2Q16 Earnings Release



Disclaimer

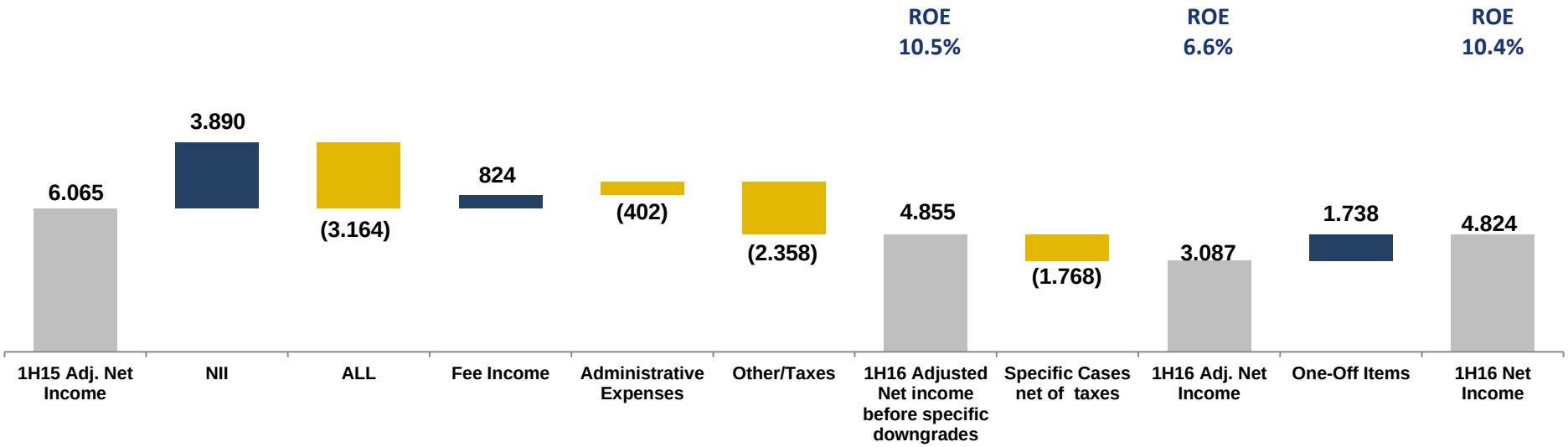
This presentation may include references and statements, planned synergies, estimates, projections of results, and future strategy for Banco do Brasil, its Associated and Affiliated Companies, and Subsidiaries. Although these references and statements reflect the management's belief, they also involve estimates and unforeseen risks. Consequently, results may differ from those anticipated and discussed here. These expectations are highly dependent on market conditions, on Brazil's economic and banking system performances, as well as on international market conditions. Banco do Brasil is not responsible for updating any estimate in this presentation.

Highlights (2Q16/2Q15)

Pre-Tax and Pre-Provision Earnings	*Increased by 14.9%*
NII	*Grew by 17.5%*
Fee Income	*12.8% Growth*
Administrative Expenses	*Under control (2.7% growth)*
Cost to Income Ratio	*Improved to 39.7%*

Accumulated – Excluding specific cases

R$ million



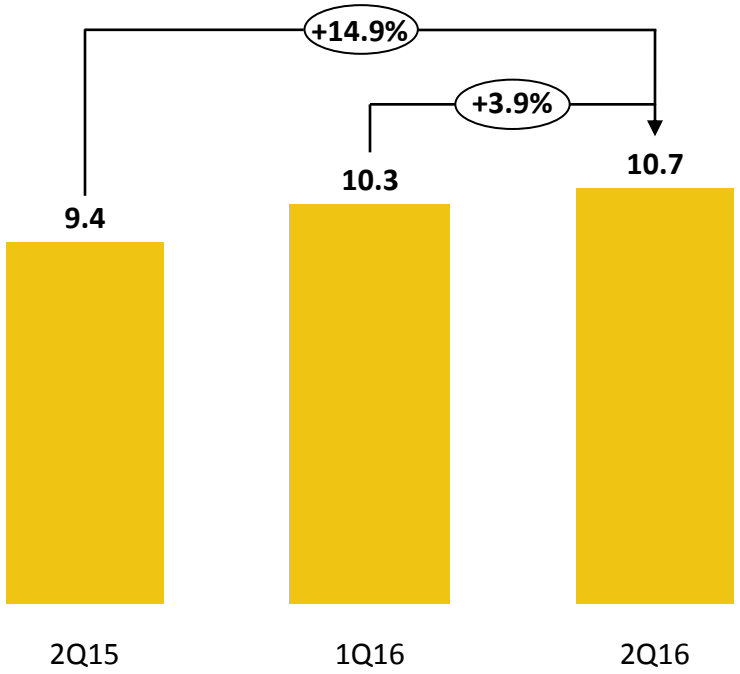
Profitability Ratios

	2Q15	1Q16	2Q16	1H15	1H16
ROE	15.3%	11.9%	12.3%	22.8%	12.0%
Adjusted ROE	14.2%	5.6%	7.7%	14.2%	6.6%
Market ROE	16.1%	6.6%	9.2%	16.0%	7.9%
Shareholders ROE	17.6%	7.3%	10.2%	17.4%	8.7%

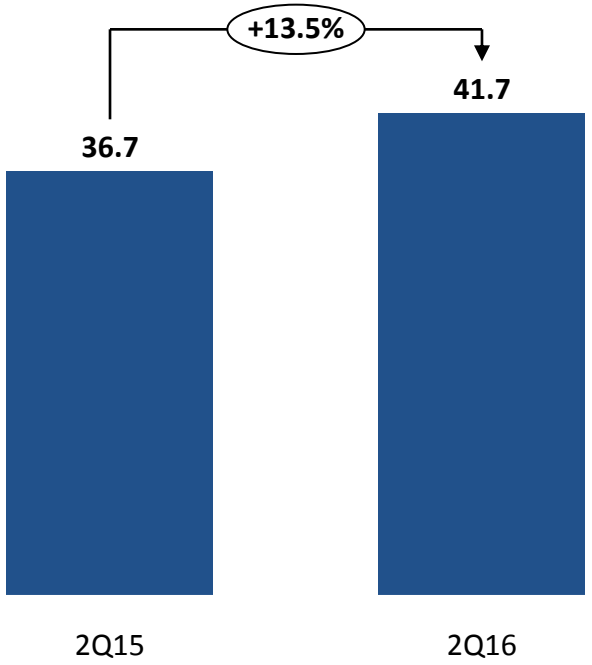
Pre-Tax and Pre-Provision Earnings

R$ billion

Quarterly Change

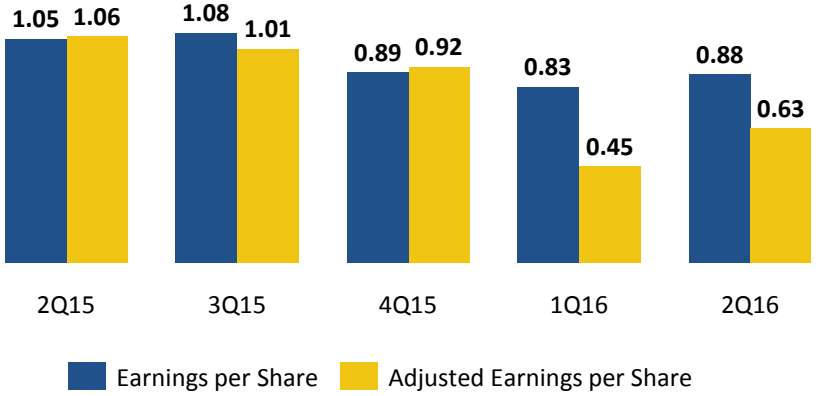


Accumulated Change[1]

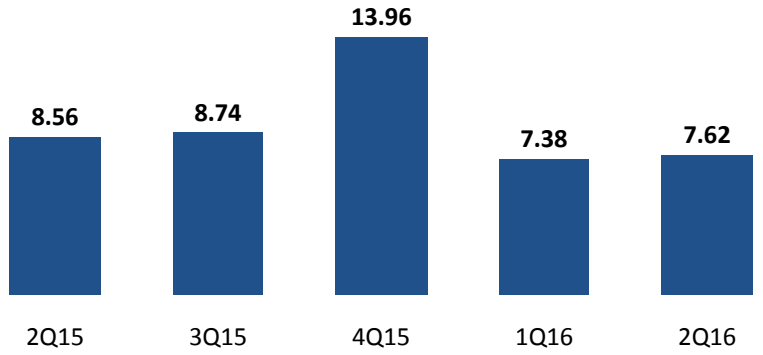


(1) Pre-Tax and Pre-Provision Earnings accumulated in four quarters.

Earnings per Share

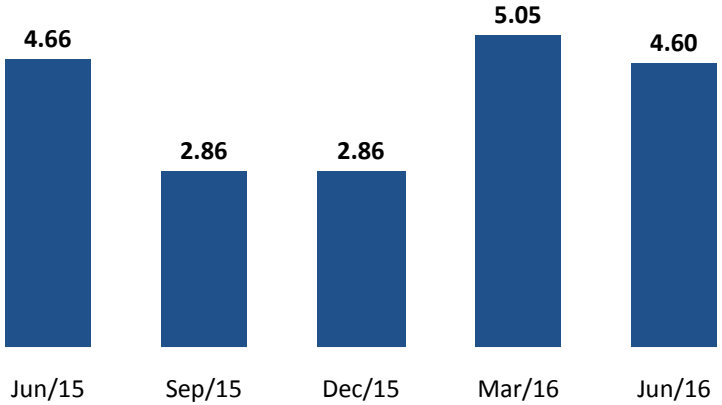


Dividend Yield[1] (%)



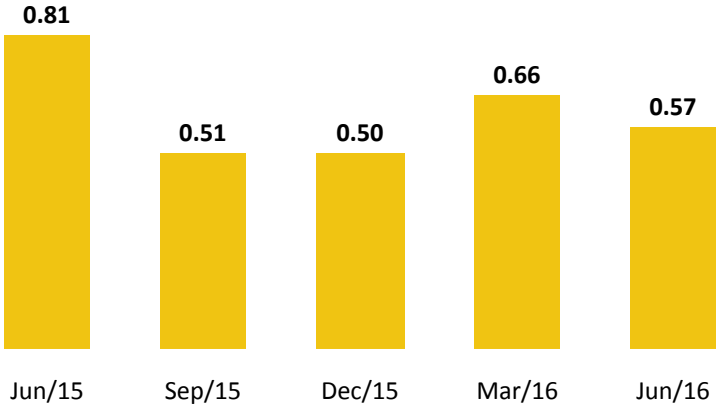
(1) Dividends and Interest on Own Capital 12 months / Market Capitalization.
Source: Economatica

Price/Earnings 12 months



Source: Economatica.

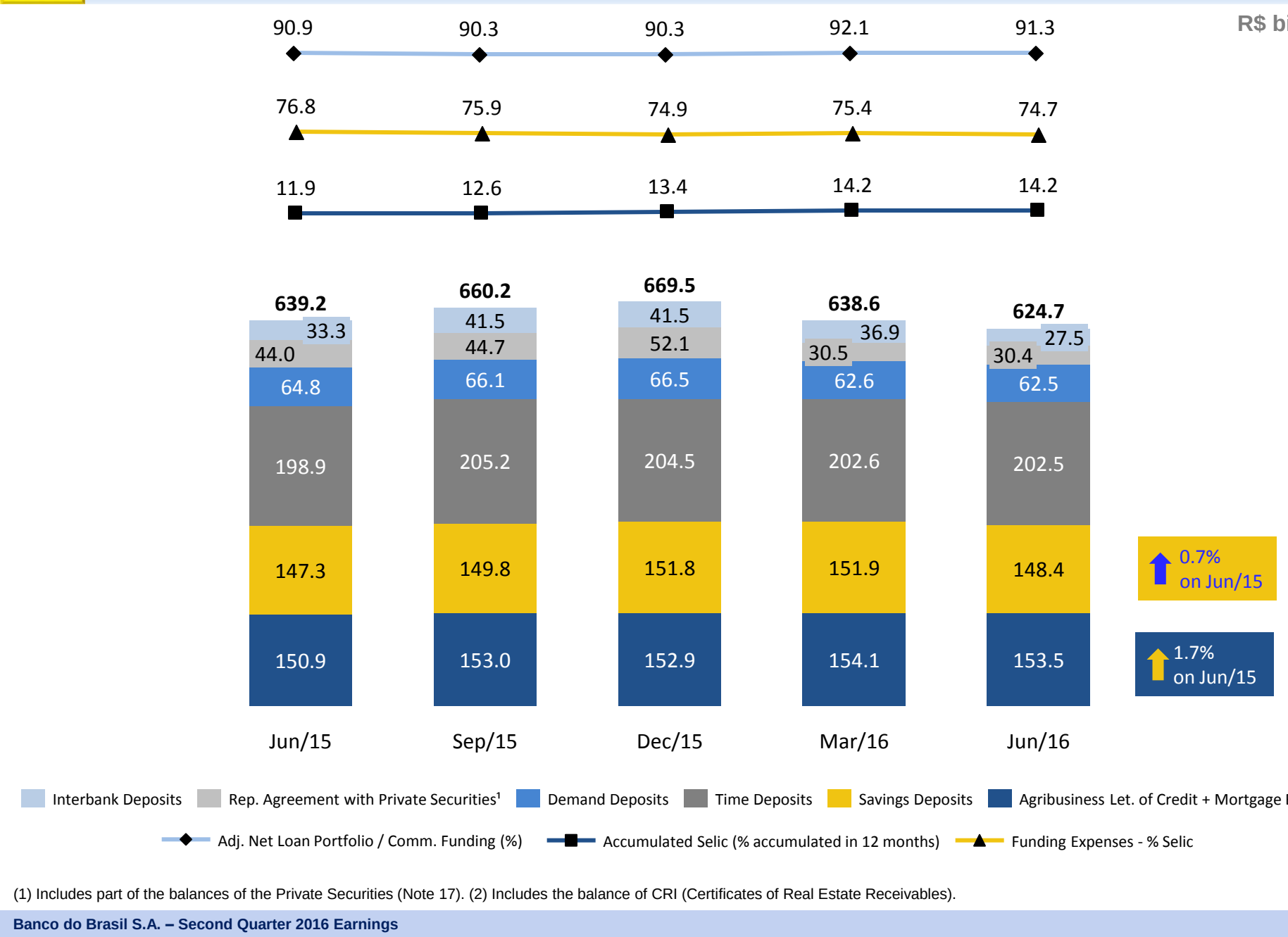
Price/Book Value



Source: Economatica.

Funding

R$ billion



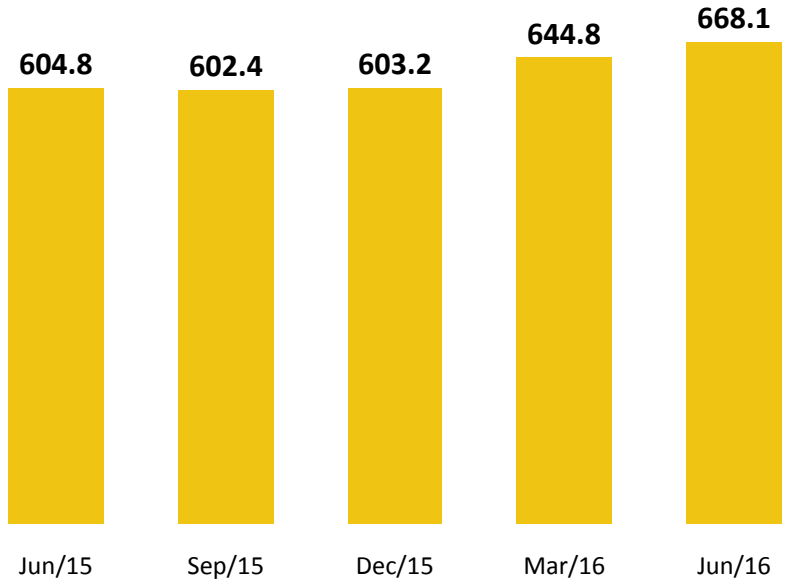
(1) Includes part of the balances of the Private Securities (Note 17). (2) Includes the balance of CRI (Certificates of Real Estate Receivables).

Other sources

R$ billion

Assets under Management – BB DTVM

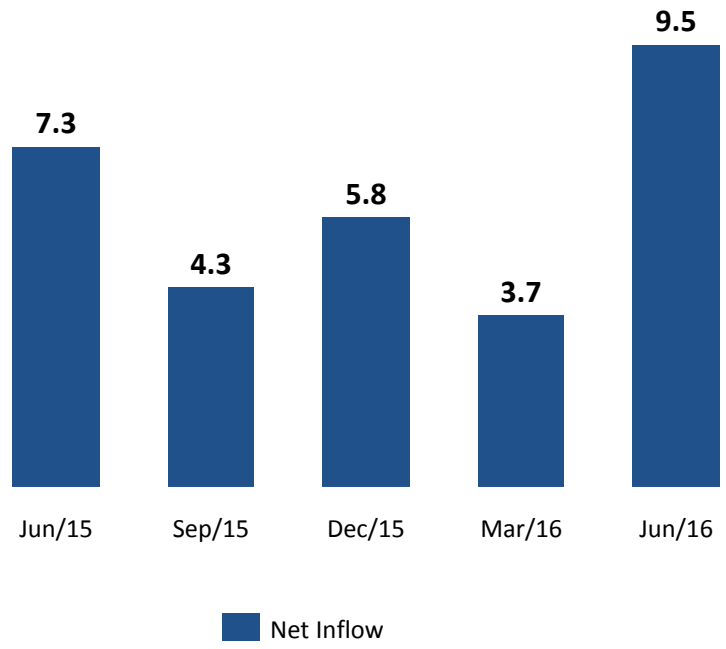
1st **22.2 % Market Share[1]**



(1) Source: Anbima – June/2016.

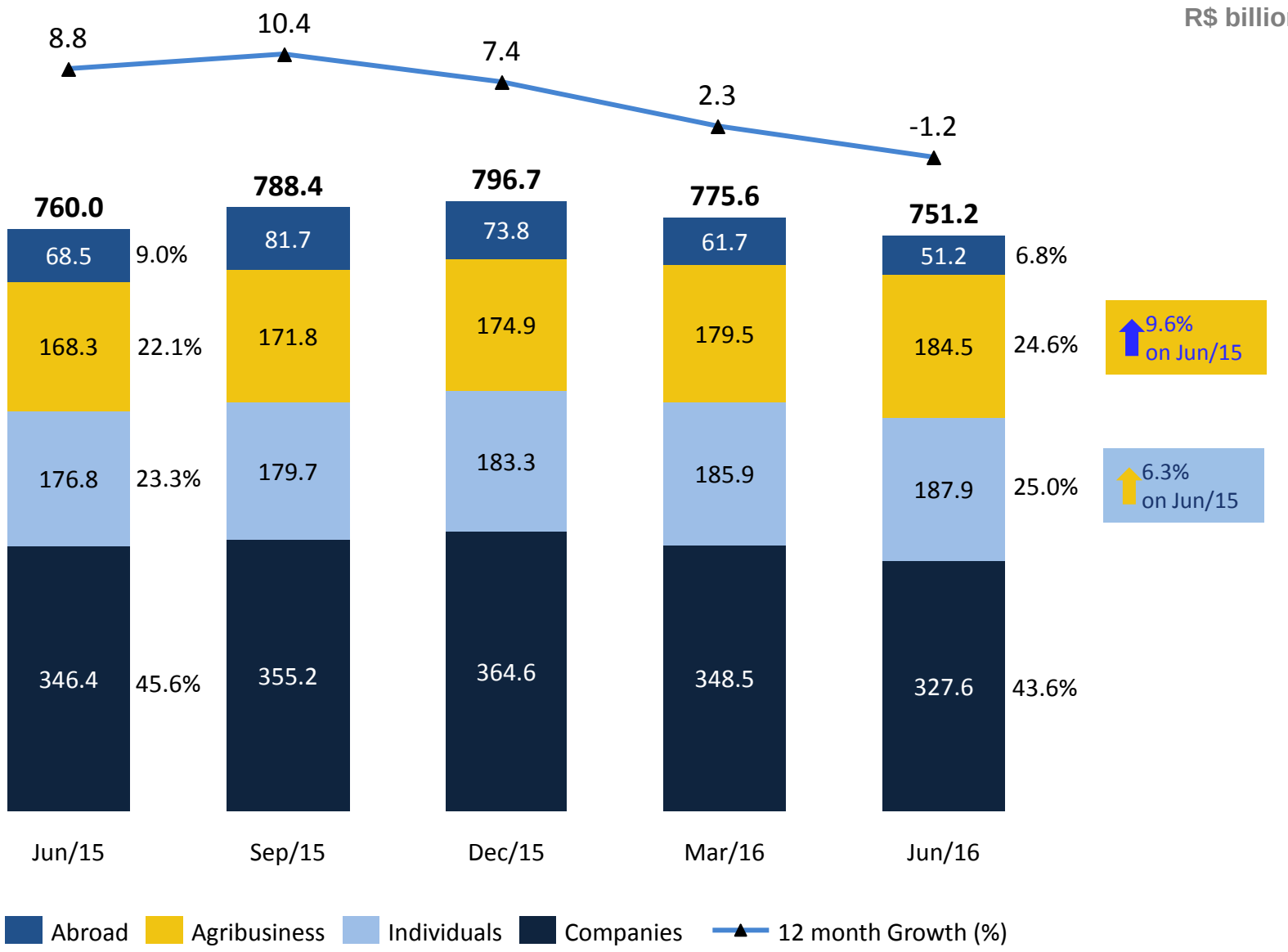
Brasilprev[2]

1st **59.1 % Market Share**



(2) Source: Quantum Axis – June/2016.

Loan Portfolio – Broad Concept[1]

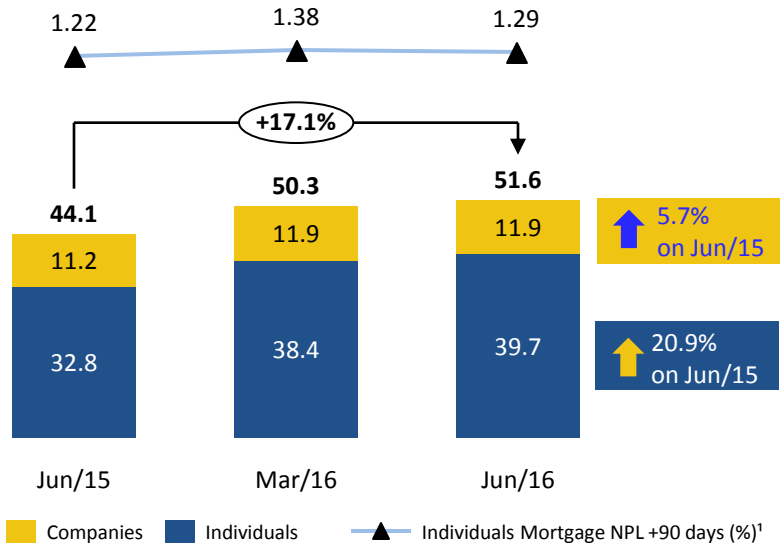


(1) It includes private securities and guarantees provided.

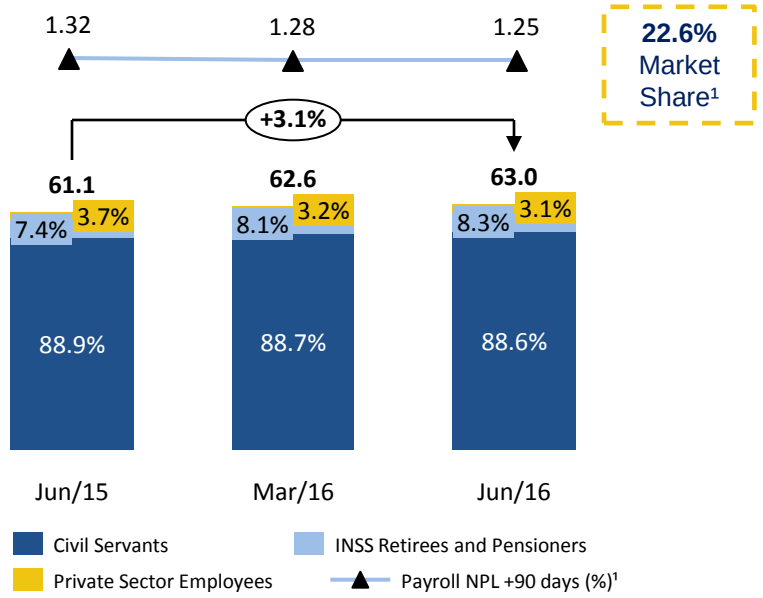
Concentration in lower risk lines[1]

R$ billion

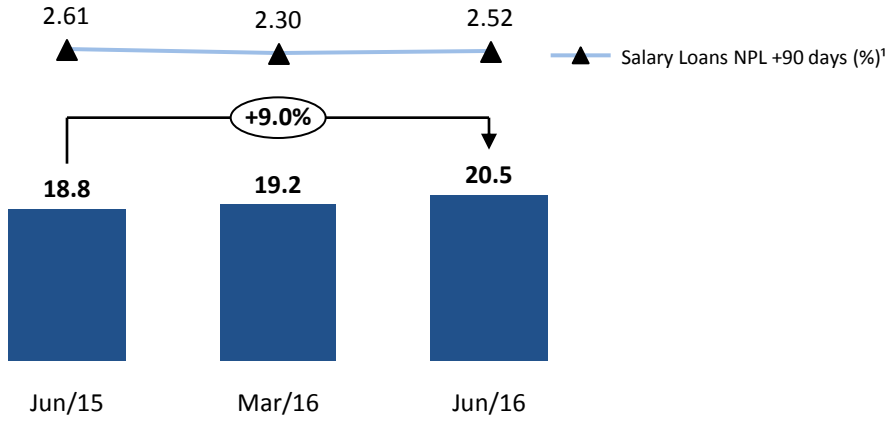
Mortgages



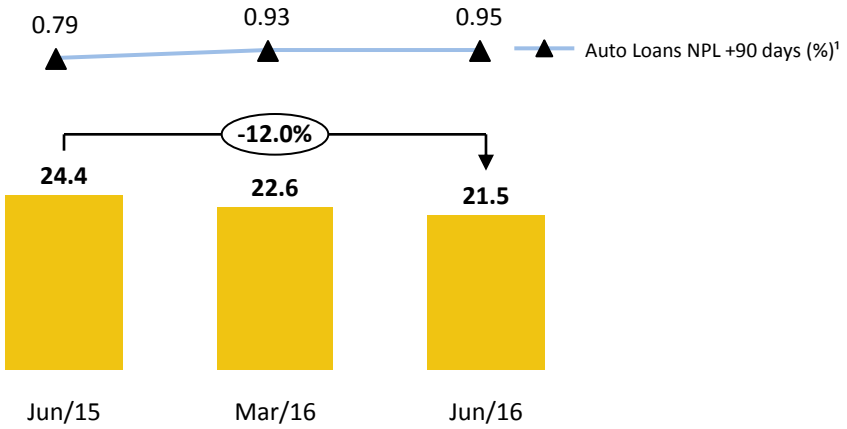
Payroll[2]



Salary Loans



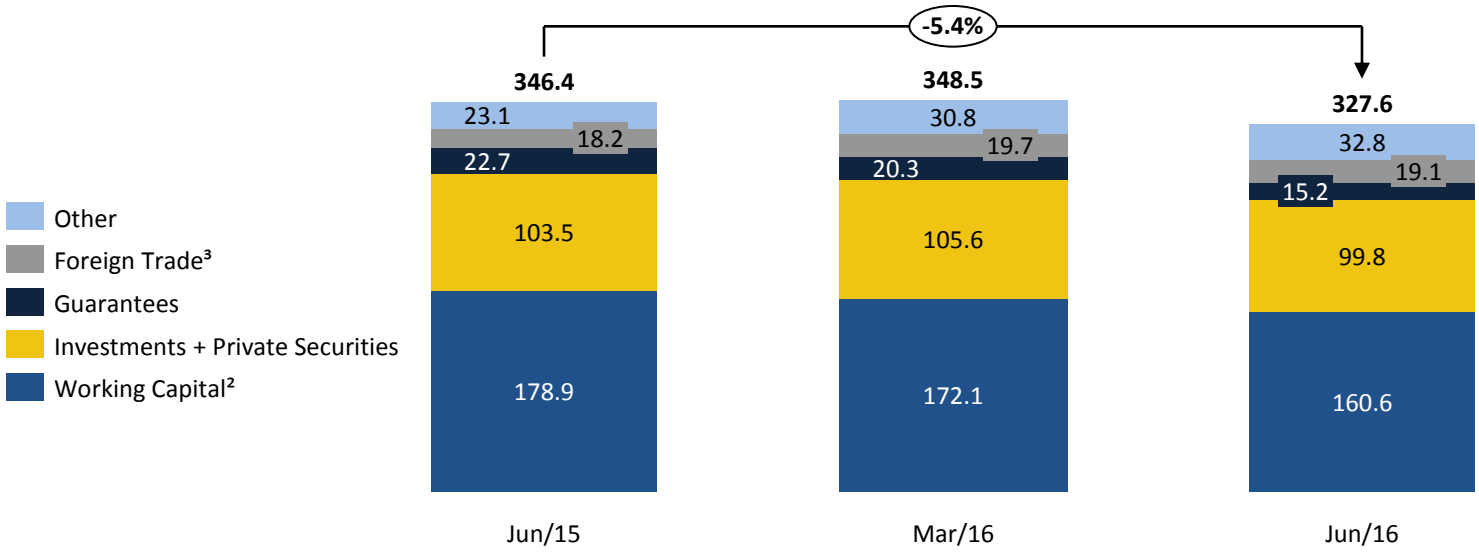
Auto Loans



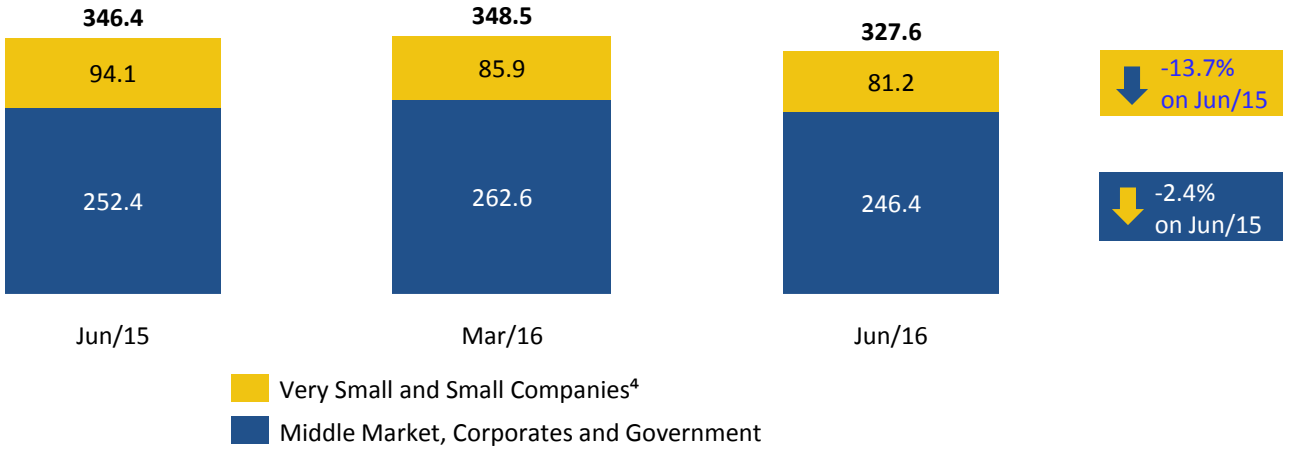
(1) BB Classified Loan Portfolio. (2) BB Organic Portfolio.

Loans to Companies – Broad Concept[1]

R$ billion



Corporate Portfolio by Size

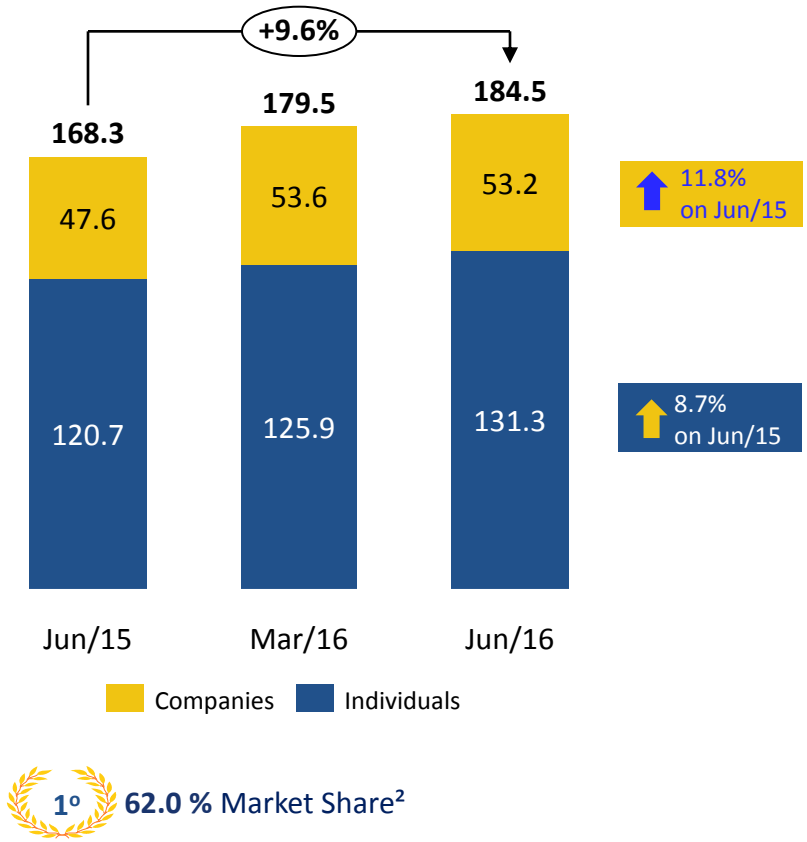


(1) It includes private securities and guarantees provided. (2) It includes Working Capital, Receivables, Credit Card and Overdraft Account. (3) It Includes FCE/ACE and BNDES Exim.
(4) Companies with annual revenues up to R$ 25 million.

Agribusiness

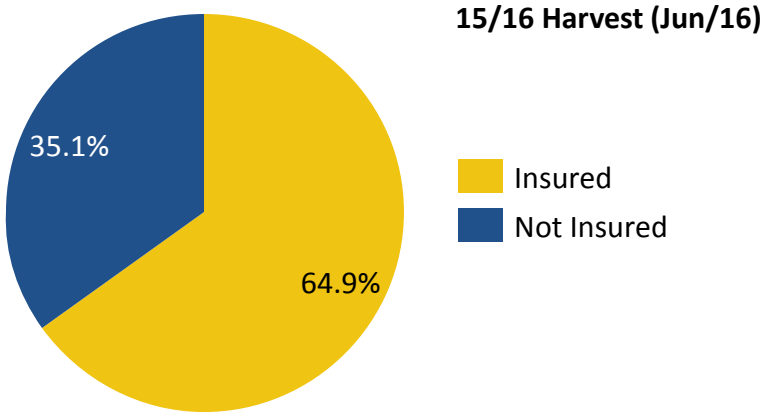
R$ billion

Agribusiness Loan Portfolio by Costumer Type[1]



1º **62.0 %** Market Share[2]

Mitigators Use (Working Capital for Input Purchase)

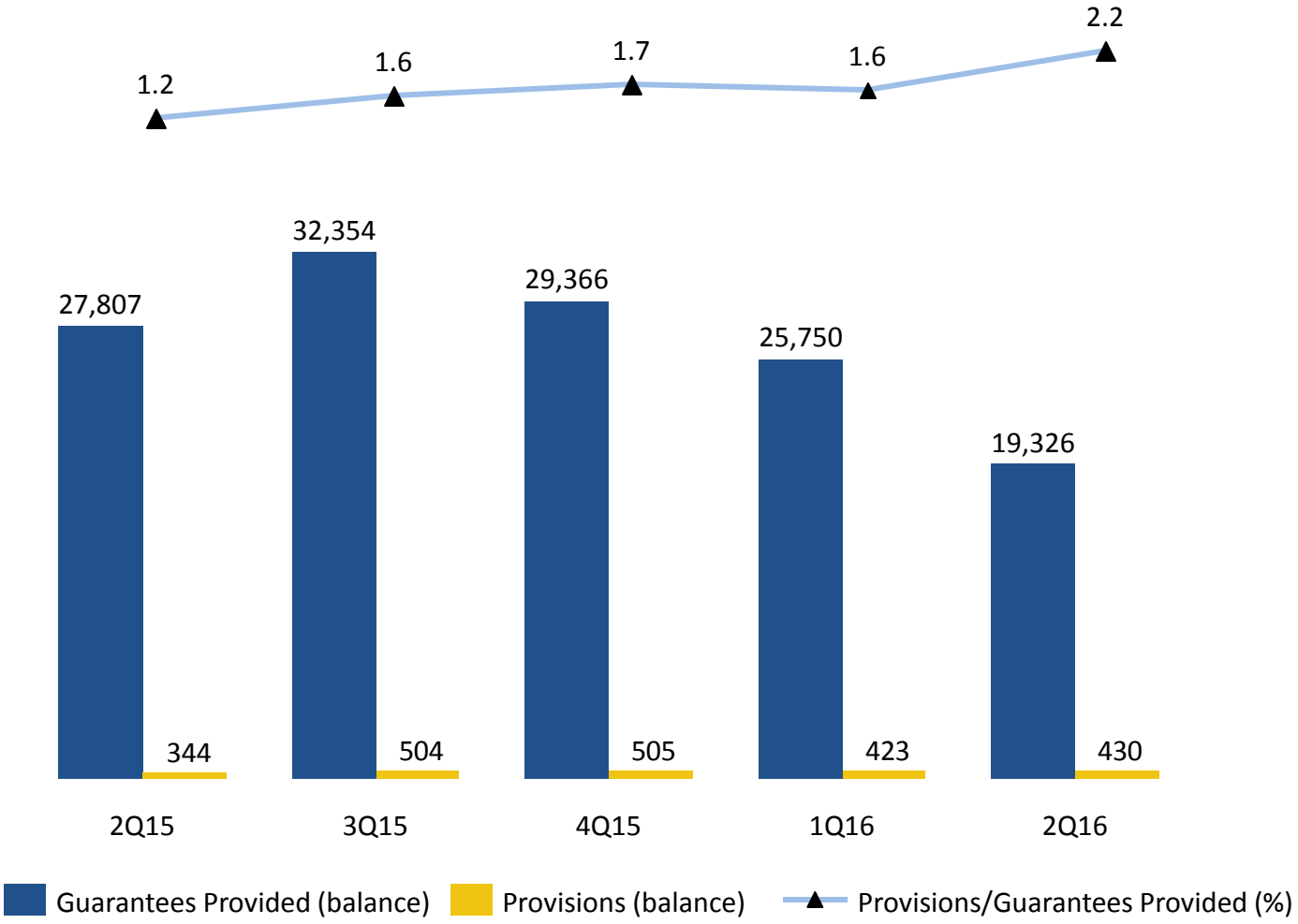


Total disbursement in 15/16 Harvest: **R$ 82.4 billion,** 12.4% growth compared to 14/15 Harvest disbursement.

(1) It includes Rural Product Bills and guarantees provided. (2) Source: Banco Central do Brasil – May/2016.

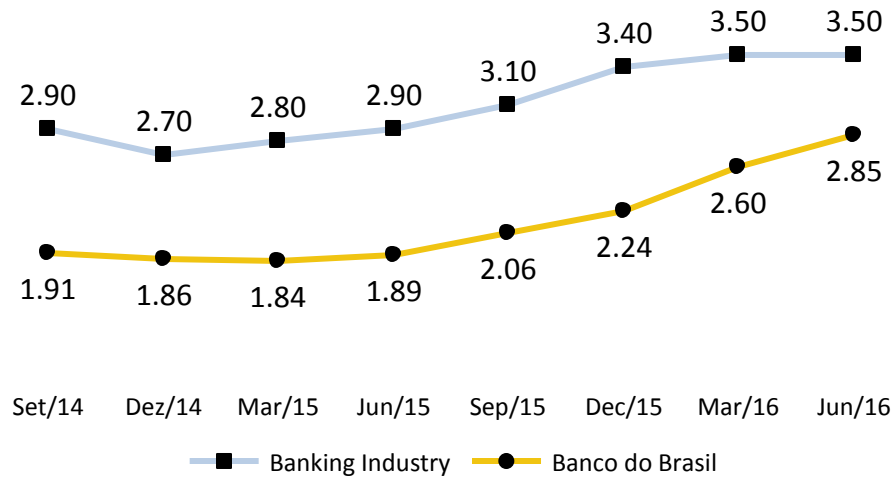
Guarantees provided and Provisions

R$ million

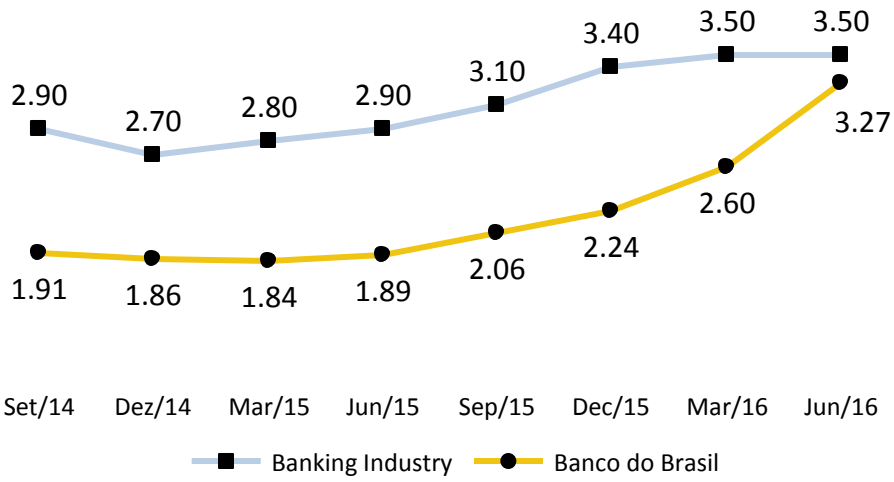


Delinquency Ratios[1]

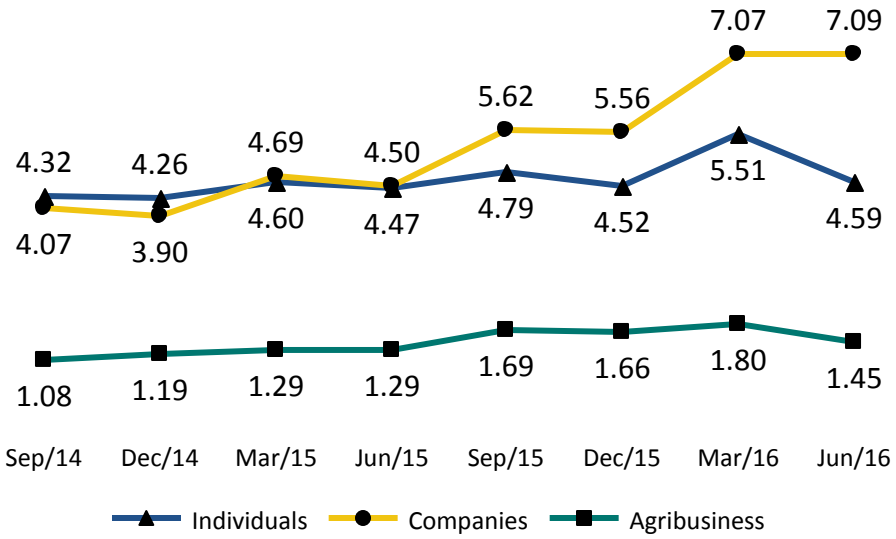
NPL Ratio +90 days (%) excluding a specific case[2]



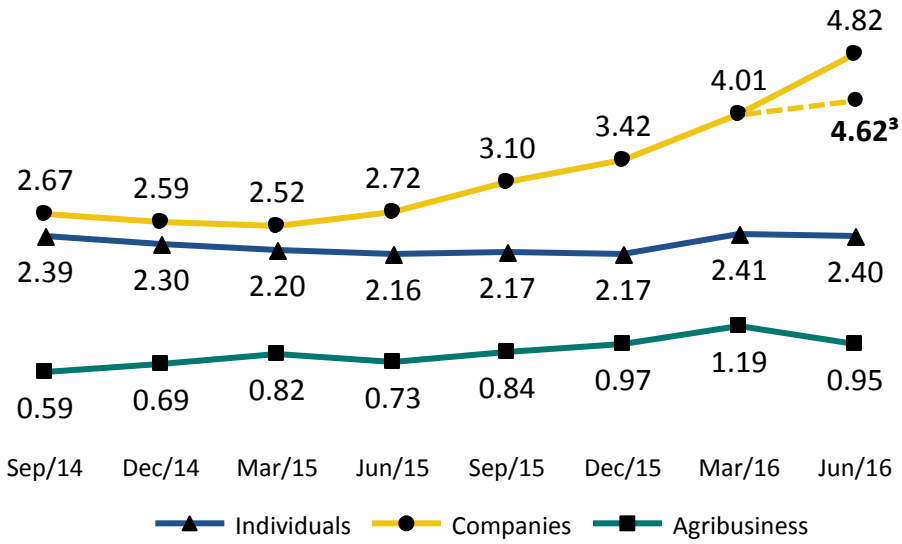
NPL Ratio +90 days (%)



NPL +15 Days (%)



NPL +90 Days (%)

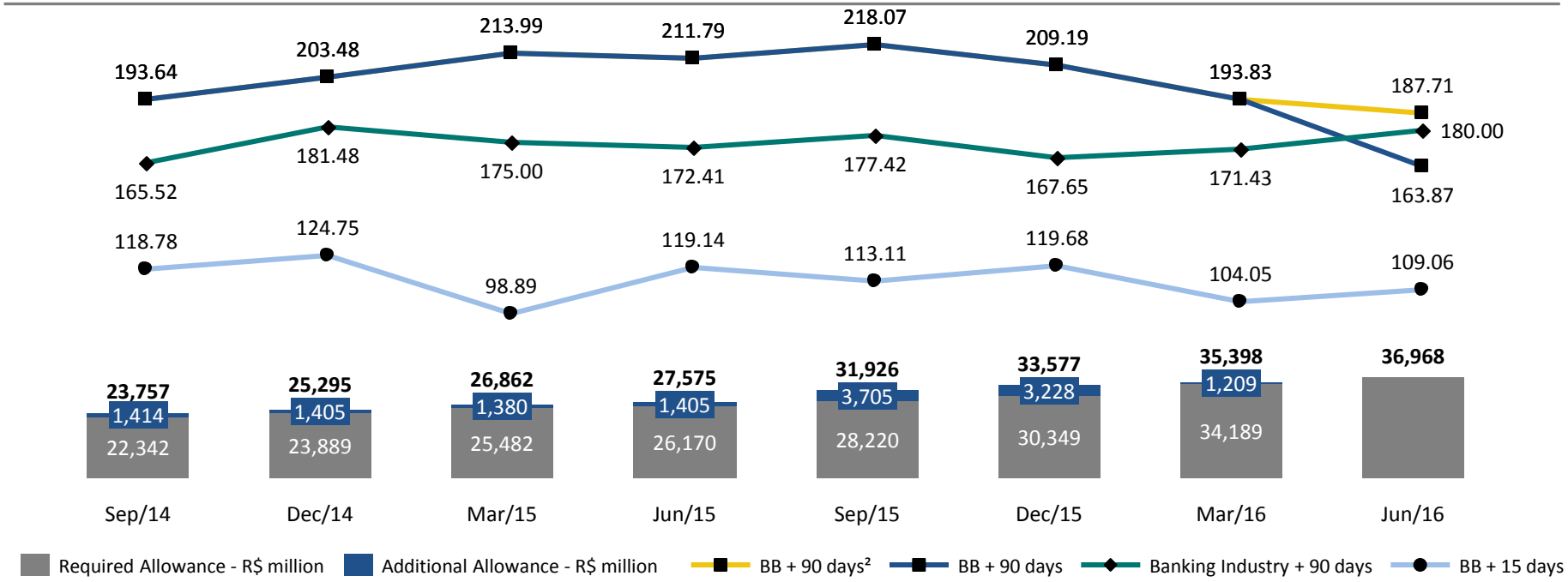


(1) BB Classified Loan Portfolio. (2) Simulation excluding an oil and gas specific case effect. (3) Simulation considering the Companies portfolio balance as of Mar/16.

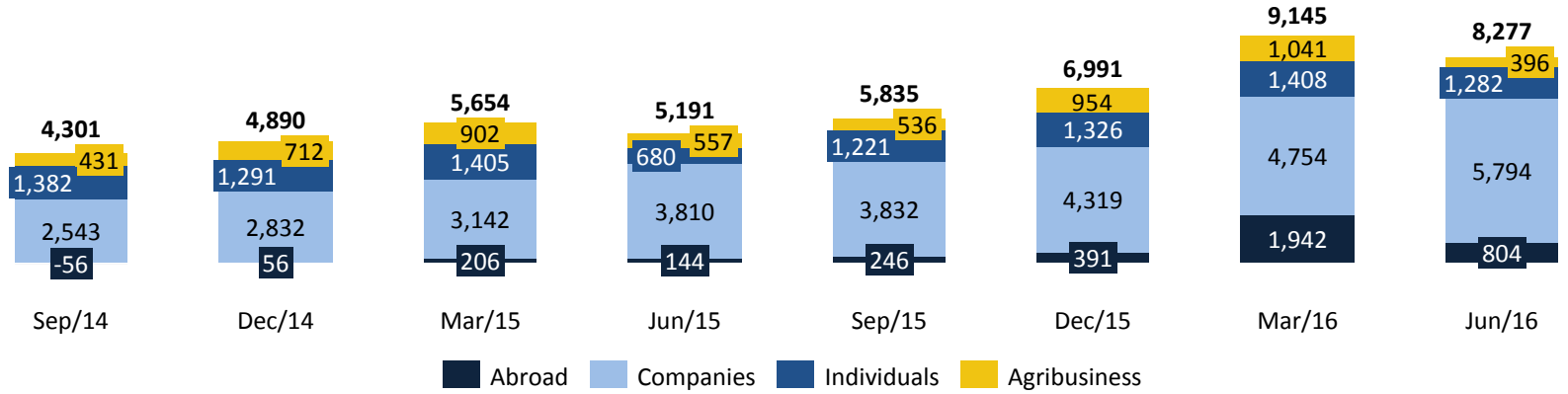
Asset Quality[1]

Coverage Ratios (%) and ALL Balance

R$ million



ALL by Segment[3]

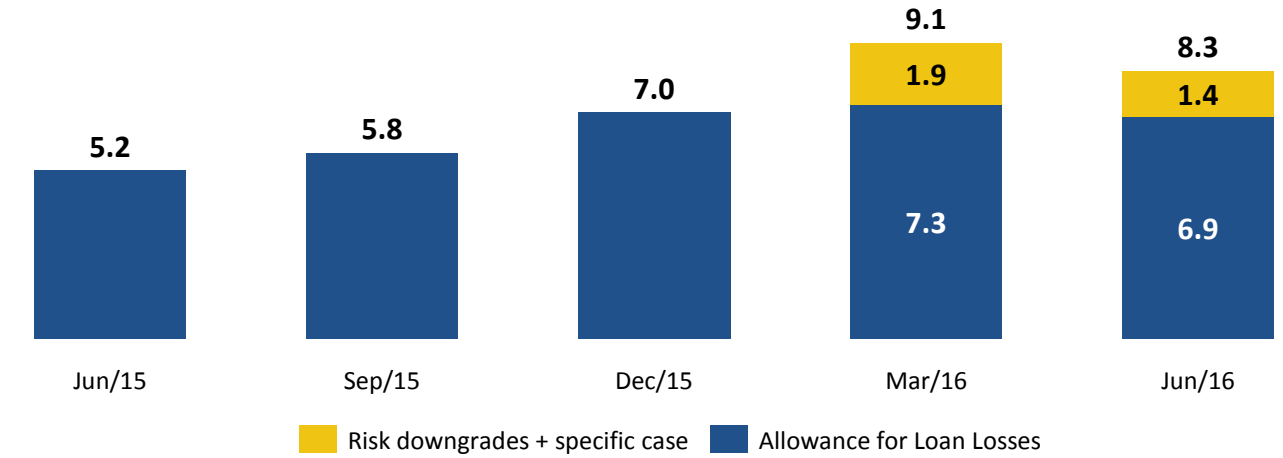


(1) BB Classified Portfolio. (2) Simulation excluding an oil and gas specific case effect. (3) Quarterly ALL. It does not consider additional provision.

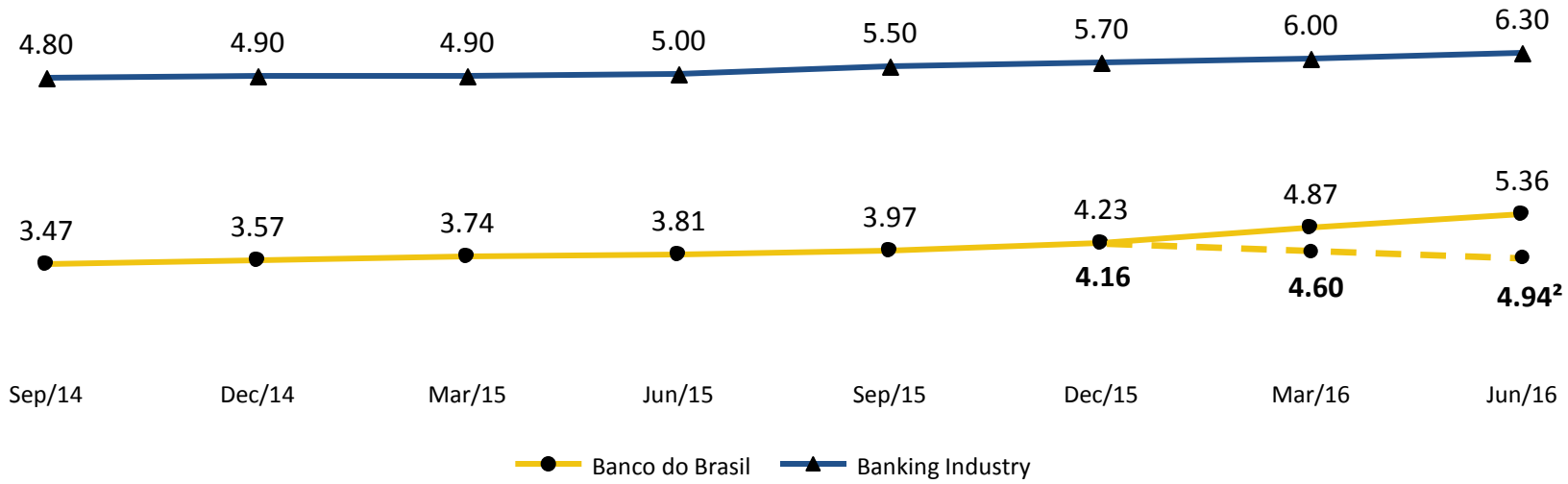
ALL and Average Risk

ALL Evolution

R$ billion

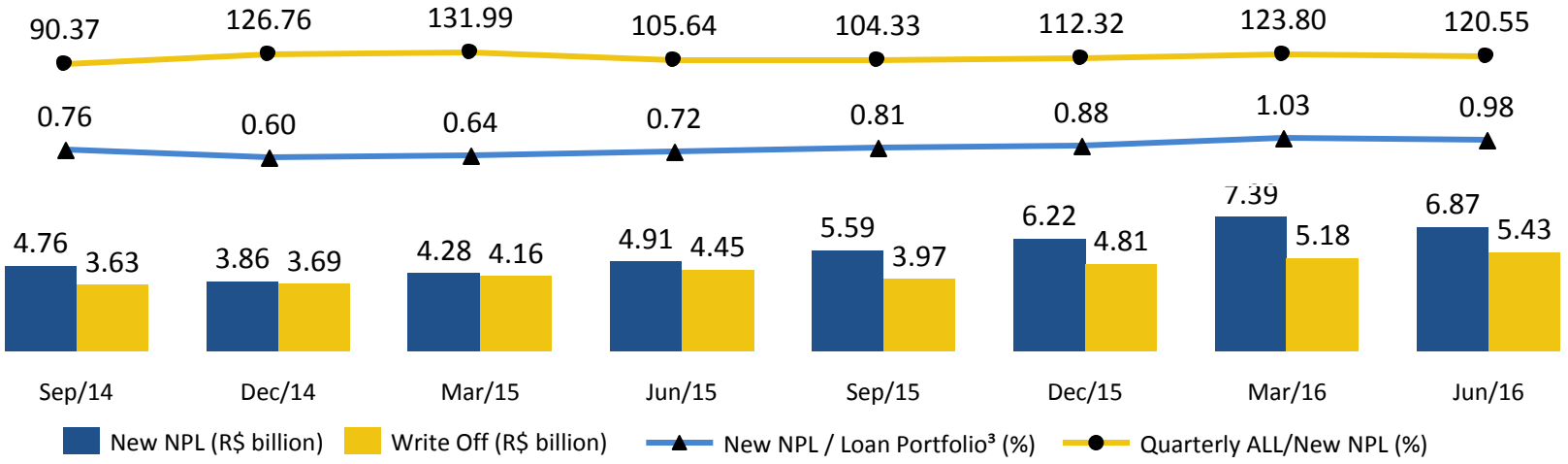


Average Risk[1] (%)

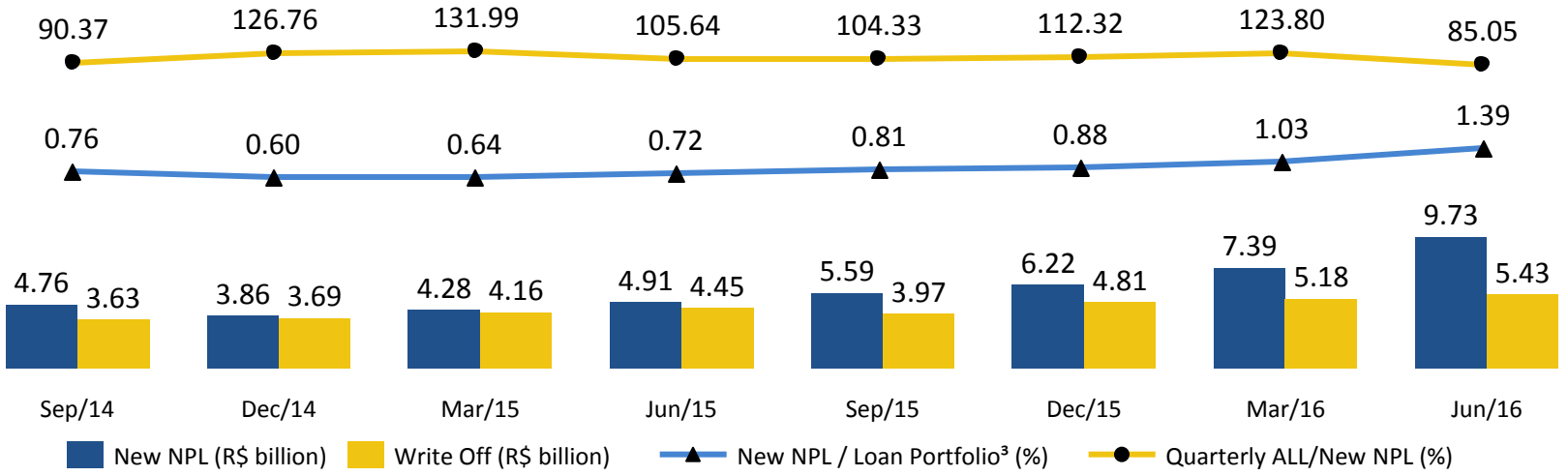


(1) Required Provision / BB Classified Loan Portfolio. (2) Simulation excluding an oil and gas specific case effect.

New NPL[1], Write Off and NPL Formation Rate excluding a specific case[2]



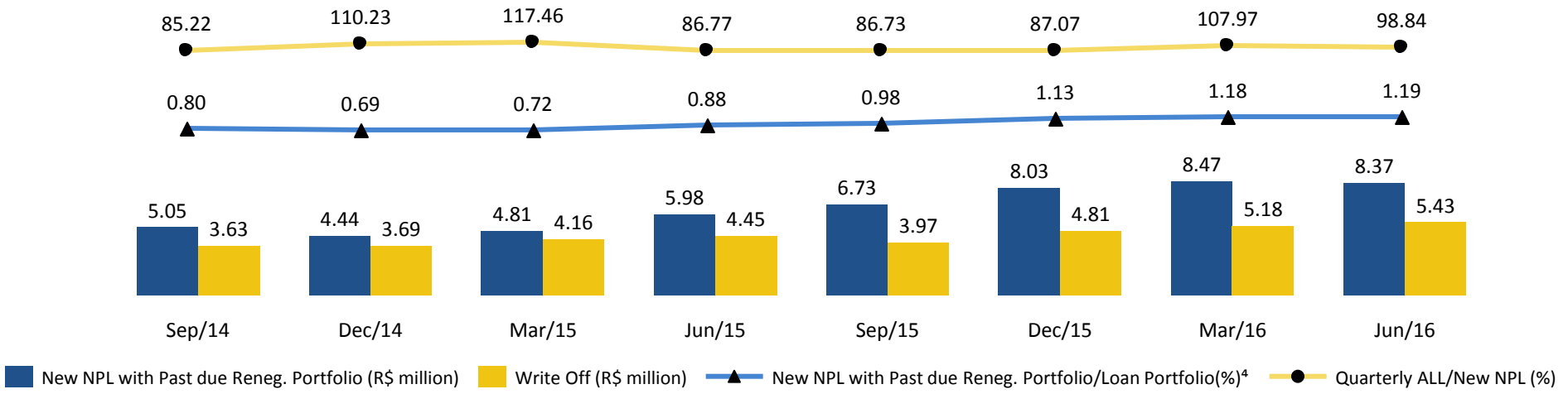
New NPL[1], Write Off and NPL Formation Rate



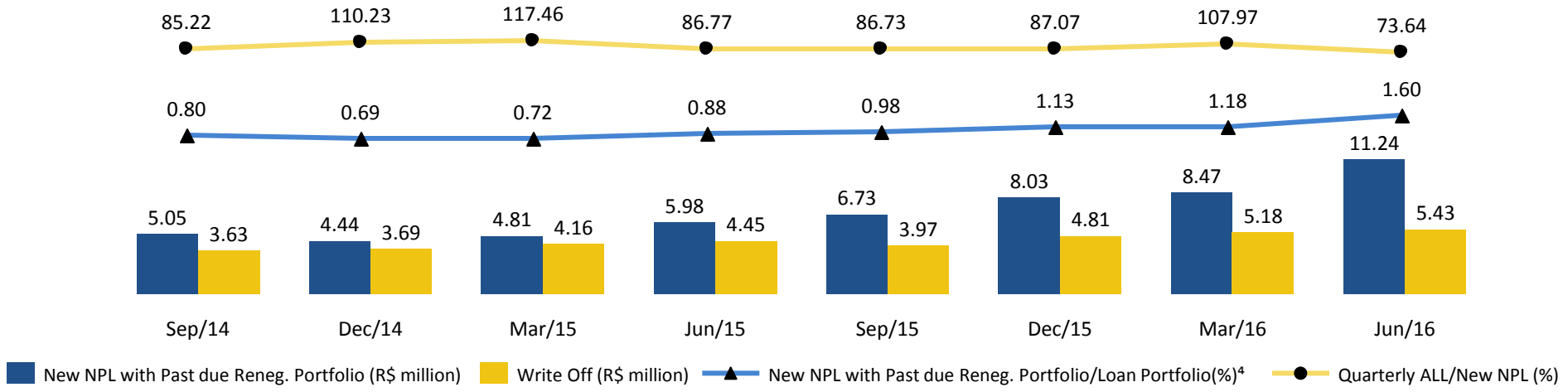
(1) Quarterly change in the balance of past due for over 90 days operations + current quarter write-off. (2) Simulation excluding an oil and gas specific case effect. (3) It considers the Classified Loan Portfolio of the previous quarter.

NPL Formation

New NPL[1], Write Off and NPL Formation Rate including the Past Due Renegotiated loan Portfolio[2], excluding a specific case[3]



New NPL[1], Write Off and NPL Formation Rate including the Past Due Renegotiated loan Portfolio[2]



(1) Quarterly change in the balance of past due for over 90 days operations + current quarter write-off. (2) Estimated flow of the Renegotiated loan portfolio contracts of past due for over 90 days operations. (3) Simulation excluding an oil and gas specific case effect. (4) It considers the Classified Loan Portfolio of the previous quarter.

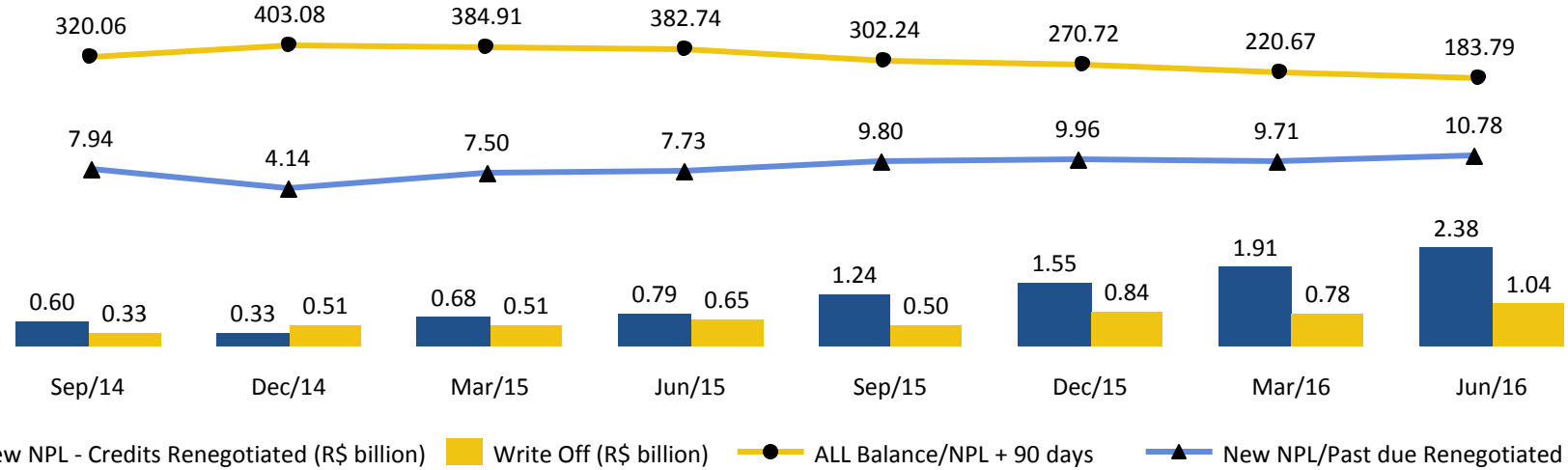
Renegotiated Overdue Loan Portfolio[1]

R$ million

	2Q15	1Q16	2Q16
Credits Renegotiated when Past Due - Changes			
Initial Balance	**10,183**	**19,653**	**22,038**
Contracts	3,561	3,611	5,026
Payments received and capitalized interest	(397)	(449)	(979)
Write-Off	(646)	(777)	(1,036)
Past due Renegotiated Loan Portfolio (A)	**12,701**	**22,038**	**25,050**
ALL Balance (B)	**6,616**	**9,495**	**10,369**
NPL + 90 days (C)	**1,729**	**4,303**	**5,642**
Indicators - %			
ALL / Loan Portfolio (B/A)	52.1	43.1	41.4
NPL + 90 days / Loan Portfolio (C/A)	13.6	19.5	22.5
ALL Balance/NPL + 90 days (B/C)	382.7	220.7	183.8
Credits Renegotiated/Classified Portfolio	1.8	3.1	3.6

(1) Table according to Explanatory Note 10.k

New NPL[1], Write Off and NPL Formation Rate



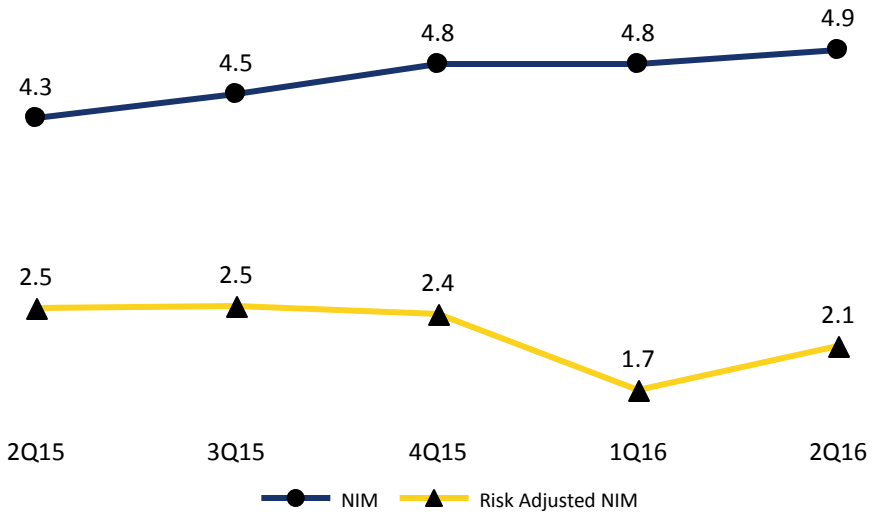
(1) Quarterly change in the balance of past-due for over 90 days operations + current quarter write off. (2) It considers the past due renegotiated portfolio of the previous quarter.

Net Interest Income and Net Interest Margin

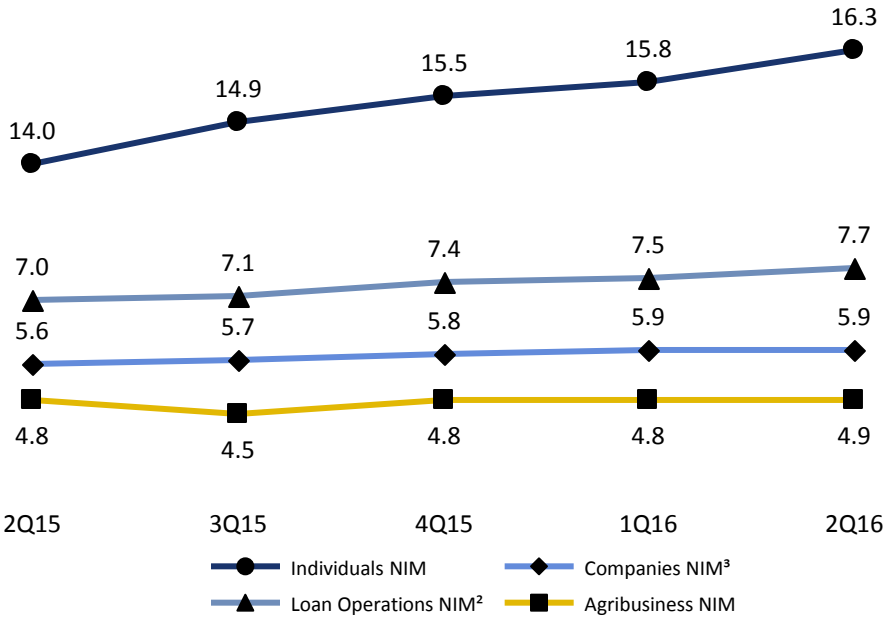
R$ million	2Q15	1Q16	2Q16	Chg. % On 2Q15	Chg. % On 1Q16	1H15	1H16	Chg. % On 1H15
Net Interest Income	**12,457**	**14,276**	**14,633**	**17.5**	**2.5**	**25,019**	**28,909**	**15.6**
Loan Operations Income	22,738	25,450	25,423	11.8	(0.1)	44,577	50,873	14.1
Funding Expenses	(10,308)	(10,930)	(11,034)	7.0	1.0	(19,618)	(21,965)	12.0
Institutional Funding Expenses[1]	(3,371)	(3,733)	(3,785)	12.3	1.4	(6,691)	(7,518)	12.4
Recovery of Write-offs Loans	911	861	1,384	51.8	60.7	1,751	2,245	28.2
Treasury Income[2]	2,487	2,628	2,646	6.4	0.7	5,000	5,274	5.5

(1) It Includes senior debt, subordinated debt and hybrid capital instrument and domestic abroad (HCDI). (2) It included interest income, tax hedge, derivatives and other financial instruments that compensate the exchange rate variation in result.

Global Spread (%)[1]



Spread by Segment (%)[1]



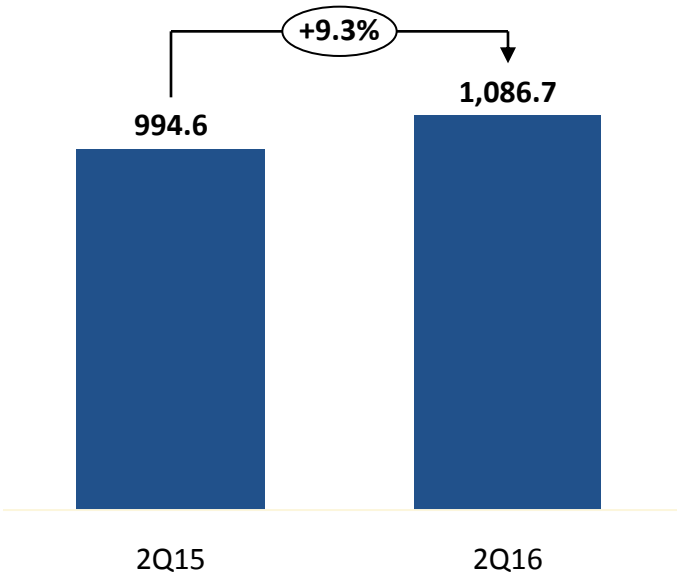
(1) Annualized data. (2) Series revised from 1Q15 due to methodology adjustments. (3) It does not include loans with government sector.

Fee Income

R$ million

	2Q15	1Q16	2Q16	Chg. % On 2Q15	Chg. % On 1Q16	1H15	1H16	Share %	Chg. % On 1H15
Fee Income	**5,374**	**5,558**	**6,063**	**12.8**	**9.1**	**10,797**	**11,621**	**100.0**	**7.6**
Account Fees	1,252	1,435	1,534	22.6	7.0	2,394	2,969	25.5	24.0
Asset Management Fees	880	906	974	10.7	7.5	1,693	1,880	16.2	11.0
Insurance, Pension and Premium Bonds	779	697	835	7.2	19.8	1,475	1,532	13.2	3.9
Collections	426	419	421	(1.1)	0.6	844	840	7.2	(0.5)
Loan Fees	420	360	444	5.7	23.4	771	804	6.9	4.3
Credit / Debit Cards	273	321	331	21.3	3.3	954	652	5.6	(31.7)
Billings	273	260	257	(5.7)	(1.0)	533	517	4.5	(2.9)
Interbank	193	202	223	15.3	10.0	379	425	3.7	12.2
Fiduciary Services	124	129	133	7.8	3.5	237	262	2.3	10.6
Consortium	110	115	123	11.3	6.1	205	238	2.0	15.9
Capital Market	96	110	174	81.7	59.2	262	284	2.4	8.2
Other	547	604	612	11.9	1.5	1,049	1,216	10.5	16.0

Adjusted Net Income (R$ million)



Insurance's Premiums and Collection[1]

Collection	Market Share %	Ranking
Pension Plan	39.7	1st
Premium Bond	23.7	2nd

Insurance´s Premiums	Market Share %	Ranking
Rural	74.9	1st
Life	19.8	1st
Vehicle	13.9	2nd

(1) Source: Susep, Jun/16.

Service Network Channels

Our more than 64 million clients count on more than 66 thousand points of service, present in 99.8% of the Brazilian municipalities and an increasingly digital Bank.

Top 5 APP



1. WhatsApp
2. Facebook
3. Google
4. Instagram
5. BANCO DO BRASIL

*5th Main App in Brazilian's everyday life, according to eMarketer Research - June/2016.

BB Estilo Digital / Exclusivo



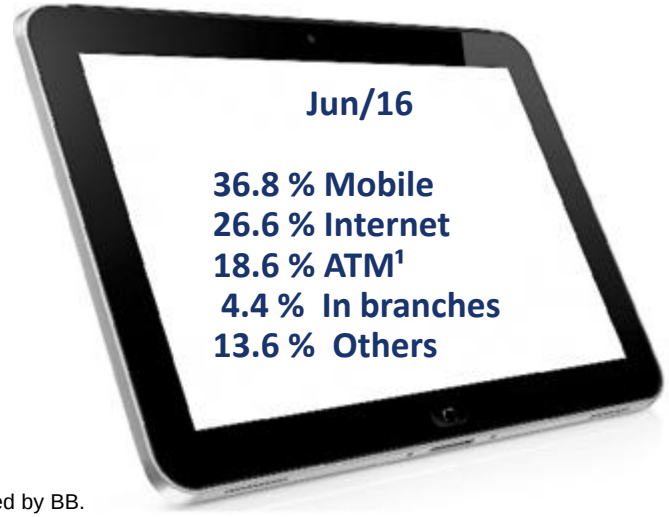
Estilo Digital

- 552 thousand clients
- 143 Branches
- 240 branches by the end of 2016 supporting 1.3 million clients

Exclusivo

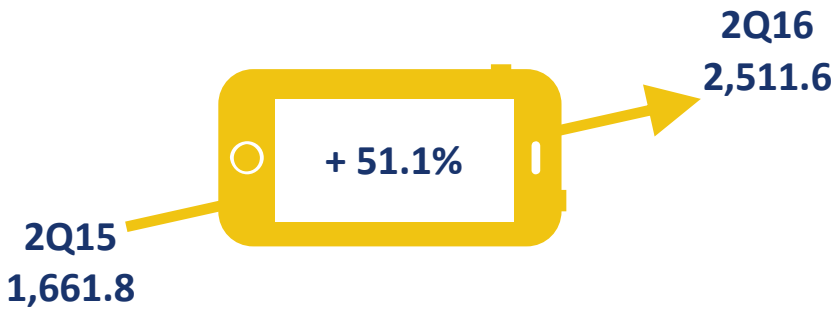
- 52 thousand clients
- 6 Exclusive Offices
- 32 offices by the end of 2016 supporting 650 thousand clients

Automated Service Channels - Transactions



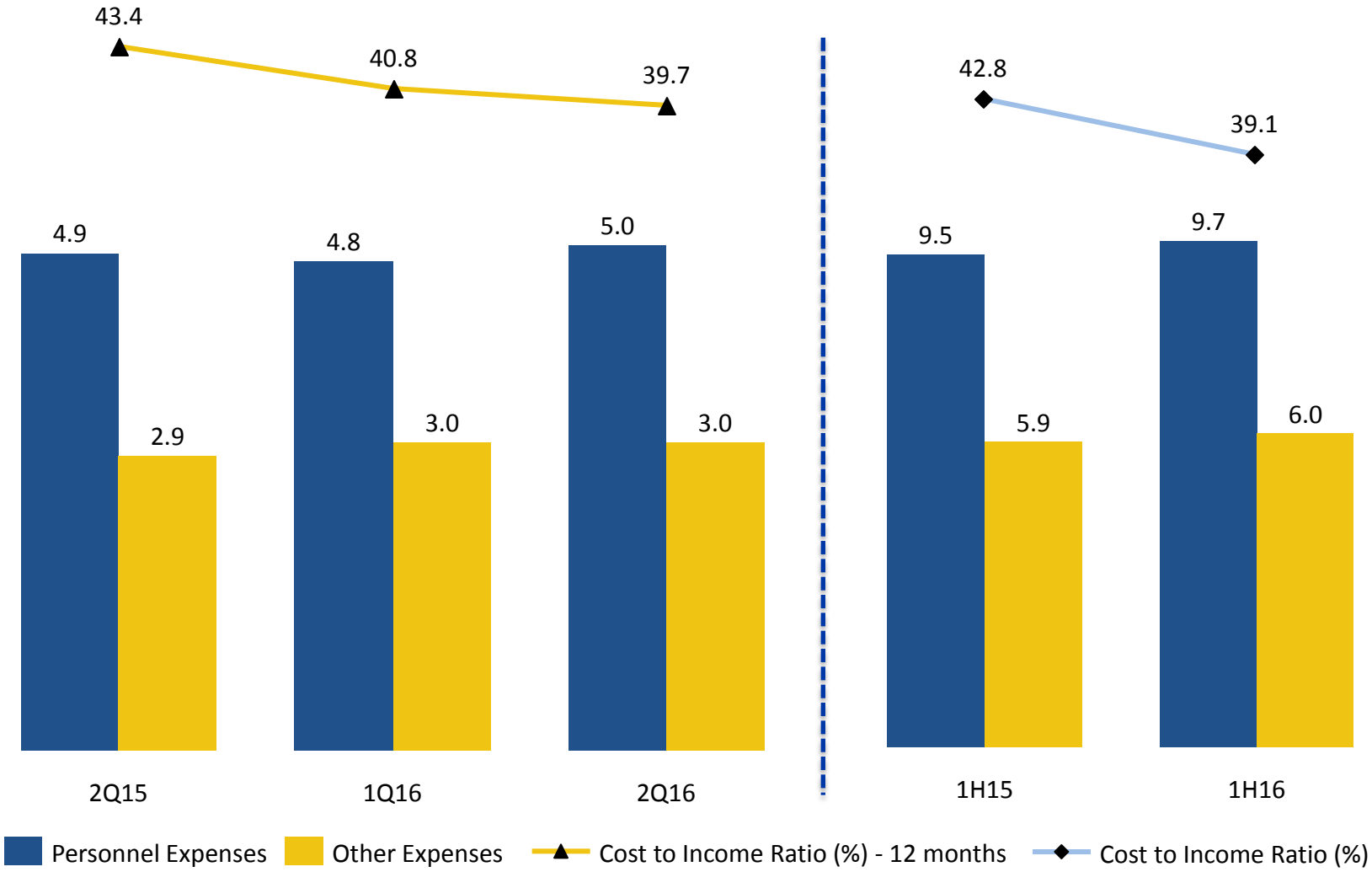
(1) Owned by BB.

BB Digital – *Mobile* (million transactions)



Administrative Expenses and Cost to Income Ratio[1]

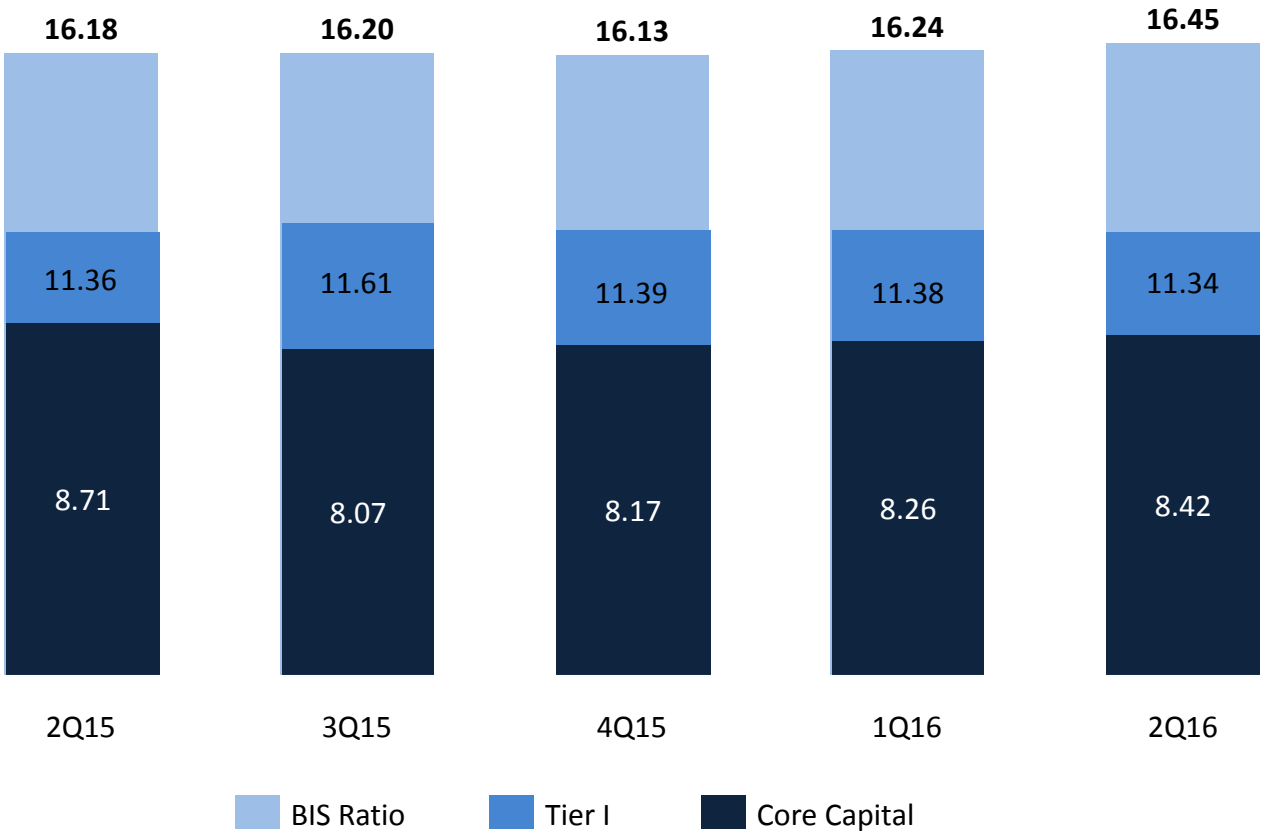
R$ billion



(1) Cost to Income Ratio: Administrative Expenses / Operating Revenues. Data from the Income Statement with Reallocations.

BIS Ratio[1]

%

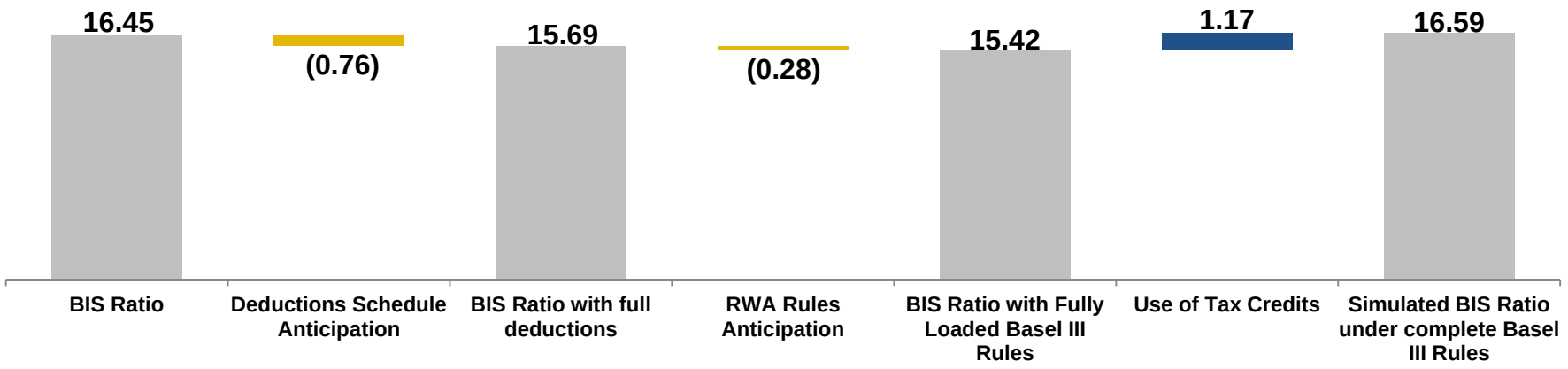


(1) The consolidation scope used as a base for checking the operating limits was changed, so that it took into account only the Financial Conglomerate, from October 1, 2013, to December 31, 2014, and the Prudential Conglomerate, as defined in CMN resolution 4,280/2013, from January 1, 2015.

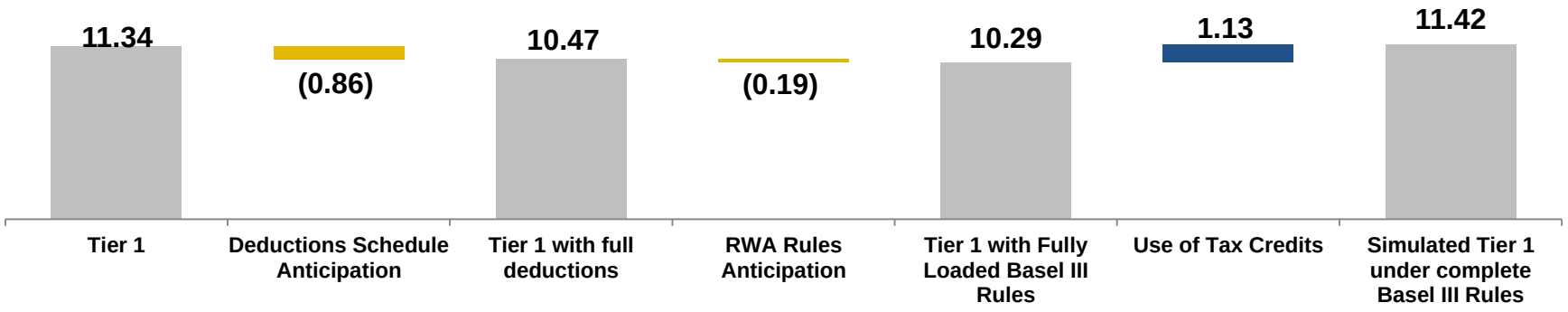
Full application of Basel III rules

BIS Ratio

%



Tier 1



%

	2016 Guidance	2016 Performance	2016 Guidance Revised
Adjusted Return on Equity[1]	9 to 12	6.6	Unchanged
Net Interest Income	7 to 11	15.6	11 to 15
Domestic Loan Portfolio[2] - Broad Concept	3 to 6	1.2	-2 to 1
Individuals	5 to 8	6.3	Unchanged
Companies	1 to 4	-5.4	-10 to -6
Agribusiness	6 to 9	9.6	Unchanged
Allowance for Loan Losses[3]	4.0 to 4.4	4.3	Unchanged
Fee Income	7 to 11	7.6	Unchanged
Administrative Expenses	5 to 8	2.6	Unchanged

(1) Adjusted ROE estimated for 2016 uses estimated adjusted shareholders' equity, free from the effects of: (i) the restatement of actuarial assets and liabilities arising from the Deliberation CVM/695; and (ii) minority interests in controlled companies.
(2) It includes private securities and guarantees provided.
(3) Allowance for Loan Losses expenses of the last twelve months / Average Classified loan portfolio for the same period.

Investor Relations Unit
Av. Paulista, 2,163 – 2nd Floor
01311-933 - São Paulo (SP)
Telephone: +55 (11) 3066 9110

bb.com.br/ir
ir@bb.com.br

Appendix

30. BIS III - Capital Requirements

31. One-Off Items

32. Income Statement – Main Lines

33. Tax Rate

34. Banco Votorantim

%

Implementation Schedule

	2016	2017	2018	2019
Common Equity Tier I (CET1)	4.500	4.500	4.500	4.500
Tier I	6.000	6.000	6.000	6.000
Brazilian BIS Ratio	9.875	9.250	8.625	8.000
Capital Conservation Buffer	0.625	1.250	1.875	2.500
Additional CET1 Countercyclical Buffer (superior limit)	*0.625* [1]	1.250	1.875	2.500
Additional CET1 Systemic (D-SIB) Buffer	0.000	0.250	0.500	1.000
CET1 + Buffers	5.125[1]	7.250	8.750	10.500
Tier I + Buffers	6.625[1]	9.000	10.250	12.000
Brazilian BIS Ratio + Buffers	10.500[1]	12.000	12.875	14.000

(1) The Additional CET1 Countercyclical Buffer was not activated by the Central Bank in 2016, according to Central Bank Circular 3,769/15.

One-Off Items

R$ million

	2Q15	1Q16	2Q16	1H15	1H16
Adjusted Net Income	**3,040**	**1,286**	**1,801**	**6,065**	**3,087**
(+) One-Off Items	**(32)**	**1,073**	**664**	**2,761**	**1,738**
Economic Plans	33	(382)	(185)	(155)	(567)
Extraordinary Provision for Lawsuits	(208)	407	259	(766)	666
Additional ALLL	-	2,047	1,209	-	3,257
Funds and Programs Adjustment	(127)	-	-	(127)	-
Cateno - Gestão de Contas de Pagamentos S/A	-	-	-	11,572	-
Cateno - Unrealized Income	-	-	-	(5,800)	-
BrasilPrev: Susep Circular 457/12 and 462/13	385	-	-	385	-
BrasilPrev Effect on Minority Shareholders	(74)	-	-	(74)	-
Tax Eff. and Stat. Profit Sharing on One-Off Items	(42)	(999)	(618)	(3,530)	(1,617)
Net Income	**3,008**	**2,359**	**2,465**	**8,826**	**4,824**

Income Statement – Main Lines

R$ million

	2Q15	1Q16	2Q16	Chg. % On 2Q15	Chg. % On 1Q16	1H15	1H16	Chg. % On 1H15
Financial Intermediation Income	**35,319**	**31,120**	**36,935**	**4.6**	**18.7**	**84,763**	**68,055**	**(19.7)**
Financial Intermediation Expenses	**(22,862)**	**(16,844)**	**(22,302)**	**(2.4)**	**32.4**	**(59,745)**	**(39,146)**	**(34.5)**
Net Interest Income	**12,457**	**14,276**	**14,633**	**17.5**	**2.5**	**25,019**	**28,909**	**15.6**
Allowance for Loan Losses	(5,191)	(9,145)	(8,277)	59.5	(9.5)	(10,845)	(17,422)	60.6
Net Financial Margin	**7,267**	**5,131**	**6,356**	**(12.5)**	**23.9**	**14,174**	**11,488**	**(19.0)**
Fee income	5,374	5,558	6,063	12.8	9.1	10,797	11,621	7.6
Contribution Margin	**11,557**	**9,466**	**11,128**	**(3.7)**	**17.6**	**22,863**	**20,594**	**(9.9)**
Administrative Expenses	(7,760)	(7,808)	(7,973)	2.7	2.1	(15,379)	(15,781)	2.6
Commercial Income	**3,699**	**1,541**	**3,064**	**(17.2)**	**98.9**	**7,284**	**4,604**	**(36.8)**
Previ	139	(110)	(110)	-	-	278	(220)	-
Income Before Taxes	**4,163**	**1,202**	**2,472**	**(40.6)**	**105.7**	**8,199**	**3,674**	**(55.2)**
Income and Social Contribution Taxes	(331)	659	12	-	(98.2)	(405)	671	-
Corporate Profit Sharing	(389)	(186)	(246)	(36.8)	32.4	(920)	(431)	(53.1)
Adjusted Net Income	**3,040**	**1,286**	**1,801**	**(40.8)**	**40.0**	**6,065**	**3,087**	**(49.1)**
Adjusted ROE (%)	**14.2**	**5.6**	**7.7**	**-**	**-**	**14.2**	**6.6**	**-**
Net Income	**3,008**	**2,359**	**2,465**	**(18.0)**	**4.5**	**8,826**	**4,824**	**(45.3)**
ROE (%)	**14.1**	**10.5**	**10.7**	**-**	**-**	**20.9**	**10.4**	**-**

Tax Rate

R$ million

EBT Effects

EBT Reallocations	2,472
Additional ALL	1,209
Tax Hedge	928
Other One-Off Items	74
Base Fiscal	**4,683**

Tax Rate Effects

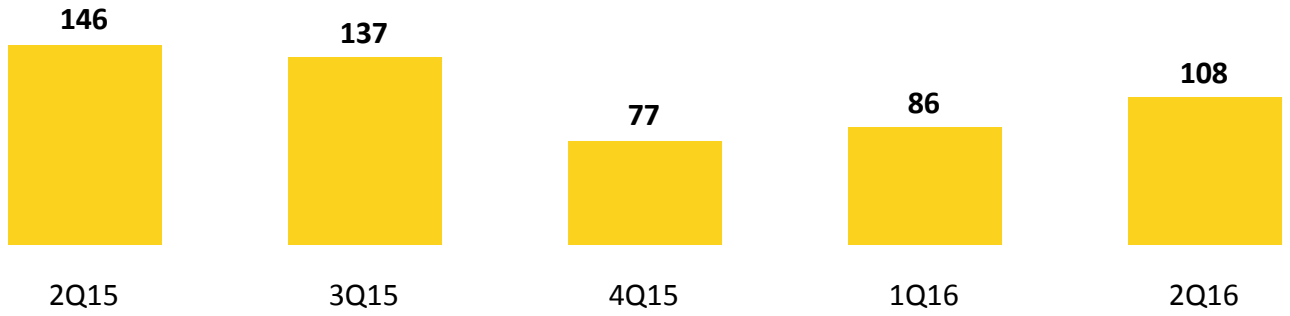
IR/CSLL Reallocations	12
Interest on Own Capital Tax Benefit	(344)
Statutory Profit Sharing	(141)
Eq. Int. in Results of Subsidiaries and Affiliates	(491)
Tax Hedge	(928)
Tax Effect on One-Off Items	(544)
Other	328
IR/CSLL	**(2,107)**

Tax Rate: **45%**

Source: Income Statement with Reallocations and Explanatory Note 24.

Net Income

R$ million



Delinquency and Risk (%)

