Financial Statements



1st quarter 2013

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Banco do Brasil S.A.
Consolidated Financial Statements
In thousands of Reais

CONSOLIDATED BALANCE SHEET

A S S E T S		03.31.2013	12.31.2012	03.31.2012
CURRENT ASSETS		**651,979,696**	**625,488,140**	**611,428,906**
Cash and Cash Equivalents	(Note 6)	**12,999,469**	**12,310,731**	**14,982,712**
Short-term Interbank Investments	(Note 7.a)	**218,485,879**	**205,206,911**	**165,159,829**
Open market investments		207,225,964	189,224,949	158,527,376
Interbank deposits		11,259,915	15,981,962	6,632,453
Securities and Derivative Financial Instruments	(Note 8)	**67,754,103**	**59,447,613**	**81,289,389**
Own portfolio		30,730,074	40,160,278	69,110,172
Subject to repurchase agreements		33,735,841	17,298,906	10,568,279
Deposits with Banco Central do Brasil		16	16	16
Pledged in guarantee		2,735,179	1,437,168	488,979
Derivative financial instruments		552,993	551,245	1,132,753
(Allowance for securities losses)		--	--	(10,810)
Interbank Accounts		**85,434,449**	**83,274,821**	**101,970,589**
Payments and receipts pending settlement	(Note 9.a)	4,883,065	14,211	4,990,372
Restricted deposits	(Note 9.b)	79,499,792	82,296,773	96,190,680
Banco Central do Brasil deposits		77,273,311	80,097,865	94,145,683
National Treasury - rural credits resources		155,952	156,002	90,291
National Housing Finance System		2,070,529	2,042,906	1,954,706
Interbank onlendings		49,968	49,874	89,436
Correspondent banks		1,001,624	913,963	700,101
Interdepartmental Accounts		**151,543**	**467,615**	**109,427**
Internal transfers of funds		151,543	467,615	109,427
Loan Operations	(Note 10)	**177,450,930**	**174,365,484**	**170,929,740**
Public sector		1,240,937	1,263,598	6,561,909
Private sector		184,538,589	182,447,865	173,200,006
(Allowance for loan losses)		(8,328,808)	(9,346,104)	(8,853,764)
Loan operations linked to assignment		212	125	21,589
Leasing transactions	(Note 10)	**990,508**	**1,129,562**	**1,462,389**
Public sector		7,868	11,811	18,702
Private sector		1,064,725	1,204,836	1,543,692
(Allowance for leasing transactions losses)		(82,085)	(87,085)	(100,005)
Other Receivables		**86,508,068**	**86,693,097**	**72,834,396**
Receivables from guarantees honored		106,029	107,503	81,677
Foreign exchange portfolio	(Note 12.a)	16,591,839	17,275,866	19,593,363
Receivables		1,804,860	1,781,222	1,474,271
Securities trading		458,834	313,161	213,580
Insurance, pension plans and capitalization	(Note 21.a)	2,500,752	2,191,786	1,982,789
Sundry	(Note 11.b)	66,036,348	65,948,206	50,356,285
(Allowance for other losses)		(990,594)	(924,647)	(867,569)
Other Assets	(Note 13)	**2,204,747**	**2,592,306**	**2,690,435**
Assets not for own use and stock materials		567,284	557,201	507,477
(Allowance for impairment)		(206,855)	(195,286)	(187,225)
Prepaid expenses		1,844,318	2,230,391	2,370,183

CONSOLIDATED BALANCE SHEET

A S S E T S		03.31.2013	12.31.2012	03.31.2012
NON-CURRENT ASSETS		**527,228,590**	**523,819,408**	**397,980,696**
LONG-TERM RECEIVABLES		**504,306,687**	**500,163,490**	**375,051,363**
Short-term Interbank Investments	(Note 7.a)	**17,947,484**	**14,116,523**	**17,855,056**
Short-term Interbank Investments		240,495	289,004	322,394
Interbank deposits		17,706,989	13,827,519	17,532,662
Securities and Derivative Financial Instruments	(Note 8)	**114,783,982**	**124,909,554**	**74,693,450**
Own portfolio		87,857,213	87,403,656	32,540,137
Subject to repurchase agreements		23,359,303	32,233,089	36,765,910
Deposits with Banco Central do Brasil		15	51,443	48,631
Pledged in guarantee		2,837,660	4,359,666	4,987,403
Derivative financial instruments		731,426	863,335	351,369
(Allowance for securities losses)		(1,635)	(1,635)	--
Interbank Accounts		**114,247**	**125,681**	**102,351**
Restricted deposits	(Note 9.b)	267	23,282	44,548
National Treasury - rural credits resources		267	23,282	44,548
Interbank onlendings		113,980	102,399	57,803
Loan Operations	(Note 10)	**302,170,264**	**295,347,202**	**213,903,525**
Public sector		13,458,539	11,634,221	1,534,904
Private sector		301,035,410	294,799,408	222,276,249
(Allowance for loan losses)		(12,410,031)	(11,175,715)	(9,936,384)
Loan operations linked to assignment		86,346	89,288	28,756
Leasing transactions	(Note 10)	**640,782**	**753,191**	**1,103,377**
Public sector		2,446	3,730	7,639
Private sector		670,835	790,290	1,203,464
(Allowance for leasing transactions losses)		(32,499)	(40,829)	(107,726)
Other Receivables		**67,166,917**	**63,594,405**	**64,857,787**
Foreign exchange portfolio	(Note 12.a)	2	266	--
Receivables		35,907	36,727	34,518
Securities trading		497,329	287,902	202,027
Specific credits	(Note 11.a)	1,293,263	1,263,571	1,176,512
Insurance, pension plans and capitalization	(Note 21.a)	19,934	2,162	1,581
Sundry	(Note 11.b)	65,852,267	62,555,301	64,022,546
(Allowance for other losses)		(531,785)	(551,524)	(579,397)
Other Assets	(Note 13)	**1,483,011**	**1,316,934**	**2,535,817**
Prepaid expenses		1,483,011	1,316,934	2,535,817
PERMANENT ASSETS		**22,921,903**	**23,655,918**	**22,929,333**
Investments		**7,418,987**	**7,639,982**	**7,927,156**
Investments in subsidiaries and associated companies	(Note 14.a)	5,944,236	6,174,615	6,726,893
Domestic		5,573,118	5,774,010	6,320,913
Abroad		371,118	400,605	405,980
Other Investments	(Note 14.b)	1,581,825	1,556,260	1,284,458
(Accumulated impairment)		(107,074)	(90,893)	(84,195)
Property, plant and equipment	(Note 15)	**6,632,804**	**6,636,978**	**5,645,750**
Land and buildings		4,646,940	4,504,260	4,491,508
Other property, plant and equipment		9,419,440	9,663,518	8,496,528
(Accumulated depreciation)		(7,433,576)	(7,530,800)	(7,342,286)
Intangible	(Note 16)	**8,809,071**	**9,308,569**	**9,244,687**
Intangible assets		14,142,853	13,976,338	15,019,166
(Accumulated amortization)		(5,333,782)	(4,667,769)	(5,774,479)
Deferred		**61,041**	**70,389**	**111,740**
Organization and expansion costs		1,676,750	1,686,535	2,030,503
(Accumulated amortization)		(1,615,709)	(1,616,146)	(1,918,763)
TOTAL ASSETS		**1,179,208,286**	**1,149,307,548**	**1,009,409,602**

CONSOLIDATED BALANCE SHEET

LIABILITIES/STOCKHOLDERS' EQUITY		03.31.2013	12.31.2012	03.31.2012
CURRENT LIABILITIES		**733,369,030**	**725,824,397**	**628,892,265**
Deposits	(Note 17.a)	**353,397,068**	**353,051,671**	**303,838,766**
Demand deposits		68,693,231	74,759,878	60,658,967
Savings deposits		122,589,208	117,744,043	101,815,206
Interbank deposits		14,666,072	14,272,152	12,018,608
Time deposits		147,448,557	146,275,598	129,345,985
Securities sold under repurchase agreements	(Note 17.c)	**228,762,365**	**214,649,038**	**189,559,688**
Own portfolio		63,497,370	56,385,430	49,593,942
Third-party portfolio		165,245,361	158,016,969	139,811,305
Free movement portfolio		19,634	246,639	154,441
Funds from Acceptance and Issuance of Securities	(Note 19)	**22,382,187**	**24,846,154**	**16,980,611**
Funds from real state, mortgage, credit and similar bonds		11,589,017	14,581,314	8,659,998
Funds from debentures		30,230	--	830,546
Foreign securities		10,762,940	10,264,840	7,490,067
Interbank Accounts		**3,155,607**	**24,456**	**3,220,720**
Receipts and payments pending settlement	(Note 9.a)	3,143,877	339	3,208,471
Correspondent banks		11,730	24,117	12,249
Interdepartmental Accounts		**2,571,975**	**5,179,603**	**1,910,819**
Thrid-party funds in transit		2,569,054	5,177,054	1,907,736
Internal transfers of funds		2,921	2,549	3,083
Borrowings	(Note 18.a)	**13,016,598**	**12,972,062**	**8,811,918**
Domestic loans - other institutions		407,940	404,753	83,665
Foreign borrowing		12,608,658	12,567,309	8,728,253
Domestic Onlending – Official Institutions	(Note 18.b)	**18,535,463**	**17,756,624**	**17,493,973**
National Treasury		57,089	77,354	37,082
BNDES		12,299,283	11,952,855	11,019,205
Caixa Econômica Federal		1,144,961	895,482	411,825
Finame		4,456,328	4,177,881	3,767,700
Other institutions		577,802	653,052	2,258,161
Foreign Onlending	(Note 18.b)	**10,856**	**481**	**5,897**
Foreign onlendings		10,856	481	5,897
Derivative Financial Instruments	(Note 8.d)	**1,969,901**	**1,325,523**	**2,992,999**
Derivative financial instruments		1,969,901	1,325,523	2,992,999
Other Liabilities		**89,567,010**	**96,018,785**	**84,076,874**
Billing and collection of taxes and contributions		3,813,205	418,640	4,257,645
Foreign exchange portfolio	(Note 12.a)	11,769,026	13,576,002	15,577,948
Stockholders and statutory distributions		776,979	1,817,691	1,521,944
Taxes and social security	(Note 20.b)	19,130,812	24,030,336	18,769,674
Securities trading		2,033,171	625,465	855,289
Technical provisions for insurance, pension plans and capitalization	(Note 21.b)	14,419,476	15,179,674	13,258,861
Financial and development funds	(Note 20.a)	3,444,060	3,121,529	2,059,947
Subordinated debts	(Note 20.c)	--	108,244	680,936
Equity and debt hybrid securities	(Note 20.d)	423,466	242,577	278,838
Other liabilities	(Note 20.e)	33,756,815	36,898,627	26,815,792

CONSOLIDATED BALANCE SHEET

LIABILITIES/STOCKHOLDERS' EQUITY		03.31.2013	12.31.2012	03.31.2012
NON-CURRENT LIABILITIES		**383,717,843**	**361,983,734**	**319,331,299**
LONG-TERM LIABILITIES		**383,323,639**	**361,596,443**	**318,996,340**
Deposits	(Note 17.a)	**114,810,813**	**119,033,730**	**143,031,054**
Interbank deposits		3,212,586	2,296,504	2,253,764
Time deposits		111,598,227	116,737,226	140,777,290
Securities sold under repurchase agreements	(Note 17.c)	**11,926,104**	**11,137,834**	**10,251,622**
Own portfolio		4,060,901	3,608,690	3,771,653
Third-party portfolio		7,865,203	7,529,144	6,479,031
Free movement portfolio		--	--	938
Funds from Acceptance and Issuance of Securities	(Note 19)	**53,950,691**	**45,823,969**	**19,253,083**
Funds from real state, mortgage, credit and similar bonds		36,526,337	28,546,998	8,440,267
Funds from debentures		775,237	799,306	668,734
Foreign securities		16,649,117	16,477,665	10,144,082
Borrowings	(Note 18.a)	**1,073,706**	**1,108,971**	**2,743,813**
Domestic loans - other institutions		3780	3,780	30,072
Foreign borrowing		1,069,926	1,105,191	2,713,741
Domestic Onlending – Official Institutions	(Note 18.b)	**47,265,448**	**45,762,002**	**34,071,010**
National Treasury		639,768	635,925	1,639,517
BNDES		29,328,680	29,809,896	18,400,892
Finame		17,297,000	15,316,181	14,030,601
Foreign Onlending	(Note 18.b)	**65,616**	**87,009**	**81,127**
Foreign onlendings		65,616	87,009	81,127
Derivative Financial Instruments	(Note 8.d)	**1,496,773**	**2,113,959**	**1,273,397**
Derivative financial instruments		1,496,773	2,113,959	1,273,397
Other Liabilities		**152,734,488**	**136,528,969**	**108,291,234**
Foreign exchange portfolio	(Note 12.a)	12,028,774	12,827,792	12,086,632
Taxes and social security	(Note 20.b)	8,761,864	6,893,169	9,074,417
Securities trading		611,485	605,683	--
Technical provisions for insurance, pension plans and capitalization	(Note 21.b)	49,809,755	45,053,852	35,831,898
Financial and development funds	(Note 20.a)	2,010,788	1,967,079	2,043,995
Special operations		2,126	2,126	--
Subordinated debts	(Note 20.c)	46,680,283	40,567,935	30,759,341
Equity and debt hybrid securities	(Note 20.d)	18,717,225	14,818,494	5,880,968
Other liabilities	(Note 20.e)	14,112,188	13,792,839	12,613,983
DEFERRED INCOME		**394,204**	**387,291**	**334,959**
STOCKHOLDERS' EQUITY	(Note 24)	**62,121,413**	**61,499,417**	**61,186,038**
Capital		**48,400,000**	**48,400,000**	**33,122,569**
Local residents		39,157,710	39,467,977	27,324,290
Domiciled abroad		9,242,290	8,932,023	5,798,279
Capital Reserves		**1**	**1**	**1**
Revaluation Reserves		**4,623**	**4,645**	**4,709**
Profit Reserves		**15,826,612**	**16,132,046**	**23,887,696**
Accumulated Other Comprehensive Income		**(4,057,432)**	**(3,150,194)**	**1,993,698**
Retained earnings/accumulated losses		**1,829,263**	**--**	**1,716,200**
(Treasury Shares)		**(461,248)**	**(461,248)**	**(2)**
Noncontrolling interests		**579,594**	**574,167**	**461,167**
TOTAL LIABILITIES		**1,179,208,286**	**1,149,307,548**	**1,009,409,602**

STATEMENT OF INCOME

		1st quarter/2013	1st quarter/2012
INCOME FROM FINANCIAL INTERMEDIATION		**24,155,260**	**26,055,252**
Loan Operations	(Note 10.b)	16,315,984	16,435,034
Lease transactions	(Note 10.i)	427,056	484,510
Securities	(Note 8.b)	5,937,349	7,003,687
Derivative financial instruments	(Note 8.e)	(304,763)	(845,342)
Foreign exchange transactions	(Note 12.b)	397,803	314,167
Compulsory investments	(Note 9.c)	993,144	1,850,445
Sale and transfer of financial assets		88,769	10,860
Financial income from insurance, pension plans and capitalization	(Note 21.e)	299,918	801,891
EXPENSES FROM FINANCIAL INTERMEDIATION		**(16,486,793)**	**(19,396,485)**
Deposits and securities sold under repurchase agreements	(Note 17.d)	(11,663,985)	(13,907,739)
Borrowings and onlendings	(Note 18.c)	(1,021,503)	(1,107,775)
Lease transactions	(Note 10.i)	(386,263)	(352,624)
Sale and transfer of financial assets		(15,027)	--
Financial expenses from technical provisions of insurance, pension plans and capitalization	(Note 21.e)	(172,017)	(588,234)
Allowance for loan losses	(Notes 10.f and 10.g)	(3,227,998)	(3,440,113)
INCOME FROM FINANCIAL INTERMEDIATION		**7,668,467**	**6,658,767**
OTHER OPERATING INCOME/EXPENSES		**(3,585,159)**	**(2,853,309)**
Service fee income	(Note 22.a)	3,821,514	3,465,877
Bank fee income	(Note 22.b)	1,565,809	1,585,445
Personnel expenses	(Note 22.c)	(4,467,821)	(3,932,394)
Other administrative expenses	(Note 22.d)	(3,822,427)	(4,044,655)
Tax expenses	(Note 25.c)	(1,147,663)	(1,083,226)
Equity in associated and subsidiary companies	(Note 14)	(190,055)	(114,742)
Insurance, pension plans and capitalization results	(Note 21.e)	717,333	516,488
Other operating income	(Note 22.e)	2,780,335	3,443,346
Other operating expenses	(Note 22.f)	(2,842,184)	(2,689,448)
OPERATING INCOME		**4,083,308**	**3,805,458**
NON-OPERATING INCOME	(Note 23)	**9,397**	**20,710**
Incomes		62,997	67,805
Expenses		(53,600)	(47,095)
PROFIT BEFORE TAXATION AND PROFIT SHARING		**4,092,705**	**3,826,168**
INCOME TAX AND SOCIAL CONTRIBUTION	(Note 25.a)	**(1,125,581)**	**(881,728)**
EMPLOYEE AND DIRECTORS PROFIT SHARING		**(373,466)**	**(407,035)**
NONCONTROLLING INTEREST		**(36,647)**	**(35,169)**
NET INCOME	(Note 24.g)	**2,557,011**	**2,502,236**
EARNINGS PER SHARE	(Note 24.e)		
Weighted average number of shares - basic		2,851,998,399	2,865,416,984
Basic earnings per share (R$)		0.91	0.89
Weighted average number of shares - diluted		2,851,998,399	2,865,416,984
Diluted earnings per share (R$)		0.91	0.89

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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EVENTS		Realized capital	Capital reserves	Revaluation reserves	Profit reserves		Accumulated other comprehensive income		Treasury shares	Retained earnings (loss) in the parent company	Noncontrolling interest	Total
					Legal reserve	Statutory reserves	Banco do Brasil	Associated and subsidiary companies				
Balances disclosed at 12.31.2011		**33,122,569**	**--**	**4,730**	**3,496,562**	**20,624,740**	**618,556**	**105,286**	**(1)**	**--**	**443,928**	**58,416,370**
Asset valuation adjustment, net of taxes - adoption of CPC 33 (R1)	(Note 24.h)	--	--	--	--	--	1,135,354	--	--	--	--	1,135,354
Adjusted balances at 12.31.2011		**33,122,569**	**--**	**4,730**	**3,496,562**	**20,624,740**	**1,753,910**	**105,286**	**(1)**	**--**	**443,928**	**59,551,724**
Asset valuation adjustment of securities and derivative financial instruments, net of taxes		--	--	--	--	--	62,876	71,626	--	--	--	134,502
Share-based payment transactions		--	1	--	--	--	--	--	(1)	--	--	--
Expired dividends/interest on own capital		--	--	--	--	--	--	--	--	2,111	--	2,111
Realization of revaluation reserve in subsidiary/associated companies	(Note 24.c)	--	--	(21)	--	--	--	--	--	21	--	--
Change in noncontrolling interest		--	--	--	--	--	--	--	--	--	17,239	17,239
Net income for the period		--	--	--	--	--	--	--	--	2,502,236	--	2,502,236
Unrealized results		--	--	--	--	(52,198)	--	--	--	52,198	--	--
Allocation - Dividends	(Note 24.f)	--	--	--	--	(181,408)	--	--	--	--	--	(181,408)
- Interest on own capital	(Note 24.f)	--	--	--	--	--	--	--	--	(840,366)	--	(840,366)
Balances at 03.31.2012		**33,122,569**	**1**	**4,709**	**3,496,562**	**20,391,134**	**1,816,786**	**176,912**	**(2)**	**1,716,200**	**461,167**	**61,186,038**
Changes in the period		**--**	**1**	**(21)**	**--**	**(233,606)**	**62,876**	**71,626**	**(1)**	**1,716,200**	**17,239**	**1,634,314**
Balances disclosed at 12.31.2012		**48,400,000**	**1**	**4,645**	**4,112,056**	**12,019,990**	**1,031,280**	**389,074**	**(461,248)**	**--**	**574,167**	**66,069,965**
Asset valuation adjustment, net of taxes - adoption of CPC 33 (R1)	(Note 24.h)	--	--	--	--	--	(4,570,548)	--	--	--	--	(4,570,548)
Adjusted balances at 12.31.2012		**48,400,000**	**1**	**4,645**	**4,112,056**	**12,019,990**	**(3,539,268)**	**389,074**	**(461,248)**	**--**	**574,167**	**61,499,417**
Asset valuation adjustment of securities and derivative financial instruments, net of taxes		--	--	--	--	--	(678,983)	(228,255)	--	--	--	(907,238)
Expired dividends/interest on own capital		--	--	--	--	--	--	--	--	2	--	2
Realization of revaluation reserve in subsidiary/associated companies	(Note 24.c)	--	--	(22)	--	--		--	--	22	--	--
Change in noncontrolling interest		--	--	--	--	--	--	--	--	--	5,427	5,427
Net income for the period		--	--	--	--	--	--	--	--	2,557,011	--	2,557,011
Unrealized results		--	--	--	--	(26,005)		--	--	26,005	--	--
Allocation - Dividends	(Note 24.f)	--	--	--	--	(279,429)	--	--	--	--	--	(279,429)
- Interest on own capital	(Note 24.f)	--	--	--	--	--	--	--	--	(753,777)	--	(753,777)
Balances at 03.31.2013		**48,400,000**	**1**	**4,623**	**4,112,056**	**11,714,556**	**(4,218,251)**	**160,819**	**(461,248)**	**1,829,263**	**579,594**	**62,121,413**
Charges in the period		**--**	**--**	**(22)**	**--**	**(305,434)**	**(678,983)**	**(228,255)**	**--**	**1,829,263**	**5,427**	**621,996**

See the accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS

		1st quarter 2013	1st quarter 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax and social contribution		4,092,705	3,826,168
Adjustments to income (loss) before tax and social contribution		10,903,002	10,034,735
Provision for credits, lease and other credits	(Notes 10.f and 10.g)	3,227,998	3,440,113
Depreciation and amortization	(Note 22.d)	909,009	927,906
Impairment test results of assets	(Notes 15 and 16)	340	5,375
Equity in subsidiaries and associated companies	(Note 14.a)	190,055	114,742
(Gain)/Loss on the disposal of assets	(Note 23)	471	8,324
(Gain)/Loss on the disposal of investments	(Note 23)	(1,470)	(1,600)
Capital (gain)/loss	(Note 23)	7,490	5,744
Foreign currency exchange results	(Note 14.a)	(187,244)	(115,672)
Provision/(reversal) for impairment of other assets	(Note 23)	13,691	1,931
Amortization of goodwill	(Note 14.c)	219,926	218,846
Expenses with civil, labor and tax provisions	(Note 28.a)	841,746	960,034
Technical provisions for insurance, pension plans and capitalization	(Note 21.e)	5,471,097	4,395,647
Adjustment of actuarial assets/liabilities and surplus allocation funds	(Note 27)	(407,688)	(374,009)
Effect of changes in foreign exchange rates in cash and cash equivalents		654,228	482,523
Noncontrolling interests		(36,647)	(35,169)
Income adjusted before income tax and social contribution		**14,995,707**	**13,860,903**
Equity variations		(34,396,622)	(4,705,189)
(Increase) Decrease in short-term interbank investments		(34,745,062)	1,747,959
(Increase) Decrease in trading securities and derivative financial instruments		6,027,340	272,134
(Increase) Decrease in interbank and interdepartmental accounts		(4,133,151)	(3,731,614)
(Increase) Decrease in compulsory deposits with Banco Central do Brasil		2,824,554	(485,827)
(Increase) Decrease in loan operations		(13,131,672)	(9,332,775)
(Increase) Decrease in leasing transactions		231,923	271,851
(Increase) Decrease in other receivables net of deferred taxes		(2,055,181)	(1,561,392)
(Increase) Decrease in other assets		207,320	(116,281)
Income tax and social contribution paid		(1,663,354)	(2,002,970)
(Decrease) Increase in deposits		(3,877,520)	4,484,264
(Decrease) Increase in securities sold under repurchase agreements		14,901,597	4,636,034
(Decrease) Increase in funds from acceptance and issuance of securities		5,662,754	3,910,404
(Decrease) Increase in borrowings and onlendings		2,280,538	(142,733)
(Decrease) Increase in other liabilities		(6,933,621)	(2,642,628)
(Decrease) Increase in deferred income		6,913	(11,615)
CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES		**(19,400,915)**	**9,155,714**
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) Decrease in securities available for sale		(7,849,794)	11,414,393
(Increase) Decrease in securities held to maturity		2,761,490	1,340,749
(Acquisition)/disposal of property, plant and equipment in use		(209,063)	(328,641)
(Acquisition)/ disposal of investments		(7,762)	(176,192)
Acquisition of intangible assets/ deferred assets		(187,266)	(149,495)
CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		**(5,492,395)**	**12,100,814**
CASH FLOWS FROM FINANCING ACTIVITIES			
Change in noncontrolling interests		5,427	17,239
(Decrease) Increase in subordinated debts		6,004,103	555,594
(Decrease) Increase in equity and debt hybrid securities		4,079,620	3,314,014
Dividends paid		(734,230)	(442,565)
Interest on own capital paid		(753,777)	(794,907)
CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		**8,601,143**	**2,649,375**
Net variation of cash and cash equivalents		**(16,292,167)**	**23,905,903**
At the beginning of the period		57,805,818	43,852,139
Effect of changes in foreign exchange rates in cash and cash equivalents		(654,228)	(482,523)
At the end of the period		40,859,423	67,275,519
Increase (Decrease) in cash and cash equivalents		**(16,292,167)**	**23,905,903**

Banco do Brasil S.A.
Consolidated Financial Statements
In thousands of Reais

STATEMENT OF VALUE ADDED

		1st quarter/2013		1st quarter/2012	
		Balance	%	Balance	%
Income		**26,564,050**		**28,259,962**	
Income from Financial Intermediation		24,155,260		26,055,252	
Income from service and bank fees		5,387,323		5,051,322	
Allowance for loan losses		(3,227,998)		(3,440,113)	
Other income/expenses		249,465		593,501	
Expense from Financial Intermediation		**(13,258,795)**		**(15,956,372)**	
Inputs Purchased from Third Parties		**(2,224,281)**		**(2,214,823)**	
Materials, electric power and other		(132,729)		(131,124)	
Expenses with outsourced services		(477,282)		(407,748)	
Communication	(Note 22.d)	(324,684)		(355,379)	
Data processing	(Note 22.d)	(200,754)		(208,397)	
Transportation	(Note 22.d)	(264,570)		(287,131)	
Security services	(Note 22.d)	(194,279)		(199,720)	
Financial system services	(Note 22.d)	(170,313)		(162,349)	
Advertising and marketing	(Note 22.d)	(84,758)		(72,959)	
Other		(374,912)		(390,016)	
Gross Added Value		**11,080,974**		**10,088,767**	
Depreciation and amortization	(Note 22.d)	(909,009)		(927,906)	
Value Added produced by the Entity		**10,171,965**		**9,160,861**	
Value Added received through transfer		**(190,055)**		**(114,742)**	
Equity in subsidiary and associated companies		(190,055)		(114,742)	
Added Value to Distribute		**9,981,910**	**100.00**	**9,046,119**	**100.00**
Value Added distributed		**9,981,910**	**100.00**	**9,046,119**	**100.00**
Personnel		**4,298,459**	**43.07**	**3,834,593**	**42.39**
Salaries and fees		2,809,869		2,464,029	
Employee and directors profit sharing		373,466		407,035	
Benefits and training programs		580,275		542,302	
FGTS (Government Severance Indemnity Fund for Employees)		162,085		147,840	
Other charges		372,764		273,387	
Taxes, Rates and Contributions		**2,816,072**	**28.21**	**2,469,790**	**27.30**
Federal		2,539,452		2,221,184	
State		78		114	
Municipal		276,542		248,492	
Interest on Third Parties' Capital		**273,723**	**2.74**	204,331	**2.26**
Rent	(Note 22.d)	273,723		204,331	
Interest on Own Capital	(Note 24.e)	**2,593,658**	**25.98**	**2,537,405**	**28.05**
Federal Government's interest on own capital		441,692		496,559	
Interest on own capital of other stockholders		312,085		343,807	
Federal Government dividends		163,738		107,191	
Dividends from other stockholders		115,691		74,217	
Retained earnings		1,523,805		1,480,462	
Non-controlling interest in retained earnings		36,647		35,169	

See the accompanying notes to financial statements.

1 – The Bank and its Operations

Banco do Brasil S.A. ("Banco do Brasil" or the "Bank") is a publicly traded company established under private law, with both public and private stockholders, and is subject to the requirements of Brazilian corporate legislation. It is headquartered in Setor Bancário Sul, Quadra 1, Lote 32, Bloco C, Edifício Sede III, Brasília, Distrito Federal, Brazil. Its purpose is to carry out all asset, liability and accessory banking operations, to provide banking services, to promote financial intermediation and originate financial transactions in various forms, including foreign exchange transactions and supplementary activities, with an emphasis on insurance, private pension, capitalization, securities brokerage, administration of credit/debit cards, consortiums, investment funds and management portfolios, and to practice any activities permitted for the institutions that are part of the National Finance System. It is also the main financial agent of the Brazilian Federal Government and is therefore required to carry out the functions attributed to it by law, specifically those of article 19 of Law 4,595/1964.

2 – Company Restructuring

a) Acquisitions

BB Americas (successor of EuroBank)

On 01.19.2012, the Bank concluded the acquisition, through cash payment of US$ 6 million (R$ 10,651 thousand), of the entire capital stock and voting capital of BB Americas, a north-american financial institution, corresponding to 835,855 common shares.

Investment and goodwill balances were measured based on adjusted equity of BB Americas, on December 2011, converted at the exchange rate of 01.17.2012.

	R$ thousand
Amount paid	10,651
Adjusted equity value on 12.31.2011	(27,203)
Value of goodwill	**37,854**
Goodwill	18,058
Goodwill of assets fair value	19,796
Capital investment	90,098

BB Americas, a close corporation headquartered in the state of Florida (United States), has a network of three branches located in the cities of Coral Gables, Pompano Beach and Boca Raton.

The BB Americas acquisition is expected to contribute to Banco do Brasil's expansion of business in the United States, through its operations in the North-American retail market, focusing on Brazilian and Hispanic people that live in the USA.

b) Corporate reorganization in the area of insurance, private pension plans, capitalization and reinsurance

BB Cor Participações S.A.

On 12.27.2012, the Bank established the company BB Cor Participações S.A. (BB Cor), which now holds 100% of the equity of BB Corretora de Seguros e Administradora de Bens S.A. (BB Corretora).

The Bank´s objective is to increase the market share of BB Corretora, which will commercialize, inside and outside of the Bank's distribution channels, third-party products in the branches where the Bank doesn't have exclusivity agreements with partners companies.

BB Cor will also hold equity interest in other companies which operates as brokers in the sale of insurance, open pension funds, capitalization and/or health insurance and dental plans in which the Bank may participate in the future.

BB Seguridade Participações S.A.

On 12.27.2012, the Bank established the company BB Seguridade Participações S.A. (BB Seguridade), with the following objectives: to consolidate under a single company, all activities of the Bank in the areas of insurance, capitalization, supplementary pension plan and similar activities, including any future expansion of these activities, in Brazil or abroad, organic or not; to provide

economies of scale in these operations; and to obtain reduction in the costs and expenses in the insurance segment.

The company holds the following equity interests:

a) 100% of the shares issued by BB Cor.
b) 100% of the shares issued by BB Seguridade Participações S.A., which in turn holds the following equity interests:

(i) 74.9% of the total shares (of which 49.9% are common shares) issued by BB Mapfre SH1 Participações S.A., which operates in the field of life insurance in partnership with Grupo Mapfre.
(ii) 50.0% of the total shares (of which 49.0% are common shares) issued by Mapfre BB SH2 Participações S.A., which operates in the field of property insurance also in partnership with Grupo Mapfre.
(iii) 74.9% of the total shares (of which 49.9% are common shares) issued by Brasilprev Seguros e Previdência Privada S.A., which operates in the field of open pension fund in partnership with Principal Financial Group;
(iv) 66.7% of the total shares (of which 49.9% are common shares) issued by Brasilcap Capitalização S.A.,which operates in the field of capitalization in partnership with Icatu Seguros S.A. e a Cia de Seguros Aliança da Bahia; and
(v) 100.0% of the shares issued by Nossa Caixa Capitalização S.A., which operates in the field of capitalization.

Brasilprev Seguros e Previdência S.A.

On 12.19.2011, the Stock Purchase Agreement to the acquisition, by Brasilprev, of the entire capital stock and voting capital from Brasilprev Nosso Futuro Seguros e Previdência S.A. (successor of Mapfre Nossa Caixa Vida e Previdência - MNCVP), that was owned by BB Seguros (49%) and Mapfre Brasil Participações S.A. (51%), was formalized. The adjusted amount to the transaction totalized R$157,974 thousand, adjusted by CDI rate until the settlement date.

On 07.31.2012, the agreement was settled by the amount of R$166,958 thousand.

Operation summary:

R$ thousand

	Position at 31 July, 2012
Amount paid	**166,958**
MNCVP's equity	24,637
Goodwill recorded on Brasilprev Seguros e Previdência S.A.	142,321
Percentage of Brasilprev Seguros e Previdência S.A. total share	74.995%
Proportionate goodwill	**106,734**
Unrealized results elimination, impacting goodwill	52,486
Remaining goodwill – consolidated position	54,248

3 – Presentation of Financial Statements

The Consolidated Financial Statements have been prepared in accordance with the accounting guidelines derived from Brazilian corporation law, the rules and instructions issued by the Conselho Monetário Nacional (CMN), Banco Central do Brasil (Bacen), the Conselho Nacional de Seguros Privados (CNSP), the Superintendência de Seguros Privados (Susep), and Comissão de Valores Mobiliários (CVM), as applicable.

The preparation of financial statements in accordance with accounting practices adopted in Brazil, applicable to financial institutions, requires that Management use judgment in the determination and recording of accounting estimates, when applicable. Significant assets and liabilities subject to these estimates and assumptions include: the residual value of fixed assets, the allowance for loan losses, deferred tax assets, provision for labor, civil and tax demands, appreciation of financial instruments, assets and liabilities relating to post-employment benefits and other provisions. The final amounts of transactions involving these estimates are only known upon their settlement.

The consolidated financial statements include operations of Banco do Brasil in Brazil and abroad, the operations of financial and non-financial subsidiaries in Brazil and abroad, Jointly Controlled entities, Special Purpose Entity - Dollar Diversified Payment Rights Finance Company, including the Investment Funds (BVIA, Nióbio I, BV Financeira FIDC I, BV Financeira FIDC II, BV Financeira FIDC III, BV Financeira FIDC IV, BV Financeira FIDC V e BV Financeira FIDC VI) which the Bank controls directly or indirectly, and investments in subsidiaries and associated companies, in accordance with Bacen requirements.

In the preparation of these consolidated financial statements, amounts resulting from transactions between consolidated companies, including the ownership interest held by one in another, balances of balance sheet accounts, revenues, expenses and unrealized profits, net of tax effects, were eliminated. Non-controlling interest in net equity and in income were separately disclosed in the financial statements. The balances of balance sheet and income accounts of ownership interest which control is shared with other stockholders were consolidated proportionally to the ownership held in the capital. Leasing operations were considered based on the financial method, and the amounts were reclassified from the heading of leased assets to the heading of leasing operations, after deduction of residual amounts received in advance.

The Accounting Pronouncements Committee (CPC) is responsible for issuing accounting standards and interpretations, based on international accounting standards, approved by the CVM. Bacen adopted the following pronouncements of the CPC, applied by the Bank, as applicable: CPC 00 - Conceptual Framework, CPC 01 – Decrease in Recoverable Amount of Assets, CPC 03 - Statement of Cash Flows (DFC), CPC 05 – Related Party Disclosures, CPC 10 – Share-Based Payment, CPC 23 – Accounting Policies, Changes in Accounting Estimates and Errors, CPC 24 – Events After the Reporting Period and CPC 25 - Provisions, Contingent Liabilities and Contingent Assets.

Additionally, the Banco Central do Brasil issued CMN Resolution 3,533/2008, which became effective in January, 2012, which established procedures for classification, accounting and disclosure of sale and transfer transactions related to financial assets. This Resolution establishes the criteria for the write-off of financial assets as specified in the CPC 38 – Financial Instruments: Recognition and Measurement.

The Bank has also applied the following pronouncements which do not conflict with the Bacen rules, as established by Article 22, § 2 of Law 6,385/1976: CPC 09 – Value Added Statement, CPC 12 – Adjustment at Present Value, CPC 22 – Information by segment, CPC 33 – Employee Benefits and CPC 41 – Income per share.

Pronouncements CPC 07 - Government Grants and Assistance, CPC 17 - Construction Contracts, CPC 29 - Biological Assets and Agricultural Produce and CPC 35 - Separate Statements, which do not conflict with the Bacen rules, may be applied by the Bank as events or transactions covered by the aforementioned CPCs take place.

The application of other standards, which depend on Bacen's regulations, results primarily in immaterial adjustments or in changes in disclosure, except the following pronouncements, that may result in significant impacts on the financial statements:

CPC 04 - Intangible Assets and CPC 15 - Business Combinations - a) reclassification of intangible assets identified on acquisitions of controlling interest of Banco Nossa Caixa and of Banco Votorantim, in 2009, as well as on acquisition of controlling interest of Banco Patagonia, in 2011, and of BB Americas, in 2012, from the investment account to the account of intangible assets, in the group of Non-Current Assets – Permanent; b) derecognition of goodwill amortization expenses from acquisitions; and c) recognition of amortization expenses of intangible assets with definite useful lives, identified in the acquisitions.

CPC 18 – Investments in Associates and Joint Ventures – according to CPC 18, in the formation of the joint ventures SH1 and SH2, on 06.30.2011, the equity interests received in the partnership are recorded at fair value; the book value of the assets contributed by the Bank, including any goodwill, is written off, and the transaction result is recognized proportionately to the equity interest of Mapfre in the new companies constituted.

CPC 36 – Consolidated Financial Statements – consolidation of the interests in investments in associates and joint ventures using the equity method, in accordance with CPC 18, resulting in decrease in the total assets of the Conglomerate.

CPC 38 - Financial Instruments: Recognition and Measurement - adjustment in the allowance for loan losses, due to the adoption of the incurred loss criteria instead of the expected loss criteria.

These financial statements were approved by the Executive Board of Directors on 05.14.2013.

Shareholding interest included in the consolidated financial statements, segregated by business segments

				03.31.2013	12.31.2012	03.31.2012
Banking segment			**Activity**		**% of Total Share**	
Banco do Brasil – Ag. Viena	(1)	(4)	Banking	100%	100%	100%
BB Leasing Company Ltd.	(1)	(4)	Leasing	100%	100%	100%
BB Leasing S.A. – Arrendamento Mercantil	(1)	(4)	Leasing	100%	100%	100%
BB Securities Asia Pte. Ltd.	(1)	(4)	Broker	100%	100%	100%
BB Securities LLC.	(1)	(4)	Broker	100%	100%	100%
BB Securities Ltd.	(1)	(4)	Broker	100%	100%	100%
BB USA Holding Company, Inc.	(1)	(4)	Holding	100%	100%	100%
Brasilian American Merchant Bank	(1)	(4)	Banking	100%	100%	100%
BB Americas	(1)	(4)	Bank	100%	100%	100%
Besc Distribuidora de Títulos e Valores Mobiliários S.A.	(1)	(4)	Asset Management	99.62%	99.62%	99.62%
Banco Patagonia S.A.	(1)	(4)	Bank	58.96%	58.96%	58.96%
Banco Votorantim S.A.	(2)	(4)	Bank	50%	50%	50%
Investment segment			**Activity**		**% of Total Share**	
BB Banco de Investimento S.A.	(1)	(4)	Investment Bank	100%	100%	100%
Kepler Weber S.A.	(2)	(4)	Industry	17.56%	17.56%	17.56%
Companhia Brasileira de Securitização – Cibrasec	(3)	(5)	Credits Acquisition	12.12%	12.12%	12.12%
Neoenergia S.A.	(2)	(4)	Energy	11.99%	11.99%	11.99%
Segment of Fund Management			**Activity**		**% of Total Share**	
BB Gestão de Recursos – Distribuidora de Títulos e Valores Mobiliários S.A.	(1)	(4)	Asset Management	100%	100%	100%
Segment of Insurance, Private Pension Fund and Capitalization			**Activity**		**% of Total Share**	
BB Seguridade Participações S.A.	(1)	(4)	Holding	100%	100%	--
BB Cor Participações S.A.	(1)	(4)	Holding	100%	100%	--
BB Corretora de Seguros e Administradora de Bens S.A.	(1)	(4)	Broker	100%	100%	100%
BB Seguros Participações S.A.	(1)	(4)	Holding	100%	100%	100%
Nossa Caixa Capitalização S.A.	(1)	(4)	Capitalization	100%	100%	100%
BB Mapfre SH1 Participações S.A.	(2)	(4)	Holding	74.99%	74.99%	74.99%
Aliança Participações S.A.	(2)	(6)	Holding	--	--	74.99%
Mapfre Participações Ltda.	(2)	(6)	Holding	--	--	74.99%
Companhia de Seguros Aliança do Brasil	(2)	(4)	Insurance Company	74.99%	74.99%	74.99%
Mapfre Vida S.A.	(2)	(4)	Company/Pension	74.99%	74.99%	74.99%
Vida Seguradora S.A.	(2)	(4)	Insurance Company	74.99%	74.99%	74.99%
Brasilprev Seguros e Previdência S.A.	(2)	(4)	Pension/Insurance	74.99%	74.99%	74.99%
Brasilprev Nosso Futuro Seguros e Previdência S.A.	(2)	(4)	Pension/Insurance	74.99%	74.99%	74.99%
Brasilcap Capitalização S.A.	(2)	(4)	Capitalization	66.66%	66.66%	66.66%
Mapfre BB SH2 Participações S.A.	(2)	(4)	Holding	50%	50%	50%
Aliança Rev Participações S.A.	(2)	(6)	Holding	--	--	50%
Aliança do Brasil Seguros S.A.	(2)	(4)	Insurance Company	50%	50%	50%
Brasilveículos Companhia de Seguros	(2)	(4)	Insurance Company	50%	50%	50%
Mapfre Seguros Gerais S.A.	(2)	(4)	Insurance Company	50%	50%	50%
Mapfre Affinity Seguradora S.A.	(2)	(4)	Insurance Company	50%	50%	50%
Mapfre Assistência S.A.	(2)	(4)	Service Rendering	50%	50%	50%
Votorantim Corretora de Seguros S.A.	(2)	(4)	Broker	50%	50%	50%
Seguradora Brasileira de Crédito à Exportação – SBCE	(3)	(4)	Insurance Company	12.09%	12.09%	12.09%
Segment of Payment Methods			**Activity**		**% of Total Share**	
BB Administradora de Cartões de Crédito S.A.	(1)	(4)	Service Rendering	100%	100%	100%
BB Elo Cartões Participações S.A.	(1)	(4)	Holding	100%	100%	100%
Elo Participações S.A.	(2)	(4)	Holding	49.99%	49.99%	49.99%
Companhia Brasileira de Soluções e Serviços CBSS	(2)	(4)	Service Rendering	49.99%	49.99%	49.99%
Elo Serviços S.A.	(2)	(4)	Service Rendering	33.33%	33.33%	33.33%
Cielo S.A.	(2)	(4)	Service Rendering	28.71%	28.68%	28.71%
Tecnologia Bancária S.A. – Tecban	(3)	(4)	Service Rendering	13.53%	13.53%	13.53%
Other Segments			**Activity**		**% of Total Share**	
Ativos S.A. Securitizadora de Créditos Financeiros	(1)	(4)	Credit Acquisition	100%	100%	100%
Ativos S.A. Gestão de Cobrança e Recuperação de Crédito	(1)	(4)	Credit Acquisition	100%	100%	100%
BB Administradora de Consórcios S.A.	(1)	(4)	Consortium	100%	100%	100%
BB Tur Viagens e Turismo Ltda.	(1)	(5)	Tourism	100%	100%	100%
BB Money Transfers Inc.	(1)	(4)	Service Rendering	100%	100%	100%
Cobra Tecnologia S.A.	(1)	(4)	IT	99.97%	99.97%	99.97%
BV Participações S.A.	(2)	(4)	Holding	50%	50%	50%

(1) Subsidiaries.

(2) Joint venture, proportionately included in consolidation.

(3) Associated companies, proportionately included in consolidation, as Bacen's Regulation.

(4) Financial Statements for consolidation on March/2013.

(5) Financial Statements for consolidation on February/2013.

(6) Companies discontinued during the fiscal year 2012.

Information for comparability purposes

The financial information is presented retrospectively according to CPC 23 – Accounting Policies, Changes in Accounting Estimates and Errors, due to changes in CPC 33 (R1), approved by CVM Resolution 695/2012, which changed the accounting of actuarial gains and losses, now recorded in the stockholder's equity. The table below shows the re-presented balances:

Balance Sheet

R$ thousand

	12.31.2012			03.31.2012		
	Original Report	Adjustments	Adjusted Balances	Original Report	Adjustments	Adjusted Balances
Non-Current Assets						
Other receivables - Sundry (1)	63,733,942	(1,178,641)	62,555,301	59,584,442	4,438,104	64,022,546
Total Assets	**1,150,486,189**	**(1,178,641)**	**1,149,307,548**	**1,004,971,498**	**4,438,104**	**1,009,409,602**
Non-Current Liabilities						
Taxes and social security (2)	6,883,049	10,120	6,893,169	7,445,297	1,629,120	9,074,417
Other liabilities - Sundry (3)	10,411,052	3,381,787	13,792,839	10,940,353	1,673,630	12,613,983
Stockholders' Equity	**66,069,965**	**(4,570,548)**	**61,499,417**	**60,050,684**	**1,135,354**	**61,186,038**
Accumulated Other Comprehensive Income (4)	1,420,354	(4,570,548)	(3,150,194)	858,344	1,135,354	1,993,698
Total Liabilities	**1,150,486,189**	**(1,178,641)**	**1,149,307,548**	**1,004,971,498**	**4,438,104**	**1,009,409,602**

(1) Includes the actuarial asset and the deferred tax assets;

(2) Includes the deferred tax liabilities;

(3) Includes the actuarial liabilities;

(4) Includes the actuarial gains and losses, net of tax effects.

For comparability purposes, the following reclassification were made:

Statement of Income

R$ thousand

	1st quarter 2012		
	Original Report	Reclassifications	Adjusted Balances
EXPENSES FROM FINANCIAL INTERMEDIATION	**(19,366,369)**	**(30,116)**	**(19,396,485)**
Securities Sold Under Repurchase Agreements (1)	(13,896,769)	(10,970)	(13,907,739)
Borrowings and onlendings (2) (3)	(1,088,629)	(19,146)	(1,107,775)
INCOME FROM FINANCIAL INTERMEDIATION	**6,688,883**	**(30,116)**	**6,658,767**
OTHER OPERATING INCOME/EXPENSES	**(2,883,425)**	**30,116**	**(2,853,309)**
Other operating expenses (1) (2) (3)	(2,719,564)	30,116	(2,689,448)
OPERATING INCOME	**3,805,458**	**--**	**3,805,458**
NET INCOME	**2,502,236**	**--**	**2,502,236**

(1) R$ 10,970 thousand from the grouping of Other Operating Expenses to the grouping of Expenses with Deposits and with Securities Sold Under Repurchase Agreements, to reflect better the nature of the operations related to the restatement of amounts to be released, according to CMN Resolution 3,706/2009;

(2) R$ 7,644 thousand from the grouping of Other Operating Expenses to the grouping of Expenses of Borrowings and Onlendings, in order to better reflect the nature of the operations related to agreements with INSS; and

(3) R$ 11,502 thousand from the grouping of Other Operating Expenses to the grouping of Expenses of Borrowings and Onlendings, in order to better reflect the nature of the operations related to the restatement of funds to be returned to the National Treasury.

4 – Description of Significant Accounting Policies

The accounting policies adopted by Banco do Brasil are applied consistently in all periods presented in these financial statements and applied to all the entities of the Conglomerate.

a) Statement of income

In accrual basis accounting, revenues and expenses are reported in the closing process of the period in which they are incurred, regardless of receipt or payment. The operations with floating financial charges are adjusted *pro rata die*, based on the variation of the indexes agreed, and operations with fixed financial charges are recorded at redemption value, adjusted for unearned income or prepaid

expenses for future periods. The operations indexed to foreign currencies are adjusted up to the reporting date using current rates.

b) Present value measurement

Financial assets and liabilities are presented at present value due to the application of the accrual basis in the recognition of their interest income and expenses.

Non-contractual liabilities are primarily represented by contingent liabilities and legal obligations, for which the disbursement date is uncertain and is not under the Bank control. They are measured at present value because they are initially recognized at estimated disbursement value on the valuation date and are updated monthly.

c) Cash and cash equivalents

Cash and cash equivalents comprise available funds in local currency, foreign currency, investments in gold, investments in repurchase agreements – own resources, interbank deposits and investments in foreign currencies, with high liquidity and insignificant risk of change in value, with maturity not exceeding 90 days.

d) Short-term interbank investments

Short-term interbank investments are recorded at their investment or acquisition amount, plus income accrued up to the balance sheet date and adjustment to allowance for losses.

e) Securities

The securities purchased for the Bank's portfolio are recorded at the actual amount paid, including brokerage charges and fees, and are classified based on management's intention, in one of three categories, according to Bacen Circular 3,068/2001:

Trading Securities: these are securities purchased to be actively and frequently traded. They are adjusted monthly to market value. The increases and decreases in value are recorded in income and expense accounts for the period;

Securities available for sale: these are securities that may be traded at any time, but are not acquired to be actively and frequently traded. They are adjusted monthly to market value and their increases and decreases in value are recorded, net of tax effects, in Accumulated Other Comprehensive Income in Stockholders' Equity.

Securities held to maturity: these are securities that the Bank owns and has the financial capacity and intent to hold to maturity. These securities are not adjusted to market value. The financial capacity is supported by a cash flow projection that does not consider the possibility of sale of these securities.

The mark-to-market methodology used for securities was established following consistent, verifiable criteria, which consider the average price of trading on the day of calculation or, if not available, the daily adjustment of future market transactions reported by Anbima, BM&FBovespa or the net expected realizable value obtained through pricing models, using future interest rate curves, foreign exchange rates, and price and currency index, all consistent with prices adopted during the year.

Income accrued on the securities, irrespective of the category in which they are classified, is appropriated on a *pro rata die* basis on an accrual basis until the date of maturity or final sale, according to the exponential or straight-line method, based on the contractual remuneration and purchase price, and recorded directly in the statement of income for the period.

Impairment of securities classified as available for sale and held to maturity, if considered not to be temporary, are recorded directly in expense for the period and a new cost basis for the asset is determined.

Upon sale, the difference between the sale amount and the cost of purchase plus accrued income is considered as a result of the transaction and is recorded on the date of the transaction as a gain or loss on securities.

f) Derivative financial instruments

Derivative financial instruments are adjusted to market value at each monthly trial balance and balance sheet date. Increases or decreases in value are recorded in income or expense accounts of the respective financial instruments.

The mark-to-market methodology used for derivative financial instruments was established following consistent and verifiable criteria, which consider the average price of trading on the date of calculation or, if not available, pricing models that estimate the expected net realizable value.

Derivative financial instruments used to offset, in whole or in part, the risks arising from exposure to variations in financial asset or liability market values are considered hedge instruments and are classified according to their nature:

Market Risk Hedge - increases or decreases in value of the financial instruments, as well as of the hedged item, are recorded in income/expenses accounts for the period; and

Cash Flow Hedge - the effective portion of the increases or decreases in value of the derivative financial instruments classified in this category are recorded, net of tax effects, in Accumulated Other Comprehensive Income in Stockholders' Equity. The effective amount is that in which the variation of the hedged item, directly related to the corresponding risk, is offset by the variation in the financial instrument used for the hedge, considering the accumulated effect of the transaction. Other variations in these instruments are recorded directly in the statement of income/expenses for the period.

g) Loan and lease operations, advances on foreign exchange contracts, other receivables with loan characteristics and allowance for loan losses

Loans, leases, advances on foreign exchange contracts and other receivables with loan characteristics are classified according to Management's judgment with respect to the level of risk, taking into consideration market conditions, past experience and specific risks in relation to the operation, to borrowers and guarantors, observing the parameters established by CMN Resolution 2,682/1999, which requires periodic analyses of the portfolio and its classification into nine levels, ranging from AA (minimum risk) to H (maximum risk), as well as the classification of operations more than 15 days overdue as non-performing.

Income from loans overdue for more than 60 days, regardless of their risk level, will only be recognized as income when effectively received.

Operations classified at level H, which remain in this classification for 180 days, are written off against the existing allowance.

Renegotiated operations are maintained, at a minimum, at the same level at which they were rated. The renegotiations of loans already written off against the allowance are rated as H level and any gains from renegotiation are recognized as income when effectively received.

Allowance for loan losses, considered sufficient by management, satisfies the minimum requirement established by the aforementioned CMN Resolution 2,682/1999 (Note 10.e).

h) Taxes

Taxes are calculated based on the rates shown in the table below:

Taxes	Rate
Income Tax (15% + additional 10%)	25%
Social Contribution on Net Income (CSLL) (1)	15%
Social Integration Program/Public servant fund program (PIS/Pasep) (2)	0.65%
Contribution to Social Security Financing – (Cofins) (2)	4%
Tax on services of any kind – (ISSQN)	Up to 5%

(1) Rate applied to financial companies and to non-financial companies in the areas of insurance, private pension plans and capitalization. For others non-financial companies, the CSLL rate is 9%.

(2) For non-financial firms that have opted for the non-cumulative regime of calculation, the PIS/PASEP rate is 1.65% and the Cofins rate is 7.6%.

Deferred tax assets (tax credits) and deferred tax liabilities are recorded by applying the current rates of taxes on their respective bases. For recording, maintaining, and writing off tax credits the Bank follows the established criteria by CMN Resolution 3,059/2002, and amended by CMN Resolution 3,355/2006 and 3,655/2008, and they are supported by a study of their realizability.

i) Prepaid expenses

These expenses refer to the application of payments made in advance, for which the benefits or the services will occur in subsequent periods. Prepaid expenses are recorded at cost and amortized as incurred.

j) Permanent assets

Investments: investments in subsidiaries and associated companies in which the Bank has significant influence or an ownership interest of 20% or more of the voting shares, and in other companies which are part of a group or are under common control are accounted for by the equity method based on the stockholders' equity of the subsidiary or associated company.

Goodwill, the premium paid over the book value of the investment acquired due a future profitability expectation, is based on financial economic evaluations which substantiate the purchase price of the business and is amortized based on annual income projections of those evaluations. Goodwill is tested for impairment annually.

The statements of the branches and subsidiaries abroad are adapted to the prevailing accounting criteria in Brazil and translated into Brazilian Reais using current exchange rates, in conformity with Bacen Circulars 2,397/1993 and 2,571/1995, and their impacts are recorded in the statement of income for the period.

Other permanent investments are valued at acquisition cost, less allowance for impairment losses, as applicable.

Property and equipment: property and equipment are stated at cost less depreciation, calculated using the straight-line method at the following annual rates: buildings and improvements - 4%; vehicles - 20%; data processing systems - 20% and others - 10% (Note 15).

Deferred: deferred assets are recorded at cost of acquisition or formation, net of accrued amortization. They are composed mainly of restructuring costs, and the expenditures, up to 09.30.2008, with third party properties, as a result of opening branches, which are amortized according to rates based on rental terms, as well as expenditures on the acquisition and development of information systems, which are amortized at 20% per annum (p.a.).

Intangible: intangible assets consist of rights that have as their object intangible assets intended for the maintenance of the company or that are exercised for that purpose, including acquired goodwill.

An asset meets the criteria for identification as an intangible asset, when it is separable, i.e, it can be separated from the entity and sold, transferred or licensed, rented or exchanged, individually or jointly with a contract, related assets or liabilities, regardless of the intention for use by the entity; or results from contractual rights or other legal rights, regardless of whether these rights are transferable or separable from the entity or other rights and obligations.

The intangible assets have finite useful lives and compromises disbursements for the acquisition of: (i) rights to provide banking services (rights to managing payrolls), amortized over the terms of contracts; (ii) software, amortized on a straight-line basis at a rate of 20% per year from the date it is available for use; and (3) in the right to use the Banco Postal network (included in Other Intangible Assets), which is amortized according to the contractual period. Intangible assets are adjusted by allowance for impairment losses, if applicable (Note 16). The amortization of intangible assets is recorded in Other Administrative Expenses account.

k) Impairment of non-financial assets

At the end of each reporting period, the Bank assesses whether there is any indication that a non-financial asset may be impaired based on internal and external sources of information. If there is an indication that an asset may be impaired, the Bank estimates the recoverable amount of the asset. The recoverable amount of the asset is the higher of: i) its fair value less costs to sell it; and ii) its value in use.

The Bank tests, at least annually, the recoverable amount of intangible assets not yet available for use and goodwill on acquisition of investments, regardless whether there is an indication of impairment or not. This test can be applied any time during the year, provided it is performed at the same period every year.

If the recoverable amount of the asset is less than its carrying amount, the asset's carrying amount is reduced to its recoverable amount through a provision for impairment, which is recognized in the Income Statement.

Methodologies in assessing the recoverable amount of the main non-financial assets:

Property and Equipment in Use:

Land and buildings - in determining the recoverable amount of land and buildings, technical assessments are carried out in accordance with the rules of the Brazilian Association of Technical Standards - ABNT.

Data processing systems - in determining the recoverability, the market value is considered, if it is available, or the recoverable value for use in the operations of the Bank. Otherwise the calculation considers the projection of cash flows arising from the use of each asset during its useful life, discounted to present value based on the rate of the Interbank Deposit Certificate - CDI.

Other assets - although they are subject to impairment testing, other assets have little value individually and, given the cost-effectiveness, the Bank does not assess the recoverable value of these items individually. However, the Bank conducts inventory each year, and lost or damaged goods are properly derecognized.

Investments and Goodwill on acquisition of investments

The methodology for calculating the recoverable amount of goodwill and investments for future profitability consists of measuring the expected result of the investment using discounted cash flow (DCF). To measure this result, the assumptions made are based on (i) operational projections, results and investment plans, (ii) macroeconomic scenarios developed by the Bank, and (iii) internal methodology for calculating the cost of capital based on the Capital Asset Pricing Model - CAPM.

Specifically in the acquisition of Banco Nossa Caixa, which was merged into the Banco do Brasil in November 2009, the methodology is to compare the goodwill paid, less the accumulated amortization, with the present value of the results of the Bank designed for the State of São Paulo, minus assets with finite lives. The projections are based initially on results and progress based on growth assumptions of profitability for Banco do Brasil and they are discounted using the cost of capital rate, which is calculated using an internal methodology based on the Capital Asset Pricing Model – CAPM.

Intangible

Rights to Managing Payrolls - The model for assessing the recoverable amount of the rights to managing payroll involves monitoring contracts performance, that are calculated from the contribution margins of customer relationship related to each contract in order to check if the projections that justified the acquisition of assets match the observed performance. For the contracts that do not achieve the expected performance levels, a provision for impairment loss is recognized.

Software - Software, substantially developed by the Bank in accordance with its needs constantly receive investments for modernization and adaptation to new technologies and business requirements. Considering that there are no similar products on the market and considering the high cost to deploy metrics that allow calculation of its value in use, the impairment test for software evaluates its usefulness to the company so that when software is retired, its value is derecognized.

Other Intangible Assets - Right to use the Banco Postal network - The methodology to evaluate the recoverable amount of the right to use the network of the Banco Postal involves the calculation of the present value of income flows from operations contracted through Banco Postal, that are projected based on realized values and assumptions defined in the business plan, and are discounted based on the weighted average cost of capital (WACC).

The losses recorded on the result to adjust the recoverable value of these assets, if any, are stated in the respective notes.

l) Employee benefits

Employee benefits related to short-term benefits for current employees are recognized on the accrual basis as the services are provided. Post-employment benefits, comprising supplementary retirement benefits and medical assistance for which the Bank is responsible, are assessed in accordance with criteria established by CVM Resolution 695/2012 (Note 27). As of 06.30.2010, the evaluations are performed twice a year and not per year as on 12.31.2009.

In defined-contribution plans, the actuarial risk and the investment risk are borne by the plan participants. Accordingly, cost accounting is based on each period's contribution amount representing the Bank's obligation. Consequently, no actuarial calculation is required when measuring the obligation or expense, and there are neither actuarial gains nor losses.

In defined benefit plans, the actuarial risk and the investment risk value of plan assets fall either partially or fully on the sponsoring entity. Accordingly, cost accounting requires the measurement of plan obligations and expenses, with a possibility of actuarial gains and losses, leading to record a liability when the amount of the actuarial obligation exceeds the value of plan assets, or an asset when the amount of assets exceeds the value of plan obligations. In the latter instance, the asset should be recorded only when there is evidence that it can effectively reduce the contributions from the sponsor or refundable in future.

The Bank recognizes the components of defined benefit cost in the period in which the actuarial valuation was performed, in accordance with CVM Resolution 695/2012, as follows:

a) The current service cost and the net interest on the net defined benefit liability (asset) are recognized in profit or loss; and

b) The remeasurements of the net defined benefit liability (asset) are recognized in other comprehensive income, in the Bank's equity.

Contributions to be paid by the Bank to medical assistance plans in some cases will endure after the employee's retirement. Therefore, the Banks obligations are evaluated by the present actuarial value of the contributions to be paid over the expected period when the plan participants and beneficiaries will be linked to the plan. Such obligations are evaluated and recognized under the same criteria used for defined benefit plans.

The actuarial asset recognized in the balance sheet (Note 27) refers to the actuarial gains and its implementation must occur by the end of the plan. There may be partial completion of actuarial assets, conditioned upon satisfying the requirements of the Supplementary Law 109/2001 and Resolution CGPC 26/2008.

Initial adoption of CVM Resolution 695/2012 – CPC 33 (R1)

Through Resolution 695/2012, dated 12.13.2012, the CVM adopted the CPC 33 (R1). The main changes are: i) elimination of the corridor method; ii) actuarial gains and losses are now entirely recognized as actuarial assets or liabilities, and creating a corresponding credit or debit in a stockholder's equity account, called Accumulated Other Comprehensive Income. The remeasurements of the net defined benefit liability (asset) which are recognized against other comprehensive income should not be reclassified to income statement in the following period; iii) the financial expense/income of the plan is now recognized at its net value based on the discount rate; iv) new disclosure requirements are included in the financial statements; and v) the standard must be applied retrospectively in accordance with CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors.

The adoption of this standard, applied for fiscal years beginning on or after 01.01.2013, impacted the financial statements as follows:

R$ thousand

03.31.2013 (1)	**Plano 1 - Previ**	**Plano Informal - Previ**	**Plano de Associados - Cassi**	**Other Plans**	**Total**
Actuarial asset reduction	(4,441,209)	--	--	--	(4,441,209)
Actuarial liability increase	--	(109,101)	(2,577,272)	(695,413)	(3,381,786)
Effects in deferred tax assets and liabilities	1,900,393	43,640	1,030,909	277,505	3,252,447
Effects in Stockholders' Equity	**(2,540,816)**	**(65,461)**	**(1,546,363)**	**(417,908)**	**(4,570,548)**

(1) These impacts on 03.31.2013 are similar as of 12.31.2012, considering the actuarial valuations are prepared every six months (Nota 27.d).

R$ thousand

03.31.2012	**Plano 1 - Previ**	**Plano Informal - Previ**	**Plano de Associados - Cassi**	**Other Plans**	**Total**
Actuarial asset increase	3,742,924	--	--	--	3,742,924
Actuarial liability increase	--	(162,896)	(1,240,517)	(270,218)	(1,673,631)
Effects in deferred tax assets and liabilities	(1,601,596)	65,158	496,207	106,292	(933,939)
Effects in Stockholders' Equity	**2,141,328**	**(97,738)**	**(744,310)**	**(163,926)**	**1,135,354**

m) Deposits and Securities Sold Under Repurchase Agreements

Deposits and securities sold under repurchase agreements are recorded at the amount of the liabilities and include, when applicable, related charges up to the balance sheet date, on a daily *pro rata die* basis.

n) Operations related to insurance, pension plan and capitalization activities

Statement of Income/Expenses

Insurance premiums and selling expenses are recorded upon the issuance of policies or billings and are recognized in income/expenses, according to the elapsed coverage period. Revenues from premiums and the corresponding selling expenses, related to present risks without the issuing of respective policies are recognized in the statement of income/expenses based on estimates.

Income from insurance premiums of unelapsed risks is deferred for the validity period of the insurance policies, by means of the formation of provision for unearned premiums, based on the earned premiums issued.

Accepted coinsurance, retrocession and Dpvat convention (Personal injuries caused by motor vehicles) operations are recorded based on information received from similar companies, IRB Brasil Resseguros S.A. and the Seguradora Lider - Dpvat, respectively.

The revenue from pension plans, life insurance plans with living benefits and capitalization plans are recognized in the statement of income when effectively received, as a contra-entry to the recognition of technical provisions, except the revenue to cover risks in cases of combined pension plans, which must be recognized by the duration of the risk, regardless of its receipt. The selling costs are deferred on the issuing of the contract or policy and allocated to income/expenses on a straight-line basis, over the average estimated period for their recovery, except the ones related to capitalization.

Other income and expenses are determined on the accrual basis of accounting.

Technical Provisions

Rules and procedures for the formation of technical provisions are regulated by the Resolution 162/2006 of the National Council of Private Insurance (CNSP) and Resolutions n^{o} 181/2007, n^{o} 195/2008 and n^{o} 204/2009 of CNSP.

Insurance

Provision for Unearned Premiums (PUP) formed by the insurance premium corresponding to the period of risk not yet elapsed. The measurement is individual by policy or endorsement of the current contracts, on the date of formation, by the pro rata method with a basis on the validity start and end dates of the insured risk. The generating factor of the formation of this provision is the issuance of the policy or endorsement.

Provision for Premium Insufficiency (PPI) its purpose is to assess the sufficiency or insufficiency of premium reserves for coverage of future obligations related to the insurance contracts. The estimates are based on discounted cash flow of rights and future obligations of each contract, considering hypotheses and assumptions according to each type of risk.

Provision for Unsettled Claims (PULC) calculated by estimate of probable payments, gross of reinsurance and net of recovery of coinsurance, based on the notifications and notices of claims received up to the balance sheet date, and include provisions for claims under litigation calculated according to the criteria defined and documented in an actuarial technical note. The accrued amounts are restated under the terms of the applicable legislation.

Provision for Claims Incurred but not Reported (IBNR) calculated in accordance with the expected amount of claims incurred in risks assumed in the portfolio and not reported.

Premium Complementary Provision (PCP) has as object to maintain the company protected in monthly transitions, keeping the amount of the technical premium provisions (PUP and PUP-PRNI) higher than or equal to the daily average of the month of calculation. It is calculated to complement the PUP, the value of PCP is the positive difference between the daily average PUP and the PUP on the last day of the month. In this calculation, all the current risks must be considered, issued or not.

Pension plan

Mathematical Provision for Future Benefit Payments represents the sum of the premiums and contributions transferred by the participants, net of the loading rate, plus the financial income earned from the investments of the resources. This provision refers to participants whose perception of the benefits has not yet started.

Provision for benefits granted refers to those already receiving the benefits.

Provisions for a Deficiency in Contributions and in Premiums are formed to meet the possible adverse changes in the technical risks made in the mathematical provisions of benefits granted and to be granted, resulting from the trend for a higher survival rate of participants and the calculation is made using the Mitigated AT 2000 Male/Female mortality table and related assumptions, considering all the effective plans.

Provision for Financial Fluctuation is formed to account for the potential impacts of unfavorable variations in future rates of funds earmarked for the payment of benefits and redemptions to participants, considering the minimum remuneration guaranteed in existing contracts.

Provision of Benefits to Settle (PBAR) corresponds to the total value of annuities and income earned, not paid as a result of incurred events, including the updating of appropriate value, and the estimated values relating to lawsuits and the outcomes of final judgment.

Capitalization

Mathematical Reserve for Redemption is calculated on the face value of the notes, restated based on actuarial technical notes approved by Susep.

Provisions for Redemption of Overdue and Prepaid Notes are recorded at the values of the notes with finalized and rescinded capitalization periods, restated in the period between the date of the right to redemption and effective settlement.

Provision for Unrealized Draws for Premiums are calculated on the face value of the notes, based on actuarial technical notes approved by Susep. The write-off of the provision for unrealized draws for premiums is recorded by the amount equivalent to the lapsed risk, i.e., the balance of provision for unrealized draws for premiums represents the defrayed amounts of premiums draws not yet executed.

Provision for Draws for Premiums Payable is formed at the amounts of the notes payable from draws for premiums restated for the period between the date of the draw and the effective settlement.

o) Contingent assets and liabilities and legal obligations

The recognition, measurement and disclosure of contingent assets and liabilities and legal obligations are made in accordance with the criteria defined by CPC 25 – Provisions, Contingent Assets and Contingent Liabilities, approved by CMN Resolution 3,823/2009 (Note 28).

Contingent assets are only recognized in the financial statements upon the existence of evidence assuring their realization, usually represented by the final judgment of the lawsuit and by the confirmation of the capacity for its recovery by receipt or offsetting by another receivable.

Contingent liabilities are recognized in the financial statements when, based on the opinion of legal advisor and Management, the risk of loss of legal or administrative proceedings is considered probable, with a probable outflow of financial resource for the settlement of the obligation and when the amounts involved are measurable with sufficient assurance, being quantified when judicial noticed and revised monthly as follows:

Aggregated – cases that are similar and recurring in nature and whose values are not considered relevant. Provisions are based on statistical data for groups of cases, type of judicial body (Special Civil Court or Common Court) and plaintiff. For labor claims, provisions are based on the average payments for cases closed in the last 24 months, adjusted for the change in the National Wide Consumer Price Index (Índice Nacional de Preços ao Consumidor Amplo or IPCA). For civil claims, provisions are based on the average payments for cases closed in the last 24 months, and for those related to economic plans, provisions are based on the average payments made in the last 24 months.

Individual – cases considered unusual or whose value is considered relevant by our legal counsel. Provisions are based on: the amount claimed; probability of an unfavorable decision; evidence presented; evaluation of legal precedents; other facts raised during the process; judicial decisions made during the course of the case; and the classification and the risk of loss of legal actions.

Contingent liabilities, individually measured, considered as possible losses are not recognized in the balance sheet and only need to be disclosed in the notes to the financial statements, while those classified as remote do not require provisioning or disclosure.

Legal obligations (fiscal and social security) are derived from tax obligations provided in the legislation, regardless of the probability of success of lawsuits in progress, which have their amounts recognized in full in the financial statements.

p) Funding Expenses

Expenses related to funding transactions involving the issuance of securities are capitalized and presented as reduction of the corresponding liability. The expenses are recognized in the income statement over the term of the transaction.

q) Other Assets and Liabilities

Assets are stated at their realizable amounts, including, when applicable, related income and monetary and exchange variations on a daily *pro rata die* basis, and allowance for losses, when deemed appropriate. Liabilities comprise known or measurable amounts, including related charges and monetary and exchange variations on a daily *pro rata die* basis.

r) Earnings per share

The disclosure of earnings per share is done according to the criteria defined in Resolution CVM 636/2010. The Bank's basic earnings per share were calculated by dividing the net profit attributable to stockholders by the weighted average number of total shares, excluding treasury shares (Note 24.e).

5 – Information by Segment

The information by segment was compiled with a basis on the reports used by Management in the appraisal of the segment's performance, decision making regarding the allocation of funds for investment and other purposes, the regulatory environment and the similarities between goods and services.

The operations of Banco do Brasil are basically divided into five segments: banking, investments, fund management, insurance (insurance, pension and capitalization) and payment methods. In addition, the Bank participates in other business activities, such as consortium and operating support, that were aggregated in "Other Segments".

Intersegment transactions are conducted under terms and rates consistent with those applied with outsourced when applicable. These transactions do not involve payment risks.

a) Banking Segment

Responsible for the most significant portion of Banco do Brasil results, predominantly from operations in Brazil, this segment involves a large diversity of products and services, such as deposits, loans and services that are made available to customers by means of a wide variety of distribution channels, located in the country and abroad.

The operations of the banking segment include business with the retail, wholesale and government markets, carried out by network and customer service teams, and business with micro-entrepreneurs and the informal sector, performed through banking correspondents.

b) Investments Segment

In this segment, deals are performed in the domestic capital market, with activity in the intermediation and distribution of debts in the primary and secondary markets, as well as equity interest and the rendering of financial services.

The operations income of the segment is obtained by means of revenues accrued in investments in securities minus expenses with funding to third parties. The existing equity interests are concentrated at associated and subsidiary companies. Financial service fee income results from economic/financial advisory services, underwriting, fixed and variable income.

c) Segment of Fund Management

Responsible for operations inherent to the purchase, sale and custody of securities, portfolio management, institution, organization and management of investment funds and clubs. Revenues mainly derived from commissions and management fees charged to investors for services rendered.

d) Segment of Insurance, Private Pension Plan, and Capitalization

In this segment, products and services offered are related to life, property and automobile insurance, complementary private pension plans and capitalization plans.

Income is derived mainly from revenues from insurance premiums issued, contributions for private pension plans, capitalization bonds and investments in securities, net of commercialization expenses, technical provisions and expenses related to benefits and redemptions.

e) Segment of Payment Methods

Such segment is responsible for funding, transmission, processing services and financial settlement of operations in electronic means.

Revenues are derived mainly from commissions and management fees charged to commercial and banking establishments for the services rendered described in the previous paragraph, as well as income from rent, installation and maintenance of electronic terminals.

f) Other segments

Other segments comprise the operational support and consortium segments, which have not been aggregated as they are not individually significant.

Their revenues are originated mainly from rendering services not covered in previous segments, such as: credit recovery, consortium administration, development, manufacture, commercialization, rent and integration of digital electronic systems and equipment, peripherals, programs, inputs and computing supplies, intermediation of air tickets, lodging and organization of events.

R$ thousand

	1st quarter/2013							
	Banking	**Investment**	**Fund Management**	**Insurance and Related**	**Payment methods**	**Other Segments**	**Intersegment transactions**	**Total**
Income	**30,168,563**	**423,161**	**319,965**	**1,372,564**	**703,089**	**382,237**	**(456,386)**	**32,913,193**
Income from loans and leases	16,903,757	--	--	--	--	--	(71,948)	16,831,809
Income from operations with securities and derivative financial instruments	5,417,729	184,895	11,773	23,865	73,278	4,682	(83,636)	5,632,586
Income from exchange operations and Compulsory	1,390,932	--	--	--	15	(29)	29	1,390,947
Financial results from insurance operations, pension plans and capitalization	--	--	--	289,460	--	--	10,458	299,918
Income from service fees	2,481,768	124,676	222,765	346,855	606,758	245,149	(206,457)	3,821,514
Income from tariffs, rates and commissions	1,473,835	8,529	83,445	--	--	--	--	1,565,809
Equity in the earnings/(loss) of subsidiary and associated companies	(196,749)	6,694	--	--	--	--	--	(190,055)
Results from Insurance, Pension Plan and Capitalization Operations	--	--	--	702,286	--	--	15,047	717,333
Other Income	2,697,291	98,367	1,982	10,098	23,038	132,435	(119,879)	2,843,332
Expenses	**(27,601,635)**	**(172,479)**	**(53,786)**	**(689,525)**	**(379,944)**	**(334,051)**	**410,932**	**(28,820,488)**
Expenses of Market funding	(11,692,884)	(45,439)	--	--	(2,617)	(6,857)	83,812	(11,663,985)
Loans, assignments, transfers and leases	(1,407,746)	--	--	--	--	(20)	--	(1,407,766)
Allowance for loan losses	(3,227,747)	--	10	--	(187)	(74)	--	(3,227,998)
Interest and inflation adjustment of technical reserves	--	--	--	(172,017)	--	--	--	(172,017)
Personnel Expenses	(4,253,244)	(10,642)	(14,419)	(97,889)	(39,924)	(53,197)	1,494	(4,467,821)
Other administrative expenses	(2,857,216)	(13,066)	(4,875)	(170,666)	(53,358)	(45,358)	231,119	(2,913,420)
Depreciation	(203,068)	(634)	--	(3,824)	(3,910)	(1,771)	--	(213,207)
Amortization of deferred	(8,762)	--	--	(8,317)	(2,552)	(622)	--	(20,253)
Amortization of intangible assets	(671,473)	(3)	--	--	(3,989)	(82)	--	(675,547)
Operations of Sale or Transfer of Financial Assets	(15,027)	--	--	--	--	--	--	(15,027)
Revenues / (Expenses) from impairment	(308)	--	--	--	(32)	--	--	(340)
Other expenses[1]	(3,264,160)	(102,695)	(34,502)	(236,812)	(273,375)	(226,070)	94,507	(4,043,107)
Profit before tax and profit sharing[2]	**2,566,928**	**250,682**	**266,179**	**683,039**	**323,145**	**48,186**	**(45,454)**	**4,092,705**
Income tax and social contribution[3]	(570,900)	(84,658)	(107,222)	(254,392)	(111,525)	(16,333)	19,449	(1,125,581)
Profit sharing	(362,889)	--	(105)	(8,318)	(604)	(1,550)	--	(373,466)
Non-controlling interest)	(36,645)	--	--	--	--	(2)	--	(36,647)
Net Income[4]	**1,596,494**	**166,024**	**158,852**	**420,329**	**211,016**	**30,301**	**(26,005)**	**2,557,011**
Balance Sheets								
Assets	1,108,519,210	6,141,360	894,303	73,651,413	4,237,376	5,292,273	(19,527,649)	1,179,208,286
Investment in subsidiaries and associate companies	13,323,872	2,610,956	75	396,599	--	--	(10,387,266)	5,944,236
Liabilities	1,048,218,479	3,188,497	603,960	68,717,882	3,219,869	2,881,519	(9,743,333)	1,117,086,873

(1) According to Banco Central do Brasil standards, since January 2011, the goodwill amortization is recognized (note 14.c). In the 1st quarter, R$ 16,129 thousand were amortized in the segments of Insurance, Pension Plans and Capitalization.

(2) In Intersegment transactions, the amount of R$ 45,454 thousand refers to the elimination of unrealized results related to Ativos S.A.

(3) The amount of R$ 19,449 was activated (highlighted in transactions between segments), for the tax credit on unrealized results.

(4) In intersegment transactions, the amount of R$ 26,005 thousand, refers to the elimination of unrealized gains net of tax effects.

R$ thousand

	1st quarter/2012							
	Banking	**Investment**	**Fund Management**	**Insurance and Related**	**Payment methods**	**Other segments**	**Intersegment transactions**	**Total**
Income	**32,363,864**	**350,325**	**312,661**	**1,604,498**	**580,915**	**358,210**	**(551,002)**	**35,019,471**
Income from loans and leases	17,024,190	--	--	--	--	--	(93,786)	16,930,404
Income from operations with securities and derivative financial instruments	6,026,409	142,340	11,928	15,448	66,522	6,099	(110,401)	6,158,345
Income from exchange operations and Compulsory	2,164,606	--	--	--	4	(7)	9	2,164,612
Financial results from insurance operations, pension plans and capitalization	--	--	--	789,607	--	--	12,284	801,891
Income from service fees	2,439,849	95,896	199,813	230,775	501,875	245,853	(248,184)	3,465,877
Income from tariffs, rates and commissions	1,481,834	8,724	94,887	--	--	--	--	1,585,445
Equity in the earnings/(loss) of subsidiary and associated companies	(124,849)	9,527	--	580	--	--	--	(114,742)
Results from Insurance, Pension Plan and Capitalization Operations	--	--	--	524,421	--	--	(7,933)	516,488
Other Income	3,351,825	93,838	6,033	43,667	12,514	106,265	(102,991)	3,511,151
Expenses	**(29,697,577)**	**(188,948)**	**(55,615)**	**(1,123,918)**	**(295,803)**	**(291,204)**	**459,762**	**(31,193,303)**
Expenses of Market funding	(13,930,851)	(80,905)	--	--	--	(8,450)	112,467	(13,907,739)
Loans, assignments, transfers and leases	(1,460,370)	--	--	--	(9)	(20)	--	(1,460,399)
Allowance for loan losses	(3,440,850)	(2)	(14)	--	(2)	755	--	(3,440,113)
Interest and inflation adjustment of technical reserves	--	--	--	(588,234)	--	--	--	(588,234)
Personnel Expenses	(3,752,314)	(11,497)	(13,831)	(82,456)	(25,845)	(47,803)	1,352	(3,932,394)
Other administrative expenses	(3,066,993)	(11,111)	(5,386)	(218,358)	(48,530)	(52,902)	286,530	(3,116,750)
Depreciation	(257,836)	(645)	--	(3,602)	(2,845)	(1,883)	--	(266,811)
Amortization of deferred	(20,811)	--	--	(4,702)	(568)	(1,093)	--	(27,174)
Amortization of intangible assets	(632,943)	(4)	--	--	(936)	(37)	--	(633,920)
Revenues / (Expenses) from impairment	(209)	--	--	--	(5,166)	--	--	(5,375)
Other expenses[1]	(3,134,400)	(84,784)	(36,384)	(226,566)	(211,902)	(179,771)	59,413	(3,814,394)
Profit before tax and profit sharing[2]	**2,666,287**	**161,377**	**257,046**	**480,580**	**285,112**	**67,006**	**(91,240)**	**3,826,168**
Income tax and social contribution[3]	(473,587)	(45,523)	(105,756)	(177,684)	(101,161)	(17,058)	39,041	(881,728)
Profit sharing	(383,888)	--	(126)	(9,844)	(531)	(12,646)	--	(407,035)
Non-controlling interest	(35,169)	--	--	--	--	--	--	(35,169)
Net Income[4]	**1,773,643**	**115,854**	**151,164**	**293,052**	**183,420**	**37,302**	**(52,199)**	**2,502,236**
Balance Sheets								
Assets	956,131,798	5,832,362	713,286	56,583,436	2,844,423	4,406,004	(17,101,707)	1,009,409,602
Investment in subsidiaries and associate companies	12,385,908	2,373,442	68	555,814	--	--	(8,588,339)	6,726,893
Liabilities	894,719,792	3,690,281	430,587	52,291,759	2,123,692	1,806,090	(6,838,637)	948,223,564

(1) According to Banco Central do Brasil standards, since January 2011, the goodwill amortization is recognized (note 14.c). In the 1st quarter, R$ 46,689 thousand were amortized in the segment of Insurance, Pension Plans and Capitalization.

(2) In Intersegment transactions, the amount of R$ 91,240 thousand refers to the elimination of unrealized results related to Ativos S.A.

(3) The amount of R$ 39,041 thousand was activated (highlighted in intersegment transactions), related to the tax credit on unrealized results, was recorded as assets.

(4) In intersegment transactions, the amount of R$ 52,199 thousand, refers to the elimination of unrealized gains net of tax effects.

6 – Cash and Cash Equivalents

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Cash and Cash Equivalents	**12,999,469**	**12,310,731**	**14,982,712**
Local currency	9,067,123	8,713,507	13,492,808
Foreign currency	3,913,272	3,577,404	1,472,489
Investments in gold	19,074	19,820	17,415
Interbank Investments [(1)]	**27,859,954**	**45,495,087**	**52,292,807**
Open market investments – sales pending settlement – held position	2,562,439	20,760,206	11,789,483
Interbank deposits	25,169,985	24,517,998	38,782,535
Foreign currency	127,530	216,883	1,720,789
Total	**40,859,423**	**57,805,818**	**67,275,519**

(1) Investments whose maturity is less than or equal to 90 days.

7 – Short-term Interbank Investments

a) Breakdown

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Open Market Investments	**207,466,459**	**189,513,953**	**158,849,770**
Sales Pending Settlement – Own Resources	**29,908,320**	**22,009,970**	**12,249,491**
Treasury Financial Bills	2,077,598	3,145,040	926,108
National Treasury Bills	1,026,364	12,692,699	1,588,495
National Treasury Notes	26,773,914	5,727,161	9,381,951
Other Securities	30,444	445,070	352,937
Sales Pending Settlement – Financed Position	**177,538,448**	**167,261,653**	**146,448,203**
Treasury Financial Bills	34,475,101	104,449,107	110,677,077
National Treasury Bills	92,292,265	48,362,285	29,889,000
National Treasury Notes	50,409,837	14,081,422	5,575,433
Other Securities	361,245	368,839	306,693
Sales Pending Settlement – Short Position	**19,691**	**242,330**	**152,076**
Federal Government bonds – National Treasury	19,691	242,330	152,076
Interbank Deposits	**28,966,904**	**29,809,481**	**24,165,115**
Total	**236,433,363**	**219,323,434**	**183,014,885**
Current assets	218,485,879	205,206,911	165,159,829
Non-current assets	17,947,484	14,116,523	17,855,056

b) Income from Short-term Interbank Investments

R$ thousand

	1st quarter/2013	1st quarter/2012
Income from Open Market Investment	**3,471,902**	**3,884,214**
Own resources	302,186	239,445
Financed position	3,166,213	3,639,622
Short position	3,503	5,147
Income from Investiments in Interbank Deposits	**101,827**	**139,514**
Total	**3,573,729**	**4,023,728**

8 – Securities and Derivative Financial Instruments

a) Securities

R$ thousand

Maturity in days	03.31.2013								12.31.2012			03.31.2012		
	Market Value					Total			Total			Total		
	Without maturity	0-30	31-180	181-360	More than 360	Cost	Market value	Mark to Market	Cost	Market value	Mark to Market	Cost	Market value	Mark to Market
1– Trading securities	**3,783,656**	**6,553,076**	**5,825,927**	**6,722,450**	**53,721,545**	**75,575,479**	**76,606,654**	**1,031,175**	**72,401,254**	**74,711,317**	**2,310,063**	**62,256,804**	**63,543,609**	**1,286,805**
Federal Government Bonds	**11,154**	**5,480,999**	**5,039,034**	**5,786,801**	**41,456,024**	**56,720,771**	**57,774,012**	**1,053,241**	**54,950,295**	**57,010,899**	**2,060,604**	**47,068,870**	**48,131,419**	**1,062,549**
Treasury financial bills	--	398,771	1,593,831	674,620	6,050,385	8,710,954	8,717,607	6,653	10,859,168	10,857,445	(1,723)	10,536,743	10,550,490	13,747
National treasury bills	--	1,186,709	1,251,725	2,808,833	20,788,803	25,855,153	26,036,070	180,917	22,556,667	23,162,309	605,642	15,148,812	15,454,108	305,296
National treasury notes	--	202	1,473,325	2,039,480	14,199,366	16,879,655	17,712,373	832,718	17,322,364	18,767,769	1,445,405	14,181,000	14,837,333	656,333
Agricultural debt securities	--	97	862	508	114,183	115,650	115,650	--	124,457	124,456	(1)	9,310	9,867	557
Brazilian foreign debt securities	--	--	20,059	--	73,494	94,624	93,553	(1,071)	92,731	92,265	(466)	69,643	70,461	818
Foreign Government bonds	23	65,791	68,656	260,642	171,164	530,421	566,276	35,855	557,993	604,805	46,812	410,920	517,935	107,015
Other	11,131	3,829,429	630,576	2,718	58,629	4,534,314	4,532,483	(1,831)	3,436,915	3,401,850	(35,065)	6,712,442	6,691,225	(21,217)
Corporate bonds	**3,772,502**	**1,072,077**	**786,893**	**935,649**	**12,265,521**	**18,854,708**	**18,832,642**	**(22,066)**	**17,450,959**	**17,700,418**	**249,459**	**15,187,934**	**15,412,190**	**224,256**
Debentures	7,037	19,535	165,070	255,282	4,894,534	5,249,937	5,341,458	91,521	5,085,316	5,193,167	107,851	3,772,704	3,814,530	41,826
Promissory notes	--	--	--	--	--	--	--	--	122,772	122,772	--	83,316	83,316	--
Certificate of banking credit	--	--	--	--	--	--	--	--	--	--	--	3,501,623	3,503,181	1,558
Shares	2,074,071	--	--	--	--	2,181,525	2,074,071	(107,454)	1,944,733	1,997,674	52,941	1,426,949	1,592,755	165,806
Shares in investment funds	1,703,683	583,460	3,751	--	153,933	2,472,604	2,444,827	(27,777)	3,127,306	3,194,118	66,812	796,323	805,170	8,847
Rural Product Bills - Commodities	--	14,977	40,878	17,342	71,582	143,852	144,779	927	182,332	185,495	3,163	188,043	197,156	9,113
Certificate of deposit	--	429,984	511,976	261,561	633,490	1,823,432	1,837,011	13,579	2,025,777	2,032,971	7,194	252,866	252,866	--
Eurobonds	--	23,410	4,388	28,906	176,947	235,749	233,651	(2,098)	193,235	193,932	697	130,381	132,426	2,045
Financial bills	--	--	--	37,689	182,418	220,032	220,107	75	216,294	216,410	116	--	--	--
Others	(12,289)	711	60,830	334,869	6,152,617	6,527,577	6,536,738	9,161	4,553,194	4,563,879	10,685	5,035,729	5,030,790	(4,939)

R$ thousand

Maturity in days	03.31.2013								12.31.2012			03.31.2012		
	Market Value					Total			Total			Total		
	Without maturity	0-30	31-180	181-360	More than 360	Cost	Market value	Mark to Market	Cost	Market value	Mark to Market	Cost	Market value	Mark to Market
2 – Securities available for sale	**912,016**	**1,452,216**	**12,058,302**	**12,490,515**	**64,602,258**	**91,209,230**	**91,515,307**	**306,077**	**93,906,515**	**95,321,417**	**1,414,902**	**76,265,166**	**77,105,118**	**839,952**
Federal Government Bonds	**51,309**	**945,330**	**9,022,651**	**10,622,447**	**30,849,700**	**50,891,106**	**51,491,437**	**600,331**	**54,534,638**	**55,915,034**	**1,380,396**	**47,965,907**	**48,921,535**	**955,628**
Treasury financial bills	--	--	7,445,162	9,055,520	10,097,428	26,591,294	26,598,110	6,816	28,111,273	28,111,452	179	28,267,942	28,292,275	24,333
National treasury Bills	--	917,349	1,254,378	1,354,103	9,188,870	12,798,633	12,714,700	(83,933)	12,525,695	12,611,058	85,363	8,613,381	8,689,507	76,126
National treasury notes	--	--	73,656	207,504	5,710,800	6,058,419	5,991,960	(66,459)	5,856,605	6,008,286	151,681	3,982,243	4,059,718	77,475
Agricultural debt securities	--	434	2,113	5,320	15,435	22,937	23,302	365	22,928	23,633	705	16,146	15,772	(374)
Brazilian foreign debt securities	--	--	2,715	--	3,596,117	2,906,216	3,598,832	692,616	2,997,832	3,924,791	926,959	2,618,674	3,255,520	636,846
Foreign Government bonds	--	27,547	244,627	--	1,676,523	1,941,006	1,948,697	7,691	4,430,206	4,583,303	153,097	4,175,683	4,272,509	96,826
Other	51,309	--	--	--	564,527	572,601	615,836	43,235	590,099	652,511	62,412	291,838	336,234	44,396
Corporate bonds	**860,707**	**506,886**	**3,035,651**	**1,868,068**	**33,752,558**	**40,318,124**	**40,023,870**	**(294,254)**	**39,371,877**	**39,406,383**	**34,506**	**28,299,259**	**28,183,583**	**(115,676)**
Debentures	--	933	1,243,200	954,210	26,563,889	28,943,489	28,762,232	(181,257)	27,072,620	27,110,736	38,116	18,551,707	18,540,517	(11,190)
Promissory notes	--	92,944	1,300,439	305,799	--	1,700,849	1,699,182	(1,667)	1,966,340	1,964,866	(1,474)	1,792,112	1,790,800	(1,312)
Credit Notes	--	--	--	--	--	--	--	--	--	--	--	20,870	20,611	(259)
Shares in investment funds	116,675	--	--	--	2,264,452	2,413,395	2,381,127	(32,268)	2,405,101	2,436,408	31,307	3,894,372	3,820,313	(74,059)
Shares	742,498	--	--	--	--	755,870	742,498	(13,372)	769,166	770,339	1,173	852,166	837,887	(14,279)
Rural Product Bills - Commodities	--	65,738	405,925	347,884	77,372	902,034	896,919	(5,115)	1,106,304	1,107,055	751	599,043	598,105	(938)
Certificate of deposit	--	3,836	1,173	354	22,824	28,075	28,187	112	744,097	744,378	281	--	--	--
Certificates of Agribusiness Credit Rights	--	--	--	--	39,907	39,493	39,907	414	43,082	43,856	774	--	--	--
Financial bills	--	--	--	169,109	1,991,642	2,290,571	2,160,751	(129,820)	2,218,730	2,085,117	(133,613)	--	--	--
Eurobonds	--	--	24,242	--	333,523	355,985	357,765	1,780	445,278	450,593	5,315	403,916	404,126	210
Other	1,534	343,435	60,672	90,712	2,458,949	2,888,363	2,955,302	66,939	2,601,159	2,693,035	91,876	2,185,073	2,171,224	(13,849)
3 – Securities held to maturity	**--**	**38,011**	**203,676**	**4,592,863**	**8,191,165**	**13,131,705**	**13,025,715**	**(105,990)**	**12,909,853**	**12,952,681**	**42,828**	**13,849,990**	**13,653,845**	**(196,145)**
Federal Government Bonds	**--**	**38,011**	**203,676**	**4,592,863**	**7,949,203**	**12,682,506**	**12,783,753**	**101,247**	**12,440,041**	**12,592,677**	**152,636**	**13,543,740**	**13,553,824**	**10,084**
Treasury financial bills	--	--	--	4,112,562	88,858	4,202,273	4,201,420	(853)	4,129,837	4,128,722	(1,115)	7,655,172	7,656,833	1,661
National treasury notes	--	--	135,788	445,149	7,128,534	7,608,031	7,709,471	101,440	7,520,837	7,664,956	144,119	5,729,547	5,728,945	(602)
National treasury bills	--	38,027	34,707	35,152	674,176	780,103	782,062	1,959	694,825	697,851	3,026	74,364	74,364	--
Agricultural debt securities	--	--	7	--	--	7	7	--	7	7	--	--	--	--
Brazilian foreign debt securities	--	--	33,174	--	57,635	92,108	90,809	(1,299)	94,535	101,141	6,606	84,640	93,665	9,025
Other	--	(16)	--	--	--	(16)	(16)	--	--	--	--	17	17	--
Corporate bonds	--	--	--	--	241,962	449,199	241,962	(207,237)	**469,812**	**360,004**	**(109,808)**	**306,250**	**100,021**	**(206,229)**
Debentures	--	--	--	--	18,664	17,824	18,664	840	17,282	18,690	1,408	--	--	--
Certificate of deposit	--	--	--	--	138,992	138,992	138,992	--	163,523	163,522	(1)	--	--	--
Other	--	--	--	--	84,306	292,383	84,306	(208,077)	289,007	177,792	(111,215)	306,250	100,021	(206,229)
Total	**4,695,672**	**8,043,303**	**18,087,905**	**23,805,828**	**126,514,968**	**179,916,414**	**181,147,676**	**1,231,262**	**179,217,622**	**182,985,415**	**3,767,793**	**152,371,960**	**154,302,572**	**1,930,612**

R$ thousand

Maturity in days	03.31.2013								12.31.2012			03.31.2012		
	Market Value					Total			Total			Total		
	Without maturity	0-30	31-180	181-360	More than 360	Cost	Market value	Mark to Market	Cost	Market value	Mark to Market	Cost	Market value	Mark to Market
Total by portfolio	**4,695,672**	**8,043,303**	**18,087,905**	**23,805,828**	**126,514,968**	**179,916,414**	**181,147,676**	**1,231,262**	**179,217,622**	**182,985,415**	**3,767,793**	**152,371,960**	**154,302,572**	**1,930,612**
Own portfolio	4,695,672	8,007,455	8,308,342	8,437,220	88,925,851	117,438,829	118,374,540	935,711	124,479,982	127,640,497	3,160,515	100,056,185	101,450,455	1,394,270
Subject to repurchase agreements	--	607	8,511,186	14,380,354	34,309,828	56,895,049	57,201,975	306,926	48,913,095	49,498,336	585,241	46,824,410	47,337,898	513,488
Deposits with the Banco Central do Brasil	--	--	--	16	15	56	31	(25)	51,490	51,459	(31)	48,667	48,647	(20)
Pledged in guarantee	--	35,241	1,268,377	988,238	3,280,909	5,582,480	5,572,765	(9,715)	5,773,055	5,796,758	23,703	5,453,508	5,476,382	22,874
Allowance for securities losses	--	--	--	--	(1,635)	--	(1,635)	(1,635)	--	(1,635)	(1,635)	(10,810)	(10,810)	--

R$thousand

Maturity in years	03.31.2013							12.31.2012		03.31.2012	
	Market value					Total		Total		Total	
	Without maturity	Due in up to one year	Due from 1 to 5 years	Due from 5 to 10 years	Due after 10 years	Cost	Market value	Cost	Market value	Cost	Market value
Total by category	**4,695,672**	**49,937,036**	**91,446,713**	**22,012,523**	**13,055,732**	**179,916,414**	**181,147,676**	**179,217,622**	**182,985,415**	**152,371,960**	**154,302,572**
1 – Trading securities	3,783,655	19,101,452	45,618,256	5,754,336	2,348,955	75,575,479	76,606,654	72,401,254	74,711,317	62,256,804	63,543,609
2 – Available for sale securities	912,017	26,001,033	43,520,591	15,531,428	5,550,238	91,209,230	91,515,307	93,906,515	95,321,417	76,265,166	77,105,118
3 – Held to maturity securities	--	4,834,551	2,307,866	726,759	5,156,539	13,131,705	13,025,715	12,909,853	12,952,681	13,849,990	13,653,845

R$ thousand

	03.31.2013			12.31.2012			03.31.2012		
	Book value			Book value			Book value		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Total by portfolio	**67,201,110**	**114,052,556**	**181,253,666**	**58,896,368**	**124,046,219**	**182,942,587**	**80,156,636**	**74,342,081**	**154,498,717**
Own portfolio	30,730,074	87,857,213	118,587,287	40,160,278	87,403,656	127,563,934	69,110,172	32,540,137	101,650,309
Subject to repurchase agreements	33,735,841	23,359,303	57,095,144	17,298,906	32,233,089	49,531,995	10,568,279	36,765,910	47,334,189
Deposits with Banco Central do Brasil	16	15	31	16	51,443	51,459	16	48,631	48,647
Pledged in guarantee	2,735,179	2,837,660	5,572,839	1,437,168	4,359,666	5,796,834	488,979	4,987,403	5,476,382
Allawance for securities losses	--	(1,635)	(1,635)	--	(1,635)	(1,635)	(10,810)	--	(10,810)

R$ thousand

	03.31.2013		12.31.2012		03.31.2012	
Total by category						
1 – Trading securities	76,606,654	42%	74,711,317	41%	63,543,609	41%
2 – Available for sale securities	91,515,307	51%	95,321,417	52%	77,105,118	50%
3 – Held to maturity securities	13,131,705	7%	12,909,853	7%	13,849,990	9%
Portfolio book value	**181,253,666**	**100%**	**182,942,587**	**100%**	**154,498,717**	**100%**
Mark to market – held to maturity	(105,990)		42,828		(196,145)	
Portfolio market value	**181,147,676**		**182,985,415**		**154,302,572**	

b) Income from operations with securities

R$ thousand

	1st quarter/2013	1st quarter/2012
Short-term Interbank Investments (Note 7.b)	3,573,729	4,023,728
Fixed-income securities	2,188,287	2,852,942
Variable-income securities	175,333	127,017
Total	**5,937,349**	**7,003,687**

c) Reclassification of securities

There was no reclassification of securities in the periods ended 03.31.2013, 03.31.2012 and 12.31.2012.

d) Derivative financial instruments

The Bank uses derivative financial instruments to manage, at the consolidated level, its positions and to meet clients' needs, classifying its own positions as hedge (market risk and risk of cash flow) and trading, both with limits and approved by committees at the Bank. The hedge strategy of the equity positions is in line with macroeconomic analyses and is approved by the Executive Board of Directors.

In the options market, active or long positions have the Bank as holder, while passive or short positions have the Bank as writer.

The models used to manage risks with derivatives are reviewed periodically and the decisions made follow the best risk/return relationship, estimating possible losses based on the analysis of macroeconomic scenarios.

The Bank uses tools and systems to manage the derivatives. Trading in new derivatives, standardized or not, is subject to a prior risk analysis.

Risk analysis of the subsidiaries is undertaken on an individual basis and its risk management is done on a consolidated basis.

The Bank uses statistical methods and simulations to measure the risks of its positions, including derivatives, using models of values at risk sensibility and stress analysis.

Risks

The main risks inherent to derivative financial instruments, resulting from the business dealings of the bank and its subsidiaries are credit, market, liquidity and operating risks.

Credit risk is the exposure to loss in the event of default by a counterparty to a transaction. The credit exposure in futures contracts is minimized due to daily settlement in cash. The swap contracts, recorded in Cetip are subject to credit risk if the counterparty is not able or willing to perform its contractual obligations, while the swap contracts registered in the BM&FBovespa are not subject to the same risk, given that the Bank operations in Brazil have the same stock exchange as guarantor.

Total credit exposure in swaps is R$ 632,533 thousand (R$ 683,971 thousand at 12.31.2012 and R$ 899,825 thousand at 03.31.2012). The swap operations in negotiations associated with the funding and/or investing operation in the amount of R$ 114,172 thousand (R$ 114,172 thousand at 12.31.2012 and R$ 121,172 thousand at 03.31.2012) are recorded at values updated as changes incurred from their indexes (curve), and are not valuated at market value, as allowed by Circular n.º 3,150/2002 from Banco Central do Brasil.

Market risk is the possibility of losses caused by changes in the behavior of interest rates and exchange rates, on stock prices and commodities.

Market liquidity risk is the possibility of loss resulting from the inability to perform a transaction within a reasonable time and without significant loss of value due to the size of the transaction in the volume usually negotiated.

Operational risk denotes the probability of financial losses resulting from failures or inadequacy of people, processes and systems, or factors such as catastrophes or criminal activities.

Breakdown of the Portfolio of Derivatives for Trading by Index

R$ thousand

By Index	03.31.2013			12.31.2012			03.31.2012		
	Notional value	Cost	Market value	Notional value	Cost	Market value	Notional value	Cost	Market value
Futures contracts									
Purchase commitments	**25,184,518**	**--**	**--**	**25,829,761**	**--**	**--**	**29,097,732**	**--**	**--**
Interbank deposits	10,486,185	--	--	8,235,604	--	--	11,811,407	--	--
Currencies	8,486,311	--	--	10,122,399	--	--	11,359,110	--	--
T-Note	--	--	--	--	--	--	--	--	--
Index	255,331	--	--	129,028	--	--	38,877	--	--
Foreign exchange coupon	5,877,032	--	--	7,219,578	--	--	5,572,794	--	--
Libor	--	--	--	--	--	--	201,427	--	--
Commodities	4,605	--	--	21,055	--	--	1,750	--	--
SCC (1)	75,054	--	--	102,097	--	--	112,367	--	--
Sales commitments	**43,980,681**	**--**	**--**	**46,314,994**	**--**	**--**	**53,592,695**	**--**	**--**
Interbank deposits	31,622,128	--	--	35,202,008	--	--	44,814,655	--	--
Currencies	3,380,138	--	--	2,717,229	--	--	502,339	--	--
T-Note	668,183	--	--	172,242	--	--	290,811	--	--
Index	29,143	--	--	11,918	--	--	46,061	--	--
BGI (2)	--	--	--	--	--	--	64	--	--
Foreign exchange coupon	5,513,193	--	--	7,264,532	--	--	6,054,111	--	--
Libor	2,494,160	--	--	775,919	--	--	1,713,688	--	--
Commodities	198,288	--	--	69,416	--	--	58,961	--	--
SCC (1)	75,448	--	--	101,730	--	--	112,005	--	--
Forward operations									
Asset position	**4,209,946**	**118,436**	**114,704**	**4,976,836**	**147,389**	**165,468**	**4,642,664**	**547,400**	**553,420**
Term securities	--	--	--	--	--	--	331,366	331,366	331,366
Term currencies	4,204,559	117,554	114,111	4,953,396	146,121	164,720	4,306,722	215,146	221,511
Term commodities	5,387	882	593	23,440	1,268	748	4,576	888	543
Liability position	**5,389,272**	**(308,079)**	**(191,188)**	**5,053,850**	**(274,598)**	**(133,121)**	**4,071,302**	**(593,288)**	**(638,788)**
Term securities	--	--	--	--	--	--	331,366	(331,366)	(331,366)
Term currencies	5,366,468	(304,566)	(185,602)	5,032,598	(271,912)	(129,612)	3,712,151	(253,315)	(301,091)
Term commodities	22,804	(3,513)	(5,586)	21,252	(2,686)	(3,509)	27,785	(8,607)	(6,331)

(1) Foreign exchange swap with periodic adjustments.

(2) Live cattle futures contract.

R$ thousand

By Index	03.31.2013			12.31.2012			03.31.2012		
	Notional value	Cost	Market value	Notional value	Cost	Market value	Notional value	Cost	Market value
Option market [1]	**10,918,594**	**(1,214,283)**	**(1,299,296)**	**28,331,053**	**(1,258,135)**	**(1,345,157)**	**17,684,655**	**(2,246,363)**	**(2,278,063)**
Purchase - Purchase options	**1,505,922**	**21,159**	**15,124**	**2,616,595**	**54,999**	**35,042**	**3,822,799**	**136,353**	**176,290**
Foreign currency	578,507	4,793	5,874	2,374,145	27,799	10,576	2,650,625	102,871	153,971
Interbank Market	--	--	--	--	--	--	--	--	--
Interbank deposit	--	--	--	--	--	--	143,000	20	--
Flexible Currency Options	143,036	7,495	3,241	127,284	8,918	5,066	609,442	29,487	21,016
Shares	492,900	3,266	1,909	83,000	2,471	2,419	174,293	2,978	1,145
Commodities	--	--	--	--	--	--	1,074	20	9
Other	291,479	5,605	4,100	32,166	15,811	16,981	244,365	977	149
Sold – Purchase options	**2,317,749**	**31,817**	**31,876**	**9,308,148**	**18,005**	**25,281**	**2,551,636**	**18,038**	**5,923**
Foreign currency	805,344	2,992	1,914	1,576,416	3,773	8,223	1,672,352	13,852	2,371
Interbank Market	--	--	--	--	--	--	--	--	--
Interbank deposits	391,000	194	86	7,300,000	5,051	7,763	689,000	56	--
Flexible Currency Options	138,029	6,408	6,580	96,040	2,583	3,386	42,270	1,135	879
Shares	757,975	17,101	17,049	330,249	6,570	5,890	86,100	2,325	2,017
Commodities	5,177	104	95	243	3	4	679	152	193
Other	220,224	5,018	6,152	5,200	25	15	61,235	518	463
Purchase – Sales options	**3,317,998**	**(133,108)**	**(213,245)**	**5,349,227**	**(158,713)**	**(268,322)**	**5,466,832**	**(501,983)**	**(629,445)**
Foreign currency	638,997	(7,211)	(9,495)	3,361,794	(38,546)	(17,792)	3,052,133	(107,629)	(151,521)
Interbank Market	--	--	--	--	--	--	--	--	--
Pre-fixed	1,249,253	(68,012)	(163,854)	1,318,001	(70,214)	(198,032)	1,592,329	(370,548)	(464,608)
Interbank deposit	--	--	--	--	--	--	142,800	(44)	--
Flexible Currency Options	376,712	(42,549)	(33,411)	392,478	(42,450)	(44,400)	290,064	(21,365)	(12,144)
Shares	709,350	(13,000)	(5,373)	259,250	(6,444)	(6,857)	129,099	(609)	(413)
Commodities	5,819	(208)	(11)	539	(78)	(15)	4,077	(418)	(153)
Other	337,867	(2,128)	(1,101)	17,165	(981)	(1,226)	256,330	(1,370)	(606)
Sold – Sales options	**3,776,925**	**(1,134,151)**	**(1,133,051)**	**11,057,083**	**(1,172,426)**	**(1,137,158)**	**5,843,388**	**(1,898,771)**	**(1,830,831)**
Foreign currency	730,977	(8,374)	(4,295)	1,665,321	(7,596)	(12,594)	2,059,097	(30,624)	(13,315)
Interbank Market	--	--	--	--	--	--	--	--	--
Pre-fixed	1,249,253	(1,095,614)	(1,105,465)	1,318,001	(1,138,412)	(1,107,965)	1,850,895	(1,834,128)	(1,806,139)
Interbank deposit	390,750	(95)	(55)	7,299,000	(4,674)	(7,019)	688,000	(8)	--
Flexible Currency Options	125,205	(5,219)	(3,987)	153,404	(6,145)	(1,813)	498,576	(22,142)	(6,725)
Shares	714,750	(13,589)	(13,112)	254,050	(6,664)	(4,751)	38,600	(342)	(198)
Commodities	277,222	(7,889)	(3,103)	361,807	(8,874)	(2,980)	597,486	(9,982)	(3,523)
Other	288,768	(3,371)	(3,034)	5,500	(61)	(36)	110,734	(1,545)	(931)

(1) The variation of the notional value found in BB-Consolidated is due to the expiration of options contracts and negotiating with clients of Banco Votorantim.

R$ thousand

By Index	03.31.2013			12.31.2012			03.31.2012		
	Notional value	Cost	Market value	Notional value	Cost	Market value	Notional value	Cost	Market value
Swap contracts									
Asset position	**33,990,826**	**738,708**	**963,618**	**18,420,272**	**651,860**	**1,055,188**	**14,311,539**	**450,461**	**634,367**
Interbank Deposit	4,186,558	182,075	181,817	4,341,764	126,744	128,608	1,889,517	84,340	64,959
Foreign currency	3,519,146	339,621	391,099	5,932,540	293,855	344,943	3,152,713	146,158	147,223
Pre-fixed	22,982,452	48,313	85,111	4,740,658	90,318	196,447	6,283,119	130,600	238,028
IPCA	2,469,763	94,074	196,893	2,564,763	53,472	244,207	1,985,652	31,174	86,465
IGPM	341,432	51,490	88,204	394,552	59,514	110,472	553,104	41,199	75,395
Commodities	472	--	46	1,246	4	161	2,684	--	406
Other	491,003	23,135	20,448	444,749	27,953	30,350	444,750	16,990	21,891
Liability position	**36,472,158**	**(740,639)**	**(1,225,049)**	**15,714,678**	**(601,099)**	**(1,278,313)**	**15,850,526**	**(517,887)**	**(1,000,844)**
Interbank Deposit	5,426,482	(193,353)	(203,578)	3,035,137	(65,814)	(64,510)	832,883	(69,564)	(63,833)
Foreign currency	2,890,793	(126,632)	(242,551)	3,558,735	(115,185)	(217,616)	4,573,448	(138,220)	(212,807)
Pre-fixed	24,750,329	(156,352)	(292,541)	5,446,677	(217,599)	(442,458)	6,349,705	(98,653)	(321,675)
TMS	--	--	--	---	---	---	327,889	13	(440)
TR	11,471	(1,188)	(1,606)	13,490	(1,297)	(1,769)	5,952	(754)	(1,286)
IGPM	216,150	(45,352)	(73,371)	266,650	(50,081)	(88,323)	345,735	(35,828)	(62,433)
IPCA	3,158,152	(217,089)	(409,224)	3,323,836	(150,303)	(460,973)	2,788,619	(172,697)	(325,075)
Commodities	101	(1)	(1)	369	(4)	(10)	527	(1)	(55)
Other	18,680	(672)	(2,177)	69,784	(816)	(2,654)	625,768	(2,183)	(13,240)
Other derivative financial instruments									
Asset position									
Foreign currency	9,690,337	93,662	155,670	8,251,772	51,583	126,618	5,996,714	32,828	106,827
Liability position									
Foreign currency	5,653,549	(124,403)	(700,858)	4,613,640	(58,263)	(618,265)	7,436,502	(117,426)	(155,564)

Breakdown of the credit derivatives portfolio by maturity (notional value)

R$ thousand

	0 – 30	31-180	181-360	More than 360	03.31.2013	12.31.2012	03.31.2012
Futures	5,526,218	21,362,384	12,405,342	29,871,255	69,165,199	72,144,755	82,690,427
Fowards	3,280,512	3,949,301	1,607,089	762,316	9,599,218	10,030,686	8,713,966
Option	3,314,437	3,394,930	3,150,878	1,058,349	10,918,594	28,331,053	17,684,655
Swap	809,676	9,122,314	44,202,649	16,328,345	70,462,984	34,134,950	30,162,065
Credit derivatives	1,458,203	-	-	-	1,458,203	1,917,836	1,725,029
Other [1]	10,163,559	3,809,015	742,505	628,807	15,343,886	12,865,412	13,433,216

(1) Related, essentially, to Non Deliverable Forwards (NDF) which are traded in the over-the-counter (OTC) market and have as their object an exchange rate of a specific currency.

Breakdown of the credit derivative portfolio by notional value, trading market and counterpart (03.31.2013)

R$ thousand

	Futures contracts	Foward operations	Option market	Swap contracts	Credit derivatives	Other
BM&FBovespa	66,671,039	--	10,918,594	--	--	--
Over-the-counter						
Financial Institutions	2,494,160	33,264	--	61,137,194	1,458,203	11,960,227
Client	--	9,565,954	--	9,325,790	--	3,383,659

Breakdown of the credit derivative portfolio

R$ thousand

	03.31.2013		12.31.2012		03.31.2012	
	Notional value	Market value	Notional value	Market value	Notional value	Market value
Asset position - transferred risk	**1,072,349**	**3,428**	**1,563,278**	**6,983**	**1,498,678**	**7,295**
Credit swaps – Derivatives with Banks	1,072,349	3,428	1,563,278	6,983	1,498,678	7,295
Liability position - received risk	**385,854**	**(3,284)**	**354,558**	**(4,303)**	**226,351**	**(10,924)**
Credit swaps – Derivatives with Banks	385,854	(3,284)	354,558	(4,303)	226,351	(10,924)

The portfolio of credit derivatives is composed exclusively of purchases and sales carried out by Banco Votorantim. Currently the portfolio is composed of customers whose risk is rated as investment grade and, as counterparty, contains the main international market leaders for this product. For the sale of protection is approved credit limit, for both the risk client and for the counterparty, according to the approval of the committees and forums of credit. The credit limit risk allocation is made to the client by the reference value (notional) of derivatives, considering the amounts deposited as collateral.

For the purpose of mitigating the risk, transactions are performed in portfolio trading with client sovereign risk, especially Brazil. In this case, we consider the potential future exposure to allocate credit limit to the counterparty. The portfolio of credit derivatives did not generate impacts in the PEPR - Portion related to the exposures weighted by risk factor for calculating the BIS Ratio, since information from Banco Votorantim were not included in the calculation, according to determination of the Banco Central do Brasil (Note 29.f).

Breakdown of margin given as guarantee for transactions with derivative financial instruments

R$ thousand

	03.31.2013	12.31.2012	03.31.2013
Treasury financial bills	1,727,018	1,682,541	2,291,764
National treasury notes	802,085	822,035	405,304
National treasury bills	916,567	904,178	1,107,699
Foreign government bonds	297,990	240,922	668,263
Eurobonds	--	56,196	3,267
Other	189,639	187,703	--
Total	**3,933,299**	**3,893,575**	**4,476,297**

Portfolio of derivatives designated as hedge accounting

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Hedge Market Risk			
Hedging instruments			
Assets	**5,905,211**	**5,663,119**	**10,959,027**
Future	5,132,126	3,811,931	6,663,161
Swap	773,085	1,851,188	2,076,116
Options	--	--	2,219,750
Liabilities	**25,006,324**	**23,334,672**	**31,802,898**
Future	25,006,324	21,277,102	29,175,224
Swap	--	2,057,570	953,384
Options	--	--	1,674,290
Hedged items			
Assets	**22,857,311**	**25,306,775**	**22,782,024**
Loan Operations	19,560,142	22,023,528	19,977,785
Securities	2,505,239	2,173,596	208,001
Lease transactions	791,930	927,891	1,574,230
Foreign Investments	--	181,760	333,933
Other assets	--	--	688,075
Liabilities	**4,463,642**	**5,014,884**	**3,931,064**
Other liabilities	4,463,642	5,014,884	3,931,064
Cash Flow Hedge			
Hedging instruments			
Assets	**--**	**--**	**420,826**
Swap	--	--	420,826
Liabilities	**(271,648)**	**(275,376)**	**--**
Borrowing – Bonds (Principal)	(271,648)	(275,376)	--
Hedged items			--
Assets	**180,317**	**181,760**	**--**
Foreign Investments	180,317	181,760	--
Liabilities	**--**	**--**	**420,826**
Foreign Investments	--	--	420,826

The Bank, in order to hedge against possible fluctuations in interest and exchange rates of its securities, contracted derivative operations to offset the exposure to the market value changes. The hedge was assessed as effective, in accordance with the Circular n.º 3,082/2002 from Banco Central do Brasil, which require evidence of hedge effectiveness between 80% and 125%.

Income gains and losses with hedging instruments and hedged items

R$ thousand

	1st quarter/2013	1st quarter/2012
Hedged items losses	(366,445)	(658,705)
Hedging instruments gains	341,193	662,910
Net effect	**(25,252)**	**4,205**
Hedged items gains	274,265	375,805
Hedging instruments losses	(263,709)	(387,293)
Net effect	**10,556**	**(11,488)**

Derivative financial instruments segregated by current and non-current

R$ thousand

	03.31.2013		12.31.2012		03.31.2012	
	Current	Non-current	Current	Non-current	Current	Non-current
Assets						
Forward	102,811	11,893	149,879	15,589	544,345	9,075
Options	46,933	66	60,167	156	179,313	2,900
Swap	277,703	685,915	239,819	815,369	327,705	306,662
Credit derivatives	3,428	--	6,983	--	7,295	--
Other derivatives	122,118	33,552	94,397	32,221	74,095	32,732
Total	**552,993**	**731,426**	**551,245**	**863,335**	**1,132,753**	**351,369**
Liabilities						
Forward	(177,375)	(13,813)	(121,221)	(11,900)	(612,291)	(26,497)
Options	(787,599)	(558,697)	(259,585)	(1,145,895)	(1,778,763)	(681,513)
Swap	(307,405)	(917,643)	(326,893)	(951,420)	(436,207)	(564,637)
Credit derivatives	(3,284)	--	(4,303)	--	(10,924)	--
Other derivatives	(694,238)	(6,620)	(613,521)	(4,744)	(154,814)	(750)
Total	**(1,969,901)**	**(1,496,773)**	**(1,325,523)**	**(2,113,959)**	**(2,992,999)**	**(1,273,397)**

e) Income from derivative financial instruments

R$ thousand

	1st quarter/2013	1st quarter/2012
Swap	(53,120)	60,866
Forward	(97,452)	(259,030)
Options	(26,418)	(21,144)
Futures	(31,918)	(620,192)
Credit derivatives	1,465	8,311
Other	(97,320)	(14,153)
Total	**(304,763)**	**(845,342)**

9 – Interbank Accounts

a) Payments and receipts pending settlement

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Assets			
Rights with participants of settlement systems[(1)]			
Documents sent by other participants	4,081,448	--	3,938,717
Bank Checks and other instruments	801,617	14,211	1,051,655
Total	**4,883,065**	**14,211**	**4,990,372**
Current assets	4,883,065	14,211	4,990,372
Liabilities			
Obligations with participants of settlement systems[(1)]			
Remitted receipts	2,226,467	2	2,120,315
Bank Checks and other instruments	901,990	336	1,083,580
Other receipts	15,420	1	4,576
Total	**3,143,877**	**339**	**3,208,471**
Current liabilities	3,143,877	339	3,208,471

(1) There was no operation of the service of clearing checks and other securities on 12.31.2012.

b) Restricted deposits

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Compulsory Deposits at Banco Central do Brasil	**77,273,311**	**80,097,865**	**94,145,683**
Additional reserve requirements on deposits	27,001,383	27,618,289	36,392,320
Savings deposits	21,260,686	20,361,605	17,795,500
Time deposits	15,650,867	16,660,511	25,141,557
Demand deposits	13,111,542	15,216,673	12,821,804
Resources for microfinance	248,833	240,787	2,950
Resources for rural credit (1)	--	--	1,991,552
Real State	**2,070,529**	**2,042,906**	**1,954,706**
Compensation of wage changes fund	2,182,824	2,153,301	2,068,959
Provision for losses	(117,320)	(117,467)	(117,671)
Other	5,025	7,072	3,418
National Treasury - Rural credit	**156,219**	**179,284**	**134,839**
Total	**79,500,059**	**82,320,055**	**96,235,228**
Current assets	79,499,792	82,296,773	96,190,680
Non-current assets	267	23,282	44,548

(1) Refers to funds deposited in the Banco Central do Brasil, because of non transferring to rural credits (Note10.a), according to Resolution CMN nº 3,745/2009. The funds were subject to special supply by the Banco Central do Brasil and maintained by the Bank, and recorded in borrowings and onlendings (Note 18.b).

c) Income on compulsory deposits

R$ thousand

	1st quarter/2013	1st quarter/2012
Income Credit Linked to Banco Central do Brasil	**958,679**	**1,817,300**
Additional reserve requirements on deposits	444,896	892,267
Savings deposits	284,910	298,810
Requirements over time resources	228,873	626,223
Income Credit Linked to Real State	**28,167**	**28,556**
Income Credit Linked to National Treasury – Rural Credit	**6,298**	**4,589**
Total	**993,144**	**1,850,445**

10 – Loan Operations

a) Portfolio by modality

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Loan Operations	**500,360,034**	**490,234,505**	**403,623,414**
Loans and securities discounted	221,499,430	221,272,727	178,111,278
Financing	149,044,377	143,435,719	120,204,450
Rural and agribusiness financing	115,072,656	112,263,199	96,297,449
Real estate financing	14,656,310	13,157,380	8,959,070
Financing of Infrastructure and development	703	16,067	822
Loan operations linked to cessions[1]	86,558	89,413	50,345
Other receivables with loan characteristics	**34,690,652**	**33,426,898**	**24,351,293**
Credit card operations	15,517,596	16,084,427	12,450,290
Advances on exchange contracts [2]	11,261,676	11,351,558	11,512,286
Other Receivables linked to acquired operations[3]	7,601,522	5,673,953	--
Guarantees honored	106,029	107,503	81,677
Other	203,829	209,457	307,040
Lease transactions	**1,745,874**	**2,010,667**	**2,773,497**
Total Loan Portfolio	**536,796,560**	**525,672,070**	**430,748,204**
Allowance for loan losses	**(21,413,894)**	**(21,210,060)**	**(19,573,226)**
(Allowance for loan losses)	(20,738,840)	(20,521,819)	(18,790,148)
(Allowance for other losses)	(560,470)	(560,327)	(575,347)
(Allowance for lease losses)	(114,584)	(127,914)	(207,731)
Total Loan Portfolio Net of Provisions	**515,382,666**	**504,462,010**	**411,174,978**

(1) Loan operations assigned with retention of the risks and benefits of the financial assets involved in the transaction.
(2) Advances on exchange contracts are classified as a deduction to other liabilities.
(3) Loan operations acquired with retention of the risks and benefits by the assignor of financial assets involved in the transaction.

b) Loan operations income

R$ thousand

	1st quarter/2013	1st quarter/2012
Loan operations income	**16,315,984**	**16,435,034**
Loans and securities discounted	10,658,383	10,469,850
Financing	2,718,087	2,978,519
Rural and agribusiness financing	1,668,869	1,685,849
Recovery of loans previously written-off as loss	694,076	749,840
Income from foreign currency financing	157,737	182,219
Income from housing financing	277,006	187,267
Advances on exchange contracts	104,157	167,434
Guarantees honored	3,122	1,221
Other	34,547	12,835
Lease transactions income (Note 10.i)	**427,056**	**484,510**
Total	**16,743,040**	**16,919,544**

(1) The Bank made credit assignments without recourse to entities outside the financial system, in accordance with CMN Resolution 2,836/2001.The transactions were recorded in losses and were ceded by R$ 4,301 thousand (R$ 2,007 thousand in the 1st quarter 2012), with tax effect of R$ 1,143 thousand (R$ 803,000 thousand in the 1st quarter 2012) and impact on the outcome of R$ 3,158 thousand (R$ 1,204 thousand in the 1st quarter 2012).

c) Breakdown of the loan portfolio by sector

R$ thousand

	03.31.2013	%	12.31.2012	%	03.31.2012	%
Public sector	**14,699,476**	**2.5**	**12,897,819**	**2.1**	**8,096,813**	**1.7**
Government	**7,381,202**	**1.3**	**5,525,808**	**0.9**	**2,537,642**	**0.5**
Direct administration	7,027,013	1.3	5,162,687	0.9	2,164,523	0.5
Indirect administration	354,189	--	363,121	--	373,119	--
Business activities	**7,318,274**	**1.2**	**7,372,011**	**1.2**	**5,559,171**	**1.2**
Industry	3,016,694	0.5	3,075,975	0.5	3,666,800	0.8
Financial intermediaries	260,608	--	201,729	--	129,837	--
Other services	4,040,972	0.7	4,094,307	0.7	1,762,534	0.4
Private sector	**522,097,084**	**97.5**	**512,774,251**	**97.9**	**422,651,391**	**98.3**
Rural	89,151,352	16.7	86,615,273	16.5	70,723,745	16.5
Industry	157,130,886	29.3	156,878,959	29.9	128,789,890	30.2
Commerce	57,112,293	10.7	59,820,066	11.4	48,911,989	11.3
Financial intermediaries	11,736,548	2.1	7,076,867	1.4	629,782	0.1
Individuals	122,104,557	22.8	120,195,271	22.9	111,627,312	25.9
Housing	11,312,321	2.1	10,187,997	2.0	6,846,601	1.5
Other services	73,549,127	13.8	71,999,818	13.8	55,122,072	12.8
Total	**536,796,560**	**100.0**	**525,672,070**	**100.0**	**430,748,204**	**100.0**

d) Loan portfolio by risk level and maturity

R$ thousand

	Normal operations											
	AA	A	B	C	D	E	F	G	H	03.31.2013	12.31.2012	03.31.2012
Installments falling due												
01 to 30	13,093,812	10,187,731	15,820,887	2,762,437	713,910	130,040	20,615	23,102	118,364	42,870,898	42,483,168	32,112,763
31 to 60	8,475,265	6,592,896	8,229,452	1,489,059	321,780	101,400	14,765	16,495	82,215	25,323,327	27,637,892	22,192,786
61 to 90	8,879,295	6,451,062	7,558,805	1,461,651	450,840	110,980	22,527	18,387	95,358	25,048,905	22,330,994	19,406,611
91 to 180	19,328,028	16,457,702	18,778,679	3,377,415	879,932	307,283	64,551	58,225	234,822	59,486,637	56,414,257	51,414,871
181 to 360	23,217,860	23,767,099	27,759,905	5,150,943	1,206,800	452,732	92,843	79,135	522,768	82,250,085	85,133,634	68,936,400
More than 360	100,693,715	76,876,888	81,033,215	13,316,825	4,544,742	2,000,303	456,035	539,570	3,498,638	282,959,931	274,571,886	219,118,736
Installments overdue												
Up to 14 days	307,012	222,887	384,688	87,483	49,346	20,479	15,361	4,691	29,276	1,121,223	724,644	1,284,810
Other [(1)]	742,310	--	--	--	--	--	--	--	--	742,310	753,273	916,865
Subtotal	**174,737,297**	**140,556,265**	**159,565,631**	**27,645,813**	**8,167,350**	**3,123,217**	**686,697**	**739,605**	**4,581,441**	**519,803,316**	**510,049,748**	**415,383,842**
	Abnormal operations											
Installments falling due												
01 to 30	--	--	136,355	144,376	77,969	104,292	46,235	56,287	315,254	880,768	762,989	815,345
31 to 60	--	--	82,796	93,888	118,258	40,090	32,950	38,012	191,264	597,258	517,449	470,363
61 to 90	--	--	77,144	87,673	51,855	37,932	31,533	37,709	183,807	507,653	418,944	453,112
91 to 180	--	--	209,446	238,867	148,048	100,714	84,811	109,583	506,973	1,398,442	1,216,887	1,298,560
181 to 360	--	--	322,631	395,885	266,874	184,970	154,648	157,690	833,059	2,315,757	2,057,231	2,132,293
More than 360	--	--	644,882	772,159	563,996	509,768	413,184	450,923	2,576,688	5,931,600	5,764,451	5,936,946
Installments overdue												
01 to 14	--	--	79,509	46,041	26,738	20,684	14,163	15,346	82,881	285,362	244,003	212,716
15 to 30	--	--	189,785	118,441	46,549	29,882	24,032	33,948	136,490	579,127	515,309	503,542
31 to 60	--	--	79,499	220,112	88,913	118,566	57,374	53,841	223,101	841,406	659,465	674,509
61 to 90	--	--	20	11,417	130,823	96,718	50,931	75,367	275,056	640,332	523,017	507,643
91 to 180	--	--	45	3,890	12,523	80,835	114,716	128,966	622,787	963,762	1,051,573	972,919
181 to 360	--	--	44	255	2,772	9,114	12,025	53,616	1,098,504	1,176,330	1,247,626	923,589
More than 360	--	--	25	1,323	1,666	754	4,767	7,292	859,620	875,447	643,378	462,825
Subtotal	**--**	**--**	**1,822,181**	**2,134,327**	**1,536,984**	**1,334,319**	**1,041,369**	**1,218,580**	**7,905,484**	**16,993,244**	**15,622,322**	**15,364,362**
Total	**174,737,297**	**140,556,265**	**161,387,812**	**29,780,140**	**9,704,334**	**4,457,536**	**1,728,066**	**1,958,185**	**12,486,925**	**536,796,560**	**525,672,070**	**430,748,204**

(1) Operations with third party risk linked to government funds and programs, primarily Pronaf, Procera, FAT, BNDES and FCO. They include the amount of overdue installments in the total amount of R$ 62,259 thousand, which comply with rules defined in each program for reimbursement with the managers and do not imply a credit risk for the Bank.

e) Allowance for loan losses by risk level

R$ Thousand

		03.31.2013				12.31.2012				03.31.2012			
Level of risk	% Provision	Value of loans	Value of allowance	Additional allowance[1]	Existent Allowance	Value of loans	Minimum required provision	Additional allowance[1]	Existent Allowance	Value of loans	Minimum required provision	Additional allowance[1]	Existent Allowance
AA	0	174,737,297	--	--	--	168,535,041	--	--	--	126,380,897	--	--	--
A	0.5	140,556,265	702,781	165,003	867,784	125,622,056	628,110	172,058	800,168	108,234,434	541,172	29,915	571,087
B	1	161,387,812	1,613,878	11,050	1,624,928	167,406,924	1,674,069	13	1,674,082	136,133,128	1,361,331	2,105	1,363,436
C	3	29,780,140	893,404	95,683	989,087	35,295,322	1,058,860	90,361	1,149,221	33,481,785	1,004,454	200,946	1,205,400
D	10	9,704,334	970,433	97,516	1,067,949	8,709,195	870,920	90,333	961,253	8,071,430	807,143	176,421	983,564
E	30	4,457,536	1,337,261	402,828	1,740,089	3,917,635	1,175,291	401,486	1,576,777	3,877,226	1,163,168	763,740	1,926,908
F	50	1,728,066	864,033	226,438	1,090,471	1,788,143	894,072	226,245	1,120,317	1,755,487	877,744	357,035	1,234,779
G	70	1,958,185	1,370,730	175,931	1,546,661	2,149,328	1,504,530	175,286	1,679,816	2,366,503	1,656,552	184,186	1,840,738
H	100	12,486,925	12,486,925	--	12,486,925	12,248,426	12,248,426	--	12,248,426	10,447,314	10,447,314	--	10,447,314
Total		**536,796,560**	**20,239,445**	**1,174,449**	**21,413,894**	**525,672,070**	**20,054,278**	**1,155,782**	**21,210,060**	**430,748,204**	**17,858,878**	**1,714,348**	**19,573,226**

(1) Refers to the additional provision to the minimum required by CMN Resolution 2,682/1999. This provision is established based on the experience of Management, by simulating the loan portfolio, considering the history of default of operations and in accordance with good banking practice.

f) Changes in allowance for loan losses

Includes loans, leases and other receivables with characteristics of credit.

R$ thousand

	1st quarter/2013	1st quarter/2012
Opening balance	**21,210,060**	**19,014,978**
Provision/(reversal)	3,278,265	3,575,680
Minimum required allowance	3,259,598	3,617,269
Additional allowance	18,667	(41,589)
Exchange fluctuation – foreign allowances	(17,096)	(6,919)
Write-Off	(3,057,335)	(3,025,805)
Added values[(1)]	--	15,292
Closing balance	**21,413,894**	**19,573,226**

(1) Refers to the balance from BB Americas.

g) Changes in allowance for other loan losses

Includes provisions for other receivables without characteristics of credit.

R$ thousand

	1st quarter/2013	1st quarter/2012
Opening balance	**915,844**	**1,084,733**
Provision/(reversal)	(50,267)	(135,567)
Exchange fluctuation – foreign allowances	957	(1,149)
Write-Off / Other settings	95,375	(76,398)
Closing balance	**961,909**	**871,619**

h) Leasing portfolio by maturity

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Up to 1 year [(1)]	1,072,593	1,216,647	1,562,394
More than 1 year and up to 5 years	667,871	788,012	1,203,154
Over 5 years	5,410	6,008	7,949
Total Present Value	**1,745,874**	**2,010,667**	**2,773,497**

(1) Includes amounts related to installments overdue.

i) Income from leasing transactions

R$ thousand

	1st quarter/2013	1st quarter/2012
Lease revenue	**427,056**	**484,510**
Leasing	427,056	484,510
Lease expenses	**(386,263)**	**(352,624)**
Leasing	(385,232)	(351,512)
Operating leases	(29)	(29)
Loss on disposal of leased assets	(1,002)	(1,083)
Total	**40,794**	**131,886**

j) Concentration of loans

R$ thousand

	03.31.2013	% of credit portfolio	12.31.2012	% of credit portfolio	03.31.2012	% of credit portfolio
10 largest debtors	36,575,394	7.3	34,666,327	7.1	31,295,689	7.9
Next 50 largest debtors	44,052,725	8.8	44,172,624	9.1	34,360,297	8.7
Next 100 largest debtors	27,967,874	5.6	28,708,264	5.9	23,871,489	6.0

k) Renegotiated credits

R$ thousand

	1st quarter/2013	1st quarter/2012
Credits renegotiated during the period [1]	**7,609,341**	**6,355,854**
Renegotiated by delay [2]	514,264	657,865
Renovated [3]	7,095,077	5,697,989
Changes on credits renegotiated by delay		
Opening balance	**7,265,676**	**6,039,018**
Contracts [2]	514,264	657,865
Interest received and appropriated	161,036	(160,563)
Write-Off	(301,621)	(406,792)
Closing balance	**7,639,355**	**6,129,528**

	03.31.2013	12.31.2012	03.31.2012
Amount of credits renegotiated by delay [4]	**7,639,355**	**7,265,676**	**6,129,528**
Allowance for loan losses of the portfolio renegotiated by delay	4,716,816	4,553,265	3,964,940
(%) Allowance for loan losses on the portfolio	61.7%	62.7%	64.7%
90 days default of the portfolio renegotiated by delay	1,382,253	1,114,266	970,357
(%) Portfolio default	18.1%	15.3%	15.8%

(1) Represents the balance renegotiated, during the period of the loan operations, falling due or overdue, using internet, automated teller machines (ATM) network or branches.

(2) Renegotiated credit for composition of debts due to payment delay by clients.

(3) Renegotiated credits of non-matured operations for the extension, renewal, granting new operation for partial or full settlement of previous operation or any other type of agreement that changes the maturity or the payment terms, originally agreed.

(4) Includes the amount of R$ 62,683 thousand (R$ 24,643 thousand as of 12.31.2012 and R$ 21,471 thousand as of 03.31.2012) related to the renegotiated rural credits. The amount of R$ 5,329,421 thousand (R$ 5,250,608 thousand as of 12.31.2012 and R$ 5,329,421 thousand as of 03.31.2012), related to deferred credits from rural portfolio supported in specific legislation, is not included.

l) Supplementary information

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Releasable contracted credits	142,911,844	138,611,766	115,249,749
Guarantees provided [1]	14,923,751	15,927,569	13,675,189
Confirmed export credits	1,710,754	1,634,685	1,141,321
Contracted credit opened for import	676,023	713,220	712,247
Linked resources [2]	1,329,171	1,352,710	1,026,454
Linked credit operations [2]	1,222,830	1,219,553	939,287

(1) For these operations, the Bank maintains an allowance recorded in Other Liabilities - Sundry, (Note 20,e) totaling R$ 142,682 thousand (R$ 144,224 thousand, on 12.31.2012 and R$ 113,569 thousand, on 03.31.2013), calculated in accordance with Resolution CMN 2,682/1999.

(2) There are no operations in default and no judicial questioning on active operations or linked to the funds raised to implement these operations.

In accordance with Resolution 680/2011 of the Executive Council of Fund for Workers' Assistance - CODEFAT, Banco do Brasil had applied, on 03.31.2013, resources from the Fund for Workers' Assistance - FAT in the amount of R$ 3,447,878 thousand in Loans and securities discounted, R$ 409,378 thousand in Financing and R$ 1,478,504 thousand in Rural and agribusiness financing.

11 – Other Receivables

a) Specific credits

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Extension of the rural credits – National Treasury	1,293,005	1,263,075	1,176,512
Other	258	496	--
Total	**1,293,263**	**1,263,571**	**1,176,512**

b) Sundry

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Deferred tax asset - tax credit (Note 25.e)	29,263,730	28,243,654	24,421,017
Credit card operations (Note 10.a)	15,517,596	16,084,427	12,450,290
Sundry debtors from escrow deposits - contingencies (Note 28.c)	14,845,456	13,912,147	12,481,585
Sundry debtors from escrow deposits - lawsuit (Note 28.d)	14,115,105	13,986,906	13,540,555
Actuarial assets (Note 27.e)	12,370,255	11,826,587	17,668,447
Fund of allocation of surplus - Previ (Note 27.f)	9,139,784	9,198,717	9,753,762
Income tax and social contribution to offset	7,610,865	10,650,417	7,467,363
Credit linked to acquired operations (1)	7,601,522	5,673,953	1,127,563
Receivables acquisition	3,836,456	3,755,228	3,025,826
National Treasury - interest rate equalization – agricultural crop	3,779,819	3,203,305	2,024,376
Receivables - non-financial companies	3,620,915	2,793,935	2,202,650
Notes and credits receivable - other	2,631,544	3,099,274	2,426,968
Premiums on credits linked to operations acquired in assignment	2,534,120	1,290,778	257,449
Sundry debtors - domestic	2,099,766	1,852,975	1,553,950
Receivables - National Treasury	1,005,936	1,149,609	1,064,661
Advances to cards transactions processing's companies	574,194	439,809	1,106,609
Sundry debtors - foreign	257,550	148,763	514,465
Salary advances and other advances	249,864	285,213	215,038
Advances to Credit Guarantee Fund (FGC)	162,671	223,673	406,678
Sundry debtors for purchasing assets	77,748	85,213	117,018
Sundry debtors from escrow deposits - other	53,563	183,153	55,039
Rights for acquisition of royalties and government credits	23,953	31,253	53,182
Other	516,203	384,518	444,340
Total	**131,888,615**	**128,503,507**	**114,378,831**
Current assets	66,036,348	65,948,206	50,356,285
Non-current assets	65,852,267	62,555,301	64,022,546

(1) Refer to the payroll loans and vehicle financing portfolios granted to individuals, acquired by the Bank with assignment of the transferor, accounted for in accordance with CMN Resolution 3,533/2008.

12 – Exchange Portfolio

a) Breakdown

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Other Receivables			
Exchange purchases pending settlement	15,030,383	14,365,123	16,479,628
Bills of exchange and time drafts in foreign currency	24,856	25,434	78,972
Receivables from sales of foreign exchange	17,700,830	20,702,935	21,652,261
(Advances received in National/foreign currency)	(16,342,336)	(17,997,703)	(18,772,443)
Foreign currency receivables	4,302	5,903	4,643
Income receivable on advances granted and financed imports	173,806	174,440	150,302
Total	**16,591,841**	**17,276,132**	**19,593,363**
Current assets	16,591,839	17,275,866	19,593,363
Non-current assets	2	266	–
Other Liabilities			
Exchange sales pending settlement	19,622,706	23,203,204	22,797,298
(Financed imports)	(11,392)	(20,274)	(12,186)
Exchange purchase liabilities	14,957,630	14,084,421	15,978,545
(Advances on exchange contracts)	(10,826,973)	(10,923,409)	(11,157,745)
Foreign currency payables	52,871	56,728	56,156
Unearned income on advances granted	2,958	3,124	2,512
Total	**23,797,800**	**26,403,794**	**27,664,580**
Current liabilities	11,769,026	13,576,002	15,577,948
Non-current liabilities	12,028,774	12,827,792	12,086,632
Net Exchange Portfolio	**(7,205,959)**	**(9,127,662)**	**(8,071,217)**
Memorandum Accounts			
Credit opened for imports	963,437	1,094,253	1,247,233
Confirmed export credit	1,710,754	1,634,685	1,141,321

b) Exchange Results

R$ thousand

	1st quarter/2013	1st quarter/2012
Exchange income	2,017,259	4,505,666
Exchange expenses	(1,619,456)	(4,191,499)
Exchange result	**397,803**	**314,167**

13 – Other Assets

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Non-operating Assets	**489,278**	**482,803**	**451,038**
Assets in special regime	176,904	162,557	164,789
Vehicles	151,162	143,266	130,064
Property	127,956	134,554	117,146
Machinery and equipment	8,351	8,158	8,860
Housing property	6,259	23,457	18,812
Other	18,646	10,811	11,367
Materials in stock	**78,006**	**74,398**	**56,439**
Subtotal	**567,284**	**557,201**	**507,477**
(Impairment)[1]	(206,855)	(195,286)	(187,225)
Prepaid Expenses	**3,327,329**	**3,547,325**	**4,906,000**
Insurance and capitalization selling expenses	1,390,958	1,305,045	1,014,338
Premiums for purchased credits payroll [2]	780,409	1,027,801	2,343,235
Commissions paid to tradesmen – financing of vehicles	379,707	376,266	409,724
Right on the custody of judicial deposits	370,994	446,365	558,881
Personnel expenses – meal program	101,323	100,500	93,194
Premium paid to costumers – partnerships retailers	54,759	56,070	61,062
Other	249,179	235,278	425,566
Total	**3,687,758**	**3,909,240**	**5,226,252**
Current assets	2,204,747	2,592,306	2,690,435
Non-current assets	1,483,011	1,316,934	2,535,817

(1) The Bank recognized, as of 1st quarter/2013, impairment losses of assets not in use in the amount of R$ 13,691 thousand (R$ 1,931 thousand as of 1st quarter/2012).

(2) The amounts are amortized over the maturity of the installments of loans acquired from other financial institutions.

14 – Investments

a) Changes in Subsidiaries, Associated Companies and Joint Ventures

R$ thousand

	Book value	Changes - 1st quarter/2013			Book value		Equity income
	12.31.2012	Dividends	Other Events	Equity income	03.31.2013	03.31.2012	1st quarter/2012
Domestic	**5,774,010**	**(23)**	**(197,373)**	**(3,496)**	**5,573,118**	**6,320,913**	**930**
Cadam S.A.	27,999	--	--	(848)	27,151	21,617	(599)
Cia. Hidromineral Piratuba	2,311	(23)	--	78	2,366	2,352	73
Cia. Catarinense de Assessoria e Serviços – CCA (1)	228	--	--	--	228	228	--
Itapebi	75,719	--	--	3,643	79,362	83,760	8,501
Mapfre Nossa Caixa Vida e Previdência S.A.	--	--	--	--	--	11,654	580
Estruturadora Brasileira de Projetos - EBP	1,827	--	--	3,051	4,878	1,432	1,026
Other equity (2)	4,831	--	10,814	(9,420)	6,225	139,713	(8,651)
Goodwill/bargain purchase on acquisition of investiments	5,661,095	--	(208,187)	--	5,452,908	6,060,157	--
Abroad	**400,605**	**--**	**157,072**	**(186,559)**	**371,118**	**405,980**	**(115,672)**
Other equity abroad	47,760	--	(716)	652	47,696	43,475	--
Goodwill on acquisition of investiments	352,845	--	(29,423)	--	323,422	362,505	--
Profit/(loss) with exchange in the branches	--	--	99,329	(99,329)	--	--	(63,384)
Profit/(loss) with exchange in the subsidiaries and associated	--	--	87,915	(87,915)	--	--	(52,288)
Increase/decrease in equity resulting from other changes	--	--	(33)	33	--	--	--
Total Investments in Subsidiaries, Associated and Joint Ventures	**6,174,615**	**(23)**	**(40,301)**	**(190,055)**	**5,944,236**	**6,726,893**	**(114,742)**
(Accumulated Impairment)	(6,998)	--	--	--	(6,998)	(6,998)	--

(1) Company in liquidation process, not valued by the equity method.
(2) Refers to investments on non-financial associated companies.

R$ thousand

	Realized capital stock	Adjusted Stockholders' Equity	Net income (loss) in the 1st quarter/2013	Quantity of Shares (in thousands)		Ownership interest in the total capital %
				Common	Preferred	
Cadam S.A.	183,904	125,464	(3,924)	--	4,762	21.64
Cia. Hidromineral Piratuba	4,073	15,205	447	633	--	15.56
Cia. Catarinense de Assessoria e Serviços - CCA	780	474	--	260	520	48.13
Itapebi	105,000	417,694	19,179	19,950	--	19
Estruturadora Brasileira de Projetos - EBP	100,000	43,904	(822)	3,859	1,217	11.11

b) Other Investments

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Tax incentive investments	91,321	91,121	85,335
Equity securities	146	146	146
Stocks and shares	58,811	58,261	56,890
Other investments (1)	1,431,234	1,406,414	1,141,803
Other investments abroad	313	318	284
Total	**1,581,825**	**1,556,260**	**1,284,458**
Accumulated Impairment	(100,076)	(83,895)	(84,195)

(1) Includes the amount of R$ 1,020,813 thousand (R$ 996,686 thousand in 12.31.2012 and R$ 979,985 thousand in 03.31.2012), relating to the investments of Neoenergia S.A., a jointly-owned subsidiary.

c) Goodwill on acquisition of investments

R$ thousand

Changes of Goodwill	1st quarter/2013	1st quarter/2012
Opening Balance	**6,015,501**	**6,623,497**
Acquisitions	--	19,572
Amortizations [1]	(219,926)	(218,846)
With exchange variation [2]	(17,684)	--
Closing Balance	**5,777,891**	**6,424,223**

(1) Recorded in Other Operating Expenses.
(2) Refers to the goodwill of BB Americas.

d) Expected Goodwill Amortization

R$ thousand

	2013	2014	2015	2016	2017	2018	2019	After 2019	Total
Banco do Brasil	**538,362**	**811,508**	**908,916**	**1,002,436**	**1,108,196**	**40,645**	**41,451**	**37,284**	**4,488,798**
Banco Nossa Caixa	463,384	709,394	807,756	900,156	1,007,459	--	--	--	3,888,149
Banco Votorantim	40,926	56,722	57,981	60,466	61,133	--	--	--	277,228
Banco Patagonia	29,761	40,270	40,835	38,730	35,262	35,944	36,660	31,071	288,533
BB Americas	4,291	5,122	2,344	3,084	4,342	4,701	4,791	6,213	34,888
BB BI	**71,862**	**110,541**	**107,125**	**122,272**	**139,588**	**159,386**	**182,028**	**--**	**892,802**
Cielo	63,063	96,394	93,857	107,670	123,517	141,696	162,550	--	788,747
Alelo	8,799	14,147	13,268	14,602	16,071	17,690	19,478	--	104,055
BB Mapfre SH1 Participações S.A.	**93,739**	**18,781**	**22,254**	**24,050**	**25,314**	**--**	**--**	**--**	**184,138**
Aliança do Brasil	79,902	--	--	--	--	--	--	--	79,902
Vida Seguradora	13,837	18,781	22,254	24,050	25,314	--	--	--	104,236
Mapfre BB SH2 Participações S.A.	**10,454**	**16,482**	**18,297**	**20,134**	**22,124**	**--**	**--**	**--**	**87,491**
Brasilveículos	10,454	16,482	18,297	20,134	22,124	--	--	--	87,491
BB Seguros	**13,732**	**15,505**	**11,022**	**9,154**	**8,593**	**8,780**	**7,659**	**--**	**74,445**
Brasilcap	13,732	15,505	11,022	9,154	8,593	8,780	7,659	--	74,445
Brasilprev	**4,545**	**6,048**	**6,048**	**6,048**	**5,528**	**4,800**	**4,800**	**12,400**	**50,217**
Brasilprev Nosso Futuro Seguros e Previdência S.A.	4,545	6,048	6,048	6,048	5,528	4,800	4,800	12,400	50,217
Tax effects [1]	(286,003)	(388,500)	(426,370)	(470,437)	(520,375)	(84,918)	(93,915)	(19,874)	(2,290,392)
Net total	**446,691**	**590,365**	**647,292**	**713,657**	**788,968**	**128,693**	**142,023**	**29,810**	**3,487,499**

(1) 25% of income tax and 15% of social contribution for financial companies and for non-financial companies of insurance, private pension plan and capitalization, and 25% of income tax and 9% of social contribution for others non-financial companies.

The expected amortization of goodwill generated by acquisitions of equity is based on projections of results that supported the business, prepared by specialized firms or technical area of the Bank, contemplating the timing of the estimates and discount rates used in calculating the net present value of expected cash flows.

e) Goodwill Impairment test

Recoverable amount of goodwill on acquisition of investment is determined based on value in use, which is evaluated at discounted cash flow method, that is based on cash flow projections of the invested entity (cash-generating unit) and on measurement of the discount rate of this flow.

Assumptions adopted to measure this flow are based on public information, on budget and on business plan of evaluated entities. These assumptions consider current and past performance, as well as expected market and macroeconomic growth.

The cash flow of the entities below were designed for ten years, perpetuating from the eleventh year, with growth rate established. For the periods of excess cash flow to the terms of budget and business

plan, the growth estimates are in line with those adopted by the entities. The nominal discount rate was measured, annually, based on the CAPM (Capital Asset Pricing Model) adjusted to the Brazilian market and referenced in Reais (R$), with the exception of Banco Patagonia, which model was adjusted to Argentine market and referenced in Argentine Pesos (ARS).

Entities (cash-generating units)	Growth rate[1]	Discount rate[2]
Banco Votorantim	3.60%	11.58%
Banco Patagonia	14.20%	24.52%
Alelo	3.20%	11.93%
Aliança do Brasil	0.00%	12.17%
Brasilveículos	0.00%	12.17%
Brasilcap	2.85%	9.16%
Vida Seguradora	0.00%	12.17%

(1) Nominal growth in perpetuity.
(2) Geometric mean of ten years of projection.

The impairment test of goodwill on acquisition of Banco Nossa Caixa, which was incorporated by Banco do Brasil, considers the value in use of Banco do Brasil in the state of São Paulo (cash-generating unit). Cash flows are based on cash-generating unit results in 2012, with increase of PIB (Gross Domestic Product) and IPCA (National Consumer Price Index) designed for ten years. Cash flows were discounted by ETTJ (Term Structure of Interest Rates), collected at the BM&FBovespa.

Entity (cash-generating unit)	Growth rate [1]	Discount rate [1]
Banco do Brasil – Estado de São Paulo – Ágio Banco Nossa Caixa	9.22%	11.82%

(1) Geometric mean of ten years of projection.

According to the sensitivity analysis performed, there is no indication that changes in assumptions can make the book value of cash-generating units exceed the recoverable amount.

The recoverable amount of goodwill on acquisition of Cielo is determined by the net value of sale, based on the share price issued by the company on BM&FBovespa.

Entity (cash-generating unit)	Share price CIEL3[1]
Cielo	R$ 49.61

(1) Closing price of share on 03.28.13.

In 1st quarter 2013 and 1st quarter 2012, there was no impairment loss on goodwill generated in the acquisition of investments.

15 – Property and Equipment

R$ thousand

	12.31.2012	1st Quarter/2013			03.31.2013				03.31.2012
	Book Balance	Changes	Depreciation	Provision for Impairment	Cost	Accumulated Depreciation	Accumulated Impairment	Book Balance	Book Balance
Buildings	2,044,069	139,768	(41,206)	--	4,102,443	(1,955,404)	(4,408)	2,142,631	2,223,166
Data processing systems	1,225,116	(8,341)	(105,125)	--	3,535,315	(2,422,705)	(960)	1,111,650	1,704,246
Furniture and equipment in use	1,385,438	66,158	(45,390)	(32)	3,321,405	(1,914,275)	(956)	1,406,174	792,704
Land	547,552	1,353	--	--	548,905	--	--	548,905	235,139
Facilities	192,897	26,658	(9,047)	--	950,228	(739,720)	--	210,508	218,006
Furniture and equipment in stock	3,020	(125)	--	--	2,895	--	--	2,895	3,863
Communication systems	65,274	11,424	(4,432)	--	240,705	(168,439)	--	72,266	68,154
Constructions in progress	1,013,496	(38,116)	--	--	975,380	--	--	975,380	259,002
Security systems	149,521	10,141	(7,238)	--	359,928	(207,504)	--	152,424	131,699
Transport systems	10,595	145	(769)	--	35,500	(25,529)	--	9,971	9,771
Total	**6,636,978**	**209,065**	**(213,207)**	**(32)**	**14,072,704**	**(7,433,576)**	**(6,324)**	**6,632,804**	**5,645,750**

16 – Intangible Assets

a) Changes and breakdown

R$ thousand

	12.31.2012	1st Quarter/2013				03.31.2013			
	Book value	Acquisitions	Write-offs	Amortization	Provision for impairment [1]	Cost	Accumulated amortization	Accumulated impairment	Book value
Rights to manage payroll[2]	5,418,495	479,726	(283,420)	(552,268)	--	9,373,604	(4,261,283)	(49,788)	5,062,533
Softwares	1,224,349	(20,026)	(149)	(63,141)	--	1,972,377	(831,344)	--	1,141,033
Other intangible assets [3]	2,665,725	349	(125)	(60,137)	(307)	2,846,967	(241,155)	(307)	2,605,505
Total	**9,308,569**	**460,049**	**(283,694)**	**(675,546)**	**(307)**	**14,192,948**	**(5,333,782)**	**(50,095)**	**8,809,071**

(1) Recorded in Other Operating Expenses,

(2) The values of acquisitions and write-offs include contracts renegotiated in the period, in which the new contract value is recorded and the past contract value is written-off without effects on Statement of Income,

(3) Refers mainly to the right to use the structure of the Postal Bank to correspondent banking services (Note 31,b),

b) Estimate for Amortization

R$ thousand

Year	2013	2014	2015	2016	2017	Total
Amounts to be amortized	3,214,087	1,919,101	1,992,640	1,451,667	231,576	8,809,071

17 – Deposits and Securities Sold under Repurchase Agreements

a) Deposits

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Demand Deposits	**68,693,231**	**74,759,878**	**60,658,967**
Individuals	29,730,725	30,651,601	23,445,283
Companies	23,573,560	28,789,127	20,583,403
Restricted	8,640,427	7,566,356	11,236,933
Government	2,970,837	3,774,800	2,755,435
Financial system institutions	1,226,773	512,500	447,928
Foreign currency	1,200,906	1,178,480	779,548
Special from Federal Treasury	751,734	824,699	795,756
Related companies	419,791	824,249	424,787
Domiciled abroad	26,156	28,361	27,319
Other	152,322	609,705	162,575
Savings Deposits	**122,589,208**	**117,744,043**	**101,815,206**
Individuals	114,243,026	110,270,220	95,184,063
Companies	8,062,448	7,212,425	6,373,451
Related companies	267,656	244,793	240,597
Financial system institutions	16,078	16,605	17,095
Interbank Deposits	**17,878,658**	**16,568,656**	**14,272,372**
Time Deposits	**259,046,784**	**263,012,824**	**270,123,275**
National currency	140,099,400	145,937,903	166,992,608
Judicial	89,933,447	86,346,242	80,469,501
Foreign currency	22,502,942	23,978,073	14,975,275
Workers Assistance Fund – FAT (Note 17.e)	5,695,103	5,952,981	6,986,035
Funproger (Note 17.f)	200,272	198,610	152,945
Other	615,620	599,015	546,911
Total	**468,207,881**	**472,085,401**	**446,869,820**
Current liabilities	353,397,068	353,051,671	303,838,766
Non-current liabilities	114,810,813	119,033,730	143,031,054

b) Segregation of deposits by deadline chargeability

R$ thousand

	Without maturity	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	03.31.2013	12.31.2012	03.31.2012
Time deposits [1]	98,315,505	23,517,536	25,615,516	38,286,266	73,216,003	95,958	259,046,784	263,012,824	270,123,275
Savings deposits	122,589,208	--	--	--	--	--	122,589,208	117,744,043	101,815,206
Demand deposits	68,693,231	--	--	--	--	--	68,693,231	74,759,878	60,658,967
Interbank deposits	--	7,108,475	7,557,597	2,473,492	342,814	396,280	17,878,658	16,568,656	14,272,372
Total	**289,597,944**	**30,626,011**	**33,173,113**	**40,759,758**	**73,558,817**	**492,238**	**468,207,881**	**472,085,401**	**446,869,820**

(1) Includes the amounts of R$ 137,207,992 thousand (R$ 143,123,684 thousand as of 12.31.2012 and R$ 163,777,725 thousand as of 03.31.2012) related to time deposits with early repurchase clause (liquidity commitment), considering the original maturity dates.

c) Securities sold under repurchase agreements

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Own Portfolio	**67,558,271**	**59,994,120**	**53,365,595**
Treasury Financial Bills	28,934,502	30,341,365	26,482,339
Corporate bonds	19,319,544	19,642,180	17,963,229
National Treasury Bills	13,401,988	5,740,101	1,861,299
National Treasury Notes	5,135,733	2,165,001	3,955,000
Securities abroad	759,642	1,838,920	2,677,672
Other	6,862	266,553	426,056
Third-Party Portfolio	**173,110,564**	**165,546,113**	**146,290,336**
National Treasury Bills	89,376,362	46,641,515	29,886,061
National Treasury Notes	48,002,164	14,086,398	2,797,458
Treasury Financial Bills	34,468,503	103,044,579	110,668,590
Securities abroad	1,263,535	1,773,621	2,938,227
Free movement portfolio	**19,634**	**246,639**	**155,379**
Total	**240,688,469**	**225,786,872**	**199,811,310**
Current liabilities	228,762,365	214,649,038	189,559,688
Non-current liabilities	11,926,104	11,137,834	10,251,622

d) Expenses with deposits and with securities sold under repurchase agreements

R$ thousand

	1st quarter/2013	1st quarter/2012
Deposits	**(6,320,260)**	**(8,038,946)**
Time deposits	(2,567,767)	(4,403,455)
Judicial deposits	(1,761,767)	(1,710,948)
Savings deposits	(1,654,972)	(1,746,293)
Interbank deposits	(335,754)	(178,250)
Securities sold under repurchase agreements	**(3,912,616)**	**(4,755,381)**
Third-party portfolio	(3,105,473)	(3,626,978)
Own portfolio	(804,000)	(1,111,434)
Free movement portfolio	(3,143)	(16,969)
Other	**(1,431,109)**	**(1,113,412)**
Total	**(11,663,985)**	**(13,907,739)**

e) Workers Assistance Fund (FAT)

R$ thousand

Program	Resolution TADE (1)	Return of FAT funds			03.31.2013			12.31.2012			03.31.2012		
		Type(2)	Initial date	Final date	Available TMS (3)	TJLP Applied (4)	Total	Available TMS (3)	TJLP Applied (4)	Total	Available TMS (3)	TJLP Applied (4)	Total
Proger Rural and Pronaf					**244,747**	**1,358,771**	**1,603,518**	**325,502**	**1,536,768**	**1,862,270**	**341,157**	**2,315,936**	**2,657,093**
Pronaf Custeio	04/2005	RA(**)	11/2005	---	1,603	4,588	6,191	6,910	5,844	12,754	12,744	18,891	31,635
Pronaf Investimento	05/2005	RA(**)	11/2005	---	207,387	1,132,686	1,340,073	277,831	1,269,113	1,546,944	107,726	1,768,487	1,876,213
Giro Rural – Aquisição de Títulos	03/2005	SD(***)	01/2008	01/2014	4,525	114,103	118,628	5,773	128,905	134,678	166,155	284,291	450,446
Giro Rural Fornecedores	14/2006	RA(**)	08/2006	---	21,425	43,675	65,100	19,219	63,248	82,467	9,944	131,340	141,284
Rural Custeio	02/2006	RA(**)	11/2005	---	575	2,501	3,076	324	2,956	3,280	2,034	4,035	6,069
Rural Investimento	13/2005	RA(**)	11/2005	---	9,232	61,218	70,450	15,445	66,702	82,147	42,554	108,892	151,446
Proger Urbano					**198,366**	**3,259,905**	**3,458,271**	**218,136**	**3,415,019**	**3,633,155**	**436,674**	**3,673,765**	**4,110,439**
Urbano Investimento	18/2005	RA(**)	11/2005	---	198,146	3,259,779	3,457,925	217,587	3,414,695	3,632,282	432,058	3,671,139	4,103,197
Urbano Capital de Giro	15/2005	RA(**)	11/2005	---	217	125	342	545	320	865	1,820	2,605	4,425
Empreendedor Popular	01/2006	RA(**)	11/2005	---	3	1	4	4	4	8	2,796	21	2,817
Other					**221,399**	**411,915**	**633,314**	**58,264**	**399,292**	**457,556**	**26,708**	**191,795**	**218,503**
Exports	027/2005	RA(**)	11/2005	---	4	599	603	116	--	116	263	95	358
Integrar Área Urbana	025/2005	RA(**)	11/2005	---	1	--	1	102	--	102	66	246	312
FAT Giro Setorial Micro e Pequenas Empresas	08/2006	RA(**)	09/2007	---	4,521	4,878	9,399	7,850	8,866	16,716	10,909	36,401	47,310
FAT Giro Setorial Veículos MGE	09/2006	RA(**)	02/2009	---	--	--	--	--	--	--	109	--	109
FAT Giro Setorial Veículos MPE	08/2006	RA(**)	02/2009	---	--	--	--	--	--	--	2,450	182	2,632
FAT Fomentar Micro e Pequenas Empresas	11/2006	RA(**)	08/2006	---	1,015	3,102	4,117	1,222	3,898	5,120	1,233	6,807	8,040
FAT Fomentar Médias e Grandes Empresas	12/2006	RA(**)	07/2006	---	6,904	19,517	26,421	9,986	24,993	34,979	11,678	46,251	57,929
FAT Taxista	02/2009	RA(**)	09/2009	---	12,123	146,859	158,982	11,791	141,551	153,342	--	101,813	101,813
FAT Turismo Investimento	01/2012	RA(**)	08/2012	---	29,878	24,945	54,823	16,124	9,069	25,193	--	--	--
FAT Turismo Capital de Giro	02/2012	RA(**)	08/2012	---	166,953	212,015	378,968	11,073	210,915	221,988	--	--	--
Total					**664,512**	**5,030,591**	**5,695,103**	**601,902**	**5,351,079**	**5,952,981**	**804,539**	**6,181,496**	**6,986,035**

(1) TADE – Allocation Term of Special Deposits.

(2) RA - Automatic Return (monthly, 2% on the balance) and SD - Available Balance.

(3) Funds remunerated by the Average Selic Rate (TMS).

(4) Funds remunerated by the Long Term Interest Rate (TJLP).

FAT is a special accounting and financial fund, established by Law 7,998/1990, attached to the Ministry of Labor and Employment and managed by the Executive Council of the Workers Assistance Fund (Codefat). Codefat is a collective, tripartite, equal level organization, composed of representatives of workers, employers and government.

The main actions to promote employment using FAT funds are structured around the Programs for the Generating Employment and Earnings (Proger), which resources are allocated through special deposits, established by Law 8,352/1991, in official federal financial institutions, including, among others, Proger in the urban program - Investment and Working Capital - and rural program, the National Program for Strengthening Family Farming - Pronaf**,** in addition to the special lines such as FAT Integrar – Rural e Urbano, FAT Giro Setorial – Micro e Pequenas Empresas (micro and small-sized companies), FAT Giro Setorial – Médias e Grandes Empresas (medium and large-sized companies), FAT Giro Setorial Veículos – Micro e Pequenas Empresas (micro and small-sized companies), FAT Giro Setorial Veículos – Médias e Grandes Empresas (medium and large-sized companies), FAT Fomentar – Micro e Pequenas Empresas (micro and small-sized companies), FAT Fomentar – Médias e Grandes Empresas (medium and large-sized companies), FAT Giro Agropecuário, FAT Inclusão Digital (digital inclusion), FAT Taxista (taxi), FAT Turismo Investimento and FAT Turismo Capital de Giro.

The FAT special deposits, allocated with Banco do Brasil, while available, incur interest on a daily *pro rata die* basis using the Average Selic Rate (TMS). As they are applied on loans, the interest rate is changed to the Long-term Interest Rate (TJLP) during the effective period of the loans. The earnings on the Bank's funds are paid to FAT on a monthly basis, as established in Codefat Resolutions 439/2005 and 489/2006.

f) Guarantee Fund for Generation of Employment and Earnings (Funproger)

The Guarantee Fund for Generation of Employment and Earnings (Funproger) is a special accounting fund established on November 23, 1999 by Law 9,872/1999, amended by Law 10,360/2001 and by Law 11,110/2005 and regulated by Codefat Resolution 409/2004, and its amendments. It is managed by Banco do Brasil under the supervision of Codefat/MTE and the balance is R$ 200,272 thousand (R$ 198,610 thousand as of 12.31.2012 and R$ 152,945 thousand as of 03.31.2012).

The objective of Funproger is to provide guarantees to entrepreneurs who do not have the necessary guarantees of their own to contract financing by Proger Urbano and Programa Nacional de Microcrédito Produtivo Orientado, through the payment of a commission. The net assets of Funproger are accumulated through funds arising from the difference between the Average Selic Rate (TMS) and the Long-Term Interest Rate (TJLP) in respect of the remuneration of the special deposit balances available in FAT. Other sources of funds are the earnings from its operations and the income on its cash resources paid to Banco do Brasil, the fund manager.

18 – Borrowings and Onlendings

a) Borrowings

R$ thousand

	Up to 90 days	from 91 to 360 days	from 1 to 3 years	from 3 to 5 years	from 5 to 15 years	03.31.2013	12.31.2012	03.31.2012
Domestic								
Borrowing from non financial	405,913	--	--	--	--	405,913	402,826	105,897
Other borrowings	--	2,027	3,780	--	--	5,807	5,707	7,840
Abroad								
Borrowings from bankers abroad	4,895,169	7,151,146	497,108	117,471	--	12,660,894	12,497,974	10,202,437
Linked to public sector borrowings [1]	140,303	121,028	363,085	--	--	624,416	623,151	790,797
Imports	11,986	56,976	89,566	2,624	66	161,218	185,673	176,625
Exports	99,652	132,398	6	--	--	232,056	365,702	272,135
Total	**5,553,023**	**7,463,575**	**953,545**	**120,095**	**66**	**14,090,304**	**14,081,033**	**11,555,731**
Current liabilities						13,016,598	12,972,062	8,811,918
Non-current liabilities						1,073,706	1,108,971	2,743,813

(1) Maturity date as of April 2015 at the rate of 6.92% p.a..

b) Onlendings

Domestic – Official institutions

R$ thousand

Programs	Finance charges	03.31.2013	12.31.2012	03.31.2012
National Treasury - Rural Credit	**--**	**696,857**	**713,279**	**1,676,599**
Pronaf	TMS (if available) or 0.5% p.a. to 4% p.a. (if applied)	485,808	475,613	1,460,765
Recoop	5.75% p.a. to 8.25% p.a. or IGP-DI + 1% p.a. or IGP-DI + 2% p.a.	65,300	69,955	85,127
Cacau	IGP-M + 8% p.a. or TJLP + 0.6% p.a. or 6.35% p.a.	87,808	86,715	82,047
Other	--	57,941	80,996	48,660
BNDES		**41,627,963**	**41,762,751**	**29,420,097**
Banco do Brasil	0% p.a. to 11% p.a. or TJLP/exch. var. + 0% p.a. to 6.27% p.a.	40,213,943	40,284,112	27,758,019
Banco Votorantim	Pre – 1.50% p.a. to 7.30% p.a. or TJLP – 0.50% p.a. to 4.5% p.a. or IPCA – 8.14% p.a. to 9.91% p.a. or exch. var. – 0.90% p.a. to 6.27% p.a.	1,414,020	1,478,639	1,662,078
Caixa Econômica Federal	**--**	**1,144,961**	**895,482**	**411,825**
Finame		**21,753,328**	**19,494,062**	**17,798,301**
Banco do Brasil	0% p.a. to 11% p.a. or TJLP/exch. var. + 0.5% p.a. to 5.5% p.a.	20,751,190	18,489,696	16,503,999
Banco Votorantim	Pre – 0.30% p.a. to 9.80% p.a. or TJLP – 0.50% p.a. to 5.50% p.a. or exch. var. – 0.90% p.a. to 2.30% p.a.	1,002,138	1,004,366	1,294,302
Other official institutions		**577,802**	**653,052**	**2,258,161**
Special supply - Rural savings	TR	--	--	1,991,552
Funcafé	TMS (if available) or 5.5% p.a. to 6.75% p.a. (if applied)	577,662	652,912	262,425
Other	--	140	140	4,184
Total		**65,800,911**	**63,518,626**	**51,564,983**
Current liabilities		18,535,463	17,756,624	17,493,973
Non-current liabilities		47,265,448	45,762,002	34,071,010

Foreign

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Funds obtained under the terms of Resolution CMN 3,844/2010	75,995	87,013	86,547
Special fund for support to small and medium manufacturing companies	477	477	477
Total	**76,472**	**87,490**	**87,024**
Current liabilities	10,856	481	5,897
Non-current liabilities	65,616	87,009	81,127

c) Expense of borrowings and onlendings

R$ thousand

	1st quarter/2013	1st quarter/2012
Borrowings expenses	**(93,330)**	**(157,614)**
Onlendings expenses	**(827,720)**	**(752,396)**
BNDES	(619,126)	(488,671)
Finame	(172,450)	(203,715)
National Treasury	(18,149)	(37,807)
Caixa Econômica Federal	(4,746)	(4,022)
Other	(13,249)	(18,181)
Expenses for financial and development funds liabilities	**(91,250)**	**(175,910)**
Expenses for obligations with bankers abroad	**(9,203)**	**(21,855)**
Total	**(1,021,503)**	**(1,107,775)**

19 – Resources from Acceptances and Securities Issues

R$ thousand

Borrowings		Issued Value	Remuneration p.a.	Date of Funding	Maturity	03.31.2013	12.31.2012	03.31.2012
Banco do Brasil								
Global Medium - Term Notes Program						**5,984,958**	**6,303,172**	**5,019,538**
	R$	350,000	9.75%	07/2007	07/2017	365,153	387,261	348,052
	USD	100,000	Libor 6m+2.55%	07/2009	07/2014	201,939	206,658	182,224
	USD	950,000	4.50%	01/2010	01/2015	1,928,068	1,978,662	1,747,222
	USD	500,000	6.00%	01/2010	01/2020	1,013,706	1,044,118	916,606
	EUR	750,000	4.50%	01/2011	01/2016	1,947,894	2,098,921	1,825,434
	JPY	24,700,000	1.80%	09/2012	09/2015	528,198	587,552	--
Senior Notes						**4,908,739**	**4,952,108**	**916,821**
	USD	500,000	3.87%	11/2011	01/2017	1,008,123	1,033,277	916,821
	USD	1,925,000	3.87%	10/2012	01/2022	3,900,616	3,918,831	--
Structured Notes	USD	452,170	0.85 a 2.15%			**921,617**	**688,797**	**162,891**
Certificates of Deposits - Long Term						**2,933,438**	**1,926,853**	**1,622,433**
	USD	2,000	3.19%	05/2010	05/2013[1]	--	--	3,643
	USD	30,000	2.55%	09/2011	09/2013[1]	--	--	54,645
	USD	150,000	2.93%	11/2011	12/2013[1]	--		273,225
	USD	2,000	2.48%	12/2011	06/2013[1]	--	--	3,643
	USD	10,000	3.31%	02/2012	08/2016[1]	--	--	18,124
	USD	233,900	2.56%	02/2012	02/2014[1]	--	--	426,049
	USD	2,000	1.72%	03/2012	04/2014[1]	--	--	3,643
	USD	5,000	1.65%	03/2012	04/2013[1]	--	--	9,108
	USD	100,000	2.65%	03/2012	06/2013[1]	--	--	182,150
	USD	355,862	2.20%	03/2012	03/2013[1]	--	--	648,203
	USD	10,000	3.27%	08/2012	08/2016[1]	--	20,429	--
	USD	230,695	2.52%	08/2012	02/2014[1]	--	471,286	--
	USD	35,000	2.40%	08/2012	08/2014	70,462	71,501	--
	USD	1,700	1.75%	09/2012	09/2014	3,425	3,455	--
	USD	11,000	1.88%	09/2012	09/2014	22,159	22,355	--
	USD	50,000	2.12%	10/2012	04/2014	100,660	102,145	--
	USD	26,674	3.50%	10/2012	07/2014	53,870	54,207	--
	USD	5,000	1.90%	10/2012	10/2015[1]	--	10,215	--
	USD	25,709	3.50%	10/2012	10/2014	51,923	52,248	--
	USD	48,205	3.80%	10/2012	10/2015	97,355	97,965	--
	USD	32,137	3.80%	11/2012	11/2015	64,903	65,310	--
	USD	2,000	1.56%	12/2012	04/2014[1]	--	4,086	--
	USD	199,000	2.42%	12/2012	12/2015	400,627	406,537	--
	USD	48,205	3.98%	12/2012	12/2015	97,355	97,965	--
	USD	215,000	2.42%	12/2012	12/2015	433,103	436,934	--
	USD	5,000	1.30%	12/2012	12/2013[1]	--	10,215	--
	USD	500,000	2.37%	01/2013	12/2015	1,007,217	--	--
	RMB	300,000	3.80%	01/2013	01/2016	97,355	--	--
	USD	4,500	2.25%	01/2013	01/2016	9,059	--	--
	USD	10,000	2.23%	02/2013	02/2016	20,132	--	--
	USD	10,000	3.01%	02/2013	08/2016	20,132	--	--
	USD	2,000	1.53%	03/2013	04/2014	4,026	--	--
	USD	1,000	1.30%	03/2013	09/2014	2,013	--	--
	USD	5,000	1.30%	03/2013	03/2014	10,066	--	--
	USD	182,593	1.30%	03/2013	03/2014	367,596	--	--

R$ thousand

Borrowings		Issued Value	Remuneration p.a.	Date of Funding	Maturity	03.31.2013	12.31.2012	03.31.2012
Certificates of Deposits - Short Term[2]	USD					**8,088,187**	**7,754,338**	**5,837,153**
Letters of Credit - Real Estate	R$					**5,224**	**--**	**--**
Resources Letters of Credit Agribusiness						**38,187,920**	**32,898,221**	**8,321,464**
Short Term	R$					8,720,890	11,037,065	7,688,146
Long Term[3]	R$					29,467,228	21,861,156	633,434
Issuance costs	R$					(198)	--	(116)
Financial Letters						**2,893,165**	**3,569,719**	**3,577,911**
Short Term	R$					2,859,164	3,536,300	900,063
Long Term	R$		104 a 107% DI		01/2017	34,001	33,419	2,677,848
Total Banco do Brasil						**63,923,248**	**58,093,208**	**25,458,211**
Special Purpose Entities Abroad [4]								
Securitization of future flow of payment orders from abroad								
	USD	250,000	6.55%	12/2003	12/2013	65,695	88.174	134.319
	USD	250,000	Libor 3m+0.55%	03/2008	03/2014	201,399	255.454	364.476
	USD	200,000	Libor 3m+1.20%	09/2008	09/2015	200,616	223.917	254.137
	USD	150,000	5.25%	04/2008	06/2018	254,292	270.252	273.902
Total Special Purpose Entities Abroad						**722.002**	**837.797**	**1,026,834**
Banco Patagonia								
Bonds GPAT Series II	ARS	94,310	14.12%	05/2011	05/2012[1]	--	--	26,795
Bonds GPAT Series III	ARS	71,000	15.27%	08/2011	08/2012[1]	--	--	30,140
Bonds GPAT Series IV	ARS	50,200	23.87%	11/2011	11/2012[1]	--	--	18,595
Bonds GPAT Series V	ARS	100,000	19.34%	01/2012	01/2013[1]	--	40,505	42,983
Bonds GPAT Series VI	ARS	150,000	15.64%	03/2012	03/2013[1]	--	53,504	63,000
Bonds GPAT B Series VII	ARS	150,000	BADLAR + 200 ptos.	04/2012	04/2013	59,245	59,714	--
Bonds GPAT A Series VIII	ARS	33,500	16.75%	07/2012	03/2013	14,797	15,085	--
Bonds GPAT B Series VIII	ARS	58,205	BADLAR + 350 ptos.	07/2012	12/2013	23,941	24,215	--
Bonds GPAT A Series IX	ARS	27,400	18.00%	08/2012	05/2013	9,940	9,880	--
Bonds GPAT B Series IX	ARS	110,100	BADLAR + 399 ptos.	08/2012	02/2014	43,829	44,471	--
Bonds GPAT A Series X	ARS	50,000	18.90%	11/2012	08/2013	21,125	21,372	--
Bonds GPAT B Series X	ARS	97,611	BADLAR + 429 ptos.	11/2012	05/2014	39,429	41,769	--
Bonds Banco Patagonia Class I Series 1	ARS	200,000	BADLAR + 400 PB	12/2012	06/2014	78,600	83,154	--
Bonds GPAT A Series XI	ARS	23,333	19.00% a.a.	01/2013	10/2013	9,499	--	--
Bonds GPAT B Series XI	ARS	176,666	BADLAR + 435 ptos.	01/2013	07/2014	71,796	--	--
Bonds GPAT A Series XII	ARS	30,821	19.00% a.a.	03/2013	12/2013	12,176	--	--
Bonds GPAT B Series XII	ARS	213,300	BADLAR + 430 ptos.	03/2013	09/2014	84,270	--	--
Total Banco Patagonia						**468,647**	**393,669**	**181,513**
Banco Votorantim								
Debentures						**762,183**	**748,029**	**1,424,044**
Post-fixed	R$		0.35% + DI	06/2006	07/2012	--	--	830,546
Post-fixed	R$		100 a 111% DI	06/2006	07/2027	762,183	748,029	593,498
Letters of Credit - Real Estate	R$		93 a 97.36% DI	11/2011	07/2015	**112,119**	**66,265**	**15,156**
Letters of Credit - Agribusiness						**1,064,085**	**1,106,694**	**956,035**
Post-fixed	R$		80% a 98.00% DI	12/2007	03/2020	1,061,684	1,104,110	949,002
Pre-fixed	R$		12.35%	05/2008	04/2013	2,401	2,584	7,033

R$ thousand

Borrowings		Issued Value	Remuneration p.a.	Date of Funding	Maturity	03.31.2013	12.31.2012	03.31.2012
Financial Letters						**5,849,340**	**5,483,544**	**4,224,934**
Pre-fixed	R$		8.27 a 14.00%	07/2010	11/2022	109,466	90,269	30,364
Post-fixed	R$		100 a 112.02% DI	09/2010	02/2018	5,481,068	5,159,520	4,026,390
Post-fixed	R$		3.11 a 7.81% + PCA	01/2011	09/2019	158,859	135,100	114,854
Post-fixed	R$		108 a 109.30% Selic	02/2011	04/2015	98,411	97,159	51,984
Post-fixed	R$		4.95 a 5.99%+IGPM	08/2011	09/2013	1,536	1,496	1,342
Global Medium - Term Notes Program						**3,493,063**	**4,005,727**	**2,949,952**
Short Term [5]						913,828	1,497,964	660,307
Long Term [6]						2,579,235	2,507,763	2,289,645
Total Banco Votorantim						**11,280,790**	**11,410,259**	**9,570,121**
Non-Financial Corporations								
Cibrasec								
Real Estate Receivables Certificates [7]	R$					3,502	3,869	4,765
Kepler Weber S.A.								
Debentures	R$		TJLP+3.80%	09/2007	09/2020	13,054	13,465	14,743
Ativos S.A. Securitizadora de Créditos Financeiros								
Debentures	R$		DI + 1.50%	03/2010	03/2014	30,230	37,812	60,493
Total Non-Financial Corporations						**46,786**	**55,146**	**80,001**
Eliminated Amount on Consolidation [8]						**(108,595)**	**(119,956)**	**(82,986)**
Total						**76,332,878**	**70,670,123**	**36,233,694**
Current liabilities						22,382,187	24,846,154	16,980,611
Non-current liabilities						53,950,691	45,823,969	19,253,083

(1) Operations settled in advance during the year 2012 and the 1st quarter/2013.
(2) Securities maturing in less than 360 days and interest rates of the certificate issued between 0.20% and 4.00% p.a.
(3) Operations with maturity between 360 and 1076 days.
(4) The Special Purpose Entity (SPE) - "Dollar Diversified Payment Rights Finance Company" was organized under the laws of the Cayman Islands for the following purposes: (a) the issuance and sale of securities in the international market; (b) use of resources obtained by issuing securities to pay for the purchase, with the BB, the rights to payment orders issued by banking correspondents located in the U.S. and by the agency of BB New York in U.S. dollars, for any agency for Brazil ("Rights on Consignment"); and (c) making payments of principal and interest on securities and other payments payable on the issuance of these securities. The SPE declares that it has no relevant asset or liability other than the rights and duties originating from the contracts for issue of securities, Bank does not hold the control, is not a shareholder, the owner, or is a beneficiary of any of the results of operations of the SPE. The liabilities arising from the issued securities are paid by the SPE using the funds accumulated in its account.
(5) Securities with a maturity of less than 360 days.
(6) Operations maturity of more than 360 days, foreign currency and national
(7) Reference Rate - TR, General Market Price Index - IGP-M, IPCA and average maturity of 134 months.
(8) Refers to securities issued by BB-Consolidated, in possession of subsidiary abroad.

20 – Other Liabilities

a) Financial and Development Funds

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Pasep[(1)]	2,005,688	1,969,767	2,014,982
Merchant Navy	2,607,431	2,250,825	1,462,642
Funds from the State Government of São Paulo	756,324	761,189	540,242
Special Lending Program for Agrarian Reform – Procera	24,997	25,007	27,585
Consolidation of Family Farming – CAF	16,918	25,840	12,842
Combating Rural Poverty – Our First Land – CPR/NPT	20	11,296	4,161
Land and Agrarian Reform – BB Banco da Terra	3,844	4,735	1,537
Other	39,626	39,949	39,951
Total	**5,454,848**	**5,088,608**	**4,103,942**
Current liabilities	3,444,060	3,121,529	2,059,947
Non-current liabilities	2,010,788	1,967,079	2,043,995

(1) The Bank is administrator of the Public Servant Heritage Formation Program - Pasep, guaranteeing a minimum return corresponding Long-Term Intrest Rate - TJLP.

b) Taxes and Social Security

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Legal liabilities (Note 28.d)	13,946,322	13,881,845	13,626,863
Deferred tax liabilities (Note 25.d)	7,724,442	7,452,894	8,955,950
Taxes and contributions on net income payable	616,223	4,641,641	391,158
Provision for tax litigation (Note 28.a)	2,181,659	2,020,124	1,475,611
Taxes and contributions payable	1,172,934	1,453,973	1,065,461
Provision for taxes and contributions on net income	1,934,349	1,156,167	2,013,972
Other	316,747	316,861	315,076
Total	**27,892,676**	**30,923,505**	**27,844,091**
Current liabilities	19,130,812	24,030,336	18,769,674
Non-current liabilities	8,761,864	6,893,169	9,074,417

c) Subordinated Debt

R$ thousand

Funding		Issued Value	Remuneration p.a.	Funding Date	Maturity	03.31.2013	12.31.2012	03.31.2012
Banco do Brasil								
FCO – Resources from Fundo Constitucional do Centro-Oeste						**17,082,990**	**16,602,973**	**15,251,502**
Funds applied[1]						16,639,235	15,938,342	14,842,764
Resources available [2]						410,727	627,940	377,441
Charges to capitalize						33,028	36,691	31,297
Subordinated CDB Issued in the Country						**4,797,197**	**4,711,053**	**4,423,496**
		900,000	113.80% from CDI	03/2009	09/2014	1,369,989	1,344,943	1,261,394
		1,335,000	115.00% from CDI	03/2009	03/2015	2,038,428	2,000,773	1,875,215
		1,000,000	105.00% from CDI	11/2009	11/2015	1,388,780	1,365,337	1,286,887
Subordinated Debt Abroad						**6,467,509**	**6,669,559**	**4,479,425**
	USD thousand	300,000	8.50%	09/2004	09/2014	597,650	619,378	539,810
	USD thousand	660,000	5.38%	10/2010	01/2021	1,343,789	1,378,755	1,214,519
	USD thousand	1,500,000	5.88%	05/2011	01/2022	3,014,432	3,105,980	2,725,096
	USD thousand	750,000	5.88%	06/2012	01/2023	1,511,638	1,565,446	--
Subordinated Letters of Credit						**14,983,791**	**9,196,989**	**3,522,385**
		1,000,000	108.50% do CDI	03/2010	03/2016	1,354,965	1,331,338	1,252,369
		1,006,500	111.00% do CDI	03/2011	03/2017	1,232,933	1,210,944	1,137,511
		335,100	111.00% do CDI	04/2011	04/2017	408,504	401,218	376,888
		13,500	111.00% do CDI	05/2011	05/2017	16,288	15,997	15,027
		700,000	111.00% do CDI	09/2011	10/2017	802,714	788,399	740,590
		512,500	111.50% do CDI	05/2012	05/2018	547,577	537,769	--
		215,000	112.00% do CDI	05/2012	05/2019	229,698	225,565	--
		115,000	112.50% do CDI	05/2012	06/2020	122,852	120,632	--
		35,500	IPCA+5.45%	05/2012	06/2020	39,116	37,771	--
		49,800	111.50% do CDI	06/2012	01/2018	52,791	51,846	--
		690,900	CDI+1.06%	06/2012	01/2018	733,833	720,162	--
		300	IPCA+5.32%	06/2012	01/2018	328	316	--
		873,600	IPCA+5.40%	06/2012	02/2018	954,243	921,522	--
		52,500	111.50% do CDI	06/2012	04/2018	55,847	54,852	--
		308,400	CDI+1.10%	06/2012	04/2018	328,955	322,795	--
		184,800	CDI+1.11%	06/2012	05/2018	197,199	193,503	--
		12,000	111.50% do CDI	06/2012	06/2018	12,794	12,564	--
		7,200	IPCA+5.30%	06/2012	06/2018	7,883	7,615	--
		100,000	IPCA+5.40%	06/2012	06/2018	109,590	105,833	--
		20,000	IPCA+5.50%	06/2012	06/2018	21,910	21,154	--
		500,000	IPCA+5.53%	06/2012	06/2018	547,709	528,771	--
		315,300	IPCA+5.56%	06/2012	06/2018	345,615	333,642	--
		100,000	111.50% do CDI	07/2012	02/2018	105,895	103,998	--
		10,200	111.50% do CDI	07/2012	04/2018	10,797	10,604	--
		27,000	IPCA+5.24%	07/2012	04/2018	29,411	28,413	--
		40,800	111.50% do CDI	07/2012	06/2018	43,222	42,446	--
		17,400	IPCA+5.33%	07/2012	06/2018	18,970	18,324	--
		22,200	111.50% do CDI	07/2012	07/2018	23,509	23,088	--
		1,000,000	Pré 10.51%	09/2012	07/2018	1,051,343	1,025,908	--
		5,233,500	111.00% do CDI	01/2013	01/2019	5,308,111	--	--
		266,400	111.00% CDI	02/2013	02/2019	269,189	--	--
Total Subordinated Debt from Banco do Brasil						**43,331,487**	**37,180,574**	**27,676,808**
BB Americas								
Subordinated Debt Abroad	USD thousand	3,000	Libor 3m+1.85%	05/2007	05/2037	**--**	**--**	**5,465**
Banco Votorantim								

R$ thousand

Funding		Issued Value	Remuneration p.a.	Funding Date	Maturity	03.31.2013	12.31.2012	03.31.2012
Subordinated CDB Issued in the Country						**993,963**	**1,081,280**	**1,587,570**
		312,500	CDI+0.49%	11/2007	11/2012	--	--	499,587
		8,500	CDI+0.49%	12/2007	12/2012	--	--	13,565
		7,929	CDI+0.54%	12/2007	12/2012	--	--	12,681
		32,500	IGPM+7.22%	12/2007	12/2012	--	--	57,029
		57,500	IPCA+7.93%	03/2008	03/2013	--	108,244	98,074
		260,000	CDI+1.67%	08/2009	08/2014	385,530	377,837	352,600
		7,500	IPCA+7.86%	08/2009	08/2014	12,195	11,713	10,618
		5,250	IPCA+7.92%	08/2009	08/2014	8,557	8,217	7,445
		2,500	IPCA+7.95%	08/2009	08/2014	4,077	3,915	3,547
		19,500	IPCA+8.00%	08/2009	08/2014	31,867	30,599	27,708
		385,000	CDI+1.67%	12/2009	12/2014	551,737	540,755	504,716
Subordinated Notes	USD thousand	575,000	7.38%	01/2010	01/2020	**1,266,062**	**1,346,054**	**1,087,180**
Subordinated Letters of Credit						**1,088,771**	**1,068,271**	**1,083,254**
		94,950	CDI+1.30%	11/2010	11/2016	97,429	95,587	98,643
		30,000	CDI+1.60%	12/2010	12/2016	30,620	30,020	30,904
		324,900	CDI+1.94%	05/2011	05/2017	335,004	328,186	339,629
		35,550	IGPM+7.55%	05/2011	05/2017	45,484	45,900	38,870
		1,400	IPCA+7.76%	05/2011	05/2017	1,787	1,719	1,561
		4,650	IPCA+7.85%	05/2011	05/2017	5,946	5,718	5,189
		7,500	IPCA+7.95%	05/2011	05/2017	9,582	9,206	8,357
		45,000	IPCA+7.95%	07/2011	07/2016	56,509	54,314	49,272
		15,000	IGPM+7.70%	07/2011	07/2017	18,948	19,148	16,151
		6,922	IPCA+8.02%	07/2011	07/2019	8,665	8,320	7,554
		25,000	IPCA+7.90%	08/2011	08/2016	31,311	30,137	27,294
		1,250	115.00% do CDI	08/2011	08/2017	1,472	1,446	1,355
		10,050	IGPM+7.70%	08/2011	08/2017	12,724	12,861	10,832
		20,000	IPCA+7.76%	08/2011	08/2017	24,854	23,902	21,706
		11,000	IPCA+7.85%	08/2011	08/2017	13,718	13,196	11,967
		25,000	IPCA+7.93%	08/2011	08/2017	31,243	30,053	27,235
		33,000	117.00% do CDI	09/2011	09/2017	33,000	33,645	33,000
		15,000	IGPM+6.74%	09/2011	09/2017	18,437	18,655	15,822
		250,000	119.00% do CDI	10/2011	10/2017	259,098	254,208	263,991
		18,000	IGPM+6.71%	10/2011	10/2017	22,000	22,266	18,861
		16,046	IPCA+7.10%	11/2011	11/2016[3]	--	--	17,948
		25,000	109.00% do CDI	11/2011	12/2013[3]	--	--	25,924
		5,349	IPCA+7.20%	11/2011	11/2016[3]	--	--	5,590
		1,128	IPCA+7%	11/2012	11/2016	1,192	1,148	--
		16,920	IPCA+7.10%	11/2012	11/2016	17,868	17,207	--
		5,640	IPCA+7.20%	11/2012	11/2016	5,936	5,710	--
		5,640	IPCA+7.25%	11/2010	11/2020	5,944	5,719	5,599
Total Subordinated Debt from Banco Votorantim						**3,348,796**	**3,495,605**	**3,758,004**
Total [4]						**46,680,283**	**40,676,179**	**31,440,277**

(1) Contracted charges are paid by borrowers, with less the del credere of the financial institution, according to article 9 of Law n.º 7,827/1989.

(2) Remunerated based on extra-rate announced by the Banco Central do Brasil (Bacen), according to article 9 of Law n.º 7,827/1989.

(3) Operations paid in advance.

(4) The amount of R$ 36.455.402 thousand (R$ 32,400,578 thousand as of 12.31.2012 and R$ 24,179,712 thousand as of 03.31.2012) compose the tier II of the Referential Equity (RE), in compliance with CMN Resolution n.º 3,444/2007. As determined by Bacen, subordinated debts issued by Banco Votorantim do not compose the Bank's RE (Note 29.f).

d) Equity and Debt Hybrid Securities

R$ thousand

Raising		Issued Value	Remuneration p.a.	Raising Date	03.31.2013	12.31.2012	03.31.2012
Perpetual Bonds							
	USD thousand	1,500,000	8.50%	10/2009	3,123,225	3,103,201	2,825,047
	USD thousand	1,750,000	9.25%	01 e 03/2012	3,765,241	3,743,315	3,334,759
	USD thousand	2,000,000	6.25%	01/2013	4,044,580	--	--
	R$ thousand	8,100,000	5.50%	09/2012	8,207,645	8,214,555	--
Total					**19,140,691**	**15,061,071**	**6,159,806**
Current liabilities					423,466	242,577	278,838
Non-current liabilities					18,717,225	14,818,494	5,880,968

In the Perpetual Bonds, the amount of R$ 18,316,990 thousand compose the Referential Equity (R$ 14,484,062 thousand as of 12.31.2012 and R$ 5,692,188 thousand as of 03.31.2012), according to CMN Resolution n.º 3,444/2007 (Note 29.f).

The bonds of USD 1,500,000 thousand, issued in October 2009, has the option of redemption at the initiative of the Bank from 2020 or on each semiannual payments of interest thereafter, provided by prior authorization of Bacen. If the Bank does not exercise the option to redeem on October 2020, the interest on the bonds will be fixed on this date for 7.782% over the trading price of 10 years North American Treasury bonds. Thereafter, every 10 years, the interest on the bonds will be corrected by taking into account the trading price of 10 years North American Treasury bonds.

The bonds issued in January and March (reopening), 2012, in the amounts of USD 1,000,000 thousand and USD 750 million, respectively, and the bonds issued in January 2013, in the amount of USD 2,000,000 thousand, may have changed its terms and conditions, without the prior permission of the bondholders, in order to maintain or manage securities as tier I capital or tier II capital, due to the implementation of Basel III rules, provided that the modifications do not adversely affect the interests of the bondholders. If the Bank does not exercise the redemption option in April 2023 for the bonds issued in 2012 and in April 2024 for the bonds issued in 2013, the rate of bond interest is reset on that date and every 10 years according to the U.S. Treasury for 10 years in force at the time plus the initial credit spread. The bonds have the following options of redemption, subject to prior authorization of the Banco Central do Brasil:

(i) the Bank may, at its option redeem the bonds in whole but not in part in April 2023 for the bonds issued in 2012 and in April 2024 for the bonds issued in 2013 and on each subsequent interest payment every six months, at the base price of redemption;
(ii) the Bank may, at its option redeem the bonds in whole but not in part, on any date prior to April 2023 for the bonds issued in 2012 and in April 2024 for the bonds issued in 2013, according to tax event, at the base price of redemption;
(iii) the Bank may, at its option redeem the bonds in whole but not in part, on any date prior to April 2023 for the bonds issued in 2012 and in April 2024 for the bonds issued in 2013, according to regulatory event, at the higher value between the base price of redemption and the Make-whole amount.

The bonds issued in October 2009, in January and March 2012, and in January 2013 determine that the Bank suspend semiannual payments of interest and / or accessories on those securities issued (which will not be due or accrued) if:

(i) the Bank is not framed or payment of such charges do not allow the Bank complies with the levels of capital adequacy, operating limits, or its financial indicators are under the minimum level required by Brazilian regulations applicable to banks;
(ii) the Banco Central do Brasil or the regulatory authorities determine the suspension of payment of such charges;
(iii) any event of insolvency or bankruptcy occurs;
(iv) a default occurs; or
(v) the Bank has not distributed dividends or interest on equity to common stockholders for the period of calculation of such interest and / or accessories.

The bonds issued in September 2012, totaling R$ 8,100,000 thousand, will have interest paid semi-annually adjusted by the Selic rate, within thirty calendar days (i) from the payment of dividends or interest on capital of the respective period, or (ii) from the capital increase provided by the shareholders profit, whichever is earlier.

There will be no payment of financial charges for a particular semester until (i) the payment or crediting of dividends (including interest on equity), or (ii) the capital increase provided by the shareholders. Unpaid financial charges do not accumulate. If the payment or crediting of dividends, or the capital increase don't occur until June 30 or December 31 of the following fiscal year, the unpaid financial charges may cease to be required.

The payments will be postponed if the Bank is not framed in the operational limits established by regulations or if this payment do not allow the Bank complies with those limits. In such cases the payment will be *pro rata* updated by Selic rate.

Amortization or redemption of debt, partial or full, agreed between the parties, can occur only if the dividends were being paid duly and authorized by the Banco Central do Brasil. The redemption of the obligation, even partial, is conditioned upon the Bank meet the requirements regarding operational limits established by regulation, and also that the redemption does not involve noncompliance situation. The amount due will be *pro rata temporis* updated by the agreed rate. The debt can not be redeemed by State initiative.

In the event of dissolution or liquidation of the Bank, the payment of principal and charges debt will be subordinated to the other liabilities payment. This funding was authorized by the Banco Central do Brasil to integrate the Tier I capital to the regulatory limit (CMN n.º 3,444/2007), and the remaining to integrate Tier II capital, starting on September 2012.

e) Sundry

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Credit/debit card operations	13,444,499	15,054,758	10,592,398
Actuarial liabilities (Note 27.e)	10,192,461	10,110,642	8,938,234
Provisions for pending payments	5,686,568	5,362,236	4,849,064
Sundry creditors – domestic	4,287,923	4,912,992	3,373,019
Provisions for civil claims (Note 28.a)	4,336,735	4,208,172	3,858,224
Provision for labor claims (Note 28.a)	3,234,205	2,945,490	2,612,997
Funds linked to loan operations	1,329,171	1,352,710	1,026,454
Liabilities for premiums granted to customer for loyalty	510,837	800,262	1,057,305
Liabilities for assets acquisition	490,971	732,021	268,276
Liabilities for official agreements	522,864	1,011,941	775,214
Liabilities for rendering payment services	1,338,456	647,850	977,794
Liabilities for operations linked to assignments	954,741	1,844,135	--
Sundry creditors – abroad	435,548	554,799	273,620
Provision for losses with the Compensation Fund of Wages Variations – FCVS	220,225	217,028	207,481
Provisions for guarantees provided	142,682	144,244	113,569
Guarantees on credit assignments	2,671	2,610	--
Other	738,446	789,576	506,126
Total	**47,869,003**	**50,691,466**	**39,429,775**
Current liabilities	33,756,815	36,898,627	26,815,792
Non-current liabilities	14,112,188	13,792,839	12,613,983

21 – Operations of Insurance, Pension Plan and Capitalization

a) Operation credits

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Direct insurance premiums to receive	1,645,852	1,454,249	1,339,021
Credit of insurance business with insurers	193,537	80,808	48,736
Credit of insurance transactions with reinsurers	679,001	656,213	594,810
Credit of pension plans	2,296	2,678	1,803
Total	**2,520,686**	**2,193,948**	**1,984,370**
Current assets	2,500,752	2,191,786	1,982,789
Non-current assets	19,934	2,162	1,581

b) Technical provisions

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Insurance	**5,663,630**	**5,393,434**	**4,418,241**
Provision for unearned premiums	3,327,311	3,159,605	2,291,459
Provision for unsettled claims	1,558,258	1,474,351	1,460,522
Provision for claims incurred but not reported	477,421	445,662	415,575
Provision for premium insufficiency	200,944	190,828	157,600
Other provisions	99,696	122,988	93,085
Pension plan	**54,003,317**	**50,545,598**	**41,227,690**
Mathematical provision for future benefits	51,688,499	48,334,700	39,182,242
Mathematical provision for vested benefits	894,064	870,870	793,043
Provision for financial surplus	432,209	428,331	423,822
Provision for contribution insufficiency	424,972	415,477	368,952
Provision for premium insufficiency	45,847	44,473	36,687
Provision for claims incurred but not reported	16,608	15,624	7,334
Other provisions	501,118	436,123	415,610
Capitalization	**4,562,284**	**4,294,494**	**3,444,828**
Mathematical provision for redemptions	4,334,594	4,077,525	3,265,733
Provision for prize draws and redemptions	174,370	150,443	117,938
Other provisions	53,320	66,526	61,157
Total	**64,229,231**	**60,233,526**	**49,090,759**
Current liabilities	14,419,476	15,179,674	13,258,861
Non-current liabilities	49,809,755	45,053,852	35,831,898

c) Technical provisions by product

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Insurance	**5,663,630**	**5,393,434**	**4,418,241**
Auto	1,525,132	1,571,647	1,026,252
Life	2,573,751	2,278,323	1,784,813
Property/casualty	1,250,076	1,300,378	1,375,840
Dpvat	314,671	243,086	231,336
Pension plan	**54,003,317**	**50,545,598**	**41,227,690**
Free benefit generating plan - PGBL	14,249,103	14,096,010	13,153,150
Living benefits life insurance - VGBL	34,033,139	30,827,149	22,830,403
Traditional plans	5,721,075	5,622,439	5,244,137
Capitalization	**4,562,284**	**4,294,494**	**3,444,828**
Total	**64,229,231**	**60,233,526**	**49,090,759**

d) Guarantee of technical provisions

R$ thousand

	03.31.2013				12.31.2012				03.31.2012			
	Insurance	Pension plan	Capitalization	Total	Insurance	Pension plan	Capitalization	Total	Insurance	Pension plan	Capitalization	Total
Shares in Investment Funds (VGBL and PGBL)	--	47,584,925	--	47,584,925	--	44,593,171	--	44,593,171	--	35,652,734	--	35,652,734
Shares in Investment Funds (except VGBL and PGBL)	3,626,684	4,754,833	2,161,309	10,542,826	3,249,862	4,190,789	2,206,084	9,646,735	2,367,724	4,059,981	2,148,735	8,576,440
Federal Government securities	446,854	2,040,697	1,434,084	3,921,635	627,578	2,052,271	1,224,747	3,904,596	1,042,688	1,896,913	398,338	3,337,939
Corporate bonds	886,150	158,896	985,159	2,030,205	609,168	160,376	999,971	1,769,515	498,912	26,671	936,042	1,461,625
Credit rights	1,181,537	--	66,924	1,248,461	1,116,250	--	68,338	1,184,588	545,724	--	88,432	634,156
Property	13,606	--	--	13,606	10,806	--	--	10,806	17,065	--	--	17,065
Deposits held at IRB and deposits in court	879	--	--	879	1,363	--	--	1,363	6,081	--	--	6,081
Total	**6,155,710**	**54,539,351**	**4,647,476**	**65,342,537**	**5,615,027**	**50,996,607**	**4,499,140**	**61,110,774**	**4,478,194**	**41,636,299**	**3,571,547**	**49,686,040**

e) Financial and operational results per segment

R$ thousand

	1st quarter/2013				1st quarter/2012			
	Insurance	Pension plan	Capitalization	Total	Insurance	Pension plan	Capitalization	Total
Financial results	**66,332**	**166,288**	**67,298**	**299,918**	**152,702**	**542,372**	**106,817**	**801,891**
Financial income	93,543	285,495	73,041	452,079	174,258	1,173,334	107,039	1,454,631
Financial expenses	(27,211)	(119,207)	(5,743)	(152,161)	(21,556)	(630,962)	(222)	(652,740)
Interest and inflation adjustment of technical reserves	**(2,981)**	**(105,928)**	**(63,108)**	**(172,017)**	**(38,373)**	**(474,279)**	**(75,582)**	**(588,234)**
Operating income	**638,039**	**14,187**	**65,107**	**717,333**	**431,054**	**35,455**	**49,979**	**516,488**
Retained premiums and contributions (Note 21.f)	1,684,796	4,562,281	727,991	6,975,068	1,387,654	3,306,974	567,826	5,262,454
Change in technical provisions	(172,584)	(4,521,787)	(604,709)	(5,299,080)	(108,708)	(3,243,908)	(454,797)	(3,807,413)
Retained claims	(672,819)	(159)	--	(672,978)	(652,012)	--	--	(652,012)
Selling expenses	(201,354)	(18,096)	(33,672)	(253,122)	(195,880)	(17,423)	(46,445)	(259,748)
Expenses with prize draws and redemptions of financial bonds	--	--	(24,503)	(24,503)	--	--	(16,605)	(16,605)
Expenses with benefits and redemptions of pension plans	--	(8,052)	--	(8,052)	--	(10,188)	--	(10,188)
Total	**701,390**	**74,547**	**69,297**	**845,234**	**545,383**	**103,548**	**81,214**	**730,145**

f) Retained premiums of insurance, pension plan contributions and capitalization certificates

R$ thousand

	1st quarter/2013	1st quarter/2012
Insurance	**1,684,796**	**1,387,654**
Premiums issued	1,853,979	1,512,776
Coinsurance premiums ceded	(31,109)	(6,159)
Reimbursed premiums	(4,234)	(4,135)
Reinsurance premiums ceded, consortiums and funds	(133,840)	(114,828)
Pension plan	**4,562,281**	**3,306,974**
Premiums issued	4,124,563	2,885,616
Supplementary pension contributions (includes VGBL)	437,718	432,983
Reimbursed premiums	--	(11,625)
Capitalization	**727,991**	**567,826**
Revenues from capitalization certificates	727,991	567,826
Total	**6,975,068**	**5,262,454**

22 – Other Operating Income/Expense

a) Service fee income

R$ thousand

	1st quarter 2013	1st quarter 2012
Credit/debit card	1,062,501	965,123
Fund Management	855,899	788,209
Billing	329,880	323,639
By non-financial associated/subsidiaries companies	238,820	149,419
Collection	210,685	203,941
Loans and provided guarantees	188,480	138,017
Interbank	171,321	169,295
Insurance, pension and capitalization	125,716	149,539
Capital market income	125,392	107,016
Account fee	82,775	87,626
National Treasury and official funds management	77,473	57,326
Consortium management fees	61,783	62,144
Provided to related companies	15,876	17,470
Other services	274,913	247,113
Total	**3,821,514**	**3,465,877**

b) Bank fee income

R$ thousand

	1st quarter 2013	1st quarter 2012
Service package	831,849	899,925
Loans and customer information file	314,523	340,814
Card income	206,150	109,909
Investment funds management	83,496	94,970
Deposit account	49,096	69,397
Funds transfer	48,252	43,779
Other	32,443	26,651
Total	**1,565,809**	**1,585,445**

c) Personnel expenses

R$ thousand

	1st quarter 2013	1st quarter 2012
Salaries	(1,931,752)	(1,754,512)
Personnel administrative provisions	(758,350)	(679,312)
Social charges	(714,709)	(647,202)
Benefits	(556,505)	(519,740)
Provisions for labor claims	(398,661)	(238,172)
Pension Plans	(83,788)	(71,708)
Directors' and advisors' fees	(17,576)	(14,442)
Training	(6,480)	(7,306)
Total	**(4,467,821)**	**(3,932,394)**

d) Other administrative expenses

R$ thousand

	1st quarter 2013	1st quarter 2012
Amortization	(695,802)	(661,095)
Outsourcing Services	(477,282)	(407,748)
Communications	(324,684)	(355,379)
Rent	(273,723)	(204,331)
Transport	(264,570)	(287,131)
Lawsuit	(218,363)	(527,427)
Depreciation	(213,207)	(266,811)
Data processing	(200,754)	(208,397)
Security services	(194,279)	(199,720)
Financial system services	(170,313)	(162,349)
Specialized technical services	(155,080)	(171,620)
Maintenance and upkeep	(146,704)	(136,128)
Water, electricity and gas	(101,369)	(98,212)
Marketing	(84,758)	(72,959)
Promotion	(44,772)	(50,310)
Materials	(31,360)	(32,912)
Domestic travel	(28,357)	(31,958)
Other	(197,050)	(170,168)
Total	**(3,822,427)**	**(4,044,655)**

e) Other operating income

R$ thousand

	1st quarter 2013	1st quarter 2012
Equalization of rates – Agricultural crop	874,666	775,791
Negative exchange readjustment/ Reclassification of liabilities balances	312,996	756,227
Surplus allocation update – Plan 1 (Note 27.f)	297,639	223,021
Collateral deposits update	268,167	283,357
Previ – defined benefit plan income (Note 27.d)	187,023	390,329
Recovery of charges and expenses	168,882	147,865
Receivables income	150,836	96,544
From non-financial associated/subsidiaries companies	122,544	141,414
Cards transactions	48,138	63,548
Reversal of provisions – administrative expenses	39,271	50,036
Reversal of provisions - personnel expenses	14,389	4,719
Dividends received	7,921	18,904
Reversal of provisions – actuarial liabilities	4,833	1,523
Reversal of provisions – labor, civil and tax claims	415	5,159
Other	282,615	484,909
Total	**2,780,335**	**3,443,346**

f) Other operating expenses

R$ thousand

	1st quarter 2013	1st quarter 2012
From non-financial associated/subsidiaries companies	(515,605)	(405,443)
Negative exchange readjustment/ Reclassification of liabilities balances	(427,596)	(541,729)
Cards transactions	(340,474)	(378,962)
Hybrid capital and debt instruments update	(299,855)	(108,993)
Actuarial liabilities update	(220,820)	(226,380)
Amortization of goodwill	(219,926)	(218,846)
Discounts granted on renegotiations	(97,970)	(59,982)
Business partners (1)	(81,509)	(89,727)
Failures/frauds and other losses	(57,259)	(54,543)
ATM Network	(53,111)	(53,522)
Negotial relationship bonus	(52,937)	(54,279)
Collateral deposits update (2)	(47,011)	(83,421)
Life insurance premium - consumer credit	(33,512)	(44,299)
Update of interest own capital/dividends	(9,278)	(15,966)
INSS – Social Security	(6,642)	(5,725)
Fees for the use of Sisbacen – Banco Central do Brasil System	(4,812)	(3,562)
Proagro Expenses	(4,357)	(3,851)
Previ – actuarial adjustment	(2,750)	(2,411)
Other	(366,760)	(337,807)
Total	**(2,842,184)**	**(2,689,448)**

(1) Refers mainly to commission for loans originated by partners and commercial agreements with tenants.

(2) Refers to the adjustment of the provision for deposit in court regarding the lawsuit (Income Tax and Social Contribution Tax on Net Income) as Note 28.d.

23 – Non-operating Income

R$ thousand

	1st quarter/2013	1st quarter/2012
Non-operating income	**62,997**	**67,805**
Profit on disposal of assets	14,127	12,712
Rental income	4,629	4,662
Reversal of provision for devaluation of other assets	3,477	10,355
Capital gains	3,004	6,251
Interest and inflation adjustment of debtors for disposal of property	2,008	2,761
Profit on disposal of investments / equity interest	1,470	1,600
Other non-operating income	34,282	29,464
Non-operating expenses	**(53,600)**	**(47,095)**
Other assets devaluation	(17,168)	(12,286)
Loss on disposal of assets	(14,598)	(21,036)
Capital losses	(10,494)	(11,995)
Other non-operating expenses	(11,340)	(1,778)
Total	**9,397**	**20,710**

24 - Stockholders' Equity

a) Book value and market value per common share

	03.31.2013	12.31.2012	03.31.2012
Stockholders' equity - Banco do Brasil (R$ thousand)	61,848,822	61,206,248	60,953,317
Book value per share (R$)	21.74	21.51	21.27
Market value per common share (R$)	27.45	25.60	25.95
Stockholders' equity - BB-Consolidated[(1)] (R$ thousand)	62,121,413	61,499,417	61,186,038

(1) Reconciled with the equity of Banco do Brasil (Note 24.g)

Book value per share is calculated based on the equity of Banco do Brasil.

b) Capital

The capital, entirely subscribed and paid-in, of R$ 48,400,000 thousand (R$ 48,400,000 thousand as of December 31, 2012 and R$ 33,122,569 thousand as of March 31, 2012) of Banco do Brasil is divided into 2,865,417,020 book-entry common shares without par value. The Federal Government is the largest shareholder, holding control of the majority of our voting shares.

The increase of the capital for the period as of March 31, 2012 and March 31, 2013, in the amount of R$ 15,277,431 thousand, resulted from the use of Statutory Reserve to Operating Margin, approved by the Special Meeting of Stockholders held on 12.18.2012 and by the Banco Central do Brasil on 02.14.2013.

The Bank may, even without amending its by-laws, if approved by the Meeting of Stockholders, and in the conditions established therein, increase its capital up to the limit of R$ 80,000,000 thousand, by issuing common shares, granting stockholders preference for subscribing the capital increase proportionally to the number of held shares.

c) Revaluation reserves

The revaluation reserves, totalling R$ 4,623 thousand (R$ 4,645 thousand as of December 31, 2012 and R$ 4,709 thousand as of March 31, 2012), refer to revaluations of assets made by the associated/subsidiary companies.

In the first quarter of 2013, there was a reserve realization in the amount of R$ 22 thousand (R$ 21 thousand in the first quarter of 2012), due to depreciation, trasferred to Retained Earnings (Accumulated Losses). In accordance with CMN Resolution 3,565/2008, the remaining amount will be kept until the date of its effective realization.

d) Capital and profit reserves

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Capital reserves	1	1	1
Profit Reserves[1]	16,133,615	16,413,044	24,116,142
Legal Reserve	4,112,056	4,112,056	3,496,562
Statutory Reserves [1]	12,021,559	12,300,988	20,619,580
Operating margin	8,025,179	8,025,178	16,765,834
Equalization of dividends	3,996,380	4,275,810	3,853,746

(1) In the BB-Consolidated, figures of profit reserve and statutories reserves are R$ 15,826,612 thousand and R$ 11,714,556 thousand, respectively, due to the R$ 307,003 thousand elimination of subsidiary company unrealized results.

The Statutory reserve for operating margin aims to guarantee an operating margin consistent with the development of the Bank's operations and consists of up to 100% of net income, after the legal destinations, including dividends, limited to 80% of the capital.

Statutory reserve for dividend equalization provides funds for the payment of dividends, the portion consisting of up 50% of the net income, after legal distributions, including dividends, up to 20% of the capital.

e) Earnings per share

	1st quarter/2013	1st quarter/2012
Net profit attributable to stockholders (R$ thousand)	2,583,016	2,554,434
Weighted average number of shares		
Basic	2,851,998,399	2,865,416,984
Diluted	2,851,998,399	2,865,416,984
Earnings per share		
Basic earnings per share (R$)	0.91	0.89
Diluted earnings per share (R$)	0.91	0.89

f) Interest on own capital / Dividends

	Amount (R$ thousand)	Amount per share (R$)	Base date of payment	Payment date
1st quarter/2013	**1,033,206**	**0.363**		
Dividends paid	279,429	0.098	05.21.2013	05.31.2013
Interest on own capital paid [1]	753,777	0.265	03.11.2013	03.28.2013
Net income for the period	2,583,016			

	Amount (R$ thousand)	Amount per share (R$)	Base date of payment	Payment date
1st quarter/2012	**1,021,774**	**0.356**		
Dividends paid	181,408	0.063	05.10.2012	05.22.2012
Interest on own capital paid [1]	840,366	0.293	03.22.2012	05.22.2012
Net income for the period	2,554,434			

(1) Amounts subject to the rate of 15% Income Tax Withholding

In accordance with Laws 9,249/1995 and 9,430/1996 and the Bank's Bylaws, Management decided on the payment of Interest on own capital to its stockholders, imputed to the value of the dividends, plus additional dividends, equivalent to 40% of the net income.

The interest on own capital is calculated based on adjusted net equity accounts and is limited on a *pro rata* basis to the variation of long-term interest rate, as long as there is profit computed before its deduction or reserve for retained earnings and profit reserves at least twice its amount.

To comply with the Income Tax legislation, the amount of interest on own capital was recorded as corresponding entries against "Financial expenses" and, for purposes of disclosure of these financial

statements, reclassified to "Retained earnings". The total interest on own capital in the first quarter of 2013, provided an expense reduction on tax charges totaling R$ 301,511 thousand (R$ 336,146 thousand in the first quarter of 2012).

g) Reconciliation of Net Income and Stockholders' Equity

R$ thousand

	Net Income		Stockholders' equity		
	1st quarter/2013	1st quarter/2012	03.31.2013	12.31.2012	03.31.2012
Banco do Brasil	**2,583,016**	**2,554,434**	**61,848,822**	**61,206,248**	**60,953,317**
Unrealized results[1]	(26,005)	(52,198)	(307,003)	(280,998)	(228,446)
Non-controlling interests	--	--	579,594	574,167	461,167
Consolidated	**2,557,011**	**2,502,236**	**62,121,413**	**61,499,417**	**61,186,038**

(1) Refers to results from credit assignment operations from Banco do Brasil to Ativos S.A.

h) Accumulated Other Comprehensive Income

R$ thousand

	1st quarter/2013				1st quarter/2012			
	Opening balance	Net change for the 1st quarter	Tax effect	Closing balance	Opening balance	Net change for the 1st quarter	Tax effect	Closing balance
Securities Available For Sale								
Banco do Brasil	(140,361)	(465,701)	199,260	(406,802)	(60,124)	(20,629)	9,657	(71,096)
Branches and Subsidiary abroad	1,267,083	(420,622)	(927)	845,534	741,662	78,715	(175)	820,202
Associated companies and Subsidiary	292,204	(374,658)	155,390	72,936	42,304	124,261	(48,657)	117,908
Cash Flow Hedge								
Associated companies and Subsidiary	1,428	30	(10)	1,448	--	(14,450)	5,780	(8,670)
Actuarial Gains/(Losses) on Pension Plans (Note 27.d)	(4,570,548)	--	--	(4,570,548)	1,135,354	--	--	1,135,354
Total	**(3,150,194)**	**(1,260,951)**	**353,713**	**(4,057,432)**	**1,859,196**	**167,897**	**(33,395)**	**1,993,698**

i) Noncontrolling Interests

R$ thousand

	Stockholders' equity		
	03.31.2013	12.31.2012	03.31.2012
Banco Patagonia S.A.	579,531	574,103	458,661
Besc Distribuidora de Títulos e Valores Mobiliários S.A.	27	27	27
Cobra Tecnologia S.A.	36	37	33
Servrede Serviços S.A. – Controlada da Cielo S.A.	--	--	2,446
Noncontrolling Interests	**579,594**	**574,167**	**461,167**

j) Stockholdings (Number of shares)

Gradual development of shares held by the Bank's stockholders, directly or indirectly, of more than 5% and by the directors and members of the Fiscal Council and Audit Committee:

Shareholders	03.31.2013		12.31.2012		03.31.2012	
	Shares	% Total	Shares	% Total	Shares	% Total
Federal Government	1,679,054,080	58.6	1,693,127,780	59.1	1,693,127,780	59.1
Ministério da Fazenda	1,453,487,115	50.7	1,453,487,115	50.7	1,483,727,780	51.8
Fundo Fiscal de Investimento e Estabilização	110,650,000	3.9	110,650,000	3.9	62,500,000	2.2
Caixa F1 Garantia Construção Naval	98,145,267	3.4	105,663,567	3.7	--	--
FGO Fundo de Investimento em Ações	5,301,408	0.2	9,466,808	0.3	--	--
Fundo Garantidor para Investimentos	7,500,000	0.3	7,500,000	0.3	7,500,000	0.2
FGEDUC Fundo de Investimento Multimercado	3,970,290	0.1	6,360,290	0.2	--	--
Fundo de Garantia à Exportação	--	--	--	--	139,400,000	4.9
Caixa de Previdência dos Funcionários do Banco do Brasil – Previ	297,509,314	10.4	297,523,314	10.4	297,031,611	10.4
BNDES Participações S.A. – BNDESPar (1)	5,522,648	0.2	5,522,648	0.2	3,696,348	0.1
Treasury Shares	20,200,047	0.7	20,200,047	0.7	47	--
Other Stockholders	863,130,931	30.1	849,043,231	29.6	871,561,234	30.4
Total	**2,865,417,020**	**100.0**	**2,865,417,020**	**100.0**	**2,865,417,020**	**100.0**
Resident Stockholders	2,318,247,308	80.9	2,336,615,977	81.5	2,363,810,781	82.5
Non Resident Stockholders	547,169,712	19.1	528,801,043	18.5	501,606,239	17.5

(1) Connected to the Controller, but not part of the control block.

	Common shares (ON) (1)		
	12.31.2013	12.31.2012	03.31.2012
Board of Directors (Except for Bank's CEO, listed in the Bank's Steering Committee)	8	8	11
Executive Committee	114,857	112,821	131,431
Audit Committee	75	75	277

(1) The shareholding interest of the Board of Directors, Executive Committee and Audit Committee represents approximately 0.004% of the Bank's capital stock.

k) Movement of shares outstanding/Free Float

	03.31.2013		12.31.2012		03.31.2012	
	Amount	%	Amount	%	Amount	%
Free float at the start date	848,930,393	29.6	871,791,466	30.4	871,791,466	30.4
Sale of shares by Caixa F1 Garantia Construção Naval	7,518,300		--		--	
Sale of shares by FGO – Shares Investments	4,165,400		--		--	
Sale of shares by FGEDUC – Investimento Multimercado	2,390,000		--		--	
Acquisition of shares - repurchase program (Note 24.k)	--		(20,200,000)		--	
Acquisition of shares – payment based on shares (Note 24.l)	--		(130,146)		(130,146)	
Acquisition of shares by BNDESPar	--		(1,826,300)		--	
Acquisition of shares by Previ	--		(749,403)		(257,700)	
Other Changes (1)	11,964		44,776		26,163	
Free Float at the end date (2)	863,016,057	30.1	848,930,393	29.6	871,429,783	30.4
Outstanding shares	2,865,417,020	100.0	2,865,417,020	100.0	2,865,417,020	100.0

(1) Refers mainly to changes coming from Technical and Advisory Bodies.

(2) According to the Law nº 6,404/1976 and the regulation of BM&FBovespa's New Market. The shares held by the Board of Directors and Executive committee are not included.

l) Treasury shares

On July 13, 2012, the Board of Directors approved the repurchase program of up to 50 million shares within 180 days from that date, aiming at the acquisition of shares to hold in treasury for subsequent sale or withdrawal without capital reduction, aiming at generating value for stockholders. Until December 31, 2012, 20,200,000 shares were acquired, in the amount of R$ 461,246 million, related to the repurchase program. Minimum, average and maximum cost per stock are respectively R$ 18.28, R$ 22.83 e R$ 26.78. The market value for each of these stocks as of March 31, 2013, was R$ 27,45.

On 01.08.2013, the Bank communicated the closing of the shares repurchase program.

m) Share-Based Payment

As of February 2012, the Bank reacquired 130,146 shares, placed in treasury, of which 130,131 were transferred to members of the Executive Board as of March 08, 2012. The shares transferred were blocked for trading, and the release will occur in three annual installments, according to the schedule presented in the table below. The first annual installment was released on 03.08.2013.

Share-Based Payment **- Schedule of release**	**Number of shares**	**Release Date**
First installment	43,409	03.08.2013
Second installment	43,361	03.10.2014
Third installment	43,361	03.09.2015
Total	**130,131**	

Minimum, average and maximum cost per stock are respectively R$ 27.38, R$ 27.61 and R$ 27.88, The market value for each of these stocks as of December 31, 2012, was R$ 27.45.

The CMN Resolution 3,921 as of November 25, 2010, which deals with the remuneration policy for financial institutions executives, requires that, at least 50% of variable remuneration shall be paid in stocks or stock-based instruments, of which at least 40% should be deferred for future payment, with a minimum period of three years, set by the risks and the executive activity.

Due to the related Resolution, the Bank approved a new policy of variable remuneration for the Executive Board, valid from 2012. This policy provides for the payment of party of the variable remuneration in shares.

Although the results for the year 2012 has already been recorded, the shares to be used for the payment of 50% of variable remuneration were not acquired. The acquisition will occur after the end of the quiet period, as a result of the public offering of BB Seguridade and dissemination of the results for the 1st quarter of 2013.

25 – Taxes

a) Breakdown of income tax and social contribution expenses

R$ thousand

	1st quarter/2013	**1st quarter/2012**
Present values	**(1,701,550)**	**(2,216,919)**
Domestic income tax and social contribution	(1,625,765)	(2,146,488)
Foreign income tax	(75,785)	(70,431)
Deferred values	**575,969**	**1,335,191**
Deferred tax liabilities	**(256,970)**	**(258,608)**
Leasing transactions – portfolio adjustment and accelerated depreciation	35,790	(11,994)
Mark to Market (MTM)	(76,427)	9,217
Actuarial gains	(71,330)	(148,871)
Interest and inflation adjustment of judicial deposits	(48,895)	(73,343)
Foreign profits	(87,479)	(13,955)
Transactions carried out on the futures market	(8,758)	--
Recovered credits [(1)]	129	(19,662)
Deferred tax assets	**832,939**	**1,593,799**
Temporary differences	655,436	1,079,083
Tax losses/CSLL negative bases	96	(20,945)
Mark to Market (MTM)	193,845	533,924
Transactions carried out on the futures market	(16,438)	1,737
Total	**(1,125,581)**	**(881,728)**

(1) According to article 12 of Law 9,430/1996.

b) Reconciliation of income tax and social contribution charges

R$ thousand

	1st quarter/2013	1st quarter/2012
Profit before tax and profit sharing	**4,092,705**	**3,826,168**
Total charges of IR (25%) and CSLL (15%)	(1,637,082)	(1,530,467)
Charges upon Interest on Own Capital	301,511	336,146
Equity in subsidiaries and associated companies	(76,022)	(45,897)
Employee profit sharing	147,114	161,338
Other amounts	138,898	197,152
Income Tax and Social Contribution	**(1,125,581)**	**(881,728)**

c) Tax Expenses

R$ thousand

	1st quarter/2013	1st quarter/2012
Cofins	(745,900)	(715,172)
ISSQN	(194,833)	(186,380)
PIS/Pasep	(124,653)	(119,204)
Other	(82,277)	(62,470)
Total	**(1,147,663)**	**(1,083,226)**

d) Deferred tax liabilities

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Arising from positive adjustments of benefits plans [(1)]	5,995,120	5,915,093	7,121,211
Arising from interest and inflation adjustment of judicial deposits	392,200	386,239	365,483
Arising from mark-to-market	504,003	338,604	239,091
Arising from recovered credit[(2)]	213,947	214,075	171,875
Related to foreign profit	87,479	--	13,955
Entities abroad	9,460	14,570	7,734
Arising from leasing portfolio adjustment	496,088	551,816	725,581
Arising from futures market transactions	9,844	--	18
Other	16,301	32,497	311,002
Total deferred tax liabilities	**7,724,442**	**7,452,894**	**8,955,950**
Income tax	4,373,033	4,245,809	5,027,194
Social contribution	2,340,799	2,230,175	2,848,381
Cofins	869,342	840,352	929,355
PIS/Pasep	141,268	136,558	151,020

(1) The realization of deferred tax liabilities on actuarial gains is related to the achievement of the values of actuarial asset (Note 27).

(2) According to article 12 of Law 9,430/1996.

e) Deferred tax assets (Tax Credit)

Recorded

R$ thousand

	12.31.2012	1st quarter/2013		03.31.2013	03.31.2012
	Balance	Constitution	Write-off	Balance	Balance
Temporary differences	**25,577,595**	**2,655,810**	**(1,497,073)**	**26,736,332**	**21,290,090**
Allowance for loan losses	13,595,663	1,625,250	(1,068,935)	14,151,978	12,646,835
Passive reserves	7,071,939	609,216	(216,989)	7,464,166	6,882,988
Negative adjustments of benefits plans	3,262,568	--	--	3,262,568	695,180
Mark to market	509,001	377,286	(109,283)	777,004	341,938
Other provisions	1,138,424	44,058	(101,866)	1,080,616	723,149
CSLL written to 18% (MP 2,158/2001)	2,031,422	--	(141,345)	1,890,077	2,346,849
Tax losses/ negative bases	85,568	13,638	(16)	99,190	186,930
Excess depreciation	549,069	16,537	(27,475)	538,131	597,148
Total tax credits recorded	**28,243,654**	**2,685,985**	**(1,665,909)**	**29,263,730**	**24,421,017**
Income tax	16,476,328	1,684,847	(942,391)	17,218,784	13,958,006
Social contribution	11,525,705	946,031	(723,204)	11,748,532	10,433,430
PIS/Pasep	207,845	47,404	(270)	254,979	25,446
Cofins	33,776	7,703	(44)	41,435	4,135

Not Recorded

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Tax credit abroad	416,497	420,262	227,793
Temporary differences	2,646	125,231	66,853
Portion of Tax losses / negative bases	--	3,654	--
Portion of mark to market negative ajustment	130,972	329	14,648
Total tax credits not recorded	**550,115**	**549,476**	**309,294**
Income tax	333,163	344,771	172,370
Social contribution	216,952	204,705	136,924

Realization expectative

The expectation of realization of the deferred tax assets (tax credits) is based on technical study, prepared in 12.31.2012, and the present value is determined based on the average rate of funding of Banco do Brasil.

R$ thousand

	Par value	Present value
In 2013	5,907,637	4,769,913
In 2014	5,844,806	4,529,498
In 2015	4,523,442	3,376,935
In 2016	4,427,833	3,177,678
In 2017	6,762,439	4,703,021
In 2018	74,194	47,981
In 2019	50,710	29,020
In 2020	42,963	23,009
In 2021	39,118	19,225
In 2022	387,311	152,259
In 2023	183,201	65,944
Total tax credits 31.12.2012 (1)	**28,243,654**	**20,894,483**

(1) The value was adjusted due to the activation of R$ 3,262,568 thousand in tax credits incident on actuarial losses, recorded retrospectively, according to item 173 CVM Resolution 695/2012 and CVM Resolution 592/2009 (Notes 3, 4.l and 27.d)

In the first quarter 2013 it was possible to observe the realization of tax credits at Banco do Brasil in the amount of R$ 1,427,290 thousand, corresponding to 32.43% of the respective projection of use for the period of 2012, contained in the technical study prepared on 12.31.2012.

The realization of the nominal value of tax credit recorded, considering the recovery of those issued during the processing of the lawsuit (70%), based on a technical study conducted by the Banco do Brasil on 12.31.2012, is designed for 5.5 years in following proportions:

	Tax losses/CSLL recoverable (1)	Intertemporary differences (2)
In 2013	48%	18%
In 2014	46%	18%
In 2015	1%	18%
In 2016	1%	18%
In 2017	1%	28%
From 2018	3%	--

(1) Projected consumption linked to the capacity to generate IRPJ and CSLL taxable amounts in subsequent periods.

(2) The consumption capacity results from the movements of provisions (expectation of reversals, write-offs and uses).

26 – Related Party Transactions

The costs of salaries and other benefits granted to key management personnel of the Banco do Brasil Group (Board of Directors, Executive Board, Audit Committee and Tax Council):

R$ thousand

	1st quarter/2013	1st quarter/2012
Short-term benefits	**9,477**	**14,647**
Fees	**5,358**	**5,047**
Executive Board	4,726	4,490
Audit Committee	508	419
Board of Directors	53	75
Fiscal Council	71	63
Profit sharing	3,847	4,408
Other	272	5,192
Benefits for employment termination	**9,477**	**14,647**
Total	**9,477**	**14,647**

The Bank does not offer post-employment benefits to its key management personnel, except for those who are part of the staff of the Bank, which participate in the Pension Plan for Employees of the Banco do Brasil (Previ).

The Bank does not grant loans to key management personnel, pursuant to the prohibition to all financial institutions established by the Banco Central do Brasil.

The balances referring to transactions between the consolidated companies of the Bank are eliminated in the Consolidated Financial Statements. Regarding to majority shareholder, the transactions with National Treasury and with agencies of the direct administration of the Federal Government that maintain banking operations with the Bank are included.

The Bank has banking transactions with these related parties, such as interest bearing and non-interest bearing deposits, loans, and sale and repurchases transactions, except for key management personnel. There are also service render and guarantee agreements.

These transactions are conducted under terms and rates consistent with those applied with outsourced when applicable. These transactions do not involve payment risks. On 09.26.2012, the Bank signed a loan agreement with the Federal Government in the amount of R$ 8,100,000 thousand whose terms and conditions are described in note 20.d.

The funds invested in government securities and in federal funds and programs from onlendings of the Official Institutions are listed as notes 8 and 18, respectively.

The Bank sponsors the Banco do Brasil Foundation which goals are the promotion, support, encouragement and sponsorship of actions at the educational, cultural, social, philanthropic, recreational/sports and promote scientific and technological research activities and assistance to

urban or rural communities. In quarter, The Bank made contributions to the FBB in the amount of R$ 21,448 thousand (R$ 9,572 thousand in the 1 st quarter 2012).

The information related to onlending and other transactions with other sponsored entities are disclosed in Note 27.

Acquisition of Portfolio of Loans Transferred by Banco Votorantim

R$ thousand

	1st quarter/2013	1st quarter/2012
Assignment with substantial retention of risks and benefits (with coobligation)	6,089,773	--
Result unrealized net of tax effects	248,317	765,223

Summary of related party transations

R$ thousand

	03.31.2013						
	Controller [1]	Subsidiaries[2]	Jointly controlled [3]	Associated companies [4]	Key Management personnel [5]	Other related parties[6]	Total
Assets							
Interbank deposits	--	40,715,181	1,200,000	--	--	--	41,915,181
Securities	--	20,201,138	153,891	--	--	--	20,355,029
Loan operations	654,166	20,195	5,576	162	--	1,480,559	2,160,658
Receivables from related companies	--	38,878	15,136	--	--	--	54,014
Other assets	--	480,276	7,613,271	1,919	--	--	8,095,466
Liabilities							
Demand deposits	755,628	25,809	1,526,325	673	1,729	504,683	2,814,847
Saving deposits	--	--	--	--	1,491	--	1,491
Remunerated time deposits	--	5,956,930	1,162,514	1,040	3,362	5,938,674	13,062,520
Securities sold under repurchase agreements	--	5,260,322	--	--	--	6,025,527	11,285,849
Borrowings and onlendings	640,271	30,022,346	--	--	--	62,107,303	92,769,920
Other liabilities[7]	8,207,644	21,863,266	215,357	--	--	15,536	30,301,803
Guarantees and Other Coobligations [8]	--	942,510	6,800,000	--	--	--	7,742,510
	1 st quarter/2013						
Income from interest and render of services	14,282	1,081,954	243,929	752	--	75,622	1,416,539
Expenses from raising funds	(17,363)	(711,047)	(45,511)	(1,059)	(81)	(1,056,016)	(1,831,077)

(1) National Treasury and agencies of the direct administration of the Federal Government.

(2) Includes related companies in Note 3 as identified in item (1).

(3) Includes related companies in Note 3 as identified in item (2).

(4) Includes related companies in Note 3 as identified in item (3).

(5) Board of Directors, Executive Board, Audit Committee and Tax Council.

(6) Includes public and party-state owned companies controlled by the Federal Government and entities linked to employees.

(7) Includes the Contract Hybrid Capital Instrument Debt with the Federal Government (Note 20.d).

(8) Includes Opening Contract Interbank Revolving Credit Line to release with Banco Votorantim, equivalent to the value of equity of that institution.

R$ thousand

	12.31.2012						
	Controller [1]	Subsidiaries[2]	Jointly controlled [3]	Associated companies [4]	Key Management personnel [5]	Other related parties[6]	Total
Assets							
Interbank deposits	--	33,617,623	--	--	--	--	**33,617,623**
Securities	--	43,741	170,460	--	--	--	**214,201**
Loan operations	651,090	37,130	7,029	38	--	2,024,255	**2,719,542**
Receivables from related companies	--	62,183	15,045	--	--	--	**77,228**
Other assets	--	271,871	1,023,276	411	--	--	**1,295,558**
Liabilities							
Demand deposits	836,011	59,756	205,880	739	1,034	897,966	**2,001,386**
Saving deposits	--	--	--	--	1,233	--	**1,233**
Remunerated time deposits	--	3,733,051	971,031	1,025	2,218	6,087,695	**10,795,020**
Securities sold under repurchase agreements	--	5,309,356	--	--	--	6,570,501	**11,879,857**
Borrowings and onlendings	633,638	25,320,236	--	--	--	59,665,342	**85,619,216**
Other liabilities[7]	8,214,555	987,295	7,902	--	--	14,934	**9,224,686**
Guarantees and Other Coobligations [8]	--	907,966	6,800,000	--	--	--	**7,707,966**
			2012				
Income from interest and render of services	82,514	2,416,549	101,243	1,086	--	316,527	**2,917,919**
Expenses from raising funds	(69,462)	(2,112,547)	(130,993)	(4,923)	(740)	(3,144,660)	**(5,463,325)**

(1) National Treasury and agencies of the direct administration of the Federal Government.

(2) Includes related companies in Note 3 as identified in item (1).

(3) Includes related companies in Note 3 as identified in item (2).

(4) Includes related companies in Note 3 as identified in item (3).

(5) Board of Directors, Executive Board, Audit Committee and Tax Council.

(6) Includes public and party-state owned companies controlled by the Federal Government and entities linked to employees.

(7) Includes the Contract Hybrid Capital Instrument Debt with the Federal Government (Note 20.d).

(8) Includes Opening Contract Interbank Revolving Credit Line to release with Banco Votorantim, equivalent to the value of equity of that institution.

R$ thousand

	03.31.2012						
	Controller [1]	Subsidiaries[2]	Jointly controlled [3]	Associated companies [4]	Key Management personnel [5]	Other related parties[6]	Total
Assets							
Interbank deposits	--	25,497,671	17,913	--	--	20	25,515,604
Securities	--	73,420	101,122	7,000	--	46,254	227,796
Loan operations	5,628	64,125	20,712	--	--	468,225	558,690
Receivables from related companies	--	57,763	--	16,185	--	--	73,948
Other assets	--	342,540	925,968	2,889	--	--	1,271,397
Liabilities							
Demand deposits	810,493	25,601	9,004	19,851	782	466,710	1,332,441
Saving deposits	--	--	--	--	1,229	--	1,229
Remunerated time deposits	--	4,857,233	231,600	1,220,823	5,566	5,660,662	11,975,884
Securities sold under repurchase agreements	--	3,978,469	--	--	--	4,236,914	8,215,383
Borrowings and onlendings	1,629,295	17,036,760	--	--	--	44,666,845	63,332,900
Other liabilities	--	1,145,506	15,478	3,927	--	586,325	1,751,236
Guarantees and Other Coobligation[7]	--	545,576	6,875,332	--	--	--	7,420,908
	1st quarter/2012						
Income from interest and render of services	3,935	589,044	2,963	165,749	--	53,379	815,070
Expenses from raising funds	(48,169)	(267,928)	(787)	(16,830)	(153)	(721,024)	(1,054,891)

(1) National Treasury and agencies of the direct administration of the Federal Government.

(2) Includes related companies in Note 3 as identified in item (1).

(3) Includes related companies in Note 3 as identified in item (2).

(4) Includes related companies in Note 3 as identified in item (3).

(5) Board of Directors, Executive Board, Audit Committee and Tax Council.

(6) Includes public and party-state owned companies controlled by the Federal Government and entities linked to employees.

(7) Includes Opening Contract Interbank Revolving Credit Line to release with Banco Votorantim, equivalent to the value of equity of that institution.

27 – Employee Benefits

Banco do Brasil sponsors the following private pension and complementary health plan entities that provide for complementation of retirement and healthcare benefits for its employees:

	Plans	Benefits	Classification
Previ - Caixa de Previdência dos Funcionários do Banco do Brasil	Previ Futuro	Retirement and Pension	Defined contribution
	Plano de Benefícios 1	Retirement and Pension	Defined benefit
	Plano Informal	Retirement and Pension	Defined benefit
Cassi - Caixa de Assistência dos Funcionários do Banco do Brasil	Plano de Associados	Health Care	Defined benefit
Economus – Instituto de Seguridade Social	Prevmais	Retirement and Pension	Defined contribution
	Regulamento Geral	Retirement and Pension	Defined benefit
	Regulamento Complementar 1	Retirement and Pension	Defined benefit
	Grupo B'	Retirement and Pension	Defined benefit
	Plano Unificado de Saúde - PLUS	Health Care	Defined benefit
	Plano Unificado de Saúde - PLUS II	Health Care	Defined benefit
	Plano de Assistência Médica Complementar - PAMC	Health Care	Defined benefit
Fusesc - Fundação Codesc de Seguridade Social	Multifuturo I	Retirement and Pension	Defined contribution
	Plano de Benefícios 1	Retirement and Pension	Defined benefit
SIM - Caixa de Assistência dos Empregados dos Sistemas Besc e Codesc, do Badesc e da Fusesc	Plano de Saúde	Health Care	Defined contribution
Prevbep - Caixa de Previdência Social	Plano BEP	Retirement and Pension	Defined benefit

Number of participants covered by benefit plans sponsored by the Bank

	03.31.2013			12.31.2012			03.31.2012		
	Nº of participants			Nº of participants			Nº of participants		
	Actives	Retired/Users	Total	Actives	Retired/Users	Total	Actives	Retired/Users	Total
Retirement and Pension Plans	**116,554**	**102,503**	**219,057**	**116,867**	**101,994**	**218,861**	**115,565**	**106,583**	**222,148**
Plano de Benefícios 1 – Previ	28,097	85,504	113,601	28,826	84,964	113,790	30,127	84,198	114,325
Plano Previ Futuro	71,101	567	71,668	70,609	544	71,153	67,800	470	68,270
Plano Informal	--	4,182	4,182	--	4,182	4,182	--	7,649	7,649
Other plans	17,356	12,250	29,606	17,432	12,304	29,736	17,638	14,266	31,904
Health Care Plans	**118,118**	**94,518**	**212,636**	**118,534**	**94,253**	**212,787**	**116,910**	**92,977**	**209,887**
Cassi	104,448	85,424	189,872	104,824	84,867	189,691	102,909	83,654	186,563
Other plans	13,670	9,094	22,764	13,710	9,386	23,096	14,001	9,323	23,324

Bank's contributions to benefit plans

R$ thousand

	1st quarter 2013	1st quarter 2012
Retirement and Pension Plans	**265,061**	**265,310**
Plano de Benefícios 1 – Previ (1)	112,960	106,974
Plano Previ Futuro	79,599	65,145
Plano Informal	40,796	64,779
Other plans	31,706	28,412
Health Care Plans	**217,642**	**209,387**
Cassi	199,189	185,088
Other plans	18,453	24,299
Total	**482,703**	**474,697**

(1) Refers to the contributions from participants comprised by Agreement 97 and Plan 1, considering that these contributions occurred respectively by the realization of the Parity Fund (Note 27.f.1) and the Contribution Fund (Note 27.f.3). Agreement 97 aims to regulate the way funding is required to achieve a portion equivalent to 53.7% of guarantee amount concerning the payment of supplement retirement due to the participants who joined the Bank up to 04.14.1967 and who have retired or will retire after the aforementioned date, except for those participants who are part of the Plano Informal.

The Bank's contributions to benefit plans during the 1st half 2013 are estimated in R$ 713,464 thousand.

Values recognized in income

R$ thousand

	1st quarter 2013	1st quarter 2012
Retirement and Pension Plans	**44,365**	**246,359**
Plano de Benefícios 1 – Previ	187,023	390,329
Plano Previ Futuro	(79,599)	(65,145)
Plano Informal	(30,668)	(51,885)
Other plans	(32,391)	(26,940)
Health Care Plans	**(304,054)**	**(276,679)**
Cassi	(282,248)	(253,194)
Other plans	(21,806)	(23,485)
Total	**(259,689)**	**(30,320)**

a) Retirement and pension plans

Previ Futuro (Previ)

Participants in this plan are the Bank's employees hired as from 12.24.1997. The active participants contribute to Previ an amount between 7% and 17% of their contribution salary, which varies based on time of service and the amount of the contribution salary. There is no contribution for retired participants. The sponsor contributes an amount equal to the contributions of the participants, limited to 14% of the total contribution payroll of these participants.

Plano de Benefícios 1 (Previ)

The participants of this plan are the Bank's employees who were enrolled up to 12.23.1997. Due to the establishment of parity between the Bank's and participants' contributions, in December 2000, a parity fund was set up, and its resources are being used for the purpose of offsetting contributions to the plan. Due to the accumulated surplus, the contributions of participants, beneficiaries (retirees and pensioners) and of the sponsor (Banco do Brasil) were suspended, since January 2007. According to the Memorandum of Understanding signed between the Bank, Previ and entities representing the beneficiaries, it was proposed to amend the Rules of the Plan 1, which includes the suspension of contributions for the years 2011, 2012 and 2013, and its maintenance must be linked to the existence of the Special Reserve of the plan.

Plano Informal (Previ)

This responsibility of this plan is exclusive of Banco do Brasil whose contractual obligations include: (a) retirement pensions to founder participants and pension payments to beneficiaries of participants deceased up to 04.14.1967; (b) payment of retirement supplements to the other participants employed by Banco do Brasil who retired up to 04.14.1967 or who, on that date, would have the right through length of service to retire and who had at least 20 years of effective service with the Bank; and (c) increase in the amount of retirement benefits and of pensions beyond the provided in the benefit plan of Previ, resulting from judicial decisions and from administrative decisions due to restructuring of the job and salary plan and of incentives created by the Bank. On 12.31.2012, Banco do Brasil and Previ formalized an agreement whereby the Banco do Brasil paid up, with Fundo Paridade funds, 100% of the mathematical reserves relating to the Grupo Especial, that is Banco do Brasil's exclusive liability, of which operations had migrated from Plano Informal to Plano de Benefícios 1 of Previ. The Grupo Especial includes participants from Plano de Benefícios 1 - Previ, listed in the first paragraph of the first clause of the contract of 12.24.1997, which received additional supplemental retirement arising from administrative decisions and/or judicial decisions. (Notes 27.f)

Prevmais (Economus)

The participants of this plan are the employees from Banco Nossa Caixa (merged into Banco do Brasil on 11.30.2009) enrolled after 08.01.2006, and the participants previously linked to the Regulamento Geral benefit plan who opted for the distribution of their vested account balances. The funding for income benefits is equally provided by employees and employer, not exceeding 8% of the participants' salary. The plan also provides risk benefits, such as complementation of sickness aid, work - related accident, disability benefits and death pension.

Regulamento Geral (Economus)

The participants of this plan are the employees from Banco Nossa Caixa enrolled up to 07.31.2006. This plan is closed to new members. Employees and the sponsor contribute equally, on average, with 12.11% of participation salary.

Regulamento Complementar 1 (Economus)

The participants of this plan are the employees from Banco Nossa Caixa. This plan offers the benefits of supplemental sickness benefit and annuity for death and disability. The cost of the plan is the responsibility of the sponsor, participants and retired/users.

Grupo B' (Economus)

The participants of this plan are the employees from Banco Nossa Caixa admitted between 01.22.1974 to 05.13.1974 and their beneficiaries. This plan is closed to new members. The level of benefit to be granted when the implementation of all the conditions laid down in regulation is known *a priori*.

Multifuturo I (Fusesc)

The participants of this plan are the employees from Banco do Estado de Santa Catarina - Besc (merged into Banco do Brasil on 09.30.2008) enrolled after 01.12.2003 and the employees previously linked to Fusesc's Benefit Plan 1 who opted for this plan. Employees and sponsor equally contribute from 2.33% to 7% of participation salary to that plan, as determined by each participant.

Plano de Benefícios 1 (Fusesc)

The participants of this plan are the employees from Besc enrolled until 01.11.2003. This plan is closed to new members. Employees and the sponsor contribute equally, on average, with 9.89% of participation salary.

Plano BEP (Prevbep)

Participants of this plan are the employees from Banco do Estado do Piauí – BEP (merged in to Banco do Brasil on 11.30.2008). Employees and the sponsor contribute equally, on average, with 3.58% of participation salary.

b) Health Care Plans

Plano de Associados (Cassi)

The Bank is the sponsor of a health plan managed by Cassi which the main objective is to provide coverage for expenses related to the promotion, protection, recovery and rehabilitation of a member's health and of his/her enrolled beneficiaries. Each month, the Bank contributes with a sum equivalent to 4.5% of the total payroll or of the total retirement or pension plan benefit. Monthly contributions from members and pension beneficiaries amount to 3% of the payroll or the total retirement or pension plan benefits and co-participation in some hospital procedures.

Plano Unificado de Saúde - PLUS (Economus)

The participants of this plan are the employees from Banco Nossa Caixa. Participation in this plan takes place by means of a 1.5% contribution of gross salary, without limitation, covering the owner and his/her preferred dependants, deducted from the owner's payroll and 10% as a co-participation in the price of each medical visit and low-cost exams, made by the owner and his/her dependants (preferred and non-preferred).

Plano Unificado de Saúde - PLUS II (Economus)

For employees from Banco Nossa Caixa. Participation in this plan takes place by means of a 1.5% contribution of gross salary, without limitation, covering the owner and his/her preferred dependants, deducted from the owner's payroll and 10% as a co-participation in the price of each medical visit and low-cost exams, made by the owner and his/her preferred dependants and children of age. The plan does not provide for non-preferred dependants.

Plano de Assistência Médica Complementar - PAMC (Economus)

The participants of this plan are the employees from Banco Nossa Caixa stationed in the State of São Paulo. The plan owners are those employees retired due to disability in Groups "B" and "C", and their

dependants, who participate in costs in as much as they use it, and according to the salary range progressive table.

Plano de Saúde (SIM)

The participants of this plan are the employees from Besc. Monthly contributions from members amount to 3% of the total payroll.

c) Risk factors

The Bank may be requested to contribute with PREVI, which might have a negative effect on operating income.

In the next few years, Previ, for various reasons, might not be able to maintain the accumulation of surplus of Plano de Benefícios 1 and, under these conditions, the Bank will have to resume its contribution as plan sponsor, using its own resources, a fact that could give rise to adverse impacts on its financial situation and operating income.

The Bank may be required to make extraordinary contributions to Economus, Fusesc and Prevbep, which might have a negative effect on operating income.

The criteria used on determination of the Bank's obligation with the set of sponsored entities plans (Economus, Prevbep, Fusesc) include long-term actuarial and financial estimates and assumptions, as well as the application and interpretation of regulatory standards in effect on this date. Accordingly, inaccuracies inherent in the use of estimates and assumptions may result in divergences between the amount recorded and the amount actually realized, resulting in negative impacts on the result of the Bank’s operations.

d) Actuarial valuations

The actuarial valuations are prepared every six months and the information contained in the tables below refers to those carried out on the base dates of 12.31.2012 and 12.31.2011.

Changes in present value of defined benefit actuarial obligations

R$ thousand

	Plano 1 – Previ		Plano Informal – Previ		Plano de Associados – Cassi		Other plans	
	2012	2011	2012	2011	2012	2011	2012	2011
Initial Balance	**(98,849,541)**	**(90,805,477)**	**(1,905,370)**	**(1,994,759)**	**(6,046,932)**	**(5,297,173)**	**(5,622,610)**	**(5,189,411)**
Interest cost	(10,235,720)	(9,798,080)	(177,875)	(204,672)	(625,078)	(577,040)	(573,868)	(540,832)
Current service cost	(514,081)	(517,332)	--	--	(95,589)	(84,607)	(38,113)	(49,031)
Benefits paid net of contributions retirees	7,502,104	6,718,424	297,318	297,618	487,418	503,816	403,496	371,864
Liabilities transferred from other plans	--	--	--	--	--	--	--	(6,576)
Reductions / settlements [1]	--	--	1,217,263	--	--	--	130,640	--
Actuarial gain / (loss) on actuarial obligation [2]	(26,316,202)	(4,447,076)	(522,353)	(3,557)	(1,437,674)	(591,928)	(1,249,223)	(208,624)
Closing Balance	**(128,413,440)**	**(98,849,541)**	**(1,091,017)**	**(1,905,370)**	**(7,717,855)**	**(6,046,932)**	**(6,949,678)**	**(5,622,610)**
Present value of actuarial liabilities with surplus	(128,413,440)	(98,849,541)	--	--	--	--	(4,921,429)	(4,477,749)
Present value of actuarial liabilities without surplus	--	--	(1,091,017)	(1,905,370)	(7,717,855)	(6,046,932)	(2,028,249)	(1,144,861)

(1) In Plano Informal, it refers mainly to the migration of Grupo Especial to Plano de Benefícios 1 – Previ. (Notes 27.f)

(2) The actuarial loss in 2012 is due mainly to the decrease in the discount rate, that was 10.56% p.a. on 12.31.2011 and 8.71% p.a. on 12.31.2012.

Changes in fair value of plan assets

R$ thousand

	Plano 1 – Previ		Plano Informal – Previ		Plano de Associados – Cassi		Other plans	
	2012	2011	2012	2011	2012	2011	2012	2011
Initial Balance	**133,079,396**	**141,566,322**	**--**	**--**	**--**	**--**	**4,477,749**	**4,339,122**
Estimated yield on plan assets	13,460,271	14,934,610	--	--	--	--	474,934	478,661
Contributions received	1,521,818	495,904	297,318	297,618	487,418	503,816	157,399	155,699
Benefits paid net of contributions retirees	(7,502,104)	(6,718,424)	(297,318)	(297,618)	(487,418)	(503,816)	(403,496)	(371,864)
Equity transfer	--	--	--	--	--	--	--	6,576
Actuarial gain / (loss) on plan assets	11,469,755	(17,199,016)	--	--	--	--	214,843	(130,445)
Closing Balance	**152,029,136**	**133,079,396**	**--**	**--**	**--**	**--**	**4,921,429**	**4,477,749**

Amounts recognized in the balance sheet

R$ thousand

	Plano 1 – Previ			Plano Informal – Previ			Plano de Associados – Cassi			Other plans		
	03.31.2013	12.31.2012	03.31.2012	03.31.2013	12.31.2012	03.31.2012	03.31.2013	12.31.2012	03.31.2012	03.31.2013	12.31.2012	03.31.2012
1) Fair value of the plan assets	152,029,136	152,029,136	133,079,396	--	--	--	--	--	--	4,921,429	4,921,429	4,477,749
2) Present value of actuarial liabilities	(128,413,440)	(128,413,440)	(98,849,541)	(1,091,017)	(1,091,017)	(1,905,370)	(7,717,855)	(7,717,855)	(6,046,932)	(6,949,678)	(6,949,678)	(5,622,610)
3) Surplus/(deficit) (1+2)	23,615,696	23,615,696	34,229,855	(1,091,017)	(1,091,017)	(1,905,370)	(7,717,855)	(7,717,855)	(6,046,932)	(2,028,249)	(2,028,249)	(1,144,861)
4) Surplus/(deficit) – plot sponsor	11,807,848	11,807,848	17,114,928	(1,091,017)	(1,091,017)	(1,905,370)	(7,717,855)	(7,717,855)	(6,046,932)	(1,287,286)	(1,283,031)	(863,246)
5) Amounts recognized in profit [1]	187,023	--	390,329	(30,668)	--	(51,885)	(282,248)	--	(253,194)	(54,197)	--	(50,425)
6) Amounts received from funds (Note 27.f) [1]	356,645	--	107,744	--	--	--	--	--	--	--	--	--
7) Benefits paid [1]	--	--	--	40,780	--	64,700	199,188	--	185,088	49,581	--	38,476
8) Net actuarial (liability)/asset (4+5+6+7)[2]	**12,351,516**	**11,807,848**	**17,613,001**	**(1,080,905)**	**(1,091,017)**	**(1,892,555)**	**(7,800,915)**	**(7,717,855)**	**(6,115,038)**	**(1,291,902)**	**(1,283,031)**	**(875,195)**

(1) Changes occurred after the actuarial valuation from december.

(2) The actuarial assets recorded in other receivables (Note 11.b) will be realized before the end of the plan. The end of the plan is understood as the date in which the last commitment will be paid.

Amounts recognized in statement of income relating to defined benefit plans

R$ thousand

	Plano 1 – Previ		Plano Informal – Previ		Plano de Associados – Cassi		Other plans	
	1st quarter 2013	1st quarter 2012	1st quarter 2013	1st quarter 2012	1st quarter 2013	1st quarter 2012	1st quarter 2013	1st quarter 2012
Current service cost	(76,494)	(62,752)	--	--	(33,827)	(21,692)	(3,233)	(3,651)
Interest cost	(1,355,593)	(1,260,316)	(22,650)	(47,964)	(163,110)	(153,905)	(27,518)	(23,820)
Expected yield on plan assets	1,619,110	1,713,397	--	--	--	--	--	--
Amortization of net actuarial gains/(losses)	--	--	(8,018)	(3,921)	--	--	--	--
Unrecognized past service cost	--	--	--	--	(2,478)	(2,478)	--	--
Expense with active employees	--	--	--	--	(82,833)	(75,119)	(28,279)	(27,708)
Other adjustments/reversals	--	--	--	--	--	--	4,833	4,754
(Expense)/income recognized in Statement of Income	**187,023**	**390,329**	**(30,668)**	**(51,885)**	**(282,248)**	**(253,194)**	**(54,197)**	**(50,425)**

Amounts recognized in the stockholders' equity because of the adoption of CPC 33 (R1)

R$ thousand

	Plano 1 – Previ			Plano Informal – Previ			Plano de Associados – Cassi			Other Plans		
	03.31.2013	12.31.2012	03.31.2012	03.31.2013	12.31.2012	03.31.2012	03.31.2013	12.31.2012	03.31.2012	03.31.2013	12.31.2012	03.31.2012
Accumulated other comprehensive income	(4,441,209)	(4,441,209)	3,742,924	(109,101)	(109,101)	(162,896)	(2,577,272)	(2,577,272)	(1,240,517)	(695,413)	(695,413)	(270,218)
Tax effects	1,900,393	1,900,393	(1,601,596)	43,640	43,640	65,158	1,030,909	1,030,909	496,207	277,505	277,505	106,292
Accumulated other comprehensive income net of tax effects	**(2,540,816)**	**(2,540,816)**	**2,141,328**	**(65,461)**	**(65,461)**	**(97,738)**	**(1,546,363)**	**(1,546,363)**	**(744,310)**	**(417,908)**	**(417,908)**	**(163,926)**

Composition of the plan assets, shown as a percentage of the total

	Plano 1 - Previ			Plano Informal - Previ			Plano de Associados - Cassi			Other plans		
	03.31.2013	12.31.2012	03.31.2012	03.31.2013	12.31.2012	03.31.2012	03.31.2013	12.31.2012	03.31.2012	03.31.2013	12.31.2012	03.31.2012
Fixed Revenue	31.0%	31.5%	29.2%	--	--	--	--	--	--	83.8%	88.9%	90.1%
Floating Revenue	59.9%	59.6%	63.2%	--	--	--	--	--	--	8.0%	6.4%	4.8%
Real estate investments	5.3%	5.2%	4.0%	--	--	--	--	--	--	2.1%	2.1%	1.8%
Loans and financing	3.3%	3.3%	3.2%	--	--	--	--	--	--	2.0%	2.0%	1.9%
Other	0.5%	0.4%	0.4%	--	--	--	--	--	--	4.1%	0.6%	1.4%
Amounts listed in fair value of plan assets												
In the entity's own financial instruments	8.1%	8.1%	6.0%	--	--	--	--	--	--	--	--	--
In properties or other assets used by the entity	0.1%	0.1%	0.1%	--	--	--	--	--	--	0.1%	--	0.1%

Comparative table showing expected and actual return from plan assets

	Plano 1 – Previ		Plano Informal – Previ		Plano de Associados – Cassi		Other plans	
	2012	2011	2012	2011	2012	2011	2012	2011
Expected yield nominal rate on plan assets at the beginning of the fiscal year (p.a.)	10.56%	10.96%	--	--	--	--	10.56%	10.96%
Expected yield on assets for the period (R$ thousand) [(1)]	13,460,271	14,934,610	--	--	--	--	474,934	478,661
Effective yield (R$ thousand) [(2)]	24,930,026	(2,264,406)	--	--	--	--	689,777	354,792

(1) 01.01.2012 to 06.30.2012 – Real rate 6.10% p.a. and Inflation rate 4.20% p.a.; 07.01.2012 to 12.31.2012 – Real rate 5.70% p.a. and Inflation rate 4.20% p.a.
01.01.2011 to 06.30.2011 – Real rate 6.30% p.a. and Inflation rate 4.38% p.a.; 07.01.2011 to 12.31.2011 – Real rate 6.30% p.a. and Inflation rate 4.38% p.a.

(2) Considers the effects of floating income investments.

Main actuarial assumptions adopted in each period

	Plano 1 – Previ		Plano Informal – Previ		Plano de Associados – Cassi		Outros Planos [1]	
	12.31.2012	12.31.2011	12.31.2012	12.31.2011	12.31.2012	12.31.2011	12.31.2012	12.31.2011
Inflation rate (p.a.)	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%
Real discount rate (p.a.)	4.33%	6.10%	4.33%	6.10%	4.33%	6.10%	4.33%	6.10%
Nominal rate of return on investments (p.a.)	8.71%	10.56%	--	--	--	--	8.71%	10.56%
Real rate of expected salary growth (p.a.)	0.14%	--	--	--	--	--	0.52%	0.65%
Average remaining work period (years)	1.92	2.35	--	--	14.24	14.12	6.18	6.73
Table actuarial survival [2]	AT-83		AT-83		AT-83		AT-83	
Capitalization method	Projected credit unit		Projected credit unit		Projected credit unit		Projected credit unit	

(1) Grouped actuarial assumptions are expressed as weighted averages.

(2) Prevmais, Multifuturo I and Plano de Benefícios 1 (Fusesc) plans used the AT-2000.

In order to determine the values for the defined benefit plans, the Bank uses methods and assumptions different from those submitted by entities sponsored.

The CPC 33 (R1) prescribes the accounting, as well as the effects that occurred or that will occur in the entities that sponsors employee benefits plans. However, the sponsored entities complies with the rules emanated from Ministério da Previdência Social, through the Conselho de Gestão da Previdência Complementar (CGPC) and the Superintendência Nacional de Previdência Complementar (Previc). The most significant differences are concentrated on the definition of the figures relating to Plano 1 – Previ.

Differences in assumptions of the Plano 1 - Previ

	Bank	Previ
Real discount rate (p.a.)	4.33%	5%
Table actuarial survival	AT-83	AT-2000
Evaluation of assets – Exclusive funds	Market value or discounted cash flow	Discounted cash flow
Capitalization method	Projected credit unit	Aggregate Method

Reconciliation of amounts calculated in Plan 1 - Previ/Bank

R$ thousand

	Plan assets		Actuarial liabilities		Effect in surplus	
	12.31.2012	12.31.2011	12.31.2012	12.31.2011	12.31.2012	12.31.2011
Value determined - Previ	132,282,188	121,969,218	(105,150,551)	(97,420,089)	27,131,637	24,549,129
Incorporation of values from agreement 97	13,198,959	13,188,500	(13,198,959)	(13,188,500)	--	--
Incorporation of values from Grupo Especial	1,013,754	--	--	--	1,013,754	--
Adjustment in the value of plan assets (1)	5,534,235	(2,078,322)	--	--	5,534,235	(2,078,322)
Adjustment in the liabilities –discount rate/ capitalization method	--	--	(10,063,930)	11,759,048	(10,063,930)	11,759,048
Value determined - Bank	**152,029,136**	**133,079,396**	**(128,413,440)**	**(98,849,541)**	**23,615,696**	**34,229,855**

(1) Refers mainly to adjustments made by the Bank in determining the fair value of the investments in Litel, Neoenergia and in securities held to maturity.

e) Overview of actuarial asset/(liability) recorded by the Bank

R$ thousand

	Actuarial assets			Actuarial liabilities		
	03.31.2013	12.31.2012	03.31.2012	03.31.2013	12.31.2012	03.31.2012
Plano 1 (Previ)	12,351,516	11,807,848	17,613,001	--	--	--
Plano Informal (Previ)	--	--	--	(1,080,905)	(1,091,017)	(1,892,555)
Plano de Associados (Cassi)	--	--	--	(7,800,915)	(7,717,855)	(6,115,038)
Regulamento Geral (Economus)	--	--	--	(768,887)	(763,359)	(475,853)
Regulamento Complementar 1 (Economus)	--	--	--	(3,353)	(3,537)	(323)
Plus I e II (Economus)	--	--	--	(395,269)	(391,916)	(348,677)
Grupo B' (Economus)	--	--	--	(134,880)	(134,705)	(105,788)
Plano 1 (Fusesc)	--	--	35,646	(8,252)	(8,253)	--
Plano BEP (Prevbep)	18,739	18,739	19,800	--	--	--
Total	**12,370,255**	**11,826,587**	**17,668,447**	**(10,192,461)**	**(10,110,642)**	**(8,938,234)**

f) Allocations of the Surplus – Plano 1

R$ thousand

	1st quarter 2013	2012	1st quarter 2012
Fundo Paridade			
Initial Balance	**740,643**	**1,608,379**	**1,608,379**
Interest and inflation adjustment	24,486	183,275	37,378
Contributions to the Plano 1 – Agreement 97 (1)	73	(37,257)	98
Early contribution to amortize – Grupo Especial (2)	--	(1,013,754)	**--**
Closing Balance	**765,202**	**740,643**	**1,645,855**
Fundo de Destinação			
Initial Balance	**2,373,525**	**3,684,325**	**3,684,325**
Interest and inflation adjustment	68,467	331,001	82,477
Amounts transferred to Plano 1	(243,607)	--	--
Transfers to Fundo de Utilização	(281,602)	(1,641,801)	(264,111)
Closing Balance	**1,916,783**	**2,373,525**	**3,502,691**
Fundo de Contribuição			
Initial Balance	**726,637**	**1,096,433**	**1,096,433**
Adjustment for inflation	22,501	100,619	24,513
Contributions to the Plano 1	(113,038)	(470,415)	(107,744)
Closing Balance	**636,100**	**726,637**	**1,013,202**
Fundo de Utilização			
Initial Balance	**5,357,912**	**3,249,250**	**3,249,250**
Amounts transferred from Fundo de Destinação	281,602	1,641,801	264,111
Interest and inflation adjustment	182,185	466,861	78,653
Closing Balance	**5,821,699**	**5,357,912**	**3,592,014**

(1) Includes the positive amount of R$ 392 thousand in 2012 related to partial reversals for adjustments in prior periods.

(2) Refers to the payment of 100% of mathematical reserves guarantors of additional supplemental retirement of the Grupo Especial.

f.1) Fundo Paridade

The plan was funded, up to 12.15.2000, through a contribution of 2/3 (two thirds) from the Bank and another of 1/3 (one third) from participants. As from 12.16.2000, in order to adjust to the provisions of Constitutional Amendment N° 20, both the Bank and the participants started to make a contribution of 1/2 (one half), and an agreement was signed by the parties involved and duly approved by the Supplementary Pension Plan Secretariat.

The cost for the implementation of the equal contributions was defrayed by using the Plan's surplus at the time. As a result of this agreement, the Bank, yet, was entitled to recognize the amount of R$ 2,227,254 thousand, which was recorded in Fundos de Destinação Superávit - Previ. This Asset is monthly adjusted based on the actuarial goal (INPC + 5% per year) and, since January 2007, has been used to offset any financial imbalance in the ratio between the Unamortized Reserve and Advanced Amortization arising from the agreement entered into with Previ in 1997, which granted supplementary benefits to the participants of Plano 1 who joined the Plan up to 04.14.1967 and had not retired up to that date.

f.2) Fundo de Destinação

On 11.24.2010, Banco do Brasil signed a Memorandum of Understanding with the entities that represents current and retired employees, the aim of which was to allocate and use a share of the Plan's surplus, as determined by Supplementary Law N° 109/2001 and CGPC Resolution N° 26/2008.

In view of the approval of the measures provided for in the Memorandum of Understanding by Previ's Decision-Making Council, the Bank recorded, as of November 30, 2010, under "Fundos de Destinação - Previ", the amount of R$ 7,519,058 thousand against the write-off of the amount from "Other receivables - Actuarial assets", adjusted by the actuarial target (INPC + 5% p.a.).

f.3) Fundo de Contribuição

The fund is composed of resources transferred from the Fundo de Destinação to support the interruption of contribution payments for a period of three years, as established in the Memorandum of Understanding. The amount related to the Bank’s contributions is transferred to Previ, in a monthly basis. The Fundo de Contribuição is updated by an actuarial goal (INPC + 5% p.a.).

f.4) Fundo de Utilização

The fund is composed of resources transferred from the Fundo de Destinação and it can be used by the Bank after fulfilling the requirements established by applicable law. The Fundo de Utilização is updated by an actuarial goal (INPC + 5% p.a.).

28 – Contingent Assets and Liabilities and Legal Obligations – Taxes and Pension Plan

Labor Lawsuits

The Bank is a party to labor lawsuits mainly filed by former employees or trade unions of the banking industry. Allowance for probable losses represent various claimed requests, such as: compensation, overtime, distortion of the working day, additional function and representation, and others.

Tax Lawsuits

The Bank, in despite of its conservative profile - in inspections conducted by the tax authorities - is subject to the questions about taxes, which may eventually create to assessments, such as: composition of the calculation basis of income tax / social contribution (deductibility) and discussion regarding the incidence of taxes, when certain economic facts occur. Most actions from the assessments are about ISSQN, income tax, social contribution, PIS / COFINS, IOF and Social Security Contributions Employer. As guarantee for some of them, there are attachments in cash, bonds, real state or judicial deposits when necessary.

Civil Lawsuits

The collection of the difference between the inflation correction of financial investments and judicial deposits related to the period of economic plans (Bresser, Summer and Collor I and II Plans) is highlighted in the civil lawsuits.

a) Contingent Liabilities – Probable

In compliance with the CMN Resolution 3,823/2009, the Bank makes allowance for labor, civil and tax lawsuits that have risk of probable losses.

Changes in the provisions for civil, tax and labor claims classified as probable

R$ thousand

	1st quarter/2013			
	Labor lawsuits	**Tax lawsuits**	**Civil lawsuits**	**Total Labor, Tax and Civil**
Initial Balance	**2,945,490**	**2,020,124**	**4,208,172**	**9.173.786**
Addition	460,088	152,912	1,077,534	1.690.534
Reversal of the provision	(74,088)	(2,837)	(854,942)	(931.867)
Written off due payment	(137,421)	(4,167)	(121,345)	(262.933)
Price level correction	40,136	15,627	27,316	83.079
Closing Balance	**3,234,205**	**2,181,659**	**4,336,735**	**9.752.599**

R$ thousand

	1st quarter/2012			
	Labor lawsuits	**Tax lawsuits**	**Civil lawsuits**	**Total Labor, Tax and Civil**
Initial Balance	**2,514,536**	**1,400,444**	**3,473,970**	**7,388,950**
Addition	250,429	83,585	586,777	920,791
Reversal of the provision	(27,932)	(15,916)	(8,705)	(52,553)
Written off due payment	(173,538)	(9,640)	(219,051)	(402,229)
Price level correction	49,502	17,061	25,233	91,796
Closing Balance	--	77	--	77
Initial Balance	**2,612,997**	**1,475,611**	**3,858,224**	**7,946,832**

b) Contingent Liabilities – Possible

The lawsuits, tax and civil risks classified "possible" are exempted from any provisions on the Resolution CMN 3,823/2009.

The balances of contingent liabilities classified as possible

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Labor claims	118,190	90,720	153,263
Tax Claims[1]	7,446,558	5,032,809	4,346,728
Civil claims	4,235,473	3,434,339	4,249,607
Total	**11,800,221**	**8,557,868**	**8,749,598**

(1) The main contingencies originate from (i) notices of labor infraction drawn by the INSS, aiming at the payment of contributions applicable on year-end bonuses paid in the collective agreements in the period from 1995 to 2006, in the amount of R$ 2,089,908 thousand, public transport pay and use of private car by employees of Banco do Brasil, in the amount of R$ R$ 194,414 thousand and employee profit sharing corresponding to the period from April 2001 to October 2003, in the amount of R$52,657 thousand and (ii) notices of tax assessment drawn by the Treasuries of the Municipalities, aiming at the collection of ISSQN, which amounts R$ 522,109 thousand.

c) Deposits in Guarantee of Funds

Deposits in guarantee balances recorded for contingencies

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Labor claims	2,810,287	2,716,708	2,526,560
Tax claims	6,927,439	6,514,284	6,021,755
Civil claims	5,107,730	4,681,155	3,933,270
Total	**14,845,456**	**13,912,147**	**12,481,585**

d) Legal Obligations

The Bank has a record in Other Liabilities - Tax and Social Security, in the amount of R$ 13,946,322 thousand (R$ 13,881,845 thousand on 12.31.2012 and R$ 13,626,863 thousand on 03.31.2012), relating to the following actions:

Judicial Proceeding: Income and Social Contribution Taxes

In February 1998, the Bank applied for a writ of mandamus, in progress at the 16th Federal Court of Federal District claiming full compensation of accumulated losses of income tax and negative basis for the calculation of Social Contribution on Net Income (CSLL).Since then, the Bank has been fully offsetting tax loss and negative basis of social contribution against income tax and social contribution, and has made judicial deposits in the full amount due (70% of the amount offset). These deposits prompted the 16th Vara da Justiça Federal do Distrito Federal to issue an order recognizing the suspension of chargeability of these taxes until final judgment of the Bank's request, based on article 151, item II, of the Código Tributário Nacional (CTN). The case was dismissed in a first instance and an appeal brought by the Bank was deprived by the TRF of the 1st Region. The decision was challenged by extraordinary appeal filed by the Bank on 01.10.2002. Today, the appeal is pending in the Federal Court of the 1st Region, the judgment by the Supreme Court of another extraordinary feature (RE No 591,340), which was recognized by the Supreme Court because the general impact.

The offsetting of tax loss carry forward and recoverable CSLL has resulted in the write-off of deferred tax credits, observing the limitation of 30%.

Deferred taxes including corporate income tax (IRPJ) and social contribution on net income (CSLL) on the restatement of judicial deposits are being offset with the tax credits resulting from the provision related to that judicial deposit, in conformity with paragraph 2, item II, article 1 of CMN Resolution 3,059/2002, with no impact on income.

Based on the hypothesis of a successful outcome to its lawsuit, observed as of September 2005 and January 2009, the Bank would have consumed the entire stock of tax loss carry forward and recoverable social contribution, respectively. Therefore, since the accrual period of October 2005 and February 2009, the amount of IRPJ and CSLL are being paid in full. Moreover, there would be a transfer of resources from the account used to record judicial deposits to that of cash and cash equivalents. Tax credits for the escrow deposits (principal) would be written off against the allowance of IRPJ and CSLL and would be reversed against income, the provision for tax risks related to the restatement of the deposits, amounting to R$ 4,644,409 thousand.

If the Bank were unsuccessful in its lawsuit (situation in which the amounts deposited judicially would be converted into income in favor of the National Treasury), the portions of IRPJ tax credits on tax losses and CSLL to offset would be reclassified to the representative asset account "IRPJ

recoverable" and "CSLL recoverable", respectively, that could be used since the accrual period of October 2005 and February 2009, observing the limitation of 30%. These taxes recoverable, which would result from the adjustments of Statements of Economic-Fiscal Information of Businesses, corresponds to R$ 4,756,473 thousand on 03.31.2013 and its restatement by the Selic Rate corresponds to R$ 1,434,152 thousand. This sum adjusts the provision for tax risks with respect to the updating of court deposits so that it will be sufficient to fully cancel the risk of a likely loss.

The amounts related to this matter

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Legal Obligations - Provision for lawsuit	**12,475,637**	**12,428,627**	**12,237,178**
Judicial Deposits	**14,115,105**	**13,986,906**	**13,540,555**
Amount realized	7,817,011	7,817,011	7,817,011
Restatement	6,298,094	6,169,895	5,723,544
The amount of tax credits corresponding to the 70% portion	**6,585,045**	**6,585,045**	**6,585,045**
Tax losses of IRPJ	3,002,033	3,002,033	3,002,033
CSLL losses to offset/ CSLL recoverable	3,583,012	3,583,012	3,583,012

Judicial Proceeding: PIS/Pasep and Cofins

Provision for lawsuit relating to the action for a writ of mandamus intended to achieve recognition of the right of Banco do Brasil, BB Corretora, Ativos S.A. and Banco Votorantim to pay PIS/Pasep and Cofins, according to the calculation bases set out in Complementary Laws 7/1970 and 70/1991, in the amount of R$ 1,470,685 thousand in BB-Consolidated (R$ 1,453,218 thousand as of 12.31.2012 and R$ 1,389,685 thousand as of 03.31.2012), considering R$ 814,938 thousand from Banco Votorantim. Since their preliminary injunctions were suspended on 08.12.2010, Banco do Brasil and BB Corretora returned to collect the PIS/Pasep and Cofins from the event of July 2010 as provided for in Law 9,718/1998. The legal action taken by Banco Votorantim cover only COFINS and had favorable judgments, and the adverse party had presented appeals, which currently are waiting decision of the Superior Courts, especially the Supreme Court.

29 - Risk Management and Regulatory Capital

a) Risk Management Process

Banco do Brasil considers the management of risks and of capital one of the main vectors for the decision-making process.

In the Banco do Brasil, collegiate risk management is performed completely apart from the business units. Risk management policies are approved by the Bank's Board of Directors. The Global Risk Committee (CRG), which is a discussion group composed by the President and by Vice-Presidents, is responsible for implementing and monitoring of these policies. The guidelines issued by the CRG are directed at specific sub-committees (Credit, Market and Liquidity and Operational), which are groups formed by Directors.

To find out more about the risk management process at Banco do Brasil, access the website bb.com.br/ri.

b) Credit Risk

Credit Risk is associated with the possibility of loss resulting from uncertainty regarding the receipt of amounts agreed upon with borrowers, counterparts of contracts or issues of securities.

In order to comply with the best practices of credit risk management and to increase efficiency in the economic capital management, Banco do Brasil uses risk and return metrics, present throughout its loan process, as a mechanism of risk management culture at the Institution.

c) Liquidity Risk

Liquidity risk takes two forms: market liquidity risk and cash flow liquidity risk (funding). The first is the possibility of loss resulting from the incapacity to perform a transaction in a reasonable period of time and without significant loss of value. The second is associated with the possibility of a shortage of funds to honor commitments assumed on account of the mismatching between assets and liabilities.

d) Operational Risk

Operational risk reflects the possibility of loss resulting from faults, deficiencies, or the inadequacy of internal processes, personnel and systems, or external events. This concept includes legal risks.

e) Market Risk

Market Risk reflects the possibility of loss that can be caused by changes in the behavior of interest and exchange rates and of prices of shares and commodities.

Financial Instruments – Fair Value

Financial instruments recorded in balance-sheet accounts, compared to fair value:

R$ thousand

	03.31.2013		12.31.2012		03.31.2012		Unrealized gain/(loss), net of tax effects					
							On Income			On Stockholders´ Equity		
	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value	03.31.2013	12.31.2012	03.31.2012	03.31.2013	12.31.2012	03.31.2012
Assets												
Short-term interbank investments	236,433,363	235,630,890	219,323,434	219,239,963	183,014,885	183,049,138	(802,473)	(83,471)	34,253	(802,473)	(83,471)	34,253
Securities	181,253,666	181,147,676	182,942,587	182,985,415	154,498,717	154,302,572	200,087	1,457,730	643,807	(105,990)	42,828	(196,145)
Adjustment of securities available for sale (Note 8.a)	--	--	--	--	--	--	306,077	1,414,902	839,952	--	--	--
Adjustment of securities held to maturity (Note 8.a)	--	--	--	--	--	--	(105,990)	42,828	(196,145)	(105,990)	42,828	(196,145)
Derivative financial instruments	1,284,419	1,284,419	1,414,580	1,414,580	1,484,122	1,484,122	--	--	--	--	--	--
Loan operations	479,621,194	478,524,216	469,712,686	468,589,925	384,833,265	384,645,335	(1,096,978)	(1,122,761)	(187,930)	(1,096,978)	(1,122,761)	(187,930)
Liabilities												
Interbank deposits	17,878,658	17,913,365	16,568,656	16,629,535	14,272,372	14,273,736	(34,707)	(60,879)	(1,364)	(34,707)	(60,879)	(1,364)
Time deposits	259,046,784	259,052,525	263,012,824	262,911,255	270,123,275	270,086,072	(5,741)	101,569	37,203	(5,741)	101,569	37,203
Liabilities related to repurchase agreement	240,688,469	240,233,047	225,786,872	225,402,847	199,811,310	199,722,603	455,422	384,025	88,707	455,422	384,025	88,707
Borrowings and onlendings	79,967,687	80,025,652	77,687,149	77,729,376	63,207,738	63,205,425	(57,965)	(42,227)	2,313	(57,965)	(42,227)	2,313
Derivative financial instruments	3,466,674	3,466,674	3,439,482	3,439,482	4,266,396	4,266,396	--	--	--	--	--	--
Other liabilities	242,301,498	241,508,241	232,547,754	231,669,179	192,368,108	191,321,838	793,257	878,575	1,046,270	793,257	878,575	1,046,270
Unrealized gain/(loss), net of tax effects							**(549,098)**	**1,512,561**	**1,663,259**	**(855,175)**	**97,659**	**823,307**

Determination of Fair Value of Financial Instruments

Short-term interbank investments: The fair value was obtained by discounted future cash flows, using interest rates exercised by the market in similar operations in the balance sheet date.

Securities: Securities are accounted for by market value, as provided for in Bacen Circular nº 3,068/2001, except for securities held to maturity. The securities fair value, including those held to maturity, were obtained according to rates collected at the market.

Loan operations: Fixed rate operations have been estimated through the future cash flow discount method, considering the interest rates utilized by the Bank for contracting of similar operations at the balance sheet date. For these operations that are remunerated by floating rates, the fair value was equivalent to the book value itself.

Interbank deposits: The fair value has been calculated through discount of the difference between future cash flows and rates currently applicable in the fixed operations market. In case of floating operations which maturities did not exceed 30 days, the book value was deemed equivalent to the fair value.

Time deposits: The same criteria adopted for interbank deposits were utilized in the determination of the fair value.

Money Market Borrowing: For operations at fixed rates, the fair value was determined calculating the discount of the estimated cash flows adopting a discount rate equivalent to the rates applicable in contracting of similar operations in the last market day. For floating operations, book values have been deemed equivalent to market value.

Borrowing and onlendings: Such operations are exclusive to the Bank, without similarity in the market. In face of their specific characteristics, exclusive rates for each fund entered, inexistence of an active market and similar instrument, the fair values of such operations were considered equivalent to the book value.

Other liabilities: Fair values have been determined by the discounted cash flow method, which takes into account interest rates offered in the market for obligations for which maturities, risks and terms are similar.

Derivatives: According to Bacen Circular nº 3,082/2002, derivatives are recorded at market value. Derivatives' market value was estimated in accordance with an internal pricing model, with the use of the rates disclosed for transactions with similar terms and indices on the fiscal years' last business day.

Other financial instruments: Included or not in the balance sheet, fair value was approximately equivalent to the correspondent book value.

Level of information regarding assets and liabilities measured at fair value in the balance sheet

According to the level of information in the measurement at fair value, the assessment techniques used by the Bank are the following:

Level 1 – Prices used are quoted in active markets for identical financial instruments. A financial instrument is considered quoted in an active market if the quoted prices are readily and regularly available and these prices represent real market transactions which occur regularly on an arm's length basis.

Level 2 – Other available information, excepted that from Level 1, is used, in which the prices are quoted in non-active markets or for similar assets and liabilities, or other available information is used or that can be corroborated by information observed in the market to support the assessment of the assets and liabilities.

Level 3 – Information that is not available in the market is used in the definition of the fair value. If the market for the financial instrument is not active, the Bank establishes the fair value using the valuation technique which takes into account internal data that is consistent with the economic methodologies accepted for pricing of financial instruments.

Assets and liabilities measured at fair value in the balance sheet

R$ thousand

	Balance at 03.31.2013	Level 1	Level 2	Level 3
Assets	**169,406,380**	**107,601,740**	**61,028,298**	**776,342**
Trading securities, measured by market value	76,606,654	55,082,950	21,523,704	--
Derivative financial instruments	1,284,419	--	1,283,967	452
Available-for-sale securities, measured by market value	91,515,307	52,518,790	38,220,627	775,890
Liabilities	**7,930,316**	**--**	**7,930,310**	**6**
Hedge funding	4,463,642	--	4,463,642	--
Derivative financial instruments	3,466,674	--	3,466,668	6

R$ thousand

	Balance at 12.31.2012	Level 1	Level 2	Level 3
Assets	**171,447,314**	**114,356,266**	**56,289,673**	**801,375**
Trading securities, measured by market value	74,711,317	55,657,463	19,053,854	--
Derivative financial instruments	1,414,580	--	1,413,642	938
Available-for-sale securities, measured by market value	95,321,417	58,698,803	35,822,177	800,437
Liabilities	**8,454,366**	**--**	**8,454,314**	**52**
Hedge funding	5,014,884	--	5,014,884	--
Derivative financial instruments	3,439,482	--	3,439,430	52

R$ thousand

	Balance at 03.31.2012	Level 1	Level 2	Level 3
Assets	**142,132,849**	**94,224,317**	**46,569,645**	**1,338,887**
Trading securities, measured by market value	63,543,609	43,095,052	20,448,557	**--**
Derivative financial instruments	1,484,122	41,116	1,441,455	1,551
Available-for-sale securities, measured by market value	77,105,118	51,088,149	24,679,633	1,337,336
Liabilities	**8,197,460**	**2,663,901**	**5,525,307**	**8,252**
Hedge funding	3,931,064	2,517,528	1,413,536	**--**
Derivative financial instruments	4,266,396	146,373	4,111,771	8,252

Changes on financial assets and liabilities measured at fair value in the balance sheet, classified as Level 3

R$ thousand

	1st quarter 2013				
	Opening balance	Acquisitions	Write-offs	Income	Closing balance
Assets					
Trading securities, measured by market value	--	--	--	--	--
Derivative financial instruments	938	--	--	(486)	452
Available-for-sale securities, measured by market value	800,437	--	(13,334)	(11,213)	775,890
Liabilities					
Derivative financial instruments	52	--	--	(46)	6

R$ thousand

	1st quarter 2012				
	Opening balance	Acquisitions	Write-offs	Income	Closing balance
Assets					
Trading securities, measured by market value	--	--	--	--	--
Derivative financial instruments	821	--	--	730	1,551
Available-for-sale securities, measured by market value	1,306,537	44,162	(886)	(12,477)	1,337,336
Liabilities					
Derivative financial instruments	16,282	--	--	(8,030)	8,252

Sensitivity analysis (CVM Instruction nº 475/2008)

The Banco do Brasil manages its risks in a dynamic process, identifying, assessing, monitoring, and controlling market risk exposure in its own position. In this context, the Bank takes into account the risk limits defined by the Strategic Committees and possible scenarios, to act in a timely manner in reversing any occasional adverse results.

In accordance with CMN Resolution nº 3,464/2007 and with Bacen Circular nº 3,354/2007, to manage more efficiently its transactions exposed to market risks, Banco do Brasil separates its transactions, including derivative financial instruments, as follows:

1) Trading Book*:* consisting of own positions held for trading or as a hedge for its trading portfolio, for which there is an intention of trading prior to their contractual expiry, subject to normal market conditions and that do not have a non-trading clause.

2) Banking Book: consisting of transactions not classified in the Trading Book whose feature is held to maturity.

The sensitivity analysis for all the operations with assets and liabilities of the Balance Sheet, in compliance with CVM Instruction nº 475/2008 does not adequately reflect the market risk management process and the best practices adopted by the Institution

In order to determine the sensitivity of the Bank's capital to the impacts of market volatility (except Banco Votorantim capital), simulations were performed with three likely scenarios, two of which with an adverse effect for the Bank. The scenarios used are listed below:

Scenario I: Likely situation, which reflects the perception of the Bank’s senior management, the scenario most likely to occur for a 3-month horizon, considering macroeconomic factors and market information (BM&FBovespa, Anbima, etc.). Assumptions: exchange rate real/dollar of R$ 2.00 and raising the Selic rate to 7.50% per annum based on market conditions observed at 03.31.2013.

Scenario II: Possible situation. Assumptions employed: parallel shock of 25.0% in the risk variables, based on market conditions observed on 03.31.2013 considering the worst losses by risk factor and, therefore, ignoring the relation dynamics of macroeconomic factors;

Scenario III: Possible situation. Assumptions employed: parallel shock of 50.0% in the risk variables, based on market conditions observed on 03.31.2013 considering the worst losses by risk factor and thus ignoring the relation dynamics of macroeconomic factors.

The tables below summarize the results for the Trading Portfolio (Trading), excluding Banco Votorantim's positions, composed of public and private securities, derivative financial instruments and funds obtained through commitment operations.

R$ thousand

Risk Factor	Concept	Scenario I					
		03.31.2013		12.31.2012		03.31.2012	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(9,325)	Maintenance	--	Decrease	2,901
TMS and CDI coupons	Risk of variation of interest rate coupons	Decrease	6	Decrease	101	Decrease	90
IPCA coupon	Risk of variation of price index coupons	Increase	(1,419)	Maintenance	--	Decrease	1,604
Foreign currency coupons (US Dollars)	Risk of variation of foreign currency coupons	Increase	(3)	Increase	102	Increase	(1)
Exchange rates variation	Risk of variation of exchange rates	Decrease	(1,696)	Decrease	(1,830)	Decrease	(5,135)

R$ thousand

Risk Factor	Concept	Scenario II					
		03.31.2013		12.31.2012		03.31.2012	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(77,801)	Increase	(25,630)	Increase	(11,395)
TMS and CDI coupons	Risk of variation of interest rate coupons	Increase	(9)	Increase	(4)	Increase	(34)
IPCA coupon	Risk of variation of price index coupons	Increase	(4,385)	Increase	(643)	Increase	(2,821)
Foreign currency coupons (US Dollars)	Risk of variation of foreign currency coupons	Increase	(1)	Decrease	(36)	Increase	(4)
Exchange rates variation	Risk of variation of exchange rates	Decrease	(61,858)	Decrease	(46,676)	Decrease	(29,207)

R$ thousand

Risk Factor	Concept	Scenario III					
		03.31.2013		12.31.2012		03.31.2012	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(153,834)	Increase	(50,692)	Increase	(21,683)
TMS and CDI coupons	Risk of variation of interest rate coupons	Increase	(18)	Increase	(7)	Increase	(68)
IPCA coupon	Risk of variation of price index coupons	Increase	(8,680)	Increase	(1,263)	Increase	(5,520)
Foreign currency coupons (US Dollars)	Risk of variation of foreign currency coupons	Increase	(2)	Decrease	(73)	Increase	(9)
Exchange rates variation	Risk of variation of exchange rates	Decrease	(123,715)	Decrease	(93,351)	Decrease	(58,414)

For transactions classified in the Banking Book, appreciations or depreciations resulting from changes in interest rates practiced in the market do not imply in a significant financial and accounting impact on the Bank's income. It's a result of the portfolio quality that is composed on large scale of loan operations (consumer credit, agribusiness, working capital, etc.); retail funding (demand, time, and savings deposits), and securities, which are recorded in the books according to the agreed on rates when contracting these operations. In addition, it should be pointed out that these portfolios have as their key feature the intention of holding the respective operations to maturity, and hence they are not subject to the effects of fluctuating interest rates, or the fact that such transactions are naturally related to other instruments (natural hedge), hence minimizing the reflexes of a stress scenario.

From this quarter, the table of sensibility analysis to Trading and Non-Trading Portfolios includes the exposures to market risk factors of the equity interests of the Bank in non-financial companies.

Considering the operationing characteristics of non-financial companies, it is highlighted that the exposures to market risks, which may exist, are classified under the Non-trading Portfolio of the Bank.

The tables below show a summary of the Trading Portfolio (Trading) and Non Trading (Banking), except from Banco Votorantim:

R$ thousand

Risk Factor	Concept	Scenario I					
		03.31.2013		12.31.2012		03.31.2012	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(974,720)	Maintenance	--	Decrease	1,228,476
TR coupon	Risk of variation of interest rate coupons	Increase	667,731	Maintenance	--	Decrease	(1,689,065)
TBF coupon		Increase	150	Decrease	(203)	Decrease	(825)
TJLP coupon		Increase	162,937	Increase	251,946	Decrease	(139,536)
TMS and CDI coupons		Decrease	(383,204)	Decrease	(415,910)	Decrease	(177,974)
IGP-M coupon	Risk of variation of price index coupons	Increase	(21,603)	Maintenance	--	Decrease	83,670
IGP-DI coupon		Increase	(60)	Maintenance	--	Decrease	136
INPC coupon		Increase	(29,947)	Maintenance	--	Decrease	78,750
IPCA coupon		Increase	(252,480)	Maintenance	--	Decrease	25,155
Foreign Currency Coupon	Risk of variation of foreign currency coupons	Increase	885,881	Increase	652,328	Increase	643,981
Exchange rate	Risk of variation of exchange rates	Decrease	(8,096)	Decrease	(13,634)	Decrease	(32,306)

R$ thousand

Risk Factor	Concept	Scenario II					
		03.31.2013		12.31.2012		03.31.2012	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(7,960,055)	Increase	(6,451,975)	Increase	(4,793,506)
TR coupon	Risk of variation of interest rate coupons	Decrease	(5,788,333)	Decrease	(5,238,026)	Decrease	(4,768,215)
TBF coupon		Decrease	(43)	Decrease	(137)	Decrease	(99)
TJLP coupon		Decrease	(544,550)	Decrease	(252,037)	Decrease	(234,497)
TMS and CDI coupons		Decrease	(121,392)	Decrease	(32,793)	Decrease	(97,228)
IGP-M coupon	Risk of variation of price index coupons	Increase	(65,368)	Increase	(120,834)	Increase	(156,269)
IGP-DI coupon		Increase	(157)	Increase	(53)	Increase	(216)
INPC coupon		Increase	(95,351)	Increase	(89,503)	Increase	(146,959)
IPCA coupon		Increase	(1,006,905)	Increase	(17,295)	Increase	(45,863)
Foreign Currency Coupon	Risk of variation of foreign currency coupons	Decrease	(841,793)	Decrease	(424,401)	Decrease	(656,070)
Exchange rate	Risk of variation of exchange rates	Decrease	(295,372)	Decrease	(347,656)	Decrease	(183,738)

R$ thousand

Risk Factor	Concept	Scenario III					
		03.31.2013		12.31.2012		03.31.2012	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(15,212,041)	Increase	(12,346,186)	Increase	(9,226,164)
TR coupon	Risk of variation of interest rate coupons	Decrease	(11,898,063)	Decrease	(10,732,274)	Decrease	(9,821,257)
TBF coupon		Decrease	(86)	Decrease	(275)	Decrease	(197)
TJLP coupon		Decrease	(1,109,667)	Decrease	(509,781)	Decrease	(478,301)
TMS and CDI coupons		Decrease	(242,907)	Decrease	(65,597)	Decrease	(194,559)
IGP-M coupon	Risk of variation of price index coupons	Increase	(136,272)	Increase	(233,218)	Increase	(296,531)
IGP-DI coupon		Increase	(314)	Increase	(106)	Increase	(430)
INPC coupon		Increase	(188,654)	Increase	(177,352)	Increase	(289,100)
IPCA coupon		Increase	(1,824,247)	Increase	(25,394)	Increase	(88,646)
Foreign Currency Coupon	Risk of variation of foreign currency coupons	Decrease	(1,712,324)	Decrease	(860,419)	Decrease	(1,329,553)
Exchange rate	Risk of variation of exchange rates	Decrease	(590,743)	Decrease	(695,312)	Decrease	(367,475)

The scenarios used for preparing the framework of sensitivity analysis must use situations of deterioration of at least 25% and 50% for variable risk, in a individuallized basis, as determined by CVM Instruction nº 475/2008. Thus, the combined analysis of the results is impaired. For example, simultaneous shocks of increase in the prefixed interest rate and reduction of TR Coupon are not consistent from the macroeconomic perspective.

The derivative transactions classified in the Banking Book, don't represent a relevant market risk to Banco do Brasil, as these positions originated mainly to fulfill the following situations:

- Changing the index of funding and lending transactions performed to meet customer needs;
- Market risk hedge, which purpose and effectiveness are described in Note 8.d. Also in this transaction, the interest and exchange rate variations have no effects on the Bank's income.

On 03.31.2013, the Banco do Brasil did not enter into any transaction classified as an exotic derivative, as described in CVM Instruction nº 475/2008 - Attachment II.

Interest in Banco Votorantim

Banco Votorantim, in the first half of 2011, revised the criteria for classification of operations, which resulted in the migration of part of its trading book positions for non-trading. Thus, the sensitivity analysis of the positions regarding to the participation of Banco do Brasil in Banco Votorantim considers the trading and non-trading book together and the trading book in a segregated way.

Simulations were also made with three possible scenarios, two of which with consequent adverse result, as follows:

Scenario I: Likely situation, which reflects the perception of the Banco Votorantim' senior management in the scenario most likely to occur. Assumptions employed: exchange rates real/dollar from R$ 2.00 and the Selic rate of interest 8.25% per year to 2012.

Scenario II: Assumptions: parallel shock of 25% in the risk variables, based on market conditions observed on 03.31.2013 and considering the worst losses by risk factor and, therefore, ignoring the relation dynamics of macroeconomic factors;

Scenario III: Assumptions: employed parallel shock of 50% in the risk variables, based on market conditions observed on 03.31.2013 and considering the worst losses by risk factor and therefore ignoring the relation dynamics of macroeconomic factors.

In the tables below are presented the results for the positions of the Bank for its participation in Banco Votorantim:

R$ thousand

Risk Factor	Concept	Scenario I					
		03.31.2013		12.31.2012		03.31.2012	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Decrease	(5,790)	Decrease	8,508	Decrease	2,000
Foreign currency coupons	Risk of variation of foreign exchange coupon	Maintenance	--	Maintenance	--	Decrease	51
Foreign exchange fluctuation	Risk of variation of exchange rates	Decrease	1,027	Decrease	3,986	Increase	289
Price Indexes	Risk of variation of price index coupons	Increase	4,415	Increase	1,177	Increase	(2,488)
Other	Risk of variation of other coupons	Maintenance	--	Maintenance	--	Decrease	(53)

R$ thousand

Risk Factor	Concept	Scenario II					
		03.31.2013		12.31.2012		03.31.2012	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(35,657)	Increase	(13,281)	Increase	(33,628)
Foreign currency coupons	Risk of variation of foreign exchange coupon	Increase	5	Increase	(2,830)	Increase	(2,765)
Foreign exchange fluctuation	Risk of variation of exchange rates	Decrease	(32,899)	Increase	(116,098)	Increase	(11,594)
Price Indexes	Risk of variation of price index coupons	Increase	(4,610)	Decrease	--	Increase	(5,242)
Other	Risk of variation of other coupons	Decrease	(29,739)	Increase	(12,731)	Decrease	(2,989)

R$ thousand

Risk Factor	Concept	Scenario III					
		03.31.2013		12.31.2012		03.31.2012	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(71,849)	Increase	(35,578)	Increase	(68,926)
Foreign currency coupons	Risk of variation of foreign exchange coupon	Increase	141	Increase	(5,518)	Increase	(5,431)
Foreign exchange fluctuation	Risk of variation of exchange rates	Decrease	(87,015)	Increase	(245,147)	Increase	(182,634)
Price Indexes	Risk of variation of price index coupons	Increase	(9,177)	Decrease	(9)	Increase	(7,615)
Other	Risk of variation of other coupons	Decrease	(120,740)	Decrease	(27,622)	Decrease	(16,994)

In the tables below are presented the results for the positions of the Bank for its participation in Banco Votorantim of the trading and non-trading book:

R$ thousand

Risk Factor	Concept	Scenario I					
		03.31.2013		12.31.2012		03.31.2012	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Decrease	(60,248)	Decrease	134,287	Decrease	31,849
Foreign currency coupons	Risk of variation of foreign exchange coupon	Maintenance	--	Maintenance	--	Increase	(34)
Foreign exchange fluctuation	Risk of variation of exchange rates	Decrease	2,180	Decrease	(1,702)	Increase	(904)
TJLP	Risk of variation of TJLP coupons	Increase	--	Increase	--	Maintenance	--
TR/TBF	Risk of variation of TR/TBF coupons	Maintenance	--	Maintenance	--	Maintenance	--
Price Index	Risk of variation of price index coupons	Maintenance	6,832	Maintenance	(4,178)	Increase	(2,186)

R$ thousand

Risk Factor	Concept	Scenario II					
		03.31.2013		12.31.2012		03.31.2012	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(356,188)	Increase	(199,726)	Increase	(506,776)
Foreign currency coupons	Risk of variation of foreign exchange coupon	Decrease	(138)	Increase	(4,896)	Increase	(9,156)
Foreign exchange fluctuation	Risk of variation of exchange rates	Decrease	(76,448)	Decrease	(65,478)	Increase	--
TJLP	Risk of variation of TJLP coupons	Decrease	(3,502)	Decrease	(3,614)	Decrease	(2,322)
TR/TBF	Risk of variation of TR/TBF coupons	Decrease	(35)	Decrease	(38)	Decrease	(478)
Price Index	Risk of variation of price index coupons	Increase	(7,039)	Increase	(5,579)	Increase	(4,484)

R$ thousand

Risk Factor	Concept	Scenario III					
		03.31.2013		12.31.2012		03.31.2012	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(120,740)	Increase	(512,460)	Increase	(994,715)
Foreign currency coupons	Risk of variation of foreign exchange coupon	Decrease	(98)	Increase	(9,550)	Increase	(17,833)
Foreign exchange fluctuation	Risk of variation of exchange rates	Decrease	(217,662)	Decrease	(133,102)	Increase	(223,738)
TJLP	Risk of variation of TJLP coupons	Decrease	(7,089)	Decrease	(7,316)	Decrease	(4,795)
TR/TBF	Risk of variation of TR/TBF coupons	Decrease	(70)	Decrease	(77)	Decrease	(952)
Price Index	Risk of variation of price index coupons	Increase	(13,982)	Increase	(6,894)	Increase	(6,287)

f) Regulatory Capital

The BIS Ratio was determined in accordance with the criteria established by CMN Resolutions n.º 3,444/2007 and n.º 3,490/2007, which refer to the calculation of the Referential Equity (RE) and of the Required Referential Equity (RRE), respectively, without considering the information relating to Banco Votorantim as determined by Bacen.

R$ thousand

	03.31.2013		12.31.2012		03.31.2012	
	Economic and Financial	Financial	Economic and Financial	Financial	Economic and Financial	Financial
RE - Referential equity	**112,332,709**	**113,665,253**	**107,925,146**	**109,285,842**	**84,931,659**	**86,672,098**
Tier I	**72,910,803**	**73,271,941**	**76,769,399**	**77,099,943**	**65,183,113**	**65,409,081**
Shareholders' equity	62,121,413	62,428,379	66,069,965	66,350,927	60,050,684	60,276,651
Revaluation reserves	(4,624)	(4,623)	(4,645)	(4,644)	(4,710)	(4,709)
Deferred Assets	(103,997)	(103,997)	(110,795)	(110,795)	(141,807)	(141,807)
Mark-to-market	(38,609)	(38,609)	(700,536)	(700,536)	(413,142)	(413,142)
Tax credits excluded from Tier I	--	--	--	--	(100)	(100)
Hybrid Capital and Debt Instruments (1)	10,936,620	10,990,791	11,515,410	11,564,991	5,692,188	5,692,188
Tier II	**43,879,005**	**44,005,402**	**36,074,411**	**36,024,829**	**24,597,564**	**24,597,563**
Mark-to-market	38,609	38,609	700,536	700,536	413,142	413,142
Hybrid Capital and Debt Instruments (1)	7,380,370	7,326,199	2,968,652	2,919,071	--	--
Revaluation reserves	4,624	4,623	4,645	4,644	4,710	4,709
Subordinated Debt Qualifying as Capital	**37,027,499**	**37,027,499**	**32,400,578**	**32,400,578**	**24,179,712**	**24,179,712**
Funds obtained from the FCO	17,082,990	17,082,990	16,602,973	16,602,973	15,251,502	15,251,502
Funds obtained abroad	5,913,784	5,913,784	6,001,028	6,001,028	4,107,498	4,107,498
Funds obtained from the CD	1,237,195	1,237,195	1,615,433	1,615,433	2,026,776	2,026,776
Funds raised in Financial Bills	12,793,530	12,793,530	8,181,144	8,181,144	2,793,936	2,793,936
Excess of Subordinated Debt Instruments (2)	(572,097)	(391,528)	--	--	--	--
Deduction from the RE	**(4,457,099)**	**(3,612,090)**	**(4,918,664)**	**(3,838,930)**	**(4,849,018)**	**(3,334,546)**
Financial instruments excluded from RE	(4,457,099)	(3,612,090)	(4,918,664)	(3,838,930)	(4,849,018)	(3,334,546)
RRE - Required Referential Equity	**75,838,181**	**75,196,273**	**80,034,881**	**79,435,474**	**65,528,191**	**64,982,552**
Credit Risk	71,582,655	71,193,690	76,076,547	75,730,245	61,472,291	61,180,080
Market Risk	324,598	324,598	207,377	207,377	179,686	179,686
Operational Risk	3,930,928	3,677,985	3,750,957	3,497,852	3,876,214	3,622,786
Sufficiency of RE: (RE – RRE)	**36,494,528**	**38,468,980**	**27,890,265**	**29,850,368**	**19,403,468**	**21,689,546**
BIS Ratio: (RE x 100) / (RRE / 0.11)	**16.29%**	**16.63%**	**14.83%**	**15.13%**	**14.26%**	**14.67%**

(1) According to CMN Resolution n.º 3,444/2007, Hybrid Capital and Debt Instruments authorized by Bacen to compose Tier I of the RE are limited to 15% (fifteen percent) of the total of Tier I, including the value of the Hybrid Capital and Debt Instruments itself. The values of the Hybrid Capital and Debt Instruments that may exceed that limit are added to Tier II of the RE.

(2) The Subordinated Debt Instruments allowed to compose Tier II of the RE, are limited to 50% of the total of Tier I, according to Resolution CMN. 3,444/2007. The amount that exceeds this limit should be excluded from Tier II of the RE.

g) Fixed asset ratio

The Fixed Asset Ratio is 24.71% of the Referential Equity-RE (25.85% on 12.31.2012 and 31.48% on 03.31.2012) for the Consolidated Financial Report, and 20.25% (21.64% on 12.31.2012 and 25.97% on 03.31.2012) for the Consolidated Economic and Financial Report, in compliance with CMN Resolution n.º 2,669/1999. The difference between the Fixed Assets Ratio of Consolidated Financial and Economic-Financial is the result of the inclusion of non-financial subsidiaries / affiliates that have high liquidity and low level of restraint, wich consequently reduces the Fixed Assets Ratio of Consolidated Financial and Economic.

30 – Statement of Comprehensive Income

R$ thousand

	1st quarter/2013	1st quarter/2012
Net income presented in the Statement of Income	**2,557,011**	**2,502,236**
Other comprehensive income / (loss)		
Accumulated other comprehensive income (Note 24.h)	**(1,260,951)**	**167,897**
Own	(465,701)	(20,629)
Branches and subsidiaries abroad	(420,622)	78,715
Subsidiaries and affiliates	(374,628)	109,811
Income and social contribution taxes related to unrealized (gains) / losses (Note 24.h)	**353,713**	**(33,395)**
Other comprehensive profit / (loss), net of income and social contribution taxes	**(907,238)**	**134,502**
Comprehensive income – Banco do Brasil	**1,649,773**	**2,636,738**
Comprehensive income – Non-controlling interests	**(36,647)**	**(35,169)**

31 – Other Information

a) Distribution of Dividends and Interest on Own Capital

During a meeting held on 02.20.2013, the Board of Directors approved the setting of the *payout* rate equivalent to the minimum 40% of net income, for the year 2013, fulfilling the policy for payment of dividends yield and/or interest on own capital on a quarterly basis, pursuant to art. 45 of the Bank's By-Laws.

b) Banco Postal

Since 01.01.2012, the Bank has had access to Correios (Brazilian Postal and Telegraph Corporation) agencies chain, with about 6.3 thousand service points located at 95% of Brazilian municipalities. Through this investment, the Bank anticipated its strategic plan of increasing its service points to achieve all the Brazilian municipalities.

c) Investment Funds Management

Position of investment funds managed by BB Gestão de Recursos - Distribuidora de Títulos e Valores Mobiliários S.A.

	N.º of Funds/Portfolios			Balance (R$ thousand)		
	03.31.2013	12.31.2012	03.31.2012	03.31.2013	12.31.2012	03.31.2012
Managed funds	**560**	**548**	**520**	**477,335,105**	**444,022,933**	**442,104,513**
Investment Funds	550	538	507	463,369,544	430,833,490	429,626,725
Managed Portfolios	10	10	13	13,965,561	13,189,443	12,477,788

d) Details of branches, subsidiaries and associated abroad

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Assets			
BB Group	42,238,079	37,168,271	26,989,752
Third parties	83,122,026	87,178,714	62,266,616
Total assets	**125,360,105**	**124,346,985**	**89,256,368**
Liabilities			
BB Group	20,735,949	22,991,955	13,231,375
Third parties	97,441,229	93,863,535	70,225,265
Stockholders' equity	**7,182,927**	**7,491,495**	**5,799,728**
Attributable to parent company	6,603,396	6,917,391	5,341,067
Non-controlling interest	579,531	574,104	458,661
Total liabilities	**125,360,105**	**124,346,985**	**89,256,368**

	1st Quarter/2013	1st Quarter/2012
Net income (loss)	**313,751**	**171,688**
Attributable to parent company	277,105	136,521
Non-controlling interest	36,646	35,167

e) Consortium funds

R$ thousand

	03.31.2013	12.31.2012	03.31.2012
Monthly forecast of Purchase Pool Members receivable funds	145,215	138,854	132,358
Obligations of the group due to contributions	7,470,062	7,454,133	7,843,125
Purchase Pool Members - assets to be contemplated	6,917,015	6,941,366	7,380,571
	(In units)		
Quantity of groups managed	476	465	426
Quantity of active purchase pool members	405,100	400,975	366,922
Quantity of assets deliverable to members (drawn or winning offer)	26,407	22,205	16,509
Quantity of assets delivered in the period	15,806	70,419	17,376

f) Assignment of Employees to Outside Agencies

Federal government assignments are regulated by Law 10,470/2002 and Decree 4,050/2001.

	1st Quarter/2013		1st Quarter/2012	
	Employees Ceded (1)	Cost in the Period (R$ thousand)	Employees Ceded (1)	Cost in the Period (R$ thousand)
With costs for the Bank				
Federal Government	1	35	5	227
Labor unions	225	7,387	234	7,109
Other organizations/entities:	2	130	5	528
Subsidiary and associated companies	2	263	4	368
Without cost to the Bank				
Federal, state and municipal governments	261	--	276	--
External organizations (Cassi, FBB, Previ and Economus)	583	--	761	--
Employee entities	85	--	86	--
Subsidiary and associated companies	332	--	363	--
Total	**1,491**	**7,815**	**1,734**	**8,232**

(1) Balance in the last day of the period.

g) Remuneration of Employees and Managers

Monthly wages paid to employees and Directors of the Banco do Brasil

R$

	03.31.2013	12.31.2012	03.31.2012
Lowest salary	1,892.00	1,892.00	1,760.00
Highest salary	31,802.11	31,802.11	29,583.36
Average salary	5,321.78	5,334.04	4,899.87
Management			
President	55,264.68	55,264.68	52,513.00
Vice-President	49,465.96	49,465.96	47,003.00
Director	41,923.41	41,923.41	39,836.00
Councilmembers			
Fiscal Council	4,411.87	4,411.87	4,192.19
Board of Directors	4,411.87	4,411.87	4,192.19
Audit Committee - Member	37,731.07	37,731.07	35,852.40

h) Insurance Policy of Assets

Despite the reduced level of risk to which its assets are subject, the Bank contracts insurance cover for its assets in amounts considered sufficient to cover any losses.

Insurance contracted by the Bank in force on 03.31.2013

R$ thousand

Covered Risks	Amounts Covered	Value of the Premium
Property insurance for the relevant fixed assets	925,581	3,315
Life insurance and collective personal accident for the Executive Board (1)	885	118
Other	616	14
Total	**927,082**	**3,447**

(1) Refers to individual coverage for members of the Executive Board.

i) Fundo Nacional de Aviação Civil (FNAC)

Through Provisional Measure n^{o} 600, dated 12.28.2012, the federal government established that the FNAC resources for modernization, construction, expansion and renovation of public aerodromes can

be managed by the Bank, directly or through its subsidiaries, as it was established in the act of Civil Aviation Secretariat of the Presidency of the Republic.

The way to transfer the resources from FNAC to Banco do Brasil as well as its investments will be defined in a regulation.

As a manager of the resources of FNAC, the Bank will hold a bidding process, and it can contract, on its own name or for the account of third parties, works and engineering services or any other specialized technical services.

The Bank will be remunerated by its provided services, under the terms to be fixed in a joint act of ministers of Finance and Civil Aviation Secretariat of the Presidency of the Republic.

32 - Subsequent Events

The Initial Public Offering of BB Seguridade Participações S.A.

On 02.20.2013, through a special shareholders' meeting, the Banco do Brasil decided to do an Initial Public Offering (IPO) of BB Seguridade. The minutes of the meeting were registered in the Junta Comercial do Distrito Federal on 03.14.2013, under the number 20130248401 and published in the Diário Oficial and in the Jornal de Brasilia on 03.25.2013.

The offering, which was emitted by BB Seguridade Participações SA, consisted of the secondary public offering of shares, held in Brazil in the unorganized OTC market, in accordance with CVM 400/2003 Instruction.

On 04.25.2013, 500 million shares were offered, 100% Common Shares, traded on the Novo Mercado of the BM & FBOVESPA under the ticker BBSE3 with prices set at R$ 17.00. The settlement of the Offering Base (500 million shares), plus the Additional Lot (100 million shares), produced a gross gain in the income of the Banco do Brasil in the amount of R$ 8.374 billion, resulting from the disposal of 30% of the shares. Considering this fact, Banco do Brasil now holds 70% of the common shares of BB Seguridade.

The funds raised were fully reverted to Banco do Brasil, the selling shareholder. BB Seguridade received no funds from the offering.

Banco do Brasil S.A.

Financial Statements
March 31, 2013

(a free translation of the original report in Portuguese containing financial statements prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank)

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Report on limited review of consolidated interim financial information

To
The Board of Directors, Shareholders and Management
Banco do Brasil S.A.
Brasília - DF

Introduction

We have reviewed the accompanying consolidated interim financial statements of Banco do Brasil S.A., which comprise the balance sheet as of March 31, 2013 and the related statements of income, of changes in shareholders' equity and of cash flows for the three-month-period then ended, as well as the summary of significant accounting policies and other notes to the financial statements.

Management is responsible for the preparation and fair presentation of this interim consolidated financial information in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN). Our responsibility is to express an opinion on this Interim consolidated financial information based on our limited review.

Scope of review

We conducted our limited review in accordance with approved Brazilian auditing standards and International Standards on Auditing (NBC TR 2410 – Revisão de Informações Intermediárias Executada pelo Auditor da Entidade and ISRE 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively*). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. The scope of a review is significantly lower than an audit conducted in accordance with auditing standards and therefore does not allow us to obtain assurance that we become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.

Conclusion

Based on our review, we are not aware of any facts that would lead us to believe that the consolidated interim information do not present fairly, in all material aspects, the consolidated financial position of Banco do Brasil S.A., as of March 31, 2013, the consolidated performance of their operations and their consolidated cash flows for the three-month-period then ended, in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Brazilian Central Bank.

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Other matters

Statement of change added value

We have also reviewed the consolidated interim statement of change added value (DVA) for the three-month-period ended March 31, 2013, presented as supplemental information. This statement was subjected to the same review procedures described above and based on our review, we are not aware of any facts that would lead us to believe that they are not presented fairly, in all material respects, in relation to other interim individual and consolidated information consolidated taken as a whole.

Restatement of corresponding balances

As mentioned on note 3 of the consolidated interim financial statements, due to the change in the accounting policy in accordance with item 173 of Deliberação CVM n.º 695/2012, the actuarial gains/losses not recognized according to the previously adopted accounting policy in place until December 31, 2012, were retrospectively registered, in accordance with Deliberação CVM n.º 592/2009 (Notes 4.l and 27.d). The corresponding balances related to the balance sheet as of December 31, 2012 and the corresponding interim accounting information related to the statements of income, of changes in shareholders' equity, of cash flows and of the change added value (supplemental information), for the three-month-period ended on March 31, 2012, presented for comparison purposes, were adjusted, with the effects and in the accounts presented on notes 4.l and 27.d, and are being restated as determined by CPC 23 - *Políticas Contábeis, Mudança de Estimativa e Retificação de Erro* e CPC 26(R1) - *Apresentação das Demonstrações financeiras.* Our conclusion does not have any modification related to this matter.

Brasília, May 14th, 2013

KPMG Auditores Independentes
CRC 2SP014428/O-6F-DF

Original report in Portuguese signed by
Giuseppe Masi
Accountant CRC 1SP176273/O-7

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Banco do Brasil S.A.
Setor Bancário Sul
Brasília - DF
CNPJ - 00.000.000/0001-91

