Banco do Brasil

2Q08

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BOVESPA BRASIL

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Índice de Ações com *Tag Along* Diferenciado

IBrX50

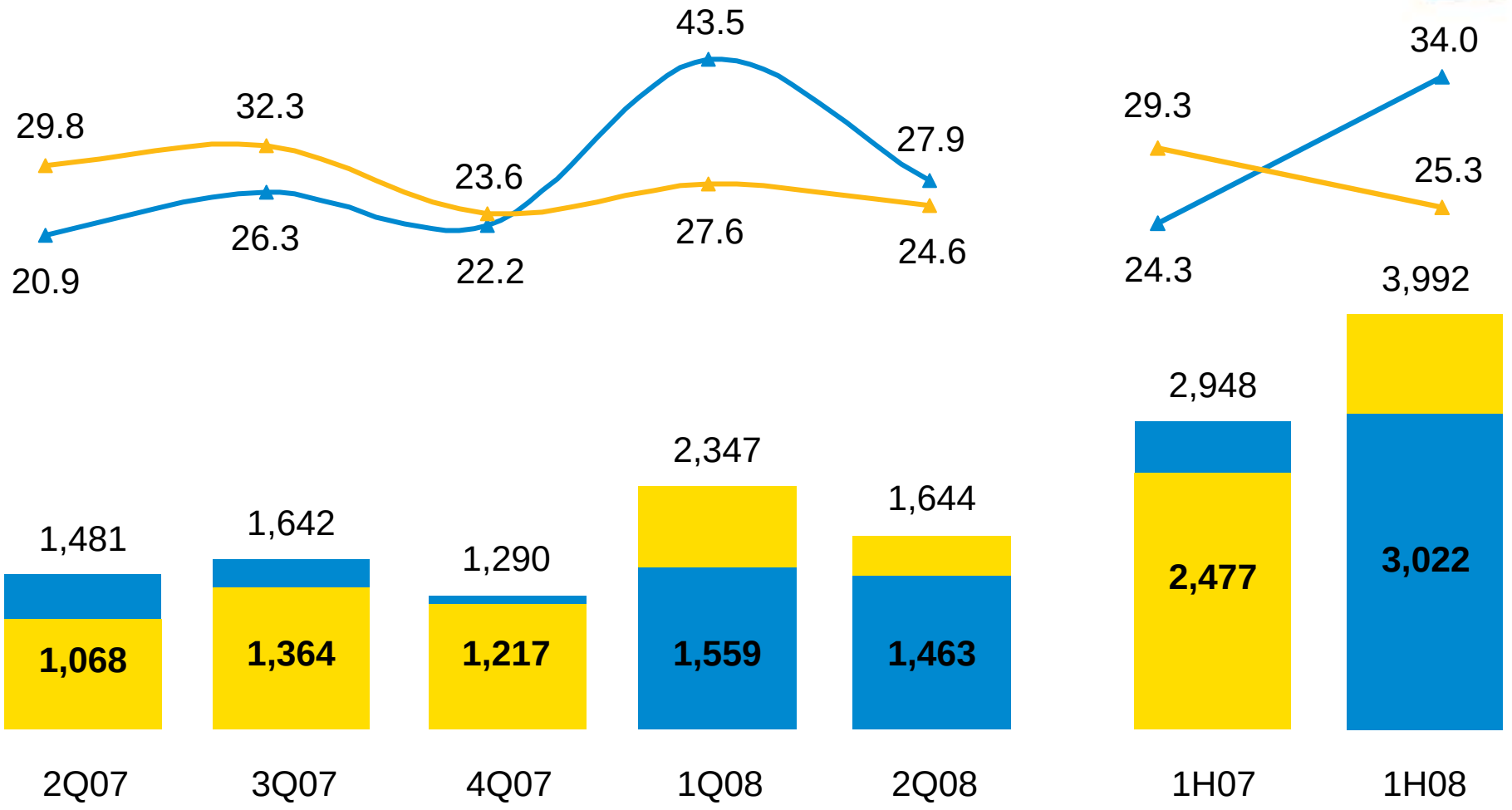
IBrX ÍNDICE BRASIL

Highlights

- Net Income rose 53.9% to R$ 1.6 billion, in 12 months
- Loan Portfolio reached R$ 190 billion, a growth of 10%
- Net Interest Income increased 4.6% to R$ 5.7 billion
- Stable loan losses[1] at 2.8%
- Banking Fee Income overcame and increased 2.5%
- Assets reached R$ 416 billion
- Total Deposits raised 18.8% to R$ 195 billion in 12 months

(1) Past Due Loans + 60 days/Loan Portfolio

Net Income


29.8
32.3
23.6
43.5
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20.9
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1,481
1,642
1,290
2,347
1,644
2,948
3,992
1,068
1,364
1,217
1,559
1,463
2,477
3,022
2Q07
3Q07
4Q07
1Q08
2Q08
1H07
1H08
Net Income – R$ million
Recurring Net Income – R$ million
Return on Equity - %
Recurring Return on Equity - %

Net Income Evolution

R$ million

	2Q08
Net Income	1,644
One-off Effects[1]	181
+ Share Sale of Telemar	142
+ Tax Efficiency	110
(–) Economic Plans	36
(–) Replacement of Cards Base	36
Recurring Net Income	1,463

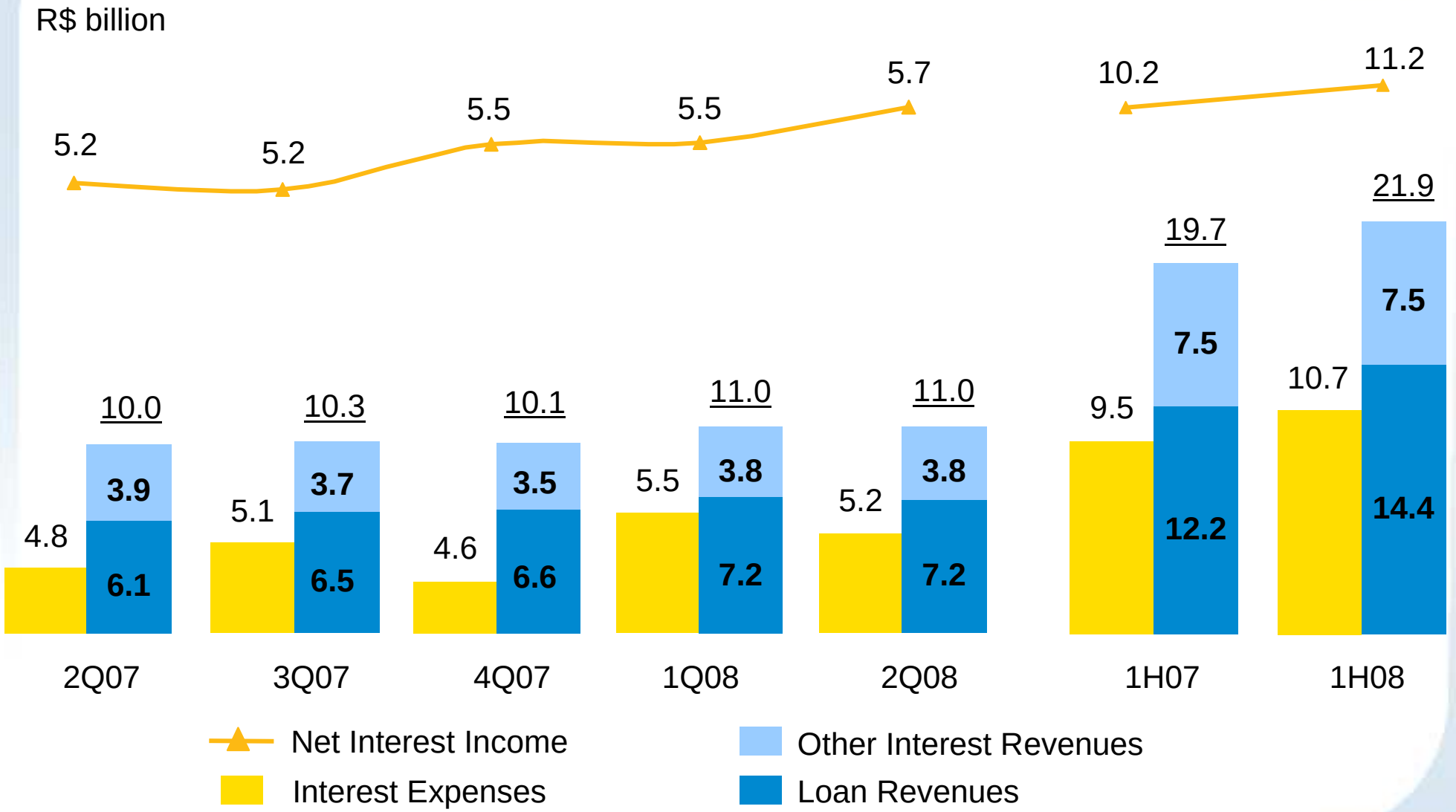
(1) Net taxes

Net Income Evolution

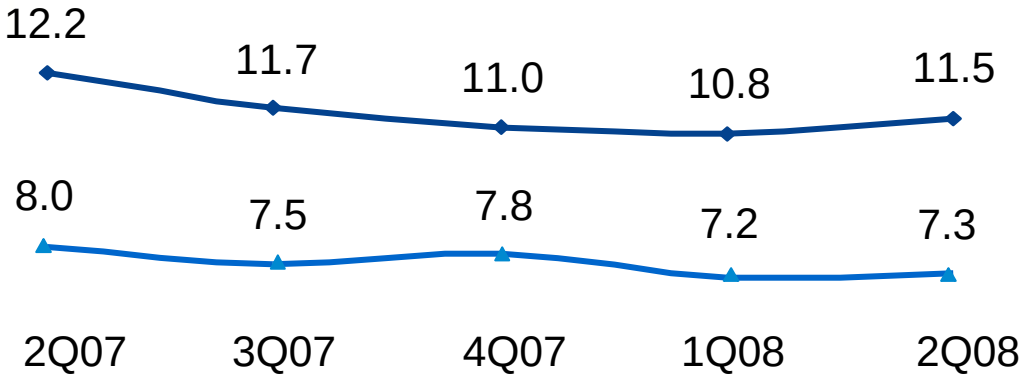
R$ million

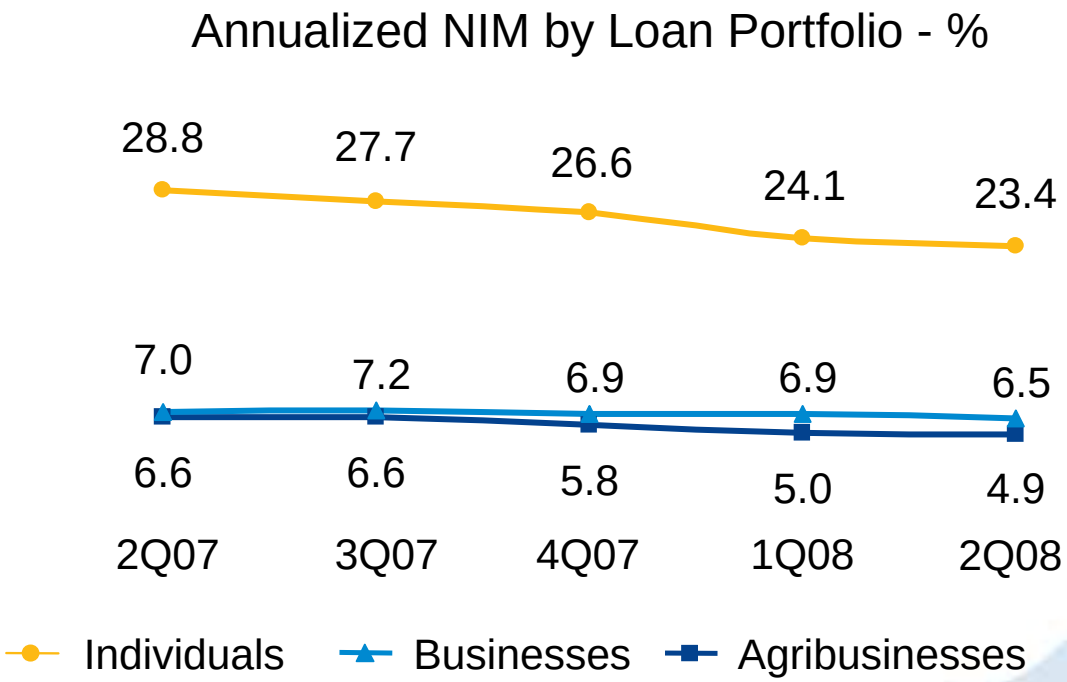
1Q08 Recurring Net Income	**1,559**
+ Financial Intermediation Income Raise	**251**
+ Fee Income Increase	**65**
(–) Allowance for Loan Losses Increase	**153**
(–) Administrative Expenses Growth	**211**
(–) Other Effects	**48**
2Q08 Recurring Net Income	**1,463**
+ Non-recurring Items	**181**
2Q08 Net Income	**1,644**

Net Interest Income



Net Interest Income





(1) Net Interest Income Over Earning Assets

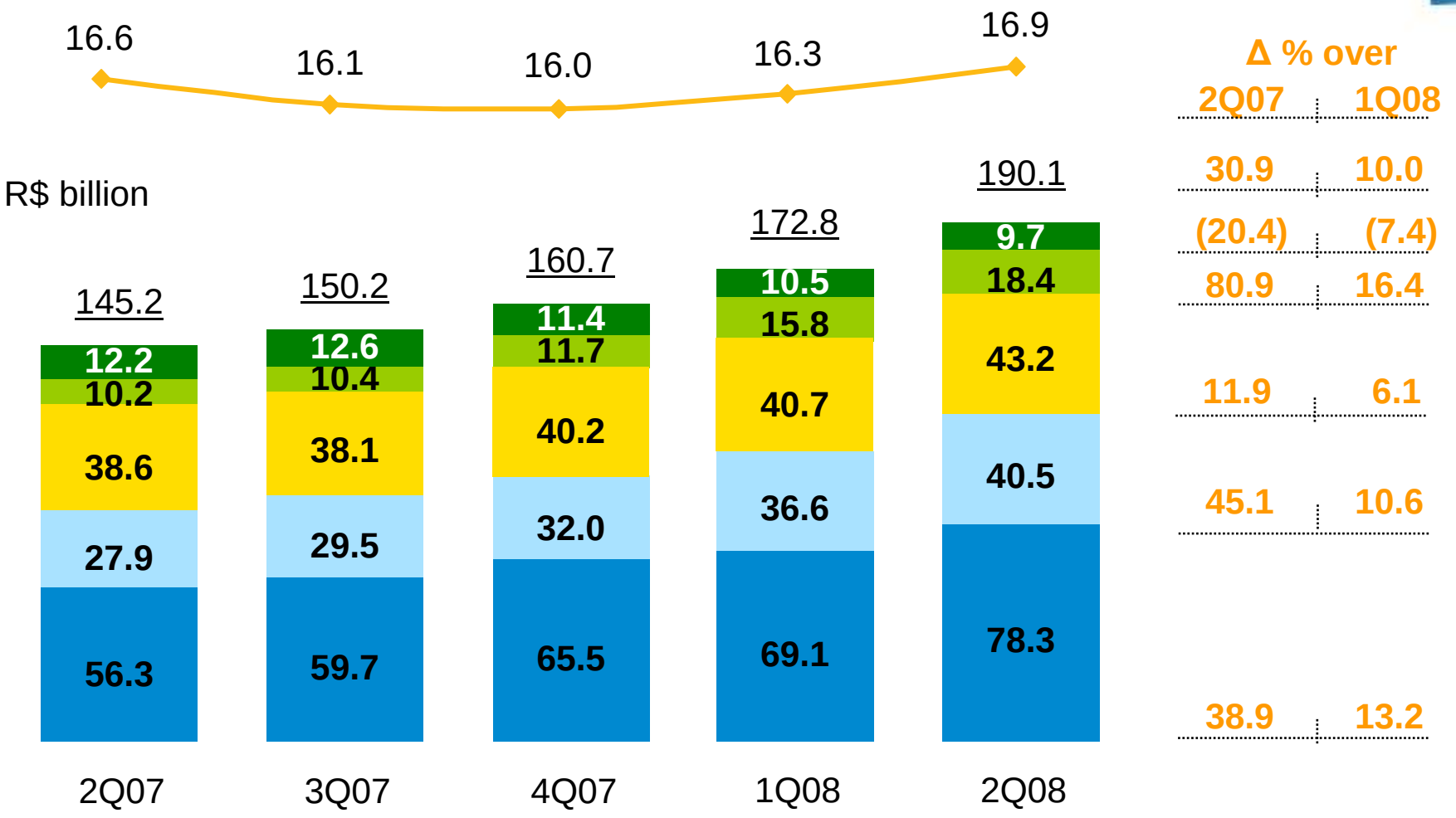
Net Interest Income

R$ million	Quartely Flows			Δ % over	
	2Q07	1Q08	2Q08	2Q07	1Q08
Net Interest Income	**5,208**	**5,492**	**5,743**	**10.3**	**4.6**
Loan Revenues	**3,397**	**3,615**	**3,855**	**13.5**	**6.6**
Individuals	1,681	1,875	1,989	18.3	6.1
Businesses	946	1,081	1,149	21.5	6.3
Agribusinesses	770	659	717	(6.8)	8.9
Others	**1,811**	**1,878**	**1,887**	**4.2**	**0.5**
Remunerated Compulsory	386	422	425	10.1	0.7
Recovery of Write-offs	401	428	468	16.7	9.3
Other	1,024	1,028	994	(2.9)	(3.3)

Funding Costs / SELIC

R$ billion	2Q07		1Q08		2Q08	
	Volume	Costs	Volume	Costs	Volume	Costs
Deposits	164.5	53.9%	190.1	52.9%	195.5	49.2%
Demand Deposits	36.8	0.0%	44.2	0.0%	43.6	0.0%
Saving Deposits	40.8	65.8%	48.1	63.4%	49.1	62.2%
Time Deposits	81.4	66.0%	91.3	72.1%	96.7	63.7%
Special Deposits	18.9	56.3%	17.7	61.4%	16.8	58.0%
Judicial Deposits	26.5	63.4%	30.7	61.9%	31.3	63.0%
Other	36.0	73.0%	42.9	84.0%	48.6	66.3%
Interbanking Deposits	5.1	157.0%	6.2	56.1%	5.6	72.6%
Money Market Borrowing	74.7	86.7%	99.9	88.2%	93.3	91.3%
Total	**239.3**	**63.9%**	**290.0**	**64.7%**	**288.8**	**63.3%**

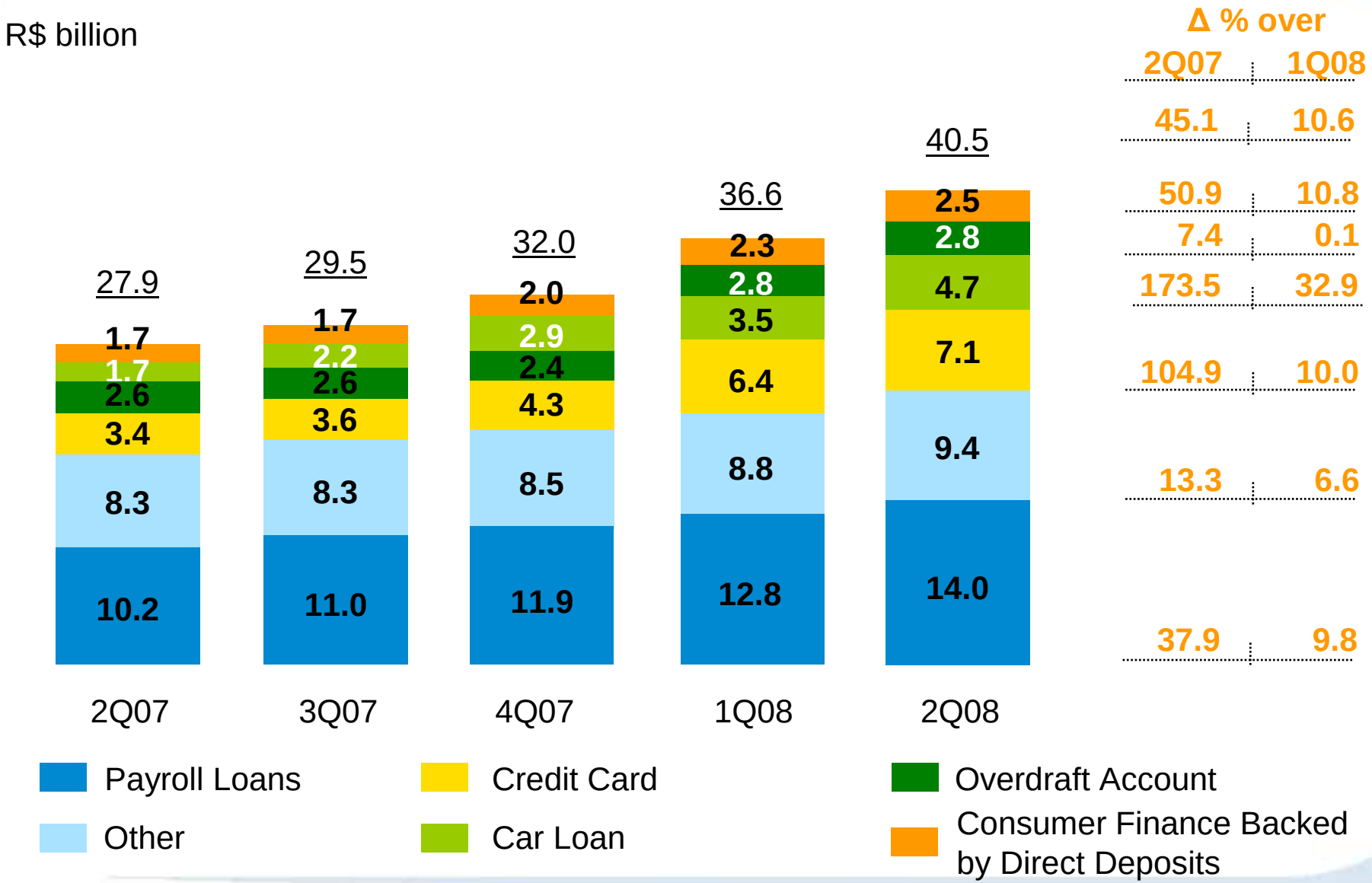
Loan Portfolio



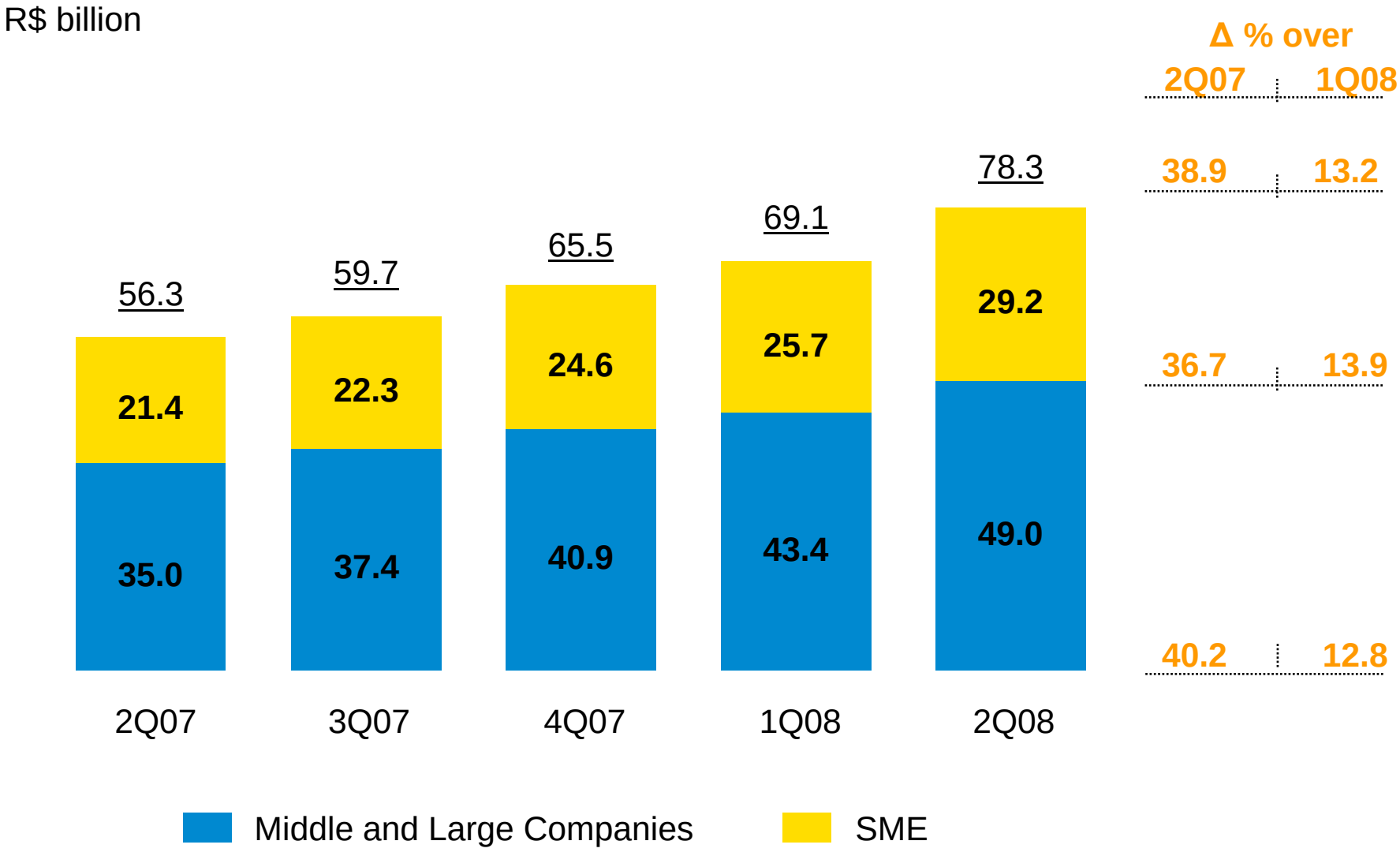
Δ % over	2Q07	1Q08
	30.9	10.0
	(20.4)	(7.4)
	80.9	16.4
	11.9	6.1
	45.1	10.6
	38.9	13.2

(1) Domestic Loan Portfolio

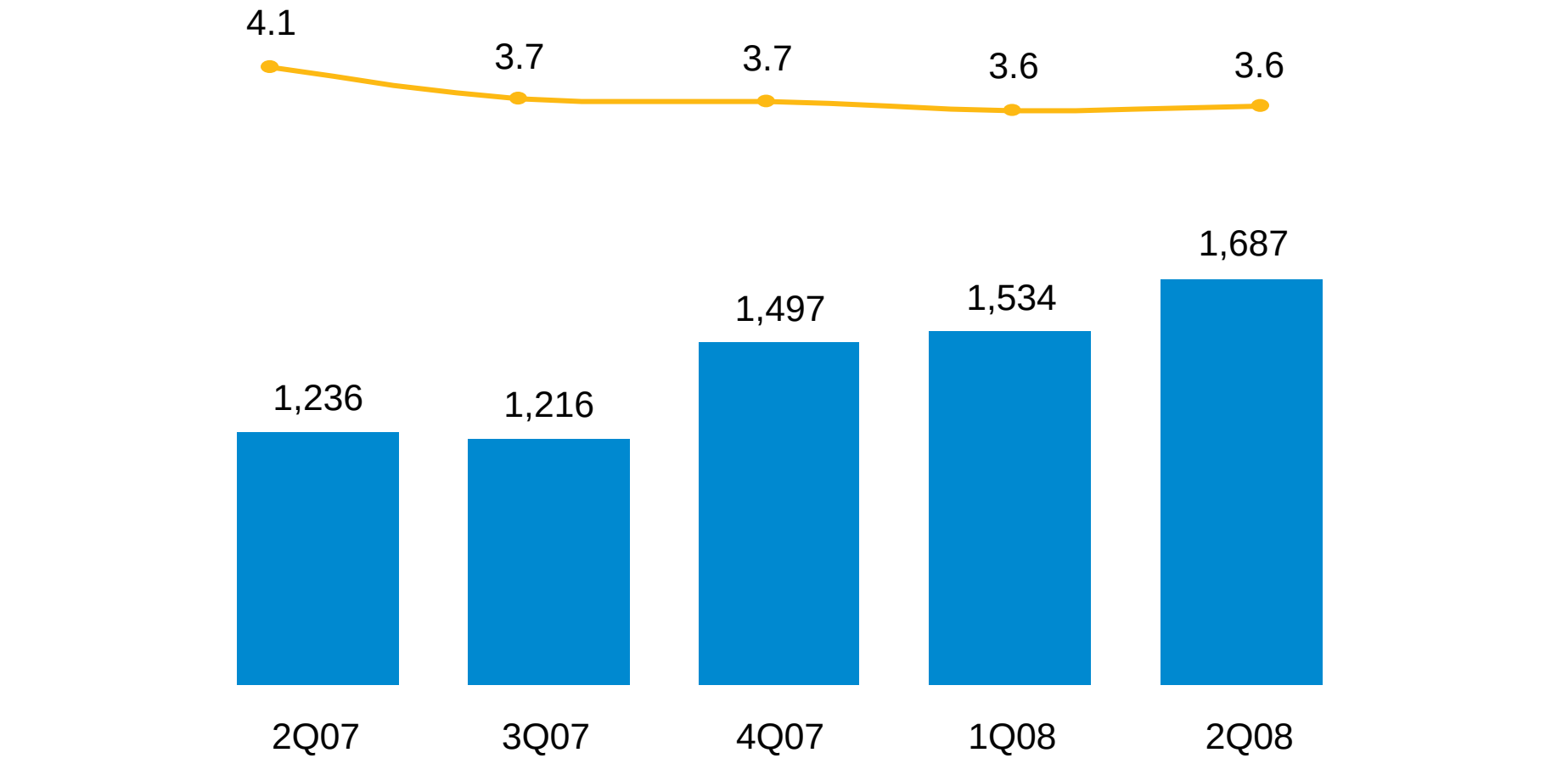
Loan Portfolio - Individuals



Loan Portfolio - Businesses

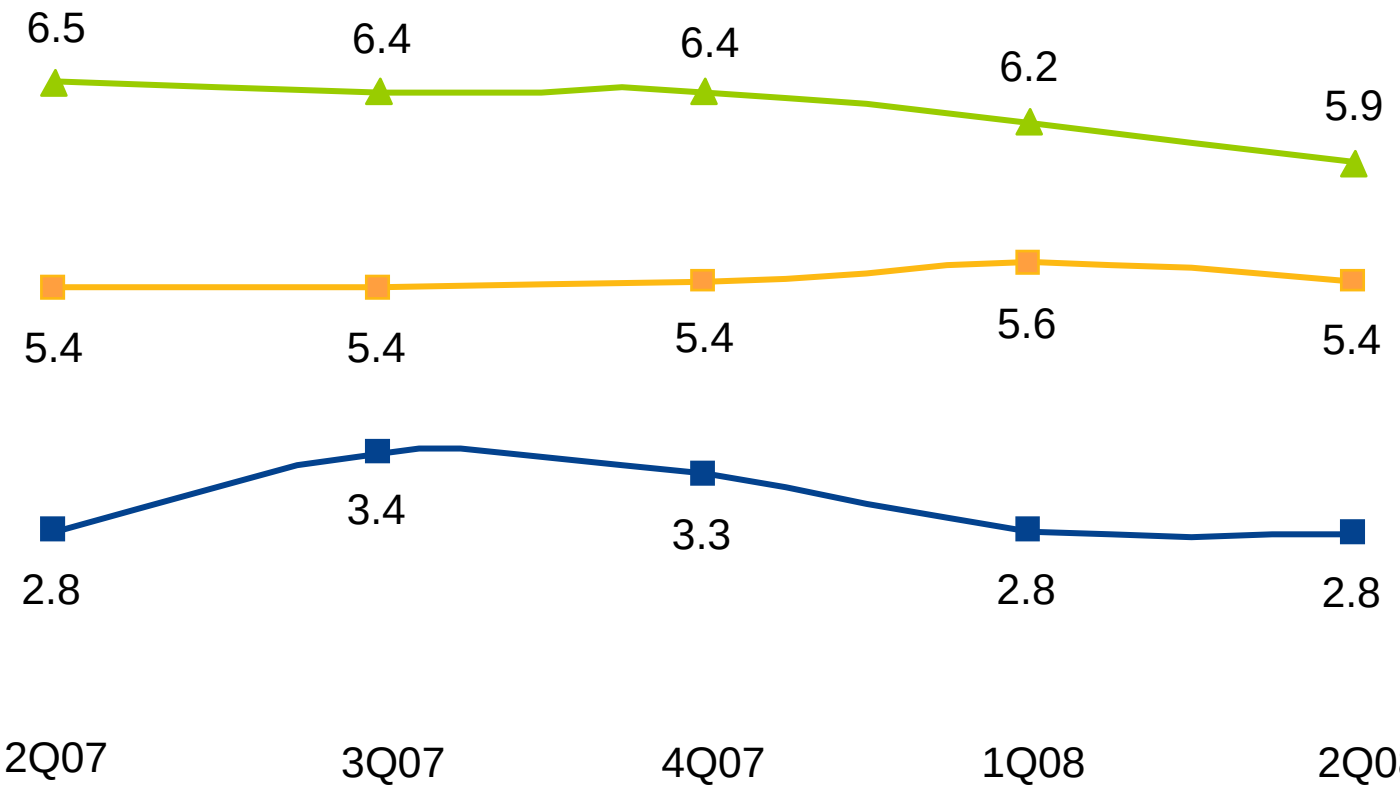


Credit Risk



(1) Average loan portfolio and expenses of the past 12 months

Credit Risk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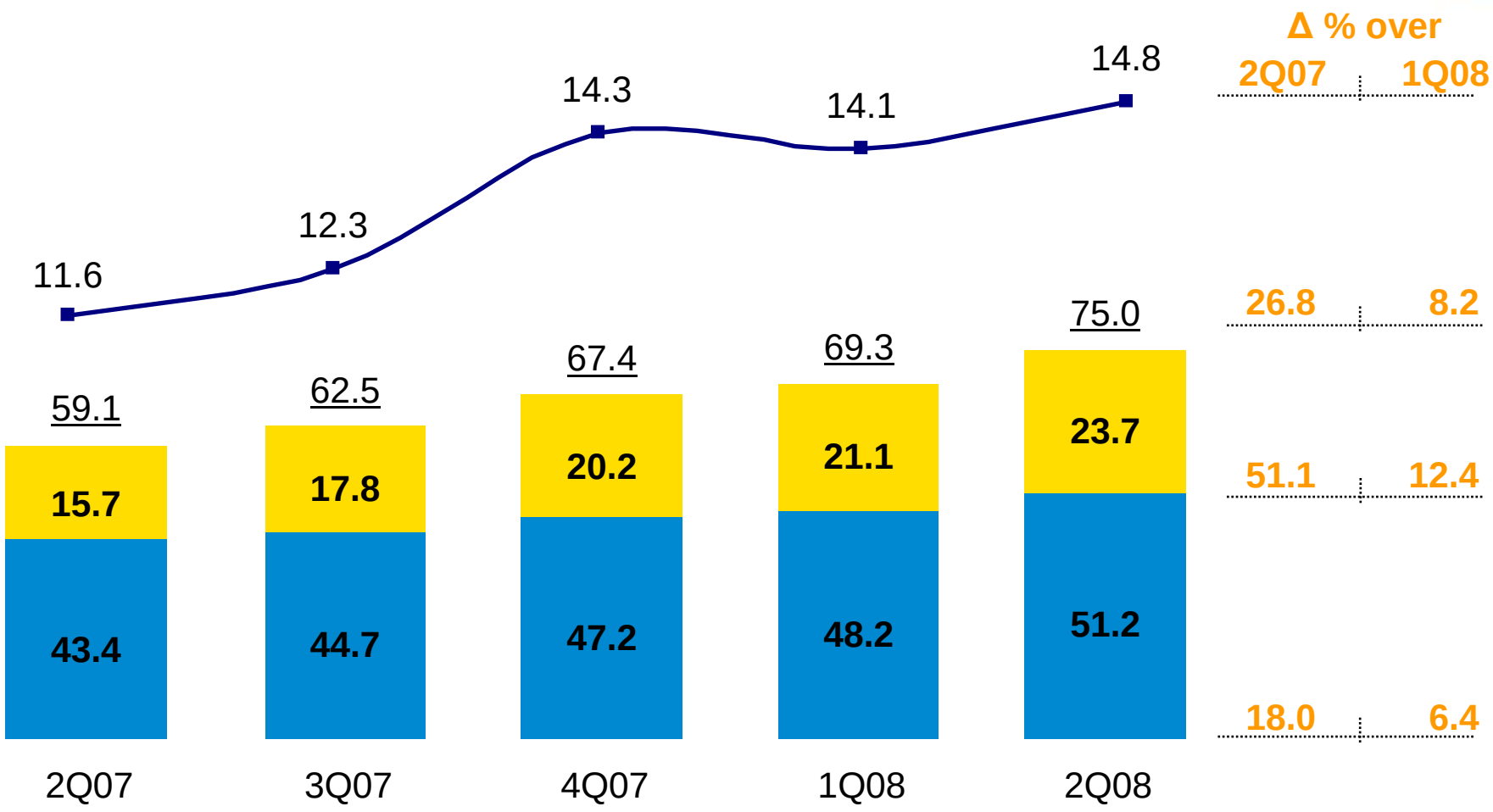
2.8
2Q07
3Q07
4Q07
1Q08
2Q08
Allowance/Loan Portfolio - %
Required provision/Loan Portfolio - %
Past Due Loans + 60 days/Loan Portfolio - %

Fee Income

R$ million

	Quartely Flow			Δ % over	
	2Q07	1Q08	2Q08	2Q07	1Q08
Fee Income	**2,437**	**2,568**	**2,633**	**8.0**	**2.5**
Account Fees	716	731	775	8.2	5.9
Loan Fees	234	264	229	(2.2)	(13.1)
Credit Card Fees	204	256	274	34.6	7.2
Investment Fund Management	425	477	521	22.6	9.2
Billings	233	249	257	10.3	3.5
Interbank	184	177	133	(27.8)	(24.6)
Collection	101	109	103	1.3	(6.2)
Services Rendered to Affiliated	79	69	74	(6.1)	6.8
Official Services Fees	32	14	14	(55.7)	0.6
Others	228	222	253	10.6	13.8

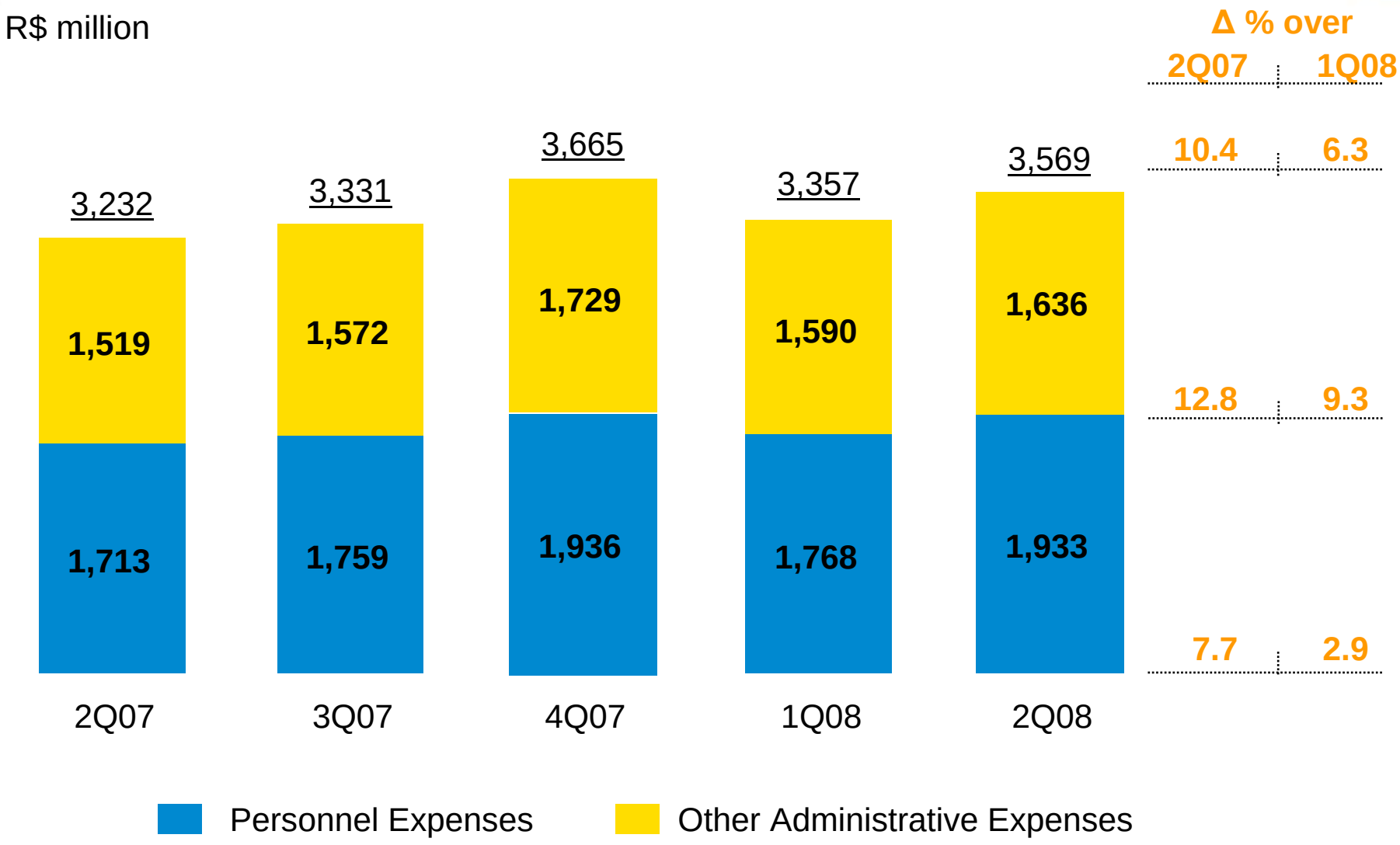
Credit and Debit Cards



(1) Including Credit and Debit Cards

Administrative Expenses[1]

R$ million



(1) Legal risk and one-off items are not included

Personnel Expenses

R$ million

	2Q07	1Q08
Initial Balance	1,713	1,768
Major Effects	220	165
Occupational Accident Insurance – Change in Rate	18	2
Salary Raise (2007/2008)	103	--
Employees Increase	58	23
Adjust of the Provision Balance Benefits*	84	84
Other Effects	(44)	56
2Q08 Balance	1,933	1,933

* Employees Vacation and others

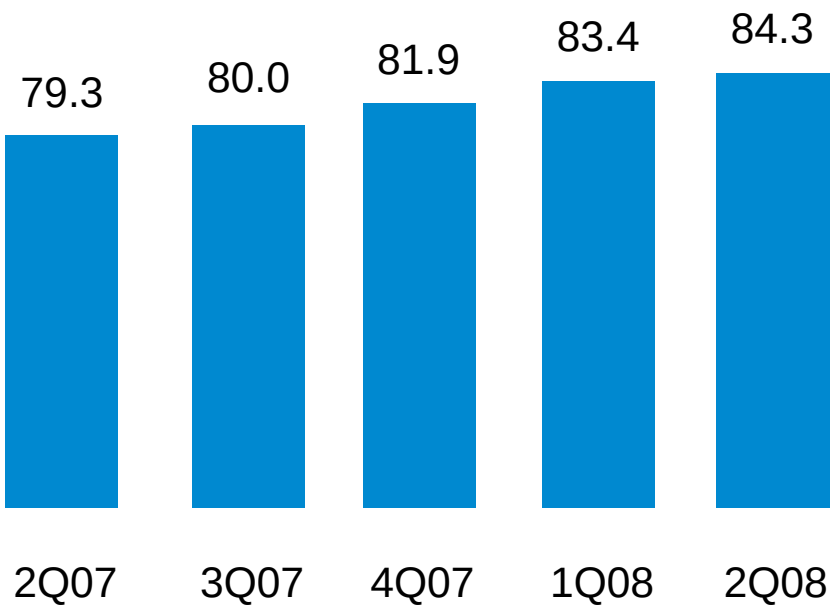
Other Administrative Expenses

R$ million

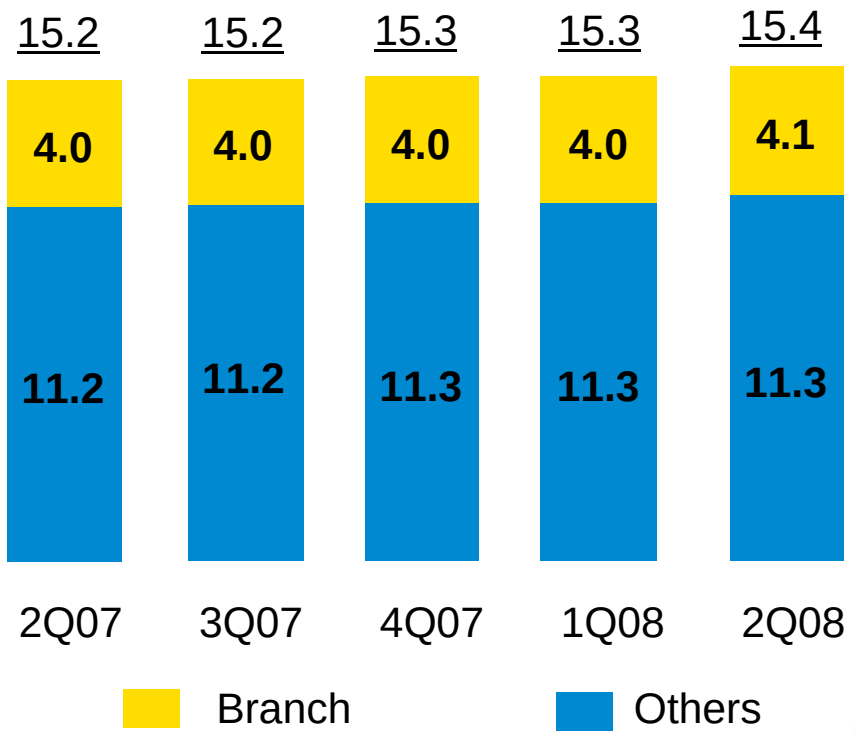
	2Q07	1Q08
Initial Balance	1,519	1,590
Major Effects	117	46
Marketing and Public Relation Expenses	(11)	40
Expansion of Electronic Process of Envelopes	15	2
Other Effects	113	4
2Q08 Balance	1,636	1,636

Structure

Employees - thousand

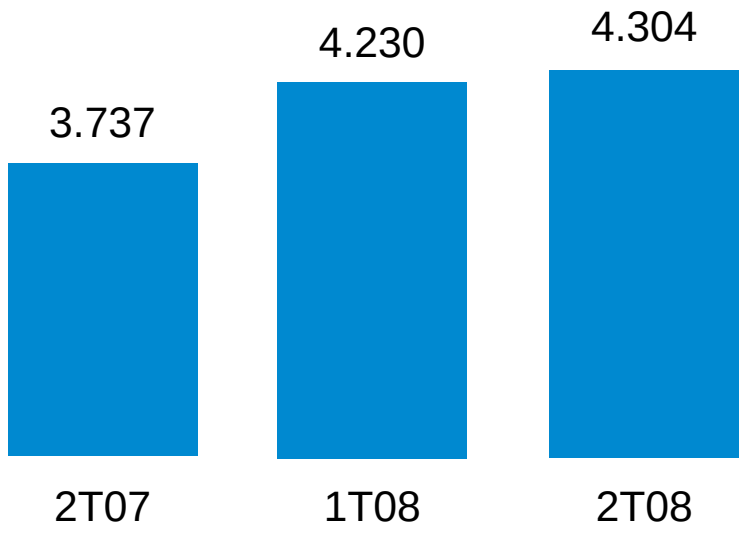


Points of Service - thousand

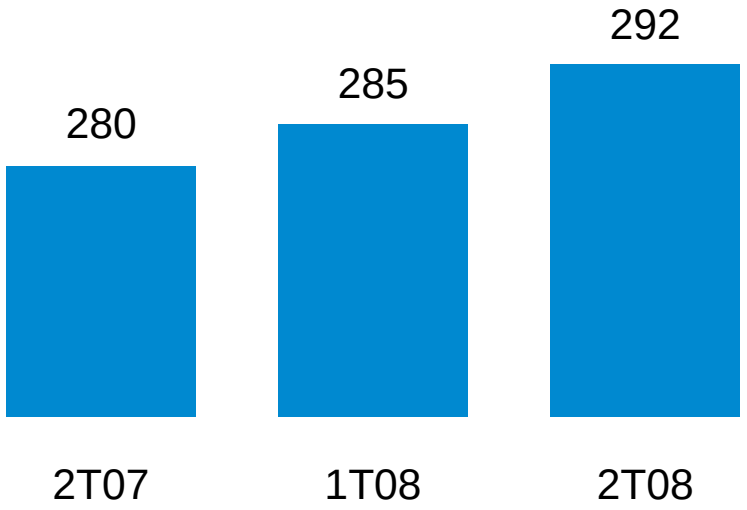


Structure

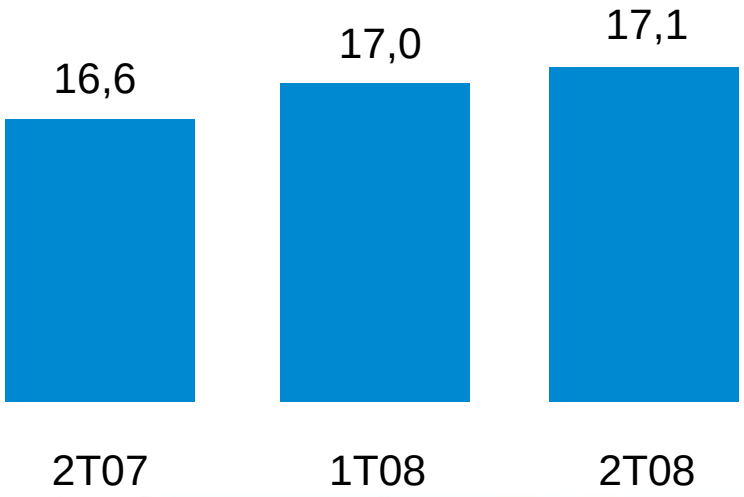
Assets per Employees - thousand



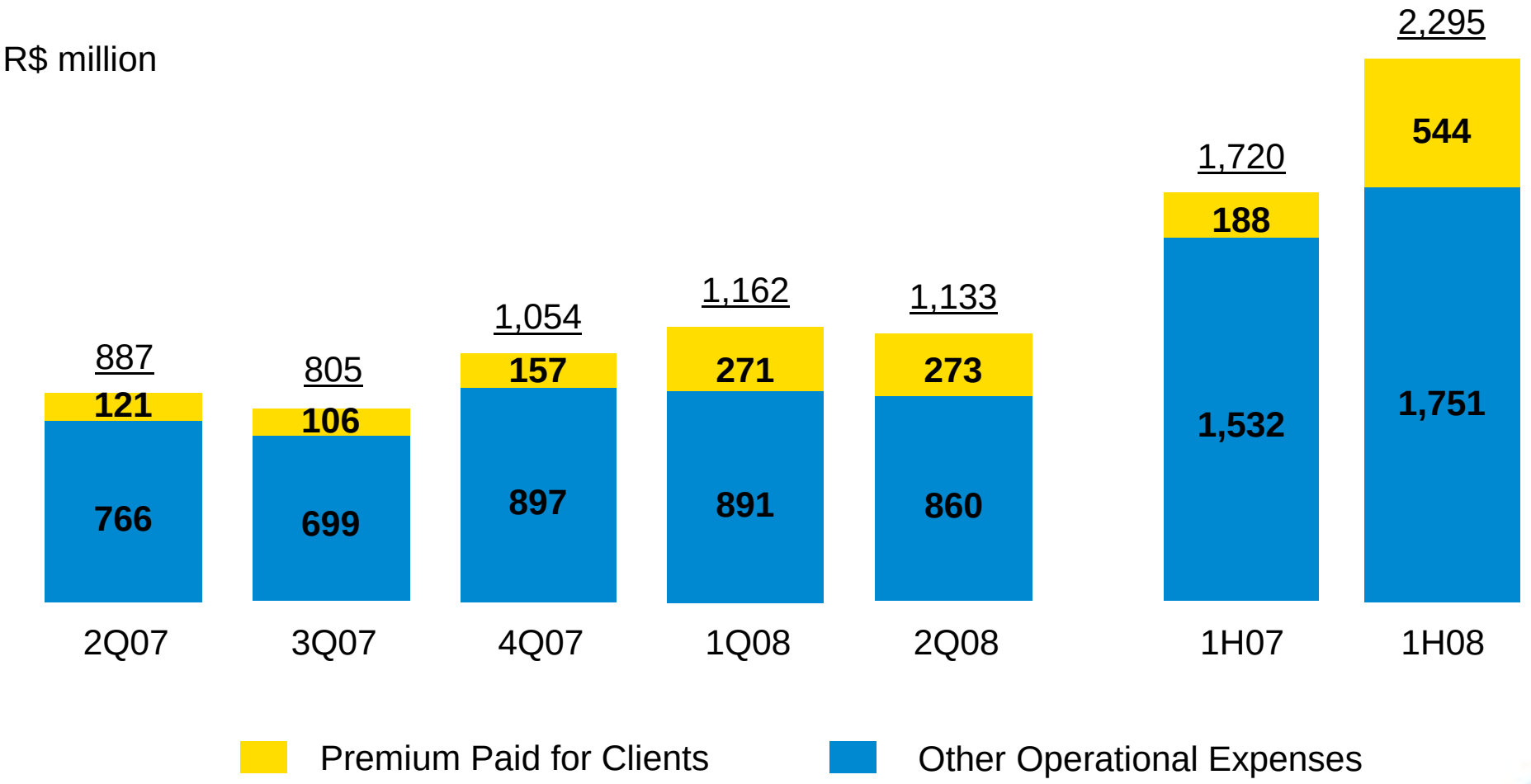
Customers per Employees



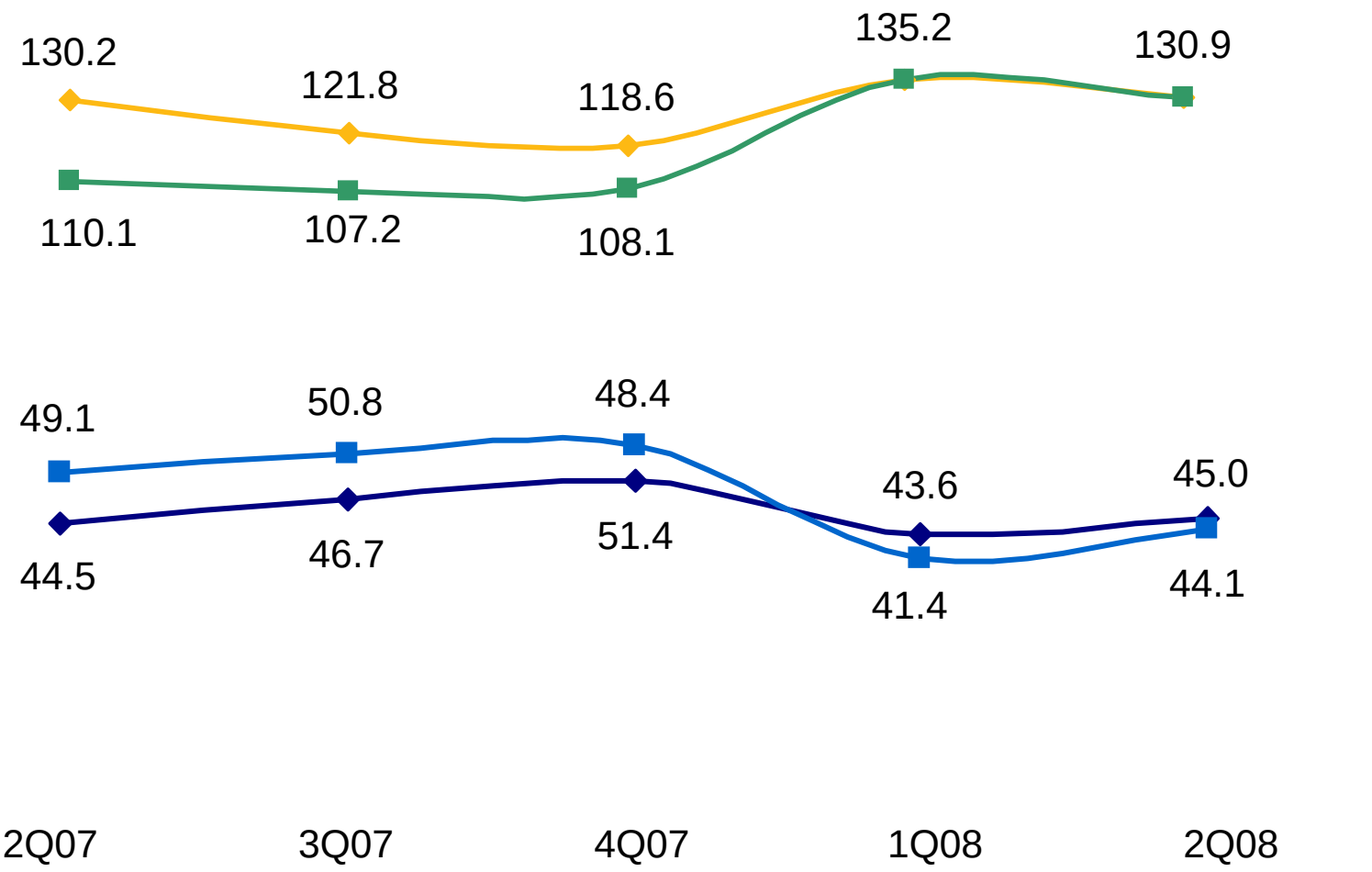
Employees/(Branch + PAA + PAB)



Other Components



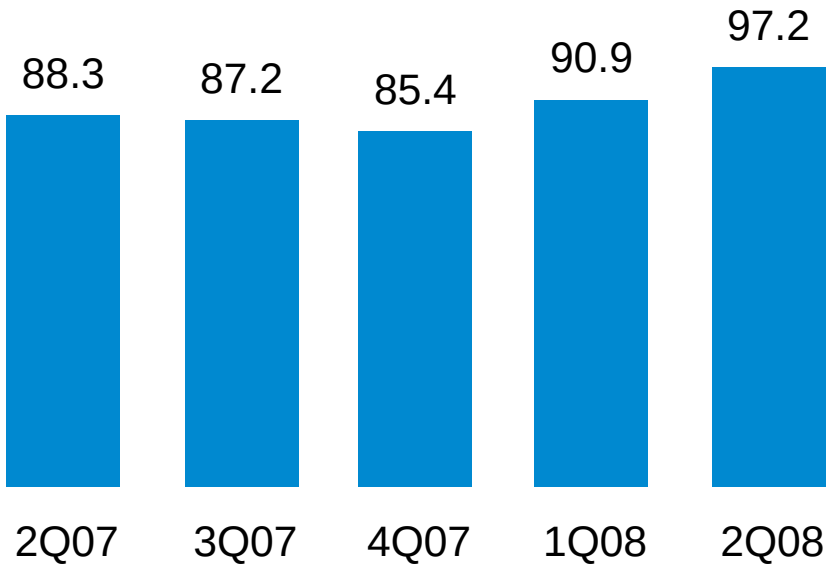
Productivity Ratio[1]



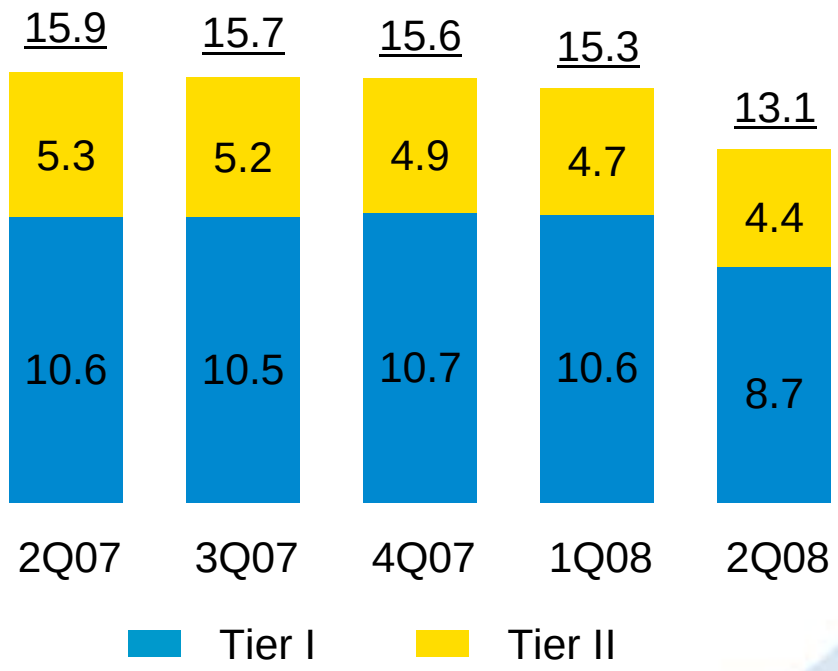
(1) Year to Date

Leverage

Loan / Total Deposits - %



BIS Ratio - %



Consolidated Balance Sheet

Summarized Balance Sheet R$ million	Economic-Financial Consolidated		Δ %
	mar/08	jun/08	mar/08
Assets	**414,481**	**416,503**	0.5
Available Funds	4,790	5,754	20.1
Short-term Interbank Investments	72,689	54,283	(25.3)
Securities	81,490	82,301	1.0
Loan Portfolio	172,760	190,082	10.0
Other Assets	82,753	84,082	1.6
Liabilities	**414,481**	**416,503**	0.5
Deposits	189,751	195,216	2.9
Money Market Borrowing	99,716	93,097	(6.6)
Other Liabilities	99,607	101,819	2.2
Shareholders' Equity	25,407	26,371	3.8

Summarized Income Statement with Reallocations R$ million	Economic-Financial Consolidated		Δ %
	1Q08	2Q08	1Q08
Net Interest Income	5,568	5,833	4.8
Fee Income	2,915	2,905	(0.3)
Administrative Expenses	(3,535)	(3,662)	3.6
Income Before Taxes	2,529	2,267	(10.4)
Net Income	2,347	1,644	(30.0)

Economic Estimates

	2008	2009
GDP - p.y. %	3.5 - 5.3	3.0 - 4.7
IPCA (inflation index) - year %	5.9 - 7.0	3.8 - 6.1
Interest Rate (Selic) - p.y. %	14.50 - 15.75	12.50 - 14.75
Exchange Rate R$/US$	1.59 - 1.77	1.48 - 2.17

Guidance

	Reported	Guidance
	2T08*	2008
Hold		
Allowance for Loan Losses	3.6%	3.7% - 4% Average portfolio
Administrative Expenses	10.4%	7% - 10%
ROE	24.8%	23% - 27%
Credit Cards	23.7 million	25 million
Reviewed		
NIM	7.3%	7% - 7.5%
Fee Income	8.0%	5% - 8%
Loan Portfolio	35.6%	25% - 30%
Individuals	45.1%	35% - 40%
Businesses	38.9%	30% - 35%
Agribusiness[1]	26.3%	20%
Total Deposits	18.8%	18% - 22%
Tax	25.7%	26% - 28%

(*) Last 12 months growth rates

(1) Holded Estimative

New Business

- First Rand - Partnership in the Segment of Car Loans
- Share Acquisition of Aliança do Brasil
- Mortgage Loan
- Acquisition/Incorporation of Financial Institutions
- Expansion of Foreign Business

Investor Relations Unit

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