

10.01.2008 - Information to Shareholders Merger of BESC and BESCRI

Rule 12g3-2(b) Exemption # 82-35186

Information to Shareholders Merger of BESC and BESCRI by Banco do Brasil Share Substitution and Right of Withdrawal

Pursuant to § 4 of Article 157 of Law no 6,404, dated December 15th, 1976, according to CVM (Brazilian Securities and Exchange Commission) Regulation 358, dated January 03rd, 2002 and in addition to the Material Facts released on 04/19/2007, 06/22/2007 and 09/11/2008, Banco do Brasil S.A. (BdB), Banco do Estado de Santa Catarina S.A. (BESC) and Besc S.A. Crédito Imobiliário (BESCRI), together named as "Parts", inform that:

1. In Extraordinary Shareholders Meetings held on September 30th, 2008, the shareholders from Banco do Brasil, BESC and BESCRI approved the merge of BESC and BESCRI by Banco do Brasil, with the extinguish pleno jure of BESC and BESCRI. The decision abstract from BdB's ESM and the minutes from BESC ESM were filed, at the same date, in the Brazilian Securities and Exchange Commission (CVM).

2. Due to the approval of the merge, the shareholders from BESC and BESCRI are entitled to receive, in exchange, Banco do Brasil shares, as follows:

- 1 (one) ON share issued by BB to 12.13308922 ON shares of BESC;
- 1 (one) ON share issued by BB to 12.13308922 PNA shares of BESC;
- 1 (one) ON share issued by BB to 12.13308922 PNB shares of BESC; and
- 1 (one) ON share issued by BB to 1,592.261627 ON shares of BESCRI.

The share swap ratios were calculated and established based on BdB's market value and on the economic value of BESC and BESCRI, determined by the discounted cash flow method. These ratios were set according to valuation reports from PricewaterhouseCoopers International Services Ltda. and PricewaterhouseCoopers Corporate Finance & Recovery Ltda. (BdB) and BDO Trevisan Auditores Independentes (BESC e BESCRI).

3. As a result, for those shares that could not be fully assigned, the shareholders of BESC and of BESCRI might be entitled to receive fractions of shares issued by BdB. In this case only, Banco do Brasil will be responsible for adding up all fractions of shares and sell them in the stock exchange. Afterwards, the product of the sale will be paid by BdB, in domestic currency, on a proportional basis, to the holders of the fractions, in compliance with § 3. of Art. 169, of Law 6404/76.

4. It is granted rights of redemption to minority shareholders from BESC and BESCRI that do not agree with the merge. The exercise of these rights will happen within 30 (thirty) days period, starting from the date this Shareholders Notice is published in the Brazilian newspapers, in which the parties are committed to promote the publicity of their corporate acts. It means that the rights of redemption will be from October 2nd, 2008 to October 31st, 2008.

5. The record date for the redemption rights is September 11th, 2008. The shares of BESC and BESCRI acquired after the date aforementioned do not grant rights of redemption, as provided for in Art. 137, § 1., of Law 6404/76.

6. In order to redeem the shares, the shareholders of BESC and BESCRI must file a specific form available in BESC branches or, to those shareholders with share custody in the Companhia Brasileira de Liquidação e Custódia – CBLC, must file the same form with their custody Agents. It is mandatory to present the following documents:

- a) Individuals: copies of CPF/MF (Brazilian IRS number for individuals) and ID Card authenticated by a Notary, together with address proof for the past 60 days;
- b) Companies: copies authenticated by a Notary of CNPJ/MF (Brazilian IRS number for companies), Bylaws/Social Contract and Simplified Document issued by the related Commercial Bureau, Minutes/Election Instruments of the legal representatives, and also CPF/MF, ID Card and actual address proof for the past 60 days of the partners/legal representatives; and
- c) Power of Attorney: the shareholder's agent will present, besides the shareholder identification documents mentioned above, the public power of attorney, which must have special mandates to the acts above mentioned and cannot be conferred in an irrevocable and irreversible way. For the power of attorney that has been granted and filed in BESC for more than 30 days, it is necessary to attach a Notary certificate.

7. The redemption prices to be paid to the shareholders of BESC and BESCRI were determined by the discounted cash flow method included in the companies' economic/financial appraisal reports. The redemption amounts are R\$ 2.44675527 per share of BESC and R\$ 0.01864436 per share of BESCRI,

8. According to article 230, from Law 6,404/76, the redemption payment can happen only after the merge becomes effective with the approval from the Banco Central do Brasil. Once the merge is finally approved, the redemption payment will be done within 30 (thirty) days.

Brasília (DF), October 1st 2008

Aldo Luiz Mendes
CFO