

12.22.2008 - Signature of the Shares buy-sell agreement - Nossa Caixa

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

1. Pursuant to § 4 of Article 157 of Law 6,404/76, dated December 15th, 1976 (“Companies Law”) and according to CVM (Brazilian Securities and Exchange Commission) Regulation 358, dated of January 3rd, 2002, Banco do Brasil S.A. (“Banco do Brasil”), a public limited company with ordinary shares negotiated in the Novo Mercado of the Bovespa under the code BBAS3, headed in Brasília-DF, hereby inform that:

2. It was signed, in 12.19.2008, between Banco do Brasil and the Government of the State of São Paulo, the shares buy-sell agreement (“Agreement”) to the acquisition of the stake control of Banco Nossa Caixa (“Nossa Caixa”), by the sell of 76,262,912 (seventy and six million, two hundred and sixty two thousand, nine hundred and twenty) voting shares, owned by the State, equal to 71.2499527144% of the total social capital and voting capital in the same proportion, to Banco do Brasil.

3. The transaction was authorized by the State of São Paulo Board of Representatives, by the State Law nr. 13,286/2008, dated December 18th, 2008, expressively including, among others arrangements: (i) authorization to the State of São Paulo to sell the stake control of Nossa Caixa, represented by the shares, to Banco do Brasil; (ii) recognize that the sell of the stake control of Nossa Caixa to Banco do Brasil will not interfere in the condition of Nossa Caixa as the financial agent of the state treasury; (iii) after the merger of Nossa Caixa by Banco do Brasil, the financial agent of the state will be a public bank; (iv) the authorization to the Executive, to attribute to Banco do Brasil, after the stake merger of Nossa Caixa, the condition of financial agent of the State treasury, by the period of 5 (five) years from the transfer date of Nossa Caixa control stake; (v) the assumption by Banco do Brasil of the deposits related to the common justice of the State of São Paulo, kept in Nossa Caixa, respected the actual conditions contracted while the contract is valid; (vi) the maintenance of the responsibility of the State of São Paulo, after the control transfer of Nossa Caixa to Banco do Brasil, of the benefits costs, granted and to be granted, related to: (a) pension plans of Nossa Caixa former employees, who exercised their rights to choose by the labor law, as predicted in the State Laws 10,430, from December 16th, 1971 and 8,236 from January 19th, 1993, and in the State Decrees 7,711 from March 19th, 1976 and 34,531 from December 31st, 1991; (b) pension plans complement, in the terms of the State Laws 4,819 from August 26th, 1958 and 8,236 from January 19th, 1993, owned to Nossa Caixa employees and former employees, hired before January 22nd, 1974, and their beneficiaries, accordingly to the criteria fixed by the State General Attorney, by means of the documents mentioned in the State Law 13,286/2008; and (vii) the prevision of readjustment of the benefits described in the item (vi) above, accordingly to the ratios settled

accordingly to the resulting ratios from base-date of the banking professional union, independent of the policy adopted by Banco do Brasil.

4. Besides that, the transaction must be approved by the Brazilian Central Bank and by the Banco do Brasil shareholders in the Shareholders Meeting, in the terms of article nr. 256 of the Companies Law.

5. The price settled to the acquisition of the shares owned by the State is R\$ 5,386,496,425.21 (five billion, three hundred and eighty six million, four hundred and ninety six thousand, four hundred and twenty five reais and twenty one cents), resulting in the amount of R\$ 70,63 (seventy reais and sixty three cents) per share.

6. The price mentioned in the item above does not grant to the former shareholders of Banco do Brasil, due to the decision of the Shareholders meeting which will approve the transaction, the right of leave the Company, due to reimbursement of the amount of their shares, in the terms of paragraph 2, of article 256, of the Companies Law

7. The Agreement predicts cash payment, in 18 (eighteen) monthly equal and sequential parcels, from March 10th, 2009, in the amount of R\$ 299,249,801.40 (two hundred and ninety nine million, two hundred and forty nine thousand, eight hundred and one reais and forty cents), updated by SELIC, from November 20th, 2008, until the payment of the referred parcels.

8. In compliance with article 254-A from the Companies Law, Novo Mercado of Bovespa rules and other related rules, a Public Offering of Shares Acquisition (tag along offering) will be held assuring to the minority shareholders of Nossa Caixa the right to sell their shares, at least, in the same conditions offered to the Government of the State of São Paulo.

9. In the period of 12 (twelve) months from the transfer of shares, or 90 (ninety) days from the approval of the Stake Control by Banco Central do Brasil, which happens last, will be held a General Shareholders Meeting to approve the stake merger process of Nossa Caixa by Banco do Brasil. Thus, there is no intention to cancel, in an one year period, the Nossa Caixa's public company register.

10. The transaction of the control acquisition of Nossa Caixa is justified by:

a) the opportunity of the increasing of Banco do Brasil's presence in São Paulo due to the strong distribution of Banco Nossa Caixa in that State;

b) the complement to the growth strategy and the value creation of Banco do Brasil;

c) the allow to Banco do Brasil to the potential capture of synergies mainly through the following sources:

I. expansion of the loan portfolio;

II. broadening of the services;

III. improvement of the credit quality;

IV. optimization of expenses; and

V. efficiency gains.

d) the value creation to the shareholders.

11. The majors effects of the acquisition, specifically in the assets growth, among other highlights are shown below

Informations 30.06.2008	Banco do Brasil	Nossa Caixa	Combo BB + Nossa Caixa	Evol. %
R\$ billion				
Assets	403.5	54.0	457.5	13.4%
Loans	190.1	9.7	199.8	5.1%
Deposits	195.5	33.0	228.5	16.9%
# employees	84,258	14,708	98,966	17.5%
# accounts holders (million)	46.0	5.8	51,8	12.6%
# branches	4,052	559	4,611	13.8%
BIS Ratio	13.1%	13.8%	12.8%	

Source: Financial Statements of Banco do Brasil and Nossa Caixa

12. Moreover, considering the government-controlled nature of both companies, the operation will preserve public's interest and the interests of the stakeholders related to both companies, including employees, account holders, shareholders and other partners.

Brasília, December 22nd, 2008.

Aldo Luiz Mendes

CFO