Contents

Company Information / Ownership Structure

Number of shares (thousand)	Current quarter 3/31/2013
Paid-up capital	
Common	48,485
Preferred	38,517
Total	87,002
Treasury shares	
Common	8
Preferred	2
Total	10

Company Information / Cash Proceeds

Event	Date of Approval	Type	Date of payment	Type of share	Class	Share (Reais / share)
Extraordinary General Meeting	3/22/2013	Dividend	4/9/2013	Common		0.01472
Extraordinary General Meeting	3/22/2013	Dividend	4/9/2013	Preferred		0.01619
Extraordinary General Meeting	3/22/2013	Interest on equity	4/9/2013	Common		0.69841
Extraordinary General Meeting	3/22/2013	Interest on equity	4/9/2013	Preferred		0.76825

Individual Financial Statements / Balance Sheet Assets

(In thousands of Brazilian reais)

Code	Description	Current quarter 3/31/2013	Prior year 12/31/2012
1	Total assets	32,388,390	31,888,888
1.01	Current assets	15,040,590	14,312,230
1.01.01	Cash and cash equivalents	112,376	121,853
1.01.02	Interbank investments	7,351,758	6,514,841
1.01.02.01	Open market investments	7,337,984	6,384,020
1.01.02.02	Interbank deposits	13,774	130,821
1.01.03	Securities and derivatives	732,133	459,453
1.01.03.01	Own portfolio	581,400	309,498
1.01.03.03	Linked to guarantees	150,733	149,955
1.01.04	Interbank accounts	350,294	315,987
1.01.04.01	Unsettled payments and receipts	48,746	1,126
1.01.04.02	Deposits - Central Bank of Brazil	294,261	306,374
1.01.04.03	National Treasury - Rural credit funds	5,682	6,191
1.01.04.04	Interbank onlending	963	986
1.01.04.05	Correspondents	642	1,310
1.01.05	Interdepartmental accounts	537	0
1.01.06	Loans	4,344,315	4,775,461
1.01.06.01	Public sector	96,074	102,633
1.01.06.02	Private sector	4,892,893	5,096,503
1.01.06.03	Allowance for loan losses	-644,652	-423,675
1.01.08	Other receivables	2,126,623	2,100,029
1.01.08.01	Receivables for guarantees honored	0	8
1.01.08.02	Foreign exchange portfolio	552,412	592,978
1.01.08.03	Income receivable	26,150	25,434
1.01.08.04	Securities trading and brokerage	4	4
1.01.08.05	Other receivables	1,605,054	1,558,087
1.01.08.06	Allowance for losses on other receivables	-56,997	-76,482
1.01.09	Other assets	22,554	24,606
1.01.09.01	Other assets	5,967	5,924
1.01.09.02	(Valuation allowance)	-758	-760
1.01.09.03	Prepaid expenses	17,345	19,442
1.02	Long-term assets	17,124,088	17,375,096
1.02.02	Marketable securities	10,631,993	10,783,710
1.02.02.01	Own portfolio	9,395,949	9,691,773
1.02.02.02	Held under repurchase commitments	857,213	665,509
1.02.02.03	Derivative financial instruments	143,584	193,640
1.02.02.04	Linked to guarantees	235,247	232,788
1.02.03	Interbank accounts	41,155	40,609
1.02.03.01	National Treasury - Rural credit funds	519	3
1.02.03.02	National Housing System (SFH)	37,746	37,156
1.02.03.03	Interbank onlendings	2,890	3,450
1.02.05	Loans	5,725,245	5,748,868
1.02.05.01	Public sector	1,211,289	1,262,790
1.02.05.02	Private sector	4,780,319	4,861,160
1.02.05.03	Allowance for loan losses	-266,363	-375,082

Individual Financial Statements / Balance Sheet Assets

(In thousands of Brazilian reais)

Code	Description	Current quarter 3/31/2013	Prior year 12/31/2012
1.02.07	Other receivables	725,695	801,909
1.02.07.01	Receivables for guarantees honored	0	7
1.02.07.02	Other receivables	725,695	806,214
1.02.07.03	Allowance for loan losses on other receivables	0	-4,312
1.03	Permanent assets	223,712	201,562
1.03.01	Investments	1,766	1,720
1.03.01.04	Other investments	7,069	7,023
1.03.01.05	Allowance for losses	-5,303	-5,303
1.03.02	Property and equipment in use	221,144	198,906
1.03.02.01	Real estate in use	157,500	152,457
1.03.02.02	Real estate revaluation	105,410	105,410
1.03.02.03	Other property and equipment in use	212,535	191,645
1.03.02.04	Accumulated depreciation	-254,301	-250,606
1.03.05	Deferred charges	802	936
1.03.05.01	Organization and expansion costs	2,390	2,939
1.03.05.02	Accumulated amortization	-1,588	-2,003

Individual Financial Statements / Balance Sheet Liabilities

(In thousands of Brazilian reais)

Code	Description	Current quarter 3/31/2013	Prior year 12/31/2012
2	Total liabilities	32,388,390	31,888,888
2.01	Current liabilities	11,234,275	10,594,408
2.01.01	Deposits	5,121,259	4,772,938
2.01.01.01	Demand deposits	115,659	118,635
2.01.01.02	Savings deposits	1,583,818	1,615,970
2.01.01.03	Interbank deposits	649,941	593,137
2.01.01.04	Time deposits	2,771,841	2,445,196
2.01.02	Open market funding	909,854	738,598
2.01.02.01	Own portfolio	772,064	581,802
2.01.02.02	Third-party portfolio	137,790	156,796
2.01.03	Funds from acceptance and issue of securities	67,646	75,476
2.01.03.01	Receivables from real estate, mortgage-related, credit and similar notes	45,355	66,869
2.01.03.02	Payables for securities issued abroad	22,291	8,607
2.01.04	Interbank accounts	33,061	66
2.01.04.01	Unsettled receipts and payments	33,061	66
2.01.05	Interdepartmental accounts	4,173	15,586
2.01.05.01	Third-party funds in transit	4,142	15,578
2.01.05.02	Internal transfer of funds	31	8
2.01.06	Borrowings	802,202	826,189
2.01.06.01	Domestic borrowings - official institutions	18,542	17,912
2.01.06.02	Foreign borrowings	783,660	808,277
2.01.07	Domestic onlending	130,887	121,769
2.01.07.01	National Treasury	231	253
2.01.07.02	BNDES (National Bank for Economic and Social Development)	108,542	101,633
2.01.07.03	FINAME (National Equipment Financing Authority)	22,114	19,883
2.01.08	Foreign onlendings	88,388	88,354
2.01.09	Other liabilities	4,076,805	3,955,432
2.01.09.01	Derivative financial instruments	2,181	2,184
2.01.09.02	Collected taxes and other contribuitions	30,389	3,154
2.01.09.03	Foreign exchange portfolio	266	32,008
2.01.09.04	Social and statutory	95,069	95,061
2.01.09.05	Tax and social security	428,226	825,052
2.01.09.06	Securities trading and brokerage	68	68
2.01.09.07	Financial and development funds	1,780,650	1,673,702
2.01.09.08	Hybrid debt/equity instruments	75,443	74,143
2.01.09.09	Other	1,664,513	1,250,060
2.02	Long-term liabilities	18,666,374	18,610,729
2.02.01	Deposits	4,894,005	5,048,501
2.02.01.01	Demand deposits	11,370	15,383
2.02.01.02	Interbank deposits	73,969	78,890
2.02.01.03	Time deposits	4,808,666	4,954,228
2.02.02	Open market funding	82,689	81,917
2.02.02.01	Own portfolio	82,689	81,917
2.02.03	Funds from acceptance and issue of securities	1,276,678	1,318,769
2.02.03.01	Receivables from real estate, mortgage-related, credit and other similar notes	424	418

Individual Financial Statements / Balance Sheet Liabilities

(In thousands of Brazilian reais)

Code	Description	Current quarter 3/31/2013	Prior year 12/31/2012
2.02.03.02	Payables for securities issued abroad	1,276,254	1,318,351
2.02.06	Borrowings	17,978	17,912
2.02.06.01	Domestic borrowings - official institutions	17,978	17,912
2.02.07	Domestic onlendings	1,451,564	1,464,432
2.02.07.01	National Treasury	584	556
2.02.07.02	BNDES (National Bank for Economic and Social Development)	1,324,935	1,333,988
2.02.07.03	FINAME (National Equipment Financing Authority)	126,045	129,888
2.02.08	Foreign onlendings	712,602	736,841
2.02.09	Other liabilities	10,230,858	9,942,357
2.02.09.01	Derivative financial instruments	4,515	6,405
2.02.09.02	Financial and development funds	5,401,656	5,005,676
2.02.09.03	Hybrid debt/equity instruments	1,169,116	1,128,249
2.02.09.04	Subordinated debt eligible for capital	1,360,703	1,332,382
2.02.09.05	Other	2,294,868	2,469,645
2.05	Equity	2,487,741	2,683,751
2.05.01	Capital	2,437,000	2,142,000
2.05.03	Revaluation reserve	22,331	22,904
2.05.03.01	Own assets	22,331	22,904
2.05.04	Income reserves	130,110	425,110
2.05.04.01	Legal	130,054	130,054
2.05.04.02	Statutory	440	295,440
2.05.04.07	Other income reserves	-384	-384
2.05.04.07.01	Treasury shares	-384	-384
2.05.05	Equity valuation adjustments	-392,218	-218,392
2.05.06	Retained earnings (accumulated losses)	290,518	312,129

Individual Financial Statements / Statements of Income

(In thousands of Brazilian reais)

Code	Description	Current Accumulated year 1/1/2013 to 3/31/2013	Prior Accumulated year 1/1/2012 to 3/31/2012
3.01	Income from financial intermediation	695,033	807,730
3.01.01	Lending operations	382,682	417,230
3.01.02	Marketable securities transactions	331,085	352,173
3.01.03	Derivative financial instruments	-48,572	-12,776
3.01.04	Foreign exchange transactions	22,383	46,080
3.01.05	Compulsory investments	4,307	5,023
3.01.06	Sale or transfer of financial assets	3,148	0
3.02	Expenses from financial intermediation	-596,650	-614,450
3.02.01	Funding operations	-180,440	-253,549
3.02.02	Borrowings and onlendings	-172,915	-242,657
3.02.04	Allowance for loan losses	-243,295	-118,244
3.03	Gross income from financial intermediation	98,383	193,280
3.04	Other operating income (expenses)	-144,487	-36,433
3.04.01	Income from services provided	389,765	345,316
3.04.02	Personnel expenses	-277,853	-283,887
3.04.03	Other administrative expenses	-195,723	-206,462
3.04.04	Tax expenses	-51,176	-49,353
3.04.05	Other operating income	416,464	581,904
3.04.06	Other operating expenses	-425,964	-423,951
3.05	Operating income (expenses)	-46,104	156,847
3.06	Non operating income (expenses)	97	339
3.06.01	Income	259	718
3.06.02	Expenses	-162	-379
3.07	Income (loss) before taxes and profit sharing	-46,007	157,186
3.08	Provision for income and social contribution taxes	-91,596	-106,833
3.09	Deferred income tax	115,427	22,328
3.10	Profit sharing/statutory contributions	-8	-3,742
3.10.01	Profit sharing	-8	-3,742
3.13	Net income (loss) for the period	-22,184	68,939
3.99	Earnings per share – (R$ / share)	0,25501	0,79248

Individual Financial Statements / Statement of Comprehensive Income (Loss)

(In thousands of Brazilian reais)

Code	Description	Current Accumulated year 1/1/2013 to 3/31/2013	Prior Accumulated year 1/1/2012 to 3/31/2012
4.01	Net income (loss) for the period	-22,184	68,939
4.02	Other comprehensive income (loss)	-173,252	12,705
4.02.01	Equity valuation adjustments of available-for-sale securities	-172,276	36,637
4.02.02	Tax effect on equity valuation adjustments of available-for-sale securities	68,910	-14,655
4.02.03	Revaluation reserve released to retained earnings	956	955
4.02.04	Tax effect on revaluation reserve released to retained earnings	-382	-382
4.02.05	Actuarial gains/ losses	-70,460	-9,850
4.03	Comprehensive income (loss) for the period	-195,436	81,644

Individual Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of Brazilian reais)

Code	Description	Accumulated Current year 1/1/2013 to 3/31/2013	Same period Prior year 1/1/2012 to 3/31/2012
6.01	Net cash provided by (used in)from operating activities	559,578	1,322,193
6.01.01	Cash flows from operations	555,744	450,438
6.01.01.01	Net income (loss) for the period	-22,184	68,939
6.01.01.02	Depreciation and amortization	8,099	7,276
6.01.01.03	Allowance for losses on other assets	-2	-392
6.01.01.04	Allowance for loan losses	243,295	118,244
6.01.01.06	Provision for contingent liabilities (FNE Risk)	246,204	171,997
6.01.01.07	Provision for contingent liabilities	18,245	22,540
6.01.01.08	Provision for post-employment benefits	23,050	54,770
6.01.01.09	Expenses on other operating provisions	2,115	2,486
6.01.01.10	Reversal of operating provisions	-33,566	-56,220
6.01.01.11	Expenses on subordinated debts eligible for capital	28,321	29,374
6.01.01.12	Expenses on hybrid debt and equity instruments	42,167	31,424
6.01.02	Changes in assets and liabilities	3,834	871,755
6.01.02.01	Interbank investments	-572,557	-139,262
6.01.02.02	Interbank and interdepartmental accounts	-13,808	-17,078
6.01.02.03	Loans	213,988	204,138
6.01.02.04	Other receivables	86,262	192,186
6.01.02.05	Other assets	2,114	-2,700
6.01.02.06	Deposits	193,826	233,422
6.01.02.07	Open market funding	172,028	64,707
6.01.02.08	Funds from acceptance and issue of securities	-49,922	-20,567
6.01.02.09	Borrowings and onlendings	-51,876	-72,225
6.01.02.10	Derivative financial instruments	48,165	2,187
6.01.02.11	Other liabilities	14,771	465,621
6.01.02.14	Income and social contribution taxes paid	-39,157	-38,674
6.02	Net cash provided by (used in) investing activities	-332,712	-159,752
6.02.01	Available-for-sale securities	-302,402	-145,075
6.02.02	Addition to investments	-46	-109
6.02.03	Addition to property and equipment in use	-30,418	-14,680
6.02.04	Addition to assets not for own use	-287	-143
6.02.06	Disposal of property and equipment in use	214	194
6.02.07	Disposal of assets not for own use	227	61
6.03	Cash flow from financing activities	0	-1
6.03.01	Dividends and interest on equity paid	0	-1
6.05	Increase (decrease) in cash and cash equivalents	226,866	1,162,440
6.05.01	Cash and cash equivalents at the beginning of the period	6,484,104	3,185,694
6.05.02	Cash and cash equivalents at the end of the period	6,710,970	4,348,134

Individual Financial Statements / Statement of Changes in Equity - 1/1/2013 to 3/31/2013

(In thousands of Brazilian reais)

Code	Description	Capital	Capital reserve	Revaluation reserves	Income reserves	Retained earnings/ accumulated losses	Equity adjustments	Total
5.01	Opening balance	2,142,000	0	22,904	425,110	0	93,737	2,683,751
5.02	Prior year adjustments	0	0	0	0	312,129	-312,129	0
5.03	Adjusted balance	2,142,000	0	22,904	425,110	312,129	-218,392	2,683,751
5.04	Net income (loss) for the period	0	0	0	0	-22,184	0	-22,184
5.07	Equity valuation adjustments	0	0	-573	0	573	-173,826	-173,826
5.07.01	Marketable securities adjustments	0	0	0	0	0	-103,366	-103,366
5.07.04	Realization of reserve	0	0	-573	0	573	0	0
5.07.05	Actuarial gains/losses	0	0	0	0	0	-70,460	-70,460
5.08	Increase/decrease in Capital	295,000	0	0	-295,000	0	0	0
5.08.01	Transfer for capital increase	295,000	0	0	-295,000	0	0	0
5.13	Closing balance	2,437,000	0	22,331	130,110	290,518	-392,218	2,487,741

Individual Financial Statements / Statement of Changes in Equity - 1/1/2012 to 3/31/2012

(In thousand of Brazilian reais)

Code	Description	Paid-in Capital	Capital reserve	Revaluation reserve	Earnings reserves	Retained earnings (Accumulated losses)	Valuation Adjustments to Equity	Total
5.01	Opening balance	2,010,000	0	25,198	244,152	0	50,149	2,329,499
5.03	Adjusted balance	2,010,000	0	25,198	244,152	0	50,149	2,329,499
5.04	Net income (loss) for the period	0	0	0	0	68,939	0	68,939
5.05	Allocations	0	0	0	-7,009	-14,966	0	-21,975
5.05.02	Interest on equity	0	0	0	0	-14,966	0	-14,966
5.05.03	Other allocations	0	0	0	-7,009	0	0	-7,009
5.05.03.01	Additional dividends proposed	0	0	0	-7,009	0	0	-7,009
5.07	Equity valuation adjustments	0	0	-573	0	573	21,982	21,982
5.07.01	Marketable securities adjustments	0	0	0	0	0	21,982	21,982
5.07.04	Realization of reserve	0	0	-573	0	573	0	0
5.08	Increase/decrease in capital	132,000	0	0	-132,000	0	0	0
5.08.01	Transfer for capital increase	132,000	0	0	-132,000	0	0	0
5.13	Closing balance	2,142,000	0	24,625	105,143	54,546	72,131	2,398,445

Individual Financial Statements / Statement of Value Added

(In thousands of Brazilian reais)

Code	Description	Current accumulated year 1/1/2013 to 3/31/2013	Prior accumulated year 1/1/2012 to 3/31/2012
7.01	Revenues	832,100	1,193,093
7.01.01	Interest income	695,033	807,730
7.01.02	Services provided	389,765	345,316
7.01.03	Allowance for/Reversal of loan losses	-243,295	-118,244
7.01.04	Other	-9,403	158,291
7.02	Interest expenses	-353,355	-496,206
7.03	Inputs purchased from third parties	-184,237	-195,911
7.03.01	Materials, electric power and other	-16,561	-14,774
7.03.02	Third-party services	-92,918	-81,052
7.03.04	Other	-74,758	-100,085
7.03.04.01	Data Processing and telecommunications	-38,993	-48,072
7.03.04.02	Advertising, promotions and publishing	-4,263	-14,788
7.03.04.03	Transportation	-4,830	-3,758
7.03.04.04	Security	-6,246	-5,507
7.03.04.05	Travel	-3,118	-3,672
7.03.04.06	Other	-17,308	-24,288
7.04	Gross value added	294,508	500,976
7.05	Retentions	-8,099	-7,276
7.05.01	Depreciation, amortization and depletion	-8,099	-7,276
7.06	Net value added produced	286,409	493,700
7.08	Total value added for distribution	286,409	493,700
7.09	Distribution of value added	286,409	493,700
7.09.01	Personnel	237,983	250,628
7.09.01.01	Salaries and wages	173,364	161,015
7.09.01.02	Benefits	51,757	77,744
7.09.01.03	Government Severance Indemnity Fund for Employees(FGTS)	12,862	11,869
7.09.02	Taxes, charges and contributions	67,223	170,858
7.09.02.01	Federal	63,678	167,590
7.09.02.02	State	5	3
7.09.02.03	Municipal	3,540	3,265
7.09.03	Debt remuneration	3,387	3,275
7.09.03.01	Rents	3,387	3,275
7.09.04	Equity remuneration	-22,184	68,939
7.09.04.03	Retained earnings / loss for the period	-22,184	68,939

Comments on Performance

INTRODUCTION

In the first quarter of 2013, Banco do Nordeste took out approximately R$ 4.3 billion, referring to 941,203 transactions involving loans and financing, which presented a 14.0% increase in number of transactions and an 18.2% increase in value as compared to the first quarter of 2012. Accordingly, Banco do Nordeste started 2013 firmly committed to achieving its strategic objective, which is to support regional production agents in all their credit needs, considering long-term financing and short-term loans, by using funds from the Brazilian Financing Fund for the Northeast (FNE) or other available sources, always prioritizing the small-scale farmer, the mini and small-sized rural producer, the micro and small-sized urban entrepreneur and the unofficial micro-entrepreneur.

ACTIONS TOWARDS DEVELOPMENT

<u>Arrangements for an agreement between Banco do Nordeste and the Maranhão State Federation of Industry which will benefit the industrial sector</u> – On February 6, 2013, the technical teams of Banco do Nordeste and the Maranhão State Federation of Industry (Fiema) held a working meeting to define the initial aspects of this partnership agreement. The two institutions are currently taking the necessary formal steps to close a teaming agreement for supply of products and services. The objective is to expand possibilities for implementation of joint programs, principally through a broadened range of financing opportunities for the industrial sector. Banco do Nordeste's main financing facilities for the sector will be presented in the next meeting of the Fiema Committee for Industrial Policy and Technological Development, the body responsible for preparing and monitoring industrial and technological development initiatives, to encourage debates on creation and implementation of public policies for the industrial sector. Once all the terms of the partnership are defined, the agreement will be formalized and submitted to the Boards of Fiema and Banco do Nordeste for subsequent approval.

<u>Execution of an agreement between Banco do Nordeste and Paraíba State Government to sustain and strengthen inclusiveness projects focused on production and Local Production Arrangements</u> – As of February 19, 2013, Banco do Nordeste entered into an agreement with Paraíba State Government, under *"Cooperar"* project, for organization and strengthening of inclusiveness projects and Local Production Arrangements (APLs) prioritized in the State. This agreement was executed during the *"Paraíba – Desertification, agroecology and the challenges of sustainability"* seminar held at the Raymundo Asfora Convention Center, in Campina Grande (PB). In the state, priority Local Production Arrangements are: goat raising (Cariri Ocidental); irrigated agroecology (Zona da Mata Sul); colored cotton (Alto Sertão and Borborema); furniture (Zona da Mata Norte); leather and shoewear (Borborema and Médio Sertão); milk cattle breeding (Borborema, Vale do Paraíba, Cariri Ocidental, Cariri Oriental, Médio Sertão, Médio Piranhas, Vale do Piancó, Vale do Piranhas and Alto Sertão); and red rice (Vales do Piancó and Rio do Peixe).

<u>Execution of a partnership agreement between Banco do Nordeste and Alagoas Government to benefit small businesses in the backlands of the State</u> – Partnership entered into between Banco do Nordeste and Alagoas State Government, through the development agency *"Desenvolve"*, committed to strengthen small businesses in the backlands of the State. Representatives of both institutions met on February 20, 2013 to

discuss the content of a specific agreement for the sector, as well as to analyze possible projects benefited therefrom. The objective of the partnership is to combine projects of both institutions while strengthening small businesses, focusing on benefiting all small businesses in the surroundings of Canal do Sertão, the state's largest water project. The agreement is the result of concerted negotiation efforts between Banco do Nordeste and Alagoas State Government, which included discussion on actions to minimize the dry season in the State, as well as credit access and regularization of debts owed by drought-hit producers, and a specific credit line for dairy herd replacement. Under *"FNE Seca"* program, Banco do Nordeste has already served more than 10 thousand families in Alagoas. Investments amounting to R$ 67.1 million have benefited drought-stricken people living in a state of emergency in 36 municipalities.

Seminar events promoted by Banco do Nordeste on reinvestment incentives for the Southeast region – In early March 2013, Banco do Nordeste held a series of seminars on reinvestment incentives, focused on large companies operating in the Northeast region. The events were held in Belo Horizonte (MG), São Paulo (SP) and Rio de Janeiro (RJ). The objective was to disseminate the use of this tax benefit by companies established under the jurisdiction of the Northeast Development Agency (Sudene) and increase the respective fund raising, which must be necessarily deposited at Banco do Nordeste. In São Paulo (SP), the seminar was honored by the presence of 37 representatives of leading business conglomerates with production units in the Northeast, including, among others, Ambev, Klabin, Votorantim, Pirelli and Liquigás. The meeting also aimed at building a closer relationship with the various customers attending the event and at opening a channel to attract new customers to the Bank, thereby creating possibility for improved financial resources. In Rio de Janeiro (RJ), the seminar was honored by the presence of tax and corporate finance executives of approximately 20 companies. The incentive consists of reinvesting the 30% income tax rate levied on profit from tax incentive activities, plus another amount (50% of this percentage rate) of own funds, in equipment modernization or supplementation projects. In 2012 alone, Banco do Nordeste raised R$ 134.6 million in Deposits for Reinvestment. As at December 31, 2012, fundraising totaled R$ 401.7 million. The incentive may be granted to companies established under the jurisdiction of Sudene, active in manufacturing, agro industrial development, infrastructure and tourism.

Workshop with suppliers for the ceramics and plastering segments– On March 22, 2013, suppliers of energy-efficient services, projects and technologies for the ceramics and plastering segments in the Northeast region met at a workshop held in Fortaleza (CE), at President Getúlio Vargas Administrative Center of Banco do Nordeste. The objective was to discuss strategies that would promote sustainability of projects in those segments. The meeting was the result of a Technical Cooperation agreement entered into in April 2012 between Banco do Nordeste and InterAmerican Development Bank (IDB) to stimulate the ceramics and plastering segments, which are so important to the Northeast region economy. The ceramics market is concentrated in Russas (CE) and in the Seridó region (RN and PB). The plastering market is located in Araripina (PE).

Execution of an agreement between Banco do Nordeste and the Ministry of Social Development and Fight Against Hunger (MDS) to expand access to micro-credit – As of March 28, 2013, in the municipality of Fortaleza (CE), Banco do Nordeste and the MDS entered into a technical cooperation agreement to expand access to production-oriented microcredit and improve technical, managerial and financial skills of low-income entrepreneurs. Under this new partnership, the entities have undertaken to define inclusive credit access actions and goals. Banco do Nordeste and the MDS will prepare a work plan containing the actions to boost production-oriented microcredit, accompanied by the respective schedule of performance. Banco Nordeste's duties include, among others, meeting the needs of potential microentrepreneurs, under Crediamigo and Agroamigo programs, enrolled in the Unified Record System for Participants in Federal Government Social Programs. Worth highlighting, 1.2 million entrepreneurs were served under *"Crescer"* Program by Banco do Nordeste in 2012, which has definitely contributed to the Program results.

ADMINISTRATIVE FACTS

Annual Meeting of Crediamigo Program Coordinators and Advisors – On January 11, 2013, Banco do Nordeste held the Annual Meeting of Crediamigo Coordinators and Advisors in Fortaleza (CE). Crediamigo will be set on serving 26.1% of the qualifying urban microcredit market in 2013, a market currently represented by 6.4 million entrepreneurs. On the occasion, the President of Banco do Nordeste emphasized the fact that every entrepreneur has aspirations and wishes to make the growth of its activity come true. He also highlighted the importance of the consulting and advisory services provided by the credit advisor, a key piece to a successful business project. For 2013, the President of Banco do Nordeste anticipates a continuing trend towards strong inclusion of Crediamigo in the social programs of the Federal Government, and an increase in the number of actions targeted at low-income population.

Banco do Nordeste video conference with state superintendents to evaluate the performance of the Superintendents in relation to the goals set for January and February 2013 – On February 20, 2013, through a video conference, the Executive Board of Banco do Nordeste met with the state supervising officers to evaluate the performance of the Supervisory Boards as regards the goals set for January and February 2013. On the occasion the state supervising officers reported the results and presented strategies to meet the goals, such as guidance meetings with Branch Office managers, visits to the Units, customers and institutional partners, and systematic monitoring of default risk. The guidance of the President of Banco do Nordeste was that supervising officers should increase the number of visits and partnerships with commercial and industrial associations in their pursuit for new customers, notably, micro and small entrepreneurs.

Dissemination by Banco do Nordeste of significant Credit Management initiatives – On February 21, 2013, Banco do Nordeste held the 4th video conference of the Credit Management Area, to debate topics such as asset quality assessment, monitoring of reimbursements and significant impacts on the need to increase the provision. On the occasion, significant initiatives currently underway and the 2013 strategic planning for the Area were disclosed. The video conference was attended by approximately 370 employees who were made responsible for disseminating the information reported and the suggestions made in the Management Forum of each Unit.

Meeting with the state superintendents to evaluate the results of Banco do Nordeste – On March 11, 2013, the President of Banco do Nordeste met with the state superintendents at the President Getúlio Vargas Centro Administrative Center, in Fortaleza (CE), to discuss about the progress of their action program and have performance strategies aligned. On the occasion, the President of the Bank emphasized the need to meet the monthly investment and compliance goals, as well as systematic monitoring of contracts with a view to materializing the year-end result forecast. The supervising officers must pay special attention to timely payment control, as this variable has great influence on the Bank's profit. The following aspects were also emphasized: the need to speed up the processes, to expand the customer base and to improve customer service.

Inauguration of the first Espaço Nordeste in Rio Grande do Norte – On March 22, 2013, Banco do Nordeste formally inaugurated the first Espaço Nordeste in Rio Grande do Norte, located in the municipality of Parelhas (RN), Seridó Potiguar. The Espaço will be coordinated by the Bank Branch Office in Jardim do Seridó (RN), responsible for the Parelhas (RN) customer base. Fruit of a partnership with Instituto Nordeste Cidadania (INEC) and the Municipality of Parelhas (RN), the Espaço Nordeste is as an environment dedicated to better serve urban and rural microfinance customers as well as micro and small business customers, while promoting and strengthening local culture and social actions, with a view to boost job and income creation.

OPERATING PERFORMANCE

Banco do Nordeste took out approximately R$ 4.3 billion in 1Q13, referring to 941,203 transactions involving loans and financing, which presented a 14.0% increase in number and an 18.2% increase in value as compared to the first quarter of 2012.

The funds involved in long-term loans referred mostly to the Brazilian Financing Fund for the Northeast (FNE). In the first quarter of 2013, the funds taken out with FNE amounted to approximately R$ 2.2 billion, with 122,072 transactions carried out, which represents a 21.3% increase in the number of transactions and a 76.4% increase in the amount taken out in relation to the same period of 2012.

Through its urban guided productive microcredit program (Crediamigo), Banco do Nordeste disbursed R$ 1.2 billion, contracting 732,811 operations in the first quarter of 2013, as support to microentrepreneurs across its area of operation. In 1Q13, the amount of R$ 845.5 million was disbursed in connection with the contracting of 591,652 operations. By comparing both periods, Banco do Nordeste increased disbursements by 38.3% and the number of related operations by 23.9%.

As regards the Family Farming Strengthening Program (Pronaf), Banco do Nordeste entered into 114,328 loans involving funds in the amount of R$ 567.7 million in the first quarter of 2013, which represents an increase of 79.5% in value taken out and of 22.5% in the number of operations as compared to the first quarter of 2012.

Worth noting is that, at Pronaf level, BNB operates Agroamigo, a productive microcredit program guided to the rural area, taking out R$ 210.9 million in the first quarter of 2013, with 82,789 operations carried out with small-scale farmers, i.e. an increase in value by 2.5% and a decrease in the number of operations by 3.0% as compared to the same period of 2012.

Overall, as regards the BNB’s guided productive microcredit, involving Crediamigo for the urban area and Agroamigo for the rural area, nearly R$ 1.4 billion was disbursed in the first quarter of 2013, contracting 815,600 operations to support micro-entrepreneurs of urban and rural areas across its area of operation, with an increase in disbursed value by 31.3% and in the number of operations by 20.5% as compared to the same period of 2012.

As regards the support to micro and small enterprises, Banco do Nordeste contracted 13,607 financing operations for R$ 419.2 million over the first quarter of 2013, which is a decrease in value taken out by 17.4% and a decrease in the number of operations by 38.5% as compared to the first quarter of 2012.

As regards financial results, Banco do Nordeste recorded loss amounting to approximately R$ 22.2 million in the first quarter of 2013, against net income of R$ 59.1 million in the first quarter of 2012.

CVM RULING No. 381, OF 01/14/2003

As regards CVM Ruling No. 381/03, of 01/14/2003, Banco do Nordeste informs that Ernst & Young Terco Auditores Independentes S/S, engaged as its external auditor, did not provide any services other than external audit in the first quarter of 2013.

Contents of the Notes to Financial Statements

1. The Bank and its characteristics

Banco do Nordeste do Brasil S.A. is an all-purpose bank established by Federal Law No. 1649, of 07.19.1952, with head office at Avenida Pedro Ramalho, nº 5700, Passaré, Fortaleza, Ceará state, Brazil. The Bank was structured as a mixed economy, publicly-traded corporation and its mission is: "to operate, in its capacity of a public financial institution, as a catalytic agent in promoting the sustainable development of the Northeast in a competitive and profitable manner." Banco do Nordeste, as an All Purpose Bank, is authorized to operate all the portfolios permitted for multiple service banks, except mortgage loan portfolio. As an institution devoted to regional development, the Bank acts as the executive agent of public policies and is responsible for managing the Northeast Constitutional Financing Fund (FNE) – the main source of funds used by the Bank for long-term financing – and the operation of the National Family Farming Strengthening Program (PRONAF) in its jurisdiction. It is also the operator of the Northeast Investment Fund (FINOR) and the Northeast Development Fund (FDNE), the latter created in 2001 and altered in 2007 by Supplementary Law No. 125, which recreated the Northeast Development Authority (SUDENE). In 1998, the Bank created its Production-Oriented Microcredit Program (Crediamigo), a Production Microloan Program that facilitates credit access to thousands of small entrepreneurs who engage in production-related, product sale, and service activities. In addition to federal funds, the Bank has access to other sources of financing in the domestic and foreign markets through funds raised directly, as well as partnerships with domestic and foreign institutions, including multilateral institutions such as the World Bank and the InterAmerican Development Bank (IDB).

2. Basis of preparation and presentation of financial statements

The financial statements have been prepared in accordance with Brazilian Corporation Law, as amended by Laws No. 11638 and No. 11941, of 12.28.2007 and 05.27.2009, respectively, and regulations of the National Monetary Council (CMN), the Central Bank of Brazil (BACEN), and the Brazilian Securities and Exchange Commission (CVM), and are presented in accordance with the Standard Chart of Accounts for National Financial Institutions (COSIF).

The Bank's financial statements are in conformity with the pronouncements issued by the Brazilian FASB (CPC) in the process of convergence between the Brazilian accounting standards and the International Financial Reporting Standards (IFRS), as approved by the National Monetary Council (CMN), and the Brazilian Securities and Exchange Commission (CVM) standards that are in line with CMN rules, as follows:

- CPC 00 – The Conceptual Framework for Financial Reporting (CMN Resolution No. 4144, of 9.27.2012);
- CPC 01 - Impairment of Assets (CMN Resolution No. 3566, of 05.29.2008);
- CPC 03 - Cash Flow Statement - (CMN Resolution 3604, of 08.29.2008);
- CPC 05 – Related Party Disclosures (CMN Resolution No. 3750, of 06.30.2009);
- CPC 23 – Accounting Policies, Changes in Accounting Estimates and Correction of Errors (CMN Resolution No. 4007, of 08.25.2011);
- CPC 24 – Subsequent Events (CMN Resolution No. 3973, of 05.26.2011);
- CPC 25 - Provisions, Contingent Liabilities and Contingent Assets (CMN Resolution No. 3823, of 12.16.2009);
- CPC 09 - Statement of Value Added (CVM Rule No. 557, of 11.12.2008);
- CPC 22 – Segment Information (CVM Rule No. 582, of 07.31.2009);
- CPC 27 – Property, Plant and Equipment (CVM Rule No. 583, of 07.31.2009);
- CPC 32 – Income Taxes (CVM Rule No. 599, of 09.15.2009); and
- CPC 33 – Employee Benefits (CVM Rule No. 600, of 10.07.2009).

3. Summary of significant accounting practices

a) Functional currency

The Bank's functional and reporting currency is the Brazilian Real.

Assets and liabilities denominated in foreign currency are initially recognized at the average exchange rate in force on the transaction date, while nonmonetary assets are stated at historical cost.

At the end of each period, monetary assets and liabilities denominated in foreign currency are restated by the average exchange rate, and any variations are recorded under profit or loss (P&L) for the period.

b) Revenue recognition criteria

Revenues and expenses are recognized on a monthly basis, following the accrual method and considering the *pro rata temporis* criterion.

c) Current and noncurrent assets and liabilities

Assets and receivables are stated at realizable values, plus income earned and currency adjustments and foreign exchange fluctuation, less unearned income or allowance, if applicable. Liabilities are stated at original amounts plus, if applicable, accrued interest and monetary and exchange variations, less deferred expenses. Available funds from FNE (Northeast Constitutional Financing Fund) are classified in Current and Long-term liabilities according to the expected outflow of funds.

Receivables and payables are recorded in Current assets and Long-term receivables and in Current and Long-term liabilities, respectively, according to maturity dates.

d) Cash and cash equivalents

Cash and cash equivalents correspond to the balances of cash and cash equivalents, interbank investments and marketable securities immediately convertible into cash or with original maturity equal to or less than ninety days, with an insignificant risk of change in the fair value.

e) Interbank investments

Interbank investments are recorded at acquisition cost or investment value, plus income earned and adjusted by the allowance for losses, when applicable.

f) Marketable securities

Marketable securities are recorded at cost, plus brokerage and other fees, and are classified and accounted for as described below:

Available-for-sale securities: securities not classified as either trading securities or held-to-maturity securities and reported at fair value, net of taxes, with unrealized gains and losses reported in a separate component of Equity; and

Held-to-maturity-securities: securities that the Bank has the positive intent and ability to hold to maturity, stated at acquisition cost, plus income earned, against P&L for the period.
The classification of Available-for-sale securities and Held-to-maturity securities in current assets and long-term receivables was determined according to their maturities, which does not mean unavailability of the securities, which are of the highest quality and highly liquid.

g) Derivative financial instruments

The Bank limits its operations in the derivative market to swap transactions intended solely to hedge its asset and liability positions.

Swap transactions are stated in balance sheet and memorandum accounts, according to their nature, based on prevailing accounting standards and legal provisions. They are measured at fair value upon preparation of monthly trial balances and half-yearly balance sheets. Valuations or devaluations are stated in revenue or expense accounts. The rates disclosed by the Securities, Commodities and Futures Exchange (BM&FBOVESPA) are used to calculate the fair value of these transactions.

Hedge accounting

Considering the risk of foreign exchange exposure and conditions of the funding market abroad through long-term Senior Unsecured Notes, the Bank designated derivative financial instruments (swap agreements) to fully hedge the loans raised and corresponding interest payable (market risk hedge). To equalize the effects of marking-to-market of derivatives designated as hedging instruments, the hedged item is also adjusted for changes in fair value.

Changes in the fair value of derivatives designated as hedging instruments are recognized in P&L. However, the fair value adjustment of the hedged item is recorded as part of its book value, and is also recognized in P&L. If the hedging instrument expires or is sold, cancelled or exercised, or when the hedging position does not fall under hedge accounting conditions, the hedging relationship ends.

The risk management objectives and the hedging strategy of such risks during the entire transaction are adequately documented, and so is the assessment of the transaction effectiveness. A hedge is expected to be highly effective if the changes in fair value or cash flow attributed to the hedging instrument offsets the changes in fair value of the hedged item, in an interval between 80% and 125%.

The fair values of derivative financial instruments used for hedging purposes and of the hedged item are disclosed in Note 7.c.1.

h) <u>Loans, advances on foreign exchange contracts, other receivables with loan features and allowance for loan losses</u>

Loans, advances on foreign exchange contracts, and other receivables with loan features are classified in accordance with Management's judgment on risk level, taking into consideration the economic scenario, past experience and specific risks related to the operation, creditors and guarantors, considering the standards established by CMN Resolution No. 2682 of 12.21.1999, which require the periodic analysis of the portfolio and its rating into nine risk levels, where AA is the minimum risk and H is the maximum risk, as well as the classification of operations in arrears for more than 15 days as past due operations.

Income from loans over 59 days past due, regardless of the risk level, is only recognized as revenue when realized.

H-rated operations remain under this rating for 180 days, when they are then written off against the existing allowance and controlled for five years, no longer being included in the balance sheet.

Renegotiated operations are remain at least at the same level into which they were classified.

Renegotiated loans that have been written off against the allowance are rated as H, and possible recoveries are recognized as income when received.

i) <u>Prepaid expenses</u>

These refer to funds used in advanced payments, whose benefits or service rendering will occur in coming years.

j) <u>Permanent assets</u>

Investments are stated at cost, net of valuation allowance.

Property and equipment in use includes depreciation calculated under the straight-line method at the following annual rates: Buildings - 4%; data processing systems and vehicles - 20%; tractors and motorcycles - 25%; and other - 10%. Real estate in use includes the revaluation amount.

Deferred charges include expenses on third-party properties and software purchase and development incurred through 09.30.2008 and include amortization calculated under the straight-line method at the annual rate of 20%.

CMN Resolution No. 3617, of 09.30.2008, determines that any balances of property and equipment and deferred charges existing before the Resolution came into effect that have been recorded based on prior standards should be maintained until such balances are actually written off.

k) <u>Income tax, social contribution tax, PASEP and COFINS</u>

Corporate Income Tax (IRPJ) is calculated at the rate of 15% plus a 10% surtax (on taxable profit exceeding R$ 240 for the year), and Social Contribution Tax on Net Profit (CSLL) is calculated at the rate of 15%, after the adjustments defined in tax legislation. Deferred tax assets and liabilities are calculated, substantially, on temporary differences between accounting and tax bases, arising from allowances for loan losses, reserves for post-employment benefits, mark-to-market of marketable securities, derivative financial instruments, and hedged item.

In accordance with current legislation, the expected realization of tax credits is based on the projection of future taxable profits and on technical studies carried out every six months.

The federal contribution taxes on gross revenue for Public Service Employee Savings Program (PASEP) and for Social Security Financing (COFINS) are calculated at the rates of 0.65% and 4.00%, respectively.

l) Employee benefits

The Bank grants its employees short-term and post-employment benefits. Short-term benefits are recognized and measured at their original amounts (excluding the effect of the discount to present value or actuarial calculation) based on the monthly accrual basis of accounting.

Post-employment benefits refer to defined benefit and variable contribution pension plans, and a defined benefit health care plan.

Until December 31, 2012, actuarial gains and losses were recognized in P&L, in conformity with the guidelines determined by CVM Rule No. 600/2009. As from January 2013, when CVM Rule No.695/2012 became effective, the accounting practice for post-employment benefits has changed, as current service cost and net interest on net liability are recognized in P&L whereas actuarial gains and losses, and return on plan assets, excluding the amounts considered in net interest on net liability, are recognized as Equity adjustments, in Equity.

Restatement of Comparative Balances

The financial statements as of March 31 and December 2012, presented for comparative purposes, have been adjusted so as to reflect the calculation of actuarial losses for the periods, using the best estimates based on available information for such calculations. These financial statements have been restated due to the change in accounting criterion applicable to post-employment benefits, as required by CVM Rule No. 695.

The effects of this restatement are summarized as follows:

BALANCE SHEETS	December 31, 2012			March 31, 2012		
	Original	Adjustment	Restated	Original	Adjustment	Restated
Other liabilities/Other (1)	-	-	-	1,927,424	(9,850)	1,917,574
Equity adjustments (2)	93,737	(312,129)	(218,392)	-	-	-
Retained earnings/Accumulated losses (3)	-	312,129	312,129	44,696	9,850	54,546

(1) The adjustment recorded in "Other Liabilities/ Sundry" refers to the actuarial loss computed, originally recognized in P&L ("Personnel expenses").

(2) The change recognized in "Equity adjustments" refers to the actuarial loss computed, originally recognized in P&L ("Personnel expenses").

(3) The adjustment recognized in "Retained earnings/ Accumulated losses" refers to the actuarial loss computed, originally recognized in P&L ("Personnel Expenses").

INCOME STATEMENTS	March 31, 2012		
	Original	Adjustment	Restated
Personnel expenses	(293,737)	9,850	(283,887)

(1) The adjustment recorded in "Personnel expenses" arises from the actuarial loss computed on Post-employment benefit calculations.

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)	March 31, 2012		
	Original	Adjustment	Restated
Actuarial gains or losses (1)	-	(9,850)	(9,850)

(1) The adjustment recorded in "Actuarial Gains and Losses" refers to the actuarial loss computed.

CASH FLOW STATEMENTS	March 31, 2012		
	Original	Adjustment	Restated
Net income [(1)]	59,089	9,850	68,939
Other liabilities [(2)]	475,471	(9,850)	465,621

(1) The adjustment recorded in “Net income” refers to the actuarial loss computed.

(2) The adjustment recorded in “Other liabilities” refers to the actuarial loss computed.

STATEMENTS OF CHANGES IN EQUITY	March 31, 2012		
	Original	Adjustment	Restated
Retained earnings/accumulated losses [(1)]	44,696	9,850	54,546

(1) The adjustment recorded in “Retained earnings/accumulated losses” refers to the actuarial loss computed.

STATEMENTS OF VALUE ADDED	March 31, 2012		
	Original	Adjustment	Restated
Benefits [(1)]	87,594	(9,850)	77,744
Retained profits for the period [(2)]	59,089	9,850	68,939

(1) The adjustment to “Benefits” refers to the actuarial loss computed.

(2) The adjustment recorded in “Retained profits for the period” refers to the actuarial loss computed.

m) Impairment testing

Impairment losses are recognized when the carrying amount of an asset exceeds its recoverable amount. Significant nonfinancial assets are reviewed at least at the end of each reporting period, to determine if there is any indication of impairment loss.

n) Contingent assets, liabilities and legal obligations

Contingent assets, contingent liabilities and legal obligations are recognized, measured and disclosed according to the criteria defined in CMN Resolution 3823, of 12.16.2009.

Contingent assets are recognized in the financial statements only when their realization can be reliably measured from evidence, which may be the final and unappealable decision on a lawsuit or the confirmation of their recoverability, either through their receipt or offset against another liability.

Contingent liabilities are recognized in the financial statements when, based on the opinion of legal advisors and management, the likelihood of loss in a given legal or administrative proceeding is rated as probable, the settlement of which is likely to result in an outflow of economic benefits, and the amounts involved can be reliably measured upon court reference/notification, reviewed as required by procedural changes, and restated on a monthly basis.

Legal obligations derive from tax obligations and a provision in their full amount is recognized in the financial statements, regardless of the likelihood of success in ongoing lawsuits.

o) Use of estimates

The preparation of the financial statements includes estimates and assumptions, such as in determining allowances for loan losses, fair value measurement of financial instruments, provision for contingencies, impairment losses and other provisions, e.g. reserves for actuarial liabilities for health care and pension plans. Actual results could differ from such estimates and assumptions.

4. Segment information

For management purposes, the Bank is organized into two operating segments based on products and services:

a) Own Portfolio - comprises own portfolio products and services such as lending and market operations, fund management and provision of other banking services and collaterals; and

b) FNE - comprises loans within the scope of FNE.

The Bank's management manages operating income (loss) separately in order to make decisions on the fund allocation and performance evaluation. The performance of each segment is determined based on the financial margin plus bank fees.

As at March 31, 2013 and March 31, 2012, no revenue from transactions with one single external customer accounted for 10% or more of the Bank's total revenues.

The table below, prepared in the format used by the Bank's management, shows information on revenues, costs, expenses and financial margin of operating segments. Administrative expenses, as well as other expenses not directly allocated to each operating segment, are classified as corporate expenses and were included in column "Total":

	01.01. to 03.31.2013			01.01. to 03.31.2012		
Specification	**Own portfolio**	**FNE**	**Total**	**Own portfolio**	**FNE**	**Total**
Revenue	**728,592**	**383,002**	**1,111,594**	**1,016,520**	**373,453**	**1,389,973**
Income from loans	382,682	-	382,682	417,230	-	417,230
Marketable securities transactions, net	189,413	141,672	331,085	202,813	149,360	352,173
Derivative financial instruments, net	(48,572)	-	(48,572)	(12,776)	-	(12,776)
Foreign exchange transactions, net	22,383	-	22,383	46,080	-	46,080
Compulsory investments, net	4,307	-	4,307	5,023	-	5,023
Sales or transfer of financial assets	3,148	-	3,148	-	-	-
Other	175,231	241,330	416,561	358,150	224,093	582,243
Expenses	**(463,095)**	**(388,661)**	**(851,756)**	**(471,811)**	**(314,691)**	**(786,502)**
Open market funding	(180,440)	-	(180,440)	(253,549)	-	(253,549)
Borrowings and onlending	(37,620)	(135,295)	(172,915)	(100,018)	(142,639)	(242,657)
Sales or transfer of financial assets	-	-	-	-	-	-
Allowance for loan losses	(243,295)	(246,204)	(489,499)	(118,244)	(171,996)	(290,240)
Other contingent liabilities (Note 20.g)	(1,740)	(7,013)	(8,753)	-	-	-
PROAGRO provision receivable	-	(149)	(149)	-	(56)	(56)
Financial margin	**265,497**	**(5,659)**	**259,838**	**544,709**	**58,762**	**603,471**
Service income	55,207	328,635	383,842	48,295	291,646	339,941
Income from fees, rates and commissions	5,923	-	5,923	5,375	-	5,375
PASEP and COFINS (1)	**(20,071)**	**(27,499)**	**(47,570)**	**(20,996)**	**(25,036)**	**(46,032)**
Income (loss) after fees and commissions	**306,556**	**295,477**	**602,033**	**577,383**	**325,372**	**902,755**
Administrative expenses			**(473,576)**			**(490.349)**
Personnel expenses			(277,853)			(283,887)
Depreciation and amortization			(8,099)			(7,276)
Other administrative expenses			(187,624)			(199,186)
Other expenses			**(162,858)**			**(230,191)**
Expenses with provisions, except allowance for loan losses			**(11,606)**			**(25,029)**
Income before taxes and profit sharing			**(46,007)**			**157,186**
Income and social contribution taxes			23,831			(84,505)
Profit sharing			(8)			(3,742)
Net income			**(22,184)**			**68,939**

[1] Expenses referring to PASEP and COFINS on import of services in the amount R$ 10 (R$ 9 at 03.31.2012) are included in Other Expenses.

5. Cash and cash equivalents

Specification	**03.31.2013**	**12.31.2012**
Cash in local currency	111,030	118,242
Cash in foreign currency	1,346	3,611
Total cash	**112,376**	**121,853**
Investments in marketable securities	-	28,017
Interbank investments	6,598,594	6,334,234
Total cash and cash equivalents (Note 27.c)	**6,710,970**	**6,484,104**

6. Interbank investments

a) Breakdown

Specification	03.31.2013	12.31.2012
a) Open market investments	**7,337,984**	**6,384,020**
Resale agreements pending settlement – Self-funding position	7,200,194	6,227,215
Resale agreements pending settlement – Financed position	137,790	156,805
b) Interbank deposits	**13,774**	**130,821**
Foreign currency investments	13,774	23,801
Interbank deposits	-	107,020
Total	**7,351,758**	**6,514,841**
Current	7,351,758	6,514,841

b) Income from interbank investments

Specification	01.01. to 03.31.2013	01.01. to 03.31.2012
a) Income from open market investments (Note 7.b)	**113,014**	**85,124**
Self-funding position	110,483	82,232
Financed position	2,531	2,892
b) Income from interbank deposits (Note 7.b)	**1,720**	**6,296**
Total	**114,734**	**91,420**

7. Marketable securities and derivative financial instruments

a) Marketable securities

The adjusted cost (plus income earned) and the fair value of marketable securities are as follows:

a.1) Marketable securities portfolio

Specification	03.31.2013	12.31.2012
Available-for-sale securities	11,198,390	11,028,442
Held-to-maturity securities	22,152	21,081
Swap differential receivable	143,584	193,640
Total	**11,364,126**	**11,243,163**
Current	732,133	459,453
Long-term	10,631,993	10,783,710

a.2) Available-for-sale securities

Specification	03.31.2013 Cost	Fair (book) value	Mark-to-market	Maturity	12.31.2012 Cost	Fair (book) value	Mark-to-market	Maturity
Fixed income securities	**10,672,029**	**10,654,416**	**(17,613)**		**10,332,613**	**10,494,910**	**162,297**	
Financial Treasury Bills (LFTs)	7,995,334	7,999,272	3,938	2013 to 2018	7,904,113	7,904,764	651	2013 to 2018
National Treasury Bills (LTNs)	11	11	-	2014	11	11	-	2014
National Treasury Notes (NTNs)	1,169,539	1,414,147	244,608	2050	1,155,266	1,562,643	407,377	2050
Financial Bills (LFs)	707,972	661,298	(46,674)	2014 to 2019	477,168	447,406	(29,762)	2014 to 2016
Debentures	765,713	574,335	(191,378)	2014 to 2018	760,074	572,019	(188,055)	2014 to 2018
Bank Credit Notes (CCBs)	-	-	-	-	2,709	2,622	(87)	2013
Federal government bonds (FCVS)	6,635	5,137	(1,498)	2027	6,755	5,231	(1,524)	2027
Federal government bonds – Other	26,543	-	(26,543)	1993	26,237	-	(26,237)	1993
Agrarian Debt Securities (TDAs)	282	216	(66)	2013 to 2022	280	214	(66)	2013 to 2022
Investment fund shares	**15,656**	**14,295**	**(1,361)**		**15,569**	**14,211**	**(1,358)**	
Social Development Funds (FDS)	1,361	-	(1,361)	2014	1,358	-	(1,358)	2014
Receivables Investment Fund (FIDC) shares	12,283	12,283	-	2014	13,850	13,850	-	2014
Real Estate Investment Fund (FII)	1,668	1,668	-	2100				
Investment Guarantee Fund (FGI)	237	237	-	No maturity	221	221	-	No maturity
Operation Guarantee Fund (FGO)	107	107	-	No maturity	140	140	-	No maturity
Variable income securities	**140,298**	**143,698**	**3,400**		**140,298**	**136,579**	**(3,719)**	
Other tax incentives (FINOR)	350	187	(163)	No maturity	350	218	(132)	No maturity
Publicly-traded companies shares	139,948	143,511	3,563	No maturity	139,948	136,361	(3,587)	No maturity
Security deposits [1]	**386,455**	**385,981**	**(474)**		**383,734**	**382,742**	**(992)**	
Financial Treasury Bills (LTN)	385,677	385,897	220	2013 to 2018	379,297	379,358	61	2013 to 2018
Federal government bonds – Other	778	84	(694)	1993 to 2027	664	-	(664)	1993
Federal government bonds (FCVS)	-	-	-		108	85	(23)	2027
Debentures	-	-	-		3,665	3,299	(366)	2018
Total	**11,214,438**	**11,198,390**	**(16,048)**		**10,872,214**	**11,028,442**	**156,228**	
Tax credit (Note 21.b)	-	-	140,593		-	-	134,442	
Provision for deferred taxes and contributions (Note 21.c)	-	-	(134,174)		-	-	(196,933)	
Total fair value adjustment	**-**	**-**	**(9,629)**		-	-	**93,737**	

(1) Breakdown: Guarantees on stock exchange transactions R$ 150,733 (R$ 148,277 at 12.31.2012); guarantees on clearing house association transactions R$ 1,707 (R$ 1,678 at 12.31.2012); guarantees on legal proceedings R$ 218,003 (R$ 217,510 at 12.31.2012); and other guarantees R$ 15,538 (R$ 15,277 at 12.31.2012).

Account “Federal Government Securities - Other” records cash investments in government securities named by the National Treasury as NUCL910801 maturing on 08.31.1993, but not yet redeemed. These securities recorded a full devaluation due to their maturity, without, however, falling under the concept of permanent loss, as provided by BACEN Circular No. 3068, of 11.08.2001.

In view of the classification of assets under “Available-for-sale securities”, the amount of R$ (16,048) (R$ 156,228 at 12.31.2012) was recorded in Equity under “Equity adjustments” account.
Such adjustment, net of taxes, corresponds to R$ (9,629) (R$ 93,737 at 12.31.2012).

a.3) Held-to-maturity securities

Specification	03.31.2013 Cost (book value)	Fair value (*)	Maturity	12.31.2012 Cost (book value)	Fair value (*)	Maturity
Fixed income securities	**22,152**	**22,140**		**21,081**	**21,068**	
Investment Fund Shares – Ne.Empreendedor	2,020	2,020	2013	2,020	2,020	2013
National Treasury Notes (NTN) - P	234	222	2013 to 2014	247	234	2013 to 2014
Investment Fund Shares - CRIATEC	12,465	12,465	2017	11,974	11,974	2017
FIP Brasil Agronegócios	7,433	7,433	2018	6,840	6,840	2018
Total	**22,152**	**22,140**		**21,081**	**21,068**	

* The fair values described above are for illustrative purposes only, and no accounting record as been made in this respect, as requried by BACEN Circular No. 3068, of 11.08.2001.

a.4) In 1Q13, there were no reclassifications of marketable securities into the categories above, and no held-to-maturity securities were sold.

a.5) The Company uses the criteria below to measure fair value, according to the following order of priority:

1st - Market Prices disclosed by the National Association of Financial Market Institutions (ANBIMA) and BM&FBOVESPA;

2nd - Goodwill/Negative Goodwill over the past three months in CETIP S.A. – Mercados Organizados;

3rd - Calculation of probable realizable value based on own pricing model.

b) Income from marketable securities

Specification	01.01. to 03.31.2013	01.01. to 03.31.2012
Interbank investments (Note 6.b)	113,014	85,124
Interbank deposits (Note 6.b)	1,720	6,296
Fixed income securities	216,313	260,726
Variable income securities	38	27
Total	**331,085**	**352,173**

c) Derivative financial instruments

The Bank operates under a conservative investment policy focused on investing strictly in compliance with the maturity terms and rates established by the respective sources of funds in order to avoid any mismatching among assets and liabilities in terms of maturities, interest rates and applicable indices.

As at March 31, 2013, the Bank had swap transactions registered with CETIP (OTC Clearing House) and the notional value of these transactions is recorded in memorandum accounts while the related book value is recorded under the captions 'Differential Payable' and 'Differential Receivable', as shown below:

Breakdown at 03.31.2013

Specification	Notional value	Fair value		Curve		Mark-to-market		MTM, net
		Receivable	Payable	Receivable	Payable	Positive	Negative	
Asset position								
Foreign currency (US dollar)	1,087,635	142,954	-	111,322	-	31,632	-	31,632
Liabilities **position**								
Fixed rate	178,151	630	6,696	-	4,037	1,041	3,072	(2,031)
Total	**1,265,786**	**143,584**	**6,696**	**111,322**	**4,037**	**32,673**	**3,072**	**29,601**
Tax credit (Note 21.b)								1,229
Provision for deferred taxes and contributions (Note 21.c)								(13,069)

Breakdown at 12.31.2012

Specification	Notional value	Fair value		Curve		Mark-to-market		MTM, net
		Receivable	Payable	Receivable	Payable	Positive	Negative	
Asset position								
Foreign currency (US dollar)	1,087,635	193,611	-	137,066	56,545	56,545	-	56,545
Liabilities **position**								
Fixed rate	194,672	29	8,589	-	(5,498)	109	5,607	(5,498)
Total	**1,282,307**	**193,640**	**8,589**	**137,066**	**51,047**	**56,654**	**5,607**	**51,047**
Tax credit (Note 21.b)								2,243
Provision for deferred taxes and contributions (Note 21.c)								(22,662)

Specification	03.31.2013		12.31.2012	
	Differential receivable	Differential payable	Differential receivable	Differential payable
Up to 3 months	-	516	-	402
3 to 12 months	-	1,880	-	1,782
1 to 3 years	100,374	3,752	121,537	5,198
3 to 5 years	436	548	29	1,207
5 to 15 years	42,774	-	72,074	-
Total	**143,584**	**6,696**	**193,640**	**8,589**

c.1) *Derivative financial instruments classified as market risk hedge (hedge accounting)*

Specification	03.31.2013				
	Curve value		Fair value		
Hedging instruments	**Asset - dollar**	**Liabilities - CDI**	**Asset - dollar**	**Liabilities - CDI**	**Mark-to-market adjustment**
Swap – Foreign currency – Asset position	1,230,471	1,119,149	1,294,929	1,151,975	31,632
Hedged item	**Curve value[1]**		**Fair value[1]**		**Mark-to-market adjustment**
Eurobonds – Senior Unsecured Notes	1,227,785		1,295,758		67,973

[1] Net of tax effects in the amount of R$ 2,787 on the transaction interest.

Specification	12.31.2012				
	Curve value		Fair value		
Hedging instruments	**Asset - dollar**	**Liabilities - CDI**	**Asset - dollar**	**Liabilities - CDI**	**Mark-to-market adjustment**
Swap – Foreign currency – Asset position	1,236,368	1,099,301	1,325,291	1,131,679	56,545
Hedged item	**Curve value[1]**		**Fair value[1]**		**Mark-to-market adjustment**
Eurobonds – Senior Unsecured Notes	1,233,631		1,325,882		92,251

[1] Net of tax effects in the amount of R$ 1,117 on the transaction interest.

The transaction was assessed as effective under BACEN Circular No. 3082, of 01.30.2002, based on the financial flows (principal and interest) of the hedged item, Eurobonds – Senior Unsecured Notes, and of hedging instruments (swap agreements).

Considering the currency risk exposure as well as funding market conditions abroad through Eurobonds – Senior Unsecured Notes, the Bank entered into swap agreements to fully hedge the loans raised and corresponding interest payable, classified according to their nature as market risk hedge. The hedged principal, plus interest payable, is stated at fair value, and any changes are recorded as part of the book value, recognized in P&L for the period.

Considering that the financial flow (principal and interest) of hedged item (Eurobonds-Senior Unsecured Notes) and financial flows of financial instruments (swaps) designated are identical, the expected effectiveness upon the hedging instrument designation and in the course of transaction is in accordance with that established by BACEN.

c.2) *Other derivative financial instruments*

Specification	03.31.2013				
	Curve value		Fair value		
Hedging instruments	**Asset - CDI**	**Liability – fixed rate**	**Asset - CDI**	**Liability – fixed rate**	**Mark-to-market adjustment**
Fixed rate – Liabilities position	198,314	202,351	202,908	208,975	(2,030)

Specification	12.31.2012				
	Curve value		Fair value		
Hedging instruments	**Asset - CDI**	**Liability – fixed rate**	**Asset - CDI**	**Liability – fixed rate**	**Mark-to-market adjustment**
Fixed rate – Liabilities position	213,189	216,250	218,139	226,698	(5,498)

c.3) *Breakdown of the margin given in guarantee of transactions with derivative financial instruments*

There is no record of the guarantees given by the Bank as at 03.31.2013 and 12.31.2012.

d) Derivative financial instruments, net

Specification	01.01. to 03.31.2013	01.01. to 03.31.2012
Swap	(48,572)	(12,776)
Total	**(48,572)**	(12,776)

8. Interbank accounts – Restricted deposits

a) Restricted deposits

	03.31.2013			12.31.2012		
Specification	**Gross**	**Allowance**	**Net**	**Gross**	**Allowance**	**Net**
Mandatory payments – Savings accounts	263,871	-	263,871	262,606	-	262,606
Compulsory reserves – Cash funds	30,390	-	30,390	43,768	-	43,768
National Housing System (SFH)	60,818	(23,072)	37,746	60,045	(22,889)	37,156
National Treasury – Rural credit	7,527	(1,326)	6,201	7,370	(1,176)	6,194
Total	**362,606**	**(24,398)**	**338,208**	**373,789**	**(24,065)**	**349,724**
Current	301,269	(1,326)	299,943	313,741	(1,176)	312,565
Long-term	61,337	(23,072)	38,265	60,048	(22,889)	37,159

b) Compulsory investments, net

Specification	01.01. to 03.31.2013	01.01. to 03.31.2012
Income from restricted deposits – Central Bank of Brazil	3,561	3,898
Income from restricted deposits – SFH	773	841
Income from restricted deposits – Rural Credit	156	15
Devaluation of restricted deposits	(183)	269
Total	**4,307**	**5,023**

9. Loan portfolio and allowance for loan losses

a) Loan portfolio and allowance for loan losses

	03.31.2013		12.31.2012	
Specification	**Gross**	**Allowance**	**Gross**	**Allowance**
Loans	**10,980,575**	**(911,015)**	**11,323,086**	**(798,757)**
Current	4,988,967	(644,652)	5,199,136	(423,675)
Long-term	5,991,608	(266,363)	6,123,950	(375,082)
Other accounts with loan features (Note 10.f)	**668,500**	**(10,353)**	699,792	(34,225)
Current	584,906	(10,353)	607,699	(29,913)
Long-term	83,594	-	92,093	(4,312)
Total	**11,649,075**	**(921,368)**	**12,022,878**	**(832,982)**

a.1) *Breakdown of loan portfolio*

Specification	03.31.2013	12.31.2012
Advances to depositors	80	273
Loans	4,725,304	5,038,759
Discounted notes	75,932	95,074
Financing	2,041,030	2,019,435
Financing in foreign currency	312,146	334,816
Refinancing with the Federal Government (Note 28.a.1)	431,418	443,895
Rural and agroindustrial financing	1,639,602	1,575,278
Real estate financing [1]	243	243
Infrastructure and development financing	1,754,820	1,815,313
Loans subtotal	**10,980,575**	**11,323,086**
Guarantees and sureties honored	-	16
Income receivable from advances	15,322	13,335
Debtors due to purchase of assets	1,388	1,545
Notes and credits receivable	7,502	33,314
Advances on foreign exchange contracts [2] (Note 11.a)	538,002	540,285
Loans linked to transactions acquired on assignment	106,286	111,297
Other accounts with loan features subtotal	**668,500**	**699,792**
Total	**11,649,075**	**12,022,878**

(1) Refer to transactions contracted before the discontinuance of real estate financing activities.
(2) Accounts classified as “Other liabilities/ Foreign exchange portfolio”.

a.2) *Income from loans*

Specification	01.01. to 03.31.2013	01.01. to 03.31.2012
Loans and discounted notes	184,268	187,235
Financing	123,856	173,450
Rural and agroindustrial financing	53,394	35,213
Recovery of loans written off as loss	21,079	21,104
Other	85	228
Total	**382,682**	**417,230**

b) Breakdown by maturity

b.1) *Current loans [1]*

Type of Customer/Activity	01 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	Over 360 days	Total 03.31.2013	Total 03.31.2012
Rural	8,648	3,436	24,246	64,384	49,300	1,424,273	1,574,287	1,537,264
Manufacturing	81,429	92,350	59,508	195,220	251,079	1,403,913	2,086,499	2,141,798
Government	6,319	6,319	6,319	32,009	45,108	1,211,289	1,307,363	1,365,420
Other services	651,932	542,568	462,646	615,830	492,021	1,347,100	4,112,097	4,366,458
Trading	111,188	239,248	130,848	261,866	367,364	264,707	1,375,221	1,490,195
Financial	4,631	4,752	4,633	14,216	28,564	147,660	204,456	217,446
Housing	981	805	637	1,028	277	21	3,749	3,825
Individuals	3,840	3,119	5,984	11,057	7,419	21,879	53,298	53,071
Total	**868,968**	**892,597**	**694,821**	**1,195,610**	**1,241,132**	**5,823,842**	**10,716,970**	**11,175,477**

(1) Include loans overdue up to 14 days.

b.2) *Past due loans*

	Falling due							
Type of Customer/Activity	**01 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 to 180 days**	**181 to 360 days**	**Over 360 days**	**Total 03.31.2013**	**Total 03.31.2012**
Rural	82	124	1,068	3,108	2,186	19,926	26,494	17,518
Manufacturing	4,946	10,138	5,169	18,347	29,883	45,360	113,843	99,722
Other services	14,378	14,919	9,080	18,451	32,648	128,494	217,970	165,980
Trading	8,712	7,291	7,594	19,792	29,893	59,593	132,875	103,306
Financial	-	-	-	-	-	-	-	2,292
Housing	16	7	2	1	-	-	26	44
Individuals	372	461	275	714	1,007	988	3,817	4,207
Total	**28,506**	**32,940**	**23,188**	**60,413**	**95,617**	**254,361**	**495,025**	**393,069**

Type of Customer/Activity	Past due: 01 to 14 days	15 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	Over 360 days	Total 03.31.2013	Total 03.31.2012
Rural	24	1,918	9,898	5,377	9,456	7,457	15,623	49,753	35,369
Manufacturing	2,535	2,636	9,630	6,876	117,430	19,889	13	159,009	159,609
Other services	3,055	9,838	13,637	9,327	31,710	57,085	450	125,102	153,701
Trading	1,819	9,644	24,859	7,843	25,452	27,977	366	97,960	95,897
Financial	-	-	-	-	-	-	1	1	4,594
Housing	-	4	23	1	6	2	-	36	22
Individuals	28	438	654	503	1,585	1,991	20	5,219	5,140
Total	**7,461**	**24,478**	**58,701**	**29,927**	**185,639**	**114,401**	**16,473**	**437,080**	**454,332**

c) Breakdown by risk level

Risk level	03.31.2013 Current [(1)]	Past due	Total portfolio	Allowance	12.31.2012 Current [(1)]	Past due	Total portfolio	Allowance
AA	3,269,010	-	3,269,010	-	3,227,863	-	3,227,863	-
A	4,400,489	-	4,400,489	22,002	4,606,780	-	4,606,780	23,034
B	2,449,558	37,402	2,486,960	24,870	2,195,279	30,772	2,226,051	22,260
C	148,366	78,585	226,951	6,809	539,012	162,347	701,359	21,041
D	77,041	58,108	135,149	13,515	140,787	61,917	202,704	20,270
E	30,822	113,989	144,811	43,443	127,966	148,345	276,311	82,893
F	131,013	147,860	278,873	139,437	133,261	64,891	198,152	99,076
G	47,500	70,965	118,465	82,925	13,973	50,194	64,167	44,917
H	163,171	425,196	588,367	588,367	190,556	328,935	519,491	519,491
Total	**10,716,970**	**932,105**	**11,649,075**	**921,368**	**11,175,477**	**847,401**	**12,022,878**	**832,982**

[(1)] Include loans overdue up to 14 days.

d) Changes in the allowance for the period

Specification	03.31.2013	12.31.2012
Opening balance (Allowance for losses on loan portfolio)	832,982	630,060
(+) Net allowance recognized for the period	243,220	614,291
(-) Receivables written off as loss for the period	(154,836)	(411,369)
(=) Allowance for losses on loan portfolio	**921,368**	**832,982**
Opening balance (Allowance for losses on other receivables without loan features)	46,569	46,064
(+) Net allowance recognized for the period	75	599
(-) Receivables written off as loss for the period	-	(94)
(=)Allowance for losses on other receivables without loan features (Note 10.f)	**46,644**	**46,569**
(=) Allowance for loan losses	**968,012**	**879,551**

e) Breakdown of the allowance expense balance

Specification	01.01. to 03.31.2013	01.01. to 03.31.2012
(+) Expenses on allowance for loan losses	(240,781)	(116,738)
(+) Expenses on allowance for losses on other receivables	(2,439)	(1,449)
(-) Reversal of operating allowances	-	-
(=) Balance of expenses on allowance for losses on operations with loan features	**(243,220)**	**(118,187)**
(+) Expenses on allowance for losses on other receivables without loan features	(75)	(57)
(=) Reversal of allowances for losses on other receivables without loan features	-	-
(=) Balance of expenses on allowance for loan losses	**(243,295)**	**(118,244)**

f) In 1Q13, receivables that had been written off as loss were recovered in the amount of R$ 21,079 (R$ 21,104 at 03.31.2012) and renegotiations amounted to R$ 79,390 (R$ 216,763 at 03.31.2012).

g) Recovery of receivables with legal grounds

In conformity with Law No. 11322, of 07.13.2006, Law No. 11775, of 09.17.2008, and Law No. 12249, of 06.11.2010, as well as Law No. 12716, of 09.21.2012, concerning rescheduling of debts arising from rural credit transactions, that provides for rebates in the debt balance, discounts for prompt payment of installments, reduction of interest rate, and extension of payment terms of the referred to transactions, a positive effect on the Bank's income, referring to 03.31.2013, was recognized in the amount of R$ 17,795 (R$ 12,516 at 03.31.2012), shown below. Pursuant to the abovementioned legal provisions, part of these transactions was acquired by the Northeast Constitutional Financing Fund (FNE).

Specification	01.01. to 03.31.2013	01.01. to 03.31.2012
Income earned	8,062	2,856
Recovery of transactions written off of assets	3,712	8,168
Expenses on discounts	(994)	(581)
Net effect of allowances	7,015	2,073
Total	**17,795**	**12,516**

10. Other receivables

Specification	03.31.2013	12.31.2012
a) Receivables for guarantees honored	**-**	**15**
b) Foreign exchange portfolio (Note 11.a)	**552,412**	**592,978**
c) Income receivable	**26,150**	**25,434**
d) Securities trading	**4**	**4**
e) Other receivables	**2,330,749**	**2,364,301**
Tax credits – Allowances (Note 21.b)	1,080,684	954,532
Tax credits – marketable securities, derivative financial instruments and hedged item (Notes 7.a.2, 7.c and 21.b)	169,011	173,585
Debtors from escrow deposits	693,810	683,936
Taxes and contributions recoverable	**47,225**	**208,888**
From prepayments – Brazilian IRS Revenue Procedure (IN SRF) No. 90/92	39,102	200,754
Other	8,123	8,134
Tax incentive options	26,748	26,748
Notes and credits receivable	7,502	33,314
Prepaid salaries and advances	23,410	1,650
Payments to be refunded	10,013	9,905
Recalculation, discounts, waivers and bonuses in BNDES transactions	4,662	3,687
Recalculation, discounts, waivers and bonuses in FAT transactions	9,054	7,793
Other	258,630	260,263
f) Allowance for losses on other receivables	**(56,997)**	**(80,794)**
Receivables with loan features (Note 9.a)	(10,353)	(34,225)
Receivables without loan features (Note 9.d)	(46,644)	(46,569)
Total	**2,852,318**	**2,901,938**
Current	2,126,623	2,100,029
Long-term	725,695	801,909

11. Foreign exchange portfolio

a) Breakdown

Specification	03.31.2013	12.31.2012
Assets – Other receivables		
Foreign exchange receivable	537,049	561,941
Receivables for foreign exchange sold	266	21,677
Advances received in local currency	(224)	(3,975)
Income receivable from advances	15,321	13,335
Current assets (Note 10.b)	**552,412**	**592,978**
Liabilities - Other liabilities		
Foreign exchange purchases	538,002	550,656
Foreign exchange payable	266	21,637
(Advances on foreign exchange contracts) (Note 9.a.1)	(538,002)	(540,285)
Current liabilities (Note 16.b)	**266**	**32,008**

b) Foreign exchange transactions, net

Specification	01.01. to 03.31.2013	01.01. to 03.31.2012
Exchange income	22,566	46,178
Exchange expenses	(183)	(98)
Total	**22,383**	**46,080**

12. Permanent assets

a) Investments

Specification	12.31.2012 Book balance	01.01.2013. to 03.31.2013 Changes Additions	Exclusions	Book balance	03.31.2013 Cost	Provision for impairment	Book balance
Shares and units of interest	652	-	-	652	652	-	652
Artworks and valuables	1,068	46	-	1,114	1,114	-	1,114
Total	**1,720**	**46**	**-**	**1,766**	**1,766**	**-**	**1,766**

b) Property and equipment

Specification	12.31.2012 Book balance	01.01.2013. to 03.31.2013 Changes[2] Additions	Exclusions	Depreciation	Book balance	03.31.2013 Cost	Accumulated depreciation	Book balance
Buildings	105,813	5,042	-	(2,452)	108,403	245,885	(137,482)	108,403
Data processing system	30,833	18,159	(82)	(2,950)	45,960	98,684	(52,724)	45,960
Furniture and equipment in use	23,099	5,279	(113)	(1,194)	27,071	59,714	(32,643)	27,071
Land	17,025	-	-	-	17,025	17,025	-	17,025
Facilities	6,681	435	(2)	(364)	6,750	17,337	(10,587)	6,750
Communication systems	114	2	(3)	(6)	107	394	(287)	107
Construction in progress[1]	5,209	294	-	-	5,503	5,503	-	5,503
Security system	6,638	1,207	(14)	(294)	7,537	14,781	(7,244)	7,537
Transportation system	3,494	-	-	(706)	2,788	16,122	(13,334)	2,788
Total	**198,906**	**30,418**	**(214)**	**(7,966)**	**221,144**	**475,445**	**(254,301)**	**221,144**

(1) Refers to transfer to Buildings, considering the completion of the construction.
(2) Provision for impairment of property and equipment was not recorded.

c) Deferred charges

Specification	12.31.2012 Book balance	01.01.2013. to 03.31.2013 Changes[1] Additions	Exclusions	Amortization	Book balance	03.31.2013 Cost	Accumulated amortization	Book balance
Leasehold improvements	936	-	-	(133)	802	2,390	(1,588)	802
Total	**936**	**-**	**-**	**(133)**	**802**	**2,390**	**(1,588)**	**802**

(1) Provision for impairment on deferred charges.

13. Deposits and open market funding

a) Deposits

Specification	03.31.2013	12.31.2012
Demand deposits	**127,029**	**134,018**
Foreign currency deposits in Brazil	18,971	23,182
Government deposits	18,840	14,256
Restricted deposits	54,576	61,875
Legal entities	20,356	21,824
Individuals	13,598	11,548
Other	688	**1,333**
Savings deposits	**1,583,818**	**1,615,970**
Free savings deposits - Individuals	1,017,108	987,872
Free savings deposits – Legal entities	565,977	627,331
From related parties and Financial System Institutions	733	767
Interbank deposits	**723,910**	**672,027**
Time deposits	**7,580,507**	**7,399,424**
Time deposits	5,618,815	5,411,838
Interest-bearing judicial deposits	736,983	741,822
Interest-bearing special deposits/FAT – available funds (Note 26)	**47,730**	**101,634**
Proger Urbano	2,230	4,416
Protrabalho	1,556	2,049
Infrastructure	41,747	37,398

Drought	93	161
National Program for Production-Oriented Microcredit (PNMPO)	2,104	57,610
Interest-bearing special deposits/FAT – invested funds (Note 26)	**585,474**	**559,375**
Proger Urbano	61,972	63,028
Protrabalho	127,126	133,046
Infrastructure	201,955	214,391
Drought	6,847	7,126
National Program for Production-Oriented Microcredit (PNMPO)	187,574	141,784
FINOR/cash and cash equivalents and reinvestments – Law No. 8167	590,446	584,007
Other	1,059	748
Total	**10,015,264**	**9,821,439**
Current	5,121,259	4,772,938
Long-term	4,894,005	5,048,501

b) Open market funding

Specification	03.31.2013	12.31.2012
Own portfolio	**854,753**	**663,719**
Financial Treasury Bills (LTNs)	854,753	663,719
Third-party portfolio	**137,790**	**156,796**
Financial Treasury Bills (LTNs)	63,549	156,796
National Treasury Bills (LTNs)	37,008	-
National Treasury Notes (NTNs)	37,233	-
Total	**992,543**	**820,515**
Current	909,854	738,598
Long-term	82,689	81,917

c) Expenses on open market funding

Specification	01.01. to 03.31.2013	01.01. to 03.31.2012
Deposit funding costs	**(165,409)**	**(234,849)**
Time deposits	(90,270)	(119,923)
Savings deposits	(16,220)	(17,080)
Judicial deposits	(11,473)	(11,952)
Interbank deposits	(4,460)	(3,199)
Special deposits	(17,082)	(24,803)
Expenses on funds from acceptance and issue of securities	(23,204)	(55,528)
Other deposits	(2,700)	(2,364)
Expenses on open market funding transactions	**(15,031)**	**(18,700)**
Third-party portfolio	(2,547)	(2,908)
Own portfolio	(12,484)	(15,792)
Total	**(180,440)**	**(253,549)**

14. Borrowings and onlending

a) Borrowings and onlending by maturity

Specification	0 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	5 to 15 years	Over 15 years	Total 03.31.2013	Total 03.31.2012
Domestic borrowings	-	18,542	17,978	-	-	-	36,520	35,824
Foreign borrowings	403,359	380,301	-	-	-	-	783,660	808,277
Domestic onlending	38,409	92,478	267,087	361,535	578,596	244,346	1,582,451	1,586,201
Foreign onlending	32,012	56,376	170,679	173,447	368,476	-	800,990	825,195
Total	**473,780**	**547,697**	**455,744**	**534,982**	**947,072**	**244,346**	**3,203,621**	**3,255,497**
Current							237,817	1,036,312
Long-term							2,182,144	2,219,185

b) Borrowings

Specification	Annual restatement rate (%)	03.31.2013	12.31.2012
Domestic borrowings – Official institutions/Refinancing	TJLP+ 3.0 or 7.75	36,520	35,824
Foreign borrowings/Foreign currency payables	USD	783,660	808,277

Total	**820,180**	**844,101**
Current	802,202	826,189
Long-term	17,978	17,912

c) Domestic onlending – Official institutions

Specification	Annual restatement rate (%)	03.31.2013	12.31.2012
National Treasury	IGP-DI + 2.0 or 6.75	**815**	**809**
BNDES		**1,433,477**	**1,435,621**
POC (credit facility granted by the BNDES agents to small and medium-sized companies to buy shares in capital increases)	TJLP/IGPM/IPCA+1.5	1,062,249	1,060,969
Credit Facility for investment in agriculture	TJLP/IGPM/IPCA+1.5	371,228	374,652
FINAME		**148,159**	**149,771**
"Programa Automático" (program for purchase of new machinery and equipment by companies based in Brazil)	TJLP/IGPM/IPCA+1.5	130,577	132,471
Agricultural Program	TJLP/IGPM/IPCA+1.5	17,582	17.300
Total		**1,582,451**	**1,586,201**
Current		130,887	121,769
Long-term		1,451,564	1,464,432

d) Foreign Onlending

Specification	Annual restatement rate (%)	03.31.2013	12.31.2012
BID-Prodetur I (Tourism Development Program with funds provided by the IDB)	USD + 2.40	410,827	414,436
BID-Prodetur II	USD +1.19	383,784	403,862
IDB-Other programs	USD +1.19	6,278	6,690
Other programs	USD + 6.0	101	207
Total		**800,990**	**825,195**
Current		88,388	88,354
Long-term		712,602	736,841

e) Expenses on borrowings and onlending

Specification	01.01. to 03.31.2013	01.01. to 03.31.2012
Expenses on borrowings and onlending	**(697)**	**(1,001)**
Domestic borrowings	(697)	(1,001)
Onlending	**(45,200)**	**(73,600)**
Domestic onlending – Official institutions	**(26,177)**	**(21,580)**
National Treasury	(5)	(10)
BNDES	(24,687)	(20,475)
FINAME	(1,485)	(1,095)
Other institutions	-	-
Foreign onlending	**(19,023)**	**(52,020)**
Onlending with foreign banks	**(17,409)**	**(50,307)**
Financial and development funds	**(109,609)**	**(117,749)**
Total	**(172,915)**	**(242,657)**

15. Funds from acceptance and issue of securities

a) Payable for securities issued abroad

Specification	Funding date	Maturity	Annual interest (%)	Contractual amount in thousands of US dollars	Contractual amount at 03.31.2013[2]	Market value at 03.31.2012 [2]	Market value at 12.31.2012 [2]
Eurobonds – Senior Unsecured Notes[1]	11.09.2010	09.11.2015	3.625	300,000	614,012	636,431	647,714
Eurobonds – Senior Unsecured Notes[1]	05.03.2012	03.05.2019	4.375	300,000	616,559	662,114	679,244
Total				**600,000**	**1,230,571**	**1,298,545**	**1,326,958**

Current	22,291	8,607
Long-term	1,276,254	1,318,351

(1) The notes are not subject to interim payments and principal is settled on the transaction maturity date. Interest on notes is payable every six months.

(2) Considering tax effects.

According to Note 7.c.1, swap transactions conducted to hedge dollar-denominated liabilities against market fluctuations, arising from foreign funding, were classified as hedging accounting, and therefore the liabilities balances are adjusted to fair value.

b) Agribusiness Credit Bills issued

Specification	Annual interest (%)	Nominal value	03.31.2013	12.31.2012
Agribusiness Credit Bills[1]	91.32 CDI	44,711	45,779	67,287
Current			45,355	66,869
Long-term			424	418

(1) Security with average maturity term of 226 days.

16. Other liabilities

Specification	03.31.2013	12.31.2012
a) Collected taxes and other contribuitions	**30,389**	**3,154**
Funds from PROAGRO	104	118
Federal taxes received	27,213	-
Tax on Financial Transactions (IOF) payable	2,484	2,927
Other taxes and levies	588	109
b) Foreign exchange portfolio (Note 11)	**266**	**32,008**
c) Social and statutory	**95,069**	**95,061**
Dividends and bonuses payable	65,066	65,066
Profit sharing	30,003	29,663
Other taxes and levies	-	332
d) Tax and social security	**428,226**	**825,052**
Provision for tax contingencies (Note 22.d)	**119,617**	**118,345**
Taxes and contributions	82,669	82,258
Tax lawsuits	36,948	36,087
Provision for deferred taxes and contributions (Note 21.c)	**159,043**	**227,740**
Marketable securities and derivative financial instruments	147,243	219,595
Revaluation of buildings and land	7,763	8,145
Other	4,037	-
Provision for income and social contribution taxes (Note 21.a)	**97,966**	401,577
Income tax [1]	60,357	246,087
Social contribution tax[2]	37,609	155,490
Taxes payable	**51,600**	**77,390**
e) Securities trading and brokerage	**68**	**68**
f) Financial and development funds	**7,182,306**	**6,679,378**
Northeast Constitutional Financing Fund (FNE) - (Note 28.a.1)	7,020,734	6,534,337
Other	161,572	145,041
g) Hybrid equity-debt instruments (Note 17 and Note 28.a.1)	**1,244,559**	**1,202,392**
h) Subordinated debts eligible for capital (Note 18 and Note 28.a.1)	**1,360,703**	**1,332,382**
i) Other	**3,966,077**	**3,728,294**
Provision for contingent liabilities	**2,337,884**	**2,145,730**
Labor lawsuits (Note 22.e.iv)	186,949	179,319
Civil lawsuits (Note 22.e.v)	105,660	106,080
Other lawsuits (Note 22.e.vi)	614	258
FNE (Note 22.e.vii)	**1,997,168**	**1,820,070**
Onlending	1,266	1,308
Full risk	100,519	99,149
Shared risk	1,895,383	1,719,613
FDNE (Note 22.e.viii)	426	420
PROAGRO (Note 22.e.ix)	2,675	3,388
Other contingent liabilities (Note 22.e.x)	44,392	36,195
Accrued Liabilities	**1,528,401**	**1,493,127**
Post-employment benefits	**1,363,026**	**1,327,310**
Retirement and DB pension plan (Note 28.a.2)	597,074	576,635
Retirement and VC pension plan (Note 28.a.2)	-	99

Health care plan (Note 28.a.2)	765,952	750,576
Personnel expenses	135,117	131,998
Other	30,258	33,819
Other	**93,096**	**80,848**
Derivative financial instruments	**6,696**	**8,589**
Total	**14,307,663**	**13,897,789**
Current	4,076,805	3,955,432
Long-term	10,230,858	9,942,357

(1) At 03.31.2013, this balance includes a supplementary amount of R$ 271 (R$ 281 at 12.31.2012) referring to the annual adjustment for 2011.

(2) At 03.31.2013, this balance includes a supplementary amount of R$ 163 (R$ 162, at 12.31.2012) referring to the annual adjustment for 2011.

17. Hybrid equity-debt instruments

Specification	Amount issued	Interest	Funding date	03.31.2013	12.31.2012
Hybrid equity-debt instruments (Notes 16.g and 28.a.1)	1,000,000	IPCA + 6.5715% p,a,	22.12.2010	1,244,559	1,202,392
Current				75,443	74,143
Long-term				1,169,116	1,128,249

18. Subordinated debts

Specification	03.31.2013	12.31.2012
Northeast Constitutional Financing Fund (FNE)	1,360,703	1,332,382
Funds available (1)	480,335	433,857
Funds invested (2)	880,368	898,525
Total (Note 28.a.1)	**1,360,703**	**1,332,382**

(1) Yielding based on extra-market rates disclosed by the Central Bank of Brazil, pursuant to item A, article 9 of Law No. 7827 dated 09.27.1989.

(2) Yielding rates as agreed upon with borrowers, less *del credere* commission of the institution, pursuant to item A, article 9 of Law No. 7827 dated 09.27.1989.

19. Equity

a) Capital

The Special General Meeting held on 03.22.2013 approved a capital increase of R$ 295,000, resulting from addition of statutory reserves, with no new issue of shares. Capital increased from R$ 2,142,000 to R$ 2,437,000 represented by 87,001,901 registered, paid-in shares with no par value, is awaiting approval by BACEN.

Breakdown at 03.31.2013

Shareholders	Common shares	Preferred shares	Total shares	% Voting Capital	% Total Capital
Federal Government	46,595,279	35,373,190	81,968,469	96.10	94.21
National Development Fund (FND)	1,473,704	2,373,264	3,846,968	3.04	4.42
BNB Employees' Pension Fund (CAPEF)	269,723	110,515	380,238	0.56	0.44
Other	146,069	660,157	806,226	0.30	0.93
Total	**48,484,775**	**38,517,126**	**87,001,901**	**100.00**	**100.00**

Breakdown at 12.31.2012

Shareholders	Common shares	Preferred shares	Total shares	% Voting Capital	% Total Capital
Federal Government	46,595,279	35,373,190	81,968,469	96.10	94.21
National Development Fund (FND)	1,473,704	2,373,264	3,846,968	3.04	4.42
BNB Employees' Pension Fund (CAPEF)	269,723	110,515	380,238	0.56	0.44
Other	146,069	660,157	806,226	0.30	0.93
Total	**48,484,775**	**38,517,126**	**87,001,901**	**100.00**	**100.00**

b) Revaluation reserve

The amount of R$ 22,331 (R$ 22,904 at 12.31.2012) refers to revaluation of property and equipment in use, recognized on 02.26.1993. This reserve will be maintained through its actual realization date either as a result of depreciation, write-off or disposal, pursuant to CMN Resolution No. 3565, of 05.29.2008. Its realization in 1Q13 totaled R$ 573 (R$ 2,294 at 12.31.2012).

c) Treasury shares – in R$ 1.00

The Bank holds 10,232 own shares, 8,088 of which are registered common shares (ON) and 2,144 are registered preferred shares (PN), bought back on 02.17.2009. These shares, whose fair value on 03.31.2013 represent, respectively, R$ 23.94 R$ 21.01 per share, are held in treasury to be later disposed of or cancelled.

d) Prior year adjustments

Considering the change in accounting policy applied to post-employment benefits, under CVM Rule No. 695, of 12.13.2012, which revoked CVM Rule No. 600, of 10.7.2009, and became effective as from 01.01.2013, the actuarial liabilities were recalculated restrospectively to year 2012, and the actuarial losses computed were transferred to Retained earnings/accumulated losses, as shown below:

Specification	Capef		Camed	Total 12.31.2012
	DB Plan	VC Plan	Health Plan	
Actuarial losses	113,867	100	198,162	312,129

20. Other operating income (expenses)

Specification	01.01. to 03.31.2013	01.01. to 03.31.2012
a) Service rendered	**383,842**	**339,941**
Investment fund management	4,296	4,021
Fund and program management	333,172	296,170
Services rendered	46,374	39,750
b) Income from banking fees	**5,923**	**5,375**
c) Personnel expenses	**(277,853)**	**(283,887)**
Salaries	(170,911)	(155,346)
Payroll charges	(60,721)	(59,890)
Retirement and pension plan	(6,030)	(21,993)
Health care plan	(17,020)	(22,927)
Benefits, training, fees and compensation of interns	(23,171)	(23,731)
d) Other administrative expenses	**(195,723)**	**(206,462)**
Data processing	(32,632)	(39,792)
Advertising and marketing	(829)	(10,079)
Third-party services	(80,127)	(69,388)
Rentals, material and public utilities	(10,085)	(10,646)
Travel	(3,118)	(3,672)
Communications	(6,361)	(8,280)
Depreciation and amortization	(8,099)	(7,276)
Asset maintenance and upkeep	(9,863)	(7,402)
Surveillance, security and transportation	(11,077)	(9,265)
Promotions, public relations and publications	(3,434)	(4,709)
Finance system services	(4,797)	(4,022)
Specialized technical services	(7,994)	(7,642)
Insurance	(1,163)	(1,085)
Court, notary and attorney fees	(5,740)	(13,004)
Trade Association Contribution and membership charges	(688)	(492)
Condominium fees, catering, kitchen and meals	(989)	(941)
FUNDECI (Science and Technology Development Fund)	(3,000)	(5,600)
Other	(5,727)	(3,167)
e) Tax expenses	**(51,176)**	**(49,353)**
COFINS and PIS/PASEP	(47,580)	(46,041)

ISS and IPTU/Improvement tax	(3,278)	(3,032)
Other	(318)	(280)
f) Other operating income	**416,464**	**581,904**
Del credere commission on fund management	242,309	224,943
Negative exchange variation loans obtained	97,626	205,060
Reversal of operating provisions/FNE risks	42	-
Recovery of charges and expenses	2,182	1,437
Reversal of operating provisions	33,524	55,798
Interest	129	75,115
Monetary restatement	639	135
Mark-to-market adjustments	9,528	-
FNE – Recovery of amounts settled by the Bank	17,872	6,848
Other	12,613	12,568

Specification	**01.01. to 03.31.2013**	**01.01. to 03.31.2012**
g) Other operating expenses	**(425,964)**	**(423,951)**
Exchange loss from foreign exchange area	(37)	(1,676)
Exchange loss on loans granted	(59,373)	(155,948)
Monetary restatement of loans	(1)	(3)
Discounts granted in renegotiations	(158)	(458)
Interest on loans	(26,338)	(1,553)
Tax contingencies	(2,115)	(2,489)
Risks on FNE transactions	(246,204)	(171,996)
Risks on FDNE transactions	(6)	(28)
Labor lawsuits	(8,332)	(7,060)
Civil lawsuits	(803)	(15,478)
Other lawsuits	(356)	(2)
Other contingent liabilities	(8,754)	-
Hybrid equity-debt instruments	(42,167)	(31,424)
FNE remuneration – available funds – item A, article 9 of Law No. 7827	(7,088)	(7,779)
FNE remuneration – invested funds – item A, article 9, Law No. 7827	(21,233)	(21,595)
Other	(2,999)	(6,462)
Total	**(144,487)**	**(36,433)**

21. Taxes and contributions

a) Income and social contribution taxes

The Bank is subject to taxation whereby taxable profit is based on accounting records, and income and social contribution taxes are paid monthly on an estimated basis. Income and social contribution tax expenses for 1Q13 totaled R$ 59,847 (R$ 65,959 at 03.31.2012) and R$ 37,303 (R$ 40,874 at 03.31.2012).

	Income tax		**Social contribution tax**	
a.1) Specification of the provision for income and social contribution tax expense	**01.01. to 03.31.2013**	**01.01. to 03.31.2012**	**01.01. to 03.31.2013**	**01.01. to 03.31.2012**
Income before income taxes on profit and profit sharing	(46,007)	147,336	(46,007)	147,336
Statutory profit sharing (PLR)	(8)	(3,742)	(8)	(3,742)
Interest on equity (IOE)	-	(14,967)	-	(14,967)
Income before income taxes, less statutory profit sharing and interest on equity	(46,015)	128,627	(46,015)	128,627
Permanent additions/(exclusions)	(79,237)	(7,501)	(79,330)	(7,501)
Temporary additions/(exclusions)	374,990	152,327	374,990	152,327
Taxable profit before use of tax loss carryforwards	249,738	273,453	249,645	273,453
Taxable profit after use of tax loss carryforwards	249,738	273,453	249,645	273,453
Expenses with provision for IRPJ (25%) [(1)] and CSLL (15%) – before tax incentives and revaluation reserve	(62,428)	(68,357)	(37,446)	(41,018)
Deductions (tax incentives)	2,342	2,159	-	-
Provision for IRPJ/CSLL on revaluation reserve released to retained earnings	239	239	143	144
Current IRPJ/CSLL expenses – after tax incentives and revaluation reserve	(59,847)	(65,959)	(37,303)	(40,874)
Provision for deferred taxes and contributions – Tax credits recovered	(2,523)	-	(1,514)	-
IRPJ/CSLL tax credits – Provision	78,852	13,962	47,300	8,366
IRPJ/CSLL tax credits and provision for deferred taxes and contributions – Derivative Financial Instruments (DFIs) and	(707)	-	(425)	-

hedged item				
Total IRPJ/CSLL expenses	15,774	(51,997)	8,057	(32,508)
% total tax expenses in relation to income before taxes on profit and profit sharing	34.28%	35.29%	17.51%	22.06%

a.2) Specification of the provision for income and social contribution taxes	**Income tax**		**Social contribution tax**	
	03.31.2013	**12.31.2012**	**03.31.2013**	**12.31.2012**
Expense with provision for income and social contribution taxes	59,847	244,850	37,303	154,755
Provision for taxes on revaluation reserve released to retained earnings	239	956	143	573
Provision for Income and social contribution taxes	60,086	245,806	37,446	155,328
Taxes recoverable on prepayments, including withholding taxes	(26,704)	(138,400)	(12,452)	(64,323)
Adjustment for the period	33,382	107,406	24,994	91,005

(1) A 15% rate is applied to the taxable base referring to income tax payable + 10% surtax on the amount exceeding the annual limit of R$ 240.

b) Tax credits on temporary differences

Income and social contribution tax credits on temporary differences of allowances for loan losses are recorded in conformity with the following major standards: CMN Resolution No. 3059, of 12.20.2002 (amended by CMN Resolution No. 3355, of 03.31.2006) and BACEN Circular No. 3171, of 12.30.2002; and are based on technical studies conducted every six months determining the probable realization of tax credits for a period of five years.

In accordance with BACEN Circular Letters No. 3068, of 08.11.2011 and No. 3082, of 01.30.2002, the Bank recognized tax credits on fair value adjustments to marketable securities classified under ‘available-for-sale securities’ and on derivative financial instruments (DFI).

	Income tax			**Social contribution tax**			**Total**		
Specification	**Opening balance at 12.31.2012**	**Recognition/ Realization of Credits**	**Closing balance at 03.31.2013**	**Opening balance at 12.31.2012**	**Recognition/ Realization of Credits**	**Closing balance at 03.31.2013**	**Opening balance at 12.31.2012**	**Recognition/ Realization of Credits**	**Closing balance at 03.31.2013**
Provisions	596,574	78,852	675,426	357,958	47,300	405,258	954,532	126,152	1,080,684
Marketable securities	84,026	3,845	87,871	50,416	2,306	52,722	134,442	6,151 (1)	140,593
DFIs	1,403	(635)	768	840	(379)	461	2,243	(1,014)	1,229
Hedged item	23,062	(6,069)	16,993	13,838	(3,642)	10,196	36,900	(9,711)	27,189

(1) Amount recognized under “Equity adjustments”.

	Income tax			**Social contribution tax**			**Total**		
Specification	**Opening balance at 12.31.2011**	**Recognition/ Realization of Credits**	**Closing balance at 12.31.2012**	**Opening balance at 12.31.2011**	**Recognition/ Realization of Credits**	**Closing balance at 12.31.2012**	**Opening balance at 12.31.2011**	**Recognition/ Realization of Credits**	**Closing balance at 12.31.2012**
Provisions	156,634	439,940	596,574	93,995	263,963	357,958	250,629	703,903	954,532
Marketable securities	14,658	69,368	84,026	8,795	41,621	50,416	23,453	110,989 (1)	134,442
DFIs	-	1,403	1,403	-	840	840	-	2,243	2,243
Hedged item	-	23,062	23,062	-	13,838	13,838	-	36,900	36,900

(1) Amount recognized under “Equity adjustments”.

Income and social contribution tax credits recognized and not recognized in assets are broken down as follows:

	Income tax		**Social contribution tax**	
Specification	**03.31.2013**	**12.31.2012**	**03.31.2013**	**12.31.2012**
1. Total temporary differences	5,054,695	4,687,741	5,054,695	4,687,741
2. Tax credits on temporary differences	1,263,673	1,171,935	758,204	703,161
3. Tax credits recognized in assets on Provisions	675,426	596,574	405,258	357,958
4. Tax credits recognized in assets due to mark-to-market of marketable securities, DFIs and hedged item	105,632	108,491	63,379	65,094
5. Total tax credits recognized in assets (item 3+ item 4) (1)	781,058	705,065	468.637	423,052
6. Tax credits not recognized in assets (item 2+ item 5) (2)	482,615	466,870	289,567	280,109

(1) Tax credits are recognized in assets under "OTHER RECEIVABLES – Other receivables”.

[(2)] Not recognized in assets as they do not meet the realization requirements provided for in CMN Resolution No. 3355, of 03.31.2006.

Estimated realization of tax credits on temporary differences at 03.31.2013 is as under:

Period	Goal for over-Selic rate - average [(1)]	Realization of income tax credit		Realization of CSLL credit		Total	
		Book value	Present value	Book value	Present value	Book value	Present value
2013	8.28	250,534	236,023	150,308	141,604	400,842	377.627
2014	8.50	94,350	81,922	56,610	49,153	150,960	131.075
2015	8.82	46,518	37,117	27,911	22,270	74,429	59.387
2016	8.53	88,418	65,004	53,051	39,003	141,469	104.007
2017	8.34	195,606	132,738	117,378	79,652	312,984	212.390
Total		**675.426**	**552,804**	**405,258**	**331,682**	**1,080,684**	**884,486**

[(1)] For present value calculation purposes, we considered the goal for average Over-Selic rates projected by BACEN as at 03.28.2013.

Any tax credit on fair value adjustments of marketable securities and DFIs determined at present value, pursuant to BACEN Circular Letters No. 3068, of 11.08.2001 and No. 3082, of 01.30.2002, will be realized according to the maturities of the securities.

Period	Realization of income tax credit	Realization of CSLL credit	Total
2013	27,353	16,412	43,765
2014	2,794	1,676	4,470
2015	4,763	2,858	7,621
2016	47,697	28,618	76,315
2017	2	1	3
2018 to 2020	5,647	3,388	9,035
2021 to 2023	3	2	5
2027 to 2029	380	228	608
Total	**88,639**	**53,183**	**141,822**

Estimated realization of tax credits on hedged item at 03.31.2013 is as under:

Period	Realization of income tax credit	Realization of CSLL credit	Total
2015	5,605	3,363	8,967
2019	11,389	6,833	18,222
Total	**16,993**	**10,196**	**27,189**

c) Provision for deferred taxes

Specification	Income tax			Social contribution tax			Total		
	Opening balance at 12.31.2012	Recognition/ Realization of Credits	Closing balance at 03.31.2013	Opening balance at 12.31.2012	Recognition/ Realization of Credits	Closing balance at 03.31.2013	Opening balance at 12.31.2012	Recognition/ Realization of Credits	Closing balance at 03.31.2013
Marketable securities	123,082	(39,223)	83,859	73,851	(23,536)	50,315	196,933	(62,759)	134,174
DFIs	14,165	(5,997)	8,168	8,497	(3,596)	4,901	22,662	(9,593)	13,069
Revaluation reserve	5,090	(238)	4,852	3,055	(144)	2,911	8,145	(382)	7,763
On taxes recovered[(1)]	-	2,523	2,523	-	1,514	1,514	-	4,037	4,037

[(1)] Based on Law No. 9430, article 12, of 12.27.1996

Specification	Income tax			Social contribution tax			Total		
	Opening balance at 12.31.2011	Recognition/ Realization of Credits	Closing balance at 12.31.2012	Opening balance at 12.31.2011	Recognition/ Realization of Credits	Closing balance at 12.31.2012	Opening balance at 12.31.2011	Recognition/ Realization of Credits	Closing balance at 12.31.2012
Marketable securities	35,553	87,529	123,082	21,332	52,519	73,851	56,885	140,048	196,933
DFIs	-	14,165	14,165	-	8,497	8,497	-	22,662	22,662
Revaluation reserve	6,048	(958)	5,090	3,628	(573)	3,055	9,676	(1,531)	8,145
On taxes recovered[(1)]	-	-	-	-	-	-	-	-	-

[(1)] Based on Law No. 9430, article 12, of 12.27.1996

The provisions on fair value adjustments to marketable securities and DFIs determined at present value will be written off according to the following schedule:

Period	Income tax	Social contribution tax	Total
2013	21,267	12,760	34,027
2014	2	1	3
2015	2,680	1,608	4,288
2016	165	99	264
2017	663	398	1,061
2018 to 2020	6,097	3,659	9,756
2050 to 2052	61,153	36,691	97,844
Total	**92,027**	**55,216**	**147,243**

The provisions on revaluation reserves determined at present value will be written off according to the following schedule:

Period	Income tax	Social contribution tax	Total
2013	970	582	1,552
2014	970	582	1,552
2015	970	582	1,552
2016	970	582	1,552
2017	970	582	1,552
Total	**4,852**	**2,911**	**7,763**

The provisions on taxes recovered, according to Law No. 9430 article 12, of 12.27.1996, determined at present value, will be written off according to the following schedule:

Period	Income tax	Social contribution tax	Total
2013	374	224	598
2014	360	216	576
2015	332	199	531
2016	349	210	559
2017	454	272	726
2018 to 2022	483	290	773
2023 to 2027	93	56	149
2028 to 2032	78	47	125
Total	**2,523**	**1,514**	**4,037**

d) Tax expenses

Specification	01.01. to 03.31.2013	01.01. to 03.31.2012
COFINS and PIS/PASEP	(47,580)	(46,041)
ISS and IPTU/Improvement tax	(3,278)	(3,032)
Other	(318)	(280)
Total	**(51,176)**	**(49,353)**

22. Provisions, contingent assets and liabilities and legal obligations – Tax and social security

a) The Bank is a party to various administrative and legal proceedings involving civil, tax, labor and other matters. To recognize provision and contingent liabilities, contingencies are classified in accordance with CMN Resolution No. 3823 of 12.16.2009 and BACEN Circular Letter No. 3429, of 02.11.2010.

b) The assessment of the provision and contingent liability, risk level of new lawsuits, and reassessment of already existing lawsuits are made by the Legal Department, case by case, and are classified according to the likelihood of loss, as probable, possible and remote. Such classification is based on analysis of the following factors: i) reasonableness of the factual and legal arguments of the other party; ii) arguments and legal basis developed by the Bank; iii) history of losses in similar cases; iv) understanding of higher courts and supervisory authorities on the matters in litigation; v) decisions already rendered on each proceeding (decision, award, injunction, interim relief, writ of payment, writ of attachment etc); and vi) existence of procedural defects in administrative and legal proceedings.

c) Contingencies classified as probable losses are accounted for and represented by Civil lawsuits (claiming compensation for pain and suffering and property damage, including, among others, protest of notes, return of checks, and provision of information to credit reporting agencies), Labor Claims (claiming labor rights, in light of specific professional category legislation, such as overtime pay, salary equalization, job reinstatement, transfer allowance, severance pay, retirement supplementation, including enforcement notices issued by Regional Labor Offices and others), Tax and Social Security Claims (represented by legal and administrative proceedings involving federal and municipal taxes) and Other Claims (such as enforcement notices issued by Regional Councils that regulate the exercise of professions). Taking into consideration that the procedures adopted by Bank are in compliance with legal and regulatory provisions, management understands that the provisions recorded are sufficient to cover losses arising from the respective legal and administrative proceedings.

d) The Bank fully provided for the lawsuits classified as probable losses, as well as for those classified as Legal Obligations, pursuant to BACEN Circular Letter No. 3429, of 02.11.2010, regardless of the legal advisor´s assessment of loss, and provisions are not applicable to lawsuits classified as possible and remote losses.

	03.31.2013		12.31.2012	
Specification	**Base value**	**Provision**	**Base value**	**Provision**
a) PROVISION FOR TAX CONTINGENCIES (Note 16.d)				
a.1)Taxes – Legal obligation	**82,669**	**82,669**	**82,258**	**82,258**
a.2) Tax lawsuits	**1,016,446**	**36,948**	**989,961**	**36,087**
i) Legal obligation	675	675	655	655
ii) Other liabilities - sundry	1,015,771	36,273	989,306	35,432
Probable	36,273	36,273	35,432	35,432
Possible	751,648	-	730,784	-
Remote	227,850	-	223,090	-
b) PROVISION FOR CONTINGENT LIABILITIES (Note 16.i)				
b.1) Labor lawsuits	**300,456**	**186,949**	**287,462**	**179,319**
Probable	186,949	186,949	179,319	179,319
Possible	37,335	-	35,504	-
Remote	76,172	-	72,639	-
b.2) Civil lawsuits	**3,177,300**	**105,660**	**2,970,422**	**106,080**
Probable	105,660	105,660	106,080	106,080
Possible	575,443	-	504,709	-
Remote (1)	2,496,197	-	2,359,633	-
b.3) Other lawsuits	**1,874**	**614**	**1,382**	**258**
Probable	614	614	258	258
Possible	1,258	-	1,091	-
Remote	2	-	33	-

(1) Contingent liabilities relating to civil lawsuits rated as remote loss and the respective estimated financial loss are concentrated on the following cases: a) payment of additional contribution to the supplementary pension plan (CAPEF) - R$ 733,692 (R$ 696,964 at 12.31.2012); b) refund of unduly paid amount - R$ 278,414 (R$ 264,477 at 12.31.2012); c) compensation for pain and suffering and property damage - R$ 300,874 (R$ 186,155 at 12.31.2012); and d) payment of fine and compensation for pain and suffering - R$ 158,462 (R$ 150,530 at 12.31.2012). These lawsuits represented contingent liabilities summing up to R$ 1,471,442 (R$ 1,298,126 at 12.31.2012).

e) Changes in provisions

Specification	**03.31.2013**	**12.31.2012**
i) Taxes (Legal obligation)		
Opening balance	82,258	82,269
Set up	1,253	1,742
Reversal/use/write-off	(842)	(1,753)
Closing balance	82,669	82,258
ii) Tax lawsuits (Legal obligation)		

Opening balance	655	1,063
Set up	20	157
Reversal/use/write-off	-	(565)
Closing balance	675	655
iii) Tax lawsuits (Other liabilities - other)		
Opening balance	35,431	29,246
Set up	1,047	6,269
Reversal/use/write-off	(205)	(84)
Closing balance	36,273	35,431
iv) Labor lawsuits (Other liabilities - other)		
Opening balance	179,319	182,824
Set up	8,813	33,983
Reversal/use/write-off	(1,183)	(37,488)
Closing balance (Note 16.i)	186,949	179,319
v) Civil lawsuits (Other liabilities - other)		
Opening balance	106,080	106,653
Set up	11,464	52,148
Reversal/use/write-off	(11,884)	(52,721)
Closing balance (Note 16.i)	105,660	106,080
vi) Other lawsuits (Other liabilities - other)		
Opening balance	258	140
Set up	379	207
Reversal/use/write-off	(23)	(89)
Closing balance (Note 16.i)	614	258

Specification	**03.31.2013**	**12.31.2012**
vii) FNE		
Opening balance	1,820,070	1,386,807
Set up	246,162	699,670
Reversal/use/write-off	(69,064)	(266,407)
Closing balance (Note 16.i)	1,997,168	1,820,070
viii) FDNE		
Opening balance	420	1,593
Set up	6	340
Reversal/use/write-off	-	(1,513)
Closing balance (Note 16.i)	426	420
ix) PROAGRO		
Opening balance	3,388	3,299
Set up	-	155
Reversal/use/write-off	(713)	(66)
Closing balance (Note 16.i)	2,675	3,388
x) Other contingent liabilities		
Opening balance	36,195	86,551
Set up	8,754	61,615
Reversal/use/write-off	(557)	(111,971)
Closing balance (Note 16.i)	44,392	36,195

f) The Bank has lawsuits handled by outside attorneys, most of which relate to loan collection actions, whose assessment of the contingent liabilities is performed by the Legal Department, pursuant to item “b” above.

g) g) Tax lawsuits classified as Legal Obligation pursuant to the terms of BACEN Circular Letter No. 3429, of 02.11.2010, whose amounts were presented in item “d”, subitems a.1 and a.2.1, discuss, respectively, the IRPJ 1999 and Service Tax (ISSQN).

h) Below, a brief description of lawsuits to which the Bank is a party, involving significant contingent liabilities assessed as possible losses:

Tax lawsuit filed to annul a tax delinquency notice relating to ISSQN on service income. The estimated possible financial loss totaled R$ 338,713 at 03.31.2013 (R$ 328,645 at 12.31.2012). Two tax lawsuits filed to annul tax delinquency notices referring to ISSQN on service income. Estimated possible financial losses total R$ 196,871 and R$ 133,513, respectively, at 03.31.2013 (R$ 191,019 and R$ 129,544, respectively, at 12.31.2012).

Civil lawsuit filed to claim loss of profits and payment of administration fees under the allegation of losses incurred due to interruption of financial onlending contracted for the construction of commercial facilities. Estimated possible financial loss for this lawsuits totaled R$ 104,663 at 03.31.2013 (R$ 99,423 at 12.31.2012).

Civil lawsuit for refund of overpayment under the allegation of undue collection and withholding. Estimated possible financial loss totaled R$ 40,773 at 03.31.2013 (R$ 38,732 at 12.31.2012).

Civil lawsuit claiming compensation for property damage and pain and suffering, under the allegation of amounts unduly transferred from the savings deposits. Estimated possible financial loss for this lawsuit totaled R$ 29,376 at 03.31.2013 (R$ 27,905 at 12.31.2012).

i) Escrow and appeal deposits made to guarantee legal and administrative proceedings, recognized for contingent liabilities assessed as probable, possible and/or remote losses are set out as under.

Specification	03.31.2013	12.31.2012
Labor lawsuits	440,896	434,226
Tax lawsuits	209,896	207,801
Civil lawsuits	31,028	31,145
Total	**681,820**	**673,172**

j) The amount R$ 21,091 (R$21,464 at 12.31.2012) recorded as “Other contingent liabilities” refers to the provision to cover the Bank risk on loans granted with indication of irregularities, which are the subject of inquiry proceedings carried out by the internal audit area. This account also includes the amounts of R$ 15,120 (R$ 14,731 at 12.31.2012) for loan risk on securitized transactions under Law No. 9138, of 11.29.1995, currently recorded in memorandum accounts, and R$ 8,181 for accrued operating risks arising from the Loan Inventory, recorded in March 2013.

23. Employee and officer compensation (in R$ 1.00)

a) Monthly employee compensation

Gross compensation[1]	03.31.2013	12.31.2012
Maximum	28,467.55	28,467.55
Minimum	1,040.44	1,040.44
Average	7,678.75	7,617.03

(1) Includes overtime (including night shift premium), when actually incurred.

b) Compensation paid to the Executive Board, Board of Directors and Supervisory Board for the period

Specification	03.31.2013	03.31.2012	03.31.2013	03.31.2012	03.31.2013	03.31.2012
Gross compensation[1]	Executive Board		Board of Directors		Supervisory Board	
Highest individual compensation [2]	143,799.57	107,535.89	10,426.98	7,619.10	10,426.98	7,619.10
Lowest individual compensation [3]	111,276.78	49,115.99	10,426.98	7,619.10	10,426.98	7,619.10
Average individual compensation [4]	123,111.58	84,890.27	9,906.69	7,619.10	10,025.71	7,619.10
Number of officers/directors [5]	7	7	6	6	6	5

(1) Amounts approved at the 60th Annual General Meeting and the 93rd Special General Meeting of the Bank, both held on 03.22.2013.

(2) Amount computed without any exclusion, considering all compensation amounts recognized for the period.

(3) Amount reached after excluding all those who have not served in their position during the entire period.

(4) This corresponds to the total compensation for the period paid by each body divided by the number of officers/directors.

(5) The number of officers/directors corresponds to the annual average number of officers/directors of each body calculated on a monthly basis.

At 03.31.2013, the Bank had 6,194 employees (6,169 at 12.31.2012), a headcount increase of 0.41%.

24. Post-employment benefits

Pursuant to CVM Rule No. 695, of de 12.13.2012, which approved CPC 33 (R1) – Employee Benefits, the employee benefit information is presented as follows:

a) **General description of the benefit plan characteristics**

a.1) *Pension plan of Banco do Nordeste do Brasil's employees*

The Bank sponsors two benefit plans managed by Caixa de Previdência dos Funcionários do Banco do Nordeste do Brasil (CAPEF), a closed-ended private pension plan entity that provides the payment of supplementary pension plan benefits to members and beneficiaries.

The Defined Benefit (DB) plan is not open to new members since 11.26.1999. The Variable Contribution (VC I) plan, authorized to operate through Administrative Ruling MPS/PREVIC/DETEC 189, of 03.25.2010, started operations on 05.19.2010, when it received the first contributions. These plans offer retirement benefits based on the contribution period, age and disability to the plan members and savings plans to their dependents.

a.1.1) *Actuarial method within CAPEF*

Classified as defined benefit, the DB plan adopts the fully funded financial system in the actuarial calculation of reserves related to all benefits offered to its members and their dependents. VC-I plan combines the characteristics of the defined contribution plan and the defined benefit plan, and is classified, under CVM Rule No. 695, as a defined benefit plan. This plan adopts the fully funded financial system in the actuarial calculation of reserves for planned benefits and the shared risk coverage regime for the other benefits offered to its members and their dependents.

a.1.2) *Past due obligations and contributions due*

As at 03.31.2013, the Bank has no past due obligations or contribution debts referring to plans DB and VC I, neither informal practices that originate constructive obligations included in the measurement of the plans' defined benefit obligation.

a.1.3) *Contribution Ratio (Members/Sponsor)*

The ratio of member contributions to Bank contributions meets the parity set by Constitutional Amendment 20, of 12.15.1998, with a contribution ratio of 1:1 as at 03.31.2013 (1:1 at 12.31.2012).

b.2) *Health care plan*

The Bank is the sponsor of a health care plan managed by Caixa de Assistência dos Funcionários do Banco do Nordeste do Brasil - CAMED, whose primary purpose is to provide health care to its associate members and dependents participating in the Natural Plan, through granting of subsidies to cover or reimburse expenses incurred in connection with health promotion, protection and recovery.

b.2.1) ***Past due obligations and contributions due***

As at March 31, 2013, the Bank has no past due obligations or contribution debts referring to this plan, neither informal practices that originate constructive obligations included in the measurement of the plans' defined benefit obligation.

b.2.2) ***Contributions***

The Natural Plan is funded primarily by contributions made by the associate members, contributions related to the enrolment of natural dependents, financial protection and emergency service fees, financial co-participation paid by each associate member for services utilized and matched contributions from sponsors.

25. Northeast Constitutional Financing Fund (FNE)

a) The total assets of FNE, amounting to R$ 44,307,283 (R$ 42,848,130 at 12.31.2012), are recorded in the Bank's memorandum accounts (Net assets of managed public funds).

b) The Fund's cash and cash equivalents, totaling R$ 7,018,674 (R$ 6,532,248 at 12.31.2012), recorded in 'Other liabilities/Financial and development funds' bear interest at extra-market rate. The expense with interest on cash and cash equivalents totaled R$ 106,974 (R$ 113,265 at 03.31.2012).

c) The provision to cover the risk on FNE transactions is recognized pursuant to the following criteria:

c.1) Transactions contracted until 11.30.1998 are risk-free;

c.2) For operations contracted beginning 12.01.1998, excluding Land Program financing lines and transactions under PRONAF (groups A, B, A/C, Forest, Semi-arid Region, Emergency, Flood, Drought/1998, Semi-arid Region-Drought 2012 and Drought-2012-Funding), the Bank's risk is 50 percent of the amount calculated pursuant to CMN Resolution No. 2682, of 12.21.1999; and

c.3) The Bank assumes all the risks on renegotiated and reclassified FNE loan transactions, as set forth by Law No. 11775, of 09.17.2008, and transactions recognized in the Fund's 'Interbank accounts', as prescribed by Ministry of Integration Administrative Ruling No. 616, of 05.26.2003. Loans funded by FNE, under Law No. 12716, of 09.21.2012, for the purpose of settling BNB transactions with other funds, will maintain the same risk position of the transaction to be settled. The balances of financing and allowances accounted for in the Bank's Contingent liabilities are as follows:

Risk level	Balances	Provision 03.31.2013	Provision 12.31.2012
AA	2,649,128	-	-
A	12,620,655	31,532	30,863
B	9,515,681	48,097	45,937
C	897,062	13,313	16,678
D	656,527	32,705	33,787
E	417,539	62,403	67,542
F	319,826	80,041	144,175
G	319,175	126,876	96,118
H	3,180,884	1,602,201	1,384,970
Total	**30,576,477**	**1,997,168**	**1,820,070**

d) The Bank's *del credere* commission on transactions entered as agreement by 11.30.1998 is nil. The Bank's financial commission on transactions entered as agreement after this date is 3% p.a., when the risk is 50%, and 6% p.a. when the Bank is a direct party to the transaction backed by onlending based on article 9- A of Law No. 7827, of 09.27.1989. In operations reclassified for FNE based on No. Law 11775, of 09.17.2008, financial commission is 3% p.a. or 6% p.a., as regulated by Interministerial Ruling No. 245, of 10.14.2008, of the Ministry of Finance and Ministry of National Integration. Income from financial commission totaled R$ 241,288 (R$ 224,093 at 03.31.2012).

e) The management fee of 3% p.a. is calculated on the Fund's equity, less the amounts under the onlending agreement entered into with the Bank, balances of onlending to other institutions with the risk fully assumed by the Bank, and the balances of PRONAF investments (Groups B, A/C, Forest, Semi-arid region, Emergency, Flood, Drought/1998, Semi-arid Region-Drought 2012 and Drought-2012/Funding), and is limited to 20% of the transfers made by the National Treasury each fiscal year. The management fee totaled R$ 298,815 (R$ 268,553 at 03.31.2012).

26. Workers' Assistance Fund (FAT)

The Workers' Assistance Fund (FAT) is a special financial-accounting fund linked to the Ministry of Labor and Employment (MTE), whose purpose is to finance the Unemployment Insurance, Salary Bonus and Economic Development Programs. The main actions financed by the Bank with FAT funds are as follows:

Specification	TADE	03.31.2013	12.31.2012
Special Program to Fight Drought Effects	016/2006	853	1,073
Proger-Urbano - Investment	017/2006	22,166	22,817
FAT - Infrastructure	018/2006	262,923	268,446
Pronaf - Investment	019/2006	-	139
Proger-Rural - Cost	020/2006	-	1,757
Pronaf - Cost	001/2007	-	207
Proger-Rural - Investment	002/2007	109	26,944
Protrabalho - Investment	004/2007	162,116	161,139
PNMPO-National Program for Production-Oriented Microcredit	001/2010	204,513	155,249
Total		**652.680**	**637,771**

Funds derived from the Workers' Assistance Fund (FAT), recorded under 'Interest-bearing special deposits', totaling R$ 633,204 (R$ 661,009 at 12.31.2012), are subject to SELIC (Central Bank overnight rate) while they are not used in loans, and to TJLP after they are released to final borrowers. Available funds bearing interest at SELIC totaled R$ 47,730 (R$ 101,634 at 12.31.2012).

Pursuant to CODEFAT (FAT Board) Resolution No. 439, of 06.02.2005, these funds began to be reimbursed to FAT on a monthly basis, with a minimum amount equivalent to 2% calculated on the total balance of each FAT Special Deposit Allocation Statement (TADE), plus cash to meet the following conditions, considering the period they remain in the Bank's cash:

- after 2 months, with respect to the reimbursements of the final borrowers, not reused in new financing; and
- after 3 months, with respect to the new deposits made by FAT and not released to final borrowers.

Specification	TADE	Return of FAT funds Form [1]	R.A.	SELIC remuneration	Available TMS [2]	03.31.2013 TJLP used [3]	Total
Special Program to Fight Drought Effects	16/2006	RA	2,933	45	93	6,847	6,940
Proger – Urbano - Investment	17/2006	RA	18,680	516	2,230	61,972	64,202
FAT - Infrastructure	18/2006	RA	33,978	1,951	41,747	201,955	243,703
Pronaf - Investment	19/2006	RA	516	10	-	-	-
Pronaf - Cost	01/2007	RA	83	2	-	-	-
Protrabalho - Investment	04/2007	RA	34,308	206	1,556	127,126	128,681
PNMPO-National Program for Production-Oriented Microcredit	01/2010	RA	35,084	1,199	2,104	187,574	189,678
Total (Note 13.a)			**125,582**	**3,929**	**47,730**	**585,474**	**633,204**

Specification	TADE	Return of FAT funds Form [1]	R.A.	SELIC remuneration	Available TMS [2]	12.31.2012 TJLP used [3]	Total
Special Program to Fight Drought Effects	16/2006	RA	3,133	45	161	7,126	7,287
Proger – Urbano - Investment	17/2006	RA	19,878	684	4,416	63,028	67,444
FAT - Infrastructure	18/2006	RA	33,185	1,785	37,399	214,390	251,789
Pronaf - Investment	19/2006	RA	699	15	-	-	-
Pronaf - Cost	01/2007	RA	150	3	-	-	-
Protrabalho - Investment	04/2007	RA	36,207	248	2,049	133,046	135,095
PNMPO-National Program for Production-Oriented Microcredit	01/2010	RA	30,546	1,167	57,609	141,785	199,394
Total (Note 13.a)			**123,798**	**3,947**	**101,634**	**559,375**	**661,009**

(1) RA - Automatic Return (Monthly, 2% on balance) and AV - Available Balance less deposits made in the last 3 months and reimbursements in the last 2 months;

(2) Funds yielding SELIC rate;

(3) Funds yielding Long-term Interest Rate (TJLP); and

(4) Regarding FAT - Infrastructure, RA is 1% on the balance and deductible reimbursements refer to the last 4 months.

27. Risk management and Basel ratio

a) Risk and capital management

The Bank's corporate governance instruments include a regularly reviewed internal control structure so that the operational, credit, market and liquidity risks may be adequately monitored. The risk management methodology observes the guidance set forth by the Basel Committee and Basel II requirements, with priority to identification of possible risks existing in the different Bank processes, and implementation and monitoring of key indicators and of mechanisms to mitigate any identified risks.

Risk management structure

The corporate risk management policy sets forth guidelines and standards that integrate the Bank's activities, for management of credit, liquidity, market and operational risks. The Corporate Risk Management Committee analyzes and approves the risk management policies. The Executive Board is responsible for approving risk policies and subsequent reporting to the Board of Directors. The Control and Risk Executive Board coordinates the implementation of risk policies and the Bank's performance. A specific area coordinates the credit, liquidity, market and operational risks at the corporate level, with definition of management methodologies and models, and promotion and dissemination of the risk management culture throughout the Bank.

Information related to risk management, focusing matters related to reference assets (PR) and minimum required capital (PRE), pursuant to Circular Letter No. 3477, of 12.28.2009, issued by the Central Bank of Brazil, is available at www.bnb.gov.br , *Relação com Investidores*.

Capital management risks

The Executive Board is responsible for approving the capital management structure, including the Capital Plan for the period 2013 to 2015, which was also approved by the Board of Directors, on 12.14.2012. The Control and Risk Executive Board is responsible for Capital Management, and a specific administrative unit has been structured for this purpose, as required by CMN Resolution No. 3988, of June 30, 2011. The Capital Management Structure information is available at www.bnb.gov.br , clicking the link *Relações com Investidores*.

b) Credit risk

Credit risk is defined as the risk of incurring losses associated to default by the borrower or counterparty to financial obligations under the agreed to terms and conditions, impairment of a loan agreement arising from downgrading of the borrowers' risk rating, decrease in gains or returns, advantages granted in renegotiations, and the costs of recovery.

	Exposure	
Exposure by Industry	**03.31.2013**	**12.31.2012**
Loans and co-obligations	**28,983,017**	**29,435,172**
Public sector	**1,424,851**	**1,482,348**
Private Sector	**27,558,166**	**27,952,824**
Trading	2,928,141	2,947,052
Foreign trade	854,207	905,124
Housing	242	242
Manufacturing	7,574,948	7,593,036
Infrastructure	4,062,566	4,128,723
Financial	201,893	214,950
Urban micro-financing	1,643,044	1,637,913
Individuals	212,710	210,694
Rural	6,360,241	6,441,335
Other services (1)	3,720,174	3,873,755
Market transactions	**20,976,672**	**19,862,617**
Federal government bonds	**18,137,984**	**17,062,177**
Repurchase agreements	9,190,199	7,871,834
Other	8,947,785	9,190,343
Interbank deposits	**-**	**107,020**
Other marketable securities	**1,379,329**	**1,158,626**
Other transactions	**1,459,359**	**1,534,794**
Other assets (1)	**2,911,791**	**2,945,858**
Total	**52,871,480**	**52,243,647**

(1) The amount of other co-obligations not related to FNE loans was transferred to "Other services" account, and is no longer included in "Other assets" account, as in the prior year.

The Bank uses the constant information flow to identify, measure, control and mitigate risks, thus ensuring that credit risk exposure is within acceptable parameters. To this end, the Bank uses instruments, such as: credit policies, managerial reports, risk rating system and performance indicators by macro sectors.

Furthermore, any approval in terms of risk limits is based on the level of authority by body. In accordance with their characteristics and amount, the limits may be analyzed and defined by the branches' credit assessment committees, or by the Operational Supporting Centers' risk limit approval committees, or also be decided by the customer risk limit approval committee of the General Executive Board, Executive Board or Board of Directors.

All loans are subject to risk rating, based on the customer's risk rating and loan grade, in accordance with its characteristics, value, term, collaterals and condition.

Collaterals for loans above R$ 5,000 with full risk for the Bank

The collaterals for loans are determined based on their quality, capacity to be removed and sufficiency. Balances exposed to credit risk above R$ 5,000 amount to R$ 5,071,424 (R$ 5,366,682 at 12.31.2012). They are backed by collaterals totaling R$ 3,513,115 (R$ 3,286,241 at 12.31.2012), which are assessed at least once every two years, or within a shorter period, as long as there are material events involving the client or the transaction. In addition to typical collaterals (including, among others, mortgage, pledge and leased chattels), and other personal securities (guarantee and collateral security) these transactions are also backed by other types of guarantees, including, among others, unsecured bonds, guarantee of notes, guarantee funds, risk fund (FGPC), collateralization of FPM/FPE shares and bank guarantees.

c) Liquidity risk

Liquidity risk is the possibility of occurring mismatches between tradable assets and payable liabilities that could affect the Bank's ability to pay.

The Bank adopts projection models for variables that impact cash, for liquidity management purposes, and information referring to this risk is communicated to management through daily reports, consolidated annually.

The daily market and liquidity risk management report includes the Bank's liquidity ratio, represented by the ratio between available funds and commitments estimated for the next 90 days. Available funds comprising the liquidity ratio calculation base include banking reserves, interbank deposits, repurchase commitments and own securities portfolio.

Specification		03.31.2013 (%)	12.31.2012 (%)
	At the base date	319.99	349.87
	Average for the last 12 months	300.78	274.75
	Maximum for the last 12 months	382.42	382.42
Liquidity ratio	Minimum for the last 12 months	195.93	195.93

The maturities of funding transactions, considering the projected future payment flows, including the related contractual rates, are as under. Total balance of subordinated debts was included under the "Over 5 years" column since subordinated debts do not bear interest and their maturity dates are undetermined. The Hybrid Equity-Debt Instruments (IHCD) amounts under 5 years reflect payments of annual interest, while amounts over 5 years include principal (undetermined maturity date) and interest computed up to 2050, for calculation purposes only:

	03.31.2013				
Specification	**Up to 1 month**	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**Over 5 years**
Interbank deposits	115,891	355,326	185,321	93,445	-
Time deposits	172,512	69,863	1,191,270	3,982,277	2,933,684
Repurchase commitments	910,151	-	-	122,684	-
Agribusiness Credit Notes (LCAs)	5,312	13,895	27,098	458	-
Subordinated debts eligible for capital	-	-	-	-	1,360,703
Hybrid Equity-Debt Instruments (IHCD)	-	-	75,673	302,692	3,648,742
Total	**1,203,866**	**439,084**	**1,479,362**	**4,501,556**	**7,943,129**
Available funds (Note 5)	**6,710,970**				

	12.31.2012				
Specification	**Up to 1 month**	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**Over 5 years**
Interbank deposits	67,206	90,545	439,746	98,457	-
Time deposits	39,302	229,897	788,330	3,995,990	2,720,447
Repurchase commitments	738,999	-	-	119,223	-
Agribusiness Credit Notes (LCAs)	33,318	11,267	23,042	455	-
Subordinated debts eligible for capital	-	-	-	-	1,332,382
Hybrid Equity-Debt Instruments (IHCD)	-	-	148,433	222,650	3,652,738
Total	878,825	331,709	1,399,551	4,436,775	7,705,567
Available funds (Note 5)	6,484,104				

d) Market risk

Market risk is the possibility of impairment of assets and/or increase in liability costs arising from changes in interest rates, exchange rates, and stock and commodity prices.

In managing market risks, the Bank considers market-approved methodologies and instruments, such as:

a) VaR (value at risk) of asset and liability transactions in trading and non-trading portfolios, by risk factor;

b) capital requirement map, for coverage of market and liquidity risks;

c) foreign exchange exposure risk;

d) sensitivity analysis;

e) stress testing;

f) backtesting; and

g) reports on monitoring of limits established for portions exposed to market risk.

The preparation of daily, monthly, quarterly and annual managerial reports for management and supervisory bodies is critical to market risk management. Such reports include, among others, detailed information on and analysis of exposure levels of trading and non-trading portfolios, foreign exchange exposure levels, liquidity levels and ratios, and monitoring of limits of operations carried out with other financial institutions.

In addition to these reports, the monitoring of market and liquidity risk exposure limits includes a warning system implemented in order to expedite the preparation of managerial information necessary for the decision-making process by the proper levels of authority, based on the following procedures:

Risk exposure limits	Control procedure
• Trading portfolio: 1% of the portfolio's value • Non-trading portfolio: 5% of the portfolio's value	If the exposure level exceeds 80% of the limit, the risk management area issues a warning to the area responsible for the financial operations.

Sensitivity analysis

As set forth in CVM Ruling No. 475, of 12.17.2008, the sensitivity analysis was conducted in order to identify significant risks capable of generating losses to the Bank, considering alternative scenarios for the behavior of several risk factors in trading and non-trading portfolio transactions, and its results are as follows:

Portfolio/risk factor	Risk type	Scenario 1 (Probable)	Scenario 2 (Change of 25%)		Scenario 3 (Change of 50%)	
		Balance	Balance	Loss	Balance	Loss
Trading portfolio						
Fixed interest	Increase in interest rate	6,435,119	6,426,465	(8,654)	6,418,001	(17,118)
Non-trading portfolio						
Dollar coupon	Increase in the dollar coupon	2,028	2,024	(5)	2,019	(9)
Euro coupon	Increase in the Euro coupon	15,180	11,645	(3,535)	8,390	(6,790)
IGP coupon	Increase in the IGP coupon	999,709	951,047	(48,662)	906,091	(93,618)
IPCA coupon	Decrease in the IPCA coupon	(781,242)	(866,472)	(85,230)	(962,945)	(181,703)
TJLP coupon	Increase in the TJLP coupon	404,080	351,956	(52,124)	306,472	(97,608)
TR coupon	Decrease in the TR coupon	(1,888,795)	(1,888,787)	No loss	(1,888,361)	No loss
Fixed interest	Increase in interest rate	3,606,111	3,560,743	(45,368)	3,517,145	(88,966)

For purposes of abovementioned calculations, Scenario 1, which presents the most probable situation, considered the net balances of portfolios, at marked-to-market values - considering the rates used at BM&FBOVESPA. As regards Scenarios 2 and 3, changes of 25% and 50% were applied, respectively, to the risk factors, and new net balances were estimated for the portfolios. Losses correspond to the differences between the balances under Scenario 1 and the balances under Scenarios 2 and 3.

The sensitivity analysis was also conducted for swap transactions and their related hedged items as follows:

Nature of transaction	Risk type	Financial instrument	Scenario 1 (Probable)	Scenario 2 (Change of 25%)	Scenario 3 (Change of 50%)
Other derivatives	Increase in the reference rate BM&FBOVESPA DI x fixed rate	DI x Fixed Rate Swap	(208,878)	(202,233)	(196,019)
		Fixed-rate assets	216,221	200,213	185,715
		Net exposure	7,343	(2,019)	(10,304)
Hedging derivatives	Increase in the reference rate BM&FBOVESPA DI x Dollar	Dollar x DI Swap	1,300,849	1,261,662	1,224,286
		Liabilities in FM	(1,297,574)	(1,276,035)	(1,255,302)
		Net exposure	3,275	(14,373)	(31,016)

As at 03.31.2013, market value losses were considered in the net exposure of scenarios 2 and 3 and, as regards scenario 1, arising from increase in opportunity costs, in fixed-rate operations, and those arising from exchange coupon increase, in foreign currency transactions.

DI x Fixed Rate Swap

The method used to prepare the sensitivity analysis of DI x fixed-rate swap transactions was to determine the balances of fixed-rate asset transactions and hedge (swap) transactions exposed to this type of risk (scenario 1), and then determine the net exposure. The adverse stresses related to scenarios 2 and 3 were applied to this result, as detailed below:

Scenario 1 – refers to the current situation of risk exposure factors based on market information (BM&FBOVESPA). Under this scenario, 100% of the DI x fixed-interest swap rate is applied.

Scenario 2 - Under this scenario, 125% of the DI x fixed interest swap rate is applied.

Scenario 3 **-** Under this scenario, 150% of the DI x fixed interest swap rate is applied.

Dollar x DI Swap

The method used to prepare the sensitivity analysis of dollar x DI swap transactions was to determine the balances of fixed-rate liability transactions indexed to the dollar and hedge (swap) transactions exposed to this type of risk (scenario 1), and determine the net exposure thereto. The adverse stresses related to scenarios 2 and 3 were applied to this result, as detailed below:

Scenario 1 – refers to the current situation of risk exposure factors based on market information (BM&FBOVESPA). Under this scenario, 100% of the DI x Dollar swap rate is applied.

Scenario 2 **-** Under this scenario, 125% of the DI x dollar swap rate is applied.

Scenario 3 **-** Under this scenario, 150% of the DI x dollar swap rate is applied.

e) <u>Operational risk</u>

The operational risk results in potential, actual or recovered loss arising from human failures or errors in processes, systems or arising from external factors, including those related to legal issues.

The operational risk management requires continuous commitment and involvement of all managers, employees and associates, whose main purpose is to maintain at acceptable levels the probabilities and/or impacts from losses.

The corporate operational risk management system aims at ensuring compliance with the corporate policy and strategic planning of the Bank in accordance with governance principles and the policies set by the National Monetary Council (CMN), based on the timetable defined by the banking supervisory body. Management is made of processes and subprocesses carried out on a dynamic and ongoing basis which ensure, through mitigating measures and acceptable risk exposure levels.

The calculation of the Minimum Required Capital (PRE) amounts is governed by CMN Resolution No. 3490, of August 29, 2007. The fraction corresponding to the operational risk is designated as POPR, as defined by BACEN Circular No. 3316, of April 30, 2008, which has established the criteria to compute the operational risk indicator. Since 2008, the Bank has adopted the Basic Indicator Approach (BIA). Four (04) groups of accounts are used in the POPR calculation: income from securities trading, from services rendered, from transactions not including securities trading expenses. The calculation is measured from the application of a weighted risk factor of 15% (fifteen percent) to the balances of revenues and expenses in local currency over the last 03 (three) years.

The Bank's corporate operational risk management is strengthened through a specific organizational structure designed to support assessment and compliance related to adoption of controls for all processes and operations carried out, mainly based on the provisions set forth in the institutional regulatory system. The qualitative approach comprises methodologies, control tools, mitigating measures and managerial reports that describe the control over processes carried out in all institutional areas. This analysis describes management by process and architecture design - macroprocesses, processes and subprocesses - identification of risk, control, mitigation and corrective plan. Another methodology used is the RCSA (Risk and Control Self Assessment) that allows knowing risks inherent to activities and procedures, as well as defining their impact. RCSA further allows building a Risk Matrix and defining indicators, aiming at reaching an expanded vision of the processes and improved management. The quantitative approach adopts measurement models, showing considerable improvements in the operational risk measurement stochastic model applied to the Bank, for purposes of allocation of capital to support expected and unexpected losses.

f) <u>Currency exposure</u>

Transactions under that provide for foreign exchange adjustment clause presented net balance of foreign currency sold, in the amount of R$ 25,177 (R$ 8,539 at 12.31.2012 – short position), as follows:

Specification	03.31.2013	12.31.2012	Specification	03.31.2013	12.31.2012
Cash and cash equivalents	1,346	3,611	Deposits	18,971	23,182
Interbank investments	13,774	23,802	Interdepartmental accounts	4,142	15,578
Loans	780,990	820,813	Borrowings and onlending - Domestic	106,826	104,096
			Borrowings and onlending - Foreign	2,099,534	2,152,154
Other receivables	897,184	942,868	Other liabilities	783,927	829,914
Total assets in foreign currency, excluding derivatives	**1,693,294**	**1,791,094**	**Total liabilities in foreign currency**	**3,013,400**	**3,124,924**
Swap transactions	1,294,929	1,325,291	Swap transactions	**-**	-
Total long position In foreign currency	**2,988,223**	**3,116,385**	**Total short position in foreign currency**	**3,013,400**	**3,124,924**

Foreign currency exposure is maintained below the limits established in the Corporate Risk Management, Internal Control and Safety Policy (5% of the Reference Assets - PR).

g) Operational limits - Basel Accord

As set forth in CMN Resolutions No. 3444 and No. 3490, of 02.28.2007 and 08.29.2007, respectively, and supplementary regulations, the CMN set forth additional requirements for capital allocation, including new risk-exposed components: Credit Commitment Unconditionally or Unilaterally Non-Cancelable by the Bank; exposure to stock risk (PACS); exposure to risk of assets indexed to commodities prices (PCOM); exposure to risk of assets in foreign currency (PCAM); exposure to operational risk (POPR) and market risk of operations not classified in the trading portfolio (RBAN). The prevailing guidelines maintained the minimum capital allocation ratio by 11%, which is the ratio between a financial institution's reference assets (PR) and the total risks assumed in loans, including collaterals offered and co-obligations, and market and operational risks as at March 31, 2013.

At 03.31.2013, the capital adequacy ratio (Extended Basel Ratio) of Banco do Nordeste was 16.08% (16.24% at 12.31.2012), while PR was R$ 4,933,747 (R$ 5,184,271 at 12.31.2012). The Minimum Required Capital (PRE), which represents the consolidation of all risk exposures, with a capital allocation ratio of 11%, was R$ 3,257,622 at 03.31.2013 (R$ 3,366,123 at 12.31.2012).

i. *Matching of PR with PRE*

Specification	03.31.2013	12.31.2012
a) Reference Assets (PR)	4,933,747	5,184,271
. Tier I	2,519,469	2,611,406
. Tier II	2,465,124	2,572,865
. Deductions	(50,846)	-
b) Minimum Required Capital (PRE)	3,257,622	3,366,123
. PEPR [(1)]	2,718,927	2,872,393
. PJUR	10,707	3,707
. PCOM	334	350
. POPR	527,654	489,673
c) RBAN amount	117,720	146,338
Margin (a-b-c)	1,558,405	1,671,810
Basel ratio (BACEN Circular No. 3477, of 12.28.2009)	16.66%	16.94%
Extended Basel Ratio (including RBAN amount)	16.08%	16.24%

(1) 11% of Weighted Risk Factor Exposures, pursuant to articles 11 to 16 of BACEN Circular No. 3360, of 09.12.2007.

ii. *Breakdown of PR*

Specification	03.31.2013	12.31.2012
Reference Assets (PR)	4,933,747	5,184,271
. Tier I	2,519,469	2,611,406
Equity	2,509,925	2,683,751
Profit and loss accounts - Creditors	1,740,261	-
Profit and loss accounts - Debtors	(1,762,445)	-
Revaluation reserves	(22,331)	(22,904)
Tax credits excluded	(6,632)	(6,633)
Deferred permanent assets	(809)	(942)
Fair value adjustment – Marketable securities and derivative financial instruments	61,500	(41,866)
. Tier II	2,465,124	2,572,865
Revaluation reserves	22,331	22,904
Hybrid equity-debt instruments classified as Tier II of PR [(1)]	1,244,559	1,202,392
Subordinated debt instruments [(2)]	1,360,703	1,332,382
Fair value adjustment – Marketable securities and derivative financial instruments	(61,500)	41,866
Excess subordinated debt instruments	(100,969)	(26,679)
Excess Tier II capital in relation to Tier I capital	-	-
. Deductions	(50,846)	-
(-) Assets classified as subordinated debt instruments	(50,846)	-

(1) The hybrid equity-debt instrument was entered into with the National Treasury Department for an indefinite term.

(2) The subordinated debt instruments were entered into with the Northeast Constitutional Financing Fund (FNE) for an indefinite term.

iii. *Investment index*

CMN Resolution No. 2669/1999 set forth a limit of 50% of adjusted PR, as from December 2002, for the investment index. The Bank's status is as follows:

Specification	03.31.2013	12.31.2012
Reference assets (PR) for investment limit	4,933,747	5,184,271
Investment limit	2,466,873	2,592,135
(-) Current status	222,903	200,619
Margin	2,243,970	2,391,516
Investment index	4.52%	3.87%

28. Transactions with related parties

a) Transactions with related parties

a.1) *Significant transactions with state-owned companies, autonomous government agencies, programs and funds controlled by the Federal Government are broken down as follows:*

Specification	03.31.2013	12.31.2012
Assets		
Loans - Refinancing with Federal Government (Note 9.a.1)	431,418	443,895
Total	**431,418**	**443,895**

Specification	03.31.2013	12.31.2012
Liabilities		
Time deposits - FAT (Note 13.a. and Note 26)	**633,204**	**661,009**
Domestic onlending – Official institutions (Note 14.c.)	**1,582,451**	**1,586,201**
National Treasury	815	809
BNDES	1,433,477	1,435,621
FINAME	148,159	149,771
Other liabilities	**9,625,996**	**9,069,111**
Northeast Constitutional Financing Fund (FNE) - (Note 16.f)	7,020,734	6,534,337
Hybrid equity-debt instruments (Nota 16.g)	1,244,559	1,202,392
Subordinated debts eligible for capital (Note 16.h)	1,360,703	1,332,382
Total	**11,841,651**	**11,316,321**

a.2) Significant transactions with entities related to the Bank's employees, namely, Caixa de Previdência (CAPEF) and Caixa de Assistência Médica (CAMED), are broken down as follows:

Specification	03.31.2013	12.31.2012
Liabilities		
Post-employment benefits CAPEF DB (Note 16.i)	597,074	576,635
Post-employment benefits CAPEF VC I (Note 16.i)	-	99
Post-employment benefits CAMED (Note 16.i)	765,952	750,576
Total	**1,363,026**	**1,327,310**

b) Management compensation

The compensation of the Board of Directors, Board of Executive Officers and Supervisory Board is shown below:

Specification	01.01. to 03.31.2013	01.01. to 03.31.2012
Short-term benefits	**927**	**620**
Fees	**852**	**575**
Executive Board	739	491
Board of Directors	56	46
Supervisory Board	57	38
Other	**75**	**45**
Profit sharing	**-**	**-**
Total short-term benefits	**927**	**620**
Post-employment benefits	**48**	**58**
Total	**975**	**678**

The Bank does not have variable stock-based compensation and other long-term benefits and does not offer post-employment benefits to management, except for those comprising the headcount, members of the Bank's Pension and Health Care Plan.

The Bank does not grant loans to its Executive Officers, directors of its Board of Directors and Supervisory Board, since this practice is forbidden to financial institutions regulated by the Central Bank of Brazil.

29. Statement of Comprehensive Income (Loss)

Specification	01.01. to 03.31.2013	01.01. to 03.31.2012
Net income	**(22,184)**	**68,939**
Other comprehensive income (loss)	**(173,252)**	**12,705**
Equity adjustment to available-for-sale securities	(172,276)	36,637
Tax effect on equity adjustment to available-for-sale securities	68,910	(14,655)
Revaluation reserve released to retained earnings	956	955
Tax effect on revaluation reserve released to retained earnings	(382)	(382)
Actuarial gains/(losses)	(70,460)	(9,850)
Comprehensive income (loss)	**(195,436)**	**81,644**

30. Other information

a) <u>Guarantees given</u>

Co-obligations and risks related to guarantees given by the Bank are broken down as follows:

Specification	03.31.2013	12.31.2012
Import financing	9,351	23,804
Guarantee beneficiaries		
- Individuals or non-financial legal entities	40,450	82,669
- FNE	15,485,964	15,153,541
- Other entities	65,509	64,584
Credit assignment co-obligations	25,337	24,786

Fortaleza, April 16, 2013

The Executive Board

Note: The explanatory note are an integral part of the financial statements.

Quarterly Information

Banco do Nordeste do Brasil S.A.

March 31, 2013
with Independent Auditor's Review Report on Quarterly Information

A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil

Independent Auditor's Review Report on Quarterly Information

The Shareholders, Board of Directors and Officers
Banco do Nordeste do Brasil S.A.

Introduction

We have reviewed the interim financial information of Banco do Nordeste do Brasil S.A. ("Bank") included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2013, which comprises the balance sheet at March 31, 2013 and the related statement of income, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flow for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the interim financial information in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil (BACEN), as well as for the presentation of this information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). 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. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil, and presented consistently with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information (ITR).

Emphasis of matter

Restatement of prior year corresponding figures

As mentioned in Note 3l), due to a change in accounting policy, with the adoption of revised standard CPC 33(R1) – Employee Benefits, approved by the Brazilian FASB (CPC), corresponding figures in the balance sheet for the year ended December 31, 2012 and corresponding interim financial information referring to the income statement, statement of comprehensive income, statement of changes in shareholders' equity, statement of cash flow and statement of value added (supplementary information) for the three-month period ended March 31, 2012, presented for comparative purposes, were reviewed and are restated as provided for under CPC 23 - Accounting Policies, Changes in Accounting Estimates and Correction of Errors, and CPC 26(R1) - Presentation of Financial Statements. We express our unmodified conclusion on this matter.

Other matters

Interim statements of value added

We have also reviewed the interim statements of value added (SVA) for the three-month period ended March 31, 2013, prepared under responsibility of the Bank management, whose presentation in the interim financial information is required in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, in accordance with the interim financial information taken as a whole.

São Paulo, May 20, 2013

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC-2SP015199/O-6-F-CE

Eduardo Braga Perdigão
Accountant CRC-1CE013803/O-8