

MATERIAL FACT

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

Pursuant to § 4 of Article 157 of Law 6,404, dated December 15th, 1976, to CVM (Brazilian Securities and Exchange Commission) Regulation 358, dated January 3rd, 2002, and to Conselho Nacional de Desestatização¹ (“CND”) Resolutions 3/2011 and 3/2013, dated April 7th 2011 and January 16th 2013 respectively; and in addition to Material Facts released by Banco do Brasil S.A. (“Banco do Brasil”) on October 15th, 2009 and on November 26th, 2012, Banco do Brasil and BB Seguridade Participações S.A. (“BB Seguridade”) hereby inform that:

1. BB Seguros Participações S.A. (“BB Seguros”), wholly owned subsidiary of BB Seguridade, and the Federal Government signed an agreement (Contrato de Transferência de Ações) aiming to transfer 212,421 common shares issued by IRB-Brasil Resseguros S.A. (“IRB”) held by the Federal Government to BB Seguros, representing 21.24% of IRB’s total capital, in the amount of R\$ 2,577.00 per share. The amount involved in this operation was R\$ 547,408,907.00.
2. Moreover, today, a Shareholders Agreement was signed between BB Seguros, the Federal Government, Bradesco Auto Re – Companhia de Seguros S.A., Itaú Seguros S.A., Itaú Vida e Previdência S.A. and Fundo de Investimento em Participações Caixa Barcelona in order to create an IRB’s governance control group by regulating the relationship between the partners, as well as the company’s management structure and operation. Common shares were linked to the Shareholders Agreement, representing 20% of the total common shares held by BB Seguros; 15% of the total common shares held by the Federal Government; 15% of the total common shares held by Itaú Seguros Group; 20% of the total common shares held by Bradesco Seguros; and 3% of the total common shares held by FIP Caixa Barcelona.
3. Besides the Shareholders Agreement celebration, the restructuring process of IRB involves the following steps:
 - a) conversion of IRB non-voting shares into common shares (1:1);
 - b) creation of a *golden share* held by the Federal Government (with the veto right to certain decisions), and;
 - c) capital increase of IRB by its current shareholders in the Extraordinary Shareholders Meeting of IRB, with the issuance of new shares, and the commitment of the Federal Government not to exercise its preference rights. Upon the conclusion of the capital raise, BB Seguros stake at IRB capital is expected to be diluted to 20.42%.
4. The transaction was approved by Conselho Administrativo de Defesa Econômica – CADE, and the effectiveness of above mentioned acts will be subject to Tribunal de Contas da União – TCU approval and subsequent capital raise approval by Superintendência de Seguros Privados – SUSEP.

5. Additional facts, deemed relevant, will be timely disclosed to the market.

Brasília (DF), May 24th, 2013.

Banco do Brasil S.A.

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¹Brazilian government agency responsible for privatizations.