# Financial Statements 1Q08

## Performance Analysis 1Q08

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**Banco do Brasil S.A.**
**Financial Statements**
**In thousands of Reais** **Quarter ended 03.31.2008**

**B A L A N C E S H E E T**

| A S S E T S | | BB - Domestic and foreign branches | | BB-Consolidated | |
|---|---|---|---|---|---|
| | | 03.31.2008 | 03.31.2007 | 03.31.2008 | 03.31.2007 |
| **CURRENT ASSETS** | | 235.804.523 | 181.767.067 | 237.171.063 | 174.688.005 |
| **Available Funds** | | 4.641.262 | 5.503.698 | 4.789.550 | 5.510.791 |
| **Short-term interbank investments** | (Note 4) | 75.297.475 | 44.729.936 | 71.672.378 | 36.497.136 |
| Money market | | 56.981.121 | 30.511.563 | 56.946.960 | 30.431.136 |
| Interbank deposits | | 18.316.354 | 14.218.373 | 14.725.418 | 6.066.000 |
| **Securities and derivatives financial instruments** | (Note 5) | 25.631.589 | 22.164.469 | 29.075.321 | 22.975.820 |
| Own portfolio | | 8.329.575 | 10.399.994 | 11.768.289 | 11.211.273 |
| Subject to repurchase agreements | | 14.618.293 | 6.426.599 | 14.623.591 | 6.426.599 |
| Deposits with the Brazilian Central Bank | | 977.938 | 3.175.659 | 977.938 | 3.175.659 |
| Pledged in guarantee | | 537.701 | 943.218 | 537.701 | 943.218 |
| Scurities subject to repurchase agreements (with free movement) | | 398.531 | 336.272 | 398.531 | 336.272 |
| Derivative financial instruments | | 769.551 | 882.727 | 769.271 | 882.799 |
| **Interbank accounts** | | 36.279.457 | 29.815.496 | 36.340.273 | 29.844.101 |
| Payments and receipts pending settlement | | 5.086.660 | 2.726.598 | 5.086.843 | 2.726.704 |
| Restricted deposits | | | | | |
| Brazilian Central Bank deposits | | 31.062.279 | 26.982.751 | 31.102.117 | 26.998.456 |
| National Treasury - rural credits receivable | | 28.179 | 15.129 | 28.179 | 15.129 |
| National Housing System (SFH) | | 1.769 | 1.504 | 1.769 | 1.504 |
| Interbank onlendings | | -- | 46 | -- | 46 |
| Correspondent banks | | 100.570 | 89.468 | 121.365 | 102.262 |
| **Interdepartamental accounts** | | 112.172 | 33.045 | 117.771 | 33.045 |
| Internal transfers of funds | | 112.172 | 33.045 | 117.771 | 33.045 |
| **Loan operations** | (Note 6) | 67.655.749 | 59.169.605 | 67.831.429 | 59.180.326 |
| Loan operations | | | | | |
| Public sector | | 840.570 | 986.966 | 1.693.577 | 992.014 |
| Private sector | | 71.570.350 | 62.603.449 | 70.919.526 | 62.755.731 |
| (Allowance for loan losses) | (Note 6d) | (4.755.171) | (4.420.810) | (4.781.674) | (4.567.419) |
| **Lease operations** | (Note 6) | 1.451 | 6.497 | 1.410 | 16.497 |
| Lease and sublease receivables | | | | | |
| Public sector | | 44.881 | 64.383 | 44.882 | 64.383 |
| Private sector | | 3 | 1.877 | 462.891 | 437.489 |
| (Unearned income from lease operation) | | (43.433) | (59.759) | (491.591) | (468.728) |
| (Allowance for loan losses) | | -- | (4) | (14.772) | (16.647) |
| **Other receivables** | | 25.237.966 | 19.304.998 | 26.269.461 | 19.575.434 |
| Receivables on guarantees honored | | 55.249 | 53.449 | 55.249 | 53.449 |
| Foreign exchange portfolio | (Note 8a) | 12.608.056 | 15.115.734 | 12.608.056 | 15.115.734 |
| Income receivable | | 207.996 | 181.082 | 397.488 | 255.743 |
| Negotiation and intermediation of securities | | 201.117 | 4.373 | 337.558 | 150.620 |
| Special operations | | 575 | 575 | 575 | 575 |
| Insurance, pension plan, and capitalization | | -- | -- | 268.904 | -- |
| Sundry | (Note 7b) | 12.805.809 | 6.414.551 | 13.256.375 | 6.468.546 |
| (Provision for other losses) | (Notes 6e e 6f) | (640.836) | (2.464.766) | (654.744) | (2.469.233) |
| **Other assets** | | 947.402 | 1.039.323 | 1.073.470 | 1.054.855 |
| Investments | | 3 | 3 | 3 | 3 |
| Other assets | (Note 9a) | 252.851 | 270.087 | 300.274 | 288.574 |
| (Provision for devaluations) | (Note 9a) | (148.873) | (147.455) | (164.279) | (152.806) |
| Prepaid expenses | (Note 9b) | 843.421 | 916.688 | 937.472 | 919.084 |

| | | | | | |
|---|---|---|---|---|---|
| **LONG-TERM RECEIVABLES** | | 156.229.836 | 139.022.575 | 161.416.573 | 141.375.389 |
| | | | | | |
| **Interbank Investments** | (Note 4) | 6.539.306 | 4.463.049 | 1.016.425 | 4.687.506 |
| Money market | | 1.016.423 | 80.427 | 1.016.424 | 80.427 |
| Interbank deposits | | 5.522.883 | 4.382.622 | 1 | 4.607.079 |
| | | | | | |
| **Securities and derivative financial** | | | | | |
| **Instruments** | (Note 5) | 43.351.936 | 49.596.243 | 52.414.276 | 50.374.131 |
| Own portfolio | | 14.285.482 | 18.843.991 | 23.254.871 | 19.514.918 |
| Subject to repurchase agreements | | 24.665.502 | 26.064.927 | 24.751.996 | 26.171.888 |
| Deposits with the Brazilian Central Bank | | 3.909.537 | 948.610 | 3.909.537 | 948.610 |
| Pledged in guarantee | | 360.246 | 141.206 | 366.543 | 141.206 |
| Securities subject to repurchase agreements (with free movement) | | 1.382 | 3.464.803 | 1.382 | 3.464.803 |
| Derivative financial instruments | | 129.787 | 132.706 | 129.947 | 132.706 |
| | | | | | |
| **Operações de Crédito** | (Note 6) | 81.147.368 | 59.518.005 | 81.675.977 | 60.839.365 |
| Loan operations | | | | | |
| Public sector | | 1.755.924 | 3.763.672 | 4.592.578 | 3.790.111 |
| Private sector | | 84.839.956 | 60.054.770 | 82.623.871 | 61.349.875 |
| (Allowance for loan losses) | (Note 6d) | (5.448.512) | (4.300.437) | (5.540.472) | (4.300.621) |
| | | | | | |
| **Operações de Arrendamento Mercantil** | (Note 6) | 781 | 4.901 | 28.489 | 28.183 |
| Lease and sublease receivables | | | | | |
| Public sector | | 24.167 | 48.569 | 24.167 | 48.569 |
| Private sector | | 1 | 1.424 | 617.950 | 528.137 |
| (Unearned income from lease operation) | | (23.387) | (45.089) | (603.672) | (542.108) |
| (Allowance for loan losses) | | -- | (3) | (9.956) | (6.415) |
| | | | | | |
| **Other receivables** | | 22.357.565 | 25.440.377 | 23.332.674 | 25.446.204 |
| Income receivable | | 36.004 | 38.452 | 35.807 | 38.452 |
| Specific credits | (Note 7a) | 776.236 | 700.168 | 776.236 | 700.168 |
| Sundry | (Note 7b) | 21.895.715 | 26.130.183 | 22.879.940 | 26.142.420 |
| Insurance, pension plan, and capitalization | | -- | -- | 82 | -- |
| (Allowance for other losses) | (Notes 6e e 6f) | (350.390) | (1.428.426) | (359.391) | (1.434.836) |
| | | | | | |
| **Other assets** | | 2.832.880 | -- | 2.948.732 | -- |
| Prepaid expenses | (Note 9b) | 2.832.880 | -- | 2.948.732 | -- |
| | | | | | |
| **PERMANENTE ASSETS** | | 7.077.089 | 6.743.040 | 6.284.217 | 5.834.625 |
| | | | | | |
| **Investments** | | 3.651.727 | 3.292.629 | 1.055.324 | 1.176.120 |
| Investments in subsidiary and associated companies | (Note 22) | | | | |
| Domestic | | 2.872.009 | 2.453.462 | 131.373 | 1.120.649 |
| Foreign | | 745.536 | 800.278 | -- | -- |
| Other investments | | 87.494 | 91.546 | 990.260 | 128.084 |
| (Provision for losses) | | (53.312) | (52.657) | (66.309) | (72.613) |
| | | | | | |
| **Land and buildings in use** | (Note 10) | 2.792.367 | 2.781.544 | 2.917.701 | 2.782.399 |
| Land and buildings in use | | 2.375.524 | 2.314.174 | 2.401.343 | 2.314.174 |
| Other property and equipment in use | | 4.622.722 | 4.233.937 | 4.975.165 | 4.240.170 |
| (Accumulated depreciation) | | (4.205.879) | (3.766.567) | (4.458.807) | (3.771.945) |
| | | | | | |
| **Leased assets** | (Note 10) | 65.471 | 104.477 | 1.669.001 | 1.305.495 |
| Leased assets | | 123.171 | 156.176 | 2.125.935 | 1.663.535 |
| (Accumulated depreciation) | | (57.700) | (51.699) | (456.934) | (358.040) |
| | | | | | |
| **Deferred charges** | | 567.524 | 564.390 | 642.191 | 570.611 |
| Organization and expansion costs | | 1.513.637 | 1.306.079 | 1.702.509 | 1.324.894 |
| (Accumulated amortization) | | (946.113) | (741.689) | (1.060.318) | (754.283) |
| | | | | | |
| **Total** | | 399.111.448 | 327.532.682 | 404.871.853 | 321.898.019 |

| L I A B I L I T I E S / S T O C K H O L D E R S' E Q U I T Y | | | | | |
|---|---|---|---|---|---|
| **CURRENT LIABILITIES** | | 309.624.607 | 251.671.321 | 311.113.113 | 244.230.240 |
| **Deposits** | (Note 11) | 170.055.591 | 142.955.491 | 168.752.208 | 137.124.075 |
| Demand deposits | | 44.136.876 | 35.550.699 | 44.142.145 | 35.588.302 |
| Savings deposits | | 48.112.255 | 38.942.074 | 48.112.255 | 38.942.074 |
| Interbank deposits | | 5.260.261 | 6.550.542 | 4.195.285 | 522.607 |
| Time deposits | | 72.235.740 | 61.664.720 | 71.992.064 | 61.823.636 |
| Sundry | | 310.459 | 247.456 | 310.459 | 247.456 |
| **Deposits received under security repurchase agreements** | (Note 12) | 91.036.526 | 60.234.130 | 90.479.743 | 59.852.144 |
| Own portfolio | | 34.928.776 | 28.689.119 | 34.406.834 | 28.587.688 |
| Third-party portfolio | | 55.739.750 | 27.675.012 | 55.704.909 | 27.394.457 |
| Wthin free movement portfolio | | 368.000 | 3.869.999 | 368.000 | 3.869.999 |
| **Funds from acceptance and issue of securities** | | 39.192 | 603.220 | 540.886 | 1.131.887 |
| Recursos de Letras Hipotecárias | | -- | -- | 70.543 | -- |
| Foreign securities | | 39.192 | 603.220 | 470.343 | 1.131.887 |
| **Interbank accounts** | | 2.994.124 | 2.020.414 | 3.048.724 | 2.037.808 |
| Receipts and payments pending settlement | | 2.981.178 | 2.018.175 | 3.035.778 | 2.035.569 |
| Correspondent banks | | 12.946 | 2.239 | 12.946 | 2.239 |
| **Interdepartmental accounts** | | 1.369.073 | 1.912.790 | 1.369.073 | 1.912.790 |
| Third-party funds in transit | | 1.273.412 | 1.896.330 | 1.273.412 | 1.896.330 |
| Internal transfers of funds | | 95.661 | 16.460 | 95.661 | 16.460 |
| **Borrowings** | (Note 13) | 1.842.742 | 3.621.397 | 1.627.651 | 2.541.281 |
| Domestic borrowings - other institutions | | -- | -- | 118.399 | -- |
| Foreign borrowings | | 1.842.742 | 3.621.397 | 1.509.252 | 2.541.281 |
| **Local onlendings - official institutions** | (Note 14) | 10.331.448 | 9.206.857 | 10.339.640 | 9.216.038 |
| National Treasury | | 3.184.305 | 3.077.172 | 3.184.305 | 3.077.172 |
| National Bank for Economic and Social Development (BNDES) | | 4.507.179 | 1.886.340 | 4.507.179 | 1.886.340 |
| National Industrial Financing Authority (FINAME) | | 1.966.645 | 3.833.986 | 1.974.661 | 3.843.006 |
| Other institutions | | 673.319 | 409.359 | 673.495 | 409.520 |
| **Foreign onlendings** | | 785.990 | 1.105.650 | -- | 95 |
| Foreign onlendings | | 785.990 | 1.105.650 | -- | 95 |
| **Derivative financial instruments** | (Note 5b) | 1.580.813 | 1.786.428 | 1.580.057 | 1.785.501 |
| Derivative financial instruments | | 1.580.813 | 1.786.428 | 1.580.057 | 1.785.501 |
| **Other liabilities** | | 29.589.108 | 28.224.944 | 33.375.131 | 28.628.621 |
| Collection and payment of taxes and social contributions | | 2.428.822 | 2.109.012 | 2.443.054 | 2.109.284 |
| Foreign exchange portfolio | (Note 8a) | 10.860.025 | 15.010.610 | 10.938.868 | 14.946.214 |
| Social and statutory | | 1.261.071 | 766.419 | 1.337.908 | 767.079 |
| Taxes and social security contributions | | 1.465.215 | 1.346.349 | 1.923.258 | 1.561.466 |
| Negotiation and intermediation of securities | | 432.632 | 604.341 | 158.955 | 234.168 |
| Technical provisions - insurance, pension plan and capitalization | (Note 17a) | -- | -- | 2.656.879 | -- |
| Financial and development funds | (Note 16a) | 218.303 | 71.042 | 218.303 | 71.042 |
| Subordinated debt | (Note 16d) | -- | 1.609 | -- | 1.609 |
| Hybrid capital and debt instruments | | -- | 15.842 | -- | 15.842 |
| Sundry | (Note 16c) | 12.923.040 | 8.299.720 | 13.697.906 | 8.921.917 |

| | | | | | |
|---|---|---|---|---|---|
| **LONG-TERM LIABILITIES** | | 63.950.803 | 54.110.009 | 68.122.755 | 55.916.427 |
| **Deposits** | (Note 11) | 21.340.882 | 19.473.325 | 20.998.713 | 23.539.359 |
| Interbank deposits | | 2.394.015 | 437.082 | 2.051.847 | 4.503.116 |
| Time deposits | | 18.946.867 | 19.036.243 | 18.946.866 | 19.036.243 |
| **Deposits received under security repurchase agreements** | (Note 12) | 9.236.519 | 7.706.421 | 9.236.519 | 7.786.848 |
| Own portfolio | | 3.138.334 | 3.316.796 | 3.138.334 | 3.397.223 |
| Third-party portfolio | | 6.066.185 | 3.959.625 | 6.066.185 | 3.959.625 |
| Within free movement portfolio | | 32.000 | 430.000 | 32.000 | 430.000 |
| **Funds from acceptance and issue of securities** | | 301.389 | -- | 718.678 | 967.267 |
| Debentures | | -- | -- | 19.850 | -- |
| Foreign securities | | 301.389 | -- | 698.828 | 967.267 |
| **Borrowings** | (Note 13) | 3.597.534 | 2.408.949 | 1.622.972 | 2.032.484 |
| Domestic Borrowings - Official Institutions | | -- | -- | 74.511 | -- |
| Foreign borrowings | | 3.597.534 | 2.408.949 | 1.548.461 | 2.032.484 |
| **Local onlendings - official institutions** | (Note 14) | 7.899.881 | 4.717.892 | 7.910.662 | 4.734.031 |
| National Bank for Economic and Social Development (BNDES) | | 4.691.145 | 2.829.510 | 4.691.145 | 2.829.510 |
| National Industrial Financing Authority (FINAME) | | 3.208.736 | 1.888.382 | 3.219.517 | 1.904.521 |
| **Foreign onlendings** | | 2.892.471 | 2.329.901 | 477 | 382 |
| Foreign onlendings | | 2.892.471 | 2.329.901 | 477 | 382 |
| **Derivative financial instruments** | (Note 5b) | 295.233 | 183.707 | 295.677 | 183.971 |
| Derivative financial instruments | | 295.233 | 183.707 | 295.677 | 183.971 |
| **Other liabilities** | | 18.386.894 | 17.289.814 | 27.339.057 | 16.672.085 |
| Collection and payment of taxes and social contributions | | -- | -- | 4.344 | -- |
| Taxes and social security contributions | | -- | -- | 711.864 | 94.427 |
| Negotiation and intermediation of securities | | 835.707 | 967.267 | 431.151 | 2.742 |
| Technical provisions - insurance, pension plan and capitalization | (Note 17a) | -- | -- | 7.918.216 | -- |
| Financial and development funds | (Note 16a) | 1.907.086 | 1.874.468 | 1.907.086 | 1.874.468 |
| Special operations | | 2.331 | 2.370 | 2.331 | 2.370 |
| Subordinated debt | (Note 16d) | 10.405.244 | 9.263.246 | 10.405.176 | 9.263.246 |
| Hybrid capital and debt instruments | | 887.663 | 1.024.800 | 886.744 | 1.024.800 |
| Sundry | (Note 16c) | 4.348.863 | 4.157.663 | 5.072.145 | 4.410.032 |
| **DEFERRED INCOME** | | 129.196 | 112.895 | 229.143 | 112.895 |
| Deferred income | | 129.196 | 112.895 | 229.143 | 112.895 |
| **STOCKHOLDERS' EQUITY** | (Note 19) | 25.406.842 | 21.638.457 | 25.406.842 | 21.638.457 |
| **Capital** | | 13.211.644 | 11.912.895 | 13.211.644 | 11.912.895 |
| Local residents | | 11.890.480 | 11.867.048 | 11.890.480 | 11.867.048 |
| Foreign residents | | 1.321.164 | 45.847 | 1.321.164 | 45.847 |
| **Capital reserves** | | 34 | 355.638 | 34 | 355.638 |
| **Revaluation reserves** | | 5.830 | 6.479 | 5.830 | 6.479 |
| **Revenue reserves** | | 10.124.708 | 7.858.344 | 10.124.708 | 7.858.344 |
| **Adjustment to market value - securities and derivative financial instrument** | | 85.359 | 417.253 | 85.359 | 417.253 |
| **Retained Earnings** | | 1.979.267 | 1.087.848 | 1.979.267 | 1.087.848 |
| **Total** | | 399.111.448 | 327.532.682 | 404.871.853 | 321.898.019 |

The accompanying notes are an integral part of these financial statements.

**Banco do Brasil S.A**
**Financial Statements**
**In thousands of reais**

**Quarter ended 03.31.2008**

**STATEMENT OF INCOME**

| | | BB-Domestic and Foreign Branches | | BB-Consolidated | |
|---|---|---|---|---|---|
| | | 1º Quarter/2008 | 1º Quarter/2007 | 1º Quarter/2008 | 1º Quarter/2007 |
| **INCOME FROM FINANCIAL INTERMEDIATION** | | 10.954.426 | 9.695.067 | 11.243.645 | 9.822.953 |
| Loans | | 6.973.722 | 6.033.251 | 7.000.550 | 6.101.218 |
| Leases | | 15.444 | 16.538 | 194.420 | 164.586 |
| Securities | | 3.864.849 | 3.130.849 | 3.766.846 | 3.042.617 |
| Derivative financial instruments | | (448.994) | 34.651 | (448.158) | 34.320 |
| Foreign exchange, net | | 121.138 | 80.219 | 122.348 | 80.653 |
| Compulsory deposits | | 428.267 | 399.559 | 428.267 | 399.559 |
| Insurance, pension plan and capitalization | (Note 17e) | -- | -- | 179.372 | -- |
| **EXPENSES FROM FINANCIAL INTERMEDIATION** | | (7.321.594) | (6.433.772) | (7.504.510) | (6.533.223) |
| Deposits and funds obtained in the money market | | (4.927.614) | (4.394.828) | (4.909.190) | (4.387.981) |
| Borrowings and onlendings | | (783.016) | (409.492) | (719.971) | (409.765) |
| Leases | | (13.268) | (11.685) | (145.418) | (114.749) |
| Allowance for loan losses | (Notes 6e e 6f) | (1.597.696) | (1.617.767) | (1.603.181) | (1.620.728) |
| Insurance, pension plan and capitalization | (Note 17e) | -- | -- | (126.750) | -- |
| **GROSS FINANCIAL INTERMEDIATION INCOME** | | 3.632.832 | 3.261.295 | 3.739.135 | 3.289.730 |
| **OTHER OPERATING INCOME/EXPENSES** | | (775.869) | (1.221.721) | (852.585) | (1.191.954) |
| Banking service fees | (Note 18a) | 2.330.542 | 2.185.282 | 2.915.191 | 2.377.120 |
| Personnel expenses | (Note 18b) | (1.881.645) | (1.840.056) | (1.932.579) | (1.858.626) |
| Other administrative expenses | (Note 18c) | (1.645.093) | (1.451.204) | (1.809.375) | (1.466.607) |
| Tax Expenses | | (487.606) | (467.476) | (565.772) | (488.669) |
| Equity in the (earnings)/loss of subsidiary and associated com | (Note 19) | 786.437 | 153.282 | 317.793 | 38.682 |
| Insurance, pension plan and capitalization | (Note 17e) | -- | -- | 100.693 | -- |
| Other operating income | (Note 18d) | 1.252.017 | 1.121.805 | 1.393.759 | 1.121.510 |
| Other operating expenses | (Note 18e) | (1.130.521) | (923.354) | (1.272.295) | (915.364) |
| **OPERATING INCOME** | | 2.856.963 | 2.039.574 | 2.886.550 | 2.097.776 |
| **NON-OPERATING INCOME** | (Note 18f) | 29.964 | 26.492 | 224.141 | 30.501 |
| Income | | 45.309 | 39.982 | 245.737 | 44.025 |
| Expenses | | (15.345) | (13.490) | (21.596) | (13.524) |
| **PROFIT BEFORE TAXATION AND PROFIT SHARING** | | 2.886.927 | 2.066.066 | 3.110.691 | 2.128.277 |
| **INCOME TAX AND SOCIAL CONTRIBUTION ON NET INCOM** | (Note 20) | (240.385) | (477.574) | (462.306) | (539.275) |
| Income tax | | (394.639) | (552.157) | (558.473) | (598.805) |
| Social contribution on net income | | (141.728) | (200.990) | (198.692) | (216.573) |
| Deferred tax credits | | 295.982 | 275.573 | 294.859 | 276.103 |
| **PROFIT SHARING** | | (299.076) | (179.702) | (300.919) | (180.212) |
| **NET INCOME** | | 2.347.466 | 1.408.790 | 2.347.466 | 1.408.790 |
| Number of shares | | 2.542.181.530 | 2.475.949.269 * | 2.542.181.530 | 2.475.949.269 * |
| Net income per share | | 0,92 | 0,57 * | 0,92 | 0,57 * |

(*) Adjusted, for comparative purposes, due to the split of shares in the proportion of 1:3 (Note 29.c)

The accompanying notes are an integral part of these financial statements.

**Banco do Brasil S.A.**
**Financial Statements**
**In thousands of reais**

## STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY

| EVENTS | Capital | Capital Reserve | Revaluation Reserves in Subsidiaries and Associated Companies | Revenue Reserves | | | Adjustment to Market Value, Marketable Securities and Derivativos | |
|---|---|---|---|---|---|---|---|---|
| | | | | Legal Reserve | Statutory Reserve | Expansion Reserve | Bank | Subsidiary and Associated |
| **Balances at 31.12.2006** | 11.912.895 | 355.638 | 6.597 | 1.095.866 | 1.794.058 | 5.210.866 | 133.882 | 248.356 |
| Ajustments to market value - Securities and derivative | -- | -- | -- | -- | -- | -- | (7.059) | 42.875 |
| Tax effect on adjusments - Securities and derivative | -- | -- | -- | -- | -- | -- | 2.789 | (3.590) |
| Dividends | -- | -- | -- | -- | (242.446) | -- | -- | -- |
| **Other events:** | | | | | | | | |
| Revaluations in subsidiary and associated companies | -- | -- | 10 | -- | -- | -- | -- | -- |
| Realization of revaluation reserves in subsidiary and associated companies | -- | -- | (128) | -- | -- | -- | -- | -- |
| **Net income for the quarter** | -- | -- | -- | -- | -- | -- | -- | -- |
| **Apropriations:** | | | | | | | | |
| Interest on own capital | -- | -- | -- | -- | -- | -- | -- | -- |
| **Balances at 31.03.2007** | 11.912.895 | 355.638 | 6.479 | 1.095.866 | 1.551.612 | 5.210.866 | 129.612 | 287.641 |
| **Changes in the quarter** | -- | -- | (118) | -- | (242.446) | -- | (4.270) | 39.285 |
| **Balances at 31.12.2007** | 13.211.644 | 34 | 5.909 | 1.348.772 | 4.577.229 | 4.768.706 | 24.366 | 325.436 |
| Ajustments to market value - Securities and derivative (Note 19g) | -- | -- | -- | -- | -- | -- | (111.180) | (274.590) |
| Tax effect on adjusments - Securities and derivative (Note 19g) | -- | -- | -- | -- | -- | -- | 41.170 | 80.157 |
| Prescribed dividends | -- | -- | -- | -- | -- | -- | -- | -- |
| **Other events:** | | | | | | | | |
| Revaluations in subsidiary and associated companies (Note 19d) | -- | -- | (5) | -- | -- | -- | -- | -- |
| Realization of revaluation reserves in subsidiary and associated companies (Note 19d) | -- | -- | (74) | -- | -- | -- | -- | -- |
| **Net income for the quarter** | -- | -- | -- | -- | -- | -- | -- | -- |
| **Apropriations:** | | | | | | | | |
| Dividends | -- | -- | -- | -- | (569.999) | -- | -- | -- |
| Interest on own capital | -- | -- | -- | -- | -- | -- | -- | -- |
| **Balances at 31.03.20078** | 13.211.644 | 34 | 5.830 | 1.348.772 | 4.007.230 | 4.768.706 | (45.644) | 131.003 |
| **Changes in the quarter** | -- | -- | (79) | -- | (569.999) | -- | (70.010) | (194.433) |

The accompanying notes are an integral part of these financial statements.

| Retained Earnings | Total |
|---|---|
| -- | 20.758.158 |
| -- | 35.816 |
| -- | (801) |
| -- | (242.446) |
| | |
| -- | 10 |
| 128 | |
| 1.408.790 | 1.408.790 |
| | |
| (321.070) | (321.070) |
| 1.087.848 | 21.638.457 |
| 1.087.848 | 880.299 |
| -- | 24.262.096 |
| -- | (385.770) |
| -- | 121.327 |
| 714 | 714 |
| | |
| -- | (5) |
| 74 | -- |
| 2.347.466 | 2.347.466 |
| | |
| -- | (569.999) |
| (368.987) | (368.987) |
| 1.979.267 | 25.406.842 |
| 1.979.267 | 1.144.745 |

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

**Quarter ended 03.31.2008**

**STATEMENT OF CHANGES IN FINANCIAL POSITION**

| | BB - Domestic and Foreign Branches | | BB- Consolidadated | |
|---|---|---|---|---|
| | 1º Quarter/2008 | 1º Quarter/2007 | 1º Quarter/2008 | 1º Quarter/2007 |
| **FINANCIAL RESOURCES WERE PROVIDED BY** | **35.181.703** | **26.338.256** | **46.119.276** | **28.087.523** |
| **Net Income** | **2.347.466** | **1.408.790** | **2.347.466** | **1.408.790** |
| **Adjustments to net income** | **(711.727)** | **(87.766)** | **(72.772)** | **87.298** |
| Depreciation and amortization | 197.060 | 187.735 | 323.098 | 279.771 |
| Equity in the earnings (loss) of subsidiary and associated companies | (786.437) | (153.282) | (317.793) | (38.682) |
| (Profit)/loss on the sale of assets | 13.795 | (4.480) | (13.816) | (4.480) |
| (Profit)/loss on the disposal of property | (17.016) | (12.536) | (17.016) | (12.536) |
| Excess (insuficiency) of depreciation | 1.324 | -- | (33.000) | (20.718) |
| Changes in the currency exchange rate | (40.426) | (127.821) | (26.935) | (157.267) |
| Capital (gain)/loss | (2.989) | (4.205) | (6.030) | (4.205) |
| Provision/(reversal) for devaluation of other assets | 1.711 | (7.749) | (1.681) | (7.780) |
| Other adjustments | (78.750) | 34.572 | 20.401 | 53.195 |
| **Changes in deferred income** | **6.447** | **(15.721)** | **106.394** | **(15.721)** |
| **Marked-to-Market – Securities and Derivative Financial Instruments** | **(264.443)** | **35.015** | **(264.443)** | **35.015** |
| Third party funds | | | | |
| **Increase in liabilities** | **29.699.866** | **24.982.969** | **44.000.749** | **26.423.859** |
| Deposits | -- | 955.119 | 1.468.434 | 1.822.475 |
| Deposits received under security repurchase agreements | 27.520.135 | 18.047.059 | 27.446.149 | 18.355.602 |
| Interbank and interdepartmental accounts | -- | 370.417 | -- | 387.747 |
| Borrowings and onlendings | 1.033.951 | 455.266 | 1.180.329 | 451.870 |
| Other liabilities | 1.145.779 | 5.155.108 | 13.905.837 | 5.406.165 |
| **Decrease in current assets and long-term receivables** | **4.023.137** | **--** | **1.814** | **--** |
| Securities | 4.021.555 | -- | -- | -- |
| Lease operations | 1.582 | -- | 1.814 | -- |
| **Disposal of assets and investments** | **80.957** | **15.087** | **--** | **35.937** |
| Non-operating assets | 11.643 | 14.409 | -- | 14.438 |
| Property and equipment in use and lease assets | 69.315 | 678 | -- | 21.499 |
| **Reserva de Reavaliação por Equivalência Patrimonial** | -- | **(118)** | -- | **(118)** |
| **Dividends and interest on own capital receivable from subsidiary/associated comp** | -- | -- | 67 | 112.345 |
| **FINANCIAL RESOURCES WERE USED FOR** | **34.881.735** | **25.577.080** | **45.681.766** | **27.325.542** |
| **Dividends and Bonuses Proposed** | **--** | **242.446** | **--** | **242.446** |
| **Interest on own capital proposed** | **368.987** | **321.070** | **368.274** | **321.070** |
| **Aquisições de Bens e Investimentos** | **--** | **71.813** | **372.649** | **245.414** |
| Non-operating assets | -- | 7.453 | 7.372 | 7.483 |
| Leased assets | -- | 64.360 | 365.277 | 235.137 |
| Investments | -- | -- | -- | 2.794 |
| **Deferred charges** | **41.569** | **29.662** | **112.252** | **29.651** |
| **Increase in current assets and long-term receivables** | **34.039.409** | **23.369.449** | **44.720.029** | **24.732.165** |
| Short-term interbank investments | 19.391.885 | 11.408.837 | 21.564.897 | 12.096.942 |
| Securities | | 243.479 | 6.288.996 | 242.120 |
| Interbank and interdepartmental accounts | 881.339 | 1.554.836 | 846.665 | 1.561.030 |
| Loan operations | 10.810.980 | 6.118.816 | 10.690.580 | 6.162.023 |
| Lease operations | -- | 7.727 | -- | 33.504 |
| Other receivables | 2.025.553 | 3.922.116 | 4.179.035 | 4.539.306 |
| Other assets | 929.652 | 113.638 | 1.149.857 | 97.240 |
| **Decrease in liabilities** | **431.770** | **1.542.640** | **108.562** | **1.746.836** |
| Deposits | 341.382 | -- | -- | -- |
| Funds from acceptance and issue securities | 19.882 | 1.717 | 37.594 | 204.903 |
| Derivative financial instruments | 70.506 | 1.540.923 | 70.968 | 1.541.933 |
| **Increase (decrease) in cash and cash equivalents** | **299.968** | **761.176** | **437.510** | **761.981** |
| **Change in cash and cash equivalents** | | | | |
| At the beginning of the period - 12.31.07 | 4.341.294 | 4.742.521 | 4.352.040 | 4.748.810 |
| At the end of the period - 03.31.08 | 4.641.262 | 5.503.697 | 4.789.550 | 5.510.791 |
| **Increase (decrease) in cash and cash equivalents** | **299.968** | **761.176** | **437.510** | **761.981** |

The accompanying notes are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**


**Note 1 – The Bank and its Operations**

**Note 2 – Presentation of the Financial Statements**

**Note 3 – Main Accounting Practices**

**Note 4 – Interbank Investments**

**Note 5 – Securities and Derivative Financial Instruments**

**Note 6 – Loan and Lease Operations**

**Note 7 – Other Receivables**

**Note 8 – Foreign Exchange Portfolio**

**Note 9 – Other Assets**

**Note 10 - Property and Equipment and Leased Assets**

**Note 11 – Deposits**

**Note 12 – Money Market Borrowing**

**Note 13 – Borrowings - Foreign Borrowings**

**Note 14 – Local Onlendings - Official Institutions**

**Note 15 – Funds Obtained in Foreign Capital Markets**

**Note 16 – Other Liabilities**

**Note 17 – Insurance, Pension Plans and Capitalization**

**Note 18 – Analysis of Income Statement Items**

**Note 19 – Stockholders' Equity**

**Note 20 – Income Tax and Social Contribution on Net Income**

**Note 21 – Tax Credits**

**Note 22 – Equity in the Earnings (Loss) of Subsidiary and Associated Companies**

**Note 23 – Related-party Transactions**

**Note 24 – Operational Limits – Basel Accord**

**Note 25 – Retirement and Pension and Health Plans**

**Note 26 – Compensation Paid to Employees and Management**

**Note 27 – Assignment of Employees to External Organizations**

**Note 28 – Commitments, Responsibilities and Contingencies**

**Note 29 – Financial Instruments**

**Note 30 – Statement of Cash Flow**

**Note 31 – Statement of Added-Value**

**Note 32 – Other Information**

## 1 – The Bank and its Operations

Banco do Brasil S.A. is a publicly listed company established under private law, with both public and private stockholders, and subject to the requirements of Brazilian corporate legislation. Its corporate purpose is to carry out all the asset, liability and accessory banking operations, to provide banking services, intermediate and originate financial transactions in various forms and perform any activity permitted to 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 Art. 19 of Law 4595/1964.

## 2 – Presentation of the Financial Statements

### a) Financial Statements

The Financial Statements have been prepared based on accounting policies determined by Brazilian Corporate Law and observing the rules and instructions issued by the Brazilian Central Bank (BACEN), the Brazilian Securities Commission (CVM), Brazilian Council of Private Insurance (CNSP), Superintendence of Private Insurance (Susep), and National Health Care Agency (ANS).

It is also included, operations of Banco do Brasil S.A. in Brazil and abroad (BB – Domestic and Foreign Branches), and the consolidated position of branches and financial and non-financial subsidiaries in Brazil and abroad and the foreign special purpose entities, as well as the investments in associated companies, in accordance with Brazilian Central Bank recommendation (BB-Consolidated), and their values are expressed in thousands of Reais, unless as indicated otherwise.

The balances of foreign branches and subsidiaries included in the financial statements of BB are as follows:

| | Foreign branches | | Foreign Branches and Abroad | |
|---|---|---|---|---|
| | **03.31.2008** | **03.31.2007** | **03.31.2008** | **03.31.2007** |
| Current assets | 20,443,230 | 26,496,521 | 19,814,811 | 26,707,678 |
| Long-term receivables | 12,808,963 | 12,647,048 | 13,343,085 | 12,757,983 |
| Permanent assets | 79,318 | 108,966 | 89,515 | 131,571 |
| **Total assets** | 33,331,511 | 39,252,535 | 33,247,411 | 39,597,232 |
| | | | | |
| Current liabilities | 21,938,270 | 28,768,061 | 20,959,868 | 28,210,927 |
| Long-term liabilities | 8,736,639 | 7,006,429 | 8,889,503 | 7,107,981 |
| Deferred income | 4,997 | 5,659 | 4,997 | 5,659 |
| Stockholders' equity | 2,651,605 | 3,472,386 | 3,393,043 | 4,272,665 |
| **Total liabilities and stockholders' equity** | 33,331,511 | 39,252,535 | 33,247,411 | 39,597,232 |
| | | | | |
| **Net income for the quarter** | 92,082 | 82,850 | 105,572 | 103,619 |

The consolidated financial statements (BB - Consolidated) comprise the domestic and foreign branches and the foreign subsidiaries, and the controlled and direct and indirect investments in associated companies, as follows:

| | | | % Investment | |
|---|---|---|---|---|
| | | | 03.31.2008 | 03.31.2007 |
| **Financial Segment - Domestic** | | **Activities** | | |
| BB Administração de Ativos - Distribuidora de Títulos e Valores Mobiliários S.A. | (6) | Assets and funds management | 100% | 100% |
| BB Banco de Investimento S.A. | (6) | Investment banking | 100% | 100% |
| BB Banco Popular do Brasil S.A. | (6) | Banking | 100% | 100% |
| BB Leasing S.A. – Arrendamento Mercantil | (6) | Leasing | 100% | 100% |
| | | | | |
| **Financial Segment – Abroad** | | | | |
| Banco do Brasil – Ag. Viena | (6) | Banking | 100% | 100% |
| BB Leasing Company Ltd. | (6) | Leasing | 100% | 100% |
| BB Securities LLc. | (6) | Capital markets | 100% | 100% |
| BB Securities Ltd. | (6) | Capital markets | 100% | 100% |
| Brasilian American Merchant Bank – BAMB | (6) | Banking | 100% | 100% |
| | | | | |
| **Insurance, Pension Plan and Certified Savings Plans** | | | | |
| Brasilveículos Companhia de Seguros | (1) (5) | Insurance | 70,00% | 70,00% |
| Cia. de Seguros Aliança do Brasil | (1) (5) | Insurance | 70,00% | 70,00% |
| Brasilcap Capitalizações S.A. | (1) (5) | Certified saving plan | 49,99% | 49,99% |
| Brasilprev Seguros e Previdência S.A. | (1) (5) | Pension plan | 49,99% | 49,99% |
| Brasilsaúde Companhia de Seguros | (1) (5) | Health insurance | 49,92% | 49,92% |
| Seguradora Brasileira de Crédito a Exportação – SBCE | (1) (5) | Insurance | 12,09% | 12,09% |
| | | | | |
| **Other activities** | | | | |
| Ativos S.A. | (2) (6) | Assets recovery | 100% | 100% |
| BB Administradora de Cartões de Crédito S.A. | (2) (6) | Credit card manag. | 100% | 100% |
| BB Administradora de Consórcios S.A. | (2) (6) | Consortium manag. | 100% | 100% |
| BB Corretora de Seguros e Administradora de Bens S.A. | (2) (6) | Insurance brokerage | 100% | 100% |
| BB Tur Viagens e Turismo Ltda. | (2) (4) | Tourism | 100% | 100% |
| BB Money Transfers, Inc | (3) (6) | Banking | 100% | -- |
| BB USA Holding Company, Inc | (3) (6) | Holding | 100% | -- |
| Cobra Tecnologia S.A. | (2) (4) | Technology | 99,35% | 99,35% |
| Cia. Brasileira de Soluções e Serviços CBSS – Visavale | (1) (6) | Service provision | 40,35% | 40,35% |
| Cia. Brasileira de Meios de Pagamento CBMP – Visanet | (1) (6) | Card processing | 31,67% | 32,00% |
| Kepler Weber | (1) (5) | Industry | 17,71% | 24,38% |
| Neoernegia S.A. | (1) (5) | Energy | 11,99% | 11,99% |
| Companhia Brasileira de Securitização – Cibrasec | (1) (5) | Credit acquisition | 9,09% | 9.09% |
| Tecnologia Bancária S.A. – Tecban | (1) (5) | Banking technology | 8,96% | 8,96% |
| Dollar Diversified Payment Rights Finance Company | (6) (7) | Credit acquisition | - | - |

(1) Associated companies, proportionately consolidated, in accordance with Central Bank of Brazil recommendation, with a basis on the contents of paragraph 2 of article 22 of Law 6,385/ 76, as well as Law 9,447/97, with the wording provided by Decree 3,995/2001.

(2) Fully-owned subsidiaries of Banco do Brasil S.A. included in consolidation from this quarter. The non consolidation until the previous quarter is supported by an authorization granted by the Brazilian Securities and Commission Exchange (CVM).

(3) Companies authorized to operate by Bacen in November 2007 and with operating movement from March 2008.

(4) Data for consolidation related to January 2008.

(5) Data for consolidation related to February 2008.

(6) Data for consolidation related to March 2008.

(7) Special Purpose Company.

The company Brasil Aconselhamento Financeiro S.A. - BAF was not included in consolidation, according to the provisions of Article 23 of CVM Instruction 247, of March 27, 1996, because it is under winding up process.

The asset and liability and the income and expense accounts recording transactions between the foreign branches and subsidiaries, consolidated companies, and Banco do Brasil S.A. were eliminated on consolidation. The translation into Brazilian Reais of the financial statements prepared in a foreign currency is carried out using current exchange rates, in conformity with BACEN Circular Letters 2,397 of 12.29.1993 and 2,571 of 05.17.1995.

Starting this quarter we demonstrate below, for comparison purposes, the Bank's consolidated position (domestic branches and financial abroad), non-financial subsidiaries, as well as the investments in associated companies, in accordance with Brazilian Central Bank recommendation. Due to the consolidation of these companies' total assets increased by R$12.286.119 thousand when compared to the Bank's financial consolidated, and taking into consideration the eliminations among the companies:

## Balance Sheet

| | Financial | | Non Financial | | Consolidated | |
|---|---|---|---|---|---|---|
| | 03.31.08 | 03.31.07 | 03.31.08 | 03.31.07 | 03.31.08 | 03.31.07 |
| **Current and Long-Term Assets** | 385,121,742 | 316,063,394 | 14,219,002 | 13,481,088 | 398,587,636 | 328,831,009 |
| Cash and cash equivalents | 4,668,295 | 5,510,791 | 151,565 | 173,326 | 4,789,550 | 5,642,465 |
| Short-term interbank deposits | 72,650,835 | 41,184,642 | 67,084 | 2,522,276 | 72,688,803 | 43,638,919 |
| Securities | 70,090,713 | 73,349,951 | 11,901,058 | 8,562,404 | 81,489,597 | 81,539,051 |
| Other receivables | 237,711,899 | 196,018,011 | 2,099,295 | 2,223,082 | 239,619,686 | 198,010,574 |
| **Permanent Assets** | 7,463,992 | 5,834,625 | 1,126,389 | 1,231,146 | 6,284,217 | 5,396,293 |
| Investments | 2,427,182 | 1,176,120 | 1,024,147 | 899,101 | 1,055,324 | 405,742 |
| Property and equipment | 4,461,420 | 4,087,895 | 125,282 | 243,859 | 4,586,702 | 4,331,754 |
| Deferred charges | 575,390 | 570,611 | (23,040) | 88,186 | 642,191 | 658,797 |
| **Total Assets** | 392,585,734 | 321,898,019 | 15,345,391 | 14,712,234 | 404,871,853 | 334,227,302 |
| | | | | | | |
| **Current and Long-Term Liabilities** | 367,049,697 | 300,146,667 | 12,939,279 | 12,947,295 | 379,235,868 | 312,380,632 |
| Borrowings and onlendings | 21,308,492 | 18,524,311 | 243,159 | 331,731 | 21,501,402 | 18,856,043 |
| Other liabilities | 345,741,205 | 281,622,357 | 12,696,120 | 12,615,564 | 360,734,466 | 293,524,589 |
| **Deferred income** | 129,196 | 112,895 | 99,948 | 95,318 | 229,143 | 208,213 |
| **Current and Long-Term Assets** | 25,406,842 | 21,638,457 | 2,306,164 | 1,669,621 | 25,406,842 | 21,638,457 |
| Cash and cash equivalents | 392,585,734 | 321,898,019 | 15,345,391 | 14,712,234 | 404,871,853 | 334,227,302 |

## Income Statement

| | Financial | | Non Financial | | Consolidated | |
|---|---|---|---|---|---|---|
| | 1º Quarter 2008 | 1º Quarter 2007 | 1º Quarter 2008 | 1ºQuarter 2007 | 1º Quarter 2008 | 1º Quarter 2007 |
| Operating Income | 15,523,758 | 13,360,266 | 792,498 | 698,625 | 15,971,081 | 13,962,359 |
| Operating expenses | (12,599,899) | (11,262,489) | (505,141) | (453,635) | (13,084,531) | (11,812,545) |
| Non-operating Income | 2,923,859 | 2,097,776 | 287,357 | 244,990 | 2,886,550 | 2,149,814 |
| Non-operating income, net | 32,536 | 30,502 | 192,190 | 22,231 | 224,141 | 52,733 |
| Income Before Taxes | 2,956,395 | 2,128,278 | 479,547 | 267,221 | 3,110,691 | 2,202,547 |
| Interest on Own Capital Tax Benefit | (308,884) | (539,276) | (153,422) | (73,806) | (462,306) | (613,081) |
| Profit Sharing | (300,045) | (180,212) | (874) | (464) | (300,919) | (180,676) |
| **Net Income** | 2,347,466 | 1,408,790 | 325,251 | 192,951 | 2,347,466 | 1,408,790 |

We demonstrate below these companies' condensed (without considering the % of investment) financial statements, as mentioned in the previous comment (1) and (2):

**Balance Sheet:**

| | Ativos S.A. | BB Administradora de Consórcios S.A. | BB Corretora de Seguros e Administradora de Bens S.A. | BB Tur Viagens e Turismo Ltda. | BB Administradora de Cartões de Crédito S.A. | Cobra Tecnologia S.A. |
|---|---|---|---|---|---|---|
| | 03.31.08 | 03.31.08 | 03.31.08 | 03.31.08 | 03.31.08 | 03.31.08 |
| **Current and Long-Term Assets** | 109,715 | 34,602 | 213,428 | 55,231 | 179,024 | 263,358 |
| Cash and cash equivalents | 6,976 | 38 | 244 | 6,155 | 9 | 4,499 |
| Short-term interbank deposits | - | 32,182 | - | - | (3,066) | - |
| Securities | 9,424 | 143 | 141,966 | 146 | 110,011 | 54,927 |
| Other receivables | 93,315 | 2,239 | 71,218 | 48,930 | 72,070 | 203,932 |
| **Permanent Assets** | 737 | 363 | - | 1,257 | - | 25,136 |
| Investments | 3 | - | - | 2 | - | 23 |
| Property and equipment | 452 | - | - | 1,254 | - | 22,129 |
| Deferred charges | 282 | 363 | - | 1 | - | 2,984 |
| **Total Assets** | 110,452 | 34,965 | 213,428 | 56,488 | 179,024 | 288,494 |
| | | | | | | |
| **Current and Long-Term Liabilities** | 68,258 | 9,058 | 66,421 | 60,819 | 152,447 | 250,875 |
| Borrowings and onlendings | 49,945 | - | - | 3,162 | - | 191,297 |
| Other liabilities | 18,313 | 9,058 | 66,421 | 57,657 | 152,447 | 59,578 |
| **Deferred income** | - | - | 95,817 | - | - | - |
| **Stockholders' equity** | 42,194 | 25,907 | 51,190 | (4,331) | 26,577 | 37,619 |
| **Total Liabilities** | 110,452 | 34,965 | 213,428 | 56,488 | 179,024 | 288,494 |

| | Brasilveículos Companhia de Seguros | Brasilprev – Seguros e Pevidência S.A. | Brasilcap – Capitalização S.A. | Brasilsaúde – Companhia de Seguros | Cia. de Seguros Aliança do Brasil | Cibrasec – Cia Brasileira de Securitização |
|---|---|---|---|---|---|---|
| | 02.29.08 | 02.29.08 | 02.29.08 | 02.29.08 | 02.29.08 | 02.29.08 |
| **Current and Long-Term Assets** | 1,091,374 | 16,912,816 | 2,990,134 | 115,244 | 1,637,508 | 929,803 |
| Cash and cash equivalents | 172 | 1,802 | 639 | 204 | 15,867 | 8,138 |
| Short-term interbank deposits | - | - | - | - | - | - |
| Securities | 479,684 | 16,814,622 | 2,768,505 | 57,385 | 952,809 | 74,533 |
| Other receivables | 611,518 | 96,392 | 220,990 | 57,655 | 668,832 | 847,132 |
| **Permanent Assets** | 150,972 | 19,984 | 142,190 | 1,002 | 68,025 | 4,646 |
| Investments | 132,082 | - | 134,047 | - | 58,323 | 2,606 |
| Property and equipment | 11,715 | 4,826 | 5,504 | 631 | 9,381 | 2,040 |
| Deferred charges | 7,175 | 15,158 | 2,639 | 371 | 321 | - |
| **Total Assets** | 1,242,346 | 16,932,800 | 3,132,324 | 116,246 | 1,705,533 | 934,449 |
| | | | | | | |
| **Current and Long-Term Liabilities** | 927,640 | 16,581,521 | 2,968,890 | 66,502 | 1,350,047 | 862,630 |
| Borrowings and onlendings | - | - | - | - | - | - |
| Other liabilities | 927,640 | 16,581,521 | 2,968,890 | 66,502 | 1,350,047 | 862,630 |
| Deferred income | - | - | - | - | - | - |
| Stockholders' equity | 314,706 | 351,279 | 163,434 | 49,744 | 355,486 | 71,819 |
| Total Liabilities | 1,242,346 | 16,932,800 | 3,132,324 | 116,246 | 1,705,533 | 934,449 |

## Balance Sheet:

| | Seguradora Brasileira de Crédito à Exportação - SBCE | Cia. Brasileira de Meios de Pagamento CBMP - Visanet | Cia. Brasileira de Soluções e Serviços CBSS – Visa Vale | Kepler Weber | Tecban – Tecnologia Bancária S.A. | Neoenergia S.A. |
|---|---|---|---|---|---|---|
| | 02.29.08 | 03.31.08 | 03.31.08 | 02.29.08 | 02.29.08 | 02.29.08 |
| **Current and Long-Term Assets** | 26,281 | 2,551,279 | 649,348 | 227,090 | 763,658 | 1,801,934 |
| Cash and cash equivalents | 83 | 166,684 | 14,412 | 70 | 689,087 | 167 |
| Short-term interbank deposits | - | - | 94,106 | - | - | - |
| Securities | 17,659 | 1,597,533 | 253,586 | 47,822 | - | 1,152,947 |
| Other receivables | 8,539 | 787,062 | 287,244 | 179,198 | 74,571 | 648,820 |
| **Permanent Assets** | 2,183 | 340,490 | 51,527 | 83,365 | 174,716 | 5,877,037 |
| Investments | 368 | 27,582 | 30,000 | 67,700 | 9,096 | 5,840,244 |
| Property and equipment | 298 | 210,753 | 1,187 | 15,665 | 122,635 | 1,176 |
| Deferred charges | 1,517 | 102,155 | 20,340 | - | 42,985 | 35,617 |
| **Total Assets** | 28,464 | 2,891,769 | 700,875 | 310,455 | 938,374 | 7,678,971 |
| | | | | | | |
| **Current and Long-Term Liabilities** | 10,580 | 1,628,590 | 604,029 | 132,339 | 788,876 | 275,884 |
| Borrowings and onlendings | - | - | - | - | - | - |
| Other liabilities | 10,580 | 1,628,590 | 604,029 | 132,339 | 788,876 | 275,884 |
| **Deferred income** | - | - | - | - | - | 34,456 |
| **Stockholders' equity** | 17,884 | 1,263,179 | 96,846 | 178,116 | 149,498 | 7,368,631 |
| **Total Liabilities** | 28,464 | 2,891,769 | 700,875 | 310,455 | 938,374 | 7,678,971 |

## Income Statement:

For further reference in relation to the base date, please see notes to the participation table above.

| | Ativos S.A. | BB Administradora de Consórcios S.A. | BB Corretora de Seguros e Administradora de Bens S.A. | BB Tur Viagens e Turismo Ltda. | BB Administradora de Cartões de Crédito S.A. | Cobra Tecnologia S.A. |
|---|---|---|---|---|---|---|
| | 1º Quarter/08 | 1º Quarter/08 | 1º Quarter/08 | 1º Quarter/08 | 1º Quarter/08 | 1º Quarter/08 |
| Operating Income | 22,487 | 18,704 | 130,614 | 5,201 | 5,851 | 36,855 |
| Operating expenses | (10,888) | (5,096) | (105,648) | (5,020) | (3,186) | (37,919) |
| Non-operating Income | 11,599 | 13,608 | 24,966 | 181 | 2,665 | (1,064) |
| Non-operating income, net | - | - | - | - | 585 | 1,356 |
| Income Before Taxes | 11,599 | 13,608 | 24,966 | 181 | 3,250 | 292 |
| Interest on Own Capital Tax Benefit | (3,913) | (4,621) | (8,711) | (144) | (1,084) | - |
| Profit Sharing | (6) | - | - | - | - | - |
| **Net Income** | 7,680 | 8,987 | 16,255 | 37 | 2,166 | 292 |

| | Brasilveículos Companhia de Seguros | Brasilprev – Seguros e Pevidência S.A. | Brasilcap – Capitalização S.A. | Brasilsaúde – Companhia de Seguros | Cia. de Seguros Aliança do Brasil | Cibrasec – Cia Brasileira de Securitização |
|---|---|---|---|---|---|---|
| | 1º Quarter/08 | 1º Quarter/08 | 1º Quarter/08 | 1º Quarter/08 | 1º Quarter/08 | 1º Quarter/08 |
| Operating Income | 170,980 | 794,778 | 396,993 | 24,420 | 230,346 | 15,428 |
| Operating expenses | (153,054) | (745,427) | (365,334) | (21,386) | (185,065) | (14,665) |
| Non-operating Income | 17,926 | 49,351 | 31,659 | 3,034 | 45,281 | 763 |
| Non-operating income, net | 143 | 34 | - | - | 848 | 19 |
| Income Before Taxes | 18,069 | 49,385 | 31,659 | 3,034 | 46,129 | 782 |
| Interest on Own Capital Tax Benefit | (4,111) | (16,432) | (8,801) | (1,033) | (13,937) | (259) |
| Profit Sharing | - | (878) | - | - | (603) | - |
| **Net Income** | 13,958 | 32,075 | 22,858 | 2,001 | 31,589 | 523 |

| | Seguradora Brasileira de Crédito à Exportação - SBCE | Cia. Brasileira de Meios de Pagamento CBMP - Visanet | Cia. Brasileira de Soluções e Serviços CBSS – Visa Vale | Kepler Weber | Tecban – Tecnologia Bancária S.A. | Neoenergia S.A. |
|---|---|---|---|---|---|---|
| | 1º Quarter/08 | 1º Quarter/08 | 1º Quarter/08 | 1º Quarter/08 | 1º Quarter/08 | 1º Quarter/08 |
| Operating Income | 2,017 | 794,943 | 87,638 | 14,856 | 50,776 | 20,754 |
| Operating expenses | (1,351) | (376,443) | (54,681) | (11,888) | (49,430) | (3,503) |
| Non-operating Income | 666 | 418,500 | 32,957 | 2,968 | 1,346 | 17,251 |
| Non-operating income, net | - | 503,230 | 3,123 | (1,473) | 535 | 243,022 |
| Income Before Taxes | 666 | 921,730 | 36,080 | 1,495 | 1,882 | 260,273 |
| Interest on Own Capital Tax Benefit | (199) | (326,115) | (12,204) | (1) | (824) | (4,052) |
| Profit Sharing | (60) | - | - | - | - | - |
| **Net Income** | 407 | 595,615 | 23,876 | 1,494 | 1,058 | 256,221 |

**3 – Main Accounting Practices**

**a) Accounting Practice**
Net income is determined on the accrual basis of accounting.

**b) Assets and Liabilities**
The assets and liabilities with post-fixed financial charges are recorded at present value, calculated *pro rata* based on the variations in the contractual indices. Those with fixed financial charges are recorded at future value, adjusted to reflect unearned income or unexpired expenses. The assets and liabilities in foreign currencies and those subject to indexation are adjusted in accordance with the exchange rates or official indices as of the balance sheet date and are presented at realizable values. The differences resulting from currency translation are recorded in income for the period. For the subsidiaries located abroad, assets and liabilities are translated into Reais at the balance sheet closing exchange rate.

**c) Short-term interbank investments**
Short-term interbank investments are recorded at investment value or purchase price, plus income accrued up to the balance sheet date.

**d) 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 the intention of management, in three different categories:

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

Securities Available for Sale: these are securities purchased to be traded, which can be traded at any time. They are adjusted monthly to market value. Their increases and decreases in value are recorded, net of tax effects, in a separate stockholders' equity account;

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

The mark-to-market methodology used for securities was established following consistent and 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 ANDIMA, BM&F, BOVESPA and the Brazilian Central Bank or the net probable realizable value obtained through the use of curves of future interest rates, foreign exchange rates, price and currency indices, all consistent with prices in effect during the year.

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

Losses with securities classified as available for sale and held to maturity, if judged 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.

**e) Derivative financial instruments**
Derivative financial instruments are recorded at 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 probable net realizable value, according to the characteristics of the derivative.

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 item hedged, are recorded in income accounts for the period;

Cash flow hedge “the effective amount of the increases or decreases in value of the financial instruments classified in this category is recorded, net of tax effects, in a separate Stockholders' Equity account. The effective amount is that in which the variation of the item hedged, directly related to the corresponding risk, is offset by the variation in the financial instrument used for hedge, considering the accumulated effect of the transaction. Other variations in these instruments are recorded directly in income for the period.

**f) Loan and lease operations, advances on foreign exchange contracts, other receivables with loan characteristics and allowance for possible loan losses**
Loan operations, advances on foreign exchange contracts, other receivables with loan characteristics and allowance for possible loan losses are classified according to Management's discernment with respect to the level of risk, taking into consideration the economic panorama, past experience and specific risks in relation to the operation, to obligators and guarantors, observing the parameters established by Resolution Bacen n.º 2,682/1999, which requires the periodic analysis of the portfolio and its rating at nine levels, ranging from AA (minimum risk) to H (maximum risk), as well as the rating of operations more than 15 days overdue as overdue operations.

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

Operations rated at level H continue in this status for 180 days, when they are written off against the existing provision and controlled, for five years, no longer figuring in balance sheets.

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

Allowance for possible loan losses, considered sufficient by management, satisfies the minimum requirement established by the aforesaid Bacen Resolution nº 2,682/1999, as shown in Note 6.d.

**g) Permanent assets**
Significant investments in Brazil and abroad are stated on the equity method of accounting, in conformity with BACEN and CVM rules and instructions, and are classified in an investment account in permanent assets.

The statements of the overseas branches and subsidiaries are adapted to accounting criteria in force in Brazil and translated into Reais, and their impacts are recorded in income for the period. Other permanent investments are stated at cost, restated up to December 31, 1995, and are adjusted to market value through the formation of provision, according to the current rules;

Property and equipment is stated at cost less depreciation calculated on the straight-line method at the following annual rates: buildings and improvements - 4%; vehicles, installations and equipment - 20%; others - 10% (see Note 10);

Deferred assets are recorded at acquisition cost, net of the respective accrued amortizations. Considers mainly expenditures in third-party property as a result of opening facilities, which are amortized according to rates based on rental terms, and expenditures with acquisition and development of systems, amortized at a 20% annual rate.

**h) Benefits for employees**

Short-term benefits for existing employees are recognized on the accrual basis as the services are provided. Post-employment benefits, comprising supplementary retirement benefits, medical assistance and other benefits for which the Bank is responsible, were calculated at December 31, 2007 in accordance with criteria established by CVM Deliberation 371 of 12.13.2000 (Note 25.b).

**i) Income and Social Contribution Taxes**

Corporate income tax is calculated at the basic rate of 15% plus a surcharge of 10% on taxable income above a specific limit, and the Social Contribution on net income is calculated at the basic rate of 9% on taxable income.

Tax credits are created by applying the current tax rates on their respective bases, and currently the criteria for creating, maintaining, and writing off are also complied with, in accordance with CMN Resolution no. 3059 dated December 20, 2002, as amended by CMN Resolution no. 3,355 dated March, 31, 2006, and are supported by a realization study.

The Bank records IRPJ, CSLL, Pasep and Cofins tax credits on the negative mark-to-market adjustments of securities and derivative financial instruments recorded in the income and in a separate account in Stockholders' equity.

IRPJ, CSLL, Pasep and Cofins deferred tax liabilities have been recorded on the positive mark-to-market adjustments of securities and derivative financial instruments recorded in income and in a separate account in Stockholders' Equity.

**j) Operations related to the activities of insurance, pension plans and certificated savings plans**

**Results**

Insurance premiums and selling expenses are recorded upon the issuance of policies or billings and are recognized in results, according to the elapsed coverage period. Insurance revenue and the corresponding selling expenses, related to coverage which policies are not yet issued are recognized in results at the beginning of the coverage, on estimated basis.

Operations of accepted coinsurance, retrocession and DPVAT are recorded based on information received from similar companies, IRB Brasil Resseguros S.A. and the National Federation of Private Insurance (FENASEG), respectively.

The revenue from pension plan, life insurance with living benefits and capitalization plans are recognized in results when effectively received, as a contra-entry to the recognition of technical provisions. The selling costs are deferred upon the issuance of the contract or policy and allocated to results on a straight-line basis, over the average estimated period for recovery.

**Technical Provisions**
Rules and procedures for the formation of technical provisions are regulated by Resolutions 162/2006 and 181/2007 of the National Council of Private Insurance - CNSP and calculated in accordance with the technical notes approved by the Superintendency of Private Insurance - SUSEP and National Health Care Agency - ANS.

**Insurance**
Provision for Unearned Premiums (PPNG) represents the portions of premiums that will be allocated to income over the course of the insurance contracting periods, having its amount calculated by the pro rata method.

Provision for Unearned Premiums of Risks Effective Yet Not Issued (PPNG-RVNE) represents the adjustment of PPNG given the existence of risks assumed by the insurance company the policy of which has not yet been operationally issued.

Provision for Premium Insufficiency (PIP) represents the need for adaptation of premiums to be allocated due to the expectation of claims with provision for probable payments to be received by the insurance company.

Provision for Unsettled Claims (PSL) represents the forecast of probable payments, net of recoveries, determined with a basis on notices received up to the balance sheet date, adjusted by the estimate of Claims Incurred but not Reported (IBNR) and includes provision for claims being challenged in court that takes into consideration the opinion of the legal advisors of the companies regarding the odds of an unfavorable outcome.

Provision for Claims Incurred but Not Reported (IBNR) represents the expectation of claims, referring to the accounting period under analysis, which will be received by the insurance company.

The objective of Supplementary Provision for Premiums (PCP) is to adjust the technical provisions of PPNG premium and PPNG-RVNE, keeping the company protected, at the time of calculation, with a sum higher than or equal to the average amount determined daily. It is classified under "Other Provisions".

The abovementioned provisions, excepting Provision for Unearned Premiums (PPNG) and Supplementary Provision for Premiums (PCP), are estimated according to the methodology described in a specific Actuarial Technical Note.

**Pension**
The mathematical reserves related to pension plans represent the current amount of the liabilities in the form of survivorship income, pension and annuity, determined through calculation and actuarial assumptions in the financial regimes of capitalization, allocation of hedge capital and simple allocation, respectively. Particularly for the pension and insurance plans from the categories of PGBL and VGBL, the mathematical provision for future benefits payment represents the sum of premiums and contributions transferred by the participants, net of the loading rate, plus the financial income earned in the investments of resources.

The provisions for shortfall of contributions and of premiums are formed to cope with the impacts resulting from the tendency for a higher survival rate of participants and their calculation is performed using the "AT 2000 Male/Female Softened" mortality table and related assumptions as a parameter, considering all the plans sold.

The provision for financial fluctuation is formed to cope with potential impacts of unfavorable variations in the future re-investment rates of funds earmarked for the payment of benefits and redemptions to participants, considering the minimum remuneration guaranteed in a contract.

**Capitalization**
The mathematical reserve for redemption is calculated on the nominal value of the securities, restated with a basis on actuarial technical notes approved by SUSEP.

Provisions for redemption of overdue and prepaid securities are formed by the amounts of securities with finalized and rescinded capitalization periods, restated in the period between the date of the right to redemption and effective settlement.

The amounts earmarked for the formation of provision for unrealized prize draws are calculated on the nominal value of the securities, with a basis on actuarial technical notes approved by SUSEP, and the write-off of the provision for unrealized prize draws recorded by the amount equivalent to the lapsed risk, i.e., the balance of provision for unrealized prize draws represents the defrayed amounts of prize draws not yet executed.

Provision for prize draws payable is formed by the amounts of securities contemplated in prize draws, restated in the period between the date of the draw and the effective settlement.

**k) Contingent assets and liabilities and legal obligations**
The recognition, measure counting and disclosure of contingent assets, liability contingencies and legal obligations are executed in accordance with the criteria defined in CVM Deliberation 489/2005.

Contingent assets are only recognized in the financial statements upon the existence of evidence guaranteeing their realization.

Contingent liabilities are recognized in the financial statements when, based on the opinion of the legal counsel and of Management, the risk of loss of a lawsuit or administrative proceeding is considered probable, with a probable outflow of financial resources for the settlement of obligations and when the sums involved are measurable with sufficient assurance;

The provisions for claims are recorded taking into consideration the possibility of success by the plaintiff in the lawsuit against the Bank/subsidiary.

The provisions for labor claims are recorded considering, also, the jurisprudence applicable to each claim.

Contingent liabilities stated as likely losses are not recognized in the books, and must be disclosed only in the explanatory notes, while those stated as remote do not require provisioning or disclosure (Note 28 a).

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.

**l) Accounting estimates**
The preparation of financial statements in accordance with accounting practices adopted in Brazil requires that Management use discernment 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 property, plant and equipment, allowance for possible loan losses and deferred income tax recorded in assets, provision for contingencies, appreciation of derivative financial instruments, and assets and liabilities relating to benefits for employees. The final amounts of transactions involving these estimates are only known upon their settlement.

## 4 – Interbank Investments

### a) Breakdown

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | **03.31.2008** | **03.31.2007** | **03.31.2008** | **03.31.2007** |
| **Repurchase agreements** | 57,997,544 | 30,591,991 | 57,963,384 | 30,511,563 |
| Sales pending settlement - own operations | 914,980 | 1,709,747 | 952,948 | 1,709,747 |
| Financial Treasury Bills | 5,366 | -- | 5,366 | -- |
| Federal Treasury Bills | 909,614 | 444,906 | 909,614 | 444,906 |
| Federal Treasury Notes | -- | 413,601 | -- | 413,601 |
| Other | -- | 851,240 | 37,968 | 851,240 |
| Sales pending settlement - financed operations | 57,082,564 | 28,382,244 | 57,010,436 | 28,301,816 |
| Financial Treasury Bills | 14,610,838 | 8,779,644 | 14,610,838 | 8,779,643 |
| Federal Treasury Bills | 38,958,352 | 19,501,590 | 38,958,352 | 19,501,590 |
| Federal Treasury Notes | 3,441,246 | 101,010 | 3,441,246 | -- |
| Other | 72,128 | -- | -- | 20,583 |
| Resales pending settlement - clearing and settlement houses | -- | 500,000 | -- | 500,000 |
| **Interbank deposits** | 16,822,659 | 18,160,072 | 7,708,841 | 10,673,079 |
| **Foreign currency deposits** | 7,016,578 | 440,922 | 7,016,578 | -- |
| **Total** | 81,836,781 | 49,192,985 | 72,688,803 | 41,184,642 |

### b) Income from short-term interbank deposits

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | **03.31.2008** | **03.31.2007** | **03.31.2008** | **03.31.2007** |
| **Income from repurchase agreements** | 1,383,162 | 772,638 | 1,381,805 | 771,623 |
| Own operations | 57,770 | 33,396 | 57,289 | 33,396 |
| Financed operations | 1,325,392 | 739,242 | 1,324,516 | 738,227 |
| **Income from interbank deposits** | 219,111 | 220,044 | 97,892 | 131,701 |
| **Total** | 1,602,273 | 992,682 | 1,479,697 | 903,324 |

## 5 – Securities and Derivative Financial Instruments

### a) Composition of Securities Portfolio by Issuer and Summary of Classification by Category:

**BB - Domestic and foreign branches**

| | 03.31.2008 | | | | | | | | 03.31.2007 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Market Value | | | | | Total | | | Total | | |
| Maturity in days | With no maturity | 0-30 | 31-180 | 181-360 | over 360 | Cost | Market value | Unrealized gain (loss) | Cost | Market Value | Unrealized gain (loss) |
| **Trading Securities** | 954 | 1,112,363 | 3,064,621 | 6,044,430 | 7,369,749 | 17,724,873 | 17,592,117 | -- | 6,953,928 | 6,991,162 | -- |
| **Domestic** | 954 | 1,112,363 | 3,064,621 | 6,044,430 | 7,369,749 | 17,724,873 | 17,592,117 | -- | 6,953,928 | 6,991,162 | -- |
| Financial Treasury Bills | -- | -- | 8,640 | 12,350 | 3,233,397 | 3,251,470 | 3,254,387 | -- | 2,588,060 | 2,588,552 | -- |
| Federal Treasury Bills | -- | 1,111,882 | 3,055,981 | 6,032,080 | 1,539,344 | 11,798,920 | 11,739,287 | -- | 3,174,436 | 3,195,583 | -- |
| Federal Treasury Notes | -- | 481 | -- | -- | 2,552,783 | 2,629,327 | 2,553,264 | -- | 1,190,324 | 1,205,883 | -- |
| Shares in listed companies | 954 | -- | -- | -- | -- | 915 | 954 | -- | 1,108 | 1,144 | -- |
| Debentures | -- | -- | -- | -- | 44,225 | 44,241 | 44,225 | -- | -- | -- | -- |
| **Securities available for sale** | 19,580 | 2,651,761 | 3,081,452 | 6,134,277 | 22,233,828 | 34,084,473 | 34,120,898 | 36,424 | 39,120,597 | 39,494,567 | 373,970 |
| **Domestic** | 19,579 | 2,634,570 | 3,079,964 | 6,130,874 | 20,775,207 | 32,712,275 | 32,640,194 | (72,082) | 37,275,456 | 37,481,508 | 206,052 |
| Financial Treasury Bills | -- | 1,369 | 2,195,385 | 4,115,692 | 14,312,483 | 20,575,897 | 20,624,929 | 49,031 | 27,358,652 | 27,438,497 | 79,845 |
| Federal Treasury Bills | -- | 149,833 | 472,808 | 1,531,925 | 1,912,927 | 4,109,035 | 4,067,493 | (41,542) | 3,092,735 | 3,126,623 | 33,888 |
| Brazilian Central Bank Notes | -- | -- | -- | -- | -- | -- | -- | -- | 4,635,630 | 4,723,390 | 87,760 |
| Federal Treasury Notes | -- | 2,408,360 | 97,443 | -- | 4,155,771 | 6,736,038 | 6,661,575 | (74,463) | 1,336,151 | 1,341,203 | 5,052 |
| Federal Government securities – other | -- | -- | -- | -- | -- | -- | -- | -- | 87,386 | 85,699 | (1,687) |
| Debentures | -- | -- | -- | -- | 353,687 | 353,667 | 353,687 | 20 | 7,749 | 6,426 | (1,323) |
| Agricultural debt securities | -- | 5 | 256 | 773 | 8,635 | 11,533 | 9,668 | (1,865) | -- | -- | -- |
| Shares in investment funds | 1,483 | -- | -- | -- | -- | 1,483 | 1,483 | -- | 6,501 | 6,501 | 0 |
| Shares in social development funds | 383 | -- | -- | -- | -- | 1,545 | 383 | (1,162) | 1,545 | 1,314 | (231) |
| Shares in listed companies | 17,713 | -- | -- | -- | -- | 7,364 | 17,713 | 10,349 | 7,363 | 9,943 | 2,580 |
| Rural Product Bills (*Commodities)* | -- | 75,003 | 314,072 | 129,132 | 430 | 519,616 | 518,637 | (979) | 741,744 | 741,912 | 168 |
| Other | -- | -- | -- | 353,352 | 31,274 | 396,097 | 384,626 | (11,471) | -- | -- | -- |
| **Abroad** | 1 | 17,191 | 1,488 | 3,403 | 1,458,621 | 1,372,198 | 1,480,704 | 108,506 | 1,845,141 | 2,013,059 | 167,918 |
| Brazilian foreign debt securities | -- | 15,935 | 1,488 | -- | 1,454,174 | 1,363,184 | 1,471,597 | 108,413 | 1,670,809 | 1,837,542 | 166,733 |
| Foreign government securities | -- | 1,256 | -- | 3,403 | 4,447 | 9,014 | 9,106 | 92 | 45,118 | 45,089 | (29) |
| Shares in equity funds | -- | -- | -- | -- | -- | -- | -- | -- | 6,846 | 8,014 | 1,168 |
| Shares in listed companies | 1 | -- | -- | -- | -- | -- | 1 | 1 | 0 | 1 | 1 |
| Other | -- | -- | -- | -- | -- | -- | -- | -- | 122,368 | 122,413 | 45 |
| **Held to maturity** | -- | 244,294 | 1,775,624 | 1,776,093 | 12,603,398 | 16,371,173 | 16,399,409 | -- | 24,259,550 | 24,233,677 | -- |
| **Domestic** | -- | -- | 1,775,623 | 1,776,093 | 12,451,011 | 15,991,691 | 16,002,727 | -- | 23,591,416 | 23,515,350 | |
| Financial Treasury Bills | -- | -- | 1,775,600 | 1,776,093 | 12,435,950 | 15,972,198 | 15,987,643 | -- | 20,574,304 | 20,574,744 | -- |
| Federal Treasury Notes | -- | -- | 23 | -- | 15,061 | 19,493 | 15,084 | -- | 2,676,700 | 2,600,224 | -- |
| Federal Government securities – other | -- | -- | -- | -- | -- | -- | -- | -- | 336,580 | 336,590 | -- |
| *Commodities* | -- | -- | -- | -- | -- | -- | -- | -- | 3,832 | 3,792 | -- |
| Other | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| **Abroad** | -- | 244,294 | 1 | -- | 152,387 | 379,482 | 396,682 | -- | 668,134 | 718,327 | -- |
| EUROBONDS | -- | 13,912 | -- | -- | -- | 13,912 | 13,912 | -- | 13,783 | 13,780 | -- |
| Brazilian foreign debt securities | -- | 213,361 | 1 | -- | 152,387 | 348,549 | 365,749 | -- | 633,981 | 684,176 | -- |
| Foreign government securities | -- | 17,021 | -- | -- | -- | 17,021 | 17,021 | -- | 178 | 179 | -- |
| Other | -- | -- | -- | -- | -- | -- | -- | -- | 20,192 | 20,192 | -- |
| **Total** | 20,534 | 4,008,418 | 7,921,697 | 13,954,800 | 42,206,975 | 68,180,519 | 68,112,424 | 36,424 | 70,334,075 | 70,719,406 | 373,970 |

| | 03.31.2008 | | | | | | | | 03.31.2007 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Market Value | | | | | Total | | | Total | | |
| Maturity in days | With no Maturity | 0-30 | 31-180 | 181-360 | over 360 | Cost | Market Value | Unrealized gain (loss) | Cost | Market value | Unrealized gain (loss) |
| **Total by portfolio** | 20,534 | 4,008,418 | 7,921,697 | 13,954,800 | 42,206,975 | 68,180,519 | 68,112,424 | 36,424 | 70,334,075 | 70,719,406 | 373,970 |
| Own portfolio | 20,534 | 3,861,361 | 3,098,591 | 2,342,384 | 13,298,700 | 22,756,265 | 22,621,570 | (68,295) | 29,033,504 | 29,188,925 | 174,145 |
| Subject to repurchase agreements | -- | 147,057 | 3,974,168 | 10,952,100 | 24,632,071 | 39,648,207 | 39,705,396 | 95,593 | 36,093,725 | 36,321,761 | 197,979 |
| Deposits with the Brazilian Central Bank | -- | -- | 422,625 | 550,010 | 3,914,840 | 4,880,217 | 4,887,475 | 7,010 | 4,124,145 | 4,124,269 | 124 |
| Pledged in guarantee | -- | -- | 426,313 | 110,306 | 361,364 | 895,830 | 897,983 | 2,116 | 1,082,701 | 1,084,451 | 1,722 |

| | 03.31.2008 | | | | | | | 03.31.2007 | |
|---|---|---|---|---|---|---|---|---|---|
| | Market value | | | | | Total | | Total | |
| Maturity in years | With no 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 |
| **Total by category** | 20.53 | 25,884,916 | 33,510,81 | 7,456.22 | 1,239.94 | 68,180.51 | 68,112.42 | 70,334.07 | 70,719.40 |
| 1 - Trading securities | 954 | 10,221,414 | 6,228,710 | 1,141,039 | -- | 17,724,873 | 17,592,117 | 6,953,928 | 6,991,162 |
| 2 - Securities available for sale | 19,580 | 11,867,491 | 17,263,544 | 3,730,343 | 1,239,940 | 34,084,473 | 34,120,898 | 39,120,597 | 39,494,568 |
| 3 - Securities held to maturity | -- | 3,796,011 | 10,018,559 | 2,584,839 | -- | 16,371,173 | 16,399,409 | 24,259,550 | 24,233,677 |

The portfolio's position is the following:

| | 03.31.2008 | | 03.31.2007 | |
|---|---|---|---|---|
| **Total by category** | | | | |
| Trading Securities | 17,592,117 | 26% | 6,991,162 | 10% |
| Securities available for sale | 34,120,898 | 50% | 39,494,567 | 56% |
| Securities held to maturity | 16,371,173 | 24% | 24,259,550 | 34% |
| Portfolio book value | 68,084,188 | 100% | 70,745,279 | 100% |
| Mark-to-market - Category 3 | 28,236 | | (25,873) | |
| Portfolio market value | 68,112,424 | | 70,889,443 | |

## BB-Consolidated

| Maturity in days | 03.31.2008 Market Value With no maturity | 0-30 | 31-180 | Maturity in days | With no maturity | Total 0-30 | 31-180 | Maturity in days | 03.31.2007 Market Value With no maturity | 0-30 | 31-180 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **1 - Trading Securities** | 222,112 | 1,462,632 | 3,862,721 | 6,758,032 | 12,411,833 | 24,850,989 | 24,717,330 | -- | 7,324,795 | 7,360,967 | -- |
| **Domestic** | 221,849 | 1,460,823 | 3,851,693 | 6,680,317 | 12,411,833 | 24,757,382 | 24,626,515 | -- | 7,223,012 | 7,259,315 | -- |
| Financial Treasury Bills | -- | 57,583 | 31,035 | 110,684 | 4,680,288 | 4,875,901 | 4,879,590 | -- | 2,588,060 | 2,588,553 | -- |
| Federal Treasury Bills | -- | 1,151,160 | 3,654,798 | 6,519,735 | 2,057,388 | 13,410,111 | 13,383,081 | -- | 3,174,436 | 3,195,583 | -- |
| Federal Treasury Notes | -- | 481 | 68,642 | -- | 3,935,634 | 4,081,131 | 4,004,757 | -- | 1,190,324 | 1,205,883 | -- |
| Shares in listed companies | 221,024 | -- | -- | -- | -- | 225,420 | 221,024 | -- | 1,426 | 1,385 | -- |
| Debentures | -- | -- | 8,229 | 24,043 | 877,377 | 912,854 | 909,649 | -- | 264,890 | 264,035 | -- |
| investment funds | 11,290 | 39,278 | 34,123 | 25,210 | -- | 109,901 | 109,901 | -- | 3,876 | 3,876 | -- |
| **Federal Treasury Securities – Others** | -- | 140,340 | -- | -- | 336,079 | 459,727 | 476,419 | -- | -- | -- | -- |
| **Time deposits** | -- | 71,880 | 55,141 | 634 | 524,564 | 692,429 | 652,219 | -- | -- | -- | -- |
| Others | (10,465) | 101 | (275) | 11 | 503 | (10,092) | (10,125) | -- | -- | -- | -- |
| **Abroad** | 263 | 1,809 | 11,028 | 77,715 | -- | 93,607 | 90,815 | -- | 101,783 | 101,652 | -- |
| EUROBONDS | 263 | -- | 7,936 | 29,416 | -- | 38,417 | 37,615 | -- | 61,010 | 60,958 | -- |
| Brazilian foreign debt securities | -- | -- | 1,453 | 48,299 | -- | 51,744 | 49,752 | -- | 40,773 | 40,694 | -- |
| Foreign government securities | -- | 1,809 | 1,639 | -- | -- | 3,446 | 3,448 | -- | -- | -- | -- |
| Investment funds | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| | | | | | | | | | | | |
| **2 - Securities available for sale** | 273,910 | 2,723,570 | 3,356,822 | 6,281,787 | 22,752,019 | 35,348,848 | 35,388,108 | 39,260 | 40,170,650 | 40,710,655 | 540,005 |
| **Domestic** | 239,342 | 2,706,379 | 3,198,397 | 6,278,384 | 21,206,904 | 33,737,125 | 33,629,406 | (107,719) | 38,053,734 | 38,378,926 | 325,192 |
| Financial Treasury Bills | -- | 16,840 | 2,272,205 | 4,204,485 | 14,355,624 | 20,800,007 | 20,849,153 | 49,145 | 27,395,215 | 27,475,043 | 79,828 |
| Federal Treasury Bills | -- | 163,347 | 483,034 | 1,538,292 | 1,912,927 | 4,139,175 | 4,097,600 | (41,575) | 3,092,735 | 3,126,623 | 33,888 |
| Federal Treasury Notes | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Brazilian Central Bank Notes | -- | 2,417,193 | 119,801 | 8,629 | 4,162,050 | 6,780,871 | 6,707,673 | (73,197) | 4,635,630 | 4,723,390 | 87,760 |
| Federal Government securities – other | -- | -- | -- | -- | -- | -- | -- | -- | 1,336,151 | 1,341,203 | 5,052 |
| Debentures | -- | -- | 6,111 | 20,470 | 642,344 | 668,513 | 668,925 | 413 | 142,889 | 141,635 | (1,254) |
| Promissory Notes | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Agricultural debt securities | -- | 5 | 256 | 773 | 8,635 | 11,533 | 9,668 | (1,865) | 7,749 | 6,426 | (1,323) |
| investment funds – FIDC | -- | -- | -- | -- | 4,348 | 4,332 | 4,348 | 16 | | | |
| Shares in equity funds | -- | -- | -- | -- | 64,110 | 63,667 | 64,110 | 443 | | | |
| Investment funds – emergent companies | -- | -- | -- | -- | 866 | 1,400 | 866 | (534) | | | |
| Investment funds – Others | 203,710 | -- | -- | -- | -- | 220,916 | 203,710 | (17,206) | 12,853 | 12,888 | 35 |
| Shares in social development funds | 383 | -- | -- | -- | -- | 10,321 | 383 | (9,938) | 10,321 | 1,314 | (9,007) |
| Shares in listed companies | 20,799 | -- | -- | -- | -- | 10,678 | 20,799 | 10,122 | 467,201 | 576,473 | 109,272 |
| Shares in privately-held companies | 264 | -- | -- | -- | -- | 7 | 264 | 257 | 2,749 | 3,016 | 267 |
| Shares in Equity Funds | 1,716 | -- | -- | -- | -- | 3,213 | 1,716 | (1,497) | 208,352 | 228,858 | 20,506 |
| Rural Product Bills – *Commodities* | -- | 75,003 | 314,072 | 129,132 | 430 | 519,616 | 518,637 | (979) | 741,744 | 741,912 | 168 |
| Securities from companies – Special reg. | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| DPVA – Financial Treasury Bills | -- | 1,057 | 2,919 | 4,024 | 10,520 | 18,520 | 18,520 | -- | | | |
| Time Deposits | -- | 32,934 | -- | 19,228 | 13,775 | 65,938 | 65,938 | --- | | | |
| Other | 12,469 | -- | -- | 353,352 | 31,274 | 418,417 | 397,095 | (21,322) | 145 | 145 | -- |
| **Abroad** | 34,568 | 17,191 | 158,425 | 3,403 | 1,545,115 | 1,611,723 | 1,758,702 | 146,979 | 2,116,916 | 2,331,729 | 214,813 |
| Brazilian foreign debt securities | -- | 15,935 | 1,488 | -- | 1,540,668 | 1,424,418 | 1,558,091 | 133,673 | 1,742,453 | 1,944,502 | 202,049 |
| Foreign government securities | -- | 1,256 | 156,937 | 3,403 | 4,447 | 165,951 | 166,043 | 92 | 220,131 | 220,102 | (29) |
| Shares in equity funds | 31,745 | -- | -- | -- | -- | 20,640 | 31,745 | 11,105 | 31,042 | 41,855 | 10,813 |
| Shares in listed companies | 2,823 | -- | -- | -- | -- | 714 | 2,823 | 2,109 | 922 | 2,857 | 1,935 |
| Others | -- | -- | -- | -- | -- | -- | -- | -- | 122,368 | 122,413 | 45 |
| | | | | | | | | | | | |
| **3 - Held to maturity** | -- | 280,969 | 1,846,926 | 1,989,610 | 16,396,111 | 20,484,941 | 20,513,616 | -- | 24,262,824 | 24,236,958 | -- |
| **Domestic** | -- | 34,300 | 1,846,925 | 1,989,610 | 16,238,994 | 20,098,795 | 20,109,830 | -- | 23,591,416 | 23,515,350 | -- |
| Financial Treasury Bills | -- | 34,295 | 1,778,616 | 1,869,623 | 12,504,008 | 16,171,098 | 16,186,542 | -- | 20,574,304 | 20,574,744 | -- |
| Federal Treasury Notes | -- | -- | 40,172 | -- | 417,852 | 462,433 | 458,023 | -- | 2,676,700 | 2,600,224 | -- |
| Federal Government securities – other | -- | 5 | 26,168 | 68,911 | 3,034,697 | 3,129,780 | 3,129,780 | -- | 336,580 | 336,590 | -- |
| *Commodities* | -- | -- | -- | -- | -- | -- | -- | -- | 3,832 | 3,792 | -- |
| **Debentures** | -- | -- | -- | -- | 5,107 | 5,107 | 5,107 | -- | | | |
| **Time Deposits** | -- | -- | 1,968 | 51,077 | 277,331 | 330,377 | 330,377 | -- | | | |
| **Others** | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| **Abroad** | -- | 246,668 | 1 | -- | 157,117 | 386,147 | 403,786 | -- | 671,408 | 721,608 | -- |
| EUROBONDS | -- | 13,912 | -- | -- | -- | 13,912 | 13,912 | -- | 13,783 | 13,780 | -- |
| Brazilian foreign debt securities | -- | 215,735 | 1 | -- | 157,117 | 355,214 | 372,853 | -- | 637,175 | 687,371 | -- |
| Foreign government securities | -- | 17,021 | -- | -- | -- | 17,021 | 17,021 | -- | 178 | 179 | -- |
| Other | -- | -- | -- | -- | -- | -- | -- | -- | 20,272 | 20,278 | -- |
| | | | | | | | | | | | |
| **Total** | 496,02 | 4.467,17 | 9.066,46 | 15.029,42 | 51.559,96 | 80.684,77 | 80.619,05 | 39,26 | 71.758,26 | 72.308,58 | 540,00 |

| Maturity in days | 03.31.2008 Market Value With no maturity | 0-30 | 31-180 | 181-360 | over 360 | Total Cost | Market Value | Unrealized gain (loss) | 03.31.2007 Total Cost | Market value | Unrealized gain (loss) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total by portfolio** | 496,022 | 4.467,171 | 9.066,469 | 15.029,429 | 51.559,963 | 80.684,778 | 80.619,054 | 39,260 | 71.758,269 | 72.308,580 | 540,005 |
| Own portfolio | 496,022 | 4,298,572 | 4,238,579 | 3,417,013 | 22,554,544 | 35,161,389 | 35,004,730 | (90,726) | 30,386,054 | 30,671,136 | 304,864 |
| Subject to repurchase agreements | -- | 168,599 | 3,978,952 | 10,952,099 | 24,722,918 | 39,741,050 | 39,822,568 | 120,854 | 36,165,369 | 36,428,724 | 233,296 |
| Deposits with the Brazilian Central Bank | -- | -- | 422,625 | 550,010 | 3,921,137 | 4,886,508 | 4,893,772 | 7,016 | 4,124,145 | 4,124,269 | 123 |
| Pledged in guarantee | -- | -- | 426,313 | 110,306 | 361,364 | 895,830 | 897,984 | 2,116 | 1,082,701 | 1,084,451 | 1,722 |

| Maturity in years | 03.31.2008 Market value With no Maturity | Due in up to one year | Due from 1 to 5 years | Due from 5 to 10 years | Due after 10 years | Total Cost | Market Value | 03.31.2007 Total Cost | Market Value |
|---|---|---|---|---|---|---|---|---|---|
| **Total by category** | 496,02 | 28.563,069 | 37.699,565 | 9.603,01 | 4.257,38 | 80.684,77 | 80.619,05 | 71.758,26 | 72.308,58 |
| Trading Securities | 222,11 | 12,083,385 | 9,281,607 | 3,004,74 | 125,48 | 24,850,98 | 24,717,33 | 7,324,79 | 7,360,96 |
| Securities available for sale | 273,91 | 12,362,179 | 17,603,144 | 3,805,69 | 1,343,17 | 35,348,84 | 35,388,10 | 40,170,65 | 40,710,65 |
| Securities held to maturity | | 4,117,505 | 10,814,814 | 2,792,58 | 2,788,71 | 20,484,94 | 20,513,61 | 24,262,82 | 24,236,95 |

The portfolio's position is the following:

| | 03.31.2008 | | 03.31.2007 | |
|---|---|---|---|---|
| **Total by category** | | | | |
| Trading Securities | 24,717,330 | 31% | 7,360,967 | 10% |
| Securities available for sale | 35,388,108 | 44% | 40,710,655 | 56% |
| Securities held to maturity | 20,484,941 | 25% | 24,262,824 | 34% |
| Portfolio book value | 80,590,379 | 100% | 72,334,446 | 100% |
| Mark-to-market - Category 3 | 28,675 | | (25,866) | |
| Portfolio market value | 80,619,054 | | 72,308,580 | |

**b) Derivative financial instruments**

The Bank uses derivative financial instruments to manage, in a consolidated manner, its positions and to meet clients' needs, classifying own positions into Hedging (market risk) and Trading, both with limits of approval. This information is made available to the areas of pricing, trading, controls and calculation of results, which are segregated within the Bank.

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 appropriate tools and systems to manage the derivatives. Trading in new derivatives, standardized or not, is subject to a previous risk analysis.

The hedge strategy of the equity positions is in line with the macroeconomic analyses and is approved by the Executive Board of Directors.

Risk analysis of the subsidiaries is individual and its management is consolidated.

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 Bank's and its subsidiaries' business are credit, market and operating risks, all similar to those related to other types of financial instruments.

Market risk is the exposure created by a potential fluctuation in interest rates, exchange rates, quotations of goods, prices quoted on stock markets and other values, and is a function of the type of product, the volume of operations, the term and conditions of the contract and the underlying volatility.

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. Swap contracts registered at CETIP and at BM&F are subject to credit risk if the counterparty is unable or unwilling to comply with his contractual liabilities. Total credit exposure in *swaps* at March 31, 2008 is R$ 2,096,551 thousand (R$ 1,575,937 thousand at March 31, 2007). The credit risk associated with options contracts is limited to the premiums paid on purchased options.

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

The tables below show the notional amounts, as cost or market value, and the respective net exposures in the balance sheet at March 31, 2008 for the derivative financial instruments classified in conformity with their classification as “Trading“ or “*Hedge*“ instruments.

## Details of the Portfolio of Derivatives Designated for Trade by Index

| | | BB- Domestic and Foreign branches | | | | | | BB-Consolidated | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **By index** | | **03.31.2008** | | | **03.31.2007** | | | **03.31.2008** | | | **03.31.2007** | | |
| | **Counte part** | **Notional amount** | **Cost** | **Market Value** | **Notional amount** | **Cost** | **Market Value** | **Notional amount** | **Cost** | **Market Value** | **Notional amount** | **Cost** | **Market Value** |
| **Exchange trading** | | | | | | | | | | | | | |
| **Futures contracts** | | | | | | | | | | | | | |
| **Sales commitments** | | 2,498,625 | (2,333) | 933 | 3,377,233 | (2,393) | (2,456) | 2,498,625 | (2,333) | 933 | 3,377,233 | (2,393) | (2,456) |
| DI | B | 1,628,999 | 5,225 | 5,225 | 1,753,628 | 4,914 | 4,914 | 1,628,999 | 5,225 | 5,225 | 1,753,628 | 4,914 | 4,914 |
| Currencies | B | 72,737 | 3,346 | 3,346 | 75,395 | 5,079 | 5,079 | 72,737 | 3,346 | 3,346 | 75,395 | 5,079 | 5,079 |
| Index | B | -- | 129 | 129 | -- | (106) | (106) | -- | 129 | 129 | -- | (106) | (106) |
| Foreign exchange coupon | B | 130,481 | (3,364) | (3,364) | 292,311 | (16,987) | (16,987) | 130,481 | (3,364) | (3,364) | 292,311 | (16,987) | (16,987) |
| *Libor* | IF | 666,374 | -- | 3,266 | 1,174,443 | -- | (63) | 666,374 | -- | 3,266 | 1,174,443 | -- | (63) |
| *Commodities* | B | 34 | (30) | (30) | -- | -- | -- | 34 | (30) | (30) | -- | -- | -- |
| SCC (1) | B | -- | (7,639) | (7,639) | 81,456 | 4,707 | 4,707 | -- | (7,639) | (7,639) | 81,456 | 4,707 | 4,707 |
| **Sales commitments** | | 5,950,104 | 62 | (5,492) | 2,694,309 | 11,718 | 11,362 | 5,950,104 | 62 | (5,492) | 2,694,309 | 11,718 | 11,362 |
| DI | B | 3,393,439 | 154 | 154 | 112,241 | (1,218) | (1,218) | 3,393,439 | 154 | 154 | 112,241 | (1,218) | (1,218) |
| Currencies | B | 312,759 | (2,205) | (2,205) | 407,929 | 7,212 | 7,212 | 312,759 | (2,205) | (2,205) | 407,929 | 7,212 | 7,212 |
| Index | B | 608 | 50 | 50 | -- | (126) | (126) | 608 | 50 | 50 | -- | (126) | (126) |
| Foreign exchange coupon | B | 86,805 | 2,191 | 2,191 | 95,845 | 5,850 | 5,850 | 86,805 | 2,191 | 2,191 | 95,845 | 5,850 | 5,850 |
| *Libor* | IF | 2,153,903 | -- | (5,554) | 2,078,294 | -- | (356) | 2,153,903 | -- | (5,554) | 2,078,294 | -- | (356) |
| *Commodities* | B | 2,590 | -- | -- | -- | -- | -- | 2,590 | -- | | -- | -- | -- |
| SCC (1) | B | -- | (128) | (128) | -- | -- | -- | -- | (128) | (128) | -- | -- | -- |
| **Fixed-term options** | | | | | | | | | | | | | |
| **Asset position** | | 1,115,226 | (11,097) | 43,308 | 843,732 | 286,466 | 273,346 | 1,115,226 | (11,097) | 43,308 | 843,732 | 286,466 | 273,346 |
| Security maturity | B | 15,921 | 15,921 | 15,921 | 246,058 | 246,058 | 246,058 | 15,921 | 15,921 | 15,921 | 246,058 | 246,058 | 246,058 |
| Currencies | B | 1,099,305 | (27,018) | 27,387 | 597,674 | 40,408 | 27,288 | 1,099,305 | (27,018) | 27,387 | 597,674 | 40,408 | 27,288 |
| **Liability position** | | 3,358,971 | (452,302) | (327,257) | 1,967,251 | (467,464) | (383,265) | 3,358,971 | (452,302) | (327,257) | 1,967,251 | (467,464) | (383,265) |
| Security maturity | B | (15,921) | (15,921) | (15,921) | (246,058) | (246,058) | (246,058) | (15,921) | (15,921) | (15,921) | (246,058) | (246,058) | (246,058) |
| Currencies | B | 3,374,892 | (436,381) | (311,336) | 2,213,309 | (221,406) | (137,207) | 3,374,892 | (436,381) | (311,336) | 2,213,309 | (221,406) | (137,207) |
| **Options market** | | | | | | | | | | | | | |
| **Purchase options** | | 9,311 | 371 | 621 | - | - | - | 17,175 | 1,064 | 933 | 10,158 | 1,080 | - |
| Flexible Currency Options | B | 9,311 | 371 | 621 | -- | -- | -- | 9,311 | 371 | 621 | -- | -- | -- |
| Financial assets & derivatives | C | -- | -- | -- | -- | -- | -- | 7,864 | 693 | 312 | 10.158 | 1.080 | -- |
| **Sales options** | | (807,730) | (765,679) | (778,103) | (576,686) | (1,206,991) | (1,219,735) | (799,866) | (766,372) | (778,415) | (566,528) | (1,208,071) | (1,220,071) |
| Flexible Currency Options | B | (807,730) | (765,679) | (778,103) | (576,686) | (1,206,991) | (1,219,735) | (807,730) | (765,679) | (778,103) | (576,686) | (1,206,991) | (1,219,735) |
| Financial assets & derivatives | IF | -- | -- | -- | -- | -- | -- | 7,864 | (693) | (312) | 10,158 | (1,080) | (336) |
| **Over-the-counter trading** | | | | | | | | | | | | | |
| **Swap *contracts*** | | | | | | | | | | | | | |
| **Asset position** | | 8,178,597 | 765,168 | 719,737 | 8,101,841 | 718,385 | 718,918 | 8,159,745 | 764,860 | 719,262 | 8,092,788 | 718,362 | 718,654 |
| DI | C | 2,094,883 | 255,975 | 248,534 | 3.788.729 | 436.061 | 400,081 | 2,094,883 | 255,975 | 248,534 | 3,788,729 | 436,061 | 400,081 |
| | IF | 3,878,278 | 468,524 | 408,539 | 3.404.140 | 238.087 | 232,439 | 3,878,278 | 468,524 | 408,539 | 3,404,140 | 238,087 | 232,439 |
| Foreign currency | C | 550,751 | 14,927 | 23,085 | 61,228 | 1,770 | 1,880 | 550,751 | 14,927 | 23,085 | 61,228 | 1,770 | 1,880 |
| | IF | 887,353 | 21,801 | 35,467 | 147,084 | 19,609 | 60,004 | 887,353 | 21,801 | 35,467 | 147,084 | 19,609 | 60,004 |
| Prefixed | C | 748,480 | 3,633 | 3,638 | 691,607 | 22,835 | 24,250 | 748,480 | 3,633 | 3,637 | 691,607 | 22,835 | 24,250 |
| IPCA | C | 18,852 | 308 | 474 | 9,053 | 23 | 264 | -- | -- | -- | -- | -- | -- |
| **Liability position** | | 28,614,940 | (664,283) | (637,292) | 20,872,037 | (346,491) | (347,953) | 28,567,753 | (664,317) | (637,117) | 20,872,037 | (346,491) | (347,953) |
| DI | C | 10,791,530 | (170,080) | (166,681) | 17,049,819 | (204,567) | (204,438) | 10,744,343 | (170,114) | (166,506) | 17,049,819 | (204,567) | (204,438) |
| | IF | 997,461 | (169,806) | (154,161) | 1,612,775 | (78,353) | (72,012) | 997,461 | (169,806) | (154,161) | 1,612,775 | (78,353) | (72,012) |
| Foreign currency | C | 2,202,017 | (116,766) | (118,899) | 320,952 | 4,397 | (6,421) | 2,202,017 | (116,766) | (118,899) | 320,952 | 4,397 | (6,421) |
| | IF | 2,150,090 | (48,946) | (49,224) | 214,792 | (20,615) | (18,670) | 2,150,090 | (48,946) | (49,224) | 214,792 | (20,615) | (18,670) |
| Prefixed | C | 538,017 | (64,324) | (54,258) | 438,188 | (18,697) | (17,756) | 538,017 | (64,324) | (54,258) | 438,188 | (18,697) | (17,756) |
| TMS | C | 11,485,405 | (85,162) | (85,162) | 853,438 | (19,954) | (19,954) | 11,485,405 | (85,162) | (85,162) | 853,438 | (19,954) | (19,954) |
| TR | C | 450,420 | (9,199) | (8,907) | 382,073 | (8,702) | (8,702) | 450,420 | (9,199) | (8,907) | 382,073 | (8,702) | (8,702) |
| **Forward *contracts*** | | | | | | | | | | | | | |
| **Asset position** | | 5,303,365 | 223,227 | 135,653 | 2,358,089 | 12,207 | 23,169 | 5,303,365 | 223,270 | 135,696 | 2,358,042 | 12,207 | 23,169 |
| Foreign currency | IF | 4,922,619 | 222,186 | 134,612 | 1,415,273 | 12,056 | 23,018 | 4,922,619 | 222,229 | 134,655 | 1,415,226 | 12,056 | 23,018 |
| Other | -- | 380,746 | 1,041 | 1,041 | 942,816 | 151 | 151 | 380,746 | 1,041 | 1,041 | 942,816 | 151 | 151 |
| **Liability position** | | 5,208,535 | (113,474) | (89,325) | 1,091,060 | (3,444) | (18,645) | 5,148,340 | (112,681) | (88,877) | 1,002,492 | (3,875) | (17,646) |
| Foreign currency | IF | 4,622,649 | (109,739) | (85,590) | 777,772 | (2,416) | (17,617) | 4,562,454 | (108,946) | (85,142) | 689,204 | (2,847) | (16,618) |
| Other | -- | 585,886 | (3,735) | (3,735) | 313,288 | (1,028) | (1,028) | 585,886 | (3,735) | (3,735) | 313,288 | (1,028) | (1,028) |

Counterpart: (B) Stock Exchange, (IF) Financial Institution, (C) Client.
(1) *Foreign* exchange swap with regular adjustments.

## Breakdown of the Credit derivatives portfolio

| | BB- Domestic and Foreign branches | | | | BB-Consolidated | | | |
|---|---|---|---|---|---|---|---|---|
| | **03.31.2008** | | **03.31.2007** | | **03.31.2008** | | **03.31.2007** | |
| | **Notional amount** | **Market value** | **Notional amount** | **Market value** | **Notional amount** | **Market value** | **Notional amount** | **Market value** |
| **Asset position** | 22,466 | 19 | -- | -- | 22,466 | 19 | -- | -- |
| Credit swaps – Derivatives with Banks | 22,466 | 19 | -- | -- | 22,466 | 19 | -- | -- |
| **Liability position** | 8,741 | (38) | -- | -- | 8,741 | (38) | -- | -- |
| Credit swaps – derivatives with banks | 8,741 | (38) | -- | -- | 8,741 | (38) | -- | -- |

## Breakdown of the Credit derivatives portfolio by maturity

| | BB- Domestic and Foreign branches | | | | | | BB-Consolidated | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **By maturity** | **03.31.2008** | | | **03.31.2007** | | | **03.31.2008** | | | **03.31.2007** | | |
| | **Notional amount** | **Cost** | **Market value** | **Notional amount** | **Cost** | **Market value** | **Notional amount** | **Cost** | **Market value** | **Notional amount** | **Cost** | **Market value** |
| **Forwards contracts** | | | | | | | | | | | | |
| **Sales commitments** | **2.498.625** | **--** | **--** | **3.377.233** | **--** | **--** | **2.498.625** | **--** | **--** | **3.377.233** | **--** | **--** |
| Up to 30 days | 609,841 | -- | -- | 548,367 | -- | -- | 609,841 | -- | -- | 548,367 | -- | -- |
| 31 to 60 days | 44,453 | -- | -- | -- | -- | -- | 44,453 | -- | -- | -- | -- | -- |
| 61 to 90 days | 109,404 | -- | -- | 324,722 | -- | -- | 109,404 | -- | -- | 324,722 | -- | -- |
| 91 to 180 days | 723,739 | -- | -- | 574,785 | -- | -- | 723,739 | -- | -- | 574,785 | -- | -- |
| 181 to 360 days | 460,174 | -- | -- | 752,995 | -- | -- | 460,174 | -- | -- | 752,995 | -- | -- |
| 1 to 5 years | 551,014 | -- | -- | 1,176,364 | -- | -- | 551,014 | -- | -- | 1,176,364 | -- | -- |
| **Sales commitments** | **5.950.104** | **--** | **--** | **2.694.309** | **--** | **--** | **5.950.104** | **--** | **--** | **2.694.309** | **--** | **--** |
| Up to 30 days | 224,930 | -- | -- | 376,157 | -- | -- | 224,930 | -- | -- | 376,157 | -- | -- |
| 31 to 60 days | 185,214 | -- | -- | -- | -- | -- | 185,214 | -- | -- | -- | -- | -- |
| 61 to 90 days | 519 | -- | -- | -- | -- | -- | 519 | -- | -- | -- | -- | -- |
| 91 to 180 days | 406,170 | -- | -- | 608,731 | -- | -- | 406,170 | -- | -- | 608,731 | -- | -- |
| 181 to 360 days | 1,835,626 | -- | -- | 435,797 | -- | -- | 1,835,626 | -- | -- | 435,797 | -- | -- |
| 1 to 5 years | 3,172,924 | -- | -- | 1,265,426 | -- | -- | 3,172,924 | -- | -- | 1,265,426 | -- | -- |
| Over 5 years | 124,721 | -- | -- | 8,198 | -- | -- | 124,721 | -- | -- | 8,198 | -- | -- |
| **Fixed-term options** | | | | | | | | | | | | |
| **Security maturity** | | | | | | | | | | | | |
| **Asset position** | **15.921** | **15.921** | **15.921** | **246.058** | **246.058** | **246.058** | **15.921** | **15.921** | **15.921** | **246.058** | **246.058** | **246.058** |
| Up to 30 days | 15,921 | 15,921 | 15,921 | 246,058 | 246,058 | 246,058 | 15,921 | 15,921 | 15,921 | 246,058 | 246,058 | 246,058 |
| **Liability position** | **(15.921)** | **(15.921)** | **(15.921)** | **(246.058)** | **(246.058)** | **(246.058)** | **(15.921)** | **(15.921)** | **(15.921)** | **(246.058)** | **(246.058)** | **(246.058)** |
| Up to 30 days | (15,921) | (15,921) | (15,921) | (246,058) | (246,058) | (246,058) | (15,921) | (15,921) | (15,921) | (246,058) | (246,058) | (246,058) |
| **Currency maturity** | | | | | | | | | | | | |
| **Asset position** | **1.099.305** | **(27.018)** | **27.387** | **597.674** | **40.408** | **27.288** | **1.099.305** | **(27.018)** | **27.387** | **597.674** | **40.408** | **27.288** |
| Up to 30 days | 140,687 | 1,846 | 4,563 | 153,518 | 5,092 | 4,555 | 140,687 | 1,846 | 4,563 | 153,518 | 5,092 | 4,555 |
| 31 to 60 days | 101,691 | 1,560 | 3,105 | 29,926 | 1,181 | 1,124 | 101,691 | 1,560 | 3,105 | 29,926 | 1,181 | 1,124 |
| 61 to 90 days | 32,549 | 265 | 1,044 | 84,699 | 3,763 | 2,562 | 32,549 | 265 | 1,044 | 84,699 | 3,763 | 2,562 |
| 91 to 180 days | 294,097 | (1,302) | 6,449 | 135,463 | 9,147 | 5,947 | 294,097 | (1,302) | 6,449 | 135,463 | 9,147 | 5,947 |
| 181 to 360 days | 376,433 | (11,680) | 8,272 | 190,922 | 20,680 | 12,880 | 376,433 | (11,680) | 8,272 | 190,922 | 20,680 | 12,880 |
| 1 to 5 years | 153,848 | (17,707) | 3,954 | 3,146 | 545 | 220 | 153,848 | (17,707) | 3,954 | 3,146 | 545 | 220 |
| **Liability position** | **3.374.892** | **(436.381)** | **(311.336)** | **2.213.309** | **(221.406)** | **(437.207)** | **3.374.892** | **(436.381)** | **(311.336)** | **2.213.309** | **(221.406)** | **(137.207)** |
| Up to 30 days | 624,248 | (50,555) | (49,340) | 225,585 | (11,046) | (9,944) | 624,248 | (50,555) | (49,340) | 225,585 | (11,046) | (9,944) |
| 31 to 60 days | 474,566 | (40,913) | (36,848) | 118,990 | (7,263) | (6,732) | 474,566 | (40,913) | (36,848) | 118,990 | (7,263) | (6,732) |
| 61 to 90 days | 233,076 | (24,096) | (22,624) | 136,705 | (10,981) | (9,984) | 233,076 | (24,096) | (22,624) | 136,705 | (10,981) | (9,984) |
| 91 to 180 days | 853,042 | (108,661) | (89,535) | 554,587 | (52,397) | (38,671) | 853,042 | (108,661) | (89,535) | 554,587 | (52,397) | (38,671) |
| 181 to 360 days | 673,808 | (106,497) | (69,937) | 773,639 | (77,165) | (43,419) | 673,808 | (106,497) | (69,937) | 773,639 | (77,165) | (43,419) |
| 1 to 5 years | 516,152 | (105,659) | (43,052) | 403,803 | (62,554) | (28,457) | 516,152 | (105,659) | (43,052) | 403,803 | (62,554) | (28,457) |
| **Options market** | | | | | | | | | | | | |
| **Purchase options** | | | | | | | | | | | | |
| **Shares** | **9.311** | **371** | **621** | **--** | **--** | **--** | **17.175** | **1.064** | **933** | **10.158** | **1.080** | **336** |
| Up to 30 days | -- | -- | -- | -- | -- | -- | -- | -- | -- | 6,810 | 346 | 13 |
| 31 to 60 days | -- | -- | -- | -- | -- | -- | 1,920 | 142 | 11 | 2,503 | 117 | 60 |
| 61 to 90 days | -- | -- | -- | -- | -- | -- | 1,086 | 70 | 25 | -- | -- | -- |
| 91 to 180 days | -- | -- | -- | -- | -- | -- | 4,858 | 481 | 276 | 677 | 604 | 250 |
| 181 to 360 days | 9,311 | 371 | 621 | -- | -- | -- | 9,311 | 371 | 621 | 168 | 13 | 13 |
| **Sales options** | | | | | | | | | | | | |
| **Shares** | **(807.730)** | **(765.679)** | **(778.103)** | **(576.686)** | **(1.206.991)** | **(1.219.735)** | **(799.866)** | **(766.372)** | **(778.415)** | **(566.528)** | **(1.208.071)** | **(1.220.071)** |
| Up to 30 days | (620,025) | (596,458) | (598,669) | (372,623) | (780,615) | (786,347) | (620,025) | (596,458) | (598,669) | (365,813) | (780,961) | (786,360) |
| 31 to 60 days | (35,095) | (28,287) | (28,741) | (52,401) | (108,554) | (108,868) | (33,175) | (28,429) | (28,752) | (49,898) | (108,671) | (108,928) |
| 61 to 90 days | (4,275) | (4,015) | (5,123) | (125,332) | (261,572) | (263,936) | (3,189) | (4,085) | (5,148) | (125,332) | (261,572) | (263,936) |
| 91 to 180 days | (124,524) | (122,048) | (130,771) | (10,434) | (22,250) | (22,654) | (119,666) | (122,529) | (131,047) | (9,757) | (22,854) | (22,904) |
| 181 to 360 days | (9,311) | (371) | (136) | -- | -- | -- | (9,311) | (371) | (136) | 168 | (13) | (13) |
| 1 to 5 years | (14,500) | (14,500) | (14,663) | (15,896) | (34,000) | (37,930) | (14,500) | (14,500) | (14,663) | (15,896) | (34,000) | (37,930) |
| **Swap *contracts*** | | | | | | | | | | | | |
| **Assets** | **8.178.597** | **765.168** | **719.737** | **8.101.841** | **718.385** | **718.918** | **8.159.745** | **764.860** | **719.263** | **8.092.788** | **718.362** | **718.654** |
| Up to 30 days | 1,607,635 | 106,671 | 106,593 | 646,615 | 51,439 | 49,980 | 1,607,635 | 106,671 | 106,593 | 646,615 | 51,439 | 49,980 |
| 31 to 60 days | 734,100 | 59,674 | 55,366 | 435,177 | 28,724 | 28,481 | 734,100 | 59,674 | 55,366 | 435,177 | 28,724 | 28,481 |
| 61 to 90 days | 402,586 | 36,834 | 35,058 | 748,272 | 40,802 | 39,514 | 402,586 | 36,834 | 35,058 | 748,272 | 40,802 | 39,514 |
| 91 to 180 days | 1,356,840 | 179,791 | 169,072 | 2,022,418 | 259,796 | 258,590 | 1,356,840 | 179,791 | 169,072 | 2,022,418 | 259,796 | 258,590 |
| 181 to 360 days | 1,505,457 | 189,697 | 166,985 | 1,982,124 | 183,352 | 214,739 | 1,504,372 | 189,675 | 166,955 | 1,982,124 | 183,352 | 214,739 |
| 1 to 5 years | 2,539,273 | 191,581 | 184,885 | 2,257,235 | 153,575 | 127,406 | 2,528,216 | 191,383 | 184,636 | 2,248,182 | 153,552 | 127,142 |
| 5 to 10 years | 32,706 | 920 | 1,778 | 10,000 | 697 | 208 | 25,996 | 832 | 1,583 | 10,000 | 697 | 208 |
| **Liabilities** | **28.614.940** | **(664.283)** | **(637.292)** | **20.872.037** | **(346.491)** | **(347.953)** | **28.567.753** | **(664.317)** | **(637.117)** | **20.872.037** | **(346.491)** | **(347.953)** |
| Up to 30 days | 3,669,917 | (89,332) | (85,837) | 792,914 | (32,392) | (31,184) | 3,628,917 | (89,332) | (85,823) | 792,914 | (32,392) | (31,184) |
| 31 to 60 days | 8,121,692 | (75,997) | (75,370) | 7,055,400 | (41,075) | (40,467) | 8,121,692 | (75,997) | (75,370) | 7,055,400 | (41,075) | (40,467) |
| 61 to 90 days | 1,052,639 | (19,025) | (18,162) | 771,735 | (20,150) | (19,312) | 1,052,639 | (19,025) | (18,162) | 771,735 | (20,150) | (19,312) |
| 91 to 180 days | 2,425,860 | (86,490) | (81,905) | 1,869,882 | (66,267) | (65,511) | 2,425,860 | (86,490) | (81,905) | 1,869,882 | (66,267) | (65,511) |
| 181 to 360 days | 4,205,031 | (225,999) | (209,680) | 3,206,356 | (63,234) | (64,641) | 4,205,031 | (225,999) | (209,680) | 3,206,356 | (63,234) | (64,641) |
| 1 to 5 years | 9,139,801 | (167,440) | (166,338) | 7,175,750 | (123,373) | (126,838) | 9,133,614 | (167,474) | (166,177) | 7,175,750 | (123,373) | (126,838) |
| **Forward contracts** | | | | | | | | | | | | |
| **Assets** | **5.303.365** | **223.227** | **135.653** | **2.358.089** | **12.207** | **23.169** | **5.303.365** | **223.270** | **135.696** | **2.358.089** | **12.207** | **23.169** |
| Up to 30 days | 3,199,018 | 118,678 | 55,365 | 426,609 | 4,577 | 5,625 | 3,199,018 | 118,721 | 55,408 | 426,609 | 4,577 | 5,625 |
| 31 to 60 days | 338,942 | 26,305 | 25,526 | 951,326 | 1,256 | 2,518 | 338,942 | 26,305 | 25,526 | 951,326 | 1,256 | 2,518 |
| 61 to 90 days | 324,609 | 8,333 | 7,279 | 154,661 | 2,027 | 3,040 | 324,609 | 8,333 | 7,279 | 154,661 | 2,027 | 3,040 |
| 91 to 180 days | 752,815 | 52,706 | 34,731 | 665,068 | 2,885 | 9,710 | 752,815 | 52,706 | 34,731 | 665,068 | 2,885 | 9,710 |
| 181 to 360 days | 297,654 | 16,013 | 10,978 | 109,124 | 1,968 | 2,196 | 297,654 | 16,013 | 10,978 | 109,124 | 1,968 | 2,196 |
| 1 to 5 years | 390,327 | 1,192 | 1,774 | 51,301 | (506) | 80 | 390,327 | 1,192 | 1,774 | 51,301 | (506) | 80 |
| **Liabilities** | **5.208.535** | **(113.474)** | **(89.325)** | **1.091.060** | **(3.444)** | **(18.645)** | **5.148.340** | **(112.681)** | **(88.877)** | **1.002.492** | **(3.875)** | **(17.646)** |
| Up to 30 days | 2,021,909 | (54,457) | (52,644) | 563,501 | (707) | (6,613) | 1,961,773 | (53,673) | (52,203) | 516,863 | (989) | (5,931) |
| 31 to 60 days | 523,951 | (1,823) | (4,432) | 302,023 | (2,340) | (11,257) | 523,951 | (1,823) | (4,432) | 266,427 | (2,362) | (11,238) |
| 61 to 90 days | 120,420 | 273 | (708) | 126,925 | (163) | (119) | 120,420 | 273 | (708) | 126,898 | (163) | (119) |
| 91 to 180 days | 503,056 | (24,976) | (6,698) | 65,782 | (228) | (221) | 503,056 | (24,976) | (6,698) | 65,612 | (241) | (211) |
| 181 to 360 days | 602,041 | (31,076) | (23,430) | 27,731 | (52) | (208) | 602,041 | (31,076) | (23,430) | 26,692 | (120) | (147) |
| 1 to 5 years | 1,363,730 | (1,361) | (1,359) | 2,905 | 80 | (136) | 1,363,671 | (1,352) | (1,352) | -- | -- | -- |
| 5 to 10 years | 73,428 | (54) | (54) | 2,193 | (34) | (91) | 73,428 | (54) | (54) | -- | -- | -- |

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

| Federal Government securities | 03.31.2008 | 03.31.2007 |
|---|---|---|
| Financial Treasury Bills (LFT) | 897,331 | 1,003,306 |
| Pledged TDA | 653 | 755 |
| NTN-B | -- | 80,390 |
| **Total** | 897,984 | 1,084,451 |

### Portfolio of derivatives designated as hedge of market risk

Banco do Brasil, seeking protection against possible oscillations in interest and exchange rates on securities issued in the international capitals market, in the amount of R$ 350 million, contracted derivative operations (Cross Currency Interest Rate Swap), in the amount of R$ 320 million. The respective hedge, comprised of derivative operations of swap of interest rate and currency, was contracted for the same volume, term and rate.

### Breakdown of portfolio by index

| | | BB- Domestic and Foreign branches | | | | | | BB-Consolidated | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| By index | | 03.31.2008 | | | 03.31.2007 | | | 03.31.2008 | | | 03.31.2007 | | |
| Counterparty | | Notional amount | Cost | Market value | Notional amount | Cost | Market value | Notional amount | Cost | Market value | Notional amount | Cost | Market value |
| Over-the-counter trading | | | | | | | | | | | | | |
| Swap *contracts* | | | | | | | | | | | | | |
| **Liability position** | | 350,000 | 35,365 | (43,360) | -- | -- | -- | 350,000 | 35,365 | (43,360) | -- | -- | -- |
| Foreign currency | IF | 350,000 | 35,365 | (43,360) | -- | -- | -- | 350,000 | 35,365 | (43,360) | -- | -- | -- |

Counterpart: (FI) Financial Institution

### Breakdown of the portfolio by maturity

| | BB- Domestic and Foreign branches | | | | | | BB-Consolidated | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| By maturity | 03.31.2008 | | | 03.31.2007 | | | 03.31.2008 | | | 03.31.2007 | | |
| | Notional amount | Cost | Market value | Notional amount | Cost | Market value | Notional amount | Cost | Market value | Notional amount | Cost | Market value |
| Swap *contracts* | | | | | | | | | | | | |
| Liabilities | 350,000 | 35,365 | (43,360) | -- | -- | -- | 350,000 | 35,365 | (43,360) | -- | -- | -- |
| 5 to 10 years | 350,000 | 35,365 | (43,360) | -- | -- | -- | 350,000 | 35,365 | (43,360) | -- | -- | -- |

### Effectiveness calculated for the *hedge portfolio*

As provided in Bacen Circular 3,082, of 1.30.2002, where the proof of the effectiveness of the *hedge* corresponds to the interval from 80% to 125%, the respective *hedge* was evaluated as effective on 03.31.2008.

### Derivative financial instruments divided into current and long-term

| | BB- Domestic and Foreign branches | | | | BB-Consolidated | | | |
|---|---|---|---|---|---|---|---|---|
| | 03.31.2008 | | 03.31.2007 | | 03.31.2008 | | 03.31.2007 | |
| | Current liabilities | Long-Term | Current liabilities | Long-Term | Current liabilities | Long-Term | Current liabilities | Long-Term |
| **ASSETS** | | | | | | | | |
| Fixed-term options | 39,354 | 3,954 | 273,126 | 220 | 39,354 | 3,954 | 273,126 | 220 |
| Options market | 621 | -- | -- | -- | 933 | -- | 336 | -- |
| Swap contracts | 533,074 | 186,663 | 591,304 | 127,614 | 533,044 | 186,218 | 591,304 | 127,350 |
| Forward contracts | 133,879 | 1,774 | 23,089 | 80 | 133,922 | 1,774 | 23,089 | 80 |
| Credit swaps | 19 | -- | -- | -- | 19 | -- | -- | -- |
| **Total** | 706,947 | 192,391 | 887,519 | 127,914 | 707,272 | 191,946 | 887,855 | 127,650 |
| | | | | | | | | |
| **LIABILITIES** | | | | | | | | |
| Fixed-term options | (284,205) | (43,052) | (384,808) | (28,457) | (284,205) | (43,052) | (354,808) | (28,457) |
| Options market | (763,440) | (14,663) | (1,181,805) | (37,930) | (763,752) | (14,663) | (1,182,141) | (37,930) |
| Swap contracts | (470,954) | (166,338) | (221,115) | (126,838) | (470,940) | (166,176) | (221,115) | (126,838) |
| Forward contracts | (87,912) | (1,413) | (18,418) | (227) | (87,471) | (1,406) | (17,646) | -- |
| Credit swaps | (38) | -- | -- | -- | (38) | -- | -- | -- |
| Hedge Derivatives | -- | (43,360) | -- | -- | -- | (43.360) | -- | -- |
| Others | -- | (671) | -- | -- | | (671) | -- | -- |
| **Total** | (1,606,549) | (269,497) | (1,806,146) | (193,452) | (1,606,406) | (269,328) | (1,775,710) | (193,225) |

**c) Result of the Mark-to-Market of Securities and Derivatives recorded directly in statement of income accounts**

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 1st quarter/2008 | 1st quarter/2007 | 1st quarter/2008 | 1st quarter/2007 |
| Securities | (1,098) | (412) | 4,594 | (5,171) |
| Derivatives | 8,941 | 59,788 | 9,476 | 59,811 |
| **Total** | 7,843 | 59,376 | 14,070 | 54,640 |

**d) Reclassifying of Securities**

No reclassifications of marketable securities were made during the year.

**6 – Loan operations**

**a) Details of the Loan Portfolio and Loan Operations Classified as "Other Receivables"**

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 03.31.2008 | 03.31.2007 | 03.31.2008 | 03.31.2007 |
| **Loan operations** | 148,803,117 | 118,687,610 | 149,507,406 | 120,019,691 |
| Loans and bills discounted | 60,952,398 | 49,761,978 | 61,101,019 | 50,019,751 |
| Financing | 43,495,320 | 33,596,354 | 44,169,976 | 34,817,891 |
| Rural and agribusiness financing | 54,558,170 | 44,050,089 | 54,558,170 | 44,050,089 |
| Real estate financing | 387 | -- | 387 | -- |
| Financing of securities | 525 | 436 | -- | -- |
| (Allowance for loan losses) | (10,203,683) | (8,721,247) | (10,322,146) | (8,868,040) |
| **Other receivables with loan characteristics** | 11,205,294 | 10,144,066 | 11,205,309 | 10,144,070 |
| Guarantees honored | 55,249 | 53,448 | 55,249 | 53,448 |
| Advances on foreign exchange contracts | 6,609,471 | 8,134,309 | 6,609,471 | 8,134,309 |
| Credit card operations | 4,389,006 | 1,701,944 | 4,389,006 | 1,701,944 |
| Sundry | 498,609 | 496,356 | 498,653 | 496,393 |
| (Provision for other losses) | (347,041) | (241,991) | (347,070) | (242,024) |
| **Lease operations** | 65,410 | 101,956 | 1,353,163 | 1,090,570 |
| Lease operations [1] | 65,410 | 101,963 | 1,377,891 | 1,113,632 |
| (Allowance for lease losses) | -- | (7) | (24,728) | (23,062) |
| **Total** | 160,073,821 | 128,933,632 | 162,065,878 | 131,254,331 |

(1) Lease Operations are stated at present value. The amounts of 2007 were adjusted for purposes of comparability.

**b) Details of the Loan Portfolio by Sector, Including Operations with Loan Characteristics Classified as "Other Receivables"**

| | BB- Domestic and Foreign branches | | | | BB-Consolidated | | | |
|---|---|---|---|---|---|---|---|---|
| | **03.31.2008** | **%** | **03.31.2007** | **%** | **03.31.2008** | **%** | **03.31.2007** | **%** |
| **Public sector** | 2,662,461 | 1.6 | 3,102,539 | 2.2 | 2,674,138 | 1.6 | 3,134,026 | 2.2 |
| **Domestic** | 733,467 | 0.4 | 546,087 | 0.4 | 733,467 | 0.4 | 546,087 | 0.4 |
| Government | 526,173 | 0.3 | 289,863 | 0.2 | 526,173 | 0.3 | 289,863 | 0.2 |
| Direct administration | 450,014 | 0.3 | 258,509 | 0.2 | 450,014 | 0.3 | 258,509 | 0.2 |
| Indirect administration | 76,159 | -- | 31,354 | -- | 76,159 | -- | 31,354 | -- |
| Business entities | 207,294 | 0.1 | 256,224 | 0.2 | 207,293 | 0.1 | 256,224 | 0.2 |
| Industry | 133,492 | 0.1 | 175,013 | 0.1 | 133,492 | 0.1 | 175,013 | 0.1 |
| Financial services | 64,960 | -- | 67,499 | 0.1 | 64,960 | -- | 67,499 | 0.1 |
| Other services | 8,842 | -- | 13,712 | -- | 8,841 | -- | 13,712 | -- |
| **Abroad** | 1,928,994 | 1.1 | 2,556,452 | 1.9 | 1,940,671 | 1.1 | 2,587,940 | 1.8 |
| Government | 1,740,451 | 1.0 | 2,480,908 | -- | 1,750,097 | 1.0 | 2,496,164 | 2 |
| Direct administration | 1,740,451 | 1.0 | 2,480,908 | -- | 1,750,097 | 1.0 | 2,496,164 | 2 |
| Business entities | 188,543 | 0.1 | 75,544 | -- | 190,574 | 0.1 | 91,776 | 0.2 |
| Industry | 108,621 | 0.1 | 46,426 | -- | 110,652 | 0.1 | 62,658 | -- |
| Commerce | 3,319 | -- | -- | -- | 3,319 | -- | -- | -- |
| Financial services | 76,603 | -- | 29,118 | -- | 76,603 | -- | 29,118 | -- |
| **PRIVATE SECTOR** | 167,962,084 | 98.4 | 134,794,339 | 97.8 | 170,085,685 | 98.4 | 137,253,431 | 97.8 |
| **Domestic** | 160,303,779 | 94.0 | 126,556,735 | 91.8 | 161,527,851 | 93.5 | 127,523,843 | 90.9 |
| Rural | 43,041,602 | 25.2 | 39,484,233 | 28.6 | 43,041,602 | 24.9 | 39,484,233 | 28.1 |
| Industry | 48,502,852 | 28.4 | 35,558,339 | 25.8 | 48,957,908 | 28.3 | 35,935,171 | 25.6 |
| Commerce | 17,721,457 | 10.4 | 13,880,683 | 10.1 | 17,798,034 | 10.3 | 14,117,271 | 10.1 |
| Financial services | 148 | -- | 34 | -- | 148 | -- | 34 | -- |
| Private Individuals | 31,513,837 | 18.5 | 23,765,674 | 17.2 | 31,954,766 | 18.5 | 23,840,790 | 17.0 |
| Other services | 19,523,883 | 11.4 | 13,867,772 | 10.1 | 19,775,393 | 11.5 | 14,146,344 | 10.1 |
| **Abroad** | 7,658,305 | 4.5 | 8,237,604 | 6.0 | 8,557,834 | 4.9 | 9,729,587 | 6.9 |
| Industry | 633,350 | 0.4 | 1,033,414 | 0.8 | 663,462 | 0.4 | 1,098,817 | 0.8 |
| Commerce | 6,437,930 | 3.8 | 5,751,809 | 4.2 | 7,140,340 | 4.1 | 6,954,221 | 5.0 |
| Financial services | 332,100 | 0.2 | 1,084,895 | 0.8 | 341,647 | 0.2 | 1,136,216 | 0.8 |
| Other companies | 88,108 | 0.1 | 61,263 | -- | 106,774 | 0.1 | 61,262 | -- |
| Private Individuals | 6,648 | -- | 6,332 | -- | 6,775 | -- | 6,391 | -- |
| Other services | 160,169 | 0.1 | 299,891 | 0.2 | 298,836 | 0.2 | 472,680 | 0.3 |
| **Total** | 170,624,545 | 100.0 | 137,896,878 | 100.0 | 172,759,822 | 100.0 | 140,387,457 | 100.0 |

## c) Loan portfolio by risk level and maturity, including operations with loan characteristics classified as "Other receivables"

**BB- Domestic and Foreign branches**

**Abnormal operations**

| | | | | | | | | | | 03.31.2008 | 03.31.2007 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | AA (1) | A | B | C | D | E | F | G | H | Total portfolio | Total portfolio |
| **Installments falling due** | | | | | | | | | | | |
| 01 to 30 | -- | -- | 93,245 | 216,479 | 121,454 | 81,555 | 63,169 | 78,006 | 375,606 | 1,029,514 | 748,473 |
| 31 to 60 | -- | -- | 21,371 | 45,868 | 25,539 | 18,147 | 13,229 | 18,342 | 70,412 | 212,908 | 177,672 |
| 61 to 90 | -- | -- | 17,204 | 33,769 | 22,232 | 15,071 | 11,267 | 14,857 | 68,908 | 183,308 | 158,407 |
| 91 to 180 | -- | -- | 48,262 | 111,646 | 73,742 | 53,593 | 42,904 | 48,559 | 213,624 | 592,330 | 424,658 |
| 181 to 360 | -- | -- | 85,344 | 201,155 | 131,124 | 90,430 | 69,629 | 64,053 | 300,713 | 942,448 | 644,674 |
| Over 360 | -- | -- | 195,322 | 370,269 | 349,772 | 196,471 | 143,683 | 247,515 | 781,328 | 2,284,360 | 1,665,653 |
| **Installments overdue** | | | | | | | | | | | |
| 01 to 14 | -- | -- | 6,267 | 16,211 | 11,850 | 7,516 | 5,128 | 4,528 | 21,328 | 72,828 | 67,653 |
| 15 to 30 | -- | -- | 52,334 | 46,404 | 29,348 | 103,436 | 8,984 | 11,797 | 46,844 | 299,147 | 435,278 |
| 31 to 60 | -- | -- | 9,480 | 88,224 | 65,590 | 38,701 | 21,027 | 25,165 | 177,378 | 425,565 | 250,184 |
| 61 to 90 | -- | -- | 13 | 4,353 | 63,450 | 27,182 | 40,358 | 16,008 | 84,488 | 235,852 | 201,835 |
| 91 to 180 | -- | -- | 14 | 1,120 | 10,863 | 62,842 | 91,334 | 135,152 | 387,128 | 688,453 | 582,327 |
| 181 to 360 | -- | -- | 1 | 58 | 78 | 2,665 | 7,424 | 9,180 | 561,467 | 580,873 | 583,244 |
| Over 360 | -- | -- | 15 | 5 | 10 | 6 | 2 | 3,532 | 27,687 | 31,257 | 33,388 |
| **Subtotal** | -- | -- | 528,872 | 1,135,561 | 905,052 | 697,615 | 518,138 | 676,694 | 3,116,911 | 7,578,843 | 5,973,446 |

**Normal operations**

| | | | | | | | | | | 03.31.2008 | 03.31.2007 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | AA (1) | A | B | C | D | E | F | G | H | Total portfolio | Total portfolio |
| **Installments falling due** | | | | | | | | | | | |
| 01 to 30 | 7,127,228 | 3,876,041 | 5,509,008 | 1,660,382 | 221,800 | 44,160 | 11,855 | 24,722 | 51,987 | 18,527,183 | 13,409,627 |
| 31 to 60 | 3,660,778 | 3,073,578 | 2,624,105 | 865,723 | 166,062 | 30,653 | 9,599 | 7,826 | 40,344 | 10,478,668 | 8,335,009 |
| 61 to 90 | 2,374,899 | 1,879,914 | 2,576,264 | 969,756 | 278,888 | 63,653 | 18,700 | 12,544 | 86,210 | 8,260,828 | 8,350,636 |
| 91 to 180 | 5,212,892 | 4,521,269 | 8,062,712 | 3,399,013 | 875,266 | 188,099 | 48,128 | 36,570 | 270,026 | 22,613,975 | 18,986,451 |
| 181 to 360 | 6,571,740 | 6,257,783 | 11,493,940 | 3,999,622 | 865,771 | 173,087 | 52,300 | 36,789 | 218,971 | 29,670,003 | 25,136,020 |
| Over 360 | 17,894,054 | 14,004,682 | 21,111,389 | 9,405,612 | 3,469,082 | 880,258 | 270,490 | 450,854 | 1,699,434 | 69,185,855 | 53,259,863 |
| **Installments overdue** | | | | | | | | | | | |
| Up to 14 days | 120,240 | 74,584 | 67,629 | 38,363 | 20,626 | 5,954 | 1,260 | 931 | 10,108 | 339,695 | 293,282 |
| **Other (*)** | 3,969,495 | -- | -- | -- | -- | -- | -- | -- | -- | 3,969,495 | 4,152,543 |
| **Subtotal** | 46,931,326 | 33,687,851 | 51,445,047 | 20,338,471 | 5,897,495 | 1,385,864 | 412,332 | 570,236 | 2,377,080 | 163,045,702 | 131,923,431 |
| **Total** | 46,931,326 | 33,687,851 | 51,973,919 | 21,474,032 | 6,802,547 | 2,083,479 | 930,470 | 1,246,930 | 5,493,991 | 170,624,545 | 137,896,877 |

| BB-Consolidated<br>Abnormal operations | | | | | | | | | | 03.31.2008 | 03.31.2007 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | AA (1) | A | B | C | D | E | F | G | H | tal portfolio | tal portfolio |
| **Installments falling due** | | | | | | | | | | | |
| 01 to 30 | -- | -- | 93,566 | 216,963 | 122,071 | 81,912 | 63,317 | 78,119 | 376,072 | 1,032,020 | 759,749 |
| 31 to 60 | -- | -- | 21,485 | 46,263 | 25,896 | 18,341 | 13,344 | 18,408 | 70,788 | 214,525 | 180,856 |
| 61 to 90 | -- | -- | 17,314 | 34,110 | 22,491 | 15,221 | 11,354 | 14,912 | 69,226 | 184,628 | 160,810 |
| 91 to 180 | -- | -- | 48,559 | 112,276 | 74,248 | 53,915 | 43,117 | 48,675 | 214,429 | 595,219 | 429,182 |
| 181 to 360 | -- | -- | 85,848 | 201,756 | 131,652 | 90,868 | 69,928 | 64,181 | 301,909 | 946,142 | 648,810 |
| Over 360 | -- | -- | 196,726 | 371,250 | 350,656 | 197,312 | 144,194 | 247,738 | 782,844 | 2,290,720 | 1,669,174 |
| **Installments overdue** | | | | | | | | | | | |
| 01 to 14 | -- | -- | 6,275 | 16,252 | 12,069 | 7,639 | 5,200 | 4,579 | 21,516 | 73,530 | 69,090 |
| 15 to 30 | -- | -- | 52,440 | 46,828 | 29,737 | 103,686 | 9,104 | 11,888 | 47,168 | 300,851 | 438,168 |
| 31 to 60 | -- | -- | 9,497 | 88,300 | 66,059 | 39,090 | 21,248 | 25,347 | 177,955 | 427,496 | 253,973 |
| 61 to 90 | -- | -- | 13 | 4,358 | 63,515 | 27,574 | 40,597 | 16,207 | 85,157 | 237,421 | 204,446 |
| 91 to 180 | -- | -- | 14 | 1,121 | 10,868 | 62,885 | 91,591 | 135,597 | 389,672 | 691,748 | 589,571 |
| 181 to 360 | -- | -- | 1 | 58 | 78 | 2,674 | 7,424 | 9,183 | 564,518 | 583,936 | 590,793 |
| Over 360 | -- | -- | 15 | 5 | 10 | 6 | 2 | 3,532 | 27,702 | 31,272 | 33,388 |
| **Subtotal** | -- | -- | **531,753** | **1,139,540** | **909,350** | **701,123** | **520,420** | **678,366** | **3,128,956** | **7,609,508** | **6,028,010** |

| Normal operations | | | | | | | | | | 03.31.2008 | 03.31.2007 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | AA (1) | A | B | C | D | E | F | G | H | Total portfolio | Total portfolio |
| **Installments falling due** | | | | | | | | | | | |
| 01 to 30 | 7,142,353 | 3,894,724 | 5,534,145 | 1,665,755 | 223,819 | 44,328 | 11,864 | 24,745 | 53,552 | 18,595,285 | 13,490,291 |
| 31 to 60 | 3,674,421 | 3,088,851 | 2,647,509 | 870,820 | 168,016 | 31,203 | 9,605 | 7,850 | 40,482 | 10,538,757 | 8,388,663 |
| 61 to 90 | 2,386,422 | 1,894,836 | 2,599,138 | 974,309 | 280,764 | 64,194 | 18,706 | 12,565 | 86,333 | 8,317,267 | 8,418,291 |
| 91 to 180 | 5,248,929 | 4,574,883 | 8,127,775 | 3,410,726 | 880,248 | 188,551 | 48,140 | 36,629 | 270,331 | 22,786,212 | 19,150,393 |
| 181 to 360 | 6,624,243 | 6,334,158 | 11,611,354 | 4,014,921 | 874,361 | 173,836 | 52,311 | 36,891 | 219,387 | 29,941,462 | 25,388,910 |
| Over 360 | 18,199,842 | 14,560,222 | 21,553,087 | 9,463,088 | 3,485,267 | 881,914 | 270,500 | 450,994 | 1,796,133 | 70,661,047 | 55,076,598 |
| **Installments overdue** | | | | | | | | | | | |
| Up to 14 days | 120,324 | 74,600 | 68,080 | 38,811 | 20,683 | 5,967 | 1,264 | 934 | 10,126 | 340,789 | 293,758 |
| **Other (1)** | 3,969,495 | - | - | - | - | - | - | - | - | 3,969,495 | 4,152,543 |
| **Subtotal** | **47,366,029** | **34,422,274** | **52,141,088** | **20,438,430** | **5,933,158** | **1,389,993** | **412,390** | **570,608** | **2,476,344** | **165,150,314** | **134,359,447** |
| **Total** | **47,366,029** | **34,422,274** | **52,672,841** | **21,577,970** | **6,842,508** | **2,091,116** | **932,810** | **1,248,974** | **5,605,300** | **172,759,822** | **140,387,457** |

(1) Operations with third party risk tied to Government Funds and Programs, mainly Pronaf, Procera, FAT, BNDES and FCO. Including the amount of overdue installments in the total amount of R$ 532 million, which comply with rules defined in each program for reimbursement with the managers, not implying credit risk for the Bank.

### d) Allowance for loan losses by risk level, including operations with loan characteristics classified as "Other receivables"

| | | BB- Domestic and Foreign branches | | | | BB-Consolidated | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 03.31.2008 | | 03.31.2007 | | 03.31.2008 | | 03.31.2007 | |
| Risk Risk | % Provision | Value of Operations | Value of Provision | Value of Operations | Value of Provision | Value of Operations | Value of Provision | Value of Operations | Value of Provision |
| AA | 0 | 46,931,327 | -- | 36,206,608 | -- | 47,366,029 | -- | 37,333,297 | -- |
| A | 0.5 | 33,687,850 | 168,439 | 29,581,792 | 147,909 | 34,422,275 | 172,111 | 30,084,584 | 150,423 |
| B | 1 | 51,973,918 | 519,739 | 42,840,998 | 428,410 | 52,672,839 | 526,728 | 43,432,902 | 434,329 |
| C | 3 | 21,474,033 | 644,222 | 16,467,339 | 494,020 | 21,577,971 | 647,339 | 16,546,766 | 496,403 |
| D | 10 | 6,802,546 | 680,255 | 4,912,343 | 491,234 | 6,842,507 | 684,251 | 4,943,943 | 494,394 |
| E | 30 | 2,083,480 | 625,044 | 2,018,061 | 605,418 | 2,091,117 | 627,335 | 2,029,588 | 608,876 |
| F | 50 | 930,471 | 465,235 | 701,246 | 350,623 | 932,811 | 466,406 | 706,305 | 353,153 |
| G | 70 | 1,246,928 | 872,850 | 985,426 | 689,798 | 1,248,974 | 874,282 | 988,622 | 692,035 |
| H | 100 | 5,493,992 | 5,493,992 | 4,183,064 | 4,183,064 | 5,605,299 | 5,605,299 | 4,321,450 | 4,321,450 |
| **Subtotal** | | 170,624,545 | 9,469,776 | 137,896,877 | 7,390,477 | 172,759,822 | 9,603,751 | 140,387,457 | 7,551,064 |
| **Additional allowance foreign [1]** | | -- | 17,014 | -- | 17,352 | -- | 26,259 | -- | 26,637 |
| **Additional allowance domestic [2]** | | -- | 1,063,934 | -- | 1,555,417 | -- | 1,063,934 | -- | 1,555,425 |
| **Total** | | 170,624,545 | 10,550,724 | 137,896,877 | 8,963,246 | 172,759,822 | 10,693,944 | 140,387,457 | 9,133,126 |

(1) Additional allowance required by local legislation.

(2) Includes the installment of R$886 million aiming to prudently reflect the risks existing in the portfolio. It also contemplates the installment of R$ 61 million relating to charges on operations included in Proagro, pending reimbursement by the Central Bank of Brazil.

## e) Transactions with the allowance for loan losses, leasing and other doubtful credits, with the nature of credits granted

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 1st quarter/2008 | 1st quarter/2007 | 1st quarter/2008 | 1st quarter/2007 |
| **Opening balance** | 10,167,308 | 8,449,027 | 10,313,368 | 8,634,714 |
| Provision/(reversal) | 1,528,959 | 1,425,723 | 1,534,450 | 1,430,419 |
| Exchange variation on allowances - foreign | (26) | (627) | (673) | (6,020) |
| Loans written off | (1,145,517) | (910,878) | (1,153,200) | (925,987) |
| **Closing balance** | 10,550,724 | 8,963,245 | 10,693,944 | 9,133,126 |

### f) Transactions with the provision for other doubtful credits, without the nature of credits granted

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 1st quarter/2008 | 1st quarter/2007 [1] | 1st quarter/2008 | 1st quarter/2007 [1] |
| **Opening balance** | 574,172 | 3,459,814 | 585,295 | 3,472,393 |
| Provision/(reversal) | 68,735 | 192,044 | 67,704 | 190,308 |
| Exchange variation on allowances - foreign | 288 | (136) | 289 | (136) |
| Loans written off | 990 | (521) | 13,775 | (521) |
| **Closing balance** | 644,185 | 3,651,201 | 667,063 | 3,662,044 |

(1) Amount referring to the restatement of the judicial deposit of the proceeding of full carryforward of the tax loss of Income Tax and negative basis of CSLL reclassified during the 2007 second quarter to Other Fiscal and Social Security Liabilities (Note 20.c).

### g) Supplementary information

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 1st quarter/2008 | 1st quarter/2007 | 1st quarter/2008 | 1st quarter/2007 |
| Renegotiated loans | 3,483,475 | 2,121,849 | 3,484,088 | 2,135,728 |
| Recoveries of loans written off [1] | 419,632 | 341,467 | 422,272 | 345,761 |

(1) Recorded in income in Revenue from Loans, pursuant to CMN Resolution 2,836, of May 30, 2001. Of this total, in the first quarter of 2008, R$ 24,672 thousand (book value - R$ 13,951 thousand) refer to loans to individuals and corporate entities. In the first quarter/2007, these amounts reached R$ 16,351 thousand (book value - R$ 3,511 thousand).

## 7 - Other Receivables

### a) Specific credits

These are credits from the Federal Treasury of R$ 776,236 thousand (R$ 700,168 thousand at March 31, 2007) for the –extension of terms of rural financing–, as determined by Law 9,138/1995.

### b) Sundry

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 03.31.2008 | 03.31.2007 | 03.31.2008 | 03.31.2007 |
| Salary and other advances | 176,672 | 146,817 | 178,878 | 146,837 |
| Tax credits (Note 20) | 13,756,525 | 8,523,300 | 14,051,438 | 8,641,666 |
| Receivables from sale of assets and rights | 338,393 | 398,348 | 338,393 | 398,348 |
| Receivables from guarantee deposits [1] | 6,046,817 | 14,063,981 | 6,784,635 | 14,129,305 |
| Income tax and social contribution on net income to offset | 2,000,844 | 688,138 | 2,208,249 | 702,241 |
| Accounts receivable - Federal Treasury | 329,751 | 260,669 | 329,751 | 260,669 |
| Accounts receivable - credit card operations [2] | 4,545,026 | 3,213,648 | 4,545,026 | 3,213,648 |
| Accounts receivable - other | 982,961 | 772,283 | 1,325,985 | 809,458 |
| Sundry debtors – foreign | 22,229 | 17,732 | 20,151 | 18,180 |
| Sundry debtors – domestic [3] | 6,076,650 | 5,443,775 | 6,032,033 | 5,446,366 |
| Other | 425,656 | 416,061 | 321,776 | 244,266 |
| **Total** | 34,701,524 | 33,944,752 | 36,136,315 | 34,010,984 |

(1) Includes R$ 1,666,297 thousand (R$ 1,552,562 thousand at March 31, 2007) relating to Filing Appeals of Labor Claims and R$ 5,118,338 thousand (R$ 12,505,868 thousand at March 31, 2007) relating to Other Appeals, in the Multiple Bank. In accordance with CVM Resolution no. 489/2005, inflation-updated judicial deposits in the amount of R$ 9,839,850 thousand, in connection with the full offsetting of accrued tax losses regarding Income Tax and Social Contribution (Note 20 c), were restated in order to deduct the provision for tax obligations and risks (Note 28 c).

(2) Includes the yet to mature credit card installments payable to storekeepers, in the amount of R$ 1,921,113 thousand (R$ 1,400,018thousand at March 31, 2007).

(3) Includes the sum of R$ 2,179,846 thousand with regard to "CVM Actuarial Assets no. 371" (R$ 2,555,846 thousand at March 31, 2007), as shown in Note 25 e.

## 8 – Foreign exchange portfolio

### a) Breakdown

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 03.31.2008 | 03.31.2007 | 03.31.2008 | 03.31.2007 |
| **Assets** | | | | |
| **Other Receivables** | 12,608,056 | 15,115,734 | 12,608,056 | 15,115,734 |
| Forward foreign exchange purchases pending settlement | 9,204,024 | 11,690,618 | 9,204,024 | 11,690,618 |
| Bills of exchange and time drafts in foreign currency | 85,730 | 88,937 | 85,730 | 88,937 |
| Receivables from sales of foreign exchange | 7,804,935 | 11,651,652 | 7,804,935 | 11,651,652 |
| (Advances in national currency) | (4,618,130) | (8,473,544) | (4,618,130) | (8,473,544) |
| Foreign currency receivables | 5,983 | 22,454 | 5,983 | 22,454 |
| Income receivable on advances granted | 125,191 | 135,594 | 125,191 | 135,594 |
| Income receivable on financed imports | 323 | 23 | 323 | 23 |

| | | | | |
|---|---|---|---|---|
| **Liabilities** | | | | |
| **Other liabilities** | 10,860,025 | 15,010,610 | 10,938,868 | 14,946,214 |
| Forward foreign exchange sales pending settlement | 7,883,676 | 11,377,716 | 7,883,676 | 11,313,320 |
| (Advances in foreign currencies) | -- | (120,721) | -- | (120,721) |
| (Financed import - contracted exchange) | (30,117) | (61,281) | (30,117) | (61,281) |
| Foreign exchange purchase liabilities | 9,347,542 | 12,078,801 | 9,347,542 | 12,078,801 |
| (Advances on foreign exchange contracts) | (6,356,534) | (8,279,835) | (6,356,534) | (8,279,835) |
| Foreign currency payables | 11,707 | 12,526 | 90,550 | 12,526 |
| Unearned income on advances granted | 3,714 | 3,339 | 3,714 | 3,339 |
| Charges payable on advances received | 37 | 65 | 37 | 65 |
| | | | | |
| **Foreign exchange portfolio, net** | 1,748,031 | 105,124 | 1,669,188 | 169,520 |
| | | | | |
| **Memorandum accounts** | | | | |
| Credits opened for import | 505,667 | 443,285 | 506,650 | 443,698 |
| Confirmed export credit | 244,452 | 160,827 | 248,511 | 175,911 |

### b) Foreign exchange income

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | **03.31.2008** | **03.31.2007** | **03.31.2008** | **03.31.2007** |
| Foreign exchange income | 1,730,685 | 901,251 | 1,740,410 | 901,966 |
| Foreign exchange expenses | (1,609,547) | (821,031) | (1,618,061) | (821,313) |
| **Total** | 121,138 | 80,219 | 122,348 | 80,653 |

## 9 – Other Assets

### a) Non-operating assets/Others

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | **03.31.2008** | **03.31.2007** | **03.31.2008** | **03.31.2007** |
| Land and buildings in use | 61,684 | 63,719 | 61,291 | 76,693 |
| Vehicles | 479 | 410 | 18,765 | 491 |
| Machinery and Equipment | 11,807 | 11,307 | 13,832 | 12,004 |
| Assets in special regime | 158,518 | 168,613 | 158,604 | 168,708 |
| Supply materials | 17,993 | 23,607 | 45,339 | 23,607 |
| Other | 2,370 | 2,431 | 2,443 | 7,070 |
| (Provision for devaluations) | (148,873) | (147,455) | (164,279) | (152,806) |
| **Total** | 103,978 | 122,632 | 135,995 | 135,767 |

b) **Prepaid expenses**

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | **03.31.2008** | **03.31.2007** | **03.31.2008** | **03.31.2007** |
| Banking service agreement [1] | 3,438,850 | 770,538 | 3,438,850 | 770,538 |
| Commissions on intermediation of loans [2] | 32,027 | 5,134 | 32,027 | 5,134 |
| Deferred selling expenses [3] | -- | -- | 99,827 | -- |
| Personnel Expenses [4] | 13,415 | 50,683 | 13,415 | 50,683 |
| Other | 192,009 | 90,334 | 302,085 | 92,730 |
| **Total** | 3,676,301 | 916,689 | 3,886,204 | 919,085 |

(1) Refers basically to contracts of the business relationship program.
(2) Refers basically to commissions paid to storeowners - financing of vehicles.
(3) Refers basically to deferred commissions derived from insurance products.
(4) Refers basically to benefits of the Food Program - employees.

## 10 –Property and equipment and leased assets

| BB- Domestic and Foreign branches | | | | | |
|---|---|---|---|---|---|
| | **Annual depreciation rate (by group)** | **Residual Cost 12.31.2007** | **03.31.2008** | | |
| | | | **Changes** | **Depreciation** | **Closing balance** |
| **Property and equipment** | | 2,842,907 | 59,604 | (110,144) | 2,792,367 |
| Furniture and equipment in stock | -- | 114,624 | (59,702) | -- | 54,922 |
| Constructions in progress | -- | 96,780 | 14,943 | -- | 111,723 |
| Land | -- | 165,080 | (226) | -- | 164,854 |
| Buildings | 4% | 971,978 | 26,251 | (15,798) | 982,431 |
| Facilities | 10% | 180,651 | 5,405 | (10,935) | 175,121 |
| Furniture and equipment in use | 10% | 320,954 | 23,801 | (14,593) | 330,162 |
| Communication systems | 10% | 94,783 | (7,102) | 2,007 | 89,688 |
| Data processing systems | 20% | 806,171 | 54,084 | (66,084) | 794,171 |
| Security systems | 10% | 91,620 | 2,190 | (4,742) | 89,068 |
| Transportation systems | 20% | 266 | (40) | 1 | 227 |
| | | | | | |
| **Leased assets** | | 77,826 | (14,495) | 2,140 | 65,471 |
| | | | | | |
| **Total** | | 2,920,733 | 45,109 | (108,004) | 2,857,838 |

| BB-Consolidated | | | | | |
|---|---|---|---|---|---|
| | **Annual depreciation rate (by group)** | **Residual Cost 12.31.2007** | **03.31.2008** | | |
| | | | **Changes** | **Depreciation** | **Closing balance** |
| **Property and equipment** | | 2,843,549 | 432,663 | (358,511) | 2,917,701 |
| Furniture and equipment in stock | -- | 114,624 | (59,702) | -- | 54,922 |
| Constructions in progress | -- | 96,780 | 23,996 | -- | 120,775 |
| Land | -- | 165,080 | 4,786 | -- | 169,866 |
| Buildings | 4% | 971,978 | 47,059 | (24,393) | 994,643 |
| Facilities | 10% | 180,651 | 13,733 | (14,117) | 180,267 |
| Furniture and equipment in use | 10% | 321,283 | 286,643 | (219,362) | 388,564 |
| Communication systems | 10% | 94,783 | (5,688) | 1,676 | 90,772 |
| Data processing systems | 20% | 806,484 | 115,729 | (96,083) | 826,130 |
| Security systems | 10% | 91,620 | 2,190 | (4,742) | 89,068 |
| Transportation systems | 20% | 266 | 3,917 | (1,490) | 2,694 |
| | | | | | |
| **Leased assets** | | 1,506,528 | 189,122 | (26,649) | 1,669,001 |
| | | | | | |
| **Total** | | 4,350,077 | 621,785 | (385,160) | 4,586,702 |

The fixed asset ratio in relation to the referential shareholders' equity is 15.04% (14.21% at March 31, 2007), being in conformity with CMN Resolution 2669 of 11.25.1999.

## 11 – Deposits

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | **03.31.2008** | **03.31.2007** | **03.31.2008** | **03.31.2007** |
| **Demand deposits** | 44,136,876 | 35,550,696 | 44,142,145 | 35,588,298 |
| Related companies | 617,410 | 526,649 | 617,410 | 526,649 |
| Individuals | 15,379,225 | 12,789,041 | 15,386,629 | 12,797,754 |
| Corporate entities | 15,270,035 | 12,531,924 | 15,289,762 | 12,568,521 |
| Financial institutions | 262,703 | 220,251 | 240,477 | 211,762 |
| Government | 2,526,558 | 2,478,300 | 2,526,558 | 2,478,300 |
| Domiciled abroad | 29,762 | 27,473 | 29,446 | 27,061 |
| Special from Federal Treasury | 437,227 | 308,642 | 437,227 | 308,642 |
| Restricted | 7,492,905 | 4,200,568 | 7,493,586 | 4,201,761 |
| In foreign currencies | 2,032,695 | 2,433,482 | 2,032,694 | 2,433,482 |
| Other | 88,356 | 34,366 | 88,356 | 34,366 |
| **Savings deposits** | 48,112,255 | 38,942,074 | 48,112,255 | 38,942,074 |
| Individuals | 44,924,412 | 36,632,376 | 44,924,412 | 36,632,376 |
| Corporate entities | 2,800,921 | 1,889,931 | 2,800,921 | 1,889,931 |
| Related companies | 381,840 | 414,278 | 381,840 | 414,278 |
| Financial institutions | 5,082 | 5,489 | 5,082 | 5,489 |
| **Interbank deposits** | 7,654,276 | 6,987,624 | 6,247,132 | 5,025,723 |
| **Time deposits** | 91,182,607 | 80,700,963 | 90,938,930 | 80,859,879 |
| Time deposits | 42,692,029 | 35,887,005 | 42,448,351 | 36,045,921 |
| Time deposits in foreign currency | 1,107 | 1,671 | 1,107 | 1,671 |
| Time deposits with automatic renewal | 132,936 | 164,510 | 132,936 | 164,510 |
| Remunerated judicial deposits | 30,699,196 | 25,473,081 | 30,699,197 | 25,473,081 |
| Special deposits relating to funds | | | | |
| Funds and programs [1] | 17,657,339 | 19,174,696 | 17,657,339 | 19,174,696 |
| **Deposits for investments** | 310,459 | 247,457 | 310,459 | 247,457 |
| **Total** | 191,396,473 | 162,428,814 | 189,750,921 | 160,663,431 |

(1) Includes, at March 31, 2008, Funds and Programs in the amount of R$ 16,935,492 thousand, as shown in Note 16.b.

## Note 12 – Money Market Borrowing

### a) Breakdown of Money Market Borrowing

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | **03.31.2008** | **03.31.2007** | **03.31.2008** | **03.31.2007** |
| **Own portfolio** | 38,067,110 | 32,005,915 | 37,545,168 | 31,984,912 |
| Financial Treasury Bills | 25,381,720 | 30,905,488 | 25,183,970 | 30,884,485 |
| Federal Treasury Bills | 9,260,560 | -- | 8,936,367 | -- |
| Federal Treasury Notes | 2,726,059 | -- | 2,726,059 | -- |
| Other securities abroad | 698,771 | 1,100,427 | 698,772 | 1,100,427 |
| **Third-party portfolio** | 61,805,935 | 31,634,637 | 61,771,094 | 31,354,082 |
| Federal Treasury Bills | 14,610,992 | 8,779,779 | 14,610,992 | 8,779,779 |
| Financial Treasury Bills | 38,929,029 | 19,532,815 | 38,894,189 | 19,252,260 |
| Federal Treasury Notes | 3,428,073 | -- | 3,428,073 | -- |
| Other securities abroad | 4,837,841 | 3,322,043 | 4,837,840 | 3,322,043 |
| **Unrestricted Portfolio** | 400,000 | 4,299,999 | 400,000 | 4,299,999 |
| **Total** | 100,273,045 | 67,940,551 | 99,716,262 | 67,638,993 |

### b) Expenses with Money Market Borrowing

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 03.31.2008 | 03.31.2007 | 03.31.2008 | 03.31.2007 |
| Savings deposits | (938,394) | (885,036) | (938,394) | (885,036) |
| Interbank deposits | (102,782) | (208,672) | (82,256) | (187,679) |
| Time deposits | (903,895) | (809,044) | (901,392) | (811,241) |
| Judicial Deposits | (485,591) | (471,268) | (485,591) | (471,268) |
| Deposits received under security repurchase agreements | (2,148,021) | (1,652,040) | (2,135,794) | (1,635,423) |
| Own portfolio | (755,385) | (846,307) | (743,158) | (829,690) |
| Third-party portfolio | (1,372,464) | (783,467) | (1,372,464) | (783,467) |
| Unrestricted Portfolio | (20,172) | (22,266) | (20,172) | (22,266) |
| Other borrowings | (348,931) | (368,768) | (365,763) | (397,333) |
| **Total** | (4,927,614) | (4,394,828) | (4,909,190) | (4,387,982) |

### 13 – Borrowings - Foreign Borrowings

| | BB- Domestic and Foreign branches | | | | | | |
|---|---|---|---|---|---|---|---|
| | up to 90 days | from 91 to 360 days | from 1 to 3 years | from 3 to 5 years | from 5 to 15 years | Total 03.31.2008 | Total 03.31.2007 |
| Exports | 4,153 | 43,247 | -- | -- | -- | 47,400 | 144,028 |
| Imports | 120,384 | 85,889 | 132,240 | 74,880 | 44,628 | 458,021 | 390,242 |
| Bankers | 456,289 | -- | -- | -- | -- | 456,289 | 1,307,041 |
| Onlend to the public sector | 165,124 | 113,060 | 444,284 | 402,837 | 543,093 | 1,668,398 | 2,275,694 |
| Borrowings from BB Group companies overseas | -- | 192,762 | 1,955,521 | -- | -- | 2,148,283 | 1,163,023 |
| Borrowings by BB Group companies overseas | 84,462 | 577,371 | -- | 52 | -- | 661,885 | 750,318 |
| **Total** | 830,412 | 1,012,329 | 2,532,045 | 477,769 | 587,721 | 5,440,276 | 6,030,346 |

| | BB-Consolidated | | | | | | |
|---|---|---|---|---|---|---|---|
| | up to 90 days | from 91 to 360 days | from 1 to 3 years | from 3 to 5 years | from 5 to 15 years | Total 03.31.2008 | Total 03.31.2007 |
| Exports | 103,038 | 23,617 | 68,467 | 39,072 | 36,752 | 270,946 | 265,515 |
| Bankers | 456,291 | -- | -- | -- | -- | 456,291 | 1,307,041 |
| Onlend to the public sector | 165,124 | 113,060 | 444,284 | 402,837 | 543,093 | 1,668,398 | 2,275,694 |
| Borrowings by BB Group companies overseas | 84,656 | 563,466 | -- | 13,956 | -- | 662,078 | 725,515 |
| **Total** | 809,109 | 700,143 | 512,751 | 455,865 | 579,845 | 3,057,713 | 4,573,765 |

## 14 –Local Onlendings - Official Institutions

| PROGRAMS | FINANCIAL CHARGES | BB- Domestic and Foreign branches | | BB- Consolidated | |
|---|---|---|---|---|---|
| | | 03.31.2008 | 03.31.2007 | 03.31.2008 | 03.31.2007 |
| **National Treasury - Rural credit** | | 3,184,305 | 3,077,172 | 3,184,305 | 3,077,172 |
| Farming/livestock breeding | TR or 9% p.a. | 40,025 | 39,522 | 40,025 | 39,522 |
| Cocoa | TJLP + 0.6% p.a. or 6.35% p.a. | 45,818 | 43,929 | 45,818 | 43,929 |
| Pronaf | TMS (available) or 1% p.a. to 7.25% p.a. (Invested) | 2,899,024 | 2,771,391 | 2,899,024 | 2,771,391 |
| Recoop | 5.75% p.a. to 7.25% p.a. | 198,083 | 222,329 | 198,083 | 222,329 |
| Other | -- | 1,355 | 1 | 1,355 | 1 |
| **BNDES** | 3.75 p.a. to 11% p.a. or TJLP / exch. var. + 0.5 %p.a. to 5% p.a. | 9,198,324 | 4,715,850 | 9,198,324 | 4,715,850 |
| **Finame** | 3.75 p.a. to 11% p.a. or TJLP / exch. var. + 0.5 %p.a. to 10.11% p.a. | 5,175,381 | 5,722,368 | 5,194,178 | 5,747,527 |
| **Other Official Institutions** | | 673,319 | 409,359 | 673,495 | 409,520 |
| Funcafé | TR or TMS (available) or TJLP + 3% p.a. or 4% p.a. or 5% p.a. (Invested) | 663,920 | 398,761 | 663,920 | 398,761 |
| Other | -- | 9,399 | 10,598 | 9,575 | 10,759 |
| **Total** | | 18,231,329 | 13,924,749 | 18,250,302 | 13,950,069 |

## 15 – Funds Obtained in Foreign Capital Markets (in R$/US$ million)

| Transactions | Issued value | Coupon | Date of funding | Maturity | Balance at 03.31.2008 | | Balance at 03.31.2007 | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Issue currency | Reais | Issue currency | Reais |
| **DIRECT FUND RAISING** | | | | | | | | |
| "Global medium-term notes" *program* (1) | R$ 200 | Zero – cupom | Dec/04 | Dec/07 | -- | -- | R$ 182 | 182 |
| Global medium-term notes *Program* (1) | US$ 200 | 9.375% p.a. | Jun/97 | Jun/07 | -- | -- | US$ 206 | 421 |
| "Global medium-term notes" *program* (1) | R$ 350 | 9.75% p.a. | Jul/07 | Jul/17 | R$ 301 | 301 | -- | -- |
| Subordinated debt (2) (3) | US$ 300 | 8.5% p.a. | Sep/04 | Sep/14 | US$ 299 | 523 | US$ 299 | 613 |
| Perpetual Bonuses (2) (3) (4) | US$ 500 | 7.95% p.a. | Jan/06 | -- | US$ 508 | 888 | US$ 508 | 1,041 |
| Certificates of deposit - Euro CD | US$ 21 | Zero – cupom | Nov/07 | Apr/08 | US$ 21 | 36 | -- | -- |
| Certificates of deposit - Euro CD | US$ 2 | Zero – cupom | Dec/07 | Dec/08 | US$ 2 | 3 | -- | -- |
| **Total** | | | | | | 1,751 | | 2,257 |
| | | | | | | | | |
| **FUND RAISING THROUGH SPECIAL-PURPOSE COMPANIES - SPC** | | | | | | | | |
| Securitization of the future flow of payment orders overseas (1) (5) (7) | US$ 450 | 7.890% p.a. | Dec/01 | Dec/08 | US$ 123 | 215 | US$ 276 | 566 |
| Securitization of the future flow of payment orders overseas (1) (5) (7) | US$ 300 | Libor 3m+0.60% p.a. | Jul/02 | Jun/09 | US$ 72 | 125 | US$ 129 | 264 |
| Securitization of the future flow of payment orders overseas (1) (5) (7) | US$ 40 | 7.890% p.a. | Sep/02 | Sep/09 | US$ 11 | 20 | US$ 19 | 39 |
| Securitization of the future flow of payment orders overseas (1) (5) (7) | US$ 120 | 7.26% p.a. | Mar/03 | Mar/10 | US$ 53 | 93 | US$ 77 | 159 |
| Securitization of the future flow of payment orders overseas (1) (5 ) (7) | US$ 250 | 6.55% p.a. | Dec/03 | Dec/13 | US$ 214 | 374 | US$ 244 | 499 |
| Securitization of the future flow of payment orders overseas (1) (5 ) (7) | US$ 250 | Libor 3m+0.55% p.a. | Mar/08 | Mar/14 | US$ 251 | 438 | -- | -- |
| Securitization of the future flow of credit card invoice receivables (2) (6) (7) | US$ 178 | 5.911% p.a. | Jul/03 | Jun/11 | US$ 104 | 181 | US$ 132 | 270 |
| Securitization of the future flow of credit card invoice receivables (2) (6) (7) | US$ 45 | 4.777% p.a. | Jul/03 | Jun/11 | US$ 26 | 45 | US$ 33 | 68 |
| **Total** | | | | | | 1,491 | | 1,865 |
| | | | | | | | | |
| **Total Funding** | | | | | | 3,242 | | 4,122 |

**(1)** Recorded in Other liabilities – Contracts for assumption of liabilities – Foreign transactions.

**(2)** Funding recorded in Other Liabilities, with subordinated debt entered in Liabilities from the Issue of Subordinated Debt; Perpetual Bonuses in Obligations due to Issuance of Hybrid Capital and Debt Instruments and the securitization of the future flow of receivables from credit cards in Contracts for Assumption of Liabilities.

**(3)** The amount of US$ 288 million (R$ 503 million) of the subordinated debt and the sum of US$ 498 million (R$ 870 million) of the perpetual bonuses comprise the Referential Shareholders' Equity (PR), level II, in conformity with CMN Resolution 3,444, of February 28, 2007.

**(4)** The operation has a redemption option by initiative of the Bank as from 2011 or in each subsequent quarterly payment of interest, providing it is authorized beforehand by the Central Bank of Brazil. The terms of these Perpetual Bonuses allow the Bank to suspend quarterly payments of interest and/or accessory payments on the aforesaid securities issued (which will neither be due or accumulated) if: (i) the Bank determines that it is incapable or the payment of these charges does not allow the Bank to be in conformity with the capital adequacy levels then required by the Central Bank of Brazil or its financial indicators are below the minimum level required by the regulations applicable to Brazilian banks; (ii) the Central Bank of Brazil or the Regulatory Authorities determine the suspension of payments of the aforesaid charges; (iii) some insolvency or bankruptcy event occurs; (iv) some default occurs; or (v) the Bank decides to suspend these payments for any other reason. If the Bank decides to suspend the payment of interest and accessories due to the Perpetual Bonuses on account of the contents of item (v) above, the terms of the Perpetual Bonuses provide that, until such payments have been resumed for a period equivalent to 12 months, the Bank (a) cannot recommend to its stockholders and, and as established by the applicable legislation, will act in order to avoid the statement, payment or distribution of dividends or interest on own capital on its common stock and (b) will suffer restrictions on its capacity to redeem or otherwise acquire its common stock.

**(5)** The Special Purpose Company - SPC *"Dollar Diversified Payment Rights Finance Company"* was created with the following purposes: (a) issue and sell securities in the international market; (b) use funds raised with the issue of securities to pay for the purchase from BB of BB's rights on payment orders issued by correspondent banks in the USA and by BB's New York branch, in US dollars, to any BB branch in Brazil (Remittance Rights); and (c) to make payments of principal and interest with regard to securities and other payments provided in the agreements covering the issue of such securities.

**(6)** The Special Purpose Company - SPC *"Brazilian Merchant Voucher Receivables"* was created with the following purposes: (a) issue and sell securities in the international market; (b) to use funds raised with the issue of securities to pay for the purchase of current and future rights of Companhia Brasileira de Meios de Pagamento ("Visanet") against Visa International Service Association over the Receivables arising from: (i) credit or charge purchases made in Brazilian territory, in any currency processed by Visanet, with Visa cards issued by financial institutions located outside of Brazil, or (ii) credit or charge purchases processed by Visanet in foreign currency and made with Visa cards issued by financial institutions located in Brazil; and (c) to make payments of principal and interest with regard to securities and other payments provided in the agreements covering the issue of such securities. BB is the beneficiary of 44.618488% of the funds, calculated based on the equity interest held in Visanet, and the remaining funds made available to the other Brazilian financial institution which holds an interest in Visanet.

**(7)**The Special Purpose Entities were organized under the laws of the Cayman Islands and declare that they have no relevant asset or liability other than the rights and duties originating from the contracts for issue of securities. BB does not hold the control, is not a shareholder, the owner, or is a beneficiary of any of the results of operations of the SPCs . The liabilities arising from the securities issued are paid by the SPCs using the funds accumulated in its account.

## 16 – Other liabilities

### a) Financial and development funds

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | **03.31.2008** | **03.31.2007** | **03.31.2008** | **03.31.2007** |
| PIS/PASEP | 1,581,250 | 1,539,800 | 1,581,250 | 1,539,800 |
| Merchant Navy | 38,813 | 18,213 | 38,813 | 18,213 |
| Land and Agrarian Reform - BB Banco da Terra | 1,309 | 1,006 | 1,309 | 1,006 |
| Special Lending Program for Agrarian Reform – Procera | 313,689 | 321,750 | 313,689 | 321,750 |
| Consolidation of Family Farming (CAF) | 118,018 | 22,646 | 118,018 | 22,646 |
| Fight against Poverty/Our First Land (CPR/NPT) | 20,925 | 18,308 | 20,925 | 18,308 |
| Other | 51,385 | 23,787 | 51,385 | 23,787 |
| **Total** | 2,125,389 | 1,945,510 | 2,125,389 | 1,945,510 |

### b) Fund for Worker Assistance (FAT) and Fund to Guarantee the Increase in Employment and Earnings (FUNPROGER)

FAT is a special accounting and financial fund, established by Law 7998/1990, attached to the Ministry of Labor and Employment (MTE) and managed by the Executive Council of the Worker Assistance Fund (CODEFAT). CODEFAT is a collective, tripartite and equal level organization, composed of representatives of workers, employers and government, which acts as the manager of FAT.

The main actions to promote employment using FAT funds are centralized in the Programs for the Increase in Earnings (PROGER), whose resources are allocated by special deposits, established by Law 8352/1991, in official federal financial institutions (including, among others, PROGER in the segments

Urban, Investment and Working Capital, and Rural, the National Program for Strengthening of Family Farming – Pronaf, the program that allocates resources for the purchase of construction materials – FAT Housing, in addition to the special lines such as FAT Rural and Urban Integration, FAT Giro Setorial Micro and Small-Sized Companies, FAT Giro Setorial Medium and Large-Sized Companies, FAT Fomentar Micro and Small-Sized Companies, FAT Fomentar Medium and Large-Sized Companies, FAT Giro Agropecuário, FAT Turismo Senior and FAT Digital Inclusion).

The FAT special deposits, allocated with Banco do Brasil, while available, incur interest on a daily "pro rata" basis using the TMS (Average Selic Rate). As they are applied in loans, the interest rate is changed to the TJLP (Long-term Interest Rate) during the effective period of the loans. The income on the Bank's funds is paid to FAT on a monthly basis, as established in CODEFAT Resolution No. 439, of June 2, 2005 and No 489, of April 28, 2006.

The Guarantee Fund for Generation of Employment and Earnings (Funproger) is a special accounting fund established on November 23, 1999 by Law 9872, amended by Law 10,360/2001, and by Law 11,110/2005 and regulated by Codefat Resolution 409/04, and is managed by Banco do Brasil under the supervision of Codefat/MTE, whose balance at December 31, 2008 is R$ 337,744 thousand (R$ 282,705 thousand at March 31, 2007).

The objective of FUNPROGER is provide guarantees to entrepreneurs who do not have the necessary guarantees of their own to contract PROGER Urbano and PNMPO financing, through the payment of a commission. The net assets of FUNPROGER are accumulated through funds arising from the difference between the average SELIC Rate and the Long-Term Interest Rate (TJLP) in respect of the remuneration of the special deposit balances available in the 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.

| Program | Resolution/ TADE | Available [1] | Invested [2] | Total | Return of FAT funds | | |
|---|---|---|---|---|---|---|---|
| | | | | | Type [3] | Initial date | Final date |
| **PROGER (Rural) and PRONAF** | | 211,103 | 7,735,241 | 7,946,344 | | | |
| Pronaf Custeio | 04/2005 | 208,784 | 438,097 | 646,881 | RA | 11/2005 | -- |
| Pronaf Investimento | 05/2005 | -- | 3,884,308 | 3,884,308 | RA | 11/2005 | -- |
| Giro Rural – Aquisição de Títulos | 03/2005 | -- | 1,901,707 | 1,901,707 | SD | 01/2008 | 01/2014 |
| Giro Rural Fornecedores | 14/2006 | 40 | 898,947 | 898,987 | RA | 08/2006 | -- |
| Rural Custeio | 02/2006 | -- | 8,881 | 8,881 | RA | 11/2005 | -- |
| Rural Investimento | 13/2005 | 2,279 | 603,301 | 605,580 | RA | 11/2005 | -- |
| **Proger Urbano** | | 145,127 | 6,258,999 | 6,404,126 | | | |
| Urbano Investimento | 18/2005 | 134,662 | 4,133,592 | 4,268,254 | RA | 11/2005 | -- |
| Urbano Capital de Giro | 15/2005 | -- | 2,011,888 | 2,011,888 | RA | 11/2005 | -- |
| Empreendedor Popular | 01/2006 | 10,465 | 113,519 | 123,984 | RA | 11/2005 | -- |
| **Other** | | 404,759 | 2,180,263 | 2,585,022 | | | |
| Electric appliances | 05/2006 | -- | -- | -- | RA | 11/2005 | -- |
| Exports | 27/2005 | 1,783 | 4,484 | 6,267 | RA | 11/2005 | -- |
| Rural Area Integration | 26/2005 | 160 | 339,300 | 339,460 | RA | 11/2005 | -- |
| Urban Area Integration | 25/2005 | 5,150 | 69,506 | 74,656 | RA | 11/2005 | -- |
| Housing - Construction | 04/2006 | -- | -- | -- | RA | 11/2005 | -- |
| Digital Inclusion | 09/2005 | 1,154 | 2,011 | 3,165 | RA | 11/2005 | -- |
| FAT Giro Setorial Micro and Small Companies | 08/2006 | 34,397 | 394,042 | 428,439 | RA | 09/2007 | -- |
| FAT Giro Setorial - Medium and Large-Sized Companies | 09/2006 | 356,406 | 1,190,349 | 1,546,755 | RA | 09/2007 | -- |
| FAT Giro Cooperativo Agropecuário | 10/2006 | 1,779 | 4,287 | 6,066 | RA | 07/2006 | -- |
| FAT Turismo Senior | 07/2007 | -- | -- | -- | RA | 03/2008 | -- |
| FAT Fomentar Micro and Small Companies | 11/2006 | 992 | 23,558 | 24,550 | RA | 08/2006 | -- |
| FAT Fomentar - Medium and Large-Sized Companies | 12/2006 | 2,938 | 152,726 | 155,664 | RA | 07/2006 | -- |
| **Total** | | 760,989 | 16,174,503 | 16,935,492 | | | |

(1) Funds remunerated by the Average Selic Rate (TMS).
(2) Funds remunerated by the TJLP.
(3) RA - Automatic Monthly Return of 2% on the total balance and the SD - Available Balance.

### c) Sundry

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 03.31.2008 | 03.31.2007 | 03.31.2008 | 03.31.2007 |
| Creditors by residual value advances | 1 | 1,311 | 339,806 | 219,879 |
| Contracts of assumption of liabilities | 358,565 | 519,297 | 226,890 | 337,905 |
| Liabilities for purchase of goods and rights | 98,706 | 62,096 | 98,706 | 62,096 |
| Liabilities for official agreements | 699,032 | 81,508 | 699,032 | 81,508 |
| Accounts payable for payment services provided | 348,884 | 447,224 | 348,884 | 447,224 |
| Provisions for payments [1] | 6,696,275 | 5,510,769 | 6,846,805 | 5,529,473 |
| Provisions for contingent liabilities | 3,747,973 | 3,236,025 | 3,781,154 | 3,240,619 |
| Funds restricted to credit operations | 80,392 | 81,198 | 481,077 | 877,827 |
| Sundry creditors – overseas | 43,192 | 82,262 | 44,549 | 86,087 |
| Sundry creditors – domestic | 1,131,254 | 811,577 | 1,807,800 | 825,243 |
| Credit card operations [2] | 4,060,514 | 3,012,936 | 4,060,514 | 3,012,936 |
| Other | 7,115 | 11,198 | 34,834 | 11,170 |
| **Total** | 17,271,903 | 13,857,401 | 18,770,051 | 14,731,967 |

(1) Includes R$ 4,111,185 thousand (R$ 3,530,406 thousand at March 31, 2007) relating to "Actuarial Liability of the Informal Plan" (exclusive responsibility of the Bank) and the "Cassil Actuarial Liability" (Note 25.e).
(2) Includes the yet to mature credit card installments payable to storekeepers, in the amount of R$1,921,113 thousand (R$ 1,400,018 thousand at March 31, 2007).

### d) Subordinated debt

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 03.31.2008 | 03.31.2007 | 03.31.2008 | 03.31.2007 |
| Subordinated Debt Qualifying as Capital | 10,384,885 | 9,241,467 | 10,384,885 | 9,241,467 |
| Other subordinated debt | 20,359 | 23,388 | 20,291 | 23,388 |
| **Total** | 10,405,244 | 9,264,855 | 10,405,176 | 9,264,855 |

As from June 30, 2001, as determined by CMN Vote No. 67 of June 28, 2001 and Bacen-Diret Official Letter 2001/1602 of June 29, 2001, Banco do Brasil has considered the funds from the Central-Western Constitutional Fund (FCO) in the amount of R$ 9,882,210 thousand (R$ 8,652,162 thousand at March 31, 2007) as subordinated debt and as Level II Referential Shareholders' Equity, because of their low level of obligation and length of term in the Bank.

## 17 – Insurance, Pension Plans and Capitalization

### a) Technical reserves

| | Insurance | Pension | Capitalization | Total [1] |
|---|---|---|---|---|
| Benefits reserve – accumulation phase | 111 | 7,342,450 | -- | 7,342,561 |
| Benefits reserve – payout phase | 300 | 277,565 | -- | 277,865 |
| Mathematical reserve for benefits payable | -- | -- | 1,300,538 | 1,300,538 |
| Reserve for unearned premiums | 455,049 | -- | -- | 455,049 |
| Claims payable | 469,224 | -- | -- | 469,224 |
| Reserve for financial excess | -- | 306,526 | -- | 306,526 |
| Provision for insufficiency of contribution | -- | 128,892 | -- | 128,892 |
| Reserve for risk fluctuations | -- | 113,380 | -- | 113,380 |
| Provision for claims incurred but not reported - IBNR | 81,907 | 1,608 | -- | 83,515 |
| Provision for Premium Insufficiency | 3,984 | 12,194 | -- | 16,178 |
| Reserve for withdrawals and redemption | -- | -- | 47,459 | 47,459 |
| Other provisions [2] | 13,789 | 17,032 | 3,087 | 33,908 |
| **Total** | 1,024,364 | 8,199,647 | 1,351,084 | 10,575,095 |
| Current | 1,016,848 | 288,947 | 1,351,084 | 2,656,879 |
| Non-current | 7,516 | 7,910,700 | -- | 7,918,216 |

(1) Position at February 28, 2008.
(2) Basically refers to additional provision for premiums, administrative expenses and risk fluctuation.

### b) Technical Provisions per product

| | Insurance | Pension Plan | Savings Plan | Total [1] |
|---|---|---|---|---|
| Auto | 424,210 | -- | -- | 424,210 |
| Life | 397,264 | -- | -- | 397,264 |
| Other isurance | 162,771 | -- | -- | 162,771 |
| DPVAT | 28,831 | -- | -- | 28,831 |
| Heallth Care | 11,288 | -- | -- | 11,288 |
| Certificated Savings Plan | -- | -- | 1,351,084 | 1,351,084 |
| PGBL | -- | 2,773,579 | -- | 2,773,579 |
| VGBL | -- | 2,170,223 | -- | 2,170,223 |
| Traditional Plans | -- | 3,255,845 | -- | 3,255,845 |
| **Total** | 1,024,364 | 8,199,647 | 1,351,084 | 10,575,095 |

(1) Position at February 28, 2008.

### c) Guarantee of Technical Provisions

| | Insurance | Pension | Capitalization | Total [1] |
|---|---|---|---|---|
| Shares in investment funds (VGBL and PGBL) | -- | 4,869,164 | -- | 4,869,164 |
| Shares in investment funds (except VGBL and PGBL) | 556,255 | 2,485,867 | 1,019,497 | 4,061,619 |
| Government securities | 284,757 | 1,048,974 | 258,823 | 1,592,554 |
| Private securities | 104,954 | 1,625 | 105,656 | 212,235 |
| Credit rights | 179,549 | -- | -- | 179,549 |
| Real state | 30,290 | -- | -- | 30,290 |
| Deposits retained at IRB and court deposits | 721 | -- | -- | 721 |
| **Total** | 1,156,526 | 8,405,630 | 1,383,976 | 10,946,132 |

(1) Position at February 28, 2008..

### d) Retained insurance premiums, pension plan contributions and certificated savings plans

| | Insurance | Pension | Capitalization | Total [1] |
|---|---|---|---|---|
| Premium issued (VGBL) | 274,698 | 138,318 | -- | 413,016 |
| Supplementary private pension plan contribution (including VGBL) | -- | 125,913 | -- | 125,913 |
| Revenues from certificated savings plans | -- | -- | 166,095 | 166,095 |
| Coinsurance premiuns granted | (1,762) | -- | -- | (1,762) |
| Refunded premiuns (VGBL) | (1,749) | (299) | -- | (2,048) |
| **Net premiun issued** | 271,187 | 263,932 | 166,095 | 701,214 |
| Withdrawals (VGBL) | -- | (43,435) | -- | (43,435) |
| Reinsurance premiums granted, consortia and funds | (16,762) | -- | -- | (16,762) |
| Retained premiums from insurance, private pension plans and certificated savings plans | 254,425 | 220,497 | 166,095 | 641,017 |

(1) Refers to the movement in January and February 2008.

### e) Results from Insurance, Pension Plan and Capitalization:

| | Insurance | Pension | Capitalization | Total [1] |
|---|---|---|---|---|
| **Financial income** | 21,797 | 131,618 | 25,957 | 179,372 |
| Financial revenue | 27,785 | 161,561 | 29,185 | 218,531 |
| Financial expenses | (5,988) | (29,943) | (3,228) | (39,159) |
| Technical reserves monetary atualization | (5,110) | (107,555) | (14,085) | (126,750) |
| **Operating income** | 94,876 | (1,927) | 7,744 | 100,693 |
| Retained insurance premiuns | 254,425 | 220,497 | 166,095 | 641,017 |
| Changes on technical provision | 7,978 | (204,587) | (3,403) | (200,012) |
| Retained claims | (127,641) | (2,106) | -- | (129,747) |
| Deferred acquisition costs expenses | (39,886) | (3,514) | (7,710) | (51,110) |
| Capitalization expenses | -- | -- | (147,238) | (147,238) |
| Pension plans expenses | -- | (12,217) | -- | (12,217) |
| **Total** | 111,563 | 22,136 | 19,616 | 153,315 |

(1) Refers to the movement in January and February 2008.

## 18 – Analysis of Income Statement Items

### a) Banking service fees

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 1st quarter/2008 | 1st quarter/2007 | 1st quarter/2008 | 1st quarter/2007 |
| Account fees | 731,285 | 703,383 | 731,369 | 703,455 |
| Loan operations | 263,816 | 233,204 | 263,816 | 233,204 |
| Income from cards | 255,879 | 192,601 | 255,879 | 192,601 |
| Fund Management | 299,158 | 246,905 | 476,876 | 394,640 |
| Collections | 248,589 | 223,805 | 248,765 | 223,992 |
| Interbank | 176,640 | 179,762 | 176,640 | 179,762 |
| Funding | 109,480 | 100,243 | 109,480 | 100,243 |
| Services rendered to related companies | 50,470 | 52,850 | 69,034 | 70,010 |
| Official services | 14,115 | 79,133 | 14,115 | 79,133 |
| Other services | 181,110 | 173,396 | 569,217 | 200,080 |
| **Total** | 2,330,542 | 2,185,282 | 2,915,191 | 2,377,120 |

### b) Personnel expenses

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 1st quarter/2008 | 1st quarter/2007 | 1st quarter/2008 | 1st quarter/2007 |
| Salaries | (821,803) | (767,759) | (852,293) | (780,167) |
| Benefits | (255,136) | (219,223) | (261,158) | (220,574) |
| Social charges | (315,845) | (361,564) | (327,593) | (365,813) |
| Training | (9,797) | (10,166) | (10,375) | (10,343) |
| Directors' fees | (3,228) | (2,905) | (5,324) | (3,289) |
| Personnel provisions | (344,218) | (367,920) | (344,218) | (367,920) |
| Provision for labor claims | (131,618) | (110,521) | (131,618) | (110,521) |
| **Total** | (1,881,645) | (1,840,058) | (1,932,579) | (1,858,627) |

### c) Administrative Expenses

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 1st quarter/2008 | 1st quarter/2007 | 1st quarter/2008 | 1st quarter/2007 |
| Water, electricity and gas | (69,364) | (72,081) | (69,809) | (72,136) |
| Rent | (75,858) | (68,876) | (82,772) | (69,926) |
| Leasing costs | -- | (17,631) | (362) | (17,631) |
| Communications | (253,713) | (201,570) | (259,933) | (204,391) |
| Maintenance and upkeep | (61,157) | (55,555) | (62,324) | (55,836) |
| Materials | (23,304) | (29,247) | (25,067) | (29,342) |
| Data processing | (168,585) | (162,409) | (181,953) | (165,108) |
| Promotion and public relations | (24,779) | (27,002) | (32,666) | (27,035) |
| Advertising and publicity | (39,461) | (36,629) | (45,106) | (36,635) |
| Financial system services | (103,728) | (89,620) | (105,563) | (86,826) |
| Third party services | (181,619) | (118,654) | (198,047) | (124,489) |
| Security services | (122,202) | (116,104) | (122,306) | (116,142) |
| Specialized technical services | (18,343) | (13,561) | (33,633) | (14,239) |
| Transportation | (127,702) | (102,441) | (130,694) | (102,637) |
| Domestic travel | (20,455) | (13,752) | (21,666) | (13,848) |
| Amortization | (54,605) | (50,940) | (56,112) | (51,176) |
| Depreciation | (136,035) | (129,367) | (138,334) | (129,456) |
| Expenses with tax and civil lawsuits | (75,379) | (66,170) | (75,379) | (66,170) |
| Other | (88,804) | (79,595) | (167,649) | (83,583) |
| **Total** | (1,645,093) | (1,451,204) | (1,809,375) | (1,466,606) |

## d) Other Operating Income

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 1st quarter/2008 | 1st quarter/2007 | 1st quarter/2008 | 1st quarter/2007 |
| Recovery of charges and expenses | 288,906 | 215,028 | 289,196 | 215,250 |
| Income from Special Operations | 11,661 | 11,662 | 11,661 | 11,662 |
| Income from specific credits | 19,358 | 18,676 | 19,358 | 18,676 |
| Previ – Contributions parity agreement | 76,159 | 61,795 | 76,159 | 61,795 |
| Income from payments of INSS benefits | 27,293 | 47,143 | 27,293 | 47,143 |
| Warrants Deposits Receivable | 250,041 | 280,199 | 250,041 | 280,199 |
| Income from securities and credits receivable from the Federal Treasury | 576 | 13,409 | 576 | 13,409 |
| Dividends received | 15,985 | 14,449 | 15,985 | 14,449 |
| Equalization of rates – Law 8427 | 275,774 | 1,393 | 275,774 | 1,393 |
| Credit card transactions | 40,969 | 26,053 | 40,969 | 26,053 |
| Overdue advances on exchange contracts | 3,217 | 2,742 | 3,217 | 2,742 |
| Personnel expenses – Reversal of provisions | 24,463 | 7,030 | 24,463 | 7,030 |
| Reversal of operating Provisions - Contingent Liabilities | -- | 5,302 | -- | 5,302 |
| Foreign exchange gains | 55,818 | 338,099 | 55,818 | 338,099 |
| Taxes paid in error (Note 28,b) | 19,650 | 1,168 | 19,650 | 1,168 |
| Resulting from PNB - BNDES | 1,458 | 1,634 | 1,458 | 1,634 |
| Performance | 3,145 | -- | 3,145 | -- |
| Resulting from the Assignment of Credit | 3,089 | 1,621 | 3,089 | 1,621 |
| Other | 134,455 | 74,402 | 275,907 | 76,182 |
| **Total** | 1,252,017 | 1,121,805 | 1,393,759 | 1,123,807 |

## e) Other operating expenses

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 1st quarter/2008 | 1st quarter/2007 | 1st quarter/2008 | 1st quarter/2007 |
| Fees for the use of Sisbacen | (2,844) | (3,178) | (2,844) | (3,178) |
| Discounts granted on renegotiations - credit operations | (18,181) | (19,732) | (18,181) | (19,732) |
| Updating of the pension liability | (47,920) | (49,675) | (47,920) | (49,675) |
| Interest on funds allocated for payment of benefits | (30,994) | (46,749) | (30,994) | (46,749) |
| Previ– Actuarial Asset Amortization – CVM Resolution n,º 371 | (88,376) | (95,844) | (88,376) | (95,844) |
| CASSI – Interest on actuarial liabilities (Adjustments arising from CVM Resolution 371) 371 | (142,847) | (114,161) | (142,847) | (114,161) |
| Premium paid to clients - Loyalty Program | (270,928) | (67,392) | (270,928) | (67,392) |
| Losses with holdups and burglaries | (105) | (12,410) | (105) | (12,410) |
| Expenses with restatement – Interest on own capital/Dividends | (9,088) | (19,912) | (9,088) | (19,912) |
| Expenses of BB - ATM | (28,221) | (20,788) | (28,221) | (20,788) |
| Credit card transactions | (98,443) | (66,608) | (98,443) | (66,608) |
| Foreign exchange losses | (51,506) | (272,536) | (51,506) | (272,536) |
| Law 9138/95 - Restatement of funds to be returned to the Federal Treasury | (10,150) | (13,402) | (10,150) | (13,402) |
| Expenses related to PASEP funds | (163) | (168) | (163) | (168) |
| Federal contributions | (1,706) | (15) | (1,706) | (15) |
| From clients investments | (141) | (155) | (141) | (155) |
| Expenses related to Proagro | (1,692) | (1,633) | (1,692) | (1,633) |
| Income tax and contributions monetary correction | (549) | (628) | (2,544) | (2,335) |
| Other credits – renegotiation expenses | (9,320) | (916) | (9,320) | (916) |
| Securitization *SWIFT* MT100 – liabilities with the SPC [1] | (18,139) | (29,221) | -- | -- |
| Hybrid Capital and Debt Instruments | (17,720) | (20,769) | (17,720) | (20,769) |
| Restatement of guarantee deposits | (137,364) | -- | (137,364) | -- |
| Other | (144,124) | (67,462) | (302,042) | (86,986) |
| **Total** | (1,130,521) | (923,354) | (1,272,295) | (915,364) |

(1) In BB-Consolidated, these obligations are classified as “Foreign marketable securities” in the consolidated statements because of the consolidation of the foreign Special Purpose Entities (SPE),

### f) Non-operating income

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 1st quarter/2008 | 1st quarter/2007 | 1st quarter/2008 | 1st quarter/2007 |
| **Non-operating income** | 453,309 | 39,982 | 245,737 | 44,025 |
| Profit on the sale of assets | 14,819 | 4,962 | 14,839 | 4,962 |
| Capital gains | 1,720 | 831 | 1,752 | 831 |
| Rental income | 3,360 | 2,477 | 4,052 | 2,721 |
| Provision/(reversal) for devaluation of other assets | 7,147 | 15,336 | 7,147 | 15,378 |
| Phrovision/(reversal) for loss with shares and quotas | 335 | 831 | 6,490 | 4,036 |
| Profit on the sale of other assets | 17,016 | 12,536 | 17,016 | 12,536 |
| Other non-operating income [1] | 912 | 3,009 | 194,441 | 3,561 |
| **Non-operating expenses** | (15,345) | (13,490) | (21,596) | (13,523) |
| Loss on sale of assets | (1,023) | (482) | (1,023) | (482) |
| Capital losses | (4,709) | (5,036) | (7,782) | (5,036) |
| Valuation of other assets | (5,436) | (7,587) | (5,465) | (7,598) |
| Gains with shares and quotas | (3,800) | -- | (3,800) | -- |
| Other non-operating expenses | (377) | (385) | (3,526) | (407) |
| **Total** | 29,964 | 26,492 | 224,141 | 30,502 |

(1) Consolidated - Includes the gain on Visa Inc IPO during the first quarter of 2008, in the amount of R$ 159,259 thousand,

## 19 – Stockholders' Equity

### a) Book Value and Market Value of the Share

The Stockholders' Equity of R$ 25,406,842 thousand (R$ 21,638,457 thousand at March 31, 2007) corresponds to a book value of R$ 9,99per share (R$ 8,74 at March 31, 2007, adjusted, for comparative purposes, due to the split of shares in the proportion of 1:3), The market value of the ordinary share at March 31, 2008 was R$ 23,11 (R$ 22,23 at March 31, 2007, adjusted, for comparative purposes, due to the split of shares in the proportion of 1:3).

### b) “C” subscription bonuses

Of the subscription bonuses issued by the Bank, the remaining balance of 5,880,431 “C” Bonus, that can be exercised up to the original terms – 03,31,2011 to 06,30,2011.

### c) Capital

Capital is R$ 13,211,644 thousand (R$ 11,912,895 thousand in 03,31,2007), totally paid-up, comprising 2,542,181,530 common shares with no par value, The Federal Treasury is the controlling stockholder.

### d) Revaluation reserves

These refer to a revaluation of assets carried out by the associated companies Kepler Weber and Pronor, and by the subsidiary Cobra Tecnologia S,A, The realizations of the reserves in the period, totaling R$ 74 thousand (R$ 128 thousand at March 31, 2007), were transferred to the "Retained earnings (accumulated losses)" account,

### e) Interest on own capital / Dividends

| | 1st quarter/2008 | 1st quarter/2007 |
|---|---|---|
| 1 - Net income for the period | 2,347,466 | 1,408,790 |
| 2 - Interest on own capital allocated to the stockholders | 368,987 | 321,070 |
| 3 - Dividends allocated to the stockholders | 569,999 | 242,446 |
| Total allocated to the stockholders (item 3 + item 4) | 938,986 | 563,516 |

The total amount of Interest on Own Capital of the 1st quarter/2008 comes to R$ 368,987 thousand, which brought about a reduction in tax charge expenses in the amount of R$ 125,456 thousand,

Interest on Own Capital and Dividends referring to the 1st quarter will be paid together as of May 27, 2008 based on the shareholder position as of March 24,2008,

### f) Payments/Accruals of Interest on Own Capital and Dividends

| | Per share | Gross amount | IRRF | Net amount |
|---|---|---|---|---|
| **2008** | | | | |
| Interest on own capital provisioned | 0,145 | 368,987 | (65,115) | 303,872 |
| Dividends allocated to the stockholders | 0,224 | 569,999 | -- | 569,999 |
| **2007** [1] | | | | |
| Interest on own capital provisioned | 0,130 | 321,070 | (56,659) | 264,411 |
| Dividends allocated to the stockholders | 0,098 | 242,446 | -- | 242,446 |

(1) Adjusted, for comparative purposes, due to the split of shares in the proportion of 1:3, approved by the AGE (Extraordinary General Meeting of Shareholders) on April 25, 2007,

### g) Mark-to-Market – Securities and Derivatives

| | 2008 | | | 2007 | | |
|---|---|---|---|---|---|---|
| | 12,31,2007 Balance | Net changes Net in the year | 03,31,2008 Balance | 12,31,2006 Balance | Net changes Net in the year | 03,31,2007 Balance |
| **Securities available for sale** | | | | | | |
| Multiple Bank | 39,099 | (111,180) | (72,081) | 213,111 | (7,059) | 206,052 |
| Subsidiaries and affiliates | 399,395 | (274,590) | 124,805 | 289,592 | 42,875 | 332,467 |
| Tax effects | (88,692) | 121,327 | 32,635 | (120,465) | (801) | (121,266) |
| **Total** | 349,802 | (264,443) | 85,359 | 382,238 | 35,015 | 417,253 |

### h) Equity Interest

Shareholdings at December 31, 2008 of all those who hold, directly or indirectly, more than 5% of capital:

| Stockholders | Total shares | % Total |
|---|---|---|
| Federal treasury | 1,660,334,789 | 65,3% |
| Banco do Brasil Employees Retirement Fund (PREVI) | 266,098,012 | 10,5% |
| BNDES Participações S,A, – BNDESPar [1] | 64,368,679 | 2,5% |
| Other shareholders [2] | 551,380,050 | 21,7% |
| **Total** | 2,542,181,530 | 100,0% |

(1) Linked to the controller,
(2) Includes the underwriting receipts from the exercise of "C" Bonds in November/2007, Following ratification by the Central Bank on 02,13,08, BB's capital was increased by 66,232,261 new shares,

Changes in ownership of the parties referred to in the previous paragraph of these securities during the preceding twelve months and characteristics of the securities issued by the Bank and directly or indirectly held by the controlling stockholder, management and members of the Fiscal Council,

| **Controlling Group** | **03,31,2008** | **03,31,2007[1]** |
|---|---|---|
| Federal Treasury | 1,660,334,789 | 1,700,334,108 |
| Previ | 266,098,012 | 283,246,005 |
| BNDESPar | 64,368,679 | 124,812,156 |
| **Total** | 1,990,801,480 | 2,108,392,269 |

(1) Adjusted, for comparative purposes, due to the split of shares in the proportion of 1:3, approved by the AGE (Extraordinary General Meeting of Shareholders) on April 25, 2007,

| | **Common Shares** | | **C Bonds** | |
|---|---|---|---|---|
| | **03.31.2008** | **03.31.2007[1]** | **03.31.2008** | **03.31.2007** |
| **Board of Directors** | | | | |
| Bernard Appy | 3 | 3 | -- | -- |
| Antonio Francisco de Lima Neto | 3 | 3 | -- | -- |
| Bernardo Gouthier Macedo | 1 | -- | -- | -- |
| Cleber Ubiratan de Oliveira | 10 | -- | -- | -- |
| Francisco Augusto da Costa e Silva | 3 | 6 | -- | -- |
| Henrique Jäger | 1 | -- | -- | -- |
| Tarcísio José Massote de Godoy | 3 | 3 | -- | -- |
| **Executive Board of Directors** | | | | |
| Antonio Francisco de Lima Neto | 3 | 3 | -- | -- |
| Adézio de Almeida Lima | 6 | 6 | 1 | 1 |
| Aldemir Bendine | -- | -- | -- | -- |
| Aldo Luiz Mendes | 1,014 | 378 | -- | -- |
| José Luís Prola Salinas | 342 | 342 | -- | -- |
| José Maria Rabelo | 60 | 60 | 10 | 10 |
| Luís Carlos Guedes Pinto | 5,517 | 5,517 | -- | -- |
| Luiz Alberto Maguito Vilela | -- | -- | -- | -- |
| Luiz Oswaldo Sant'Iago Moreira de Souza | 6 | 6 | 1 | 1 |
| Milton Luciano dos Santos | -- | -- | -- | -- |
| **Board** | | | | |
| Alexandre Correa Abreu | -- | -- | -- | -- |
| Allan Simões Toledo | 636 | -- | -- | -- |
| Clara da Cunha Lopes | 342 | 342 | -- | -- |
| Edson de Araújo Lobo | 583 | 342 | -- | -- |
| Francisco Claudio Duda | 1,660 | 1,383 | 1 | 1 |
| Geraldo Afonso Dezena da Silva | -- | -- | -- | -- |
| Glauco Cavalcante Lima | 84 | 84 | 11 | 11 |
| Izabela Campos Alcântara Lemos | 342 | 342 | -- | -- |
| Joaquim Portes de Cerqueira César | 636 | -- | -- | -- |
| José Carlos Soares | 3,050 | 2,742 | -- | 10 |
| José Carlos Vaz | 365 | 66 | -- | -- |
| Juraci Masiero | -- | -- | -- | -- |
| Jussara Silveira de Andrade Guedes | 277 | -- | -- | -- |
| Luiz Carlos Silva de Azevedo | 66 | 66 | -- | -- |
| Luiz Gustavo Braz Lage | 636 | -- | -- | -- |
| Maria da Glória Guimarães dos Santos | -- | -- | -- | -- |
| Nilo José Panazzolo | 2,075 | 1,377 | -- | -- |
| Nilson Martiniano Moreira | 500 | -- | -- | -- |
| Paulo Euclides Bonzanini | 474 | 18 | -- | -- |
| Paulo Roberto Evangelista de Lima | 393 | 372 | -- | 7 |
| Paulo Rogério Caffarelli | 1,005 | 549 | -- | -- |
| René Sanda | 9 | 9 | 1 | 1 |
| Ricardo José da Costa Flores | 72 | 72 | 9 | 9 |
| Sandro Kohler Marcondes | 3 | 690 | -- | -- |
| Sérgio Ricardo Miranda Nazaré | 512 | 342 | -- | -- |
| William Bezerra Cavalcanti Filho | 512 | 342 | -- | -- |

| | | | | |
|---|---|---|---|---|
| **Fiscal Council** | | | | |
| Otávio Ladeira de Medeiros | -- | -- | -- | -- |
| Agostinho do Nascimento Netto | -- | -- | -- | -- |
| Eduardo Grande Bittencourt | -- | -- | -- | -- |
| Eustáquio Wagner Guimarães Gomes | -- | -- | -- | -- |
| Marcos Machado Guimarães | -- | -- | -- | -- |
| Alfredo Luiz Buso | -- | -- | -- | -- |
| Carla Góes Coelho de Souza | -- | -- | -- | -- |
| Daniel Sigelmann | -- | -- | -- | -- |
| Egon Handel | -- | -- | -- | -- |
| José Luiz Gomes Rôlo | -- | -- | -- | -- |
| **Audit Committee** | | | | |
| José Danúbio Rozo | 277 | -- | -- | -- |
| José Gilberto Jaloretto | -- | -- | -- | -- |
| Flavio Fernando da Fontoura Ferreira | 906 | -- | -- | -- |
| **Internal Audit** | | | | |
| Egidio Otmar Ames | 57 | 57 | 9 | 9 |

(1) Approval of the split of shares in the proportion of 1 to 1 (1%) by the Extraordinary General Meeting of April 25, 2007.

Number of shares in the market and percentage in relation to the total issued:

| BB shares | Number | % |
|---|---|---|
| Market [1] | 2,542,181,530 | 100,0 |
| Total issued | 2,542,181,530 | 100,0 |

(1) As per Law No 6,404/1976,

### i) Free Float

The *free float* corresponds to 21.69% (551,380,050 shares).

## 20 – Income Tax and Social Contribution on Net Income

### a) Details of income tax and social contribution expense

| | BB-Consolidated | | | |
|---|---|---|---|---|
| | 1st quarter/2008 | | 1st quarter/2007 | |
| | Income tax | Social contribution | Income tax | Social contribution |
| **a) Current values** | (510,418) | (184,349) | (542,610) | (196,623) |
| Domestic income tax and social contribution | (500,050) | (184,349) | (536,864) | (196,623) |
| Foreign income tax | (10,368) | -- | (5,746) | -- |
| **b) Deferred tax liabilities** | (48,055) | (14,343) | (56,195) | (19,950) |
| Provision)/reversal of deferred income tax on the adjustment of the portfolio and depreciation (leasing operations) | (8,599) | -- | (4,282) | -- |
| (Provision)/reversal of provision for deferred taxes - positive MTM | (1,287) | 726 | 2,828 | 947 |
| (Provision)/reversal of deferred income tax on the sale of investments in installments (BB-BI) | (194) | (70) | -- | -- |
| (Provision)/reversal of provision for deferred taxes - restatement of judicial deposits | (35,287) | (12,703) | (38,179) | (13,744) |
| (Provision)/reversal of provision for deferred taxes - Net income abroad | (2,405) | (2,217) | (7,872) | (4,088) |
| (Provision)/reversal of provision for deferred income tax on transactions carried out in the futures market | (283) | (79) | (8,690) | (3,065) |
| **c) Provision (a+b)** | (558,473) | (198,692) | (598,805) | (216,573) |
| **d) Deferred tax credits** | 220,732 | 74,127 | 204,175 | 71,928 |
| Recording/(reversal) of tax credits on temporary differences | 222,610 | 79,197 | 222,276 | 79,551 |
| (Recording)/reversal of tax credit on income tax and social contribution losses | (7,912) | (6,122) | 5,671 | 288 |
| (Recording)/reversal of tax credits - negative MTM | 5,946 | 1,017 | (23,772) | (7,911) |
| Recording/(Reversal) of Tax Credits on Transactions Carried out in the Futures Marke | 88 | 35 | -- | -- |
| **Total expenses (c+d)** | **(337,741)** | **(124,565)** | (394,630) | (144,645) |

### b) Reconciliation of income tax and social contribution expense

| | BB – Consolidated | |
|---|---|---|
| | 1st quarter/2008 | 1st quarter/2007 |
| **Income tax** | | |
| Profit before taxation and profit sharing | 3,432,113 | 2,128,277 |
| Total income tax charge (rate of 25%) | (858,028) | (532,069) |
| Charges upon Interest on Own Capital | 92,247 | 80,267 |
| Effects of non-taxable income | 476,675 | 222,437 |
| Effects of non-deductible expenses | (594,229) | (543,384) |
| Effects of foreign profits | (10,549) | (7,348) |
| Employee profit sharing | -- | -- |
| Deferred charges on mark-to-market adjustments | (3,072) | 129 |
| Other [1] | 551,077 | 377,716 |
| Fiscal incentives (workers meal program, culture and others) | 8,138 | 7,622 |
| Income tax expense | **(337,741)** | (394,630) |
| **Social contribution** | | |
| Profit before taxation and profit sharing | 3,432,113 | 2,128,277 |
| Total social contribution charge (rate of 9%) | (308,890) | (191,545) |
| Charges upon Interest on Own Capital | 33,209 | 28,896 |
| Effects of non-taxable income | 168,342 | 80,002 |
| Effects of non-deductible expenses | (215,570) | (195,618) |
| Effects of foreign profits | -- | -- |
| Employee profit sharing | -- | -- |
| Deferred charges on mark-to-market adjustments | (1,042) | 47 |
| Other [1] | 199,386 | 133,573 |
| **Social contribution expense** | **(124,565)** | (144,645) |

(1) Tax credit from timing differences recorded.

### c) Judicial Proceeding: Interest on Own Capital Tax Benefit

**c.1)** In February/1998, the Bank filed a legal request for full offset of prior year income tax and social contribution on net income losses against taxable income, Since then, the Bank has offset these tax losses in full against income tax and social contribution taxable income and has made judicial deposits of the taxes otherwise due (on 70% of the amount offset), These deposits prompted the Federal District 16th Court to issue a dispatch recognizing the suspension of payment of these taxes until final judgment of the Bank's request, based on article 151, II, of the Tax Code, Since 10,1,2002, the proceeding has been awaiting judgment of an extraordinary appeal by the Federal Supreme Court.

**c.2)** The offsetting of amounts of fiscal loss and CSLL recoverable results in the write-off of deferred tax credits, observing the limitation of 30%.

**c.3)** As permitted by item 53 of CVM Resolution 489/2005, judicial deposits in the amount of R$9,839,850 thousand (principal + interest) deduct the corresponding provisions.

**c.4)** Deferred taxes (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 formed in an amount identical to aforesaid restatement, in conformity with § 2, item II, art, 1 of Bacen/CMN Resolution 3,059/2002, with no impact on net income.

**c.5)** If we consider the situation of success in the lawsuit, we would verify that in September/2005, the Bank would have consumed the entire stock of Tax Loss, Therefore, since the competent period of October/2005, the amount of Income Tax is paid in full, For the same situation there would also be a remaining balance of tax credit of CSLL recoverable of R$ 565,041 thousand.

Moreover, there would be a transfer of resources from the account used to record judicial deposits to that of cash and cash equivalents, The tax credits relating to judicial deposits (principal) would be written off against provision for IRPJ and CSLL and provision for tax risks relating to the restatement of deposits, in the amount of R$ 3,604,323 thousand would be reverted against net income, The net positive impact of this provision on net income would support the calculation of the BIS ratio by 1,67% (from 15,28% to 16,95%).

**c.6)** Considering the situation of loss of the 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 loss that could be utilized since the competent period of October/30, observing the limitation of 30%, is reclassified to the accounting representing "IRPJ recoverable" assets, This IRPJ recoverable, which would result from the adjustments of Statements of Economic-Fiscal Information of Individuals, corresponds to R$ 1,280,218 thousand in March/2008 and its restatement by the Selic Rate since January/2006 corresponds to R$ 108,300 thousand, This sum adjusts the provision for tax risks in connection with the updating of court deposits (please see item 17,d,5), so that its sum will be sufficient to fully cancel the risk of a likely loss.

**c.7)** The amounts relating to this matter are as follows:

| | 03.31.2008 | 03.31.2007 |
|---|---|---|
| **Judicial Deposits** | 9,839,850 | 8,941,433 |
| Original amounts | 6,004,605 | 5,819,878 |
| Restatement | 3,835,245 | 3,121,555 |
| **70% thereof** | 6,162,193 | 5,703,141 |
| Income tax losses | 3,002,033 | 3,002,033 |
| CSLL / CSLL losses to offset | 3,160,160 | 2,701,108 |

## 21 – Tax credits

### a) Tax credits recorded as assets

| | BB-Consolidated | | | |
|---|---|---|---|---|
| | 03.31.2008 | | 03.31.2007 | |
| | Income tax | Social contribution | Income tax | Social contribution |
| **Nature and origin:** | | | | |
| Income tax and social contribution losses | 323,831 | 49,677 | 248,136 | 60,094 |
| Rate (%) | 25 | 9 | 25 | 9 |
| Tax credit recorded (a) | 80,958 | 4,471 | 62,034 | 5,408 |
| Timing differences | 24,789,685 | 24,420,924 | 21,492,146 | 21,405,861 |
| Rate (%) | 25 | 9 | 25 | 9 |
| Tax credit recorded (b) | 6,197,421 | 2,197,883 | 5,373,036 | 1,926,528 |
| Negative mark to market adjustments | 368,515 | 359,560 | 100,687 | 91,629 |
| Rate (%) | 25 | 9 | 25 | 9 |
| Tax credit recorded (c) | 91,629 | 32,360 | 25,172 | 8,247 |
| Social contribution to offset (d) | -- | 565,041 | -- | 1,228,771 |
| Negative futures market adjustments | -- | -- | -- | -- |
| Rate (%) | 25 | 9 | 25 | 9 |
| Tax credit recorded (e) | -- | -- | -- | -- |
| Tax credits - writ of mandamus (f) | 1,721,815 | 3,124,498 | -- | -- |
| Tax credits abroad (g) | 12,551 | -- | 7,721 | -- |
| **Total income tax and social contribution credits recorded (a + b + c + d + e+ f + g** | 8,104,374 | 5,924,253 | 5,467,963 | 3,168,954 |

| | Pasep | Cofins | Pasep | Pasep |
|---|---|---|---|---|
| Negative mark to market adjustments | 387,145 | 387,145 | 102,134 | 102,134 |
| Rate (%) | 0,65 | 4 | 0,65 | 4 |
| Tax credit recorded (h) | 2,516 | 15,486 | 664 | 4,085 |
| Negative futures market adjustments | -- | -- | -- | -- |
| Rate (%) | 0,65 | 4 | 0,65 | 4 |
| Tax credit recorded (i) | -- | -- | -- | -- |
| **Total PASEP and COFINS credits recorded (h + i)** | 279 | 4,539 | -- | -- |
| | 2,794 | 20,017 | 664 | 4,085 |
| **Total tax credits not recorded** | 8,107,168 | 5,944,270 | 5,468,627 | 3,173,039 |

The tax credits recorded include Social Contribution to Offset relating to tax credits calculated at the rate of 18% on tax losses and temporary differences existing on December 31, 1998, Article 8 of Provisional Measure (MP) 2158-35/2001 reduced the rate of social contribution from 18% to 8% and authorized the maintenance of this credit classified in Other Receivables - Sundry, At March 31, 2008, the balance of this account amounted to R$ 565,041 thousand.

Since January 1, 2003, the rate for social contribution on net income is 9%, in conformity with Law 10637 of December 30, 2002.

### b) Tax credits not recorded

| | BB-Consolidated | | | |
|---|---|---|---|---|
| | 03.31.2008 | | 03.31.2007 | |
| Nature and origin: | Income tax | Social contribution | Income tax | Social contribution |
| Income tax and social contribution losses | 131,337 | 127,599 | 98,379 | 53,597 |
| Rate (%) | 25 | 9 | 25 | 9 |
| Tax credits not recorded (a) | 32,834 | 11,485 | 24,595 | 4,824 |
| Timing differences | 9,255 | 4,668 | 33,409 | 16,632 |
| Rate (%) | 25 | 9 | 25 | 9 |
| Tax credits not recorded (b) | 2,314 | 420 | 8,352 | 1,497 |
| Negative mark-to-market adjustments | -- | -- | -- | -- |
| Rate (%) | 25 | 9 | 25 | 9 |
| Tax credits not recorded (c) | -- | -- | -- | -- |
| Accounting losses of foreign entities in countries with favorable taxation | -- | -- | 198,144 | 198,144 |
| Rate (%) | 25 | 9 | 25 | 9 |
| Tax credits not recorded (d) | -- | -- | 49,536 | 17,832 |
| Tax credits abroad (e) | 37,483 | -- | 55,943 | - |
| **Total income tax and social contribution credits not recorded (a + b + c + d + e)** | 72,631 | 11,905 | 138,426 | 24,153 |

| | Pasep | Cofins | Pasep | Cofins |
|---|---|---|---|---|
| Negative mark to market adjustments | -- | -- | -- | -- |
| Rate (%) | 0,65 | 4 | 0,65 | 4 |
| Tax credits (f) | -- | -- | -- | -- |
| **Total PASEP and COFINS tax credits not recorded** | -- | -- | -- | -- |
| | 72,631 | 11,905 | 138,426 | 24,153 |
| **Total tax credits not recorded** | 131,337 | 127,599 | 98,379 | 53,597 |

## c) Entries and write-offs of the period

| Entries of the period | BB-Consolidated | | | |
|---|---|---|---|---|
| | 03.31.2008 | | 03.31.2007 | |
| | Income tax | Social contribution | Income tax | Social contribution |
| a) On income tax and social contribution losses | 8,075 | 17 | 5,671 | 499 |
| b) On timing differences | 195,697 | 70,732 | 187,749 | 67,239 |
| c) On negative mark-to-market adjustments | 14,598 | 5,282 | 18 | 1 |
| d) Tax credits abroad | 3,423 | - | - | - |
| e) Relating to negative futures market adjustments | - | - | - | - |
| f) Tax credits - writ of mandamus [1] | - | 117,566 | - | - |
| g) Total income tax and social contribution tax recorded (a + b + c + d + e + f) | 221,793 | 193,597 | 193,438 | 67,739 |
| | **Pasep** | **Cofins** | **Pasep** | Cofins |
| h) Relating to negative mark-to-market adjustments | 402 | 2,471 | - | - |
| i) Relating to negative futures market adjustments | - | - | - | - |
| i) Total tax credits recorded ( g + h + i) | 222,195 | 196,068 | 193,438 | 67,739 |

(1) The tax credits that had been written off since the beginning of the lawsuit, referring to the full carryforward of the accumulated tax loss of Income Tax and of the negative bases of Social Contribution Tax, were reactivated in contra account to the re-formation of provision relating to the portion of 70% of IRPJ and of CSLL, for which judicial deposits were formed in the amount of R$ 6,004,605 thousand (Note 20.c).

| Write-offs in the period | BB-Consolidated | | | |
|---|---|---|---|---|
| | 03.31.2008 | | 03.31.2007 | |
| | Income tax | Social contribution | Income tax | Social contribution |
| a) Relating to income tax & social contribution losses | 16,187 | 6,211 | - | 212 |
| b) Relating to timing differences | 6,612 | 2,321 | 3,653 | 1433 |
| c) Relating to social contribution to offset (PM No, 1858/1999) | - | 167,951 | - | 181,872 |
| d) Relating to negative mark-to-market adjustments | 933 | 315 | 21,846 | 8,031 |
| e) Tax credits abroad | - | - | 2,147 | - |
| f) Arising from futures market transactions | - | - | - | - |
| g) Tax Credits - writ of mandamus | 139,687 | - | - | - |
| h) Total IRPJ and CSLL tax credit write-offs ( a + b + c + d + e + f + g) | 163,419 | 176,798 | 27,646 | 191,548 |
| | **Pasep** | **Cofins** | **Pasep** | **Cofins** |
| i) Relating to negative mark-to-market adjustments | - | - | 608 | 3,743 |
| j) Relating to negative futures market adjustments | - | - | - | - |
| k) Total tax credits reversed (h + i +j) | 163,419 | 176,798 | 28,254 | 195,291 |

## d) Deferred tax liabilities

| | BB-Consolidated | | | |
|---|---|---|---|---|
| | 03.31.2008 | | 03.31.2007 | |
| | Income tax | Social contribution | Income tax | Social contribution |
| Arising from sale of investments | 324 | 117 | - | - |
| Arising from mark-to-market adjustments | 72,415 | 26,069 | 116,985 | 42,175 |
| Arising from leasing portfolio adjustment | 72,474 | 10 | 53,624 | - |
| Arising from tax incentive depreciation | - | - | - | - |
| Entities abroad | 3,862 | 0 | 2,014 | - |
| Arising from restatement of judicial deposits (Note 17,d,4) | 0 | 0 | - | - |
| Arising from foreign profits | 2,405 | 2,217 | 7,872 | 4,088 |
| Arising from futures market transactions | 5,638 | 1,648 | 25,055 | 8138 |
| Others | 454 | 2,115 | - | - |
| **Total deferred income tax and social contribution liabilities** | 157,572 | 32,176 | 205,550 | 54,401 |

| | Pasep | Cofins | Pasep | Cofins |
|---|---|---|---|---|
| Arising from mark-to-market adjustments | 1,983 | 12,206 | 3,194 | 19,658 |
| Arising from restatement of judicial deposits | 17,845 | 109,815 | 13,883 | 85,432 |
| Arising from futures market transactions | 155 | 951 | 617 | 3,793 |
| **Total deferred tax liabilities** | 177,555 | 155,148 | 223,244 | 163,284 |

## e) Estimates of the realization of tax credits recorded

| | Multiple Bank | |
|---|---|---|
| | 03.31.2008 | |
| | Nominal value | Present value |
| In 2008 | 3,020,000 | 2,876,000 |
| In 2009 | 4,016,000 | 3,680,000 |
| In 2010 | 3,064,000 | 2,688,000 |
| In 2011 | 2,576,000 | 2,163,000 |
| In 2012 | 1,044,000 | 841,000 |
| **Total tax credits** | **13,720,000** | **12,248,000** |

The above estimates of realization of tax credits were based on a technical study carried out as of December 31, 2007.

In 2007, it was observed the realization of tax credits in the Bank do Brasil in the amount of R$ 709,552 thousand, corresponding to 23,50% of the consumption forecast of technical study carried out in 12,31,2007 (R$ 2,002,000 thousand).

**f) Realization of Nominal Amounts of Credits**

The realization of nominal amounts of activated tax credits, considering the re-composition of those written off over the course of the lawsuit (70%), based on a technical study carried out by the Multiple Bank (as of 12,31,2007), is projected for 5 years, in the following proportions:

| | Tax loss/CSLL recoverable [1] | Timing differences [2] |
|---|---|---|
| In 2008 | 24% | 21% |
| In 2009 | 29% | 29% |
| In 2010 | 13% | 29% |
| In 2011 | 16% | 21% |
| In 2012 | 18% | -- |

(1) Projection of consumption associated with the capacity to generate taxable bases of IRPJ and CSLL in subsequent periods.
(2) The consumption capacity results from the movements of provisions (expectation of reversals, write-offs and uses).

This study also shows the tax credits recorded as assets at present values based on the average funding rate of the Multiple Bank.

**g) Other information**

**g,1)** Deferred fiscal liabilities or assets, respectively, are formed on positive or negative adjustments resulting from the transactions performed in future settlement markets in the period from 01,01,05 to 02,28,2006 (validity period of taxation on the cash basis, pursuant to art, 32 of Law 11,051/2004 and art, 110 of Law 11,196/2005), and will be realized as the transactions are settled.

**g,2)** Provisional Measure no, 413 dated January 3, 2008 raised the financial industry's Social Contribution rate from 9% to 15% as of May 1, 2008, Said Provisional Measure approved as of May 7, 2008, with regulatory terms must be submitted to the appreciation of the National Congress. It should also be noted that exists the Direct Clause of unconstitutionality.

This should give rise to Social Contribution expenses, as well as to the respective increase in tax credits, The likely use of such tax credits will depend on the studies evidencing compliance with the recording, maintenance, and writing off criteria for these assets, contained in Central Bank Resolution no, 3059/2002, amended by Central Bank Resolution no, 3355/2006, as well as shall consider the analyses carried out by management and other factors which would affect its realization perspectives, taking into consideration the legal aspects.

## 22 – Equity in the Earnings (Loss) of Subsidiary and Associated Companies

### a) BB- Domestic and Foreign branches

| DESCRIPTION | Paid-in capital | Adjusted Stockholders' Equity | Our ownership (% | Dividends-Interest on own capital | Equity in the earnings (loss) | | Book Value 03.31.2008 | Book Value 03.31.2007 |
|---|---|---|---|---|---|---|---|---|
| | | | | | Operational | Foreign exchange variation | | |
| **SUBSIDIARIES** | | | | | | | | |
| BAMB-*Brasilian American Merchant Bank* | 421,381 | 575,672 | 100,00 | -- | 10,318 | (6,690) | 575,672 | 635,914 |
| Banco do Brasil AG, Viena | 51,904 | 94,771 | 100,00 | -- | 2,233 | 5,085 | 94,771 | 85,917 |
| BB *Leasing Company Ltd*, | -- | 70,996 | 100,00 | -- | 940 | (890) | 70,996 | 78,448 |
| BB *Securities LLC* | 8,742 | 4,097 | 100,00 | -- | (532) | -- | 4,097 | -- |
| BB Administradora de Cartões de Crédito S,A, | 9,300 | 26,577 | 100,00 | -- | 2,166 | -- | 26,577 | 26,831 |
| BB Administradora de Consórcios S,A, | 14,100 | 25,907 | 100,00 | -- | 8,987 | -- | 25,907 | 23,168 |
| BB Corretora de Seguros e Administradora de Bens S,A, | 26,918 | 49,191 | 100,00 | -- | 16,198 | -- | 51,088 | 52,421 |
| BB Administração de Ativos – Distribuidora de Títulos e Valores Mobiliários S,A, | 103,142 | 228,779 | 100,00 | -- | 104,900 | -- | 228,779 | 208,878 |
| BB Banco de Investimento S,A, | 1,589,399 | 2,383,575 | 100,00 | -- | 614,685 | -- | 2,383,575 | 1,975,044 |
| BB *Leasing* S,A, - Arrendamento Mercantil | 61,860 | 73,754 | 100,00 | -- | 9,454 | -- | 73,754 | 67,967 |
| BB Banco Popular do Brasil S,A, | 165,155 | 19,490 | 100,00 | -- | (1,277) | -- | 19,490 | 27,478 |
| Cobra Tecnologia S,A, | 17,183 | (63,635) | 99,35 | -- | (5,661) | -- | -- | -- |
| **ASSOCIATED COMPANIES** | | | | | | | | |
| Cadam S,A, | 183,903 | 290,384 | 21,64 | -- | (2,909) | -- | 62,839 | 71,675 |
| **SUBTOTAL** | -- | -- | -- | -- | 759,502 | (2,495) | 3,617,545 | 3,253,741 |
| **Abroad** | -- | -- | -- | -- | -- | 27,992 | -- | -- |
| Foreign exchange gain/losses in branches | | | | | | | | |
| Increase/decrease in stockholders' equity arising from other movements, | -- | -- | -- | -- | 1,438 | -- | -- | -- |
| **Total** | -- | -- | -- | -- | 760,940 | 25,497 | 3,617,545 | 3,253,741 |

### b) BB-Consolidado

| DESCRIPTION | Paid-in capital | Adjusted Stockholders' Equity | Our ownership (% | Dividends-Interest on own capital | Equity in the earnings (loss) | | | Book Value 03.31.2008 | Book Value 03.31.2007 |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Operational | Foreign exchange variation | Provision | | |
| **INTEREST - BB MULTIPLE BANK** | | | | | | | | | |
| **ASSOCIATED COMPANIES** | | | | | | | | | |
| Cadam S,A, (1) | 183,903 | 290,384 | 21,64 | -- | (2,909) | -- | -- | 62,839 | 71,675 |
| **SUBTOTAL** | -- | -- | -- | -- | (2,909) | -- | -- | 62,839 | 71,675 |
| **INTEREST - BB BANCO DE INVESTIMENTO** | | | | | | | | | |
| **ASSOCIATED COMPANIES** | | | | | | | | | |
| Itapebi **(2)** | 105,000 | 224,018 | 19,00 | 7,444 | 5,457 | -- | -- | 42,563 | 44,581 |
| BAF S,A,, "em liquidation" (2**)** | 203,498 | 4,369 | 100,00 | -- | -- | -- | (5,409) | 4,369 | 4,369 |
| **SUBTOTAL** | -- | -- | -- | 7,444 | 5,457 | -- | (5,409) | 46,932 | 48,950 |
| **INTEREST - BB ADMINISTRAÇÃO DE ATIVOS - DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS S,A,** | | | | | | | | | |
| **COLIGADA** | | | | | | | | | |
| Pronor **(4)** | 154,686 | 179,721 | 12,02 | 76 | 149 | -- | -- | 21,602 | 20,475 |
| **SUBTOTAL** | -- | -- | -- | 76 | 149 | -- | -- | 21,602 | 20,475 |
| **ABROAD** | | | | | | | | | |
| Foreign exchange gain/losses in branches | -- | -- | -- | -- | -- | 27,991 | -- | -- | -- |
| Foreign exchange gain/losses in subsidiaries | -- | -- | -- | -- | -- | (2,495) | -- | -- | -- |
| Increase/decrease in stockholders' equity arising from other movements, | -- | -- | -- | -- | 1,438 | -- | -- | -- | -- |
| **TOTAL** | -- | -- | -- | 7,520 | 4,135 | 25,496 | (5,409) | 131,373 | 141,100 |

(1) Information regarding income refers to the period from December/2007 to February/2008, except to BAF S,A, - in liquidation.
(2) In the Shareholders Meeting held as of April 20, 2004 it was decided to start the liquidation process for the Company, Due to this fact, the Bank started to use the equity method during 2005 second semester, Provisions in the amount of R$5,409 thousand were reversed when BAF generated positive results as of December 2007.

## 23 – Related-party Transactions

**Transactions with consolidated or non-consolidated entities**
The account balances with regard to transactions among the Bank's consolidated companies are excluded from the Consolidated Financial Statements, Hence, transactions with related parties include the non-consolidated companies that are assessed by means of the Equity Accounting Method (MEP), in addition to Banco do Brasil's shareholders, In relation to the majority shareholder, "Tesouro Nacional", transactions with the Federal Government and with the entities associated therewith, such as public companies, private and public joint stock companies and other federal autarchies that maintain operations with the consolidated companies, are included.

The Bank has banking transactions with related parties, such as interest bearing and non-interest bearing deposits, loans, and sale and repurchase transactions, There are also service provision and guarantee agreements.

These transactions with related parties are conducted under normal market conditions, substantially under the terms and conditions for comparable transactions, including interest rates and collateral, These transactions do not involve abnormal payment risks.

**Other transactions with related parties**
The Bank does not grant loans to its officers or members of its board of directors because this practice is prohibited at all the financial institutions regulated by the Central Bank of Brazil.

The Bank regularly contributes to Fundação Banco do Brasil - FBB, as provided in article 29, paragraph XII, of the Bank's By-laws, The contributions are intended to conduct the Foundation's social purposes and are limited to 5% of the Bank's operating income, The amount contributed in the first quarter was R$ 13,250 thousand.

The resources allocated to funds and programs originating from the onlending of Official Institutions are listed in note 14.

**Summary of transactions with related parties**
Banco do Brasil's balance of assets and liabilities with related parties are as follows:

| | 03.31.2008 | 03.31.2007 |
|---|---|---|
| **Assets** | | |
| Securities | 328,612 | 2,118,633 |
| Loan operations | 4,431,274 | 1,354,755 |
| Receivables from related companies | 74,669 | 57,927 |
| **Total** | 4,834,555 | 3,531,315 |
| | | |
| **Liabilities** | | |
| Demand deposits | 1,396,878 | 1,217,887 |
| Remunerated time deposits | 2,927,276 | 2,078,226 |
| Deposits received under security repurchase agreements | 3,827,222 | 1,274,736 |
| **Total** | 8,151,376 | 4,570,849 |

Below follows the sum of the key expenses and revenues with related parties during the period:

| | 1st quarter/2008 | 1st quarter/2007 |
|---|---|---|
| Interest and service fee revenues | 180,690 | 250,751 |
| Expenses with funding | (117,628) | (458,296) |
| **Net total** | 63,062 | (207,545) |

## 24 - Operational Limits – Basel Accord

On 03,31,2008, the Referential Shareholders' Equity (PR) exceeded the minimum required (R$ 11,467,515 thousand on 03,31,2007) by R$ 10,760,739 thousand, providing leverage of R$ 97,824,898 thousand (R$ 104,250,141 thousand on 03,31,2007) and the coefficient of capital adequacy is 15,52% (17,19% on 03,31,2007) while the minimum required by the Central Bank of Brazil is 11%.

The risk-weighted assets are as follows:

| | Financial | | Consolidated |
|---|---|---|---|
| | **03.31.2007** | **03.31.2008** | **03.31.2008** |
| Cash and cash equivalents | 3,472,744 | 4,325,653 | 4,325,945 |
| Credits and securities issued or guaranteed by the Brazilian Government | 95,731,778 | 124,428,122 | 124,850,510 |
| Deposits with the Brazilian Central Bank | 26,998,455 | 31,102,117 | 31,102,117 |
| Receivables from related companies | 38,896 | 24,716 | 62,637 |
| Specific credits - rescheduling of rural credits | 700,168 | 776,236 | 776,236 |
| Foreign exchange portfolio | 3,847,275 | 4,247,974 | 4,247,974 |
| Other | 1,562,422 | 2,891,151 | 3,074,867 |
| **Total subject to zero-risk** | 132,351,738 | 167,795,969 | 168,440,286 |
| | | | |
| Foreign currency funds | 2,032,622 | 7,351,894 | 7,351,914 |
| Clearing services for checks and other papers | 2,726,703 | 5,086,843 | 5,086,843 |
| Foreign exchange portfolio | 1,513,208 | 1,171,140 | 1,171,140 |
| Deposits in other banks | - | - | 120,953 |
| Investments in gold | 5,412 | 7,315 | 7,315 |
| Total subject to 20% risk | 6,277,945 | 13,617,192 | 13,738,165 |
| Weighted amount | 1,255,589 | 2,723,438 | 2,747,633 |
| Funds applied in interbank deposits | 10,634,124 | 7,684,124 | 7,684,272 |
| Foreign exchange portfolio | 9,145,309 | 6,987,976 | 6,987,976 |
| Foreign securities | 45,266 | 29,576 | 186,513 |
| Other | (395,808) | (240,421) | 9,074,206 |
| **Total subject to 50% risk** | 19,428,891 | 14,461,255 | 23,932,967 |
| **Weighted amount** | 9,714,446 | 7,230,628 | 11,966,483 |
| | | | |
| Loan operations | 119,878,167 | 149,359,664 | 149,359,664 |
| Property and equipment | 2,782,399 | 2,793,260 | 2,917,701 |
| Leased assets | 1,272,320 | 1,613,109 | 1,613,949 |
| Investments | 1,166,001 | 2,417,064 | 1,135,047 |
| Securities | 3,126,777 | 2,194,558 | 3,417,877 |
| Foreign exchange portfolio | 609,943 | 200,967 | 200,967 |
| Memorandum accounts | (8,609,390) | (5,484,902) | (5,498,809) |
| Other | 21,636,080 | 23,039,766 | 24,407,993 |
| **Total subject to 100% risk** | 141,862,297 | 176,133,486 | 177,554,389 |
| **Weighted amount** | 141,862,297 | 176,133,486 | 177,554,389 |
| | | | |
| Deferred tax credits - income tax and social contribution on net income | 8,608,860 | 13,881,178 | 14,028,961 |
| **Total subject to 300% risk** | 8,608,860 | 13,881,178 | 14,028,961 |
| **Weighted amount** | 25,826,580 | 41,643,535 | 42,086,883 |
| | | | |
| Total assets subject to risk weighting | 308,529,731 | 385,889,080 | 397,694,768 |
| | | | |
| **Total weighted amount** | 178,658,912 | 227,731,087 | 234,355,389 |

The calculations of the required stockholders' equity and the adequacy coefficient are as follows:

| | Financial | | Consolidated |
|---|---|---|---|
| | **03.31.2007** | **03.31.2008** | **03.31.2008** |
| A) Assets subject to risk weighting | 308,529,731 | 385,889,080 | 397,694,768 |
| B) AWR (Assets Weighted by Risk) | 178,658,912 | 227,731,087 | 234,355,389 |
| C) *Swap* credit risk | 1,575,937 | 2,096,551 | 2,096,551 |
| D) Requirement of stockholders' equity on AWR (11% of "B") | 19,652,480 | 25,050,420 | 25,779,093 |
| E) Requirement of stockholders' equity on *swap* (20% of "C") | 315,187 | 419,310 | 419,310 |
| F) Requirement of stockholders' equity on interest rate exposure | 416,778 | 726,385 | 726,385 |
| G) Required stockholders' equity (RSE): "D" + "E" + "F" | 20,384,446 | 26,196,115 | 26,924,788 |
| H) Referential equity amount (RE) | 31,851,962 | 36,386,855 | 35,934,495 |
| **Level I** | 21,580,194 | 25,243,322 | 25,021,727 |
| Capital | 11,912,895 | 13,211,644 | 13,211,644 |
| Capital reserves | 355,638 | 34 | 34 |
| Revenue reserves | 7,858,344 | 10,124,708 | 10,124,708 |
| Adjustment to market value - securities and derivatives | 417,253 | 85,359 | 85,359 |
| Retained earnings (accumulated losses) | 128 | 788 | 788 |
| Income Accounts Creditors | 16,240,351 | 20,942,352 | 22,167,903 |
| Income Accounts Debtors | (15,152,632) | (18,963,874) | (20,189,424) |
| Deferred Assets | (14,985) | (239,056) | (252,964) |
| Mark-to-market | (3,992) | 103,844 | (103,844) |
| Tax credits excluded from Level I of RE | (32,806) | (22,477) | (22,477) |
| **Level II** | 10,271,768 | 11,143,533 | 10,912,768 |
| Mark-to-market | 3,992 | (103,844) | 103,844 |
| Funding instruments excluded from RE | -- | (13,248) | (451,702) |
| Subordinated Debt Qualifying as Capital | 9,241,467 | 10,384,885 | 10,384,885 |
| - Funds obtained from the FCO | 8,652,162 | 9,882,210 | 9,882,210 |
| - Funds obtained abroad | 589,305 | 502,675 | 502,675 |
| Hybrid Capital and Debt Instruments | 1,019,830 | 869,910 | 869,911 |
| Revaluation reserves | 6,479 | 5,830 | 5,830 |
| I) Ratio between Referential equity amount to required stockholders' equity: ("H"/"G") | 1,56 | 1,39 | 1,33 |
| J) Surplus/(insufficiency) of stockholders' equity: RE - RSE (h-g) | 11,467,515 | 10,190,740 | 9,009,707 |
| L) Margin/(surplus) of leverage: ("J" x 100)/ 11 | 104,250,141 | 92,643,088 | 81,906,429 |
| M) Basel Ratio: RE x 100/ (RSE/0,11) | 17,19 | 15,28 | 14,68 |

Referring to note 20.c.5, in the case of success in the lawsuit for full offsetting of accumulated fiscal loss of Income Tax and of negative bases of Social Contribution, there would be a positive effect on the Consolidated BIS Ratio of 1,67% (from 15,28 % to 16,95%).

## 25 – Retirement and Pension and Health Plans

### a) Caixa de Previdência dos Funcionários do Banco do Brasil – Previ

Banco do Brasil is the sponsor of Caixa de Previdência dos Funcionários do Banco do Brasil (PREVI) which provides participants and their dependents with benefits which are complementary or similar to those of the Basic Government Retirement Plan, The plans offered through PREVI are of defined contribution (Previ Futuro Plan) or defined benefit (Plan 1), the latter having adopted the capitalization method for actuarial calculations, On March 31, 2008 Previ had 143,767 participants, with 35,798 active participants of Benefit Plan n,º 1, 44,028 active participants of Previ Futuro Plan and 63,941 retirees (136,616 participants, whereas: 43,757 active participants of Benefit Plan 1, 35,542 active participants of Previ Futuro Plan and 57,317 retirees on 03,31,2007).

**a.1)** The funding of the vested and unvested benefits is summarized as follows:

Participants employed before April 14, 1967, who were not retired and who were not in a position on that date to request their retirement, contemplated in the contract signed on December 24, 1997 between the Bank and PREVI (Plan 1): the sponsor assumes the commitment for the payment of pensions for this group; mathematical reserves ensuring benefits corresponding to such group are fully paid-up at Previ, The retirement benefit of this group is characterized as a defined contribution.

Participants employed between April 15, 1967 and December 23, 1997 (Plan 1): in the 1st quarter of 2007 active participants contributed 1,8% of their contribution salary, plus 1,2% of the amount of such salary that exceeds half the amount of Previ contribution (R$ 1,506,58 on March 31, 2007), plus 4,8% of the amount of such salary that exceeds the aforesaid contribution, Participants receiving benefits contribute 4,8% of the amount of the pension complement and the sponsor an amount equal to the contributions of the participants, Due to the accumulated surplus, in June 2007, the contributions of participants, beneficiaries (retirees and pensioners) and of the sponsor (Banco do Brasil) were suspended, retroactive to January 2007, This measure will be evaluated every twelve months, with its maintenance bound to the existence of the Special Reserve of Benefit Plan 1, resulting from a superavit of the Plan.

Participants employed as from December 24, 1997 (Previ Futuro Plan): active participants contribute to PREVI an amount between 7% and 17% of their contribution salary, varying based on length of service and the amount of the contribution salary, Participation percentages vary according to the length of service in the company and the level of the participation 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, The retirement benefit of this group is characterized as a defined contribution.

**a.2)** Effects of Benefit Plan 1, based on actuarial valuations as of December 31, 2006 and 2007 carried out by an independent actuary, and of the Previ Futuro Plan as required by CVM Resolution 371 of December 13, 2000:

Equity effect (reconciliation of assets and liabilities):

| Specification | 03.31.2008 | 03.31.2007 |
|---|---|---|
| | Plan 1 | Plan 1 |
| 1) Present value of actuarial liabilities with coverage | 70,572,791 | 65,870,816 |
| 2) Present value of actuarial liabilities not covered | -- | -- |
| 3) Present value of actuarial liabilities (1 + 2) | 70,572,791 | 65,870,816 |
| 4) Fair value of the plan assets | (134,802,296) | (103,352,512) |
| 5) Present value of liabilities in excess of (less than) the fair value of the assets (3 + 4) | (64,229,505) | (37,481,696) |
| 6) Actuarial (gains) or losses not recognized | (62,049,568) | (34,925,850) |
| 7) Net actuarial liability/(asset) recorded (5 - 6) | (2,179,937) | (2,555,846) |

The Previ Futuro Plan, being a defined contribution plan, is not required to record actuarial assets or liabilities,

Amounts paid to Previ:

| Specification | 03.31.2008 | | | 03.31.2007 | | |
|---|---|---|---|---|---|---|
| | Plan 1 | Previ Futuro Plan | Total | Plan 1 | Previ Futuro Plan | Total |
| Sponsor contributions | (368) | 25,240 | 24,872 | 76,015 | 19,974 | 95,989 |

The sum of R$ 368 thousand refers to adjustments to the sponsor contribution for the periods prior to January/2007,

Impacts on Income for the quarter:

| Specification | 03.31.2008 | | | 03.31.2007 | | |
|---|---|---|---|---|---|---|
| | Plan 1 | Previ Futuro Plan | Total | Plan 1 | Previ Futuro Plan | Total |
| 1) Cost of current service (with interest) | -- | (49,253) | (49,253) | (86,927) | (38,971) | (125,898) |
| 2) Interest on actuarial liabilities | -- | -- | -- | (1,757,025) | -- | (1,757,025) |
| 3) Expected earnings on the plan assets | -- | -- | -- | 2,799,713 | -- | 2,799,713 |
| 4) Deferment of the net earnings from assets and liabilities (2 + 3) | -- | -- | -- | 1,042,688 | -- | 1,042,688 |
| 5) Total gross (expense)/income (1 - 2 - 3 + 4) | -- | (49,253) | (49,253) | (86,927) | (38,971) | (125,898) |
| 6) Expected contributions from participants | -- | 25,275 | 25,275 | 36,305 | 19,995 | 56,300 |
| 7) Previ Liabilities/Assets (expense)/income | (88,008) | -- | (88,008) | (95,844) | -- | (95,844) |
| 8) Sponsor contribution exceeding cost of Benefit Plan no, 1 | -- | -- | -- | (21,592) | -- | (21,592) |
| 9) Subtotal net (expense)/income (5 + 6 + 7 + 8) | (88,008) | (23,978) | (111,986) | (168,058) | (18,976) | (187,034) |
| 10) Previ management fee (5% of the employers' union dues) | -- | (1,262) | (1,262) | (3,801) | (999) | (4,800) |
| 11) Effect of the net (expense)/income (9 + 10) | (88,008) | (25,240) | (113,248) | (171,859) | (19,975) | (191,834) |

Principal economic assumptions adopted for the actuarial calculations:

| Specification | 03.31.2008 | 03.31.2007 |
|---|---|---|
| Real interest rate used for discounting actuarial liabilities to present value | 6,3% p,a, | 6,3% p,a, |
| Real expected yield on plan assets | 6,3% p,a, | 6,3% p,a, |
| Estimated salary increases: | | |
| Benefit Plan 1 | 0,8394% p,a, | 0,9520% p,a, |
| Previ Futuro Plan | 3,3044% p,a, | 3,6053% p,a, |

From 2005 to June 2006, Previ was gradually changing the adopted mortality table, from GAM-71 (altered) to GAM-83.

A new mortality table, AT-83 plena, was deployed in July/2007 without causing any effects on the Bank's net income, in view of the superavit of Previ.

**b) Benefits of sole responsibility of the Bank**

Banco do Brasil is also responsible for assistance and pension benefits for employees employed before April 14, 1967, not covered by the PREVI Benefits Plan, with characteristics of a defined benefit plan, and the regime adopted for the actuarial calculations is that of capitalization, comprising 8,112 retired employees and surviving spouses at March31, 2008 (8,428 retired employees and surviving spouses at March 31, 2007).

The main benefits are: (a) retirement pensions to founder participants and pension payments to survivors of participants deceased up to April 14, 1967; (b) payment of retirement supplements to the other participants employed by Banco do Brasil who retired up to April 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 retirement benefits and pension payments in excess of those provided by the PREVI Benefit Plans, as a result of judicial and administrative decisions due to the restructuring of job and salary plans and incentives created by the Bank.

**b.1)** The cost of these benefits is totally funded by Banco do Brasil.

**b.2)** Effects on the financial statements of Benefit Plan, based on actuarial valuations as of December 31, 2006 and 2007 carried out by an independent actuary, and of the Previ Futuro Plan as required by CVM Resolution 371 of December 13, 2000:

Equity effect (reconciliation of assets and liabilities):

| Specification | 03.31.2008 | 03.31.2007 |
|---|---|---|
| 1) Present value of actuarial liabilities with coverage | -- | -- |
| 2) Present value of unsecured actuarial liabilities (Plans without financial assets) | 1,666,065 | 1,633,840 |
| 3) Present value of actuarial liabilities (1 + 2) | 1,666,065 | 1,633,840 |
| 4) Fair value of the plan assets | -- | -- |
| 5) Present value of liabilities in excess of the fair value of the assets (3 + 4) | 1,666,065 | 1,633,840 |
| 6) Actuarial (gains) or losses not recognized | 182,279 | 178,459 |
| 7) Net actuarial liability/(asset) to be recorded (5 - 6) | 1,483,786 | 1,455,381 |

Amounts paid to Previ:

| Specification | 03.31.2008 | 03.31.2007 |
|---|---|---|
| Total benefits paid to Previ | 63,591 | 64,750 |

Impacts on Income for the quarter:

| Specification | 03.31.2008 | 03.31.2007 |
|---|---|---|
| 1) Cost of current service | -- | -- |
| 2) Expected contributions from participants | -- | -- |
| 3) Interest on actuarial liabilities | (41,994) | (41,572) |
| 4) Actuarial (gains) or losses | (5,925) | (8,103) |
| 5) Expected earnings on assets | -- | -- |
| 6) Effect of the expense recorded (1 - 2 + 3 + 4 - 5) | (47,919) | (49,675) |

**b.3)** The economic assumptions adopted for the actuarial calculations are the same as those adopted for the PREVI Plan 3 (item 83,a,3,), except regarding the adoption of mortality table AT-83, since its being used the transitory table between GAM-71 modified and the GAM-83.

**c) Cassi - Caixa de Assistência dos Funcionários do Banco do Brasil**

The Bank is the sponsor of a Health Plan managed by CASSI - Caixa de Assistência dos Funcionários do Banco do Brasil, The main objective is to provide coverage for expenses with the promotion, protection, recovery and rehabilitation of a member's health and of his/her inscribed beneficiaries, At March 31, 2008 this plan had 166,823 participants, with 86,105 active and 80,718 retired participants and pensioners (159,842 participants, of which 86,213 were active and 73,629 retired participants and pensioners, at March 31, 2007).

A contract was executed between the Bank and Cassi on 11,13,2007 aiming at reformulating the By-laws of Plano de Associados da Caixa de Assistência dos Funcionários do Banco do Brasil (Plan of Members of the Banco do Brasil Employee Welfare Fund).

In the 1st quarter of 2007, the Bank contributed monthly with a sum equivalent to 150% of the total contributions from members (active and retired) and from pension beneficiaries of employees hired before December 23, 1997 and, the Bank contributed with 100% of the total contributions from participants employed after that date , On account of the Agreement between the Bank and Cassi, the employer contribution of 4,5% of the total payroll or of the total retirement or pension plan benefit was deployed in November 2007 for all the groups, with effect retroactive to January 2007, Monthly contributions from members and pension beneficiaries amount to 3% of the total payroll or the total retirement or pension plan benefits.

**c.1)** Effects of the CASSI Plan on the financial statements, based on actuarial appraisals as of December 31, 2005 and 2006 carried out by an independent actuary, as required by CVM Resolution 371/12,13,2000:

Equity effect (reconciliation of assets and liabilities):

| Specification | 03.31.2008 | 03.31.2007 |
|---|---|---|
| 1) Present value of actuarial liabilities with coverage | -- | -- |
| 2) Present value of unsecured actuarial liabilities (Plans without financial assets) | 4,547,868 | 3,562,867 |
| 3) Present value of actuarial liabilities (1 + 2) | 4,547,868 | 3,562,867 |
| 4) Fair value of the plan assets | -- | -- |
| 5) Present value of liabilities in excess of the fair value of the assets (3 + 4) | 4,547,868 | 3,562,867 |
| 6) Actuarial (gains) or losses not recognized | 1,795,659 | 1,487,842 |
| 7) Unrecognized past service cost- Indirect Dependents | 32,484 | -- |
| 8) Unrecognized past service cost - Alteration of Plan | 92,326 | -- |
| 9) Net actuarial liability/(asset) recorded (5 – 6 – 7 - 8) | 2,627,399 | 2,075,025 |

Amounts paid to Cassi:

| Specification | 03.31.2008 | 03.31.2007 |
|---|---|---|
| Sponsor contributions | 125,466 | 103,651 |

The R$ 125,466 thousand comprise Employer Contributions of Active Employees, Retirees and Pensioners, and Extraordinary Contribution/Onlending referring to the Indirect Dependents, resulting from the BB x Cassi Agreement and Cassi Complementation, as follows: Active Employees: R$ 45,213 thousand, Retirees and Pensioners: R$ 76,224 thousand, Onlending: R$ 2,520 thousand and Cassi supplement: R$ 1,509 thousand, due to the retirement plan.

The sum of R$ 103,651 thousand contemplates the Employer Contributions for Active Employees: R$ 40,101 thousand and Retirees and Pensioners: R$ 63,550 thousand.

Impacts on Income for the quarter:

| Specification | 03.31.2008 | 03.31.2007 |
|---|---|---|
| 1) Cost of current service (with interest) | (9,417) | (10,167) |
| 2) Expected contributions from participants | -- | -- |
| 3) Interest on actuarial liabilities | (120,565) | (94,805) |
| 4) Actuarial (gains) or losses | (22,282) | (19,356) |
| 5) Unrecognized past service cost | (2,720) | -- |
| 6) Expenses with current employees | (45,213) | (40,101) |
| 7) Expense with provision for Extraordinary Contribution | (13,193) | -- |
| 6) Expected earnings on assets | -- | -- |
| 7) Effect of the expense recorded (1 - 2 + 3 - 4 – 5 - 6) | (213,390) | (164,429) |

**c.2)** The economic assumptions adopted for the actuarial calculations are the same as those adopted for the PREVI Plan (item a,3,).

**d) Policy for the recognition of actuarial gains and losses**

In accordance with CVM Deliberation 371, the actuarial gains or losses to be recognized as income or expense in a defined benefit plan are the amount of unrecognized gains and losses that exceed, in each period, the higher of the following limits:

- 10% of the present value of the total actuarial liability of the defined benefit; and

- 10% of the fair value of plan assets.

**d.1)** Benefits of Sole Responsibility of the Bank: Actuarial losses relating to these benefits are being recorded in the same year the actuarial calculation is made because the persons involved are all former employees, and thus there is no remaining length of service to amortize,

**d.2)** Cassi Actuarial Liability: the actuarial losses relating to this liability are recognized over the average remaining work period estimated for the employees participating in the plan (15,9 years as of 12,31,2007),

**e) Summary of Assets/Liabilities of Previ and Cassi**

| | 03.31.2008 | | | | | |
|---|---|---|---|---|---|---|
| Specification | Actuarial liability/ (asset) on 01.01.2008, net | (Expense) income recorded in the income statement considering actuaria adjustments | Transfer between unamortized reserves and advanced amortization | Amortization/ Use of the Actuarial Assets and Parity Fund Assets | Sponsor contributions made in the year | Actuarial liability/ (asset) on 03.31.2008, net |
| | A | B | C | D | E | F = (A-B+C+D+E) |
| Actuarial asset CVM No, 371 | (2,268,313) | -- | -- | 88,376 | -- | (2,179,937) |
| Actuarial asset/liability in respect of the 1997 contract | -- | -- | -- | -- | -- | -- |
| Advanced amortization (1997 Agreement) | (11,912,949) | 368,901 | 293,177 | -- | -- | (11,988,673) |
| Unamortized reserves (1997 contract) | 11,912,949 | (368,901) | (293,177) | -- | -- | 11,988,673 |
| Parity Fund Asset | (2,440,534) | 76,159 | -- | (368) | -- | (2,517,061) |
| Actuarial liability in respect of the Informal Plan (sole responsibility of the Bank) | 1,499,458 | (47,919) | -- | -- | (63,591) | 1,483,786 |
| CASSI actuarial liability | 2,551,159 | (154,984) | -- | -- | (78,744) | 2,627,399 |
| Liabilities Cassi-Agreement | -- | (13,193) | -- | -- | -- | 13,193 |

| Specification | 03.31.2007 | | | | | |
|---|---|---|---|---|---|---|
| | Actuarial liability/ (asset) on 01,01,2007, net | (Expense) income recorded in the income statement considering actuaria adjustments | Transfer between unamortized reserves and advanced amortization | Amortization/ Use of the Actuarial Assets and Parity Fund Assets | Sponsor contributions made in the year | Actuarial liability/ (asset) on 03.31.2007, net |
| | A | B | C | D | E | F = (A-B+C+D+E) |
| Actuarial asset CVM No, 371 | (2,651,690) | -- | -- | 95,844 | -- | (2,555,846) |
| Actuarial asset/liability in respect of the 1997 contract | -- | -- | -- | -- | -- | -- |
| Advanced amortization (1997 Agreement) | (9,960,041) | 279,541 | 98,603 | -- | -- | (10,140,979) |
| Unamortized reserves (1997 contract) | 9,960,041 | (279,541) | (98,603) | -- | -- | 10,140,979 |
| Parity Fund Asset | (2,198,206) | 61,795 | -- | 76,015 | -- | (2,183,986) |
| Actuarial liability in respect of the Informal Plan (sole responsibility of the Bank) | 1,470,456 | (49,675) | -- | -- | (64,750) | 1,455,381 |
| CASSI actuarial liability | 2,014,247 | (124,328) | -- | -- | (63,550) | 2,075,025 |

## 26 – Compensation Paid to Employees and Management

| | 1st quarter/2008 | 1st quarter/2007 |
|---|---|---|
| **Lowest salary** | 1,178,63 | 1,103,62 |
| | | |
| **Highest salary** | 22,023,00 | 20,776,20 |
| | | |
| **Average salary** | 3,577,63 | 3,366,62 |
| | | |
| **Management** | | |
| President | 28,700,40 | 27,075,60 |
| Vice-President | 25,859,10 | 24,395,10 |
| Director | 22,023,00 | 20,776,20 |

## 27 – Assignment of Employees to External Organizations

Federal government assignments are regulated by article 93 of Law 8112/12,11,1990 (amended by Law 9257/12,11,97), by Decree 925/09,10,1993, and by PGFN/CJN Note 088/96 issued by the General Counsel of the Federal Treasury.

Labor unions: assignments occur in cases prescribed in the Collective Labor Agreement or by commitments assumed as a result of salary negotiations:

Other organizations/entities: assignments occur as a result of agreements of strategic business interest of the Bank.

| | 1st quarter/2008 | | 1st quarter/2007 | |
|---|---|---|---|---|
| | Employees assigned | Cost for the period | Employees assigned | Cost for the period |
| **With costs for the Bank** | | | | |
| Federal Government | 13 | 650 | 20 | 262 |
| Labor unions | 131 | 2,937 | 132 | 2,900 |
| Other organizations/entities: | 3 | 245 | 3 | 222 |
| | | | | |
| **Without cost to the Bank** | | | | |
| Federal, state and municipal governments | 286 | -- | 324 | -- |
| External organizations (Cassi, FBB, Previ) | 683 | -- | 697 | -- |
| Employee entities | 45 | -- | 37 | -- |
| Subsidiary and associated companies | 321 | -- | 323 | -- |
| | | | | |
| **Total** | 1,482 | 3,832 | 1,536 | 3,384 |

## 28 – Commitments, Responsibilities and Contingencies

### a) Contingent liabilities

Banco do Brasil is a party in various lawsuits, which arise from the normal course of its business, For the formation of provision for contingent liabilities, the bank adopts the criterion of classification of contingencies as remote, possible and probable, in conformity with CVM Resolution 489, of 10,03,2005, The possibility of occurrence of loss is calculated with a basis on a legal appraisal that considers the progress of the suit, the jurisprudential status/development and other factors that imply alteration of the legal risk, Provision is formed in the amount of the contingencies classified as probable, and not including formation of provision for contingencies classified as possible and remote.

We present below a brief description of the most relevant situations in which Banco do Brasil is involved, according to the legal nature.

**Labor Lawsuits**

The Bank is a party in labor lawsuits mainly filed by former employees or trade unions of the category, Allowance for probable losses in the amount of R$ 2,423,349 thousand (R$ 2,327,327 thousand on 3,31,2007) recognized in the consolidated financial statements, represent various claimed requests, such as: Severance pay, overtime, Supplement per Job and Representation, Supplement per Individual Bacen 40% (matching the employees of Bacen) and others, Labor claims classified as possible amount to R$ 394,902 thousand (R$ 291,631 thousand, on 03,31,2007).

**Fiscal Lawsuits**

The Bank is subject to challenges by the tax authorities in relation to taxes, which can give rise to notice assessments with the subject matter of jurisdiction or the sum of taxable income or deductible expense, Most of the lawsuits originating from tax assessment notices refer mainly to ISSQN, CPMF, CSLL, IRPJ and IOF, and as a guarantee of some of them, there are attachments in cash or in properties, Issues of fiscal litigations considered probable amount to R$ 750,903 thousand (R$ 115,502 thousand on 9,31,2007) and possible to R$ 2,054,541 thousand (R$ 254,181 thousand on 03,31,2007).

**Civil Lawsuits**

The amount involved in these suits with actual probability of loss is R$ 1,324,869 thousand (R$ 909,929 thousand on 3,31,2007), Those considered as likely losses correspond to R$ 1,902,617 thousand (R$ 1,502,751 thousand on 3,31,2007), As of 2007, the lawsuits that stand out are those classified as probable losses, aimed at the collection of difference between the inflation that occurred and the rate utilized for correction of financial investments during the period of the Economic Plans (Collor Plan, Bresser Plan and Summer Plan).

The activities in provision for contingent liabilities were as follows:

| | BB- Domestic and Foreign branches | | BB-Consolidated | |
|---|---|---|---|---|
| | 1st quarter/2008 | 1st quarter/2007 | 1st quarter/2008 | 1st quarter/2007 |
| **Labor claims** | | | | |
| **Opening balance** | 2,455,538 | 2,360,483 | 2,455,538 | 2,360,483 |
| Provision/(reversal) | (84,646) | 77,535 | (99,429) | 77,535 |
| Provision used | (131,618) | (110,691) | (131,618) | (110,691) |
| **Closing balance** | 2,408,566 | 2,327,327 | 2,423,349 | 2,327,327 |
| | | | | |
| **Tax claims** | | | | |
| **Opening balance** | 88,638 | 35,243 | 132,076 | 82,517 |
| Provision/(reversal) | 826 | 38,426 | 619,240 | 32,992 |
| Provision used | (412) | (7) | 412 | (7) |
| **Closing balance** | 89,152 | 73,662 | 750,904 | 115,502 |
| | | | | |
| **Legal Claims** | | | | |
| **Opening balance** | 1,267,457 | 885,284 | 1,277,578 | 888,751 |
| Provision/(reversal) | 75,812 | 29,654 | 84,062 | 30,569 |
| Provision used | 36,771 | (9,391) | (36,771) | (9,391) |
| **Closing balance** | 1,306,498 | 905,547 | 1,324,869 | 909,929 |

**b) Contingent tax assets**

The Bank has filed lawsuits for reimbursement of taxes paid in error that will only be recognized in the financial statements if the Bank obtains a favorable outcome, in conformity with item 25 of Deliberation CVM n,º 489, of 03.10.2005. We emphasize the most important lawsuits not yet recorded:

- Unconstitutionality of Income Tax on Net Income paid in 1989 and in the 1st six months of 1992, in the amount of R$ 12,317 thousand.

- Tax on Financial Transactions (IOF) - Law 8,033/1990 (Price-level restatement), in the amount of R$ 191,542 thousand.

**c) Legal Obligations**

The Bank has provision in the amount of 9,839,850 thousand relating to the proceeding of full carryfoward of the accumulated tax loss of Income Tax and of the negative bases of Social Contribution Tax, the enforceability of which has been suspended by the respective judicial deposits made since the beginning of the suit (Note 20,d).

**d) Other Commitments**

The Bank is the sponsor of Fundação Banco do Brasil whose purpose is the promotion, support, advancement and sponsorship of educational, cultural, social, philanthropic, and recreational/sporting activities, as well as the promotion of research activities of a technological and scientific nature, and rural and urban community assistance services, During the first quarter of 2008, the Bank contributed with R$ 13,250 thousand to the Fundação Banco do Brasil.

Guarantees to third parties, for a fee and with counter-guarantees from the beneficiaries - guarantees, sureties and bonds - amounted to R$ 4,733,920 thousand at 03,31,2008 (R$ 3,184,804 thousand at 03.31.2007), A provision of R$ 30,986 thousand, recorded in Other Liabilities, is considered sufficient to cover any potential loss arising on these guarantees.

Available credit lines for loan and lease operations amount to R$35,898,385 thousand at 03.31.2008 (R$ 27,790,263 thousand at 03.31.2008).

The confirmed import and export letters of credit total R$ 560,398 thousand at September 03.31.2008 (R$ 439,613 thousand at 03.31.2008).

The Bank is the operator of the Fund for Sectorial Investments (FISET), with net assets, at 03.31.2008, of R$ 2,212 thousand (R$ 2,253 thousand at 03.31.2008), and is the manager of the Public Service Employee Savings Program (PASEP), with net assets of R$ 1,581,250 thousand at 03.31.2008 (R$ 1,539,800 thousand at 03.31.2007), The Bank guarantees the latter a minimum remuneration equivalent to the Long-Term Interest Rate (TJLP).

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.

## 29 – Financial Instruments

The market value of a financial instrument, according to Instruction CVM no, 235 dated of 03.23.1995, is the value for which the instrument could be exchanged in an ordinary operation in an active market among interested parties, and not corresponding to a compulsory transaction or derived from a liquidation proceeding.

**Determination of the Market Value**
The Bank has computerized systems that process the positions subject to determination of the market value, If there is an active market, the financial instrument will have its market value determined with a basis on the prices practiced, In the absence of an active market, which is the case of most financial assets and liabilities, the market value is estimated by the quotation of similar financial instruments, or by the net current value of future cash flows adjusted based on the interest rate effective in the market on the balance sheet date.

The internal models utilized for calculation of the future cash flows consist of the construction of a mathematical algorithm that permits a description of the flow for each financial intermediation product, Backtesting is carried out periodically to *verify* the adherence of these methodologies.

**Market and Liquidity Risk**
Fluctuations in interest rates, price of security, price of good, exchange rate of the different currencies, indexes and settlement periods are considered in the determination of the market value of financial instruments. The methodology utilized also considers the liquidity potential of the instrument evaluated in comparison with the market liquidity.

**Credit Risk**
The improvement or deterioration of the credit risk of borrowers is considered in the market value appraisal, For this purpose, the uncertainty regarding the receipt of amounts agreed on with the counterparts is estimated in the determination of the market value of financial instruments by the amount of provisions formed, pursuant to the criteria of Resolution 2,682, of 12.21.1999.

The table below presents financial instruments recorded in equity accounts, compared to market value:

| | BB-Consolidated | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 03.31.2008 | | 03.31.2007 | | Unrealized gain/loss, net of tax effects | | | |
| | Book value | Market value | Book value | Market value | On Income | | On Stockholders´ Equity | |
| | | | | | 03.31.2008 | 03.31.2007 | 03.31.2008 | 03.31.2007 |
| **ASSETS** | | | | | | | | |
| Short-term interbank deposits | 72,688,803 | 72,509,573 | 41,184,642 | 41,393,962 | (179,230) | 209,320 | (179,230) | (209,320) |
| Securities | 80,590,378 | 80,603,124 | 72,334,446 | 72,308,578 | 69,935 | 514,136 | 28,675 | -25,868 |
| Adjustment of securities available for sale (Note 5,a) | -- | -- | -- | -- | 39,260 | 540,004 | -- | 0 |
| Adjustment of securities held to maturity (Note 5,a) | -- | -- | -- | -- | 28,675 | (25,868) | 28,675 | -25,868 |
| Derivative financial instruments | 899,219 | 899,219 | 1,015,505 | 1,015,505 | -- | -- | -- | -- |
| Loan operations | 149,507,406 | 148,979,730 | 120,019,691 | 120,227,854 | (527,675) | 208,163 | (527,675) | 208,163 |
| | | | | | | | | |
| **LIABILITIES** | | | | | | | | |
| Interbank deposits | 6,247,132 | 6,388,518 | 5,025,723 | 5,018,847 | (141,386) | 6,876 | (141,386) | 6,876 |
| Time deposits (*) | 73,281,591 | 73,201,443 | 61,685,183 | 61,639,828 | 80,148 | 45,355 | 80,148 | 45,355 |
| Obligations related to Committed Operations | 99,716,262 | 98,835,775 | 67,638,993 | 67,634,425 | 880,487 | 4,567 | 880,487 | 4,567 |
| Borrowings and onlendings | 21,501,402 | 21,538,872 | 18,524,311 | 18,525,194 | (37,470) | (883) | (37,470) | -883 |
| Derivative financial instruments | 1,875,734 | 1,876,094 | 1,969,472 | 1,969,472 | (360) | -- | (360) | 0) |
| Other liabilities | 60,714,188 | 60,150,306 | 45,300,706 | 45,048,578 | 563,882 | 252,128 | 563,882 | 252,128 |
| | | | | | | | | |
| **Unrealized gain/loss, net of tax effects** | -- | -- | -- | -- | 721,077 | 1,239,663 | 667,071 | 699,659 |

Criteria utilized for market value determination of financial instruments are detailed below:

**Financial Instrument Assets**

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

Securities: Securities and derivative financial instruments are accounted for by the market value, as provided for in BACEN Circular no, 3,068 of 11/08/2001, excluding from such criterion, securities held to maturity, Determination of securities' market value, including those held to maturity, is obtained according to rates collected at the market.

Loan operations: - Operations remunerated at pre-fixed rates have been estimated through future cash flow discount, adopting for such, interest rates utilized by the Bank for contracting of similar operations in the balance sheet date, For operations of such group remunerated at post-fixed rates, it was considered as market value the book value itself due to equivalence among them.

**Financial Instrument Liabilities**

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

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

Deposits received under security repurchase agreements: For operations at pre-fixed rates, the market 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 post-fixed operations, book values have been deemed approximately equivalent to market value.

Borrowing and onlendings: Said 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 market values of such operations are equivalent to the book value.

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

Other financial instruments: Included or not in the balance sheet, book values are approximately equivalent to their correspondent market value.

**Derivatives**
According to Bacen Circular 3,082, of 1.30.2002, derivatives are recorded at market value, Determination of derivatives' market value is 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.

## 30 – Statement of Cash flow

| | BB- Domestic and Foreign Branches | | BB - Consolidated | |
|---|---|---|---|---|
| | 1º Quarter/2008 | 1º Quarter/2007 | 1º Quarter/2008 | 1º Quarter/2007 |
| **CASH FLOWS FORM OPERATING ACTIVITIES** | | | | |
| **Net Income:** | 2,347,466 | 1,408,790 | 2,347,466 | 1,408,790 |
| **Adjustments to Net Income:** | - | | - | |
| Depreciation and amortization | 197,060 | 189,842 | 323,098 | 279,771 |
| (Profit)/loss on the disposal of investments | (786,437) | (153,282) | (317,793) | (38,682) |
| (Profit)/ loss on the sale of assets | 13,795 | - | (13,816) | (4,480) |
| (Profit)/loss on the disposal of property and equipment | (17,016) | (12,536) | (17,016) | (12,536) |
| Excess depreciation | 1,324 | - | (33,000) | (20,718) |
| Changes in the currency exchange rate | (40,426) | (127,821) | (26,935) | (157,267) |
| (Gain)/Loss on Capital | (2,989) | - | (6,030) | (4,205) |
| Provision/(reversal) for devaluation of other assets | 1,711 | (7,632) | (1,681) | (7,780) |
| Other adjustments | (78,750) | 41,859 | 20,401 | 53,313 |
| **Assets and Liabilities changes** | - | | - | - |
| Short-term interbank investments | (19,391,885) | (11,408,837) | (21,564,897) | (12,096,942) |
| Securities and derivative financial instruments | 4,021,555 | (243,480) | (6,288,996) | (242,120) |
| Interbank and interdepartmental accounts | (881,339) | (1,184,419) | (846,665) | (1,173,283) |
| Loan operations | (10,810,980) | (6,118,816) | (10,690,580) | (6,162,023) |
| Lease operations | 1,582 | (7,727) | 1,814 | (33,504) |
| Other receivables | (2,025,553) | (3,922,116) | (4,179,035) | (4,539,306) |
| Other assets | (906,367) | (113,637) | (1,149,857) | (97,240) |
| Other liabilities | 1,145,779 | 5,155,108 | 13,905,837 | 5,406,165 |
| Changes in deferred income | 6,447 | (15,721) | 106,394 | (15,721) |
| Revaluation reserve recognized by the equity method of accounting | - | (118) | - | (118) |
| Adjustment to market value - securities & derivative financial instruments | (264,443) | 35,015 | (264,443) | 35,015 |
| | | | | |
| **CASH PROVIDED/(USED IN) OPERATIONS** | **(27,492,750)** | **(16,485,528)** | **(28,695,732)** | **(17,422,871)** |
| | | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| | - | - | - | - |
| Deposits | (341,382) | 955,119 | 1,468,434 | 1,822,475 |
| Repurchase agreements | 27,520,135 | 18,047,059 | 27,446,149 | 18,355,602 |
| Funds from acceptance and issue securities | (19,882) | (1,717) | (37,594) | (204,903) |
| Borrowing and onlendings | 1,033,951 | 455,266 | 1,180,329 | 451,870 |
| Derivative financial instruments | (70,506) | (1,540,924) | (70,968) | (1,541,933) |
| Dividends and bonuses proposed | - | (242,446) | - | (242,446) |
| Repatriation of resources | - | (7,960) | - | (7,960) |
| Interest on own capital proposed | (368,987) | (321,070) | (368,274) | (321,070) |
| | - | - | - | - |
| **TOTAL ADMISSION OF FUNDS** | **27,753,330** | **17,343,328** | **29,618,076** | **18,311,635** |
| | | | | |
| **CASH FLOWS INVESTING ACTIVITIES** | | | | |
| | - | - | - | - |
| Dividends received from subsidiary/associated companies | - | - | 67 | 112,345 |
| Disposal in assets not for own use | 11,643 | 14,409 | - | 14,438 |
| Disposal of property of equipment in use and leased assets | 69,315 | 678 | - | 21,499 |
| Applications in assets not for own use | - | (7,452) | 7,372 | (7,483) |
| Applications of property of equipment in use and leased assets | - | (64,359) | (365,277) | (235,137) |
| Adjustment to market value of associated companies | - | (10,236) | - | - |
| Applications in investments | - | - | - | (2,794) |
| Expenditures in deferred charges | (41,569) | (29,662) | (112,252) | (29,651) |
| | - | - | - | - |
| **TOTAL FUNDS OBTAINED/INVESTMENTS** | **39,388** | **(96,622)** | **(484,834)** | **(126,783)** |
| | | | | |
| **Net Cash Variation** | **299,968** | **761,177** | **437,510** | **761,981** |
| At the beginning of the period (Dez/2007) | 4,341,294 | 4,742,521 | 4,352,040 | 4,748,810 |
| At the end of the period (Mar/2008) | 4,641,262 | 5,503,698 | 4,789,550 | 5,510,791 |
| **Increase (decrease) in cash and cash equivalents** | **299,968** | **761,177** | **437,510** | **761,981** |

## 31 – Added Value Statement

| DESCRIPTION | BB-Domestic and Foreign Branches | | | | BB-Consolidated | | | |
|---|---|---|---|---|---|---|---|---|
| | 1º Quarter/2008 | | 1º Quarter/2007 | | 1º Quarter/2008 | | 1º Quarter/2007 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| **Added Value Calculation** | | | | | | | | |
| - Net Income from financial Intermediation | 3,632,832 | | 3,261,295 | | 3,739,136 | | 3,289,730 | |
| - Banking Service Fees | 2,330,542 | | 2,185,282 | | 2,915,191 | | 2,377,120 | |
| - Other Operating Income (Expenses) | (1,332,957) | | (1,072,446) | | (1,393,487) | | (1,079,829) | |
| - Non-Operating Income | 29,964 | | 26,492 | | 224,141 | | 30,501 | |
| **Added Value** | 4,660,381 | | 4,400,623 | | 5,484,981 | | 4,617,522 | |
| - Equity in the earning (loss) of subsidiary and associated companies | 786,437 | | 153,282 | | 318,507 | | 38,682 | |
| **Gross Added Value** | 5,446,818 | | 4,553,905 | | 5,803,488 | | 4,656,204 | |
| Amortization and Depreciation | (190,640) | | (180,307) | | (194,446) | | (180,632) | |
| **Added Value to be distributed** | 5,256,178 | 100,00 | 4,373,598 | 100,00 | 5,609,042 | 100,00 | 4,475,572 | 100,00 |
| **Distribution of Added Value** | | | | | | | | |
| **- Employees** | 1,939,183 | 36,89 | 1,801,118 | 41,18 | 1,984,939 | 35,39 | 1,818,154 | 40,62 |
| Salaries and Fees | 1,188,380 | | 1,168,628 | | 1,220,967 | | 1,181,420 | |
| Benefits, Social Charges and Training | 451,727 | | 452,788 | | 463,053 | | 456,522 | |
| Profit Sharing | 299,076 | | 179,702 | | 300,919 | | 180,212 | |
| **- Governments** | 969,529 | 18,45 | 1,163,690 | 26,61 | 1,276,637 | 22,76 | 1,248,628 | 27,90 |
| Domestic | 958,459 | 18,23 | 1,155,473 | 26,42 | 1,264,765 | 22,55 | 1,239,855 | 27,70 |
| Social Security Contribution on Salaries – INSS | 241,538 | | 218,640 | | 248,559 | | 220,684 | |
| Tax Expenses (except Income Tax and Social Contribution) | 486,350 | | 466,176 | | 564,449 | | 487,244 | |
| Income Tax and social Contribution | 230,571 | | 470,657 | | 451,757 | | 531,927 | |
| Abroad | 11,070 | 0,21 | 8,217 | 0,19 | 11,872 | 0,21 | 8,773 | 0,20 |
| Social Security Contribution on Salaries – INSS | 1,256 | | 1,300 | | 1,323 | | 1,425 | |
| Tax Expenses (except Income Tax and Social Contribution) | 9,814 | | 6,917 | | 10,549 | | 7,348 | |
| **- Stockholders** | 2,347,466 | 44,66 | 1,408,790 | 32,21 | 2,347,466 | 41,85 | 1,408,790 | 31,48 |
| Interest on Own Capital - Union | 250,173 | | 220.575 | | 250,173 | | 220,575 | |
| Interest on Own Capital – Others Stockholders | 118,813 | | 100.495 | | 118,813 | | 100,495 | |
| Retained Earnings | 1,978,479 | | 1,087,720 | | 1,978,479 | | 1,087,720 | |
| **Added Value Distributed** | 5,256,178 | 100,00 | 4,373,598 | 100,00 | 5,609,042 | 100,00 | 4,475,572 | 100,00 |

## 32 – Other Information

### a) New Market

At 5.31.2006, Banco do Brasil signed a contract with the São Paulo Stock Exchange for adhesion to the New Market segment of Bovespa, which assembles a group of companies with the best corporate governance practices in Brazil,

Moreover, Banco do Brasil, its stockholders, the Officers, and the members of the Audit Committee undertake to resolve all and any dispute or controversy related with the New Market Listing Regulation by means of the Arbitration Chamber of the Bovespa Market, in conformity with a commitment clause contained in the By-laws of Banco do Brasil,

### b) Distribution of Dividends and/or Interest on Own Capital

During a meeting held on 2.22.2008, the Board of Directors approved the setting, for the year 2008, of the payout rate equivalent to the minimum percentage of 40% of net income, fulfilling the policy for payment of dividends and/or interest on own capital on a quarterly basis, pursuant to art, 43 of the Bank's By-Laws,

### c) Public Offering of Shares

The Secondary Public Offering of Shares in the possession of Previ and of BNDESPar, started in October 2007, was ended on 1.22.2008 in order to honor the commitment undertaken in the adhesion to the New Market of Bovespa of attaining a free float of 25% by 2009, The total quantity of 117,7 million shares was distributed with the supplementary batch, amounting to R$ 3,4 billion, The operation was the public offering with greater allocation of instruments to the retail market,

The final data of the Offering is indicated in the table below:

| Type of Investors | Number of Investors | Quantity of Shares |
|---|---|---|
| Private Individuals | 115,013 | 41,731,849 |
| Corporate Bodies[1] | 2,544 | 23,302,067 |
| Foreign Investors | 272 | 51,267,602 |
| Persons Related to BB and/or to the Offering | 4,014 | 1,264,722 |
| Other | 180 | 177,237 |
| **Total offering** | 122,023 | 117,743,477 |

(1) Includes Investment Clubs, Investment Funds, Private Pensions, Financial Institutions and other Legal Entities,

### d) Prepayment of "C" Bonds

On 2.13.2008, the Central Bank of Brazil approved the capital increase of R$ 500 million resulting from the advancement of the exercise of the "C" Subscription Bonuses, decided on by the General Meeting of Shareholders of 1.24.2008, As of 03.03.2008, the receipts resulting from the subscription of these bonuses (BBAS11) ceased to be traded and were automatically converted into common shares (BBAS3),

### e) Performance in the United States retail banking market

On 2.21.2008, Banco do Brasil notified the market that it had obtained authorization from the Central Bank of Brazil to establish a bank retail operation in the United States by means of the organization of two companies headquartered in that country: one of remittances, BB Money Transfers, and a retail bank, The new ventures that still depend on the approval of North American regulatory agencies, will expand the supply of financial services to Brazilians residing in the USA and will call for capitalization in the amount of US$ 44 million,

**f) Takeover of Besc**
A Presidential Decree was signed on 2.20.2008, authorizing the removal of Besc and of Bescri from the National Privatization Program (PND), The measure permits the continuity of the takeover process of the institutions by BB, As regards corporate procedures, the following steps are the contracting of companies that will evaluate BB, Besc and Bescri and the convening of the general shareholders' meetings for final decision about the merger,

**g) Housing Loans**
On 3.27.2008, the National Monetary Council (CMN) approved a resolution allowing financial institutions that fund rural savings deposits, including Banco do Brasil, to fund, within the sphere of the Brazilian Savings and Loans System (SBPE), the resources of which are targeted at housing loans, up to 10% of the total balance of savings deposits,

Besides the focus on the segment of individual clients, BB will also offer real estate production financing lines, The next step for expansion of housing loans is the inclusion of Banco do Brasil in the Financial Housing System (SFH), which will also permit the use of resources originating from FGTS in housing loans,

**h) Result IPO Visa Inc,**
On 3.31.2008, BB notified the market that Visa Inc, had granted shares to Banco do Brasil, Visanet and Visavale with the objective of adjusting the equity interest of the issuing institutions of the Visa flagship to the financial results generated by each one of the operational regions of the company, In the same month, in the public offering of shares of Visa Inc,, the abovementioned companies offered up 56,1% of their shares for sale, and were prevented from selling the remaining 43,9% for three years (*lock up*),

**i) Equity Interest**
As prescribed in paragraphs IV, V, VI and VII of Article 40 of the Bank's by-laws, the shareholding positions are as follows:

**Paragraph IV:** Shareholdings at December 31,2008 of all those who hold, directly or indirectly, more than 5% of capital:

| Stockholders | Total shares | % Total |
|---|---|---|
| Federal Treasury | 1,660,334,789 | 65,3 |
| Banco do Brasil Employees Retirement Fund (PREVI) | 266,098,012 | 10,5 |
| BNDES Participações S,A, – BNDESPar [1] | 64,368,679 | 2,5 |
| Other shareholders [2] | 551,380,050 | 21,7 |
| **Total** | 2,542,181,530 | 100,0 |

(1) Linked to the Controller
(2) Includes the underwriting receipts from the exercise of "C" Bonds in November/2007, Following ratification by the Central Bank on 02,13,2008, BB's capital was increased by 66,232,261 new shares,

**Paragraph V:** number and characteristics of the securities issued by the Bank and directly or indirectly held by the controlling stockholder, management and members of the Fiscal Council; and

**Paragraph VI:** changes in ownership of the parties referred to in the previous paragraph of these securities during the preceding twelve months:

| Controlling Group | 03.31.2008[1] | 03.31.2007 |
|---|---|---|
| Federal Treasury | 1,660,334,789 | 1,700,334,108 |
| Previ | 266,098,012 | 283,246,005 |
| BNDESPar | 64,368,679 | 124,812,156 |
| **Total** | 1,990,801,480 | 2,108,392,269 |

(1) Adjusted for comparative purposes due to the approval *of the* split of shares in the proportion of 1 to 3 (200%) by the Extraordinary General Meeting of 04,25,2007

| | Common Shares | | C Bonds | |
|---|---|---|---|---|
| | 03.31.2008 | 03.31.2007[1] | 03.31.2008 | 03.31.2007[1] |
| Board of Directors | 24 | 15 | -- | -- |
| Fiscal Council[2] | -- | -- | -- | -- |
| Executive Board of Directors | 6,945 | 6,312 | 12 | 12 |
| Directorade | 14,232 | 9,138 | 22 | 39 |
| Audit Committee | 1,183 | -- | -- | -- |
| Internal Audit | 57 | 57 | 9 | 9 |

(1) Approval of the split of shares in the proportion of 1 to 3 (200%) by the Extraordinary General Meeting of April 25, 2007.
(2) Excepting the shares of the President, These are contemplated in the Board of Directors.

Paragraph VII - number of shares in the market and percentage in relation to the total issued:

| BB shares | Number | % |
|---|---|---|
| In the market on 03,31,2008[1] | 551,358,849 | 21,69% |
| Total issued | 2,475,949,269 | 100,00% |

(1) Pursuant to the regulation of the New Market of Bovespa,

**j) Changes in the Corporate Law**

Law no, 11,638 published in the Federal Official Gazette dated December 28, 2007 changed, revoked, and introduced a number of provisions in the Corporate Law (law 6404/76), to become effective as of January 1, 2008, This new law made material changes to the rules for recognizing and measuring equity items, as well as to the presentation of financial statements.

Brazilian Central Bank (Bacen), through Notice No, 16,669 of March 20, 2008 and CVM through the Notice to the Market of January 14, 2008 waived the application of the provisions of Law 11,638/07 in the preparation of the intermediate financial statements of 2008, Thus, the accounting information within the quarterly information of the quarter ended on March 31, 2008 was prepared according to the specific Bacen and CVM instructions and do not comprise the changes in accounting practices pursuant to Law 11,638/07,

Bacen, SUSEP and CVM are formalizing the corresponding amendments related to Law 11, 638 throughout 2008. The Bank has promoted studies and evaluation of the impacts of this new Law, including with the support of the representative entities of the sector to, subsequently, measure the effects of the changes of accounting practices,

Among the main changes promoted by the Law, we point out:

- The statement of changes in financial position (DOAR) is replaced by the Cash Flow Statement (DFC);

- The Value-Added Statements (DVA) became mandatory for publicly-held companies;

- Financial instruments, including derivatives, must be classified in accordance with management's intention and, in some instances, be measured at market value;

- The items in assets and liabilities arising from long-term transactions and short-term transactions with relevant effects will be adjusted to their present value;

- The recoverable value of assets and rights in fixed assets, intangibles, and deferred items should be assessed regularly in order to record potential losses or to review depreciation, amortization, and depletion criteria and rates;

- In Acquisition, Merger, and Spin-off transactions between independent parties, and with the actual transfer of control, the assets and liabilities of the acquired, merged, or spun-off entity will be stated at its fair market value;

- Fixed assets start including assets resulting from operations where there is transfer of benefits, control and risk, regardless of having transfer of property;

- An intangible sub-group was created in fixed assets to record those intangible assets intended for the company's maintenance or employed with this purpose, including acquired goodwill;

- The "revaluation reserve" in shareholders' equity was eliminated, and an account named "adjustments to shareholders' equity valuation" was created, which will record the counterparts to the increases or decreases of the sum attributed to items in assets and liabilities, as a result of their assessment at fair market prices, while they are not included in the year's profit figures in compliance with the accrual system;

- Fiscal incentives will no longer be stated as capital reserves, Such incentives will be recognized in the fiscal year's profit figures, and pursuant to a proposal by management bodies the Shareholders' Meeting may allocate the portion of profits in connection with these incentives to the creation of a Fiscal Incentives Reserve, created as a part of profit reserves, and which may be left out of the calculation base for the mandatory dividends.

Several of these changes are already voluntarily adopted by the Bank and its controlled companies, such as for example the submission of Cash Flow Statements and of Value-Added Statements In addition, by order of the Central Bank, we have already performed the ratings and mark-to-market procedures on our financial instruments, Due to this fact, management estimates that changes made by Law 11,638/2007, will not give rise to material effects in the Bank’s future financial statements.

It is our understanding that the application of several legal provisions will depend on their regulation by the regulatory bodies, specifically the Central Bank and the Securities Commission, and at this time it is not possible to determine the effects on the Bank's profit figures and stockholders' equity for fiscal quarter end March 31, 2008.

**EXECUTIVE BOARD**

**CEO**

Antonio Francisco de Lima Neto

**VICE-PRESIDENTS**

Adézio de Almeida Lima
Aldemir Bendine
Aldo Luiz Mendes
José Luis Prola Salinas
José Maria Rabelo
Luís Carlos Guedes Pinto
Luiz Alberto Maguito Vilela
Luiz Oswaldo Sant'Iago Moreira de Souza
Milton Luciano dos Santos

**BOARD OF OFFICERS**

Alexandre Corrêa Abreu
Allan Simões Toledo
Clara da Cunha Lopes
Edson de Araújo Lôbo
Francisco Claudio Duda
Geraldo Afonso Dezena da Silva
Glauco Cavalcante Lima
Izabela Campos Alcântara Lemos
Joaquim Portes de Cerqueira César
José Carlos Soares
José Carlos Vaz
Juraci Masiero
Jussara Silveira de Andrade Guedes
Luiz Carlos Silva de Azevedo
Luiz Gustavo Braz Lage
Maria da Glória Guimarães dos Santos
Nilo José Panazzolo
Nilson Martiniano Moreira
Paulo Euclides Bonzanini
Paulo Roberto Evangelista de Lima
Paulo Rogério Caffarelli
Renê Sanda
Ricardo José da Costa Flores
Sandro Kohler Marcondes
Sérgio Ricardo Miranda Nazaré
William Bezerra Cavalcanti Filho

**ACCOUNTING**

Pedro Carlos de Mello
Contador Geral
Contador CRC-DF 5.773/O-7
CPF 132.520.380-72

Eduardo Cesar Pasa
Contador CRC-DF 017601/O-5
CPF 541.035.920-87

**BOARD OF DIRECTORS**

Bernard Appy (Presidente)
Antonio Francisco de Lima Neto (Vice-Presidente)
Bernardo Gouthier Macedo
Cleber Ubiratan de Oliveira
Francisco Augusto da Costa e Silva
Henrique Jäger
Tarcísio José Massote de Godoy

**BOARD OF AUDITORS**

Otavio Ladeira de Medeiros (Presidente)
Agostinho do Nascimento Netto
Eduardo Grande Bittencourt
Eustáquio Wagner Guimarães Gomes
Marcos Machado Guimarães

**AUDIT COMMITEE**

José Danúbio Rozo (Coordenador)
José Gilberto Jaloretto
Flavio Fernando da Fontoura Ferreira