(A free translation of the original version in portuguese)

Individual and Consolidate Financial Statements under BR GAAP for the Six-Month Periods Ended June 30, 2014 and 2013, and Independent Auditors' Report

Banco Pine S.A.

PricewaterhouseCoopers Auditores Independentes

(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 June 30, 2014 and the statements of operations, changes in equity and cash flows for the 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 June 30, 2014 and the consolidated statements of operations, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of 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 entity'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 entity'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.

Banco Pine S.A.

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 June 30, 2014, and the Institution's financial performance and cash flows, as well as the consolidated financial performance and cash flows for the six-month period then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by BACEN.

Other matters

Statement of value added

We have also audited the Institution's and the consolidated statements of value added for the six-month period ended June 30, 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, August 8, 2014

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Edison Arisa Pereira
Contador CRC 1SP127241/O-0

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

SUMMARY OF THE AUDIT COMMITTEE REPORT
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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).

In accordance with the Bylaws of Banco Pine S/A and its Internal Regulations (available on the website (www.pine.com/ir), it is the responsibility of the Committee to ensure (i) the quality and integrity of financial statements, (ii) compliance with legal and regulatory requirements, (iii) the performance, independence and quality of the work of independent auditors, (iv) the performance, independence and quality of work of Internal Audit, and (v) the quality and effectiveness of the internal control and risk management systems.

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 Brazilian accounting practices applicable to institutions whose operations are authorized by Bacen. Management is also responsible for (i) establishing procedures that ensure the quality of information and processes used in the preparation of the financial statements, (ii) managing Pine Conglomerate's operation risks, and (iii) supervising internal control and compliance activities.

The independent audit firm is responsible for examining the financial statements and issuing a report on their adequacy, in all material respects, in accordance with Brazilian accounting practices applicable to institutions whose operations are authorized by Bacen, as per the Brazilian Corporate Law and the rules set forth by the National Monetary Council (CMN) and the Bacen.

Internal audit's activities focus on the assessment of the efficiency and effectiveness of the internal control and risk management systems, as well as on the compliance of processes with Management's rules and procedures.

Activities of the Committee in the 1st Half of 2014
The Committee held meetings with the main areas of the Banco Pine S/A and its subsidiaries (Pine Conglomerate) core areas, including business, credit, internal control and compliance, risk management, operations, controllership, accounting and information technology areas.

The Audit Committee's 2014 Work Plan consisted of analyzing the structures, operations, processes and systems inherent to Pine Conglomerate's business.

Special meetings were held with the independent audit firm and the Internal Audit to discuss the annual plan and its implementation, as well as to monitor actions established by Management concerning audit's findings. Also were held meetings with the Central Bank of Brazil, for discussing those annual plans, biannual results, and aspects about their regulations and standardization.

As a result of these meetings, the Committee had the opportunity to give the Board of Directors suggestions to improve controls and risk management, in addition to monitoring their effective implementation within the established terms.

In meeting held on August 1, 2014, were analyzed the financial statements for the period ended in 06/30/2014, and prepared the corresponding summary of the Report of Audit Committee, related to activities developed during the semester.

Internal Control System

According to schedule and work plan for 2014, the Committee was informed on Pine Conglomerate's control and information processes, methods and system, and then assessed their quality and the managers' commitment with their monitoring and improvement.

All Organization's main activities, including those exercised by other companies (key third parties), were analyzed. Thus, related risks were identified, and controls were used to reduce them at an adequate management level. Such mapping, risks and controls are recorded in an electronic data system acquired from a renowned and specialized consulting firm.

Based on information collected during the meetings, the Committee considers that the internal control systems are consistent with Pine Conglomerate's size and operation complexity, which contributes to business efficiency, adequacy of financial reporting and compliance with standards and regulations applicable to its transactions.

Consolidated Risk Management

Pine Conglomerate's Risk Management is conducted on a consolidated basis by the Chief Risk Officer, comprising the main risks regulated by Bacen, namely Credit Risk, Market Risk, Liquidity Risk and Operational Risk.

At work meetings with the Risk Management unit, the Committee was informed on the processes, method, systems and main reports used to manage Market, Liquidity, Credit and Operational Risks, including the activities of a specific risk committee.

Independent Audit

The Committee and the Independent Audit – PricewaterhouseCoopers (PwC) – held meetings to approve the Quarterly Financial Information (ITR) and the Half-Year Financial Statement. These meetings also discussed the Audit Annual Plan, and the compliance with Audit's Independence Policy was verified.

Recommendations from reports on internal controls were presented and discussed in the Committee, which, jointly with the Internal Audit and respective areas, established action plans to put them into practice. No weaknesses concerning the compliance with the law, regulations and internal rules that may jeopardize the Organization's business were found. The Committee considers that the independent auditor's planning and works are consistent with Pine Conglomerate's size and operation complexity.

Internal Audit

The Committee approved the Internal Audit structure and its Annual Plan—which comprise all Organization's operations, risks and processes—, monitoring the implementation of the Plan at its meetings. The permanent attendance of the Internal Audit at the Committee's meetings enables the necessary support to activities and compliance with requirements.

The Internal Audit is also responsible for meeting the regulatory agencies' requirements, presenting and discussing these agencies' reports and requirements at meetings with the Committee.

Consolidated Financial Statements

The Committee assessed the processes for preparation of financial information, parent company and consolidated statements of financial position, financial reports and notes to the financial statements. It discussed with PwC and the Organization's officers the relevant practices used in the preparation of the financial statements in accordance with Brazilian accounting practices applicable to institutions whose operations are authorized by Bacen.

Conclusion

After due consideration of its responsibilities and inherent limitations deriving from the scope of its works, the Audit Committee recommended that the Board of Directors approve the financial statements of Banco Pine S/A and Banco Pine S/A and its subsidiaries - Consolidated for the six-month period ended June 30, 2014.

São Paulo, August 08, 2014

Maurízio Mauro

William Pereira Pinto

Sergio Machado Zica Castro

MANAGEMENT REPORT
PINE – 1H14

Dear shareholders,

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 six month period ended June 30, 2014.

1. MESSAGE FROM THE MANAGEMENT

The first half of 2014 was another period of positive revenue contributions in all business lines. As a result, in this semester, both S&P and Fitch reaffirmed our ratings, and thus, we continue one notch from the global investment grade.

The main dimensions of the balance sheet presented performance within expectations, reflecting the intensification of conservatism in lending and strong fundamentals of the Bank in an economic scenario that remained with poor visibility.

We remain aligned with our strategy of offering clients an increasingly wider range of products, while serving the corporate market with tailor-made services, building loyalty, and diversifying our income sources.

We are constantly working to build a better bank for our clients, shareholders, employees, and investors. We remain optimistic about our business and vigilant regarding the domestic and international economic scenarios.

2. CORPORATE PROFILE

Pine (BM&FBOVESPA: PINE4) is a wholesale Bank focused on establishing long-term relationships with its clients. Its strategy is based on knowing its clients well and understanding their business and potential in order to build customized solutions and alternatives. This strategy requires product diversity, highly qualified human capital, and efficient and agile risk management, which are areas that the Bank is consistently evolving.

3. PERIOD HIGHLIGHTS

- Positive contributions from all business lines in the semester: 68.9% from Corporate Credit, 22.0% from FICC, 6.1% from Treasury, and 3.0% from Pine Investimentos.
- Maintenance of positive liquidity gap over the past years, with 14 months for credit versus 16 months for funding.
- Liquid balance sheet, with cash position of R$1.4 billion, equivalent to 35% of time deposits.
- R$230 million issuance through a Financial Bill, with a two-year term, at the end of July.
- Although many Brazilian banks were downgraded in April, S&P reaffirmed Pine's ratings based on the consistency of its financial profile "even after incorporating the negative impact of the economic and industrial high risks in Brazil".
- Fitch has also reaffirmed Pine's ratings, which "reflects the satisfactory credit profile of the Bank and its good performance over the last years amid a deteriorated and relatively volatile operational environment".
- Pine executed another transaction of the Pine-DEG partnership, totaling US$18 million with a eight-year term, for a company in the Construction Material sector.
- 11th largest bank in derivative transactions and the 2nd largest in commodity derivatives segment according to CETIP – OTC Clearing House.
- 13th largest bank offering credit to large companies, moving up two positions, vis-a-vis 2013, according to the Melhores e Maiores ranking compiled by Exame magazine.

4. FINANCIAL HIGHLIGHTS

Total assets amounted to R$10,683 million in June 30, 2014, and net income reached R$70 million in the first half of 2014. Shareholders' Equity reached R$1,270 million.

	1H14	1H13	Δ%
Earnings and Profitability			
Net income (R$ million)	70	84	-16.7%
Annualized ROAE	11.4%	14.1%	-270 bps
Balance Sheet (R$ million)			
Total assets	10,683	10,457	2.2%
Loan portfolio[1]	10,032	8,994	11.5%
Deposits[2]	4,061	3,581	13.4%
Funding	8,559	7,111	20.4%
Shareholders' equity	1,270	1,259	0.9%
Credit portfolio quality			
Non performing loans - 90 days	0.2%	0.6%	-40 bps
Credit coverage index	2.4%	3.7%	-130 bps
Performance			
BIS ratio	13.7%	17.0%	-330 bps
Earnings per share[3] (R$)	0.60	0.77	-22.1%
Book value per share[3] (R$)	10.73	11.49	-6.6%

[1] Includes Letters of Credit to be used, Bank Guarantees, Credit Securities to be Received and Private Securities (Bonds, CRIs, Eurobonds and Fund Shares).

[2] Includes Agribusiness and Real Estate Letters of Credit.

[3] Considers 118,372,603 shares for the 1H14 and 109,546,164 shares for the 1H13.

5. FINANCIAL PERFORMANCE

Loan Portfolio

Pine offers traditional loan products to large companies, including Working Capital, Onlending lines from BNDES and Multilateral Organizations, Trade Finance, Bank Guarantees. Total expanded loan portfolio reached R$10,032 million in June 30, 2014, practically stable QoQ and 11.5% higher YoY. The average maturity of the loan portfolio continues in 14 months. In June 2014, the coverage of total loan portfolio was 2.4% and coverage of overdue portfolio surpassed 600%.

FICC

FICC (Fixed Income, Commodities and Currencies) business provides risk management products and hedging solutions to help clients manage the risks on their balance sheets. The key markets in this business line are Fixed Income, Currencies, and Commodities. Pine offers to its clients the main derivative instruments, which include non-deliverable forwards (NDFs), options-based structures and swaps. The total notional value of the derivatives portfolio for clients totaled R$14.4 billion, with an average duration of 149 days at the end of the second quarter.

Pine Investimentos

Pine Investimentos, the Bank's Investment Banking unit, works closely with its clients to offer customized and unique solutions in the Capital Markets, Financial Advisory, and Project & Structured Finance areas. In 1H14, PINE Investimentos led and structured approximately R$1 billion in fixed income transactions.

Funding

Total funding stood at R$8,559 million in June 2014, decreasing 2.7% QoQ and growing 20.4% YoY. In turn, the volume of time deposits and onlendings evolved 14.1% and 26.0%, respectively, in twelve months. The average term of funding transactions remained at 16 months.

Capital Adequacy Ratio (BIS)

In the quarter, the capital adequacy ratio (BIS) remained at 13.7%, above the minimum rate required by the Brazilian regulation (11%). The Tier I capital represented 12.2% while Tier II represented 1.5%.

6. ORIGINATION NETWORK

Headquartered in São Paulo, SP, with a presence in Brazil's major cities and business capitals, such as Belo Horizonte, Campinas, Cuiabá, Curitiba, Fortaleza, Porto Alegre, Recife, Ribeirão Preto, Rio de Janeiro, and São José do Rio Preto. Pine's origination network is further complemented by its location in the Cayman Islands, which aims to increase the supply of products and services by acting in the international market, and a subsidiary in New York – Pine Securities USA LLC, which has its activities focused on the Capital Markets and Research.

7. HUMAN RESOURCES

Pine's employees are its main asset. Therefore, the objective of the Human Resources department is to attract, retain and develop the best professionals, while maintaining a high-performance work environment focused on results and based on meritocracy. At the end June 2014, Pine had 437 employees, including the outsourced ones.

8. CORPORATE GOVERNANCE

Pine has active corporate governance policies, given its permanent commitment to shareholders and other stakeholders. Besides integrating Level 2 of Corporate Governance of BM&FBovespa, some of Pine's practices include:

- Two independent members and two external members to the Board of Directors;
- 100% tag-along rights for all shares, including preferred shares;
- Adoption of arbitration procedures for rapid settlement of disputes;
- Quarterly disclosure of earnings in two accounting standards: BR GAAP and IFRS; and
- Compensation and Audit committees, which report directly to the Board of Directors.

9. INVESTOR RELATIONS

Pine makes information available to shareholders via its corporate website (www. pine.com/ir), electronic bulletins, and quarterly reports, as well as through its Investor Relations department (phone: +55-11-3372-5343, e-mail: ir@pine.com).

10. RATINGS

		Standard & Poor's	Fitch Ratings	Moodys.com	RISKbank
Foreign and Local Currency	Long Term	BB+	BB+	Ba1	-
	Short Term	B	B	-	-
National	Long Term	brAA	AA-(bra)	Aa2.br	10.30
	Short Term		F1+(bra)	Br-1	

11. PROFIT SHARING – INTEREST ON OWN CAPITAL AND DIVIDENDS

During the first semester of 2014, Pine paid a total of R$40 million as dividends and interest on own capital, which corresponds to a gross payout per share of R$0.34. Of this total, R$33.2 million represents interest on own capital and R$6.8 million, dividends. Since 2008, Pine distributes dividends/interest on own capital quarterly.

12. 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 June, 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.

The Management

(A free translation of the original in Portuguese)

BANCO PINE S.A. AND SUBSIDIARIES

BALANCE SHEETS AT JUNE 30, 2014 AND 2013

(In thousands of reais)

		Individual		Consolidated	
ASSETS	**Note**	**2014**	**2013**	**2014**	**2013**
CURRENT ASSETS		**7,367,806**	**7,279,058**	**7,327,167**	**7,248,817**
Cash	4.	**86,574**	**119,988**	**93,402**	**120,026**
Short-term interbank investments	5.	**1,133,534**	**668,724**	**1,133,987**	**669,124**
Open market investments		853,360	479,171	853,813	479,571
Interbank deposits		28,548	96,523	28,548	96,523
Investments in foreign currency		251,626	93,030	251,626	93,030
Marketable securities and derivative financial instruments		**1,639,878**	**2,332,987**	**1,564,152**	**2,293,677**
Own portfolio	6. a)	566,388	960,217	490,662	920,907
Subject to repurchase agreements	6. a)	500,370	1,058,161	500,370	1,058,161
Derivative financial instruments	6. b)	398,317	182,867	398,317	182,867
Subject to guarantees	6. a)	174,803	131,742	174,803	131,742
Interbank accounts		**645**	**794**	**645**	**794**
Unsettled payments and receipts		43	27	43	27
Restricted deposits:					
Brazilian Central Bank		602	767	602	767
Loan operations	7.	**3,534,578**	**2,532,720**	**3,555,593**	**2,537,396**
Loan operations - private sector		3,275,872	2,630,878	3,297,115	2,635,554
Loan operations - public sector		-	3,402	-	3,402
Assignment related loan operations	7. j)	330,438	-	330,438	-
Allowance for loan losses		(71,732)	(101,560)	(71,960)	(101,560)
Other receivables		**856,101**	**1,447,498**	**862,805**	**1,451,421**
Sureties and guarantees honored		393	-	393	-
Foreign exchange portfolio	8.	544,607	1,109,295	544,607	1,109,295
Income receivable		26,470	22,480	26,470	22,480
Negotiation and intermediation of securities		80,772	87,682	80,772	87,682
Sundry	9.	217,196	236,720	223,900	240,643
Allowance for other loan losses		(13,337)	(8,679)	(13,337)	(8,679)
Other assets		**116,496**	**176,347**	**116,583**	**176,379**
Non-operating assets		112,279	172,551	112,279	172,551
Prepaid expenses		4,217	3,796	4,304	3,828
LONG-TERM RECEIVABLES		**3,242,735**	**3,051,188**	**3,237,053**	**3,114,089**
Interbank investments		**11,745**	**-**	**11,745**	**-**
Interbank deposits		11,745	-	11,745	-
Marketable securities and derivative financial instruments		**611,997**	**715,939**	**600,150**	**683,607**
Own portfolio	6. a)	255,729	432,330	243,882	399,998
Derivative financial instruments	6. b)	153,295	283,609	153,295	283,609
Subject to guarantees		202,973	-	202,973	-
Loan operations	7.	**2,049,394**	**1,856,056**	**2,049,394**	**1,947,613**
Loan operations - private sector		2,035,641	1,948,029	2,035,641	2,039,586
Loan operations - public sector		19,527	-	19,527	-
Assignment related loan operations	7. j)	66,349	-	66,349	-
Allowance for loan losses		(72,123)	(91,973)	(72,123)	(91,973)
Other receivables		**557,973**	**468,818**	**564,120**	**472,494**
Income receivable		34,740	28,361	34,740	28,361
Deposits in guarantee	15. (c) (d)	213,342	202,961	214,576	204,724
Sundry	9.	311,322	237,806	316,235	239,719
Allowance for other loan losses		(1,431)	(310)	(1,431)	(310)
Other assets		**11,626**	**10,375**	**11,644**	**10,375**
Prepaid expenses		11,626	10,375	11,644	10,375
PERMANENT ASSETS		**81,786**	**200,637**	**118,545**	**94,349**
Investments		**61,270**	**171,986**	**97,306**	**65,695**
Investments in subsidiaries abroad	10.a)	6,958	-	-	-
Investments in local subsidiaries	10.a)	54,312	171,986	-	-
Other investments	10.b)	-	-	97,306	65,695
Property and equipment in use	11. a)	**19,433**	**27,013**	**19,935**	**27,016**
Facilities, furniture and equipment in use		13,217	13,738	13,771	13,738
Other fixed assets in use		21,419	29,008	21,669	29,011
Accumulated depreciation		(15,203)	(15,733)	(15,505)	(15,733)
Intangible assets	11.b)	**1,083**	**1,638**	**1,304**	**1,638**
Expenses for acquisition and development of software		9,587	9,468	10,273	9,533
Accumulated amortization		(8,504)	(7,830)	(8,969)	(7,895)
TOTAL ASSETS		**10,692,327**	**10,530,883**	**10,682,765**	**10,457,255**

(A free translation of the original in Portuguese)
BANCO PINE S.A. AND SUBSIDIARIES
BALANCE SHEETS AT JUNE 30, 2014 AND 2013
(In thousands of reais)

LIABILITIES AND EQUITY	Note	Individual 2014	Individual 2013	Consolidated 2014	Consolidated 2013
CURRENT LIABILITIES		**6,252,060**	**6,187,175**	**5,871,515**	**6,180,691**
Deposits	12.	**2,346,280**	**2,100,877**	**2,314,516**	**2,065,203**
Demand deposits		43,416	19,138	40,778	18,811
Interbank deposits		81,085	108,546	79,447	108,546
Time deposits		2,221,779	1,973,193	2,194,291	1,937,846
Funds obtained in the open market	13.	**502,376**	**1,245,309**	**469,751**	**1,245,309**
Own portfolio		493,249	1,054,870	318,702	841,470
Third-party portfolio		-	45,008	141,922	258,408
Unrestricted portfolio		9,127	145,431	9,127	145,431
Funds from acceptance and issuance of securities		**1,069,441**	**717,538**	**1,069,441**	**717,355**
Real estate letters of credit	17. a)	231,699	24,525	231,699	24,525
Agribusiness letters of credit	17. a)	544,611	303,515	544,611	303,332
Financial bills	17. a)	281,000	346,152	281,000	346,152
Securities issued abroad	17. b)	12,131	43,346	12,131	43,346
Interbank accounts		**203**	**274**	**203**	**274**
Unsettled receipts and payments		200	204	200	204
Correspondent banks		3	70	3	70
Interdepartmental accounts		**22,525**	**16,552**	**22,525**	**16,552**
Third-party funds in transit		22,525	16,552	22,525	16,552
Borrowings and onlendings	16.	**1,647,727**	**1,313,373**	**1,647,727**	**1,313,373**
Foreign borrowings		1,195,074	1,089,580	1,195,074	1,089,580
Local onlendings – official institutions		447,669	223,793	447,669	223,793
Foreign onlendings		4,984	-	4,984	-
Derivative financial instruments	6. b)	**188,612**	**226,048**	**188,612**	**226,048**
Derivative financial instruments		188,612	226,048	188,612	226,048
Other liabilities		**474,896**	**567,204**	**158,740**	**596,577**
Collection and payment of taxes and similar	14. a)	920	530	920	530
Foreign exchange portfolio	8.	6,166	480,187	6,166	480,187
Social and statutory payables		5,906	6,824	5,906	6,824
Taxes and social security contributions	14. b)	73,181	8,872	75,398	11,185
Negotiation and intermediation of securities		13,061	26,696	21,759	41,844
Subordinated debt	18.	11,423	13,305	11,423	13,305
Sundry	14. c)	**364,239**	**30,790**	**37,168**	**42,702**
Obligations for sale and transfer of financial assets	7. j)	330,438	-	-	-
Other		33,801	30,790	37,168	42,702
LONG-TERM LIABILITIES		**3,101,066**	**3,024,669**	**3,472,049**	**2,957,525**
Deposits	12.	**830,711**	**1,315,700**	**815,435**	**1,171,189**
Interbank deposits		323	6,651	282	1,614
Time deposits		830,388	1,309,049	815,153	1,169,575
Funds from acceptance and issuance of securities		**557,306**	**512,556**	**557,306**	**512,556**
Real estate letters of credit	17. a)	94,194	5,070	94,194	5,070
Agribusiness letters of credit	17. a)	60,259	11,822	60,259	11,822
Financial bills	17. a)	171,477	291,991	171,477	291,991
Securities issued abroad	17. b)	231,376	203,673	231,376	203,673
Borrowings and onlendings	16.	**1,218,278**	**704,778**	**1,218,278**	**704,778**
Foreign borrowings		286,325	66,468	286,325	66,468
Local onlendings – official institutions		638,641	638,310	638,641	638,310
Foreign onlendings		293,312	-	293,312	-
Derivative financial instruments	6. b)	**59,692**	**47,784**	**59,692**	**47,784**
Derivative financial instruments		59,692	47,784	59,692	47,784
Other liabilities		**435,079**	**443,851**	**821,338**	**521,218**
Tax and social security contributions	14. b)	21,438	90,938	21,446	91,541
Subordinated debt	18.	330,625	328,197	330,625	328,197
Sundry	14. c)	**83,016**	**24,716**	**469,267**	**101,480**
Obligations for sale and transfer of financial assets	7. j)	66,349	-	-	-
Provision for contingent liabilities	15. d)	10,530	15,574	10,530	15,606
Obligations for shares of investment funds		-	-	452,600	71,803
Other		6,137	9,142	6,137	14,071
DEFERRED INCOME		**69,272**	**60,497**	**69,272**	**60,497**
EQUITY	19.	**1,269,929**	**1,258,542**	**1,269,929**	**1,258,542**
Capital		**1,112,259**	**967,259**	**1,112,259**	**967,259**
Local residents		981,692	846,416	981,692	846,416
Foreign residents		130,567	120,843	130,567	120,843
Capital reserves		-	10,215	-	10,215
Revenue reserves		195,966	312,227	195,966	312,227
Carrying value adjustments		(16,948)	(14,886)	(16,948)	(14,886)
Treasury shares		(21,348)	(16,273)	(21,348)	(16,273)
TOTAL LIABILITIES AND EQUITY		**10,692,327**	**10,530,883**	**10,682,765**	**10,457,255**

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 SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013

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

		Individual		Consolidated	
	Note	2014	2013	2014	2013
INCOME FROM FINANCIAL INTERMEDIATION		**538,572**	**560,466**	**526,109**	**573,992**
Loan operations	20.a)	359,043	242,431	361,803	250,454
Marketable securities	20.b)	181,555	123,433	166,873	128,936
Derivative financial instruments	6.b)	17,125	110,595	16,584	110,595
Foreign exchange transactions		(19,151)	84,007	(19,151)	84,007
EXPENSES FOR FINANCIAL INTERMEDIATION		**(393,968)**	**(430,252)**	**(346,919)**	**(427,960)**
Funds obtained in the market	20.c)	(281,628)	(295,906)	(280,451)	(293,614)
Borrowings and onlendings	20.d)	(40,213)	(91,939)	(40,213)	(91,939)
Transactions for sale or transfer of financial assets		(38,588)	-	-	-
Provision for loan losses		(33,539)	(42,407)	(26,255)	(42,407)
GROSS PROFIT FROM FINANCIAL INTERMEDIATION		**144,604**	**130,214**	**179,190**	**146,032**
OPERATING INCOME (EXPENSE)		**(41,622)**	**(29,740)**	**(73,318)**	**(41,090)**
Income from services rendered	20.e)	36,647	41,976	43,456	58,640
Income from bank charges		828	1,211	828	1,211
Personnel expenses	20.f)	(42,373)	(42,260)	(45,648)	(43,992)
Other administrative expenses	20.g)	(43,724)	(44,035)	(46,343)	(44,852)
Tax expenses	20.h)	(4,789)	(5,695)	(5,414)	(7,413)
Equity in the results of investees	10.	1,517	13,618	-	-
Other operating income	20.i)	15,093	16,140	16,658	15,205
Other operating expenses	20.j)	(4,821)	(10,695)	(36,855)	(19,889)
OPERATING PROFIT		**102,982**	**100,474**	**105,872**	**104,942**
NON-OPERATING RESULTS	**20.k)**	**11,307**	**5,026**	**11,307**	**5,026**
INCOME BEFORE INCOME TAXES AND PROFIT SHARING		**114,289**	**105,500**	**117,179**	**109,968**
INCOME TAX AND SOCIAL CONTRIBUTION	**21.**	**(21,349)**	**(7,468)**	**(23,675)**	**(11,211)**
Provision for current income tax		(26,601)	(7,864)	(28,127)	(10,471)
Provision for current social contribution		(16,416)	(4,915)	(17,228)	(5,986)
Deferred income tax and social contribution		21,668	5,311	21,680	5,246
PROFIT SHARING		**(22,472)**	**(13,816)**	**(23,036)**	**(14,541)**
NET INCOME		**70,468**	**84,216**	**70,468**	**84,216**
NUMBER OF OUTSTANDING SHARES		118,372,603	109,546,164	118,372,603	109,546,164
NET INCOME PER SHARE – IN REAIS		0.59531	0.76877	0.59531	0.76877

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 JUNE 30, 2014 AND 2013

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

	2014	2013
Lucro líquido do período	**70,468**	**84,216**
Available-for-sale financial assets	(19,601)	(24,940)
Cash flow hedges	(73)	-
Income tax	11,358	9,976
Other	(8,632)	78
Comprehensive net income	**53,520**	**69,330**

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 SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013

(In thousands of reais)

	Individual		Consolidated	
	2014	2013	2014	2013
Income	**564,087**	**571,718**	**535,248**	**595,922**
Financial intermediation	538,572	560,466	526,109	573,992
Services rendered	36,647	41,976	43,456	58,640
Bank charges	828	1,211	828	1,211
Provision for loan losses	(33,539)	(42,407)	(26,255)	(42,407)
Other	21,579	10,472	(8,890)	4,486
Expenses for financial intermediation	**360,429**	**387,845**	**320,664**	**389,697**
Goods and services acquired from third parties	**36,440**	**36,012**	**38,693**	**36,768**
Materials, electricity and other	344	306	357	309
Third-party services	28,060	25,854	30,088	26,394
Other	8,036	9,852	8,248	10,065
Gross value added	**167,218**	**147,861**	**175,891**	**169,457**
Depreciation and amortization	**2,128**	**3,048**	**2,223**	**3,048**
Net value added produced by the institution	**165,090**	**144,813**	**173,668**	**166,409**
Value added transferred from others	**1,517**	**13,618**	**-**	**-**
Equity in the results of investees	1,517	13,618	-	-
Total value added to be distributed	**166,607**	**158,431**	**173,668**	**166,409**
Distribution of value added	**166,607**	**158,431**	**173,668**	**166,409**
Personnel	**64,845**	**56,076**	**68,684**	**58,533**
Salaries	28,410	28,670	31,123	29,846
Benefits and training	4,369	4,308	4,606	4,483
Social charges	9,594	9,282	9,919	9,663
Profit sharing	22,472	13,816	23,036	14,541
Taxes, charges and contributions	**26,138**	**13,163**	**29,089**	**18,624**
Federal	2,265	3,497	2,605	4,376
State	2	6	3	5
Municipal	2,522	2,192	2,806	3,032
Income tax and social contribution	21,349	7,468	23,675	11,211
Remuneration of third-party capital	**5,156**	**4,976**	**5,427**	**5,036**
Rents and leased assets	5,156	4,976	5,427	5,036
Remuneration of own capital	**70,468**	**84,216**	**70,468**	**84,216**
Interest on own capital/dividends	40,000	60,000	40,000	60,000
Retained earnings	30,468	24,216	30,468	24,216

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
(In thousands of reais, except dividends and interest on own capital per share)

	Paid-up capital	Capital reserves	Revenue reserves		Carrying value adjustments	Treasury shares	Retained earnings	Total
			Legal	Statutory				
At December 31, 2012	**935,683**	**11,685**	**24,954**	**260,797**	**(423)**	**(12,750)**	**-**	**1,219,946**
Capital increase (Note 19)	31,576	-	-	-	-	-	-	31,576
Other capital reserves	-	(1,470)	-	-	-	-	-	(1,470)
Acquisition of treasury shares	-	-	-	-	-	(3,523)	-	(3,523)
Carrying value adjustments	-	-	-	-	(14,463)	-	-	(14,463)
Net income	-	-	-	-	-		84,216	84,216
Appropriations (Note 19):								-
Legal reserve	-	-	4,211	-	-	-	(4,211)	-
Statutory reserve	-	-	-	20,005	-	-	(20,005)	-
Approval of proposed additional dividend	-	-	-	(18,558)	-	-	-	(18,558)
Payment of proposed additional dividend	-	-	-	20,818	-	-	-	20,818
Prepaid dividends (R$0.2675 per share)	-	-	-	-	-	-	(29,304)	(29,304)
Interest on own capital (R$0,2802 per share)	-	-	-	-	-	-	(30,696)	(30,696)
At June 30, 2013	**967,259**	**10,215**	**29,165**	**283,062**	**(14,886)**	**(16,273)**	**-**	**1,258,542**
At December 31, 2013	**1,112,259**	**14,032**	**15,605**	**169,360**	**(16,765)**	**(22,083)**	**-**	**1,272,408**
Acquisition of treasury shares	-	-	-	-	-	(21,348)	-	(21,348)
Cancellation of treasury shares	-	(14,032)		(9,874)		22,083		(1,823)
MTM available-for-sale securities	-	-	-	-	468	-	-	468
MTM Cash flow hedge	-	-	-	-	(44)	-	-	(44)
Other carrying value adjustments	-	-	-	-	(607)	-	-	(607)
Net income	-	-	-	-	-	-	70,468	70,468
Appropriations (Note 19):								
Legal reserve	-	-	3,523	-	-	-	(3,523)	-
Statutory reserve	-	-	-	26,945	-	-	(26,945)	-
Approval of proposed additional dividend	-	-	-	(21,177)	-	-	-	(21,177)
Payment of proposed additional dividend	-	-	-	11,584	-	-	-	11,584
Prepaid dividends (R$0.2336 per share)	-	-	-	-	-	-	(6,737)	(6,737)
Interest on own capital (R$0,2595 per share)	-	-	-	-	-	-	(33,263)	(33,263)
At June 30, 2014	**1,112,259**	**-**	**19,128**	**176,838**	**(16,948)**	**(21,348)**	**-**	**1,269,929**

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 CASH FLOWS (DIRECT METHOD) FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013

(In thousands of reais)

		Individual		Consolidated	
	Note	2014	2013	2014	2013
OPERATING ACTIVITIES					
Adjusted net income		**81,418**	**104,028**	**63,880**	**107,046**
Net income for the six-month period		70,468	84,216	70,468	84,216
Provision for loan losses		33,539	42,407	26,255	42,407
Deferred taxes		(21,668)	(5,311)	(21,680)	(5,246)
Depreciation and amortization		2,128	3,048	2,223	3,048
Provision for contingencies		(2,073)	(6,704)	(2,073)	(6,674)
Equity in the results of investee		(1,517)	(13,618)	-	-
Profit (loss) on sale of property and equipment/investment		541	(10)	541	(10)
Adjustment to fair value of other investments		-	-	(11,854)	(10,695)
Changes in assets and liabilities		**364,626**	**195,042**	**441,831**	**239,956**
(Increase) decrease in short-term interbank investments		17,392	3,776	17,391	3,776
(Increase) decrease in marketable securities		387,987	1,366,442	386,514	1,398,236
(Increase) decrease in loan operations		(106,656)	(417,200)	(65,853)	(363,416)
(Increase) decrease in other receivables		(48,259)	(690,418)	(49,141)	(692,186)
(Increase) decrease in other assets		50,691	4,454	50,620	4,422
(Increase) decrease in interbank and interdepartmental accounts		7,607	(4,995)	7,607	(4,995)
(Increase) decrease in derivative financial instruments		21,217	44,296	21,217	44,296
Increase (decrease) in deposits		(87,341)	(59,161)	(26,250)	(82,604)
Increase (decrease) in purchase and sale commitments		(45,203)	(587,352)	(39,041)	(587,352)
Increase (decrease) in funds from acceptance and issuance of securities		(110,952)	(61,969)	(110,952)	(62,152)
Increase (decrease) in borrowings and onlendings		368,932	161,440	(87,931)	114,508
Increase (decrease) in other liabilities		(91,562)	431,304	336,877	462,998
Increase (decrease) in deferred income		773	4,425	773	4,425
Net cash provided by operating activities		**446,044**	**299,070**	**505,711**	**347,002**
INVESTING ACTIVITIES					
Acquisition/sale of property and equipment in use		3,227	(652)	3,265	(653)
Investments in/ sale of intangible assets		-	(18)	14	(18)
Acquisition of investments		-	-	(8,943)	(55,000)
Receipt of dividends from subsidiaries		53,507	-	-	-
Capital decrease/increase in subsidiaries		-	(505)	-	-
Net cash provided by (used in) investing activities		**56,734**	**(1,175)**	**(5,664)**	**(55,671)**
FINANCING ACTIVITIES					
Capital increase		-	31,576	-	31,576
Other capital reserves		-	(1,470)	-	(1,470)
Sale/acquisition of treasury shares		(23,171)	(3,523)	(23,171)	(3,523)
Interest on own capital and dividends paid		(45,520)	(55,686)	(45,520)	(55,686)
Net cash used in financing activities		**(68,691)**	**(29,103)**	**(68,691)**	**(29,103)**
INCREASE IN CASH AND CASH EQUIVALENTS		**434,087**	**268,792**	**431,356**	**262,228**
Cash and cash equivalents at the beginning of the six-month period		**757,474**	**423,396**	**767,486**	**430,399**
Cash and cash equivalents at the end of the six-month period	4.	**1,191,561**	**692,188**	**1,198,842**	**692,627**

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 at June 30, 2014, were authorized for issue on August 7, 2014, 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	Overseas branch	1,041,361	6,608	76,697	(1,554)
Subsidiaries					
Pine Securities USA LLC	Brokerage	8,519	11,013	6,959	(1,547)
Pine Investimentos Distribuidora de Títulos e Valores Mobiliários Ltda.	Securities dealer	190,041	13,385	44,185	2,420
Pine Comercializadora de Energia Elétrica Ltda (1) (2)	Consulting	3,525	1,000	3,516	32
Pine Corretora de seguros Ltda.	Insurance broker	247	500	246	1
Pine Assessoria e Consultoria Ltda.	Consulting	3,922	500	3,473	487
Pine Assessoria em Comercialização de Energia	Consulting	32	60	32	(9)
Pine Planejamento e Serviços Ltda	Consulting	3,122	10	2,890	667
Special purpose entities					
Pine Crédito Privado Fundo de Invest. em Direitos Creditórios Financeiros (a)	Receivables investment	26,902	16,949	26,889	3,985
FIP Rio Corporate - Fundo De Investimento Em Participacoes (b) (3)	Private equity fund (FIP)	114,008	64,893	105,260	10,706
IRE VII Desenvolvimento Imobiliário S/A (c) (4)	SPE	52,313	51,878	51,077	126
Fundo de Investimento em Direitos Creditórios - FIDC Pine Agro (d) (5)	FIDC	631,639	571,429	631,527	40,802

					2013
	Business activity	Total assets	Capital	Equity	Net income (loss)
Foreign branches					
Grand Cayman Branch	Overseas branch	514,516	6,647	84,521	(4,627)
Subsidiaries					
Pine Securities USA LLC	Brokerage	10,958	11,078	10,223	350
Pine Investimentos Distribuidora de Títulos e Valores Mobiliários Ltda.	Securities dealer	254,167	13,385	39,194	1,120
Pine Comercializadora de Energia Elétrica Ltda (1) (2)	Consulting	82,838	77,400	82,114	1,685
Pine Corretora de seguros Ltda.	Insurance broker	239	500	237	4
Pine Assessoria e Consultoria Ltda.	Consulting	35,972	500	35,575	66
Pine Assessoria em Comercialização de Energia	Consulting	47,211	60	47	(6)
Pine Planejamento e Serviços Ltda	Consulting	15,558	10	14,862	10,744
Special purpose entities					
Pine Crédito Privado Fundo de Invest. em Direitos Creditórios Financeiros (a)	FIDC	107,178	80,875	107,141	6,112
FIP Rio Corporate - Fundo De Investimento Em Participacoes (b)	FIP	87,126	42,000	71,936	29,936
IRE VII Desenvolvimento Imobiliário S/A (c)	SPE	44,105	33,896	32,668	(916)

(1) According to the contractual amendment dated December 26, 2013, capital in Pine Comercializadora de Energia was decreased from R$77,400 to R$1,000.

(2) Pine Comercializadora de Energia Elétrica Ltda. holds 90% of Pine Assessoria em Comercialização de Energia.

(3) FIDC Pine Agro was constituted on September 16, 2013 and 171,428,571 shares were paid in by the Institution on September 17, 2013.

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).

(In thousands of reais, unless otherwise stated)

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.

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 for the six-month periods ended June 30, 2014 and 2013.

Additionally, on account of its investment in subordinated shares in this Fund, at June 30, 2014, the Institution recognized income of R$4,215 (June 30, 2013 – a loss of R$1,039) in the "marketable securities" account.

v) Total assets, liabilities and equity of the FIDC at June 30, 2014 and 2013:

	2014	2013		2014	2013
Current assets and long-term receivables	**26,902**	**107,177**	**Current and long-term liabilities**	**13**	**35**
Cash	10	24	Other liabilities	13	35
Short-term interbank investments	453	400			
Marketable securities	5,196	12,442			
Loan operations	21,243	94,311	**Equity**	26,889	**107,142**
Total assets	**26,902**	**107,177**	**Total liabilities and equity**	**26,902**	**107,177**

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

Since 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

FIP Rio Corporate, managed by BNY Mellon Financial Services Distributor Securities S.A. 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 closing date for the distribution is 30 months from the date of the first payment of shares, which was on May 15, 2013. The Fund will terminate its activities five years from the date of the first payment of shares, which may be extended, as per proposed by the Manager and approved at the General Meeting of Shareholders.

The purpose of the Fund is to increase shareholder value over the long term by investing in shares of the investee company, whose sole purpose is to develop and grow its real estate business, through leasing and sales.

v) Total assets, liabilities and equity of the FIP at June 30, 2014 and 2013:

	2014	2013		2014	2013
Current assets	**114,008**	**87,126**	**Current liabilities**	**8,748**	**15,190**
Cash	1	1	Other liabilities	8,748	15,190
Trading securities	114,007	87,125			
Shares in investment funds	25	-			
Privately held company shares	113,982	87,125	**Equity**	**105,260**	**71,936**
Total assets	**114,008**	**87,126**	**Total liabilities and equity**	**114,008**	**87,126**

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.

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

IRE VIII Desenvolvimento Imobiliário S/A was constituted as a corporation on December 9, 2010. Its main activities include the management, purchase, sale and rental of properties owned by itself or by third parties; real estate development and investment in other companies as a partner or shareholder.

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.

(In thousands of reais, unless otherwise stated)

iii) Total assets, liabilities and equity of the SPE at June 30, 2014 and 2013:

	2014	2013
Current assets	**3,509**	**12,682**
Cash	511	14
Trading securities	1,927	12,471
Other receivables	1,071	197
Permanent assets	**48,804**	**31,423**
Property and equipment	48,804	31,423
Total assets	**52,313**	**44,105**

	2014	2013
Current liabilities	**1,236**	**11,437**
Tax and social security contributions	58	10
Other liabilities	1,178	11,427
Equity	**51,077**	**32,668**
Total liabilities and equity	**52,313**	**44,105**

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$220.098 for the six-month period ended June 30, 2014.

Additionally, on account of its investment in subordinated shares in this Fund, the Institution recognized income of R$24,674 for the six-month period ended June 30, 2014, in the "marketable securities" account.

v) Total assets, liabilities and equity of FIDC Pine Agro at June 30, 2014:

	2014
Current assets	**631,639**
Cash	12
Short-term interbank investments	30,698
Trading securities	216,690
Loan operations	373,531
Other receivables	10,708
Total assets	**631,639**

	2014
Current liabilities	**112**
Other liabilities	112
Equity	631,527
Total liabilities and equity	**631,639**

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.

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 balance of investments in investment fund shares, comprising the shares held of 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.

The derivative financial instruments are measured at fair value, with the corresponding gains or losses recorded as follows:

· Derivative financial instruments which do not qualify as hedges, as revenue or expense in results for the period

· Financial instruments which meet hedging criteria are classified either as fair value or cash flow hedges.

Fair value hedges are designed to offset risks arising from the exposure to fluctuations in the market value of the hedged item. The instruments and hedged items are adjusted to fair value and recorded in a profit or loss account.

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.

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 assets

. 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;

(In thousands of reais, unless otherwise stated)

. 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 (for the six-month 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 at 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	86,574	119,988	93,403	120,026
Short-term interbank investments(1)	1,104,987	572,200	1,105,439	572,601
Total cash and cash equivalents	**1,191,561**	**692,188**	**1,198,842**	**692,627**

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

5. INTERBANK INVESTMENTS

Interbank investments at June 30, 2014 and 2013, are comprised as follows:

				Individual
				2014
Security/Maturity	Up to 3 months	3 to 12 months	1 to 3 years	Total
Investments in purchase and sale commitments				
Own portfolio position				
National	693,998	-	-	693,998
Financial	150,000	-	-	150,000
Subtotal	**843,998**	**-**	**-**	**843,998**
Sold position				
Eurobond	9,362	-	-	9,362
Subtotal	**9,362**	**-**	**-**	**9,362**
Total investments in purchase and sale commitments	**853,360**	**-**	**-**	**853,360**
Interbank deposits				
Own portfolio				
Floating	1,576	12,884	11,745	26,205
Rural CDI	14,088	-	-	14,088
Total interbank deposits	**15,664**	**12,884**	**11,745**	**40,293**
Foreign currency investments				
Foreign currency investments	251,626	-	-	251,626
Total foreign currency investments	**251,626**	**-**	**-**	**251,626**
Total interbank investments	**1,120,650**	**12,884**	**11,745**	**1,145,279**

(In thousands of reais, unless otherwise stated)

				Consolidated
				2014
Security/Maturity	**Up to 3 months**	**3 to 12 months**	**1 to 3 years**	**Total**
Investments in purchase and sale commitments				
Own portfolio position				
LTN	694,451	-	-	694,451
LFT	150,000	-	-	150,000
Subtotal	**844,451**	**-**	**-**	**844,451**
Sold position				
Eurobond	9,362	-	-	9,362
Subtotal	**9,362**	**-**	**-**	**9,362**
Total investments in purchase and sale commitments	**853,813**	**-**	**-**	**853,813**
Interbank deposits				
Own portfolio				
Floating	1,576	12,884	11,745	26,205
Rural CDI	14,088	-	-	14,088
Total interbank deposits	**15,664**	**12,884**	**11,745**	**40,293**
Foreign currency investments				
Foreign currency investments	251,626	-	-	251,626
Total foreign currency investments	**251,626**	**-**	**-**	**251,626**
Total interbank investments	**1,121,103**	**12,884**	**11,745**	**1,145,732**

			Individual
			2013
Security/Maturity	**Up to 3 months**	**3 to 12 months**	**Total**
Investments in purchase and sale commitments			
Own portfolio position			
LFT	16,001	-	16,001
LTN	39,800	-	39,800
National	221,586	-	221,586
Subtotal	**277,387**	**-**	**277,387**
Financed position			
LTN	46,913	-	46,913
Subtotal	**46,913**	**-**	**46,913**
Sold position			
NTN	154,871	-	154,871
Subtotal	**154,871**	**-**	**154,871**
Total investments in purchase and sale commitments	**479,171**	**-**	**479,171**
Interbank deposits			
Own portfolio			
Floating	-	7,539	7,539
Rural CDI	25,550	101	25,651
Subtotal	**25,550**	**7,640**	**33,190**
Subject to guarantees			
Floating	20,482	42,851	63,333
Subtotal	**20,482**	**42,851**	**63,333**
Total interbank deposits	**46,032**	**50,491**	**96,523**
Foreign currency investments			
Foreign currency investments	93,030		93,030
Total foreign currency investments	**93,030**	**-**	**93,030**
Total interbank investments	**618,233**	**50,491**	**668,724**

			Consolidated
			2013
Security/Maturity	**Up to 3 months**	**3 to 12 months**	**Total**
Investments in purchase and sale commitments			
Own portfolio position			
LFT	16,001	-	16,001
LTN	40,200	-	40,200
NTN	221,586	-	221,586
Subtotal	**277,787**	**-**	**277,787**
Financed position			
LTN	46,913	-	46,913
Subtotal	**46,913**	**-**	**46,913**
Sold position			
NTN	154,871	-	154,871
Subtotal	**154,871**	**-**	**154,871**
Total investments in purchase and sale commitments	**479,571**	**-**	**479,571**

(In thousands of reais, unless otherwise stated)

Interbank deposits			
Own portfolio			
Floating	-	7,539	7,539
Rural CDI	25,550	101	25,651
Subtotal	**25,550**	**7,640**	**33,190**
Subject to guarantees			
Floating	20,482	42,851	63,333
Subtotal	**20,482**	**42,851**	**63,333**
Total interbank deposits	**46,032**	**50,491**	**96,523**
Foreign currency investments			
Foreign currency investments	93,030		93,030
Total foreign currency investments	**93,030**	**-**	**93,030**
Total interbank investments	**618,633**	**50,491**	**669,124**

6. MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

a) Marketable securities

The securities portfolio at June 30, 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:								
NTN	22,970	-	-	-	-	-	22,970	23,191
Debentures	-		-	20,808	16,293	-	37,101	38,192
Promissory notes	39,683	-	-	-	-	-	39,683	39,586
Receivables investment fund shares	-	-	-	10,470	208,158	-	218,628	218,628
Subtotal	**62,653**	**-**		**31,278**	**224,451**	**-**	**318,382**	**319,597**
Subject to guarantees:								
NTN	51,851	49,880	-	152,280	50,693	-	304,704	323,089
Subtotal	**51,851**	**49,880**		**152,280**	**50,693**	**-**	**304,704**	**323,089**
Total available-for-sale securities	**114,504**	**49,880**		**183,558**	**275,144**	**-**	**623,086**	**642,686**
Trading securities(1):								
Own portfolio:								
LTN	-	27,138	-	4,571	-	-	31,709	31,659
NTN	-	10,998		41,084	52,695	20,219	124,996	131,143
Debentures	3,700	40,493	-	77,155	32,679	-	154,027	151,551
Investment fund shares (2)	193,003	-	-	-	-	-	193,003	205,353
Subtotal	**196,703**	**78,629**		**122,810**	**85,374**	**20,219**	**503,735**	**519,706**
Subject to repurchase agreements:								
LTN	-	190,339	-	70,325	-	-	260,664	260,055
NTN	82,303	-	-	-	-	-	82,303	82,831
Debentures	1,425	5,264	-	35,922	104,652	-	147,263	143,885
Eurobonds	10,140	-		-	-	-	10,140	10,020
Subtotal	**93,868**	**195,603**		**106,247**	**104,652**	**-**	**500,370**	**496,791**
Subject to guarantees:								
LTN	-	14,294	-	15,123	-	-	29,417	29,343
NTN	-	21,448	-	22,207	-	-	43,655	44,495
Subtotal	**-**	**35,742**		**37,330**	**-**	**-**	**73,072**	**73,838**
Total trading securities	**290,571**	**309,974**		**266,387**	**190,026**	**20,219**	**1,077,177**	**1,090,335**
Total marketable securities	**405,075**	**359,854**		**449,945**	**465,170**	**20,219**	**1,700,263**	**1,733,021**

							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:							
NTN	22,970	-	-	-	-	22,970	23,191
Debentures	-	-	20,808	16,293	-	37,101	38,192
Promissory notes	39,683	-	-	-	-	39,683	39,586
Subtotal	**62,653**	**-**	**20,808**	**16,293**	**-**	**99,754**	**100,969**
Subject to guarantees:							
NTN	51,851	49,880	152,280	50,693	-	304,704	323,089
Subtotal	**51,851**	**49,880**	**152,280**	**50,693**	**-**	**304,704**	**323,089**
Total available-for-sale securities	**114,504**	**49,880**	**173,088**	**66,986**	**-**	**404,458**	**424,058**

(In thousands of reais, unless otherwise stated)

Trading securities(1):							
Own portfolio:							
LFT	-	13,001	-	134,016	72,765	219,782	219,782
LTN	-	27,138	4,571	-	-	31,709	31,659
NTN	-	10,998	41,084	52,695	20,219	124,996	131,143
Debentures	3,700	40,493	77,155	32,679	-	154,027	151,551
Investment fund shares (2)	104,276	-	-	-	-	104,276	102,222
Subtotal	**107,976**	**91,630**	**122,810**	**219,390**	**92,984**	**634,790**	**636,357**
Subject to repurchase commitments:							
LTN	-	190,339	70,325	-	-	260,664	260,055
NTN	82,303	-	-	-	-	82,303	82,831
Debentures	1,425	5,264	35,922	104,652	-	147,263	143,885
Eurobonds	10,140	-	-	-	-	10,140	10,020
Subtotal	**93,868**	**195,603**	**106,247**	**104,652**	**-**	**500,370**	**496,791**
Subject to guarantees:							
LTN	-	14,294	15,123	-	-	29,417	29,343
NTN	-	21,448	22,207	-	-	43,655	44,495
Subtotal	**-**	**35,742**	**37,330**	**-**	**-**	**73,072**	**73,838**
Total trading securities	**201,844**	**322,975**	**266,387**	**324,042**	**92,984**	**1,208,232**	**1,206,986**
Total marketable securities	**316,348**	**372,855**	**439,475**	**391,028**	**92,984**	**1,612,690**	**1,631,044**

								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**	**Curve based amount**
Available-for-sale securities								
Own portfolio:								
LTN	-	183,907	-	-	-	-	183,907	184,788
NTN	-	-	-	119,950	145,561	48,920	314,431	333,788
Debentures	-	-	-	20,420	-	65,147	85,567	90,354
Receivables investment fund shares	-	-	-	32,332	-	-	32,332	32,332
Certificates of real estate receivables (CRI)	-	15,085	-	-	-	-	15,085	15,000
Total available-for-sale securities	**-**	**198,992**		**172,702**	**145,561**	**114,067**	**631,322**	**656,262**
Trading securities(1):								
Own portfolio:								
LTN	447,887	3,208	-	3,015	-	-	454,110	454,131
NTN	-	8,150	-	11,942	5,825	19,951	45,868	46,689
Debentures	1,287	-	-	7,413	2,017	-	10,717	10,667
Investment fund shares (2)	225,484	-	-	-	-	-	225,484	240,055
Eurobonds	57	62	-	21,133	3,794	-	25,046	24,721
Subtotal	**674,715**	**11,420**		**43,503**	**11,636**	**19,951**	**761,225**	**776,263**
Subject to repurchase agreements:								
LTN	249,999	450,624	-	40,239	-	-	740,862	742,140
NTN	-	-	-	98,502	3,612	-	102,114	102,228
Debentures	96,639	-	-	50,135	68,411	-	215,185	212,923
Subtotal	**346,638**	**450,624**		**188,876**	**72,023**	**-**	**1,058,161**	**1,057,291**
Subject to guarantees:								
LTN	-	67,756		-	-	-	67,756	67,268
NTN	-	-		-	15,066	48,920	63,986	68,333
Subtotal	**-**	**67,756**		**-**	**15,066**	**48,920**	**131,742**	**135,601**
Total trading securities	**1,021,353**	**529,800**		**232,379**	**98,725**	**68,871**	**1,951,128**	**1,969,155**
Total marketable securities	**1,021,353**	**728,792**		**405,081**	**244,286**	**182,938**	**2,582,450**	**2,625,417**

								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**	**Curve based amount**
Available-for-sale securities								
Own portfolio:								
LTN	-	183,907	-	-	-	-	183,907	184,788
NTN	-	-	-	119,950	145,561	48,920	314,431	333,788
Debentures	-	-	-	20,420	-	65,147	85,567	90,354
CRI	-	15,085	-	-	-	-	15,085	15,000
Total available-for-sale securities	**-**	**198,992**		**140,370**	**145,561**	**114,067**	**598,990**	**623,930**

(In thousands of reais, unless otherwise stated)

Trading securities(1):								
Own portfolio:								
LTN	447,887	3,208	-	3,015	-	-	454,110	454,131
LFT	12,442	-	-	-	-	-	12,442	12,442
NTN	8,150	-	-	11,942	5,825	19,951	45,868	46,689
Debentures	1,287	-	-	7,413	2,017	-	10,717	10,667
Investment fund shares (2)	173,732	-	-	-	-	-	173,732	170,279
Eurobonds	57	62	-	21,133	3,794	-	25,046	24,721
Subtotal	**643,555**	**3,270**		**43,503**	**11,636**	**19,951**	**721,915**	**718,929**
Subject to repurchase commitments:								
LTN	249,999	450,624	-	40,239	-	-	740,862	742,140
NTN	-	-	-	98,502	3,612	-	102,114	102,228
Debentures	96,639	-	-	50,135	68,411	-	215,185	212,923
Subtotal	**346,638**	**450,624**		**188,876**	**72,023**	**-**	**1,058,161**	**1,057,291**
Subject to guarantees:								
LTN	-	67,756		-	-	-	67,756	67,268
NTN	-	-		-	15,066	48,920	63,986	68,333
Subtotal	**-**	**67,756**		**-**	**15,066**	**48,920**	**131,742**	**135,601**
Total trading securities	**990,193**	**521,650**		**232,379**	**98,725**	**68,871**	**1,911,818**	**1,911,821**
Total marketable securities	**990,193**	**720,642**		**372,749**	**244,286**	**182,938**	**2,510,808**	**2,535,751**

(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$489,459 (June 30, 2013 – R$548,942) (Note 7a.).

At June 30, 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. At June 30, 2014 and 2013, no securities were reclassified.

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 June 30, 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 (June 30, 2013 – loss adjustment of R$24,940 in the Individual and Consolidated), with an impact on the Institution's equity of R$11,761 in the Individual and Consolidated (June 30, 2013 - R$14,964 in the Individual and Consolidated), net of tax effects. The mark-to-market adjustment of the securities recorded in the trading category resulted in a loss adjustment of R$13,158 in the Individual and an adjustment for gain of R$ 1,246 in the Consolidated (June 30, 2013 –loss adjustment of R$3 in the Individual and Consolidated) in the statement of operations.

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.

On June 30, 2014, Pine conducted operations with client sovereign risk of the Federative Republic of Brazil.

(In thousands of reais, unless otherwise stated)

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.

At June 30, 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	63,882	136,846	200,728	49,622	255,293	304,915
Forward contracts- receivable	288,956	13,644	302,600	69,539	26,650	96,189
Premiums on unexercised options	45,479	2,571	48,050	63,706	1,666	65,372
Credit derivative – transferred risk	-	234	234	-	-	-
Total receivable	**398,317**	**153,295**	**551,612**	**182,867**	**283,609**	**466,476**
LIABILITIES						
Swap – difference payable	(14,007)	(52,135)	(66,142)	(62,742)	(38,616)	(101,358)
Forward contracts- payable	(139,842)	(6,626)	(146,468)	(77,007)	(7,673)	(84,680)
Premiums on written options	(34,763)	(931)	(35,694)	(86,299)	(1,495)	(87,794)
Total payable	**(188,612)**	**(59,692)**	**(248,304)**	**(226,048)**	**(47,784)**	**(273,832)**
Net amount	**209,705**	**93,603**	**303,308**	**(43,181)**	**235,825**	**192,644**

vi) Derivative financial instruments by index

	Individual and Consolidated			
	2014			
	Notional amount	Amount receivable	Amount payable	Result
Swap				
Market risk				
Asset position:	**5,948,957**	**200,728**	**-**	
Interest	4,642,767	138,004	-	
Currency	1,297,867	62,724	-	
Variable income	8,323	-	-	
Liability position:	**5,948,957**	**-**	**(47,244)**	
Interest	2,346,257	-	(45,143)	
Currency	3,602,700	-	(2,101)	
Net amount		**200,728**	**(47,244)**	**(36,000)**
Cash flow hedge				
Asset position:	**259,675**	**-**	**-**	
Currency	259,675	-	-	
Liability position:	**259,675**	**-**	**(18,898)**	
Interest	259,675	-	(18,898)	
Net amount		**-**	**(18,898)**	**(5,362)**
Forward contracts				
Asset position:	**8,993,918**	**302,600**	**-**	
Interest	5,962,315	261,080	-	
Currency	2,651,924	25,558	-	
Commodities	379,679	15,962	-	
Liability position:	**8,993,918**	**-**	**(146,468)**	
Interest	2,357,733	-	(120,910)	
Currency	6,513,380	-	(24,620)	
Commodities	122,805	-	(938)	
Net amount		**302,600**	**(146,468)**	**290,562**
Options				
Premium on unexercised options:	**1,826,686**	**48,050**	-	
Currency	1,408,231	24,952	-	
Commodities	418,455	23,098	-	
Premiums on written options:	**1,261,281**	-	**(35,694)**	
Currency	820,872	-	(13,379)	
Commodities	440,409	-	(22,315)	
Net amount		**48,050**	**(35,694)**	**43,929**
Credit derivatives				
Asset position:	**11,012**	**234**	**-**	
Security	11,012	234	**-**	
Liability position:	**11,012**	**-**	**-**	
Security	11,012	**-**	**-**	
Net amount		**234**	**-**	**234**
Total receivable (payable) and gain (loss)		**551,612**	**(229,406)**	**293,363**

(In thousands of reais, unless otherwise stated)

	Individual and Consolidated			
	2013			
	Notional amount	Amount receivable	Amount payable	Result / Equity
Swap				
Market risk				
Asset position:	**3,231,161**	**304,915**	**-**	
Interest	2,309,276	161,283	-	
Currency	860,809	143,632	-	
Variable income	61,076	-	-	
Liability position:	**3,231,161**	**-**	**(101,358)**	
Interest	2,316,492	-	(36,872)	
Currency	914,669	-	(64,486)	
Net amount		**304,915**	**(101,358)**	**114,196**
Forward contracts				
Asset position:	**3,013,444**	**96,189**	**-**	
Interest	1,241,475	221	-	
Currency	1,650,060	95,783	-	
Commodities	121,909	185	-	
Liability position:	**3,013,444**	**-**	**(84,680)**	
Interest	1,103,342	-	(1,008)	
Currency	1,686,694	-	(83,653)	
Commodities	223,408	-	(19)	
Net amount		**96,189**	**(84,680)**	**(27,897)**
Options				
Premium on unexercised options:	**1,200,329**	**65,372**	**-**	
Currency	560,944	23,601	-	
Commodities	639,385	41,771	-	
Premiums on written options:	**1,472,961**	**-**	**(87,794)**	
Currency	769,723	-	(43,599)	
Commodities	703,238	-	(44,195)	
Net amount		**65,372**	**(87,794)**	**(8,087)**
Total receivable (payable) and gain (loss)		**466,476**	**(273,832)**	**78,212**

vii) Derivative financial instruments – futures contracts

	Individual and Consolidated			
	2014			
	Notional amount		Daily adjustment receivable (payable)	Result
	Purchase	Sale		
Interbank market	2,046,626	2,238,007	(394)	
Currency	3,033,201	27,243	6,456	
Commodities	167,313	373,066	(22)	
Future exchange coupon:	532,682	3,211,829	(9,532)	
Exchange swap	-	3,369,926	17,965	
Total	**5,779,822**	**9,220,071**	**14,473**	**(282,141)**

	Individual and Consolidated			
	2013			
	Notional amount		Daily adjustment receivable (payable)	Result
	Purchase	Sale		
Interbank market:	3,019,181	3,347,392	**6,967**	
Index	1,268,241	3,322,760	(18,464)	
US Dollar	1,750,940	24,632	25,431	
Future exchange coupon:	230,138	170,853	**-**	
Commodities	230,138	170,853	-	
Total	**3,249,319**	**3,518,245**	**6,967**	**32,383**

viii) Derivative financial instruments by maturity

	Individual and Consolidated					
	2014					
	Market value					
Notional amount	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	5 to 15 years	Total
Swap	1,813,592	755,196	2,293,292	230,429	1,116,123	6,208,632
Forward contracts	7,062,900	1,668,674	261,581	763	-	8,993,918
Options	1,711,148	1,299,440	70,525	6,854	-	3,087,967
Futures	9,970,476	3,540,449	1,193,275	149,383	146,310	14,999,893
Credit derivatives	-	11,012	-	-	-	11,012

(In thousands of reais, unless otherwise stated)

	Individual and Consolidated					
	2013					
	Market value					
Notional amount	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	5 to 15 years	Total
Swap	404,379	743,776	1,022,876	601,326	458,804	3,231,161
Forward contracts	1,685,715	977,706	350,023	-	-	3,013,444
Options	1,678,338	950,335	44,617	-	-	2,673,290
Futures	3,726,441	1,697,078	983,898	222,561	137,586	6,767,564

ix) Derivative financial instruments by trading market

At June 30, 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				
Custodian	Swaps	Forward contracts	Options	Futures	Credit derivatives
Exchange	**143,982**	**252,084**	**2,245,772**	**14,999,893**	**-**
BM&FBOVESPA	110,300	-	1,598,278	14,463,128	-
Exchanges abroad	33,682	252,084	647,494	536,765	-
OTC	**6,064,650**	**8,741,834**	**842,195**	**-**	**11,012**
Financial institutions	928,935	137,321	-	-	11,012
Companies	5,135,715	8,604,513	842,195	-	-
Total	**6,208,632**	**8,993,918**	**3,087,967**	**14,999,893**	**11,012**

	Individual and Consolidated			
	2013			
Custodian	Swaps	Forward contracts	Options	Futures
Exchange	**185,171**	**175,792**	**1,563,206**	**6,740,284**
BM&FBOVESPA	125,300	-	873,950	6,360,083
Exchanges abroad	59,871	175,792	689,256	380,201
OTC	**3,045,990**	**2,837,652**	**1,110,084**	**27,280**
Financial institutions	552,091	306,099	-	27,280
Companies	2,493,899	2,531,553	1,110,084	-
Total	**3,231,161**	**3,013,444**	**2,673,290**	**6,767,564**

x) Amount and type of guarantee margin

The margin amounts deposited in guarantee at June 30, 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)	-	19,330
National Treasury Notes (NTN)	1,674	15,065
Subtotal	**1,674**	**34,395**
Guarantee margin - BMF&BOVESPA		
LTN	15,123	48,426
NTN	346,685	48,921
Subtotal	**361,808**	**97,347**
Guarantee margin - Other		
LTN	14,294	-
Subtotal	**14,294**	**-**
Total	**377,776**	**131,742**

xi) Cash flow hedge

On March 28, 2014, funds in the amount of US$ 115 million were obtained, divided into two tranches, through the Inter-American Development Bank (IDB), translated at the exchange rate of R$2.26 : R$1.00 on that date, resulting in a debt of R$ 260 million. The grace period for payment of the principal extends February 15 to August 15, 2019. The Institution opted to protect its exposure to the risks arising from this transaction with a cash flow hedge.

The effectiveness determined for the hedge portfolio complies with the requirements of BACEN Circular 3082 of January 30, 2002 and the hedge accounting structure was established as follows:

	2014		
	Hedging instruments		Hedged item
Strategy	Notional amount	Adjustment to fair value	Carrying amount
Hedges of onlendings abroad	259,675	(5,362)	270,871
Total	**259,675**	**(5,362)**	**270,871**

(In thousands of reais, unless otherwise stated)

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

We present below a summary of the loan operation portfolio information at June 30, 2014 and 2013:

a) By type of loan:

	Individual		Consolidated	
Details	**2014**	**2013**	**2014**	**2013**
Public sector	19,527	3,402	19,527	3,402
Working capital	3,214,355	2,439,354	3,235,598	2,535,587
Resolution 3844 (previously Resolution 2770)	37,736	-	37,736	-
Overdraft account	10,245	10,503	10,245	10,503
BNDES/FINAME onlending	1,054,117	844,157	1,054,117	844,157
Payday loans	5,312	18,235	5,312	18,235
Foreign currency financing	561,346	325,108	561,346	325,108
Export financing	825,189	941,550	825,189	941,550
Subtotal - Loan operations	**5,727,827**	**4,582,309**	**5,749,070**	**4,678,542**
Debtors for purchase of assets(1)	200,555	126,038	200,555	126,038
Advances on foreign exchange contracts and income receivable (2)	550,905	578,678	550,905	578,678
Sureties and guarantees honored	393	-	393	-
Notes and credits receivable(1)	66,286	100,160	66,286	100,160
Credit portfolio	**6,545,966**	**5,387,185**	**6,567,209**	**5,483,418**
Loans for imports	4,123	154,639	4,123	154,639
Guarantees provided	2,941,178	2,806,972	2,941,178	2,806,972
Coobligations in loan assignments	-	83	-	83
Guarantees provided and responsibilities	**2,945,301**	**2,961,694**	**2,945,301**	**2,961,694**
Notes and credits receivable(1)	30,238	30,262	30,238	30,262
Corporate bonds (3)	489,459	518,680	489,459	518,680
Securities with credit risk	**519,697**	**548,942**	**519,697**	**548,942**
Total expanded portfolio	**10,010,964**	**8,897,821**	**10,032,207**	**8,994,054**

(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 6(a)).

b) By maturity:

						Individual
						2014
Term	**Amounts Falling due**	**%**	**Amounts past due**	**%**	**Total amount**	**%**
Up to 3 months	1,715,573	26.31	11,662	47.00	1,727,235	26.39
3 to 12 months	2,530,729	38.81	13,149	53.00	2,543,878	38.86
1 to 3 years	1,669,516	25.60	-	-	1,669,516	25.50
3 to 5 years	427,753	6.56	-	-	427,753	6.53
5 to 15 years	177,584	2.72	-	-	177,584	2.72
Total credit portfolio	**6,521,155**	**100.00**	**24,811**	**100.00**	**6,545,966**	**100.00**
Up to 3 months	307,893	10.45	-	-	307,893	10.45
3 to 12 months	955,344	32.44	-	-	955,344	32.44
1 to 3 years	1,017,047	34.53	-	-	1,017,047	34.53
3 to 5 years	665,017	22.58	-	-	665,017	22.58
Total guarantees provided and responsibilities	**2,945,301**	**100.00**	**-**	**-**	**2,945,301**	**100.00**
Up to 3 months	55,391	10.66	-	-	55,391	10.66
3 to 12 months	45,757	8.80	-	-	45,757	8.80
1 to 3 years	224,546	43.21	-	-	224,546	43.21
3 to 5 years	153,625	29.56	-	-	153,625	29.56
5 to 15 years	34,373	6.61	-	-	34,373	6.60
More than 15 years	6,005	1.16	-	-	6,005	1.17
Total securities with credit risk	**519,697**	**100.00**	**-**	**-**	**519,697**	**100.00**
Total expanded portfolio	**9,986,153**		**24,811**		**10,010,964**	

						Consolidated
						2014
Term	**Amounts Falling due**	**%**	**Amounts past due**	**%**	**Total amount**	**%**
Up to 3 months	1,715,572	26.22	11,662	47.00	1,727,234	26.30
3 to 12 months	2,551,972	39.01	13,149	53.00	2,565,121	39.06
1 to 3 years	1,669,516	25.52	-	-	1,669,516	25.42
3 to 5 years	427,753	6.54	-	-	427,753	6.51
5 to 15 years	177,585	2.71	-	-	177,585	2.71
Total credit portfolio	**6,542,398**	**100.00**	**24,811**	**100.00**	**6,567,209**	**100.00**
Up to 3 months	307,893	10.45	-	-	307,893	10.45
3 to 12 months	955,344	32.44	-	-	955,344	32.44
1 to 3 years	1,017,047	34.53	-	-	1,017,047	34.53
3 to 5 years	665,017	22.58	-	-	665,017	22.58
Total guarantees provided and responsibilities	**2,945,301**	**100.00**	**-**	**-**	**2,945,301**	**100.00**

(In thousands of reais, unless otherwise stated)

Up to 3 months	55,392	10.66	-	-	55,392	10.66
3 to 12 months	45,757	8.80	-	-	45,757	8.80
1 to 3 years	224,546	43.21	-	-	224,546	43.21
3 to 5 years	153,625	29.56	-	-	153,625	29.56
5 to 15 years	34,373	6.61	-	-	34,373	6.61
More than 15 years	6,004	1.16	-	-	6,004	1.16
Total securities with credit risk	**519,697**	**100.00**	**-**	**-**	**519,697**	**100.00**
Total expanded portfolio	**10,007,396**		**24,811**		**10,032,207**	

						Individual
						2013
	Amounts		Amounts		Total	
Term	Falling due	%	past due	%	amount	%
Up to 3 months	1,663,510	31.17	13,948	27.86	1,677,458	31.14
3 to 12 months	1,647,920	30.88	36,106	72.12	1,684,026	31.26
1 to 3 years	1,341,428	25.13	11	0.02	1,341,439	24.90
3 to 5 years	546,155	10.23	-	-	546,155	10.14
5 to 15 years	138,107	2.59	-	-	138,107	2.56
Total credit portfolio	**5,337,120**	**100.00**	**50,065**	**100.00**	**5,387,185**	**100.00**
Up to 3 months	662,674	22.38	280	100.00	662,954	22.38
3 to 12 months	1,030,910	34.81	-	-	1,030,910	34.81
1 to 3 years	783,414	26.45	-	-	783,414	26.45
3 to 5 years	440,694	14.88	-	-	440,694	14.88
5 to 15 years	43,722	1.48	-	-	43,722	1.48
Total guarantees provided and responsibilities	**2,961,414**	**100.00**	**280**	100.00	**2,961,694**	**100.00**
3 to 12 months	98,163	17.88	-	-	98,163	17.88
1 to 3 years	18,328	3.34	25	100.00	18,353	3.34
3 to 5 years	161,543	29.43	-	-	161,543	29.43
5 to 15 years	188,303	34.30	-	-	188,303	34.30
More than 15 years	82,580	15.05	-	-	82,580	15.05
Total securities with credit risk	**548,917**	**100.00**	**25**	**100.00**	**548,942**	**100.00**
Total expanded portfolio	**8,847,451**		**50,370**		**8,897,821**	

						Consolidated
						2013
	Amounts		Amounts		Total	
Term	Falling due	%	past due	%	amount	%
Up to 3 months	1,663,510	30.62	13,948	27.86	1,677,458	30.59
3 to 12 months	1,649,755	30.36	36,106	72.12	1,685,861	30.74
1 to 3 years	1,435,825	26.43	11	0.02	1,435,836	26.19
3 to 5 years	546,155	10.05	-	-	546,155	9.96
5 to 15 years	138,108	2.54	-	-	138,108	2.52
Total credit portfolio	**5,433,353**	**100.00**	**50,065**	**100.00**	**5,483,418**	**100.00**
Up to 3 months	662,674	22.38	280	100.00	662,954	22.38
3 to 12 months	1,030,910	34.81	-	-	1,030,910	34.81
1 to 3 years	783,414	26.45	-	-	783,414	26.45
3 to 5 years	440,694	14.88	-	-	440,694	14.88
5 to 15 years	43,722	1.48	-	-	43,722	1.48
Total guarantees provided and responsibilities	**2,961,414**	**100.00**	**280**	**100.00**	**2,961,694**	**100.00**
3 to 12 months	98,163	17.88	-	-	98,163	17.88
1 to 3 years	18,328	3.34	25	100.00	18,353	3.34
3 to 5 years	161,543	29.43	-	-	161,543	29.43
5 to 15 years	188,303	34.30	-	-	188,303	34.30
More than 15 years	82,580	15.05	-	-	82,580	15.05
Total securities with credit risk	**548,917**	**100.00**	**25**	**100.00**	**548,942**	**100.00**
Total expanded portfolio	**8,943,684**		**50,370**		**8,994,054**	

(In thousands of reais, unless otherwise stated)

c) By business activity:

	Individual		Consolidated	
	2014	2013	2014	2013
Civil construction	1,319,652	1,281,232	1,323,919	1,296,102
Sugar and ethanol	1,252,514	1,064,605	1,253,775	1,074,270
Electric and renewable energy	1,169,235	997,492	1,169,235	997,492
Agriculture	1,034,229	608,012	1,037,206	618,110
Building and engineering - Infrastructure	786,348	588,380	788,272	606,702
Transportation and logistics	503,986	503,896	506,314	507,930
Vehicles and parts	435,214	456,704	435,214	461,745
Specialized services	391,777	423,052	391,777	428,479
Metal products	372,875	373,042	374,557	373,042
Telecommunications	347,352	318,765	348,651	318,765
Chemical and petrochemical	334,200	314,277	334,200	314,277
Foreign trade	312,252	284,174	313,093	293,736
Retail trade	301,796	276,287	301,796	278,808
Beverages and tobacco	242,486	224,514	242,486	233,320
Meat processing	189,307	222,306	191,069	222,306
Foodstuffs	189,003	156,737	189,307	156,737
Construction material and decor	180,097	129,488	180,097	135,540
Steel products	117,297	98,710	117,297	98,710
Financial institution	76,841	96,487	76,841	96,487
Paper and pulp	67,839	72,846	70,437	72,846
Leisure and tourism	54,311	68,151	54,311	68,151
Information technology	45,739	64,809	45,739	64,809
Plastic and rubber	45,667	45,080	45,667	45,080
Mechanics	44,568	37,243	44,568	37,243
Water and sanitation	38,734	36,755	38,734	36,755
Textiles and clothing	32,214	32,595	32,214	34,431
Wholesale trade	28,238	34,219	28,238	34,219
Medical services	28,056	32,888	28,056	32,887
Leather and footwear	17,761	19,249	17,761	19,249
Pharmaceuticals and cosmetics	16,303	18,510	16,303	18,510
Electroelectronics	15,896	13,830	15,896	13,830
Individuals	8,756	3,486	8,756	3,486
Communications and printing	6,273	-	6,273	-
Mining	4,148	-	4,148	-
Total expanded portfolio	**10,010,964**	**8,897,821**	**10,032,207**	**8,994,054**

d) Credit portfolio by risk level and allowance, in accordance with Resolution 2682/99:

								2014
	Individual				Consolidated			
Level	Falling due	Past due	Total	Allowance	Falling due	Past due	Total	Allowance
AA	1,059,484	-	1,059,484	-	1,061,408	-	1,061,408	-
A	1,986,306	-	1,986,306	9,932	1,990,969	-	1,990,969	9,955
B	2,272,232	10	2,272,242	22,722	2,283,944	10	2,283,954	22,839
C	846,906	1,404	848,310	25,449	849,850	1,404	851,254	25,538
D	235,965	10,216	246,181	24,618	235,965	10,216	246,181	24,618
E	36,169	9	36,178	10,853	36,169	9	36,178	10,853
F	26,737	46	26,783	13,391	26,737	46	26,783	13,391
G	52,198	10,553	62,751	43,927	52,198	10,553	62,751	43,926
H	5,158	2,573	7,731	7,731	5,158	2,573	7,731	7,731
Total	**6,521,155**	**24,811**	**6,545,966**	**158,623**	**6,542,398**	**24,811**	**6,567,209**	**158,851**

								2013
	Individual				Consolidated			
Level	Falling due	Past due	Total	Allowance	Falling due	Past due	Total	Allowance
AA	886,662	-	886,662	-	982,894	-	982,894	-
A	1,573,508	-	1,573,508	7,867	1,573,508	-	1,573,508	7,867
B	2,035,981	11	2,035,992	20,360	2,035,981	11	2,035,992	20,360
C	516,863	2,182	519,045	15,571	516,863	2,182	519,045	15,571
D	164,410	12,238	176,648	17,665	164,410	12,238	176,648	17,665
E	38,804	53	38,857	11,658	38,804	53	38,857	11,658
F	24,560	81	24,641	12,320	24,560	81	24,641	12,320
G	48,735	437	49,172	34,421	48,736	437	49,173	34,421
H	47,597	35,063	82,660	82,660	47,597	35,063	82,660	82,660
Total	**5,337,120**	**50,065**	**5,387,185**	**202,522**	**5,433,353**	**50,065**	**5,483,418**	**202,522**

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	298,169	2.98	232,566	2.61	298,169	2.97	232,566	2.59
2nd to 10th	1,569,287	15.68	1,428,355	16.05	1,569,287	15.64	1,428,355	15.88
11th to 20th	1,067,344	10.66	1,018,394	11.45	1,067,344	10.64	1,018,394	11.32
21st to 50th	1,870,794	18.69	1,775,771	19.96	1,870,794	18.65	1,775,771	19.74
51st to 100th	1,753,704	17.52	1,612,965	18.13	1,753,704	17.48	1,627,333	18.09
Other borrowers	3,451,666	34.47	2,829,770	31.80	3,472,909	34.62	2,911,635	32.38
Total expanded portfolio	**10,010,964**	**100.00**	**8,897,821**	**100.00**	**10,032,207**	**100.00**	**8,994,054**	**100.00**

(In thousands of reais, unless otherwise stated)

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

	Individual		Consolidated	
	2014	2013	2014	2013
Agricultural	43,444	72,661	46,420	90,982
Housing	-	25,231	-	25,231
Manufacturing	2,130,028	1,964,030	2,135,039	1,992,748
Commercial	780,038	251,379	780,880	255,735
Financial intermediation	103,866	138,197	106,462	144,248
Other services	6,414,799	6,196,160	6,424,617	6,234,947
Individuals	538,789	250,163	538,789	250,163
Total expanded portfolio	**10,010,964**	**8,897,821**	**10,032,207**	**8,994,054**

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

	Individual	
Details	2014	2013
Opening balance	**178,130**	**186,652**
Additions/Reversals	33,539	42,407
Amount written off	(52,746)	(26,777)
Exchange variation (1)	(300)	240
Closing balance	**158,623**	**202,522**

	Consolidated	
Details	2014	2013
Opening balance	**185,644**	**188,254**
Additions/Reversals	33,539	40,805
Amount written off	(52,746)	(26,777)
PDD-FIDC	(7,286)	-
Exchange variation (1)	(300)	240
Closing balance	**158,851**	**202,522**

(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

For the six-month period ended June 30, 2014, credits previously written off as a loss were recovered in an amount of R$4,848 (June 30, 2013 - R$6,540).

i) Renegotiation of contracts

At June 30, 2014, renegotiated contracts totaled R$151,511 (June 30, 2013 – R$ 124,767). 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 six-month period ended June 30, 2014, loans were assigned, without coobligation, to parties not related to the Institution totalling R$ 1,978 (June 30, 2013 - R$ 7,957). These assignments generated a loss in relation to their face value of R$ 1,315 for the six-month period ended June 30, 2014, without discounting the allowance for loan losses in the amount of R$ 1,967 at June 30, 2014. 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$ 26,242 for the six-month period ended June 30, 2013 were assigned and these assignments generated a gain of R$ 2,910 recorded in the "Loan operations" account. There were no assignments of contracts written off as a loss for the six-month period ended June 30, 2014.

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.

Loans were assigned to FIDC Pine Agro in the amount of R$220,098 for the six-month period ended June 30, 2014.

Assignments in Pine FIDC Agro comprise the following:

	Individual and Consolidated	
		2014
	Assets	Liabilities
Credit operations assigned - Loans	181,594	181,594
Credit operations assigned - Financing	215,192	215,192
Total	**396,786**	**396,786**

8. FOREIGN EXCHANGE PORTFOLIO

	Individual and Consolidated			
	Other receivables		Other payables	
	2014	2013	2014	2013
Exchange purchases pending settlement	534,973	705,250	-	-
Rights on exchange sales	4,313	391,589	-	-
Income receivable	6,878	12,549	-	-
Advances in local currency received	(1,557)	(93)	-	-
Exchange sales pending settlement	-	-	4,109	391,768
Liabilities for exchange purchases	-	-	546,084	654,548
Advances on foreign exchange contracts	-	-	(544,027)	(566,129)
Total	**544,607**	**1,109,295**	**6,166**	**480,187**

(In thousands of reais, unless otherwise stated)

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	1,926	-	1,926	1,915	-	1,915
Advances for payments on our behalf	6,666	-	6,666	5,425	-	5,425
Deferred tax assets (Note 9.b)	101,734	62,046	163,780	83,715	75,579	159,294
Debtors for purchase of assets	38,189	162,366	200,555	40,453	85,585	126,038
Income tax recoverable	107	54,353	54,460	325	43,442	43,767
Amounts receivable from affiliates	78	-	78	49	-	49
Notes and credits receivable	64,030	32,494	96,524	97,222	33,200	130,422
Sundry debtors – Brazil and abroad	4,466	63	4,529	7,616	-	7,616
Total	**217,196**	**311,322**	**528,518**	**236,720**	**237,806**	**474,526**

						Consolidated
			2014			2013
	Short-term	Long-term	Total	Short-term	Long-term	Total
Advances and salary prepayments	1,996	-	1,996	1,994	-	1,994
Advances for payments on our behalf	7,720	-	7,720	5,461	-	5,461
Deferred tax assets (Note 9.b)	101,733	62,053	163,786	83,715	75,780	159,495
Debtors for purchase of assets	38,189	162,366	200,555	40,453	85,585	126,038
Income tax recoverable	-	59,259	59,259	326	45,154	45,480
Notes and credits receivable	64,030	32,494	96,524	97,222	33,200	130,422
Sundry debtors – Brazil and abroad	10,232	63	10,295	11,472	-	11,472
Total	**223,900**	**316,235**	**540,135**	**240,643**	**239,719**	**480,362**

b) Deferred tax assets

At June 30, 2014 and 2013, the deferred tax assets and deferred tax liabilities in respect of corporate income tax (IRPJ) and social contribution on net income (CSLL) were

						Individual
			2014			2013
Deferred tax assets	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Allowance for loan losses	38,024	22,814	60,838	49,515	29,709	79,224
Adjustment of available-for-sale securities	4,900	2,940	7,840	6,235	3,741	9,976
Adjustment of trading securities	153	92	245	948	568	1,516
Credits written off as a loss	36,977	22,186	59,163	12,394	7,437	19,831
Futures market - Law 11196	-	-	-	6,539	3,924	10,463
Provision for tax risks and contingent liabilities	2,650	1,590	4,240	10,419	6,251	16,670
Provision for profit sharing	2,438	1,463	3,901	2,750	1,650	4,400
Provision for lawyers' fees	1,534	921	2,455	2,285	1,372	3,657
Provision for equity accounting loss abroad	6,309	3,785	10,094	3,497	2,098	5,595
Provision for Resolution 3921	4,395	2,638	7,033	2,487	1,493	3,980
Provision for impairment of assets	-	-	-	2,489	1,493	3,982
Hedge accounting adjustment - Instrument	1,341	804	2,145	-	-	-
Other provisions	3,641	2,185	5,826	-	-	-
Total	**102,362**	**61,418**	**163,780**	**99,558**	**59,736**	**159,294**

						Consolidated
			2014			2013
Deferred tax assets	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Allowance for loan losses	38,024	22,814	60,838	49,515	29,709	79,224
Adjustment of available-for-sale securities	4,900	2,940	7,840	6,235	3,741	9,976
Adjustment of trading securities	153	92	245	948	568	1,516
Credits written off as a loss	36,977	22,186	59,163	12,394	7,437	19,831
Futures market - Law 11196	-	-	-	6,539	3,924	10,463
Provision for tax risks and contingent liabilities	2,652	1,591	4,243	10,545	6,326	16,871
Provision for profit sharing	2,438	1,463	3,901	2,750	1,650	4,400
Provision for lawyers' fees	1,534	921	2,455	2,285	1,372	3,657
Provision for equity accounting loss abroad	6,309	3,785	10,094	3,497	2,098	5,595
Provision for Resolution 3921	4,397	2,639	7,036	2,487	1,493	3,980
Provision for impairment of assets	-	-	-	2,489	1,493	3,982
Hedge accounting adjustment - Instrument	1,341	804	2,145	-	-	-
Other provisions	3,641	2,185	5,826	-	-	-
Total	**102,366**	**61,420**	**163,786**	**99,684**	**59,811**	**159,495**

(In thousands of reais, unless otherwise stated)

						Individual
			2014			2013
Deferred tax liabilities	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Mark-to-market adjustment of derivative financial instruments	31,711	19,026	50,737	33,415	20,049	53,464
Asset adjustment of judicial deposits	356	214	570	594	357	951
Income from renegotiation	447	268	715	1,394	836	2,230
Adjustment of unrestricted notes	-	-	-	2,360	1,416	3,776
Hedge accounting adjustment - Item	1,322	794	2,116	-	-	-
Total (Note 14.b)	**33,836**	**20,302**	**54,138**	**37,763**	**22,658**	**60,421**

						Consolidated
			2014			2013
Deferred tax liabilities	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Mark-to-market adjustment of derivative financial instruments	31,711	19,026	50,737	33,415	20,049	53,464
Asset adjustment of judicial deposits	356	214	570	613	369	982
Income from renegotiation	447	268	715	1,394	836	2,230
Adjustment of unrestricted notes	-	-	-	2,360	1,416	3,776
Hedge accounting adjustment - Item	1,322	794	2,116	-	-	-
Total (Note 14.b)	**33,836**	**20,302**	**54,138**	**37,782**	**22,670**	**60,452**

Activity of deferred tax assets and deferred tax liabilities

		Individual		Consolidated
Deferred tax assets	2014	2013	2014	2013
Opening balance	**162,535**	**143,052**	**162,539**	**143,316**
Additions	79,262	55,679	79,264	55,706
Reversal	(78,017)	(39,437)	(78,017)	(39,527)
Closing balance	**163,780**	**159,294**	**163,786**	**159,495**

		Individual		Consolidated
Deferred tax liabilities	2014	2013	2014	2013
Opening balance	**74,689**	**51,656**	**74,689**	**51,685**
Additions	36,036	33,301	36,036	33,309
Reversal	(56,587)	(24,536)	(56,587)	(24,542)
Closing balance	**54,138**	**60,421**	**54,138**	**60,452**

Projected realization of deferred tax assets and deferred tax liabilities

			Individual			Consolidated
			2014			2014
Deferred tax assets	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Up to 1 year	63,582	38,150	101,732	63,582	38,150	101,732
1 to 2 years	15,542	9,326	24,868	15,544	9,328	24,872
2 to 3 years	9,950	5,970	15,920	9,950	5,970	15,920
3 to 4 years	3,287	1,972	5,259	3,287	1,972	5,259
4 to 5 years	4,020	2,412	6,432	4,020	2,412	6,432
5 to 10 years	5,981	3,588	9,569	5,983	3,588	9,571
Total	**102,362**	**61,418**	**163,780**	**102,366**	**61,420**	**163,786**

			Individual and Consolidated
			2014
Deferred tax liabilities	IRPJ	CSLL	Total
Up to 1 year	20,668	12,401	33,069
1 to 2 years	4,690	2,814	7,504
2 to 3 years	2,712	1,627	4,339
3 to 4 years	157	94	251
4 to 5 years	224	134	358
5 to 10 years	5,385	3,232	8,617
Total	**33,836**	**20,302**	**54,138**

10. INVESTMENTS

a) Investments in associated and subsidiary companies

								2014
	Pine Securities	Pine Planejamento	Pine Ass. em Comercial.	Pine Investimentos	Pine Comerc. Energia Eletr.	Pine Assessoria	Pine Corretora	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	1,000,000	500,000	500,000	
Capital	11,013	10	60	13,385	1,000	500	500	
Equity	6,959	2,890	32	44,185	3,516	3,473	246	
Net income for the six-month period	(1,547)	667	(9)	2,420	32	487	1	2,051
Investment amount	6,959	2,888	3	44,185	3,516	3,473	246	61,270
Equity in the results of investee	(1,547)	667	(1)	2,420	32	487	1	2,059
Foreign exchange variation	(542)	-	-	-	-	-	-	(542)

(In thousands of reais, unless otherwise stated)

	Pine Planejamento (2)	Pine Ass. em Comercial.(3)	Pine Investimentos	Pine Comerc. Energia Eletr. (3)	Pine Assessoria(1)	Pine Corretora(1)	2013 Total
Holding - %	99.9900	10.00	99.9998	99.9999	99.9998	99.9998	
Number of shares held	10,000	10,000	892,298	77,399,000	500,000	500,000	
Capital	10	60	13,385	77,400	500	500	
Equity	14,862	47	39,194	82,114	35,575	237	
Net income for the six-month period	10,744	(6)	1,120	1,685	66	4	13,613
Investment amount	14,861	5	39,194	82,114	35,575	237	171,986
Equity in the results of investee	10,744	(1)	1,120	1,685	66	4	13,618

(1) According to the contractual amendment dated December 26, 2013, capital in Pine Comercializadora de Energia was decreased from R$77,400 to R$1,000.

b) Other investments

At June 30, 2014, Banco Pine has an amount of R$97,306 (June 30, 2013 – R$65,695) corresponding to the investment in land for real estate development, which is recorded in IRE VII Desenvolvimento Imobiliário S/A. In the consolidated balance sheet this investment is recorded in the “Other investments" account.

11. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

a) Property and equipment in use

				2014 Individual			2014 Consolidated
	Annual depreciation - %	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Facilities	20	10,238	(10,135)	103	10,575	(10,236)	339
Furniture and equipment in use	10	2,979	(1,773)	1,206	3,196	(1,841)	1,355
Communications system	10	1,449	(902)	547	1,452	(903)	549
Data processing system	20	914	(885)	29	1,161	(1,017)	144
Security system	10	32	(21)	11	32	(21)	11
Aircraft	10	16,293	(698)	15,595	16,293	(698)	15,595
Transport system	20	2,731	(789)	1,942	2,731	(789)	1,942
Total		**34,636**	**(15,203)**	**19,433**	**35,440**	**(15,505)**	**19,935**

				2013 Individual			2013 Consolidated
	Annual depreciation - %	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Facilities	20	10,577	(9,875)	702	10,577	(9,875)	702
Furniture and equipment in use	10	3,161	(1,592)	1,569	3,161	(1,592)	1,569
Communications system	10	1,426	(793)	633	1,429	(793)	636
Data processing system	20	1,162	(906)	256	1,162	(906)	256
Security system	10	32	(20)	12	32	(20)	12
Aircraft	10	24,083	(2,007)	22,076	24,083	(2,007)	22,076
Transportation systems	20	2,305	(540)	1,765	2,305	(540)	1,765
Total		**42,746**	**(15,733)**	**27,013**	**42,749**	**(15,733)**	**27,016**

b) Intangible assets

				2014 Individual			2014 Consolidated
	Annual amortization - %	Cost	Accumulated amortization	Net amount	Cost	Accumulated amortization	Net amount
Expense for acquisition and development of software	10	9,587	(8,504)	1,083	10,273	(8,969)	1,304
Total		**9,587**	**(8,504)**	**1,083**	**10,273**	**(8,969)**	**1,304**

				2013 Individual			2013 Consolidated
	Annual amortization - %	Cost	Accumulated amortization	Net amount	Cost	Accumulated amortization	Net amount
Expense for acquisition and development of software	10	9,468	(7,830)	1,638	9,533	(7,895)	1,638
Total		**9,468**	**(7,830)**	**1,638**	**9,533**	**(7,895)**	**1,638**

12. DEPOSITS

a) Analysis by maturity:

			2014 Individual			2014 Consolidated
	Demand deposits	Time deposits	Interbank deposits	Demand deposits	Time deposits	Interbank deposits
No stated maturity	43,416	-	-	40,778	-	-
Up to 30 days	-	374,917	71,994	-	373,927	71,995
31 to 60 days	-	418,941	6,327	-	418,031	6,327
61 to 90 days	-	200,697	1,716	-	198,899	77
91 to 180 days	-	672,784	691	-	667,403	691
181 to 360 days	-	554,440	357	-	536,031	357
More than 360 days	-	830,388	323	-	815,153	282
Total	**43,416**	**3,052,167**	**81,408**	**40,778**	**3,009,444**	**79,729**

(In thousands of reais, unless otherwise stated)

						2013
			Individual			Consolidated
	Demand deposits	Time deposits	Interbank deposits	Demand deposits	Time deposits	Interbank deposits
No stated maturity	19,138	-	-	18,811	-	-
Up to 30 days	-	415,872	46,620	-	415,872	46,620
31 to 60 days	-	194,896	18,842	-	182,607	18,842
61 to 90 days	-	423,754	40,750	-	423,754	40,750
91 to 180 days	-	459,725	1,215	-	457,542	1,215
181 to 360 days	-	478,946	1,119	-	458,071	1,119
More than 360 days	-	1,309,049	6,651	-	1,169,575	1,614
Total	**19,138**	**3,282,242**	**115,197**	**18,811**	**3,107,421**	**110,160**

b) Analysis by market segment:

						2014
			Individual			Consolidated
	Demand deposits	Time deposits	Interbank deposits	Demand deposits	Time deposits	Interbank deposits
Manufacturing, commercial and services	40,534	758,724	-	40,534	758,724	-
Related companies	2,638	42,723	1,679	-	-	-
Individuals	244	18,460	-	244	18,460	-
Financial institutions and investment funds	-	2,232,260	79,729	-	2,232,260	79,729
Total	**43,416**	**3,052,167**	**81,408**	**40,778**	**3,009,444**	**79,729**

						2013
			Individual			Consolidated
	Demand deposits	Time deposits	Interbank deposits	Demand deposits	Time deposits	Interbank deposits
Manufacturing, commercial and services	18,261	952,925	-	18,261	952,925	-
Related companies	327	162,532	5,037	-	-	-
Individuals	550	17,366	-	550	17,366	-
Financial institutions and investment funds	-	2,149,419	110,160	-	2,137,130	110,160
Total	**19,138**	**3,282,242**	**115,197**	**18,811**	**3,107,421**	**110,160**

13. FUNDS OBTAINED IN THE OPEN MARKET

		Individual
	2014	2013
Own portfolio		
National Treasury Bills(LTN)	259,730	739,690
National Treasury Notes (NTN)	82,274	101,780
Debentures	143,849	213,400
Other securities issued abroad	7,396	-
Subtotal	**493,249**	**1,054,870**
Third-party portfolio		
National Treasury Bills(LTN)	-	45,008
Subtotal	**-**	**45,008**
Unrestricted portfolio		
Securities issued abroad	9,127	-
National Treasury Notes (NTN)	-	145,431
Subtotal	**9,127**	**145,431**
Total funds obtained in the open market	**502,376**	**1,245,309**

		Consolidated
	2014	2013
Own portfolio		
National Treasury Bills(LTN)	229,032	739,690
National Treasury Notes (NTN)	82,274	101,780
Other securities issued abroad	7,396	
Subtotal	**318,702**	**841,470**
Third-party portfolio		
National Treasury Bills(LTN)	-	45,008
Debentures	141,922	213,400
Subtotal	**141,922**	**258,408**
Unrestricted portfolio		
Securities issued abroad	9,127	**-**
National Treasury Notes (NTN)	-	145,431
Subtotal	**9,127**	**145,431**
Total funds obtained in the open market	**469,751**	**1,245,309**

(In thousands of reais, unless otherwise stated)

14. OTHER LIABILITIES

a) Collection and payment of taxes and similar:

At June 30, 2014, this balance consists of the tax on financial transactions (IOF) payable in the amount of R$920 (June 30, 2013 – R$530).

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	123	-	123	144	-	144
Taxes and contributions on salaries	2,281	-	2,281	2,372	-	2,372
Taxes and contributions on income	34,788	-	34,788	36,481	-	36,481
Service tax (ISS)	354	-	354	555	-	555
Withholding income tax (IRRF)	2,238	-	2,238	2,288	-	2,288
Social Integration Program (PIS) and Social Contribution on Revenues (COFINS) pa	328	-	328	489	-	489
Provision for deferred IRPJ and CSLL (Note 09)	33,069	21,069	54,138	33,069	21,069	54,138
Provision for tax risks (Note 15 (c) and (d))	-	369	369	-	377	377
Total	**73,181**	**21,438**	**94,619**	**75,398**	**21,446**	**96,844**

						2013
			Individual			Consolidated
	Short-term	Long-term	Total	Short-term	Long-term	Total
Taxes and contributions on third-party services	116	-	116	126	-	126
Taxes and contributions on salaries	2,213	-	2,213	2,313	-	2,313
Taxes and contributions on income	-	-	-	2,079	-	2,079
Service tax (ISS)	237	-	237	262	-	262
IRRF	1,130	-	1,130	1,198	-	1,198
PIS and COFINS payable	189	-	189	221	-	221
Provision for deferred IRPJ and CSLL (Note 09)	4,987	55,434	60,421	4,986	55,465	60,451
Provision for tax risks (Note 15 (c) and (d))	-	35,504	35,504	-	36,076	36,076
Total	**8,872**	**90,938**	**99,810**	**11,185**	**91,541**	**102,726**

c) Sundry

						2014
			Individual			Consolidated
	Short-term	Long-term	Total	Short-term	Long-term	Total
Provision for personnel expenses	18,569	-	18,569	20,153	-	20,153
Cashier's checks	6,764	-	6,764	6,764	-	6,764
Provision for contingent liabilities- civil (Note 15.e)	-	8,239	8,239	-	8,239	8,239
Provision for contingent liabilities - labor (Note 15.e)	-	1,994	1,994	-	1,994	1,994
Other administrative expenses	4,742	6,137	10,879	5,167	6,137	11,304
Obligations for the sale and transfer of financial assets	330,438	66,349	396,786	-	-	-
Obligations for shares of investment funds	-	-	-	-	452,600	452,600
Sundry debtors – Brazil and abroad	3,240	-	3,241	4,598	-	4,598
Other provisions	-	297	297	-	297	297
Negotiation and intermediation of securities	486	-	486	486	-	486
Total	**364,239**	**83,016**	**447,255**	**37,168**	**469,267**	**506,435**

						2013
			Individual			Consolidated
	Short-term	Long-term	Total	Short-term	Long-term	Total
Provision for personnel expenses	19,567	-	19,567	19,891	-	19,891
Cashier's checks	5,231	-	5,231	5,231	-	5,231
Provision for contingent liabilities- civil (Note 15.e)	-	13,165	13,165	-	13,165	13,165
Provision for contingent liabilities - labor (Note 15.e)	-	2,409	2,409	-	2,441	2,441
Provision - FIDC	-	-	-	-	4,929	4,929
Other administrative expenses	3,340	9,142	12,482	3,389	9,142	12,531
Liabilities for investment fund shares						
Sundry debtors – Brazil and abroad	2,652	-	2,652	14,191	-	14,191
Total	**30,790**	**24,716**	**55,506**	**42,702**	**29,677**	**72,379**

(In thousands of reais, unless otherwise stated)

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 at June 30, 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 June 30, 2014, totaled R$8,514 in the Individual and R$8,620 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 June 30, 2014, totaled R$38,557 (June 30, 2013 – R$35,023) in the Individual and R$39,010 (June 30, 2013 – R$35,459) 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	-	34,421	34,142	34,394	-	34,985	34,361	34,954
COFINS	-	-	174,393	164,108	-	-	175,379	165,033
Total	**-**	**34,421**	**208,535**	**198,502**	**-**	**34,985**	**209,740**	**199,987**

d) Contingencies classified as probable are regularly provided for and for the six-month periods ended June 30, 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	1,083	1,769	2,144	377	1,091	1,798	2,422
Labor contingencies	1,994	2,409	827	553	1,994	2,441	827	553
Civil contingencies	8,239	13,165	2,211	1,762	8,239	13,165	2,211	1,762
Total	**10,602**	**16,657**	**4,807**	**4,459**	**10,610**	**16,697**	**4,836**	**4,737**

(In thousands of reais, unless otherwise stated)

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 (reversed)	(353)	(20)	(2,110)	(2,483)	(7,682)	(2,371)	(5,702)	(15,755)
Adjustments	6	89	352	447	1,130	115	569	1,814
Closing balance	**369**	**1,994**	**8,239**	**10,602**	**35,504**	**2,409**	**13,165**	**51,078**

								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 (reversed)	(352)	(20)	(2,110)	(2,482)	(7,660)	(2,369)	(5,702)	(15,731)
Adjustments	6	89	352	447	1,145	145	569	1,859
Closing balance	**377**	**1,994**	**8,239**	**10,610**	**36,076**	**2,441**	**13,165**	**51,682**

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

Labor: At June 30, 2014, the Institution had no labor claims classified as possible losses.

Civil: At June 30, 2014 and December 31, 2012, the Institution had no civil claims classified as possible losses.

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	62,706	-	384,963	392,470	122,126	124,045	1,086,310
Foreign onlendings	2,322	-	2,662	128,169	132,114	33,029	298,296
Foreign borrowings	555,605	-	639,469	220,250	-	66,075	1,481,399
Total	**620,633**		**1,027,094**	**740,889**	**254,240**	**223,149**	**2,866,005**

						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 borrowings - other institutions(1)	54,636	169,157	337,585	171,666	129,059	862,103
Foreign borrowings	540,508	549,072	-	-	66,468	1,156,048
Total	**595,144**	**718,229**	**337,585**	**171,666**	**195,527**	**2,018,151**

17. FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES

a) Funds from exchange acceptances

						Individual and Consolidated
						2014
	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	5 to 15 years	Total
Real estate letters of credit (LCI)	92,515	139,184	93,760	434	-	325,893
Agribusiness letters of credit (LCA)	178,106	366,505	59,709	550	-	604,870
Financial bills (LF)	21,024	259,976	136,884	30,850	3,743	452,477
Total	**291,645**	**765,665**	**290,353**	**31,834**	**3,743**	**1,383,240**

						Individual and Consolidated
						2013
	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	5 to 15 years	Total
LCI	6,919	17,606	5,070	-	-	29,595
LCA	188,403	114,929	11,822	-	-	315,154
LF	-	346,152	270,411	16,669	4,911	638,143
Total	**195,322**	**478,687**	**287,303**	**16,669**	**4,911**	**982,892**

b) Securities issued abroad

These are funds obtained through the global fixed-rate note program which, at June 30, 2014, totalled R$243,507 (June 30, 2013 - R$240,972), maturing up to 2023 and bearing interest of up to 8.75% per annum plus LIBOR and exchange variation.

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

(In thousands of reais, unless otherwise stated)

Original tranche – US$	Issuance currency	Interest rate	Final maturity	Individual and Consolidated 2014	2013
4,091	US$	2,00% a.a + Libor	Jun/2014	-	6,047
2,000	US$	1,85% a.a + Libor	Nov/2014	4,416	13,328
4,697	US$	2,2% a.a + Libor	Out/2013		10,458
1,044	US$	8,7% a.a + Libor	Jan/2017	2,397	2,412
12,000	US$	3,0% a.a + Libor	Jan/2014	-	13,505
23,529	US$	4,20% a.a + Libor	Abr/2022	52,277	55,886
20,000	US$	5,85% a.a + Libor	Dez/2023	44,164	-
73,000	CLP	6,0% a.a + Var.UF	Dez/2017	140,253	145,383
Total				**243,507**	**247,019**
(-) Current				**(12,131)**	**(43,346)**
Total long-term liabilities				**231,376**	**203,673**

18. SUBORDINATED DEBT

	Issuance	Maturity	Amount	Interest rate	Individual and Consolidated 2014	2013
Fixed rate notes	Public	6/1/2017	US$125,000	8.75% p.a.	288,541	290,180
Financial bills	Private	6/12/2021	R$45,152	141.45% of CDI	55,388	51,322
Total					**343,928**	**341,502**

19. EQUITY

a) Capital

Pursuant to the bylaws, subscribed and paid-up capital totals R$1,112,259 and comprises 121,172,024 (June 30, 2013 – 110,842,313) registered shares, of which 65,178,483 (June 30, 2013 – 58,444,889) are common shares and 55,993,541 (June 30, 2013 – 52,397,424) are preferred shares with no par 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 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 par value. The amount of this capital increase is recorded in equity in the "Capital" account.

b) Capital reserve

The capital reserve, pursuant to the provisions of Law 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 their purpose, the percentage of net income to be allocated thereto and the maximum amount to be maintained in each such reserve is specified. The allocation of funds to these reserves should not be approved to the detriment of the mandatory dividend. The Institution established a statutory reserve of 100% of its net income, in the amount of R$26,945, after the transfer of 5% to the legal reserve of R$3,523, the deduction of the payment of interest on own capital of R$33,263 and dividends in the amount of R$ 6,737, to maintain the Institution's operating margin compatible with its asset transactions.

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 the variation in the long-term interest rate (TJLP) for the period. This interest on own capital decreased the expense for income tax and social contribution for the six-month period ended June 30, 2014 by R$13,305 (June 30, 2013 – R$12,278).

We present below the dividends and interest on own capital related to income for the six-month period:

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	30/6/2014	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 thousands of reais, unless otherwise stated)

In accordance with Letter Circular 3516/11, the proposed additional dividend in excess of the minimum dividend, in the amount of R$11,584 (June 30, 2013 – R$20,819) is classified in the "Revenue reserves" account.

We present below the reconciliation of dividends and interest on own capital for the six-month periods ended June 30, 2014 and 2013:

	2014	2013
Net income	70,468	84,216
Legal reserve	(3,523)	(4,211)
Calculation base	**66,945**	**80,005**
Interest on capital	33,263	30,696
Withholding tax – IRRF (15%)	(4,989)	(4,604)
Prepaid dividends	6,737	29,304
Amount proposed	**35,011**	**55,396**
% of calculation base	52.30%	69.24%

e) Treasury shares

At 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, as well as the payment of variable remuneration to the Institution's statutory directors, under the terms of Resolution 3921/11, without decreasing capital. Under this plan, 1,946,538 shares were repurchased in the amount of R$14,630 at an average cost of R$7.48. The authorization will be effective up to November 5, 2014.

At 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 3921/11, without decreasing capital. Under this plan, 124,256 shares were repurchased in the amount of R$1,053 at an average cost of R$8.43. The authorization will be effective up to September 27, 2014.

At June 30, 2014, 2,799,421 (June 30, 2013 – 1,296,149) of the Institution's own preferred shares were held in treasury in the amount of R$21,348 (June 30, 2013 – R$16,273). The market value of these shares corresponded to R$21,052 (June 30, 2013 – R$15,554).

f) Carrying value adjustments

	Individual and Consolidated	
	2014	2013
Available-for-sale financial assets	**(19,601)**	**(24,940)**
Marketable securities	(19,601)	(24,940)
Cash flow hedge	**(73)**	**-**
Hedged item	5,289	-
Hedging instrument	(5,362)	-
Other	**(8,632)**	**78**
Income tax	**11,358**	**9,977**
Total	**(16,948)**	**(14,885)**

20. STATEMENT OF OPERATIONS

a) Loan operations

	Individual		Consolidated	
	2014	2013	2014	2013
Advance to depositors	107	203	107	203
Income from loans	243,209	147,279	248,103	155,526
Income from financing	115,727	94,949	113,593	94,725
Total	**359,043**	**242,431**	**361,803**	**250,454**

b) Marketable securities

	Individual		Consolidated	
	2014	2013	2014	2013
Income / Expense from transactions with fixed-income securities (FIDC)	28,889	(1,039)	-	-
Income from transactions with fixed-income securities	162,507	174,052	186,416	190,431
Expense for transactions with fixed-income securities	(19,352)	(61,492)	(19,543)	(61,495)
Income from transactions with variable-income securities	9,839	11,912	-	-
Expense for variable-income securities	(328)	-	-	-
Total	**181,555**	**123,433**	**166,873**	**128,936**

c) Funds obtained in the market

	Individual		Consolidated	
	2014	2013	2014	2013
Expenses for interbank deposits	4,537	4,149	4,401	3,910
Expenses for time deposits	180,404	135,699	177,218	130,863
Expenses for purchase and sale commitments	20,553	52,917	22,698	55,700
Expense for (income from) securities issued abroad	(7,433)	56,563	(7,433)	56,563
Expenses for contribution to credit guarantee fund	7,782	8,073	7,782	8,073
Expenses for agribusiness letters of credit	22,801	11,191	22,801	11,191
Expenses for financial bills	38,623	26,820	38,623	26,820
Expenses for real estate letters of credit	14,361	494	14,361	494
Total	**281,628**	**295,906**	**280,451**	**293,614**

(In thousands of reais, unless otherwise stated)

d) Borrowings and onlendings

	Individual		Consolidated	
	2014	2013	2014	2013
Expenses for onlendings (BNDES)	21,362	17,800	21,362	17,800
Expenses for foreign onlendings	2,429	146	2,429	146
Expenses for payables to foreign bankers	15,509	73,017	15,509	73,017
Expenses for loans abroad	913	976	913	976
Total	**40,213**	**91,939**	**40,213**	**91,939**

e) Income from services rendered

	Individual		Consolidated	
	2014	2013	2014	2013
Credit facility fee	10,156	15,055	10,156	15,055
Commission on guarantees	21,669	18,160	21,669	18,160
Commission on intermediary services	4,801	8,740	11,548	25,232
Other	21	21	83	193
Total	**36,647**	**41,976**	**43,456**	**58,640**

f) Personnel expenses

	Individual		Consolidated	
	2014	2013	2014	2013
Salaries	27,581	27,991	30,272	29,141
Benefits	4,245	4,172	4,468	4,341
Social charges	9,594	9,282	9,919	9,663
Directors` fees	655	484	655	493
Training	124	136	138	142
Interns	174	195	196	212
Total	**42,373**	**42,260**	**45,648**	**43,992**

g) Other administrative expenses

	Individual		Consolidated	
	2014	2013	2014	2013
Water, electricity and gas	280	231	292	234
Rental	4,705	4,477	4,975	4,538
Leased assets	452	498	452	498
Communications	1,695	1,756	1,709	1,756
Maintenance and repair of assets	912	953	915	956
Materials	65	75	65	75
Data processing	4,381	4,215	4,601	4,233
Public relations	1,539	1,635	1,600	1,694
Insurance	110	67	118	67
Financial system services	8,228	7,413	9,006	7,547
Third-party services	1,336	1,665	1,851	1,805
Surveillance and security services	2,608	2,314	2,608	2,314
Specialized technical services	7,361	5,903	7,799	6,089
Transportation	618	716	626	725
Travel	1,212	1,282	1,279	1,402
Other administrative expenses	6,094	7,787	6,224	7,871
Amortization and depreciation	2,128	3,048	2,223	3,048
Total	**43,724**	**44,035**	**46,343**	**44,852**

h) Tax expenses

	Individual		Consolidated	
	2014	2013	2014	2013
Service tax (ISS)	2,474	2,038	2,758	2,878
Social contribution on revenues(COFINS)	1,533	1,631	1,791	2,212
Social integration program (PIS)	249	1,584	296	1,714
Other	533	442	569	609
Total	**4,789**	**5,695**	**5,414**	**7,413**

i) Other operating income

	Individual		Consolidated	
	2014	2013	2014	2013
Recovery of charges and expenses	750	755	750	759
Indexation - asset	632	1,410	642	1,438
Adjustment of judicial deposits	6,787	3,813	6,827	3,836
Reversal of provisions for labor, civil and tax proceedings	2,202	7,261	2,202	7,261
Other operating income	994	1,299	2,509	309
Reversal of provision for derivatives	3,728	-	3,728	-
Reversal of provision for FIDC	-	1,602	-	1,602
Total	**15,093**	**16,140**	**16,658**	**15,205**

(In thousands of reais, unless otherwise stated)

j) Other operating expenses

	Individual		Consolidated	
	2014	2013	2014	2013
Provision for labor and civil proceedings	423	-	423	-
Expense for assignment	1,315	6,811	1,315	6,811
Provision for FIDC	-	-	-	4,929
Expense for obligations for shares of investment funds	-	-	31,735	4,144
Other operating expenses	3,083	3,884	3,382	4,005
Total	**4,821**	**10,695**	**36,855**	**19,889**

k) Non-operating income (expense)

For the six-month period ended June 30, 2014, the amount of R$11,307 in the Individual and in the Consolidated (June 30, 2013 - R$5,026 in the Individual and Consolidated) corresponds mainly to the sale of assets received as payment in kind for the settlement of loan operations.

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	91,817	91,684	94,143	95,427
Interest on own capital	(33,263)	(30,696)	(33,263)	(30,696)
Income before taxation	**58,554**	**60,988**	**60,880**	**64,731**
Current rate	40%	40%	40%	40%
Expected expense for IRPJ and CSLL, based on current tax rate	(23,422)	(24,395)	(24,352)	(25,892)
Equity in the results of investees	(765)	-	-	-
Indemnity interest income	3,006	-	3,006	-
Different tax regimes in other companies	-	(253)	758	(254)
Other adjustments	(168)	17,180	(3,087)	14,935
Income tax and social contribution	**(21,349)**	**(7,468)**	**(23,675)**	**(11,211)**

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.

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.

For the six-month period ended June 30, 2014, variable remuneration was determined in the amount of R$12,960 (June 30, 2013 – R$13,116) and the expense for the same period was R$5,516 (June 30, 2013 - R$3,832) in accordance with the criteria defined in the new plan.

(In thousands of reais, unless otherwise stated)

	Individual and Consolidated	
Salaries and Fees of the Board of Directors and Executive Board	**2014**	**2013**
Fixed compensation	5,768	4,364
Variable compensation	12,960	13,116
Short-term benefits	2,577	1,519
Total	**21,305**	**18,999**

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 six-month period ended June 30, 2014, no compensation was paid to officers who left the Institution (June 30, 2013 – R$23).

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	**335,893**	**12,442**	**38,728**	**(1,039)**
Pine Crédito Privado - FIDC	5,196	12,442	4,215	(1,039)
FIP Rio Corporate	114,007	-	9,839	-
Pine Crédito Privado - FIDC Agro	216,690	-	24,674	-
Demand deposits	**2,760**	**449**	**-**	**-**
Pine Investimentos	2,175	298	-	-
Pine Comercializadora de Energia Elétrica	1	-	-	-
Pine Corretora	7	4	-	-
Pine Assessoria	434	6	-	-
Pine Assessoria em Comercialização de Energia	10	6	-	-
Pine Planejamento Ltda	13	7	-	-
IRE VII Desenvolvimento Imobiliário Ltda	99	-	-	-
Administradores e familiares imediatos [(1)]	21	128	-	-
Interbank deposits	**1,680**	**5,037**	**(136)**	**(239)**
Pine Investimentos	1,680	5,037	(136)	(239)
Time deposits	**54,444**	**186,711**	**(3,224)**	**(6,687)**
Pine Investimentos	36,082	29,025	(1,766)	(994)
Pine Comercializadora de Energia Elétrica	755	82,441	(98)	(2,976)
Pine Corretora	232	228	(12)	(8)
Pine Assessoria	2,821	35,912	(854)	(1,258)
Pine Planejamento Ltda	2,808	14,885	(456)	(347)
Pine Assessoria em Comercialização de Energia	23	41	(1)	(1)
IRE VII Desenvolvimento Imobiliário Ltda	-	12,471	-	(145)
Administradores e familiares imediatos [(1)]	11,723	11,708	(37)	(958)
Funds obtained in the open market	**176,473**	**-**	**(2,146)**	**-**
Pine Investimentos	143,849	-	(3,354)	-
Pine Crédito Privado - FIDC Agro	30,697	-	1,208	-
IRE VII Desenvolvimento Imobiliário S/A	1,927	-	-	-

(1) These amounts are not consolidated.

c) Capital ownership

The following table presents the direct investment in common and preferred shares, at June 30, 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	29.45	82,389,072	66.65
Board of Directors	-	-	3,736,574	6.39	3,736,574	3.02
Executive Officers	-	-	3,186,610	5.46	3,186,610	2.58
Total	**65,178,483**	**100.00**	**24,133,773**	**41.30**	**89,312,256**	**72.25**

						2013
Stockholders	**Common shares**	**Common shares(%)**	**Preferred shares**	**Preferred shares (%)**	**Total shares**	**Total shares(%)**
Individuals	51,886,766	100.00	15,595,863	33.21	67,482,629	68.27
Board of Directors	-	-	3,007,439	6.40	3,007,439	3.04
Executive Officers	-	-	2,083,458	4.44	2,083,458	2.11
Total	**51,886,766**	**100.00**	**20,686,760**	**44.05**	**72,573,526**	**73.42**

23. COMMITMENTS, GUARANTEES AND OTHER INFORMATION

	2014	**2013**
Sureties and guarantees	2,941,178	2,806,972
Credit assignment with coobligation	-	83
Letter of credit	4,123	154,639
Total	**2,945,301**	**2,961,694**

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 six-month period ended June 30, 2014, the amount of this contribution was R$192 (June 30, 2013 – R$186).

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 risks arising from the use of financial instruments which are continuously measured and monitored and has an analysis framework comprising directors, a council and a committee responsible for assessing the following risks:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Risk management framework

The Board of Directors is responsible for identifying and controlling risks; however, there are other independent areas which are also responsible for managing and monitoring risks.

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.

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:

(In thousands of reais, unless otherwise stated)

• Maturity mismatches between payment and receipt flows Group wide.

• 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, Liquidity and P&L 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.

The Market Risk to which an institution is exposed is mainly due to three factors: a) exposure – amount exposed to risk; b) sensitivity – the impact of price fluctuations; and c) variation – 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 variation 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, Liquidity and P&L 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 at June 30, 2014:

		Sensitivity analysis		
		2014		
		Scenarios		
Risk Factor	**Exposure**	**Probable(I)**	**Possible (II)**	**Remote (III)**
Fixed interest rate (PRE)	Fixed interest rate variations	164	(20)	(40)
General Market Price index (IGPM)	IGPM coupon variations	240	(509)	(1,018)
Price index (IPCA)	IPCA coupon variations	252	(6,868)	(13,737)
Long-term interest rate (TJLP)	TJLP variations	16	1,289	2,577
US dollar coupon rate	Exchange coupon variation	6,750	(3,651)	(7,302)
Other currency coupon rates	Exchange coupon variation	38	87	175
Offshore rates (LIBOR + other Offshore)	Offshore rate variations	369	6,538	13,061
Currencies	Change in exchange variation	(15)	(407)	(814)
			-	-
Total (uncorrelated sum)*		**(7,882)**	**(19,385)**	**(38,771)**
Total (correlated sum)**		**7,814**	**(3,541)**	**(7,098)**

*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.

(In thousands of reais, unless otherwise stated)

Scenarios	
Scenario I - Probable	Scenario comprising the variation in market factors between June 30, 2014 and July 7, 2014 (variation in the fixed rate from 10.91% to 10.92% in a 1-year curve and from 11.68% to 11.61% in a 3-year curve, variation in the US dollar from 2.2025 to 2.2228 and in the exchange coupon from 0.65% to 1.27% 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)	10.91%	25%	13.63%
General Market Price index (IGPM)	5.47%	25%	6.84%
Price index (IPCA)	4.86%	25%	6.08%
Long-term interest rate (TJLP)	5.54%	25%	6.92%
US dollar coupon rate	0.65%	25%	0.81%
Other currency coupon rate	1.02%	25%	1.28%
LIBOR - USD	0.55%	25%	0.68%
LIBOR Other currencies	0.17%	25%	0.21%
Currencies	2.2025	25%	2.7531

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)	10.91%	50%	16.36%
General Market Price index (IGPM)	5.47%	50%	8.21%
Price index (IPCA)	4.86%	50%	7.29%
Long-term interest rate (TJLP)	5.54%	50%	8.31%
US dollar coupon rate	0.65%	50%	0.97%
Other currency coupon rate	1.02%	50%	1.53%
LIBOR - USD	0.55%	50%	0.82%
LIBOR Other currencies	0.17%	50%	0.26%
Currencies	2.2025	50%	3.3038

* 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.

At June 30, 2014, the Institution's Basel ratio was 13.66% (June 30, 2013 – 16.96%), calculated based on the consolidated financial information.

Basel III (1)	2014	2013
	Basel III(1)	**Basel II**
Tier I reference equity	**1,255,861**	**1,273,506**
Capital	**1,255,861**	**1,273,506**
Equity	1,269,929	1,258,542
(-) Prudential adjustments (2)	(14,068)	-
Mark-to-market adjustments	-	14,964
Tier II reference equity	**151,759**	**198,699**
Subordinated debt	151,759	213,663
Mark-to-market adjustments	-	(14,964)
Reference equity (PR)	**1,407,620**	**1,472,205**
Risk-weighted assets – RWA (3)	**10,303,345**	**8,679,300**
Credit risk	9,336,628	7,844,300
Market risk	779,147	759,473
Operational risk	187,570	75,527
Basel ratio - %	**13.66%**	**16.96%**
Tier I capital	**12.19%**	**14.67%**
Capital	12.19%	14.67%
Tier II capital	**1.47%**	**2.29%**

(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

(3) For comparison purposes, the allocation of minimum required capital for the prior period was adjusted, since the amounts corresponding to "Risk-weighted assets - RWA" are now being disclosed.

(In thousands of reais, unless otherwise stated)

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 days after August 29, 2014

g) Equity to fixed assets ratio

In accordance with BACEN Resolution 2286/96, the equity to fixed assets ratio is limited to 50.0%. At June 30, 2014, the equity to fixed assets ratio was 2.23% (June 30, 2013 –

27. OTHER INFORMATION

a) Law 12973

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 at June 30, 2014 is as follows:

Items	Type of coverage	Insured amount
Directors and Officers Liability (D&O)	Civil liability for directors and officers	20,000
Vehicles	Fire, robbery and collision for 18 vehicles	2,603
Buildings, machines, furniture and fixtures	Any material damage to facilities, machinery and equipment	12,000
Bankers insurance	Cash	300
Aircraft insurance	Aircraft-part guarantees	624

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			
	Rate	Term	2014	2013
Expense for leased assets				
Machinery and equipment leasing	4.24%	3	452	498
Total		**3**	**452**	**498**

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 amount
Assets		
Short-term interbank investments(i)	1,145,732	1,145,732
Loan operations (ii)	5,574,572	5,590,219
Other receivables(ii)	849,747	848,377
Total financial assets	**7,570,051**	**7,584,328**
Liabilities		
Demand deposits (iii)	40,778	40,778
Interbank deposits (iii)	79,729	79,729
Time deposits (iv)	3,009,313	3,009,444
Funds from acceptance and issuance of securities (iv)	1,624,973	1,626,747
Borrowings and onlendings (iv)	2,608,561	2,595,134
Subordinated debt (iv)	343,875	342,048
Total financial liabilities	**7,707,229**	**7,693,880**

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

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

ii) The loan operations and other receivables are measured net of the allowance for loan losses. The fair value of these operations represents the discounted value of the expected future cash flows. The expected cash flows are discounted at current market rates to determine their fair value.

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

iv) 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. At June 30, 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, for the period from January to June 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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