Banco Santander (Brasil) S.A.

1H11 IFRS Results

July 27th, 2011

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Main Ideas – Results of 1H11

1 **Commercial Expansion:**

- ✓ Growth of 488 thousand current accounts in 12 months
- ✓ Opening of 176 new branches in 12 months
- ✓ Employees grew from 51,789 to 53,361 in 12 months

2 **Double-digit growth in volume of business:**

- ✓ Expanded Credit portfolio: 18.5%
- ✓ Funding from Clients[1]: 28.3%

3 **Total revenues grew at 9.5% in twelve months and 3.1% in three months, with a better quality of net interest income supported by an increase in revenues from clients of 16% (1H11 *vs.* 1H10)**

4 **General Expenses[2] grew at 9.2% in 12 months and 0.3% in the quarter**

5 **Increase in Allowance for Loan Losses of 11.8% in three months and Delinquency Over 90 BR GAAP grew 30 b.p., with a comfortable level of coverage ratio**

6 **Net profit of R$ 4.2 billion in 1H11** (+18% *versus* 1H10)

1.Does not consider assets under management.
2. Does not includes Depreciation and Amortization.

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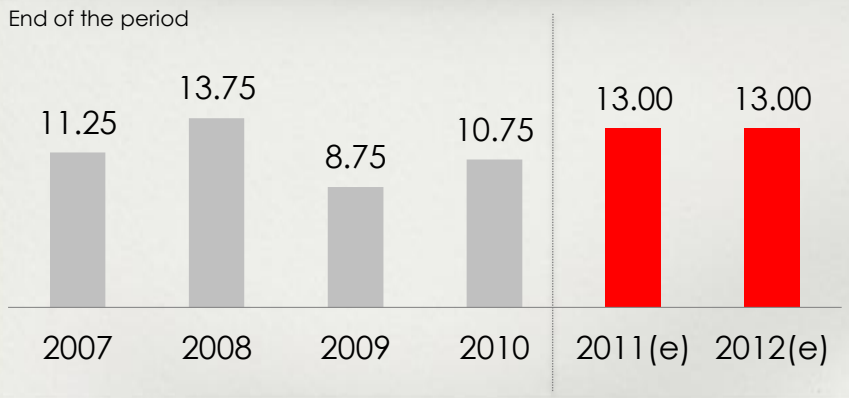
Final Remarks

Macroeconomic Scenario

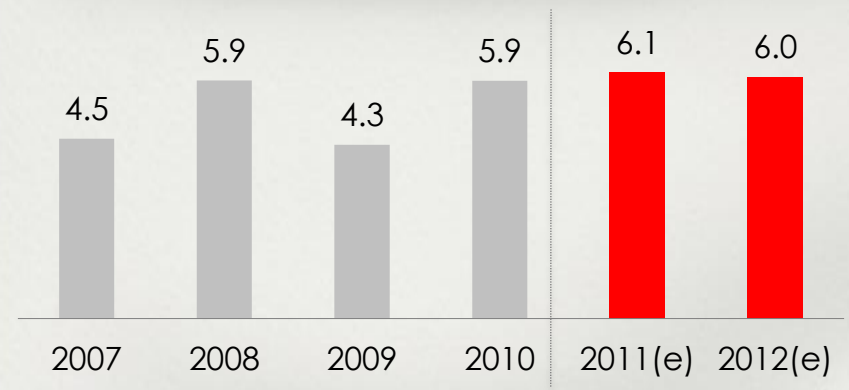
GDP (Y-o-Y growth %)



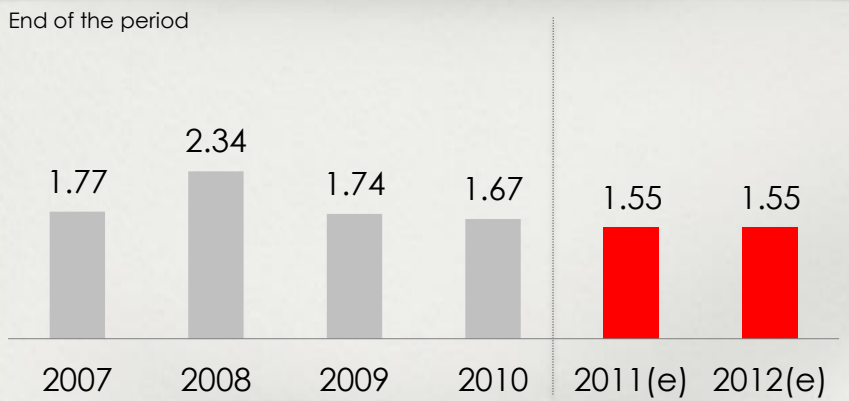
Interest Rate - Selic(%)



Inflation (IPCA %)



Exchange Rate – (R$/US$)



Sources: The Brazilian Central Bank, IBGE and Santander Research Estimates

Macro-prudential measures

1 **Dec/10**

Reserve requirement increase:

Withdrew R$ 70 billion of liquidity from the market

2 **Dec/10**

Capital requirement increase

Doubling the requirement for long-term payroll and auto loans operations to individuals

3 **Apr/11**

Increase in IOF rates

for consumer credit

4 **Jun/11**

Minimum payment for credit card bill

From 10% to 15% in June 2011 and to 20% in December 2011

5 **Apr/11** **Jul/11**

Restriction on short-term inflow of foreign capital by

- increasing the IOF
- tax and imposing reserve requirements on short dollar positions (above a limit of US$ 1 billion or of the bank's capital base)

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Franchise

Santander Brasil is the **3rd private bank** in total assets, with a wide **geographic diversification** and **global scale** to compete and to grow...

We're expanding our capillarity and strengthening our distribution platform...

- **53.4 thousand** employees
- **2,273** branches (**+41** new branches in 3 months and **+176** in 12 months)
- **9.3** million of current accounts[1]
- **1,455** Mini Branches (PABs)
- **12%** of market share[2] (branches)
- **18,189** ATMs

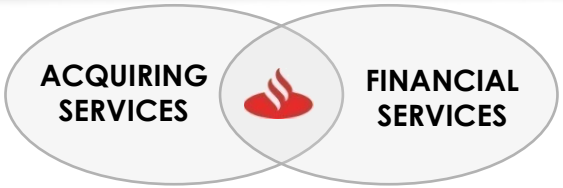
	1H11
Credit (R$ million)	171,379
Deposits[3] + Funds (R$ million)	288,024

	1H11
Profit before tax (R$ MM)	5,407
Net Profit (R$ MM)	4,154

1. Current accounts within 30 days, according to Central Bank.
2. Refered to the 6 major banks in Brazil.
3. Debentures repurchase agreement, Real Estate Credit Notes (LCI),Agribusiness Credit Notes (LCA) and *Letras Financeiras.*

Partnerships and Products

Santander Acquiring: we're the first Bank to combine acquiring services and financial services



	2Q11	Target 2012	(%)[1]
Affiliated Merchants (thousand)	155.2	300	52%
New Accounts (thousand)	37.6	150	25%

Highly attractive value added to the segment SMEs

		2010	1H11
CREDIT	Revenues (R$ MM) Transactions (MM)	▪ 1,249 ✓ 12.3	▪ 2,441 ✓ 23.1
DEBIT	Revenues (R$ MM) Transactions (MM)	▪ 740 ✓ 14.4	▪ 1,420 ✓ 27.4
TOTAL	Revenues(R$ MM) Transactions (MM)	▪ 1,990 ✓ 26.8	▪ 3,861 ✓ 50.5

… And we're focusing on partnerships to improve our business…

✓ Cards

✓ Consumer Finance

✓ Insurance

✓ Mortgage

1. Percentage achieved of the target

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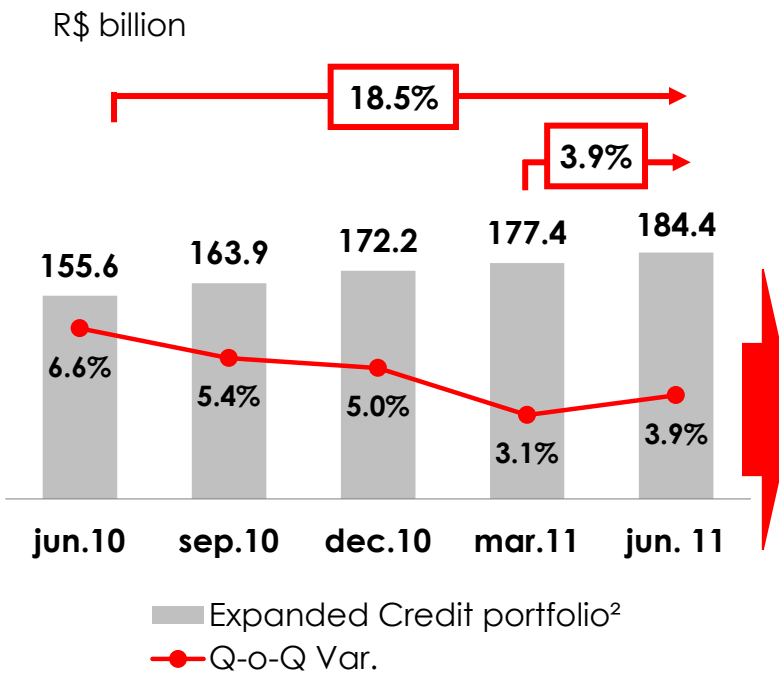
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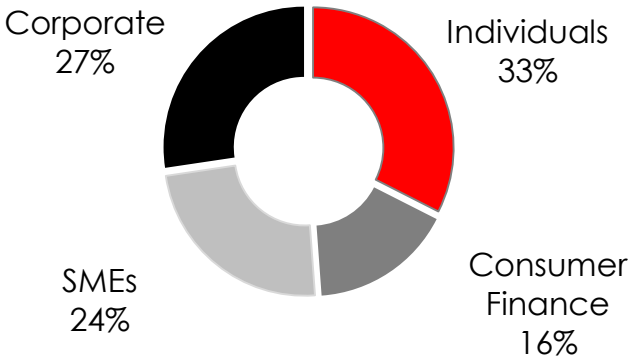
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Managerial Loan Portfolio – IFRS[1]



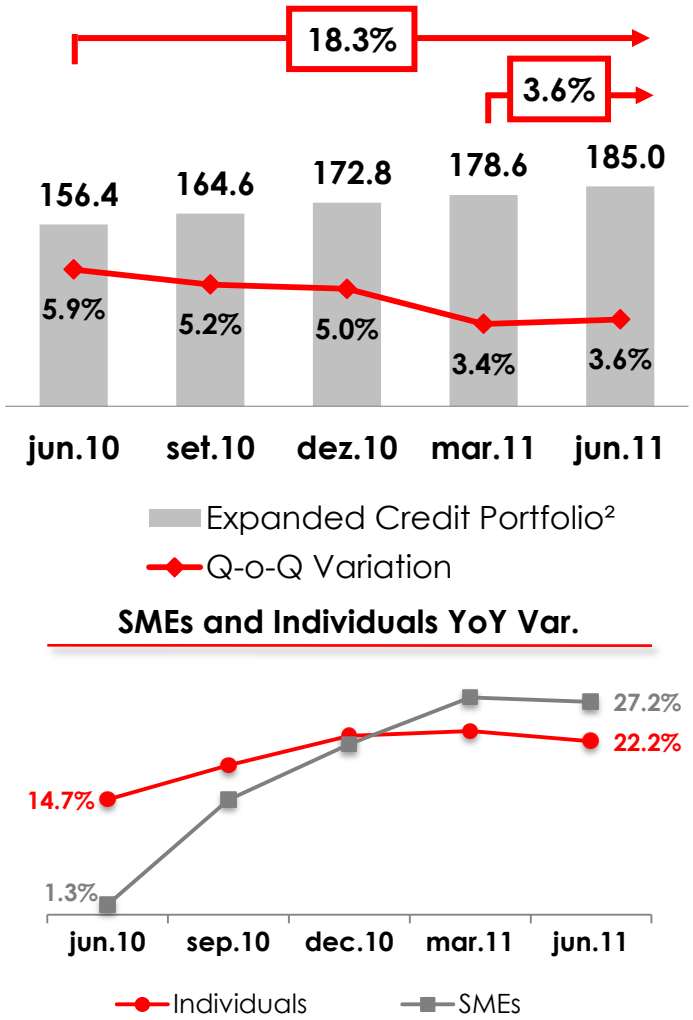
R$ million	Jun.11	Jun.10	Y-o-Y Variation	Q-o-Q Variation
Individuals	56,647	45,910	23.4%	6.0%
Consumer Finance	27,137	26,119	3.9%	0.7%
SMEs	41,034	32,127	27.7%	4.7%
Corporate	46,562	42,373	9.9%	3.4%
Total IFRS	**171,379**	**146,529**	**17.0%**	**4.1%**
Others Transactions²	12,983	9,057	43.4%	1.1%
Expanded Credit portfolio²	**184,362**	**155,586**	**18.5%**	**3.9%**



1. Loans for the year 2010 have been reclassified for comparison purposes with the current period, due to re-segmentation of clients occurred in 1Q11
2. Includes others Credit Risk Transactions with clients (Debenture, FIDC, CRI, Floating Rate Notes and Promissory Notes) and portfolios acquired from other banks. Total amount of R$ 3,788 MM in Jun/11 and R$ 3,445 MM in Jun/10

Managerial Loan Portfolio - BR GAAP[1]

R$ billion



R$ million	Jun.11	Jun.10	Y-o-Y Variation	Q-o-Q Variation
Individuals	60,213	49,268	22.2%	5.0%
Consumer Finance	30,825	28,554	8.0%	1.9%
SMEs	41,033	32,260	27.2%	4.7%
Corporate	43,770	40,756	7.4%	1.5%
Total BR GAAP	**175,841**	**150,837**	**16.6%**	**3.5%**
Others Credit Risk Transactions [2]	9,195	5,612	63.8%	5.3%
Expanded Credit portfolio² BR GAAP	**185,036**	**156,450**	**18.3%**	**3.6%**

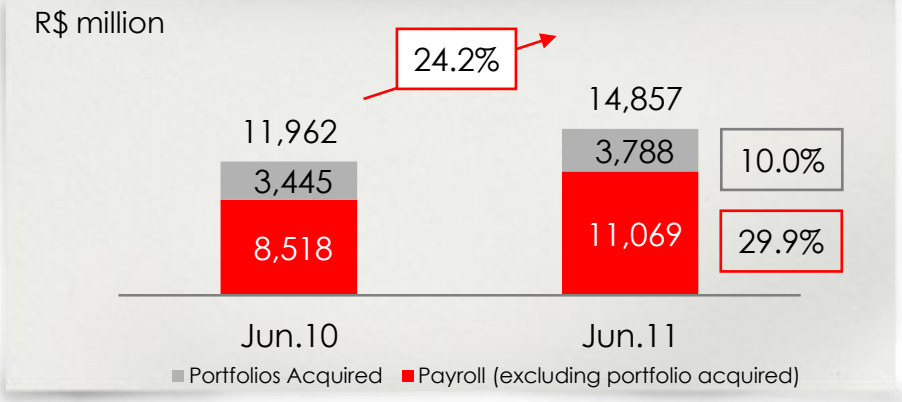
1. a) The credit portfolio in BR GAAP is higher than in IFRS because it includes loan portfolio acquired from other banks and consolidates the credit portfolio of our consumer finance joint ventures (Aymoré)
   b) Loans for the year 2010 have been reclassified for comparison purposes with the current period, due to re-segmentation of clients occurred in 1Q11
2. Includes others Credit Risk Transactions with clients (Debenture, FIDC, CRI, Floating Rate Notes and Promissory Notes)

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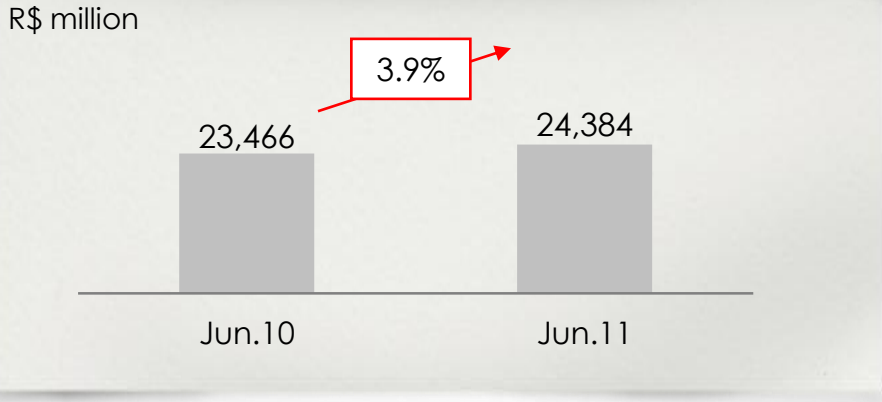
Loan by Products - IFRS

Mortgage, Credit Cards and Payroll Loans are the main highlights

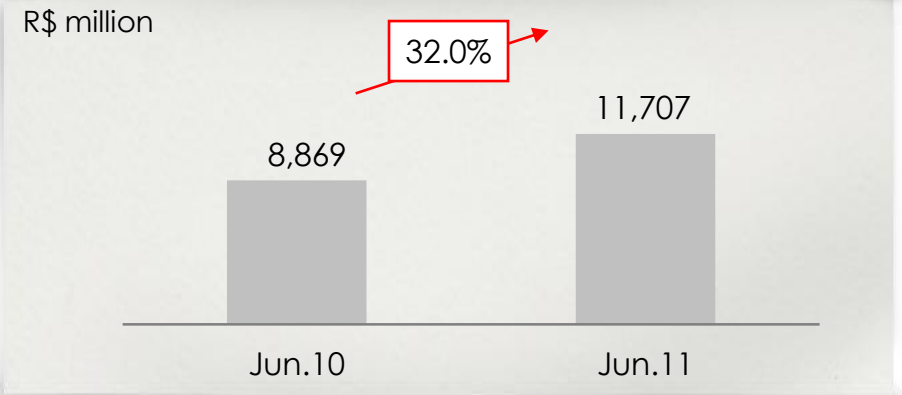
Payroll Loans to Individuals



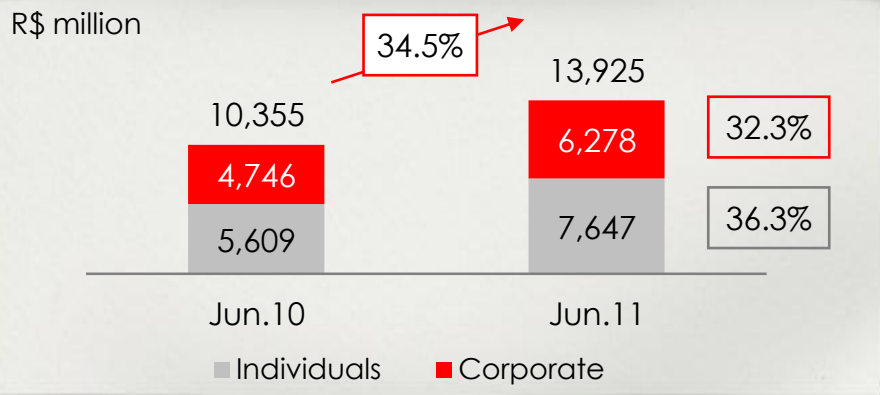
Auto Loans to Individuals



Credit Cards to Individuals

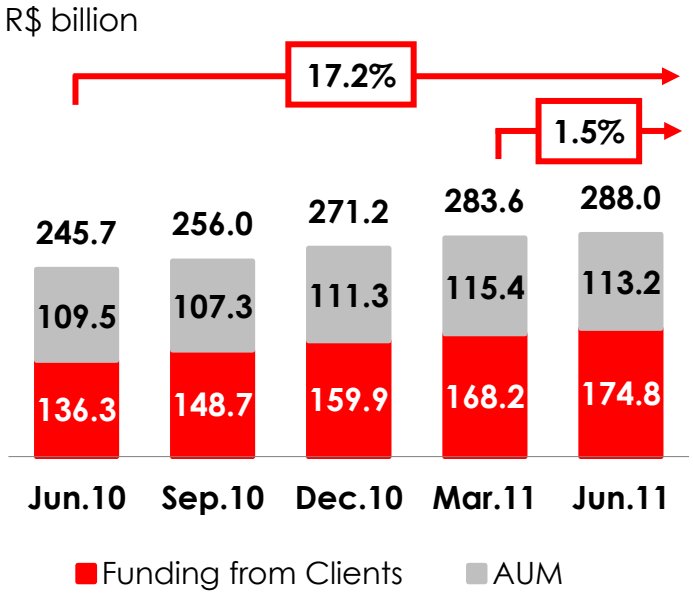


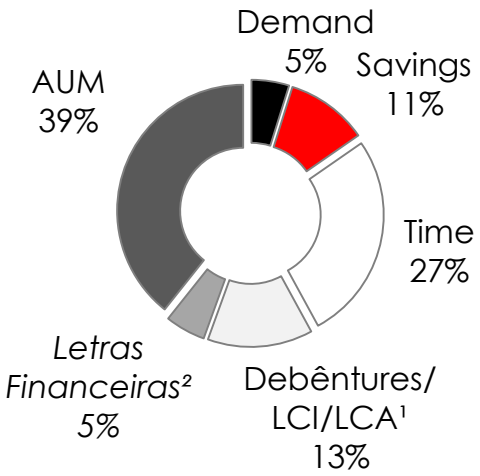
Mortgage



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Deposits and Assets Under Management (AUM)





R$ million	Jun.11	Jun.10	Y-o-Y Variation	Q-o-Q Variation
Demand	13,916	13,888	0.2%	-9.3%
Savings	30,299	26,721	13.4%	0.3%
Time	76,890	60,051	28.0%	4.6%
Others[1]	38,840	35,084	10.7%	1,3%
Letras Financeiras[2]	14,883	512	n.a.	36,7%
Funding from Clients	**174,828**	**136,256**	**28.3%**	**3.9%**
AUM	113,196	109,493	3.4%	-1.9%
Total Funding	**288,024**	**245,749**	**17.2%**	**1.5%**

1. Debentures repurchase agreement, Real Estate Credit Notes (LCI) and Agribusiness Credit Notes (LCA)
2. Bonds issued by Financial Institution on the domestic market

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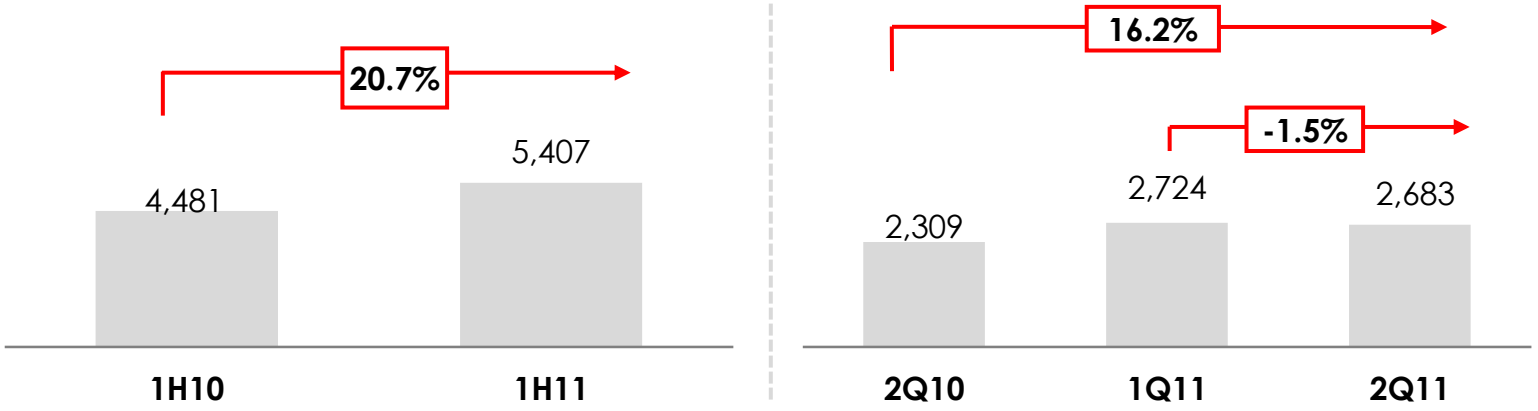
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Results IFRS: Net profit before tax and Net profit evolution

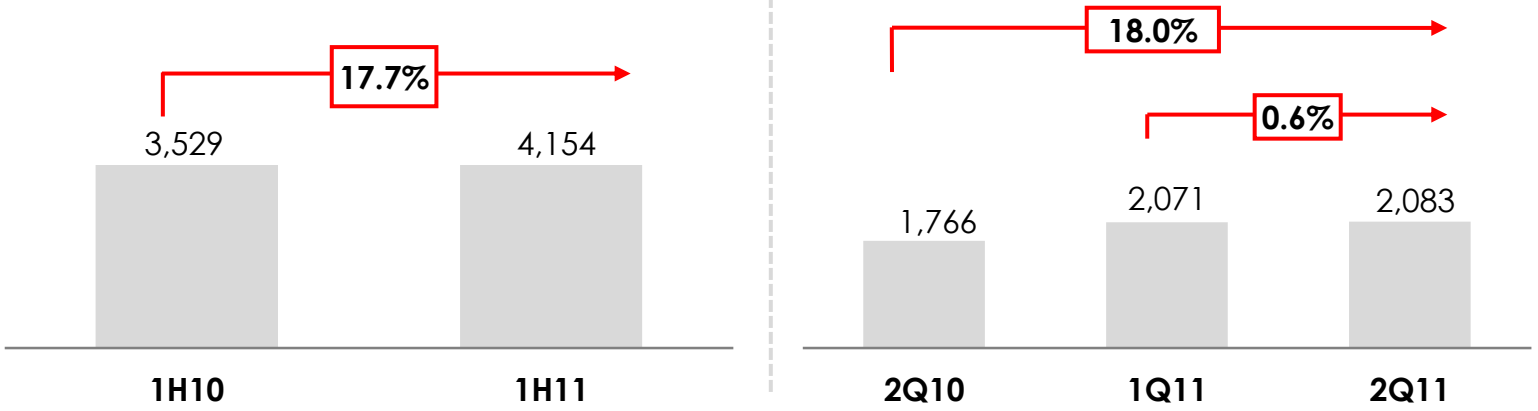
1H11 net profit before tax rose 21% in 12 months

R$ million



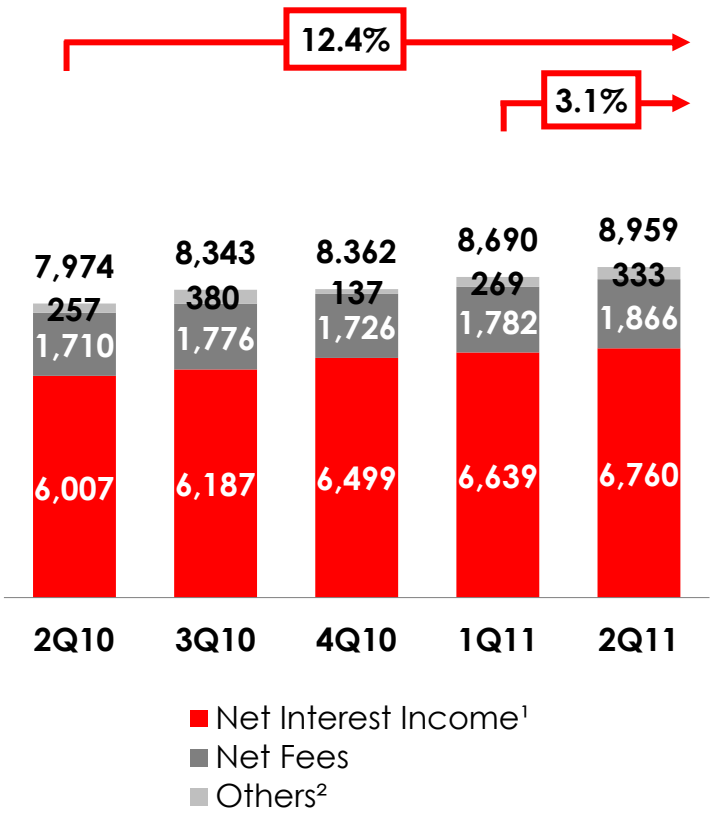
1H11 net profit rose 18% in 12 months

R$ million



Total Revenues

R$ Million

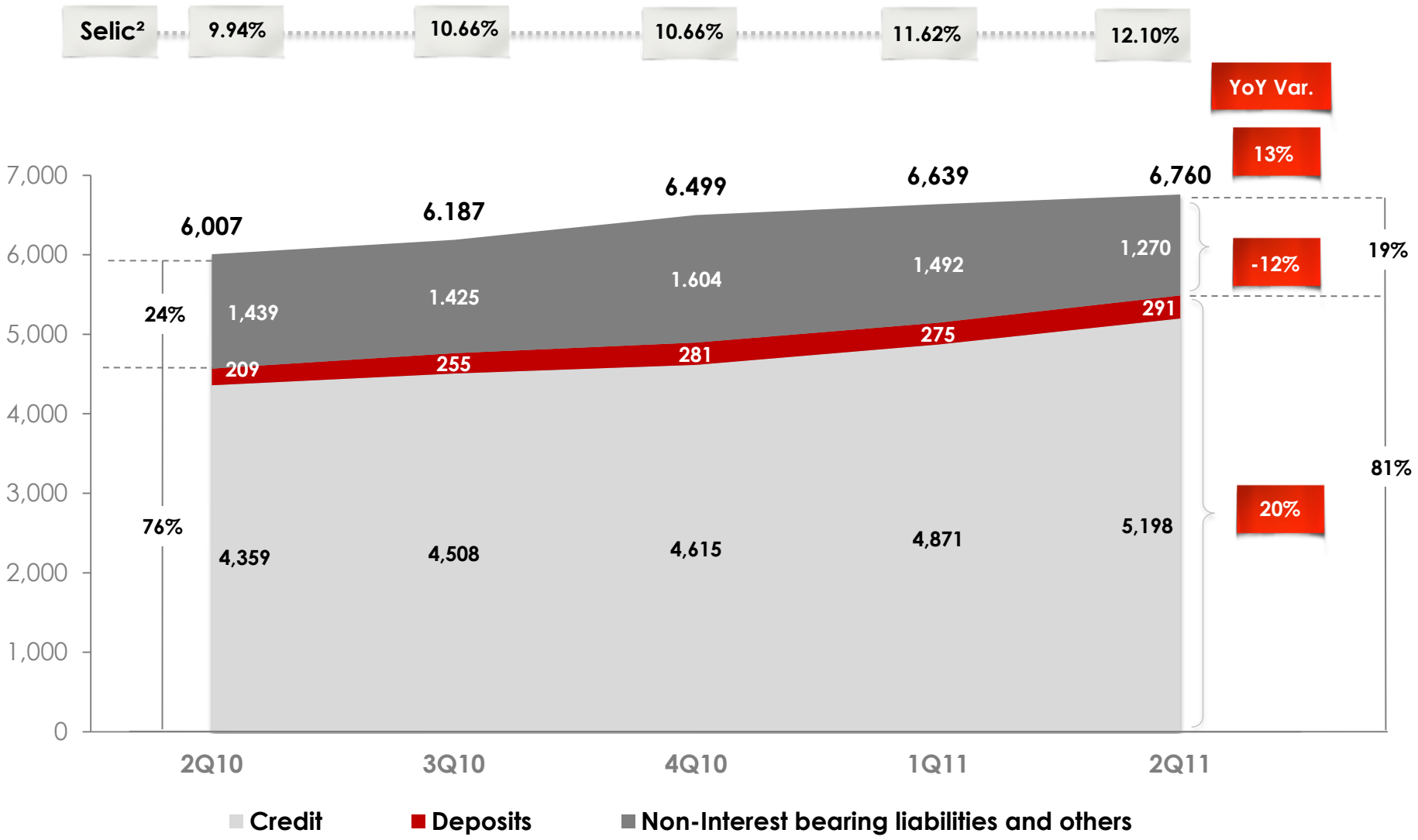


	1H11	1H10	Y-o-Y Variation	Q-o-Q Variation
Net Interest Income[1]	13,399	11,959	12.0%	1.8%
Net Fees	3,648	3,332	9.5%	4.7%
Subtotal	**17,047**	**15,291**	**11.5%**	**2.4%**
Others[2]	602	834	-27.8%	23.6%
Total Revenues	**17,649**	**16,125**	**9.5%**	**3.1%**

1. Considers Leasing's accounting standardization proceeding occurred during the system integration of Banco Real and Banco Santander.
2. 2. Results from Financial Operations excluding the fiscal effect of Cayman hedge + Other Operational Revenues (expenses) + Others

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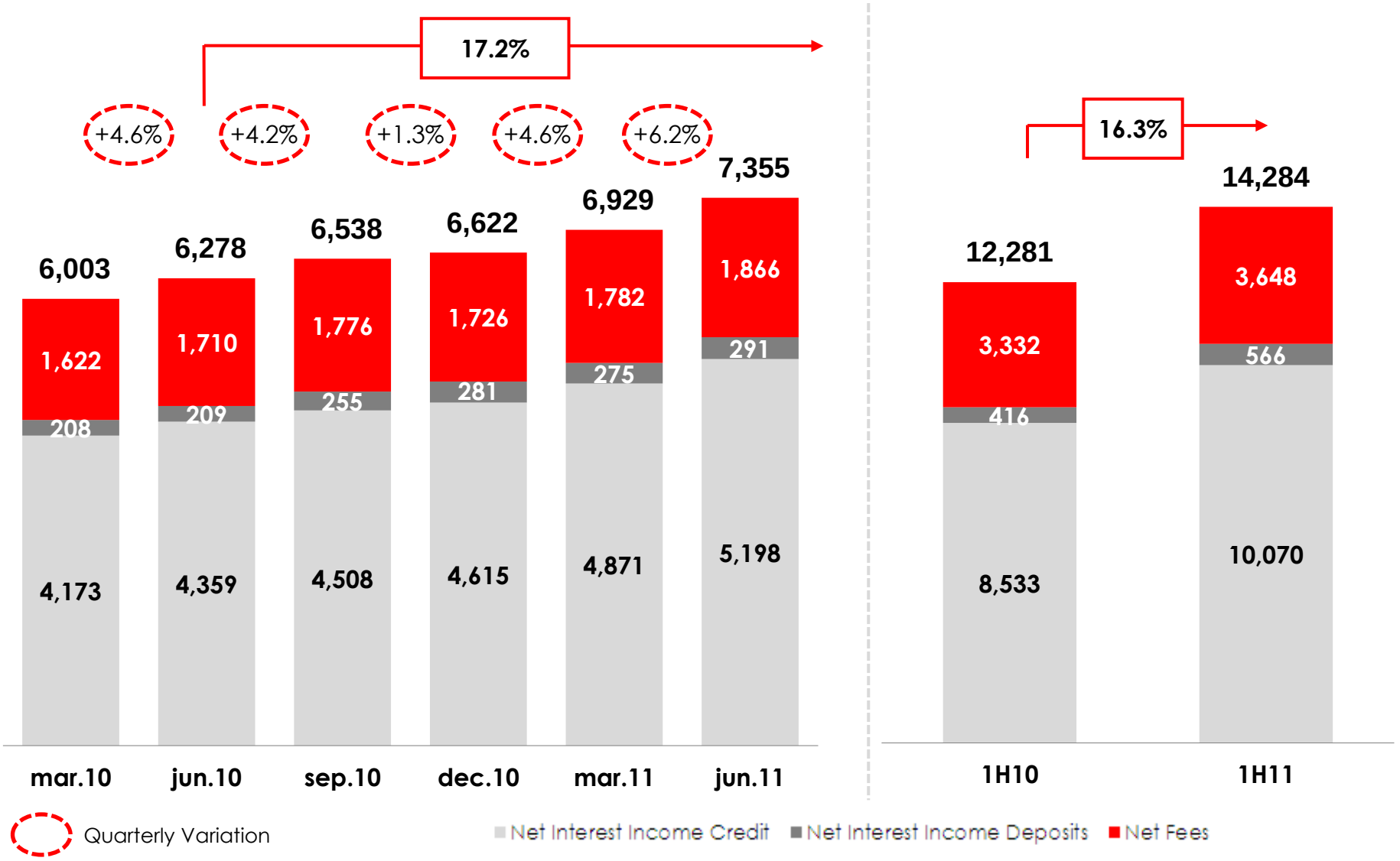
Net Interest Income[1]



1. Considers Leasing's accounting standardization proceeding occurred during the system integration of Banco Real and Banco Santander.
2. Interest rates (average) Selic

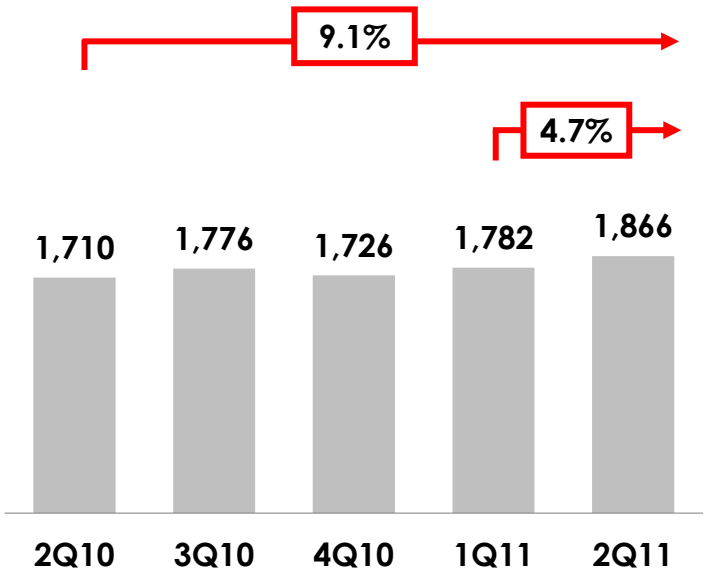
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Revenues from Clients Evolution



Net Fees

R$ Million

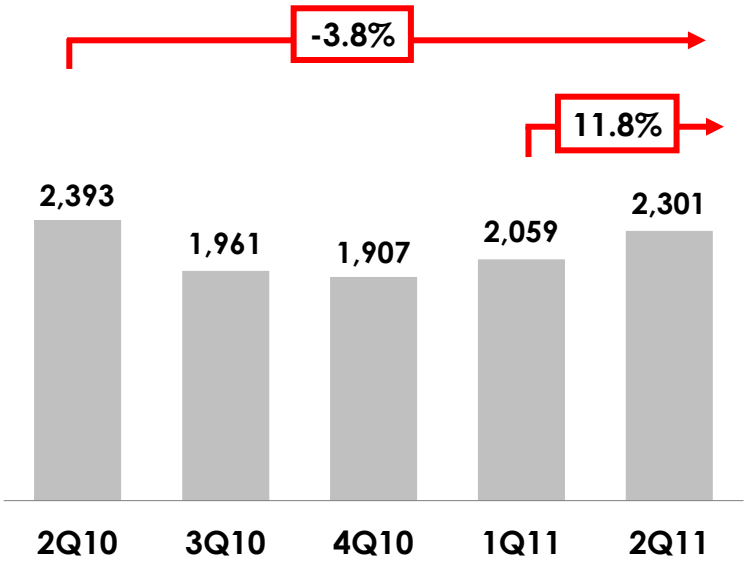


	1H11	1H10	Y-o-Y Variation	Q-o-Q Variation
Banking fees	1,125	1,187	-5.2%	5.9%
Insurance and Capitalization	917	594	54.3%	-10.8%
Asset Management and Pension Funds	586	539	8.7%	-2.0%
Credit and Debit Cards	635	441	44.0%	3.9%
Collection services	243	252	-3.9%	2.1%
Capital Market	206	233	-11.7%	98.5%
Trade (COMEX)	206	225	-8.5%	16.0%
Others[1]	(269)	(140)	91.9%	-8.2%
Net Fees	**3,648**	**3,332**	**9.5%**	**4.7%**

1. Include taxes and others

Allowance for Loan Losses[1] - IFRS

R$ Million

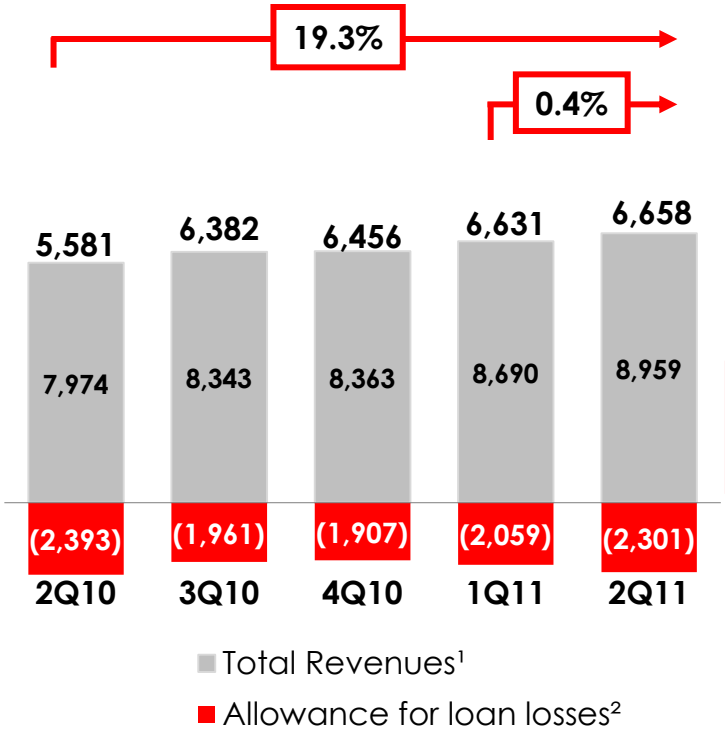


	1H11	1H10	Y-o-Y Variation	Q-o-Q Variation
Allowance for loan losses	4,360	4,915	-11.3%	11.8%

1. Considers Leasing's accounting standardization proceeding occurred during the system integration of Banco Real and Banco Santander and recoveries of loans previously written off

Total Revenues Net of Allowance for Loan Losses

R$ Million



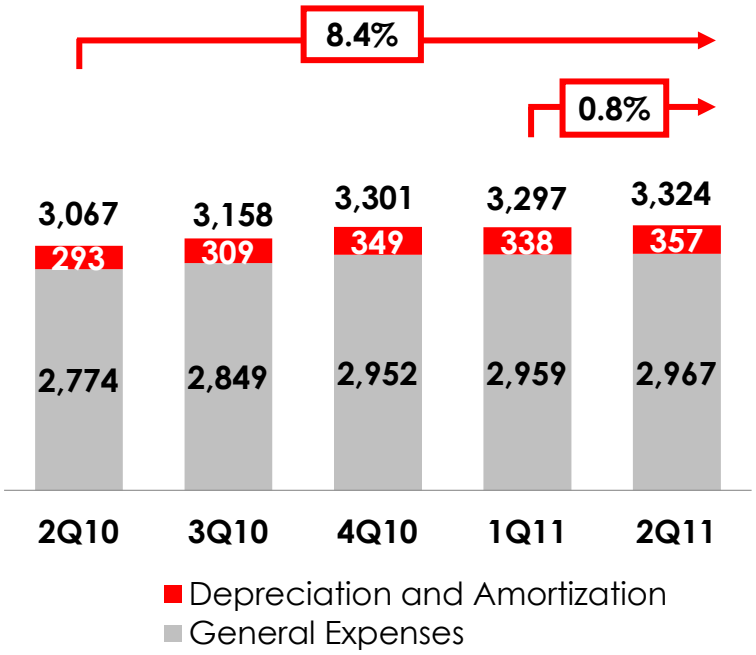
	1H11	1H10	Y-o-Y Variation	Q-o-Q Variation
Total Revenues¹	17,649	16,125	9.5%	3.1%
Allowance for loan losses²	(4,360)	(4,915)	-11.3%	11.8%
Total Revenues Net of Allowance for loan losses	**13,289**	**11,210**	**18.6%**	**0.4%**

1. Net Interest Income + Net Fees + Results from Financial Operations excluding the fiscal effect of Cayman hedge + Others. Considers Leasing's accounting standardization proceeding occurred during the system integration of Banco Real and Banco Santander.
2. Includes recoveries of written-off credits. Considers Leasing's accounting standardization proceeding occurred during the system integration of Banco Real and Banco Santander.

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General Expenses and Amortization

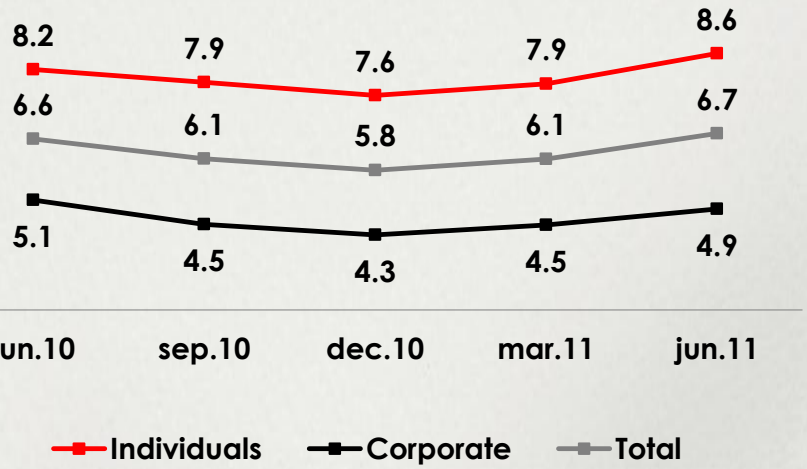
R$ Million



	1H11	1H10	Y-o-Y Variation	Q-o-Q Variation
Other General Expenses	2,729	2,657	2.7%	3.2%
Personnel Expenses	3,197	2,772	15.3%	-2.2%
General Expenses	**5,926**	**5,429**	**9.2%**	**0.3%**
Depreciation and Amortization	695	579	20.0%	5.6%
Total	**6,621**	**6,008**	**10.2%**	**0.8%**

Quality of Loan Portfolio - IFRS

Delinquency ratio[1] (%)



Coverage ratio[2] (%)

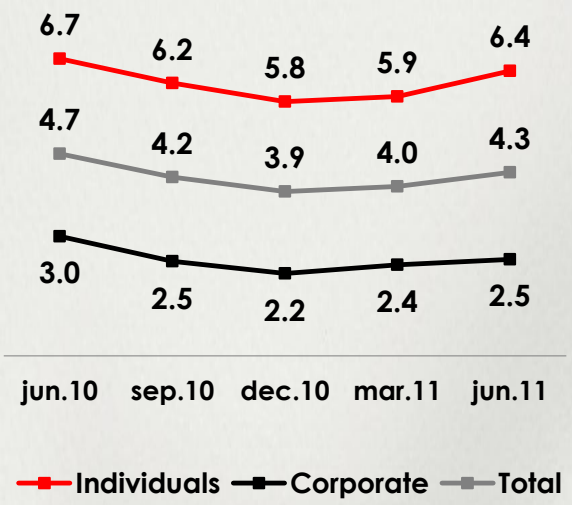


1. (Nonperforming loans over 90 days + performing loans with high delinquency risk) / managerial loan portfolio
2. Allowance for Loan Losses / nonperforming loans over 90 days + performing loans with high delinquency risk

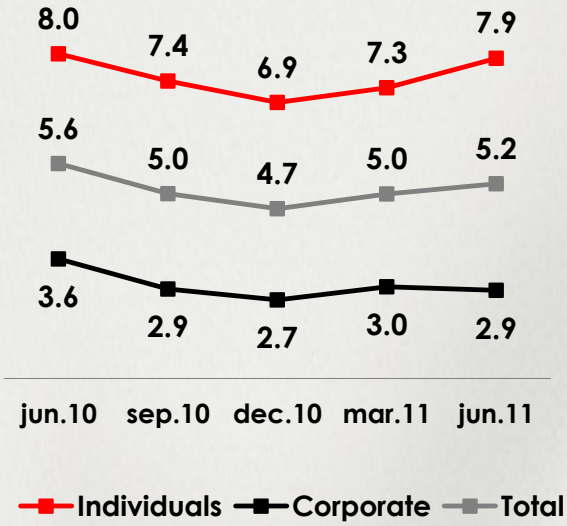
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Quality of Loan Portfolio - BR GAAP

Delinquency Over 90[1] (%)



NPL Over 60[2] (%)



Coverage Ratio Over 90[3]

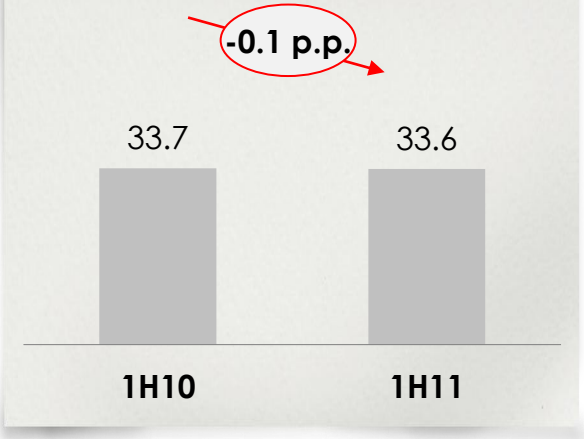


1. Nonperforming loans over 90 days / total loans BR GAAP
2. Nonperforming loans over 60 days / total loans BR GAAP
3. Allowance for Loan Losses / (nonperforming loans for over 90 days + performing loans with high delinquency risk)

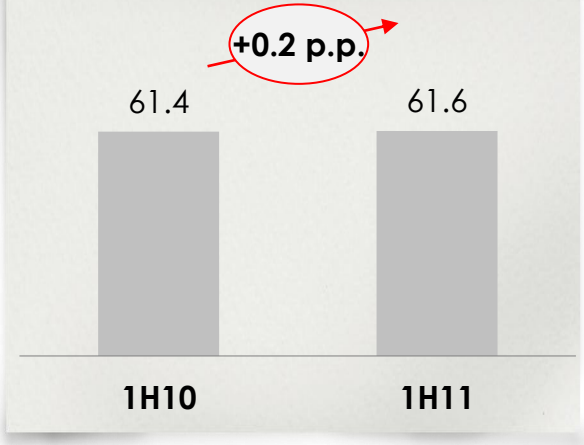
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Performance Ratios - IFRS

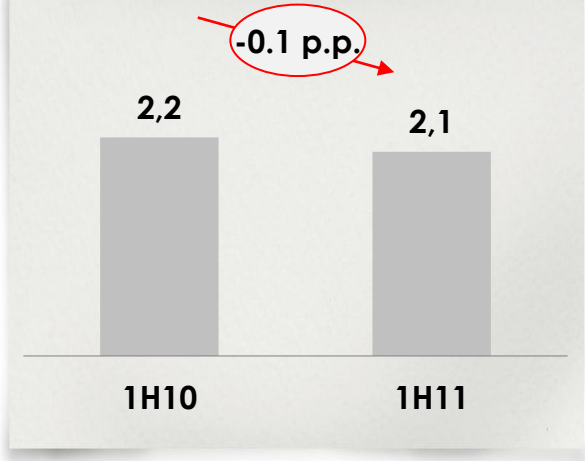
Efficiency Ratio[1] (%)



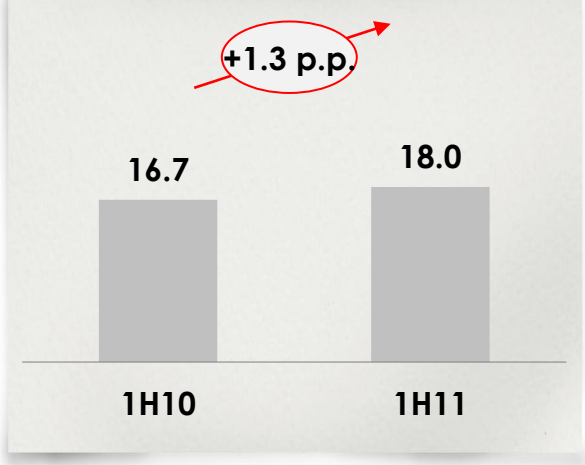
Recurrence[2] (%)



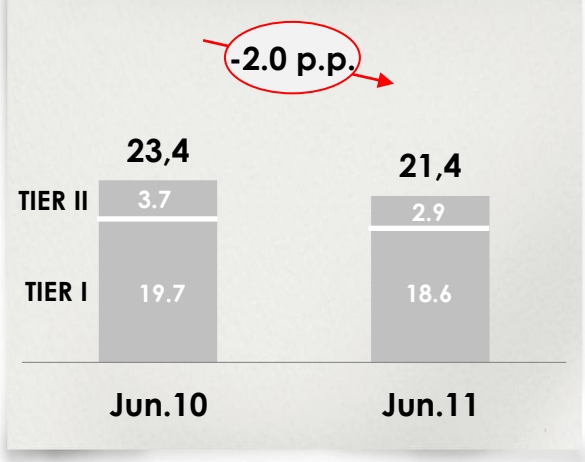
ROAA[3](%)



ROAE (adjusted)[4] (%)



BIS[4] (%)



1. General Expenses excluding amortization / Total Revenue excluding Cayman hedge and considers and Leasing's accounting standardization proceeding occurred during the system integration of Banco Real and Banco Santander.
2. Net Fee/General Expenses excluding amortization
3. Net Profit / Average Assets
4. Excludes goodwill on acquired companies (Banco Real and Real Seguros Vida e Previdência)

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- ✓ Expanded Credit portfolio: 18.5%
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4 **General Expenses[2] grew at 9.2% in 12 months and 0.3% in the quarter**

5 **Increase in Allowance for Loan Losses of 11.8% in three months and Delinquency Over 90 BR GAAP grew 30 b.p., with a comfortable level of coverage ratio**

6 **Net profit of R$ 4.2 billion in 1H11** (+18% versus 1H10)

1.Does not consider assets under management.
2. Does not include Depreciation and Amortization.

ANNEXES

- Income Statement and Balance Sheet – IFRS
- Income Statement – BR GAAP

Quarterly Managerial[1] Income Statement – IFRS

R$ million

Income Statement	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11
- Interest and Similar Income	9,278	9,839	10,603	11,189	11,802	12,683
- Interest Expense and Similar	(3,326)	(3,832)	(4,416)	(4,690)	(5,163)	(5,923)
Interest Income	**5,952**	**6,007**	**6,187**	**6,499**	**6,639**	**6,760**
Income from Equity Instruments	4	14	2	32	5	45
Income from Companies Accounted for by the Equity	10	13	11	10	18	15
Net Fee	1,622	1,710	1,776	1,726	1,782	1,866
- Fees Income	1,841	1,929	2,029	2,034	2,089	2,167
- Fees Expenses	(219)	(219)	(253)	(308)	(307)	(301)
Gain/Losses on Financial Assets and Liabilities and Exchange Rate Diferences	608	290	472	233	275	420
Other Operating Income (Expenses)	(45)	(60)	(105)	(138)	(29)	(147)
Total Income	**8,151**	**7,974**	**8,343**	**8,362**	**8,690**	**8,959**
General Expenses	(2,655)	(2,774)	(2,849)	(2,952)	(2,959)	(2,967)
- Administrative Expenses	(1,300)	(1,357)	(1,373)	(1,274)	(1,343)	(1,386)
- Personnel Expenses	(1,355)	(1,417)	(1,476)	(1,678)	(1,616)	(1,581)
Depreciation and Amortization	(286)	(293)	(309)	(349)	(338)	(357)
Provision (net)[2]	(629)	(290)	(674)	(381)	(630)	(624)
Impairment Losses on Financial Assets (net)	(2,526)	(2,356)	(1,968)	(1,955)	(2,068)	(2,306)
- Allowance for Loan Losses[3]	(2,522)	(2,393)	(1,961)	(1,907)	(2,059)	(2,301)
- Impairment Losses on Other Assets	(4)	37	(7)	(48)	(9)	(5)
Net Gains on Disposal of Assets	117	48	35	(60)	29	(22)
Net Profit before taxes	**2,172**	**2,309**	**2,578**	**2,665**	**2,724**	**2,683**
Income Taxes	(409)	(543)	(643)	(747)	(653)	(600)
Net Profit	**1,763**	**1,766**	**1,935**	**1,918**	**2,071**	**2,083**

1. Does not consider the fiscal effect of Cayman hedge and considers and Leasing's accounting standardization proceeding occurred during the system integration of Banco Real and Banco Santander.
2. Includes provision for tax contingencies and legal obligations
3. Includes recovery of credits written off as losses

Santander

Managerial[1] Income Statement – IFRS

R$ million

Income Statement	1H11	1H10	Y-o-Y Var. ABS	Y-o-Y Var. %
- Interest and Similar Income	24,485	19,117	5,368	28.1%
- Interest Expense and Similar	(11,086)	(7,158)	(3,928)	54.9%
Interest Income	**13,399**	**11,959**	**1,440**	**12.0%**
Income from Equity Instruments	50	18	32	177.8%
Income from Companies Accounted for by the Equity	33	23	10	43.5%
Net Fee	3,648	3,332	316	9.5%
- Fees Income	4,256	3,770	486	12.9%
- Fees Expenses	(608)	(438)	(170)	38.8%
Gain/Losses on Financial Assets and Liabilities and Exchange Rate Diferences	695	898	(203)	-22.6%
Other Operating Income (Expenses)	(176)	(105)	(71)	67.6%
Total Income	**17,649**	**16,125**	**1,524**	**9.5%**
General Expenses	(5,926)	(5,429)	(497)	9.2%
- Administrative Expenses	(2,729)	(2,657)	(72)	2.7%
- Personnel Expenses	(3,197)	(2,772)	(425)	15.3%
Depreciation and Amortization	(695)	(579)	(116)	20.0%
Provision (net)[2]	(1,254)	(919)	(335)	36.5%
Impairment Losses on Financial Assets (net)	(4,374)	(4,882)	508	-10.4%
- Allowance for Loan Losses[3]	(4,360)	(4,915)	555	-11.3%
- Impairment Losses on Other Assets	(14)	33	(47)	-142.4%
Net Gains on Disposal of Assets	7	165	(158)	-95.8%
Net Profit before taxes	**5,407**	**4,481**	**926**	**20.7%**
Income Taxes	(1,253)	(952)	(301)	31.7%
Net Profit	**4,154**	**3,529**	**625**	**17.7%**

1. Does not consider the fiscal effect of Cayman hedge and considers and Leasing's accounting standardization proceeding occurred during the system integration of Banco Real and Banco Santander.
2. Includes provision for tax contingencies and legal obligations
3. Includes recovery of credits written off as losses

Balance Sheet - Total Assets – IFRS

R$ million

Assets	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11
Cash and Balances with the Brazilian Central Bank	42,344	53,361	56,800	57,443	62,659
Financial Assets Held for Trading	35,902	23,738	24,821	23,541	31,400
Other Financial Assets at Fair Value Through Profit or Loss	16,213	16,665	17,939	18,105	18,402
Available-for-Sale Financial Assets	42,579	40,627	47,206	52,171	55,680
Loans and Receivables	156,804	169,250	174,107	178,758	182,637
- Loans and advances to credit institutions	20,282	24,771	22,659	23,914	21,674
- Loans and advances to customers	146,308	153,994	160,559	164,597	171,379
- Debt instruments	-	-	81	79	79
- Impairment losses	(9,786)	(9,515)	(9,192)	(9,832)	(10,495)
Tangible Assets	3,977	4,212	4,518	4,576	4,578
Intagible Assets	31,630	31,667	31,962	31,949	32,080
- Goodwill	28,312	28,312	28,312	28,312	28,312
- Others	3,318	3,355	3,650	3,637	3,768
Tax Assets	15,250	15,258	14,842	14,343	15,453
Other Assets	2,547	2,853	2,468	3,102	3,981
- Hedging Derivatives	107	104	116	128	105
- Non-current Assets for Sale	93	86	67	65	47
- Investments in Associates	429	440	371	394	404
- Others Assets	1,918	2,223	1,914	2,515	3,425
Total Assets	**347,246**	**357,631**	**374,663**	**383,988**	**406,870**

Balance Sheet – Total Liabilities and Equity – IFRS

R$ million

Liabilities	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11
Financial Liabilities Held for Trading	4,668	5,014	4,785	4,898	5,337
Other financial Liabilities at Fair Value Through Profit or Loss	232,373	237,859	253,341	261,011	280,311
- Deposits from the Brazilian Central Bank	-	-	-	-	-
- Deposits from credit institutions	47,784	41,361	42,392	36,995	45,700
- Customer deposits	150,378	159,426	167,949	174,423	176,806
- Marketable debt securities	12,168	14,944	20,087	26,907	32,590
- Subordinated liabilities	10,082	9,432	9,695	9,974	10,276
- Other financial liabilities	11,961	12,696	13,218	12,712	14,939
Liabilities for Insurance Contracts	16,693	17,893	19,643	20,179	20,517
Provisions[1]	9,662	9,910	9,395	9,010	9,371
Tax Liabilities	9,199	10,047	10,530	10,590	12,131
Other Liabilities	3,032	3,829	3,605	3,584	3,923
- Hedging Derivatives	42	17	-	-	1
- Other Liabilities	2,988	3,812	3,605	3,584	3,922
- Other Financial Liabilities at Fair Value	2	-	-	-	-
Total Liabilities	**275,627**	**284,552**	**301,299**	**309,272**	**331,590**
Total Equity	**71,619**	**73,079**	**73,364**	**74,716**	**75,280**
Total Liabilities and Equity	**347,246**	**357,631**	**374,663**	**383,988**	**406,870**

1. Includes provision for pension and contingencies

Reconciliation IFRS x BRGAAP

R$ Million	1H10	1H11
BR GAAP Net Profit	**2,016**	**1,824**
- Reversal of Goodwill amortization / Others	1,658	1,582
- PPA amortization	(67)	41
- Others	(78)	707
IFRS Net profit	**3,529**	**4,154**

Managerial[1] Income Statement – BR GAAP

R$ Million

	1H11	1H10	Y-o-Y Variation	Q-o-Q Variation
Net Interest Income	13,552	12,162	11.4%	-0.4%
Allowance for Loan Losses	(4,692)	(4,220)	11.2%	19.1%
Net Fees[2]	4,376	3,726	17.4%	4.3%
General Expenses[3]	(6,947)	(6,306)	10.2%	-0.2%
Tax Expenses	(1,398)	(1,112)	25.8%	10.3%
Other Income (Expenses)[4]	(1,514)	(613)	146.8%	-15.7%
Managerial Net Profit	**3,376**	**3,637**	**-7.2%**	**-15.2%**
Net Profit	**1,824**	**2,016**	**-9.5%**	**-19.9%**

1. Excludes amortization of goodwill. Includes the Cayman tax reclassification, interest on emissions, recoveries of written-off credits and Leasing's accounting standardization proceeding occurred during the system integration of Banco Real and Banco Santander.
2. Considers Income from Services Rendered and Income from Banking Fees
3. Considers Personnel Expenses, Other Administrative Expenses, and Profit Sharing
4. Considers Other Operating Income (expenses) and Nonoperating (expenses) income

Santander



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