(A free translation of the original version in portuguese)

Individual and Consolidated Financial Statements under BRGAAP for the years ended December 31, 2013 and 2012, for the Six Months ended December 31, 2013 and Independent Auditor's Report.

Banco Pine S.A.

PricewaterhouseCoopers Auditores Independentes

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, 2013 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, 2013, and the consolidated statements of operations, changes in equity and cash flows for the year and six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Banco Pine S.A. standing alone and of Banco Pine S.A. and its subsidiaries as at December 31, 2013, 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, 2013, 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 17, 2014

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Edison Arisa Pereira
Contador CRC 1SP127241/O-0

(version only in portuguese)

BANCO PINE S/A
CNPJ 62.144.175/0001-20 - Companhia Aberta NIRE 35300525515
RESUMO DO RELATÓRIO DO COMITÊ DE AUDITORIA
EXERCÍCIO SOCIAL 2.013

O Comitê de Auditoria do Banco Pine S/A e das suas controladas é um órgão estatutário subordinado ao Conselho de Administração, implantado em atendimento às regulamentações do Banco Central do Brasil – BACEN e da Comissão de Valores Mobiliários - CVM.

De acordo com o estabelecido no Estatuto Social do Banco Pine S/A e no seu Regimento (disponíveis no site www.pine.com/ri), compete ao Comitê zelar (i) pela qualidade e integridade das Demonstrações Financeiras; (ii) pelo cumprimento das exigências legais e regulamentares; (iii) pela atuação, independência e qualidade do trabalho da empresa de auditoria independente; (iv) pela atuação, independência e qualidade do trabalho da Auditoria Interna; e (v) pela qualidade e efetividade dos sistemas de controles internos e de administração de riscos.

A elaboração das Demonstrações Financeiras do Banco Pine S/A e do Banco Pine S/A e suas controladas – (“Consolidado”) de acordo com as práticas contábeis adotadas no Brasil aplicáveis às instituições autorizadas a funcionar pelo Banco Central do Brasil, é de responsabilidade da sua Administração. Também, é sua responsabilidade (i) o estabelecimento de procedimentos que assegurem a qualidade das informações e dos processos utilizados na preparação das Demonstrações Financeiras, (ii) o gerenciamento dos riscos das operações do Conglomerado Pine e (iii) a supervisão das atividades de controle interno e compliance.

A auditoria independente é responsável por examinar as Demonstrações Financeiras e emitir relatório sobre sua adequação, em todos os aspectos relevantes, de acordo com as práticas contábeis adotadas no Brasil aplicáveis às instituições autorizadas a funcionar pelo Banco Central do Brasil, decorrente da legislação societária e das normas do Conselho Monetário Nacional e do Banco Central do Brasil.

A auditoria interna tem suas atividades direcionadas para a avaliação da eficiência e eficácia dos controles internos e do gerenciamento de riscos e na aderência dos processos às normas e procedimentos estabelecidos pela Administração.

Das atividades do Comitê no exercício de 2.013:

O Comitê reuniu-se por 21 vezes com as principais áreas do Banco Pine S/A e das suas controladas (Conglomerado Pine), envolvendo as áreas de negócio, de crédito, de controles internos e compliance, de gestão de riscos, de operações, de controladoria, de contabilidade, de recursos humanos e de tecnologia da informação.

O Plano de trabalho do Comitê de Auditoria, para o exercício de 2.013, teve como objetivo principal a análise das estruturas, as operações, os processos e os sistemas inerentes aos negócios do Conglomerado Pine.

Reuniões específicas foram realizadas com a Auditoria Independente e com a Auditoria Interna, para tratar do plano anual e da sua execução, bem como o acompanhamento das ações estabelecidas pela administração aos apontamentos de auditoria.

O Comitê se reuniu com o Bacen para apresentar a sua estrutura, os seus componentes, o seu cronograma de reuniões, as suas atividades e os seus relatórios semestrais. E, também, para tratar especificamente de assuntos relacionados a riscos, controles e operações. O Comitê, também, tomou ciência de todos os ofícios emitidos pelo Bacen e demais órgãos fiscalizadores (CIMA, CETIP, FINRA), bem como das suas respostas preparadas pelos executivos do Banco.

Como produto dessas reuniões o Comitê teve oportunidade de apresentar sugestões ao Conselho de Administração para aprimoramento de controles e da gestão de riscos e acompanhará sua efetiva implantação nos prazos previstos.

O Comitê realizou sua autoavaliação anual com o propósito de mensurar sua aderência aos normativos emitidos pelos órgãos reguladores, bem como às melhores práticas sobre organização e funcionamento de comitês de auditoria.

Do Sistema de Controles Internos:

Conforme cronograma e plano de trabalho definido para o exercício findo em 31 de dezembro de 2.013, o Comitê tomou conhecimento dos processos, métodos e sistema de controles e de informações do Conglomerado Pine, avaliando a sua qualidade e o comprometimento dos gestores na sua manutenção e aprimoramento.

Todas as principais atividades da Organização, inclusive as atividades exercidas por outras empresas (terceiros relevantes), foram analisadas e tiveram os seus riscos identificados, assim como, os controles utilizados para reduzi-los a um nível considerado adequado de gerenciamento. Esses mapeamentos, riscos e controles são armazenados em um sistema eletrônico de dados adquirido de consultoria especializada e de renome no mercado.

O Comitê com base nas informações e observações colhidas durante suas reuniões avalia como adequado ao porte e complexidade de operações do Conglomerado Pine, os sistemas de controles internos e contribuindo para a eficiência de seus negócios, para a adequação dos relatórios financeiros e para a observância às normas e regulamentações aplicáveis às suas transações.

Da Administração de Riscos Consolidada:

A Gestão de Risco do Conglomerado Pine é exercida de forma consolidada pela Vice-Presidência – "Chief Risk Officer", compreendendo os principais riscos regulamentados pelo Banco Central do Brasil, quais sejam, Risco de Crédito, Risco de Mercado, Risco de Liquidez e Risco Operacional.

Em reuniões de trabalho com a unidade de Gestão de Riscos, este Comitê teve a oportunidade de tomar conhecimento dos processos, métodos, sistemas e principais relatórios para a gestão de riscos de Mercado, Liquidez, Crédito, Operacional que incluem as atividades de um comitê específico de Riscos.

Da Auditoria Independente:

O Comitê manteve reuniões com a Auditoria Independente – PricewaterhouseCoopers (PwC) - para a aprovação das Informações Financeiras Trimestrais (ITR) e Demonstração Financeira Semestral/Anual. Por ocasião destas reuniões foi discutido o Plano Anual de Auditoria, e verificado o cumprimento da sua Política de Independência.

As recomendações incluídas nos relatórios sobre controles internos foram apresentados e discutidos no Comitê e foram estabelecidos, em conjunto com a Auditoria Interna e com as áreas respectivas, Planos de Ação para solucioná-las. Não foram apontadas falhas no cumprimento da legislação, das regulamentações e das normas internas que possam colocar em risco a continuidade dos negócios da Organização. O Comitê avalia como adequados o planejamento e os trabalhos dos auditores independentes para o porte e complexidade das operações do Conglomerado Pine.

Da Auditoria Interna:

O Comitê aprovou a estrutura da Auditoria Interna e o Plano Anual compreendendo todas as operações, riscos e processos da organização e acompanha em suas reuniões o seu cumprimento. Nas reuniões do Comitê a presença permanente da Auditoria Interna proporciona o suporte necessário às atividades e o atendimento às demandas.

A Auditoria Interna atua, também, no atendimento às demandas dos órgãos reguladores, e nas suas reuniões com este Comitê apresenta e discute os relatórios e demandas desses órgãos.

Das Demonstrações Financeiras Consolidadas:

O Comitê avaliou os processos de elaboração das informações financeiras, os balanços individuais e consolidados, os relatórios financeiros e as notas explicativas divulgadas em conjunto com as Demonstrações Financeiras. Discutiu com a PwC e com os executivos da Organização as práticas relevantes utilizadas na elaboração das Demonstrações Financeiras de acordo com as práticas contábeis adotadas no Brasil aplicáveis às instituições autorizadas a funcionar pelo Banco Central do Brasil.

Conclusão

O Comitê de Auditoria, ponderadas devidamente suas responsabilidades e as limitações naturais decorrentes do escopo da sua atuação, recomenda a aprovação pelo Conselho de Administração das Demonstrações Financeiras do Banco Pine S/A e do Banco Pine S/A e de suas controladas - Consolidado, para o semestre e exercício findos em 31/12/2.013.

São Paulo, 17 de fevereiro de 2.014

Maurízio Mauro

Presidente do Comitê de Auditoria

Membro Independente do Conselho de Administração

William Pereira Pinto

Membro Especialista

Sérgio Machado Zica de Castro

Membro Representante de Acionista Minoritário

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, 2013, 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 17, 2014.

Members of the Executive Management

Noberto Nogueira Pinheiro Júnior
Norberto Zaiet Júnior
Harumi Susana Ueta Waldeck
Ulisses Marcio Alcantarilla
Gabriela Redonda Chiste
Rodrigo Esteves Pinheiro
Gustavo Gierum
João Vicente Peregrino de Brito
Jefferson Dias Micelli
Luiz Eduardo Marinho da Silva Oliveira
Marco Antonio de Paulo Maciel
Paulo Roberto Schiavon de Andrade
Sergío Luís Patrício
Welinton Gesteira Souza
Claudia Lopes
Fabio Ferraz
Rodrigo Montemor
Ivan Marc Farber

(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, 2013, 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 17, 2014.

Members of the Executive Management

Noberto Nogueira Pinheiro Júnior
Norberto Zaiet Júnior
Harumi Susana Ueta Waldeck
Ulisses Marcio Alcantarilla
Gabriela Redonda Chiste
Rodrigo Esteves Pinheiro
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MANAGEMENT REPORT PINE – 2013

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, 2013. The information contained in this material are available on Relations Investor website of Banco Pine (www.pine.com/ir).

Dear shareholders,

2013 witnessed another year of important achievements and recurrence in all business lines even in an adverse scenario. Once more the bank's strategy proved to be adequate and was recognized by international agencies, which upgraded our ratings throughout the year. It has been many years of solidly grounded strategy, with continuous investments in the Bank's product portfolio and human capital. With that, we highlight our key achievements

Fundamentals

- Positive contributions from all business lines in 2013: 62.9% from Corporate Credit, 27.9% from FICC, 5.5% from Pine Investimentos, and 3.7% from Treasury.
- Upgrade of Pine's global scale ratings by Fitch and Moody's. The Bank is now only one notch from Global Investment Grade according to the three international agencies: Moody's, Fitch and S&P.
- Maintenance of positive liquidity gap over the past years.
- Liquid balance sheet, fueled by higher funding, which increased the level of cash.
- In April, the Brazilian Central Bank approved the second phase of the capital increase made by DEG, Proparco, controlling and minority shareholders in approximately R$170 million, announced on the second semester of 2012.

Funding

- R$571.4 million through a FIDC structure, with a five-year term.
- US$100 million from a syndicated loan, with a two-year term.
- US$20 million through a Senior Unsecured Term Loan transaction, with a ten-year term.
- US$50 million through Pine's 3rd Islamic format issuance, with a one-year term.

Business

- Sector allocations are based on those sectors in which the economic activity has grown above GDP or sectors in which development and investments are needed, such as Agribusiness and Infrastructure.
- Loan portfolio quality improvement.
- Increase in FICC's share of the revenue mix, due to larger number of clients and greater market volatility. The number of clients evolved 40%, totaling approximately 200.
- Pine moved up three positions in the derivative ranking of CETIP – OTC Clearing House, being ranked the 12th largest bank in derivative transactions, and maintained its 2nd in the commodity derivatives segment.
- Consolidation of Pine Investimentos' strategy, with a highlight to Pine Securities, which in its first year of operations executed three mandates for clients in different sectors, with a total volume of US$900 million.

We are proud of our recognitions and achievements in 2013 and began 2014 confident in our business model. We have all the necessary pillars (capital, liquidity, funding and human resources) to continue to expand our franchise maintaining the appropriate balance between risk and return. 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.

External Auditors

In compliance with CVM Instruction 381, of January 14, 2003, Pine reports that did not hire from the independent audiors any other services than those related to the audit works for the period from January to December, 2013. Pine adopts the procedure of limiting the services rendered by its independent auditors so as to ensure the auditor's independence and objectivity pursuant to Brazilian and international standards.

Executive Committee

São Paulo, 17 de fevereiro de 2014.

BANCO PINE S.A. AND SUBSIDIARIES
BALANCE SHEETS AT DECEMBER 31, 2013 AND 2012
(In thousands of reais)

ASSETS	Note	Individual 2013	Individual 2012	Consolidated 2013	Consolidated 2012
CURRENT ASSETS		**6,775,528**	**7,966,113**	**6,919,289**	**7,996,043**
Cash	4.	**147,466**	**126,111**	**157,168**	**126,111**
Short-term interbank investments	5.	**667,692**	**397,584**	**668,002**	**404,587**
Open market investments		183,922	279,205	184,232	286,208
Interbank deposits		58,199	100,299	58,199	100,299
Foreign currency investments		425,571	18,080	425,571	18,080
Marketable securities and derivative financial instruments		**1,804,111**	**3,914,354**	**1,918,995**	**3,934,238**
Own portfolio	6. a)	1,021,113	1,815,047	1,135,997	1,834,931
Subject to repurchase agreements	6. a)	551,072	1,847,955	551,072	1,847,955
Derivative financial instruments	6. b)	227,376	180,232	227,376	180,232
Subject to guarantees	6. a)	4,550	71,120	4,550	71,120
Interbank accounts		**621**	**1,435**	**621**	**1,435**
Restricted deposits:					
Brazilian Central Bank		621	1,435	621	1,435
Loan operations	7.	**3,133,477**	**2,549,888**	**3,145,959**	**2,549,888**
Loan operations - private sector		2,917,156	2,664,448	2,929,833	2,664,448
Loan operations - public sector		365	5,966	365	5,966
Assignment related credit operations	7. i)	305,996	-	305,996	-
Allowance for loan losses		(90,040)	(120,526)	(90,235)	(120,526)
Other receivables		**854,969**	**796,143**	**861,352**	**799,186**
Foreign exchange portfolio	8.	525,129	522,796	525,129	522,796
Income receivable		26,958	18,867	26,958	18,867
Negotiation and intermediation of securities		65,415	41,898	67,008	41,898
Sundry	9.	248,971	216,719	253,761	219,762
Allowance for other loan losses		(11,504)	(4,137)	(11,504)	(4,137)
Other assets		**167,192**	**180,598**	**167,192**	**180,598**
Non-operating assets		162,764	176,279	162,764	176,279
Prepaid expenses		4,428	4,319	4,428	4,319
LONG-TERM RECEIVABLES		**3,677,856**	**2,285,451**	**3,521,586**	**2,378,588**
Marketable securities and derivative financial instruments		**799,680**	**386,334**	**595,750**	**326,603**
Own portfolio	6. a)	402,119	229,233	198,189	169,502
Derivative financial instruments	6. b)	287,982	157,101	287,982	157,101
Subject to guarantees		109,579	-	109,579	-
Loan operations	7.	**2,374,308**	**1,459,023**	**2,416,359**	**1,609,039**
Loan operations - private sector		2,371,032	1,520,512	2,420,402	1,672,130
Loan operations - public sector		18,626	338	18,626	338
Assignment related credit operations		60,538	-	60,538	-
Allowance for loan losses		(75,888)	(61,827)	(83,207)	(63,429)
Other receivables		**492,247**	**429,515**	**497,821**	**432,367**
Income receivable		29,987	27,435	29,987	27,435
Deposits in guarantee	16. (b) (c)	206,615	197,491	207,809	199,189
Sundry	9.	256,343	204,751	260,723	205,905
Allowance for other loan losses		(698)	(162)	(698)	(162)
Other assets		**11,621**	**10,579**	**11,656**	**10,579**
Prepaid expenses		11,621	10,579	11,656	10,579
PERMANENT ASSETS		**139,672**	**188,882**	**103,791**	**31,021**
Investments		**113,260**	**157,863**	**76,509**	**-**
Investments in subsidiaries abroad	10.a)	9,047	**-**	**-**	**-**
Investments in local subsidiaries	10.a)	104,213	157,863	-	-
Other investments	10.b)	-	-	76,509	-
Property and equipment in use	11. a)	**24,984**	**28,966**	**25,619**	**28,968**
Facilities, furniture and equipment in use		13,216	13,652	13,806	13,652
Other fixed assets in use		29,140	28,645	29,405	28,647
Accumulated depreciation		(17,372)	(13,331)	(17,592)	(13,331)
Intangible assets	11.b)	**1,428**	**2,053**	**1,663**	**2,053**
Expenses for acquisition and development of software		9,587	9,450	10,288	9,915
Accumulated amortization		(8,159)	(7,397)	(8,625)	(7,862)
TOTAL ASSETS		**10,593,056**	**10,440,446**	**10,544,666**	**10,405,652**

BALANCE SHEETS AT DECEMBER 31, 2013 AND 2012

(In thousands of reais)

LIABILITIES AND EQUITY	Note	Individual 2013	Individual 2012	Consolidated 2013	Consolidated 2012
CURRENT LIABILITIES		**6,029,282**	**5,724,010**	**5,633,178**	**5,708,159**
Deposits	12.	**2,104,966**	**1,898,520**	**2,045,453**	**1,878,417**
Demand deposits		23,332	30,134	23,260	30,053
Interbank deposits		77,846	108,932	73,665	108,932
Time deposits		2,003,788	1,759,454	1,948,528	1,739,432
Funds obtained in the open market	13.	**547,579**	**1,832,661**	**508,792**	**1,832,661**
Own portfolio		547,579	1,832,661	333,529	1,674,484
Third-party portfolio		-	-	175,263	158,177
Funds from acceptance and issuance of securities		**1,301,013**	**499,593**	**1,301,013**	**499,593**
Real estate letters of credit	18. a)	270,317	11,965	270,317	11,965
Agribusiness letters of credit	18. a)	410,269	377,368	410,269	377,368
Financial bills	18. a)	599,368	1,101	599,368	1,101
Securities issued abroad	18. b)	21,059	109,159	21,059	109,159
Interdepartmental accounts		**25**	**37**	**25**	**37**
Correspondent banks	14.	25	37	25	37
Interdepartmental accounts		**15,072**	**22,425**	**15,072**	**22,425**
Third-party funds in transit		15,072	22,425	15,072	22,425
Borrowings and onlendings	17.	**1,389,642**	**1,225,474**	**1,389,642**	**1,225,474**
Foreign borrowings		1,045,727	892,862	1,045,727	892,862
Local onlendings – official institutions		341,050	322,376	341,050	322,376
Foreign onlendings		2,865	10,236	2,865	10,236
Derivative Financial Instruments	6. b)	**160,353**	**77,060**	**160,353**	**77,060**
Derivative financial instruments		160,353	77,060	160,353	77,060
Other liabilities		**510,632**	**168,240**	**212,828**	**172,492**
Collection and payment of taxes and similar	15. a)	1,163	936	1,163	936
Foreign exchange portfolio	8.	94,959	75,133	94,959	75,133
Social and statutory payables		6,432	9,018	6,432	9,018
Tax and social security contributions	15. b)	20,368	30,075	25,107	33,983
Negotiation and intermediation of securities		27,602	4,575	39,922	4,575
Subordinated debt	19.	14,150	12,342	14,150	12,342
Sundry	15. c)	**345,958**	**36,161**	**31,095**	**36,505**
Obligations for sale and transfer of financial assets	7. i)	317,327	-	-	-
Other		28,631	36,161	31,095	36,505
LONG-TERM LIABILITIES		**3,222,867**	**3,440,419**	**3,570,581**	**3,421,476**
Deposits	12.	**1,159,366**	**1,577,218**	**1,110,748**	**1,440,579**
Interbank deposits		16,093	21,221	16,053	12,068
Time deposits		1,143,273	1,555,997	1,094,695	1,428,511
Funds from acceptance and issuance of securities		**436,686**	**792,470**	**436,686**	**792,470**
Real estate letters of credit	18. a)	10,379	-	10,379	-
Agribusiness letters of credit	18. a)	28,073	7,830	28,073	7,830
Financial bills	18. a)	138,999	573,164	138,999	573,164
Securities issued abroad	18. b)	259,235	211,476	259,235	211,476
Borrowings and onlendings	17.	**1,107,431**	**631,237**	**1,564,294**	**749,972**
Local borrowings - other institutions		-	-	456,863	118,735
Foreign borrowings		304,538	61,305	304,538	61,305
Local onlendings – official institutions		800,058	569,932	800,058	569,932
Foreign onlendings		2,835	-	2,835	-
Derivative financial instruments	6. b)	**30,480**	**23,333**	**30,480**	**23,333**
Derivative financial instruments		30,480	23,333	30,480	23,333
Other liabilities		**488,904**	**416,161**	**428,373**	**415,122**
Tax and social security contributions	15. b)	63,244	77,290	63,251	77,853
Subordinated debt	19.	346,061	304,930	346,061	304,930
Sundry	15. c)	**79,599**	**33,941**	**19,061**	**32,339**
Obligations for sale and transfer of financial assets	7. i)	60,538	**-**	-	**-**
Provision for contingent liabilities	16. d)	11,922	22,963	11,922	22,963
Other		7,139	10,978	7,139	9,376
DEFERRED INCOME		**68,499**	**56,071**	**68,499**	**56,071**
EQUITY	20.	**1,272,408**	**1,219,946**	**1,272,408**	**1,219,946**
Capital		**1,112,259**	**935,683**	**1,112,259**	**935,683**
Local residents		979,805	842,654	979,805	842,654
Foreign residents		132,454	93,029	132,454	93,029
Capital reserves		14,032	11,685	14,032	11,685
Revenue reserves		163,788	267,192	163,788	267,192
Proposed additional dividend		21,177	18,559	21,177	18,559
Carrying value adjustments		(16,765)	(423)	(16,765)	(423)
Treasury shares		(22,083)	(12,750)	(22,083)	(12,750)
TOTAL LIABILITIES AND EQUITY		**10,593,056**	**10,440,446**	**10,544,666**	**10,405,652**

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

BANCO PINE S.A. AND SUBSIDIARIES

STATEMENTS OF OPERATIONS YEARS ENDED DECEMBER 31, 2013 AND 2012
AND FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2013
(In thousands of reais, except net income per share)

		Individual			Consolidated		
			2013	2012		2013	2012
	Note	2nd six-month period	YTD	YTD	2nd six-month period	YTD	YTD
INCOME FROM FINANCIAL INTERMEDIATION		**599,090**	**1,159,557**	**1,212,298**	**607,926**	**1,181,919**	**1,236,601**
Loan operations	21.a)	311,964	554,395	513,096	317,589	568,043	547,573
Marketable securities	21.b)	130,630	254,064	489,998	133,841	262,778	479,824
Derivative financial instruments	6.b)	85,618	196,213	64,338	85,618	196,213	64,338
Foreign exchange transactions		70,878	154,885	144,866	70,878	154,885	144,866
EXPENSES FOR FINANCIAL INTERMEDIATION		**(480,851)**	**(911,104)**	**(851,301)**	**(480,033)**	**(912,137)**	**(860,406)**
Funds obtained in the market	21.c)	(316,529)	(612,436)	(617,705)	(314,401)	(608,015)	(607,400)
Borrowings and onlendings	21.d)	(91,754)	(183,693)	(150,291)	(106,971)	(203,054)	(169,701)
Obligations for sale and transfer of financial assets		(16,491)	(16,491)	-	-	-	-
Allowance for loan losses		(56,077)	(98,484)	(83,305)	(58,661)	(101,068)	(83,305)
GROSS PROFIT FROM FINANCIAL INTERMEDIATION		**118,239**	**248,453**	**360,997**	**127,893**	**269,782**	**376,195**
OPERATING INCOME (EXPENSE)		**(8,328)**	**(38,068)**	**(110,793)**	**(12,691)**	**(49,637)**	**(115,197)**
Income from services rendered	21.e)	42,946	84,921	50,359	56,393	115,033	112,825
Income from bank charges		1,293	2,504	7,066	1,293	2,504	7,066
Personnel expenses	21.f)	(43,794)	(86,054)	(85,461)	(47,713)	(91,705)	(88,779)
Other administrative expenses	21.g)	(47,660)	(91,695)	(90,408)	(50,047)	(94,900)	(92,265)
Tax expenses	21.h)	(7,626)	(13,321)	(11,111)	(9,233)	(16,645)	(16,829)
Equity in the results of investees	10.	10,423	24,040	42,834	-	-	-
Other operating income	21.i)	57,903	74,044	59,349	58,308	73,513	47,909
Other operating expenses	21.j)	(21,813)	(32,507)	(83,421)	(21,692)	(37,437)	(85,124)
OPERATING PROFIT		**109,911**	**210,385**	**250,204**	**115,202**	**220,145**	**260,998**
NON-OPERATING RESULTS		**4,227**	**9,252**	**20,045**	**4,227**	**9,252**	**20,037**
INCOME BEFORE INCOME TAXES AND PROFIT SHARING		**114,138**	**219,637**	**270,249**	**119,429**	**229,397**	**281,035**
IMPOSTO DE RENDA E CONTRIBUIÇÃO SOCIAL	**22.**	**(14,871)**	**(22,338)**	**(48,539)**	**(19,806)**	**(31,017)**	**(57,995)**
Provision for current income tax		(3,163)	(11,027)	(21,820)	(6,442)	(16,913)	(28,388)
Provision for current social contribution		(1,971)	(6,885)	(13,439)	(3,451)	(9,438)	(16,454)
Deferred income tax and social contribution		(9,737)	(4,426)	(13,280)	(9,913)	(4,666)	(13,153)
PROFIT SHARING		**(21,887)**	**(35,703)**	**(34,257)**	**(22,243)**	**(36,784)**	**(35,587)**
NET INCOME		**77,380**	**161,596**	**187,453**	**77,380**	**161,596**	**187,453**
NUMBER OF OUTSTANDING SHARES		121,694,711	121,694,711	107,636,260	121,694,711	121,694,711	107,636,260
NET INCOME PER SHARE – IN REAIS		0.63585	1.32788	1.74154	0.63585	1.32788	1.74154

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

BANCO PINE S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2013
AND FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2013

(In thousands of reais)

	Individual			Consolidated		
	2013	2013	2012	2013	2013	2012
	2nd six-month period	YTD	YTD	2nd six-month period	YTD	YTD
Revenues	**627,569**	**1,199,287**	**1,182,391**	**647,794**	**1,243,716**	**1,256,008**
Financial intermediation	599,090	1,159,557	1,212,298	607,926	1,181,919	1,236,601
Services rendered	42,946	84,921	50,359	56,393	115,033	112,825
Bank charges	1,293	2,504	7,066	1,293	2,504	7,066
Provision for loan losses	(56,077)	(98,484)	(83,305)	(58,661)	(101,068)	(83,305)
Other	40,317	50,789	(4,027)	40,843	45,328	(17,179)
Expenses for financial intermediation	**424,774**	**812,620**	**767,996**	**421,372**	**811,069**	**777,101**
Goods and services acquired from third parties	**40,423**	**76,435**	**75,064**	**42,426**	**79,195**	**76,677**
Materials, electricity and other	335	640	588	348	657	595
Third-party services	29,341	55,195	56,228	31,016	57,410	57,543
Other	10,747	20,600	18,248	11,062	21,128	18,539
Gross value added	**162,372**	**310,232**	**339,331**	**183,996**	**353,452**	**402,230**
Depreciation and amortization	**2,268**	**5,316**	**4,512**	**2,369**	**5,417**	**4,590**
Net value added produced by the institution	**160,104**	**304,916**	**334,819**	**181,627**	**348,035**	**397,640**
Value added transferred from others	**10,423**	**24,040**	**42,834**	**-**	**-**	**-**
Equity in the results of investees	10,423	24,040	42,834	-	-	-
Total value added to be distributed	**170,527**	**328,956**	**377,653**	**181,627**	**348,035**	**397,640**
Distribution of value added	**170,527**	**328,956**	**377,653**	**181,627**	**348,035**	**397,640**
Personnel	**65,681**	**121,757**	**119,718**	**69,956**	**128,489**	**124,366**
Salaries	29,469	58,138	57,378	32,573	62,420	59,668
Benefits, training	4,641	8,949	8,410	4,944	9,426	8,607
Social charges	9,684	18,967	19,673	10,196	19,859	20,504
Profit sharing	21,887	35,703	34,257	22,243	36,784	35,587
Taxes, charges and contributions	**22,497**	**35,659**	**59,650**	**29,039**	**47,662**	**74,824**
Federal	4,780	8,278	7,027	5,768	10,143	9,621
State	-	5	14	-	5	14
Municipal	2,846	5,038	4,070	3,465	6,497	7,194
Income tax and social contribution	14,871	22,338	48,539	19,806	31,017	57,995
Remuneration of third-party capital	**4,969**	**9,944**	**10,832**	**5,252**	**10,288**	**10,997**
Rents and leased assets	4,969	9,944	10,832	5,252	10,288	10,997
Remuneration of own capital	**77,380**	**161,596**	**187,453**	**77,380**	**161,596**	**187,453**
Interest on own capital/dividends	60,000	120,000	100,000	60,000	120,000	100,000
Retained earnings	17,380	41,596	87,453	17,380	41,596	87,453

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

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: Legal	Revenue reserves: Statutory	Carrying value adjustments	Treasury shares	Proposed additional dividend	Retained earnings	Total
At December 31, 2011	**422,606**	**373,439**	**14,032**	**15,582**	**164,157**	**(1,461)**	**-**	**26,726**	**-**	**1,015,081**
Capital increase (Note 20)	513,077	(373,439)	-	-	-	-	-	-	-	139,638
Other capital reserves	-	-	(2,347)	-	-	-	-	-	-	(2,347)
Acquisition of treasury shares	-	-	-	-	-	-	(12,750)	-	-	(12,750)
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 of proposed additional dividend								55,479		55,479
Payment of proposed additional dividend								(63,646)		(63,646)
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**	**-**	**11,685**	**24,955**	**242,237**	**(423)**	**(12,750)**	**18,559**	**-**	**1,219,946**
Capital increase (Note 20)	176,576	-	-	(17,429)	(127,571)	-	-	-	-	31,576
Other capital reserves	-	-	2,347	-	-	-	-	-	-	2,347
Acquisition/Sale of treasury shares	-	-	-	-	-	-	(9,333)	-	-	(9,333)
MTM available-for-sale securities	-	-	-	-	-	(12,185)	-	-	-	(12,185)
Adjustments of equity evaluation	-	-	-	-	-	(4,157)	-	-	-	(4,157)
Net income	-	-	-	-	-	-	-	-	161,596	161,596
Appropriations (Note 20):										
Legal reserve	-	-	-	8,080	-	-	-	-	(8,080)	-
Statutory reserve	-	-	-	-	33,516	-	-	-	(33,516)	-
Approval of proposed additional dividend	-	-	-	-	-	-	-	81,622	-	81,622
Payment of proposed additional dividend	-	-	-	-	-	-	-	(79,004)	-	(79,004)
Prepaid dividends (R$0,4744 per share)	-	-	-	-	-	-	-	-	(57,730)	(57,730)
Interest on own capital (R$0,5117 per share)	-	-	-	-	-	-	-	-	(62,270)	(62,270)
At December 31, 2013	**1,112,259**	**-**	**14,032**	**15,605**	**148,183**	**(16,765)**	**(22,083)**	**21,177**	**-**	**1,272,408**
At June 30, 2013	**967,259**	**-**	**10,215**	**29,165**	**262,243**	**(14,886)**	**(16,273)**	**20,819**	**-**	**1,258,542**
Capital increase	145,000	-	-	(17,429)	(127,571)	-	-	-	-	-
Acquisition/Sale of treasury shares	-	-	-	-	-	-	(5,810)	-	-	(5,810)
Other capital reserves	-	-	3,817	-	-	-	-	-	-	3,817
MTM available-for-sale securities	-	-	-	-	-	2,780	-	-	-	2,780
Adjustments of equity evaluation	-	-	-	-	-	(4,659)	-	-	-	(4,659)
Net income	-	-	-	-	-	-	-	-	77,380	77,380
Appropriations (Note 20):										
Legal reserve	-	-	-	3,869	-	-	-	-	(3,869)	-
Statutory reserve	-	-	-	-	13,511	-	-	-	(13,511)	-
Approval of proposed additional dividend	-	-	-	-	-	-	-	41,620	-	41,620
Payment of proposed additional dividend	-	-	-	-	-	-	-	(41,262)	-	(41,262)
Prepaid dividends (R$0,2336 por ação)	-	-	-	-	-	-	-	-	(28,426)	(28,426)
Interest on own capital (R$0,2595 por ação)	-	-	-	-	-	-	-	-	(31,574)	(31,574)
At December 31, 2013	**1,112,259**	**-**	**14,032**	**15,605**	**148,183**	**(16,765)**	**(22,083)**	**21,177**	**-**	**1,272,408**

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

BANCO PINE S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (DIRECT METHOD) FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012 AND SIX-MONTH PERIOD ENDED DECEMBER 31, 2013

(In thousands of reais)

		Individual			Consolidated		
			2013	2012		2013	2012
	Note	6/30/2013	12/31/2013	12/31/2012	6/30/2013	12/31/2013	12/31/2012
OPERATING ACTIVITIES							
Adjusted net income		**131,282**	**235,312**	**249,326**	**136,011**	**253,752**	**292,121**
Net income		77,380	161,596	187,453	77,380	161,596	187,453
Allowance for loan losses		56,077	98,484	83,305	58,661	101,068	83,305
Deferred taxes		9,737	4,426	13,280	9,913	4,666	13,153
Depreciation and amortization		2,268	5,316	4,512	2,369	5,417	4,590
Provision for contingencies		(3,720)	(10,424)	2,927	(3,750)	(10,424)	2,927
Equity in the results of investee		(10,423)	(24,040)	(42,834)	-	-	-
Profit (loss) on sale of property and equipment/investment		(37)	(46)	683	(37)	(46)	693
Adjustments to fair value of other investments		-	-	-	(8,525)	(8,525)	-
Changes in assets and liabilities		**(77,529)**	**117,512**	**(143,590)**	**(280)**	**239,677**	**(197,723)**
(Increase) decrease in short-term interbank investments		38,839	42,615	170,015	38,839	42,615	170,015
(Increase) decrease in marketable securities		492,138	1,858,580	924,984	509,543	1,907,779	882,186
(Increase) decrease in loan operations		(1,172,081)	(1,589,281)	(153,576)	(1,132,966)	(1,496,382)	(12,026)
(Increase) decrease in other receivables		556,357	(134,061)	(158,764)	551,822	(140,363)	(160,019)
(Increase) decrease in other assets		7,910	12,364	(120,394)	7,907	12,329	(120,394)
(Increase) decrease in interbank and interdepartmental accounts		(1,556)	(6,551)	24,917	(1,556)	(6,551)	24,917
(Increase) decrease in derivative financial instruments		(131,881)	(87,585)	(30,006)	(131,881)	(87,585)	(30,006)
Increase (decrease) in deposits		(152,245)	(211,406)	(127,074)	(80,191)	(162,795)	(164,533)
Increase (decrease) in purchase and sale commitments		(697,730)	(1,285,082)	(1,357,755)	(736,517)	(1,323,869)	(1,357,755)
Increase (decrease) in funds from acceptance and issuance of securities		507,605	445,636	636,967	507,788	445,636	636,967
Increase (decrease) in borrowings and onlendings		478,922	640,362	(16,154)	863,982	978,490	(125,711)
Increase (decrease) in other liabilities		(11,811)	419,493	57,586	(405,053)	57,945	55,956
Increase (decrease) in deferred income		8,003	12,428	5,664	8,003	12,428	2,680
Net cash provided by (used in) operating activities		**53,753**	**352,824**	**105,736**	**135,731**	**493,429**	**94,398**
INVESTING ACTIVITIES							
Acquisition/sale of property and equipment in use		128	(525)	(25,618)	(605)	(1,259)	(25,553)
Investments in intangible assets		(120)	(138)	(642)	(355)	(373)	(646)
Acquisition of Investments		-	-	-	(2,289)	(67,984)	-
Reduction/Capital increase in subsidiaries		69,148	68,643	(509)	-	-	-
Net cash used in investing activities		**69,156**	**67,980**	**(26,769)**	**(3,249)**	**(69,616)**	**(26,199)**
FINANCING ACTIVITIES							
Capital increase		-	31,576	139,638	-	31,576	139,638
Other capital reserves		3,817	2,347	(2,347)	3,817	2,347	(2,347)
Sale/acquisition of treasury shares		(5,810)	(9,333)	(12,750)	(5,810)	(9,333)	(12,750)
Interest on own capital and dividends paid		(55,630)	(111,316)	(102,108)	(55,630)	(111,316)	(102,108)
Net cash used in financing activities		**(57,623)**	**(86,726)**	**22,433**	**(57,623)**	**(86,726)**	**22,433**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**65,286**	**334,078**	**101,400**	**74,859**	**337,087**	**90,632**
Cash and cash equivalents at the beginning of the period	4.	692,188	423,396	**321,996**	692,627	430,399	**339,767**
Cash and cash equivalents at the end of the period	4.	**757,474**	**757,474**	**423,396**	**767,486**	**767,486**	**430,399**

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

(In thousands of reais, unless otherwise stated)

1. OPERATIONS

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

The Institution's operations are conducted in the context of a group of institutions which act jointly, and certain transactions involve the co-participation or intermediation of 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 financial statements of Banco Pine, which include those of its Grand Cayman Branch and Pine Securities (Individual) and the consolidated financial statements of Banco Pine and Subsidiaries (Consolidated).

The financial statements are presented in reais (R$), which is the Institution's functional currency and that of its foreign branch and subsidiary. 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 August 08, 2013, were authorized for issue on September 30, 2012, 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 and subsidiary abroad, its direct and indirect subsidiaries and the special purpose entity presented below:

					2013
	Business activity	Total assets	Capital	Equity	Net income (loss)
Foreign Branches and Subsidiaries					
Grand Cayman Branch	Branch foreign	936,238	7,028	83,206	(10,786)
Subsidiaries					
Pine Securities USA LLC (4)	Subsidiary foreign	10,392	11,713	9,047	(1,412)
Pine Investimentos Distribuidora de Títulos e Valores Mobiliários Ltda.	Securities dealer	219,278	13,384	41,765	3,691
Pine Comercializadora de Energia Elétrica Ltda (3)/(5)	Consulting	6,573	1,000	4,984	3,925
Pine Corretora de Seguros Ltda. (1)	Insurance broker	246	500	244	11
Pine Assessoria e Consultoria Ltda. (1)	Consulting	38,609	500	37,995	2,486
Pine Assessoria em Comercialização de Energia (2)/(6)	Consulting	41	60	41	(12)
Pine Planejamento e Serviços Ltda (2)	Consulting	19,740	10	19,223	15,105
Special Purpose Entities (SPEs)					
Pine Crédito Privado Fundo de Investimento em Direitos Creditórios Financeiros (a)	Receivables investment fund (FIDC)	69,974	47,753	69,935	12,742
FIP Rio Corporate - Fundo De Investimento Em Participacoes (b) (7)	Private equity	97,981	55,950	85,611	29,661
IRE VII Desenvolvimento Imobiliário S/A (c) (8)	SPE	46,667	46,878	45,951	(615)
Fundo de Investimento em Direitos Creditórios - FIDC Pine Agro (d) (9)	Receivables investment fund (FIDC)	590,854	571,429	590,725	19,296

					2012
	Business activity	Total assets	Capital	Equity	Net income (loss)
Foreign Branches and Subsidiaries					
Grand Cayman Branch	Branch foreign	494,187	6,131	82,238	(8,458)
Subsidiaries					
Pine Securities USA LLC (4)	Subsidiary foreign	9,203	10,218	9,106	(1,111)
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)/(5)	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. (1)	Consulting	35,468	1	35,009	33,396
Pine Assessoria em Comercialização de Energia (2)/(6)	Consulting	3	10	3	7
Pine Planejamento e Serviços Ltda (2)	Consulting	4,984	10	4,117	4,107
Entidades de propósito específico					
Pine Crédito Privado Fundo de Investimento em Direitos Creditórios Financeiros (a)	Receivables investment fund (FIDC)	178,506	110,594	178,466	35,966

(1) Pine Assessoria e Consultoria Ltda and Pine Corretora de Seguros Ltda. were constituted on December 12, 2011. Capital is R$500, comprising 500 shares, fully subscribed and paid up in local currency in December 2012.

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

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

(4) Pine Securities USA LLC was constituted in October 2012. Capital is R$10,000.

(5) As contractually provided for on December 26, 2013, the Pine Comercializadora de Energia reduced its capital from R$ 77,400 to R $ 1,000.

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

(7) On April 18, 2013 the FIP Rio Corporate was constituted on May 15, 2013 the Bank paid in 55.950 shares.

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

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

a) Pine Crédito Privado

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

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

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

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

(In thousands of reais, unless otherwise stated)

The purpose of the Fund is to increase shareholder 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, section XV, of CVM Instruction 356, as amended by 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's shareholders.

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

No loans were assigned to the FIDC for the period ended December 31, 2013 and 2012.

Additionally, on account of its investment in subordinated shares in this Fund, at September 30, 2013, the Institution recognized a loss of R$ 887 and R$ 1,926 for the year-to-date (Income of R$ 16.557 for the year-to-date) in the "marketable securities" account.

v) Total assets, liabilities and equity of the FIDC at December 31, 2013 and December 31, 2012:

	2013	2012		2013	2012
Current assets and Long-term receivables	**69,974**	**7,004**	**Current liabilities**	**39**	**40**
Cash	12	1	Other liabilities	-	40
Short-term interbank investments	310	7,003			
Marketable securities	8,715	19,884			
Loan operations	60,937	151,618	**Equity**	69,935	**178,466**
Total assets	**69,974**	**178,506**	**Total liabilities and equity**	**69,974**	**178,506**

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

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

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

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

b) FIP Rio Corporate

Since its institution sole shareholder is the FIP and this is a Private Equity Fund, the management decided to consolidate the FIP, pursuant to resolution 2723 of May 31, 2000 the Central Bank of Brazil.

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

FIP Rio Corporate, administered by BNY Mellon Financial Services Distributor Securities SA was set up in the form of condominium on April 18, 2013. The Fund offered 100,000 shares with a par value of R$ 1. The closing date for the distribution is 30 months from the date of the first payment of quotas, which was on May 15, 2013. The Fund will terminate their activities five years from the date of the first payment of shares, which may be extended, upon proposal by the Manager and at the General Meeting of Shareholders.

The purpose of the Fund is to increase shareholders invested capital appreciation over the long term by investing in shares of the Company's, whose exclusive purpose is the development and economic exploitation, through leasing and sale of real estate enterprise.

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

	2013		2013
Current assets	**97,981**	**Current liabilities**	**12,370**
Cash	1	Other liabilities	12,370
Securities trading	97,980		
Shares in investment funds	33		
Shares of the company closed	97,947	**Equity**	**85,611**
Total do ativo	**97,981**	**Total liabilities and equity**	**97,981**

c) IRE VII Desenvolvimento Imobiliário S/A

Since it has control over the SPE's activities, the Institution's management decided to consolidate IRE VII Desenvolvimento Imobiliário S/A, in accordance with the provisions of CVM Instruction 408/04.

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

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

ii) Investment in the equity and results of the SPE

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

(In thousands of reais, unless otherwise stated)

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

	2013		2013
Current assets	**8,945**	**Current liabilities**	**716**
Cash	361	Tax and social security contributions	141
Short-term interbank investments	8,507	Other liabilities	575
Other receivables	77		-
Permanent Assets	**37,722**	**Equity**	**45,951**
Property	37,722		
Total assets	**46,667**	**Total liabilities and equity**	**46,667**

d) Receivables investment fund (FIDC) Pine Agro

Because the control over the receivables assigned to the fund remains with the Bank (receipt, transfer and collection) and, in substance, the Bank offers guarantees to the FIDC investors relating to the expected receipt and profitability, the Bank's management decided to consolidated FIDC Pine Agro, as established by the Brazilian Securities and Exchange Commission (CVM) Circular Letter 01/07.

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

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

Santander Brasil S.A. was contracted to render controllership services for the Fund, as well as the qualified custody of the portfolio assets, custody of evidencing documents and quota bookkeeping.

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

ii) Investment in the equity and results of the FIDC

In accordance with Article 24, item XV of CVM Instruction 356/01, updated by CVM Instruction 393, and chapter 21 of the Fund's Regulation, the ratio between the value of the senior quotas and the Fund's equity will be 70%. Accordingly, the Fund will have 30% of its equity represented by subordinated quotas. This ratio will be calculated on a daily basis and will be available to the Fund's quotaholders on a monthly basis.

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

Verification of whether the credit rights meet the assignment terms is, pursuant to the assignment agreement, the sole responsibility of the Assignor, 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 by the drawees 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 value has been exceeded, the default of credit rights held by the Fund is attributed to the senior quotas. The subordinated quotas 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 30% of the Fund's equity, the Bank, pursuant to a request from the management entity, will have five business days to subscribe new subordinated quotas in order to achieve the proportion equivalent to the guarantee ratio. If this does not occur, the management entity will call a General Meeting of Quotaholders in order to discuss about (a) the anticipated settlement of the fund, or (ii) extraordinary amortization.

iv) Amount and nature of credits, liabilities, revenues and expenses between the Bank and the FIDC, assets transferred by the Bank and rights of use over FIDC' assets

In the period ended December 31, 2013, operations amounting to R$ 377.866 were assigned to FIDC.

In addition, because of the maintenance of the investment in subordinated quotas in this Fund, the Bank recognized, in the period ended December 31, 2013, an income of R$ 12.055 in the "results with marketable securities" account.

v) Total assets, liabilities and equity of the SPE at December 31, 2013:

	2013		2013
Current assets	**590,854**	**Current liabilities**	**129**
Cash	839	Other liabilities	129
Marketable Securities	189,314		
Credit operations	360,320		
Other receivables	40,381	**Equity**	590,725
Total assets	**590,854**	**Total liabilities and equity**	**590,854**

v)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.

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

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

3. SIGNIFICANT ACCOUNTING PRACTICES

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

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

We present below the main accounting practices used:

a) Consolidation

The balances and the results of the transactions between Banco Pine and its subsidiaries Pine Investimentos, Pine Comercializadora, Pine Corretora, Pine Assessoria and Pine Assessoria em Comercialização de Energia and Pine Planejamento were eliminated in the consolidated statements. In the consolidation process of FIDC and FIDC Pine Agro, 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

Revenues 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, 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.

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

f) Derivative financial instruments

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

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

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

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

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

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

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

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

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

g) Loan operations and allowance for loan losses

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

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

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

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

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

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

h) Write off of financial assets

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

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

. A transaction with substantial transfer of risks and rewards: the assignor substantially transfers all the risks and rewards related to the financial asset which is the object of the transaction.

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

. Operations with substantial retention of risks and benefits : the transferor retains substantially all the risks and rewards of ownership of the financial assets involved in the transaction , such as : (i) the sale of the financial asset combined with a commitment to repurchase the same asset at a fixed price or the sale price of any added income , (ii) securities lending agreements, (iii) sale of financial asset combined with a contract rate swap that transfers the total return exposure to market risk back to transferor , (iv) the sale of financial asset combined with an option to buy or sell whose fiscal year is likely to occur , and (v) sale of receivables for which the seller or transferor guarantees in any way compensate the purchaser or transferee for credit losses that may occur , or the sale occurred in conjunction with the acquisition of the subordinated Investment Fund (FIDC) buyer ;

. Operations without transfer or substantial retention of risks and benefits : Shall be classified operations in which the transferor neither transfers nor retains substantially all the risks and rewards of ownership of the financial assets involved in the transaction .

The allowance for loan losses follows the guidelines established by Resolution No. 2.682/99 of the Central Bank.

i) Prepaid expenses

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

j) Other current assets and long-term receivables

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

k) Permanent assets

These assets are stated at cost and consider the following:

. Investments in subsidiaries are accounted for using the equity method

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

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

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

l) Impairment of non-financial assets

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

m) Purchase and sale commitments

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

n) Current and long-term liabilities

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

o) Contingent assets and liabilities and legal obligations

The recognition, measurement and disclosure of contingent assets and liabilities, and legal obligations (tax and social security) are based on the criteria defined in Resolution 3823/09, and 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, generally through a final and unappealable court decision.

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

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

p) Provision for income tax and social contribution

The provisions for income tax and social contribution are recorded at the following statutory rates: income tax - 15%, plus a 10% surcharge on taxable income exceeding R$ 240 (for the year end) and social contribution - 15%. Further, deferred tax assets are recorded on temporary differences based on the assumption that the future taxable income generated by the Institution will be sufficient to offset these assets.

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

q) Profit sharing

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

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

(In thousands of reais, unless otherwise stated)

r) Use of estimates

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

s) Net income per share

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

4. CASH AND CASH EQUIVALENTS

	Individual		Consolidated	
	2013	2012	2013	2012
Cash	147,466	126,111	157,168	126,111
Short-term interbank investments(1)	610,008	297,285	610,318	304,288
Total cash and cash equivalents	**757,474**	**423,396**	**767,486**	**430,399**

(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, 2013 and 2012, are comprised as follows:

					Individual
					2013
Security/Maturity	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	Total
Investments in purchase and sale commitments					
Own portfolio position					
National Treasury Bills (LTN)	-	71,599	50,018	-	121,617
Federal Treasury Notes (NTN)	-	-	-	62,305	62,305
Total investments in purchase and sale commitments	**-**	**71,599**	**50,018**	**62,305**	**183,922**
Interbank deposits					
Own portfolio					
Floating	9,264	35,144	-	-	44,408
CDI	-	13,791			13,791
Subtotal	**9,264**	**48,935**	**-**	**-**	**58,199**
Total interbank deposits	**9,264**	**48,935**	**-**	**-**	**58,199**
Foreign currency investments					
Foreign currency investments	425,571	-	-	-	425,571
Total foreign currency investments	**425,571**	**-**	**-**	**-**	**425,571**
Total interbank investments	**434,835**	**120,534**	**50,018**	**62,305**	**667,692**

					Consolidated
					2013
Security/Maturity	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	Total
Investments in purchase and sale commitments					
Own portfolio position					
National Treasury Bills (LTN)	310	71,599	50,018	-	121,927
Federal Treasury Notes (NTN)	-	-	-	62,305	62,305
Total investments in purchase and sale commitments	**310**	**71,599**	**50,018**	**62,305**	**184,232**
Interbank deposits					
Own portfolio					
Floating rate CDI	9,264	35,144	-	-	44,408
CDI Rural	-	13,791	-	-	13,791
Subtotal	**9,264**	**48,935**	**-**	**-**	**58,199**
Total interbank deposits	**9,264**	**48,935**	**-**	**-**	**58,199**
Foreign currency investments					
Foreign currency investments	425,571	-	-	-	425,571
Total foreign currency investments	**425,571**	**-**	**-**	**-**	**425,571**
Total interbank investments	**435,145**	**120,534**	**50,018**	**62,305**	**668,002**

(In thousands of reais, unless otherwise stated)

			Individual
			2012
Security/Maturity	Up to 3 months	From 3 to 12 months	Total
Investments in purchase and sale commitments			
Own portfolio position			
LFT	110,029	-	110,029
LTN	74,150	-	74,150
NTN	95,026	-	95,026
Subtotal	**279,205**	**-**	**279,205**
Total investments in purchase and sale commitments	**279,205**	**-**	**279,205**
Interbank deposits			
Own portfolio			
Floating rate CDI	-	1,928	1,928
CDI Rural	4,651	22,119	26,770
Subtotal	**4,651**	**24,047**	**28,698**
Subject to guarantees			
Floating rate CDI	996	70,605	71,601
Subtotal	**996**	**70,605**	**71,601**
Total interbank deposits	**5,647**	**94,652**	**100,299**
Foreign currency investments			
Foreign currency investments	18,080	-	18,080
Total foreign currency investments	**18,080**	**-**	**18,080**
Total interbank investments	**302,932**	**94,652**	**397,584**

			Consolidated
			2012
Security/Maturity	Up to 3 months	From 3 to 12 months	Total
Investments in purchase and sale commitments			
Own portfolio position			
LFT	110,029	-	110,029
LTN	81,153	-	81,153
NTN	95,026	-	95,026
Subtotal	**286,208**	**-**	**286,208**
Total investments in purchase and sale commitments	**286,208**	**-**	**286,208**
Interbank deposits			
Own portfolio			
Floating rate CDI	-	1,928	1,928
CDI Rural	4,651	22,119	26,770
Subtotal	**4,651**	**24,047**	**28,698**
Subject to guarantees			
Floating rate CDI	996	70,605	71,601
Subtotal	**996**	**70,605**	**71,601**
Total interbank deposits	**5,647**	**94,652**	**100,299**
Foreign currency investments			
Foreign currency investments	18,080	-	18,080
Total foreign currency investments	**18,080**	**-**	**18,080**
Total interbank investments	**309,935**	**94,652**	**404,587**

(In thousands of reais, unless otherwise stated)

6. MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

a) Marketable securities

The securities portfolio at December 31, 2013 and 2012 was comprised as follows:

							Individual 2013
	Amounts marked to market						
Security/Maturity	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	Curve based amount
Available-for-sale securities:							
Own portfolio:							
National Treasury Bills (LTN)	89,966	-	-	-	-	89,966	89,981
Federal Treasury Notes (NTN)	-	73,077	85,138	48,089	-	206,304	216,974
Debentures	-	-	713	-	64,249	64,962	66,976
Promissory note	-	44,686	-	-	-	44,686	44,459
Receivables investment fund shares		-	20,446	183,484	-	203,930	203,930
Subtotal	**89,966**	**117,763**	**106,297**	**231,573**	**64,249**	**609,848**	**622,320**
Subject to guarantees:							
Federal Treasury Notes (NTN)	-	-	109,579	-	-	109,579	117,415
Subtotal	**-**	**-**	**109,579**	**-**	**-**	**109,579**	**117,415**
Total available-for-sale	**89,966**	**117,763**	**215,876**	**231,573**	**64,249**	**719,427**	**739,735**
Trading securities(1):							
Own portfolio:							
LTN	349,869	30,940	4,930	-	-	385,739	385,916
NTN	8,125	46	33,707	37,788	8,305	87,971	89,758
Debentures	-	9,424	51,928	88,448	-	149,800	135,546
Investment fund shares(2)	180,381	-	-	-	-	180,381	180,381
Eurobonds	91	70	-	-	9,332	9,493	9,493
Subtotal	**538,466**	**40,480**	**90,565**	**126,236**	**17,637**	**813,384**	**801,094**
Subject to repurchase commitments:							
LTN	-	161,579	40,217	-	-	201,796	202,421
NTN	-	80,339	18,969	48,089	10,983	158,380	163,429
Debentures	-	46,180	10,300	117,924	-	174,404	186,079
Eurobonds	132	128	2,686	-	13,546	16,492	16,492
Subtotal	**132**	**288,226**	**72,172**	**166,013**	**24,529**	**551,072**	**568,421**
Subject to guarantees:							
LTN	-	1,074	-	-	-	1,074	1,079
NTN	-	-	3,476	-	-	3,476	3,542
Subtotal	**-**	**1,074**	**3,476**	**-**	**-**	**4,550**	**4,621**
Total trading securities	**538,598**	**329,780**	**166,213**	**292,249**	**42,166**	**1,369,006**	**1,374,136**
Total securities	**628,564**	**447,543**	**382,089**	**523,822**	**106,415**	**2,088,433**	**2,113,871**

(In thousands of reais, unless otherwise stated)

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

							Individual
							2012
	Amounts marked to market						
Security/Maturity	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	Curve based amount
Available-for-sale securities:							
Own portfolio:							
NTN	-	-	73,154	50,910	26,339	150,403	150,694
Promissory note	-	61,070	-	-	-	61,070	61,362
Eurobond	-	-	-	-	2,123	2,123	2,109
Receivables investment fund						-	
shares	-	-	59,731	-	-	59,731	59,731
Investment fund shares(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**	**149,861**	**50,910**	**28,462**	**627,350**	**628,193**
Trading securities(1):							
Own portfolio:							
LTN	599,836	42,880	174,169	-	-	816,885	811,377
NTN	209,704	-	83,912	38,437	22,078	354,131	345,710
Debentures	-	95,207	44,398	106,309	-	245,914	239,976
Subtotal	**809,540**	**138,087**	**302,479**	**144,746**	**22,078**	**1,416,930**	**1,397,063**
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**	**138,087**	**302,479**	**144,746**	**22,078**	**3,336,005**	**3,288,868**
Total securities	**3,065,662**	**199,157**	**452,340**	**195,656**	**50,540**	**3,963,355**	**3,917,061**

(In thousands of reais, unless otherwise stated)

							Consolidated
							2012
	Amounts marked to market						
Security/Maturity	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	Curve based amount
Available-for-sale securities:							
Own portfolio:							
NTN	-	-	73,154	50,910	26,339	150,403	150,694
Promissory note	-	61,070	-	-	-	61,070	61,362
Eurobond	-	-	-	-	2,123	2,123	2,109
Investment fund shares(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**	**90,130**	**50,910**	**28,462**	**567,619**	**568,462**
Trading securities(1):							
Own portfolio:							
LTN	599,836	42,880	194,053	-	-	836,769	831,261
NTN	209,704	-	83,912	38,437	22,078	354,131	345,710
Debentures	-	95,207	44,398	106,309	-	245,914	239,976
Subtotal	**809,540**	**138,087**	**322,363**	**144,746**	**22,078**	**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**	**138,087**	**322,363**	**144,746**	**22,078**	**3,355,889**	**3,308,752**
Total securities	**3,065,662**	**199,157**	**412,493**	**195,656**	**50,540**	**3,923,508**	**3,877,214**

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

(2) The shares are composed of R$ 180.381 in the Individual and R$ 110.693 in the Consolidated (R$ 338,601 in the Individual and Consolidated on December 31, 2012, not taking into consideration a valuation allowance of fund shares multimarket investment of R$ 1.554), of which: (i) R$ 11.376 in Individual and Consolidated (R$ 251.304 in the Individual and Consolidated on December 31, 2012) Pine CM Fund Multimarket Private Credit, (ii) R$ 96.339 in Individual and Consolidated (R$ 87,297 the Individual and Consolidated on December 31, 2012) Pine RB Capital Fund Multimarket Private Credit (on December 31, 2012 the quotas were composed by FICFI Multimarket Credit Private Investment Abroad), and (iii) R$ 71.867 in consolidated FIP Rio Corporate - Investment Fund Participation. The assets comprising funds are, mostly, debentures, promissory notes and certificates of receivables totaling R$ 558.025 (R$ 756,027 on December 31, 2012)(note 7a).

At December 31, 2013 and December 31, 2012, there were no securities classified as “held to maturity".

As established in Article 5 of BACEN Circular 3068/08 securities may only be reclassified on the date of the half yearly balance sheet. At December 31, 2013 and 2012, were reclassified securities "avaiable for sale" to "trading" in the amount of R$18,779 (December 31, 2012 R$ 188,051), generating a negative impact on the gross amount of R$ 1,347 (positive impact of R$ 12,527 at December 31,2012), R$ 808 net of tax (R$ 7,516 at December 31,2012), recorded in "Income from operations with securities."

The market values of the securities recorded in the “available for sale” and “trading” categories were determined based on the prices and rates braded at December 31, 2013 and 2012, disclosed by the Brazilian Association of Financial and Capital Market Institutions (ANBIMA), BM&FBovespa S.A. - - Bolsa de Valores, Mercadorias e Futuros, by the investment fund managers and by the international information agencies. The mark-to-market adjustment of the securities recorded in the “available for sale” category generated a loss of R$20.308 on an Individual and Consolidated basis (December 31, 2012 – loss of R$ 843 on both an Individual and Consolidated basis), affecting the equity of the Institution by R$12.185 on an Individual and Consolidated basis (December 31, 2012 - R$ 514 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 loss adjustment of R$ 5.130 on an Individual and Consolidated basis (December 31, 2012 – gain adjustment of R$ 47,137 in both the 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.

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 traded abroad comprise futures, forward transactions, options and swaps mainly registered at the Chicago, New York and London exchanges. We stress that although certain trades abroad are carried out over-the-counter (OTC), the related risks are low in relation to the Institution’s total transactions.

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

(In thousands of reais, unless otherwise stated)

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, 2013 and 2012, the derivative financial instrument positions are as follows:

						Individual and Consolidated
			2013			2012
Derivative Financial Instruments	Short-term	Long-term	Total	Short-term	Long-term	Total
ASSETS						
Swap – difference receivable	82,034	270,129	352,163	60,665	155,436	216,101
Forward contracts- receivable	72,953	17,853	90,806	83,459	1,664	85,123
Premiums on unexercised options	72,389	-	72,389	36,109	-	36,109
Total receivable	**227,376**	**287,982**	**515,358**	**180,233**	**157,100**	**337,333**
LIABILITIES						
Swap – difference payable	(32,138)	(25,464)	(57,602)	(15,215)	(22,410)	(37,625)
Forward contracts- payable	(68,043)	(4,219)	(72,262)	(20,724)	(923)	(21,647)
Premiums on written options	(60,172)	(797)	(60,969)	(41,121)	-	(41,121)
Total payable	**(160,353)**	**(30,480)**	**(190,833)**	**(77,060)**	**(23,333)**	**(100,393)**
Net amount	**67,023**	**257,502**	**324,525**	**103,173**	**133,767**	**236,940**

v) Derivative financial instruments by index

				Individual and Consolidated
				2013
	Notional amount	Amount receivable	Amount payable	Result
Swap				
Market risk				
Asset position:	**5,581,191**	**352,163**	**-**	
Interest	3,408,528	179,337	-	
Currency	2,130,411	172,770	-	
Variable income	42,252	56	-	
Liability position:	**5,581,191**	**-**	**(57,602)**	
Interest	3,533,561	-	(28,160)	
Currency	2,047,630	-	(29,442)	
Net amount		**352,163**	**(57,602)**	**230,856**
Forward contracts				
Asset position:	**6,595,674**	**90,806**	**-**	
Interest	4,161,379	9,789	-	
Currency	2,341,952	80,384	-	
Commodities	92,343	633	-	
Liability position:	**6,595,674**	-	**(72,262)**	
Interest	1,930,135	-	(6,960)	
Currency	4,623,121	-	(65,244)	
Commodities	42,418	-	(58)	
Net amount		**90,806**	**(72,262)**	**(39,919)**
Options				
Premium on unexercised options:	**1,408,454**	**72,389**	-	
Currency	766,684	23,108	-	
Commodities	641,770	49,281	-	
Premiums on written options:	**1,623,553**	-	**(60,969)**	
Currency	980,528	-	(32,363)	
Commodities	643,025	-	(28,606)	
Net amount		**72,389**	**(60,969)**	**48,163**
Total receivable (payable) and gain (loss)		**515,358**	**(190,833)**	**239,100**

(In thousands of reais, unless otherwise stated)

	Individual and Consolidated 2012			
	Notional amount	Amount receivable	Amount payable	Result
"Swap"				
Market risk				
Asset position:	**2,794,342**	**216,101**	**-**	
Interest	2,087,246	128,894	-	
Currency	624,261	82,811	-	
Commodities	19,028	47	-	
Variable income	63,807	4,349	-	
Liability position:	**2,794,342**	**-**	**(37,625)**	
Interest	1,919,358	-	(22,581)	
Currency	874,984	-	(15,044)	
Net amount		**216,101**	**(37,625)**	**141,681**
Forward contracts				
Asset position:	**2,579,250**	**85,123**	-	
Interest	555,181	8,032	-	
Currency	1,874,333	73,297	-	
Commodities	149,736	3,794	-	
Liability position:	**2,579,250**	-	**(21,647)**	
Interest	1,374,880	-	(8,839)	
Currency	998,727	-	(12,776)	
Commodities	205,643	-	(32)	
Net amount		**85,123**	**(21,647)**	**62,387**
Options				
Premium on unexercised options:	**1,200,312**	**36,109**	-	
Currency	661,386	10,052	-	
Commodities	538,926	26,057	-	
Premiums on written options:	**1,842,841**	-	**(41,121)**	
Currency	1,160,633	-	(15,859)	
Commodities	682,208	-	(25,262)	
Net amount		**36,109**	**(41,121)**	**15,585**
Total receivable (payable) and gain (loss)		**337,333**	**(100,393)**	**219,653**

vi) Derivative financial instruments – futures contracts

	Individual and Consolidated 2013			
	Notional amount		Daily adjustment receivable	
	Purchase	Sale	(payable)	Result
Interbank market:	2,479,543	2,316,329	285	
Currency	1,840,127	817,256	14,091	
Commodities	114,363	146,149	-	
Future exchange coupon:	2,584,409	3,709,727	(22,419)	
Exchange Swap	-	3,207,174	9,418	
Total	**7,018,442**	**10,196,635**	**1,375**	**(42,887)**

	Individual and Consolidated 2012			
	Notional amount		Daily adjustment receivable	
	Purchase	Sale	(payable)	Result
Interbank market:	960,004	878,988	371	
Currency	840,567	48,362	(2,957)	
Commodities	82,051	90,836	(6)	
Future exchange coupon:	103,202	1,483,996	5,499	
Exchange Swap	-	61,272	(205)	
Total	**1,985,824**	**2,563,454**	**2,702**	**(155,315)**

vii) Derivative financial instruments by maturity

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

(In thousands of reais, unless otherwise stated)

						Individual and Consolidated
						2012
	Market value					
Notional amount	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
Swap	481,799	566,993	699,801	784,868	260,881	2,794,342
Forward contracts	1,300,510	1,010,582	138,243	129,915	-	2,579,250
Options	1,955,485	1,087,668	-	-	-	3,043,153
Futures	1,309,109	1,637,072	1,000,668	544,056	58,373	4,549,278

viii) Derivative financial instruments by trading market

At December 31, 2013 and 2012, the swaps, forward contracts and options, whose notional values are recorded in a memorandum account are comprised as follows:

								Individual and Consolidated
	2013				2012			
Custodian	Swap	Forward contracts	Options	Futures	Swap	Forward contracts	Options	Futures
Exchange	**173,603**	**206,613**	**1,929,544**	**17,187,338**	**145,521**	**151,117**	**1,842,470**	**4,549,278**
BM&FBOVESPA	110,300	-	1,405,588	16,954,565	90,300	-	1,246,325	4,374,560
Exchanges abroad	63,303	206,613	523,957	232,773	55,221	151,117	596,145	174,718
OTC	**5,407,588**	**6,389,061**	**1,102,463**	**27,739**	**2,648,821**	**2,428,133**	**1,200,683**	**-**
Financial institutions	1,609,369	230,105	-	27,739	-	-	22,683	-
Companies	3,798,219	6,158,956	1,102,463	-	2,648,821	2,428,133	1,178,000	-
Total	**5,581,191**	**6,595,674**	**3,032,007**	**17,215,077**	**2,794,342**	**2,579,250**	**3,043,153**	**4,549,278**

ix) Amount and type of guarantee margin

The margin amounts deposited in guarantee at December 31, 2013 and 2012 are comprised as follows:

		Individual and Consolidated
		Market value
Security	2013	2012
Guarantee margin – Exchange clearing house - BMC		
National Treasury Bills (LTN)	1,074	10,870
Federal Treasury Notes (NTN)	3,475	3,476
Subtotal	**4,549**	**14,346**
Guarantee margin - BMF&Bovespa		
National Treasury Bills (LTN)	-	60,250
Federal Treasury Notes (NTN)	107,486	-
Subtotal	**107,486**	**60,250**
Guarantee margin - Other		
Federal Treasury Notes (NTN)	2,094	**-**
Subtotal	**2.094**	-
Total	**114,129**	**71,120**

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

We present below a summary of the loan operation portfolio information at December 31, 2013 and 2012:

a) By type of loan:

		Individual		Consolidated
Details	2013	2012	2013	2012
Public sector	18,991	6,304	18,991	6,304
Working capital	3,188,610	2,186,731	3,250,657	2,338,349
Resolution nº 3.844 (old Resolution nº 2.770)	40,142	-	40,142	-
Overdraft account	9,930	12,086	9,930	12,086
BNDES/FINAME onlending	1,068,369	852,643	1,068,369	852,643
Direct consumer financing (CDC) - vehicles	9,876	36,153	9,876	36,153
Foreign currency financing	393,554	280,156	393,554	280,156
Export financing	944,241	798,784	944,241	798,784
Buyer financing (Compror)	-	18,407	-	18,407
Subtotal - Loan operations	**5,673,713**	**4,191,264**	**5,735,760**	**4,342,882**
Debtors for purchase of assets(1)	133,713	114,120	133,713	114,120
Advances on foreign exchange contracts and income receivable (2)	397,934	491,539	397,934	491,539
Notes and credits receivable(1)	114,243	89,075	114,243	89,075
Credit portfolio	**6,319,603**	**4,885,998**	**6,381,650**	**5,037,616**
Loans for imports	51,212	8,814	51,212	8,814
Guarantees provided	2,909,197	2,114,296	2,909,197	2,114,296
Coobligations in loan assignments	-	334	-	334
Guarantees provided and responsibilities	**2,960,409**	**2,123,444**	**2,960,409**	**2,123,444**
Notes and credits receivable(1)	30,240	30,767	30,240	30,767
Corporate bonds (3)	558,025	756,027	558,025	756,027
Securities with credit risk	**588,265**	**786,794**	**588,265**	**786,794**
Total expanded portfolio	**9,868,277**	**7,796,236**	**9,930,324**	**7,947,854**

(1) Recorded in "Other receivables - sundry" (Note 9a).

(2) Recorded in "Foreign exchange portfolio" (Note 8).

(3) Mostly debentures, promissory notes and receivables certificates in the funds' portfolio and in Banco Pine's portfolio (Note 6(a)).

(In thousands of reais, unless otherwise stated)

b) By maturity:

						Individual 2013
	Falling due		Overdue		Total	
Term	Amount	%	Amount	%	Amount	%
Up to 3 months	1,430,068	22.75	31,618	90.64	1,461,686	23.13
From 3 to 12 months	2,302,093	36.63	3,264	9.36	2,305,357	36.48
From 1 to 3 years	1,957,584	31.15	-	-	1,957,584	30.98
From 3 to 5 years	435,585	6.93	-	-	435,585	6.89
From 5 to 15 years	159,391	2.54	-	-	159,391	2.52
Total credit portfolio	**6,284,721**	**100.00**	**34,882**	**100.00**	**6,319,603**	**100.00**
Up to 3 months	409,905	13.85	-	-	409,905	13.85
From 3 to 12 months	1,112,950	37.59	-	-	1,112,950	37.59
From 1 to 3 years	656,780	22.19	-	-	656,780	22.19
From 3 to 5 years	694,853	23.47	-	-	694,853	23.47
From 5 to 15 years	85,921	2.90	-	-	85,921	2.90
Total guarantees provided and responsibilities	**2,960,409**	**100.00**	**-**	**-**	**2,960,409**	**100.00**
Up to 3 months	-	-	-	-	-	-
From 3 to 12 months	100,289	17.05	-	-	100,289	17.05
From 1 to 3 years	193,858	32.95	-	-	193,858	32.95
From 3 to 5 years	176,364	29.98	-	-	176,364	29.98
From 5 to 15 years	109,884	18.68	-	-	109,884	18.68
More Than 5 years	7,870	1.34	-	-	7,870	1.34
Total securities with credit risk	**588,265**	**100.00**	**-**	**-**	**588,265.00**	**100.00**
Total expanded portfolio	**9,833,395**		**34,882**		**9,868,277**	

						Consolidated 2013
	Falling due		Overdue		Total	
Term	Amount	%	Amount	%	Amount	%
Up to 3 months	1,430,068	22.53	31,618	90.64	1,461,686	22.90
From 3 to 12 months	2,314,769	36.47	3,264	9.36	2,318,033	36.32
From 1 to 3 years	2,006,955	31.62	-	-	2,006,955	31.45
From 3 to 5 years	435,585	6.86	-	-	435,585	6.83
From 5 to 15 years	159,391	2.52	-	-	159,391	2.50
Total credit portfolio	**6,346,768**	**100.00**	**34,882**	**100.00**	**6,381,650**	**100.00**
Up to 3 months	409,905	13.85	-	-	409,905	13.85
From 3 to 12 months	1,112,950	37.59	-	-	1,112,950	37.59
From 1 to 3 years	656,780	22.19	-	-	656,780	22.19
From 3 to 5 years	694,853	23.47	-	-	694,853	23.47
From 5 to 15 years	85,921	2.90	-	-	85,921	2.90
Total guarantees provided and responsibilities	**2,960,409**	**100.00**	**-**	**-**	**2,960,409**	**100.00**
Up to 3 months	-	-	-	-	-	-
From 3 to 12 months	100,289	17.05	-	-	100,289	17.05
From 1 to 3 years	193,858	32.95	-	-	193,858	32.95
From 3 to 5 years	176,364	29.98	-	-	176,364	29.98
From 5 to 15 years	109,884	18.68	-	-	109,884	18.68
More Than 5 years	7,870	1.34	-	-	7,870	1.34
Total securities with credit risk	**588,265**	**100.00**	**-**	**-**	**588,265**	**100.00**
Total expanded portfolio	**9,895,442**		**34,882**		**9,930,324**	

						Individual 2012
	Falling due		Overdue		Total	
Term	Amount	%	Amount	%	Amount	%
Up to 3 months	1,369,941	28.26	1,603	4.11	1,371,544	28.07
From 3 to 12 months	1,883,264	38.85	37,376	95.89	1,920,640	39.31
From 1 to 3 years	1,088,845	22.46	-	-	1,088,845	22.29
From 3 to 5 years	367,983	7.59	-	-	367,983	7.53
From 5 to 15 years	136,986	2.84	-	-	136,986	2.80
Total credit portfolio	**4,847,019**	**100.00**	**38,979**	**100.00**	**4,885,998**	**100.00**
Up to 3 months	381,292	17.96	-	-	381,292	17.96
From 3 to 12 months	580,128	27.32	-	-	580,128	27.32
From 1 to 3 years	664,898	31.31	-	-	664,898	31.31
From 3 to 5 years	477,887	22.51	-	-	477,887	22.51
From 5 to 15 years	19,239	0.90	-	-	19,239	0.90
Total guarantees provided and responsibilities	**2,123,444**	**100.00**	**-**	**-**	**2,123,444**	**100.00**
Up to 3 months	167,688	21.31	-	-	167,688	21.31
From 3 to 12 months	173,918	22.10	-	-	173,918	22.10
From 1 to 3 years	201,585	25.62	-	-	201,585	25.62
From 3 to 5 years	211,240	26.85	-	-	211,240	26.85
From 5 to 15 years	32,363	4.12	-	-	32,363	4.12
Total securities with credit risk	**786,794**	**100.00**	**-**	**-**	**786,794**	**100.00**
Total expanded portfolio	**7,757,257**		**38,979**		**7,796,236**	

(In thousands of reais, unless otherwise stated)

						Consolidated
						2012
	Falling due		Overdue		Total	
Term	Amount	%	Amount	%	Amount	%
Up to 3 months	1,369,941	27.41	1,603	4.11	1,371,544	27.23
From 3 to 12 months	1,883,264	37.68	37,376	95.89	1,920,640	38.13
From 1 to 3 years	1,240,463	24.82	-	-	1,240,463	24.62
From 3 to 5 years	367,983	7.36	-	-	367,983	7.30
From 5 to 15 years	136,986	2.73	-	-	136,986	2.72
Total credit portfolio	**4,998,637**	**100.00**	**38,979**	**100.00**	**5,037,616**	**100.00**
Up to 3 months	381,292	17.96	-	-	381,292	17.96
From 3 to 12 months	580,128	27.32	-	-	580,128	27.32
From 1 to 3 years	664,898	31.31	-	-	664,898	31.31
From 3 to 5 years	477,887	22.51	-	-	477,887	22.51
From 5 to 15 years	19,239	0.90	-	-	19,239	0.90
Total guarantees provided and responsibilities	**2,123,444**	**100.00**	**-**	**-**	**2,123,444**	**100.00**
Up to 3 months	167,688	21.31	-	-	167,688	21.31
From 3 to 12 months	173,918	22.10	-	-	173,918	22.10
From 1 to 3 years	201,585	25.62	-	-	201,585	25.62
From 3 to 5 years	211,240	26.85	-	-	211,240	26.85
From 5 to 15 years	32,363	4.12	-	-	32,363	4.12
Total securities with credit risk	**786,794**	**100.00**	**-**	**-**	**786,794**	**100.00**
Total expanded portfolio	**7,908,875**		**38,979**		**7,947,854**	

c) By business activity:

	Individual		Consolidated	
	2013	2012	2013	2012
Sugar and ethanol	1,391,668	1,144,383	1,397,413	1,166,457
Civil construction	1,388,464	907,379	1,395,441	925,388
Electric and renewable energy	891,931	1,039,048	891,931	1,039,048
Agriculture	871,830	665,999	884,798	689,671
Building and engineering - Infrastructure	846,040	504,045	853,056	523,777
Transportation and logistics	480,410	388,854	484,293	395,830
Specialized services	473,851	344,351	476,545	356,212
Metal products	453,883	350,883	457,250	350,883
Vehicles and parts	437,040	235,522	437,040	242,934
Telecommunications	349,218	152,618	358,236	156,508
Foreign trade	298,612	332,186	298,612	332,186
Chemical and petrochemical	273,740	158,890	273,740	158,890
Beverages and tobacco	235,210	90,902	236,894	94,262
Construction material and decor	208,102	136,037	208,102	148,696
Retail trade	192,940	51,299	192,940	51,299
Individuals	44,177	53,340	44,177	53,340
Foodstuffs	187,718	234,768	191,164	246,208
Meat processing	164,348	130,581	164,348	130,581
Steel products	128,015	95,467	128,015	95,467
Financial institution	103,299	147,986	107,629	155,766
Paper and pulp	95,142	111,674	95,141	111,674
Water and sanitation	93,445	42,901	93,445	42,901
Information technology	47,185	62,537	47,185	62,537
Recreation and tourism	41,576	-	41,576	-
Plastic and rubber	40,455	42,721	40,455	42,721
Textiles and clothing	38,487	42,286	39,407	45,039
Wholesale trade	26,332	11,415	26,332	11,415
Pharmaceuticals and cosmetics	18,086	23,757	18,086	23,757
Mechanics	17,986	19,912	17,986	19,912
Medical services	15,331	39,224	15,331	39,224
Electronics	10,565	15,604	10,565	15,604
Mining	3,191	192,512	3,191	192,512
Leather and footwear	-	6,487	-	6,487
Communications and printing	-	20,668	-	20,668
Total expanded portfolio	**9,868,277**	**7,796,236**	**9,930,324**	**7,947,854**

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

								2013
				Individual				Consolidated
Level	Falling due	Past due	Total	Allowance	Falling due	Past due	Total	Allowance
AA	1,003,915	-	1,003,915	-	1,007,284	-	1,007,284	-
A	2,081,694	-	2,081,694	10,408	2,089,470	-	2,089,470	10,448
B	2,312,496	337	2,312,833	23,129	2,347,435	337	2,347,772	23,478
C	530,407	30,507	560,914	16,827	539,519	30,507	570,026	17,101
D	193,692	32	193,724	19,372	193,692	32	193,724	19,372
E	43,010	940	43,950	13,185	43,010	940	43,950	13,185
F	24,924	40	24,964	12,482	24,924	40	24,964	12,482
G	49,576	33	49,609	34,727	49,576	33	49,609	34,727
H	45,007	2,993	48,000	48,000	51,858	2,993	54,851	54,851
Total	**6,284,721**	**34,882**	**6,319,603**	**178,130**	**6,346,768**	**34,882**	**6,381,650**	**185,644**

(In thousands of reais, unless otherwise stated)

								2012
				Individual				Consolidated
Level	Falling due	Past due	Total	Allowance	Falling due	Past due	Total	Allowance
AA	928,420	-	928,420	-	941,386	-	941,386	-
A	1,361,232	-	1,361,232	6,806	1,386,003	-	1,386,003	6,930
B	1,910,667	171	1,910,838	19,108	2,007,566	171	2,007,737	20,076
C	424,530	1,139	425,669	12,770	441,512	1,139	442,651	13,280
D	76,198	41	76,239	7,624	76,198	41	76,239	7,624
E	6,582	885	7,467	2,240	6,582	885	7,467	2,240
F	26,430	452	26,882	13,441	26,430	452	26,882	13,441
G	70,540	11,420	81,960	57,372	70,540	11,420	81,960	57,372
H	42,420	24,871	67,291	67,291	42,420	24,871	67,291	67,291
Total	**4,847,019**	**38,979**	**4,885,998**	**186,652**	**4,998,637**	**38,979**	**5,037,616**	**188,254**

e) By concentration level:

				Individual				Consolidated
		2013		2012		2013		2012
Largest borrowers	Amount	% of portfolio	Amount	% of portfolio	Amount	% of portfolio	Amount	% of portfolio
Largest borrower	271,299	2.75	198,469	2.55	271,299	2.73	198,469	2.50
2nd to 10th	1,519,180	15.39	1,216,552	15.60	1,519,180	15.30	1,216,552	15.31
11th to 20th	1,095,399	11.10	823,888	10.57	1,095,399	11.03	830,377	10.45
21st to 50th	1,874,414	18.99	1,584,935	20.33	1,874,414	18.88	1,584,936	19.94
51st to 100th	1,748,250	17.72	1,516,952	19.46	1,751,696	17.64	1,516,952	19.09
Other borrowers	3,359,735	34.05	2,455,440	31.50	3,418,336	34.42	2,600,568	32.72
Total expanded portfolio	**9,868,277**	**100.00**	**7,796,236**	**100.00**	**9,930,324**	**100.00**	**7,947,854**	**100.00**

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

		Individual		Consolidated
	2013	2012	2013	2012
Agricultural	60,242	107,391	73,210	107,391
Housing	662	27,811	662	27,811
Manufacturing	2,028,622	1,398,625	2,041,180	1,398,625
Commerce	803,378	188,500	805,981	188,500
Financial intermediation	122,443	99,188	126,774	99,188
Other services	6,446,337	5,773,549	6,475,925	5,925,167
Individuals	406,593	201,172	406,592	201,172
Total expanded portfolio	**9,868,277**	**7,796,236**	**9,930,324**	**7,947,854**

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

		Individual
Details	2013	2012
Opening balance	**186,652**	**173,070**
Additions/Reversals	98,484	83,305
Amount written off	(107,502)	(69,986)
Exchange variation (1)	496	263
Closing balance	**178,130**	**186,652**

		Consolidated
Details	2013	2012
Opening balance	**188,254**	**173,070**
Additions/Reversals	96,883	83,305
Amount written off	(107,502)	(69,986)
Allowance-FIDC	7,513	1,602
Exchange variation (1)	496	263
Closing balance	**185,644**	**188,254**

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

h) Credit recoveries

For the period ended December 31, 2013, credits previously written off as loss were recovered in an amount of R$ 21,516 (For the year ended December 31, 2012 - R$ 4,009).

i) Renegotiation of contracts

At December 31, 2013, renegotiated contracts totaled R$163,543 (December 31, 2012 – R$ 130,152). The original ratings attributed to these contracts were maintained.

j) Sale or transfer of financial assets

i) Operations with substantial transfer of risks and benefits :

For the period ended December 31, 2013, loans were assigned without coobligation in the amount of R$ 34,922 to parties not related to the Institution (December 31, 2012 - R$ 94,436). These assignments generated a loss in relation to their face value of R$ 6,805 (December 31, 2012 - R$ 74.156), without discounting the allowance for loan losses in the amount of R$ 6,893 (December 31, 2012 – R$ 70,353). The results of the assignments are recorded in the "Other operating income/expenses" account". Additionally, contracts previously written off as a loss of R$ 37,587 (December 31, 2012 – R$63,841) were assigned. For the period ended December 31, 2013, these assignments generated a gain of R$ 6,850 (December 31, 2012 – R$ 1,062), recorded in "Loan Operations".

(In thousands of reais, unless otherwise stated)

ii) Operations with substantial retention of risks and benefits:

As of January 2012, as required by CMN Resolution 3533/08, the accounting records are to be made considering either the retention or not of the risks and benefits in the sale or transfer of financial assets. For the period ended December 31, 2013 were assigned operations for Pine Agro FIDC in the amount of R$ 377,866, represented by;

	Individual and Consolidated	
	Asset	Liabilities
Debentures transferred	11,331	11,331
Lending operations assigned - Loans	148,769	148,769
Lending operations assigned - Financing	217,766	217,766
Total	**377,866**	**377,866**

8. FOREIGN EXCHANGE PORTFOLIO

	Individual and Consolidated			
	Other receivables		Other Liabilities	
	2013	2012	2013	2012
Exchange purchases pending settlement	418,586	513,509	-	-
Rights on exchange sales	99,814	54,018	-	-
Income receivables	6,729	9,260	-	-
Advances in local currency received	-	(53,991)	-	-
Exchange sales pending settlement	-	-	94,959	53,976
Liabilities from exchange purchases	-	-	391,205	503,436
Advances on foreign exchange contracts	-	-	(391,205)	(482,279)
Total	**525,129**	**522,796**	**94,959**	**75,133**

9. OTHER RECEIVABLES - SUNDRY

a) Other receivables - Sundry

These are comprised as follows:

	Individual					
	2013			2012		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Advances and salary prepayments	298	-	298	205	-	205
Advances for payments on our behalf	7,159	-	7,159	5,004	-	5,004
Deferred tax assets (Note 9.b)	87,797	74,738	162,535	87,217	55,835	143,052
Debtors for purchase of assets	36,845	96,868	133,713	29,937	84,183	114,120
Income tax available for offset	-	54,043	54,043	538	34,733	35,271
Amounts receivable from affiliates	39	-	39	973	-	973
Notes and credits receivable	113,836	30,647	144,483	89,842	30,000	119,842
Sundry debtors – Brazil and abroad	2,997	47	3,044	3,003	-	3,003
Total	**248,971**	**256,343**	**505,314**	**216,719**	**204,751**	**421,470**

	Consolidated					
	2013			2012		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Advances and salary prepayments	298	-	298	205	-	205
Advances for payments on our behalf	7,159	-	7,159	5,004	-	5,004
Deferred tax assets (Note 9.b)	87,797	74,742	162,539	87,217	56,099	143,316
Debtors for purchase of assets	36,845	96,868	133,713	29,937	84,183	114,120
Income tax available for offset	-	58,418	58,418	856	35,623	36,479
Notes and credits receivable	113,836	30,647	144,483	89,842	30,000	119,842
Sundry debtors - Brazil and Abroad	7,826	48	7,874	6,701	-	6,701
Total	**253,761**	**260,723**	**514,484**	**219,762**	**205,905**	**425,667**

b) Deferred tax assets

At December 31, 2013 and 2012, the deferred tax assets and deferred tax liabilities related to income tax and social contribution were comprised as follows:

	Individual					
	2013			2012		
Deferred tax assets	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Allowance for loan losses	42,602	25,561	68,163	45,948	27,569	73,517
Adjustment of available-for-sale securities	5,077	3,046	8,123	214	129	343
Adjustment of trading securities	1,284	771	2,055	-	-	-
Credits written off as a loss	25,721	15,433	41,154	14,437	8,662	23,099
Future market - Law 11196	5,711	3,426	9,137	2,715	1,629	4,344
Provision for tax risks and contingent liabilities	3,159	1,896	5,055	12,000	7,199	19,199
Provision for profit sharing	2,875	1,725	4,600	5,191	3,115	8,306
Provision for lawyers' fees	1,599	959	2,558	2,344	1,406	3,750
Provision for equity accounting loss abroad	5,539	3,323	8,862	2,424	1,455	3,879
Provision - FIDC	-	-	-	401	240	641
Provision for Resolution 3921	3,444	2,066	5,510	1,244	747	1,991
Provision for devaluation of assets	-	-	-	2,489	1,494	3,983
Other provisions	4,574	2,744	7,318	-	-	-
Total	**101,585**	**60,950**	**162,535**	**89,407**	**53,645**	**143,052**

(In thousands of reais, unless otherwise stated)

						Consolidated
			2013			2012
Deferred tax assets	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Allowance for loan losses	42,602	25,561	68,163	45,948	27,569	73,517
Adjustment of available-for-sale securities	5,077	3,046	8,123	214	129	343
Adjustment of trading securities	1,284	771	2,055	-	-	-
Credits written off as a loss	25,721	15,433	41,154	14,437	8,662	23,099
Future market - Law 11196	5,711	3,426	9,137	2,715	1,629	4,344
Provision for tax risks and contingent liabilities	3,161	1,897	5,058	12,165	7,298	19,463
Provision for profit sharing	2,875	1,725	4,600	5,191	3,115	8,306
Provision for lawyers' fees	1,599	959	2,558	2,344	1,406	3,750
Provision for equity accounting loss abroad	5,539	3,324	8,863	2,424	1,455	3,879
Provision - FIDC	-	-	-	401	240	641
Provision for Resolution 3921	3,444	2,066	5,510	1,244	747	1,991
Provision for devaluation of assets	-	-	-	2,489	1,494	3,983
Other provisions	4,574	2,744	7,318	-	-	-
Total	**101,587**	**60,952**	**162,539**	**89,572**	**53,744**	**143,316**

						Individual
			2013			2012
Deferred tax liabilities	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Mark-to-market adjustment of derivative financial instruments	45,740	27,444	73,184	20,308	12,184	32,492
Adjustment of trading securities	-	-	-	11,394	6,836	18,230
Asset adjustment of judicial deposits	649	389	1,038	584	350	934
Income from renegotiation	292	175	467	-	-	-
Total (Note 15.b)	**46,681**	**28,008**	**74,689**	**32,286**	**19,370**	**51,656**

						Consolidated
			2013			2012
Deferred tax liabilities	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Mark-to-market adjustment of derivative financial instruments	45,740	27,444	73,184	20,308	12,184	32,492
Adjustment of trading securities	-	-	-	11,394	6,836	18,230
Asset adjustment of judicial deposits	649	389	1,038	602	361	963
Income from renegotiation	292	175	467	-	-	-
Total (Note 15.b)	**46,681**	**28,008**	**74,689**	**32,304**	**19,381**	**51,685**

Changes in deferred tax assets and deferred tax liabilities

		Individual		Consolidated
Deferred tax assets	2013	2012	2013	2012
Opening balance	**143,052**	**141,870**	**143,316**	**142,001**
Amount recorded	151,383	163,930	151,046	164,425
Amount reversed	(131,900)	(162,748)	(131,823)	(163,110)
Closing balance	**162,535**	**143,052**	**162,539**	**143,316**

		Individual		Consolidated
Deferred tax assets	2013	2012	2013	2012
Opening balance	**51,656**	**46,517**	**51,685**	**46,540**
Amount recorded	86,381	107,362	86,463	107,700
Amount reversed	(63,348)	(102,223)	(63,459)	(102,555)
Closing balance	**74,689**	**51,656**	**74,689**	**51,685**

Projected realization of deferred tax assets and deferred tax liabilities

			Individual			Consolidated
			2013			2013
Deferred tax assets	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Up to 1 year	54,874	32,923	87,797	54,874	32,923	87,797
From 1 to 2 years	18,171	10,903	29,074	18,171	10,903	29,074
From 2 to 3 years	11,693	7,016	18,709	11,693	7,016	18,709
From 3 to 4 years	5,463	3,278	8,741	5,463	3,278	8,741
From 4 to 5 years	4,214	2,529	6,743	4,214	2,529	6,743
From 5 to 10 years	7,170	4,301	11,471	7,172	4,303	11,475
Total	**101,585**	**60,950**	**162,535**	**101,587**	**60,952**	**162,539**

			Individual			Consolidated
			2013			2013
Deferred tax assets	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Up to 1 year	7,601	4,561	12,162	7,601	4,561	12,162
From 1 to 2 years	7,870	4,722	12,592	7,870	4,722	12,592
From 2 to 3 years	11,835	7,101	18,936	11,835	7,101	18,936
From 3 to 4 years	7,912	4,747	12,659	7,912	4,747	12,659
From 4 to 5 years	2,035	1,221	3,256	2,035	1,221	3,256
From 5 to 10 years	9,428	5,656	15,084	9,428	5,656	15,084
Total	**46,681**	**28,008**	**74,689**	**46,681**	**28,008**	**74,689**

(In thousands of reais, unless otherwise stated)

10. INVESTMENTS

a) Investments in associated and subsidiary companies

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

	Pine Planejamento	Pine Ass. em Comercial.	Pine Investimentos	Pine Comerc. Energia Eletr.	Pine Assessoria	Pine Corretora	2012 Total
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 for period ended	4,107	7	5,774	(165)	33,396	(278)	42,841
Investment amount	4,117	-	38,074	80,429	35,009	234	157,863
Equity in the results of investee	4,107	-	5,774	(165)	33,396	(278)	42,834

b) Other Investments

In the consolidated financial statements the Institution has a value of R$ 76,509 which corresponds to investments in land for the development of real estate projects that are registered at IRE VII Desenvolvimento Imobiliário.

11. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

a) Property and equipment in use

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

				Individual			2012 Consolidated
	Annual depreciation - %	Cost	Annual depreciation	Net amount	Cost	Annual 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	20	921	(849)	72	921	(849)	72
Security system	10	31	(19)	12	31	(19)	12
Aircraft	10	24,082	(803)	23,279	24,082	(803)	23,279
Transport system	20	2,185	(530)	1,655	2,185	(530)	1,655
Total		**42,297**	**(13,331)**	**28,966**	**42,299**	**(13,331)**	**28,968**

b) Intangible assets

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

				Individual			2012 Consolidated
	Annual amortization - %	Cost	Annual amortization	Net amount	Cost	Annual 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**

(In thousands of reais, unless otherwise stated)

12. DEPOSITS

a) Analysis by maturity:

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

						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**

b) Analysis by market segment:

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

						2012
			Individual			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**

13. FUNDS OBTAINED IN THE OPEN MARKET

		Individual
	2013	2012
Own portfolio		
National Treasury Bills (LTN)	201,413	1,674,484
Federal Treasury Notes (NTN)	156,794	-
Debentures	175,263	158,177
Other securities abroad	14,109	-
Funds obtained in the open market	**547,579**	**1,832,661**

		Consolidated
	2013	2012
Own portfolio		
National Treasury Bills (LTN)	201,413	1,674,484
Federal Treasury Notes (NTN)	118,006	-
Other securities abroad	14,110	-
Subtotal	**333,529**	**1,674,484**
Third-party portfolio		
Debentures	175,263	158,177
Subtotal	**175,263**	**158,177**
Funds obtained in the open market	**508,792**	**1,832,661**

(In thousands of reais, unless otherwise stated)

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$ 25 at december 31, 2013 (December 31, 2012 - R$ 37 in the Individual and Consolidated).

15. OTHER LIABILITIES

a) Collection and payment of taxes and similar:

At December 31, 2013, this balance consists of the tax on financial transactions (IOF) payable in the amount of R$ 1,663 (December 31, 2012 – R$ 936).

b) Tax and social security contributions

						2013
			Individual			Consolidated
	Short-term	Long-term	Total	Short-term	Long-term	Total
Taxes and contributions on third-party services	156	-	156	177	-	177
Taxes and contributions on salaries	3,233	-	3,233	3,356	-	3,356
Taxes and contributions on income	-	-	-	4,350	-	4,350
Service tax (ISS)	533	-	533	659	-	659
Withholding income tax (IRRF)	3,839	-	3,839	3,848	-	3,848
Social Integration Program (PIS) and Social Contribution on Revenues (COFINS) payable	446	-	446	556	-	556
Provision for deferred income tax (IR) and social contribution (CS) (Note 09)	12,161	62,528	74,689	12,161	62,528	74,689
Provision for tax risks (Note 16 .c e d)	-	716	716	-	723	723
Total	**20,368**	**63,244**	**83,612**	**25,107**	**63,251**	**88,358**

						2012
			Individual			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
ISS	425	-	425	562	-	562
IRRF	2,776	-	2,776	2,783	-	2,783
PIS and COFINS payable	340	-	340	480	-	480
Provision for IR and CS (Note 09)	16,422	35,234	51,656	16,423	35,262	51,685
Provision for tax risks (Note 16.b)	-	42,056	42,056	-	42,591	42,591
Total	**30,075**	**77,290**	**107,365**	**33,983**	**77,853**	**111,836**

c) Sundry

						2013
			Individual			Consolidated
	Short-term	Long-term	Total	Short-term	Long-term	Total
Provision for personnel expenses	18,809	-	18,809	19,068	-	19,068
Cashier's checks	6,910	-	6,910	6,910	-	6,910
Provision for contingent liabilities- civil (Note 16.d)	-	9,997	9,997	-	9,997	9,997
Provision for contingent liabilities - labor (Note 16.d)	-	1,925	1,925	-	1,925	1,925
Other administrative expenses	2,232	6,394	8,626	3,254	6,394	9,648
Liabilities for sale and transfer of financial assets	317,327	60,538	377,865	-	-	-
Sundry debtors – Brazil and abroad	680	745	1,425	1,863	745	2,608
Total	**345,958**	**79,599**	**425,557**	**31,095**	**19,061**	**50,156**

						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 - 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**

(In thousands of reais, unless otherwise stated)

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

a) Adherence to the program for installment payment and discharging of tax debts (REFIS/Tax Amnesty - Law 12.865/2013)

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

The proceedings totaled R$ 357 at the Individual and R$ 948 on a Consolidated basis, generating a positive impact on the gross amount of R$ 213 at the Individual, and a negative impact at the Consolidated of R$ 140, positive impact R$ 64 net of tax at the Individual and a negative impact R$ 279 net of tax at the Consolidated, respectively, and are mainly represented by PIS process (base year 1996) in Banco Pine, fully provisioned. This process was paid in full with judicial deposit in the amount of R$ 173 and for processes PIS (based year 2007) in the amount of R$ 10, IRPJ year of 1996 amounting to R$10 and CSLL years 1997/98 amounting to R$ 571. In Pine Investimentos DTVM, had not accrued amounts. These proceedings were partially paid with judicial deposit in the amount of R$ 138.

b) Contingent assets

There were no contingent assets at December 31, 2013 or 2012.

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

In this respect, the Institution will file a request for proof of claim at the Brazilian Federal Revenue authority (RFB), regarding the contributions to PIS which were overpaid during the period from June 2000 to April 2005, in the historical amount of R$3,522 in the Institution and R$ 3,566 on a Consolidated basis, which adjusted for inflation, based on the variation in the SELIC rate up to December 31, 2012, totaled R$ 8,336 in the Institution and R$ 8,588 on a Consolidated basis. Based on the final and unappealable judgment and the administrative procedure filed at RFB, a corresponding tax credit was recognized in "Other receivables – Tax recoverable", as a counter entry to the "Other operating income" account.

COFINS: In November 2005, the Federal Supreme Court (STF) judged as unconstitutional paragraph 1 of Article 3, of Law 9718/98, which introduced the new calculation basis 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.

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$ 16.627 in the Individual and R$ 16.820 on a Consolidated basis, which adjusted for inflation, based on the variation in the SELIC rate up to December 31, 2013, totaled R$ 37.744 (December 31, 2012 – R$ 34,490) in the Individual and R$ 38.188 (December 31, 2012 – R$ 34,919) 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.

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 and unappealable sentence was handed down on October 21, 2011 and certified on November 8, 2011.

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

	Individual				Consolidated			
	Provision		Judicial deposits		Provision		Judicial deposits	
	2013	2012	2013	2012	2013	2012	2013	2012
Social integration program (PIS)	-	32,011	33,007	31,927	-	32,538	33,218	32,452
Social contribution on revenues(COFINS)	-	-	168,908	160,295	-	-	169,862	161,197
Total	**-**	**32,011**	**201,915**	**192,222**	**-**	**32,538**	**203,080**	**193,649**

d) Contingencies classified as probable are regularly provided for the year ended December 30, 2013 and 2012 are comprised as follows:

	Individual				Consolidated			
	Provision		Judicial deposits		Provision		Judicial deposits	
	2013	2012	2013	2012	2013	2012	2013	2012
Tax contingencies	716	10,045	1,740	2,076	723	10,053	1,769	2,347
Labor contingencies	1,925	4,665	575	536	1,925	4,665	575	536
Civil contingencies	9,997	18,298	2,385	2,657	9,997	18,298	2,385	2,657
Total	**12,638**	**33,008**	**4,700**	**5,269**	**12,645**	**33,016**	**4,729**	**5,540**

e) Activity in liability provisions

	Individual							
	2013				2012			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
Opening balance	**42,056**	**4,665**	**18,298**	**65,019**	**29,197**	**7,124**	**16,025**	**52,346**
Amount recorded (reversed)	(43,005)	(2,939)	(9,059)	(55,003)	10,991	(2,980)	1,294	9,305
Adjustments	1,665	199	758	2,622	1,868	521	979	3,368
Closing balance	**716**	**1,925**	**9,997**	**12,638**	**42,056**	**4,665**	**18,298**	**65,019**

(In thousands of reais, unless otherwise stated)

								Consolidated
				2013				2012
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
Opening balance	**42,591**	**4,665**	**18,298**	**65,554**	**29,574**	**7,124**	**16,025**	**52,723**
Amount recorded (reversed)	(43,557)	(2,939)	(9,059)	(55,555)	11,116	(2,980)	1,294	9,430
Adjustments	1,689	199	758	2,646	1,901	521	979	3,401
Closing balance	**723**	**1,925**	**9,997**	**12,645**	**42,591**	**4,665**	**18,298**	**65,554**

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

Labor: At December 31, 2013, and 2012, the Institution had no labor claims classified as possible losses.

Civil: At December 31, 2013, and 2012, the Institution had no civil claims classified as possible losses.

17. BORROWINGS AND ONLENDINGS

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

						Consolidated 2013
	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	From 5 to 15 years	Total
Local borrowings - other institutions(1)	-	-	43,087	413,776	-	456,863
Local onlendings – official institutions	61,788	279,262	571,229	112,536	116,293	1,141,108
Foreign onlending transactions	10	2,855	2,835	-	-	5,700
Foreign borrowing transactions	425,331	620,396	234,260	-	70,278	1,350,265
Total	**487,129**	**902,513**	**851,411**	**526,312**	**186,571**	**2,953,936**

						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 onlending transactions	-	10,236	-	-	-	10,236
Foreign borrowing transactions	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	70,958	251,418	330,475	132,022	107,435	892,308
Foreign onlending transactions	-	10,236	-	-	-	10,236
Foreign borrowing transactions	389,617	503,245	-	-	61,305	954,167
Total	**460,575**	**764,899**	**330,475**	**250,757**	**168,740**	**1,975,446**

(1) On December, 2013, R$ 456,863 (R$ 118,735 on December 31, 2012) refers to the amount of shares of FIDC in the amount of R$ 43,087 (R$ 118,735 on December 31, 2012) and also to the value of senior shares of FIDC Agro in the amount of R$ 413,777.

18. FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES

a) Funds from exchange acceptances

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

						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**

(In thousands of reais, unless otherwise stated)

b) Securities issued abroad

These are funds obtained through the global fixed-rate note program which, at December 31, 2013, amount to R$ 277,097 (December 31, 2012 - R$312,268), maturing up to 2022 and interest of up to 8.75% per annum plus LIBOR and exchange variation, and working capital in the amount of R$ 3,197 (December 31, 2012 - R$ 8,367) maturing up to 2014.

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

				Individual and Consolidated	
"Tranche" original - U$S	Issuance currency	Interest rate	Final maturity	2013	2012
4,091	US$	2,0% p.a + Libor	Jun/2014	3,197	8,367
8,000	US$	1,85% p.a + Libor	Nov/2014	9,392	16,391
9,394	US$	2,20% p.a + Libor	Oct/2013	-	19,295
1,044	US$	8,7% p.a + Libor	Jan/2017	2,551	2,226
39,333	US$	3,0% p.a + Libor	Jan/2014	7,139	81,616
25,000	US$	4,2% p.a + Libor	Apr/2022	106,021	51,555
73,000	CLP	6,0% p.a + Var.UF	Dec/2017	151,994	141,185
Total				**280,294**	**320,635**
(-) Current				**(21,059)**	**(109,159)**
Total long-term liabilities				**259,235**	**211,476**

The Institution has lines with certain multilateral public agencies (IFC - International Finance Corporation and IDB - Inter-American Development Bank) which guarantee the Institution's loans in the amount of US$130,000 (R$ 304,538 based on the US dollar ptax rate at December 31, 2013). At December 31, 2013, Banco Pine was using the amount of US$ 66,004 (R$ 154.621 based on the US dollar exchange rate at December 31, 2013). On October 15, 2013 was settled operation with the FMO-Nederlandse Maatschappij Voor Financierings Ontwi-The Hague.

19. SUBORDINATED DEBT

					Individual and Consolidated	
	Issuance	Maturity	Amount	Interest rate	2013	2012
"Fixed Rate Notes"	Public	1/6/2017	US$125.000	8,75% p.a	306,900	267,705
Financial Bills	Private	12/6/2021	R$45.152	141,45% of CDI	53,311	49,567
Total					**360,211**	**317,272**

20. EQUITY

a) Capital

Pursuant to the by-laws, subscribed and paid-up capital totals R$ 1,112,259 and comprises 123,612,756 (December 31, 2012 – 108,852,631) registered shares, of which 65,178,483 are common shares and 58,434,273 (December 31, 2012 – 50,186,211) are preferred shares with no par value. The Institution is authorized to increase its capital, without the necessity of any amendment to the by-laws, 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 October 15, 2013 and ratified by the Central Bank on December 23, 2013, capital was increased from R$ 967,259 to R$ 1,112,259, through the incorporation of part of the balance of the legal reserve in the amount of R $ 17,429, and part of the balance of the statutory reserves in the amount of R$ 125,571 amounting to R$ 145,000, through the issuance of 12,770,443 new nominative shares, of which 6,733,594 common shares and 6,036,849 preferred, passing total number from 110,842,313 to 123,612,756 nominative shares, being 65,178,483 common and 58,434,273 preferred shares.

As approved at the Board of Directors held on February 4, 2013 and ratified by the Central Bank on April 19, 2013, capital was increased by R$ 31,576 through the issuance of 2,211,213 new shares, with 1,887,605 to Societe de Promotion et de Participation Pour La Cooperation Economique SA - PROPARCO ("PROPARCO") and 323,608 other shareholders, preferred shares, and the capital stock of R$ 935,683 to R$ 967,259, divided into 11,842,313 nominative shares, with 58,444,889 common shares and 52,397,424 preferred shares, without par value.

As approved at the Board of Directors held on September 25, 2012 and approved by the Central Bank on November 12, 2012, a capital increase of R$ 139,635 was performed 3,220,203 by issuing 2,100,839 shares to shareholder DEG - Deutsche Investitions - und Entwicklungsgesellschaft Mbh ("DEG") and 1,119,364 to other shareholders, preferred shares and 6,558,123 common shares to the controlling shareholder, and the capital stock of R$ 796,048 increased to R$ 935,683, divided into 108,631,100 shares, being 58,444,889 common shares and 50,186,211 preferred shares, without par value.

As deliberated at the Extraordinary General Meeting held on December 22, 2011 and ratified by BACEN on February 9, 2012, approval was given for the following: a) a capital increase from R$466,358 to R$666,358, with no new issue of shares, through the incorporation of a portion of the balance of the reserve of goodwill from the subscription of shares, in the amount of R$ 200,000; b) a further capital increase to R$796,048, through the incorporation of a portion of the balance of the legal reserve in the amount of R$16,810 and, a portion of the balance of the statutory reserve in the amount of R$112,880, with the issue of 12,274,766 new nominative shares, of which 6,442,894 are common shares and 5,831,872 are preferred shares, an increase in the total number of shares from 86,578,008 to 98,852,774 nominative shares, of which 51,886,766 are common shares and 46,966,008 are preferred shares.

As deliberated at the Extraordinary General Meetings held on September 8 and October 25, 2011 and ratified by BACEN on January 6, 2012, approval was given for the following: a) a capital increase in the amount of R$43,752 through the issue of 2,543,742 preferred shares, with 2,543,604 to the shareholder DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH and 138 to other shareholders; b) for all of the Institution`s shareholders registered at September 8, 2011, a period of thirty days to exercise their right of first refusal, beginning on September 9, 2011 and ending on October 10, 2011, inclusive. A number of one hundred and thirty-eight preferred shares of the Institution were subscribed in the total amount of R$3.

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.

(In thousands of reais, unless otherwise stated)

c) Revenue reserve

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

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

Statutory reserve – Pursuant to Law 11638/07, the by-laws may constitute other reserves, since that determines its purpose, the percentage of net income to be allocated to these reserves and the maximum amount to be maintained in each statutory reserve. 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$33,516, after the appropriation of 5% to the legal reserve of R$ 8,080, the deduction of the payment of interest on own capital of R$ 62,270 and dividends in the amount of R$57,730, to maintain the Institution's operating margin compatible with its asset transactions.

d) Dividends and interest on own capital

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

In accordance with the provisions of Law 9249/95, interest on own capital was accrued and declared, calculated based on the variation in the long-term interest rate (TJLP) for the period. This interest on own capital decreased the expense for income tax and social contribution for period ended December 31, 2013 by R$24,908 (December 31, 2012 – R$24,098).

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

Details	Release date	Payment Date	Amount per share (gross)	Total amount (gross)	Amount per share (Net of IR)	Total amount (net)
Interest on own capital	12/27/2013	1/13/2014	0.1463	15,936	0.1244	13,546
Interest on own capital	9/30/2013	10/14/2013	0.1436	15,638	0.1221	13,292
Interest on own capital	6/28/2013	7/12/2013	0.1433	15,719	0.1218	13,361
Interest on own capital	3/21/2013	4/10/2013	0.1389	14,977	0.1181	12,730
Dividends	12/27/2013	1/13/2014	0.1291	14,064	-	-
Dividends	9/30/2013	10/14/2013	0.1319	14,362	-	-
Dividends	6/28/2013	7/12/2013	0.1302	14,281	-	-
Dividends	3/21/2013	4/10/2013	0.1393	15,023	-	-

In accordance with Letter Circular 3516/11, the proposed additional dividend in excess of the minimum dividend, in the amount of R$ 21,177 (December 31, 2012 – R$18,559) is classified in a specific equity account.

We present below the reconciliation of dividends and interest on own capital for period ended December 31, 2013 and 2012:

	2013	2012
Net income	161,596	187,453
Legal reserve	(8,080)	(9,373)
Calculation base	**153,516**	**178,080**
Interest on own capital	62,270	60,245
Withholding tax – IRRF (15%)	(9,341)	(9,037)
Prepaid dividends	57,730	39,755
Amount proposed	**110,660**	**90,963**
% of calculation base	72.08%	51.08%

e) Treasury shares

At a meeting of the Board of Directors on December 6, 2012, authorization was given for the acquisition of up to 1,219,659 of the Institution's own preferred shares to be held in treasury for subsequent sale, as well as the payment of variable remuneration to the Institution's statutory directors, under the terms of Resolution 3921/11, without decreasing capital. Under this plan, 600,000 shares were repurchased in the amount of R$7,679 at an average cost of 12.80. The authorization will be effective up to December 5, 2013.

During the second half of 2012, the Institution transferred 318,555 of its own shares which were held in treasury, to the statutory directors, as variable remuneration, under the terms of Resolution 3921/10, in the amount of R$4,517, at the average cost of R$14.18.

At a meeting of the Board of Directors on August 06, 2013, authorization was given for the acquisition of up to 1,942,417 of the Institution's own preferred shares to be held in treasury for subsequent sale, as well as the payment of variable remuneration to the Institution's statutory directors, under the terms of Resolution 3921/10, without decreasing capital. Under this plan, 1,060,200 shares were repurchased in the amount of R$10,297 at an average cost of 9.71. The authorization lasts until August 06, 2014.

At December 31, 2013, 1,918,045 of the Institution's own preferred shares (December 31, 2012 - R$ 994,840) were held in treasury in the amount of R$22,083. The market value of these shares corresponded to R$20,197 (December 31, 2012 – R$ 14,923).

f) Carrying value adjustments

	Individual and Consolidated	
	2013	2012
Available-for-sale financial assets	**(20,308)**	**(843)**
Marketable securities	(20,308)	(843)
Other	**(7,688)**	**77**
Income tax	**11,231**	**343**
Total	**(16,765)**	**(423)**

(In thousands of reais, unless otherwise stated)

21. STATEMENT OF OPERATIONS

a) Loan operations

	Individual		Consolidated	
	2013	2012	2013	2012
Advance to depositors	542	664	542	664
Income from loans	350,291	347,276	365,102	381,753
Income from discounted bills	83	119	83	119
Income from financing	175,239	146,459	174,076	146,459
Income from financing – foreign currency	27,250	18,578	27,250	18,578
Income from credit assignments	990	-	990	-
Total	**554,395**	**513,096**	**568,043**	**547,573**

b) Results of securities transactions

	Individual		Consolidated	
	2013	2012	2013	2012
Income from (expense for) transactions with fixed-income securities (FIDC)	11,218	16,557	-	-
Income from transactions with fixed-income securities	333,293	479,636	353,020	486,305
Expense for transactions with fixed-income securities	(90,447)	(3,998)	(90,242)	(4,284)
Expense for transactions with variable-income securities	-	(2,197)	-	(2,197)
Total	**254,064**	**489,998**	**262,778**	**479,824**

c) Funds obtained in the market

	Individual		Consolidated	
	2013	2012	2013	2012
Expenses from interbank deposits	8,654	15,647	8,193	14,423
Expenses from time deposits	287,764	307,280	274,574	297,128
Expenses from purchase and sale commitments	95,123	145,243	104,354	146,314
Expense from (income from) securities issued abroad	110,193	74,317	110,193	74,317
Expenses from contribution to credit guarantee fund	15,751	17,826	15,750	17,826
Expenses from agribusiness letters of credit	21,216	27,374	21,216	27,374
Expenses from financial bills	65,322	28,880	65,322	28,880
Expenses from real estate letters of credit	8,413	1,138	8,413	1,138
Total	**612,436**	**617,705**	**608,015**	**607,400**

d) Borrowings and onlendings

	Individual		Consolidated	
	2013	2012	2013	2012
Expenses from onlendings (BNDES)	38,958	37,893	35,610	37,893
Expenses from foreign onlendings – Resolution 3844	267	3,756	267	3,756
Expenses from payables to foreign bankers	142,578	104,793	145,926	104,793
Expenses from local loans - FIDC	-	-	19,361	19,410
Expenses from fromeign borrowings	1,890	3,849	1,890	3,849
Total	**183,693**	**150,291**	**203,054**	**169,701**

e) Income from services rendered

	Individual		Consolidated	
	2013	2012	2013	2012
Credit facility fee	29,886	15,642	29,886	15,642
Commission of guarantees	41,179	28,866	41,179	28,866
Commission of intermediary services	13,823	5,135	43,681	65,256
Other	33	716	287	3,061
Total	**84,921**	**50,359**	**115,033**	**112,825**

f) Personnel expenses

	Individual		Consolidated	
	2013	2012	2013	2012
Salaries	56,766	55,865	60,983	58,099
Benefits	8,684	7,930	9,150	8,125
Social charges	18,967	19,673	19,859	20,504
Directors` fees	1,018	969	1,035	984
Training	265	480	276	482
Interns	354	544	402	585
Total	**86,054**	**85,461**	**91,705**	**88,779**

(In thousands of reais, unless otherwise stated)

g) Other administrative expenses

	Individual		Consolidated	
	2013	2012	2013	2012
Water, electricity and gas	474	432	491	439
Rents	8,947	8,246	9,291	8,412
Leased assets	997	2,585	997	2,585
Communications	3,501	3,592	3,523	3,603
Charitable contributions	45	90	45	104
Maintenance and repair of assets	2,274	2,222	2,279	2,227
Materials	166	157	166	157
Data processing	7,689	8,230	7,913	8,280
Promotions and public relations	1,371	2,405	1,376	2,413
Publicity and advertising	1,543	2,109	1,593	2,182
Publications	868	909	952	986
Insurance	286	395	286	397
Financial system services	15,627	14,858	16,374	15,237
Third-party services	3,423	6,613	3,875	7,075
Surveillance and security services	4,516	3,274	4,516	3,274
Specialized technical services	14,382	12,016	15,009	12,267
Transportation	1,391	1,592	1,413	1,616
Travel	2,830	3,273	3,091	3,438
Other administrative expenses	16,049	12,898	16,293	12,983
Amortization and depreciation	5,316	4,512	5,417	4,590
Total	**91,695**	**90,408**	**94,900**	**92,265**

h) Tax expenses

	Individual		Consolidated	
	2013	2012	2013	2012
Service tax (ISS)	4,611	2,871	6,069	5,994
Social contribution on revenues(COFINS)	3,411	2,297	4,486	4,420
Social integration program (PIS)	4,377	3,338	4,945	3,793
Other	922	2,605	1,145	2,622
Total	**13,321**	**11,111**	**16,645**	**16,829**

i) Other operating income

	Individual		Consolidated	
	2013	2012	2013	2012
Recovery of charges and expenses	1,650	964	1,653	958
Indexation	3,857	2,903	3,825	2,951
Reversal of provision for onlending assignment	-	10,903	-	10,903
Reversion of provision finance advisor	-	15,178	-	15,178
Adjustment of judicial deposits	9,051	8,793	9,107	8,850
Reversal of provision for labor risks	2,811	1,467	2,841	1,467
Reversal of provision for tax risks	845	1,079	845	1,079
Reversal of provision for civil processes	7,588	-	7,588	-
Reversal of provision for FIDC	1,602	-	1,602	-
Other operating income	6,998	15,131	5,765	3,576
Income from securities and receivables	-	1,593	-	1,593
Recovery of proceedings - COFINS	957	1,338	957	1,354
Recovery of expenditure	3,522	-	3,566	-
Recovery of proceedings - Pis (1)	35,163	-	35,764	-
Total	**74,044**	**59,349**	**73,513**	**47,909**

(1) Concerning the values of the gain due to PIS / COFINS detailed in Note 16.c)

j) Other operating expenses

	Individual		Consolidated	
	2013	2012	2013	2012
Labor and civil proceedings	373	2,927	403	3,146
Indexation expense	294	424	337	457
Charges on loans assigned	838	2,020	838	2,020
Expenses for assignment (1)	6,811	74,387	6,811	74,387
Provision for FIDC	-	1,602	4,929	1,602
Exchange variation – investment foreign	586	-	-	-
Other provisions	18,294	-	18,294	-
Other operating expenses	5,311	2,061	5,825	3,512
Total	**32,507**	**83,421**	**37,437**	**85,124**

(1) R$6,805 (December 31, 2012 – R$ 74.156) comprises loss on loan assignments without coobligation, as described in Note 7.i)

k) Non-operating income (expense)

For the year ended December 31, 2013, the amount of R$ 9,252 in the Individual and in the Consolidated (December 31, 2012 - R$ 20,045 in the Individual and in the Consolidated) corresponds mainly to the sale of assets received as payment in kind for the settlement of loan operations.

(In thousands of reais, unless otherwise stated)

22. INCOME TAX AND SOCIAL CONTRIBUTION

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

	Individual		Consolidated	
	2013	2012	2013	2012
Income before income tax (IRPJ) and social contribution (CSLL) and less profit sharing.	183,934	235,992	192,613	245,448
Interest on own capital	(62,270)	(60,245)	(62,270)	(60,245)
Income before taxes on income	**121,664**	**175,747**	**130,343**	**185,203**
Current rate	40%	40%	40%	40%
Expected expense for IRPJ and CSLL, based on current tax rate	(48,666)	(70,299)	(52,137)	(74,081)
Positive equity income	15,434	20,115	-	-
Recipes of the termination interest	11,791	-	11,791	-
Other adjustments	(897)	1,645	9,239	16,086
Income Tax and Social Contribution	**(22,338)**	**(48,539)**	**(31,107)**	**(57,995)**

23. RELATED-PARTY TRANSACTIONS

a) Management compensation

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

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

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

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

c) the amount corresponding to the remaining 40% of variable compensation 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 as does the Director's level of responsibility.

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, which was constituted 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 Institution's 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 CMN Resolution 3921/10.

In the period ended December 31, 2013, variable remuneration was determined in the amount of R$24,181, (On December 31, 2012 - R$23,540) in accordance with the criteria defined in the new plan.

	Individual and Consolidated	
Salaries and Fees of the Board of Directors and Executive Board	2013	2012
Fixed compensation	9,166	7,841
Variable compensation	24,181	23,540
Short-term benefits	5,300	2,997
Total	**38,647**	**34,378**

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).

Employment agreement termination

The employment agreements are valid for an indefinite period. Officers are not entitled to any financial compensation when the employment relationship is terminated either voluntarily or due to the non-fulfillment of his/her obligations. If the employment agreement is terminated by the Institution, the officer may receive indemnification. During the period ended December 31, 2013, compensation in the amount of R$484 (December 31, 2012 – R$1.246) was paid to officers who left the Institution.

(In thousands of reais, unless otherwise stated)

b) Related parties

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

	Assets (liabilities)		Income (expenses)	
	2013	2012	2013	2012
Marketable securities	**(661,192)**	**(592,746)**	**16,034**	**16,557**
Pine Crédito Privado - FIDC	(8,715)	59,731	(837)	16,557
FIP Rio Corporate	(97,980)	(97,980)	4,816	-
Pine Crédito Privado - FIDC Agro	(554,497)	(554,497)	12,055	-
Demand deposits	**150**	-	-	-
Pine Investimentos	27	55	-	-
Pine Comercializadora de Energia Elétrica	9	-	-	-
Pine Corretora	6	8	-	-
Pine Assessoria	14	5	-	-
Pine Assesoria em Comercialização de Energia	9	3	-	-
Pine Planejamento Ltda	9	9	-	-
IRE VII Desenvolvimento Imobiliário Ltda	3	-	-	-
Directors and immediate family(1)	73	64	-	-
Interbank deposits	**4,222**	**9,152**	**(460)**	**(1,224)**
Pine Investimentos	4,222	9,152	(460)	(1,224)
Time deposits	**117,155**	**161,590**	**(15,095)**	**(10,209)**
Pine Investimentos	33,640	26,546	(2,424)	(1,602)
Pine Comercializadora de Energia Elétrica	3,883	80,541	(6,830)	(7,065)
Pine Corretora	230	220	(19)	(45)
Pine Assessoria	38,487	35,421	(2,949)	(1,403)
Pine Planejamento Ltda	19,293	4,782	(1,136)	(36)
Pine Assesoria em Comercialização de Energia	32	-	(3)	-
IRE VII Desenvolvimento Imobiliário Ltda	8,507	-	(661)	-
Directors and immediate family(1)	13,083	14,080	(1,073)	(58)
Open market funding	**214,051**	**-**	**4,579**	**-**
Pine Investimentos	175,263	-	6,447	-
Pine Crédito Privado - FIDC Agro	38,788	-	(1,352)	-
IRE VII Desenvolvimento Imobiliário S/A	-	-	(516)	-

(1) These amounts are not consolidated.

c) Capital ownership

The following table presents the direct investment in common and preferred shares, at December 31, 2013 and December 31, 2012, of stockholders with more than five percent of total shares and of members of the Board of Directors and Executive Board.

						2013
shares	Common shares	Common shares(%)	Preferred shares	Preferred shares (%)	Total shares	Total shares(%)
Individuals	58,444,889	100.00	15,410,863	29.41	73,855,752	66.63
Board of Directors	-	-	3,243,868	6.19	3,243,868	2.93
Executive Officers	-	-	3,103,532	5.92	3,103,532	2.80
Total	**58,444,889**	**100.00**	**21,758,263**	**41.52**	**80,203,152**	**72.36**

						2012
shares	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**

24. COMMITMENTS, GUARANTEES AND OTHER INFORMATION

	2013	2012
Sureties and guarantees	2,909,197	2,114,296
Credit assignment with coobligation	-	334
Letter of credit	51,212	8,814
Total	**2,960,409**	**2,123,444**

25. EMPLOYEE BENEFITS

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

In the year ended December 31, 2013 the total of this contribution was R$ 383 (R$ 340 for the year ended December 31,2012).

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 risk
- Operational risk

Risk management framework

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

b) Credit risk

Definition

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

Credit risk management

Duties:

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

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

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

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

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

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

Credit analysis and granting:

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

Credit risk controls and management:

• Perform preventive monitoring of active customers designed to anticipate default in the portfolio of operations involving credit risk, support decisions and commercial strategies and provide data that 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 as they fall due, resulting from its financial liabilities.

Liquidity risk management

Liquidity risk management seeks to protect the Institution from possible market developments that generate liquidity issues. Accordingly, the Institution monitors its portfolios with 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 variation in the corresponding variable.

ii) Market risk management

Market risk is managed in a centralized manner by an area that is independent in relation to the trading desk and 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.

(In thousands of reais, unless otherwise stated)

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 475/08, we present below the sensitivity analysis for all transactions involving financial instruments, which expose the Institution to risks arising from exchange and interest rate fluctuations or any other types of exposure at December 31, 2013:

				Sensitivity analysis
				2013
			Scenarios	
Risk Factor	Exposure	Probable(I)	Possible (II)	Remote (III)
Fixed interest rate (PRE)	Fixed interest rate variations	346	(36,130)	(72,260)
General Market Price index (IGPM)	IGPM coupon variations	120	(798)	(1,596)
Price index (IPCA)	IPCA coupon variations	(296)	(8,499)	(16,997)
Long-term interest rate (TJLP)	TJLP variations	(191)	19,120	38,239
US dollar coupon rate	Exchange coupon variation	(1,584)	(2,966)	(5,933)
Other currency coupon rates	Exchange coupon variation	26	(47)	(95)
Offshore rates (LIBOR + other Offshore)	Variation in Offshore rates	(992)	1,206	2,744
Currencies	Change in exchange variation	3	82	164
Total (uncorrelated sum)*		**(3,605)**	**(71,748)**	**(143,495)**
Total (correlated sum)*		**(2,568)**	**(28,032)**	**(55,734)**

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

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

Scenarios

Scenario I - Probable

Scenario comprising the variation in market factors between December 31, 2013 and January 07, 2013 (variation in the fixed rate from 10,58% to 10,54% in a 1-year curve and from 12,63% to 12,58% in a 4-year curve, variation in the US dollar from 2.3426 to 2.3634 and in the exchange coupon from 1.13% to 1.41% 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)	10.58%	-25%	7.93%
General Market Price index (IGPM)	4.32%	25%	5.40%
Price index (IPCA)	4.22%	25%	5.27%
Long-term interest rate (TJLP)	5.24%	-25%	3.93%
US dollar coupon rate	1.13%	25%	1.41%
Other currency coupon rate	1.94%	25%	2.42%
LIBOR - USD	58.00%	25%	73.00%
Currencies	2.3426	25%	2.9283

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)	10.58%	-50%	5.29%
General Market Price index (IGPM)	4.32%	50%	6.48%
Price index (IPCA)	4.22%	50%	6.32%
Long-term interest rate (TJLP)	5.24%	-50%	2.62%
US dollar coupon rate	1.13%	50%	1.69%
Other currency coupon rate	1.94%	50%	2.90%
LIBOR - USD	58.00%	50%	88.00%
Currencies	2.3426	50%	3.5139

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

(In thousands of reais, unless otherwise stated)

e) Capital management

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

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

. Capital monitoring and control carried out by the Institution

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

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

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

Financial institutions are required to permanently maintain their Required Regulatory Capital (PRE) compatible with the risks of their activities. Compliance with the regulatory capital limits is strictly followed by management and monitored daily by the Risk area.

In March 2013, the Bank has made public the rules relating to the definition of capital and regulatory capital requirements in order to implement the recommendations of the Brazil Committee on Banking Supervision (Basel III). The main objectives are: (i) improve the ability of financial institutions to absorb shocks from the financial system or the other sectors of the economy, (ii) reduce the risk of contagion in the financial sector on the real sector of the economy, (iii) assist the maintaining financial stability, and (iv) promoting sustainable economic growth. The implementation of the new Basel III rules starts from 1st October 2013.

At December 31, 2013, the Institution's Basel ratio was 14.14 % (December 30, 2012 – 16.19%), calculated based on the consolidated financial statements.

	2013	2012
Reference equity (PR) (1)	**Basel III [1]**	**Basel II**
Tier I	**1,220,519**	**1,220,446**
Capital	**1,220,519**	**1,220,446**
Equity	1,272,408	1,219,946
(-) Prudential Adjustments (2)	(51,889)	-
Mark-to-market adjustments	-	500
Tier II	**221,841**	**257,199**
Subordinated debt (3)	221,841	257,699
Mark-to-market adjustments	-	(500)
Reference equity (PR)	**1,442,360**	**1,477,645**
Risk-weighted assets - RWA (4)	**10,203,251**	**9,128,391**
Credit risk	9,311,739	8,178,818
Market risk	731,173	868,718
Operational risk	160,339	80,855
Basel ratio - %	**14.14%**	**16.19%**
Capital Level I	**11.96%**	**13.37%**
Capital	11.96%	13.37%
Capital Level II	2.17%	2.82%

[1] Since October 2013, the reference assets have been determined based on Resolution No. 4.192/13 CMN which provides that the determination is made based on "Consolidated Financial";

[2] Criteria used, from October 2013, according to Resolution No. 4.192/13 CMN;

[3] Until September 2013, the values were calculated as Resolution No. 3.444/07 of CMN and, as of October 2013, the values were calculated as Resolution No. 4.192/13 CMN, and

[4] For purposes of comparability, we adjust the "Allocation of minimum capital requirements" of the previous period, as we began to present the corresponding plots of the "Risk-weighted assets - RWA".

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 further details, structure and methodologies is available on the following website: www.pine.com/ri.

f) Equity to fixed assets ratio

In accordance with BACEN Resolution 2286/96, the equity to fixed assets ratio is limited to 50.0%. At December 31, 2013, the equity to fixed assets ratio was 6,22% (December 31, 2012 - 10.21%).

28. OTHER INFORMATION

a) Provisional Measure 627

Provisional Measure 627 ("MP 627/13"), published on November 11, 2013, changed a number of federal tax rules related to IRPJ, CSLL, PIS and COFINS, including the following (i) revocation of the Transitional Tax Regime (RTT), introduced by Law 11941, of May 27, 2009, regulating the adjustments required by the new accounting methods and criteria adopted for convergence of Brazilian and international accounting standards; and (ii) taxation of legal entities domiciled in Brazil, related to increases in equity derived from the sharing of profits earned abroad by subsidiary and associated companies.

MP 627/13 is currently under analysis by the Brazilian Federal Congress and a significant number of amendments have been proposed. Moreover, the Brazilian Federal Revenue Authority (RFB) is expected to discipline specific matters introduced by the Provisional Measure, and accordingly, some of its provisions could be changed, excluded or clarified.

Based on its present wording, Management considers that no significant adjustments arising from MP 627/13 are required to be recognized in the financial statements. The general rule established by MP 627/13 is that it will come into force only on January 1, 2015, unless the taxpayer opts for its early adoption as from January 1, 2014 (the manner in which this option is to be exercised has not yet been regulated).

Management does not intend to opt for the early adoption of MP 627/13, and will await the definitive regulation of the proposed changes before evaluating their potential future effects.

(In thousands of reais, unless otherwise stated)

b) Insurance

The Institution's insurance strategy is based mainly on risk concentration and materiality, and policies are contracted at amounts established by Management, considering the nature of its business and the advice of its insurance brokers. Insurance coverage at December 31, 2013 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	2,554
Buildings, machines, furniture and fixtures	Any material damage to facilities, machinery and equipment	12,000
Bankers insurance	Cash	300
Aircraft insurance	Aircraft-part guarantees	624

c) Operating lease

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

				Individual and Consolidated
	Rate	Term	2013	2012
Expense for leased assets				
Machinery and equipment leasing	4.03%	2	997	965
Aircraft lease (1)	-	-	-	1,620
Total	**0**	**2**	**997**	**2,585**

(1) In September 2012, this lease 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 first six-month period.

		Consolidated
		2013
	Fair value	Carrying amount
Assets		
Short-term interbank investments(i)	668,002	668,002
Loan operations (ii)	5,655,704	5,550,116
Other receivables(ii)	633,829	676,130
Total financial assets	**6,957,535**	**6,894,248**
Liabilities		
Demand deposits (iii)	23,260	23,260
Interbank deposits (iii)	89,718	89,718
Time deposits (iv)	3,053,436	3,043,223
Funds from acceptance and issuance of securities (iv)	1,730,879	1,737,699
Borrowings and onlendings (iv)	2,949,538	2,953,936
Subordinated debt (iv)	359,298	360,211
Total financial liabilities	**8,206,129**	**8,208,047**

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

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

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

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

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

e) Disclosure of other services rendered by the independent auditors

In compliance with CVM Instruction 381, of January 14, 2003, for the period from January to June 2013, no services were contracted from the independent auditor other than those related to the external audit. Banco Pine's policy is to limit the services provided by its independent auditor to safeguard the auditor's independence and objectivity, in conformity with Brazilian and international standards.

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