(A free translation of the original version in portuguese)

Individual and Consolidated Financial Statements under BRGAAP for the years ended December 31, 2014 and 2013, for the Six Months ended December 31, 2014 and Independent Auditor's Report.

Banco Pine S.A.

PricewaterhouseCoopers Auditores Independentes

PINE

(A free translation of the original in Portuguese)

Banco Pine S.A. and Subsidiaries

Independent Auditor's Report on Financial Statements at December 31, 2014

(A free translation of the original in Portuguese)

Independent Auditor's Report

To the Board of Directors and Stockholders
Banco Pine S.A.

We have audited the accompanying financial statements of Banco Pine S.A. (the "Institution") standing alone, which comprise the balance sheet as at December 31, 2014 and the statements of operations, changes in equity and cash flows for the year and six-month period then ended, as well as the accompanying consolidated financial statements of Banco Pine S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2014, and the consolidated statements of operations, changes in equity and cash flows for the year and six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Banco Pine S.A. standing alone and of Banco Pine S.A. and its subsidiaries as at December 31, 2014, and the Institution's financial performance and cash flows, as well as the consolidated financial performance and cash flows, for the year and six-month period then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

Other matters

Statement of value added

We have also audited the Institution's and the consolidated statements of value added for the year and six-month period then ended December 31, 2014, prepared under management's responsibility, the presentation of which is required by Brazilian corporate legislation for listed companies. These statements were subjected to the same audit procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

São Paulo, February 9, 2015

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Edison Arisa Pereira
Contador CRC 1SP127241/O-0

(This is a free translation of the original in Portuguese.)

BANCO PINE S/A
Corporate Taxpayer ID (CNPJ): 62.144.175/0001-20 – Publicly-held Company –
Company Registry (NIRE): 35300525515

SUMMARY OF THE AUDIT COMMITTEE REPORT
FISCAL YEAR 2014

The Audit Committee of Banco Pine S/A and its subsidiaries is a statutory body subordinated to the Board of Directors, implemented in compliance with the regulations of the Central Bank of Brazil (BACEN) and the Brazilian Securities and Exchange Commission (CVM), and its regiment is available in www.pine.com/ir website.

The Management is responsible for the preparation of the Financial Statements of Banco Pine S/A and Banco Pine S/A and its subsidiaries – ("Consolidated") in accordance with the accounting practices adopted in Brazil applicable to the institutions authorized to operate by the Central Bank of Brazil. It is also responsibility of the Management to (i) establish procedures to ensure the quality of the information and processes used in the preparation of the Financial Statements, (ii) manage the operational risks of the Pine Conglomerate and (iii) supervise internal control and compliance activities.

The independent audit company is responsible for examining the Financial Statements and issuing the report attesting their adequacy, in all relevant aspects, in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil, due to corporate legislation and norms of the National Monetary Council and the Central Bank of Brazil.

The internal audit company's activities are aimed at assessing the efficiency and effectiveness of internal controls and risk management and adherence of processes to the norms and procedures established by the Management.

Committee's Activities in fiscal year 2014:

The main objective of the Audit Committee's work plan for fiscal year 2014 was analyzing the structures, operations, processes and systems inherent to the Bank's business, including meetings with Pine Conglomerate's key businesses areas.

Specific meetings were held with the Independent Audit company and the Internal Audit Department to discuss the annual plan and its execution, as well as the monitoring of Management's measures related to the auditors' decisions. There were also meetings held with the Brazilian Central Bank to discuss these annual plans, the semi-annual closings and aspects of its regulation and standardization.

Due to these meetings the Committee had the opportunity to make suggestions to the Board of Directors to improve controls and risk management and monitor their effective implementation within the scheduled time limits.

In the meeting held on February 4, 2015, the Financial Statements were analyzed for the fiscal year ended on December 31, 2014 and prepared the Summary of the Audit Committee Report with the activities pursued in the exercise.

Internal Control System:

In accordance with the schedule and work plan defined for the fiscal year ended December 31, 2014, the Committee acknowledged Pine Conglomerate's processes, methods and control and information system, evaluating quality and the commitment of managers in their maintenance and improvement.

All of the most important activities of the Organization, including those carried out by other companies (relevant third parties), were analyzed and related risks, as well as the controls used to reduce said risks to a management level considered adequate were identified. These mappings, risks and controls are stored in an electronic data system purchased from a specialized and renowned consulting firm.

Based on the information and observations collected at its meetings, the Committee considers Pine Conglomerate's size and operational complexity adequate to its internal control systems, contributing to the efficiency of its businesses, to the adequacy of the financial reports and compliance with the rules and regulations applicable to its transactions.

Consolidated Risk Management:

Pine Conglomerate's Risk Management is exercised in a consolidated manner by the Vice Presidency – "Chief Risk Officer", comprising the main risks regulated by the Central Bank of Brazil, namely, Credit Risk, Market Risk, Liquidity Risk and Operational Risk.

In work meetings with the Risk Management unit, this Committee had the opportunity to acknowledge the processes, methods, systems, and main reports to manage Market, Liquidity, Credit, and Operational risks, including the activities of a specific Risk committee.

Independent Auditors:

The Committee held meetings with the Independent Audit Company – PricewaterhouseCoopers (PwC) - for the approval of the Quarterly Financial Information (ITR) and Half-yearly/Annual Financial Statements. At these meetings the committee discussed the Annual Audit Plan and verified the compliance with its Independence Policy.

The recommendations in the reports on internal controls were presented and discussed by the Committee and Action Plans to solve them were established, in conjunction with the Internal Audit Department and the respective areas. No cases of non-compliance with legislation, regulations and internal norms which could jeopardize the continuity of the Organization's businesses were reported. The Committee considers the planning and work of the independent auditors adequate to Pine Conglomerate's size and operational complexity.

Internal Audit Department:

The Committee approved the structure of the Internal Audit Department and the Annual Plan comprising all operations, risks and processes of the organization and, through its meetings, it monitors the compliance with them. The permanent presence of the Internal Audit area in the Committee's meetings provides the necessary support to the activities and response to demands.

The Internal Audit Department also contributes to meet the demands of regulatory bodies and presents and discusses these bodies' reports and demands in meetings with this Committee.

Consolidated Financial Statements:

The Committee evaluated the processes to prepare the financial information, individual and consolidated balance sheets, financial reports and explanatory notes disclosed in conjunction with the Financial Statements. It discussed with PwC and the Organization's executive officers the relevant practices used to prepare the Financial Statements in accordance with the accounting practices adopted in Brazil applicable to the institutions authorized to operate by the Central Bank of Brazil.

Conclusion

After carefully evaluating its responsibilities and the natural limitations arising from the scope of its activities, the Audit Committee recommends the approval by the Board of Directors of the Financial Statements of Banco Pine S/A and Banco Pine S/A and its subsidiaries - Consolidated, for the semester and fiscal year ended December 31, 2014.

São Paulo, February 09, 2015

Maurízio Mauro

Chairman of the Audit Committee
Independent Member of the Board of Directors

William Pereira Pinto

Financial Specialist Member

Sérgio Machado Zica de Castro

Minority Shareholders' Representative

BANCO PINE S.A.
Public Company
CNPJ 62.144.175/0001-20

STATEMENT OF THE MANAGEMENT ON THE INDEPENDENT AUDITORS REPORT

After the Company's Financial Statements analysis, related to the period ended on December 31, 2014, accompanied by the Management Report, the balance sheet, other parts of the Financial Statements, the Independent Auditors Report and the Audit Committee Report, the members of the Executive Management, pursuant to the Article 25, Paragraph 1, section V, of the CVM Instruction nº480, from February 7, 2009, DECLARE THAT the opinion expressed in the Independent Auditors Report was discussed, revised and agreed.

São Paulo, February 09, 2015.

Members of the Executive Management

Noberto Nogueira Pinheiro Júnior
Norberto Zaiet Júnior
Ulisses Marcio Alcantarilla
Gabriela Redonda Chiste
Rodrigo Esteves Pinheiro
Gustavo Gierum
João Vicente Peregrino de Brito
Jefferson Dias Micelli
Luiz Eduardo Marinho da Silva Oliveira
Marco Antonio de Paulo Maciel
Welinton Gesteira Souza
Claudia Lopes
Fabio Ferraz
Rodrigo Montemor
Ivan Marc Farber
Alexandre Aoude
Ulisses Márcio Alcantarilla
César Mindof
David Gold
Rafael Ferreira Garrote Paiva

BANCO PINE S.A.
Companhia Aberta
CNPJ 62.144.175/0001-20

STATEMENT OF THE MANAGEMENT ON FINANCIAL STATEMENTS

After the Company's Financial Statements analysis, related to the period ended on December 31, 2014, accompanied by the Management Report, the balance sheet, other parts of the Financial Statements, the Independent Auditors Report and the Audit Committee Report ("Financial Statements"), the members of the Executive Management, pursuant to the Article 25, Paragraph 1, section VI, of the CVM Instruction nº480, from February 7, 2009, declare that the Financial Statements were discussed, revised and agreed.

São Paulo, February 09, 2015.

Members of the Executive Management

Noberto Nogueira Pinheiro Júnior
Norberto Zaiet Júnior
Ulisses Marcio Alcantarilla
Gabriela Redonda Chiste
Rodrigo Esteves Pinheiro
Gustavo Gierum
João Vicente Peregrino de Brito
Jefferson Dias Micelli
Luiz Eduardo Marinho da Silva Oliveira
Marco Antonio de Paulo Maciel
Welinton Gesteira Souza
Claudia Lopes
Fabio Ferraz
Rodrigo Montemor
Ivan Marc Farber
Alexandre Aoude
Ulisses Márcio Alcantarilla
César Mindof
David Gold
Rafael Ferreira Garrote Paiva

MANAGEMENT REPORT- 2014

Pine´s Management, in accordance with the law, presents the material facts and relevant events of the year thus far for your appreciation. This report includes the Individual and Consolidated Financial Statements for the twelve-month period ended December 31, 2014. The information contained in this material are available on Relations Investor website of Banco Pine (www.pine.com/ir).

Dear shareholders,

2014 was another year of important achievements and strong consistency in all business lines.

Based on a conservative and consistent strategy, we reduced throughout 2014 our growth projections and worked even more rigidly and prudently in granting loans. We have prioritized the quality of the transactions and the increase in real collaterals in order to preserve the liquidity and solidity of our operations, in a period marked by political and economic uncertainties.

With this strategy we maintained our expanded loan portfolio mostly stable, increasing significantly the quality of loans, up to the point in which 95.0% of our transactions were rated between AA and C, by December. We sacrificed short-term profitability in order to further strengthen our balance sheet and to increase liquidity, anticipating a scenario of economic contraction. Over the past three years, we have invested in our risk models in order to make our provisions even more conservative and to protect our shareholders´ equity.

Besides the improvement in the quality of the loan portfolio, this strategy also enabled the expansion of the positive liquidity gap; the increase of 50 bps in Tier I BIS ratio, with total capital reaching 13.9% - 26.4% above the minimum required by the Brazilian Central Bank; highly liquid balance sheet; and strengthening of provisions, further increasing the loan portfolio coverage ratio to around 3.0%.

Also in accordance with our strategy, we reduced the cost of total funding in the last 12 months, through syndicated loans in foreign currency, Financial Bill issuances, Agribusiness and Real Estate Letters of Credit and prepayment/repurchase of our own bonds.

In 2015, the year that Banco Pine will complete 18 years, the conservative approach in conducting business will continue guiding our management with the clear objective of capital preservation and with a perennial growth strategy built on solid foundations, with continuous investments in the range of products and in human capital.

Today we are among the 13 largest banks offering credit to large companies and the 6th largest Brazilian controlled private bank (according to the "Melhores e Maiores" ranking compiled by Exame magazine), the 16th largest bank in derivative transactions and the 2nd largest in commodity derivatives, according to CETIP – OTC Clearing House. Once again we ranked among the first positions in the Top 5 ranking of the Central Bank, being one of the most consistent institutions in their projections in 2014.

2015 is shaping up to be another year full of challenges and we are confident in our strategy and in our solid foundations to continue to expand our franchise, maintaining the adequate balance between risk and return. We will continue to invest in our team and in the complete service to our clients, increasing the portfolio of products and services and maintaining a very close relationship with each one of them.

External Auditors

In compliance with CVM Instruction 381, of January 14, 2003, Pine reports that did not hire from the independent auditors any other services than those related to the audit works for the period from January to December, 2014. Pine adopts the procedure of limiting the services rendered by its independent auditors so as to ensure the auditor's independence and objectivity pursuant to Brazilian and international standards.

Executive Committee

São Paulo, February 09, 2015.

(A free translation of the original in Portuguese)

BANCO PINE S.A. AND SUBSIDIARIES

BALANCE SHEETS ON DECEMBER 31, 2014 AND 2013

(In thousands of reais)

		Individual		Consolidated	
ASSETS	**Note**	**2014**	**2013**	**2014**	**2013**
CURRENT ASSETS		**6,258,837**	**6,775,528**	**6,531,600**	**6,919,289**
Cash	4.	**173,634**	**147,466**	**179,515**	**157,168**
Short-term interbank investments	5.	**243,250**	**667,692**	**243,250**	**668,002**
Open market investments		151,040	183,922	151,040	184,232
Interbank deposits		21,028	58,199	21,028	58,199
Foreign currency investments		71,182	425,571	71,182	425,571
Marketable securities and derivative financial instruments		**1,204,709**	**1,804,111**	**1,465,128**	**1,918,995**
Own portfolio	6. a)	766,845	1,021,113	1,027,264	1,135,997
Subject to repurchase agreements	6. a)	203,998	551,072	203,998	551,072
Derivative financial instruments	6. b)	232,588	227,376	232,588	227,376
Subject to guarantees	6. a)	1,278	4,550	1,278	4,550
Interbank accounts		**631**	**621**	**631**	**621**
Restricted deposits:					
Brazilian Central Bank		631	621	631	621
Loan operations	7.	**3,509,571**	**3,133,477**	**3,513,628**	**3,145,959**
Loan operations - private sector		3,263,940	2,917,156	3,268,032	2,929,833
Loan operations - public sector		-	365	-	365
Credit transactions subject to transfer	7. j)	371,322	305,996	371,322	305,996
(-) Allowance for loan losses		(125,691)	(90,040)	(125,726)	(90,235)
Other receivables		**954,447**	**854,969**	**956,853**	**861,352**
Foreign exchange portfolio	8.	602,367	525,129	602,367	525,129
Income receivable		33,341	26,958	33,341	26,958
Negotiation and intermediation of securities		89,051	65,415	89,051	67,008
Sundry	9.	243,627	248,971	246,033	253,761
(-) Allowance for other loan losses		(13,939)	(11,504)	(13,939)	(11,504)
Other assets		**172,595**	**167,192**	**172,595**	**167,192**
Non-operating assets		169,163	162,764	169,163	162,764
Prepaid expenses		3,432	4,428	3,432	4,428
LONG-TERM RECEIVABLES		**4,101,573**	**3,677,856**	**3,895,741**	**3,521,586**
Marketable securities and derivative financial instruments		**1,749,441**	**799,680**	**1,539,565**	**595,750**
Own portfolio	6. a)	1,314,028	402,119	1,104,152	198,189
Derivative financial instruments	6. b)	288,089	287,982	288,089	287,982
Subject to guarantees	6. a)	147,324	109,579	147,324	109,579
Loan operations	7.	**1,937,716**	**2,374,308**	**1,937,716**	**2,416,359**
Loan operations - private sector		1,920,927	2,371,032	1,920,927	2,420,402
Loan operations - public sector		-	18,626	-	18,626
Credit transactions subject to transfer	7. j)	62,277	60,538	62,277	60,538
(-) Allowance for loan losses		(45,488)	(75,888)	(45,488)	(83,207)
Other receivables		**405,288**	**492,247**	**409,214**	**497,821**
Income receivable		41,354	29,987	41,354	29,987
Deposits in guarantee	15. (c) (d)	40,393	206,615	40,649	207,809
Sundry	9.	324,064	256,343	327,734	260,723
(-) Allowance for other loan losses		(523)	(698)	(523)	(698)
Other assets		**9,128**	**11,621**	**9,246**	**11,656**
Prepaid expenses		9,128	11,621	9,246	11,656
PERMANENT ASSETS		**83,084**	**139,672**	**19,752**	**103,791**
Investments		**64,090**	**113,260**	**-**	**76,509**
Investments subsidiaries - Abroad	10.a)	5,344	9,047	-	-
Investments in local subsidiaries	10.a)	58,746	104,213	-	-
Other investments	10.b)	-	-	-	76,509
Property and equipment in use	11. a)	**18,255**	**24,984**	**18,746**	**25,619**
Facilities, furniture and equipment in use		13,217	13,216	13,885	13,806
Other fixed assets in use		21,384	29,140	21,685	29,405
Accumulated depreciation		(16,346)	(17,372)	(16,824)	(17,592)
Intangible assets	11.b)	**739**	**1,428**	**1,006**	**1,663**
Expenses for acquisition and development of software		9,587	9,587	9,854	10,288
Accumulated amortization		(8,848)	(8,159)	(8,848)	(8,625)
TOTAL ASSETS		**10,443,494**	**10,593,056**	**10,447,093**	**10,544,666**

(A free translation of the original in Portuguese)

BANCO PINE S.A. AND SUBSIDIARIES

BALANCE SHEETS ON DECEMBER 31, 2014 AND 2013

(In thousands of reais)

LIABILITIES AND EQUITY	Nota	Individual 2014	Individual 2013	Consolidado 2014	Consolidado 2013
CURRENT LIABILITIES		**5,562,787**	**6,029,282**	**5,249,385**	**5,633,178**
Deposits	12.	**1,604,719**	**2,104,966**	**1,587,295**	**2,045,453**
Demand deposits		26,683	23,332	26,621	23,260
Interbank deposits		46,871	77,846	46,871	73,665
Time deposits		1,531,165	2,003,788	1,513,803	1,948,528
Funds obtained in the open market	13.	**196,521**	**547,579**	**164,869**	**508,792**
Own portfolio		196,521	547,579	164,869	333,529
Third-party portfolio		-	-	-	175,263
Funds from acceptance and issuance of securities		**1,105,977**	**1,301,013**	**1,105,977**	**1,301,013**
Real estate letters of credit	17. a)	442,192	270,317	442,192	270,317
Agribusiness letters of credit	17. a)	530,896	410,269	530,896	410,269
Financial bills	17. a)	121,061	599,368	121,061	599,368
Securities issued abroad	17. b)	11,828	21,059	11,828	21,059
Interbank accounts		**1,187**	**25**	**1,187**	**25**
Correspondent banks		1,187	25	1,187	25
Interdepartmental accounts		**74**	**15,072**	**74**	**15,072**
Third-party funds in transit		74	15,072	74	15,072
Borrowings and onlendings	16.	**1,806,009**	**1,389,642**	**1,806,009**	**1,389,642**
Foreign borrowings		1,079,612	1,045,727	1,079,612	1,045,727
Local onlendings – official institutions		663,936	341,050	663,936	341,050
Foreign onlendings		62,461	2,865	62,461	2,865
Derivative Financial Instruments	6. b)	**233,893**	**160,353**	**233,893**	**160,353**
Derivative financial instruments		233,893	160,353	233,893	160,353
Other liabilities		**614,407**	**510,632**	**350,081**	**212,828**
Collection and payment of taxes and similar	14. a)	378	1,163	378	1,163
Foreign exchange portfolio	8.	149,894	94,959	149,894	94,959
Social and statutory payables		-	6,432	-	6,432
Tax and social security contributions	14. b)	6,634	20,368	10,088	25,107
Negotiation and intermediation of securities		50,763	27,602	50,763	39,922
Subordinated debt	18.	16,044	14,150	16,044	14,150
Sundry	14. c)	**390,694**	**345,958**	**122,914**	**31,095**
Liabilities for sale and transfer of financial assets	7. j)	372,113	317,327	102,098	-
Other		18,581	28,631	20,816	31,095
LONG-TERM LIABILITIES		**3,539,534**	**3,222,867**	**3,856,535**	**3,570,581**
Deposits	12.	**766,181**	**1,159,366**	**727,022**	**1,110,748**
Interbank deposits		21,709	16,093	21,664	16,053
Time deposits		744,472	1,143,273	705,358	1,094,695
Funds obtained in the open market	13.	**3,672**	**-**	**3,672**	**-**
Own portfolio		3,672	-	3,672	-
Funds from acceptance and issuance of securities		**937,520**	**436,686**	**937,520**	**436,686**
Real estate letters of credit	17. a)	122,320	10,379	122,320	10,379
Agribusiness letters of credit	17. a)	72,567	28,073	72,567	28,073
Financial bills	17. a)	568,690	138,999	568,690	138,999
Securities issued abroad	17. b)	173,943	259,235	173,943	259,235
Borrowings and onlendings	16.	**1,367,953**	**1,107,431**	**1,367,953**	**1,107,431**
Foreign borrowings		129,751	304,538	129,751	304,538
Local onlendings – official institutions		669,562	800,058	669,562	800,058
Foreign onlendings		568,640	2,835	568,640	2,835
Derivative financial instruments	6. b)	**31,180**	**30,480**	**31,180**	**30,480**
Derivative financial instruments		31,180	30,480	31,180	30,480
Other liabilities		**433,028**	**488,904**	**789,188**	**885,236**
Tax and social security contributions	14. b)	30,901	63,244	30,901	63,251
Subordinated debt	18.	317,946	346,061	317,946	346,061
Sundry	14. c)	**84,181**	**79,599**	**440,341**	**475,924**
Liabilities for sale and transfer of financial assets	7. j)	62,277	60,538	-	-
Provision for contingent liabilities		21,068	11,922	21,068	11,922
Obligations for shares of investment funds		-	-	418,437	456,863
Other		836	7,139	836	7,139
RESULTADO DE EXERCÍCIOS FUTUROS		**85,236**	**68,499**	**85,236**	**68,499**
EQUITY	19.	**1,255,937**	**1,272,408**	**1,255,937**	**1,272,408**
Capital		**1,112,259**	**1,112,259**	**1,112,259**	**1,112,259**
Local residents		981,847	979,805	981,847	979,805
Foreign residents		130,412	132,454	130,412	132,454
Capital reserves		-	14,032	-	14,032
Revenue reserves		189,150	184,965	189,150	184,965
Carrying value adjustments		(28,442)	(16,765)	(28,442)	(16,765)
(-) Treasury shares		(17,030)	(22,083)	(17,030)	(22,083)
TOTAL LIABILITIES AND EQUITY		**10,443,494**	**10,593,056**	**10,447,093**	**10,544,666**

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

(A free translation of the original in Portuguese)

BANCO PINE S.A. AND SUBSIDIARIES

STATEMENTS OF OPERATIONS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

AND FOR THE SEMESTER ENDED ON DECEMBER 31, 2014

(In thousands of reais, except net income per share)

				Individual			Consolidated
			2014	2013		2014	2013
	Note	Semester	Period	Exercício	Semester	Period	Exercício
INCOME FROM FINANCIAL INTERMEDIATION		**829,398**	**1,367,357**	**1,159,557**	**824,363**	**1,350,327**	**1,181,919**
Loan operations	20.a)	418,717	777,760	554,395	419,598	781,402	568,043
Marketable securities	20.b)	163,314	344,797	254,064	157,398	324,125	262,778
Derivative financial instruments	6.b)	183,689	200,273	196,213	183,689	200,273	196,213
Foreign exchange transactions		63,678	44,527	154,885	63,678	44,527	154,885
EXPENSES FOR FINANCIAL INTERMEDIATION		**(718,799)**	**(1,112,766)**	**(911,104)**	**(681,423)**	**(1,028,341)**	**(892,776)**
Funds obtained in the market	20.c)	(407,308)	(688,936)	(612,436)	(408,417)	(688,868)	(608,015)
Borrowings and onlendings	20.d)	(241,406)	(281,618)	(183,693)	(241,406)	(281,618)	(183,693)
Transactions for sale or transfer of financial assets		(38,291)	(76,879)	(16,491)	-	-	-
Provision for loan losses		(31,794)	(65,333)	(98,484)	(31,600)	(57,855)	(101,068)
GROSS PROFIT FROM FINANCIAL INTERMEDIATION		**110,599**	**254,591**	**248,453**	**142,940**	**321,986**	**289,143**
OPERATING INCOME (EXPENSE)		**(108,759)**	**(149,768)**	**(38,068)**	**(138,055)**	**(211,229)**	**(68,998)**
Income from services rendered	20.e)	35,576	72,224	84,921	47,005	90,461	115,033
Income from bank charges		1,482	2,310	2,504	1,482	2,310	2,504
Personnel expenses	20.f)	(47,438)	(89,811)	(86,054)	(50,908)	(96,556)	(91,705)
Other administrative expenses	20.g)	(40,674)	(84,378)	(91,695)	(43,681)	(90,024)	(94,900)
Tax expenses	20.h)	(4,982)	(9,772)	(13,321)	(6,069)	(11,484)	(16,645)
Equity in the results of investees	10.	6,526	8,043	24,040	-	-	-
Other operating income	20.i)	7,961	23,034	74,044	8,240	24,898	73,513
Other operating expenses	20.j)	(67,210)	(71,418)	(32,507)	(94,124)	(130,834)	(56,798)
OPERATING PROFIT		**1,840**	**104,823**	**210,385**	**4,885**	**110,757**	**220,145**
NON-OPERATING RESULTS	**20.k)**	**3,718**	**15,024**	**9,252**	**3,727**	**15,034**	**9,252**
INCOME BEFORE INCOME TAXES AND PROFIT SHARING		**5,558**	**119,847**	**219,637**	**8,612**	**125,791**	**229,397**
INCOME TAX AND SOCIAL CONTRIBUTION	**21.**	**35,347**	**13,999**	**(22,338)**	**32,796**	**9,121**	**(31,017)**
Provision for current income tax		9,613	(16,987)	(11,027)	7,894	(20,233)	(16,913)
Provision for current social contribution		5,904	(10,512)	(6,885)	5,061	(12,167)	(9,438)
Deferred income tax and social contribution		19,830	41,498	(4,426)	19,841	41,521	(4,666)
PROFIT SHARING		**(17,066)**	**(39,539)**	**(35,703)**	**(17,569)**	**(40,605)**	**(36,784)**
NET INCOME		**23,839**	**94,307**	**161,596**	**23,839**	**94,307**	**161,596**
NUMBER OF OUTSTANDING SHARES		118,903,884	118,903,884	121,694,711	118,903,884	118,903,884	121,694,711
NET INCOME PER SHARE – IN REAIS		0.20049	0.79314	1.32788	0.20049	0.79314	1.32788

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

(A free translation of the original in Portuguese)
BANCO PINE S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013
(In thousands of reais, except net income per share)

	2014	2013	2012
Net income of the period	**94,307**	**161,596**	**187,453**
Available-for-sale financial assets	(34,245)	(20,308)	(843)
Cash flow hedges	(1,416)	-	-
Income tax	19,022	11,230	343
Other	(11,803)	(7,687)	77
Comprehensive net income	**65,865**	**144,831**	**187,030**

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

(A free translation of the original in Portuguese)

BANCO PINE S.A. AND SUBSIDIARIES
STATEMENTS OF VALUE ADDED FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013
(In thousands of reais)

	Individual			Consolidated		
		2014	2013		2014	2013
	Semester	Period	Exercício	Semester	Period	Period
Income	**779,131**	**1,343,198**	**1,199,287**	**759,093**	**1,294,341**	**1,224,355**
Financial intermediation	829,398	1,367,357	1,159,557	824,363	1,350,327	1,181,919
Services rendered	35,576	72,224	84,921	47,005	90,461	115,033
Bank charges	1,482	2,310	2,504	1,482	2,310	2,504
Provision for loan losses	(31,794)	(65,333)	(98,484)	(31,600)	(57,855)	(101,068)
Other	(55,531)	(33,360)	50,789	(82,157)	(90,902)	25,967
Expenses for financial intermediation	**687,005**	**1,047,433**	**812,620**	**649,823**	**970,486**	**791,708**
Goods and services acquired from third parties	**33,808**	**70,229**	**76,435**	**36,386**	**75,079**	**79,195**
Materials, electricity and other	293	637	640	318	674	657
Third-party services	25,608	53,669	55,195	27,629	57,718	57,410
Other	7,907	15,923	20,600	8,439	16,687	21,128
Gross value added	**58,318**	**225,536**	**310,232**	**72,884**	**248,776**	**353,452**
Depreciation and amortization	**1,649**	**3,777**	**5,316**	**1,764**	**3,987**	**5,417**
Net value added produced by the institution	**56,669**	**221,759**	**304,916**	**71,120**	**244,789**	**348,035**
Value added transferred from others	**6,526**	**8,043**	**24,040**	**-**	**-**	**-**
Equity in the results of investees	6,526	8,043	24,040	-	-	-
Total value added to be distributed	**63,195**	**229,802**	**328,956**	**71,120**	**244,789**	**348,035**
Distribution of value added	**63,195**	**229,802**	**328,956**	**71,120**	**244,789**	**348,035**
Personnel	**64,504**	**129,350**	**121,757**	**68,478**	**137,161**	**128,489**
Salaries	32,181	60,590	58,138	35,011	66,134	62,420
Benefits and training	4,640	9,009	8,949	4,885	9,491	9,426
Social charges	10,617	20,212	18,967	11,013	20,931	19,859
Profit sharing	17,066	39,539	35,703	17,569	40,605	36,784
Taxes, charges and contributions	**(30,364)**	**(4,227)**	**35,659**	**(26,727)**	**2,363**	**47,662**
Federal	2,789	5,055	8,278	3,298	5,905	10,143
State	1	2	5	1	3	5
Municipal	2,193	4,715	5,038	2,770	5,576	6,497
Income tax and social contribution	(35,347)	(13,999)	22,338	(32,796)	(9,121)	31,017
Remuneration of third-party capital	**5,216**	**10,372**	**9,944**	**5,530**	**10,958**	**10,288**
Rents and leased assets	5,216	10,372	9,944	5,530	10,958	10,288
Remuneration of own capital	**23,839**	**94,307**	**161,596**	**23,839**	**94,307**	**161,596**
Interest on own capital/dividends	31,200	71,200	120,000	31,200	71,200	120,000
Retained earnings	(7,361)	23,107	41,596	(7,361)	23,107	41,596

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

(A free translation of the original in Portuguese)
BANCO PINE S.A.
STATEMENT OF CHANGES IN EQUITY AS ON DECEMBER 31, 2014 AND 2013
AND FOR THE SEMESTER ENDED ON DECEMBER 31, 2014
(In thousands of reais, except dividends and interest on own capital per share)

			Revenue reserves					
	Paid-up capital	Capital reserves	Legal	Statutory	Carrying value adjustments	Treasury shares	Retained earnings	Total
Balances on December 31, 2012	**935,683**	**11,685**	**24,955**	**260,796**	**(423)**	**(12,750)**	**-**	**1,219,946**
Capital increase (Note 19)	176,576	-	(17,429)	(127,571)	-	-	-	31,576
Other capital reserves	-	2,347	-	-	-	-	-	2,347
Acquisition of treasury shares	-	-	-	-	-	(9,333)	-	(9,333)
MTM available-for-sale securities	-	-	-	-	(12,185)	-	-	(12,185)
Other carrying value adjustments	-	-	-	-	(4,157)	-	-	(4,157)
Net income	-	-	-	-	-	-	161,596	161,596
Appropriations (Note 19):								
Legal reserve	-	-	8,080	-	-	-	(8,080)	-
Statutory reserve	-	-	-	33,516	-	-	(33,516)	-
Approval of proposed additional dividend	-	-	-	81,622	-	-	-	81,622
Payment of proposed additional dividend	-	-	-	(79,004)	-	-	-	(79,004)
Prepaid dividends (R$0.4744 per share)	-	-	-	-	-	-	(57,730)	(57,730)
Interest on own capital (R$0.5117 per share)	-	-	-	-	-	-	(62,270)	(62,270)
Balances on December 31, 2013	**1,112,259**	**14,032**	**15,606**	**169,359**	**(16,765)**	**(22,083)**	**-**	**1,272,408**
Acquisition of treasury shares	-	-	-	-	-	(24,254)	-	(24,254)
Cancellation of treasury shares	-	(14,032)	-	(9,874)	-	29,307	-	5,401
Sale of treasury shares	-	-	-	5	-	-	-	5
MTM available-for-sale securities	-	-	-	-	(8,100)	-	-	(8,100)
MTM Cash flow hedge	-	-	-	-	(829)		-	(829)
Other carrying value adjustments	-	-	-	-	(2,748)	-	-	(2,748)
Net income	-	-	-	-	-	-	94,307	94,307
Appropriations (Note 19):								
Legal reserve	-	-	4,715	-	-	-	(4,715)	-
Statutory reserve	-	-	-	18,392	-	-	(18,392)	-
Approval of proposed additional dividend	-	-	-	(21,177)	-	-	-	(21,177)
Payment of proposed additional dividend	-	-	-	12,124	-	-	-	12,124
Prepaid dividends (R$0.0567 per share)	-	-	-	-	-	-	(6,737)	(6,737)
Interest on own capital (R$0.5421 per share)	-	-	-	-	-	-	(64,463)	(64,463)
Balances on December 31, 2014	**1,112,259**	**-**	**20,321**	**168,829**	**(28,442)**	**(17,030)**	**-**	**1,255,937**
Balances on June 30, 2014	**1,112,259**	**-**	**19,128**	**176,838**	**(16,948)**	**(21,348)**	**-**	**1,269,929**
Acquisition of treasury shares	-	-	-	-	-	(2,913)	-	**(2,913)**
Cancellation of treasury shares	-	-	-	-	-	7,231	-	**7,231**
Sale of treasury shares	-	-	-	5	-	-	-	**5**
MTM available-for-sale securities	-	-	-	-	(8,786)	-	-	**(8,786)**
MTM Cash flow hedge	-	-	-	-	(805)	-	-	**(805)**
Other carrying value adjustments	-	-	-	-	(1,903)	-	-	**(1,903)**
Net income	-	-	-	-	-	-	23,839	**23,839**
Appropriations (Note 19):								**-**
Legal reserve	-	-	1,193	-	-	-	(1,193)	**-**
Statutory reserve	-	-	-	(8,554)	-	-	8,554	**-**
Approval of proposed additional dividend	-	-	-	(11,584)	-	-	-	**(11,584)**
Payment of proposed additional dividend	-	-	-	12,124	-	-	-	**12,124**
Interest on own capital (R$0.2624 per share)	-	-	-	-	-	-	(31,200)	**(31,200)**
Balances on December 31, 2014	**1,112,259**	**-**	**20,321**	**168,829**	**(28,442)**	**(17,030)**	**-**	**1,255,937**

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

PINE

BANCO PINE S.A. AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (DIRECT METHOD) FOR THE PERIODS ENDED DECEMBER 31, 2014 AND 2013
AND FOR THE SEMESTER ENDED ON DECEMBER 31, 2014
(In thousands of reais)

				Individual			Consolidado
			2014	2013		2014	2013
	Nota	Semester	Period	Exercício	Semester	Period	Period
OPERATING ACTIVITIES							
Adjusted net income		**28,908**	**110,326**	**235,312**	**47,198**	**111,078**	**253,752**
Net income for the period		23,839	94,307	161,596	23,839	94,307	161,596
Provision for loan losses		31,794	65,333	98,484	31,600	57,855	101,068
Deferred taxes		(19,830)	(41,498)	4,426	(19,841)	(41,521)	4,666
Depreciation and amortization		1,649	3,777	5,316	1,764	3,987	5,417
Provision for contingencies		(2,186)	(4,259)	(10,424)	(2,186)	(4,259)	(10,424)
Equity in the results of investee		(6,526)	(8,043)	(24,040)	-	-	-
Profit (loss) on sale of property and equipment/investment		168	709	(46)	168	709	(46)
Adjustment to fair value of other investments		-	-	-	11,854	-	(8,525)
Changes in assets and liabilities		**(799,227)**	**(434,601)**	**117,512**	**(900,511)**	**(458,682)**	**239,677**
(Increase) decrease in short-term interbank investments		20,109	37,501	42,615	20,109	37,500	42,615
(Increase) decrease in marketable securities		(743,991)	(356,004)	1,858,580	(882,107)	(495,593)	1,907,779
(Increase) decrease in loan operations		104,891	(1,765)	(1,589,281)	122,044	56,191	(1,496,382)
(Increase) decrease in other receivables		74,168	25,909	(134,061)	80,700	31,559	(140,363)
(Increase) decrease in other assets		(53,601)	(2,910)	12,364	(53,612)	(2,992)	12,329
(Increase) decrease in interbank and interdepartmental accounts		(21,453)	(13,846)	(6,551)	(21,453)	(13,846)	(6,551)
(Increase) decrease in derivative financial instruments		47,703	68,920	(87,585)	47,703	68,920	(87,585)
Increase (decrease) in deposits		(806,091)	(893,432)	(211,406)	(815,635)	(841,885)	(162,795)
Increase (decrease) in purchase and sale commitments		(302,183)	(347,386)	(1,285,082)	(301,210)	(340,251)	(1,323,869)
Increase (decrease) in funds from acceptance and issuance of securities		416,750	305,798	445,636	416,750	305,798	445,636
Increase (decrease) in borrowings and onlendings		307,957	676,889	640,362	307,957	220,026	978,490
Increase (decrease) in other liabilities		140,550	48,989	419,493	162,279	499,154	57,945
Increase (decrease) in deferred income		15,964	16,736	12,428	15,964	16,737	12,428
Net cash provided by operating activities		**(770,319)**	**(324,275)**	**352,824**	**(853,313)**	**(347,604)**	**493,429**
INVESTING ACTIVITIES							
Acquisition/sale of property and equipment in use		(295)	2,932	(525)	(399)	2,866	(1,259)
Investments in/ sale of intangible assets		-	-	(138)	(46)	(32)	(373)
Acquisition of investments		-	-	-	8,943	-	(67,984)
Disposals of investments		-	-	-	97,032	97,032	-
Capital decrease/increase in subsidiaries		3,707	3,707	68,643	(20,523)	(20,523)	-
Receipt of dividends from subsidiaries		-	53,507	-	-	-	-
Net cash provided by (used in) investing activities		**3,412**	**60,146**	**67,980**	**85,007**	**79,343**	**(69,616)**
FINANCING ACTIVITIES							
Capital increase		-	-	31,576	-	-	31,576
Other capital reserves		-	-	2,347	-	-	2,347
Sale/acquisition of treasury shares		(2,913)	(24,254)	(9,333)	(2,913)	(24,254)	(9,333)
Cancellation of treasury shares		7,229	5,406	-	7,229	5,406	-
Interest on own capital and dividends paid		(32,276)	(77,796)	(111,316)	(32,276)	(77,796)	(111,316)
Net cash used in financing activities		**(27,960)**	**(96,644)**	**(86,726)**	**(27,960)**	**(96,644)**	**(86,726)**
INCREASE IN CASH AND CASH EQUIVALENTS		**(794,867)**	**(360,773)**	**334,078**	**(796,266)**	**(364,905)**	**337,087**
Cash and cash equivalents at the beginning of the period	4.	1,191,561	757,474	423,396	1,198,840	767,486	430,399
Cash and cash equivalents at the end of the period	4.	**396,694**	**396,701**	**757,474**	**402,574**	**402,581**	**767,486**

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

(In thousands of reais, unless otherwise stated)

1. OPERATIONS

Banco Pine S.A. (the "Institution" or "Banco Pine") is authorized to operate commercial, credit and financing and foreign exchange portfolios.

The Institution's operations are conducted in the context of a group of institutions which act jointly, and certain transactions involve the co-participation or intermediation of member companies of the Pine Financial Group. The benefits from the intercompany services and the costs for the operating and administrative structures are absorbed, either jointly or individually, by these companies as is most practicable and reasonable in the circumstances.

2. PRESENTATION OF FINANCIAL STATEMENTS

This presentation consists of the financial statements of Banco Pine, which include those of its Grand Cayman Branch (Individual) and the consolidated financial statements of Banco Pine and Subsidiaries (Consolidated).

The financial statements are presented in reais (R$), which is the Institution's functional currency and that of its branch abroad. Unless otherwise indicated, the financial information expressed in reais was rounded to the nearest thousand.

In compliance with Resolution 505/06, of the Brazilian Securities Commission (CVM), the Individual and Consolidated Financial Statements, as on December 31, 2014, were authorized for issue on February 5, 2015, by the Institution's Board of Directors, among other matters.

The consolidated financial statements consider the transactions of Banco Pine S.A., including its branch abroad, its direct and indirect subsidiaries and the special purpose entities presented below:

					2014
	Business activity	Total assets	Capital	Equity	Net income (loss)
Foreign branch					
Grand Cayman Branch	Dependência no exterior	1,257,146	185,934	239,299	(31,941)
Subsidiaries					
Pine Securities USA LLC	Corretora	6,981	13,281	5,344	(4,595)
Pine Investimentos Distribuidora de Títulos e Valores Mobiliários Ltda.	DTVM	163,108	13,385	46,248	4,483
Pine Assessoria e Consultoria Ltda.	Consultoria	9,584	500	8,699	5,713
Pine Planejamento e Serviços Ltda.	Consultoria	3,949	10	3,800	1,577
Special purpose entities					
Pine Crédito Privado Fundo de Invest. em Direitos Creditórios Financeiros (a)	FIDC	6,453	3,805	6,405	4,899
Fundo de Investimento em Direitos Creditórios - FIDC Pine Agro (d)	FIDC	607,094	502,091	606,971	85,583

					2013
	Business activity	Total assets	Capital	Equity	Net income (loss)
Foreign branches					
Grand Cayman Branch	Dependência no exterior	936,238	7,028	83,206	(10,786)
Subsidiaries					
Pine Securities USA LLC	Corretora	10,392	11,713	9,047	(1,412)
Pine Investimentos Distribuidora de Títulos e Valores Mobiliários Ltda.	DTVM	219,278	13,384	41,765	3,691
Pine Comercializadora de Energia Elétrica Ltda. (1)	Consultoria	6,573	1,000	4,984	3,925
Pine Corretora de Seguros Ltda. (2)	Corretora de seguros	246	500	244	11
Pine Assessoria e Consultoria Ltda.	Consultoria	38,609	500	37,995	2,486
Pine Assessoria em Comercialização de Energia (3)	Consultoria	41	60	41	(12)
Pine Planejamento e Serviços Ltda.	Consultoria	19,740	10	19,223	15,105
Special purpose entities					
Pine Crédito Privado Fundo de Invest. em Direitos Creditórios Financeiros (a)	FIDC	69,974	47,753	69,935	12,742
FIP Rio Corporate - Fundo De Investimento Em Participacoes (4) (b)	FIP	97,981	55,950	85,611	29,661
IRE VII Desenvolvimento Imobiliário S/A (5) (c)	SPE	46,667	46,878	45,951	(615)
Fundo de Investimento em Direitos Creditórios - FIDC Pine Agro (d)	FIDC	590,854	571,429	590,725	19,296

(1) The Pine Comercializadora de Energia Elétrica was extinguished in September 25, 2014.
(2) The Pine Corretora de Seguros was extinguished in July 22, 2014.
(3) The Pine Assessoria em Comercialização de Energia was extinguished in September 15, 2014.
(4) The FIP Rio Corporate - Fundo De Investimento Em Participacoes was closed on December 16, 2014.
(5) The IRE VII Desenvolvimento Imobiliário S/A was sold in November 21, 2014.

a) Pine Crédito Privado

Since the control over receivables assigned to this receivables investment fund (FIDC) still lies with the Institution (receipt, transfer and collection) and, in essence, the Institution is responsible for providing the guarantees to the FIDC's investors as regards expected receivables and yield, management decided to consolidate the FIDC, as provided for in CVM Circular 01/07.

In accordance with Article 5 of CVM Instruction 408/04, we present below the information on Pine Crédito Privado, considered in preparing the consolidated financial statements:

i) Name, nature, purpose and activities of the FIDC.

Pine Crédito Privado Fundo de Investimento em Direitos Creditórios Financeiros, managed by Citibank Distribuidora de Títulos e Valores Mobiliários S/A., was constituted as a closed fund on December 7, 2010. Distribution commenced on March 28, 2011. The Fund offered 207,000 senior shares at the unit value of R$1. The distribution period ended on April 6, 2011. The Fund will terminate its activities in up to 180 days from the date on which the Senior Shares outstanding are redeemed in full (54 months subsequent to the Fund's distribution date).

The purpose of the Fund is to increase Shareholder returns, exclusively through the acquisition of financial segment Credit Rights, on business loans (working capital), originated and assigned by Pine, which meet the Qualifying Criteria, as well as the portfolio composition and diversification indices established in the Fund regulations. The Fund also invests its resources in Other assets.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

ii) Investment in the equity and results of the FIDC

In accordance with Article 24, section XV, of CVM Instruction 356, as amended by CVM Instruction 393, and Chapter 21 of the Fund Regulations, 69% of the Fund's net assets will comprise senior shares and 31% will comprise subordinated shares. This ratio will be calculated daily and shall be made available for consultation monthly by the Fund's shareholders.

iii) The nature of the Institution's involvement with the FIDC and type of exposure to loss, if any, arising from this involvement

Verification of whether the credit rights meet the assignment terms is, pursuant to the transfer agreement, the sole responsibility of the assignor (Banco Pine), without limiting the assignee's (Fund's) right , either directly or through third parties, to also conduct such verification.

Non-compliance with any obligation originating from the credit rights and other active components of the Fund's portfolio, is attributed to the subordinated shares up to the limit corresponding to the sum of their total value. Once this total has been exceeded, the default of credit rights held by the Fund is attributed to the senior shares. The subordinated shares do not have a profitability target, however, they may benefit from any surplus yield generated by the credit rights portfolio.

In the event that the percentage of subordinated shares falls below 31% of the Fund's equity, the Institution shall have five business days to recoup this minimum ratio, through the subscription of new subordinated shares, and if this does not occur, the management entity shall call an Evaluation Event under the terms of the Fund regulations. In the event the subordinated shares comprise more than 31% of the Fund's equity, the management entity may partially amortize the subordinated shares in the amount necessary to rebalance this ratio.

iv) Amount and nature of the receivables, payable, income and expenses between the Institution and the FIDC, assets transferred by the Institution and rights of use over the FIDC assets.

No loans were assigned to the FIDC in the periods ended on December 31, 2014 and 2013.

Additionally, on account of its investment in subordinated shares in this Fund, on December 31, 2014, the Institution recognized income of R$4,596 (December 31, 2013 - a loss of R$837) in the "marketable securities" account.

v) Total assets, liabilities and equity of the FIDC on December 31, 2014 and 2013:

	2014	2013		2014	2013
Current assets and long-term receivables	**6,453**	**69,974**	**Current and long-term liabilities**	**48**	**39**
Cash	20	12	Other liabilities	48	39
Short-term interbank investments	-	310			
Marketable securities	2,340	8,715			
Loan operations	4,093	60,937	**Equity**	6,405	69,935
Total assets	**6,453**	**69,974**	**Total liabilities and equity**	**6,453**	**69,974**

vi) Guarantees, sureties, mortgages or other collateral pledged in favor of the FIDC.

Banco Pine has provided no guarantee, surety, mortgage or other collateral in favor of the FIDC or its investors.

vii) Identification of the principal beneficiary or group of principal beneficiaries of the FIDC's activities.

Banco Pine is the sole holder of all the subordinated shares of this Fund. The senior shares are held by different qualified investors.

b) FIP Rio Corporate

As the Institution is the sole shareholder of this Private Equity Fund (FIP), management decided to consolidate the Fund, pursuant to BACEN Resolution 2723 of May 31, 2000.

i) Name, nature, purpose and activities of the FIP

The fund, denominated Rio Corporate Fundo de Investimentos, managed by BNY Mellon was constituted as a closed-end fund on April 18, 2013. The Fund offered 100,000 shares with a par value of R$ 1.

The Fund's objective was to provide its Shareholders the appreciation of the invested capital over the long term through investment in Portfolio Company's shares, whose sole purpose was the development and economic exploitation, through leasing and sale of real estate enterprise.

The fund was closed on 16 December 2014 with the sale of its real estate development (IRE VII Desenvolvimento Imobiliário S/A) generating a negative result in the closure of R $ 506.

ii) Total assets, liabilities and equity of the FIP on December 31, 2014 and 2013:

	2013		2013
Current assets	**97,981**	**Current liabilities**	**12,370**
Cash	1	Other liabilities	12,370
Trading securities	97,980		
Shares in investment funds	33		
Privately held company shares	97,947		
		Equity	**85,611**
Total assets	**97,981**	**Total liabilities and equity**	**97,981**

c) IRE VII Desenvolvimento Imobiliário S/A

Since it has control over the SPE's activities, the Institution's management decided to consolidate IRE VII Desenvolvimento Imobiliário S/A, in accordance with the provisions of CVM Instruction 408/04. The company was sold in November 21, 2014 at book value.

i) Name, nature, purpose and activities of the SPE.

The company called IRE VII Real Estate Development S / A, was incorporated as a corporation on December 09, 2010. The company had a social objective management, purchase, sale and leasing of own property or third parties; the development of real estate property developments, and participation in other companies, as simple or corporate or shareholder. On May 16, 2013 the Bank through the FIP Rio Corporate, acquired 100% of the shares of IRE VII Desenvolvimento Imobiliário S/A.

The company was sold on November 21, 2014 the book value recorded in the FIP Rio Corporate.

ii) Investment in the equity and results of the SPE

On May 16, 2013, through FIP Rio Corporate, the Institution acquired 100% of the shares of IRE VII Desenvolvimento Imobiliário Ltda.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

iii) Total assets, liabilities and equity of the SPE on December 31, 2013:

	2013		2013
Current assets	**8,945**	**Current liabilities**	**716**
Cash	361	Tax and social security contributions	141
Trading securities	8,507	Other liabilities	575
Other receivables	77		
Permanent assets	**37,722**	**Equity**	**45,951**
Property and equipment	37,722		
Total assets	**46,667**	**Total liabilities and equity**	**46,667**

d) FIDC Pine Agro

Since the risks and rewards of the receivables assigned to the Fund remain with the Institution through its acquisition of 100% of the subordinated shares, management decided to consolidate FIDC Pine Agro, as provided for in CVM Circular Letter 01/07.

i) Name, nature, purpose and activities of the FIDC

Fundo de Investimento em Direitos Creditórios Financeiros - FIDC Pine Agro, managed by Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A., was constituted as a closed-end fund on September 16, 2013. The Fund's equity comprises two types of shares: Senior Shares and Subordinated Shares, in accordance with Article 12 of CVM Instruction 356/01. The first offer of the Fund's Senior Shares was carried out under the terms of Instruction 476/09, only for Qualified Investors acquiring a minimum amount of R$ 1,000 (one million reais). The Fund has no fixed duration.

Santander Brasil S.A. was contracted to render the following services for the Fund: controllership; qualified custody of portfolio assets; safekeeping of supporting documents, and booking of the shares.

The purpose of the Fund is to provide a long-term return to Shareholders through investing in the acquisition of credit rights from (i) loan operations, originated and granted by the assignor on either an exclusive or pooled basis, to clients in its business segments, and (ii) debentures issued by clients in its business segments, owned by the assignor, which may have guarantees, including real guarantees, to ensure that they meet the assignment conditions and qualifying criteria, as well as the portfolio composition and diversification indices established in the Fund regulations.

The Fund may acquire credit rights arising from and granted by assignors in the following business segments: (i) sugar and alcohol; (ii) agriculture (primary production); (iii) food segment retailers and distributors; (iv) animal protein; (v) grain; (vi) beverages; (vii) renewable energy; (viii) trading; (ix) agricultural inputs; (x) paper and pulp; and (xi) value-added products.

ii) Investment in the equity and results of the FIDC

In accordance with Article 24, item XV, of CVM Instruction 356, as amended by CVM Instruction 393, and Chapter 21 of the Fund regulations, 70% of the Fund's equity will comprise senior shares and 30% will comprise subordinated shares. This ratio will be calculated daily and shall be made available for consultation by the Fund's shareholders monthly.

iii) Nature of the Institution's involvement with the FIDC and type of exposure to losses, if any, arising from this involvement

Verification of whether the credit rights meet the assignment terms is, pursuant to the transfer agreement, the sole responsibility of the Custodian, without limiting the assignee's (Fund's) right, either directly or through third parties, to conduct their own verification.

Non-compliance by the drawees with any obligation originating from the credit rights and other active components of the Fund's portfolio, is attributed to the subordinated shares up to the limit corresponding to the sum of their total value. Once this total has been exceeded, the default of credit rights held by the Fund is attributed to the senior shares. The subordinated shares do not have a profitability target, however, they may benefit from any surplus yield generated by the credit rights portfolio.

In the event the percentage of subordinated shares falls below 30% of the Fund's equity, the Institution, pursuant to a request from the management entity, will have five consecutive days to subscribe new subordinated shares to achieve the proportion equivalent to the guarantee ratio. If this does not occur within the established deadline, the management entity will call a General Meeting of Shareholders to discuss (a) the early liquidation of the fund, or (ii) extraordinary amortization.

iv) Amount and nature of the receivables, payables, income and expenses between the Institution and the FIDC, assets transferred by the Institution and rights of use over the FIDC assets.

Loans were assigned to FIDC Pine Agro in the amount of R$332,292 in the period ended on December 31, 2014 (R$377,866 on December 31, 2013).

Additionally, on account of its investment in subordinated shares in this Fund, the Institution recognized income of R$47,933 in the period ended on December 31, 2014, in the "marketable securities" account (R$12,055 in the period ended on December 31, 2013).

v) Total assets, liabilities and equity of FIDC Pine Agro on December 31, 2014:

	2014	2013		2014	2013
Current assets	**607,094**	**590,854**	**Current liabilities**	**123**	**129**
Cash	11	839	Other liabilities	123	129
Short-term interbank investments	31,652	-			
Trading securities	260,576	189,314			
Loan operations	314,822	360,320			
Other receivables	33	40,381	**Equity**	606,971	590,725
Total do ativo	**607,094**	**590,854**	**Total liabilities and equity**	**607,094**	**590,854**

vi) Guarantees, sureties, mortgages or other collateral pledged in favor of the FIDC.

Banco Pine has provided no guarantee, surety, mortgage or other collateral in favor of the Fund or its investors.

vii) Identification of the principal beneficiary or group of principal beneficiaries of the FIDC's activities.

Banco Pine is the sole holder of all the subordinated shares of this Fund. The senior shares are held by different qualified investors.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

3. SIGNIFICANT ACCOUNTING PRACTICES

The financial statements of Banco Pine are prepared and presented in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN) and to corporations and by the Brazilian Securities Commission (CVM), where applicable.

The standards issued by the Brazilian Accounting Pronouncements Committee (CPC) related to the process of convergence with international accounting standards, approved by CVM, but not yet ratified by BACEN, were not adopted in the consolidated balance sheets. The standards approved by CVM which did not conflict with the rules of the National Monetary Council (CMN) and BACEN and those which had been ratified by BACEN were adopted for the disclosure purposes of these financial statements.

We present below the main accounting practices used:

a) Consolidation

The balances and the results of the transactions between Banco Pine and its subsidiaries and special purpose entities were eliminated in the consolidated financial statements. In the consolidation process of the FIDCs, the balance of the loan assignment receivables portfolio was included in the Institution's loan operations portfolio, with the corresponding entry of the senior shares in the "Borrowings and onlendings - local", account, net of obligations for shares of investment funds, represented by the shares held by this Fund.

For comparison purposes, in compliance with BACEN Circular letter 3658 of May 13, 2014, obligations for shares of investment funds were reclassified from the "Borrowings and onlendings" account to the "Other liabilities" account in the balance sheet. The expenses generated by the obligations for shares of investment funds were also reclassified from "expenses for borrowings and onlendings" to "Other operating expenses" in the statement of operations.

b) Determination of the results of operations

Income and expenses are recorded on the accrual basis of accounting, which establishes that these should be included in the determination of the results for the periods in which they occur, simultaneously when correlated, irrespective of their receipt or payment.

Financial income and expenses are prorated, based substantially on the compound interest method.

Transactions with floating rates or those indexed to foreign currencies are adjusted up to the balance sheet date.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash in local and foreign currencies, short-term financial investments and time deposits, with maturities at the original investment date equal to or less than 90 days and which present an immaterial risk of change in fair value. These are used by the Institution to manage its short-term commitments.

d) Short-term interbank investments

Short-term interbank investments are presented at cost plus related earnings up to the balance sheet dates.

e) Marketable securities

In accordance with BACEN Circular 3068, the Institution's securities are classified in the following categories: "trading securities", "available-for-sale securities" and "held-to-maturity securities".

Trading securities are those acquired to be traded on a frequent and active basis. These securities are presented at cost plus related earnings up to the balance sheet dates and adjusted based on fair value with the adjustments recorded in the corresponding income or expense account in results for the period.

The securities classified as available for sale are those for which Management has no intention to hold to maturity or which were not acquired to be traded on a frequent and active basis. These securities are recorded at cost plus related earnings up to the balance sheet dates and are adjusted to market value against the "Carrying value adjustments" account in equity, net of tax effects.

The securities classified as held to maturity are those which management acquires with the intention and financial ability to hold in its portfolio to maturity. These securities are recorded at cost plus related earnings. Premium and discount, where applicable, are appropriated to results based on the term of the individual securities.

Trading securities are presented in current assets, irrespective of their maturities.

f) Derivative financial instruments

In accordance with BACEN Circular 3082/02 and Circular-Letter 3026/02, the derivative financial instruments related to transactions with options, forward transactions, futures and swaps are recorded in compliance with the following criteria:

· Options: premiums paid or received are recorded in assets or liabilities, respectively, until the options are effectively exercised and recorded as a decrease or increase in the cost of the asset or right, based on the effective exercise of the option, or as revenue or expense in the case of non-exercise;

· Futures: daily adjustments are recorded in an asset or liability account and appropriated daily as revenue or expense;

· Swaps: differences receivable or payable are recorded in an asset or liability account, respectively, and appropriated as revenue or expense on a pro rata basis up to the balance sheet date;

· Forward contracts: recorded at the contract closing amount, less the difference between this amount and the spot price of the asset or right, recognizing the revenue and expense over the term of the contract up to the balance sheet date.

Derivative financial instruments are classified in accordance with management's intention, on the commencement date of the transaction, taking into consideration if its intention is for risk protection ("hedge") or not. The derivative financial instruments used to hedge exposures to risk or modify the characteristics of assets and liabilities and which are: (i) highly correlated in respect to changes in their market value in relation to the market value of the item which is being hedged, both at inception and over the contract duration; and (ii) considered effective at reducing the risk associated with the exposure to be hedged, are classified as "hedge" in accordance with nature:

. Market risk "Hedge" - financial assets and liabilities subject to the "hedge" and their respective derivatives are accounted for at market value, with corresponding gains or losses recognized in the income statement for the period;

. Cash flow "Hedge" - the financial assets and liabilities subject to the "hedge" and their respective derivative financial instruments are accounted for at market value, with corresponding gains or losses, net of tax effects, recognized in a separate Equity account under the title "Carrying value adjustments". The ineffective portion of the "hedge" is recognized directly in the income statement for the period;

Derivative financial instruments that do not meet the criteria for accounting "hedge" established by BACEN, particularly derivatives used to manage overall risk exposure, are accounted at market value, with gains or losses recognized directly in the income statement for the period.

g) Loan operations and allowance for loan losses

The loan operations are classified, as regards risk level, based on criteria which consider current economic conditions, past experience and the specific risks related to the transactions, the borrowers and the guarantors, in compliance with the parameters established by CMN Resolution 2682/99, which require the periodic analysis of the portfolio and its classification into nine levels (from "AA" to "H").

Income from loan operations past due for more than 60 days, regardless of the risk level, is only recognized as revenue on the date it is effectively received.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

H-rated operations (allowance recorded at 100%) remain at this level for six months, and are subsequently written off against the existing allowance and controlled over a five-year period in memorandum accounts and are no longer presented in the balance sheet.

Renegotiated loans are held at the same level at which they were originally classified at the time of the renegotiation.

Renegotiated loans which had already been written off as losses and which were recorded in memorandum accounts, are H rated, and any gains arising from the renegotiation are only recognized when actually received.

The allowance for loan losses meets the minimum requirement established by the aforementioned Resolution, as described in Note 7.

h) Write off of financial assets

As established by BACEN Resolution 3533/08, financial assets are written off when the contractual rights to the cash flow of the financial asset expire or when the financial asset is sold or transferred.

The sale or transfer of a financial asset is currently classified as:

. A transaction with substantial transfer of risks and rewards: the transferor transfers substantially all risks and rewards of ownership of the financial assets involved in the transaction, such as (i) unconditional sale of financial assets , (ii) sale of financial asset combined with an option to repurchase the asset at fair value at the time of repurchase , and (iii) sale of a financial asset combined with an option to buy or sell, the exercise of which is unlikely to occur;

. A transaction with substantial retention of risks and rewards: the transferor retains substantially all risks and rewards of ownership of the financial assets involved in the transaction, such as: (i) sale of the financial asset combined with a commitment to repurchase the same asset at a fixed price or the sale price plus any income generated; (ii) securities loan agreements; (iii) sale of the financial asset combined with a total rate of return swap that transfers the exposure to market risk back to the transferor; (iv) sale of the financial asset combined with an option to buy or sell which is unlikely to be exercised; and (v) sale of receivables for which the seller or transferor guarantees, by any means, to compensate the purchaser or transferee for credit losses that may occur, or whose sale has occurred in conjunction with the acquisition of subordinated shares of the FIDC.

. Transactions without transfer or substantial retention of risks and rewards: in which the transferor neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset involved in the transaction.

The allowance for loan losses complies with the guidelines established by BACEN Resolution 2682/99.

i) Prepaid expenses

These are controlled by contract and recorded in the prepaid expenses account. The expenses are appropriated to results for the period based on the corresponding contract term and recorded in the “Other administrative expenses” account.

j) Other current assets and long-term receivables

These are stated at cost, including, where applicable, related accrued income and monetary variations, less the corresponding provisions for loss or adjustments to realizable value.

k) Permanent assets

These assets are stated at cost and consider the following:

. Investments in subsidiaries are accounted for using the equity method

. Property and equipment items correspond to rights in tangible assets which are used in the Institution’s business activities, or exercised for this purpose, including those arising from transactions which transfer the risks, benefits and control of the assets to the entity.

· Depreciation of property and equipment is computed and recorded on the straight-line method at annual rates which consider the economic useful lives of the

. Intangible assets correspond to the rights acquired in non-physical assets which are used in the Institution’s business or which are exercised for this purpose. The intangible assets with identifiable useful lives are generally amortized on the straight-line method over the estimated period of economic benefit.

l) Impairment of non-financial assets

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other assets or groups of assets. Impairment losses are recognized in results for the period. The non-financial asset amounts, except for deferred tax assets, are tested at least annually to determine whether there is any indication of impairment.

m) Purchase and sale commitments

The purchase (sale) of financial assets based on a fixed price resale (repurchase) contract is recorded in the consolidated balance sheet as financing granted (received), based on the nature of the debtor (creditor), in the “Funds obtained in the open market” account.

n) Current and long-term liabilities

These are stated at known or estimated amounts including, where applicable, accrued charges and monetary or exchange variations up to the balance sheet dates.

o) Contingent assets and liabilities and legal obligations

The recognition, measurement and disclosure of contingent assets and liabilities, and legal obligations (tax and social security) are based on the criteria defined in Resolution 3823/09, and Circular Letter 3429/10, which approved CPC Technical Pronouncement 25, as follows:

· Contingent assets: are not recorded in the financial statements, except when there is evidence which assures a high degree of confidence that they will be realized, generally through a final and unappealable court decision.

· Contingent liabilities: the reserve for contingencies is determined based on the probability of an unfavorable sentence or outcome of the related litigation, as well as the probable period of the loss. The necessary reserve is calculated based on an analysis of each process and the opinion of the legal advisors. Reserves are recorded for processes in which the possibility of loss is deemed probable. The reserves may be changed in the future, based on the progress of each suit; When the probability of loss is deemed possible, no provision is recorded and the related suits are merely disclosed;

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

. Legal obligations (tax and social security): these are administrative proceedings or lawsuits related to tax and social security obligations, the legality or constitutionality of which is being contested, whose amounts, regardless of the related probability of success, are recorded at the full amount in dispute and adjusted in accordance with the legislation in force.

p) Provision for income tax and social contribution

The provisions for income tax and social contribution are recorded at the following statutory rates: income tax - 15%, plus a 10% surcharge on taxable income exceeding R$ 120 (in the period), and social contribution - 15%. Further, deferred tax assets are recorded on temporary differences based on the assumption that the future taxable income generated by the Institution will be sufficient to offset these assets.

In accordance with Provisional Measure (MP) 449/08, subsequently enacted into Law 11941/09, the changes in the criteria used to recognize revenue, costs and expenses computed in determining net income, introduced by Law 11638/07 and by Articles 36 and 37 of the MP, may be ignored for purposes of calculating the taxable income if companies elect to use the Transitional Tax System (RTT). In this case, for tax purposes, the accounting methods and criteria in force on December 31, 2007 will be followed.

q) Profit sharing

Banco Pine has its own profit sharing program (PPLR) ratified by the Bank Employees Trade Union.

The general assumptions of this program are: (a) business unit performance; (b) establishment of a fund for distribution across the organization; and (c) assessment of the skills and the meeting of targets in the supporting areas. The related expenses were recognized in the "Profit sharing" account".

r) Use of estimates

The preparation of financial statements requires Management to make estimates and assumptions, to the best of its judgment, that affect the reported amounts of certain assets, liabilities, revenues and expenses and other transactions, such as the fair value of assets and derivatives and the allowance for loan losses, the establishing of the period for realizing deferred tax assets, property and equipment depreciation rates, amortization of deferred charges and reserves for contingences and others. Actual results may differ from these estimates.

s) Net income per share

This is calculated based on the number of outstanding shares paid up at the date of the financial statements.

4. CASH AND CASH EQUIVALENTS

	Individual		Consolidated	
	2014	2013	2014	2013
Cash	173,634	147,466	179,515	157,168
Short-term interbank investments (1)	223,067	610,008	223,066	610,318
Total cash and cash equivalents	**396,701**	**757,474**	**402,581**	**767,486**

(1) These are transactions with maturities at the original investment date equal to or less than 90 days.

5. INTERBANK INVESTMENTS

Interbank investments on December 31, 2014 and 2013, are comprised as follows:

	Individual and Consolidated		
	2014		
Security/Maturity	Up to 3 months	3 to 12 months	Total
Investments in purchase and sale commitments			
Own portfolio position			
LTN	99,240	-	99,240
NTN	1,800	-	1,800
LFT	50,000	-	50,000
Subtotal	**151,040**	**-**	**151,040**
Total investments in purchase and sale commitments	**151,040**	**-**	**151,040**
Interbank deposits			
Own portfolio			
Floating rate CDI	6,330	3,798	10,128
Rural CDI	-	10,900	10,900
Total interbank deposits	**6,330**	**14,698**	**21,028**
Foreign currency investments			
Foreign currency investments	71,182	-	71,182
Total foreign currency investments	**71,182**	**-**	**71,182**
Total interbank investments	**228,552**	**14,698**	**243,250**

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

			Individual
			2013
Security/Maturity	Up to 3 months	3 to 12 months	Total
Investments in purchase and sale commitments			
Own portfolio position			
LTN	121,617	-	121,617
NTN	62,305	-	62,305
Total investments in purchase and sale commitments	**183,922**	**-**	**183,922**
Investments in interbank deposits			
Own portfolio			
Floating rate CDI	9,264	35,144	44,408
Rural CDI	-	13,791	13,791
Total investments in interbank deposits	**9,264**	**48,935**	**58,199**
Foreign currency investments			
Foreign currency investments	425,571	-	425,571
Total foreign currency investments	**425,571**	**-**	**425,571**
Total interbank investments	**618,757**	**48,935**	**667,692**

			Consolidated
			2013
Security/Maturity	Up to 3 months	3 to 12 months	Total
Investments in purchase and sale commitments			
Own portfolio position			
LTN	121,927	-	121,927
NTN	62,305	-	62,305
Total de aplicações em operações compromissadas	**184,232**	**-**	**184,232**
Investments in interbank deposits			
Own portfolio			
Floating rate CDI	9,264	35,144	44,408
Rural CDI	-	13,791	13,791
Total investments in interbank deposits	**9,264**	**48,935**	**58,199**
Foreign currency investments			
Foreign currency investments	425,571	-	425,571
Total foreign currency investments	**425,571**	**-**	**425,571**
Total interbank investments	**619,067**	**48,935**	**668,002**

6. MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

a) Marketable securities

The securities portfolio on December 31, 2014 and 2013 was comprised as follows:

							Individual
							2014
	Amounts marked to market						
Security/Maturity	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	5 to 15 years	Total	Curve based amount
Available-for-sale securities:							
Own portfolio:							
Eurobonds	-	254,239	-	-	-	254,239	255,616
LTN	-	-	10,224	139,569	-	149,793	154,088
NTN	-	49,844	679,660	51,018	161,505	942,027	965,300
Debentures	-	306	44,728	17,448	-	62,482	63,243
Receivables investment fund shares	-	2,498	-	209,876	-	212,374	212,374
Subtotal	**-**	**306,887**	**734,612**	**417,911**	**161,505**	**1,620,915**	**1,650,621**
Subject to guarantees:							
LTN	-	-	87,151	-	-	87,151	88,136
NTN	-	1,278	60,173	-	-	61,451	65,005
Subtotal	**-**	**1,278**	**147,324**	**-**	**-**	**148,602**	**153,141**
Total available-for-sale securities	**-**	**308,165**	**881,936**	**417,911**	**161,505**	**1,769,517**	**1,803,762**
Trading securities (1):							
Own portfolio:							
LTN	49,978	40,576	-	-	-	90,554	90,683
NTN	-	14,196	15,883	1,971	19,991	52,041	53,730
Debentures	-	11,890	113,634	68,986	-	194,510	190,262
Investment fund shares (2)	101,146	-	-	-	-	101,146	101,146
Promissory notes	21,707	-	-	-	-	21,707	21,668
Subtotal	**172,831**	**66,662**	**129,517**	**70,957**	**19,991**	**459,958**	**457,489**

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

Subject to repurchase agreements:							
LTN	-	53,654	-	-	-	53,654	53,814
NTN	-	19,058	10,079	-	-	29,137	29,348
Debentures	-	34,045	12,418	69,705	-	116,168	113,843
Eurobonds	5,039	-	-	-	-	5,039	5,039
Subtotal	**5,039**	**106,757**	**22,497**	**69,705**	**-**	**203,998**	**202,044**
Total trading securities	**177,870**	**173,419**	**152,014**	**140,662**	**19,991**	**663,956**	**659,533**
Total marketable securities	**177,870**	**481,584**	**1,033,950**	**558,573**	**181,496**	**2,433,473**	**2,463,295**

							Consolidated
							2014
	Amounts marked to market						
Security/Maturity	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	5 to 15 years	Total	Curve based amount
Available-for-sale securities							
Own portfolio:							
Eurobonds	-	254,239	-	-	-	254,239	255,616
LTN	-	-	10,224	139,569	-	149,793	154,088
NTN	-	49,844	679,660	51,018	161,505	942,027	965,300
Debentures	-	306	44,728	17,448	-	62,482	63,243
Subtotal	**-**	**304,389**	**734,612**	**208,035**	**161,505**	**1,408,541**	**1,438,247**
Subject to guarantees:							
LTN	-	-	87,151	-	-	87,151	88,136
NTN	-	1,278	60,173	-	-	61,451	65,005
Subtotal	**-**	**1,278**	**147,324**	**-**	**-**	**148,602**	**153,141**
Total available-for-sale securities	**-**	**305,667**	**881,936**	**208,035**	**161,505**	**1,557,143**	**1,591,388**
Trading securities (1):							
Own portfolio:							
LFT	-	-	-	112,167	150,271	262,438	262,438
LTN	49,978	40,576	-	-	-	90,554	90,683
NTN	-	14,196	15,883	1,971	19,991	52,041	53,730
Debentures	-	11,890	113,634	68,986	-	194,510	190,262
Investment fund shares (2)	101,625	-	-	-	-	101,625	101,625
Promissory notes	21,707	-	-	-	-	21,707	21,668
Subtotal	**173,310**	**66,662**	**129,517**	**183,124**	**170,262**	**722,875**	**720,406**
Subject to repurchase commitments:							
LTN	-	53,654	-	-	-	53,654	53,814
NTN	-	19,058	10,079	-	-	29,137	29,348
Debentures	-	34,045	12,418	69,705	-	116,168	113,843
Eurobonds	5,039	-	-	-	-	5,039	5,039
Subtotal	**5,039**	**106,757**	**22,497**	**69,705**	**-**	**203,998**	**202,044**
Total trading securities	**178,349**	**173,419**	**152,014**	**252,829**	**170,262**	**926,873**	**922,450**
Total marketable securities	**178,349**	**479,086**	**1,033,950**	**460,864**	**331,767**	**2,484,016**	**2,513,838**

							Individual
							2013
	Amounts marked to market						
Security/Maturity	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	5 to 15 years	Total	Valor de curva
Available-for-sale securities							
Own portfolio:							
LTN	89,966	-	-	-	-	89,966	89,981
NTN	-	73,077	85,138	48,089	-	206,304	216,974
Debentures	-	-	713	-	64,249	64,962	66,976
Promissory notes	-	44,686	-	-	-	44,686	44,459
Receivables investment fund shares	-	-	20,446	183,484	-	203,930	203,930
Subtotal	**89,966**	**117,763**	**106,297**	**231,573**	**64,249**	**609,848**	**622,320**
Subject to guarantees:							
NTN	-	-	109,579	-	-	109,579	117,415
Subtotal	**-**	**-**	**109,579**	**-**	**-**	**109,579**	**117,415**
Total available-for-sale securities	**89,966**	**117,763**	**215,876**	**231,573**	**64,249**	**719,427**	**739,735**
Trading securities (1):							
Own portfolio:							
LTN	349,869	30,940	4,930	-	-	385,739	385,916
NTN	8,125	46	33,707	37,788	8,305	87,971	89,758
Debentures	-	9,424	51,928	88,448	-	149,800	135,546
Investment fund shares (2)	180,381	-	-	-	-	180,381	180,381
Eurobonds	91	70	-	-	9,332	9,493	9,493
Subtotal	**538,466**	**40,480**	**90,565**	**126,236**	**17,637**	**813,384**	**801,094**

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

Subject to repurchase commitments:							
LTN	-	161,579	40,217	-	-	201,796	202,421
NTN	-	80,339	18,969	48,089	10,983	158,380	163,429
Debentures	-	46,180	10,300	117,924	-	174,404	186,079
Eurobonds	132	128	2,686	-	13,546	16,492	16,492
Subtotal	**132**	**288,226**	**72,172**	**166,013**	**24,529**	**551,072**	**568,421**
Subject to guarantees:							
LTN	-	1,074	-	-	-	1,074	1,079
NTN	-	-	3,476	-	-	3,476	3,542
Subtotal	**-**	**1,074**	**3,476**	**-**	**-**	**4,550**	**4,621**
Total trading securities	**538,598**	**329,780**	**166,213**	**292,249**	**42,166**	**1,369,006**	**1,374,136**
Total marketable securities	**628,564**	**447,543**	**382,089**	**523,822**	**106,415**	**2,088,433**	**2,113,871**

							Consolidated
							2013
			Amounts marked to market				
Security/Maturity	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	5 to 15 years	Total	Valor de curva
Available-for-sale securities							
Own portfolio:							
LTN	89,966	-	-	-	-	89,966	89,981
NTN	-	73,077	85,138	48,089	-	206,304	216,974
Debentures	-	-	713	-	64,249	64,962	66,976
Promissory notes	-	44,686	-	-	-	44,686	44,459
Subtotal	**89,966**	**117,763**	**85,851**	**48,089**	**64,249**	**405,918**	**418,390**
Subject to guarantees:							
NTN	-	-	109,579	-	-	109,579	117,415
Subtotal	**-**	**-**	**109,579**	**-**	**-**	**109,579**	**117,415**
Total available-for-sale securities	**89,966**	**117,763**	**195,430**	**48,089**	**64,249**	**515,497**	**535,805**
Trading securities (1):							
Own portfolio:							
LFT	-	-	30,070	8,715	147,552	186,337	186,337
LTN	349,869	30,940	4,930	-	-	385,739	385,916
NTN	8,125	46	33,707	37,788	8,305	87,971	89,758
Debentures	-	9,424	51,928	88,448	-	149,800	135,546
Investment fund shares (2)	108,693	-	-	-	-	108,693	108,693
Eurobonds	91	70	-	-	9,332	9,493	9,493
CDB	235	-	-	-	-	235	235
Subtotal	**467,013**	**40,480**	**120,635**	**134,951**	**165,189**	**928,268**	**915,978**
Subject to repurchase commitments:							
LTN	-	161,579	40,217	-	-	201,796	202,421
NTN	-	80,339	18,969	48,089	10,983	158,380	163,429
Debentures	-	46,180	10,300	117,924	-	174,404	186,079
Eurobonds	132	128	2,686	-	13,546	16,492	16,492
Subtotal	**132**	**288,226**	**72,172**	**166,013**	**24,529**	**551,072**	**568,421**
Subject to guarantees:							
LTN	-	1,074	-	-	-	1,074	1,079
NTN	-	-	3,476	-	-	3,476	3,542
Subtotal	**-**	**1,074**	**3,476**	**-**	**-**	**4,550**	**4,621**
Total trading securities	**467,145**	**329,780**	**196,283**	**300,964**	**189,718**	**1,483,890**	**1,489,020**
Total marketable securities	**557,111**	**447,543**	**391,713**	**349,053**	**253,967**	**1,999,387**	**2,024,825**

(1) Securities classified in the "trading" category are stated based on their maturity dates.
(2) The assets comprising these funds are mostly debentures, promissory notes and receivables certificates totaling R$500,975 (December 31, 2013 – R$558,025) (Note 7a.).

On December 31, 2014 and 2013, there were no securities classified as "held to maturity".

As established in Article 5 of BACEN Circular 3068/08, securities may only be reclassified on the date of the half yearly balance sheets. On December 31, 2014, no securities were reclassified. On December 31, 2013, "available-for-sale" were reclassified to "trading securities", in the amount of R$184,779, generating a profit of R$1,347, in which R$808 net of tax effects, registered in "Income from marketable securities operations".

The market values of the securities recorded in the "available-for-sale" and "trading" categories were determined based on the prices and rates practiced on December 31, 2014 and 2013, released by the Brazilian Association of Financial and Capital Market Institutions (ANBIMA), the São Paulo Stock, Commodities and Futures Exchange (BM&FBOVESPA), - by the investment fund managers and by the international information agencies. The mark-to-market adjustment of the securities recorded in the available-for-sale category resulted in a loss adjustment of R$19,601 in the Individual and Consolidated (December 31, 2013 - loss adjustment of R$20.308 in the Individual and Consolidated), with an impact in the Institution's equity of R$20,547 in the Individual and Consolidated (December 31, 2013 - R$ 12,185 in the Individual and Consolidated), net of tax effects. The mark-to-market adjustment of the securities recorded in the trading category resulted in an adjustment for gain of R$4,423 in the Individual and Consolidated (December 31, 2013 - loss adjustment of R$5,130 in the Individual and Consolidated) in the statement of operations.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

b) Derivative financial instruments

i) Utilization policy

The growing level of corporate sophistication in a global market prompted an increase in the demand for derivative financial instruments to manage balance sheet exposure to market risks, arising mainly from fluctuating interest and foreign exchange rates, the price of commodities and other asset prices. As a result, Banco Pine offers its customers alternatives for mitigating market risks through appropriate instruments, as well as to meet its own needs for managing these risks.

ii) Management

The management of portfolio risks is controlled using techniques which include the following: VaR, sensitivity, liquidity risk and stress scenarios. Based on this information, the necessary derivative financial instruments are contracted by the treasury department, pursuant to Management's previously defined market and liquidity risk policies. Derivative transactions carried out by Banco Pine with customers are neutralized to eliminate market risks.

The sale of derivative financial instruments to customers is subject to prior credit limit approval. The credit limit approval process also considers potential stress scenarios.

Knowing the customer, their operating sector and their risk appetite profile, as well as being able to provide information on the risks involved in the transaction and in the terms and conditions negotiated, ensures that the relationship between the parties is transparent and enables the Institution to offer customers the products which are most appropriate to their specific needs.

The majority of the derivative contracts negotiated by the Institution with customers in Brazil, comprise swaps, forward transactions, options and futures registered at BM&FBOVESPA or at the OTC clearing house, CETIP S.A. - Mercados Organizados. The derivative contracts traded abroad comprise futures, forward transactions, options and swaps mainly registered at the Chicago, New York and London exchanges. We stress that although certain trades abroad are carried out over the counter (OTC), the related risks are low in relation to the Institution's total transactions.

The main market risk factors monitored by Banco Pine include exchange rates, local interest rate volatility (fixed, reference rate (TR), General Price Index - Market (IGP-M) long-term interest rate (TJLP) and Extended Consumer Price Index (IPCA), exchange coupon and commodities. The Institution adopts a conservative approach, minimizing its exposure to risk factors and to the mismatching of portfolio terms.

iii) Evaluation and measurement criteria, methods and assumptions used to determine fair value

The Institution uses the market reference rates released principally by (No Suggestions), Intercontinental Exchange (ICE) and Bloomberg to determine the fair value of the derivative financial instruments. For derivatives whose prices are not directly disclosed by the exchanges, the fair values are obtained through pricing models that use market information, determined based on the prices disclosed for assets with the greatest liquidity. Based on these prices, the Institution extracts the interest curves and market volatilities which are used as entry data for the models. The OTC derivatives, forward contracts and securities with low liquidity are determined in this way.

iv) Credit Deivatives

Represent, in general, a bilateral contract in which one of the parties purchases protection against the credit risk of a particular financial instrument (the risk is transferred). The counterparty selling protection receives a remuneration that is usually paid in a linear throughout the duration of the operation mode. In the case of a credit event ("default"), the counterparty who bought protection receive a payment, whose goal is to offset the loss on the financial instrument. In this case, the counterparty selling protection usually receives the underlying asset in exchange for the payment.

In the year ended December 31, 2014, Pine conducted operations with client sovereign risk of the Federative Republic of Brazil, there is no open position.

v) Amounts recorded in balance sheet and memorandum accounts, segregated into the following categories: index, counterparty, trading market, notional values, maturities, cost and fair values.

On December 31, 2014 and 2013, the derivative financial instrument positions are as follows:

						Individual and Consolidated
			2014			2013
Derivative financial instruments	Short-term	Long-term	Total	Short-term	Long-term	Total
ASSETS						
Swap – difference receivable	54,000	271,294	325,294	82,034	270,129	352,163
Forward contracts- receivable	116,603	11,717	128,320	72,953	17,853	90,806
Premiums on unexercised options	61,985	5,078	67,063	72,389	-	72,389
Total receivable	**232,588**	**288,089**	**520,677**	**227,376**	**287,982**	**515,358**
LIABILITIES						
Swap – difference payable	(48,979)	(18,651)	(67,630)	(32,138)	(25,464)	(57,602)
Forward contracts- payable	(112,229)	(5,136)	(117,365)	(68,043)	(4,219)	(72,262)
Premiums on written options	(72,685)	(7,393)	(80,078)	(60,172)	(797)	(60,969)
Total payable	**(233,893)**	**(31,180)**	**(265,073)**	**(160,353)**	**(30,480)**	**(190,833)**
Net amount	**(1,305)**	**256,909**	**255,604**	**67,023**	**257,502**	**324,525**

vi) Derivative financial instruments by index

								Individual and Consolidated
				2014				2013
	Notional amount	Amount receivable	Amount payable	Result	Notional amount	Amount receivable	Amount payable	Result
"Swap"								
Market risk								
Asset position:	**2,734,791**	**258,176**	**-**		**5,581,191**	**352,163**	**-**	
Interest	1,796,622	99,836	-		3,408,528	179,337	-	
Currency	938,169	158,340	-		2,130,411	172,770	-	
Variable income	-	-	-		42,252	56	-	
Liability position:	**2,734,791**	**-**	**(67,630)**		**5,581,191**	**-**	**(57,602)**	
Interest	1,840,494	-	(16,262)		3,533,561	-	(28,160)	
Currency	894,297	-	(51,368)		2,047,630	-	(29,442)	
Net amount		**258,176**	(67,630)	**172,901**		**352,163**	**(57,602)**	**230,856**

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

Cash flow hedge								
Asset position:	**907,208**	**67,118**	**-**		**-**	**-**	**-**	
Interest	566,891	46,967	-		-	-	-	
Currency	340,317	20,151	-		-	-	-	
Liability position:	**907,208**	**-**	**-**		**-**	**-**	**-**	
Interest	907,208	-	-		-	-	-	
Net amount		**67,118**	**-**	**(5,327)**		**-**	**-**	**-**
"Swap" Net Amount		**325,294**	**(67,630)**	**167,574**		**352,163**	**(57,602)**	**230,856**
Forward contracts								
Asset position:	**4,445,385**	**128,320**	**-**		**6,595,674**	**90,806**	**-**	
Interest	2,998,948	16,497	-		4,161,379	9,789	-	
Currency	1,093,287	104,934	-		2,341,952	80,384	-	
Commodities	353,150	6,889	-		92,343	633	-	
Liability position:	**4,445,385**	-	**(117,365)**		**6,595,674**	-	**(72,262)**	
Interest	988,819	-	(765)		1,930,135	-	(6,960)	
Currency	3,340,310	-	(115,977)		4,623,121	-	(65,244)	
Commodities	116,256	-	(623)		42,418	-	(58)	
Net amount		**128,320**	**(117,365)**	**25,984**		**90,806**	**(72,262)**	**(39,919)**
Options								
Premium on unexercised options:	**1,402,457**	**67,063**	-		**1,408,454**	**72,389**	-	
Currency	975,184	42,243	-		766,684	23,108	-	
Commodities	427,273	24,820	-		641,770	49,281	-	
Premiums on written options:	**1,214,046**	-	**(80,078)**		**1,623,553**	-	**(60,969)**	
Currency	748,616	-	(50,491)		980,528	-	(32,363)	
Commodities	465,430	-	(29,587)		643,025	-	(28,606)	
Net amount		**67,063**	**(80,078)**	**27,290**		**72,389**	**(60,969)**	**48,163**
Total receivable (payable) and gain (loss)		**520,677**	**(265,073)**	**220,848**		**515,358**	**(190,833)**	**239,100**

vii) Derivative financial instruments – futures contracts

								Individual and Consolidated
				2014				2013
	Notional amount		Daily adjustment receivable		Notional amount		Daily adjustment receivable	
	Purchase	Sale	(payable)	Result	Purchase	Sale	(payable)	Result
Interbank market	847,513	1,172,065	1,630		2,479,543	2,316,329	285	
Currency	1,314,669	-	(24,251)		1,840,127	817,256	14,091	
Commodities	134,970	528,812	-		114,363	146,149	-	
Future exchange coupon	1,221,368	894,524	(10,825)		2,584,409	3,709,727	(22,419)	
Exchange swap	-	-	-		-	3,207,174	9,418	
Total	**3,518,520**	**2,595,401**	**(33,446)**	**(25,902)**	**7,018,442**	**10,196,635**	**1,375**	**(42,887)**

viii) Derivative financial instruments by maturity

						Individual and Consolidated
						2014
Notional amount - Compensation	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	5 to 15 years	Total
Swap	446,985	697,007	1,156,556	338,814	1,002,637	**3,641,999**
Forward contracts	2,903,651	1,430,395	110,840	499	-	**4,445,385**
Options	1,291,590	1,163,267	161,646	-	-	**2,616,503**
Futures	3,721,575	1,454,090	630,488	163,074	144,694	**6,113,921**

						Individual and Consolidated
						2013
Notional amount - Compensation	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	5 to 15 years	Total
Swap	1,458,593	2,014,047	909,187	402,264	797,100	**5,581,191**
Forward contracts	4,306,823	1,998,371	289,443	1,037	-	**6,595,674**
Options	1,888,484	1,136,623	6,900	-	-	**3,032,007**
Futures	6,672,138	9,180,127	972,227	204,473	186,112	**17,215,077**

ix) Derivative financial instruments by trading market

On December 31, 2014 and 2013, the swaps, forward contracts and options, whose notional amounts are recorded in a memorandum account are comprised as follows:

								Individual and Consolidated
				2014				2013
Custodian	Swaps	Forward contracts	Options	Futures	Swaps	Forward contracts	Options	Futures
Exchange	**40,620**	**16,861**	**1,279,472**	**6,113,921**	**173,603**	**206,613**	**1,929,544**	**17,187,338**
BM&FBOVESPA	-	-	1,074,825	5,391,463	110,300	-	1,405,587	16,954,565
Exchanges abroad	40,620	16,861	204,647	722,458	63,303	206,613	523,957	232,773
OTC	**3,601,379**	**4,428,524**	**1,337,031**	**-**	**5,407,588**	**6,389,061**	**1,102,463**	**27,739**
Financial institutions	1,127,176	1,204	-	-	1,609,369	230,105	-	27,739
Companies	2,474,203	4,427,320	1,337,031	-	3,798,219	6,158,956	1,102,463	-
Total	**3,641,999**	**4,445,385**	**2,616,503**	**6,113,921**	**5,581,191**	**6,595,674**	**3,032,007**	**17,215,077**

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

x) Amount and type of guarantee margin

The margin amounts deposited in guarantee on December 31, 2014 and 2013 are comprised as follows:

	Individual and Consolidated	
		Market value
Security	2014	2013
Guarantee margin – Exchange clearing house - BMC		
National Treasury Bills (LTN)	-	1,074
National Treasury Notes (NTN)	1,278	3,475
Subtotal	**1,278**	**4,549**
Guarantee margin - BMF&BOVESPA		
National Treasury Bills (LTN)	87,151	-
National Treasury Notes (NTN)	60,173	107,486
Subtotal	**147,324**	**107,486**
Guarantee margin - Other		
National Treasury Notes (NTN)	-	2,094
Subtotal	**-**	**2,094**
Total	**148,602**	**114,129**

xi) Cash flow hedge

The effectiveness computed for the hedge portfolio is in accordance with that established by Circular 3082, of 30/01/2002, of the BACEN.

The objective of this hedge relationship is to eliminate the exposures from funding in foreign currency and in interest rates (Libor, Coupon UF and UF), and to turn it into local currency at a fixed interest rate, protecting the cash flows from interest payment on debt (USD and CLP) and creating steady cash flow.

During the year ended December 31, 2014 an amount of R$ 5,327 was recorded in equit relating to the mark to market of hedge (swaps) instruments on cash flow hedges and in the amount of R$ 3,911 relating to the mark to market of the hedge object.

	Individual and Consolidated			
				2014
	Notional amount	Accounting Value	Market Value	Adjustment to Market
Hedge Instruments				
Swap Contracts	907,208	1,006,405	1,001,078	(5,327)
	907,208	**1,006,405**	**1,001,078**	**(5,327)**
Hedge Object				
Marketable debt securities abroad	176,133	185,914	187,835	1,921
Hedges of onlendings abroad	509,693	575,407	577,721	2,314
Subordinated debt	221,382	249,112	248,788	(324)
	907,208	**1,010,433**	**1,014,344**	**3,911**

7. CREDIT PORTFOLIO, GUARANTEES PROVIDED AND SECURITIES WITH CREDIT RISK

We present below a summary of the loan operation portfolio information on December 31, 2014 and 2013:

a) By type of loan:

		Individual		Consolidated
Details	2014	2013	2014	2013
Public sector	-	18,991	-	18,991
Working capital	3,169,736	3,188,610	3,173,828	3,250,657
Resolution 3844 (previously Resolution 2770)	46,670	40,142	46,670	40,142
Overdraft account	46,559	9,930	46,559	9,930
BNDES/FINAME onlending	1,248,990	1,068,369	1,248,990	1,068,369
Payday loans	1,812	9,876	1,812	9,876
Foreign currency financing	400,172	393,554	400,172	393,554
Export financing	704,527	944,241	704,527	944,241
Subtotal - Loan operations	**5,618,466**	**5,673,713**	**5,622,558**	**5,735,760**
Debtors for purchase of assets(1)	190,466	133,713	190,466	133,713
Advances on foreign exchange contracts and income receivable (2)	410,529	397,934	410,529	397,934
Notes and credits receivable(1)	89,000	114,243	89,000	114,243
Credit portfolio	**6,308,461**	**6,319,603**	**6,312,553**	**6,381,650**
Loans for imports	15,272	51,212	15,272	51,212
Guarantees provided	2,969,087	2,909,197	2,969,087	2,909,197
Guarantees provided and responsibilities	**2,984,359**	**2,960,409**	**2,984,359**	**2,960,409**
Notes and credits receivable(1)	28,485	30,240	28,485	30,240
Corporate bonds (3)	500,975	558,025	500,975	558,025
Securities with credit risk	**529,460**	**588,265**	**529,460**	**588,265**
Total expanded portfolio	**9,822,280**	**9,868,277**	**9,826,372**	**9,930,324**

(1) Recorded in "Other receivables - sundry" (Note 9a).
(2) Recorded in "Foreign exchange portfolio" (Note 8).
(3) Mostly debentures, promissory notes and receivables certificates in the funds' portfolio and in Banco Pine's portfolio (Note 6a).

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

b) By maturity:

						Individual 2014
Term	Amounts Falling due	%	Amounts Past due (1)	%	Total Amount	%
Up to 3 months	1,664,660	27.25	126,758	63.73	1,791,418	28.40
3 to 12 months	2,346,040	38.40	72,143	36.27	2,418,183	38.33
1 to 3 years	1,544,434	25.28	-	-	1,544,434	24.48
3 to 5 years	396,150	6.48	-	-	396,150	6.28
5 to 15 years	158,276	2.59	-	-	158,276	2.51
Total credit portfolio	**6,109,560**	**100.00**	**198,901**	**100.00**	**6,308,461**	**100.00**
Up to 3 months	233,225	7.81	-	-	233,225	7.81
3 to 12 months	956,148	32.04	-	-	956,148	32.04
1 to 3 years	1,080,455	36.20	-	-	1,080,455	36.20
3 to 5 years	714,531	23.95	-	-	714,531	23.95
Total guarantees provided and responsibilities	**2,984,359**	**100.00**	**-**	**-**	**2,984,359**	**100.00**
Up to 3 months	21,707	4.10	-	-	21,707	4.10
3 to 12 months	73,733	13.93	-	-	73,733	13.93
1 to 3 years	244,355	46.15	-	-	244,355	46.15
3 to 5 years	156,140	29.49	-	-	156,140	29.49
5 to 15 years	33,525	6.33	-	-	33,525	6.33
More than 15 years	-	-	-	-	-	-
Total securities with credit risk	**529,460**	**100.00**	**-**	**-**	**529,460**	**100.00**
Total expanded portfolio	**9,623,379**		**198,901**		**9,822,280**	

						Consolidated 2014
Term	Amounts Falling due	%	Amounts (1) Past due	%	Total Amount	%
Up to 3 months	1,667,910	27.28	126,758	63.73	1,794,668	28.43
3 to 12 months	2,346,882	38.39	72,143	36.27	2,419,025	38.32
1 to 3 years	1,544,434	25.26	-	-	1,544,434	24.47
3 to 5 years	396,150	6.48	-	-	396,150	6.28
5 to 15 years	158,276	2.59	-	-	158,276	2.50
Total credit portfolio	**6,113,652**	**100.00**	**198,901**	**100.00**	**6,312,553**	**100.00**
Up to 3 months	233,225	7.81	-	-	233,225	7.81
3 to 12 months	956,148	32.04	-	-	956,148	32.04
1 to 3 years	1,080,455	36.20	-	-	1,080,455	36.20
3 to 5 years	714,531	23.95	-	-	714,531	23.95
Total guarantees provided and responsibilities	**2,984,359**	**100.00**	**-**	**-**	**2,984,359**	**100.00**
Up to 3 months	21,707	4.10	-	-	21,707	4.10
3 to 12 months	73,733	13.93	-	-	73,733	13.93
1 to 3 years	244,355	46.15	-	-	244,355	46.15
3 to 5 years	156,140	29.49	-	-	156,140	29.49
5 to 15 years	33,525	6.33	-	-	33,525	6.33
More than 15 years	-	-	-	-	-	-
Total securities with credit risk	**529,460**	**100.00**	**-**	**-**	**529,460**	**100.00**
Total expanded portfolio	**9,627,471**		**198,901**		**9,826,372**	

						Individual 2013
Term	Amounts Falling due	%	Amounts Past due (1)	%	Total Amount	%
Up to 3 months	1,427,573	22.75	35,856	79.21	1,463,429	23.16
3 to 12 months	2,298,861	36.64	9,410	20.79	2,308,271	36.53
1 to 3 years	1,952,929	31.13	-	-	1,952,929	30.90
3 to 5 years	435,583	6.94	-	-	435,583	6.89
5 to 15 years	159,391	2.54	-	-	159,391	2.52
Total credit portfolio	**6,274,337**	**100.00**	**45,266**	**100.00**	**6,319,603**	**100.00**
Up to 3 months	409,905	13.85	-	-	409,905	13.85
3 to 12 months	1,112,950	37.59	-	-	1,112,950	37.59
1 to 3 years	656,780	22.19	-	-	656,780	22.19
3 to 5 years	694,853	23.47	-	-	694,853	23.47
5 to 15 years	85,921	2.90	-	-	85,921	2.90
Total guarantees provided and responsibilities	**2,960,409**	**100.00**	**-**	**-**	**2,960,409**	**100.00**
3 to 12 months	100,289	17.05	-	-	100,289	17.05
1 to 3 years	193,858	32.95	-	-	193,858	32.95
3 to 5 years	176,364	29.98	-	-	176,364	29.98
5 to 15 years	109,884	18.68	-	-	109,884	18.68
More than 15 years	7,870	1.34	-	-	7,870	1.34
Total securities with credit risk	**588,265**	**100.00**	**-**	**-**	**588,265**	**100.00**
Total expanded portfolio	**9,823,011**		**45,266**		**9,868,277**	

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

						Consolidated
						2013
	Amounts		Amounts		Total	
Term	Falling due	%	Past due (1)	%	Amount	%
Up to 3 months	1,427,573	22.53	35,856	79.21	1,463,429	22.93
3 to 12 months	2,311,537	36.48	9,410	20.79	2,320,947	36.37
1 to 3 years	2,002,300	31.60	-	-	2,002,300	31.37
3 to 5 years	435,583	6.87	-	-	435,583	6.83
5 to 15 years	159,391	2.52	-	-	159,391	2.50
Total credit portfolio	**6,336,384**	**100.00**	**45,266**	**100.00**	**6,381,650**	**100.00**
Up to 3 months	409,905	13.85	-	-	409,905	13.85
3 to 12 months	1,112,950	37.59	-	-	1,112,950	37.59
1 to 3 years	656,780	22.19	-	-	656,780	22.19
3 to 5 years	694,853	23.47	-	-	694,853	23.47
5 to 15 years	85,921	2.90	-	-	85,921	2.90
Total guarantees provided and responsibilities	**2,960,409**	**100.00**	**-**	**-**	**2,960,409**	**100.00**
3 to 12 months	100,289	17.05	-	-	100,289	17.05
1 to 3 years	193,858	32.95	-	-	193,858	32.95
3 to 5 years	176,364	29.98	-	-	176,364	29.98
5 to 15 years	109,884	18.68	-	-	109,884	18.68
More than 15 years	7,870	1.34	-	-	7,870	1.34
Total securities with credit risk	**588,265**	**100.00**	**-**	**-**	**588,265**	**100.00**
Total expanded portfolio	**9,885,058**		**45,266**		**9,930,324**	

(1) On December 31, 2014 there was a change of criteria related to expired contracts. Previously, the maturity was demonstrated per plot. According to the new criteria, the maturity is demonstrated by the total contract.

c) By business activity:

		Individual		Consolidated
	2014	2013	2014	2013
Sugar and ethanol	1,392,485	1,391,668	1,392,485	1,397,413
Civil construction	1,179,345	1,388,464	1,180,187	1,395,441
Agriculture	991,748	871,830	991,748	884,798
Electric and renewable energy	974,263	891,931	974,263	891,931
Building and engineering - Infrastructure	773,247	846,040	773,729	853,056
Transportation and logistics	625,026	480,410	625,804	484,293
Telecommunications	437,671	349,218	438,104	358,236
Chemical and petrochemical	371,931	273,740	371,931	273,740
Vehicles and parts	366,339	437,040	366,339	437,040
Specialized services	318,972	473,851	318,972	476,545
Foreign trade	291,840	298,612	291,840	298,612
Metal products	290,568	453,883	290,568	457,250
Meat processing	265,105	164,348	265,105	164,348
Retail trade	208,379	192,940	208,379	192,940
Beverages and tobacco	215,418	235,210	215,418	236,893
Foodstuffs	176,800	187,718	177,490	191,164
Water and sanitation	158,606	93,445	158,606	93,445
Construction material and decor	142,137	208,102	142,137	208,102
Financial institution	99,713	103,299	100,580	107,629
Paper and pulp	90,466	95,142	90,466	95,142
Plastic and rubber	62,855	40,455	62,855	40,455
Communications and printing	53,359	-	53,359	-
Information technology	51,767	47,185	51,767	47,185
Mining	50,694	3,191	50,694	3,191
Textiles and clothing	40,551	38,487	40,551	39,407
Mechanics	39,883	17,986	39,883	17,986
Individuals	33,574	44,177	33,574	44,177
Leather and footwear	31,658	-	31,658	-
Electroelectronics	23,403	10,565	23,403	10,565
Medical services	22,005	15,331	22,005	15,331
Pharmaceuticals and cosmetics	17,808	18,086	17,808	18,086
Wholesale trade	13,279	26,332	13,279	26,332
Steel products	11,385	128,015	11,385	128,015
Leisure and tourism	-	41,576	-	41,576
Total expanded portfolio	**9,822,280**	**9,868,277**	**9,826,372**	**9,930,324**

d) Credit portfolio and guarantees provided and responsabilities by risk level and provisioning:

i) Credit portfolio

								2014
				Individual				Consolidated
Level	Falling due	Past due (1)	Total	Provision	Falling due	Past due (1)	Total	Provision
AA	692,475	-	692,475	-	693,342	-	693,342	-
A	2,001,524	-	2,001,524	10,008	2,002,695	-	2,002,695	10,014
B	2,218,487	4,595	2,223,082	22,231	2,220,107	4,595	2,224,702	22,246
C	997,456	79,645	1,077,101	32,313	997,890	79,645	1,077,535	32,327
D	97,742	5,943	103,685	10,369	97,742	5,943	103,685	10,369
E	47,396	12,928	60,324	18,097	47,396	12,928	60,324	18,097
F	40,395	34,604	74,999	37,499	40,395	34,604	74,999	37,499
G	12,576	54,580	67,156	47,009	12,576	54,580	67,156	47,009
H	1,509	6,606	8,115	8,115	1,509	6,606	8,115	8,115
Total	**6,109,560**	**198,901**	**6,308,461**	**185,641**	**6,113,652**	**198,901**	**6,312,553**	**185,676**

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

								2013
				Individual				Consolidated
Level	Falling due	Past due (1)	Total	Provision	Falling due	Past due (1)	Total	Provision
AA	1,003,915	-	1,003,915	-	1,007,284	-	1,007,284	-
A	2,081,694	-	2,081,694	10,408	2,089,470	-	2,089,470	10,448
B	2,309,169	3,664	2,312,833	23,129	2,344,108	3,664	2,347,772	23,478
C	530,280	30,635	560,915	16,827	539,392	30,635	570,027	17,101
D	193,650	74	193,724	19,372	193,650	74	193,724	19,372
E	36,637	7,313	43,950	13,185	36,637	7,313	43,950	13,185
F	24,897	67	24,964	12,482	24,897	67	24,964	12,482
G	49,547	61	49,608	34,727	49,547	61	49,608	34,727
H	44,548	3,452	48,000	48,000	51,399	3,452	54,851	54,851
Total	**6,274,337**	**45,266**	**6,319,603**	**178,130**	**6,336,384**	**45,266**	**6,381,650**	**185,644**

(1) On December 31, 2014 there was a change of criteria related to expired contracts. Previously, the maturity was demonstrated per plot. According to the new criteria, the maturity is demonstrated by the total contract.

ii) Guarantees provided and responsabilities

In the period ended on December 31, 2014, the balance guarantees provided and responsabilities was R$2,984 with a provision of R$3,903.

e) By concentration level of the Institution's total expanded portfolio:

				Individual				Consolidated
		2014		2013		2014		2013
Largest borrowers	Amount	% of portfolio	Amount	% of portfolio	Amount	% of portfolio	Amount	% of portfolio
Largest borrower	324,584	3.30	271,299	2.75	324,583	3.30	271,299	2.73
2nd to 10th	1,310,812	13.35	1,519,180	15.39	1,310,812	13.34	1,519,180	15.30
11th to 20th	950,762	9.68	1,095,399	11.10	950,762	9.68	1,095,399	11.03
21st to 50th	1,821,335	18.54	1,874,414	18.99	1,821,335	18.54	1,874,414	18.88
51st to 100th	1,656,662	16.87	1,748,250	17.72	1,656,662	16.86	1,751,696	17.64
Other borrowers	3,758,125	38.26	3,359,735	34.05	3,762,218	38.28	3,418,336	34.42
Total expanded portfolio	**9,822,280**	**100.00**	**9,868,277**	**100.00**	**9,826,372**	**100.00**	**9,930,324**	**100.00**

f) Banco Pine's total expanded credit portfolio concentration by activity sector:

		Individual		Consolidated
	2014	2013	2014	2013
Rural	56,623	60,242	56,623	73,210
Housing	-	662	-	662
Industry	4,737,279	2,028,622	4,738,194	2,041,180
Commerce	1,197,017	803,378	1,197,017	805,981
Financial Intermediation	125,414	122,443	126,104	126,774
Other services	3,249,670	6,446,337	3,252,157	6,475,924
Individuals	456,277	406,593	456,277	406,593
Total expanded portfolio	**9,822,280**	**9,868,277**	**9,826,372**	**9,930,324**

g) Change in the allowances for loan losses and other loan losses, in accordance with Resolution 2682/99:

		Individual		Consolidated
Details	2014	2013	2014	2013
Opening balance	**178,130**	**186,652**	**185,644**	**188,254**
Additions/Reversals	65,333	98,484	57,855	101,068
Amount written off	(58,867)	(107,502)	(58,867)	(107,502)
PDD-FIDC	-	-	-	3,328
Exchange variation (1)	1,045	496	1,044	496
Closing balance	**185,641**	**178,130**	**185,676**	**185,644**

(1) Exchange variation on the allowance for loan losses (PDD) of the overseas branch, classified in the "Other operating expenses" account in the statement of operations.

h) Credit recoveries

In the period ended on December 31, 2014, credits previously written off as loss were recovered in an amount of R$35,855 (December 31, 2013 - R$21,516).

i) Renegotiation of contracts

On December 31, 2014, there were renegotiated contracts in the amount of R$97,569 (December 31, 2013 – R$ 163,543). The original ratings attributed to these contracts were maintained.

j) Transactions for the sale or transfer of financial assets

i. Transactions that neither transfer nor retain substantially all risks and rewards

For the period ended on December 31, 2014, loans were assigned, without coobligation, to parties not related to the Institution in the amount of R$77,326 (R$ 26,966 for the period ended December 31, 2013). These assignments generated a net loss in relation to their face value in the amount of R$46,761 (Loss of R$ 6,805 for the period ended December 31, 2013), without discounting the allowance for loan losses in the amount of R$38,063 (R$6,893 for the period December 31, 2013). The results of the assignments are recorded in the "Other operating expenses" account". Additionally, contracts previously written off as a loss in the amount of R$37,297 (R$37,587 for the period ended December 31, 2013) were assigned and these assignments generated a gain of R$8,880 (R$6,850 for the period ended December 31, 2013) registered in the income statement in the "Loan operations" account.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

ii. Operations that retain substantially all risks and rewards

Since January 2012, as required by CMN Resolution 3533/08 do CMN, operations are accounted for considering whether the risks and rewards of ownership arising from the sale or transfer of a financial asset are, or are not retained.

In the period ended on December 31, 2014, there were operations assigned to FIDC Pine Agro in the amount of R$332.292 (December 31, 2013 - R$377.866) and operations assigned to other financial institutions in the amount of R$101,307.

Assignments comprise the following:

				Individual
		31/12/2014		31/12/2013
	Assets	Liabilities	Assets	Liabilities
Assigned debentures	-	-	11,331	11,331
Credit operations assigned - Loans	251,294	252,085	148,769	148,769
Credit operations assigned - Financing	182,305	182,305	217,766	217,766
Total	**433,599**	**434,390**	**377,866**	**377,866**

8. FOREIGN EXCHANGE PORTFOLIO

				Individual and Consolidated
		Other receivables		Other payables
	2014	2013	2014	2013
Exchange purchases pending settlement	459,480	418,586	-	-
Rights on exchange sales	138,295	99,814	-	-
Income receivable	4,592	6,729	-	-
Exchange sales pending settlement	-	-	149,894	94,959
Liabilities for exchange purchases	-	-	405,937	391,205
Advances on foreign exchange contracts	-	-	(405,937)	(391,205)
Total	**602,367**	**525,129**	**149,894**	**94,959**

9. OTHER RECEIVABLES - SUNDRY

a) Other receivables - Sundry

These are comprised as follows:

						Individual
			2014			2013
	Short-term	Long-term	Total	Short-term	Long-term	Total
Advances and salary prepayments	75	-	75	298	-	298
Advances for payments on our behalf	5,736	-	5,736	7,159	-	7,159
Deferred tax assets (Note 9.b)	86,361	82,122	168,483	87,797	74,738	162,535
Debtors for purchase of assets	40,499	149,967	190,466	36,845	96,868	133,713
Income tax recoverable	1,669	67,268	68,937	-	54,043	54,043
Amounts receivable from affiliates	36	-	36	39	-	39
Notes and credits receivable	92,797	24,688	117,485	113,836	30,647	144,483
Sundry debtors – Brazil and abroad	16,454	19	16,473	2,997	47	3,044
Total	**243,627**	**324,064**	**567,691**	**248,971**	**256,343**	**505,314**

						Consolidated
			2014			2013
	Short-term	Long-term	Total	Short-term	Long-term	Total
Advances and salary prepayments	103	-	103	298	-	298
Advances for payments on our behalf	5,736	-	5,736	7,159	-	7,159
Deferred tax assets (Note 9.b)	86,370	82,122	168,492	87,797	74,742	162,539
Debtors for purchase of assets	40,499	149,967	190,466	36,845	96,868	133,713
Income tax recoverable	-	70,938	70,938	-	58,418	58,418
Notes and credits receivable	92,797	24,688	117,485	113,836	30,647	144,483
Sundry debtors – Brazil and abroad	20,528	19	20,547	7,826	48	7,874
Total	**246,033**	**327,734**	**573,767**	**253,761**	**260,723**	**514,484**

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

b) Tax credits

On December 31, 2014 and 2013, deferred tax assets and deferred tax liabilities in respect of corporate income tax (IRPJ) and social contribution on net income (CSLL) were comprised as follows:

						Individual
			2014			2013
Tax Credits	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Provision for loan losses	35,529	21,318	56,847	42,602	25,561	68,163
Adjustment of available-for-sale securities	8,561	5,137	13,698	5,077	3,046	8,123
Adjustment of trading securities	-	-	-	1,284	771	2,055
Credits written off as a loss	23,755	14,253	38,008	25,721	15,433	41,154
Futures market - Law 11196	3,374	2,024	5,398	5,711	3,426	9,137
Provision for tax risks and contingent liabilities	2,074	1,244	3,318	3,159	1,896	5,055
Provision for profit sharing	750	450	1,200	2,875	1,725	4,600
MTM cash flow hedge	1,332	799	2,131	-	-	-
Provision for lawyers' fees	209	125	334	1,599	959	2,558
Provision for tax loss abroad	15,020	9,012	24,032	5,539	3,323	8,862
Provision for Resolution 3921	5,809	3,486	9,295	3,444	2,066	5,510
Other provisions	7,912	4,748	12,660	4,574	2,744	7,318
Provision for bank guarantee	976	586	1,562	-	-	-
Total	**105,301**	**63,182**	**168,483**	**101,585**	**60,950**	**162,535**

						Consolidated
			2014			2013
Tax Credits	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Provision for loan losses	35,529	21,318	56,847	42,602	25,561	68,163
Adjustment of available-for-sale securities	8,561	5,137	13,698	5,077	3,046	8,123
Adjustment of trading securities	-	-	-	1,284	771	2,055
Credits written off as a loss	23,755	14,253	38,008	25,721	15,433	41,154
Futures market - Law 11196	3,374	2,024	5,398	5,711	3,426	9,137
Provision for tax risks and contingent liabilities	2,074	1,244	3,318	3,161	1,897	5,058
Provision for profit sharing	750	450	1,200	2,875	1,725	4,600
MTM cash flow hedge	1,332	799	2,131	-	-	-
Provision for lawyers' fees	209	125	334	1,599	959	2,558
Provision for tax loss abroad	15,020	9,012	24,032	5,539	3,324	8,863
Provision for Resolution 3921	5,814	3,490	9,304	3,444	2,066	5,510
Other provisions	7,912	4,748	12,660	4,574	2,744	7,318
Provision for bank guarantee	976	586	1,562	-	-	-
Total	**105,306**	**63,186**	**168,492**	**101,587**	**60,952**	**162,539**

						Individual and Consolidated
			2014			2013
Deferred tax liabilities	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Mark-to-market adjustment of derivative financial instruments	16,532	9,919	26,451	45,740	27,444	73,184
Asset adjustment of judicial deposits	365	218	583	649	389	1,038
MTM / securities for trading	1,186	711	1,897	-	-	-
MTM cash flow hedge object	978	586	1,564	-	-	-
Income from renegotiation	404	242	646	292	175	467
MTM Interbank exchange	129	78	207	-	-	-
Total (Note 14.b)	**19,594**	**11,754**	**31,348**	**46,681**	**28,008**	**74,689**

Activity of deferred tax assets and deferred tax liabilities

		Individual		Consolidated
Tax credits	2014	2013	2014	2013
Opening balance	**162,535**	**143,052**	**162,539**	**143,316**
Additions	176,570	151,383	176,577	151,046
Reversal	(170,622)	(131,900)	(170,624)	(131,823)
Closing balance	**168,483**	**162,535**	**168,492**	**162,539**

		Individual		Consolidated
Deferred tax liabilities	2014	2013	2014	2013
Opening balance	**74,689**	**51,656**	**74,689**	**51,685**
Additions	116,760	86,381	116,760	86,463
Reversal	(160,101)	(63,348)	(160,101)	(63,459)
Closing balance	**31,348**	**74,689**	**31,348**	**74,689**

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

Projected realization of deferred tax assets and deferred tax liabilities

			Individual			Consolidated
			2014			2014
Tax credits	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Up to 1 year	54,381	32,631	87,012	54,381	32,631	87,012
1 to 2 years	29,868	17,921	47,789	29,868	17,921	47,789
2 to 3 years	7,856	4,713	12,569	7,856	4,713	12,569
3 to 4 years	5,829	3,497	9,326	5,829	3,497	9,326
4 to 5 years	1,460	876	2,336	1,460	876	2,336
5 to 10 years	5,907	3,544	9,451	5,912	3,548	9,460
Total	**105,301**	**63,182**	**168,483**	**105,306**	**63,186**	**168,492**

			Individual and Consolidated
			2014
Deferred tax liabilities	IRPJ	CSLL	Total
Up to 1 year	510	305	815
1 to 2 years	6,837	4,102	10,939
2 to 3 years	3,440	2,064	5,504
3 to 4 years	1,089	653	1,742
4 to 5 years	49	29	78
5 to 10 years	7,669	4,601	12,270
Total	**19,594**	**11,754**	**31,348**

10. INVESTMENTS

a) Investments in associated and subsidiary companies

					2014
	Pine Securities	Pine Planejamento (2)	Pine Investimentos	Pine Assessoria (1)	Total
Holding - %	100.0000	99.9900	99.9998	99.9998	
Number of shares held	-	10,000	892,298,000	500,000	
Capital	13,281	10	13,385	500	
Equity	5,344	3,800	46,248	8,699	
Net income in the period	(4,595)	1,577	4,483	5,713	7,178
Investment amount	5,344	3,799	46,248	8,699	64,090
Equity in the results of investee	(4,595)	1,577	4,483	5,713	7,178
Foreign exchange variation	892	-	-	-	892

								2013
	Pine Securities	Pine Planejamento	Pine Ass. em Comercial. (5)	Pine Investimentos	Pine Comerc. Energia Eletr. (3)	Pine Assessoria	Pine Corretora (4)	Total
Holding - %	100.0000	99.9900	10.0000	99.9998	100.0000	99.9998	99.9998	
Number of shares held	5,000	10,000	10,000	892,298,000	77,399,000	500,000	500,000	
Capital	11,713	10	60	13,384	1,000	500	500	
Equity	9,047	19,223	41	41,765	4,984	37,995	244	
Net income in the period	(1,412)	15,105	(12)	3,691	3,925	2,486	11	23,794
Investment amount	9,047	19,221	4	41,765	4,984	37,995	244	113,260
Equity in the results of investee	(1,412)	15,104	(1)	3,691	3,925	2,486	11	23,804
Foreign exchange variation	236	-	-	-	-	-	-	236

(1) On March 14, 2014, Pine Assessoria e Consultoria paid dividends to Banco Pine in the amount of R $ 35,009.

(2) On March 14, 2014, Pine Planejamento paid dividends to Banco Pine in the amount of R $ 16,998.

(3) In the period ended on December 31, 2014, Pine Comercializadora de Energia Elétrica registered a loss of equivalence of R$28. On March 14, 2014 there was payment of dividens to Banco Pine in the amount of R$1,500. The company was extinguished on September 25, 2014.

(4) In the period ended on December 31, 2014, Pine Corretora de Seguros registered a gain of equivalence of R$2. The company was extinguished on July 22, 2014.

(5) In the period ended on December 31, 2014, Pine Assessoria em Comercialização de Energia registered a loss of equivalence of R$1. The company was extinguished on September 15, 2014.

b) Other investments

For the period ended December 31, 2013, Banco Pine had a consolidated amount of R$76,509 in the Consolidated, corresponding to the investment in land for real estate development, which was registered in entity IRE VII Desenvolvimento Imobiliário S/A. In the consolidated balance sheet this investment was recorded in “Other investments" account. The investment in the entity IRE VII Desenvolvimento Imobiliário S/A was sold on November 21, 2014, at book value.

11. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

a) Property and equipment in use

							2014
				Individual			Consolidated
	Annual depreciation - %	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Facilities	20	10,237	(10,165)	72	10,644	(10,327)	317
Furniture and equipment in use	10	2,980	(1,893)	1,087	3,241	(2,002)	1,239
Communications system	10	1,474	(957)	517	1,477	(957)	520
Data processing system	20	914	(894)	20	1,212	(1,101)	111
Security system	10	32	(24)	8	32	(24)	8
Aircraft	10	16,293	(1,513)	14,780	16,293	(1,513)	14,780
Transport system	20	2,671	(900)	1,771	2,671	(900)	1,771
Total		**34,601**	**(16,346)**	**18,255**	**35,570**	**(16,824)**	**18,746**

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

							2013
				Individual			Consolidated
	Annual depreciation - %	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Facilities	20	10,237	(10,103)	134	10,596	(10,177)	419
Furniture and equipment in use	10	2,979	(1,651)	1,328	3,210	(1,701)	1,509
Communications system	10	1,436	(847)	589	1,439	(848)	591
Data processing system	20	914	(876)	38	1,176	(971)	206
Security system	10	32	(21)	11	32	(21)	11
Aircraft	10	24,083	(3,211)	20,872	24,083	(3,211)	20,872
Transport system	20	2,675	(663)	2,012	2,675	(663)	2,012
Total		**42,356**	**(17,372)**	**24,984**	**43,211**	**(17,592)**	**25,619**

b) Intangible assets

							2014
				Individual			Consolidated
	Annual amortization - %	Cost	Accumulated amortization	Net amount	Cost	Accumulated amortization	Net amount
Expense for acquisition and development of software	10	9,587	(8,848)	739	9,854	(8,848)	1,006
Total		**9,587**	**(8,848)**	**739**	**9,854**	**(8,848)**	**1,006**

							2013
				Individual			Consolidated
	Annual amortization - %	Cost	Accumulated amortization	Net amount	Cost	Accumulated amortization	Net amount
Expense for acquisition and development of software	10	9,587	(8,159)	1,428	10,288	(8,625)	1,663
Total		**9,587**	**(8,159)**	**1,428**	**10,288**	**(8,625)**	**1,663**

12. DEPOSITS

a) Analysis by maturity:

						2014
			Individual			Consolidated
	Demand deposits	Time deposits	Interbank deposits	Demand deposits	Time deposits	Interbank deposits
No stated maturity	26,683	-	-	26,621	-	-
Up to 30 days	-	333,420	-	-	333,420	-
31 to 60 days	-	241,065	-	-	239,510	-
61 to 90 days	-	234,978	35,162	-	234,860	35,162
91 to 180 days	-	506,068	232	-	502,898	232
181 to 360 days	-	215,634	11,477	-	203,115	11,477
More than 360 days	-	744,472	21,709	-	705,358	21,664
Total	**26,683**	**2,275,637**	**68,580**	**26,621**	**2,219,161**	**68,535**

						2013
			Individual			Consolidated
	Demand deposits	Time deposits	Interbank deposits	Demand deposits	Time deposits	Interbank deposits
No stated maturity	23,332	-	-	23,260	-	-
Up to 30 days	-	398,939	10,151	-	390,667	10,151
31 to 60 days	-	225,900	24,480	-	225,554	24,480
61 to 90 days	-	236,312	20,722	-	233,690	20,722
91 to 180 days	-	687,228	3,123	-	669,634	3,124
181 to 360 days	-	455,409	19,370	-	428,983	15,188
More than 360 days	-	1,143,273	16,093	-	1,094,695	16,053
Total	**23,332**	**3,147,061**	**93,939**	**23,260**	**3,043,223**	**89,718**

b) Analysis by market segment:

						2014
			Individual			Consolidated
	Demand deposits	Time deposits	Interbank deposits	Demand deposits	Time deposits	Interbank deposits
Industry, commerce and services	20,021	517,628	-	20,021	517,628	-
Related companies	62	56,476	45	-	-	-
Individuals	379	19,869	-	379	19,869	-
Financial institutions and investment funds	6,221	1,681,664	68,535	6,221	1,681,664	68,535
Total	**26,683**	**2,275,637**	**68,580**	**26,621**	**2,219,161**	**68,535**

						2013
			Individual			Consolidated
	Demand deposits	Time deposits	Interbank deposits	Demand deposits	Time deposits	Interbank deposits
Industry, commerce and services	22,924	897,503	-	22,924	889,231	-
Related companies	72	95,566	4,221	-	-	-
Individuals	336	53,366	-	336	53,366	-
Financial institutions and investment funds	-	2,100,626	89,718	-	2,100,626	89,718
Total	**23,332**	**3,147,061**	**93,939**	**23,260**	**3,043,223**	**89,718**

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

13. FUNDS OBTAINED IN THE OPEN MARKET

		Individual
	2014	2013
Own portfolio		
National Treasury Bills(LTN)	53,530	201,413
National Treasury Notes (NTN)	29,011	156,794
Debentures	113,980	175,263
Other securities issued abroad	3,672	14,109
Total funds obtained in the open market	**200,193**	**547,579**

		Consolidated
	2014	2013
Own portfolio		
National Treasury Bills(LTN)	21,878	201,413
National Treasury Notes (NTN)	29,011	118,007
Debentures	113,980	-
Other securities issued abroad	3,672	14,109
Subtotal	**168,541**	**333,529**
Third-party portfolio		
Debentures	-	175,263
Subtotal	**-**	**175,263**
Total funds obtained in the open market	**168,541**	**508,792**

14. OTHER LIABILITIES

a) Collection and payment of taxes and similar:

On December 31, 2014, this balance consists of the tax on financial transactions (IOF) payable in the amount of R$378 (December 31, 2013 - R$1,663).

b) Tax and social security contributions

						2014
			Individual			Consolidated
	Short-term	Long-term	Total	Short-term	Long-term	Total
Taxes and contributions on third-party services	161	-	161	161	-	161
Taxes and contributions on salaries	3,313	-	3,313	3,446	-	3,446
Taxes and contributions on income	-	-	-	2,932	-	2,932
Service tax (ISS)	356	-	356	559	-	559
Withholding income tax (IRRF)	1,659	-	1,659	1,680	-	1,680
Social Integration Program (PIS) and Social Contribution on Revenues (COFINS) paya	329	-	329	494	-	494
Provision for deferred IRPJ and CSLL (Note 09)	816	30,532	31,348	816	30,532	31,348
Provision for tax risks (Note 15c and d)	-	369	369	-	369	369
Total	**6,634**	**30,901**	**37,535**	**10,088**	**30,901**	**40,989**

						2013
			Individual			Consolidated
	Short-term	Long-term	Total	Short-term	Long-term	Total
Taxes and contributions on third-party services	156	-	156	177	-	177
Taxes and contributions on salaries	3,233	-	3,233	3,356	-	3,356
Taxes and contributions on income	-	-	-	4,350	-	4,350
Service tax (ISS)	533	-	533	659	-	659
Withholding income tax (IRRF)	3,839	-	3,839	3,848	-	3,848
Social Integration Program (PIS) and Social Contribution on Revenues (COFINS) paya	446	-	446	556	-	556
Provision for deferred IRPJ and CSLL (Note 09)	12,161	62,528	74,689	12,161	62,528	74,689
Provision for tax risks (Note 15c and d)	-	716	716	-	723	723
Total	**20,368**	**63,244**	**83,612**	**25,107**	**63,251**	**88,358**

c) Sundry

						2014
			Individual			Consolidated
	Short-term	Long-term	Total	Short-term	Long-term	Total
Provision for personnel expenses	10,246	-	10,246	11,724	-	11,724
Cashier's checks	5,738	-	5,738	5,738	-	5,738
Provision for contingent liabilities- civil (Note 15.e)	-	6,524	6,524	-	6,524	6,524
Provision for contingent liabilities - labor (Note 15.e)	-	1,403	1,403	-	1,403	1,403
Other administrative expenses	-	3,904	3,904	-	3,904	3,904
Obligations for the sale and transfer of financial assets	2,265	836	3,101	2,880	-	2,880
Obligations for shares of investment funds	372,113	62,277	434,390	102,098	-	102,098
Sundry debtors – Brazil and abroad	-	-	-	-	418,437	418,437
Other provisions	332	-	332	474	-	474
Negotiation and intermediation of securities	-	9,237	9,237	-	9,237	9,237
Total	**390,694**	**84,181**	**474,875**	**122,914**	**439,505**	**562,419**

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

						2013
			Individual			Consolidated
	Short-term	Long-term	Total	Short-term	Long-term	Total
Provision for personnel expenses	18,809	-	18,809	19,068	-	19,068
Cashier's checks	6,910	-	6,910	6,910	-	6,910
Provision for contingent liabilities- civil (Note 15.e)	-	9,997	9,997	-	9,997	9,997
Provision for contingent liabilities - labor (Note 15.e)	-	1,925	1,925	-	1,925	1,925
Provision - FIDC	2,231	6,394	8,625	3,254	6,394	9,648
Other administrative expenses	-	-	-	-	456,863	456,863
Liabilities for investment fund shares	317,328	60,538	377,866	-	-	-
Sundry debtors – Brazil and abroad	680	745	1,425	1,863	745	2,608
Total	**345,958**	**79,599**	**425,557**	**31,095**	**475,924**	**507,019**

15. CONTINGENT ASSETS AND LIABILITIES AND LEGAL OBLIGATIONS - TAX AND SOCIAL SECURITY CONTRIBUTIONS

a) Adherence to the programs for installment payment and discharging of tax debts (REFIS/Tax Amnesty - Law 12865/2013)

On December 31, 2013, considering the terms and benefits offered by the tax settlement program enacted by the Brazilian government, through Law 12865/13, the Institution's management reassessed, together with its legal counsel, the convenience of participating in this program. As a result, management decided to withdraw from specific proceedings and to settle immediately the related contingent amounts.

The balance of these proceedings totaled R$357 in the Individual and R$948 in the Consolidated, resulting in a gain of R$213 (R$64 net of tax) in the Individual and a loss of R$140 (R$279 net of tax) in the Consolidated. These proceedings were mainly related to a PIS related challenge (1996 tax base) in Banco Pine, recorded as a provision at the full amount in dispute. This process was settled in full with the balance of Judicial Deposits, in the amount of R$173. For the PIS suits for 1997 in the amount of R$10, with IRPJ for 1996 of R$10 and CSLL for 1997/98 of R$571. There were no amounts recorded as a provision in Pine Investimentos DTVM. The proceedings were partially paid with the balance of Judicial Deposits in the amount of R$138.

b) Contingent assets

There were no contingent assets on December 31, 2014 and 2013.

c) Legal obligations - tax and social security

These are legal and administrative processes related to tax and social security obligations. The main processes are as follows:

PIS: The Institution and Pine Investimentos sought an injunction designed to render ineffective the wording of Article 3, paragraph 1, of Law 9718/1998, which changed the calculation base of PIS and COFINS so that all corporate revenues are liable to these contributions. Prior to this rule, suspended in innumerous recent decisions by the Federal Supreme Court (STF) only revenues derived from services rendered and the sale of merchandise were liable to these contributions. The injunction filed by Banco Pine received a partially favorable judgment and the appeal lodged by the Federal Government was dismissed. The favorable final and unappealable decision was handed down on September 17, 2013.

Supported by the opinion of its legal advisors and responsible attorneys, according to whom the case is settled at the STF with no possibility of any further appeal by the National Treasury, the Institution reversed the corresponding provision for contingencies, for the period from May 2005 to October 2011, considering that it no longer consists of a legal obligation and that no loss is probable, and recognized a net gain in the total amount of R$35,163 in the Individual and R$35,764 in the Consolidated, for 2013, which was recorded in the "Other operating income" account and in the "Tax expenses" account.

In this respect, the Institution will file a request for proof of claim at the Brazilian Federal Revenue authority (RFB), regarding the contributions to PIS which were overpaid during the period from May 1999 to April 2005, in the historical amount of R$3,522 in the Individual and R$3,566 in the Consolidated, which adjusted for inflation, based on the variation in the SELIC rate up to December 31, 2014, totaled R$8,702 (R$8,336 on december 31, 2013) in the Individual and R$8,811 (R$8.588 on december 31, 2013) in the Consolidated. Based on the final and unappealable judgment and the administrative procedure filed at RFB, a corresponding tax credit was recognized in "Other receivables – Tax recoverable", as a counter entry to the "Other operating income" account.

COFINS: In November 2005, the STF judged as unconstitutional Article 3, paragraph 1, of Law 9718/98, which introduced the new calculation base for COFINS determination purposes from February 1999, broadening the concept of revenue. Accordingly, the calculation base of COFINS was decreased and gave rise to the unquestionable right to recover the amount of overpaid tax. The injunction filed against the Federal Government by the Institution claiming the right to offset the refund of the incorrectly paid amount of COFINS against other current taxes was successful.

Supported by the opinion of its legal advisors and responsible attorneys, according to whom the case is settled at the STF with no possibility of any further appeal by the National Treasury, the Institution reversed the corresponding provision for contingencies, for the period from May 2005 to October 2011, considering that it no longer consists of a legal obligation and that no loss is probable, and recognized a net gain in the total amount of R$150,510 in the Individual and R$151,357 in the Consolidated, for 2011, which was recorded in the "Other operating income" account and in the "Tax expenses" account.

In this respect, the Institution will file a request for proof of claim at the Brazilian Federal Revenue authority (RFB), regarding COFINS which was overpaid during the period from June 2000 to April 2005, in the historical amount of R$15,679 in the Individual and R$15,872 in the Consolidated, which adjusted for inflation, based on the variation in the SELIC rate up to December 31, 2014, totaled R$39,444 (December 31, 2013 – R$37,744) in the Individual and R$39,908 (December 31, 2013 – R$38,188) in the Consolidated. Based on the final and unappealable judgment and the administrative procedure filed at RFB, a corresponding tax credit was recognized in "Other receivables – Tax recoverable", as a counter entry to the "Other operating income" account.

The amounts of the legal obligations and respective judicial deposits are presented as follows:

				Individual				Consolidated
	Provision		Judicial deposits		Provision		Judicial deposits	
	2014	2013	2014	2013	2014	2013	2014	2013
PIS	-	-	35,382	33,007	-	-	35,609	33,218
COFINS	-	-	-	168,908	-	-	-	169,862
Total	**-**	**-**	**35,382**	**201,915**	**-**	**-**	**35,609**	**203,080**

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

d) Contingencies classified as probable are regularly provisioned and the period ended on December 31, 2014 and 2013, are comprised as follows:

	Individual				Consolidated			
	Provision		Judicial deposits		Provision		Judicial deposits	
	2014	2013	2014	2013	2014	2013	2014	2013
Tax contingencies	369	716	1,801	1,740	369	723	1,830	1,769
Labor contingencies	1,403	1,925	200	575	1,403	1,925	200	575
Civil contingencies	6,524	9,997	3,010	2,385	6,524	9,997	3,010	2,385
Total	**8,296**	**12,638**	**5,011**	**4,700**	**8,296**	**12,645**	**5,040**	**4,729**

e) Activity in liability provisions

	Individual							
	2014				2013			
	Tax/Legal obligation	Labor	Civil	Total	Tax/Legal obligation	Labor	Civil	Total
Opening balance	**716**	**1,925**	**9,997**	**12,638**	**42,056**	**4,665**	**18,298**	**65,019**
Amount recorded (reversion)	(353)	(674)	(3,961)	(4,988)	(43,005)	(2,939)	(9,059)	(55,003)
Adjustments	6	152	488	646	1,665	199	758	2,622
Closing balance	**369**	**1,403**	**6,524**	**8,296**	**716**	**1,925**	**9,997**	**12,638**

	Consolidated							
	2014				2013			
	Tax/Legal obligation	Labor	Civil	Total	Tax/Legal obligation	Labor	Civil	Total
Opening balance	**723**	**1,925**	**9,997**	**12,645**	**42,591**	**4,665**	**18,298**	**65,554**
Amount recorded (reversion)	(360)	(674)	(3,961)	(4,995)	(43,557)	(2,939)	(9,059)	(55,555)
Adjustments	6	152	488	646	1,689	199	758	2,646
Closing balance	**369**	**1,403**	**6,524**	**8,296**	**723**	**1,925**	**9,997**	**12,645**

f) We present below the main suits and proceedings for which the likelihood of loss was deemed possible:

Labor: on December 31, 2014 and 2013, the Institution had no labor claims classified as possible losses.

Civil: on December 31, 2014 and 2013, the Institution had no civil claims classified as possible losses.

Tax: On December 31, 2014 the Institution owned tax proceedings classified as possible in the amount of R $ 19,881. On 31 December 2013 the Bank did not have tax proceedings classified as possible.

Tax: On December 31, 2014 the Bank owned tax proceedings classified as possible in the amount of R $ 19,881. The main proceedings in the amount of R$ 19,088 it is Injunction filed against an act of Federal Revenue of Brazil Financial Institutions in São Paulo, with preliminary injunction to suspend the payment of installments of income tax and social contribution levied on the default interest and indexation. Currently this Bank has the effect of favorable ruling, made by 1st Instance Judgment. On 31 December 2013 the Bank did not have tax proceedings classified as possible.

16. BORROWINGS AND ONLENDINGS

	Individual and Consolidated 2014					
	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	From 5 to 15 years	Total
Local onlendings – official institutions	267,357	396,579	426,512	125,200	117,850	1,333,498
Foreign onlendings	4,113	58,348	409,304	79,668	79,668	631,101
Foreign borrowings	238,896	840,716	50,065	79,686	-	1,209,363
Total	**510,366**	**1,295,643**	**885,881**	**284,554**	**197,518**	**3,173,962**

	Individual and Consolidated 2013					
	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	From 5 to 15 years	Total
Local onlendings – official institutions	61,788	279,262	571,229	112,536	116,293	1,141,108
Foreign onlendings	10	2,855	2,835	-	-	5,700
Foreign borrowings	425,331	620,396	234,260	-	70,278	1,350,265
Total	**487,129**	**902,513**	**808,324**	**112,536**	**186,571**	**2,497,073**

17. FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES

a) Funds from exchange acceptances

	Individual and Consolidated 2014					
	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	From 5 to 15 years	Total
Real estate letters of credit (LCI)	66,761	375,431	121,861	459	-	564,512
Agribusiness letters of credit (LCA)	130,743	400,153	71,877	690	-	603,463
Financial bills (LF)	-	121,061	553,833	10,818	4,039	689,751
Total	**197,504**	**896,645**	**747,571**	**11,967**	**4,039**	**1,857,726**

	Individual and Consolidated 2013					
	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	From 5 to 15 years	Total
Real estate letters of credit (LCI)	98,167	172,150	9,969	410	-	280,696
Agribusiness letters of credit (LCA)	323,626	86,643	27,912	161	-	438,342
Financial bills (LF)	-	599,368	115,835	19,678	3,486	738,367
Total	**421,793**	**858,161**	**153,716**	**20,249**	**3,486**	**1,457,405**

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

b) Securities issued abroad

We present below an analysis of the tranches and balances adjusted at the balance sheet dates:

Original tranche – US$	Issuance currency	Interest rate	Final maturity	Individual and Consolidated 2014	2013
4,091	US$	2,00% a.a + Libor	Jun/2014	-	3,197
2,000	US$	1,85% a.a + Libor	Nov/2014	-	9,392
1,044	US$	8,7% a.a + Libor	Jan/2017	2,892	2,551
39,333	US$	3,0% a.a + Libor	Jan/2014	-	7,139
23,529	US$	4,20% a.a + Libor	abr/2022	58,911	106,021
20,000	US$	5,85% a.a + Libor	dez/2023	53,275	-
73,000	CLP	6,0% a.a + Var.UF	Dez/2017	70,693	151,994
Total				**185,771**	**280,294**
(-) Current				**11,828**	**21,059**
Total long-term liabilities				**197,599**	**301,353**

18. SUBORDINATED DEBT

	Issuance	Maturity	Amount	Interest rate	Individual and Consolidated 2014	2013
Fixed rate notes	Pública	6/1/2017	US$125.000	8,75% a.a	276,360	306,900
Financial bills	Privada	6/12/2021	R$45.152	141,45% do CDI	57,630	53,311
Total					**333,990**	**360,211**
(-) Current					**(16,044)**	**(14,150)**
Total long-term liabilities					**317,946**	**346,061**

19. EQUITY

a) Capital

Pursuant to the bylaws, subscribed and paid-up capital totals R$1,112,259 and is divided in 121,172,024 (December 31, 2013 – 123,612,756) registered shares, of which 65,178,483 (December 31, 2013 – 65,178,483) are common shares and 55,993,541 (December 31, 2013 – 58,434,273) are preferred shares with no nominal value. The Institution is authorized to increase its capital, without the necessity of any amendment to the bylaws, by up to a further 100,000,000 common or preferred shares, all of which shall be nominative, book-entry shares, with no par value, by decision of the Board of Directors.

As approved at the Meeting of the Board of Directors held on October 15, 2013 and approved by the Central Bank on December 23, 2013, it was resolved: the capital increase of R $ 967,259 to R $ 1,112,259, through the incorporation of part of balance of the legal reserve in the amount of R $ 17,429, and part of the balance of the Statutory Reserves in the amount of R $ 127,571 to R $ 145,000, with the issuance of 12,770,443 new registered shares, of which 6,733,594 common shares and 6,036,849 preferred, passing total number of shares of 110,842,313 registered shares to 123,612,756 registered shares, being 65,178,483 common shares and 58,434,273 preferred.

As resolved at a meeting of the Board of Directors held on February 4, 2013 and ratified by the Central Bank on April 19, 2013, capital was increased in the amount of R$31,576, through the issue of 2,211,213 registered preferred shares, with 1,887,605 shares to PROPARCO - Société de Promotion et de Participation pour la Coopération Economique - (PROPARCO) and 323,608 shares to other shareholders, from R$935,683 to R$967,259, comprising 110,842,313 registered shares, of which 58,444,889 are common shares and 52,397,424 are preferred shares, with no nominal value.

b) Capital reserve

The capital reserve, pursuant to the provisions of Law n°11638/07, may only be used to (i) absorb losses which are in excess of retained earnings and the revenue reserves: (ii) increase capital; (iii) cancel treasury shares; and (iv) pay dividends on preferred shares provided that they are entitled to this benefit.

c) Revenue reserve

The Institution's revenue reserve comprises the legal and statutory reserves. The balance of the revenue reserves may not exceed the Institution's capital, and any excess must be capitalized or distributed as dividends. The Institution has no other revenue reserves.

Legal reserve – Pursuant to Law 11638/07 and the bylaws, the Institution must appropriate 5% of its net income for each year to the legal reserve. The legal reserve shall not exceed 20% of the Institution's paid-up capital. However, the Institution may choose not to appropriate a portion of its net income to the legal reserve for the year in which the balance of this reserve plus the capital reserves, exceeds 30% of its capital.

Statutory reserve – Pursuant to Law 11638/07, the bylaws may establish statutory reserves, provided that they specify their purpose, the percentage of net income to be allocated thereto and the maximum amount to be maintained in each such reserve. The allocation of funds to these reserves shall not be approved to the detriment of the mandatory dividend. The Bank established a statutory reserve of 100% of its net income, in the amount of R$18,392, after the deduction of 5% to the legal reserve of R$4,715, the deduction of the payment of interest on own capital of R$64,463 and dividends in the amount of R$6,737, for the Bank to maintain an operating margin compatible with the progression of the Banks active operations.

d) Dividends and interest on own capital

Stockholders are entitled to a minimum dividend of 25% of annual net income, adjusted pursuant to Brazilian corporate legislation, subject to the approval of the General Meeting of stockholders.

In accordance with the provisions of Law 9249/95, interest on own capital was accrued and declared, calculated based on variation of long-term interest rate (TJLP) for the period. This interest on own capital decreased the expense for income tax and social contribution in the period ended on December 31, 2014 by R$25,785 (December 31, 2014 - R$24,908).

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

We present below the dividends and interest on own capital related to income in the period ended on December 31, 2014:

Details	Release date	Payment date	Amount per share (gross)	Total amount (gross)	Amount per share (net of IR)	Total amount (net)
Interest on own capital	30/12/2014	15/1/2015	0.1200	14,262	0.1020	12,123
Interest on own capital	29/9/2014	10/10/2014	0.1425	16,938	0.1211	14,397
Interest on own capital	30/6/2014	17/7/2014	0.1414	16,733	0.1202	14,223
Interest on own capital	1/4/2014	14/4/2014	0.1366	16,530	0.1161	14,051
Dividends	30/6/2014	17/7/2014	0.0276	3,267	-	-
Dividends	1/4/2014	14/4/2014	0.0287	3,470	-	-

In accordance with Circular Letter n°3516/11, the proposed additional dividend in excess of the minimum dividend, in the amount of R$12,124 (December 31, 2013 – R$21,177) are classified in the "Revenue reserves" account.

We present below the reconciliation of dividends and interest on own capital in the periods ended on December 31, 2014 and 2013:

	2014	2013
Net income	94,307	161,596
Legal reserve	(4,715)	(8,080)
Calculation base	**89,592**	**153,516**
Interest on capital	64,463	62,270
Withholding tax – IRRF (15%)	(9,669)	(9,341)
Prepaid dividends	6,737	57,730
Amount proposed	**61,531**	**110,660**
% of calculation base	68.68%	72.08%

e) Treasury shares

In a meeting of the Board of Directors on May 6, 2014, authorization was given for the acquisition of up to 2,423,440 of the Institution's own preferred shares to be held in treasury for subsequent sale. Theres were repurchased 2.342.239 shares in the amount of R$17,536 at an averege cost of R$7.49. The authorization will be effective up to November 5, 2014.

In a meeting of the Board of Directors held on March 27, 2014, approval was given for the cancellation of 2,440,732 registered preferred shares, held in treasury, with no decrease in the amount of capital and with a decrease in share premium and the statutory reserve. These shares were acquired through a buyback program, approved by the Board of Directors, in accordance with CVM Instruction 10, of February 14, 1980, amended by CVM Instructions 268, of November 13, 1997 and 390 of July 8, 2003.

At a meeting of the Board of Directors on March 27, 2014, authorization was given for the acquisition of up to 852,883 of the Institution's own preferred shares to be held in treasury for subsequent sale, as well as the payment of variable remuneration to the Institution's statutory directors, under the terms of Resolution 3921/10, without decreasing capital. Under this plan, all shares were repurchased in the amount of R$ 6,718 at an average cost of R$ 7.88.

On December 31, 2014, the Institution's 2,268,140 own preferred shares (December 31, 2013 - 1,918,045) were held in treasury in the amount of R$ 17,030 (December 31, 2013 - R$ 22,083). The market value of these shares corresponded to R$ 14,607 (December 31, 2013 - R$ 20,197).

f) Carrying value adjustments

	Individual and Consolidated	
	2014	2013
Available-for-sale financial assets	**(34,245)**	**(20,308)**
Marketable securities	(34,245)	(20,308)
Cash flow hedge	**(1,416)**	**-**
Hedged item	3,911	-
Hedging instrument	(5,327)	-
Other	**(11,803)**	**(7,688)**
Income tax	**19,022**	**11,231**
Total	**(28,442)**	**(16,765)**

20. STATEMENT OF OPERATIONS

a) Loan operations

	Individual		Consolidated	
	2014	2013	2014	2013
Advance to depositors	442	542	442	542
Income from loans	524,183	351,364	527,825	366,175
Financing income	183,729	175,239	183,729	174,076
Financing income - foreign currency	69,406	27,250	69,406	27,250
Total	**777,760**	**554,395**	**781,402**	**568,043**

b) Income from operations with securities

	Individual		Consolidated	
	2014	2013	2014	2013
Income / Expense from transactions with fixed-income securities (FIDC)	52,530	11,218	-	-
Income from transactions with fixed-income securities	332,768	333,293	376,767	353,020
Expense for transactions with fixed-income securities	(52,202)	(90,447)	(52,642)	(90,242)
Income from transactions with variable-income securities	12,029	-	-	-
Expense for variable-income securities	(328)	-	-	-
Total	**344,797**	**254,064**	**324,125**	**262,778**

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

c) Funds obtained in the market

	Individual		Consolidated	
	2014	2013	2014	2013
Expenses for interbank deposits	8,831	8,654	8,657	8,193
Expenses for time deposits	336,597	287,764	330,564	274,574
Expenses for purchase and sale commitments	41,542	95,123	47,681	104,353
Expense for securities transactions abroad	109,006	110,193	109,006	110,193
Expenses for contribution to credit guarantee fund	14,921	15,751	14,921	15,751
Expenses for agribusiness letters of credit	53,964	21,216	53,964	21,216
Expenses for financial bills	88,481	65,322	88,481	65,322
Expenses for real estate letters of credit	35,594	8,413	35,594	8,413
Total	**688,936**	**612,436**	**688,868**	**608,015**

d) Borrowings and onlendings

	Individual and Consolidated	
	2014	2013
Expenses for onlendings (BNDES)	50,147	35,610
Expenses for foreign onlendings - 3844 Resolution	8,716	267
Expenses for payables to foreign bankers	220,735	145,926
Expenses for loans abroad	2,020	1,890
Total	**281,618**	**183,693**

e) Income from services rendered

	Individual		Consolidated	
	2014	2013	2014	2013
Credit facility fee	16,770	29,886	16,770	29,886
Commission on guarantees	46,263	41,179	46,263	41,179
Commission on intermediary services	9,158	13,823	27,265	43,681
Other	33	33	163	287
Total	**72,224**	**84,921**	**90,461**	**115,033**

f) Personnel expenses

	Individual		Consolidated	
	2014	2013	2014	2013
Salaries	58,871	56,766	64,380	60,983
Benefits	8,749	8,684	9,209	9,150
Social charges	20,212	18,967	20,931	19,859
Directors` fees	1,409	1,018	1,411	1,035
Training	260	265	282	276
Interns	310	354	343	402
Total	**89,811**	**86,054**	**96,556**	**91,705**

g) Other administrative expenses

	Individual		Consolidated	
	2014	2013	2014	2013
Water, electricity and gas	483	474	520	491
Rental	9,435	8,947	10,021	9,291
Leased assets	937	997	937	997
Communications	3,334	3,501	3,355	3,523
Charitable contributions	25	45	25	45
Maintenance and repair of assets	1,882	2,274	1,887	2,279
Materials	154	166	154	166
Data processing	8,356	7,689	8,814	7,913
Public relations	3,448	3,782	3,515	3,921
Insurance	397	286	414	286
Financial system services	15,093	15,627	16,800	16,374
Third-party services	2,685	3,423	3,588	3,875
Surveillance and security services	4,941	4,516	4,941	4,516
Specialized technical services	13,930	14,382	14,817	15,009
Transportation	1,008	1,391	1,026	1,413
Travel	2,277	2,830	2,485	3,091
Other administrative expenses	12,216	16,049	12,738	16,293
Amortization and depreciation	3,777	5,316	3,987	5,417
Total	**84,378**	**91,695**	**90,024**	**94,900**

h) Tax expenses

	Individual		Consolidated	
	2014	2013	2014	2013
Service tax (ISS)	4,390	4,611	5,250	6,069
Social contribution on revenues(COFINS)	3,067	3,411	3,720	4,486
Social integration program (PIS)	498	4,377	625	4,945
Other	1,817	922	1,889	1,145
Total	**9,772**	**13,321**	**11,484**	**16,645**

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

i) Other operating income

	Individual		Consolidated	
	2014	2013	2014	2013
Recovery of charges and expenses	1,890	1,650	1,936	1,653
Indexation - asset	1,591	3,857	1,981	3,825
Adjustment of judicial deposits	9,886	9,051	9,950	9,107
Reversal of provisions for labor, civil and tax proceedings	4,392	11,244	4,400	11,274
Other operating income	-	1,602	-	1,602
Reversal of provision for derivatives	1,547	6,998	2,903	5,765
Reversal of provision for FIDC	3,728	39,642	3,728	40,287
Total	**23,034**	**74,044**	**24,898**	**73,513**

j) Other operating expenses

	Individual		Consolidated	
	2014	2013	2014	2013
Provision for labor and civil proceedings	511	373	511	403
Expense for assignment (1)	47,323	7,649	47,323	7,649
Provision for FIDC	-	-	-	4,929
Guarantee provision	3,904	-	3,904	-
Expense for obligations for shares of investment funds	-	-	57,415	19,361
Exchange variation	892	586	-	-
Other provisions	15,458	18,294	15,458	18,294
Other operating expenses	3,330	5,605	6,223	6,162
Total	**71,418**	**32,507**	**130,834**	**56,798**

(1) Note 7j and i.

k) Non-operating income

In the period ended on December 31, 2014, the amount of R$15,024 in the Individual and R$15,034 in the Consolidated (December 31, 2013 - R$9,252 in the Individual and Consolidated) corresponds mainly to the income from the sale of assets received as payment in kind for the settlement of credit transactions.

21. INCOME TAX AND SOCIAL CONTRIBUTION

Reconciliation of expenses for income tax and social contribution on net income:

	Individual		Consolidated	
	2014	2013	2014	2013
Income before income tax (IRPJ) and social contribution (CSLL) and less profit sharing	80,308	183,934	85,186	192,613
Interest on own capital	(64,463)	(62,270)	(64,463)	(62,270)
Income before taxation	**15,845**	**121,664**	**20,723**	**130,343**
Current rate	40%	40%	40%	40%
Expected expense for IRPJ and CSLL, based on current tax rate	(6,338)	(48,666)	(8,289)	(52,137)
Permanent differences	**20,337**	**26,328**	**17,410**	**21,120**
Currency fluctuation on investments abroad	10,527	15,434	10,527	-
Indemnity interest income	4,827	11,791	4,827	11,791
Different tax regimes in other companies	-	-	3,955	7,483
Other adjustments	4,983	(897)	(1,899)	1,846
Income tax and social contribution	**13,999**	**(22,338)**	**9,121**	**(31,017)**

22. RELATED-PARTY TRANSACTIONS

a) Management compensation

In 2012, the Institution approved the new Compensation Plan which addresses the standards and guidelines for the payment of fixed and variable compensation applicable to the members of the Board of Directors and statutory directors and, at the discretion of the specific committee, other executive officers with important positions and functions, in accordance with the provisions of Resolution 3921/10, of the National Monetary Council (CMN).

The new Plan has the following main objectives: (i) alignment of the Institution’s executive compensation practices with its risk management policy; (ii) prevention of conduct that increases risk exposure to levels above those considered prudent in the short, medium and long-term strategies adopted by the Institution; (iii) creation of an instrument designed to attract and retain talent for the Institution's key positions; and (iv) adaptation of the compensation policy to meet the requirements of Resolution 3921/10.

The compensation defined in the Plan takes the following into consideration: (i) the Institution’s current and potential risks; (ii) the Institution’s overall result, in particular, recurring realized income (net book income for the period adjusted based on unrealized results and excluding the effects of controllable non-recurring events); (iii) capacity to generate cash flows; (iv) the economic environment in which the Institution operates and its related trends; (v) long-term sustainable financial bases and adjustments to future payments, based on the risks assumed, fluctuation in capital costs and liquidity projections; (vi) the individual performance of the Executives based on the target agreements entered into by each director as established in the PPLR program and filed at the Institution's head office; (vii) the performance of the business unit; and (viii) the relation between the Executives’ individual performance, the business unit performance and the Institution’s overall performance.

Variable compensation is calculated as follows:

a) up to 50% of the amount established for variable compensation is paid in cash, at the same time as the PPLR payment.

b) an amount corresponding to 10% of the established variable compensation will be paid in preferred shares of the Institution at the same time as the PPLR payment.

c) the amount corresponding to the remaining 40% of variable compensation will be paid in preferred shares of the Institution, delivered to the employee at the same time as the payment in cash. The right to dispose of these shares will be on a “Deferred” basis, increasing in line with the Executive’s level of responsibility.

The delivery of the shares related to deferred variable compensation attributable to Executives will only occur if none of the following is verified during the applicable deferral period: (i) a significant decrease in realized recurring income;(ii) loss in the Institution or business unit, or (iii) verification of errors in accounting and/or administrative procedures which affect the results determined during the vesting period of the variable compensation.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

The Institution's Compensation Committee, constituted at the General Meeting held on January 16, 2012, is responsible for (i) presenting proposals to the board of directors regarding the various forms of fixed and variable compensation, as well as benefits and the special recruitment and termination programs; (ii) monitoring the implementation and operation of the Institution's management compensation policy; (iii) annually reviewing the Institution's management compensation policy, recommending adjustments or improvements to the board of directors; (iv) recommending to the board of directors the total amount of the executive compensation to be submitted to the General Meeting, in accordance with Article 152 of Brazilian Corporation Law; (v) evaluating future internal and external scenarios and their possible impact on the Institution's management compensation policy; (vi) analyzing the Institution's compensation policy in relation to market practices, to identify significant differences as compared to peer companies, proposing necessary adjustments; (vii) ensuring that this compensation policy is permanently in line with the risk management policy, the Institution's current and expected financial position and the provisions of this resolution; and (viii) preparing annually, within a period of ninety days as from December 31, of each year, a Compensation Committee Report, as required by CMN Resolution 3921/10.

In the period ended on December 31, 2014, variable remuneration was determined in the amount of R$29,638 (December 31, 2013 - R$24,181) and the expense for the same period was R$12,071 (December 31, 2013 - R$8,629) in accordance with the criteria defined in the plan.

	Individual and Consolidated	
Salaries and Fees of the Board of Directors and Executive Board	2014	2013
Fixed compensation	11,843	9,166
Variable compensation	29,638	24,181
Short-term benefits	5,647	5,300
Total	**47,128**	**38,647**

Short-term benefits paid to directors mainly comprise salaries and social security contributions, paid leave and sick pay, profit sharing and bonuses (when payable within twelve months subsequent to the year-end closing) and non-monetary benefits (such as healthcare and free or subsidized goods or services).

Termination of employment agreement

The employment agreements are valid for an indefinite period. Officers are not entitled to any financial compensation when the employment relationship is terminated either voluntarily or due to the non-fulfillment of their obligations. If the employment agreement is terminated by the Institution, the officer may receive indemnification. During the period ended on December 31, 2014, no compensation was paid to officers who left the Institution (December 31, 2013 - R$484).

b) Related parties

The related-party transactions mainly with the companies listed in Note 2, are carried out at average amounts, terms and rates practiced in the market, effective on the corresponding dates with commutative conditions and comprise the following:

	Assets (liabilities)		Income (expenses)	
	2014	2013	2014	2013
Marketable securities	**262,917**	**661,192**	**64,559**	**16,034**
Pine Crédito Privado - FIDC	2,340	8,715	4,597	(837)
FIP Rio Corporate	-	97,980	12,030	4,816
Pine Crédito Privado - FIDC Agro	260,576	554,497	47,933	12,055
Demand deposits	**109**	**150**	**-**	**-**
Pine Investimentos	43	27	-	-
Pine Comercializadora de Energia Elétrica	-	9	-	-
Pine Corretora	-	6	-	-
Pine Assessoria	16	14	-	-
Pine Assessoria em Comercialização de Energia	-	9	-	-
Pine Planejamento Ltda	4	9	-	-
IRE VII Desenvolvimento Imobiliário Ltda	-	3	-	-
Administradores e familiares imediatos [(1)]	46	73	-	-
Interbank deposits	**44**	**4,222**	**(173)**	**(460)**
Pine Investimentos	44	4,222	(173)	(460)
Time deposits	**70,377**	**117,155**	**(6,270)**	**(15,095)**
Pine Investimentos	43,723	33,640	(4,069)	(2,424)
Pine Comercializadora de Energia Elétrica	-	3,883	(98)	(6,830)
Pine Corretora	-	230	(12)	(19)
Pine Assessoria	8,968	38,487	(1,199)	(2,949)
Pine Planejamento Ltda	3,786	19,293	(655)	(1,136)
Pine Assessoria em Comercialização de Energia	-	32	(1)	(3)
IRE VII Desenvolvimento Imobiliário Ltda	-	8,507	(236)	(661)
Administradores e familiares imediatos [(1)]	13,900	13,083	-	(1,073)
Borrowings for issuance of LCA	**-**	**-**	**(38)**	**-**
IRE VII Desenvolvimento Imobiliário Ltda.	-	-	(38)	-
Funds obtained in the open market	**113,980**	**214,051**	**(6,139)**	**4,579**
Pine Investimentos	113,980	175,263	(9,050)	6,447
Pine Crédito Privado - FIDC Agro	-	38,788	2,911	(1,352)
IRE VII Desenvolvimento Imobiliário S/A	-	-	-	(516)

(1) These amounts are not consolidated.

c) Capital ownership

The following table presents the direct investment in common and preferred shares, on December 31, 2014 and 2013, of stockholders with more than five percent of total shares and of members of the Board of Directors and Executive Board.

						2014
Stockholders	Common shares	Common shares(%)	Preferred shares	Preferred shares (%)	Total shares	Total shares (%)
Individuals	65,178,483	100.00	17,210,589	30.74	82,389,072	68.00
Board of Directors	-	-	63,666	0.11	63,666	0.05
Executive Officers	-	-	7,600,636	13.60	7,600,636	6.30
Total	**65,178,483**	**100.00**	**24,874,891**	**44.45**	**90,053,374**	**74.35**

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

						2013
Stockholders	Common shares	Common shares(%)	Preferred shares	Preferred shares (%)	Total shares	Total shares (%)
Individuals	58,444,889	100.00	15,410,863	29.41	73,855,752	66.64
Board of Directors	-	-	57,089	0.11	57,089	0.05
Executive Officers	-	-	6,276,516	11.98	6,276,516	5.66
Total	**58,444,889**	**100.00**	**21,744,468**	**41.50**	**80,189,357**	**72.35**

23. COMMITMENTS, GUARANTEES AND OTHER INFORMATION

	31/12/2014	31/12/2013
Sureties and guarantees	2,969,087	2,909,197
Letter of credit	15,272	51,212
Total	**2,984,359**	**2,960,409**

24. EMPLOYEE BENEFITS

The Institution makes monthly contributions to a private pension company for VGBL and PGBL plans, at the option of the participant, in an amount equivalent to 1% of the employee`s gross salary, provided that the employee also contributes at least 1% of his/her gross salary, to supplement their social security benefits, as part of a defined contribution plan, and this is the sole responsibility of the Institution as sponsor.

For the period ended onde December 31, 2014, the amount of this contribution was R$325 (December 31, 2013 – R$383).

25. PROFIT SHARING PROGRAM

Banco Pine has a profit sharing program (PPLR) ratified by the Bank Employees' Trade Union.

The general assumptions of this program are: (a) business unit performance; (b) establishment of a fund for distribution across the organization; and (c) assessment of the skills and the meeting of targets in the supporting areas. The related expenses were recognized in the "Profit sharing" account".

26. RISK AND CAPITAL MANAGEMENT

a) Introduction and overview

Banco Pine is exposed to credit, market, liquidity and operational risks, which are continuously monitored and managed by the risk area and senior management of the institution.

Risk management framework

Pine's risk management structure is in accordance with the regulations in Brazil and abroad and in line with best market practices. Control of credit, market, liquidity, operational and underwriting risk is centrally performed by an independent unit, to ensure that risks are managed according to the risk appetite and the established policies and procedures.

The purposel of centralized control is to provide the Board and the Executives an overview of Pine's exposures, in order to optimize and speed up corporate decision making.

b) Credit risk

Definition

Credit risk is the exposure to loss in the case of the total or partial default of customers or counterparties in fulfilling their financial obligations with the Institution. Credit risk management seeks to support the definition of strategies, in addition to establishing limits, including an analysis of exposure and trends, as well as the effectiveness of the credit policy.

Credit risk management

Duties:

• Formulate Credit Policies with all of the Institution's units, including collateral requirements, credit assessment, risk rating and presentation of reports, legal and documentary procedures, as well as compliance with regulatory and statutory requirements.

• Establish the structure for approval and renewal of Credit lines. Limits are established and approved by the Credit Committee.

• Review and assess credit risk. The Credit area evaluates all credit exposure which exceeds established limits, prior to the release of the credit lines to the customers by the related business unit. Renewals and reviews of credit lines are subject to the same review process.

• Limit concentration of exposure by counterparties, geographic regions and economic sectors, and by credit rating, market liquidity and country.

• Develop and maintain the Institution's risk classification to categorize exposure according to the degree of risk of financial loss and focus management on inherent risk. The risk classification system is used to calculate credit exposure. The current risk classification structure includes degrees of credit risk and availability of guarantees or other tools to mitigate credit risk.

• Offer advice, guidance and specialized techniques to promote credit risk management best practices throughout the Institution.

Credit analysis and granting:

Assess the risks involved in transactions and the customers' ability to settle their obligations according to the contracted terms.

Credit risk controls and management:

• Perform preventive monitoring of active customers designed to anticipate default in the portfolio of operations involving credit risk, support decisions and commercial strategies and provide data that enable the Credit Committee and Executive Board to monitor compliance with Banco Pine's Strategic Planning.

Special Asset Management (Credit recovery department):

• The Institution has a specific credit recovery area which is designed to support the areas involved in the collections process, and to identify and resolve potential risks to the Institution, seeking agile and effective solutions to minimize possible losses, to be a source of information regarding payments which are overdue or which for some reason are no longer certain, and to promote the control over the risks which, pursuant to the policy established by the Institution, are managed by the Special Assets Area.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

c) Liquidity risk

Definition

Liquidity risk is associated with possible difficulties that the Institution may face in meeting its obligations as they fall due resulting from its financial liabilities.

Liquidity risk management

Liquidity risk management seeks to protect the Institution from possible market developments that generate liquidity issues. Accordingly, the Institution monitors its portfolios with regard to maturities, volumes and the liquidity of its assets.

Daily control is carried out through reports in which the following items are monitored:

• Maturity mismatches between payment and receipt flows Group wide.

• Concentration of depositors and deposits with daily liquidity.

• Projection of liquidity stress scenarios defined by the Asset-Liability Committee (ALCO).

This information is checked against the Institution's cash position each day and assessed each week by ALCO.

Liquidity is managed by the Market and Liquidity Risk Oversight Board, which reports to the Risk Control Oversight Board.

d) Market risk

i) Definition

Market risks are related to possible monetary losses due to fluctuations in variables that impact market prices and rates. Oscillations of financial variables such as the price of input material and end products, inflation indices, interest rates and foreign exchange rates have the potential for causing loss in almost all companies and, therefore, represent financial risk factors.

It can be said that the Market Risk to which an institution is exposed is mainly due to three factors: a) exposure - value at risk; b) sensitivity - the impact of price fluctuations; and c) fluctuation - the magnitude of price variations. We stress that, among these factors, exposure and sensitivity are controllable by the Institution as part of its appetite for risk, while fluctuation is a market characteristic and, accordingly, out of the Institution's control.

Market risks can be classified under different types, such as interest rate risk, foreign exchange risk, commodity price risk and share price risk. Each type represents the risk of incurring losses due to oscillations in the corresponding variable.

ii) Market risk management

Market risk is managed in a centralized manner by an area that is independent in relation to the trading desk and which is chiefly responsible for monitoring and analyzing market risk originating in positions assumed by the Institution vis-a-vis its appetite for risk as defined by ALCO and approved by the Board of Directors.

Market risk is managed daily by the Market and Liquidity Risk Oversight Department, which calculates the Value at Risk (VaR) and generates the Duration Gap of the Primitive Risk Factor mismatches of assets in the Institution's portfolio.

Amounts are compared daily to the VaR limits, exposure by Primitive Risk and Stop Loss Factors established by ALCO and approved by the Institution's Board of Directors.

For stress tests, scenarios considering bear and bull markets in BM&FBOVESPA, as well as changes to the interest rate curves, are used. Certain scenarios generated by ALCO may also be used.

iii) Methodologies

Fair value:

The purpose of marking to market (Fair Value) is to ensure that the pricing of assets and liabilities in the Institution's portfolio is as transparent as possible for shareholder protection.

Value at risk (VaR):

VaR measures the worst expected loss in a given horizon under normal market conditions in a given confidence level, that is, VaR provides a measure of market risk.

Market risk management uses VaR as a measure of the Group's potential losses. For the calculations, the parameters used are a one-day time horizon and a 99% confidence interval. The calculation is based on closing market prices, taken from different sources (ANBIMA, (No Suggestions), and the Brazilian Central Bank, among others).

The VaR analysis is performed by market, vertex and risk factors associated with the interest curve, share, foreign exchange and commodity prices. If the VaR limit is surpassed, an evaluation of the operations will be performed and those that present a greater risk will be readjusted by the Treasury in order to mitigate risk and seek alignment with the maximum exposure limit. Market liquidity will be evaluated as these operations are readjusted.

iv) Sensitivity analysis

Pursuant to CVM Instruction 475/08, we present below the sensitivity analysis for all transactions involving financial instruments, which expose the Institution to risks arising from exchange and interest rate fluctuations or any other types of exposure on December 31, 2014:

		Sensitivity analysis		
		2014		
		Scenarios		
Risk Factor	**Exposure**	**Probable(I)**	**Possible (II)**	**Remote (III)**
Fixed interest rate (PRE)	Fixed interest rate variations	2,401	(30,106)	(60,212)
General Market Price index (IGPM)	IGPM coupon variations	44	(177)	(353)
Price index (IPCA)	IPCA coupon variations	2,385	(10,754)	(21,509)
Long-term interest rate (TJLP)	TJLP variations	(4,430)	10,413	20,825
US dollar coupon rate	Exchange coupon variation	(293)	(2,036)	(4,073)
Other currency coupon rates	Exchange coupon variation	(76)	68	135
Offshore rates (LIBOR + other Offshore)	Offshore rate variations	(3,769)	(4,932)	(9,953)
Currencies	Change in exchange variation	80	(1,207)	(2,413)
Total (uncorrelated sum)*		**(13,321)**	**(59,870)**	**(119,740)**
Total (correlated sum)**		**(3,658)**	**(38,731)**	**(77,553)**

*Uncorrelated sum: sum of the results obtained in the worst stress scenarios for each risk factor.

**Correlated sum: the worst result of the sum of the stress test scenarios of all of the risk factors considering the correlation between them.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

Scenarios

Scenario I - Probable

Scenario comprising the variation in market factors between December 31, 2014 and January 13, 2015 (variation in the fixed rate from 12.96% to 12.67% in a 1-year curve and from 12.59% to 12.31% in a 4-year curve, variation in the US dollar from 2.6929 to 2.6485 and in the exchange coupon from 2.49% to 2.23% in a 1 year curve).

Scenario II – Possible (*)

Scenario comprising a 25% shock to the market interest rate curve amounts (disclosed by BM&FBOVESPA), and to the closing prices (US dollar and equity), as in the following example:

Curve	Market rate (1 year)	Shock	New market rate (1 year)
Fixed interest rate (PRE)	12.96%	25%	16.20%
General Market Price index (IGPM)	7.00%	25%	8.75%
Price index (IPCA)	5.80%	25%	7.25%
Long-term interest rate (TJLP)	7.29%	25%	9.12%
US dollar coupon rate	2.49%	25%	3.11%
Other currency coupon rate	2.12%	25%	2.65%
LIBOR - USD	0.62%	25%	0.78%
Currencies	2.6929	25%	3.3661

Scenario III – Remote (*)

Scenario comprising a 50% shock to the market interest rate curve values (disclosed by BM&FBOVESPA), and in the closing prices (US dollar and equity), as in the following example:

Curve	Market rate (1 year)	Shock	New market rate (1 year)
Fixed interest rate (PRE)	12.96%	50%	19.44%
General Market Price index (IGPM)	7.00%	50%	10.50%
Price index (IPCA)	5.80%	50%	8.70%
Long-term interest rate (TJLP)	7.29%	50%	10.94%
US dollar coupon rate	2.49%	50%	3.73%
Other currency coupon rate	2.12%	50%	3.18%
LIBOR - USD	0.62%	50%	0.94%
Currencies	2.6929	50%	4.0394

* For Scenarios II and III, the result of the high or low stress scenario was considered to obtain the most significant portfolio losses.

e) Capital management

Capital management is an important process used by the Institution to optimize the use of capital and to achieve its strategic objectives. The ongoing enhancement of credit, market, liquidity and operational risk management and control is essential to providing stability in financial results and to improving capital allocation.

In accordance with BACEN Resolution 3988/11, capital management is defined as an ongoing process for:

. Capital monitoring and control carried out by the Institution

. Assessing the need for capital to address the risks to which the Institution is subject

. Planning targets and capital requirements, based on the Institution's strategic objectives

Capital policies and strategies are based on a forward-looking approach, anticipating the need for capital as a result of possible changes in market conditions and are reviewed periodically by the Executive Board and Board of Directors, to ensure that they are compatible with the Institution's strategic planning.

Financial institutions are required to permanently maintain their Required Regulatory Capital (PRE) compatible with the risks of their activities. PRE is calculated considering, at least, the sum of the different portions of credit, market and operational risk.

In March 2013, BACEN published the rules relating to the definition of capital and regulatory capital requirements, for the purpose of implementing the recommendations (Basel III) issued by the Basel Committee on Banking Supervision (BCBS) in Brazil. The main objectives are as follows: (i) improve the ability of financial institutions to absorb shocks occurring in the financial system or in other economy sectors; (ii) mitigate the risk of financial sector contagion spreading to the real economy; (iii) assist in maintaining financial stability; and (iv) foster sustainable economic growth. The application of the new Basel III rules commenced on October 1, 2013.

On December 31, 2014, the Institution's Basel ratio was 13.90% (December 31, 2013 – 14.14%), calculated based on the consolidated financial information.

Basel III (1)	2014	2013
Tier I reference equity	**1,255,893**	**1,220,519**
Capital	**1,255,893**	**1,220,519**
Equity	1,255,937	1,272,408
(-) Prudential adjustments (2)	(44)	(51,889)
Tier II reference equity	**145,900**	**221,841**
Subordinated debt	145,900	221,841
Reference equity (PR)	**1,401,793**	**1,442,360**
Risk-weighted assets – RWA	**10,088,080**	**10,203,251**
Credit risk	9,552,500	9,311,739
Market risk	386,291	731,173
Operational risk	149,289	160,339
Basel ratio - %	**13.90%**	**14.14%**
Tier I capital	**12.45%**	**11.96%**
Capital	12.45%	11.96%
Tier II capital	**1.45%**	**2.17%**

(1) From October 2013, reference equity is determined pursuant to CMN Resolution 4192/13 based on the consolidated financial information.

(2) Criteria used from October 2013, pursuant to CMN Resolution 4192/13.

Banco Pine, according to Circular 3477/09, discloses quarterly information related to risk management and required reference equity (PRE). The report in more detail, structure and methodology is available on the website www.pine.com/ri.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

f) Risk Management Report - Pillar 3

In October 2013, the Central Bank issued Circular No. 3678 which provides for the disclosure of information relating to risk management, the determination of the amount of risk-weighted assets and the calculation of the Referential Equity (PR). The new circular takes effect from June 2014, when it gets repealed Circular No. 30 3477. The new publication requirements incorporate the Brazilian regulatory requirements of Pillar 3 of Basel II and present mainly in Basel III.

The content of our new Risk Management Report - Pillar 3 will be available on the website: www.pine.com/ri after December 01, 2014.

g) Equity to fixed assets ratio

In accordance with BACEN Resolution n°2286/96, the equity to fixed assets ratio is limited to 50.0%. On December 31, 2014, the equity to fixed assets ratio was 2.3% (December 31, 2013 - 6.22%).

27. OTHER INFORMATION

a) Law n°12973, conversion of Provisional Measure n°627

On May 14, 2014, Provisional Measure 627 was enacted into Law 12973, changing the federal tax legislation regarding corporate income tax (IRPJ), social contribution on net income (CSLL), social integration program (PIS) and social contribution on revenues (COFINS). Law 12973/14 addresses the following, among other matters:

• Revocation of the Transitional Tax Regime (RTT), introduced by Law 11941, of May 27, 2009

• Taxation of corporate entities domiciled in Brazil, related to equity increases resulting from profit sharing earned abroad by associated and subsidiary companies, and income earned by individuals resident in Brazil through corporate entities controlled abroad.

The Institution does not expect that Law 12973/14 will have any significant accounting effects of the financial statements of Banco Pine and its subsidiaries.

b) Insurance

The Institution's insurance strategy is based mainly on risk concentration and materiality, and policies are contracted at amounts established by Management, considering the nature of the business and the advice of its insurance brokers. Insurance coverage on December 31, 2014 is as follows:

Items	Type of coverage	Insured amount
Directors and Officers Liability (D&O)	Civil liability for directors and officers	50,000
Vehicles	Fire, robbery and collision for 18 vehicles	2,290
Buildings, machines, furniture and fixtures	Any material damage to facilities, machinery and equipment	23,110
Bankers insurance	Cash	300
Aircraft insurance	Aircraft-part guarantees	623

c) Operating lease

Banco Pine has liabilities generated by operating leases. The amounts corresponding to the commitments for leased equipment are not presented in the balance sheet, since the related lease agreements do not include a purchase option. The cost of the lease agreements is recognized in the statement of operations in the "Administrative expenses - leased assets" account.

			Individual and Consolidated	
	Taxa	Prazo	2014	2013
Expense for leased assets				
Machinery and equipment leasing	4.24%	3	937	997
Total		**3**	**937**	**997**

d) Fair value of financial instruments

In accordance with CVM Instruction 235, we present below a comparison between the carrying amounts of financial assets and liabilities measured at amounts other than fair value and their corresponding fair values at the end of the period.

	Consolidated	
	2014	
	Fair value	Carrying value
Assets		
Short-term interbank investments (i)	243,250	243,250
Marketable securities and derivative financial instruments (ii)	3,004,693	3,004,693
Loan operations (iii)	5,438,322	5,436,882
Other receivables(iii)	719,999	718,480
Total financial assets	**9,406,264**	**9,403,305**
Liabilities		
Demand deposits (iv)	26,621	26,621
Interbank deposits (iv)	68,535	68,535
Time deposits (v)	2,210,445	2,219,161
Money market funding (ii)	168,541	168,541
Funds from acceptance and issuance of securities (v)	1,846,102	1,867,364
Borrowings and onlendings (v)	2,662,641	2,664,269
Subordinated debt (v)	106,626	112,608
Total financial liabilities	**7,089,511**	**7,127,099**

We present below the methods and assumptions used to estimate fair value:

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED ON DECEMBER 31, 2014 AND 2013

i) The fair values of the short-term interbank investments substantially approximate their carrying amounts.

ii) The fair value of securities and derivative financial instruments and money market funding reflects their carrying amount.

iii) Loans and other receivables are stated net of allowance for doubtful accounts. The fair value of these operations represents the discounted value of expected future

cash flows. The expected cash flows are discounted at current market rates to determine fair value.

iv) The estimated fair values of the demand and interbank deposits substantially approximate their carrying amounts.

v) The estimated fair values of the time deposits and other loans which are not quoted in an active market are based on discounted cash flows, using the interest rates for new debts with similar maturities.

e) Covenants

The Institution has credit lines with certain multilateral agencies which guarantee its loan operations. On December 31, 2014, Banco Pine was in compliance with the related performance indices.

f) Disclosure of other services rendered by the independent auditors

In compliance with CVM Instruction 381, of January 14, 2003, in the period from January to December 2014, no services were contracted from the independent auditor other than those related to the external audit. Banco Pine’s policy is to limit the services provided by its independent auditor to safeguard the auditor's independence and objectivity in conformity with Brazilian and international regulations.

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