

Summary of Results¹

BB earns R\$ 2.0 billion in the third quarter of 2009

Banco do Brasil showed net income of R\$ 1,979 million in 3Q09. The result corresponds to an annualized Return on Equity (ROE) of 26.2%. Not taking into account the extraordinary effects, recurring income amounted to R\$ 1,764 million, 2.2% above the amount recorded in the previous quarter, and corresponded to a Return on Equity (ROE) of 23.1%.

In the first nine months of 2009, net income reached R\$ 5,992 million, which corresponds to a ROE of 25.9%, growth of 2.3% in relation to the same prior-year period.

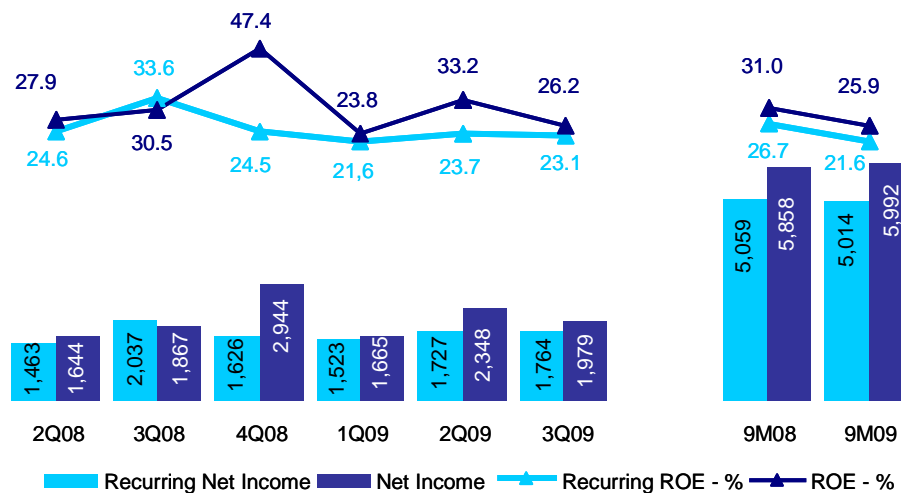


Figure 1. Earnings (R\$ million) and ROE (%)

◆ Net income per share was R\$ 0.77 for the quarter

Net income per share reached R\$ 0.77 in the quarter, amount 5.9% higher than that observed in the same prior-year period.

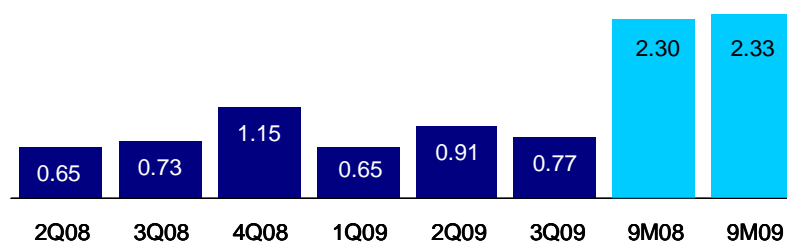


Figure 2. Earnings per Share (R\$)

¹ It is important to remember that as of the disclosure of 1Q09 income figures, management discussion and analyses are being prepared by Banco do Brasil based on financial statements consolidated with its non-financial companies (economic/financial consolidation).

◆ 40% of net income distributed to the shareholders

The remuneration to shareholders amounted to R\$ 791 million in the quarter, equivalent to 40% of the net income (payout). Of this total, R\$ 475.9 million were distributed as interest on own capital (JCP) and R\$ 315.5 million as dividends.

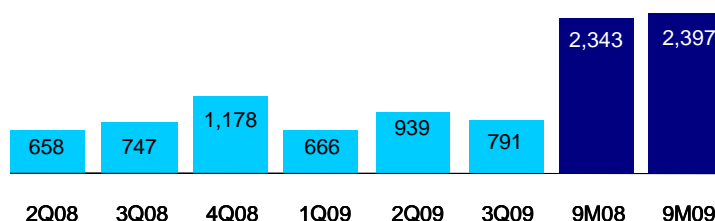


Figure 3. Dividends and Interest on Own Capital (R\$ million)

◆ Performance confirms estimates for 2009

The performance of Banco do Brasil (stand alone) in the first nine months of 2009 practically confirms all the estimates disclosed to the market upon the announcement of the result of 4Q08, except the effective tax rate, reviewed when disclosing the results for 1Q09. The remaining performance expectations were maintained.

The table below compares the performance of BB in the first nine months of the year with the estimates for 2009.

Table 1. 2009 Guidance (BB Stand-alone)

Items	Performance	2009 Guidance
Recurring Return on Equity	20.6%	19% - 22%
Net Interest Margin	6.6%	6.8% - 7.2%
Total Deposits	19.8%	10% - 14%
Domestic Loan Portfolio	22.0%	13% - 17%
Individuals	35.3%	23% - 25%
Businesses	23.0%	16% - 19%
Agribusiness	11.1%	2% - 5%
Allowance for Loan Losses	4.6%	3.8% - 4.2%
Fee Income	6.1%	5% - 8%
Administrative Expenses	12.2%	9% - 12%
Tax Rate	30.0%	30% - 33%

The main highlights of income/expenses and indicators above are discussed below:

◆ BB consolidates leadership: Total Assets surpass R\$ 685.7 billion

Banco do Brasil attained R\$ 685,684 million in total assets at the end of the third quarter of 2009. The expansion reached 49.6% in 12 months and 14.5% in relation to June. These figures already consider consolidation of all the interests in financial and non-financial companies, in addition to mergers (BESC and BEP) and the acquisition of equity control in Banco Nossa Caixa (BNC) and the conclusion of the strategic partnership established with Banco Votorantim.

Besides corporate transactions, it is worth highlighting the growth of deposits, which backed the robust expansion of loan portfolio and money market borrowing.

Table 2. Main Balance Sheet Items

R\$ million	Sep08	Jun/09	Sep/09	Chg. %	
				On Sep/08	On Jun/09
Total Assets	458,237	598,839	685,684	49.6	14.5
Loan Portfolio	202,201	252,485	285,517	41.2	13.1
Securities	85,954	109,564	129,818	51.0	18.5
Short-term Interbank Operations	71,092	132,438	157,541	121.6	19.0
Deposits	229,810	310,846	326,958	42.3	5.2
Demand Deposits	42,955	49,075	50,107	16.6	2.1
Saving Deposits	52,693	69,011	72,233	37.1	4.7
Interbank Deposits	6,309	7,459	9,627	52.6	29.1
Time Deposits	127,582	185,072	194,707	52.6	5.2
Money Market Borrowing	85,339	101,508	153,603	80.0	51.3
Shareholder's Equity	27,889	32,360	33,661	20.7	4.0

For purposes of comparison with the 2009 guidance, the table below presents the main equity items of BB stand-alone, allowing the comparison between the balance at the end of September 2009 and that recorded in the same period of 2008.

Segregating the effects of BNC's and Banco Votorantim's consolidation, the growth of Banco do Brasil total assets was 6.7% in the quarter and 24.5% in twelve months. Among Assets, it is worth mentioning the loan portfolio and short-term interbank investments, which grew 21.5% and 93.9% in 12 months, respectively.

Table 3. Main Balance Sheet Items (Banco do Brasil stand-alone)

R\$ million	Sep/08	Jun/09	Sep/09	Chg. %	
				On Sep/08	On Jun/09
Total Assets	458,237	534,873	570,629	24.5	6.7
Loan Portfolio	202,201	235,436	245,712	21.5	4.4
Securities	85,954	85,253	93,189	8.4	9.3
Short-term Interbank Operations	71,092	124,076	137,881	93.9	11.1
Deposits	229,810	273,048	275,253	19.8	0.8
Demand Deposits	42,955	45,426	45,860	6.8	1.0
Saving Deposits	52,693	57,602	60,358	14.5	4.8
Interbank Deposits	6,309	7,459	7,974	26.4	6.9
Time Deposits	127,582	162,349	160,738	26.0	(1.0)
Money Market Borrowing	85,339	88,573	124,736	46.2	40.8
Shareholder's Equity	27,889	32,360	33,661	20.7	4.0

◆ Loan portfolio reaches surpasses R\$ 300 billion and BB surpass 20% of market share

Banco do Brasil's loan portfolio, in amplified concept that includes guarantees provided and private securities, ended last quarter at R\$ 301,421 million, a growth of 41.1% over the amounts recorded at the end of September of previous year.

The classified loan portfolio (according Res. #2682) reached R\$ 285,517 billion, growth of 41.2% in 12 months and 13.1% in the quarter. The domestic loan portfolio alone grew 43.0% in the year and 13.1% over last quarter, surpassing the industry's growth of 16.9% in 12 months. BB's market share reached 20.1%.

Table 4. Loan Portfolio (Conglomerate)

R\$ million	Sep/08	Jun/09	Sep/09	Chg. %	
				On Sep/08	On Jun/09
Loan Portfolio	202,201	252,485	285,517	41.2	13.1
Brazil	189,301	239,418	270,748	43.0	13.1
Individuals	43,435	68,467	85,717	97.3	25.2
Payroll Loan	14,539	29,533	33,973	133.7	15.0
Auto Loans	5,607	8,180	19,255	243.4	135.4
Businesses	85,343	103,351	116,994	37.1	13.2
MSE	32,027	39,493	41,159	28.5	4.2
Others	53,315	63,858	75,834	42.2	18.8
Agribusiness	60,524	67,600	68,038	12.4	0.6
Abroad	12,900	13,068	14,769	14.5	13.0

At the end of third quarter, loans to individuals amounted to R\$ 85,717 million, an increase of 97.3% in twelve months and of 25.2% over the prior quarter. The individual loan portfolio reached relative share of 30.0% in relation to the total portfolio, versus 27.1% in the previous quarter and 21.5% in the end of September 2008. payroll loans and vehicle financing are still driving the individual loan portfolio, surpassing the agribusiness loan portfolio since June. The business loan portfolio (SMEs, Medium and large business) totaled R\$ 116,994 billion in September, a growth of 37.1% in twelve months.

Disregarding the consolidations of Banco Nossa Caixa and Banco Votorantim, the domestic loan portfolio grew 22.0% in 12 months. Within the same concept, the total portfolio recorded growth of 21.5%, led by loans to individual clients. The table below allows the understanding of the evolution of stand-alone figures, and the impacts of Banco Votorantim's consolidation and evolution of Banco Nossa Caixa's portfolio, that grew 13.2% in the quarter.

Table 5. Loan Portfolio – Organic Growth (Banco do Brasil stand-alone)

R\$ million	Sep/08	Jun/09	Sep/09	Chg. %	
				On Sep/08	On Jun/09
Banco do Brasil	202,201	235,436	245,712	21.5	4.4
Individuals	43,435	55,243	58,747	35.3	6.3
Businesses	85,343	100,350	104,958	23.0	4.6
Agribusiness	60,524	66,775	67,237	11.1	0.7
Abroad	12,900	13,068	14,769	14.5	13.0
Nossa Caixa	-	17,050	19,308	-	13.2
Individuals	-	13,224	14,524	-	9.8
Businesses	-	3,001	3,984	-	32.7
Agribusiness	-	825	800	-	(3.0)
Banco Votorantim*	-	-	20,498	-	-
Individuals	-	-	12,446	-	-
Businesses	-	-	8,052	-	-
Total	202,201	252,485	285,517	41.2	13.1

*Amounts equal to 50% of BV Loan Portfolio

◆ **Recurring net income reflects strong net interest income, fee income growth and expense control**

The table below, extracted from the income statement with reallocations, presents the main highlights of the period. The breakdown of reallocations is in Section 5.3.1 of the Performance Analysis Report.

Table 6. Income Statement with reallocations

R\$ million	Quarterly Flow			Chg.%		9 Months Flow		Chg.%
	3Q08	2Q09	3Q09	3Q/3Q	3Q/2Q	9M08	9M09	9M/9M
Financial Intermediation Income	15,894	16,037	16,048	1.0	0.1	38,102	47,345	24.3
Loan operations + Leasing	9,052	10,281	10,756	18.8	4.6	23,642	30,126	27.4
Securities	5,771	5,215	5,083	(11.9)	(2.5)	12,460	16,028	28.6
Financial Intermediation Expenses	(9,862)	(7,550)	(7,729)	(21.6)	2.4	(20,643)	(23,553)	14.1
Net Interest Income	6,032	8,487	8,320	37.9	(2.0)	17,459	23,792	36.3
Allowance for Loan Losses	(1,338)	(3,172)	(3,017)	125.4	(4.9)	(4,559)	(8,679)	90.4
Net Financial Margin	4,694	5,316	5,303	13.0	(0.2)	12,899	15,112	17.2
Fee income	2,933	3,436	3,526	20.2	2.6	8,758	9,905	13.1
Contribution Margin	7,356	8,417	8,461	15.0	0.5	20,549	24,000	16.8
Administrative expenses	(3,817)	(4,892)	(4,897)	28.3	0.1	(11,032)	(13,720)	24.4
Personnel Expenses	(2,020)	(2,613)	(2,693)	33.4	3.1	(5,819)	(7,436)	27.8
Other Administrative Expenses	(1,797)	(2,279)	(2,203)	22.6	(3.3)	(5,213)	(6,284)	20.5
Commercial Income	3,451	3,518	3,540	2.6	0.6	9,422	10,207	8.3
Legal Claims	4	(152)	(40)	-	(73.6)	(64)	(288)	348.8
Labor Lawsuits	(159)	107	(216)	35.9	-	(431)	(211)	(51.2)
Other Income and Expenses	(420)	(729)	(562)	33.6	(23.0)	(1,253)	(1,829)	46.0
Income Before Taxes	2,876	2,744	2,723	(5.3)	(0.8)	7,674	7,880	2.7
Income and Social Contribution Taxes	(598)	(771)	(727)	21.6	(5.7)	(1,861)	(2,186)	17.5
Corporate Profit Sharing	(241)	(220)	(230)	(4.3)	4.5	(754)	(653)	(13.3)
Recurring Net Income	2,037	1,727	1,764	(13.4)	2.2	5,059	5,014	(0.9)

Table 7. Main Indicators of Income/Expenses

Indicators - %	3Q08	2Q09	3Q09	9M08	9M09
Global Spread	7.0	7.3	6.7	7.0	6.8
Expenses with Allowance for Loan Losses over Portfolio	3.5	4.2	4.7	3.5	4.7
Efficiency Ratio ¹	47.6	42.3	44.6	45.7	43.0
Recurring Return on Equity	33.6	23.7	23.1	26.7	21.6
Effective Rate of Tax	22.7	30.6	29.2	26.9	30.2

⁽¹⁾ The extraordinary effects of the period were segregated in the calculation.

To allow a better comparison and the monitoring of the 2009 guidance, the table below presents BB stand-alone results, comparing the performance in the first nine months of 2009 with the results recorded in the same period of 2008.

Table 8. Statement of Operations with reallocations (Banco do Brasil stand-alone)

R\$ million	Quarterly Flow			Chg.%		9 Months Flow		Chg.%
	3Q08	2Q09	3Q09	3Q/3Q	3Q/2Q	9M08	9M09	9M/9M
Financial Intermediation Income	15,894	14,213	14,013	(11.8)	(1.4)	38,102	43,485	14.1
Loan operations + Leasing	9,052	9,255	9,643	6.5	4.2	23,642	27,987	18.4
Securities	5,771	4,478	4,223	(26.8)	(5.7)	12,460	14,431	15.8
Financial Intermediation Expenses	(9,862)	(6,753)	(6,820)	(30.8)	1.0	(20,643)	(21,848)	5.8
Net Interest Income	6,032	7,460	7,192	19.2	(3.6)	17,459	21,637	23.9
Allowance for Loan Losses	(1,338)	(2,919)	(2,779)	107.6	(4.8)	(4,559)	(8,189)	79.6
Net Financial Margin	4,694	4,540	4,414	(6.0)	(2.8)	12,899	13,448	4.3
Fee income	2,933	3,136	3,213	9.5	2.4	8,758	9,292	6.1
Contribution Margin	7,356	7,406	7,325	(0.4)	(1.1)	20,549	21,853	6.3
Administrative expenses	(3,817)	(4,234)	(4,215)	10.4	(0.4)	(11,032)	(12,379)	12.2
Personnel Expenses	(2,020)	(2,255)	(2,314)	14.6	2.6	(5,819)	(6,698)	15.1
Other Administrative Expenses	(1,797)	(1,978)	(1,901)	5.8	(3.9)	(5,213)	(5,681)	9.0
Commercial Income	3,451	3,182	3,104	(10.0)	(2.4)	9,422	9,435	0.1
Legal Claims	4	(132)	(14)		(89.1)	(64)	(242)	277.5
Labor Lawsuits	(159)	150	(142)	(10.7)	-	(431)	(93)	(78.4)
Other Income and Expenses	(420)	(612)	(460)	9.4	(24.8)	(2,456)	(1,610)	(34.5)
Income Before Taxes	2,876	2,588	2,488	(13.5)	(3.9)	7,674	7,490	(2.4)
Income and Social Contribution Taxes	(598)	(705)	(662)	10.7	(6.1)	(1,861)	(2,055)	10.4
Corporate Profit Sharing	(241)	(220)	(218)	(9.3)	(0.9)	(754)	(641)	(14.9)
Recurring Net Income	2,037	1,663	1,606	(21.1)	(3.4)	5,059	4,792	(5.3)

Table 9. Main Indicators of Income/Expenses (Banco do Brasil stand-alone)

Indicators - %	3Q08	2Q09	3Q09	9M08	9M09
Global Spread	7.0	7.1	6.5	7.0	6.6
Expenses with Allowance for Loan Losses over Portfolio	3.5	4.1	4.6	3.5	4.6
Efficiency Ratio ¹	47.6	40.3	42.8	45.7	41.7
Recurring Return on Equity	33.6	22.8	20.9	26.7	20.6
Effective Rate of Tax	22.7	29.8	29.2	26.9	30.0

⁽¹⁾ The extraordinary effects of the period were segregated in the calculation.

◆ Credit Growth helps to maintain Net Interest Income

The Net Interest Income (NII) recorded a decrease of 2.0% in the quarter and increase of 37.9% in relation to 3Q08. Quarterly, the NII behavior was influenced by the reduction of spreads and, mainly, by the reductions in the interest rate (SELIC) promoted by the Central Bank of Brazil (BACEN). On the other hand, the loan portfolio growth partially offset the reduction of spreads.

The consolidation of Banco Nossa Caixa added R\$ 2,155 million to BB's NII in the first nine months of 2009 (the results of BNC for 1Q09 were not consolidated). In a pro-forma comparison, excluding the effects of the consolidation, the NII totaled R\$ 7,192 million in the quarter, a decrease of 3.6% in relation to 2Q09, but an increase of 19.2% in relation to 3Q08. Emphasis on the YTD performance, when the BB Stand Alone NII totaled R\$ 21,637 million, growth of 23.9% in relation to the same period of 2008.

The table below presents the formation of Net Interest Income. The contribution of the loan portfolio in its main business lines, computing the revenues and the costs associated with these operations, including the fundraising cost, is highlighted. In addition there is separation of the amounts corresponding to revenue with written-off loans recovery, and the amounts of revenues relating to earning compulsory deposits. The item "Other Income", comprised mainly of income from treasury, resulting from transactions with securities, derivatives and foreign exchange, completes the NII formation.

Table 10. Net Interest Income by business line

R\$ million	Quarterly Flow			Chg.%		9-month Flow		Chg.%
	3Q08	2Q09	3Q09	3Q/3Q	3Q/2Q	9M08	9M09	9M/9M
Net Interest Income	6,032	8,487	8,320	37.9	(2.0)	17,459	23,792	36.3
Loan Operations	4,139	5,826	5,978	44.4	2.6	11,669	16,722	43.3
Individuals	2,085	3,097	3,299	58.2	6.5	6,009	8,712	45.0
Businesses	1,278	1,827	1,844	44.3	0.9	3,509	5,358	52.7
Agribusiness	775	902	834	7.6	(7.5)	2,152	2,653	23.3
Other	1,893	2,662	2,342	23.7	(12.0)	5,790	7,069	22.1
Remunerated Compulsory	590	213	213	(63.8)	0.1	1,486	602	(59.5)
Recovery of Write-offs	400	531	525	31.1	(1.0)	1,248	1,412	13.2
Other	903	1,918	1,603	77.5	(16.4)	3,055	5,055	65.5
BB Stand-alone								
Net Interest Income	6,032	7,460	7,192	19.2	(3.6)	17,459	21,637	23.9

The impact of the rates reduction was partially offset by the rise in revenues with loans, which grew 2.6% in the quarter and 44.4% over 3Q09, and contributed to the formation of Net Interest Income.

The increase of the average volumes ensured the growth of revenues from loans and offset the spread behavior, which presented a decrease, basically due to the following factors:

- Change in the mix of the agribusiness portfolio, with reduction of the relative share of operations contracted with individuals and of the operations with equalizable resources, which present better margins.
- Continuity of the downside tendency in the individual operations spread, owing to the greater concentration of the portfolio in operations with lower associated risk, and, therefore, smaller margins, such as payroll loans and vehicle financing.

Among the other sources of revenues, there was stability both in the earning compulsory deposit and in loans written-off recovery. The Others line exhibited a decrease of 16.4% in the quarter and was the main cause of the net interest income slide. This line includes operations with securities and interbank investments, instruments that are normally correlated more to the behavior of the basic interest rate.

The Gross Global Spread ended the quarter at 6.7%, as opposed to 7.3% in the previous quarter. In the first nine months of 2009, the spread came to 6.8%. These amounts consider the consolidation of Banco Nossa Caixa. To allow better monitoring of the Guidance, we determined the Global Spread of BB Stand Alone, which recorded 6.6% in 9M09, slighting below the guidance.

Table 11. Annualized spread

R\$ million	3Q08	2Q09	3Q09	9M08	9M09
Loan Operations	9.4	10.4	10.2	9.2	9.9
Individuals	22.0	21.2	20.6	21.9	19.8
Businesses	6.6	7.5	7.4	6.5	7.2
Agribusiness	5.2	5.5	4.9	4.9	5.3
Other	4.5	4.4	3.6	3.1	7.8
Global Spread	7.0	7.3	6.7	7.0	6.8

◆ Delinquency at BB cool-down

The monthly monitoring of BB's domestic loan portfolio (stand alone) indicates a delinquency decrease as of September. For the first time since the beginning of 2009 both the past due loans +90 days ratio, and the past due loans +15 days ratio, presented a downside.

The percentage of past due loans +15 days dropped to 5.9%, against 6.2% in August. The percentage of the past due loans +15 days recorded a decrease of 10 base points, to 3.9%.

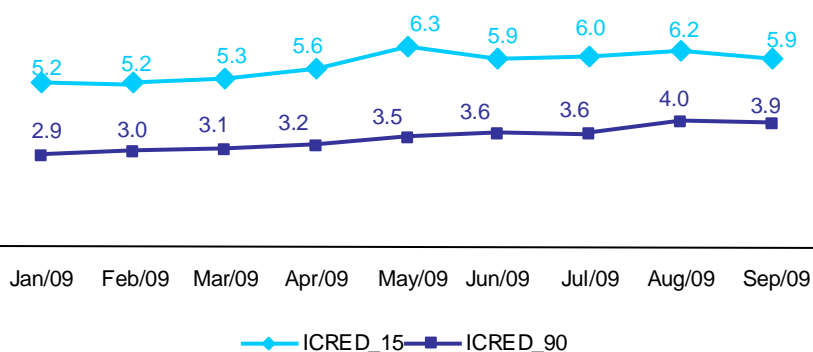


Figure 4. Default 15 and 90 days - BB Stand Alone

◆ Loan portfolio quality remains better than the Banking Industry

In relation to the loan portfolio quality, the average risk came to 5.7% in September 2009, 20 base points below that observed in June 2009, and below the average risk of the National Financial System, which at the end of September came to 7.2%, the same as observed in the previous quarter.

Delinquency above 90 days of the total portfolio ended the quarter at 3.6%, against 3.3% in June. In the National Financial System the past due loans +90 days continued at 4.4% at the end of the last two quarters.

Table 12. Loan Portfolio Quality Indicators (BB+BV+BNC)

%	Sep/08	Jun/09	Sep/09
Past Due Loans/Loan Portfolio	3.7	5.6	6.9
Allowance/Loan Portfolio	5.5	7.0	6.7
Past due loans + 60 days/Total Portfolio (%)	2.6	3.8	4.1
Past due loans + 90 days/Total Portfolio (%)	2.2	3.3	3.6
Allowance/Past Due Loans + 60 days	213.8	187.2	161.1
Allowance/Past Due Loans + 90 days	250.2	214.0	183.4
Average Risk BB	5.2	5.9	5.7
Average Risk – Banking Industry	5.1	7.2	7.2
Transactions overdue + 90 days/Total Portfolio – Banking Industry	3.0	4.4	4.4

Notwithstanding the perception of improvement of the economic and business environment, Banco do Brasil maintains a prudent attitude toward the provisions balance for credit risk and toward the portfolio coverage percentage. The provisions balance totaled R\$ 19,070 million at the end of September, a growth of 7.4% in relation to June. The provision coverage ratio came to 6.7%. Emphasis on the sum of additional provisions, which reached R\$ 2,903 million.

Disregarding the effects of the consolidation of Nossa Caixa and Banco Votorantim, provisions would close the quarter at R\$ 17,118 million, growth of 53.0% in the year and of 3.6% in relation to the previous quarter. The coverage ratio would end the quarter at 7.0%, same percentage as the previous quarter.

Table 13. Allowance for loan losses

R\$ million	Sep/08	Jun/09	Sep/09	Chg.%	
				on Sep/08	on Jun/09
Required	10,468	14,892	16,167	54.4	8.6
Additional	719	2,867	2,903	303.5	1.2
Total	11,187	17,759	19,070	70.5	7.4

The provision expenses recorded a decrease of 4.9% in the quarter, which contributed to the drop of the ratio between these expenses and the total loan portfolio. The ratio ended 3Q09 at 1.2%, a downslide of 10 base points in relation to the previous quarter. In spite the expenses reduction in the quarter, the ratio between the expense in 12 months and the average portfolio of the same period reached 4.7%, against 4.2% in the 12 months ended in the previous quarter. The growth of this indicator results from the weak comparison basis, since the third quarter of 2008 was eliminated from the calculation, and up to that quarter the Brazilian economy had not yet suffered the effects of the world financial crisis.

Table 14. Expenses with Allowance for Loan Losses over Portfolio

R\$ million	3Q08	2Q09	3Q09
(A) Allowance for Loan Losses - Quarterly	(1,338)	(3,172)	(3,017)
(B) Allowance for Loan Losses - 12 Months	(6,056)	(9,241)	(10,919)
(C) Loan Portfolio	202,201	252,485	265,019
(E) Average Portfolio – 3 Months	195,431	246,363	257,948
(E) Average Portfolio – 12 Months	174,161	219,071	234,430
Expenses over Portfolio (A/D) - %	0.7	1.3	1.2
Expenses over Portfolio (B/E) - %	3.5	4.2	4.7

◆ Operating Efficiency: Expenses under control, Fee income grows again

The administrative expenses, which comprise personnel expenses and other administrative expenses, totaled R\$ 4,897 billion, which represents growth of 28.3% over 3Q08, and of only 0.1% in relation to the previous quarter.

Administrative expenses dropped 0.4% over the previous quarter, if considered BB's figures before the consolidation of Banco Nossa Caixa. The performance of quarterly expenses is the result of a huge management effort over other administrative expenses, which dropped 3.9% and compensated an already foreseen increase in Personnel Expenses. BB's stand alone personnel expenses grew 2.6% in the quarter due to the salary increase granted to the employees and the 0.5% increase of the average workforce (not considering the Banco Nossa Caixa employees).

In the first nine months of 2009, BB Stand Alone expenses exhibited growth of 12.2% in relation to the same period of 2008. This percentage is lower than the growth level observed in the first six months of 2009, and close to the estimates range top disclosed by the Guidance 2009. In 2Q09, additional expenses of approximately R\$ 111 million had been recorded, related to the IPO of Visanet and improvements in the consolidation of non-financial associated companies and subsidiaries. Disregarding these atypical expenses, the growth in relation to the first nine months of 2008 would be 11.2%.

Table 15. Administrative expenses

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q08	2Q09	3Q09	3Q/3Q	3Q/2Q	9M08	9M09	9M/9M
BB	3,817	4,892	4,897	28.3	0.1	11,032	13,720	24.4
Personnel Expenses	2,020	2,613	2,693	33.4	3.1	5,819	7,436	27.8
Other Administrative Expenses	1,797	2,279	2,203	22.6	(3.3)	5,213	6,284	20.5
BNC¹	-	659	682	-	3.6	-	1,340	-
Personnel Expenses	-	358	380	-	6.1	-	737	-
Other Administrative Expenses	-	301	302	-	0.5	-	603	-
BB - BNC	3,817	4,233	4,215	10.4	(0.4)	11,032	12,379	12.2
Personnel Expenses	2,020	2,255	2,314	14.6	2.6	5,819	6,698	15.1
Other Administrative Expenses	1,797	1,978	1,901	5.8	(3.9)	5,213	5,681	9.0

¹ Impacts of the consolidation of Banco Nossa Caixa.

Control of administrative expenses was followed by an increase in Fee Income, which grew 2.6% in the quarter and 20.2% in relation to 3Q08. The expansion reaches 13.1% in the comparison between the first nine months of 2009 and the same period of 2008.

Even disregarding the effects of the consolidation of Banco Nossa Caixa, the business growth and the customer base contributed to an increase of 2.4% in these revenues for the quarter, and of 9.5% in relation to the same prior-year period. The flow for the first nine months of 2009, which allows a better projection and guidance monitoring, shows an increase of 6.1% in BB Stand Alone Fee Income in relation to the same prior-year period.

Table 16. Fee income

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q08	2Q09	3Q09	3Q/3Q	3Q/2Q	9M08	9M09	9M/9M
BB	2,933	3,436	3,526	20.2	2.6	8,758	9,905	13.1
BNC	-	300	313	-	4.5	-	613	-
BB - BNC	2,933	3,136	3,213	9.5	2.4	8,758	9,292	6.1

Fee income positive performance and the control of administrative expenses, combined with the other operating growth contributed toward the improvement of the cost/income ratio. The Conglomerate ratio for

the first nine months of 2009 was of 43.0% and the stand alone ratio was of 41.7%. This ratio attained 45.7% in the same period 2008.

◆ Extraordinary Items

The one-off items added R\$ 215 million to BB's net income in the 3rd quarter of 2009 and R\$ 978 million in the first nine months of 2009. The main effects are as follows:

3Q09

- Exercise of the Supplementary Share Option (greenshoe), whereby BB sold 14,330,229 shares of VISANET, which generated extraordinary income of R\$ 209 million before taxes.
- Partial sale of investments, corresponding to 56.1% BB group shares (Multiple Bank, Visanet and VisaVale) in the company Visa Inc., generating positive extraordinary result of R\$ 361million in 1Q08. In September 2009, a portion of the remaining shares was sold, generating an extraordinary revenue of approximately R\$ 141 million.
- Assignment of loans written-off to Ativos SA, generating revenues in the amount of R\$ 119 million.
- Lawsuits expenses with lawsuits regarding Economic Plans totaling R\$ 84 million.

2Q09

- Extraordinary Expense incurred in 2Q09, equal to an Additional allowance for loan losses, in the amount of R\$ 676 million according to the Material Fact of 06.30.2009.
- Sale of shares representing 7.1% of the capital stock of Companhia Brasileira de Meios de Pagamento - Visanet Brasil, an affiliate of BB Banco de Investimento S/A – BB-BI, a wholly-owned subsidiary of Banco do Brasil, generating positive extraordinary result of R\$ 1,415 million in 2Q09.
- Lawsuits expenses regarding Economic Plans totaling R\$ 193 million.
- Assignment of loans written-off to Ativos SA, generating revenues in the amount of R\$ 271 million.

1Q09

- Expense of R\$ 1,367 million, before taxes, that refers to the supplementation of provision to cover labor, civil and fiscal claims, according to the Material Fact of 04.29.2009.
- Income of R\$ 1,213 million relating to the recognition of tax credits originating from the alteration of the rate of Social Contribution on Net Income - CSLL from 9% to 15%, according to the Material Fact of 04.29.2009.

The table below details the extraordinary effects of the quarter:

Table 17. Extraordinary Items

R\$ million	3Q09	9M09
Recurring Net Income	1,764	5,014
(+) Extraordinary Effects of the Period	215	978
Sale of Interest in VISA Internacional	141	141
Economic Plans	(84)	(372)
Credit assignment	119	391
Additional Allowance for Loan Losses	-	(676)
Provision for labor, civil, and tax claims	-	(1,367)
Tax credits - differential of CSLL rate	-	1,213
Disposal of investments – Visanet Brasil	209	1,625
Tax Impacts and PLR on Extraordinary Items	(171)	24
Net Income	1,979	5,992

◆ BIS Ratio reflects Nossa Caixa Offering and partnership with Banco Votorantim

Banco do Brasil's capital ratio (K) ended September 2009 at 13.0%, a 235 bps decrease over the preceding quarter. The BIS ratio shown allows the Bank to expand its loan portfolio by R\$ 70,992 million in credit assets, considering a 100% weighting.

The reduction observed in the period results from the Public Offering whereby Banco do Brasil acquired the interest of minority shareholders in Banco Nossa Caixa (attaining 99.32% of interest in the total capital) and from the consummation of the strategic partnership with Banco Votorantim.

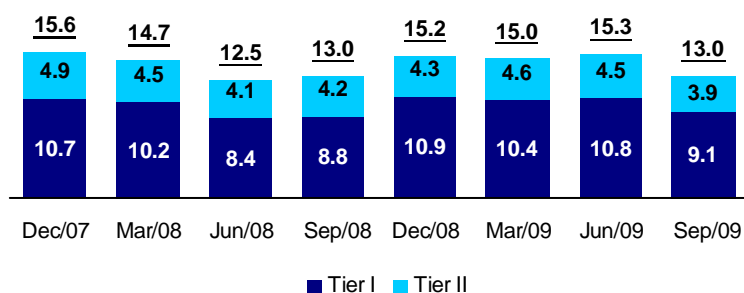


Figure 5. BIS Ratio

Future impacts in the BIS Ratio

Banco do Brasil concluded the issuance of debt instruments that should benefit the capital ratios. Besides the issuance of perpetual bonds in the amount of US\$ 1.5 billion concluded in October, BB also issued, in November, a subordinated debt operation in the amount of R\$ 1.0 billion. Given the subordination characteristics of the perpetual bonds subordination, Banco do Brasil will request that Bacen classify the amount as tier 1 capital, for BIS ratio purposes. The estimate is that the combined effect of the two operations will bring the Bank's capital ratio to 13.9% (Tier 1: 9.74%; Tier 2: 4.12%), keeping the other assumptions used in the calculation in September/09.