(A free translation of the original in Portuguese)

Banco Safra S.A. and subsidiaries

Consolidated interim financial statements at September 30, 2013 and report on review of quarterly information

(A free translation of the original in Portuguese)

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BANCO SAFRA S.A. AND SUBSIDIARIES ("CONSOLIDATED SAFRA")
BALANCE SHEET
ALL AMOUNTS IN THOUSANDS OF REAIS (A free translation of the original in Portuguese)

		CONSOLIDATED	
ASSETS	**Notes**	**30/09/2013**	**9/30/2012**
CURRENT ASSETS		105.406.752	51.938.100
Cash	3(b) and 4	469.121	484.765
Short-term interbank investments	3(c), 4 and 5	40.501.126	6.573.880
Money market investments		37.084.856	4.917.864
Interbank deposits		1.417.110	961.588
Foreign currency investments		1.999.160	694.428
Marketable securities and derivative financial instruments	3(d) and 7	28.535.982	10.092.821
Own portfolio		13.110.912	8.047.756
Subject to repurchase agreements		14.310.899	1.306.441
Restricted deposits - Brazilian Central Bank		22	115.439
Subject to guarantees		701.883	109.514
Derivative financial instruments		115.689	265.058
Guarantors resources for the technical reserves for insurance and supplementary pension plans	11(b)	296.577	248.613
Interbank and interdepartmental accounts		1.241.154	2.257.350
Payments and receipts pending settlement		212.619	189.619
Reserves with the Brazilian Central Bank	6	1.026.884	2.061.632
Internal transfers of funds and other		1.651	6.099
Credit operations	3(f) and 8	32.027.050	29.160.122
Credit operations		32.324.537	29.457.308
(Provision for impairment of trade receivables)		(297.487)	(297.186)
Other receivables		2.530.519	3.278.758
Foreign exchange portfolio	9	1.752.401	2.691.363
Negotiation and intermediation of securities	13(a)	353.647	142.868
Sundry	13(b)	424.471	444.527
Other assets - prepaid expenses	3(h)	101.800	90.404
NON-CURRENT ASSETS		26.625.745	39.609.654
LONG-TERM RECEIVABLES		26.356.090	39.211.510
Short-term interbank investments	3(c) and 5	1.508.004	1.385.496
Interbank deposits		1.508.004	1.385.496
Marketable securities and derivative financial instruments	3(d) and 7	7.562.710	20.292.119
Own portfolio		3.195.597	10.126.054
Subject to repurchase agreements		-	5.201.477
Restricted deposits - Brazilian Central Bank		491.028	151.595
Subject to guarantees		548.130	630.107
Derivative financial instruments		213.319	1.626.037
Guarantors resources for the technical reserves for insurance and supplementary pension plans	11(b)	3.114.636	2.556.849
Credit operations	3(f) and 8	16.631.815	16.979.513
Credit operations		17.839.830	18.131.254
(Provision for impairment of trade receivables)		(1.208.015)	(1.151.741)
Other sundry receivables	13(b)	568.299	536.571
Other assets	3(h)	85.262	17.811
INVESTMENTS	3(i) and 15	117.307	258.300
PROPERTY AND EQUIPMENT IN USE	3(j) and 16	98.868	97.649
Other property and equipment assets in use		276.159	333.861
(Accumulated depreciation)		(177.291)	(236.212)
INTANGIBLE ASSETS	3(k) e 16	53.480	42.195
Intangible assets		101.337	73.786
(Accumulated amortization)		(47.857)	(31.591)
TOTAL ASSETS		**132.032.497**	**91.547.754**

BANCO SAFRA S.A. AND SUBSIDIARIES ("CONSOLIDATED SAFRA")
BALANCE SHEET
ALL AMOUNTS IN THOUSANDS OF REAIS **(continued)**

LIABILITIES	**Notes**	**CONSOLIDATED 30/09/2013**	**CONSOLIDATED 9/30/2012**
CURRENT LIABILITIES		94.394.524	57.552.672
Deposits	3(m) and 10(a)	7.993.370	11.418.591
Demand deposits		773.386	682.108
Savings deposits		1.307.779	1.212.122
Interbank deposits		3.100.505	3.626.912
Time deposits		2.811.700	5.897.449
Money market funding	3(m) and 10(b)	57.915.292	21.878.188
Own portfolio		26.234.257	18.085.566
Third party portfolio		9.507.486	3.792.622
Unrestricted portfolio		22.173.549	-
Funds from acceptance and issuance of securities	3(m) and 10(c)	9.526.903	6.598.754
Funds from financial bills, bills of credit and similar notes		8.415.155	6.479.295
Liabilities for marketable securities abroad		1.111.748	119.459
Interbank and interdepartmental accounts		767.589	470.491
Receipts and payments pending settlement		559.632	299.218
Third-party funds in transit		203.264	162.713
Internal transfers of funds and other		4.693	8.560
Borrowings and onlendings	3(m) and 10(d)	9.131.142	7.032.700
Foreign borrowings		5.637.734	3.746.246
Domestic onlendings		3.473.032	3.239.964
Other borrowings		20.376	46.490
Derivative financial instruments	3(d) and 7	3.673.647	4.541.552
Other obligations		5.386.581	5.612.396
Collected taxes and other		1.735.381	1.465.435
Foreign exchange portfolio	9	1.783.974	2.662.848
Social and statutory	17(b)	110.644	186.729
Taxes and social security contributions	14(c)	463.152	447.736
Technical reserves - insurance and pension plan	3(n) and 11(c)	293.443	248.981
Negotiation and intermediation of securities:	13(a)	394.178	114.375
Sundry	13(c)	605.809	486.292
NON-CURRENT LIABILITIES		30.499.431	27.142.019
LONG-TERM LIABILITIES		30.470.924	27.109.101
Deposits	3(m) and 10(a)	999.187	896.296
Interbank deposits		331.510	208.582
Time deposits		667.677	687.714
Money market funding - Own portfolio	3(m) and 10(b)	4.964.798	2.534.326
Funds from acceptance and issuance of securities	3(m) and 10(c)	10.255.095	9.716.518
Funds from financial bills, bills of credit and similar notes		8.676.375	6.452.547
Liabilities for marketable securities abroad		1.578.720	3.263.971
Borrowings and onlendings	3(m) and 10(d)	5.457.909	5.614.641
Foreign borrowings		402.807	73.555
Domestic onlendings		5.055.102	5.541.086
Derivative financial instruments	3(d) and 7	1.232.455	700.818
Other obligations		7.561.480	7.646.502
Taxes and social security contributions	14(c)	1.245.395	2.040.004
Technical reserves - insurance and pension plan	3(n) and 11(c)	3.114.636	2.556.849
Subordinated debt	3(m) and 10(e)	2.748.386	2.623.423
Sundry	13(c)	453.063	426.226
DEFERRED INCOME	3(q)	28.507	32.918
EQUITY	17	7.138.542	6.853.063
Share capital		4.219.440	4.219.440
Revenue reserves		2.934.920	2.391.599
Carrying value adjustments		(15.818)	242.024
TOTAL LIABILITIES		**132.032.497**	**91.547.754**

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

BANCO SAFRA S.A. AND SUBSIDIARIES ("CONSOLIDATED SAFRA")
STATEMENT OF INCOME FOR THE PERIODS ENDED SEPTEMBER 30
ALL AMOUNTS IN THOUSANDS OF REAIS UNLESS OTHERWISE STATED

(A free translation of the original in Portuguese)

		CONSOLIDATED	
	Notes	**2013**	**2012**
INCOME FROM FINANCIAL INTERMEDIATION		8.166.140	7.285.926
Credit operations		4.238.237	4.779.903
Result from transactions with marketable securities		3.690.475	2.079.198
Finance income from insurance and pension plan operations	11(d)	114.028	170.052
Foreign exchange transactions	9	61.527	42.842
Compulsory investments	6	48.263	211.695
Other finance income		13.610	2.236
EXPENSES ON FINANCIAL INTERMEDIATION		(5.260.274)	(4.581.401)
Result from derivative financial instruments		(203.308)	(310.793)
Funds obtained in the market		(4.543.734)	(3.592.664)
Borrowings and onlendings		(362.853)	(443.333)
Financial expenses with pension plan funds	11(d)	(103.420)	(159.943)
Financial assets sale or transfer operations		(58)	(1.441)
Other finance costs	12(c-I and II)	(46.901)	(73.227)
GROSS PROFIT ON FINANCIAL INTERMEDIATION BEFORE THE ALLOWANCE FOR LOAN LOSSES		2.905.866	2.704.525
RESULT FROM ALLOWANCE FOR LOAN LOSSES		(665.935)	(592.252)
Allowance for loan losses	3(f) and 8(b-II)	(793.692)	(687.256)
Recovery of credits written off as loss	3(f) and 8(c)	127.757	95.004
GROSS PROFIT ON FINANCIAL INTERMEDIATION		2.239.931	2.112.273
OTHER OPERATING INCOME (EXPENSES)		(932.543)	(756.332)
Income from services rendered	13(d)	386.277	371.623
Income from bank fees	13(d)	141.444	161.030
Personnel expenses	13(e)	(948.359)	(836.510)
Administrative expenses	13(f)	(444.924)	(423.766)
Tax expenses	14(a-II)	(192.852)	(195.825)
Result from insurance, reinsurance and pension plan	3(n) e 11(d)	82.964	79.878
Other operating income	13(g)	81.701	152.369
Other operating expenses	13(h)	(38.794)	(65.131)
OPERATING PROFIT		1.307.388	1.355.941
NON-OPERATING PROFIT		44	98
PROFIT BEFORE TAXATION		1.307.432	1.356.039
INCOME TAX AND SOCIAL CONTRIBUTION	3(p) and 14(a-I)	(407.950)	(462.644)
PROFIT FOR THE PERIOD		899.482	893.395
Earning per share in R$		0,59	0,59

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

BANCO SAFRA S.A. AND SUBSIDIARIES ("CONSOLIDATED SAFRA")
STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDED SEPTEMBER 30 (NOTE 17)
ALL AMOUNTS IN THOUSANDS OF REAIS

(A free translation of the original in Portuguese)

	Paid-up capital	Revenue reserves	Carrying value adjustments	Retained earnings	Total
AT JANUARY 1, 2012	3.980.315	2.024.647	10.697	-	6.015.659
Capital increase - incorporation of reserves	350.000	(350.000)	-	-	-
Capital decrease - disposal of investment	(110.875)	-	-	-	(110.875)
Carrying value adjustments - available-for-sale securities	-	-	231.327	-	231.327
Profit for the period	-	-	-	893.395	893.395
Allocation:					
Legal reserve	-	44.670	-	(44.670)	-
Special reserve	-	672.282	-	(672.282)	-
Interest on capital	-	-	-	(176.443)	(176.443)
AT SEPTEMBER 30, 2012	4.219.440	2.391.599	242.024	-	6.853.063
AT JANUARY 1, 2013	4.219.440	2.604.150	423.170	-	7.246.760
Grouping of shares	-	(204)	-	-	(204)
Carrying value adjustments - available-for-sale securities	-	-	(438.988)	-	(438.988)
Profit for the period	-	-	-	899.482	899.482
Allocation:					
Legal reserve	-	44.974	-	(44.974)	-
Special reserve	-	436.000	-	(436.000)	-
Interest on capital	-	-	-	(168.508)	(168.508)
Dividends	-	(150.000)	-	(250.000)	(400.000)
AT SEPTEMBER 30, 2013	4.219.440	2.934.920	(15.818)	-	7.138.542

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

BANCO SAFRA S.A. AND SUBSIDIARIES ("CONSOLIDATED SAFRA")
STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED SEPTEMBER 30 - NOTE 3 (b)
ALL AMOUNTS IN THOUSANDS OF REAIS

(A free translation of the original in Portuguese)

	NOTES	CONSOLIDATED 2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
ADJUSTED PROFIT		2.277.505	2.224.611
Profit for the periods		899.482	893.395
Adjustments to profit:			
Depreciation and amortization	13(f)	30.141	23.588
Allowance for loan losses	8(b-II)	793.692	687.256
Adjustment to market value of trading securities, derivative financial instruments and hedge	7(c)	133.956	147.555
Provisions for contingent civil, labor and other liabilities	12(c-I)	31.041	66.763
Provisions for tax and social security contingencies and legal obligations	12(c-II)	(58.534)	(79.933)
Interest on subordinated debts	10(e-II)	39.777	23.343
Provision for current and deferred income taxes	14(a-I)	407.950	462.644
CHANGES IN ASSETS AND LIABILITIES		(11.640.379)	3.188.841
(Increase) decrease in short-term interbank investments		(17.695.985)	6.810.485
(Increase) decrease in securities - for trading		(15.606.544)	(7.267.172)
(Increase) decrease in derivative financial instruments (assets/liabilities)		1.196.187	469.268
(Increase) decrease in the Brazilian Central Bank reserves		151.408	3.332.383
(Increase) decrease in interbank and interdepartmental accounts (assets/liabilities)		410.934	83.080
(Increase) decrease in credit operations		(2.283.994)	(3.215)
(Increase) decrease in other receivables		230.673	264.473
(Increase) decrease in other assets		(71.540)	873
Increase (decrease) in deposits		(2.966.219)	(4.185.813)
Increase (decrease) in open market funding		18.751.607	(2.891.876)
Increase (decrease) in entity's own securities		4.698.413	(1.233.113)
Increase (decrease) in government securities		14.053.194	(1.658.763)
Increase/(decrease) in borrowings and onlendings		2.243.197	(407.682)
Increase (decrease) in funds from financial bills, credits and similar		2.842.969	5.965.360
Increase (decrease) in foreign exchange portfolio (assets/liabilities)		80.199	102.603
Increase (decrease) in negotiation and intermediation of amounts (assets/liabilities)		101.324	218.493
Increase (decrease) in collected taxes and other		1.723.366	1.445.172
Increase (decrease) in technical reserves - insurance and pension plan operations		349.392	291.496
Increase (decrease) in other liabilities		(189.888)	(343.173)
Taxes paid		(907.465)	(695.914)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		(9.362.874)	5.413.452
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		76.525	65.651
Available-for-sale securities	7(a-III)	12.273.810	(13.094.291)
Additions		(6.872.829)	(17.093.525)
Sales/Redemptions		19.146.639	3.999.234
Securities held to maturity	7(a-III)	(33.903)	41.254
Additions		(91.600)	(423.257)
Redemptions		57.697	464.511
Acquisition of investments		(1.183)	(436)
Purchase of property and equipment in use	16(b)	(21.593)	(16.124)
Sale of property and equipment in use	16(b)	1.149	1.532
Addition to intangible assets	16(b)	(22.042)	(21.749)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES		12.272.763	(13.024.163)
CASH FLOWS FROM FINANCING ACTIVITIES			
Subordinated debt	10(e-II)	11.200	355.050
Interest on capital and dividends paid	17	(468.508)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		(457.308)	355.050
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		2.452.581	(7.255.661)
Cash and cash equivalents at the beginning of the periods		5.855.463	9.411.583
Cash and cash equivalents at the end of the periods	4	8.308.044	2.155.922
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		2.452.581	(7.255.661)

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

BANCO SAFRA S.A. AND SUBSIDIARIES ("CONSOLIDATED SAFRA")
STATEMENT OF VALUE ADDED FOR THE PERIODS ENDED SEPTEMBER 30
ALL AMOUNTS IN THOUSANDS OF REAIS (A free translation of the original in Portuguese)

	CONSOLIDATED	
	2013	**2012**
Revenue	**8.192.635**	**7.458.672**
Financial operations	8.166.140	7.285.926
Banking services and income from bank fees:	527.721	532.653
Result from allowance for loan losses	(665.935)	(592.252)
Result from insurance and pension plan	82.964	79.878
Other operating income and non-operating income	81.745	152.467
Expenses	**(5.299.068)**	**(4.646.532)**
Financial operations	(5.260.274)	(4.581.401)
Other operating expenses	(38.794)	(65.131)
Expenses from acquired inputs	**(334.619)**	**(335.598)**
Facilities	(18.847)	(24.430)
Data processing and telecommunications	(38.188)	(30.468)
Third-party services	(39.375)	(59.792)
Financial system services	(34.932)	(31.246)
Surveillance services, security and transport	(24.092)	(23.813)
Legal and notary fees	(65.991)	(68.361)
Other	(113.194)	(97.488)
Gross value added	**2.558.948**	**2.476.542**
Retentions - depreciation and amortization	(30.141)	(23.588)
Total value added to distribute	**2.528.807**	**2.452.954**
Distribution of value added	**2.528.807**	**2.452.954**
Personnel	**948.359**	**723.923**
Remuneration and profit sharing	738.792	551.817
Benefits	65.126	54.634
Government Severance Indemnity Fund for Employees (FGTS)	32.255	32.678
Labor contingencies - note 13 (e)	84.997	65.599
Other	27.189	19.195
Taxes and contributions	**600.802**	**771.056**
Federal	564.443	737.609
State	573	369
Municipal	35.786	33.078
Remuneration on third parties' capital - rentals	**80.164**	**64.580**
Remuneration on capital - profits reinvested for the period	**899.482**	**893.395**
Interest on capital and dividends	568.508	176.443
Profits reinvested for the period	330.974	716.952

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

BOARD OF DIRECTORS

José Manuel da Costa Gomes
Accountant - CRC nº 1SP219892/O-0

NOTES TO THE FINANCIAL STATEMENTS

AT SEPTEMBER 30, 2013 AND 2012

(ALL AMOUNTS IN THOUSANDS OF REAIS UNLESS OTHERWISE STATED)

1. OPERATIONS

Banco Safra S.A. and its subsidiaries are engaged in asset, liability and accessory operations inherent in the related authorized lines of business (commercial, including foreign exchange, housing loans, credit, financing and investment, and commercial leasing), and complementary activities among which are insurance operations, supplementary pension fund, brokerage and distribution of securities, management of credit cards and investment funds, and managed portfolios, in accordance with current legislation and regulations.

2. PRESENTATION OF THE FINANCIAL STATEMENTS

a) Presentation of the financial statements

The consolidated financial statements of Banco Safra S.A. and subsidiaries ("Consolidated") approved by the Board of Directors on 10/28/2013, have been prepared and are presented in conformity with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), and in compliance with Brazilian Corporate Law, and reflect the changes introduced by Laws 11,638/2007 and 11,941/2009, and the standards and instructions of the National Monetary Council (CMN), the Brazilian Securities Commission (CVM), and the Superintendence of Private Insurances (SUSEP), as applicable.

Leasing operations have been prepared under the financial method. Thus, the financial result of these transactions is presented together with the credit operations in the Statement of income.

Advances on foreign exchange contracts are presented in conjunction with the foreign exchange portfolio for credit operations. The presentation of foreign exchange gains and losses is adjusted so that income and expenses represent only the changes and differences in exchange rates applied to the foreign currency amounts.

b) Basis of consolidation

The balance sheet accounts and the income and expenses between the parent and subsidiary companies, as well as the unrealized profits between the consolidated companies, were eliminated on consolidation. The Exclusive investment funds of consolidated companies are consolidated. The securities and investments included in the portfolios of these funds are classified by transactions and were distributed into types of Notes, in the same categories on which they were originally allocated.

The consolidated financial statements include Banco Safra and its subsidiaries shown below, including the exclusive investment funds consolidated on a proportional basis, highlighting:

	Participation (%)	
	9/30/2013	**9/30/2012**
Banco Safra (Cayman Islands) Limited (1)	100.00	100.00
J. Safra Corretora de Valores e Câmbio Ltda.	100.00	100.00
J. Safra Asset Management Ltda. (2)	100.00	100.00
Safra Leasing S.A. - Arrendamento Mercantil	100.00	100.00
Banco J. Safra S.A.	100.00	100.00
Sercom Comércio e Serviços Ltda.	100.00	100.00
Safra Vida e Previdência S.A.	100.00	100.00
Safra Seguros Gerais S.A.	100.00	100.00

(1) Entity based abroad.
(2) Formerly Safra Distribuidora de Títulos e Valores Mobiliários Ltda.

3. SIGNIFICANT ACCOUNTING PRACTICES

a) Determination of results

Profit is determined on the accrual basis of accounting, which establishes that it should be included in the results of operations for the period in which they occur, simultaneous with when they relate, regardless of receipt or payment.

b) Cash flow

I- Cash and cash equivalents: represented by cash and deposits held at call with financial institutions, recorded in line item 'Cash', interbank deposits retrievable within 90 days, with an immaterial risk of market value variation. 'Cash equivalents' are amounts held for the purpose of settling short term cash obligations and not for investment or other purposes.

II- Cash flow statement: prepared in line with the criteria set out in Accounting Standard CPC 03 - Cash flow statements, approved by CMN Resolution 3,604/2008. This standard foresees the cash flow statements being made up of amounts used for operating, investing, and financing purposes. These being:

- Operating activities are the main income generating activities of the entity that are neither investing nor financing activities. Included in this section are the funding activities that are carried out for the purposes of financial intermediation and other operational activities that are typical of a financial institution;
- Investing activities are those related to the buying and selling of long-term assets and other investments not included as cash equivalents, such as available-for-sale and held-to-maturity investments; and
- Financing activities are those that result in changes to the size and composition of the entity's and third parties' capital. Included in this section are structured funding activities aimed at raising resources to finance the entity itself.

Cash flows from operating activities are presented using the indirect method. Cash flows from investing and financing activities are presented based on gross payments and receivables.

c) Short-term interbank investments

These are stated at cost plus, when applicable, accrued income and monetary and foreign exchange rate variations up to the Balance Sheet date, on a pro rata basis.

d) Marketable securities and derivative financial instruments

In accordance with Brazilian Central Bank (BACEN) Circular 3,068/2001, securities are classified according to management's intention into three specific categories:

- Trading securities: securities acquired to be actively and frequently traded. The securities are stated in current assets, regardless of their maturities and adjusted to market against income for the period;
- Available-for-sale: securities that can be traded but are not acquired to be actively and frequently traded or held to maturity. The income earned is recognized in the Statement of Income, and unrealized gains and losses arising from market value fluctuations are recognized in a specific account in equity, net of taxes;
- Held-to-maturity: securities which the Bank has the intention and financial capacity to hold in portfolio up to their maturity. These securities are stated at cost, plus income accrued.

The reconsideration of how securities are categorized occurs at the point of preparation of the half-year statements, taking into consideration their intended use and financial capacity, in accordance with procedures established by BACEN Circular 3,068/2001.

Derivative financial instruments used to hedge exposures to risks through the change of certain characteristics of the financial assets and liabilities hedged that are considered highly effective and follow all the requirements of designation and documentation under BACEN Circular 3,082/2002 are classified as accounting hedges according to their nature:

- Market risk hedge - hedged financial assets or liabilities and the related derivative financial instruments, including assets classified as available for sale and their tax effects, are recorded at market value, with the related gains or losses recognized in the Statement of Income; and
- Cash flow hedge - hedged financial assets or financial liabilities and the related derivative financial instruments are recorded at market value, with the related gains or losses, net of taxes, recognized in a specific account of equity entitled "Carrying value adjustments". The non-effective hedge portion is recognized directly in the Statement of Income.

Derivative financial instruments contracted at the request of third parties or on own behalf that fail to meet the accounting hedge criteria established by the Brazilian Central Bank, especially derivative financial instruments used to manage overall risk exposure, are recorded at market value, with gains and losses recognized directly in income.

e) Market value measurement

The market value measurement methodology (probable realizable value) of securities and derivative financial instruments is based on the economic scenario and pricing models developed by management and include gathering of average prices practiced in the market, applicable at the Balance Sheet date. Accordingly, when these items are financially settled, actual results may differ from estimates.

f) Credit operations and allowance for loan losses

These are recorded at present value based on the index and contractual interest rate, on a pro rata basis, calculated up to the Balance sheet date. The revenues related to transactions that are delayed for 60 days or more are recognized in the statement of income only when received, regardless of their risk level classification.

The Bank records monthly allowances for loan losses in conformity with the minimum provisioning levels established by CMN Resolution 2,682/1999, which requires the classification of transactions in nine risk levels, from "AA" (minimum risk) to "H" (maximum risk), and also based on an analysis of the risks involved in the realization of the receivables, periodically performed and reviewed by management, which considers, among others, the historical experience with borrowers, the economic scenario and global and specific portfolio risks.

For the purposes of presentation in the notes, lending operations and their respective allowances are classified in two groups: i) Normal course and general allowance for loan losses - transactions without delay and/or with installments overdue up to 14 days, and ii) Normal course and specific allowance for loan losses - transactions with installments overdue for more than 14 days.

The transactions classified in level "H" are written off against assets after six months from their classification in this level, and then are controlled in a memorandum account for at least five years and while all collection procedures are not exhausted.

Renegotiated transactions remain at least at the same risk level in which they were classified. Renegotiated transactions that had already been written off are rated in risk level H, and any income from the renegotiation is only recognized when actually received. When a significant amount is paid or new material events justify changing a transaction's risk level, the transaction may be reclassified to a lower risk rating.

g) Write down of financial instruments

In accordance with CMN Resolution 3,533/2008, financial assets are written down when the contractual rights to the cash flows from these assets expire, or when substantially all the risks and rewards of ownership of the instrument are transferred. When substantially all the risks and rewards are not transferred nor retained, Safra assesses the control of the instrument in order to determine whether it should be maintained in assets.

Securities linked to repurchase and assignment of credit with co-obligation are not derecognized because Safra retains substantially all the risks and rewards to the extent there is, respectively, a commitment to repurchase them at a predetermined amount or to make payments in the event of default of the original debtor of the credit operations.

Financial liabilities are written down if the obligation is contractually extinguished or settled.

h) Other assets

These correspond basically to assets not held for use, especially those received in lieu of payment, and prepaid expenses, corresponding to the use of resources whose benefits or services will occur in future periods.

i) Investments

Investments in subsidiary and associated companies in which the Bank has significant influence or its interest is 20% or more of the voting capital are recorded by the equity method of accounting. Other investments refer basically to shares of companies in which the Bank, directly or indirectly, does not have significant influence or does not hold more than 20% of the voting capital and are, therefore, stated at cost, adjusted by a provision for impairment. Dividends received from these investments are recognized within the result.

j) Property and equipment in use

These correspond to rights in tangible assets that are maintained or used in the Bank and its subsidiaries' activities, including those rights received as a result of transactions that transfer the risks, rewards, and control of such assets to the Bank. They are stated at cost, net of accumulated depreciation. Depreciation is calculated on the straight-line method at annual rates based on the economic useful lives of assets, as follows: properties in use - 4%; communication and security systems, facilities, aircraft, and furniture and fixtures - 10%; and vehicles and data processing equipment - 20%. They are adjusted by a provision for impairment losses.

k) Intangible assets

These correspond to rights in intangible assets that are maintained or used in the Bank and its subsidiaries' activities. Intangible assets with finite useful lives are amortized on the straight-line method over the estimated period in which they will generate economic benefits.

l) Impairment of non-financial assets

CMN Resolution 3,566/2008 provides the procedures applicable to the recognition, measurement and disclosure of impairment and requires compliance with CPC Technical Pronouncement 1 - Impairment of assets.

Impairment of non-financial assets is recorded as a loss when the book value of an asset or a cash generating unit is higher than its recoverable or realizable value. A cash-generating unit is the smallest identifiable group of assets which generates substantial cash flows irrespective of other assets and groups of assets. When applicable, impairment losses are recorded in income for the period in which they were identified.

Non-financial assets are periodically reviewed for impairment, at least on an annual basis, to determine if there are any indications that the assets' recoverable or realizable value is impaired.

Accordingly, in conformity with the above standards, Safra Group's management is not aware of any material adjustments that might affect the ability to recover the amounts recorded in property and equipment and intangible assets at 9/30/2013 and 2012.

m) Open market funding and borrowings and onlendings

The stated amounts include income, monetary adjustments (on a pro rata basis) and exchange variations, as applicable, incurred through the Balance Sheet date.

Incurred transaction costs, basically relating to amounts paid to third parties for intermediation, placement and distribution services for entity securities are accounted for against the securities and are recognized on a monthly basis to the appropriate expense account i.e. "pro rata temporis", except when the instruments are measured at fair value through the profit or loss.

n) Insurance, reinsurance and supplementary pension plan operations

I - Receivables from insurance and reinsurance operations

- Premiums receivable - refer to financial resources flowing to the Bank as receipt of premiums related to insurance, recorded on the date of issuance of the policies. An allowance for loan losses is recorded for these amounts and, in case of non-payment, they are written off through the unilateral cancellation of the insurance coverage;
- Reinsurance technical provisions - comprise technical provisions referring to reinsurance operations. Reinsurance operations are carried out in the normal course of activities in order to limit its potential losses. The liabilities related to reinsurance operations are presented gross of their respective recoveries, since the existence of a contract does not exempt the Company from its obligations to the policyholders.

- Deferred acquisition costs - include direct and indirect costs related to the origination of insurances. These costs, except for the commissions paid to the brokers and others, are recorded directly in the statement of income, when incurred. The commissions are deferred and are recognized in the statement of income in proportion to the recognition of the revenues with premiums, that is, for the term corresponding to the insurance contract.

II - Technical reserves of insurance and supplementary pension plan

Insurance and supplementary pension plan reserves are recorded based on technical actuarial notes, in accordance with criteria established by SUSEP and National Council of Private Insurances (CNSP) Resolution 162/2006. On 2/18/2013, CNSP Resolution 281, of 1.30.2013, and SUSEP Circular Letter 462, of 1.31.2013, were disclosed and changed the rules and procedures for the recording of technical reserves, the term for the implementation of which is 12.31.2013, when CNSP Resolution 162 will be revoked.

In accordance with SUSEP Circular 462, the Premium Deficiency Reserve (PIP) and the Contribution Deficiency Reserve (PIC) will no longer be recorded, and they must be considered in the scope of the calculation of the Liability Adequacy Test (LAT). Additionally, the Company adopted the transitional provisions of this rule, not generating significant impacts in the financial statements.

a) Insurance:

- Provision for unearned premiums (PPNG): corresponds to the portion of insurance premiums retained corresponding to the non-elapsed risk period of the insurance contracts, on a pro rata basis. That reserve related to retrocession transactions is recognized based on information received from IRB Brasil Resseguros S.A. That reserve related to retrocession transactions is recognized based on information received from IRB Brasil Resseguros S.A. In addition, the Reserve for current risks not issued (RVNE) is recognized to cover risks that were not issued on the date of calculation;
- Provision for unsettled claims (PSL): based on estimates of indemnities relating to claims received until the end of the period, and monetarily restated according to SUSEP regulations;
- Reserve for incurred but not reported losses (IBNR): calculated based on actuarial studies and recorded to cover claims that have occurred but not notified by the insured party;
- Provision for Related Expenses (PDR): recorded to cover the amounts expected from expenses related to claims, and it is recorded in accordance with the methodology approved in the actuarial technical note;

b) Supplementary pension plan:

- Reserves for unvested and vested benefits: represent the amount of the obligations assumed with the participants of the defined contribution plans PGBL and VGBL and are recognized according to the methodology established in a technical actuarial note approved by SUSEP;
- Provision for Related Expenses (PDR): recorded to cover the amounts expected from expenses related to claims, and it is recorded in accordance with the methodology approved in the actuarial technical note;

c) Complementary Provision for Coverage (PCC) (Liability Adequacy Test):

In compliance with SUSEP Circular Letter 457/2012, Safra prepares a Liability Adequacy Test (LAT) every three months. The purpose of this test is to assess the liabilities arising from the contracts of the certificates of insurance plans (except for DPVAT, DPEM and Housing Insurance of the National Housing System (SFH)) and of open-end supplementary pension plan, considering the minimum assumptions determined by SUSEP and by the Company's own internal actuaries.

The LAT result will be the difference between: i) the amount of the current estimates of cash flows; and the ii) the sum of the accounting balance of the technical provisions on the base-date (PPNG, PPNG-RVNE, PSL, IBNR, PMBAC and PMBC), deducted from the deferred acquisition costs and intangible assets directly related to the technical allowances. If the result is positive, the insufficiencies related to the technical provisions PPNG, PMBAC and PMBC are recognized in the Complementary Provision for Coverage (PCC). The adjustments that could arise from insufficiencies in the other technical provisions, accrued in the LAT, must be carried out in the provisions.

III - Calculation of insurance, reinsurance and supplementary pension plan earnings

Insurance premiums, net of co-insurance premiums, as well as acquisition costs are recognized at the point of issue of the policy contract or invoice. Insurance premium income is recognized into the Statement of income over the course of the policy risk period. This is achieved by establishing an unearned premium reserve, and deferred acquisition costs.

Pension plan contributions are recognized as received.

Reinsurance premiums are deferred and recognized over the course of the covered period.

Income and expenses arising from insurance operations with Compulsory Automobile Insurance for Personal Damages (DPVAT) are recognized based on the information received from Seguradora Líder dos Consórcios do Seguro DPVAT S.A.

o) Provisions, contingent assets and liabilities, and legal, tax and social security obligations

The recognition, measurement and disclosure of contingent assets and liabilities and legal obligations are made in conformity with the criteria set forth in the CPC Technical Pronouncement 25 - Provisions, Contingent Liabilities and Contingent Assets, approved by CMN Resolution 3,823/2009 and BACEN Circular 3,429/2010, as described below:

(i) Contingent assets - possible assets that have come about as a result of a past event but whose existence will only be confirmed by the occurrence or not of one or more uncertain future events that are not fully under the control of the entity. The contingent asset is not recognized in the accounts, but is disclosed in the Notes when it is probable that the asset will be recognized. By extension, when evidence arises that makes the asset a practical certainty, the asset is no longer contingent and is recognized in the accounts.

(ii) Contingent liabilities - a present (legal or constructive) obligation as a result of past events, in which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably measured, should be recognized by the entity as a provision. If the outflow of resources to settle the obligation is not probable or cannot be reliably measured, then a contingent liability is created instead of a provision. The contingent liability is not registered in the accounts but is disclosed in the Notes, unless the likelihood of having to settle the obligation is remote.

Contingent liabilities also come about as a result of possible obligations arising from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events that are not fully under the control of the entity. These possible obligations should also be disclosed.

Obligations are evaluated by management, based on the best estimates and taking into consideration the opinion of legal advisors, who create a provision when the likelihood of a loss is considered probable; when the likelihood is considered possible, then this is disclosed. Obligations for which there is a remote chance of loss are neither provided for or disclosed.

(iii) Legal (tax and social security obligations) - refer to lawsuits challenging the legality or constitutionality of certain taxes. The amount under litigation is quantified, accrued and adjusted on a monthly basis.

The judicial deposits not linked to provisions for contingencies and legal obligations are updated on a monthly basis.

p) Taxes

Calculated at the rates below, considering the effective relevant legislation for each tax rate.

Income tax	15.00%
Income tax surcharge	10.00%
Social contribution (1)	15.00%
Social Integration Program (PIS) (2)	0.65%
Social Contribution on Revenues (COFINS) (2)	4.00%
Service tax (ISS)	Up to 5.00%

(1) Non-financial institution subsidiaries continue to be subject to a rate of 9% for this contribution;
(2) Non-financial institution subsidiaries that perform a non-cumulative calculation continue to be subject to PIS and COFINS rates of 1.65% and 7.6%, respectively.

q) Deferred income

Refers to income received before fulfillment of the obligation that gave origin to it. The recognition, as effective income, will be recorded over the term of the transaction.

r) Use of accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that, in its best judgment, affect the amounts of certain financial and non-financial assets and liabilities, income and expenses and other transactions, such as: (i) the market value of certain financial assets and financial liabilities and derivative financial instruments; (ii) depreciation rates of property and equipment items; (iii) amortization of intangible assets; (iv) provisions required to cover risks of contingent liabilities; (v) tax credits; (vi) impairment of trade receivables, and (vii) insurance and pension plan technical reserves. The amounts of the possible liquidation of these assets and liabilities, financial or otherwise, may differ from those estimates.

4. CASH AND CASH EQUIVALENTS

	9/30/2013	9/30/2012
Cash	469,121	484,765
Open market investments - own portfolio	5,363,641	956,725
Interbank deposits	476,122	20,004
Foreign currency investments	1,999,160	694,428
Total	**8,308,044**	**2,155,922**

5. INTERBANK INVESTMENTS

	9/30/2013				9/30/2012
	Amounts by maturity				
	Up to 90 days	From 91 to 365 days	Over 365 days	Total	Total
Money market investments	**37,084,856**	**-**	**-**	**37,084,856**	**4,917,864**
Own portfolio - National Treasury	5,363,641	-	-	5,363,641	956,725
Third-party portfolio - National Treasury	9,580,812	-	-	9,580,812	3,961,139
Short position - National Treasury	22,140,403	-	-	22,140,403	-
Interbank deposits (1) (2)	**744,668**	**672,442**	**1,508,004**	**2,925,114**	**2,347,084**
Foreign currency investments (Note 19)	**1,999,160**	**-**	**-**	**1,999,160**	**694,428**
Total at 9/30/2013	**39,828,684**	**672,442**	**1,508,004**	**42,009,130**	**7,959,376**
Total at 9/30/2012	**6,044,424**	**529,456**	**1,385,496**	**7,959,376**	

(1) At 9/30/2012, of this amount, R$ 722,500 refers to transactions between financial institutions, which are held as guarantees against certain compulsory payments-on-account.
(2) At 9/30/2013, of this amount, R$ 302,172 refers to transactions linked to rural credit.

6. RESERVES WITH THE BRAZILIAN CENTRAL BANK

Reserves with the Brazilian Central Bank were substantially made up of compulsory deposits, as follows:

	9/30/2013	9/30/2012
Remunerated (1)	883,356	1,692,322
Non-remunerated	143,528	369,310
Total	**1,026,884**	**2,061,632**

(1) The gain arising from compulsory deposits subject to remuneration was R$ 48,263 (R$ 211,695 in 2012), and has been disclosed in the Statement of income as compulsory investments.

The remunerated reserves with the Brazilian Central Bank decreased in 2013 due to the change in the profile of new funding of Safra - Note 10 and changes in the regulation of the compulsory deposits carried out by the Brazilian Central Bank.

7. SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

a) Securities

I - Breakdown by maturity by class:

	9/30/2013							9/30/2012
				Amounts by maturity				
	Restated cost	**Mark-to-market adjustment**	**Market value**	**No stated maturity**	**Up to 90 days**	**From 91 to 365 days**	**Over 365 days**	**Market value**
Trading securities	**30,336,915**	**(99,351)**	**30,237,564**	**325,014**	**1,789,639**	**25,108,292**	**3,014,619**	**11,120,131**
National Treasury	26,504,725	(97,985)	26,406,740	-	1,659,439	24,747,301	-	8,386,008
National Treasury Bills	25,451,232	(103,318)	25,347,914	-	1,659,439	23,688,475	-	6,016,085
National Treasury Notes	1,019,575	5,331	1,024,906	-	-	1,024,906	-	2,351,934
Financial Treasury Bills	33,918	2	33,920	-	-	33,920	-	17,989
Related technical reserves for insurance and pension -Note 11(b)	3,301,146	-	3,301,146	286,527	-	-	3,014,619	2,715,457
Quotas of investment funds	8,915	-	8,915	8,915	-	-	-	-
Private securities	405,828	(1,366)	404,462	29,572	13,899	360,991	-	10,263
Equity instruments	30,501	(929)	29,572	29,572	-	-	-	10,263
Debentures	375,327	(437)	374,890	-	13,899	360,991	-	-
Securities issued abroad	116,301	-	116,301	-	116,301	-	-	8,403
Equity instruments	114,435	-	114,435	-	114,435	-	-	7,595
Eurobonds	1,866	-	1,866	-	1,866	-	-	808
Available-for-sale securities	**5,413,251**	**(42,413)**	**5,370,838**	**52,336**	**67,804**	**1,004,690**	**4,246,008**	**17,025,369**
National Treasury	2,921,058	(23,948)	2,897,110	-	-	267,347	2,629,763	14,728,293
National Treasury Bills - Note 7 (d)	435,809	(7,344)	428,465	-	-	-	428,465	7,033,959
National Treasury Notes	2,485,249	(16,604)	2,468,645	-	-	267,347	2,201,298	7,694,334
Related technical reserves for insurance and pension - National Treasury Bills - Note 11(b)	112,092	(2,025)	110,067	-	-	10,050	100,017	90,005
Private securities	1,270,229	684	1,270,913	52,336	42,954	655,404	520,219	1,687,396
Debentures	296,710	607	297,317	-	2,884	5,321	289,112	1,011,082
Certificates of real estate receivables (CRI)	89,204	-	89,204	-	-	30,023	59,181	22,404
Equity instruments	52,259	77	52,336	52,336	-	-	-	74,512
Bank Deposit Certificates[(1)]	701,140	-	701,140	-	-	620,060	81,080	579,398
Financial bills	90,846	-	90,846	-	-	-	90,846	-
Rural Certificates (CPR)	40,070	-	40,070	-	40,070	-	-	-
Securities issued abroad	1,109,872	(17,124)	1,092,748	-	24,850	71,889	996,009	519,675
Eurobonds – Nota 7(d)	1,109,872	(17,124)	1,092,748	-	24,850	71,889	996,009	39,378
Bank deposit certificate - Note 19(c)	-	-	-	-	-	-	-	480,297
Securities held to maturity	**161,282**	**-**	**161,282**	**-**	**52,179**	**20,339**	**88,764**	**348,345**
Government securities - National Treasury Bills	88,764	-	88,764	-	-	-	88,764	80,720
Private securities - Promissory Notes	72,518	-	72,518	-	52,179	20,339	-	267,625
Derivative financial instruments - Assets - Note 7(b)	**307,906**	**21,102**	**329,008**		**66,601**	**49,088**	**213,319**	**1,891,095**
Total at 9/30/2013	**36,219,354**	**(120,661)**	**36,098,692**	**377,350**	**1,976,223**	**26,182,409**	**7,562,710**	**30,384,940**

	9/30/2012						
				Amounts by maturity			
	Restated cost	Mark-to-market adjustment	Market value	No stated maturity	Up to 90 days	From 91 to 365 days	Over 365 days
Total at 9/30/2012	**29,919,541**	**465,399**	**30,384,940**	**2,807,827**	**2,046,246**	**7,705,592**	**17,825,275**
Trading securities	11,078,209	41,922	11,120,131	2,733,315	1,261,332	7,125,484	-
Available-for-sale securities	16,602,427	422,942	17,025,369	74,512	492,964	339,375	16,118,518
Securities held to maturity	348,345	-	348,345	-	247,595	20,030	80,720
Derivative financial instruments - Assets (Note 7(b))	1,890,560	535	1,891,095	-	44,355	220,703	1,626,037

II - By type:

	9/30/2013	9/30/2012
Own portfolio	**16,306,509**	**18,173,810**
National Treasury	13,340,652	15,680,448
National Treasury Bills	11,349,072	6,289,330
Financial Treasury Bills	13,996	17,550
National Treasury Notes	1,977,584	9,373,568
Quotas of investment funds (2)	8,915	-
Private securities	1,747,893	1,965,284
Debentures (1)	672,207	1,011,082
Equity instruments	81,908	84,775
Promissory Notes	72,518	267,625
Financial bills	90,846	-
Bank Deposit Certificates	701,140	579,398
Certificates of real estate receivables (CRI)	89,204	22,404
Rural Certificates (CPR)	40,070	-
Securities issued abroad	1,209,049	528,078
Eurobonds	1,094,614	40,186
Equity instruments	114,435	7,595
Bank Deposit Certificates	-	480,297
Linked to repurchase commitments	**14,310,899**	**6,507,918**
National Treasury Bills	14,310,899	6,088,338
National Treasury Notes	-	419,580
Restricted deposits - National Treasury	**491,050**	**267,034**
National Treasury Bills	107,209	183,430
National Treasury Notes	383,841	83,604
Linked to guarantees - National Treasury (3)	**1,250,013**	**739,621**
National Treasury Bills	97,963	569,666
Financial Treasury Bills	19,924	439
National Treasury Notes	1,132,126	169,516
Insurance and supplementary pension plan guarantee reserves - (Note 11(b))	**3,411,213**	**2,805,462**
Derivative financial instruments - Assets (Note 7(b))	**329,008**	**1,891,095**
Total	**36,098,692**	**30,384,940**

(1) Substantially represented by Deposits with Special Guarantee Fund Credit Guarantee - DPGEs.

(2) Securities classified as held to maturity, were valued at market value, they would present a negative adjustment in the value of R$ (448) (R$ 2,674 at 9/30/2012).

(3) Relates to derivative guarantees worth R$ 920,608 (R$ 602,250 at 9/30/2012) held in custody worth R$ 276,516 (R$ 85,482 at 9/30/2012) and amounts for civil and labor suits (Note 12(c-I)) worth R$ 52,889 (R$ 51,888 at 9/30/2012).

III - Changes of financial assets

	AVAILABLE-FOR-SALE		SECURITIES HELD-TO-MATURITY	
	1/1 to 9/30/2013	1/1 to 9/30/2012	1/1 to 6/30/2012	1/1 to 9/30/2012
Opening balance	**17,459,884**	**2,777,161**	**118,282**	**356,848**
Acquisition in the period	6,872,829	17,093,525	91,600	423,257
Sales in the period	(18,770,796)	(1,877,993)	-	-
Interest income and redemptions	(375,843)	(2,121,241)	(57,697)	(464,511)
Statement of income	951,651	748,890	9,097	32,751
Receipt of interest	823,110	715,978	9,097	32,751
Dividend income	9,177	21,887	-	-
Gain on sale	274,859	11,025	-	-
Hedge fair value - Note 7 (d)	(155,495)	-	-	-
Realized	(140.314)	-	-	-
Unrealized – Note 7(d)	(15.181)	-	-	-
Adjustments in changes in fair value (1)	(766,887)	405,027	-	-
Fair value variation in the period- Note 17(d-II)	(492,028)	416,052	-	-
Gain on sales of securities - Note 17(d-II)	(274,859)	(11,025)	-	-
Closing balance	**5,370,838**	**17,025,369**	**161,282**	**348,345**

(1) Recorded on Equity – Note 17(d).

In 2013, there were no reclassifications in securities.

b) Derivative financial instruments (assets and liabilities)

The main purpose of the use of derivative financial instruments by Banco Safra and its subsidiaries is to provide to their customers products that hedge these customers' assets against risks from currency and interest rate fluctuations. Furthermore, these instruments are used by the Bank in the daily management of the risks assumed in its operations, including the hedging of the portfolio of fixed interest securities and operations defined by management.

The main risks related to the derivative financial instruments are: credit risk, market risk, and liquidity risk, as defined below:

- Credit risk is the exposure to losses in the event of default by counterparties or by debtors of contracted amounts.
- Market risk is the exposure to fluctuations in interest rates, foreign exchange rates, commodity prices, stock market prices, and other values, and due to the type of product, volume of operations, terms and conditions of the agreement and underlying volatility.
- Liquidity risk is the risk arising from mismatches between negotiable assets and payable liabilities in transactions with derivative financial instruments that might affect the payment ability of the entity, taking into consideration the currencies and settlement terms of their assets and liabilities.

Banco Safra and its subsidiaries' positions are monitored by an independent control function, which uses a specific system to manage risk, including calculating the Value at Risk (VaR) with a confidence interval of 99 percent, stress tests, back testing, and other technical resources. The Group has a Market Risk Committee, consisting of high-ranked executives, which meets on a weekly basis to analyze the market conditions and a Treasury and Risk Committee, including members of the Executive Committee, which meets on a monthly basis to discuss detailed aspects of Market Risk management, as well as reviewing risk limits, stress scenarios, strategies and outcomes.

I - Asset and liability accounts:

1) By type of operation

	9/30/2013						9/30/2012
				Amounts by maturity			
	Restated cost	Mark-to-market adjustment	Market value	Up to 90 days	From 91 to 365 days	Over 365 days	Market value
Non Deliverable Forward (NDF)	**23,121**	**-**	**23,121**	**14,251**	**3,148**	**5,722**	**74,694**
Option premiums	**2,389**	**331**	**2,720**	**581**	**1,949**	**190**	**2,854**
Bovespa Index	876	331	1,207	580	627	-	603
Foreign Currency	1,378	-	1,378	-	1,228	150	2,157
Other	135	-	135	1	94	40	94
Term	**14,074**	**61**	**14,135**	**14,135**	**-**	**-**	**1,351,229**
Purchase receivable - Government Securities	8,097	-	8,097	8,097	-	-	898,703
Sales receivable	5,977	61	6,038	6,038	-	-	452,526
Equity instruments	1,601	61	1,662	1,662	-	-	1,967
Government Securities	4,376	-	4,376	4,376	-	-	450,559
Swap - Amounts receivable	**239,858**	**20,710**	**260,568**	**29,587**	**23,574**	**207,407**	**442,342**
Interest rate	28,783	(1,149)	27,634	320	18,100	9,214	22,213
Foreign currency	194,937	34,255	229,192	28,767	3,512	196,913	389,635
Commodities	7,272	(6,208)	1,064	393	313	358	18,284
Equity instruments	8,866	(6,188)	2,678	107	1,649	922	12,210
Credit default swaps - CDS	**27,719**	**-**	**27,719**	**7,302**	**20,417**	**-**	**18,327**
Futures	**745**	**-**	**745**	**745**	**-**	**-**	**1,649**
Total Assets at 9/30/2013	**307,906**	**21,102**	**329,008**	**66,601**	**49,088**	**213,319**	**1,891,095**
Total assets at 9/30/2012	**1,890,560**	**535**	**1,891,095**	**44,355**	**220,703**	**1,626,037**	

	9/30/2013						9/30/2012
				Amounts by maturity			
	Restated cost	Mark-to-market adjustment	Market value	Up to 90 days	From 91 to 365 days	Over 365 days	Market value
Non-deliverable forwards - NDF	**(9,544)**	**-**	**(9,544)**	**(4,315)**	**(5,229)**	**-**	**(1,800)**
Option premiums[(1)]	**(4,056,559)**	**110,703**	**(3,945,856)**	**(663,861)**	**(2,448,380)**	**(833,615)**	**(2,955,237)**
Foreign currency	(4,056,046)	111,054	(3,944,992)	(663,669)	(2,447,708)	(833,615)	(2,952,954)
Other	(513)	(351)	(864)	(192)	(672)	-	(2,283)
Forward - Government Securities	**(12,473)**	**-**	**(12,473)**	**(12,473)**	**-**	**-**	**(1,349,262)**
Purchases payable	(8,097)	-	(8,097)	(8,097)	-	-	(898,703)
Sales to deliver	(4,376)	-	(4,376)	(4,376)	-	-	(450,559)
Swap - amounts payable [(1)]	**(797,275)**	**(100,591)**	**(897,866)**	**(208,292)**	**(290,734)**	**(398,840)**	**(928,341)**
Interest rate	(239,568)	(103,155)	(342,723)	(48,183)	(114,752)	(179,788)	(127,485)
Foreign currency	(444,574)	(6,351)	(450,925)	(136,273)	(108,062)	(206,590)	(351,134)
Bovespa Index	(21,691)	448	(21,243)	(14,122)	(7,121)	-	(8,679)
Commodities	-	-	-	-	-	-	(247,134)
Equity instruments	(72,626)	4,764	(67,862)	(9,714)	(50,743)	(7,405)	(193,909)
Other	(18,816)	3,703	(15,113)	-	(10,056)	(5,057)	-
Credit default swaps - CDS	**(17,522)**	**-**	**(17,522)**	**(17,522)**	-	-	**(5,472)**
Futures	**(25,337)**	**2,496**	**(22,841)**	**(68)**	**(22,773)**	**-**	**(2,258)**
Total Liabilities at 9/30/2013	**(4,918,710)**	**12,608**	**(4,906,102)**	**(906,531)**	**(2,767,116)**	**(1,232,455)**	**(5,242,370)**
Total liabilities at 9/30/2012	**(5,220,943)**	**(21,427)**	**(5,242,370)**	**(2,375,677)**	**(2,165,875)**	**(700,818)**	

(1) Includes premiums of structured fixed income transactions in the amount of R$ 4,473,977 (R$ 3,424,753 at 9/30/2012) - Note 10.

2) By counterparty

	9/30/2013						9/30/2012
				Value by maturity date			
	Fixed cost	Market adjustment	Market value	90 days or less	From 91 to 365 days	More than 365 days	Market value
Financial Institutions	201,862	(590)	201,272	44,213	32,246	124,813	472,476
BMF&BOVESPA	2,389	331	2,720	581	1,949	190	1,354,084
Legal entities	102,569	21,280	123,849	21,605	14,266	87,978	63,607
Individual persons	1,086	81	1,167	202	627	338	928
Total Assets at 9/30/2013	**307,906**	**21,102**	**329,008**	**66,601**	**49,088**	**213,319**	**1,891,095**
Total assets at 9/30/2012	**1,890,560**	**535**	**1,891,095**	**44,355**	**220,703**	**1,626,037**	
Financial institutions	(222,033)	(7,388)	(229,421)	(126,398)	(36,819)	(66,204)	(283,976)
BMF&BOVESPA	(1,160)	110,703	109,543	(53)	4,717	104,879	(1,312,717)
Legal entities	(2,932,712)	(75,267)	(3,007,979)	(555,750)	(1,795,193)	(657,036)	(2,197,923)
Individual persons	(1,762,804)	(15,440)	(1,778,245)	(224,330)	(939,821)	(614,094)	(1,447,754)
Total liabilities at 9/30/2013	**(4,918,710)**	**12,608**	**(4,906,102)**	**(906,531)**	**(2,767,116)**	**(1,232,455)**	**(5,242,370)**
Total liabilities at 9/30/2012	**(5,220,943)**	**(21,427)**	**(5,242,370)**	**(2,375,677)**	**(2,165,875)**	**(700,818)**	

II - Composition by notional value:

1) By type of operation

	9/30/2013				9/30/2012
	Amounts by maturity				
	Up to 90 days	From 91 to 365 days	Over 365 days	Total	Total
Non Deliverable Forward (NDF)	**627,488**	**94,485**	**44,047**	**766,020**	**1,267,011**
Long positions	469,734	91,727	44,047	605,508	1,024,948
Short positions	157,754	2,758	-	160,512	242,063
Option premiums	**6,830,734**	**26,496,870**	**10,881,143**	**44,208,747**	**30,152,124**
Long positions	**13,456**	**42,158**	**8,733**	**64,347**	**424,524**
Bovespa Index	13,456	11,238	-	24,694	5,336
Interbank Deposit (DI) Index		13,068	6,333	19,401	13,068
Foreign Currency		17,852	2,400	20,252	406,120
Short positions	**6,817,278**	**26,454,712**	**10,872,410**	**44,144,400**	**29,727,600**
Bovespa Index	2,464	7,264	-	9,728	4,684
Foreign Currency	6,814,814	26,447,448	10,872,410	44,134,672	29,722,916
Term	**26,633**	**-**	**-**	**26,633**	**1,352,184**
Long positions	**17,853**	**-**	**-**	**17,853**	**2,015**
Equity instruments	1,606	-	-	1,606	2,015
Government Securities	16,247	-	-	16,247	**-**
Short positions - Government	**8,780**	**-**	**-**	**8,780**	**1,350,169**
Swap					
Assets	**3,293,262**	**6,257,665**	**4,004,026**	**13,554,954**	**10,010,976**
Interest rate	973,379	3,787,973	3,101,917	7,863,270	6,283,619
Foreign currency	1,958,246	2,251,662	866,677	5,076,584	3,208,791
Commodities	24,324	159,957	20,191	204,472	328,716
Equity instruments	8,304	58,074	15,241	81,619	189,850
Other	329,009	-	-	329,009	-
Liabilities	**3,293,262**	**6,257,665**	**4,004,026**	**13,554,954**	**10,010,976**
Interest rate	718,001	2,596,406	2,423,700	5,738,107	3,946,621
Foreign currency	2,417,879	3,091,693	1,460,113	6,969,686	3,390,839
Commodities	24,324	159,957	20,191	204,472	1,522,623
Contents	70,412	36,130	-	106,542	43,839
Equity instruments	62,645	320,223	72,736	455,604	1,107,054
Other	-	53,258	27,785	80,543	-
Futures	**17,215,780**	**27,840,654**	**12,178,844**	**57,235,278**	**22,871,742**
Long positions	**1,142,338**	**1,999,136**	**1,745,680**	**4,887,154**	**3,341,087**
Interest rate	-	-	1,112,261	1,112,261	3,071,037
Foreign currency	867,569	1,999,136	633,419	3,500,124	261,152
Bovespa Index	8,312	-	-	8,312	8,898
Equity instruments	1,517	-	-	1,517	-
Securities	264,940	-	-	264,940	-
Short positions	**16,073,442**	**25,841,518**	**10,433,164**	**52,348,124**	**19,530,655**
Interest rate	15,484,780	25,841,518	6,200,823	47,527,121	19,297,982
Foreign currency	582,049	-	4,232,341	4,814,390	232,673
Bovespa Index	1,057	-	-	1,057	-
Commodities	5,556	-	-	5,556	-
Credit derivatives - CDS	**756,762**	**400,162**	-	**1,156,924**	**790,045**
TOTAL	**28,750,659**	**61,089,836**	**27,108,060**	**116,948,55**	**66,444,082**

2) Locations

Locations	9/30/2013 Counterparties BM&FBOVESPA	Financial institutions	Legal entities	Individuals	Notional amount	9/30/2012 Notional amount
CETIP	96,441	5,463,079	34,507,214	17,537,650	57,604,385	40,843,701
BM&FBOVESPA	56,815,031	1,279,500	92,716	-	58,187,247	24,810,336
Foreign over-the-counter	-	1,156,924	-	-	1,156,924	790,045
Total at 9/30/2013	**56,911,473**	**7,899,503**	**34,599,930**	**17,537,650**	**116,948,556**	**66,444,082**
Total at 9/30/2012	**20,619,079**	**7,741,053**	**25,369,272**	**12,714,678**	**66,444,082**	

III - Credit derivatives

Banco Safra makes use of derivative financial instruments of credit in order to offer their customers, through issuance of securities, opportunities to diversify their investment portfolios.

Banco Safra held the following positions in credit derivatives, shown at their notional value:

	9/30/2013	9/30/2012
Risks Transferred (1)	**545,034**	**395,023**
Credit swap whose underlying assets are:		
Marketable securities	545,034	395,023
Risks Transferred (1)	**(611,890)**	**(395,023)**
Credit swap whose underlying assets are:		
Marketable securities	(611,890)	(395,023)
Net transferred exposure total	-	-
Net received exposure total	**(66,856)**	-

(1) The transferred and received risks refer to the same issuers.

During the period there was no occurrence of a credit event related to the facts set forth in the agreements.

There was no significant effect on the calculation of Required Regulatory Capital (PRE) at 9/30/2013, in accordance with CMN Resolution 3,490/2007.

c) Developments and market value adjustment:

	1/1 to 9/30/2013	1/1 to 9/30/2012
At the beginning of the period - Adjustment to market value	**717,781**	**22,844**
Trading securities	50,312	7,383
Available-for-sale securities	739,655	17,915
Derivative financial instruments (assets and liabilities)	(13,988)	(10,212)
Obligations related to unrestricted repurchase agreements	(526)	-
Fair value hedge – Note 7(d)	(57,672)	7,758
Activity affecting:	**(900,843)**	**386,058**
Statement of income	**(133,956)**	**(18,969)**
Trading securities	(149,663)	34,539
Derivative financial instruments (assets and liabilities)	47,698	(10,680)
Obligations related to unrestricted repurchase agreements	99,913	-
Fair value hedge – Note 7(d)	(131,904)	(42,828)
Equity - Available for Sale - Note 17(d)	**(766,887)**	**405,027**
At the end of the period - Adjustment to market value	**(183,062)**	**408,902**
Trading securities	(99,351)	41,922
Available-for-sale securities	(27,232)	422,942
Derivative financial instruments (assets and liabilities)	33,710	(20,892)
Obligations related to unrestricted repurchase agreements - Note 10(b)	99,387	-
Hedge fair value - Note 7 (d)	(189,576)	(35,070)

d) Hedging of financial assets and financial liabilities

The aim of the designated hedge accounting applied by Safra is to protect against the effects of market interest rates (CDI or Libor) or exchange variations to assets and liabilities fair value (depending on their nature).

Strategy - Market Risk Hedge	Market value		MTM object to hedge - Note 7(c)		Hedge derivative instrument	Notional value	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012		9/30/2013	9/30/2012
Fixed rate portfolio (1)	15,329,420	12,868,909	(56,856)	246,373	Futures DI	(15,709,434)	(13,599,491)
Securities – Available for sale – Note 7(a-I)	1,122,913	-	(15,181)	-		(1,133,080)	-
Treasury bills	406,791	-	(9,274)	-	Futures DI	(407,291)	-
Eurobond	716,122	-	(5,907)	-	Swap Libor x Fixed Rate	(725,789)	-
Foreign currency assets	252,745	-	6,910	-	Futures DDI	(279,585)	-
Liabilities for marketable securities abroad – Note 10(c)							
Fixed funding, 08/08/2012 – R$ 800,000	(786,878)	(892,423)	(15,966)	(82,562)	Futures DI	845,798	916,896
Fixed funding, 05/16/2012 – US$ 300,000	(672,117)	(627,254)	(4,779)	(12,088)	Futures DDI	733,501	629,654
Fixed funding – R$ 300,000	(296,059)	(335,604)	1,326	(23,137)	Futures DI	317,174	336,822
Subordinated debt - fixed funding, 01/27/2012 – US$ 500.000 – Note 10(e)	(1,230,448)	(1,187,718)	(105,030)	(163,656)	Fixed Swap x Libor	1,230,448	1,187,718
Total	**13,719,576**	**9,825,910**	**(189,576)**	**(35,070)**		**(13,995,178)**	**(10,528,401)**

(1) Financial assets and liabilities with fixed rates, mainly credit operations and funding - Note 13 (b) and (c). The reference value for the methodology of equivalent / year represents R$ (12,888,572) (R$ (11,486,394) on 09/30/2012).

The effectiveness of hedges designated by Safra for accounting purposes is in accordance with the parameters set out in BACEN Circular 3,082/2002.

8. CREDIT PORTFOLIO

a) Credit operations and the related allowance per risk level:

Risk levels	9/30/2013										9/30/2012
	AA	A	B	C	D	E	F	G	H	Total	Total
Borrowings, discounted receivables and portfolios acquired	16,519,901	4,511,270	1,522,360	575,562	108,447	138,676	112,969	103,484	573,492	24,166,161	21,342,873
Financing	7,701,059	302,146	82,929	2,302	1,867	-	89	-	1,372	8,091,764	7,130,707
Rural and agro-industrial financing	1,431,124	56,458	2,670	1,153	204	-	2,519	-	1,653	1,495,781	695,466
Housing loans	572,600	140,236	16,642	3,192	12,851	1,393	191	-	1,831	748,936	664,685
Advances on foreign exchange contracts	1,028,292	61,884	6,411	500	1,316	-	-	-	1,872	1,100,275	1,482,635
Onlendings BNDES/FINAME	7,927,148	218,767	114,661	75,578	65,810	42,397	31,267	11,931	88,364	8,575,923	8,795,850
Direct consumer credit and leases	2,061,510	3,209,606	186,454	128,119	63,221	43,404	34,677	25,510	162,005	5,914,506	7,342,715
Direct consumer credit	1,940,774	3,162,011	171,433	119,502	61,674	41,613	31,693	24,571	129,158	5,682,429	6,816,119
Leasing operations	120,736	47,595	15,021	8,617	1,547	1,791	2,984	939	32,847	232,077	526,596
Other receivables	54,781	417	-	-	-	-	-	875	14,948	71,021	133,631
Total transactions with credit characteristics at 9/30/2013	**37,296,415**	**8,500,784**	**1,932,127**	**786,406**	**253,716**	**225,870**	**181,712**	**141,800**	**845,537**	**50,164,367**	**47,588,562**
Past due	-	1,038	161,988	214,460	141,267	113,279	129,690	101,798	729,724	1,593,244	1,751,098
Normal course	37,296,415	8,499,746	1,770,139	571,946	112,449	112,591	52,022	40,002	115,813	48,571,123	45,837,464
Guarantees and sureties	-	-	-	-	-	-	-	-	-	10,038,402	8,724,906
Total with guarantees and sureties at 9/30/2013	**37,296,415**	**8,500,784**	**1,932,127**	**786,406**	**253,716**	**225,870**	**181,712**	**141,800**	**845,537**	**60,202,769**	**56,313,468**
Minimum allowance required	-	(42,505)	(19,321)	(23,593)	(25,364)	(67,763)	(90,858)	(99,261)	(845,537)	(1,214,202)	(1,128,927)
Specific	-	(5)	(1,620)	(6,434)	(14,127)	(33,984)	(64,845)	(71,259)	(729,724)	(921,998)	(720,523)
General	-	(42,500)	(17,701)	(17,159)	(11,237)	(33,779)	(26,013)	(28,002)	(115,813)	(292,204)	(408,404)
Additional allowance	(18,801)	(25,580)	(33,815)	(44,194)	(44,924)	(45,152)	(36,307)	(42,527)	-	(291,300)	(320,000)
Total provision at 9/30/2013	**(18,801)**	**(68,085)**	**(53,136)**	**(67,787)**	**(70,288)**	**(112,915)**	**(127,165)**	**(141,788)**	**(845,537)**	**(1,505,502)**	**(1,448,927)**
Total transactions with credit characteristics at 9/30/2012	**32,051,924**	**9,900,229**	**1,875,221**	**1,595,759**	**855,009**	**397,837**	**119,240**	**150,008**	**643,335**	**47,588,562**	
Past due	-	1,322	171,012	309,298	314,567	279,584	91,274	118,277	465,764	1,751,098	
Normal course	32,051,924	9,898,907	1,704,209	1,286,461	540,442	118,253	27,966	31,731	177,571	45,837,464	
Guarantees and sureties	-	-	-	-	-	-	-	-	-	8,724,906	
Total with guarantees and sureties at 9/30/2012	**32,051,924**	**9,900,229**	**1,875,221**	**1,595,759**	**855,009**	**397,837**	**119,240**	**150,008**	**643,335**	**56,313,468**	
Minimum allowance required	-	(49,494)	(18,752)	(47,874)	(85,492)	(119,351)	(59,619)	(105,010)	(643,335)	**(1,128,927)**	
Specific	-	(7)	(1,710)	(9,279)	(31,457)	(83,875)	(45,637)	(82,794)	(465,764)	(720,523)	
General	-	(49,487)	(17,042)	(38,595)	(54,035)	(35,476)	(13,982)	(22,216)	(177,571)	(408,404)	
Additional allowance	-	(210)	(547)	(52,377)	(118,513)	(79,528)	(23,836)	(44,989)	-	(320,000)	
Total provision at 9/30/2012	**-**	**(49,704)**	**(19,299)**	**(100,251)**	**(204,005)**	**(198,879)**	**(83,455)**	**(149,999)**	**(643,335)**	**(1,448,927)**	

b) Allowance for loan losses:

a. Composition of portfolio and allowance for loan losses:

	9/30/2013					
	Credit portfolio			Minimum allowance required		
	Past due	Normal	Total	Specific	General	Total
Borrowings, discounted receivables and portfolios	865,966	23,300,195	24,166,161	(595,250)	(214,659)	(809,909)
Financing	5,409	8,086,355	8,091,764	(1,629)	(2,383)	(4,012)
Rural and agro-industrial financing	3,592	1,492,189	1,495,781	(2,562)	(715)	(3,277)
Housing loans	8,993	739,943	748,936	(1,537)	(3,055)	(4,592)
Advances on foreign exchange contracts	3,990	1,096,285	1,100,275	(1,497)	(896)	(2,393)
Onlendings BNDES/FINAME	214,941	8,360,982	8,575,923	(109,391)	(26,766)	(136,157)
Direct consumer credit and leases	477,824	5,436,682	5,914,506	(197,865)	(40,434)	(238,299)
Direct consumer credit	433,266	5,249,163	5,682,429	(166,705)	(35,260)	(201,965)
Leasing operations	44,558	187,519	232,077	(31,160)	(5,174)	(36,334)
Other receivables	12,529	58,492	71,021	(12,267)	(3,296)	(15,563)
Total at 9/30/2013	**1,593,244**	**48,571,123**	**50,164,367**	**(921,998)**	**(292,204)**	**(1,214,202)**
Total at 9/30/2012	**1,751,098**	**45,837,464**	**47,588,562**	**(720,523)**	**(408,404)**	**(1,128,927)**

I - Changes in the provision for credit operations:

	1/1 to 9/30/2013			
	Opening balance	**Constitution/ (reversal)**	**Write-offs**	**Closing balance**
Borrowings, discounted receivables and portfolios acquired	909,333	573,578	(673,002)	809,909
Financing	1,916	2,491	(395)	4,012
Rural and agro-industrial financing	1,284	2,737	(744)	3,277
Housing loans	4,262	340	(10)	4,592
Advances on foreign exchange contracts	2,405	3,087	(3,099)	2,393
Onlendings BNDES/FINAME	175,050	52,340	(91,233)	136,157
Direct consumer credit and leases	312,955	127,803	(202,459)	238,299
Direct consumer credit	274,256	108,000	(180,292)	201,965
Leasing operations	38,699	19,803	(22,167)	36,334
Other receivables	547	15,016	-	15,563
Total minimum allowance required	1,407,752	777,392	(970,942)	1,214,202
Additional allowance	275,000	16,300	-	291,300
Total allowance	**1,682,752**	**793,692**	**(970,942)**	**1,505,502**

	1/1 to 9/30/2012			
	Opening balance	**Constitution/ (reversal)**	**Write-offs**	**Closing balance**
Total minimum allowance required at 9/30/2012	875,483	809,856	(556,412)	1,128,927
Additional allowance at 9/30/2012	442,600	(122,600)	-	320,000
Total allowance at 9/30/2012	**1,318,083**	**687,256**	**(556,412)**	**1,448,927**

In recognizing the provision above, Banco Safra's management not only considers the minimum provisioning levels defined by CMN Resolution 2,682/1999 but also thoroughly analyzes the risk of loan losses supported by a widely tested and periodically re-evaluated internal credit rating methodology approved by Management.

c) Renegotiated loans and recovery of receivables

The balance of renegotiated loans was R$ 483,741 (R$ 345,426 at 9/30/2012), and provision for loan losses was R$ 288,459 (R$ 196,191 at 9/30/2012).

The receivables recovered in the period were R$ 127,757 (R$ 95,004 in 2012).

d) Breakdown of the portfolios and provision by maturity:

	9/30/2013	9/30/2012
PAST DUE	**1,593,244**	**1,751,098**
Past due operations:		
From 15 to 30 days	268,055	281,728
From 31 to 60 days	298,054	429,273
From 61 to 90 days	176,165	329,894
From 91 to 180 days	397,457	359,847
From 181 to 365 days	453,513	350,356
Normal course	**48,571,123**	**45,837,464**
Installments overdue - Overdue up to 14 days:	85,635	135,191
Outstanding installments		
From 1 to 90 days	16,511,052	14,117,362
From 91 to 180 days	7,024,950	6,558,629
From 181 to 365 days	8,136,791	7,935,126
Over 365 days	16,812,695	17,091,156
Total	**50,164,367**	**47,588,562**

Nonaccrual amounts receivable greater than 60 days past due are R$ 1,027,135 (R$ 1,040,097 at 9/30/2012) and greater than 90 days past due are R$ 850,970 (R$ 710,203 at 9/30/2012).

e) Breakdown of the portfolios by activity:

	9/30/2013	9/30/2012
Public sector - Industry:	161	-
Private Sector:		
Rural	1,574,763	728,685
Industry	13,225,080	12,030,556
Commerce	13,322,084	12,293,871
Financial institutions	817,995	1,149,303
Other services	15,850,795	15,207,406
Individuals	4,949,730	5,782,914
Housing	423,759	395,827
Total	**50,164,367**	**47,588,562**

f) Concentration of credit

	9/30/2013	9/30/2012
1st to 10th major customer	4,839,646	3,830,414
11th to 50th major customer	6,714,238	6,016,225
51st to 100th major customer	4,050,155	3,657,811
100 major customers	**15,604,039**	**13,504,450**
Other customers	34,560,328	34,084,112
Total	**50,164,367**	**47,588,562**

g) Credit commitments (off-balance)

The off-balance amounts referring to financial guarantee contracts are as follows:

	9/30/2013	9/30/2012
Guarantees, sureties and other guarantees provided (1)	10,038,402	8,724,906
Credit limits committed (2)	6,438,696	5,425,361
Total	**16,477,098**	**14,150,267**
Contractual term:		
Up to 90 days	7,625,199	6,455,947
From 91 to 365 days	3,016,212	2,621,777
Over 365 days	5,835,687	5,072,543

(1) Refer to liabilities for guarantees, sureties and other guarantees provided;
(2) Refer to credit limits granted and not used, characterized by the cancellation option by Safra, with the average term of 90 days.

9. FOREIGN EXCHANGE PORTFOLIO

	9/30/2013		9/30/2012	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Exchange purchases pending settlement (F.C.) and Obligations for exchange purchase (L.C.)	185,763	143,943	1,200,255	1,071,325
Foreign exchange variation	41,833		110,445	-
Interbank for timely settlement	35,730	35,730	855,512	855,512
Interbank for future settlement	-	-	153,197	153,197
Other	108,200	108,213	81,101	62,616
Receivables for exchange sales (L.C.) and Exchange sales pending settlement (F.C.)	1,566,638	1,640,031	1,491,108	1,591,523
Foreign exchange variation	-	31,144	-	50,572
Interbank for future settlement	1,435,634	1,435,634	616,902	616,902
Interbank for timely settlement	33,817	33,817	799,557	799,557
(-) Advances received	(41,258)	-	(52,049)	-
Other	138,445	139,436	126,698	124,492
Total	**1,752,401**	**1,783,974**	**2,691,363**	**2,662,848**
Foreign exchange transactions	**61,527**		**42,842**	

10. OPEN MARKET FUNDING, BORROWINGS AND ONLENDINGS, AND MANAGED FUNDS

At September 30, funds raised comprised the following:

	9/30/2013			9/30/2012		
	Short term	**Long term**	**Total**	**Short term**	**Long term**	**Total**
Deposits (1) (a)	4,892,865	667,677	5,560,542	7,791,679	687,714	8,479,393
Open market funding - own securities (b)	12,036,437	4,964,798	17,001,235	11,648,571	2,534,326	14,182,897
Funds from financial bills, bills of credit, and similar notes(c)	8,415,155	8,676,375	17,091,530	6,479,296	6,452,547	12,931,843
Structured fixed income transactions (2)	3,334,935	1,139,042	4,473,977	2,811,460	613,293	3,424,753
Deposits from customers	**28,679,392**	**15,447,892**	**44,127,284**	**28,731,006**	**10,287,880**	**39,018,886**
Interbank deposits (a)	3,100,505	331,510	3,432,015	3,626,912	208,582	3,835,494
Open market funding (3) (b)	45,878,855	-	45,878,855	10,229,617	-	10,229,617
Marketable debt securities abroad (c)	1,111,748	1,578,720	2,690,468	119,459	3,263,971	3,383,430
Subordinated debt (e)	-	2,748,386	2,748,386	-	2,623,423	2,623,423
Market Resources	**50,091,108**	**4,658,616**	**54,749,724**	**13,975,988**	**6,095,976**	**20,071,964**
Borrowings and onlendings (d)	**9,131,142**	**5,457,909**	**14,589,051**	**7,032,700**	**5,614,641**	**12,647,341**
Total funds raised	**87,901,642**	**25,564,417**	**113,466,059**	**49,739,694**	**21,998,497**	**71,738,191**
Managed funds (f)			29,727,968			30,609,770
Total funds under management			**143,194,027**			**102,347,961**

(1) Does not include Interbank deposits.
(2) Funds recorded in derivative financial instruments (Note 7(b)).
(3) Does not include own securities.

a) Deposits

	9/30/2013					9/30/2012
	No stated maturity	**Up to 90 days**	**From 91 to 365 days**	**Over 365 days**	**Total**	**Total**
Demand deposits	773,386	-	-	-	773,386	682,108
Savings deposits	1,307,779	-	-	-	1,307,779	1,212,122
Interbank deposits (1)	-	558,187	2,542,318	331,510	3,432,015	3,835,494
Time deposits	-	897,328	1,914,372	667,677	3,479,377	6,585,163
Total at 9/30/2013	**2,081,165**	**1,455,515**	**4,456,690**	**999,187**	**8,992,557**	**12,314,887**
Total at 9/30/2012	**1,894,230**	**3,253,488**	**6,270,873**	**896,296**	**12,314,887**	

(1) Of this amount, R$ 1,599,789 (R$ 201,637 at 9/30/2012) refers to operations linked to rural credit.

b) Money market funding

	9/30/2013				9/30/2012
	Amounts by maturity				
	Up to 90 days	From 91 to 365 days	Over 365 days	Total	Total
Own portfolio	18,541,041	7,693,216	4,964,798	31,199,055	20,619,892
National Treasury	14,197,820	-	-	14,197,820	6,436,995
Own securities	4,343,221	7,693,216	4,964,798	17,001,235	14,182,897
Third-party portfolio - National Treasury	9,507,486	-	-	9,507,486	3,792,622
Unrestricted portfolio - National Treasury - LTN (1)	22,173,549	-	-	22,173,549	-
Total at 9/30/2013	**50,222,076**	**7,693,216**	**4,964,798**	**62,880,090**	**24,412,514**
Total at 9/30/2012	**15,160,747**	**6,717,441**	**2,534,326**	**24,412,514**	

(1) The amount of the adjustment to market value of R$ 99,387 - Note 7 (c).

c) Funds from acceptance and issuance of securities

I- Composition

	9/30/2013				9/30/2012
	Amounts by maturity				
	Up to 90 days	From 91 to 365 days	Over 365 days	Total	Total
Funds from financial bills, bills of credit and similar notes	2,188,085	6,227,070	8,676,375	17,091,530	12,931,842
Financial bills	919,577	3,937,984	7,779,523	12,637,084	10,297,861
Agribusiness credit notes	707,458	1,264,742	288,732	2,260,932	2,210,025
Mortgage bills	52,977	87,829	18,498	159,304	120,843
House Loan Bills	508,073	936,515	535,160	1,979,748	212,329
Debentures	-	-	54,462	54,462	90,784
Securities issued abroad (1)	436,146	675,602	1,578,720	2,690,468	3,383,430
Medium Term Note (Reais) - Hedge - Note 7(d) - Fixed 10,25%	-	13,611	773,267	786,878	892,423
Medium Term Note (U,S, dollar) - Hedge - Note 7(d) - Fixed 3,50%	8,755	663,362	-	672,117	627,254
Medium Term Notes (Fixed) - Hedge - Note 7(d) - Fixed 10,75%	-	-	296,059	296,059	335,604
Medium Term Note (Other) - Libor + fixed	428,884	-	510,677	939,561	1,532,470
Incurred transaction costs - Note 3(m)	(1,493)	(1,371)	(1,283)	(4,147)	(4,321)
Total at 9/30/2013	**2,624,231**	**6,902,672**	**10,255,095**	**19,781,998**	**16,315,272**
Total at 9/30/2012	**1,786,475**	**4,812,279**	**9,716,518**	**16,315,272**	

II- Change in securities issued abroad

	1/1 to 9/30/2013
Opening balance	**2,823,287**
Foreign exchange variation	92,563
Redemptions	(86,792)
Interest paid	(173,323)
Allocation of the result	34,733
Interest	151,983
Variation of adjustment to market value–Note 7(d)	(117,250)
Closing balance	**2,690,468**

d) Borrowings and onlendings

	9/30/2013				9/30/2012
	Amounts by maturity				
	Up to 90 days	**From 91 to 365**	**Over 365 days**	**Total**	**Total**
Foreign borrowings (1)	1,101,354	4,536,380	402,807	6,040,541	3,819,801
Domestic onlendings	1,125,672	2,347,360	5,055,102	8,528,134	8,781,050
National Treasury	30,241	1,285	-	31,526	23,381
BNDES	145,921	343,150	811,939	1,301,010	1,143,635
FINAME	949,510	2,002,925	4,243,163	7,195,598	7,614,034
Other borrowings	20,376	-	-	20,376	46,490
Total at 9/30/2013	**2,247,402**	**6,883,740**	**5,457,909**	**14,589,051**	**12,647,341**
Total at 9/30/2012	**2,794,904**	**4,237,796**	**5,614,641**	**12,647,341**	

(1) Credit lines opened for import and export financing.

e) Subordinated debit

I. Balance composition

	Issue	Maturity	9/30/2013	9/30/2012	Index
Bank Deposit Certificates (CDB) (1) (3)	2006	2016	**714,241**	**713,141**	106% of CDI
Financial bills (LF)			**803,697**	**722,564**	
	2010	2016	158,572	139,836	IPCA +interest of 7.19% to 7.71%
	2010 (1)	2016	199,957	199,907	114% of CDI
	2010 (2)	2020	14,532	12,768	IPCA + 7.27%
	2012	2019	215,212	189,396	IPCA + interest of 4.99% to 6.28%
	2012	2019	191,431	176,491	114% CDI
	2012	2019	3,956	-	IGPM + 3.89%
	2012	2019	2,177	300	Fixed – 10.92%
	2012(4)	2019	3,849	-	113% of CDI
	2012	2022	2,793	3,866	IPCA + interest of 4.91%
	2013(4)	2020	11,218	-	IPCA + interest of 6.57%
Medium term notes - Hedge - Note 7(d)			**1,230,448**	**1,187,718**	US$ + 6.75%
	Total		**2,748,386**	**2,623,423**	

(1) Operations with half yearly interest payments.
(2) Operations with interest to be paid upon the settling of the contract.
(3) Of the amount issued, R$ 1,461 (R$ 1,459 at 9/30/2012) is in the portfolio.
(4) It is in process of approval with BACEN.

II. Transactions

	1/1 to 9/30/2013	1/1 to 9/30/2012
Opening balance	**2,657,265**	**2,120,428**
Foreign exchange variation	108,094	83,716
Funding	11,200	355,050
Interest paid	(116,037)	(120,503)
Allocation of the result	87,864	184,732
Interest	155,814	143,846
Variation in mark-to-market adjustment (hedge) - Note 7(d)	(67,950)	40,886
Closing balance	**2,748,386**	**2,623,423**

f) Managed funds

The Safra Group is responsible for the management, administration and distribution of shares of investment funds, including funds managed by the company JS Administração de Recursos S.A. (related party), as follows:

	9/30/2013	9/30/2012
Financial investment funds	22,775,794	24,695,324
Other financial investment funds	3,757,761	7,773,142
Pension funds	3,194,413	2,491,212
Total funds under management (1)	**29,727,968**	**34,959,678**
Funds in quotas	25,800,170	16,484,437
Exclusive funds	7,607,041	3,567,459
Total stockholders' funds	**63,135,179**	**55,011,574**

(1) Includes financial investments in Banco Safra S.A. of R$ 6,592,415 (R$ 4,349,908 at 9/30/2012), basically represented by resale agreements backed by government bonds.

Income from fund management, administration and share distribution fees, recorded in 'Income from services rendered', totals R$ 169,847 (R$ 144,693 in 2012) - Note 13(d). When included revenue from related party the amount is R$ 192,386 (R$ 168,092 in 2012) - Note 19 (c).

11. INSURANCE, REINSURANCE AND SUPPLEMENTARY PENSION PLAN OPERATIONS

a) Receivables from insurance and reinsurance operations

Consolidated	9/30/2013	9/30/2012
Premiums receivable	27,859	20,840
Reinsurance technical allowances	21,548	16,646
Deferred acquisition costs	14,599	13,673
Other insurance operating receivables and supplementary pension	6,481	3,102
Total - Note 13(b)	**70,487**	**54,261**

b) Guarantors resources for the technical reserves for insurance and supplementary pension plans

Consolidated	9/30/2013	9/30/2012
Marketable securities and derivative financial instruments	**3,411,213**	**2,805,462**
Quotas of investment funds - PGBL/VGBL	**3,227,758**	**2,647,826**
Private securities	208,324	986,173
Bank Deposit Certificates (CDB) (1)	-	380,968
Financial bills	107,111	359,863
Debentures	54,508	98,264
Equity instruments	46,705	81,644
Promissory Notes	-	65,434
National Treasury	3,017,764	1,643,901
National Treasury Bills	545,484	-
Financial Treasury Bills	1,431,577	656,902
National Treasury Notes	1,040,703	986,999
Other	1,6	17,752
Other securities	**183,455**	**157,636**
Government securities - National Treasury Bills	110,067	90,005
Quotas of investment funds - DPVAT agreement	73,388	67,631
Receivables from reinsurance operations	**21,548**	**16,661**
Creditor rights - Insurance premium receivables	**7,832**	**-**
Total	**3,440,593**	**2,822,123**

(1) At 9/30/2012, it includes R$ 40,452 in subordinated CDB operations.

c) Technical provisions

I. Analysis

Consolidated	INSURANCE		PENSION PLAN		Total	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012	9/30/2013	9/30/2012
Reserve for unvested and vested benefits	-	-	3,227,616	2,647,679	3,227,616	2,647,679
Provision for unearned premiums	62,132	53,073	-	-	62,132	53,073
Provision for unsettled claims	24,036	19,395	-	-	24,036	19,395
DPVAT agreement	73,371	67,648	-	-	73,371	67,648
Incurred but not reported losses (IBNR)	1,805	1,756	-	-	1,805	1,756
Complementary Provision for Contributions (PCC)	-	-	15,643	13,241	15,643	13,241
Supplementary premium reserve	-	577	-	-	-	577
Provision for Related Expenses (PDR)	-	-	915	605	915	605
Redemptions to be regulated	-	-	2,561	1,856	2,561	1,856
Total	**161,344**	**142,449**	**3,246,735**	**2,663,382**	**3,408,079**	**2,805,830**

II. Coverage

Consolidated	9/30/2013	9/30/2012
Guarantors resources for the technical reserves for insurance and supplementary	3,440,593	2,822,123
Technical provisions	(3,408,079)	(2,805,830)
Excess coverage	**32,514**	**16,293**

III. Changes in the mathematical provision for supplementary pension plans

Consolidated	1/1 to 9/30/2013	1/1 to 9/30/2012
Opening balance	**2,910,923**	**2,383,841**
Contributions	290,643	273,911
Net transfers accepted	268,848	65,503
Redemptions	(326,453)	(216,883)
Benefits paid	(155)	(145)
Financial restatement	103,401	159,914
Reversal of provisions	(472)	(2,759)
Closing balance	**3,246,735**	**2,663,382**

d) Result from insurance and supplementary pension plan

Consolidated	9/30/2013	9/30/2012
Income from financial intermediation	**10,608**	**10,109**
Financial income from insurance and supplementary pension plan operations	114,028	170,052
Financial expenses from insurance and supplementary pension plan operations	(103,420)	(159,943)
Results from insurance, reinsurance and supplementary pension plan operations	**82,964**	**79,878**
Premium income	109,528	106,477
Changes in technical reserves	1,358	(1,638)
Claims expenses	(1,692)	(1,247)
Selling expenses - Note 19 (c)	(30,578)	(27,279)
Other income and expenses (1)	4,348	3,565
Income from rendering of services with pension funds management - Note 13(d)	**21,280**	**18,823**
Total	**114,852**	**108,810**

(1) Includes the net result of the DPVAT agreement.

12. CONTINGENT ASSETS, LIABILITIES AND LEGAL OBLIGATIONS - TAX AND SOCIAL SECURITY

a) Contingent Assets

Contingent assets are not recognized in the accounting records.

b) Provisions and contingent liabilities

Contingent liabilities are as follows:

I - Civil lawsuits

Civil lawsuits are represented basically by indemnity claims for property and/or moral damages due to direct consumer credit operations, collections and loans, protests of notes, inclusion of customer data in the credit reporting agencies and understated inflation adjustments to saving accounts in connection with economic plans.

These lawsuits are evaluated when a court notification is received, and are classified as mass, when related to similar causes with insignificant amount, or as special, when there is a special characteristic in the lawsuit received, arising from the significance of the amount involved, or from matter with corporate importance or different from ordinary lawsuits.

The allowance recorded for mass lawsuits received is calculated on a monthly basis at the average historical cost of payments of lawsuits terminated in the last 12 months, also considering the average of the fees paid in the same period. This average cost is restated quarterly and multiplied by the amount of outstanding lawsuits in the portfolio on the last business day of the month.

The special lawsuits are evaluated individually concerning the likelihood of loss, and are periodically reviewed and quantified based on the judicial stage, on the proof presented and on the jurisprudence in accordance with the evaluation of management and internal lawyers. The provision is recorded at the full amount for proceedings classified as a probable loss.

II - Labor lawsuits

Lawsuits filed to claim alleged labor rights derived from the labor legislation specifically relating to financial institutions, especially overtime.

These labor lawsuits are evaluated when a court notification is received, and are classified as mass, when related to similar causes and usual, or as special, when there is a special characteristic in the lawsuit received, arising from the significance of the amount involved, or from matter with corporate importance or different from ordinary lawsuits.

The allowance recorded for mass lawsuits received is calculated on a monthly basis at the average historical cost of payments of lawsuits terminated in the last 12 months. This average cost is restated quarterly and multiplied by the amount of outstanding lawsuits in the portfolio on the last business day of the month.

The special lawsuits are evaluated individually concerning the likelihood of loss, and are periodically reviewed and quantified based on the judicial stage, on the proof presented and on the jurisprudence in accordance with the evaluation of management and internal lawyers. The provision is recorded at the full amount for proceedings classified as a probable loss.

III - Other risks

Specific contingencies quantified and provided for per individual evaluation, basically represented by Salary Variations Compensation Fund (FCVS) provisions.

IV - Tax and social security lawsuits

Mainly represented by administrative proceedings and lawsuits related to municipal and federal taxes.

These are individually quantified when the notification of the proceedings is received, based on the amounts assessed and are accrued monthly. The provision is recorded at the full amount for proceedings classified as a probable loss.

c) The provisions recorded and the related changes for the periods are as follows:

I. Civil, labor and other

	1/1 to 9/30/2013				1/1 to 9/30/2012
	Civil	Labor	Other	Total	Total
Opening balance	**219,408**	**203,941**	**40,261**	**463,610**	**404,314**
Monetary adjustment/Charges (2)	7,852	-	470	8,322	13,886
Changes in the period reflected in income (3)	27,367	84,997	857	113,221	104,672
Amount recorded	37,824	88,672	857	127,353	119,684
Reversal	(10,457)	(3,675)	-	(14,132)	(15,012)
Payments	(19,861)	(70,641)	-	(90,502)	(51,795)
Closing balance at 9/30/2013 (1)	**234,766**	**218,297**	**41,588**	**494,651**	**471,077**
Closing balance at 9/30/2012 (1)	**237,269**	**193,987**	**39,821**	**471,077**	
Guarantee deposits (4)	35,035	72,921	-	107,956	
Guarantee securities (5)	1,244	51,645	-	52,889	
Total amounts guaranteed at 9/30/2013	**36,279**	**124,566**	**-**	**160,845**	
Guarantee deposits (4)	31,075	45,255	-	76,330	
Guarantee securities (5)	1,232	50,656	-	51,888	
Total amounts guaranteed at 9/30/2012	**32,307**	**95,911**	**-**	**128,218**	

(1) Note 13(c).
(2) Recorded in other finance costs.
(3) Notes 13(h) - Civil and other contingencies 13(e) - Labor contingencies.
(4) Note 13(b).
(5) Note 7(a-II).

At 9/30/2013, the amount of the contingent liabilities classified as possible loss related to civil claims, not recognized, is R$ 2,896. There are no labor contingent liabilities classified as possible loss.

II. Tax and social security contingencies and Legal obligations

	1/1 to 9/30/2013			1/1 to 9/30/2012
	Tax and social security contingencies	Legal obligations	Total (1)	Total
Opening balance	**321,481**	**684,943**	**1,006,424**	**1,229,042**
Monetary adjustment/Charges (2)	9,452	28,445	37,897	56,123
Changes in the period reflected in income(3)	(80,237)	113	(80,124)	(136,056)
Amount recorded	26,822	113	26,935	71,230
Reversal(4)	(107,059)	-	(107,059)	(207,286)
Payment(5)	(16,307)	-	(16,307)	-
Closing balance at 9/30/2013	**234,389**	**713,501**	**947,890**	**1,149,109**
Closing balance 9/30/2012	**472,850**	**676,259**	**1,149,109**	
Guarantee deposits at 9/30/2013 (6)	**29,304**	**17,675**	**46,979**	
Guarantee deposits at 9/30/2012 (6)	**42,017**	**17,360**	**59,377**	

(1) Note 14(c).
(2) Recorded in other finance costs.
(3) Tax and social security contingencies - Note 13(g).
(4) In 2013, represented substantially by reversal of contingency on Tax on Bank Account Outflows (CPMF) - Payments Management, in the amount of R$ 100,166, In 2012, mainly represented by the reversal of contingencies for fines and charges related to the lawsuit that discussed the calculation basis of PIS and COFINS, which changed the probability classification to remote probability of loss due to the judgment of the Federal count on July 20, 2012.
(5) Mainly comprising: (i) R$ 11,722 referring to the payment of Car Tax (IPVA) contingency on lease operations; and (ii) R$ 1,411 referring to the payment of State Value-Added Tax (ICMS) contingency on import of goods, due to a waiver of the litigation challenge through the option of payment in installments.
(6) Note 13(b).

III. The main lawsuits involving tax and social security contingencies are as follows:

Tax and social security contingencies:

- Service tax (ISS) on lease transactions: several tax assessments and lawsuits related to the levy of this tax on lease transactions related to the location where the tax is levied and its taxable base, Due to the judgment of the matter by the Superior Court of Justice (STJ), its provision was substantially reversed in the second half of 2012, The related balance amounts to R$ 10,324 (R$ 187,939 at 9/30/2012).
- Services Tax (ISS) on banking activities: a number of tax assessment notices and judicial claims related to the tax levied on revenues from banking activities, which are not included in the price for services rendered, amounting to R$ 59,043 (R$ 58,935 at 9/30/2012).

- Value-added Tax on Sales and Services (ICMS) - concerning the ICMS levied on import transactions carried out for Safra Leasing, amounting to R$ 42,224.

Legal obligations:

- Calculation basis of PIS and COFINS, amounting to R$ 697,696 (R$ 660,842 at 9/30/2012), concerning the calculation and payment of taxes on income, considered as sales and services revenue. Fully collateralized by bank guarantees.

13. OTHER ACCOUNTS

a) Negotiation and intermediation of securities:

	9/30/2013	9/30/2012
ASSETS	**353,647**	**142,868**
Debtors pending settlement [(1)]	-	50,367
Settlement and clearinghouse [(1)]	70,896	49,603
Stock exchanges - margin deposits	7,173	31,384
Financial assets and commodities pending settlement	275,578	11,514
LIABILITIES	**394,178**	**114,375**
Creditors pending settlement [(1)]	78,635	43,114
Settlement and clearinghouse [(1)]	65,942	65,372
Financial assets and commodities pending settlement	239,942	3,761
Other	9,659	2,128

(1) Refers basically to transactions on stock exchanges recorded by J. Safra Corretora de Valores e Câmbio Ltda.

b) Other sundry receivables:

	9/30/2013	9/30/2012
Deferred tax assets - Note 14(b-I)	333,373	266,616
Debtors for deposits in guarantee of contingencies	234,925	206,426
Tax and social security contingencies and legal obligations (1)	126,969	130,096
Civil and labor - Note 12(c-I)	107,956	76,330
Taxes and contributions to be offset	56,090	50,251
Equalization rate for credit operations	200,702	86,811
Asset transactions to be processed	45,068	17,009
Receivables from insurance and reinsurance operations- Note 11(a)	70,487	54,261
Hedge market adjustment- Note 7(d)	-	246,373
Other	52,125	53,351
Total	**992,770**	**981,098**

(1) Payments linked to tax and social security contingencies and legal obligations are disclosed in Note 12(c-II).

c) Other payables:

	9/30/2013	9/30/2012
Provision for contingent liabilities - civil, labor and other - Note 12 (c-I)	494,651	471,077
Provision for payments to be made	284,806	210,180
Foreign creditor amounts	-	71,037
Credit card administration obligations	76,493	69,574
Passive operations to be processed	41,047	23,268
Roll over of amounts to release	39,010	12,593
Hedge market adjustment- Note 7(d)	56,856	-
Other	66,009	54,789
Total	**1,058,872**	**912,518**

d) Banking services and income from bank fees:

	2013	2012
Custody and investment management fee - Note 10 (f)	169,847	144,693
Broker fees	16,952	13,900
Collections	54,439	50,410
Guarantees provided	90,480	105,845
Credit card operations	29,170	31,192
Exchange services	14,191	13,175
Other	11,198	12,408
Total revenues from the performance of services	**386,277**	**371,623**
Credit operations	56,068	55,248
Charges on DOC/TED transfers	9,414	10,156
Packages of services and registrations	28,523	48,395
Other current account services	47,439	47,231
Total revenues from bank fees	**141,444**	**161,030**
Total	**527,721**	**532,653**

e) Personnel expenses:

	2013	2012
Remuneration and profit sharing	614,072	551,817
Benefits	65,126	54,634
Payroll taxes	156,975	145,265
Subtotal	**836,173**	**751,716**
Labor contingencies - Note 12(c-I)	84,997	65,599
Dismissal of employees	27,189	19,195
Subtotal	**112,186**	**84,794**
Total	**948,359**	**836,510**

f) Administrative expenses:

	2013	2012
Facilities	18,847	24,430
Rent - Notes 19(c)	80,164	64,580
Publicity and advertising	7,507	10,975
Data processing and telecommunications	38,188	30,468
Third-party services	39,375	59,792
Travel	27,616	25,201
Financial system services	34,932	31,246
Security and surveillance services	10,919	10,107
Transport	13,173	13,706
Protection of information	66,011	48,717
Depreciation and amortization - Note 16(b)	30,141	23,588
Legal and notary fees	65,991	68,361
Other	12,060	12,595
Total	**444,924**	**423,766**

g) Other operating income:

	2013	2012
Net reversal of tax and social security contingencies - Note 12 (c-II)	80,124	139,276
Other	1,577	13,093
Total	**81,701**	**152,369**

h) Other operating expenses:

	2013	2012
Debtors for deposits in guarantee of civil and other contingencies - Note 12(c-I)	27,367	39,073
Other	11,427	26,058
Total	**38,794**	**65,131**

14. TAXES

a) Analysis of expenses for income tax and social contribution

I - Reconciliation of income tax and social contribution charges

	9/30/2013	9/30/2012
Profit before taxation	**1,307,432**	**1,356,039**
Charges (income tax and social contribution) at standard rates - Note 3(p)	(522,973)	(542,416)
Permanent (additions) deductions	**115,023**	**79,772**
Exchange gain (loss) on investments abroad	79,996	72,402
Interest on capital credited individually	67,403	70,577
Dividends and interest on foreign debt bonds	3,671	8,753
Non-deductible expenses, net of non-taxable income	4,117	9,455
Deferred tax assets not recognized in the period/recognized in previous periods and others	(40,164)	(81,415)
Income tax and social contribution for the period	**(407,950)**	**(462,644)**

II - Tax expenses

	2013	2012
PIS / COFINS	155,687	146,489
Service tax (ISS)	28,585	26,959
Municipal real estate tax (IPTU)	4,223	4,693
Tax on financial transactions (IOF)	376	8,291
Other	3,981	9,393
Total	**192,852**	**195,825**

b) Deferred taxes

I - Origin of income tax and social contribution:

	At 12/31/2012	Amount recorded	Amount realized	At 9/30/2013	At 9/30/2012
Provision for contingencies	176,460	48,607	(35,667)	189,400	179,354
Civil	87,710	16,647	(10,506)	93,851	94,856
Labor	79,710	31,960	(25,161)	86,509	75,458
Other	9,040	-	-	9,040	9,040
Other	30,360	72,358	(13,141)	89,577	18,537
Total deferred tax assets on temporary differences	**206,820**	**120,965**	**(48,808)**	**278,977**	**197,891**
Income tax and social contribution losses	58,736	-	(15,777)	42,959	68,725
Adjustment to market value of available-for-sale securities	-	11,437	**-**	11,437	-
Total deferred tax assets - Note 13(b)	**265,556**	**132,402**	**(64,585)**	**333,373**	**266,616**

II- Deferred tax liabilities:

	9/30/2013	9/30/2012
Excess depreciation	277,813	634,425
Adjustment to market value of derivative financial instruments	10,165	68,917
Adjustment to market value of available-for-sale securities[(1)]	-	180,977
Other	9,527	6,576
Total - Note 14 (c)	**297,505**	**890,895**

(1) Expensed to carrying value adjustments in equity.

III - Expected realization of deferred tax assets on temporary differences, income tax and social contribution losses and deferred taxes on excess depreciation.

	Tax credits			Provision for deferred taxes and contributions	Net deferred taxes
Period	**Temporary differences**	**Income tax and social contribution losses**	**Total**		
2013	27,334	4,246	31,580	(87,250)	(55,670)
2014	50,312	20,779	71,091	(137,288)	(66,197)
2015	45,122	17,247	62,369	(50,415)	11,954
2016	40,287	687	40,974	(10,792)	30,182
2017	39,588	-	39,588	(11,680)	27,908
2018 to 2024	87,771	-	87,771	(80)	87,691
Total	**290,414**	**42,959**	**333,373**	**(297,505)**	**35,868**
Present Value (*)	**222,320**	**38,968**	**261,288**	**(274,449)**	**(13,161)**

(*) For adjustment to present value, the CDI projected interest rate for future periods was used, net of tax effects.

At 9/30/2013 unrecognized deferred tax amounts on temporary differences came to R$ 1,231,884 (R$ 1,110,379 at 9/30/2012).

c) The tax and social security obligations are shown below:

	9/30/2013	9/30/2012
Income tax and social contribution payable	392,061	398,330
Taxes and contributions payable	71,091	49,406
Provision for deferred taxes and contributions - Note 14(b-II)	297,505	890,895
Tax and social security contingencies and legal obligations - Note 12 (c-II)	947,890	1,149,109
Total	**1,708,547**	**2,487,740**

15. INVESTMENTS

At 9/30/2013, other investments are mainly represented by shares and quotas of unrelated parties, stated at cost, in the amount of R$ 108,981 (R$ 251,084 at 9/30/2012).

16. PROPERTY AND EQUIPMENT IN USE AND INTANGIBLE ASSETS:

a) Analysis

	9/30/2013			9/30/2012		
	Cost	Accumulated depreciation/ amortization	Property and equipment, net	Cost	Accumulated depreciation/ amortization	Property and equipment, net
Permanent assets	**276,159**	**(177,291)**	**98,868**	**333,861**	**(236,212)**	**97,649**
Facilities, furniture and equipment in use	73,821	(41,402)	32,419	68,001	(36,029)	31,972
IT and data processing equipment	49,214	(35,506)	13,708	131,688	(111,271)	20,417
Transportation system	131,758	(97,574)	34,184	119,108	(86,392)	32,716
Other	21,366	(2,809)	18,557	15,064	(2,520)	12,544
Intangible assets - Software	**101,337**	**(47,857)**	**53,480**	**73,786**	**(31,591)**	**42,195**

b) Changes

	Property and equipment		INTANGIBLE ASSETS	
	2013	2012	2013	2012
Opening balance	**94,898**	**207,381**	**45,105**	**28,987**
Acquisitions	19,633	14,792	21,805	21,728
Transfer by reduction of capital - (1)	-	(109,277)	-	-
Disposals	(1,149)	(1,532)	-	-
Exchange variation and transfers	1,960	1,332	237	21
Depreciation/amortization expenses	(16,474)	(15,047)	(13,667)	(8,541)
Closing balance	**98,868**	**97,649**	**53,480**	**42,195**

(1) Transferred to the controlling stockholder on 4/11/2012, due to the capital reduction of Banco Safra S.A.

17. EQUITY

a) Equity instruments

The capital of Banco Safra S.A. is represented by 757,637,598 common shares and 755,662,010 preferred shares of stockholders domiciled in Brazil, with no par value, totaling 1,513,299,608.

b) Dividends

The stockholders have a right to a minimum dividend equivalent to 1% of the capital corresponding to common and preferred shares, respectively.

On 9/30/2013, the Board of Directors approved dividends amounting to R$ 100,000, charged to the account "Prepayment of dividends" representing the profit for the year 2013, which was paid on 10/24/2013.

On 9/18/2013, the Board of Directors approved dividends amounting to R$ 150,000, charged to the account "Prepayment of dividends" representing the profit for the year 2013, which was paid on 9/20/2013.

On 6/28/2013, the Board of Directors approved dividends amounting to R$ 150,000, charged to the account "Special reserve" representing the profit for the year 2013, which was paid on August 2013.

At the Stockholders' Extraordinary General Meeting held on 8/16/2013, the stockholders approved interest on capital totaling R$ 168,508, based on the long-term interest rate (TJLP), which, net of Income tax represented R$ 143,232,.

In line item "Social and Statutory" is included the amount of R$ 110,644 (R$ 186,729 at 9/30/2012), which relates to dividends and interest on own capital payable.

c) Revenue reserves

	9/30/2013	9/30/2012
Revenue reserves	**2,934,920**	**2,391,599**
Legal	213,621	149,268
Special (1)	2,721,299	2,242,331

(1) Reserve consists aiming to promote the formation of resources for future development of these resources to capital, payment of interim dividends, maintaining operating margin compatible with the development of the company's and / or expansion of their activities.

d) Value adjustment of the financial assets available for sale:

I- Changes in adjustment of financial assets:

	1/1 to 9/30/2013	1/1 to 9/30/2012
Opening balance	**423,170**	**10,697**
Adjustments in changes in fair value	(438,988)	231,327
Securities held for sale - Note 7(c)	(766,887)	405,027
Fair value adjustment in the period	(492,028)	416,052
Profit from sale of securities - Note 7(a-III)	(274,859)	(11,025)
Tax effect	327,899	(173,700)
Closing balance	**(15,818)**	**242,024**

II- Statement of comprehensive income:

	2013	2012
Net earnings	**899,482**	**893,395**
Financial assets available for sale - Note 17(d-I)	(438,988)	231,327
Change in unrealized gains / (losses)	(281,651)	237,624
Fair value adjustment in the period	(492,028)	416,052
Fiscal impact	210,377	(178,428)
Realized gains transferred to income	(157,337)	(6,297)
Gain on sale of securities - Notes 7(a-III)	(274,859)	(11,025)
Fiscal impact	117,522	4,728
Comprehensive Income	**460,494**	**1,124,722**

18. RISK MANAGEMENT

Banco Safra has a set of rules and procedures to ensure compliance with legal provisions, regulatory standards, best market practices, and its internal policies, Banco Safra concentrates its operating, liquidity and market risk management frameworks on the Corporate Risk Board and its credit risk management framework on the Credit Analysis Department, thus establishing the basis for compliance with the prevailing regulations.

In the site of Banco Safra (www.safra.com.br) information concerning the management structures for credit, market and operation risk and risk management is available. The risk management report will be available at that address at the time set by the Central Bank Circular 3,477/2009.

a) Credit risk

Banco Safra is exposed to credit risk, which is the risk that arises when a counterparty causes a financial loss by failing to meet a contractual obligation. Significant changes in the economy or in the financial health of a specific segment of industry that represent a concentration in the portfolio held by Banco Safra can result in losses that differ from those provided for in the Balance Sheet date. Therefore, Banco Safra carefully controls the exposure to credit risk.

Exposures to this type of risk mainly arise from direct loan operations, indirect loan operations (with the intermediation of financial agents), debentures, financial investments, derivatives and other securities. There is also the credit risk in connection with financial agreements not recorded in the Balance Sheet, such as loan commitments or pledging of collaterals, sureties and guarantees.

The Credit Risk Management Committee concentrates the Credit Risk governance to ensure full visibility across the entire credit life cycle. In order to ensure the necessary independence of the risk function, this committee is comprised of executive officers and superintendents responsible for Corporate Risk Management, Credit Analysis, Policies, Modeling and Portfolio Management, Monitoring, Collection and Validation. Depending on the nature of the issue, the Committee may refer it to the Board of Directors.

b) Market risk

Market risk is the possibility of losses arising from fluctuations in market prices in the positions held.

Banco Safra tracks its total exposure to market risks, measured by the daily Value at Risk (VaR) at a 99% confidence level, adopting as a policy a maximum expected loss of less than 3% of its regulatory capital. To be able to comply with this regulation, the Bank sets targets for Treasury that are compatible with this risk exposure.

Banco Safra's market risk assessments also include the use of stress metrics, contemplating crises in historical periods and prospective stressed economic scenarios, in addition to the effects of stress among risk factor families. Additionally, stop loss limits are established.

The Market Risk area actively participates in the approval of new products or financial instruments that may introduce new risk factors for Treasury management. As it is responsible for mark-to-market pricing processes and result and risk calculation, the approval of the Market Risk area is required before new products are implemented.

The policies that govern market risk management - Market Risk Policy and Market Risk Limits Policy - are disclosed to Treasury, control and support areas (liquidity and market risk managers, internal audit, internal controls and compliance, liquidity and market risk validation and information technology) through the corporate intranet, in addition to the disclosure of the Market Risk management framework to the public.

c) Liquidity risk

Liquidity risk consists of the possibility that the Bank may not have sufficient financial resources to honor its commitments as a result of mismatches between payments and receipts, considering the different currencies and settlement terms of rights and obligations.

To manage liquidity risk, there are committees for the management of assets and liabilities, convened every month, with the objective of defining the liquidity strategies to be followed in a two-year horizon. Cash is monitored on a daily basis and reported to the responsible managers and officers.

Banco Safra submits to the Brazilian Central Bank the liquidity risk reports determined by CMN Resolution 4,090/2012, with specifications established by BACEN Circular 3,393/2008. These reports are prepared based on management information of the Investment Risk area to comply with the prevailing regulations.

The Investment Risk area uses statistics and projections on the behavior of payments and receipts to assess impacts on cash over time in a series of scenarios: planning or normality, run off, stress and hard stress and there is also the possibility of using an arbitrary scenario. The results from the application of these scenarios are discussed at the meetings of the Committee of Assets and Liabilities.

d) Capital management

Banco Safra's capital risk management objectives encompass a concept wider than "equity" and include the following aspects:

- Comply with the requirements established by the regulatory bodies of the bank markets where it operates;

- Safeguard its operating capacity so that it continues providing return to stockholders and benefits to other stakeholders; and

- Maintain a solid capital base to support the development of its business;

Capital adequacy and the use of regulatory capital are monitored by Banco Safra, through techniques based on guidelines established by the Basel Committee, as implemented by the Brazilian Central Bank (BACEN), for oversight purposes, The required information is submitted to the appropriate body on a monthly basis.

The bank authority requires that each bank or group of bank institutions maintains a minimum regulatory capital ratio of 11%.

Banco Safra's regulatory capital is divided into two tiers:

Tier I capital - share capital, retained earnings and reserves for the recognition of retained earnings.

Tier II capital - qualified subordinated debt and unearned income arising from the measurement at fair value of equity instruments available for sale.

Risk-weighted assets are measured by a hierarchy of five risk weightings determined according to the nature of each asset and its corresponding liability - in addition to reflecting estimated market, liquidity and credit risks and other associated risks - considering all possible guarantees. A similar treatment is adopted for the exposure that is not accounted for, with some adjustments being made to reflect the more contingent nature of potential losses.

e) Operating risk

Operating risk is the possibility of incurring losses from failure, deficiency or inadequate internal procedures, personnel and systems, or external events.

Operating risk also includes the legal risk associated with the inappropriateness or deficiency in agreements entered into by Banco Safra and its subsidiaries, as well as sanctions arising from non-compliance with legal provisions and damages to third parties arising from the activities performed by Banco Safra and its subsidiaries. The legal risk is assessed on a continuous basis by Banco Safra´s legal areas and specific Committees with that scope.

This definition excludes the risk of reputation or image as well as other risks, such as strategic or business risks.

The Operating Risk Area is an independent control unit, segregated from the internal audit. The Operating Risk Area is responsible for meeting the requirements arising from BACEN Resolution 3,380/2006 on the need for identification, evaluation, monitoring, control and mitigation of operating risk, as well as for the preparation and maintenance of the Operating Risk Policy. It is also responsible for Internal Control and Compliance activities.

f) Sensitivity analysis (Trading and Banking portfolios)

In accordance with the classification criteria for operations foreseen within CMN Resolution 3,464/2007 and BACEN Circular 3,354/2007 and the New Capital Agreement of BASEL II, financial instruments are divided into Trading portfolio (Trading) and Structural portfolio (Banking).

The Trading portfolio consists of all instruments, including derivatives, held for the purposes of trading or for hedging of other instruments used for this strategy. They are held for resale, obtainment of the price movement benefits, effective, expected or as the result of arbitrage. This portfolio has rigid limits defined by the risk controllers and are monitored on a daily basis.

The Banking portfolio covers all operations that do not fall into the Trading portfolio, and are typically, structural operations for the institutions business lines and the respective hedges that may or may not be made through the use of derivatives. As a result, the derivatives in this portfolio are not used for speculative purposes.

The sensitivity analysis below is a simulation and does take into consideration management's ability to react were such circumstances to occur, which would certainly mitigate the losses that would be incurred. In addition to this, the impacts presented below do not represent accounting losses as the methodology used is not based on Safra's accounting practices.

9/30/2013				
Trading portfolio				
Risk factors	Risk of variation in:	Scenarios		
		1	2	3
Equity	Share price variation	(880)	(21,989)	(43,978)
Commodities	Operations subject to price variation	(139)	(3,482)	(6,964)
Coupon and	Foreign currency coupon rate and exchange rate variation	(928)	(28,238)	(56,077)
Fixed income	Variation in interest rates denominated in Real	(43)	(11,442)	(21,727)
Options	Foreign currency coupon rate and exchange rate variation	(167)	(4,173)	(8,346)
	Total without correlation	**(2,157)**	**(69,324)**	**(137,092)**
	Total with correlation	**(60)**	**(3,834)**	**(6,908)**

Trading and Banking Portfolio				
Risk factors	Risk of variation in:	Scenarios		
		1	2	3
Equity	Share price variation	(880)	(21,989)	(43,978)
Commodities	Operations subject to price variation	(139)	(3,482)	(6,964)
Coupon and	Foreign currency coupon rate and exchange rate variation	(1,747)	(88,621)	(174,280)
Fixed income	Variation in interest rates denominated in Real	(146)	(1,044)	(723)
Options	Foreign currency coupon rate and exchange rate variation	(167)	(4,173)	(8,346)
	Total without correlation	**(3,079)**	**(119,309)**	**(234,291)**
	Total with correlation	**(908)**	**(70,264)**	**(138,931)**

The sensitivity analysis was carried out using the following scenarios:

- **Scenario 1:** Application of movements of one basis point in the interest rates, and 1% in price variations based on market information (BM&FBovespa, Anbima etc,). Example: the Real/Dollar rate used was R$ 2.2425 and the 1 year pre-fixed rate was 10.09 % per year.

- **Scenario 2:** Application of a movement of 25% in the respective curves or prices, based on the market. Example: the Real/Dollar rate used was R$ 2.7754 and the 1 year pre-fixed rate was 12.60 % per year.

- **Scenario 3:** Application of a movement of 50% in the respective curves or prices, based on the market. Example: the Real/Dollar rate used was R$ 3.3305 and the 1 year pre-fixed rate was 15.12 % per year.

g) Fair value of financial assets and liabilities

I. Methodology of calculating market value:

The fair value of financial instruments are determined based on the price that would be received to sell an asset or paid to transfer a liability in a transaction conducted between independent participants at the measurement date, without bias. There are different levels of data that must be used to measure the fair value of financial instruments: the observable data that reflect quoted prices for identical assets or liabilities in active markets (Level 1), the data that are directly or indirectly observable as assets or similar liabilities (level 2), identical assets or liabilities in illiquid markets and unobservable market data that reflect the very premises of the Safra when pricing an asset or liability (Level 3), This maximizes the use of observable inputs and minimizes the use of unobservable inputs to determine fair value.

To arrive at an estimate of fair value of a financial instrument measured based on unobservable market, Safra first determines the appropriate model to be adopted and the lack of monitoring of significant data, evaluates all data based on relevant experience in lead data evaluation, including but not limited to, yield curves, interest rates, volatilities, prices on equity or debt, exchange rates and credit curves, Also, with respect to products that are not exchange traded, the decision of Safra should be considered to assess the appropriate level of valuation adjustments to reflect counterparty credit quality, the actual amount of credit, liquidity constraints and parameters unobservable when relevant. Although it is believed that the valuation methods are appropriate and consistent with those prevailing in the market, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date and / or settlement.

II. Rating level of financial assets and liabilities at fair value:

	9/30/2013 (1)		
	Level 1	Level 2	Total
Trading securities	**30,126,310**	**111,254**	**30,237,564**
National Treasury	26,406,740	-	26,406,740
Private securities	404,462	8,915	413,377
Securities issued abroad	116,301	-	116,301
Related technical reserves for insurance and pension - Note 11(b)	3,198,807	102,339	3,301,146
National Treasury	3,091,152	-	3,091,152
Private securities	(107,655)	102,339	209,994
Available-for-sale securities	**3,264,338**	**1,010,573**	**4,274,914**
National Treasury	2,490,319	-	2,490,319
Related technical reserves for insurance and pension - National Treasury Bill - Note 11(b)	110,067	-	110,067
Private securities	297,326	973,587	1,270,913
Securities issued abroad	366,626	36,986	403,612
Derivative financial instruments - Assets	**14,880**	**314,128**	**329,008**
Non-deliverable forwards - NDF	-	23,121	23,121
Option premiums	-	2,720	2,720
Term	14,135	-	14,135
Swaps - amounts receivable	-	260,568	260,568
Credit default swaps (CDS)	-	27,719	27,719
Futures	745	-	745
Derivative financial instruments - liabilities	**(35,314)**	**(4,870,788)**	**(4,906,102)**
Non-deliverable forwards - NDF	-	(9,544)	(9,544)
Option premiums	-	(3,945,856)	(3,945,856)
Term	(12,473)	-	(12,473)
Swaps - amounts payable	-	(897,866)	(897,866)
Credit default swaps (CDS)	-	(17,522)	(17,522)
Futures	(22,841)	-	(22,841)
Obligations related to unrestricted repurchase agreements - Note 10(b)	**(22,173,549)**	**-**	**(22,173,549)**
Strategy - Fair value hedge - Note 7(d)	**406,791**	**13,312,785**	**13,719,576**
Fixed rate portfolio	-	15,329,420	15,329,420
Marketable securities - Available for sale	406,791	716,122	1,122,913
Treasury bills	406,791	-	406,791
Eurobond	-	716,122	716,122
Foreign Currency Assets	-	252,745	252,745
Liabilities for marketable securities abroad			
Fixed rate funding, 8/8/2012 - R$ 800,000	-	(786,878)	(786,878)
Fixed funding, 5/16/2012 - US$ 300,000	-	(672,117)	(672,117)
Fixed rate funding, R$ 300,000	-	(296,059)	(296,059)
Subordinated debt - fixed rate funding, 1/27/2012 - US$ 500,000	-	(1,230,448)	(1,230,448)

(1) There were no transactions classified in Level 3.

h) Foreign exchange exposure

The values of exposure to gold and foreign currency assets and liabilities subject to foreign Exchange fluctuation, including derivative financial instruments and permanent investments abroad, presented to the legal authorities are:

	9/30/2013	9/30/2012
Net exposure - domestic	**48,750**	**144,207**
Bought	9,961,990	9,217,829
Sold	(9,913,240)	(9,073,622)
Net exposure - foreign	**3,587**	**(89,358)**
Bought	9,764,512	8,595,115
Sold	(9,760,925	(8,684,473)
Net exposure - Total	**52,337**	**54,849**

19. RELATED-PARTY TRANSACTIONS

a) Management remuneration:

Corporate documents from 2013 established the maximum Director's and Board members remuneration at R$ 103,300 (R$ 136,000 in 2012), Remuneration received by management came to R$ 55,631 (R$ 56,330 in 2012).

The Group does not possess any long-term benefits, contract termination benefits, or share-based payment arrangements for any key management personnel.

b) Ownership interest:

Stockholders	Amounts	Percentage
Joseph Yacoub Safra	1,513,299,603	100,00
Minority	5	-
Total	**1,513,299,608**	**100,00**

c) Related-party transactions

Transactions between related parties are disclosed in accordance with CMN Resolution 3750/2009, These are arm's length transactions, in the sense that their value, period of execution, and rates involved are the market average at the time of the transaction.

Transactions between consolidated companies were eliminated for the purposes of the consolidated financial statements and continue to be considered void of risk.

	Assets / (Liabilities)		Revenues (expenses)	
	9/30/2013	9/30/2012	2013	2012
Cash	**175,205**	**100,940**	**34**	**34**
Banque J,Safra Sarasin (Luxembourg) S.A.	68,295	32,468	34	34
Safra National Bank of New York	1,271	12,022	-	-
Safra Securities	105,639	56,450	-	-
Foreign currency investments	**1,326,739**	**684,075**	**1,284**	**1,774**
Banque J,Safra Sarasin (Luxembourg) S.A.	**-**	324,900	45	198
Safra National Bank of New York	1,326,739	359,175	1,239	1,576
Marketable securities - Bank certificate of deposit Banque J.Safra Sarasin (Luxembourg) S.A.	**-**	**480,297**	**-**	**1,958**
Demand deposits	**(4,709)**	**(1,886)**	**-**	**-**
Interbank deposits	**(1,295,568)**	**(1,263,545)**	**(16,903)**	**(22,348)**
Safra Internacional Bank and Trust Ltd.	(506,864)	-	(1,014)	-
Banque J.Safra Sarasin (Luxembourg) S.A.	(228,945)	(506,469)	(3,696)	(10,445)
Safra National Bank of New York	(307,281)	(458,323)	(4,991)	(6,470)
Others	(252,478)	(298,753)	(7,202)	(5,433)
Liabilities for marketable securities abroad - Banque J.Safra Sarasin (Luxembourg) S.A.	**(45,025)**	**(63,937)**	**(3,115)**	**-**
Funds from acceptance and issue of securities – Debentures	**(54,462)**	**(90,784)**	**(3,115)**	**(6,067)**
Escola Beit Yaacov	(44,378)	(60,754)	(2,416)	(3,936)
Emerald Gestão de Investimentos Ltda.	(6,118)	(9,987)	(371)	(468)
Irati Imóveis e Representações Ltda.	(853)	(2,421)	(71)	(318)
Others	(3,113)	(17,622)	(257)	(1,345)
Negotiation and intermediation of securities	**(667)**	**-**	**-**	**-**
Derivative financial instruments - Assets/(Liabilities) - Banque J.Safra Sarasin (Luxembourg) S.A.	**-**	**(5,419)**	**-**	**19,875**
Insurance commissions - Canárias Corretora de Seguros	**(10,105)**	**(8,165)**	**(24,683)**	**(23,385)**
Rental expenses	**-**	**-**	**(52,272)**	**(33,166)**
J. Safra Participações Ltda.	-	-	(14,156)	(16,995)
Exton Participações Ltda.	-	-	(26,426)	(8,364)
Acauã Construtora Ltda.	-	-	(3,044)	(2,154)
Others	-	-	(8,646)	(5,653)
Funds managed - Note 10 (f)				
Financial investments	(6,592,415)	(4,349,908)	-	-
Revenue from management fees and fund management - JS Asset Management SA	-	-	22,539	23,399

20. OTHER INFORMATION

a) Insurance policy

Despite Banco Safra and its subsidiaries having a reduced risk from the non-concentration of assets in one place, the Bank nonetheless has the policy of insuring these assets to a level necessary to cover any eventual claims.

b) Audit committee

The Audit Committee is made up of three members nominated by the Board, Two of these are directors of the Bank, with the other being independent, The Committee's aim is to monitor and accompany: the effectiveness of internal controls, the quality and integrity of the financial statements, and the work of the internal and independent auditors.

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(A free translation of the original in Portuguese)

Report on review of consolidated quarterly interim financial statements

To the Directors and Stockholders
Banco Safra S.A.

Introduction

We have reviewed the accompanying consolidated interim financial statements of Banco Safra S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at September 30, 2013 and the related consolidated statements of income, changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these interim financial statements in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements referred to above do not present fairly, in all material respects, the financial position of Banco Safra S.A. and its subsidiaries as at September 30, 2013, and their financial performance and cash flows for the nine-month period then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

Other matters

Consolidated interim statement of value added

We have also reviewed the consolidated interim statement of value added for the nine-month period ended September 30, 2013. This statement is the responsibility of the bank's management and is presented as supplementary information. This statement was subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that it has not been prepared, in all material respects, in a manner consistent with the interim accounting information taken as a whole.

São Paulo, October 29, 2013

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Luiz Antonio Fossa
Contador CRC 1SP196161/O-8