

(Convenience translation into English from the Original previously issued in Portuguese)

Individual and Consolidated Financial Statements under BRGAAP for the years ended December 31, 2012 and 2011, for the Six-Months ended December 31, 2012 and the Independent Auditor's Report.

Banco Pine S.A.

PricewaterhouseCoopers Independent Auditors



PINE

(A free translation of the original in Portuguese)

Independent Auditor's Report

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

We have audited the accompanying financial statements of Banco Pine S.A. (the "Institution") standing alone, which comprise the balance sheet as at December 31, 2012 and the statements of operations, changes in equity and cash flows for the year and six-month period then ended, as well as the accompanying consolidated financial statements of Banco Pine S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2012, and the consolidated statements of operations, changes in equity and cash flows for the year and six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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

Banco Pine S.A.

our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Banco Pine S.A. standing alone and of Banco Pine S.A. and its subsidiaries as at December 31, 2012, and the Institution's financial performance and cash flows, as well as the consolidated financial performance and cash flows, for the year and six-month period then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

Other matters

Statement of value added

We have also audited the Institution's and the consolidated statements of value added for the year and six-month period then ended December 31, 2012, prepared under management's responsibility, the presentation of which is required by Brazilian corporate legislation for listed companies. These statements were subjected to the same audit procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

São Paulo, February 6, 2013

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Edison Arisa Pereira
Contador CRC 1SP127241/O-0

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

**SUMMARY OF THE AUDIT COMMITTEE REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012**

The Audit Committee of Banco Pine S/A and its subsidiaries were established in March 2012, in compliance with the regulations set forth by the Central Bank of Brazil (Bacen) and the Brazilian Securities and Exchange Commission (CVM).

As determined by the Bylaws of Banco Pine S/A and its Internal Regulations (available at the website www.pine.com/ir), the Committee is incumbent upon to ensure (i) the quality and integrity of financial statements; (ii) the compliance with legal and regulatory requirements; (iii) the activities, independence and quality of the independent audit firm's works; (iv) the activities, independence and quality of the Internal Audit's works; and (v) the quality and effectiveness of internal and risk management controls.

The Management is responsible for the preparation of the financial statements of Banco Pine S/A and Banco Pine S/A and its subsidiaries – ("Consolidated") in accordance with Brazilian accounting practices applicable to institutions whose operations are authorized by Bacen. The 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's operation risks and (iii) supervising internal control and compliance activities.

Independent Audit is responsible for examining the financial statements and issuing the 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 internal and risk management controls and the compliance of processes with Management's rules and procedures.

The Committee's activities during 2012:

The Committee held 13 meetings with Banco Pine S/A and its subsidiaries ("PINE") core areas, including business, credit, internal control and compliance, risk management, operations, controllership, accounting and information technology areas.

The Audit Committee's 2012 Work Plan consisted of organizing Committee's activities, due to its implementation in March, as well as supervising the operations, processes and systems inherent to PINE'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.

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.

Internal Control Systems:

According to schedule and work plan for the year ended December 31, 2012, the Committee was informed on PINE'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'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'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. The Report on Risk Management activities during 2012 was also discussed and approved by the Committee.

Independent Auditor:

The Committee and the Independent Audit – PricewaterhouseCoopers (PwC) – held meetings to approve the Quarterly Financial Information (ITR) and the Half-Year and Annual Financial Statements. 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'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 recommends 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 year ended **December 31, 2012**.

São Paulo, February 6, 2013

Maurício Mauro

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

William Pereira Pinto

Specialist Member

Tadeu Machado Zica

Member Representing Non-controlling Shareholder

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

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

STATEMENT OF THE MANAGEMENT ON FINANCIAL STATEMENTS

After the Company's Financial Statements analysis, related to the period ended on December 31, 2012, accompanied by the Management Report, the balance sheet, other parts of the Financial Statements, the Independent Auditors Report and the Audit Committee Report ("Financial Statements"), the members of the Executive Management, pursuant to the Article 25, Paragraph 1, section VI, of the CVM Instruction nº480, from February 7, 2009, DECLARE THAT the Financial Statements were discussed, revised and agreed.

São Paulo, February 6, 2013.

Members of the Executive Management

Noberto Nogueira Pinheiro Junior
Alexandre Eduardo Vasarhelyi
Gabriela Redonda Chiste
Harumi Susana Ueta Waldeck
Norberto Zaiet Junior
Sergio Luis Patricio
Ulisses Marcio Alcantarilla
Angela Maria Lellis Martins
Gustavo Gierum
Rodrigo Esteves Pinheiro
Marco Antonio de Paulo Maciel
Welinton Gesteira Souza
Jefferson Dias Micelli
Paulo Augusto Luz Ferreira Saba
Luiz Eduardo Marinho da Silva Oliveira
Paulo Roberto Schiavon de Andrade
João Vicente Peregrino de Brito

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

STATEMENT OF THE MANAGEMENT ON THE INDEPENDENT AUDITORS REPORT

After the Company's Financial Statements analysis, related to the period ended on December 31, 2012, accompanied by the Management Report, the balance sheet, other parts of the Financial Statements, the Independent Auditors Report and the Audit Committee Report, the members of the Executive Management, pursuant to the Article 25, Paragraph 1, section V, of the CVM Instruction nº480, from February 7, 2009, DECLARE THAT the opinion expressed in the Independent Auditors Report was discussed, revised and agreed.

São Paulo, February 6, 2013.

Members of the Executive Management

Noberto Nogueira Pinheiro Junior
Alexandre Eduardo Vasarhelyi
Gabriela Redonda Chiste
Harumi Susana Ueta Waldeck
Norberto Zaiet Junior
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MANAGEMENT REPORT

PINE - 2012

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 twelve-month period ended December 31, 2012.

1- MESSAGE FROM THE MANAGEMENT

Dear shareholders, investors, clients, and analysts,

2012 witnessed another year of important achievements and excellent results. We celebrated the 5th anniversary of our IPO and the fifteenth anniversary of the Bank. It was a superior year in terms of PINE's individual and relative performance. It has been five years of a solidly grounded strategy, with continuous investments in the complete and long-term coverage of our corporate clients and investors, in the Bank's product portfolio and in human capital. As a result, we continued to successfully reap the benefits of our consolidated strategy. Our shareholders' equity exceeded R\$1.2 billion, while net income surpassed R\$187 million, which represents a ROAE of approximately 17%.

An important milestone in 2012 was the capital increase, divided into two phases. It was in excess of R\$170 million, thanks to the participation of DEG, Proparco, management, minority shareholders, and the controlling shareholder. This capital increase represents not only the commitment of PINE's shareholders and management to its fundamentals, but also the belief that the growth strategy is sustainable.

On the funding side, in the first half of the year, we carried out our first public offering of financial bills, totaling R\$313 million, and in the second half we issued a further R\$200 million. In the third quarter we raised a R\$30 million with a 7-year term through the Global Climate Partnership Fund (GCPF), managed by Deutsche Bank. GCPF is a public-private partnership dedicated to mitigating climate change in emerging and developing markets. The cooperation with GCPF is in line with PINE's strategy to contribute to the sustainable economic growth in Brazil, especially in the areas of sustainable energy, infrastructure and agribusiness. In December, we concluded our first funding transaction in Chile, under the modality denominated *Huaso Bond*, in the total of approximately US\$73 million. This was the first funding transaction of its kind to be carried out in the Chilean market by a non Spanish speaking entity. Yet during the 4Q12, we concluded our second funding transaction with Al Rajhi Bank, also with the participation of Commerzbank, JP Morgan, and Citigroup.

Our corporate loan portfolio is currently more diversified, with a wider range of products, beyond the traditional working capital transactions, strengthening even more our cross sell strategy. Derivative products for clients grew substantially and we were once again ranked among the 15 largest players in derivatives and the second largest in commodity derivatives for clients according to Cetip. Through PINE Investimentos, we carried out transactions in the capital market, financial advisory, M&A, project and structured finance areas. Our fixed-income underwriting transactions exceeded R\$1 billion, and, as a result, PINE was ranked 9th in number of transactions and 11th in financial volume, based on the fixed income origination ranks by Anbima.

In March, we migrated to the BM&FBOVESPA's corporate governance level 2 listing segment. This transition reflects PINE's commitment to transparency, creating value for its stakeholders, and was a natural step, as the Bank already met many of this segment's requirements.

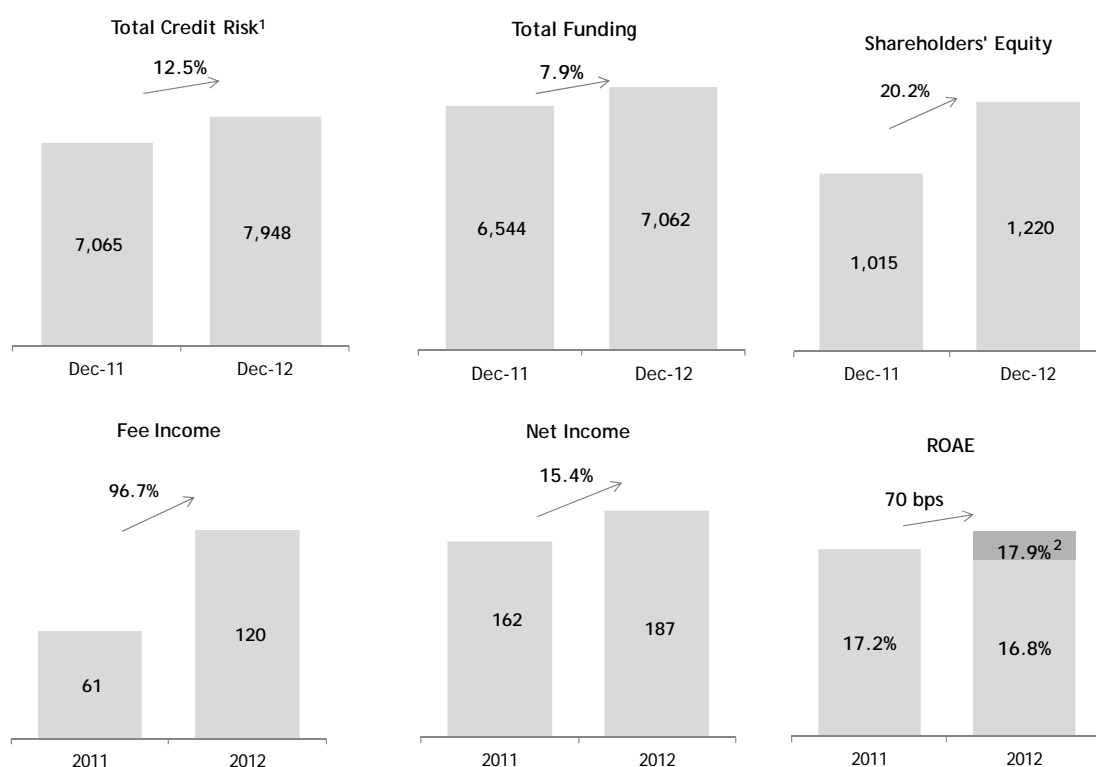
In October PINE joined the Global Compact, a UN initiative designed to mobilize the corporate community to adopt values related to human rights, work relations, environment and corruption prevention in its business practices. In December we adhered to the Equator Principles, which apply to project finance transactions in excess of US\$10 million. These principles are based on health, safety and environmental guidelines. We are the first and only bank of our size to adhere to the Equator Principles.

In November we opened our first U.S. subsidiary, PINE Securities USA LLC, a subsidiary dedicated to capital markets and research. PINE's geographical scope expansion will provide more accurate information on the Brazilian market to foreign clients and ease the access of Brazilian corporate clients to global investors. This is another of PINE's initiatives geared towards the offer of a complete service portfolio and the building of long-term ties with clients, investors and the market in general.

The bank's continuous growth was reflected in improved ratings and market recognition. The International Finance Corporation (IFC), the World Bank's agency for private programs, recognized PINE as the best issuer of transactions focused on energy efficiency. In August Moody's upgraded PINE's outlook to positive. According to the agency, the positive outlook reflects its growing franchise and profitability through a well-executed strategy, which has ensured earnings recurrence. The rating action also captures the bank's improved funding diversification, well managed asset quality metrics and good liquidity and capital management.

We are proud of our achievements in 2012 and began 2013 optimistic, expecting a positive recovery of the global economy, with the maintenance of the growth rates in Asia, a positive resolution to the European region and growth acceleration in the North American and Brazilian economies. We will continue to invest in the full coverage of our clients and in our team, increasing the portfolio of products and services and maintaining very close relationships with each one of them.

2- PERIOD HIGHLIGHTS



¹ Includes Letters of Credit to be used, Bank Guarantees, Credit Securities to be Received and Private Securities (bonds, DRIs, eurobonds and fund shares)

² Excludes capital increase of R\$139.6 million incorporated into shareholders equity in September 2012

3- CORPORATE PROFILE

PINE is a wholesale bank focused on long-term relationships with large companies. The bank offers Credit, including Working Capital, Onlending lines from BNDES and Multilateral Organizations, Trade Finance, Bank Guarantees, as well as hedging products (Fixed Income, Currencies, and Commodities), Capital Markets, Financial Advisory Services and Project & Structured Finance.

PINE has a broad client relationship network in various industries, such as sugar and ethanol, infrastructure, electric and renewable energy, agriculture, and others.

4- PERFORMANCE

Result Highlights

With the capital increase announced in August, PINE surpassed R\$1.2 billion in Shareholders' Equity, 20.2% higher when compared to December 2011. Annualized Return on Average Equity (ROAE) ended 2012 at 16.8%. Net income for the year was R\$187 million, a 15.4% YoY increase.

	2012	2011	Δ%
Earnings and Profitability			
Net Income (R\$ millions)	187	162	15.4%
Annualized ROAE	16.8%	17.2%	-40 bps
Balance Sheet (R\$ millions)			
Total assets	10,406	11,144	-6.6%
Loan Portfolio ¹	7,948	7,065	12.5%
Total deposits ²	3,716	3,794	-2.1%
Funding	7,062	6,544	7.9%
Shareholders' equity	1,220	1,015	20.2%
Credit portfolio quality			
Non performing loans - 90 days	0.6%	0.2%	40 bps
Credit coverage	3.3%	3.4%	-10 bps
Performance			
BIS ratio	16.2%	18.5%	-230 bps
Earnings per share ³ (R\$)	1.73	1.87	-7.5%
Book value per share ³ (R\$)	11.23	11.72	-4.2%

¹Includes Letters of Credit to be used, Bank Guarantees, Credit Securities to be Received and Private Securities (bonds, CRIs, eurobonds and fund shares)

²Includes Agribusiness and Real Estate Letters of Credit.

³It considers 108,631,100 stocks for 2012 and 86,577,870 stocks for 2011

Loan Portfolio

Total credit risk, which includes Letters of Credit, Bank Guarantees, Negotiable Instruments Receivable and Private Securities, reached R\$7,948 million in December 2012, increasing 12.5% YoY. We highlight the bank guarantees' growth, which was positively impacted by the inclusion of the new product "*Fiança BNDES*", offered to PINE clients since September 2012, with a 25.3% growth in the year, surpassing R\$2,114 million.

The Loan Portfolio Coverage Ratio was 3.3% in December 2012, compared to 3.4% in December 2011.

FICC

FICC (Fixed Income, Commodities and Currencies) business provides risk management products and hedging solutions on interest rates, currencies, and commodities 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), swaps and some options-based structures.

According to the ranking compiled by CETIP - OTC Clearing House (CETIP) published in December 2012, PINE is one of the 15 largest players in derivative transactions for clients and the 2nd largest player in commodities derivatives transactions for clients. Since 2011, PINE presents prominent position in this ranking.

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 2012, PINE Investimentos led and structured more than R\$1.0 billion in fixed income transactions, through its different areas of expertise. The transaction volume increased 21.5% compared to 2011. During 2012, PINE Investimentos posted recurring results and executed transactions in Capital Markets, Project Finance and M&A, consolidating its strategy. In December, PINE ranked 9th in origination by number of transactions and 11th by financial volume, according to the Brazilian Financial and Capital Markets Association (Anbima).

Funding

Total funding stood at R\$7,062 million in December 2012, increasing 7.9% from December 2011. The balance of time deposits, including Agribusiness Credit Notes (LCA) and Real Estate Credit Notes (LCI), reached R\$3,565 million, in line with the same period of 2011. The average weighted term of deposits was 11 months, while the average term of funding transactions was 17 months.

On December 13, 2012, PINE concluded its first funding in Chile, under the modality denominated Huaso Bond. The transaction amounted to UF1.5 million, roughly US\$73 million, with a 5-year term. Celfin Capital and JPMorgan acted as book runners. This was the first funding transaction, under the Huaso Bond modality, issued by a Brazilian company in the Chilean market. Yet during the 4Q12, PINE concluded its 2nd Islamic format issuance with Al Rajhi Bank, also with the participation of Commerzbank, JP Morgan, and Citigroup.

PINE maintains a conservative policy regarding its liquidity position. During the 4Q12, the deposits growth, the financial bills and the Huaso Bond issuances raised PINE's cash position to R\$1.8 billion, equivalent to 50% of time deposits. This position is above the policy of maintaining the cash position around 30% of the deposits.

In the international arena, PINE maintained its base of correspondent banks at around 60 institutions. These institutions include banks in various countries and multilateral agencies such as DEG, Proparco, IFC, IDB and FMO.

Asset and Liability Management

In accordance with PINE's asset and liability management, funding sources are aligned in terms of maturity and cost with their respective credit transactions. While the weighted average maturity of the loan portfolio is 14 months, the funding period is 17 months, which ensures a comfortable situation for the Bank. This positive liquidity gap has been maintained for over 30 months.

Capital Adequacy Ratio (BIS)

In the quarter, the capital adequacy ratio (BIS) reached 16.2%, well above the minimum rate required by the Brazilian regulation (11%). The ratio includes the capital increase of R\$139.6 million, which was incorporated into Shareholders' Equity in September.

5- ORIENTATION NETWORK

Headquartered in São Paulo, SP, with a presence in Brazil's major cities and business capitals, Curitiba, Porto Alegre, Recife, Fortaleza, Rio de Janeiro, Belo Horizonte, Campinas, Ribeirão Preto, and São José do Rio Preto. PINE's origination network is further complemented by its location in the Cayman Islands and New York. PINE's business strategy does not depend on an extensive branch network, since the team is organized regionally and the Bank constantly monitors and visits its clients. This leads to substantial benefits in its fixed-cost structure.

6- 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. PINE had 424 employees by the end of December 2012.

7- 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 one external member 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
- ✓ Compensation and Audit committees, which report directly to the Board of Directors

8- INTEREST ON EQUITY AND DIVIDENDS

On January 11, 2013, PINE paid a total of R\$29.9 million as dividends and interest on own capital, which corresponds to a gross payout per share of R\$0.28. Of this total, R\$16.1 million represents interest on own capital and R\$13.8 million, dividends. During 2012, PINE distributed a total of R\$60.2 million of interest on own capital and R\$39.7 million of dividends, representing a dividend yield of 6.4%. Since 2008, PINE has distributed Dividends/Interest on own capital quarterly.

9- MARKET RECOGNITION

According to the “Melhores e Maiores” ranking compiled by Exame magazine, PINE is the 15th largest bank in Brazil offering corporate credit, 9th in credit to larger companies, and 5th in wealth generated per employee.

10- 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 (tel: +55-11-3372-5343, e-mail: ir@pine.com).

11- SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

PINE knows that being socially and environmentally responsible means above all acting ethically in all areas and contributing through its business to the economic development of society to assure that all resources are used sustainably. Each year, PINE expands its social activities by increasing the number of projects it sponsors in the cultural, sports, educational, and social areas.

Equator Principles

On December 11, 2012, PINE adopted the Equator Principles, which are principles applied to Project Finance transactions in excess of US\$10 million and are based on International Finance Corporation Performance Standards on social and environmental sustainability and on the World Bank Group Environmental, Health, and Safety Guidelines (EHS Guidelines).

12- RATINGS

		STANDARD & POOR'S	FitchRatings KNOW YOUR RISK	Moody's.com	RISKbank
Foreign and Local Currency	Long Term	BB+	BB	Ba2	-
	Short Term	B	B		-
	Long Term	BB+	BB	Ba2	-
	Short Term	B	B		-
National	Long Term	brAA	A+(bra)	A1.br	10.49
	Short Term		F1(bra)	Br-1	

13- PINE STOCK (PINE4)

In 4Q12, PINE repurchased 600,000 of its own shares. These shares are currently held in treasury and will be used as compensation for executive officers, in accordance with Brazilian Monetary Council Resolution 3,921. At the end of the quarter, the total amount held in treasury was 994,840 shares.

14- EXTERNAL AUDITORS

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.

15- SUBSEQUENT EVENTS

On February 5, 2013, the regulatory period to exercise the subscription rights and leftovers referred to the Proparco capital increase began, Proparco will subscribe a total of R\$26,954,999.40 at a price of R\$14.28 per share. In this period, it will be issued, a minimum of 1,887,605 and a maximum of 6,030,087 shares in case all minority shareholders subscribe.

The Management

(A free translation of the original in Portuguese)



BANCO PINE S.A. AND SUBSIDIARIES
BALANCE SHEETS AT DECEMBER 31, 2012 AND 2011
(In thousands of reais)

ASSETS	Note	Individual		Consolidated	
		2012	2011	2012	2011
CURRENT ASSETS		7,966,113	8,488,630	7,996,043	8,531,220
Cash	4.	126,111	114,008	126,111	114,010
Short-term interbank investments	5.	397,584	473,049	404,587	490,817
Open market investments		279,205	181,027	286,208	198,795
Interbank deposits		100,299	267,585	100,299	267,585
Foreign currency investments		18,080	24,437	18,080	24,437
Marketable securities and derivative financial instruments		3,914,354	4,687,695	3,934,238	4,710,264
Own portfolio	6. a)	1,815,047	1,152,901	1,834,931	1,175,470
Subject to repurchase agreements	6. a)	1,847,955	3,205,733	1,847,955	3,205,733
Derivative financial instruments	6. b)	180,232	143,115	180,232	143,115
Restricted deposits - Brazilian Central Bank	6. a)	-	45,392	-	45,392
Subject to guarantees	6. a)	71,120	140,554	71,120	140,554
Interbank accounts		1,435	12,678	1,435	12,678
Restricted deposits:					
Brazilian Central Bank		1,435	12,678	1,435	12,678
Loan operations	7.	2,549,888	2,385,747	2,549,888	2,385,747
Loan operations - private sector		2,664,448	2,490,107	2,664,448	2,490,107
Loan operations - public sector		5,966	18,362	5,966	18,362
Allowance for loan losses		(120,526)	(122,722)	(120,526)	(122,722)
Other receivables		796,143	755,926	799,186	758,177
Foreign exchange portfolio	8.	522,796	602,419	522,796	602,419
Income receivable		18,867	11,940	18,867	11,940
Negotiation and intermediation of securities		41,898	30,275	41,898	30,275
Sundry	9.	216,719	124,513	219,762	126,764
Allowance for other loan losses	7. d)	(4,137)	(13,221)	(4,137)	(13,221)
Other assets		180,598	59,527	180,598	59,527
Non-operating assets		176,279	58,017	176,279	58,017
Prepaid expenses		4,319	1,510	4,319	1,510
LONG-TERM RECEIVABLES		2,285,451	2,411,985	2,378,588	2,602,202
Interbank investments	5.	-	5,253	-	5,253
Interbank deposits		-	5,253	-	5,253
Marketable securities and derivative financial instruments		386,334	519,938	326,603	414,724
Own portfolio	6. a)	229,233	342,721	169,502	237,507
Derivative financial instruments	6. b)	157,101	177,217	157,101	177,217
Loan operations	7.	1,459,023	1,560,452	1,609,039	1,853,621
Loan operations - private sector		1,520,512	1,593,070	1,672,130	1,886,239
Loan operations - public sector		338	4,269	338	4,269
Allowance for loan losses		(61,827)	(36,887)	(63,429)	(36,887)
Other receivables		429,515	315,086	432,367	317,348
Income receivable		27,435	24,330	27,435	24,330
Deposits in guarantee	16. (b) (c)	197,491	181,448	199,189	182,910
Sundry	9.	204,751	109,548	205,905	110,348
Allowance for other loan losses		(162)	(240)	(162)	(240)
Other assets		10,579	11,256	10,579	11,256
Prepaid expenses		10,579	11,256	10,579	11,256
PERMANENT ASSETS		188,882	124,473	31,021	10,105
Investments		157,863	114,677	-	159
Investments in local subsidiaries	10.	157,863	114,520	-	-
Other investments		-	157	-	159
Property and equipment in use	11. a)	28,966	7,395	28,968	7,471
Facilities, furniture and equipment in use		13,652	14,045	13,652	14,045
Other fixed assets in use		28,645	4,792	28,647	4,901
Accumulated depreciation		(13,331)	(11,442)	(13,331)	(11,475)
Intangible assets	11. b)	2,053	2,401	2,053	2,475
Expenses for acquisition and development of software		9,450	9,072	9,915	9,537
Accumulated amortization		(7,397)	(6,671)	(7,862)	(7,062)
TOTAL ASSETS		10,440,446	11,025,088	10,405,652	11,143,527

BANCO PINE S.A. AND SUBSIDIARIES
BALANCE SHEETS AT DECEMBER 31, 2012 AND 2011
(In thousands of reais)

LIABILITIES AND EQUITY	Note	Individual		Consolidated	
		2012	2011	2012	2011
CURRENT LIABILITIES		5,724,010	6,925,245	5,708,159	6,891,325
Deposits	12.	1,898,520	1,861,636	1,878,417	1,821,671
Demand deposits		30,134	112,415	30,053	111,826
Interbank deposits		108,932	117,637	108,932	97,827
Time deposits		1,759,454	1,631,584	1,739,432	1,612,018
Funds obtained in the open market	13.	1,832,661	3,190,416	1,832,661	3,190,416
Own portfolio		1,832,661	3,190,416	1,832,661	3,190,416
Funds from acceptance and issuance of securities	18.	499,593	451,008	499,593	451,008
Real estate letters of credit		11,965	3,581	11,965	3,581
Agribusiness letters of credit		377,368	283,606	377,368	283,606
Financial bills		1,101	5,256	1,101	5,256
Securities issued abroad		109,159	158,565	109,159	158,565
Interbank accounts	14.	37	6,366	37	6,366
Correspondent banks		37	6,366	37	6,366
Interdepartmental accounts		22,425	2,422	22,425	2,422
Third-party funds in transit		22,425	2,422	22,425	2,422
Borrowings and onlendings	17.	1,225,474	1,235,614	1,225,474	1,235,614
Local borrowings - other institutions		-	2,012	-	2,012
Foreign borrowings		892,862	932,878	892,862	932,878
Local onlendings - official institutions		322,376	299,600	322,376	299,600
Foreign onlendings		10,236	1,124	10,236	1,124
Derivative financial instruments	6. b)	77,060	74,027	77,060	74,027
Derivative financial instruments		77,060	74,027	77,060	74,027
Other liabilities		168,240	103,756	172,492	109,801
Collection and payment of taxes and similar	15. a)	936	1,182	936	1,182
Foreign exchange portfolio	8.	75,133	390	75,133	390
Social and statutory payables		9,018	11,161	9,018	11,161
Tax and social security contributions	15. b)	30,075	21,193	33,983	27,145
Negotiation and intermediation of securities		4,575	11,222	4,575	11,222
Subordinated debt	19.	12,342	11,564	12,342	11,564
Sundry	15. c)	36,161	47,044	36,505	47,137
Other		36,161	47,044	36,505	47,137
LONG-TERM LIABILITIES		3,440,419	3,034,355	3,421,476	3,183,730
Deposits	12.	1,577,218	1,741,176	1,440,579	1,661,858
Interbank deposits		21,221	8,752	12,068	8,058
Time deposits		1,555,997	1,732,424	1,428,511	1,653,800
Funds from acceptance and issuance of securities	18.	792,470	204,088	792,470	204,088
Agribusiness letters of credit		7,830	23,449	7,830	23,449
Financial bills		573,164	17,746	573,164	17,746
Securities issued abroad		211,476	162,893	211,476	162,893
Borrowings and onlendings	17.	631,237	637,251	749,972	865,543
Local borrowings - other institutions		-	-	118,735	228,292
Foreign borrowings		61,305	3,958	61,305	3,958
Local onlendings - official institutions		569,932	567,661	569,932	567,661
Foreign onlendings		-	65,632	-	65,632
Derivative financial instruments	6. b)	23,333	39,371	23,333	39,371
Derivative financial instruments		23,333	39,371	23,333	39,371
Other liabilities		416,161	412,469	415,122	412,870
Tax and social security contributions	15. b)	77,290	59,681	77,853	60,081
Subordinated debt	19.	304,930	292,655	304,930	292,655
Sundry	15. c)	33,941	60,133	32,339	60,134
Provision for contingent liabilities	16. c)	22,963	48,292	22,963	48,292
Other		10,978	11,841	9,376	11,842
DEFERRED INCOME		56,071	50,407	56,071	53,391
EQUITY	20.	1,219,946	1,015,081	1,219,946	1,015,081
Capital		935,683	796,045	935,683	796,045
Local residents		842,654	723,551	842,654	723,551
Foreign residents		93,029	72,494	93,029	72,494
Capital reserves		11,685	14,032	11,685	14,032
Revenue reserves		267,192	179,739	267,192	179,739
Proposed additional dividend		18,559	26,726	18,559	26,726
Carrying value adjustments		(423)	(1,461)	(423)	(1,461)
Treasury shares		(12,750)	-	(12,750)	-
TOTAL LIABILITIES AND EQUITY		10,440,446	11,025,088	10,405,652	11,143,527

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 YEARS ENDED DECEMBER 31, 2012 AND 2011

AND FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2012

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



	Note	Individual		Consolidated			
		2nd six-	2012	2011	2nd six-	2012	2011
		month period	YTD	YTD	month period	YTD	YTD
INCOME FROM FINANCIAL INTERMEDIATION		507,829	1,212,298	1,368,381	517,106	1,236,601	1,400,572
Loan operations	21.a)	238,321	513,096	632,909	251,838	547,573	658,090
Marketable securities	21.b)	205,372	489,998	436,915	201,132	479,824	443,925
Derivative financial instruments		34,182	64,338	161,562	34,182	64,338	161,562
Foreign exchange transactions		29,954	144,866	136,995	29,954	144,866	136,995
EXPENSES FOR FINANCIAL INTERMEDIATION		(353,091)	(851,301)	(1,043,717)	(355,661)	(860,406)	(1,067,176)
Funds obtained in the market	21.c)	(253,815)	(617,705)	(706,876)	(249,423)	(607,400)	(700,007)
Borrowings and onlendings	21.d)	(56,429)	(150,291)	(248,116)	(63,494)	(169,701)	(278,444)
Provision for loan losses		(42,847)	(83,305)	(88,725)	(42,744)	(83,305)	(88,725)
GROSS PROFIT FROM FINANCIAL INTERMEDIATION		154,738	360,997	324,664	161,445	376,195	333,396
OPERATING INCOME (EXPENSE)		(42,623)	(110,793)	(47,422)	(45,038)	(115,197)	(48,540)
Income from services rendered	21.e)	25,953	50,359	40,990	53,323	112,825	56,363
Income from bank charges		4,753	7,066	5,053	4,753	7,066	5,053
Personnel expenses	21.f)	(42,668)	(85,461)	(69,286)	(44,464)	(88,779)	(71,098)
Other administrative expenses	21.g)	(48,066)	(90,408)	(100,382)	(48,747)	(92,265)	(102,013)
Taxes	21.h)	(6,139)	(11,111)	(33,757)	(8,636)	(16,829)	(36,689)
Equity in the results of investees	10.	17,316	42,834	12,623	-	-	-
Other operating income	21.i)	21,469	59,349	228,971	15,559	47,909	231,886
Other operating expenses	21.j)	(15,241)	(83,421)	(131,634)	(16,826)	(85,124)	(132,042)
OPERATING PROFIT		112,115	250,204	277,242	116,407	260,998	284,856
NON-OPERATING RESULTS	21.k)	15,719	20,045	4,403	15,719	20,037	4,403
INCOME BEFORE INCOME TAXES AND PROFIT SHARING		127,834	270,249	281,645	132,126	281,035	289,259
INCOME TAX AND SOCIAL CONTRIBUTION	22.	(27,180)	(48,539)	(59,235)	(30,889)	(57,995)	(66,307)
Provision for current income tax		(21,514)	(21,820)	(19,296)	(24,154)	(28,388)	(23,643)
Provision for current social contribution		(13,255)	(13,439)	(12,185)	(14,423)	(16,454)	(14,612)
Deferred income tax and social contribution		7,589	(13,280)	(27,754)	7,688	(13,153)	(28,052)
PROFIT SHARING		(5,271)	(34,257)	(60,896)	(5,854)	(35,587)	(61,438)
NET INCOME		95,383	187,453	161,514	95,383	187,453	161,514
NUMBER OF OUTSTANDING SHARES		107,636,260	107,636,260	84,034,266	107,636,260	107,636,260	84,034,266
NET INCOME PER SHARE – IN REAIS		0.88616	1.74154	1.92200	0.88616	1.74154	1.92200

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 YEARS ENDED DECEMBER 31, 2012 AND 2011
AND FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2012
(In thousands of reais)

	Individual			Consolidated		
	2nd six- month period	2012 YTD	2011 YTD	2nd six- month period	2012 YTD	2011 YTD
Revenues	517,636	1,182,391	1,427,439	546,889	1,256,008	1,477,509
Financial intermediation	507,829	1,212,298	1,368,381	517,106	1,236,601	1,400,572
Services rendered	25,953	50,359	40,990	53,323	112,825	56,363
Bank charges	4,753	7,066	5,053	4,753	7,066	5,053
Provision for loan losses	(42,847)	(83,305)	(88,725)	(42,744)	(83,305)	(88,725)
Other	21,948	(4,027)	101,740	14,451	(17,179)	104,246
Expenses for financial intermediation	310,244	767,996	954,992	312,917	777,101	978,451
Goods and services acquired from third parties	40,158	75,064	86,179	40,749	76,677	87,512
Materials, electricity and other	305	588	835	308	595	843
Third-party services	29,930	56,228	67,247	30,358	57,543	68,354
Other	9,923	18,248	18,097	10,083	18,539	18,315
Gross value added	167,234	339,331	386,268	193,223	402,230	411,546
Depreciation and amortization	2,615	4,512	3,884	2,642	4,590	3,998
Net value added produced by the institution	164,619	334,819	382,384	190,581	397,640	407,548
Value added transferred from others	17,316	42,834	12,623	-	-	-
Equity in the results of investees	17,316	42,834	12,623	-	-	-
Total value added to be distributed	181,935	377,653	395,007	190,581	397,640	407,548
Distribution of value added	181,935	377,653	395,007	190,581	397,640	407,548
Personnel	47,939	119,718	130,182	50,317	124,366	132,536
Salaries	28,276	57,378	45,948	29,492	59,668	47,176
Benefits, training	4,383	8,410	6,771	4,498	8,607	6,931
Social charges	10,009	19,673	16,567	10,473	20,504	16,991
Profit sharing	5,271	34,257	60,896	5,854	35,587	61,438
Taxes, charges and contributions	33,319	59,650	92,992	39,525	74,824	102,996
Federal	3,992	7,027	30,395	5,124	9,621	32,539
State	25	14	5	25	14	6
Municipal	2,122	4,070	3,357	3,487	7,194	4,144
Income tax and social contribution	27,180	48,539	59,235	30,889	57,995	66,307
Remuneration of third-party capital	5,294	10,832	10,319	5,356	10,997	10,502
Rents and leased assets	5,294	10,832	10,319	5,356	10,997	10,502
Remuneration of own capital	95,383	187,453	161,514	95,383	187,453	161,514
Interest on own capital/dividends	60,000	100,000	90,000	60,000	100,000	90,000
Retained earnings	35,383	87,453	71,514	35,383	87,453	71,514

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 YEARS ENDED DECEMBER 31, 2012 AND 2011
AND SIX-MONTH PERIOD ENDED DECEMBER 31, 2012
(In thousands of reais)

	Note	Individual				Consolidated	
		2nd six-	2012	2011	2nd six-	2012	2011
		month period	YTD	YTD	month period	YTD	YTD
OPERATING ACTIVITIES							
Adjusted net income		116,214	249,326	292,084	133,356	292,121	305,119
Net income for the period		95,383	187,453	161,514	95,383	187,453	161,514
Provision for devaluation of non-operating assets		-	-	9,957	-	-	9,957
Allowance for loan losses		42,847	83,305	88,725	42,744	83,305	88,725
Deferred taxes		(7,589)	13,280	27,754	(7,688)	13,153	28,052
Depreciation and amortization		2,615	4,512	3,884	2,642	4,590	3,998
Provision for contingencies		577	2,927	12,782	577	2,927	12,782
Equity in the results of investee		(17,316)	(42,834)	(12,623)	-	-	-
Loss on sale of property and equipment		(303)	683	91	(302)	693	91
Changes in assets and liabilities		(13,513)	(143,590)	686	(24,984)	(197,723)	(64,580)
(Increase) decrease in short-term interbank investments		211,466	170,015	(223,245)	211,466	170,015	(223,245)
(Increase) decrease in marketable securities		(802,896)	924,984	(1,321,738)	(823,368)	882,186	(1,238,709)
(Increase) decrease in loan operations		(45,863)	(153,576)	251,191	39,073	(12,026)	(41,978)
(Increase) decrease in other receivables		319,225	(158,764)	(272,939)	324,395	(160,019)	(275,275)
(Increase) decrease in other assets		(121,928)	(120,394)	(33,309)	(121,928)	(120,394)	(33,309)
(Increase) decrease in interbank and interdepartmental accounts		(7,412)	24,917	(27,286)	(7,412)	24,917	(27,286)
(Increase) decrease in derivative financial instruments		62,760	(30,006)	(94,431)	62,760	(30,006)	(94,431)
Increase (decrease) in deposits		(65,504)	(127,074)	415,110	(83,255)	(164,533)	331,598
Increase (decrease) in purchase and sale commitments		569,608	(1,357,755)	831,576	569,608	(1,357,755)	831,576
Increase (decrease) in funds from acceptance and issuance of securities		273,107	636,967	(33,686)	273,107	636,967	(33,686)
Increase (decrease) in borrowings and onlendings		(337,009)	(16,154)	496,932	(395,285)	(125,711)	725,224
Increase (decrease) in other liabilities		(77,883)	57,586	(16,796)	(79,302)	55,956	(17,350)
Increase (decrease) in deferred income		8,816	5,664	29,307	5,157	2,680	32,291
Net cash provided by (used in) operating activities		102,701	105,736	292,770	108,372	94,398	240,539
INVESTING ACTIVITIES							
Capital increase in subsidiaries		(509)	(509)	(70,000)	-	-	-
Acquisition of property and equipment in use		(24,637)	(25,618)	(1,143)	(24,638)	(25,553)	(1,143)
Acquisition of intangible assets		(205)	(642)	(373)	(205)	(646)	(371)
Net cash used in investing activities		(25,351)	(26,769)	(71,516)	(24,843)	(26,199)	(1,514)
FINANCING ACTIVITIES							
Capital increase		139,635	139,638	43,749	139,635	139,638	43,749
Premium on subscription of shares		(2,347)	(2,347)	-	(2,347)	(2,347)	-
Acquisition(sale) of treasury shares		(11,193)	(12,750)	1,413	(11,193)	(12,750)	1,413
Interest on own capital and dividends paid		(50,996)	(102,108)	(63,009)	(50,996)	(102,108)	(63,009)
Net cash provided by (used in) financing activities		75,099	22,433	(17,847)	75,099	22,433	(17,847)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS							
Cash and cash equivalents at the beginning of the period	4.	270,947	321,996	118,589	271,771	339,767	118,589
Cash and cash equivalents at the end of the period	4.	423,396	423,396	321,996	430,399	430,399	339,767

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

(A free translation of the original in Portuguese)

BANCO PINE S.A.

STATEMENTS OF CHANGES IN EQUITY

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



	Paid-up capital	Capital increase	Capital reserves		Revenue reserves		Carrying value adjustments	Treasury shares	Proposed additional dividend	Retained earnings	Total
			Premium on subscription of shares	Other Reserves	Legal	Statutory					
At December 31, 2010	422,606	-	222,938	-	24,316	213,599	(6,008)	(10,319)	-	-	867,132
Capital increase	-	373,439	(200,000)	-	(16,810)	(112,880)	-	-	-	-	43,749
Premium on sale of treasury shares	-	-	713	-	-	-	-	-	-	-	713
Sale of treasury shares	-	-	-	-	-	-	-	700	-	-	700
Cancellation of treasury shares	-	-	(9,619)	-	-	-	-	9,619	-	-	-
Carrying value adjustments	-	-	-	-	-	-	4,547	-	-	-	4,547
Net income	-	-	-	-	-	-	-	-	-	161,514	161,514
Appropriations (Note 20):	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	8,076	-	-	-	-	(8,076)	-
Statutory reserve	-	-	-	-	-	63,438	-	-	-	(63,438)	-
Approval/payment of proposed additional dividend	-	-	-	-	-	-	-	-	26,726	(26,726)	-
Dividends (R\$0.4423 per share)	-	-	-	-	-	-	-	-	-	(19,862)	(19,862)
Interest on own capital (R\$0.6286 per share)	-	-	-	-	-	-	-	-	-	(43,412)	(43,412)
At December 31, 2011	422,606	373,439	14,032	-	15,582	164,157	(1,461)	-	26,726	-	1,015,081
Capital increase	513,077	(373,439)	-	-	-	-	-	-	-	-	139,638
Acquisition of treasury shares	-	-	-	-	-	-	-	(12,750)	-	-	(12,750)
Other reserves	-	-	-	(2,347)	-	-	-	-	-	-	(2,347)
Carrying value adjustments	-	-	-	-	-	-	1,038	-	-	-	1,038
Net income	-	-	-	-	-	-	-	-	-	187,453	187,453
Appropriations (Note 20):	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	9,373	-	-	-	-	(9,373)	-
Statutory reserve	-	-	-	-	-	78,080	-	-	-	(78,080)	-
Approval/payment of proposed additional dividend	-	-	-	-	-	-	-	-	(8,167)	-	(8,167)
Dividends (R\$0.3660 per share)	-	-	-	-	-	-	-	-	-	(39,755)	(39,755)
Interest on own capital (R\$0.5546 per share)	-	-	-	-	-	-	-	-	-	(60,245)	(60,245)
At December 31, 2012	935,683	-	14,032	(2,347)	24,954	242,238	(423)	(12,750)	18,559	-	1,219,946
At June 30, 2012	796,048	-	14,032	-	20,185	211,624	(1,711)	(1,557)	14,189	-	1,052,810
Capital increase	139,635	-	-	-	-	-	-	-	-	-	139,635
Acquisition of treasury shares	-	-	-	-	-	-	-	(11,193)	-	-	(11,193)
Other reserves	-	-	-	(2,347)	-	-	-	-	-	-	(2,347)
Carrying value adjustments	-	-	-	-	-	-	1,288	-	-	-	1,288
Net income	-	-	-	-	-	-	-	-	-	95,383	95,383
Appropriations (Note 20):	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	4,769	-	-	-	-	(4,769)	-
Statutory reserve	-	-	-	-	-	30,614	-	-	-	(30,614)	-
Approval/payment of proposed additional dividend	-	-	-	-	-	-	-	-	4,370	-	4,370
Dividends (R\$0.2740 per share)	-	-	-	-	-	-	-	-	-	(29,763)	(29,763)
Interest on own capital (R\$0.2783 per share)	-	-	-	-	-	-	-	-	-	(30,237)	(30,237)
At December 31, 2012	935,683	-	14,032	(2,347)	24,954	242,238	(423)	(12,750)	18,559	-	1,219,946

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

BANCO PINE S.A. AND SUBSIDIARIES**NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

(In thousands of reais, except unit share price)

1. OPERATIONS

Banco Pine S.A. (the "Institution" or "Banco Pine") is authorized to operate commercial, credit 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 and intermediation of other members 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 quarterly financial information of Banco Pine, which includes those of its Grand Cayman Branch and Pine Securities (Individual) and the consolidated financial information of Banco Pine and Subsidiaries (Consolidated).

The financial information is 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 December 31, 2012, were authorized for issue on February, 04, 2013 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 entity that are presented below:

2012					
	Business activity	Total Assets	Capital	Equity	Net Profit/(Loss)
Branch Abroad					
Agência Grand Cayman	Foreign Branch	494,187	6,131	82,238	(8,458)
Pine Securities USA LLC ⁽⁶⁾	Broker Dealer	9,203	10,218	9,106	(1,111)
Subsidiaries					
Pine Investimentos Distribuidora de Títulos e Valores Mobiliários Ltda.	Securities dealer	200,158	13,384	38,074	5,774
Pine Comercializadora de Energia Elétrica Ltda ⁽³⁾	Consulting	80,944	77,400	80,429	(165)
Pine Corretora de seguros Ltda. ⁽¹⁾	Insurance broker	235	500	234	(278)
Pine Assessoria e Consultoria Ltda. ⁽²⁾	Consulting	35,468	1	35,009	33,396
Pine Assessoria em Comercialização de Energia ⁽⁴⁾	Consulting	3	10	3	7
Pine Planejamento e Serviços Ltda ⁽⁵⁾	Consulting	4,984	10	4,117	4,107
Special Purpose Entity (SPE)					
Pine Crédito Privado Fundo de Investimento em Direitos Creditórios Financeiros	Receivables investment fund (FIDC)	178,506	110,594	178,466	35,966

2011					
	Business activity	Total Assets	Capital	Equity	Net Profit/(Loss)
Branch Abroad					
Agência Grand Cayman	Foreign Branch	505,595	5,627	83,370	18,239
Subsidiaries					
Pine Investimentos Distribuidora de Títulos e Valores Mobiliários Ltda.	Securities dealer	37,472	13,384	32,300	8,723
Pine Comercializadora de Energia Elétrica Ltda ⁽³⁾	Consulting	81,441	77,400	80,594	2,276
Pine Corretora de seguros Ltda. ⁽¹⁾	Insurance broker	3,001	1	13	12
Pine Assessoria e Consultoria Ltda. ⁽²⁾	Consulting	2,032	1	1,613	1,612
Special Purpose Entity (SPE)					
Pine Crédito Privado Fundo de Investimento em Direitos Creditórios Financeiros	Receivables investment fund (FIDC)	333,510	301,601	333,506	5,398

⁽¹⁾ Pine Corretora de Seguros Ltda. was constituted on December 12, 2011. The company has capital of R\$500, divided into 500 shares, fully subscribed and paid in local currency.

⁽²⁾ Pine Assessoria e Consultoria Ltda was constituted on December 12, 2011. The company has capital of R\$500, divided into 500 shares, R\$1 was paid up upon constitution and the remaining R\$499 will be paid up in local currency up to January 2013.

⁽³⁾ At the Extraordinary General Meeting (AGE) held on August 19, 2011, approval was given for a capital increase in Pine Comercializadora de Energia Elétrica Ltda. (formerly BP Empreendimentos e Participações S.A.), of R\$70,000, from R\$7,400 to R\$77,400, with the issue of 60,069,871 new nominative common shares. On February 16, 2012, the corporation was transformed into a limited liability partnership and its name was changed from BP Empreendimentos e Participações S.A. to Pine Comercializadora de Energia Elétrica Ltda.

⁽⁴⁾ Pine Assessoria em Comercialização de Energia Ltda. was constituted on April 24, 2012. Capital is R\$10, comprising 10,000 quotas of R\$1 each, fully subscribed and paid up in Brazilian currency and distributed as follows: 90% - Pine Comercializadora de Energia Elétrica, 10% - the Institution.

⁽⁵⁾ Pine Planejamento e Serviços Ltda. was constituted on June 26, 2012. Capital is R\$10, comprising 10,000 quotas of R\$1 each, fully subscribed and paid up in Brazilian currency and distributed as follows between the partners: 0.01% - Pine Comercializadora de Energia Elétrica, 99.99% - the Institution.

⁽⁶⁾ Pine Securities USA LLC. was constituted on October, 2012. The company has capital of R\$10.000.

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 the Institution is the owner of the subordinated shares, management decided to consolidate the FIDC, as provided for in CVM Circular 01/2007.

In accordance with Article 5 of CVM Instruction 408/04, we present below the information of 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 a unit value of R\$1. The distribution period ended on April 6, 2011. The Fund will terminate its activities in up to 180 days from the date on which the Senior Shares outstanding are redeemed in full (54 months subsequent to the Fund's distribution date).

The purpose of the Fund is to increase shareholder value, 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 Regulation. As an additional activity, the Fund will also make investments in Other Assets.

ii) Investment in the equity and results of the FIDC.

In accordance with Article 24, item XV, of CVM Instruction 356, and wording of CVM Instruction 393, and Chapter 21 of the Fund Regulation, 69% of the Fund's equity will comprise senior shares and 31% will comprise subordinated shares. This ratio will be determined daily and shall be made available for consultation monthly by the Fund shareholders.

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iii) 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 assignment agreement, the sole responsibility of the assignor (Banco Pine), without limiting the assignee's (Fund) 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 right portfolio.

In the event 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 receivables, payables, income and expenses between the Institution and FIDC, assets transferred by the Institution and rights of use over the FIDC assets.

No loans were assigned to the FIDC for the year ended December 31, 2012 (December 31, 2012 – R\$303,651). No income was generated by these assignments to the Fund.

Additionally, on account of its investment in subordinated shares in this Fund, the Institution recognized income at December, 31 2012 income of R\$ 16,557 (December 31, 2011 – R\$10,614), recorded in the "result of marketable securities" account.

v) Total assets, liabilities and equity of the FIDC.

	12/31/2012	12/31/2011		12/31/2012	12/31/2011
Current assets	7,004	17,772	Current liabilities	40	4
Cash	1	3	Other liabilities	40	4
Short-term interbank investments	7,003	17,768			
Loan operations	-	-			
Other receivables	171,502	1			
Long-term receivables	19,884	315,738			
Marketable securities	151,618	22,569			
Loan operations		293,169	Equity	178,466	333,506
Total assets	178,506	333,510	Total liabilities and equity	178,506	333,510

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.

3. SIGNIFICANT ACCOUNTING PRACTICES

The quarterly financial information of Banco Pine is 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).

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 the quarterly financial information.

We present below the main accounting practices used:

a) Consolidation

The balances and the results of the transactions between Banco Pine and its subsidiaries Pine Investimentos, Pine Comercializadora, Pine Corretora, Pine Assessoria and Pine Assessoria em Comercialização de Energia were eliminated. For FIDC consolidation purposes, the balance of the loan assignment receivables portfolio was included in the Institution's loan operations portfolio, with a corresponding entry of the senior shares in the "Borrowings and onlendings - local" account, net of investments in investment fund shares, comprising the shares held of this Fund.

b) Determination of the results of operations

Income and expenses are recorded on the accrual basis of accounting, which establishes that revenues and expenses 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 revenue and expenses are prorated, based substantially on the exponential 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, of November 8, 2001, 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 revenue 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.

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

f) Derivative financial instruments

In accordance with BACEN Circular 3082, of January 30, 2002, and Letter-Circular 3026, of July 5, 2002, 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 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. The revenue assigned loans with or without co-obligation are recognised in the income statement on the date that the assignments are made.

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 to loss 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.

The allowance for loan losses related to credit assignments with co-obligation is calculated based on the same guidelines established by BACEN for unassigned loan operations.

h) Prepaid expenses

These are controlled by contract and accounted for 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.

i) 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.

j) 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 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.

k) 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 which generates cash flows that are largely independent from other assets and groups. 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.

l) 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.

m) 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.

n) 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 Letter Circular 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, normally 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 required could be changed in the future based on the progress of each suit;

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. Legal obligations (tax and social security): comprise 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.

o) 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\$ 240 (for the year), 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.

p) 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". (See Note 23(a)).

q) 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.

r) Net income per share

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

4. CASH AND CASH EQUIVALENTS

	Individual		Consolidated	
	2012	2011	2012	2011
Cash	126,111	114,008	126,111	114,010
Short-term interbank investments ⁽¹⁾	297,285	207,988	304,288	225,757
Total cash and cash equivalents	423,396	321,996	430,399	339,767

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

5. INTERBANK INVESTMENTS

Interbank investments at December 31, 2012 and 2011, are comprised as follows:

Individual Security/Maturity	2012			
	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days
Investments in purchase and sale agreements				
Own portfolio position				
Financial Treasury Bills (LFT)	110,029	-	-	-
National Treasury Bills (LTN)	74,150	-	-	-
Federal Treasury Notes (NTN)	95,026	-	-	-
Subtotal	279,205	-	-	-
Total investments in purchase and sale commitments	279,205	-	-	-
Interbank deposits				
Own portfolio				
Floating	-	-	324	1,604
Rural CDI	-	4,651	-	22,119
Subtotal	-	4,651	324	23,723
Subject to guarantees				
Floating	-	996	24,994	45,611
Subtotal	-	996	24,994	45,611
Total interbank deposits	-	5,647	25,318	69,334
Foreign currency investments				
Foreign currency investments	18,080	-	-	-
Total foreign currency investments	18,080	-	-	-
Total short-term interbank investments	297,285	5,647	25,318	69,334

Consolidated Security/Maturity	2012			
	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days
Investments in purchase and sale commitments				
Own portfolio position				
Financial Treasury Bills (LFT)	110,029	-	-	-
National Treasury Bills (LTN)	81,153	-	-	-
Federal Treasury Notes (NTN)	95,026	-	-	-
Subtotal	286,208	-	-	-
Total investments in purchase and sale commitments	286,208	-	-	-
Interbank deposits				
Own portfolio				
Floating	-	-	324	1,604
Rural CDI	-	4,651	-	22,119
Subtotal	-	4,651	324	23,723

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Subject to guarantees					
Rural CDI	-	996	24,994	45,611	71,601
Subtotal	-	996	24,994	45,611	71,601
Total interbank deposits	-	5,647	25,318	69,334	100,299
Foreign currency investments					
Foreign currency investments	18,080	-	-	-	18,080
Total foreign currency investments	18,080	-	-	-	18,080
Total short-term interbank investments	304,288	5,647	25,318	69,334	404,587

						2011
Individual Security/Maturity	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	Total

Investments in purchase and sale commitments

Own portfolio position						
Financial Treasury Bills (LFT)	81,539	-	-	-	-	81,539
National Treasury Bills (LTN)	21,003	-	-	-	-	21,003
Federal Treasury Notes (NTN)	78,485	-	-	-	-	78,485
Total investments in purchase and sale commitments	181,027	-	-	-	-	181,027
Interbank deposits						
Own portfolio						
Floating	-	5,195	196,459	390	5,003	207,047
Rural CDI	531	3,151	11,363	401	-	15,446
Subtotal	531	8,346	207,822	791	5,003	222,493
Subject to guarantees						
Floating	-	-	15,472	34,623	250	50,345
Subtotal	-	-	15,472	34,623	250	50,345
Total interbank deposits	531	8,346	223,294	35,414	5,253	272,838
Foreign currency investments						
Foreign currency investments	24,437	-	-	-	-	24,437
Total foreign currency investments	24,437	-	-	-	-	24,437
Total short-term interbank investments	205,995	8,346	223,294	35,414	5,253	478,302

						2011
Consolidated Security/Maturity	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	Total

Investments in purchase and sale commitments

Own portfolio position						
Financial Treasury Bills (LFT)	81,539	-	-	-	-	81,539
National Treasury Bills (LTN)	38,771	-	-	-	-	38,771
Federal Treasury Notes (NTN)	78,485	-	-	-	-	78,485
Total investments in purchase and sale commitments	198,795	-	-	-	-	198,795
Interbank deposits						
Own portfolio						
Floating	-	5,195	196,459	390	5,003	207,047
Rural CDI	531	3,151	11,363	401	-	15,446
Subtotal	531	8,346	207,822	791	5,003	222,493
Subject to guarantees						
Floating	-	-	15,472	34,623	250	50,345
Subtotal	-	-	15,472	34,623	250	50,345
Total interbank deposits	531	8,346	223,294	35,414	5,253	272,838
Foreign currency investments						
Foreign currency investments	24,437	-	-	-	-	24,437
Total foreign currency investments	24,437	-	-	-	-	24,437
Total interbank investments	223,763	8,346	223,294	35,414	5,253	496,070

6. MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

a) Marketable securities

The securities portfolio at December 31, 2012 and 2011 was comprised as follows:

						2012
	Amounts marked to market					
Individual Security/Maturity	No stated maturity	Up to 30 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	Curve based amount
Available-for-sale securities:						
Own portfolio:						
NTN	-	-	-	-	150,403	150,694
Promissory Notes	-	-	61,070	-	-	61,362
Eurobonds	-	-	-	-	2,123	2,109
Receivables investment fund shares	-	-	-	-	59,731	59,731
Investment fund quotas ⁽²⁾	337,047	-	-	-	-	337,047
Certificate of Real Estate Receivables (CRI)	-	-	-	-	16,976	17,250
Total available-for-sale securities	337,047	-	61,070	-	229,233	628,193

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Trading securities⁽¹⁾:

Own portfolio:

LTN	-	599,836	30,067	12,813	174,169	816,885	811,377
NTN	-	209,704	-	-	144,427	354,131	345,710
Debentures	-	-	4,018	91,190	150,706	245,914	239,976
Subtotal	-	809,540	34,085	104,003	469,302	1,416,930	1,397,063
Subject to repurchase agreements:							
LTN	-	1,680,794	-	-	-	1,680,794	1,663,090
Debentures	-	167,161	-	-	-	167,161	157,878
Subtotal	-	1,847,955	-	-	-	1,847,955	1,820,968
Subject to guarantees							
LTN	-	71,120	-	-	-	71,120	70,837
Subtotal	-	71,120	-	-	-	71,120	70,837
Total trading securities	-	2,728,615	34,085	104,003	469,302	3,336,005	3,288,868
Total securities	337,047	2,728,615	95,155	104,003	698,535	3,963,355	3,917,061

							2012
Consolidated Security/Maturity	Amounts marked to market					Total	Curve based amount
	No stated maturity	Up to 30 days	From 31 to 180 days	From 181 to 360 days	More than 360 days		

Available-for-sale securities:

Own portfolio:

NTN	-	-	-	-	150,403	150,403	150,694
Promissory Notes	-	-	61,070	-	-	61,070	61,362
Eurobonds	-	-	-	-	2,123	2,123	2,109
Investment fund quotas ⁽²⁾	337,047	-	-	-	-	337,047	337,047
Certificates of Real Estate Receivables (CRI)	-	-	-	-	16,976	16,976	17,250
Total available-for-sale securities	337,047	-	61,070	-	169,502	567,619	568,462

Trading securities⁽¹⁾:

Own portfolio:

LTN	-	599,836	30,067	12,813	194,053	836,769	831,261
NTN	-	209,704	-	-	144,427	354,131	345,710
Debentures	-	-	4,018	91,190	150,706	245,914	239,976
Subtotal	-	809,540	34,085	104,003	489,186	1,436,814	1,416,947
Subject to repurchase commitments:							
LTN	-	1,680,794	-	-	-	1,680,794	1,663,090
Debentures	-	167,161	-	-	-	167,161	157,878
Subtotal	-	1,847,955	-	-	-	1,847,955	1,820,968
Subject to guarantees:							
LTN	-	71,120	-	-	-	71,120	70,837
Subtotal	-	71,120	-	-	-	71,120	70,837
Total trading securities	-	2,728,615	34,085	104,003	489,186	3,355,889	3,308,752
Total securities	337,047	2,728,615	95,155	104,003	658,688	3,923,508	3,877,214

							2011
Individual Security/Maturity	Amounts marked to market					Total	Curve based amount
	No stated maturity	Up to 30 days	From 181 to 360 days	More than 360 days			

Available-for-sale securities:

Own portfolio:

LTN	-	-	3,334	-	3,334	3,307
NTN	-	-	-	222,489	222,489	223,462
Receivables investment fund shares	-	-	-	105,214	105,214	105,214
Investment fund quotas ⁽²⁾	280,301	-	-	-	280,301	280,301
Certificates of real estate receivables (CRI)	-	-	-	15,018	15,018	15,018
Subtotal	280,301	-	3,334	342,721	626,356	627,302
Subject to repurchase commitments:						
NTN	-	289,190	-	-	289,190	290,722
Subtotal	-	289,190	-	-	289,190	290,722
Total available-for-sale securities	280,301	289,190	3,334	342,721	915,546	918,024

Trading securities⁽¹⁾:

Own portfolio:

LTN	-	-	85,158	106,566	191,724	191,404
NTN	-	629,027	-	27,135	656,162	656,136
Debentures	-	-	-	21,380	21,380	21,380
Subtotal	-	629,027	85,158	155,081	869,266	868,920
Subject to repurchase commitments:						
LTN	-	2,575,197	-	-	2,575,197	2,563,730
NTN	-	310,534	-	-	310,534	308,953
Debentures	-	30,812	-	-	30,812	30,812
Subtotal	-	2,916,543	-	-	2,916,543	2,903,495
Brazilian Central Bank deposits						
LTN	-	-	45,392	-	45,392	44,968
Subtotal	-	2,916,543	45,392	-	45,392	44,968

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Subject to						
guarantees:						
LTN	-	-	140,036	-	140,036	138,726
NTN	-	-	-	518	518	504
Subtotal	-	-	140,036	518	140,554	139,230
Total trading						
securities						
	-	3,545,570	270,586	155,599	3,971,755	3,956,613
Total securities	280,301	3,834,760	273,920	498,320	4,887,301	4,874,637
						2011
						Amounts marked to market
						No stated maturity Up to 30 days From 181 to 360 days More than 360 days Total Curve based amount
Consolidated Security/Maturity						
Available-for-sale securities:						
Own portfolio:						
LTN	-	-	3,334	-	3,334	3,307
NTN	-	-	-	222,489	222,489	223,462
Investment fund quotas ⁽²⁾	280,301	-	-	-	280,301	280,301
Certificates of real estate receivables (CRI)	-	-	-	15,018	15,018	15,018
Subtotal	280,301	-	3,334	237,507	521,142	522,088
Subject to repurchase						
commitments:						
NTN	-	289,190	-	-	289,190	290,722
Subtotal	-	289,190	-	-	289,190	290,722
Total available-for-sale securities	280,301	289,190	3,334	237,507	810,332	812,810
Trading securities⁽¹⁾:						
Own portfolio:						
LTN	-	-	85,158	106,566	191,724	191,404
NTN	-	629,027	-	27,135	656,162	656,136
LFT	-	-	-	22,569	22,569	22,569
Debentures	-	-	-	21,380	21,380	21,380
Subtotal	-	629,027	85,158	177,650	891,835	891,489
Subject to repurchase						
commitments:						
LTN	-	2,575,197	-	-	2,575,197	2,563,730
NTN	-	310,534	-	-	310,534	308,953
Debentures	-	30,812	-	-	30,812	30,812
Subtotal	-	2,916,543	-	-	2,916,543	2,903,495
Brazilian Central Bank deposits						
LTN	-	-	45,392	-	45,392	44,968
Subtotal	-	-	45,392	-	45,392	44,968
Subject to						
guarantees:						
LTN	-	-	140,036	-	140,036	138,726
NTN	-	-	-	518	518	504
Subtotal	-	-	140,036	518	140,554	139,230
Total trading securities						
	-	3,545,570	270,586	178,168	3,994,324	3,979,182
Total securities	280,301	3,834,760	273,920	415,675	4,804,656	4,791,992

(1) Securities classified in the "trading" category are stated based on their maturity dates.

(2) The quotas total R\$338,601 (December 31, 2011 - R\$280,301), not including the provision for devaluation of investment fund quotas in the amount of R\$1,554, of which R\$251,304 (December 31, 2011 - R\$236,698) of Pine CM Fundo de Investimento Multimercado Crédito Privado and R\$87,297 (December 31, 2011 - R\$43,603) of Pine FICFI Multimercado Crédito Privado Investimento no Exterior. The assets comprising the funds are, in their majority, debentures, promissory notes and receivables certificates in the total amount of R\$756,027 (note 7a).

At December 31, 2012 and 2011 there was no securities classified as "held to maturity".

In accordance with Article 5 of Circular no. 3.068/08, from The Central Bank, the revaluation regarding the classification of the securities is allowed upon the semester-end balance. On December 31, 2012 securities totalling R\$ 188,501 were reclassified from "available-for-sale" to "trading" generating an additional income of R\$ 12,524 classified as "Income from financial intermediation - Marketable securities".

The market values of the securities recorded in the "available for sale" and "trading" categories were determined based on the prices and rates exercised at December 31, 2012 and 2011, disclosed by the Brazilian Association of Financial and Capital Market Institutions (ANBIMA), BM&FBovespa S.A. - Bolsa de Valores, Mercadorias e Futuros, by investment fund managers and by the international information agencies. The mark-to-market adjustment of the securities recorded in the "available for sale" category generated a loss of R\$843 on an Individual and Consolidated basis (December 31, 2011 - loss of R\$2,478 on an Individual and Consolidated basis), affecting the equity of the Institution by R\$514 on an Individual and Consolidated basis (December 31, 2011 - R\$1,487 on an Individual and Consolidated basis), net of tax effects. The mark-to-market adjustment of the securities recorded in the "trading" category resulted in a gain of R\$ 47,137 in the Individual and Consolidated (December 31, 2011 - gain of R\$15,142 in Individual and Consolidated) in results.

b) Derivative financial instruments

i) Utilization policy

The growing level of company 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 policy. 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 permits the Institution to offer customers the products which are most appropriate to their specific needs.

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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 CETIP S.A. - Balcão Organizado de Ativos e Derivativos. The derivative contracts negotiated 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 the portfolios terms.

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

The Institution uses the market reference rates disclosed principally by BM&FBovespa, 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) 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 December 31, 2012 and 2011, the derivative financial instrument positions are as follows:

Derivative financial instruments	Individual and Consolidated	
	2012	2011
ASSETS		
Swap – difference receivable	216,102	218,386
Forward contracts- receivable	85,122	89,876
Premiums on unexercised options	36,109	12,070
Total receivable	337,333	320,332
LIABILITIES		
Swap – difference payable	37,625	59,914
Forward contracts- payable	21,647	41,722
Premiums on written options	41,121	11,762
Total payable	100,393	113,398
Net amount	236,940	206,934

v) Derivative financial instruments by index

Individual and Consolidated	Notional amount	Market value	Curve based amount	2012 Gain (loss)
Swap				
Market risk				
Asset position:	2,794,342	3,207,127	3,020,976	186,151
Interest	2,067,246	2,312,680	2,202,483	110,197
Currency	644,261	805,350	731,310	74,040
Commodities	19,028	19,011	18,970	41
Variable income	63,807	70,086	68,213	1,873
Liability position:	2,794,342	3,028,650	2,915,600	113,050
Interest	1,919,358	2,110,067	2,018,062	92,005
Currency	874,984	918,583	897,538	21,045
Total swaps	-	178,477	105,376	299,201
Forward contracts				
Asset position:	2,579,250	2,634,263	2,648,976	(14,713)
Interest	554,932	554,085	558,167	(4,082)
Currency	1,874,582	1,927,728	1,938,929	(11,201)
Commodities	149,736	152,450	151,880	570
Liability position:	2,579,250	2,570,788	2,593,764	(22,976)
Interest	1,375,129	1,388,212	1,406,871	(18,659)
Currency	998,478	997,204	1,002,419	(5,215)
Commodities	205,643	185,372	184,474	898
Net amount	-	63,475	55,212	8,263
Options				
Premiums on unexercised options:	1,200,312	36,109	36,260	(151)
Currency	661,386	10,052	14,977	(4,924)
Commodities	538,926	26,057	21,284	4,773
Premiums on written options:	1,842,841	41,121	48,072	(6,951)
Currency	1,160,633	15,859	19,084	(3,226)
Commodities	682,208	25,263	28,988	(3,725)
Net amount		(5,012)	(11,812)	6,800
Futures				
Purchase:	1,985,824	-	-	(3,295)
Interest	1,063,206	-	-	(167)
Currency	840,567	-	-	(3,128)
Commodities	82,051	-	-	-
Sale:	2,563,454	-	-	5,997
Interest	2,424,256	-	-	5,832
Currency	48,362	-	-	171
Commodities	90,836	-	-	(6)
Net amount		-	-	2,702
Total receivable (payable) and gain (loss)		236,940	148,776	316,966

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Individual and Consolidated	2011			2011 Gain (loss)
	Notional amount	Market value	Curve based amount	
Swap				
Cash flow hedge				
Asset position:	378,378	513,066	455,213	57,853
Interest	176,755	203,048	200,945	2,103
Currency	201,623	310,018	254,268	55,750
Cash flow				
Liability position:	378,378	505,676	448,102	57,574
Interest	378,378	505,676	448,102	57,574
Net amount	-	7,390	7,111	115,427
Market risk				
Asset position:	3,361,674	3,668,486	3,558,486	110,000
Interest	2,551,354	2,718,439	2,650,710	67,729
Currency	692,150	810,262	769,158	41,104
Commodities	68,936	82,088	82,088	-
Variable income	49,234	57,697	56,530	1,167
Liability position:	3,361,674	3,517,404	3,514,720	2,684
Interest	2,253,571	2,344,982	2,346,322	(1,340)
Currency	1,107,084	1,171,308	1,167,284	4,024
Commodities	1,019	1,114	1,114	-
Net amount	-	151,082	43,766	112,684
Total swaps		158,472	50,877	228,111
Forward contracts				
Asset position:	1,911,012	2,017,793	2,072,136	(54,343)
Interest	1,623,686	1,708,350	1,753,913	(45,563)
Currency	287,326	309,443	318,223	(8,780)
Liability position:	1,911,012	1,969,639	1,996,274	(26,635)
Currency	1,644,086	1,664,603	1,704,045	(39,442)
Commodities	266,926	305,036	292,229	12,807
Net amount	-	48,154	75,862	(80,978)
Options				
Premiums on unexercised options:	116,737	12,070	8,192	3,878
Currency	68,087	6,471	2,198	4,273
Commodities	48,650	5,599	5,994	(395)
Premiums on written options:	301,316	11,762	15,815	(4,053)
Currency	199,087	5,799	3,117	2,682
Commodities	102,229	5,963	12,698	(6,735)
Net amount		308	(7,623)	7,931
Futures				
Purchase:	1,064,871	-	-	(10,300)
Interest	883,792	-	-	(741)
Currency	35,974	-	-	(9,559)
Commodities	145,105	-	-	-
Sale:	4,115,825	-	-	13,184
Interest	3,154,424	-	-	1,776
Currency	871,105	-	-	11,400
Commodities	90,296	-	-	8
Net amount		-	-	2,884
Total receivable (payable) and gain (loss)		206,934	119,116	157,948

vi) Derivative financial instruments by maturity

Individual and Consolidated	Market value						2012
	Up to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	Total
Asset position:							
Swap	416,506	61,832	37,590	371,916	244,977	2,074,306	3,207,127
Forward contracts	528,921	542,766	251,175	628,976	424,161	258,264	2,634,263
Options	4,427	10,252	-	15,600	5,830	-	36,109
Futures	253,621	863,967	-	63,513	271,637	533,086	1,985,824
Liability position:							
Swap	398,096	59,832	36,677	359,265	233,501	1,941,279	3,028,650
Forward contracts	525,369	533,868	243,298	597,121	413,609	257,523	2,570,788
Options	4,954	13,745	206	14,706	7,510	-	41,121
Futures	89,151	100,009	2,361	352,469	949,454	1,070,010	2,563,454

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Individual and Consolidated	Market value						2011
	Up to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	Total
Asset position:							
Swap	70,507	348,539	14,245	805,415	290,667	2,652,179	4,181,552
Forward contracts	160,686	309,844	308,763	524,459	562,406	151,635	2,017,793
Options	-	28	4,141	6,375	1,526	-	12,070
Futures	364,469	362,163	84,804	119,907	-	133,528	1,064,871
Liability position:							
Swap	72,109	360,569	13,612	796,381	270,994	2,509,415	4,023,080
Forward contracts	162,099	310,283	301,848	496,136	546,694	152,579	1,969,639
Options	9	237	4,295	5,695	1,526	-	11,762
Futures	985,334	23,437	24,087	89,189	1,850,687	1,143,091	4,115,825

vii) Derivative financial instruments by trading market

At December 31, 2012 and 2011, the swaps, forward contracts and options, whose notional values are recorded in a memorandum account are comprised as follows:

Custodian	2012				Individual and Consolidated			
					2011			
	Swaps	Forward contracts	Options	Futures	Swaps	Forward contracts	Options	Futures
Exchange	90,300	-	1,842,470	4,549,278	49,700	-	170,166	5,110,629
BM&FBOVESPA	90,300	-	1,246,325	4,374,560	49,700	-	81,500	4,920,315
Exchanges abroad	-	-	596,145	174,718	-	-	88,666	190,314
OTC	2,704,042	2,579,250	1,200,683	-	3,690,352	1,911,012	247,887	70,067
Financial institutions	55,220	151,117	22,683	-	1,671,614	182,678	54,951	70,067
Companies	2,648,822	2,428,133	1,178,000	-	2,018,738	1,728,334	192,936	-
Total	2,794,342	2,579,250	3,043,153	4,549,278	3,740,052	1,911,012	418,053	5,180,696

viii) Results from derivative financial instruments

We present below the gains and losses (realized or unrealized) which had an effect on the results for the year ended December 31, 2012 and 2011:

Derivative financial instruments	2012				Individual and Consolidated			
					2011			
	Gain	Loss	Net		Gain	Loss	Net	
Swap	844,223	702,542	141,681		260,934	144,511	116,423	
Futures	4,607,047	4,762,362	(155,315)		2,505,439	2,456,547	48,892	
Forward contracts	490,012	427,625	62,387		184,258	201,532	(17,274)	
Options	318,172	302,587	15,585		132,324	118,803	13,521	
Total	6,259,454	6,195,116	64,338		3,082,955	2,921,393	161,562	

xi) Amount and type of guarantee margin

The margin amounts deposited in guarantee at December 31, 2012 and 2011 are comprised as follows:

Security	Individual and Consolidated	
	Fair value	
	2012	2011
Guarantee margin - Judicial		
NTN	-	517
Subtotal	-	517
Guarantee margin - Exchange clearing house - BMC		
LTN	10,870	1,029
Subtotal	10,870	1,029
Guarantee margin - BM&FBovespa		
LTN	60,250	139,008
Subtotal	60,250	139,008
Total	71,120	140,554

x) Cash flow hedge

At March 31, 2012, there were derivative financial instruments used as a cash flow hedge, consisting of a swap, the fair value of which totaled R\$436,278, and hedged items, subordinated debt and securities issued abroad, the balances of which, adjusted to market value, totaled R\$368,365. The adjustments to market value were recorded in a specific equity account. In the second quarter of 2012, Banco Pine decided to discontinue this hedge accounting and, as established in Circular 3082/02, transferred the gain of R\$3,651, net of tax effects, to results for the quarter.

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

We present below a summary of the loan operation portfolio information at December 31, 2012 and 2011:

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a) By type of loan:

Details	Individual		Consolidated	
	2012	2011	2012	2011
Public sector	6,304	22,631	6,304	22,631
Working capital	2,186,731	2,336,923	2,338,349	2,630,090
Resolution 3844 (formerly Resolution 2770)	-	9,617	-	9,617
Overdraft account	12,086	23,265	12,086	23,265
BNDES/FINAME onlending	852,643	873,177	852,643	873,177
Paycheck deductible loans	35,926	43,115	35,926	43,115
Foreign currency financing	280,156	217,859	280,156	217,859
Export financing	798,784	503,819	798,784	503,819
Discounted notes and others	-	65,653	-	65,653
Direct consumer financing (CDC) - vehicles	227	514	227	514
Buyer financing (Compror)	18,407	9,237	18,407	9,237
Subtotal Loan Operations	4,191,264	4,105,810	4,342,882	4,398,977
Debtors for purchase of assets ⁽¹⁾	114,120	31,185	114,120	31,185
Advances on foreign exchange contracts and income receivable ⁽²⁾	491,539	549,764	491,539	549,764
Credit Receivables ⁽¹⁾	89,075	89,075	89,075	89,075
Credit portfolio	4,885,998	4,686,759	5,037,616	4,979,926
Loans for imports	8,814	14,220	8,814	14,220
Guarantees provided	2,114,296	1,687,365	2,114,296	1,687,365
Coobligations in loan assignments	334	58,439	334	58,439
Guarantees provided and responsibilities	2,123,444	1,760,024	2,123,444	1,760,024
Notes and credits receivable ⁽¹⁾	30,767	3,313	30,767	3,313
Corporate bonds ⁽³⁾	756,027	321,757	756,027	321,757
Securities with credit risk	786,794	325,070	786,794	325,070
Total expanded portfolio	7,796,236	6,771,853	7,947,854	7,065,020

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

b) By maturity:

Term	Individual			
	2012		2011	
	Amount	%	Amount	%
Up to 3 months	1,369,941	28.26	1,603	4.11
From 3 to 12 months	1,883,264	38.85	37,376	95.89
From 1 to 3 years	1,088,845	22.46	-	-
From 3 to 5 years	367,983	7.59	-	-
From 5 to 15 years	136,986	2.84	-	-
Total credit portfolio	4,847,019	100.00	38,979	100.00
Up to 3 months	381,292	17.96	-	-
From 3 to 12 months	580,128	27.32	-	-
From 1 to 3 years	664,898	31.31	-	-
From 3 to 5 years	477,887	22.51	-	-
From 5 to 15 years	19,239	0.91	-	-
Total guarantees provided and responsibilities	2,123,444	100.01	-	-
Up to 3 months	167,688	21.31	-	-
From 3 to 12 months	173,918	22.10	-	-
From 1 to 3 years	201,585	25.62	-	-
From 3 to 5 years	211,240	26.85	-	-
From 5 to 15 years	32,363	4.12	-	-
Total securities with credit risk	786,794	100.00	-	-
Total expanded portfolio	7,757,257		38,979	

Term	Consolidated			
	2012		2011	
	Amount	%	Amount	%
Up to 3 months	1,369,941	27.41	1,603	4.11
From 3 to 12 months	1,883,264	37.68	37,376	95.89
From 1 to 3 years	1,240,463	24.82	-	-
From 3 to 5 years	367,983	7.36	-	-
From 5 to 15 years	136,986	2.73	-	-
Total credit portfolio	4,998,637	100.00	38,979	100.00
Up to 3 months	381,292	17.96	-	-
From 3 to 12 months	580,128	27.32	-	-
From 1 to 3 years	664,898	31.31	-	-
From 3 to 5 years	477,887	22.51	-	-
From 5 to 15 years	19,239	0.90	-	-
Total guarantees provided and responsibilities	2,123,444	100.00	-	-
Up to 3 months	167,688	21.31	-	-
From 3 to 12 months	173,918	22.10	-	-
From 1 to 3 years	201,585	25.62	-	-
From 3 to 5 years	211,240	26.85	-	-
From 5 to 15 years	32,363	4.12	-	-
Total securities with credit risk	786,794	100.00	-	-
Total expanded portfolio	7,908,875		38,979	

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Term	Individual					
	2012			2011		
	Amount		Overdue		Total	
	Falling Due	%	Amount	%	Amount	%
Up to 3 months	1,651,554	35.39	6,151	31.63	1,657,705	35.37
From 3 to 12 months	1,394,507	29.88	13,296	68.37	1,407,803	30.04
From 1 to 3 years	1,196,144	25.63	-	-	1,196,144	25.52
From 3 to 5 years	280,010	6.00	-	-	280,010	5.97
From 5 to 15 years	145,097	3.10	-	-	145,097	3.10
Total credit portfolio	4,667,312	100.00	19,447	100.00	4,686,759	100.00
Up to 3 months	277,044	15.74	-	-	277,044	15.74
From 3 to 12 months	656,871	37.32	-	-	656,871	37.32
From 1 to 3 years	202,343	11.50	-	-	202,343	11.50
From 3 to 5 years	454,581	25.83	-	-	454,581	25.83
From 5 to 15 years	169,185	9.61	-	-	169,185	9.61
Total guarantees provided and responsibilities	1,760,024	100.00	-	-	1,760,024	100.00
From 1 to 3 years	72,530	22.31	-	-	72,530	22.31
From 3 to 5 years	252,540	77.69	-	-	252,540	77.69
Total securities with credit risk	325,070	100.00	-	-	325,070	100.00
Total expanded portfolio	6,752,406		19,447		6,771,853	

Term	Consolidated					
	2012			2011		
	Amount		Overdue		Total	
	Falling Due	%	Amount	%	Amount	%
Up to 3 months	1,651,554	33.29	6,151	31.63	1,657,705	33.29
From 3 to 12 months	1,394,507	28.11	13,296	68.37	1,407,803	28.27
From 1 to 3 years	1,241,717	25.03	-	-	1,196,143	24.02
From 3 to 5 years	527,604	10.64	-	-	573,178	11.51
From 5 to 15 years	145,097	2.93	-	-	145,097	2.91
Total credit portfolio	4,960,479	100.00	19,447	100.00	4,979,926	100.00
Up to 3 months	277,044	15.74	-	-	277,044	15.74
From 3 to 12 months	656,871	37.32	-	-	656,871	37.32
From 1 to 3 years	202,343	11.50	-	-	202,343	11.50
From 3 to 5 years	454,581	25.83	-	-	454,581	25.83
From 5 to 15 years	169,185	9.61	-	-	169,185	9.61
Total guarantees provided and responsibilities	1,760,024	100.00	-	-	1,760,024	100.00
From 1 to 3 years	72,530	22.31	-	-	72,530	22.31
From 3 to 5 years	252,540	77.69	-	-	252,540	77.69
Total securities with credit risk	325,070	100.00	-	-	325,070	100.00
Total expanded portfolio	7,045,573		19,447		7,065,020	

c) By economic activity sector:

	Individual		Consolidated	
	2012	2011	2012	2011
Sugar and ethanol	1,144,383	1,260,168	1,166,457	1,301,433
Electric and renewable energy	1,039,048	540,793	1,039,048	549,941
Civil construction	907,379	653,800	925,388	681,986
Agriculture	665,999	473,622	689,671	518,686
Building and engineering - Infrastructure	504,045	549,081	523,777	595,831
Transportation and logistics	388,854	377,090	395,830	387,220
Metal products	350,883	157,867	350,883	165,452
Specialized services	344,351	264,829	356,212	290,498
Foreign trade	332,186	372,916	332,186	372,916
Vehicles and parts	235,522	195,226	242,934	205,342
Foodstuffs	234,768	213,971	246,208	230,529
Mining	192,512	34,460	192,512	34,460
Chemical and petrochemical	158,890	168,111	158,890	168,111
Telecommunications	152,618	214,116	156,508	219,175
Financial institution	147,986	212,953	155,766	223,104
Hardware and home decor	136,037	70,003	148,696	88,725
Meat processing	130,581	236,907	130,581	236,907
Paper and pulp	111,674	63,415	111,674	63,415
Steel products	95,467	-	95,467	-
Beverages and tobacco	90,902	161,622	94,262	175,782
Information technology	62,537	28,675	62,537	28,675
Individuals	53,340	128,320	53,340	128,320
Retail trade	51,299	33,693	51,299	33,693
Water and sanitation	42,901	13,313	42,901	13,313
Plastic and rubber	42,721	13,216	42,721	13,216
Textile and clothing	42,286	70,771	45,039	75,375
Medical services	39,224	16,383	39,224	16,383
Pharmaceuticals and cosmetics	23,757	80,605	23,757	80,605
Communications and printing	20,668	27,182	20,668	27,182
Mechanics	19,912	33,670	19,912	33,670
Electroelectronics	15,604	52,581	15,604	52,581
Wholesale trade	11,415	20,705	11,415	20,705
Leather and footwear	6,487	13,335	6,487	13,335
Teaching institution	-	18,454	-	18,454
Total expanded portfolio	7,796,236	6,771,853	7,947,854	7,065,020

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d) By risk level and allowance:

								Individual
								2012
Credit portfolio								
Level	Falling due	Past due	Total	Allowance 2682	Papers with credit risk	Allowance for papers with credit risk	Total	Total allowance
AA	928,420	-	928,420	-	618,897	-	1,547,317	-
A	1,361,232	-	1,361,232	6,806	25,000	125	1,386,232	6,931
B	1,910,667	171	1,910,838	19,108	142,897	1,429	2,053,735	20,537
C	424,530	1,139	425,669	12,770	-	-	425,669	12,770
D	76,198	41	76,239	7,624	-	-	76,239	7,624
E	6,581	885	7,466	2,240	-	-	7,466	2,240
F	26,430	452	26,882	13,441	-	-	26,882	13,441
G	70,540	11,420	81,960	57,372	-	-	81,960	57,372
H	42,421	24,871	67,291	67,291	-	-	67,291	67,291
Total	4,847,019	38,979	4,885,998	186,652	786,794	1,554	5,672,792	188,206

								Consolidated
								2012
Credit portfolio								
Level	Falling due	Past due	Total	Allowance 2682	Papers with credit risk	Allowance for papers with credit risk	Total	Total allowance
AA	941,386	-	941,386	-	618,897	-	1,560,283	-
A	1,386,003	-	1,386,003	6,930	25,000	125	1,411,003	7,055
B	2,007,566	171	2,007,737	20,077	142,897	1,429	2,150,634	21,506
C	441,512	1,139	442,651	13,280	-	-	442,651	13,280
D	76,198	41	76,239	7,624	-	-	76,239	7,624
E	6,581	885	7,466	2,240	-	-	7,466	2,240
F	26,430	452	26,882	13,441	-	-	26,882	13,441
G	70,540	11,420	81,960	57,372	-	-	81,960	57,372
H	42,421	24,871	67,292	67,290	-	-	67,292	67,290
Total	4,998,637	38,979	5,037,616	188,254	786,794	1,554	5,824,410	189,808

								Individual
								2011
Credit portfolio								
Level	Falling due	Past due	Total	Allowance 2682 ⁽¹⁾	Papers with credit risk	Allowance for papers with credit risk	Total	Total allowance
AA	1,597,064	-	1,597,064	-	325,070	-	1,922,134	-
A	1,049,926	-	1,049,926	5,250	-	-	1,049,926	5,250
B	1,425,046	58	1,425,104	14,251	-	-	1,425,104	14,251
C	423,676	614	424,290	12,727	-	-	424,290	12,727
D	48,701	5,134	53,835	5,383	-	-	53,835	5,383
E	12,451	22	12,473	3,742	-	-	12,473	3,742
F	64,945	6,717	71,662	35,832	-	-	71,662	35,832
G	3,450	1,380	4,830	3,381	-	-	4,830	3,381
H	42,054	5,521	47,575	47,575	-	-	47,575	47,575
Additional provision ⁽¹⁾	-	-	-	44,929	-	-	-	44,929
Total	4,667,313	19,446	4,686,759	173,070	325,070	-	5,011,829	173,070

								Consolidated
								2011
Credit portfolio								
Level	Falling due	Past due	Total	Allowance 2682 ⁽¹⁾	Papers with credit risk	Allowance for papers with credit risk	Total	Total allowance
AA	1,890,231	-	1,890,231	-	325,070	-	2,215,301	-
A	1,049,926	-	1,049,926	5,250	-	-	1,049,926	5,250
B	1,425,046	58	1,425,104	14,251	-	-	1,425,104	14,251
C	423,676	614	424,290	12,727	-	-	424,290	12,727
D	48,701	5,134	53,835	5,383	-	-	53,835	5,383
E	12,451	22	12,473	3,742	-	-	12,473	3,742
F	64,945	6,717	71,662	35,832	-	-	71,662	35,832
G	3,450	1,380	4,830	3,381	-	-	4,830	3,381
H	42,054	5,521	47,575	47,575	-	-	47,575	47,575
Additional provision ⁽¹⁾	-	-	-	44,929	-	-	-	44,929
Total	4,960,480	19,446	4,979,926	173,070	325,070	-	5,304,996	173,070

⁽¹⁾ In December 31, 2011 there was additional provision in the amount of R\$44,929, of which R\$26,700 is B rated and R\$18,229 is C rated.

d) By concentration level:

		Individual				Consolidated			
		2012		2011		2012		2011	
Largest borrowers	Amount	% of portfolio	Amount	% of portfolio	Amount	% of portfolio	Amount	% of portfolio	
Largest borrower	198,469	2.55	216,540	3.20	198,469	2.50	216,540	3.06	
2nd to 10th	1,216,552	15.60	1,112,487	16.43	1,216,552	15.31	1,112,487	15.75	
11st to 20th	823,888	10.57	650,415	9.60	830,377	10.45	650,414	9.21	
21st to 50th	1,584,935	20.33	1,327,777	19.61	1,584,936	19.94	1,327,777	18.79	
51st to 100th	1,516,952	19.46	1,252,029	18.49	1,516,952	19.09	1,231,730	17.43	
Other borrowers	2,455,440	31.50	2,212,605	32.67	2,600,568	32.72	2,526,072	35.75	
Total expanded portfolio	7,796,236	100.00	6,771,853	100.00	7,947,854	100.00	7,065,020	100.00	

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

	Individual		Consolidated	
	2012	2011	2012	2011
Agricultural	107,391	59,907	107,391	104,971
Housing	27,811	15,390	27,811	15,390
Manufacturing	1,398,625	1,409,323	1,398,625	1,503,611
Commercial	188,500	163,125	188,500	163,125
Financial intermediation	99,188	21,779	99,188	31,930
Other services	5,773,549	5,000,846	5,925,167	5,144,510
Individuals	201,172	101,483	201,172	101,483
Total expanded portfolio	7,796,236	6,771,853	7,947,854	7,065,020

f) Change in the allowances for loan losses and other loan losses, in accordance with Resolution 2.682/99:

Details	Individual	
	2012	2011
Opening balance	173,070	116,082
Additions/Reversals	83,305	88,725
Amount written off	(69,986)	(34,253)
Exchange variation ⁽¹⁾	263	2,516
Closing balance	186,652	173,070

Details	Consolidated	
	2012	2011
Opening balance	173,070	116,082
Additions/Reversals	83,305	88,725
Amount written off	(69,986)	(34,253)
PDD Funds	1,602	-
Exchange variation ⁽¹⁾	263	2,516
Closing balance	188,254	173,070

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

g) Change in the provision for loan operations assigned with coobligation:

Details	Individual and Consolidated	
	2012	2011
Opening balance	9,966	6,036
Additions	-	8,801
Reversal	(9,964)	(4,871)
Closing balance⁽¹⁾	2	9,966

⁽¹⁾ Presented in "Other Information" (Note 28.a)

i) Credit assignments

For the year ended 31 December, 2012, loans were assigned without coobligation in the amount of R\$94,436 to parties not related to the Institution (December 31, 2011 - R\$441,622, of which R\$303,651 was assigned to Pine Crédito Privado Fundo de Investimento em Direitos Creditórios Financeiros with no gain or loss). These assignments generated a loss in relation to their face value of R\$74,156 (December 31, 2011 - R\$ 63,716), without discounting the allowance for loan losses in the amount of R\$70,353 (December 31, 2011 - R\$38,248). The results of the assignments are recorded in the "Other operating income/expenses" account. Additionally, contracts previously written off with a loss of R\$ 63,841 were transferred. These disposals generated a gain of R\$ 1,062, recorded in "Loan Operations" .

j) Credit recoveries

For the year ended December 31, 2012, credits previously written off as a loss were recovered in an amount of R\$ 4,009 (December 31, 2011 - R\$12,618) recorded in the "Loan operations" account.

k) Renegotiation of contracts

At December 31, 2012, renegotiated contracts totaled R\$130,152 (December 31, 2011 - R\$ 17,935). The original ratings attributed to these contracts were maintained.

8. FOREIGN EXCHANGE PORTFOLIO

	Individual and Consolidated			
	Other receivables		Other liabilities	
	2012	2011	2012	2011
Exchange purchases pending settlement	513,509	583,641	-	-
Rights on exchange sales	54,018	32	-	-
Income receivable	9,260	18,746	-	-
Advances in local currency received	(53,991)	-	-	-
Exchange sales pending settlement	-	-	53,976	34
Liabilities for exchange purchases	-	-	503,436	531,374
Advances on foreign exchange contracts	-	-	(482,279)	(531,018)
Total	522,796	602,419	75,133	390

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9. OTHER RECEIVABLES - SUNDRY

(a) These comprise the following amounts:

	2012			2011		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Advances and salary prepayments	205	-	205	313	-	313
Advances for payments on our behalf	5,004	-	5,004	3,753	-	3,753
Deferred tax assets (Note 9(b))	87,217	55,835	143,052	85,712	56,158	141,870
Debtors for purchase of assets	29,937	84,183	114,120	15,363	15,822	31,185
Income tax available for offset (Note 16.b)	538	34,733	35,271	12,351	36,804	49,155
Amounts receivable from affiliates	973	-	973	-	-	-
Fiscal incentive options	-	-	-	-	49	49
Notes and credits receivable	89,842	30,000	119,842	2,598	715	3,313
Sundry debtors	3,003	-	3,003	4,423	-	4,423
Total	216,719	204,751	421,470	124,513	109,548	234,061

	2012			2011		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Advances and salary prepayments	205	-	205	313	-	313
Advances for payments on our behalf	5,004	-	5,004	3,753	-	3,753
Deferred tax assets (Note 9(b))	87,217	56,099	143,316	85,712	56,289	142,001
Debtors for purchase of assets	29,937	84,183	114,120	15,363	15,822	31,185
Income tax available for offset (Note 16.b)	856	35,623	36,479	12,350	37,473	49,823
Fiscal incentive options	-	-	-	-	49	49
Notes and credits receivable ⁽¹⁾	89,842	30,000	119,842	2,598	715	3,313
Sundry debtors	6,701	-	6,701	6,675	-	6,675
Total	219,762	205,905	425,667	126,764	110,348	237,112

b) Deferred tax assets

At December 31, 2012 and 2011, the deferred tax assets and deferred tax liabilities related to income tax (IRPJ) and social contribution on net income (CSLL) were comprised as follows:

Deferred tax assets	2012			2011		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Allowance for loan losses	45,948	27,569	73,517	43,178	25,907	69,085
MTM Cash flow hedge	-	-	-	95	57	152
Adjustment of available-for-sale securities	214	129	343	620	371	991
Credits written off to loss	14,437	8,662	23,099	12,523	7,513	20,036
Futures market - Law 11196	2,714	1,629	4,343	334	200	534
Allowance for loss on loans assigned with co-obligation	1	-	1	2,492	1,495	3,987
Provision for tax risks and contingent liabilities	12,000	7,199	19,199	11,489	6,813	18,302
Provision for profit sharing	5,191	3,115	8,306	8,287	4,973	13,260
Provision for adjustment of loan assignments	-	-	-	458	275	733
Provision for lawyers' fees	2,344	1,406	3,750	2,960	1,776	4,736
Provision for equity accounting loss abroad	2,424	1,455	3,879	-	-	-
Provision for bank guarantees	-	-	-	3,794	2,277	6,071
Provision - FIDC	401	240	641	-	-	-
Provision for Resolution 3921	1,244	747	1,991	-	-	-
Provision for devaluation of assets	2,489	1,494	3,983	2,489	1,494	3,983
Total	89,407	53,645	143,052	88,719	53,151	141,870

Deferred tax assets	2012			2011		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Allowance for loan losses	45,948	27,569	73,517	43,178	25,907	69,085
MTM Cash flow hedge	-	-	-	95	57	152
Adjustment of available-for-sale securities	214	129	343	620	371	991
Credits written off to loss	14,437	8,662	23,099	12,523	7,513	20,036
Futures market - Law 11196	2,714	1,629	4,343	334	200	534
Allowance for loss on loans assigned with co-obligation	1	-	1	2,492	1,495	3,987
Provision for tax risks and contingent liabilities	12,165	7,298	19,463	11,579	6,854	18,433
Provision for profit sharing	5,191	3,115	8,306	8,287	4,973	13,260
Provision for adjustment of loan assignments	-	-	-	458	275	733
Provision for lawyers' fees	2,344	1,406	3,750	2,960	1,776	4,736
Provision for equity accounting loss abroad	2,424	1,455	3,879	-	-	-
Provision for bank guarantees	-	-	-	3,794	2,277	6,071
Provision - FIDC	401	240	641	-	-	-
Provision for Resolution 3921	1,244	747	1,991	-	-	-
Provision for devaluation of assets	2,489	1,494	3,983	2,489	1,494	3,983
Total	89,572	53,744	143,316	88,809	53,192	142,001

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	Individual			Consolidated		
	2012			2011		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Deferred tax liabilities						
Mark-to-market adjustment of derivative financial instruments	20,308	12,184	32,492	24,858	14,914	39,772
Adjustment of trading securities	11,394	6,836	18,230	3,784	2,270	6,054
Asset adjustment of judicial deposits	584	350	934	356	161	517
MTM trading shares	-	-	-	39	23	62
MTM Cash flow hedge	-	-	-	70	42	112
Total (Note 15.b)	32,286	19,370	51,656	29,107	17,410	46,517

	Individual			Consolidated		
	2012			2011		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Deferred tax liabilities						
Mark-to-market adjustment of derivative financial instruments	20,308	12,184	32,492	24,858	14,914	39,772
Adjustment of trading securities	11,394	6,836	18,230	3,784	2,270	6,054
Asset adjustment of judicial deposits	602	361	963	369	171	540
MTM trading shares	-	-	-	39	23	62
MTM Cash flow hedge	-	-	-	70	42	112
Total (Note 15.b)	32,304	19,381	51,685	29,120	17,420	46,540

Changes in deferred tax assets and deferred tax liabilities

	Individual		Consolidated	
	2012	2011	2012	2011
Deferred tax assets				
Opening balance	141,870	186,516	142,001	187,106
Amount recorded	163,930	168,756	164,425	169,325
Reversal	(162,748)	(213,402)	(163,110)	(214,430)
Closing balance	143,052	141,870	143,316	142,001

	Individual		Consolidated	
	2012	2011	2012	2011
Deferred tax liabilities				
Opening balance	46,517	60,154	46,540	60,339
Amount recorded	107,362	64,995	107,700	88,639
Reversal	(102,223)	(78,632)	(102,555)	(102,438)
Closing balance	51,656	46,517	51,685	46,540

Projected realization of deferred tax assets and deferred tax liabilities

	Individual			Consolidated		
	2012			2011		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Deferred tax assets						
Up to 1 year	54,511	32,706	87,217	54,511	32,706	87,217
From 1 to 2 years	9,295	5,577	14,872	9,295	5,577	14,872
From 2 to 3 years	5,949	3,569	9,518	5,949	3,569	9,518
From 3 to 4 years	4,094	2,456	6,550	4,094	2,456	6,550
From 4 to 5 years	1,770	1,062	2,832	1,770	1,062	2,832
From 5 to 10 years	13,788	8,275	22,063	13,953	8,374	22,327
Total	89,407	53,645	143,052	89,572	53,744	143,316

	Individual			Consolidated		
	2012			2011		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Deferred tax liabilities						
Up to 1 year	10,264	6,158	16,422	10,264	6,159	16,423
From 1 to 2 years	3,710	2,226	5,936	3,710	2,226	5,936
From 2 to 3 years	6,258	3,755	10,013	6,258	3,755	10,013
From 3 to 4 years	4,447	2,668	7,115	4,447	2,668	7,115
From 4 to 5 years	5,689	3,413	9,102	5,689	3,412	9,101
From 5 to 10 years	1,918	1,150	3,068	1,936	1,161	3,097
Total	32,286	19,370	51,656	32,304	19,381	51,685

10. INVESTMENTS

	2012					
	Pine Planejamento ⁽⁵⁾	Pine Ass. em Comercial ⁽²⁾	Pine Investimentos	Pine Comerc. Energia Eletr. ⁽³⁾	Pine Assessoria ⁽²⁾	Pine Corretora ⁽¹⁾
Holding - %	99.9900	10.00	99.9998	99.9999	99.9998	99.9998
Number of shares held	10,000	10,000	892,298,000	77,399,000	500,000	500,000
Capital	10	10	13,384	77,400	1	500
Equity	4,117	3	38,074	80,429	35,009	234
Net income (loss)	4,107	7	5,774	(165)	33,396	(278)
Investment amount	4,117	-	38,074	80,429	35,009	234
Equity in the results of investee	4,107	-	5,774	(165)	33,396	(278)

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					2011
	Pine Investimentos	Pine Comerc. Energia Eletr. ⁽³⁾	Pine Assessoria ⁽²⁾	Pine Corretora ⁽¹⁾	Total
Holding - %	99,9998	100,00	99,9998	99,9998	-
Number of shares held	892,298,000	77,400,000	500,000	500,000	-
Capital	13,385	77,400	1	1	-
Equity	32,300	80,594	1,613	13	-
Net income (loss)	8,723	2,276	1,612	12	12,623
Investment amount	32,300	80,594	1,613	13	114,520
Equity in the results of investee	8,723	2,276	1,612	12	12,623

⁽¹⁾ Pine Corretora de Seguros Ltda. was constituted on December 12, 2011. The company has capital of R\$500, divided into 500 shares, fully subscribed and paid in local currency.

⁽²⁾ Pine Assessoria e Consultoria Ltda was constituted on December 12, 2011. The company has capital of R\$500, divided into 500 shares, R\$1 was paid up upon constitution and the remaining R\$499 will be paid up in local currency up to January 2013.

⁽³⁾ At the Extraordinary General Meeting (AGE) held on August 19, 2011, approval was given for a capital increase in Pine Comercializadora de Energia Elétrica Ltda. (formerly BP Empreendimentos e Participações S.A.), of R\$70,000, from R\$7,400 to R\$77,400, with the issue of 60,069,871 new nominative common shares. On February 16, 2012, the corporation was transformed into a limited liability partnership and its name was changed from BP Empreendimentos e Participações S.A. to Pine Comercializadora de Energia Elétrica Ltda.

⁽⁴⁾ Pine Assessoria em Comercialização de Energia Ltda. was constituted on April 24, 2012. Capital is R\$10, comprising 10,000 quotas of R\$1 each, fully subscribed and paid up in Brazilian currency and distributed as follows: 90% - Pine Comercializadora de Energia Elétrica, 10% - the Institution.

⁽⁵⁾ Pine Planejamento e Serviços Ltda. was constituted on June 26, 2012. Capital is R\$10, comprising 10,000 quotas of R\$1 each, fully subscribed and paid up in Brazilian currency and distributed as follows between the partners: 0.01% - Pine Comercializadora de Energia Elétrica, 99.99% - the Institution.

11. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

a) Property and equipment in use

	Annual depreciation-%							2012
		Individual			Consolidated			
		Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount	
Facilities	20	10,690	(8,932)	1,758	10,690	(8,932)	1,758	
Furniture and equipment in use	10	2,962	(1,459)	1,503	2,962	(1,459)	1,503	
Communications system	10	1,426	(739)	687	1,428	(739)	689	
Data processing system	10	921	(849)	72	921	(849)	72	
Security system	10	31	(19)	12	31	(19)	12	
Transport system	20	26,267	(1,333)	24,934	26,267	(1,333)	24,934	
Total		42,297	(13,331)	28,966	42,299	(13,331)	28,968	

	Annual depreciation - %							2011
		Individual			Consolidated			
		Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount	
Facilities	20	10,446	(7,221)	3,225	10,446	(7,221)	3,225	
Furniture and equipment in use	10	3,599	(1,763)	1,836	3,599	(1,763)	1,836	
Communications system	10	1,866	(923)	943	1,868	(923)	945	
Data processing system	10	1,074	(972)	102	1,074	(972)	102	
Security system	10	147	(119)	28	147	(119)	28	
Transport system	20	1,705	(444)	1,261	1,812	(477)	1,335	
Total		18,837	(11,442)	7,395	18,946	(11,475)	7,471	

b) Intangible assets

	Annual amortization - %							2012
		Individual			Consolidated			
		Cost	Accumulated amortization	Net amount	Cost	Accumulated amortization	Net amount	
Expense for acquisition and development of software	10	9,450	(7,397)	2,053	9,915	(7,862)	2,053	
Total		9,450	(7,397)	2,053	9,915	(7,862)	2,053	

	Accumulated amortization - %							2011
		Individual			Consolidated			
		Cost	Accumulated amortization	Net amount	Cost	Accumulated amortization	Net amount	
Expense for acquisition and development of software	10	9,072	(6,671)	2,401	9,537	(7,062)	2,475	
Total		9,072	(6,671)	2,401	9,537	(7,062)	2,475	

12. DEPOSITS

a) Analysis by maturity:

							2012
	Individual			Consolidated			
	Demand deposits	Time deposits	Interbank deposits	Demand deposits	Time deposits	Interbank deposits	
No stated maturity	30,134	-	-	30,053	-	-	
Up to 30 days	-	296,206	32,749	-	283,819	32,749	
From 31 to 60 days	-	271,205	40,128	-	269,568	40,128	
From 61 to 90 days	-	416,556	10,282	-	412,695	10,282	
From 91 to 180 days	-	443,007	1,506	-	441,089	1,506	
From 181 to 360 days	-	332,480	24,267	-	332,261	24,267	
More than 360 days	-	1,555,997	21,221	-	1,428,511	12,068	
Total	30,134	3,315,451	130,153	30,053	3,167,943	121,000	

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	Individual			2011 Consolidated		
	Demand deposits	Time deposits	Interbank deposits	Demand deposits	Time deposits	Interbank deposits
No stated maturity	112,415	-	-	111,826	-	-
Up to 30 days	-	386,244	24,059	-	375,101	24,059
From 31 to 60 days	-	153,694	36,553	-	153,694	36,553
From 61 to 90 days	-	281,324	8,542	-	281,324	8,542
From 91 to 180 days	-	416,850	25,731	-	416,850	25,034
From 181 to 360 days	-	393,472	22,752	-	385,049	3,639
More than 360 days	-	1,732,424	8,752	-	1,653,800	8,058
Total	112,415	3,364,008	126,389	111,826	3,265,818	105,885

b) Analysis by market segment:

	Individual			2012 Consolidated		
	Demand deposits	Time deposits	Interbank deposits	Demand deposits	Time deposits	Interbank deposits
Manufacturing, commercial and services	29,705	1,032,986	-	29,705	1,032,986	-
Related companies	81	147,508	9,153	-	-	-
Individuals	348	16,445	-	348	16,445	-
Financial institutions and investment funds	-	2,118,512	121,000	-	2,118,512	121,000
Total	30,134	3,315,451	130,153	30,053	3,167,943	121,000

	Individual			2011 Consolidated		
	Demand deposits	Time deposits	Interbank deposits	Demand deposits	Time deposits	Interbank deposits
Manufacturing, commercial and services	111,690	1,067,175	-	111,647	1,067,175	-
Related companies	546	98,190	20,504	-	-	-
Individuals	179	125,623	-	179	125,623	-
Financial institutions and investment funds	-	2,073,020	105,885	-	2,073,020	105,885
Total	112,415	3,364,008	126,389	111,826	3,265,818	105,885

13. FUNDS OBTAINED IN THE OPEN MARKET

	Individual and Consolidated	
	2012	2011
National Treasury Bills (LTN)	1,674,484	2,565,657
Federal Treasury Notes (NTN)	-	593,961
Debentures	158,177	30,798
Total	1,832,661	3,190,416

14. INTERBANK ACCOUNTS – LOCAL CORRESPONDENTS

These comprise amounts received in advance related to installments of loan operations assigned with coobligation to be transferred to the assignees on the corresponding due dates, recorded at the present value of the obligation on the base date, in the amount of R\$37 at December 31, 2012 (December 31, 2011 - R\$6,366 in the individual and consolidated).

15. OTHER LIABILITIES

a) Collection and payment of taxes and similar:

At December 30, 2012, this balance consists of tax on financial transactions (IOF) payable in the amount of R\$ 936 (December 31, 2011 – R\$ 1,182).

b) Tax and social security contributions

	Individual			2012 Consolidated		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Taxes and contributions on third-party services	220	-	220	220	-	220
Taxes and contributions on salaries	2,981	-	2,981	3,106	-	3,106
Income tax	6,911	-	6,911	10,409	-	10,409
Service tax (ISS)	425	-	425	562	-	562
Withholding income tax (IRRF)	2,776	-	2,776	2,783	-	2,783
Social Integration Program (PIS) and Social Contribution on Revenues (COFINS) payable	340	-	340	480	-	480
Provision for deferred income tax (IR) and social contribution (CS) (Note 9.b)	16,422	35,234	51,656	16,423	35,262	51,685
Provision for tax risks (Note 16(b) and (c))	-	42,056	42,056	-	42,591	42,591
Total	30,075	77,290	107,365	33,983	77,853	111,836

	Individual			2011 Consolidated		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Taxes and contributions on third-party services	117	-	117	117	-	117
Taxes and contributions on salaries	2,870	-	2,870	2,920	-	2,920
Taxes and contributions on income	-	-	-	5,568	-	5,568
Service tax (ISS)	283	-	283	444	-	444
IRRF	964	-	964	1,011	-	1,011
IRRF – on interest on own capital	700	-	700	700	-	700
PIS and COFINS payable	226	-	226	352	-	352
Provision for deferred IR and CS (Note 9.b)	16,033	30,484	46,517	16,033	30,507	46,540
Provision for tax risks (Note 16(b) and (c))	-	29,197	29,197	-	29,574	29,574
Total	21,193	59,681	80,874	27,145	60,081	87,226

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c) Sundry

	2012					
	Individual			Consolidated		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Provision for personnel expenses	27,582	-	27,582	27,829	-	27,829
Cashier's checks	4,916	-	4,916	4,916	-	4,916
Provision for contingent liabilities- civil (Note 16.d)	-	18,298	18,298	-	18,298	18,298
Provision for contingent liabilities - labor (Note 16.d)	-	4,665	4,665	-	4,665	4,665
Provision for losses - assignment with coobligation (Note 28.a)	-	2	2	-	2	2
Provision for guarantees	-	-	-	-	-	-
Provision FIDC	-	1,602	1,602	-	-	-
Other administrative expenses	2,768	9,374	12,142	2,830	9,374	12,204
Accounts payable	49	-	49	49	-	49
Sundry creditors - local	846	-	846	881	-	881
Total	36,161	33,941	70,102	36,505	32,339	68,844

	2011					
	Individual			Consolidated		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Provision for personnel expenses	39,142	-	39,142	39,214	-	39,214
Cashier's checks	3,718	-	3,718	3,718	-	3,718
Provision for contingent liabilities- civil (Note 16.d)	-	16,025	16,025	-	16,025	16,025
Provision for contingent liabilities - labor (Note 16.d)	-	7,124	7,124	-	7,124	7,124
Provision for losses - assignment with coobligation (Note 28.a)	-	9,966	9,966	-	9,966	9,966
Provision for guarantees	-	15,178	15,178	-	15,178	15,178
Other administrative expenses	2,185	11,840	14,025	2,206	11,841	14,047
Sundry creditors - local	1,997	-	1,997	1,997	-	1,997
Capital subscription to be paid up	2	-	2	2	-	2
Total	47,044	60,133	107,177	47,137	60,134	107,271

16. CONTINGENT ASSETS AND LIABILITIES AND LEGAL OBLIGATIONS – TAX AND SOCIAL SECURITY CONTRIBUTIONS**a) Contingent assets**

There were no contingent assets at December 31, 2012 or 2011.

b) Legal obligations - taxes and social security

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

PIS: R\$ 32,011 – Individual - R\$32,538 - Consolidated (December 31, 2011 – R\$26,831 – Individual - R\$27,201 – Consolidated): the Institution and Pine Investimentos filed legal proceedings designed to suspend the provisions of Article 3, paragraph 1, of Law 9718/1998, which changed the calculation basis of PIS and COFINS so that they are levied on all corporate revenues. Prior to this rule, suspended in innumerable recent decisions by the Federal Supreme Court, only revenues derived from services rendered and the sale of merchandise were liable to this tax. The injunction filed by Banco Pine received a partially favorable ruling and the appeal lodged by the Federal Government was dismissed. Currently awaiting judgment of the admissibility of the Special and Extraordinary Appeals filed by the Federal Government.

COFINS: In November 2005, the Federal Supreme Court (STF) judged as unconstitutional paragraph 1 of Article 3, 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.

Based on the decision of May 21, 2010 which rejected the two extraordinary appeals lodged by the Federal Government, an interlocutory appeal for writ of certiorari on extraordinary appeal was filed. Upon referral to the Federal Supreme Court, the Chief Justice referred the case records to the Court of origin, on the grounds of Article 543-B of the Code of Civil Procedures, considering the analysis of the General Repercussion already issued through Special Appeal RE 585235. Subsequently, on May 18, 2011, the interlocutory appeal was dismissed and the Federal Government filed petitions seeking clarification of the decision, claiming that a material error had occurred in respect of the aforementioned RE and indicating that RE 609096 was correct. The petitions for clarification were dismissed. Further, as a result of this sentence, a special appeal was lodged for the same purpose. The Deputy Chief Judge of the Regional Federal Court of the 3rd Region received the special appeal as a request for reconsideration and upheld the appealed sentence. Notified of this decision, the Federal Government lodged no further appeal. The final ruling was handed down on October 21, 2011 and certified on November 8, 2011.

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 no loss is probable, and recognized a net revenue in the total amount of R\$150,510 on a Individual basis and R\$ 151,357 on a Consolidated basis, for final quarter of 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 Institution and R\$ 15,872 on a Consolidated basis, which adjusted for inflation, based on the variation in the SELIC rate up to December 30, 2012, totaled R\$34,490 (December 31, 2011 –R\$ 33,154) in the Institution and R\$34,919 (December 31, 2011 –R\$ 33,565) on a Consolidated basis. Based on the final and unappealable sentence and the administrative procedure filed at the 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							
	Provision				Consolidated			
	2012	2011	2012	2011	2012	2011	2012	2011
Social integration program (PIS)	32,011	26,831	31,927	26,712	32,538	27,201	32,452	27,071
Social contribution on revenues	-	-	160,295	150,728	-	-	161,197	151,573
Total	32,011	26,831	192,222	177,440	32,538	27,201	193,649	178,644

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c) Contingencies classified as probable are generally provided for and for the years ended December 31, 2012 and 2011 are comprised as follows:

	Provision		Individual		Provision		Consolidated	
	2012	2011	2012	2011	2012	2011	2012	2011
Tax contingencies	10,045	2,366	2,076	1,660	10,053	2,373	2,347	1,917
Labor contingencies	4,665	7,124	536	746	4,665	7,124	536	746
Civil contingencies	18,298	16,025	2,657	1,602	18,298	16,025	2,657	1,602
Total	33,008	25,515	5,269	4,008	33,016	25,522	5,540	4,265

d) Activity in liability provisions

	Individual				Consolidated			
	2012				2011			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
Opening balance	29,197	7,124	16,025	52,346	165,423	5,788	5,238	176,449
Amount recorded (reversed)	10,991	(2,980)	1,294	(8,610)	(149,285)	1,132	10,426	(137,727)
Adjustments	1,868	521	979	21,283	13,059	204	361	13,624
Closing balance	42,056	4,665	18,298	65,019	29,197	7,124	16,025	52,346

	Individual				Consolidated			
	2012				2011			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
Opening balance	29,574	7,124	16,025	52,723	167,015	5,788	5,238	178,041
Amount recorded (reversed)	11,116	(2,980)	1,294	(8,485)	(150,648)	1,132	10,426	(139,090)
Adjustments	1,901	521	979	21,316	13,207	204	361	13,772
Closing balance	42,591	4,665	18,298	65,554	29,574	7,124	16,025	52,723

e) We present below the main suits and proceedings for which the likelihood of loss is considered possible:

Labor: At December 31, 2012, the Institution had no labor claims classified as possible.

Civil: At December 31, 2012, the Institution had no civil claims classified as possible (December 31, 2011 – R\$6,663).

17. BORROWINGS AND ONLENDINGS

	Individual					
	2012					
	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	70,958	251,418	330,475	132,022	107,435	892,308
Foreign onlendings	-	10,236	-	-	-	10,236
Foreign borrowings	389,617	503,245	-	-	61,305	954,167
Total	460,575	764,899	330,475	132,022	168,740	1,856,711

	Consolidated					
	2012					
	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⁾	-	-	-	118,735	-	118,735
Local onlendings – official institutions - BNDES	70,958	251,418	330,475	132,022	107,435	892,308
Foreign onlendings	-	10,236	-	-	-	10,236
Foreign borrowings	389,617	503,245	-	-	61,305	954,167
Total	460,575	764,899	330,475	250,757	168,740	1,975,446

	Individual					
	2011					
	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	-	2,012	-	-	-	2,012
Local onlendings – official institutions - BNDES	75,854	223,746	327,930	137,586	102,145	867,261
Foreign onlendings	985	139	9,379	56,253	-	66,756
Foreign borrowings	481,430	451,448	-	3,958	-	936,836
Total	558,269	677,345	337,309	197,797	102,145	1,872,865

	Consolidated					
	2011					
	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⁾	-	2,012	-	228,292	-	230,304
Local onlendings – official institutions - BNDES	75,854	223,746	327,930	137,586	102,145	867,261
Foreign onlendings	985	139	9,379	56,253	-	66,756
Foreign borrowings	481,430	451,448	-	3,958	-	936,836
Total	558,269	677,345	337,309	426,089	102,145	2,101,157

⁽¹⁾ At December 31, 2012, R\$118,735 comprises the amount of the senior shares of FIDC (December 31, 2011 - R\$228,292).

18. FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES

a) Funds from acceptance

	Individual and Consolidated					
	2012					
	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	From 5 to 15 years	Total
Real estate letters of credit - LCI	2,236	9,729	-	-	-	11,965
Agribusiness letters of credit (LCA)	285,197	92,171	7,830	-	-	385,198
Financial Bills (LF)	-	1,101	562,941	8,529	1,694	574,265
Total	287,433	103,001	570,771	8,529	1,694	971,428

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	Individual and Consolidated				
	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	From 5 to 15 years
Real estate letters of credit - LCI	3,581	-	-	-	-
Agribusiness letters of credit (LCA)	216,103	67,503	23,449	-	-
Financial Bills (LF)	5,256	-	1,003	-	16,743
Total	224,940	67,503	24,452	-	16,743

b) Securities issued abroad

These are funds obtained through the global fixed-rate note program which, at December 31, 2012, amount to R\$312,268 (December 31, 2011 - R\$308,655), maturing up to 2022 and interest of up to 8.80% per annum plus LIBOR and exchange variation, and working capital in the amount of R\$8,367 (December 31, 2011 - R\$12,803) maturing up to 2014.

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

Tranche - US\$	Currency of Issuance	Interest rate	Final maturity	Individual and Consolidated	
				2012	2011
4,091	US\$	2,0% a.a + Libor	Jun/2014	8,367	12,803
8,000	US\$	1,85% a.a + Libor	Nov/2014	16,391	22,573
9,394	US\$	2,0% a.a + Libor	Oct/2013	19,295	35,421
1,044	US\$	8,7% a.a + Libor	Jan/2017	2,226	2,042
39,333	US\$	3,0% a.a + Libor	Jan/2014	81,616	201,720
25,000	US\$	4,2% a.a + Libor	Apr/2022	51,555	46,899
73,000	CLP	6,0% a.a + Var.UF	Dec/2017	141,185	-
Total				320,635	321,458
Current				(109,159)	(158,565)
Total long-term liabilities				211,476	162,893

The Institution is required to comply with certain financial covenants related to the maintenance of specific performance, liquidity and debt ratios tied to financing agreements in the amount of R\$19,295 (FMO-Nederlandse Financierings Maatschappij Voor Ontwi-The Hague), which if not met could cause settlement to be accelerated. Further, the Institution has lines with certain multilateral bodies (IFC - International Finance Corporation and IDB - Inter-American Development Bank) which guarantee the Institution's loans in the amount of US\$100,000 (R\$204,350 based on the US dollar ptax rate at December 31, 2012). At December 31, 2012, Banco Pine was using the amount of US\$40.356 (R\$82,467 based on the US dollar exchange ptax rate at December 31, 2012)", and was compliant with the performance indexes.

19. SUBORDINATED DEBT

	Issue	Maturity	Amount	Interest rate	Individual and Consolidated	
					2012	2011
Fixed rate notes	Public	1/6/2017	US\$125,000	8.75% p.a + LIBOR	267,705	245,944
Fixed rate notes	Private	12/29/2016	US\$15,000	4.82% p.a. + LIBOR	-	28,134
Financial bills	Private	8/21/2017	R\$45,152	111.3% of CDI	49,567	30,141
Total					317,272	304,219

20. EQUITY

a) Capital

Subscribed and paid-up capital totals R\$935,683 and comprises 108,631,100 (December 31, 2011 - 84,034,266) nominative shares, of which 58,444,889 (December 31, 2011 - 45,443,872) are common shares and 50,186,211 (December 31, 2011 - 38,590,394) 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 and with no par value, by decision of the Board of Directors.

As deliberated at a meeting of the Board of Directors held on September 25, 2012 and approved by the Central Bank on November 12, 2012, the capital increase in the amount of R\$139,635 through the issue of 3,220,203 shares, with 2,100,839 to shareholder DEG - Deutsche Investitions und Entwicklungsgesellschaft mbH ("DEG") and 1,119,364 to other shareholders, nominative preferred shares and 6,558,123 nominative common shares to the controlling shareholder, from R\$796,048 to R\$935,683, divided into 108,631,100 nominative shares, of which R\$58,444,889 are common shares and 50,186,211 are preferred shares, with no par value.

At the Extraordinary General Meeting held on December 22, 2011 and approved by Central Bank on February 9, 2012, it was decided: a) a capital increase from R\$466,358 to R\$ 666,358, with no new issue of shares, through the incorporation of a portion of the balance of the Premium on Subscription of Shares reserve, in the amount of R\$ 200,000; b) a further capital increase to R\$ 796,048, with the issue of 12,274,766 nominative new shares, of which 6,442,894 were common shares and 5,831,872 were preferred shares, which will be distributed to the stockholders as a bonus, based on a ratio of 14.17769510243 new bonus shares for each lot of 100 shares held. Subsequent to the issue of the new stock, the total number of shares increased from 86,578,008 nominative shares to 98,852,774 nominative shares, of which 51,886,766 are common shares and 46,966,008 are preferred shares.

As deliberated at a meeting of the Board of Directors held on September 8, 2011 and October 25, 2011 and approved by the Central Bank on January 6, 2012, an increase in share capital in the value of R\$ 43,752 was approved with the issuance of 2,543,742 preferred shares, 2,543,604 in favour of the shareholder DEG - Deutsche Investitions - und Entwicklungsgesellschaft MbG ("DEG"), and 138 in favour of others shareholders.

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 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 Bank'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 constitute other reserves, provided that their purpose, the percentage of net income to be appropriated thereto and the maximum amount to be maintained in each such reserve is specified. The appropriation of funds to these reserves should not be approved to the detriment of the mandatory dividend. The Institution recorded a statutory reserve of 100% of its net income, in the amount of R\$78,080, after the appropriation of 5% to the legal reserve of R\$9,373, the deduction of the payment of interest on own capital of R\$60,245 and dividends in the amount of R\$39,755, to maintain the Institution's operating margin compatible with its asset transactions.

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(In thousands of reais, except unit share price)

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, of December 26, 1995, interest on own capital was accrued, calculated based on the variation in TJLP for the period. This interest on own capital decreased the expense for income tax and social contribution for the year ended December 31, 2012 by R\$24,098 (December 31, 2011 - R\$17.961).

We present below the approved dividends and interest on own capital for the net income of period:

Description	Release Date	Payment Date	Gross amount per share	Total gross amount	Net of withholding tax amount per share	Net of withholding tax amount
Interest on own capital	12/26/2012	1/11/2013	0.1501	16,154	0.1276	13,731
Interest on own capital	9/24/2012	10/11/2012	0.1430	14,083	0.1216	11,971
Interest on own capital	6/22/2012	7/12/2012	0.1529	15,113	0.1300	12,846
Interest on own capital	3/27/2012	4/12/2012	0.1507	14,895	0.1281	12,661
Dividends	12/26/2012	1/11/2013	0.1286	13,846	-	-
Dividends	9/24/2012	10/11/2012	0.1617	15,917	-	-
Dividends	6/22/2012	7/12/2012	0.1011	9,887	-	-
Dividends	3/27/2012	4/12/2012	0.0011	105	-	-

In accordance with Letter Circular 3516 of July 21, 2011, the proposed additional dividend in excess of the minimum dividend, in the amount of R\$18,559 (December 31, 2011 - R\$ R\$26.726) is classified in a specific equity account.

We present below the reconciliation of dividends and interest on own capital for the years ended December 31, 2012 and 2011:

	2012	2011
Net income	187,453	161,514
Legal reserve	(9,373)	(8,076)
Calculation base	178,080	153,438
Interest on capital	60,245	52,827
Withholding tax - IRRF (15%)	(9,037)	(7,924)
Prepaid dividends	39,755	37,173
Amount proposed	90,963	82,076
% of calculation base	51.08%	53.49%

e) Treasury shares

At a meeting of the Board of Directors on September 16, 2011, the acquisition of self-issued shares of Pine was authorized for up to 2,154,011 preference shares to be held in treasury for subsequent sale, as well as payment of variable remuneration for the statutory directors of the Bank in agreement with the terms of Resolution 3.921/11, without reducing equity. It was repurchased 713,395 shares in the amount of R \$ 9,588 at an average cost of 13.44. The authorisation prevailed until August 31, 2012.

At a meeting of the Board of Directors on December 6, 2012, the acquisition of self-issued shares of Pine was authorized for up to 1,219,659 preference shares, to be held in treasury for subsequent sale, as well as payment of variable remuneration for the statutory directors of the Bank in accordance with the terms of Resolution 3.921/11, without reducing equity. This plan have already been repurchased 600,000 shares in the amount of R \$ 7,679 with an cost of 12.80. Authorization for issue can be granted until December 5, 2013.

During the second semester Pine transferred 318,555 preferred shares of its own issuance, which were held in treasury, for the Board of Directors as variable remuneration in accordance with Resolution 3.921/11 in the amount of R\$ 4,517 with an average cost of R\$ 14.18.

At 31 December, 2012 the bank had 994,840 preferred shares on treasury of its own issuance in the amount of R\$ 12,750. The market value of these shares corresponded to R\$ 14,923. At 31 December, 2011 there were no treasury shares.

f) Carrying value adjustments

	Individual and Consolidated	
	2012	2011
Available-for-sale financial assets	(843)	(2,478)
Debt instruments	(843)	(2,478)
Cash flow hedge	-	(102)
Hedged item	-	(381)
Hedging instrument	-	279
Other	77	87
Income tax	343	1,032
Total	(423)	(1,461)

21. STATEMENT OF OPERATIONS**a) Loan operations**

	Individual		Consolidated	
	2012	2011	2012	2011
Advance to depositors	664	267	664	267
Loans	347,276	430,915	381,753	456,095
Discounted bills	119	961	119	961
Financing	146,459	159,341	146,459	159,341
Financing - foreign currency	18,578	41,425	18,578	41,426
Total	513,096	632,909	547,573	658,090

b) Results of securities

	Individual		Consolidated	
	2012	2011	2012	2011
Fixed-income securities (FIDC)	16,557	10,614	-	-
Fixed-income securities	479,636	437,911	486,305	455,601
Expense for fixed-income securities	(3,998)	(9,216)	(4,284)	(9,316)
Variable-income securities	-	3,280	-	3,688
Expense for variable-income securities	(2,197)	(5,674)	(2,197)	(6,048)
Total	489,998	436,915	479,824	443,925

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c) Funds obtained in the market

	Individual		Consolidated	
	2012	2011	2012	2011
Expenses for interbank deposits	15,647	25,933	14,423	23,290
Expenses for time deposits	307,280	346,594	297,128	342,367
Expenses for purchase and sale commitments	145,243	194,093	146,314	194,093
Expenses for securities issued abroad	74,317	93,417	74,317	93,418
Expenses for contribution to credit guarantee fund	17,826	13,748	17,826	13,748
Expenses for agribusiness letters of credit	27,374	27,839	27,374	27,839
Expenses for financial bills	28,880	5,171	28,880	5,171
Expenses for real estate letters of credit	1,138	81	1,138	81
Total	617,705	706,876	607,400	700,007

d) Borrowings and onlendings

	Individual		Consolidated	
	2012	2011	2012	2011
Expenses for onlendings (BNDES)	37,893	40,546	37,893	40,546
Expenses for foreign onlendings – Resolution 3844	3,756	4,496	3,756	4,496
Expenses for payables to foreign bankers	104,793	199,389	104,793	199,389
Expenses for local loans - FIDC	-	-	19,410	30,328
Expenses for foreign borrowings	3,849	3,685	3,849	3,685
Total	150,291	248,116	169,701	278,444

e) Income from services rendered

	Individual		Consolidated	
	2012	2011	2012	2011
Credit facility fee	15,642	9,347	15,642	9,347
Commission for guarantees	28,866	17,637	28,866	17,637
Commission for intermediary services	5,135	12,845	65,256	27,714
Other	716	1,161	3,061	1,665
Total	50,359	40,990	112,825	56,363

f) Personnel expenses

	Individual		Consolidated	
	2012	2011	2012	2011
Salaries	55,865	44,931	58,099	46,125
Benefits	7,930	6,441	8,125	6,596
Social charges	19,673	16,567	20,504	16,991
Directors' fees	969	719	984	732
Training	480	330	482	335
Interns	544	298	585	319
Total	85,461	69,286	88,779	71,098

g) Other administrative expenses

	Individual		Consolidated	
	2012	2011	2012	2011
Water, electricity and gas	432	387	439	395
Rents	8,246	7,257	8,412	7,440
Leased assets	2,585	3,062	2,585	3,062
Communications	3,592	3,149	3,603	3,155
Charitable contributions	90	58	104	83
Maintenance and repair of assets	2,222	1,356	2,227	1,360
Material	157	448	157	448
Data processing	8,230	7,511	8,280	7,563
Promotions and public relations	2,405	1,531	2,413	1,539
Advertising and publicity	2,109	1,455	2,182	1,500
Publications	909	658	986	736
Insurance	395	770	397	773
Financial system services	14,858	10,831	15,237	11,208
Third-party services	6,613	5,089	7,075	5,506
Surveillance and security	3,274	2,095	3,274	2,095
Specialized technical services	12,016	33,572	12,267	33,692
Transportation	1,592	1,380	1,616	1,388
Travel	3,273	2,443	3,438	2,468
Fines imposed by BACEN	1	10	1	10
Court decisions	9,307	8,638	9,307	8,638
Other administrative expenses	3,590	4,798	3,675	4,956
Amortization and depreciation	4,512	3,884	4,590	3,998
Total	90,408	100,382	92,265	102,013

h) Tax expenses

	Individual		Consolidated	
	2012	2011	2012	2011
Service tax (ISS)	2,871	2,478	5,994	3,263
Social contribution on revenues(COFINS)	2,297	15,706	4,420	16,366
COFINS legal process ^(*)	-	9,648	-	10,965
Social integration program (PIS)	3,338	3,188	3,793	3,323
Other	2,605	2,737	2,622	2,772
Total	11,111	33,757	16,829	36,689

(*) Amount related to the COFINS legal process described in Note 16.b)

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i) Other operating income

	Individual		Consolidated	
	2012	2011	2012	2011
Recovery of charges and expenses	964	4,049	958	4,034
Indexation	2,903	14,265	2,951	14,466
Exchange variation – liability transactions	12	-	12	-
Reversal of provision for transfer of assignments	939	1,974	939	1,974
Reversal of provision for credit assignment with coobligation	9,964	4,066	9,964	4,066
Reversal of provision for guarantees	15,178	-	15,178	-
Indexation of judicial deposits	8,793	-	8,850	-
Reversal of provision for tax risks	1,079	5,799	1,079	5,799
Reversal of judicial deposits	279	811	279	811
Other operating income ⁽²⁾	14,840	805	3,285	958
Reversal of provision for labor risks	1,467	-	1,467	-
Income of securities and receivables	1,593	3,891	1,593	3,891
Reversal of provision for COFINS legal process ⁽¹⁾	-	160,158	-	162,322
Recovery of expense for COFINS legal process ⁽¹⁾	1,338	33,153	1,354	33,565
Total	59,349	228,971	47,909	231,886

⁽¹⁾ Amount related to the COFINS legal process described in Note 16.b)

⁽²⁾ Refers mainly to the cost sharing between affiliates for the use of the common structure of R\$ 11,699 in the Individual.

j) Other operating expenses

	Individual		Consolidated	
	2012	2011	2012	2011
Provision for labor and civil proceedings	2,927	12,782	3,146	12,782
Indexation of taxes and contributions	424	16,759	457	17,069
Charges on credits assigned	2,020	73,449	2,020	73,449
Reversal/provision for transfer of assignments ⁽¹⁾	(528)	1,617	(528)	1,617
Expenses for assignment ⁽²⁾	74,387	-	74,387	-
Provision for guarantee	-	15,178	-	15,178
Provision for credit assignment with coobligation	-	3,931	-	3,931
Provision for FIDC	1,602	-	1,602	-
Other operating expenses	2,589	7,918	4,040	8,016
Total	83,421	131,634	85,124	132,042

⁽¹⁾ Provision for charges on receipts in advance of installments of credit assignment transactions.

⁽²⁾ R\$74,156 comprises losses for loan assignments with coobligation, as described in Note 7. I)

k) Non-operating results

For the year ended December 31, 2012, the amount of R\$ R\$20,045 in the Individual and R\$20,037 in the Consolidated (December 31,2011 - R\$4,404 Individual and Consolidated) corresponds mainly to the sale of assets received as payment in kind for the settlement of loan transactions,

22. INCOME TAX AND SOCIAL CONTRIBUTION

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

	Individual		Consolidated	
	2012	2011	2012	2011
Income before income tax (IRPJ) and social contribution (CSLL) and less profit sharing	235,992	220,749	245,448	227,821
Interest on capital	60,245	52,827	60,245	52,827
Result before taxes on income	175,747	167,922	185,203	174,994
Current rate	40%	40%	40%	40%
Projected expense for IRPJ and CSLL, based on current tax rate	(70,299)	(67,169)	(74,081)	(69,998)
Temporary differences	15,044	43,304	14,916	43,716
Effects of income tax and social contribution on temporary differences	(13,280)	(27,754)	(13,153)	(28,052)
Other adjustments	19,996	(7,616)	14,323	(11,973)
Income tax and social contribution	(48,539)	(59,235)	(57,995)	(66,307)
Comprising:				
Current taxes	(35,259)	(31,481)	(44,842)	(38,255)
Deferred taxes	(13,280)	(27,754)	(13,153)	(28,052)
Expense recognized	(48,539)	(59,235)	(57,995)	(66,307)

23. RELATED-PARTY TRANSACTIONS

a) Management compensation

For the year ended December 31, 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.

The new Plan has the following main objectives: (i) alignment of the Institution's executive compensation practices in relation to 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 retain and attract 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 free of 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 Directors based on the target agreements entered into by each director as established in the PLR and filed in the Institution's head office; (vii) the performance of the business unit; and (viii) the relation between the Directors' 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 kind, at the same time as the payment of Profit Sharing (PLR).

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

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c) an amount corresponding to the remaining 40% of variable remuneration will be paid in preferred shares of the Institution and will be granted to the employee at the same time as the payment of the amount in kind. The right to dispose of these shares will be on a "Deferred" basis, increasing in the line with the level of responsibility of the Director.

The delivery of the shares related to deferred variable compensation attributable to the Directors will only occur if none of the following are 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 right to variable compensation.

The Institution's Compensation Committee, approved at the general meeting held on January 16, 2012, will be 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) reviewing annually the Institution's directors' compensation policy, recommending adjustments or improvements to the board of directors; (iv) recommending to the board of directors the total amount of the directors' 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 directors' compensation policy; (vi) analyzing the Institution's directors' compensation policy in relation to market practices, to identify significant differences as compared to peer companies, proposing necessary adjustments; (vii) ensuring that the directors' 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 National Monetary Council Resolution 3921/10.

For the year ended December 31, 2012, variable remuneration was determined in the amount of R\$5,872, in accordance with the criteria defined in the new plan.

Salaries and Fees of the Board of Directors and Executive Board	Individual and Consolidated	
	2012	2011
Fixed compensation	7,841	5,549
Variable compensation	17,669	13,357
Other	2,997	952
Total	28,507	19,858

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 health care and free or subsidized goods or services).

b) Employment agreement termination

The employment agreements are valid for an indefinite period. The officer is not entitled to any financial compensation when the employment relationship is terminated voluntarily or due to the non-fulfillment of his/her obligations. If the employment agreement is terminated by the Institution, the officer may receive indemnification. At December 31, 2012, compensation in the amount of R\$1,246 was paid to officers who left the Institution. No compensation was paid for the year ended December 31, 2011.

c) Related parties

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

	Assets (liabilities)		Income (expenses)	
	2012	2011	2012	2011
Marketable securities	169,502	105,214	16,557	10,614
Pine Crédito Privado - FIDC	169,502	105,214	16,557	10,614
Demand deposits	144	649	-	-
Pine Investimentos	55	546	-	-
Pine Comercializadora de Energia Elétrica	-	40	-	-
Pine Corretora	8	1	-	-
Pine Assessoria	5	1	-	-
Pine Assessoria em Comercialização de Energia	3	-	-	-
Pine Planejamento Ltda	9	-	-	-
Directors and immediate family ⁽¹⁾	64	61	-	-
Interbank deposits	9,152	20,504	(1,224)	(2,643)
Pine Investimentos	9,152	20,504	(1,224)	(2,643)
Time deposits	161,590	108,528	(10,209)	(5,145)
Pine Investimentos	26,546	14,145	(1,602)	(637)
Pine Comercializadora de Energia Elétrica	80,541	81,293	(7,065)	(3,588)
Pine Corretora	220	750	(45)	-
Pine Assessoria	35,421	2,001	(1,403)	(1)
Pine Planejamento Ltda	4,782	-	(36)	-
Directors and immediate family ⁽¹⁾	14,080	10,339	(58)	(919)

⁽¹⁾ These amounts are not consolidated.

d) Capital ownership

The following table presents the direct investment in common and preferred shares, at December 31, 2012 and 2011, of stockholders with more than five percent of total shares and of members of the Board of Directors and Executive Board.

Stockholders						2012
	Common shares	Common shares(%)	Preferred shares	Preferred Shares %	Total shares	Total shares(%)
Individuals	58,444,889	100.00	15,595,863	31.08	74,040,752	68.16
Board of Directors	-	-	3,281,010	6.54	3,281,010	3.02
Executive officers	-	-	2,635,774	5.25	2,635,774	2.39
Total	58,444,889	100.00	21,512,647	42.87	79,957,536	73.57

Stockholders						2011
	Common shares	Common shares(%)	Preferred shares	Preferred Shares %	Total shares	Total shares(%)
Individuals	45,443,872	100.00	14,370,556	37.23	59,814,428	71.18
Board of Directors	-	-	2,150,452	5.57	2,150,452	2.56
Executive officers	-	-	602,994	1.56	602,994	0.72
Total	45,443,872	100.00	17,124,002	44.36	62,567,874	74.46

BANCO PINE S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

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24. COMMITMENTS, GUARANTEES AND OTHER INFORMATION

	2012	2011
Sureties and guarantees	2,114,296	1,687,365
Credit assignment with co-obligation	334	58,439
Letter of credit	8,814	14,220
Total	2,123,444	1,760,024

25. EMPLOYEE BENEFITS

The Institution makes monthly contributions to a private pension company for VGBL and PGDL 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 year ended December 31, 2012 totaled R\$ 342 (December 31, 2011 - R\$ 279).

26. 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".

27. RISK AND CAPITAL MANAGEMENT

a) Introduction and overview

Banco Pine is exposed to risks resulting from the use of financial instruments which are continuously measured and monitored and has an analysis structure made up of a board of directors, a council and a committee that assess the following risks:

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

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 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 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.
- Revise 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 revisions 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 permit 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 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 the Institution may face in meeting its obligations resulting from its financial liabilities.

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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 regards to maturities, volumes and the liquidity of its assets.

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

- Maturity mismatches between payment and receipt flows Group wide;
- 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, 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 as a result out of the Institution's control.

Market risks can be classified under different types, such as interest rate risk, foreign exchange risk, commodities price risk and share price risk. Each type represents the risk of incurring losses due to oscillations in the respective 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 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 Risk department, which calculates the Value at Risk (VaR) and generates the Duration Gap of 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 on the Commodities and Futures Exchange, as well as changes to the interest rate curves, are used. 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 horizon given by 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 the horizon of one day and a 99% confidence interval. The calculation is based on closing market prices, taken from different sources (Anbima, BM&FBovespa, and the Brazilian Central Bank, among others).

The VaR analysis is performed by market, vertex and risk factors associated with the interest curve, share prices, foreign exchange and commodities. If the VaR limit is surpassed, an evaluation of the operations will be performed and those that present more risks will be readjusted by the Treasury in order to reduce risks 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, of December 17, 2008, we present below the possible impacts in the net income generated by 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 December 31, 2012:

Risk Factor	Exposure	Sensitivity analysis		
		2012		
		Scenarios		
		Probable(I)	Possible (II)	Remote (III)
Fixed interest rate (PRE)	Fixed interest rate variations	(541)	(28,484)	(56,969)
Price index (IGPM)	IGPM coupon variations	90	(756)	(1,511)
Price index (IPCA)	IPCA coupon variations	(272)	2,767	5,534
TJLP rate	TJLP variations	671	913	1,826
US dollar coupon rate	Exchange coupon variation	(553)	234	469
Other currency coupon rate	Exchange coupon variation	1	(9)	(19)
LIBOR Other currencies	Variation in LIBOR	(265)	(2,419)	(4,837)
Currencies	Change in exchange variation	8	(333)	(667)
Total (uncorrelated sum)*		(3,159)	(39,381)	(78,762)
Total (correlated sum)*		(861)	(28,087)	(56,174)

*Uncorrelated sum: sum of the results obtained in the worst case 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.

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Scenarios			
Scenario I - Probable	Scenario comprising the variation in market factors between December 31, 2012 and January 7, 2013 (variation in the fixed rate from 7.14% to 7.12% in a 1-year curve and from 8.44% to 8.49% in a 4-year curve, variation in the US dollar from 2.044 to 2.031, and variation in the IPCA coupon from 0.82% to 0.94% in a 1 year curve).		
Scenario II - Possible	Scenario comprising a 25% shock to the market interest rate curve amounts (disclosed by BM&F), 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)	7.14%	25%	8.92%
Price index (IGPM)	1.60%	25%	2.00%
Price index (IPCA)	0.82%	25%	1.02%
TJLP rate	1.47%	-25%	1.10%
US dollar coupon rate	1.34%	-25%	1.01%
Other currency coupon rate	0.91%	25%	1.14%
LIBOR - USD	0.83%	-25%	0.62%
Currencies	2.0435	25%	2.5544
Scenario III - Remote	Scenario comprising a 50% shock to the market interest rate curve values (disclosed by BM&F), 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)	7.14%	50%	10.71%
Price index (IGPM)	1.60%	50%	2.40%
Price index (IPCA)	0.82%	50%	1.23%
TJLP rate	1.47%	-50%	0.73%
US dollar coupon rate	1.34%	-50%	0.67%
Other currency coupon rate	0.91%	50%	1.37%
LIBOR - USD	0.83%	-50%	0.41%
Currencies	2.0435	50%	3.0653

* 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 that runs the institution in order to optimize the use of capital and achieve its strategic objectives. In order to generate stability in the financial results and improve the allocation of capital, continuous improvement is fundamental to the management and control of credit, market, liquidity and operational.

According to Resolution n°3.988/11 from Central Bank, capital management is defined as a continuous process:

- Capital monitoring and control carried out by the Institution;
- Assessing the need for capital to face the risks to which the Institution is subject;
- Planning targets and capital requirements, based on the Institution's strategic objectives.

Policies and strategies for capital management, considers a prospective position, anticipating capital needs arising from possible changes in market conditions and are periodically reviewed by the Executive Board and the Board of Directors, in order to determine their compatibility with the strategic plan of the Institution.

Financial Institutions are required to permanently maintain capital compatible with the risks of their activities, represented by Required Regulatory Capital (PRE). PRE is calculated considering, at least the sum of the portions of credit risk, market risk and operational risk. Compliance with the regulatory capital limits is strictly followed by management and monitored daily by the risk area.

At December 31, 2012, the Institution's Basel ratio was 16.19% (December 31, 2011 – 18.48%), calculated based on the consolidated financial information.

	2012	2011
Reference equity (PR)	1,477,645	1,313,674
Tier I	1,220,446	1,016,629
Equity	1,219,946	1,015,081
Mark-to-market adjustments	500	1,548
Tier II	257,199	297,045
Subordinated debt	257,699	298,593
Mark-to-market adjustments	(500)	(1,548)
Required regulatory capital (PRE)	1,004,123	781,922
Credit risk	899,670	760,492
Market risk	95,559	11,749
Operational risk	8,894	9,681
Surplus PR	473,522	531,752
Basel ratio - %	16.19%	18.48%

Banco Pine, pursuant to Circular 3477/09, reports information on a quarterly basis related to the management of risk and required regulatory capital (PRE). The report containing related details, structure and methodologies is available on the following website: www.pine.com.br/ri

f) Equity to fixed asset ratio

In accordance with BACEN Resolution 2286/96, the equity to fixed assets ratio is limited to 50.0%. At December 31, 2012, the equity to fixed assets ratio was 12.36% (December 31, 2011 – 6.99%).

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28. OTHER INFORMATION**a) Provision for credit assignment with coobligation**

At December 31, 2012, the Institution had a provision for losses in the amount of R\$2 (December 31, 2011 - R\$9,966) related to loan operations assigned with co-obligation in the total amount of R\$334 (December 31, 2011 - 58,439). This provision is recorded in Other liabilities- sundry.

b) Insurance

The Institution's insurance strategy is based mainly on risk concentrations and materiality, and policies are contracted at amounts established by Management, considering the nature of its business and the advice of its insurance brokers. Insurance coverage at December 31, 2012 is as follows:

Items	Type of coverage	Amount insured
Directors and Officers Liability (D&O)	Civil liability for directors and officers	20,000
Vehicles	Fire, robbery and collision for 11 vehicles	2,286
Buildings, machines, furniture and fixtures	Any material damage to facilities, machinery and equipment	12,000
Bankers insurance	Cash	300
Aircraft insurance	Aircraft-part guarantees	339,560

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.

	Rate	Term	Individual and Consolidated	
			2012	2011
Expense for leased assets				
Machinery and equipment leasing	4.54%	2	965	913
Aircraft leasing ⁽¹⁾	6.10%	2	1,620	2,149
Total			2,585	3,062

⁽¹⁾ In September 2012 the lease of aircraft contract ended.

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 year.

	Consolidated	
	2012	
	Fair value	Carrying amount
Assets		
Short-term interbank investments(i)	404,587	404,587
Loan operations (ii)	4,034,669	4,154,628
Other receivables(ii)	902,500	694,734
Total financial assets	5,341,756	5,253,949
Liabilities		
Demand deposits (iii)	30,053	30,053
Interbank deposits (iii)	121,000	121,000
Time deposits (iv)	3,118,806	3,167,943
Funds from acceptance and issuance of securities (iv)	1,308,575	1,292,063
Borrowings and onlendings (iv)	1,972,096	1,975,446
Subordinated debt (iv)	329,499	317,272
Total financial liabilities	6,880,029	6,903,777

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

- The fair values of the short-term interbank investments substantially approximate their carrying amounts.
- 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 values.
- The estimated fair values of the demand and interbank deposits substantially approximate their carrying amounts.
- 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.

29. SUBSEQUENTS EVENTS

On February 4, 2012 at a meeting of the Board of Directors an increase of capital was approved with a minimum of R\$ 26,954,999.40 and maximum of R\$ 86,124,004.60, through the issue of a minimum of 1,887,605 and maximum of 6,031,093 new preferred shares, all nominative without, par value. The issue price will be R\$14.28.

A Proparco – Societe de Promotion et de Participation Pour La Cooperation Economique S.A. ("Proparco") has a strong commitment to subscribe 1,887,605 preference shares of the Bank, to the value of R\$ 26,954,999.40, as a consequence of the preferred subscription rights of the controlling shareholders of the Bank.

Rights will be given to all ordinary shareholders that hold a shareholder position in the Bank on February 4, 2013, for a period of 30 days, to exercise their preemptive rights, from February 5, 2013 to March 6, 2013. The shareholders holding these preference shares can subscribe for the preferred shares arising from the increase in proportion to their equity holding.

After the subscription of shares and the integralization of the capital increase a new meeting of the Board of Directors will be announced, to approve partial or complete capital increase, within the limit of authorized capital. After approval by the Board of Directors, the capital increase will be subject to authorization by the Central Bank.
