BANCO DO BRASIL

Results

2011



Disclaimer

This presentation may include references and statements, planned synergies, increasing estimates, projections of results, and future strategy for Banco do Brasil, it's Associated and Affiliated Companies, and Subsidiaries. Although these references and statements reflect the management's belief, they also involve imprecision and high difficult risks to be foreseen. Consequently, they may conduct to a different result than 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 one. Banco do Brasil is not responsible for bringing up to date any estimate in this presentation.

Highlights

- *Net Interest Income shows increase*
- *Allowance for loan losses below the guidance*
- *Delinquency ratios lower than banking industry*
- *Administrative expenses under control*
- *Business diversification increases revenues*

2011 Guidance

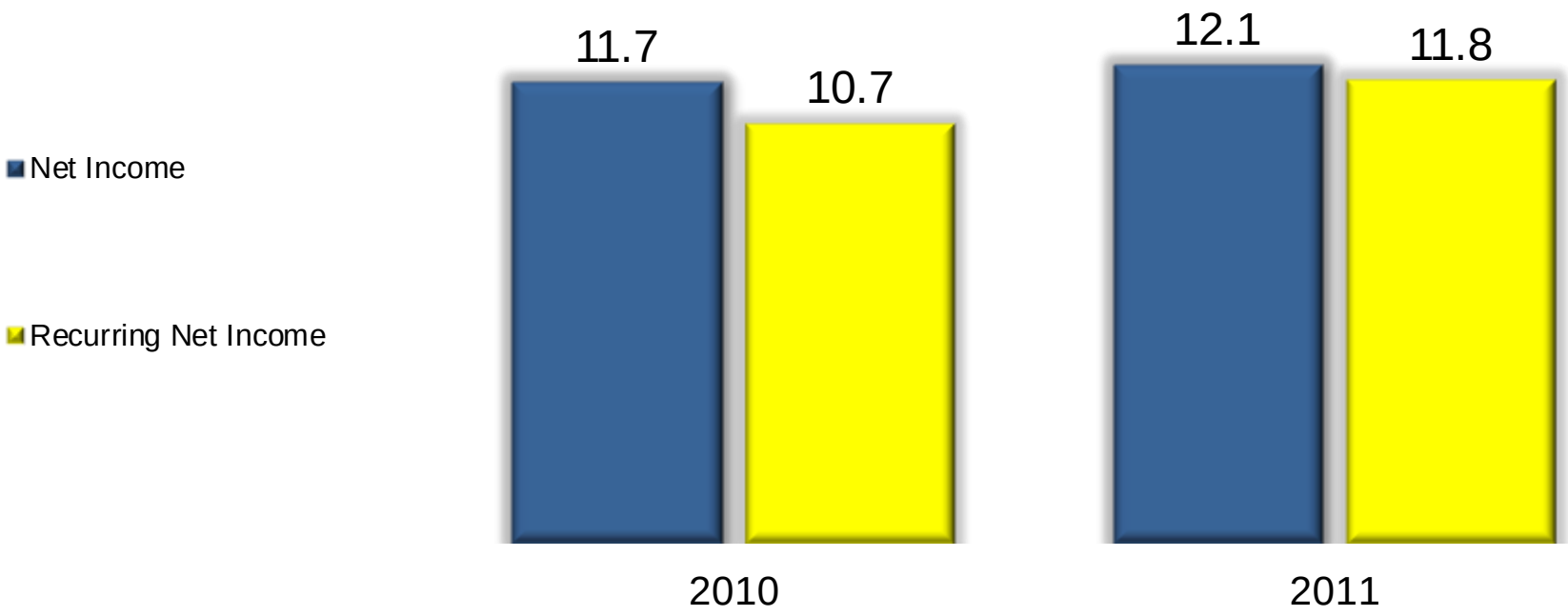
%

	2011	
	Guidance	Performance
Recurring ROE	21 - 24	21.7
Net Interest Income	11 - 13	11.1
Total Deposits	14 - 18	17.4
Domestic Loan Portfolio	15 - 18	15.6
Individuals	17 - 21	15.4
Corporate	16 - 19	14.3
Agribusiness	8 - 12	18.2
Allowance for Loan Losses	3.3 - 3.7	3.1
Fee Income	12 - 17	12.8
Administrative Expenses	9 - 12	9.7
Tax Rate	31 - 34	31.3

Net Income

R$ billion

10.2%



Results Highlights

R$ billion

	2010	Share %	2011	Share %	Chg. %
Net Interest Income	38.4	69.1	42.7	70.4	11.1
Fee Income	16.2	29.1	18.2	30.1	12.8
Insurance, Pension Plan and S. Bonds Income	1.9	3.4	2.3	3.7	20.0
Previ	4.3	7.7	3.0	4.9	(30.7)
Other Items	(5.2)	(9.4)	(5.5)	(9.1)	5.9
Total Operating Revenues	55.6	100.0	60.6	100.0	9.2
Operating Expenses	(27.4)	(49.3)	(29.9)	(49.3)	9.3
Allowance for Loan Losses	(10.7)	(19.2)	(11.8)	(19.5)	10.8
Income Taxes and Statutory Profit Sharing	(6.9)	(12.4)	(7.2)	(11.9)	4.9
Recurring Net Income	10.7	19.2	11.8	19.4	10.2

Leaderships[1]



(1) Assets and Deposits: as of September/11;
Loan Portfolio in Brazil and Asset Management: as of December/11;
(2) Does not include Banco Votorantim

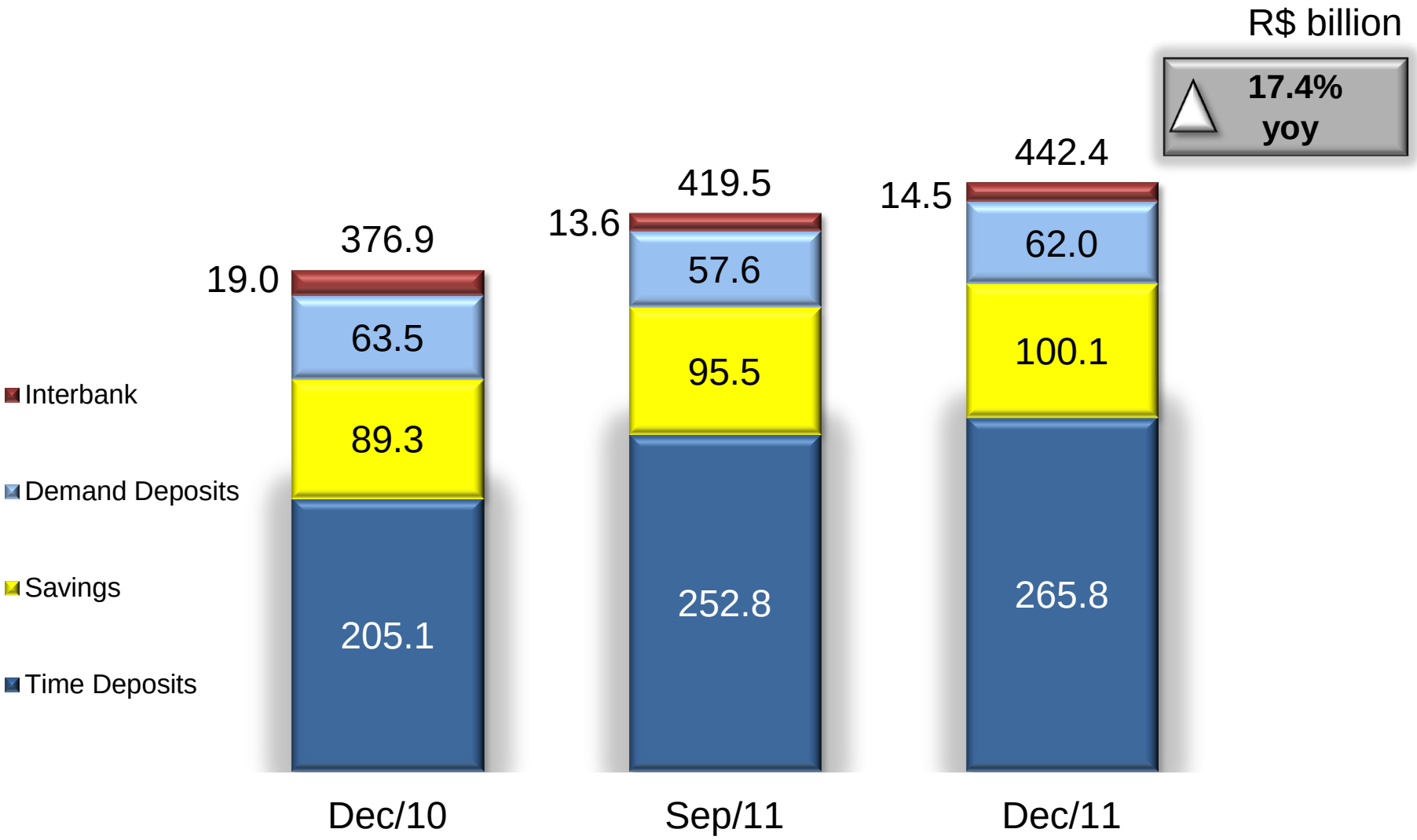
Sources and Uses

R$ billion

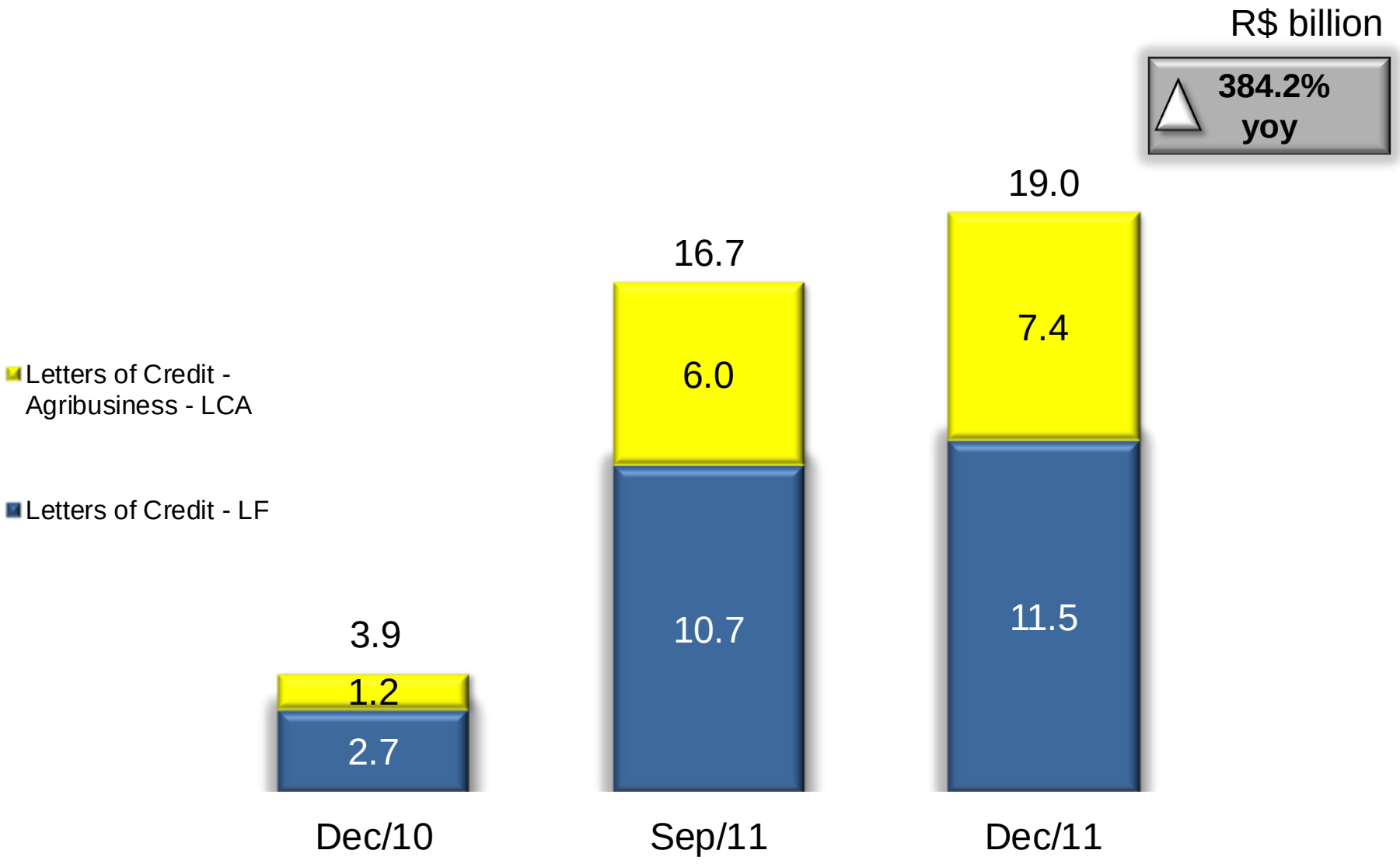
	Dec/10		Dec/11		YoY %
	Balance	Share %	Balance	Share %	
Sources	**498.3**	**100.0**	**595.9**	**100.0**	**19.6**
Deposits	376.9	75.6	442.4	74.2	17.4
Commercial Papers[1]	4.3	0.9	16.1	2.7	274.1
Subordinated Debt	23.4	4.7	30.9	5.2	31.9
Foreign Borrowing[2]	21.2	4.3	31.4	5.3	47.9
Others[3]	72.5	14.6	75.1	12.6	3.5
Uses	**498.3**	**100.0**	**595.9**	**100.0**	**19.6**
Loan Portfolio[4]	358.4	71.9	423.0	71.0	18.0
Reserve Requirements	87.0	17.5	93.7	15.7	7.6
Available Resources	52.9	10.6	79.2	13.3	49.7
Loan / Deposits - %	**95.1**		**95.6**		

(1) Commercial papers (do not include subordinated debt), Agribusiness Letter of Credit and Debentures
(2) Securities, Foreign Lending/Onlending and Perpetual Bonds
(3) Domestic Onlending, Financial and Development Funds and Allowance for Loan Losses
(4) Loan Portfolio according to CMN resolution 2682/99

Deposits


R$ billion
17.4%
yoy
Interbank
Demand Deposits
Savings
Time Deposits
376.9
19.0
63.5
89.3
205.1
419.5
13.6
57.6
95.5
252.8
442.4
14.5
62.0
100.1
265.8
Dec/10
Sep/11
Dec/11

Funding: LCA and LF

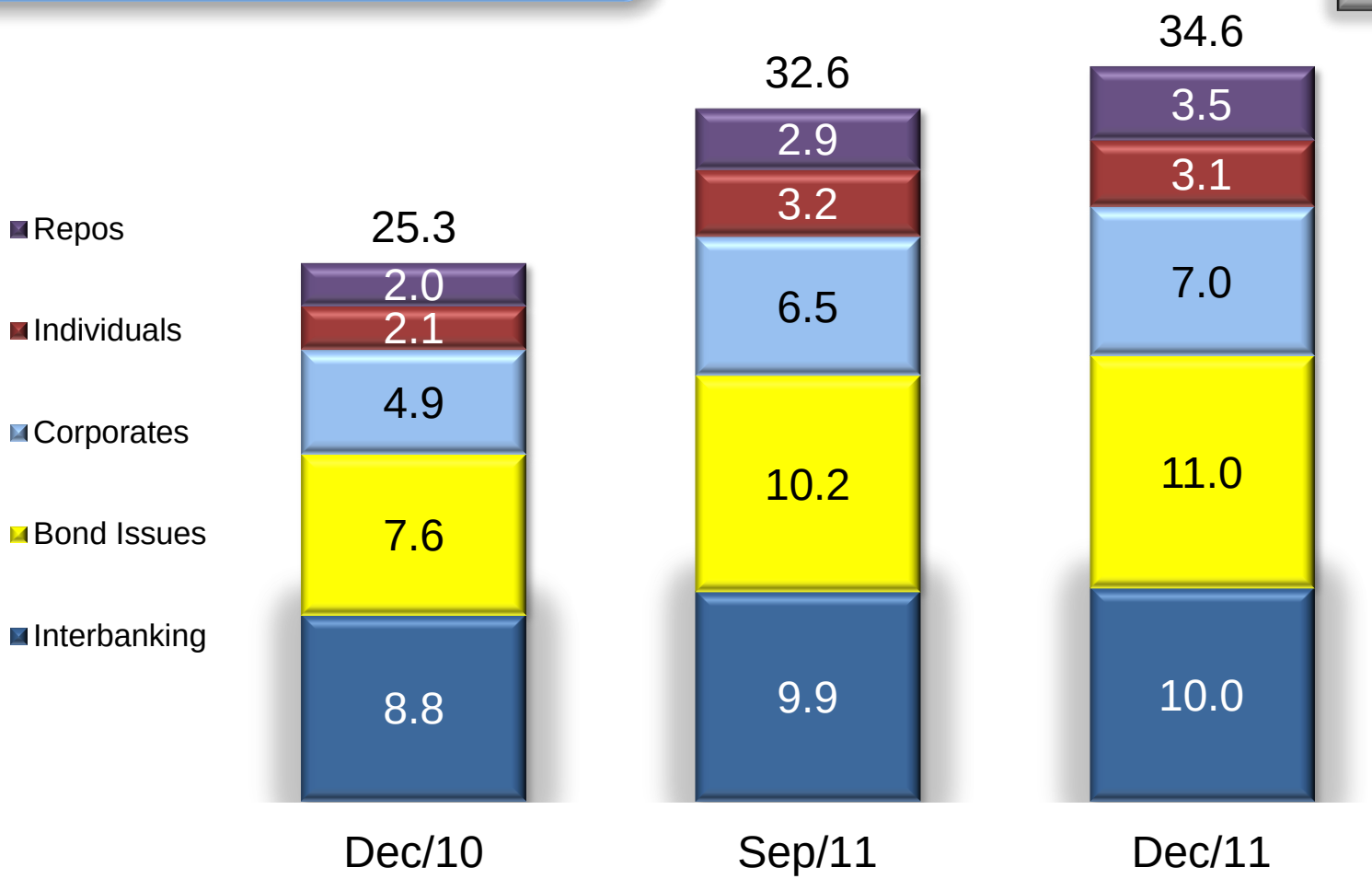


Foreign Borrowing

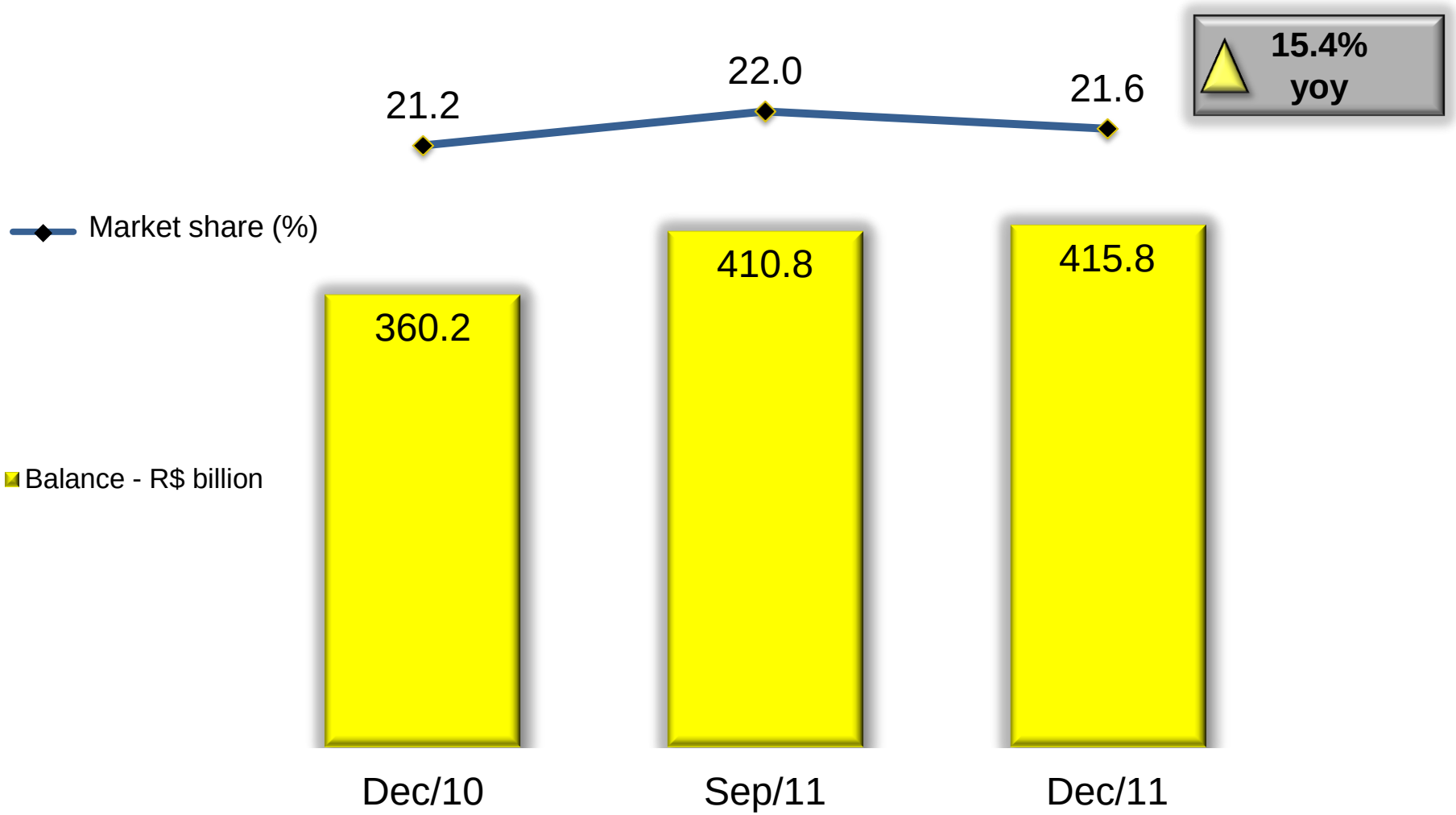
Record balance in Foreign Borrowing

US$ billion

△ 36.4% yoy



Asset Management[1]



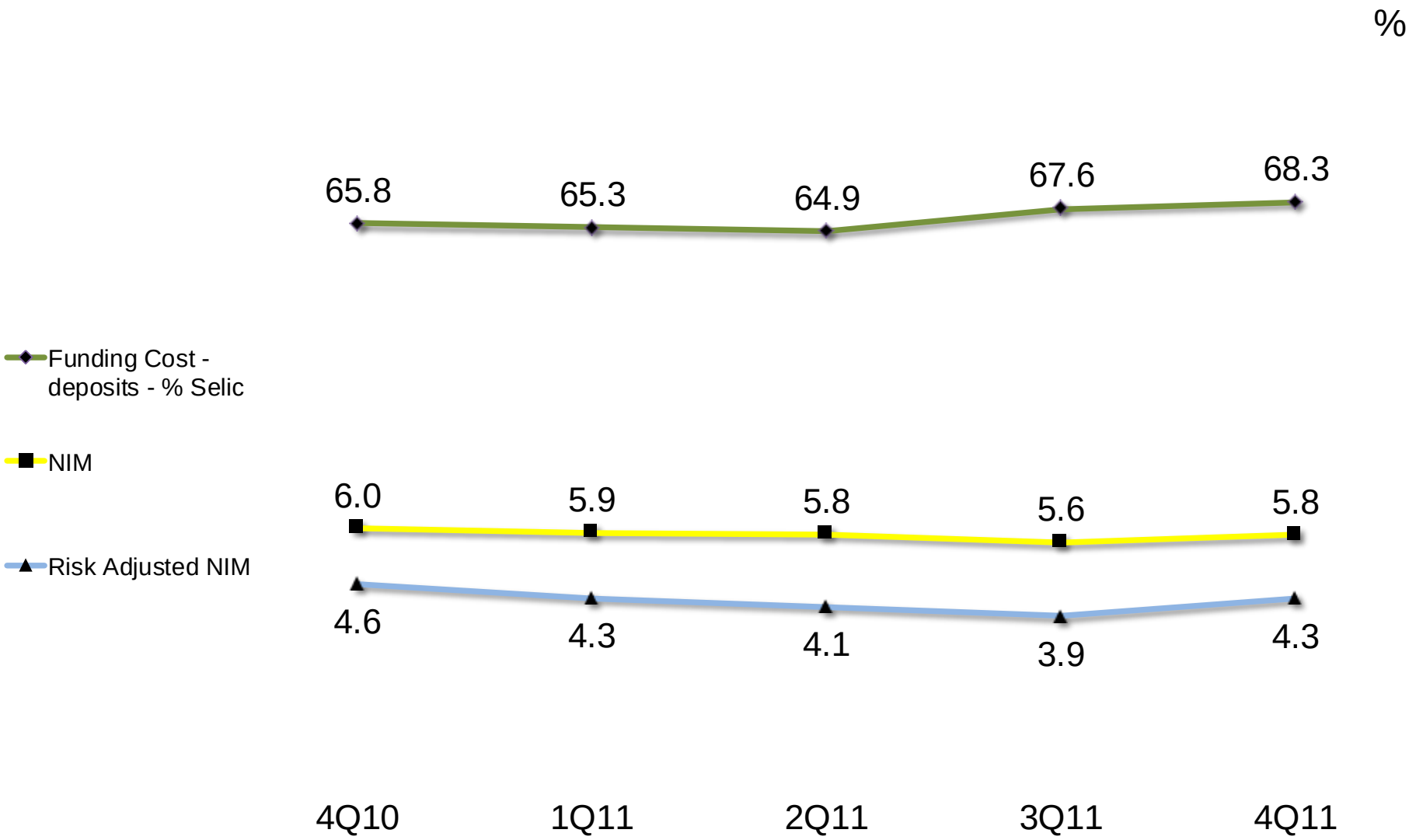
(1) Does not include Banco Votorantim

Net Interest Income

R$ million

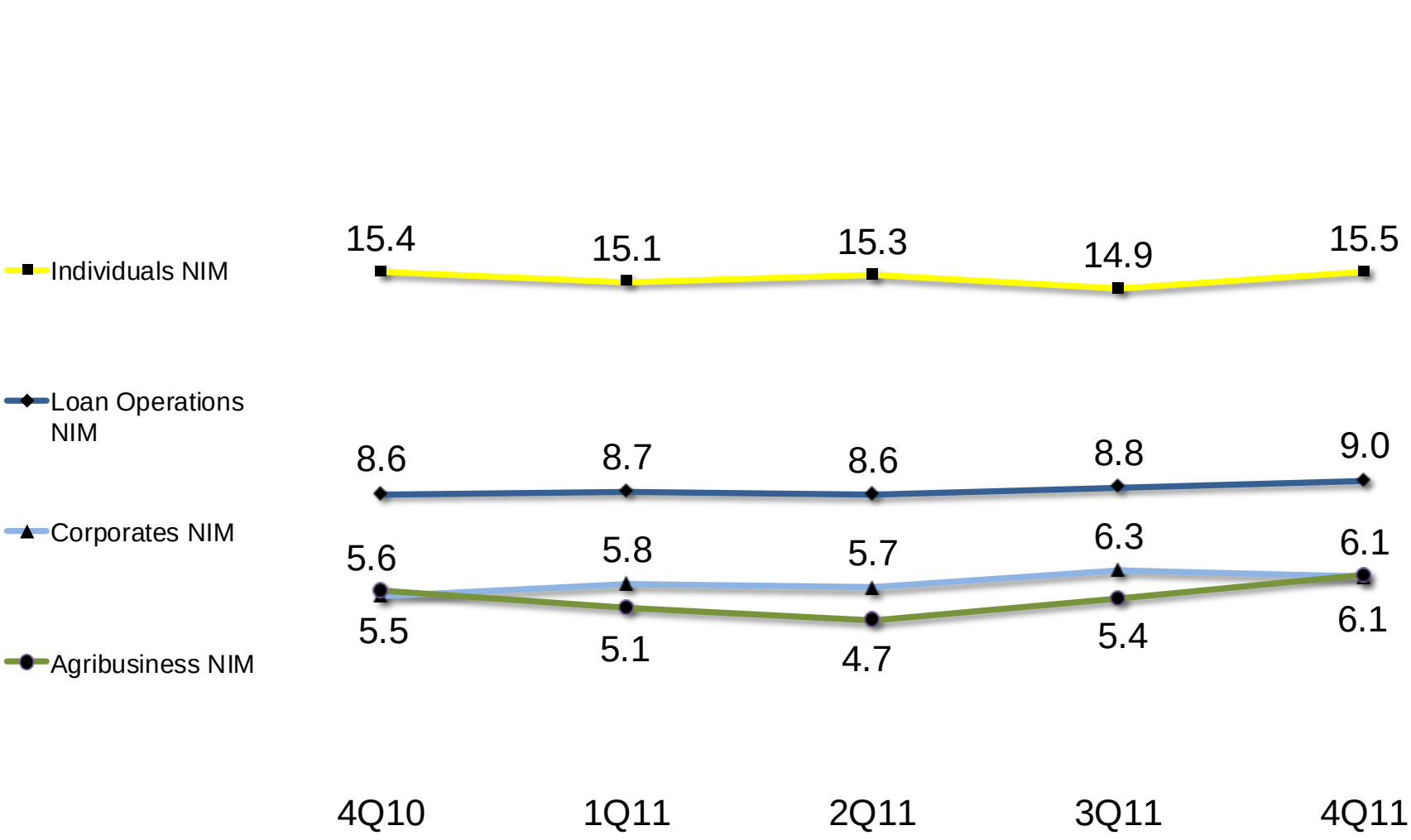
	4Q10	1Q11	2Q11	3Q11	4Q11
Net Interest Income	**9,849**	**10,159**	**10,524**	**10,645**	**11,348**
Loan Operations	13,468	13,928	14,647	15,737	16,218
Funding	(5,294)	(5,625)	(6,202)	(7,048)	(6,845)
Recovery of Written-off Credits	863	855	953	985	851
Treasury	1,885	2,088	2,167	1,950	2,197
Other	(1,073)	(1,087)	(1,041)	(979)	(1,073)

Global NIM[1]



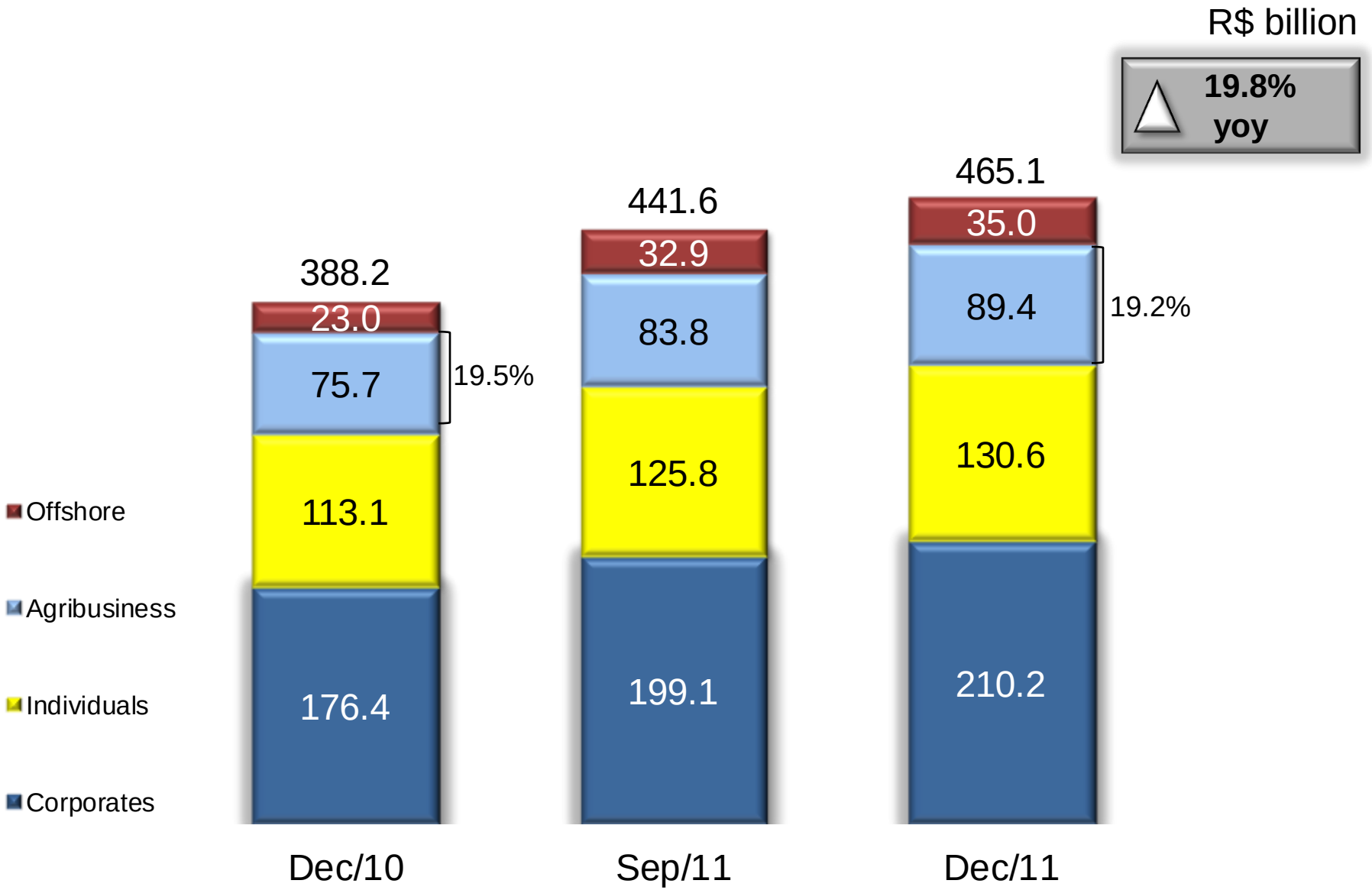
[1] Annualized figures.

NIM by segment[1]



[1] Annualized figures.

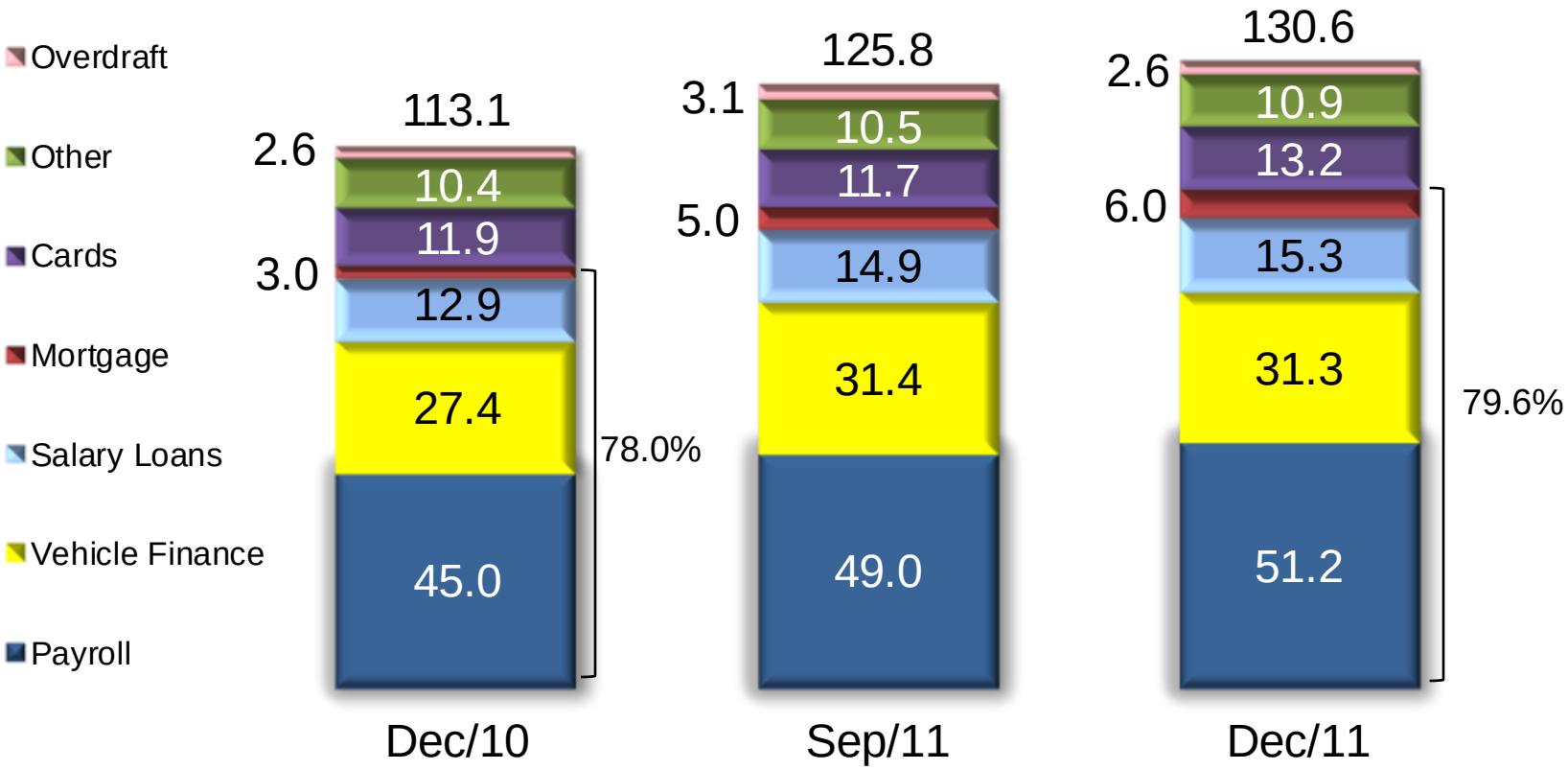
Loan Portfolio – Broad Concept



Individuals Loan Portfolio

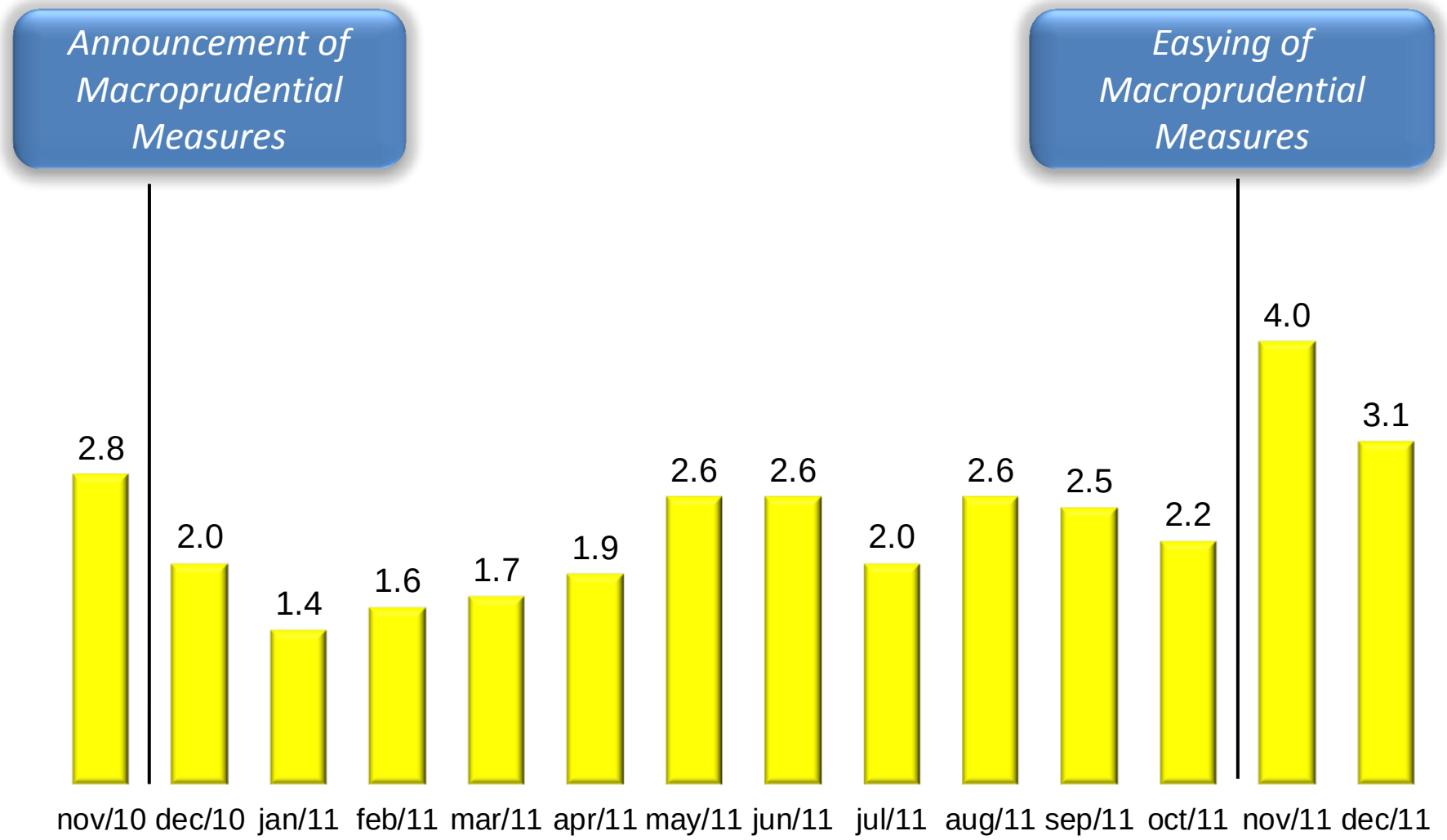
R$ billion

15.5% yoy



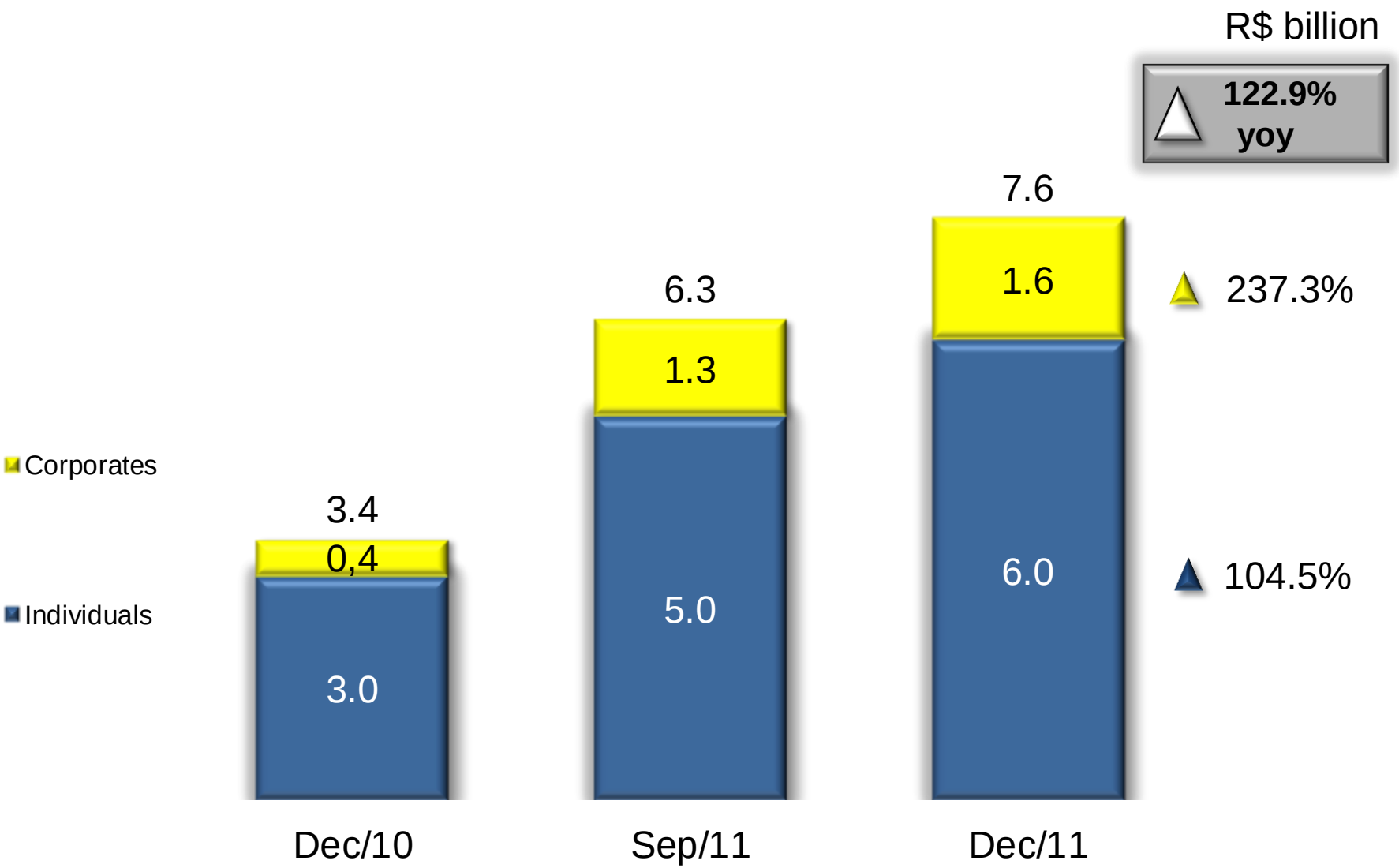
Individuals Disbursement – Payroll + Auto Loans[1]

R$ billion

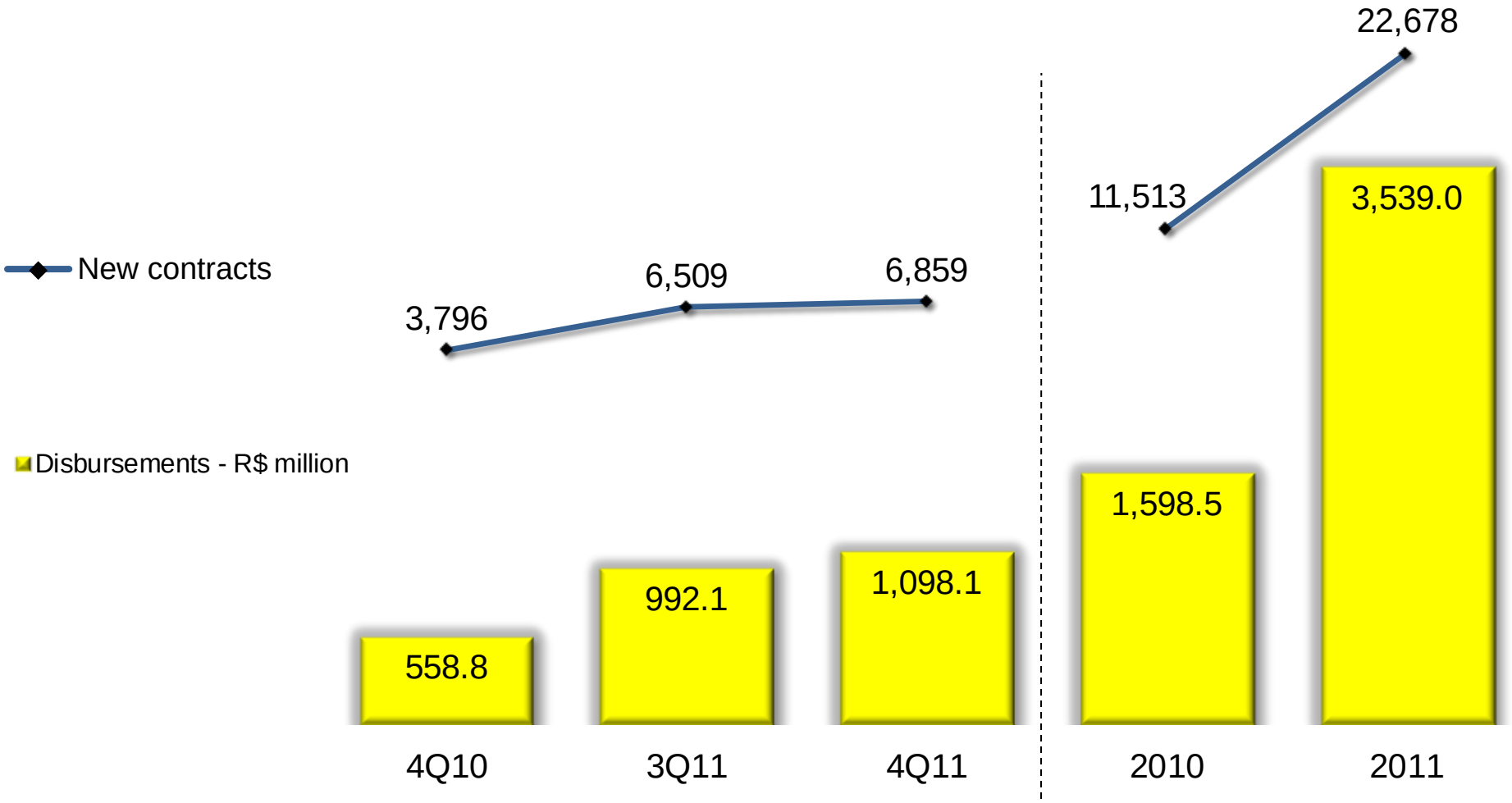


[1] Do not include Banco Votorantim.

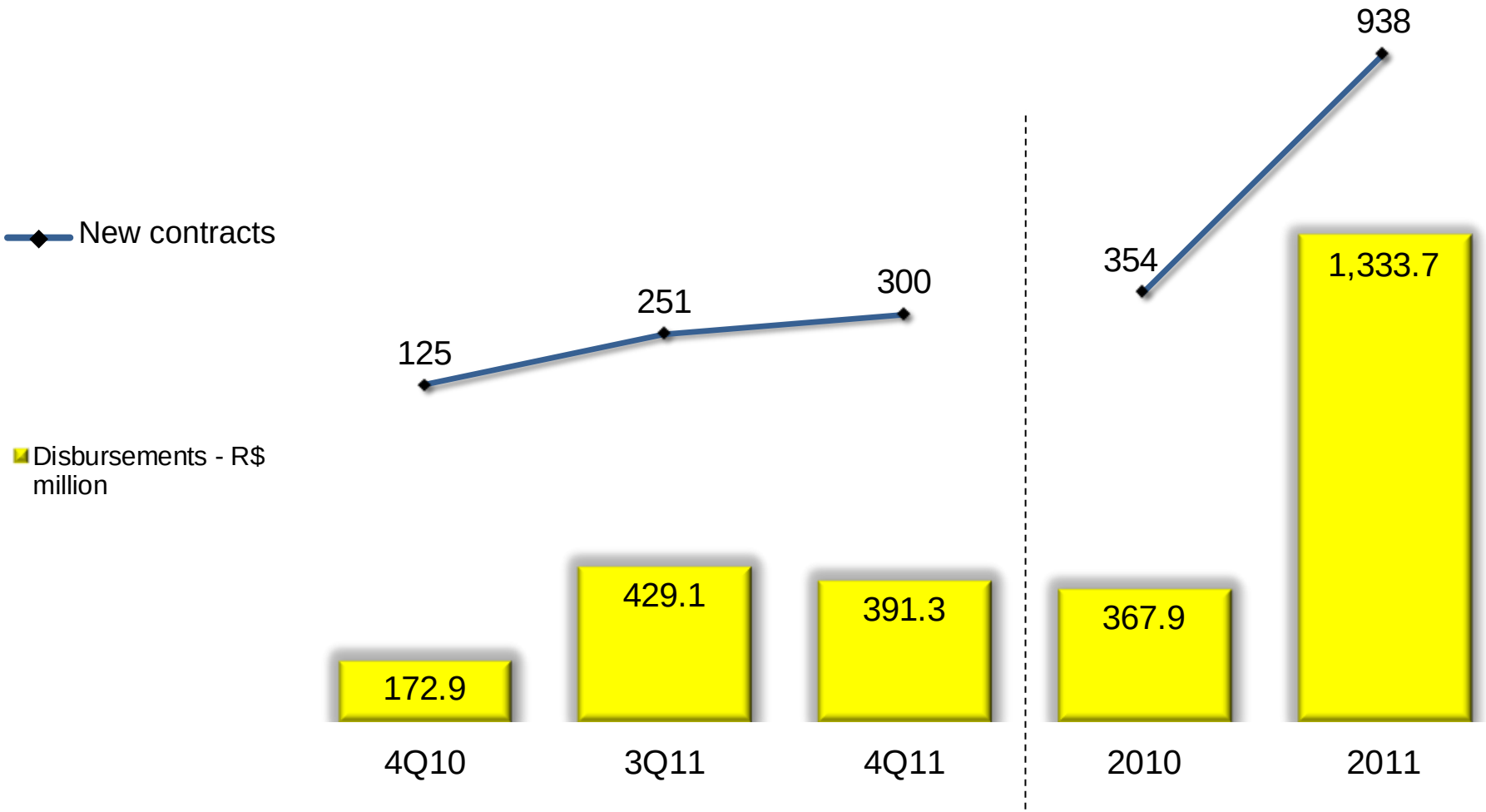
Mortgage


R$ billion
122.9% yoy
7.6
1.6
237.3%
6.3
1.3
3.4
0,4
Corporates
Individuals
6.0
104.5%
5.0
3.0
Dec/10
Sep/11
Dec/11

Mortgage - Individuals



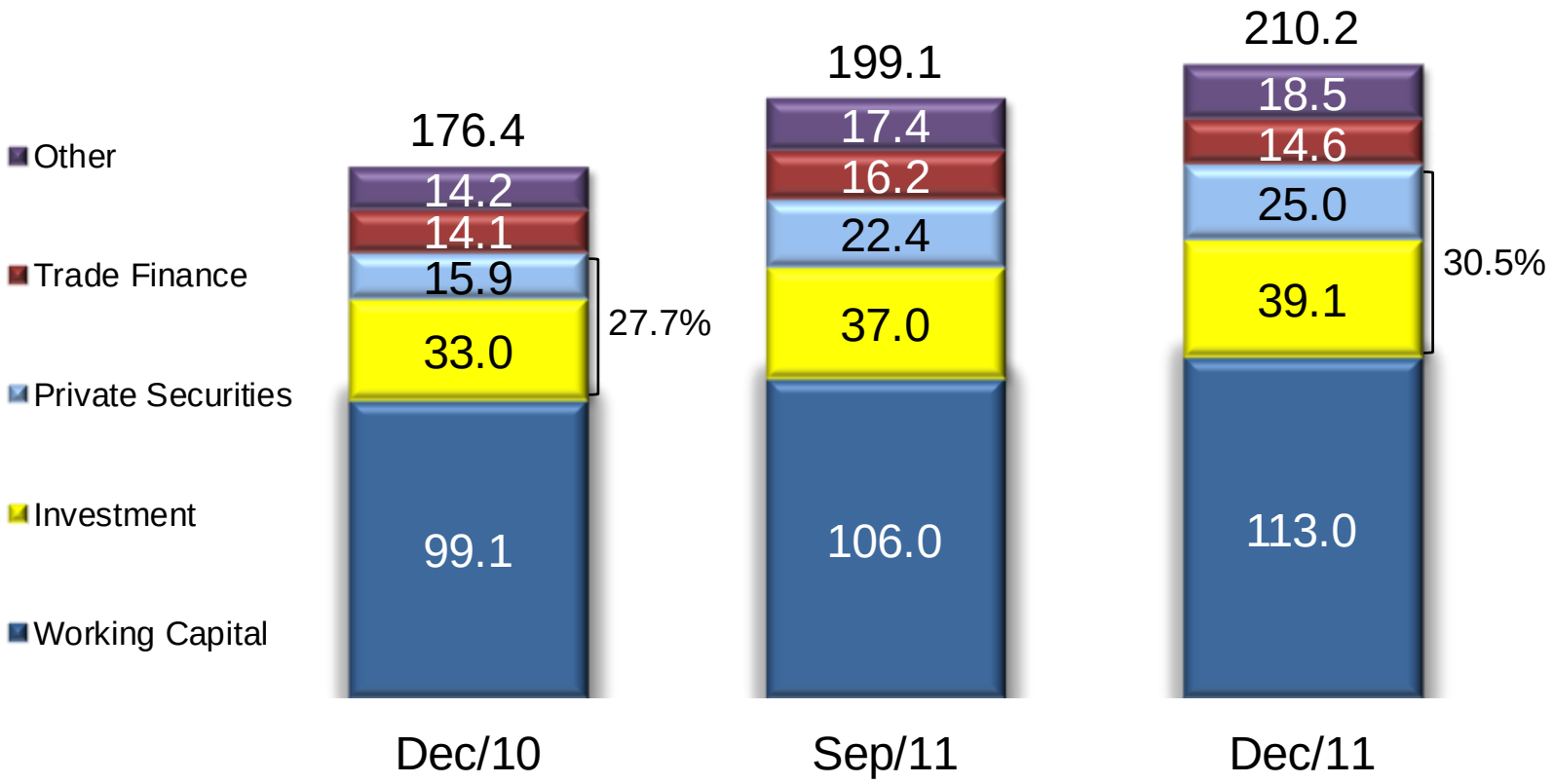
Mortgage - Corporate



Corporate Loan Portfolio

R$ billion

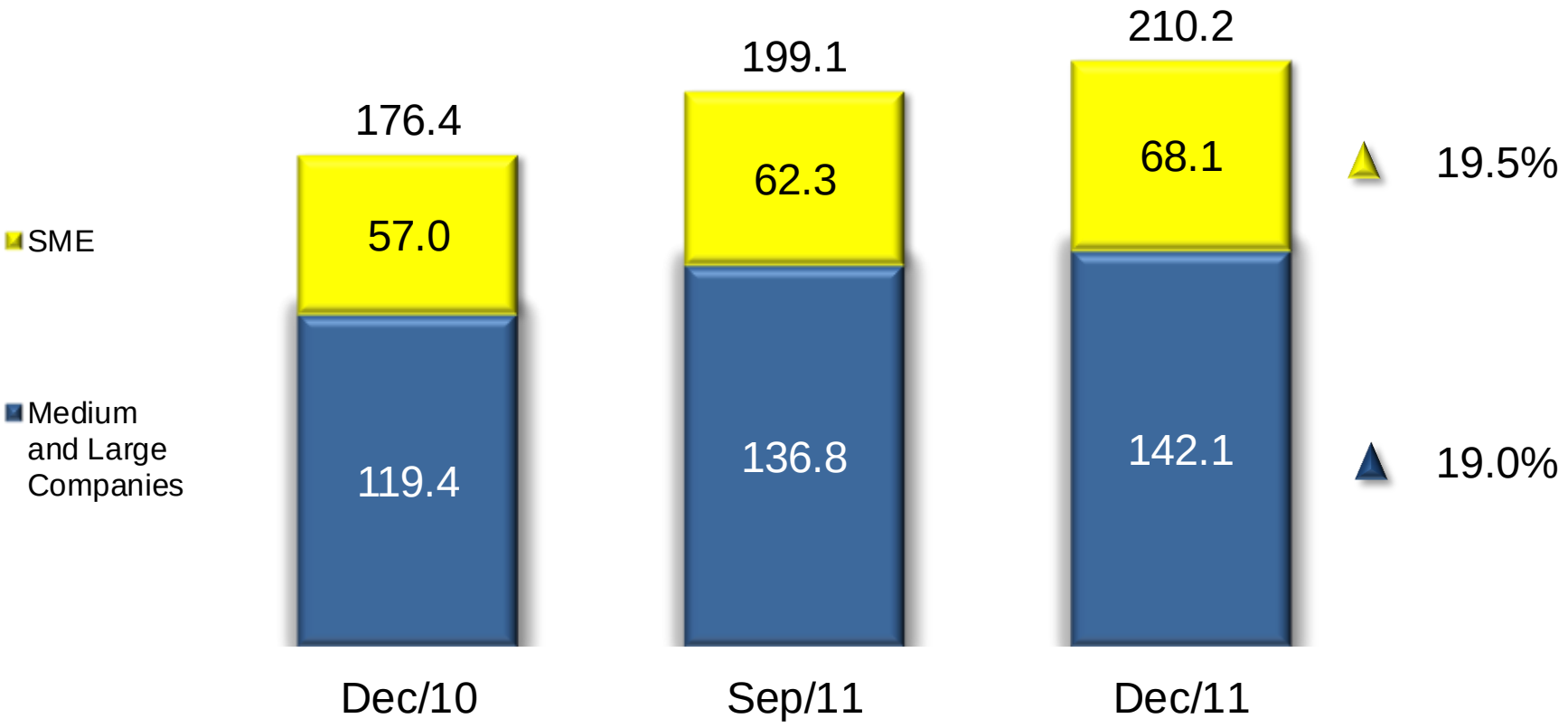
△ 19.2% yoy



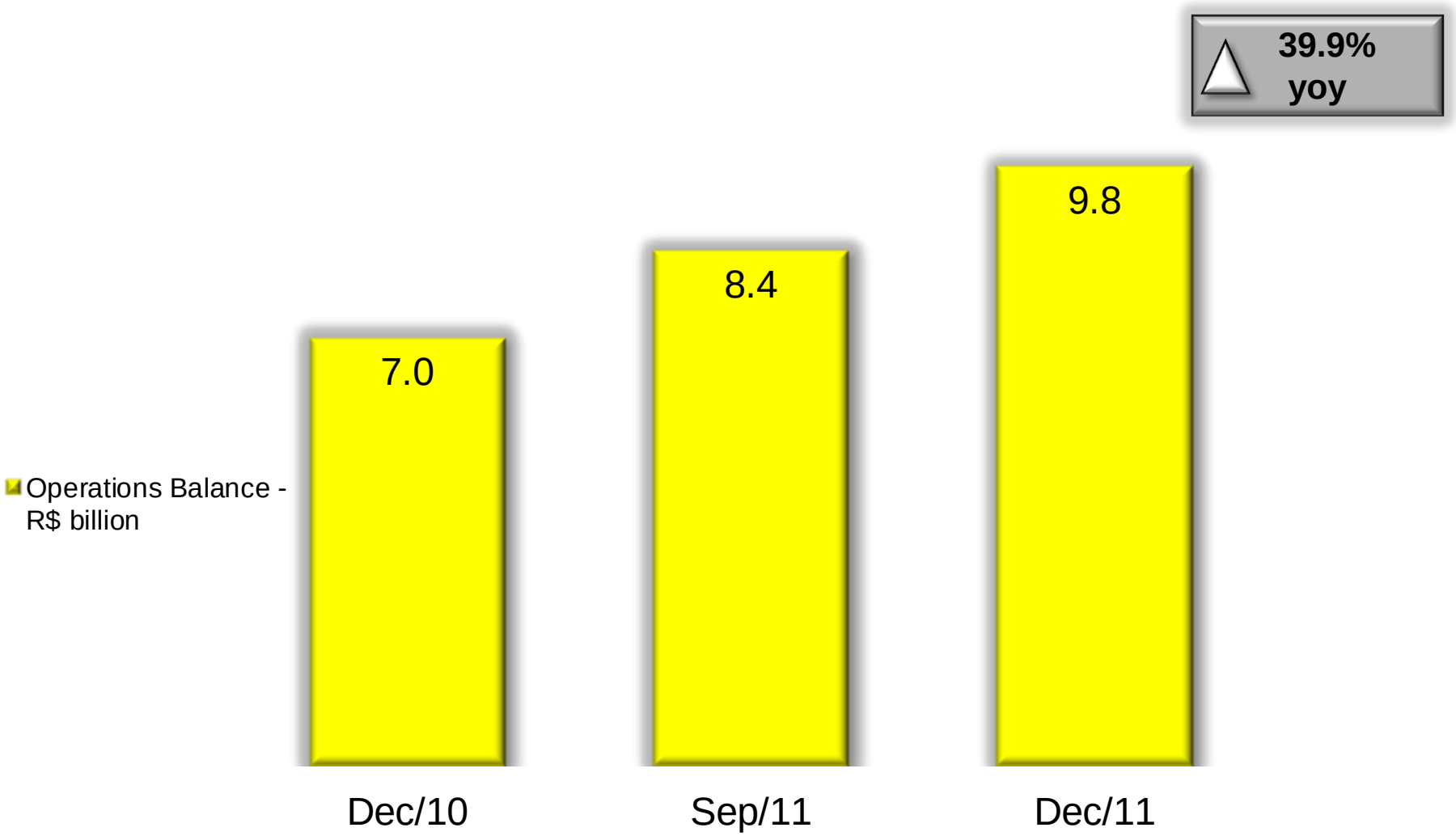
Corporate Loan Portfolio

R$ billion

19.2% yoy



FGO[1]

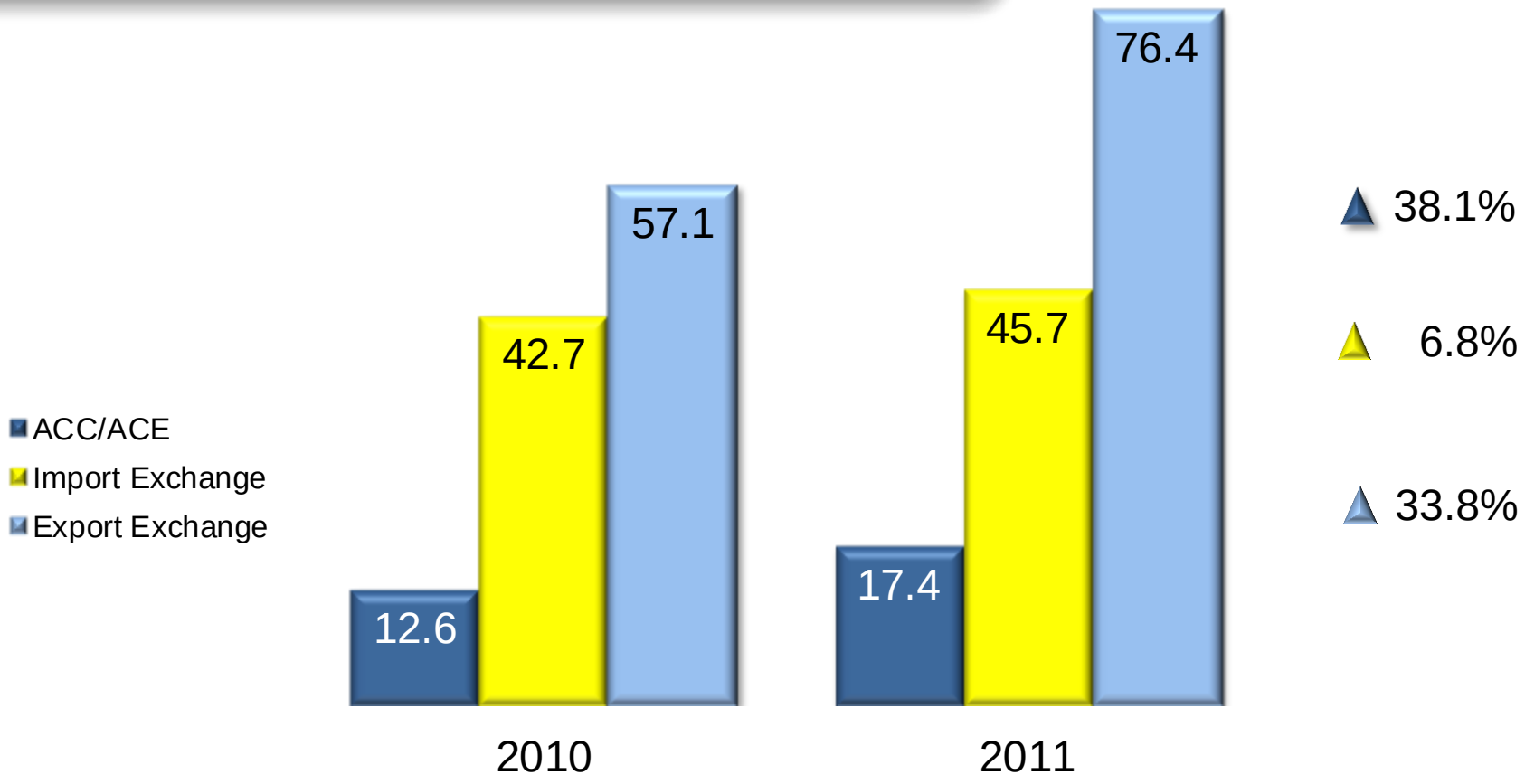


(1) Fundo Garantidor de Operações (“Operations Guarantor Fund”)

Foreign Trade[1]

ACC record monthly production in October
ACC record annual production in 2011

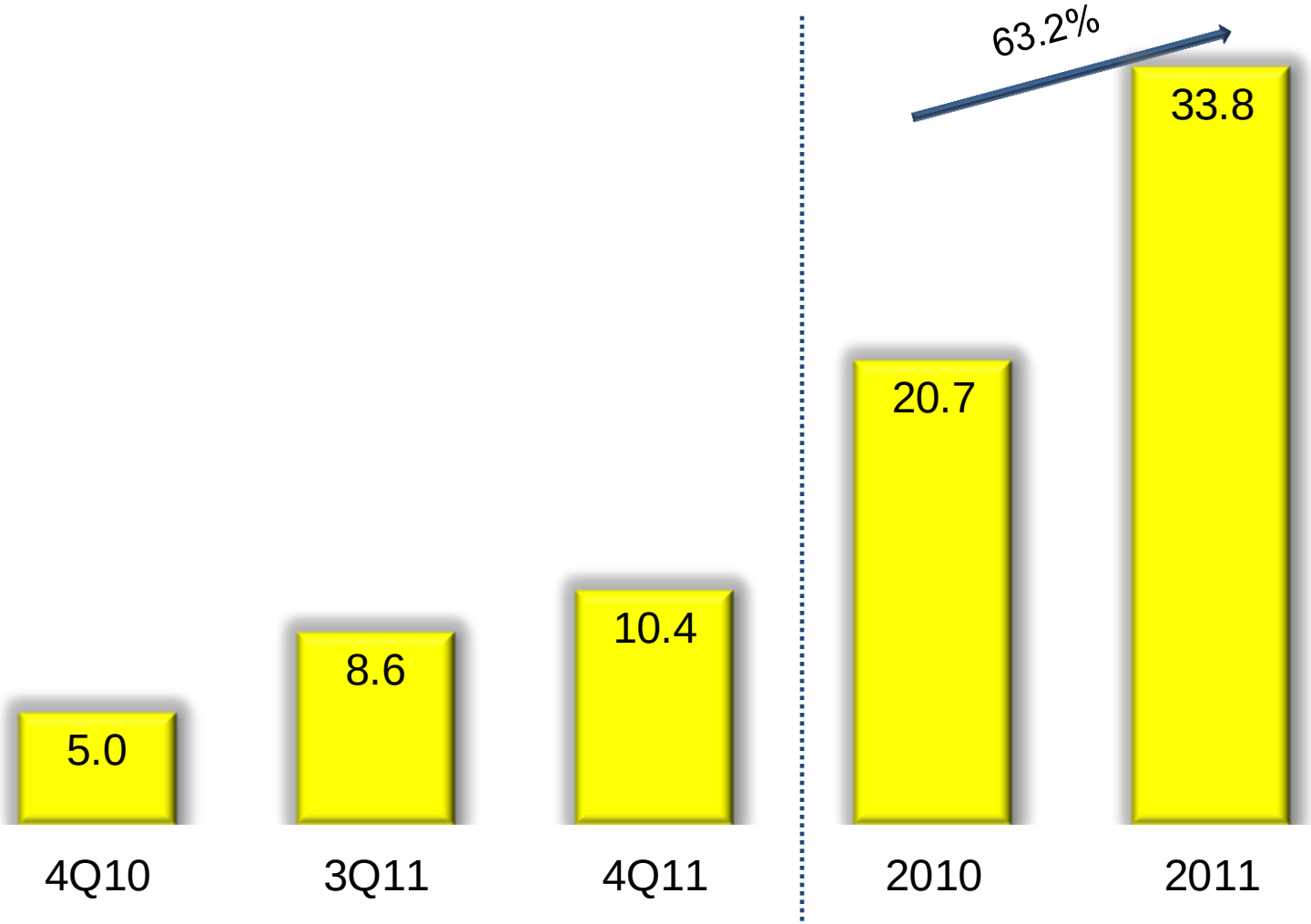
US$ billion



(1) Production

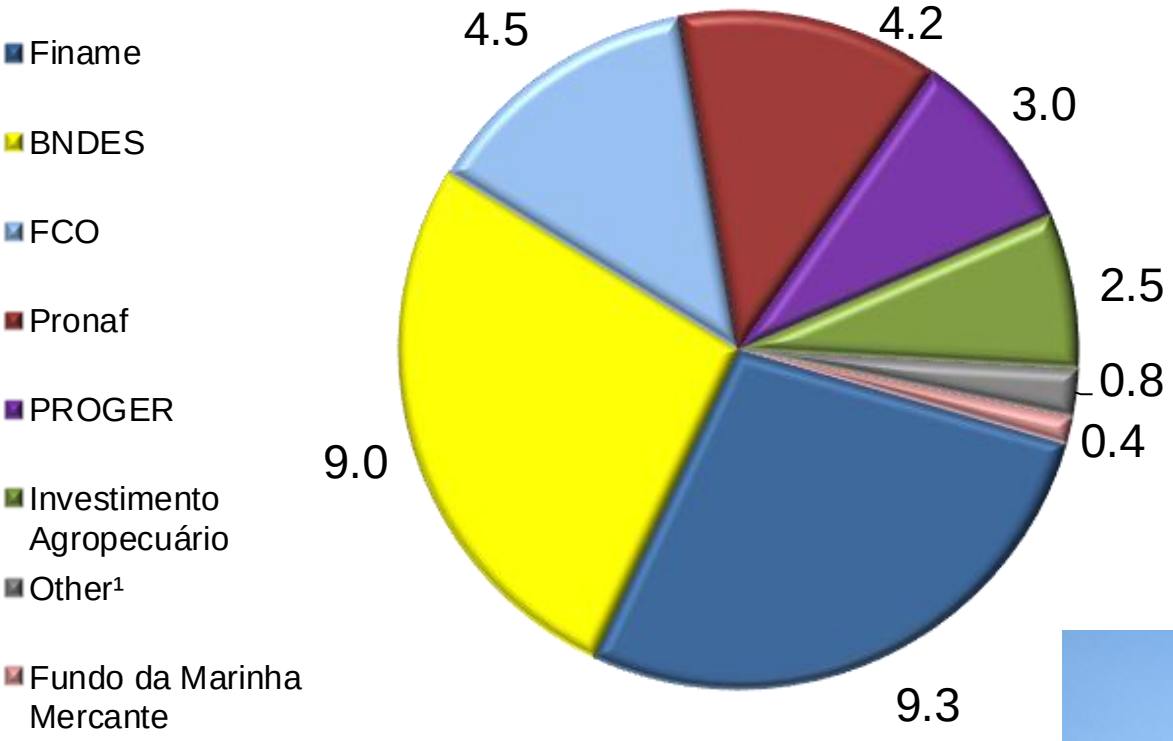
Investments – disbursements

R$ billion



Investments – disbursements

R$ billion





(1) Include lines such as: Leasing, Crédito Empresa, FAT, and other.

BNDES Card - disbursements

R$ billion

Leader in:

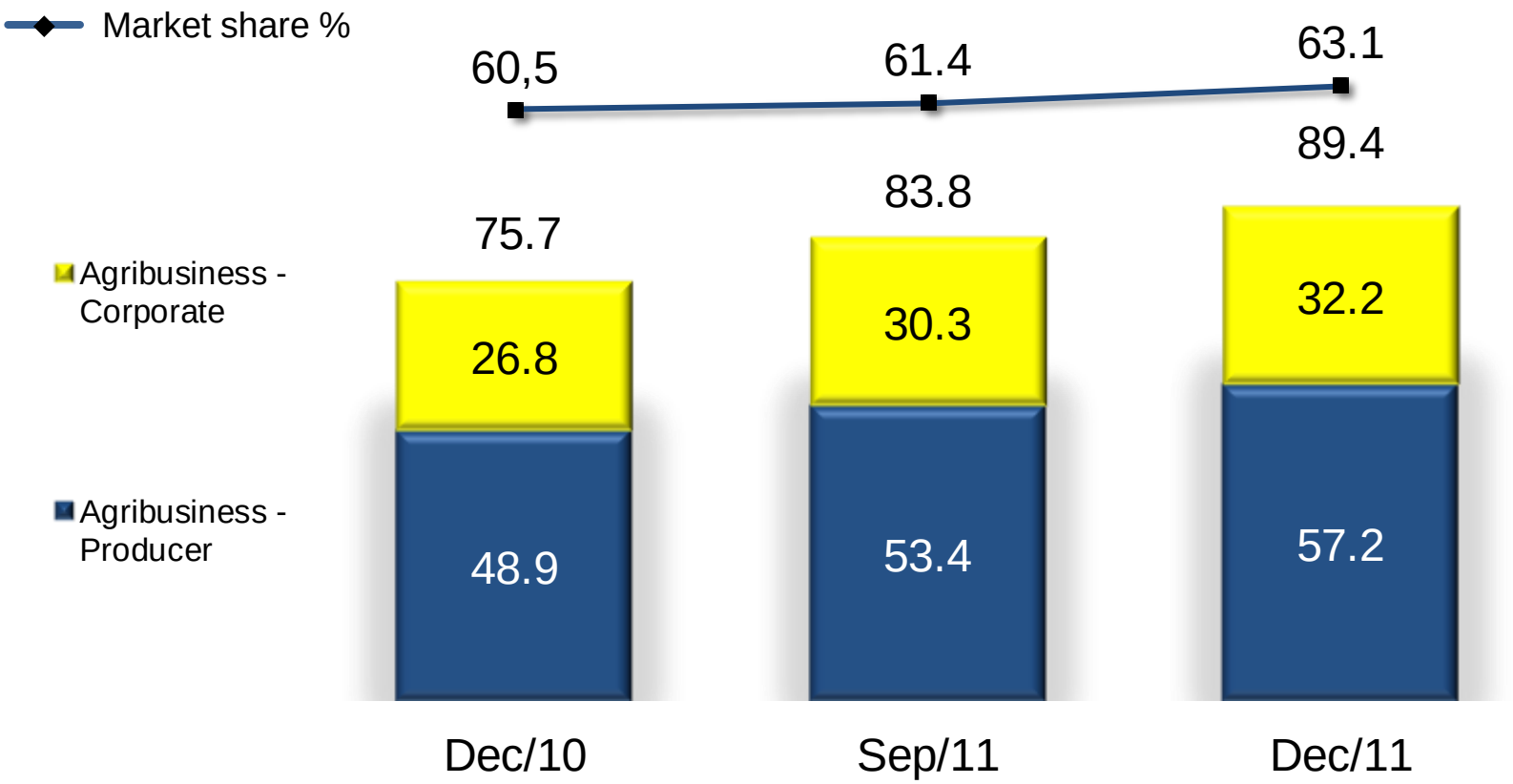
- *disbursements (65%)*
- *number of transactions (65%)*
- *issued cards (66%)*





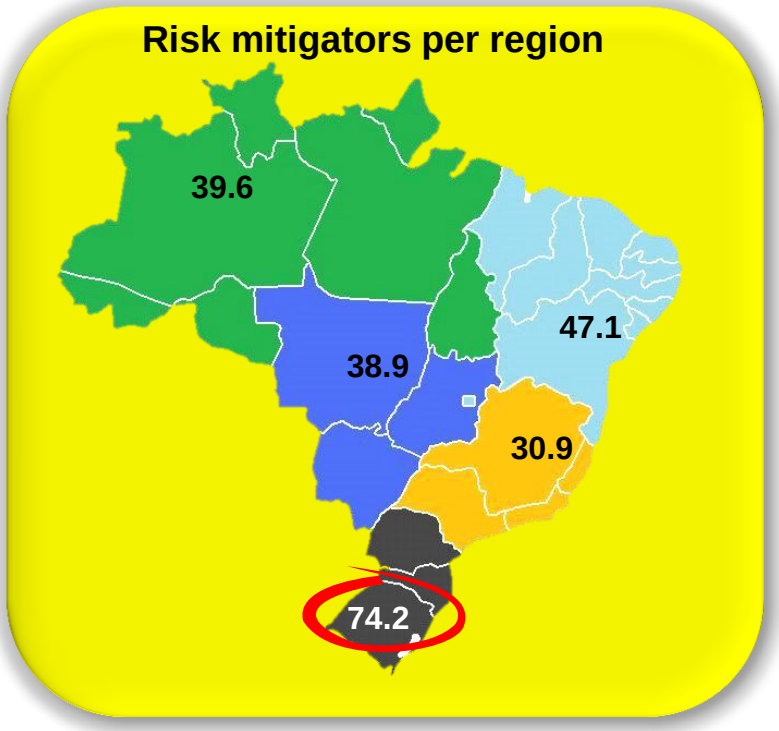
Agribusiness Loan Portfolio

R$ billion

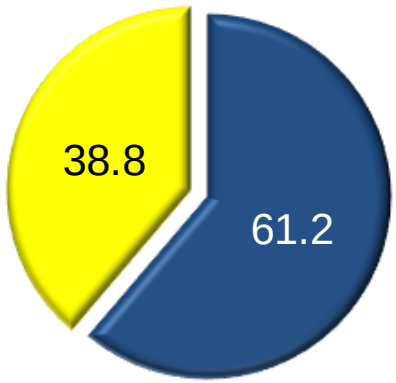


Agribusiness Loan Portfolio – risk mitigators[1]

%



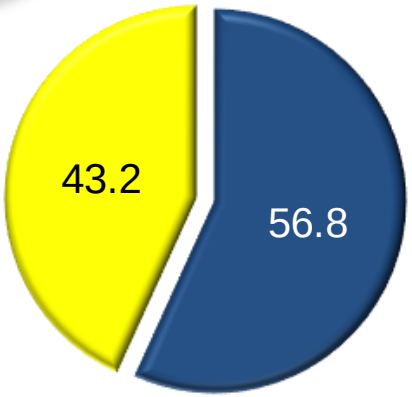
Crop 10/11 *



* Dec/10

With Mitigators
Without Mitigators

Crop 11/12 *



* Dec/11

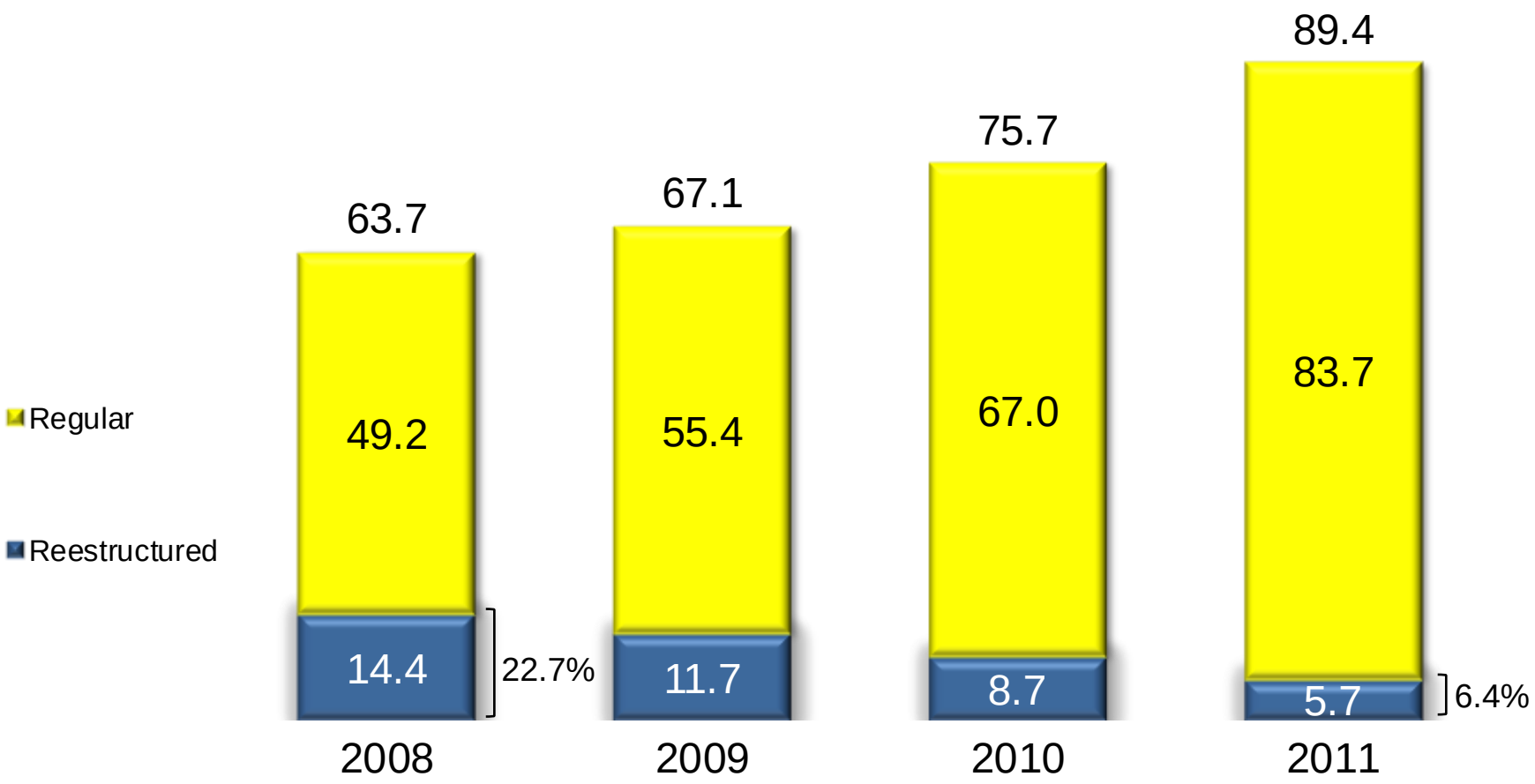
(1) Includes agricultural insurance, hedge price, and outcome insurance.

Agribusiness in the South Region - Main Cultures

	Crop 06/07		Crop 11/12	
Financed Item	**Share %**	**% Mitigated**	**Share %**	**% Mitigated**
Soy	31.1	47.4	41.3	81.1
Corn	29.0	71.7	21.9	90.3
Rice	11.2	13.9	15.3	86.0
Wheat	8.5	70.4	0.2	79.3
Bean	1.8	70.1	1.6	76.3

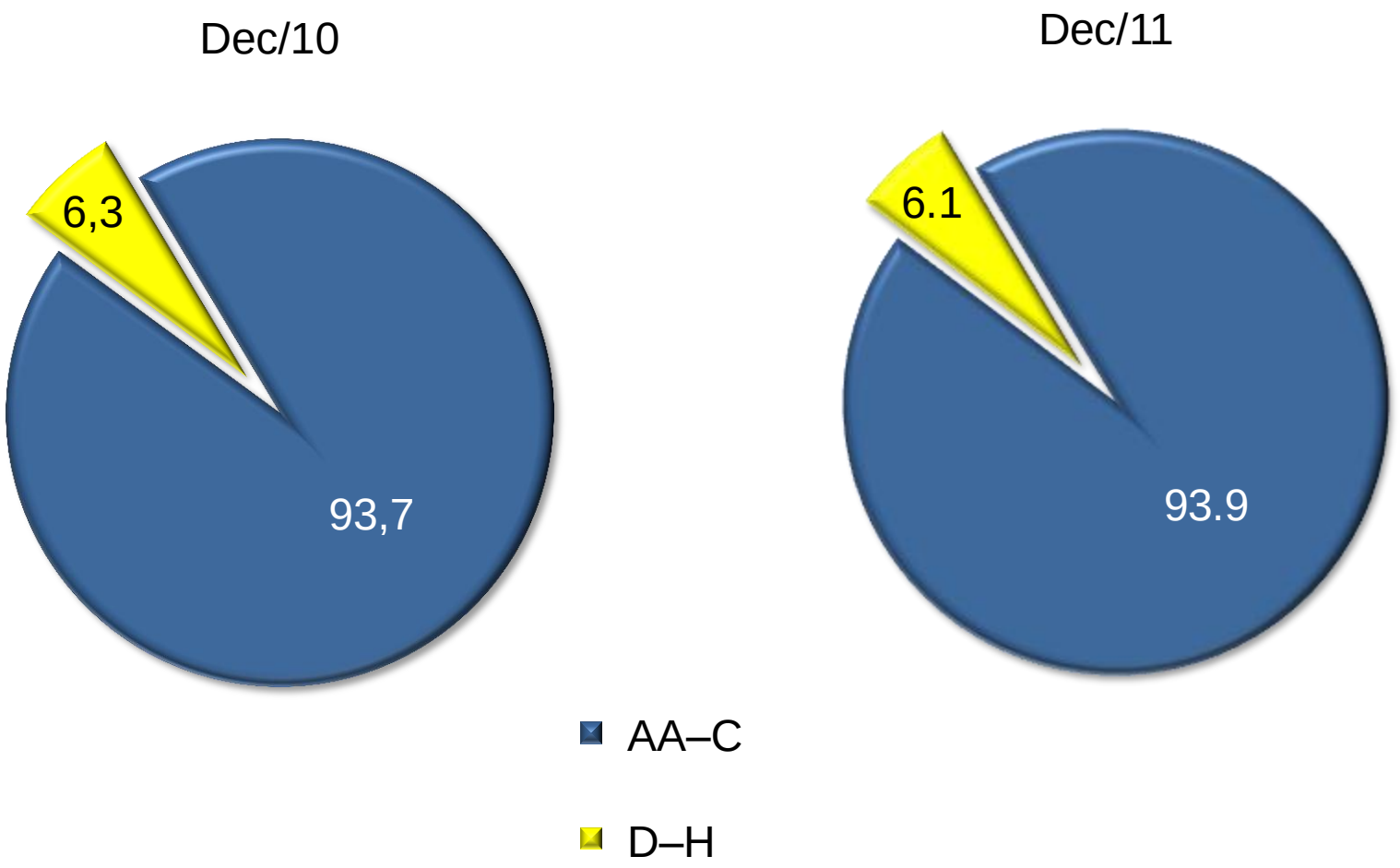
Agribusiness – Reestructured and Normal Operations

R$ billion

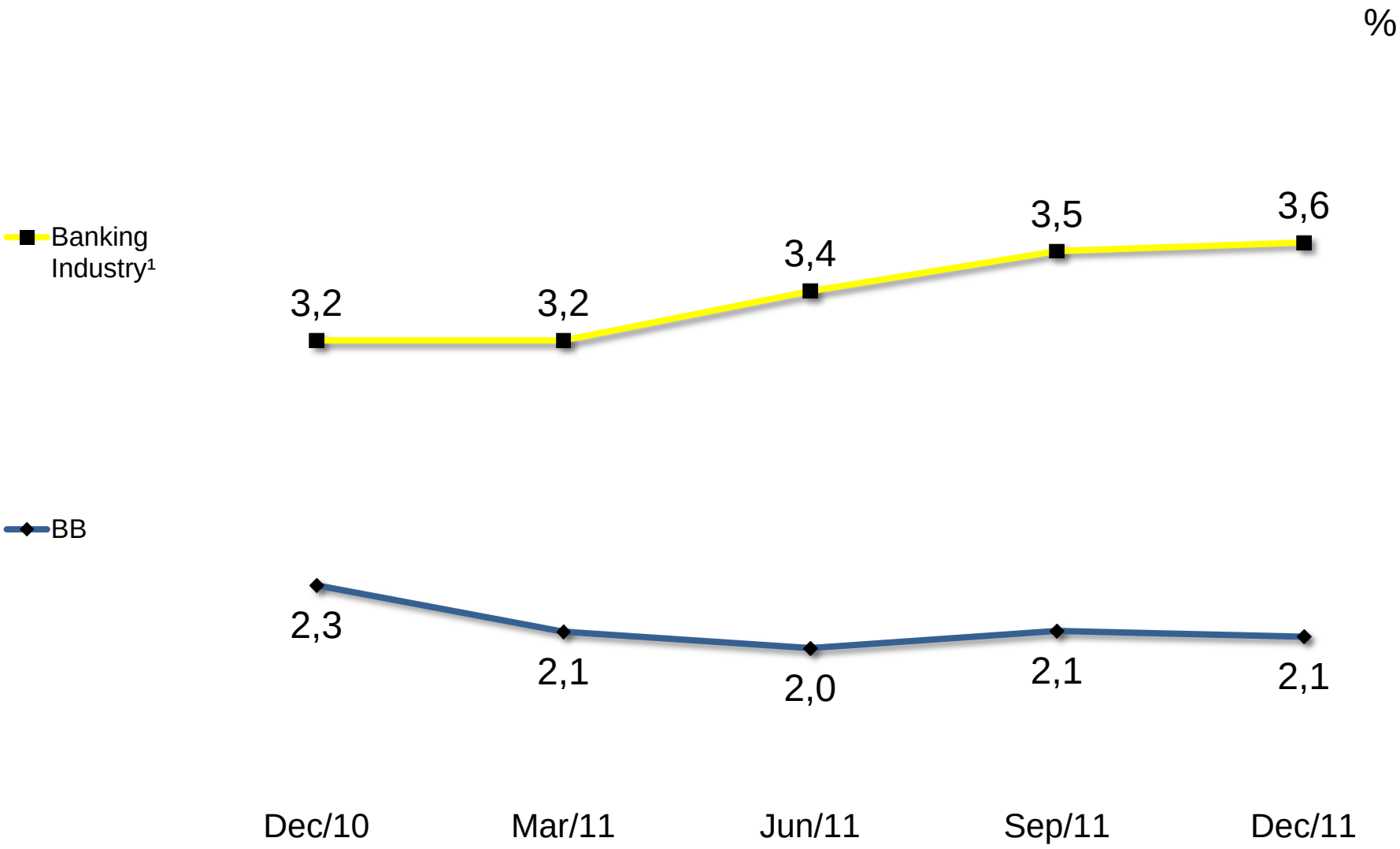


Credit Risk

%

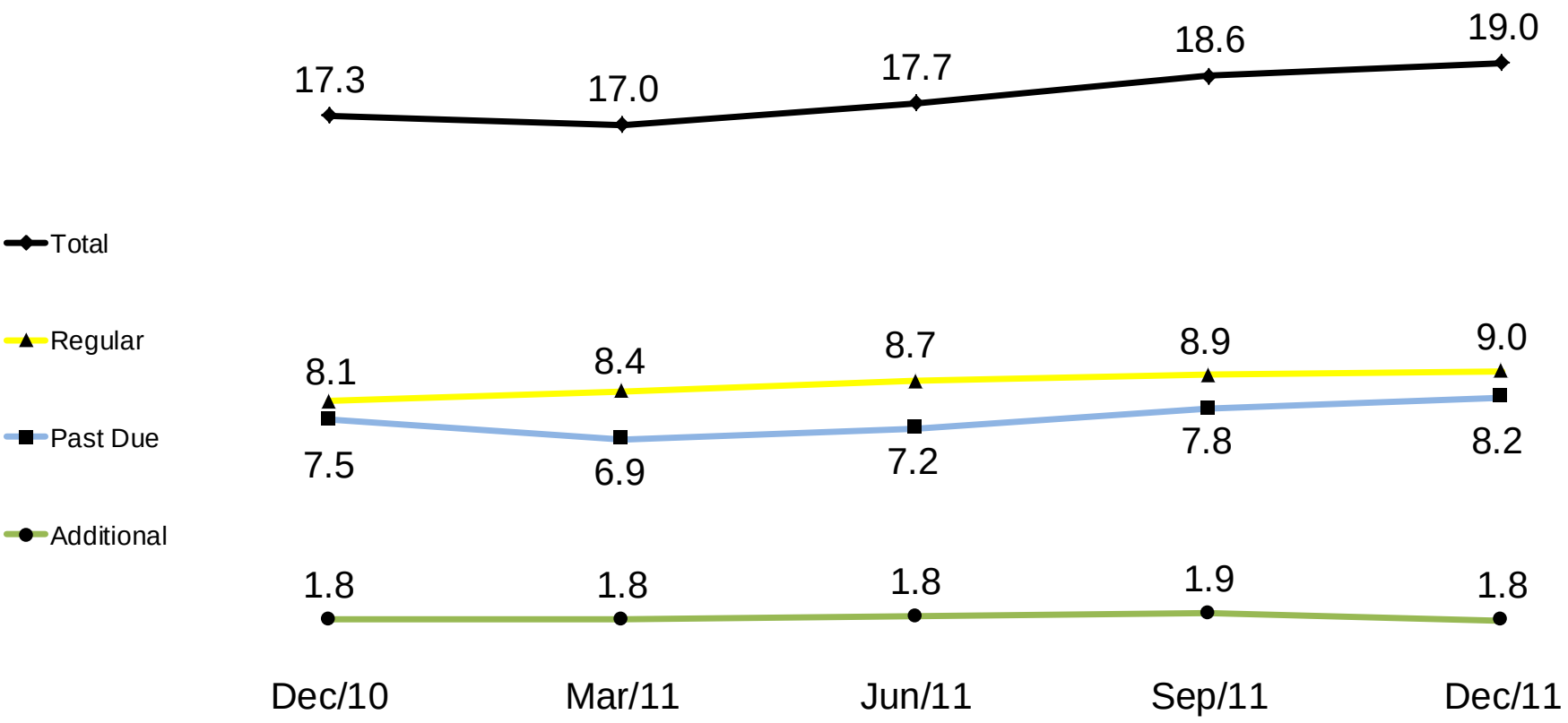


NPL + 90 days


%
Banking Industry¹
BB
3,2
3,2
3,4
3,5
3,6
2,3
2,1
2,0
2,1
2,1
Dec/10
Mar/11
Jun/11
Sep/11
Dec/11

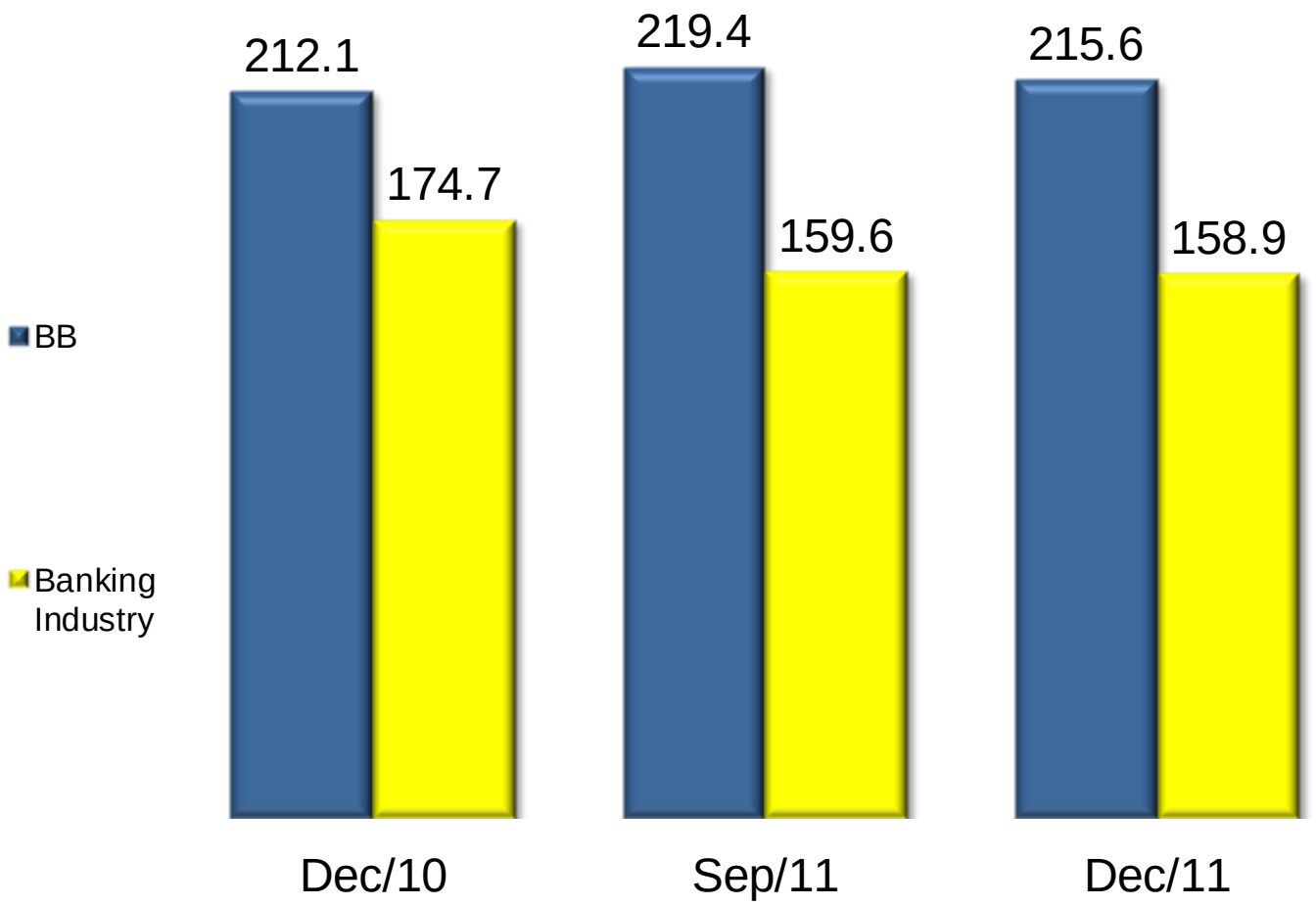
Allowance for loan losses

R$ billion



Coverage Ratio[1]

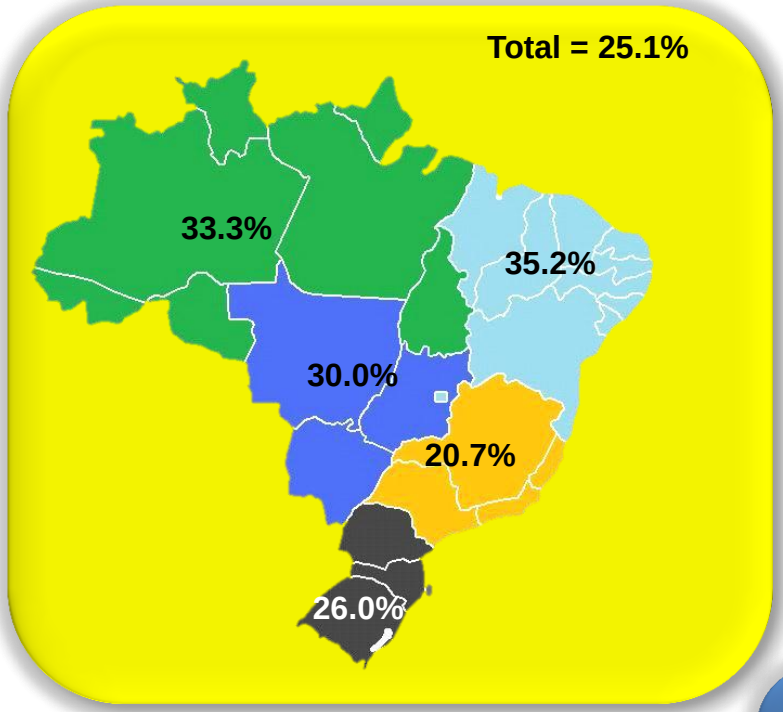
%



(1) Coverage ratio = Provisions / NPL + 90 days
* Provisions include additional provisions

Distribution Network

Market share - Branches



Total distribution network

Branches	5,263
Other	27,235
Banco Postal[2]	6,337
Shared network	24,534
Total	63,369

(1) Include PAA, PAB, PAE, QSQ, PAP , SAA (Sala de Autoatendimento), and correspondents
(2) Operationalization beginning from Jan/12

Anticipating the strategy of being present in all Brazilian municipalities

Wider product mix in Banco Postal

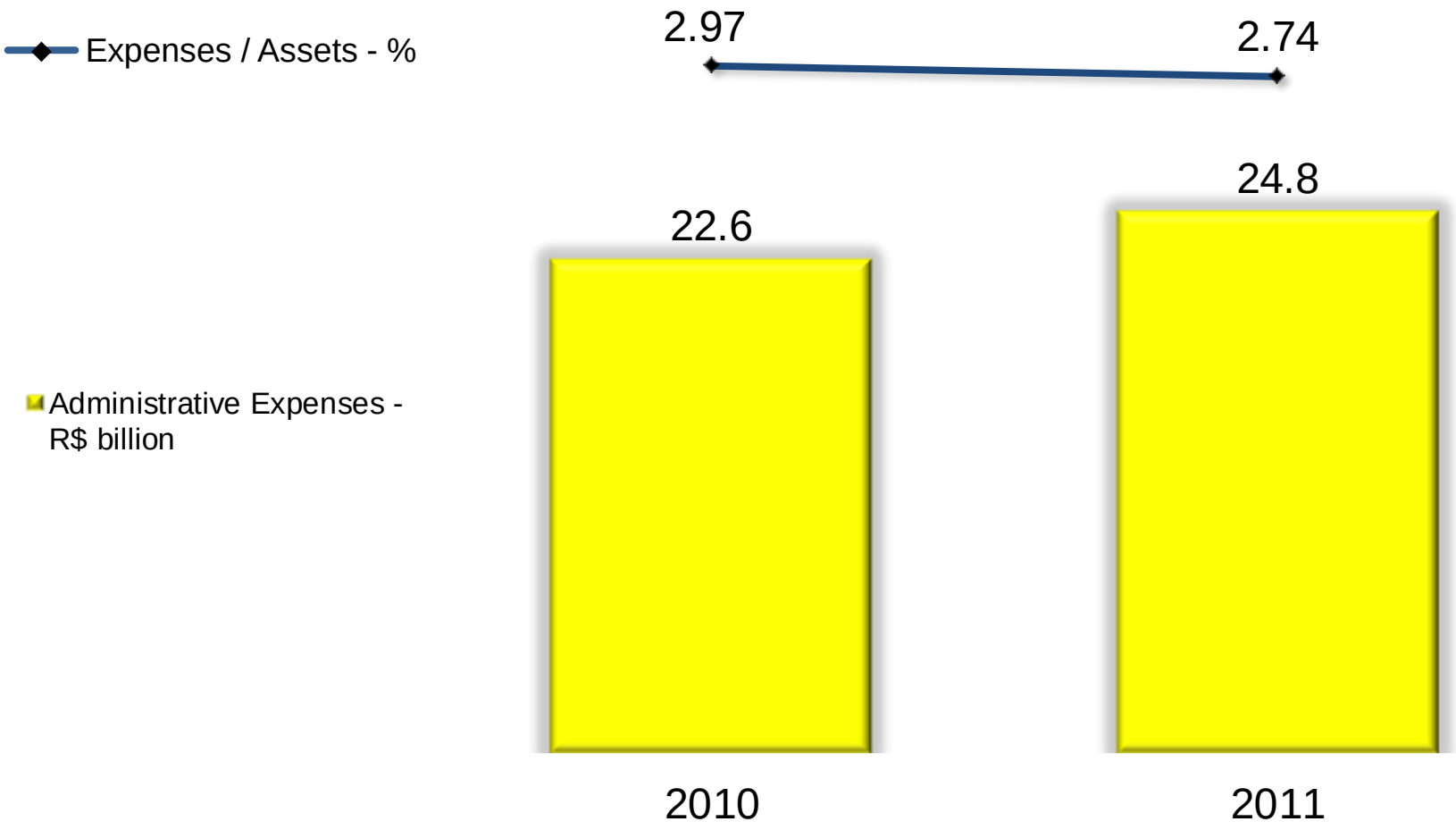
Helping people to start a banking relationship

Getting closer to the new middle class

Performance in the first month of operation

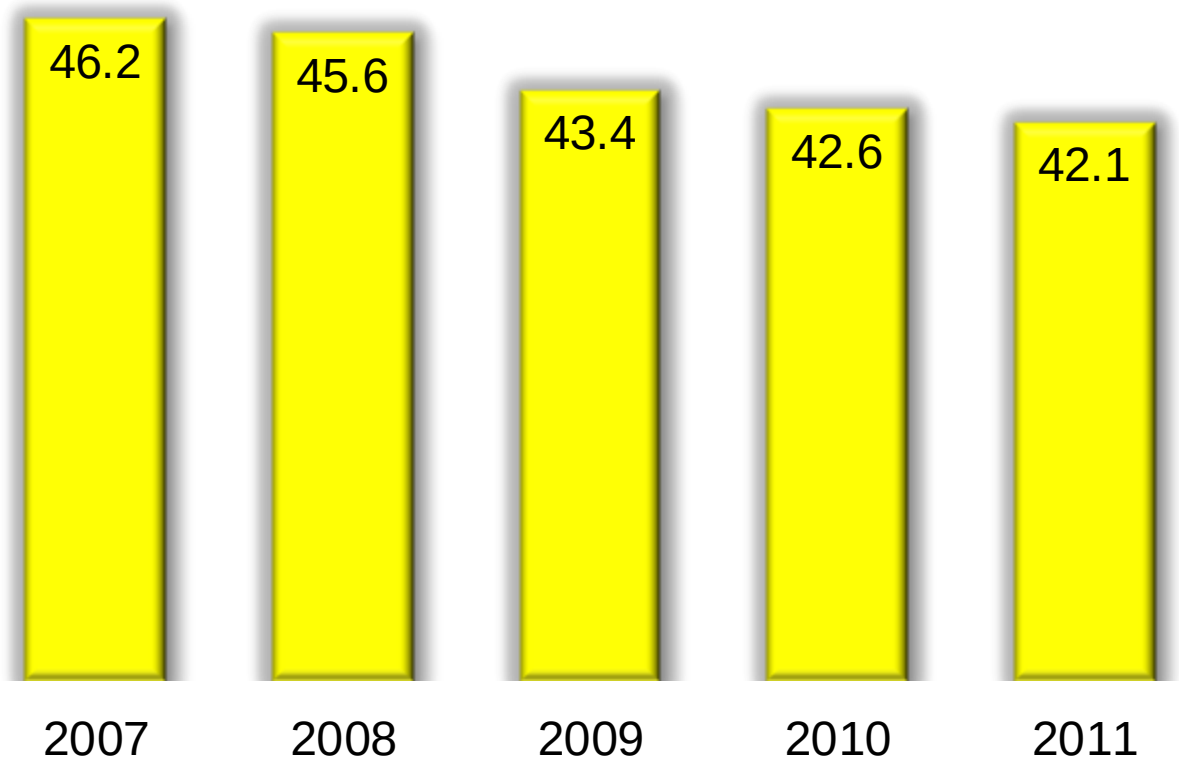
Correio's branches with transactions	**6,190**
Total amount of billed transactions	**7,002,404**
Cash receipts, payments and queries transactions	6,822,366
Opening of Individuals checking accounts	140,314
Opening of businesses checking accounts	1,960
Cards	36,918

Administrative expenses



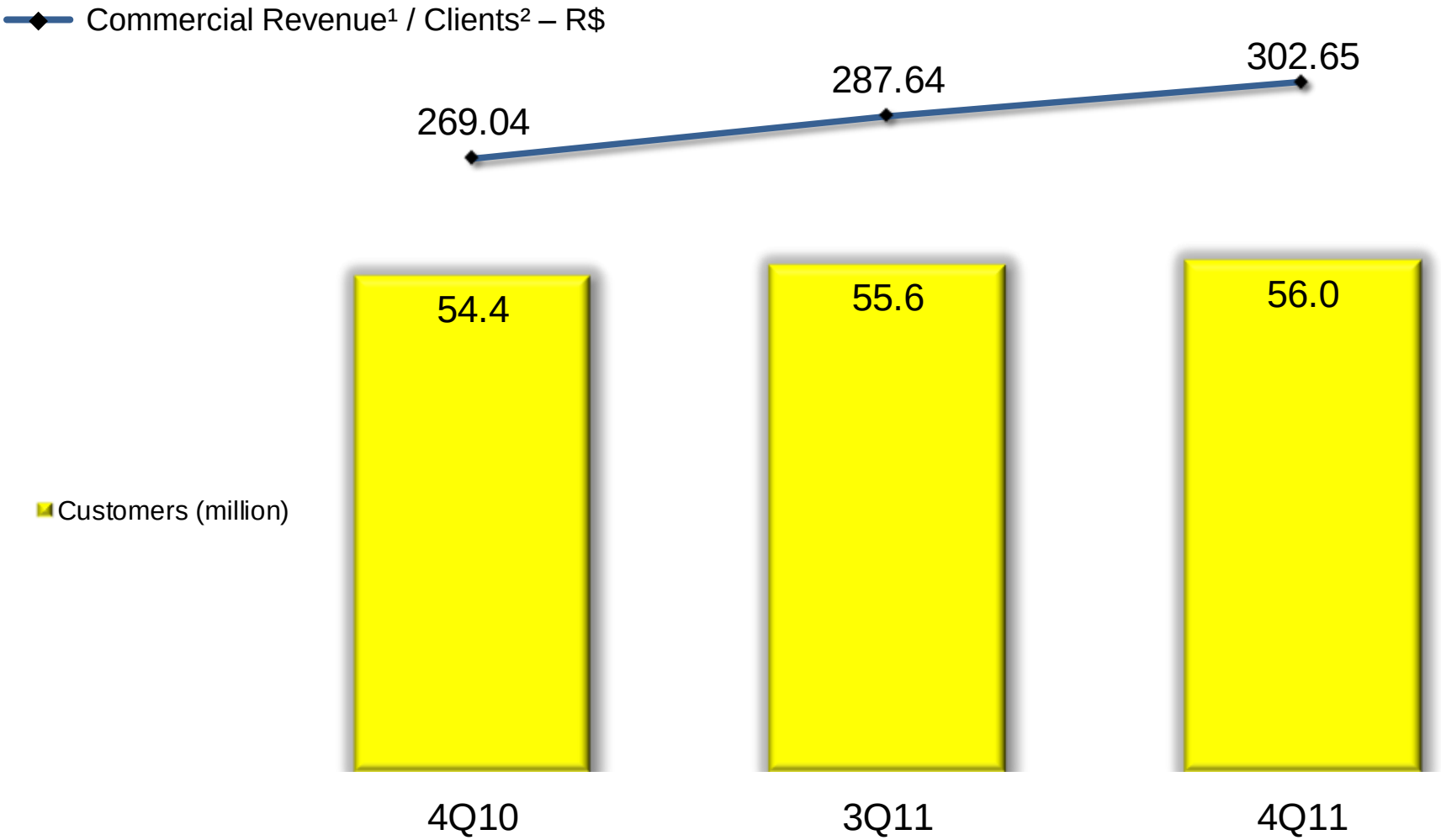
Cost-to-Income Ratio[1]

%



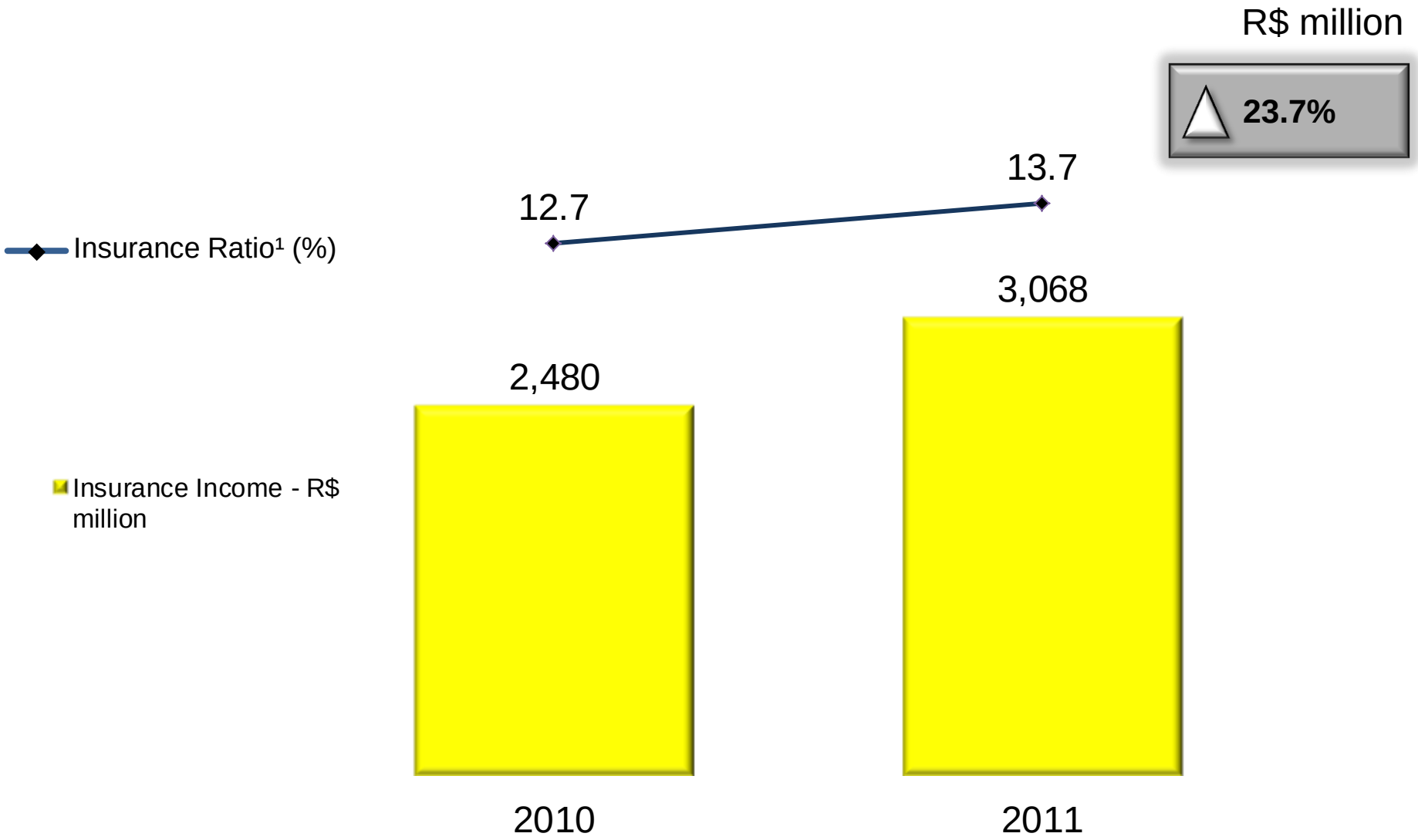
(1) Administrative Expenses / Operational Revenues, without one-off items

Commercial Revenue per Customer



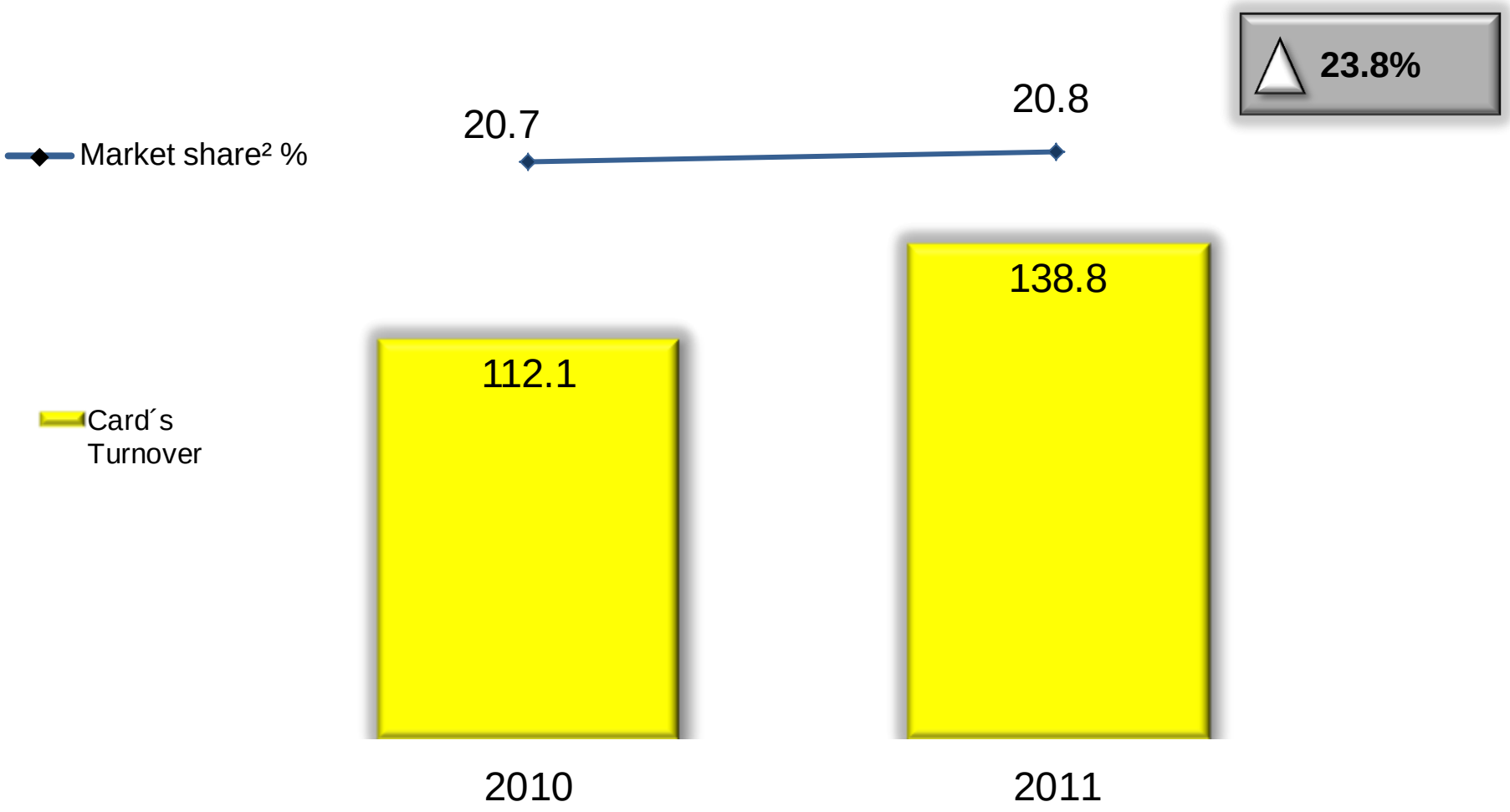
(1) Commercial Revenues = Net Interest Income + Fee Income + Result from Insurance Operations
(2) Average customer of the last two quarters

Insurance income



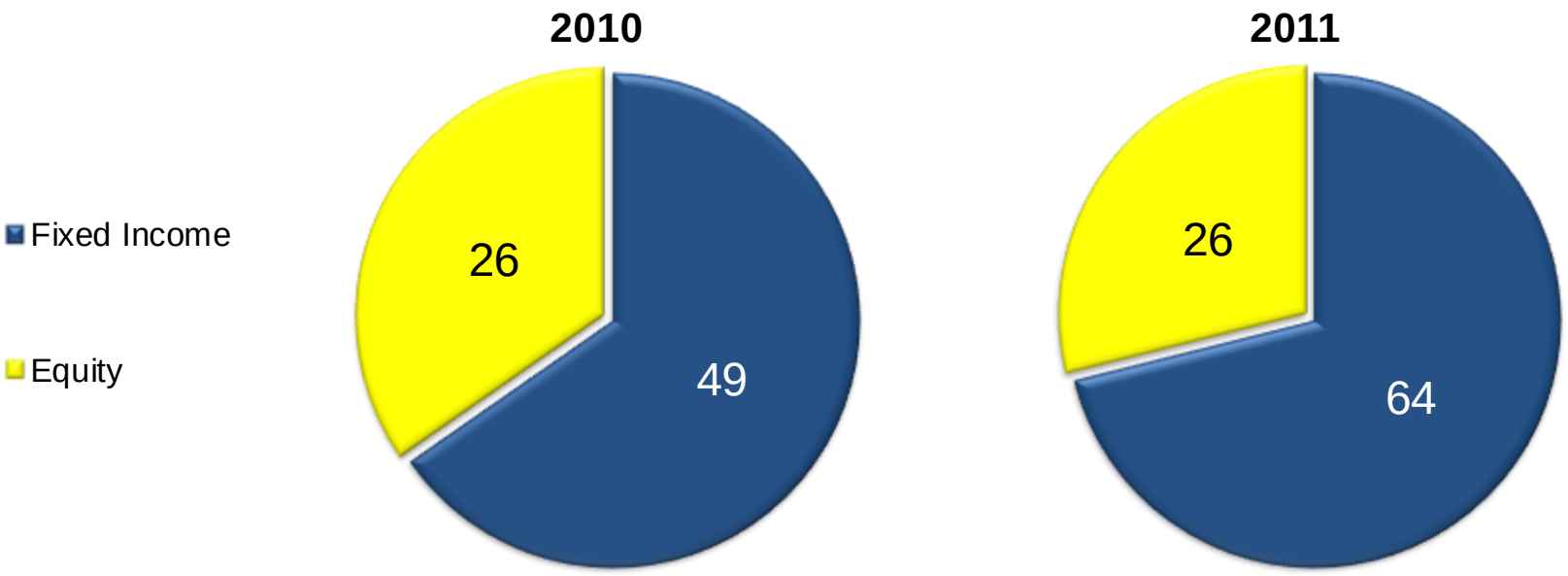
(1) Brokerage net income and service fee net income + equity in the earnings / recurring net income

Card purchase volume[1]

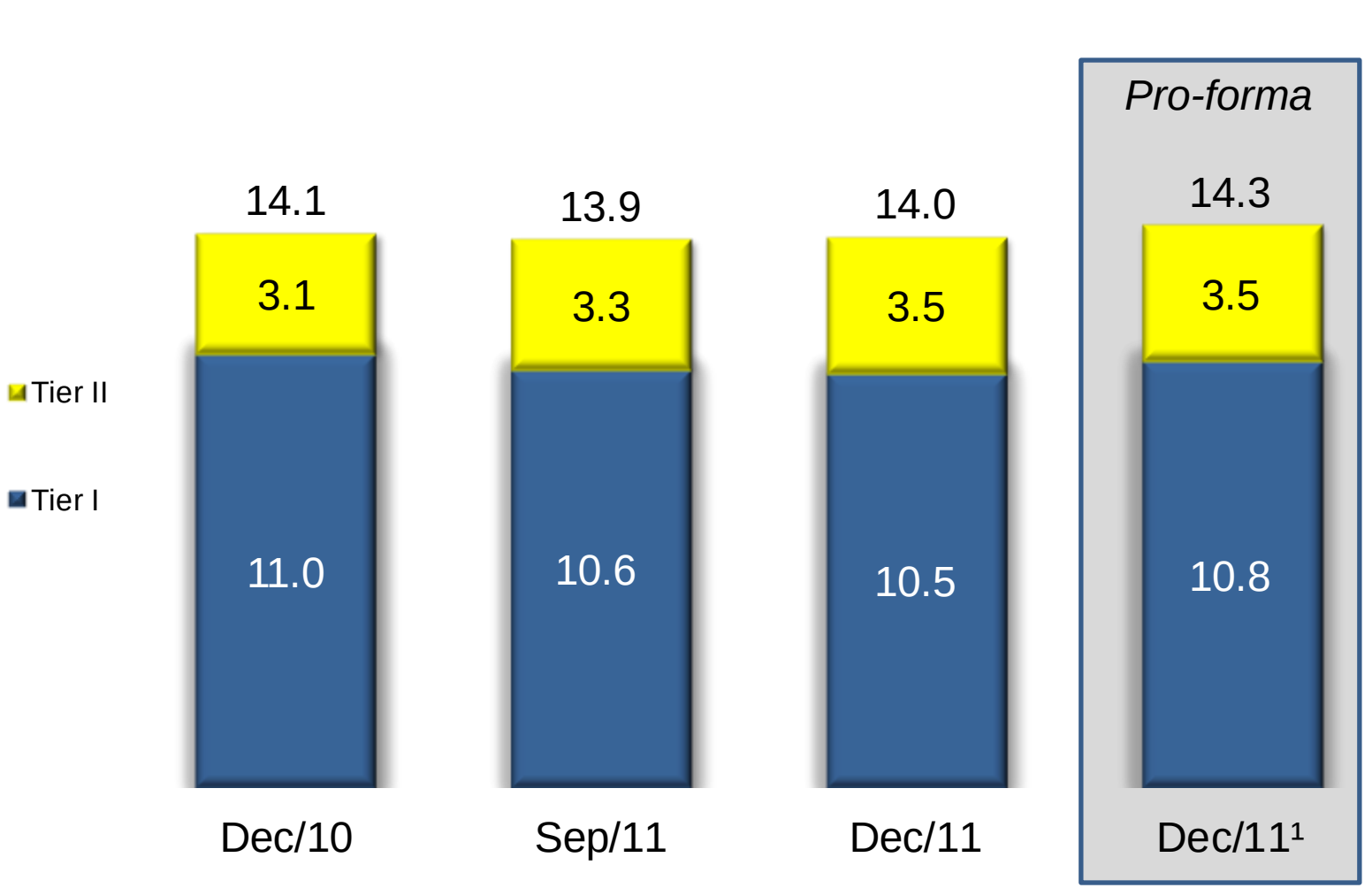


(1) Considering 50% of Votorantim
(2) Forecast Dec/11. Source: Associação Brasileira das Empresas de Cartões de Crédito e Serviços-Abecs

Number of Deals



BIS Ratio



Credit Growth Potential of R$ 156.0 billion

(1) Pro-forma considering the perpetual bond issued in January/12.

2012 Guidance

%

Recurring ROE	19 - 22
Net Interest Income	11 - 15
Total Deposits	14 - 18
Domestic Loan Portfolio	17 - 21
Individuals	19 - 23
Corporate	18 - 22
Agribusiness	9 - 12
Allowance for Loan Losses	3.1 - 3.5
Fee Income	13 - 18
Administrative Expenses	8 - 12
Tax Rate	31 - 34

Investors Relation Unit
SBS - Quadra 1 - Bloco C - Ed. Sede III - 7° floor
70073-901 - Brasília (DF)
Telephone: (61) 3102 1124
Fax: (61) 3102 1435

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