Individual and Consolidate Financial Statements under BR GAAP for the Six-Month Periods Ended June 30, 2013 and 2012, and Independent Auditors'Report

Banco Pine S.A.

PricewaterhouseCoopers Auditores Independentes

(A free translation of the original in Portuguese)

Independent Auditor's Report

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

We have audited the accompanying financial statements of Banco Pine S.A. (the "Institution") standing alone, which comprise the balance sheet as at June 30, 2013 and the statements of operations, changes in equity and cash flows for the six-month period then ended, as well as the accompanying consolidated financial statements of Banco Pine S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at June 30, 2013, and the consolidated statements of operations, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting 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.

Banco Pine S.A.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Banco Pine S.A. standing alone and of Banco Pine S.A. and its subsidiaries as at June 30, 2013, and the Institution's financial performance and cash flows, as well as the consolidated financial performance and cash flows, for the six-month period then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

Other matters

Statements of value added

We have also audited the Institution's and the consolidated statements of value added for the six-month period ended June 30, 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, August 12, 2013

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Edison Arisa Pereira
Contador CRC 1SP127241/O-0

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

SUMMARY OF THE AUDIT COMMITTEE REPORT
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013

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

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

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

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

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

Activities of the Committee in the 1st Half of 2013

The Committee held 11 meetings with Banco Pine S/A and its subsidiaries (Pine Conglomerate) core areas, including business, credit, internal control and compliance, risk management, operations, controllership, accounting and information technology areas.

The Audit Committee's 2013 Work Plan consisted of analyzing the structures, operations, processes and systems inherent to Pine Conglomerate's business.

Special meetings were held with the independent audit firm and the Internal Audit to discuss the annual plan and its implementation, as well as to monitor actions established by Management concerning audit's findings.

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

Internal Control System

According to schedule and work plan for the period ended on June 30, 2013, the Committee was informed on Pine Conglomerate's control and information processes, methods and system, and then assessed their quality and the managers' commitment with their monitoring and improvement.

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

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

Consolidated Risk Management

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

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

Independent Audit

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

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

Internal Audit

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

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

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

Conclusion
After due consideration of its responsibilities and inherent limitations deriving from the scope of its works, the Audit Committee recommends that the Board of Directors approve the financial statements of Banco Pine S/A and Banco Pine S/A and its subsidiaries - Consolidated for the six-month period ended June 30, 2013.

São Paulo, August 12, 2013

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

William Pereira Pinto
Specialist Member

Tadeu Machado Zica
Member Representing Non-controlling Shareholder

MANAGEMENT REPORT
PINE - 1H13

Dear Shareholders,

PINE´s Management, in accordance with the law, presents the material facts and relevant events of the year thus far for your appreciation. This report includes the Individual and Consolidated Financial Statements for the six month period ended June 30, 2013.

1. MESSAGE FROM THE MANAGEMENT

Dear shareholders, investors, clients, and analysts,

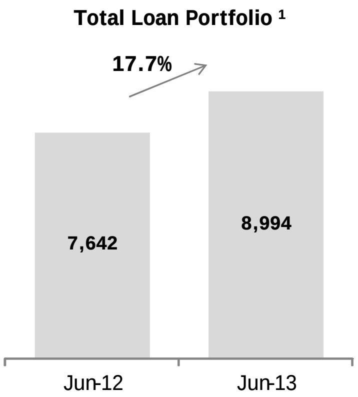
The first half of 2013 has been an important period for PINE. Our adequate capital structure with BIS ratio of 17.0%, low leverage and liquid balance sheet, allowed PINE to absorb the demand for credit in the period. We have a robust coverage of the loan portfolio, diversified funding, and liquid balance sheet with cash equivalent to 44% of time deposits.

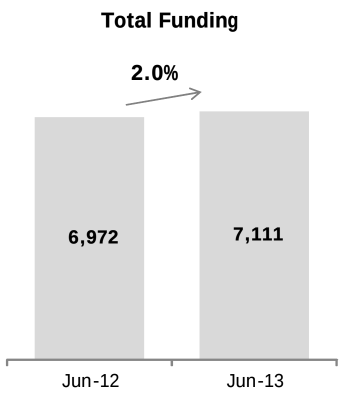
In this first half, the Central Bank of Brazil approved the capital increase made by Proparco in the Bank. On April 25, DEG disbursed the first transaction of the PINE-DEG partnership, totaling US$16 million with an eight-year term for a company in the autoparts industry, and we also conducted our first transaction through our New York broker dealer, with a volume of US$250 million for a company in the sugar and ethanol industry in the state of São Paulo.

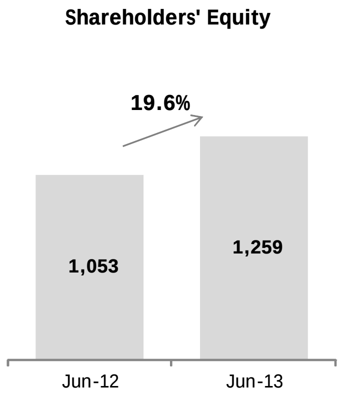
The economic scenario for 2013 remains with poor visibility, with important challenges in Brazil related to the economic activity. We remain aligned with our strategy of offering clients an increasingly wider range of products, while serving the corporate market with tailor-made services, building loyalty, and diversifying our income sources.

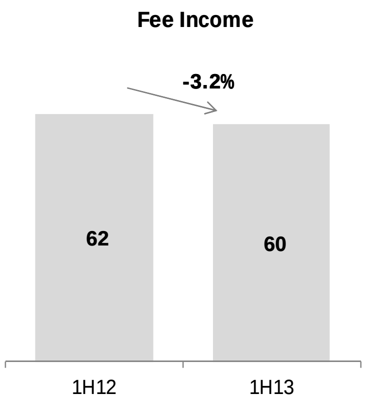
We are constantly working to build a better bank for our clients, shareholders, employees, and investors. We remain optimistic about our business and vigilant regarding the domestic and international economic scenarios.

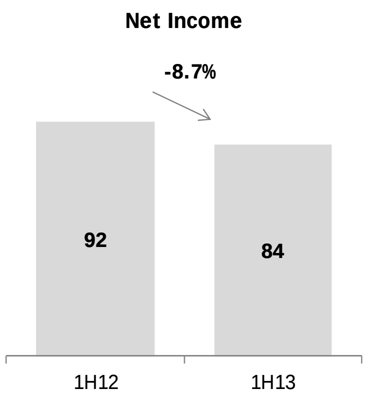
2. PERIOD HIGHLIGHTS

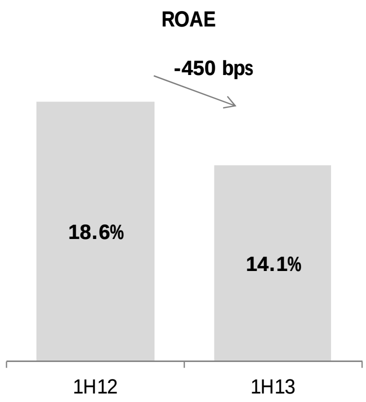












[1] Includes Letters of Credit to be used, Bank Guarantees, Credit Securities to be Received and Private Securities (bonds, CRIs, eurobonds and fund shares)

3. CORPORATE PROFILE

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

PINE has a broad client relationship network in various industries, such as sugar and ethanol, infrastructure, electric and renewable energy, agriculture, and others. The bank offers Credit, including Working Capital, Onlending lines from BNDES and Multilateral Organizations, Trade Finance, Bank Guarantees, as well as hedging products (Fixed Income, Currencies, and Commodities), Capital Markets, Financial Advisory Services and Project & Structured Finance.

4. PERFORMANCE

Result Highlights

Total assets amounted to R$10,457 million in June 30, 2013, and net income reached R$84 million in the first half of 2013. Shareholders' Equity was R$1,259 million, growing 19.6% YoY.

	1H13	1H12	?%
Earnings and Profitability			
Net Income (R$ millions)	84	92	-8.7%
Annualized ROAE	14.1%	18.6%	-450 bps
Balance Sheet (R$ millions)			
Total assets	10,457	10,038	4.2%
Loan Portfolio [1]	8,994	7,642	17.7%
Total deposits [2]	3,581	3,831	-6.5%
Funding	7,111	6,972	2.0%
Shareholders' equity	1,259	1,053	19.6%
Credit portfolio quality			
Non performing loans - 90 days	0.6%	0.2%	40 bps
Credit coverage	3.4%	3.7%	-30 bps
Performance			
BIS ratio	17.0%	15.9%	110 bps
Earnings per share [3] (R$)	0.76	0.93	-18.4%
Book value per share [3] (R$)	11.35	10.65	6.6%

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

2 Includes Agribusiness and Real Estate Letters of Credit.

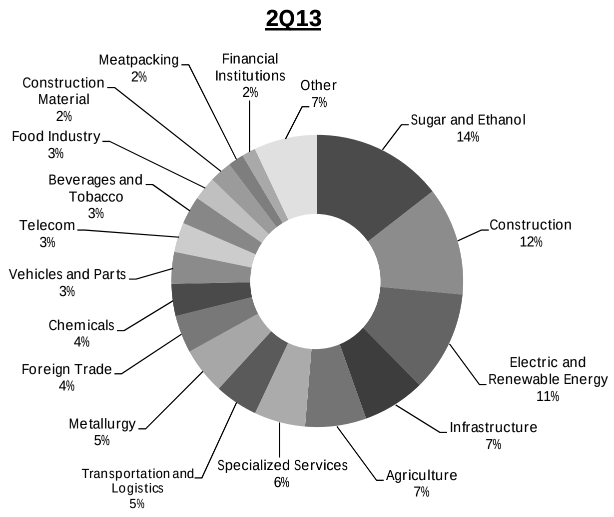
3 It considers 110,842,313 stocks for 2013 and 98,852,774 stocks for 2012

Balance Sheet Highlights

Loan Portfolio

Total expanded loan portfolio reached R$8,994 million in June 30, 2013, increasing 7.0% QoQ and 17.7% YoY. The working capital portfolio combined with Negotiable Instruments Receivable and Private Securities portfolio, that have similar characteristics, increased 6.6% YoY. The average maturity of the loan portfolio continues in 15 months.

The highlight in the quarter was the 27.3% increase in Trade Finance operations, arising from import transactions for various industries, and 12.2% in Bank Guarantee operations, especially with clients from the electric and renewable energy sector. The absorption of this growth is possible thanks to PINE's high capitalization and relatively low leverage.



Loan Portfolio Quality

The Loan Portfolio Coverage Index was 3.4% in June 2013.

FICC

FICC (Fixed Income, Commodities and Currencies) business provides risk management products and hedging solutions on interest rates, currencies, and commodities to help clients manage the risks on their balance sheets. The key markets in this business line are Fixed Income, Currencies, and Commodities. PINE offers to its clients the main derivative instruments, which include non-deliverable forwards (NDFs), options-based structures and swaps.

PINE Investimentos

PINE Investimentos, the Bank's Investment Banking unit, works closely with its clients to offer customized and unique solutions in the Capital Markets, Financial Advisory, and Project & Structured Finance areas.
In 1H13, PINE Investimentos led and structured more than R$1.1 billion in fixed income transactions.

Funding

Total funding stood at R$7,111 million in June 2013, increasing 7.9% QoQ and 2.0% YoY. The balance of time deposits, including Agribusiness Credit Notes (LCA) and Real Estate Credit Notes (LCI), reached R$3,452 million in the quarter, increasing 5.1% QoQ. The average weighted term of deposits was 10 months, while the average term of funding transactions was 16 months.

Asset and Liability Management

In accordance with PINE's asset and liability management, funding sources are aligned in terms of maturity and cost with their respective credit transactions. While the weighted average maturity of the loan portfolio is 15 months, the funding period is 16 months, which ensures a comfortable situation for the Bank. This positive liquidity gap has been maintained for over 3 years

Capital Adequacy Ratio (BIS)

In the quarter, the capital adequacy ratio (BIS) reached 17.0%, well above the minimum rate required by the Brazilian regulation (11%).

5. ORIGINATION NETWORK

Headquartered in São Paulo, SP, with a presence in Brazil's major cities and business capitals, Belo Horizonte, Blumenau, Campinas, Cuiabá, Curitiba, Fortaleza, Porto Alegre, Recife, Ribeirão Preto, Rio de Janeiro, and São José do Rio Preto. PINE's origination network is further complemented by its location in the Cayman Islands, which aims to increase the supply of produts and services by acting in the international market, and a subsidiary in New York, which has its activities focused on the Capital Markets and Research. PINE's business strategy does not depend on an extensive branch network, since the team is organized regionally and the Bank constantly monitors and visits its clients. This leads to substantial benefits in its fixed-cost structure.

6. HUMAN RESOURCES

PINE's employees are its main asset. Therefore, the objective of the Human Resources department is to attract, retain and develop the best professionals, while maintaining a high-performance work environment focused on results and based on meritocracy. PINE had 397 employees by the end of June 2013.

7. CORPORATE GOVERNANCE

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

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

8. INVESTOR RELATIONS

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

9. RATINGS

		STANDARD &POOR'S	FitchRatings	Moodys.com	RISKbank
Foreign and Local Currency	Long Term	BB+	BB+	Ba2	-
	Short Term	B	B		-
	Long Term	BB+	BB+	Ba2	-
	Short Term	B	B		-
National	Long Term	brAA	AA-(bra)	A1.br	10.68
	Short Term		F1+(bra)	Br-1	

10. PINE STOCK (PINE4)

During the 1H13, PINE, in accordance with its buyback program and pursuant to the Central Bank Resolution 3,921, repurchased 617,400 of its own shares, which are currently held in treasury. Therefore, at the end of the quarter, the total amount held in treasury was 1,296,149 shares.

As of June 30th, 2013

	Common	Preferred	Total	%
Controlling Shareholder	58,444,889	15,410,863	73,855,752	66.6%
Management	-	6,035,158	6,035,158	5.4%
Free Float	-	29,655,254	29,655,254	26.8%
Individuals	-	*3,071,445*	*3,071,445*	2.8%
Local Institutional Investors	-	*11,638,078*	*11,638,078*	10.5%
Foreign Investors	-	*8,053,059*	*8,053,059*	7.3%
DEG	-	*5,005,067*	*5,005,067*	4.5%
Proparco	-	*1,887,605*	*1,887,605*	1.7%
Subtotal	**58,444,889**	**51,101,275**	**109,546,164**	**98.8%**
Treasury	-	1,296,149	1,296,149	1.2%
Total	**58,444,889**	**52,397,424**	**110,842,313**	**100.0%**

11. PROFIT SHARING – INTEREST ON OWN CAPITAL AND DIVIDENDS

During the first half of 2013, PINE paid total of R$60 million as proceeds, which corresponds to a gross amount per share of R$0.55. Of this total, R$31 million represents interest on own capital and R$29 million, dividends. Since 2008, PINE distributes dividends/interest own on capital in a quarterly basis.

12. 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 June, 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.

The Management

(A free translation of the original in Portuguese)

BANCO PINE S.A. AND SUBSIDIARIES
BALANCE SHEETS AT JUNE 30, 2013 AND 2012
(In thousands of reais)

ASSETS	Note	Individual 2013	Individual 2012	Consolidated 2013	Consolidated 2012
CURRENT ASSETS		**7.279.058**	**7.261.885**	**7.248.817**	**7.295.486**
Cash	4.	**119.988**	**12.118**	**120.026**	**12.123**
Short-term interbank investments	5.	**668.724**	**364.874**	**669.124**	**365.694**
Open market investments		479.171	110.610	479.571	111.430
Interbank deposits		96.523	106.046	96.523	106.046
Foreign currency investments		93.030	148.218	93.030	148.218
Marketable securities and derivative financial instruments		**2.332.987**	**3.207.939**	**2.293.677**	**3.232.488**
Own portfolio	6. a)	960.217	1.577.110	920.907	1.601.659
Subject to repurchase agreements	6. a)	1.058.161	1.270.080	1.058.161	1.270.080
Derivative financial instruments	6. b)	182.867	232.184	182.867	232.184
Subject to guarantees	6. a)	131.742	128.565	131.742	128.565
Interbank accounts		**794**	**1.374**	**794**	**1.374**
Unsettled payments and receipts		27	132	27	132
Restricted deposits:					
Brazilian Central Bank		767	1.242	767	1.242
Loan operations	7.	**2.532.720**	**2.406.322**	**2.537.396**	**2.406.219**
Loan operations - private sector		2.630.878	2.524.836	2.635.554	2.524.836
Loan operations - public sector		3.402	5.845	3.402	5.845
Allowance for loan losses		(101.560)	(124.359)	(101.560)	(124.462)
Other receivables		**1.447.498**	**1.209.602**	**1.451.421**	**1.217.932**
Foreign exchange portfolio	8.	1.109.295	914.340	1.109.295	914.340
Income receivable		22.480	12.644	22.480	12.788
Negotiation and intermediation of securities		87.682	89.576	87.682	89.576
Sundry	9.	236.720	198.031	240.643	206.217
Allowance for other loan losses		(8.679)	(4.989)	(8.679)	(4.989)
Other assets		**176.347**	**59.656**	**176.379**	**59.656**
Non-operating assets		172.551	55.932	172.551	55.932
Prepaid expenses		3.796	3.724	3.828	3.724
LONG-TERM RECEIVABLES		**3.051.188**	**2.579.585**	**3.114.089**	**2.733.908**
Interbank investments	5.	**-**	**205.720**	**-**	**205.720**
Interbank deposits		-	205.720	-	205.720
Marketable securities and derivative financial instruments		**715.939**	**438.610**	**683.607**	**353.742**
Own portfolio	6. a)	432.330	183.416	399.998	98.548
Derivative financial instruments	6. b)	283.609	255.194	283.609	255.194
Loan operations	7.	**1.856.056**	**1.598.825**	**1.947.613**	**1.835.381**
Loan operations - private sector		1.948.029	1.677.186	2.039.586	1.913.742
Loan operations - public sector		-	625	-	625
Allowance for loan losses		(91.973)	(78.986)	(91.973)	(78.986)
Other receivables		**468.818**	**326.837**	**472.494**	**329.472**
Income receivable		28.361	24.655	28.361	24.655
Deposits in guarantee	16. (b) (c)	202.961	189.946	204.724	191.540
Sundry	9.	237.806	112.401	239.719	113.442
Allowance for other loan losses		(310)	(165)	(310)	(165)
Other assets		**10.375**	**9.593**	**10.375**	**9.593**
Prepaid expenses		10.375	9.593	10.375	9.593
PERMANENT ASSETS		**200.637**	**148.526**	**94.349**	**8.518**
investments		**171.986**	**140.038**	**65.695**	**-**
Investments in local subsidiaries	10.a)	171.986	140.038	-	-
Other investments		-	-	65.695	-
Property and equipment in use	11. a)	**27.013**	**6.183**	**27.016**	**6.185**
Facilities, furniture and equipment in use		13.738	13.068	13.738	13.068
Other fixed assets in use		29.008	4.470	29.011	4.473
Accumulated depreciation		(15.733)	(11.355)	(15.733)	(11.356)
Intangible assets	11.b)	**1.638**	**2.305**	**1.638**	**2.333**
Expenses for acquisition and development of software		9.468	9.254	9.533	9.720
Accumulated amortization		(7.830)	(6.949)	(7.895)	(7.387)
TOTAL ASSETS		**10.530.883**	**9.989.996**	**10.457.255**	**10.037.912**

(A free translation of the original in Portuguese)

BANCO PINE S.A. AND SUBSIDIARIES
BALANCE SHEETS AT JUNE 30, 2013 AND 2012
(In thousands of reais)

LIABILITIES AND EQUITY	Note	Individual		Consolidated	
		2013	2012	2013	2012
CURRENT LIABILITIES		**6.142.167**	**5.757.148**	**6.135.683**	**5.723.934**
Deposits	12.	**2.100.877**	**1.903.396**	**2.065.203**	**1.864.446**
Demand deposits		19.138	32.991	18.811	32.708
Interbank deposits		108.546	161.314	108.546	148.506
Time deposits		1.973.193	1.709.091	1.937.846	1.683.232
Funds obtained in the open market	13.	**1.200.301**	**1.263.053**	**1.200.301**	**1.263.053**
Own portfolio		1.054.870	1.263.053	841.470	1.263.053
Third-party portfolio		-	-	213.400	-
Unrestricted portfolio		145.431	-	145.431	-
Funds from acceptance and issuance of securities	18.	**717.538**	**575.027**	**717.355**	**575.027**
Real estate letters of credit		24.525	13.870	24.525	13.870
Agribusiness letters of credit		303.515	385.531	303.332	385.531
Financial bills		346.152	5.227	346.152	5.227
Securities issued abroad		43.346	170.399	43.346	170.399
Interbank accounts	14.	**274**	**3.174**	**274**	**3.174**
Unsettled payments and receipts		-	725	-	725
Correspondent banks		274	2.449	274	2.449
Interdepartmental accounts		**16.552**	**26.639**	**16.552**	**26.639**
Third-party funds in transit		16.552	26.639	16.552	26.639
Borrowings and onlendings	17.	**1.313.373**	**1.658.970**	**1.313.373**	**1.658.970**
Foreign borrowings		1.089.580	1.302.753	1.089.580	1.302.753
Local onlendings – official institutions		223.793	338.805	223.793	338.805
Foreign onlendings		**-**	17.412	-	17.412
Derivative Financial Instruments	6. b)	**226.048**	**126.780**	**226.048**	**126.780**
Derivative financial instruments		226.048	126.780	226.048	126.780
Other liabilities		**567.204**	**200.109**	**596.577**	**205.845**
Collection and payment of taxes and similar	15. a)	530	1.698	530	1.698
Foreign exchange portfolio	8.	480.187	73.077	480.187	73.077
Social and statutory payables		6.824	8.544	6.824	8.544
Tax and social security contributions	15. b)	8.872	25.735	11.185	30.899
Negotiation and intermediation of securities		26.696	25.363	41.844	25.363
Subordinated debt	19.	13.305	12.212	13.305	12.212
Sundry	15. c)	**30.790**	**53.480**	**42.702**	**54.052**
Other		30.790	53.480	42.702	54.052
LONG-TERM LIABILITIES		**3.069.677**	**3.132.783**	**3.002.533**	**3.210.254**
Deposits	12.	**1.315.700**	**1.637.846**	**1.171.189**	**1.537.805**
Interbank deposits		6.651	45.587	1.614	45.552
Time deposits		1.309.049	1.592.259	1.169.575	1.492.253
Funds obtained in the open market	13.	**45.008**	**-**	**45.008**	**-**
Third-party portfolio		45.008	-	45.008	-
Funds from acceptance and issuance of securities	18.	**512.556**	**443.929**	**512.556**	**443.929**
Real estate letters of credit		5.070	5.544	5.070	5.544
Agribusiness letters of credit		11.822	23.482	11.822	23.482
Financial bills		291.991	323.025	291.991	323.025
Securities issued abroad		203.673	91.878	203.673	91.878
Borrowings and onlendings	17.	**704.778**	**534.750**	**776.581**	**711.761**
Local borrowings - other institutions		-	-	71.803	177.011
Foreign borrowings		66.468	-	66.468	-
Local onlendings – official institutions		638.310	474.129	638.310	474.129
Foreign onlendings		-	60.621	-	60.621
Derivative financial instruments	6. b)	**47.784**	**60.898**	**47.784**	**60.898**
Derivative financial instruments		47.784	60.898	47.784	60.898
Other liabilities		**443.851**	**455.360**	**449.415**	**455.861**
Tax and social security contributions	15. b)	90.938	85.301	91.541	85.802
Subordinated debt	19.	328.197	331.035	328.197	331.035
Sundry	15. c)	**24.716**	**39.024**	**29.677**	**39.024**
Provision for contingent liabilities	16. c)	15.574	29.564	15.606	29.564
Other		9.142	9.460	14.071	9.460
DEFERRED INCOME		**60.497**	**47.255**	**60.497**	**50.914**
EQUITY	20.	**1.258.542**	**1.052.810**	**1.258.542**	**1.052.810**
Capital		**967.259**	**796.048**	**967.259**	**796.048**
Local residents		846.416	729.698	846.416	729.698
Foreign residents		120.843	66.350	120.843	66.350
Capital reserves		10.215	14.032	10.215	14.032
Revenue reserves		291.408	231.809	291.408	231.809
Proposed additional dividend		20.819	14.189	20.819	14.189
Carrying value adjustments		(14.886)	(1.711)	(14.886)	(1.711)
Treasury shares		(16.273)	(1.557)	(16.273)	(1.557)
TOTAL LIABILITIES AND EQUITY		**10.530.883**	**9.989.996**	**10.457.255**	**10.037.912**

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

BANCO PINE S.A. AND SUBSIDIARIES

STATEMENTS OF OPERATIONS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2013 AND 2012

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

		Individual		Consolidated	
	Note	2013	2012	2013	2012
INCOME FROM FINANCIAL INTERMEDIATION		**560.466**	**704.469**	**573.992**	**719.495**
Loan operations	21.a)	242.431	274.775	250.454	295.735
Marketable securities	21.b)	123.433	284.626	128.936	278.692
Derivative financial instruments		110.595	30.156	110.595	30.156
Foreign exchange transactions		84.007	114.912	84.007	114.912
EXPENSES FOR FINANCIAL INTERMEDIATION		**(430.252)**	**(498.210)**	**(432.104)**	**(504.745)**
Funds obtained in the market	21.c)	(295.906)	(363.890)	(293.614)	(357.977)
Borrowings and onlendings	21.d)	(91.939)	(93.862)	(96.083)	(106.207)
Allowance for loan losses		(42.407)	(40.458)	(42.407)	(40.561)
GROSS PROFIT FROM FINANCIAL INTERMEDIATION		**130.214**	**206.259**	**141.888**	**214.750**
OPERATING INCOME (EXPENSE)		**(29.740)**	**(68.170)**	**(36.946)**	**(70.159)**
Income from services rendered	21.e)	41.976	24.406	58.640	59.502
Income from bank charges		1.211	2.313	1.211	2.313
Personnel expenses	21.f)	(42.260)	(42.793)	(43.992)	(44.315)
Other administrative expenses	21.g)	(44.035)	(42.342)	(44.852)	(43.518)
Tax expenses	21.h)	(5.695)	(4.972)	(7.413)	(8.193)
Equity in the results of investees		13.618	25.517	-	-
Other operating income	21.i)	16.140	37.881	15.205	32.350
Other operating expenses	21.j)	(10.695)	(68.180)	(15.745)	(68.298)
OPERATING PROFIT		**100.474**	**138.089**	**104.942**	**144.591**
NON-OPERATING RESULTS	21.k)	**5.026**	**4.326**	**5.026**	**4.318**
INCOME BEFORE INCOME TAXES AND PROFIT SHARING		**105.500**	**142.415**	**109.968**	**148.909**
INCOME TAX AND SOCIAL CONTRIBUTION	**22.**	**(7.468)**	**(21.359)**	**(11.211)**	**(27.106)**
Provision for current income tax		(7.864)	(306)	(10.471)	(4.234)
Provision for current social contribution		(4.915)	(184)	(5.986)	(2.031)
Deferred income tax and social contribution		5.311	(20.869)	5.246	(20.841)
PROFIT SHARING		**(13.816)**	**(28.986)**	**(14.541)**	**(29.733)**
NET INCOME		**84.216**	**92.070**	**84.216**	**92.070**
NUMBER OF OUTSTANDING SHARES		109.546.164	98.852.774	109.546.164	98.852.774
NET INCOME PER SHARE – IN REAIS		0,76877	0,93139	0,76877	0,93139

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

PINE

BANCO PINE S.A. AND SUBSIDIARIES
STATEMENTS OF VALUE ADDED FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2013 AND 2012
(In thousands of reais)

	Individual		Consolidated	
	2013	2012	2013	2012
Revenues	**571.718**	**664.755**	**595.922**	**709.119**
Financial intermediation	560.466	704.469	573.992	719.495
Services rendered	41.976	24.406	58.640	59.502
Bank charges	1.211	2.313	1.211	2.313
Provision for loan losses	(42.407)	(40.458)	(42.407)	(40.561)
Other	10.472	(25.975)	4.486	(31.630)
Expenses for financial intermediation	**387.845**	**457.752**	**389.697**	**464.184**
Goods and services acquired from third parties	**36.012**	**34.906**	**36.768**	**35.929**
Materials, electricity and other	306	283	309	288
Third-party services	25.854	26.297	26.394	27.186
Other	9.852	8.326	10.065	8.455
Gross value added	**147.861**	**172.097**	**169.457**	**209.006**
Depreciation and amortization	**3.048**	**1.898**	**3.048**	**1.948**
Net value added produced by the institution	**144.813**	**170.199**	**166.409**	**207.058**
Value added transferred from others	**13.618**	**25.517**	**-**	**-**
Equity in the results of investees	13.618	25.517	-	-
Total value added to be distributed	**158.431**	**195.716**	**166.409**	**207.058**
Distribution of value added	**158.431**	**195.716**	**166.409**	**207.058**
Personnel	**56.076**	**71.778**	**58.533**	**74.048**
Salaries	28.670	29.102	29.846	30.176
Benefits, training	4.308	4.027	4.483	4.109
Social charges	9.282	9.663	9.663	10.030
Profit sharing	13.816	28.986	14.541	29.733
Taxes, charges and contributions	**13.163**	**26.331**	**18.624**	**35.299**
Federal	3.497	3.035	4.376	4.498
State	6	(11)	5	(11)
Municipal	2.192	1.948	3.032	3.706
Income tax and social contribution	7.468	21.359	11.211	27.106
Remuneration of third-party capital	**4.976**	**5.537**	**5.036**	**5.641**
Rents and leased assets	4.976	5.537	5.036	5.641
Remuneration of own capital	**84.216**	**92.070**	**84.216**	**92.070**
Interest on own capital/dividends	60.000	40.000	60.000	40.000
Retained earnings	24.216	52.070	24.216	52.070

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

(A free translation of the original in Portuguese)
BANCO PINE S.A.
STATEMENTS OF CHANGES IN EQUITY
(In thousands of reais, except dividends and interest on own capital per share)

			Capital reserves		Revenue reserves						
	Paid-up capital	Capital increase	Fiscal incentive investments	Other capital reserves	Legal	Statutory	Carrying value adjustments	Treasury shares	Proposed additional dividend	Retained earnings	Total
At December 31, 2011	**422.606**	**373.439**	**713**	**13.319**	**15.582**	**164.157**	**(1.461)**	**-**	**26.726**	**-**	**1.015.081**
Capital increase (Note 20)	373.442	(373.439)	-	-	-	-	-	-	-	-	3
Acquisition of treasury shares	-	-	-	-	-	-	-	(1.557)	-	-	(1.557)
Carrying value adjustments	-	-	-	-	-	-	(250)	-	-	-	(250)
Net income	-	-	-	-	-	-	-		-	92.070	92.070
Appropriations (Note 20):			-	-							
Legal reserve	-	-	-	-	4.603	-	-	-	-	(4.603)	-
Statutory reserve	-	-	-	-	-	47.467	-	-	-	(47.467)	-
Approval/payment of proposed additional dividend	-	-	-	-	-	-	-	-	(12.537)	-	(12.537)
Dividends (R$0.1011 per share)	-	-	-	-	-	-	-	-	-	(9.992)	(9.992)
Interest on own capital (R$0,3036 per share)	-	-			-	-	-	-	-	(30.008)	(30.008)
At June 30, 2012	**796.048**	**-**	**713**	**13.319**	**20.185**	**211.624**	**(1.711)**	**(1.557)**	**14.189**	**-**	**1.052.810**
At December 31, 2012	**935.683**	**-**	**14.032**	**(2.347)**	**24.954**	**242.238**	**(423)**	**(12.750)**	**18.559**	**-**	**1.219.946**
Capital increase (Note 20)	-	31.576	-	-	-	-	-	-	-	-	31.576
Other capital reserves			-	(1.470)							(1.470)
Acquisition/Sale of treasury shares	-	-	-	-	-	-	-	(3.523)	-	-	(3.523)
Carrying value adjustments	-	-	-	-	-	-	(14.464)	-	-	-	(14.464)
Net income	-	-	-	-	-	-	-		-	84.216	84.216
Appropriations (Note 20):											-
Legal reserve	-	-	-	-	4.211	-	-	-	-	(4.211)	-
Statutory reserve	-	-	-	-	-	20.005	-	-	-	(20.005)	-
Approval/payment of proposed additional dividend	-	-	-	-	-	-	-	-	2.260	-	2.260
Prepaid dividends (R$0.2675 per share)	-	-	-	-	-	-	-	-	-	(29.304)	(29.304)
Interest on own capital (R$0.2802 per share)	-	-	-	-	-	-	-	-	-	(30.696)	(30.696)
At June 30, 2013	**935.683**	**31.576**	**14.032**	**(3.817)**	**29.165**	**262.243**	**(14.887)**	**(16.273)**	**20.819**	**-**	**1.258.541**

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

(A free translation of the original in Portuguese)

BANCO PINE S.A. AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (DIRECT METHOD) FOR THE SIX-MONTH PERIODS ENDED MARCH 30, 2013 AND 2012
(In thousands of reais)

		Individual		Consolidated	
	Note	30/06/2013	30/06/2012	30/06/2013	30/06/2012
OPERATING ACTIVITIES					
Adjusted net income		**104.028**	**133.113**	**117.741**	**158.765**
Net income for the six-month period		84.216	92.070	84.216	92.070
Allowance for loan losses		42.407	40.458	42.407	40.561
Deferred taxes		(5.311)	20.869	(5.246)	20.841
Depreciation and amortization		3.048	1.898	3.048	1.948
Provision for contingencies		(6.704)	2.350	(6.674)	2.350
Equity in the results of investee		(13.618)	(25.517)	-	-
Profit (loss) on sale of property and equipment/investment		(10)	985	(10)	995
Adjustments to fair value of other investments				(10.695)	
Changes in assets and liabilities		**195.042**	**(130.078)**	**239.956**	**(172.738)**
(Increase) decrease in short-term interbank investments		3.776	(41.451)	3.776	(41.453)
(Increase) decrease in marketable securities		1.366.442	1.727.880	1.398.236	1.705.554
(Increase) decrease in loan operations		(417.200)	(107.713)	(363.416)	(51.099)
(Increase) decrease in other receivables		(690.418)	(477.989)	(692.186)	(484.412)
(Increase) decrease in other assets		4.454	1.534	4.422	1.534
(Increase) decrease in interbank and interdepartmental accounts		(4.995)	32.329	(4.995)	32.329
(Increase) decrease in derivative financial instruments		44.296	(92.766)	44.296	(92.766)
Increase (decrease) in deposits		(59.161)	(61.570)	(82.604)	(81.278)
Increase (decrease) in purchase and sale commitments		(587.352)	(1.927.363)	(587.352)	(1.927.363)
Increase (decrease) in funds from acceptance and issuance of securities		(61.969)	363.860	(62.152)	363.860
Increase (decrease) in borrowings and onlendings		161.440	320.855	114.508	269.574
Increase (decrease) in other liabilities		431.304	135.468	462.998	135.259
Increase (decrease) in deferred income		4.425	(3.152)	4.425	(2.477)
Net cash provided by (used in) operating activities		**299.070**	**3.035**	**357.697**	**(13.973)**
INVESTING ACTIVITIES					
Acquisition/sale of property and equipment in use		(652)	(981)	(653)	(915)
Investments in intangible assets		(18)	(437)	(18)	(441)
Capital increase in subsidiaries		(505)	-	(55.000)	-
Net cash used in investing activities		**(1.175)**	**(1.418)**	**(55.671)**	**(1.356)**
FINANCING ACTIVITIES					
Capital increase		31.576	3	31.576	3
Other capital reserves		(1.470)	-	(1.470)	-
Sale/acquisition of treasury shares		(3.523)	(1.557)	(3.523)	(1.557)
Interest on own capital and dividends paid		(55.686)	(51.112)	(55.686)	(51.112)
Net cash used in financing activities		**(29.103)**	**(52.666)**	**(29.103)**	**(52.666)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**268.792**	**(51.049)**	**272.923**	**(67.995)**
Cash and cash equivalents at the beginning of the six-month period	4.	**423.396**	**321.996**	**430.399**	**339.767**
Cash and cash equivalents at the end of the six-month period	4.	**692.188**	**270.947**	**703.322**	**271.772**

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 June 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 abroad	514.516	6.647	84.521	(4.627)
Pine Securities USA LLC (3)	Subsidiary abroad	10.958	11.078	10.223	350
Subsidiaries					
Pine Investimentos Distribuidora de Títulos e Valores Mobiliários Ltda.	Securities dealer	254.167	13.385	39.194	1.120
Pine Comercializadora de Energia Elétrica Ltda (4)	Consulting	82.838	77.400	82.114	1.685
Pine Corretora de Seguros Ltda. (1)	Insurance broker	239	500	237	4
Pine Assessoria e Consultoria Ltda. (1)	Consulting	35.972	500	35.575	66
Pine Assessoria em Comercialização de Energia (4)	Consulting	47.211	60	47	(6)
Pine Planejamento e Serviços Ltda (2)	Consulting	15.558	10	14.862	10.744
Special Purpose Entities (SPEs)					
Pine Crédito Privado Fundo de Investimento em Direitos Creditórios Financeiros (a)	Receivables	107.178	80.875	107.141	6.112
FIP Rio Corporate - Fundo de Investimento em Participações (b) (5)	Private equity	87.126	42.000	71.936	29.936
IRE VII Desenvolvimento Imobiliário S/A (c) (6)	SPE	44.105	33.896	32.668	(916)

					2012
	Business activity	Total assets	Capital	Equity	Net income (loss)
Foreign Branches and Subsidiaries					
Grand Cayman Branch	Branch abroad	461.437	6.064	76.891	(12.945)
Subsidiaries					
Pine Investimentos Distribuidora de Títulos e Valores Mobiliários Ltda.	Securities dealer	39.743	13.385	36.330	4.031
Pine Comercializadora de Energia Elétrica Ltda (3)	Consulting	10	10	10	-
Pine Corretora de Seguros Ltda. (1)	Insurance broker	2.825	1	1.229	1.216
Pine Assessoria e Consultoria Ltda. (1)	Consulting	26.733	1	21.708	20.095
Pine Assessoria em Comercialização de Energia (3)	Consulting	81.335	77.400	80.771	176
Special Purpose Entities (SPEs)					
Pine Crédito Privado Fundo de Investimento em Direitos Creditórios Financeiros (a)	Receivables investment fund (FIDC)	262.055	207.636	261.878	22.337

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

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

(5) FIP Rio Corporate was constituted on April 18, 2013 and on May 15, 2013, the Institution paid in 42,000 shares.

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

a) Pine Crédito Privado

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

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

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

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

The purpose of the Fund is to increase shareholder 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.

(In thousands of reais, unless otherwise stated)

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 six-month periods ended June 30, 2013 and 2012.

Additionally, on account of its investment in subordinated shares in this Fund, at June 30, 2012, the Institution recognized a loss of R$1,039 (June 30, 2012 - income of R$9,992) in the "marketable securities" account.

v) Total assets, liabilities and equity of the FIDC at June 30, 2013 and 2012:

	2013	2012		2013	2012
Current assets	**424**	**1.052**	**Current liabilities**	**35**	**177**
Cash	24	5	Other liabilities	35	177
Short-term interbank investments	400	820			
Other receivables	-	227			
Long-term receivables	**106.753**	**261.003**			
Marketable securities	12.442	24.550			
Loan operations	94.311	236.453	**Equity**	**107.142**	261.878
Total assets	**107.177**	**262.055**	**Total liabilities and equity**	**107.177**	**262.055**

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

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

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

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

b) FIP Rio Corporate

Since it has 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 £ 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 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 June 30, 2013 and 2013:

	2013		2013
Current assets	**87.126**	**Current liabilities**	**15.190**
Cash	1	Other liabilities	15.190
Short-term interbank investments	87.125		
		Equity	71.936
Total assets	**87.126**	**Total liabilities and equity**	**87.126**

c) IRE VII Desenvolvimento Imobiliário S/A

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

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

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

ii) Investment in the equity and results of the SPE

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

v) Total assets, liabilities and equity of the SPE at June 30, 2013 and 2012:

	2013		2013
Current assets	**12.682**	**Current liabilities**	**11.437**
Cash	14	Tax and social security contributions	10
Short-term interbank investments	12.471	Other liabilities	11.427
Other receivables	197		
Permanet Assets	**31.423**	**Equity**	**32.668**
Property	31.423		
Total assets	**44.105**	**Total liabilities and equity**	**44.105**

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. For FIDC consolidation purposes, the balance of the loan assignment receivables portfolio was included in the Institution’s loan operations portfolio, with a corresponding entry of the senior shares in the “Borrowings and onlendings - local”, account, net of investments in investment fund shares, comprising the shares held of this Fund.

b) Determination of the results of operations

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 Letter-Circular 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.

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.

h) Prepaid expenses

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

i) Other current assets and long-term receivables

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

j) Permanent assets

These assets are stated at cost and consider the following:

. Investments in subsidiaries are accounted for using the equity method

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

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

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

(In thousands of reais, unless otherwise stated)

k) Impairment of non-financial assets

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable group of assets 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.

l) Purchase and sale commitments

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

m) Current and long-term liabilities

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

n) Contingent assets and liabilities and legal obligations

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

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

o) Provision for income tax and social contribution

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

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

p) Profit sharing

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

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

q) Use of estimates

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

r) Net income per share

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

4. CASH AND CASH EQUIVALENTS

	Individual		Consolidated	
	2013	2012	2013	2012
Cash	119.988	12.118	120.026	12.123
Short-term interbank investments(1)	572.200	258.829	572.601	259.649
Total cash and cash equivalents	**692.188**	**270.947**	**692.627**	**271.772**

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

(In thousands of reais, unless otherwise stated)

5. APLICAÇÕES INTERFINANCEIRAS DE LIQUIDEZ

Interbank investments at June 30, 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	From 5 to 15 years	More than 15 years	Total
Investments in purchase and sale agreements							
Own portfolio position							
Financial Treasury Bills (LFT)	-	-	16.001	-	-	-	16.001
National Treasury Bills (LTN)	-	-	39.800	-	-	-	39.800
Federal Treasury Notes (NTN)	-	-	-	79.787	1.773	140.026	221.586
Subtotal	**-**	**-**	**55.801**	**79.787**	**1.773**	**140.026**	**277.387**
Third-party portfolio position							
LTN	-	-	46.913	-	-	-	46.913
Subtotal	**-**	**-**	**46.913**	**-**	**-**	**-**	**46.913**
Investment in sales							
NTN	-	-	-	24.556	130.315	-	154.871
Subtotal	**-**	**-**	**-**	**24.556**	**130.315**	**-**	**154.871**
Total investments in purchase and sale commitments	**-**	**-**	**102.714**	**104.343**	**132.088**	**140.026**	**479.171**
Interbank deposits							
Own portfolio							
Floating rate CDI	-	7.539	-	-	-	-	7.539
Rural CDI	25.550	101	-	-	-	-	25.651
Subtotal	**25.550**	**7.640**	**-**	**-**	**-**	**-**	**33.190**
Subject to guarantees							
Floating rate CDI	20.482	42.851	-	-	-	-	63.333
Subtotal	**20.482**	**42.851**	**-**	**-**	**-**	**-**	**63.333**
Total interbank deposits	**46.032**	**50.491**	**-**	**-**	**-**	**-**	**96.523**
Foreign currency investments							
Foreign currency investments	93.030		-	-	-	-	93.030
Total foreign currency investments	**93.030**	**-**	**-**	**-**	**-**	**-**	**93.030**
Total interbank investments	**139.062**	**50.491**	**102.714**	**104.343**	**132.088**	**140.026**	**668.724**

							Consolidated 2013
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	More than 15 years	Total
Investments in purchase and sale commitments							
Own portfolio position							
Financial Treasury Bills (LFT)	-	-	16.001	-	-	-	16.001
National Treasury Bills (LTN)	400	-	39.800	-	-	-	40.200
Federal Treasury Notes (NTN)	-	-	-	79.787	1.773	140.026	221.586
Subtotal	**400**	**-**	**55.801**	**79.787**	**1.773**	**140.026**	**277.787**
Third-party portfolio position							
LTN	-	-	46.913	-	-	-	46.913
Subtotal	**-**	**-**	**46.913**	**-**	**-**	**-**	**46.913**
Investment in sales							
NTN	-	-	-	24.556	130.315	-	154.871
Subtotal	**-**	**-**	**-**	**24.556**	**130.315**	**-**	**154.871**
Total investments in purchase and sale commitments	**400**	**-**	**102.714**	**104.343**	**132.088**	**140.026**	**479.571**
Interbank deposits							
Own portfolio							
Floating rate CDI	-	7.539	-	-	-	-	7.539
Rural CDI	25.550	101	-	-	-	-	25.651
Subtotal	**25.550**	**7.640**	**-**	**-**	**-**	**-**	**33.190**
Subject to guarantees							
Floating rate CDI	20.482	42.851	-	-	-	-	63.333
Subtotal	**20.482**	**42.851**	**-**	**-**	**-**	**-**	**63.333**
Total interbank deposits	**46.032**	**50.491**	**-**	**-**	**-**	**-**	**96.523**
Foreign currency investments							
Foreign currency investments	93.030		-	-	-	-	93.030
Total foreign currency investments	**93.030**	**-**	**-**	**-**	**-**	**-**	**93.030**
Total interbank investments	**139.462**	**50.491**	**102.714**	**104.343**	**132.088**	**140.026**	**669.124**

(In thousands of reais, unless otherwise stated)

				Individual
				2012
Security/Maturity	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Total
Investments in purchase and sale commitments				
Own portfolio position				
LTN	67.007	-	-	67.007
NTN	43.603	-	-	43.603
Subtotal	**110.610**	**-**	**-**	**110.610**
Total investments in purchase and sale commitments	**110.610**	**-**	**-**	**110.610**
Interbank deposits				
Own portfolio				
Floating rate CDI	-	313	-	313
Rural CDI	2.039	16.914	-	18.953
Subtotal	**2.039**	**17.227**	**-**	**19.266**
Subject to guarantees				
Floating rate CDI	12.255	74.525	205.720	292.500
Subtotal	**12.255**	**74.525**	**205.720**	**292.500**
Total interbank deposits	**14.294**	**91.752**	**205.720**	**311.766**
Foreign currency investments				
Foreign currency investments	148.218	-	-	148.218
Total foreign currency investments	**148.218**	**-**	**-**	**148.218**
Total interbank investments	**273.122**	**91.752**	**205.720**	**570.594**

				Consolidated
				2012
Security/Maturity	Up to 3 months	From 3 to 12 months	From 1 to 3 years	Total
Investments in purchase and sale commitments				
Own portfolio position				
LTN	67.827	-	-	67.827
NTN	43.603	-	-	43.603
Subtotal	**111.430**	**-**	**-**	**111.430**
Total investments in purchase and sale commitments	**111.430**	**-**	**-**	**111.430**
Interbank deposits				
Own portfolio				
Floating rate CDI	-	313	-	313
Rural CDI	2.039	16.914	-	18.953
Subtotal	**2.039**	**17.227**	**-**	**19.266**
Subject to guarantees				
Floating rate CDI	12.255	74.525	205.720	292.500
Subtotal	**12.255**	**74.525**	**205.720**	**292.500**
Total interbank deposits	**14.294**	**91.752**	**205.720**	**311.766**
Foreign currency investments				
Foreign currency investments	148.218	-	-	148.218
Total foreign currency investments	**148.218**	**-**	**-**	**148.218**
Total interbank investments	**273.942**	**91.752**	**205.720**	**571.414**

6. MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

a) Marketable securities

The securities portfolio at June 30, 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)	-	183.907	-	-	-	183.907	184.788
Federal Treasury Notes (NTN)	-	-	119.950	145.561	48.920	314.431	333.788
Debentures	-	-	20.420	-	65.147	85.567	90.354
Receivables investment fund shares	-	-	32.332	-	-	32.332	32.332
Certificates of Real Estate Receivables (CRI)	-	15.085	-	-	-	15.085	15.000
Total available-for-sale securities	**-**	**198.992**	**172.702**	**145.561**	**114.067**	**631.322**	**656.262**
Trading securities(1):							
Own portfolio:							
LTN	447.887	3.208	3.015	-	-	454.110	454.131
NTN	-	8.150	11.942	5.825	19.951	45.868	46.689
Debentures	1.287	-	7.413	2.017	-	10.717	10.667
Investment fund shares(2)	171.572	-	-	-	-	171.572	168.119
Private equity fund shares	53.912	-	-	-	-	53.912	53.912
Eurobonds	57	62	21.133	3.794	-	25.046	24.721
Subtotal	**674.715**	**11.420**	**43.503**	**11.636**	**19.951**	**761.225**	**758.239**

(In thousands of reais, unless otherwise stated)

Subject to repurchase commitments:							
LTN	249.999	450.624	40.239	-	-	740.862	742.140
NTN	-	-	98.502	3.612	-	102.114	102.228
Debentures	96.639	-	50.135	68.411	-	215.185	212.923
Subtotal	**346.638**	**450.624**	**188.876**	**72.023**	**-**	**1.058.161**	**1.057.291**
Subject to guarantees:							
LTN	-	67.756	-	-	-	67.756	67.268
NTN	-	-	-	15.066	48.920	63.986	68.333
Subtotal	**-**	**67.756**	**-**	**15.066**	**48.920**	**131.742**	**135.601**
Total trading securities	**1.021.353**	**529.800**	**232.379**	**98.725**	**68.871**	**1.951.128**	**1.951.131**
Total securities	**1.021.353**	**728.792**	**405.081**	**244.286**	**182.938**	**2.582.450**	**2.607.393**

						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	-	183.907	-	-	-	183.907	184.788
NTN	-	-	119.950	145.561	48.920	314.431	333.788
Debentures	-	-	20.420	-	65.147	85.567	90.354
Certificates of Real Estate Receivables (CRI)	-	15.085	-	-	-	15.085	15.000
Total available-for-sale securities	**-**	**198.992**	**140.370**	**145.561**	**114.067**	**598.990**	**623.930**
Trading securities(1):							
Own portfolio:							
LTN	447.887	3.208	3.015	-	-	454.110	454.131
LFT	12.442	-	-	-	-	12.442	12.442
NTN	8.150	-	11.942	5.825	19.951	45.868	46.689
Debentures	1.287	-	7.413	2.017	-	10.717	10.667
Investment fund shares(2)	173.732	-	-	-	-	173.732	170.279
Eurobonds	57	62	21.133	3.794	-	25.046	24.721
Subtotal	**643.555**	**3.270**	**43.503**	**11.636**	**19.951**	**721.915**	**718.929**
Subject to repurchase commitments:							
LTN	249.999	450.624	40.239	-	-	740.862	742.140
NTN	-	-	98.502	3.612	-	102.114	102.228
Debentures	96.639	-	50.135	68.411	-	215.185	212.923
Subtotal	**346.638**	**450.624**	**188.876**	**72.023**	**-**	**1.058.161**	**1.057.291**
Subject to guarantees:							
LTN	-	67.756	-	-	-	67.756	67.268
NTN	-	-	-	15.066	48.920	63.986	68.333
Subtotal	**-**	**67.756**	**-**	**15.066**	**48.920**	**131.742**	**135.601**
Total trading securities	**990.193**	**521.650**	**232.379**	**98.725**	**68.871**	**1.911.818**	**1.911.821**
Total securities	**990.193**	**720.642**	**372.749**	**244.286**	**182.938**	**2.510.808**	**2.535.751**

						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:							
LTN	-	-	-	-	-	-	-
NTN	-	-	46.329	36.048	-	82.377	83.141
Receivables investment fund						-	
shares	-	-	-	84.868	-	84.868	84.868
Investment fund shares(2)	593.790	-	-	-	-	593.790	593.790
Certificates of Real Estate Receivables (CRI)	-	-	16.171	-	-	16.171	16.171
Subtotal	**593.790**	**-**	**62.500**	**120.916**	**-**	**777.206**	**777.970**
Subject to repurchase commitments:							
NTN	152.561	-	-	-	-	152.561	154.794
Subtotal	**152.561**	**-**	**-**	**-**	**-**	**152.561**	**154.794**
Total available-for-sale securities	**746.351**	**-**	**62.500**	**120.916**	**-**	**929.767**	**932.764**
Trading securities(1):							
Own portfolio:							
LTN	339.741	274.474	€ 198.264,00	-	-	812.479	799.614
NTN	-	-	60.640	83.277	21.088	165.005	161.271
Debentures	-	-	4.886	-	-	4.886	4.886
Eurobonds	-	-	-	-	950	950	950
Subtotal	**339.741**	**274.474**	**263.790**	**83.277**	**22.038**	**983.320**	**966.721**

(In thousands of reais, unless otherwise stated)

Subject to repurchase commitments:							
LTN	776.951	-	-	-	-	776.951	761.710
NTN	301.166	-	-	-	-	301.166	297.926
Debentures	39.402	-	-	-	-	39.402	39.402
Subtotal	**1.117.519**	**-**	**-**	**-**	**-**	**1.117.519**	**1.099.038**
Subject to guarantees:							
LTN	-	128.565	-	-	-	128.565	127.016
Subtotal	**-**	**128.565**	**-**		**-**	**128.565**	**127.016**
Total trading securities	**1.457.260**	**403.039**	**263.790**	**83.277**	**22.038**	**2.229.404**	**2.192.775**
Total securities	**2.203.611**	**403.039**	**326.290**	**204.193**	**22.038**	**3.159.171**	**3.125.539**

							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**	**:urve based amount**
Available-for-sale securities:							
Own portfolio:							
NTN	-	-	46.329	36.048	-	82.377	83.141
Investment fund shares(2)	593.790	-	-	-	-	593.790	593.790
Certificates of Real Estate Receivables (CRI)	-	-	16.171	-	-	16.171	16.171
Subtotal	**593.790**	**-**	**62.500**	**36.048**	**-**	**692.338**	**693.102**
Subject to repurchase commitments:							
NTN	152.561	-	-	-	-	152.561	154.794
Subtotal	**152.561**	**-**	**-**	**-**	**-**	**152.561**	**154.794**
Total available-for-sale securities	**746.351**	**-**	**62.500**	**36.048**	**-**	**844.899**	**847.896**
Trading securities(1):							
Own portfolio:							
LTN	339.741	274.474	€ 198.264,00	-	-	812.479	799.614
NTN	-	-	60.640	83.277	21.088	165.005	161.271
LFT	-	-	-	-	24.549	24.549	24.549
Debentures	-	-	4.886	-	-	4.886	4.886
Eurobonds	-	-	-	-	950	950	950
Subtotal	**339.741**	**274.474**	**263.790**	**83.277**	**46.587**	**1.007.869**	**991.270**
Subject to repurchase commitments:							
LTN	776.951	-	-	-	-	776.951	761.710
NTN	301.166	-	-	-	-	301.166	297.926
Debentures	39.402	-	-	-	-	39.402	39.402
Subtotal	**1.117.519**	**-**	**-**	**-**	**-**	**1.117.519**	**1.099.038**
Subject to guarantees:							
LTN	-	128.565	-	-	-	128.565	127.016
Subtotal	**-**	**128.565**	**-**	**-**	**-**	**128.565**	**127.016**
Total trading securities	**1.457.260**	**403.039**	**263.790**	**83.277**	**46.587**	**2.253.953**	**2.217.324**
Total securities	**2.203.611**	**403.039**	**326.290**	**119.325**	**46.587**	**3.098.852**	**3.065.220**

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

(2) The shares are composed of R $ 171,572 in the Individual and R$ 173,732 in the Consolidated (R$ 596,285 in the Individual and Consolidated on June 30, 2012, with the establishment of a valuation allowance of fund shares multimarket investment of R$ 2,495), being: (i) R$ 78,676 in Individual and Consolidated (R$ 515,414 in the Individual and Consolidated on June 30, 2012) Pine CM Fund Multimarket Private Credit, (ii) R$ 92,896 in Individual and Consolidated (R$ 80,871 the Individual and Consolidated on June 30, 2012) Pine RB Capital Fund Multimarket Private Credit (on June 30, 2012 the quotas were composed by FICFI Multimarket Credit Private Investment Abroad), and (iii) R$ 2,160 in consolidated FIP Rio Corporate - Investment Fund Participation. The assets comprising funds are, mostly, debentures, promissory notes and certificates of receivables totaling R$ 548,942 (note 7a).

At June 30, 2013 and 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 June 30, 2013 and 2012, no securities were reclassified.

The market values of the securities recorded in the “available for sale” and “trading” categories were determined based on the prices and rates practiced at June 30, 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$24,940 on an Individual and Consolidated basis (June 30, 2012 – loss of R$2,997 on both an Individual and Consolidated basis), affecting the equity of the Institution by R$14,964 on an Individual and Consolidated basis (June 30, 2012 - R$1,711 on an Individual and Consolidated basis), net of tax effects. The mark-to-market adjustment of the securities recorded in the “trading” category resulted in a loss adjustment of R$ 71,939 on an Individual and Consolidated basis (June 30, 2011 – gain adjustment of R$36,629 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.

(In thousands of reais, unless otherwise stated)

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.

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 June 30, 2013 and 2012, the derivative financial instrument positions are as follows:

						Individual and Consolidated
			30/6/2013			30/6/2012
Derivative Financial Instruments	Short-term	Long-term	Total	Short-term	Long-term	Total
ASSETS						
Swap – difference receivable	49.622	255.293	304.915	67.365	239.201	306.566
Forward contracts- receivable	69.538	26.650	96.188	128.719	17.229	145.948
Premiums on unexercised options	63.706	1.666	65.372	33.919	945	34.864
Total receivable	**182.866**	**283.609**	**466.475**	**230.003**	**257.375**	**487.378**
LIABILITIES						
Swap – difference payable	(62.742)	(38.616)	(101.358)	(17.177)	(59.336)	(76.513)
Forward contracts- payable	(77.007)	(7.673)	(84.680)	(68.850)	(5.739)	(74.589)
Premiums on written options	(86.299)	(1.495)	(87.794)	(35.631)	(945)	(36.576)
Total payable	**(226.048)**	**(47.784)**	**(273.832)**	**(121.658)**	**(66.020)**	**(187.678)**
Net amount	**(43.182)**	**235.825**	**192.643**	**108.345**	**191.355**	**299.700**

v) Derivative financial instruments by index

				Individual and Consolidated
				2013
	Notional amount	Amount receivable	Amount payable	Result
Swap				
Market risk				
Asset position:	**3.231.161**	**304.915**	**-**	
Interest	2.309.276	161.283	-	
	860.809	143.632	-	
Currency				
Variable income	61.076	-	-	
Liability position:	**3.231.161**	**-**	**(101.358)**	
Interest	2.316.492	-	(36.872)	
	914.669	-	(64.486)	
Currency				
Net amount	**-**	**304.915**	**(101.358)**	**114.196**
Forward contracts				
Asset position:	**3.013.444**	**96.189**	**-**	
Interest	1.241.475	221	-	
	1.650.060	95.783	-	
Currency				
Commodities	121.909	185	-	
Liability position:	**3.013.444**	**-**	**(84.680)**	
Interest	1.103.342	-	(1.008)	
	1.686.694	-	(83.653)	
Currency				
Commodities	223.408	-	(19)	
Net amount	**-**	**96.189**	**(84.680)**	**(27.897)**

(In thousands of reais, unless otherwise stated)

Options				
Premium on unexercised options:	**1.200.329**	**65.372**	**-**	
Currency	560.944	23.601	-	
Commodities	639.385	41.771	-	
Premiums on written options:	**1.472.961**	**-**	**(87.794)**	
Currency	769.723	-	(43.599)	
Commodities	703.238	-	(44.195)	
Net amount		**65.372**	**(87.794)**	**(8.087)**
Total receivable (payable) and gain (loss)		**466.476**	**(273.832)**	**78.212**

	Individual and Consolidated			
	2012			
	Notional amount	Amount receivable	Amount payable	Result
Market risk				
Asset position:	**3.601.273**	**306.566**	**-**	
Interest	2.542.162	172.331	-	
Currency	959.245	123.577	-	
Commodities	45.589	1.983	-	
Variable income	54.277	8.675	-	
Liability position:	**3.601.273**	-	**(76.513)**	
Interest	2.671.627	-	(64.687)	
Currency	929.646	-	(11.826)	
Total swaps	**-**	**306.566**	**(76.513)**	**102.115**
Forward contracts				
Asset position:	**2.787.989**	**145.948**	**-**	
Interest	485.298	8.076	-	
Currency	1.932.253	124.084	-	
Commodities	370.438	13.788	-	
Liability position:	**2.787.989**	-	**(74.589)**	
Interest	1.491.382	-	(3.299)	
Currency	1.006.020	-	(65.954)	
Commodities	290.587	-	(5.336)	
Net amount	**-**	**145.948**	**(74.589)**	**55.126**
Options				
Premium on unexercised options:	**781.908**	**34.864**	**-**	
Currency	364.520	16.677	-	
Commodities	417.388	18.187	-	
Premiums on written options:	**1.014.006**	-	**(36.576)**	
Currency	609.095	-	(20.760)	
Commodities	404.911	-	(15.816)	
Net amount		**34.864**	**(36.576)**	**962**
Total receivable (payable) and gain (loss)		**487.378**	**(187.678)**	**158.203**

vi) Derivative financial instruments – futures contracts

	Individual and Consolidated			
	2013			
	Notional amount		Daily adjustment receivable	
	Purchase	Sale	(payable)	Result
Interbank market:	**3.019.181**	**3.340.902**	**6.967**	
Index	1.268.241	3.322.760	(18.464)	
US dollar	1.750.940	18.142	25.431	
Future exchange coupon:	**230.138**	**177.343**	**-**	
Euro	-	6.490	-	
Commodities	230.138	170.853	-	
Total	**3.249.319**	**3.518.245**	**6.967**	**32.383**

	Individual and Consolidated			
	2012			
	Notional amount		Daily adjustment receivable	
	Purchase	Sale	(payable)	Result
Interbank market:	**1.352.775**	**2.653.135**	**45.273**	
Index	1.019.363	2.447.989	49.567	
US dollar	333.412	204.142	(4.252)	
Commodities	-	1.004	(42)	
Future exchange coupon:	**110.387**	**271.261**	**-**	
Euro	-	4.800	-	
Commodities	110.387	266.461	-	
Total	**1.463.162**	**2.924.396**	**45.273**	**(128.047)**

(In thousands of reais, unless otherwise stated)

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	404.379	743.776	1.022.876	601.326	458.804	3.231.161
Forward contracts	1.685.715	977.706	350.023	-	-	3.013.444
Options	1.678.338	950.335	44.617	-	-	2.673.290
Futures	3.726.441	1.697.078	983.898	222.561	137.586	6.767.564

	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	More than 15 years	Total
Swap	500.703	844.139	982.224	958.133	316.074	-	3.601.273
Forward contracts	1.215.414	1.243.324	224.097	105.154	-	-	2.787.989
Options	906.198	864.818	24.898	-	-	-	1.795.914
Futures	1.782.993	1.047.562	1.036.920	484.260	35.823	-	4.387.558

viii) Derivative financial instruments by trading market

At June 30, 2013 and 2012, the swaps, forward contracts and options, whose notional amounts 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	**185.171**	**175.792**	**1.563.206**	**6.740.284**	**124.921**	**150.284**	**1.281.625**	**4.376.735**
BM&FBOVESPA	125.300	-	873.950	6.360.083	70.300	-	881.875	4.005.910
Exchanges abroad	59.871	175.792	689.256	380.201	54.621	150.284	399.750	370.825
OTC	**3.045.990**	**2.837.652**	**1.110.084**	**27.280**	**3.476.352**	**2.637.705**	**514.289**	**10.823**
Financial institutions	552.091	306.099	-	27.280	1.416.897	252.429	-	10.823
Companies	2.493.899	2.531.553	1.110.084	-	2.059.455	2.385.276	514.289	-
Total	**3.231.161**	**3.013.444**	**2.673.290**	**6.767.564**	**3.601.273**	**2.787.989**	**1.795.914**	**4.387.558**

ix) Amount and type of guarantee margin

The margin amounts deposited in guarantee at June 30, 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)	19.330	10.744
Federal Treasury Notes (NTN)	15.065	-
Subtotal	**34.395**	**10.744**
Guarantee margin - BMF&Bovespa		
LTN	48.426	117.821
NTN	48.921	-
Subtotal	**97.347**	**117.821**
Total	**131.742**	**128.565**

(In thousands of reais, unless otherwise stated)

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

We present below a summary of the loan operation portfolio information at June 30, 2013 and 2012:

a) By type of loan:

	Individual		Consolidated	
Details	2013	2012	2013	2012
Public sector	3.402	6.470	3.402	6.470
Working capital	2.439.354	2.394.356	2.535.587	2.630.911
Resolution 3844 (formerly Resolution 2770)	-	10.359	-	10.359
Overdraft account	10.503	45.955	10.503	45.955
BNDES/FINAME onlending	844.157	811.184	844.157	811.184
Paycheck deductible loans	18.195	46.650	18.195	46.650
Foreign currency financing	325.108	291.229	325.108	291.229
Export financing	941.550	578.424	941.550	578.424
Direct consumer financing (CDC) - vehicles	40	276	40	276
Buyer financing (Compror)	-	23.589	-	23.589
Subtotal - Loan operations	**4.582.309**	**4.208.492**	**4.678.542**	**4.445.047**
Debtors for purchase of assets(1)	126.038	46.887	126.038	46.887
Advances on foreign exchange contracts and income receivable (2)	578.678	745.717	578.678	745.717
Notes and credits receivable(1)	100.160	-	100.160	-
Credit portfolio	**5.387.185**	**5.001.096**	**5.483.418**	**5.237.651**
Loans for imports	154.639	117.176	154.639	117.176
Guarantees provided	2.806.972	1.598.910	2.806.972	1.598.910
Coobligations in loan assignments	83	18.307	83	18.307
Guarantees provided and responsibilities	**2.961.694**	**1.734.393**	**2.961.694**	**1.734.393**
Notes and credits receivable(1)	30.262	49.451	30.262	49.451
Corporate bonds (3)	518.680	620.838	518.680	620.838
Securities with credit risk	**548.942**	**670.289**	**548.942**	**670.289**
Total expanded portfolio	**8.897.821**	**7.405.778**	**8.994.054**	**7.642.333**

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

b) By maturity:

						Individual
						2013
	Falling due		Overdue		Total	
Term	Amount	%	Amount	%	Amount	%
Up to 3 months	1.663.510	31,17	13.948	27,86	1.677.458	31,14
From 3 to 12 months	1.647.920	30,88	36.106	72,12	1.684.026	31,26
From 1 to 3 years	1.341.428	25,13	11	0,02	1.341.439	24,90
From 3 to 5 years	546.155	10,23	-	-	546.155	10,14
From 5 to 15 years	138.107	2,59	-	-	138.107	2,56
Total credit portfolio	**5.337.120**	**100,00**	**50.065**	**100,00**	**5.387.185**	**100,00**
Up to 3 months	662.674	22,38	280	100,00	662.954	22,38
From 3 to 12 months	1.030.910	34,81	-	-	1.030.910	34,81
From 1 to 3 years	783.414	26,45	-	-	783.414	26,45
From 3 to 5 years	440.694	14,88	-	-	440.694	14,88
From 5 to 15 years	43.722	1,48	-	-	43.722	1,48
Total guarantees provided and responsibilities	**2.961.414**	**100,00**	**280**	**100,00**	**2.961.694**	**100,00**
Up to 3 months	98.163	17,88	-	-	98.163	17,88
From 3 to 12 months	18.328	3,34	25	100,00	18.353	3,34
From 1 to 3 years	161.543	29,43	-	-	161.543	29,43
From 3 to 5 years	188.303	34,30	-	-	188.303	34,30
From 5 to 15 years	82.580	15,05	-	-	82.580	15,05
Total securities with credit risk	**548.917**	**100,00**	**25**	**100,00**	**548.942**	**100,00**
Total expanded portfolio	**8.847.451**		**50.370**		**8.897.821**	

						Consolidated
						2013
	Falling due		Overdue		Total	
Term	Amount	%	Amount	%	Amount	%
Up to 3 months	1.663.510	30,62	13.948	27,86	1.677.458	30,59
From 3 to 12 months	1.649.755	30,36	36.106	72,12	1.685.861	30,74
From 1 to 3 years	1.435.825	26,43	11	0,02	1.435.836	26,19
From 3 to 5 years	546.155	10,05	-	-	546.155	9,96
From 5 to 15 years	138.108	2,54	-	-	138.108	2,52
Total credit portfolio	**5.433.353**	**100,00**	**50.065**	**100,00**	**5.483.418**	**100,00**
Up to 3 months	662.674	22,38	280	100,00	662.954	22,38
From 3 to 12 months	1.030.910	34,81	-	-	1.030.910	34,81
From 1 to 3 years	783.414	26,45	-	-	783.414	26,45
From 3 to 5 years	440.694	14,88	-	-	440.694	14,88
From 5 to 15 years	43.722	1,48	-	-	43.722	1,48
Total guarantees provided and responsibilities	**2.961.414**	**100,00**	**280**	**100,00**	**2.961.694**	**100,00**

(In thousands of reais, unless otherwise stated)

Up to 3 months	98.163	17,88	-	-	98.163	17,88
From 3 to 12 months	18.328	3,34	25	100,00	18.353	3,34
From 1 to 3 years	161.543	29,43	-	-	161.543	29,43
From 3 to 5 years	188.303	34,30	-	-	188.303	34,30
From 5 to 15 years	82.580	15,05	-	-	82.580	15,05
Total securities with credit risk	**548.917**	**100,00**	**25**	**100,00**	**548.942**	**100,00**
Total expanded portfolio	**8.943.684**		**50.370**		**8.994.054**	

						Individual
						2012
	Falling due		Overdue		Total	
Term	Amount	%	Amount	%	Amount	%
Up to 3 months	1.711.931	34,53	43.608	100,00	1.755.539	35,10
From 3 to 12 months	1.542.755	31,12	-	-	1.542.755	30,85
From 1 to 3 years	1.233.057	24,87	-	-	1.233.057	24,66
From 3 to 5 years	369.788	7,46	-	-	369.788	7,39
From 5 to 15 years	99.957	2,02	-	-	99.957	2,00
Total credit portfolio	**4.957.488**	**100,00**	**43.608**	**100,00**	**5.001.096**	**100,00**
Up to 3 months	352.561	21,26	76.070	100,00	428.631	24,71
From 3 to 12 months	578.256	34,87	-	-	578.256	33,34
From 1 to 3 years	184.747	11,14	-	-	184.747	10,65
From 3 to 5 years	502.591	30,31	-	-	502.591	28,98
From 5 to 15 years	40.168	2,42	-	-	40.168	2,32
Total guarantees provided and responsibilities	**1.658.323**	**100,00**	**76.070**	**100,00**	**1.734.393**	**100,00**
Up to 3 months	13.982	2,09	-	-	13.982	2,09
From 3 to 12 months	220.939	32,96	-	-	220.939	32,96
From 1 to 3 years	123.239	18,39	-	-	123.239	18,39
From 3 to 5 years	290.986	43,41	-	-	290.986	43,41
From 5 to 15 years	21.143	3,15	-	-	21.143	3,15
Total securities with credit risk	**670.289**	**100,00**	**-**	**-**	**670.289**	**100,00**
Total expanded portfolio	**7.286.100**		**119.678**		**7.405.778**	

						Consolidated
						2012
	Falling due		Overdue		Total	
Term	Amount	%	Amount	%	Amount	%
Up to 3 months	1.711.931	32,96	43.608	100,00	1.755.539	33,52
From 3 to 12 months	1.542.755	29,70	-	-	1.542.755	29,46
From 1 to 3 years	1.469.612	28,29	-	-	1.469.612	28,06
From 3 to 5 years	369.788	7,12	-	-	369.788	7,06
From 5 to 15 years	99.957	1,92	-	-	99.957	1,91
Total credit portfolio	**5.194.043**	**100,00**	**43.608**	**100,00**	**5.237.651**	**100,00**
Up to 3 months	352.561	21,26	76.070	100,00	428.631	24,71
From 3 to 12 months	578.256	34,87	-	-	578.256	33,34
From 1 to 3 years	184.747	11,14	-	-	184.747	10,65
From 3 to 5 years	502.591	30,31	-	-	502.591	28,98
From 5 to 15 years	40.168	2,42	-	-	40.168	2,32
Total guarantees provided and responsibilities	**1.658.323**	**100,00**	**76.070**	**100,00**	**1.734.393**	**100,00**
Up to 3 months	13.982	2,09	-	-	13.982	2,09
From 3 to 12 months	220.939	32,96	-	-	220.939	32,96
From 1 to 3 years	123.239	18,39	-	-	123.239	18,39
From 3 to 5 years	290.986	43,41	-	-	290.986	43,41
From 5 to 15 years	21.143	3,15	-	-	21.143	3,15
Total securities with credit risk	**670.289**	**100,00**	**-**	**-**	**670.289**	**100,00**
Total expanded portfolio	**7.522.655**		**119.678**		**7.642.333**	

(In thousands of reais, unless otherwise stated)

c) By business activity:

	Individual 2013	Individual 2012	Consolidated 2013	Consolidated 2012
Sugar and ethanol	1.281.232	1.364.824	1.296.102	1.401.287
Civil construction	1.064.605	736.784	1.074.270	758.767
Electric and renewable energy	997.492	561.329	997.492	569.013
Building and engineering - Infrastructure	608.012	454.421	618.110	496.294
Agriculture	588.380	623.455	606.702	652.838
Specialized services	503.896	412.567	507.930	427.225
Metal products	456.704	226.225	461.745	232.530
Transportation and logistics	423.052	391.424	428.479	399.958
Foreign trade	373.042	408.367	373.042	408.367
Chemical and petrochemical	318.765	252.280	318.765	252.280
Vehicles and parts	314.277	285.312	314.277	294.512
Telecommunications	284.174	137.734	293.736	142.492
Beverages and tobacco	276.287	257.278	278.808	270.042
Foodstuffs	224.514	214.095	233.320	228.183
Construction material and decor	222.306	78.218	222.306	93.888
Meat processing	156.737	168.317	156.737	168.317
Financial institution	129.488	215.326	135.540	224.842
Steel products	98.710	6.422	98.710	6.422
Mining	96.487	99.659	96.487	99.659
Retail trade	72.846	35.468	72.846	35.468
Individuals	68.151	53.618	68.151	53.618
Paper and pulp	64.809	75.692	64.809	75.692
Plastic and rubber	45.080	40.433	45.080	40.433
Medical services	37.243	27.742	37.243	27.742
Wholesale trade	36.755	12.282	36.755	12.283
Textiles and clothing	32.595	77.718	34.431	81.393
Information technology	34.219	24.119	34.219	24.119
Water and sanitation	32.888	10.461	32.887	10.461
Mechanics	19.249	34.359	19.249	34.359
Pharmaceuticals and cosmetics	18.510	56.950	18.510	56.950
Electroelectronics	13.830	18.133	13.830	18.133
Leather and footwear	3.486	9.331	3.486	9.331
Communications and printing	-	24.550	-	24.550
Teaching institution	-	10.885	-	10.885
Total expanded portfolio	**8.897.821**	**7.405.778**	**8.994.054**	**7.642.333**

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

								30/6/2013
				Individual				Consolidated
Level	Falling due	Past due	Total	Allowance	Falling due	Past due	Total	Allowance
AA	886.662	-	886.662	-	982.894	-	982.894	-
A	1.573.508	-	1.573.508	7.867	1.573.508	-	1.573.508	7.867
B	2.035.981	11	2.035.992	20.360	2.035.981	11	2.035.992	20.360
C	516.863	2.182	519.045	15.571	516.863	2.182	519.045	15.571
D	164.410	12.238	176.648	17.665	164.410	12.238	176.648	17.665
E	38.804	53	38.857	11.658	38.804	53	38.857	11.658
F	24.560	81	24.641	12.320	24.560	81	24.641	12.320
G	48.735	437	49.172	34.421	48.736	437	49.173	34.421
H	47.597	35.063	82.660	82.660	47.597	35.063	82.660	82.660
Total	**5.337.120**	**50.065**	**5.387.185**	**202.522**	**5.433.353**	**50.065**	**5.483.418**	**202.522**

								30/6/2012
				Individual				Consolidated
Level	Falling due	Past due	Total	Allowance (1)	Falling due	Past due	Total	Allowance (1)
AA	1.158.725	-	1.158.725	-	1.158.725	-	1.158.725	-
a	1.135.276	-	1.135.276	5.676	1.371.831	-	1.371.831	5.779
B	1.919.699	687	1.920.386	45.904	1.919.699	687	1.920.386	45.904
C	553.057	17.987	571.044	35.360	553.057	17.987	571.044	35.360
D	46.318	8.623	54.941	5.494	46.318	8.623	54.941	5.494
E	39.932	375	40.307	12.093	39.932	375	40.307	12.093
F	7.543	102	7.645	3.822	7.543	102	7.645	3.822
G	40.043	2.031	42.074	29.452	40.043	2.031	42.074	29.452
H	56.895	13.803	70.698	70.698	56.895	13.803	70.698	70.698
Total	**4.957.488**	**43.608**	**5.001.096**	**208.499**	**5.194.043**	**43.608**	**5.237.651**	**208.602**

(1) At June 30, 2012, an additional provision was recorded in the amount of R$44,929, of which R$26,700 is B rated and R$18,229 is C rated.

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	232.566	2,61	209.904	2,83	232.566	2,59	209.904	2,75
2nd to 10th	1.428.355	16,05	1.148.997	15,51	1.428.355	15,88	1.148.997	15,03
11th to 20th	1.018.394	11,45	782.857	10,57	1.018.394	11,32	782.866	10,24
21st to 50th	1.775.771	19,96	1.648.101	22,25	1.775.771	19,74	1.648.108	21,57
51st to 100th	1.612.965	18,13	1.458.560	19,69	1.627.333	18,09	1.458.618	19,09
Other borrowers	2.829.770	31,80	2.157.359	29,13	2.911.635	32,38	2.393.840	31,32
Total expanded portfolio	**8.897.821**	**100,00**	**7.405.778**	**100,00**	**8.994.054**	**100,00**	**7.642.333**	**100,00**

(In thousands of reais, unless otherwise stated)

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

	Individual		Consolidated	
	2013	2012	2013	2012
Agricultural	72.661	67.685	90.982	106.036
Housing	25.231	35.625	25.231	35.625
Manufacturing	1.964.030	2.060.926	1.992.748	2.117.221
Commercial	251.379	150.188	255.735	175.827
Financial intermediation	138.197	44.857	144.248	54.372
Other services	6.196.160	4.923.094	6.234.947	5.029.849
Individuals	250.163	123.403	250.163	123.403
Total expanded portfolio	**8.897.821**	**7.405.778**	**8.994.054**	**7.642.333**

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	42.407	40.458
Amount written off	(26.777)	(5.056)
Exchange variation (1)	240	27
Closing balance	**202.522**	**208.499**

	Consolidated	
Details	2013	2012
Opening balance	**188.254**	**173.070**
Additions/Reversals	40.805	40.561
Amount written off	(26.777)	(5.056)
Exchange variation (1)	240	27
Closing balance	**202.522**	**208.602**

(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.

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

	Individual and Consolidated	
Details	2013	2012
Opening balance	**2**	**9.966**
Reversal	(2)	(6.245)
Closing balance(1)	**-**	**3.721**

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

i) Credit assignments

For the period ended June 30, 2013, loans were assigned without coobligation in the amount of R$7,957 to parties not related to the Institution (June 30, 2012 - R$ 78,728). These assignments generated a loss in relation to their face value of R$ 6,805 (June 30, 2012 - R$ 60,946), without discounting the allowance for loan losses in the amount of R$ 6,758 (June 30, 2012 – R$55,651). The results of the assignments are recorded in the "Other operating income/expenses" account". Additionally, contracts previously written off as a loss of R$ 26,242 (June 30, 2012 – R$45,627) were assigned. These assignments generated a gain of R$ 2,910 (June 30, 2012 – R$ 913), recorded in "Loan Operations".

i) Credit recoveries

For the six-month period ended June 30, 2013, credits previously written off as loss were recovered in an amount of R$6,540 (June 30, 2012 - R$2,755).

k) Renegotiation of contracts

At June 30, 20132, renegotiated contracts totaled R$124,767 (June 30, 2012 – R$ 18,902). The original ratings attributed to these contracts were maintained.

8. FOREIGN EXCHANGE PORTFOLIO

	Individual and Consolidated			
	Other receivables		Other payables	
	2013	2012	2013	2012
Exchange purchases pending settlement	705.250	817.635	-	-
Rights on exchange sales	391.589	74.985	-	-
Income receivable	12.549	23.902	-	-
Advances in local currency received	(93)	(2.182)	-	-
Exchange sales pending settlement	-	-	391.768	72.879
Liabilities for exchange purchases	-	-	654.548	722.013
Advances on foreign exchange contracts	-	-	(566.129)	(721.815)
Total	**1.109.295**	**914.340**	**480.187**	**73.077**

(In thousands of reais, unless otherwise stated)

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	1.915	-	1.915	1.539	-	1.539
Advances for payments on our behalf	5.425	-	5.425	3.935	-	3.935
Deferred tax assets (Note 9.b)	83.715	75.579	159.294	110.165	39.983	150.148
Debtors for purchase of assets	40.453	85.585	126.038	18.530	28.357	46.887
Income tax available for offset (Note 16.b)	325	43.442	43.767	11.338	44.061	55.399
Amounts receivable from affiliates	49	-	49	918	-	918
Notes and credits receivable	97.222	33.200	130.422	49.451	-	49.451
Sundry debtors – Brazil and abroad	7.616	-	7.616	2.155	-	2.155
Total	**236.720**	**237.806**	**474.526**	**198.031**	**112.401**	**310.432**

						Consolidated
			2013			2012
	Short-term	Long-term	Total	Short-term	Long-term	Total
Advances and salary prepayments	1.994	-	1.994	1.594	-	1.594
Advances for payments on our behalf	5.461	-	5.461	3.935	-	3.935
Deferred tax assets (Note 9.b)	83.715	75.780	159.495	110.165	40.146	150.311
Debtors for purchase of assets	40.453	85.585	126.038	18.530	28.357	46.887
Income tax available for offset (Note 16.b)	326	45.154	45.480	11.354	44.939	56.293
Notes and credits receivable	97.222	33.200	130.422	49.451	-	49.451
Sundry debtors - Brazil	11.472	-	11.472	11.188	-	11.188
Total	**240.643**	**239.719**	**480.362**	**206.217**	**113.442**	**319.659**

b) Deferred tax assets

At June 30, 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	49.515	29.709	79.224	46.773	28.064	74.837
Adjustment of available-for-sale securities	6.235	3.741	9.976	749	450	1.199
Adjustment of trading securities	948	568	1.516	-	-	-
Credits written off as a loss	12.394	7.437	19.831	7.082	4.249	11.331
Futures market - Law 11196	6.539	3.924	10.463	-	-	-
Allowance for loss on loans assigned with co-obligation	-	-	-	930	558	1.488
Provision for tax risks and contingent liabilities	10.419	6.251	16.670	12.078	7.246	19.324
Tax loss			-	8.053	4.832	12.885
Provision for profit sharing	2.750	1.650	4.400	9.331	5.598	14.929
Provision for adjustment of loan assignments	-	-	-	211	127	338
Provision for lawyers' fees	2.285	1.372	3.657	2.365	1.419	3.784
Provision for equity accounting loss abroad	3.497	2.098	5.595	3.236	1.942	5.178
Provision - FIDC	-	-	-	545	327	872
Provision for Resolution 3921	2.487	1.493	3.980	2.489	1.494	3.983
Provision for devaluation of assets	2.489	1.493	3.982	-	-	-
Total	**99.558**	**59.736**	**159.294**	**93.842**	**56.306**	**150.148**

						Consolidated
			2013			2012
Deferred tax assets	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Allowance for loan losses	49.515	29.709	79.224	46.773	28.064	74.837
Adjustment of available-for-sale securities	6.235	3.741	9.976	749	450	1.199
Adjustment of trading securities	948	568	1.516	-	-	-
Credits written off as a loss	12.394	7.437	19.831	7.082	4.249	11.331
Futures market - Law 11196	6.539	3.924	10.463	-	-	-
Allowance for loss on loans assigned with co-obligation	-	-	-	930	558	1.488
Provision for tax risks and contingent liabilities	10.545	6.326	16.871	12.180	7.307	19.487
Tax loss				8.053	4.832	12.885
Provision for profit sharing	2.750	1.650	4.400	9.331	5.598	14.929
Provision for adjustment of loan assignments	-	-	-	211	127	338
Provision for lawyers' fees	2.285	1.372	3.657	2.365	1.419	3.784
Provision for equity accounting loss abroad	3.497	2.098	5.595	3.236	1.942	5.178
Provision - FIDC	-	-	-	545	327	872
Provision for Resolution 3921	2.487	1.493	3.980	-	-	-
Provision for devaluation of assets	2.489	1.493	3.982	2.489	1.494	3.983
Total	**99.684**	**59.811**	**159.495**	**93.944**	**56.367**	**150.311**

(In thousands of reais, unless otherwise stated)

						Individual
			2013			2012
Deferred tax liabilities	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Mark-to-market adjustment of derivative financial instruments	33.415	20.049	53.464	24.800	14.880	39.680
Adjustment of trading securities	-	-	-	8.531	5.119	13.650
Asset adjustment of judicial deposits	594	357	951	366	219	585
Futures market - Law 11196	-	-	-	12.559	7.536	20.095
Income from renegotiation	1.394	836	2.230	-	-	-
Adjustment of unrestricted notes	2.360	1.416	3.776	-	-	-
Total (Note 15.b)	**37.763**	**22.658**	**60.421**	**46.256**	**27.754**	**74.010**

						Consolidated
			2013			2012
Deferred tax liabilities	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Mark-to-market adjustment of derivative financial instruments	33.415	20.049	53.464	24.800	14.880	39.680
Adjustment of trading securities	-	-	-	8.531	5.119	13.650
Asset adjustment of judicial deposits	613	369	982	384	229	613
Futures market - Law 11196	-	-	-	12.559	7.536	20.095
Income from renegotiation	1.394	836	2.230	-	-	-
Adjustment of unrestricted notes	2.360	1.416	3.776	-	-	-
Total (Note 15.b)	**37.782**	**22.670**	**60.452**	**46.274**	**27.764**	**74.038**

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	55.679	72.598	55.706	72.777
Amount reversed	(39.437)	(64.320)	(39.527)	(64.467)
Closing balance	**159.294**	**150.148**	**159.495**	**150.311**

		Individual		Consolidated
Deferred tax liabilities	2013	2012	2013	2012
Opening balance	**51.656**	**46.517**	**51.685**	**46.540**
Amount recorded	33.301	68.734	33.309	68.885
Amount reversed	(24.536)	(41.241)	(24.542)	(41.387)
Closing balance	**60.421**	**74.010**	**60.452**	**74.038**

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	52.322	31.393	83.715	52.322	31.393	83.715
From 1 to 2 years	11.869	7.121	18.990	11.869	7.121	18.990
From 2 to 3 years	9.644	5.787	15.431	9.644	5.787	15.431
From 3 to 4 years	8.323	4.994	13.317	8.323	4.994	13.317
From 4 to 5 years	2.244	1.346	3.590	2.244	1.346	3.590
From 5 to 10 years	15.156	9.095	24.251	15.282	9.170	24.452
Total	**99.558**	**59.736**	**159.294**	**99.684**	**59.811**	**159.495**

			Individual			Consolidated
			2013			2013
Deferred tax liabilities	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Up to 1 year	3.117	1.870	4.987	3.117	1.870	4.987
From 1 to 2 years	6.455	3.873	10.328	6.455	3.873	10.328
From 2 to 3 years	7.404	4.442	11.846	7.404	4.442	11.846
From 3 to 4 years	11.105	6.663	17.768	11.105	6.663	17.768
From 4 to 5 years	1.548	929	2.477	1.548	929	2.477
From 5 to 10 years	8.134	4.881	13.015	8.153	4.893	13.046
Total	**37.763**	**22.658**	**60.421**	**37.782**	**22.670**	**60.452**

10. INVESTMENTS

a) Investments in associated and subsidiary companies

							2013
	Pine Planejamento (2)	Pine Ass. em Comercial.(3)	Pine Investimentos	Pine Comerc. Energia Eletr. (3)	Pine Assessoria(1)	Pine Corretora(1)	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	60	13.385	77.400	500	500	
Equity	14.862	47	39.194	82.114	35.575	237	
Net income for the six-month period	10.744	(6)	1.120	1.685	66	4	13.613
Investment amount	14.861	5	39.194	82.114	35.575	237	171.986
Equity in the results of investee	10.744	(1)	1.120	1.685	66	4	13.618

(In thousands of reais, unless otherwise stated)

	Pine Ass. em Comercial.(3)	Pine Investimentos	Pine Comerc. Energia Eletr. (3)	Pine Assessoria(1)	Pine Corretora(1)	Total 2012
Holding - %	10,00	99,9998	100,00	99,9998	99,9998	
Number of shares held	1.000	892.298	77.400	500	500	
Capital	10	13.385	77.400	1	1	
Equity	10	36.330	80.771	21.708	1.229	
Net income for the six-month period	-	4.031	176	20.095	€ 1.215,00	25.517
Investment amount	-	36.330	80.771	21.708	1.229	140.038
Equity in the results of investee	-	4.031	176	20.095	1.215	25.517

(1) Pine Assessoria e Consultoria Ltda. and Pine Corretora de Seguros Ltda. were constituted on December 12, 2011. Their 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 a stake of 0.01% and the Institution with a 99.99% stake.

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

b) Other Investments

The institution has the value of R$ 65,695 which corresponds to investment in land for development of real estate projects that are registered iat IRE VII Desenvolvimento Imobiliário.

11. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

a) Property and equipment in use

		Individual			Consolidated		2013
	Annual depreciation - %	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Facilities	20	10.577	(9.875)	702	10.577	(9.875)	702
Furniture and equipment in use	10	3.161	(1.592)	1.569	3.161	(1.592)	1.569
Communications system	10	1.426	(793)	633	1.429	(793)	636
Data processing system	10	1.162	(906)	256	1.162	(906)	256
Security system	10	32	(20)	12	32	(20)	12
Aircraft	10	24.083	(2.007)	22.076	24.083	(2.007)	22.076
Transport system	20	2.305	(540)	1.765	2.305	(540)	1.765
Total		**42.746**	**(15.733)**	**27.013**	**42.749**	**(15.733)**	**27.016**

		Individual			Consolidated		2012
	Annual depreciation - %	Cost	Annual depreciation	Net amount	Cost	Annual depreciation	Net amount
Facilities	20	10.237	(7.984)	2.253	10.237	(7.984)	2.253
Furniture and equipment in use	10	2.831	(1.340)	1.491	2.831	(1.340)	1.491
Communications system	10	1.396	(685)	711	1.398	(685)	713
Data processing system	10	911	(835)	76	911	(835)	76
Security system	10	31	(18)	13	31	(18)	13
Transport system	20	2.132	(493)	1.639	2.133	(494)	1.639
Total		**17.538**	**(11.355)**	**6.183**	**17.541**	**(11.356)**	**6.185**

b) Intangible assets

		Individual			Consolidated		2013
	Annual amortization - %	Cost	Annual amortization	Net amount	Cost	Annual amortization	Net amount
Expense for acquisition and development of software	€ 10,00	9.468	(7.830)	1.638	9.533	(7.895)	1.638
Total		**9.468**	**(7.830)**	**1.638**	**9.533**	**(7.895)**	**1.638**

		Individual			Consolidated		2012
	Annual amortization - %	Cost	Annual amortization	Net amount	Cost	Annual amortization	Net amount
Expense for acquisition and development of software	€ 10,00	9.254	(6.949)	2.305	9.720	(7.387)	2.333
Total		**9.254**	**(6.949)**	**2.305**	**9.720**	**(7.387)**	**2.333**

12. DEPOSITS

a) Analysis by maturity:

	Individual			Consolidated		2013
	Demand deposits	Time deposits	Interbank deposits	Demand deposits	Time deposits	Interbank deposits
No stated maturity	19.138	-	-	18.811	-	-
Up to 30 days	-	415.872	46.620	-	415.872	46.620
From 31 to 60 days	-	194.896	18.842	-	182.607	18.842
From 61 to 90 days	-	423.754	40.750	-	423.754	40.750
From 91 to 180 days	-	459.725	1.215	-	457.542	1.215
From 181 to 360 days	-	478.946	1.119	-	458.071	1.119
More than 360 days	-	1.309.049	6.651	-	1.169.575	1.614
Total	**19.138**	**3.282.242**	**115.197**	**18.811**	**3.107.421**	**110.160**

(In thousands of reais, unless otherwise stated)

						2012
	Individual					Consolidated
	Demand deposits	Time deposits	Interbank deposits	Demand deposits	Time deposits	Interbank deposits
No stated maturity	32.991	-	-	32.708	-	-
Up to 30 days	-	232.420	2.082	-	232.420	2.082
From 31 to 60 days	-	262.931	56.243	-	262.931	56.243
From 61 to 90 days	-	218.011	10.401	-	218.011	10.401
From 91 to 180 days	-	365.546	53.959	-	360.252	41.151
From 181 to 360 days	-	630.183	38.629	-	609.618	38.629
More than 360 days	-	1.592.259	45.587	-	1.492.253	45.552
Total	**32.991**	**3.301.350**	**206.901**	**32.708**	**3.175.485**	**194.058**

b) Analysis by market segment:

						2013
			Individual			Consolidated
	Demand deposits	Time deposits	Interbank deposits	Demand deposits	Time deposits	Interbank deposits
Manufacturing, commercial and services	18.261	952.925	-	18.261	952.925	-
Related companies	327	162.532	5.037	-	-	-
Individuals	550	17.366	-	550	17.366	-
Financial institutions and investment funds	-	2.149.419	110.160	-	2.137.130	110.160
Total	**19.138**	**3.282.242**	**115.197**	**18.811**	**3.107.421**	**110.160**

						2012
			Individual			Consolidated
	Demand deposits	Time deposits	Interbank deposits	Demand deposits	Time deposits	Interbank deposits
Manufacturing, commercial and services	32.549	1.129.028	-	32.549	1.129.028	-
Related companies	283	125.866	12.843	-	-	-
Individuals	159	36.206	-	159	36.207	-
Financial institutions and Investment funds	-	2.010.250	194.058	-	2.010.250	194.058
Total	**32.991**	**3.301.350**	**206.901**	**32.708**	**3.175.485**	**194.058**

13. FUNDS OBTAINED IN THE OPEN MARKET

		Individual		Consolidated
	2013	2012	2013	2012
Own portfolio				
National Treasury Bills (LTN)	739.690	773.637	739.690	773.637
Federal Treasury Notes (NTN)	101.780	450.048	101.780	450.048
Debentures	213.400	39.368	-	39.368
Subtotal	**1.054.870**	**1.263.053**	**841.470**	**1.263.053**
Third-party portfolio				
LTN	45.008	-	45.008	-
Debentures			213.400	-
Subtotal	**45.008**	**-**	**258.408**	**-**
Unrestricted portfolio				
LTN	145.431	-		
NTN			145.431	-
Subtotal	**145.431**	**-**	**145.431**	**-**
Funds obtained in the open market	**1.245.309**	**1.263.053**	**1.245.309**	**1.263.053**

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$274 at June 30, 2013 (June 30, 2012 - R$174 in the Individual and Consolidated).

15. OTHER LIABILITIES

a) Collection and payment of taxes and similar:

At June 30, 2013, this balance consists of the tax on financial transactions (IOF) payable in the amount of R$530 (June 30, 2012 – R$ 1,698).

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	116	-	116	126	-	126
Taxes and contributions on salaries	2.213	-	2.213	2.313	-	2.313
Taxes and contributions on income	-	-	-	2.079	-	2.079
Service tax (ISS)	237	-	237	262	-	262
Withholding income tax (IRRF)	1.130	-	1.130	1.198	-	1.198
Social Integration Program (PIS) and Social Contribution on Revenues (COFINS) payabl	189	-	189	221	-	221
Provision for deferred income tax (IR) and social contribution (CS) (Note 09)	4.987	55.434	60.421	4.987	55.465	60.452
Provision for tax risks (Note 16 .b e c)	-	35.504	35.504	-	36.076	36.076
Total	**8.872**	**90.938**	**99.810**	**11.186**	**91.541**	**102.727**

(In thousands of reais, unless otherwise stated)

						2012
			Individual			Consolidated
	Short-term	Long-term	Total	Short-term	Long-term	Total
Taxes and contributions on third-party services	140	-	140	141	-	141
Taxes and contributions on salaries	2.067	-	2.067	2.142	-	2.142
Income tax	-	-	-	2.640	-	2.640
Social contribution	-	-	-	1.323	-	1.323
ISS	286	-	286	832	-	832
IRRF	308	-	308	469	-	469
IRRF – on interest on own capital	759	-	759	759	-	759
PIS and COFINS payable	229	-	229	647	-	647
Provision for IR and CS (Note 09)	21.946	52.064	74.010	21.946	52.092	74.038
Provision for tax risks (Note 16.b and c)	-	33.237	33.237	-	33.710	33.710
Total	**25.735**	**85.301**	**111.036**	**30.899**	**85.802**	**116.701**

c) Sundry

						2013
			Individual			Consolidated
	Short-term	Long-term	Total	Short-term	Long-term	Total
Provision for personnel expenses	19.567	-	19.567	19.891	-	19.891
Cashier's checks	5.231	-	5.231	5.231	-	5.231
Provision for contingent liabilities- civil (Note 16.d)	-	13.165	13.165	-	13.165	13.165
Provision for contingent liabilities - labor (Note 16.d)	-	2.409	2.409	-	2.441	2.441
Provision - FIDC	-	-	-	-	4.929	4.929
Other administrative expenses	3.340	9.142	12.482	3.389	9.142	12.531
Sundry debtors – Brazil and abroad	2.652	-	2.652	14.191	-	14.191
Total	**30.790**	**24.716**	**55.506**	**42.702**	**29.677**	**72.379**

						2012
			Individual			Consolidated
	Short-term	Long-term	Total	Short-term	Long-term	Total
Provision for personnel expenses	44.766	-	44.766	45.071	-	45.071
Cashier's checks	3.721	-	3.721	3.721	-	3.721
Provision for contingent liabilities- civil (Note 16.d)	-	18.231	18.231	-	18.231	18.231
Provision for contingent liabilities - labor (Note 16.d)	-	5.432	5.432	-	5.432	5.432
Provision for losses - assignment with coobligation (Note 28.a)	-	3.721	3.721	-	3.721	3.721
Provision - FIDC	-	2.180	2.180	-	2.180	2.180
Other administrative expenses	2.662	9.460	12.122	2.772	9.460	12.232
Sundry creditors - local	2.331	-	2.331	2.488	-	2.488
Total	**53.480**	**39.024**	**92.504**	**54.052**	**39.024**	**93.076**

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

a) Contingent assets

There were no contingent assets at June 30, 2013 and 2012.

b) Legal obligations - taxes and social security

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

PIS: R$34,421 – Individual - R$34,985 - Consolidated (June 30, 2012 – R$29,138 – Individual - R$29,603 – Consolidated) the Institution and Pine Investimentos filed legal proceedings designed to suspend the provisions of Article 3, paragraph 1, of Law 9718/1998, which changed the calculation base of PIS and COFINS so that they are levied on all corporate revenues. 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 this tax. The injunction filed by Banco Pine received a partially favorable ruling and the appeal lodged by the Federal Government was dismissed. Currently awaiting judgment of the admissibility of the Special and Extraordinary Appeals filed by the Federal Government.

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

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

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

(In thousands of reais, unless otherwise stated)

In this respect, the Institution will file a request for proof of claim at the Brazilian Federal Revenue authority (RFB), regarding COFINS which was overpaid during the period from June 2000 to April 2005, in the historical amount of R$15,679 in the Individual and R$ 15,872 on a Consolidated basis, which adjusted for inflation, based on the variation in the SELIC rate up to September 30, 2013, totaled R$ 34,023 (June 30, 2012 – R$ 33,910) in the Individual and R$ 34,459 (June 30, 2012 – R$ 34,330) on a Consolidated basis. Based on the final and unappealable sentence and the administrative procedure filed at the RFB, a corresponding tax credit was recognized in "Other receivables – Tax recoverable", as a counter entry to the “Other operating income” account.

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

	Individual				Consolidated			
	Provision		Judicial deposits		Provision		Judicial deposits	
	2013	2012	2013	2012	2013	2012	2013	2012
Social integration program (PIS)	34.421	29.138	34.394	29.447	34.985	29.603	34.954	29.899
Social contribution on revenues(COFINS)	-	-	164.108	156.134	-	-	165.033	157.011
Total	**34.421**	**29.138**	**198.502**	**185.581**	**34.985**	**29.603**	**199.987**	**186.910**

c) Contingencies classified as probable are regularly provided for and for the six-month periods ended June 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	1.083	4.099	2.144	2.039	1.091	4.107	2.422	2.304
Labor contingencies	2.409	5.432	553	518	2.441	5.432	553	518
Civil contingencies	13.165	18.231	1.762	1.808	13.165	18.231	1.762	1.808
Total	**16.657**	**27.762**	**4.459**	**4.365**	**16.697**	**27.770**	**4.737**	**4.630**

d) 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)	(7.682)	(2.371)	(5.702)	(15.755)	2.961	(2.021)	1.698	2.638
Adjustments	1.130	115	569	1.814	1.079	329	508	1.916
Closing balance	**35.504**	**2.409**	**13.165**	**51.078**	**33.237**	**5.432**	**18.231**	**56.900**

	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)	(7.660)	(2.369)	(5.702)	(15.731)	3.039	(2.021)	1.698	**2.716**
Adjustments	1.145	145	569	1.859	1.097	329	508	**1.934**
Closing balance	**36.076**	**2.441**	**13.165**	**51.682**	**33.710**	**5.432**	**18.231**	**57.373**

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

Labor: At June 30, 2013, the Institution had no labor claims classified as possible.

Civil: At June 30, 2013, the Institution had no civil claims classified as possible (June 30, 2012 – R$1,824).

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	54.636	169.157	337.585	171.666	129.059	862.103
Foreign borrowing transactions	540.508	549.072	-	-	66.468	1.156.048
Total	**595.144**	**718.229**	**337.585**	**171.666**	**195.527**	**2.018.151**

	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)	-	-	71.803	-	-	71.803
Local onlendings – official institutions	54.636	169.157	337.585	171.666	129.059	862.103
Foreign borrowing transactions	540.508	549.072	-	-	66.468	1.156.048
Total	**595.144**	**718.229**	**409.388**	**171.666**	**195.527**	**2.089.954**

	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	-	338.805	251.986	136.703	85.440	812.934
Operações de Foreign onlending transactions do exterior	7.163	10.249	-	60.621	-	78.033
Foreign borrowing transactions	429.349	873.404	-	-	-	1.302.753
Total	**436.512**	**1.222.458**	**251.986**	**197.324**	**85.440**	**2.193.720**

(In thousands of reais, unless otherwise stated)

						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)	-	-	-	177.011	-	177.011
Local onlendings – official institutions	-	338.805	251.986	136.703	85.440	812.934
Foreign onlending transactions	7.163	10.249	-	60.621	-	78.033
Foreign borrowing transactions	429.349	873.404	-	-	-	1.302.753
Total	**436.512**	**1.222.458**	**251.986**	**374.335**	**85.440**	**2.370.731**

(1) At June 30, 2013, senior shares of the FIDC amounted to R$71,803 (June 30, 2012 – R$177,011).

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)	6.919	17.606	5.070	-	-	29.595
Agribusiness letters of credit (LCA)	188.586	114.929	11.822	-	-	315.337
Financial bills (LF)	-	346.152	270.411	16.669	4.911	638.143
Total	**195.505**	**478.687**	**287.303**	**16.669**	**4.911**	**983.075**

						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
LCI	2.392	11.478	5.543	-	-	19.413
LCA	243.880	141.651	23.482	-	-	409.013
LF	-	5.227	320.415	1.037	1.573	328.252
Total	**246.272**	**158.356**	**349.440**	**1.037**	**1.573**	**756.678**

b) Securities issued abroad

These are funds obtained through the global fixed-rate note program which, at June 30, 2013, amount to R$240,972 (June 30, 2012 - R$251,240), 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$6,047 (June 30, 2012 - R$11,037) maturing up to 2014.

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

				Individual and Consolidated	
Original tranche – US$	Issuance currency	Interest rate	Final maturity	2013	2012
4.091	US$	2.0% p.a. + LIBOR	Jun/2014	6.047	11.037
8.000	US$	1.85% p.a. + LIBOR	Nov/2014	13.328	20.272
9.394	US$	2.2% p.a. + LIBOR	Oct/2013	10.458	28.632
1.044	US$	8.7% p.a. + LIBOR	Jan/2017	2.412	2.201
39.333	US$	3.0% p.a. + LIBOR	Jan/2014	13.505	149.122
25.000	US$	4.2% p.a. + LIBOR	Apr/2022	55.886	51.013
73.000	CLP	6.0% p.a. + Var. UF	Dec/2017	145.383	-
Total				**247.019**	**262.277**
Current				**(43.346)**	**(170.399)**
Total long-term liabilities				**203.673**	**91.878**

The Institution is required to comply with certain financial covenants related to the maintenance of specific performance, liquidity and debt ratios tied to financing agreements in the amount of R$10,458 (FMO-Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.), which if not met could cause settlement to be accelerated. Further, the Institution has lines with certain multilateral bodies (IFC - International Finance Corporation and IDB - Inter-American Development Bank) which guarantee the Institution's loans in the amount of US$130,000 (R$288,028 based on the US dollar ptax rate at June 30, 2013). At June 30, 2013, Banco Pine was using the amount of US$40,356 (R$89,413 based on the US dollar ptax rate at June 30, 2013)", and was compliant with the performance indexes.

19. SUBORDINATED DEBT

					Individual and Consolidated	
	Issuance	Maturity	Amount	Interest rate	2013	2012
Fixed rate notes	Public	6/1/2017	US$125,000	8.75% p.a.	290.180	264.796
Fixed rate notes	Private	29/12/2016	US$15,000	9.33% p.a.	-	30.314
Financial bills	Private	6/12/2021	R$45,152	141.45% of CDI	51.322	48.137
Total					**341.502**	**343.247**

20. EQUITY

a) Capital

Pursuant to the bylaws, subscribed and paid-up capital totals R$967,048 and comprises 110,842,313 (June 30, 2012 – 98,852,774) registered shares, of which 58,444,889 (June 30, 2012 – 51,886,766) are common shares and 52,397,424 (June 30, 2012 – 46,966,008) are preferred shares with no par value. The Institution is authorized to increase its capital, without the necessity of any amendment to the bylaws, by up to a further 100,000,000 common or preferred shares, all of which shall be nominative, book-entry and with no par value, by decision of the Board of Directors.

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

(In thousands of reais, unless otherwise stated)

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.

c) Revenue reserve

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

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

Statutory reserve – Pursuant to Law 11638/07, the bylaws may constitute other reserves, provided that their purpose, the percentage of net income to be appropriated thereto and the maximum amount to be maintained in each such reserve is specified. The appropriation of funds to these reserves should not be approved to the detriment of the mandatory dividend. The Institution recorded a statutory reserve of 100% of its net income, in the amount of R$20.005, after the appropriation of 5% to the legal reserve of R$4,211, the deduction of the payment of interest on own capital of R$30,696 and dividends in the amount of R$29,304, to maintain the Institution's operating margin compatible with its asset transactions.

d) Dividends and interest on own capital

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

In accordance with the provisions of Law 9249/95, interest on own capital was accrued and declared, calculated based on the variation in the long-term interest rate (TJLP) for the period. This interest on own capital decreased the expense for income tax and social contribution for the six-month period ended June 30, 2013 by R$18,418 (June 30, 2012 – R$12,003).

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

Details	Release date	Payment Date	Amount per share (gross)	Total amount (gross)	Amount per share (Net of IR)	Total amount (net)
Interest on own capital	28/6/2013	12/7/2013	0,1433	15.719	0,1218	13.361
Interest on own capital	21/3/2013	10/4/2013	0,1389	14.977	0,1181	12.730
Dividends	28/6/2013	12/7/2013	0,1302	14.281	-	-
Dividends	21/3/2013	10/4/2013	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$ 20.919 (June 30, 2012 – R$14,189) is classified in a specific equity account.

We present below the reconciliation of dividends and interest on own capital for the six-month periods ended June 30, 2013 and 2012:

	2013	2012
Net income	84.216	92.070
Legal reserve	(4.211)	(4.603)
Calculation base	**80.005**	**87.467**
Interest on own capital	30.696	30.008
Withholding tax – IRRF (15%)	(4.604)	(4.501)
Prepaid dividends	29.304	9.992
Amount proposed	**55.396**	**35.499**
% of calculation base	69,24%	40,59%

e) Treasury shares

At a meeting of the Board of Directors on September 16, 2011, authorization was given for the acquisition of up to 2,154,011 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, 713,395 shares were repurchased in the amount of R$9,588 at an average cost of 13.44. The authorization was effective up to August 31, 2012.

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 June 30, 2013, 1,296,149 of the Institution’s own preferred shares were held in treasury in the amount of R$16,273 (June 30, 2012 – R$1,557). The market value of these shares corresponded to R$15,554 (June 30, 2012 – R$ 1,591).

(In thousands of reais, unless otherwise stated)

f) Carrying value adjustments

	Individual and Consolidated	
	2013	2012
Available-for-sale financial assets	**(24.940)**	**(2.997)**
Marketable securities	(24.940)	(2.997)
Other	**77**	**87**
Income tax	**9.977**	**1.199**
Total	**(14.886)**	**(1.711)**

21. STATEMENT OF OPERATIONS

a) Loan operations

				Consolidated
	2013	2012	2013	2012
Advance to depositors	203	616	203	616
Income from loans	146.289	182.957	154.536	203.917
Profit from loan assignments	990	-	990	-
Income from financing	84.883	79.462	84.659	79.462
Income from financing – foreign currency	10.066	11.740	10.066	11.740
Total	**242.431**	**274.775**	**250.454**	**295.735**

b) Results of securities transactions

	Individual		Consolidated	
	2013	2012	2013	2012
Income from (expense for) transactions with fixed-income securities (FIDC)	(1.039)	9.992	-	-
Income from transactions with fixed-income securities	185.964	277.452	190.431	281.704
Expense for transactions with fixed-income securities	(61.492)	(2.818)	(61.495)	(3.012)
Total	**123.433**	**284.626**	**128.936**	**278.692**

c) Funds obtained in the market

	Individual		Consolidated	
	2013	2012	2013	2012
Expenses for interbank deposits	4.149	8.759	3.910	7.952
Expenses for time deposits	135.699	172.598	130.863	167.492
Expenses for purchase and sale commitments	52.917	92.968	55.700	92.968
Expense for (income from) securities issued abroad	56.563	55.080	55.563	55.080
Expenses for contribution to credit guarantee fund	8.073	9.286	8.073	9.286
Expenses for agribusiness letters of credit	11.191	14.663	11.191	14.663
Expenses for financial bills	26.820	9.934	26.820	9.934
Expenses for real estate letters of credit	494	602	494	602
Total	**295.906**	**363.890**	**293.614**	**357.977**

d) Borrowings and onlendings

	Individual		Consolidated	
	2013	2012	2013	2012
Expenses for onlendings (BNDES)	17.800	19.271	17.800	19.271
Expenses for foreign onlendings – Resolution 3844	146	2.658	146	2.658
Expenses for payables to foreign bankers	73.017	70.038	73.017	70.038
Expenses for (income from) foreign borrowings	976	1.895	976	1.895
Expenses for local loans - FIDC	-	-	4.144	12.345
Total	**91.939**	**93.862**	**96.083**	**106.207**

e) Income from services rendered

	Individual		Consolidated	
	2013	2012	2013	2012
Credit facility fee	15.055	6.826	15.055	6.826
Commission for guarantees	18.160	14.270	18.160	14.270
Commission for intermediary services	8.740	2.785	25.232	36.043
Other	21	525	193	2.363
Total	**41.976**	**24.406**	**58.640**	**59.502**

f) Personnel expenses

	Individual		Consolidated	
	2013	2012	2013	2012
Salaries	27.991	28.437	29.141	29.490
Benefits	4.172	3.713	4.341	3.794
Social charges	9.282	9.664	9.663	10.030
Directors` fees	484	425	493	433
Training	136	314	142	315
Interns	195	240	212	253
Total	**42.260**	**42.793**	**43.992**	**44.315**

(In thousands of reais, unless otherwise stated)

g) Other administrative expenses

	Individual		Consolidated	
	2013	2012	2013	2012
Water, electricity and gas	231	204	234	208
Rents	4.477	3.892	4.538	3.996
Leased assets	498	1.646	498	1.646
Communications	1.756	1.805	1.756	1.812
Charitable contributions	18	30	18	30
Maintenance and repair of assets	953	882	956	884
Materials	75	80	75	80
Data processing	4.215	4.173	4.233	4.199
Promotions and public relations	477	851	480	855
Publicity and advertising	654	770	654	770
Publications	504	540	560	601
Insurance	67	118	67	120
Financial system services	7.413	6.363	7.547	6.643
Third-party services	1.665	2.823	1.805	3.186
Surveillance and security services	2.314	1.170	2.314	1.170
Specialized technical services	5.903	6.920	6.089	7.066
Transportation	716	810	725	822
Travel	1.282	1.246	1.402	1.318
Other administrative expenses	7.769	6.121	7.853	6.164
Amortization and depreciation	3.048	1.898	3.048	1.948
Total	**44.035**	**42.342**	**44.852**	**43.518**

h) Tax expenses

	Individual		Consolidated	
	2013	2012	2013	2012
Service tax (ISS)	2.038	1.336	2.878	3.094
Social contribution on revenues(COFINS)	1.631	1.069	2.212	2.268
Social integration program (PIS)	1.584	1.299	1.714	1.555
Other	442	1.268	609	1.276
Total	**5.695**	**4.972**	**7.413**	**8.193**

i) Other operating income

	Individual		Consolidated	
	2013	2012	2013	2012
Recovery of charges and expenses	755	181	759	176
Indexation	1.410	1.943	1.438	1.978
Reversal of provision for credit assignment with coobligation	1	6.245	1	6.245
Reversal of provision for guarantees	-	15.178	-	15.178
Adjustment of judicial deposits	3.813	5.406	3.836	5.438
Reversal of provision for tax risks	458	-	458	-
Reversal of provision for labor risks	2.129	-	2.129	-
Reversal of provision for civil processes	4.674	-	4.674	
Reversal of provision for FIDC	1.602	-	1.602	
Other operating income	1.298	8.928	308	3.335
Total	**16.140**	**37.881**	**15.205**	**32.350**

j) Other operating expenses

	Individual		Consolidated	
	2013	2012	2013	2012
Labor and civil proceedings	98	2.350	128	2.350
Indexation expense	-	143	-	160
Charges on loans assigned	835	1.562	835	1.562
Reversal/provision for transfer of assignments	-	(528)	-	(528)
Expenses for assignment (1)	6.811	61.462	6.811	61.462
Provision for FIDC	-	2.180	4.929	2.180
Exchange variation – investment abroad	-	(10)	-	(10)
Other operating expenses	2.951	1.021	3.042	1.122
Total	**10.695**	**68.180**	**15.745**	**68.298**

(3) R$6,805 (June 30, 2012 – R$60,946) comprises loss on loan assignments without coobligation, as described in Note 7.i)

k) Non-operating income (expense)

For the six-month period ended June 30, 2013, the amount of R$5,026 in the Individual and in the Consolidated (June 30, 2012 - R$4,326 in the Individual and R$ 4,318 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.	91.684	113.429	95.427	119.176
Interest on own capital	(30.696)	(30.008)	(30.696)	(30.008)
Income before taxes on income	**60.988**	**83.421**	**64.731**	**89.168**
Current rate	40%	40%	40%	40%
Expected expense for IRPJ and CSLL, based on current tax rate	(24.395)	(33.368)	(25.892)	(35.667)
Temporary differences	(5.564)	24.529	(5.500)	24.557
Effects of income tax and social contribution on temporary differences	5.311	(20.869)	5.246	(20.841)
Other adjustments	17.397	8.349	14.935	4.845
Income tax and social contribution	**(7.251)**	**(21.359)**	**(11.211)**	**(27.106)**
Of which:				
Current taxes	(12.779)	(490)	(16.457)	(6.265)
Deferred taxes	5.311	(20.869)	5.246	(20.841)
Expense recorded	**(7.468)**	**(21.359)**	**(11.211)**	**(27.106)**

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 six-month period ended June 30, 2013, variable remuneration was determined in the amount of R$6,545, 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	4.364	3.866
Variable compensation	6.594	11.050
Short-term benefits	1.519	818
Total	**12.477**	**15.734**

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 six-month period ended June 30, 2013, compensation in the amount of R$23 (June 30, 2012 – R$814) 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	**24.913**	**84.868**	**(894)**	**9.992**
Pine Crédito Privado - FIDC	12.442	84.868	(1.039)	9.992
IRE VII Desenvolvimento Imobiliário Ltda	12.471	-	145	-
Demand deposits	**449**	**306**	**-**	**-**
Pine Investimentos	298	267	-	-
Pine Comercializadora de Energia Elétrica	-	7	-	-
Pine Corretora	4	5	-	-
Pine Assessoria	6	3	-	-
Pine Assessoria em Comercialização de Energia	6	2	-	-
Pine Planejamento Ltda	7	-	-	-
Directors and immediate family(1)	128	22	-	-
Interbank deposits	**5.037**	**12.844**	**(239)**	**(807)**
Pine Investimentos	5.037	12.844	(239)	(807)
Time deposits	**174.240**	**137.453**	**(6.542)**	**(5.198)**
Pine Investimentos	29.025	20.605	(994)	(749)
Pine Comercializadora de Energia Elétrica	82.441	81.206	(2.976)	(3.953)
Pine Corretora	228	568	(8)	(33)
Pine Assessoria	35.912	23.478	(1.258)	(371)
Pine Assessoria em Comercialização de Energia	41	8	(1)	-
Pine Planejamento Ltda	14.885	-	(347)	-
Directors and immediate family(1)	11.708	11.588	(958)	(92)

(1) These amounts are not consolidated.

c) Capital ownership

The following table presents the direct investment in common and preferred shares, at June 30, 2013 and 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	52,73
Board of Directors	-	-	3.243.868	6,19	3.243.868	2,93
Executive Officers	-	-	2.791.290	5,33	2.791.290	2,52
Total	**58.444.889**	**100,00**	**21.446.021**	**40,93**	**79.890.910**	**58,18**

						2012
shares	Common shares	Common shares(%)	Preferred shares	Preferred shares (%)	Total shares	Total shares (%)
Individuals	51.886.766	100,00	15.595.863	33,21	67.482.629	68,27
Board of Directors	-	-	3.007.439	6,40	3.007.439	3,04
Executive Officers	-	-	2.083.458	4,44	2.083.458	2,11
Total	**51.886.766**	**100,00**	**20.686.760**	**44,05**	**72.573.526**	**73,42**

24. COMMITMENTS, GUARANTEES AND OTHER INFORMATION

	2013	2012
Sureties and guarantees	2.806.972	1.598.910
Credit assignment with coobligation	83	18.307
Letter of credit	154.639	117.176
Total	**2.961.694**	**1.734.393**

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.

For the six-month period ended June 30, 2013, the amount of this contribution was R$188 (June 30, 2012 – R$162).

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.

(In thousands of reais, unless otherwise stated)

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.

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 June 30, 2013:

		Sensitivity analysis		
		2013		
		Scenarios		
Risk Factor	**Exposure**	**Probable(I)**	**Possible (II)**	**Remote (III)**
Fixed interest rate (PRE)	Fixed interest rate variations	655	(7.076)	(14.151)
General Market Price index (IGPM)	IGPM coupon variations	229	(392)	(785)
Price index (IPCA)	IPCA coupon variations	441	(6.074)	(12.148)
Long-term interest rate (TJLP)	TJLP variations	(322)	1.465	2.929
US dollar coupon rate	Exchange coupon variation	(4.010)	846	1.692
Other currency coupon rates	Exchange coupon variation	12	(18)	(36)
Offshore rates (LIBOR + other Offshore)	Variation in Offshore rates	(88)	399	799
Currencies	Change in exchange variation	(69)	(976)	(1.953)
Total (uncorrelated sum)*		**(9.951)**	**(23.269)**	**(56.537)**
Total (correlated sum)*		**(3.152)**	**(11.826)**	**(23.653)**

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

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

(In thousands of reais, unless otherwise stated)

Scenarios	
Scenario I - Probable	Scenario comprising the variation in market factors between June 28, 2013 and July 15, 2013 (variation in the fixed rate from 9.41% to 9.21% in a 1-year curve and from 11.09% to 10.67% in a 4-year curve, variation in the US dollar from 2.2156 to 2.2548 and in the exchange coupon from 1.07% to 2.74% 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)	9,41%	25%	11,76%
General Market Price index (IGPM)	4,11%	25%	5,14%
Price index (IPCA)	3,77%	25%	4,71%
Long-term interest rate (TJLP)	4,00%	25%	5,00%
US dollar coupon rate	1,07%	-25%	0,80%
Other currency coupon rate	1,34%	25%	1,68%
LIBOR - USD	0,69%	-25%	0,51%
Currencies	2,2156	25%	2,7695

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)	9,41%	50%	14,11%
General Market Price index (IGPM)	4,11%	50%	6,17%
Price index (IPCA)	3,77%	50%	5,65%
Long-term interest rate (TJLP)	4,00%	50%	6,00%
US dollar coupon rate	1,07%	-50%	0,53%
Other currency coupon rate	1,34%	50%	2,01%
LIBOR - USD	0,69%	-50%	0,34%
Currencies	2,2156	50%	3,3234

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

e) Capital management

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

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

. Capital monitoring and control carried out by the Institution
. Assessing the need for capital to 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.

At June 30, 2013, the Institution's Basel ratio was 16,96 % (June 30, 2012 – 15.93%), calculated based on the consolidated financial statements.

	2013	2012
Reference equity (PR)	**1.472.205**	**1.331.426**
Tier I	**1.273.506**	**1.054.608**
Equity	1.258.542	1.052.810
Mark-to-market adjustments	14.964	1.798
Tier II	**198.699**	**276.818**
Subordinated debt	213.663	278.616
Mark-to-market adjustments	(14.964)	(1.798)
Required Regulatory Capital (PRE)(1)	**954.804**	**919.307**
Credit risk	862.954	845.145
Market risk	83.542	67.871
Operational risk	8.308	6.291
Surplus PR	**517.401**	**412.119**
Basel ratio - %	**16,96%**	**15,93%**

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.

(In thousands of reais, unless otherwise stated)

b) Equity to fixed assets ratio

In accordance with BACEN Resolution 2286/96, the equity to fixed assets ratio is limited to 50.0%. At June 30, 2013, the equity to fixed assets ratio was 10,99% (June 30, 2012 - 8.43%).

28. OTHER INFORMATION

a) Provision for credit assignment with coobligation

At June 30, 2013, the Institution had no provision for losses. At June 30, 2012, the provision for losses was R$3,721 for loans assigned with coobligation in the total amount of R$18,307. This provision is recorded in Other liabilities– sundry.

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 June 30, 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	2.169
Buildings, machines, furniture and fixtures	Any material damage to facilities, machinery and equipment	12.000
Bankers insurance	Cash	300
Aircraft insurance	Aircraft-part guarantees	339.560

c) Operating lease

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

	Individual and Consolidated			
	Rate	Term	2013	2012
Expense for leased assets				
Machinery and equipment leasing	4,08%	2	498	458
Aircraft lease (1)			-	1.188
Total			**498**	**1.646**

(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)	669.124	669.124
Loan operations (ii)	4.463.275	4.476.020
Other receivables(ii)	836.866	804.876
Total financial assets	**5.969.265**	**5.950.020**
Liabilities		
Demand deposits (iii)	18.811	18.811
Interbank deposits (iii)	110.160	110.160
Time deposits (iv)	3.107.419	3.107.421
Funds from acceptance and issuance of securities (iv)	1.242.630	1.229.911
Borrowings and onlendings (iv)	1.216.708	2.089.954
Subordinated debt (iv)	341.503	341.502
Total financial liabilities	**6.037.231**	**6.897.759**

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.

28. Subsequent Event

On August 2, 2013, the Brazilian Central Bank ordered the extrajudicial liquidation of Banco Rural. At the reporting date of June 30, 2013, Banco Pine had outstanding operations with companies related to Banco Rural which were not included in the liquidation. In July 2013, a portion of these operations were settled on the date they effectively became due and the remaining balances are not deemed material within the context of Banco Pine's operations since, at present, this exposure represents less than 0.4% of the Institution's expanded credit portfolio. The Institution's management is reassessing the risk involved in these operations to ensure that the appropriate actions are taken in the future, if necessary.

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