transactions, net	145,870	-	145,870	30,929	-	30,929
Compulsory investment, net	10,854	-	10,854	23,736	-	23,736
Sales or transfer of financial assets	-	-	-	2,255	-	2,255
Other revenues	179,422	598,557	777,979	292,184	530,184	822,368
<b>Expenses</b>	<b>(1,860,102)</b>	<b>(1,062,064)</b>	<b>(2,922,166)</b>	<b>(741,549)</b>	<b>(643,529)</b>	<b>(1,385,078)</b>
Open market funding	(964,089)	-	(964,089)	(525,378)	-	(525,378)
Borrowings and onlending	(353,189)	(547,914)	(901,103)	(10,054)	(445,785)	(455,839)
Allowance for loan losses	(541,898)	(513,804)	(1,055,702)	(204,055)	(196,452)	(400,507)
Other contingent liabilities (Note 20.g)	(926)	-	(926)	(2,062)	(1,108)	(3,170)
PROAGRO provision receivable	-	(346)	(346)	-	(184)	(184)
<b>Financial margin</b>	<b>518,071</b>	<b>110,233</b>	<b>628,304</b>	<b>839,613</b>	<b>353,448</b>	<b>1,193,061</b>
Service income	198,869	855,907	1,054,776	154,641	769,419	924,060
Income from fees, rates and commissions	23,879	-	23,879	14,405	-	14,405
<b>PASEP and COFINS</b>	<b>(41,627)</b>	<b>(71,901)</b>	<b>(113,528)</b>	<b>(48,113)</b>	<b>(63,666)</b>	<b>(111,779)</b>
<b>Income(loss) after fees and commissions</b>	<b>699,192</b>	<b>894,239</b>	<b>1,593,431</b>	<b>960,546</b>	<b>1,059,201</b>	<b>2,019,747</b>
<b>Administrative Expenses</b>			<b>(1,194,183)</b>			<b>(1,185,917)</b>
Personnel expenses			(731,165)			(761,467)
Depreciation and amortization			(20,107)			(19,067)
Other administrative expenses			(442,911)			(405,383)
<b>Other expenses</b>			<b>(253,757)</b>			<b>(288,956)</b>
<b>Expenses with provisions, except allowance for loan losses</b>			<b>(46,351)</b>			<b>(40,069)</b>
<b>Income before taxation and profit sharing</b>			<b>99,140</b>			<b>504,805</b>
Income and Social Contribution Taxes			92,213			(129,963)
Profit sharing			(33,225)			(48,830)
<b>Net Income</b>			<b>158,128</b>			<b>326,012</b>

## NOTE 5 - Cash and cash equivalents

Specification	06.30.2015	06.30.2014
Cash and cash equivalents in local currency	169,664	126,060
Cash in foreign currency	31,550	1,479
<b>Total cash</b>	<b>201,214</b>	<b>127,539</b>
Interbank short-term investments	9,451,111	9,211,031
<b>Total cash and cash equivalents</b>	<b>9,652,325</b>	<b>9,338,570</b>

## NOTE 6 - Interbank investments

### a) Breakdown

Specification	06.30.2015	06.30.2014
<b>a) Open market investments</b>	<b>9,515,682</b>	<b>9,470,400</b>
Resale agreements pending settlement - Self-funded position	9,451,111	9,211,031
Resale agreements pending settlement - Financed position	64,571	259,369
<b>b) Interbank deposits</b>	<b>91,097</b>	<b>142,209</b>
Foreign currency investments	-	26,422
Interbank deposits	91,097	115,787
<b>Total</b>	<b>9,606,779</b>	<b>9,612,609</b>
Current balance	9,606,779	9,612,609

### b) Income from interbank investments

Specification	01.01 to 06.30.2015	01.01 to 06.30.2014
<b>a) Income from open market investments (Note 7.b)</b>	<b>494,706</b>	<b>402,566</b>
Self-funded position	489,775	393,566
Financed position	4,931	9,000
<b>b) Income from interbank deposits (Note 7.b)</b>	<b>1,290</b>	<b>5,970</b>
<b>Total</b>	<b>495,996</b>	<b>408,536</b>

## NOTE 7 - Marketable securities and derivative financial instruments

### a) Marketable securities

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

#### a.1) Marketable Securities and Derivative Financial Instruments

Specification	06.30.2015	06.30.2014
Available-for-sale securities	14,014,168	12,099,220
Held-to-maturity securities	166,530	152,622
Swap differential receivable	769,243	256,626
<b>Total</b>	<b>14,949,941</b>	<b>12,508,468</b>
Current balance	5,958,963	756,845
Long-term	8,990,978	11,751,623

a.2) Available-for-sale securities

Specification	06.30.2015								
	Maturity					Cost value	Market (book) value	Market adjustment	Maturity
	No maturity	0 to 30 days	31 to 180 days	181 to 360 days	Above 360 days				
<b>Fixed income securities</b>	-	-	5,250,241	80,641	8,318,102	14,089,476	13,648,984	(440,492)	
Financial Treasury Bills (LFT)	-	-	5,079,346	-	5,035,668	10,115,240	10,115,014	(226)	2015 to 2021
National Treasury Notes (NTN)	-	-	-	-	1,342,220	1,378,860	1,342,220	(36,640)	2050
Financial bills	-	-	170,865	80,641	1,585,808	1,897,185	1,837,314	(59,871)	2015 to 2019
Debentures	-	-	-	-	348,533	662,673	348,533	(314,140)	2016 to 2035
Federal government bonds (FCVS)	-	-	-	-	5,744	5,729	5,744	15	2027
Federal government bonds - Other	-	-	-	-	-	29,553	-	(29,553)	1993
Agrarian Debt Securities (TDAs)	-	-	30	-	129	236	159	(77)	2015 to 2022
<b>Investment fund shares</b>	275	-	-	-	-	1,722	275	(1,447)	
Social Development Funds (FDS)	-	-	-	-	-	1,447	-	(1,447)	No maturity
Investment Guarantee Fund (FGI)	262	-	-	-	-	262	262	-	No maturity
Operation Guarantee Fund (FGO)	13	-	-	-	-	13	13	-	No maturity
<b>Variable income securities</b>	8,523	-	-	-	-	8,745	8,523	(222)	
Other tax incentives (FINOR)	125	-	-	-	-	163	125	(38)	No maturity
Publicly-traded companies shares	8,398	-	-	-	-	8,582	8,398	(184)	No maturity
<b>Security deposits <sup>(1)</sup></b>	-	-	210,357	-	146,029	368,512	356,386	(12,126)	
Financial Treasury Bills (LFT)	-	-	210,357	-	141,332	351,692	351,689	(3)	2015 to 2020
Federal government bonds – Nuclebrás	-	-	-	-	-	748	-	(748)	1993
Debentures	-	-	-	-	4,697	16,072	4,697	(11,375)	2035
<b>Total of category</b>	8,798	-	5,460,598	80,641	8,464,131	14,468,455	14,014,168	(454,287)	
Tax credit (Note 21.b)								182,466	
Provision for deferred taxes and contributions (Note 21.c)								(751)	
<b>Total market value adjustment</b>								<b>(272,572)</b>	

<sup>(1)</sup> Breakdown: Guarantees on stock exchange transactions R\$188,805; guarantees on clearing house association transactions R\$2,133; guarantees on legal proceedings R\$145,967; and other guarantees R\$19,481.

Specification	06.30.2014								
	No maturity	Maturity				Cost value	Market/book value	Market adjustment	Maturity
		0 to 30 days	31 to 180 days	181 to 360 days	Above 360 days				
<b>Fixed income securities</b>	-	126,266	9,954	609,001	11,031,369	12,267,705	11,776,590	(491,115)	
Financial Treasury Bills (LFT)	-	-	9,924	490,655	7,909,092	8,408,766	8,409,671	905	2014 to 2018
National Treasury Notes (NTN)	-	-	-	-	1,217,391	1,267,938	1,217,391	(50,547)	2050
Financial bills	-	118,748	-	118,346	1,524,131	1,822,232	1,761,225	(61,007)	2014 to 2019
Debentures	-	7,518	-	-	374,545	734,244	382,063	(352,181)	2014 to 2035
Federal government bonds (FCVS)	-	-	-	-	6,055	6,069	6,055	(14)	2027
Federal government bonds – Other	-	-	-	-	-	28,190	-	(28,190)	1993
Agrarian Debt Securities (TDAs)	-	-	30	-	155	266	185	(81)	2014 to 2022
<b>Investment fund shares</b>	270	-	-	-	1,357	3,022	1,627	(1,395)	
Social Development Funds (FDS)	-	-	-	-	-	1,395	-	(1,395)	No maturity
Real Estate Investment Fund (FII)	-	-	-	-	1,357	1,357	1,357	-	2100
Investment Guarantee Fund (FGI)	250	-	-	-	-	250	250	-	No maturity
Operation Guarantee Fund (FGO)	20	-	-	-	-	20	20	-	No maturity
<b>Variable income securities</b>	9,228	-	-	-	-	16,404	9,228	(7,176)	
Other tax incentives (FINOR)	148	-	-	-	-	163	148	(15)	No maturity
Publicly-traded companies shares	9,080	-	-	-	-	16,241	9,080	(7,161)	No maturity
<b>Security deposits <sup>(1)</sup></b>	-	-	-	-	311,775	312,446	311,775	(671)	
Financial Treasury Bills (LFT)	-	-	-	-	311,678	311,635	311,678	43	2015 to 2017
Federal government bonds – Nuclebrás	-	-	-	-	-	714	-	(714)	1993
Federal government bonds - Other	-	-	-	-	97	97	97	-	2027
<b>Total of category</b>	9,498	126,266	9,954	609,001	11,344,501	12,599,577	12,099,220	(500,357)	
Tax credit (Note 21.b)								203,861	
Provision for deferred taxes and contributions (Note 21.c)								(3,718)	
<b>Total market value adjustment</b>								<b>(300,214)</b>	

<sup>(1)</sup> Breakdown: Guarantees on stock exchange transactions R\$168,793; guarantees on clearing house association transactions R\$1,907; guarantees on legal proceedings R\$123,715; and other guarantees R\$17,360.

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

In view of the classification of assets under "Available-for-sale securities", the amount of (R\$454,287) ((R\$500,357) at 06.30.2014) was recorded in Equity under "Market value adjustments" account. This Such adjustment, net of tax effects, corresponds to (R\$272,572) ((R\$300,214) at 06.30.2014).

**a.3) Held-to-maturity securities**

Specification	06.30.2015							
	No maturity	Maturity				Cost/book value	Market value <sup>(1)</sup>	Maturity
		0 to 30 days	31 to 180 days	181 to 360 days	Above 360 days			
<b>Fixed income securities</b>	-	-	-	474	101,860	166,530	102,334	
Investment Fund Shares - Ne Empreendedor	-	-	-	474	-	474	474	2016
National Treasury Notes (NTN) – P	-	-	-	-	74,392	138,588	74,392	2030
Investment Fund Shares - CRIATEC	-	-	-	-	12,088	12,088	12,088	2017
Investment Fund Shares – CRIATEC II	-	-	-	-	1,335	1,335	1,335	2023
FIP Brasil Agronegócios	-	-	-	-	13,480	13,480	13,480	2018
Nordeste III FIP	-	-	-	-	565	565	565	2022
<b>Total of category</b>	-	-	-	474	101,860	166,530	102,334	

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

Specification	06.30.2014							
	No maturity	Faixa de Vencimento				Cost/book value	Market value <sup>(1)</sup>	Maturity
		0 to 30 days	31 to 180 days	181 to 360 days	Above 360 days			
<b>Fixed income securities</b>	-	-	106	2,020	97,442	152,622	99,568	
Investment Fund Shares - Ne Empreendedor	-	-	-	2,020	-	2,020	2,020	2015
National Treasury Notes (NTN) - P	-	-	106	-	76,101	129,261	76,207	2014 to 2030
Investment Fund Shares - CRIATEC	-	-	-	-	12,692	12,692	12,692	2017
Investment Fund Shares – CRIATEC II	-	-	-	-	522	522	522	2023
FIP Brasil Agronegócios	-	-	-	-	8,127	8,127	8,127	2018
<b>Total of category</b>	-	-	106	2,020	97,442	152,622	99,568	

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

**a.4)** In the 1<sup>st</sup> half of 2015, there were no reclassifications of marketable securities into the categories above, and no held-to-maturity securities were sold.

**a.5)** The criteria below are used to obtain market value, according to the following order of priority:

- 1<sup>st</sup> - Market Prices disclosed by the National Association of Financial Market Institutions (ANBIMA) and BM&FBOVESPA;
- 2<sup>nd</sup> - Market value calculated based on the goodwill or negative Goodwill rate used in the last paper trading in the last 3 (three) months in CETIP S.A. - Mercados Organizados; and
- 3<sup>rd</sup> - Calculation of probable realizable value based on own pricing model.

**a.6)** Bank Management states that the institution has the financial capacity and the intention of holding to maturity the securities classified as held to maturity.

**b) Income from marketable securities**

Specification	01.01 to 06.30.2015	01.01 to 06.30.2014
Open market investments (Note 6.b)	494,706	402,566
Interbank deposits (Note 6.b)	1,290	5,970
Fixed income securities	868,096	614,418
Variable income securities	529	103
<b>Total</b>	<b>1,364,621</b>	<b>1,023,057</b>

**c) Derivative financial instruments**

The Bank operates under a conservative investment policy focused on investing strictly in compliance with the maturity terms and rates established by the respective sources of funds in order to avoid any mismatching among assets and liabilities in terms of maturities, interest rates and applicable indices. As at 06.30.2015, the Bank had swap transactions registered with CETIP S.A. (OTC Clearing House) and the notional value of these transactions is recorded in memorandum accounts (notional value) while the related book value is recorded under the accounts 'Differential Payable' and 'Differential Receivable', as shown below:

Breakdown at 06.30.2015								
Specification	Notional value	Market value		Curve value		Mark-to-market		Market adjustment, net
		Differential receivable	Differential payable	Differential receivable	Differential payable	Positive	Negative	
<b>Long position</b>								
Foreign currency (US dollar)	1,087,635	769,243	-	762,326	-	14,972	8,055	6,917
<b>Short position</b>								
Fixed rate	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,087,635</b>	<b>769,243</b>	<b>-</b>	<b>762,326</b>	<b>-</b>	<b>14,972</b>	<b>8,055</b>	<b>6,917</b>
Tax credit (Note 21.b)								3,223
Provision for deferred taxes and contributions (Note 21.c)								5,989

Breakdown at 06.30.2014								
Specification	Notional value	Market value		Curve		Mark-to-market		Market adjustment, net
		Differential receivable	Differential payable	Differential receivable	Differential payable	Positive	Negative	
<b>Long position</b>								
Foreign currency (US dollar)	1,087,635	256,626	-	227,332	-	29,294	-	29,294
<b>Short position</b>								
Fixed rate	925	-	96	-	97	1	-	1
<b>Total</b>	<b>1,088,560</b>	<b>256,626</b>	<b>96</b>	<b>227,332</b>	<b>97</b>	<b>29,295</b>	<b>-</b>	<b>29,295</b>
Tax credit (Note 21.b)								-
Provision for deferred taxes and contributions (Note 21.c)								11,719

Specification	06.30.2015		06.30.2014	
	Differential receivable	Differential payable	Differential receivable	Differential payable
Within to 3 months	-	-	-	36
3 to 12 months	408,452	-	-	53
1 to 3 years	-	-	158,908	7
3 to 5 years	360,791	-	97,718	-
<b>Total</b>	<b>769,243</b>	<b>-</b>	<b>256,626</b>	<b>96</b>

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

Specification	06.30.2015				
	Curve value		Market value		Mark-to-market
	Asset-US dollar	Liability - CDI	Asset-US dollar	Liability - CDI	
Swap - Foreign currency - Long position	1,872,546	1,110,222	1,879,463	1,110,222	6,917
Hedged item	Curve value <sup>(1)</sup>		Market value <sup>(1)</sup>		Mark-to-market
<i>Eurobonds - Senior Unsecured Notes (Note 15.a)</i>	1,872,995		1,879,526		6,531
Tax credit (Note 21.b)					2,613

<sup>(1)</sup> Net of tax effects at source on interest from loan of R\$1,633.

Specification	06.30.2014				
	Curve value		Market value		Mark-to-market
	Asset-US dollar	Liability - CDI	Asset-US dollar	Liability- CDI	
Swap - Foreign currency - Long position	1,333,177	1,105,845	1,393,247	1,136,621	29,294
Hedged item	Curve value <sup>(1)</sup>		Market value <sup>(1)</sup>		Mark-to-market
Eurobonds - Senior Unsecured Notes (Note 15.a)	1,329,617		1,393,638		64,021
Tax credit (Note 21.b)					25,608

<sup>(1)</sup> Net of tax effects at source on interest from loan of R\$1,161.

Considering the currency risk exposure as well as funding market conditions abroad through Eurobonds – Senior Unsecured Notes, the Bank entered into swap agreements to fully hedge the loans raised and corresponding interest payable, classified according to their nature as market risk hedge. The hedged principal, plus interest payable, is stated at market value, and any changes are recorded as part of the book value, recognized in P&L for the six-month period.

Considering that the financial flow (principal and interest) of hedged item (Eurobonds-Senior Unsecured Notes) and financial flows of financial instruments (swaps) designated are identical, the expected effectiveness upon the hedging instrument designation and in the course of transaction is in accordance with that established by BACEN.

The transactions were assessed as effective under BACEN Circular No. 3082 of 01.30.2002, based on the financial flows (principal and interest) of the hedged item, Eurobonds - Senior Unsecured Notes and of hedging instruments (swap agreements).

**d) Income (losses) on derivative financial instruments**

Specification	01.01 to 06.30.2015	01.01 to 06.30.2014
Swap	230,023	(111,960)
<b>Total</b>	<b>230,023</b>	<b>(111,960)</b>

## NOTE 8 - Interbank accounts - Restricted deposits

### a) Linked credits

Specification	06.30.2015			06.30.2014		
	Gross amount	Allowance	Net amount	Gross amount	Allowance	Net amount
Mandatory payments - Savings accounts	84,006	-	84,006	307,763	-	307,763
Compulsory reserves – Cash funds	48,958	-	48,958	42,629	-	42,629
National Housing System (SFH)	69,429	(12,656)	56,773	65,192	(12,542)	52,650
National Treasury - Rural credit	28,966	(557)	28,409	15,549	(499)	15,050
<b>Total</b>	<b>231,359</b>	<b>(13,213)</b>	<b>218,146</b>	<b>431,133</b>	<b>(13,041)</b>	<b>418,092</b>
Current balance	161,913	(557)	161,356	365,798	(499)	365,299
Long-term	69,446	(12,656)	56,790	65,335	(12,542)	52,793

### b) Compulsory investment, net

Specification	01.01 to 06.30.2015	01.01 to 06.30.2014
Income from linked credits – Central Bank of Brazil	8,758	10,314
Income from linked credits – SFH	2,196	1,872
Income from linked credits – Rural Credit	30	25
Valuation/(Devaluation) of linked credits	(130)	11,525
<b>Total</b>	<b>10,854</b>	<b>23,736</b>

## NOTE 9 - Loan portfolio and allowance for loan losses

### a) Loan portfolio and allowance for loan losses

Specification	06.30.2015		06.30.2014	
	Gross amount	Allowance	Gross amount	Allowance
<b>Loan transactions</b>	<b>13,080,586</b>	<b>(1,091,895)</b>	<b>11,258,782</b>	<b>(804,700)</b>
Current	5,886,323	(740,283)	4,778,952	(346,813)
Long-term	7,194,263	(351,612)	6,479,830	(457,887)
<b>Other accounts with loan features (Note 10.f)</b>	<b>773,694</b>	<b>(149,352)</b>	<b>445,730</b>	<b>(20,227)</b>
Current	766,126	(149,352)	440,259	(20,227)
Long-term	7,568	-	5,471	-
<b>Total</b>	<b>13,854,280</b>	<b>(1,241,247)</b>	<b>11,704,512</b>	<b>(824,927)</b>

#### a.1) Breakdown of loan portfolio

Specification	06.30.2015	06.30.2014
Advances to depositors	1,770	175
Loans	5,922,965	4,931,594
Discounted notes	69,482	57,198
Financing	2,247,626	2,009,931
Financing in foreign currency	296,884	182,710
Refinancing with the Federal Government (Note 29.a.1)	436,194	387,913
Rural and agroindustrial financing	1,681,337	1,655,958
Real estate financing <sup>(1)</sup>	243	243
Infrastructure and development financing	2,424,085	2,033,060
<b>Loans subtotal</b>	<b>13,080,586</b>	<b>11,258,782</b>
Guarantees and sureties honored	100	-
Income receivable from advances	20,454	11,135
Debtors due to purchase of assets	5,243	6,036
Notes and credits receivables	43,643	10,986
Advances on foreign exchange contracts (ACC) <sup>(2)</sup> (Note 11.a)	704,254	417,573
<b>Other accounts with loan features subtotal</b>	<b>773,694</b>	<b>445,730</b>
<b>Total</b>	<b>13,854,280</b>	<b>11,704,512</b>

<sup>(1)</sup> Refer to transactions contracted before the discontinuance of real estate financing activities.

<sup>(2)</sup> Accounts classified as "Other liabilities/ exchange portfolio".



## a.2) Income from loans

Specification	01.01 to 06.30.2015	01.01 to 06.30.2014
Loans and discounted notes	402,254	464,997
Financing	456,628	198,556
Rural and agroindustrial financing	102,123	81,552
Recovery of loans written off as loss	59,671	42,594
Guarantees and sureties honored	1	-
Other	446	55
<b>Total</b>	<b>1,021,123</b>	<b>787,754</b>

## b) Breakdown by maturity

### b.1) Current loans <sup>(1)</sup>

Customer type/Activity	01 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	Above 360 days	Total at 06.30.2015	Total at 06.30.2014
Rural	2,336	7,735	23,771	20,762	7,115	1,558,933	1,620,652	1,619,132
Manufacturing	95,954	78,108	83,982	232,215	332,439	2,050,284	2,872,982	2,322,038
Government	13,264	13,264	33,516	43,930	99,835	1,246,893	1,450,702	1,235,492
Other Services	190,095	140,052	188,241	424,073	328,722	1,330,432	2,601,615	4,530,585
Trading	773,865	708,360	575,855	1,043,639	574,749	531,315	4,207,783	1,239,131
Financial	21	25	24	72	119	307	568	2,630
Housing	6	5	5	13	22	245	296	4,777
Individuals	18,385	8,238	6,430	5,979	10,154	1,146	50,332	67,311
<b>Total</b>	<b>1,093,926</b>	<b>955,787</b>	<b>911,824</b>	<b>1,770,683</b>	<b>1,353,155</b>	<b>6,719,555</b>	<b>12,804,930</b>	<b>11,021,096</b>

<sup>(1)</sup> Include loans overdue up to 14 days.

### b.2) Past due loans

Falling due								
Customer Type/Activity	01 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	Above 360 days	Total at 06.30.2015	Total at 06.30.2014
Rural	101	94	126	591	2,068	20,415	23,395	13,185
Manufacturing	3,939	3,912	4,821	12,633	20,074	66,327	111,706	96,575
Other Services	8,219	7,773	6,994	22,081	34,997	225,669	305,733	174,164
Trading	16,636	16,467	12,724	29,477	64,520	170,047	309,871	186,145
Financial	1	-	1	3	6	15	26	518
Housing	-	-	-	-	-	-	-	26
Individuals	111	111	196	98	140	10	666	9,135
<b>Total</b>	<b>29,007</b>	<b>28,357</b>	<b>24,862</b>	<b>64,883</b>	<b>121,805</b>	<b>482,483</b>	<b>751,397</b>	<b>479,748</b>

Past due									
Customer Type/Activity	01 to 14 days	15 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	Above 360 days	Total at 06.30.2015	Total at 06.30.2014
Rural	9	84	52	5,496	632	13,205	31,588	51,066	38,272
Manufacturing	1,910	2,858	4,348	3,283	23,164	5,930	3,151	44,644	26,231
Other Services	2,331	10,182	11,233	9,306	21,869	15,357	2,681	72,959	68,755
Trading	3,699	11,143	17,716	15,279	41,587	30,086	1,867	121,377	61,965
Financial	1	-	1	1	-	-	-	3	23
Housing	-	-	-	-	-	-	-	-	39
Individuals	-	702	948	975	2,988	2,281	10	7,904	8,383
<b>Total</b>	<b>7,950</b>	<b>24,969</b>	<b>34,298</b>	<b>34,340</b>	<b>90,240</b>	<b>66,859</b>	<b>39,297</b>	<b>297,953</b>	<b>203,668</b>

### c) Breakdown by risk level

Risk level	06.30.2015				06.30.2014			
	Current <sup>(1)</sup>	Past due	Total portfolio	Allowance	Current <sup>(1)</sup>	Past due	Total portfolio	Allowance
AA	4,934,745	-	4,934,745	-	4,280,895	-	4,280,895	-
A	4,790,284	-	4,790,284	(23,951)	4,015,197	-	4,015,197	(20,076)
B	2,378,750	65,422	2,444,172	(24,442)	1,823,119	46,581	1,869,700	(18,697)
C	94,497	75,329	169,826	(5,095)	106,717	64,117	170,834	(5,125)
D	86,444	82,028	168,472	(16,847)	246,582	167,392	413,974	(41,398)
E	59,571	70,450	130,021	(39,006)	138,356	66,685	205,041	(61,512)
F	15,712	72,635	88,347	(44,173)	16,755	44,058	60,813	(30,407)
G	98,279	37,321	135,600	(94,920)	92,078	42,407	134,485	(94,139)
H	346,648	646,165	992,813	(992,813)	301,397	252,176	553,573	(553,573)
<b>Total</b>	<b>12,804,930</b>	<b>1,049,350</b>	<b>13,854,280</b>	<b>(1,241,247)</b>	<b>11,021,096</b>	<b>683,416</b>	<b>11,704,512</b>	<b>(824,927)</b>

<sup>(1)</sup> Include loans overdue up to 14 days.

### d) Changes in the allowance for the period

Specification	06.30.2015	06.30.2014
Opening balance (Allowance for losses on loan portfolio)	890,703	893,774
(+) Net allowance recognized for the period	541,824	204,055
(-) Receivables written off as loss for the period	(191,280)	(272,902)
<b>(=) Net Allowance for losses on loan portfolio</b>	<b>1,241,247</b>	<b>824,927</b>
Opening balance (Allowance for losses on other receivables without loan features)	46,458	46,477
(+) Net allowance for the period	150	281
(-) Loans written off as loss for the period	(75)	(282)
<b>(=) Net allowance for losses on other receivables without loan features (Note 10.f)</b>	<b>46,533</b>	<b>46,476</b>
<b>(=) Allowance for loan losses</b>	<b>1,287,780</b>	<b>871,403</b>

### e) Breakdown of the allowance expense balance

Specification	01.01 to 06.30.2015	01.01 to 06.30.2014
(+) Expenses on allowance for loan losses	409,441	190,596
(+) Expenses on allowance for losses on other receivables	132,383	13,459
<b>(=) Balance of expenses on allowance for losses on operations with loan features</b>	<b>541,824</b>	<b>204,055</b>
(+) Expenses on Allowance for losses on other receivables without loan features	74	19
(-) Reversals of allowance for losses on other receivables without loan features	-	(19)
<b>(=) Balance of expenses on allowance for loan losses</b>	<b>541,898</b>	<b>204,055</b>

f) In the 1<sup>st</sup> half of 2015, receivables that had been written off as loss were recovered in the amount of R\$59,671 (R\$42,595 at 06.30.2014) and renegotiations amounted to R\$87,794 (R\$351,509 at 06.30.2014).

### g) Recovery of receivables with legal grounds

In accordance with Law No. 11322 of 07.13.2006, Law No. 11775 of 09.17.2008, Law No. 12249 of 06.11.2010, and Law No. 12716 of 09.21.2012, concerning rescheduling of debts arising from rural credit transactions, that provides for rebates in the debt balance, discounts for prompt payment of installments, reduction of interest rate, and extension of payment terms of the referred to transactions, a positive effect on the Bank's income, for 06.30.2015, was recognized in the amount of R\$16,180 (R\$31,931 at 06.30.2014), shown below. Pursuant to the abovementioned legal provisions, part of these transactions was acquired by Fundo Constitucional de Financiamento do Nordeste (FNE).

Specification	01.01 to 06.30.2015	01.01 to 06.30.2014
Income earned	8,605	14,333
Recovery of transactions written off of assets	9,775	6,308
Expenses on discounts	(221)	(24)
Net effect of allowances	(1,979)	11,314
<b>Total</b>	<b>16,180</b>	<b>31,931</b>

#### NOTE 10 - Other receivables

Specification	06.30.2015	06.30.2014
<b>a) Receivables for guarantees and sureties honored</b>	<b>100</b>	<b>-</b>
<b>b) Foreign exchange portfolio (Note 11.a)</b>	<b>892,144</b>	<b>451,115</b>
<b>c) Income receivable</b>	<b>32,878</b>	<b>27,436</b>
<b>d) Securities trading</b>	<b>4</b>	<b>4</b>
<b>e) Other receivables</b>	<b>2,524,873</b>	<b>2,424,522</b>
Tax credits – Allowances (Note 21.b)	1,192,217	1,019,768
Tax credits - marketable securities, derivative financial instruments and hedged item (Notes 7.a.2., 7.c and 21.b)	188,301	229,469
Debtors for escrow deposits	767,140	692,655
<b>Taxes and contributions recoverable</b>	<b>145,453</b>	<b>124,437</b>
From prepayments (Note 21.a.2)	101,453	114,959
Other	44,000	9,478
Tax incentive options	26,748	26,748
Notes and credits receivable	43,643	10,986
Prepaid salaries and advances	28,148	25,343
Payments to be refunded	11,106	9,906
Recalculation, discounts, waivers and bonuses in BNDES transactions	11	6,733
Recalculation, discounts, waivers and bonuses in FAT transactions	17	15,059
Other	122,089	263,418
<b>f) Allowance for losses on other receivables</b>	<b>(195,885)</b>	<b>(66,703)</b>
Receivables with loan features (Note 9.a)	(149,352)	(20,227)
Receivables without loan features (Note 9.d)	(46,533)	(46,476)
<b>Total</b>	<b>3,254,114</b>	<b>2,836,374</b>
Current balance	2,775,856	2,078,128
Long-term balance	478,258	758,246

## NOTE 11 - Foreign exchange portfolio

### a) Breakdown

Specification	06.30.2015	06.30.2014
<b>Assests - Other receivables</b>	<b>892,144</b>	<b>451,115</b>
Exchange purchase pending settlement	864,052	421,017
Exchange sales rights	10,341	19,205
Advances received in local currency	(2,703)	(242)
Income receivable from advances	20,454	11,135
<b>Current assets (Note 10.b)</b>	<b>892,144</b>	<b>451,115</b>
<b>Liabilities – other liabilities</b>	<b>15,657</b>	<b>19,245</b>
Exchange purchase liabilities	709,671	417,633
Exchange sale pending settlement	10,239	19,184
(Advances on foreign exchange contracts - ACC) (Note 9.a.1)	(704,254)	(417,573)
Other	1	1
<b>Current liabilities (Note 16.b)</b>	<b>15,657</b>	<b>19,245</b>

### Foreign exchange gains/(losses)

Specification	01.01 to 06.30.2015	01.01 to 06.30.2014
Exchange income	146,253	31,116
Exchange expenses	(383)	(187)
<b>Total</b>	<b>145,870</b>	<b>30,929</b>

**NOTE 12 - Permanent assets**

**a) Investments**

Specification	12.31.2014	01.01.2015 to 06.30.2015			06.30.2015		
	Book balance	Changes		Book balance	Cost value	Impairment losses <sup>(1)</sup>	Book balance
		Additions	Exclusions				
Shares and units of interest	652		-0	652	652		652
Artworks and valuables	1,227		-0	1,227	1,227		1,227
<b>Total</b>	<b>1,879</b>		<b>-0</b>	<b>1,879</b>	<b>1,879</b>		<b>1,879</b>

**b) Property and equipment**

Specification	12.31.2014	01.01.2015 to 06.30.2015				06.30.2015			
	Book balance	Changes			Book balance	Cost value	Accumulated depreciation	Impairment losses <sup>(2)</sup>	Book balance
		Additions	Exclusions	Depreciation					
Buildings	92,970	9,710	-	(6,288)	96,392	258,285	(161,893)	-	96,392
Data processing system	51,531	14,774	(256)	(9,577)	56,472	131,282	(74,810)	-	56,472
Furniture and equipment in use	27,778	1,426	(260)	(2,160)	26,784	68,351	(41,567)	-	26,784
Land	17,025	-	-	-	17,025	17,025	-	-	17,025
Facilities	6,119	147	-	(732)	5,534	19,226	(13,692)	-	5,534
Communication system	69	-	-	(9)	60	357	(297)	-	60
Construction in progress <sup>(1)</sup>	7,493	122	(7,615)	-	-	-	-	-	-
Security system	8,318	1,087	(84)	(1,248)	8,073	18,433	(10,360)	-	8,073
Transportation system	11	199	(198)	(7)	5	16,121	(16,116)	-	5
<b>Total</b>	<b>211,314</b>	<b>27,465</b>	<b>(8,413)</b>	<b>(20,021)</b>	<b>210,345</b>	<b>529,080</b>	<b>(318,735)</b>	<b>-</b>	<b>210,345</b>

<sup>(1)</sup> Refers to transfer to Buildings, considering the completion of the construction.

<sup>(2)</sup> No impairment losses were recorded on property and equipment.

**c) Deferred charges**

Specification	12.31.2014	01.01.2015 to 06.30.2015				06.30.2015			
	Book balance	Changes			Book balance	Cost value	Accumulated amortization	Impairment losses <sup>(1)</sup>	Book balance
		Additions	Exclusions	Amortization					
Leasehold improvements	159	-	-	(86)	73	383	(310)	-	73
<b>Total</b>	<b>159</b>	-	-	<b>(86)</b>	<b>73</b>	<b>383</b>	<b>(310)</b>	-	<b>73</b>

<sup>(1)</sup> No impairment losses were recorded on deferred charges.

**d) Intangible assets**

Specification	12.31.2014	01.01.2015 to 06.30.2015				06.30.2015			
	Book balance	Changes			Book balance	Cost value	Accumulated amortization	Impairment losses <sup>(1)</sup>	Book balance
		Additions	Exclusions	Amortization					
Spending on intangible assets in process	16,406	204	-	-	16,610	16,610	-	-	16,610
<b>Total</b>	<b>16,406</b>	<b>204</b>	-	-	<b>16,610</b>	<b>16,610</b>	-	-	<b>16,610</b>

<sup>(1)</sup> Provision for impairment of intangible assets was not recorded.

**NOTE 13 – Deposits, Open market funding, Funds from acceptance and issue of securities, Hybrid equity-debt instruments, and Subordinated debts**

**a) Breakdown of deposits, funds from acceptance and issue of securities, hybrid equity-debt instruments and subordinated debts by maturity**

Specification	0 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	5 to 15 years	Above 15 years	Total at 06.30.2015	Total at 06.30.2014
<b>Demand deposits</b>	<b>220,601</b>	-	-	-	-	-	<b>220,601</b>	<b>278,167</b>
Demand deposits	214,743	-	-	-	-	-	214,743	265,689
Foreign currency deposits	5,858	-	-	-	-	-	5,858	12,478
<b>Savings deposits</b>	<b>1,896,302</b>	-	-	-	-	-	<b>1,896,302</b>	<b>1,752,016</b>
<b>Interbank deposits</b>	<b>717,482</b>	<b>372,840</b>	<b>144,927</b>	<b>46,875</b>	-	-	<b>1,282,124</b>	<b>1,137,752</b>
<b>Time deposits</b>	<b>1,585,199</b>	<b>828,053</b>	<b>3,303,486</b>	<b>1,034,703</b>	<b>1,290,681</b>	<b>87,730</b>	<b>8,129,852</b>	<b>7,619,488</b>
Time deposits	667,609	763,917	2,802,511	879,694	1,144,443	87,730	6,345,904	5,846,125
Interest-bearing judicial deposits	893,716	-	-	-	-	-	893,716	836,064
FINOR/cash and cash equivalents and reinvestments - Law No. 8167	-	-	392,526	60,769	60,769	-	514,064	465,535
FAT - Available funds	5,498	15,410	4,315	3,748	3,390	-	32,361	60,656
FAT – invested funds	17,885	48,726	104,134	90,238	82,079	-	343,062	410,430
Other	491	-	-	254	-	-	745	678
<b>Funds from acceptance and issue of securities</b>	<b>27,116</b>	<b>1,098,299</b>	-	<b>937,311</b>	-	-	<b>2,062,726</b>	<b>1,421,503</b>
Eurobonds	-	943,848	-	937,311	-	-	1,881,159	1,394,799
Agribusiness Credit Bills (LCA)	27,116	154,451	-	-	-	-	181,567	26,704
<b>Hybrid equity- debt instruments</b>	-	<b>42,369</b>	-	-	-	<b>1,353,988</b>	<b>1,396,357</b>	<b>1,280,658</b>
<b>Subordinated debts</b>	-	-	-	-	-	<b>1,691,087</b>	<b>1,691,087</b>	<b>1,526,376</b>
<b>Total</b>	<b>4,446,700</b>	<b>2,341,561</b>	<b>3,448,413</b>	<b>2,018,889</b>	<b>1,290,681</b>	<b>3,132,805</b>	<b>16,679,049</b>	<b>15,015,960</b>
Current balance							6,788,261	5,864,961
Long-term							9,890,788	9,150,999

**b) Deposits**

Specification	06.30.2015	06.30.2014
<b>Demand deposits</b>	<b>220,601</b>	<b>278,167</b>
Foreign currency deposits in Brazil	5,858	12,478
Government deposits	14,455	30,756
Restricted deposits	117,825	173,290
Legal entities	57,224	43,924
Individuals	20,565	17,233
Other	4,674	486
<b>Savings deposits</b>	<b>1,896,302</b>	<b>1,752,016</b>
Free savings deposits - Individuals	1,280,664	1,189,031
Free savings deposits - Legal entities	614,765	562,279
From related parties and Financial System Institutions	873	706
<b>Interbank deposits</b>	<b>1,282,124</b>	<b>1,137,752</b>
<b>Time deposits</b>	<b>8,129,852</b>	<b>7,619,488</b>
Time deposits	6,345,904	5,846,125
Interest-bearing judicial deposits	893,716	836,064
<b>Other time deposits</b>	<b>890,232</b>	<b>937,299</b>
<b>Interest-bearing special deposits/FAT (Notes 27 and 29)</b>	<b>375,423</b>	<b>471,086</b>
<b>Available funds (Note 27)</b>	<b>32,361</b>	<b>60,656</b>
Proger Urbano	3,938	4,422
Protrabalho	492	1,425
Infrastructure	26,803	27,398
National Program for Production-Oriented Microcredit (PNMPO)	1,128	27,411
<b>Invested Funds(Note 27)</b>	<b>343,062</b>	<b>410,430</b>
Proger Urbano	21,406	33,329
Protrabalho	83,028	99,580
Infrastructure	117,837	157,067
National Program for Production-Oriented Microcredit (PNMPO)	120,791	120,454
<b>FINOR/cash and cash equivalents and reinvestments - Law No. 8167</b>	<b>514,064</b>	<b>465,535</b>
<b>Other</b>	<b>745</b>	<b>678</b>

<b>Total</b>	<b>11,528,879</b>	<b>10,787,423</b>
Current balance	5,620,477	5,790,121
Long-term	5,908,402	4,997,302

### c) Open market funding

<b>Specification</b>	<b>06.30.2015</b>	<b>06.30.2014</b>
<b>Own portfolio</b>	<b>1,789,482</b>	<b>1,122,734</b>
Financial Treasury Bills (LFT)	1,789,482	1,122,734
<b>Third-party portfolio</b>	<b>64,571</b>	<b>259,369</b>
National Treasury Notes (NTN)	64,571	259,369
<b>Total</b>	<b>1,854,053</b>	<b>1,382,103</b>
Current balance	1,735,149	1,259,665
Long-term	118,904	122,438

### d) Expenses on open market funding

<b>Specification</b>	<b>01.01. to 06.30.2015</b>	<b>01.01. to 06.30.2014</b>
<b>Deposit funding costs</b>	<b>(860,194)</b>	<b>(463,539)</b>
Time deposits	(363,901)	(274,198)
Savings deposits	(51,744)	(43,258)
Judicial deposits	(40,852)	(33,684)
Interbank deposits	(28,192)	(17,780)
Special deposits	(41,185)	(36,310)
Funds from acceptance and issue of securities	(327,789)	(52,431)
Other deposits	(6,531)	(5,878)
<b>Expenses on open market funding transactions</b>	<b>(103,895)</b>	<b>(61,839)</b>
Third-party portfolio	(4,914)	(9,040)
Own portfolio	(98,981)	(52,799)
<b>Total</b>	<b>(964,089)</b>	<b>(525,378)</b>

## NOTE 14 - Borrowings and onlending

### a) Borrowings and onlending by maturity

<b>Specification</b>	<b>0 to 3 months</b>	<b>3 to 12 months</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>5 to 15 years</b>	<b>Above 15 years</b>	<b>Total at 06.30.2015</b>	<b>Total at 06.30.2014</b>
Domestic borrowings	-	-	-	-	-	-	-	20,177
Foreign borrowings	581,708	554,329	-	-	-	-	1,136,037	579,004
Domestic onlending	40,134	111,576	312,281	381,131	665,566	181,224	1,691,912	1,673,048
Foreign onlending	22,463	111,322	259,960	259,960	270,110	-	923,815	749,226
<b>Total</b>	<b>644,305</b>	<b>777,227</b>	<b>572,241</b>	<b>641,091</b>	<b>935,676</b>	<b>181,224</b>	<b>3,751,764</b>	<b>3,021,455</b>
Current balance							1,421,532	845,443
Long-term							2,330,232	2,176,012

### b) Borrowings

<b>Specification</b>	<b>Annual restatement rate (%)</b>	<b>06.30.2015</b>	<b>06.30.2014</b>
Domestic borrowings – Official institutions/Refinancing	TJLP+3.0 or 7.75	-	20,177
Foreign borrowings/Foreign currency payables	USD	1,136,037	579,004
<b>Total</b>		<b>1,136,037</b>	<b>599,181</b>
Current balance		1,136,037	599,181
Long-term balance		-	-

### c) Domestic onlending - official institutions

<b>Specification</b>	<b>Annual restatement rate (%)</b>	<b>06.30.2015</b>	<b>06.30.2014</b>
<b>National Treasury</b>	IGP-DI + 2.0 or 6.75	<b>605</b>	<b>657</b>
<b>BNDES</b>		<b>1,537,046</b>	<b>1,498,698</b>
Credit Facility Granted by the BNDES Agents to Small and Medium-sized Companies to buy shares in Capital Increases - POC	TJLP/IGPM/IPCA+2.00	1,187,511	1,147,307
Credit Facility for investment in agriculture	TJLP/IGPM/IPCA+2.00	349,535	351,391
<b>FINAME</b>		<b>154,261</b>	<b>173,693</b>
“Programa Automático” (program for purchase of new machinery and equipment by companies based in Brazil)	TJLP/IGPM/IPCA+2.00	134,701	154,802



Agricultural Program	TJLP/IGPM/IPCA+2.00	19,560	18,891
<b>Total (Note 29.a.1)</b>		<b>1,691,912</b>	<b>1,673,048</b>
Current balance		151,710	151,205
Long-term		1,540,202	1,521,843

#### d) Foreign onlending

Specification	Annual restatement rate (%)	06.30.2015	06.30.2014
BID-Prodetur I	USD + 3.27	404,738	351,060
BID-Prodetur II	USD + 1.18	511,224	391,936
BID-Other programs	USD + 1.18	7,853	6,230
<b>Total</b>		<b>923,815</b>	<b>749,226</b>
Current balance		133,785	95,057
Long-term		790,030	654,169

#### e) Expenses on borrowings and onlending

Specification	01.01. to 06.30.2015	01.01. to 06.30.2014
<b>Expenses on borrowings</b>	-	<b>(760)</b>
Domestic borrowings	-	(760)
<b>Expenses on onlending</b>	<b>(222,113)</b>	<b>(68,953)</b>
<b>Domestic onlending - Official institutions</b>	<b>(68,839)</b>	<b>(61,504)</b>
National Treasury	(46)	(18)
BNDES	(65,762)	(58,308)
FINAME	(3,031)	(3,178)
<b>Foreign onlending</b>	<b>(153,274)</b>	<b>(7,449)</b>
<b>Expenses on onlending with foreign banks</b>	<b>(196,501)</b>	<b>(3,669)</b>
<b>Expenses on financial and development funds</b>	<b>(482,489)</b>	<b>(382,457)</b>
<b>Total</b>	<b>(901,103)</b>	<b>(455,839)</b>

#### NOTE 15 - Funds from acceptance and issue of securities

##### a) Payables for securities issued abroad

Specification	Funding date	Maturity date	Annual interest (%)	Contractual amount in thousands of US dollars	Contractual amount at 06.30.2015 <sup>(2)</sup>	Market value at 06.30.2015 <sup>(2)</sup>	Market value at 06.30.2014 <sup>(2)</sup>
<i>Eurobonds - Senior Unsecured Notes</i> <sup>(1)</sup>	11.09.2010	11.09.2015	3.625	300,000	936,350	928,134	684,297
<i>Eurobonds - Senior Unsecured Notes</i> <sup>(1)</sup>	05.03.2012	05.03.2019	4.375	300,000	938,278	953,025	710,502
<b>Total</b>				<b>600,000</b>	<b>1,874,628</b>	<b>1,881,159</b>	<b>1,394,799</b>
Current balance						943,848	9,277
Long-term						937,311	1,385,522

<sup>(1)</sup> The notes are not subject to interim repayments and principal is settled on the transaction maturity date. Interest on notes is payable every six months.

<sup>(2)</sup> Considering tax effects.

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

**b) Agribusiness Credit Bills issued**

Specification	Annual interest (%)	Nominal value	06.30.2015	06.30.2014
Agribusiness Credit Bills <sup>(1)</sup>	88.43 of the CDI	174,277	181,567	26,704
Current balance			27,116	26,704
Long-term			154,451	-

<sup>(1)</sup> Security with average maturity term of 366 days.

**NOTE 16 - Other liabilities**

Specification	06.30.2015	06.30.2014
<b>a) Collection of taxes and other contributions</b>	<b>55,054</b>	<b>30,005</b>
Federal taxes received	51,822	27,538
Tax on Financial Transactions (IOF) payable	2,346	1,780
Other taxes and levies	886	687
<b>b) Foreign exchange portfolio (Note 11.a)</b>	<b>15,657</b>	<b>19,245</b>
<b>c) Social and statutory</b>	<b>47,063</b>	<b>100,114</b>
Dividends and bonuses payable	38,306	77,497
Profit sharing	8,757	22,617
<b>d) Tax and social security</b>	<b>327,462</b>	<b>344,752</b>
<b>Provision for tax contingencies</b>	<b>44,511</b>	<b>123,603</b>
Taxes and contributions	2,243	87,430
Tax lawsuits	42,268	36,173
<b>Provision for deferred taxes and contributions</b>	<b>55,604</b>	<b>50,688</b>
Marketable securities and derivative financial instruments (Note 21.c)	6,740	15,437
Revaluation of buildings and land (Note 21.c)	4,373	5,922
From credits recovered (Note 21.c)	44,491	29,329
<b>Provision for income and social contribution taxes (Note 21.a.2)</b>	<b>160,918</b>	<b>112,839</b>
Income tax <sup>(1)</sup>	98,641	69,610
Social contribution tax <sup>(1)</sup>	62,277	43,229
<b>Taxes and contributions payable</b>	<b>66,429</b>	<b>57,622</b>
<b>e) Securities trading and brokerage</b>	<b>101</b>	<b>91</b>
<b>f) Financial and development funds</b>	<b>10,524,468</b>	<b>9,468,483</b>
Fundo Constitucional de Financiamento do Nordeste (FNE) - (Note 29.a.1)	9,584,380	8,885,234
Other	940,088	583,249
<b>g) Hybrid equity-debt instruments (Notes 17 and 29.a.)</b>	<b>1,396,357</b>	<b>1,280,658</b>
<b>b) Subordinated debts eligible for capital (Notes 18 and 29.a.1)</b>	<b>1,691,087</b>	<b>1,526,376</b>
<b>i) Other</b>	<b>4,388,299</b>	<b>3,728,838</b>
<b>Provision for contingent liabilities</b>	<b>2,802,842</b>	<b>2,378,190</b>
Labor claims (Note 22.i.iii)	237,757	208,470
Civil lawsuits (Note 22.i.iv)	153,653	120,677
Other lawsuits (Note 22.i.v)	703	591
<b>FNE (Note 22.i.2.i)</b>	<b>2,388,678</b>	<b>2,016,363</b>
Onlending	1,034	1,017
Full risk	122,202	105,347
Shared risk	2,265,442	1,909,999
FDNE (Note 22.i.2.ii)	1,089	523
Proagro (Note 22.i.2.iii)	2,913	2,128
Other contingent liabilities (Note 22.i.2.iv)	18,049	29,438
<b>Accrued liabilities</b>	<b>1,397,893</b>	<b>1,066,847</b>
<b>Post-employment benefit</b>	<b>1,172,343</b>	<b>795,692</b>
Retirement and DB pension plan (Note 29.a.2)	315,367	95,279
Health care plan (Note 29.a.2)	805,055	700,413
Life insurance - Post-employment benefit (Note 29.a.2)	51,922	-
Personnel expenses	180,108	226,965
Other	45,441	44,190
<b>Other</b>	<b>187,564</b>	<b>283,801</b>
<b>Total</b>	<b>18,445,548</b>	<b>16,498,562</b>
Current	4,791,109	4,237,969
Long-term	13,654,439	12,260,593

<sup>(1)</sup> At 06.30.2015, this balance includes a supplementary amount of R\$5,640 for IRPJ and R\$3,471 for CSLL, referring to the annual adjustment for calendar years from 2010 to 2013, due to recalculation of PASEP/COFINS base upon including expenses with Hybrid debt/equity instruments.

**NOTE 17 - Hybrid equity-debt instruments**

Specification	Amount issued	Interest	Funding date	06.30.2015	06.30.2014
Hybrid equity-debt instruments (Notes 16.g and 29.a.1)	1,000,000	IPCA + 6.5715% p.a.	12.22.2010	1,396,357	1,280,658
Current balance				42,369	38,859
Long-term balance				1,353,988	1,241,799

**NOTE 18 - Subordinated debts**

Specification	06.30.2015	06.30.2014
Fundo Constitucional de Financiamento do Nordeste - FNE	1,691,087	1,526,376
Funds available <sup>(1)</sup>	1,044,610	811,490
Funds invested <sup>(2)</sup>	646,477	714,886
<b>Total (Note 29.a.1)</b>	<b>1,691,087</b>	<b>1,526,376</b>

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

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

**NOTE 19 - Equity****a) Capital**

The Bank's capital in the amount of R\$2,844,000 (R\$2,844,000 at 06.30.2014), is represented by 86,371,464 common registered paid-in shares with no par value, distributed as follows:

Breakdown at 06.30.2015		
Shareholders	Total shares	% of Capital
Federal Government	44,049,447	51.00%
BB FGEDUC Multimarket Investment Fund	30,216,918	34.98%
BB FGO Investment Fund Shares	6,231,250	7.21%
National Development Fund (FND)	3,846,968	4.45%
Other	2,026,881	2.36%
<b>Total</b>	<b>86,371,464</b>	<b>100.00%</b>

Breakdown at 06.30.2014		
Shareholders	Total shares	% of Capital
Federal Government	44,049,447	51.00%
BB FGEDUC Multimarket Investment Fund	30,219,768	34.99%
BB FGO Investment Fund Shares	6,250,000	7.24%
National Development Fund (FND)	3,846,968	4.45%
Other	2,005,281	2.32%
<b>Total</b>	<b>86,371,464</b>	<b>100.00%</b>

**b) Revaluation reserve**

The amount of R\$18,232 (R\$20,556 at 06.30.2014) refers to revaluation of property and equipment in use, recognized on 02.26.1993. This reserve will be maintained through its actual realization date either as a result of depreciation, write-off or disposal, pursuant to CMN Resolution No. 3565 of 05.29.2008. In the 1<sup>st</sup> half, a reserve amounting to R\$1,162 (R\$(438) at 06.30.2014) was transferred to Retained Earnings (Accumulated Losses) and comprised the profit distribution base.

**c) Payment of dividends and interest on Equity (IOE) - 1<sup>st</sup> half of 2015**

The Bank's Chart ensures to shareholders minimum dividend of 25% on net income calculated in the six-month period, adjusted according to Law.

The Executive Board proposes to the Board of Directors the advance payment of dividends and interest on equity, attributed to the dividend amount, of 35.01% on adjusted net income for the six-month period. Due to

this proposal, the amount of R\$37,846 was accounted for as "Provision", referring to the minimum mandatory dividend provided for in Charter, and R\$15,319 as "Income reserve - proposed additional dividends", pursuant to BACEN Circular Letter No. 3516 of 07.21.2011.

Specification	06.30.2015	06.30.2014
<b>1. Net income for the six-month period</b>	<b>158,128</b>	<b>326,012</b>
2. Revaluation reserves transferred to retained earnings (accumulated losses)	1,162	(438)
<b>3. Adjusted net income</b>	<b>159,290</b>	<b>325,574</b>
4. Legal reserve set up	(7,906)	(16,301)
<b>5. Dividends and interest on equity calculation basis</b>	<b>151,384</b>	<b>309,273</b>
6. IOE proposed in the six-month period	53,165	74,957
7. Withholding income tax on IOE	(162)	(225)
8. IOEy attributable to dividends (item 7 + item 8)	53,003	74,732
09. Dividends proposed in the six-month period	-	33,603
<b>10. Gross IOE and Dividends (item 6 + item 9) - 35.12% (35.10% at 06.30.2014)</b>	<b>53,165</b>	<b>108,560</b>
IOE of R\$0.615538945564 per common share (at 06.30.2014: IOE of R\$0.867844500123 per common share)	53,165	74,957
At 06.30.2015 no dividends were recorded (Dividends of R\$0.389059719770 per common share at 06.30.2014)	-	33,603
<b>11. Net amount of IOE and dividends (item 8 + item 9) - 35.01% (35.03% at 06.30.2014)</b>	<b>53,003</b>	<b>108,335</b>

Interest on equity were accounted for under "Expenses", however, for the purposes of disclosure of the financial statements, was reclassified to "Retained earnings (accumulated losses)". Total interest on equity for the six-month period reduced tax expenses amounting to R\$20,947 (R\$29,533 at 06.30.2014).

**d) Legal reserve**

In the 1<sup>st</sup> half, a legal reserve was set up in the amount of R\$7,907, corresponding to 5% on net income.

**e) Statutory reserve**

The statutory reserve set up in the 1<sup>st</sup> half in the amount of R\$98,219 represents the remaining balance of net income after establishment of the legal reserve and the amount proposed for distribution of IOE.

**f) Dividends and IOE for year 2014**

At the Annual/Extraordinary General Meeting held on 03.31.2015, the distribution of dividends and interest on equity for the year ended 12.31.2014 was approved in the amount of R\$533,030. This amount comprises R\$283,648 added to the amount of the provision set up for 2014, and R\$40,463 transferred from the Special Income Reserves - Proposed Additional Dividend, for enforcement of the decision taken in that meeting.

**NOTE 20 - Other operating income (expenses)**

Specification	01.01. to 06.30.2015	01.01. to 06.30.2014
<b>a) Service revenue</b>	<b>1,054,776</b>	<b>924,060</b>
Investment fund management	14,350	11,730
Fund and program management	865,749	778,779
Service rendering	174,677	133,551
<b>b) Income from banking fees</b>	<b>23,879</b>	<b>14,405</b>
<b>c) Personnel expenses</b>	<b>(731,165)</b>	<b>(761,467)</b>
Salaries	(433,378)	(493,836)
Social charges	(155,121)	(143,171)
Retirement and pension plan - DB and VC I Capef Plans	(32,950)	(22,936)
Health care plan - Camed Natural Plan	(38,091)	(40,816)
Life insurance - Post-employment benefit	(2,517)	-
Benefits, training, fees and compensation of interns	(69,108)	(60,708)
<b>d) Other administrative expenses</b>	<b>(463,018)</b>	<b>(424,450)</b>
Data processing	(73,236)	(75,797)
Advertising and publicity	(10,986)	(13,013)
Third-party services	(197,045)	(171,992)
Rentals, material and public utilities	(32,331)	(23,378)
Travel	(5,866)	(7,487)
Communications	(14,362)	(13,293)
Depreciation and amortization	(20,107)	(19,067)
Asset maintenance and upkeep	(18,003)	(18,445)
Surveillance, security and transportation	(34,710)	(26,720)
Promotions, public relations and publications	(5,461)	(2,578)
Financial system services	(13,163)	(12,276)
Specialized technical services	(17,139)	(17,422)
Insurance	(1,305)	(2,190)
Court, notary and attorney fees	(10,213)	(12,153)
Worker' union dues and Associations	(1,389)	(1,155)
Condominium fees, catering, kitchen and meals	(2,412)	(2,171)
Other	(5,290)	(5,313)
<b>e) Tax expenses (Note 21.d)</b>	<b>(128,119)</b>	<b>(121,955)</b>
COFINS and PIS/PASEP	(113,528)	(111,791)
ISS, IPTU and Improvement tax	(13,432)	(9,182)
Other	(1,159)	(982)
<b>f) Other operating income</b>	<b>776,674</b>	<b>821,527</b>
"Del credere" commission on fund management	601,930	532,555
Foreign exchange loss on borrowings	9,584	202,995
Reversal of operating provisions for risks on FNE transactions	40	284
Recovery of charges and expenses	7,617	3,309
Reversal of operating provisions	107,971	14,263
Interest and commissions	2,235	885
Monetary restatement	551	1,999
FNE – Recovery of amounts settled by the Bank	21,400	39,658
Other	25,346	25,579
<b>g) Other operating expenses</b>	<b>(800,592)</b>	<b>(518,655)</b>
Exchange losses on exchange area	(606)	(70)
Exchange loss on loans granted	(3,445)	(109,164)
Negative monetary restatement of loans	(1)	(1)
Discounts granted in renegotiations	(450)	(595)
Loan charges	(868)	(1,323)
Tax contingencies	(6,367)	(7,149)
Risks on FNE transactions	(513,804)	(196,452)
Risks on FDNE transactions	(24)	(8)
Labor claims	(17,281)	(12,304)
Civil lawsuits	(22,609)	(20,575)
Other lawsuits	(94)	(41)
Other contingent liabilities	(926)	(3,170)
Hybrid equity-debt instruments	(127,060)	(89,446)
FNE remuneration - available funds - item A, article 9 of Law No. 7827	(53,932)	(35,332)
FNE remuneration - invested funds - item A, article 9 of Law No. 7827	(31,866)	(35,063)
Other	(21,259)	(7,962)
<b>Total</b>	<b>(267,565)</b>	<b>(66,535)</b>

## NOTE 21 - Taxes and contributions

### a) Income and social contribution taxes

The Bank is subject to the taxable profit regime whereby taxes are computed based on the Bank's accounting records, and income and social contribution taxes are paid monthly on an estimated basis, which may be suspended or reduced whenever the taxable profit calculation is more favorable to the Bank when compared to the estimate. Income and social contribution tax expenses are as follows:

a.1) Specification of the provision for income and social contribution tax expense	Income tax		Social contribution tax	
	01.01 to 06.30.2015	01.01 to 06.30.2014	01.01 to 06.30.2015	01.01 to 06.30.2014
Income (loss) before income taxes and profit sharing	99,140	504,805	99,140	504,805
Statutory profit sharing (PLR)	(33,225)	(48,830)	(33,225)	(48,830)
Interest on Equity (IOE)	(53,165)	(74,957)	(53,165)	(74,957)
Income before income taxes, less statutory profit sharing and interest on equity	12,750	381,018	12,750	381,018
Permanent additions/exclusions	(11,245)	(20,818)	(11,108)	(20,818)
Temporary additions/exclusions	390,394	(72,008)	390,394	(72,008)
Taxable income	391,899	288,192	392,036	288,192
Expenses with provision for IRPJ (25%) and CSLL (15%) - before tax incentives and revaluation reserve	(97,963)	(72,036)	(58,805)	(43,229)
Deductions (tax incentives)	4,963	2,426	-	-
Provision for IRPJ/CSLL on revaluation reserve realized	484	741	290	445
Current IRPJ/CSLL expenses – after tax incentives and revaluation reserve	(92,516)	(68,869)	(58,515)	(42,784)
Provision for deferred taxes and contributions – arising from tax credits recovered and derivative financial instruments	(6,496)	(3,765)	(3,897)	(2,259)
Provision for income and social contribution taxes	(99,012)	(72,634)	(62,412)	(45,043)
IRPJ/CSLL tax credits - provisions, derivative financial instruments and hedged item	158,527	(7,674)	95,109	(4,612)
Total income and social contribution taxes	59,515	(80,308)	32,697	(49,655)
Effective rate (%)	466.78	15.91	256.45	9.84
a.2) Specification of the provision for income and social contribution taxes	Income tax		Social contribution tax	
	06.30.2015	06.30.2014	06.30.2015	06.30.2014
Expense with provision for income and social contribution taxes	92,516	68,869	58,515	42,784
Provision for taxes on revaluation reserve realized	484	741	290	445
Provision for income and social contribution taxes (Note 16.d)	93,000	69,610	58,805	43,229
Taxes recoverable on prepayments, including withholding taxes (Note 10.d)	(68,852)	(78,652)	(32,602)	(36,518)
Taxes payable (to offset) for the period	24,148	(9,042)	26,203	6,711

## b) Tax credits on temporary differences

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

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

Specification	06.30.2015		06.30.2014		06.30.2015	06.30.2014
	IRPJ	CSLL	IRPJ	CSLL	Total	
<b>Effect on income</b>						
<b>a) Provisions</b>						
Opening balance	588,762	353,271	645,463	387,292	942,033	1,032,755
Set up	302,116	181,277	157,096	94,264	483,393	251,360
Realization/ reversal	(145,747)	(87,462)	(165,209)	(99,138)	(233,209)	(264,347)
Closing balance (Note 10.e)	745,131	447,086	637,350	382,418	1,192,217	1,019,768
<b>b) Derivative financial instruments</b>						
Opening balance	2,078	1,248	13	7	3,326	20
Set up	7,857	4,713	2,089	1,253	12,570	3,342
Realization/ reversal	(7,921)	(4,753)	(2,102)	(1,260)	(12,674)	(3,362)
Closing balance (Note 7.c)	2,014	1,208	-	-	3,222	-
<b>c) Hedged item</b>						
Opening balance	(590)	(354)	15,554	9,333	(944)	24,887
Set up	44,879	26,928	9,185	5,511	71,807	14,696
Realization/ reversal	(42,656)	(25,594)	(8,734)	(5,241)	(68,250)	(13,975)
Closing balance (Note 7.c.1)	1,633	980	16,005	9,603	2,613	25,608
<b>Effect on equity</b>						
<b>d) Marketable securities</b>						
Opening balance	112,325	67,396	131,001	78,601	179,721	209,602
Set up	198,494	118,610	237,732	142,638	317,104	380,370
Realization/ reversal	(196,778)	(117,581)	(241,319)	(144,792)	(314,359)	(386,111)
Closing balance (Note 7.a.2)	114,041	68,425	127,414	76,447	182,466	203,861

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

Specification	Income tax		Social contribution tax	
	06.30.2015	06.30.2014	06.30.2015	06.30.2014
1. Total temporary differences	4,981,305	4,459,666	4,981,305	4,459,666
2. Tax credits on temporary differences	1,245,326	1,114,917	747,196	668,950
3. Tax credits recognized in assets on Provisions	745,131	637,350	447,086	382,418
4. Tax credits recognized in assets due to mark-to-market of marketable securities, derivative financial instruments and hedged item	117,688	143,418	70,613	86,051
5. Total tax credits recognized in assets (item 3+ item 4) <sup>(1)</sup>	862,819	780,768	517,699	468,469
6. Tax credits not recognized in assets (item 2+ item 5) <sup>(2)</sup>	382,507	334,149	229,497	200,481

<sup>(1)</sup> Tax credits are recognized in assets under "Other receivables - other".

<sup>(2)</sup> Not recognized in assets as they do not meet the realization requirements provided for in CMN Resolution No. 3355 of 03.31.2006.

Estimated realization of tax credits on temporary differences of provisions at 06.30.2015 is as follows:

Period	Goal for over-SELIC rate - average (%) <sup>(1)</sup>	Realization of income tax credit		Realization of CSLL		Total	
		Book value	Present value	Book value	Present value	Book value	Present value
2015	7.20	175,034	169,055	105,021	101,433	280,055	270,488
2016	12.24	146,239	125,841	87,743	75,504	233,982	201,345
2017	10.87	77,638	60,257	46,583	36,155	124,221	96,412
2018	10.20	53,521	37,694	32,113	22,617	85,634	60,311
2019	9.96	98,282	62,951	58,976	37,775	157,258	100,726
As from 2020	9.96	194,417	113,245	116,650	67,947	311,067	181,192
<b>Total</b>		<b>745,131</b>	<b>569,043</b>	<b>447,086</b>	<b>341,431</b>	<b>1,192,217</b>	<b>910,474</b>

<sup>(1)</sup> For present value calculation purposes, the goal for average Over-Selic rates was used, projected by BACEN at 06.30.2015.

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

Period	Realization of IRPJ		Realization of CSLL		Total	
	Book value	Present value	Book value	Present value	Book value	Present value
2015	10,164	10,164	6,098	6,098	16,262	16,262
2016	8,130	8,130	4,879	4,879	13,009	13,009
2017	1,893	1,893	1,136	1,136	3,029	3,029
2018	11,542	11,542	6,925	6,925	18,467	18,467
2019	5,404	5,404	3,242	3,242	8,646	8,646
As from 2019	80,555	80,555	48,333	48,333	128,888	128,888
<b>Total</b>	<b>117,688</b>	<b>117,688</b>	<b>70,613</b>	<b>70,613</b>	<b>188,301</b>	<b>188,301</b>

Total estimated realization of tax credits at 06.30.2015 is as follows:

Period	Realization of IRPJ		Realization of CSLL		Total	
	Book value	Present value	Book value	Present value	Book value	Present value
2015	185,198	179,219	111,119	107,531	296,317	286,750
2016	154,369	133,971	92,622	80,383	246,991	214,354
2017	79,531	62,150	47,719	37,291	127,250	99,441
2018	65,063	49,236	39,038	29,542	104,101	78,778
2019	103,686	68,355	62,218	41,017	165,904	109,372
As from 2019	274,972	193,801	164,983	116,280	439,955	310,081
<b>Total</b>	<b>862,819</b>	<b>686,732</b>	<b>517,699</b>	<b>412,044</b>	<b>1,380,518</b>	<b>1,098,776</b>

### c) Provision for deferred taxes

Specification	06.30.2015		06.30.2014		06.30.2015	06.30.2014
	IRPJ	CSLL	IRPJ	CSLL	Total	
<b>Effect on income</b>						
<b>a) Derivative financial instruments</b>						
Opening balance	1,573	944	5,399	3,237	2,517	8,636
Set up	36,425	21,855	7,681	4,611	58,280	12,292
Realization/ reversal	(34,255)	(20,553)	(5,755)	(3,454)	(54,808)	(9,209)
Closing balance (Note 7.c)	3,743	2,246	7,325	4,394	5,989	11,719
<b>b) Revaluation reserve</b>						
Opening balance	3,217	1,930	4,134	2,482	5,147	6,616
Set up	-	-	228	134	-	362
Realization/ reversal	(484)	(290)	(661)	(395)	(774)	(1,056)
Closing balance	2,733	1,640	3,701	2,221	4,373	5,922
<b>c) From taxes recovered <sup>(1)</sup></b>						
Opening balance	23,481	14,088	16,491	9,895	37,569	26,386
Set up	4,325	2,597	2,294	1,376	6,922	3,670
Realization/ reversal	-	-	(454)	(273)	-	(727)
Closing balance (Note 16.d)	27,806	16,685	18,331	10,998	44,491	29,329



Effect on equity						
<b>d) Marketable securities</b>						
Opening balance	472	283	25,005	15,006	755	40,011
Set up	12,111	7,268	19,446	11,664	19,379	31,110
Realization/ reversal	(12,114)	(7,269)	(42,127)	(25,276)	(19,383)	(67,403)
Closing balance (Note 7.a.2)	469	282	2,324	1,394	751	3,718

<sup>(1)</sup> Pursuant to article 12 of Law No. 9430 dated 12.27.1996.

The provisions on market value adjustments to marketable securities and derivative financial instruments determined at present value will be written off according to the following schedule:

Period	IRPJ	CSLL	Total
2016	61	36	97
2018	169	102	271
2019	3,976	2,386	6,362
As from 2020	6	4	10
<b>Total</b>	<b>4,212</b>	<b>2,528</b>	<b>6,740</b>

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

Period	Goal for over-SELIC rate - average (%) <sup>(1)</sup>	IRPJ		CSLL		Total	
		Book value	Present value	Book value	Present value	Book value	Present value
2015	7.20	484	468	290	281	774	749
2016	12.24	968	833	581	500	1,549	1,333
2017	10.87	968	751	581	451	1,549	1,202
2018	10.20	313	220	188	132	501	352
<b>Total</b>		<b>2,733</b>	<b>2,272</b>	<b>1,640</b>	<b>1,364</b>	<b>4,373</b>	<b>3,636</b>

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

Period	Goal for over-SELIC rate - average (%) <sup>(1)</sup>	IRPJ		CSLL		Total	
		Book value	Present value	Book value	Present value	Book value	Present value
2015	7.20	2,587	2,499	1,552	1,498	4,139	3,997
2016	12.24	4,640	4,481	2,784	2,689	7,424	7,170
2017	10.87	3,673	3,547	2,204	2,128	5,877	5,675
2018	1.20	2,402	2,320	1,441	1,392	3,843	3,712
2019	9.96	1,719	1,659	1,031	996	2,750	2,655
As from 2020	9.96	12,785	12,349	7,673	7,410	20,458	19,759
<b>Total</b>		<b>27,806</b>	<b>26,855</b>	<b>16,685</b>	<b>16,113</b>	<b>44,491</b>	<b>42,968</b>

Total amounts of provisions for tax liabilities at 06.30.2015 are as follows:

Period	IRPJ	CSLL	Total
2015	3,071	1,842	4,913
2016	5,669	3,401	9,070
2017	4,641	2,785	7,426
2018	2,884	1,730	4,614
2019	5,695	3,417	9,112
As from 2019	12,791	7,678	20,469
<b>Total</b>	<b>34,751</b>	<b>20,853</b>	<b>55,604</b>

#### d) Tax expenses

Specification	01.01 to 06.30.2015	01.01 to 06.30.2014
COFINS and PIS/PASEP	(113,528)	(111,791)
ISS and IPTU/Improvement tax	(13,432)	(9,182)
Other	(1,159)	(982)
<b>Total (Note 20)</b>	<b>(128,119)</b>	<b>(121,955)</b>

#### e) Law No. 12973/14 of 05.13.2014

On May 13, 2014, Provisional Executive Order No. 627 of November 11, 2013 was made into Law No. 12973, which amends the Federal Tax Legislation on IRPJ, CSLL, PIS/PASEP and COFINS from 01.01.2015. Based on the analysis thereof, the Bank verified that it will not entail any significant tax effects on its operations.

#### f) Provisional Executive Order (MP) No. 675 of 05.21.2015

On May 21, 2015, Provisional Executive Order No. 675 was amended, which addresses the increase in CSLL rate of financial institutions from 15% to 20% by amending Law No. 7689/1988, effective from September 1, 2015. The impacts from this change on deferred tax assets and liabilities will be measured and disclosed in the Bank's financial statements after the signing of said MP into Law.

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

- a) The Bank is a party to various administrative and legal proceedings involving civil, tax, labor and other matters. To recognize, measure and disclose provisions, contingent assets, contingent liabilities and legal obligations, CPC 25 - Provisions, Contingent Liabilities and Contingent Assets shall be complied with, adopted by BACEN through CMN Resolution No. 3823 of 12.16.2009, and BACEN Circular Letter No. 3429 of 02.11.2010.
- b) The assessment of the provision and contingent liability, risk level of new lawsuits, and reassessment of already existing claims are made by the Bank's Legal Department, case by case, and are classified according to the likelihood of loss, as probable, possible and remote. This classification is based on analysis of the following factors: i) reasonableness of the factual and legal arguments of the other party; ii) arguments and legal basis developed by the Bank; iii) history of losses in similar cases; iv) understanding of higher courts and supervisory authorities on the matters in litigation; v) decisions already rendered on each proceeding (decision, award, injunction, interim relief, writ of payment or writ of attachment, etc.); and vi) existence of procedural defects in administrative and legal proceedings.
- c) Contingencies classified as probable losses are accounted for and represented by Civil lawsuits (claiming compensation for pain and suffering and property damages, including, among others, protest of notes, return of checks, and provision of information to credit reporting agencies), Labor claims (claiming labor rights, in light of specific professional category legislation, such as overtime pay, salary equalization, job reinstatement, transfer allowance, severance pay, retirement supplementation, including enforcement notices issued by Regional Labor Offices and others), Tax and Social Security Lawsuits (represented by legal and administrative proceedings involving federal and municipal taxes) and Other Lawsuits (such as enforcement notices issued by Regional Councils that regulate the exercise of professions). For

contingencies classified as possible or remote, provisions are not set up, as provided for in legal and regulatory requirements. Bank management understands that the provisions set up are sufficient to cover the likelihood of losses arising from the respective legal and administrative proceedings, as follows:

Specification	06.30.2015		06.30.2014	
	Base value	Provision	Base value	Provision
<b>a) Provision for tax contingencies</b>				
<b>a.1) Taxes and contributions - legal obligation<sup>(1)</sup></b>	-	-	<b>87,430</b>	<b>87,430</b>
<b>a.2) Tax lawsuits</b>	<b>1,522,470</b>	<b>41,960</b>	<b>1,264,149</b>	<b>35,910</b>
i) Other liabilities - other	1,522,470	41,960	1,264,149	35,910
Probable	41,960	41,960	35,910	35,910
Possible	1,135,928	-	972,189	-
Remote <sup>(2)</sup>	344,582	-	256,050	-
<b>b) Provision for contingent liabilities</b>				
<b>b.1) Labor claims</b>	<b>418,032</b>	<b>237,757</b>	<b>365,574</b>	<b>208,470</b>
Probable (Note 16.i)	237,757	237,757	208,470	208,470
Possible	90,513	-	79,480	-
Remote	89,762	-	77,624	-
<b>b.2) Civil lawsuits</b>	<b>4,149,961</b>	<b>153,653</b>	<b>3,395,962</b>	<b>120,677</b>
Probable (Note 16.i)	153,653	153,653	120,677	120,677
Possible	895,825	-	696,176	-
Remote <sup>(3)</sup>	3,100,483	-	2,579,109	-
<b>b.3) Other lawsuits</b>	<b>9,383</b>	<b>703</b>	<b>2,017</b>	<b>591</b>
Probable (Note 16.i)	703	703	591	591
Possible	8,358	-	1,420	-
Remote	322	-	6	-

<sup>(1)</sup> The provision was reversed considering the favorable outcome to the Bank in the legal lawsuit that challenges the IRPJ for calendar year 1999, whose contingent liability assessed as remote loss amounts to R\$91,677 at 06.30.2015, recorded in Other Liabilities - Other.

<sup>(2)</sup> Contingent liabilities relating to tax lawsuits assessed as remote loss are concentrated in 3 (three) proceedings, whose contingent liability balance amounts to R\$304,464 (R\$190,346 at 06.30.2014).

<sup>(3)</sup> Contingent liabilities relating to civil lawsuits assessed as remote loss are concentrated in five (5) proceedings, whose contingent liability balance amounts to R\$1,946,360 (R\$1,605,336 at 06.30.2014).

- d) The Bank has lawsuits handled by outside attorneys, most of which relate to loan collection actions, whose assessment of loss is performed by the Legal Department, pursuant to item "b" above.
- e) Tax lawsuits classified as Legal Obligation pursuant to the terms of BACEN Circular Letter No. 3429 of 02.11.2010, whose amounts were presented in item "d", subitems a.1 and a.2.i, challenges municipal taxes.
- f) Below a brief description of lawsuits to which the Bank is party, involving significant contingent liabilities assessed as possible risk of loss:

Three tax lawsuits challenging the tax deficiency notice. The estimated financial losses total R\$1,021,649 at 06.30.2015 (R\$871,665 at 06.30.2014).

Civil lawsuit challenging loss of profits and payment of management fees. The estimated financial loss totals R\$160,162 at 06.30.2015 (R\$130,795 at 06.30.2014).

Civil lawsuit claiming compensation and loss of profits. The estimated financial loss totals R\$108,597 at 06.30.2015. There was no estimated financial loss for this proceeding at 06.30.2014, since it was filed in 2015.

Civil lawsuit challenging payment of fees. The estimated financial loss totals R\$62,394 at 06.30.2015 (R\$50,953 at 06.30.2014).

Civil lawsuit for refund of overpayment. The estimated financial loss totals R\$44,681 at 06.30.2015 (R\$36,710 at 06.30.2014).

Civil lawsuit claiming compensation. The estimated financial loss totals R\$34,958 at 06.30.2015 (R\$33,056 at 06.30.2014).

Civil lawsuit filed in 2014 related to post-employment benefits. The estimated financial loss totals R\$34,224 at 06.30.2015 and there was no proceeding of this nature at 06.30.2014.

- g) Judicial and appeal deposits made to guarantee legal and administrative proceedings, recognized for

provisions and contingent liabilities, are set out as under:

Specification	06.30.2015	06.30.2014
Labor claims	217,006	215,947
Tax lawsuits	433,884	405,216
Civil lawsuits	88,653	48,321
<b>Total</b>	<b>739,543</b>	<b>669,484</b>

- h) At 06.30.2015, "Other contingent liabilities" account records the following amounts: R\$4,121 (R\$11,319 at 06.30.2014) refers to the provision to cover the Bank risk on loans granted with indication of irregularities, which are the subject of inquiry proceedings carried out by the internal audit area, R\$13,330 (R\$13,376 at 06.30.2014) for loan risk on securitized transactions under Law No. 9138 of 11.29.1995, currently recorded in memorandum accounts, and R\$598 (R\$3,636 at 06.30.2014) for accrued operational risk arising from the Loan Transactions Inventory. At 06.30.2015, based on a recommendation from the Central Bank, there is no provision for contingent liabilities of loan transactions with funds from FNE other than those recorded at the reporting date (R\$1,108 at 06.30.2014).

## i) Changes in provisions

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

Specification	06.30.2015	06.30.2014
<b>i) Taxes and contributions (Legal obligation)</b>		
Opening balance	86,577	84,925
Set up	4,143	4,249
Reversal/use/write-off	(90,720)	(1,744)
Closing balance (Note 16.d)	-	87,430
<b>iii) Tax lawsuits (Other liabilities - other)</b>		
Opening balance	36,525	32,867
Set up	7,172	3,044
Reversal/use/write-off	(1,737)	(1)
Closing balance (Note 22.c)	41,960	35,910
<b>iii) Labor claims (Other liabilities - other)</b>		
Opening balance	221,610	198,291
Set up	22,497	14,959
Reversal/use/write-off	(6,350)	(4,780)
Closing balance (Note 16.i)	237,757	208,470
<b>iv) Civil lawsuits (Other liabilities - other)</b>		
Opening balance	138,045	105,499
Set up	27,382	27,085
Reversal/use/write-off	(11,774)	(11,907)
Closing balance (Note 16.i)	153,653	120,677
<b>v) Other claims (Other liabilities - other)</b>		
Opening balance	608	663
Set up	382	49
Reversal/use/write-off	(287)	(121)
Closing balance (Note 16.i)	703	591

## i.2) Other provisions

Specification	06.30.2015	06.30.2014
<b>i) FNE</b>		
Opening balance	2,062,717	2,022,091
Set up	737,262	196,452
Reversal/use/write-off	(411,301)	(202,180)
Closing balance (Note 16.i)	2,388,678	2,016,363
<b>ii) FDNE</b>		
Opening balance	1,065	515
Set up	24	8
Reversal/use/write-off	-	-
Closing balance (Note 16.i)	1,089	523
<b>iii) Proagro</b>		
Opening balance	2,600	2,152
Set up	319	162
Reversal/use/write-off	(6)	(186)
Closing balance (Note 16.i)	2,913	2,128
<b>iv) Other contingent liabilities</b>		
Opening balance	28,603	33,685
Set up	960	3,169
Reversal/use/write-off	(11,514)	(7,416)
Closing balance (Note 16.i)	18,049	29,438

## NOTE 23 - Employee and officer compensation (in R\$1.00)

### a) Monthly employee compensation

Gross compensation <sup>(1)</sup>	01.01 to 06.30.2015	01.01 to 06.30.2014
Maximum	33,290.13	30,744.54
Minimum	1,273.33	1,148.97
Average	8,315.10	7,837.63

<sup>(1)</sup> Includes overtime (including night shift premium), when actually incurred.

### b) Compensation paid to the Executive Board, Board of Directors and Supervisory Board for the period

Specification	06.30.2015	06.30.2014	06.30.2015	06.30.2014	06.30.2015	06.30.2014
<b>Gross compensation <sup>(1)</sup></b>	<b>Executive Board</b>		<b>Board of Directors</b>		<b>Supervisory Board</b>	
Highest individual compensation <sup>(2)</sup>	544,491.20	400,042.63	32,848.32	23,912.91	30,834.66	23,912.91
Lowest individual compensation <sup>(3)</sup>	400,215.95	323,917.96	26,498.86	23,912.91	25,171.17	23,912.91
Average individual compensation <sup>(4)</sup>	529,921.99	386,630.59	27,317.28	23,229.10	28,470.65	23,772.16
Number of officers/directors <sup>(5)</sup>	7	7	6	6	5	5

<sup>(1)</sup> Amounts approved at the 62<sup>nd</sup> Annual General Meeting held on 03.31.2015.

<sup>(2)</sup> Amount computed without any exclusion, considering all compensation amounts recognized for the period.

<sup>(3)</sup> Amount reached after excluding all those who have not served in their position during the entire period.

<sup>(4)</sup> This corresponds to the total compensation for the period paid by each body divided by the number of officers/directors.

<sup>(5)</sup> The number of officers/directors corresponds to the annual average number of officers/directors of each body calculated on a monthly basis.

At 06.30.2015, the Bank had 7,114 employees (6,863 at 06.30.2014), a headcount increase of 3.66%.

## NOTE 24 - Profit sharing

The employees' profit sharing proposed for the 1<sup>st</sup> half corresponds to R\$7,906 (R\$22,006 at 06.30.2014), equivalent to 5.00% of net income for the six-month period (6.75% at 06.30.2014) and 14.87% (20.27% at 06.30.2014) of dividends and interest on equity for the six-month period.

In March 2015, the Bank paid R\$25,319 as supplemental employees' profit sharing for 2014, which, including employees' profit sharing for the current period, amounting to R\$7,906 correspond to expenses recorded in the six-month period, totaling R\$33,225 (R\$48,830 at 06.30.2014).

## NOTE 25 - Post-employment benefits

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

### a) General description of the benefit plan characteristics

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

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

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

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

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

According to the bylaw of the DB and VC I Plans, the following statutory bodies are responsible for the management and oversight of CAPEF: Deliberative Council, Executive Board and Supervisory Board.

The Deliberative Council is a body for top-tier decision and guidance and shall primarily define the CAPEF's management policy and benefit plans. It is composed of representatives of the Bank, active members and members' and vested beneficiaries' representatives.

The Executive Board is responsible for executing the general guidelines and standards set by the Deliberative Council and other provisions contained in the relevant legislation, charter, benefit plan regulations, covenants and adhesion terms.

The Supervisory Board is the internal control body and shall mainly monitor and oversee CAPEF activities.

#### a.1.1) Actuarial method within CAPEF

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

#### **a.1.2) Past due obligations and contributions due**

At 06.30.2015, the Bank has no past due obligations or contribution debts referring to DB and VC I plans, neither informal practices that originate constructive obligations that may be included in the measurement of the plans' defined benefit obligation.

#### **a.1.3) Contribution Ratio (Participants/Sponsor)**

The ratio of participant contributions to Bank contributions meets the parity set by Constitutional Amendment No. 20 of 12.15.1998, with a contribution ratio of 1:1 as at 06.30.2015 (1:1 at 06.30.2014).

#### **a.2) Health care plan**

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

In its bylaw CAMED defines its statutory bodies: Social Board, Deliberative Council, Executive Board and Supervisory Board.

The CAMED's Deliberative Council is a body for monitoring and top-tier administrative decision, composed of representatives of the Bank and of the Social Board. The sponsors' representatives are chosen by the Bank CEO.

The Executive Board is responsible for executing the general guidelines and standards set by the Deliberative Council and other determinations contained in the relevant legislation, in its bylaw and internal regulations.

The Supervisory Board is the supervisory body of CAMED's management acts and shall essentially monitor and direct the company's activities.

#### **a.2.1) Past due obligations and contributions due**

At 06.30.2015, the Bank has no past due obligations or contribution debts referring to this plan, neither informal practices that originate constructive obligations that may be included in the measurement of the plans' defined benefit obligation.

#### **a.2.2) Contributions**

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

#### **a.3) Group life insurance**

The Bank provides its employees and retirees with group life insurance for basic coverage: death for natural and accidental causes and additional coverage for disability caused by accident and disease.

#### **a.3.1) Past due obligations and contributions due**

At 06.30.2015, the Bank has no past due obligations or contribution debts referring to the group life insurance, neither informal practices that originate constructive obligations that may be included in the measurement of the plans' defined benefit obligation related to the life insurance.

#### **a.4) Risk exposure**

The Defined Benefit, Variable Contribution I, Natural and Group Life Insurance plans are mainly exposed to the following risks:

Plan	Type of risk	Risk description
DB/ VC I/ Natural	Investment risk	The present value of plans liabilities is calculated by reference to NBTN-B discount rate. If the variation of the rate of return on plan assets does not follow the variation of this rate, a deficit may be computed.
DB/VC I/Natural/Group Life Insurance	Interest rate risk	A decrease in interest rate of securities will increase the plan liabilities.
DB/VC I/Natural/Group Life Insurance	Longevity risk	The present value of the plan liabilities is calculated based on the best mortality estimate of the plan participants. An increase in the life expectancy of plan participants will increase the plan liabilities.
VC I/ Natural	Salary increase risk	The present value of plan liabilities is calculated considering the projection of future salary of plan members. Therefore, unexpected changes in salaries of participants may have an impact in the plan liabilities.
VC I/ Natural	Administrative expense risk	Risk generated by the possibility of administrative expenses being higher than those estimated in the assessment, increasing actuarial liabilities.
DB/Natural	Risk of retirement postponement	The present value of the plan liabilities is calculated considering the possibility of retirement postponement, and in the event such postponement does not become effective, the amount of liabilities is likely to increase.
VC I	Risk of disability or death and coverage of supplementary capital	Risk of participant becoming disable or in case of death without a reserve sufficient to pay for the benefits.

#### b) Actuarial liability analysis

Pursuant to CVM Rule No. 695 dated 12.13.2012, at 06.30.2015, the plans administered by CAPEF and CAMED are recorded in the Bank's financial statements as follows:

##### b.1) Private pension plans

i. Defined Benefit Plan (DB Plan): the present value of the actuarial obligation amounting to R\$3,549,723 is partially based on plan assets amounting to R\$3,234,356, resulting in a present value of the uncovered actuarial obligations of R\$315,367. The obligation referring to assisted participants amounts to R\$2,884,725 and that referring to active participants amounts to R\$664,998;

ii. Variable Contribution I Plan (VC I Plan): for unplanned benefits (DB portion) that have characteristics of the defined benefit plan, the present value of the actuarial obligation amounting to R\$8,356 is lower than the fair value of plan assets amounting to R\$17,264, resulting in a surplus of R\$8,908, which has not been recognized as it is intended for building up a solvency fund and the plan mutual fund.

**b.2) Health care plan:** the present value of the actuarial obligation amounting to R\$873,412 is partially based on plan assets amounting to R\$68,357, resulting in a present value of the uncovered actuarial obligations of R\$805,055. The obligation referring to assisted participants amounts to R\$625,623 and that referring to active participants amounts to R\$247,789.

**b.3) Group life insurance** the present value of the uncovered actuarial obligations amounts to R\$51,922 and there are no assets for this plan. The obligation referring to assisted participants amounts to R\$26,092 and that referring to active participants amounts to R\$25,830.

#### c) Reconciliation of opening and closing balances of the obligation present value

Specification	Capef			
	DB Plan		VC I Plan	
	06.30.2015	06.30.2014	06.30.2015	06.30.2014
1. Present value of actuarial obligation at the beginning of the period	(3,289,131)	(2,913,366)	(4,398)	(7,675)
2. Interest expense	(190,826)	(171,981)	(264)	(473)
3. Current service cost	(6,395)	(5,706)	(89)	(184)
4. Benefits paid by the plan <sup>(1)</sup>	176,245	151,686	71	19
5. Assisted participants contributions (retirees and pensioners)	(32,487)	(30,794)	-	-
6. Administrative expenses paid by the plan	-	5,457	-	-
<b>7. Remeasurements of actuarial gains (losses)</b>	<b>(207,129)</b>	<b>(137,173)</b>	<b>(3,676)</b>	<b>4,344</b>
7.1. From experience adjustments	(182,074)	(26,288)	(3,600)	3,356



7.2. From changes in biometric assumptions	-	-	-	1,300
7.3. From changes in financial assumptions	(25,055)	(110,885)	(76)	(312)
8. Present value of actuarial obligation at the end of the period	(3,549,723)	(3,101,877)	(8,356)	(3,969)

Specification	Camed		Life
	Natural Plan		insurance
	06.30.2015	06.30.2014	06.30.2015
1. Present value of actuarial obligation at the beginning of the period	(779,433)	(763,013)	(37,660)
2. Interest expense	(45,270)	(45,087)	(2,103)
3. Current service cost	(6,403)	(6,663)	(416)
4. Benefits paid by the plan <sup>(2)</sup>	23,619	27,902	1,357
5. Assisted participants contributions (retirees and pensioners)	(7,986)	(6,814)	-
6. Administrative expenses paid by the plan	8,379	6,006	-
<b>7. Remeasurements of actuarial gains (losses)</b>	<b>(66,318)</b>	<b>31,517</b>	<b>(13,100)</b>
7.1. From experience adjustments	4,245	68,829	(12,540)
7.2. From changes in biometric assumptions	-	-	-
7.3. From changes in financial assumptions	(70,563)	(37,312)	(560)
8. Reduction in the plan	-	-	-
9. Present value of actuarial obligation at the end of the period	(873,412)	(756,152)	(51,922)

<sup>(1)</sup> Life insurance Amount recognized under "Other equity adjustments".

<sup>(2)</sup> Camed: Natural Plan - net of co-participations paid by associate participants.

#### d) Reconciliation of the opening and closing balances of the fair value of plan assets

Specification	Capef			
	DB Plan		VC I Plan	
	06.30.2015	06.30.2014	06.30.2015	06.30.2014
1. Fair value of plan assets at the beginning of the period	3,158,800	2,835,022	11,991	9,019
2. Interest income	185,008	169,273	773	600
3. Employer's contributions <sup>(1)</sup>	30,245	29,166	452	252
4. Active participant' contributions	307	675	451	253
5. Assisted participants contributions	32,487	30,794	-	-
6. Administrative expenses paid by the plan	-	(5,457)	-	-
7. Benefits paid by the plan	(176,245)	(151,686)	(71)	(19)
8. Return on plan assets <sup>(2)</sup>	3,754	98,744	3,668	1,035
9. Fair value of plan assets at the end of the period	3,234,356	3,006,531	17,264	11,140

<sup>(1)</sup> Capef – DB Plan: contributions related to active and assisted participants;

<sup>(2)</sup> Except interest income.

Specification	Camed		Life
	Natural Plan		insurance
	06.30.2015	06.30.2014	06.30.2015
1. Fair value of plan assets at the beginning of the period	68,831	40,696	-
2. Interest income	4,228	2,520	-
3. Employer's contributions <sup>(1)</sup>	19,451	17,445	1,357
4. Active participant' contributions	9,340	8,414	-
5. Assisted participant contributions	7,986	6,814	-
6. Administrative expenses paid by the plan	(8,379)	(6,006)	-
7. Benefits paid by the plan <sup>(2)</sup>	(23,619)	(27,902)	(1,357)
8. Return on plan assets <sup>(3)</sup>	(9,481)	13,758	-
9. Fair value of plan assets at the end of the period	68,357	55,739	-

<sup>(1)</sup> Camed – Natural Plan: contributions related to associate members and co-participations paid by the employer;

<sup>(2)</sup> Camed – Natural Plan: net of co-participations paid by associate members; and

<sup>(3)</sup> Except interest income.

#### e) Reconciliation of the opening and closing balances of the fair value of plan assets

Specification	Capef	
	VC I Plan	
	06.30.2015	06.30.2014
1. Asset ceiling effect at the beginning of the period	(7,593)	(1,344)
2. Interest on asset ceiling effect	(509)	(127)
3. Remeasurement of asset ceiling effect	(806)	(5,700)
4. Asset ceiling effect at the end of the period	(8,908)	(7,171)

f) Reconciliation of the present value of the obligation and of the plan assets value with assets and liabilities recognized in the balance sheet

Specification	Capef			
	DB Plan		VC I Plan	
	06.30.2015	06.30.2014	06.30.2015	06.30.2014
1. Present value of actuarial obligation at the end of the period	(3,549,723)	(3,101,877)	(8,356)	(3,969)
2. Fair value of plan assets at the end of the period	3,234,356	3,006,531	17,264	11,140
3. Surplus (deficit) of the plan (item 1 - item 2)	(315,367)	(95,346)	8,908	7,171
4. Asset ceiling effect at the end of the period	-	-	(8,908)	(7,171)
5. Liability recognized in the balance sheet (Note 16.i)	(315,367)	(95,346) <sup>(1)</sup>	-	-

<sup>(1)</sup> Including differences in contributions estimated for June/2014, in the actuarial calculation of DB Plan: 01.01 to 06.30.2014: R\$(67).

Specification	Camed		Life insurance
	Natural Plan		
	06.30.2015	06.30.2014	06.30.2015
1. Present value of actuarial obligation at the end of the period	(873,412)	(756,152)	(51,922)
2. Fair value of plan assets at the end of the period	68,357	55,739	-
3. Surplus (deficit) of the plan (item 1 - item 2)	(805,055)	(700,413)	(51,922)
4. Liability recognized in the balance sheet (Note 16.i)	(805,055)	(700,413)	(51,922)

g) Amounts recognized in P&L for the period

Specification	Capef			
	DB Plan		VC I Plan	
	01.01 to 06.30.2015	01.01 to 06.30.2014	01.01 to 06.30.2015	01.01 to 06.30.2014
<b>1. Current service cost, net</b>	<b>(6,088)</b>	<b>(5,031)</b>	<b>362</b>	<b>69</b>
1.1. Service cost	(6,395)	(5,706)	(89)	(184)
1.2. Active participant' contributions	307	675	451	253
<b>2. Net interest</b>	<b>(5,818)</b>	<b>(2,708)</b>	-	-
2.1. Interest expense	(190,826)	(171,981)	(264)	(473)
2.2. Interest income	185,008	169,273	773	600
2.3. Interest on asset ceiling effect	-	-	(509)	(127)
<b>3. Total (item 1 + item 2)</b>	<b>(11,906)<sup>(1)</sup></b>	<b>(7,739)<sup>(1)</sup></b>	<b>362</b>	<b>69<sup>(2)</sup></b>

<sup>(1)</sup> Including assigned employees' contribution refunded to the Bank - DB Plan: 01.01 to 06.30.2015: R\$1 and 01.01 to 06.30.2014: R\$1.

<sup>(2)</sup> This amount was recorded under "Reversal of operating provisions".

Specification	Camed		Life insurance
	Natural Plan		
	01.01 to 06.30.2015	01.01 to 06.30.2014	01.01 to 06.30.2015
<b>1. Current service cost, net</b>	<b>2,937</b>	<b>1,751</b>	<b>(416)</b>
1.1. Service cost	(6,403)	(6,663)	(416)
1.2. Active participant' contributions	9,340	8,414	-
<b>2. Net interest</b>	<b>(41,042)</b>	<b>(42,567)</b>	<b>(2,103)</b>
2.1. Interest expense	(45,270)	(45,087)	(2,103)
2.2. Interest income	4,228	2,520	-
<b>3. Reduction in the Plan (recorded under "Reversal of operating provisions")</b>	-	-	-
<b>4. Total (item 1 + item 2)</b>	<b>(38,105)</b>	<b>(40,816)</b>	<b>(2,519)</b>

<sup>(1)</sup> Including assigned employees' contribution refunded to the Bank - Natural Plan: 01.01 to 06.30.2015: R\$14 and Life Insurance: R\$2.

The contributions referring to the DC portion of the VC I plan were accounted for under "Post-employment benefit expenses", as follows:

Specification	01.01 to 06.30.2015	01.01 to 06.30.2014
1. Contributions (part DC) <sup>(1)</sup>	(18,236)	(15,335)

<sup>(1)</sup> Including assigned employees' contribution refunded to the Bank: 01.01 to 06.30.2015 - R\$(137) and difference of estimated contributions for the period from 01.01 to 06.30.2015 - R\$147; and 01.01 to 06.30.2014 - R\$ (138).

In the period from 01.01 to 06.30.2015, the amount of R\$(2,810) referring to administrative expenses of the DB plan was also recorded under "Post-employment expenses". In 2014 the present value of the obligation included the administrative cost.

## h) Amounts for the period recognized in equity

The losses in the amount of R\$(182,074) related to experience adjustments of the DB plan in the 1<sup>st</sup> half of 2015 derive from increases in assisted participant' benefits, which generated and increase by 10.58% in the payroll of benefits. Concerning Natural plan, the gains on experience adjustments amounting to R\$4,245 derive from adjustments in the estimate calculation methodology. As to the VC I plan, the gains on experience adjustments amounting to R\$3,356 derive from adjustments in the estimate calculation methodology, as well as an increase by 8% in payroll of risk benefits. Gains on experience adjustments related to the group life insurance derive from adjustments in the estimate calculation methodology.

At 06.30.2014, for DB, Natural and VC I plans, actuarial gains (losses) arising from experience adjustments include the effects of the Voluntary Dismissal Program, with final enrollment term in December 2014. These effects amounted to R\$(27,262) (DB plan), R\$35 (VC I plan) and R\$(9,998) (Natural plan), respectively.

Actuarial losses arising from financial assumptions in the 1<sup>st</sup> half of 2015 refer to changes in interest rates compared to 12.31.2014, from 12.08% (Dec. 2014) to 11.99% (Jun. 2015) for DB and life insurance plans, and from 12.09% (Dec. 2014) to 11.97% (Jun. 2015) for VC I plan. Concerning the Natural plan, actuarial losses arising from financial assumptions refer to changes in interest rates compared to 12.31.2014, from 12.08% (Dec. 2014) to 11.99% (Jun.2015), as well as increase in health care inflation (Health Care Cost Trend Rate - HCCTR) compared to 12.31.2014, from 2.88% (Dec. 2014) to 3.18% (Jun. 2015), with decreases provided for in sub item k.2 herein.

Actuarial gains (losses) arising from financial assumptions in the 1<sup>st</sup> half of 2014 refer to changes in interest rates compared to 12.31.2013, from 12.33% (Dec. 2013) to 11.87% (Jun. 2014) for DB and Natural plans, and from 12.36% (Dec. 2013) to 11.89% (Jun. 2014) for VC I plan.

Gain on changes in biometric assumption for VC I plan in the 1<sup>st</sup> half of 2014 refers to changes in the mortality table from AT 2000 M Basic to RP 2000 Proj 2014 Unisex (70%M) (D20).

Specification	Capef			
	DB Plan		VC I Plan	
	06.30.2015	06.30.2014	06.30.2015	06.30.2014
1. Return on plan assets	3,754	98,744	3,668	1,035
<b>2. Actuarial gains (losses) on liabilities</b>	<b>(207,129)</b>	<b>(137,173)</b>	<b>(3,676)</b>	<b>4,344</b>
2.1 Experience adjustments	(182,074)	(26,288)	(3,600)	3,356
2.2. Changes in biometric assumptions	-	-	-	1,300
2.3. Changes in financial assumptions	(25,055)	(110,885)	(76)	(312)
3. Asset ceiling effect	-	-	(806)	(5,700)
<b>4. Total (item 1 + item 2 + item 3)</b>	<b>(203,375)<sup>(1)</sup></b>	<b>(38,429)</b>	<b>(814)</b>	<b>(321)</b>

<sup>(1)</sup> Including differences in contributions estimated for December 2014, in the actuarial calculation of DB Plan: 01.01 to 12.31.2014: R\$63.

Specification	Camed		Life insurance
	Natural Plan		
	06.30.2015	06.30.2014	06.30.2015
1. Return on plan assets	(9,481)	13,758	-
<b>2. Actuarial gains (losses) on liabilities</b>	<b>(66,318)</b>	<b>31,517</b>	<b>(13,100)</b>
3.1 Experience adjustments	4,245	68,829	(12,540)
3.3. Changes in financial assumptions	(70,563)	(37,312)	(560)
<b>3. Total (item 1 + item 2)</b>	<b>(75,799)</b>	<b>45,275</b>	<b>(13,100)</b>

## i) Reconciliation of changes in net (liabilities)/assets recognized in the period

Specification	Capef			
	DB Plan		VC I Plan	
	06.30.2015	06.30.2014	06.30.2015	06.30.2014
1. (Liabilities)/assets recognized at the beginning of the period	(130,331)	(78,344)	-	-
2. Employer contributions	30,245	29,166	452	252
3. Amounts recognized in P&L	(11,906)	(7,739)	362	69
4. Amounts recognized in equity	(203,375)	(38,429)	(814)	(321)
5. (Liabilities)/assets recognized at the end of the period (Note 16.i)	(315,367)	(95,346) <sup>(1)</sup>	-	-

<sup>(1)</sup> Including differences in contributions estimated for June 2014, in the actuarial calculation of DB Plan: 01.01 to 06.30.2014: R\$(67).

Specification	Camed		Life
	Natural Plan		insurance
	06.30.2015	06.30.2014	06.30.2015
1. (Liabilities)/assets recognized at the beginning of the period	(710,602)	(722,317)	(37,660)
2. Employer contributions	19,351	17,445	1,357
3. Amounts recognized in P&L	(38,105)	(40,816)	(2,519)
4. Amounts recognized in equity	(75,799)	45,275	(13,100)
5. (Liabilities)/assets recognized at the end of the period (Note 16.i)	(805,055)	(700,413)	(51,922)

## j) Investment policy and allocation of plan fair values

The investment policies for DB and VC I plans are annually prepared for a 5-year period, subject to approval by the Capef's Deliberative Council and are mainly intended for defining guidance procedures for management of assets compared with benefit expenses, aiming at the actuarial balancing of each plan. The DB plan goal to be reached in its investments is represented by INPC + 5.50% p.a., and VC I plan represented by IPCA +5.50% p.a.

For policy formulation, the investment fund objectives and criteria of the funding and benefit plan are analyzed, as follows: a) the expected rate of return; b) capital preservation; c) diversification; d) risk tolerance; e) stability; f) liquidity and g) benefits adjustment rule. Based on these criteria, investment mechanism and the best strategy on portfolio diversification are defined: fixed income, variable income, structured investments, investments abroad, properties and operations with participants.

For allocation of funds and limits per segment of application, the guidelines of CMN Resolution No. 3792 dated 09.24.2009 and its amendments, are taken into consideration, in addition to safety, liquidity, profitability and maturity criteria of the plan. The proposal of fund allocation is reviewed at any time, due to any significant event that may substantially change the macroeconomic assumptions regarded.

Deliberations on natural plan investments are approved by the Executive Board and submitted to the Deliberative Council of CAMED. For investments associated with financial guarantees with the Brazilian Agency for Supplementary Health (ANS), the limits and conditions set forth by this agency are observed.

Specification	Capef				Camed	
	DB Plan (%)		VC I Plan (%)		Natural Plan (%)	
	06.30.2015	06.30.2014	06.30.2015	06.30.2014	06.30.2015	06.30.2014
Fixed income	85.75	83.64	93.51	90.30	56.78	26.66
Variable income	2.22	4.00	1.48	3.79	42.51	72.47
Real estate investments	9.14	9.26	-	-	0.71	0.87
Structured investments	0.23	0.28	2.11	3.73	-	-
Loans and financing to participants	2.64	2.80	2.90	2.18	-	-
Other	0.02	0.02	-	-	-	-
<b>Amounts included in the fair value of plan assets</b>						
In financial instruments at the Bank	0.23	0.22	-	-	56.78	26.66
In properties/other assets used by the Bank	1.35	1.25	-	-	0.71	0.87

## k) Assumption used

### k.1) Demographic assumptions

Demographic assumptions used are based on those adopted in actuarial valuations in the scope of Capef and Camed, based on statistical studies prepared by specialized advisory firms engaged by those entities. Upon actuarial calculations for DB, Natural and life insurance plans, the retirement postponement time in relation to each active participant was estimated at 50 percentile in relation to the effective retirement postponement time verified for the set of current active participants, who were already eligible to the programmed retirement benefit on the actuarial valuation date.

Specification	DB (Capef), Natural (Camed) and life insurance Plans	DB (Capef) and Natural (Camed) Plans
	06.30.2015	06.30.2014
<b>Mortality tables</b>		
Assets/Retirees	RP2000 – reduced by 15%	RP2000 – reduced by 15%
Disabled people	Winklevoss	Winklevoss
<b>Disability entry table</b>	Álvaro Vindas – (A10)	Álvaro Vindas – (A10)

Specification	VC I Plan (Capef)	
	06.30.2015	06.30.2014
<b>Mortality tables</b>		
Assets/Retirees	RP 2000 Proj. 2014 Unisex (70%M) (D20)	RP 2000 Proj. 2014 Unisex (70%M) (D20)
Disabled people <sup>(1)</sup>	IAPC experience - weak	IAPC experience - weak
<b>Disability entry table</b>	Álvaro Vindas (reduced by 50%)	Álvaro Vindas (reduced by 50%)

<sup>(1)</sup> Disability table used results from the application of a 0.5 ratio on the original Capef experience table disability rates.

## k.2) Financial assumptions

Specification	Capef (% p.a.)			
	DB Plan		VC I Plan	
	06.30.2015	06.30.2014	06.30.2015	06.30.2014
Statutory discount rate for the actuarial liability	11.99	11.87	11.97	11.89
Effective discount rate for the actuarial liability	6.15	6.04	6.13	6.05
Average annual inflation rate	5.50	5.50	5.50	5.50
Nominal rate of salary increase <sup>(1)</sup>	6.56	6.56	5.50	5.50
Nominal rate of benefit increases	5.50	5.50	5.50	5.50

<sup>(1)</sup> DB Plan: the actual salary increase rate of 1% is applied until the member reaches the expected date for retirement (360 contributions).

Specification	Camed (% p.a.)		Life insurance
	Natural Plan		
	06.30.2015	06.30.2014	06.30.2015
Statutory discount rate for the actuarial liability	11.99	11.87	11.99
Effective discount rate for the actuarial liability	6.15	6.04	6.15
Average annual inflation rate	5.50	5.50	5.50
Nominal rate of salary increase <sup>(1)</sup>	6.56	5.50	6.56
Nominal rate of benefit average increase	8.85 <sup>(1)</sup>	5.64	5.50
Rate of increase in health care costs due to aging (aging factor)	2.91	3.41	Not applicable
Health Care Cost Trend Rate (HCCTR)	3.18 <sup>(2)</sup>	0.13	Not applicable

<sup>(1)</sup> Natural Plan: 06.30.2015 - the actual salary increase rate of 1% is applied until the participant reaches the expected date for retirement (360 contributions).

<sup>(2)</sup> At 06.30.2015, a health care inflation rate was calculated for the Natural plan, considering the plan experience in the last 6 (six) years. The rate found was 3.18%, above the aging factor and general price inflation of 5.50% p.a. and decreases gradually in 10 years from 2015, remaining at 1% p.a. from the 11<sup>th</sup> (eleventh year).

**k.3)** The future inflation rate is used in the present value calculation of the actuarial obligation, intended for measurement of the inflation floating arising from the freeze, in annual cycles, of future contributions and benefits. This calculation allows the occurrence of inflation process of equal charge for all salary, assistance, social security and economic variables of the plan.

k.4) The Projected Unit Credit Method is used as the actuarial valuation method in order to determine the obligation present value, the current service cost and, when necessary, the past service cost.

k.5) The discount rate is equivalent to the expected return of the National Treasury Notes (NTN-B), for the “duration” of the plans, in accordance with the methodology provided for in item 83 of CVM Rule No. 695, dated 12.13.2012. The “duration” calculated for the Capef DB and Camed Natural plans is 13.91 years (06.30.2015) and 13.75 years (06.30.2014), for the Capef VC I plan is 24.37 years (06.30.2015) and 23.92 years (06.30.2014), and for life insurance is 12.65 years (06.30.2015).

#### l) Sensitivity analysis of main assumptions

The sensitivity analysis considers the increase or decrease of 1 (one) year in the age of the active participant or assisted participant, or increase or decrease by 0.25% in the interest rate, for DB, VC I, Natural and Life Insurance plans, as well as the growth rate of health costs for the Natural plan. The calculation was done based on the PUC method, estimating the present value of obligation at 06.30.2015:

Capef – DB Plan	Current parameters	Biometric table		Interest rate	
	06.30.2015	Age + 1	Age - 1	+ 0.25%	-0.25%
Present value of actuarial obligation	(3,549,723)	(3,467,576)	(3,630,201)	(3,476,269)	(3,626,072)
Fair value of assets	3,234,356	3,234,356	3,234,356	3,234,356	3,234,356
<b>Technical surplus (deficit)</b>	<b>(315,367)</b>	<b>(233,220)</b>	<b>(395,845)</b>	<b>(241,913)</b>	<b>(391,716)</b>
<b>Variations:</b>					
Increase/decrease in actuarial obligation (%)		(2.3)	2.3	(2.1)	2.2
Increase/decrease in technical surplus (deficit) - %		(26.0)	25.5	(23.3)	24.2

Capef – VC I Plan	Current parameters	Biometric table		Interest rate	
	06.30.2015	Age + 1	Age - 1	+ 0.25%	-0.25%
Present value of actuarial obligation	(8,356)	(8,731)	(8,027)	(8,200)	(8,519)
Fair value of assets	17,264	17,264	17,264	17,264	17,264
<b>Technical surplus (deficit)<sup>(1)</sup></b>	<b>8,908</b>	<b>8,533</b>	<b>9,237</b>	<b>9,064</b>	<b>8,745</b>
<b>Variations:</b>					
Increase/decrease in actuarial obligation (%)		4.5	(3.9)	(1.9)	1.9
Increase/decrease in technical surplus (deficit) - %		(4.2)	3.7	1.7	(1.8)

<sup>(1)</sup> Amount not recognized in view of the asset ceiling effect.

Camed – Natural Plan	Current parameters	Biometric table		HCCTR		Interest rate	
	06.30.2015	Age + 1	Age - 1	+ 0.25%	-0.25%	+ 0.25%	-0.25%
Present value of actuarial obligation	(873,412)	(832,024)	(915,497)	(910,616)	(838,106)	(844,296)	(904,190)
Fair value of assets	68,357	68,357	68,357	68,357	68,357	68,357	68,357
<b>Technical surplus (deficit)</b>	<b>(805,055)</b>	<b>(763,667)</b>	<b>(847,140)</b>	<b>(842,259)</b>	<b>(769,749)</b>	<b>(775,939)</b>	<b>(835,833)</b>
<b>Variations:</b>							
Increase/decrease in actuarial obligation (%)		(4.7)	4.8	4.3	(4.0)	(3.3)	3.5
Increase/decrease in technical surplus (deficit) - %		(5.1)	5.2	4.6	(4.4)	(3.6)	3.8

Life insurance	Current parameters	Biometric table		Interest rate	
	06.30.2015	Age + 1	Age - 1	+ 0.25%	-0.25%
Present value of actuarial obligation	(51,922)	(50,637)	(53,177)	(50,361)	(53,570)
<b>Technical surplus (deficit)</b>	<b>(51,922)</b>	<b>(50,637)</b>	<b>(53,177)</b>	<b>(50,361)</b>	<b>(53,570)</b>
<b>Variations:</b>					
Increase/decrease in actuarial obligation (%)		(2.5)	2.4	(3.0)	3.2
Increase/decrease in technical surplus (deficit) - %		(2.5)	2.4	(3.0)	3.2

#### m) Impact on future cash flows

##### m.1) Expected contributions for 2015

Specification	Capef		Camed	Life insurance
	DB Plan	VC I Plan	Natural Plan	
1. Employer's contributions	34,736	659	19,741	1,354
2. Administrative Expenses	-	-	7,683	-

3. Employees' contributions	279	659	9,742	-
4. Contributions from assisted participant	34,457	-	9,999	-
5. Expected benefits	326,483	67	62,912	5,695

### m.2) Expected payments of benefits

Specification	Capef <sup>(1)</sup>		Camed <sup>(1)</sup>	Life insurance <sup>(1)</sup>
	DB Plan	VC I Plan <sup>(2)</sup>	Natural Plan	
Within 1 year	313,023	1,134	27,815	3,124
From 1 to 2 years	622,432	1,052	31,066	3,184
From 2 to 5 years	915,329	2,680	99,289	9,954
Above 5 years	5,021,582	11,462	1,734,393	131,843
<b>Total</b>	<b>6,872,366</b>	<b>16,328</b>	<b>1,892,563</b>	<b>148,105</b>

<sup>(1)</sup> The amounts of expected benefits were calculated without present value discount.

<sup>(2)</sup> Including programmed benefits, with characteristics of the defined contribution plan.

### n) Estimated expenses for the 2<sup>nd</sup> half of 2015

Specification	Capef		Camed	Life insurance
	DB Plan	VC I Plan	Natural Plan	
1. Current service cost, net	(6,116)	569	3,338	(416)
2. Net interest	(5,818)	-	(41,042)	(2,103)
<b>3. Total unrecognized (expenses)/revenues</b>	<b>(11,934)</b>	<b>569</b>	<b>(37,704)</b>	<b>(2,519)</b>

### NOTE 26 - Fundo Constitucional de Financiamento do Nordeste (FNE)

- a) The total assets of FNE, amounting to R\$56,878,253 (R\$50,714,756 at 06.30.2014) are recorded in the Bank's memorandum accounts "Net assets of managed public funds".
- b) The Fund's cash and cash equivalents, totaling R\$9,576,462 (R\$8,878,114 at 06.30.2014), recorded in 'Other liabilities/Financial and development funds' bear interest at extra-market rate. The interest expense on cash and cash equivalents totaled R\$462,115 (R\$375,391 at 06.30.2014).
- c) The provision to cover the risk on FNE transactions is recognized pursuant to the following criteria:
- c.1)** Transactions contracted until 11.30.1998 are risk-free;
- c.2)** For operations contracted beginning 12.01.1998, excluding Land Program financing lines and transactions under PRONAF (groups A, B, A/C, Forest, Semi-arid Region, Emergency, Flood, Drought/1998, Semi-arid Region-Drought 2012 and Drought-2012-Cost), the Bank's risk is 50% of the amount calculated pursuant to CMN Resolution No. 2682 of 12.21.1999; and
- c.3)** The Bank assumes all the risks on renegotiated and reclassified FNE loan transactions, as set forth by Law No. 11775 of 09.17.2008, and transactions recognized under the Fund's "Interbank accounts", as prescribed by Ministry of Integration Administrative Ruling No. 616 of 05.26.2003. Loans funded by FNE, under Law No. 12716 of 09.21.2012, for the purpose of settling the Bank's transactions with other funds, will maintain the same risk position of the transaction to be settled. The balances of financing and allowances accounted for in the Bank's "Contingent liabilities" are as follows:

Risk level	Balances	Allowance at 06.30.2015	Allowance at 06.30.2014
AA	9,079,325	-	-
A	11,600,415	29,121	31,905
B	9,761,175	49,096	40,405
C	1,715,440	25,610	14,524
D	1,232,685	61,662	44,598
E	520,496	80,021	84,072
F	401,391	101,021	99,309
G	222,367	77,920	104,085
H	3,872,352	1,964,227	1,597,465
<b>Total</b>	<b>38,405,646</b>	<b>2,388,678</b>	<b>2,016,363</b>

d) The Bank's *del credere* commission on transactions entered as agreement by 11.30.1998 is nil. For transactions entered as agreement after this date, the *del credere* commission is 3% p.a., when the risk is 50%, and 6% p.a. when the Bank is a direct party to the transaction backed by onlending based on article 9 - A of Law No. 7827 of 09.27.1989. In operations reclassified for FNE based on Law No. 11775 of 09.17.2008, *del credere* commission is 3% p.a. or 6% p.a., as regulated by Interministerial Ruling No. 245 of 10.14.2008, of the Ministry of Finance and Ministry of National Integration. Income from *del credere* commission totaled R\$598,517 (R\$529,900 at 06.30.2014).

e) The management fee of 3% p.a. is calculated on the Fund's equity, less the amounts under the onlending agreement entered into with the Bank, balances of onlending to other institutions with the risk fully assumed by the Bank, and the balances of PRONAF investments (Groups B, A/C, Forest, Semi-arid region, Emergency, Flood, Drought/1998, Semi-arid Region-Drought 2012 and Drought-2012/Cost), and is limited to 20% of the transfers made by the National Treasury each fiscal year. The management fee totaled R\$704,183 (R\$653,652 at 06.30.2014).

#### NOTE 27 - Fundo de Amparo ao Trabalhador (FAT)

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

Specification	Tade	06.30.2015	06.30.2014
Special Program to Fight Drought Effects	016/2006	-	4
Proger-Urbano – Investment	017/2006	9,651	19,458
FAT – Infrastructure	018/2006	209,547	233,472
Proger-Rural – Investment	002/2007	-	158
Protrabalho – Investment	004/2007	174,368	168,992
National Program for Production-Oriented Microcredit (PNMPO)	001/2010	151,939	145,324
<b>Total</b>		<b>545,505</b>	<b>567,408</b>

Funds derived from *Fundo de Amparo ao Trabalhador (FAT)*, recorded under 'Remunerated special deposits', totaling R\$375,423 (R\$471,086 at 06.30.2014) are subject to SELIC (Central Bank overnight rate) while they are not used in loans, and to TJLP after they are released to final borrowers. Available funds remunerated bearing interest at SELIC totaled R\$32,361 (R\$60,656 at 06.30.2014).

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

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

Specification	Tade	Return of FAT funds			06.30.2015		
		Form <sup>(1)</sup>	R.A.	SELIC remuneration	TMS available <sup>(2)</sup>	TJLP <sup>(3)</sup> used	Total
Proger – Urbano - Investment	17/2006	RA	14,311	497	3,938	21,406	25,344
FAT - Infrastructure <sup>(4)</sup>	18/2006	RA	49,918	2,895	26,803	117,837	144,640
Protrabalho-Investment	04/2007	RA	22,281	51	492	83,028	83,520
National Program for Production-Oriented Microcredit (PNMPO)	01/2010	RA	33,341	850	1,128	120,791	121,919
<b>Total (Note 13.b)</b>			<b>119,851</b>	<b>4,293</b>	<b>32,361</b>	<b>343,062</b>	<b>375,423</b>



Specification	Tade	Return of FAT funds			06.30.2014		
		Form <sup>(1)</sup>	R.A.	SELIC remuneration	TMS available <sup>(2)</sup>	TJLP <sup>(3)</sup> used	Total
Special Program to Fight Drought Effects	16/2006	RA	6,590	167	-	-	-
Proger – Urbano - Investment	17/2006	RA	25,081	860	4,422	33,329	37,751
FAT - Infrastructure <sup>(4)</sup>	18/2006	RA	49,436	2,364	27,398	157,067	184,465
Protrabalho-Investment	04/2007	RA	26,762	278	1,425	99,580	101,005
National Program for Production-Oriented Microcredit (PNMPO)	01/2010	RA	39,838	1,805	27,411	120,454	147,865
<b>Total (Note 13.b)</b>			<b>147,707</b>	<b>5,474</b>	<b>60,656</b>	<b>410,430</b>	<b>471,086</b>

<sup>(1)</sup> RA - Automatic Return (Monthly, 2% on balance);

<sup>(2)</sup> Funds yielding SELIC rate;

<sup>(3)</sup> Funds yielding Long-term Interest Rate (TJLP); and

<sup>(4)</sup> Regarding FAT - Infrastructure, RA is 1% on the balance and deductible reimbursements refer to the last 4 months.

## NOTE 28 - Risk management and Basel Index

### a) Risk and capital management

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

#### Risk management structure

The corporate risk management policy sets forth guidelines and standards that integrate the Bank's activities, for management of credit, operational, market and liquidity risks. The Corporate Risk Management Committee analyzes and forwards for approval by the Executive Board proposals for creation of and adjustments in strategies, policies, models and procedures for risk management. The Control and Risk Executive Board coordinates the implementation thereof and the Bank's performance, through a specific unit that manages credit, operational, market and liquidity risks at corporate level, defining management methodologies and models, as well as promoting the dissemination of the risk management culture.

Further information relating to risk management focused on matters related to Referential Equity (RE) and the amount of Risk-Weighted Assets (RWA), in accordance with Circular No. 3678, dated 10.31.2013, of the Central Bank of Brazil, can be found at [www.bnb.gov.br](http://www.bnb.gov.br), clicking the link "About the Bank".

#### Capital management structure

The Executive Board is responsible for approving the capital management structure of the Bank, including the Capital Plan for the period from 2015 to 2017, which was also approved by the Board of Directors, on 12.12.2014. The Control and Risk Executive Board is responsible for Capital Management, and a specific administrative unit has been structured for this purpose, as required by CMN Resolution No. 3988 of 06.30.2011. The Capital Management Structure information is available at [www.bnb.gov.br](http://www.bnb.gov.br), clicking the link "About the Bank".

### b) Credit risk

Credit risk is defined as the risk of incurring losses associated with default by the borrower or counterparty to financial obligations under the agreed to terms and conditions, impairment of a loan agreement arising from downgrading of the borrowers' risk rating, decrease in gains or returns, advantages granted in renegotiations, and the costs of recovery.

Exposure by Industry	Exposure	
	06.30.2015	06.30.2014
<b>Loans, co-obligations and guarantees given</b>	<b>34,363,549</b>	<b>30,655,847</b>
<b>Public sector</b>	<b>1,504,885</b>	<b>1,323,164</b>
<b>Private sector</b>	<b>32,858,664</b>	<b>29,332,683</b>
Trading	4,010,250	3,444,731
Foreign trade	1,013,236	587,159
Housing	242	242
Manufacturing	9,618,623	8,666,532
Infrastructure	3,248,289	3,380,073
Financial	-	2,098
Urban micro-financing	2,830,414	2,378,400
Individuals	223,070	208,112
Rural	6,885,149	6,537,732
Other Services	5,029,391	4,127,604
<b>Market transactions</b>	<b>27,329,575</b>	<b>24,593,325</b>
<b>Federal government bonds</b>	<b>23,259,253</b>	<b>20,928,427</b>
Repurchase agreements	13,096,312	11,978,408
Other	10,162,941	8,950,019
<b>Interbank deposits</b>	<b>91,096</b>	<b>115,787</b>
<b>Other marketable securities</b>	<b>2,094,132</b>	<b>2,152,515</b>
<b>Other Transactions</b>	<b>1,885,094</b>	<b>1,396,596</b>
<b>Other assets</b>	<b>3,377,003</b>	<b>3,414,129</b>
<b>Total</b>	<b>65,070,127</b>	<b>58,663,301</b>

The Bank uses the constant information flow to identify, measure, control and mitigate risks, thus ensuring that credit risk exposure is within acceptable parameters. Accordingly, the Bank uses instruments, such as: credit policies, risk assessment models and methodologies, managerial reports, and system for risk rating and for calculation of expenses related to allowance for loan losses.

Furthermore, any approval in terms of risk limits is based on the level of authority by body. In accordance with their characteristics and amount, the limits may be automatically calculated or analyzed and defined by the branches' credit assessment committees, or by the Operational Supporting Centers' risk limit approval committees, or also be decided by the customer risk limit approval committee of the General Executive Board, Executive Board or Board of Directors.

All loans are subject to risk rating, based on the customer's risk rating and loan grade, in accordance with their value, term, nature and purpose characteristics and conditions of collaterals as to their sufficiency and liquidity.

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

The collaterals for loans are determined based on their quality, capacity to be removed and sufficiency. Balances exposed to credit risk above R\$5,000 amount to R\$5,211,666 (R\$4,624,537 at 06.30.2014). They are backed by collaterals totaling R\$4,212,553 (R\$3,608,724 at 06.30.2014), which are assessed at least once every three years, or within a shorter period, as long as there are material events involving the customer or the transaction. In addition to typical collaterals (including, among others, mortgage, pledge and leased chattels), and other personal securities (guarantee and collateral security) these transactions are also backed by other types of guarantees, including, among others, unsecured bonds, guarantee of notes, guarantee funds, risk fund (FGPC), collateralization of FPM/FPE shares and bank guarantees.

#### **c) Liquidity risk**

Liquidity risk is the possibility of mismatches between tradable assets and liabilities that could affect the Bank's ability to pay, as well as the possibility of the institution being unable to negotiate a position at market price due to its volume being greater than the volume normally traded in the market or due to any discontinuity thereof.

The Bank adopts projection models to estimate changes in cash and manage its capacity to honor future commitments, communicating the Company's liquidity position to management through daily reports.

The daily market and liquidity risk management report includes, among other, the Bank's liquidity ratio, represented by the ratio between available funds and commitments estimated for the next 90 days. Available

funds comprising the liquidity ratio calculation base include banking reserves, highly liquid portion of interbank deposits, repurchase agreements and own securities portfolio.

Specification		06.30.2015 (%)	06.30.2014 (%)
Liquidity ratio	At reporting date	366.26	335.62
	Average for the last 12 months	357.37	343.11
	Maximum for the last 12 months	429.24	399.24
	Minimum for the last 12 months	296.56	273.40

#### d) Market risk

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

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

- VaR (*value at risk*) of asset and liability transactions in trading and non-trading portfolios, by risk factor;
- capital requirement map, for coverage of market and liquidity risks;
- currency exposure risk;
- sensitivity analysis;
- stress testing;
- back-testing; and
- reports on monitoring of limits established for portions exposed to market risk.

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

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

Risk exposure limits	Control procedure
<ul style="list-style-type: none"> <li>Trading portfolio: 1% of referential equity</li> <li>Banking portfolio: 5% of referential equity</li> </ul>	If the exposure level exceeds 80% of the limit, the risk management area issues a warning to the area responsible for the financial operations.

#### Sensitivity analysis

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

Portfolio/risk factor	Type of risk	Scenario 1 (probable)	Scenario 2 (change of 25%)		Scenario 3 (change of 50%)	
		Balance	Balance	Loss	Balance	Loss
<b>Trading portfolio</b>						
Fixed interest	Increase in interest rate	7,865,618	7,836,546	(19,072)	7,818,072	(37,545)
<b>Non-trading portfolio</b>						
Dollar coupon	Reduction in coupon	(145,401)	(140,798)	4,603	(155,903)	(10,501)
Euro coupon	Increase in coupon	2,286	2,279	(8)	2,271	(15)
IGP coupon	Increase in coupon	646,874	610,720	(36,154)	577,921	(68,953)
IPCA coupon	Reduction in coupon	(16,370)	(18,411)	(2,041)	(19,929)	(3,559)
TJLP coupon	Increase in coupon	311,300	251,909	(59,391)	205,722	(105,578)
TR coupon	Increase in coupon	(2,039,481)	(2,064,569)	(25,088)	(2,083,014)	(43,533)
Fixed interest	Increase in interest rate	5,102,284	4,928,831	(173,452)	4,778,786	(323,498)

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

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

Nature of transaction	Type of risk	Financial instrument	Scenario 1 (probable)	Scenario 2 (change of 25%)	Scenario 3 (change of 50%)
<i>Hedging derivatives</i>	Increase in Referential Rate - BM&FBOVESPA DI x dollar	<i>Dollar x DI Swap</i>	1,910,915	1,874,650	1,840,203
		Liabilities in FM	(1,932,116)	(1,902,553)	(1,874,387)
		Net exposure	(21,201)	(27,903)	(34,184)

At 06.30.2015, market value losses were considered in the net exposure of scenarios 2 and 3 and, as regards scenario 1, arising from increase in opportunity costs, in fixed-rate operations, and those arising from exchange coupon increase, in foreign currency transactions.

#### **Foreign exchange hedge and respective notes**

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

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

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

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

#### **e) Operational risk**

Operational risk is the possibility of effective losses deriving from human failures or errors in processes, systems or arising from external factors, including those related to legal issues.

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

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

The Bank's corporate operating risk management is strengthened through a specific organizational structure designed to support assessment activities in all processes, mainly based on the provisions set forth by the Central Bank. The qualitative approach comprises methodologies, control tools, mitigating measures and managerial reports. This analysis describes management by its architecture's process and design – macro processes and processes of risk identification, control, mitigation and action plan to correct weaknesses detected. Another methodology used is the RCSA (Risk and Control Self-Assessment) that allows knowing risks inherent to activities and procedures, as well as defining their impact. RCSA further allows building a Risk Matrix and defining indicators, aiming at reaching an expanded vision of the processes and improved management.

## f) Foreign exchange exposure

Transactions under agreements that provide for foreign exchange adjustment clause presented net balance of foreign exposure sold, in the amount of R\$72,343 (R\$75,131 at 06.30.2014 - short position), as follows:

Specification	06.30.2015	06.30.2014	Specification	06.30.2015	06.30.2014
Cash and cash equivalents	31,550	1,479	Deposits	5,858	12,478
Interbank investments	-	26,422	Interbranch accounts	3,957	2,438
Loans	881,538	712,185	Domestic - Borrowings and onlending	85,219	66,197
Other receivables	1,181,390	614,862	Foreign-Borrowings An onlending	2,804,974	2,144,024
			Other obligations	1,146,277	598,189
<b>Total assets in foreign currency, excluding derivatives</b>	<b>2,094,478</b>	<b>1,354,948</b>	<b>Total liabilities in foreign currency</b>	<b>4,046,285</b>	<b>2,823,326</b>
Swap transactions	1,879,464	1,393,247	Swap transactions	-	-
<b>Total long position in foreign currency</b>	<b>3,973,942</b>	<b>2,748,195</b>	<b>Total short position in foreign currency</b>	<b>4,046,285</b>	<b>2,823,326</b>

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

## g) Operating limits - Basel Accord

In March 2013, BACEN disclosed the standards that rule the implementation in Brazil of recommendations from the Basel Committee on Banking Supervision, referring to capital structure of financial institutions, jointly known as Basel III, effective from October 2013.

Basically, these standards promoted the following changes in relation to the requirements in force until then:

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

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

- i. 4.5% for Principal Capital, which primarily comprises capital stock, shares, units of interest, reserves, retained profits and debt instruments that meet the requirements set forth in article 16 of CMN Resolution No. 4192 of 03.01.2013;
- ii. 6% for Tier I (5.5% until December 2014) represented by Principal Capital and Additional Capital, which comprises debt instruments that meet the requirements set down in article 17 of CMN Resolution No. 4191; and
- iii. 8% for total RE, which comprise RE Tier I and Tier II basically formed by debt instruments that meet the requirements in article 20 of CMN Resolution No. 4192.

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

At 06.30.2015, the Bank presented an Extended Basel Index (including capital for RBAN coverage) of 13.95% (15.94% at 06.30.2014) and both indexes of Tier I and Principal Capital remained at 7.64% (9.28% at 06.30.2014). The RE, as determined, amounted to R\$5,294,087 (R\$5,617,099 at 06.30.2014), Tier I and Principal Capital presented the same amount of R\$2,813,862 (R\$3,181,608 at 06.30.2014), while RWA totaled R\$36,832,758 (R\$34,275,290 at 06.30.2014).

#### i. Minimum Capital Requirements (Basel III)

Specification	06.30.2015	06.30.2014
<b>Referential Equity (RE)</b>	<b>5,294,087</b>	<b>5,617,099</b>
<b>. Tier I</b>	<b>2,813,862</b>	<b>3,181,608</b>
. Principal Capital	2,813,862	3,181,608
<b>. Tier II</b>	<b>2,480,225</b>	<b>2,435,491</b>
<b>Risk-Weighted Assets (RWA)</b>	<b>36,832,758</b>	<b>34,275,290</b>
. RWACPAD	30,701,528	28,711,054
. RWACAM	378,887	285,458
. RWAJUR	70,391	65,173
. RWACOM	2,891	2,882
. RWAOPAD	5,679,061	5,210,723
<b>RBAN amount</b>	<b>1,112,328</b>	<b>962,878</b>
<b>Margin on RE (RE - [RWA * 11%])</b>	<b>1,242,484</b>	<b>1,846,817</b>
<b>Margin on RE considering RBAN (RE - [(RWA + RBAN)* 11%])</b>	<b>1,120,128</b>	<b>1,740,901</b>
<b>Basel Indexes:</b>		
. Principal capital index (minimum requirement of 4.5%)	7.64%	9.28%
. Tier I index (minimum requirement of 5.5%)	7.64%	9.28%
. Index Basel (minimum requirement of 11%)	14.37%	16.39%
. Basel index including RBAN	13.95%	15.94%

Where:

. RWACPAD: amount related to credit risk exposures.

. RWACAM: amount related to exposure to gold, foreign currency and assets subject to foreign exchange variation.

. RWAJUR: amount related to exposures subject to change in interest rates.

. RWACOM: amount related to exposures subject to change in commodity prices.

. RWAOPAD: amount related to operational risk.

. RBAN: capital to cover risk in transactions subject to change in interest rates not classified in the trading portfolio.

#### ii. Breakdown of Referential Equity (Basel III)

Specification	06.30.2015	06.30.2014
<b>Referential Equity (RE)</b>	<b>5,294,087</b>	<b>5,617,099</b>
<b>Referential Equity Tier I</b>	<b>2,813,862</b>	<b>3,181,608</b>
<b>Principal Capital</b>	<b>2,813,862</b>	<b>3,181,608</b>
Capital	2,844,000	2,844,000
Income reserves	485,245	397,013
Capital and revaluation reserve	18,232	20,556
Unrealized gains or losses - equity valuation and marketable securities	(480,769)	(47,347)
Prudential Adjustments	(52,846)	(32,614)
Prudential Adjustments - intangible assets	(3,446)	(1,361)
Prudential adjustment - Deferred assets	(73)	(287)
Prudential adjustment - Tax credits from temporary differences	(49,327)	(30,966)
<b>Referential Equity Tier II</b>	<b>2,480,225</b>	<b>2,435,491</b>
Instruments eligible to Tier II	2,532,761	2,488,290
Investment in other entities deducted from Tier II	(52,536)	(52,799)

The Subordinated Debt Instruments contracted with FNE, authorized to comprise RE Tier II before the entry into force of CMN Resolution No. 4192 of 03.01.2013, according to paragraph 2 of its article 23, shall remain

eligible up to their amortization, and therefore these instruments are not subject to the limits listed in article 28 of such Resolution.

Regarding the Hybrid Equity and Debt instrument, the authorization for continued use of the full contracted amount, under additional capital conditions, will be required of BACEN after signing an addendum thereto, whose bases have already been negotiated with the National Treasury (STN). Meanwhile, the amount recorded under RE Tier II is subject to the conditions and limits defined in article 28 of CMN Resolution No. 4192 of 03.01.2013.

### iii. Investment index

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

Specification	06.30.2015	06.30.2014
Referential equity (RE) for investment limit	5,294,087	5,617,099
Investment limit	2,647,044	2,808,550
Situation	225,388	211,000
Margin	2,421,656	2,597,550
Investment index	4.26%	3.76%

## NOTE 29 - Related parties

### a) Transactions with related parties

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

Specification	06.30.2015	06.30.2014
<b>Assets</b>		
Loans - refinancing with the Federal Government (Note 9.a.1)	436,194	387,913
<b>Total</b>	<b>436,194</b>	<b>387,913</b>

Specification	06.30.2015	06.30.2014
<b>Liabilities</b>		
<b>Time deposits - FAT (Note 13.b. and Note 27)</b>	<b>375,423</b>	<b>471,086</b>
<b>Domestic onlending - official institutions (Note 14.c)</b>	<b>1,691,912</b>	<b>1,673,048</b>
National Treasury	605	657
BNDES	1,537,046	1,498,698
FINAME	154,261	173,693
<b>Other obligations</b>	<b>12,671,824</b>	<b>11,692,268</b>
Fundo Constitucional de Financiamento do Nordeste - FNE (Note 16.f)	9,584,380	8,885,234
Hybrid equity-debt instruments (Note 16.g and Note 17)	1,396,357	1,280,658
Subordinated debts eligible for capital (Note 16.h and Note 18)	1,691,087	1,526,376
<b>Total</b>	<b>14,739,159</b>	<b>13,836,402</b>

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

Specification	06.30.2015	06.30.2014
<b>Liabilities</b>	<b>1,172,343</b>	<b>795,692</b>
Post-employment benefits - CAPEF DB Plan (Note 16.i)	315,367	95,279
Post-employment benefits - Camed Natural Plan (Note 16.i)	805,055	700,413
Post-employment benefits - Life insurance (Note 16.i)	51,921	-
<b>Total</b>	<b>1,172,343</b>	<b>795,692</b>

**b) Management compensation**

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

Specification	01.01 to 06.30.2015	01.01 to 06.30.2014
<b>Fees</b>	<b>1,838</b>	<b>1,729</b>
Executive Board	1,566	1,463
Board of Directors	133	139
Supervisory Board	139	127
<b>Other</b>	<b>638</b>	<b>667</b>
<b>Profit sharing</b>	<b>1,284</b>	<b>807</b>
<b>Short-term benefits</b>	<b>3,760</b>	<b>3,203</b>
<b>Post-employment benefits</b>	<b>162</b>	<b>127</b>
<b>Total</b>	<b>3,922</b>	<b>3,330</b>

The Bank does not have variable stock-based compensation or other long-term benefits and does not offer post-employment benefits to management, except for those comprising the headcount, participants of the Bank's Pension and Health Care Plan.

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

**NOTE 30 - Statement of comprehensive income**

Specification	01.01 to 06.30.2015	01.01 to 06.30.2014
<b>Net Income</b>	<b>158,128</b>	<b>326,012</b>
<b>Other comprehensive income (loss)</b>	<b>(296,111)</b>	<b>(39,740)</b>
Equity adjustment to available-for-sale securities	(6,871)	(76,377)
Tax effect on Equity adjustment to available-for-sale securities	2,748	30,551
Revaluation reserve released to retained earnings	1,937	748
Tax effect on revaluation reserve released to retained earnings	(775)	(1,186)
Actuarial gains (losses)	(293,150)	6,524
<b>Comprehensive income (loss)</b>	<b>(137,983)</b>	<b>286,272</b>

**NOTE 31 – Other Information****a) Guarantees given**

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

Specification	06.30.2015	06.30.2014
Import financing	143,045	114,510
Export credits confirmed	58,500	58,500
Guarantee beneficiaries		
- Individuals or nonfinancial legal entities	450	10,450
- FNE	19,425,397	17,111,898
- FDNE	108,926	85,540
Credit assignment co-obligations	22,659	22,617

**b) Approval of financial statements**

The financial statements were approved by the Board of Directors at a meeting held on August 5, 2015.

Fortaleza, August 5, 2015.

**The Executive Board**

**Note: See accompanying notes.**



# **Financial Statements**

## **Banco do Nordeste do Brasil S.A.**

June 30, 2015  
with Independent Auditor's Report

## **Independent auditor's report on financial statements**

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

We have audited the accompanying financial statements of Banco do Nordeste do Brasil S.A. ("Bank"), which comprise the balance sheet as at June 30, 2015 and the related statement of income, statement of changes in equity and of cash flows statement for the six-month period then ended, and a summary of significant accounting practices and other explanatory information.

### **Management's responsibility for the financial statements**

Bank management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil (BACEN) and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Brazilian and international standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the Bank's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal controls. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banco do Nordeste do Brasil S.A. as at June 30, 2015, its financial performance and its cash flows for the six-month period then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil (BACEN).

### **Other matters**

#### **Statement of Value Added**

We have also audited the statement of value added (SVA) for the six-month period ended June 30, 2015, whose presentation is required by the Brazilian Corporation Law for publicly-held companies. This statement was subject to the same audit procedures previously described and, based on our opinion, it is fairly presented, in all material respects, in relation to the overall financial statements.

São Paulo, August 5, 2015.

Ernst & Young  
Auditores Independentes S.S.  
CRC-2SP015199/O-6

Eduardo Wellichen  
Accountant CRC-1SP184050/O-6

## **REPORT OF SUPERVISORY BOARD**

The Supervisory Board of Banco do Nordeste do Brasil S.A., exercising its legal and statutory prerogatives, examined the Management Report, the Balance Sheet, the Statements of Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Value Added of Banco do Nordeste do Brasil S.A., for the first six-month period of 2015, which were approved, on the date hereof, by the Board of Directors.

Based on the examination made, the information and clarifications received during the six-month period and on the Independent Auditor's Unqualified Report - ERNST & YOUNG AUDITORES INDEPENDENTES S.S., issued on the date hereof, the Supervisory Board believes that the Management Report and the Financial Statements fairly present the financial position of Banco do Nordeste do Brasil S.A.

Brasília (Federal District), August 5, 2015.

**SUPERVISORY BOARD**

#### SUMMARY OF THE AUDIT COMMITTEE REPORT – 2015/01

The Audit Committee is a collegiate statutory body organized on the terms of CMN Resolution No. 3198/2004, which is the regulation that establishes its prerogatives, functions and responsibilities. This Internal Regulation and electronic address of BNB's Audit Committee are available on the Internet at [www.bnb.gov.br](http://www.bnb.gov.br), under "Sobre o Banco – Relação com os Acionistas".

The Audit Committee held 18 in-person meetings in the six-month period, totaling 30 business days of joint work, in addition to individual extra hours. In the period, the Audit Committee performed activities related to advisory to the Board of Directors, involving evaluation of the internal control system and monitoring of implementation of actions for the improvement of corporate processes and correction of individual failures.

When issuing this report for the six-month period, the Audit Committee considered, in accordance with applicable standards, that the Independent Audit is responsible for evaluating the quality and adequacy of the internal control system and for expressing an opinion, based on established procedures and standards that regulate the profession, about the financial statements prepared by the Bank's Executive Board and that the Internal Audit is responsible for monitoring, evaluating and assessing, independently from the Executive Board and the business managers, the quality of the Bank's internal control and risk management system.

Abiding by CMN Resolution No. 3198/2004, the Audit Committee concluded as follows:

- a) The internal control system of Banco do Nordeste do Brasil has been, as a general rule, able to identify adverse factors, thus allowing the adoption of corrective actions by Management. The weaknesses detected in the corporate processes and any failures in operations have not significantly affected the Bank's financial position. Nevertheless, the administrative actions for the correction of deficiencies should be timely taken in order to avoid negative consequences, whether of economic and financial nature or not. There remains a pressing need of improving the internal personnel selection, recruitment and training process, the review and optimization of corporate processes and continuing and consistent robust investment in information technology solutions supporting business processes, in order to ensure the Bank's continuing and healthy growth;
- b) The Internal Audit concentrated efforts in the execution of relevant works during the period, represented by the activities defined in the Annual Activities Plan, approved by the Board of Directors and the Brazilian Office of the Comptroller General ("*Controladoria Geral da União*"), or resulting from unforeseen and pressing events, as well as in the conduction of disciplinary processes. However, there remain deficiencies in the standardization of procedures, in the supervision of activities and personnel, which impair the quality of works and timely execution of a large part of planned activities, as well as lead to delay in the conduction of important investigations;
- c) No relevant fact has been detected that could impair effectiveness of the actuation of Ernst & Young Auditores Independentes in rendering the engaged audit services; and
- d) The Financial Statements were prepared in accordance with applicable corporate legislation as well as National Monetary Council (CMN), Central Bank of Brazil (BACEN) and Brazilian Securities and Exchange Commission (CVM) standards.

Fortaleza (Ceará State), August 5, 2015.

**Audit Committee**



**FUNDO CONSTITUCIONAL DE FINANCIAMENTO DO NORDESTE - FNE**  
*Managed by Banco do Nordeste do Brasil S.A.*

**Financial Statements**

**F N E**

**In thousands of R\$**

**Position as of 06.30.2015**

A free translation from Portuguese into English of financial statements prepared in Brazilian currency in accordance with the accounting practices described in Notes 2, 4 and 6 to the financial statements

## FUNDO CONSTITUCIONAL DE FINANCIAMENTO DO NORDESTE - FNE

(Law No. 7827, of 9/27/1989)

### BALANCE SHEETS

Six-month periods ended June 30, 2015 and 2014

Amounts in R\$ thousand

ASSETS				LIABILITIES AND EQUITY	
		6/30/2015	6/30/2014		6/30/2015
<b>CURRENT ASSETS</b>		<b>19.250.971</b>	<b>16.843.158</b>	<b>CURRENT LIABILITIES</b>	28
CASH AND CASH EQUIVALENTS	(Note 4.b.1)	3.351.167	2.915.522	Other liabilities	28
FUNDS COMMITTED TO LOAN TRANSACTIONS		6.225.296	5.962.592	Accrued liabilities payable	28
LINKED CREDITS		3.020	4.732		
Rural Credit – Proagro receivable		3.020	4.732	<b>EQUITY</b>	<b>56.878.253</b>
ONLENDING DEBTORS		58.269	73.861	TRANSFERS FROM FEDERAL GOVERNMENT:	
Onlending debtors – Other institutions		58.269	73.861	At the six-month period	3.520.916
LOANS	(Note 4.b.2 and Note 6)	9.605.095	7.879.194	In prior years/periods	54.813.281
Financing		4.181.384	3.288.295	INCOME (LOSS) FROM PRIOR PERIODS	(1.348.746)
Export financing		66.588	51.127	NET INCOME (LOSS) FOR THE SIX-MONTH PERIOD	(107.198)
Infrastructure and development financing		527.840	542.751		
Agribusiness financing		271.266	249.027		
Rural financing		5.240.225	4.499.047		
(Allowance for loan losses)		(682.208)	(751.053)		
OTHER RECEIVABLES	(Note 4.b.7)	7.918	7.120		
Rights on assets received in loan transactions		7.918	7.120		
OTHER ASSETS	(Note 4.b.8)	206	137		
Proagro securities		4	4		
Agrarian debt securities		235	219		
(Allowance for devaluation of securities)		(33)	(86)		
<b>LONG-TERM RECEIVABLES</b>		<b>37.627.310</b>	<b>33.871.643</b>		
LINKED CREDITS		4.076	2.148		
Rural Credit – Proagro receivable		4.076	2.148		
ONLENDING DEBTORS		1.839.188	1.662.624		
Onlending debtors - Banco do Nordeste - Law No. 7827 - art. 9-A	(Note 8)	1.691.087	1.526.376		
Onlending debtors – Other institutions		148.101	136.248		
LOANS	(Note 4.b.2 and Note 6)	35.783.136	32.205.882		
Financing		17.757.397	14.125.120		
Infrastructure and development financing		4.281.047	4.626.285		
Agribusiness financing		684.995	851.725		
Rural financing		13.059.697	12.602.752		
OTHER ASSETS	(Note 4.b.8)	910	989		
Agrarian debt securities		1.172	1.450		
(Allowance for devaluation of securities)		(263)	(461)		
<b>TOTAL ASSETS</b>		<b>56.878.281</b>	<b>50.714.801</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>56.878.281</b>

<b>INCOME STATEMENTS</b>			
<b>Six-month periods ended June 30, 2015 and 2014</b>			
(Amounts in R\$ thousand)			
		1H2015	1H2014
<b>REVENUES</b>			
Loans	(Note 6.i)	649.814	522.157
Cash and cash equivalents yield	(Note 4.b.1)	462.115	375.391
Reversal of operating provisions		5	46
<b>EXPENSES</b>			
Management	(Note 4.a.8)	(704.183)	(653.652)
PRONAF – compensation of the financial agent / performance bonus		(151.723)	(115.767)
Allowance for loan losses and devaluation of securities		(363.191)	(322.502)
Audit expenses		(35)	(45)
<b>LOSS FOR THE SIX-MONTH PERIOD</b>		<b>(107.198)</b>	<b>(194.372)</b>

<b>STATEMENTS OF CHANGES IN EQUITY</b>				
<b>Six-month periods ended June 30, 2015 and 2014</b>				
(Amounts in R\$ thousand)				
EVENTS		TRANSFERS FROM FEDERAL GOVERNMENT:	RETAINED EARNINGS (ACCUMULATED LOSSES)	TOTAL
<b>BALANCES AT 12/31/2013</b>		<b>48.734.497</b>	<b>(1.091.905)</b>	<b>47.642.592</b>
Transfers from federal government in the six-month period	(Note 7)	3.268.259	-	3.268.259
Prior year adjustments		-	(1.723)	(1.723)
Loss for the six-month period		-	(194.372)	(194.372)
<b>BALANCES AT 6/30/2014</b>		<b>52.002.756</b>	<b>(1.288.000)</b>	<b>50.714.756</b>
<b>CHANGES IN THE SIX-MONTH PERIOD</b>		<b>3.268.259</b>	<b>(196.095)</b>	<b>3.072.164</b>
<b>BALANCES AT 12/31/2014</b>		<b>54.813.281</b>	<b>(1.334.467)</b>	<b>53.478.814</b>
Transfers from federal government in the six-month period		3.520.916	-	3.520.916
Prior year adjustments		-	(14.279)	(14.279)
Loss for the six-month period		-	(107.198)	(107.198)
<b>BALANCES AT 6/30/2015</b>		<b>58.334.197</b>	<b>(1.455.944)</b>	<b>56.878.253</b>
<b>CHANGES IN THE SIX-MONTH PERIOD</b>		<b>3.520.916</b>	<b>(121.477)</b>	<b>3.399.439</b>



**STATEMENTS OF CASH FLOWS**  
 Six-month periods ended June 30, 2015 and 2014  
 (Amounts in R\$ thousand)

	6/30/2015	6/30/2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss for the six-month period</b>	<b>(107.198)</b>	<b>(194.372)</b>
<b>Non-cash income (expenses):</b>		
Allowance for loan losses and devaluation of securities	363.150	322.502
Reversal of operating provisions	(5)	(46)
Accrued liabilities allowance	(23)	18
<b>Adjusted income for the six-month period</b>	<b>255.924</b>	<b>128.102</b>
Linked credits	(19)	(524)
Onlending debtors	(78.508)	(68.688)
Loans	(1.898.461)	(1.356.194)
Other receivables	3	(20)
Other assets	181	205
Prior year adjustments	(14.279)	(1.723)
<b>CASH USED IN OPERATING ACTIVITIES</b>	<b>(1.735.159)</b>	<b>(1.298.842)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Transfers from Federal Government	3.520.917	3.268.259
<b>CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>3.520.917</b>	<b>3.268.259</b>
<b>Increase in cash and cash equivalents</b>	<b>1.785.758</b>	<b>1.969.417</b>
<b>STATEMENT OF CHANGES IN CASH AND CASH EQUIVALENTS</b>		
At beginning of six-month period	7.790.705	6.908.697
At end of six-month period	9.576.463	8.878.114
<b>Increase in cash and cash equivalents</b>	<b>1.785.758</b>	<b>1.969.417</b>

**NOTES TO FINANCIAL STATEMENTS**  
**Six-month periods ended June 30, 2015 and 2014**  
**(Amounts expressed in thousands of reais, unless otherwise indicated)**

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Note 1 – History	Note 6 - Financing transactions, onlending and allowance for loan losses
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**NOTE 1 - History**

Fundo Constitucional de Financiamento do Nordeste - FNE was established by the Federal Constitution of 1988 (Article 159, item I, letter "c"), and is regulated by Law No. 7827, of 9/27/1989, amended by Supplementary Law No. 125, of 1/3/2007, Laws No. 9126, of 11/10/1995, No. 9808, of 7/20/1999, and No. 10177, of 1/12/2001, Provisional Executive Order No. 2196-1, of 6/28/2001, and its amendments as republished, and Article 13 of Provisional Executive Order No. 2199-14, of 8/24/2001. The purpose of the FNE is to foster the economic and social development of the Northeast region, through Banco do Nordeste do Brasil S.A., by offering financing to production sectors, in conformity with regional development plans, giving priority to activities developed by small farmers, small companies and staple food producers, and to irrigation projects. Non-refundable aid is prohibited.

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

The Financial Statements were prepared in accordance with the provisions of Brazilian Corporate Law, if applicable, and the regulation specifically for constitutional funds established by the Federal Government.

**NOTE 3 - Management**

Banco do Nordeste is responsible for allocating funds and implementing the credit policy, defining operational standards, procedures and conditions, applying the ranges of financial charges to financing applications and granting credit, formalizing agreements for onlending to other institutions authorized to operate by the Central Bank of Brazil, observing the guidelines established by the Ministry of National Integration, reporting on the results achieved, performing other activities related to the use of funds and recovery of credits, including renegotiating and settling debts, pursuant to Articles 15-B, 15-C, and 15-D of Law No. 7827 of 9/27/1989.

**NOTE 4 - Significant Accounting Practices**

FNE has its own accounting records and uses the accounting system of Banco do Nordeste to record its transactions in specific subtitles, and the results of operations are determined separately.

For determining the results of operations, FNE's fiscal year coincides with the calendar year.

Significant accounting practices are as follows:

**a) Recognition of income and expenses**

- a.1)** Income and expenses are recorded on an accrual basis. FNE's income consists of financial charges on loans and the interest paid by Banco do Nordeste on FNE's cash and cash equivalents.
- a.2)** By means of Resolution No. 4395 of 12/30/2014, the CMN set financial charges for transactions carried out with funds from FNE, in the period from January 1, 2015 to June 30, 2015, at rates ranging from 4.71% to 8.83% p.a. for farmers and their cooperatives, according to the loan purpose and annual gross revenue of the farmer or cooperative. For the other industries, CMN fixed rates ranging from 8.24% to 14.71% p.a., according to the loan purpose and annual gross revenue of financed project. The bonus for timely payment was fixed at 15% p.a. on financial charges for debt installments paid up to their respective maturities. Such financing charges and bonus for timely payment do not apply to borrowers based on Article 8-A of Law No. 10177 dated 1/12/2001 and Article 15 of Law No. 12716 dated 9/21/2012 and family farmers qualifying under the National Family Farming Strengthening Program (PRONAF).

By means of Resolution No. 4423 of 6/25/2015, the CMN changed the financial charges applicable to rural transactions carried out with FNE funds from July 1, 2015 to June 30, 2016, which now range from 7.653% to 12.35% p.a. for farmers and their cooperatives, according to the loan purpose and annual gross revenue of the farmer or cooperative. The rates applicable to other industries remained unchanged, being those defined in Resolution 4395, of 12/30/2014.

Under normal conditions, the financial charges at rates established by law are recorded in the Fund's proper income statement accounts. Past-due and unpaid amounts are subject to contractually agreed default charges, and the portion of these charges that exceeds the rates established by legislation is recorded as the Fund's unearned income.

On the financial charges established by law, a 15% bonus for timely payment will be granted provided that the debt is paid by the due date. The bonus expense is recognized as the borrower pays the related charges.

Financing transactions under the National Family Farming Strengthening Program (PRONAF) are subject to financial charges established by the National Monetary Council, pursuant to the legislation and regulation of the Program set forth in Chapter 10 of the Rural Loan Manual of the Central Bank of Brazil.

**a.3)** Provisional Executive Order No. 2196-1 of 6/28/2001, as republished, which created the Support Program for Federal Financial Institutions, sets out the following as regards the BNB's financial (*del credere*) commission on financing with funds from FNE:

- For transactions contracted up to 11.30.1998, BNB's financial (*del credere*) commission was reduced to zero, and the charges agreed to with borrowers remained unchanged;
- For transactions contracted with a risk of 50% for Banco do Nordeste, BNB's financial (*del credere*) commission will be 3% p.a.;
- For transactions resulting from onlending to Banco do Nordeste, in its name and at its own risk, to grant loans, the financial commission will be 6% p.a.

**a.4)** Decree No. 5818 of 6/26/2006, combined with CMN Resolution No. 3293 of 6/28/2005, established that, for National Financing Program for the Expansion and Modernization of the National Fishing Fleet (PROFROTA) transactions with large companies, with shared risk, BNB's financial (*del credere*) commission is 2.5% p.a.

**a.5)** Administrative Ruling No. 616, of 5/16/2003, of the Ministry of National Integration, establishes that, for onlending to institutions authorized to operate by the Central Bank of Brazil, BNB is entitled to the financial (*del credere*) commission agreed to with the institutions, observing the limit established by legislation.

**a.6)** For financing under PRONAF (Groups A, A/Microcredit B, A/C, Semiarid, Forest, PRONAF-Emergency, PRONAF-Flooding, PRONAF-Drought, PRONAF-Semiarid-Drought-2012 and PRONAF-Drought-2012-Funding), the Bank is not entitled to any commission, according to the legislation and regulation of the Program.

**a.7)** For loans reclassified under Article 31 of Law No. 11775 of 9/17/2008, Administrative Ruling No. 245 of 10/14/2008 sets BNB's financial (*del credere*) commission at 3% p.a. in the cases defined in Article 1, items I to IV, and sets a financial (*del credere*) commission of 6% p.a. in the cases defined in Article 1, Sole Paragraph.

**a.8)** FNE's expenses refer to management fee payable to the Bank as the Fund manager, to financial charges payable to the Bank on financing under PRONAF (Groups: A, A/Microcredit, B, A/C, Forest, Semiarid, Emergency, Flooding, Drought, Semiarid-Drought-2012 - Group B, Semiarid-Drought-2012 - Other Groups, Drought-2012-Costing - Group B, Drought-2012-Costing - Other Groups, and other PRONAFs with shared risk), to financial charges payable to the Bank on disbursement under Pronaf Groups A/Microcredit, B, Semiarid, Forest and other PRONAFs with shared risk, to performance Premium on reimbursement under PRONAF Groups A, A/Microcredit, B, A/C, Semiarid, Forest, Semiarid-Drought-2012 - Other Groups, Drought-2012-Costing - Other Groups and other PRONAFs with shared risk, to allowance for loan losses recognized pursuant to Administrative Ruling No. 11, of 12.28.2005, of the Ministry of Finance and Ministry of National Integration, and to independent audit services, in addition to bonuses and discounts established by legislation.

The management fee of 3% per annum, paid to Banco do Nordeste by FNE, is recorded on a monthly basis at 0.25% on the Fund's equity, less amounts transferred to BNB, amounts transferred to other institutions according to the Brazilian Integration Ministry Ruling No. 616 of 5/26/2003 and balances of investments in PRONAF Group A/Agroamigo, B, A/C, Forest, Semiarid, Emergency, Flooding, Drought, Semiarid-Drought-2012 - Group B, Semiarid-Drought-2012 - Other Groups, Drought-2012-Costing - Group B and Drought-2012-Costing - Other Groups, and is limited each year to 20% of the transfer amount made by the National Treasury Department in accordance with Decree No. 5641 dated 12/26/2005.

BNB's remuneration on PRONAF financing, remuneration on disbursement and performance bonus on reimbursements comply with percentages and criteria defined by legislation and by the Program Regulation.

## b) Current and noncurrent assets

These are stated at cost or realizable value, including earnings and monetary variations earned.

**b.1)** Cash and cash equivalents consist of cash assets, which represent funds available for use in loans, and Funds Committed for Loans, which represent restricted cash in connection with yet-unreleased installments of contracted operations corresponding to the amounts outstanding by the balance sheet date, plus the payments expected during the 90 subsequent days and any mismatches between the amounts to be released after such 90 days and the estimated inflow to the Fund during such period. The Fund's cash and cash equivalents held by Banco do Nordeste are paid based on the extra-market rate disclosed by the Central Bank of Brazil.

Specification	6/30/2015	6/30/2014
Cash and cash equivalents	3,351,167	2,915,522
Funds committed to loan transactions	6,225,296	5,962,592
<b>Total cash and cash equivalents</b>	<b>9,576,463</b>	<b>8,878,114</b>

**b.2)** Total loans are stated at the amount of principal plus financial charges, less unearned income and allowance for loan losses (Note 6).

**b.3)** Law No. 11322, of 07/13/2006, provides for the renegotiation of debts arising from rural credit transactions contracted in the area under the jurisdiction of the Northeast Development Authority (SUDENE), and grants rebates on debit balance, bonuses for timely payment, decreased interest rates and extended payment periods.

**b.4)** Law No. 11775 of 9/17/2008 provides for the settlement, regularization, renegotiation or reclassification of debts arising from loans classified, among others, under Laws No. 9138 of 11/29/1995, No. 10437 of 4/25/2002 and No. 11322 of 07/13/2006, Provisional Executive Order No. 2196-3 of 8/24/2001, CMN Resolution No. 2471 of 2/26/1998, of the National Family Farming Strengthening Program (PRONAF), in the Japanese and Brazilian Cooperation Program for the Development of the Cerrado Region (PRODECER) - Stage III, and contracted with FAT funds by financial agents, and grants discounts, bonuses for timely payment on debit balances, waivers, and maintenance or rescheduling of payment periods.

**b.5)** Law No. 12249 of 6/11/2010 provides for, in Articles 69 and 70, the remission of agricultural debts renegotiated based on Article 2 of Law No. 11322, of 7/13/2006, or classified under said Article, as well as the granting of rebates for settlement of not remitted agricultural debts renegotiated based on Article 2 of Law No. 11322, backed by FNE funds or FNE funds along with other sources of funds. Articles 71 and 72 of said Law provide for the debt remission relating to agricultural activities with producers classified under Group B of PRONAF, as well as the granting of rebates for not remitted debts, backed by FNE funds.

**b.6)** Law No. 12716, dated 9/21/2012, authorized the Executive Branch to introduce special credit lines using FNE funds, to rural, industrial, commercial and service sectors of municipalities under emergency conditions or going through public calamities acknowledged by the Federal Executive Branch. Article 5 of said law authorized the introduction of rural credit line with FNE funds for settlement, until December 31, 2013, of rural loans for costs and investments, with shared risks or risks fully borne by the National Treasury Department, FNE or official federal financial institutions. Said credit facility was regulated by the National Monetary Council, through Resolution No. 4147, dated 10/25/2012.

**b.7)** The account "Other receivables" includes FNE's rights on chattels and properties received by BNB as payment of debts. After assets are sold, the sale proceeds are apportioned between the Fund and BNB, proportionally to the risk assumed, pursuant to Article 7 of Administrative Ruling No. 11 of 12/28/2005.

**b.8)** Securities recorded under line account "Other Assets" are stated at their face value, plus expected yield on each security, including, when applicable, the effects of adjustments of assets to market or realizable value.

## c) Equity

The equity of FNE is originated as follows:

- Transfers from the Federal Government at the proportion of 1.8% of the collection of Income Tax (IR) and Federal VAT (IPI) on a 10-day period basis;
- Returns and operating results; and
- Returns and results of transactions Interest paid by Banco do Nordeste on FNE's temporarily not invested cash.

## d) Tax Exemption

FNE is entitled to tax exemption, and its results, income and financing operations are free of any tax, contribution or other lien, as provided for by Law No. 7827 of 9/27/1989, as amended.

**NOTE 5 - Supervisory agencies**

Banco do Nordeste keeps at the disposal of the supervisory agencies the Fund's statements of changes in financial position and income as of the end of the month. Pursuant to the legislation, the FNE's audited balance sheets are published semiannually and submitted to the National Congress for inspection and control.

**NOTE 6 - Financing transactions, onlending and allowance for loan losses****a) Breakdown of Loan Portfolio****a.1) Total Portfolio**

Financing	6/30/2015			6/30/2014		
	Normal	Past due	Balance	Normal	Past due	Balance
Financing	21,398,690	540,091	21,938,781	17,043,842	369,573	17,413,415
Export financing	60,179	6,409	66,588	46,999	4,128	51,127
Infrastructure and development financing	4,808,887	-	4,808,887	5,169,036	-	5,169,036
Agribusiness financing	877,800	78,461	956,261	1,051,495	49,257	1,100,752
Rural financing	17,482,670	817,252	18,299,922	16,217,189	884,610	17,101,799
<b>Subtotal</b>	<b>44,628,226</b>	<b>1,442,213</b>	<b>46,070,439</b>	<b>39,528,561</b>	<b>1,307,568</b>	<b>40,836,129</b>
Onlending to BNB	1,691,087	-	1,691,087	1,526,376	-	1,526,376
Onlending to other institutions	206,371	-	206,371	210,109	-	210,109
<b>Total portfolio</b>	<b>46,525,683</b>	<b>1,442,213</b>	<b>47,967,896</b>	<b>41,265,046</b>	<b>1,307,568</b>	<b>42,572,614</b>
Allowance for loan losses	(318,295)	(363,913)	(682,208)	(404,704)	(346,349)	(751,053)
<b>Total, net <sup>(1)</sup></b>	<b>46,207,388</b>	<b>1,078,300</b>	<b>47,285,688</b>	<b>40,860,342</b>	<b>961,219</b>	<b>41,821,561</b>

**a.2) Full Risk Portfolio for BNB**

Financing	6/30/2015			6/30/2014		
	Normal	Past due	Balance	Normal	Past due	Balance
Financing	8,438	-	8,438	-	-	-
Agribusiness financing	1,517	-	1,517	1,409	-	1,409
Rural financing	269,160	10,940	280,100	254,142	8,953	263,095
<b>Subtotal</b>	<b>279,115</b>	<b>10,940</b>	<b>290,055</b>	<b>255,551</b>	<b>8,953</b>	<b>264,504</b>
Onlending to BNB	1,691,087	-	1,691,087	1,526,376	-	1,526,376
Onlending to other institutions	155,125	-	155,125	157,119	-	157,119
<b>Total portfolio</b>	<b>2,125,327</b>	<b>10,940</b>	<b>2,136,267</b>	<b>1,939,046</b>	<b>8,953</b>	<b>1,947,999</b>
<b>Total, net <sup>(1)</sup></b>	<b>2,125,327</b>	<b>10,940</b>	<b>2,136,267</b>	<b>1,939,046</b>	<b>8,953</b>	<b>1,947,999</b>

**a.3) Shared Risk Portfolio**

Financing	6/30/2015			6/30/2014		
	Normal	Past due	Balance	Normal	Past due	Balance
Financing	21,334,536	531,696	21,866,232	16,977,411	358,075	17,335,486
Export financing	60,179	6,409	66,588	46,999	4,128	51,127
Infrastructure and development financing	4,808,887	-	4,808,887	5,169,036	-	5,169,036
Agribusiness financing	810,635	72,609	883,244	980,302	41,953	1,022,255
Rural financing	9,911,420	424,063	10,335,483	9,399,060	403,586	9,802,646
<b>Subtotal</b>	<b>36,925,657</b>	<b>1,034,777</b>	<b>37,960,434</b>	<b>32,572,808</b>	<b>807,742</b>	<b>33,380,550</b>
<b>Total portfolio</b>	<b>36,925,657</b>	<b>1,034,777</b>	<b>37,960,434</b>	<b>32,572,808</b>	<b>807,742</b>	<b>33,380,550</b>
Allowance for loan losses	(44,824)	(212,851)	(257,675)	(57,801)	(180,359)	(238,160)
<b>Total, net <sup>(1)</sup></b>	<b>36,880,833</b>	<b>821,926</b>	<b>37,702,759</b>	<b>32,515,007</b>	<b>627,383</b>	<b>33,142,390</b>

#### a.4) Full Risk Portfolio for FNE

Financing	6/30/2015			6/30/2014		
	Normal	Past due	Balance	Normal	Past due	Balance
Financing	55,716	8,373	64,089	66,431	9,556	75,987
Agribusiness financing	65,648	5,852	71,500	69,385	7,077	76,462
Rural financing	7,270,168	334,326	7,604,494	6,466,855	366,750	6,833,605
<b>Subtotal</b>	<b>7,391,532</b>	<b>348,551</b>	<b>7,740,083</b>	<b>6,602,671</b>	<b>383,383</b>	<b>6,986,054</b>
Onlending to other institutions	51,245	-	51,245	52,990	-	52,990
<b>Total portfolio</b>	<b>7,442,777</b>	<b>348,551</b>	<b>7,791,328</b>	<b>6,655,661</b>	<b>383,383</b>	<b>7,039,044</b>
Allowance for loan losses	(273,471)	(151,062)	(424,533)	(346,903)	(165,990)	(512,893)
<b>Total, net <sup>(1)</sup></b>	<b>7,169,306</b>	<b>197,489</b>	<b>7,366,795</b>	<b>6,308,758</b>	<b>217,393</b>	<b>6,526,151</b>

#### a.5) Full Risk Portfolio for PROCERA

Financing	6/30/2015			6/30/2014		
	Normal	Past due	Balance	Normal	Past due	Balance
Financing	-	22	22	-	1,942	1,942
Agribusiness financing	-	-	-	399	227	626
Rural financing	31,922	47,923	79,845	97,132	105,321	202,453
<b>Subtotal</b>	<b>31,922</b>	<b>47,945</b>	<b>79,867</b>	<b>97,531</b>	<b>107,490</b>	<b>205,021</b>
<b>Total portfolio</b>	<b>31,922</b>	<b>47,945</b>	<b>79,867</b>	<b>97,531</b>	<b>107,490</b>	<b>205,021</b>
<b>Total, net <sup>(1)</sup></b>	<b>31,922</b>	<b>47,945</b>	<b>79,867</b>	<b>97,531</b>	<b>107,490</b>	<b>205,021</b>

<sup>(1)</sup> The "Normal" status took into account allowances arising from renegotiations/acquisitions and extraordinary allowance set up due to irregularities identified in operations by Internal Audit. The "Past due" status took into account allowances set up exclusively due to delay.

b) Pursuant to the legislation that regulates Constitutional Financing Funds, National Family Farming Strengthening Program (PRONAF) and Special Credit Program for Agrarian Reform (PROCERA/Programa da Terra), the risk of transactions with FNE's funds is as follows:

**b.1) Transactions contracted until 11/30/1998:**

- In transactions related to Programa da Terra, the risk lies totally with PROCERA. However, in light of article 8 of Law No. 13001, of June 20, 2014, which authorized the waiver of transactions worth R\$ 10 thousand or less and rebates and non-default bonuses for settlement of transactions worth more than R\$ 10 thousand, with the costs arising from these measures on FNE-related transactions being assigned to FNE, and, considering that the deadline for settlement of transactions using the authorized rebates is August 31, 2015, as defined in Resolution No. 4365, of August 28, 2014, which regulated Law No. 13001, the risk of these transactions in the scope of FNE will be fully transferred to the Fund once the deadline has passed; and
- In other transactions, the risk is assumed by FNE.

**b.2) Transactions contracted beginning 12/1/1998:**

- in financing under Programa da Terra, the risk lies with PROCERA;
- in transactions under PRONAF, Groups A, A/Microcredit, B and A/C, and Forest, Semiarid, Emergency, Flooding, Drought, Semiarid-Drought-2012 and Drought-2012-Costing, the risk lies totally with FNE;
- in onlending to Banco do Nordeste whose funds are used in BNB's own lending operations, the risk is fully assumed by Banco do Nordeste;
- in onlending to other institutions authorized to operate by the Central Bank of Brazil, contracted until 11/30/1998, the risk is fully assumed by FNE. Under a specific clause of the onlending agreements, the risk on financing granted to final borrowers is fully assumed by the lender;
- in onlending to other institutions authorized to operate by the Central Bank of Brazil, contracted after Administrative Ruling No. 616 of 5/26/2003 becomes effective, the risk lies totally with BNB. Under referred Administrative Ruling and under a specific clause of the onlending agreements, the risk on financing granted to final borrowers is fully assumed by the lender;
- in the transactions addressed by Article 31 of Law No. 11775 of 9/17/2008, the risk lies 100% with Banco do Nordeste, if the risk of the original transaction is fully attributed to the Bank, or shared, when the renegotiated transaction involves this type of risk; and
- in other transactions, the risk is 50% for FNE and 50% for BNB.

c) Pursuant to sole paragraph of Article 3 of Interministerial Administrative Ruling No. 11 of 12/28/2005, the allowance for loan losses is recorded by FNE in accordance with the criteria set forth in item I,

letters “a” and “b” of the same Article, pursuant to which an allowance must be recorded for amounts past-due for more than 180 days, according to the risk assumed. Changes in the allowance for loan losses for the six-month period are as follows:

<b>Specification</b>	<b>6/30/2015</b>	<b>6/30/2014</b>
<b>Allowance for loan losses at the beginning of the year</b>	<b>661,711</b>	<b>797,207</b>
. Full FNE Risk	425,993	534,646
. Shared risk	235,718	262,561
<b>(+) Net allowance recognized for the six-month period</b>	<b>363,145</b>	<b>322,451</b>
<b>Allowance for loan losses - expenses</b>	<b>363,145</b>	<b>322,451</b>
. Full FNE Risk	155,932	147,405
. Allowance for past due payment/Renegotiations	159,964	152,868
. Allowance Adjustments due to discounts	(4,032)	(5,463)
. Shared risk	207,213	175,046
. Allowance for past due payment/Renegotiations	210,778	177,366
. Adjustments of provision for operations indicating irregularities	(2,565)	(2,320)
<b>(-) Receivables written off as loss for the six-month period</b>	<b>342,648</b>	<b>368,605</b>
. Full FNE Risk	157,392	169,158
. Shared risk	185,256	199,447
<b>(=) Allowance for loan losses at the end of the period</b>	<b>682,208</b>	<b>751,053</b>
. Full FNE Risk	424,533	512,893
. Shared risk	257,675	238,160

- d) Considering that PROCERA is responsible for the risk of loan transactions under “Programa da Terra” with FNE’s funds, no allowance for loan losses is recognized.
- e) Under Interministerial Administrative Ruling No. 46, of 3/07/2007, an allowance for loan losses is recorded for transactions renegotiated under Law No. 11322 of 7/13/2006, as described below:
- e.1)** For transactions with other sources of funds acquired by FNE: in an amount equal to the discounts determined on acquisition by the Fund, recorded as a contra entry to loan transactions. The amounts for the six-month period are described in subaccount “Net Provision for Discount - Transactions Acquired based on Law No. 11322” in the table in item “c” of this Note; and
- e.2)** For renegotiated FNE transactions: the amount of the allowance already existing in the month immediately prior to the renegotiation plus amounts eventually written off from assets as a loss, recorded as a contra entry to “Expenses on allowance for loan losses”. In the six-month period, the allowance decreased by R\$ 15,482 (decrease by R\$ 31,716 at June 30, 2014), with R\$ 13,341 (decrease by R\$ 29,308 at June 30, 2014) of which referring to full FNE risk transactions and R\$ 2,141 (decrease by R\$ 2,408 at June 30, 2014) referring to shared risk transactions. These decreases include R\$ 6,106 (decrease by R\$ 14,115 at June 30, 2014) arising from rebates and remissions of transactions classified under Law No. 12249, of 6/11/2010 and Law No. 12716, of 9/21/2012, with R\$ 5,742 (decrease by R\$ 12,927 at June 30, 2014) of which referring to full FNE risk transactions and R\$ 364 (decrease by R\$ 1,188 at June 30, 2014) referring to shared risk transactions. These amounts are included in subtitle “Allowance for loan losses” in the table in item “c” of this note.
- f) Interministerial Administrative Ruling No. 244, of 10/14/2008, establishes that an allowance for loan losses is recorded for transactions renegotiated under Law No. 11775 of 09/17/2008, as described below:
- f.1)** For renegotiated FNE transactions: the amount of the allowance already existing in the month immediately prior to the renegotiation plus amounts written off from assets as a loss, matched against “Expenses on Operating Provisions”; and
- f.2)** For renegotiated FNE transactions, the allowance was reduced by R\$ 6,526 (R\$ 11,834 at June 30, 2014), with R\$ 5,049 (R\$ 8,487 at June 30, 2014) of which referring to full FNE risk transactions and R\$ 1,477 (R\$ 3,347 at June 30, 2014) referring to shared risk transactions. These amounts include a decrease by R\$ 2,049 (R\$ 5,277 at 6/30/2014) arising from rebates and remissions of transactions classified under Law No. 12249 of 06/11/2010 and Law No. 12716 of 9/21/2012, including R\$ 1,780 (R\$ 4,310 at 6/30/2014) referring to full FNE risk transactions and R\$ 269 (R\$ 967 at 6/30/2014) referring to shared-risk transactions. These amounts are included in subtitle “Allowance for loan losses” in the table in item “c” of this note.
- g) At 6/30/2015, the amount of R\$ 15,704 (R\$ 19,340 at 6/30/2014) is recorded as Allowance for Loan Losses, related to an extraordinary allowance to cover the Fund’s risk on loan transactions granted with evidence of irregularities, which are subject to inquiry by the Bank’s Internal Audit Area. In such case, transaction balances were considered, according to the risk attributed to FNE, by

supplementing those of which already recorded provision for past payments under Interministerial Administrative Ruling No. 11, of 12/28/2005.

- h) The renegotiations documented in the period, based on Law No. 11775, dated 9/17/2008, Law No. 9138, dated 11/29/1995, Law No. 10437, dated 4/25/2002 and Law No. 11322, dated 7/13/2006, Provisional Executive Order No. 2196-3 of 8/24/2001 and the remissions and rebates granted in conformity with Law No. 12249, dated 6/11/2010 and Law No. 12716, dated 9/21/2012, reduced the Fund's income by R\$ 18,426 (R\$ 33,534 decrease at 6/30/2014). This effect includes costs on renegotiation of transactions contracted between the Fund and other funding sources, mixed funding sources, acquired or reclassified to the Fund, as authorized by referred to Laws, as shown below:

<b>Specification</b>	<b>6/30/2015</b>	<b>6/30/2014</b>
Recovery of transactions written off of assets	19,733	33,633
Expenses - bonuses and waivers	(68,081)	(122,815)
Net effect on allowances	29,922	55,648
<b>Total</b>	<b>(18,426)</b>	<b>(33,534)</b>

- i) In the income statement "Income from loans" is recorded at the net amount as follows:

<b>Specification</b>	<b>6/30/2015</b>	<b>6/30/2014</b>
Income from loans	1,658,099	1,472,294
Expenses on BNB's financial ( <i>del credere</i> ) commission	(598,517)	(529,900)
Expenses on BNB's financial ( <i>del credere</i> ) commission from other institutions	(1,766)	(1,761)
Expenses on negative monetary restatement	(911)	(8,879)
Expenses on renegotiation discounts granted	(36,834)	(108,803)
Expenses on Rebates/bonuses for timely payment – Transactions contracted by Banco do Nordeste	(358,609)	(284,738)
Expenses on Rebates/bonuses for timely payment - Onlending Law No. 7827 - Article 9 A	(5,251)	(5,687)
Expenses on Rebates/bonuses for timely payment - Onlending to other institutions	(946)	(1,299)
Expenses on principal rebates - Receivables from FAT - BNDES - Law No. 10193, of 2/14/2001	-	(1)
FNE's transactions honored by BNB - Rebate/Recalculation – Resolution No. 4298/4299	(8)	(50)
Expenses on transactions - Other sources - Acquisitions Law No. 11322, of 7/13/2006	-	(91)
Expenses on other transactions BNB - Remission Law No. 12249, of 6/11/2010	-	-
Expenses on other transactions BNB - Rebate Law No. 12249/12844 of 6/11/2010 and 7/19/2013	(1,294)	(1,379)
FNE's expenses honored by the Bank - Remission Law 12249 of 6/11/2010	-	(6)
FNE's expenses honored by the Bank - Rebate Law 12249/12844 of 6/11/2010 and 7/19/2013	(4,149)	(7,543)
Write-off of excess book value - receipt of assets	-	-
<b>Total</b>	<b>649,814</b>	<b>522,157</b>

**j) Recognition of Losses and Return of BNB's Share of Risk**

- j.1)** Regardless of the provisions set forth in sole paragraph of Article 3, Administrative Ruling No. 11, based on which losses can be recorded in FNE's accounting books at the amounts of principal and charges past-due for more than 360 days, according to the risk percentage assumed by the Fund, the Bank recognized losses on these transactions considering the amounts of principal and charges past due for more than 329 days.
- j.2)** Funds related to BNB's share of risk are returned to FNE on the second business day after losses are recognized by the Fund, according to the criterion set forth in item II, letter "a", Article 5 of Administrative Ruling No. 11 of 12/28/2005, in compliance with the provision in letter j.1 above.
- j.3)** In the six-month period, BNB returned to FNE the amount of R\$ 187,803 (R\$ 201,897 in the first half of 2014 ), related to BNB's share of risk in transactions that were written off as loss.



**k) Renegotiation and reclassification of loans**

Law No. 11775, of 9/17/2008, established measures to encourage the settlement or renegotiation of debts from rural credit transactions and land mortgage loan, with the following impacts on FNE.

- k.1)** Renegotiation of financing contracted with FNE's funds;
- k.2)** engagement of new transactions with FNE's funds to settle debts related to the Program for the Recovery of Cocoa Farming in Bahia, entered into with risks partially or fully assumed by the National Treasury, the State of Bahia and FNE;
- k.3)** Engagement of new transactions with FNE funds to settle debts related to the Japanese and Brazilian Cooperation Program for the Development of the Cerrado Region (PRODECER) - Stage III;
- k.4)** reclassification for the Fund of transactions carried out with Pronaf where risk lies with Federal Government;
- k.5)** reclassification for the Fund of transactions carried out with funds from FAT; and
- k.6)** reclassification to the FNE of transactions entered into with mixed funds from other sources.

The same statute authorized the replacement of financial charges on outstanding rural and non-rural transactions, contracted until 1/14/2001, subject to floating rates and backed with resources from FNE, by fixed rates set by legislation applicable to this kind of transaction.

In the six-month period, credits were reclassified to FNE or new operations were contracted to settle financings with funds from other sources, with full risk for the Fund, totaling R\$592 (R\$284 in the first half of 2014), under referred to law, as follows:

<b>Specification</b>	<b>6/30/2015</b>	<b>6/30/2014</b>
Article 7 (Cocoa Farming Operations in Bahia)	27	269
Article 19 (Operation whose risk lies with the Federal Government - funds from FAT)	13	15
Resolution No. 2471	552	-
<b>Total</b>	<b>592</b>	<b>284</b>

Also under Law No. 11775, de 9/17/2008, credits were reclassified to FNE or new operations were contracted to settle financings with funds from other sources, with full risk for Banco do Nordeste, in the amount of R\$3,675 (R\$1,008 in the first half of 2014), as follows:

<b>Specification</b>	<b>6/30/2015</b>	<b>6/30/2014</b>
Article 31 (mixed Funds from Other Sources/FNE's transactions)	3,483	754
Article 31 (FAT transactions)	193	254
<b>Total</b>	<b>3,675</b>	<b>1,008</b>

**NOTE 7 - Prior Years' Adjustments**

The net negative adjustment at 6/30/2015 of R\$14,279 (negative R\$1,723 at 6/30/2014), refers to recalculations of charges on loan transactions.

**NOTE 8 - Onlending to BNB under article 9-A of Law No. 7827 of 9/27/1989**

The outstanding debt balance of onlending made to Banco do Nordeste, through a Subordinated Debt Instrument, is as under:

<b>Specification</b>	<b>6/30/2015</b>	<b>6/30/2014</b>
Available Funds	1,044,610	811,490
Invested Funds	646,477	714,886
<b>Total</b>	<b>1,691,087</b>	<b>1,526,376</b>

The line "Available funds" records amounts temporarily not invested by the BNB in loan transactions, and yield at the extra-market interest rate disclosed by the Central Bank of Brazil.

The line "Invested Funds" corresponds to the amounts released by Banco do Nordeste to the borrowers of the financing agreements, restated based on contractual indices, as set forth by legislation and the Subordinated Debt Instrument entered into.

**NOTE 9 - Registration with the Federal Government Integrated Financial Management System (SIAFI)**

In compliance with Administrative Ruling No. 11, of 12/28/2005, the accounting information related to FNE is available on SIAFI, considering the Fund's specific characteristics.

Fortaleza, August 5, 2015.

**The Executive Board**

**NOTE: These notes are an integral part of the financial statements**

## **Financial Statements**

### **Fundo Constitucional de Financiamento do Nordeste (FNE)**

June 30, 2015

with independent auditor's report on financial statements

## **Independent auditor's report on financial statements**

The Management of

**Fundo Constitucional de Financiamento do Nordeste (FNE)**

(Administered by Banco do Nordeste do Brasil S.A.)

We have audited the accompanying financial statements of Fundo Constitucional de Financiamento do Nordeste ("Fund"), which comprise the balance sheet as at June 30, 2015, and the related statements of income, of changes in equity and of cash flows for the six-month period then ended, and a summary of significant accounting practices and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with the accounting practices described in Notes 2, 4, and 6, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Brazilian and international standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the Fund's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fundo Constitucional de Financiamento do Nordeste (FNE) as at June 30, 2015, its financial performance and its cash flows for the six-month period then ended, in accordance with accounting practices described in Notes 2, 4 and 6.

### **Emphasis of matter**

#### *Basis of preparation of financial statements*

Without modifying our opinion, we draw attention to Notes 2, 4, and 6, which describe the basis of preparation of these financial statements. These financial statements were prepared by the Fund's Management to comply with the standards and rules applicable to constitutional funds. Consequently, these financial statements may not be appropriate for other purposes.

São Paulo, August 5, 2015.

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

Eduardo Wellichen  
Accountant 1SP184050/O-6

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**MANAGEMENT COUNCIL:** Ariosto Antunes Culau (President) – Arnaldo Barbosa de Lima Junior – Claudia Aparecida de Souza Trindade – Fabrício Da Soller – Marcos Costa Holanda – Zilana Melo Ribeiro

**BOARD OF DIRECTOR:** Marcos Costa Holanda (President) – Francisco das Chagas Soares (Director of Sustainable Development) – Isaias Matos Dantas (Director of Management and Information Technology and Director of Business, in exercise) – Manoel Lucena dos Santos (Director of Control and Risk) – Romildo Carneiro Rolim (Director Financial and Credit)

**SUPERVISORY BOARD:** André Proite (President) – Maria Teresa Pereira Lima – Manuel dos Anjos Marques Teixeira – Raimundo Lourival de Lima

**AUDIT'S COMMITTEE :** Otho Cezar Miranda de Carvalho (President) – Roberto Meira de Almeida Barreto (Full Member) – Manoel das Neves (Full Member) – José Wilkie Almeida Vieira (Alternate Member)

**SUPERINTENDENT:** José Jurandir Bastos Mesquita (Financial Control)

**ACCOUNTANT:** Aíla Maria Ribeiro de Almeida Medeiros – CRC-CE 016318/O-7

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