MD&A
1Q12



This report contains statements concerning expectations, planned synergies, growth estimates, forecasts and future strategies related to Banco do Brasil and its subsidiaries, associated companies and affiliates. Although these statements reflect management's current beliefs, they involve imprecisions and risks that are difficult to predict, and actual results and events may differ from those anticipated and discussed herein. These expectations depend materially on market conditions, Brazil's economic performance and developments in the banking industry and international markets. Banco do Brasil does not assume any responsibility to update the estimates contained in this report.

This report contains tables and charts that present financial figures rounded to the nearest million of Brazilian real. The rounding method used complies with Regulation 886/66 issued by Fundação IBGE: if the last digit is equal to or greater than 5, the last remaining digit is increased by one unit; and if the last digit is less than 5, it is discarded and the digit before it is maintained. Variations, in both nominal and percentage terms, were calculated using numbers in units.

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Presentation

The Management Discussion and Analysis presents the economic/financial situation of Banco do Brasil (BB). Geared toward market analysts, stockholders and investors, with quarterly periodicity, this report content provides data on main economic indicators, BB's shares performance and risk management. The reader will also find tables with historical series, from up to eight periods, of the Summarized Balance Sheet, the Summarized Corporate Law Income Statement, the Income Statement with Reallocations, the Analytic Spread besides information about profitability, productivity, quality of the loan portfolio, capital structure, capital market, and structural data.

At the end of this report the Financial Statements and Explanatory Notes, for the quarter under analysis, will be presented.

High Lights

1) Historical data revised since the first quarter of 2010, by accounting for two items against the credit operations income that previously comprised the Other Operational Expenses/Revenue: amortization of premiums paid on purchase of portfolios and expenses for settlement / prepayment contracts.
2) Reclassification, from the first quarter of 2010, of the grouping items of revenue to provide services for the grouping income from banking fees, according to Central Bank Circular Letter n. º 3.490/2011.
3) The disclosure of Net Interest Income has been redesigned to better detail of its composition.
4) In Chapter 3, have been made available information on the renegotiated loan portfolio of non-performing loans in BB, such as balance, provision, delinquency rate and non-performing loan rate.
5) The Sources and Uses table, information and parcel of Chapter 5 has been reformatted for easier identification of transactions that compose the funding of the Bank and the investment of resources.
6) The report presents, in Chapter 11, information about the loan portfolio by risk level and non-performing loans rates, detailed in the Retail and Wholesale pillars, in addition the Capital Adequacy Ratio (Basel) of Banco Votorantim.

On-line Access

The Management Discussion and Analysis can also be read through Banco do Brasil's Investor Relations website. Further information about BB is also available there, such as: Corporate Governance, news, frequently asked questions, a download center which contains versions of this report for the Adobe® Reader® software. General information, Balance Sheet Analysis, and Complete Financial Statements; the historical series in Excel: presentations to the market; Social and Environment Responsibility Report Social Balance Sheet; Conference Calls on Results and other are also available on the website.

Banco do Brasil	bb.com.br
Investor Relations	bb.com.br/ir

Summary of the Results

Results

BB's Recurring Income reaches R$ 2.7 billion in the 1Q12

Banco do Brasil recorded a recurring income of R$ 2,704 million in 1Q12, corresponding to an annualized return on average shareholders' equity (ROAE) of 19.7%. The quarter result was mainly influenced by the increase of loans and fee income on the one hand, and on the other hand by the reduction in the recognition of Previ´s Benefit Plan I actuarial gains and losses, the lower performance in Banco Votorantim credit operations followed by an increase in the allowance for loan losses expenses of that bank.

The net income, including one-off items, totaled R$ 2,502 million in the 1Q12, corresponding to an ROAE of 18.1%.

Guidance 2012

The table below presents the 2012 guidance. The balance sheet items were calculated from the amount recorded in Mar/12 against Mar/11. The figures of the income statement are calculated by dividing the amount accumulated in 1Q12 against 1Q11. We emphasize that the guidance is prepared for the year and the quarterly monitoring may be adversely affected by seasonality or specific events of the period in charge.

Table 1. 2012 *Guidance*

Items	Performance 2012	2012 Guidance
Recurring Return on Equity	19.7%	19% - 22%
Net Interest Income	11.8%	11% - 15%
Total Deposits	17.2%	14% - 18%
Domestic Loan Portfolio[1]	16.4%	17% - 21%
Individuals[1]	14.2%	19% - 23%
Businesses	17.0%	18% - 22%
Agribusiness	18.4%	9% - 12%
Allowance for Loan Losses[2]	3.2%	3,1% - 3,5%
Fee Income	23.0%	13% - 18%
Administrative Expenses	16.4%	8% - 12%
Tax Rate	26.1%	31% - 34%

(1) This line considers the credit acquired with co-obligation, according to CVM Resolution 3533/2008.

(2) Allowance for loan losses expenses of the last 12 months / average portfolio in the same period.

The main reasons for deviations in the 2012 guidance are:

a) Domestic Loan Portfolio - lower demand for credit in the economy;

b) Individual Loan Portfolio – lower demand for credit in the economy and fall in the credit origination for vehicle financing by Banco Votorantim;

c) Business Loan Portfolio – part of large companies' credit demand was met mainly through the issuance of debentures, promissory notes and credit notes (private securities), which grew 21.7% in 12 months;

d) Agribusiness Loan Portfolio - high demand, mainly for medium/large farmers and agricultural cooperatives;

e) Fee Income – increasing the relationship with customers, resulted from the program for improving the service to the retail segment;

f) Administrative Expenses - incorporation of operations, notably businesses with Mapfre, Banco Postal and Banco Patagonia, which were not yet consolidated in the 1Q11 result;

g) Tax rate - greater tax benefit of interest on own capital.

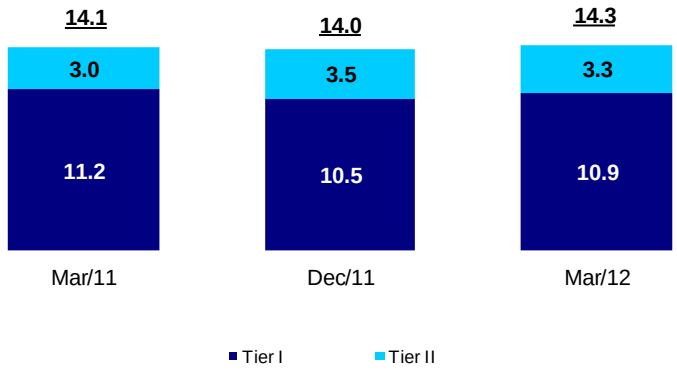
The assumptions used in the elaboration of the Guidance are explained in the end of the Summary.

Basel Regulation

BIS ratio higher than minimum required

The capital ratio (K) of Banco do Brasil ended the quarter at 14.3%, higher than the minimum required by the Central Bank of Brazil (11%). The BIS ratio presented indicates an excess of Referential Shareholders' Equity of R$ 19.4 billion, which enables an expansion of up to R$ 176.4 billion in credit assets, considering a weighting of 100%.

Figure 1. BIS ratio



In 1Q12, BB issue two perpetual bonds in the amount of US$ 1.75 billion. In Jan/12 US$ 1.0 billion was raised and, in Mar/12, another US$750 million was issued. Both transactions were classified as Tier I capital. These operations were innovative because they allow that their structure is suitable for any regulatory adjustments arising from the Basel III rules. It was the first time that a Latin-American company performed this kind of issue.

One-Off Items

The following table shows the description of the one-off items which added R$ 201 million to the 1Q12 BB's net income, net amount of taxes and statutory profit sharing. In the quarter, only the amount referring to economic plans was treated as one-off items.

Table 2. One-Off Items

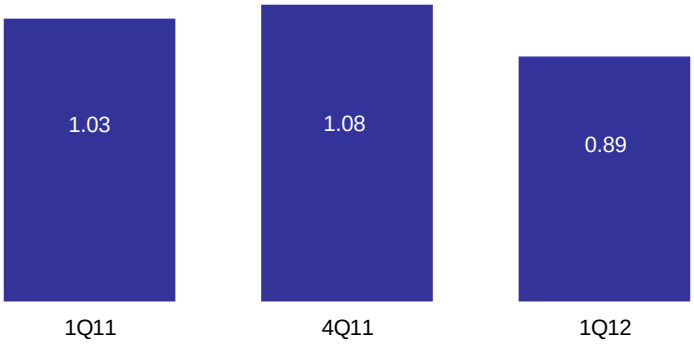
R$ million	1Q11	4Q11	1Q12
Recurring Net Income	**2,923**	**3,025**	**2,704**
(+) One-Off Items of the Period	**10**	**(53)**	**(201)**
Economic Plans	17	(95)	(362)
Tax Eff. and Stat. Profit Sharing on One-Off Items	(8)	42	160
Net Income	**2,932**	**2,972**	**2,502**

Shareholder's Return

Earnings per share reached R$ 0.89

The earnings per share attained R$ 0.89 in 1Q12, against R$ 1.03 recorded in the same period of the previous year. The following table shows this indicator.

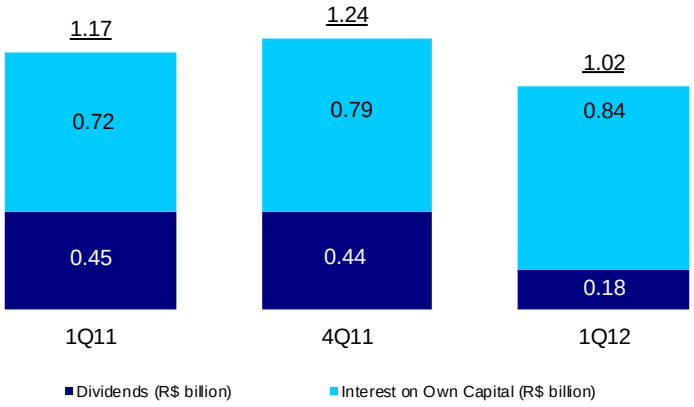
Figure 2. Earnings per Share - R$



Remuneration to shareholders reached R$ 1.0 billion for the 1Q12

Banco do Brasil maintained the policy of paying out 40% of its net income to its shareholders. R$ 1.0 billion was set aside as shareholders' compensation in 1Q12.

Figure 3. Dividend and Interest on Own Capital



Result driven by Loan & Fee Income

The performance of the income from loan and leasing operations, as showed in the table about the NII breakdown, had an increase of 16.9% over the same period from the previous year, and influenced the NII growth. However, the funding mix change and the time deposits increasing over the others explain the growth of the funding expenses. Additional information about BB investments is available on chapter 7 of the MD&A.

Thus, the Net Interest Income (NII), difference between the Financial Intermediation Income and the Financial Intermediation Expenses, ended 1Q12 with an increase both in relation to 4Q11 (0.5%) and in the comparison with the 1Q11 (11.8%), aligned with 2012 Guidance.

Fee income closed the 1Q12 in R$ 5,051 million, 23.0% higher than the performance observed in 1Q11 and 0.5% over the 4Q11. The restructuring of operations in the retail segment, with a strategy focused on customer service and profitability of the customer base determined the good performance of this line.

There was a 16.4% increase in the administrative expenses, in the comparison with the1Q11, but a 4.9% decreased in the quarterly comparison (1Q12/4Q11). This line reached R$ 6,626 million in 1Q12. It´s important to note that the twelve months growth observed is influenced by the incorporation of new costs arising from the partnership with Mapfre, from the acquisition of Banco Patagonia and

from the acquisition of the right of use the service network of Banco Postal. These items summed have added approximately $ 360 million in expenses.

The following table, extracted from the statement of income with reallocations, presents the main highlights of the period. The breakdown of reallocations is in Section 2.3.1 of the MD&A report.

Table 3. Income Statement with Reallocations – Main Lines

	Quarterly Flow			Chg. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Financial Intermediation Income	**22,514**	**25,970**	**25,934**	**15.2**	**(0.1)**
Loan Operations + Leasing	14,749	16,833	17,343	17.6	3.0
Securities	6,133	7,189	7,004	14.2	(2.6)
Financial Intermediation Expenses[1]	**(12,640)**	**(14,984)**	**(14,896)**	**17.8**	**(0.6)**
Net Interest Income	**9,874**	**10,985**	**11,039**	**11.8**	**0.5**
Allowance for Loan Losses	(2,629)	(2,892)	(3,576)	36.0	23.7
Net Financial Margin	**7,245**	**8,094**	**7,463**	**3.0**	**(7.8)**
Fee income	4,108	5,027	5,051	23.0	0.5
Income f/ Insur., Pension Plans and Sav. Bonds	512	515	516	0.8	0.2
Contribution Margin	**10,888**	**12,565**	**12,016**	**10.4**	**(4.4)**
Administrative Expenses	(5,692)	(6,966)	(6,626)	16.4	(4.9)
Personnel Expenses	(3,145)	(3,954)	(3,694)	17.5	(6.6)
Other Administrative Expenses	(2,547)	(3,012)	(2,932)	15.1	(2.7)
Commercial Income	**5,155**	**5,538**	**5,327**	**3.3**	**(3.8)**
Legal Claims	(98)	275	(250)	155.2	-
Labor Lawsuits	(79)	(278)	(238)	200.9	(14.4)
Other Operating Income	(158)	(604)	(720)	355.6	19.4
Income Before Taxes	**4,839**	**4,940**	**4,139**	**(14.5)**	**(16.2)**
Income and Social Contribution Taxes	(1,474)	(1,425)	(967)	(34.4)	(32.1)
Corporate Profit Sharing	(442)	(450)	(433)	(2.1)	(3.8)
Recurring Net Income	**2,923**	**3,025**	**2,704**	**(7.5)**	**(10.6)**

(1) Historical series reviewed since 1Q11 due to accounting of the costs with premiums paid to customers arising from judicial deposits to the money market funds expenses, which previously made up the other operating expenses.

Table 4. Main Result's Indicators

Indicators - %	1Q11	4Q11	1Q12
Net Interest Margin (NIM)[1]	5.7	5.6	5.4
Expenses with Allowance for Loan Losses over Portfolio[2]	3.0	3.1	3.2
Cost-Income Ratio[3]	40.9	42.9	45.2
Cost-Income Ratio[3] - 12 Months	41.8	42.1	43.2
Recurring Return on Equity[1]	24.8	22.9	19.7
Effective Tax Rate	33.5	31.7	26.1

(1) Annualized indicators.
(2) 12 months accumulated allowance for loan losses expenses / average loan portfolio of the period.
(3) In this calculation, the one-off items were segregated.

Net Interest Income

In the following table, the items Loan Operations and Funding Expenses do not consider the effect of exchange rate changes. The item treasury includes: (i) the result with interest, (ii) the revenue with remunerated compulsory deposit, (iii) tax hedge, derivative transactions and other financial instruments that offset the effects of change in exchange rate over the result.

The expenses with resources such as Finame, BNDES and FCO, that are mandatorily invested in loans with official funds, were detached from the funding expenses and allocated in the line Others. The funding expenses are composed, mainly, by expenses with savings and time deposits.

Table 5. NII Breakdown

	Fluxo Trimestral			Chg. %	
R$ milhões	1T11	4T11	1T12	On 1Q11	On 4Q11
Net Interest Income	**9,874**	**10,985**	**11,039**	**11.8**	**0.5**
Loan Operations	13,928	16,218	16,282	16.9	0.4
Funding Expenses	(5,909)	(7,208)	(7,170)	21.3	(0.5)
Recovery of Write-offs Loans	855	851	750	(12.3)	(11.9)
Treasury	2,088	2,197	2,106	0.9	(4.1)
Other	(1,087)	(1,073)	(929)	(14.5)	(13.4)

Managerial Margin and Spread

The table below presents BB managerial margin segmented into loan operations and deposits. Each line is calculated by the difference between financial revenues/expense and the respective opportunity financial cost/revenue of each line, for example, average Selic rate (TMS), long term interest rate (TJLP), reference rate (TR).

Table 6. Managerial Margin

	Quarterly Flow			Chg. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Loan Operations	**7,110**	**8,244**	**8,207**	**15.4**	**(0.5)**
Individuals	4,097	4,560	4,430	8.1	(2.9)
Businesses	2,019	2,340	2,479	22.7	5.9
Agribusiness	994	1,344	1,298	30.6	(3.4)
Deposits	**1,404**	**1,290**	**1,253**	**(10.8)**	**(2.9)**
Time Deposits	840	778	764	(9.0)	(1.7)
Demands Deposits	379	348	318	(16.0)	(8.6)
Saving Deposits	185	164	170	(8.0)	3.8

BB's individual loan portfolio is concentrated in consumer credit, payroll loans, vehicles financing and mortgage loans that together accounted for 80% of the individual customers portfolio. Traditionally, these facilities have lower spreads than others in the individual loan portfolio.

Considering the agribusiness spread change, the decrease of 60 basis points in the quarterly comparison (1Q12/4Q11) was driven by the fall in the weighting factor revenues that reached R$ 104 million in 1Q12 versus R$ 170 million in 4Q11. This situation occurred because the remuneration of the credit by this factor is only defined for the 2010/2011 crop resources. Additional information about the performance of BB’s agribusiness can be found in Chapter 3 of this MD&A report.

"Risk-Adjusted Net Interest Margin" is calculated based on ratio between net financial margin and profitable assets, that is, it considers allowance for loan losses expenses. The table below presents the performance of the spread indices by portfolio.

Table 7. Annualized NIM

%	1Q11	4Q11	1Q12
Loan Operations	**8.7**	**9.0**	**8.9**
Individuals	15.1	15.5	15.3
Businesses	5.8	6.1	6.2
Agribusiness	5.1	6.1	5.5
Deposits	**1.7**	**1.4**	**1.3**
Time Deposits	1.9	1.4	1.3
Demands Deposits	3.1	3.1	3.0
Saving Deposits	0.8	0.7	0.7
Net Interest Margin (NIM)	**5.7**	**5.6**	**5.4**
Risk Adjusted NIM	**4.2**	**4.1**	**3.7**

Assets

Total assets overcome $ 1 trillion

Total assets of Banco do Brasil attained R$ 1 trillion in Mar/12, corresponding to a 16.0% growth over Mar/11. The main assets lines are the loan operations, securities and short-term interbank investments that accounted for 55.1% of BB's total assets in Mar/12. Considering the liabilities, we highlight the deposits that represent 44.5% of total liabilities. The following table shows the main items of the Balance Sheet.

Table 8. Balance Sheet – Main items

				Chg. %	
R$ million	Mar/11	Dec/11	Mar/12	On Mar/11	On Dec/11
Total Assets	866,636	981,230	1,004,971	16.0	2.4
Loan Portfolio - Broad concept[1]	397,516	465,093	473,111	19.0	1.7
Securities	146,500	168,230	155,983	6.5	(7.3)
Short-Term Interbank Operations	146,458	166,288	183,015	25.0	10.1
Deposits	381,170	442,386	446,870	17.2	1.0
Demand Deposits	59,553	62,016	60,659	1.9	(2.2)
Savings Deposits	90,516	100,110	101,815	12.5	1.7
Interbank Deposits	12,069	14,450	14,272	18.3	(1.2)
Time Deposits	219,031	265,809	270,123	23.3	1.6
Money Market Borrowing	180,112	195,175	199,811	10.9	2.4
Shareholder's Equity	52,120	58,416	60,051	15.2	2.8

(1) It is included guarantees provided and private securities

Loan Portfolio

Loan portfolio surpass R$ 473 billion

The loan portfolio in the broad concept, which includes guarantees provided and private securities, attained R$ 473,111 million, growth of 1.7% in the quarter and 19,0% in twelve months. Banco do Brasil's market share in the domestic loan portfolio was 19.2% in Mar/12.

Table 9. Credit Portfolio – Broad concept

	Balance						Chg. %	
R$ million	Mar/11	Share %	Dec/11	Share %	Mar/12	Share %	On Mar/11	On Dec/11
Loan Portfolio (a)	**364,659**	**100.0**	**422,989**	**100.0**	**430,748**	**100.0**	**18.1**	**1.8**
Brazil	**342,526**	**93.9**	**390,508**	**92.3**	**397,195**	**92.2**	**16.0**	**1.7**
Individuals	**116,487**	**31.9**	**130,561**	**30.9**	**131,588**	**30.5**	**13.0**	**0.8**
Payroll Loan	46,028	12.6	51,246	12.1	51,809	12.0	12.6	1.1
Consumer Loan Backed by Direct Dep.	13,814	3.8	15,327	3.6	16,121	3.7	16.7	5.2
Vehicle Loans	28,613	7.8	31,329	7.4	30,182	7.0	5.5	(3.7)
Mortgage	3,427	0.9	6,035	1.4	6,828	1.6	99.2	13.1
Credit Card	11,181	3.1	13,193	3.1	13,039	3.0	16.6	(1.2)
Overdraft Accounts	3,094	0.8	2,554	0.6	3,081	0.7	(0.4)	20.6
Other	10,330	2.8	10,877	2.6	10,528	2.4	1.9	(3.2)
Businesses	**148,637**	**40.8**	**171,290**	**40.5**	**173,948**	**40.4**	**17.0**	**1.6**
SME[1]	56,500	15.5	68,062	16.1	70,242	16.3	24.3	3.2
Middle and Large	92,137	25.3	103,228	24.4	103,706	24.1	12.6	0.5
Agribusiness	**77,403**	**21.2**	**88,658**	**21.0**	**91,658**	**21.3**	**18.4**	**3.4**
Individuals	49,536	13.6	57,194	13.5	59,485	13.8	20.1	4.0
Businesses	27,867	7.6	31,465	7.4	32,174	7.5	15.5	2.3
Abroad	**22,132**	**6.1**	**32,480**	**7.7**	**33,553**	**7.8**	**51.6**	**3.3**
Private Securities and Res. 3533/08 (b)	**32,858**		**42,104**		**42,362**		**28.9**	**0.6**
Loan Portfolio - Broad concept[2] (a + b)	**397,516**	**100.0**	**465,093**	**100.0**	**473,111**	**100.0**	**19.0**	**1.7**
Individuals[3]	116,487	29.3	130,589	28.1	133,008	28.1	14.2	1.9
Businesses	179,391	45.1	210,167	45.2	211,380	44.7	17.8	0.6
Agribusiness	78,263	19.7	89,361	19.2	92,448	19.5	18.1	3.5
Abroad	23,375	5.9	34,976	7.5	36,274	7.7	55.2	3.7

(1) Since 2Q11, SME is related to companies with annual income up to R$ 25 million instead of up to 10 million for industry and R$ 15 million for services and commerce, pattern previously used. The Dec.10 balance was reviewed considering this concept in order to keep the items comparible.
(2) Securities and guarantees are included and also the balance of the acquired portfolio with co-obligation (Bacen Resolution 3.533/08).
(3) The balance of the acquired portfolio with co-obligation is included, in accordance with Bacen Resolution 3.533/08.

Individuals loan portfolio backed by lower risk facilities

BB has consolidated its market share in the payroll segment at levels above 30% (31.8% in Mar/12). Considering the amount of R $ 52,605 million, payroll portfolio recorded in Mar/12, 94.7% refers to loans for civil servants and INSS beneficiaries.

With a consistent performance since the beginning of the operations in 2Q08, the mortgage loan to individuals ended Mar/12 in R$ 6,828 million, an increase of 13.1% in the quarter and 99.2% when compared to same period in 2011. The market share in this segment reached 3.2% in Mar/12. The amount disbursed in 1Q12 was R$ 975 million, against the R$ 576 million of the 1Q11. The mortgage for companies had a disbursement of R$ 357 million in 1Q12 and the portfolio balance reached R$ 1,798 million.

Companies Loan Portfolio driven by SME

The performance of the credit to SME in this quarter was supported by investment finance, with a R$ 20,137 million balance that grew 27.8% in the yearly comparison, Mar/12-Mar/11, and 9.7% up from Dec/11. This line represents 29% of the total SME portfolio (R$ 70,242 million). BB utilized the Fundo de Garantia de Operações – FGO (Operations Guarantee Fund) to allow a greater access credit for SME and to reduce costs for the final borrower. Another mechanism that supports the contract of investment finance is the Fundo de Aval às Micro e Pequenas Empresas – Fampe (Endorsement Fund for SMEs). This fund is comprised by resources from Serviço Nacional de Apoio às Micro e Pequenas Empresas – Sebrae (National Service for SME Support) and complements up to 80% of the required guarantees to contract operations with SMEs that have gross annual turnover up to R$ 2.4 million.

Considering the loan portfolio, broad concept, to corporations, there is a balance of R$ 211,380 million, an increase of 17.8% over Mar/11.

Regarding the agribusiness loan portfolio, we emphasize the Pronaf/Pronamp facilities that reached R$ 28,687 million, 25.5% up over Mar/11 and 5.5% up over Dec/11. This performance was influenced, mainly, due to changes in the credit conditions of Pronamp that expanded the target public to this credit facility. The credit to individuals rose 4.0% in relation to Mar/11, attaining a R$ 59,485 million balance. The agribusiness loan portfolio to companies reached a balance of R$ 32,174 million.

The use of insurance to back the operations of working capital for input purchase of the current crop, 2011/2012, ended mar/12 in 53%, or R$ 6,292 million.

It is important to note that the agribusiness loan portfolio delinquency remains at low levels. In Mar/12, the indicator that measures the non-performing loans for more than 90 days performed at 0.6%.

Delinquency under control

The delinquency indicators of Banco do Brasil continue under control in the first quarter 2012. The indicator that measures non-performing loans (NPL) for more than 90 days (ratio between NPL +90 and the loan portfolio) closed Mar/12 in 2.2%. Comparing this ratio with the one verified in the Banking Industry (BI), of 3.7%, it is possible to observe that BB's delinquency remain in low levels.

Comparing operations classified by risk level, BB also presents a better loan structure than BI. Operations rated at risk levels AA-C closed Mar/12 in 93.8% of the total portfolio, against 92.1% verified in the BI. The following table presents indexes of the loan portfolio quality.

Table 10. Loan Portfolio Quality Indicators

%	Mar/11	Dec/11	Mar/12
NPL + 15 days/Total Portfolio (%)	4.0	3.6	3.9
NPL 15-59 days/Total Portfolio (%)	1.5	1.1	1.3
NPL + 60 days/Total Portfolio (%)	2.5	2.5	2.6
NPL 15-89 days/Total Portfolio (%)	1.9	1.5	1.8
NPL + 90 days/Total Portfolio (%)	2.1	2.1	2.2
AA - C Loans / Total Portfolio (%)	93.8	93.9	93.8
Allow ance/Loan Portfolio	4.7	4.5	4.5
Individuals Allow ance/Loan Portfolio	6.7	6.8	6.8
Business Allow ance/Loan Portfolio	3.1	3.1	3.2
Allow ance/NPL + 60 days	185.2	180.4	171.6
Allow ance/NPL + 90 days	221.8	215.6	210.6
Average Risk BB	4.2	4.1	4.1
Average Risk – Banking Industry	5.5	5.7	5.7
NPL + 90 days/Total Portfolio – BI	3.2	3.6	3.7

The allowance for loan losses expenses rose 36.0% if compared to 1Q12. Part of this increase is explained by the growth in the classified loan portfolio of 18.1% in the same period. Another important aspect was the rising allowance for loan losses expenses of Banco Votorantim from R$ 213 million in 1Q11 to R$ 794 million in this quarter, up 272% in the period. The indicator that measures the expenses over the portfolio in 1Q12 showed a change of 10 basis points, compared to 1Q11.

If the Banco Votorantim operations were not considered, the classified loan portfolio would grow 19.7% in the comparison 1Q12/1Q11, percentage higher than the increase of the respective allowance for loan losses in the period (15.1%).

Table 11. Allowance for Loan Losses Expenses over Loan Portfolio

R$ million	1Q11	4Q11	1Q12
(A) Allow ance for Loan Losses - Quarterly	(2,629)	(2,892)	(3,576)
(B) Allow ance for Loan Losses - 12 Months	(10,278)	(11,827)	(12,773)
(C) Loan Portfolio	364,659	422,989	430,748
(D) Average Portfolio – 3 Months	361,964	412,439	424,881
(E) Average Portfolio – 12 Months	338,575	383,408	398,411
Expenses over Portfolio (A/D) - %	0.7	0.7	0.8
Expenses over Portfolio (B/E) - %	3.0	3.1	3.2

The balance of allowance for loan losses ended the quarter at R$ 19,573 million, which provides coverage of 210.6% of non-performing loans > 90 days, higher than the percentage in the BI which reached 152.3% in Mar/11.

The following table shows the renegotiated loan portfolio of non-performing loan operations. Note that the coverage ratio reached 329.0% in Mar/12 against 272.6% in Dec/11.

Table 12. Renegotiated Loan Portfolio

R$ milhões	Mar/11	Dec/11	Mar/12
Renegotiated Loan Portfolio[1]	7,765	6,991	6,902
Allowance	1,985	1,606	1,501
NPL + 90days	698	589	456
Allowance/Loan Portfolio - %	25.6	23.0	21.7
NPL + 90 days/Loan Portfolio - %	9.0	8.4	6.6
Allowance/NPL + 90 days - %	284.5	272.6	329.0

(1) Considers the renegociated loan portfolio of non-performing loan operations.

Fee income

Fee income reaches R$ 5.1 billion in 1Q12

As an increment resulted from the restructuring of operations in the retail segment, with focus on customer service and profitability of the customer base, and from the reorganization in the insurance businesses, the fee income reached R$ 5.051 million, an increase of 23.0% in the comparison with the 1Q11. The quarter highlight was the fee income from management of investment funds that increased 20.9% in the comparison with 1Q11 and 6.6% in the comparison with the 4Q11.

The indicator that measures the ratio between commercial revenues (sum of NII, fee income and results from insurance operations) and the average client base reached R$ 294.1, in this quarter. This ratio shows, on average, the value of business generated per client.

Table 13. Fee Income and Results from Insurance Operations

	Quarterly Flow			Chg. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Fee Income	**4,108**	**5,027**	**5,051**	**23.0**	**0.5**
Account Fees	870	1,136	1,101	26.5	(3.1)
Credit / Debit Cards	907	1,084	1,075	18.5	(0.8)
Investment Fund Management Fees	730	829	883	20.9	6.6
Loan Fees	388	496	479	23.6	(3.4)
Collections	292	321	324	11.0	0.8
Insurance, P. Plans and Savings Bonds	130	122	150	14.8	22.2
Billings	173	195	204	17.9	4.4
Interbank	144	168	169	17.7	0.7
Capital Market Fees	95	96	107	12.9	12.0
Other	379	580	560	47.8	(3.4)
Insurance P. Plans and Sav. Bonds Income	**512**	**515**	**516**	**0.8**	**0.2**

Administrative Expenses

Administrative expenses fall 4.9% in the comparison with 4Q11

In 1Q12, these expenses amounted to R$ 6,626 million, a growth of 16.4% over the previous year however there is a decrease of 4.9% if compared to the 4Q11. These expenses include personnel and other administrative expenses.

In the twelve-month comparison (1Q12/1Q11), the growth of administrative expenses is impacted by the incorporation of new costs arising from: (i) the partnership with Mapfre, (ii) corporate acquisition of Banco Patagonia, and (iii) acquisition of the right of using the service network of Banco Postal. These items combined increased in approximately R$ 316 million in 1Q12 administrative expenses, of which R$ 118 million relate to personnel expenses.

The decrease verified in the 1Q12/4Q11 comparison was mainly due to the largest concentration of employees on vacation in 1Q12, which negatively impacts the personnel expenses, in addition to the seasonality of the end of the year.

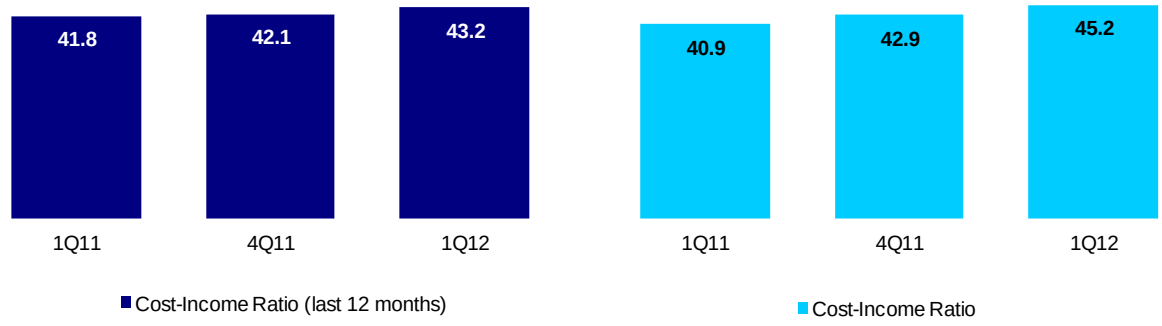
Table 14. Administrative Expenses

	Quarterly Flow			Chg. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Administrative Expenses	**(5,692)**	**(6,966)**	**(6,626)**	**16.4**	**(4.9)**
Personnel Expenses	(3,145)	(3,954)	(3,694)	17.5	(6.6)
Other Administrative Expenses	(2,547)	(3,012)	(2,932)	15.1	(2.7)

Cost to Income Ratio

Cost to income ratio, a ratio between administrative expenses and operating revenues, closed the 1Q12 in 45.2%. Some effects explain the performance observed: (i) reduction in the recognition of Previ´s Benefit Plan I actuarial gains and losses; (ii) expenses with the Banco Postal operation that did not compose the financial statements in the first half of 2011.

Figure 4. Cost to Income Ratio – Without One-Off Items - %



Insurance

Income from Insurance

The insurance ratio that measures the share of this segment in the recurring net income of BB has been growing and went from 12.7% in Mar/11 to 15.8% in Mar/12. The table below presents the breakdown of insurance income, as well as the insurance ratio.

Table 15. Consolidated Insurance Ratio

	Quarterly Flow			Chg. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Insurance Income	**370**	**422**	**427**	**15.4**	**1.3**
Brokerage Net Income	79	100	103	30.6	2.8
Service Fee Net Income	65	61	77	17.7	26.3
Equity in the Earnings	226	261	248	9.5	(5.1)
BB Recurring Income	2,923	3,025	2,704	(7.5)	(10.6)
Insurance Ratio - %	12.7	13.9	15.8		

Guidance Assumptions

The 2012 forecasts were prepared regarding the following assumptions:

Assumptions influenced by the management:

1. Increase in customer portfolio profitability as a way to boost revenues;

2. Expansion of the service network, based on new clients, and profitability of the current customer portfolio, considering the partnership with Banco Postal;

3. Maintenance of the current business model, without considering new acquisitions and/or partnerships that might be entered into to exploit specific segments;

4. Alignment of the cost structure to business volume growth;

5. Adjustments in contracts to suppliers and collective bargaining agreement in line with market practices;

6. Recognition of actuarial gains and losses in the Previ Benefit Plan I, as established by the CVM Resolution 600/2009.

Assumptions that are not under Management control:

1. Low growth of developed economies in 2012;

2. Greater resistance, but not immunity, of the Brazilian economy to foreign shocks;

3. A political environment without institutional rupture;

4. Maintenance of Brazilian sovereign rating as investment grade;

5. Maintenance of the current domestic macroeconomic policy structure: floating exchange rate, inflation targets (nominal anchor) and fiscal discipline, entailing a gradual and consistent reduction of the relationship between Public Sector Net Debt (PSND) and the Gross Domestic Product (GDP);

6. Increase of the Brazilian trade balance and its effects in the foreign trade;

7. A gradual increase in the Brazilian economy's potential for growth (potential GDP);

8. Evolution of interest rates, foreign exchange, inflation rate and GDP according to the market's consensus;

9. An advancement of the regulatory mark / microeconomic agenda with stimulus to public and private investment;

10. Regulatory stability, also in what concerns the rates of taxes levied on the Bank's activities, labor legislation, and social security legislation;

11. Change in capital consumption rules and rates of the compulsory payment – macroprudential measures;

12. Implementation of Basel III recommendations;

13. Guidelines of the 2012/2013 crop plan.

1 – Key Statistics

Table 16. Main Macroeconomic Indicators[1]

	2008	2009	2010	2011	1Q12
Economic Activity					
GDP (% YTD in 12 months)	5.2	(0.6)	7.5	2.7	NA
Family Consumption	5.7	4.2	7.0	4.1	NA
Government Consumption	3.2	3.1	4.2	1.9	NA
Gross Fixed Capital Formation	13.6	(6.7)	21.3	4.7	NA
Exports	0.5	(9.1)	11.5	4.5	NA
Imports	15.4	(7.6)	35.8	9.8	NA
Use of Installed Capacity (%)	82.6	79.9	82.3	82.3	NA
Agent Population (% YTD in 12 months)	2.0	0.6	1.8	1.1	NA
Unemployment Rate (% YTD in 12 months)	7.9	8.1	6.7	6.0	5.8
Formal employment – net creation in 12 m (thousand jobs)	1,452.2	995.1	2,524.3	1,566.0	1,422.0
Industrial Production (% YTD in 12 months)	3.1	(7.4)	10.5	0.3	NA
External Sector					
Current Transactions (% YTD in 12 months)	(1.7)	(1.5)	(2.2)	(2.1)	(2.0)
Direct Foreign Investment (US$ billion)	45.1	25.9	48.5	66.7	15.0
International Reserves (US$ billion – year accumulated)	206.8	239.1	288.6	352.0	365.2
Sovereign Risk (base points – EOP)	430.0	197.0	189.0	223.0	177.0
Trade Balance (US$ billion – year accumulated)	24.7	25.3	20.1	29.8	2.4
Exports (US$ billion – year accumulated)	197.9	153.0	201.9	256.0	55.1
Imports (US$ billion – year accumulated)	173.2	127.6	181.8	226.2	52.6
Ptax Dollar Sale (EOP)	2.3370	1.7412	1.6662	1.8758	1.8221
Ptax Dollar Sale (% YTD in 12 months)	31.9	(25.5)	(4.3)	12.6	11.9
Monetary Ratios					
IGP-DI FGV (% YTD in 12 months)	9.1	(1.4)	11.3	5.0	3.3
IGP-M FGV (% YTD in 12 months)	9.8	(1.7)	11.3	5.1	3.2
IPCA – IBGE (% YTD in 12 months)	5.9	4.3	5.9	6.5	5.2
Selic (EOP %)	13.75	8.75	10.75	11.00	9.75
Accumulated Selic (% YTD in 12 months)	12.5	9.9	9.8	11.6	11.4
Accumulated TR (exBTN) (% YTD in 12 months)	1.8	0.7	0.8	1.3	1.3
TJLP - IBGE (EOP %)	6.3	6.0	6.0	6.0	6.0
Libor (EOP %)	3.9	0.3	0.3	0.4	0.6
Public Finance					
Primary Surplus (% GDP 12 months accumulated)	3.4	2.0	2.8	3.1	3.2
PSGD (% GDP)	57.4	62.0	54.7	54.2	56.3
PSND (% GDP) - Without Petrobras	38.5	42.8	40.2	36.4	36.6
Credit Ratios					
Banking Industry Loan Portfolio (R$ billion)	1,227.3	1,414.3	1,705.9	2,029.6	2,069.7
Individuals (R$ billion)	532.3	635.9	778.2	940.2	970.4
Companies (R$ billion)	695.0	778.4	927.7	1,089.5	1,099.3
Credit/GDP (% YTD in 12 months)	41.3	44.4	45.2	49.0	49.3
Household Debt (%)	33.2	36.7	38.7	39.8	NA
Total Default (% past due loans over 90 days)	3.2	4.3	3.2	3.6	3.7
Individuals[2]	8.0	7.7	5.7	7.3	7.4
Businesses[2]	1.8	3.8	3.5	3.9	4.1
Total Investment Rate (%)[2]	43.3	34.3	35.0	37.1	37.3
Individuals	57.9	42.7	40.6	43.8	44.4
Businesses	30.7	25.5	27.9	28.2	27.7
Total Spread (%)[2]	30.7	24.4	23.5	26.9	28.0
Individuals	45.0	31.6	28.5	33.7	35.1
Businesses	18.4	16.5	17.0	17.9	18.4
Average Term (%)[2]					
Individuals	16.3	16.8	18.7	20.0	20.2
Businesses	10.1	9.5	13.3	13.4	13.5

(1) All indicators were obtained from oficial sources such as Central Bank of Brazil, FGV (Getúlio Vargas Foundation), IBGE, etc.
(2) Loans as Reference for Interest Rate.

Table 17. Ownership Structure – %

Shareholders	Mar/11	Jun/11	Sep/11	Dec/11	Mar/12
Federal Government	59.2	59.2	59.2	59.1	59.1
Previ	10.4	10.4	10.4	10.4	10.4
BNDESPar	0.0	0.0	0.0	0.1	0.1
Treasury Shares	0.0	0.0	0.0	0.0	0.0
Free Float	**30.4**	**30.4**	**30.4**	**30.4**	**30.4**
Individuals	5.7	5.7	5.7	6.2	5.7
Companies	8.3	8.2	8.7	8.7	7.2
Foreign Capital	16.4	16.5	15.9	15.5	17.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 18. Distribution of Dividends and Interest on Own Capital

R$ million	1Q11	2Q11	3Q11	4Q11	1Q12
Federal Government	694.2	788.4	684.5	731.2	603.7
Previ	121.7	138.2	119.9	128.2	105.9
BNDES	0.1	0.1	0.1	1.6	1.3
Individuals	67.3	76.3	66.5	76.8	57.9
Companies	97.9	109.7	101.2	107.7	74.0
Foreign Capital	191.8	219.3	184.4	191.9	178.9
Total	**1,172.9**	**1,332.0**	**1,156.5**	**1,237.5**	**1,021.8**

Table 19. Market Ratios

	1Q11	2Q11	3Q11	4Q11	1Q12
Earnings per Share - R$	1.03	1.16	1.01	1.08	0.89
Price / Earnings (12 months)	6.88	6.21	5.40	5.60	6.36
Price / Book Value	1.62	1.47	1.25	1.16	1.24
Market Capitalization - R$ million	84,535	80,100	71,061	67,910	74,358
Book Value - BBAS3	18.22	19.09	19.82	20.39	20.96
BBAS 3 Price - R$	29.55	28.00	24.84	23.70	25.95
Change - %	(6.0)	(5.2)	(11.3)	(4.6)	9.5
Dividend Yield - %[1]	5.8	6.4	7.4	7.2	6.4

(1) Dividends and Interest on Own Capital – 12 months / Market Capitalization

Table 20. Participation of BB's Shares in Brazilian Stock Market Indexes – %

	Jan/11 - Apr/11	May/11 - Aug/11	Sep/11 - Dec/11	Jan/12 - Apr/12	May/12 - Aug/12
Bovespa Index - Ibovespa	2.735	3.105	3.136	3.170	3.199
Brazil Index - IBrX	2.561	2.445	2.627	2.215	2.136
Brazil 50 Index - IBrX - 50	3.011	2.951	3.186	2.697	2.587
Carbon Efficient Index - ICO2	4.869	4.754	5.236	4.604	4.373
Financial Index - IFNC	12.833	12.592	13.379	11.186	10.956
Corporate Governance Trade Index - IGCT	3.355	3.126	3.327	2.835	2.693
Special Corporate Governance Stock Index - IGC	4.461	4.236	4.396	3.769	3.457
Corporate Sustainability Index - ISE	1.676	1.636	1.85	1.438	1.529
Special Tag Along Stock Index - ITAG	4.265	4.032	4.271	3.577	3.365
Mid-Large Cap Index - MLCX	2.666	2.541	2.735	2.301	2.212

Table 21. Banco do Brasil Key Statistics

	1Q11	2Q11	3Q11	4Q11	1Q12
Balance Sheet Items – R$ billion					
Assets	866.6	904.1	949.8	981.2	1,005.0
Shareholders' Equity	52.1	54.6	56.7	58.4	60.1
Credit Portfolio	364.7	383.4	402.6	423.0	430.7
Amplified Loan Portfolio[1]	397.5	422.4	441.6	465.1	473.1
Deposits	381.2	396.2	419.5	442.4	446.9
Demand Deposits	59.6	61.1	57.6	62.0	60.7
Saving Deposits	90.5	89.2	95.5	100.1	101.8
Time Deposits	219.0	234.2	252.8	265.8	270.1
Profitability					
Net Income per Share - R$	1.03	1.16	1.01	1.08	0.89
Recurring Income per Share – R$	1.02	1.13	0.90	1.06	0.94
ROE - Annual Basis %	24.9	27.5	22.6	22.5	18.1
Recurring ROE - Annual Basis %	24.8	26.6	20.0	22.9	19.7
ROA - Annual Basis %	1.4	1.5	1.3	1.3	1.0
NII / Earning Assets - Annual Basis	5.7	5.7	5.5	5.6	5.4
Productivity					
Cost/Income Ratio[2] - %	40.9	39.7	44.9	42.9	45.2
Cost/Income Ratio 12 months accumulated[2] - %	41.8	41.1	41.1	42.1	43.2
Fee Income / Personnel Expenses[2] - %	127.4	130.5	122.6	118.8	128.5
Fee Income / Adm. Expenses[2] - %	70.0	72.2	70.5	72.1	71.0
Personnel Expenses per Employee - R$	27,085	28,843	31,213	34,812	32,291
Employees / (Branches + PAA + PAB)	17	18	18	18	17
Checking Accounts per Collaborator	292	291	290	295	300
Assets per Employee – R$ thousand	7,174	7,386	7,700	8,018	8,252
Loan Portfolio / Points of Service – R$ million	19.8	20.8	21.9	22.5	23.1
Loan Portfolio Quality					
Allowance / Loan Portfolio - %	4.7	4.6	4.6	4.5	4.5
Allowance / NPL+ 90 days - %	221.8	226.5	219.4	215.6	210.6
Portfolio Net of Allowance / Total Portfolio - %	95.3	95.4	95.4	95.5	95.5
Capital Structure					
Leverage (times)	16.6	16.6	16.7	16.8	16.7
BIS Ratio - %	14.1	14.4	13.9	14.0	14.3
Tier I	11.2	11.1	10.6	10.5	10.9
Tier II	3.0	3.3	3.3	3.5	3.3
Total Quantity of Shares - thousand	2,861	2,861	2,861	2,865	2,865
Structural Information					
Branches	5,103	5,094	5,138	5,263	5,266
Total Service Points	18,450	18,445	18,363	18,765	18,655
Total Customers - thousand	54,967	55,216	55,609	56,001	56,921
Total Checking Accounts - thousand	35,304	35,596	35,798	36,121	36,539
Individuals - thousand	33,128	33,405	33,588	33,875	34,261
Businesses - thousand	2,176	2,191	2,210	2,247	2,278
Total Savings Accounts - thousand	23,536	23,984	24,113	24,709	24,910
Staff	120,797	122,409	123,344	122,377	121,778
Employees	111,224	112,913	113,594	113,810	113,404
Interns	9,573	9,496	9,750	8,567	8,374
Market Share					
Assets	20.9	21.0	20.9	21.3	NA
Deposits	26.0	26.2	26.4	27.1	NA
BNDES Onlending	17.9	18.3	17.9	21.5	24.7
Loan	19.5	19.5	19.3	19.2	19.2
Agribusiness	60.8	62.2	61.4	63.1	63.7
Asset Management	22.0	22.3	22.0	21.6	21.3
Cards Revenues	20.9	21.1	21.1	20.7	21.3
Import Exchange	23.9	22.2	22.6	20.2	20.1
Export Exchange	31.3	29.5	30.0	26.5	26.7

(1) It includes private securities, guarantees provided and the individual portfolio acquired with recourse, in accordance with the Resolution CMN 3533/08.
(2) Ex one-off Items
NA – Not Available

Table 22. *Ratings*

	1Q11	2Q11	3Q11	4Q11	1Q12
Global Ratings					
Fitch Ratings					
Individual[1]	C / D	C / D	C / D	C / D	-
Availability[1]	-	-	-	-	bb+
Short-Term - Local Currency	F2	F2	F2	F2	F2
Long-Term - Local Currency	BBB	BBB	BBB	BBB	BBB
Short-Term - Foreign Currency	F2	F2	F2	F2	F2
Long-Term - Foreign Currency	BBB	BBB	BBB	BBB	BBB
Moody's					
Financial Strength	C+	C+	C+	C+	C+
Short-Term - Local Currency	P-1	P-1	P-1	P-1	P-1
Short-Term - Foreign Currency	P-3	P-2	P-2	P-2	P-2
Long-Term Deposits - Foreign Currency	Baa2	Baa1	Baa1	Baa1	Baa1
Long-Term Deposits - Local Currency	A2	A2	A2	A2	A2
Long-Term Debt- Foreign Currency	Baa3	Baa2	Baa2	Baa2	Baa2
Standard & Poor's					
Long-Term - Local Currency	BBB-	BBB-	BBB-	BBB	BBB
Long-Term - Foreign Currency	BBB-	BBB-	BBB-	BBB	BBB
National Ratings					
Fitch Ratings					
Short-Term	F1+(bra)	F1+(bra)	F1+(bra)	F1+(bra)	F1+(bra)
Long-Term	AAA (bra)	AAA (bra)	AAA (bra)	AAA (bra)	AAA (bra)
Moody's					
Short-Term	BR-1	BR-1	BR-1	BR-1	BR-1
Long-Term	Aaa.br	Aaa.br	Aaa.br	Aaa.br	Aaa.br

(1) The Fitch Ratings Individual index was replaced by the Availability index, which measures, basically, the same risk characteristics.

Table 23. Compulsory/Reserve Requirement

	1Q11	2Q11	3Q11	4Q11	1Q12
Compulsory/Reserve Requirements					
Demand Deposits					
Rate (1)	43%	43%	43%	43%	43%
Additional (2)	12%	12%	12%	12%	12%
Reserve Requirements* (3)	29%	29%	28%	28%	28%
Direct Lending (micro finance) (4)	2%	2%	2%	2%	2%
Unmarked	14%	14%	15%	15%	15%
Savings Deposits					
Rate (5)	16%	17%	17%	17%	17%
Additional (6)	10%	10%	10%	10%	10%
Reserve Requirements* (7)	69%	69%	68%	68%	68%
Unmarked	5%	4%	5%	5%	5%
Time Deposits					
Rate (8)	20%	20%	20%	20%	20%
Additional (9)	12%	12%	12%	12%	12%
Unmarked	68%	68%	68%	68%	68%
Judicial Deposits					
Rate (10)	0%	0%	0%	0%	0%
Unmarked	100%	100%	100%	100%	100%

* Reserve Requirements at BB are directed to Rural Credit.
(1) Up to 06/21/2010: 42% rate (Bacen Circular 3,413 of 10/14/2008); From 06/28/2010 to 07/02/2012: 43% rate; From 07/09/2012 to 06/16/2014: 44% rate; Up to 06/23/2014: 45% rate (Bacen Circular 3,497 of 06/24/2010).
(2) Up to 12/03/2010: 8% rate (Bacen Circular 3.486 of 02/24/2010); From 12/06/2010: 12% rate (Bacen Circular 3,514 of 12/03/2010).
(3) Up to 06/30/2010: 30%; From 07/01/2010 to 06/30/2011: 29%; From 07/01/2011 to 06/30/2012; 28%; From 07/01/2012 to 06/30/2013: 27%; From 07/01/2013 to 06/30/2014: 26%; Up to 07/01/2014: 25% (MCR 6-2 Changed by Bacen Resolution 3,746 of 06/30/2009).
(4) Bacen Resolution 3,422, of 11/30/2006.
(5) Up to 06/25/2010: 15% rate; From 06/28/2010 to 06/24/2011: 16% rate; From 06/27/2011 to 06/29/2012: 17% rate; From 07/02/2012 to 06/28/2013: 18% rate; From 07/01/2013 to 06/27/2014: 19%; From 06/30/0214 to 06/26/2015: 20% (Bacen Resolution 3,705 of 03/26/2009).
(6) Bacen Circular 3,486, From 02/24/2010.
(7) Up to 06/30/2010: 70%; From 07/01/2010 to 06/30/2011: 69%; From 07/01/2011 to 06/30/2012: 68%; From 07/01/2012 to 06/30/2013: 67%; From 07/01/2013 to 06/30/2014: 66%; From 07/01/0214 to 06/30/2015: 65% (Bacen Resolution 3,705 of 03/26/2009).
(8) Up to 12/05/2010: 15% rate (Bacen Circular 3,485 of 02/24/2010); From 12/06/2010: 20% rate (Bacen Circular 3,513 of 12/03/2010).
(9) Up to 12/03/2010: 8% rate (Bacen Circular 3,486 of 02/24/2010); From 12/06/2010: 12% rate (Bacen Circular 3,514 of 12/03/2010).
(10) Bacen Circular 3,223, of 02/06/2004.

2 - Summarized Financial Statements

2.1. Summarized Balance Sheet

Table 24. Summarized Balance Sheet - Assets

	Balance			Chg. %	
R$ million	Mar/11	Dec/11	Mar/12	On Mar/11	On Dec/11
ASSETS	**866,636**	**981,230**	**1,004,971**	**16.0**	**2.4**
Current and Long-term Assets	**847,361**	**957,800**	**982,042**	**15.9**	**2.5**
Available Funds	12,575	10,034	14,983	19.2	49.3
Short-term Interbank Investments	146,458	166,288	183,015	25.0	10.1
Securities and Financial Derivatives	146,500	168,230	155,983	6.5	(7.3)
Securities Available for Trading	51,742	63,257	63,544	22.8	0.5
Securities Available for Sale	76,310	88,385	77,105	1.0	(12.8)
Securities Held to Maturity	17,052	15,191	13,850	(18.8)	(8.8)
Financial Derivatives	1,396	1,397	1,484	6.3	6.3
Interbank Accounts	94,232	96,342	102,073	8.3	5.9
Deposits with the Central Bank	87,053	93,660	94,146	8.1	0.5
Compulsory Deposits on Demand Deposits and Float	15,744	14,307	12,587	(20.1)	(12.0)
Compulsory Deposits on Savings Deposits	71,309	79,353	81,559	14.4	2.8
Other	7,179	2,682	7,927	10.4	195.6
Intrabank Accounts	109	335	109	0.6	(67.4)
Loans	325,682	379,045	384,833	18.2	1.5
Public Sector	7,702	8,486	8,032	4.3	(5.4)
Private Sector	334,120	388,781	395,541	18.4	1.7
Related to credit assignment	-	-	50	-	-
(Allowance for Loan Losses)	(16,140)	(18,222)	(18,790)	16.4	3.1
Leasing	3,499	2,851	2,566	(26.7)	(10.0)
Leasing and Subleasing Receivables	3,694	3,064	2,773	(24.9)	(9.5)
(Allowance for Lease Losses)	(195)	(213)	(208)	6.6	(2.6)
Other Receivables	114,238	129,554	133,254	16.6	2.9
Receivable on Guarantees Honored	77	77	82	5.6	6.5
Foreign Exchange Portfolio	15,082	17,615	19,593	29.9	11.2
Income Receivable	971	1,410	1,509	55.3	7.0
Trading and Brokerage of Securities	286	317	416	45.3	31.0
Specific Credits	1,057	1,146	1,177	11.3	2.6
Credits from Insurance, Pension and Capitalization Op.	1,070	1,742	1,984	85.5	13.9
Tax Credits	22,325	22,754	23,726	6.3	4.3
Actuarial Assets	10,563	13,372	13,870	31.3	3.7
Warrants Deposits Receivable	24,203	25,584	26,077	7.7	1.9
Destination Superavit Fund - PREVI	7,854	8,030	8,108	3.2	1.0
Other Credits	32,315	39,172	38,160	18.1	(2.6)
(Provision or Doubtful Receivables)	(1,565)	(1,665)	(1,447)	(7.5)	(13.1)
(With Loan Characteristics)	(681)	(580)	(575)	(15.5)	(0.8)
(Without Loan Characteristics)	(884)	(1,085)	(872)	(1.4)	(19.6)
Other Assets	4,069	5,120	5,226	28.4	2.1
Other Assets	404	468	507	25.6	8.3
(Provision for Possible Losses)	(181)	(188)	(187)	3.6	(0.7)
Prepaid Expenses	3,846	4,840	4,906	27.6	1.4
Permanent Assets	**19,275**	**23,430**	**22,929**	**19.0**	**(2.1)**
Investments	8,126	7,973	7,927	(2.4)	(0.6)
Property and Equipment	4,867	5,589	5,646	16.0	1.0
Leasing Assets	1	1	-	-	-
Intangible	6,036	9,736	9,245	53.2	(5.0)
Deferred Charges	245	132	112	(54.4)	(15.1)

Table 25. Summarized Balance Sheet - Liabilities

	Balance			Chg. %	
R$ million	Mar/11	Dec/11	Mar/12	On Mar/11	On Dec/11
LIABILITIES AND SHAREHOLDER'S EQUITY	**866,636**	**981,230**	**1,004,971**	**16.0**	**2.4**
Current and Long-term Liabilities	**814,221**	**922,467**	**944,586**	**16.0**	**2.4**
Deposits	381,170	442,386	446,870	17.2	1.0
Demand Deposits	59,553	62,016	60,659	1.9	(2.2)
Savings Deposits	90,516	100,110	101,815	12.5	1.7
Interbank Deposits	12,069	14,450	14,272	18.3	(1.2)
Time Deposits	219,031	265,809	270,123	23.3	1.6
Money Market Borrowing	180,112	195,175	199,811	10.9	2.4
Funds from Acceptances and Securities Placed	19,550	32,323	36,234	85.3	12.1
Commercial Papers	6,825	16,138	18,600	172.5	15.3
Foreign Securities	12,725	16,185	17,634	38.6	9.0
Interbank Accounts	2,292	24	3,221	40.5	13,167.9
Intrabank Accounts	1,968	3,819	1,911	(2.9)	(50.0)
Borrowing	8,939	12,257	11,556	29.3	(5.7)
Foreign Borrowing	8,939	12,257	11,556	29.3	(5.7)
Domestic Onlending – Official Institutions	51,626	50,991	51,565	(0.1)	1.1
National Treasury	1,552	1,722	1,677	8.0	(2.6)
BNDES	27,163	28,978	29,420	8.3	1.5
CEF	167	338	412	146.0	21.8
Finame	14,897	17,506	17,798	19.5	1.7
Other Institutions	7,847	2,446	2,258	(71.2)	(7.7)
Foreign Onlending	87	102	87	(0.5)	(15.0)
Financial Derivatives	4,916	3,621	4,266	(13.2)	17.8
Other Accounts Payable	163,562	181,768	189,065	15.6	4.0
Collection of Taxes and Contributions	3,263	360	4,258	30.5	1,082.4
Foreign Exchange Portfolio	33,361	28,416	27,665	(17.1)	(2.6)
Shareholder and Statutory Distributions	1,662	2,122	1,522	(8.4)	(28.3)
Taxes and Social Security	23,952	28,057	26,215	9.4	(6.6)
Trading and Brokerage of Securities	1,670	836	855	(48.8)	2.3
Technical Prov. Insurance, Pension and Capitalization Op.	34,999	45,023	49,091	40.3	9.0
Financial and Development Funds	3,499	4,002	4,104	17.3	2.5
Perpetual Securities	2,521	2,846	6,160	144.3	116.5
Special Operations	-	2	-	-	-
FCO (Subordinated Debt)	24,464	30,885	31,440	28.5	1.8
Actuarial Liabilities	6,921	7,142	7,201	4.0	0.8
Other Liabilities	27,250	32,077	30,555	12.1	(4.7)
Unearned Income	**296**	**347**	**335**	**13.3**	**(3.4)**
Shareholders' Equity	**52,120**	**58,416**	**60,051**	**15.2**	**2.8**
Capital	33,078	33,123	33,123	0.1	-
Revaluation Reserves	6	5	5	(21.3)	(0.4)
Reserve for Retained Earnings	16,442	24,121	23,888	45.3	(1.0)
Mark-to-Market – Securities and Derivatives	385	724	858	123.1	18.6
Retained Earnings (Accumulated losses)	0	-	19	4,889.6	-
(Treasury Shares)	(0)	(0)	(0)	48.2	47.5
Corporate Profit Sharing	0	444	461	-	3.9
Income Accounts	2,208	-	1,697	(23.2)	-

2.2. Summarized Corporate Law Income Statement

Table 26. Summarized Corporate Law Income Statement

	Quarterly Flow			Chg. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Financial Intermediation Income	**21,909**	**25,172**	**25,114**	**14.6**	**(0.2)**
Loans	14,019	15,944	16,435	17.2	3.1
Leasing	151	116	132	(12.8)	13.8
Securities	6,133	7,189	7,004	14.2	(2.6)
Financial Derivatives	(413)	(403)	(845)	104.7	109.7
Foreign Exchange Portfolio	244	190	314	28.9	65.0
Compulsory Investments	1,597	1,923	1,850	15.9	(3.8)
Sale or Transference of Financial Assets	-	-	11	-	-
Financial Inc. Insur., Pension & S.Bonds Ope.	178	212	214	20.3	0.6
Financial Intermediation Expenses	**(15,271)**	**(18,196)**	**(18,426)**	**20.7**	**1.3**
Money Market Funds[1]	(11,824)	(13,703)	(13,897)	17.5	1.4
Borrowing, Assignments and Onlending	(816)	(1,282)	(1,089)	33.5	(15.1)
Allowance for Loan Losses	(2,631)	(3,211)	(3,440)	30.8	7.1
Gross Income from Financial Intermediation	**6,638**	**6,976**	**6,689**	**0.8**	**(4.1)**
Other Operating Income (Expenses)	**(1,784)**	**(2,158)**	**(2,883)**	**61.6**	**33.6**
Fee Income[2]	2,835	3,374	3,466	22.2	2.7
Banking Fees Income[2]	1,272	1,652	1,585	24.6	(4.0)
Personnel Expenses	(3,272)	(4,260)	(3,932)	20.2	(7.7)
Other Administrative Expenses	(3,133)	(3,664)	(4,045)	29.1	10.4
Taxes	(1,019)	(1,129)	(1,083)	6.3	(4.1)
Eqty. Int. in the Res. of Subs., and Affiliates	(20)	56	(115)	480.2	-
Income f/ Ins., Psn & S.Bonds Operations	512	515	516	0.8	0.2
Other Operating Revenues	3,085	3,290	3,443	11.6	4.7
Other Operating Expenses	(2,044)	(1,993)	(2,720)	33.0	36.5
Operating Income	**4,854**	**4,818**	**3,805**	**(21.6)**	**(21.0)**
Non-operating Income	19	9	21	9.8	133.4
Income Before Taxes	**4,873**	**4,826**	**3,826**	**(21.5)**	**(20.7)**
Income and Social Contribution Taxes	(1,497)	(1,372)	(882)	(41.1)	(35.7)
Statutory Profit Sharing	(443)	(443)	(407)	(8.2)	(8.1)
Minority Interest Earnings	-	(39)	(35)	-	(10.1)
Net Income	**2,932**	**2,972**	**2,502**	**(14.7)**	**(15.8)**

(1) Historical data were revised since the 1st quarter 2011, once the accounting of premiums paid to customers due to judicial deposits in Expenses with Money Market Borrowing, that before was part of Other Operating Expenses.
(2) Reclassified, since 1Q10, from services income to Banking Fee Income, according to Bacen Circular Letter Nº 3490/2011.

2.3. Income Statement with Reallocations

Table 27. Income Statement with Reallocations

	Quarterly Flow			Chg. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Financial Intermediation Income	**22,514**	**25,970**	**25,934**	**15.2**	**(0.1)**
Loan Operations (3)	14,598	16,717	17,211	17.9	3.0
Lease Operations	151	116	132	(12.8)	13.8
Securities	6,133	7,189	7,004	14.2	(2.6)
Financial Derivatives	(413)	(403)	(845)	104.7	109.7
Foreign Exchange Portfolio	244	190	314	28.9	65.0
Compulsory Investments	1,597	1,923	1,850	15.9	(3.8)
Sale or Transference of Financial Assets	-	-	11	-	-
Fin. Inc. from Insur, Pens. and Capitaliz. Oper.	178	212	214	20.3	0.6
FX Gain (Loss) on Foreign Equity (1)	(29)	9	(116)	300.3	-
Other Op. Inc. of a Fin. Intermed. Nature (2)	75	(5)	214	186.6	-
Tax Hedge (4)	(19)	20	(55)	188.9	-
Financial Intermediation Expenses	**(12,640)**	**(14,984)**	**(14,896)**	**17.8**	**(0.6)**
Money Market Funds[1] (13)	(11,824)	(13,703)	(13,807)	16.8	0.8
Borrowing, Assignments and Onlending	(816)	(1,282)	(1,089)	33.5	(15.1)
Net Interest Income	**9,874**	**10,985**	**11,039**	**11.8**	**0.5**
Allowance for Loan Losses (5) (19)	(2,629)	(2,892)	(3,576)	36.0	23.7
Net Financial Margin	**7,245**	**8,094**	**7,463**	**3.0**	**(7.8)**
Fee Income	4,108	5,027	5,051	23.0	0.5
Services Income[2]	2,835	3,374	3,466	22.2	2.7
Banking Fee Income[2]	1,272	1,652	1,585	24.6	(4.0)
Insur., Pension Plan and Capitaliz. Income	512	515	516	0.8	0.2
Taxes on Revenues (4) (6)	(977)	(1,071)	(1,015)	3.9	(5.2)
Contribution Margin	**10,888**	**12,565**	**12,016**	**10.4**	**(4.4)**
Administrative Expenses	(5,692)	(6,966)	(6,626)	16.4	(4.9)
Personnel Expenses (8)	(3,145)	(3,954)	(3,694)	17.5	(6.6)
Other Administrative Expenses (7) (11) (17)	(2,547)	(3,012)	(2,932)	15.1	(2.7)
Other Tax Expenses (6)	(40)	(61)	(62)	55.2	2.7
Commercial Income	**5,155**	**5,538**	**5,327**	**3.3**	**(3.8)**
Legal Risk	(177)	(4)	(489)	175.6	13,346.7
Legal Claims (7) (9) (14)	(98)	275	(250)	155.2	-
Labor Lawsuits (8) (10)	(79)	(278)	(238)	200.9	(14.4)
Other Operating Income	(158)	(604)	(720)	355.6	19.4
Eq. Int. in Results of Subs. And Affil. (1)	9	47	1	(89.8)	(98.0)
FX Other Operating Income / Expenses	(167)	(650)	(721)	331.3	10.9
Other Operating Income (2) (3) (9) (10) (12)	1,587	1,641	1,516	(4.5)	(7.6)
PREVI (12)	624	531	390	(37.5)	(26.4)
Other Operating Expenses (2) (5) (11) (17)	(2,378)	(2,822)	(2,628)	10.5	(6.9)
Operating Income	**4,820**	**4,931**	**4,118**	**(14.6)**	**(16.5)**
Non-operating Income	19	9	21	9.8	133.4
Income Before Taxes	**4,839**	**4,940**	**4,139**	**(14.5)**	**(16.2)**
Income and Social Contrib. Taxes (4) (16)	(1,474)	(1,425)	(967)	(34.4)	(32.1)
Interest on Own Capital Tax Benefit	290	318	336	16.1	5.7
Statutory Profit Sharing (15)	(442)	(450)	(433)	(2.1)	(3.8)
Minority Interest Earnings	-	(39)	(35)	-	(10.1)
Recurring Income	**2,923**	**3,025**	**2,704**	**(7.5)**	**(10.6)**
Extraordinary Items	10	(53)	(201)	-	281.6
Economic Plans (13) (14)	17	(95)	(362)	-	281.1
Tax Eff. and Stat. Prof. on One-Off Items (15) (16)	(8)	42	160	-	280.5
Net Income	**2,932**	**2,972**	**2,502**	**(14.7)**	**(15.8)**

(1) Historical data were revised since the 1st quarter 2011, once the accounting of premiums paid to customers due to judicial deposits in Expenses with Money Market Borrowing, that before was part of Other Operating Expenses.
(2) Reclassified, since 1Q10, from services income to Banking Fee Income, according to Bacen Circular Letter Nº 3490/2011.

2.3.1 Reallocations Details

In this chapter, the adjustments made in the Corporate Law Income Statement to get the Income Statement with Reallocated are detailed. Such adjustments aim to:

a) Separate the one-off items and show the recurring income for the period;

b) Change the manner that income and expenses are shown, in order to provide a better understanding of the business and the company's performance;

c) Allow the Net Interest Income (NII) recorded in the period to reflect, effectively, the gain from all the earning assets, seeking to inform the market what is the spread achieved from the division of this margin by average balance of earning assets. For this, it was necessary to:

I - Include in the NII the income recorded in Other Operating Income that had financial intermediation characteristics and which was derived from earning assets recorded in the Other Receivables in the Balance Sheet;

II - Identify the Foreign Exchange Gain/(Loss) on assets and liabilities abroad in the period in a specific NII item (Equity);

III - To keep in NII, amounts related to negative foreign exchange adjustments that were recorded in Other Operating Income/Expenses to avoid inverting the balance of accounts which have a financial intermediation nature;

IV - Detect and cancel the effects of Tax Hedge transactions entered into as of 4Q08, on the Effective Tax Rate and NII.

The origin, destination and description of each adjustment made in the Corporate Law Income Statement are presented in the table below:

Table 28. Statement of Reallocations and Extraordinary Items

ITEM	FROM	TO	EVENT	1Q11	4Q11	1Q12
1	Eq. Int. in Results of Subs. And Affil	FX Gain (Loss) on Foreign Investments	FX Gain (Loss) on Foreign Equity	(28.9)	9.2	(115.7)
2	Other Operating Income	Other Op. Inc. of a Fin. Intermed. Nature	Other Op. Inc. of a Fin. Intermediation Nature	42.6	-	-
2	Other Operating Income	Other Op. Inc. of a Fin. Intermed. Nature	FX Readjustment	204.8	9.3	756.2
2	Other Operating Expenses	Other Op. Inc. of a Fin. Intermed. Nature	FX Readjustment	(172.6)	(14.6)	(541.7)
3	Other Operating Income	Loan Operations	Equalization Revenues of Charges over Loan O	578.7	773.6	775.8
4	Tax on Revenues	Tax Hedge	Tax Hedge	(2.1)	2.2	(6.0)
4	Income and Social Contribution Taxes	Tax Hedge	Tax Hedge	(16.9)	18.2	(48.9)
5	Allowance for Loan Losses	Other Operating Expenses	Allowance for Loan Losses (Credits w/o Charact	(1.1)	(319.8)	135.6
6	Other Tax Expenses	Tax on Revenues	Taxes on Revenues	(979.0)	(1,068.5)	(1,020.8)
7	Other Administrative Expenses	Legal Claims	Expenses of Legal Claims	(80.9)	(127.8)	(527.4)
8	Personnel Expenses	Labor Lawsuits	Provision for Labor Lawsuits	(126.8)	(306.2)	(238.2)
9	Other Operating Income	Legal Claims	Reversal of Contingent Liabilities	-	307.5	5.2
10	Other Operating Income	Labor Lawsuits	Reversal of Labor Liabilities	47.6	28.0	-
11	Other Administrative Expenses	Other Operating Expenses	Premiums Paid to Costumers	(505.4)	(523.5)	(555.2)
12	Other Operating Revenues	PREVI	Revision in the Actuarial Assets and Liabilities of	624.2	530.6	390.3
13	Money Market Funds	Economic Plans	Economic Plans	-	-	(89.8)
14	Legal Claims	Economic Plans	Economic Plans	17.2	(94.9)	(271.9)
15	Statutory Profit Sharing	Tax FX and Statutory Profits over One-Off Iten	Tax Effects and Statutory Profits over One-Off It	(1.2)	6.9	25.9
16	Income and Social Contribution Taxes	Tax FX and Statutory Profits over One-Off Iten	Tax Effects and Statutory Profits over One-Off It	(6.4)	35.2	134.3
17	Other Administrative Expenses	Other Operating Expenses	Banco Postal Amortization Expense	-	-	(30.0)

2.3.2 Glossary

(1) Corresponds to the result of the changes of rights and obligations relating to foreign exchange variations incurred due to the periodic restatement of loans and financings payable in foreign currency.

(2) Includes financial income and expenses from foreign exchange besides other operating income with characteristics of financial intermediation.

(3) Refers to the equalization revenues of charges on rural credit operations. The calculations for equalization of the interest rates are based on the administrative rulings of the Ministry of Finance, which determine the calculation formulas, according to the source of funds.

(4) Mechanism that reduces the effects of exchange variation on the result.

(5) Allowance for Loan Losses expenses include credits without characteristics of financial intermediation.

(6) Tax expenses reallocated to form the Contribution Margin.

(7) Expenses originating from legal claims.

(8) Expenses originating from labor law suits.

(9) Reversal of balances that, due to the Chart of Accounts of the Central Bank of Brazilian (COSIF), could not be accounted for in Other Administrative Expenses in the corporate statement of income.

(10) Reversal of balances that, due to the Chart of Accounts of the Brazilian Central Bank (COSIF), could not be accounted for in Personnel Expenses in the Corporate Law Income Statement.

(11) Portion of the premium paid to costumers accounted for in other administrative expenses.

(12) Revenues originating from the review of the Actuarial Assets and Liabilities of PREVI.

(14) Expense with provision originating from lawsuits relating to the economic plans.

(15) and (16) Segregation of effects of extraordinary items of the period on the payment of Statutory Profit Sharing (PLR), and unification of effects of these items on taxes (IR and CSLL). The table below shows separately the effect of each extraordinary item on taxes and on PLR.

(17) Banco Postal intangible amortization expense

Table 29. Tax Impacts and Statutory Profit Sharing on One-off Items

	Quarterly Flow			Chg. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Economic Plans	(8)	42	160	-	280.5
Total	**(8)**	**42**	**160**	**-**	**280.5**

2.4. Breakdown of Balance Sheet

Table 30. Breakdown – Assets and Liabilities

	Balance					
R$ million	Mar/11	Share %	Dec/11	Share %	Mar/12	Share %
ASSETS	**866,636**	**100.0**	**981,230**	**100.0**	**1,004,971**	**100.0**
Current and Long-term Assets	**847,361**	**97.8**	**957,800**	**97.6**	**982,042**	**97.7**
Available Funds	12,575	1.5	10,034	1.0	14,983	1.5
Short-term Interbank Investments	146,458	16.9	166,288	16.9	183,015	18.2
Securities and Financial Derivatives	146,500	16.9	168,230	17.1	155,983	15.5
Interbank Accounts	94,232	10.9	96,342	9.8	102,073	10.2
Deposits with the Central Bank	87,053	10.0	93,660	9.5	94,146	9.4
Compulsory Deposits on Demand Deposits and Float	15,744	1.8	14,307	1.5	12,587	1.3
Compulsory Deposits on Savings Deposits	71,309	8.2	79,353	8.1	81,559	8.1
Other	7,179	0.8	2,682	0.3	7,927	0.8
Intrabank Accounts	109	0.0	335	0.0	109	0.0
Loans	325,682	37.6	379,045	38.6	384,833	38.3
Leasing	3,499	0.4	2,851	0.3	2,566	0.3
Other Receivables	114,238	13.2	129,554	13.2	133,254	13.3
Foreign Exchange Portfolio	15,082	1.7	17,615	1.8	19,593	1.9
Tax Credits	22,325	2.6	22,754	2.3	23,726	2.4
Actuarial Assets	10,563	1.2	13,372	1.4	13,870	1.4
Destination Superavit Fund - PREVI	7,854	0.9	8,030	0.8	8,108	0.8
Other	58,415	6.7	67,783	6.9	67,957	6.8
Other Assets	4,069	0.5	5,120	0.5	5,226	0.5
Permanent Assets	**19,275**	**2.2**	**23,430**	**2.4**	**22,929**	**2.3**
Investments	8,126	0.9	7,973	0.8	7,927	0.8
Intangible	6,036	0.7	9,736	1.0	9,245	0.9
Other	5,113	0.6	5,721	0.6	5,757	0.6
LIABILITIES AND SHAREHOLDER'S EQUITY	**866,636**	**100.0**	**981,230**	**100.0**	**1,004,971**	**100.0**
Current and Long-term Liabilities	**814,221**	**94.0**	**922,467**	**94.0**	**944,586**	**94.0**
Deposits	381,170	44.0	442,386	45.1	446,870	44.5
Demand Deposits	59,553	6.9	62,016	6.3	60,659	6.0
Savings Deposits	90,516	10.4	100,110	10.2	101,815	10.1
Interbank Deposits	12,069	1.4	14,450	1.5	14,272	1.4
Time Deposits	219,031	25.3	265,809	27.1	270,123	26.9
Investment Deposits	0	0.0	-	-	-	-
Money Market Borrowing	180,112	20.8	195,175	19.9	199,811	19.9
Funds from Acceptances and Securities Placed	19,550	2.3	32,323	3.3	36,234	3.6
Interbank Accounts	2,292	0.3	24	0.0	3,221	0.3
Intrabank Accounts	1,968	0.2	3,819	0.4	1,911	0.2
Borrowing	8,939	1.0	12,257	1.2	11,556	1.1
Domestic Onlending – Official Institutions	51,626	6.0	50,991	5.2	51,565	5.1
Foreign Onlending	87	0.0	102	0.0	87	0.0
Financial Derivatives	4,916	0.6	3,621	0.4	4,266	0.4
Other Accounts Payable	163,562	18.9	181,768	18.5	189,065	18.8
Foreign Exchange Portfolio	33,361	3.8	28,416	2.9	27,665	2.8
Taxes and Social Security	23,952	2.8	28,057	2.9	26,215	2.6
Technical Prov. Insurance, Pension and Capitalization Op.	34,999	4.0	45,023	4.6	49,091	4.9
FCO (Subordinated Debt)	24,464	2.8	30,885	3.1	31,440	3.1
Actuarial Liabilities	6,921	0.8	7,142	0.7	7,201	0.7
Other	39,865	4.6	42,246	4.3	47,454	4.7
Unearned Income	**296**	**0.0**	**347**	**0.0**	**335**	**0.0**
Shareholders' Equity	**52,120**	**6.0**	**58,416**	**6.0**	**60,051**	**6.0**

2.5. Breakdown of Income Statement with Reallocations

Table 31. Breakdown of Income Statement with Reallocations

	Balance					
R$ million	1Q11	Share %	4Q11	Share %	1Q12	Share %
Net Interest Income	9,874	68.9	10,985	69.0	11,039	69.5
Fee Income	4,108	28.7	5,027	31.6	5,051	31.8
Insurance, Pension Plan and Capitalization Income	512	3.6	515	3.2	516	3.3
Eq. Int. in Results of Subs. And Affil.	9	0.1	47	0.3	1	0.0
FX Other Operating Income / Expenses	(167)	(1.2)	(650)	(4.1)	(721)	(4.5)
Total Operating Income	**14,336**	**100.0**	**15,924**	**100.0**	**15,886**	**100.0**
Expanded Administrative Expenses	**(5,870)**	**(40.9)**	**(6,970)**	**(43.8)**	**(7,115)**	**(44.8)**
Administrative Expenses	(5,692)	(39.7)	(6,966)	(43.7)	(6,626)	(41.7)
Personnel Expenses	(3,145)	(21.9)	(3,954)	(24.8)	(3,694)	(23.3)
Other Administrative Expenses	(2,547)	(17.8)	(3,012)	(18.9)	(2,932)	(18.5)
Legal Risk	(177)	(1.2)	(4)	(0.0)	(489)	(3.1)
Other Tax Expenses	(40)	(0.3)	(61)	(0.4)	(62)	(0.4)
Taxes on Revenues	(977)	(6.8)	(1,071)	(6.7)	(1,015)	(6.4)
Allow ance for Loan Losses	(2,629)	(18.3)	(2,892)	(18.2)	(3,576)	(22.5)
Operating Income	**4,820**	**33.6**	**4,931**	**31.0**	**4,118**	**25.9**
Non-operating Income	19	0.1	9	0.1	21	0.1
Income Before Taxes	**4,839**	**33.8**	**4,940**	**31.0**	**4,139**	**26.1**
Income Taxes and Statutory Profit Sharing	(1,916)	(13.4)	(1,875)	(11.8)	(1,400)	(8.8)
Minority Interest Earnings	**-**	**-**	(39)	(0.2)	(35)	(0.2)
Recurring Income	**2,923**	**20.4**	**3,025**	**19.0**	**2,704**	**17.0**
One-off Items	10	0.1	(53)	(0.3)	(201)	(1.3)
Net Income	**2,932**	**20.5**	**2,972**	**18.7**	**2,502**	**15.8**

3 - Loans

3.1. Loan Portfolio

The loan portfolio is classified following the criteria set by the Brazilian Central Bank (BACEN). The segmentation of the credit portfolio in this chapter refers to the classified portfolio, unless otherwise specified.

The total loan portfolio, in accordance with the broad concept, includes securities, guarantees and also purchased loan portfolio with co-obligation.

Table 32. Loan Portfolio

	Balance						Chg. %	
R$ million	Mar/11	Share - %	Dec/11	Part.%	Mar/12	Share - %	On Mar/11	On Dec/11
Loan Portfolio (a)	**364,659**	**100.0**	**422,989**	**100.0**	**430,748**	**100.0**	**18.1**	**1.8**
Brazil	**342,526**	**93.9**	**390,509**	**92.3**	**397,195**	**92.2**	**16.0**	**1.7**
Individuals	**116,487**	**31.9**	**130,561**	**30.9**	**131,588**	**30.5**	**13.0**	**0.8**
Payroll Loan	46,028	12.6	51,246	12.1	51,809	12.0	12.6	1.1
Consumer Loan Backed by Direct Deposits	13,814	3.8	15,327	3.6	16,121	3.7	16.7	5.2
Auto Loans	28,613	7.8	31,329	7.4	30,182	7.0	5.5	(3.7)
Mortgage	3,427	0.9	6,035	1.4	6,828	1.6	99.2	13.1
Credit Card	11,181	3.1	13,193	3.1	13,039	3.0	16.6	(1.2)
Overdraft Accounts	3,094	0.8	2,554	0.6	3,081	0.7	(0.4)	20.6
Other	10,330	2.8	10,877	2.6	10,528	2.4	1.9	(3.2)
Businesses	**148,637**	**40.8**	**171,290**	**40.5**	**173,948**	**40.4**	**17.0**	**1.6**
SME[1]	56,500	15.5	68,062	16.1	70,242	16.3	24.3	3.2
Middle and Large	92,137	25.3	103,228	24.4	103,706	24.1	12.6	0.5
Agribusiness	**77,403**	**21.2**	**88,658**	**21.0**	**91,658**	**21.3**	**18.4**	**3.4**
Individuals	49,536	13.6	57,194	13.5	59,485	13.8	20.1	4.0
Businesses	27,867	7.6	31,465	7.4	32,174	7.5	15.5	2.3
Abroad	**22,132**	**6.1**	**32,480**	**7.7**	**33,553**	**7.8**	**51.6**	**3.3**
Securit., guarant. and Res. 3,533/08 (b)	**32,858**		**42,104**		**42,362**		**28.9**	**0.6**
Loan Portfolio - Broad concept[2] (a + b)	**397,516**	**100.0**	**465,093**	**100.0**	**473,111**	**100.0**	**19.0**	**1.7**
Individuals[3]	116,487	29.3	130,589	28.1	133,008	28.1	14.2	1.9
Businesses	179,391	45.1	210,167	45.2	211,380	44.7	17.8	0.6
Agribusiness	78,263	19.7	89,361	19.2	92,448	19.5	18.1	3.5
Abroad	23,375	5.9	34,976	7.5	36,274	7.7	55.2	3.7

(1) Since 2Q11, the SME segment includes companies with annual revenueuntil R$ 25 million, against R$ 10 million for the industry and R$ 15 million for commerce and services previously used. Balances in March/2011 have been reviewed with this criterion to maintain comparability.
(2) Includes Securities, guarantees provided and also purchased loan portfolios wit co-obligation (CMN Resolution 3533/08).
(3) Includes the balance from purchased loan portfolios with co-obligation, in compliance with CMN Resolution 3533/08.

Table 33. Loan in the Brazilian Banking Industry

	Balance					Chg. %	
R$ million	Mar/11	Jun/11	Sep/11	Dec/11	Mar/12	On Mar/11	On Dec/11
BI	**1,753,633**	**1,835,147**	**1,931,178**	**2,029,842**	**2,069,650**	**18.0**	**2.0**
Individuals	806,759	850,853	893,006	940,399	970,391	20.3	3.2
Business	946,874	984,294	1,038,172	1,089,443	1,099,259	16.1	0.9

3.1.1 Individual Loan Portfolio

In January/2012 started the term for CMN Resolution 3,533/08, which establishes the procedures to be adopted regarding classification, accounting register and disclosure of selling operations or transfer of financial assets. Thus, the purchase of loan portfolios operations, with co-obligation from the transferors, started to be accounted as other receivables.

In the credit management, BB considers the purchased portfolios with co-obligation in the operations portfolio. Thus, the balance from payroll and auto loans are included in the individuals loan portfolio. Besides that, the concept of “Amplified Loan Portfolio – Individuals” also considers securities and guarantees.

The following tables show the main credit facilities for individuals.

Table 34. Individual Loan Portfolio – Classified Concept and CMN Resolution 3,533/08

	Balance						Chg. %	
R$ million	Mar/11	Share - %	Dec/11	Share - %	Mar/12	Share - %	On Mar/11	On Dec/11
Portfolio classified	**116,487**	**100.0**	**130,561**	**100.0**	**131,588**	**100.0**	**13.0**	**0.8**
Direct Consumer Credit (CDC)	65,365	56.1	72,298	55.4	73,554	55.9	12.5	1.7
Payroll Loan	46,028	39.5	51,246	39.3	51,809	39.4	12.6	1.1
Consumer Finance	5,523	4.7	5,725	4.4	5,624	4.3	1.8	(1.8)
Consumer Loan Backed by	13,814	11.9	15,327	11.7	16,121	12.3	16.7	5.2
Mortgage	3,427	2.9	6,035	4.6	6,828	5.2	99.2	13.1
Vehicles Loan	28,613	24.6	31,329	24.0	30,182	22.9	5.5	(3.7)
Credit Card	11,181	9.6	13,193	10.1	13,039	9.9	16.6	(1.2)
Overdraft Accounts	3,094	2.7	2,554	2.0	3,081	2.3	(0.4)	20.6
Microcredits	1,096	0.9	848	0.6	743	0.6	(32.2)	(12.4)
Other	3,711	3.2	4,304	3.3	4,161	3.2	12.1	(3.3)
Res. 3.533/08	**-**	**-**	**-**	**-**	**1,385**	**100.0**	-	-
Payroll loans	-	-	-	-	796	57.5	-	-
Vehicle financing	-	-	-	-	589	42.5	-	-
Total	**116,487**	**100.0**	**130,561**	**100.0**	**132,974**	**100.0**	**14.2**	**1.8**

Table 35. Broad Individual Loan Portfolio

	Balance						Chg. %	
R$ million	Mar/11	Share - %	Dec/11	Share - %	Mar/12	Share - %	On Mar/11	On Dec/11
Loan Portfolio - Broad Conc.	**116,487**	**100.0**	**130,589**	**100.0**	**133,008**	**100.0**	**14.2**	**1.9**
Direct Consumer Credit (CDC)	65,365	56.1	72,298	55.4	74,350	55.9	13.7	2.8
Payroll Loan[1]	46,028	39.5	51,246	39.2	52,605	39.6	14.3	2.7
Consumer Finance	5,523	4.7	5,725	4.4	5,624	4.2	1.8	(1.8)
Consumer Loan Backed by	13,814	11.9	15,327	11.7	16,121	12.1	16.7	5.2
Mortgage	3,427	2.9	6,035	4.6	6,828	5.1	99.2	13.1
Vehicles Loan[1]	28,613	24.6	31,329	24.0	30,771	23.1	7.5	(1.8)
Credit Card	11,181	9.6	13,193	10.1	13,039	9.8	16.6	(1.2)
Overdraft Accounts	3,094	2.7	2,554	2.0	3,081	2.3	(0.4)	20.6
Microcredits	1,096	0.9	848	0.6	743	0.6	(32.2)	(12.4)
Other[2]	3,712	3.2	4,332	3.3	4,195	3.2	13.0	(3.2)

(1) Includes the balance from purchased loan portfolios with co-obligation, in compliance with CMN Resolution 3533/08.
(2) Includes Securities and guarantees.

Table 36. Breakdown of Payroll Loans and Vehicle Loans Individuals

	Balance						Chg. %	
R$ million	Mar/11	Share - %	Dec/11	Share - %	Mar/12	Share - %	On Mar/11	On Dec/11
Portfolio excluding acquisitions	**58,555**	**78.4**	**62,851**	**76.1**	**64,368**	**77.2**	**9.9**	**2.4**
Payroll loans	36,827	49.3	42,392	51.3	43,895	52.6	19.2	3.5
Vehicle financing	21,728	29.1	20,460	24.8	20,473	24.6	(5.8)	0.1
Acquired until Dec/2011	**16,086**	**21.6**	**19,724**	**23.9**	**17,623**	**21.1**	**9.6**	**(10.7)**
Payroll loans	9,201	12.3	8,855	10.7	7,914	9.5	(14.0)	(10.6)
Vehicle financing	6,885	9.2	10,869	13.2	9,708	11.6	41.0	(10.7)
Portfolios Acquired - Res.CMN 3.533/08	**-**	**-**	**-**	**-**	**1,385**	**1.7**	**-**	**-**
Payroll loans	-	-	-	-	796	1.0	-	-
Vehicle financing	-	-	-	-	589	0.7	-	-
Total	**74,641**	**100.0**	**82,575**	**100.0**	**83,376**	**100.0**	**11.7**	**1.0**

Table 37. Total of Acquired Loans

						Chg. %	
R$ million	Mar/11	Jun/11	Sep/11	Dec/11	Mar/12	On Mar/11	On Dec/11
Payroll loans	9,201	9,295	9,000	8,855	8,710	(5.3)	(1.6)
Vehicle financing	6,885	8,166	8,644	10,869	10,298	49.6	(5.3)
Total	**16,086**	**17,461**	**17,645**	**19,724**	**19,008**	**18.2**	**(3.6)**

(1) Includes the balance from purchased loan portfolios with co-obligation, in compliance with CMN Resolution 3533/08.

Table 38. Individual Loan Portfolio – Market Share

	Mar/11			Dec/11			Mar/12		
R$ million	BB	BI	Share - %	BB	BI	Share - %	BB	BI	Share - %
Payroll Loan	46,028	142,889	32.2	51,246	159,097	32.2	52,605	165,624	31.8
Mortgage	3,427	150,891	2.3	6,035	200,494	3.0	6,828	216,865	3.1
Vehicles Loan	28,613	189,836	15.1	31,329	200,889	15.6	30,771	201,305	15.3

Table 39. Payroll Loans – Portfolio Breakdown[1]

	Balance						Chg. %	
	Mar/11	Share - %	Dec/11	Share - %	Mar/12	Share - %	On Mar/11	On Dec/11
Civil Servants	38,756	84.2	43,725	85.3	44,337	85.6	14.4	1.4
INSS's Retirees and Pensioners	4,340	9.4	4,691	9.2	4,731	9.1	9.0	0.9
Employees from the Private Sector	2,932	6.4	2,831	5.5	2,741	5.3	(6.5)	(3.2)

(1) It does not include the balance from purchased loan portfolios with co-obligation, in compliance with CMN Resolution 3533/08.

Table 40. Average Rates and Terms

	Mar/11	Dec/11	Mar/12
Banco do Brasil			
CDC - Vehicles			
Average rate - % p.m	1.5	1.6	1.6
Average term - months	49.0	49.4	49.4
Vahicles Leasing			
Average rate - % p.m	1.6	1.6	1.6
Average term - months	52.2	55.5	57.0
Mortgage			
Average Contracted Amount - R$ thousand	157.7	163.3	157.0
Average term - months	246.0	260.3	263.0
Payroll Loan			
Average rate - % p.m	2.4	2.2	2.2
Average term - months	41.0	45.0	45.0
BV - Vehicles Loan			
Average rate - % p.m	2.2	2.0	2.0
Average term - months	48.4	46.4	45.6

3.1.2 Business Loan Portfolio

The following table displays key corporate credit lines.

Table 41. Business Loan Portfolio

	Balance						Chg. %	
R$ million	Mar/11	Share - %	Dec/11	Share - %	Mar/12	Share - %	On Mar/11	On Dec/11
Working Capital	74,832	50.3	84,804	49.5	86,616	49.8	15.7	2.1
Investment	33,426	22.5	37,863	22.1	38,241	22.0	14.4	1.0
Receivables	14,835	10.0	17,968	10.5	15,785	9.1	6.4	(12.2)
Pré-Approved Credit	2,785	1.9	2,878	1.7	2,924	1.7	5.0	1.6
ACC/ACE	8,675	5.8	9,688	5.7	11,427	6.6	31.7	17.9
BNDES Exim	5,067	3.4	4,876	2.8	4,659	2.7	(8.0)	(4.4)
Credit Cards	4,455	3.0	7,290	4.3	8,288	4.8	86.1	13.7
Overdraft Account	185	0.1	163	0.1	196	0.1	6.0	20.2
Other	4,379	2.9	5,759	3.4	5,813	3.3	32.7	0.9
Total	**148,637**	**100.0**	**171,289**	**100.0**	**173,948**	**100.0**	**17.0**	**1.6**

BB paid out R$ 3,798 million in on-lending operations of BNDES in the first quarter 2012, which represented a share of 24.7% in the total amount of these transactions, which guaranteed the leadership of the ranking for the period.

Foreign Trade Finance - In 1Q12, Banco do Brasil (BB) remained a key partner of the Brazilian foreign trade, ending 1Q12 with market share of 26.7% and 20.1% in export and import operations, respectively.

Table 42. Export and Import Foreign Exchange

						Chg. %	
	1Q11	2Q11	3Q11	4Q11	1Q12	On 1Q11	On 4Q11
Export Exchange							
Contracted Amount (US$ million)	16,579	19,073	23,544	17,179	16,651	0.4	(3.1)
Market Share	31.3	29.5	30.0	26.5	26.7	-	-
Import Exchange							
Contracted Amount (US$ million)	11,036	11,222	12,196	11,192	10,080	(8.7)	(9.9)
Market Share	23.9	22.2	22.6	20.2	20.1	-	-

Table 43. ACC/ACE Average Volume per Contract

	Balance					Chg. %	
	1Q11	2Q11	3Q11	4Q11	1Q12	On 1Q11	On 4Q11
Contracted Amount (US$ million)	3,565	4,992	5,586	3,297	4,225	18.5	28.2
Quantity of Contracts	3,938	4,324	5,049	3,741	3,530	(10.4)	(5.6)
Average Volume per Contract (US$ thou	905	1,154	1,106	881	1,197	32.2	35.8

Loans to SMEs – In the delivery of services to micro and small companies, Banco do Brasil remained to act as a key partner of the segment. At the end of 1Q12, BB had 2.2 million checking accounts with 2.2 million SME customers.

BB has also been operating together with cooperativist credit segment in order to contribute with this segment strengthening and making available financial products and services. Among the available solutions are Compe/SPB Integration Service and Ourocard Cooperativas credit card.

The Compe/SPB integration service enables the access of these institutions to the System for the clearing of checks and other instruments and to the payment settlement and transfers system. Until 1Q12 this service allowed the partnership with 329 credit cooperatives, with 425,401 cooperative members.

The balance of SME operation in March 2012 was R$ 70.2 billion, a 24.3% increase in relation to the same period of 2011. This amount considers the change in criterion for the classification of companies in the SME segment, that as 2Q11 has begun to include companies with annual revenue of up to R$ 25 million, against R$ 10 million for the industry and R$ 15 million for trade and services previously used. Balances at March 2011 have been reviewed with this criterion to maintain comparability.

The following table displays key corporate credit lines to SMEs.

Table 44. Loans to SMEs by Sector

	Balance						Chg. %	
R$ billion	Mar/11	Share - %	Dec/11	Share - %	Mar/12	Share - %	On Mar/11	On Dec/11
Manufacturing Industries	17,940	31.8	23,189	34.1	23,577	33.6	31.4	1.7
Trade	25,169	44.5	29,215	42.9	30,244	43.1	20.2	3.5
Services Segment	13,391	23.7	15,659	23.0	16,422	23.4	22.6	4.9
Total	**56,500**	**100.0**	**68,062**	**100.0**	**70,242**	**100.0**	**24.3**	**3.2**

Table 45. SME Credit Products

	Balance						Chg. %	
R$ million	Mar/11	Share - %	Dec/11	Share - %	Mar/12	Share - %	On Mar/11	On Dec/11
Working Capital	39,686	70.2	47,867	70.3	48,162	68.6	21.4	0.6
Investment	15,755	27.9	18,364	27.0	20,137	28.7	27.8	9.7
Foreign Trade	1,059	1.9	1,831	2.7	1,943	2.8	83.5	6.1
Total	**56,500**	**100.0**	**68,062**	**100.0**	**70,242**	**100.0**	**24.3**	**3.2**

Among the products of credit for investment, the BNDES Card, a product that BB keeps lead in amounts disbursed the amount of cards and number of transactions reached R$ 12.2 billion disbursement accumulated since the beginning of its commercialization until the end of Mar/12. This amount represents an increase of R$6 billion in the last 12 months, with 66% of cards issued in the market. In this quarter, the balance of operations reached R$ 6.6 billion, an increase of 86.8% over the same period in 2011.

In working capital lending and financing investments to SME companies, Banco do Brasil widely uses of the Fundo Garantidor de Operações (Operations Guarantee Fund) - FGO to mitigate credit risk in the transactions and expand portfolio volume.

Banco do Brasil is a manager and shareholder of FGO, a fund with private nature and whose equity is formed by the payment of quota by the National Treasury and other financial agents. The payment from each shareholder is equal to 0.5% of the portfolio to be guaranteed. In the case of losses, the use of FGO is limited to 7% of the guaranteed portfolio by financial agent.

The guarantees from FGO in the loan and financing operations reach up to 80% of the amount contracted, being this amount limited to R$ 500 thousand per proponent in an investment operation and R$ 100 thousand per proponent with personal guarantee in the working capital operations.

At the end of March 2012, there were 422 thousand operations with FGO (Operations Guarantee Fund) coverage, totaling the invested balance of R$ 9.9 billion. The operations guaranteed by this Fund represent approximately 22% of the disbursements observed in the lines that permit the link with this collateral.

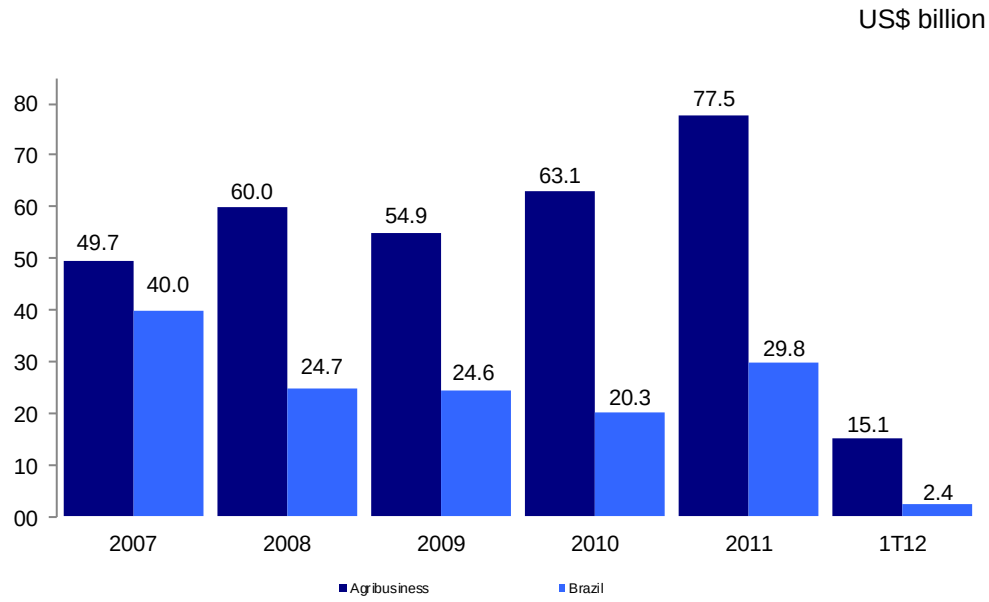
Another important mechanism to enable the contracting of investment financing operations is the Fundo de Avais às Micro e Pequenas Empresas (Guarantee Fund for SME's) - Fampe. Formed with funds from *Serviço Nacional de Apoio às Micro e Pequenas Empresas* (Brazilian Service of Support to SME's)- Sebrae, Fampe supplements by up to 80% the value of guarantees necessary for the performance of operations with SME's with annual revenue turnover of up to R$ 2.4 million. At the end of 1Q12, the debit balance of operations guaranteed by Fampe reached R$ 4 billion, whereas the secured debit balance was R$ 2.9 billion.

3.1.3 Agribusiness Loan Portfolio

Agribusiness is one of the main sectors of the Brazilian economy, of fundamental importance to the growth of the Country. In its role as an agent of public policies, Banco do Brasil represents a link between the government and the rural producer, acting as the largest financier of Brazilian agribusiness in all its segments and in all stages of the productive chain, from the small farmer to the large agro-industrial companies.

Up to March 2012, the Brazilian trade balance showed a US$ 2.4 billion surplus. The observed volume is sustained by the positive numbers in the Brazilian agribusiness trade balance, which, in the same period, recorded a surplus of US$ 15.1 billion, as shown below:

Figure 5. Trade Balance (FOB)



Source: MAPA – Ministério da Agricultura, Pecuária e Abastecimento.(Ministry of Agriculture, Livestock *and Food* Supply).

The tables below reflect the flow of exports broken down by key products and Brazil's share in international agribusiness.

Table 46. Exports

US$ million	2008	2009	2010	2011	1T12
Soybeans and Related Products	17,980	17,240	17,107	24,139	4,829
Meat	7,873	9,716	13,776	16,180	3,612
Leather and Related Products	14,545	11,787	13,630	15,639	618
Sugar	9,326	7,223	9,282	9,638	2,334
Forest Products	4,971	4,470	5,962	9,034	2,243
Coffee, Mate and Spices	2,752	3,046	2,762	2,935	1,826
Fruit Juice	3,140	2,041	2,639	2,761	738
Tobacco	2,152	1,752	1,925	2,566	555
Other Products	9,066	7,480	9,358	11,699	2,657
Total	**71,806**	**64,756**	**76,441**	**94,591**	**19,412**

Source: MAPA – Ministério da Agricultura, Pecuária e Abastecimento.(Ministry of Agriculture, Livestock *and Food* Supply).

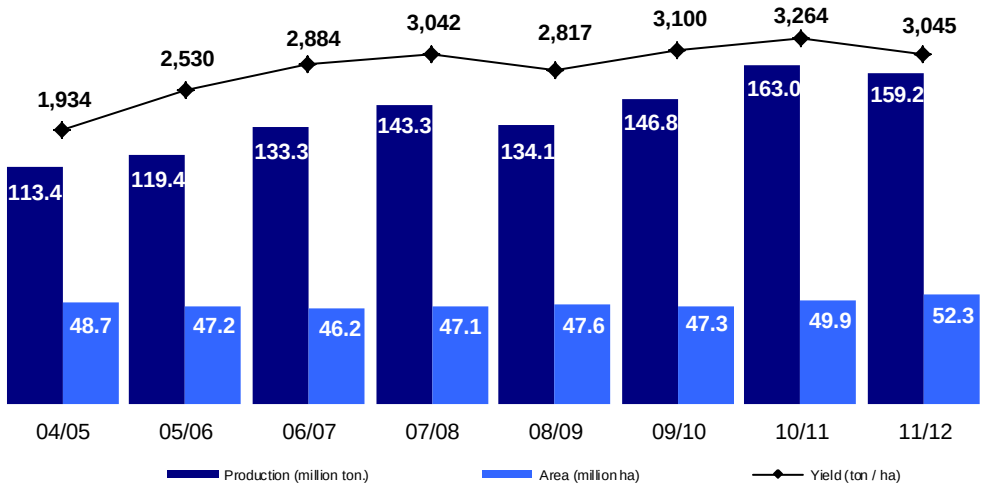
Table 47. Brazil's Share in World Agribusiness in March 2012

	Production	Export	% World Trade
Coffee	1st	1st	28.0
Orange Juice	1st	1st	79.2
Cattle	1st	3rd	15.5
Sugar Cane	1st	1st	42.0
Soybeans and Related Products	2nd	1st	40.1
Poultry	3rd	1st	34.4
Corn	4th	4th	9.9
Cotton	5th	3rd	10.2

Source: USDA – PSD online

The sector's performance in the last few years is due to the permanent quest for new technologies and for appreciation of the services provided by the professionals from this area, always aiming at improving profitability and perennial in the businesses. Those improvements in technology and technical assistance quality have allowed the Brazilian production to increase much more than proportionally to the opening of new land for agriculture, despite losses from storms that occurred in 2011 in the southeast and south. In the following chart, the increased productivity per planted area, as a result of gains in productivity, can be visualized.

Figure 6. Production vs. Planted Area



Source: Conab – Companhia Nacional de Abastecimento.

Agribusiness at BB

The distribution of agribusiness operations by Brazilian region shows the South and Southeast regions as the most important ones, participation as together have more than 75% of total.

Table 48. Agribusiness Loan Portfolio by Region

Region	Rural Credits - %	Agroindustry - %	Share - %
Southeast	30.3	87.7	43.6
South	38.1	10.0	31.6
Midw est	23.0	1.5	18.0
Northeast	5.4	0.5	4.2
North	3.3	0.4	2.6
Total	100.0	100.0	100.0

The rural credit finances the costs of producing and trading of agricultural products, stimulates rural investments, including warehousing, processing and the industrial transformation of agricultural products. It also promotes sustainable agricultural techniques that contribute to improve income, reduce the emission of greenhouse gases and preserve natural resources. In this sense, we can highlight the BB's performance in ABC Program, a program to reduce the issuance of gases in the agriculture, that reached until March/2012, R$ 428.7 million related to operations contracted in the 2011/12 harvest.

Agricultural and cattle breeding activity follows the agricultural calendar, known as the harvest-year, which begins in July of each year and ends in June of the following year. In this scenario, the current harvest (2011/2012) began in Jul/11 and will end in Jun/12.

In the first quarter of the crop year, funds are required for input purchase for the summer crop and there is a concentration of the loans raised in the preceding summer harvest-year. From October to December, the demand for working capital for input purchase continues, however, at a lower volume than in the first quarter of the crop. During the harvest's third quarter (January to March) demand begins for the winter harvest's loans, and for the summer harvest in the northern and northeastern regions. And demand grows during the harvest-year's last quarter for loans to crop trading, since this is a harvesting period.

The rural portfolio of Brazilian Banking Industry attained R$ 143,813 million in March/12, an increase of 13.0% in twelve months and of 1.7% in relation to Dec/11. The rural portfolio represented 19.5% of the total portfolio of BB in 1Q12. BB continues to act as a mainkey partner of the Brazilian agribusiness with a *market share* of 63.7%.

The following table shows a breakdown of BB's agribusiness portfolio, divided into funding for input purchase, investments, and crop trading.

Table 49. Agribusiness Loan Portfolio by Purpose[1]

	Balance						Chg. %	
R$ million	Mar/11	Share - %	Dec/11	Share - %	Mar/12	Share - %	On Mar/11	On Dec/11
Work. Cap. for Input Purchase	25,338	32.7	28,391	32.0	29,400	32.1	16.0	3.6
Investment	27,076	35.0	32,131	36.2	34,029	37.1	25.7	5.9
Crop Trading	3,756	4.9	4,518	5.1	4,326	4.7	15.2	(4.2)
Agroindustry	17,091	22.1	20,853	23.5	21,172	23.1	23.9	1.5
Other	4,142	5.4	2,767	3.1	2,731	3.0	(34.1)	(1.3)
Total	**77,403**	**100.0**	**88,658**	**100.0**	**91,658**	**100.0**	**18.4**	**3.4**

(1) Does not include the balance of CPR (Cédula de Produtor Rural).

Table 50. Agribusiness Loan Portfolio by LoansType

	Balance						Chg. %	
R$ million	Mar/11	Share - %	Dec/11	Share - %	Mar/12	Share - %	On Mar/11	On Dec/11
Agri. and Livestock Working Capital	16,782	21.7	18,538	20.9	19,109	20.8	13.9	3.1
Loans to Companies	18,162	23.5	21,459	24.2	21,671	23.6	19.3	1.0
Pronaf / Pronamp	22,864	29.5	27,200	30.7	28,687	31.3	25.5	5.5
FCO Rural	5,914	7.6	6,700	7.6	6,995	7.6	18.3	4.4
BNDES / Finame Rural[1]	7,064	9.1	5,322	6.0	5,449	5.9	(22.9)	2.4
Other	6,616	8.5	9,438	10.6	9,748	10.6	47.3	3.3
Total	**77,403**	**100.0**	**88,658**	**100.0**	**91,658**	**100.0**	**18.4**	**3.4**

(1) The observed balance reduction is due to the discontinuation of the PROCER, special rural credit facility of the National Bank for Economic and Social Development (BNDES).

The following table shows the balance of the loan transactions intended for agribusiness by item financed.

Table 51. Agribusiness Loan Portfolio by Product

R$ million							Chg. %	
Item Financed	**Mar/11**	**Share - %**	**Dec/11**	**Share - %**	**Mar/12**	**Share - %**	**On Mar/11**	**On Dec/11**
Livestock	13,335	17.2	17,196	19.4	18,161	19.8	36.2	5.6
Cattle	9,239	11.9	12,236	13.8	12,928	14.1	39.9	5.7
Milk	4,096	5.3	4,960	5.6	5,233	5.7	27.8	5.5
Soybeans	5,913	7.6	6,833	7.7	6,656	7.3	12.6	(2.6)
Corn	2,407	3.1	3,820	4.3	4,431	4.8	84.1	16.0
Sugar Cane	2,289	3.0	2,629	3.0	2,563	2.8	12.0	(2.5)
Machinery and Equipment	1,828	2.4	2,403	2.7	2,560	2.8	40.1	6.6
Coffee	1,973	2.5	2,382	2.7	2,495	2.7	26.4	4.7
Rice	1,749	2.3	1,781	2.0	1,672	1.8	(4.4)	(6.1)
Aviculture	841	1.1	1,148	1.3	1,206	1.3	43.3	5.0
Cotton	941	1.2	1,388	1.6	1,373	1.5	45.9	(1.1)
Swine Production	686	0.9	899	1.0	977	1.1	42.5	8.7
Other	45,441	58.7	48,180	54.3	49,563	54.1	9.1	2.9
Total	**77,403**	**100.0**	**88,658**	**100.0**	**91,658**	**100.0**	**18.4**	**3.4**

In its work of financing Brazilian agribusiness, Banco do Brasil reaches all the segments, from the small producer to the agro-industrial companies. The information in the following table includes sums loaned during the harvest 2011/12, but not actually disbursed, which information is explained in the following table 2011/2012 Harvest Plan. The balances for each type are presented in the table disbursements by type.

Table 52. Resources Hired in the 2011/2012 Harvest by Size of Customer

R$ million	Qty. Contracts (units)	Qty. Contracts - %	Amount Contracted	Amount Contracted - %
Mini	225,296	30.4	1,808	4.7
Small	340,160	46.0	6,285	16.4
Medium and Large Sized	169,572	22.9	26,750	69.9
Cooperatives	5,070	0.7	3,443	9.0
Total	**740,098**	**100.0**	**38,286**	**100.0**

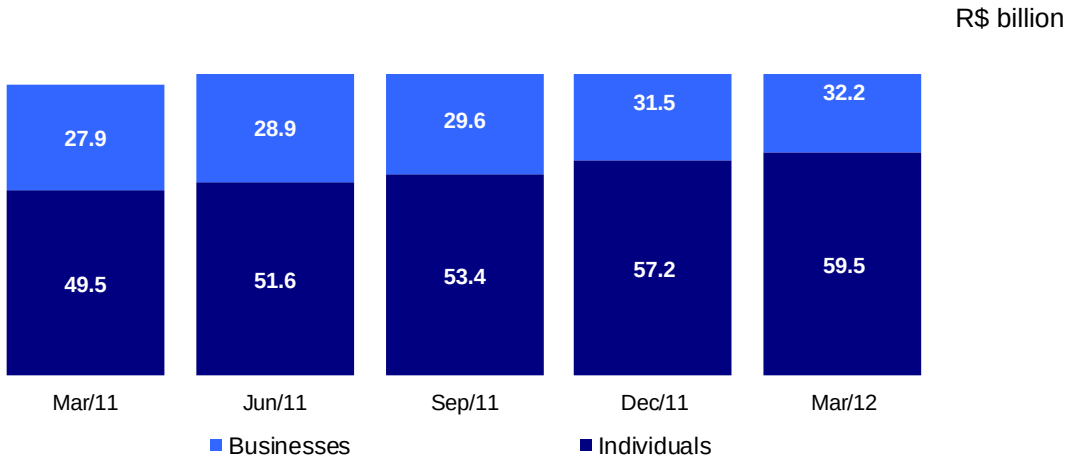
The following table shows the view by size of customer in relation to the total balance of the agribusiness loan portfolio.

Table 53. Agribusiness Portfolio by Size

R$ million	Qty. Contracts (units)	Qty. Contracts - %	Amount Contracted	Amount Contracted - %
Mini	225,296	30.4	1,808	4.7
Small	340,160	46.0	6,285	16.4
Medium and Large Sized	169,572	22.9	26,750	69.9
Cooperatives	5,070	0.7	3,443	9.0
Total	**740,098**	**100.0**	**38,286**	**100.0**

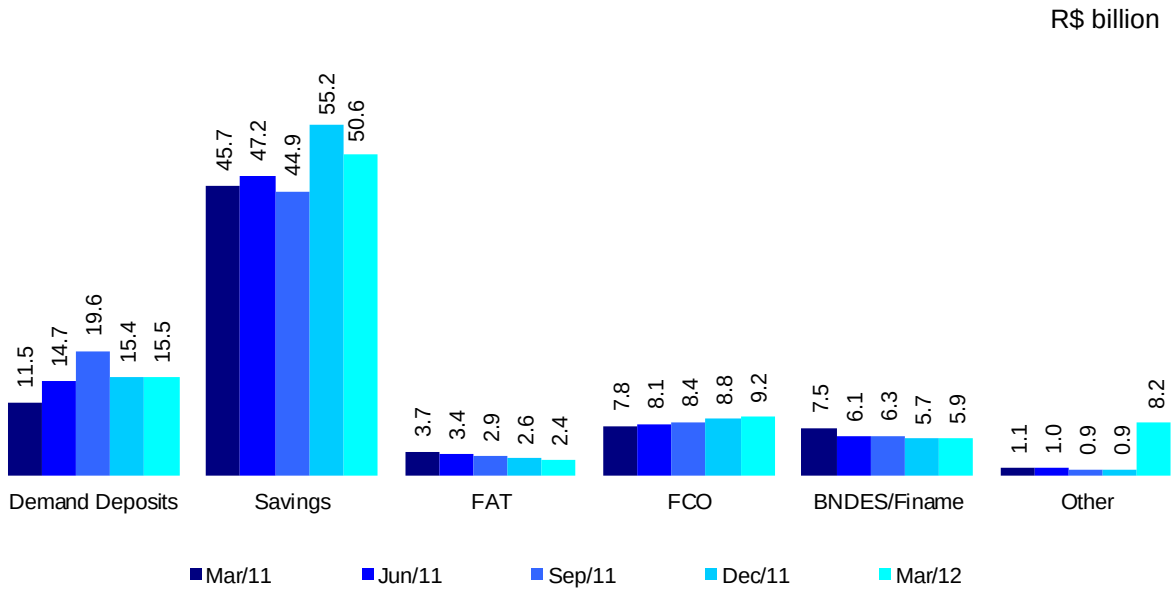
In the figure below we present the distribution of the balance of the Agribusiness Loan Portfolio by type of customer.

Figure 7. Agribusiness Loan Portfolio by Type of Client



Next, the Agribusiness Loan Portfolio by Funding Sources is shown

Figure 8. Agribusiness Loan Portfolio by Funding Sources



In rural and agro industrial financing, BB uses 72.1% of own funds (demand deposits and rural savings accounts), as shown in the above illustration. In addition to those, BB also onlends funds from the Brazilian Development Bank (BNDES), the Workers Protection Fund (FAT), and institutional funds such as the Constitutional Fund for Financing of the Midwest (FCO) and the Coffee Production Economy Defense Fund (Funcafé). The increase on other resources is due to the use of Agribusiness Letters of Credit – LCA as funding to new operations.

Banco do Brasil acts as a financial agent in rural credit operations encouraged by the government and intended to finance actions in the public interest. These operations are carried out with reduced interest rates and BB uses as funding: savings, demand deposits, FAT, National Treasury, Funcafé, LCA and FCO.

To make this intermediation feasible and cover the funding costs, credit risks, tax and administrative costs and BB's profitability, National Treasury and Bacen may authorize following subsides:

a) Equalization of taxes: amount paid by the National Treasury, represents a revenue for the banks to cover the administrative and tax costs, besides the guarantee of a profitability rate over the applied resources.

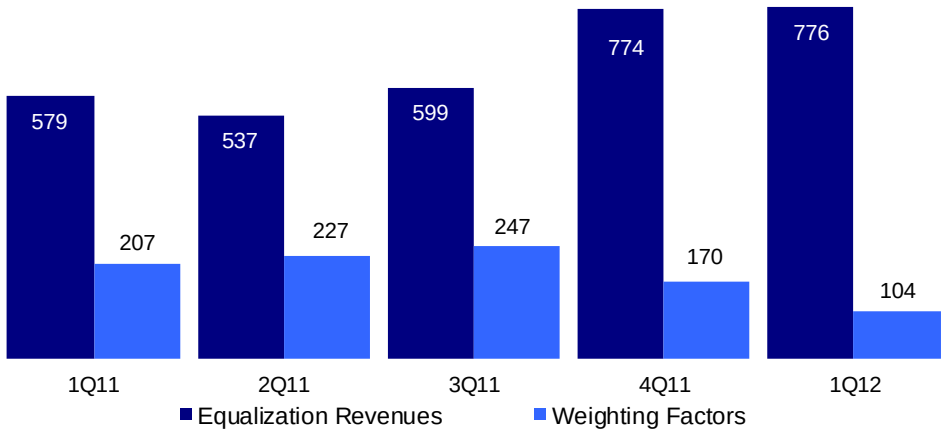
b) Weighting factor: is a multiplier adopted by the Federal Government to the application of resources from demand deposits and rural savings. Through this mechanism the banks are authorized to meet lower rates of rural credit, allowing the released amount to be invested in operation with market rates, in order to compensate the profitability difference from operations encouraged by the Government.

The mechanism of weighting factor reduces the equalization revenues, once the results from the financial institution with the application of the resources in market rates reduces the amount of resources to be equalized by the Government. In Banco do Brasil, the release of funds for cash are applied with TMS remuneration.

In the quarter, revenue equalization maintained the same level as in 4Q11, an increase of 0.28%. Have revenues weighting factor decreased by 38.8% over the same period, mainly reflecting the fall in stock transactions contracted in 2010/11 crop using the weighting factor. The operations of the harvest 2011/12 contracted with resource use saving deposits were not indexed to the multiplier factor.

The following figure shows a history of the revenues received by way of interest rate equalization and weighting factor.

Figure 9. Equalization Revenues and Weighting Factor



The following table evidences the distribution of equalizable funds from BB's Agribusiness portfolio.

Table 54. Equalizable Funds of the Agribusiness Portfolio

R$ million	Mar/11	Jun/11	Sep/11	Dec/11	Mar/12	Chg. % On Mar/11	Chg. % On Dec/11
Equalizable Resources	28,166	27,492	24,864	33,194	35,444	25.8	6.8
Working Capital for Input Purchase	15,778	14,975	12,343	17,687	18,714	18.6	5.8
Investments	10,804	11,359	12,093	13,332	14,277	32.1	7.1
Crop Trading	1,584	1,158	428	2,174	2,453	54.9	12.8
Non-Equalizationable Resources	49,237	53,059	58,205	55,465	56,212	14.2	1.3
Total Loan Portfolio	**77,403**	**80,551**	**83,069**	**88,658**	**91,657**	**18.4**	**3.4**

The table below shows the use of risk mitigation instruments in the contracting of cost operations of harvest 2011/2012.

Table 55. Distribution of Insurance of Working Capital for Input Purchase

	Operation Contrated[1]					
R$ million	Crop 09/10	Share %	Crop 10/11	Share %	Crop 11/12	Share %
Working Capital for Input Purchase	12,830	100.0	12,065	100.0	12,850	100.0
Total Insured	8,081	63.0	7,044	58.4	6,753	52.5
With Proagro	4,812	37.5	3,752	31.1	3,930	30.6
With Insurance	3,269	25.5	2,588	21.5	2,362	18.4
Hedge Price	-	0.0	704	5.8	460	3.6
Without Insurance	4,749	37.0	5,021	41.6	6,097	47.5

(1) Values accumulated during the harvest-year, between July and March of the subsequent year.

Since 2006/07 harvest, Banco do Brasil has required the contracting of conjugated form of protection against bad weather (Agricultural Insurance or Proagro) in operations of working capital for input purchase. Since then the strategy has been maintained and improved with each new crop, including the mass offer of options during the 2009/10 crop.

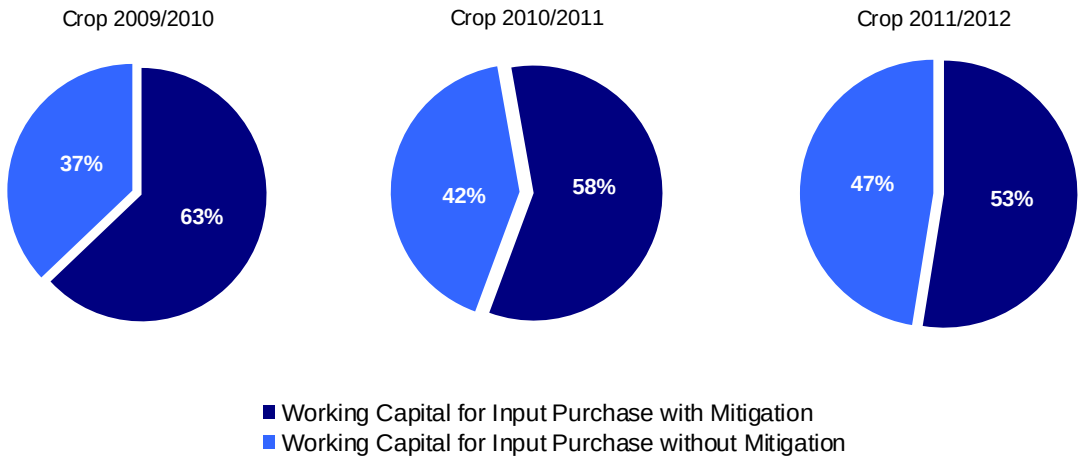
The risk mitigation strategy takes into account several types of information on the customers' requested transactions, such as customer risk, type of crop to be financed, and financing location. Those types of information allow driving the protective devices (agricultural insurance/Proagro or Options) that are most fitting to the risk profile of each transaction.

The exposures from the Rural Insurance contracted in the 2011/2012 crop and until March/2012 are not restricted to BB Mapfre insurance group, once reinsurance contracts were hired as shown in the following table:

Table 56. Mitigators Reinsurance in Working Capital for Input Purchase

Reinsurer	Country	%
IRB Re	Brazil	30.00
Mapfre Re	Spain	15.00
Munich Re	Germany	13.50
Swiss Re	Switzerland	12.15
Scor Re	Switzerland	10.13
BB-Mapfre	Brazil	10.00
Partner Re	Switzerland	5.63
Hannover	Germany	2.93
R+Versicherun	Germany	0.68
TOTAL		**100.00**

Figure 10. Percentage of Operations Contracted with Risk Mitigators



The table below displays a comparative funding of the harvest (2011/12) with the previous year (2010/11), describing the purpose of the loans and allocation

Table 57. Disbursement by Type

R$ million	Crop 10/11 (A)	Crop 11/12(B)	Chs. (%) (B/A)
Familiar	**6,595**	**7,271**	**10.2**
Working Capital for Input Purchase	3,780	3,917	3.6
Investment	2,815	3,354	19.1
Corporate	**22,002**	**28,346**	**28.8**
Working Capital for Input Purchase	14,514	17,273	19.0
Investment	2,956	5,540	87.4
Crop Trading	4,533	5,533	22.1
Total	**28,598**	**35,617**	**24.5**

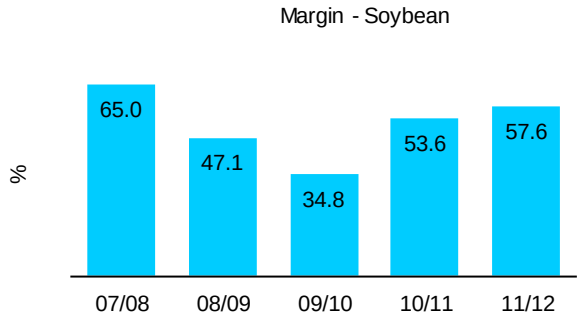
We detail the four key crops subject to agricultural funding, with the percentage share of funding for the 2011/12 harvest and the concentration per state regarding each of these crops:

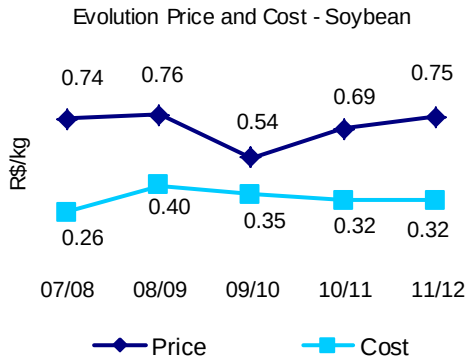
Table 58. Working Capital for input Purchase – Contracting Profile – 2011/2012 Crop

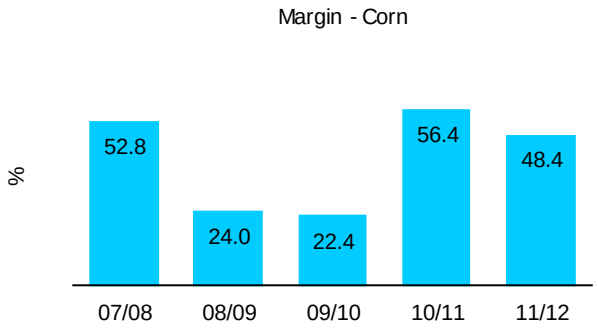
Soybeans		Corn		Rice		Cotton	
29.1%		21.7%		5.8%		2.6%	
PR	31.2%	RS	13.8%	RS	80.0%	MT	47.4%
RS	20.9%	PR	30.8%	SC	13.7%	BA	21.1%
GO	13.0%	MG	12.1%	TO	1.8%	GO	11.3%
MS	10.4%	SC	11.0%	PR	1.7%	MS	12.2%

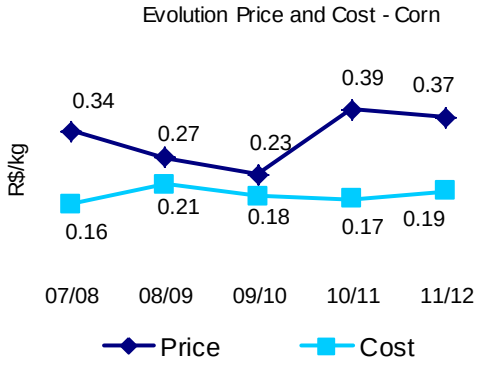
Breakdown about price and cost of the corn and soybean crops in the history of the last harvests are presented below. The margin is represented by the percentage of revenues net of the costs involved in each crop, i.e., the part designed for the producer. The figures regarding the plantations' price and costs are referenced based on the state of Paraná with the key municipalities serving to find a proportional average.

Figure 11. Ratio Price/Cost of Soybean and Corn









3.2. Credit Risk

The expenses with allowance for loan losses increased 36.0% in comparison to 1Q11. This increase is mainly due to, 18.1% expansion in the classified credit portfolio and the increase in the expenses with allowance for loan losses of Banco Votorantim.

If the Banco Votorantim operations were not considered, the classified loan portfolio would grow 19.7% in the comparison 1Q12/1Q11, percentage higher than the increase of the respective allowance for loan losses in the period (15.1%).

Thus, the indicator measuring the expenses with Allowance for loan losses on quarterly portfolio increased 10 basis points compared to that observed in the same period last year.

Table 59. Expenses with Allowance for Loan Losses over Portfolio

R$ million	1Q11	2Q11	3Q11	4Q11	1Q12
(A) Allowance for Loan Losses - Quarterly	(2,629)	(3,047)	(3,259)	(2,892)	(3,576)
(B) Allowance for Loan Losses - 12 Months	(10,278)	(10,454)	(11,074)	(11,827)	(12,773)
(C) Loan Portfolio	364,659	383,378	402,555	422,989	430,748
(D) Average Portfolio – 3 Months	361,964	375,447	392,129	412,439	424,881
(E) Average Portfolio – 12 Months	338,575	353,906	368,196	383,408	398,411
Expenses over Portfolio (A/D) - %	0.7	0.8	0.8	0.7	0.8
Expenses over Portfolio (B/E) - %	3.0	3.0	3.0	3.1	3.2

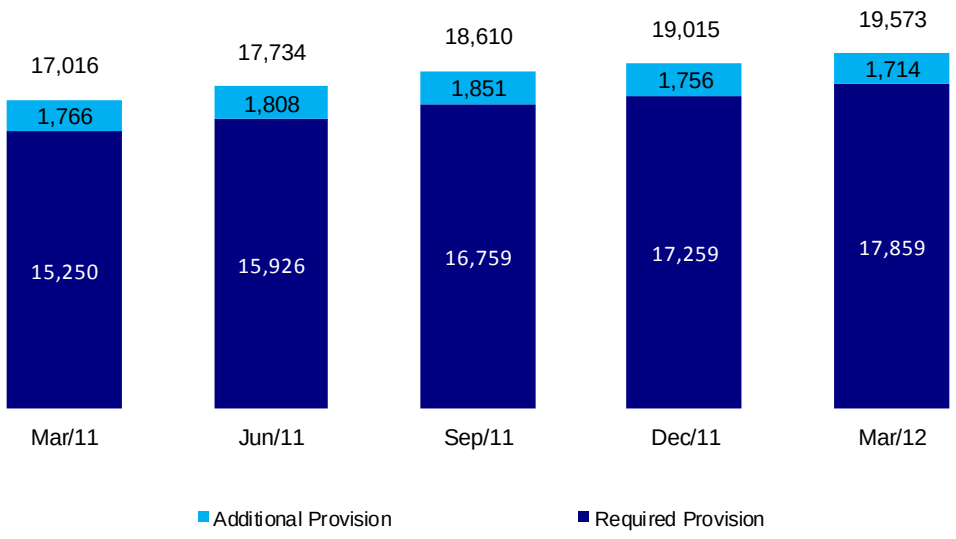
Table 60. Exp. with Allowance for Loan Losses over Port. – BB Conglome. and BB, excluding BV

R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Allowance for Loan Losses Quarterly - BB	(2,629)	(2,892)	(3,576)	36.0	23.7
Allowance for Loan Losses Quarterly - BB Without BV	(2,416)	(2,343)	(2,782)	15.1	18.7
Loan Portfolio - BB	364,659	422,989	430,748	18.1	1.8
Loan Portfolio – BB Without BV	335,394	393,625	401,351	19.7	2.0

The figure below details the allowance for loan losses, segregating the minimum provisions required by CMN Resolution 2682/99 from the total booked. In Mar/12, the total allowance for loan losses increased 15.0% in comparison with the same period of the previous year and 2.9% in comparison to Dec/11. Even with good indicators in the portfolio quality, BB continues to be cautious in relation to the balance of credit risk provisions and the percentage of coverage.

Figure 12. Breakdown of Allowance for Loan Losses

R$ millions



The main indicators of non-performing loans and provisions are presented in the next figures: BB non-performing loans over 90 days were 2.2% in the 1Q12, an increase of 10 basis points in comparison to 1Q11 and 4Q11. This increase was mainly due to the deterioration recorded in the credit portfolio of BV.

Excluding the operations of the BV, the non-performing loans over 90 days of BB was 1.8% in 1Q12, showing stability in comparison to the previous quarter and down 30 basis points over the same period last year.

The non-performing loans ratio of BB still above that observed in the Banking Industry, which reached 3.7% in 1Q12, an increase of 50 basis points year on year.

Table 61. Delinquency Ratio

R$ million	1Q11	2Q11	3Q11	4Q11	1Q12
Loan Portfolio	**364,659**	**383,378**	**402,555**	**422,989**	**430,748**
NPL + 15 days	**14,704**	**14,536**	**15,517**	**15,366**	**16,982**
NPL + 15 days/Loan Portfolio	4.0	3.8	3.9	3.6	3.9
NPL + 60 days	**9,186**	**9,527**	**10,184**	**10,541**	**11,405**
NPL + 60 days/Loan Portfolio	2.5	2.5	2.5	2.5	2.6
NPL 15-59 days/Loan Portfolio	1.5	1.3	1.3	1.1	1.3
NPL + 90 days	**7,673**	**7,829**	**8,481**	**8,821**	**9,294**
NPL + 90 days/Loan Portfolio	2.1	2.0	2.1	2.1	2.2
NPL 15-89 days/Loan Portfolio	1.9	1.7	1.7	1.5	1.8
NPL + 90 days/Loan Portfolio - BI	3.2	3.4	3.5	3.6	3.7
Write-off	2,923	2,377	2,427	2,456	3,032
Recovery of Write-offs	(855)	(953)	(985)	(851)	(750)
Net Loss	**2,068**	**1,424**	**1,443**	**1,604**	**2,282**
Net Loss/Loan Portfolio - % annualized	2.3	1.5	1.4	1.5	2.1
Allowance	**17,016**	**17,734**	**18,610**	**19,015**	**19,573**
Allowance/Loan Portfolio - %	4.7	4.6	4.6	4.5	4.5
Allowance/NPL + 15 days - %	115.7	122.0	119.9	123.7	115.3
Allowance/NPL + 60 days - %	185.2	186.1	182.7	180.4	171.6
Allowance/NPL + 90 days - %	221.8	226.5	219.4	215.6	210.6

Table 62. NPL + 90 days - BB Conglomerate and BB, excluding BV

%	1Q11	2Q11	3Q11	4Q11	1Q12
NPL + 90 days/Loan Portfolio - BB	2.1	2.0	2.1	2.1	2.2
NPL + 90 days/Loan Portfolio - BB Without BV	2.1	1.9	1.9	1.8	1.8

The following table shows that the BB's portfolio average risk showed a decrease in the comparison with the previous quarter and in the same period in 2011 and stability compared to the previous quarter. The BB's indicator keeps smaller than that recorded by the Banking Industry.

Table 63. Average Portfolio Risk

	Mar/11	Jun/11	Sep/11	Dec/11	Mar/12
Average Risk BB[1] - %	4.2	4.2	4.2	4.1	4.1
Average Risk BI - %	5.5	5.6	5.7	5.7	5.7

(1) required provision/loan portfolio

3.2.1. Total Portfolio

The total portfolio of BB presents better risk levels than those observed in the Banking Industry in the same classification. That is, operations of BB rated risk levels of AA-C represented 93.8% of the total Mar/12 against the 92.1% reported by the Banking Industry as a whole.

Table 64. Total Loan Portfolio by Risk Level

	Mar/11			Dec/11			Mar/12			BI[1]
R$ million	Balance	Provision	Share %	Balance	Provision	Share %	Balance	Provision	Share %	
AA	100,292	-	27.5	118,935	-	28.1	126,381	-	29.3	24.5
A	80,506	403	22.1	102,694	513	24.3	108,234	541	25.1	42.2
B	121,760	1,218	33.4	142,910	1,429	33.8	136,133	1,361	31.6	16.7
C	39,314	1,179	10.8	32,611	978	7.7	33,482	1,004	7.8	8.8
D	8,440	844	2.3	8,299	830	2.0	8,071	807	1.9	2.4
E	2,209	663	0.6	3,724	1,117	0.9	3,877	1,163	0.9	1.0
F	1,701	850	0.5	1,763	881	0.4	1,755	878	0.4	0.8
G	1,145	801	0.3	1,812	1,268	0.4	2,367	1,657	0.5	0.6
H	9,292	9,292	2.5	10,241	10,241	2.4	10,447	10,447	2.4	3.1
Total	**364,659**	**15,250**	**100.0**	**422,989**	**17,259**	**100.0**	**430,748**	**17,859**	**100.0**	**100.0**
AA-C	341,872	2,800	93.8	397,149	2,921	93.9	404,230	2,907	93.8	92.1
D-H	22,786	12,451	6.2	25,839	14,338	6.1	26,518	14,952	6.2	7.9

(1) Previous data of March 2012.

3.2.2. Individual Loan Prtfolio

The following table shows an individual loan portfolio and the respective changes in allowance for loan losses are presented not taking into consideration the transactions of the partnership with BV.

The operations rated as AA-C risk level accounted for 91.1% of the total in Mar/12, showing stability in comparison with the previous quarter and reduction of 10 basis points related to Mar/11.

Table 65. Individual Loan Portfolio by Risk Level[1]

	Mar/11			Dec/11			Mar/12		
R$ million	Balance	Provision	Share	Balance	Provision	Share	Balance	Provision	Share
AA	512	-	0.5	648	-	0.6	7,689	-	6.8
A	12,138	61	12.5	26,264	131	23.5	27,840	139	24.8
B	49,925	499	51.4	55,907	559	50.1	46,042	460	41.0
C	26,026	781	26.8	18,842	565	16.9	20,674	620	18.4
D	2,907	291	3.0	2,618	262	2.3	2,650	265	2.4
E	577	173	0.6	999	300	0.9	1,142	343	1.0
F	505	252	0.5	600	300	0.5	519	259	0.5
G	378	265	0.4	591	414	0.5	593	415	0.5
H	4,215	4,215	4.3	5,098	5,098	4.6	5,111	5,111	4.6
Total	**97,183**	**6,537**	**100.0**	**111,569**	**7,629**	**100.0**	**112,259**	**7,612**	**100.0**
AA-C	88,601	1,341	91.2	101,662	1,256	91.1	102,245	1,220	91.1
D-H	8,582	5,196	8.8	9,907	6,374	8.9	10,014	6,393	8.9

(1) Does not consider Banco Votorantim portfolio.

Table 66. Changes in Allowance for Loan Losses - Individuals

R$ million	1Q11	2Q11	3Q11	4Q11	1Q12
Individuals Loan Portfolio[1]	**97,183**	**102,102**	**104,489**	**111,569**	**112,259**
Initial Allowance	**6,437**	**6,537**	**6,980**	**7,583**	**7,629**
1 - Risk Migration	971	1,163	1,189	990	1,157
a) Risk Deterioration	1,213	1,477	1,548	1,593	1,605
b) Risk Improvement	(241)	(314)	(359)	(603)	(448)
2 – New Transactions	196	239	231	278	189
3 – Write-offs	(1,124)	(965)	(761)	(1,040)	(1,201)
Total (1 + 2 + 3)	43	437	659	229	145
Other Impacts[2]	56	6	(56)	(182)	(162)
Final Allowance	**6,537**	**6,980**	**7,583**	**7,629**	**7,612**
Allowance Required by CMN Resolution 2,682	6,537	6,980	7,583	7,629	7,612
Provision Flow - R$ million	1,223	1,408	1,364	1,086	1,184
a) Additional Provision	-	-	-	-	-
b) Provision Expenses	1,223	1,408	1,364	1,086	1,184
Provision / Portfolio - %	6.7	6.8	7.3	6.8	6.8
Provision Flow / Portfolio - %	1.3	1.4	1.3	1.0	1.1
NPL +15 days/Loan Portfolio - %	5.8	5.4	5.6	4.9	5.2
NPL +90 days/Loan Portfolio - %	3.0	3.0	3.2	3.1	2.9

(1) Does not consider Banco Votorantim portfolio.
(2) Amortization, settlement, release of installments and charge debt.

Vintage

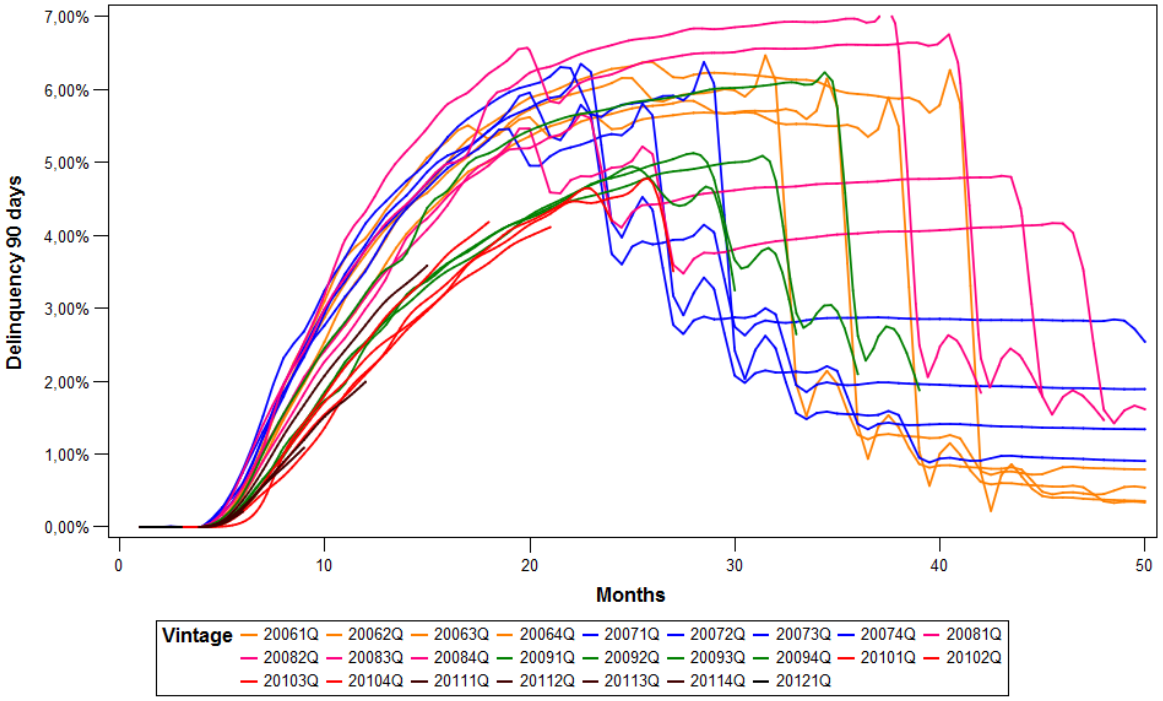
We present the vintage of the individuals loan portfolio in the graphs below. This methodology, known abroad as Vintage, affords greater detailing and closer to the portfolio than traditional indicators.

Vintage makes it possible to evaluate how the default of the set of operations contracted in a particular period behaves over time. In the first graph, for example, the quarterly view is presented. The lines show how the default of operations contracted in each quarter behaved in the subsequent periods. The longer lines, therefore, refer to the oldest monitoring period.

In the graphs below, we consider non-performing loans for more than 90 days, and for determination of the Individuals Loan Portfolio, the Overdraft and Credit Card operations.

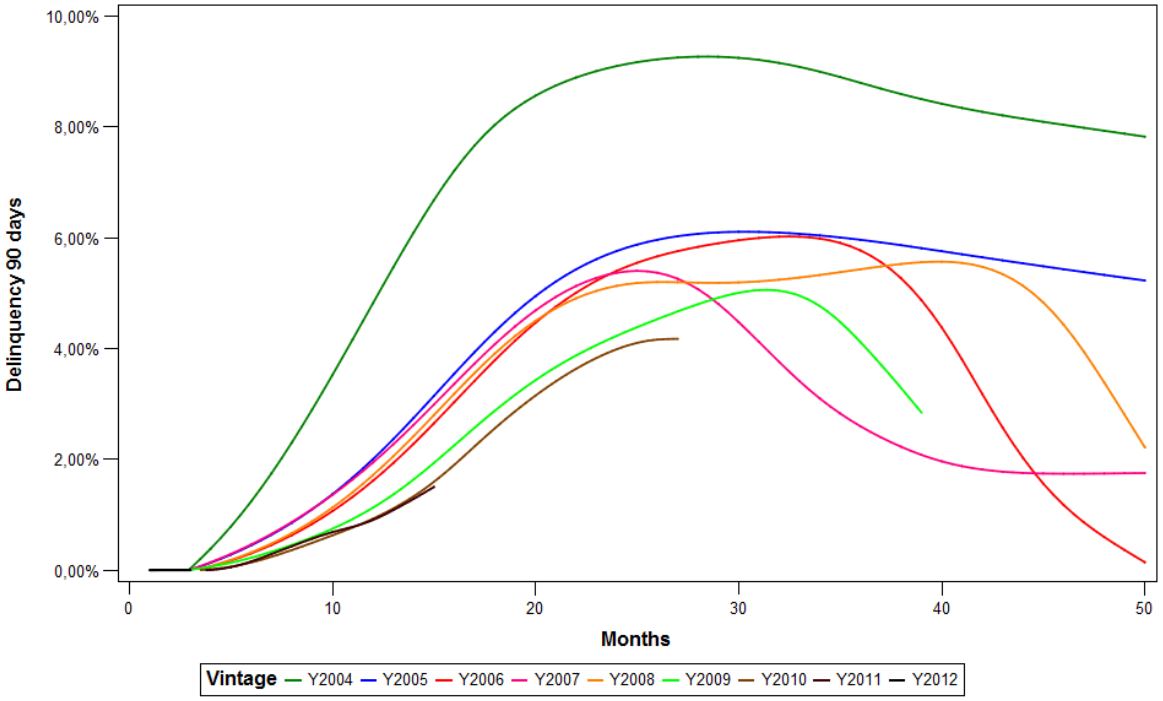
The Vintage shows how the operations contracted most recently present a more favorable default curve than those contracted at the beginning of the monitoring. This result shows the constant optimization in the credit analysis, concession and monitoring models. The inflections presented in the curves refer to loan assignments.

Figure 13. Quarterly Vintage



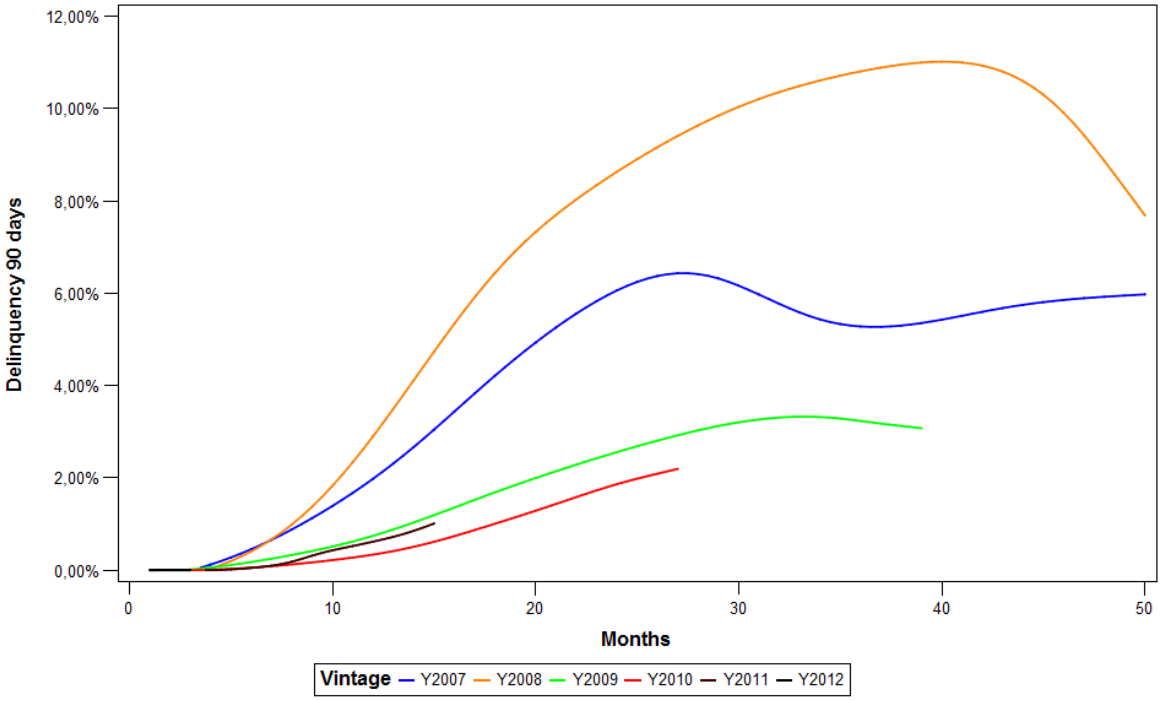
The second graph contains the vintage with annual periodicity, facilitating the viewing and interpretation of data.

Figure 14. Annual *Vintage*



In the graphs below, we present detailing of the vehicle financing portfolio, segmented by the operation contracting origin: Arena I – operations contracted in the sphere of the BB's branches. In line with BB strategy of partnership with BV, the transactions entered into Arena II (transactions with accredited vehicle dealers) were assumed by that institution.

Figure 15. Annual Vintage – Vehicle Financing Portfolio – Arena I



3.2.3. Business Loan Portfolio

The following tables show a business loan portfolio and those respective changes in allowance for loan losses, not taking into consideration the transactions of the partnership with BV. The share of operations rated in the AA-C risk levels reached 95.3% of the total portfolio in Mar/2012.

Table 67. Business Loan Portfolio[1]

	Mar/11			Dec/11			Mar/12		
R$ million	Balance	Provision	Share	Balance	Provision	Share	Balance	Provision	Share
AA	61,420	-	44.3	72,425	-	45.0	73,510	-	44.9
A	31,719	159	22.9	35,697	178	22.2	36,257	181	22.1
B	34,474	345	24.9	40,698	407	25.3	42,147	422	25.7
C	4,297	129	3.1	4,329	130	2.7	4,189	126	2.6
D	2,162	216	1.6	2,074	207	1.3	1,830	183	1.1
E	917	275	0.7	1,607	482	1.0	1,477	443	0.9
F	661	331	0.5	649	324	0.4	667	334	0.4
G	431	302	0.3	622	435	0.4	1,034	724	0.6
H	2,595	2,595	1.9	2,817	2,817	1.8	2,769	2,769	1.7
Total	**138,677**	**4,352**	**100.0**	**160,918**	**4,981**	**100.0**	**163,880**	**5,181**	**100.0**
AA-C	131,910	632	95.1	153,149	715	95.2	156,103	729	95.3
D-H	6,767	3,719	4.9	7,769	4,266	4.8	7,777	4,453	4.7

(1) Does not include Banco Votorantim transactions.

Table 68. Changes in the Allowance for Loan Losses - Businesses

R$ million	1Q11	2Q11	3Q11	4Q11	1Q12
Commercial Loan Portfolio[1]	**138,677**	**145,309**	**152,608**	**160,918**	**163,880**
Initial Allowance	**4,510**	**4,352**	**4,526**	**4,609**	**4,981**
1 - Risk Migration	854	990	1,144	1,167	1,267
a) Risk Deterioration	1,046	1,190	1,337	1,370	1,569
b) Risk Improvement	(192)	(200)	(194)	(203)	(301)
2 – New Transactions	106	129	124	146	147
3 – Write-offs	(1,039)	(864)	(1,079)	(860)	(1,123)
Total (1 + 2 + 3)	(79)	255	189	453	291
Other Impacts[2]	(80)	(81)	(106)	(81)	(92)
Final Allowance	**4,352**	**4,526**	**4,609**	**4,981**	**5,181**
Allowance Required by CMN Resolution 2,68	4,352	4,526	4,609	4,981	5,181
Changes in the Provision - in R$ million	880	1,038	1,162	1,233	1,323
a) Additional Provision	-	-	-	-	-
b) Provision Expense	880	1,038	1,162	1,233	1,323
Provision / Portfolio - %	3.1	3.1	3.0	3.1	3.2
Changes in the Provision - % of Portfolio	0.6	0.7	0.8	0.8	0.8
NPL +15 days/Loan Portfolio	3.5	3.3	3.1	3.0	3.4
NPL +90 days/Loan Portfolio	1.9	2.1	2.0	1.9	2.0

(1) Does not consider Banco Votorantim portfolio
(2) Amortization, settlement, release of installments and charge debt

3.2.4. Agribusiness Loan Portfolio

Next, the Agribusiness Loan Portfolio by risk level is presented.

Table 69. Agribusiness Loan Portfolio by Risk Level [1]

	Mar/11			Dec/11			Mar/12		
R$ million	Balance	Provision	Share	Balance	Provision	Share	Balance	Provision	Share
AA	16,473	-	21.3	19,503	-	22.0	19,481	-	21.3
A	13,645	68	17.6	16,468	82	18.6	19,864	99	21.7
B	33,538	335	43.3	39,987	400	45.1	40,575	406	44.3
C	7,725	232	10.0	7,313	219	8.2	6,484	195	7.1
D	2,773	277	3.6	2,875	287	3.2	2,690	269	2.9
E	528	158	0.7	566	170	0.6	639	192	0.7
F	333	166	0.4	221	110	0.2	240	120	0.3
G	231	162	0.3	271	189	0.3	336	235	0.4
H	2,158	2,158	2.8	1,456	1,456	1.6	1,350	1,350	1.5
Total	**77,403**	**3,557**	**100.0**	**88,658**	**2,914**	**100.0**	**91,658**	**2,865**	**100.0**
AA-C	71,380	635	92.2	83,270	702	93.9	86,404	700	94.3
D-H	6,023	2,922	7.8	5,388	2,213	6.1	5,255	2,166	5.7

(1) Does not consider Banco Votorantim portfolio.

The following tables present the individuals agribusiness loan portfolio by risk level and the respective changes in the Allowance for loan losses

Table 70. Agribusiness Individual Loan Portfolio by Risk Level [1]

	Mar/11			Dec/11			Mar/12		
R$ million	Balance	Provision	Share	Balance	Provision	Share	Balance	Provision	Share
AA	2,038	-	4.1	1,891	-	3.3	1,922	-	3.2
A	9,484	47	19.1	11,515	58	20.1	14,576	73	24.5
B	25,625	256	51.7	32,779	328	57.3	32,544	325	54.7
C	6,816	204	13.8	6,188	186	10.8	5,610	168	9.4
D	2,596	260	5.2	2,556	256	4.5	2,476	248	4.2
E	495	149	1.0	495	148	0.9	588	176	1.0
F	265	133	0.5	205	103	0.4	223	111	0.4
G	204	143	0.4	239	167	0.4	253	177	0.4
H	2,013	2,013	4.1	1,326	1,326	2.3	1,292	1,292	2.2
Total	**49,536**	**3,205**	**100.0**	**57,194**	**2,571**	**100.0**	**59,485**	**2,571**	**100.0**
AA-C	43,963	508	88.8	52,373	571	91.6	54,653	567	91.9
D-H	5,573	2,696	11.2	4,821	2,000	8.4	4,832	2,005	8.1

(1) Does not consider Banco Votorantim portfolio.

Table 71. Changes in Allowance for Loan Losses – Agribusiness Individual

R$ million	1Q11	2Q11	3Q11	4Q11	1Q12
Individuals Agribusiness Loan Portfolio[1]	**49,536**	**51,649**	**53,437**	**57,194**	**59,485**
Initial Allowance	**3,502**	**3,205**	**2,981**	**2,763**	**2,571**
1 - Risk Migration	356	184	202	88	262
a) Risk Deterioration	566	490	468	462	489
b) Risk Improvement	(210)	(306)	(267)	(374)	(227)
2 – New Transactions	33	68	80	77	45
3 – Write-offs	(584)	(344)	(398)	(269)	(285)
Total (1 + 2 + 3):	(196)	(93)	(116)	(104)	21
Other Impacts[2]	(101)	(131)	(102)	(88)	(21)
Final Allowance	**3,205**	**2,981**	**2,763**	**2,571**	**2,571**
Allowance Required by CMN Resolution 2,682	3,205	2,981	2,763	2,571	2,571
Changes in the Provision - in R$ million	287	120	180	77	285
a) Additional Provision	-	-	-	-	-
b) Provision Expense	287	120	180	77	285
Provision / Portfolio - %	6.5	5.8	5.2	4.5	4.3
Changes in the Provision - % of Portfolio	0.6	0.2	0.3	0.1	0.5

(1) Does not consider Banco Votorantim portfolio.
(2) Amortization, settlement, release of installments and charge debt.

The following tables show the Corporate Agribusiness Lending Portfolio per risk level and the respective changes in the allowance for loan losses.

Table 72. Corporate Agribusiness Portfolio by Risk Level [1]

	Mar/11			Dec/11			Mar/12		
R$ million	Balance	Provision	Share	Balance	Provision	Share	Balance	Provision	Share
AA	14,434	-	51.8	17,612	-	56.0	17,559	-	54.6
A	4,161	21	14.9	4,953	25	15.7	5,288	26	16.4
B	7,913	79	28.4	7,208	72	22.9	8,031	80	25.0
C	909	27	3.3	1,125	34	3.6	874	26	2.7
D	177	18	0.6	319	32	1.0	214	21	0.7
E	33	10	0.1	72	22	0.2	50	15	0.2
F	67	34	0.2	15	8	0.0	17	8	0.1
G	27	19	0.1	32	22	0.1	83	58	0.3
H	145	145	0.5	129	129	0.4	58	58	0.2
Total	**27,867**	**353**	**100.0**	**31,465**	**343**	**100.0**	**32,174**	**294**	**100.0**
AA-C	27,417	127	98.4	30,897	131	98.2	31,751	133	98.7
D-H	450	225	1.6	567	213	1.8	423	161	1.3

(1) Does not consider Banco Votorantim portfolio.

Table 73. Changes in the Allowance for Loan Losses – Corporate Agribusiness

R$ million	1Q11	2Q11	3Q11	4Q11	1Q12
Business Agribusiness Loan Portfolio[1]	**27,867**	**28,903**	**29,632**	**31,465**	**32,174**
Initial Allowance	**340**	**353**	**315**	**318**	**343**
1 - Risk Migration	18	36	(3)	22	23
a) Risk Deterioration	33	55	42	46	47
b) Risk Improvement	(15)	(19)	(45)	(24)	(23)
2 – New Transactions	14	30	24	33	19
3 – Write-offs	(5)	(44)	(6)	(5)	(67)
Total (1 + 2 + 3):	27	21	16	50	(25)
Other Impacts[2]	(14)	(59)	(13)	(25)	(24)
Final Allowance	**353**	**315**	**318**	**343**	**294**
Allowance Required by CMN Resolution 2,682	353	315	318	343	294
Provision Flow - R$ million	18	6	9	31	18
a) Additional Provision	-	-	-	-	-
b) Provision Expenses	18	6	9	31	18
Provision / Portfolio - %	1.3	1.1	1.1	1.1	0.9
Provision Flow / Portfolio - %	0.1	0.0	0.0	0.1	0.1

(1) Does not consider Banco Votorantim portfolio.
(2) Amortization, settlement, release of installments and charge debt.

The average risk of the portfolio is influenced by the operations of the harvests from 2005 to 2007 with rollover with total balance of R$ 5,540 million in March 2012. CMN Resolution 2682/99, which provides for risk ratings and the creation of allowance for loan losses, requires maintenance of risk with renegotiated loans at the risk level found at the time of renegotiation. Owing to these rule, renegotiated transactions increase the loan portfolio's average risk.

In the following table, the Agribusiness Loan Portfolio in divided in with and without rollover operations. We noted that the operations past-due for over 90 days accounted for 0.4% of the total without rollover portfolio in 1Q12, while this same indicator reached 3.6% for with rollover operations.

Table 74. Agribusiness Transactions with/without rollover

	Portfolio Without Rollover			Portfolio with Rollover		
Risk	Balance	Allowance for Loan Losses	Past Due_90[1]	Balance	Allowance for Loan Losses	Past Due_90[1]
AA	19,362	-	53	118	-	9
A	19,570	98	0	294	1	(0)
B	39,099	391	-	1,477	15	-
C	5,223	157	6	1,260	38	0
D	1,612	161	9	1,078	108	3
E	300	90	35	339	102	10
F	103	52	25	137	68	15
G	176	123	74	160	112	21
H	672	672	165	678	678	141
Total	**86,118**	**1,744**	**315**	**5,540**	**1,121**	**191**

(1) Non-performing loans at level AA refer to credit with third party risk

In the table below we present the balances, rate of non-performing loans 90 days and average risk of the agribusiness portfolio segmented in total portfolio, with and without rollover.

The relationship between the provisions required (CMN Resolution 2682/99) and the balance of operations dropped to 3.1% in the 1Q12, with an improvement of 150 basis points in relation to the same period of previous year.

A simulation performed with non-extended BB risk transactions, after removing the drag effect caused by extended loans, shows that would be a decrease in the average risk to 0.37% from 2.0% in 1Q12.

Table 75. Rates of the Agribusiness Portfolio

R$ million	Mar/11	Jun/11	Sep/11	Dec/11	Mar/12
Loan Portfolio[1]	**77,403**	**80,551**	**83,069**	**88,658**	**91,658**
Provision	**3,557**	**3,296**	**3,081**	**2,914**	**2,865**
NPL + 90 days	**1,422**	**739**	**718**	**638**	**568**
NPL + 90 days/Loan Portfolio - %[2]	1.8	0.9	0.9	0.7	0.6
Allow ance/Loan Portfolio - %	4.6	4.1	3.7	3.3	3.1
Write-Off	589	388	301	274	352
Unextended Operations – BB Risk + Third Parties	**70,063**	**74,034**	**77,273**	**82,964**	**86,119**
Provision	1,819	1,796	1,737	1,677	1,744
NPL + 90 days	910	481	475	306	368
NPL + 90 days/Unextended operations - %	1.3	0.6	0.6	0.4	0.4
Provision/Unextended Operations - %	2.6	2.4	2.2	2.0	2.0
Write-Off	170	159	197	119	117
Unextended Operations – BB Risk	**69,088**	**73,098**	**76,388**	**82,139**	**85,340**
Provision	1,819	1,795	1,736	1,676	1,743
NPL + 90 days	910	481	475	306	368
NPL + 90 days/Unextended operations - %	1.3	0.7	0.6	0.4	0.4
Provision/Unextended Operations - %	2.6	2.5	2.3	2.0	2.0
Write-Off	170	159	197	119	117
Extended Operations – BB Risk + Third Parties	**7,340**	**6,517**	**5,796**	**5,694**	**5,540**
Provision	1,738	1,500	1,344	1,238	1,121
NPL + 90 days	512	258	243	332	200
NPL + 90 days/Total Portfolio (%)	7.0	4.0	4.2	5.8	3.6
Provision/Extended Operations - %	23.7	23.0	23.2	21.7	20.2
Write-Off	418	229	105	155	235
Extended Operations – BB Risk	**7,186**	**6,377**	**5,671**	**5,585**	**5,436**
Provision	1,738	1,499	1,344	1,237	1,121
NPL + 90 days	504	251	235	322	190
NPL + 90 days/Unextended operations - %	7.0	3.9	4.1	5.8	3.5
Provision/Unextended Operations - %	24.2	23.5	23.7	22.2	20.6
Write-Off	418	229	105	155	235
Operations not Extended without drag effect of Extended Operations Simulation					
a- BB Risk + Third Parties	**70,063**	**74,034**	**77,273**	**82,964**	**86,119**
b- Provision	1,008	434	427	253	314
Average Risk (b/a)	1.44	0.59	0.55	0.31	0.37
c- BB Risk	**69,088**	**73,098**	**76,388**	**82,139**	**85,340**
d- Provision	1,008	434	427	253	314
Average Risk (d/c)	1.46	0.59	0.56	0.31	0.37

(1) Does not consider Banco Votorantim portfolio.
(2) The delay resulting from non-performing operations with third party risk was included in the calculation of the rate

3.2.5 Foreign and Banco Votorantim Loan Portfolio

The following tables show the Foreign Portfolio and the BV Portfolio by risk level.

Table 76. Foreign Loan Portfolio by Risk Level

	Mar/11			Dec/11			Mar/12		
R$ million	Balance	Provision	Share	Balance	Provision	Share	Balance	Provision	Share
AA	15,895	-	71.8	21,036	-	64.8	20,845	-	62.1
A	3,628	18	16.4	6,573	33	20.2	7,597	38	22.6
B	1,987	20	9.0	4,014	40	12.4	4,357	44	13.0
C	344	10	1.6	721	22	2.2	576	17	1.7
D	253	25	1.1	78	8	0.2	107	11	0.3
E	7	2	0.0	17	5	0.1	10	3	0.0
F	2	1	0.0	3	2	0.0	9	4	0.0
G	0	0	0.0	4	3	0.0	9	7	0.0
H	17	17	0.1	35	35	0.1	42	42	0.1
Total	**22,132**	**93**	**100.0**	**32,480**	**146**	**100.0**	**33,553**	**166**	**100.0**
AA-C	21,854	48	98.7	32,344	95	99.6	33,375	99	99.5
D-H	278	45	1.3	136	52	0.4	178	67	0.5

The BV's portfolio showed an increase of the share of operations rated as risk D-H (+730 basis points compared 1Q12/1Q11), due to rising non-performing loans by individuals, particularly in the segment of vehicle financing.

Table 77. Banco Votorantim Loan Portfolio (50%)

	Mar/11			Dec/11			Mar/12		
R$ million	Balance	Provision	Share	Balance	Provision	Share	Balance	Provision	Share
AA	5,992	-	20.5	5,323	-	18.1	4,856	-	16.5
A	19,378	97	66.2	17,692	88	60.3	16,677	83	56.7
B	1,836	18	6.3	2,303	23	7.8	3,012	30	10.2
C	921	28	3.1	1,406	42	4.8	1,559	47	5.3
D	346	35	1.2	655	65	2.2	794	79	2.7
E	180	54	0.6	535	160	1.8	609	183	2.1
F	200	100	0.7	289	145	1.0	321	160	1.1
G	104	73	0.4	325	227	1.1	394	276	1.3
H	307	307	1.0	836	836	2.8	1,175	1,175	4.0
Total	**29,264**	**711**	**100.0**	**29,363**	**1,587**	**100.0**	**29,398**	**2,034**	**100.0**
AA-C	28,127	143	96.1	26,724	154	91.0	26,104	160	88.8
D-H	1,137	568	3.9	2,639	1,434	9.0	3,294	1,874	11.2

3.2.6. Renegotiated Loan Portfolio

The table below presents the renegotiated loan portfolio of non-performing operations (including participation in the BV), which reached R$ 6,902 million in Mar/12, a decrease of 11.1% and 1.3% in comparison with Mar/11 and Dec/11, respectively. The non-performing over 90 days ratio of this portfolio decreased 240 base points in comparison with Mar/11, while the coverage percentage reached 329.0% in Mar/12.

Table 78. Renegotiated Loan Portfolio

R$ million	Mar/11	Dec/11	Mar/12
Renegotiated Loan Portfolio[1]	7,765	6,991	6,902
Allowance Balance	1,985	1,606	1,501
NPL + 90days	698	589	456
Allowance/Loan Portfolio - %	25.6%	23.0%	21.7%
NPL + 90 days/Loan Portfolio	9.0%	8.4%	6.6%
Allowance/NPL + 90 days - %	284.5%	272.6%	329.0%

(1) Refers to renegotiated loan portfolio of non-performing operations.

3.3. Concentration

In the concentration analysis for the loan portfolio-broad concept, we noted an decrease in exposure to the 100 largest borrowers to 18.4% in Mar/2012 vs. 24.9% in Mar/2011 and 18.9% in Dec/2011. Information on the concentration of credit does not include Banco Votorantim operations

Table 79.100 Largest Borrowers

R$ million

Period	1st Customer	Balance	2nd to 20th	Balance	21st to 100th	Balance	100th largest	Balance
Jun/10	2.8	9,707	10.9	38,209	10.2	35,587	23.9	83,503
Sep/10	2.5	9,288	10.7	38,969	10.2	37,370	23.5	85,627
Dec/10	2.7	10,558	10.4	40,393	11.0	42,590	24.1	93,540
Mar/11	2.7	10,731	10.8	42,960	11.4	45,462	24.9	99,152
Jun/11	2.2	9,462	8.6	36,091	9.6	40,309	20.4	85,862
Sep/11	2.4	10,689	11.2	49,884	11.4	50,775	25.1	111,793
Dec/11	2.0	9,321	7.9	36,200	9.0	41,596	18.9	87,117
Mar/12	2.0	9,576	7.4	34,616	9.0	42,462	18.4	86,654

Exposure by the 100 largest borrowing customers as compared to the Referential Equity decreased to 102.0% in Mar/12, compared to 144.8% at the end of Mar/11 and 108.2% in Dec/11. The ratio between the exposure of the largest borrower and the Referential Equity ended Mar/12 in 11.3%, andecrease of 440 basis points in relation to the recorded at the same period of the last year.

Table 80.100 Largest Borrowers in relation to RE

R$ million

Period	1st Customer (%)	Balance	2nd to 20th (%)	Balance	21st to 100th (%)	Balance	100th largest (%)	Balance
Jun/10	16.0	9,707	63.0	38,209	58.7	35,587	137.7	83,503
Sep/10	13.3	9,288	55.8	38,969	53.5	37,370	122.6	85,627
Dec/10	15.8	10,558	60.4	40,393	63.6	42,590	139.8	93,540
Mar/11	15.7	10,731	62.7	42,960	66.4	45,462	144.8	99,152
Jun/11	12.9	9,462	49.2	36,091	55.0	40,309	117.1	85,862
Sep/11	13.8	10,689	64.6	49,884	65.8	50,775	144.8	111,793
Dec/11	11.6	9,321	45.0	36,200	51.7	41,596	108.2	87,117
Mar/12	11.3	9,576	40.8	34,616	50.0	42,462	102.0	86,654

Next we present the Loan Portfolio's concentration by macro-sector:

Table 81. Concentration of Loan Portfolio by Macro-Sector

R$ million							Chg. %	
Macro-sector[1]	**Mar/11**	**Share - %**	**Dec/11**	**Share - %**	**Mar/12**	**Share - %**	**On Mar/11**	**On Dec/11**
Oil and Gas	23,392	10.6	24,561	9.5	25,297	9.7	8.1	3.0
Foodstuffs of Vegetable Origin	20,655	9.4	23,313	9.0	22,678	8.7	9.8	(2.7)
Metalw orking and Steel	22,885	10.4	27,361	10.5	29,226	11.2	27.7	6.8
Services	18,475	8.4	19,853	7.6	18,234	7.0	(1.3)	(8.2)
Foodstuffs of Animal Origin	10,682	4.8	11,446	4.4	9,350	3.6	(12.5)	(18.3)
Automotive	12,461	5.7	15,036	5.8	14,686	5.6	17.9	(2.3)
Building	18,849	8.6	22,461	8.6	23,751	9.1	26.0	5.7
Electricity	14,305	6.5	17,042	6.6	17,754	6.8	24.1	4.2
Transport	10,908	4.9	13,149	5.1	13,882	5.3	27.3	5.6
Telecommunications	5,928	2.7	7,229	2.8	6,212	2.4	4.8	(14.1)
Retail Trade	10,499	4.8	12,779	4.9	12,554	4.8	19.6	(1.8)
Textile and Garments	7,896	3.6	9,587	3.7	9,636	3.7	22.0	0.5
Pulp and Paper	5,310	2.4	6,796	2.6	6,758	2.6	27.3	(0.6)
Electrical and Eletronic Goods	5,827	2.6	9,009	3.5	8,190	3.1	40.6	(9.1)
Other Activities	5,783	2.6	13,596	5.2	15,598	6.0	169.7	14.7
Agricultural Consumables	6,257	2.8	6,485	2.5	6,496	2.5	3.8	0.2
Chemicals	5,690	2.6	6,035	2.3	6,006	2.3	5.6	(0.5)
Timber and Furniture	4,168	1.9	5,216	2.0	5,103	2.0	22.4	(2.2)
Wholesale Trade and Sundry Ind.	4,024	1.8	4,206	1.6	4,178	1.6	3.8	(0.7)
Beverages	4,327	2.0	2,286	0.9	2,325	0.9	(46.3)	1.7
Leather and Shoes	2,104	1.0	2,455	0.9	2,448	0.9	16.3	(0.3)
Total	**220,425**	**100.0**	**259,900**	**100.0**	**260,363**	**100.0**	**18.1**	**0.2**
Internal Loan Portfolio	166,297		191,884		193,465			
Abroad Loan Portfolio	22,121		27,967		28,420			
Garantees	12,353		14,999		15,985			
Securities	19,653		25,051		22,492			
Total	**220,425**		**259,900**		**260,363**			

1 - Does not consider Banco Votorantim portfolio.

4 - Liquidity Assets

Among the earning assets, we highlight the liquidity assets, which recorded progress, mainly due to the increase in applications in the open market. Considering the interest bearing liabilities, the money market borrowing (third parties portfolio) was the item with the highest growth in the period.

Table 82. Earnings Assets[1] and Interest Bearing Liabilities[2]

	Balance						Chg. %	
R$ million	Mar/11	Share %	Dec/11	Share %	Mar/12	Share %	On Mar/11	On Dec/11
Earning Assets	716,462	82.7	825,039	84.1	839,351	83.5	17.2	1.7
Other Assets	150,174	17.3	156,191	15.9	165,621	16.5	10.3	6.0
Total	**866,636**	**100.0**	**981,230**	**100.0**	**1,004,971**	**100.0**	**16.0**	**2.4**
Interest Bearing Liabilities	611,527	70.6	706,391	72.0	721,401	71.8	18.0	2.1
Other Liabilities	255,109	29.4	274,839	28.0	283,570	28.2	11.2	3.2
Total	**866,636**	**100.0**	**981,230**	**100.0**	**1,004,971**	**100.0**	**16.0**	**2.4**

1 Cash and Cash Equivalents in Foreign Currency, Securities, Financial Investments, Loan Operations Leasing, Remunerated Compulsory Deposit and Other Earning Assets.
2 Savings Deposits, Interbank Deposits, Time Deposits, Money Market Borrowings, Foreign Borrowings, Onlendings, Financial and Development Funds, Subordinated Debts, Perpetual Securities, and Foreign Securities.

Table 83. Breakdown of Assets

	Balance						Chg. %	
R$ million	Mar/11	Share %	Dec/11	Share %	Mar/12	Share %	On Mar/11	On Dec/11
Total Assets	**866,636**	**100.0**	**981,230**	**100.0**	**1,004,971**	**100.0**	**16.0**	**2.4**
Liquidity Assets except Securities	159,032	18.4	176,322	18.0	197,998	19.7	24.5	12.3
Securities	146,500	16.9	168,230	17.1	155,983	15.5	6.5	(7.3)
Loans and Leasing	329,181	38.0	381,896	38.9	387,399	38.5	17.7	1.4
Tax Credits	22,325	2.6	22,754	2.3	23,726	2.4	6.3	4.3
Other Assets	209,598	24.2	232,028	23.6	239,866	23.9	14.4	3.4

The table below shows the breakdown of the securities portfolio by category.

Table 84. Securities Portfolio by Category

	Balance						Chg. %	
R$ million	Mar/11	Share %	Dec/11	Share %	Mar/12	Share %	On Mar/11	On Dec/11
Securities	**146,500**	**100.0**	**168,230**	**100.0**	**155,983**	**100.0**	**6.5**	**(7.3)**
Available for Trading	51,742	35.3	63,257	37.6	63,544	40.7	22.8	0.5
Available for Sale	76,310	52.1	88,385	52.5	77,105	49.4	1.0	(12.8)
Held to Maturity	17,052	11.6	15,191	9.0	13,850	8.9	(18.8)	(8.8)
Financial Derivatives	1,396	1.0	1,397	0.8	1,484	1.0	6.3	6.3

Table 85. Securities Portfolio by Maturity – Market Value

	Up to 1 year		1 to 5 years		5 to 10 years		Over 10 years		Total
R$ million	Balance	Share %	Balance	Share %	Balance	Share %	Balance	Share %	
Jun/10	31,311	23.9	79,737	60.9	10,925	8.3	8,929	6.8	130,902
Sep/10	37,653	27.7	77,062	56.6	11,298	8.3	10,111	7.4	136,124
Dec/10	40,618	28.6	79,681	56.1	11,006	7.7	10,778	7.6	142,083
Mar/11	35,173	24.3	86,112	59.4	14,305	9.9	9,348	6.4	144,938
Jun/11	36,480	23.8	88,321	57.6	18,054	11.8	10,362	6.8	153,217
Sep/11	48,645	31.1	93,445	59.7	11,676	7.5	2,869	1.8	156,635
Dec/11	45,364	27.2	105,971	63.6	12,107	7.3	3,252	2.0	166,693
Mar/12	42,447	27.5	94,995	61.6	13,273	8.6	3,589	2.3	154,303

The table below shows the liquidity balance, diference between the liquidity Assets and Liabilities, that recorded an increase in the quarter carried by the rise in interbank investments.

Table 86. Liquidity Balance

	Balance						Chg. %	
R$ million	Mar/11	Share %	Dec/11	Share %	Mar/12	Share %	On Mar/11	On Dec/11
Liquidity Assets (A)	**305,532**	**100.0**	**344,552**	**100.0**	**353,980**	**100.0**	**15.9**	**2.7**
Available Funds	12,575	4.1	10,034	2.9	14,983	4.2	19.2	49.3
Interbank Investments	146,458	47.9	166,288	48.3	183,015	51.7	25.0	10.1
Securities (except linked to Bacen	146,500	47.9	168,230	48.8	155,983	44.1	6.5	(7.3)
Liquidity Liabilities (B)	**192,181**	**100.0**	**209,626**	**100.0**	**214,084**	**100.0**	**11.4**	**2.1**
Interbank Deposits	12,069	6.3	14,450	6.9	14,272	6.7	18.3	(1.2)
Money Market Borrowing	180,112	93.7	195,175	93.1	199,811	93.3	10.9	2.4
Liquidity Balance (A - B)	**113,352**		**134,926**		**139,897**		**23.4**	**3.7**

5 - Funding

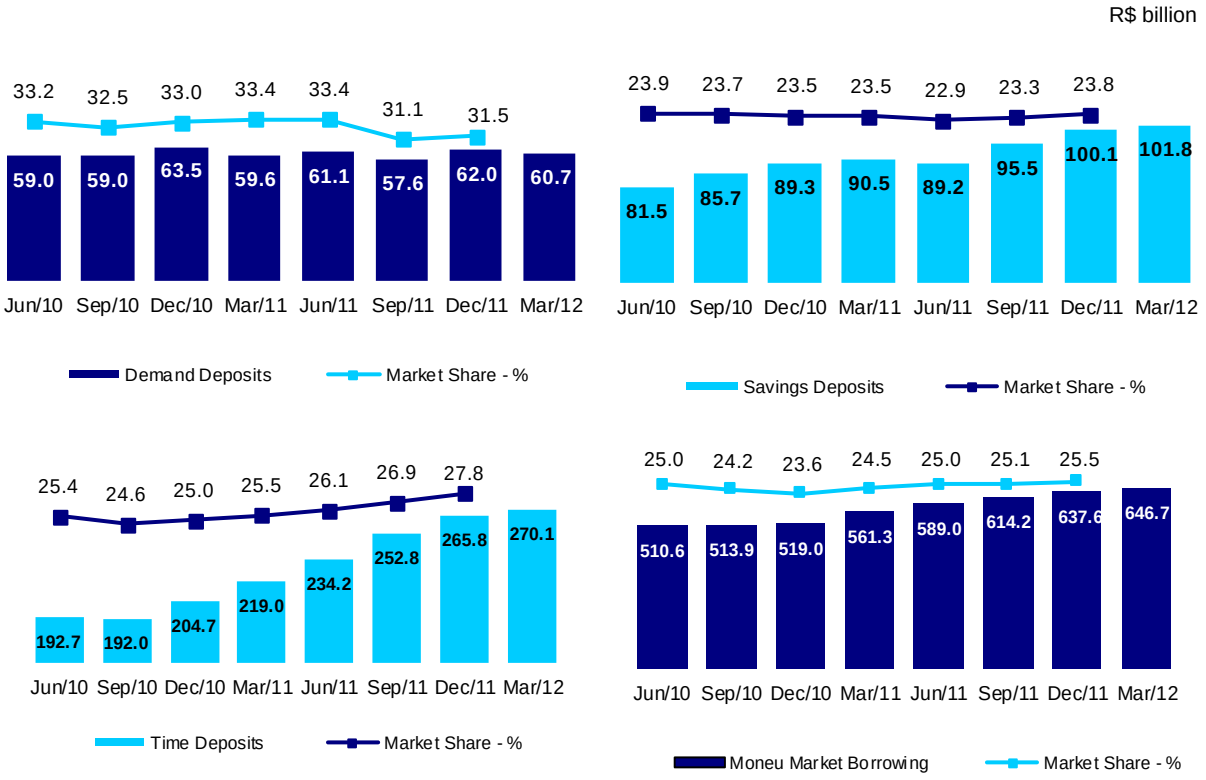
Banco do Brasil's funding in the domestic market recorded growth in the quarter, driven by the expansion of time deposits.

Table 87. Deposits and Market Funding

	Balance						Chg. %	
R$ million	Mar/11	Share %	Dec/11	Share %	Mar/12	Share %	On Mar/11	On Dec/11
Demand Deposits	59,553	10.6	62,016	9.7	60,659	9.4	1.9	(2.2)
Saving Deposits	90,516	16.1	100,110	15.7	101,815	15.7	12.5	1.7
Interbank Deposits	12,069	2.2	14,450	2.3	14,272	2.2	18.3	(1.2)
Time Deposits	219,031	39.0	265,809	41.7	270,123	41.8	23.3	1.6
Judicial Deposits	67,545	12.0	77,667	12.2	80,470	12.4	19.1	3.6
Money Market Borrowing	180,112	32.1	195,175	30.6	199,811	30.9	10.9	2.4
TOTAL	**561,281**	**100.0**	**637,561**	**100.0**	**646,681**	**100.0**	**15.2**	**1.4**

We present below the shares of Banco do Brasil in the deposits and money market funding of the Brazilian Banking Industry.

Figure 16. Market Share of BB Funding*



* Information about market share in the Brazilian Banking Industry comes from the top 50 banks of the Central Bank of Brazil site. The latest available position at the time of publishing this report was Dec/11

BB is constantly searching for funding alternatives that offer cost and term more appropriate to its needs, and the funds obtained abroad have become an excellent option. In 1Q12, the BB's expansion of funding in other countries was led by the operations of debt issuance, which registered an increase of R$ 2.8 billion in the period.

The operations of Banco Patagonia have been consolidated since 2Q11, which contributed to the growth in funding. In March, the balances were: US$ 2,039 million in Businesses; US$ 1,134 million for Individuals; US$ 166 million for Interbank; US$ 97 million for Issues; and US$ 156 million in Repo, representing 9.6% of the portfolio.

Table 88. Foreign Borrowing

US$ million	Balance						Chg. %	
Products[1]	**Mar/11**	**Share %**	**Dec/11**	**Share %**	**Mar/12**	**Share %**	**On Mar/11**	**On Dec/11**
Issues[2]	9,003	34.1	10,955	31.7	13,776	36.9	53.0	25.8
Interbanking	7,870	29.8	10,022	29.0	9,712	26.0	23.4	(3.1)
Businesses	5,103	19.3	6,997	20.2	7,424	19.9	45.5	6.1
Individuals	2,039	7.7	3,135	9.1	3,074	8.2	50.8	(1.9)
Repo	2,178	8.2	3,158	9.1	3,035	8.1	39.3	(3.9)
Special	212	0.8	305	0.9	306	0.8	44.3	0.3
TOTAL	**26,405**	**100.0**	**34,572**	**100.0**	**37,327**	**100.0**	**41.4**	**8.0**

(1) Included the products of the Banco Patagonia and Eurobank since 2Q11 and 1Q12, respectively.
(2) The total issues comprises the emissions in the international capital markets and Certificate of Deposits.

The following table shows Banco do Brasil's funding in the international capital market. The highlight was the Perpetual Bonds, the first issue of this kind that was performed by a Latin American company, throughout BB raised R$ 1.75 billion in 1Q12, considered as tier 1 capital. These operations were innovative because they allow that their structure is suitable for any regulatory adjustments arising from the Basel III rules.

Table 89. Overseas Issues

Half-Yearly	Volume in US$ million	Term in years	Cupom (%)	Interest Interval	Issue price	Return for Investor (%)	Premium over Treasury	Current Rating - Outlook	Program
12.19.2003	250	10	6.550	Quarterly	100.000	6.550	292	A-/A2	MT 100
09.20.2004	300	10	8.500	Half-Yearly	99.174	8.625	447	A3	Stand Alone
07.18.2007	187	10	9.750	Half-Yearly	100.000	9.750	-	Baa1	GMTN
03.06.2008	250	6	L3M+0,55	Quarterly	100.000	L3M+0,55	-	AAA/Aa2	MT 100
04.29.2008	150	10	5.250	Quarterly	100.000	5.250	-	A-/A2	MT 100
09.05.2008	200	7	L3M+1,2	Quarterly	100.000	L3M+1,2	-	A-/A2	MT 100
07.02.2009	100	5	L6M+2,55	Half-Yearly	98.250	L6M+2,55	-	Baa1	GMTN
10.20.2009	1,500	-	8.500	Half-Yearly	100.000	8.500	-	Baa1	Stand Alone
01.22.2010	500	5	4.500	Half-Yearly	99.333	4.651	220	Baa1	GMTN
01.22.2010	500	10	6.000	Half-Yearly	99.451	6.074	237.5	Baa1	GMTN
04.29.2010	450	5	4.500	Half-Yearly	100.684	4.337	180	Baa1	GMTN
10.05.2010	660	10	5.375	Half-Yearly	99.361	5.464	300	Baa1	Stand Alone
01.20.2011	1,009	5	4.500	Annual	99.453	4.625	mid-swap+200	Baa1	GMTN
05.26.2011	1,500	10	5.875	Half-Yearly	98.695	6.044	288	Baa1	Stand Alone
11.23.2011	500	5	3.875	Half-Yearly	99.413	4.000	312	Baa1	Stand Alone
01.20.2012	1,000	-	9.250	Half-Yearly	100.000	9.250	733	BB	Stand Alone
03.05.2012	750	-	9.250	Half-Yearly	108.500	8.488	-	BB	Stand Alone

Sources and Uses

The indicators of the following table show the relationship between funding sources and investments in Banco do Brasil.

In the quarterly comparison, it can be noted that the total deposits growth occurs in a lowlier rate than the loan portfolio. Among the resources, we highlight the foreign borrowing. Considering the use, credit continues to be the main application of BB´s funding.

Table 90. Sources and Uses

R$ million	Balance						Chg. %	
	Mar/11	Share %	Dec/11	Share %	Mar/12	Share %	On Mar/11	On Dec/11
Sources	**509,757**	**100.0**	**595,892**	**100.0**	**608,460**	**100.0**	**19.4**	**2.1**
Total Deposits	381,170	74.8	442,386	74.2	446,870	73.4	17.2	1.0
Domestic Onlending	51,626	10.1	50,991	8.6	51,565	8.5	(0.1)	1.1
Financial and Development Funds	3,499	0.7	4,002	0.7	4,104	0.7	17.3	2.5
FCO (Subordinated Debt)	24,464	4.8	30,885	5.2	31,440	5.2	28.5	1.8
Commercial Papers[1]	6,825	1.3	16,138	2.7	18,600	3.1	172.5	15.3
Foreign Borrowing[2]	24,273	4.8	31,390	5.3	35,437	5.8	46.0	12.9
Allowance for Loan Losses	17,900	3.5	20,100	3.4	20,445	3.4	14.2	1.7
Uses	**509,757**	**100.0**	**595,892**	**100.0**	**608,460**	**100.0**	**19.4**	**2.1**
Available Funds	58,045	11.4	79,242	13.3	83,566	13.7	44.0	5.5
Loan Portfolio	364,659	71.5	422,989	71.0	430,748	70.8	18.1	1.8
Compulsory Deposits	87,053	17.1	93,660	15.7	94,146	15.5	8.1	0.5
Indicators - %								
Loan Portfolio / Total Deposits	95.7		95.6		96.4			

(1)Includes Agribusiness and Mortgage Letters of Credit
(2)Includes Foreign Borrowings, Foreign Securities, Foreign Onlendings and Perpetual Securities.

The table below shows the cost of raising deposits in BB compared to the average Selic rate (TMS) period. It is possible to note an increase in this ratio compared to previous quarters, largely due to the decrease TMS.

Table 91. Cost of funding vs. Selic Rate

R$ million	1Q11			4Q11			1Q12		
	Average Balance	Cost	as % of	Average Balance	Cost	as % of	Average Balance	Cost	as % of
Core Deposits	**227,756**	**(3,193)**	**52.9**	**243,695**	**(3,648)**	**56.0**	**247,225**	**(3,587)**	**58.5**
Demand Deposits	60,522	-	-	59,501	-	-	58,211	-	-
Savings Deposits	90,385	(1,606)	67.1	97,971	(1,822)	69.6	101,417	(1,746)	69.4
Time Deposits	214,313	(5,013)	88.3	260,473	(6,285)	90.3	268,989	(6,025)	90.3
Funds and Programs	10,327	(162)	59.0	8,671	(142)	61.2	7,970	(130)	65.6
Judicial Deposits	66,522	(1,426)	80.9	77,552	(1,684)	81.2	79,627	(1,711)	86.6
Others Time Deposits	**137,463**	**(3,426)**	**94.0**	**174,250**	**(4,459)**	**95.7**	**181,392**	**(4,184)**	**93.0**
Interbank Deposits	**14,766**	**(243)**	**62.2**	**13,856**	**(144)**	**38.9**	**13,613**	**(178)**	**52.8**
Total Deposits	**379,985**	**(6,862)**	**68.2**	**431,801**	**(8,252)**	**71.5**	**442,230**	**(7,949)**	**72.4**

Table 92. Segregation of Deposits by Deadline Chargeability

R$ million	No expirati	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total 03.31.2012	Total 03.31.2011
Time Deposits[1]	91,814	16,449	21,084	64,540	76,214	23	270,123	219,031
Saving Deposits	101,815	-	-	-	-	-	101,815	90,516
Demand Deposits	60,659	-	-	-	-	-	60,659	59,553
Interbank Deposits	440	5,833	5,746	1,483	408	363	14,272	12,069
Total	**254,728**	**22,281**	**26,830**	**66,023**	**76,622**	**386**	**446,870**	**381,169**

(1) Includes the amount of R$ 158,452,007 thousand (R$ 151,015,003 thousand on 12.31.2011 and R$ 84,411,007 thousand on 03.31.2011) in BB-Multiple Bank and R$ 163,777,725 thousand (R$ 156,117,461 thousand on 12.31.2011 and R$ 93,106,817 thousand on 03.31.2011) in BB – Consolidated, related to time deposits with early repurchase clause (liquidity commitment), considering the original maturity dates.

Asset Management

Banco do Brasil, through BB Gestão de Recursos - BB DTVM, is the leader in investment fund national industry since 1994. At the end of 1Q12, reached R$ 442.1 billion in Assets under Management, with a market share of 21.3%. It is important to highlight that Banco do Brasil market share would reach 22.1% if 50.0% of funds managed by Banco Votorantim through Votorantim Asset Management - VAM (R$ 30.5 billion at the end of the 1st quarter of 2012) were considered.

Figure 17. Asset Management

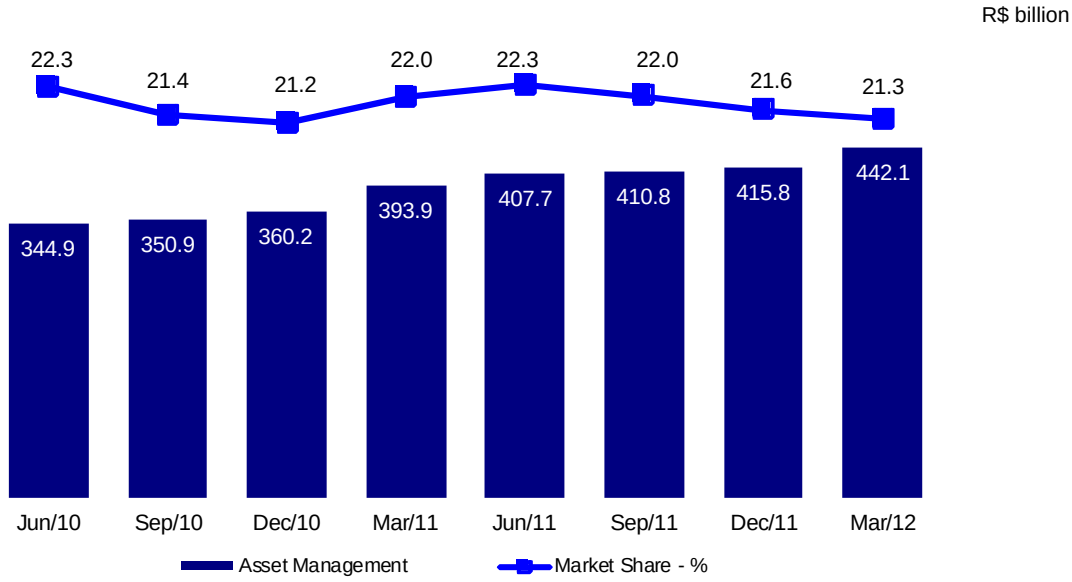


Table 93. Fee Income From Asset Management

	Balance			Chg. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Asset Management	730	829	883	20.9	6.6

BB continued as the leader in asset management in the Institutional Investor segment, with 21.9% of the market share. This customer continues to be the main, considering this resource management, accounting for 36% of the total resources managed. We highlight that the Government segment have been gaining share and its now responsible for 29% of the total, presenting the highest increase in the quarter (36.3%) and in the 12 months comparison (26.5%).

Table 94. Investment Funds and Managed Portfolios by Customer

	Balance						Chg. %	
R$ million	Mar/11	Share %	Dec/11	Share %	Mar/12	Share %	On Mar/11	On Dec/11
Institutional Investors	148,342	37.7	167,893	40.4	159,313	36.0	7.4	(5.1)
Individuals	87,462	22.2	91,981	22.1	93,366	21.1	6.7	1.5
Government	101,444	25.8	94,169	22.6	128,340	29.0	26.5	36.3
Businesses	42,609	10.8	43,590	10.5	44,398	10.0	4.2	1.9
Foreign Investors	14,029	3.6	18,159	4.4	16,688	3.8	19.0	(8.1)
Total	**393,885**	**100.0**	**415,793**	**100.0**	**442,105**	**100.0**	**12.2**	**6.3**

Regarding the classification by type, the fixed-income investment funds remain the main option of investors in 2012, with the largest percentage growth in the quarter, representing 64.3% of total assets under management.

Table 95. Investment Funds and Managed Portfolios by Type

	Balance						Chg. %	
R$ million	Mar/11	Share %	Dec/11	Share %	Mar/12	Share %	On Mar/11	On Dec/11
Investment Fund	**379,686**	**96.4**	**403,845**	**97.1**	**429,627**	**97.2**	**13.2**	**6.4**
Fixed	247,354	62.8	264,655	63.7	284,107	64.3	14.9	7.3
Equity	54,839	13.9	55,317	13.3	56,937	12.9	3.8	2.9
Multimarket	28,354	7.2	20,820	5.0	22,005	5.0	(22.4)	5.7
Others	49,140	12.5	63,052	15.2	66,577	15.1	35.5	5.6
Managed Portfolios	**14,199**	**3.6**	**11,948**	**2.9**	**12,478**	**2.8**	**(12.1)**	**4.4**
Fixed	14,051	3.6	11,948	2.9	12,478	2.8	(11.2)	4.4
Equity	148	0.0	-	-	-	-	-	-
TOTAL	**393,885**	**100.0**	**415,793**	**100.0**	**442,105**	**100.0**	**12.2**	**6.3**

Funds management in Banco do Brasil is directed to all market segments and, since 2006, received from Moody's, one of the main global risk rating agencies, the maximum score (MQ1) in Management Quality Excellence.

BB DTVM is a signatory to the United Nations Principles for Responsible Investment (PRI), agreeing to apply in its management processes practices that favor the integration of environmental, social and corporate governance topics with its investment decision-making. Currently, BB DTVM is developing its own methodology with a view to applying such practices to the evaluation and selection of companies, covering the Triple Bottom Line.

6 – Other Components of the Balance Sheet

6.1. Deferred Taxes

Tax Credits (Deferred tax assets)

Tax credits derive mainly from Income Tax, Social Contribution and tax loss temporary differences.

Temporary differences arise from the treatment given by the accounting and tax rules for certain expenses that compose the profit of the period, but they are not deductible in the calculation base for taxation. For instance, once the provision expenses are constituted on the basis of probable losses, they may only be deductible when the losses effectively occur. This tax credit category represents 86.8% of the stock.

Tax credits originated from tax losses in the Income Tax and from the negative base of the social security contribution represent a tax benefit as it may be offset against the generation of taxable income in the future.

Table 96. Breakdown of Tax Credit

	Balance						Chg. %	
R$ million	Mar/11	Share %	Dec/11	Share %	Mar/12	Share %	On Mar/11	On Dec/11
Time Differences	18,651	83.5	19,474	85.6	20,595	86.8	10.4	5.8
Allowance for Loan Losses	7,303	32.7	8,087	35.5	8,307	35.0	13.7	2.7
Passive Reserves	6,680	29.9	6,541	28.7	6,883	29.0	3.0	5.2
Loan Operations – Law No 9.430/96	3,443	15.4	3,463	15.2	4,340	18.3	26.1	25.3
Mark to Market	413	1.8	284	1.2	342	1.4	(17.2)	20.3
Other Provisions	826	3.7	1,099	4.8	723	3.0	(12.4)	(34.2)
Social contrib. on Net Income	2,674	12.0	2,488	10.9	2,347	9.9	(12.2)	(5.7)
Tax Loss / Negative Base	226	1.0	175	0.8	187	0.8	(17.4)	6.7
Excess Depreciation	774	3.5	616	2.7	597	2.5	(22.8)	(3.1)
Total Tax Credit	**22,325**	**100.0**	**22,754**	**100.0**	**23,726**	**100.0**	**6.3**	**4.3**
Income Tax / Pre-tax Income - %	33.5		31.7		26.1			

In the 1st quarter 2012, it was observed the realization of tax credits at Banco do Brasil in the amount of R$ 1,523 million. This amount corresponds to 38.1% of the projection of tax credits utilization for 2012, according to technical study carried out in 12.31.2011, as detailed in the Note to the financial statements 25 e.

Deferred tax liabilities

The deferred tax liability represents the amount of income tax payable in a future period that is related to income and chargeable gains classified as temporary differences. In the same way that the tax credit for temporary differences, the deferred tax liabilities comes from the accounting and tax regulations about income arising from equity adjustments and whose realization is conditioned in the future. The table below shows the breakdown of deferred tax liability:

Table 97. Breakdown of Deferred Tax Liabilities

	Balance						Chg. %	
R$ million	Mar/11	Share %	Dec/11	Share %	Mar/12	Share %	On Mar/11	On Dec/11
Acturial Gains	4,316	68.7	5,325	75.0	5,492	75.0	27.2	3.1
Leasing Portfolio Adjustment	956	15.2	769	10.8	726	9.9	(24.1)	(5.6)
Restatement of Judicial Deposits	326	5.2	357	5.0	365	5.0	12.1	2.5
Market-to-market	507	8.1	266	3.8	239	3.3	(52.9)	(10.3)
Other	176	2.8	379	5.3	505	6.9	186.4	33.1
Total Deferred Tax Liabilities	**6,281**	**100.0**	**7,096**	**100.0**	**7,327**	**100.0**	**16.6**	**3.3**
Income Tax / Pre-tax Income - %	33.5		31.7		26.1			

6.2. Acturial Asset

Overview

The actuarial asset of Banco do Brasil represents the portion of the sponsor in the surplus obtained by the Plano de Benefícios 1 (Benefit Plan 1) managed by Previ, and it is measured as determined by CVM Resolution 600/2009. Its value is calculated periodically on the basis of an actuarial valuation report and its availability is subject to the accomplishment of the requirements stated in the legislation and by regulatory authorities.

Previ's Benefit Plan I, established as a defined benefit plan, was funded by contributions from participants, beneficiaries (retirees and pensioners) and from the sponsor (Banco do Brasil) until December 2000, at a rate of 2/3 (two thirds) for the Bank and 1/3 (one third) for the participants. The access of new participants was closed on Dec. 23, 1997.

In April 2001, the parity contribution was implemented, 50% by Banco do Brasil and 50% by the participants and beneficiaries, which allowed, from the remaining reserve balance, the constitution of the Fundo de Paridade (Parity Fund) which initially amounted to R$ 2.2 billion. Currently, the fund is monthly adjusted based on the actuarial target (INPC + 5% p.a.) and in March/2012 it had a R$ 1,646 million balance.

Once Plan 1 is in a surplus situation, the contributions by the participants and sponsor have been suspended since January 2007.

On November 24, 2010, BB signed a Memorandum of Understanding in order to define the partial destination and utilization of the Plan surplus, as determined in the Complementary Law 109/2001 and in the Resolution CGPC 26/2008, which allowed the reclassification of R$ 7,519 million for the Destination Fund - Previ, in contrast to the partial offset of the actuarial asset. This new fund is adjusted by the actuarial target.

In the first half of 2011, BB promoted the creation of the Contribution Fund, constituted of resources transferred from the Destination Fund in order to compensate the suspension of collecting contributions for a period of three years, as stated in the Memorandum of Understanding. The Contribution Fund is also adjusted by the actuarial target and it presented a balance of R$ 1,013 million in March/2012.

The Parity Fund and the Contribution Fund are used to cover the obligations assumed by BB in the Contract 97.

Plan 1 Participants

The employees who held a condition of Previ membership in Dec. 24, 1997 and those who, dismissed earlier, chose to remain in the plan, are the participants in Previ´s Plan 1. The participants are divided into two groups:

I) Contract 97: group of employees hired before April 14, 1967 that were not retired and that until that date did not have conditions for retirement. They were covered by the contract signed on 12.24.1997 between Banco do Brasil and Previ, which established the commitment of the sponsor with the payment of the pensions related to the period in which there wasn´t the formation of mathematical reserve. Since April/1967, the mathematical reserves to guarantee the benefits of this group started to be integrated in the Plan 1;

II) Employees hired between April 15, 1967 and December 23, 1997.

Periodic update

As stated by CVM Resolution 600/09, in the accounting of actuarial asset or liability to be recognized by the sponsor, the limit set by the corridor rule must be observed. This method only allows the accounting of amounts greater than 10% of the assets and/or liabilities, avoiding the volatility of the amount over time.

Regarding the parity contribution, it is still considered the share of Banco do Brasil in the surplus, i.e. 50% of the Plan´s present value of assets and actuarial liabilities.

The measurement of the actuarial balance of Plano 1 is held every semester (in June and December) and includes (i) the plan´ surplus amount for the end of the current half and (ii) the estimated result of the plan for the end of the subsequent semester, considering the projections of the current service cost, participants contributions and interest costs.

Based on the actuarial asset balance calculated for the current period (June and December), BB accounts the half-yearly adjustment of its actuarial assets with a contra entry to recurring income for the period. This appreciation is the amount of the surplus unrecognized that exceeded the corridor, divided by the average remaining working term of employees who participate in the Plan 1.

From the estimated actuarial results of Plan I to the end of the subsequent semester, BB accounts the recognition of that monthly amount at the rate of one sixth of the projected gains or losses, as the semester to which it relates.

Table below shows the method used to estimate the actuarial asset.

Table 98. Previ (Plan 1) – Effects of Half-Yearly Accounting

R$ million	1Q11	2Q11	3Q11	4Q11	1Q12
(a) Fair Value of the Plan's Assets	141,566.3	138,224.7	138,224.7	133,079.4	133,079.4
(b) Present Value of Actuarial Liabilities	(90,805.5)	(94,711.3)	(94,711.3)	(98,849.5)	(98,849.5)
(c) Surplus BB = [(a) + (b)] x 50%	**25,380.4**	**21,756.7**	**21,756.7**	**17,114.9**	**17,114.9**
(d) Amount Recognized before the Half-Yearly Accouting	**10,562.7**	**11,379.4**	**12,688.4**	**13,372.0**	**13,870.1**
Acturial Assets (Initial Period)	9,894.8	10,562.7	12,051.1	12,688.4	13,372.0
Antecipated Montly Recognition	624.0	624.0	530.6	530.6	390.3
Contract 97 Contributions [1]	43.9	192.7	106.7	153.0	107.7
(e) Unrecognized Amount = (c) - (d)	**14,817.7**	**10,377.3**	**9,068.3**	**3,742.9**	**3,244.9**
(f) Corridor Method - BB [2]	7,078.3	6,911.2	6,911.2	6,654.0	6,654.0
(g) Excess = (e) - (f)	7,739.4	3,466.0	2,157.1	-	-
(h) Average Remaining Work Period (half-yearly)	7.1	5.2	5.2	4.7	4.7
(i) Amount Recognized in Half-Yearly Adjust = (g) / (h)	**-**	**671.7**	**-**	**-**	**-**
(j) Acturial Assets (Period End) = (f) + (i)	**10,562.7**	**12,051.1**	**12,688.4**	**13,372.0**	**13,870.1**

1 – Values do not impact the period income and refer to payments assumed by BB in the Contract 97. So, the balances of the Parity Fund and of the Contribution Fund were consumed, as shown in Note 27.e.
2 – 50% of the Maximum Value between 10% of the assets or 10% of the liabilities.

6.3. Goodwill on equity

The amortization quotas are revalued in an annual base, in accordance with results forecasts, which support the business. The estimates are elaborated by specialized companies and comprise the time and discount rates used for the calculation of the net present value of the futures cash flows.

Table 99. Goodwill on investment acquisition

	Quarterly Flow				
R$ million	1Q11	2Q11	3Q11	4Q11	1Q12
Banco Nossa Caixa					
Balance	4,961.0	4,961.0	4,961.0	4,961.0	4,961.0
Accumulated amortization	(270.1)	(328.3)	(386.4)	(444.5)	(562.5)
Balance without amortization	4,690.9	4,632.8	4,574.7	4,516.5	4,398.5
Amortization expenses for the period	(58.1)	(58.1)	(58.1)	(58.1)	(118.0)
Banco Votorantim					
Balance	425.7	425.7	425.7	425.7	425.7
Accumulated amortization	(51.2)	(62.2)	(74.2)	(85.7)	(97.7)
Balance without amortization	374.5	363.5	351.5	340.1	328.1
Amortization expenses for the period	(11.5)	(11.5)	(11.5)	(11.5)	(12.0)
Banco Patagônia					
Balance	-	318.6	318.6	370.0	370.0
Accumulated amortization	-	(4.1)	(8.3)	(13.0)	(27.0)
Balance without amortization	-	314.5	310.4	357.0	343.0
Amortization expenses for the period	-	(4.1)	(4.1)	(5.0)	(14.0)
Cielo					
Balance	1,002.1	1,002.1	1,002.1	1,002.1	1,002.1
Accumulated amortization	(56.6)	(77.5)	(98.4)	(119.3)	(143.3)
Balance without amortization	945.5	924.6	903.7	882.8	858.8
Amortization expenses for the period	(20.9)	(20.9)	(20.9)	(20.9)	(24.0)
Other expenses of the Conglomerate					
Balance	958.6	689.4	800.4	800.4	820.4
Accumulated amortization	(154.0)	(180.6)	(225.3)	(272.5)	(322.2)
Balance without amortization	804.5	508.7	575.0	527.8	498.2
Amortization expenses for the period	(57.2)	(26.1)	(45.2)	(47.2)	(49.7)

6.4. Intangible assets

The amortization expenses of intangible assets related to the Banco Postal exploitation right acquisition initiated on January/2012. The following table presents the movement of BB's intangible assets.

Table 100. Intangible Assets

R$ million	1Q11	2Q11	3Q11	4Q11	1Q12
Rights due to payroll acquisition					
Initial Balance	5,803.5	5,299.1	4,991.4	5,358.6	6,027.0
Amortization expenses for the period	(505.4)	(498.9)	(523.2)	(523.5)	(555.2)
Other	(0.0)	3.4	0.3	0.0	-
Acquisitions	7.3	352.5	1,088.2	1,782.1	155.9
Write-offs	(6.3)	(164.8)	(198.0)	(590.1)	(62.2)
Final Balance (a)	**5,299.1**	**4,991.4**	**5,358.6**	**6,027.0**	**5,565.5**
Acquisition/development of software					
Initial Balance	642.3	729.7	770.6	799.3	871.5
Amortization expenses for the period	(36.1)	(40.1)	(42.2)	(43.5)	(48.6)
Other	(0.0)	(0.1)	(0.0)	-	-
Acquisitions	132.4	72.3	71.0	115.9	43.5
Write-offs	(8.8)	8.8	(0.1)	(0.2)	(0.1)
Final Balance (b)	**729.7**	**770.6**	**799.3**	**871.5**	**866.2**
Banco Postal					
Initial Balance	-	-	-	2,814.8	2,823.9
Amortization expenses for the period	-	-	-	-	(30.0)
Other	-	-	-	9.0	4.0
Acquisitions	-	-	2,814.8	-	-
Write-offs	-	-	-	-	-
Final Balance (c)	**-**	**-**	**2,814.8**	**2,823.9**	**2,797.9**
Other Intangible Assets					
Initial Balance	5.8	7.0	9.5	11.1	13.7
Amortization expenses for the period	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Other	(0.0)	(0.3)	(0.0)	(9.1)	(4.2)
Acquisitions	1.3	2.9	1.8	14.8	5.7
Write-offs	(0.0)	0.0	-	(3.0)	-
Final Balance (d)	**7.0**	**9.5**	**11.1**	**13.7**	**15.1**
Balance (a+ b + c+d)	**6,035.8**	**5,771.5**	**8,983.8**	**9,736.0**	**9,244.7**

Table 101. Estimate of Amortization of Intangible Assets

R$ million	2012	2013	2014	2015	2016	2017	Total
Amounts to be Amortized	1,890.5	2,360.0	1,976.5	1,528.2	1,301.2	188.3	9,244.7

7 – Financial Results

This chapter presents Banco do Brasil's equity analysis (short-term investments and funding) and the results analysis. In relation to equity items, note the breakdown of earning assets and interest bearing liabilities, as well as management spread of credit transactions. In results sections, volume and rates are analyzed and interest revenue and expenses are recognized by changing the average volume of equity items and average interest rate change.

7.1. Analysis of Investments

Table 102. Average Balances and Interest Rates – Earning Assets (Quarterly)

	4Q11			1Q12		
R$ million	Average Balance	Interest	Annualized Rate (%)	Average Balance	Interest	Annualized Rate (%)
Earning Assets						
Available Funds in Foreign Currency	1,665	1	0.3	1,374	3	0.9
Securities + Interbank Invest. on Hedge	319,047	7,189	9.3	334,381	7,004	8.6
Loans + Leasing	398,318	15,982	17.0	411,634	16,604	17.1
Remunerated Compulsory Deposits	77,993	1,923	10.2	81,329	1,850	9.4
Total	797,023	25,096	13.2	828,718	25,461	12.9
Non Earning Assets						
Tax Credits	23,273			23,595		
Other Assets	109,132			120,721		
Permanent Assets	28,849			28,725		
Total	161,255			173,042		
TOTAL ASSETS	**958,278**			**1,001,760**		

Spread by portfolio

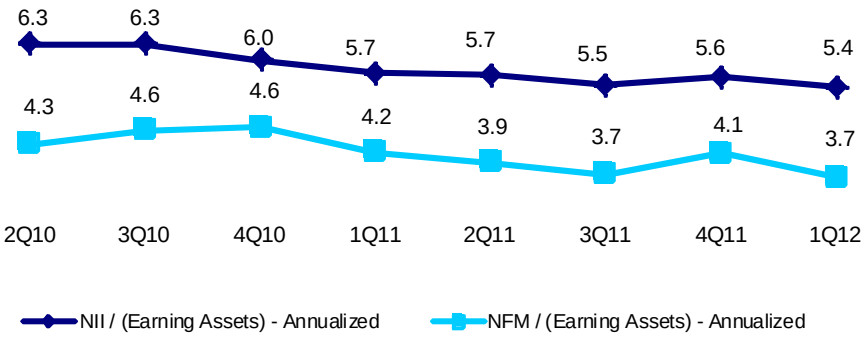
The table below presents the managerial spread by transactions. Spread is the result of the managerial financial margin divided by the respective average balances.

For managerial financial margin calculation, financial revenues classified by kind of portfolio are calculated first. Subsequently, financial expenses are deducted and opportunity costs defined for each of the portfolio lines are added. In case of Individual and Business portfolios, with free funds, the opportunity cost is the average Selic rate. For the agricultural portfolio and other directed funds, the opportunity cost is calculated according to the funding source and the necessity or not of compulsory investing part of this funding.

Table 103. Spread by Portfolio

%	1Q11	4Q11	1Q12
Loan Operations	**8.7**	**9.0**	**8.9**
Individuals	15.1	15.5	15.3
Businesses	5.8	6.1	6.2
Agribusiness	5.1	6.1	5.5
Other	**3.1**	**2.6**	**2.4**
Global Spread	**5.7**	**5.6**	**5.4**

Figure 18. Analysis of Spread



Securities Income

The income with securities ended the 1Q12 1 with a balance of R$ 7,004 million, representing an increase of 14.2% in relation to the first quarter 2011. In the comparison with the 4Q11, there was a decrease of 2.6% in the securities income driven by two main reasons: (i) reduction of 7.2% from the 4Q11 of the Average Selic Rate (TMS) and (ii) reduction in the foreign income due to the exchange rate depreciation (-2.9%).

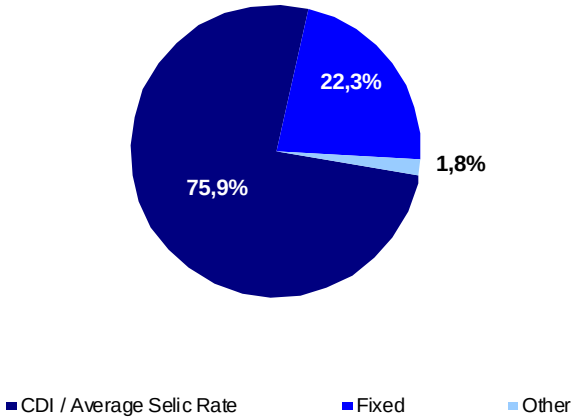
It should be noted that the table below does not represent only the treasury result of Banco do Brasil. The table shows the results of all conglomerate operations (including non-financial companies, BB Banco de Investimento, Banco Votorantim, subsidiaries and branches abroad) are only evidenced in the operations classified by the Central Bank as Securities / Short-term Interbank Investments.

Table 104. Securities Income

	Quarterly Flow			Chg. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Securities Income	**6,133**	**7,189**	**7,004**	**14.2**	**(2.6)**
Fixed Income Securities	5,991	6,947	6,774	13.1	(2.5)
Revaluation – Curve	2,687	2,937	2,627	(2.2)	(10.5)
Income/Loss from Negotiation	(51)	275	98	-	(64.4)
Mark to Market	(30)	(183)	30	-	-
Interbank Accounts	3,385	3,785	4,019	18.7	6.2
Foreign Income	0	134	0	(82.6)	(100.0)
Others	142	242	230	61.7	(5.0)

The figure below presents the classification of BB's portfolio of securities by type of index. The classification below does not include the portfolio of BV.

Figure 19. Securities Portfolio by Index (BB Multiple Bank)



7.2. Analysis of Funding

Table 105. Average Balances and Interest Rates - Interest Bearing Liabilities (Quarterly)

R$ million	4Q11			1Q12		
	Average Balance	Interest	Annualized Rate (%)	Average Balance	Interest	Annualized Rate (%)
Interest Bearing Liabilities						
Saving Deposits	97,971	(1,822)	7.7	101,417	(1,746)	7.1
Interbank Deposits	13,856	(144)	4.2	13,613	(178)	5.3
Time Deposits	260,473	(6,285)	10.0	268,989	(6,025)	9.3
Money Market Borrowing	181,548	(4,623)	10.6	197,752	(4,755)	10.0
Foreign Borrowing	11,841	(440)	15.7	11,127	(179)	6.6
Onlending	50,202	(678)	5.5	51,475	(733)	5.8
Financial and Development Funds + Subordi	33,589	(164)	2.0	34,521	(176)	2.1
Foreign Securities Borrowing	16,874	(194)	4.7	17,295	(439)	10.5
Commercial Papers	15,571	(520)	14.0	17,625	(543)	12.9
Total	681,925	(14,869)	9.0	713,816	(14,775)	8.5
Other Liabilities						
Demand Deposits	59,501			58,211		
Other Liabilities	158,815			170,318		
Shareholder's Equity	58,037			59,415		
Total	276,353			287,943		
TOTAL LIABILITIES	**958,278**			**1,001,760**		

7.3. Volume and Rate Analysis

The table below shows the allocation of changes in interest income and expenses due to the change in the average volume of earning assets and interest bearing liabilities and by the change in the average interest rate on such assets and liabilities, in the periods under analysis.

The changes in volume and interest rate were calculated based on changes in average balances in the period and the changes in the average interest rates on earning assets and interest bearing liabilities. The Average Rate Change was calculated by the variation in the interest rate in the period multiplied by the average quantity of assets generating income or by the average quantity of liabilities generating expenses in the first period. The Net Change is the difference between the interest income of the present period and the previous period. The variation by Average Volume is the difference between the Net Change and that resulting from the Average Rate.

Regarding the annual comparison, considering the earning assets, credit operations continued as the main line of revenue generator, both the volume effect and the effect of rate. In relation to liabilities, the change in the funding mix has contributed to the increase in the expenses for the period.

Table 106. Change in Revenues and Expenses and Change Volume / Rate (Quarterly)

	1Q12/4Q11			1Q12/1Q11		
R$ million	Average Volume (1)	Average Rate (2)	Net Change (3)	Average Volume (1)	Average Rate (2)	Net Change (3)
Earning Assets						
Available Funds in Foreign Currency	(1)	2	2	1	(15)	(13)
Securities + Interbank Investments on Hedge	321	(507)	(186)	961	(91)	870
Loans + Leasing	537	85	622	2,573	137	2,710
Remunerated Compulsory Deposits	76	(149)	(73)	237	17	254
Total	**974**	**(609)**	**365**	**3,709**	**112**	**3,821**
Interest Bearing Liabilities						
Saving Deposits	(59)	135	76	(190)	50	(140)
Interbank Deposits	3	(37)	(34)	15	50	65
Time Deposits	(191)	451	261	(1,225)	213	(1,012)
Money Market Borrowing	(390)	257	(133)	(575)	382	(193)
Foreign Borrowing	12	249	261	(34)	(115)	(149)
Onlending	(18)	(38)	(56)	(2)	(71)	(73)
Financial and Development Funds + Subord. Debt	(5)	(7)	(12)	(36)	(14)	(50)
Foreign Securities Borrowing	(11)	(235)	(246)	(95)	(239)	(334)
Commercial Papers	(63)	40	(23)	(358)	5	(353)
Total	**(660)**	**755**	**94**	**(2,342)**	**103**	**(2,239)**

(1) Net Change - Average Rate
(2) (Current Period Interest / Current Period Balance) x (Previous Period Balance) - (Previous Period Interest)
(3) Current Interest - Previous Period Interest

7.4. Spread

Table 107. Analysis of Volume (Earning Assets) and Quarterly Spread – 4Q11 and 1Q12

R$ million	4Q11	1Q12	Abs. Chg.
Volume: Assets – Earning Assets[1]	797,023	828,718	31,695
Net Interest Income	10,985	11,039	53
Spread - %[2]	1.3783	1.3320	(0.0463)
Gain/(loss) with volume		11,422	437
Gain/(loss) with spread		10,616	(369)
Gain/(loss) with volume and spread			(15)

(1) Average Balances
(2) Net Interest Income / Earning Assets

Table 108. Adjusted Net Interest Margin and Net Interest Income

R$ million	1Q11	4Q11	1Q12
Average Earning Assets (AEA)	707,998	797,023	828,718
Average Interest Bearing Liabilities (AIBL)	600,666	681,925	713,816
Net Interest Gain (1)	9,104	10,227	10,686
Interest Income	21,640	25,096	25,461
Interest Expense	(12,536)	(14,869)	(14,775)
Net Interest Income Other Items (2)	770	759	353
NII	**9,874**	**10,985**	**11,039**
AIBL / AEA – %	84.8	85.6	86.1
Interest Rate on AEA (3) (7)- %	12.8	13.2	12.9
Interest Rate on AIBL (4) (7)- %	8.6	9.0	8.5
Net Interest Rate (5) - %	4.2	4.2	4.3
Adjusted NIM (6) (7) - %	5.2	5.2	5.3
NIM (7) – %	5.7	5.6	5.4

(1) Defined as interest income less interest expenses.
(2) Contains derivatives, debt assumption contracts, foreign exchange portfolio, recovery of write-offs, gold loans, credit guarantor fund, foreign exchange gain/loss abroad and other income of a financial intermediation nature.
(3) Total interest income divided by the average balance of earning assets.
(4) Total interest expenses divided by the average balance of interest bearing liabilities.
(5) Difference between average rate of earning assets and average rate of interest bearing liabilities.
(6) Income net of interest divided by the average balance of earning assets.
(7) Rates are annualized.

7.5. Net Interest Income

In the table below, loan operations and funding expenses do not consider the foreign exchange variation effect. The treasury line comprises: (i) interest income; (ii) remunerated compulsory deposits; (iii) tax hedge, derivatives and other financial instruments that compensate the exchange variation in result. The “other” line comprises, mainly, provisioned resources at BB that must be applied in loan operations regarding official government programs, as Finame, BNDES and FCO.

Table 109. Net Interest Income Breakdown

	Quarterly Flow			Var. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Net Interest Income	**9,874**	**10,985**	**11,039**	**11.8**	**0.5**
Loan Operations	13,928	16,218	16,282	16.9	0.4
Funding Expenses	(5,909)	(7,208)	(7,170)	21.3	(0.5)
Recovery of Write-offs Loans	855	851	750	(12.3)	(11.9)
Treasury	2,088	2,197	2,106	0.9	(4.1)
Other	(1,087)	(1,073)	(929)	(14.5)	(13.4)

8 - Non-Financial Business

8.1. Fee income

The restructuring of operations in the retail segment, with focus on customer service and profitability of customer base as well as the reorganization in the insurance area, permitted an increase 23.0% in fee income, compared with 1Q11. Highlight in revenue from asset management, related to BB DTVM and Brasilprev.

Table 110. Fee income

	Quarterly Flow			Chg. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Fee Income	**4,108**	**5,027**	**5,051**	**23.0**	**0.5**
Account Fees	870	1,136	1,101	26.5	(3.1)
Credit / Debit Cards	907	1,084	1,075	18.5	(0.8)
Asset Manegement Fees	730	829	883	20.9	6.6
Loan Fees	388	496	479	23.6	(3.4)
Collections	292	321	324	11.0	0.8
Insurance, Pension and Savings Bonds	130	122	150	14.8	22.2
Billings	173	195	204	17.9	4.4
Interbank	144	168	169	17.7	0.7
Capital Market Fees	95	96	107	12.9	12.0
Other	379	580	560	47.8	(3.4)

Table 111. Customer Base

	Quarterly Flow					Chg. %	
thousand	1Q11	2Q11	3Q11	4Q11	1Q12	On 1Q11	On 4Q11
Customers	54,967	55,216	55,609	56,001	56,921	3.6	1.6
Checking Accounts	35,304	35,596	35,798	36,121	36,539	3.5	1.2
Individuals	33,128	33,405	33,588	33,875	34,261	3.4	1.1
Business	2,176	2,191	2,210	2,247	2,278	4.7	1.4

After the revision of checking accounts basis, occurred in the first quarter of 2011, was observed a growth in the period, followed by an increase in the customer basis.

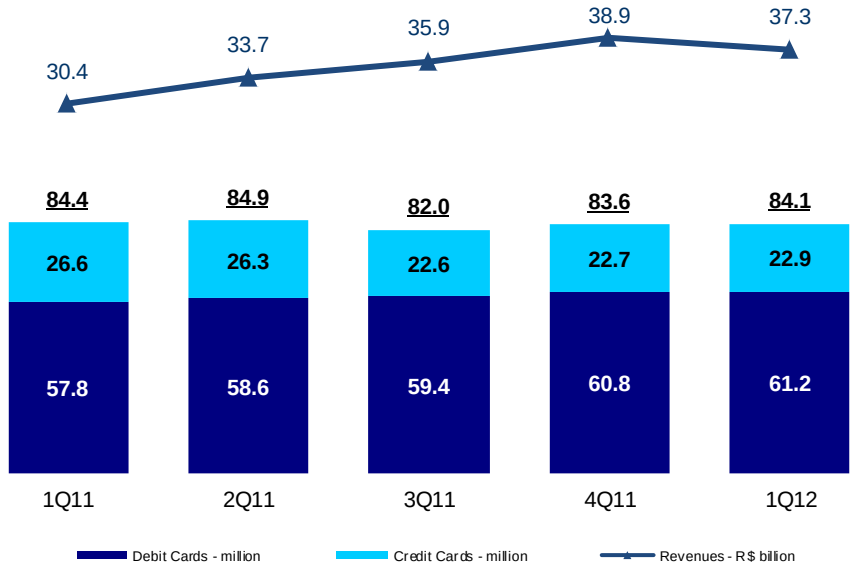
8.2. Cards

The cards basis recorded an increase of 0.6% as compared to the prior quarter, and a reduction of 0.4% in relation with 1Q11. This reduction is due to the write-off process of unused cards during 2011.

The cards revenues rose 22.8% over 1Q11. This performance stems primarily from the increased in cards operations, especially in the light of innovative solutions such as agribusiness transactions,

BNDES Card and payment of securities and covenants.

Figure 20. Base and Cards Revenues



8.3. Insurance

The insurance statement of income is also disclosed in the note to the financial statement 21, which refers to Insurance, Pension Plans and Savings bonds Operations. Therefore, there are differences between the accounting results presented in the aforesaid note and the management information detailed in this chapter.

The information contained in the note to the financial statement was prepared according to the guidelines of Resolution CVM 582/2009 (CPC 22), having the mandatory nature of individualized financial information as one of its assumptions.

The insurance ratio shown in this chapter includes the performance added by companies in the Conglomerate that act in the strategic insurance segments. The net profits of these companies (in proportion to BB's interests in the capital of each one of them) are added to the net brokerage revenues earned by BB Corretora and to the net fees earned from insurance business of BB Multiple Bank.

Market and performance of Grupo Banco do Brasil

According to data from the Superintendency of Private Insurance - Susep, related to January and February 2012, the net premiums issued by the Brazilian insurance market amounted to R$ 22.2 billion a growth of 13.9% in relation to the same period of last year. It should be noted that this market earned R$ 129.4 billion in 2011 and there is an expectation of a growth by approximately 15% in 2012, according to a study of specialized consultants.

Insurance premiums from individuals amounted R$ 3.5 billion in the Brazilian market, representing a growth of 12.3% in relation to the first two months of 2011. The insurance group Banco do Brasil Mapfre, appear in the 3rd position of this market, recording 15.3% of market share.

In the vehicle insurance segment, which represents just over one third of the insurance market (35.8%), there was a 12.2% growth in premium revenues in 12 months, totaling R$ 3.4 billion. The insurance group Banco do Brasil Mapfre occupies the 2nd place in the ranking of sales, with 15.4% market share.

The Pension plans market showed total revenues of R$ 9.2 billion in the first two months of 2012, an increase of 18.0% over the same period of last year. Banco do Brasil, represented by its affiliate Brasilprev, recorded revenues of R$ 2.6 billion, a growth of 22.1% compared with 2011. Thus, BB's market share reached 28.0%, reaching the 2nd position and approaching leadership. The provisions of pension plans of this market totaled R$ 269.7 billion, up 19.5% in 12 months, of which R$ 51.3 billion are contribution from the Banco do Brasil.

The revenues from Brazilian companies that operate savings bonds services reached R$ 2.4 billion up to February 2012, an increase of 21.7% compared to the same period of the last year. Total provisions of the market reached R$ 20.0 billion, against R $ 17.5 billion in 2011. In this market, BB, represented

by Brasilcap, recorded R$ 532.3 million in revenues and R$ 5.1 billion in provisions, placing the 1st place in both items.

Consolidated Managerial Statement of Income

The following table shows below is the consolidated net income of insurance companies, in accordance with the new corporate structure. The results are presented regarding the company's performance with no segregation of Banco do Brasil interest. Under this new concept, the sectors are divided as follows:

I - BB Mapfre SH1 Participações S.A. ("SH1") – insurance for individuals, real state, and rural;

II - Mapfre BB SH2 Participações S.A. ("SH2") – vehicle and P&C insurance, excluding real state and rural:

III - Pension Plans;

IV – Savings Bonds.

Considering that joint operations started in June 2011, the 3Q11 is the first quarter with partnership numbers in all months, and is the starting point for future comparisons.

Table 112. Income Statement by Line of Business – 1Q12

R$ million	Insurance SH1	Insurance SH2	Total	Pension Plans	Savings Bonds	Consolidated	Chg. % On 1Q11
Rev. from Ins., Pens. Plans and Sav. Bonds	934	1,440	2,374	4,386	864	7,624	52.5
Deductions from Revenue	(138)	12	(126)	(4,347)	(754)	(5,227)	34.8
Earned Premiums	796	1,452	2,248	39	110	2,397	137.9
Retained Claims	(343)	(848)	(1,191)	-	-	(1,191)	146.2
Marketing Expenses	(190)	(368)	(558)	(33)	(60)	(650)	119.4
Other Operating Income (Expenses)	(50)	(30)	(80)	183	(8)	96	234.8
Business Result	213	207	420	189	42	652	75.4
Administrative Expenses	(36)	(184)	(220)	(69)	(21)	(310)	120.3
Tax Expenses	(26)	(47)	(72)	-	-	(72)	97.4
Financial Income	57	95	152	91	60	303	42.7
Operating Income	208	71	280	211	81	572	40.8
Equity Account Adjust	0	0	0	-	-	0	(96.5)
Non-operating Income	0	(0)	(0)	0	0	0	13.0
Income before Taxes	208	71	280	211	81	572	39.9
Inc and Soc Contrib Taxes	(75)	(21)	(96)	(84)	(32)	(213)	37.1
Profit Sharing	(5)	(12)	(17)	(1)	-	(18)	237.5
Net Income (Loss)	129	38	167	126	49	342	37.5
Average Shareholder's Equity	1,516	2,056	3,572	795	226	4,593	
ROE (Annual) - %	54.0	36.9	46.5	63.1	68.1	52.2	

Table 113. Operating Highlights of the Insurance Group

	Balance			Chg. %	
	Mar/11	Dec/11	Mar/12[1]	On Mar/11	On Dec/11
BB Mapfre SH1[2]					
Lives Insured – thousand	3,463	15,442	14,980	332.6	(3.0)
Volume of Managed Portfolio	2,022	3,869	4,746	134.7	22.7
Technical Reserves - R$ milhões	1,461	2,890	3,976	172.1	37.6
Accident Rate - %	28.8%	38.6%	51.1%	22.4p.p.	12.5p.p.
Market share - rural line - %	35.3%	58.3%	52.4%	-	-
Market share - life line - %	11.4%	17.7%	20.2%	-	-
Rural line position	1 st	1 st	1 st		
Life line position	4 th	1 st	2 nd		
BB Mapfre SH2[3]					
Fleet – thousand	1,030	2,720	2,433	136.2	(10.6)
Volume of the Managed Portfolio - R$ million	708	3,474	3,274	362.4	(5.8)
Technical Reserves - R$ million	1,136	4,648	4,653	309.6	0.1
Accident Rate - %	71.1%	57.2%	52.0%	-19.1p.p.	-5.3p.p.
Rate of Portfolio Retention - %	81.2%	88.3%	85.2%	4.1p.p.	-3.1p.p.
Market share - %	7.3%	13.1%	13.9%	-	-
Ranking	6 th	2 nd	2 nd		
Brasilcap					
Quantity of Bonds – thousand	3,505	3,795	3,941	12.4	3.9
Volume of Managed Portfolio	4,438	5,283	5,358	20.7	1.4
Technical Reserves - R$ million	4,273	4,993	5,175	21.1	3.6
Quantity of Prize-winning Bonds	4,840	8,282	4,060	(16.1)	(51.0)
Sum of Prizes Distributed	22,658	37,282	28,622	26.3	(23.2)
Market share - collection - %	23.6%	23.6%	22.3%	-1.4p.p.	-1.3p.p.
Market share - reserves - %	24.2%	24.8%	25.3%	1.1p.p.	0.5p.p.
Collection Ranking	1 st	1 st	1 st		
Reserves Ranking	1 st	1 st	1 st		
Brasilprev					
Rate of Redemptions - %	8.0%	8.7%	9.3%	1.3p.p.	0.6p.p.
Active agreements - thousands	2,048	2,361	2,479	21.1	5.0
Volume of the Managed Portfolio - R$ million	40,523	49,163	54,035	33.3	9.9
Technical Reserves - R$ million	40,028	48,504	53,261	33.1	9.8
Market share - collection - %	27.4%	22.3%	28.0%	0.7p.p.	5.8p.p.
Market share - reserves - %	17.6%	18.4%	19.0%	1.5p.p.	0.6p.p.
Collection Ranking	2 nd	3 rd	2 nd		
Reserves Ranking	3 rd	3 rd	3 rd		

(1) The information on rankings and market shares of the segments of insurance, savings bonds and pension were provided by Susep, Fenacap and Fenaprevi (Rank: February/2012).
(2) The data presented before June/11 refers to the company Alliança do Brasil.
(3) The data presented before June/11 refer to Brasilveículos company;

Insurance Ratio

BB's Insurance Ratio reflects the insurance segment's share in the Conglomerate's income, i.e., how much the insurance, pension plans and savings bonds companies have contributed to the formation of recurring net income at Banco do Brasil conglomerate.

Although the first quarter shows lower earnings when compared to the others because of seasonality, there was growth of 1.3% compared with the previous quarter and 15.4% over the same period of 2011. The result is mainly due to growth of 30.6% in 12 months Net Brokerage Revenue.

Table 114. Consolidated Insurance Ratio

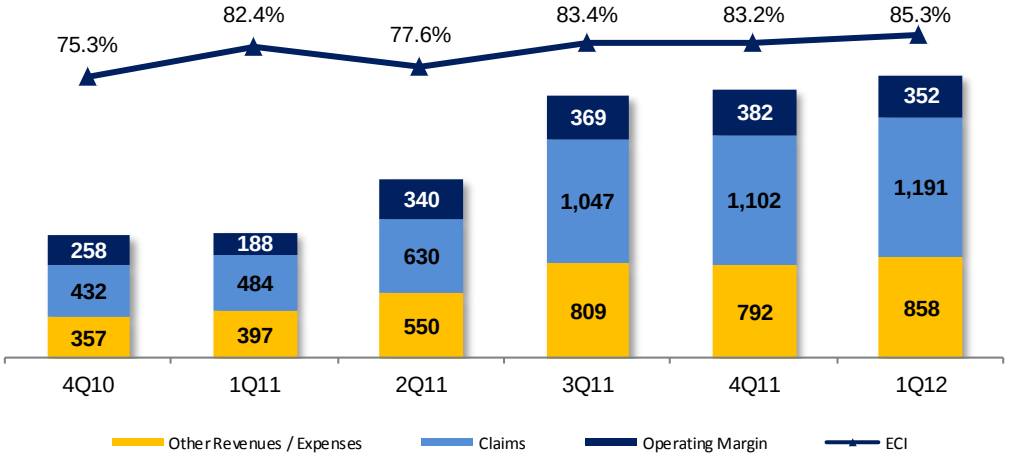
	Quarterly Flow			Chg. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Insurance Result	370	422	427	15.4	1.3
Brokerage Net Revenue	79	100	103	30.6	2.8
Service Fee Net Income	65	61	77	17.7	26.3
Equity In The Earnings (Loss)	226	261	248	9.5	(5.1)
BB Recurring Income	2,923	3,025	2,704	(7.5)	(10.6)
Insurance Ratio (%)	12.7	13.9	15.8	-	-

Combined Ratio – Broad concept

The Combined Ratio in broad concept expresses the percentage of Premiums Earned and the financial income consumed by operating and administrative expenses with the insurance business (Retained claims, Selling expenses, Administrative expenses and Other operating income/expenses).

It should be emphasized that, due to the new corporate structure of the Banco do Brasil insurance group, the series will be presented only in the consolidated format, since the view per insurance line, presently distributed into *SH1* and SH2, have insufficient data to assemble the historical data.

Figure 21. Combined Ratio – Broad concept



8.4. Capital Markets

Banco do Brasil operates in the domestic capital market through BB Banco de Investimento S.A – BB-BI. In the first quarter of 2012 there were 9 fixed income securities issues, which totaled R$ 2.9 billion.

In the international capital market, BB, through its overseas brokers BB Securities Ltd (London) and Banco do Brasil Securities LLC (New York), took part in 12 of the 30 foreign funding operations carried out by companies, banks and the Brazilian government, of which 11 had lead manager condition and 1 co-manager status. Of the total sum of approximately US$ 22.7 billion issued in the first quarter of 2012, BB participated in around US$ 13.4 billion. In addition, BB operated in 1 transaction of foreign issuers, as co-manager, for the total amount of US$ 1 billion.

In the private equity industry since 2004 BB-BI acts as an investor and in 2007 began providing advisory services to financial-economic Participation Investment Funds. BB is currently a shareholder of 14 funds and advises 5 funds invested. The total capital committed by BB-BI in this market segment is up to R$ 1,376 million.

In the asset custody segment, the Bank closed March 2012 in the 3rd place in the ANBIMA ranking, with funds held in custody amounting to R$ 547 billion, representing a market share of 21.5%.

For retail investors, BB offers the service of buying and selling shares through its network of branches and by Internet banking service (Home Broker) and mobile phone. In 1Q12, the volume handled for this service was R$ 5.4 billion. It is worth to emphasize the launch of the new stock trading platform that allows access Home Broker by tablet (iPad and Android devices) or smartphone (iPhone).

9 - Administrative Expenses

9.1. Human Resources

Personnel expenses recorded a decrease of 6.6% in 1Q12 compared to 4Q11, this was mainly due to the higher concentration of employees on vacation in the first months of the year.

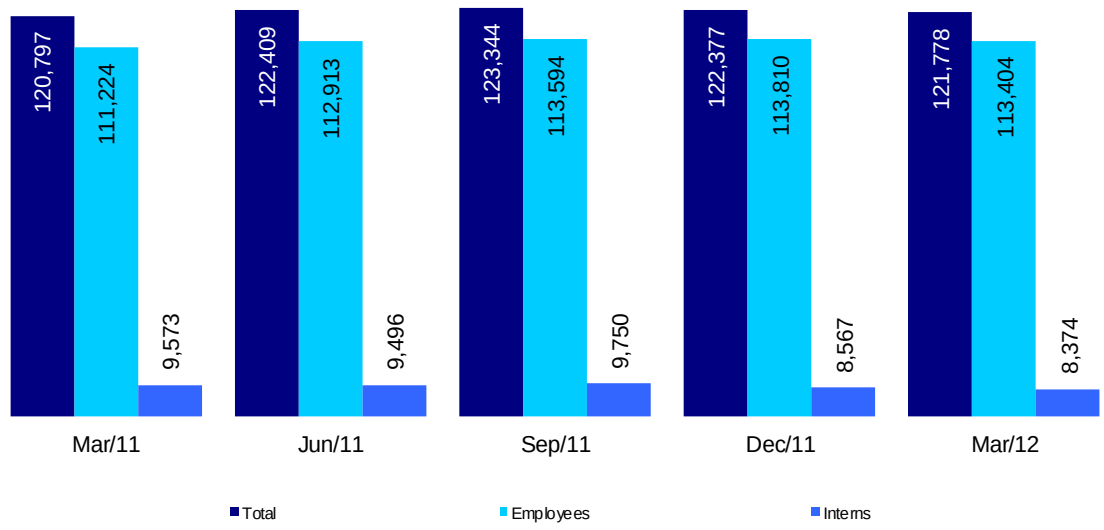
Compared to 1Q11, the increase of 17.5% was mainly due to the salary readjustment granted on the base-date of September/2011 and the expenses consolidation in partnership with Banco Patagonia and the Grupo Mapfre. Personnel expenses of the Argentine bank and insurance group increased personnel expenses of the period in about R$ 118 million.

Table 115. Personnel Expenses

	Quarterly Flow			Chg. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Personnel Expenses	**(3,145)**	**(3,954)**	**(3,694)**	**17.5**	**(6.6)**
Salaries	(1,469)	(2,117)	(1,755)	19.4	(17.1)
Benefits	(445)	(531)	(520)	16.9	(2.1)
Social Charges	(536)	(715)	(647)	20.7	(9.4)
Training	(11)	(37)	(7)	(32.9)	(80.1)
Pension Fund	(68)	(95)	(72)	5.8	(24.6)
Remuneration for Counselors and Directo	(14)	(16)	(14)	6.2	(9.7)
Administrative Personnel Provisions	(602)	(443)	(679)	12.8	53.2

The following figure shows the growth of BB's staff.

Figure 22. Charges in Workforce



9.2. Operational Structure

The increase of 15.1% observed in other administrative expenses in comparison with 1Q11, is in accordance with the contracts readjustments held and the growth of operations. This rise considers consolidation of expenses with Banco Patagônia and Mapfre, which incremented this line in about R$ 198 million. If those effects were not considered the increase in other administrative expenses would be 7.3%. It is worth to highlight that the tight management of the expenses partially offset the increase observed.

Expenses related to Marketing and Public Relations are concentrated in the last quarters of each year. In 4Q11, advertising campaigns such as sale of Ourocard, BB institutional campaigns abroad and sponsorship influenced the expansion of this line. In 1Q12, these costs back to the historical level.

Table 116. Other Administrative Expenses

	Quarterly Flow			Chg. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Other Administrative Expenses	**(2,547)**	**(3,012)**	**(2,932)**	**15.1**	**(2.7)**
Telecommunications and Data Processing	(538)	(556)	(564)	4.8	1.5
Amortization and Depreciation	(317)	(331)	(343)	8.2	3.4
Security. Guard and Transport Services	(373)	(450)	(487)	30.5	8.1
Expenses with Premises and Equipment	(368)	(448)	(449)	22.1	0.1
Marketing and Public Relations	(127)	(263)	(123)	(3.1)	(53.2)
Expenses with Outsourced Services	(443)	(525)	(579)	30.7	10.4
Other Administrative Expenses	(382)	(439)	(387)	1.5	(11.7)

Distribution Network

Since January 1, 2012, and for the next five years, BB has access to the Correios distribution network, with over 6000 points present in 95% of Brazilian municipalities. This acquisition will allow BB anticipate the strategy to extend its service outlets throughout the country and be at 100% of Brazilian municipalities from 2015 to 2012. With this, the BB's distribution network covers 5,470 municipalities, in addition the external network distributed in 24 countries. Banco do Brasil has the largest branch network in Brazil.

In addition to its own distribution network, BB has partnerships for the sharing of Automated Teller Machines (ATM) and utilization of lottery network where is possible to make withdrawals, deposits, payments, among other services. In addition to reducing costs with new investments and maintenance of terminals, these partnerships consolidate the spread of Banco do Brasil's distribution network all over the country.

Table 117. Total Distribution Network

	Quarterly Flow			Chg. %	
	Mar/11	Dec/11	Mar/12	On Mar/11	On Dec/11
Distribution Channel					
Branches	5,103	5,263	5,266	3.2	0.1
SAA	4,859	4,919	4,938	1.6	0.4
Services Posts	8,488	8,583	8,451	(0.4)	(1.5)
Subtotal	**18,450**	**18,765**	**18,655**	**1.1**	**(0.6)**
Banking Agentes[1]	**11,370**	**14,684**	**20,772**	**82.7**	**41.5**
Shared Distribution Channels					
CEF - lottery stores	10,622	10,993	11,000	3.6	0.1
Banco 24h	10,894	11,566	11,714	7.5	1.3
ATM: BRB + CEF	1,804	1,975	2,784	54.3	41.0
Subtotal	**23,320**	**24,534**	**25,498**	**9.3**	3.9
Total	**53,140**	**57,983**	**64,925**	**22.2**	**12.0**

(1) Since March/2012, include the distribution network of Banco Postal.

The table below presents the network of branches of BB in Brazil per Region in the country.

Table 118. Network of Branches by Region

	BB	BI	Share %
North	293	993	29.5
Northeast	1,127	3,267	34.5
Middle West	459	1,624	28.3
Southeast	2,338	11,422	20.5
South	1,049	4,114	25.5
Total	**5,266**	**21,420**	**24.6**

The external network is comprised of 49 network located in 24 countries (13 branches, 8 sub-branches, 11 representative offices, 14 subsidiaries and other type of subsidiaries, 2 units of shared services and 1 business unit). In addition to this structure, Banco do Brasil has an agreement with

other financial institutions abroad to serve its customers. In the end of last March, there were 1,046 banks acting as BB's correspondents in 136 countries.

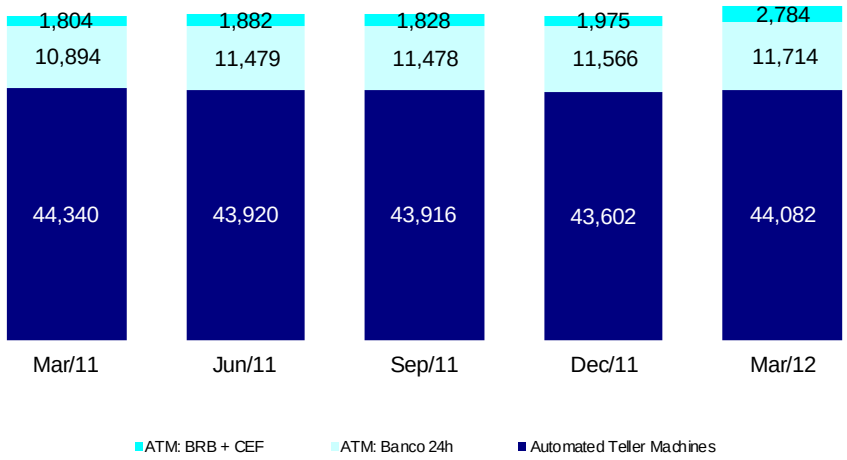
Table 119. Distribution Network Abroad

Branches	Sub-branches	Representative Offices	Subsidiaries and affiliates	Shared Services Units	Business Units
Assuncion	Cidade do Leste	Caracas	Banco do Brasil AG	BB USA Servicing Center	Rome
Buenos Aires	Gifu	Mexico City	Banco do Brasil Securities LLC	BB Europa Servicing Center	
Frankfurt	Gunma	Dubai	BB Leasing Company Ltd.		
Grand Cayman	Hamamatsu	Hong Kong	BAMB Brazilian American Merchant Bank		
La Paz	Ibaraki	Lima	BB Securities Ltd. Londres		
London	Nagano	Luanda	BB USA Holding Company		
Madrid	Nagóia	Montevideo	BB Money Transfers, Inc.		
Miami	Santa Cruz de La Sierra	Panama	Banco do Brasil Securities Asia PTE, Ltd		
Milan		Seoul	Banco do Brasil AG - Branch Office in Portugal - Cascais		
New York		Washington	Banco do Brasil AG - Branch Office in Portugal - Marquês de Pombal		
Paris		Shanghai	Banco do Brasil AG - Branch Office in Portugal - Parque das Nações		
Santiago			Banco do Brasil AG - Branch Office in Portugal - Porto		
Tokyo			Banco do Brasil AG - Branch Office in Portugal - Costa da Caparica		
			Banco do Brasil AG - Branch Office in Portugal - Lisboa		

Automated Channels

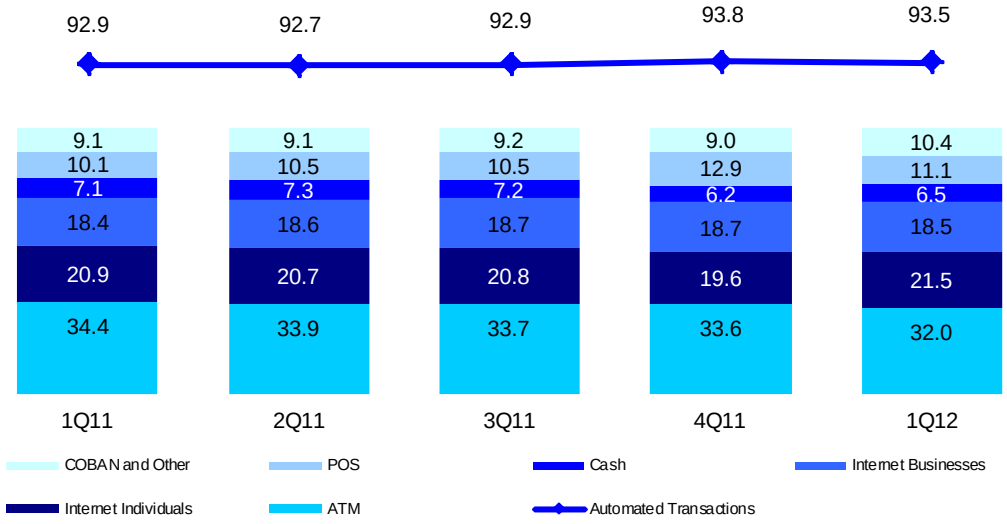
Banco do Brasil's service network represents a strategic differential, offering an extensive range of services to clients, besides supporting the cost control strategy of the institution. These network numbers are listed in the chart below, which includes BB own network terminals, and machines from strategic partnerships, such as external terminals of Caixa Econômica Federal (CEF), Banco Regional de Brasília (BRB) and the service network of Banco 24h. Due to the technological park renewal strategy, which is part of the Retail Revitalization Program, automated teller machines are being replaced by modern terminals that join withdrawal and deposit functions in the same equipment.

Figure 23. Automated Teller Machines



The ATM's are responsible for the processing of an expressive portion of the total banking operations performed by Banco do Brasil. The figure below shows that 93.5% of transactions are carried out through alternative channels at the end of the 1Q12.

Figure 24. Transactions by Customer Service Channel - %



9.3. Other Income Information

The remaining relevant variations in other operating income and expenses are presented in the tables below.

Table 120. Other Operating Income

	Quarterly Flow			Chg. %	
R$ million	**1Q11**	**4Q11**	**1Q12**	**On 1Q11**	**On 4Q11**
Other Operating Income	**1,587**	**1,641**	**1,516**	**(4.5)**	**(7.6)**
Recovery of charges and expenses	271	230	148	(45.5)	(35.8)
Income from guarantee deposits	343	386	283	(17.4)	(26.5)
Update on Allocation of Surplus Funds - Previ	309	251	223	(27.9)	(11.3)
Other	663	774	862	29.9	11.4

In Other Operating Expenses, it is worth to explain:

a) Business Partners: refers to expenses from partnerships, mainly in Banco Votorantim;

b) Credit and Debit Card Transactions: expenses related mainly to the the costs with individuals relationship program (points of card program) and fees over sales volume;

c) The goodwill amortization is due to Aliança do Brasil and Nossa Caixa expenses;

d) Negotiation Relationship Allowance: expenses mainly from negotiations for payroll acquisitions from Government Direct and Indirect Administration.

e) The decrease observed in the line Other is mainly due the accounting of Provisions for Other Receivables without Characteristics of Credit in the 4Q11.

Table 121. Other Operating Expenses

	Quarterly Flow			Chg. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Other Operating Expenses	**(2,378)**	**(2,822)**	**(2,628)**	**10.5**	**(6.9)**
Actuarial Liabilities	(220)	(277)	(226)	2.9	(18.4)
Other Oper. Exp. from Non-Financ. Comp.	(362)	(247)	(405)	11.9	64.1
Business Partners	(190)	(78)	(90)	(52.7)	14.5
Credit and Debit Card Transactions	(258)	(389)	(379)	46.8	(2.7)
Premiums Paid to Clients	(41)	(41)	(54)	33.8	32.0
Restatement of Guarantee Deposits	(100)	(101)	(83)	(16.5)	(17.6)
Hybrid Capital and Debt Instruments	(56)	(63)	(109)	94.0	73.8
Discounts Granted on Renegotiations	(62)	(83)	(60)	(2.7)	(27.7)
Goodw ill Amotization	(148)	(143)	(219)	48.2	53.1
Failures/Frauds and Other Losses	(82)	(56)	(55)	(33.4)	(1.8)
Negotiation Relationship Allow ance	(505)	(524)	(555)	9.9	6.1
Other	(355)	(819)	(392)	10.4	(52.2)

9.4. Productivity Ratios

This section presents the productivity ratios usually adopted in the analysis of financial institutions. In the 1Q12-1Q11 comparison, the favorable performance of banking service fees and control of administrative expenses led to an improvement in the ratio that measures personnel expenses coverage as well as that which measures administrative expenses coverage.

Table 122. Coverage Ratios – Without One-Off Items

	Quarterly Flow		
R$ million	1Q11	4Q11	1Q12
Fee Income	4,108	5,027	5,051
Administrative Expenses	5,870	6,970	7,115
Personnel Expenses	3,224	4,232	3,932
Fee Income / Personnel Exp.[1]	**127.4**	**118.8**	**128.5**
Fee Income / Administ. Exp.[2]	**70.0**	**72.1**	**71.0**

(1) In the calculation of this ratio Labor Claims are included.
(2) In the calculation of this ratio Legal Risk is included (Legal Claims and Labor Lawsuits).

Efficiency indicator with accumulated basis of 12 months allows an analysis that is less volatile. In the 1Q12-1Q11 comparison, the performance achieved is influenced by costs associated with the right acquisition of use of Banco Postal's distribution network.

Table 123. Efficiency Ratios – without One-Off Items

	Quarterly Flow		
R$ million	1Q11	4Q11	1Q12
Operating Income (A)	**14,337**	**16,243**	**15,780**
Gross Income from Financial Intermediation [1]	6,904	7,359	6,724
Allowance for Loan Losses	2,631	3,211	3,440
Fee Income	4,108	5,027	5,051
Equity Int. in the Results of Subs. and Affil.	(20)	56	(115)
Income f/ Insurance, Pension & Savings Bonds Op.	512	515	516
Other Operating Revenues	3,037	2,954	3,438
Other Operating Expenses	(2,834)	(2,879)	(3,275)
Administrative Expenses (B)	**5,870**	**6,970**	**7,115**
Personnel Expenses[2]	3,224	4,232	3,932
Other Administrative Expenses[3]	2,645	2,738	3,182
Cost Income Ratio (B/A) - %	**40.9**	**42.9**	**45.2**
Cost Income Ratio 12 months- %	**41.8**	**42.1**	**43.2**

(1) Consider Fiscal Hedge
(2) Consider Labor litigations
(3) Consider Lawsuits

The table below presentes other productivity ratios used.

Table 124. Other Productivity Ratios

	Quarterly Flow				
	1Q11	2Q11	3Q11	4Q11	1Q12
Assets per Employee - R$ thousand	7,174	7,386	7,700	8,018	8,252
Checking Accounts per Employee	292	291	290	295	300
Employees/(Branches+PAA+PAB)	17	18	18	18	17
Employees in Branches/(Branches+PAA+PAB)	12	13	13	12	12
Credit Portfolio/Points of Service - R$ million	19.8	20.8	21.9	22.5	23.1
Fee Income/Points of Service - R$ thousand	222.6	237.9	257.0	267.9	270.8
Personnel Expenses per Employee - R$ thousand	28.6	30.0	30.7	34.8	32.5
Checking Accounts/(Branches+PAA+PAB)	5,102	5,197	5,216	5,169	5,222

10 - Risk Management

10.1. Risk Management

The Risk Management

Risk management in the Financial Group of Banco do Brasil covers in a comprehensive manner: credit, market, liquidity and operational risks. Management activities are performed by specific and specialized structures, according to objectives, policies, strategies, processes and systems described in each one of these risks. Although activities are focused on credit, market, liquidity and operational risks, the Bank adopts mechanisms to ensure the sufficiency of capital to cover other risks incurred.

Collegiate risk management is performed completely apart from the business units. Risk policies are specified by BB's Board of Directors and by the Global Risk Committee (CRG), a discussion group composed by the President and by vice-presidents. Actions for implementing and monitoring guidelines issued by the CRG are directed at specific sub-committees (Credit, Market, and Operations), which are groups formed by Directors.

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

The tables and graphs contained in this chapter do not consider the financial information of Banco Votorantim (BV), unless there is explicit reference to the contrary. Accordingly, the term BB Consolidated is defined as Banco do Brasil in Brazil and abroad, excluding BV.

10.1.1 Credit Risk

Credit Risk is defined as the possibility of losses associated with non-performance by the borrower or counterparty of their respective financial obligations under the agreed terms, with loan agreement devaluation arising from the deterioration in the borrower's risk rating, with reduced earnings or remuneration, with benefits granted in the renegotiation and with recovery costs. The definition of credit risk involves, among others:

I - the credit risk of the counterparty, is the possibility of non-performance, by a particular counterparty, of obligations relating to the settlement of transactions involving the trading of financial assets, including those relating to the settlement of derivative financial instruments;

II - the country risk, is the possibility of losses associated with the non-performance of financial obligations under the terms agreed by a borrower or counterparty located outside the country, as a result of actions taken by the government of the country where the borrower or counterparty is located, and the transfer risk, understood as the possibility of obstacles in the currency conversion of amounts received;

III - the possibility of outlays to honor sureties, guarantees, co-obligations, loan commitments or other operations of a similar nature; and

IV - the possibility of losses associated with the non-performance of financial obligations under the terms agreed by the intermediary or contracting party of loan operations.

In Banco do Brasil, the credit risk management structure is composed of a Risk Management Directorship, a Credit Directorship, and an Operating Assets Restructuring Directorship, and the Risk Management Director, by appointment of the Board of Directors, is in charge of the BB's credit risk management. This structure is in accordance with CMN Resolution 3721 dated April 30, 2009.

10.1.2 Market Risks

Market Risk reflects the possibility of losses resulting from fluctuations in the market values of positions held by a financial institution. It includes the risks of operations subject to foreign exchange variation, of interest rates, of stock prices and of commodity prices.

The Risk Management Directorship (Diris), as provided for in Resolution 3464, of 6.26.2007, is responsible for managing market and liquidity risk at Banco do Brasil, with a structure for managing market and liquidity risks consistent with the nature of operations, the complexity of products and the dimension of the institution's risk exposure, segregated from the trading units and from the unit executing the internal audit activity.

Banco do Brasil uses statistical methodologies to measure the market risks of its positions. Among the metrics resulting from the use of these methodologies, it is worth highlighting:

I - Sensitivity,

II - Value at Risk (VaR) and

III - Stress.

Banco do Brasil adopts the policy of managing its exchange risk so as to reduce its effects on the consolidated economic and financial result.

Following, we present the statement of assets, liabilities and derivatives of BB Consolidated, referenced to foreign currencies. Net foreign exchange exposure, for 03.31.2012 is negative in the amount of US$ 1,465 million, reflecting the fiscal hedging strategy adopted by the Bank. The purpose of *tax* hedge is to reduce the volatility of the result, after the tax effects, since exchange gains on investments abroad are not subject to taxation and likewise losses do not generate deduction in the tax basis.

Table 125. Balance in Foreign Currencies – Position: 03.31.2011

R$ million

	BALANCE SHEET	
CURRENCY	**ASSETS**	**LIABILITIES**
U.S. Dollar	75,487	88,561
Euro	14,079	12,836
Pound Sterling	206	492
Yen	1,350	1,332
Swiss Franc	21	17
Gold	17	-
Other	7,220	7,460
Total	**98,380**	**110,698**
Net Position - Equity		**(12,318)**

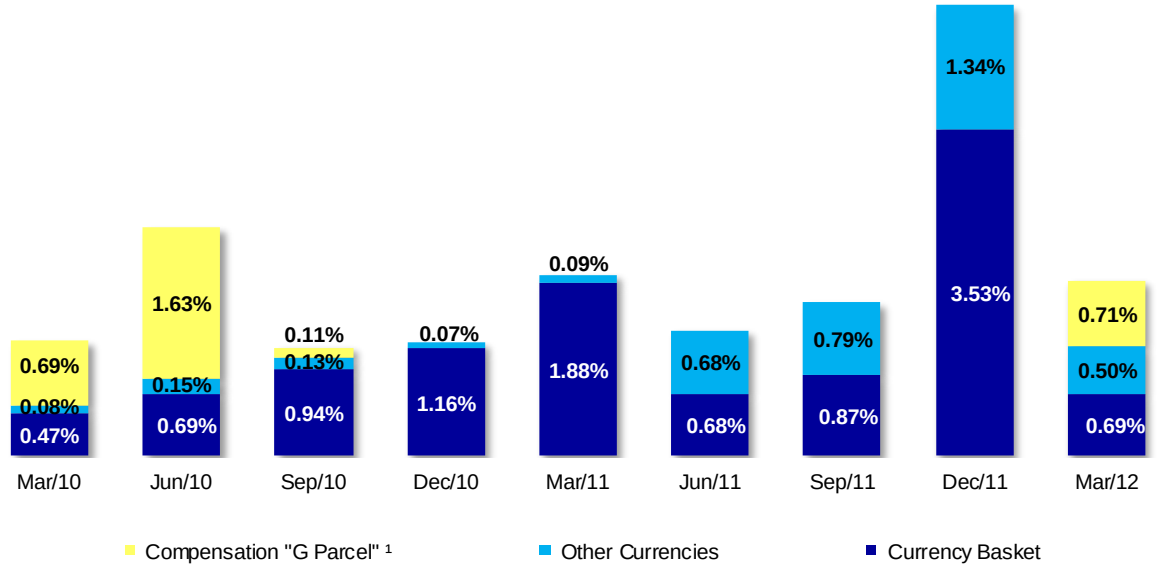
	DERIVATIVES	
CURRENCY	**LONG**	**SHORT**
U.S. Dollar	24,483	13,733
Euro	4,260	5,507
Pound Sterling	374	269
Yen	401	388
Swiss Franc	-	4
Other	137	105
Total	**29,656**	**20,007**
Net Position - Derivative		**9,650**

TOTAL OF DERIVATIVES AND BALANCE SHEET	**128,036**	**130,705**
Total Net Position		**(2,669)**
Total Net Position - in U.S. Dollar		**(1,465)**

BB Consolidated regulatory foreign exchange exposure, calculated according to Bacen Circular 3,389, of June 25, 2008, was R$ 1,529.4 million at March 30, 2012.

The chart below shows the quarterly behavior of BB Consolidated's foreign exchange exposure in relation to the Referential Equity amount (RE) since December 2009.

Figure 25. Changes in Foreign Exchange Exposure in % of the Referential Equity Amount (RE)



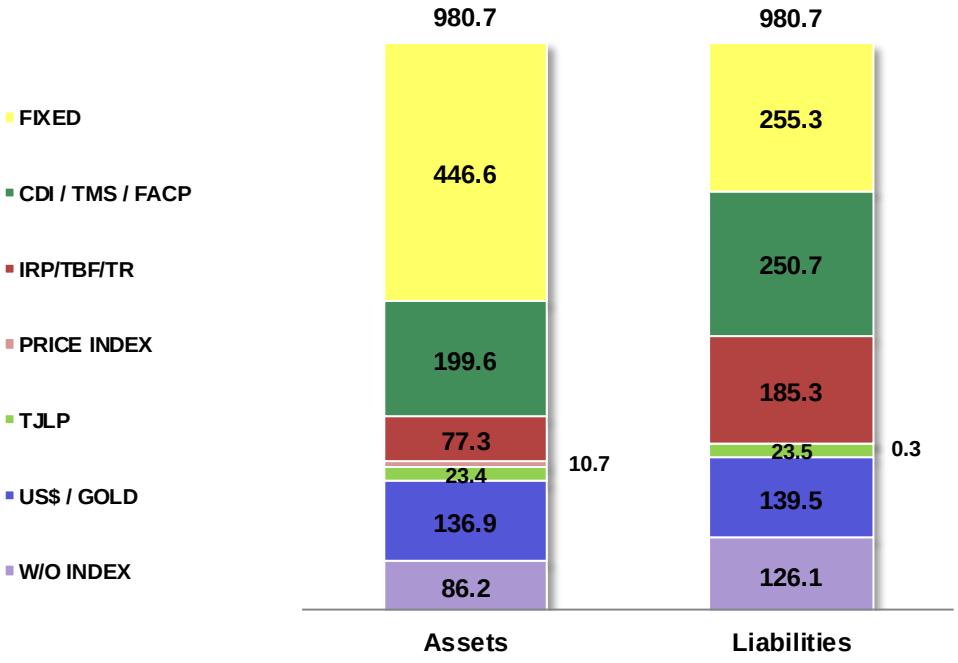
1 In accordance with Bacen Circular Letter no. 3389, of June 25, 2008, the "G" portion is the value added to the conglomerate foreign exchange exposure in case the country's exposure and the exposure of the branches network abroad have opposite positions. In this situation, the portion with lower absolute value is added.

Balance Sheet by Index

We present below the composition of assets and liabilities, including derivatives, of BB Consolidated, detailed by index:

Figure 26. Composition of Banco do Brasil's Assets and Liabilities in the Country.

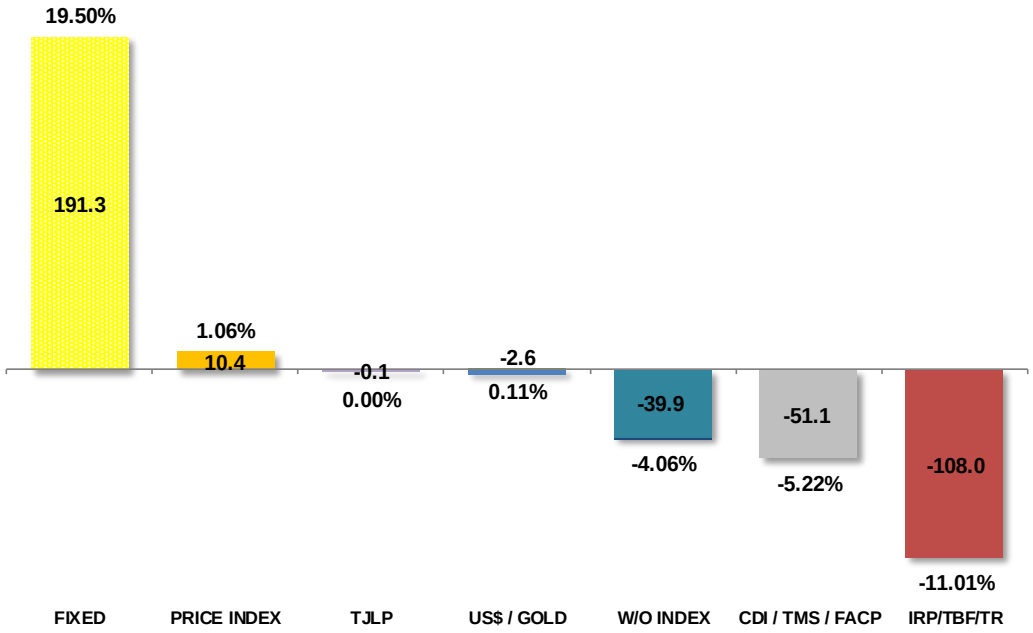
R$ billion – 03.31.2012



The chart below shows BB Consolidated's net mismatches, by index in Brazil BB Consolidated:

Figure 27. Net Position of BB Consolidated

R$ billion – 03.31.2012



Statement of Repricing Profile of Interest Rates

We present below a table containing the inventory of operations sensitive to the variations in the interest rates, allocated by risk factor and by interest rate indexation period, of BB Consolidated:

Table 126. Repricing Profile of Interest Rates – Position: 03.31.2012

R$ million

	Assets	< 1 Mo	1 > 3 Mo	3 > 6 Mo	6 > 12 Mo	1 > 3 Yrs	> 3 Yrs	Total
Assets	Fixed	198,643	24,400	51,194	42,430	77,621	52,301	446,590
	CDI/TMS	199,594	-	-	-	-	-	199,594
	TR/TBF/IRP	-	77,289	-	-	-	-	77,289
	Price Index	-	10,670	-	-	-	-	10,670
	TJLP	1,726	21,698	-	-	-	-	23,424
	US$/ME	29,476	29,462	17,634	12,574	12,281	35,479	136,906
	Total - Assets	**429,440**	**163,519**	**68,828**	**55,004**	**89,901**	**87,780**	**894,472**
	Passivos							
Liabilities	Fixed	130,264	15,799	19,882	15,399	35,553	38,450	255,346
	CDI/TMS	250,744	-	-	-	-	-	250,744
	TR/TBF/IRP	-	185,299	-	-	-	-	185,299
	Price Index	-	301	-	-	-	-	301
	TJLP	1,362	22,098	-	-	-	-	23,460
	US$/ME	26,825	13,071	14,493	14,888	22,736	47,529	139,544
	Total - Liabilities	**409,196**	**236,569**	**34,375**	**30,287**	**58,289**	**85,979**	**854,695**
	Gap	**20,244**	**(73,050)**	**34,453**	**24,717**	**31,612**	**1,801**	**39,778**
	Cumulative Gap	**20,244**	**(52,806)**	**(18,353)**	**6,365**	**37,976**	**39,778**	
	Cumulative Gap as % Assets (Earning Assets)	**4.7%**	**-44.7%**	**50.1%**	**44.9%**	**35.2%**	**2.1%**	**4.4%**

Note: The total of checking account deposits in pre-indexed passives (R$ 49.4 billion) are considered

10.1.3 Liquidity Risk

Liquidity risk is defined as an occurrence of imbalances between marketable assets and enforceable liabilities - "mismatchings" between payments and receipts - that may affect the payment capacity of the institution, taking into account the different currencies and settlement terms of their rights and obligations.

Banco do Brasil maintains levels of liquidity apropriate for the institution's commitments assumed in Brazil and abroad, resulting from its broad and diversified depositor base and the quality of its assets, the capillarity of its network of overseas branches and of access to the international capital market. Stringent control over liquidity risk is in accordance with the Market and Liquidity Risk Policy established for the Conglomerate, fulfilling the requirements of national banking supervision and of the other countries where BB operates.

The liquidity risk management of Banco do Brasil separates liquidity in Reais from liquidity in Foreign Currencies. For this purpose, it uses the following tools:

I – Projections of Liquidity;

II – Stress Test;

III – Liquidity Risk Limits;

VI – Liquidity Contingency Plan; and,

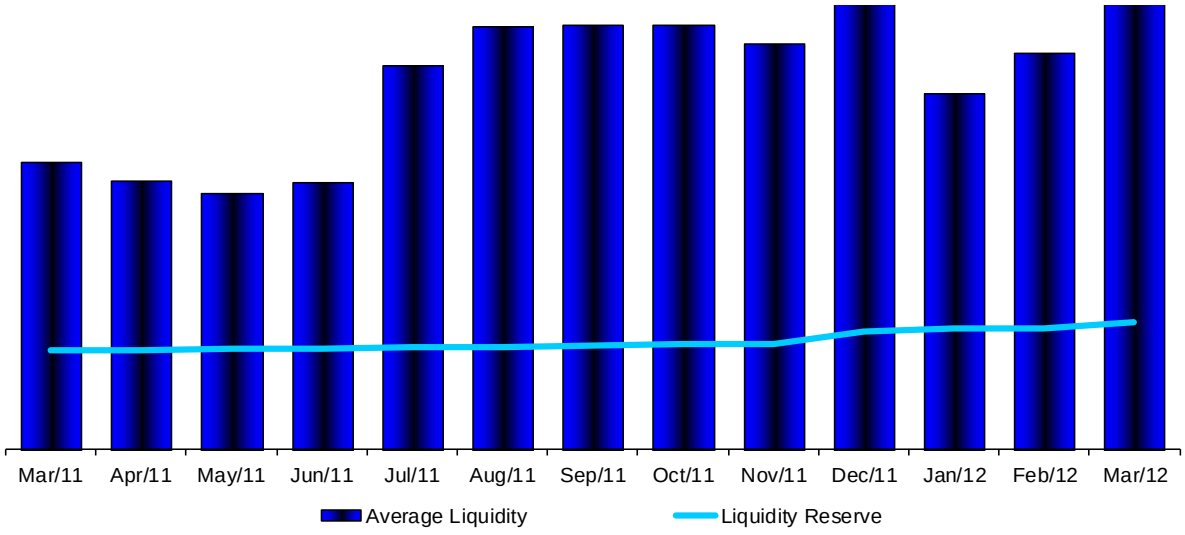
V – Test of Potential of Liquidity Contingency Measures.

Liquidity risk management tools are periodically monitored and reported to the Strategic Committees of the institution.

The liquidity risk limits currently used in the Banco do Brasill are the Liquidity Reserve, applied to the short-term liquidity risk, and the Availability of Free Funds Indicator (DRL), dedicated to the management of liquidity risk for medium and long term.

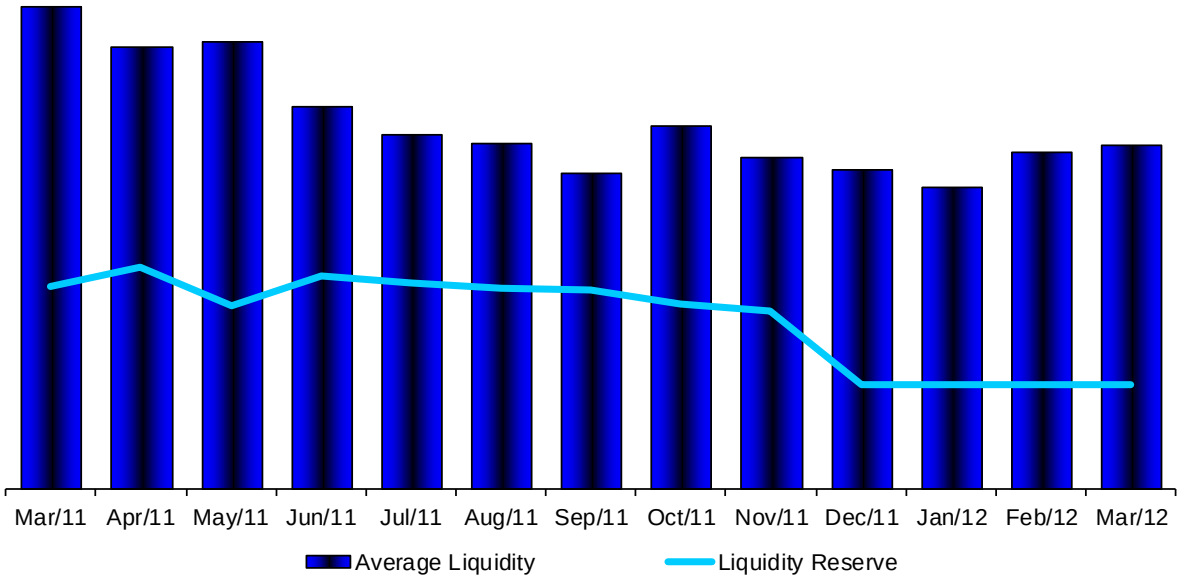
The figure below presents the monitoring of the Liquidity Reserve in Local Currency of BB.

Figure 28. Liquidity Reserve in Local Currency (Last Business Day)



The figure below presents the monitoring of the Liquidity Reserve in Foreign Currency of BB.

Figure 29. Liquidity Reserve – Foreign Currency (Last Business Day)



The indicator of the Availability of Free Funds (DRL), another liquidity risk limit used by BB, aims to guarantee a balance between funding and investment of resources from the commercial portfolio of the internal area and to ensure the financing of liquidity in local currency with commercial and structural resources.

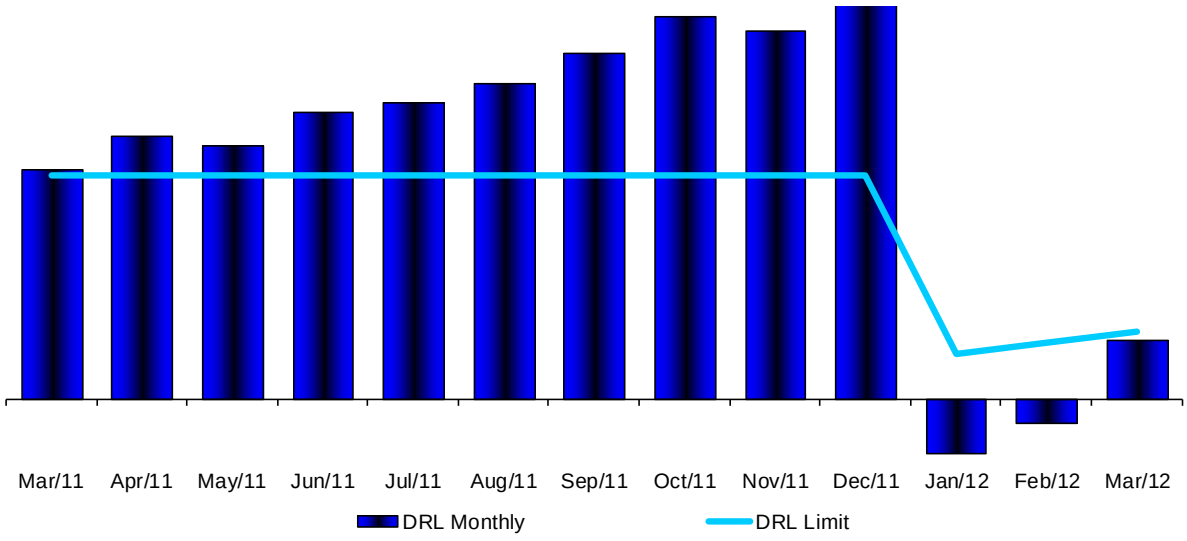
The limit of DRL, defined annually by the Global Risk Committee (CRG) according to the funding and commercial investment goals, is the parameter used in the planning and in the execution of the institution's budget and its monitoring is performed on a monthly basis

In 2012, the composition of products used in the calculation of DRL was reevaluated in order to identify transactions with financial characteristics aligned with the goals of the indicator is not contemplated and improve the management of liquidity risk medium and long term. Changing the composition of the index resulted, primarily, from the inclusion of large volume of securities purchased with the purpose of lending not classified credit in the non-trading portfolio that CMN Resolution 3464.

The improvement of the DRL composition enabled that CRG approved a salary lower limit for the year 2012, assuming the scaling of values for the gradual achievement of this limit.

This measure allows the Bank to the achievement of better managing its assets and liabilities without compromising the current liquidity of the Bank, which remains at comfortable levels as shown in Figure entitled “Liquidity Reserve in Local Currency” of this chapter.

Figure 30. DRL Indicator



Due to the seasonality observed in the months of January and February 2012 regarding the funding and investments, we could not meet the scale of values for the period. However, for March, the curve of the budget execution points to the achievement of the indicator values established for DRL.

It is highlighted that the maintenance of liquidity in domestic currency and foreign currency above the limits of their Liquidity Reserve, as shown in Figures 30 and 31, enables the implementation of the strategic planning of the Bank at a comfortable level of risk exposure liquidity.

10.1.4 Operating Risk

Operating risk represents the possibility of loss resulting from faults, deficiencies, or the inadequacy of internal processes, personnel and systems, or derived from external events. This definition includes the possibility of losses arising from legal risks associated to the inadequacy or deficiency in contracts entered into by the institution, as well as penalties due to non-compliance with legal provisions and indemnities for third party damages arising from activities developed by the institution.

The operational risk management structure at Banco do Brasil is composed of the Directorships of Risk Management, Internal Controls and Security Management. Information about the Management Structure and Operational Risk Management Process can be found in more detail on BB's Internet page, Investor Relations Website.

In line with the Public Hearing No 39 of 12.29.2011, the Bank has been implementing actions aimed that qualify BB to use internal models for operational risk, subject to the schedule defined in Central Bank Communication 19,028, and the guidelines of the Communication 19,217, involving the use of four essential elements: Internal Database, External Database, Scenario Analysis factors and Internal Controls and Business Environment.

In order to give more agility in the identification process of risks and proposing mitigation actions, in this quarter, the Bank revised the Specific Limits Operational Risk and their managers, resulting in updating the limits for categories Labor Issues, Business Failures, Fraud internal and External Fraud and Theft.

The table below presents the monitoring of BB's operational loss, by loss event categories, in percentages, disregarding those from Banco Votorantim.

Table 127. Monitoring of Operational Loss

Loss Event Category	1Q11	2Q11	3Q11	4Q11	1Q12
Business Failures	54.1%	68.1%	33.2%	24.3%	67.0%
Labor Issues	19.2%	0.4%	51.7%	58.5%	18.6%
External Fraud and Theft	17.5%	19.0%	9.4%	11.9%	10.4%
Process Failures	6.7%	8.7%	4.2%	4.0%	3.2%
Internal Frauds	1.7%	2.6%	0.9%	0.7%	0.5%
Physical Assets Damage	0.7%	1.0%	0.5%	0.6%	0.2%
System Failures	0.1%	0.2%	0.1%	0.0%	0.1%
Activities Interruption	0.0%	0.0%	0.0%	0.0%	0.0%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

10.2. Capital Structure

The BIS ratio was determined according to the criteria established by CMN Resolutions 3,444/2007 and 3,490/2007, which address the calculation of Referential Equity Amount (RE) and of Required Referential Equity Amount (RSE), respectively.

In this disclosure the information relating to Banco Votorantim (BV) was consolidated by the Equity Method (MEP).

Performance

Banco do Brasil ended the first quarter of 2012 with Reference Equity 24.0% higher than the observed in March 2011, reaching R$ 84,932 million.

Table 128. BIS Ratio – Economic-Financial Conglomerate *

R$ million	Mar/11	Jun/11	Sep/11	Dec/11	Mar/12
Reference Equity (RE)	**68,467**	**73,342**	**77,202**	**80,482**	**84,932**
Tier I	**54,058**	**56,450**	**58,833**	**60,615**	**65,183**
Capital	33,078	33,123	33,123	33,123	33,123
Reserve for retained earnings	16,448	20,656	20,294	24,126	23,892
Reavaluation reserves	(6)	(6)	(5)	(5)	(5)
Mark-to-Market – Securit. And Derivatives	385	442	711	724	858
Treasury shares	(0)	(0)	(0)	(0)	(0)
Accumulated Earnings or Losses	0	-	(26)	-	19
Corporate Profit Sharing	0	398	488	444	461
Income accounts	2,208	-	2,122	-	1,697
Tax Credit excl. RE's Tier I – Res.3059	(14)	(13)	(0)	(0)	(0)
Deferred Assets	(214)	(193)	(175)	(165)	(142)
Mark-to-market	(188)	(219)	(388)	(351)	(413)
Additional Provision	-	-	-	-	-
Hybrid Capital and Debt Instruments - Tier I	2,360	2,262	2,688	2,719	5,692
Tier II	**14,409**	**16,892**	**18,370**	**19,867**	**19,749**
Subordinated debt	19,443	22,111	23,363	24,522	24,180
Hybrid Capital and Debt Instruments	-	-	-	-	-
Revaluation reserves	6	6	5	5	5
Mark-to-market	188	219	388	351	413
Financial Instruments Excluded from RE	(5,228)	(5,444)	(5,385)	(5,011)	(4,849)
RSE/RRE	**53,315**	**56,112**	**61,009**	**63,326**	**65,528**
Credit Risk(1)	49,950	52,706	57,470	59,802	61,472
Market risk(2)	23	65	106	90	180
Operating Risk(3)	3,342	3,342	3,433	3,433	3,876
Surplus/(insufficiency) of RE	**15,152**	**17,230**	**16,194**	**17,156**	**19,403**
K Coefficient %	**14.13**	**14.38**	**13.92**	**13.98**	**14.26**

* The information and book balances of BV were not included in the statements of limits of risk management and in the calculation basis of the BB's Basel Ratio, retroactive to 9.30.2009.
(1) Referring to the PEPR portion pursuant to circular 3,360 of 9.12.2007.
(2) Referring to the PCAM, PJUR, PCOM and PACS portions, Circulars 3361 to 3364/2007, 3366/2007, 3368/2007 and 3389/2008.
(3) Referring to the POPR portion, pursuant to circular 3,383, of 4.30.2008.

BB's RRE reached the sum of R$ 65,528 million in March, an increase of 22.9% in comparison to March 2011. The main part of the requirement was caused by the credit risk portion (PEPR), which reflects mainly the growth of loan operations. The following table presents the main variations in the PEPR quota accounts in the first quarter of 2012, in relation to the same 2011 period, considering the Economic-Financial Consolidated:

Table 129. Main Accounts of the PEPR Quota (Economic-Financial Conglomerate)

				Chg. %	
R$ million	Mar/11	Dec/11	Mar/12	On Mar/11	On Dec/11
Loan Operations	27,884	35,538	36,908	32.4	3.9
Other Credits (gold, advances to FGPC, other advances)	7,364	8,207	8,284	12.5	0.9
Securities and Derivatives	3,704	3,762	2,528	(31.8)	(32.8)
Loans to release	1,670	1,775	1,866	11.8	5.1
Permanent	2,550	2,951	2,870	12.6	(2.8)
Other	6,778	7,569	9,016	33.0	19.1
TOTAL	**49,950**	**59,802**	**61,472**	**23.1**	**2.8**

With respect to market risk, we present in the following table the Required Referential Equity in March 2012, by risk factor

Table 130. PRE for Market Risk by Risk Factor

R$ million				Chg. %	
Risk Factors	**Mar/11**	**Dec/11**	**Mar/12**	**On Mar/11**	**On Dec/11**
RSE FX	-	-	-	-	-
RSE Interest Rate	18	84	174	846.8	108.0
RSE Commodities	0	6	5	3,267.6	(22.1)
RSE Shares	5	1	1	(77.3)	60.2
RSE Market Risk[1]	**23**	**90**	**180**	**670.8**	**98.7**

(1) Includes positions of BNC and BB's interest in BV's positions

For the operational risk, BB has opted for the utilization of the Alternate Standardized Approach, according to Bacen Circular No. 3383. The total amount calculated, R$ 3,876 million, includes sums from Banco Votorantim and the non-financial companies. The allocated capital amount, by line of business, corresponds to:

Table 131. Allocated Capital for Operational Risk by Line of Business

Business Line	Amount (R$ million)	Share %
Asset Management	118	3.0
Subsidiaries and Affiliates in the Country and Abroad	253	6.5
Commercial	1,032	26.6
Retail Brokerage	4	0.1
Corporate Finance	25	0.6
Trading and Sales	1,301	33.6
Payments and Settlements	457	11.8
Financial Agent Services	100	2.6
Retail	586	15.1
TOTAL	**3,876**	**100.0**

11. Strategic Investments

11.1 Information

Table 132. Interest in the Capital of Companies

R$ thousand	Activity		Share - % Mar/12	Book Value Mar/12	Book Value Mar/11	Equity Income 1Q12
Consolidated Equity Interests						
Banking Segment						
Banco do Brasil – AG. Viena	Banking	(1)	100.00	214,803	208,013	1,148
BB Leasing S.A. – Arrendamento Mercantil	Leasing	(1)	100.00	3,489,970	3,372,969	36,238
BB Leasing Company Ltd.	Leasing	(1)	100.00	81,271	71,541	491
BB Securities Asia Pte. Ltd.	Brokerage	(1)	100.00	8,251	-	(386)
BB Securities LLC.	Brokerage	(1)	100.00	39,309	27,572	3,273
BB Securities Ltd.	Brokerage	(1)	100.00	71,101	57,824	2,806
BB USA Holding Company, Inc.	Banking	(1)	100.00	2,630	2,705	(25)
Brasilian American Merchant Bank	Holding	(1)	100.00	794,795	703,253	(3,973)
Besc Distribuidora de Títulos e Valores Mobiliários S.A.	Asset Management	(1)	99.62	7,177	12,895	50
Banco Patagonia S.A.	Multiple Bank	(1)	58.96	659,025	-	50,530
Banco Votorantim S.A.	Multiple Bank	(2)	50.00	3,319,331	3,993,548	(236,739)
EuroBank	Banking	(1)	100.00	42,058	-	(2,558)
Segmento Investimentos						
BB Banco de Investimento S.A.	Investment Bank	(1)	100.00	2,139,766	1,314,991	315,253
Kepler Weber S.A.	Industry	(2)	17.56	52,729	46,700	445
Companhia Brasileira de Securitização – Cibrasec	Credit Acquisition	(3)	9.09	8,996	9,205	395
Neoenergia S.A.	Energy	(2)	11.99	1,371,937	1,274,885	56,177
Segmento Gestão de Recursos						
BB Gestão de Recursos – Distribuidora de Títulos e Valores Mobiliários S.A.	Asset Management	(1)	100.00	282,699	256,927	151,165
Segmento Seguros, Previdência e Capitalização						
BB Seguros Participações S.A.	Holding	(1)	100.00	4,088,478	2,915,691	201,138
BB Corretora de Seguros e Administradora de Bens S.A.	Brokerage	(1)	100.00	101,339	64,319	67,838
Nossa Caixa Capitalização S.A.	Capitalization	(1)	100.00	5,572	5,555	71
Brasilprev Seguros e Previdência S.A.	Insurance Company /	(3)	75.00	670,836	477,301	94,607
Brasilcap Capitalização S.A.	Capitalization	(3)	66.66%	140,395	92,414	34,318
BB Mapfre SH1Participações S.A.	Holding	(3)	74.99	2,047,765	-	116,863
Mapfre BB SH2 Participações S.A.	Holding	(3)	50.00	1,111,194	-	-
Seguradora Brasileira de Crédito à Exportação – SBCE	Insurance Company	(3)	12.09	2,809	2,512	(41)
Segmento Meios de Pagamento						
BB Administradora de Cartões de Crédito S.A.	Service Rendering	(1)	100.00	23,256	23,708	3,953
BB Elo Cartões Participações S.A.	Holding	(1)	100.00	18,145	10,923	(698)
Elo Participações S.A.	Holding	(2)	49.99	15,820	-	(711)
Companhia Brasileira de Soluções e Serviços CBSS – Alelo	Service Rendering	(3)	49.99	185,570	114,924	21,101
Cielo S.A.	Service Rendering	(2)	28.71	469,824	255,120	161,620
Tecnologia Bancária S.A. – Tecban	Service Rendering	(3)	9.02	21,348	22,963	927
Outros Segmentos						
Ativos S.A. Securitizadora de Créditos Financeiros	Credit Acquisition	(1)	100.00	849,631	808,398	9,589
BB Administradora de Consórcios S.A.	Consortiums	(1)	100.00	83,779	47,001	33,819
BB Tur Viagens e Turismo Ltda.	Tourism	(1)	100.00	10,855	8,091	10,855
BB Money Transfers Inc.	Service Rendering	(1)	100.00	2,816	2,830	(4)
Cobra Tecnologia S.A.	IT	(1)	99.99	129,525	117,770	5,894
BV Participações S.A.	Holding	(2)	50.00	79,099	64,625	(11,324)

R$ thousand	Activity		Share - % Mar/12	Book Value Mar/12	Book Value Mar/11	Equity Income 1Q12
Equity Interest						
Mapfre Nossa Caixa Vida e Previdência S.A	Insurance Company / Pension	(4)	49,00	11654	7.914	580
Cadam S.A.	Mining	(4)	21,64	21617	43.574	(599)
Cia. Hidromineral Piratuba	Sanitation	(4)	16,19	2.352	2.249	73
Itapebi Geração de Energia	Energy	(4)	19,00	83.760	63.031	8.501
Estruturadora Brasileira de Projetos - EBP	Service Rendering	(4)	11,11	1432	1003	1026

(1) Subsidiaries, fully included in consolidation.
(2) Joint venture, proportionately included consolidation.
(3) Associated companies, proportionately included consolidation, as Bacen resolve.
(4) Associated companies, accounted by equity method.

11.2. Banco Votorantim

Since September 2009 is in effect the strategic partnership between BB and Votorantim Finanças of Banco Votorantim, through which BB now holds 50% of the total capital of BV. The management of BV and its related companies is performed through the Board of Directors, where the shareholders take part in a joint manner.

The partnership is rational and strategic, with a long-term prospect, having allowed the BB explore business opportunities in several segments, with tangible results already achieved, as listed below:

I) Expansion of asset origination capability in the consumer finance market: since the establishment of the partnership, BV Financeira has been acting as an extension of BB for performing vehicle financing outside of branches, which contributed to relevant growth of its vehicles loan portfolio. Facing the new economic and regulatory context, over 2012 BB and BV should move forward in structuring a new model of origination ("BV Financial Originator"), focusing on the cars dealership segment;

II) Purchase of credit assets: through an Operating Agreement, BB purchase payroll loans and vehicle loans arising from BV, with recourse. The balance of assets purchased from BV reached R$ 13.4 billion in Mar/2012, which R$ 9.3 billion are from vehicles loans and the remaining from payroll loans. Due to the new economic-regulatory scenario, and after the Brazilian Central Bank Circular 3533 took effect in January 2012, which change the rules for accounting credit assignment, the BB and BV are jointly advancing the evolution of a new model of origination as described in the previous item;

III) Cross offer of investment products: BB DTVM and Votorantim Wealth Management & Services (VWM&S) has been acting jointly in the development and distribution of investment funds of Receivables (FIDCs), Real Estate (FIIs), Equity Investments (FIPs) and Private Lending. At the end of 1st quarter of 2012, the volume of asset management associated to the partnership amounted R$ 2.4 billion, with emphasis on FIC BB Seleção Private, F II BB Renda Corporativa, FIDC Phoenix (Lojas Americanas) and FIP-IE BB Votorantim Energia Sustentável I, II and III. The last one is a Private Equity Fund Investment in biomass plants, wind energy and small hydropower centers (PCHs), which is pioneering in its format;

IV) Expansion of distribution network: BB gets access to alternative and well-developed distribution network, car dealerships, retail facilities and stores of BV Financeira.

Banco do Brasil and Banco Votorantim will remain to explore the additional opportunities from business synergies, strengthening the strategic partnership.

The consolidation of the financial statements is proportional to BB's ownership interest in the total capital of BV. The assets and liabilities started to be consolidated in the financial statements since 3Q09 and the income statement accounts since 4Q09. The statements of risk management and operating limits, by recommendation of the Central Bank of Brazil (BACEN), have been prepared under the equity method since November 2010.

Additional information is available in the Investors Relation website from Banco Votorantim at www.bancovotorantim.com.br/ri.

Table 133. Banco Votorantim – Summarized Corporate Law Income Statement

	Quarterly Flow			Chg. %	
R$ million	1Q11	4Q11	1Q12	On 1Q11	On 4Q11
Financial Intermediation Income	**3,784**	**3,494**	**3,819**	**0.9**	**9.3**
Loans	2,423	2,898	2,298	(5.1)	(20.7)
Leasing	599	467	450	(24.8)	(3.6)
Securities	1,025	771	1,263	23.2	63.8
Financial Derivatives	(428)	(811)	(311)	(27.3)	(61.7)
Foreign Exchange Portfolio	9	11	-	-	-
Compulsory Investments	157	158	119	(24.2)	(24.6)
Financial Intermediation Expenses	**(2,233)**	**(2,691)**	**(2,519)**	**12.8**	**(6.4)**
Money Market Funds	(1,758)	(2,218)	(2,118)	20.5	(4.5)
Borrowing, Assignments and Onlending	(28)	(121)	(42)	50.1	(65.7)
Leasing	(448)	(351)	(341)	(23.8)	(2.9)
Foreign Exchange Portfolio	-	-	(19)	-	-
Net Interest Income	**1,551**	**803**	**1,300**	**(16.2)**	**61.8**
Allowance for Loan Losses	(427)	(1,097)	(1,587)	272.0	44.7
Gross Income from Financial Intermediation	**1,124**	**(293)**	**(287)**	**-**	**(2.3)**
Other Operating Income (Expenses)	**(458)**	**(684)**	**(597)**	**30.4**	**(12.8)**
Fee Income	300	288	243	(18.9)	(15.6)
Personnel Expenses	(205)	(209)	(235)	14.8	12.5
Other Administrative Expenses	(343)	(438)	(362)	5.5	(17.4)
Taxes	(161)	(150)	(116)	(27.6)	(22.1)
Equity Interest in the Results of Subsidiaries, and Affiliates	(0)	(0)	14	-	-
Other Operating Revenues	14	31	23	59.9	(25.0)
Other Operating Expenses	(63)	(206)	(163)	158.9	(21.0)
Operating Income	**667**	**(978)**	**(883)**	**-**	**(9.6)**
Non-operating Income	**10**	**(85)**	**(29)**	**-**	**(66.5)**
Income Before Taxes	**676**	**(1,063)**	**(912)**	**-**	**(14.2)**
Income and Social Contribution Taxes	(182)	491	430	-	(12.6)
Profit Sharing	(109)	(85)	(114)	4.6	34.9
Net Income	**385**	**(656)**	**(597)**	**-**	**(9.1)**

Summary

Net Interest Income

In January 2012, came into force the Central Bank Resolution 3533 which changed the accounting for transfers of credit assets with co-obligation. Under the new rules, revenues from these operations, that before were fully recognized at the time of assignment, must be accounted over the remaining term of the contracts assigned. Given this regulatory change, BB chose not to make credit assignments in 1Q12, impacting revenues of BV Financeira.

Even considering these impacts, the Financial Intermediation Income totaled R$ 3,819 million in 1Q12, up 9.3% in the comparison with 4Q11, primarily due to the good performance recorded by the wholesale business - Corporate & Investment Banking, Middle Market, Wealth Management and Treasury. In addition, in the 1Q12, there was a recognition of allowance from loan losses expenses derived from assigned loan portfolios, which had been accounted in the 4Q11 as an impact on the NII. This change was mainly due to the repurchase of these portfolios that had advanced levels of delinquency.

The costs of financial intermediation, in turn, amounted R$ 2,519 million in 1Q12, a decrease of 6.4% compared to 4Q11, mainly due to the reduction of funding expenses in the period as a result of the fall of TMS (offset by the use of instruments derivative) and a significant reduction in expenses on loans, also a result of the Resolution 3,533.

Thus, the Net Interest Income ended the quarter at R$ 1,300 million, up 61.8% compared to the previous quarter and the total global spread ended the year at 5.0%, up 200 basis points compared to 4Q11.

Table 134. Banco Votorantim – Margin Net of Interest and Profit Margin

R$ million	1Q11	4Q11	1Q12
Average Earning Assets (AEA)	103,705	109,435	106,468
Average Interest Bearing Liabilities (AIBL)	88,689	99,323	96,580
Net Interest Gain (1)	**1,919**	**1,574**	**1,596**
Interest Income	3,696	3,906	3,748
Interest Expense	(1,777)	(2,331)	(2,152)
Net Interest Income Other Items (2)	**(368)**	**(771)**	**(296)**
NII	**1,551**	**803**	**1,300**
AIBL / AEA – %	85.5	90.8	90.7
Interest Rate on AEA (3)- %	15.0	15.1	14.8
Interest Rate on AIBL (4) - %	8.3	9.7	9.2
Net Interest Rate (5) - %	6.8	5.3	5.6
Adjusted NIM (6) - %	7.6	5.9	6.1
NIM – %	6.1	3.0	5.0

(1) Defined as interest income minus interest expenses.
(2) Contains derivatives, debt assumption contracts, foreign exchange portfolio, recovery of write-offs, gold loans, credit guarantor fund, foreign exchange gain/loss abroad and other income of a financial intermediation nature
(3) Total interest income divided by the average balance of earning assets.
(4) Total interest expenses divided by the average balance of interest bearing liabilities.
(5) Difference between the average rate of earning assets and the average rate of interest bearing liabilities.
(6) Net Interest Gain divided by the average balance of earning assets

Loan portfolio

The loan portfolio of BV reached R$ 58.8 billion at the end of the first quarter of 2012, remaining stable compared to the 4Q11 and evolution of 0.5% in 12 months. The managed loan portfolio, which includes the assets transferred with co-obligation to other financial institutions and assets transferred to FIDC, Direct Credit Investment Funds, (of which Banco Votorantim owns 100% of the subordinated quotes), ended the period reaching R$ 76.8 billion, a decrease of 3.1% in comparison to Dec/11.

The retail loan portfolio reached R$ 38.5 billion in Mar/12, an increase of 1.7% in the quarter and remained stable over the same period last year. The retail managed loan portfolio, on the other hand, totaled R$ 56.4 billion in the period, a decrease of 3.3% over Dec/11.

The balance of assets originated by the Retail and assigned with co-obligation ended the quarter reaching R$ 13.6 billion, a reduction of 11.2% compared to 4Q11, due to the not-performing of transfers of credit to BB in 1Q12 on account of Central Bank of Brasil's new rules (Resolution 3,533). Of this amount, R$ 13.4 billion, or 98% of the total balance, had BB as assignee, which acquired portfolios of vehicle loans and payroll loans originated and guaranteed by Banco Votorantim, in line with its strategy of acting credit on consumption segment.

The moderation in growth of the Retail portfolio is associated with more conservative stance of the institution before the new economic-regulatory momentum and systemic increase in defaults by individuals, particularly in the segment of vehicle financing, which has a high representation in the total loan portfolio

The credit portfolio of wholesale segment reached R$ 20.3 billion in Dec/11, a 1.4% growth over the past 12 months. The loan portfolio in the broad concept, in this segment, which includes guarantees and private securities, ended Mar/12 with a balance of R$ 41.5 billion, up 7.7% over the past 12 months.

At the end of 1Q12, the portfolio of Middle Market segment (SME) reached R$ 8.3 billion, a growth of 29.5% over the same period in 2011. The portfolio, in the broad concept, in turn, grew 35.0% in 12 months, totaling R$ 9.1 billion. This segment continues to operate with a elevated level of assurance of high and medium capacity of mitigation, which covered 89% of the portfolio in Mar/12. As a result, in the end of 1Q12 approximately 92% of this portfolio was rated as AA to C by the criterion of Resolution 2682 from the Central Bank, evidencing its standard quality.

The Corporate segment ended Mar/12 with a loan portfolio of R$ 12.0 billion, a reduction of 11.7% compared to Mar/11. The loan portfolio, in the broad concept, totaled R$ 32.4 billion in this period, growth of 2.0% in 12 months. The BV, through the Corporate & Investment Banking (CIB), is one of the major's players in credit for large companies with high market penetration (more than 550 business groups met). In order to increase its relevance to customers and boost the revenues with

services, the CIB has strengthened its platform for value-added products (derivatives, structured products, services, investment banking and distribution locally and internationally).

Table 135. Banco Votorantim – Balance Sheet – Main items

	Balance			Chg. %	
R$ million	Mar/11	Dec/11	Mar/12	On Mar/11	On Dec/11
Assets	**112,517**	**112,445**	**113,495**	**0.9**	**0.9**
Securities and Derivatives	**25,604**	**26,733**	**28,345**	**10.7**	**6.0**
Loan Portfolio	**58,528**	**58,726**	**58,795**	**0.5**	**0.1**
Individuals (Retail)	**38,479**	**37,810**	**38,462**	**(0.0)**	**1.7**
Payroll Loan	5,184	6,201	6,700	29.2	8.1
Vehicles (Loans and Leasing)	32,999	31,255	31,399	(4.8)	0.5
Other (1)	296	355	362	22.3	2.0
Businesses (Wholesale)	**20,049**	**20,916**	**20,334**	**1.4**	**(2.8)**
Corporate	13,647	12,752	12,046	(11.7)	(5.5)
Middle Market	6,402	8,164	8,288	29.5	1.5
Loan Portfolio - Broad Concept (2)	**77,012**	**76,819**	**79,587**	**3.3**	**3.6**
Receivable on Guarantees	10,422	11,859	12,252	17.6	3.3
Private Securities and other	8,062	6,234	8,540	5.9	37.0
Managed Loan Portfolio Expanded (3)	**91,797**	**97,361**	**97,567**	**6.3**	**0.2**
Assigned Assets - with recourse	11,913	15,360	13,638	14.5	(11.2)
FIDCs	2,872	5,182	4,342	51.2	(16.2)
Deposits (4)	**24,945**	**25,625**	**25,564**	**2.5**	**(0.2)**
Demand Deposits	366	432	349	(4.6)	(19.1)
Interbank Deposits	1,142	1,624	3,286	187.7	102.3
Time Deposits	23,481	23,569	21,929	(6.6)	(7.0)
Money Market Borrowing	**33,666**	**33,535**	**34,099**	**1.3**	**1.7**
Shareholders' Equity	**8,679**	**8,041**	**7,566**	**(12.8)**	**(5.9)**

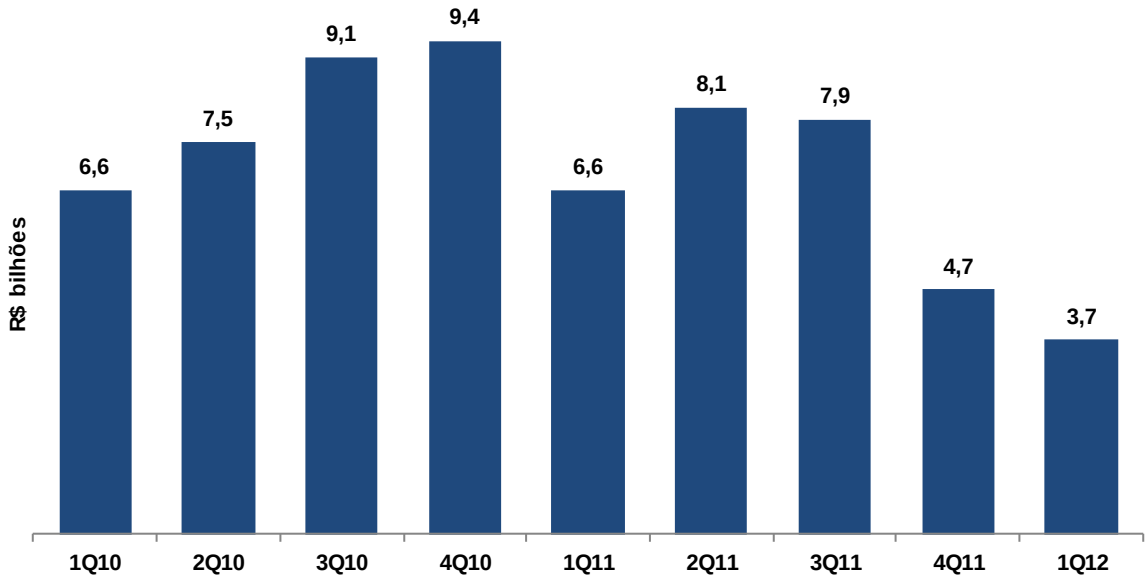
(1) Individual loans + Consumer Credit without guaranties + Credit Card;
(2) Domestic loan portfolio + private securities + guarantees;
(3) Loan portfolio broad concept + assets assigned with co-obligations+ FDICs;
(4) Without other deposits.

BV has improved policies, processes and models of retail credit. Since the 4Q11, stricter credit policies have been adopted, including restricting new contract with a maturity over than 48 months and down payment lesser than 20%. Thus, there was a decrease in the average term and in the production loan-to-value (percentage of the total financed). Furthermore, new tools and indicators for the management of the portfolio performance were implemented.

Table 136. Banco Votorantim – Vehicle Loan Portfolio

	Mar/11	Dec/11	Mar/12
Production			
Average rate per crop - % p.y.	29.8	26.4	26.8
Average term per crop - months	48.4	46.4	45.6
Loan to Value (Financed value / Asset value) – average %	62.7	59.5	58.8
Used vehicles / Light Vehicles - %	68.0	73.7	77.0
Loan Portfolio			
Portfolio Average rate - % p.y.	22.8	25.6	26.2
Portfolio duration - months	19.3	20.2	19.5
Loan to Value (Financed value / Asset value) – average %	67.9	67.6	67.5
Used vehicles / Vehicles portfolio - %	69.6	67.1	67.0
Average vehicle age (years)	5.3	4.8	4.8

Figure 31. Banco Votorantim – Production (Vehicle and Payroll Loans)



Delinquency and Allowance for Loan Losses

The expenses with allowance for Loan Losses increased 44.7% in 1Q12, totaling R$ 1,587 million, against R$ 1,097 million in 4Q11. This increase is mainly due to the systemic increase of the delinquency in vehicles financing in the last 15 months, which reached 5.7% in Mar/12, historical number for the series recorded by the Central Bank of Brasil, since 2000.

The increased conservatism adopted since the 4Q11 also contributed to the rise of the retail allowance for loan losses expenses that increased 52% in the quarter. Furthermore, due to a loan portfolio repurchase, there was a recognition of allowance for loan losses expenses in the 1Q12, which, in the previous quarter, were recognized impacting the NII. Considering the reallocation of these prudential provisions between the lines of the NII and the provision expenses, the sum of the retail allowance for loan losses expenses would have grown 14.9% in the period.

In the wholesale segment, the allowance for loan losses expenses totaled R$ 134 million in 1Q12, a decrease of 4.8% over the previous quarter, even with the increase of prudential coverage ratio of loans to middle market. It is highlighted that even with the continued expansion of this segment, focused on midsized companies (SME), non-performing loans over 90 days in Mar/12 was 1.9%, lower than the market average.

In Mar/12, the delinquency ratio over 90 days reached 7.3% of the loan portfolio of BV, an increase of 150 basis points over Dec/11. The provision, on the other hand, ended the quarter with a balance of R$ 4.1 billion, representing 7% of the loan portfolio, an increase of 27.9% compared to Dec/11.

Table 137. Banco Votorantim – Delinquency Ratios of the own loan portfolio – Total

R$ million	1Q11	4Q11	1Q12
Loan Portfolio	**58,528**	**58,726**	**58,795**
NPL + 90 days	1,352	3,388	4,285
NPL + 90 days/Loan Portfolio	2.3%	5.8%	7.3%
Write-off	(157)	(546)	(693)
Recovery of Write-offs	59	38	44
Net Loss	(98)	(509)	(650)
Net Loss/Loan Portfolio - % annualized	0.7%	3.5%	4.5%
Provision	**(1,423)**	**(3,206)**	**(4,100)**
Allowance/Loan Portfolio	2.4%	5.5%	7.0%
Allowance/NPL + 90 days - %	105.2%	94.6%	95.7%
Allowance Expenses / Loan Portfolio (12 months average)	2.3%	5.5%	7.4%

Table 138. Banco Votorantim – Own Loan Portfolio by Level of Risk – Total

	Mar/11			Dec/11			Mar/12		
R$ million	Balance	Provision	Share	Balance	Provision	Share	Balance	Provision	Share
AA	11,984	-	20.5	10,647	-	18.1	9,712	-	16.5
A	38,756	194	66.2	35,384	177	60.3	33,354	167	56.7
B	3,673	37	6.3	4,606	46	7.8	6,024	60	10.2
C	1,841	55	3.1	2,811	84	4.8	3,117	94	5.3
D	692	69	1.2	1,309	131	2.2	1,589	159	2.7
E	361	108	0.6	1,070	319	1.8	1,219	363	2.1
F	400	200	0.7	579	289	1.0	641	321	1.1
G	208	145	0.4	649	454	1.1	789	552	1.3
H	614	614	1.0	1,672	1,672	2.8	2,350	2,350	4.0
Total	**58,528**	**1,423**	**100.0**	**58,726**	**3,172**	**100.0**	**58,795**	**4,066**	**100.0**
Add. Allow.		-			34			34	
Total Allow.		**1,423**			**3,206**			**4,100**	
AA-C	56,254	286	96.1	53,448	307	91.0	52,207	321	88.8
D-H	2,274	1,137	3.9	5,278	2,865	9.0	6,588	3,745	11.2

BV is responsible for the risk of the assets assigned with co-obligation and by the FDICs (Direct Credit Investment Funds) which owns 100% of the subordinated quotes. Thus, seeking to ensure a more consistent communication to the market about the real quality of its loan portfolio, we present below information about delinquency and provisions including transfers in which there is a risk retention, denominated "Managed Portfolio".

In this view, the delinquency ratio reached 5.8% of managed loan portfolio at the end of the first quarter of 2012, an increase of 130 basis points over Dec/11. This growth was driven by the default of Retail, which reached 7.1% of the managed portfolio in Mar/12, compared to 5.5% in the previous quarter. The delinquency ratio of the managed portfolio of vehicle financing, in turn, ended Mar/12 by 7.8% against 5.9% in Dec/11.

At the end of 1Q12, the coverage ratio of total managed portfolio was 102.0%, compared to 103.9% in Dec/11. The percentage of the managed loan portfolio rated between AA and C was 90.6% against 92.6% in the last quarter of 2011

Table 139. Banco Votorantim – Delinquency Ratios – Total Managed Portfolio

R$ million	1Q11	4Q11	1Q12
Managed Loan Portfolio	**73,313**	**79,268**	**76,775**
NPL + 90 days	1,432	3,538	4,449
NPL + 90 days/Managed Loan Portfolio	2.0%	4.5%	5.8%
Write-off	(157)	(546)	(693)
Recovery of Write-offs	59	38	44
Net Loss	(98)	(509)	(650)
Net Loss/Managed Loan Portfolio - % annualized	0.5%	2.6%	3.4%
Provision	**(1,617)**	**(3,675)**	**(4,536)**
Allowance/Managed Loan Portfolio	2.2%	4.6%	5.9%
Allowance/NPL + 90 days - %	112.9%	103.9%	102.0%
Allowance Expenses[1] / Managed Loan Portfolio (12 months average)	2.0%	4.6%	6.0%

(1) Consider allowance for loan losses of assigned assets.

Table 140. Banco Votorantim – Delinquency Ratios of Managed Loan Portfolio – Wholesale

R$ million	1Q11	4Q11	1Q12
Managed Loan Portfolio	**20,049**	**20,916**	**20,334**
NPL + 90 days	186	349	413
NPL + 90 days/Managed Loan Portfolio	0.9%	1.7%	2.0%
Write-off	(15)	(9)	(45)
Recovery of Write-offs	0	1	7
Net Loss	(15)	(7)	(38)
Net Loss/Managed Loan Portfolio - % annualized	0.3%	0.1%	0.7%
Provision	**(331)**	**(654)**	**(744)**
Allowance/Managed Loan Portfolio	1.7%	3.1%	3.7%
Allowance/NPL + 90 days - %	178.3%	187.1%	179.9%
Allowance Expenses / Managed Loan Portfolio (12 months average)	0.7%	2.0%	2.4%

* These assignments are made through the BV Financeira subsidiary, resulting in no differences between the own portfolio and managed portfolio of wholesale.

Table 141. Banco Votorantim – Delinquency Ratios of Managed Loan Portfolio – Retail

R$ million	1Q11	4Q11	1Q12
Managed Loan Portfolio	**53,264**	**58,352**	**56,441**
NPL + 90 days	1,246	3,189	4,035
NPL + 90 days/Managed Loan Portfolio[1]	2.3%	5.5%	7.1%
Write-off	(142)	(538)	(648)
Recovery of Write-offs	59	36	36
Net Loss	(83)	(501)	(612)
Net Loss/Managed Loan Portfolio - % annualized	0.6%	3.5%	4.4%
Provision	**(1,286)**	**(3,021)**	**(3,792)**
Allowance/Managed Loan Portfolio	2.4%	5.2%	6.7%
Allowance/NPL + 90 days - %	103.2%	94.8%	94.0%
Allowance Expenses[2] / Managed Loan Portfolio (12 months average)	2.6%	5.5%	7.3%

(1) Considering only the own portfolio, the non-performing loans over 90 days ratio would be 1Q11: 3.0%, 4Q11: 8.0% and 1Q12: 10.1%.
(2) Includes allowance for loan losses of assets assigned.

Table 142. Banco Votorantim - Loan Portfolio Managed by Risk Level - Total

	Mar/11			Dec/11			Mar/12		
R$ million	Balance	Provision	Share	Balance	Provision	Share	Balance	Provision	Share
AA	13,098	-	17.9	13,322	-	16.8	12,004	-	15.6
A	51,499	258	70.2	51,948	260	65.5	46,591	233	60.7
B	4,064	41	5.5	5,067	51	6.4	7,134	71	9.3
C	2,045	61	2.8	3,103	93	3.9	3,844	115	5.0
D	777	78	1.1	1,449	145	1.8	1,815	182	2.4
E	411	123	0.6	1,153	344	1.5	1,312	391	1.7
F	436	218	0.6	637	318	0.8	712	356	0.9
G	230	148	0.3	700	490	0.9	843	590	1.1
H	752	690	1.0	1,889	1,941	2.4	2,520	2,563	3.3
Total	**73,313**	**1,617**	**100.0**	**79,268**	**3,641**	**100.0**	**76,775**	**4,502**	**100.0**
Add. Allow.		0			34			34	
Total Allow.		**1,617**			**3,675**			**4,536**	
AA-C	70,706	360	96.4	73,440	404	92.6	69,573	420	90.6
D-H	2,607	1,257	3.6	5,828	3,238	7.4	7,202	4,082	9.4

Table 143. Banco Votorantim - Loan Portfolio Managed by Risk Level – Wholesale*

	Mar/11			Dec/11			Mar/12		
R$ million	Balance	Provision	Share	Balance	Provision	Share	Balance	Provision	Share
AA	11,505	0	57.4	10,514	0	50.3	9,554	0	47.0
A	5,791	29	28.9	5,557	28	26.6	5,003	25	24.6
B	1,814	18	9.0	2,604	26	12.5	3,160	32	15.5
C	529	16	2.6	1,068	32	5.1	1,080	32	5.3
D	70	7	0.4	310	31	1.5	556	56	2.7
E	9	3	0.0	405	119	1.9	497	147	2.4
F	126	63	0.6	34	17	0.2	44	22	0.2
G	30	21	0.2	188	132	0.9	144	101	0.7
H	174	174	0.9	235	235	1.1	295	295	1.4
Total	**20,049**	**331**	**100.0**	**20,916**	**620**	**100.0**	**20,334**	**710**	**100.0**
Add. Allow.		-			34			34	
Total Allow.		**331**			**654**			**744**	
AA-C	19,639	63	98.0	19,743	86	94.4	18,797	89	92.4
D-H	410	268	2.0	1,172	534	5.6	1,536	620	7.6

* The credit assignment are performed through BV Financeira. This do not generate differences between the own loan portfolion and the managerial loan portfolio, in the wholesale segment.

Table 144. Banco Votorantim - Loan Portfolio Managed by Risk Level - Retail

	Mar/11			Dec/11			Mar/12		
R$ million	Balance	Provision	Share	Balance	Provision	Share	Balance	Provision	Share
AA	1,593	0	3.0	2,807	0	4.8	2,449	0	4.3
A	45,708	229	85.8	46,392	232	79.5	41,588	207	73.7
B	2,250	23	4.2	2,463	25	4.2	3,974	40	7.0
C	1,516	45	2.8	2,035	61	3.5	2,764	83	4.9
D	707	71	1.3	1,139	114	2.0	1,259	126	2.2
E	402	121	0.8	748	224	1.3	815	244	1.4
F	310	155	0.6	603	301	1.0	668	334	1.2
G	200	127	0.4	512	358	0.9	699	489	1.2
H	578	516	1.1	1,654	1,706	2.8	2,225	2,268	3.9
Total	**53,264**	**1,286**	**100.0**	**58,352**	**3,021**	**100.0**	**56,441**	**3,792**	**100.0**
Add. Allow.		-			-			-	
Total Allow.		**1,286**			**3,021**			**3,792**	
AA-C[1]	51,067	297	95.9	53,697	318	92.0	50,775	330	90.0
D-H	2,197	989	4.1	4,656	2,704	8.0	5,666	3,462	10.0

(1) Considering only the own portfolio, the indicators would be AA-C 1Q11: 95.2%, 4T11: 89.1% and 1Q12: 86.9%.

Personnel Expenses

Personnel expenses increased from R$ 209 million in 4Q11 to R$ 235 million in 1Q12, increase of 12.5% impacted by non recurrent expenses related to the adjustment process initiated at the end of 2011. As part of this process, BV promoted the integration of corporate areas of Wholesale and Retail, including credit, finance and legal areas, with immediate governance gains and future efficiency gains. The efficiency ratio in the previous 12 months ended in Mar/12 reaching 43.7% (lower is better), higher than the 40.0% observed in Dec/11.

Table 145. Banco Votorantim – Main Productive Indicators

	1Q11	4Q11	1Q12
Cost Income Ratio[1] (12 months accumulated) - %	36.6	40.0	43.7
Personnel Expenses per Employee[2] - R$	37,459	26,363	33,396

(1) Sum of Personnel Expenses and Other Administrative Expenses / Sum of Gross Income from Financial Intermediation, of expenses with Allowance for Loan Losses, Fee Income and Result of Other Operating Income and Expenses.
(2) Includes employees and trainees

Other Administrative Expenses

Other administrative expenses decreased 17.4% in 1Q12, totaling R$ 362 million, compared to R$ 438 million in 4Q11. This decrease is the result of a series of measures adopted since 2011, with the objective of improving the management of expenses and costs. Besides the creation of CAAD (Committee of Expenses Review and Approval), which meets weekly to review the main expenses and monitor the implementation of the budget were implemented actions that resulted in a recurrent reducing of administrative expenses with rents, communication and specialized consulting, among others.

Table 146. Banco Votorantim – Operational and Structural Highlights

	Mar/11	Dec/11	Mar/12
Customers - thousand	5,171	5,474	5,569
Assets Under Management - R$ million[1]	35,703	42,985	44,649
Number of Branch Offices	269	259	217

(1) Includes cash and offshore products.
(2) Includes employees and trainees.

BIS Ratio

The BIS ratio ended the 1Q12 reaching 13%, being 8.7% of Core Capital. BB is committed to maintaining the capital structure of BV at adequate levels. This commitment extends to the preparation of BV to the new regulatory scenario of Basel III.

Table 147. Banco Votorantim – BIS Ratio

R$ million	Mar/11	Dec/11	Mar/12
RE - Referential Equity Amount	**12,020**	**12,054**	**11,282**
RE Tier I	8,797	8,086	7,491
RE Tier II	3,223	3,968	3,791
RRE - Required Referential Equity Amount	**10,623**	**9,386**	**9,520**
Sufficiency of RE: (RE – RRE)	**1,398**	**2,668**	**1,763**
BIS Ratio: (RE x 100) / (RRE / 0.11)	**12.4%**	**14.1%**	**13.0%**
Tier I	9.1%	9.5%	8.7%
Tier II	3.3%	4.7%	4.4%

Agenda for Change

To return to sustainable growth and profitability in Retail, Banco Votorantim has advanced rapidly in the implementation of its Agenda for Change, with the full support of its shareholders. Among the initiatives taken, it is worth noting:

i) Operating model in vehicles: improving performance in resale (used vehicles) for origination focused on own portfolio;

ii) Credit: improvement of policies, processes and models of Retail. After the significant improvement in the level of risk of originated credit in 4Q11, the productions of 1Q12 maintained the historical level of good quality;

iii) Collection: intensification of the processes of collection in retail, aiming at the prevention and reduction of default and the recovery and / or minimize losses;

iv) Incentives: a review of all systems of incentives, including sales force;

v) Efficiency: recurrent reducing in the cost base through initiatives such as, the consolidation of organizational structures of the Wholesale and Retail segments, review in the number of stores, reducing costs on consultants, telephone and rent. The Committee of Expenses Review and Approval (CAAD), created in the second half of 2011, continued to work in order to improve the efficiency in the costs and expenses management;

vi) Reinforcement of talents: adding the executive staff of experienced professionals in the market, in areas such as Credit and Collection for the retail segment;

vii) Operations: maintenance of the Operational Review Committee (ORC) work, composed of representatives of shareholders who has worked with teams of BV Financeira in the implementation of operational improvements on five fronts (ROE, Allowance for Loan losses, Credit, Collection and Processes.

11.3. Banco Postal

In May 2011, Banco do Brasil was the winner in the bidding process for a five-year period, to exploit the postal bank network of the Brazilian Mail Service (Correios), and, since early 2012, has been working through its network, which has 6,337 service points in 5,270 Brazilian municipalities.

In the first month of operation, the strategy allowed the opening of 142.3 thousand new current accounts and registered 6.8 million transaction involving cash receipts, payments and queries. During the period, about 98% of post offices conducted at least one operation.

This action will allow BB’s expand and profitable the customer basis and expand its service network to 96% of Brazilian municipalities, anticipating the strategy for 2012 to be present throughout the country, before scheduled for 2015.

The target public of BB's work in Banco Postal branches will be the 'D' and 'E' classes, a portion of the population that, due to the advancement provided by the economic policy over the last few years shows a great potential of consumption of banking products and services. In addition, the Postal Bank will contribute to make urban micro-entrepreneurs to use bank services and obtain guidance to generate sustainable businesses and contribute to Brazil's development.

11.4 Internacionalization

As the Brazilian bank with the largest presence in the world market, with 49 units in 23 countries, Banco do Brasil has been intensifying its international operation over the last few years.

The BB's strategic overseas positioning was aimed at wholesale and retail activities in favor of Brazilian immigrant communities, in funding Brazilian companies with business involving foreign trade and acting in the capital market. The conglomerate's actions are aimed at intensifying relations with international financial institutions, economic agents, and governments, in support of implementing transnational and binational projects.

Simultaneously with strategic guidelines, the Bank has focused efforts in continuing to be Brazil's overseas partner with capillarity to assist its customers everywhere, with the purpose of being the first bank for Brazilians at home and overseas.

11.4.1 Acquisitions

EuroBank

On April 25, 2011, Banco do Brasil formalized the purchase of 100% of the capital stock of the North American bank EuroBank, for the price of US$ 6.0 million. The operation is still to be authorized by regulatory bodies in Brazil and in the United States. The operation was authorized by the Central Bank of Brazil on August 9, 2011 and the Office of Financial Regulation (OFR) on October 19, 2011 by the regulators Americans Federal Deposit Insurance Corporation (FDIC) on November 07, 2011, and finally by the Federal Reserve Bank (FED) on December 16, 2011. With this, on January 19, 2012 was effected the closing of the acquisition of all shares.

The EuroBank, a closed-capital company founded in 1991, with main offices in Florida, currently has three branches located in the regions of Coral Gables, Pompano Beach and Boca Raton and a customer base of approximately 1.8 thousand accounts and 1.3 thousand customers, including individuals and businesses.

The acquisition is part of BB's business expansion strategy in the U.S. and will allow the bank to operate in the North American retail market, focusing on serving the Brazilian and Hispanic communities living in that country.

Banco Patagonia

In April 2010, BB acquired the shareholding control of Banco Patagonia, from Argentina, through the acquisition of 51% of its capital. This business was a milestone in the internationalization process and the first step of the new operating model in promising markets.

Subsequently, the Brazilian Central Bank authorized the BB to increase its participation in that bank up to 75% of its total capital through Public Offer (PO). In this sense, BB filed with Comisión Nacional de Valores da Argentina (CNV), the capital market regulatory agency of that country, request permission to perform in Argentina, OP to acquire shares issued by Banco Patagonia.

The authorization was conceded by the CNV on 08.17.2011 and the period from 09.01.2011 to 10/05/2011, OP was made on the Stock Exchange of Buenos Aires. After the closing, in 10.11.2011, the offer resulted in the acquisition by Banco do Brasil, 135,174,290 common shares class "B" at a price of ARS 5.1959759225 per share. Thereby, BB now holds 424,101,958 Class “B” common shares, representing 58.96% of capital and voting of Banco Patagonia.

The aim of the transaction was to expand the partnership with Brazilian and Argentine companies and diversify the products and services portfolio, seeking to potentialize customer service, expand the loan portfolio and operate in the value chain of the Corporate segment of Argentina, mainly in the Buenos Aires and Rio Negro provinces.

Banco Patagonia is a solid institution and has a strong relationship with local companies, particularly in the management of company payrolls, and also operates in the retail banking segment. BB contributes by sharing its experience in serving major Brazilian corporate groups.

We list below a selection of economic and structural indicators for Banco Patagonia, and income figures.

Table 148. Banco Patagonia – Key Income Figures

	Quarterly Flow			Chg. %		Annual Flow		Chg. %
R$ million	4Q10	3Q11	4Q11	On 4Q10	On 3Q11	2010	2011	On 2010
Net Interest Income	**147**	**126**	**231**	**56.9**	**83.5**	**496**	**602**	**21.5**
Allowance for Loan Losses	(5)	(9)	(25)	367.3	181.6	(23)	(45)	96.2
Fee income	56	85	91	61.4	6.7	194	295	52.4
Administrative Expenses	(104)	(124)	(136)	31.5	10.0	(368)	(468)	27.3
Others	6	6	5	(20.9)	(22.1)	13	29	114.7
Income Before Taxes	**100**	**84**	**165**	**64.3**	**95.9**	**312**	**413**	**32.3**
Taxes	(35)	(30)	(69)	98.5	131.5	(111)	(159)	43.3
Net Income	**66**	**54**	**96**	**46.3**	**76.4**	**202**	**255**	**26.3**

Table 149. Banco Patagonia – Equity Highlights

	Balance			Chg. %	
R$ million	Dec/10	Sep/11	Dec/11	On Dec/10	On Sep/11
Assets	6,144	7,412	8,424	37.1	13.7
Loan Operations	3,137	4,559	5,099	62.5	11.8
Exposure to Public Sector	38	48	51	33.8	6.9
Deposits	4,401	5,556	5,924	34.6	6.6
Shareholders' Equity	884	996	1,082	22.3	8.5

Table 150. Banco Patagonia – Operating and Structural Highlights

				Chg. %	
	Dec/10	Sep/11	Dec/11	On Dec/10	On Sep/11
Clients	784,151	805,354	813,864	3.8	1.1
Bank Branches	142	145	147	3.5	1.4
Branches in Buenos Aires	76	78	78	2.6	-
Service Points	164	171	172	4.9	0.6
Employees	2,929	3,071	3,133	7.0	2.0

Table 151. Banco Patagonia – Indicators on Returns, Capital, and Credit

%	4Q10	3Q11	4Q11
Return on Equity	24.7	24.1	27.4
Capital Adequacy Ratio (Basel)	25.5	20.9	19.4
Provisions / Past Due Loans (+90 days)	167.6	199.2	234.2
Past Due Loans (+90 days) / Loan Portfolio	1.2	0.9	0.9

12 - Financial Statements

12.1. Summarized Balance Sheet

Table 152. Balance Sheet Assets – Quarterly

R$ million	Jun/10	Sep/10	Dec/10	Mar/11	Jun/11	Sep/11	Dec/11	Mar/12
ASSETS	**755,706**	**796,815**	**811,172**	**866,636**	**904,145**	**949,781**	**981,230**	**1,004,971**
Current and Long-Term Assets	**737,151**	**777,528**	**791,403**	**847,361**	**885,130**	**927,456**	**957,800**	**982,042**
Available Funds	9,535	9,545	9,745	12,575	19,639	20,466	10,034	14,983
Short-Term Interbank Investments	132,543	135,300	107,579	146,458	147,565	157,413	166,288	183,015
Open Market Investments	107,838	111,325	85,060	124,823	125,022	130,023	139,032	158,850
Interbank Deposits	24,704	23,975	22,519	21,635	22,543	27,391	27,256	24,165
Marketable Securities	132,249	137,595	143,867	146,500	154,634	158,844	168,230	155,983
Securities for Trading	44,830	50,850	50,445	51,742	55,591	63,154	63,257	63,544
Securities Available for Sale	67,153	66,205	75,142	76,310	79,882	75,364	88,385	77,105
Securities Held to Maturity	19,049	19,207	16,656	17,052	17,903	18,280	15,191	13,850
Financial Derivatives	1,217	1,332	1,624	1,396	1,258	2,046	1,397	1,484
Interbank Accounts	64,857	75,463	89,526	94,232	94,897	95,468	96,342	102,073
Central Bank Deposits	59,374	70,054	87,035	87,053	89,283	89,654	93,660	94,146
Compuls. Dep, on Demand, Dep & Float	14,035	16,021	18,487	15,744	15,877	14,366	14,307	12,587
Compulsory Dep, on Savings Dep,	45,339	54,033	68,548	71,309	73,406	75,288	79,353	81,559
Others	5,483	5,410	2,491	7,179	5,614	5,814	2,682	7,927
Interdepartmental Accounts	110	167	258	109	119	169	335	109
Loans	289,075	300,919	317,726	325,682	342,481	359,095	379,045	384,833
Public Sector	6,145	7,071	7,184	7,702	7,607	8,441	8,486	8,032
Private Sector	300,028	310,985	326,975	334,120	351,766	368,470	388,781	395,541
0	-	-	-	-	-	-	-	50
(Allowance for Loan Losses)	(17,097)	(17,137)	(16,433)	(16,140)	(16,892)	(17,816)	(18,222)	(18,790)
Leasing	4,394	4,149	3,857	3,499	3,351	3,158	2,851	2,566
Leasing and Sub-Leasing Receivables	4,641	4,377	4,048	3,694	3,563	3,372	3,064	2,773
Public Sector	53	49	46	42	38	35	31	26
Private Sector	4,588	4,328	4,002	3,652	3,525	3,337	3,033	2,747
(Allowance for Lease Losses)	(246)	(228)	(191)	(195)	(212)	(214)	(213)	(208)
Other Receivables	101,887	110,897	114,962	114,238	117,705	128,011	129,554	133,254
Receivable on Guarantees Honored	73	67	75	77	80	76	77	82
Foreign Exchange Portfolio	12,258	15,011	11,878	15,082	14,278	18,000	17,615	19,593
Income Receivable	678	774	944	971	1,065	1,079	1,410	1,509
Trading and Brokerage of Securities	409	556	383	286	365	1,576	317	416
Specific Credits	978	1,004	1,030	1,057	1,086	1,117	1,146	1,177
Special Operations	-	-	-	-	-	-	-	-
Credits from Ins., Pension and Savings Bonds	816	908	1,109	1,070	1,574	1,670	1,742	1,984
Tax Credits	22,431	22,571	21,970	22,325	22,351	23,772	22,754	23,726
Atuarial Assets	14,510	15,061	9,895	10,563	12,051	12,688	13,372	13,870
Warrants Deposits Receivable	22,380	23,114	23,388	24,203	24,604	25,314	25,584	26,077
Destination Superavit Fund - PREVI	-	-	7,595	7,854	7,894	7,953	8,030	8,108
Other Credits	28,988	33,510	38,269	32,315	33,686	36,021	39,172	38,160
(Provision for Doubtful Receivables)	(1,633)	(1,679)	(1,572)	(1,565)	(1,330)	(1,256)	(1,665)	(1,447)
(With Loan Characteristics)	(744)	(775)	(690)	(681)	(630)	(580)	(580)	(575)
(Without Loan Characteristics)	(890)	(904)	(882)	(884)	(700)	(676)	(1,085)	(872)
Other Assets	2,501	3,492	3,884	4,069	4,740	4,831	5,120	5,226
Others	394	371	388	404	463	459	468	507
(Provision for Possible Losses)	(171)	(174)	(177)	(181)	(187)	(185)	(188)	(187)
Prepaid Expenses	2,278	3,294	3,673	3,846	4,464	4,557	4,840	4,906
Permanent Assets	**18,555**	**19,288**	**19,770**	**19,275**	**19,015**	**22,326**	**23,430**	**22,929**
Investments	6,866	7,888	8,128	8,126	8,002	7,948	7,973	7,927
Investm, in Assoc. and Subsidiary Co,	5,910	6,909	7,116	7,052	6,966	6,925	6,841	6,727
Other Investments	1,023	1,061	1,097	1,159	1,114	1,102	1,216	1,284
(Provision for Losses)	(68)	(82)	(84)	(84)	(78)	(79)	(84)	(84)
Property and Equipment	4,259	4,396	4,904	4,867	5,030	5,210	5,589	5,646
Land and Buildings in Use	3,392	3,368	3,557	3,645	3,859	4,011	4,217	4,341
Land and Buildings in Use Reavaliation	-	150	150	150	150	150	150	150
Other Property and Equipment in Use	6,969	7,002	7,394	7,452	7,722	7,966	8,344	8,497
(Accumulated Depreciation)	(6,102)	(6,124)	(6,198)	(6,381)	(6,701)	(6,918)	(7,123)	(7,342)
Leased Assets	1	0	-	1	1	1	1	-
Leases Assets	2	1	-	1	1	1	1	-
(Accumulated Depreciation)	(1)	(1)	-	(1)	(1)	(1)	(1)	-
Intangible	7,052	6,673	6,452	6,036	5,771	8,984	9,736	9,245
Intangible Assets	9,872	10,017	10,259	10,381	10,583	14,216	14,947	15,019
(Accumulated Amortization)	(2,820)	(3,345)	(3,808)	(4,345)	(4,812)	(5,232)	(5,211)	(5,774)
Deferred Charges	377	332	286	245	210	184	132	112
Organization and Expansion Costs	2,041	2,162	2,155	2,086	2,074	2,074	2,034	2,031
(Accumulated Amortization)	(1,664)	(1,830)	(1,868)	(1,841)	(1,863)	(1,890)	(1,903)	(1,919)

Table 153. Balance Sheet Assets – Annual

R$ million	2007	2008	2009	2010	2011	CAGR - %
ASSETS	**367,210**	**521,273**	**708,549**	**811,172**	**981,230**	**27.9**
Current and Long-Term Assets	**360,906**	**511,761**	**691,539**	**791,403**	**957,800**	**27.6**
Available Funds	4,352	5,545	7,843	9,745	10,034	23.2
Short-Term Interbank Investments	51,124	119,408	168,398	107,579	166,288	34.3
Open Market Investments	43,391	95,160	144,174	85,060	139,032	33.8
Interbank Deposits	7,733	24,249	24,224	22,519	27,256	37.0
Marketable Securities	75,201	86,909	124,337	143,867	168,230	22.3
Securities for Trading	19,112	26,136	38,274	50,445	63,257	34.9
Securities Available for Sale	38,109	38,374	62,161	75,142	88,385	23.4
Securities Held to Maturity	16,830	20,123	22,439	16,656	15,191	(2.5)
Financial Derivatives	1,150	2,276	1,463	1,624	1,397	5.0
Interbank Accounts	33,445	21,287	26,592	89,526	96,342	30.3
Central Bank Deposits	32,278	20,882	24,280	87,035	93,660	30.5
Compuls. Dep, on Demand, Dep & Float	12,681	12,381	10,161	18,487	14,307	3.1
Compulsory Dep, on Savings Dep,	19,597	8,501	14,118	68,548	79,353	41.9
Others	1,167	405	2,312	2,491	2,682	23.1
Interdepartmental Accounts	188	228	295	258	335	15.6
Loans	138,817	190,882	261,783	317,726	379,045	28.5
Public Sector	2,472	4,040	6,388	7,184	8,486	36.1
Private Sector	146,324	200,020	273,080	326,975	388,781	27.7
(Allowance for Loan Losses)	(9,980)	(13,179)	(17,685)	(16,433)	(18,222)	16.2
Leasing	32	2,968	4,701	3,857	2,851	207.9
Leasing and Sub-Leasing Receivables	1,109	3,039	4,932	4,048	3,064	28.9
Public Sector	80	55	63	46	31	(21.4)
Private Sector	1,028	2,984	4,869	4,002	3,033	31.1
(Unearned Lease Income)	(1,054)	-	-	-	-	-
(Allowance for Lease Losses)	(23)	(71)	(231)	(191)	(213)	74.6
Other Receivables	54,883	83,279	95,233	114,962	129,554	24.0
Receivable on Guarantees Honored	49	71	91	75	77	11.8
Foreign Exchange Portfolio	9,023	20,914	8,671	11,878	17,615	18.2
Income Receivable	372	413	563	944	1,410	39.5
Trading And Brokerage of Securities	259	347	436	383	317	5.1
Specific Credits	757	846	932	1,030	1,146	10.9
Special Operations	1	0	0	-	-	-
Credits from Ins., Pension and Savings Bonds	-	441	908	1,109	1,742	-
Tax Credits	13,826	16,499	21,910	21,970	22,754	13.3
Atuarial Assets	2,268	7,794	12,655	9,895	13,372	55.8
Warrants Deposits Receivable	15,409	18,007	21,209	23,388	25,584	13.5
Destination Surplus Fund - Previ	-	-	-	7,595	8,030	-
Other Credits	13,816	19,325	29,539	38,269	39,172	29.8
(Provision for Doubtful Receivables)	(896)	(1,377)	(1,682)	(1,572)	(1,665)	16.7
(With Loan Characteristics)	(311)	(579)	(702)	(690)	(580)	16.9
(Without Loan Characteristics)	(585)	(798)	(980)	(882)	(1,085)	16.7
Other Assets	2,865	1,256	2,358	3,884	5,120	15.6
Statutory Profit Sharing	0	0	-	-	-	-
Others	262	308	364	388	468	15.6
(Provision for Possible Losses)	(152)	(170)	(176)	(177)	(188)	5.5
Prepaid Expenses	2,755	1,118	2,170	3,673	4,840	15.1
Permanent Assets	**6,304**	**9,512**	**17,010**	**19,770**	**23,430**	**38.8**
Investments	1,368	1,524	6,645	8,128	7,973	55.4
Investm, in Assoc. and Subsidiary Co,	1,316	721	5,776	7,116	6,841	51.0
Other Investments	115	871	947	1,097	1,216	80.2
(Provision for Losses)	(64)	(68)	(78)	(84)	(84)	7.3
Property and Equipment	2,844	3,339	4,214	4,904	5,589	18.4
Land and Buildings in Use	2,349	2,668	3,336	3,557	4,217	15.7
Land and Buildings in Use Reavaliation	-	-	-	150	150	-
Other Property and Equipment in Use	4,594	5,610	6,632	7,394	8,344	16.1
(Accumulated Depreciation)	(4,100)	(4,940)	(5,753)	(6,198)	(7,123)	14.8
Leased Assets	1,507	4	1	-	1	(85.8)
Leases Assets	1,937	8	4	-	1	(84.4)
(Accumulated Depreciation)	(430)	(4)	(2)	-	(1)	(81.2)
Intangible	-	4,041	5,677	6,452	9,736	-
Intangible Assets	-	4,043	7,659	10,259	14,947	-
(Accumulated Amortization)	-	(2)	(1,982)	(3,808)	(5,211)	-
Deferred Charges	586	604	472	286	132	(31.2)
Organization and Expansion Costs	1,490	1,846	2,247	2,155	2,034	8.1
(Accumulated Amortization)	(904)	(1,241)	(1,775)	(1,868)	(1,903)	20.4

Table 154. Balance Sheet Liabilities – Quarterly

R$ million	Jun/10	Sep/10	Dec/10	Mar/11	Jun/11	Sep/11	Dec/11	Mar/12
LIABILITIES AND SHAREH. ' EQUITY	**755,706**	**796,815**	**811,172**	**866,636**	**904,145**	**949,781**	**981,230**	**1,004,971**
Current and Long-Term Assets	**716,147**	**748,364**	**760,432**	**814,221**	**849,237**	**892,751**	**922,467**	**944,586**
Deposits	343,961	348,336	376,851	381,170	396,151	419,519	442,386	446,870
Demand Deposits	59,025	59,018	63,503	59,553	61,138	57,614	62,016	60,659
Savings Deposits	81,541	85,703	89,288	90,516	89,217	95,512	100,110	101,815
Interbank Deposits	10,436	11,216	18,998	12,069	11,553	13,586	14,450	14,272
Time Deposits	192,715	192,042	204,652	219,031	234,243	252,806	265,809	270,123
Investment Deposits	243	358	410	0	0	0	-	-
Money Market Borrowing	166,603	165,594	142,175	180,112	192,875	194,728	195,175	199,811
Own Portfolio	63,630	60,188	56,795	55,939	68,406	64,864	66,475	53,366
Third-Party Portfolio	102,923	104,595	84,080	123,433	123,570	128,919	128,696	146,290
Others	50	811	1,300	740	900	944	4	155
Funds From Accept and Securities Placed	12,232	12,812	13,486	19,550	22,420	29,163	32,323	36,234
Commercial Papers	2,601	3,867	4,314	6,825	9,394	14,366	16,138	18,600
Foreign Securities	9,631	8,945	9,172	12,725	13,026	14,798	16,185	17,634
Interbank Accounts	3,034	2,922	18	2,292	3,188	3,240	24	3,221
Receipts and Paym. Pending Settlement	3,023	2,909	0	2,280	3,177	3,226	0	3,208
Correspondent Banks	11	13	18	12	12	14	24	12
Interdepartmental Accounts	1,783	1,805	3,688	1,968	1,757	1,790	3,819	1,911
Third-Party Funds in Transit	1,768	1,652	3,683	1,946	1,747	1,787	3,817	1,908
Internal Transfers of Funds	15	154	4	21	10	3	3	3
Borrowing	12,016	9,443	8,598	8,939	9,699	12,185	12,257	11,556
Foreign Borrowing	12,016	9,443	8,598	8,939	9,699	12,185	12,257	11,556
Domestic Onlending – Official Institutions	36,512	48,849	50,764	51,626	51,353	48,024	50,991	51,565
Federal Treasury	2,074	2,086	1,549	1,552	1,603	1,689	1,722	1,677
National Development Bank (BNDES)	22,250	26,013	26,978	27,163	26,406	27,503	28,978	29,420
Caixa Econômica Federal (CEF)	142	13	147	167	197	268	338	412
Fed. Prog. for Cap. Equip. Finan. (Finame)	11,373	12,812	14,046	14,897	15,414	16,292	17,506	17,798
Other Institutions	675	7,925	8,043	7,847	7,733	2,272	2,446	2,258
Foreign Onlending	104	96	97	87	87	101	102	87
Financial Derivatives	3,238	5,195	5,297	4,916	4,290	4,438	3,621	4,266
Other Accounts Payable	136,665	153,312	159,459	163,562	167,416	179,563	181,768	189,065
Collection of Taxes and Contributions	2,896	3,309	297	3,263	3,747	3,836	360	4,258
Foreign Exchange Portfolio	16,321	27,947	29,506	33,361	27,063	29,689	28,416	27,665
Stockholders and Statutory Distributions	1,885	2,157	1,992	1,662	2,326	2,425	2,122	1,522
Taxes and Social Security	24,308	26,404	27,613	23,952	25,747	27,770	28,057	26,215
Trading and Brokerage of Securities	1,247	1,385	1,676	1,670	1,656	801	836	855
Technical Prov. Ins., Pension & Cap.Op.	26,921	29,131	32,369	34,999	38,972	41,965	45,023	49,091
Financial and Development Funds	3,729	3,506	3,568	3,499	3,578	3,705	4,002	4,104
Perpetual Securities	3,643	3,474	3,361	2,521	2,366	2,872	2,846	6,160
Special Operations	2	-	-	-	10	11	2	-
Subordinated Debt (FCO)	21,340	22,090	23,412	24,464	27,155	29,694	30,885	31,440
Actuarial Liabilities	6,758	6,803	6,907	6,921	7,032	7,099	7,142	7,201
Other Liabilities	27,615	27,105	28,757	27,250	27,764	29,697	32,077	30,555
Deferred Income	**227**	**247**	**300**	**296**	**290**	**318**	**347**	**335**
Shareholders' Equity	**39,332**	**48,204**	**50,441**	**52,120**	**54,619**	**56,713**	**58,416**	**60,051**
Capital	33,078	33,078	33,078	33,078	33,123	33,123	33,123	33,123
(Unpaid Capital)	(7,050)	-	-	-	-	-	-	-
Capital Reserves	-	-	-	-	-	-	-	-
Revaluation Reserves	6	6	6	6	6	5	5	5
Reserve for Retained Earnings	12,917	12,539	16,889	16,442	20,650	20,290	24,121	23,888
Mark-to-Market – Securities and Derivatives	411	630	467	385	442	711	724	858
Retained Earnings (Accumulated Losses)	-	1	-	0	-	(26)	-	19
(Treasury Shares)	(31)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Corporate Profit Sharing	0	0	0	0	398	488	444	461
Income Accounts	-	1,951	-	2,208	-	2,122	-	1,697

Table 155. Balance Sheet Liabilities – Annual

R$ million	2007	2008	2009	2010	2011	CAGR - %
LIABILITIES AND SHAREHOLDERS' EQUITY	**367,210**	**521,273**	**708,549**	**811,172**	**981,230**	**27.9**
Current and Long-Term Assets	**342,825**	**491,336**	**672,429**	**760,432**	**922,467**	**28.1**
Deposits	188,282	270,841	337,564	376,851	442,386	23.8
Demand Deposits	51,311	51,949	56,459	63,503	62,016	4.9
Savings Deposits	45,839	54,965	75,742	89,288	100,110	21.6
Interbank Deposits	5,144	14,065	11,619	18,998	14,450	29.5
Time Deposits	85,520	149,618	193,516	204,652	265,809	32.8
Investment Deposits	468	243	229	410	-	-
Money Market Borrowing	72,270	91,130	160,821	142,175	195,175	28.2
Own Portfolio	28,126	21,927	31,902	56,795	66,475	24.0
Third-Party Portfolio	44,144	69,203	128,745	84,080	128,696	30.7
Others	-	-	174	1,300	4	-
Funds from Acceptances and Securities Placed	1,297	3,479	7,362	13,486	32,323	123.4
Commercial Papers	-	269	2,765	4,314	16,138	-
Foreign Securities	1,297	3,210	4,597	9,172	16,185	87.9
Interbank Accounts	12	21	21	18	24	20.2
Receipts and Payments Pending Settlement	2	1	1	0	0	(67.6)
Correspondent Banks	9	20	21	18	24	26.5
Interdepartmental Accounts	2,428	2,496	3,229	3,688	3,819	12.0
Third-Party Funds in Transit	2,311	2,495	3,215	3,683	3,817	13.4
Internal Transfers of Funds	117	0	14	4	3	(60.6)
Borrowing	2,833	7,627	6,370	8,598	12,257	44.2
Foreign Borrowing	2,833	7,627	6,370	8,598	12,257	44.2
Domestic Onlending – Official Institutions	17,487	22,436	31,390	50,764	50,991	30.7
Federal Treasury	3,185	3,485	2,101	1,549	1,722	(14.3)
National Development Bank (BNDES)	8,713	11,168	19,630	26,978	28,978	35.0
Caixa Econômica Federal (CEF)	-	-	146	147	338	-
Fed. Prog. For Cap. Equip. Finan. (Finame)	4,866	6,585	8,381	14,046	17,506	37.7
Other Institutions	723	1,199	1,133	8,043	2,446	35.6
Foreign Onlending	0	98	99	97	102	282.7
Financial Derivatives	1,947	3,895	4,724	5,297	3,621	16.8
Other Accounts Payable	56,268	89,312	120,848	159,459	181,768	34.1
Collection of Taxes and Contributions	233	252	377	297	360	11.5
Foreign Exchange Portfolio	6,609	15,964	12,174	29,506	28,416	44.0
Stockholders and Statutory Distributions	850	1,838	2,625	1,992	2,122	25.7
Taxes and Social Security	12,725	17,570	24,297	27,613	28,057	21.9
Trading and Brokerage of Securities	243	401	528	1,676	836	36.2
Technical Prov. Insurance, Pension & Capitalization. Op.	-	12,675	17,339	32,369	45,023	-
Financial and Development Funds	2,117	2,458	4,135	3,568	4,002	17.3
Perpetual Securities	894	1,185	3,516	3,361	2,846	33.6
Special Operations	2	2	206	-	2	(2.5)
Subordinated Debt (FCO)	10,012	11,772	18,553	23,412	30,885	32.5
Actuarial Liabilities	4,051	5,662	6,374	6,907	7,142	15.2
Other Liabilities	18,533	19,531	30,725	28,757	32,077	14.7
Deferred Income	**123**	**-**	**-**	**300**	**347**	**29.6**
Shareholders' Equity	**24,262**	**29,937**	**36,119**	**50,441**	**58,416**	**24.6**
Capital	13,212	13,780	18,567	33,078	33,123	25.8
Capital Reserves	0	5	5	-	-	-
Revaluation Reserves	6	7	7	6	5	(5.4)
Reserve For Retained Earnings	10,695	15,977	17,301	16,889	24,121	22.5
Mark-to-Market – Securities and Derivatives	350	199	270	467	724	19.9
Retained Earnings (Accumulated Losses)	-	-	-	-	-	-
(Treasury Shares)	-	(31)	(31)	(0)	(0)	-
Corporate Profit Sharing	-	(0)	0	0	444	-

12.2. Summarized Corporate Law Income Statement

Table 156. Summarized Corporate Law Income Statement – Quarterly

R$ million	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12
Financial Intermediation Income	**18,737**	**20,312**	**21,093**	**21,909**	**23,948**	**28,633**	**25,172**	**25,114**
Loans	12,253	13,446	13,397	14,019	15,014	17,022	15,944	16,435
Leasing	204	218	151	151	163	186	116	132
Securities	5,195	6,262	6,137	6,133	6,952	10,574	7,189	7,004
Financial Derivatives	(29)	(1,407)	(571)	(413)	(878)	233	(403)	(845)
Foreign Exchange Portfolio	71	491	538	244	768	(1,577)	190	314
Compulsory Investments	917	1,119	1,276	1,597	1,742	1,969	1,923	1,850
Operations of Sales/Transf. of Financial Assets	-	-	-	-	-	-	-	11
Financial Inc. from Insur., Pension & Savings Bonds	125	182	165	178	187	226	212	214
Financial Intermediation Expenses	**(12,577)**	**(13,861)**	**(13,679)**	**(15,271)**	**(16,726)**	**(23,246)**	**(18,196)**	**(18,426)**
Money Market Funds[1]	(9,055)	(10,481)	(10,727)	(11,824)	(13,082)	(15,735)	(13,703)	(13,897)
Borrowing. Assignments and Onlending	(997)	(732)	(841)	(816)	(795)	(4,225)	(1,282)	(1,089)
Allowance for Loan Losses	(2,525)	(2,648)	(2,112)	(2,631)	(2,848)	(3,285)	(3,211)	(3,440)
Gross Income from Financ. Intermediation	**6,160**	**6,451**	**7,414**	**6,638**	**7,222**	**5,388**	**6,976**	**6,689**
Other Operating Income (Expenses)	**(1,677)**	**(2,258)**	**(1,409)**	**(1,784)**	**(1,848)**	**(1,926)**	**(2,158)**	**(2,883)**
Fee Income[2]	2,639	2,758	2,824	2,835	2,865	3,138	3,374	3,466
Banking Fees Revenues[2]	1,386	1,380	1,482	1,272	1,522	1,581	1,652	1,585
Personnel Expenses	(3,105)	(3,442)	(3,452)	(3,272)	(3,531)	(3,850)	(4,260)	(3,932)
Other Administrative Expenses	(3,039)	(3,223)	(3,502)	(3,133)	(3,201)	(3,425)	(3,664)	(4,045)
Taxes	(944)	(949)	(993)	(1,019)	(1,084)	(1,027)	(1,129)	(1,083)
Equity Int. in the Results of Subs. and Affil.	29	(89)	(36)	(20)	(140)	558	56	(115)
Income from Insur., Pension & Savings Bonds	468	488	491	512	667	570	515	516
Other Operating Revenues	2,948	3,225	4,574	3,085	3,905	2,698	3,290	3,443
Other Operating Expenses	(2,061)	(2,405)	(2,796)	(2,044)	(2,854)	(2,171)	(1,993)	(2,720)
Operating Income	**4,482**	**4,193**	**6,005**	**4,854**	**5,374**	**3,461**	**4,818**	**3,805**
Non-Operating Income	129	26	(2)	19	173	24	9	21
Income Before Taxes	**4,612**	**4,218**	**6,004**	**4,873**	**5,547**	**3,485**	**4,826**	**3,826**
Income and Social Contribution Taxes	(1,473)	(1,180)	(1,426)	(1,497)	(1,705)	(148)	(1,372)	(882)
Statutory Profit Sharing	(414)	(414)	(575)	(443)	(484)	(420)	(443)	(407)
Minority Interest Earnings	0	-	-	-	(27)	(27)	(39)	(35)

(1) Reduced Loan Operations Revenues related to loans acquired, given that the premiums paid in acquisitions of portfolios have been recognized in contrast with the Financial Intermediation Income. The historical data of information has changed since 1Q10.
(2) Reclassified, since 1Q10, from services income to Banking Fee Income, according to Bacen Circular Letter Nº 3,490/2011.

Table 157. Summarized Corporate Law Income Statement – Annual

R$ million	2007	2008	2009	2010	2011	CAGR - %
Financial Intermediation Income	**40,274**	**55,641**	**63,138**	**78,035**	**99,661**	**25.4**
Loans	25,261	33,221	40,368	50,960	61,998	25.2
Leasing	192	314	647	814	616	33.8
Securities	12,632	20,692	21,350	23,238	30,849	25.0
Financial Derivatives	175	(1,283)	(1,223)	(2,239)	(1,461)	-
Foreign Exchange Portfolio	396	464	686	1,083	(374)	-
Compulsory Investments	1,616	1,910	816	3,586	7,231	45.4
Financial Inc. from Insur., Pension & Savings Bonds	-	324	494	592	803	-
Financial Intermediation Expenses	**(25,119)**	**(42,822)**	**(45,052)**	**(52,473)**	**(73,438)**	**30.8**
Money Market Funds[1]	(17,797)	(25,532)	(30,146)	(38,756)	(54,344)	32.2
Borrowing. Assignments and Onlending	(1,645)	(8,685)	(2,510)	(3,473)	(7,118)	44.2
Allowance for Loan Losses	(5,677)	(8,606)	(12,396)	(10,244)	(11,975)	20.5
Gross Income from Financial Intermediation	**15,155**	**12,819**	**18,086**	**25,562**	**26,224**	**14.7**
Other Operating Income (Expenses)	**(7,881)**	**(1,150)**	**(4,494)**	**(7,151)**	**(7,717)**	**(0.5)**
Fee Income[2]	9,902	9,771	10,172	10,777	12,213	5.4
Banking Fees Revenues[2]	-	2,040	3,339	5,396	6,028	-
Personnel Expenses	(9,161)	(8,870)	(11,838)	(13,020)	(14,913)	13.0
Other Administrative Expenses	(6,735)	(7,917)	(11,212)	(13,040)	(13,422)	18.8
Taxes	(2,064)	(2,635)	(3,333)	(3,750)	(4,259)	19.9
Equity Int. in the Results of Subs. and Affil.	154	1,392	(991)	(46)	455	31.2
Income from Insur., Pension & Savings Bonds	-	892	1,574	1,888	2,265	-
Other Operating Revenues	5,024	11,782	16,974	13,788	12,978	26.8
Other Operating Expenses	(5,000)	(7,605)	(9,180)	(9,144)	(9,061)	16.0
Operating Income	**7,273**	**11,669**	**13,592**	**18,410**	**18,507**	**26.3**
Non-Operating Income	281	413	1,844	370	225	(5.4)
Income Before Taxes	**7,554**	**12,082**	**15,435**	**18,781**	**18,732**	**25.5**
Income and Social Contribution Taxes	(1,847)	(2,145)	(3,903)	(5,321)	(4,722)	26.5
Statutory Profit Sharing	(649)	(1,134)	(1,385)	(1,756)	(1,791)	28.9
Minority Interest Earnings	-	-	(1)	0	(93)	-
Net Income	**5,058**	**8,803**	**10,148**	**11,703**	**12,126**	**24.4**

(1) Reduced Loan Operations Revenues related to loans acquired, given that the premiums paid in acquisitions of portfolios have been recognized in contrast with the Financial Intermediation Income. The historical data of information has changed since 1Q10.
(2) Reclassified, since 1Q10, from services income to Banking Fee Income, according to Bacen Circular Letter Nº 3,490/2011.

12.3. Income Statement with Reallocations

Table 158. Income Statement with Reallocations – Quarterly

R$ million	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12
Financial Intermediation Income	**19,401**	**21,144**	**21,417**	**22,514**	**24,094**	**30,271**	**25,970**	**25,934**
Loans	12,879	14,078	14,056	14,598	15,550	17,620	16,717	17,211
Leasing	204	218	151	151	163	186	116	132
Securities	5,195	6,262	6,137	6,133	6,952	10,574	7,189	7,004
Financial Derivatives	(29)	(1,407)	(571)	(413)	(878)	233	(403)	(845)
Foreign Exchange Portfolio	71	491	538	244	768	(1,577)	190	314
Compulsory Investments	917	1,119	1,276	1,597	1,742	1,969	1,923	1,850
Operations of Sales/Transf. of Financial Assets	-	-	-	-	-	-	-	11
Financial Income from Insur., Pension & Cap. Op.	125	182	165	178	187	226	212	214
FX Gain (Loss) on Foreign Investments	(5)	(104)	(58)	(29)	(124)	577	9	(116)
Other Op. Inc. of a Fin. Intermed. Nature	57	391	(224)	75	(185)	40	(5)	214
Tax Hedge	(15)	(86)	(54)	(19)	(82)	422	20	(55)
Financial Intermediation Expenses	**(10,052)**	**(11,213)**	**(11,568)**	**(12,640)**	**(13,878)**	**(19,960)**	**(14,984)**	**(14,896)**
Money Market Funds[1]	(9,055)	(10,481)	(10,727)	(11,824)	(13,082)	(15,735)	(13,703)	(13,807)
Borrowing .Assignments and Onlending	(997)	(732)	(841)	(816)	(795)	(4,225)	(1,282)	(1,089)
Net Interest Income	**9,349**	**9,931**	**9,849**	**9,874**	**10,216**	**10,311**	**10,985**	**11,039**
Allowance for Loan Losses	(2,871)	(2,639)	(2,139)	(2,629)	(3,047)	(3,259)	(2,892)	(3,576)
Net Financial Margin	**6,478**	**7,292**	**7,711**	**7,245**	**7,169**	**7,052**	**8,094**	**7,463**
Fee Income	4,025	4,138	4,306	4,108	4,388	4,720	5,027	5,051
Fee Income[2]	2,639	2,758	2,824	2,835	2,865	3,138	3,374	3,466
Banking Fee Income[2]	1,386	1,380	1,482	1,272	1,522	1,581	1,652	1,585
Res. from Ins., Pension Plan and Savings Bonds	468	488	491	512	667	570	515	516
Taxes on Revenues	(909)	(911)	(968)	(977)	(1,027)	(1,006)	(1,071)	(1,015)
Contribution Margin	**10,063**	**11,007**	**11,539**	**10,888**	**11,196**	**11,336**	**12,565**	**12,016**
Administrative Expenses	(5,471)	(5,726)	(6,068)	(5,692)	(5,886)	(6,208)	(6,966)	(6,626)
Personnel Expenses	(2,937)	(3,186)	(3,270)	(3,145)	(3,364)	(3,481)	(3,954)	(3,694)
Other Administrative Expenses	(2,534)	(2,541)	(2,798)	(2,547)	(2,522)	(2,727)	(3,012)	(2,932)
Other Tax Expenses	(34)	(29)	(19)	(40)	(48)	(67)	(61)	(62)
Commercial Income	**4,559**	**5,252**	**5,452**	**5,155**	**5,263**	**5,061**	**5,538**	**5,327**
Legal Risk	(239)	(515)	127	(177)	(188)	(491)	(4)	(489)
Legal Claims	35	(259)	35	(98)	(190)	(122)	275	(250)
Labor Lawsuits	(274)	(256)	92	(79)	2	(369)	(278)	(238)
Other Operating Income (Expenses)	(451)	(705)	608	(158)	215	(697)	(604)	(720)
Eq.Interest in Resul. Subs. and Affil.	34	15	22	9	(16)	(18)	47	1
Other Operating Income/Expenses	(485)	(720)	586	(167)	231	(679)	(650)	(721)
Other Operating Income	1,108	1,235	1,613	1,587	1,311	1,401	1,641	1,516
PREVI	913	552	1,921	624	1,296	531	531	390
Other Operating Expenses	(2,507)	(2,506)	(2,948)	(2,378)	(2,376)	(2,610)	(2,822)	(2,628)
Operating Income	**3,869**	**4,032**	**6,188**	**4,820**	**5,290**	**3,873**	**4,931**	**4,118**
Non-Operating Income	15	26	(2)	19	5	24	9	21
Income Before Taxes	**3,884**	**4,057**	**6,186**	**4,839**	**5,295**	**3,897**	**4,940**	**4,139**
Income and Social Contribution Taxes	(1,194)	(1,072)	(1,923)	(1,474)	(1,566)	(924)	(1,425)	(967)
Interest on Own Capital Tax Benefit	210	270	274	290	295	318	318	336
Interest on Own Capital Tax Benefit	(363)	(408)	(559)	(442)	(472)	(373)	(450)	(433)
Minority Interest Earnings	0	-	-	-	(27)	(27)	(39)	(35)
Recurring Income	**2,327**	**2,578**	**3,704**	**2,923**	**3,230**	**2,573**	**3,025**	**2,704**
Extraordinary Items	310	47	298	10	100	318	(53)	(201)
Sale of Investments	-	-	-	-	169	-	-	-
Economic Plans	(140)	84	(231)	17	10	(35)	(95)	(362)
Tax Efficiency	-	-	460	-	-	386	-	-
Contingent Liabilities (BESC)	250	-	-	-	-	-	-	-
Additional Provision for Loan Losses	332	-	-	-	-	-	-	-
Capital Gain - BB Seguros Participações	114	-	-	-	-	-	-	-
Tax Effects and Statutory Profit Sharing on One-C	(246)	(37)	70	(8)	(79)	(33)	42	160
PREVI Actuarial Assets - Adjustments	88	-	-	-	-	-	-	-
Net Income	**2,725**	**2,625**	**4,002**	**2,932**	**3,330**	**2,891**	**2,972**	**2,502**

(1) Reduced Loan Operations Revenues related to loans acquired, given that the premiums paid in acquisitions of portfolios have been recognized in contrast with the Financial Intermediation Income. The historical data of information has changed since 1Q10.
(2) Reclassified, since 1Q10, from services income to Banking Fee Income, according to Bacen Circular Letter Nº 3,490/2011.

Table 159. Income Statement with Reallocations – Annual

R$ million	2007	2008	2009	2010	2011	CAGR - %
Financial Intermediation Income	**39,975**	**58,400**	**65,182**	**80,436**	**102,849**	**26.6**
Loans	25,261	34,507	41,509	53,405	64,486	26.4
Leasing	192	314	647	814	616	33.8
Securities	12,632	20,496	21,350	23,238	30,849	25.0
Financial Derivatives	175	(1,283)	(1,223)	(2,239)	(1,461)	-
Foreign Exchange Portfolio	396	464	686	1,083	(374)	-
Compulsory Investments	1,616	1,910	816	3,586	7,231	45.4
Financial Income from Insur., Pension & Capitalization Op.	-	324	494	592	803	-
FX Gain (Loss) on Foreign Investments	(574)	941	(1,042)	(149)	433	-
Other Op. Inc. of a Fin. Intermed. Nature	276	392	2,721	252	(75)	-
Tax Hedge	-	334	(776)	(147)	341	-
Financial Intermediation Expenses	**(19,168)**	**(33,885)**	**(32,269)**	**(42,038)**	**(61,463)**	**33.8**
Money Market Funds[1]	(17,523)	(25,200)	(29,759)	(38,565)	(54,344)	32.7
Borrowing .Assignments and Onlending	(1,645)	(8,685)	(2,510)	(3,473)	(7,118)	44.2
Net Interest Income	**20,807**	**24,515**	**32,913**	**38,398**	**41,386**	**18.8**
Allowance for Loan Losses	(5,378)	(6,799)	(11,629)	(10,675)	(11,827)	21.8
Net Financial Margin	**15,430**	**17,716**	**21,284**	**27,724**	**29,559**	**17.6**
Fee Income	9,902	11,811	13,511	16,173	18,242	16.5
Fee Income[2]	9,902	9,771	10,172	10,777	12,213	5.4
Banking Fee Income[2]	-	2,040	3,339	5,396	6,028	-
Res. From Insurance, Pension Plan and Savings Bonds	-	892	1,574	1,888	2,265	-
Taxes on Revenues	(1,911)	(2,362)	(3,149)	(3,627)	(4,081)	20.9
Contribution Margin	**23,420**	**28,058**	**33,220**	**42,157**	**45,985**	**18.4**
Administrative Expenses	(13,448)	(15,358)	(19,185)	(22,565)	(24,752)	16.5
Personnel Expenses	(7,077)	(8,112)	(10,280)	(12,244)	(13,943)	18.5
Other Administrative Expenses	(6,219)	(7,246)	(8,905)	(10,322)	(10,809)	14.8
Other Tax Expenses	(153)	(140)	(100)	(107)	(216)	9.1
Commercial Income	**9,972**	**12,560**	**13,936**	**19,484**	**21,017**	**20.5**
Legal Risk	(993)	(722)	(502)	(1,076)	(860)	(3.6)
Legal Claims	(317)	(161)	(242)	(427)	(135)	(19.2)
Labor Lawsuits	(676)	(560)	(260)	(649)	(724)	1.7
Other Operating Income (Expenses)	(98)	(2,198)	332	(908)	(1,243)	88.9
Eq.Interest in Resul. Subs. and Affil.	728	(97)	51	102	22	(58.5)
Other Operating Income/Expenses	(825)	(2,102)	281	(1,010)	(1,265)	11.3
Other Operating Income	2,744	3,698	6,843	4,999	5,939	21.3
PREVI	-	-	1,193	4,299	2,981	-
Other Operating Expenses	(3,569)	(5,799)	(7,755)	(10,309)	(10,185)	30.0
Operating Income	**8,881**	**9,639**	**13,766**	**17,500**	**18,914**	**20.8**
Non-Operating Income	132	413	78	43	56	(19.1)
Income Before Taxes	9,013	10,052	13,844	17,543	18,970	20.4
Income and Social Contribution Taxes	(2,484)	(2,416)	(4,155)	(5,242)	(5,388)	21.4
Interest on Own Capital Tax Benefit	455	526	743	961	1,221	28.0
Interest on Own Capital Tax Benefit	(649)	(951)	(1,157)	(1,637)	(1,737)	27.9
Statutory Profit Sharing	-	-	(26)	-	-	-
Participações Minoritárias	-	-	(1)	0	(93)	-
Recurring Income	**5,880**	**6,685**	**8,506**	**10,664**	**11,751**	**18.9**
Extraordinary Items	(821)	2,118	1,642	1,039	375	-
Additional Provision for Loan Losses	-	(1,594)	(676)	332	-	-
Cassi - Assistence Plan	(493)	-	-	-	-	-
PAA - Early Retirement Plan	(915)	-	-	-	-	-
Permanent Exclusions Tax Benefit	141	-	-	-	-	-
Disposal of Investments	149	142	1,625	-	-	-
Economic Plans	(199)	(372)	157	(371)	(103)	(15.3)
Revaluation of Consolidated Shares	-	241	-	-	-	-
Change of Credit Card Basis	-	(54)	-	-	-	-
Previ – Unrecognized Actuarial Gains	-	5,326	-	-	-	-
Cassi – Unrecognized Actuarial Losses	-	(1,259)	-	-	-	-
Sale of Interest in VISA Internacional	-	361	141	214	169	-
Credit Assignment	-	67	633	-	-	-
Tax Efficiency	-	412	-	460	386	-
Contingent Liabilities (BESC)	-	(360)	-	250	-	-
Tax Credits (BESC)	-	194	-	-	-	-
Provision for Labor, Civil and Tax Claims	-	-	(1,367)	-	-	-
Tax Credits - Differential of CSLL rate	-	-	1,213	-	-	-
Voluntary Resignation Program - BNC	-	-	(215)	-	-	-
Reversal of Labor Liabilities	-	-	644	568	-	-
Capital Gain - BB Seguros Participações	-	-	-	114	-	-
Tax Effects and Statutory Profit Sharing on One-Off Items	496	(986)	(513)	(527)	(78)	-
Net Income	**5,058**	**8,803**	**10,148**	**11,703**	**12,126**	**24.4**

(1) Reduced Loan Operations Revenues related to loans acquired, given that the premiums paid in acquisitions of portfolios have been recognized in contrast with the Financial Intermediation Income. The historical data of information has changed since 1Q10.
(2) Reclassified, since 1Q10, from services income to Banking Fee Income, according to Bacen Circular Letter Nº 3,490/2011.

Vice Presidency of Financial Management, Capital Markets and Investor Relations

Vice-Presidency
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Gustavo Henrique Santos de Sousa

Executive Manager
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Mariana Reschke da Cunha
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Rafael de Freitas Peixoto
Raquel Castelo de Carvalho Ferrari
Toni Rudi Schmitz

Financial Statements



1st quarter 2012

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

BALANCE SHEET

		Banco do Brasil			BB-Consolidated		
A S S E T S		**03.31.2012**	**12.31.2011**	**03.31.2011**	**03.31.2012**	**12.31.2011**	**03.31.2011**
CURRENT ASSETS		**545,372,613**	**518,716,710**	**460,670,797**	**611,361,132**	**582,945,119**	**520,386,445**
Cash and Cash Equivalents	(Note 6)	**14,265,629**	**9,227,217**	**12,244,142**	**14,982,712**	**10,034,370**	**12,574,511**
Short-term Interbank Investments	(Note 7.a)	**180,625,768**	**160,955,700**	**145,400,347**	**165,159,829**	**149,233,680**	**145,108,900**
Open market investments		150,895,883	132,234,087	117,523,540	158,527,376	139,032,202	124,822,869
Interbank deposits		29,729,885	28,721,613	27,876,807	6,632,453	10,201,478	20,286,031
Securities and Derivative Financial Instruments	(Note 8)	**31,241,861**	**38,595,673**	**33,482,196**	**81,289,389**	**83,570,189**	**71,196,458**
Own portfolio		19,964,863	21,749,007	13,853,512	69,110,172	65,381,143	44,840,117
Subject to repurchase agreements		10,508,069	16,208,777	18,889,861	10,568,279	16,599,145	23,269,281
Deposits with the Brazilian Central Bank		16	16	16	16	16	16
Pledged in guarantee		54,103	84,496	152,656	488,979	522,801	2,075,263
Derivative financial instruments		714,810	553,377	586,151	1,132,753	1,067,084	1,011,781
(Allowance for securities losses)		--	--	--	(10,810)	--	--
Interbank Accounts		**100,006,842**	**93,272,906**	**90,974,816**	**101,970,589**	**96,289,363**	**94,140,544**
Payments and receipts pending settlement	(Note 9.a)	4,990,102	27,327	4,825,073	4,990,372	27,327	4,826,048
Restricted deposits	(Note 9.b)	94,302,171	92,785,842	85,794,980	96,190,680	95,709,307	88,929,640
Brazilian Central Bank deposits		92,257,174	90,736,391	83,918,467	94,145,683	93,659,856	87,053,127
National Treasury - rural credits resources		90,291	123,644	66,077	90,291	123,644	66,077
National Housing Finance System		1,954,706	1,925,807	1,810,436	1,954,706	1,925,807	1,810,436
Interbank onlendings		14,980	12,881	3,575	89,436	91,643	32,187
Correspondent banks		699,589	446,856	351,188	700,101	461,086	352,669
Interdepartmental Accounts		**109,427**	**335,167**	**108,780**	**109,427**	**335,167**	**108,780**
Internal transfers of funds		109,427	335,167	108,780	109,427	335,167	108,780
Loan Operations	(Note 10)	**154,824,685**	**152,464,403**	**124,903,541**	**170,929,740**	**167,930,020**	**135,087,480**
Public sector		5,277,916	5,633,082	3,846,290	6,561,909	6,210,366	2,334,774
Private sector		157,196,714	154,626,514	128,058,238	173,200,006	170,451,280	140,105,809
(Allowance for loan losses)		(7,649,945)	(7,795,193)	(7,000,987)	(8,853,764)	(8,731,626)	(7,353,103)
Loan operations linked to assignment		--	--	--	21,589	--	--
Leasing Operations	(Note 10)	**18,567**	**18,942**	**18,404**	**1,462,389**	**1,537,076**	**1,706,311**
Public sector		18,567	18,942	18,404	18,702	19,282	19,001
Private sector		--	--	--	1,543,692	1,640,691	1,780,883
(Allowance for leasing operations losses)		--	--	--	(100,005)	(122,897)	(93,573)
Other Receivables		**62,794,183**	**62,322,583**	**52,041,029**	**72,766,622**	**71,291,703**	**59,021,085**
Receivables from guarantees honored		13,903	76,698	77,378	13,903	76,698	77,378
Foreign exchange portfolio	(Note 12.a)	18,997,042	17,169,064	12,810,569	19,593,363	17,615,404	13,265,636
Receivables		1,433,684	2,015,615	925,286	1,474,271	1,383,895	938,224
Securities trading		6,605	97,264	67,930	213,580	317,141	285,942
Insurance, pension plan and capitalization	(Note 21.a)	--	--	--	1,982,789	1,738,997	1,044,416
Sundry	(Note 11.b)	43,120,076	43,831,069	38,967,351	50,356,285	51,189,006	44,306,593
(Allowance for other losses)		(777,127)	(867,127)	(807,485)	(867,569)	(1,029,438)	(897,104)
Others Assets	(Note 13)	**1,485,651**	**1,524,119**	**1,497,542**	**2,690,435**	**2,723,551**	**1,442,376**
Assets not for own use and stock materials		296,446	289,523	298,195	507,477	468,465	404,023
(Allowance for devaluation)		(169,099)	(170,279)	(171,033)	(187,225)	(188,463)	(180,725)
Prepaid expenses		1,358,304	1,404,875	1,370,380	2,370,183	2,443,549	1,219,078

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

BALANCE SHEET

		Banco do Brasil			BB-Consolidated		
A S S E T S		**03.31.2012**	**12.31.2011**	**03.31.2011**	**03.31.2012**	**12.31.2011**	**03.31.2011**
NON-CURRENT ASSETS		**368,494,080**	**371,635,547**	**327,237,692**	**393,610,366**	**398,284,788**	**346,249,673**
LONG-TERM RECEIVABLES		**333,482,677**	**336,701,838**	**298,169,181**	**370,681,033**	**374,854,442**	**326,974,861**
Short-term Interbank Investments	(Note 7.a)	**17,348,965**	**16,617,249**	**6,730,066**	**17,855,056**	**17,054,126**	**1,349,048**
Open market investments		310,063	--	--	322,394	--	--
Interbank deposits		17,038,902	16,617,249	6,730,066	17,532,662	17,054,126	1,349,048
Securities and Derivative Financial Instruments	(Note 8)	**56,994,682**	**66,446,845**	**63,538,227**	**74,693,450**	**84,659,684**	**75,303,497**
Own portfolio		21,292,394	24,302,592	34,387,010	32,540,137	39,439,392	43,540,101
Subject to repurchase agreements		32,278,137	38,598,302	26,346,433	36,765,910	40,002,383	28,179,998
Deposits with the Brazilian Central Bank		48,631	47,406	43	48,631	47,406	43
Pledged in guarantee		3,224,549	3,353,143	2,655,269	4,987,403	4,840,887	3,198,839
Derivative financial instruments		150,971	145,402	149,472	351,369	329,616	384,516
Interbank Accounts		**102,351**	**52,584**	**91,740**	**102,351**	**52,584**	**91,740**
Restricted deposits	(Note 9.b)	44,548	550	50,837	44,548	550	50,837
National Treasury - rural credits resources		44,548	550	50,837	44,548	550	50,837
Interbank onlendings		57,803	52,034	40,903	57,803	52,034	40,903
Loan Operations	(Note 10)	**199,284,530**	**195,612,261**	**173,455,797**	**213,903,526**	**211,115,025**	**190,594,455**
Public sector		2,712,654	2,782,299	3,828,663	1,534,904	2,342,407	5,448,532
Private sector		205,722,873	201,715,407	178,130,273	222,276,249	218,262,979	193,933,119
(Allowance for loan losses)		(9,150,997)	(8,885,445)	(8,503,139)	(9,936,384)	(9,490,361)	(8,787,196)
Loan operations linked to assignment		**--**	--	--	28,757	--	--
Leasing Operations	(Note 10)	**7,296**	**11,039**	**22,672**	**1,103,377**	**1,313,803**	**1,792,916**
Public sector		7,296	11,039	22,672	7,639	11,324	23,223
Private sector		--	--	--	1,203,464	1,392,785	1,871,030
(Allowance for leasing operations losses)		--	--	--	(107,726)	(90,306)	(101,337)
Other Receivables		**57,509,291**	**55,349,386**	**52,163,821**	**60,487,456**	**58,262,545**	**55,216,640**
Receivables from guarantees honored		67,774	--	--	67,774	--	--
Foreign exchange portfolio	(Note 12.a)	--	--	1,816,026	--	--	1,816,026
Receivables		34,518	31,151	33,061	34,518	25,927	33,145
Securities trading		103,057	--	--	202,026	--	--
Specific credits	(Note 11.a)	1,176,512	1,146,328	1,056,877	1,176,512	1,146,328	1,056,877
Insurance, pension plan and capitalization	(Note 21.a)	--	--	--	1,581	2,511	25,086
Sundry	(Note 11.b)	56,689,058	54,798,755	49,917,259	59,584,442	57,722,862	52,953,127
(Allowance for other losses)		(561,628)	(626,848)	(659,402)	(579,397)	(635,083)	(667,621)
Others Assets	(Note 13)	**2,235,562**	**2,612,474**	**2,166,858**	**2,535,817**	**2,396,675**	**2,626,565**
Prepaid expenses		2,235,562	2,612,474	2,166,858	2,535,817	2,396,675	2,626,565
PERMANENT ASSETS		**35,011,403**	**34,933,709**	**29,068,511**	**22,929,333**	**23,430,346**	**19,274,812**
Investments		**20,777,807**	**20,241,221**	**18,361,921**	**7,927,156**	**7,973,024**	**8,126,114**
Investments in subsidiary and associated companies	(Note 14.a)	20,759,243	20,222,750	18,327,127	6,726,893	6,840,943	7,051,673
Domestic		18,522,002	18,034,933	17,316,748	6,320,913	6,440,660	7,051,673
Abroad		2,237,241	2,187,817	1,010,379	405,980	400,283	--
Other Investments	(Note 14.b)	67,809	67,717	86,148	1,284,458	1,216,279	1,158,855
(Accumulated impairment)		(49,245)	(49,246)	(51,354)	(84,195)	(84,198)	(84,414)
Property and Equipment in Use	(Note 15)	**5,114,117**	**5,062,238**	**4,568,009**	**5,645,750**	**5,589,086**	**4,867,135**
Land and buildings in use		4,345,489	4,232,214	3,778,496	4,491,508	4,367,549	3,795,388
Other property and equipment in use		7,579,497	7,437,965	6,848,349	8,496,528	8,344,291	7,452,376
(Accumulated depreciation)		(6,810,869)	(6,607,941)	(6,058,836)	(7,342,286)	(7,122,754)	(6,380,629)
Intangible	(Note 16)	**9,024,699**	**9,515,802**	**5,916,178**	**9,244,687**	**9,736,024**	**6,035,793**
Intangible assets		14,617,911	14,539,108	10,222,572	15,019,166	14,947,352	10,381,123
(Accumulated amortization)		(5,593,212)	(5,023,306)	(4,306,394)	(5,774,479)	(5,211,328)	(4,345,330)
Deferred		**94,780**	**114,448**	**222,403**	**111,740**	**132,212**	**245,770**
Organization and expansion costs		1,997,755	2,003,489	2,055,675	2,030,503	2,035,551	2,087,210
(Accumulated amortization)		(1,902,975)	(1,889,041)	(1,833,272)	(1,918,763)	(1,903,339)	(1,841,440)
TOTAL ASSETS		**913,866,693**	**890,352,257**	**787,908,489**	**1,004,971,498**	**981,229,907**	**866,636,118**

BALANCE SHEET

		Banco do Brasil			BB-Consolidated		
L I A B I L I T I E S / S H A R E H O L D E R S ' E Q U I T Y		**03.31.2012**	**12.31.2011**	**03.31.2011**	**03.31.2012**	**12.31.2011**	**03.31.2011**
CURRENT LIABILITIES		**580,836,511**	**572,481,618**	**536,607,202**	**628,892,265**	**620,776,955**	**568,260,867**
Deposits	(Note 17.a)	**292,753,715**	**291,937,609**	**283,063,995**	**303,838,766**	**302,505,147**	**288,509,892**
Demand deposits		58,899,396	60,371,172	59,357,938	60,658,967	62,016,372	59,553,109
Savings deposits		101,815,206	100,109,839	90,516,215	101,815,206	100,109,839	90,516,215
Interbank deposits		15,727,657	16,242,031	13,227,712	12,018,608	11,918,965	9,932,057
Time deposits		116,311,456	115,214,567	119,962,130	129,345,985	128,459,971	128,508,442
Other deposits		--	--	--	--	--	69
Securities sold under repurchase agreements	(Note 17.c)	**178,252,953**	**172,149,993**	**157,265,212**	**189,559,688**	**184,926,104**	**170,885,482**
Own portfolio		40,644,435	51,969,513	43,261,266	49,593,942	62,006,581	52,203,842
Third-party portfolio		137,608,518	120,180,480	114,003,946	139,811,305	122,919,523	117,941,790
Free movement portfolio		--	--	--	154,441	--	739,850
Funds from Acceptance and Issue of Securities	(Note 19)	**15,236,340**	**14,210,883**	**4,348,393**	**16,980,611**	**15,246,923**	**5,898,519**
Funds from real state, mortgage, credit and similar bonds		8,588,093	10,082,293	2,294,101	8,659,998	10,135,836	2,604,422
Funds from debentures		--	--	--	830,546	809,898	--
Foreign securities		6,648,247	4,128,590	2,054,292	7,490,067	4,301,189	3,294,097
Interbank Accounts		**3,218,191**	**24,275**	**2,281,292**	**3,220,720**	**24,275**	**2,291,728**
Receipts and payments pending settlement	(Note 9.a)	3,205,942	24	2,269,677	3,208,471	24	2,280,113
Correspondent banks		12,249	24,251	11,615	12,249	24,251	11,615
Interdepartmental Accounts		**1,893,733**	**3,757,975**	**1,947,582**	**1,910,819**	**3,819,452**	**1,967,554**
Thrid-party funds in transit		1,890,769	3,755,254	1,926,184	1,907,736	3,816,622	1,946,156
Internal transfers of funds		2,964	2,721	21,398	3,083	2,830	21,398
Borrowings	(Note 18.a)	**7,934,083**	**8,368,049**	**9,399,458**	**8,811,918**	**9,505,975**	**7,012,658**
Domestic loans - other institutions		--	--	--	83,665	92,647	43,097
Foreign borrowing		7,934,083	8,368,049	9,399,458	8,728,253	9,413,328	6,969,561
Domestic Onlending – Official Institutions	(Note 18.b)	**16,235,809**	**16,089,557**	**21,193,807**	**17,493,973**	**17,474,727**	**22,651,192**
National Treasury		--	--	--	37,082	60,737	23,463
BNDES		10,270,467	10,074,353	9,576,825	11,019,205	10,864,791	10,353,186
Caixa Econômica Federal		411,825	338,253	167,435	411,825	338,253	167,435
Finame		3,299,400	3,233,785	3,602,337	3,767,700	3,764,544	4,259,898
Other institutions		2,254,117	2,443,166	7,847,210	2,258,161	2,446,402	7,847,210
Foreign Onlending	(Note 18.b)	**6,649**	**13,114**	**65,220**	**5,897**	**13,114**	**2,803**
Foreign onlendings		6,649	13,114	65,220	5,897	13,114	2,803
Derivative Financial Instruments	(Note 8.d)	**1,491,444**	**1,510,251**	**2,164,678**	**2,992,999**	**3,089,880**	**4,042,086**
Derivative financial instruments		1,491,444	1,510,251	2,164,678	2,992,999	3,089,880	4,042,086
Other Liabilities		**63,813,594**	**64,419,912**	**54,877,565**	**84,076,874**	**84,171,358**	**64,998,953**
Collection of taxes and contributions		4,191,911	290,338	3,201,324	4,257,645	360,074	3,263,322
Foreign exchange portfolio	(Note 12.a)	15,323,475	16,044,850	10,425,987	15,577,948	16,134,916	10,928,512
Shareholders and statutory distributions		1,399,543	2,044,016	1,587,961	1,521,944	2,122,374	1,661,977
Taxes and social security	(Note 20.b)	15,936,970	17,444,318	15,612,765	18,769,674	20,689,746	17,003,230
Securities trading		286,980	337,664	157,149	855,289	835,717	1,669,731
Technical provisions for insurance, pension plan and capitalization	(Note 21.b)	--	--	--	13,258,861	12,384,381	5,289,286
Financial and development funds	(Note 20.a)	2,059,947	2,002,989	1,415,456	2,059,947	2,002,989	1,415,456
Subordinated debts	(Note 20.c)	--	--	11,763	680,936	568,288	757,377
Equity and debt hybrid securities	(Note 20.d)	278,838	48,479	93,977	278,838	48,479	93,977
Other liabilities	(Note 20.e)	24,335,930	26,207,258	22,371,183	26,815,792	29,024,394	22,916,085

BALANCE SHEET

		Banco do Brasil			BB-Consolidated		
LIABILITIES/SHAREHOLDERS' EQUITY		**03.31.2012**	**12.31.2011**	**03.31.2011**	**03.31.2012**	**12.31.2011**	**03.31.2011**
NON-CURRENT LIABILITIES		**273,212,219**	**259,721,949**	**199,128,578**	**316,028,549**	**302,036,582**	**246,255,715**
LONG-TERM LIABILITIES		**272,889,738**	**259,393,319**	**198,846,804**	**315,693,590**	**301,690,008**	**245,960,168**
Deposits	(Note 17.a)	**140,255,089**	**136,867,133**	**90,301,696**	**143,031,054**	**139,880,409**	**92,659,666**
Interbank deposits		1,669,555	1,897,876	2,430,378	2,253,764	2,531,389	2,136,749
Time deposits		138,585,534	134,969,257	87,871,318	140,777,290	137,349,020	90,522,917
Securities sold under repurchase agreements	(Note 17.c)	**8,274,301**	**8,052,259**	**7,356,258**	**10,251,622**	**10,249,172**	**9,226,450**
Own portfolio		1,795,270	2,276,226	1,864,661	3,771,653	4,468,906	3,734,853
Third-party portfolio		6,479,031	5,776,033	5,491,597	6,479,031	5,776,033	5,491,597
Free movement portfolio		--	--	--	938	4,233	--
Funds from Acceptance and Issue of Securities	(Note 19)	**10,221,871**	**7,928,806**	**7,472,378**	**19,253,083**	**17,076,367**	**13,651,323**
Funds from real state, mortgage, credit and similar bonds		3,311,282	352,199	--	8,440,267	5,391,394	2,577,619
Funds from debentures		--	--	--	668,734	838,925	1,642,781
Foreign securities		6,910,589	7,576,607	7,472,378	10,144,082	10,846,048	9,430,923
Borrowings	(Note 18.a)	**17,666,553**	**15,117,096**	**4,496,350**	**2,743,813**	**2,751,099**	**1,926,475**
Domestic loans - official institutions		--	--	--	30,072	28,347	23,736
Foreign borrowing		17,666,553	15,117,096	4,496,350	2,713,741	2,722,752	1,902,739
Domestic Onlending – Official Institutions	(Note 18.b)	**32,314,448**	**31,732,731**	**26,890,001**	**34,071,010**	**33,516,317**	**28,975,116**
National Treasury		1,629,295	1,643,963	1,525,003	1,639,517	1,660,770	1,528,634
BNDES		17,487,552	17,153,628	15,625,347	18,400,892	18,113,663	16,809,445
Finame		13,197,601	12,935,140	9,739,651	14,030,601	13,741,884	10,637,037
Foreign Onlending	(Note 18.b)	**237,857**	**274,294**	**240,756**	**81,127**	**89,239**	**84,665**
Foreign onlendings		237,857	274,294	240,756	81,127	89,239	84,665
Derivative Financial Instruments	(Note 8.d)	**958,079**	**330,224**	**461,811**	**1,273,397**	**530,775**	**873,753**
Derivative financial instruments		958,079	330,224	461,811	1,273,397	530,775	873,753
Other Liabilities		**62,961,540**	**59,090,776**	**61,627,554**	**104,988,484**	**97,596,630**	**98,562,720**
Foreign exchange portfolio	(Note 12.a)	12,086,632	12,281,341	22,432,290	12,086,632	12,281,341	22,432,290
Taxes and social security	(Note 20.b)	5,663,966	5,477,282	4,336,607	7,445,297	7,366,946	6,948,549
Securities trading		1,007,157	1,139,599	1,092,030	--	--	--
Technical provisions for insurance, pension plan and capitalization	(Note 21.b)	--	--	--	35,831,898	32,638,556	29,709,763
Financial and development funds	(Note 20.a)	2,043,995	1,999,266	2,083,853	2,043,995	1,999,266	2,083,853
Subordinated debts	(Note 20.c)	27,677,941	27,189,053	20,995,579	30,759,341	30,316,395	23,706,486
Equity and debt hybrid securities	(Note 20.d)	5,886,700	2,799,522	2,427,357	5,880,968	2,797,313	2,427,357
Other liabilities	(Note 20.e)	8,595,149	8,204,713	8,259,838	10,940,353	10,196,813	11,254,422
DEFERRED INCOME		**322,481**	**328,630**	**281,774**	**334,959**	**346,574**	**295,547**
SHAREHOLDERS' EQUITY	(Note 24)	**59,817,963**	**58,148,690**	**52,172,709**	**60,050,684**	**58,416,370**	**52,119,536**
Capital		**33,122,569**	**33,122,569**	**33,078,042**	**33,122,569**	**33,122,569**	**33,078,042**
Local residents		27,324,290	27,984,894	27,668,863	27,324,290	27,984,894	27,668,863
Domiciled abroad		5,798,279	5,137,675	5,409,179	5,798,279	5,137,675	5,409,179
Capital Reserves		**1**	**--**	**--**	**1**	**--**	**--**
Revaluation Reserves		**4,709**	**4,730**	**5,982**	**4,709**	**4,730**	**5,982**
Revenue Reserves		**24,116,142**	**24,297,550**	**16,495,046**	**23,887,696**	**24,121,302**	**16,441,821**
Credit Valuation Adjustments	(Note 8.f)	**858,344**	**723,842**	**384,813**	**858,344**	**723,842**	**384,813**
Retained earnings (accumulated losses)		**1,716,200**	**--**	**2,208,827**	**1,716,200**	**--**	**2,208,827**
(Treasury Shares)		**(2)**	**(1)**	**(1)**	**(2)**	**(1)**	**(1)**
Non-controlling interests		**--**	**--**	**--**	**461,167**	**443,928**	**52**
TOTAL LIABILITIES		**913,866,693**	**890,352,257**	**787,908,489**	**1,004,971,498**	**981,229,907**	**866,636,118**

STATEMENT OF INCOME

		Banco do Brasil		BB-Consolidated	
		1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
INCOME FROM FINANCIAL INTERMEDIATION		**22,500,822**	**19,862,824**	**26,055,252**	**22,755,603**
Loans	(Note 10.b)	14,487,806	12,743,735	16,435,034	14,018,899
Leases	(Note 10.i)	4,972	5,795	484,510	638,239
Securities	(Note 8.b)	6,401,348	5,700,464	7,003,687	6,133,453
Derivative financial instruments	(Note 8.e)	(493,392)	(323,307)	(845,342)	(412,934)
Foreign exchange portfolio	(Note 12.b)	298,289	218,087	314,167	243,638
Compulsory deposits	(Note 9.b)	1,790,939	1,518,050	1,850,445	1,596,580
Sale and transfer of financial assets		10,860	--	10,860	--
Financial income of insurance, pension plan and capitalization	(Note 21.e)	--	--	801,891	537,728
EXPENSES FROM FINANCIAL INTERMEDIATION		**(16,149,583)**	**(14,092,934)**	**(19,366,369)**	**(16,117,576)**
Market norrowing	(Note 17.d)	(12,584,292)	(10,927,987)	(13,896,769)	(11,824,321)
Borrowings and onlendings	(Note 18.c)	(931,431)	(765,605)	(1,088,629)	(815,712)
Lease operations	(Note 10.i)	(4,133)	(4,444)	(352,624)	(486,910)
Financial expenses of insurance, pension plan and capitalization	(Note 21.e)	--	--	(588,234)	(360,062)
Allowance for loan losses	(Notes 10.f and 10.g)	(2,629,727)	(2,394,898)	(3,440,113)	(2,630,571)
NET INCOME FROM FINANCIAL INTERMEDIATION		**6,351,239**	**5,769,890**	**6,688,883**	**6,638,027**
OTHER OPERATING INCOME/EXPENSES		**(2,913,179)**	**(1,348,923)**	**(2,883,425)**	**(1,783,939)**
Service fee	(Note 22.a)	2,268,582	1,861,782	3,465,877	2,835,131
Bank fee	(Note 22.b)	1,422,046	1,181,166	1,585,445	1,272,389
Personnel expenses	(Note 22.c)	(3,537,780)	(3,033,768)	(3,932,394)	(3,271,830)
Other administrative expenses	(Note 22.d)	(3,713,917)	(2,776,335)	(4,044,655)	(3,133,424)
Tax expenses	(Note 25.c)	(811,788)	(783,916)	(1,083,226)	(1,019,258)
Equity in the earnings/(loss) of associated and subsidiary companies	(Note 14)	499,747	715,541	(114,742)	(19,775)
Insurance, pension plan and capitalization results	(Note 21.e)	--	--	516,488	512,453
Other operating income	(Note 22.e)	2,891,462	2,767,692	3,443,346	3,084,521
Other operating expenses	(Note 22.f)	(1,931,531)	(1,281,085)	(2,719,564)	(2,044,146)
OPERATING INCOME		**3,438,060**	**4,420,967**	**3,805,458**	**4,854,088**
NON-OPERATING INCOME	(Note 23)	**25,062**	**11,840**	**20,710**	**18,857**
Income		49,848	36,896	67,805	59,177
Expenses		(24,786)	(25,056)	(47,095)	(40,320)
INCOME BEFORE TAXATION AND PROFIT SHARING		**3,463,122**	**4,432,807**	**3,826,168**	**4,872,945**
INCOME AND SOCIAL CONTRIBUTION TAXES	(Note 25)	**(581,995)**	**(1,126,432)**	**(881,728)**	**(1,497,153)**
EMPLOYEE PROFIT SHARING		**(326,693)**	**(374,012)**	**(407,035)**	**(443,429)**
NON-CONTROLLING INTEREST EARNINGS/(LOSSES)		**--**	**--**	**(35,169)**	**--**
NET INCOME	(Note 24.g)	**2,554,434**	**2,932,363**	**2,502,236**	**2,932,363**
EARNINGS PER SHARE	(Note 24.e)				
Weighted average number of shares - basic		2,865,416,984	2,860,722,734	--	--
Basic earnings per share (R$)		0.89	1.03	--	--
Weighted average number of shares - diluted		2,865,416,984	2,874,279,365	--	--
Diluted earnings per share (R$)		0.89	1.02	--	--

Banco do Brasil S.A.
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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Banco do Brasil EVENTS		Realized capital	Capital reserves	Revaluation reserves	Profit reserves		Equity evaluation adjustments		Treasuary shares	Retained earnings (loss) in the parent company	Total
					Legal reserves	Statutory reserves	Banco do Brasil	Associated and subsidiary companies			
Balances at 12.31.2010		**33,077,996**	**--**	**6,241**	**2,884,196**	**14,060,128**	**353,686**	**113,749**	**(255)**	**--**	**50,495,741**
Capital increase - "C" Bonus subscription		46	--	--	--	--	--	--	--	--	46
Credit valuation adjustments	(Note 8.f)	--	--	--	--	--	(51,374)	(31,248)	--	--	(82,622)
Disposal of treasury shares		--	--	--	--	(254)	--	--	254	--	--
Expired dividends and interest on own capital		--	--	--	--	--	--	--	--	126	126
Realization of revaluation reserve in subsidiary/associated companies	(Note 24.c)	--	--	(259)	--	--	--	--	--	259	--
Net income		--	--	--	--	--	--	--	--	2,932,363	2,932,363
Appropriations - Dividends	(Note 24.f)	--	--	--	--	(449,024)	--	--	--	--	(449,024)
- Interest on own capital	(Note 24.f)	--	--	--	--	--	--	--	--	(723,921)	(723,921)
Balances at 03.31.2011		**33,078,042**	**--**	**5,982**	**2,884,196**	**13,610,850**	**302,312**	**82,501**	**(1)**	**2,208,827**	**52,172,709**
Changes in the period		**46**	**--**	**(259)**	**--**	**(449,278)**	**(51,374)**	**(31,248)**	**254**	**2,208,827**	**1,676,968**
Balances at 12.31.2011		**33,122,569**	**--**	**4,730**	**3,496,562**	**20,800,988**	**618,556**	**105,286**	**(1)**	**--**	**58,148,690**
Credit valuation adjustments	(Note 8.f)	--	--	--	--	--	62,876	71,626	--	--	134,502
Share-based payment transactions		--	1	--	--	--	--	--	(1)	--	--
Expired dividends and interest on own capital		--	--	--	--	--	--	--	--	2,110	2,110
Realization of revaluation reserve in subsidiary/associated companies	(Note 24.c)	--	--	(21)	--	--	--	--	--	21	--
Net income		--	--	--	--	--	--	--	--	2,554,434	2,554,434
Appropriations - Dividends	(Note 24.f)	--	--	--	--	(181,408)	--	--	--	--	(181,408)
- Interest on own capital	(Note 24.f)	--	--	--	--	--	--	--	--	(840,365)	(840,365)
Balances at 03.31.2012		**33,122,569**	**1**	**4,709**	**3,496,562**	**20,619,580**	**681,432**	**176,912**	**(2)**	**1,716,200**	**59,817,963**
Changes in the period		**--**	**1**	**(21)**	**--**	**(181,408)**	**62,876**	**71,626**	**(1)**	**1,716,200**	**1,669,273**

See the accompanying notes to the financial statements.

Banco do Brasil S.A.
Financial Statements
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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

BB-Consolidated					Profit reserves		Equity evaluation adjustments					
EVENTS		Realized capital	Capital reserves	Revaluation reserves	Legal Reserv	Statutory Reserves	Banco do Brasil	Associated and subsidiary companies	Treasuary shares	Retained earnings (loss) in the parent company	Non-controlling interest	Total
Balances at 12.31.2010		**33,077,996**	**--**	**6,241**	**2,884,196**	**14,005,220**	**353,686**	**113,749**	**(452)**	**--**	**47**	**50,440,683**
Capital increase - "C" Bonus subscription		46	--	--	--	--	--	--	--	--	--	46
Credit valuation adjustments	(Note 8.f)	--	--	--	--	--	(51,374)	(31,248)	--	--	--	(82,622)
Disposal of treasury shares		--	--	--	--	(254)	--	--	254	--	--	--
Expired dividends/interest on own capital		--	--	--	--	--	--	--	--	126	--	126
Realization of revaluation reserve in subsidiary/associated companies	(Note 24.c)	--	--	(259)	--	--	--	--	--	259	--	--
Reciprocal participation in subsidiaries		--	--	--	--	--	--	--	197	--	--	197
Change in non-controlling interest		--	--	--	--	--	--	--	--	--	5	5
Net income		--	--	--	--	--	--	--	--	2,932,363	--	2,932,363
Realization of unrealized results		--	--	--	--	1,683	--	--	--	--	--	1,683
Appropriations - Dividends	(Note 24.f)	--	--	--	--	(449,024)	--	--	--	--	--	(449,024)
- Interest on own capital	(Note 24.f)	--	--	--	--	--	--	--	--	(723,921)	--	(723,921)
Balances at 03.31.2011		**33,078,042**	**--**	**5,982**	**2,884,196**	**13,557,625**	**302,312**	**82,501**	**(1)**	**2,208,827**	**52**	**52,119,536**
Changes in the period		**46**	**--**	**(259)**	**--**	**(447,595)**	**(51,374)**	**(31,248)**	**451**	**2,208,827**	**5**	**1,678,853**
Balances at 12.31.2011		**33,122,569**	**--**	**4,730**	**3,496,562**	**20,624,740**	**618,556**	**105,286**	**(1)**	**--**	**443,928**	**58,416,370**
Credit valuation adjustments	(Note 8.f)	--	--	--	--	--	62,876	71,626	--	--	--	134,502
Share-based payment transactions		--	1	--	--	--	--	--	(1)	--	--	--
Expired dividends/interest on own capital		--	--	--	--	--	--	--	--	2,110	--	2,110
Realization of revaluation reserve in subsidiary/associated companies	(Note 24.c)	--	--	(21)	--	--	--	--	--	21	--	--
Change in non-controlling interest		--	--	--	--	--	--	--	--	--	17,239	17,239
Net income		--	--	--	--	--	--	--	--	2,502,236	--	2,502,236
Unrealized results		--	--	--	--	(52,198)	--	--	--	52,198	--	--
Appropriations - Dividends	(Note 24.f)	--	--	--	--	(181,408)	--	--	--	--	--	(181,408)
- Interest on own capital	(Note 24.f)	--	--	--	--	--	--	--	--	(840,365)	--	(840,365)
Balances at 03.31.2012		**33,122,569**	**1**	**4,709**	**3,496,562**	**20,391,134**	**681,432**	**176,912**	**(2)**	**1,716,200**	**461,167**	**60,050,684**
Changes in the period		**--**	**1**	**(21)**	**--**	**(233,606)**	**62,876**	**71,626**	**(1)**	**1,716,200**	**17,239**	**1,634,314**

See the accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS

		Banco do Brasil		BB-Consolidated	
		1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax and social contribution		3,463,122	4,432,807	3,826,168	4,872,945
Adjustments to income (loss) before tax and social contribution		4,006,803	2,182,131	10,034,735	6,419,124
Provision for credits, lease and other credits	(Notes 10.f and 10.g)	2,629,727	2,394,898	3,440,113	2,630,571
Depreciation and amortization	(Note 22.d)	905,108	802,383	927,906	822,126
Impairment assessment result	(Notes 15 and 16)	5,054	--	5,375	48
Equity in the (earnings) losses of subsidiaries and associated companies	(Note 14.a)	(499,747)	(715,541)	114,742	19,775
(Gain)/Loss on the sale of assets	(Note 23)	(5,846)	(1,614)	8,324	6,665
(Gain)/Loss on the sale of investments	(Note 23)	(47)	--	(1,600)	(19)
Capital (gain)/loss	(Note 23)	10,268	9,794	5,744	1,095
Foreign currency translation results	(Note 14.a)	(63,384)	(20,124)	(115,672)	(29,084)
Provision/(reversal) for devaluation of other assets	(Note 23)	1,374	1,794	1,931	5,739
Amortization of goodwill	(Note 14.c)	144,658	69,592	218,846	147,673
Expenses with civil, labor and tax provisions	(Note 28.b)	837,632	273,987	960,034	347,288
Technical provisions for insurance, pension plan and capitalization	(Note 21.e)	--	--	4,395,647	3,110,230
Adjustment of actuarial assets/liabilities and surplus allocation funds	(Note 27)	(374,009)	(620,485)	(374,009)	(620,485)
Effect of changes in foreign exchange rates in cash and cash equivalents		416,015	(12,470)	482,523	(24,096)
Noncontrolling interests		--	--	(35,169)	--
Other adjustments		--	(83)	--	1,598
Income adjusted before income and social contribution taxes		**7,469,925**	**6,614,938**	**13,860,903**	**11,292,069**
Equity variations		(15,716,294)	(3,886,203)	(4,705,189)	(4,072,090)
(Increase) Decrease in short-term interbank investments		(20,353,861)	(38,786,187)	1,747,959	(37,282,482)
(Increase) Decrease in trading securities and derivative financial instruments		5,774,674	601,342	272,134	(1,450,634)
(Increase) Decrease in interbank and interdepartmental accounts		(5,228,289)	(4,007,367)	(4,217,440)	(4,003,496)
(Increase) Decrease in loan operations		(8,796,337)	(9,209,207)	(9,332,775)	(10,295,926)
(Increase) Decrease in leasing operations		4,118	3,397	271,851	317,455
(Increase) Decrease in other receivables net of deferred taxes		(817,552)	1,867,792	(1,561,392)	1,679,537
(Increase) Decrease in other assets		419,852	(118,179)	(116,281)	(197,665)
Income tax and social contribution paid		(1,087,241)	(617,181)	(2,002,970)	(1,407,782)
(Decrease) Increase in deposits		4,204,062	4,678,923	4,484,264	4,318,890
(Decrease) Increase in securities sold under repurchase agreements		6,325,002	38,362,643	4,636,034	37,936,977
(Decrease) Increase in funds from acceptance and issue of securities		3,318,522	4,789,212	3,910,404	6,063,735
(Decrease) Increase in borrowings and onlendings		2,800,558	(882,974)	(142,733)	1,194,075
(Decrease) Increase in other liabilities		(2,273,653)	(567,955)	(2,642,629)	(940,802)
(Decrease) Increase in deferred income		(6,149)	(462)	(11,615)	(3,972)
CASH PROVIDED BY (USED IN) OPERATIONS		**(8,246,369)**	**2,728,735**	**9,155,714**	**7,219,979**
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) Decrease in securities available for sale		11,954,435	(426,429)	11,414,393	(1,250,272)
(Increase) Decrease in securities held to maturity		(159,943)	(265,121)	1,340,749	(395,734)
Dividends received from subsidiaries and associated companies		--	613,018	--	--
(Acquisition)/sale of property, plant and equipment in use		(309,645)	(184,797)	(328,641)	(198,629)
(Acquisition)/ sale of investments		(163,457)	(150,184)	(176,192)	(137,801)
Acquisition of intangible assets/ deferred assets		(141,625)	(130,828)	(149,495)	(129,678)
CASH PROVIDED /(USED IN) INVESTING ACTIVITIES		**11,179,765**	**(544,341)**	**12,100,814**	**(2,112,114)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Change in noncontrolling interests		--	--	17,239	5
(Decrease) Increase in subordinated debts		488,888	1,046,720	555,594	1,051,747
(Decrease) Increase in equity and debt hybrid securities		3,317,538	(849,949)	3,314,014	(840,058)
Capital increase		--	--	--	--
Disposal of treasury shares		--	254	--	254
Dividends paid		(442,565)	(917,410)	(442,565)	(917,410)
Interest on own capital paid		(794,907)	--	(794,907)	--
CASH PROVIDED /(USED IN) FINANCING ACTIVITIES		**2,568,954**	**(720,385)**	**2,649,375**	**(705,462)**
Net variation of cash and cash equivalents		**5,502,350**	**1,464,009**	**23,905,903**	**4,402,403**
At the beginning of the period		42,878,095	32,576,359	43,852,139	25,147,713
Effect of changes in foreign exchange rates in cash and cash equivalents		(416,015)	12,470	(482,523)	24,096
At the end of the period		47,964,430	34,052,838	67,275,519	29,574,212
Increase in cash and cash equivalents		**5,502,350**	**1,464,009**	**23,905,903**	**4,402,403**

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

STATEMENT OF VALUE ADDED

		Banco do Brasil				BB-Consolidated			
		1st quarter/2012		1st quarter/2011		1st quarter/2012		1st quarter/2011	
		Balance	%	Balance	%	Balance	%	Balance	%
Income		**23,931,909**		**21,810,120**		**28,229,846**		**25,551,504**	
Income from Financial Intermediation		22,500,822		19,862,824		26,055,252		22,755,603	
Income from service and bank fee		3,690,628		3,042,948		5,051,322		4,107,520	
Allowance for loan losses		(2,629,727)		(2,394,898)		(3,440,113)		(2,630,571)	
Other income/expenses		370,186		1,299,246		563,385		1,318,952	
Expense from Financial Intermediation		**(13,519,856)**		**(11,698,036)**		**(15,926,256)**		**(13,487,005)**	
Inputs Purchased from Third Parties		**(2,026,407)**		**(1,641,606)**		**(2,214,823)**		**(1,891,717)**	
Materials, electric power and other		(123,102)		(116,752)		(131,124)		(120,991)	
Expenses with outsourced services		(413,371)		(279,791)		(407,748)		(302,914)	
Communication	(Note 22.d)	(330,468)		(289,248)		(355,379)		(310,259)	
Data processing	(Note 22.d)	(272,849)		(207,678)		(208,397)		(227,520)	
Transportation	(Note 22.d)	(276,757)		(185,333)		(287,131)		(194,872)	
Security services	(Note 22.d)	(194,576)		(176,702)		(199,720)		(178,105)	
Financial system services	(Note 22.d)	(124,708)		(117,494)		(162,349)		(149,654)	
Advertising and marketing	(Note 22.d)	(55,729)		(66,802)		(72,959)		(86,965)	
Others		(234,847)		(201,806)		(390,016)		(320,437)	
Gross Added Value		**8,385,646**		**8,470,478**		**10,088,767**		**10,172,782**	
Depreciation and amortization	(Note 22.d)	(905,108)		(802,383)		(927,906)		(822,126)	
Value Added produced by the Entity		**7,480,538**		**7,668,095**		**9,160,861**		**9,350,656**	
Value Added received through transfer		**499,747**		**715,541**		**(114,742)**		**-19,775**	
Equity in the earnings (loss) of subsidiary and associated companies		499,747		715,541		(114,742)		(19,775)	
Added Value to Distribute		**7,980,285**	**100.00**	**8,383,636**	**100.00**	**9,046,119**	**100.00**	**9,330,881**	**100.00**
Value Added distributed		**7,980,285**	**100.00**	**8,383,636**	**100.00**	**9,046,119**	**100.00**	**9,330,881**	**100.00**
Personnel		**3,403,547**	**42.65**	**3,021,545**	**36.04**	**3,834,593**	**42.39**	**3,293,884**	**35.30**
Salaries and fees		2,212,288		1,927,391		2,464,029		2,075,171	
Employee profit sharing		326,693		374,012		407,035		443,429	
Benefits and training programs		484,679		419,690		542,302		455,615	
FGTS (Government Severance Indemnity Fund for Employees)		125,680		110,467		147,840		125,362	
Other charges		254,207		189,985		273,387		194,307	
Taxes, Rates and Contributions		**1,854,709**	**23.24**	**2,296,584**	**27.39**	**2,469,790**	**27.30**	**2,937,788**	**31.48**
Federal		1,683,027		2,142,802		2,221,184		2,727,860	
State		102		320		114		323	
Municipal		171,580		153,462		248,492		209,605	
Interest on Third Parties' Capital		**167,595**	**2.10**	**133,144**	**1.59**	**204,331**	**2.26**	**166,846**	**1.79**
Rent	(Note 22.d)	167,595		133,144		204,331		166,846	
Interest on Capital	**(Note 24.e)**	**2,554,434**	**32.01**	**2,932,363**	**34.98**	**2,537,405**	**28.05**	**2,932,363**	**31.43**
Federal Government interest on own capital		496,558		428,456		496,558		428,456	
Interest on own capital of other shareholders		343,807		295,465		343,807		295,465	
Federal Government dividends		107,191		265,757		107,191		265,757	
Dividends from other shareholders		74,217		183,267		74,217		183,267	
Retained earnings		1,532,661		1,759,418		1,480,463		1,759,418	
Non-controlling interest in retained earnings		--		--		35,169		--	

See the accompanying notes to financial statements.

1 – The Bank and its Operations

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

2 – Company Restructuring

a) Acquisitions

EuroBank

On 01.19.2012, the Bank concluded the acquisition, through cash payment of US$ 6 millions, of the entire capital stock and voting capital of Eurobank, a north-american financial institution, corresponding to 835,855 common shares.

Investment and goodwill balances were measured based on adjusted equity of EuroBank, on december 2011, converted to the exchange rate of 01.17.2012.

	R$ thousand
Amaunt paid	10,651
Adjusted equity value on 12.31.2011	(8,921)
Value of goodwill [1]	19,572
Goodwill	18,058
Goodwill of assets fair value	1,514
Capital investment [2]	52,368

(1) The value of acquired goodwill is subject to be changed due to the elaboration of the amount paid allocation study (PPA), estimated to finish at june 2012.

(2) The capital investment allowed the emission of 4,916,666 (four million, nine hundred sixteen thousand, six hundred sixty-six) common shares.

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

Eurobank acquisition is going to contribute to Banco do Brasil expansion of busines in the United States, through the perform in north-american retail market, focusing on brazilian and spanish people that lives in the USA.

b) Growth of Shares

Brasilcap Capitalização S.A. (Brasilcap)

On 01.06.2010, the Bank announced that the subsidiary BB Seguros Participações S.A. (BB Seguros) and Grupo Icatu (Icatu) entered into a Memorandum of Understanding with a view to forming a strategic alliance in the Brazilian market to develop and sell capitalization products. In this context, BB Seguros and Icatu announced their intention to acquire the equity interest held by the other shareholders in Brasilcap Capitalização S.A. (Brasilcap).

Negotiation are conducted in compliance with Memorandum of Understanding and additional facts, when considered significant, will be timely disclosured to the market.

3 – Presentation of Financial Statements

The Financial Statements have been prepared in accordance with the accounting guidelines derived from Brazilian corporation law, the rules and instructions issued by the National Monetary Council (CMN), Brazilian Central Bank (Bacen), the National Council of Private Insurance (CNSP), the Superintendency of Private Insurance (Susep), the National Health Agency (ANS) and the Securities and Exchange Commission of Brazil (CVM), as applicable.

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

The financial statements include operations of Banco do Brasil in Brazil and abroad (Banco do Brasil), and the consolidated financial statements also include operations of financial and non-financial subsidiaries in Brazil and abroad, Jointly Controlled entities, Special Purpose Entity - Dollar Diversified Payment Rights Finance Company, including the Investment Funds which the Bank controls directly or indirectly, and investments in subsidiaries and associated companies, in accordance with Bacen requirements (BB-Consolidated).

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

The Accounting Pronouncements Committee (CPC), since 2008, issues accounting standards and interpretations, based on international accounting standards, approved by CVM. Bacen accepted the following pronouncements, which are fully applied by the Bank: CPC 01 – Reduction in Recoverable Value of Assets, CPC 03 - Statement of Cash Flows (DFC), CPC 05 – Related Party Disclosures, CPC 10 – Share-Based Payment, CPC 23 – Accounting Policies, Changes in Accounting Estimates and Errors, CPC 24 – Events After the Reporting Period and CPC 25 - Provisions, Contingent Liabilities and Contingent Assets.

Additionally, the Brazilian Central Bank issued CMN Resolution 3,533/2008, whose terms began in January, 2012, which established procedures for reclassification, accounting and disclosure of sale and transfer transactions related to financial assets. This Resolution meets the criteria for write off financial assets specified in the CPC 38 – Financial Instruments: Recognition and Measurement. considering that transactions of credit cession is not a practice adopted by the Bank and that Banco Votorantim exclusively assign credit portfolio to Banco do Brasil, eliminating those accounting effects on the consolidation, there was no impact in the financial statements.

The Bank has also applied the following pronouncements which do not conflict with the Bacen rules, as established by Article 22, § 2 of Law 6385/1976: CPC 09 – Value Added Statement, CPC 12 – Adjustment at Present Value, CPC 22 – Information by segment, CPC 27 – Fixed Assets, CPC 33 – Employee Benefits and CPC 41 – Income per share.

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

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

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

CPC 19 – Investment in Joint Ventures - in accordance with CPC 19, in the formation of joint ventures SH1 and SH2 (Note 2.c), the equity interests received in the formation of the partnership are recorded at fair value; carrying amount of contributed assets by the Banco do Brasil, including any goodwill, are write-off and the result of the transaction is recognized in proportion to the equity of new companies incorporated in Mapfre.

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

These financial statements were approved by the Executive Board of Directors on 05.02.2012.

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

				% of Total Share		
				03.31.2012	12.31.2011	03.31.2011
Banking segment			**Activity**			
Banco do Brasil – Ag. Viena	(1)	(4)	Banking	100%	100%	100.00%
BB Leasing Company Ltd.	(1)	(4)	Leasing	100%	100%	100.00%
BB Leasing S.A. – Arrendamento Mercantil	(1)	(4)	Leasing	100%	100%	100%
BB Securities Asia Pte. Ltd.	(1)	(4)	Broker	100%	100%	--
BB Securities LLC.	(1)	(4)	Broker	100%	100%	100%
BB Securities Ltd.	(1)	(4)	Broker	100%	100%	100%
BB USA Holding Company, Inc.	(1)	(4)	Holding	100%	100%	100%
Brasilian American Merchant Bank	(1)	(4)	Banking	100%	100%	100%
Besc Distribuidora de Títulos e Valores Mobiliários S.A.	(1)	(4)	Asset Management	99.62%	99.62%	99.62%
Banco Patagonia S.A.	(1)	(4)	Multiple Bank	58.96%	58.96%	--
Banco Votorantim S.A.	(2)	(4)	Multiple Bank	50%	50%	50%
Eurobank	(1)	(4)	Multiple Bank	100%	--	--
Investment segment			**Activity**			
BB Banco de Investimento S.A.	(1)	(4)	Investment Bank	100%	100%	100%
Kepler Weber S.A.	(2)	(4)	Industry	17.56%	17.56%	17.56%
Companhia Brasileira de Securitização – Cibrasec	(3)	(5)	Credits Acquisition	12.12%	12.12%	12.12%
NeoEnergia S.A.	(2)	(4)	Energy	11.99%	11.99%	11.99%
Segment of Fund Management			**Activity**			
BB Gestão de Recursos – Distribuidora de Títulos e Valores Mobiliários S.A.	(1)	(4)	Asset Management	100%	100%	100%
Segment of Insurance, Private Pension Fund and Capitalization			**Activity**			
BB Seguros Participações S.A.	(1)	(4)	Holding	100%	100%	100%
BB Broker de Seguros e Administradora de Bens S.A.	(1)	(4)	Broker	100%	100%	100%
Nossa Caixa Capitalização S.A.	(1)	(4)	Capitalization	100%	100%	100%
BB Aliança Participações S.A.	(3)	(4)	Holding	74.99%	74.99%	100%
Companhia de Seguros Aliança do Brasil	(3)	(4)	Insurance Company	74.99%	74.99%	100%
BB Mapfre SH1 Participações S.A.	(3)	(4)	Holding	74.99%	74.99%	--
Mapfre Vera Cruz Vida e Previdência S.A.	(3)	(4)	Pension	74.99%	74.99%	--
Mapfre Participações Ltda.	(3)	(4)	Holding	74.99%	74.99%	--
Vida Seguradora S.A.	(3)	(4)	Insurance Company	74.99%	74.99%	--
Brasilprev Seguros e Previdência S.A.	(3)	(4)	Pension/Insurance	74.99%	74.99%	74.99%
Brasilcap Capitalização S.A.	(3)	(4)	Capitalization	66.66%	66.66%	49.99%
Aliança do Brasil Seguros S.A.	(3)	(4)	Insurance Company	50%	50%	100%
BB Aliança Rev Participações S.A.	(3)	(4)	Holding	50%	50%	100%
Brasilveículos Companhia de Seguros	(3)	(4)	Insurance Company	50%	50%	100.00%
Mapfre BB SH2 Participações S.A.	(3)	(4)	Holding	50%	50%	--
Mapfre Vera Cruz Seguradora S.A.	(3)	(4)	Insurance Company	50%	50%	--
Mares Mapfre Riscos Especiais S.A.	(3)	(4)	Insurance Company	50%	50%	--
Mapfre Assistência S.A.	(3)	(4)	Service Rendering	50%	50%	--
Seguradora Brasileira de Crédito à Exportação – SBCE	(3)	(4)	Insurance Company	12.09%	12.09%	12.09%
Segment of Payment Methods			**Activity**			
BB Administradora de Cartões de Crédito S.A.	(1)	(4)	Service Rendering	100%	100%	100.00%
BB Elo Cartões Participações S.A.	(1)	(4)	Holding	100%	100%	100.00%
Elo Participações S.A.	(2)	(4)	Holding	49.99%	49.99%	--
Companhia Brasileira de Soluções e Serviços CBSS	(3)	(4)	Service Rendering	49.99%	49.99%	49.99%
Elo Serviços S.A.	(2)	(4)	Service Rendering	33.33%	33.33%	--
Cielo S.A.	(2)	(4)	Service Rendering	28.71%	28.72%	28.74%
Tecnologia Banking S.A. – Tecban	(3)	(4)	Service Rendering	13.53%	13.53%	13.53%
Other Segments			**Activity**			
Ativos S.A. Securitizadora de Créditos Financeiros	(1)	(4)	Credit Acquisition	100%	100%	100%
Ativos S.A. Gestão de Cobrança e Recuperação de Crédito	(1)	(4)	Credit Acquisition	100%	100%	100%
BB Administradora de Consórcios S.A.	(1)	(4)	Consortium	100%	100%	100.00%
BB Tur Viagens e Turismo Ltda.	(1)	(5)	Tourism	100%	100%	100%
BB Money Transfers Inc.	(1)	(4)	Service Rendering	100%	100%	100%
Cobra Tecnologia S.A.	(1)	(4)	IT	99.97%	99.97%	100.00%
BV Participações S.A.	(2)	(4)	Holding	50%	50%	50%

(1) Subsidiaries.

(2) Joint venture, proportionately included in consolidation.

(3) Associated companies, proportionately included in consolidation, as Bacen resolve.

(4) Financial Statements for consolidation on Mar/2011.

(5) Financial Statements for consolidation on Feb/2011.

The following investment funds were also consolidated: BV Financeira FIDC V, Fundo de Investimento Sedna Referenciado DI, Fundo de Investimento Nióbio I and BVIA Fundo de Investimento em Participações, as well as special-purpose entity located abroad Dollar Diversified Payment Rights Finance Company, that are directly or indirectly controlled by the Bank.

Was made at Banco do Brasil and BB-Consolidated, at 1st quarter/2011, the following reclassifications:

a) in the amount of R$ 123,790 thousand, from the grouping of Service Revenue to the grouping of Income from Bank Fees, pursuant to Bacen Circular Letter 3,490/ 2011, which altered the function of accounting titles and subtitles for recording income from service fees;
b) in the amount of R$ 284,862 thousand, from the grouping of Other Operating Expenses – Premiuns Paid to Clients to the grouping of Expenses whit Deposits and whit Securities Sold Under Repurchase Agreements – Judicial Deposits, to reflect the essence of the operation;
c) in the amount of R$ 269,503 thousand, from the grouping of Other Operating Expenses – Premiums for Purchased Credits Payroll to the grouping of Loans Operations Income, to reflect the essence of the operation, and;
d) in the amount of R$ 47,4543 thousand, from the grouping of Other Operating Expenses – Amortization/Early Settlement of Contracts to the grouping of Loans Operations Income, to reflect the essence of the operation.

4 – Description of Significant Accounting Policies

a) Statement of income

In accrual basis accounting, revenues and expenses are reported in the statement of income of the period to which they belong and, when correlated, simultaneously, regardless of receipt or payment. The operations with floating financial charges are adjusted pro rata, based on the indexes agreed, and operations with fixed financial charges are recorded at redemption value, rectified because of unearned income or prepaid expenses for future periods. The operations indexed to foreign currencies are adjusted up to the date of the balance at the current rates criterion.

b) Cash and cash equivalents

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

c) Short-term interbank investments

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

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 management’s intention, in one of three different categories, according to Bacen Circular 3068/2001:

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

Securities available for sale: these are securities that may be traded at any time, but are not acquired to be actively and frequently traded. They are adjusted monthly to market value and their increases and decreases in value are recorded, net of tax effects, in a separate shareholders' equity account.

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

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

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

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

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

e) Derivative financial instruments

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

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

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

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

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

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

Loans, leases, advances on foreign exchange contracts and other receivables with loan characteristics are classified according to Management's judgment with respect to the level of risk, taking into consideration market conditions, past experience and specific risks in relation to the operation, to borrowers and guarantors, observing the parameters established by CMN Resolution 2682/1999, which requires periodic analyses of the portfolio and its classification into nine levels, ranging from AA (minimum risk) to H (maximum risk), as well as the classification of operations more than 15 days overdue as non-performing.

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

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

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

Allowance for loan losses, considered sufficient by management, satisfies the minimum requirement established by the aforementioned CMN Resolution 2682/1999 (Note 10.e).

g) Taxes

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

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

(1) For non-financial firms, the CSLL rate is 9%.
(2) For non-financial firms that have opted for the non-cumulative regime of calculation, the PIS/PASEP rate is 1.65% and Cofins rate is 7.6%.

Deferred tax assets (tax credits) and deferred tax liabilities are recorded by applying the current rates of taxes on their respective bases. For recording, maintaining, and writing off tax credits the Bank follows the established criteria by CMN Resolution 3059/2002, and amended by CMN Resolution 3355/2006, and they are supported by a study of their realizability.

h) Prepaid expenses

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

i) Permanent assets

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

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

The statements of the branches and subsidiaries abroad are adapted to the prevailing accounting criteria in Brazil and translated into Brazilian Reais using current exchange rates, in conformity with Bacen Circulars 2397/1993 and 2571/1995, and their impacts are recorded in the statement of income for the period.

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

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

Deferred: deferred assets are recorded at cost of acquisition or formation, net of accrued amortization. They are composed mainly of restructuring expenditures, and the expenditures, up to 09.30.2008, with third parties properties, as a result of opening branches, which are amortized according to rates based

on rental terms, as well as expenditures on the acquisition and development of information systems, which are amortized at 20% per annum (p.a.).

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

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

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

j) Impairment of non-financial assets

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

Whether there is indication of impairment, the Bank tests, at least annually, the recoverable amount of intangible assets not yet available for use and goodwill on acquisition of investments. This test can be run at any time in the annual period, provided it is performed at the same time every year.

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

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

Property and Equipment in Use:

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

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

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

Investments and Goodwill on acquisition of investments

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

Specifically in the acquisition of Banco Nossa Caixa, which was incorporated by the Banco do Brasil in November 2009, the methodology is to compare the goodwill paid, less the accumulated amortization, with the present value of the results of the Bank designed for the State of São Paulo, minus assets with finite lives. The projections are based initially on results and progress based on growth assumptions of profitability for the Banco do Brasil and they are discounted based on the market fixed curve, calculated using BM&F Bovespa - Term Structure of Interest Rates - ETTJ .

Intangible

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

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

Other Intangible Assets - Right to use the Banco Postal network - The methodology to evaluate the recoverable amount of the right to use the network of the Banco Postal is to calculate the present value of income flows from operations contracted through Banco Postal, that are projected based on assumptions made and values defined in the business plan, and are discounted by the market fixed curve, using BM&F BOVESPA - Term Structure of Interest Rates - ETTJ.

Other Assets

Assets not in use - regardless of whether indicative of loss, the impairment test for these assets must occur every six months, through formalization of market value in appraisal report performed according to ABNT.

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

k) Employee benefits

Employee benefits related to short-term benefits for current employees are recognized on the accrual basis as the services are provided. Post-employment benefits, comprising supplementary retirement benefits and medical assistance for which the Bank is responsible, were assessed in accordance with criteria established by CVM Resolution 600/2009 (Note 27). As of 06.30.2010, the evaluations are performed twice a year and not per year as on 12.31.2009.

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

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

The portion of gains or losses recognized in income of the Bank corresponds to the excess of the Bank that did not fit in the corridor divided by the average remaining working time of the employees who participate in the plan. The corridor is the greater of:

1- 10% of the total actuarial obligation present present value of the defined benefit, and
2- 10% of the fair value of plan assets.

The Bank, as permitted by CVM Resolution 600/2009, adopted the procedure of recognizing actuarial gains/losses in the period in which the service was performed.

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

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

I) Operations related to insurance, pension and capitalization activities

Statement of Income/Expenses

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

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

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

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

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

Technical Provisions

Rules and procedures for the formation of technical provisions are regulated by the Resolutions 162/2006, 181/2007, 195/2008 and 204/2009 of the National Council of Private Insurance (CNSP) and Regulatory Resolutions 75/2004 and 274/2011 of the National Supplementary Health Agency (ANS), and calculated in accordance with the specific actuarial technical notes approved by the Superintendency of Private Insurance (Susep) and the National Supplementary Health Agency (ANS).

Insurance

Provision for Unearned Premiums(PUP) represents the portions of premiums that will be allocated to income over the course of the insurance policies, as calculated on a *pro rata die* basis.

Provision for Unearned Premiums for Present Risks but Not Yet Issued (PUP-PRNI) represents the adjustment for the Provision for Unearned Premiums given the existence of risks assumed by the insurance company where the policy covering the risk has not yet been formally issued, except for health plan insurance.

Provision for Premium Deficiency represents the need for coverage of possible deficiencies of the Provision for Unearned Premiums due to the expectations of payment and re-assessment of claims incurred.

Provision for Unsettled Loss Claims represents the estimated probable payments of claims, judicial or otherwise, gross reinsurance and net of recoveries coinsurance ceded, monetarily restated for indexed insurance determined based on notices received up to the balance sheet date, adjusted by the estimate for Claims Incurred but Not Enough Reported (IBNER).

Provision for Claims Incurred but not Reported (IBNR) represents the amount expected of claims incurred but not reported until the base date of the financial statements.

Premium Complementary Provision (PCP), has as object to maintain the company protected in monthly transactions, keeping the amount of the technical premium provisions (PUP and PUP-PRNI) higher or equal to the daily average of the month of calculation.

Pension plan

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

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

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

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

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

Capitalization

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

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

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

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

m) Contingent assets and liabilities and legal obligations

The recognition, measurement and disclosure of contingent assets and liabilities and legal obligations are made in accordance with the criteria defined CPC 25 – Provisions, Contingent Assets and Contingent Liabilities, aproved by CMN Resolution 3823/2009 (Note 28).

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

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

Aggregated – cases that are similar and recurring in nature and whose values are not considered relevant. Provisions are based on statistical data for groups of cases, type of judicial body (Special Civil Court or Common Court) and plaintiff. For labor claims, provisions are based on the average payments for cases closed in the last 24 months, corrected by the National Wide Consumer Price Index (Índice Nacional de Preços ao Consumidor Amplo, or IPCA). For civil claims, including related to economic plans, provisions are based on the average payments for cases closed in the last 24 months, without any correction.

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

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

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

n) Earnings per share

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

o) present value measurement

The financial assets and liabilities are presented at present value because the application of the accrual basis in the recognition of their income and interest expenses.

The non-contractual liabilities, primarily represented by contingent liabilities and legal obligations, wich the disbursement date is uncertain and is not under the Bank control, are presented at present value because they are initially recognized at estimated disbursement value on the valuation date and are updated monthly.

5 – Information by Segment

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

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

Intersegment transactions 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.

a) Banking Segment

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

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

b) Investment Segment

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

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

c) Segment of Fund Management

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

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

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

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

e) Segment of Payment Methods

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

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

f) Other segments

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

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

R$ thousand

BB-Consolidated	1st quarter/2012							
	Banking	Investment	Fund Management	Insurance and Related	Payment methods	Other Segments	Intersegment transactions	Total
Income	**32,363,864**	**350,325**	**312,661**	**1,604,498**	**580,915**	**358,210**	**(551,002)**	**35,019,471**
Income from loans and leases	17,024,190	--	--	--	--	--	(93,786)	16,930,404
Income from operations with securities and derivative financial instruments	6,026,409	142,340	11,928	15,448	66,522	6,099	(110,401)	6,158,345
Income from foreign exchange operations and Compulsory	2,164,606	--	--	--	4	(7)	9	2,164,612
Financial results from insurance operations, pension and capitalization	--	--	--	789,607	--	--	12,284	801,891
Income from service fees	2,439,849	95,896	199,813	230,775	501,875	245,853	(248,184)	3,465,877
Income from tariffs, rates and commissions	1,481,834	8,724	94,887	--	--	--	--	1,585,445
Equity in the (earnings)/loss of subsidiary and associated companies	(124,849)	9,527	--	580	--	--	--	(114,742)
Results from Insurance, Pension Plan and Capitalization Operations	--	--	--	524,421	--	--	(7,933)	516,488
Other Income	3,351,825	93,838	6,033	43,667	12,514	106,265	(102,991)	3,511,151
Expenses	**(29,697,577)**	**(188,948)**	**(55,615)**	**(1,123,918)**	**(295,803)**	**(291,204)**	**459,762**	**(31,193,303)**
Expenses of Market funding	(13,919,881)	(80,905)	--	--	--	(8,450)	112,467	(13,896,769)
Loans, assignments, onlendings and leases	(1,441,224)	--	--	--	(9)	(20)	--	(1,441,253)
Allowance/reversal for loan losses	(3,440,850)	(2)	(14)	--	(2)	755	--	(3,440,113)
Restatement and interest of technical reserves	--	--	--	(588,234)	--	--	--	(588,234)
Personnel Expenses	(3,752,314)	(11,497)	(13,831)	(82,456)	(25,845)	(47,803)	1,352	(3,932,394)
Other administrative expenses	(3,066,993)	(11,111)	(5,386)	(218,358)	(48,530)	(52,902)	286,530	(3,116,750)
Depreciation	(257,836)	(645)	--	(3,602)	(2,845)	(1,883)	--	(266,811)
Amortization of deferred assets	(20,811)	--	--	(4,702)	(568)	(1,093)	--	(27,174)
Amortization of intangible assets	(632,943)	(4)	--	--	(936)	(37)	--	(633,920)
Revenues / (Expenses) from impairment	(209)	--	--	--	(5,166)	--	--	(5,375)
Other expenses[1]	(3,164,516)	(84,784)	(36,384)	(226,566)	(211,902)	(179,771)	59,413	(3,844,510)
Profit before tax and participations[2]	**2,666,287**	**161,377**	**257,046**	**480,580**	**285,112**	**67,006**	**(91,240)**	**3,826,168**
Income tax and social contribution[3]	(473,587)	(45,523)	(105,756)	(177,684)	(101,161)	(17,058)	39,041	(881,728)
Profit sharing	(383,888)	--	(126)	(9,844)	(531)	(12,646)	--	(407,035)
Non-controlling interest earnings/(losses)	(35,169)	--	--	--	--	--	--	(35,169)
Net Income [4]	**1,773,643**	**115,854**	**151,164**	**293,052**	**183,420**	**37,302**	**(52,199)**	**2,502,236**
Balance Sheets								
Assets	951,693,694	5,832,362	713,286	56,583,436	2,844,423	4,406,004	(17,101,707)	1,004,971,498
Investment in subsidiaries and associate companies	12,385,908	2,373,442	68	555,814	--	--	(8,588,339)	6,726,893
Liabilities	891,417,042	3,690,281	430,587	52,291,759	2,123,692	1,806,090	(6,838,637)	944,920,814

(1) According to Brazilian Central Bank standards, since Janeiro 2011, premium amortization is recognized (note 14.c). In the first quarter, R$46,689 thousand was amortized on insurance segment.

(2) Includes intersegment transactions in the amount of R$ 91,240 thousand, related to the elimination of unrealized results in the BB-Consolidated, due to the credit assignment of the Banco do Brasil to Ativos S.A.

(3) Were activated in BB-Consolidated the amount of R$ 39,041 thousand (highlighted on intersegment transactions) relating to tax credits incident to unrealized results.

(4) Includes intersegment transactions in the amount of R$ 52,199 thousand, related to elimination of unrealized results, net of tax.

R$ thousand

BB-Consolidated	1st quarter/2011							
	Banking	Investment	Fund Management	Insurance and Related	Payment methods	Other segments	Intersegment transactions	Total
Income	**28,333,191**	**265,075**	**258,091**	**1,360,454**	**461,318**	**310,559**	**(489,189)**	**30,499,499**
Income from loans and leases	14,657,138	--	--	--	--	--	--	14,657,138
Income from operations with securities and derivative financial instruments	5,738,742	80,728	15,153	9,392	46,491	4,743	(174,730)	5,720,519
Income from foreign exchange operations and Compulsory	1,840,205	--	--	--	13	(6)	6	1,840,218
Financial results from insurance operations, pension and capitalization	--	--	--	537,728	--	--	--	537,728
Income from service fees	1,919,278	97,893	241,172	250,070	400,132	203,801	(277,215)	2,835,131
Income from tariffs, rates and commissions	1,272,389	--	--	--	--	--	--	1,272,389
Equity in the (earnings)/loss of subsidiary and associated companies	(29,491)	(825)	491	10,050	--	--	--	(19,775)
Results from Insurance, Pension Plan and Capitalization Operations	--	--	--	512,453	--	--	--	512,453
Other Income	2,934,930	87,279	1,275	40,761	14,682	102,021	(37,250)	3,143,698
Expenses	**(24,370,164)**	**(168,599)**	**(51,810)**	**(1,026,281)**	**(251,482)**	**(247,407)**	**489,189**	**(25,626,554)**
Expenses of Market funding	(11,834,487)	(94,179)	--	--	--	(9,656)	114,001	(11,824,321)
Loans, assignments, onlendings and leases	(1,302,563)	--	--	--	(22)	(37)	--	(1,302,622)
Allowance/reversal for loan losses	(2,631,303)	(3)	(19)	--	--	754	--	(2,630,571)
Restatement and interest of technical reserves	--	--	--	(360,062)	--	--	--	(360,062)
Personnel Expenses	(3,142,421)	(7,304)	(12,541)	(49,270)	(20,367)	(41,188)	1,261	(3,271,830)
Other administrative expenses	(2,162,604)	(11,914)	(5,765)	(207,140)	(61,954)	(50,158)	188,237	(2,311,298)
Depreciation	(230,050)	(89)	--	(1,317)	(2,265)	(1,754)	--	(235,475)
Amortization of deferred assets	(38,714)	--	--	(4,668)	(534)	(1,205)	--	(45,121)
Amortization of intangible assets	(541,465)	--	--	(24)	--	(41)	--	(541,530)
Revenues / (Expenses) from impairment	--	--	--	--	(48)	--	--	(48)
Other expenses	(2,486,557)	(55,110)	(33,485)	(403,800)	(166,292)	(144,122)	185,690	(3,103,676)
Profit before tax and participations	**3,963,027**	**96,476**	**206,281**	**334,173**	**209,836**	**63,152**	**--**	**4,872,945**
Income tax and social contribution	(1,202,783)	3,004	(83,746)	(122,265)	(67,720)	(23,643)	--	(1,497,153)
Profit sharing	(428,711)	(21)	(103)	(4,807)	(300)	(9,487)	--	(443,429)
Net Income	**2,331,533**	**99,459**	**122,432**	**207,101**	**141,816**	**30,022**	**--**	**2,932,363**
Balance Sheets								
Assets	822,336,001	6,666,481	624,138	39,795,814	2,319,150	5,353,638	(10,459,104)	866,636,118
Investment in subsidiaries and associate companies	8,570,127	3,463,003	19,159	801,583	--	--	(5,802,199)	7,051,673
Liabilities	771,735,161	4,020,759	367,211	36,797,978	1,891,511	2,893,648	(3,189,686)	814,516,582

6 – Cash and Cash Equivalents

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Cash and Cash Equivalents	**14,265,629**	**9,227,217**	**12,244,142**	**14,982,712**	**10,034,370**	**12,574,511**
Local currency	12,941,634	7,907,973	11,449,774	13,492,808	8,462,693	11,731,793
Foreign currency	1,323,995	1,319,244	794,368	1,472,489	1,554,778	829,795
Investments in gold	--	--	--	17,415	16,899	12,923
Interbank Investments (1)	**33,698,801**	**33,650,878**	**21,808,696**	**52,292,807**	**33,817,769**	**16,999,701**
Open market investments – sales pending settlement – held position	8,727,746	9,486,246	219,354	11,789,483	10,051,955	1,258,189
Interbank deposits	24,786,592	22,786,426	21,005,602	38,782,535	22,259,298	15,087,720
Foreign currency	184,463	1,378,206	583,740	1,720,789	1,506,516	653,792
Total Cash and Cash Equivalents	**47,964,430**	**42,878,095**	**34,052,838**	**67,275,519**	**43,852,139**	**29,574,212**

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

7 – Short-term Interbank Investments

a) Breakdown

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Open Market Investments	**151,205,946**	**132,234,087**	**117,523,540**	**158,849,770**	**139,032,202**	**124,822,869**
Sales Pending Settlement – Held Position	**9,739,745**	**9,486,246**	**229,860**	**12,249,491**	**13,543,025**	**2,662,042**
Financial Treasury bills	156,289	286	60,002	926,108	704,394	314,023
National Treasury bills	1,066,804	1,651,681	58,344	1,588,495	2,870,134	513,523
National Treasury notes	8,516,652	7,834,279	2,000	9,381,951	9,622,482	1,642,475
Other Securities	--	--	109,514	352,937	346,015	192,021
Sales Pending Settlement – Financed Position	**141,466,201**	**122,747,841**	**117,293,680**	**146,448,203**	**125,489,177**	**121,394,955**
Financial Treasury bills	110,677,077	106,114,287	97,645,804	110,677,077	106,931,871	97,645,804
National Treasury bills	28,983,867	15,766,156	18,914,885	29,889,000	17,590,708	21,651,309
National Treasury notes	1,498,564	848,332	399,998	5,575,433	947,532	1,764,849
Other Securities	306,693	19,066	332,993	306,693	19,066	332,993
Sales Pending Settlement – Sold Position	**--**	**--**	**--**	**152,076**	**--**	**765,872**
Federal Government securities – National Treasury	--	--	--	152,076	--	765,872
Interbank Deposits	**46,768,787**	**45,338,862**	**34,606,873**	**24,165,115**	**27,255,604**	**21,635,079**
Total	**197,974,733**	**177,572,949**	**152,130,413**	**183,014,885**	**166,287,806**	**146,457,948**
Current assets	180,625,768	160,955,700	145,400,347	165,159,829	149,233,680	145,108,900
Non-current assets	17,348,965	16,617,249	6,730,066	17,855,056	17,054,126	1,349,048

b) Income from Short-term Interbank Investments

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Income from Open Market	**3,697,110**	**3,118,722**	**3,884,214**	**3,295,021**
Held position	144,870	74,426	239,445	119,583
Financed position	3,552,240	3,044,296	3,639,622	3,145,556
Sold position	--	--	5,147	29,882
Income from Interbank Investiments	**430,876**	**285,198**	**139,514**	**119,549**
Total	**4,127,986**	**3,403,920**	**4,023,728**	**3,414,570**

8 – Securities and Derivative Financial Instruments

a) Securities

R$ thousand

Maturity in days	Banco do Brasil													
	03.31.2012								12.31.2011			03.31.2011		
	Market Value					Total			Total			Total		
	Without maturity	0-30	31-180	181-360	More than 360	Cost Value	Market Value	Mark to Market	Cost Value	Market Value	Mark to Market	Cost Value	Market Value	Mark to Market
1– Trading securities	**1,426**	**26,341**	**3,754,140**	**3,818,619**	**7,269,715**	**14,669,356**	**14,870,241**	**200,885**	**20,027,918**	**20,202,869**	**174,951**	**17,110,361**	**17,068,459**	**(41,902)**
Federal Government Bonds	**--**	**26,341**	**3,748,241**	**3,804,401**	**7,220,947**	**14,599,065**	**14,799,930**	**200,865**	**19,944,448**	**20,119,421**	**174,973**	**16,941,098**	**16,899,595**	**(41,503)**
Financial treasury bills	--	--	--	877,114	3,264,538	4,137,404	4,141,652	4,248	4,541,051	4,540,848	(203)	4,617,908	4,617,588	(320)
National treasury bills	--	26,341	3,748,241	1,188,545	3,272,544	8,089,601	8,235,671	146,070	8,147,166	8,277,711	130,545	10,304,085	10,281,811	(22,274)
Treasury notes	--	--	--	1,738,742	683,865	2,372,060	2,422,607	50,547	7,256,231	7,300,862	44,631	2,019,105	2,000,196	(18,909)
Corporate bonds	**1,426**	**--**	**5,899**	**14,218**	**48,768**	**70,291**	**70,311**	**20**	**83,470**	**83,448**	**(22)**	**169,263**	**168,864**	**(399)**
Debentures	--	--	5,899	14,218	48,768	68,871	68,885	14	82,979	82,956	(23)	167,125	166,652	(473)
Shares	1,426	--	--	--	--	1,420	1,426	6	491	492	1	2,138	2,212	74
2– Securities available for sale	**160,430**	**104,995**	**6,607,227**	**5,000,004**	**52,556,151**	**63,799,103**	**64,428,807**	**629,704**	**75,653,601**	**76,229,099**	**575,498**	**68,236,984**	**68,549,723**	**312,739**
Federal Government Bonds	**--**	**37,918**	**4,730,857**	**4,244,289**	**33,194,120**	**41,416,416**	**42,207,184**	**790,768**	**50,701,716**	**51,372,053**	**670,337**	**48,748,223**	**48,940,198**	**191,975**
Financial treasury bills	--	--	2,124,027	3,000,626	23,167,622	28,267,942	28,292,275	24,333	37,882,160	37,878,949	(3,211)	30,121,927	30,118,450	(3,477)
National treasury bills	--	1,499	1,076,375	1,036,345	3,745,274	5,815,190	5,859,493	44,303	3,947,646	3,941,706	(5,940)	4,113,041	4,100,118	(12,923)
Treasury notes	--	--	19	206,185	801,068	991,329	1,007,272	15,943	2,355,233	2,355,842	609	3,218,145	3,185,138	(33,007)
Agricultural debt securities	--	5	763	1,133	7,101	9,750	9,002	(748)	9,870	8,948	(922)	10,763	9,418	(1,345)
Brazilian foreign debt securities	--	--	72,611	--	3,074,223	2,554,544	3,146,834	592,290	2,740,420	3,312,955	572,535	2,338,228	2,627,885	289,657
Foreign Government bonds	--	36,414	1,457,062	--	2,110,011	3,508,352	3,603,487	95,135	3,598,264	3,697,663	99,399	8,857,809	8,809,308	(48,501)
Others	--	--	--	--	288,821	269,309	288,821	19,512	168,123	175,990	7,867	88,310	89,881	1,571
Corporate bonds	**160,430**	**67,077**	**1,876,370**	**755,715**	**19,362,031**	**22,382,687**	**22,221,623**	**(161,064)**	**24,951,885**	**24,857,046**	**(94,839)**	**19,488,761**	**19,609,525**	**120,764**
Debentures	--	--	306,137	183,990	16,673,494	17,181,664	17,163,621	(18,043)	18,083,554	18,156,296	72,742	13,563,224	13,658,457	95,233
Promissory notes	--	--	1,209,451	375,486	--	1,586,224	1,584,937	(1,287)	3,133,697	3,129,503	(4,194)	3,343,385	3,336,911	(6,474)
Credit Notes	--	--	--	--	20,611	20,870	20,611	(259)	20,308	20,179	(129)	26,131	25,927	(204)
Shares in investment funds	160,384	--	2,142	--	715,945	1,028,378	878,471	(149,907)	1,050,867	921,921	(128,946)	1,045,573	1,048,834	3,261
Shares	46	--	--	--	--	79	46	(33)	79	42	(37)	9,182	59,269	50,087
Rural Product Bills - Commodities	--	61,361	358,640	178,038	66	599,043	598,105	(938)	550,620	548,803	(1,817)	463,694	458,096	(5,598)
Certificate of deposit	--	--	--	--	--	--	--	--	646,514	646,815	301	81,500	81,615	115
Others	--	5,716	--	18,201	1,951,915	1,966,429	1,975,832	9,403	1,466,246	1,433,487	(32,759)	956,072	940,416	(15,656)

R$ thousand

Maturity in days	Banco do Brasil													
	03.31.2012								12.31.2011			03.31.2011		
	Market Value					Total			Total			Total		
	Without maturity	0-30	31-180	181-360	More than 360	Cost Value	Market Value	Mark to Market	Cost Value	Market Value	Mark to Market	Cost Value	Market Value	Mark to Market
3–Securities held to maturity	**--**	**--**	**--**	**3,784,924**	**4,090,646**	**8,071,714**	**7,875,570**	**(196,144)**	**7,911,771**	**7,743,430**	**(168,341)**	**10,666,618**	**10,502,057**	**(164,561)**
Federal Government Bonds	**--**	**--**	**--**	**3,784,924**	**3,990,625**	**7,765,464**	**7,775,549**	**10,085**	**7,610,557**	**7,615,908**	**5,351**	**10,381,389**	**10,389,330**	**7,941**
Financial treasury bills	--	--	--	3,759,873	3,896,960	7,655,172	7,656,833	1,661	7,469,498	7,466,589	(2,909)	10,243,438	10,243,399	(39)
National treasury notes	--	--	--	25,051	--	25,652	25,051	(601)	25,224	24,323	(901)	23,913	21,856	(2,057)
Brazilian foreign debt securities	--	--	--	--	93,665	84,640	93,665	9,025	115,835	124,996	9,161	114,038	124,075	10,037
Corporate bonds	**--**	**--**	**--**	**--**	**100,021**	**306,250**	**100,021**	**(206,229)**	**301,214**	**127,522**	**(173,692)**	**285,229**	**112,727**	**(172,502)**
Others	--	--	--	--	100,021	306,250	100,021	(206,229)	301,214	127,522	(173,692)	285,229	112,727	(172,502)
Total	**161,856**	**131,336**	**10,361,367**	**12,603,547**	**63,916,512**	**86,540,173**	**87,174,618**	**634,445**	**103,593,290**	**104,175,398**	**582,108**	**96,013,963**	**96,120,239**	**106,276**

R$ thousand

Maturity in days	Banco do Brasil													
	03.31.2012								12.31.2011			03.31.2011		
	Market Value					Total			Total			Total		
	Without maturity	0-30	31-180	181-360	More than 360	Cost Value	Market Value	Mark to Market	Cost Value	Market Value	Mark to Market	Cost Value	Market Value	Mark to Market
Total by portfolio	**161,856**	**131,336**	**10,361,367**	**12,603,547**	**63,916,512**	**86,540,173**	**87,174,618**	**634,445**	**103,593,290**	**104,175,398**	**582,108**	**96,013,963**	**96,120,239**	**106,276**
Own portfolio	161,856	131,336	7,936,838	4,803,719	28,023,656	40,908,993	41,057,405	148,412	45,795,878	45,883,998	88,120	47,903,382	48,073,780	170,398
Subject to repurchase agreements	--	--	2,411,128	7,799,674	32,579,111	42,305,979	42,789,913	483,934	54,311,273	54,806,339	495,066	45,301,558	45,238,476	(63,082)
Deposits with the Brazilian Central Bank	--	--	--	16	48,631	48,667	48,647	(20)	47,490	47,422	(68)	104	59	(45)
Pledged in guarantee	--	--	13,401	138	3,265,114	3,276,534	3,278,653	2,119	3,438,649	3,437,639	(1,010)	2,808,919	2,807,924	(995)

R$ thousand

Vencimento em Anos	Banco do Brasil										
	03.31.2012							12.31.2011		03.31.2011	
	Market Value					Total		Total		Total	
	Without maturity	Due in up to one year	Due from 1 to 5 years	Due from 5 to 10 years	Due after	Cost value	Market value	Cost value	Market value	Cost value	Market value
Total by category	**161,856**	**23,096,250**	**49,534,373**	**11,101,467**	**3,280,672**	**86,540,173**	**87,174,618**	**103,593,290**	**104,175,398**	**96,013,963**	**96,120,239**
1 – Trading securities	1,426	7,599,101	7,249,724	1,007	18,984	14,669,356	14,870,241	20,027,918	20,202,869	17,110,361	17,068,459
2 – Available for sale securities	160,430	11,712,225	38,279,258	11,097,165	3,179,727	63,799,103	64,428,807	75,653,601	76,229,099	68,236,984	68,549,723
3 – Held to maturity securities	--	3,784,924	4,005,391	3,295	81,961	8,071,714	7,875,570	7,911,771	7,743,430	10,666,618	10,502,057

R$ thousand

	Banco do Brasil								
	03.31.2012			12.31.2011			03.31.2011		
	Book value			Book value			Book value		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Total by portfolio	**30,527,051**	**56,843,711**	**87,370,762**	**38,042,296**	**66,301,443**	**104,343,739**	**32,896,045**	**63,388,755**	**96,284,800**
Own portfolio	19,964,863	21,292,394	41,257,257	21,749,007	24,302,592	46,051,599	13,853,512	34,387,010	48,240,522
Subject to repurchase agreements	10,508,069	32,278,137	42,786,206	16,208,777	38,598,302	54,807,079	18,889,861	26,346,433	45,236,294
Deposits with Brazilian Central Bank	16	48,631	48,647	16	47,406	47,422	16	43	59
Pledged in guarantee	54,103	3,224,549	3,278,652	84,496	3,353,143	3,437,639	152,656	2,655,269	2,807,925

R$ thousand

	Banco do Brasil					
	03.31.2012		12.31.2011		03.31.2011	
Total by category						
Trading securities	14,870,241	17%	20,202,869	19%	17,068,459	18%
Available for sale securities	64,428,807	74%	76,229,099	73%	68,549,723	71%
Held to maturity securities	8,071,714	9%	7,911,771	8%	10,666,618	11%
Portfolio book value	**87,370,762**	**100%**	**104,343,739**	**100%**	**96,284,800**	**100%**
Mark to market – held to maturity	(196,144)		(168,341)		(164,561)	
Portfolio market value	**87,174,618**		**104,175,398**		**96,120,239**	

R$ thousand

Maturity in days	BB-Consolidated													
	03.31.2012								12.31.2011			03.31.2011		
	Market value					Total			Total			Total		
	Without maturity	0-30	31-180	181-360	More than 360	Cost value	Market value	Mark to market	Cost value	Market value	Mark to market	Cost value	Market value	Mark to market
1 - Trading securities	**3,428,031**	**4,763,274**	**6,190,216**	**8,479,294**	**40,682,794**	**62,256,804**	**63,543,609**	**1,286,805**	**61,652,443**	**63,257,425**	**1,604,982**	**51,643,011**	**51,742,000**	**98,989**
Federal Government Bonds	**767,312**	**2,829,932**	**5,470,847**	**6,270,011**	**32,793,317**	**47,068,870**	**48,131,419**	**1,062,549**	**47,821,152**	**48,771,949**	**950,797**	**40,359,299**	**40,311,770**	**(47,529)**
Financial treasury bills	--	42,824	154,110	2,088,711	8,264,845	10,536,743	10,550,490	13,747	11,124,859	11,126,040	1,181	12,213,153	12,210,931	(2,222)
National treasury bills	--	372,882	4,644,254	1,444,462	8,992,510	15,148,812	15,454,108	305,296	13,073,931	13,317,793	243,862	13,034,214	12,993,973	(40,241)
National treasury notes	--	--	13,819	2,692,003	12,131,511	14,181,000	14,837,333	656,333	19,582,402	20,059,523	477,121	13,428,267	13,422,064	(6,203)
Agricultural debt securities	--	--	--	420	9,447	9,310	9,867	557	230,447	230,933	486	18,978	19,566	588
Brazilian foreign debt securities	--	--	3,126	83	67,252	69,643	70,461	818	61,236	62,265	1,029	180,814	180,406	(408)
Foreign Government bonds	14,711	3,277	100,763	--	399,184	410,920	517,935	107,015	419,552	527,209	107,657	1,325,640	1,328,128	2,488
Others	752,601	2,410,949	554,775	44,332	2,928,568	6,712,442	6,691,225	(21,217)	3,328,725	3,448,186	119,461	158,233	156,702	(1,531)
Corporate bonds	**2,660,719**	**1,933,342**	**719,369**	**2,209,283**	**7,889,477**	**15,187,934**	**15,412,190**	**224,256**	**13,831,291**	**14,485,476**	**654,185**	**11,283,712**	**11,430,230**	**146,518**
Debentures	--	344	49,893	451,734	3,312,559	3,772,704	3,814,530	41,826	3,578,465	4,028,063	449,598	2,853,606	2,872,238	18,632
Promissory notes	--	--	60,000	23,316	--	83,316	83,316	--	84,330	84,330	--	91,644	91,634	(10)
Certificate of banking credit	--	170,903	564,744	1,599,378	1,168,156	3,501,623	3,503,181	1,558	5,170,748	5,172,907	2,159	--	--	--
Shares	1,592,755	--	--	--	--	1,426,949	1,592,755	165,806	1,607,857	1,476,955	(130,902)	1,698,041	1,825,641	127,600
Shares in investment funds	716,738	--	--	--	88,432	796,323	805,170	8,847	2,078,705	2,299,756	221,051	1,378,545	1,387,950	9,405
Rural Product Bills - Commodities	--	15,692	40,068	87,882	53,514	188,043	197,156	9,113	200,993	208,303	7,310	239,541	241,883	2,342
Certificate of deposit	--	200,425	--	44,449	7,992	252,866	252,866	--	256,264	279,937	23,673	4,053,810	4,054,949	1,139
Eurobonds	1,352	--	3,266	2,524	125,284	130,381	132,426	2,045	94,965	93,032	(1,933)	26,301	25,787	(514)
Others	349,874	1,545,978	1,398	--	3,133,540	5,035,729	5,030,790	(4,939)	**758,964**	**842,193**	**83,229**	**942,224**	**930,148**	**(12,076)**

R$ thousand

Maturity in days	BB-Consolidated													
	03.31.2012								12.31.2011			03.31.2011		
	Market value					Total			Total			Total		
	Without maturity	0-30	31-180	181-360	More than 360	Cost value	Market value	Mark to market	Cost value	Market value	Mark to market	Cost value	Market value	Mark to market
2 – Available for sale securitires	**2,870,526**	**153,939**	**7,130,551**	**5,540,989**	**61,409,113**	**76,265,166**	**77,105,118**	**839,952**	**87,718,978**	**88,385,009**	**666,031**	**75,980,815**	**76,309,990**	**329,175**
Federal Government Bonds	**47,413**	**38,515**	**4,945,914**	**4,706,140**	**39,183,553**	**47,965,907**	**48,921,535**	**955,628**	**57,082,910**	**57,836,213**	**753,303**	**52,397,574**	**52,540,537**	**142,963**
Financial treasury bills	--	--	2,124,027	3,000,626	23,167,622	28,267,942	28,292,275	24,333	37,899,363	37,896,131	(3,232)	30,452,924	30,449,318	(3,606)
National federal treasury Bills	--	1,499	1,076,375	1,287,102	6,324,531	8,613,381	8,689,507	76,126	6,521,962	6,505,823	(16,139)	4,684,466	4,670,119	(14,347)
National treasury notes	--	--	198	206,185	3,853,335	3,982,243	4,059,718	77,475	5,382,028	5,405,085	23,057	5,732,225	5,600,671	(131,554)
Agricultural debt securities	--	602	1,369	1,608	12,193	16,146	15,772	(374)	16,309	15,726	(583)	10,763	9,418	(1,345)
Brazilian foreign debt securities	--	--	75,085	--	3,180,435	2,618,674	3,255,520	636,846	2,804,722	3,422,109	617,387	2,395,567	2,715,957	320,390
Foreign Government bonds	--	36,414	1,668,860	210,619	2,356,616	4,175,683	4,272,509	96,826	4,262,119	4,364,639	102,520	9,013,185	8,964,602	(48,583)
Others	47,413	--	--	--	288,821	291,838	336,234	44,396	196,407	226,700	30,293	108,444	130,452	22,008
Corporate bonds	**2,823,113**	**115,424**	**2,184,637**	**834,849**	**22,225,560**	**28,299,259**	**28,183,583**	**(115,676)**	**30,636,068**	**30,548,796**	**(87,272)**	**23,583,241**	**23,769,453**	**186,212**
Debentures	--	--	454,924	263,124	17,822,469	18,551,707	18,540,517	(11,190)	19,312,246	19,387,871	75,625	15,007,810	15,119,338	111,528
Promissory notes	--	46,383	1,368,931	375,486	--	1,792,112	1,790,800	(1,312)	3,264,269	3,260,067	(4,202)	3,418,760	3,412,286	(6,474)
Credit Notes	--	--	--	--	20,611	20,870	20,611	(259)	92,566	92,438	(128)	26,131	25,927	(204)
Shares in investment funds	1,982,221	--	2,142	--	1,835,950	3,894,372	3,820,313	(74,059)	3,745,464	3,672,635	(72,829)	2,059,398	2,114,781	55,383
Shares	837,887	--	--	--	--	852,166	837,887	(14,279)	882,916	872,974	(9,942)	933,299	1,000,359	67,060
Rural Product Bills - Commodities	--	61,361	358,640	178,038	66	599,043	598,105	(938)	550,620	548,803	(1,817)	463,694	458,096	(5,598)
Certificate of deposit	--	--	--	--	--	--	--	--	646,514	646,815	301	225,351	225,465	114
Eurobonds	--	--	--	--	404,126	403,916	404,126	210	416,328	399,728	(16,600)	--	--	--
Others	3,005	7,680	--	18,201	2,142,338	2,185,073	2,171,224	(13,849)	1,725,145	1,667,465	(57,680)	1,448,798	1,413,201	(35,597)
3 – Held to maturity securities	**--**	**--**	**57,154**	**3,832,094**	**9,764,597**	**13,849,990**	**13,653,845**	**(196,145)**	**15,190,739**	**15,051,003**	**(139,736)**	**17,051,668**	**16,886,404**	**(165,264)**
Federal Government Bonds	**--**	**--**	**57,154**	**3,832,094**	**9,664,576**	**13,543,740**	**13,553,824**	**10,084**	**14,802,618**	**14,836,574**	**33,956**	**16,766,439**	**16,773,677**	**7,238**
Financial treasury bills	--	--	--	3,759,873	3,896,960	7,655,172	7,656,833	1,661	7,469,498	7,466,589	(2,909)	10,243,438	10,243,399	(39)
National treasury notes	--	--	57,147	72,217	5,599,581	5,729,547	5,728,945	(602)	7,114,983	7,140,757	25,774	6,239,262	6,237,201	(2,061)
National treasury bills	--	--	--	--	74,364	74,364	74,364	--	102,285	104,215	1,930	169,675	168,974	(701)
Agricultural debt securities	--	--	--	--	--	--	--	--	--	--	--	27	28	1
Brazilian foreign debt securities	--	--	--	--	93,665	84,640	93,665	9,025	115,835	124,996	9,161	114,037	124,075	10,038
Others	--	--	7	4	6	17	17	--	17	17	--	--	--	--
Corporate bonds	**--**	**--**	**--**	**--**	**100,021**	**306,250**	**100,021**	**(206,229)**	**388,121**	**214,429**	**(173,692)**	**285,229**	**112,727**	**(172,502)**
Certificate of deposit	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Orhers	--	--	--	--	100,021	306,250	100,021	(206,229)	388,121	214,429	(173,692)	285,229	112,727	(172,502)
Total	**6,298,557**	**4,917,213**	**13,377,921**	**17,852,377**	**111,856,504**	**152,371,960**	**154,302,572**	**1,930,612**	**164,562,160**	**166,693,437**	**2,131,277**	**144,675,494**	**144,938,394**	**262,900**

R$ thousand

Maturity in days	BB–Consolidated													
	03.31.2012								12.31.2011			03.31.2011		
	Market value					Total			Total			Total		
	Without maturity	0-30	31-180	181-360	More than 360	Cost value	Market value	Mark to market	Cost value	Market value	Mark to market	Cost value	Market value	Mark to market
Total by portfolio	**6,298,557**	**4,917,213**	**13,377,921**	**17,852,377**	**111,856,504**	**152,371,960**	**154,302,572**	**1,930,612**	**164,562,160**	**166,693,437**	**2,131,277**	**144,675,494**	**144,938,394**	**262,900**
Own portfolio	6,304,312	4,921,478	10,706,263	9,805,381	69,713,021	100,056,185	101,450,455	1,394,270	101,318,515	102,934,070	1,615,555	87,812,342	88,212,773	400,431
Subject to repurchase agreements	790	--	2,442,840	7,827,383	37,066,885	46,824,410	47,337,898	513,488	57,834,094	58,348,256	514,162	51,553,436	51,451,462	(101,974)
Deposits with the Brazilian Central Bank	--	--	--	16	48,631	48,667	48,647	(20)	47,490	47,422	(68)	104	59	(45)
Pledged in guarantee	--	--	228,818	219,597	5,027,967	5,453,508	5,476,382	22,874	5,362,061	5,363,689	1,628	5,309,612	5,274,100	(35,512)
Allawance for securities losses	(6,545)	(4,265)	--	--	--	(10,810)	(10,810)	--	--	--	--	--	--	--

R$ thousand

Maturity in years	BB–Consolidated											
	03.31.2012							12.31.2011		03.31.2011		
	Market value					Total		Total		Total		
	Without maturity	Due in up to one year	Due from 1 to 5 years	Due from 5 to 10 years	Due after 10 years	Cost value	Market value	Cost value	Market value	Cost value	Market value	
Total by category	**6,298,557**	**36,147,511**	**94,995,050**	**13,272,556**	**3,588,898**	**152,371,960**	**154,302,572**	**164,562,160**	**166,693,437**	**144,675,494**	**144,938,394**	
1 – Trading securities	3,428,031	19,432,783	40,177,606	414,351	90,838	62,256,804	63,543,609	61,652,443	63,257,425	51,643,011	51,742,000	
2 – Available for sale securities	2,870,526	12,825,479	45,138,104	12,854,910	3,416,099	76,265,166	77,105,118	87,718,978	88,385,009	75,980,815	76,309,990	
3 – Held to maturity securities	--	3,889,249	9,679,340	3,295	81,961	13,849,990	13,653,845	15,190,739	15,051,003	17,051,668	16,886,404	

R$ thousand

	BB-Consolidated								
	03.31.2012			12.31.2011			03.31.2011		
	Book value			Book value			Book value		
	Current	Non current	Total	Current	Non current	Total	Current	Non current	Total
Total by portfolio	**80,156,636**	**74,342,081**	**154,498,717**	**82,503,105**	**84,330,068**	**166,833,173**	**70,184,677**	**74,918,981**	**145,103,658**
Own portfolio	69,110,172	32,540,137	101,650,309	65,381,143	39,439,392	104,820,535	44,840,117	43,540,101	88,380,218
Subject to repurchase agreements	10,568,279	36,765,910	47,334,189	16,599,145	40,002,383	56,601,528	23,269,281	28,179,998	51,449,279
Deposits with Brazilian Central Bank	16	48,631	48,647	16	47,406	47,422	16	43	59
Pledged in guarantee	488,979	4,987,403	5,476,382	522,801	4,840,887	5,363,688	2,075,263	3,198,839	5,274,102
Allawance for securities losses	(10,810)	--	(10,810)	--	--	--	--	--	--

R$ thousand

	BB-Consolidated					
	03.31.2012		12.31.2011		03.31.2011	
Total by category						
Trading securities	63,543,609	41%	63,257,425	38%	51,742,000	35%
Available for sale securities	77,105,118	50%	88,385,009	53%	76,309,990	53%
Held to maturity securities	13,849,990	9%	15,190,739	9%	17,051,668	12%
Portfolio book value	**154,498,717**	**100%**	**166,833,173**	**100%**	**145,103,658**	**100%**
Mark to market – held to maturity	(196,145)		(139,736)		(165,264)	
Portfolio market value	**154,302,572**		**166,693,437**		**144,938,394**	

b) Income from operations with securities

R$ thousands

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Short-term Interbank Investments (Note 7.b)	4,127,986	3,403,920	4,023,728	3,414,570
Fixed income securities	2,273,045	2,296,478	2,852,942	2,673,307
Variable income securities	317	66	127,017	45,576
Total	**6,401,348**	**5,700,464**	**7,003,687**	**6,133,453**

c) Reclassification of securities

There was no reclassification of securities in the quarter ended 03.31.2012 and in the year ended 12.31.2011.

d) Derivative financial instruments

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

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

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

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

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

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

Risks

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

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

Total credit exposure in swaps is R$ 899,825 thousand (R$ 989,363 thousand as of December 31, 2011 and R$ 1,031,362 thousand as of March 31, 2011). The swap operations in negotiations associated with the operation to capture and/or application of R$ 121,172 thousand (R$ 131,172 thousand as of December 31, 2011 and R$ 228,551 thousand as of March 31, 2011) are recorded at values updated as changes incurred from their indices (curve), and are not at market value, as allowed by Circular n.º 3,150/2002 from Brazilian Central Bank.

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

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

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

Breakdown of the Portfolio of Derivatives for Trading by Index

R$ thousand

By Index	Banco do Brasil									BB-Consolidated								
	03.31.2012			12.31.2011			03.31.2011			03.31.2012			12.31.2011			03.31.2011		
	Notional value	Cost value	Market value	Notional value	Cost value	Market value	Notional value	Cost value	Market value	Notional value	Cost value	Market value	Notional value	Cost value	Market value	Notional value	Cost value	Market value
Futures contracts																		
Purchase commitments	**12,647,197**	**--**	**--**	**10,820,921**	**--**	**--**	**9,647,116**	**--**	**--**	**29,097,732**	**--**	**--**	**48,657,214**	**--**	**--**	**35,917,630**	**--**	**--**
Interbank deposits	1,344,106	--	--	1,061,535	--	--	1,893,375	--	--	11,811,407	--	--	31,920,368	--	--	22,024,956	--	--
Currencies	10,986,649	--	--	9,270,291	--	--	2,879,247	--	--	11,359,110	--	--	9,412,815	--	--	3,930,778	--	--
T-Note	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	526,636	--	--
Index	--	--	--	--	--	--	--	--	--	38,877	--	--	26,289	--	--	236,275	--	--
Foreign exchange coupon	113,769	--	--	113,703	--	--	95,762	--	--	5,572,794	--	--	6,629,056	--	--	4,174,363	--	--
Libor	201,427	--	--	374,882	--	--	4,778,732	--	--	201,427	--	--	374,882	--	--	4,778,732	--	--
Commodities	1,246	--	--	510	--	--	--	--	--	1,750	--	--	4,953	--	--	--	--	--
SCC [2]	--	--	--	--	--	--	--	--	--	112,367	--	--	288,851	--	--	245,890	--	--
Sales commitments	**14,361,076**	**--**	**--**	**16,929,787**	**--**	**--**	**12,337,969**	**--**	**--**	**53,592,695**	**--**	**--**	**56,534,961**	**--**	**--**	**66,461,200**	**--**	**--**
Interbank deposits	12,022,269	--	--	14,802,495	--	--	8,287,776	--	--	44,814,655	--	--	47,328,215	--	--	56,286,577	--	--
Currencies	213,423	--	--	57,330	--	--	149,352	--	--	502,339	--	--	384,140	--	--	448,369	--	--
T-Note	--	--	--	--	--	--	--	--	--	290,811	--	--	165,294	--	--	1,006,527	--	--
İndex	971	--	--	--	--	--	--	--	--	46,061	--	--	17,997	--	--	146,075	--	--
BGI [3]	--	--	--	--	--	--	--	--	--	64	--	--	48	--	--	779,759	--	--
Foreign exchange coupon	362,419	--	--	121,403	--	--	204,890	--	--	6,054,111	--	--	6,385,422	--	--	3,853,030	--	--
Libor	1,713,688	--	--	1,900,317	--	--	3,695,110	--	--	1,713,688	--	--	1,900,317	--	--	3,695,110	--	--
Commodities	48,306	--	--	48,242	--	--	841	--	--	58,961	--	--	65,198	--	--	22,259	--	--
SCC [2]	--	--	--	--	--	--	--	--	--	112,005	--	--	288,330	--	--	223,494	--	--
Forward operations																		
Asset position	**4,614,013**	**529,619**	**552,441**	**4,396,569**	**313,507**	**406,283**	**1,512,109**	**316,691**	**286,949**	**4,642,664**	**547,400**	**553,420**	**4,408,996**	**314,288**	**407,388**	**1,860,243**	**317,193**	**287,451**
Term securuties	331,366	331,366	331,366	--	--	--	223,655	223,655	223,655	331,366	331,366	331,365	--	--	--	223,655	223,655	223,655
Tern currencies	4,278,071	197,365	220,532	4,395,087	313,417	406,090	1,288,454	93,036	63,294	4,306,722	215,146	221,512	4,407,514	314,198	407,195	1,288,454	93,036	63,294
Term commodities	4,576	888	543	1,482	90	193	--	--	--	4,576	888	543	1,482	90	193	348,134	502	502
Liability position	**4,042,650**	**(590,345)**	**(480,828)**	**3,895,747**	**(401,673)**	**(218,134)**	**4,975,630**	**(739,663)**	**(553,397)**	**4,071,302**	**(593,288)**	**(638,788)**	**3,908,174**	**(402,141)**	**(371,496)**	**5,323,765**	**(740,017)**	**(553,751)**
Term securuties	331,366	(331,366)	(331,366)	--	--	--	223,655	(223,655)	(223,655)	331,366	(331,366)	(331,366)	--	--	--	223,655	(223,655)	(223,655)
Tern currencies	3,683,499	(250,372)	(143,131)	3,876,452	(396,463)	(214,262)	4,751,975	(516,008)	(329,742)	3,712,151	(253,315)	(301,091)	3,888,879	(396,931)	(367,624)	4,751,975	(516,008)	(329,742)
Term commodities	27,785	(8,607)	(6,331)	19,295	(5,210)	(3,872)	--	--	--	27,785	(8,607)	(6,331)	19,295	(5,210)	(3,872)	348,135	(354)	(354)

(1) foreign exchange swap with periodic adjustments

(2) live cattle futures contract

R$ thousand

By Index	Banco do Brasil									BB-Consolidated								
	03.31.2012			12.31.2011			03.31.2011			03.31.2012			12.31.2011			03.31.2011		
	Notional value	Cost value	Market value	Notional value	Cost value	Market value	Notional value	Cost value	Market value	Notional value	Cost value	Market value	Notional value	Cost value	Market value	Notional value	Cost value	Market value
Option market	**3,928,610**	**(1,223,131)**	**(1,284,708)**	**2,221,406**	**(692,676)**	**(765,525)**	**38,618,984**	**(1,319,291)**	**(1,367,101)**	**17,684,655**	**(2,246,363)**	**(2,278,063)**	**237,550,891**	**(1,699,950)**	**(1,751,209)**	**458,226,397**	**(3,922,126)**	**(2,376,600)**
Purchase - Purchase options	**186,319**	**5,294**	**5,877**	**156,370**	**5,231**	**13,516**	**18,469,963**	**669,876**	**25,844**	**3,822,799**	**136,353**	**176,290**	**95,686,518**	**145,528**	**237,983**	**219,952,736**	**884,177**	**110,432**
Foreign currency	183,340	5,231	5,819	156,370	5,231	13,516	18,469,963	669,876	25,844	2,650,625	102,871	153,971	1,776,275	92,221	191,575	20,554,928	698,653	40,001
Interbank Market	--	--	--	--	--	--	--	--	--	--	--	--	12	67	--	--	--	--
Interbank deposit	--	--	--	--	--	--	--	--	--	143,000	20	--	93,063,775	15,722	3	199,070,650	68,956	60,088
Flexible Currency Options	--	--	--	--	--	--	--	--	--	609,442	29,487	21,016	805,996	36,475	45,593	209,812	111,955	1,220
Shares	1,930	43	49	--	--	--	--	--	--	174,293	2,978	1,145	12,255	256	274	113,185	2,400	5,823
Securities	--	--	--	--	--	--	--	--	--	240,517	897	85	--	--	--	--	--	--
Commodities	1,049	20	9	--	--	--	--	--	--	1,074	20	9	385	12	1	4,161	2,213	3,300
Others	--	--	--	--	--	--	--	--	--	3,848	80	64	27,820	775	537	--	--	--
Sold – Purchase options	**183,376**	**5,501**	**3**	**156,556**	**5,503**	**159**	**--**	**--**	**--**	**2,551,636**	**18,038**	**5,923**	**32,660,372**	**26,815**	**16,967**	**--**	**--**	**--**
Foreign currency	183,340	5,500	3	156,370	5,500	159	--	--	--	1,672,352	13,852	2,371	1,381,121	16,244	2,303	--	--	--
Interbank Market	--	--	--	--	--	--	--	--	--	--	--	--	6	56	550	--	--	--
Interbank deposits	--	--	--	--	--	--	--	--	--	689,000	56	--	31,149,000	7,238	13,254	--	--	--
Flexible Currency Options	--	--	--	--	--	--	--	--	--	42,270	1,135	879	25,031	508	197	--	--	--
Shares	--	--	--	--	--	--	--	--	--	86,100	2,325	2,017	76,657	2,532	398	--	--	--
Commodities	36	1	--	186	3	--	--	--	--	679	152	193	186	3	--	--	--	--
Others	--	--	--	--	--	--	--	--	--	61,235	518	463	28,371	234	265	--	--	--
Purchase – Sales options	**1,484,470**	**(72,266)**	**(166,818)**	**224,406**	**(43,036)**	**(106,928)**	**18,619,768**	**(734,328)**	**(90,563)**	**5,466,832**	**(501,983)**	**(629,445)**	**66,835,621**	**(529,172)**	**(624,645)**	**18,619,768**	**(734,328)**	**(90,563)**
Foreign currency	194,527	(5,829)	(6,382)	187,255	(6,390)	(14,724)	18,557,959	(672,519)	(26,819)	3,052,133	(107,629)	(151,521)	3,213,968	(103,160)	(188,062)	18,557,959	(672,519)	(26,819)
Interbank Market	--	--	--	--	--	--	--	--	--	--	--	--	173	(3,082)	--	--	--	--
Prefixed	1,287,230	(66,357)	(160,417)	36,579	(36,579)	(92,175)	61,809	(61,809)	(63,744)	1,592,329	(370,548)	(464,608)	341,433	(363,888)	(419,484)	61,809	(61,809)	(63,744)
Interbank deposit	--	--	--	--	--	--	--	--	--	142,800	(44)	--	62,706,550	(7,011)	(2)	--	--	--
Flexible Currency Options	--	--	--	--	--	--	--	--	--	290,064	(21,365)	(12,144)	515,284	(50,425)	(16,039)	--	--	--
Shares	2,021	(9)	(11)	--	--	--	--	--	--	129,099	(609)	(413)	48,363	(863)	(585)	--	--	--
Securities	--	--	--	--	--	--	--	--	--	240,517	(854)	(57)	--	--	--	--	--	--
Commodities	692	(71)	(8)	572	(67)	(29)	--	--	--	4,077	(418)	(153)	4,090	(484)	(264)	--	--	--
Others	--	--	--	--	--	--	--	--	--	15,813	(516)	(549)	5,760	(259)	(209)	--	--	--
Sold – Sales options	**2,074,445**	**(1,161,660)**	**(1,123,770)**	**1,684,074**	**(660,374)**	**(672,272)**	**1,529,253**	**(1,254,839)**	**(1,302,382)**	**5,843,388**	(1,898,771)	(1,830,831)	**42,368,380**	**(1,343,121)**	**(1,381,514)**	**219,653,893**	**(4,071,975)**	**(2,396,469)**
Foreign currency	194,844	(5,805)	(21)	166,304	(5,805)	(179)	16,610	(240)	(429)	2,059,097	(30,624)	(13,315)	2,135,010	(19,752)	(932)	4,140,589	(21,024)	(16,501)
Interbank Market	--	--	--	--	--	--	--	--	--	--	--	--	170	(1,869)	(27,128)	--	--	--
Prefixed	1,287,230	(1,146,509)	(1,121,170)	642,201	(642,201)	(669,108)	1,251,133	(1,251,133)	(1,301,858)	1,850,895	(1,834,128)	(1,806,139)	1,203,083	(1,279,274)	(1,299,343)	2,851,516	(2,851,516)	(2,289,875)
Interbank deposit	--	--	--	--	--	--	--	--	--	688,000	(8)	--	37,534,200	(5,166)	(41,783)	211,016,414	(73,007)	(41,877)
Flexible Currency Options	--	--	--	--	--	--	--	--	--	498,576	(22,142)	(6,725)	527,454	(22,793)	(7,553)	1,139,550	(1,121,404)	(43,833)
Shares	--	--	--	--	--	--	--	--	--	38,600	(342)	(198)	13,000	(129)	(169)	242,987	(1,505)	(4,204)
Commodities	592,371	(9,346)	(2,579)	875,569	(12,368)	(2,985)	261,510	(3,466)	(95)	597,486	(9,982)	(3,523)	881,935	(13,052)	(3,574)	262,836	(3,519)	(179)
Others	--	--	--	--	--	--	--	--	--	110,734	(1,545)	(931)	73,528	(1,086)	(1,032)	--	--	--

R$ thousand

By Index	Banco do Brasil									BB-Consolidated								
	03.31.2012			12.31.2011			03.31.2011			03.31.2012			12.31.2011			03.31.2011		
	Notional value	Cost value	Market value	Notional value	Cost value	Market value	Notional value	Cost value	Market value	Notional value	Cost value	Market value	Notional value	Cost value	Market value	Notional value	Cost value	Market value
Swap contracts																		
Asset position	**7,396,180**	**171,430**	**268,734**	**6,701,476**	**135,438**	**243,722**	**7,990,410**	**263,620**	**383,503**	**14,311,539**	**450,461**	**634,367**	**13,062,879**	**597,538**	**586,395**	**13,580,822**	**590,415**	**733,220**
Interbank Deposit	834,773	82,740	75,158	655,188	61,836	80,870	7,104,362	247,507	366,447	1,889,517	84,340	64,959	2,142,200	148,970	105,012	8,955,992	408,039	434,879
Foreign currency	1,258,550	30,917	42,698	1,213,604	38,840	44,766	328,510	5,030	5,427	3,152,713	146,158	147,223	3,117,221	246,810	155,595	804,697	7,445	22,155
Prefixed	5,290,739	56,085	147,988	4,813,230	31,629	113,959	537,583	8,530	6,508	6,283,119	130,600	238,028	5,609,269	102,891	193,808	2,002,453	68,015	154,408
IPCA	12,118	1,688	2,890	19,454	3,133	4,127	19,955	2,553	5,121	1,985,652	31,174	86,465	1,145,831	25,378	47,747	1,072,154	24,935	28,552
IGPM	--	--	--	--	--	--	--	--	--	553,104	41,199	75,395	533,702	53,303	65,835	516,723	70,919	82,827
Commodities	--	--	--	--	--	--	--	--	--	2,684	--	406	501	8,217	19	--	--	--
Others	--	--	--	--	--	--	--	--	--	444,750	16,990	21,891	514,155	11,969	18,379	228,803	11,062	10,399
Liability position	**9,620,418**	**(282,673)**	**(543,988)**	**11,087,323**	**(485,385)**	**(664,715)**	**9,614,442**	**(442,518)**	**(646,183)**	**15,850,526**	**(517,887)**	**(1,000,844)**	**17,932,498**	**(756,780)**	**(1,030,868)**	**16,950,603**	**(1,575,299)**	**(1,703,092)**
Interbank Deposit	433,242	(38,235)	(37,891)	382,305	(48,577)	(57,518)	5,529,740	(469,575)	(511,077)	832,883	(69,564)	(63,833)	1,555,655	(77,685)	(86,700)	8,223,282	(607,587)	(562,035)
Foreign currency	4,419,117	(185,647)	(261,091)	5,631,972	(375,879)	(428,098)	1,784,733	123,246	(33,741)	4,573,448	(138,220)	(212,807)	6,054,431	(399,665)	(390,030)	5,293,267	(855,254)	(1,015,081)
Prefixed	4,440,170	(58,804)	(244,566)	4,794,242	(57,564)	(175,754)	1,580,429	(93,546)	(88,872)	6,349,705	(98,653)	(321,675)	6,607,473	(66,181)	(211,733)	2,204,018	(107,999)	(94,175)
TMS	327,889	13	(440)	278,804	(3,365)	(3,345)	678,780	(494)	(10,344)	327,889	13	(440)	278,804	(3,365)	(3,345)	678,780	(494)	(10,344)
TR	--	--	--	--	--	--	40,760	(2,149)	(2,149)	5,952	(754)	(1,286)	5,952	(679)	(1,150)	40,760	(2,149)	(2,149)
IGPM	--	--	--	--	--	--	--	--	--	345,735	(35,828)	(62,433)	393,635	(45,454)	(57,719)	--	--	--
IPCA	--	--	--	--	--	--	--	--	--	2,788,619	(172,697)	(325,075)	2,316,169	(161,053)	(251,758)	71,210	(845)	(2,213)
Commodities	--	--	--	--	--	--	--	--	--	527	(1)	(55)	1,211	(6)	(169)	36,343	(971)	(987)
Others	--	--	--	--	--	--	--	--	--	625,768	(2,183)	(13,240)	719,168	(2,692)	(28,264)	402,943	--	(16,108)
Other derivative financial instruments																		
Asset position																		
Foreign currency	4,663,630	32,831	38,726	747,487	25,830	35,099	3,496,294	35,451	39,327	5,996,714	32,828	106,827	2,032,592	25,827	125,359	3,991,560	35,451	249,613
Liability position																		
Foreign currency	7,074,880	(109,464)	(134,119)	3,466,916	(169,264)	(178,426)	1,478,751	(32,220)	(33,964)	7,436,502	(117,426)	(155,564)	3,999,095	(164,651)	(194,059)	2,275,372	(32,933)	(160,790)

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

R$ thousand

	Banco do Brasil							BB-Consolidated						
Maturity in days	0 – 30	31-180	181-360	More than 360	03.31.2012	12.31.2011	03.31.2011	0 – 30	31-180	181-360	More than 360	03.31.2012	12.31.2011	03.31.2011
Futures	1,809,957	18,255,704	2,822,707	4,119,905	27,008,273	27,750,708	21,985,085	8,237,507	25,286,487	12,415,104	36,751,329	82,690,427	105,192,175	102,378,830
Fowards	2,054,204	4,185,813	1,376,358	1,040,288	8,656,663	8,292,316	6,487,739	2,058,222	4,238,090	1,376,811	1,040,843	8,713,966	8,317,171	7,184,008
Option	566,153	1,814,996	199,953	1,347,508	3,928,610	2,221,406	38,618,984	5,175,989	10,303,861	703,202	1,501,603	17,684,655	237,550,893	458,226,397
Swap	953,380	6,986,263	2,552,236	6,524,719	17,016,598	17,788,799	17,604,852	1,254,640	10,268,772	4,187,975	14,450,678	30,162,068	30,995,377	30,531,425
Credit derivatives	--	--	--	--	--	--	--	1,725,029	-	-	-	1,725,029	2,039,539	5,048,970
Others	7,540,522	3,303,802	889,468	4,718	11,738,510	4,214,403	4,975,045	8,069,821	3,904,554	1,257,053	201,788	13,433,216	6,031,687	6,266,932

Breakdown of the credit derivative portfolio by notional value, trading market and counterpart as of March 31, 2012

R$ thousand

	Banco do Brasil					BB-Consolidated					
	Futures contracts	Foward operations	Option market	Swap contracts	Others	Futures contracts	Foward operations	Option market	Swap contracts	Credit derivatives	Others
BM&FBovespa	25,093,158	662,732	3,928,610	--	--	80,775,312	662,732	17,684,655	--	--	--
Over-the-counter											
Financial Institutions	1,915,115	--	--	5,433,796	11,738,510	1,915,115	57,304	--	15,299,824	1,725,029	11,507,205
Client	--	7,993,931	--	11,582,802	--	--	7,993,930	--	14,862,241	--	1,926,011

Breakdown of the credit derivative portfolio

R$ thousand

	Banco do Brasil						BB-Consolidated					
	03.31.2012		12.31.2011		03.31.2011		03.31.2012		12.31.2011		03.31.2011	
	Notional value	Market value	Notional value	Market value	Notional value	Market value	Notional value	Market value	Notional value	Market value	Notional value	Market value
Asset position												
Credit swaps – Derivatives with Banks	--	--	--	--	--	--	1,498,678	7,295	1,861,338	22,608	2,524,485	15,581
Liability position												
Credit swaps – Derivatives with Banks	--	--	--	--	--	--	226,351	(10,924)	178,201	(18,073)	2,524,485	(11,174)

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

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

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

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Financial treasury bills	2,278,566	2,553,252	1,583,602	2,291,764	2,575,122	1,603,946
National treasury notes	--	--	--	405,304	337,150	976,702
National treasury bills	--	--	--	1,107,699	895,916	70,521
Foreign government securities	--	--	--	668,263	666,279	945,373
Eurobonds	--	--	--	3,267	4,836	440,178
Others	--	--	--	--	--	19,041
Total	**2,278,566**	**2,553,252**	**1,583,602**	**4,476,297**	**4,479,303**	**4,055,761**

Portfolio of derivatives designated as hedge accounting

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Hedge Market Risk						
Hedging instruments						
Assets	**348,670**	**352,295**	**317,146**	**10,959,027**	**10,776,038**	**10,678,438**
Future	--	--	--	6,663,161	6,991,760	4,830,953
Swap	348,670	352,295	317,146	2,076,116	2,068,382	4,372,569
Options	--	--	--	2,219,750	1,715,896	1,474,917
Liabilities	**--**	**--**	**--**	**31,802,898**	**26,580,744**	**37,101,345**
Future	--	--	--	29,175,224	24,451,844	20,649,185
Swap	--	--	--	953,384	1,195,548	14,198,592
Options	--	--	--	1,674,290	933,352	2,253,569
Cash Flow Hedge						
Hedging instruments						
Assets	**--**	**--**	**--**	**420,826**	**--**	**--**
Swap	--	--	--	420,826	--	--
Hedged items						
Assets	**--**	**--**	**--**	**22,782,024**	**22,368,654**	**30,923,990**
Loan Operations	--	--	--	19,977,785	19,359,558	18,367,937
Securities and derivative financial instruments	--	--	--	208,001	224,204	9,583,398
Lease operations	--	--	--	1,574,230	1,827,441	2,110,562
Foreign Investments	--	--	--	333,933	360,021	347,995
Other assets	--	--	--	688,075	597,430	514,098
Liabilities	**348,051**	**352,199**	**319,298**	**3,931,064**	**4,040,513**	**3,621,111**
Other liabilities	348,051	352,199	319,298	3,931,064	4,040,513	3,621,111

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

Derivative financial instruments segregated by current and long-term

R$ thousand

	Banco do Brasil						BB-Consolidated					
	03.31.2012		12.31.2011		03.31.2011		03.31.2012		12.31.2011		03.31.2011	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Assets												
Forward	543,376	9,065	384,210	22,073	280,419	6,530	544,345	9,075	385,292	22,096	280,921	6,530
Options	5,880	--	13,675	--	25,844	--	179,313	2,900	249,220	5,730	109,564	868
Swap	126,828	141,906	120,393	123,329	240,561	142,942	327,705	306,662	315,432	270,963	467,753	265,467
Credit derivatives	--	--	--	--	--	--	7,295	--	22,608	--	15,581	--
Other derivatives	38,726	--	35,099	--	39,327	--	74,095	32,732	94,532	30,827	137,962	111,651
Total	**714,810**	**150,971**	**553,377**	**145,402**	**586,151**	**149,472**	**1,132,753**	**351,369**	**1,067,084**	**329,616**	**1,011,781**	**384,516**
Liabilities												
Forward	(454,331)	(26,497)	(191,565)	(26,569)	(509,874)	(43,523)	(612,291)	(26,497)	(344,927)	(26,569)	(510,224)	(43,527)
Options	(633,696)	(656,892)	(779,200)	--	(1,071,113)	(321,832)	(1,778,763)	(681,513)	(1,984,894)	(21,265)	(2,011,437)	(475,595)
Swap	(269,546)	(274,442)	(366,335)	(298,380)	(551,187)	(94,996)	(436,207)	(564,637)	(553,594)	(477,274)	(1,371,052)	(332,040)
Credit derivatives	--	--	--	--	--	--	(10,924)	--	(18,073)	--	(11,174)	--
Other derivatives	(133,871)	(248)	(173,151)	(5,275)	(32,504)	(1,460)	(154,814)	(750)	(188,392)	(5,667)	(138,199)	(22,591)
Total	**(1,491,444)**	**(958,079)**	**(1,510,251)**	**(330,224)**	**(2,164,678)**	**(461,811)**	**(2,992,999)**	**(1,273,397)**	**(3,089,880)**	**(530,775)**	**(4,042,086)**	**(873,753)**

e) Income from derivative financial instruments

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Swap	160,645	(36,903)	60,866	(110,288)
Foward	(107,739)	47	(109,859)	1,247
Options	(29,395)	(33,559)	(21,144)	(37,765)
Futures	(426,996)	(86,771)	(620,192)	(47,877)
Credit derivatives	--	--	8,311	13,248
Others	(89,907)	(166,121)	(163,324)	(231,499)
Total	**(493,392)**	**(323,307)**	**(845,342)**	**(412,934)**

f) Equity Valuation Adjustment of securities and derivatives recognized in Shareholders' equity

R$ thousand

	1st quarter/2012			1st quarter/2011		
	Opening balance	Net change	Closing Balance	Opening balance	Net change	Closing balance
Available for sale securities						
Banco do Brasil	576,527	53,178	629,705	374,799	(62,063)	312,736
Subsidiaries and affiliates	139,584	128,992	268,576	158,148	(49,984)	108,164
Tax effects	7,731	(38,998)	(31,267)	(65,512)	29,425	(36,087)
Cash Flow Hedge						
Subsidiaries and affiliates	--	(14,450)	(14,450)	--	--	--
Tax effects	--	5,780	5,780	--	--	--
Total	**723,842**	**134,502**	**858,344**	**467,435**	**(82,622)**	**384,813**

9 – Interbank accounts

a) Payments and receipts pending settlement

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Assets						
Rights with participants of settlement systems						
Documents sent by other participants	3,938,480	6	4,006,114	3,938,717	6	4,006,335
Bank Checks and other instruments	1,051,622	27,321	818,959	1,051,655	27,321	819,713
Total	**4,990,102**	**27,327**	**4,825,073**	**4,990,372**	**27,327**	**4,826,048**
Current assets	4,990,102	27,327	4,825,073	4,990,372	27,327	4,826,048
Liabilities						
Obligations with participants of settlement systems						
Remitted receipts	2,117,968	2	1,377,872	2,120,315	2	1,388,270
Bank Checks and other instruments	1,083,398	6	887,739	1,083,580	6	887,777
Other receipts	4,576	16	4,066	4,576	16	4,066
Total	**3,205,942**	**24**	**2,269,677**	**3,208,471**	**24**	**2,280,113**
Current liabilities	3,205,942	24	2,269,677	3,208,471	24	2,280,113

b) Restricted deposits

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Compulsory Deposits at the Central Bank of Brazil	**92,257,174**	**90,736,391**	**83,918,467**	**94,145,683**	**93,659,856**	**87,053,127**
Additional reserve requirements on deposits	35,629,492	34,766,271	29,692,175	36,392,320	36,003,271	31,018,804
Time deposits	24,073,005	23,265,337	17,133,533	25,141,557	24,886,309	18,882,348
Savings deposits	17,795,500	17,291,294	15,109,412	17,795,500	17,291,294	15,109,412
Demand deposits	12,767,625	13,421,937	14,565,986	12,821,804	13,484,505	14,622,942
Resources on rural credit [(1)]	1,991,552	1,991,552	7,417,361	1,991,552	1,991,552	7,417,361
Resources on microfinance	--	--	--	2,950	2,925	2,260
Housing Finance System	**1,954,706**	**1,925,807**	**1,810,436**	**1,954,706**	**1,925,807**	**1,810,436**
Fund for compensation of wage changes	2,068,959	2,038,805	1,956,422	2,068,959	2,038,805	1,956,422
Provision for losses on loans tied	(117,671)	(117,587)	(150,670)	(117,671)	(117,587)	(150,670)
Other	3,418	4,589	4,684	3,418	4,589	4,684
National Treasury - Rural credit	**134,839**	**124,194**	**116,914**	**134,839**	**124,194**	**116,914**
Total	**94,346,719**	**92,786,392**	**85,845,817**	**96,235,228**	**95,709,857**	**88,980,477**
Current assets	94,302,171	92,785,842	85,794,980	96,190,680	95,709,307	88,929,640
Non-current assets	44,548	550	50,837	44,548	550	50,837

(1) Refers to funds deposited in the Central Bank, because of the failure transferring to rural credits, according to Resolution CMN nº 3745/2009. The funds were subject to special supply by the Central Bank and maintained by the Bank, and recorded in borrowings and Transfers (Note 18.b).

c) Income on compulsory deposits

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Income Credit Linked to Central Bank	**1,757,794**	**1,484,741**	**1,817,300**	**1,563,271**
Additional reserve requirements on deposits	866,051	775,461	892,267	808,396
Requirements over the long term resources	592,933	431,724	626,223	477,319
Savings deposits	298,810	259,407	298,810	259,407
Resources of rural credit	--	18,149	--	18,149
Income Credit Linked to SFH	**28,556**	**28,850**	**28,556**	**28,850**
Income Credit Linked to National Treasury – Rural Credit	**4,589**	**4,459**	**4,589**	**4,459**
Total	**1,790,939**	**1,518,050**	**1,850,445**	**1,596,580**

10 – Loan operations

a) Portfolio by modality

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Loan Operations	**370,910,157**	**364,757,302**	**313,863,464**	**403,623,414**	**397,267,032**	**341,822,234**
Loans and securities discounted	165,337,044	163,356,402	142,315,130	178,111,278	175,977,806	150,139,069
Financing	100,974,664	100,983,128	87,587,702	120,204,450	120,279,127	106,997,972
Rural and agribusiness financing	95,950,538	92,769,092	79,788,918	96,297,449	93,207,757	80,488,215
Real estate financing	8,647,089	7,647,830	4,170,786	8,959,070	7,801,492	4,196,050
Financing of Infrastructure and development	822	850	928	822	850	928
Loan Operations related to cessions	--	--	--	50,345	--	--
Other receivables with loan characteristics	**23,866,762**	**22,146,945**	**18,670,381**	**24,351,293**	**22,657,460**	**19,142,156**
Credit card operations	12,450,290	12,473,666	9,949,268	12,450,290	12,473,666	9,949,268
Advances on foreign exchange contracts (1)	11,132,691	9,399,692	8,429,158	11,512,286	9,773,934	8,734,849
Guarantees honored	81,677	76,698	77,378	81,677	76,698	77,378
Others	202,104	196,889	214,577	307,040	333,162	380,661
Lease operations	**25,863**	**29,981**	**41,076**	**2,773,497**	**3,064,082**	**3,694,137**
Total Loan Portfolio	**394,802,782**	**386,934,228**	**332,574,921**	**430,748,204**	**422,988,574**	**364,658,527**
Allowance for loan losses	**(17,341,681)**	**(17,236,001)**	**(16,163,178)**	**(19,573,226)**	**(19,014,978)**	**(17,015,945)**
(Allowance for loan losses)	(16,800,942)	(16,680,638)	(15,504,126)	(18,790,148)	(18,221,987)	(16,140,299)
(Allowance for other losses)	(540,739)	(555,363)	(659,052)	(575,347)	(579,788)	(680,736)
(Allowance for lease losses)	--	--	--	(207,731)	(213,203)	(194,910)
Total Loan Portfolio Net of Provisions	**377,461,101**	**369,698,227**	**316,411,743**	**411,174,978**	**403,973,596**	**347,642,582**

(1) Advances on foreign exchange contracts are classified as a deduction to other liabilities.

b) Loan operations income

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Loan operations income	**14,487,806**	**12,743,735**	**16,435,034**	**14,018,899**
Loans and securities discounted	9,649,252	7,976,011	10,469,850	8,454,856
Financing	1,987,281	2,303,471	2,978,519	2,971,321
Rural and agribusiness financing	1,676,737	1,405,656	1,685,849	1,420,474
Recovery of written-off loans (Note 10.k)	724,443	740,771	749,840	855,098
Income housing financing	186,160	89,984	187,267	89,984
Advances on foreign exchange contracts	77,573	74,570	167,434	85,518
Guarantees honored	1,201	6,538	1,221	6,538
Others	185,159	146,734	195,054	135,110
Lease Operations Income (Note 10.i)	**4,972**	**5,795**	**484,510**	**638,239**
Total	**14,492,778**	**12,749,530**	**16,919,544**	**14,657,138**

c) Breakdown of the loan portfolio by sector

R$ thousand

	Banco do Brasil						BB-Consolidated					
	03.31.2012	%	12.31.2011	%	03.31.2011	%	03.31.2012	%	12.31.2011	%	03.31.2011	%
Public sector	**7,990,570**	**1.8**	**8,407,541**	**2.0**	**7,674,953**	**2.2**	**8,096,813**	**1.7**	**8,552,773**	**1.8**	**7,783,306**	**2.1**
Government	**2,537,642**	**0.5**	**2,622,326**	**0.6**	**2,794,563**	**0.8**	**2,537,642**	**0.5**	**2,622,436**	**0.5**	**2,794,563**	**0.8**
Direct administration	2,164,523	0.5	2,246,205	0.5	2,474,281	0.7	2,164,523	0.5	2,246,315	0.5	2,474,281	0.7
Indirect administration	373,119	--	376,121	0.1	320,282	0.1	373,119	--	376,121	-	320,282	0.1
Business entities	**5,452,928**	**1.3**	**5,785,215**	**1.4**	**4,880,390**	**1.4**	**5,559,171**	**1.2**	**5,930,337**	**1.3**	**4,988,743**	**1.3**
BB Group	29,941	--	27,971	--	7,207	--	--	--	--	--	--	--
Industry	3,587,301	0.9	3,851,259	1.0	2,965,994	0.9	3,666,800	0.8	3,993,601	0.9	3,037,040	0.8
Financial services	98,981	--	115,824	--	104,338	--	129,837	--	119,866	--	110,049	--
Other services	1,736,705	0.4	1,790,161	0.4	1,802,851	0.5	1,762,534	0.4	1,816,870	0.4	1,841,654	0.5
Private sector	**386,812,212**	**98.2**	**378,526,687**	**98.0**	**324,899,968**	**97.8**	**422,651,391**	**98.3**	**414,435,801**	**98.2**	**356,875,221**	**97.9**
Rural	70,376,832	18.0	67,637,241	17.6	58,147,336	17.5	70,723,745	16.5	68,075,906	16.2	58,848,180	16.1
Industry	121,809,548	31.0	120,174,341	31.2	101,042,712	30.5	128,789,890	30.2	126,983,669	30.2	107,286,124	29.5
Commerce	45,818,851	11.6	43,766,553	11.3	37,971,649	11.4	48,911,989	11.3	47,120,937	11.3	40,067,908	11.0
Financial services	527,170	0.1	777,872	0.2	1,416,850	0.4	629,782	0.1	796,931	0.1	1,441,506	0.4
Individuals	91,577,640	23.2	91,342,604	23.6	81,920,501	24.7	111,627,312	25.9	111,154,868	26.2	101,628,478	27.9
Housing	6,791,109	1.7	6,003,224	1.5	3,406,064	1.0	6,846,601	1.5	6,073,590	1.4	3,406,064	0.9
Other services	49,911,062	12.6	48,824,852	12.6	40,994,856	12.3	55,122,072	12.8	54,229,900	12.8	44,196,961	12.1
Total	**394,802,782**	**100.0**	**386,934,228**	**100.0**	**332,574,921**	**100.0**	**430,748,204**	**100.0**	**422,988,574**	**100.0**	**364,658,527**	**100.0**

d) Loan portfolio by risk level and maturity

R$ thousand

Banco do Brasil												
Normal operations												
	AA	A	B	C	D	E	F	G	H	03.31.2012	12.31.2011	03.31.2011
Installments falling due												
01 to 30	8,498,397	6,353,623	12,201,611	2,272,163	347,103	159,901	17,597	18,886	111,596	29,980,877	28,978,557	25,816,787
31 to 60	6,955,652	5,484,400	5,967,318	1,622,912	235,581	63,137	13,221	16,976	71,307	20,430,504	18,968,317	18,105,614
61 to 90	5,641,068	4,686,147	5,919,661	1,326,741	237,483	81,363	18,307	20,788	87,244	18,018,802	15,302,656	15,974,570
91 to 180	14,456,577	11,150,127	16,301,661	4,231,281	831,728	236,987	67,659	89,028	228,346	47,593,394	40,341,939	36,702,532
181 to 360	18,572,037	14,342,536	23,019,403	6,087,622	929,569	300,536	110,499	79,137	315,802	63,757,141	68,438,414	47,916,917
More than 360	65,680,363	46,137,502	66,838,433	14,944,214	3,798,879	1,457,972	477,076	412,559	3,315,835	203,062,833	202,969,680	176,528,508
Installments overdue												
Up to 14 days	72,884	67,496	148,500	94,613	27,599	18,348	4,240	7,224	15,332	456,236	575,726	382,199
Others (1)	916,012	--	--	--	--	--	--	--	--	916,012	972,236	1,142,348
Subtotal	**120,792,990**	**88,221,831**	**130,396,587**	**30,579,546**	**6,407,942**	**2,318,244**	**708,599**	**644,598**	**4,145,462**	**384,215,799**	**376,547,525**	**322,569,475**

(1) Operations with third party risk tied to government funds and programs, primarily Pronaf, Procera, FAT, BNDES and FCO. They include the amount of overdue installments in the total amount of R$ 59,657 thousand, which comply with rules defined in each program for reimbursement with the managers and do not imply a credit risk for the Bank.

R$ thousand

Abnormal operations												
	AA	A	B	C	D	E	F	G	H	03.31.2012	12.31.2011	03.31.2011
Installments falling due												
01 to 30	--	--	73,391	112,168	47,095	98,778	36,204	67,025	217,152	651,813	508,949	1,387,540
31 to 60	--	--	31,913	53,639	30,012	26,043	22,670	34,968	122,429	321,674	290,069	257,953
61 to 90	--	--	27,704	47,789	28,265	27,658	22,542	34,289	119,120	307,367	265,223	287,448
91 to 180	--	--	75,192	130,191	80,584	104,264	62,701	116,246	315,546	884,724	738,815	788,480
181 to 360	--	--	125,759	208,316	131,983	119,231	99,515	167,487	547,040	1,399,331	1,369,451	1,238,484
More than 360	--	--	208,621	319,679	287,401	342,861	278,820	527,605	1,912,037	3,877,024	3,813,031	3,037,220
Installments overdue												
01 to 14	--	--	13,676	29,514	12,544	10,306	7,916	12,582	38,519	125,057	117,636	114,210
15 to 30	--	--	100,634	81,170	23,116	19,421	16,955	30,105	96,640	368,041	335,304	347,457
31 to 60	--	--	1,881	189,613	44,044	44,647	28,069	48,367	140,237	496,858	460,885	425,757
61 to 90	--	--	2	2,229	80,047	58,654	34,938	49,907	157,823	383,600	361,491	322,193
91 to 180	--	--	1	1,473	8,537	65,315	94,325	151,886	400,319	721,856	646,393	661,800
181 to 360	--	--	--	2	962	3,680	4,085	63,626	573,709	646,064	980,108	631,664
More than 360	--	--	--	4	--	1	4,417	5,868	393,284	403,574	499,348	505,240
Subtotal	**--**	**--**	**658,774**	**1,175,787**	**774,590**	**920,859**	**713,157**	**1,309,961**	**5,033,855**	**10,586,983**	10,386,703	10,005,446
Total	**120,792,990**	**88,221,831**	**131,055,361**	**31,755,333**	**7,182,532**	**3,239,103**	**1,421,756**	**1,954,559**	**9,179,317**	**394,802,782**	**386,934,228**	**332,574,921**

R$ thousand

BB-Consolidated												
Normal operations												
	AA	A	B	C	D	E	F	G	H	03.31.2012	12.31.2011	03.31.2011
Installments falling due												
01 to 30	8,835,018	7,732,850	12,452,384	2,401,717	371,123	163,388	18,443	22,659	115,181	32,112,763	30,980,179	27,492,549
31 to 60	7,290,413	6,591,067	6,123,219	1,762,600	248,610	69,728	13,551	18,847	74,751	22,192,786	20,544,143	19,478,894
61 to 90	5,908,129	5,575,657	6,084,910	1,365,804	254,657	83,646	18,721	25,057	90,030	19,406,611	16,810,701	17,144,699
91 to 180	15,261,843	13,591,857	16,689,885	4,334,371	887,781	243,448	68,738	99,961	236,987	51,414,871	44,507,211	39,792,493
181 to 360	19,327,435	17,909,863	23,646,033	6,215,381	986,301	314,876	112,778	93,702	330,031	68,936,400	73,826,615	53,341,800
More than 360	68,768,880	55,989,413	69,233,398	15,236,140	3,926,532	1,659,277	485,667	465,025	3,354,404	219,118,736	219,530,645	193,198,594
Installments overdue												
Up to 14 days	73,167	842,874	185,427	99,853	32,218	19,265	4,365	7,498	20,143	1,284,810	1,274,057	398,794
Demais [1]	916,012	853	--	--	--	--	--	--	--	916,865	973,219	1,142,348
Subtotal	**126,380,897**	**108,234,434**	**134,415,256**	**31,415,866**	**6,707,222**	**2,553,628**	**722,263**	**732,749**	**4,221,527**	**415,383,842**	**408,446,770**	**351,990,171**

(1) Operations with third party risk tied to government funds and programs, primarily Pronaf, Procera, FAT, BNDES and FCO. They include the amount of overdue installments in the total amount of R$ 59,657 thousand, which comply with rules defined in each program for reimbursement with the managers and do not imply a credit risk for the Bank.

R$ thousand

Operações em Curso Anormal												
	AA	A	B	C	D	E	F	G	H	03.31.2012	12.31.2011	03.31.2011
Installments falling due												
01 to 30	--	--	115,833	148,466	66,178	110,828	45,766	77,429	250,845	815,345	646,826	1,483,891
31 to 60	--	--	71,372	86,469	47,941	36,923	31,974	44,230	151,454	470,363	422,135	345,475
61 to 90	--	--	66,006	79,212	45,419	40,059	30,943	43,288	148,185	453,112	393,221	370,367
91 to 180	--	--	185,631	219,231	130,581	136,568	86,893	141,770	397,886	1,298,560	1,096,468	1,031,056
181 to 360	--	--	320,820	367,075	221,988	177,989	143,047	211,967	689,407	2,132,293	1,997,344	1,652,842
More than 360	--	--	742,532	742,255	576,426	512,862	408,950	643,569	2,310,352	5,936,946	5,659,019	4,291,612
Installments overdue												
01 to 14	--	--	33,151	46,529	22,796	29,800	12,016	16,473	51,951	212,716	251,690	149,531
15 to 30	--	--	162,285	102,477	35,495	29,965	22,058	36,333	114,929	503,542	437,915	447,771
31 to 60	--	--	20,226	250,833	69,550	62,061	37,686	61,429	172,724	674,509	594,737	523,976
61 to 90	--	--	2	16,613	117,918	72,174	46,198	60,229	194,509	507,643	456,147	379,587
91 to 180	--	--	14	6,753	28,954	98,935	136,542	194,940	506,781	972,919	826,181	755,896
181 to 360	--	--	--	2	962	15,433	26,734	94,002	786,456	923,589	1,202,980	709,780
More than 360	--	--	--	4	--	1	4,417	8,095	450,308	462,825	557,141	526,572
Subtotal	**--**	**--**	**1,717,872**	**2,065,919**	**1,364,208**	**1,323,598**	**1,033,224**	**1,633,754**	**6,225,787**	**15,364,362**	**14,541,804**	**12,668,356**
Total	**126,380,897**	**108,234,434**	**136,133,128**	**33,481,785**	**8,071,430**	**3,877,226**	**1,755,487**	**2,366,503**	**10,447,314**	**430,748,204**	**422,988,574**	**364,658,527**

e) Allowance for loan losses by risk level

R$ thousand

		Banco do Brasil											
		03.31.2012				12.31.2011				03.31.2011			
Level of risk	% Provision	Value of loans	Value of allowance	Additional allowance[1]	Existent Allowance	Value of loans	Value of allowance	Additional allowance[1]	Existent Allowance	Value of loans	Value of allowance	Additional allowance[1]	Existent Allowance
AA	0	120,792,990	--	--	--	112,730,571	--	--	--	93,438,916	--	--	--
A	0.5	88,221,831	441,109	29,332	470,441	81,453,282	407,266	72,325	479,591	60,740,728	303,704	41	303,745
B	1	131,055,361	1,310,555	50	1,310,605	138,786,166	1,387,862	49	1,387,911	118,829,028	1,188,291	3,740	1,192,031
C	3	31,755,333	952,660	198,431	1,151,091	31,016,579	930,497	198,431	1,128,928	38,192,026	1,145,762	298,111	1,443,873
D	10	7,182,532	718,254	172,766	891,020	7,545,984	754,598	172,766	927,364	7,950,049	795,006	262,434	1,057,440
E	30	3,239,103	971,731	747,614	1,719,345	3,148,988	944,696	747,614	1,692,310	2,009,437	602,832	626,205	1,229,037
F	50	1,421,756	710,879	356,606	1,067,485	1,461,928	730,964	356,606	1,087,570	1,486,823	743,413	368,390	1,111,803
G	70	1,954,559	1,368,191	184,186	1,552,377	1,475,298	1,032,709	184,186	1,216,895	1,031,859	722,301	206,893	929,194
H	100	9,179,317	9,179,317	--	9,179,317	9,315,432	9,315,432	--	9,315,432	8,896,055	8,896,055	--	8,896,055
Total		**394,802,782**	**15,652,696**	**1,688,985**	**17,341,681**	**386,934,228**	**15,504,024**	**1,731,977**	**17,236,001**	**332,574,921**	**14,397,364**	**1,765,814**	**16,163,178**

R$ thousand

		BB-Consolidated											
		03.31.2012				12.31.2011				03.31.2011			
Level of risk	% Provision	Value of loans	Value of allowance	Additional allowance[1]	Existent Allowance	Value of loans	Value of allowance	Additional allowance[1]	Existent Allowance	Value of loans	Value of allowance	Additional allowance[1]	Existent Allowance
AA	0	126,380,897	--	--	--	118,935,314	--	--	--	100,292,028	--	--	--
A	0.5	108,234,434	541,172	29,915	571,087	102,693,791	513,469	74,523	587,992	80,506,335	402,532	41	402,573
B	1	136,133,128	1,361,331	2,105	1,363,436	142,909,626	1,429,096	1,212	1,430,308	121,760,036	1,217,601	3,740	1,221,341
C	3	33,481,785	1,004,454	200,946	1,205,400	32,610,628	978,319	198,485	1,176,804	39,313,701	1,179,412	298,111	1,477,523
D	10	8,071,430	807,143	176,421	983,564	8,299,338	829,934	176,676	1,006,610	8,439,792	843,980	262,434	1,106,414
E	30	3,877,226	1,163,168	763,740	1,926,908	3,724,019	1,117,206	763,390	1,880,596	2,209,097	662,730	626,205	1,288,935
F	50	1,755,487	877,744	357,035	1,234,779	1,762,626	881,313	357,465	1,238,778	1,700,598	850,300	368,390	1,218,690
G	70	2,366,503	1,656,552	184,186	1,840,738	1,811,761	1,268,233	184,186	1,452,419	1,144,547	801,183	206,893	1,008,076
H	100	10,447,314	10,447,314	--	10,447,314	10,241,471	10,241,471	--	10,241,471	9,292,393	9,292,393	--	9,292,393
Total		**430,748,204**	**17,858,878**	**1,714,348**	**19,573,226**	**422,988,574**	**17,259,041**	**1,755,937**	**19,014,978**	**364,658,527**	**15,250,131**	**1,765,814**	**17,015,945**

(1) Refers to the additional provision to the minimum required by CMN Resolution nº. 2,682/1999, increased the experience of Management, by simulating on the loan portfolio, considering the history of default of operations in accordance with the good banking practice.

f) Changes in allowance for loan losses

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

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Opening balance	**17,236,001**	**16,499,018**	**19,014,978**	**17,314,731**
Provision/(reversal)	2,769,903	2,393,074	3,575,680	2,629,450
Value of allowance	2,812,895	2,393,074	3,617,269	2,629,450
Additional allowance	(42,992)	--	(41,589)	--
Exchange variation on allowances - foreign	(2,233)	(4,717)	(6,919)	(4,850)
Write-Off / Other settings	(2,661,990)	(2,724,197)	(3,025,805)	(2,923,386)
Added values[(1)]	--	--	15,292	--
Closing balance	**17,341,681**	**16,163,178**	**19,573,226**	**17,015,945**

(1) Refers to the balance from Eurobank.

g) Changes in allowance for other doubtful accounts

Includes provisions for other receivables without characteristics of credit.

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Opening balance	**938,612**	**808,015**	**1,084,733**	**881,992**
Provision/(reversal)	(140,176)	1,824	(135,567)	1,121
Exchange variation on allowances - foreign	(17)	39	(1,149)	39
Write-Off / Other settings	(403)	(2,043)	(76,398)	837
Closing balance	**798,016**	**807,835**	**871,619**	**883,989**

h) Leasing portfolio by maturity

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Up to 1 year [(1)]	18,567	18,942	18,404	1,562,394	1,659,973	1,799,884
More than 1 year and up to 5 years	7,296	11,039	22,672	1,203,154	1,395,455	1,885,586
Over 5 years	--	--	--	7,949	8,654	8,667
Total Present Value	**25,863**	**29,981**	**41,076**	**2,773,497**	**3,064,082**	**3,694,137**

(1) Includes amounts related to installments overdue.

i) Income from leasing operations

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Lease revenue	**4,972**	**5,795**	**484,510**	**638,239**
Leasing	4,972	5,795	484,510	638,239
Lease expenses	**(4,133)**	**(4,444)**	**(352,624)**	**(486,910)**
Leasing	(4,133)	(4,444)	(351,512)	(486,486)
Operating leases	--	--	(29)	(29)
Loss on disposal of leased assets	--	--	(1,083)	(395)
Total	**839**	**1,351**	**131,886**	**151,329**

j) Concentration of loans

R$ thousand

	Banco do Brasil					
	03.31.2012	% of credit portfolio	12.31.2011	% of credit portfolio	03.31.2011	% of credit portfolio
10 largest debtors	31,295,689	7.9	29,837,569	7.7	28,494,139	8.6
Next 50 largest debtors	34,360,297	8.7	33,549,790	8.7	29,848,314	9.0
Next 100 largest debtors	23,871,489	6.0	23,769,858	6.1	21,480,708	6.5

k) Supplementary information

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Renegotiated loans [1]	5,619,441	3,998,651	6,355,853	5,183,095
Income from recovery of loans previously written off as loss	724,443	740,771	749,840	855,098

	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Credits contracted to release	122,075,600	119,395,981	101,725,991	115,249,749	111,974,517	95,063,396
Guarantees given [2]	8,499,483	7,345,903	8,078,850	13,675,189	12,604,492	12,501,672
Confirmed export credits	1,136,179	1,032,833	745,667	1,141,321	1,037,372	753,199
Credit opened for import	651,569	437,833	417,739	712,247	505,697	417,867
Resources linked [3]	591,122	628,848	726,395	1,026,454	1,093,251	1,148,717
Credit operations linked [3]	872,803	901,043	804,410	939,287	969,511	875,462

(1) Refers to the book value of loan operations, normal and abnormal, renegotiated using Internet, ATM network or the agency chain. It is considered a renegotiation any type of agreement involving the change in maturity or the payment terms originally agreed, as composition of debt, extension, novation, granting of a new operation for partial or full liquidation of previous operation.

(2) For these operations, the Bank maintains an allowance recorded in Other Liabilities - Sundry, (Note 20.e) totaling R$ 109,742 thousand (R$ 111,760 thousand, on 12.31.2011 and R$ 97,612 thousand, on 03.31.2011) in Banco do Brasil and R$ 113,569 thousand in BB-Consolidated (R$ 115,624 thousand, on 12.31.2011 and R$ 104,303 thousand, on 03.31.2011), calculated in accordance with Resolution CMN 2682/1999.

(3) On 03.31.2012, there are no operations in default and not judicial questioning on active operations or linked to the funds raised to implement these operations.

In accordance with Resolution 680/2011 of the Executive Council of Fund for Workers' Assistance - CODEFAT, Banco do Brasil had applied, on 03.31.2012, resources from the Fund for Workers' Assistance - FAT in the amount of R$ 3,873,837 thousand in Loans and securities discounted, R$ 193,874 thousand in Financing and R$ 2,384,529 thousand in Rural and agribusiness financing.

11 – Other Receivables

a) Specific credits

Refer to National Treasury credits – extension of the terms of rural financing - in the amount of R$ 1,176,512 thousand (R$ 1,146,328 thousand on 12.31.2011 and R$ 1,056,877 thousand on 03.31.2011), established in Law 9,138/1995.

b) Sundry

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Deferred tax assets - Tax credits (Note 25.e)	20,788,683	19,748,466	20,013,745	23,725,837	22,753,544	22,324,812
Credit and debit card operations	16,641,863	15,907,511	13,482,891	16,641,863	15,907,511	13,482,891
Actuarial assets – Previ (Note 27.d)	13,870,077	13,372,004	10,562,723	13,870,077	13,372,004	10,562,723
Sundry debtors from escrow deposits – lawsuit (Note 28.e)	13,540,555	13,348,256	12,690,064	13,540,555	13,348,256	12,690,064
Sundry debtors from escrow deposits – contingencies (Note 28.d)	10,721,747	10,496,135	9,824,756	12,481,585	12,187,865	11,474,986
Fund allocation of surplus - Previ (note 27.e)	9,753,762	9,638,387	9,385,110	9,753,762	9,638,387	9,385,110
Income tax and social contribution on net income to offset	6,599,720	7,700,142	5,128,819	7,467,363	8,788,727	5,620,242
Notes and credits receivable – other	940,168	1,035,859	597,182	2,367,830	2,286,374	859,737
Receivables - non-financial companies	--	--	--	2,202,650	2,387,450	3,069,277
National Treasury - equalization of taxes Agricultural Crop	2,024,376	3,519,364	2,913,480	2,024,376	3,519,364	2,913,480
Sundry debtors – domestic	1,151,836	1,391,821	1,367,944	1,609,397	1,819,216	1,957,585
Income credit linked to acquired operations[1]	1,385,011	--	--	1,385,011	--	--
Accounts receivable – National Treasury	1,064,661	1,047,434	1,336,470	1,064,661	1,047,434	1,336,470
Sundry debtors - foreign	36,674	83,090	12,880	514,465	511,334	26,705
Advances to Credit Guarantee of Fund (FGC)	406,678	467,679	650,684	406,678	467,679	650,684
Salary and other advances	210,731	228,621	227,977	215,038	238,757	234,286
Purchase of assets receivable	117,018	128,381	163,109	117,018	128,383	163,109
Sundry debtors from escrow deposits - others	18,539	12,406	37,711	55,039	47,737	37,805
Acquisition of rights arising from exploration and production of oil, natural gas and mineral resources	53,182	59,948	79,257	53,182	59,948	79,257
Others	483,853	444,320	409,808	444,340	401,898	390,497
Total	**99,809,134**	**98,629,824**	**88,884,610**	**109,940,727**	**108,911,868**	**97,259,720**
Current assets	43,120,076	43,831,069	38,967,351	50,356,285	51,189,006	44,306,593
Non-current assets	56,689,058	54,798,755	49,917,259	59,584,442	57,722,862	52,953,127

(1) Refer to the payroll loans and vehicle financing portfolios granted to individuals, acquired by the Bank with joint liability of the transferor, accounted in accordance with CMN Resolution 3.533/2008.

12 – Foreign Exchange Portfolio

a) Breakdown

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Other Receivables						
Forward foreign exchange purchases pending settlement	15,950,497	14,931,009	11,693,948	16,479,628	15,362,484	12,143,024
Bills of exchange and time drafts in foreign currency	78,972	79,730	73,853	78,972	79,730	73,853
Receivables from sales of foreign exchange	21,593,129	21,667,265	30,764,465	21,652,261	21,672,632	31,049,307
(Advances received in local/foreign currency)	(18,769,824)	(19,629,278)	(27,997,133)	(18,772,443)	(19,631,530)	(28,283,885)
Foreign currency receivables	4,642	5,549	4,218	4,643	5,549	4,218
Income receivable on advances granted and financed imports	139,626	114,789	87,244	150,302	126,539	95,145
Total	**18,997,042**	**17,169,064**	**14,626,595**	**19,593,363**	**17,615,404**	**15,081,662**
Current assets	18,997,042	17,169,064	12,810,569	19,593,363	17,615,404	13,265,636
Non-current assets	_	_	1,816,026	_	_	1,816,026
Other Liabilities						
Forward foreign exchange sales pending settlement	22,737,026	23,448,449	29,541,809	22,797,298	23,453,654	29,823,243
(Financed imports)	(12,186)	(5,569)	(6,899)	(12,186)	(5,569)	(6,899)
Foreign exchange purchase liabilities	15,466,520	13,967,565	12,064,107	15,978,545	14,360,893	12,531,454
(Advances on foreign exchange contracts)	(10,788,826)	(9,091,438)	(8,749,024)	(11,157,745)	(9,453,929)	(9,046,814)
Foreign currency payables	5,061	5,175	4,644	56,156	59,199	56,178
Unearned income on advances granted	2,512	2,009	3,640	2,512	2,009	3,640
Total	**27,410,107**	**28,326,191**	**32,858,277**	**27,664,580**	**28,416,257**	**33,360,802**
Current liabilities	15,323,475	16,044,850	10,425,987	15,577,948	16,134,916	10,928,512
Non-current liabilities	12,086,632	12,281,341	22,432,290	12,086,632	12,281,341	22,432,290
Net Foreign Exchange Portfolio	**(8,413,065)**	**(11,157,127)**	**(18,231,682)**	**(8,071,217)**	**(10,800,853)**	**(18,279,140)**
Memorandum Accounts						
Credit opened for imports	1,172,660	860,272	859,646	1,247,233	942,877	871,376
Confirmed export credit	1,136,179	1,032,833	745,667	1,141,321	1,037,372	753,199

b) Foreign Exchange Results

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Foreign exchange income	4,346,726	1,231,827	4,505,666	1,443,684
Foreign exchange expenses	(4,048,437)	(1,013,740)	(4,191,499)	(1,200,046)
Foreign exchange result	**298,289**	**218,087**	**314,167**	**243,638**

13 – Other Assets

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Non-operating Assets[1]	**274,260**	**266,868**	**271,290**	**451,038**	**409,124**	**362,595**
Assets in special regime	164,703	162,588	165,711	164,789	162,674	165,797
Vehicles	418	578	594	130,064	107,999	89,445
Buildings	82,314	76,893	76,888	117,146	96,006	78,200
Property	18,812	18,675	19,185	18,812	18,675	19,185
Machinery and equipment	7,936	8,056	6,390	8,860	8,980	7,322
Other	77	78	2,522	11,367	14,790	2,646
Supply Materials	**22,186**	**22,655**	**26,905**	**56,439**	**59,341**	**41,428**
Subtotal Other Assets	**296,446**	**289,523**	**298,195**	**507,477**	**468,465**	**404,023**
(Impairment)	(169,099)	(170,279)	(171,033)	(187,225)	(188,463)	(180,725)
Prepaid Expenses	**3,593,866**	**4,017,349**	**3,537,238**	**4,906,000**	**4,840,224**	**3,845,643**
Premiums for purchased credits payroll [2]	2,794,453	3,265,592	2,708,573	2,343,235	2,370,968	2,119,926
Insurance and capitalization selling expenses	--	--	--	1,014,338	982,521	375,328
Right on the custody of judicial deposits	558,881	514,948	581,562	558,881	514,948	581,562
Commissions paid to tradesmen – financing of vehicles	8,735	11,361	22,665	409,724	376,671	156,777
Personnel expenses – meal program	93,194	92,751	84,280	93,194	92,751	84,280
Premium paid to costumers – Partnerships retailers	61,062	63,590	74,370	61,062	63,590	74,370
Other	77,541	69,107	65,788	425,566	438,775	453,400
Total Other Assets	**3,721,213**	**4,136,593**	**3,664,400**	**5,226,252**	**5,120,226**	**4,068,941**
Current assets	1,485,651	1,524,119	1,497,542	2,690,435	2,723,551	1,442,376
Non-current assets	2,235,562	2,612,474	2,166,858	2,535,817	2,396,675	2,626,565

(1) The Bank recognized impairment losses of assets not in use in the amount of R$ 11,597 thousand (R$ 10,223 thousand in the 1st quarter 2011) in the Banco do Brasil and the amount of R$ 12,286 thousand (R$ 14,176 thousand in the 1st quarter 2011) in the BB-Consolidated.

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

14 – Investments

a) Changes in subsidiaries and affiliates

R$ thousand

	BB-Banco Múltiplo							BB-Consolidated						
	Book value	Changes - 1st quarter/2012			Book value		Equity income	Book value	Changes - 1st quarter/2012			Book value		Equity income
	12.31.2011	Dividends	Other Events	Equity income	03.31.2012	03.31.2011	1st quarter/2011	12.31.2011	Dividends	Other Events	Equity income	03.31.2012	03.31.2011	1st quarter/2011
Domestic	**18,034,933**	**(15,482)**	**(63,843)**	**566,394**	**18,522,002**	**17,316,748**	**732,115**	**6,440,660**	**(26)**	**(120,651)**	**930**	**6,320,913**	**7,051,673**	**9,309**
BB Seguros Participações S.A.	3,887,002	--	338	201,138	4,088,478	2,915,691	156,043	--	--	--	--	--	--	--
Banco Votorantim S.A.	3,504,357	--	51,713	(236,739)	3,319,331	3,993,548	147,806	--	--	--	--	--	--	--
BB Leasing S.A. - Arrendamento Mercantil	3,453,732	--	--	36,238	3,489,970	3,372,969	57,201	--	--	--	--	--	--	--
BB Banco de Investimento S.A.	1,815,300	--	9,213	315,253	2,139,766	1,314,991	187,950	--	--	--	--	--	--	--
BB Gestão de Recursos - Distribuidora de Títulos e Valores Mobiliários S.A.	125,829	--	5,705	151,165	282,699	256,927	122,448	--	--	--	--	--	--	--
Cobra Tecnologia S.A.	124,387	(760)	3	5,894	129,524	117,769	(15,308)	--	--	--	--	--	--	--
BV Participações S.A.	105,119	(14,696)	--	(11,324)	79,099	64,625	4,455	--	--	--	--	--	--	--
BB Administradora de Consórcios S.A.	49,960	--	--	33,819	83,779	47,001	22,558	--	--	--	--	--	--	--
BB Corretora de Seguros e Administradora de Bens S.A.	33,512	--	(11)	67,838	101,339	64,319	30,807	--	--	--	--	--	--	--
Cadam S.A.	22,216	--	--	(599)	21,617	43,574	(445)	22,216	--	--	(599)	21,617	43,574	(445)
BB Administradora de Cartões de Crédito S.A.	19,326	--	(23)	3,953	23,256	23,708	2,569	--	--	--	--	--	--	--
BB-Elo Cartões Participações S.A.	18,843	--	--	(698)	18,145	10,923	152	--	--	--	--	--	--	--
Besc Distribuidora de Títulos e Valores Mobiliários S.A. - Bescval	7,127	--	--	50	7,177	12,895	266	--	--	--	--	--	--	--
Tecnologia Bancária S.A. - Tecban	6,807	--	--	370	7,177	7,654	18	--	--	--	--	--	--	--
Cia. Hidromineral Piratuba	2,305	(26)	--	73	2,352	2,249	38	2,305	(26)	--	73	2,352	2,249	38
Companhia Brasileira de Securitização – Cibrasec [1]	2,286	--	--	(37)	2,249	2,301	227	--	--	--	--	--	--	--
Cia. Catarinense de Assessoria e Serviços – CCA [2]	228	--	--	--	228	228	--	228	--	--	--	228	228	--
Itapebi	--	--	--	--	--	--	--	75,259	--	--	8,501	83,760	63,031	(276)
Mapfre Nossa Caixa Vida e Previdência S.A.	--	--	--	--	--	--	--	11,074	--	--	580	11,654	7,914	(63)
Vida Seguradora S.A.	--	--	--	--	--	--	--	--	--	--	--	--	99,142	10,113
Estruturadora Brasileira de Projetos - EBP	--	--	--	--	--	--	--	406	--	--	1,026	1,432	1,003	(550)
BB Aliança Participações S.A.[3]	--	--	--	--	--	--	15,311	--	--	--	--	--	--	--
Nossa Caixa Capitalização S.A.[4]	--	--	--	--	--	--	19	--	--	--	--	--	--	--
Pronor [5]	--	--	--	--	--	--	--	--	--	--	--	--	19,098	492
Other equity [6]	--	--	--	--	--	--	--	64,049	--	84,315	(8,651)	139,713	--	--
Goodwill/Bargain purchase on acquisition of investiments	4,856,597	--	(130,781)	--	4,725,816	5,065,376	--	6,265,123	--	(204,966)	--	6,060,157	6,815,434	--

R$ thousand

	BB-Banco Múltiplo							BB-Consolidated						
	Book value	Changes - 1st quarter/2012			Book value		Equity income	Book value	Changes - 1st quarter/2012			Book value		Equity income
	12.31.2011	Dividends	Other Events	Equity income	03.31.2012	03.31.2011	1st quarter/2011	12.31.2011	Dividends	Other Events	Equity income	03.31.2012	03.31.2011	1st quarter/2011
Abroad	**2,187,817**	**--**	**71,455**	**(66,647)**	**2,237,241**	**1,010,379**	**(16,574)**	**400,283**	**--**	**121,369**	**(115,672)**	**405,980**	**--**	**(29,084)**
Brasilian American Merchant Bank	816,428	--	(17,660)	(3,973)	794,795	703,253	12,054	--	--	--	--	--	--	--
Banco Patagonia	637,770	--	(29,275)	50,530	659,025	--	--	--	--	--	--	--	--	--
Banco do Brasil AG. Viena (Áustria)	213,083	--	572	1,148	214,803	208,013	(713)	--	--	--	--	--	--	--
BB Leasing Company Ltd	83,157	--	(2,377)	491	81,271	71,541	303	--	--	--	--	--	--	--
Eurobank	--	--	--	(2,558)	42,058	--	--	--	--	--	--	--	--	--
BB Securities LLC	37,096	--	(1,060)	3,273	39,309	27,572	678	--	--	--	--	--	--	--
Other equity abroad	43,474	--	2	--	43,476	--	--	43,474	--	2	--	43,476	--	--
Goodwill on acquisition of investiments	356,809	--	5,695	--	362,504	--	--	356,809	--	5,695	--	362,504	--	--
Profit / (loss) in the agencies	--	--	63,384	(63,384)	--	--	(20,124)	--	--	63,384	(63,384)	--	--	(20,124)
Profit / (loss) of subsidiaries	--	--	52,288	(52,288)	--	--	(8,960)	--	--	52,288	(52,288)	--	--	(8,960)
Increase / decrease in equity resulting from handling	--	--	(114)	114	--	--	188	--	--	--	--	--	--	--
Total Investments in Subsidiaries and Affiliates	**20,222,750**	**(15,482)**	**7,612**	**499,747**	**20,759,243**	**18,327,127**	**715,541**	**6,840,943**	**(26)**	**718**	**(114,742)**	**6,726,893**	**7,051,673**	**(19,775)**

(1) The information refers to the period from December/2011 to February/2012.

(2) Company in liquidation process, not valued by the equity method.

(3) Investment transferred to holding BB-Mapfre SH1 Participações S.A.

(4) Investment transferred to subsidiary BB-Seguros Participações S.A. in 1st half of 2011.

(5) Investment divested in 1st half of 2011.

(6) Refers to investments on non-financial associated companies.

R$ thousand

	Realized capital stock	Adjusted Shareholders' Equity	Net income (loss) in 1st quarter/2012	Quantity of Shares (in thousands)		Ownership interest in the total capital %
				Common	Preferred	
Domestic						
Banco Votorantim S.A.	5,026,848	6,786,985	(596,587)	33,356,791	7,412,620	50
BB Seguros Participações S.A.	3,103,201	4,088,478	247,828	235,922	--	100
BB Leasing S.A. - Arrendamento Mercantil	3,261,860	3,489,970	36,238	3,000	--	100
BB Banco de Investimento S.A.	1,088,126	2,139,766	315,253	3,249	--	100
Itapebi	105,000	440,840	44,740	19,950	--	19
BV Participações S.A.	90,423	158,197	(22,648)	15,105	15,106	50
Tecnologia Bancária S.A. – Tecban (1)	166,406	159,133	7,971	508,185	--	13.53
BB Gestão de Recursos - Distribuidora de Títulos e Valores Mobiliários S.A.	109,698	282,699	151,165	100,000	--	100
Cobra Tecnologia S.A.	119,513	129,558	4,932	248,459	248,586	99.97
Cadam S.A.	183,904	99,895	(206)	--	4,762	21.64
Companhia Brasileira de Securitização – Cibrasec (2)	68,475	74,222	1,188	8	--	12.12
BB Administradora de Consórcios S.A.	24,443	83,779	33,819	14	--	100
BB Corretora de Seguros e Administradora de Bens S.A.	26,918	101,339	67,838	1,000	--	100
BB Administradora de Cartões de Crédito S.A.	9,300	23,256	3,953	398,158	--	100
BB-Elo Cartões Participações S.A.	26,500	18,145	(698)	10,000	--	100
Cia. Hidromineral Piratuba	4,062	14,527	391	63,931	--	16.19
Besc Distribuidora de Títulos e Valores Mobiliários S.A. - Bescval	6,312	7,205	50	10,168,624	--	99.62
Estruturadora Brasileira de Projetos - EBP	100,000	12,886	9,237	3,859	1,217	11.11
Cia. Catarinense de Assessoria e Serviços - CCA	780	474	--	260	520	48.13
Abroad						
Banco Patagonia	298,998	1,117,686	85,702	424,101,958	--	58.96
Brasilian American Merchant Bank	439,023	794,795	(3,973)	241,023	--	100
Banco do Brasil AG. Viena (Áustria)	45,704	214,804	1,148	188	--	100
BB Leasing Company Ltd.	--	81,271	491	1,000	--	100
BB Securities LLC	9,108	39,309	3,273	5,000	--	100
Eurobank	53,734	42,058	(2,558)	835,855	--	100

(1) Banco do Brasil's direct interest of 4.51%.
(2) Banco do Brasil's direct interest of 3.03%.

b) Other Investments

R$ thousand

	BB-Banco Múltiplo			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Tax incentive investments	11,386	11,386	18,810	85,335	84,403	84,266
Equity securities	58	58	58	146	146	146
Stocks and shares	52,859	52,738	52,497	56,890	56,789	56,313
Other investments (1)	3,223	3,232	3,267	1,141,803	1,074,638	1,005,813
Other investments abroad	283	303	11,516	284	303	12,317
Total	**67,809**	**67,717**	**86,148**	**1,284,458**	**1,216,279**	**1,158,855**
Allowance for losses (2)	(49,245)	(49,246)	(51,354)	(84,195)	(84,198)	(84,414)

(1) Includes, in BB-Consolidated, the amount of R$ 979,985 thousand (R$ 914,059 thousand in 12.31.2011 and R$ 894,933 thousand in 03.31.2011), realting to the investments of Neoenergia S.A. a jointly-owned subsidiary.
(2) Includes, in BB-Banco Múltiplo, the amount of R$ 4,267 thousand relating to impairment losses in Cadam S.A. and Cia. Catarinense de Assessoria e Serviços – CCA.

c) Goodwill on acquisition of investments

R$ thousand

Changes of Goodwill	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Opening Balance	**5,213,406**	**5,134,968**	**6,623,497**	**6,887,334**
Acquisitions [1]	19,572	--	19,572	75,773
Amortizations [2]	(144,658)	(69,592)	(218,846)	(147,673)
Closing Balance	**5,088,320**	**5,065,376**	**6,424,223**	**6,815,434**

(1) According to Note 2.ª

(2) Recorded in Other Operating Expenses.

d) Expected Goodwill Amortization

R$ thousand

	2012	2013	2014	2015	2016	2017	2018	2019	From 2020 to 2052	Total
Banco do Brasil	**434,006**	**712,855**	**807,571**	**908,496**	**1,002,095**	**1,107,542**	**39,919**	**40,714**	**35,122**	**5,088,320**
Banco Nossa Caixa	355,441	617,846	709,394	807,756	900,156	1,007,459	--	--	--	4,398,052
Banco Votorantim	36,892	54,570	56,722	57,981	60,466	61,133	--	--	--	327,764
Banco Patagonia	41,613	40,056	40,654	41,226	39,104	35,606	36,296	37,021	31,360	342,936
Eurobank	60	383	801	1,533	2,369	3,344	3,623	3,693	3,762	19,568
Tax effects[1]	(173,602)	(285,142)	(323,028)	(363,398)	(400,838)	(443,017)	(15,968)	(16,286)	(14,049)	(2,035,328)
Net total	**260,404**	**427,713**	**484,543**	**545,098**	**601,257**	**664,525**	**23,951**	**24,428**	**21,073**	**3,052,992**
Other Equity										
BB-BI	**82,498**	**127,614**	**147,360**	**168,092**	**191,781**	**211,293**	**43,280**	**--**	**--**	**971,918**
Cielo	72,683	111,552	127,883	146,681	168,243	192,975	38,571	--	--	858,588
Alelo	9,815	16,062	19,477	21,411	23,538	18,318	4,709	--	--	113,330
BB Aliança Participações S.A.	**78,468**	**90,674**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**169,142**
Aliança do Brasil	78,468	90,674	--	--	--	--	--	--	--	169,142
BB Aliança Rev Participações S.A.	**19,339**	**26,049**	**30,096**	**25,766**	**--**	**--**	**--**	**--**	**--**	**101,250**
Brasilveículos	19,339	26,049	30,096	25,766	--	--	--	--	--	101,250
BB Seguros	**14,572**	**18,308**	**15,505**	**11,022**	**9,154**	**8,593**	**8,780**	**7,659**	**--**	**93,593**
Brasilcap	14,572	18,308	15,505	11,022	9,154	8,593	8,780	7,659	--	93,593
BB Consolidated	**628,883**	**975,500**	**1,000,532**	**1,113,376**	**1,203,030**	**1,327,428**	**91,979**	**48,373**	**35,122**	**6,424,223**
Tax effects [1]	(244,810)	(382,098)	(397,476)	(443,143)	(480,663)	(530,456)	(36,265)	(18,890)	(14,049)	(2,547,850)
Net total	**384,073**	**593,402**	**603,056**	**670,233**	**722,367**	**796,972**	**55,714**	**29,483**	**21,073**	**3,876,373**

(1) 25% of income tax and social contribution of 15% for financial companies and 25% of income tax and social contribution of 9% for non-financial company.

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

e) Goodwill Impairment test

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

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

The cash flow of the entities below were designed for ten years, perpetuating from the eleventh year, with growth rate established. For the periods of excess cash flow to the terms of budget and business plan, the growth estimates are in line with those adopted by the entities. The nominal discount rate

was measured, annually, based on the CAPM (Capital Asset Pricing Model) adjusted to the Brazilian market and referenced in Reais (R$), exception of Banco Patagonia, whose model was adjusted to Argentine market and referenced in Argentine Pesos (ARS).

Entities (cash-generating units)	Growth rate[1]	Discount rate[2]
Banco Votorantim	5.00%	12.45%
Banco Patagonia	14.90%	23.92%
Cielo	5.00%	12.80%
CBSS	5.00%	12.43%
Aliança do Brasil	5.00%	14.09%
Brasilveículos	5.00%	11.25%
Brasilcap	2.85%	9.16%

(1) Nominal growth in perpetuity,

(2) Geometric mean of ten years of projection,

The impairment test of goodwill on acquisition of Banco Nossa Caixa, which was incorporated by Banco do Brasil, consider the value in use of Banco do Brasil in the state of São Paulo (cash-generating unit). Cash flows are based on cash-generating unit results in 2011, with increase of PIB (Gross Domestic Product) and IPCA (National Consumer Price Index) designed for ten years. Cash flows were discounted by ETTJ (Term Structure of Interest Rates), collected at the BM&Fbovespa.

Entity (cash-generating unit)	Growth rate [1]	Discount rate [1]
Banco do Brasil – State of São Paulo – Goodwill of Banco Nossa Caixa	6.80%	10.96%

(1) Geometric mean of ten years of projection.

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

In 1st quarter 2012 and 1st quarter 2011, there was no impairment loss on goodwill generated in the acquisition of investments.

15 – Property and Equipment

R$ thousand

	Banco do Brasil								
	12.31.2011	1st quarter/2012			03.31.2012				03.31.2012
	Book Balance	Changes	Depreciation	Provision for Impairment	Cost	Accumulated Depreciation	Accumulated Impairment	Book Balance	Book Balance
Property and Equipment in Use									
Buildings	2,083,939	117,841	(68,898)	(4,104)	4,141,433	(2,008,510)	(4,145)	2,128,778	1,805,869
Data processing systems	1,550,849	126,263	(136,224)	(950)	4,451,412	(2,910,514)	(960)	1,539,938	1,496,506
Furniture and equipment in use	617,629	35,313	(28,145)	--	1,389,988	(765,191)	--	624,797	539,171
Land	208,267	(65)	--	--	208,202	--	--	208,202	212,418
Facilities	182,643	7,148	(8,697)	--	970,535	(789,441)	--	181,094	176,761
Constructions in progress	219,962	13,409	--	--	233,371	--	--	233,371	114,713
Communication systems	64,368	2,364	(3,964)	--	205,409	(142,641)	--	62,768	123,685
Security systems	128,709	7,692	(6,731)	--	322,439	(192,769)	--	129,670	90,855
Furniture and equipment in stock	4,192	(329)	--	--	3,863	--	--	3,863	7,999
Transport systems	1,680	9	(53)	--	3,439	(1,803)	--	1,636	32
Total	**5,062,238**	**309,645**	**(252,712)**	**(5,054)**	**11,930,091**	**(6,810,869)**	**(5,105)**	**5,114,117**	**4,568,009**

R$ thousand

	BB-Consolidated								
	12.31.2011	1st quarter/2012			03.31.2012				03.31.2011
	Book Balance	Changes	Depreciation	Provision for Impairment	Cost	Accumulated Depreciation	Accumulated Impairment	Book Balance	Book Balance
Property and Equipment in Use									
Buildings	2,175,027	121,858	(69,615)	(4,104)	4,260,514	(2,033,203)	(4,145)	2,223,166	1,813,328
Data processing systems	1,706,433	137,816	(139,053)	(950)	4,718,613	(3,013,407)	(960)	1,704,246	1,601,336
Furniture and equipment in use	790,383	38,798	(36,365)	(112)	1,901,859	(1,108,154)	(1,001)	792,704	656,208
Land	228,533	6,606	--	--	235,139	--	--	235,139	218,186
Facilities	220,932	7,180	(10,106)	--	1,035,994	(817,988)	--	218,006	210,950
Constructions in progress	252,258	6,744	--	--	259,002	--	--	259,002	136,113
Communication systems	70,277	2,096	(4,219)	--	218,421	(150,267)	--	68,154	128,055
Security systems	130,576	7,951	(6,828)	--	326,986	(195,287)	--	131,699	91,734
Transport systems	10,475	(79)	(625)	--	33,751	(23,980)	--	9,771	3,226
Furniture and equipment in stock	4,192	(329)	--	--	3,863	--	--	3,863	7,999
Total	**5,589,086**	**328,641**	**(266,811)**	**(5,166)**	**12,994,142**	**(7,342,286)**	**(6,106)**	**5,645,750**	**4,867,135**

16 – Intangible Assets

a) Changes and Breakdown

R$ thousand

	Banco do Brasil									
	12.31.2011	1st quarter/2012				03.31.2012				03.31.2011
	Book Balance	Acquisitions	Write-offs	Amortization	Provision for Impairment [1]	Cost	Accumulated Amortization	Accumulated Impairment	Book Balance	Book Balance
Rights to manage payroll	6,027,015	155,885	(62,170)	(555,246)	--	10,836,311	(5,217,927)	(52,900)	5,565,484	5,299,086
Softwares	664,931	43,426	(119)	(46,949)	--	1,006,574	(345,285)	--	661,289	617,092
Other intangible assets (2)	2,823,856	4,070	--	(30,000)	--	2,827,926	(30,000)	--	2,797,926	--
Total	**9,515,802**	**203,381**	**(62,289)**	**(632,195)**	**--**	**14,670,811**	**(5,593,212)**	**(52,900)**	**9,024,699**	**5,916,178**

R$ thousand

	BB-Consolidated									
	12.31.2011	1st quarter/2012				03.31.2012				03.31.2011
	Book Balance	Acquisitions	Write-offs	Amortization	Provision for Impairment [1]	Cost	Accumulated Amortization	Accumulated Impairment	Book Balance	Book Balance
Rights to manage payroll	6,027,015	155,885	(62,170)	(555,246)	--	10,836,311	(5,217,927)	(52,900)	5,565,484	5,299,086
Softwares	871,462	43,472	(119)	(48,580)	--	1,392,110	(525,875)	--	866,235	729,715
Other intangible assets [2]	2,837,547	5,724	--	(30,094)	(209)	2,843,854	(30,677)	(209)	2,812,968	6,992
Total	**9,736,024**	**205.081**	**(62,289)**	**(633,920)**	**(209)**	**15,072,275**	**(5,774,479)**	**(53,109)**	**9,244,687**	**6,035,793**

(1) Recorded in Other Operating Expenses.
(2) Includes the right to use the structure of the Postal Bank to correspondent banking services in the amount of R$ 2,827,926 thousand (Note 31.d).

b) Estimate for Amortization

R$ thousand

	Banco do Brasil						
Year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**Total**
Amounts to be amortized	1,857,482	2,316,018	1,932,532	1,484,153	1,257,192	177,322	**9,024,699**

R$ thousand

	BB-Consolidated						
Year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**Total**
Amounts to be amortized	1,890,480	2,360,015	1,976,530	1,528,150	1,301,190	188,322	**9,244,687**

17 – Deposits and securities sold under repurchase agreements

a) Deposits

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	**12.31.2011**	**03.31.2011**	**03.31.2012**	**12.31.2011**	**03.31.2011**
Demand Deposits	**58,899,396**	**60,371,172**	**59,357,938**	**60,658,967**	**62,016,372**	**59,553,109**
Individuals	23,377,562	24,720,856	25,183,110	23,445,283	24,779,124	25,226,321
Companies	18,954,204	22,063,307	20,005,252	20,583,403	23,728,405	20,208,031
Restricted	11,215,606	6,522,029	8,882,176	11,236,933	6,528,126	8,882,423
Government	2,755,435	3,530,600	2,915,677	2,755,435	3,530,600	2,915,677
Special from Federal Treasury	795,756	702,242	857,231	795,756	702,242	857,231
Foreign currency	779,548	759,764	514,615	779,548	759,684	514,555
Financial system institutions	393,617	625,785	378,843	447,928	594,732	319,349
Related companies	437,242	864,420	442,673	424,787	811,726	443,423
Domiciled abroad	27,851	38,570	16,704	27,319	38,134	24,442
Other	162,575	543,599	161,657	162,575	543,599	161,657
Savings Deposits	**101,815,206**	**100,109,839**	**90,516,215**	**101,815,206**	**100,109,839**	**90,516,215**
Individuals	95,184,063	93,778,940	84,320,069	95,184,063	93,778,940	84,320,069
Companies	6,373,451	6,056,292	5,908,774	6,373,451	6,056,292	5,908,774
Related companies	240,597	257,435	278,929	240,597	257,435	278,929
Financial system institutions	17,095	17,172	8,443	17,095	17,172	8,443
Interbank Deposits	**17,397,212**	**18,139,907**	**15,658,090**	**14,272,372**	**14,450,354**	**12,068,806**
Time Deposits	**254,896,990**	**250,183,824**	**207,833,448**	**270,123,275**	**265,808,991**	**219,031,359**
National currency	156,605,296	153,957,218	121,381,857	166,992,608	164,801,983	132,490,585
Judicial	80,393,555	77,591,835	67,544,351	80,469,501	77,666,810	67,544,596
Foreign currency	10,212,248	10,018,819	8,783,325	14,975,275	14,724,246	8,872,263
Funds and programs – FAT (Note 17.e)	6,986,035	7,924,910	9,528,499	6,986,035	7,924,910	9,528,499
Funproger (Note 17.f)	152,945	147,175	123,621	152,945	147,175	123,621
Other	546,911	543,867	471,795	546,911	543,867	471,795
Deposits for Investments	**--**	**--**	**--**	**--**	**--**	**69**
Total	**433,008,804**	**428,804,742**	**373,365,691**	**446,869,820**	**442,385,556**	**381,169,558**
Current liabilities	292,753,715	291,937,609	283,063,995	303,838,766	302,505,147	288,509,892
Non-current liabilities	140,255,089	136,867,133	90,301,696	143,031,054	139,880,409	92,659,666

b) Segregation of deposits by deadline chargeability

R$ thousand

	Banco do Brasil								
	Without maturity	**Up to 3 months**	**3 to 12 months**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**	**03.31.2012**	**12.31.2011**	**03.31.2011**
Time deposits [1]	91,791,442	9,958,177	14,561,837	62,414,127	76,151,048	20,359	254,896,990	250,183,824	207,833,448
Savings deposits	101,815,206	**--**	**--**	**--**	**--**	**--**	101,815,206	100,109,839	90,516,215
Demand deposits	58,899,396	**--**	**--**	**--**	**--**	**--**	58,899,396	60,371,172	59,357,938
Interbank deposits	439,695	9,340,976	5,946,986	1,246,159	406,988	16,408	17,397,212	18,139,907	15,658,090
Total	**252,945,739**	**19,299,153**	**20,508,823**	**63,660,286**	**76,558,036**	**36,767**	**433,008,804**	**428,804,742**	**373,365,691**

R$ thousand

	BB-Consolidated								
	Without maturity	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	03.31.2012	12.31.2011	03.31.2011
Time deposits (1)	91,813,704	16,448,545	21,083,736	64,540,118	76,214,246	22,926	270,123,275	265,808,991	219,031,359
Savings deposits	101,815,206	--	--	--	--	--	101,815,206	100,109,839	90,516,215
Demand deposits	60,658,967	--	--	--	--	--	60,658,967	62,016,372	59,553,109
Interbank deposits	439,695	5,832,934	5,745,979	1,483,101	407,673	362,990	14,272,372	14,450,354	12,068,806
Deposits for investments	--	--	--	--	--	--	--	--	69
Total	**254,727,572**	**22,281,479**	**26,829,715**	**66,023,219**	**76,621,919**	**385,916**	**446,869,820**	**442,385,556**	**381,169,558**

(1) Includes the amounts of R$ 158,452,007 thousand (R$ 151,015,003 thousand on 12.31.2011 and R$ 82,411,007 thousand on 03.31.2011) at Banco do Brasil and R$ 163,777,725 thousand (R$ 156,117,461 thousand, on 12.31.2011 and R$ 93,106,817 thousand on 03.31./2011) at BB-Consolidated, relating to term deposits with early repurchase clause (liquidity commitment), considering the original maturity dates.

c) Securities sold under repurchase agreements

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Own Portfolio	**42,439,705**	**54,245,739**	**45,125,927**	**53,365,595**	**66,475,487**	**55,938,695**
Financial treasury bills	27,308,111	42,442,652	30,433,058	26,482,339	41,684,702	29,384,931
National treasury bills	4,635,864	8,433,559	9,224,460	1,861,299	8,137,004	9,296,577
Corporate bonds	7,663,295	663,897	--	17,963,229	10,966,500	8,885,087
National treasury notes	476,412	329,210	4,466,529	3,955,000	2,431,697	6,833,036
Securities abroad	2,356,023	2,376,421	1,001,880	2,677,672	2,805,225	1,092,485
Other		--	--	426,056	450,359	446,579
Third-Party Portfolio	**144,087,549**	**125,956,513**	**119,495,543**	**146,290,336**	**128,695,556**	**123,433,387**
Financial treasury bills	110,668,590	106,124,154	97,646,138	110,668,590	107,356,969	97,646,138
National treasury bills	28,982,240	15,765,106	18,880,160	29,886,061	17,181,358	21,614,824
Securities abroad	2,938,227	3,218,920	2,569,247	2,938,227	3,209,680	2,569,247
National treasury notes	1,498,492	848,333	399,998	2,797,458	947,549	1,603,178
Free movement portfolio	**--**	**--**	**--**	**155,379**	**4,233**	**739,850**
Total	**186,527,254**	**180,202,252**	**164,621,470**	**199,811,310**	**195,175,276**	**180,111,932**
Current liabilities	178,252,953	172,149,993	157,265,212	189,559,688	184,926,104	170,885,482
Non-current liability	8,274,301	8,052,259	7,356,258	10,251,622	10,249,172	9,226,450

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

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Deposits	**(8,225,225)**	**(6,787,219)**	**(9,141,388)**	**(7,261,770)**
Time deposits	(3,990,686)	(3,231,212)	(4,403,455)	(3,587,155)
Savings deposits	(1,746,293)	(1,606,412)	(1,746,293)	(1,606,412)
Judicial deposits	(1,710,965)	(1,425,611)	(1,710,948)	(1,425,571)
Interbank deposits	(200,362)	(274,133)	(178,250)	(243,278)
Other	(576,919)	(249,851)	(1,102,442)	(399,354)
Securities sold under repurchase agreements	**(4,359,067)**	**(4,140,768)**	**(4,755,381)**	**(4,562,551)**
Third-party portfolio	(3,552,874)	(3,079,755)	(3,626,978)	(3,180,294)
Own portfolio	(798,065)	(1,060,929)	(1,111,434)	(1,374,801)
Free movement portfolio	(8,128)	(84)	(16,969)	(7,456)
Total	**(12,584,292)**	**(10,927,987)**	**(13,896,769)**	**(11,824,321)**

e) Fund for Workers' Assistance (FAT)

R$ thousand

Program	Resolution TADE [1]	Return of FAT funds			03.31.2012			12.31.2011			03.31.2011		
		Type[2]	Initial date	Final date	Available TMS [3]	TJLP Applied [4]	Total	Available TMS [3]	TJLP Applied [4]	Total	Available TMS [3]	TJLP Applied [4]	Total
Proger Rural and Pronaf					**341,157**	**2,315,936**	**2,657,093**	**372,533**	**2,635,836**	**3,008,369**	**175,943**	**3,909,980**	**4,085,923**
Pronaf Custeio	04/2005	RA	11/2005	--	12,744	18,891	31,635	7,571	31,489	39,060	10,272	53,255	63,527
Pronaf Investimento	05/2005	RA	11/2005	--	107,726	1,768,487	1,876,213	250,326	1,809,716	2,060,042	117,832	2,425,785	2,543,617
Giro Rural – Aquisição de Títulos	03/2005	SD	01/2008	01/2014	166,155	284,291	450,446	--	509,546	509,546	--	905,485	905,485
Giro Rural Fornecedores	14/2006	RA	08/2006	--	9,944	131,340	141,284	94,033	132,442	226,475	25,911	300,975	326,886
Rural Custeio	02/2006	RA	11/2005	--	2,034	4,035	6,069	896	5,868	6,764	1,506	9,299	10,805
Rural Investimento	13/2005	RA	11/2005	--	42,554	108,892	151,446	19,707	146,775	166,482	20,422	215,181	235,603
Proger Urbano					**436,674**	**3,673,765**	**4,110,439**	**583,644**	**4,050,543**	**4,634,187**	**252,220**	**4,901,427**	**5,153,647**
Urbano Investimento	18/2005	RA	11/2005	--	432,058	3,671,139	4,103,197	235,207	4,042,844	4,278,051	178,737	4,455,283	4,634,020
Urbano Capital de Giro	15/2005	RA	11/2005	--	1,820	2,605	4,425	346,717	4,460	351,177	68,170	431,783	499,953
Empreendedor Popular	01/2006	RA	11/2005	--	2,796	21	2,817	1,720	3,239	4,959	5,313	14,361	19,674
Other					**26,708**	**191,795**	**218,503**	**52,455**	**229,899**	**282,354**	**37,444**	**251,485**	**288,929**
Exports	27/2005	RA	11/2005	--	263	95	358	556	510	1,066	--	2,049	2,049
Integrar Área Rural	26/2005	RA	11/2005	--	--	--	--	--	--	--	--	--	--
Integrar Área Urbana	25/2005	RA	11/2005	--	66	246	312	68	319	387	284	334	618
Inclusão Digital	09/2005	RA	11/2005	--	--	--	--	--	--	--	--	10	10
FAT Giro Setorial Micro e Pequenas Empresas	08/2006	RA	09/2007	--	10,909	36,401	47,310	526	48,800	49,326	2,876	43,736	46,612
FAT Giro Setorial Médias e Grandes Empresas	09/2006	RA	09/2007	--	--	--	--	--	--	--	--	--	--
FAT Giro Setorial Veículos MGE	09/2006	RA	02/2009	--	109	--	109	100	118	218	1,669	2,192	3,861
FAT Giro Setorial Veículos MPE	08/2006	RA	02/2009	--	2,450	182	2,632	3,505	3,844	7,349	18,426	29,509	47,935
FAT Giro Cooperativo Agropecuário	10/2006	RA	07/2006	--	--	--	--	--	--	--	--	--	--
FAT Fomentar Micro e Pequenas Empresas	11/2006	RA	08/2006	--	1,233	6,807	8,040	1,173	7,958	9,131	1,347	11,284	12,631
FAT Fomentar Médias e Grandes Empresas	12/2006	RA	07/2006	--	11,678	46,251	57,929	8,292	57,065	65,357	7,034	82,748	89,782
FAT Taxista	02/2009	RA	09/2009	--	--	101,813	101,813	28,890	77,463	106,353	--	35,394	35,394
FAT Encargos a capitalizar	--	--	--	--	--	--	--	9,345	33,822	43,167	5,808	44,229	50,037
Total					**804,539**	**6,181,496**	**6,986,035**	**1,008,632**	**6,916,278**	**7,924,910**	**465,607**	**9,062,892**	**9,528,499**

(1) TADE – Allocation Term of Special Deposits.
(2) RA - Auto Return (monthly, 2% on the balance) and SD - Available Balance.
(3) Funds remunerated by the Average Selic Rate (TMS).
(4) Funds remunerated by the Long Term Interest Rate (TJLP).

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

The main actions to promote employment using FAT funds are structured around the Programs for the Generating Employment and Earnings (Proger), whose resources are allocated through special deposits, established by Law 8352/1991, in official federal financial institutions (including, among others, Proger in the urban program - Investment and Working Capital - and rural program, the National Program for Strengthening Family Farming - Pronaf**,** the program that allocates resources for the purchase of construction materials - FAT Habitação (building material for popular housing), in addition to the special lines such as FAT Integrar – Rural e Urbano, FAT Giro Setorial – Micro e Pequenas Empresas (micro and small-sized companies), FAT Giro Setorial – Médias e Grandes Empresas (medium and large-sized companies), FAT Giro Setorial Veículos – Micro e Pequenas Empresas (micro and small-sized companies), FAT Giro Setorial Veículos – Médias e Grandes Empresas (medium and large-sized companies), FAT Fomentar – Micro e Pequenas Empresas (micro and small-sized companies), FAT Fomentar – Médias e Grandes Empresas (medium and large-sized companies), FAT Giro Agropecuário, FAT Inclusão Digital (digital inclusion) and FAT Taxista (taxi).

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

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

The Guarantee Fund for Generation of Employment and Earnings (Funproger) is a special accounting fund established on November 23, 1999 by Law 9872/1999, amended by Law 10360/2001 and by Law 11110/2005 and regulated by Codefat Resolution 409/2004. It is managed by Banco do Brasil under the supervision of Codefat/MTE and the balance is R$ 152,945 thousand (R$ 147,175 thousand as of 12.31.2011 and R$ 123,621 thousand as of 03.31.2011).

The objective of Funproger is provide guarantees to entrepreneurs who do not have the necessary guarantees of their own to contract Proger Urbano and Programa Nacional de Microcrédito Produtivo Orientado 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 in respect of the remuneration of the special deposit balances available in FAT. Other sources of funds are the earnings from its operations and the income on its cash resources paid to Banco do Brasil, the fund manager.

18 – Borrowings and onlendings

a) Borrowings

R$ thousand

	Banco do Brasil							
	up to 90 days	from 91 to 360 days	from 1 to 3 years	from 3 to 5 years	from 5 to 15 years	03.31.2012	12.31.2011	03.31.2011
Abroad								
Borrowings from BB Group companies abroad	4,625	476,997	16,199,193	--	--	16,680,815	13,908,697	7,543,591
Borrowings from bankers abroad	2,502,964	4,468,444	737,316	59,966	--	7,768,690	8,399,183	5,147,216
Public sector borrowings (1)	133,773	109,504	438,016	109,504	--	790,797	800,453	908,841
Imports	102,787	127,930	94,862	27,231	465	353,275	365,816	279,848
Exports	1,096	5,963	--	--	--	7,059	10,996	16,312
Total	**2,745,245**	**5,188,838**	**17,469,387**	**196,701**	**465**	**25,600,636**	**23,485,145**	**13,895,808**
Current liabilities						7,934,083	8,368,049	9,399,458
Non-current liabilities						17,666,553	15,117,096	4,496,350

R$ thousand

	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	03.31.2012	12.31.2011	03.31.2011
Domestic	**82,720**	**945**	**28,182**	**1,890**	**--**	**113,737**	**120,994**	**66,833**
Borrowing from non financial companies	81,496	--	24,401	--	--	105,897	113,354	61,685
Other borrowings	1,224	945	3,781	1,890	--	7,840	7,640	5,148
Abroad	**3,416,435**	**5,311,818**	**2,527,685**	**185,608**	**448**	**11,441,994**	**12,136,080**	**8,872,300**
Borrowings from bankers abroad	3,090,514	5,017,261	2,034,178	60,484	--	10,202,437	10,878,923	7,551,972
Public sector borrowings (1)	133,773	109,504	438,016	109,504	--	790,797	800,453	908,841
Imports	64,454	40,612	55,491	15,620	448	176,625	177,380	206,395
Exports	127,694	144,441	--	--	--	272,135	279,324	205,092
Total	**3,499,155**	**5,312,763**	**2,555,867**	**187,498**	**448**	**11,555,731**	**12,257,074**	**8,939,133**
Current liabilities						8,811,918	9,505,975	7,012,658
Non-current liabilities						2,743,813	2,751,099	1,926,475

(1) Maturity date as of April 2012 and rate of 6.92% p.a.

b) Onlendings

Domestic – Official institutions

R$ thousand

Programs	Finance charges	Banco do Brasil			BB-Consolidated		
		03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
National Treasury - Rural Credit		**1,629,295**	**1,643,963**	**1,525,003**	**1,676,599**	**1,721,507**	**1,552,097**
Pronaf	TMS (if available) or 0.5% p.a. to 4.5% p.a. if applicable	1,460,765	1,424,918	1,295,873	1,460,765	1,424,918	1,295,873
Recoop	5.75% p.a. to 7.25% p.a.	85,127	96,511	109,704	85,127	96,511	109,704
Cacau	TJLP + 0.6% p.a. or 6.35% p.a.	82,047	103,007	53,677	82,047	103,007	53,677
Farming/livestock breeding	TR or TR + 9% p.a.		--	41,394		--	41,394
Other	--	1,356	19,527	24,355	48,660	97,071	51,449
BNDES		**27,758,019**	**27,227,981**	**25,202,172**	**29,420,097**	**28,978,454**	**27,162,631**
Banco do Brasil S.A.	0.6305% p.a. to 14.1% p.a. or TJLP/ exch. Var. + 0.5% p.a. to 5.9% p.a	27,758,019	27,227,981	25,202,172	27,758,019	27,227,981	25,202,172
Banco Votorantim	Pre/TJLP/ exch. Var. + 0,9% p.a. to 10.5% p.a.	--	--	--	1,662,078	1,750,473	1,960,459
Caixa Econômica Federal	**--**	**411,825**	**338,253**	**167,435**	**411,825**	**338,253**	**167,435**
Finame		**16,497,001**	**16,168,925**	**13,341,988**	**17,798,301**	**17,506,428**	**14,896,935**
Banco do Brasil S.A.	1% p.a. to 11% p.a. or TJLP/ exch. Var. + 0.5% p.a. to 5.5% p.a	16,497,001	16,168,925	13,341,988	16,503,999	16,176,962	13,353,378
Banco Votorantim	TJLP/Pre – 0.3% p.a. to 11.5% p.a.	--	--	--	1,294,302	1,329,466	1,543,557
Other official institutions	--	**2,254,117**	**2,443,166**	**7,847,210**	**2,258,161**	**2,446,402**	**7,847,210**
Special supply - Rural savings	TR	1,991,552	1,991,552	7,417,361	1,991,552	1,991,552	7,417,361
Funcafé	TMS (if available) or 6.75% p.a. (if applicable)	262,425	451,475	429,710	262,425	451,475	429,710
Other		140	139	139	4,184	3,375	139
Total		**48,550,257**	**47,822,288**	**48,083,808**	**51,564,983**	**50,991,044**	**51,626,308**
Current liabilities		16,235,809	16,089,557	21,193,807	17,493,973	17,474,727	22,651,192
Non-current liabilities		32,314,448	31,732,731	26,890,001	34,071,010	33,516,317	28,975,116

Foreign

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Funds obtained under the terms of Resolution CMN 3844/2010	244,029	286,931	305,499	86,547	101,876	86,991
Special fund for support to small and medium manufacturing companies	477	477	477	477	477	477
Total	**244,506**	**287,408**	**305,976**	**87,024**	**102,353**	**87,468**
Current liabilities	6,649	13,114	65,220	5,897	13,114	2,803
Non-current liabilities	237,857	274,294	240,756	81,127	89,239	84,665

c) Expense of borrowings and onlendings

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Borrowings expenses	(66,601)	(30,813)	(157,614)	(30,423)
Onlendings expenses	(688,920)	(609,226)	(733,250)	(659,681)
BNDES	(460,490)	(395,801)	(488,671)	(427,113)
Finame	(188,512)	(149,115)	(203,715)	(167,914)
National Treasury	(25,359)	(34,340)	(26,305)	(34,684)
Caixa Econômica Federal	(4,022)	(1,730)	(4,022)	(1,730)
Other	(10,537)	(28,240)	(10,537)	(28,240)
Expenses for financial and development liabilities	(175,910)	(125,566)	(175,910)	(125,566)
Expenses for obligations with bankers abroad	--	--	(21,855)	(42)
Total	**(931,431)**	**(765,605)**	**(1,088,629)**	**(815,712)**

19 – Resources from Securities Issues

R$ thousand

Borrowings	Currency	Issued Value	Remuneration p.a.	Date of Funding	Maturity	03.31.2012	12.31.2011	03.31.2011
Banco do Brasil								
Program Global Medium - Term Notes						**5,019,538**	**5,198,652**	**4,596,522**
	R$	350,000	9.75%	07/2007	07/2017	348,052	352,199	314,978
	USD	100,000	Libor 6m+2.55%	07/2009	07/2014	182,224	188,595	158,400
	USD	950,000	4.5%	01/2010	01/2015	1,747,222	1,819,507	1,562,807
	USD	500,000	6%	01/2010	01/2020	916,606	957,919	822,687
	EUR	750,000	4.5%	01/2011	01/2016	1,825,434	1,880,432	1,737,650
Senior Notes	**USD**	**500,000**	**3.87%**	**11/2011**	**01/2017**	**916,821**	**934,260**	**--**
Structured Notes	**USD**	**89,500**	**1.3 to 2.25%**			**162,891**	**--**	**--**
Certificates of Deposits - Long Term						**1,622,433**	**1,795,894**	**2,855,513**
	USD	4,000	3.80%	11/2009	11/2012[1]	--	--	6,512
	USD	1,000	3.67%	12/2009	12/2012[1]	--	--	1,628
	USD	2,000	3.19%	05/2010	05/2013	3,643	3,750	3,256
	USD	200,000	3.34%	08/2010	06/2012[1]	--	--	324,209
	USD	100,000	2.67%	08/2010	07/2012[1]	--	--	162,727
	USD	5,000	2.69%	08/2010	06/2012[1]	--	--	6,719
	USD	100,000	2.50%	08/2010	08/2012[1]	--	--	162,691
	USD	100,000	2.34%	09/2010	08/2012[1]	--	--	162,741
	USD	4,806	2.02%	09/2010	09/2012[1]	--	--	7,823
	USD	30,000	2.48%	09/2010	09/2013[1]	--	--	48,837
	USD	150,000	2.07%	10/2010	10/2012[1]	--	--	241,148
	USD	100,000	2.92%	11/2010	10/2012[1]	--	--	161,097
	USD	25,000	2.20%	11/2010	11/2012[1]	--	--	40,698
	USD	150,000	2.63%	12/2010	12/2013[1]	--	--	244,185
	USD	100,000	2.78%	01/2011	01/2013[1]	--	187,510	162,790
	USD	99,000	2.87%	02/2011	01/2013[1]	--	185,635	161,162
	USD	100,000	2.72%	03/2011	03/2013[1]	--	187,441	161,845
	USD	200,000	2.02%	03/2011	03/2013[1]	--	371,867	323,354
	USD	30,000	1.96%	02/2011	02/2013[1]	--	--	48,837
	USD	250,000	2.26%	02/2011	02/2014[1]	--	--	406,975
	USD	10,000	3.01%	02/2011	08/2016[1]	--	--	16,279
	USD	10,000	3.00%	08/2011	08/2016[1]	--	18,652	--
	USD	30,000	2.55%	09/2011	09/2013	54,645	56,253	--
	USD	233,900	2.25%	10/2011	02/2014[1]	--	438,586	--
	USD	25,630	1.95%	11/2011	02/2013[1]	--	48,059	--
	USD	2,000	2.48%	12/2011	06/2013	3,643	3,750	--
	USD	150,000	2.93%	11/2011	12/2013	273,225	281,265	--
	USD	2,000	1.79%	12/2011	04/2014[1]	--	3,750	--
	USD	5,000	1.74%	12/2011	04/2013[1]	--	9,376	--
	USD	10,000	3.31%	02/2012	08/2016	18,124	--	--
	USD	233,900	2.56%	02/2012	02/2014	426,049	--	--
	USD	2,000	1.72%	03/2012	04/2014	3,643	--	--
	USD	5,000	1.65%	03/2012	04/2013	9,108	--	--
	USD	100,000	2.65%	03/2012	06/2013	182,150	--	--
	USD	355,862	2.20%	03/2012	03/2013	648,203	--	--
Certificates of Deposits - Short Term[2]						**5,837,153**	**4,128,590**	**2,066,455**
Certificate of Loan	**EUR**	**3,500**	**3 to 3.31%**			**--**	**--**	**8,180**
Resources Letters of Credit Agribusiness						**8,321,464**	**6,595,550**	**1,490,684**
Short Term	R$					7,688,146	1,095,276	1,490,684
Long Term[3]	R$					633,434	5,500,667	--
Issuance costs	R$					(116)	(393)	--
Letters of Credit						**3,577,911**	**3,486,743**	**803,417**
Short Term	R$					900,063	--	--
Long Term[4]	R$					2,677,848	3,486,743	--
Total Banco do Brasil						**25,458,211**	**22,139,689**	**11,820,771**
Banco Patagonia								**--**
Bonds G PAT Series I	ARS	50,000	14.30%	03/2011	03/2012	--	19,648	--
Bonds G PAT Series II	ARS	94,310	14.12%	05/2011	05/2012	26,795	28,287	--
Bonds G PAT Series III	ARS	71,000	15.27%	08/2011	08/2012	30,140	31,886	--
Bonds G PAT Series IV	ARS	50,200	23.87%	11/2011	11/2012	18,595	19,660	--
Bonds G PAT Series V	ARS	100,000	19.33% a.a.	01/2012	01/2013	42,983	--	--
Bonds G PAT Series VI	ARS	150,000	15.64% a.a.	03/2012	03/2013	63,000	--	--
Total Banco Patagonia						**181,513**	**99,481**	**--**

R$ thousand

Borrowings	Currency	Issued Value	Remuneration p.a.	Date of Funding	Maturity	03.31.2012	12.31.2011	03.31.2011
Special Purpose Entities Abroad [5]								
Securitization of future flow of payment orders from abroad								
	USD	250,000	6.55%	12/2003	12/2013	134,319	156,772	182,753
	USD	250,000	Libor 3m+0.55%	03/2008	03/2014	364,476	422,116	407,141
	USD	200,000	Libor 3m+1.2%	09/2008	09/2015	254,137	280,310	291,983
	USD	150,000	5.25%	04/2008	06/2018	273,902	281,962	244,790
Total Special Purpose Entities Abroad						**1,026,834**	**1,141,160**	**1,126,667**
Banco Votorantim								
Debentures						1,424,044	1,565,574	1,535,309
With exchange variation	R$		12.04% PTAX	12/2006	12/2011	--	--	792,349
Post-fixed	R$		0.35% DI	06/2006	07/2012	830,546	809,898	742,960
Post-fixed	R$		DI	04/2006	07/2027	593,498	755,676	--
Real Estate Receivables Certificates	**R$**		**87 to 96% DI**	**02/2009**	**01/2012**	**15,156**	**3,490**	**1,693**
Letters of Credit - Agribusiness						**956,035**	**825,979**	**838,970**
Post-fixed	R$		40 to 96.5% DI	07/2007	03/2020	949,002	817,712	838,970
Pre-fixed	R$		8.48 to 12.35%	05/2008	04/2013	7,033	8,267	--
Letters of Credit						**4,224,934**	**3,572,168**	**2,039,016**
Pre-fixed	R$		10.9 to 14%	07/2010	02/2015	30,364	28,443	18,943
Post-fixed	R$		100 to 112% DI	07/2010	07/2017	4,026,390	3,446,800	2,020,073
Post-fixed	R$		108 to 109% Selic	02/2011	02/2013	51,984	25,625	--
Post-fixed	R$		4.5 to 7.81% + IPCA	01/2011	09/2014	114,854	69,980	--
Post-fixed	R$		4.95 to 5.88% + IGPM	08/2011	09/2013	1,342	1,320	--
Program Global Medium – Term Notes						**2,949,952**	**2,966,110**	**2,096,017**
Short-Term[6]						660,307	73,118	486,090
Long-Term						2,289,645	2,892,992	1,609,927
	USD	625,000	5.25%	02/2011	02/2016	1,110,282	1,189,180	598,613
	USD	250,000	4.25%	02/2010	02/2013	--	471,976	404,459
	CHF	125,000	2.75%	12/2010	12/2013	303,463	255,268	215,803
	R$	100,000	10.63%	04/2007	04/2014	106,650	104,721	106,087
	R$	100,000	9.25%	12/2005	12/2012	--	44,476	85,022
	USD	100,000	3.91%	09/2006	09/2016	86,782	89,691	77,416
	USD	37,500	4.25%	04/2010	02/2013	--	71,329	61,451
	USD	37,500	3%	03/2011	03/2014	66,497	68,159	61,076
	R$	309,253	6.25%	05/2011	05/2016	537,346	518,959	--
	USD	29,800	3.5%	07/2011	07/2013	55,708	56,855	--
	R$	10,000	14.19%	05/2011	01/2015	17,930	17,368	--
	USD	2,278	3.36%	02/2011	02/2016	2,211	2,236	--
	USD	1,823	4.27%	04/2011	03/2014	1,881	1,884	--
	USD	911	3.37%	05/2011	05/2016	895	890	--
Total Banco Votorantim						**9,570,121**	**8,933,321**	**6,511,005**
Non-Financial Corporations								
Cibrasec								
Real Estate Receivables Certificates[7]						4,765	5,577	8,262
Kepler Weber S.A.	R$							
Debentures	R$		TJLP+3.8%	09/2007	09/2020	14,743	15,195	16,738
Ativos S.A. Securitizadora de Créditos Financeiros								
Debentures	R$		DI + 1.5%	03/2010	03/2014	60,493	68,053	90,734
Total Non-Financial Corporations						**80,001**	**88,825**	**115,734**
Eliminated Amount on Consolidation [8]						**(82,986)**	**(79,185)**	**(24,335)**
Total BB-Consolidated						**36,233,694**	**32,323,290**	**19,549,842**
Current liabilities						16,980,611	15,246,923	5,898,519
Non-current liabilities						19,253,083	17,076,367	13,651,323

(1) Operations settled in advance during the year 2011 and from 01.01.2012 to 03.31.2012.
(2) Securities maturing in less than 360 days and interest rates of the certificate issued in U.S. dollars between 0.48% p.a. and 9.40% p.a.
(3) Operations with maturity between 361 and 719 days.
(4) Operations with a maturity of more than 360 days and rates between 104 and 107% Interbank Deposit.
(5) The Special Purpose Entity (SPE) - "Dollar Diversified Payment Rights Finance Company" was organized under the laws of the Cayman Islands for the following purposes: (a) the issuance and sale of securities in the international market; (b) use of resources obtained by issuing securities to pay for the purchase, with the BB, the rights to payment orders issued by banking correspondents located in the U.S. and by the agency of BB New York in U.S. dollars, for any agency for Brasil ("Rights on Consignment"); and (c) making payments of principal and interest on securities and other payments payable on the issuance of these securities. The SPE declares that it has no relevant asset or liability other than the rights and duties originating from the contracts for issue of securities. Bank does not hold the control, is not a shareholder, the owner, or is a beneficiary of any of the results of operations of the SPE. The liabilities arising from the issued securities are paid by the SPE using the funds accumulated in its account.
(6) Securities with a maturity of less than 360 days, foreign currency and national, and interest rates between 3.98% p.a. and 15% p.a.
(7) Reference Rate - TR, General Market Price Index - IGP-M, IPCA and average maturity of 134 months.
(8) Refers to securities issued by BB-Consolidated, in possession of subsidiary abroad.

20 – Other Liabilities

a) Financial and Development Funds

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Pasep[1]	2,014,982	1,983,929	2,041,385	2,014,982	1,983,929	2,041,385
Merchant Navy	1,462,642	1,352,310	835,713	1,462,642	1,352,310	835,713
Funds from the State Government of São Paulo	540,242	563,911	531,478	540,242	563,911	531,478
Special Lending Program for Agrarian Reform – Procera	27,585	27,705	30,515	27,585	27,705	30,515
Consolidation of Family Farming – CAF	12,842	26,424	16,225	12,842	26,424	16,225
Combating Rural Poverty – Our First Land – CPR/NPT	4,161	6,405	3,580	4,161	6,405	3,580
Land and Agrarian Reform – BB Banco da Terra	1,537	1,812	1,361	1,537	1,812	1,361
Other	39,951	39,759	39,052	39,951	39,759	39,052
Total	**4,103,942**	**4,002,255**	**3,499,309**	**4,103,942**	**4,002,255**	**3,499,309**
Current liabilities	2,059,947	2,002,989	1,415,456	2,059,947	2,002,989	1,415,456
Non-current liabilities	2,043,995	1,999,266	2,083,853	2,043,995	1,999,266	2,083,853

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

b) Taxes and Social Security

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Legal liabilities (Note 28.e)	12,851,459	12,754,899	12,355,271	13,626,863	13,516,326	13,073,140
Deferred tax liabilities (Note 25.d)	6,295,704	6,090,342	5,142,176	7,326,830	7,095,787	6,281,431
Taxes and contributions on net income payable	16,547	2,705,225	19,355	391,158	3,476,176	183,456
Provision for tax litigation (Note 28.b)	172,768	164,943	198,791	1,475,611	1,400,444	1,319,705
Taxes payable	755,398	796,747	705,450	1,065,461	1,290,897	204,035
Provision for taxes and contributions on net income	1,192,661	93,045	1,211,930	2,013,972	961,808	1,859,901
Other	316,399	316,399	316,399	315,076	315,254	1,030,111
Total	**21,600,936**	**22,921,600**	**19,949,372**	**26,214,971**	**28,056,692**	**23,951,779**
Current liabilities	15,936,970	17,444,318	15,612,765	18,769,674	20,689,746	17,003,230
Non-current liabilities	5,663,966	5,477,282	4,336,607	7,445,297	7,366,946	6,948,549

c) Subordinated Debt

R$ thousand

Funding		Issued Value	Remuneration p.a.	Date of Funding	Maturity	03.31.2012	12.31.2011	03.31.2011
Banco do Brasil								
FCO – Resources from Fundo Constitucional do Centro-Oeste						**15,251,502**	**14,771,005**	**13,399,298**
Funds applied[1]						14,842,764	13,811,498	12,177,699
Resources available [2]						377,441	924,167	1,137,332
Charges to capitalize						31,297	35,340	84,267
Subordinated CDB Issued in the Country						**4,423,496**	**4,305,067**	**3,920,408**
		900,000	113.8% from CDI	03/2009	09/2014	1,261,394	1,227,011	1,115,448
		1,335,000	115% from CDI	03/2009	03/2015	1,875,215	1,823,569	1,656,100
		1,000,000	105% from CDI	11/2009	11/2015	1,286,887	1,254,487	1,148,860
Subordinated Debt Abroad						**4,480,558**	**4,683,538**	**1,564,864**
	USD thousand	300,000	8.5%	09/2004	09/2014	539,810	576,210	478,740
	USD thousand	660,000	5.375%	10/2010	01/2021	1,215,652	1,260,310	1,086,124
	USD thousand	1,500,000	5.875%	05/2011	01/2022	2,725,096	2,847,018	--
Subordinated Letters of Credit						**3,522,385**	**3,429,443**	**2,122,772**
		1,000,000	108.5% from CDI	03/2010	03/2016	1,252,369	1,219,800	1,113,825
		1,006,500	111% from CDI	03/2011	03/2017	1,137,511	1,107,259	1,008,947
		335,100	111% from CDI	04/2011	04/2017	376,888	366,864	--
		13,500	111% from CDI	05/2011	05/2017	15,027	14,627	--
		700,000	111% from CDI	09/2011	10/2017	740,590	720,893	--
Total Subordinated Debt from Banco do Brasil						**27.677.941**	**27,189,053**	**21,007,342**
EuroBank								
Subordinated Debt Abroad	USD thousand	3.000	Libor 3m+1.85%	05/2007	05/2037	**5,465**	--	--
Banco Votorantim								
Subordinated CDB Issued in the Country						**1,587,570**	**1,544,061**	**1,681,231**
		312,500	CDI+0.491417%	11/2007	11/2012	499,587	486,988	446,243
		8,500	CDI+0.491417%	12/2007	12/2012	13,565	13,223	12,116
		200,000 [3]	CDI+0.540556%	12/2007	12/2012	12,681	12,359	285,561
		32,500	IGPM+7.219701%	12/2007	12/2012	57,029	55,718	51,451
		57,500	IPCA+7.934241%	03/2008	03/2013	98,075	94,825	85,849
		7,500	IPCA+7.855736%	08/2009	08/2014	10,618	10,269	9,303
		5,250	IPCA+7.924428%	08/2009	08/2014	7,446	7,199	6,519
		19,500	IPCA+8.002932%	08/2009	08/2014	27,708	26,787	24,241
		2,500	IPCA+7.953867%	08/2009	08/2014	3,547	3,429	3,104
		260,000	CDI+1.670229%	08/2009	08/2014	352,600	342,697	311,238
		250,000	CDI+1.635268%	12/2009	12/2014	327,694	318,518	289,355
		135,000	CDI+1.674668%	12/2009	12/2014	177,023	172,049	156,251
Subordinated Note	USD thousand	575,000	7.375%	01/2010	01/2020	**1,087,180**	**1,099,873**	**874,217**
Subordinated Letters of Credit						**1,083,255**	**1,054,722**	**157,319**
		1,000	IPCA+6.88494%	11/2010	11/2016	--	--	1,061
		5,000	IPCA+7.25%	11/2010	11/2020	--	5,422	5,292
		5,000	IPCA+7.2%	11/2010	11/2016	--	--	5,281
		15,000	IPCA+7.1%	11/2010	11/2016	--	--	15,915
		94,950	CDI+1.3%	11/2010	11/2016	98,643	95,964	30,939
		30,000	CDI+1.6%	12/2010	12/2016	30,904	30,042	98,831
		324,900	CDI+1.94%	05/2011	05/2017	339,630	329,887	--
		35,550	IGPM+7.55%	05/2011	05/2017	38,870	38,042	--
		1,400	IPCA+7.76%	05/2011	05/2017	1,561	1,510	--
		4,650	IPCA+7.85%	05/2011	05/2017	5,189	5,020	--
		7,500	IPCA+7.95%	05/2011	05/2017	8,357	8,079	--
		45,000	IPCA+7.95%	07/2011	07/2016	49,273	47,648	--
		15,000	IGPM+7.7%	07/2011	07/2017	16,151	15,813	--
		6.922	IPCA+8.02%	07/2011	07/2019	7,554	7,300	--
		25,000	IPCA+7.9%	08/2011	08/2016	27,294	26,420	--
		25,000	IPCA+7.93%	08/2011	08/2017	27,235	26,352	--
		20,000	IPCA+7.76%	08/2011	08/2017	21,706	21,002	--
		11,000	IPCA+7.85%	08/2011	08/2017	11,968	11,581	--
		10,050	IGPM+7.7%	08/2011	08/2017	10,832	10,571	--
		1,250	115% from CDI	08/2011	08/2017	1,355	1,317	--
		33,000	117% from CDI	09/2011	09/2017	33,000	34,034	--
		15,000	IGPM+6.74%	09/2011	09/2017	15,822	15,525	--
		250,000	119% from CDI	10/2011	10/2017	263,992	256,467	--
		215	IPCA+5.45%	10/2011	10/2014	--	220	--
		18,000	IGPM+6.71%	10/2011	10/2017	18,862	18,454	--
		17,116	IPCA+7%	11/2011	11/2016	17,948	17,392	--
		25,000	109% from CDI	11/2011	12/2013	25,924	25,247	--
		5,349	IPCA+7.2%	11/2011	11/2016	5,590	5,413	--
		5.349	IPCA+7.25%	11/2011	11/2020	5,599	--	--
Debentures		**693,575**	**CDI+0.5%**	**04/2006**	**04/2016**	**--**	**--**	**745,614**
Total Subordinated Debt from Banco Votorantim						**3,758,004**	**3,698,656**	**3,458,381**
Subordinated debt issued by the Banco do Brasil, in the possession of subsidiary abroad, eliminated in the BB-Consolidated						(1,133)	(3,026)	(1,860)
Total Subordinated Debt from BB-Consolidated [4]						**31,440,277**	**30,884,683**	**24,463,863**

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

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

(3) The amount of R$ 192,071 thousand from the issued value was settled in the twelve months ended in December 2011.

(4) The amount of R$ 24,179,712 thousand (R$ 24,522,493 thousand as of 12.31.2011 and R$ 19,443,056 thousand as of 03.31.2011) compose the level II of the Referential Equity (RE), in conformity with CMN Resolution n.º 3,444/2007. As determined by Bacen, subordinated debts issued by Banco Votorantim do not compose the Bank's RE (Note 29.f).

d) Equity and Debt Hybrid Securities

R$ thousand

Funding	Banco do Brasil and BB-Consolidated					
	Issued Value (USD thousand)	Remuneration p.a.	Date of Funding	03.31.2012	12.31.2011	03.31.2011
Perpetual Bonuses						
	1,500,000	8.5%	10/2009	2,825,657	2,848,001	2,521,334
	1,000,000	9.25%	01/2012	1,874,899	--	--
	750,000	9.25%	03/2012	1,464,982	--	--
Total Banco do Brasil	**3,250,000**			**6,165,538**	**2,848,001**	**2,521,334**
Values eliminated in the BB-Consolidated				(5,732)	(2,209)	--
Total BB-Consolidated				**6,159,806**	**2,845,792**	**2,521,334**
Current liabilities				278,838	48,479	93,977
Non-current liabilities				5,880,968	2,797,313	2,427,357

The amount of R$ 5,692,188 thousand of Perpetual Bonuses compose the level I of the Referential Equity (R$ 2,718,895 thousand on 12.31.2011 and R$ 2,360,455 thousand on 03.31.2011), accoding to CMN Resolution n.º 3,444/2007 (Note 29.f).

The bonus of USD 1,500,000 thousand, issued in October 2009, has the option of redemption at the initiative of the Bank from 2020 or on each twice yearly payment of interest thereafter, provided by prior authorization of Bacen. If the Bank does not exercise the option to redeem in October 2020, the interest on the bonds will be fixed on this date for 7.782% over the trading price of 10 years North American Treasury bonds. Thereafter, every 10 years, the interest on the bonds will be corrected by taking into account the trading price of 10 years North American Treasury bonds. The terms of Perpetual Bonuses determine that the Bank suspend the twice yearly payments of interest and/or accessories on those securities issued (which shall not be paid or accrued) if:

(i) the Bank is not framed or the payment of such charges do not allow the Bank is in accordance with the levels of capital adequacy, operational limits or its financial indicators are below the minimum level required by the rules applicable to Brazilian banks;
(ii) Bacen or the regulatory authorities determine the suspension of payments of such charges;
(iii) any event of insolvency or bankruptcy occurs;
(iv) any default occurs; or
(v) the Bank has not distributed dividend payments or interest on equity to common shareholders for the period corresponding to the period of calculation of such interest and/or accessories.

e) Sundry

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Credit/debit card operations	10,592,398	11,641,835	9,086,951	10,592,398	11,641,835	9,086,951
Actuarial liabilities (Note 27.d)	7,200,669	7,141,907	6,920,785	7,200,669	7,141,907	6,920,785
Provisions for pending	3,398,605	3,349,150	3,122,165	4,912,999	4,657,605	3,751,315
Sundry creditors – domestic	1,266,925	1,562,062	1,191,169	3,373,019	3,838,316	3,374,454
Provisions for civil claims (Note 28.b)	3,611,127	3,244,433	3,504,392	3,858,224	3,473,970	3,640,487
Provision for labor claims (Note 28.b)	2,405,129	2,340,058	2,415,150	2,612,997	2,514,536	2,499,608
Funds linked to loan operations	591,122	628,848	726,395	1,026,454	1,093,251	1,148,717
Obligations for premiums granted by the customer loyalty	1,057,305	1,240,521	1,003,481	1,057,305	1,240,521	1,003,481
Liabilities for assets acquisition	259,740	995,920	353,032	268,276	1,004,336	360,432
Liabilities for official agreements	775,214	727,697	797,276	775,214	727,697	797,276
Liabilities for rendering payment services	977,794	688,304	793,474	977,794	688,304	793,474
Sundry creditors – abroad	41,826	31,485	33,169	273,620	350,447	38,980
Provision for losses with Compensation Fund of Salaries Variations – FCVS	207,481	204,118	294,270	207,481	204,118	294,270
Provisions for guarantees provided	109,742	111,760	97,612	113,569	115,624	104,303
Contracts of assumption of liabilities – securitization (Note 20.f)	--	--	17,665	--	--	17,665
Other	436,002	503,873	274,035	506,126	528,740	338,309
Total	**32,931,079**	**34,411,971**	**30,631,021**	**37,756,145**	**39,221,207**	**34,170,507**
Current liabilities	24,335,930	26,207,258	22,371,183	26,815,792	29,024,394	22,916,085
Non-current liabilities	8,595,149	8,204,713	8,259,838	10,940,353	10,196,813	11,254,422

f) Securitization

R$ thousand

Funding	Banco do Brasil and BB-Consolidated						
	Issued Value (USD thousand)	Remuneration p.a.	Date of Funding	Maturity	03.31.2012	12.31.2011	03.31.2011
Future flow of credit/debit card invoice receivables							
	178,474	5.911%	07/2003	06/2011	--	--	14,200
	44,618	4.777%	07/2003	06/2011	--	--	3,465
Total	**223,092**				--	**--**	**17,665**

The Special Purpose Entity (SPE) "Brazilian Merchant Voucher Receivables" was created under the laws of the Cayman Islands with the following purposes:

(a) issue and sell securities in the international market;
(b) use of funds raised with the issue of securities to pay for the purchase of current and future rights of Cielo S.A. against Visa International Service Association over the receivables arising from: (i) credit or debit purchases made in Brazilian territory, in any currency processed by Cielo, with Visa cards, issued by financial institutions located outside of Brazil; or (ii) credit or debit purchases processed by Cielo in foreign currency and made with Visa cards issued by financial institutions located in Brazil; and
(c) payments of principal and interest with regard to securities and other payments provided in the agreements covering the issue of such securities.

The Bank is the beneficiary of 44.618488% of the funds, calculated based on the equity interest held in Cielo, on the issuing date, and the remaining funds made available to the other Brazilian financial institution which holds interest in Cielo. The SPE declares that it has no relevant asset or liability other than the rights and duties originating from the contracts for issue of securities. The Bank is not a shareholder, the owner, or is a beneficiary of any of the results of operations of the SPE. The liabilities arising from the issued securities are paid by the SPE using the funds accumulated in its account.

21 – Operations of insurance, pension and capitalization

a) Operation credits

R$ thousand

BB-Consolidated	03.31.2012	12.31.2011	03.31.2011
Direct insurance premiums receivable	1,339,021	1,244,809	897,307
Credit insurance business with insurers	48,736	58,944	11,402
Credit insurance transactions with reinsurers	594,810	435,023	158,900
Credit reinsurance pension	1,803	2,732	1,893
Total	**1,984,370**	**1,741,508**	**1,069,502**
Current assets	1,982,789	1,738,997	1,044,416
Non-current assets	1,581	2,511	25,086

b) Technical provisions

R$ thousand

BB-Consolidated	03.31.2012	12.31.2011	03.31.2011
Insurance	**4,418,241**	**4,121,294**	**2,846,601**
Provision for unearned premiums	2,291,459	2,227,821	1,439,450
Provision for unsettled claims	1,460,522	1,310,803	1,010,051
Provision for claims incurred but not reported	415,575	337,402	207,066
Provision for insufficiency of premiums	157,600	147,830	154,967
Mathematical provision for future benefits	5,788	6,273	3,885
Other provisions	87,297	91,165	31,182
Pension plan	**41,227,690**	**37,576,720**	**30,019,316**
Mathematical provision for future benefits	39,182,242	35,590,671	28,246,034
Mathematical provision for vested benefits	793,043	774,039	667,359
Provision for financial surplus	423,822	418,493	404,591
Provision for insufficiency of contributions	368,952	359,213	314,985
Provision for financial fluctuation	262,188	260,514	260,911
Mathematical provision for redemptions	74,996	63,852	47,100
Provision for insufficiency of premiums	36,687	34,123	34,066
Provision for claims incurred but not reported	7,334	7,464	5,972
Other provisions	78,426	68,351	38,298
Capitalization	**3,444,828**	**3,324,923**	**2,133,132**
Mathematical provision for redemptions	3,265,733	3,160,764	2,047,432
Provision for prize draws and redemptions	117,938	113,227	57,903
Other provisions	61,157	50,932	27,797
Total	**49,090,759**	**45,022,937**	**34,999,049**
Current liabilities	13,258,861	12,384,381	5,289,286
Non-current liabilities	35,831,898	32,638,556	29,709,763

c) Technical provisions by product

R$ thousand

BB-Consolidated	03.31.2012	12.31.2011	03.31.2011
Insurance	**4,418,241**	**4,121,294**	**2,846,601**
Auto	1,026,252	1,053,107	1,090,078
Life	1,784,813	1,614,310	953,114
Property/casualty	1,375,840	1,261,397	677,952
Dpvat	231,336	192,480	125,457
Pension plan	**41,227,690**	**37,576,720**	**30,019,316**
Free benefit generating plan - PGBL	13,153,150	12,519,440	10,275,541
Living benefits life insurance - VGBL	22,830,403	19,902,250	14,980,068
Traditional plans	5,244,137	5,155,030	4,763,707
Capitalization	**3,444,828**	**3,324,923**	**2,133,132**
Total	**49,090,759**	**45,022,937**	**34,999,049**

d) Guarantee of technical provisions

R$ thousand

BB-Consolidated	03.31.2012				12.31.2011				03.31.2011			
	Insurance	Pension plan	Capitalization	Total	Insurance	Pension plan	Capitalization	Total	Insurance	Pension plan	Capitalization	Total
Shares in Investment Funds (VGBL and PGBL)	--	35,652,734	--	35,652,734	--	32,110,668	--	32,110,668	--	24,985,028	--	24,985,028
Shares in Investment Funds (except VGBL and PGBL)	2,367,724	4,059,981	2,148,735	8,576,440	2,062,447	3,888,047	2,055,333	8,005,827	1,759,002	3,555,446	--	5,314,448
Federal Government securities	1,042,688	1,896,913	398,338	3,337,939	1,305,715	1,891,871	433,098	3,630,684	689,678	1,820,950	1,652,231	4,162,859
Corporate bonds	498,912	26,671	936,042	1,461,625	431,318	25,218	944,228	1,400,764	328,546	28,607	566,089	923,242
Credit rights	545,724	--	88,432	634,156	637,575	--	88,693	726,268	552,327	--	--	552,327
Property	17,065	--	--	17,065	12,330	--	--	12,330	1,657	--	--	1,657
Deposits held at IRB and judicial deposits	6,081	--	--	6,081	4,234	--	--	4,234	121	--	--	121
Total	**4,478,194**	**41,636,299**	**3,571,547**	**49,686,040**	**4,453,619**	**37,915,804**	**3,521,352**	**45,890,775**	**3,331,331**	**30,390,031**	**2,218,320**	**35,939,682**

e) Financial and operational results per segment

R$ thousand

BB-Consolidated	1st quarter/2012				1st quarter/2011			
	Insurance	Pension plan	Capitalization	Total	Insurance	Pension plan	Capitalization	Total
Financial Income	**152,702**	**542,372**	**106,817**	**801,891**	**81,608**	**392,605**	**63,515**	**537,728**
Financial income	174,258	1,173,334	107,039	1,454,631	95,846	648,091	63,576	807,513
Financial expenses	(21,556)	(630,962)	(222)	(652,740)	(14,238)	(255,486)	(61)	(269,785)
Restatement and interest of technical reserves	**(38,373)**	**(474,279)**	**(75,582)**	**(588,234)**	**(6,948)**	**(317,760)**	**(35,354)**	**(360,062)**
Operating results	**431,054**	**35,455**	**49,979**	**516,488**	**487,774**	**(9,532)**	**34,211**	**512,453**
Retained premiums and contribution (Note 21.f)	1,387,654	3,306,974	567,826	5,262,454	1,041,252	2,443,743	349,953	3,834,948
Change in technical provisions	(108,708)	(3,243,908)	(454,797)	(3,807,413)	(33,977)	(2,425,780)	(290,411)	(2,750,168)
Retained claims	(652,012)	--	--	(652,012)	(483,672)	--	--	(483,672)
Selling expenses	(195,880)	(17,423)	(46,445)	(259,748)	(35,829)	(23,430)	(14,004)	(73,263)
Expenses with prize draws and redemptions of financial bonds	--	--	(16,605)	(16,605)	--	--	(11,327)	(11,327)
Expenses with benefits and redemptions of pension plans	--	(10,188)	--	(10,188)	--	(4,065)	--	(4,065)
Total	**545,383**	**103,548**	**81,214**	**730,145**	**562,434**	**65,313**	**62,372**	**690,119**

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

R$ thousand

BB–Consolidado	1st quarter/2012	1st quarter/2011
Insurance	**1,387,654**	**1,041,252**
Premiums issued	1,512,776	1,063,885
Coinsurance premiums ceded	(6,159)	--
Reimbursed premiums	(4,135)	(3,831)
Reinsurance premiums ceded, consortiums and funds	(114,828)	(18,802)
Pension plan	**3,306,974**	**2,443,743**
Premiums issued	2,885,616	2,061,790
Supplementary pension contributions (includes VGBL)	432,983	389,712
Reimbursed premiums	(11,625)	(7,759)
Capitalization	**567,826**	**349,953**
Revenues from capitalization certificates	567,826	349,953
Total	**5,262,454**	**3,834,948**

22 – Other operating income/expense

a) Service fee income

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Credit/debit card	498,930	355,253	965,123	721,485
Fund Management	441,989	377,000	788,209	730,351
Billing	317,222	290,321	323,639	291,641
Collection	203,941	172,966	203,941	172,966
Interbank	169,295	143,839	169,295	143,839
Insurance, pension and capitalization	149,539	130,315	149,539	130,315
By non-financial associated/controlled companies	--	--	149,419	154,519
Loans and provided guarantees	117,919	66,795	138,017	83,730
Capital market income	5,385	6,081	107,016	94,796
Account fee	87,003	87,569	87,626	88,168
Consortium management fees	--	--	62,144	42,082
National Treasury and official funds management	57,326	54,460	57,326	54,460
Provided to related companies	77,186	100,974	17,470	37,096
Other services	142,847	76,209	247,113	89,683
Total	**2,268,582**	**1,861,782**	**3,465,877**	**2,835,131**

b) Bank fee income

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Service package	899,624	669,661	899,925	669,996
Loans and registration file	288,027	217,785	340,814	303,790
Card income	105,702	183,148	109,909	185,755
Investment funds management	--	--	94,970	51
Deposit account	69,243	73,270	69,397	73,333
Transfer of funds	43,626	37,302	43,779	38,404
Other	15,824	--	26,651	1,060
Total	**1,422,046**	**1,181,166**	**1,585,445**	**1,272,389**

c) Personnel expenses

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Salaries	(1,512,106)	(1,330,166)	(1,754,512)	(1,469,477)
Personnel administrative provisions	(679,312)	(602,379)	(679,312)	(602,379)
Social Charges	(563,988)	(483,984)	(647,202)	(536,237)
Benefits	(464,679)	(410,183)	(519,740)	(444,726)
Provisions for labor claims	(237,456)	(126,769)	(238,172)	(126,769)
Supplementary pension	(69,673)	(65,645)	(71,708)	(67,751)
Directors' and advisors' fees	(5,824)	(5,135)	(14,442)	(13,602)
Training	(4,742)	(9,507)	(7,306)	(10,889)
Total	**(3,537,780)**	**(3,033,768)**	**(3,932,394)**	**(3,271,830)**

d) Other administrative expenses

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Amortization	(652,396)	(574,866)	(661,095)	(586,651)
Litigation	(523,702)	(80,858)	(527,427)	(80,858)
Expenses with Outsourced Services	(413,371)	(279,791)	(407,748)	(302,914)
Communications	(330,468)	(289,248)	(355,379)	(310,259)
Transport	(276,757)	(185,333)	(287,131)	(194,872)
Depreciation	(252,712)	(227,517)	(266,811)	(235,475)
Data processing	(272,849)	(207,678)	(208,397)	(227,520)
Rent	(167,595)	(133,144)	(204,331)	(166,846)
Security services	(194,576)	(176,702)	(199,720)	(178,105)
Specialized technical services	(46,439)	(38,869)	(171,620)	(140,284)
Financial system services	(124,708)	(117,494)	(162,349)	(149,654)
Maintenance and upkeep	(121,105)	(97,248)	(136,128)	(103,929)
Water, electricity and gas	(93,794)	(88,036)	(98,212)	(90,429)
Advertising and publicity	(55,729)	(66,802)	(72,959)	(86,965)
Advertising and public relations	(40,524)	(36,361)	(50,310)	(40,194)
Materials	(29,308)	(28,717)	(32,912)	(30,563)
Domestic travel	(26,779)	(29,328)	(31,958)	(36,031)
Other	(91,105)	(118,343)	(170,168)	(171,875)
Total	**(3,713,917)**	**(2,776,335)**	**(4,044,655)**	**(3,133,424)**

e) Other operating income

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Equalization of rates – harvest	775,791	578,679	775,791	578,679
Readjustment negative exchange / Reclassification of balances	363,201	136,305	756,227	204,834
Previ – Restatement of Acturial Assets (Note 27.c)	390,329	624,195	390,329	624,195
Restatement of guarantee deposits	283,357	342,860	283,357	342,860
Update on allocation of surplus – Plan 1 (Note 27.e)	223,021	309,368	223,021	309,368
Recovery of charges and expenses	213,306	211,424	147,865	271,255
Receivables income	96,544	56,771	96,544	56,771
Credit card transactions	63,399	39,222	63,548	39,268
Administrative expenses - Reversal of provisions	50,036	35,140	50,036	35,140
Dividends received	18,904	11,897	18,904	11,897
Reversal of provisions - Labor, civil and tax claims	5,159	47,624	5,159	47,624
Personnel expenses - Reversal of provisions	4,719	3,758	4,719	3,758
Other	403,696	370,449	627,846	558,872
Total	**2,891,462**	**2,767,692**	**3,443,346**	**3,084,521**

f) Other operating expenses

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Readjustment negative exchange / Reclassification of balances	(446,120)	(132,052)	(541,729)	(172,628)
From non-financial associated companies	--	--	(405,443)	(362,389)
Credit/debit card transactions	(378,962)	(258,093)	(378,962)	(258,093)
Actuarial liabilities	(226,380)	(219,959)	(226,380)	(219,959)
Amortization of goodwill	(144,658)	(69,592)	(218,846)	(147,673)
Restatement of hybrid capital and debt instruments	(108,993)	(56,172)	(108,993)	(56,172)
Business partners [1]	(2,528)	(3,441)	(89,727)	(189,520)
Restatement of guarantee deposits [2]	(83,421)	(99,944)	(83,421)	(99,944)
Discounts granted on renegotiations	(45,723)	(49,773)	(59,982)	(61,652)
Failures/frauds and other losses	(54,543)	(81,888)	(54,543)	(81,888)
Premiums paid to clients	(54,279)	(40,569)	(54,279)	(40,569)
ATM Network	(53,522)	(33,842)	(53,522)	(33,842)
Premium life insurance - consumer credit	(44,299)	(46,123)	(44,299)	(46,123)
Restatement of interest own capital/dividends	(15,966)	(15,702)	(15,966)	(15,702)
INSS	(13,369)	(8,726)	(13,369)	(8,726)
Restatement of funds to be returned to the Federal Treasury - Law n.º 9,138/1995	(11,502)	(14,439)	(11,502)	(14,439)
Expenses Proagro	(3,851)	(3,114)	(3,851)	(3,114)
Fees for the use of Sisbacen – Central Bank of Brazil System	(3,562)	(3,790)	(3,562)	(3,790)
Previ – Actuarial adjustment	(2,411)	(3,544)	(2,411)	(3,544)
Other	(237,442)	(140,322)	(348,777)	(224,379)
Total	**(1,931,531)**	**(1,281,085)**	**(2,719,564)**	**(2,044,146)**

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

(2) Update refers to the provision for deposit in court regarding the lawsuit (Income Tax and Social Contribution Tax on Net Income) as Note 28.e.

23 – Non-operating income

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Non-operating income	**49,848**	**36,896**	**67,805**	**59,177**
Profit on sale of assets	6,549	5,006	12,712	6,726
Provision reversal for devaluation of other assets	10,223	8,429	10,355	8,437
Capital gains	1,599	1,485	6,251	10,319
Rental income	4,433	3,558	4,662	3,792
Disposal of property	2,761	5,772	2,761	5,772
Profit on sale of investments	47	--	1,600	19
Other non-operating income	24,236	12,646	29,464	24,112
Non-operating expenses	**(24,786)**	**(25,056)**	**(47,095)**	**(40,320)**
Loss on sale of assets	(703)	(3,392)	(21,036)	(13,391)
Loss in value of other assets	(11,597)	(10,223)	(12,286)	(14,176)
Capital losses	(11,867)	(11,279)	(11,995)	(11,414)
Other non-operating expenses	(619)	(162)	(1,778)	(1,339)
Total	**25,062**	**11,840**	**20,710**	**18,857**

24 - Shareholders' Equity

a) Book value and market value per common share

	03.31.2012	12.31.2011	03.31.2011
Shareholders' equity - Banco do Brasil (R$ thousand)	59,817,963	58,148,690	52,172,709
Book value per share (R$)	20.88	20.29	18.24
Market value per common share (R$)	25.95	23.70	29.55
Shareholders' equity - BB-Consolidated[(1)] (R$ thousand)	60,050,684	58,416,370	52,119,536

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

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

b) Capital

The capital, entirely subscribed and paid-in, of R$ 33,122,569 thousand (R$ 33,122,569 thousand as of December 31, 2011 and R$ 33,078,042 as of March 31, 2011) of Banco do Brasil is divided into 2,865,417,020 book-entry common shares without par value. The Federal Government is the largest shareholder, holding control of the majority of our voting shares.

The capital increased by R$ 44,527 thousand in the period as of March 31, 2011 and March 31, 2012, due to the exercise of subscription of 1,495,303 bonuses “C” (Note 24.K).

The Bank may, even without amending the by-laws, if approved by a General Assembly Meeting, and in the conditions established therein, increase its capital up to the limit of R$ 50,000,000 thousand, by issuing common shares, granting shareholders preference for subscribing the capital increase proportionally to the number of held shares, while maintaining the rights of subscription bonus holders issued by the Bank.

c) Revaluation reserves

The revaluation reserves, totaling R$ 4,709 thousand (R$ 4,730 thousand as of December 31, 2011 and R$ 5,982 thousand as of December 31, 2011), refer to revaluations of assets made by the associated/subsidiary companies.

In the first quarter of 2012, there was a R$ 21 thousand from reserve realization (R$ 259 thousand in the first quarter of 2011) due to depreciation transferred to "Retained earnings (accumulated losses)". The remaining balance will be held until the date of the effective realization, in accordance to the CMN Resolution 3,565/2008.

d) Capital and profit reserves

R$ thousand

	03.31.2012	12.31.2011	03.31.2011
Capital reserves	1	--	--
Profit Reserves[1]	24,116,142	24,297,550	16,495,046
Legal Reserve	3,496,562	3,496,562	2,884,196
Statutory Reserves [1]	20,619,580	20,800,988	13,610,850
Operating margin	16,765,834	16,765,834	10,725,152
Equalization of dividends	3,853,746	4,035,154	2,885,698

(1) In the BB-Consolidated, figures of profit reserve and statutories reserves are R$ 23,887,696 thousand and R$ 20,391,134 thousand, respectively, due to the R$ 228,446 thousand elimination of subsidiary company unrealized results.

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

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

e) Earnings per share

	1 st Quarter/2012	1 st Quarter/2011
Net profit attributable to shareholders (R$ thousand)	2,554,434	2,932,363
Weighted average number of shares		
Basic	2,865,416,984	2,860,722,734
Diluted	2,865,416,984	2,874,279,365
Earnings per share		
Basic earnings per share (R$)	0.89	1.03
Diluted earnings per share (R$)	0.89	1.02

f) Interest on own capital / Dividends

	Amount (R$ thousand)	Amount per share (R$)	Base date of payment	Payment date
1st quarter/2012	**1,021,773**	**0.356**		
Dividends to pay	181,408	0.063	05.10.2012	05.22.2012
Interest on own capital to pay [1]	840,365	0.293	03.22.2012	05.22.2012
Net income for the period	2,554,434			

	Amount (R$ thousand)	Amount per share (R$)	Base date of payment	Payment date
1st quarter/2011	**1,172,945**	**0.410**		
Dividends paid	449,024	0.157	05.19.2011	05.27.2011
Interest on own capital paid [1]	723,921	0.253	03.22.2011	05.27.2011
Net income for the period	2,932,363			

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

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

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

To comply with the Income Tax legislation, the amount of interest on own capital was recorded as corresponding entries against "Financial expenses" and, for purposes of disclosure of these financial statements, reclassified to "Retained earnings". The total interest on own capital during the first quarter of 2012, provided a reduction in spending on tax charges totaling R$ 336,146 thousand (R$ 289,568 thousand in the first quarter of 2011).

g) Reconciliation of Net Income and Shareholders' Equity

R$ thousand

	Net Income		Shareholders' equity		
	1 st Quarter/2012	1 st Quarter/2011	03.31.2012	12.31.2011	03.31.2011
Banco do Brasil	**2,554,434**	**2,932,363**	**59,817,963**	**58,148,690**	**52,172,709**
Unrealized results	(52,198)	--	(228,446)	(176,248)	(53,225)
Non-controlling interests	--	--	461,167	443,928	52
BB-Consolidated	**2,502,236**	**2,932,363**	**60,050,684**	**58,416,370**	**52,119,536**

h) Non-Controlling Interests

R$ thousand

	Shareholders' equity		
	03.31.2012	12.31.2011	03.31.2011
Banco Patagonia S.A.	458,661	443,869	--
Besc Distribuidora de Títulos e Valores Mobiliários S.A.	27	27	49
Cobra Tecnologia S.A.	33	32	3
Servrede Serviços S.A. – controlled by Cielo S.A	2,446	--	--
Non-Controlling Interests	**461,167**	**443,928**	**52**

i) Stockholdings (Number of shares)

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

Shareholders	03.31.2012		12.31.2011		03.31.2011	
	Shares	% Total	Shares	% Total	Shares	% Total
Federal Government	1,693,127,780	59.1	1,693,127,780	59.1	1,693,134,063	59.3
Ministério da Fazenda	1,483,727,780	51.8	1,483,727,780	51.8	1,483,734,063	51.9
Fundo de Garantia à Exportação	139,400,000	4.9	139,400,000	4.9	139,400,000	4.9
Fundo Fiscal de Investimento e Estabilização	62,500,000	2.2	62,500,000	2.2	62,500,000	2.2
Fundo Garantidor para Investimentos	7,500,000	0.2	7,500,000	0.2	7,500,000	0.3
Caixa de Previdência dos Funcionários do Banco do Brasil – Previ (1)	297,031,611	10.4	296,773,911	10.4	296,746,311	10.3
BNDES Participações S.A. – BNDESPar (1)	3,696,348	0.1	3,696,348	0.1	235,119	--
Treasury Stock	47	--	32	--	32	--
Other shareholders	871,561,234	30.4	871,818,949	30.4	870,613,722	30.4
Total	**2,865,417,020**	**100.0**	**2,865,417,020**	**100.0**	**2,860,729,247**	**100.0**
Resident Shareholders	2,363,810,781	82.5	2,420,960,547	84.5	2,392,920,079	82.5
Non Resident Shareholders	501,606,239	17.5	444,456,473	15.5	467,809,168	17.5

(1) Connected to the Controller.

	Common shares (ON) [1]		
	03.31.2012	12.31.2011	03.31.2011
Board of Directors (Except for Bank's CEO, listed in the Bank's Steering Committee)	11	11	12
Executive Committee	131,431	27,463	33,331
Audit Committee	277	823	823

(1) The shareholding interest of the Board of Directors, Executive Committee and Audit Committee represents approximately 0,001% of the Bank's capital stock.

j) Free Float

	03.31.2012		12.31.2011		03.31.2011	
	Number	%	Number	%	Number	%
Free Float at the start date	871,791,466	30.4	870,752,058	30.4	870,752,058	30.4
Subscription of Bonus Shares	--		4,687,773		--	
Acquisition of share-based payment	(130,146)		--		--	
Acquisition of shares by Previ	(257,700)		--		--	
Other Changes [1]	26,163		(3,648,365)		(171,679)	
Free Float at the end date [2]	871,429,783	30.4	871,791,466	30.4	870,580,379	30.4
Outstanding shares	2,865,417,020	100.0	2,865,417,020	100.0	2,860,729,247	100.0

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

(2) According to the Law n.º 6,404/1976 and the regulation of BM&FBovespa's New Market, The shares held by the Board of Directors and Executive committee are not included.

k) C subscription bonuses

On 03.30.2011 the Bank announced the conditions to convert the "C" subscription bonuses ("Bonus") issued gratuitously the shareholders of the record on 06.17.1996. The conversion period was stablished as being between 03.31.2011 and 06.30.2011. Each bonus had the right to be converted into 3.131799 common shares at the price of R$ 8.50 per Bonus, adjusted for inflation based on the Fundação Getúlio Vargas index. The holders of 1,496,831 Bonuses exercised their right to convert their Bonuses into common shares resulting in the issuance of 4,687,773 common shares on 10.27.2011, upon the approval of the Brazilian Central Bank. The non converted Bonuses in the amount of 2,831,873 expired on 06.30.2011.

l) Share-Based Payment

As of November 2011, the Bank approved variable compensation payment in stocks or stock-based instruments to the members of the Executive Board. They received, as a 2011 annual bonus, and according to the global amount approved at the Annual General Meeting as of April 27, 2011, an amount between two and four salaries, according to the achievement of the Return on Equity - ROE target, set at 20%. For performances between 100% and 105% of target achievement, each member of the Executive Board would receive two additional salaries; for performances between 105% and 115%, the compensation would be proportionately calculated, and for greater performances above 115 %, each member would receive four salaries.

In 2011 the Return on Equity - ROE was 22.6%. Depending on the percentage of achieving the goal, the Bank allocated R$ 3,593 million for share-based payment to be made in three annual installments.

As of February 2012, the Bank reacquired 130,146 stocks, of which 15 were held and 130,131 were transferred to members of the Executive Board as of March 08, 2012. The shares transferred were blocked for trading, and the release will occur in three annual installments, according to the schedule presented in the table below.

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

Minimum, average and maximum cost per stock are respectively R$ 27.38, R$ 27.61 and R$ 27.88. The market value for each of these stocks as of March 31, 2012, was R$ 25.95.

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

The Bank is assessing the implementation criteria of the variable compensation plan for managers, that would be in force from 2012, according to the terms and conditions established by CMN Resolution 3,921 as of November 25, 2010.

25 – Taxes

a) Breakdown of income tax and social contribution expenses

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Present values	**(1,573,113)**	**(1,171,605)**	**(2,216,919)**	**(1,684,095)**
Domestic income tax and social contribution	(1,559,670)	(1,163,601)	(2,146,488)	(1,674,637)
Foreign income tax	(13,443)	(8,004)	(70,431)	(9,458)
Deferred values	**991,118**	**45,173**	**1,335,191**	**186,942**
Deferred tax liabilities	**(246,358)**	**(424,448)**	**(258,608)**	**(395,572)**
Leasing operations – Portfolio adjustment and accelerated Depreciation	(4)	(262)	(11,994)	(3,481)
Mark to Market (MTM)	9,477	(81,801)	9,217	(49,706)
Actuarial gains	(148,871)	(238,068)	(148,871)	(238,068)
Restatement of judicial deposits	(73,343)	(78,113)	(73,343)	(78,113)
Income abroad	(13,955)	(9,958)	(13,955)	(9,958)
Transactions Carried out on the Futures Market	--	3,903	--	3,903
Recovering from losses MP 517/2010 (1)	(19,662)	(20,149)	(19,662)	(20,149)
Deferred tax assets	**1,237,476**	**469,621**	**1,593,799**	**582,514**
Temporary differences	722,846	394,873	1,079,083	502,201
Income tax and social contribution losses	(20,945)	(1,537)	(20,945)	3,653
Mark to Market (MTM)	533,838	75,014	533,924	75,389
Transactions Carried out on the Futures Market	1,737	1,271	1,737	1,271
Total Income Tax and Social Contribution	**(581,995)**	**(1,126,432)**	**(881,728)**	**(1,497,153)**

(1) The MP 517/2010, converted into Law 12,431/2011, allowed values recovered from losses on loans are recognized at the time of actual receipt of credit in cases of rural finance and operating loans to individual value up R$ 30 thousand.

b) Conciliation of income tax and social contribution charges

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Profit before taxation and profit sharing	**3,463,122**	**4,432,807**	**3,826,168**	**4,872,945**
Total charges of IR (25%) and CSLL (15%)	(1,385,249)	(1,773,123)	(1,530,467)	(1,949,178)
Charges upon Interest on Own Capital	336,146	289,568	336,146	289,568
Equity in subsidiaries and associated	199,899	286,216	(45,897)	(7,910)
Profit sharing	129,747	149,605	161,338	177,372
Other amounts	137,462	(78,698)	197,152	(7,005)
Income Tax and Social Contribution	**(581,995)**	**(1,126,432)**	**(881,728)**	**(1,497,153)**

c) Tax Expenses

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Cofins	(550,629)	(542,052)	(715,172)	(693,903)
ISSQN	(148,112)	(134,635)	(186,380)	(169,671)
PIS/Pasep	(89,477)	(88,083)	(119,204)	(115,118)
Other	(23,570)	(19,146)	(62,470)	(40,566)
Total	**(811,788)**	**(783,916)**	**(1,083,226)**	**(1,019,258)**

d) Deferred tax liabilities

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Arising from actuarial gains [1]	5,492,091	5,325,069	4,316,458	5,492,091	5,325,069	4,316,458
Arising from leasing portfolio adjustment	3,618	3,615	3,235	725,581	768,556	955,538
Arising from restatement of judicial deposits	365,483	356,541	325,935	365,483	356,541	325,935
Arising from mark-to-market	239,091	236,384	459,047	239,091	266,458	507,291
Related to foreign profit	13,955	--	9,958	13,955	--	9,958
Entities abroad	7,542	14,470	5,344	7,734	14,480	5,515
Arising from futures market transactions	18	18	18	18	18	18
Arising from losses MP 517/2010	171,875	152,213	20,149	171,875	152,213	20,149
Other	2,031	2,032	2,032	311,002	212,452	140,569
Total deferred tax liabilities	**6,295,704**	**6,090,342**	**5,142,176**	**7,326,830**	**7,095,787**	**6,281,431**
Income tax	3,372,135	3,263,580	2,739,565	4,119,642	4,050,295	3,857,388
Social contribution	2,024,196	1,954,775	1,646,640	2,303,850	2,170,237	1,662,829
PIS/Pasep	125,719	121,891	105,673	126,273	122,348	106,406
Cofins	773,654	750,096	650,298	777,065	752,907	654,808

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

e) Deferred tax assets (Tax Credit)

Recorded

R$ thousand

	Banco do Brasil				
	12.31.2011	1st quarter/2012		03.31.2012	03.31.2011
	Balance	Constitution	Write-off	Balance	Balance
Temporary differences	**17,214,542**	**2,561,053**	**1,358,878**	**18,416,717**	**17,247,920**
Allowance for loan losses	7,226,100	1,132,792	1,148,018	7,210,874	6,746,399
Passive reserves	6,163,373	498,969	205,390	6,456,952	6,509,385
Loan Operations – effects of Law 9,430/96	3,463,297	876,329	--	4,339,626	3,442,771
Mark to market	211,865	48,197	--	260,062	392,797
Other provisions	149,907	4,766	5,470	149,203	156,568
CSLL written to 18% (MP 2,158/2001)	2,487,845	--	140,997	2,346,848	2,673,961
Fiscal losses/ negative bases	46,079	1,888	22,849	25,118	91,864
Total tax credits recorded	**19,748,466**	**2,562,941**	**1,522,724**	**20,788,683**	**20,013,745**
Income tax	10,778,046	1,601,101	863,580	11,515,567	10,810,335
Social contribution	8,947,408	956,737	659,144	9,245,001	9,160,955
PIS/Pasep	3,207	723	--	3,930	5,935
Cofins	19,805	4,380	--	24,185	36,520

R$ thousand

	BB-Consolidated				
	12.31.2011	1st quarter/2012		03.31.2012	03.31.2011
	Balance	Constitution	Write-off	Balance	Balance
Temporary differences	**19,474,111**	**2,897,893**	**1,777,094**	**20,594,910**	**18,665,192**
Allowance for loan losses	8,086,873	1,393,902	1,173,566	8,307,209	7,303,345
Passive reserves	6,540,682	550,112	207,806	6,882,988	6,680,268
Loan Operations – effects of Law No 9,430/96	3,463,297	876,329	--	4,339,626	3,442,771
Mark to market	284,178	59,355	1,595	341,938	412,918
Other provisions	1,099,081	18,195	394,127	723,149	825,890
CSLL written to 18% (MP 2,158/2001)	2,487,845	--	140,996	2,346,849	2,673,961
Fiscal losses/ negative bases	175,213	34,698	22,981	186,930	211,869
Excess depreciation	616,375	--	19,227	597,148	773,790
Total tax credits recorded	**22,753,544**	**2,932,591**	**1,960,298**	**23,725,837**	**22,324,812**
Income tax	12,835,645	1,818,093	1,130,220	13,523,518	12,433,343
Social contribution	9,893,077	1,109,383	829,722	10,172,738	9,847,098
PIS/Pasep	3,460	725	50	4,135	6,203
Cofins	21,362	4,390	306	25,446	38,168

Not Recorded

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Tax credit abroad	227,793	232,192	196,104	227,793	232,192	196,104
Temporary differences	--	--	--	66,853	49,224	12,841
Portion of mark to market negative ajustment	--	--	--	14,648	18,064	--
Total tax credits not recorded	**227,793**	**232,192**	**196,104**	**309,294**	**299,480**	**208,945**
Income tax	142,371	145,120	122,565	172,370	177,514	135,341
Social contribution	85,422	87,072	73,539	136,924	121,966	73,604

Estimates for the realization

The expectation of implementation of deferred tax assets (tax credits) is based on technical study, prepared in 12.31.2011, and the present value determined based on the average rate of funding of Banco do Brasil.

R$ thousand

	Banco do Brasil		BB-Consolidated	
	Par value	Present value	Par value	Present value
In 2012	4,000,081	3,814,368	4,460,178	4,054,897
In 2013	3,964,268	3,649,377	4,888,154	4,231,801
In 2014	3,400,402	3,031,328	3,783,286	3,192,966
In 2015	2,874,446	2,479,514	3,170,639	2,585,648
In 2016	4,929,269	4,113,438	5,354,853	4,227,656
In 2017	580,000	475,174	807,849	570,132
In 2018	--	--	60,138	27,678
In 2019	--	--	57,050	23,600
In 2020	--	--	53,803	19,889
In 2021	--	--	117,594	38,935
Total tax credits – 12.31.2011	**19,748,466**	**17,563,199**	**22,753,544**	**18,973,202**

In the first quarter 2012 it was possible to observe the realization of tax credits at Banco do Brasil in the amount of R$ 1,522,724 thousand corresponding to 38.07% of the respective projection of use for the period of 2012, contained in the technical study prepared on 12.31.2011.

The realization of the nominal value of tax credit recorded, considering the recovery of those issued during the processing of the lawsuit - 70%, based on a technical study conducted by the Banco do Brasil on 12.31.2011, is designed for 5.5 years in following proportions:

	Banco do Brasil		BB-Consolidated	
	Tax losses carryforwards/CSLL recoverable (1)	Intertemporary differences (2)	Tax losses carryforwards/CSLL recoverable(1)	Intertemporary differences (2)
In 2012	42%	17%	40%	17%
In 2013	40%	17%	40%	17%
In 2014	18%	17%	18%	17%
In 2015	--	17%	1%	17%
In 2016	--	29%	1%	28%
From 2017	--	3%	--	4%

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

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

26 – Related Party Transactions

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

R$ thousand

	1st quarter/2012	1st quarter/2011
Short-term benefits	14,647	9,729
Fees	5,047	4,383
Executive Board	4,490	3,902
Audit Committee	419	362
Board of Directors	75	65
Fiscal Council	63	54
Profit sharing	4,408	3,912
Other	5,192	1,434
Termination benefits	--	777
Total	**14,647**	**10,506**

The Bank does not offer post-employment benefits to its key management personnel, except for those who are part of the staff of the Bank, participating in the Pension Plan for Employees of the Banco do

Brasil (Previ). Since January 2007, due to the accumulated surplus in the Plan of those officials, the Bank does not provide this benefit expense (Note 27).

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

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

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

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

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

The Bank sponsors the Banco do Brasil Foundation which goals are the promotion, support, encouragement and sponsorship of actions at the educational, cultural, social, philanthropic, recreational / sports and promote research activities - scientific and technological assistance to urban communities - rural areas. The Bank made contributions to the FBB in the amount of R$ 9,572 (The Bank did not make any contributions in the 1st quarter of 2011).

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

In the first quarter of 2012, the Banco do Brasil has not acquired loan portfolios from Banco Votorantim, and in the first quarter of 2011, the acquired amount of R $ 2,015,291 thousand. The unrealized results arising from such transactions amounted to R$ 454,802 thousand (R$ 345,766 thousand in the 1st quarter of 2011), net of tax effects.

Summary of related party transations

R$ thousand

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

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

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

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

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

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

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

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

R$ thousand

	03.31.2011						
	Controller (1)	Subsidiaries (2)	Jointly controlled (3)	Associated companies (4)	Key Management personnel	Other related parties(6)	Total
Assets							
Interbank deposits	--	14,123,397	321,465	--	--	81,682	14,526,544
Securities	--	5,315	83,318	--	--	--	88,633
Loan operations	945,577	28,635	80,084	--	--	469,036	1,523,332
Receivables from related companies	--	26,052	--	--	--	--	26,052
Other assets	--	66,915	701,975	--	--	--	768,890
Liabilities							
Demand deposits	876,784	91,858	12,885	9,530	851	930,677	1,922,585
Saving deposits	--	--	--	--	1,055	--	1,055
Remunerated time deposits	--	4,240,558	430,247	646,663	5,344	5,605,266	10,928,078
Securities sold under repurchase agreements	--	947,660	450,000	--	--	490,104	1,887,764
Borrowings and onlendings	1,552,097	7,901,729	--	--	--	38,711,595	48,165,421
Other liabilities	--	35,363	730,044	--	--	147,888	913,295
Guarantees and Other Recourses(7)	--	671,101	6,847,333	--	--	--	7,518,434
	1st quarter/2011						
Income from interest and render of services	18,898	360,918	2,410	24,479	--	59,659	466,364
Expenses from raising funds	(34,684)	(83,831)	(12,185)	(8,243)	(174)	(902,246)	(1,041,363)

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

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

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

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

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

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

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

27 – Employee benefits

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

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

Number of participants covered by benefit plans sponsored by the Bank

	03.31.2012			12.31.2011			03.31.2011		
	N.° of participants			N.° of participants			N.° of participants		
	Actives	Assisted	Total	Actives	Assisted	Total	Actives	Assisted	Total
Retirement and Pension Plans	**115,565**	**106,583**	**222,148**	**115,842**	**106,149**	**221,991**	**111,824**	**105,008**	**216,832**
Plano de Benefícios 1 – Previ	30,127	84,198	114,325	30,659	83,825	114,484	32,003	82,981	114,984
Plano Previ Futuro	67,800	470	68,270	67,507	443	67,950	61,919	386	62,305
Plano Informal	--	7,649	7,649	--	7,649	7,649	--	7,920	7,920
Other plans	17,638	14,266	31,904	17,676	14,232	31,908	17,902	13,721	31,623
Medical Assistance Plans	**116,910**	**92,977**	**209,887**	**117,376**	**92,481**	**209,857**	**114,850**	**91,547**	**206,397**
Cassi	102,909	83,654	186,563	103,293	83,202	186,495	100,524	82,431	182,955
Other plans	14,001	9,323	23,324	14,083	9,279	23,362	14,326	9,116	23,442

Bank's contributions to benefit plans

R$ thousand

	1st quarter 2012	1st quarter 2011
Retirement and Pension Plans	**265,310**	**188,224**
Plano de Benefícios 1 – Previ [1]	106,974	43,625
Plano Previ Futuro	65,145	50,950
Plano Informal	64,779	64,357
Other plans	28,412	29,292
Medical Assistance Plans	**209,387**	**236,803**
Cassi	185,088	216,044
Other plans	24,299	20,759
Total	**474,697**	**425,027**

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

Values recognized in earnings

R$ thousand

	1st quarter 2012	1st quarter 2011
Retirement and Pension Plans	**246,358**	**479,625**
Plano de Benefícios 1 – Previ	390,329	624,195
Plano Previ Futuro	(65,145)	(50,950)
Plano Informal	(51,885)	(61,484)
Other plans	(26,941)	(32,136)
Medical Assistance Plans	**(276,679)**	**(250,736)**
Cassi	(253,194)	(229,116)
Other plans	(23,485)	(21,620)
Total	**(30,321)**	**228,889**

a) Retirement and pension plans

Previ Futuro (Previ)

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

Plano de Benefícios 1 (Previ)

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

Plano Informal (Previ)

This plan is the sole responsibility of the Banco do Brasil whose contractual obligations include (a) retirement pensions to founder participants and pension payments to beneficiaries of participants deceased up to 04.14.1967; (b) payment of retirement supplements to the other participants employed by Banco do Brasil who retired up to 04.14.1967 or who, on that date, would have the right through length of service to retire and who had at least 20 years of effective service with the Bank; and (c) increase in the amount of retirement benefits and of pensions in addition to that provided for in the benefit plan of Previ, resulting from judicial decisions and from administrative decisions on account of restructuring of the job and salary plan and of incentives created by the Bank.

Prevmais (Economus)

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

Regulamento Geral (Economus)

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

Regulamento Complementar 1 (Economus)

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

Grupo B' (Economus)

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

Multifuturo I (Fusesc)

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

Plano de Benefícios 1 (Fusesc)

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

Plano BEP (Prevbep)

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

b) Medical Assistance Plans

Plano de Associados (Cassi)

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

Plano Unificado de Saúde - PLUS (Economus)

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

Plano Unificado de Saúde - PLUS II (Economus)

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

Plano de Assistência Médica Complementar - PAMC (Economus)

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

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

Plano de Saúde (SIM)

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

c) Actuarial valuations

The actuarial valuations are prepared every six months and the information contained in the tables below refers to those carried out on the base dates of 12.31.2011 and 12.31.2010.

Changes in present value of defined benefit actuarial obligations

R$ thousand

	Plano 1 – Previ		Plano Informal – Previ		Plano de Associados – Cassi		Other plans	
	2011	2010	2011	2010	2011	2010	2011	2010
Initial Balance	**(90,805,477)**	**(80,270,786)**	**(1,994,759)**	**(1,743,385)**	**(5,297,173)**	**(4,943,220)**	**(5,189,411)**	**(4,432,673)**
Interest cost	(9,798,080)	(8,434,756)	(204,672)	(202,866)	(577,040)	(542,750)	(540,832)	(514,367)
Current service cost	(517,332)	(447,544)	--	--	(84,607)	(70,937)	(49,031)	(41,506)
Benefits paid net contributions retirees	6,718,424	7,532,656	297,618	295,797	503,816	376,039	370,240	314,364
Administrative expenses paid by the plan	--	--	--	--	--	--	1,624	--
Liabilities transferred from other plans	--	--	--	--	--	--	(6,576)	--
Actuarial gain / (loss) on actuarial obligation	(4,447,076)	(9,185,047)	(3,557)	(344,305)	(591,928)	(116,304)	(208,624)	(515,229)
Closing Balance	**(98,849,541)**	**(90,805,477)**	**(1,905,370)**	**(1,994,759)**	**(6,046,932)**	**(5,297,172)**	**(5,622,610)**	**(5,189,411)**
Present value of actuarial liabilities with surplus	(98,849,541)	(90,805,477)	--	--	--	--	(4,477,749)	(4,339,122)
Present value of actuarial liabilities without surplus	--	--	(1,905,370)	(1,994,759)	(6,046,932)	(5,297,172)	(1,144,861)	(850,289)

Changes in fair value of plan assets

R$ thousand

	Plano 1 – Previ		Plano Informal – Previ		Plano de Associados – Cassi		Other plans	
	2011	2010	2011	2010	2011	2010	2011	2010
Initial Balance	**141,566,322**	**137,814,150**	**--**	**--**	**--**	**--**	**4,339,122**	**3,943,103**
Estimated yield on plan assets	14,934,610	13,963,696	--	--	--	--	478,661	532,843
Contributions received	495,904	459,300	297,618	295,797	503,816	376,039	90,925	56,326
Benefits paid net contributions retirees	(6,718,424)	(7,532,656)	(297,618)	(295,797)	(503,816)	(376,039)	(307,090)	(245,810)
Equity transfer	--	--	--	--	--	--	6,576	--
Allocation Fund to Sponsor and Participant [(1)]	--	(15,068,115)	--	--	--	--	--	--
Gain / (loss) on actuarial plan assets	(17,199,016)	11,929,947	--	--	--	--	(130,445)	52,660
Closing Balance	**133,079,396**	**141,566,322**	**--**	**--**	**--**	**--**	**4,477,749**	**4,339,122**

(1) Refers to the values used for setting up the fund allocation of the surplus, corresponding, to the Bank, the amount of R$ 7,519,058 thousand (Note 27.e.2).

Amounts recognized in the balance sheet

R$ thousand

	Plano 1 – Previ			Plano Informal – Previ			Plano de Associados – Cassi			Other plans		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
1) Fair value of the plan assets	133,079,396	133,079,396	141,566,322	--	--	--	--	--	--	4,477,749	4,477,749	4,339,122
2) Present value of actuarial liabilities	(98,849,541)	(98,849,541)	(90,805,477)	(1,905,370)	(1,905,370)	(1,994,759)	(6,046,932)	(6,046,932)	(5,297,172)	(5,622,610)	(5,622,610)	(5,189,411)
3) Surplus/(deficit) (1+2)	34,229,855	34,229,855	50,760,844	(1,905,370)	(1,905,370)	(1,994,759)	(6,046,932)	(6,046,932)	(5,297,172)	(1,144,861)	(1,144,861)	(850,289)
4) Surplus/(deficit) - quota sponsor	17,114,928	17,114,928	25,380,422	(1,905,370)	(1,905,370)	(1,994,759)	(6,046,932)	(6,046,932)	(5,297,172)	(863,246)	(863,246)	(684,994)
5) Unrecognized actuarial gains/(losses)	3,244,851	3,742,924	14,817,699	(175,761)	(162,896)	(202,245)	(1,172,411)	(1,240,517)	(676,778)	(267,093)	(270,228)	(177,117)
6) Net actuarial (liability)/asset (4-5)	**13,870,077**	**13,372,004**	**10,562,723**	**(1,729,609)**	**(1,742,474)**	**(1,792,514)**	**(4,874,521)**	**(4,806,415)**	**(4,620,394)**	**(596,153)**	**(593,018)**	**(507,877)**

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

Amounts recognized in statement of income relating to defined benefit plans

R$ thousand

	Plano 1 – Previ		Plano Informal – Previ		Plano de Associados – Cassi		Other plans	
	1st quarter 2012	1st quarter 2011	1st quarter 2012	1st quarter 2011	1st quarter 2012	1st quarter 2011	1st quarter 2012	1st quarter 2011
Cost of current service	(62,752)	(68,264)	--	--	(21,692)	(20,771)	(3,651)	(7,654)
Contributions from participants	--	--	--	--	--	--	--	--
Interest cost	(1,260,316)	(1,195,894)	(47,964)	(52,133)	(153,905)	(139,869)	(23,820)	(13,638)
Expected earnings on the plan assets	1,713,397	1,888,353	--	--	--	--	--	(7,805)
Amortization of net actuarial gains/(losses)	--	--	(3,921)	(9,351)	--	--	--	--
Unrecognized past service cost	--	--	--	--	(2,478)	(2,478)	--	--
Expense with active employees	--	--	--	--	(75,119)	(65,998)	(27,708)	(31,694)
Other adjustments/reversals	--	--	--	--	--	--	4,754	7,035
(Expense)/income recognized in Statement of Income	**390,329**	**624,195**	**(51,885)**	**(61,484)**	**(253,194)**	**(229,116)**	**(50,425)**	**(53,756)**

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

	Plano 1 - Previ			Plano Informal - Previ			Plano de Associados - Cassi			Other plans		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Fixed Revenue	29.2%	30.2%	29.2%	--	--	--	--	--	--	90.1%	90.9%	88.7%
Floating Revenue	63.2%	62.2%	64.7%	--	--	--	--	--	--	4.8%	4.3%	7.8%
Real estate investments	4.0%	4.0%	3.2%	--	--	--	--	--	--	1.8%	1.8%	1.7%
Loans and financing	3.2%	3.2%	2.9%	--	--	--	--	--	--	1.9%	1.8%	1.4%
Others	0.4%	0.4%	--	--	--	--	--	--	--	1.5%	1.2%	0.4%
Amounts listed in fair value of plan assets												
In their own financial instruments of the entity	6.0%	5.5%	6.7%	--	--	--	--	--	--	--	--	--
In properties or other assets used by the entity	0.1%	0.1%	0.1%	--	--	--	--	--	--	0.1%	0.1%	--

Comparative table showing expected and actual return from plan assets

	Plano 1 – Previ		Plano Informal – Previ		Plano de Associados – Cassi		Other plans	
	2011	2010	2011	2010	2011	2010	2011	2010
Expected yield nominal rate on plan assets	10.96% p.a.	10.76% p.a.	--	--	--	--	10.96% p.a.	10.76% p.a.
Expected yield on assets for the period (R$ thousand) [1]	14,934,610	13,963,696	--	--	--	--	478,661	532,843
Effective yield (R$ thousand) [2]	(2,264,406)	10,825,528	--	--	--	--	354,792	585,503

(1) 12.31.2010 to 12.30.2011 – Real rate 6.30% p.a. and Inflation rate 4.38% p.a.
12.31.2009 to 12.30.2010 – Real rate 6.30% p.a. and Inflation rate 4.20% p.a.

(2) Considers the effects of floating income investments.

Main actuarial assumptions adopted in each period

	Plano 1 – Previ		Plano Informal – Previ		Plano de Associados – Cassi		Other plans [1]	
	12.31.2011	12.31.2010	12.31.2011	12.31.2010	12.31.2011	12.31.2010	12.31.2011	12.31.2010
Inflation rate (p.a.)	4.20%	4.38%	4.20%	4.38%	4.20%	4.38%	4.20%	4.38%
Real discount rate (p.a.)	6.10%	6.30%	6.10%	6.30%	6.10%	6.30%	6.10%	6.30%
Nominal return rate of investments (p.a.)	10.56%	10.96%	--	--	--	--	10.56%	10.96%
Real rate of future salary growth (p.a.)	--	0.41%	--	--	--	0.41%	0.65%	0.26%
Average remaining work period (years)	2.35	3.57	--	--	14.12	14.81	6.73	5.24
Table actuarial survival	AT-83		AT-83		AT-83		AT-83	
Capitalization method	Projected credit unit		Projected credit unit		Projected credit unit		Projected credit unit	

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

In order to determine the values for the defined benefit plans, the Bank uses methods and assumptions different from those submitted by entities sponsored. The most significant differences are concentrated on the definition of the figures relating to Plano 1 – Previ.

Differences in assumptions of the Plano 1 - Previ

	Bank	Previ
Real discount rate (p.a.)	6.1%	5%
Table actuarial survival	AT-83	AT-2000
Evaluation of assets – Exclusive funds	Market value or discounted cash flow - base scenario	Discounted cash flow - conservative scenario
Capitalization method	Projected credit unit	Aggregate Method

Reconciliation of Plan 1 amounts calculated - Previ/Bank

R$ thousand

	Plan assets		Actuarial liabilities		Effect in surplus	
	12.31.2011	12.31.2010	12.31.2011	12.31.2010	12.31.2011	12.31.2010
Value determined - Previ	**121,969,218**	**116,790,760**	**(97,420,089)**	**(90,629,774)**	**24,549,129**	**26,160,986**
Incorporation of values from contract 97	13,188,500	13,147,607	(13,188,500)	(13,147,607)	--	--
Adjustment in the value of plan assets [1]	(2,078,322)	11,627,955	--	--	(2,078,322)	11,627,955
Adjustment the liabilities – discount rate/ capitalization method	--	--	11,759,048	12,971,904	11,759,048	12,971,904
Value determined - Bank	**133,079,396**	**141,566,322**	**(98,849,541)**	**(90,805,477)**	**34,229,855**	**50,760,845**

(1) Refers mainly to adjustments made by the Bank in determining the fair value of plan assets, using the market value for shares of Vale and discounted cash flow – base scenario for Neonergia, 521 Holdings and Invepar assets, while at Previ is used the method of discounted cash flow - conservative scenario.

Actuarial amounts for the last five years

R$ thousand

	12.31.2011	12.31.2010	12.31.2009	12.31.2008	12.31.2007
Plano 1 (Previ) – Surplus/(deficit)	**34,229,855**	**50,760,845**	**57,543,364**	**28,669,191**	**64,229,505**
Defined benefit obligation	(98,849,541)	(90,805,477)	(80,270,786)	(76,109,637)	(70,572,791)
Plan assets	133,079,396	141,566,322	137,814,150	104,778,828	134,802,296
Experience adjustment on the plan liabilities (p.a.)	(2.6%)	(8.4%)	(3.6%)	(7.1%)	(3.2%)
Experience adjustment on plan assets (p.a.)	(6.9%)	16.7%	20.8%	(28.7%)	(18.7%)
Plano Informal (Previ) – Surplus/(deficit)	**(1,905,370)**	**(1,994,759)**	**(1,743,386)**	**(1,739,592)**	**(1,666,065)**
Defined benefit obligation	(1,905,370)	(1,994,759)	(1,743,386)	(1,739,592)	(1,666,065)
Experience adjustment on the plan liabilities (p.a.)	(2.2%)	(3.7%)	(6.1%)	(11.4%)	(9.6%)
Plano de Associados (Cassi) – Surplus/(deficit)	**(6,046,932)**	**(5,297,172)**	**(4,943,220)**	**(4,677,766)**	**(4,547,868)**
Defined benefit obligation	(6,046,932)	(5,297,172)	(4,943,220)	(4,677,766)	(4,547,868)
Experience adjustment on the plan liabilities (p.a.)	(5.3%)	(2.9%)	(0.3%)	0.1%	8.8%
Other Plans – Surplus/(deficit)	**(1,144,861)**	**(850,289)**	**(489,570)**	**171,899**	**--**
Defined benefit obligation	(5,622,610)	(5,189,411)	(4,432,673)	(446,280)	--
Plan assets	4,477,749	4,339,122	3,943,103	618,179	--
Experience adjustment on the plan liabilities (p.a.)	(4.7%)	(6.9%)	(17.6%)	(4.9%)	--
Experience adjustment on plan assets (p.a.)	(2.5%)	(0.5%)	(3.2%)	0.4%	--

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

R$ thousand

	Actuarial assets			Actuarial liabilities		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Plano 1 (Previ)	13,870,077	13,372,004	10,562,723	--	--	--
Plano Informal (Previ)	--	--	--	(1,729,609)	(1,742,474)	(1,792,514)
Plano de Associados (Cassi)	--	--	--	(4,874,521)	(4,806,415)	(4,620,394)
Regulamento Geral (Economus)	--	--	--	(167,243)	(163,932)	(116,066)
Regulamento Complementar 1 (Economus)	--	--	--	--	--	(237)
Plus I e II (Economus)	--	--	--	(313,808)	(313,822)	(276,654)
Grupo B' (Economus)	--	--	--	(115,488)	(115,264)	(114,920)
Total	**13,870,077**	**13,372,004**	**10,562,723**	**(7,200,669)**	**(7,141,907)**	**(6,920,785)**

e) Allocations of the Surplus – Plano 1

R$ thousand

	1st quarter 2012	2011	1st quarter 2011
Fundo Paridade			
Initial Balance	**1,608,379**	**1,524,374**	**1,524,374**
Restatement	37,378	167,125	50,473
Contributions to the Plano 1 – Contract 97	98	(83,120)	(43,625)
Closing Balance	**1,645,855**	**1,608,379**	**1,531,222**
Fundo de Destinação			
Initial Balance	**3,684,325**	**7,594,993**	**7,594,993**
Restatement	82,477	489,911	258,895
Transfers to Fundo de Contribuição and Fundo de Utilização	(264,111)	(4,400,579)	--
Closing Balance	**3,502,691**	**3,684,325**	**7,853,888**
Fundo de Contribuição			
Initial Balance	**1,096,433**	**--**	**--**
Constitution [1]	--	1,398,467	--
Restatement	24,513	110,247	--
Contributions to the Plano 1	(107,744)	(412,281)	--
Closing Balance	**1,013,202**	**1,096,433**	**--**
Fundo de Utilização			
Initial Balance	**3,249,250**	**--**	**--**
Constitution [1]	264,111	3,002,112	--
Restatement	78,653	247,138	--
Closing Balance	**3,592,014**	**3,249,250**	**--**

(1) Funds setup in the first half 2011.

e.1) Fundo Paridade

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

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

e.2) Fundo de Destinação

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

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

e.3) Fundo de Contribuição

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

e.4) Fundo de Utilização

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

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

a) Contingent Liabilities – Probable

Labor Lawsuits

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

Tax Lawsuits

The Bank 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 (Service tax), CPMF (Temporary Contribution on Financial Transactions), CSLL (Social Contribution Tax), IRPJ (Corporate Income Tax) and IOF (Credit, Exchange and Insurance Operations tax). As guarantee of some of them, there are attachments in cash or in properties, when necessary.

Civil Lawsuits

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

It is prescribed the right of actions related to Bresser, Summer, Collor I and II Plans. Besides it, the Supremo Tribunal Federal (STF)* ordered a suspension of actions at the appeal stage, involving these economic plans. The probably success of the authors is provisioned.

*ADPF/165: Complaint of breach of fundamental precept - authored by the Confederação Nacional do Sistema Financeiro, with the aim of declaring the constitutionality of legislation that established the economic plans.

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

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Labor lawsuits				
Initial Balance	**2,340,058**	**2,462,390**	**2,514,536**	**2,538,036**
Addition	209,449	34,153	250,429	43,868
Reversal of the provision	(21,248)	(56)	(27,932)	(449)
Written off due payment	(172,282)	(125,065)	(173,538)	(125,610)
Price level correction	49,152	43,728	49,502	43,763
Closing Balance	**2,405,129**	**2,415,150**	**2,612,997**	**2,499,608**
Tax lawsuits				
Initial Balance	**164,943**	**195,377**	**1,400,444**	**1,260,923**
Addition	22,831	358	83,585	51,832
Reversal of the provision	(5,945)	(3)	(15,916)	(2,656)
Written off due payment	(9,640)	(89)	(9,640)	(93)
Price level correction	579	3,148	17,061	9,699
Amounts added/merged	--	--	77	--
Closing Balance	**172,768**	**198,791**	**1,475,611**	**1,319,705**
Civil lawsuits				
Initial Balance	**3,244,433**	**3,464,569**	**3,473,970**	**3,594,694**
Addition	560,671	107,126	586,777	131,380
Reversal of the provision	(1,136)	(34)	(8,705)	(16,198)
Written off due payment	(216,120)	(152,836)	(219,051)	(155,438)
Price level correction	23,279	85,567	25,233	86,049
Closing Balance	**3,611,127**	**3,504,392**	**3,858,224**	**3,640,487**
Total Labor, Tax and Civil	**6,189,024**	**6,118,333**	**7,946,832**	**7,459,800**

b) Contingent Liabilities – Possible

The lawsuits, tax and civil risks classified "possible" are exempted from any provisions on the Resolution CMN nº. 3,823/2009.

Labor Lawsuits

Represents various applications demanded as compensation for overtime, distortion of the working day, additional function and representation, and others.

Fiscal Lawsuits

Represents a number of claims made such as: ISSQN, collection and other tax obligations from Secretaria da Receita Federal and Instituto Nacional do Seguro Social (INSS). The main contingencies originate from:

- Notices of labor infraction drawn by the INSS, aiming at the payment of contributions applicable on year-end bonuses paid in the collective agreements in the period from 1995 to 2006, in the amount of R$ 1,186,736 thousand, public transport pay and use of private car by employees of Banco do Brasil, in the amount of R$ 166,719 thousand and employee profit sharing corresponding to the period from April 2001 to October 2003, in the amount of R$ 27,202 thousand.
- Notices of tax assessment drawn by the Treasuries of the Municipalities, aiming at the collection of ISSQN, which amounts R$ 257,030 thousand.

Civil Lawsuits

In civil lawsuits there are actions that seek to recover the difference between inflation and the index used to restate financial investments during the period of economic plans (Collor Plan, Bresser Plan and Summer Plan).

The balances of contingent liabilities classified as possible

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Labor claims	132,161	107,530	82,339	153,263	140,115	102,637
Tax Claims	2,904,563	2,914,842	2,255,956	4,346,728	4,092,203	3,397,386
Civil claims	3,712,427	3,754,877	2,993,301	4,249,607	4,294,798	3,102,804
Total	**6,749,151**	**6,777,249**	**5,331,596**	**8,749,598**	**8,527,116**	**6,602,827**

d) Deposits in Guarantee of Funds

Deposits in guarantee balances recorded for contingencies

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Labor claims	2,494,676	2,488,543	2,555,708	2,526,560	2,522,179	2,578,798
Tax claims	4,474,129	4,433,333	4,236,793	6,021,755	5,915,700	5,699,208
Civil claims	3,752,942	3,574,259	3,032,255	3,933,270	3,749,986	3,196,980
Total	**10,721,747**	**10,496,135**	**9,824,756**	**12,481,585**	**12,187,865**	**11,474,986**

c) Legal Obligations

The Bank has a record in Other Liabilities - Tax and Social Security, of the amount of R$ 12,851,459 thousand (R$ 12,754,899 thousand on 12.31.2011 and R$ 12,355,271 thousand on 03.31.2011) at Banco do Brasil and R$ 13,626,863 thousand (R$ 13,516,326 thousand on 12.31.2011 and R$ 13,073,140 thousand on 03.31.2011) in BB-Consolidated, relating to the following actions:

Judicial Proceeding: Income and Social Contribution Taxes

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

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

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

Based on the hypothesis of a successful outcome to its lawsuit, observed as of September 2005 and January 2009, the Bank would have consumed the entire stock of tax loss carry forward and recoverable social contribution, respectively. Therefore, since the accrual period of October 2005 and

February 2009, the amount of IRPJ and CSLL are being paid in full. Moreover, there would be a transfer of resources from the account used to record judicial deposits to that of cash and cash equivalents. Tax credits for the escrow deposits (principal) would be written off against the allowance of IRPJ and CSLL and would be reversed against income, the provision for tax risks related to the restatement of the deposits, amounting to R$ 4,405,950 thousand.

If the Bank were unsuccessful in its lawsuit (situation in which the amounts deposited judicially would be converted into income in favor of the National Treasury), the portions of IRPJ tax credits on tax losses and CSLL to offset would be reclassified to the representative asset account "IRPJ recoverable" and "CSLL recoverable", respectively, that could be used since the accrual period of October 2005 and February 2009, observing the limitation of 30%. These taxes recoverable, which would result from the adjustments of Statements of Economic-Fiscal Information of Businesses, corresponds to R$ 4,299,701 thousand on 03.31.2012 and its restatement by the Selic Rate corresponds to R$ 1,103,658 thousand. This sum adjusts the provision for tax risks with respect to the updating of court deposits so that it will be sufficient to fully cancel the risk of a likely loss.

The amounts related to this matter

R$ thousand

	03.31.2012	12.31.2011	03.31.2011
Legal Obligations - Provision for lawsuit	**12,237,178**	**12,153,757**	**11,797,563**
Judicial Deposits	**13,540,555**	**13,348,256**	**12,690,064**
Amount realized	7,817,011	7,817,011	7,817,011
Restatement	5,723,544	5,531,245	4,873,053
The amount of tax credits corresponding to the 70% portion	**6,585,045**	**6,585,045**	**6,585,045**
Tax losses of IRPJ	3,002,033	3,002,033	3,002,033
CSLL losses to offset/ CSLL recoverable	3,583,012	3,583,012	3,583,012

Judicial Proceeding: PIS/Pasep and Cofins

Provision for lawsuit relating to the mandamus intended to achieve recognition of the right of Banco do Brasil, BB Corretora, Ativos S.A. and Banco Votorantim to pay PIS/Pasep and Cofins according to the calculation bases set out in Complementary Laws nº. 7/1970 and nº. 70/1991, recorded in Banco do Brasil the amount of R$ 614,281 thousand (R$ 601,142 thousand on 12.31.2011 and R$ 557,708 thousand on 03.31.2011) and R$ 1,389,685 thousand in BB-Consolidated (R$ 1,362,569 thousand on 12.31.2011 and R$ 1,275,577 thousand on 03.31.2011), considering R$ 773,724 thousand from Banco Votorantim. Since the injunctions were suspended on 08.12.2010, Banco do Brasil and BB Corretora returned to collect the PIS/Pasep and Cofins from the event of July 2010 as provided for in Law nº. 9,718/1998. The legal actions of Banco Votorantim concerning to Cofins, had favorable judgments which are subject to an appeal.

29 - Risk Management and Regulatory Capital

a) Risk Management Process

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

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

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

b) Credit Risk

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

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

c) Liquidity Risk

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

d) Operational Risk

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

e) Market Risk

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

Financial Instruments – Fair Value

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

R$ thousand

	BB-Consolidated											
	03.31.2012		12.31.2011		03.31.2011		Unrealized gain/loss, net of tax effects					
							On Income			On Shareholders´ Equity		
	Book value	Fair value	Book value	Fair value	Book value	Fair value	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Assets												
Short-term interbank deposits	183,014,885	183,049,138	166,287,806	166,287,194	146,457,948	146,457,055	34,253	(612)	(893)	34,253	(612)	(893)
Securities	154,498,717	154,302,572	166,833,173	166,693,437	145,103,658	144,938,394	643,807	526,295	163,911	(196,145)	(139,736)	(165,264)
Adjustment of securities available for sale (Note 8.a)	--	--	--	--	--	--	839,952	666,031	329,175	--	--	--
Adjustment of securities held to maturity (Note 8.a)	--	--	--	--	--	--	(196,145)	(139,736)	(165,264)	(196,145)	(139,736)	(165,264)
Derivative financial instruments	1,484,122	1,484,122	1,396,700	1,396,700	1,396,297	1,396,297	--	--	--	--	--	--
Loan operations	384,833,266	384,645,335	379,045,045	379,158,229	325,681,935	325,496,013	(187,931)	113,184	(185,922)	(187,931)	113,184	(185,922)
Liabilities												
Interbank deposits	14,272,372	14,273,736	14,450,354	14,673,099	12,068,806	12,200,707	(1,364)	(222,745)	(131,901)	(1,364)	(222,745)	(131,901)
Time deposits	270,123,275	270,086,072	265,808,991	265,922,145	219,031,359	219,016,050	37,203	(113,154)	15,309	37,203	(113,154)	15,309
Money Market Borrowing	199,811,310	199,722,603	195,175,276	195,155,509	180,111,932	179,986,750	88,707	19,767	125,182	88,707	19,767	125,182
Borrowings and onlendings	63,207,738	63,205,425	63,350,471	63,280,538	60,652,909	60,630,730	2,313	69,933	22,179	2,313	69,933	22,179
Derivative financial instruments	4,266,396	4,266,396	3,620,655	3,620,655	4,915,839	4,915,839	--	--	--	--	--	--
Other liabilities	189,065,358	188,019,088	181,767,988	181,761,619	163,561,673	163,496,770	1,046,270	6,369	64,903	1,046,270	6,369	64,903
Unrealized gain/loss, net of tax effects							**1,663,258**	**399,037**	**72,768**	**823,306**	**(266,994)**	**(256,407)**

Determination of Fair Value of Financial Instruments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Assets and liabilities measured at fair value in the balance sheet

R$ thousand

	Balance at 03.31.2012	Level 1	Level 2	Level 3
Assets				
Trading securities, measured by market value	63,543,609	43,095,052	20,448,557	--
Derivative financial instruments	1,484,122	41,116	1,441,455	1,551
Available-for-sale securities, measured by market value	77,105,118	51,088,149	24,679,633	1,337,336
Liabilities				
Hedge funding	3,931,064	2,517,528	1,413,536	--
Derivative financial instruments	4,266,396	146,373	4,111,771	8,252

R$ thousand

	Balance at 12.31.2011	Level 1	Level 2	Level 3
Assets				
Trading securities, measured by market value	63,257,425	46,662,817	16,594,608	--
Derivative financial instruments	1,396,700	125,359	1,271,103	238
Available-for-sale securities, measured by market value	88,385,009	59,415,292	28,125,499	844,218
Liabilities				
Hedge funding	4,040,513	2,591,380	1,449,133	--
Derivative financial instruments	3,620,655	194,058	3,421,873	4,724

R$ thousand

	Balance at 03.31.2011	Level 1	Level 2	Level 3
Assets				
Trading securities, measured by market value	51,742,000	43,086,644	8,449,925	205,431
Derivative financial instruments	1,396,297	84,126	1,307,036	5,135
Available-for-sale securities, measured by market value	76,309,990	53,678,025	21,653,414	978,551
Liabilities				
Hedge funding	3,621,111	2,319,949	1,301,162	--
Derivative financial instruments	4,915,840	43,305	4,863,908	8,627

Sensitivity analysis (CVM Instruction nº 475/2008)

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

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

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

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

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

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

Scenario I: Likely situation, which reflects the perception of the Bank's senior management, the scenario most likely to occur for a 3-month horizon, considering macroeconomic factors and market information (BM&FBovespa, Andima, etc.). Assumptions: exchange rate - Reais/Dollar of R$ 1.74 and raising the Selic rate to 9% per annum based on market conditions observed at 03.31.2012.

Scenario II: Possible situation. Assumptions employed: parallel shock of 25.0% in the risk variables, based on market conditions observed on 03.31.2012 considering the worst losses by risk factor and, therefore, neglecting the dynamics of macroeconomic factors;

Scenario III: Possible situation. Assumptions employed: parallel shock of 50.0% in the risk variables, based on market conditions observed on 03.31.2012 considering the worst losses by risk factor and thus ignoring the dynamics of macroeconomic factors.

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

R$ thousand

Risk Factor	Concept	Scenario I					
		03.31.2012		12.31.2011		03.31.2011	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Decrease	2,901	Decrease	3,619	Increase	(1,056)
TMS and CDI coupons	Risk of variation of interest rate coupons	Decrease	90	Increase	(39)	Increase	(80)
IPCA	Risk of variation of price index coupons	Decrease	1,604	Decrease	1,064	Increase	(429)
Foreign currency coupons (US Dollars)	Risk of variation of foreign exchange coupon	Increase	(1)	Increase	--	Increase	119
Exchange rates variation	Risk of variation of exchange rates	Decrease	(5,135)	Decrease	(283)	Maintenance	--

R$ thousand

Risk Factor	Concept	Scenario II					
		03.31.2012		12.31.2011		03.31.2011	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(11,395)	Increase	(7,354)	Increase	(5,725)
TMS and CDI coupons	Risk of variation of interest rate coupons	Increase	(34)	Increase	(29)	Increase	(28)
IPCA	Risk of variation of price index coupons	Increase	(2,821)	Increase	(1,014)	Increase	(1,372)
Foreign currency coupons (US Dollars)	Risk of variation of foreign exchange coupon	Increase	(4)	Decrease	--	Decrease	(164)
Exchange rates variation	Risk of variation of exchange rates	Decrease	(29,207)	Decrease	(22,918)	Decrease	(9,579)

R$ thousand

Risk Factor	Concept	Scenario III					
		03.31.2012		12.31.2011		03.31.2011	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(21,683)	Increase	(14,871)	Increase	(12,320)
TMS and CDI coupons	Risk of variation of interest rate coupons	Increase	(68)	Increase	(58)	Increase	(56)
IPCA	Risk of variation of price index coupons	Increase	(5,520)	Increase	(1,981)	Increase	(2,682)
Foreign currency coupons (US Dollars)	Risk of variation of foreign exchange coupon	Increase	(9)	Decrease	--	Decrease	(329)
Exchange rates variation	Risk of variation of exchange rates	Decrease	(58,414)	Decrease	(45,837)	Decrease	(19,158)

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

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

R$ thousand

Risk Factor	Concept	Scenario I					
		03.31.2012		12.31.2011		03.31.2011	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Decrease	1,228,476	Decrease	1,787,692	Increase	(667,223)
TR	Risk of variation of interest rate coupons	Decrease	(1,689,065)	Decrease	(2,928,968)	Increase	560,223
TBF		Decrease	(825)	Decrease	(671)	Increase	481
TJLP	Risk of variation of interest rate coupons	Decrease	(139,536)	Decrease	(248,336)	Increase	68,653
TMS and CDI coupons		Decrease	(177,974)	Increase	71,001	Increase	84,802
IGP-M	Risk of variation of price index coupons	Decrease	83,670	Decrease	170,715	Increase	(62,034)
IGP-DI		Decrease	136	Decrease	280	Increase	(100)
INPC		Decrease	78,750	Decrease	405,481	Increase	(50,976)
IPCA		Decrease	25,155	Decrease	46,853	Increase	(16,914)
Foreign Currency Coupom	Risk of variation of foreign exchange coupon	Increase	643,981	Increase	519,294	Increase	(8,736)
Exchange rates variation	Risk of variation of exchange rates	Decrease	(32,306)	Decrease	(5,236)	Maintenance	--

R$ thousand

Risk Factor	Concept	Scenario II					
		03.31.2012		12.31.2011		03.31.2011	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(4,793,506)	Increase	(3,562,867)	Increase	(4,265,026)
TR	Risk of variation of interest rate coupons	Decrease	(4,768,215)	Decrease	(5,154,022)	Decrease	(5,485,681)
TBF		Decrease	(99)	Decrease	(290)	Decrease	(72)
TJLP	Risk of variation of interest rate coupons	Decrease	(234,497)	Decrease	(205,023)	Decrease	(223,945)
TMS and CDI coupons		Decrease	(97,228)	Decrease	(102,427)	Decrease	(49,994)
IGP-M	Risk of variation of price index coupons	Increase	(156,269)	Increase	(168,062)	Increase	(174,830)
IGP-DI		Increase	(216)	Increase	(323)	Increase	(394)
INPC		Increase	(146,959)	Increase	(418,739)	Increase	(149,608)
IPCA		Increase	(45,863)	Increase	(45,617)	Increase	(54,161)
Foreign Currency Coupom	Risk of variation of foreign exchange coupon	Decrease	(656,070)	Decrease	(710,749)	Increase	(86,949)
Exchange rates variation	Risk of variation of exchange rates	Decrease	(183,738)	Decrease	(423,350)	Decrease	(249,787)

R$ thousand

Risk Factor	Concept	Scenario III					
		03.31.2012		12.31.2011		03.31.2011	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(9,226,164)	Increase	(6,877,667)	Increase	(8,176,325)
TR	Risk of variation of interest rate coupons	Decrease	(9,821,257)	Decrease	(10,669,317)	Decrease	(11,436,894)
TBF		Decrease	(197)	Decrease	(582)	Decrease	(144)
TJLP	Risk of variation of interest rate coupons	Decrease	(478,301)	Decrease	(418,286)	Decrease	(456,806)
TMS and CDI coupons		Decrease	(194,559)	Decrease	(204,955)	Decrease	(100,026)
IGP-M	Risk of variation of price index coupons	Increase	(296,531)	Increase	(316,569)	Increase	(328,215)
IGP-DI		Increase	(430)	Increase	(643)	Increase	(784)
INPC		Increase	(289,100)	Increase	(821,008)	Increase	(292,829)
IPCA		Increase	(88,646)	Increase	(87,822)	Increase	(104,659)
Foreign Currency Coupom	Risk of variation of foreign exchange coupon	Decrease	(1,329,553)	Decrease	(1,446,248)	Increase	(173,240)
Exchange rates variation	Risk of variation of exchange rates	Decrease	(367,475)	Decrease	(846,700)	Decrease	(499,575)

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

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

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

The Banco do Brasil did not enter into any transaction likely to be classified as an exotic derivative, as described in CVM Instruction nº 475/2008 - Attachment II.

Interest in Banco Votorantim

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

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

Scenario I: Likely situation, which reflects the perception of the Banco Votorantim' senior management in the scenario most likely to occur. Assumptions employed: exchange rates real/dollar from R$ 1.80 and the Selic rate of interest 9.30% per year to 2012.

Scenario II: Assumptions: parallel shock of 25% in the risk variables, based on market conditions observed on 03.31.2012 and considering the worst losses by risk factor and, therefore, neglecting the dynamics of macroeconomic factors;

Scenario III: Assumptions: employed parallel shock of 50% in the risk variables, based on market conditions observed on 03.31.2012 and considering the worst losses by risk factor and therefore ignoring the dynamics of macroeconomic factors.

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

R$ thousand

Risk Factor	Concept	Scenario I					
		03.31.2012		12.31.2011		03.31.2011	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Decrease	2,000	Decrease	16,682	Increase	--
Foreign currency coupons	Risk of variation of foreign exchange coupon	Decrease	51	Maintenance	--	Increase	22,432
Exchange variation	Risk of variation of exchange rates	Increase	289	Increase	1,395	Decrease	(3,868)
Price Indexes	Risk of variation of price index coupons	Increase	(2,488)	Increase	130	Increase	949
Interest rates	Risk of variation of interest rate coupons	Maintenance	--	Maintenance	--	Increase	--
Other	Risk of variation of other coupons	Decrease	(53)	Decrease	(487)	Increase	286

R$ thousand

Risk Factor	Concept	Scenario II					
		03.31.2012		12.31.2011		03.31.2011	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(33,628)	Increase	(37,944)	Decrease	(301,623)
Foreign currency coupons	Risk of variation of foreign exchange coupon	Increase	(2,765)	Increase	(923)	Decrease	(6,678)
Exchange variation	Risk of variation of exchange rates	Increase	(11,594)	Increase	(91,152)	Increase	(22,017)
Price Indexes	Risk of variation of price index coupons	Increase	(5,242)	Decrease	(315)	Increase	(3,077)
Interest rates	Risk of variation of interest rate coupons	Increase	--	Increase	--	Increase	(2,163)
Other	Risk of variation of other coupons	Decrease	(2,989)	Increase	(13,204)	Decrease	(76,690)

R$ thousand

Risk Factor	Concept	Scenario III					
		03.31.2012		12.31.2011		03.31.2011	
		Variation of rates	Income	Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(68,926)	Increase	(87,694)	Decrease	(658,982)
Foreign currency coupons	Risk of variation of foreign exchange coupon	Increase	(5,431)	Increase	(1,813)	Decrease	(25,752)
Exchange variation	Risk of variation of exchange rates	Increase	(182,634)	Increase	(428,656)	Increase	(158,023)
Price Indexes	Risk of variation of price index coupons	Increase	(7,615)	Decrease	(741)	Increase	(7,213)
Interest rates	Risk of variation of interest rate coupons	Increase	--	Increase	--	Increase	(4,091)
Other	Risk of variation of other coupons	Decrease	(16,994)	Increase	(47,152)	Decrease	(246,168)

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

R$ thousand

Risk Factor	Concept	Scenario I			
		03.31.2012		12.31.2011	
		Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Decrease	31,849	Decrease	188,936
Foreign currency coupons	Risk of variation of foreign exchange coupon	Increase	(34)	Increase	(4,044)
Exchange variation	Risk of variation of exchange rates	Increase	(904)	Increase	2,190
TJLP	Risk of variation of TJLP coupons	Maintenance		Maintenance	--
TR/TBF	Risk of variation of TR/TBF coupons	Maintenance		Maintenance	--
Price Index	Risk of variation of price index coupons	Increase	(2,186)	Increase	1,255

R$ thousand

Risk Factor	Concept	Scenario II			
		03.31.2012		12.31.2011	
		Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(506,776)	Increase	(431,632)
Foreign currency coupons	Risk of variation of foreign exchange coupon	Increase	(9,156)	Increase	(16,839)
Exchange variation	Risk of variation of exchange rates	Increase	--	Increase	(96,182)
TJLP	Risk of variation of TJLP coupons	Decrease	(2,322)	Decrease	(1,987)
TR/TBF	Risk of variation of TR/TBF coupons	Decrease	(478)	Decrease	(605)
Price Index	Risk of variation of price index coupons	Increase	(4,484)	Decrease	(2,649)

R$ thousand

Risk Factor	Concept	Scenario III			
		03.31.2012		12.31.2011	
		Variation of rates	Income	Variation of rates	Income
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(994,715)	Increase	(1,003,137)
Foreign currency coupons	Risk of variation of foreign exchange coupon	Increase	(17,833)	Increase	(29,240)
Exchange variation	Risk of variation of exchange rates	Increase	(223,738)	Increase	(441,553)
TJLP	Risk of variation of TJLP coupons	Decrease	(4,795)	Decrease	(4,100)
TR/TBF	Risk of variation of TR/TBF coupons	Decrease	(952)	Decrease	(1,206)
Price Index	Risk of variation of price index coupons	Increase	(6,287)	Decrease	(5,880)

f) Regulatory Capital

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

R$ thousand

	03.31.2012		12.31.2011		03.31.2011	
	Economic and Financial	Financial	Economic and Financial	Financial	Economic and Financial	Financial
RE - Referential equity amount	**84,931,659**	**86,672,098**	**80,481,841**	**82,154,035**	**68,466,866**	**69,747,311**
Tier I	**65,183,113**	**65,409,081**	**60,615,163**	**60,791,381**	**54,057,814**	**54,111,036**
Shareholders' equity	60,050,684	60,276,651	58,416,370	58,592,587	52,119,536	52,172,758
Revaluation reserves	(4,710)	(4,709)	(4,731)	(4,730)	(5,982)	(5,982)
Deferred Assets	(141,807)	(141,807)	(164,671)	(164,671)	(213,994)	(213,994)
Mark-to-market	(413,142)	(413,142)	(350,594)	(350,594)	(188,373)	(188,373)
Tax credits excluded from Tier I	(100)	(100)	(106)	(106)	(13,828)	(13,828)
Hybrid Capital and Debt Instruments - Tier I	5,692,188	5,692,188	2,718,895	2,718,895	2,360,455	2,360,455
Tier II	**24,597,564**	**24,597,563**	**24,877,818**	**24,877,817**	**19,637,411**	**19,637,411**
Mark-to-market	413,142	413,142	350,594	350,594	188,373	188,373
Subordinated Debt Qualifying as Capital	**24,179,712**	**24,179,712**	**24,522,493**	**24,522,493**	**19,443,056**	**19,443,056**
Funds obtained from the FCO	15,251,502	15,251,502	14,771,005	14,771,005	13,399,298	13,399,298
Funds obtained abroad	4,107,498	4,107,498	4,228,367	4,228,367	1,338,969	1,338,969
Funds obtained from the CDB	2,026,776	2,026,776	2,337,638	2,337,638	2,582,017	2,582,017
Funds raised in Financial Letters	2,793,936	2,793,936	3,185,483	3,185,483	2,122,772	2,122,772
Revaluation reserves	4,710	4,709	4,731	4,730	5,982	5,982
Deduction from the RE	**(4,849,018)**	**(3,334,546)**	**(5,011,140)**	**(3,515,163)**	**(5,228,359)**	**(4,001,136)**
Financial instruments excluded from RE	(4,849,018)	(3,334,546)	(5,011,140)	(3,515,163)	(5,228,359)	(4,001,136)
RRE - Required Referential Equity Amount	**65,528,191**	**64,982,552**	**63,326,079**	**62,528,344**	**53,315,313**	**51,958,739**
Credit risk	61,472,291	61,180,080	59,802,205	59,260,188	49,949,995	48,844,172
Market Risk	179,686	179,686	90,442	90,442	23,310	23,310
Operational Risk	3,876,214	3,622,786	3,433,432	3,177,714	3,342,008	3,091,257
Sufficiency of RE: (RE – RRE)	**19,403,468**	**21,689,546**	**17,155,762**	**19,625,691**	**15,151,553**	**17,788,572**
BIS Ratio: (RE x 100) / (RRE / 0.11)	**14.26%**	**14.67%**	**13.98%**	**14.45%**	**14.13%**	**14.77%**

g) Fixed asset ratio

The Fixed Asset Ratio in relation to the Referential Equity (RE) is 31.48% (27.19% on 12.31.2011 and 20.94% on 03.31.2011) for the Consolidated Financial Report, and 25.97% (22.11% on 12.31.2011 and 16.62% on 03.31.2011) for the Consolidated Economic and Financial Report, in compliance with CMN Resolution n.º 2,669/1999. The difference between the Fixed Assets Ratio of Consolidated Financial and Economic-Financial is the result of the inclusion of non-financial subsidiaries / affiliates that have high liquidity and low level of restraint, wich consequently reduces the Fixed Assets Ratio of Consolidated Financial and Economic.

30 – Statement of Comprehensive Income

R$ thousand

	Banco do Brasil		BB-Consolidated	
	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Net income presented in the Statement of Income	**2,554,434**	**2,932,363**	**2,502,236**	**2,932,363**
Other comprehensive income / (loss)				
Assets valuation adjustments (Note 8.f)	**167,720**	**(112,047)**	**167,720**	**(112,047)**
Own	53,178	(62,063)	53,178	(62,063)
Subsidiaries and affiliates	114,542	(49,984)	114,542	(49,984)
Income and social contribution taxes related to unrealized gains / (losses) (Note 8.f)	**(33,218)**	**29,425**	**(33,218)**	**29,425**
Other comprehensive income / (loss), net of income and social contribution taxes	**134,502**	**(82,622)**	**134,502**	**(82,622)**
Comprehensive income – Banco do Brasil	**2,688,936**	**2,849,741**	**2,636,738**	**2,849,741**
Results income – Non-controlling interests	**--**	**--**	**(35,169)**	**--**

31 – Other Information

a) Distribution of Dividends and/or Interest on Own Capital

During a meeting held on 03.12.2012, the Board of Directors approved the setting, for the year 2012, of the *payout* rate equivalent to the minimum 40% of net income, fulfilling the policy for payment of dividends yield and/or interest on own capital on a quarterly basis, pursuant to art. 43 of the Bank's By-Laws.

b) Banco Postal

Since 01.01.2012, the Bank has had access to the Brazilian Post and Telegraph Corporation agencies chain, with 6,915 service points located at 95% of brazilian municipalities. Through this investment, the Bank anticipated its strategic plan of increase its service points to achieve all the brazilian municipalities.

c) Investment Funds Administration

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

	N.º Funds/Portfolios			Balance (R$ thousand)		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Managed funds	**520**	**521**	**495**	**442,104,513**	**415,792,780**	**393,885,429**
Investment Funds	507	507	477	429,626,725	403,844,665	381,508,978
Managed Portfolios	13	14	18	12,477,788	11,948,115	12,376,451

d) Details of branches, subsidiaries and associated abroad

R$ thousand

	Banco do Brasil			BB-Consolidated		
	03.31.2012	12.31.2011	03.31.2011	03.31.2012	12.31.2011	03.31.2011
Assets						
BB Group	31,974,300	26,302,917	15,019,539	26,989,752	23,535,468	12,396,379
Third parties	51,414,517	51,529,172	39,332,325	62,266,616	62,051,334	41,169,077
Total assets	**83,388,817**	**77,832,089**	**54,351,864**	**89,256,368**	**85,586,802**	**53,565,456**
Liabilities						
BB Group	17,925,313	14,927,245	8,890,610	13,231,375	12,325,721	6,371,664
Third parties	61,914,390	59,457,189	42,953,924	70,225,265	67,619,119	43,703,655
Shareholders' equity	**3,549,114**	**3,447,655**	**2,507,330**	**5,799,728**	**5,641,962**	**3,490,137**
Attributable to parent company	3,549,114	3,447,655	2,507,330	5,341,067	5,198,093	3,490,137
Participation of non-controlling	--	--	--	458,661	443,869	--
Total liabilities	**83,388,817**	**77,832,089**	**54,351,864**	**89,256,368**	**85,586,802**	**53,565,456**

	1st quarter/2012	1st quarter/2011	1st quarter/2012	1st quarter/2011
Net income (loss)	**90,883**	**14,927**	**171,688**	**26,572**
Attributable to parent company	90,883	14,927	136,521	26,572
Participation of non-controlling	--	--	35,167	--

e) Consortium funds

R$ thousand

	03.31.2012	12.31.2011	03.31.2011
Monthly forecast of funds receivable Purchase Pool Members	132,358	122,458	91,195
Obligations of the group due to contributions	7,843,125	7,450,510	5,935,167
Purchase Pool Members - assets to be contemplated	7,380,571	7,026,937	5,591,349
(In units)			
Quantity of groups managed	426	426	596
Quantity of active purchase pool members	366,922	346,990	259,814
Quantity of assets deliverable to purchase pool members	16,509	16,307	15,209
Quantity of assets delivered in the period	17,376	14,899	11,343

f) Assignment of Employees to Outside Agencies

Federal government assignments are regulated by Law 10470/2002 and Decree 4050/2001.

	1st quarter/2012		1st quarter/2011	
	Employees Ceded [1]	Cost in the Period (R$ thousand)	Employees Ceded [1]	Cost in the Period (R$ thousand)
With costs for the Bank				
Federal Government	5	227	8	491
Labor unions	234	7,109	232	6,353
Other organizations/entities:	5	528	5	485
Subsidiary and associated companies	4	368	2	195
Without cost to the Bank				
Federal, state and municipal governments	276	--	262	--
External organizations (Cassi, FBB, Previ and Economus)	761	--	762	--
Employee entities	86	--	87	--
Subsidiary and associated companies	363	--	326	--
Total	**1,734**	**8,232**	**1,684**	**7,524**

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

g) Remuneration of Employees and Managers

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

R$

	03.31.2012	12.31.2011	03.31.2011
Lowest salary	1,760.00	1,760.00	1,600.13
Highest salary	29,583.36	29,583.36	27,140.70
Average salary	4,899.87	4,869.19	4,434.79
Management			
President	52,513.00	52,513.00	44,505.00
Vice-President	47,003.00	47,003.00	40,197.00
Director	39,836.00	39,836.00	34,380.00
Directors			
Fiscal Council	4,192.19	4,192.19	3,606.85
Board of Directors	4,192.19	4,192.19	3,606.85
Audit Committee – Member	35,852.40	35,852.40	30,942.00
Audit Committee - Substitute	32,267.16	32,267.16	27,847.80

h) Insurance Policy of Assets

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

Insurance contracted by the Bank in force on 03.31.2012

R$ thousand

Covered Risks	Amounts Covered	Value of the Premium
Property insurance for the relevant assets	8,591,967	3,346
Life insurance and personal accident for the collective Board [1]	1,893	235
Other	21,294	2,310
Total	**8,615,154**	**5,891**

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

Banco do Brasil S.A.

Financial Statements
March 31, 2012

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

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Report on limited review of interim consolidated financial information

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

Introduction

We have reviewed the accompanying, individual and consolidated, financial statements of Banco do Brasil S.A., which comprise the balance sheet as of March 31, 2012 and the related statements of income, of changes in stockholders' equity and of cash flows for the three-month-period then ended, as well as the summary of significant accounting policies and other notes to the financial statements.

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

Scope of review

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

Conclusion

Based on our review, we are not aware of any facts that would lead us to believe that the individual and consolidated interim information not present fairly, in all material aspects, the individual and consolidated financial position of Banco do Brasil S.A., as of March 31, 2012, the individual and consolidated performance of their operations and their individual and consolidated cash flows for the three-month-period then ended, in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Brazilian Central Bank.

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

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

Other matters

Statement of value added

We have also reviewed the interim individual and consolidated statements of value added (DVA) for the three-month-period ended March 31, 2012, presented as supplemental information. This statement was subjected to the same review procedures described above and based on our review, we are not aware of any facts that would lead us to believe that they are not presented fairly, in all material respects, in relation to other interim individual and consolidated information consolidated taken as a whole.

Brasília, May 2, 2012.

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

Original report in Portuguese signed by

Giuseppe Masi
Accountant CRC 1SP176273/O-7 S-DF

Carlos Massao Takauthi
Accountant CRC 1SP206103/O-4 S-DF

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Banco do Brasil S.A.
Setor Bancário Sul
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