

Financial Statements

Banco Rabobank International Brasil S.A.

June 30, 2013 and 2012
with Independent Auditors' Report

Banco Rabobank International Brasil S.A.

Financial statements

June 30, 2013 and 2012

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Management report

Dear Shareholders:

We submit to your analysis the financial statements of Banco Rabobank International Brasil S.A. for the six-month periods ended June 30, 2013 and 2012, and related notes to financial statements and independent auditor's report.

Risk management structure

Credit risk

Credit risk is defined by measuring repayment capacity of each customer, and such risks are measured and managed by specific function under the responsibility of the Risk Management executive board, where all decisions are taken through internal and outside committees, according to duty segregations determined by the Bank. All standards and procedures are part of Rabobank group credit policy, duly approved by the Bank's local executive board

Market risk

Market risk is defined as the risk of loss resulting from changes in rates, indexes, prices and other macroeconomic and microeconomic variables that may impact assets and financial derivatives in portfolio.

Market risk is controlled through a system that computes traditional market risk metrics (VaR, Stress Test and sensitivities), by crosschecking daily values of these metrics against prudent limits stipulated by Bank's executive board seeking safe business operations for the Bank.

The area of Market Risk Control is the responsibility of the Risk Management executive board.

Liquidity risk

Liquidity Risk is defined as the risk of mismatch in the Bank's cash flow, deriving from the difficulty in rapidly disposing of an asset or obtaining funds, which renders it impossible to settle financial positions without affecting their daily operations and without incurring in significant losses.

The management process regarding liquidity risk is conducted in a corporate and centralized manner, which comprises monitoring the funds available, compliance with a minimum liquidity level, generation and disclosure of liquidity risk statements to Central Bank of Brazil (BACEN), contingency plan for stress situations and stress tests on the Bank's major funding products and loan.

Procedures, measurement methodologies and processes to identify, assess, monitor and control exposure to liquidity risk are formalized in the liquidity risk management policy.

Operational risk

Operating risk is defined as the risk of loss arising from failure, weakness or inadequacy in internal processes, human behavior and systems, or from external events. Legal risk is included in this definition, but not business or reputational risk.

The operating risk management structure defined above is formalized in the operating risk policy.

This operating risk policy sets guidelines, methodologies and procedures compatible with the nature and complexity of the Bank's products, services, activities, processes and systems, and is to be applied to all Bank's people. The structure provides for procedures to identify, assess, monitor, control and mitigate operating risks, defines roles and responsibilities of each professional and presents a structured communication process.

Market, credit and operating risk management activities are represented by risk executive board, statutory executive board reporting to the Bank's CEO, as defined in CMN resolutions No. 3464/2007, No. 3721/2009 and No. 3380/2006.

Capital management

The capital management process aims to provide the Bank with the necessary support to achieve its strategic objectives, and considers the economic environment and the specific characteristics of their products and the markets in which it operates.

The Bank periodically prepares capital budgets based on the information and estimates available and daily monitors the adequacy of its Required Capital (PRE) in relation to Reference Assets (PR), thus providing information on risk required for the organization to conduct its business properly regarding existing risks.

The Central Bank of Brazil (BACEN) determines that the PRE should be permanently compatible with the Bank's PR, thus ensuring that the capital held by shareholders is sufficient to at least cover credit, market and operating risks.

Credit, market and operating risk management structure is described at www.rabobank.com.br.

We acknowledge our employees for their dedication and talent which supported us to achieve all of our goals. We also acknowledge our customers and shareholders for their trust in us.

Executive Board

São Paulo, August 02, 2013.

A free translation from Portuguese into English of Independent Auditors' Report on financial statements prepared in Reais and in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by Central Bank of Brazil

Independent auditors' report on financial statements

The Shareholders, Board of Directors and Officers
Banco Rabobank International Brasil S.A.
São Paulo - SP

Introduction

We have audited the accompanying financial statements of Banco Rabobank International Brasil S.A. ("Bank") as of June 30, 2013, which comprise the balance sheet and the related statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the 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 Central Bank of Brazil (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.

Independent auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the 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 these 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 controls relevant to the Bank'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 Bank's internal control. An audit also includes evaluating the appropriateness of accounting practices 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banco Rabobank International Brasil S.A. as at June 30, 2013, and its 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 Central Bank of Brazil (BACEN).

São Paulo, August 2, 2013.

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC-2SP015199/O-6



Flávio Serpejante Peppe
Partner

Banco Rabobank International Brasil S.A.

Balance sheets
June 30, 2013 and 2012
(In thousands of reais)

	2013	2012
Assets		
Current assets	9,584,657	9,934,565
Cash and cash equivalents	45,608	25,654
Short-term interbank investments	3,873,312	3,542,017
Open market investments	3,000,602	3,519,145
Interbank deposits	-	2,665
Investments in foreign currency	872,710	20,207
Marketable securities and derivative financial instruments	323,042	1,979,720
Own portfolio	273,360	1,865,715
Subject to guarantees given	7,643	29,086
Derivative financial instruments	42,039	84,919
Interbank accounts	9,589	3,278
Unsettled payments and receipts	-	2
Restricted deposits:		
Central Bank of Brazil deposits	9,360	3,261
Interbank onlending	144	-
Correspondent banks	85	15
Loans	2,552,918	2,145,714
Private sector	2,590,949	2,191,123
Allowance for loan losses	(38,031)	(45,409)
Other receivables	2,779,673	2,236,745
Foreign exchange portfolio	2,763,440	2,210,020
Unearned income	6	6,274
Securities trading	7,698	7,168
Sundry	12,303	17,365
Allowance for losses on other receivables	(3,774)	(4,082)
Other assets	515	1,437
Other assets	210	1,160
Prepaid expenses	305	277
Long-term receivables	4,754,174	3,179,081
Marketable securities and derivative financial instruments	742,024	779,867
Own portfolio	337,366	624,073
Subject to guarantees given	349,745	145,873
Derivative financial instruments	54,913	9,921
Interbank accounts	524	-
Interbank onlending	524	-
Loans	3,915,041	2,322,393
Private sector	3,982,967	2,382,327
Allowance for loan losses	(67,926)	(59,934)
Other receivables	96,585	76,821
Foreign exchange portfolio	5,750	-
Unearned income	6,268	-
Sundry	86,206	76,821
Allowance for losses on other receivables	(1,639)	-
Permanent assets	30,987	24,651
Investments	6	6
Other investments	6	6
Property and equipment in use	14,693	13,280
Other fixed assets in use	24,262	22,071
Accumulated depreciation	(9,569)	(8,791)
Intangible assets	16,288	11,365
Intangible assets	24,202	15,597
Accumulated amortization	(7,914)	(4,232)
Total	14,369,818	13,138,297

	2013	2012
Liabilities and equity		
Current	8,662,490	7,177,855
Deposits	1,396,505	216,068
Demand deposits	28,502	20,737
Interbank deposits	1,251,139	143,403
Time deposits	116,864	51,928
Open market funding	301,463	592,355
Third party portfolio	301,463	592,355
Exchange acceptance and issue of securities	1,207,358	2,078,877
Funds from real estate, mortgage, credit notes and other	1,207,358	2,078,877
Interbank accounts	2	3
Unsettled payments and receipts	2	3
Interdepartmental accounts	10,071	32,420
Third-party funds in transit	10,071	32,420
Borrowings	2,272,447	2,181,294
Foreign borrowings	2,272,447	2,181,294
Local onlending - official institutions	205,058	173,401
BNDES	15,928	19,503
FINAME	120,455	73,780
Other institutions	68,675	80,118
Foreign onlending	1,738,475	782,303
Foreign onlending	1,738,475	782,303
Derivative financial instruments	97,420	47,915
Derivative financial instruments	97,420	47,915
Other liabilities	1,433,691	1,073,219
Collection and transfer of taxes and levies	1,294	410
Foreign exchange portfolio	1,325,364	928,757
Social and statutory	4,162	2,790
Tax and social security	39,581	75,120
Subordinated debts	26,461	31,091
Sundry	36,829	35,051
Long-term payables	4,609,829	4,990,367
Deposits	61,415	1,475,640
Interbank deposits	-	1,269,397
Time deposits	61,415	206,243
Exchange acceptance and issue of securities	165,066	160,370
Funds from real estate, mortgage, credit notes and other	165,066	160,370
Borrowings	291,074	44,943
Foreign borrowings	291,074	44,943
Local onlending - official institutions	704,710	382,742
BNDES	99,572	87,594
FINAME	605,138	291,847
Other institutions	-	3,301
Foreign onlending	2,402,396	2,603,751
Foreign onlending	2,402,396	2,603,751
Derivative financial instruments	12,301	15,930
Derivative financial instruments	12,301	15,930
Other liabilities	972,867	306,991
Foreign exchange portfolio	5,697	-
Tax and social security	2,186	6,567
Subordinated debts	964,680	300,000
Sundry	304	424
Equity	1,097,499	970,075
Capital:		
Foreign residents	617,916	575,465
Income reserve - statutory	396,583	263,722
Income reserve - legal	39,341	32,191
Equity adjustments	(1,522)	6,573
Retained earnings	45,181	92,124
Total	14,369,818	13,138,297

See accompanying notes.

Banco Rabobank International Brasil S.A.

Statements of income

Six-month periods ended June 30, 2013 and 2012

(In thousands of reais, except earnings per thousand shares)

	<u>2013</u>	<u>2012</u>
Financial income	927,461	910,103
Loans	570,035	443,033
Marketable securities transactions	240,796	280,069
Income (loss) on derivative financial instruments	(51,393)	45,490
Foreign exchange transactions	168,023	141,511
Financial expenses	(758,793)	(658,940)
Open market funding transactions	(106,624)	(170,045)
Borrowings and onlending	(636,248)	(471,889)
Allowance for loan losses	(15,921)	(17,006)
Gross financial income	168,668	251,163
Other operating income (expenses)	(82,769)	(82,700)
Income from services rendered	31,690	25,234
Personnel expenses	(61,788)	(56,998)
Management compensation	(3,445)	(2,958)
Other administrative expenses	(37,671)	(33,511)
Tax expenses	(10,815)	(13,755)
Other operating income	88	81
Other operating expenses	(828)	(793)
Operating income	85,899	168,463
Non-operating loss	(55)	(165)
Income before income taxes and profit sharing	85,844	168,298
Income and social contribution taxes	(33,620)	(68,400)
Provision for income tax	(20,699)	(42,622)
Provision for social contribution tax	(12,090)	(25,483)
Deferred tax assets	(831)	(295)
Profit sharing	(4,665)	(2,925)
Net income for the six-month period	47,559	96,973
Earnings per thousand shares - in reais	80.21	175.61

See accompanying notes.

Banco Rabobank International Brasil S.A.

Statements of changes in equity
Six-month periods ended June 30, 2013 and 2012
(In thousands of reais)

	Capital	Capital increase	Income reserve statutory	Income reserve - legal	Equity adjustments	Retained earnings	Total
Balances at December 31, 2011	443,184	33,287	263,722	27,342	10,888	-	778,423
Capital increase approved at Special General meeting held on 12/30/11	33,287	(33,287)	-	-	-	-	-
Capital increase approved at Special General meeting held on 01/26/12	98,994	-	-	-	-	-	98,994
Market value adjustments - marketable securities and derivative financial instruments	-	-	-	-	(4,315)	-	(4,315)
Net income for the six-month period	-	-	-	-	-	96,973	96,973
Allocation:							
Legal reserve	-	-	-	4,849	-	(4,849)	-
Balances at June 30, 2012	575,465	-	263,722	32,191	6,573	92,124	970,075
Balances at December 31, 2012	575,465	42,451	396,583	36,963	8,269	-	1,059,731
Capital increase approved at Special General meeting held on 12/28/12	42,451	(42,451)	-	-	-	-	-
Market value adjustments - marketable securities and derivative financial instruments	-	-	-	-	(9,791)	-	(9,791)
Net income for the six-month period	-	-	-	-	-	47,559	47,559
Allocation:							
Legal reserve	-	-	-	2,378	-	(2,378)	-
Balances at June 30, 2013	617,916	-	396,583	39,341	(1,522)	45,181	1,097,499

See accompanying notes.

Banco Rabobank International Brasil S.A.

Statements of cash flows
Six-month periods ended June 30, 2013 and 2012
(In thousands of reais)

	2013	2012
Cash flow from operating activities		
Net income	47,559	96,973
Adjustments to the net income		
Market value adjustments	(9,791)	(4,315)
Depreciation	1,570	1,190
Amortization	2,162	1,189
Allowance for loan losses	15,921	17,006
Provisions (reversals) for civil, labor and tax suits	22	(627)
Net income after adjustments	57,443	111,416
(Increase) in interbank deposits	40,515	-
(Increase) decrease in marketable securities and derivative financial instruments	617,602	(144,394)
(Increase) in interbank accounts	(2,513)	(112)
Increase (decrease) in interdepartmental accounts	(420,186)	12,380
(Increase) decrease in loans	(810,519)	(574,340)
(Increase) decrease in other receivables	(754,006)	(416,692)
(Increase) decrease in other assets	(12)	-
(Increase) decrease in prepaid expenses	(151)	(173)
Increase (decrease) in other liabilities	155,644	(202,451)
	(1,173,626)	(1,325,782)
Net cash used in operating activities	(1,116,183)	(1,214,366)
Cash flow from investing activities		
Disposal of property and equipment in use	157	212
Acquisition of property and equipment	(1,533)	(3,011)
Acquisition of intangible assets	(1,031)	(944)
Net cash used in investing activities	(2,407)	(3,743)
Cash flow from financing activities:		
Increase (decrease) in deposits	(170,430)	1,185,843
Increase (decrease) in open market funding	90,486	41,187
Increase (decrease) in funds from issue of securities	(263,352)	209,369
Increase (decrease) in borrowings and onlending	1,609,463	725,587
Capital increase	-	98,994
Net cash from financing activities	1,266,167	2,260,980
Increase/(decrease) in cash and cash equivalents	147,577	1,042,871
Cash and cash equivalents		
At beginning of six-month period	3,771,343	2,524,800
At end of six-month period	3,918,920	3,567,671
Increase/(decrease) in cash and cash equivalents	147,577	1,042,871

See accompanying notes.

Banco Rabobank International Brasil S.A.

Notes to financial statements
June 30, 2013 and 2012
(In thousands of reais)

1. Operations

Banco Rabobank International Brasil S.A. (Bank) is a subsidiary of Rabobank International Holding B.V. and its incorporation was authorized by a Presidential Decree on August 8, 1995. The entity operates as a Multiple Bank and is engaged in transactions involving assets and liabilities inherent to commercial, investment and foreign exchange portfolios.

2. Presentation of financial statements and summary of significant accounting practices

The financial statements are the responsibility of the Bank's management and were prepared in accordance with accounting practices contained in Brazilian Corporation Law, in conjunction with standards and guidelines from the Central Bank of Brazil (BACEN).

In accordance with BACEN Circular No. 2804/1998, transactions carried out by the foreign branch (Cayman) are presented together with the Bank's financial statements.

These financial statements were prepared in accordance with accounting practices adopted in Brazil and require that management use assumptions and judgments to determine adequate amount and record accounting estimates, such as allowance for loan losses, deferred income tax, provision for contingencies and valuation of derivative instruments receivable and payable. Settlement of transactions involving these estimates may result in amounts different from the estimates due to inaccuracies inherent to the estimate process.

Significant accounting practices are summarized below:

a) Determination of profit and loss (P&L)

Revenues and expenses are recognized on an accrual basis, in light of the daily *pro rata* criterion for financial transactions. Asset and liability transactions with foreign exchange variation clauses are restated at applicable foreign currency purchase or selling rate as of the balance sheet date, in accordance with contractual provisions.

Banco Rabobank International Brasil S.A.

Notes to financial statements (Continued)
June 30, 2013 and 2012
(In thousands of reais)

2. Presentation of financial statements and summary of significant accounting practices (Continued)

b) Cash and cash equivalents

Cash and cash equivalents are represented by cash in local and foreign currency, open market investments and interbank deposits, maturing within no longer than 90 days from investment date, and with insignificant risk of change in fair value, which are used by the Bank to manage its short-term commitments.

c) Short-term interbank investments

Fixed-rate investments are recorded at redemption value, less deferred income, and floating operations at the cost value, plus income earned through the balance sheet date.

d) Marketable securities

In accordance with BACEN Circular No. 3068/2001 and supplementary regulation, marketable securities are stated under the following accounting recording and valuation criteria, into the categories below:

Trading securities - acquired in order to be frequently and actively traded, these securities are marked to market. Market value adjustments are matched against P&L for the period;

Available for sale - not qualifying as trading or held to maturity, these securities are marked to market. Market value adjustments are matched against a specific account in equity, net of tax effects, and transferred to P&L for the period when effectively realized;

Held to maturity - those securities the Bank intends and has the financial capacity to hold to maturity. The financial capacity is defined by cash flow projections, not considering the possibility of selling said securities (BACEN Circular No. 3129/2002). They are carried at acquisition cost, plus income earned through the balance sheet date, against P&L for the period.

Banco Rabobank International Brasil S.A.

Notes to financial statements (Continued)
June 30, 2013 and 2012
(In thousands of reais)

2. Presentation of financial statements and summary of significant accounting practices (Continued)

e) Derivative financial instruments

Pursuant to BACEN Circular No. 3082/2002 and subsequent regulations, transactions with derivative financial instruments comprise forward, options, futures and swap transactions are carried under the following criteria:

Forward transactions - these are recorded at final contract value, less difference between this amount and price in cash of the asset or right. Income and expenses are recorded in relation to the terms of the contracts through the balance sheet date;

Options transactions - premiums paid or received are recorded as assets or liabilities, respectively, until the option is effectively exercised, and recorded as increase or decrease in asset or right cost; if not exercised, it is recorded as revenue or expense;

Futures transactions - daily adjustments are recorded as assets and liabilities and recognized daily as revenue or expense;

Swaps - differences receivable or payable are recorded as assets or liabilities, respectively, and recognized as income or expense on a pro rata basis through the balance sheet date.

Transactions with derivative financial instruments carried out at customers' requests or on the Bank's own account, whether meeting or not criteria of hedge against global risk exposure and not qualifying as transactions related to assumptions disclosed by BACEN Circular No. 3150/2002, are marked to market, and appreciation or depreciation is recorded as follows:

- Derivative financial instruments not considered hedge are recorded in an income and expense account, under P&L for the period; and
- Derivative financial instruments considered hedge are classified as market risk hedge and cash flow hedge.

Banco Rabobank International Brasil S.A.

Notes to financial statements (Continued)
June 30, 2013 and 2012
(In thousands of reais)

2. Presentation of financial statements and summary of significant accounting practices (Continued)

e) Derivative financial instruments (Continued)

Hedge against market risk is intended to offset risks arising from exposure to market value variation of the hedged item, and its appreciation or depreciation is matched against income and expense accounts in P&L for the period. Cash flow hedge is intended to offset estimated future cash flow variation, and the effective portion of its appreciation or depreciation is matched against equity, net of tax effects. The corresponding hedged items are also marked to market as of the balance sheet date.

f) Loans and foreign exchange transactions

Loans, including advances on foreign exchange contracts, are classified according to management's judgment by risk level, considering economic situation, past experience and specific risks related to transactions, debtors and guarantors, in light of the parameters established by CMN Resolution No. 2682/1999 and supplementary standards, which require that the portfolio and its classification into nine levels (AA for minimum risk and H for loss) be periodically reviewed. After six months, transactions classified as H and overdue for more than 180 days are written off to loss.

Income from loans overdue for more than 60 days, regardless of the risk level, is only recognized when realized. These transactions are classified as noncurrent assets.

Allowance for loan losses, considered sufficient by management, is set up for the amount established in the aforementioned Resolution (Note 6b).

g) Permanent assets

Property and equipment items in use are stated at acquisition cost, less accumulated depreciation. Depreciation is calculated under the straight-line method, based on the asset useful life, at the following annual rates: furniture and equipment in use and communication system - 10% and data processing system and vehicles - 20%.

Intangible assets correspond to expense with systems acquisition, amortized on a straight-line basis at the annual rate of 20%.

Banco Rabobank International Brasil S.A.

Notes to financial statements (Continued)
June 30, 2013 and 2012
(In thousands of reais)

2. Presentation of financial statements and summary of significant accounting practices (Continued)

h) Impairment of non-financial assets

Impairment is recognized if the book value of an asset or of its cash-generating unit exceeds its recoverable value. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in P&L for the period.

Non-financial assets, except for tax credits, are reviewed at least annually to determine whether there is any indication of impairment.

i) Liabilities measurement criteria

Liabilities, charges and risks that are known or may be calculated, including tax charges calculated based on income for the period, are carried at restated value through the balance sheet date.

Foreign currency liabilities are translated into local currency at the exchange rates in force as of the balance sheet date, as disclosed by BACEN, whereas liabilities subject to monetary restatement based on contractual provisions are carried at restated value through the balance sheet date

j) Income and social contribution taxes

Income tax is calculated at a rate of 15%, plus 10% surtax on taxable profit exceeding R\$ 240 (R\$120 in the six-month period), adjusted by additions and exclusions provided for in legislation. Social contribution tax payable is computed on profit adjusted in accordance with legislation in force, at the rate of 15%.

Income and social contribution tax losses, temporarily nondeductible expenses and market value adjustments of derivative instruments were computed at the rate of 25% for income tax and 15% for social contribution tax, carried as Other receivables - sundry, as stated in Note 9.

Banco Rabobank International Brasil S.A.

Notes to financial statements (Continued)
June 30, 2013 and 2012
(In thousands of reais)

2. Presentation of financial statements and summary of significant accounting practices (Continued)

- k) Contingent assets and liabilities, and legal, tax and social security obligations
Contingent assets and liabilities, as well as legal obligations, are recognized, measured and disclosed according to the following criteria:

Contingent assets - these are only recognized in financial statements upon existence of evidence guaranteeing their realization, on which no further appeals can be filed.

Contingent liabilities - recognized in the financial statements when, based on the opinion of legal advisors and management, the likelihood of loss in a given legal or administrative proceeding is rated as probable, the settlement of which is likely to result in an outflow of economic benefits, and the amounts involved can be reliably measured. Contingent liabilities assessed as possible losses by legal advisors are only disclosed in the notes to financial statements, whereas remote contingent liabilities are not required to be disclosed or accrued for.

Legal, tax and social security obligations - refer to lawsuits filed challenging the lawfulness and constitutionality of certain taxes and contributions. The amounts at issue are quantified, recorded and restated on a monthly basis.

- l) Earnings (loss) per share

Earnings (loss) per share are calculated based on the number of outstanding shares at the financial statements date, considering the value per thousand shares.

- m) Subsequent events

According to CMN Resolution No. 3973/2012, which provides for recording and disclosure of subsequent events within the financial statements period, as set forth by CPC No. 24, no subsequent events were identified that require disclosure upon final approval of these financial statements by the Bank management on August 2, 2013.

Banco Rabobank International Brasil S.A.

Notes to financial statements (Continued)
June 30, 2013 and 2012
(In thousands of reais)

3. Short-term interbank investments

Breakdown of short-term interbank investments is as follows:

	2013		2012
	Up to 90 days		
Open market investments	3,000,602		3,519,145
Interbank deposits	-		2,665
Investments in foreign currency	872,710		20,207
	3,873,312		3,542,017

⁽²⁾ FIDC is updated by the value of the share disclosed the administrator, taking into account the senior share benchmark.

4. Marketable securities

Breakdown of the securities portfolio is as follows:

Description	2013		2012	
	Book value	Market value	Book value	Market value
Federal Government Bonds - National Treasury	151,899	151,899	944,267	944,267
Martins - Receivables Investment Fund (2)/(3)	167,833	167,833	154,724	154,724
Minerva - Receivables Investment Fund (2)	85,383	85,383	60,331	60,331
Multicredit - Receivables Investment Fund (1)/(2)	71,296	71,296	1,193,792	1,193,792
Debentures	125,136	125,136	132,958	132,958
Rural Product Bill	9,179	9,179	3,716	3,716
Subtotal - own portfolio	610,726	610,726	2,489,788	2,489,788
Federal Government Bonds - National Treasury	357,388	357,388	174,959	174,959
Subtotal - subject to guarantees given	357,388	357,388	174,959	174,959
	968,114	968,114	2,664,747	2,664,747

(1) Previous name: Pão de Açúcar – Receivables Investment Fund, with no benchmark.

(2) FIDC is updated by the value of the share disclosed the administrator, taking into account the senior share benchmark.

(3) Previous name: Tribanco-Martins - Receivables Investment Fund.

Banco Rabobank International Brasil S.A.

Notes to financial statements (Continued)
June 30, 2013 and 2012
(In thousands of reais)

4. Marketable securities (Continued)

Classification by category and term

Category	2013					
	Restated cost	Market value	Book value	Book value by maturity		
				Up to 90 days	From 91 to 365 days	Over 365 days
Financial Treasury Bill (LFT)	6,879	6,878	6,878	-	-	6,878
National Treasury Bill (LTN)	340,458	338,727	338,727	-	25,053	313,674
National Treasury Note (NTN-F)	164,445	163,682	163,682	7,643	-	156,039
FIDC	324,512	324,512	324,512	-	239,128	85,384
Debentures	125,179	125,136	125,136	-	-	125,136
CPR	9,179	9,179	9,179	1,413	7,766	-
Available for sale	970,652	968,114	968,114	9,056	271,947	687,111
	970,652	968,114	968,114	9,056	271,947	687,111
2012	2,653,182	2,664,747	2,664,747	614,516	1,280,285	769,946

Government bonds are marked to market on bond quotation disclosed by the Brazilian Association of Capital and Financial Market Entities (ANBIMA) at the balance sheet date.

Market value adjustments of marketable securities classified as available for sale, in the amount of R\$(1,522) (2012 - R\$6,573), net of tax effects, is recognized in a specific equity account.

Debentures are restated by the respective related rate and/or index. Debentures are indexed to the CDI and restated cost approximates market value, while those indexed to other indices are marked to market through unit price informed by ANBIMA.

Fixed-income private bonds, except for FIDC Multicredit, which is under custody of Banco Itaú Unibanco S.A., are under custody of the Brazilian OTC Clearing House (CETIP) and government bonds are under custody of SELIC.

Banco Rabobank International Brasil S.A.

Notes to financial statements (Continued)
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4. Marketable securities (Continued)

Classification by category and term (Continued)

Investments in Minerva and Martins Receivables Investment Fund (FIDC) are related to senior shares acquired, whose book value refers to the corresponding senior share price disclosed by the fund administrator for the last working day of the month, which the Bank's management believes to be the market value. The term of these FIDC is determined and their main characteristics are summarized as follows:

<u>Administrator</u>	<u>Funds</u>	<u>Origin of receivables</u>
Concórdia S.A. Corretora de Valores Mobiliários Câmbio e Commodities:		
	Multicredit Receivables Investment Fund	"Pão de Açúcar" companies
	Martins - Receivables Investment Fund	"Martins" company
Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A.:		
	Minerva - Receivables Investment Fund - Mercantile Credit	"Minerva" company

The Multicredit and Martins FIDCs administrator engaged Banco Itaú Unibanco S.A., and the Minerva FIDC administrator engaged Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A. to render treasury, custody, asset and liability control services related to the abovementioned FIDCs, in accordance with legal and regulatory standards. The FIDCs' financial statements are audited on an annual basis and the recent audit opinions thereon do not present qualifications.

On December 21, 2012, the restructuring of Multicredit Receivable Investment Fund, former Pão de Açúcar - Receivable Investment Fund was approved, when the change of the Fund name, the conversion of senior shares into single series shares and the new regulation and investment policy were resolved.

Banco Rabobank International Brasil S.A.

Notes to financial statements (Continued)
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4. Marketable securities (Continued)

Classification by category and term (Continued)

a) Multicredit FIDC is broken down as follows:

	Balances	Term			
		No maturity	Up to 90 days	From 91 to 365 days	Over 365 days
Assets					
Cash and cash equivalents					
Cash	13	-	13	-	-
Short-term interbank investments					
Open market investments - NTN-F	26,810	-	26,810	-	-
Marketable securities					
Own portfolio - LFT	45	-	-	-	45
	26,868	-	26,823	-	45
Other receivables					
Receivables	29,303	-	24,067	5,236	-
Other assets receivable	15,624	-	15,624	-	-
	44,927	-	39,691	5,236	-
Total	71,795	-	66,514	5,236	45
Liabilities and equity					
Other liabilities					
Creditors - pending settlements	458	-	458	-	-
Other administrative expenses	42	-	42	-	-
	500	-	500	-	-
Fund net assets	71,295	71,295	-	-	-
Total	71,795	71,295	500	-	-

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Notes to financial statements (Continued)
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5. Derivative financial instruments

Policy on use

The Bank takes part in operations involving derivative financial instruments, recorded in balance sheet and memorandum accounts, for the purpose of meeting its customers' and own needs to hedge against market risks mainly arising from interest rate fluctuation, currency, foreign exchange coupon and commodities risks. Hedge instruments efficiency is ensured by the balance between price fluctuations of derivative financial instruments and market value of hedged items. Hedging is made so that future amounts may correspond to the amounts upon maturity of the transaction. The Bank has a portfolio that can be considered extensive when compared to the market. Therefore, the duration methodology is used for hedge effectiveness.

Strategies and parameters to manage risk and market participation

- The Bank has a specific area in charge of risk management. Trading limits and controls for assuming each type of risk are defined. In order to guarantee that maximum values are met, simulations are conducted for every new operation. Should there not be sufficient limit, the operation is not carried out or hedge is taken out against such risk. Among the limits established locally and approved by the Bank's head office, the decision to take out hedge is made by the Treasury executive officer.
- A report stating the limits and positions of all risk and cash flow books is generated on a daily basis. This report is monitored by the Bank senior management and, should they detect an exceeded trading limit or control, features of such exceeding trading limit or control are entered into a global system, as well as the explanation given by the Market Risk Control function. An approval flow is then generated so that all relevant functions are warned about such exceeding trading limit – from the trader in charge to the Global Risk Manager in Holland, as the case may be.
- The Bank uses the risk system designed by its head office, which is based on Value-at-Risk (VaR) methodology with a 252-day horizon, through historical simulation. In case of non-parametric products, the scenario methodology is used to calculate VaR. Reliability level is 97.5%.
- The Bank considers it has been effective in using derivatives for hedge purposes.

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Notes to financial statements (Continued)
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5. Derivative financial instruments (Continued)

Assessment and measurement criteria

Derivative financial instruments and hedged items are marked to market by discounting future amounts to present value, through interest rate curves built by own methodology, which is mainly based on data disclosed by BM&FBOVESPA.

Derivative financial instruments reflecting on assets and liabilities accounts are as follows:

Derivative financial instruments - assets	2013	2012
Swap receivable	28,688	1,907
Options - premium paid	2,026	11,347
Call back swaption	3,109	331
NDF receivable	63,129	81,255
	96,952	94,840
Derivative financial instruments - liabilities		
Swap payable	(53,978)	(40,160)
Options - premiums received	(631)	(7,380)
NDF payable	(55,112)	(16,305)
	(109,721)	(63,845)

a) The swap portfolio is summarized as follows:

	2013		2012		
	Reference value	Assets	Liabilities	Net position	Net position
Market value					
I) Index:					
CDI x US dollar	399,846	424,388	(468,827)	(44,439)	(33,268)
CDI x Index	60,000	70,733	(76,289)	(5,556)	(5,818)
CDI x fixed	10,000	10,265	(10,260)	5	-
US dollar x CDI	192,220	240,384	(213,106)	27,278	-
US dollar x other	191,482	208,419	(208,577)	(158)	1,694
Other x CDI	-	-	-	-	10
Other x US dollar	62,243	75,333	(76,199)	(866)	(871)
Fixed x CDI	30,000	32,230	(33,139)	(909)	-
Fixed x US dollar	5,719	5,826	(6,471)	(645)	-
	951,510	1,067,578	(1,092,868)	(25,290)	(38,253)
II) Trading:					
OTC	951,510	1,067,578	(1,092,868)	(25,290)	(38,253)
	951,510	1,067,578	(1,092,868)	(25,290)	(38,253)
III) Maturity:					
Within 90 days	141,013	142,918	(155,535)	(12,617)	(1,928)
From 91 to 365 days	249,782	272,774	(304,025)	(31,251)	(22,583)
Over 365 days	560,715	651,886	(633,308)	18,578	(13,742)
	951,510	1,067,578	(1,092,868)	(25,290)	(38,253)

Banco Rabobank International Brasil S.A.

Notes to financial statements (Continued)
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5. Derivative financial instruments (Continued)

b) The call back swaption portfolio is summarized as follows:

	2013			2012	
	Reference value	Assets	Liabilities	Market value Net position	Net position
I) Type					
Call option	50,922	3,109	-	3,109	331
	50,922	3,109	-	3,109	331
II) Trading					
OTC	50,922	3,109	-	3,109	331
	50,922	3,109	-	3,109	331
III) Maturity					
Within 90 days	3,740	67	-	67	162
From 91 to 365 days	32,177	2,071	-	2,071	169
Over 365 days	15,005	971	-	971	-
	50,922	3,109	-	3,109	331

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Notes to financial statements (Continued)
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5. Derivative financial instruments (Continued)

- c) The portfolio of contracts and premiums of dollar options is summarized as follows:

	Contract financial value	Cost value	2013		2012	
			Market value		Net position	Net position
			Assets	Liabilities		
I) Type						
a) Flexible options						
Purchase of call options	89,750	1,191	1,448	-	1,448	-
Purchase of put options	-	-	-	-	-	3
Sale of call options	5,313	(366)	-	(366)	(366)	(496)
Sale of put options	55,605	(620)	-	(49)	(49)	(46)
b) Standard options						
Purchase of call options	10,500	384	578	-	578	7,566
Purchase of put options	29,250	112	-	-	-	3,778
Sale of call options	38,600	(416)	-	(216)	(216)	(5,691)
Sale of put options	-	-	-	-	-	(1,147)
	229,018	285	2,026	(631)	1,395	3,967
II) Trading						
a) Flexible options						
OTC	150,668	205	1,448	(415)	1,033	(539)
b) Standard options						
Stock exchange	78,350	80	578	(216)	362	4,506
	229,018	285	2,026	(631)	1,395	3,967
III) Maturity						
a) Flexible options						
Within 90 days	121,924	(311)	54	(164)	(110)	(325)
From 91 to 365 days	28,744	516	1,394	(251)	1,143	(30)
Over 365 days	-	-	-	-	-	(184)
b) Standard options						
Within 90 days	76,250	214	578	-	578	4,499
From 91 to 365 days	2,100	(134)	-	(216)	(216)	7
	229,018	285	2,026	(631)	1,395	3,967

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Notes to financial statements (Continued)
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5. Derivative financial instruments (Continued)

d) The NDF contract portfolio traded at CETIP is summarized as follows:

	2013			2012	
	Reference value	Amounts receivable	Amounts payable	Net position	Net position
i) Type					
a) Currencies:					
Purchase	626,957	54,832	(78)	54,754	62,203
Sale	583,944	712	(49,434)	(48,722)	2,756
b) Commodities					
Purchase	100,641	351	(5,519)	(5,168)	266
Sale	84,409	7,234	(81)	7,153	(275)
	1,395,951	63,129	(55,112)	8,017	64,950
ii) Trading					
OTC	1,395,951	63,129	(55,112)	8,017	64,950
	1,395,951	63,129	(55,112)	8,017	64,950
iii) Maturity:					
Within 90 days	409,183	14,798	(13,628)	1,170	23,348
From 91 to 365 days	771,387	23,013	(39,229)	(16,216)	33,854
Over 365 days	215,381	25,318	(2,255)	23,063	7,748
	1,395,951	63,129	(55,112)	8,017	64,950

e) The futures contracts portfolio - BM&FBOVESPA (reference values) is summarized as follows:

	2013		2012	
	Long position	Short position	Long position	Short position
i) Type				
Future - DI	2,748,110	1,231,264	1,726,687	1,844,502
Future - DDI	2,538,689	896,961	969,830	542,381
Future - DOL	1,156	1,258,262	431,542	467,520
Future - Commodities	-	27,603	139	5,012
	5,287,955	3,414,090	3,128,198	2,859,415
ii) Maturity				
Within 90 days	723,103	1,512,511	788,685	975,170
From 91 to 365 days	2,682,882	8,155	570,332	1,333,024
Over 365 days	1,881,970	1,893,424	1,769,181	551,221
	5,287,955	3,414,090	3,128,198	2,859,415

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5. Derivative financial instruments (Continued)

- f) In order to hedge the funds raised under Borrowings and Onlending and Subordinated Debts, the Bank entered into derivative financial instruments (futures DDI contracts) for hedging purposes, measured under the terms of BACEN Circular No. 3082/2002, as follows

	<u>2013</u>	<u>2012</u>
Hedged items		
Amount restated under agreed-upon conditions	1,120,942	405,149
Market value	1,133,188	426,320
Adjustment value	12,246	21,171
Hedge instruments		
Market value	1,195,264	431,892

- g) Federal Government bonds were given as guarantees to the stock exchange and OTC transactions, as follows:

	<u>2013</u>	<u>2012</u>
Securing stock exchange transactions		
<u>Government bonds</u>		
National Treasury Bills (LTN)	129,811	-
National Treasury Notes (NTN)	143,733	155,608
Securing OTC transactions		
<u>Government bonds</u>		
National Treasury Bills (LTN)	63,895	-
National Treasury Notes (NTN)	19,949	19,351
	<u>357,388</u>	<u>174,959</u>

For the year ended June 30, 2013, transactions with derivative financial instruments resulted in gains of R\$1,462,222 (2012 - R\$1,605,528) and losses of R\$1,513,616 (2012 - R\$1,560,038), posted directly to P&L for the period under income (loss) on derivative financial instruments.

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6. Loans

Loans are summarized as follows:

Product	2013					2012	
	Rural	Manufacturing	Trade	Individuals	Other services	Total	Total
Foreign fund onlending	1,911,491	-	-	776,851	4,651	2,692,993	2,483,480
Export financing	513,325	1,734,802	128,005	7,770	-	2,383,902	963,593
Advances on exchange contracts (Note 7) (*)	26,255	989,774	258,596	-	-	1,274,625	1,151,140
FINAME	644,784	52,229	6,783	22,152	14,520	740,468	353,741
Working capital	165,310	28,145	16,934	88,258	-	298,647	243,838
Agribusiness receivables certificates	-	213,449	-	-	-	213,449	218,047
BNDES	68,120	49,379	-	-	-	117,499	131,610
Funcafé	64,623	5,153	-	-	2,601	72,377	87,471
Overdraft facilities	13,826	-	-	-	20,160	33,986	1,254
Vendor	-	-	-	10,762	-	10,762	-
Compror	-	2,229	5,665	1,939	-	9,833	90,416
Other receivables	3,278	-	-	-	-	3,278	-
	3,411,012	3,075,160	415,983	907,732	41,932	7,851,819	5,724,590

(*) Includes income receivable from advances granted.

a) The loan aging list is as follows:

	2013		2012	
	Loans	Other receivables	Total	Total
Falling due				
Within 90 days	882,227	509,831	1,392,058	1,111,784
From 90 to 365 days	1,711,064	764,794	2,475,858	2,241,353
Over 365 days	3,940,292	-	3,940,292	2,349,169
	6,533,583	1,274,625	7,808,208	5,702,306
Overdue				
15 days or more	40,333	3,278	43,611	22,284
	40,333	3,278	43,611	22,284
	6,573,916	1,277,903	7,851,819	5,724,590

b) Loans by risk level and allowance set up are summarized as follows:

Risk level	Minimum %	2013		2012	
		Total portfolio	Allowance	Total portfolio	Allowance
AA	-	1,580,642	-	1,024,554	-
A	0.5	2,145,202	10,726	1,626,679	8,133
B	1.0	3,777,489	37,775	2,818,020	28,180
C	3.0	240,431	7,213	115,104	3,453
D	10.0	46,566	4,657	52,796	5,280
E	30.0	2,760	828	5,234	1,570
F	50.0	4,991	2,495	33,758	16,879
G	70.0	20,208	14,146	8,384	5,869
H	100.0	33,530	33,530	40,061	40,061
		7,851,819	111,370	5,724,590	109,425

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6. Loans (Continued)

c) Changes in allowance for loan losses

	2013	2012
Opening balance	115,266	101,518
Allowance	15,921	17,006
Write-off to loss	(19,869)	(9,149)
Foreign exchange variation of branch abroad	52	50
Closing balance	111,370	109,425
Recovery of loans written off to loss	14,359	16,484
Loan renegotiation	46,247	30,142

Loans amounting to R\$4,035,574 (2012 - R\$2,942,892) are secured by Agribusiness Credit Bills (LCA) issued. Bank Credit Bills (CCB) representing these loans are duly registered with CETIP or the Brazilian Mercantile Stock Exchange (BBM).

7. Foreign exchange portfolio

	2013		2012	
	Assets	Liabilities	Assets	Liabilities
Foreign exchange purchases pending settlement	2,297,480	-	1,921,034	-
Foreign exchange sales pending settlement	-	466,445	-	272,603
Receivables for foreign exchange sales	459,006	-	272,463	-
Liabilities for foreign exchange purchases	-	2,126,190	-	1,790,570
Advances received in local currency	(347)	-	(201)	-
Income receivable from advances	13,051	-	16,724	-
Advances on exchange contracts	-	(1,261,574)	-	(1,134,416)
	2,769,190	1,331,061	2,210,020	928,757

8. Other receivables - sundry

	2013	2012
Tax credits (Note 9 (c))	80,213	73,511
Taxes recoverable	9,141	13,881
Receivables with loan features	3,278	-
Other	5,877	6,794
	98,509	94,186

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Notes to financial statements (Continued)
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9. Income and social contribution taxes

a) Statement of income and social contribution tax calculation

	<u>2013</u>	<u>2012</u>
Net income before income taxes, less deductible profit sharing	81,179	165,373
Income and social contribution taxes at 25% and 15%, respectively	(32,471)	(66,149)
Effect of additions and exclusions on tax calculations:		
On nondeductible expenses, net of nontaxable revenue	(1,299)	(894)
On nondeductible interest of loans/onlending from related parties	(1,424)	(2,737)
On other amounts	1,574	1,380
Income and social contribution taxes	<u>(33,620)</u>	<u>(68,400)</u>

b) Changes in tax credit

	<u>2013</u>	<u>2012</u>
Opening balance	80,029	73,806
(Set up/reversal)		
Against P&L for the period	(831)	(295)
Against equity	1,015	-
Closing balance	<u>80,213</u>	<u>73,511</u>

c) Breakdown of tax credit

	<u>2013</u>		<u>2012</u>	
	Income tax	Social contribution tax	Total	Total
I) Temporary differences	48,986	30,212	79,198	73,511
Allowance for loan losses	39,455	23,673	63,128	63,397
Provision for rewards/bonus/profit sharing	4,815	3,709	8,524	8,557
Provision for contingent liabilities	974	585	1,559	1,277
MTM - marketable securities, derivative financial instruments and hedged items	3,742	2,245	5,987	280
II) MTM - securities available for sale	634	381	1,015	-
Total tax credit	49,620	30,593	80,213	73,511

These amounts are recorded under other receivables – sundry.

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Notes to financial statements (Continued)
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9. Income and social contribution taxes (Continued)

d) Expected tax credit realization as of June 30, 2013

Year	Deferred income tax	Deferred social contribution tax	Total
2013	15,890	10,354	26,244
2014	11,431	6,858	18,289
2015	5,921	3,553	9,474
2016	3,771	2,263	6,034
2017	4,412	2,647	7,059
2018	4,023	2,414	6,437
2019	4,172	2,504	6,676
	<u>49,620</u>	<u>30,593</u>	<u>80,213</u>

The present value of tax credits is R\$76,712 (2012 - R\$65,090).

the Bank has deferred tax obligations in the amount of R\$3,339 (2012 - R\$5,790) as regards income and social contribution taxes on market value adjustments of marketable securities available for sale as well as on the Cayman branch profits. Present value of deferred tax obligations amounts to R\$3,318 (2012 - R\$5,524).

In order to calculate present value of deferred tax obligations and tax credits, market fixed interest rate curves were used.

At June 30, 2013, no tax credits were recognized.

10. Foreign branches

Transactions carried out by the foreign branch (Cayman) are translated at the exchange rate as of the balance sheet date. Summary of balances is as follows:

Accounts	2013	2012
Current and noncurrent assets	315,082	103,218
Current and noncurrent liabilities	305,654	98,712
Net income for the six-month period	8,347	3,519

11. Exchange acceptance and issue of securities

	2013			2012	
	Within 3 months	3 to 12 months	1 to 3 years	Total	Total
Agribusiness Credit Bills	261,978	945,380	165,066	1,372,424	2,239,247

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Notes to financial statements (Continued)
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12. Borrowings and onlending

Borrowings and onlending as of June 30, 2013 mature as follows:

	2013					2012	
	Within 3 months	3 to 12 months	1 to 3 years	3 to 5 years	5 to 15 years	Total	Total
Borrowings							
Abroad	733,963	1,538,484	231,007	60,067	-	2,563,521	2,226,237
Onlending							
Local	54,247	150,811	301,733	239,382	163,595	909,768	556,143
Abroad	624,832	1,113,643	1,563,217	615,343	223,836	4,140,871	3,386,054
	1,413,042	2,802,938	2,095,957	914,792	387,431	7,614,160	6,168,434

13. Contingent assets and liabilities, and legal, tax and social security obligations

a) Contingent assets

There are no contingent assets recorded.

b) Contingent liabilities classified as possible loss

The Bank is a party to suits for which the likelihood of an unfavorable outcome is rated as possible by management and its legal counsel. No related provisions have been set up. The major suits are as follows:

- Administrative proceeding that challenges tax notice served by the Brazilian IRS (RFB) claiming payment of Withholding Income Tax totaling R\$10,120 as the responsible payer;
- Labor claims filed by former employees totaling R\$92;
- Administrative proceedings that challenge two Brazilian IRS tax notices claiming payment of R\$2,453 for Social Security Contribution Tax (INSS), Work Accident Insurance (SAT), Education Funding Tax, Brazilian Institute of Land Reform (Incra).
- Administrative proceeding that challenges Brazilian IRS tax notice claiming payment of R\$1,020 for IRPJ and CSLL on alleged gains on demutualization of BM&FBOVESPA;
- Legal proceeding requiring the suspension of incorrect billing of telephone calls with Embratel. On March 7, 2013, the Bank settled the proceeding for R\$67 under a settlement agreement.

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13. Contingent assets and liabilities, and legal, tax and social security obligations (Continued)

b) Contingent liabilities classified as possible loss (Continued)

- Administrative proceeding that challenges seven tax notices served by the São Paulo local government claiming payment of R\$5,537 related to ISS on revenues from export of services and guarantees provided. The amount mentioned relates to the legal counsel's assessment as possible loss, despite the belief that there are fairly tenable legal grounds.
- Civil suits filed by customers in the amount of R\$504.
- Administrative proceeding that challenges Brazilian IRS tax notice claiming payment of R\$457 for IRPJ and CSLL on alleged gains on demutualization of CETIP.

c) Contingent liabilities rated as probable loss and legal obligations

The Bank set up provision for contingent liabilities and tax risks to cover probable losses and legal obligations in an amount deemed sufficient by management, according to legal counsel assessment and advice, as follows:

	Balance at 12/31/2012	(Reversal)	Monetary restatement	Balance at 06/30/2013	Balance at 06/30/2012
Provision for tax risks					
Unemployment Compensation Fund (FGTS)	2,186	-	-	2,186	2,185
Civil provision	107	(34)	48	121	257
Labor provision	175	-	8	183	166
	2,468	(34)	56	2,490	2,608

14. Subordinated debts

These refer to subordinated debt loans, pursuant to CMN Resolution No. 3444/2007. The loan taken out on August 14, 2008 of R\$332,573 is denominated in reais, maturing on July 15, 2016 and bearing interest at 11.20% p.a.; the other loans taken out on September 28, 2012 and November 06, 2012 are denominated in US dollars, maturing on September 28, 2020 and bearing interest at 6.20% and 6.25%, respectively, in the amount of R\$676,978.

Banco Rabobank International Brasil S.A.

Notes to financial statements (Continued)
June 30, 2013 and 2012
(In thousands of reais)

15. Other liabilities - sundry

	<u>2013</u>	<u>2012</u>
Provision for bonus and profit sharing	20,565	22,119
Other personnel expenses payable	10,647	9,263
Trade accounts payable	1,568	2,048
Other administrative provisions	1,408	584
Provision for legal proceedings (Note 13)	304	423
Sundry	2,641	1,038
	<u>37,133</u>	<u>35,475</u>

16. Equity

a) Capital

At June 30, 2013, fully subscribed and paid-in capital is divided into 592,936,877 (2012 - 552,202,423) common registered shares, with no par value, distributed as follows:

	<u>2013</u>	<u>2012</u>
Rabobank International Holding B.V.	592,935,021	552,200,680
Rabobank Curaçao N.V.	1,856	1,743
	<u>592,936,877</u>	<u>552,202,423</u>

b) Income reserve - legal

The legal reserve is set up in the amount of 5% of net income before any other allocation, up to the limit provided for by law.

c) Income reserve - statutory

The statutory reserve balance is equivalent to up to 70% of the Bank's capital and is defined at the Annual Shareholder's Meeting.

d) Mandatory minimum dividends

The Bank's articles of incorporation establish that a provision for payment of mandatory minimum dividends be set up of 25% of net income for the year. By resolution of shareholders at the General Meeting, however, this provision may be disregarded and the corresponding amount may be allocated otherwise.

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Notes to financial statements (Continued)
June 30, 2013 and 2012
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17. Transactions with related parties

Related-party transactions are carried out at normal market rates and conditions effective at the transaction date, pursuant to CMN Resolution No. 3750/2009

a) Management compensation

	<u>2013</u>	<u>2012</u>
Management fees	3,462	3,303
Bonus	4,247	2,830
Supplementary pension plan	155	164

b) Transactions with related parties

	<u>2013</u>		<u>2012</u>	
	<u>Assets (liabilities)</u>	<u>Revenue (expenses)</u>	<u>Assets (liabilities)</u>	<u>Revenue (expenses)</u>
Foreign currency deposits				
Rabobank Nederlands	29,840	-	356	-
Interbank deposits				
Banco de Lage Landen Brasil S.A.	-	-	2,665	2,430
Foreign currency investments				
Rabobank Nederlands - NY branch	872,710	77	20,207	(6,663)
Interbank onlending				
Banco de Lage Landen Brasil S.A.	680	10	-	-
Foreign exchange portfolio				
Rabobank Nederlands	74	-	1,777	1,905
Other receivables (commissions receivable)				
Rabobank Curaçao N.V.	-	6,275	-	8,577
São Paulo Partners, LLC	-	3,384	-	2,078
Interbank deposits				
Banco de Lage Landen Brasil S.A.	(101,140)	(3,530)	(286,507)	(9,791)
Open market funding				
Banco de Lage Landen Brasil S.A.	(150,203)	(7,077)	-	(269)
Banco Cooperativo Sicredi S.A.	-	(107)	-	-
Agribusiness Credit Bills Administrators	4,952	142	-	-
Derivative financial instruments				
Banco de Lage Landen Brasil S.A.	(14,059)	(1,696)	(19,400)	(12,695)
Banco Cooperativo Sicredi S.A.	5	(734)	99	99
Foreign loans and onlending				
São Paulo Partners, LLC	(3,934,747)	(51,956)	(2,965,080)	(251,179)
Rabobank Nederlands - NY branch	(2,092,663)	(5,185)	(1,282,721)	(56,109)
Rabobank Curaçao N.V.	-	(114)	(942,190)	(92,818)
Tullaghought Company	-	-	-	915
Rabobank Nederlands	(98,026)	(43)	-	-
Other liabilities (commissions payable)				
Banco Cooperativo Sicredi S.A.	(667)	(343)	91	91
Banco de Lage Landen Brasil S.A.	(2)	(12)	(2)	(12)

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Notes to financial statements (Continued)
June 30, 2013 and 2012
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18. Revenue from services rendered

	<u>2013</u>	<u>2012</u>
Commissions received for advisory on transaction structuring	18,341	11,677
Business brokerage services	9,659	10,655
Other services rendered and bank charges	3,690	2,902
	<u>31,690</u>	<u>25,234</u>

19. Other administrative expenses

	<u>2013</u>	<u>2012</u>
Data processing	9,789	7,014
Financial system services	5,029	4,337
Rental and lease	4,244	3,782
Third-party services	3,742	4,251
Depreciation and amortization	3,733	2,379
Communications	2,591	1,906
Travels	2,472	2,253
Property maintenance and upkeep	1,359	3,308
Advertising, promotion and publicity	1,151	934
Condominium fees	958	782
Transportation	714	524
Water and electricity	221	273
Supplies	164	195
Other administrative expenses	1,504	1,573
	<u>37,671</u>	<u>33,511</u>

20. Cash and cash equivalents

Cash and cash equivalents used when preparing the Cash Flow Statements are as follows:

	<u>2013</u>	<u>2012</u>
Cash and cash equivalents in local currency	599	1,010
Cash and cash equivalents in foreign currency	45,009	24,644
Total	45,608	25,654
Open market investments	3,000,602	3,519,145
Interbank deposits	-	2,665
Foreign currency investments	872,710	20,207
Total cash and cash equivalents	3,918,920	3,567,671

Banco Rabobank International Brasil S.A.

Notes to financial statements (Continued)
June 30, 2013 and 2012
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21. Other matters

- a) Guarantees provided to third parties, including collaterals, surety bonds and other joint liabilities, amount to R\$21,851 (2012 - R\$32,515), and guarantees received total R\$94,280 (2012 - R\$81,934).
- b) The Bank computes its minimum equity limits within parameters established by CMN Resolutions No. 2099/1994, No. 3444/2007 and No. 3490/2007, and supplementary standards and regulations. Positive margin between effective reference assets and required capital is R\$281,188 (2012 - R\$216,555) and Basel index is 13.26% (2012 - 13.34%).
- c) The Bank sponsors a supplementary private pension plan to its employees and management members, which ensures that funds are accumulated over their professional career. Both the Bank and participants contribute to such plan. Matching contribution amounted to R\$5,302 (2012 - R\$4,994). The supplementary private pension plan is a defined contribution type plan.
- d) No share-based payments are made by the Bank to its employees.

Executive Board

Cláudio Rodrigues Figueiredo
Accountant CRC-1SP159075/O-7

Summary of the Audit Committee Report

The statutory Audit Committee of Banco Rabobank International Brasil S.A (Rabobank) was established on March 12, 2013, and is made up of four members of the current Bank executive board and a member of Rabobank International. This committee is part of the Audit & Compliance Committee, the internal body responsible for addressing audit-related matters.

The Audit Committee held four meetings in 2013, and at the meeting held on August 15, 2013, the financial statements as of June 30, 2013 were examined. The Committee activities and its findings are shown below:

- a) In order to review the financial statements, the committee met with Rabobank management and accounting representatives, considered external audit comments, reviewed internal audit work and discussed any significant issues regarding the financial statements quality, reliability and compliance with existing standards. The Audit Committee, within their responsibilities and natural limitations arising from the scope and extent of their work, ascertained the quality of and approved the financial statements as of June 30, 2013;
- b) The Committee met and became aware of matters relating to Rabobank risk management and control, including operating risk issues. The Committee highlights the progress of the organization's internal control system;
- c) The Committee held a formal meeting with Ernst & Young to discuss scope, strategy and results of the work, in addition to issues and matters for recommendation. The opinion was used as a basis for the financial statements analysis. The quality and extent of the Ernst & Young work is deemed to be appropriate by the Committee;
- d) The Committee reviewed the results of the audit examinations performed together with Internal Audit, followed up on the effective implementation of action plans within their deadlines and ruled on any exceptions. The Audit Committee approved the annual Internal Audit planning and monitors its compliance in meetings. The Committee is also responsible for approving the performance of any unplanned work and cancellations of planned work. The Committee evaluates positively the extent and quality of the Internal Audit work.

Audit Committee

São Paulo, August 15, 2013.