

Q2 2013 Earnings Call

Company Participants

- Gustavo Sousa, Head of IR

Other Participants

- Eduardo Joseman, Analyst
- Jorge Kuri, Analyst
- Mario Pierry, Analyst
- Regina Longo Sanchez, Analyst
- Unidentified Participant, Analyst

Presentation

Operator

Good morning, everyone. And thank you for waiting. Welcome to Banco do Brasil's Second Quarter of 2013 earnings conference call.

This event is being recorded and all the participants will be in a listen-only mode during the Company's presentation. After this, there will be a question-and-answer session. At that time, further instructions will be given. (Operator Instructions)

This event is also being broadcast by webcast and through Banco do Brasil's website at www.bb.com.br/ir, where the presentation is also available. Participants may view the slides in order they wish.

Before proceeding, let me mention that this presentation may include reference and statements, planned synergies, estimates, projections and forward-looking strategy concerning Banco do Brasil, its associated affiliated companies and subsidiaries. These expectations are highly dependent on market conditions and on the performance, the expectations of domestic and international markets, the Brazilian economy, our banking system.

Banco do Brasil is not responsible of updating any estimates of this presentation.

With us today we have Mr. Ivan de Souza Monteiro, CFO; and Mr. Gustavo Sousa, Head of Investor. Mr. Gustavo, you may now begin.

Gustavo Sousa {BIO 17683157 <GO>}

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Well thank you very much. Thank you for joining our Second Quarter 2013 earnings conference. Starting on page three of this presentation, we have some highlights of Banco do Brasil's performance. We posted an adjusted net income of BRL2.6 billion in the quarter, the net income of BRL7.5 billion. And in the first half a net income of BRL10 billion.

Our loan portfolio grew 25.7% in 12 months, mainly due to a 33% growth in the agribusiness portfolio. Our NPL ratio is still the best in the industry at 1.87%. Our admin expenses are under control, growing below inflation.

On page 4, we see some other earning highlights. Our NII grew by 6.1% in the quarter. We already see the initiation of a recovery on this item. Our fee performance in the first half at -- showing a growth of 9.7%, approaching our guidance range for expansion for this item, which is between 10% to 14%. Our credit provision expenses growing in line with credit portfolio growth.

We will also show you other metrics of delinquency and credit risk throughout this presentation. Our adjusted net income of BRL2.6 billion is the equivalent of an ROE of 16.4% in the quarter.

On the next page, page 5, we see a relative stability in the funding mix of Banco do Brasil in the comparison between March 2013 and June 2013. Banco do Brasil is still promoting a migration from time deposits to Agribusiness letter of credit and real estate letter of credit. This migration comes with lower funding costs for Banco do Brasil.

We also show you that Banco do Brasil's loan portfolio represents 90.2% of the Bank's uses. In this page, we highlight a new indicator, a new ratio. And that's the third in this table in the bottom. That's what we are calling the adjusted net loan portfolio over commercial funding. Basically, it's an adjusted loan-to-deposit ratio. In this ratio, we included deposit-like instruments such as the agribusiness letter of credit and we excluded from the credit side the portion of credit that is done through on lending.

With that, we think that we arrive at a true loan-to-deposit ratio for Banco do Brasil. In June, this metric was at 91.3%.

On page 6, we show Banco do Brasil's NII and the Bank's global spread and the spread per credit segment. The Bank's global spread -- and that's the graph on the upper left hand side -- showing a slight recovery at 4.6%. On the graph on the upper right hand side, we see the spread per segment where we see still a decrease in the spread with individuals as a result of a lower spread environment that we saw in 2012. The book is still rolling over with operations that were contracted in the second half of last year. With that, we are still seeing this decrease in the spread with individuals.

And looking at the breakdown of our NII, we see the expansion of revenues from loan operations. We also see the funding expenses growing in line with the funding base of Banco do Brasil. And a recovery in the treasury income item.

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We also highlight the impressive performance in credit recovery, growing 70% in the quarter. But we always mention that credit recovery is usually stronger in the second and the Fourth Quarter because our internal goals at the branch level are semiannual goals.

On page 7, we show you the loan portfolio of Banco do Brasil in what we call the broad concept. This concept includes corporate securities that Banco do Brasil has invested on and also guarantees that the Bank has provided. This portfolio grew by 25.7% in 12 months.

We highlight the expansion of the agribusiness portfolio. This portfolio expanded 15% in the border and now represents 19.9% of the Bank's total portfolio. The portfolio with individuals in this concept grew by 15.9% in 12 months and the portfolio with companies grew 28.8% in 12 months, representing now 47% of Banco do Brasil's total portfolio.

On page 8, we see the portfolio in -- with individuals in what we call the organic view. In this view we exclude the proposition or consolidation of Banco Votorantim and the acquisition of portfolios of some other banks. In this view, the portfolio grew 5.2% in the quarter. And we highlight the concentration of the portfolio in the lower risk items, such as payrolls, salary loans, auto loans and mortgages.

On page 9, we show you the portfolio with companies, now surpassing BRL300 billion. And we highlight the growth in working capital line and credit for investments.

On page 10, you can see the Bank's agribusiness portfolio. This is a portfolio with the lowest delinquency across the Bank's different types of credit. It grew by 15% in the quarter. Banco do Brasil anticipated the costing, financing items for the rural [ph] producers because the producers identified a potential increase in the dollar. With that, they moved ahead and brought fertilizers and seeds. With that, we saw -- this was one of the items that reset the agribusiness portfolio in the period.

We also had more attractive investment lines and a strong demand from the largest agribusiness companies in Brasil.

On page 11, we show you the relative stability in delinquency with individuals. In the first graph and in the other two, we see the slight improvements on the delinquencies with companies and in the agribusiness sector.

On page 12, we show that Banco do Brasil has been improving its delinquency metrics, still with a number much better than what we see in the banking industry. And in this graph on the right, we see the Bank's coverage ratio above 200%. And this is the highest coverage ratio across the largest banks in the country.

On page 13, we have a slide on NPL formation. I draw your attention to the slide on the bottom, where we see that the relationship of new NPL to a total portfolio has been stable over the past periods.

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On page 14, we make a comparison of our credit provision expenses to the total portfolio. On the first graph on the upper left hand side, we have this metric on a 12-month view, on a rolling 12-month view. This is a guidance item for us. We are now at 2.91% in this relationship, which enabled us to reduce the guidance range for this item, which was previously between 3% to 3.4% and is now between 2.7% and 3.1%.

On the second graph, the one on the upper right hand side, we see the same relationship but now on a quarterly view, where we also see a relative stability. If we were to exclude Banco Votorantim from this calculation, we would see stability at around 0.7%. Table 62 on Banco do Brasil's MD&A shows exactly that. And this graph in the bottom shows that the recent expansion of Banco do Brasil's loan portfolio has been happening in the best risks, namely between AA and C.

On page 15, we see the gradual improvement of Banco Votorantim's delinquency metrics. And on Page 16, we see the improvement in Banco Votorantim's credit provision expenses.

Looking only at the credit provision expenses for the auto loan book when we compare the Second Quarter of this year with the Second Quarter of 2012, we see an improvement of 45%. That's because the new vintage, the vintage that was granted -- the credit that was originated after September 2011 has been gaining participation, has been gaining share in Banco Votorantim's total portfolio. This is the portfolio with better loan quality. We also see an increase in Banco Votorantim's coverage ratio, now at 114%.

On page 17, we see the Bank's performance in fees. Fee income increased 12.6% over the Second Quarter of last year, mainly due to the performance of our cards business. We will see a slide about that shortly.

I also highlight the increase in fees from loan operations, growing 35.4% in the quarter. This is explained not only by the portfolio growth. But also by the growth in credits with large corporations where the disbursement comes with a flat fee.

On page 18, we provide a view of Banco do Brasil's card business, where we show you Banco do Brasil's revenue as an issuer -- and that's in the dark blue. We also show you Cielo's business, CBSS which is mainly a level [ph]. And also ELO and how important those are for Banco do Brasil.

We see that in the semiannual comparison when we look at the first half of this year versus the first half of last year, the operational results of this business grew by 22%, which is completely in line with what we see on the graph on the right, a growth in total billings of 20.8%. Banco do Brasil has a market share of 23.6% in the card business in Brazil. We added to our disclosure in our MD&A a specific section about the card business for Banco do Brasil.

On page 19, we show Banco do Brasil's growth in administrative expenses. This growth is below our initial guidance range, which enables us to reduce the guidance range. The previous, the initial guidance range was between 7% and 10% and it was now revised to

between 5% and 8%. With that, we have a potential cost reduction versus what was initially projected of BRL564 million. If we were to look at the next 18 months, including 2014 as well, this potential cost reduction is in the magnitude of BRL1.8 billion.

On page 20, we see our cost-to-income ratio, which will definitely be impacted by this size -- by this magnitude of cost reduction in the following periods.

On page 21, we show you the shareholders' equity evolution of Banco do Brasil, where we show you the significant increase because of the net income for the period, which was boosted by the Bank's performance and -- but most importantly, by the IPO of BB Seguridade. We show you the impacts of the mark-to-market adjustments in our available for sale securities and also the actuarial impact. With all that, Banco do Brasil showed an expansion in its shareholders' equity position of 4.2%.

On page 22, we see how that translates into a comfortable BIS ratio at 15.9%.

And on page 23, we show you the guidance for Banco do Brasil. We made a few revisions, the first one in NII, the initial guidance range was between 7% and 10% and it is now between 4% and 7%. We made other adjustments in our guidance in the credit portfolio, as you can see on this page. And we highlight the decrease in the guidance range for allowance for loan losses versus the average portfolio that shifted from 3% to 3.4% to now a new guidance range between 2.7% and 3.1%. And also the reduction in the guidance range for admin expenses, now the projection is for a growth between 5% and 8%.

Thank you for your attention and let's now open the Q&A session.

Questions And Answers

Operator

Ladies and gentlemen, we will now begin the question-and-answer session. (Operator Instructions)

Regina Longo Sanchez, Itau BBA.

Q - Regina Longo Sanchez {BIO 16404038 <GO>}

I have two questions. The first one is related to the credit card business. We like to see the further disclosure on credit card business including your stake in Cielo, ELO, which is the offshore [ph] business -- the issuer business with the respective contribution from annual fees and interchange fees and other revenues. And it calls our attention for the operating results of this business that represents approximately 16% of the earnings before taxes of Banco do Brasil.

My question is, is it part of Banco do Brasil's strategy to incentive the growth of this business, which is basically fee based business, in a similar way as it has done with insurance and pension products. And if you are including in the branch manager's goals, considering that the profitability of traditional banking products have reduced -- I mean, maybe loan growth tends to be lower in my view in the coming years? Then I have a second question. Thank you.

A - Gustavo Sousa {BIO 17683157 <GO>}

Thank you, Regina. This is Gustavo. Yes. It is part of the Bank's strategy to enhance the growth in this specific item. When we look at a relatively lower contribution from NII to Banco do Brasil's total operating revenues, we have four priorities. One of them is the -- is insurance, of course. And we have made even strategic movements related to that. The other one is the card business. This business grows with the total billings, with the total debit and credit card usage.

The growth in this business is not related to fee adjustments. So it's what we see as a healthy type of growth. We also have plans for our asset management activity. We are the leaders in this specific segment. And the fourth item is capital markets. Those four will complement the traditional NII activity of Banco do Brasil.

Q - Regina Longo Sanchez {BIO 16404038 <GO>}

Okay, Gustavo, thank you. My second question is related to administrative expenses because we like the reduction in the guidance for total administrative expenses growth in 2013 and we are seeing that the year-over-year growth that we saw in the Second Quarter of 5.5% was close to the bottom of the guidance that you provided, mainly due to low administrative expenses, not personnel. And this other administrative expenses grew only 1.3% year over year.

If you could share with us what was the main cause for the contraction in amortization and depreciation expenses that drove these administrative expenses down? I mean, do you think this can continue? I mean, is it related to really the cost control of the Bank or even the strategy that the Bank is no longer paying that much upfront to get more clients, I mean, as it used to be a practice in the past? Is that related to that or is it this amortization and depreciation expenses that were lower were related to something else? Thank you.

A - Gustavo Sousa {BIO 17683157 <GO>}

So starting with other administrative expenses as a whole, the growth in -- when we compare to the same period of last year at 1.3%, we are glad at this number -- this type of performance. The Bank has been obsessive in cost control and reducing the internal budgets whenever it is possible. The Bank is seeking gains in operating efficiency on a daily basis in every activity that we do. Specifically, when we talk about depreciation and amortization, you will remember, Regina, that last year we did that real estate fund and some properties were transferred to the fund. With that, we have a lower depreciation expense item specifically because of that. There is no other dynamic in play in there.

Q - Regina Longo Sanchez {BIO 16404038 <GO>}

Okay, quite interesting. Thank you. So much.

Operator

Mario Pierry, Deutshce Bank.

Q - Mario Pierry {BIO 1505554 <GO>}

Let me ask you two questions as well. The first one is on your loan growth guidance. You continue to grow your loans at a much faster pace than the private sector banks. And I do understand that one of the reasons here is your agribusiness portfolio.

But when I look at your individual loan growth guidance, even though you have reduced it as well, it still is well above what the private sector banks are expecting to grow. So I wanted to understand from you what is your level of comfort in growing at such a rapid pace at a time that the economy in Brazil is slowing down? So that's my first question.

A - Gustavo Sousa {BIO 17683157 <GO>}

Mario, thank you for the question. Starting with the more general view, as you mentioned yourself, yes, the Bank has a different dynamic. One of them is the agribusiness portfolio, growing quite fast specifically in this quarter because of the twin events that we mentioned in one of the slides. This portfolio is roughly 20% of Banco do Brasil's total portfolio.

Going specifically to your question on the individual's loan book, first of all, the private sector banks have been demonstrating growth appetite in the payroll segment. So they are now showing the same appetite that we have demonstrated years ago. So this is our top priority. We are still growing on this segment and we are the absolute leaders there with almost 30% of the market.

This concentration of our portfolio in, most importantly, payroll, salary loans, the organically originated auto loan portfolio and mortgage is what brings us the comfort that our portfolio is very resilient to periods of slower economic activity. Specifically, in the payroll credit line that we have, roughly 87% of that is done with civil servants. And those are clients that have job stability and steady salary increases. Another 8% done with retirees. So it is a portfolio that is very well protected against economic volatility.

Q - Mario Pierry {BIO 1505554 <GO>}

Okay, that's clear. My second question is related to your capital ratio, your Tier I ratio of 10.3%. If I'm not mistaken, this is the lowest level in about three years, even though you did sell stake in BB Seguridade. So I was wondering how comfortable are you with this ratio? I know you have said many times that the Bank does not plan to issue equity. I wanted to know if that still holds, especially given the rapid loan growth that we're seeing.

A - Gustavo Sousa {BIO 17683157 <GO>}

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Yes. That still holds, Mario. We are comfortable with our capital projection numbers. When you look at this 10.3% Tier I ratio that you mentioned, of course we had two effects in there, right. Let me talk about three. First, the organic growth of the shareholders' equity position with the retention of part of the net income and part of that net income coming from the IPO of BB Seguridade. That's a positive of course.

The two negative ones are related to the actuarial adjustment and also to the adjustment on mark-to-market on our available-for-sale securities. This second one, the available-for-sale securities, because we saw a shift upwards on the yield curve in Brazil. It's a natural thing. We see the curve moving upwards and downwards frequently. So this is not the permanent impact in Banco do Brasil's shareholders' equity.

And the other one, the actuarial component, also follows on the asset side the pattern of Previ's investments, the most important of them being Vale [ph]. If we were to do a calculation of the actuarial adjustment today based on Vale's quote as of last night, we would have a much different number. So the Bank sees that. Of course the Bank follows that very closely. But we think that our capital is more than enough to withstand this size of volatility in the equity market in Brazil as it relates to our actuarial adjustments.

Q - Mario Pierry {BIO 1505554 <GO>}

Can you give us the number, Gustavo, when you say that if you were to mark-to-market Vale what will be the gain now?

A - Gustavo Sousa {BIO 17683157 <GO>}

If we were to look at what the shareholders' equity position changed between March and June, where you saw the actuarial adjustments moving from BRL4.5 billion to BRL7.5 billion you would see -- you wouldn't see this increase on this adjustment, you would actually see a decrease of BRL2 billion in that number for March.

Q - Mario Pierry {BIO 1505554 <GO>}

Okay, BRL2 billion. And when looking at your capital ratio also -- and it's great that you have maintained a dividend payout ratio of 40% this quarter and thus you did pay a significant amount of dividends. Is that the policy going forward? You expect to maintain the 40% payout ratio?

A - Gustavo Sousa {BIO 17683157 <GO>}

Yes, Mario, the usual 40% payout ratio.

Q - Mario Pierry {BIO 1505554 <GO>}

Okay. Thank you very much.

A - Gustavo Sousa {BIO 17683157 <GO>}

Thank you, Mario.

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Operator

(inaudible).

Q - Unidentified Participant

My question is on your partnership with Banco Votorantim. I know both banks were in talks to eventually increase the -- your share in Banco Votorantim. Can you give us more color on that and what would be the timing of it?

A - Gustavo Sousa {BIO 17683157 <GO>}

Maria [ph], unfortunately not. When we started the negotiation with Banco Votorantim, we published a material fact. We haven't had a material event that would cause the publication of another material factor. Unfortunately because it's an ongoing negotiation, we cannot disclose other details related to that.

Q - Unidentified Participant

Okay. Thank you.

A - Gustavo Sousa {BIO 17683157 <GO>}

Thank you, Maria.

Operator

Jorge Kuri, Morgan Stanley.

Q - Jorge Kuri {BIO 3937764 <GO>}

I have a couple of questions actually. The first one is on asset quality. Well the NPL ratio this quarter came down and we saw a big jump in charge-offs and a big acceleration in re-negotiated loans. And as a result, bad debt formation went up a lot, 34% versus the First Quarter and 22% above the last 12-month run rate. And your provisions also jumped significantly, 29% quarter on quarter.

So in what type of clients are you seeing more charge-offs -- in consumer, SMEs, corporate -- and in what products specifically, auto loans or other? Then I will ask my second question.

A - Gustavo Sousa {BIO 17683157 <GO>}

Kuri, thank you for your question. Well let's start on your question on NPL formation. And we try to include -- we included a slide about that on this presentation. What we are seeing in terms of new NPLs and also in the relationship of those new NPLs to the average portfolio is stability. That's on page 13 of this presentation.

You will note that we showed you two graphs, the first one in the top where we have the actual accounting number and a number that takes under consideration the methodology

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for accounting for the write-off. You will see that we made one change here on this graph, is moving the numbers from the First Quarter to the Second Quarter. That's just a feature from our methodology which follows the resolution from the Central Bank, 2682, with the schedule for moving a transaction below -- across the different ratings as the transaction becomes delinquent.

There is also a time that you have to follow, a timeframe that you have to follow to transfer those transactions to an actual loss. So specifically from March to June. In the end of March, we had Easter and we had a holiday in a Friday and the last business day of -- the last day of March wasn't a business day. It was actually a Sunday with the Easter being on a Friday. With that, part of the charge-offs that would have taken place in March went to the following month, went to April. When you move that out, you can see that we have no issues on new NPLs and also on the relationship to the portfolio.

In your question about credit provision expenses, in our MD&A we try to provide an answer to that. What we're trying to show you is that the relationship between the credit provision expenses and the portfolio is stable. We show you that on table 62. On that table the first thing that we do is that we exclude Banco Votorantim's numbers. That's because, as you know, Banco Votorantim has been showing a strong improvement in their credit provision expenses.

So just looking at Banco do Brasil standalone, you see that the relationship -- the core relationship between credit provision expenses and portfolio is now close to 0.7%, which is the historical average for this number. We actually have lower numbers in this relationship in the Fourth Quarter and the First Quarter because we did a change on the rating methodology in the portfolio of individuals that was a benefit for the Fourth Quarter and for the First Quarter as well.

In terms of credit recovery, we also have an impact, which is a positive. But it is an impact in credit provision expenses. We have a strong number in this specific quarter. But when you recover the credit -- and part of that recovery is not in cash, it is actually in installments -- you "reactivate" that credit transaction. But you keep it at level H on the rating schedule, which requires a 100% provision. So in effect we have a revenue because we're recovering credit that was a loss. But we are creating 100% in provisions for that. It's a healthy event. Of course, we want to recover on cash and also in installments. But you provision accordingly. So I'm not sure if I answered all of your points there, Kuri.

Q - Jorge Kuri {BIO 3937764 <GO>}

No. I get it. That's fine. Let me go to the next question. You have been growing faster than peers over the last 12 to 18 months. Do you think this strategy has rewarded you correctly for the risks that you are taking, because I mean your loans are growing 25% year on year. But your financial income when you exclude non-interest (inaudible) items such as trading, hedging, et cetera, it is growing only 4% year on year.

And as you have to sacrifice significantly in order to grow so fast, that's why probably the growth is not magnificent. And your same adjusted financial income after provisions actually declined 2% year on year. So if you had grown much less in line with peers, you

would have probably ended up with the same revenue growth but without any capital consumption and risk taking. Can you please help us understand the rationale behind this strategy? Thank you.

A - Gustavo Sousa {BIO 17683157 <GO>}

Kuri, there is just one link in your reading there that we look at a little differently, which is that in order to grow we had to reduce rates. We actually think that 2012 was a year of a new environment for spreads. So that was a given for the system. With that, the answer that we had to provide in order to preserve our profitability was to grow. Because the Bank has always been concentrated in credit within the lower risk segments, we were very comfortable with this type of growth.

You see that in our organic portfolio with individuals where we keep growing in the segments of lower risk. And you also see that in agribusiness -- the strong growth in a sector that is one of the most important for the Brazilian GDP. So we think it is the right strategy. It has always been the strategy for Banco do Brasil to be one of the most competitive banks in terms of credit costs. And because of the strength of our credit methodology, we are very comfortable with this type of growth.

Q - Jorge Kuri {BIO 3937764 <GO>}

Now just a follow-up. And I agree that -- I mean growing is what you want. But at the same time, aren't you growing without being that profitable given that -- I mean, as I mentioned, the financial income is growing significantly below the growth rates of the loan book?

A - Gustavo Sousa {BIO 17683157 <GO>}

And it is true. But the way we look at that is -- in our case when we looked at this new environment last year, we thought of what the profitability would be if we hadn't had the same volume growth. So the answer for this new spread environment was to grow in volume, of course in the segments that we are comfortable with.

Q - Jorge Kuri {BIO 3937764 <GO>}

Okay. Thank you.

A - Gustavo Sousa {BIO 17683157 <GO>}

Thank you, Kuri.

Operator

(Operator Instructions)

Eduardo Joseman [ph], BTG Pactual.

Q - Eduardo Joseman

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I have a question on asset quality. I understand that one of the reasons why Banco do Brasil has a very low NPL ratio is because the loan portfolio is highly concentrated in lower risk segments, right. However, even taking this into consideration, the Bank's asset quality metrics have been performing better than its private peers.

So my question is, why do you think this happened? Do you think this happened because, say, given that Banco do Brasil operates with lower spreads maybe clients prefer to pay you in advance, meaning that if they have to choose with which bank to default, they prefer to do it with someone else? Or, do you think this happened because maybe Banco do Brasil can have a better internal systems, better clients? So I would appreciate if you could elaborate a bit. Thanks.

A - Gustavo Sousa {BIO 17683157 <GO>}

So the macro part to your question, Joseman, is related to strategy. It has always been the Bank's strategy to emphasize growth in the lower risk segments and the concentration is payroll credit, salary loan and so on. So this is the first part of the answer. It's a pure reflection of a strategy that we adopted years ago. But the actual micro reality of this is also the investment that the Bank makes in its credit methodology.

Across the different segments we have been presenting improving delinquency metrics because of this. One example of a strategy that is in a way intertwined with the methodology is our strategy for credit cards. We have been growing in this segment in terms of the actual balance. But if you look at the interest bearing portion -- and that's a type of product with a quite high monthly interest rate, when a client starts to use that, we turn the clients -- we offer to the client a better financing solution usually in a fixed installment line.

So our system is prepared to identify this type of, let's call it, non-ideal usage and send the clients to a product that is more adequate. When we talk about the improvements that we have made specifically in the agribusiness portfolio, we also have been extracting gains in delinquencies because of that. And that -- the increasing usage of risk mitigators for the costing stage of the production.

We have had issues in the past, back in 2004 and 2005. Since that, we started to enhance the usage of these risk mitigators. When we talk -- speaking of risk mitigators, we also use them in our portfolio with companies. Specifically with SMEs we emphasize the usage of receivables and also of the FGO, a guarantee fund. So it's I think the best answer that I can give you, Joseman, is this mix of a strategy that prioritizes the lower risk segments and a methodology that works with risk mitigators and also a credit engine that is very powerful and robust.

Q - Eduardo Joseman

Thanks a lot, Gustavo.

Operator

This concludes today's question-and-answer session. I would like to invite Mr. Gustavo Sousa to proceed with his closing statements. Please go ahead, sir.

A - Gustavo Sousa {BIO 17683157 <GO>}

Thank you, all very much. And if you have any follow-up questions, please send an e-mail or call our IR team. Thank you.

Operator

That does conclude Banco do Brasil conference call for today. As a reminder, the material used in this conference call is available on Banco do Brasil Investor Relation website. Thank you very much for your participation and have a nice day. You may now disconnect.

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