

AEGON NV
Form 6-K
November 20, 2009
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Securities and Exchange Commission

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

**Pursuant to Rule 13a-16 or 15d/16 of
the Securities Exchange Act of 1934**

November 2009

AEGON N.V.

AEGONplein 50

2591 TV THE HAGUE

The Netherlands

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AEGON's unaudited condensed consolidated interim financial statements for the nine month period ended September 30, 2009 are included as appendix and incorporated herein by reference.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 20, 2009

AEGON N.V.
(Registrant)

By /s/ E. Legendijk
E. Legendijk
Executive Vice President and
General Counsel

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Table of Contents**CONDENSED CONSOLIDATED BALANCE SHEET**

<i>EUR millions</i>	Notes	Sept. 30, 2009	Dec. 31, 2008
ASSETS			
Intangible assets	6	4,575	5,425
Investments	4	132,617	130,481
Investments for account of policyholders	5	119,647	105,400
Derivatives		3,341	8,057
Investments in associates		716	595
Reinsurance assets		4,844	5,013
Defined benefit assets		371	448
Deferred tax assets		442	1,447
Deferred expenses and rebates	7	11,155	12,794
Other assets and receivables		6,397	7,376
Cash and cash equivalents		7,578	10,223
Total assets		291,683	287,259
EQUITY AND LIABILITIES			
Shareholders' equity		11,649	6,055
Convertible core capital securities		3,000	3,000
Other equity instruments		4,708	4,699
Minority interest		6	6
Group equity		19,363	13,760
Trust pass-through securities		133	161
Subordinated borrowings		8	41
Insurance contracts		92,403	97,377
Insurance contracts for account of policyholders		67,468	60,808
Investment contracts		29,109	36,231
Investment contracts for account of policyholders		53,817	45,614
Derivatives		3,880	6,089
Borrowings	9	7,144	5,339
Provisions		493	495
Defined benefit liabilities		2,082	2,080
Deferred revenue liability		61	42
Deferred tax liabilities		660	424
Other liabilities		14,718	18,237
Accruals		344	561
Total liabilities		272,320	273,499
Total equity and liabilities		291,683	287,259

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Table of Contents**CONDENSED CONSOLIDATED INCOME STATEMENT**

<i>EUR millions (except per share data)</i>	Notes	Q3 2009	Q3 2008	Ytd 2009	Ytd 2008
Premium income	10	4,396	5,274	14,936	17,181
Investment income	11	2,228	2,463	6,669	7,321
Fee and commission income		399	408	1,179	1,266
Other revenues		2	1	3	4
Total revenues		7,025	8,146	22,787	25,772
Income from reinsurance ceded		426	401	1,341	1,150
Results from financial transactions	12	11,860	(9,358)	11,628	(20,566)
Other income		(4)	5	(2)	5
Total income		19,307	(806)	35,754	6,361
Benefits and expenses		18,956	(1,074)	34,753	5,212
Impairment charges / (reversals)	13	310	444	1,153	579
Interest charges and related fees		93	164	319	370
Other charges	14	(2)	2	384	2
Total charges		19,357	(464)	36,609	6,163
Share in result of associates		6	(1)	18	19
Income / (loss) before tax		(44)	(343)	(837)	217
Income tax		189	14	648	(117)
Net income / (loss)		145	(329)	(189)	100
Net income / (loss) attributable to:					
Equity holders of AEGON N.V.		145	(329)	(189)	100
Earnings and dividend per share (EUR per share)					
Earnings per share ^{1,3}		0.06	(0.25)	(0.29)	(0.10)
Earnings per share after potential attribution to convertible core capital securities ^{1,3}	0.02				
Diluted earnings per share ^{1,2}		0.06	(0.25)	(0.29)	(0.10)
Dividend per common share					0.30
Net income per common share calculation					
Net income		145	(329)	(189)	100
Preferred dividend				(122)	(112)
Coupons on perpetuals		(44)	(49)	(137)	(140)
Earnings attributable to common shareholders		101	(378)	(448)	(152)
Potential coupon on convertible core capital securities		(64)			
Earnings after potential attribution to convertible core capital securities		37	(378)	(448)	(152)
Weighted average number of common shares outstanding		1,605	1,504	1,546	1,504

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Notes:

- ¹ After deduction of preferred dividend and coupons on perpetuals.
- ² The potential conversion of the convertible core capital securities is not taken into account in the calculation of diluted earnings per share as this would have an anti-dilutive effect (i.e. diluted earnings per share would be higher than the earnings after potential attribution to convertible core capital securities).
- ³ Figures for Q3 2008, Ytd 2009 and Ytd 2008 reflect Basic earnings per share. For Q3 2009, Basic earnings per share reflect the earnings after potential attribution to convertible core capital securities.

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Table of Contents**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<i>EUR millions</i>	Notes	Q3 2009	Q3 2008	Ytd 2009	Ytd 2008
Net income / (loss)		145	(329)	(189)	100
<i>Other comprehensive income:</i>					
Gross movement in foreign currency translation reserve		(453)	1,126	(422)	156
Gross movement in revaluation reserves		4,768	(3,384)	7,713	(6,945)
Tax relating to components of other comprehensive income		(1,428)	836	(2,266)	1,976
Other		31	(7)	29	(7)
Other comprehensive income for the period		2,918	(1,429)	5,054	(4,820)
Total comprehensive income		3,063	(1,758)	4,865	(4,720)
Total comprehensive income attributable to:					
Equity holders of AEGON N.V.		3,063	(1,760)	4,865	(4,722)
Minority interest			2		2

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Table of Contents**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<i>EUR millions</i>	Total Share capital	Retained earnings	Revaluation and hedging reserves	Other reserves	Convertible core capital securities	Other equity instruments	Issued capital and reserves ¹	Minority interest	Total
Nine months ended September 30, 2009									
At beginning of year	7,347	8,093	(7,167)	(2,218)	3,000	4,699	13,754	6	13,760
Revaluations			7,063				7,063		7,063
Disposal of group assets			59				59		59
Gains/(losses) transferred to income statement on disposal and impairment			605				605		605
Equity movements of associates				29			29		29
Foreign currency translation differences			(20)				(20)		(20)
Movement in foreign currency translation reserve and net foreign investment hedging reserves				(363)			(363)		(363)
Aggregate tax effect of items recognized directly in equity			(2,325)				(2,325)		(2,325)
Other			6				6		6
Net income / (loss) recognized directly in equity			5,388	(334)			5,054		5,054
Net income / (loss) recognized in the income statement		(189)					(189)		(189)
Total comprehensive income / (loss) for the first Nine months ended September 30, 2009		(189)	5,388	(334)			4,865		4,865
Shares issued	829	(14)					815		815
Treasury shares		171					171		171
Preferred dividend		(122)					(122)		(122)
Coupons on perpetuals (net of tax)		(137)					(137)		(137)
Expenses convertible core capital securities (net of tax)		(1)					(1)		(1)
Share options						9	9		9
Other		3					3		3
At end of period	8,176	7,804	(1,779)	(2,552)	3,000	4,708	19,357	6	19,363

¹ Issued capital and reserves attributable to equity holders of AEGON N.V.

Nine months ended September 30, 2008

At beginning of year	7,359	10,349	(516)	(2,041)	4,795	19,946	16	19,962
Revaluations			(7,327)			(7,327)		(7,327)
Gains/(losses) transferred to income statement on disposal and impairment			640			640		640
Equity movements of associates				(41)		(41)		(41)
Foreign currency translation differences			(206)			(206)		(206)
Movement in foreign currency translation reserve and net foreign investment hedging reserves				129		129		129
Aggregate tax effect of items recognized directly in equity			2,003			2,003		2,003
Other		32	(52)			(20)	2	(18)
Net income / (loss) recognized directly in equity		32	(4,942)	88		(4,822)	2	(4,820)
Net income / (loss) recognized in the income statement		100				100		100
Total comprehensive income / (loss) for the first Nine months ended September 30, 2008		132	(4,942)	88		(4,722)	2	(4,720)
Treasury shares		(217)				(217)		(217)
Other equity instruments redeemed					(114)	(114)		(114)
Dividends paid on common shares		(548)				(548)		(548)
Preferred dividend		(112)				(112)		(112)
Coupons on perpetuals (net of tax)		(140)				(140)		(140)
Share options					12	12		12
At end of period	7,359	9,464	(5,458)	(1,953)	4,693	14,105	18	14,123

¹ Issued capital and reserves attributable to equity holders of AEGON N.V.

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Table of Contents**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

<i>EUR millions</i>	Notes	Ytd 2009	Ytd 2008
Cash flow from operating activities		(4,785)	1,774
Purchases and disposals of intangible assets		(4)	(6)
Purchases and disposals of equipment and other assets		(134)	90
Purchases, disposals and dividends of subsidiaries and associates		(53)	(164)
Cash flow from investing activities		(191)	(80)
Issuance and purchase of share capital		1,000	(217)
Dividends paid		(122)	(660)
Issuances, repayments and coupons of convertible capital securities		(121)	
Issuances, repayments and coupons of perpetuals		(184)	(301)
Issuances, repayments and finance interest on borrowings		2,126	720
Cash flow from financing activities		2,699	(458)
Net increase/(decrease) in cash and cash equivalents		(2,277)	1,236
Net cash and cash equivalents at January 1		9,506	7,385
Effects of changes in exchange rate		46	(16)
Net cash and cash equivalents at end of period		7,275	8,605

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Notes to the condensed consolidated interim financial statements

Amounts in EUR millions, unless otherwise stated

1. Basis of presentation

The condensed consolidated interim financial statements as at and for the 9 month period ended September 30, 2009, have been prepared in accordance with IAS 34 Interim financial reporting as adopted by the European Union (EU) and with IFRS as issued by the International Accounting Standards Board (IASB). It does not include all of the information required for a full set of financial statements prepared in accordance with IFRS and should therefore be read together with the 2008 consolidated financial statements of AEGON N.V. as included in AEGON's Annual Report for 2008.

The condensed consolidated interim financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of investment properties and those financial instruments (including derivatives) and financial liabilities that have been measured at fair value.

The published figures in these condensed consolidated interim financial statements are unaudited.

2. Significant accounting policies

Except for the changes highlighted below, all accounting policies and methods of computation applied in the condensed consolidated interim financial statements are the same as those applied in the 2008 consolidated financial statements, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and as adopted by the European Union.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2009:

IFRS 8 Operating segments. This standard requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary (geographical) and secondary (business) reporting segments of the Group.

Under IFRS 8, AEGON's operating segments are based on the businesses as presented in internal reports that are regularly reviewed by the executive board which is regarded as the chief executive decision maker. The operating segments are:

AEGON Americas. Main business lines include life and protection, individual savings and retirement, pensions and asset management, institutional products and life reinsurance.

AEGON The Netherlands. Main business lines include life and protection, individual savings and retirement, pensions and asset management, distribution and general insurance.

AEGON United Kingdom. Main business lines include life and protection, pensions and asset management and distribution.

Other countries. Other countries include the country units Central and Eastern Europe, other European countries, European variable annuities and Asia. Main business lines include life and protection, pensions and asset management and general insurance.

Holding and other activities. Includes finance, employee and other administrative expenses of the group staff functions.

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This report includes a non-IFRS financial measure: Underlying earnings before tax. AEGON believes this non-IFRS measure, together with the IFRS measure (Net income), provides a meaningful measure for the investing public to evaluate AEGON's business relative to the businesses of our peers. In addition, underlying earnings is a key performance indicator on which the executive board manages AEGON's performance. The reconciliation of this measure to the most comparable IFRS measure is shown in note 3 - *Segment information*.

The adoption of IFRS 8 had no impact on equity or net income. In accordance with the transitional requirements of the standard, AEGON has provided full comparative information.

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Underlying earnings

Certain assets held by AEGON Americas, AEGON The Netherlands and AEGON UK are carried at fair value and managed on a total return basis, with no offsetting changes in the valuation of related liabilities. These includes assets such as hedge funds, private equities, real estate limited partnerships, convertible bonds and structured products. Underlying earnings exclude any over- or underperformance compared to management's long-term expected return on assets. Based on current holdings and asset returns, the long-term expected return on an annual basis is 8-10%, depending on asset class, including cash income and market value changes. The expected earnings from these asset classes are net of DPAC where applicable.

In addition, certain products offered by AEGON Americas contain guarantees and are reported on a fair value basis, including the segregated funds offered by AEGON Canada and the total return annuities and guarantees on variable annuities of AEGON USA. The earnings on these products are impacted by movements in equity markets and risk free interest rates. Short-term developments in the financial markets may therefore cause volatility in earnings. Included in underlying earnings is a long-term expected return on these products and any over- or underperformance compared to management's expected return is excluded from underlying earnings. The fair value movements of certain guarantees and the fair value change of derivatives that hedge certain risks on these guarantees of AEGON The Netherlands and Variable Annuities Europe (included in Other countries) are excluded from underlying earnings, because the long-term expected return for these guarantees is set at zero.

The Holding includes certain issued bonds that are held at fair value through profit or loss. The interest rate risk on these bonds is hedged using swaps. The fair value movement resulting from changes in AEGON's credit spread are excluded from underlying earnings.

IAS 1 (revised) Presentation of financial statements

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line.

In addition, the standard introduces the statement of comprehensive income: it presents all items of recognized income and expenses, either in one single statement, or in two linked statements. AEGON has elected to present two statements. The adoption of this standard had no impact on equity or net income. In accordance with the transitional requirements of the standard, AEGON has provided full comparative information.

IFRS 2 Share-based Payment Vesting Conditions and Cancellations

The Standard has been amended to clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. The adoption of this amendment had no impact on the financial position or performance of the Group.

Amendment to **IFRS 7 Financial Instruments: Disclosures**. The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures about financial instruments and requires some specific quantitative disclosures for those instruments classified in the lowest level in the hierarchy. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. It also requires a maturity analysis for financial assets where the information is needed to understand the nature and context of liquidity risk. The Group will make additional relevant disclosures in its consolidated financial statements for the year ending December 31, 2009.

IAS 23 Borrowing Costs (revised)

The standard has been revised to require capitalization of borrowing costs on qualifying assets. This amendment is not relevant to the Group as the Group already has a policy to capitalize borrowing costs.

In addition, the following new standards, amendments to existing standards and interpretations are mandatory for the first time for the financial year beginning January 1, 2009 but are not currently relevant for the Group:

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IFRIC 16 Hedges of a net investment in a foreign operation ;

Amendments to IAS 39 Eligible hedged items ;

Improvements to IFRS (2008).

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Critical accounting estimates

Certain amounts recorded in the condensed consolidated interim financial statements reflect estimates and assumptions made by management. Actual results may differ from the estimates made. Interim results are not necessarily indicative for full year results.

Exchange rates

The following exchange rates are applied for the condensed conM: 0in; PADDING-LEFT: 3.5pt; PADDING-RIGHT: 3.5pt; PADDING-TOP: 0in" vAlign=bottom width="11%" noWrap>

Financial results

	24
Financial expenses	(577,028)
	(230,913)
Financial income	16,883
	123,112
	(560,145)
	(107,801)

Profit before income tax and

social contribution

569,133

339,764

Current and deferred income tax and social contribution

16

(172,790)

(106,866)

Profit for the period

396,343

232,898

Attributable to:

Company's shareholders

405,306

216,007

Non-controlling interest in Braskem Idesa

(8,963)

16,891

Profit for the period

396,343

The Management notes are an integral part of the financial statements

Braskem S.A.**Statement of operations and statement of comprehensive income**

at March 31, 2014

All amounts in thousands of reais, except earnings (loss) per share

Continued

	Note	Mar/2014	Mar/2013 Revised
Profit for the period	2.1.1(b)	396,343	232,898
Other comprehensive income or loss:			
Items that will be subsequently reclassified to profit and loss:			
Fair value of cash flow hedge		24,690	
Income tax and social contribution		(8,395)	
Fair value of cash flow hedge Braskem Idesa		(20,056)	
		(3,761)	
Exchange variation of foreign sales hedge	14.1.1(b.iii)	537,876	
Income tax and social contribution		(182,878)	
		354,998	
Foreign currency translation adjustment		(49,669)	(3,177)
		301,568	(3,177)
Total comprehensive income for the period		697,911	229,721
Attributable to:			
Company's shareholders		715,423	209,186
Non-controlling interest in Braskem Idesa		(17,512)	20,535
Total comprehensive income for the period		697,911	229,721
	Note	Mar/2014	Mar/2013
	2.1.1(b)	Basic and Diluted	Basic and Diluted
		Revised	

**Profit per share attributable to the shareholders of the
Company
of continued operations at the end of the period (R\$)**

	21		
Earnings per share - common		0.4351	0.0160
Earnings per share - preferred shares class "A"		0.6062	0.6062
Earnings per share - preferred shares class "B"		0.6062	0.6062

The Management notes are an integral part of the financial statements

Braskem S.A.**Statement of changes in shareholder's equity**

All amounts in thousands of reais

	Note	Revenue reserves					Attributed to shareholders		Accu	
		Capital	reserve	Legal reserve	Returns Earnings	Additional dividends proposed	comprehensive	Other		Treasury shares
At December 31, 2012		8,043,222	797,979				337,411	(48,892)	(
Comprehensive income for the period:										
Profit for the period										
Foreign currency translation adjustment							(6,821)			
							(6,821)			
Equity valuation adjustments:										
Realization of additional property, plant and equipment price-level restatement, net of taxes								(6,809)		
Realization of deemed cost of jointly-controlled investment, net of taxes								(242)		
								(7,051)		
Contributions and distributions to shareholders:										
Loss on interest in subsidiary								(1,980)		

						(1,980)	
At March 31, 2013							
(Revised)	2.1.1(b)	8,043,222	797,979			321,559	(48,892)
At December 31, 2013		8,043,222	232,430	26,895	28,412	354,842	(1,092,691)
Comprehensive income for the period:							
Profit (loss) for the period							
Exchange variation of foreign sales hedge, net of taxes						354,998	
Fair value of cash flow hedge, net of taxes						1,253	
Foreign currency translation adjustment						(46,134)	
						310,117	
Equity valuation adjustments:							
Realization of additional property, plant and equipment price-level restatement, net of taxes						(6,810)	
Realization of deemed cost of jointly-controlled investment, net of taxes						(241)	
						(7,051)	
At March 31, 2014		8,043,222	232,430	26,895	28,412	354,842	(789,625)
							(48,892)

The Management notes are an integral part of the financial statements

Braskem S.A.**Statement of cash flow****at March 31, 2014****All amounts in thousands of reais**

	Note 2.1.1(b)	Mar/2014	Mar/2013 Revised
Profit before income tax and social contribution		569,133	339,764
Adjustments for reconciliation of profit			
Depreciation, amortization and depletion		505,535	485,354
Results from equity investments	9(c)	6	4,722
Interest and monetary and exchange variations, net		305,541	25,847
Cost amount of the investment sold in the divestment date	23	37,662	
Provision for losses and asset write-downs of long-term		3,691	1,546
		1,421,568	857,233
Changes in operating working capital			
Held-for-trading financial investments		(4,744)	(58,272)
Trade accounts receivable		23,282	(142,621)
Inventories		(498,471)	(531,330)
Taxes recoverable		(44,633)	(151,787)
Prepaid expenses		16,702	37,157
Other receivables (includes sale amount of subsidiary - note 23)		(332,375)	(47,919)
Trade payables		(266,760)	(204,197)
Taxes payable		(50,545)	(53,207)
Long-term incentives		124	162
Advances from customers		(12,086)	223,124
Sundry provisions		(14,551)	(15,029)
Other payables		184,533	256,974
Cash from operations		422,044	170,288
Interest paid		(193,520)	(200,543)
Income tax and social contribution paid		(22,362)	(8,440)
Net cash generated (used in) by operating activities		206,162	(38,695)

Proceeds from the sale of fixed assets	363	608
Proceeds from the sale of investments		163,000
Beginning cash of Quantiq and IQAG		9,985
Acquisitions of investments in subsidiaries and associates		(31)
Acquisitions to property, plant and equipment	(1,156,787)	(1,101,111)
Acquisitions of intangible assets	(8,870)	(524)
Held-for-maturity and available for sale financial investments	7,265	15,086
Net cash used in investing activities	(1,158,029)	(912,987)
Short-term and long-term debt		
Obtained borrowings	1,656,951	2,958,599
Payment of borrowings	(1,841,649)	(2,285,518)
Dividends paid	(2)	(21)
Non-controlling interests in Braskem Idesa		(2,660)
Net cash provided (used in) by financing activities	(184,700)	670,400
Exchange variation on cash of foreign subsidiaries	14,773	6,383
Decrease in cash and cash equivalents	(1,121,794)	(274,899)
Represented by		
Cash and cash equivalents at the beginning for the period	4,335,859	3,287,622
Cash and cash equivalents at the end for the period	3,214,065	3,012,723
Decrease in cash and cash equivalents	(1,121,794)	(274,899)

The Management notes are an integral part of the financial statements

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

1. Operations

Braskem S.A. is a public corporation headquartered in Camaçari, Bahia (“BA”), which jointly with its subsidiaries (hereinafter “Braskem” or “Company”), operates 36 industrial units, 29 in Brazil, 5 in the United States and 2 in Germany.

The Company is controlled by Odebrecht S.A. (“Odebrecht”), which directly and indirectly holds interests of 50.11% and 38.32% in its voting and total capital, respectively.

(a) Significant corporate and operating events impacting these financial statements

(i) The Extraordinary Shareholders Meeting (“ESM”) held on May 15, 2013 approved the increase in the capital stock of the subsidiary Braskem Idesa S.A.P.I (“Braskem Idesa”), without the issue of new shares, in the amount of R\$141,620 (MXN\$850,061 thousand), through capital injection of R\$106,214 (MXN\$637,546 thousand) by the Braskem and R\$35,406 (MXN\$212,515 thousand) by the non-controlling shareholder.

(ii) On July 1, 2013, Braskem acquired 2 thousand common shares of Odebrecht Comercializadora de Energia S.A. (“OCE”), equivalent to 20% of the capital of that company, whose main corporate purpose is to buy and sell electricity in the spot market. Due to the provisions in the shareholders' agreement, OCE was classified as a joint subsidiary.

(iii) On August 30, 2013, the ESM approved the merger of Rio Polímeros S.A. (“Riopol”) with Braskem Qpar S.A. (“Braskem Qpar”) and the increase in its capital from R\$4,252,353 to R\$7,131,165, through the issue of 293,604,915 common shares.

(iv) On September 19, 2013, the Braskem S.A. and Braskem Austria acquired the shares issued by Braskem Mexico and held by Braskem Participações and Braskem Importação e Exportação Ltda. (“Braskem Importação”) for R\$1,803 and R\$1, respectively.

(v) On November 1, 2013, approval was given to increase the capital of the subsidiary Distribuidora de Águas Triunfo S.A. (“DAT”) through the transfer of assets of the Water Treatment Unit (“WTU”) at the Basic Petrochemicals Unit in the Triunfo Petrochemical Complex in Rio Grande do Sul, amounting to R\$37,561. On December 27, 2013, approval was given to another capital increase of DAT of R\$151 through a new transfer of assets, after which the capital increased to R\$37,717.

(vi) On November 21, 2013, Braskem Mexico constituted Braskem Mexico Servicios S. de R. L. de C.V. (“Braskem Mexico Serviços”), whose capital amounts to MXN\$3 thousand. The purpose of this subsidiary is to provide services to Braskem Idesa.

(vii) On November 27, 2013, Common Industries Ltd. (“Common”) repurchased and canceled 49,995 of its shares held by Braskem Qpar for US\$2,591 thousand. On the same date, Braskem Incorporated Limited (“Braskem Inc”) acquired 5 common shares of Common, also held by Braskem Qpar, for US\$259 and Braskem Inc. became the sole shareholder.

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

(viii) On December 17, 2013, the Braskem S.A. entered into a share sales agreement (“Agreement”) with Solvay Argentina S.A. (“Solvay Argentina”), through which it committed to acquire, upon the fulfillment of certain conditions provided for in the Agreement (“Acquisition”), shares representing 70.59% of the total and voting capital of Solvay Indupa S.A.I.C. (“Solvay Indupa”).

Solvay Indupa, which produces PVC and caustic soda, has two integrated production sites located in: (i) Santo André, (SP), with the capacity to produce 300 kton of PVC* and 170 kton of caustic soda*; and (ii) Bahía Blanca in the Province of Buenos Aires, Argentina, with the capacity to produce 240 kton of PVC* and 180 kton of caustic soda*.

The Agreement provides for the acquisition by Braskem of 292,453,490 shares representing 70.59% of the total and voting capital of Solvay Indupa that are held by Solvay Argentina, at the price of US\$ 0.085, to be paid upon the settlement of the acquisition. The acquisition price is based on the Enterprise Value of US\$290 million.

Meanwhile, Solvay Indupa holds, as of December 31, 2013, (i) 158,534,671 shares in Solvay Indupa do Brasil S.A. (“Indupa Brasil”) representing 99.99% of the total and voting capital of Indupa Brasil; and (ii) 1,010,638 shares in Solalban Energía S.A. (“Solalban”) representing 58.00% of the total and voting capital of Solalban. As a result of the Acquisition, Braskem will become an indirect shareholder of Indupa Brasil and of Solalban.

As a result of the Acquisition, Braskem carried out a public tender offer on December 18, 2013 for shares representing 29.41% of the capital of Solvay Indupa traded on the Buenos Aires Stock Exchange - BCBA, pursuant to governing legislation, and also plans to cancel the registration of Solvay Indupa at the Securities and Exchange Commission of Brazil (“CVM”).

The conclusion and effective implementation of the acquisition is subject to, among other operational conditions, approval by Brazil’s antitrust agency CADE (Administrative Council for Economic Defense).

(ix) On December 30, 2013, Quantiq changed its corporate type to limited liability company, with its new name being Quantiq Distribuidora Ltda.

(x) On December 31, 2013, Braskem entered into a share sales agreement with Odebrecht Ambiental (“OA”), through which it sold its interest in the subsidiary DAT for R\$315 million, to be received during the course of 2014.

The assets of DAT were shown in the balance sheet of December 31, 2013 as “assets available for sale.” DAT did not register results or hold liabilities in the year ended on December 31, 2013.

On February 3, 2014, the Extraordinary Shareholders’ Meeting of DAT approved the change in its Management and consequently the transfer of the management of the operations of DAT to OA, upon the recognition of a net gain of R\$277,338.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(b) Effect of foreign exchange variation**

The Company is exposed to foreign exchange variation on the balances and transactions made in currencies other than its functional currencies, particularly in U.S. dollar, such as financial investments, trade accounts receivable, trade payables, borrowings and sales. In addition to the exchange effect of the U.S. dollar in relation to the Brazilian real, Braskem is exposed to the U.S. dollar through its subsidiaries abroad, particularly in which the functional currency is Euro or Mexican peso. The balances of assets and liabilities are translated based on the exchange rate at the end of each period, while transactions are based on the effective exchange rate on the date of each operation.

The following table shows the U.S. dollar average and end-of-period exchange rates for the periods in this report:

Effect of foreign exchange variation**End of period rate**

U.S. dollar - Brazilian real, Mar/2014	2.2630	U.S. dollar - Mexican peso, Mar/2014	13.0595	U.S. dollar - euro, Mar/2014	0.7259
U.S. dollar - Brazilian real, Dec/2013	2.3426	U.S. dollar - Mexican peso, Dec/2013	13.1005	U.S. dollar - euro, Dec/2013	0.7260
Devaluation of the U.S. dollar in relation to the Brazilian real	-3.40%	Devaluation of the U.S. dollar in relation to the Mexican peso	-0.31%	Devaluation of the U.S. dollar in relation to the euro	-0.02%

Average rate for the period

U.S. dollar - Brazilian real, Mar/2014	2.3652	U.S. dollar - Mexican peso, Mar/2014	13.2311	U.S. dollar - euro, Mar/2014	0.7300
U.S. dollar - Brazilian real, Mar/2013	1.9977		12.6419		0.7578

		U.S. dollar - Mexican peso, Mar/2013		U.S. dollar - euro, Mar/2013	
Appreciation of the U.S. dollar in relation to the Brazilian real	18.40%	Appreciation of the U.S. dollar in relation to the Mexican peso	4.66%	Devaluation of the U.S. dollar in relation to the euro	-3.67%

2. Summary of significant accounting policies

2.1. Basis of preparation

This Quarterly Information should be read together with the financial statements of Braskem as of December 31, 2013, which were prepared and presented in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The preparation of the quarterly information requires the use of certain critical accounting estimates. It also requires the Management of the Company to exercise its judgment in the process of applying its accounting policies. There were no significant changes in the assumptions and judgments made by the Company's management in the use of estimates for the preparation of the Quarterly Information in relation to those used in the December 31, 2013 financial statements.

On March 31, 2014, the Company started to include in its balance sheet the net value, per legal entity, of the amounts related to deferred income and social contribution tax assets and liabilities on its profit as the Company has the legally enforceable right to offset these amounts. The balance sheet at December 31, 2013 was revised to reflect such adjustment, as shown in Note 2.1.1(a).

2.1.1 Revised

The financial statements for the period ended December 31, 2013 and March 31, 2013 were revised as follows:

- (a) December 31, 2013 – The balance sheets and respective notes were revised to reflect deferred Income Tax (“IR”) and Social Contribution (“CSL”) on a net basis (Note 2.1); and

(b) March 31, 2013 – The statements of operations, equity, cash flows and respective notes were revised to include the results of the operations of Quantiq Distribuidora Ltda. (“Quantiq”) and IQAG Armazéns Gerais Ltda. (“IQAG”) as a result of the Company’s decision to sell these assets.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise**

The effects of the revision of the financial statements follow:

Balance Sheet

	Published	(a) Effects	Dec/2013 Revised
Assets			
Current assets	14,997,128		14,997,128
Non-current assets			
Deferred income tax and social contribution	2,653,606	(1,530,293)	1,123,313
Other assets	30,695,349		30,695,349
	33,348,955	(1,530,293)	31,818,662
Total assets	48,346,083	(1,530,293)	46,815,790
Liabilities and shareholders' equity			
Current liabilities	13,594,801		13,594,801
Non-current liabilities			
Deferred income tax and social contribution	2,393,698	(1,530,293)	863,405
Other liabilities	24,676,250		24,676,250
	27,069,948	(1,530,293)	25,539,655
Shareholders' equity	7,681,334		7,681,334
Total liabilities and shareholders' equity	48,346,083	(1,530,293)	46,815,790

Statement of operations for the period

	Published	(b) Effects	Mar/2013 Revised
Net sales revenue	9,295,751	205,419	9,501,170
Cost of products sold	(8,315,675)	(174,479)	(8,490,154)
Gross profit	980,076	30,940	1,011,016
Income (expenses)			
Selling and distribution	(246,372)	(5,667)	(252,039)
General and administrative	(237,006)	(16,356)	(253,362)
Research and development	(24,564)		(24,564)
Results from equity investments	(4,722)		(4,722)
Other operating income (expenses), net	(29,055)	291	(28,764)
Operating profit	438,357	9,208	447,565
Financial results			
Financial expenses	(230,050)	(863)	(230,913)
Financial income	122,864	248	123,112
	(107,186)	(615)	(107,801)
Profit before income tax and social contribution	331,171	8,593	339,764
Current and deferred income tax and social contribution	(104,368)	(2,498)	(106,866)
Profit for the period	226,803	6,095	232,898
Attributable to:			
Company's shareholders	209,912	6,095	216,007
Non-controlling interest in Braskem Idesa	16,891		16,891
	226,803	6,095	232,898

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****Statement of cash flows**

	Published	(b) Effects	Mar/2013 Revised
Profit before income tax and social contribution	331,171	8,593	339,764
Adjustments for reconciliation of profit			
Depreciation, amortization and depletion	483,446	1,908	485,354
Results from equity investments	4,722		4,722
Interest and monetary and exchange variations, net	25,836	11	25,847
Provision for losses and asset write-downs of long-term	1,546		1,546
	846,721	10,512	857,233
Changes in operating working capital			
Held-for-trading financial investments	(58,272)		(58,272)
Trade accounts receivable	(119,761)	(22,860)	(142,621)
Inventories	(526,189)	(5,141)	(531,330)
Taxes recoverable	(149,086)	(2,701)	(151,787)
Prepaid expenses	37,768	(611)	37,157
Other receivables	(78,302)	30,383	(47,919)
Trade payables	(195,916)	(8,281)	(204,197)
Taxes payable	(52,697)	(510)	(53,207)
Long-term incentives	162		162
Advances from customers	223,562	(438)	223,124
Sundry provisions	(15,168)	139	(15,029)
Other payables	256,646	328	256,974
Cash from operations	169,468	820	170,288
Interest paid	(200,543)		(200,543)
Income tax and social contribution paid	(8,440)		(8,440)

Net cash generated (used in) by operating activities	(39,515)	820	(38,695)
Proceeds from the sale of fixed assets	608		608
Proceeds from the sale of investments	163,000		163,000
Beginning cash of Quantiq and IQAG		9,985	9,985
Acquisitions of investments in subsidiaries and associates	(31)		(31)
Acquisitions to property, plant and equipment	(1,101,042)	(69)	(1,101,111)
Acquisitions of intangible assets	(524)		(524)
Held-for-maturity and available for sale financial investments	15,086		15,086
Net cash generated (used in) investing activities	(922,903)	9,916	(912,987)
Short-term and long-term debt			
Obtained borrowings	2,958,599		2,958,599
Payment of borrowings	(2,285,304)	(214)	(2,285,518)
Dividends paid	(21)		(21)
Non-controlling interests in Braskem Idesa	(2,660)		(2,660)
Net cash provided (used in) by financing activities	670,614	(214)	670,400
Exchange variation on cash of foreign subsidiaries	6,383		6,383
Increase (decrease) in cash and cash equivalents	(285,421)	10,522	(274,899)
Represented by			
Cash and cash equivalents at the beginning for the period	3,287,622		3,287,622
Cash and cash equivalents at the end for the period	3,002,201	10,522	3,012,723
Increase (decrease) in cash and cash equivalents	(285,421)	10,522	(274,899)

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

2.1.2 Consolidated quarterly information

The consolidated Quarterly Information was prepared and is being presented in accordance with the pronouncement IAS 34 - Interim Financial Reporting, which establish the minimum content for interim financial statements.

2.2. Accounting policies

There were no changes in the accounting practices used in the preparation of the Quarterly Information in relation to those presented in the December 31, 2013 financial statements, except as presented in Notes 2.2.1.

2.2.1 Deferred income tax and social contribution

Deferred income and social contribution tax assets and liabilities are stated at their net value in the balance sheet when there is a legal and enforceable right to offset current income and social contribution taxes, related to the same legal entity and tax authority. The effects of this change in accounting practice are described in Note 2.1.1 (a).

2.2.2 Transaction costs with debt refinancing

Costs incurred with debt refinancing that meet the qualitative and quantitative criteria determined by the standards for reclassification as a debt exchange, are deemed transaction costs and amortized through the maturity of the refinanced debt. The effects of said accounting treatment are reported in Note 12 (a).

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****2.3. Consolidated quarterly information**

The consolidated quarterly information includes the quarterly information of Braskem companies in which it, directly or indirectly, maintains a controlling equity interest or controls the activities, as presented below:

	Headquarters (Country)	Total interest - %	
		Mar/2014	Dec/2013
Direct and Indirect subsidiaries			
Braskem America Finance Company ("Braskem America Finance")	USA	100.00	100.00
Braskem America, Inc. ("Braskem America")	USA	100.00	100.00
Braskem Argentina S.A. ("Braskem Argentina")	Argentina	100.00	100.00
Braskem Austria	Austria	100.00	100.00
Braskem Austria Finance GmbH ("Braskem Austria Finance")	Austria	100.00	100.00
Braskem Chile Ltda. ("Braskem Chile")	Chile	100.00	100.00
Braskem Europe GmbH ("Braskem Alemanha")	Germany	100.00	100.00
Braskem Finance Limited ("Braskem Finance")	Cayman Islands	100.00	100.00
Braskem Idesa	Mexico	75.00	75.00
Braskem Idesa Servicios S.A. de CV ("Braskem Idesa Serviços")	Mexico	75.00	75.00
Braskem Importação	Brazil	100.00	100.00
Braskem Inc	Cayman Islands	100.00	100.00
Braskem México	Mexico	100.00	100.00

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Braskem México Serviços		Mexico	100.00	100.00
Braskem Netherlands B.V (“Braskem Holanda”)		Netherlands	100.00	100.00
Braskem Participações		Brazil	100.00	100.00
Braskem Petroquímica Chile Ltda. (“Petroquímica Chile”)		Chile	100.00	100.00
Braskem Petroquímica Ibérica, S.L. (“Braskem Espanha”)		Spain	100.00	100.00
Braskem Petroquímica Ltda (“Braskem Petroquímica”)		Brazil	100.00	100.00
Braskem Qpar		Brazil	100.00	100.00
Common	(i)	British Virgin Islands	100.00	100.00
DAT		Brazil		100.00
IQAG		Brazil	100.00	100.00
Lantana Trading Co. Inc. (“Lantana”)		Bahamas	100.00	100.00
Norfolk Trading S.A. (“Norfolk”)	(i)	Uruguay	100.00	100.00
Politeno Empreendimentos Ltda. (“Politeno Empreendimentos”)		Brazil	100.00	100.00
Quantiq		Brazil	100.00	100.00
Specific Purpose Entity (“SPE”)				
Fundo de Investimento Multimercado Crédito Privado Sol (“FIM Sol”)		Brazil	100.00	100.00
Fundo de Investimento Caixa Júpiter Multimercado Crédito Privado Longo Prazo (“Fundo Júpiter”)		Brazil	100.00	100.00
(i) Subsidiaries in the process of dissolution.				

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****3. Cash and cash equivalents**

The information on cash and cash equivalents were presented in the 2013 annual financial statements of the Company, in Note 7.

	Mar/2014	Dec/2013
Cash and banks (i)	240,089	987,824
Cash equivalents:		
Domestic market	1,659,926	1,906,790
Foreign market (i)	1,314,050	1,441,245
Total	3,214,065	4,335,859

(i) Includes the amount of R\$44,272 and R\$105,778 corresponding to cash and bank and cash equivalents, respectively, of the subsidiary Braskem Idesa, available for its use.

4. Financial investments

The information on financial investments was presented in the 2013 annual financial statements of the Company, in Note 8.

	Mar/2014	Dec/2013
Held-for-trading		
Investments in FIM Sol	66,962	61,670

Investments in foreign currency		2,955	3,773
Shares		1,170	1,170
Held-to-maturity			
Quotas of investment funds in credit rights	(i)	42,003	40,696
Time deposit investment		359	189
Investments in foreign currency	(ii)	455,143	469,376
Compensation of investments in foreign currency	(ii)	(455,143)	(469,376)
Total		113,449	107,498
In current assets		87,499	86,719
In non-current assets		25,950	20,779
Total		113,449	107,498

(i) On March 31, 2014, Braskem S.A. held junior subordinated shares issued by receivables-backed investment funds. These shares are measured by their redemption value and are held until the conclusion of operations of said funds. The funds issue two other types of shares that enjoy priority in compensation over the junior subordinated shares. The risk related to the operations of these funds is limited to the value of the shares held by the Braskem S.A..

(ii) On March 31, 2014, Braskem Holanda had a financial investments held-to-maturity that was irrevocably offset by an export prepayment agreement of the Braskem S.A., in the same amount, as provided for in the credit assignment agreement entered into between these two companies and Banco Bradesco (Note 12). This accounting offset was carried out in accordance with IAS 32, which provides for the possibility of offsetting financial instruments when there is intent and rightfully executable right to realize an asset and settle a liability simultaneously.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****5. Trade accounts receivable**

The information on trade accounts receivable was presented in the 2013 annual financial statements of the Company, in Note 9.

	Mar/2014	Dec/2013
Consumers		
Domestic market	1,591,445	1,578,008
Foreign market	1,549,396	1,577,140
Allowance for doubtful accounts	(292,091)	(282,753)
Total	2,848,750	2,872,395
In current assets	2,830,606	2,810,520
In non-current assets	18,144	61,875
Total	2,848,750	2,872,395

6. Inventories

The information on inventories was presented in the 2013 annual financial statements of the Company, in Note 10.

Mar/2014	Dec/2013
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Finished goods	3,575,331	3,429,979
Raw materials, production inputs and packaging	1,400,234	1,113,272
Maintenance materials	251,892	230,822
Advances to suppliers	204,195	236,672
Imports in transit and other	223,634	139,562
Total	5,655,286	5,150,307
In current assets	5,551,054	5,033,593
In non-current assets	104,232	116,714
Total	5,655,286	5,150,307

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****7. Related parties**

The information concerning related parties was presented in the 2013 annual financial statements of the Company, in Note 11.

	Trade accounts receivable		Current		Related parties		Other
	Receivable notes	Related parties receivable	Other	Total	Loan agreements	Other receivable	Oth
Jointly-controlled investment							
Refinaria de Petróleo Riograndense S.A. ("RPR")			151 (i)	151			
OCE			3 (i)	3			
			154	154			
Associated companies							
Borealis Brasil S.A. ("Borealis")	19,860	187		20,047			
	19,860	187		20,047			
Related companies							
Odebrecht and subsidiaries	3,640	391,652 (iii)	50	52,799 (ii)	448,141		104,2
Petrobras and subsidiaries	34,875	9,925	54,418	4,028 (ii)	103,246	68,513	66,302
Other	14,929				14,929		

	53,444	401,577	54,468	56,827	566,316	68,513	66,302	104,2
Total	73,304	401,764	54,468	56,981	586,517	68,513	66,302	104,2

- (i) Amounts in “dividends and interest on capital”
(ii) Amount in “inventory – advance to suppliers” (Note 6)
(iii) Includes the amount of R\$315,000 related to the divestment of DAT (Note 1 (a.x))

	Income statement transactions from January to March 31, 2014			
	Sales of products	Purchases of raw materials, services and utilities	Financial income (expenses)	Cost of production/general and administrative expenses
Jointly-controlled investment				
RPR	3,182	5,715		
	3,182	5,715		
Associated companies				
Borealis	51,103			
	51,103			
Related companies				
Odebrecht and subsidiaries	8,845	49,933		
Petrobras and subsidiaries	303,220	2,110,336	1,166	
Other	5,267	37		
	317,332	2,160,306	1,166	
Post employment benefit plan				
Odebrecht Previdência Privada ("Odeprev")				6,037
				6,037
Total	371,617	2,166,021	1,166	6,037

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise**

							Balances at	
					Current		Non-current	
	Trade	Related parties		Other	Total	Related parties		Other
	accounts	Receivable	Other			Loan	Other	
	receivable	notes	receivable			agreements	receivable	
Jointly-controlled investment								
RPR				150(i)	150			
				150	150			
Associated companies								
Borealis	11,368	187			11,555			
	11,368	187			11,555			
Related companies								
Odebrecht and subsidiaries	440		78,068	37,436(ii)	115,944			782,565(i)
Petrobras and subsidiaries	99,018	9,925	36,307	42,013(ii)	187,263	67,348	66,301	
Other	15,135				15,135			
	114,593	9,925	114,375	79,449	318,342	67,348	66,301	782,565
Total	125,961	10,112	114,375	79,599	330,047	67,348	66,301	782,565

(i) Amounts in “dividends and interest on capital”.

(ii) Amount in “inventory – advance to suppliers” (Note 6)

(iii) Amount of R\$665,851 under “Property, plant and equipment” related to ongoing construction works, and R\$116,714 under “inventory – advance to suppliers” (Note 6).

	Income statement transactions from January to March 31, 2013			
	Sales of products	Purchases of raw materials, services and utilities	Financial income (expenses)	Cost of production/general and administrative expenses
Jointly-controlled investment				
RPR	7,428	11,702		
	7,428	11,702		
Associated companies				
Borealis	50,445			
Other	7,874	2,018		
	58,319	2,018		
Related companies				
Odebrecht and subsidiaries		125,267		
Petrobras and subsidiaries	299,884	4,794,408	329	
	299,884	4,919,675	329	
Post employment benefit plan				
Odeprev				4,410
				4,410
Total	365,631	4,933,395	329	4,410

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(a) Key management personnel**

The Company considered as “Key management personnel” the members of the Board of Directors and Board of Executive Officers, composed of the Chief Executive Officer and vice-presidents. Not all members of the Board of Executive Officers are members of the Statutory Board of Executive Officers.

Non-current liabilities	Mar/2014	Dec/2013
Long-term incentives	1,685	2,333
Total	1,685	2,333

Income statement transactions	Mar/2014	Mar/2013
Remuneration		
Short-term benefits to employees and managers	3,486	4,728
Post-employment benefit	76	68
Long-term incentives	22	42
Total	3,584	4,838

8. Taxes recoverable

The information on taxes recoverable was presented in the 2013 annual financial statements of the Company, in Note 12.

		Mar/2014	Dec/2013
Brazil			
	IPI	31,692	28,701
	Value-added tax on sales and services (ICMS) - normal operations	629,371	738,282
	ICMS - credits from PP&E	127,181	123,354
	Social integration program (PIS) and social contribution on revenue (COFINS) - normal operations	773,488	719,448
	PIS and COFINS - credits from PP&E	281,057	269,006
	PIS and COFINS - Law 9,718/98	13,274	24,207
	PIS - Decree-Law 2,445 and 2,449/88	88,339	88,339
	IR and CSL	548,799	542,686
	REINTEGRA program	238,283	267,049
	Other	150,873	155,965
Other countries			
	Value-added tax	(a) 704,623	563,650
	Income tax	3,218	2,516
Total		3,590,198	3,523,203
Current assets		2,390,438	2,237,213
Non-current assets		1,199,760	1,285,990
Total		3,590,198	3,523,203

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

(a) Value added tax (“VAT”)

On March 31, 2014, this line included:

(i) R\$34,823 from sales by Braskem Alemanha to other countries. These credits are refunded in cash by the local government; and

(ii) R\$661,337 from purchases of machinery and equipment for the Ethylene XXI Project (Note 10). These credits will be reimbursed, in cash, by the Mexican government, after their validation. The Company expects to recover these credits at the short term.

9. Investments

The information related to investments was presented in the Company’s annual financial statements, in Note 16.

(a) Information on investments

**Interest in total
capital**

**Adjusted net profit
(loss)
for the period**

**Adjusted
equity**

	Note	Direct	Indirect	Mar/2014	Mar/2013 Revised	Mar/2014	Dec/2013
total (%) - Mar/2014 Direct and Indirect							
	2.1.1(b)						
Jointly-controlled investment							
RPR		33.20	33.20	324	2,455	125,303	124,980
OCE	(i)	20.00	20.00	159		489	689
Propilsur		49.00	49.00	(88)	(556)	111,561	109,300
Associates							
Borealis		20.00	20.00		16,102	166,746	166,746
Companhia de Desenvolvimento Rio Verde ("Codeverde")		35.97	35.97	(197)	(596)	44,947	46,342

(i) Shares acquired in July 2013 (Note 1(a.ii)).

(b) Changes in investments

	Balance at Dec/2013	Dividends and interest on equity	Effect of results	Currency translation adjustments	Balance at Mar/2014
Jointly-controlled investments					
Propilsur	40,398		(74)	633	40,957
RPR	41,500		107		41,607
OCE	138	(3)	(37)		98
	82,036	(3)	(4)	633	82,662
Associate					
Borealis	33,349				33,349
Total associate	33,349				33,349
Total jointly-controlled investments and associate	115,385	(3)	(4)	633	116,011

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(c) Breakdown of equity accounting results**

	Mar/2014	Mar/2013
Equity in results of subsidiaries, associate and jointly-controlled investment	(6)	(4,722)
	(6)	(4,722)

10. Property, plant and equipment

The information on property, plant and equipment was presented in the Company's 2013 annual financial statements, in Note 17.

	Cost	Accumulated depreciation/ depletion	Mar/2014		Accumulated depreciation/ depletion	Dec/2013	
			Net	Cost		Net	Net
Land	425,228		425,228	428,908		428,908	
Buildings and improvements	1,840,548	(798,978)	1,041,570	1,830,245	(783,084)	1,047,161	
Machinery, equipment and installations	25,852,670	(11,444,109)	14,408,561	25,671,115	(11,044,102)	14,627,013	
Projects in progress	9,476,536		9,476,536	8,832,906		8,832,906	
Other	963,315	(476,653)	486,662	936,228	(458,668)	477,560	

Total	38,558,297	(12,719,740)	25,838,557	37,699,402	(12,285,854)	25,413,548
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Impairment test for property, plant and equipment

There were no significant events or circumstances in the period ended March 31, 2014 that indicate the need for impairment testing on the property, plant and equipment.

11. Intangible assets

The information on intangible assets was presented in the 2013 annual financial statements of the Company, in Note 18.

	Mar/2014			Dec/2013		
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Goodwill based on future profitability	3,187,722	(1,128,804)	2,058,918	3,187,722	(1,128,804)	2,058,918
Trademarks and patents	211,283	(84,185)	127,098	208,574	(82,176)	126,398
Software and use rights	479,430	(257,988)	221,442	473,560	(244,924)	228,636
Contracts with customers and suppliers	700,442	(224,373)	476,069	712,499	(213,821)	498,678
Total	4,578,877	(1,695,350)	2,883,527	4,582,355	(1,669,725)	2,912,630

Impairment of intangible assets with definite and indefinite useful life

There were no significant events or circumstances in the period ended March 31, 2014 that indicated the need for updating the impairment testing of intangible assets with indefinite useful life made in October 2013, or that indicated the need to perform an impairment testing of intangible assets with definite useful life.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****12. Borrowings**

The information on borrowings was presented in the 2013 annual financial statements of the Company, in Note 19.

		Annual financial charges	Average interest (unless otherwise stated)	Mar/2014	Dec/2013
	Monetary restatement				
<u>Foreign currency</u>					
Bonds and Medium term notes (MTN)	Note 12 (a)	Note 12 (a)		10,061,916	10,432,526
Advances on exchange contracts	US dollar exchange variation	1.24%		113,386	117,132
Export prepayment	Note 12 (b)	Note 12 (b)		524,995	540,744
BNDES	Note 12 (c)	Note 12 (c)		412,522	453,065
Export credit notes	Note 12 (d)	Note 12 (d)		816,937	843,060
Working capital		1.77%			
	US dollar exchange variation	above Libor		781,785	633,632
Other		4.00%			
	US dollar exchange variation	above Libor		1,241	1,268
Transactions costs				(229,049)	(81,375)
<u>Local currency</u>					
Export credit notes	Note 12 (d)	Note 12 (d)		2,623,356	2,528,077
BNDES	Note 12 (c)	Note 12 (c)		2,407,563	2,464,987
BNB/ FINAME/ FINEP/ FUNDES		6.48%		634,305	658,372
BNB/ FINAME/ FINEP/ FUNDES	TJLP	0.38%		14,191	16,093
Transactions costs				(16,748)	(5,090)
Total				18,146,400	18,602,491

Current liabilities	1,224,291	1,248,804
Non-current liabilities	16,922,109	17,353,687
Total	18,146,400	18,602,491

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(a) Bonds and MTN**

Issue date	Issue amount (US\$ in thousands)	Maturity	Interest (% per year)	Mar/2014	Dec/2013
July 1997	250,000	June 2015	9.38	150,574	152,328
January 2004	250,000	January 2014	11.75		178,897
September 2006 (i)	275,000	January 2017	8.00	185,369	305,006
June 2008 (i)	500,000	June 2018	7.25	423,915	1,000,375
May 2010 (i)	400,000	May 2020	7.00	539,290	940,780
May 2010	350,000	May 2020	7.00	814,073	828,360
October 2010	450,000	no maturity date	7.38	1,036,291	1,072,742
April 2011	750,000	April 2021	5.75	1,736,173	1,772,070
July 2011	500,000	July 2041	7.13	1,146,728	1,207,927
February 2012	250,000	April 2021	5.75	580,660	592,666
February 2012	250,000	no maturity date	7.38	575,718	595,968
May 2012	500,000	May 2022	5.38	1,156,503	1,181,443
July 2012	250,000	July 2041	7.13	573,364	603,964
February 2014 (i)	500,000	February 2024	6.45	1,143,258	
Total	5,475,000			10,061,916	10,432,526

(i) The Bonds issued in February 2014 had the primary objective of refinancing the Bonds issued in September 2006, June 2008 and May 2010. The operation was considered a refinancing of said debt, in accordance with IFRS 9, for which reason all expenses involved in structuring the February 2014 operation and Bond exchange were considered transaction costs.

(b) Export prepayments (“EPP”)

Issue date	Initial amount of the transaction (US\$ thousand)	Maturity Charges (% per year)	Mar/2014
December 2010	100.000	December-2017 US dollar exchange variation + semiannual Libor + 2.47	115,576
January 2013	200.000	November-2022 US dollar exchange variation + semiannual Libor + 2.47	409,419
Total	300.000		524,995

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(c) BNDES borrowings**

Projects	Issue date	Maturity Charges (% per year)	Mar/2014	Dec/2014
<u>Foreign currency</u>				
Other	2006	October-2016 US dollar exchange variation + 6.79	5,754	6,500
Braskem Qpar expansion	2006/2007/2008	April-2016 US dollar exchange variation + 6.64 to 6.79	8,957	10,300
Green PE plant	2009	July-2017 US dollar exchange variation + 6.57	35,797	39,800
Limit of credit II	2009	January-2017 US dollar exchange variation + 6.57	71,746	80,800
New plant PVC Alagoas	2010	January-2020 US dollar exchange variation + 6.57	106,598	115,000
Limit of credit III	2011	October-2018 US dollar exchange variation + 6.41 to 6.44	145,948	159,900
Butadiene plant	2011	January-2021 US dollar exchange variation + 6.44	37,722	40,400
			412,522	453,000
<u>Local currency</u>				
Other	2006	September-2016 TJLP + 2.80	44,804	49,200
Braskem Qpar expansion	2006/2007/2008	February-2016 TJLP + 2.15 to 3.30	67,037	75,800
Green PE plant	2008/2009	June-2017 TJLP + 0.00 to 4.78	260,054	280,600
Limit of credit II	2009	January-2017 TJLP + 2.58 to 3.58	221,334	240,900
Limit of credit II	2009	January-2017 4.50	9,889	10,700
New plant PVC Alagoas	2010	December-2019 TJLP + 0.00 to 3.58	337,578	352,300
New plant PVC Alagoas	2010	December-2019 5.50	38,415	40,000
Limit of credit III	2011	October-2019 TJLP + 0.00 to 3.58	980,041	969,700
Limit of credit III	2011	October-2019 SELIC + 2.58	93,530	82,300
Limit of credit III	2011	November-2019 3.50 to 5.50	225,306	228,500
Butadiene plant	2011	December-2020 TJLP + 0.00 to 3.45	129,575	134,400
			2,407,563	2,464,900
Total			2,820,085	2,918,000

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(d) Export credit notes ("NCE")**

Issue date	Initial amount of the transaction	Maturity Charges (% per year)	Mar/2014	Dec/2013
<u>Foreign currency</u>				
November 2006	167,014	May 2018 Us dollar exchange variation + 8.10	182,074	184,778
April 2007	101,605	March 2018 Us dollar exchange variation + 7.87	117,429	119,255
May 2007	146,010	May 2019 Us dollar exchange variation + 7.85	174,129	176,806
January 2008	266,430	February 2020 Us dollar exchange variation + 7.30	343,305	362,221
	681,059		816,937	843,060
<u>Local currency</u>				
April-2010	50,000	October-2021 105% of CDI	52,164	50,880
June-2010	200,000	October-2021 105% of CDI	208,656	203,521
February-2011	250,000	October-2021 105% of CDI	208,656	203,521
April-2011 (i)	450,000	April-2019 112.5% of CDI	459,852	459,408
June-2011	80,000	October-2021 105% of CDI	83,462	81,408
August-2011 (i)	400,000	August-2019 112.5% of CDI	403,603	403,513
June-2012	100,000	October-2021 105% of CDI	104,328	101,761
September-2012	300,000	October-2021 105% of CDI	312,984	305,282
October-2012	85,000	October-2021 105% of CDI	88,679	86,496
February-2013 (ii)	100,000	February-2016 8.00	101,139	101,183
February-2013 (ii)	50,000	February-2016 7.50	50,494	50,505
February-2013 (ii)	100,000	February-2016 8.00	101,010	101,010
February-2013 (ii)	50,000	February-2016 8.00	50,419	50,440
February-2013 (ii)	100,000	February-2016 8.00	100,967	100,923
March-2013 (ii)	50,000	March-2016 8.00	50,257	50,257
March-2013 (ii)	17,500	March-2016 8.00	17,590	17,583
August-2013 (ii)	10,000	August-2016 8.00	10,120	10,129
December-2013 (ii)	150,000	December-2016 8.00	153,176	150,257
March-2014	10,354	June-2014 8.00	10,354	
March-2014	55,446	June-2014 8.00	55,446	

Total	2,608,300	2,623,356 2,528,077
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(i) The Company enters into swap transactions to offset the variation in the Interbank Certificate of Deposit (CDI) rate (Note 14.1.1 (b)).

(ii) The Company enters into swap transactions for these contracts (from 67.47% to 92.70% of CDI) (Note 14.1.1 (a)).

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(e) Payment schedule**

The maturity profile of the long-term amounts is as follows:

	Mar/2014	Dec/2013
2015	970,152	1,121,998
2016	2,105,368	1,738,496
2017	995,017	1,576,790
2018	1,392,106	1,881,848
2019	1,523,297	1,479,686
2020	1,901,769	2,366,125
2021	2,464,661	2,561,516
2022	1,191,406	1,248,355
2023	2,513	1,676
2024	1,128,970	
2025 and thereafter	3,246,850	3,377,197
Total	16,922,109	17,353,687

(f) Capitalized financial charges

The Company capitalized financial charges in the period ended March 31, 2014 in the amount of R\$19,842 (R\$23,258 in the period ended March 31, 2013), including monetary variation and part of the exchange variation. The average rate of these charges in the period was 7.41% p.a. (6.98% p.a. in the first quarter of 2013).

(g) Guarantees

Braskem gave collateral for part of its borrowings as follows:

Loans	Maturity	Total debt Mar/2014	Total guaranteed	Guarantees
BNB	March-2023	328,561	328,561	Mortgage of plants, pledge of machinery and equipment
BNDES	January-2021	2,820,085	2,820,085	Mortgage of plants, land and property, pledge of machinery and equipment
FUNDES	June-2020	199,706	199,706	Mortgage of plants, land and property, pledge of machinery and equipment
FINEP	August-2023	116,956	116,956	Bank surety
FINAME	February-2022	3,273	3,273	Pledge of equipment
Total		3,468,581	3,468,581	

(h) Financial covenants

The Company has not entered into financing agreements that establish limits for certain indicators related to the capacity to contract debt and pay interest.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****13. Project finance**

The information on project finance was presented in the 2013 annual financial statements in Note 20.

Identification	US\$ thousands	US\$ thousands	Maturity	Charges (% per year)	Mar/2014
Project finance I	700,000	484,847	February-2027	Us dollar exchange variation + quarterly Libor + 3.25	1,102,289
Project finance II	210,000	51,422	February-2027	Us dollar exchange variation + 6.17	180,289
Project finance III	600,000	263,264	February-2029	Us dollar exchange variation + 4.33	599,849
Project finance IV	660,000	551,173	February-2029	Us dollar exchange variation + quarterly Libor + 3.88	1,191,229
Project finance V	400,000	277,055	February-2029	Us dollar exchange variation + quarterly Libor + 4.65	630,709
Project finance VI	90,000	33,811	February-2029	Us dollar exchange variation + quarterly Libor + 2.73	76,849
Project finance VII	533,095	369,242	February-2029	Us dollar exchange variation + quarterly Libor + 4.64	849,449
Transactions costs					(48,709)
Total	3,193,095	2,030,814			4,581,849
Current liabilities					22,609
Non-current liabilities					4,559,149
Total					4,581,849

Braskem Idesa capitalized the charges incurred on this financing in the period ending March 31, 2014, in the amount of R\$72,289 (MXN\$ 394,257 thousand) (R\$99,009 (MXN\$606,676 thousand) in the period ended March 31, 2013, related to contributions by Braskem and the non-controlling shareholder, lent in advance, and reimbursed with the proceeds from the Project Finance. The average interest rate in the period was 5.02% p.a.

The maturity profile of this long-term financing, by year of maturity, is as follows:

	Mar/2014	Dec/2013
2016	85,198	85,068
2017	251,066	254,883
2018	308,654	313,944
2019	321,612	327,391
2020	381,870	389,584
2021	438,173	447,535
2022	368,623	377,156
2023	483,189	493,770
2024	523,178	534,866
2025 and thereafter	1,397,597	1,481,464
Total	4,559,160	4,705,661

In accordance with the Company's risk management strategy and based on its financial policy, the Management contracted and designated derivative operations under hedge accounting (Note 14.2.1 (c.ii.i)) in order to offset the change in future debt-related financial expenses caused by the fluctuation of the Libor rate.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****14. Financial instruments**

The information related to financial instruments was presented in the 2013 financial statements of the Company, in Note 21.

14.1. Non-derivative financial instruments – measured at fair value

	Note	Classification by category	Fair value hierarchy	Book value		
				Mar/2014	Dec/2013	Mar/2014
Cash and cash equivalents	3					
Cash and banks		Loans and receivables		240,089	987,824	240,089
Financial investments in Brazil		Held-for-trading	Level 2	526,937	687,938	526,937
Financial investments in Brazil		Loans and receivables		1,132,989	1,218,852	1,132,989
Financial investments abroad		Held-for-trading	Level 2	1,314,050	1,441,245	1,314,050
				3,214,065	4,335,859	3,214,065
Financial investments	4					
FIM Sol investments		Held-for-trading	Level 2	66,962	61,670	66,962
Investments in foreign currency		Held-for-trading	Level 2	2,955	3,773	2,955
Investments in foreign currency		Held-to-maturity		359	189	359
Shares		Held-for-trading		1,170	1,170	1,170
Quotas of receivables investment fund						
Restricted deposits		Held-to-maturity		42,003	40,696	42,003
				113,449	107,498	113,449

Trade accounts receivable	Loans and 5 receivables		2,848,750	2,872,395	2,848,750
Related parties credits	Loans and 7 receivables		591,047	258,136	591,047
Trade payables	Other financial liabilities		9,959,674	10,421,687	9,959,674
Borrowings	12				
Foreign currency - Bond	Other financial liabilities	Level 1	10,061,916	10,432,526	9,890,817
Foreign currency - other borrowings	Other financial liabilities		2,650,866	2,588,901	2,650,866
Local currency	Other financial liabilities		5,679,415	5,667,529	5,679,415
			18,392,197	18,688,956	18,221,098
Project finance	Other financial 13 liabilities		4,630,592	4,782,602	4,630,592
Other payables					
Creditors for the acquisitions of shares	Other financial liabilities		280,831	275,743	280,831
Accounts payable to non-controlling (Braskem Idesa)	Other financial liabilities		478,578	341,993	478,578
			759,409	617,736	759,409

(a) Fair value hierarchy

Level 1 – fair value obtained through prices quoted (without adjustments) in active markets for identical assets or liabilities, such as the stock exchange; and

Level 2 – fair value obtained from discounted cash flow models, when the instrument is a forward purchase or sale or a swap contract, or valuation models of option contracts, such as the Black-Scholes model, when the derivative has the characteristics of an option.

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

14.1.1 Financial derivatives instruments designated and not designated for hedge accounting

Identification	Note	Fair value hierarchy	Operation characteristics		Balance at Dec/2013	Change in fair value	Financial settlement
			Principal exposure	Derivatives			
<u>Non-hedge accounting transactions</u>							
Commodity swap - Naphtha		Level 2	Fixed price	Variable price	(470)	68	
Interest rate swaps	14.1.1 (a)	Level 2	Fixed rate	CDI	20,751	4,372	(6,000)
Contract for the future purchase		Level 2	Euro	Dollar	(5,022)	618	2,000
					15,259	5,058	1,000
<u>Hedge accounting transactions</u>							
Exchange swap	14.1.1 (b)	Level 2	CDI	Dollar	367,559	(17,052)	(6,000)
Commodity swap - ethylene		Level 2	Variable price	Fixed price	(69)	199	
Commodity swap - PGP		Level 2	Fixed price	Variable price	(59)	(387)	
Interest rate swaps	14.1.1 (d.i)	Level 2	Libor	Dollar	(110,253)	34,121	6,000
Contract for the future purchase - Currency	14.1.1 (d.ii)	Level 2	Peso mexicano	Dollar	47,280	(7,780)	(15,000)
					304,458	9,101	(15,000)
					319,717		

The regular changes in the fair value of derivatives not designated as hedge accounting were recorded as financial income or expenses in the same period in which they occur. In the period ended March 31, 2014, the Company recognized a financial expense of R\$16,189 (financial income of R\$45,035 in the period ended March 31, 2013).

(a) Interest rate swap linked to NCE

Identification	Nominal value	Interest rate (hedge)	Maturity	Fair value	
				Mar/2014	Dec/2013
Swap NCE I	100,000	90.65% CDI	February-2016	4,406	4,086
Swap NCE II	50,000	88.20% CDI	February-2016	2,372	2,243
Swap NCE III	100,000	92.64% CDI	February-2016	4,725	4,435
Swap NCE IV	50,000	92.70% CDI	February-2016	2,423	2,315
Swap NCE V	100,000	91.92% CDI	February-2016	4,638	4,407
Swap NCE VI	50,000	92.25% CDI	March-2016	2,434	2,310
Swap NCE VII	17,500	91.10% CDI	March-2016	808	765
Swap NCE VIII	10,000	77.52% CDI	August-2016	239	190
Swap NCE IX	50,000	68.15% CDI	December - 2016	821	
Swap NCE X	50,000	67.15% CDI	December - 2016	647	
Swap NCE XI	50,000	67.10% CDI	December - 2016	627	
Total	627,500			24,139	20,751
Current liabilities (derivatives operations)				24,140	20,751
Total				24,140	20,751

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(b) Swaps related to export credit notes (NCE)**

Identification	Nominal value	US\$ thousands (hedge)	Interest rate (hedge)	Maturity	Fair value	
					Mar/2014	Dec/2013
Swap NCE I	200,000	122,100	5.44%	August 2019	96,583	101,904
Swap NCE II	100,000	60,187	5.40%	August 2019	45,813	48,414
Swap NCE III	100,000	59,588	5.37%	August 2019	44,083	46,642
Swap NCE IV	100,000	56,205	5.50%	April 2019	36,048	39,005
Swap NCE V	100,000	56,180	5.50%	April 2019	35,983	38,939
Swap NCE VI	150,000	82,372	5.43%	April 2019	37,116	52,745
Swap NCE VII	100,000	58,089	4.93%	April 2019	48,460	39,910
Total	850,000	494,721			344,086	367,559
Current assets (other receivables)					(36,516)	(28,481)
Non Current liabilities (derivatives operations)					380,602	396,040
Total					344,086	367,559

(c) Non-derivative liabilities designated for export hedge accounting

On May 1, 2013, Braskem S.A. designated non-derivative financial instrument liabilities, denominated in U.S. dollars, as hedge for the flow of its highly probable future exports. On March 31, 2014, the following non-derivative liabilities were designated as hedge for the flow of its highly probable future exports:

Identification	Maturity	Hedge	Nominal value US\$ thousands	Mar/2014	Dec/2013
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Operations designated for hedge accounting

Trade payables	2016	Dollar	839,447	1,899,668	1,966,488
Trade payables	2017	Dollar	749,685	1,696,537	1,756,212
Export prepayments - related parties	2017	Dollar	80,000	181,040	187,408
Trade payables	2018	Dollar	787,894	1,783,003	1,744,207
Export prepayments - related parties	2018	Dollar			101,513
Bond	2019	Dollar	65,143	147,419	152,604
Trade payables	2019	Dollar	50,000	113,150	117,130
Export prepayments	2019	Dollar	618,836	1,400,428	1,449,688
Accounts payable	2020	Dollar	288,000	651,744	674,669
Trade payables	2020	Dollar	56,000	126,728	131,186
Export prepayments	2020	Dollar	380,000	859,940	890,188
Accounts payable	2021	Dollar	332,000	751,316	777,743
Trade payables	2021	Dollar	10,000	22,630	23,426
Export prepayments	2021	Dollar	374,000	846,362	876,132
Accounts payable	2022	Dollar	216,000	488,808	506,002
Export credit note	2022	Dollar	353,000	798,839	826,938
Export prepayments	2022	Dollar	150,000	339,450	351,388
Accounts payable	2023	Dollar	653,972	1,479,938	1,531,994
Export prepayments	2023	Dollar	64,400	145,737	150,863
Accounts payable	2024	Dollar	113,854	257,652	266,715
Export prepayments	2024	Dollar	575,000	1,301,225	1,346,995
			6,757,231	15,291,614	15,829,489

(d) Hedge operations by Braskem Idesa related to project finance

The hedge operations of Braskem Idesa follow the same mode as project finance, whereby the project loan must be paid exclusively with the cash generated by the project itself and shareholders provide limited guarantees (limited recourse project finance) (Note 13).

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise**

The periodic changes in the fair value of derivatives not designated as hedge accounting were recorded as financial income or expense in the same period in which they occur. In the period ended March 31, 2014, the Company recognized a financial expense of R\$18,036.

(d.i) Interest rate swap linked to Libor

Identification	Nominal value US\$ thousands	Interest rate (hedge)	Maturity	Fair value	
				Mar/2014	Dec/2013
Swap Libor I	299,996	1.9825%	May-2025	(15,879)	(25,124)
Swap Libor II	299,996	1.9825%	May-2025	(15,980)	(25,213)
Swap Libor III	299,996	1.9825%	May-2025	(15,879)	(25,213)
Swap Libor IV	129,976	1.9825%	May-2025	(6,924)	(10,924)
Swap Libor V	132,996	1.9825%	May-2025	(7,040)	(11,178)
Swap Libor VI	149,932	1.9825%	May-2025	(7,983)	(12,601)
Total	1,312,892			(69,685)	(110,253)
Current Assets (other receivables)				(1,409)	
Non-Current assets (other receivables)				(100,995)	(137,345)
Current liabilities (derivatives operations)				32,719	27,092
Total				(69,685)	(110,253)

(d.ii) Currency futures contract– Mexican Peso

Identification	Nominal value Foreign exchange (hedge)	Maturity	Fair value	
			Mar/2014	Dec/2013

	US\$ thousands				
Deliverable Forward	41,020	12.6185	January-2014		3,620
Deliverable Forward	35,453	12.5394	February-2014		3,815
Deliverable Forward	39,206	12.5926	March-2014		4,065
Deliverable Forward	54,084	12.8643	April-2014	2,127	3,468
Deliverable Forward	52,182	12.9268	June-2014	1,755	3,164
Deliverable Forward	51,191	12.8909	June-2014	2,307	3,624
Deliverable Forward	46,889	12.8789	July-2014	2,457	3,612
Deliverable Forward	45,959	12.9465	September-2014	2,130	3,281
Deliverable Forward	36,561	12.9044	September-2014	2,113	2,988
Deliverable Forward	37,215	12.9570	October-2014	2,008	2,923
Deliverable Forward	31,908	12.9465	December-2014	1,930	2,707
Deliverable Forward	28,169	12.9881	December-2014	1,650	2,344
Deliverable Forward	23,381	12.9518	February-2015	1,651	2,202
Deliverable Forward	29,047	13.1969	March-2015	1,029	1,788
Deliverable Forward	18,625	13.0980	March-2015	1,066	1,519
Deliverable Forward	10,230	13.0490	April-2015	722	961
Deliverable Forward	5,897	13.1167	June-2015	384	525
Deliverable Forward	7,014	13.4329	June-2015	128	317
Deliverable Forward	2,245	13.2538	July-2015	120	176
Deliverable Forward	1,840	13.1486	August-2015	138	181
Total	598,123			23,715	47,280
Current liabilities (derivatives operations)				22,311	47,280
Non-Current liabilities (derivatives operations)				1,404	
Total				23,715	47,280

Before designating these swap operations as hedge accounting, on March 1, 2014, the Company recognized financial income of R\$112 as profit in the period. After recognizing such designation, in shareholders' equity, the Company recognized financial expense of R\$7,768 relating to changes in the fair value of these swaps since the designation through March 31, 2014.

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Notes to the financial statements

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(e) Estimated maximum loss

The amount at risk of the derivatives held by Braskem on March 31, 2014, which is defined as the highest loss that could result in one month and in 95% of the cases under normal market conditions, was estimated by the Company at R\$27,548 (US\$12,173 thousand) for the NCE swap designated for hedge accounting and R\$1,888 for the NCE swap that is not designated for hedge accounting.

The value at risk of derivatives related to the Ethylene XXI Project in Mexico in 95% of the cases, under normal market conditions, was estimated at R\$21,123 (US\$9,334 thousand) for the Libor derivative and R\$1,577 (US\$697 thousand) for the derivative of Mexican pesos.

14.2. Credit quality of financial assets

(a) Trade accounts receivable

On March 31, 2014, the credit ratings for the domestic market were as follows:

	Mar/2014	Dec/2013
		(%)
1Minimum risk	7.28	16.56
2Low risk	36.01	32.61
3Moderate risk	32.02	23.54
4High risk	23.79	26.26

5Very high risk (i)

0.90

1.03

(i) Most clients in this group are inactive and the respective accounts are in the process of collection actions in the courts. Clients in this group that are still active buy from Braskem and pay in advance.

Default indicators for the periods ended:

	Domestic Market	Last 12 months Export Market
March 31, 2014	0.31%	0.60%
March 31, 2013	0.79%	0.27%
December 31, 2013	0.14%	0.13%
December 31, 2012	0.28%	0.37%

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(b) Other financial assets**

In order to determine the credit ratings of counterparties in financial assets classified as cash and cash equivalents, held-for-trading, held-to-maturity and loans and receivables, Braskem uses the following credit rating agencies: Standard & Poor's, Moody's and Fitch Ratings.

	Mar/2014	Dec/2013
Financial assets with risk assessment		
AAA	2,918,328	3,436,378
AA	56,489	93,955
A	305,006	865,105
A-		1,485
	3,279,823	4,396,923
Financial assets without risk assessment		
Quotas of investment funds in credit rights (i)	42,003	40,696
Sundry funds (ii)	2,955	3,773
Other financial assets with no risk assessment	2,733	1,965
	47,691	46,434
Total	3,327,514	4,443,357

(i) Financial assets with no internal or external ratings and approved by the Management of the Company.

(ii) Investment funds with no internal and external risk assessment whose portfolio is composed of assets from major financial institutions and that comply with Braskem's financial policy.

Braskem's financial policy determines "A-" as the minimum rating for financial investments.

14.3. Sensitivity analysis

Financial instruments, including derivatives, may be subject to changes in their fair value as a result of the variation in commodity prices, foreign exchange rates, interest rates, shares and share indexes, price indexes and other variables. The sensitivity of the derivative and non-derivative financial instruments to these variables are presented below:

(a) Selection of risks

On March 31, 2014, the main risks that can affect the value of Braskem's financial instruments are:

- Brazilian real/U.S. dollar exchange rate;
- U.S. dollar/Mexican peso exchange rate;
- U.S. dollar/Euro exchange rate;
- Libor floating interest rate;
- CDI interest rate; and
- TJLP interest rate.

For the purposes of the risk sensitivity analysis, Braskem presents the exposures to currencies as if they were independent, that is, without reflecting in the exposure to a foreign exchange rate the risks of the variation in other foreign exchange rates that could be directly influenced by it.

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

(b) Selection of scenarios

(b.1) Probable scenario

The *Market Readout* published by the Central Bank of Brazil on March 28, 2014 was used to create the probable scenario for the U.S. dollar/Brazilian real exchange rate and the CDI interest rate, using the reference date of March 31, 2014. The *Market Readout* presents a consensus of market expectations based on a survey of the forecasts made by various financial and non-financial institutions.

The *Market Readout* does not publish forecasts for the interest rates Libor and TJLP. Therefore, Braskem considered the expectations for the CDI interest rate for determining the probable scenario for those rates, given their correspondence. The probable scenario for the TJLP is an increase of 0.5% from the current rate of 5%, in line with the size of the government's most recent decisions to increase or decrease the rate, and accompanying the forecast for the cumulative increase in the CDI rate by end-2014 of 0.50%.

(b.2) Possible and extreme adverse scenarios

The sensitivity values in the table below are the changes in the value of the financial instruments in each scenario and show the changes in future cash flows:

Instrument	Sensibility	Probable	Possible adverse (25%)	Extreme adverse (50%)
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Bonds and MTN	Brazilian real/U.S. dollar exchange rate	(813,968)	(2,462,579)	(4,925,159)
Advance on exchange contracts	Brazilian real/U.S. dollar exchange rate	(9,369)	(28,346)	(56,693)
BNDES	Brazilian real/U.S. dollar exchange rate	(34,088)	(103,131)	(206,261)
Working capital / structured operations	Brazilian real/U.S. dollar exchange rate	(132,108)	(399,681)	(799,361)
Raw material financing	Brazilian real/U.S. dollar exchange rate	(103)	(310)	(621)
Export prepayments	Brazilian real/U.S. dollar exchange rate	(43,382)	(131,249)	(262,497)
Financial investments abroad	Brazilian real/U.S. dollar exchange rate	140,176	424,088	848,177
Swaps	Brazilian real/U.S. dollar exchange rate	104,083	314,919	629,783
Project finance	U.S. dollar/Mexican peso exchange rate	(73,375)	(506,168)	(1,012,337)
Deliverable Forward	U.S. dollar/Mexican peso exchange rate	(36,429)	(211,009)	(352,413)
Deliverable Forward	U.S. dollar/Euro exchange rate	(239)	(37,267)	(74,536)
Borrowings	Libor floating interest rate	(1,322)	(6,612)	(13,223)
Export prepayments	Libor floating interest rate	(2,039)	(10,193)	(20,387)
Swaps	Libor floating interest rate	1,568	(7,840)	(15,680)
Export credit notes	CDI interest rate	(7,865)	(21,159)	(40,916)
Agricultural credit note	CDI interest rate	(81,284)	(208,189)	(374,179)
Financial investments in local currency	CDI interest rate	(16,726)	(45,985)	(91,937)

		Probable	Possible adverse	Extreme adverse
Instrument	Sensibility	5.50%	6.00%	6.50%
BNDES	TJLP interest rate	(42,537)	(83,993)	(124,400)
FINEP	TJLP interest rate	(98)	(194)	(289)
Other governmental agents	TJLP interest rate	(38)	(76)	(114)

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****15. Taxes payable**

The information related to taxes payable was presented in the Company's 2013 annual financial statements, in Note 22.

	Mar/2014	Dec/2013
Brazil		
IPI	92,204	81,282
PIS and COFINS	667	615
Income tax and social contribution	90,793	52,226
ICMS	105,905	120,941
Federal tax payment program - Law 11,941/09	1,011,935	1,024,127
Other	56,698	67,680
Other countries		
Other	2,866	1,428
Total	1,361,068	1,348,299
Current liabilities	473,325	445,424
Non-current liabilities	887,743	902,875
Total	1,361,068	1,348,299

16. IR and CSL

The information related to income tax and social contribution was presented in the Company's 2013 annual financial statements, in Note 23.

(a) Reconciliation of the effects of IR and CSL

	Note	Mar/2014	Mar/2013 Revised
Income before IR and CSL	2.1.1(b)	569,133	339,764
IR and CSL at the rate of 34%		(193,505)	(115,520)
Permanent adjustments to the IR and CSL calculation basis			
IR and CSL on equity in results of investees		(8,057)	(1,605)
Other permanent adjustments		28,772	10,259
Effect of IR and CSL on results of operations		(172,790)	(106,866)
Breakdown of IR and CSL:			
Current IR and CSL		(53,456)	(43,883)
Deferred IR and CSL		(119,334)	(62,983)
Total IR and CSL on income statement		(172,790)	(106,866)

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise**

Braskem has subsidiaries abroad, whose nominal IR rate differs from those in Brazil, of 34% (IR – 25% and CSL – 9%), as shown below:

	Headquarters (Country)	Official rate - % Mar/2014
Direct and Indirect subsidiaries		
Braskem Alemanha	Germany	31.90
Braskem America e Braskem America Finance	USA	35.00
Braskem Argentina	Argentina	35.00
Braskem Austria e Braskem Austria Finance	Austria	25.00
Braskem Chile e Petroquímica Chile	Chile	20.00
Braskem Espanha	Spain	30.00
Braskem Finance e Braskem Inc	Cayman Islands (*)	
Braskem Holanda	Netherland	25.00
Braskem Idesa, Braskem Idesa Serviços, Braskem México and Braskem México Serviços	Mexico	30.00
Common	British Virgin Islands (*)	
Lantana	Bahamas (*)	
Norfolk	Uruguay	25.00

(*) Country with favored taxation – rate of 0%.

(b) Breakdown of deferred income tax and social contribution**Deferred tax - assets**

	Mar/2014	Dec/2013
Tax losses (IR) and negative base (CSL)	1,000,037	1,015,587
Goodwill amortized	11,320	12,065
Exchange variations	586,068	791,508
Temporary adjustments	370,234	408,233
Business combination	233,393	232,039
Pension plan	78,586	61,927
Deferred charges - write-off	57,110	37,971
Investments in subsidiaries		94,276
	2,336,748	2,653,606
Deferred tax - liabilities		
Amortization of goodwill based on future profitability	661,842	643,050
Tax depreciation	584,197	541,325
Temporary differences	362,609	426,186
Business combination	575,394	585,250
Write-off negative goodwill of incorporated subsidiaries	1,039	1,187
Additional indexation PP&E	136,649	140,157
Other	55,890	56,543
	2,377,620	2,393,698
Deffered tax net	(40,872)	259,908
Asset in Balance Sheet	806,852	1,123,313
(-) Liability in Balance Sheet	847,724	863,405
Deffered tax net	(40,872)	259,908

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(c) Net balance of deferred IR and CSL assets and liabilities**

				Mar/2014
	Headquarters (Country)	IR-CSL Asset	IR-CSL Liability	Net
Assets				
Braskem S.A.	Brazil	1,507,558	(1,122,113)	385,445
Braskem Argentina	Argentina	6,467		6,467
Braskem Alemanha	Germany	70,524		70,524
Braskem Idesa	Mexico	9,663		9,663
Braskem Petroquímica	Brazil	209,176	(135,790)	73,386
Braskem Qpar	Brazil	383,975	(271,913)	112,062
Petroquímica Chile	Chile	113	(80)	33
IQAG	Brazil	22		22
Quantiq	Brazil	5,626		5,626
Braskem Qpar - business combination effect	Brazil	143,624		143,624
		2,336,748	(1,529,896)	806,852
Liabilities				
Braskem Qpar - business combination effect	Brazil		(492,387)	(492,387)
Braskem America	USA		(355,337)	(355,337)
			(847,724)	(847,724)
				Dec/2013
	Headquarters (Country)	IR-CSL Asset	IR-CSL Liability	Net
Assets				
Braskem S.A.	Brazil	1,769,683	(1,095,410)	674,273
Braskem Argentina	Argentina	5,552		5,552
Braskem Alemanha	Germany	67,910		67,910
Braskem Idesa	Mexico	57,613	(52,554)	5,059

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Braskem Petroquímica	Brazil	215,348	(129,022)	86,326
Braskem Qpar	Brazil	390,017	(253,307)	136,710
Petroquímica Chile	Chile	123		123
IQAG	Brazil	23		23
Quantiq	Brazil	5,069		5,069
Braskem Qpar - business combination effect	Brazil	142,268		142,268
		2,653,606	(1,530,293)	1,123,313
Liabilities				
Braskem Qpar - business combination effect	Brazil		(501,699)	(501,699)
Braskem America	USA		(361,706)	(361,706)
			(863,405)	(863,405)

(d) Realization of deferred IR and CSL

In the period ended March 31, 2014, there were no material events or circumstances that indicate any compromise of the realization of these deferred taxes.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****17. Sundry provisions**

The information on sundry provisions was presented in the 2013 annual financial statements of the Company, in Note 24.

	Mar/2014	Dec/2013
Measures to		
Provision for customers bonus	34,209	45,060
Provision for recovery of environmental damages	119,297	132,762
Judicial and administrative provisions	376,074	362,896
Other	11,419	14,832
Total	540,999	555,550
Current liabilities	88,019	105,856
Non-current liabilities	452,980	449,694
Total	540,999	555,550

The composition of provisions for judicial and administrative suits is as follows:

	Mar/2014	Dec/2013
Labor claims	124,878	125,887
Tax claims		
Income tax and social contribution	33,068	32,319
PIS and COFINS	36,499	35,634

ICMS - interstate purchases	88,327	86,233
ICMS - other	11,710	11,432
Other	71,573	61,372
Societary claims and other	10,019	10,019
	376,074	362,896

18. Post-employment (defined-benefit plans)

The information on post-employment (defined-benefit plans) was presented in the 2013 annual financial statements of the Company, in Note 26.

The amounts recognized are as follows:

		Mar/2014	Dec/2013
Petros Plans	(a)	235,134	158,122
Novamont Braskem America		7,509	9,554
Braskem Alemanha		34,386	34,515
		277,029	202,191
Current liabilities			158,137
Non-current liabilities		277,029	44,054
Total		277,029	202,191

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

(a) Petros Plans

In August and October 2012, the Brazilian Private Pension Plan Superintendence (PREVIC - Superintendência Nacional de Previdência Complementar) approved the withdrawal of the sponsorship by Braskem of these plans, which required the payment of the mathematical reserves of the respective beneficiaries and in turn the monetization of the assets of the plans managed by Petros. In view of the unlikelihood of said monetization after almost two years since the approval by PREVIC, Management of the Company had no other option but to start all necessary procedures to resume the sponsorship of the plans. This decision was formalized through a legal injunction dated April 3 2014 that had the main goal of safeguarding Braskem's rights. Management expects that during the next months, the conditions for the resumption of sponsorship of the plan, including the preparation of the actuarial reports, would be established as a result of the discussions that will necessarily be conducted with PREVIC and Petros. The provision booked by the Company, measured based on the criteria that has been adopted since the decision to withdraw sponsorship, was increased by the estimate of the past service cost (Note 23) and was reclassified to non-current liabilities.

19. Contingencies

Braskem has contingent liabilities related to lawsuits and administrative proceedings arising from the normal course of its business, of a labor and social security, tax, civil and corporate nature, which involve risks of losses that are classified by the Company's management as possible.

In the quarter ended March 31, 2014, there were no material events or changes in the provisions reported on December 31, 2013.

A detailed presentation of the Company's contingent liabilities was presented in the 2013 financial statements, in Note 29.

20. Equity

The information related to the Company's shareholders' equity was presented in its 2013 annual financial statements, in Note 30.

(a) Capital

	Common		Preferred		Preferred		Shares unit	
	shares	%	shares	%	shares	%	Total	%
			class A		class B			
OSP e Odebrecht	226,334,623	50.11%	79,182,498	22.96%			305,517,121	38.32%
Petrobras	212,426,951	47.03%	75,479,347	21.88%			287,906,298	36.11%
BNDESPAR			40,102,837	11.62%			40,102,837	5.03%
ADR	(i)		34,191,744	9.91%			34,191,744	4.29%
Other	12,907,078	2.86%	114,891,694	33.30%	593,818	100.00%	128,392,590	16.10%
Total	451,668,652	100.00%	343,848,120	99.67%	593,818	100.00%	796,110,590	99.86%
Braskem shares owned by Braskem								
Petroquímica	(ii)		1,154,758					