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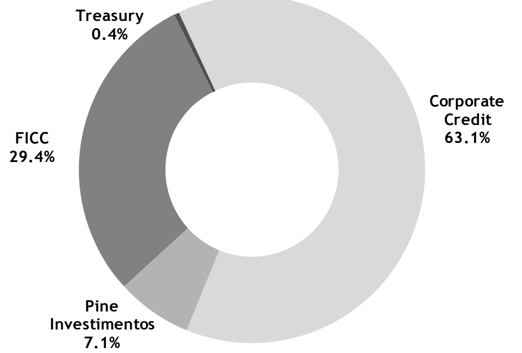
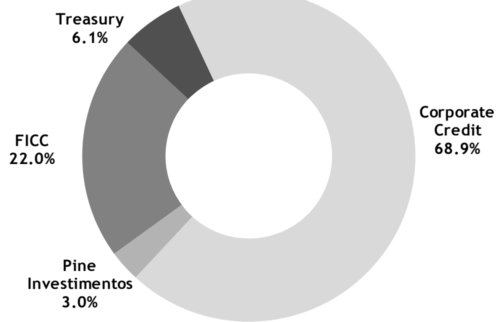
PINE REGISTERS RECURRING NET INCOME OF R$67 MILLION IN THE 1H14, REFLECTING MANAGEMENT'S ACTIONS IN LIGHT OF A MACROECONOMIC SCENARIO WITH LOW VISIBILITY

São Paulo, August 11, 2014 - Pine (BM&FBOVESPA: PINE4), a wholesale bank focused on establishing and maintaining long-term relationships with corporate clients and investors, announces today its consolidated results for the second quarter of 2014 (2Q14), presented in BR GAAP.

1H13



1H14



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

	2Q14	1Q14	2Q13
Earnings and Profitability			
Recurring[5] Net income (R$ million)	35	33	39
Net income (R$ million)	35	35	39
Recurring[5] Annualized ROAE	11.3%	10.7%	12.9%
Annualized ROAE	11.6%	11.5%	12.9%
Recurring[5] Annualized ROAAw[1]	1.5%	1.4%	2.1%
Annualized ROAAw[1]	1.5%	1.5%	2.1%
Recurring[5] Annualized financial margin before provision	4.0%	4.5%	4.9%
Annualized financial margin before provision	4.1%	4.7%	4.9%
Recurring[5] Annualized financial margin after provision	3.4%	4.0%	3.3%
Annualized financial margin after provision	3.5%	4.1%	3.3%
Balance Sheet (R$ million)			
Total assets	10,683	11,046	10,457
Loan portfolio[2]	10,032	10,090	8,994
Risk weighted assets	9,337	9,417	7,845
Deposits[3]	4,061	4,099	3,581
Funding	8,559	8,797	7,111
Shareholders' equity	1,270	1,271	1,259
Credit portfolio quality			
Non performing loans - 90 days	0.2%	0.6%	0.6%
Credit coverage index	2.4%	2.9%	3.7%
Performance			
BIS ratio	13.7%	13.7%	17.0%
Recurring[5] Efficiency ratio	37.1%	39.8%	37.5%
Efficiency ratio	36.8%	38.9%	37.5%
Recurring[5] Earnings per share (R$)	0.29	0.27	0.35
Earnings per share (R$)	0.30	0.29	0.35
Book value per share[4] (R$)	10.73	10.50	11.49
Market Cap (R$ million)	890	1,030	1,315

[1]Risk weighted assets.[2]Includes Standby LC, Bank Guarantees, Credit Securities to be Received and Private Securities (bonds, CRIs, eurobonds and fund shares). [3]Includes Agribusiness and Real Estate Letters of Credit. [4]It considers 118,372,603 shares for 2Q14, 121,047,768 shares for 1Q14 and 109,546,164 shares for 2Q13. [5]Reconciliation of results due to funding hedges in the gross amount of R$1.6 million and R$0.93 million net in 2Q14, and gross amount of R$3.9 million and R$2.3 million net in 1Q14. Considers the reclassification of FIDC expenses pursuant to Circular Letter nº3,658 from Central Bank.

Investor Relations +55 11 3372-5343 | Raquel Varela
Alejandra Hidalgo
Luiz Maximo
Ana Carolina Lopes

Business Performance

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

The first half of 2014 was another period of positive revenue contributions in all business lines. The main indicators presented adequate performance in the period, reflecting the bank´s less aggressive risk appetite and the further strengthening of its fundamentals.

This approach reflects management´s actions in light of a macroeconomic scenario with low visibility, and temporarily affects profitability indicators. In the short term, management is taking initiatives to bring more efficiency to the balance sheet, while keeping the bank prepared for a clearer scenario in the medium and long terms.

Financial Margin

In 2Q14, recurring income from financial intermediation before provisions for loan losses totaled R$92 million. The recurring net interest margin (NIM) before provisions stood at 4.0% in the quarter.

The change in recurring financial margin when compared to the previous quarter is mainly due to the increase in average earning assets, which occurred at the end of the quarter, and also by the mark to market of private securities that compose the expanded loan portfolio. The mark to market impact is due to the increase in spreads, as a result of the re-pricing of the credit portfolio.

R$ million

	2Q14	1Q14	2Q13	1H14	1H13
Recurring Financial Margin					
Income from financial intermediation	96	109	85	205	188
Overhedge effect	(3)	(3)	6	(6)	4
Liabilities hedge effect	(2)	(4)	-	(5)	-
Recurring Income from financial intermediation (A)	92	102	91	194	192
Provision for loan losses	(14)	(12)	(29)	(26)	(42)
Recurring Income from financial intermediation after provision (B)	78	90	61	168	150
Average earning assets (C)	9,336	9,189	7,438	9,012	7,691
Interbank investments	1,247	1,008	640	907	537
Securities and derivatives[1]	1,543	1,727	1,499	1,631	1,893
Credit transactions	6,546	6,454	5,299	6,474	5,261
Recurring Annualized Financial Margin before provision (%) (A/C)	4.0%	4.5%	4.9%	4.4%	5.1%
Recurring Annualized Financial Margin after provision (%) (B/C)	3.4%	4.0%	3.3%	3.8%	3.9%
Financial Margin[2]					
Annualized Financial Margin before provision (%)	4.1%	4.7%	4.9%	4.5%	5.1%
Annualized Financial Margin after provision (%)	3.5%	4.1%	3.3%	3.9%	3.9%

[1] Excludes repo transactions and the liability portion of derivatives.

[2] Considers the impact of PINE17 and Huaso Bond hedge transactions.

Considers the reclassification of FIDC expenses pursuant to Circular Letter nº3,658 from Central Bank.

Fee Income

Fee income reached R$24 million in 2Q14, growth of 14.3% when compared to 1Q14. Pine Investimentos revenues increased marginally, even in a low active capital markets. The bank continues with a robust pipeline of mandates.

R$ million

	2Q14	1Q14	2Q13	1H14	1H13
Bank	19	19	22	38	42
PINE Investimentos	4	2	8	6	18
Total	**24**	**21**	**30**	**44**	**60**

Personnel and Administrative Expenses

In 2Q14, the total of personnel and administrative expenses reached R$42 million, 14.3% lower when compared to 1Q14. As of June 2014, Pine had 437 employees, including the outsourced ones.

R$ million

	2Q14	1Q14	2Q13	1H14	1H13
Personnel expenses	22	23	22	46	44
Other administrative expenses	20	26	21	46	45
Subtotal	**42**	**49**	**43**	**92**	**89**

Efficiency Ratio

The recurring efficiency ratio ended the 2Q14 at 37.1%, improvement of 270 bps over 1Q14, in view of rigorous and steady cost control.

R$ million

	2Q14	1Q14	2Q13	1H14	1H13
Operating expenses[1]	45	53	47	97	96
(-) Non-recurring expenses	1	4	2	5	3
Recurring Operating Expenses (A)	43	49	45	92	93
Recurring Revenues[2] (B)	116	123	120	238	252
Recurring Efficiency Ratio (A/B)	**37.1%**	**39.8%**	**37.5%**	**38.7%**	**36.9%**

[1] Other administrative expenses + tax expenses + personnel expenses

[2] Gross Income from financial intermediation - provision for loan losses + fee income + overhedge effect - hedge impact

Considers the reclassification of FIDC expenses pursuant to Circular Letter nº3,658 from Central Bank.

Corporate Credit

The expanded loan portfolio totaled R$10,032 million on June 30, 2014, practically stable when compared to March 2014, and up 11.5% over the last twelve months. The average term of the credit portfolio remained at 14 months in June 2014.

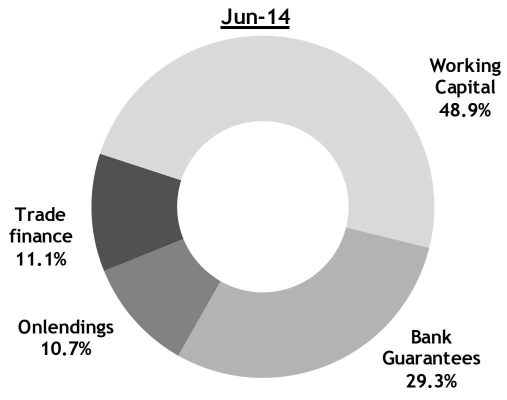
R$ million

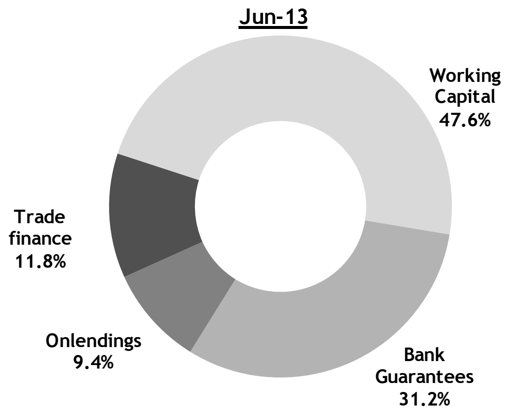
	Jun-14	Mar-14	Jun-13	QoQ	YoY
Working capital[1]	4,904	5,093	4,284	-3.7%	14.5%
BNDES Onlending	1,071	1,103	844	-2.9%	26.9%
Trade finance [2]	1,116	989	1,059	12.8%	5.4%
Bank guarantees	2,941	2,905	2,807	1.2%	4.8%
Expanded Loan Portfolio	**10,032**	**10,090**	**8,994**	**-0.6%**	**11.5%**

[1] Includes debentures, CRIs, Hedge Fund Shares, Eurobonds, Credit Portfolio acquired from financial institutions with recourse and Individuals

[2] Includes Stand by LC

Loan Portfolio Breakdown



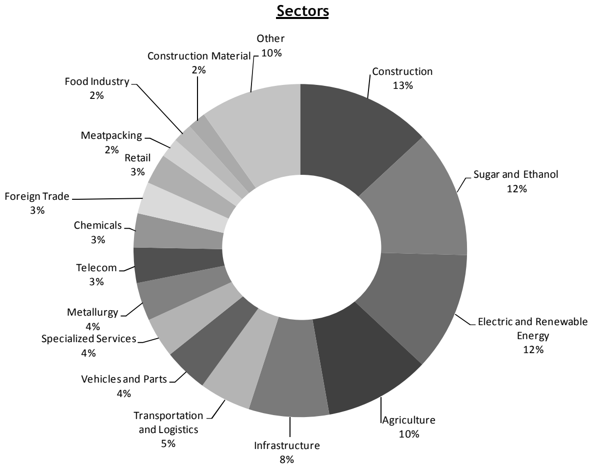


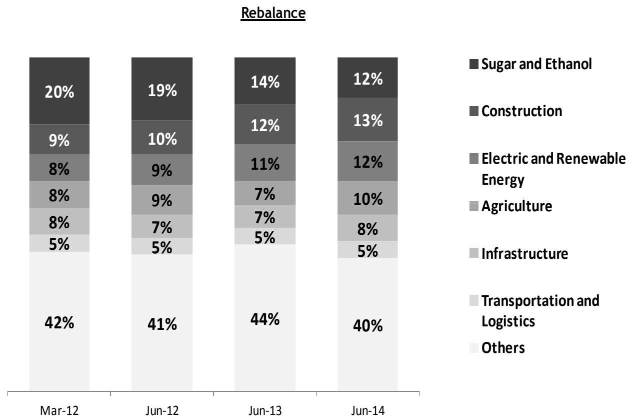
Active Management of the Loan Portfolio

Pine continued to actively manage the allocation of capital in sectors that offer greater comparative advantage.

Noteworthy the Sugar and Ethanol exposure reduction in relation to the total portfolio. The Construction sector has shown allocation opportunities in the best players with appropriate profile transactions, although the sector is not uniform.

The composition of the portfolio of the 20 largest clients changed by approximately 25%, over the past twelve months. This demonstrates the liquidity and flexibility of the Bank's operation. The total portfolio share of the 20 largest clients remained below 30%.





Loan Portfolio Profile and Quality

Loan Quality and Provision for Loan Losses – Resolution 2,682

Jun-14

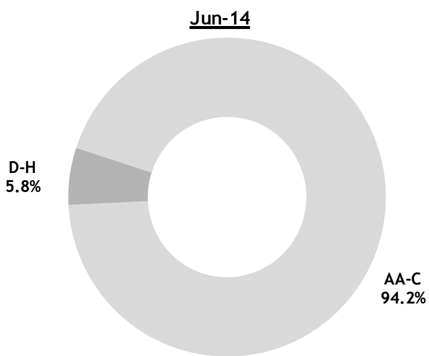
Rating	Overdue	To Expire	Total Portfolio	%	Provision
AA	-	1,061	1,061	16.2%	-
A	-	1,991	1,991	30.3%	10
B	0	2,284	2,284	34.8%	23
C	1	850	851	13.0%	26
D	10	236	246	3.7%	25
E	0	36	36	0.6%	11
F	0	27	27	0.4%	13
G	11	52	63	1.0%	44
H	3	5	8	0.1%	8
Total	**25**	**6,542**	**6,567**	**100.0%**	**159**

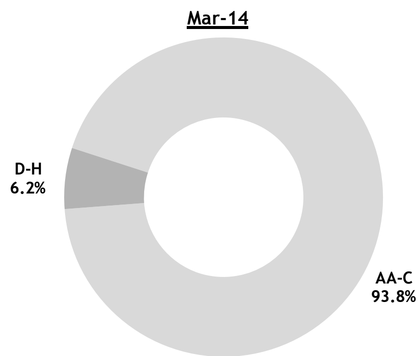
Mar-14

Rating	Overdue	To Expire	Total Portfolio	%	Provision
AA	-	1,130	1,130	17.3%	-
A	-	2,063	2,063	31.6%	10
B	0	2,223	2,223	34.1%	22
C	9	697	706	10.8%	21
D	16	224	241	3.7%	24
E	0	35	35	0.5%	11
F	0	25	25	0.4%	13
G	2	50	52	0.8%	36
H	43	7	51	0.8%	51
Total	**70**	**6,456**	**6,526**	**100.0%**	**188**

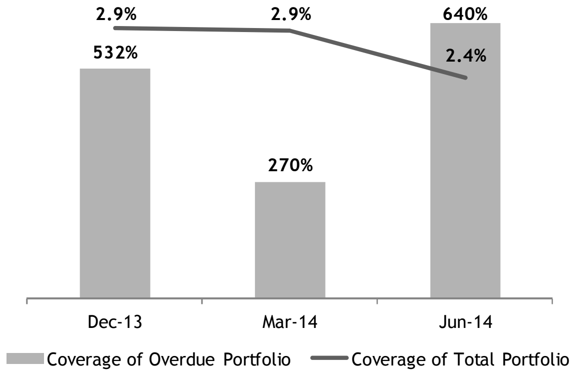
Required provision according to the transaction rating: AA: 0%, A: 0.5%, B: 1%, C: 3%, D: 10%, E: 30%, F: 50%, G: 70%, H: 100%

Loan Portfolio by Risk – Resolution 2,682





Loan Portfolio Coverage Ratios

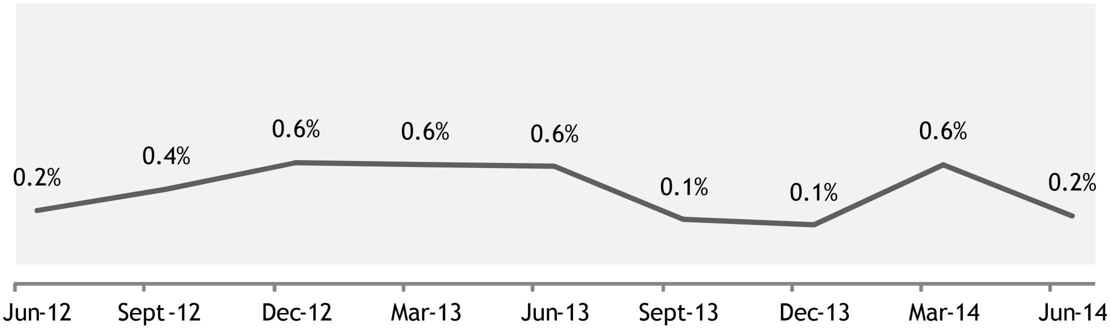


Coverage of Overdue Portfolio: Provision/Overdue Portfolio
Coverage of Total Portfolio: Provision/Loan Portfolio – Resolution 2,682

Non-Performing Loans (Overdue Installments)

% of loan portfolio[1]

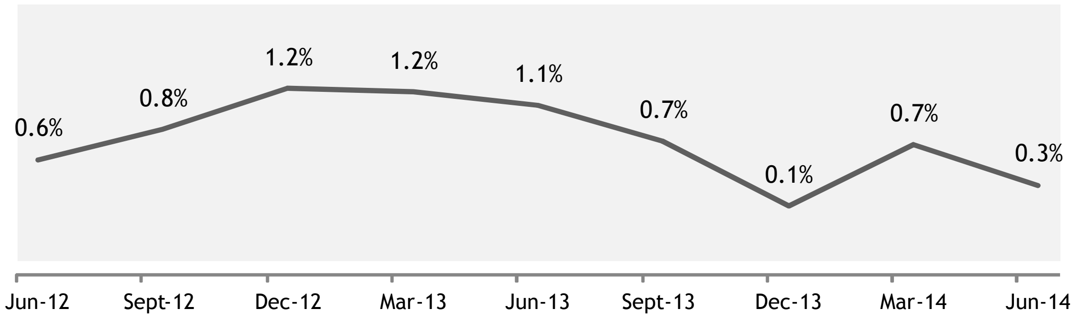
The NPL ratio of installments overdue more than 90 days ended the period at 0.2%, compared to 0.6% in March 2014.



Non-Performing Loans (Total Contract)

% of loan portfolio[1]

Considering the total contract, the ratio of more than 90 days reached 0.3% in the period, compared to 0.7% in March 2014.

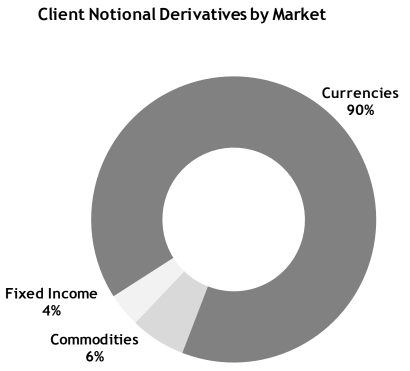


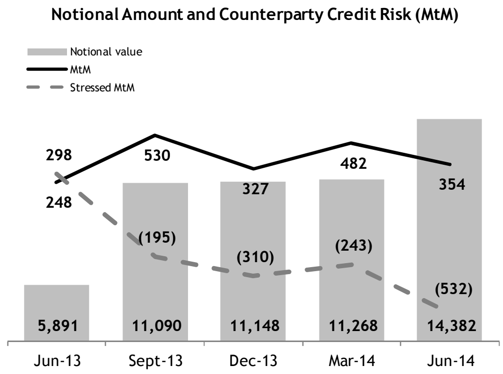
[1] Includes debentures, CRIs, Hedge Fund, and Eurobonds and excludes Bank Guarantees and Stand by Letters of Credit.

FICC

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

The total notional value of the derivatives portfolio for clients totaled R$14.4 billion, with an average duration of 149 days at the end of the second quarter.





The R$354 million of counterparty risk exposure (Mark to Market) considers the net value of Pine's payables and receivables. Thus, in June 2014, Pine would receive R$430 million from its counterparties and pay R$76 million. It is worth emphasizing that more than 75% of amounts receivable are rated between AA and B.

Based on the stress test performed on the derivatives portfolio with clients, under an extremely negative scenario consisting of the U.S. dollar strengthening by 31% against the Brazilian Real to reach R$2.90/USD, and commodity prices falling by 30%, the potential Mark to Market in the portfolio would have been R$532 million payable.

Additionally, Pine hedges the portfolio in Exchanges and with Bank counterparties, with daily MtM settlement. This, coupled with the portfolios' short duration, assures the maintenance of liquidity levels according to policy.

According to the ranking compiled by CETIP – OTC Clearing House in June 2014, Pine is the 11th largest bank in derivatives transactions for clients, and maintained the 2nd position in the commodity derivatives segment.

Pine Investimentos

Pine Investimentos, the Bank's Investment Banking unit, works closely with its clients to offer customized and unique solutions in the Capital Market, Financial Advisory, and Project & Structured Finance areas.

During the 1H14, Pine Investimentos participated in the underwriting of approximately R$1 billion in fixed income, in both local and international markets.

Funding

Total funding reached R$8,559 million in June 2014, reduction of 2.7% QoQ and up 20.4% YoY. In turn, the volume of time deposits and onlendings increased 14.1% and 26.0%, respectively, in the past twelve months. The weighted average term of funding transactions remained at 16 months.

Aligned with the constant and active liability management, and considering the high liquidity and stability of the balance sheet, Pine has taken the following initiatives:

- Payment of the Financial Bill issued in April, 2012, in the amount of R$373 million;
- Partial pre-payment of the Huaso Bond of around US$32 million, or approximately 54% of the issuance;
- R$230 million Financial Bill issuance, with a two-year term, at the end of July;
- Increase in deposits of individuals through the distribution of Agribusiness and Real Estate Letters of Credit for the private banking market with attractive cost and term.

In twelve months, external funding growth resulted from several transactions: US$100 million syndicated loan, with a two-year term, US$20 million through a Senior Unsecured Term Loan, with a ten-year term, and US$50 million through Pine's third Islamic format issuance, with a one-year term, which were structured during 2013.

In the international market, Pine has around 70 correspondent banks in various countries, including development banks such as DEG and Proparco, and multilateral agencies, including the IFC, IDB, and FMO.

R$ million

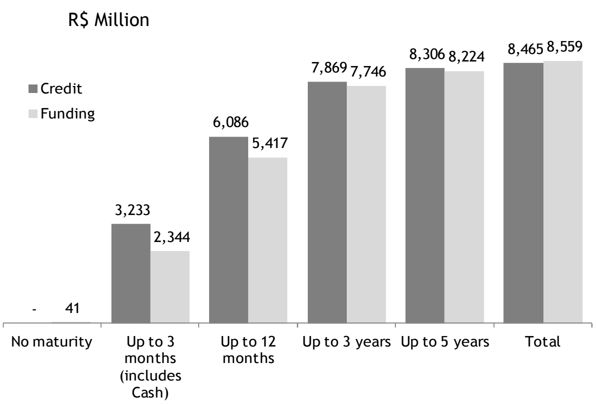
	Jun-14	Mar-14	Jun-13	QoQ	YoY
Local Funding	**5,163**	**5,514**	**4,556**	**-6.4%**	**13.3%**
Demand deposits	41	27	19	51.9%	115.8%
Interbank deposits	80	76	110	5.3%	-27.3%
Time deposits + LCA + LCI	3,940	3,995	3,452	-1.4%	14.1%
Individuals [1]	908	659	254	37.8%	257.5%
Companies	761	1,022	1,013	-25.5%	-24.9%
Institutionals	2,271	2,314	2,185	-1.9%	3.9%
Capital Markets	1,102	1,415	975	-22.1%	13.0%
Onlendings + Trade Finance	**2,150**	**2,008**	**1,859**	**7.1%**	**15.7%**
Onlendings	1,086	1,174	862	-7.5%	26.0%
Trade finance	1,064	834	997	27.6%	6.7%
International Funding	**1,246**	**1,275**	**696**	**-2.3%**	**79.0%**
Capital Markets	427	434	435	-1.6%	-1.8%
Multilaterals	346	364	80	-4.9%	332.5%
Other private placements and syndicated loans	473	478	181	-1.0%	161.3%
Total	**8,559**	**8,797**	**7,111**	**-2.7%**	**20.4%**

[1] Includes securities distributed to individuals through other institutions.

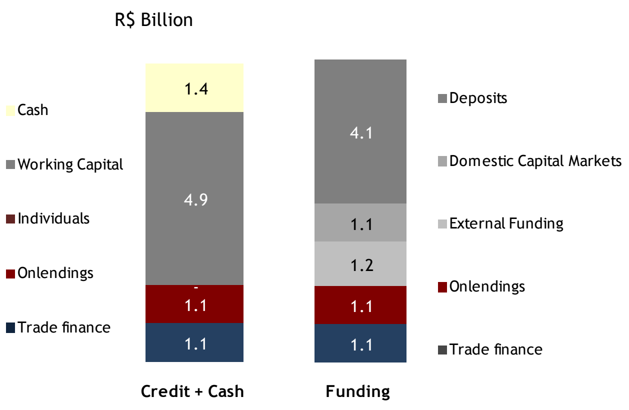
Asset and Liability Management

In accordance with Pine's asset and liability management, funding sources are aligned in terms of maturity and cost with their respective credit transactions. While the weighted average maturity of the loan portfolio is 14 months, the funding period is 16 months, ensuring a comfortable situation for the Bank.

Matching of Credit and Funding



Breakdown



Capital Structure

In the quarter, the capital adequacy ratio (BIS) remained at 13.7%, above the regulatory minimum level of 11%. The Tier I capital represented 12.2% while Tier II represented 1.5%. During the last twelve months, the ratio change is mainly due to the 20% reduction in the amount of subordinated debt allowed for Tier II capital composition.

R$ million

	Jun-14	Mar-14	Jun-13
Reference Equity	**1,408**	**1,386**	**1,472**
Tier I	**1,256**	**1,234**	**1,273**
Tier I - BIS Ratio %	12.2%	12.2%	14.7%
Tier II	**152**	**152**	**199**
Tier II - BIS Ratio %	1.5%	1.5%	2.3%
Required Reference Equity	**937**	**922**	**954**
Credit Risk	849	856	863
Market Risk	71	49	84
Operational Risk	17	17	8
Excess of Reference Equity	**471**	**464**	**518**
BIS Ratio - %	**13.7%**	**13.7%**	**17.0%**

Guidance

Given the decreasing reviews of the Brazilian GDP, considering Pine's adjusted projection of 0.8%, and the intensification of conservativism in the business management in the first semester, the guidance announced in February 2014 is amended as following:

	Published	Reviewed
Expanded Loan Portfolio	8%-12%	0%-5%
NIM	4%-5%	4%-5%
Personnel and Administrative Expenses	4%-6%	3%-5%
ROAE	13%-15%	10%-13%

About Pine

Pine is a wholesale bank focused on long-term relationships with corporate clients and investors. 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, Project & Structured Finance.

Corporate Governance

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

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

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In 2Q14, Pine repurchased 2,675,165 of its own shares. These shares are currently held in treasury.

As of June 30, 2014

	Common	Preferred	Total	%
Controlling Shareholder	65,178,483	17,210,589	82,389,072	68.0%
Management	-	7,428,664	7,428,664	6.1%
Free Float	-	28,554,867	28,554,867	23.6%
Individuals	-	*4,410,988*	*4,410,988*	*3.6%*
Local Institutional Investors	-	*10,933,098*	*10,933,098*	*9.0%*
Foreign Investors	-	*5,523,986*	*5,523,986*	*4.6%*
DEG	-	*5,581,714*	*5,581,714*	*4.6%*
Proparco	-	*2,105,081*	*2,105,081*	*1.7%*
SubTotal	**65,178,483**	**53,194,120**	**118,372,603**	**97.7%**
Treasury	-	2,799,421	2,799,421	2.3%
Total	**65,178,483**	**55,993,541**	**121,172,024**	**100%**

Interest on Own Capital and Dividends

On July 17, 2014, Pine paid a total of R$20 million as dividends and interest on own capital, which corresponds to a gross payout per share of R$0.17. Of this total, R$16.7 million represents interest on own capital and R$3.3 million, dividends. This amount represents a dividend yield of 11.8%. Since 2008, Pine distributes dividends/interest on own capital quarterly.

Ratings

		STANDARD & POOR'S	FitchRatings	Moodys.com	RISKbank
Foreign and Local Currency	Long Term	BB+	BB+	Ba1	-
	Short Term	B	B	-	-
National	Long Term	brAA	AA-(bra)	Aa2.br	10.30
	Short Term		F1+(bra)	Br-1	

Balance Sheet

R$ million	Jun-14	Mar-14	Jun-13
Assets	**10,683**	**11,046**	**10,457**
Cash	93	54	120
Interbank investments	1,146	1,348	669
Securities	2,164	2,161	2,977
Interbank accounts	1	5	1
Lending operations	6,567	6,526	5,483
(-) Provisions for loan losses	(159)	(188)	(203)
Net lending operations	6,408	6,338	5,280
Other receivables	752	1,031	1,316
Property and equipments	119	110	94
Investments	97	88	66
Property and equipment in use	20	20	27
Intangible	1	1	2
Liabilities	**9,413**	**9,776**	**9,198**
Deposits	3,130	3,381	3,236
Money market funding	470	379	1,245
Funds from acceptance and securities issued	1,627	1,760	1,230
Interbank and Interbranch accounts	23	1	17
Borrowings and onlendings	2,866	2,751	2,018
Derivative financial instruments	248	143	274
Other liabilities	980	1,287	1,118
Deferred Results	69	74	60
Shareholders' equity	**1,270**	**1,271**	**1,259**
Liabilities and shareholders' equity	**10,683**	**11,046**	**10,457**

According to Circular Letter nº 3,658 of Central Bank, the FIDC transactions shall be accounted from Borrowings and Onlendings to the line of Other Liabilities (R$453 million in 2Q14, R$452 million in 1Q14 and R$72 million in 2Q13).

Accounting Income Statement

R$ millions

	2Q14	1Q14	2Q13	1H14	1H13
Income from financial intermediation	**263**	**263**	**341**	**526**	**574**
Lending transactions	194	168	140	362	250
Securities transactions	76	91	71	167	129
Derivative financial instruments	8	8	48	17	111
Foreign exchange transactions	(15)	(4)	82	(19)	84
Expenses with financial intermediation	**(181)**	**(166)**	**(286)**	**(347)**	**(428)**
Funding transactions	(145)	(136)	(175)	(280)	(294)
Borrowings and onlendings	(22)	(18)	(82)	(40)	(92)
Provision for loan losses	(14)	(12)	(29)	(26)	(42)
Gross income from financial intermediation	**82**	**97**	**55**	**179**	**146**
Other operating (expenses) income	**(30)**	**(43)**	**(20)**	**(73)**	**(41)**
Fee income	24	21	30	44	60
Personnel expenses	(22)	(23)	(22)	(46)	(44)
Other administrative expenses	(20)	(26)	(21)	(46)	(45)
Tax expenses	(2)	(3)	(4)	(5)	(7)
Other operating income	9	7	5	17	15
Other operating expenses	(19)	(18)	(8)	(37)	(20)
Operating income	**52**	**54**	**35**	**106**	**105**
Non-operating income	4	7	3	11	5
Income before taxes and profit sharing	**57**	**61**	**38**	**117**	**110**
Income tax and social contribution	(11)	(12)	8	(24)	(11)
Profit sharing	(10)	(13)	(7)	(23)	(15)
Net income	**35**	**35**	**39**	**70**	**84**

Considers the reclassification of FIDC expenses pursuant to Circular Letter nº 3,658 of Central Bank. FIDCs expenses shall be accounted in other administrative expenses. Before, compounded the expenses of borrowings and onlendings transactions, in the amount of R$16.2 million, R$15.5 million and R$1.9 million respectively in 2Q14, 1Q14 and 2Q13.