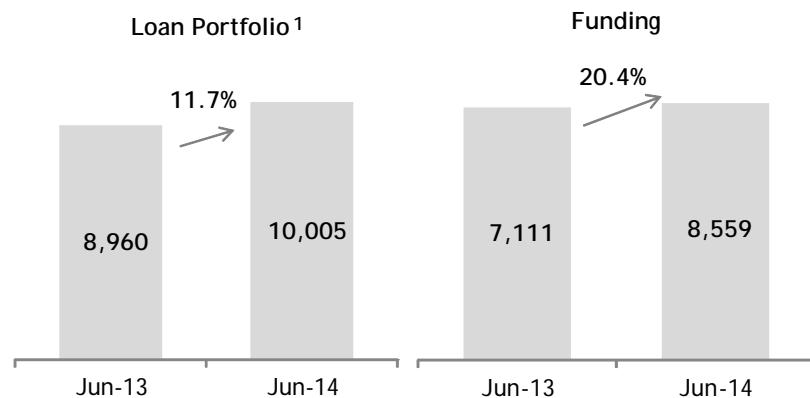


## Quarterly Earnings Release - 2Q14 (IFRS)

São Paulo, September 05, 2014 - Pine (BM&FBOVESPA: PINE4), a wholesale bank focused on establishing and maintaining long-term relationships with corporate clients and investors, announces today its consolidated results for 2Q14, presented in IFRS. Key data for the period follows.

R\$ million



<sup>1</sup> Includes Stand by LC, Bank Guarantees, Credit Securities to be Received and Securities (bonds, CRLs, eurobonds and fund shares)

## Performance

Pine is a wholesale bank focused on establishing and maintaining long-term relationships with corporate clients and investors. Its strategy is based on knowing its clients well and understanding their businesses and potential in order to build customized financial solutions and alternatives. This strategy requires a diverse range of products, highly qualified human capital and efficient and agile risk management, areas in which the Bank is consistently evolving.

	2Q14	1Q14	2Q13	1H14	1H13
<b>Earnings and Profitability</b>					
Net Income (R\$ million)	36	26	34	62	80
ROAE	11.8%	8.5%	11.1%	10.0%	13.1%
<b>Balance Sheet (R\$ million)</b>					
Total assets	10,639	10,686	9,936	10,639	9,936
Loan portfolio <sup>1</sup>	10,005	10,056	8,960	10,005	8,960
Deposits <sup>2</sup>	4,061	4,099	3,581	4,061	3,581
Funding	8,559	8,797	7,111	8,559	7,111
Shareholders' equity	1,266	1,269	1,276	1,266	1,276
<b>Performance</b>					
Earnings per share (R\$)	0.30	0.22	0.31	0.53	0.73
Book value per share <sup>3</sup> (R\$)	10.70	10.49	11.65	10.70	11.65

<sup>1</sup> Includes Standby LC, Bank Guarantees, Credit Securities to be Received and Securities (bonds, CRLs, eurobonds and fund shares).

<sup>2</sup> Includes Agribusiness and Real Estate Letters of Credit.

<sup>3</sup> It considers 18,372,603 shares for 2Q14, 12,047,768 shares for 1Q14 and 10,546,164 shares for 2Q13

## Shareholders' Equity and Net Income

### Shareholders' Equity Reconciliation - BR GAAP vs. IFRS

	Note	Jun-14	Mar-14	R\$ million Jun-13
Shareholders' equity - BR GAAP		1,270	1,271	1,259
Impairment	a	28	30	58
Deferral of banking fees and commissions by the effective interest rate method	b	(29)	(32)	(29)
Hedge accounting	f	(3)	(0)	-
Income tax and social contribution on IFRS adjustments	e	0	1	(12)
Shareholders' equity - IFRS		1,266	1,269	1,276

### Net Income Reconciliation - BR GAAP vs. IFRS

	Note	2Q14	1Q14	2Q13	1H14	R\$ million 1H13
Net Income - BR GAAP		35	35	39	70	84
Impairment	a	(2)	(12)	(9)	(14)	(9)
Deferral of bank fees and commissions under the effective interest rate method	b	2	1	1	3	(11)
Hedge accounting	f	0	0	0	0	1
Transfer of category in securities	g	(0)	(2)	-	(2)	8
Income tax and social contribution on IFRS adjustments	e	(0)	5	3	4	8
Net Income - IFRS		36	26	34	62	80

#### a. Impairment

Under IFRS, based on the guidance in IAS 39 "Financial Instruments: Recognition and Measurement", the Institution estimates the allowance for loan losses based on its historical impairment and other circumstances known at the time of assessment. These criteria differ in certain aspects from the criteria under BRGAAP, which uses certain regulatory limits defined by the Brazilian Central Bank to calculate the allowance for loan losses.

#### b. Deferral of bank fees and commissions by the effective interest rate method

Under IFRS, in accordance with IAS 39 "Financial Instruments: Recognition and Measurement", inherent bank charges, commissions and financial costs that are included in the effective interest rate of financial instruments calculated at a amortized cost are recognized in income during the period that the respective contracts are in effect. Under BRGAAP, these fees and expenses are recognized directly in income when received or paid.

#### c. Transactions for the sale or transfer of financial assets

The Institution wrote off assets related to credit assignments with substantial retention of risks and rewards from January 1, 2004 and, in accordance with IFRS 1 requirements, the assets transferred with retention of risks and rewards were recomposed and recorded, and the liabilities related to the co-obligations in the credit assignments were recorded on the IFRS transition date, and subsequently. Revenues (expenses) recorded at the time of the credit assignments are recognized in income during the effective period of the respective agreements.

#### d. Write-off of investment stated at cost

On the date of transition, the Institution wrote off investments stated at cost, previously recorded in assets, as they did not meet the requirements for recognition of assets under IFRS.

#### e. Income tax and Social Contribution on IFRS Adjustments

In accordance with IAS 12, deferred income tax and social contribution on taxable, or deductible, temporary differences must be recorded. Adjustments to deferred income tax and social contribution, calculated on IFRS adjustments, were reflected in the reconciliation.

#### f. Hedge accounting

Pursuant to IAS 39, on discontinuance of hedge accounting for cash flows, the cumulative gain or loss resulting from the hedging instrument, that remains recognized as comprehensive income from the period when the hedge was in force, shall remain separately recognized in Equity until the hedged item is settled.

#### g. Transfer of category in securities

IAS 39 prohibits the reclassification of financial instruments between categories, accordingly, the financial assets available for sale may not be reclassified to other categories or vice-versa.

## Balance Sheet

	R\$ million		
	Jun-14	Mar-14	Jun-13
<b>Assets</b>	<b>10,639</b>	<b>10,686</b>	<b>9,936</b>
Cash and cash equivalents	1,199	1,349	491
Financial assets designated at fair value	2,175	2,173	2,988
Financial assets held for trading	1,588	1,468	2,389
Debt instruments	1,032	874	1,915
Equity instruments	4	6	7
Derivatives	552	588	466
Available-for-sale financial assets	588	705	599
Debt and Capital instruments	588	705	599
Available-for-sale financial assets	6,448	6,389	5,608
Loans and receivables	6,448	6,389	5,608
Loans and advances to financial institutions	40	53	298
Loans and advances to clients	6,407	6,335	5,310
Other Assets	586	585	668
Tax credits	112	81	87
Fixed assets	97	88	66
Property and equipment	20	20	27
Intangible assets	1	1	2
 <b>Liabilities</b>	 <b>9,373</b>	 <b>9,416</b>	 <b>8,660</b>
Financial liabilities held for trading	248	143	274
Derivatives	248	143	274
Financial liabilities at amortized cost	8,963	9,141	8,206
Deposits from credit institutions	80	76	110
Deposits from clients	3,981	4,023	3,471
Money market funding	470	379	1,245
Securities issued abroad	692	1,037	881
Borrowings and onlending	3,332	3,211	2,100
Other financial liabilities	69	74	60
Subordinated debt	339	340	337
Provisions	31	24	77
Tax liabilities	36	1	2
Other liabilities	94	108	102
 <b>Shareholders' equity</b>	 <b>1,266</b>	 <b>1,269</b>	 <b>1,276</b>
 <b>Liabilities and Shareholders' equity</b>	 <b>10,639</b>	 <b>10,686</b>	 <b>9,936</b>

## Consolidated Income Statement

	2Q14	1Q14	2Q13	1H14	R\$ million 1H13
Interest and similar income	224	219	180	443	321
Interest and similar expenses	(378)	(180)	(132)	(559)	(248)
<b>NET INTEREST INCOME</b>	<b>(154)</b>	<b>39</b>	<b>48</b>	<b>(115)</b>	<b>73</b>
Gains/(losses) with financial assets and liabilities (net)	242	55	23	297	114
Financial assets and liabilities held for trading	44	42	27	85	114
Derivatives	24	12	40	36	104
Debt instrument	17	23	(13)	39	10
Equity instrument	3	7	-	10	-
Exchange variations (net)	199	13	(4)	212	-
Fee and commission income	20	12	23	33	33
Fee and commission expenses	(2)	(2)	(1)	(4)	(3)
<b>TOTAL INCOME</b>	<b>107</b>	<b>104</b>	<b>92</b>	<b>210</b>	<b>216</b>
Administrative expenses	(51)	(62)	(50)	(113)	(103)
Personnel expenses	(32)	(37)	(29)	(69)	(59)
Tax expenses	(2)	(3)	(4)	(5)	(7)
Other administrative expenses	(17)	(22)	(17)	(39)	(37)
Other operations income (expenses)	2	(0)	4	2	5
Depreciation and amortization	(1)	(1)	(2)	(2)	(3)
Provisions (net)	7	6	10	13	12
<b>Losses on financial assets (impairment)</b>	<b>(19)</b>	<b>(20)</b>	<b>(32)</b>	<b>(39)</b>	<b>(40)</b>
Loans and receivables	(19)	(20)	(32)	(39)	(42)
Debt instrument	-	-	-	-	2
Gain on sale of non-recurring assets	4	6	1	9	2
<b>OPERATING INCOME BEFORE TAXES</b>	<b>48</b>	<b>33</b>	<b>23</b>	<b>80</b>	<b>89</b>
Income tax	(12)	(6)	11	(18)	(9)
<b>CONSOLIDATED NET INCOME</b>	<b>36</b>	<b>26</b>	<b>34</b>	<b>62</b>	<b>80</b>

This report is a free translation from the Portuguese version. In case of any divergence, discrepancy or difference between this version and the Portuguese version, the Portuguese version shall prevail. This report may contain forward-looking statements concerning the business prospects, projections of operating and financial results and growth outlook of Pine. These are merely projections and as such are based solely on management's expectations regarding the future of the business. These statements depend substantially on market conditions, the performance of the sector and the Brazilian economy (political and economic changes, volatility in interest and exchange rates, technological changes, inflation, financial disintermediation, competitive pressures on products and prices and changes in tax legislation) and therefore are subject to change without prior notice.