



# Reference Form 2017 Position 12/31/2016

Rule 12g3-2(b)  
Exemption # 82-35186

**Updates**

Version/Date	Sections
1 – 05/31/2017	
2 – 07/05/2017	12.1., 12.5., 12.7., 12.10. and 12.13.
3 – 07/14/2017	12.5 and 12.10.
4 – 08/03/2017	12.13.
5 – 08/03/2017	12.13.
6 – 08/15/2017	11.2.
7 – 08/24/2017	12.5.
8 – 09/27/2017	12.5. and 12.7.
9 – 10/10/2017	12.5., 12.8 and 12.13.
10 – 10/17/2017	4.2., 5.1. and 5.2.
11 – 10/24/2017	12.3., 12.5.; 12.8.; 12.13.; 15.1.;15.2.; 19.2. and 19.3
12 – 11/01/2017	4.1., 12.6., 12.8.; 18.7.and 18.8.
13 – 11/08/2017	4.2. and 5.1.
14 – 11/16/2017	12.5.
15 – 12/01/2017	12.5., 12.10. and 12.13.
16 – 12/27/2017	12.5., 12.8., 12.10. and 12.13.
17 – 01/04/2018	12.5., 12.8., 12.9., 12.10. and 12.13.
18 – 02/28/2018	11.
19 – 03/28/2018	12.7. and 12.8.
20 – 04/24/2018	4.1, 18.7. and 18.8.
21 – 05/07/2018	12.5, 12.10 and 12.13.
22 – 05/08/2018	12.5, 12.7 and 12.8.
23 – 05/18/2018	11.2., 12.5. and 12.13.

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## DEFINITIONS

For purposes of this Reference Form, the terms "we" and "our" and verbs in first person plural refers to the Banco do Brasil, except different reference in this Document. The terms below have the meanings assigned to them, unless different reference in this Document:

<b>ACC</b>	Advance Against Exchange
<b>Accounting practices adopted in Brazil</b>	Accounting practices adopted in Brazil, as established in the Stock Corporations Law, rules and regulations issued by CVM, and technical bulletins published by the Brazilian and the guidelines issued by the Banco Central do Brasil (Central Bank of Brazil).
<b>ACE</b>	Advance against Draft Presentation
<b>AGE</b>	Extraordinary Shareholders Meeting – ESM
<b>AGO</b>	Shareholders Meeting – SM
<b>ANBIMA</b>	Brazilian Financial and Capital Markets Association
<b>Audit Committee</b>	Audit Committee from Banco do Brasil, in compliance with Resolution CMN 3198, May 27, 2004.
<b>Banco do Brasil, Banco or BB</b>	Banco do Brasil S.A.
<b>Banco Patagonia</b>	Banco Patagonia S.A.
<b>Banco Votorantim or BVSA</b>	Banco Votorantim S.A.
<b>Banking Reform Law</b>	Law 4595 of December 31, 1964.
<b>BB DTVM</b>	BB Gestão de Recursos Distribuidora de Títulos e Valores Mobiliários S.A.
<b>BEP</b>	Banco do Estado do Piauí S.A.
<b>BESC</b>	Banco do Estado de Santa Catarina S.A.
<b>BESCRI</b>	Besc S.A. Crédito Imobiliário.
<b>BIS</b>	Bank of International Settlements
<b>BIS Agreement</b>	Set of prudential banking rules issued by the Basel Committee on Banking Supervision, in order to give greater strength to the global financial system. Some of these rules were adopted in Brazil (in some cases with adjustments and/or adaptations) by Resolution CMN 2099, from August 17, 1994, as amended.
<b>BIS Ratio</b>	Indicator used to evaluate the potential leverage of financial institutions, calculated from an international concept defined by the Basel Committee on Banking Supervision, which recommends a minimum ratio of 8% between Reference Equity (RE) and Assets Weighted by Risk (RWA). In Brazil, the minimum ratio required is given by the "F" factor, in accordance with CMN Resolution No. 4,193, currently at 9.25%.
<b>B3</b>	Bolsa, Brasil, Balcão – Securities, Commodities and Futures Exchange and OTC derivatives and Assets – São Paulo Stock Market.
<b>BNDES</b>	National Bank for Economic and Social Development.
<b>BNDESPAR</b>	BNDES Participações S.A. – BNDESPAR.
<b>Board of Auditors</b>	Banco do Brasil's Board of Auditors.
<b>Board of Directors</b>	Banco do Brasil's Board of Directors.
<b>Board of Executive Officers</b>	Banco do Brasil's Board of Executive Officers.
<b>Brasil or country</b>	Federative Republic of Brazil.
<b>Brazilian Government</b>	Federative Republic of Brazil government.
<b>BRB</b>	Banco de Brasília S.A.
<b>Bylaws</b>	Banco do Brasil's Bylaws.
<b>CAGR ou TACC</b>	Compound Annual Growth Rate
<b>Cassi</b>	Fund for Assistance of Employees from Banco do Brasil.
<b>CDB</b>	Certificate of deposit, representative of fixed term deposit.
<b>CDC</b>	Consumer Credit.
<b>CDI</b>	Interbank Deposit Certificate.
<b>CEF</b>	Caixa Econômica Federal.
<b>Banco Central do Brasil, Central Bank, Bacen or BCB</b>	Central Bank of Brazil.
<b>CMN</b>	National Monetary Council (Conselho Monetário Nacional).
<b>CNPJ</b>	Company Tax Registry
<b>Cofins</b>	Contribution to Social Security Financing.
<b>Contribution Margin</b>	It is the value that represents the contribution of the product, customer or result in the formation of the result. It aims to identify the contribution portion of each product/service or unit to cover the fixed costs and the formation of the BB's results.
<b>Controlling Shareholder</b>	Federal Government, through National Treasury
<b>CPF</b>	Individual Tax Registry
<b>CSLL</b>	Social Contribution on Net Income.
<b>CVM</b>	Securities and Exchange Commission of Brazil.

<b>Datacenter Complex</b>	Set of buildings that will keep the environment safe for hosting IT equipment, regardless of external variables, resulting from a partnership between Banco do Brasil and CEF. It will be built through a Public Private Partnership and have a minimum built area of 24.0 thousand m2, with 5200 m2 exclusive for IT equipment, of which 4,200 m2 will be occupied by the Banco do Brasil and 1.0 thousand m2 occupied by CEF.
<b>Dólar, dólar, dólar norte-americano ou US\$</b>	Currency of the United States of America.
<b>Economática</b>	Economática Software of Support to Investors Ltda., which keeps the system Economática, tool for analyzing equity investments.
<b>Efficiency Ratio</b>	It evidences operational efficiency, indicating the percentage of operating revenues consumed by administrative expenses. The lower the index the better the relationship between revenue and expenses.
<b>Employees</b>	Individuals that appear on the active staff of Banco do Brasil or in the supplementary staff, and that keep with the BB an employment contract, under current labor laws, and registered on June 15, 2010.
<b>Executive Directorship</b>	Executive Directorship of Banco do Brasil.
<b>FCO</b>	Constitutional Financing Fund for the Midwest.
<b>Febraban</b>	Brazilian Federation of Banks.
<b>Federal Constitution</b>	Constitution of the Federative Republic of Brazil.
<b>Fenaban</b>	National Federation of Banks.
<b>FGC</b>	Credit Guarantor Fund
<b>FGCN</b>	Guarantee Fund for Shipbuilding, which holds shares issued by Banco do Brasil through the Guarantee Caixa Multimarket Shipbuilding Fund.
<b>FGHAB</b>	The Housing Guarantee Fund, which holds shares issued by Banco do Brasil through the FGHAB Multimarket Fund.
<b>FGTS</b>	Governement Severance Indemnity Fund for Employes.
<b>Fundação Getulio Vargas or FGV</b>	Getulio Vargas Foundation.
<b>FI-FGCN</b>	Fundo de Investimento Caixa Garantia Construção Naval Multimercado.
<b>FI-FGHAB</b>	Fundo de Investimento Caixa FGHAB Multimercado.
<b>Finame</b>	Special Agency of Industrial Investment.
<b>Fitch</b>	Fitch Ratings Brasil Ltda.
<b>Free Resources</b>	Resources used by financial institutions considering part of their funding on which there is no liability specific of targeting.
<b>Funcafé</b>	Brazilian Coffee Fund.
<b>Government Market</b>	Market that consists of all organs of direct and indirect administration, municipalities, foundations and public companies that depend on public transfers of Federal, State, Federal District and Municipalities.
<b>IBGE</b>	Brazilian Institute of Geography and Statistics.
<b>Ibracon</b>	Institute of Brazilian Independent Auditors.
<b>IFRS</b>	International Financial Reporting Standards.
<b>IGP-DI</b>	Consumer Price Index – Internal Availability - released by FGV.
<b>IGP-M</b>	General Market Price Index, released by FGV.
<b>Independent Counselor</b>	It is a member of the Board of Directors that (i) has no link with Banco do Brasil, except share in the social capital, (ii) is not and has not been, for the last three years, working with the company or entity related to the controlling shareholder (exclude people from this restriction related to public education and / or research), (iii) has not been, for the last three years, an employee or officer of the BB's controlling shareholder or a company controlled by the BB, (iv) is not supplying or purchaser, direct or indirect, of services or products of the BB, to an extent that the loss of independence, (v) is not an employee or officer of a company or entity that offers services and products to the BB, (vi) not a spouse or second degree relative of any director of the BB, or (vii) receive any other compensation beyond the BB's member of its Board of Directors (excluding from this restriction cash earnings generated from any involvement in the capital). Independent Counselors will also be considered those elected by the faculties provided for in Article 141 paragraphs 4 or 5, or Article 239 of the Corporations Law.
<b>INPC</b>	National Consumer Price Index.
<b>INPI</b>	Brazilian Industrial Property Office.
<b>INSS</b>	Social Security National Institute.
<b>IOF</b>	Tax on Financial Operations.
<b>IPCA</b>	Extended Consumer Price Index.
<b>IRPJ</b>	Corporate Income Tax.
<b>ISSQN</b>	Tax on Services of any Nature.
<b>KPMG</b>	KPMG Independent Auditors.
<b>Large Companies or Corporate Clients</b>	Companies, credit cooperatives and associations with annual gross revenues greater than R\$90.0 million for the industrial sector and R\$150.0 million for the commercial and services sectors.

## Definitions

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<b>Management</b>	The Board of Directors, the Executive Board, the Board of Officers and the Directors from Banco do Brasil.
<b>Managers/Officers</b>	Members from the Board of Directors, the Executive Board, the Board of Officers and Directors from Banco do Brasil.
<b>MAPA/MF</b>	Ministry of Agriculture, Livestock and Supply and Ministry of Finance.
<b>Mid-Sized Companies or Mid and Large Companies</b>	It refers to companies, credit cooperatives and associations with annual gross revenues between R\$10.0 million and R\$90.0 million for the industrial sector, between R\$25.0 million and R\$150.0 million for the commercial and services sector.
<b>Novo Mercado Listing Rules</b>	Agreement to participate on the Novo Mercado of B3, signed on May 31, 2006, between Banco do Brasil, its Management, the Shareholder Controlling and B3.
<b>Novo Mercado or New Market</b>	Special listing segment of the Differentiated levels of Corporate Governance of B3, disciplined by the Novo Mercado Rules.
<b>PAE</b>	Electronic Service Station
<b>Pasep</b>	Equity Formation Program for Civil Servants.
<b>PCLD</b>	Allowance for loan losses (ALL)
<b>PIB</b>	GDP
<b>PIS</b>	Social Integration Program.
<b>Poupex</b>	Savings and Financing Association.
<b>Poupex Mortgage Credit</b>	Operating agreement between Banco do Brasil and Poupex to offer mortgage credit to customers of the BB, using Poupex resources.
<b>Previ</b>	Pension Plan of Banco do Brasil's Employees.
<b>Pronaf</b>	National Program for Family-based Agricultural Empowerment.
<b>Real, real ou R\$</b>	Current Currency in Brazil.
<b>Retail Market</b>	Market made up of individual customers and Micro and Small Enterprises.
<b>Selic</b>	Basic interest rate, the benchmark of the Special Settlement and Custody System, released by the Monetary Policy Committee
<b>Series "C" Warrants</b>	Warrants of ordinary shares issued and distributed for free by Banco do Brasil to its shareholders on June 17, 1996.
<b>Small Companies or SME</b>	It refers to companies, credit cooperatives and associations with annual gross revenues lower than R\$25.0 million.
<b>SFN - Sistema Financeiro Nacional</b>	Banking Industry (BI)
<b>SPC</b>	Department of Pensions.
<b>Stock Corporations Law</b>	Law 6404 of December 15, 1976.
<b>Susep</b>	Private Insurance Superintendency.
<b>TAA</b>	ATM
<b>Tax Responsibility Law</b>	Complementary Law 101 of May 4, 2000.
<b>Tesouro Nacional</b>	National Treasury
<b>TJLP</b>	Long Term Interest Rate.
<b>TMS</b>	Average Selic Rate.
<b>TR</b>	Referencial Tax.
<b>TVM</b>	Securities
<b>United States</b>	United States of America.
<b>Wholesale Market</b>	Market formed by segments of Medium and Large Companies and Corporate, composed of companies with the legal nature of private law and gross annual revenues exceeding R\$ 10.0 million.
<b>Worker's Assistance Fund or FAT</b>	Special fund, under the Ministry of Labor and Employment - MTE, for the financing of the Unemployment Insurance Program, the salary bonus and for Economic Development Programs.



**1. IDENTIFICATION OF THE PERSONS RESPONSIBLE FOR THE FORM'S CONTENT**

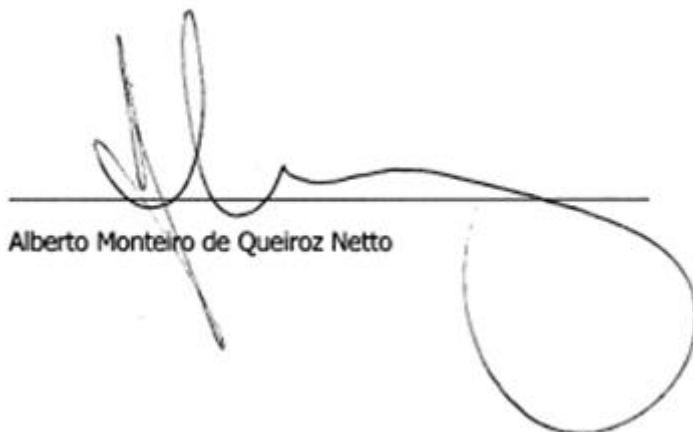
**1.1. Statement by the President and by the Investor Relations Officer**

I, **Paulo Rogério Caffarelli**, CEO of Banco do Brasil, declare that I have reviewed this Reference Form and that all the information contained herein complies with the provisions of CVM Instruction 480, especially arts. 14 to 19, and also that the set of information contained therein is a true, accurate and complete portrait of the economic and financial situation of Banco do Brasil and of the risks inherent to its activities and of the securities issued thereby.



Paulo Rogério Caffarelli

I, **Alberto Monteiro de Queiroz Netto**, CFO and responsible for the Investor Relation Department of Banco do Brasil, declare that I have reviewed this Reference Form and that all the information contained herein complies with the provisions of Instruction CVM 480, especially arts. 14 to 19, and also that the set of information contained therein is a true, accurate and complete portrait of the economic and financial situation of Banco do Brasil and of the risks inherent to its activities and of the securities issued thereby.



Alberto Monteiro de Queiroz Netto

## 2. AUDITORS

### 2.1. Information regarding independent auditors:

	Year ended at December 31,		
	2014	2015	2016
<b>a. corporate name</b>	KPMG Auditores Independentes	KPMG Auditores Independentes	KPMG Auditores Independentes
<b>b. people in charge, CPF (Taxpayer register)</b>	<p>Mr. Giuseppe Masi CPF: 074,811,038-01 E-mail: gmasi@kpmg.com.br</p> <p>Phone: (55 61) 2104-2400 Address: SBS Quadra 2, Bloco Q, lote 3, Salas 708 a 711-Ed. João Carlos Saad, CEP 70070-120 – Brasília – DF Fax: (55 61) 2104-2406</p> <p>Mr. Carlos Massao Takauthi CPF: 144.090.838-99 E-mail: ctakauthi@kpmg.com.br</p> <p>Phone: (55 61) 2104-2400 Address: SBS Quadra 2, Bloco Q, lote 3, Salas 708 a 711-Ed. João Carlos Saad, CEP 70070-120 – Brasília – DF Fax: (55 61) 2104-2406</p>	<p>Mr. Carlos Massao Takauthi CPF: 144.090.838-99 E-mail: ctakauthi@kpmg.com.br</p> <p>Phone: (55 61) 2104-2400 Address: SBS Quadra 2, Bloco Q, lote 3, Salas 708 a 711-Ed. João Carlos Saad, CEP 70070-120 – Brasília – DF Fax: (55 61) 2104-2406</p>	<p>Until: 03.20.2016 (Agreement: 2012/96000076) Mr. Carlos Massao Takauthi CPF: 144.090.838-99 E-mail: ctakauthi@kpmg.com.br</p> <p>From 03.21.2016 on: (Agreement: 2016/85580016) Mr. Marcelo Faria Pereira CPF: 013.514.977-07 E-mail: <a href="mailto:mfpereira@kpmg.com.br">mfpereira@kpmg.com.br</a></p> <p>Phone: (55 61) 2104-2400 Address: SBS Quadra 2, Bloco Q, lote 3, Salas 708 a 711-Ed. João Carlos Saad, CEP 70070-120 – Brasília – DF Fax: (55 61) 2104-2406</p>
<b>c. date when services were contracted</b>	March 20, 2012 Agreement 2012/96000076	March 20, 2012 Agreement 2012/96000076	March 17, 2016 Agreement 2016/85580016
<b>d. description of services</b>	Rendering of technical services of accounting audit on financial statements of Banco do Brasil Conglomerate, prepared in accordance with Brazilian accounting practices, and with international accounting standards (IFRS – international Financial Reporting Standards), and other correlated services.	Rendering of technical services of accounting audit on financial statements of Banco do Brasil Conglomerate, prepared in accordance with Brazilian accounting practices, and with international accounting standards (IFRS – international Financial Reporting Standards), and other correlated services.	Rendering of technical services of accounting audit on financial statements of Banco do Brasil Conglomerate, prepared in accordance with Brazilian accounting practices, and with international accounting standards (IFRS – international Financial Reporting Standards), and other correlated services.
<b>e. substitution of the auditor</b>	None	None	None

### 2.2. Total remuneration of independent auditors in the last year

#### Inform total amount of independent auditors' remuneration in previous year, discriminating fees referring to audit services from those related to any other services provided

In 2016, it was paid R\$ 10,846,653.30 referring to the contract for the rendering of external audit services.

### 2.3. Other relevant information

In the following section the Bank discloses information on audit and non-audit contracts.

As established by CVM/SEP 02/2016, BB informs the hiring dates, the technical responsible and the object of the contract for the last three years.

For the last year, also reported the figures for each contract.

## 2016

Auditing Contracts	b. Name	b. Person encharged	CPF	Telephone	E-mail	c. Hiring Date	End of Contract	d. Description	Amount - In R\$ Thousands
<b>Hiring Company</b>									
BB Frankfurt	KPMG AG	Christian Garz	N/A	49 6995874686	cgarz@kpmg.com	12/21/2016	12/21/2017	Fin. Stat. Auditing	357.56
BB Santiago	KPMG	Joaquin Lira	N/A	227981000	N/A	05/23/2016	02/28/2017	Fin. Stat. Auditing	99.90
BB Xangai	KPMG	Eddie Goh	N/A	86 21 22122426	eddie.goh@kpmg.com	03/11/2016	03/11/2017	Fin. Stat. Auditing	89.13
BB Xangai	KPMG	Lew is Lu	N/A	86 21 22123412	lew is.lu@kpmg.com	03/11/2016	03/11/2017	Fin. Stat. Auditing	25.80
BB Xangai	KPMG	Lew is Lu	N/A	86 21 22123412	lew is.lu@kpmg.com	03/11/2016	03/11/2017	Fin. Stat. Auditing	23.46
BB Securities LLC	KPMG	Joseph Cannella	N/A	1 813 233-1466	jcannella@kpmg.com	10/18/2016	03/31/2017	Fin. Stat. Auditing	228.20
Kepler Weber	KPMG	Roberto Bordinhão	N/A	51 3303-6044	rbordinhao@kpmg.com.br	07/01/2016	01/31/2017	Tax auditing	160.00
Grupo Votorantim	KPMG	João Paulo Alouche	252.326.558-33	11 3940-1516	jalouche@kpmg.com.br	01/01/2016	12/31/2016	Fin. Stat. Auditing	2,100.00
BB AG	KPMG Austria	Bernhard Mechtler/Christiane Besser	N/A	43 131332-3477/3336	bmechtler@kpmg.at	01/11/2016	12/31/2016	Regulatory Auditing	393.77
BAMB	KPMG	Fabiana Pagani	023.130.139-10	61 2104-2400	fpagani@kpmg.com.br	02/10/2016	04/29/2016	Fin. Stat. Auditing	204.71
Banco Patagonia	KPMG Ar.	Marcelo Castillo	N/A	5411 43165834	macastillo@kpmg.com.ar	04/27/2016	04/27/2017	Fin. Stat. Auditing	1,553.81
Banco Patagonia	KPMG	Marcelo Pereira	013.514.977-07	61 21042400	mfpereira@kpmg.com.br	04/27/2016	04/27/2017	Fin. Stat. Auditing	122.62
GPAT	KPMG Ar.	Lorena Lardizábal	N/A	5411 43165804	llardizabal@kpmg.com.ar	04/26/2016	04/26/2017	Fin. Stat. Auditing	318.11
Patagonia Inversora	KPMG Ar.	Claudio Bercholc	N/A	5411 43165729	cbercholc@kpmg.com.ar	04/26/2016	04/26/2017	Fin. Stat. Auditing	93.02
Patagonia Valores	KPMG Ar.	Claudio Bercholc	N/A	5411 43165729	cbercholc@kpmg.com.ar	04/26/2016	04/26/2017	Fin. Stat. Auditing	24.45
Patagonia Uruguay	KPMG Ur.	Alvaro E. Scarpelli	N/A	5982 9024546	alvaroscarpelli@kpmg.com	04/22/2016	04/26/2017	Fin. Stat. Auditing	185.72

**Section 2 - Auditors**

Auditing Contracts	b. Name	b. Person encharged	CPF	Telephone	E-mail	c. Hiring Date	End of Contract	d. Description	Amount - In R\$ Thousands
<b>Hiring Company</b>									
Cielo S.A.	KPMG	André Dala Pola	261.954.908-65	11 2856-5300	apola@kpmg.com.br	04/01/2016	03/31/2017	Regulatory Auditing	1,200.00
Alpha Serviços	KPMG	João Alouche	252.326.558-33	11 3940-3000	jalouche@kpmg.com.br	07/30/2016	03/31/2017	Fin. Stat. Auditing	3.94
CBSS	KPMG	João Alouche	252.326.558-33	11 3940-3000	jalouche@kpmg.com.br	07/30/2016	03/31/2017	Fin. Stat. Auditing	675.80
Banco CBSS	KPMG	João Alouche	252.326.558-33	11 3940-3000	jalouche@kpmg.com.br	08/09/2016	03/31/2017	Fin. Stat. Auditing	243.53
Banco CBSS	KPMG	João Alouche	252.326.558-33	11 3940-3000	jalouche@kpmg.com.br	12/08/2016	12/31/2016	Fin. Stat. Auditing	70.00
Elo Holding	KPMG	João Alouche	252.326.558-33	11 3940-3000	jalouche@kpmg.com.br	07/30/2016	03/31/2017	Fin. Stat. Auditing	3.94
Elo Participações	KPMG	João Alouche	252.326.558-33	11 3940-3000	jalouche@kpmg.com.br	07/30/2016	03/31/2017	Fin. Stat. Auditing	21.49
Elo Serviços	KPMG	João Alouche	252.326.558-33	11 3940-3000	jalouche@kpmg.com.br	04/29/2016	03/31/2017	Fin. Stat. Auditing	120.43
Farly	KPMG	João Alouche	252.326.558-33	11 3940-3000	jalouche@kpmg.com.br	07/30/2016	03/31/2017	Fin. Stat. Auditing	3.94
Ibi Promotora	KPMG	João Alouche	252.326.558-33	11 3940-3000	jalouche@kpmg.com.br	07/30/2016	03/31/2017	Fin. Stat. Auditing	52.47
Kartra	KPMG	João Alouche	252.326.558-33	11 3940-3000	jalouche@kpmg.com.br	07/30/2016	03/31/2017	Fin. Stat. Auditing	3.94
Livelo	KPMG	João Alouche	252.326.558-33	11 3940-3000	jalouche@kpmg.com.br	07/30/2016	03/31/2017	Fin. Stat. Auditing	32.30
Movera	KPMG	João Alouche	252.326.558-33	11 3940-3000	jalouche@kpmg.com.br	07/30/2016	03/31/2017	Fin. Stat. Auditing	7.60
Stelo	KPMG	João Alouche	252.326.558-33	11 3940-3000	jalouche@kpmg.com.br	07/30/2016	03/31/2017	Fin. Stat. Auditing	27.77
Cateno	KPMG	João Alouche	239.508.201-59	11 2856-5300	jalouche@kpmg.com.br	01/01/2016	12/31/2016	Fin. Stat. Auditing	450.00
Brasilcap	KPMG	José Gurgel	918.587.207-53	21 3515 9223	kgurgel@kpmg.com.br	07/01/2016	05/31/2017	Fin. Stat. Auditing	508.15
Brasilcap	KPMG	José Gurgel	918.587.207-53	21 3515 9223	kgurgel@kpmg.com.br	12/21/2016	03/31/2017	Fin. Stat. Auditing	98.74
Brasilcap	KPMG	José Gurgel	918.587.207-53	21 3515 9223	kgurgel@kpmg.com.br	01/19/2016	03/01/2016	Fin. Stat. Auditing	93.15
Brasil dental	KPMG	Érika Carvalho	276.586.348-24	11 3940-3785	ecramos@kpmg.com.br	05/06/2016	03/30/2017	Fin. Stat. Auditing	167.40
Insurance Segment <sup>1</sup>	KPMG	Luciene Magalhães	828.238.807-63	11 3940-8278	ltmagalhaes@kpmg.com.br	03/03/2016	06/15/2020	Fin. Stat. Auditing	3,590.01
Galgo	KPMG	Silbert Christo Jr.	747.555.796-00	11 3940-3184	aloisio.correa@galgosistemas.com.br	11/09/2016	12/31/2020	Fin. Stat. Auditing	61.00
Insurance Segment <sup>2</sup>	KPMG	Joel Garcia	734.538.700-34	11 3940-6298	joelgarcia@kpmg.com.br	10/05/2016	05/31/2019	Fin. Stat. Auditing	700.00

1 - MAPFRE Seguros Gerais, MAPFRE Vida, Aliança do Brasil, Aliança do Brasil Seguros, BrasilVeículos, BB MAPFRE Assistência, BB MAPFRE SH1 and MAPFRE BB SH2;

2 - MAPFRE Seguros Gerais, MAPFRE Vida, Aliança do Brasil, Aliança do Brasil Seguros, BrasilVeículos.

Non Auditing Contracts	b. Name	b. Person encharged	CPF	Telephone	E-mail	c. Hiring Date	End of Contract	d. Description	Amount - In R\$ Thousands
<b>Hiring Company</b>									
BB La Paz	KPMG	Estefani Ramirez	N/A	2442626	estefaniramirez@kpmg.com	11/03/2016	12/31/2017	Tax Consulting	55.16
BB Frankfurt	KPMG AG	Christian Garz	N/A	49 6995874686	cgarz@kpmg.com	06/24/2016	06/24/2017	Compliance	18.78
BB Tóquio	KPMG	Koide Kazushige	N/A	81 3-6229-8039	kazushige.koide@jp.kpmg.com	12/12/2016	12/11/2017	Tax Consulting	105.10
BB Secutities Asia	KPMG	Jonathan Paguntalan	N/A	65 6213-3388	jpaguntalan@kpmg.com.sg	04/01/2016	03/31/2017	Tax Consulting	23.14
Kepler	KPMG	Luiz Gustavo Cabral	714 660 299-00	55 41 3544-4747	lcabral@kpmg.com.br	02/18/2016	08/18/2016	Consulting	435.00
Neenergia	KPMG	Andre Lopes	N/A	55 21 3515-9467	N/A	10/17/2016	02/16/2017	Process review	248.00
Banco Votorantim	KPMG	Alberto Neto	022.452.288-47	11 3940-3130	aspilborghs@kpmg.com.br	01/21/2016	02/24/2016	Assurance	10.00
Banco Votorantim	KPMG	Alberto Neto	022.452.288-47	11 3940-3130	aspilborghs@kpmg.com.br	03/16/2016	04/30/2016	Assurance	29.15
Banco Votorantim	KPMG	Daniel Armesto	269.433.008-81	11 3940-3277	dbarmesto@kpmg.com.br	01/01/2016	05/25/2016	Consulting	186.59
Banco Votorantim	KPMG	Daniel Armesto	269.433.008-81	11 3940-3277	dbarmesto@kpmg.com.br	01/01/2016	12/31/2016	Consulting	101.55
Banco Votorantim	KPMG	Edilberto Salge	175.226.298-02	11 3940-3176	esalge@kpmg.com.br	05/24/2016	07/31/2016	Accounting Review	100.00
Votorantim Asset	KPMG	Alberto Neto	022.452.288-47	11 3940-3130	aspilborghs@kpmg.com.br	01/01/2016	05/25/2016	Assurance	79.88
Elo	KPMG	André Dala Pola	261 954 908 – 65	11 3940-3000	apola@kpmg.com.br	05/24/2016	07/31/2016	Consulting	8.15
Stelo	KPMG	André Dala Pola	261 954 908 – 65	11 3940-3000	apola@kpmg.com.br	03/16/2016	04/30/2016	Consulting	8.15
Livelo	KPMG	André Dala Pola	261 954 908 – 65	11 3940-3000	apola@kpmg.com.br	02/23/2016	07/30/2016	Consulting	8.15
Elo Serviços	KPMG	André Dala Pola	261 954 908 – 65	11 3940-3000	apola@kpmg.com.br	02/23/2016	07/30/2016	Consulting	8.15
Alelo	KPMG	André Dala Pola	261 954 908 – 65	11 3940-3000	apola@kpmg.com.br	02/23/2016	07/30/2016	Consulting	16.30
Ibi	KPMG	André Dala Pola	261 954 908 – 65	11 3940-3000	apola@kpmg.com.br	02/23/2016	07/30/2016	Consulting	4.07
Movera	KPMG	André Dala Pola	261 954 908 – 65	11 3940-3000	apola@kpmg.com.br	02/23/2016	07/30/2016	Consulting	2.04
Cielo	KPMG	Ricardo Algis Zibas	253 724 508 - 35	11 3940-1795	rzibas@kpmg.com.br	02/23/2016	07/30/2016	Consulting	88.41
Cielo	KPMG	André Dala Pola	261.954.908-65	11 2856-5300	apola@kpmg.com.br	02/23/2016	07/30/2016	Consulting	171.00
Banco Patagonia	KPMG Ar.	Marcelo Ceballos	N/A	54114316-5700	mceballos@kpmg.com.ar	02/23/2016	07/30/2016	Consulting	39.69
BB AG	KPMG Austria	Alina Czerny	N/A	43131332 3145	alinaczerny@kpmg.at	03/17/2016	05/20/2016	Fit & Proper	5.78
BB AG	KPMG Austria	Alina Czerny	N/A	43131332 3145	aczerny@kpmg.at	01/01/2016	12/31/2016	Fit & Proper	14.02
Cateno	KPMG	João Alouche	239.508.201-59	11 2856-5300	jalouche@kpmg.com.br	07/19/2016	07/20/2016	Assurance	212.44
Tecban	KPMG	Oliver Cunningham	529.139.370-04	11 3940-3115	oecunningham@kpmg.com.br	01/01/2016	06/30/2016	Consulting	71.14

**Section 2 - Auditors**
**2015**

Auditing Contracts	b. Name	b. Person encharged	CPF	Telephone	E-mail	c. Hiring Date	End of Contract	d. Description	Amount - In R\$ Thousands
<b>Hiring Company</b>									
BB Securities LLC.	KPMG	Joseph Cannella	-	813 301-2013	jcannella@kpmg.com	08/05/2015	N/A	Fin. Stat. Auditing	279.97
		Harry Kimbal	-	904 728-0738	hkimble@kpmg.com	-	-	-	-
BB Securities Asia	KPMG	Yvonne Chiu	-	65 6213-2323	yvonnechiu@kpmg.com.sg	10/07/2015	03/11/2016	Fin. Stat. Auditing	84.83
SBCE	KPMG	Érika Ramos	-	-	-	04/06/2015	-	Fin. Stat. Auditing	133.32
BB Leasing Company	KPMG Cayman	Fabiana Pagani	023.130.139-10	61 3102-0299	-	12/29/2015	-	Fin. Stat. Auditing	104.28
BB Leasing Company	KPMG Cayman	Fabiana Pagani	023.130.139-10	61 3102-0299	-	00/01/1900	-	Fin. Stat. Auditing	54.40
BAMB	KPMG Cayman	Fabiana Pagani	023.130.139-10	61 3102-0299	-	12/10/2015	-	Fin. Stat. Auditing	214.58
BB AG	KPMG Austria	Bernhard Mechtler	-	-	bmechtler@kpmg.at	01/30/2015	12/31/2015	Fin. Stat. Auditing	248.20
		Christian Grinschgl	-	-	cgrinschgl@kpmg.at	-	-	-	-
BB Frankfurt	KPMG AG	Christian Garz	N/A	49 6995874686	cgarz@kpmg.com	07/29/2015	07/29/2016	Fin. Stat. Auditing	368.31
Grand Cayman	KPMG	Fabiana Pagani	023.130.139-10	613102-0319	fpagani@kpmg.com.br	12/10/2015	02/22/2016	Fin. Stat. Auditing	335.20
Grand Cayman	KPMG	Fabiana Pagani	023.130.139-10	613102-0319	fpagani@kpmg.com.br	02/05/2015	02/10/2015	Audit. Dem. Fin.	216.00
BB Asset Ireland	KPMG	Jorge Revilla	-	353 1 410 2776	jorge.revilla@kpmg.ie	01/01/2015	12/31/2015	Fin. Stat. Auditing	41.18
BB Santiago	KPMG	Mario Torres	N/A	227981000	-	06/01/2015	02/28/2016	Fin. Stat. Auditing	102.36
BB Xangai	KPMG	Eddie Goh	N/A	86 21 22122426	eddie.goh@kpmg.com	03/09/2015	03/09/2016	Fin. Stat. Auditing	86.63
BB Xangai	KPMG	Lewis Lu	N/A	86 21 22123412	lewis.lu@kpmg.com	03/09/2015	03/09/2016	Fin. Stat. Auditing	27.23
BB Xangai	KPMG	Lewis Lu	N/A	86 21 22123412	lewis.lu@kpmg.com	03/09/2015	03/09/2016	Fin. Stat. Auditing	24.75
Brasilprev	KPMG	Neilton Pereira	170.699.408-74	11 2162-6383	neilton.santo@brasilprev.com.br	05/19/2015	03/30/2019	Fin. Stat. Auditing	569.80
BrasilCap	KPMG	José Luiz Gurgel	918.587.207-53	21 3515-9400	jpgurgel@kpmg.com.br	07/01/2015	05/15/2016	Fin. Stat. Auditing	465.00
BB Mapfre SH1 Part. <sup>1</sup>	KPMG	Erika Ramos	276.586.348-24	-	ecramos@kpmg.com.br	03/27/2015	-	Fin. Stat. Auditing	-
Aliança do Brasil <sup>1</sup>	KPMG	Erika Ramos	276.586.348-24	-	ecramos@kpmg.com.br	12/21/2016	-	Fin. Stat. Auditing	-
Mapfre Vida S.A. <sup>1</sup>	KPMG	Erika Ramos	276.586.348-24	-	ecramos@kpmg.com.br	03/27/2015	-	Fin. Stat. Auditing	-
Mapfre SH2 <sup>1</sup>	KPMG	Erika Ramos	276.586.348-24	-	ecramos@kpmg.com.br	03/27/2015	-	Fin. Stat. Auditing	-
Aliança do Brasil <sup>1</sup>	KPMG	Erika Ramos	276.586.348-24	-	ecramos@kpmg.com.br	03/27/2015	-	Fin. Stat. Auditing	3.540,00 <sup>1</sup>
Brasilveículos <sup>1</sup>	KPMG	Erika Ramos	276.586.348-24	-	ecramos@kpmg.com.br	03/27/2015	-	Fin. Stat. Auditing	-
Mapfre Seguros <sup>1</sup>	KPMG	Erika Ramos	276.586.348-24	-	ecramos@kpmg.com.br	03/27/2015	-	Fin. Stat. Auditing	-
BB Mapfre Assist. <sup>1</sup>	KPMG	Erika Ramos	276.586.348-24	-	ecramos@kpmg.com.br	03/27/2015	-	Fin. Stat. Auditing	-
Aliança do Brasil <sup>2</sup>	KPMG Financial	Joel Garcia	734.538.700-34	-	joelgarcia@kpmg.com.br	12/03/2015	-	Actuarial Auditing	-
Mapfre Vida S.A. <sup>2</sup>	KPMG Financial	Joel Garcia	734.538.700-34	-	joelgarcia@kpmg.com.br	12/03/2015	-	Actuarial Auditing	700.00
Brasilveículos <sup>2</sup>	KPMG Financial	Joel Garcia	734.538.700-34	-	joelgarcia@kpmg.com.br	12/03/2015	-	Actuarial Auditing	-
Mapfre Seguros <sup>2</sup>	KPMG Financial	Joel Garcia	734.538.700-34	-	joelgarcia@kpmg.com.br	12/03/2015	-	Actuarial Auditing	-

1 – Contract global value: R\$ 3,540 thousand;

2 – Contract global value: R\$ 700.00 thousand.

Auditing Contracts	b. Name	b. Person encharged	CPF	Telephone	E-mail	c. Hiring Date	End of Contract	d. Description	Amount - In R\$ Thousands
<b>Hiring Company</b>									
Cielo S.A.	KPMG	Claudio Sertorio	-	-	-	03/13/2015	-	Fin. Stat. Auditing	290.00
Cielo S.A.	KPMG	Andre Dala Pola	261.954.908 – 65	-	-	04/01/2015	-	Fin. Stat. Auditing	1,169.00
EloPar	KPMG	Andre Dala Pola	261.954.908 – 65	-	-	07/06/2015	-	Fin. Stat. Auditing	26.45
Elo Holding	KPMG	Andre Dala Pola	261.954.908 – 65	-	-	07/06/2015	-	Fin. Stat. Auditing	3.75
Alpha	KPMG	Andre Dala Pola	261.954.908 – 65	-	-	07/06/2015	-	Fin. Stat. Auditing	3.75
Elo Serviços S.A	KPMG	Andre Dala Pola	261.954.908 – 65	-	-	05/13/2015	-	Fin. Stat. Auditing	93.86
CBSS – Alelo	KPMG	Andre Dala Pola	261.954.908 – 65	-	-	07/06/2015	-	Fin. Stat. Auditing	643.62
Stelo S.A.	KPMG	Andre Dala Pola	261.954.908 – 65	-	-	07/06/2015	-	Fin. Stat. Auditing	26.45
Livelo S.A.	KPMG	Andre Dala Pola	261.954.908 – 65	-	-	07/06/2015	-	Fin. Stat. Auditing	8.82
Ibi	KPMG	Andre Dala Pola	261.954.908 – 65	-	-	07/06/2015	-	Fin. Stat. Auditing	51.46
Cateno	KPMG	João Alouche	-	-	-	09/01/2015	-	Fin. Stat. Auditing	400.00
Movera	KPMG	Andre Dala Pola	261.954.908 – 65	-	-	07/06/2015	-	Fin. Stat. Auditing	8.82
Kartra	KPMG	Andre Dala Pola	261.954.908 – 65	-	-	07/06/2015	-	Fin. Stat. Auditing	3.75
Farly	KPMG	Andre Dala Pola	261.954.908 – 65	-	-	07/06/2015	-	Fin. Stat. Auditing	3.75
Banco Patagonia S.A.	KPMG-Ar	Mauricio Eidelstein	-	-	geidelstein@kpmg.com.ar	04/01/2015	-	Fin. Stat. Auditing	1,687.09
Banco Patagonia S.A.	KPMG	Carlos Takauthi	144.090.838-99	55 61 2104-2400	ctakauthi@kpmg.com.br	04/01/2015	-	Fin. Stat. Auditing	110.80
GPAT Comp. Financ.	KPMG-Ar	Ariel Eisenstein	-	-	aeinsesein@kpmg.com.ar	04/01/2015	-	Fin. Stat. Auditing	345.39
Patagonia Inversora S.	KPMG-Ar	Mauricio Eidelstein	-	-	geidelstein@kpmg.com.ar	04/01/2015	-	Fin. Stat. Auditing	106.27
Patagonia Valores	KPMG-Ar	Mauricio Eidelstein	-	-	geidelstein@kpmg.com.ar	04/01/2015	-	Fin. Stat. Auditing	39.87
Banco Patagonia (Ur.)	KPMG-Ur	Alvaro E. Scarpelli	-	-	alvaroscarpelli@kpmg.com	04/20/2015	-	Fin. Stat. Auditing	156.36

**Section 2 - Auditors**

Non Auditing Contracts	b. Name	b. Person encharged	CPF	Telephone	E-mail	c. Hiring Date	End of Contract	d. Description	Amount - In R\$ Thousands
<b>Hiring Company</b>									
Banco do Brasil S.A	KPMG	Carlos Takauthi	144.090.838-99	55 61 2104-2400	ctakauthi@kpmg.com.br	01/02/2015	-	Training - Risk	16.00
Banco do Brasil S.A	KPMG	Carlos Takauthi	144.090.838-99	55 61 2104-2400	ctakauthi@kpmg.com.br	01/02/2015	-	Raffle Auditing	16.00
BB Securities Asia	KPMG	Jonathan Paguntalan	-	65 6213-3388	-	02/12/2015	06/01/2015	Training - IFRS	27.60
BB Toquio	KPMG	Koide Kazushige	N/A	8136229-8039	kazushige.koide@jp.kpmg.com	12/12/2015	11/12/2016	Tax Consulting	92.74
BB AG. Viena	KPMG Austria	Alina Czerny	-	-	alinaczerny@kpmg.at	05/20/2015	-	Training - Fit&Proper	13.43
BB AG. Viena	KPMG Austria	Alina Czerny	-	-	alinaczerny@kpmg.at	06/12/2015	-	Training - Fit&Proper	3.98
Brasilcap	KPMG	José Luiz Gurgel	918.587.207-53	21 3515-9400	jpgurgel@kpmg.com.br	05/13/2015	-	Banking Lic. Dev.	50.00
Brasilcap	KPMG	José Luiz Gurgel	918.587.207-53	21 3515-9400	jpgurgel@kpmg.com.br	05/26/2015	-	Training - Fit&Proper	20.00
Brasilcap	KPMG	José Luiz Gurgel	918.587.207-53	21 3515-9400	jpgurgel@kpmg.com.br	09/11/2015	-	Raffle Auditing	12.00
SBCE	KPMG Fin.	Luciano Anacleto	-	-	-	02/13/2015	-	Res. CNSP 311/2014	41.25
Cielo S.A.	KPMG	Claudio Sertorio	-	-	-	03/13/2015	-	Confort Letter	495.87
Cielo S.A.	KPMG	Claudio Sertorio	-	-	-	03/18/2015	-	Report Review	150.00
Banco Patagonia	KPMG-Ar	Daniel Kislauskis	-	-	dkislauskis@kpmg.com.ar	03/09/2015	-	Tax accounting	265.97
Banco Patagonia	KPMG-Ar	Daniel Kislauskis	-	-	dkislauskis@kpmg.com.ar	01/01/2015	-	Risk Consulting	26.53
Banco Patagonia	KPMG-Ar	Daniel Kislauskis	-	-	dkislauskis@kpmg.com.ar	09/24/2015	-	Raffle Auditing	22.40
Banco Votorantim	KPMG	Edilberto Salge	175.226.298-02	11 3940-3176	esalge@kpmg.com.br	09/15/2015	-	Tax accounting	100.00
Banco Votorantim	KPMG	Leandro Antonio	225.947.418-76	11 3940-3740	lantonio@kpmg.com.br	07/01/2015	-	Process review	87.58
Votorantim Bank	KPMG Bahamas	Diveane Bow e	-	242 393-2007	dbow e@kpmg.com.bs	10/01/2015	-	Banking Lic. Dev.	43.69
Banco Votorantim	KPMG	Alberto Spilborghs	022.452.288-47	11 3940-3130	aspilborghs@kpmg.com.br	03/09/2015	-	Tax accounting	40.00
Banco Votorantim	KPMG	Alberto Spilborghs	022.452.288-47	11 3940-3130	aspilborghs@kpmg.com.br	03/09/2015	04/30/2016	Process review	233.24
Votorantim CTVM	KPMG	Alberto Spilborghs	022.452.288-47	11 3940-3130	aspilborghs@kpmg.com.br	03/09/2015	04/30/2016	Process review	116.62
Votorantim DTVM	KPMG	Alberto Spilborghs	022.452.288-47	11 3940-3130	aspilborghs@kpmg.com.br	03/09/2015	04/30/2016	Process review	23.32
Banco Votorantim	KPMG	Alberto Spilborghs	022.452.288-47	11 3940-3130	aspilborghs@kpmg.com.br	03/09/2015	04/30/2016	Process review	23.32
Votorantim DTVM	KPMG	Alberto Spilborghs	022.452.288-47	11 3940-3130	aspilborghs@kpmg.com.br	11/18/2015	12/10/2015	Process review	40.82



## 2014

Auditing Contracts	b. Name	b. Person encharged	CPF	Telephone	E-mail	c. Hiring Date	End of Contract	d. Description	Amount - In R\$ Thousands
<b>Hiring Company</b>									
Banco do Brasil S.A	KPMG	Giuseppe Masi	074.811.038-01	55 61 2104-2400	gmasi@kpmg.com.br	12/25/2014	12/25/2015	Fin. Stat. Auditing	14,482.33
	KPMG	Carlos Takauthi	144.090.838-99	55 61 2104-2400	ctakauthi@kpmg.com.br				
BB Frankfurt	KPMG AG	Christian Garz	-	-	cgrinschgl@kpmg.at	10/28/2014	12/03/2014	Fin. Stat. Auditing	4.94
		Martin Vogel	-	-	-				
BB Frankfurt	KPMG AG	Christian Garz	-	-	cgrinschgl@kpmg.at	28/08/2014	28/08/2015	Audit. Contr. Int.	286.05
BB Securities Asia	KPMG	Jemery Hoon	-	65 6213-3388	-	10/08/2014	-	Fin. Stat. Auditing	60.00
BB Securities Asia	KPMG	Jemery Hoon	-	65 6213-3388	-	01/02/2014	12/31/2014	Fin. Stat. Auditing	16.10
BB Securities LLC.	KPMG	Joseph Cannella	-	1 813 301-2013	jcannella@kpmg.com	12/19/2014	-	Fin. Stat. Auditing	194.55
		Harry Kimbal	-	1 904 728-0738	hkimble@kpmg.com	-	-	-	-
BB Securities LLC.	KPMG	Joseph Cannella	-	1 813 301-2013	jcannella@kpmg.com	01/14/2014	-	Fin. Stat. Auditing	94.50
		Harry Kimbal	-	1 904 728-0738	hkimble@kpmg.com	-	-	-	-
BB Securities Ltd.	KPMG LLP	Michael T McGarry	-	-	-	01/28/2014	04/17/2014	Fin. Stat. Auditing	229.81
BB AG. Viena	KPMG Austria	Christian Grinschgl	-	-	cgrinschgl@kpmg.at	01/27/2014	-	Fin. Stat. Auditing	259.01
BB Leasing	KPMG Cayman	Fabiana Pagani	023.130.139-10	61 3102-0299	-	16/01/2014	-	Fin. Stat. Auditing	57.17
BB Chile	KPMG	Mario Torres	N/A	-	-	03/09/2014	28/02/2015	Fin. Stat. Auditing	73.73
BAMB	KPMG	Fabiana Pagani	023.130.139-10	61 3102-0299	-	01/16/2014	-	Fin. Stat. Auditing	121.70
Brasilcap	KPMG	José Luiz Gurgel	918.587.207-53	21 3515-9400	jpgurgel@kpmg.com.br	06/17/2014	05/15/2015	Fin. Stat. Auditing	438.87
BB Mapfre SH1	KPMG	-	-	-	-	04/11/2014	06/15/2015	Fin. Stat. Auditing	59.26
Vida Seguradora	KPMG	-	-	-	-	04/11/2014	06/15/2015	Fin. Stat. Auditing	148.15
Aliança do Brasil	KPMG	-	-	-	-	04/11/2014	06/15/2015	Fin. Stat. Auditing	740.75
Mapfre Vida S.A.	KPMG	-	-	-	-	04/11/2014	06/15/2015	Fin. Stat. Auditing	177.78
BB Mapfre SH2	KPMG	Luciene Teixeira	-	-	etmagalhaes@kpmg.com.br	04/11/2014	06/15/2015	Fin. Stat. Auditing	59.26
Brasilveículos	KPMG	Érika Ramos	-	-	br	04/11/2014	06/15/2015	Fin. Stat. Auditing	414.82
Aliança do Brasil	KPMG	-	-	-	ecramos@kpmg.com.br	04/11/2014	06/15/2015	Fin. Stat. Auditing	296.30
Mapfre Seguros	KPMG	-	-	-	-	04/11/2014	06/15/2015	Fin. Stat. Auditing	859.27
Mapfre Affinity	KPMG	-	-	-	-	04/11/2014	06/15/2015	Fin. Stat. Auditing	148.15
Mapfre Assistência	KPMG	-	-	-	-	04/11/2014	06/15/2015	Fin. Stat. Auditing	59.26
SBCE	KPMG	Érika Ramos	276.586.348-24	-	etmagalhaes@kpmg.com.br	04/11/2014	04/30/2015	Fin. Stat. Auditing	125.18
Aliança do Brasil <sup>1</sup>	KPMG Financial	Joel Garcia	734.538.700-34	-	joelgarcia@kpmg.com.br	11/01/2014	-	Actuarial Auditing	
Mapfre Vida S.A. <sup>1</sup>	KPMG Financial	Joel Garcia	734.538.700-34	-	joelgarcia@kpmg.com.br	11/01/2014	-	Actuarial Auditing	
Aliança do Brasil <sup>1</sup>	KPMG Financial	Joel Garcia	734.538.700-34	-	joelgarcia@kpmg.com.br	11/01/2014	-	Actuarial Auditing	823,29 <sup>1</sup>
Brasilveículos <sup>1</sup>	KPMG Financial	Joel Garcia	734.538.700-34	-	joelgarcia@kpmg.com.br	11/01/2014	-	Actuarial Auditing	
Mapfre Seguros <sup>1</sup>	KPMG Financial	Joel Garcia	734.538.700-34	-	joelgarcia@kpmg.com.br	11/01/2014	-	Actuarial Auditing	
Tecban	KPMG	Silbert Junior	-	-	ssasdelli@kpmg.com.br	10/01/2014	-	Fin. Stat. Auditing	205.00

1 – Contract global value: R\$ 823.29 thousand.

**Section 2 - Auditors**

Auditing Contracts	b. Name	b. Person encharged	CPF	Telephone	E-mail	c. Hiring Date	End of Contract	d. Description	Amount - In R\$ Thousands
<b>Hiring Company</b>									
Elo Participações S.A.	KPMG	Zenko Nakassato	916.464.218-68	-	-	01/02/2014	12/31/2014	Fin. Stat. Auditing	26.45
Elo Serviços S.A	KPMG	Zenko Nakassato	916.464.218-68	-	-	01/02/2014	12/31/2014	Fin. Stat. Auditing	88.07
CBSS – Alelo	KPMG	Zenko Nakassato	916.464.218-68	-	-	01/02/2014	12/31/2014	Fin. Stat. Auditing	604.85
Ibi	KPMG	Zenko Nakassato	916.464.218-68	-	-	01/02/2014	12/31/2014	Fin. Stat. Auditing	48.44
Cielo S.A.	KPMG	Claudio Sertorio	-	-	-	04/08/2014	01/31/2015	Fin. Stat. Auditing	918.21
Banco Patagonia S.A.	KPMG Ar	Mauricio Edelstein	-	-	-	04/23/2014	04/23/2015	Fin. Stat. Auditing	1,041.27
Banco Patagonia S.A.	KPMG	Carlos Takauthi	144.090.838-99	55 61 2104-2400	ctakauthi@kpmg.com.br	04/23/2014	04/23/2015	Fin. Stat. Auditing	105.00
GPAT	KPMG Ar	Ariel Eisenstein	-	-	aeinsestein@kpmg.com.	04/23/2014	04/23/2015	Fin. Stat. Auditing	213.17
Patagonia Inversora	KPMG Ar	Mauricio Edelstein	-	-	-	04/23/2014	04/23/2015	Fin. Stat. Auditing	65.59
Patagonia Valores S.A	KPMG Ar	Mauricio Edelstein	-	-	-	04/23/2014	04/23/2015	Fin. Stat. Auditing	24.60
Banco Patagonia Ur.	KPMG Ur	Alvaro E. Scarpelli	-	-	alvaroscarpelli@kpmg.c	04/23/2014	04/23/2015	Fin. Stat. Auditing	147.32
Banco Votorantim S.A.	KPMG	Alberto Spilborghs	022.452.288-47	11 3940-3130	aspilborghs@kpmg.com.br	01/01/2014	12/31/2014	Fin. Stat. Auditing	265.67
Banco Votorantim S.A.	KPMG	Alberto Spilborghs	022.452.288-47	11 3940-3130	aspilborghs@kpmg.com.br	01/01/2014	12/31/2014	Fin. Stat. Auditing	816.62
BV Financeira	KPMG	Alberto Spilborghs	022.452.288-47	11 3940-3130	aspilborghs@kpmg.com.br	01/01/2014	12/31/2014	Fin. Stat. Auditing	925.15
Votorantim CTVM	KPMG	Alberto Spilborghs	022.452.288-47	11 3940-3130	aspilborghs@kpmg.com.br	01/01/2014	12/31/2014	Fin. Stat. Auditing	62.35
Banco Votorantim S.A.	KPMG	Edilberto Salge	175.226.298-02	11 3940-3176	esalge@kpmg.com.br	05/06/2014	12/06/2015	Fin. Stat. Auditing	91.80

Non Auditing Contracts	b. Name	b. Person encharged	CPF	Telephone	E-mail	c. Hiring Date	End of Contract	d. Description	Amount - In R\$ Thousands
<b>Hiring Company</b>									
Banco do Brasil S.A	KPMG	Giuseppe Masi	074.811.038-01	61 2104-2400	gmasi@kpmg.com.br	07/01/2014	01/11/2015	Advising -	1,232.54
BB BI	KPMG Fin.	Pedro Vitor Zago	-	11 2183-3290	-	10/24/2014	01/01/2015	Advising - FIDC	86.00
BB Securities Ltd.	KPMG LLP	Edward Leek	-	-	-	06/13/2014	-	CASS	45.46
BB Securities Asia	KPMG	Jonathan Paguntalan	-	65 6213-3388	-	01/02/2014	12/31/2014	Advising - Corporate	18.00
BB Toquio	KPMG	Koide Kazushige	NA	8136229-8039	kazushige.koide@jp.kpmg.com	12/12/2014	11/12/2015	Tax Consulting	92.74
BB AG. Viena	KPMG Austria	Alina Czerny	-	-	alinaczerny@kpmg.at	06/20/2014	06/20/2014	Training - Fit&Proper	10.28
BB AG. Viena	KPMG Austria	Alina Czerny	-	-	alinaczerny@kpmg.at	10/13/2014	-	Training - Fit&Proper	3.44
Brasilcap	KPMG	José Luiz Gurgel	918.587.207-53	21 3515-9400	jpgurgel@kpmg.com.br	12/11/2014	-	Raffle Auditing	5,380.00
Brasilcap	KPMG	José Luiz Gurgel	918.587.207-53	21 3515-9400	jpgurgel@kpmg.com.br	00/01/1900	-	Raffle Auditing	76.00
Cielo S.A.	KPMG	Claudio Sertorio	-	-	-	06/30/2014	07/31/2014	Payment Methods	138.00
Merchant Esolutions	KPMG	-	-	-	-	11/04/2014	01/01/2015	Organization and	429.00
Banco Votorantim	KPMG	Sidney Ito	-	11 3940-3143	sito@kpmg.com.br	02/13/2014	08/15/2014	Pre Certification -	1,000.00
Banco Patagonia	KPMG - Arg.	Daniel Kislauskis	-	-	dkislauskis@kpmg.com.ar	05/30/2014	-	Regulation	26.80
Banco Patagonia	KPMG - Arg.	Daniel Kislauskis	-	-	dkislauskis@kpmg.com.ar	06/05/2014	12/30/2014	Accounting	9.79
Neoenergia	KPMG Risk	Eduardo Baptista	054.501.168-02	11 3940-6602	ebaptista@kpmg.com.br	01/10/2014	05/14/2014	Accounting	298.78
Neoenergia	KPMG Risk	Eduardo Baptista	054.501.168-02	11 3940-6602	ebaptista@kpmg.com.br	11/13/2014	04/30/2015	Release Req.	75.45

### 3. SELECTED FINANCIAL INFORMATION

#### 3.1. Main balance sheet and income items

The consolidated financial statements of Banco do Brasil for the fiscal years ended December 31, 2014, 2015 and 2016 were prepared and audited in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and with the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and its predecessor bodies, in the closing date of the fiscal years

The consolidated financial statements were audited in accordance with Brazilian and international auditing standards and reflect the assets, liabilities, income and expenses of Banco do Brasil Conglomerate. All intragroup transactions and unrealized results in transactions between companies were excluded in the consolidation. Non-controlling interest is presented in the Consolidated Balance Sheet separated from shareholders' equity. Net income attributable to non-controlling shareholders is stated separately in the consolidated statement of income and in the consolidated statement of comprehensive income.

Policies and accounting methods used in the consolidated financial statements are equivalent to those applied to the consolidated financial statements for the year ended on 12/31/2015, except for the adoption of amendments to IAS 16 – PPE, IAS 38 – Intangible and IFRS 11 – Jointly Ventures, effective as from 01/01/2016. The application of these amendments does not cause impact to the consolidated financial statements since the Bank has considered the procedures required by the regulation.

The table below presents the selected financial information available in the financial statements of Banco do Brasil, for the fiscal years 2014, 2015 and 2016:

R\$ million, unless otherwise specified	Consolidated Financial Information		
	Fiscal year ended December 31,		
	2014	2015	2016
a. Shareholders' equity	85,440	86,230	90,077
b. Total assets	1,278,137	1,388,865	1,387,216
c. Interest income	137,779	182,369	168,039
d. Net interest income	46,654	45,748	61,914
e. Net income	13,343	15,798	8,660
f. Number of shares, ex-treasury (millions of units)	2,797	2,793	2,785
g. Book value per share <sup>1</sup>	29.25	29.56	31.02
h. Basic earnings per share	4.23	5.03	2.52
i. Diluted earnings per share	4.23	5.03	2.52

1 – The book value per share is calculated by dividing the shareholders' equity attributable to controlling shareholders by the number of free float shares, excluding treasury shares.

#### j) Other accounting information selected by the issuer

The main accounting information is presented above.

#### 3.2. Non-accounting measurements

In case the issuer has disclosed non-accounting measurements in the last year, or wish to disclose these measurements, such as Ebitda (earnings before interest, tax, depreciation and amortization) or Ebit (earnings before interest and income tax) in this Reference Form, the issuer must: (a) inform the value of non-accounting measurements; (b) reconcile the disclosed values and the values of the audited financial statements; and (c) explain the reason which this measurement is more appropriate for the correct understanding of its financial condition and its operations results

There are no non-accounting measurements disclosed by the issuer in the last year.

### 3.3. Subsequent events to the last annual financial statements

#### Identify and comment on any event subsequent to the last fiscal year financial statements that may significantly change it

##### Sale of Interest

BB Banco de Investimentos S.A. (BB-BI) and AGCO do Brasil Máquinas e Equipamentos Agrícolas Ltda. signed a Purchase and Sale Agreement (Agreement) in which BB-BI undertakes to sell its entire 17.45% stake in Kepler Weber S.A.

The contract value was R\$ 22.00 per share and the Agreement implementation will not have a material impact on the Bank's results.

The execution of the business is subject to the fulfillment of contractual conditions precedent to the closing, as well as to the approval by the respective regulatory departments, supervisors and inspectors, according to the applicable legislation.

### 3.4. Policy of allocation of the results of the three last fiscal years

#### Describe the policy of allocation of the results of the three last fiscal years, indicating:

The allocation of the results of Banco do Brasil is carried out based on the financial statements, in accordance with the Brazilian accounting standards (BR GAAP).

#### 2014 / 2015 / 2016

##### a. rules on profit retention

Since the creation of the Statutory Reserve for Operational Margin and for Equalization of Dividends in December 2006, Banco do Brasil has been allocating amounts to these reserves, pursuant to its Bylaws (Article 44, item IV) and in accordance with article 194 of Law 6,404/76 (which regards the creation of statutory reserves).

Operational Margin Reserve was created aiming to ensure an operational margin compatible with the development of the company's operations, constituted by up to 100% (one hundred percent) of the net income balance, up to the limit of 80% (eighty percent) of the share capital.

Dividends Equalization Reserve seeks to secure resources for the payments of dividends, constituted by up to 50% (fifty percent) of the net income, up to 20% (twenty percent) of the share capital.

##### b. rules on dividend distribution

The shareholders are entitled to receive mandatory dividends each fiscal year, the percentage of profit established in the Bylaws, according to article 202 of Law 6,404/76. The shareholders of Banco do Brasil are ensured to receive a minimum mandatory half-yearly dividend equivalent to 25% of adjusted net income, as defined in the Bylaws (art. 47)

The distribution of interim dividends is allowed in periods shorter than one semester, as per the terms of the Bylaws, (article 47, paragraph 3), observing the competences established in the Executive Board (art. 29 I and VII) and the Board of Directors (art. 21, II "a" and art. 45, paragraph 1). This schedule was approved at the Shareholders General Meeting of December 28, 2006, effective as of 2007.

Complying with the law in force and as resolved by the Board of Directors, the Executive Board may authorize the payment or credit to shareholders as own capital remuneration, as well as the imputing of its value to the minimum mandatory dividend (art. 48 of the BB's Bylaws).

In the last three years, Banco do Brasil paid 40% (forty percent) of net income as dividends or/and interest on own capital.

The interest on own capital payments are imputed to the value of dividends payable over net income for the semester. In addition, the BB adopts the practice of distributing intermediate dividends, deducted from the Dividend Equalization Reserves, to complement the distributed amount, reaching 25% of the net income for the period. As of January 1996, the Brazilian companies have been authorized to pay interest to the shareholders and consider the deductible payments for tax effects over corporate income tax and, as of 1997, also for effects of social contribution over net income. The deduction is limited to the greater value between: (i) 50.0% of the net income for the period (after the deduction of social contribution on net income and before the deduction of the provision for income tax) before recording of interest on own capital, regarding which payment will be made; and (ii) 50.0% of the accrued income and profit. Interest on own capital is limited to the pro rata die variation of the TJLP (Long Term Interest Rate) over shareholders' equity.

In the value of dividends and/or interest on own capital payable to shareholders shall incur financial charges which are based on current legislation, as of the moment the semester or fiscal year has ended, in which they have been calculated up to the last effective day of payment, with the possibility of interest on arrears when the payment does not take place on the date set by the law, by the General Shareholders' Meeting or by deliberation of the Board of Officers (Bylaws of the BB, art. 47, paragraph 2).

##### c. periodicity of dividend Distribution

2014 / 2015 / 2016

As of the first quarter of 2007, Banco do Brasil has adopted a quarterly periodicity dividends/interest on equity payment, in line with the resolutions of the General Shareholders' Meeting of December 28, 2006.

**d. Possible restrictions for the distribution of dividends imposed by law or special regulations applicable to the issuer, as well as contracts, legal, administrative and arbitral decisions**

According to the laws or regulations in force and applicable to programs under the international capital market (GMTN Program, Subordinated Debt, Senior Debt and Perpetual Notes issued in 2009) there are no restrictions related to the distribution of dividends.

The perpetual bonds issued in January and March (reopening) of 2012 and the perpetual bonds issued in January 2013 had on September 27, 2013 its terms and conditions changed in order to adjust them to the rules of Bacen's Resolution No. 4,192 of March 1, 2013, which regulates the implementation of Basel III in Brazil. The amendments in force since October 1, 2013, when the instruments were submitted to BB for obtaining permission to join the Supplementary Capital (Tier I) of the Bank. The authorization was granted on October 30, 2013.

Because of the changes introduced in perpetual bonds issued in 2012 and perpetual bonds issued in 2013, in case the distributable profits for the period are not sufficient for half-yearly interest payments and/or accessories on those securities, the payment of dividends by the Bank to shareholders will be limited to the minimum required by applicable law determined until the half-yearly interest payments and/or accessories on those titles have been fully taken up.

For the perpetual bond issued in June 2014, the interest payment will neither be due or payable nor accumulate if the amount exceeds the proceeds of profits or profits reserve distributable in the last calculation period. In the event of suspension of the bond's interest payment/accumulation, the issuer will recommend to the Shareholders' Meeting that the dividend payment is limited to the minimum required determined by applicable law, until the half-yearly interest payments on these securities have been fully taken up.

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**3.5. Net income allocation (BR GAAP)**

The allocation of the results of Banco do Brasil is carried out based on the financial statements, in accordance with the Brazilian accounting standards (BR GAAP).

R\$ million, except as indicated	Fiscal year ended at December 31,		
	2014	2015	2016
a. Adjusted Net Income <sup>1</sup>	11,313	14,364	8,006
b. Distributed dividend	4,525	5,746	2,355
Interest on own capital	3,674	4,445	2,355
Dividends to shareholders	851	1,301	0
Minimum compulsory dividend	2,670	3,353	1,886
c. Distributed Dividend vs. Adjusted Net Income	40	40	29
d. Dividend distribution by class and type of shares <sup>2</sup>	R\$ 1.62	R\$ 2.06	R\$ 0.85
Interest on own capital	R\$ 1.31	R\$ 1.59	R\$ 0.85
Dividends to shareholders	R\$ 0.31	R\$ 0.47	R\$ 0.00
e. Dividends and interest on own capital payment date			
1st quarter			
Interest on own capital	03/31/2014	03/31/2015	03/31/2016
Interest on own capital - paid	--	--	05/31/2016
Dividends to shareholders	05/30/2014	05/29/2015	-
2nd quarter			
Interest on own capital	06/30/2014	06/30/2015	06/30/2016
Interest on own capital - paid	--	09/01/2015	08/31/2016
Dividends to shareholders	08/29/2014	09/01/2015	--
3rd quarter			
Interest on own capital	09/30/2014	09/30/2015	09/30/2016
Interest on own capital - paid	--	--	11/29/2016
Dividends to shareholders	11/28/2014	12/02/2015	--
4th quarter			
Interest on own capital	12/30/2014	12/30/2015	12/29/2016
Interest on own capital - paid	--	--	03/10/2017
Dividends to shareholders	02/27/2015	03/11/2016	--
f. Return on average Shareholders' Equity	16.5%	18.4%	9.8%
g. Retained Net Income <sup>3</sup>	7,104	9,632	5,588
Legal reserve	566	705	397
Statutory Reserve	6,538	8,927	5,191
Statutory Reserve for Operational Margin	6,211	8,748	4,931
Statutory Reserve for dividend equalization	327	179	260
h. Approval of Retention date			

1 - It corresponds to the adjusted net income, which was the basis for the calculation of dividends distributed. Individual net incomes without deducting the HICD compensatory interest expenses.

2 - Expressed in Brazilian reais, it is calculated by the division of dividends and interest on own capital paid in the period and the quantity of ex-treasury shares in the periods.

3 - Highlighted values in the Statement of Changes in Shareholders' Equity for the years 2014, 2015 and 2016 in the line Allocations - Reserves. Source: Note 23 - Shareholder's Equity

### 3.6. Dividends of retained income or reserves constituted in previous fiscal years

#### Report if, in the 3 previous fiscal years, dividends of retained income or reserves were declared in previous fiscal years

The allocation of the results of Banco do Brasil is carried out based on the financial statements, in accordance with the Brazilian accounting standards (BR GAAP).

The Board of Directors meets annually to approve the payout ratio. In a meeting carried out on February 02, 2016 it was defined that the minimum percentage was 25% of net income in 2016, calculated according to the accounting practices adopted in Brazil (BR GAAP), complying with the policy of payment of dividends and/or interest on own capital every quarter, as per article 47 of the Bylaws. The statutory reserve for equalization of dividends, which ensures the resources for the payment of dividends, is constituted by up to 50% of net income (BR GAAP), after the statutory allocations of adjusted net income (constitution of legal reserve; if applicable, formation of contingency reserve and reserve for unrealized profit; and payment of minimum mandatory dividends interest on capital and interest on hybrid instruments of capital and debt), up to the limit of 20% of the share capital. In the fiscal years ended on December 31, 2014, 2015 and 2016 the intermediary dividends paid in the 1st and 3rd quarters, using the Statutory Dividend Equalization Reserve, are presented as follows:

R\$ million	Fiscal year ended at December 31,		
	2014	2015	2016
Intermediary dividends	486	467	383

### 3.7. Indebtedness level (IFRS)

**In a table, describe the level of indebtedness of the issuer, indicating: (a) total debt, of any nature; (b) indebtedness ratio (current liabilities plus non-current liabilities, divided by shareholders' equity); (c) in case the issuer reports another indebtedness ratio, indicate: (c.i) The method used to calculate the ratio; and (c.ii) The reason that considers this ratio appropriate for the correct comprehension of the financial situation and the level of indebtedness of the issuer**

R\$ million, except as indicated	12/31/2014	12/31/2015	12/31/2016
a. total debt, of any nature;	1,192,697	1,302,635	1,297,139
b. indebtedness level (current liabilities + non-current liabilities, divided by shareholders' equity) <sup>1</sup>	14.6	15.8	15.0
c. in case the issuer reports another indebtedness ratio	none	none	none

1 -The shareholders' equity attributable to controlling shareholders was R\$81,785 million, R\$82,557 million and R\$86,376 in Dec/14, Dec/15 and Dec/16, respectively.

### 3.8. Obligations of the issuer in accordance with maturity

**In a table, separating in obligations (loans, financing and debt securities) with real guarantee, floating guarantee and unsecured guarantee, or other guarantee or privilege, indicate the amount of obligations of the issuer in accordance with maturity**

Total Banco do Brasil's debt amount, understood as "total liabilities" is included in item "3.7.a" of this Reference Form. However, differently from industrial, commercial and general service companies, the level of indebtedness presented in item "3.7.a" is inadequate to evaluate the compositions of the resources used by the banking industry. This is because the banks operate as "financial intermediaries", funding savers resources to borrowers; so that most part of the liabilities of financial institutions are constituted by this type of funding, classified as operational liabilities.

Thus, in the following tables it is presented the corporate debts, including borrowing and onlendings, bond issuance, subordinated debts, perpetual bonds and securitization instruments. We also present the reconciliation table between corporate debts and total liabilities.



## Corporate Debts

R\$ million	12/31/2016			Total
	Unsecured	Floating	Real	
<b>Borrowing and onlendings</b>	<b>20,346</b>	-	-	<b>20,346</b>
a. Less than 1 year	17,943	-	-	17,943
b. More than 1 year and less than 3	1,278	-	-	1,278
c. More than 3 years and less than 5	802	-	-	802
d. Over 5 years	323	-	-	323
<b>Bond issuance</b>	<b>162,000</b>	-	-	<b>162,000</b>
a. Less than 1 year	67,688	-	-	67,688
b. More than 1 year and less than 3	7,097	-	-	7,097
c. More than 3 years and less than 5	81,470	-	-	81,470
d. Over 5 years	5,745	-	-	5,745
<b>Subordinated debts <sup>1</sup></b>	<b>36,739</b>	-	-	<b>36,739</b>
a. Less than 1 year	4,159	-	-	4,159
b. More than 1 year and less than 3	16,049	-	-	16,049
c. More than 3 years and less than 5	8,735	-	-	8,735
d. Over 5 years	7,796	-	-	7,796
<b>Perpetual bonds</b>	<b>23,290</b>	-	-	<b>23,290</b>
a. Less than 1 year	279	-	-	279
b. More than 1 year and less than 3	-	-	-	-
c. More than 3 years and less than 5	-	-	-	-
d. Over 5 years	23,011	-	-	23,011
<b>Securitization</b>	<b>2,802</b>	-	-	<b>2,802</b>
a. Less than 1 year	-	-	-	-
b. More than 1 year and less than 3	118	-	-	118
c. More than 3 years and less than 5	-	-	-	-
d. Over 5 years	2,684	-	-	2,684
<b>Total</b>	<b>245,177</b>	-	-	<b>245,177</b>
a. Less than 1 year	90,069	-	-	90,069
b. More than 1 year and less than 3	24,542	-	-	24,542
c. More than 3 years and less than 5	91,007	-	-	91,007
d. Over 5 years	39,559	-	-	39,559

<sup>1</sup> – It does not include FCO Resources.

## Corporate debts and financial statements – Conciliation

R\$ million	12/31/2016
<b>Total liabilities (A)</b>	<b>1,297,139</b>
<b>Corporate liabilities (B)</b>	<b>245,177</b>
Borrowing and onlendings	20,346
Bond issuance	162,000
Subordinated debt, except FCO	36,739
Perpetual bonds	23,290
Securitization	2,802
<b>Operating liabilities (C=A-B)</b>	<b>1,051,962</b>
Customer deposits	425,316
Financial institutions obligations	21,277
Financial liabilities at fair value through profit or loss	2,234
Obligations under repurchase agreements	374,634
Domestic onlending	83,083
Labor, tax and civil provisions	9,563
Liabilities due to current taxes	5,947
Liabilities due to deferred taxes	2,896
FCO - Constitutional Fund for Financing of the Midwest	25,237
Other obligation	14,855
Other liabilities	86,920

## 3.9. Other relevant information

## Volume and Rate Analysis

The volume and rate analysis allows the verification of impacts on the net interest revenue resulting from the variation in business interest rates and volume. The changes in volume and interest rate were calculated based on changes in average balances and the changes in the average interest rates on earning assets and interest-bearing liabilities. The average rate variation was calculated by the variation in the interest rate in the period multiplied by the average earning assets or by the average interest-bearing liabilities in the previous period. The net variation is the difference between the interest income of the present period and the previous period. The average volume variation is the difference between the net variation and that resulting from the average rate. The calculations do not exclude exchange rate effects.

The following information is included for effects analysis and must be read jointly with the financial statements of the BB contained in the section Comments from the Executive Officers.

The statement seeks to establish the ratio between revenues and earning assets, and between the expenses and interest-bearing liabilities. Thus, it is possible to know the related investment and funding rates, as well as calculating measurements such as net interest margin (spread). Moreover, the statements are used to identify, through the volume and rates analysis, which were the effects in the financial intermediation results, originated from volume and rate variations, from one period to the other.

## Earning and Non-earning assets

R\$ million, except for percentages	2014			2015			2016		
	Average Balance	Interest	Rate (%)	Average Balance	Interest	Rate (%)	Average Balance	Interest	Rate (%)
<b>Earning Assets<sup>1</sup></b>									
Remunerated compulsory deposits	61,772	5,510	8.9	50,965	4,893	9.6	52,400	5,551	10.6
Loans to customers	615,502	78,611	12.8	676,040	100,959	14.9	669,650	94,960	14.2
Financial assets	108,312	10,787	10.0	112,054	13,575	12.1	119,481	15,120	12.7
Repurchase agreement application	223,358	27,885	12.5	283,428	39,128	13.8	337,607	46,280	13.7
Loans to financial institutions	61,464	7,147	11.6	62,138	12,833	20.7	57,794	(4,092)	-7.1
Other	34,475	7,839	22.7	37,967	10,980	28.9	42,305	10,220	24.2
<b>Total</b>	<b>1,104,884</b>	<b>137,779</b>	<b>12.5</b>	<b>1,222,592</b>	<b>182,369</b>	<b>14.9</b>	<b>1,279,236</b>	<b>168,039</b>	<b>13.1</b>
<b>Non-earning assets<sup>1</sup></b>									
Tax credits	22,755			30,722			40,031		
Other Assets	85,636			72,891			61,260		
Fixed assets	6,878			7,296			7,513		
<b>Total</b>	<b>115,269</b>			<b>110,909</b>			<b>108,804</b>		
<b>Average Total Assets</b>	<b>1,220,152</b>			<b>1,333,501</b>			<b>1,388,040</b>		

1 - Average balance between the current period and the previous period (12 months ago). Other interest expenses were not considered.

Interest-bearing and Non-interest-bearing liabilities

R\$ million, except for percentages	2014			2015			2016		
	Average Balance	Interest	Rate (%)	Average Balance	Interest	Rate (%)	Average Balance	Interest	Rate (%)
<b>Interest-bearing Liabilities<sup>1</sup></b>									
Customer deposits	375,380	(31,412)	8.4	360,434	(33,148)	9.2	356,600	(33,018)	9.3
Repurchase agreement obligations	258,919	(29,722)	11.5	313,721	(41,614)	13.3	354,078	(48,741)	13.8
Bond issuance and other obligation	315,217	(28,743)	9.1	377,543	(60,731)	16.1	390,115	(16,534)	4.2
Financial institutions obligation	28,422	(1,120)	3.9	36,246	(616)	1.7	31,546	(7,831)	24.8
Other	4,709	(127)	2.7	5,948	(511)	8.6	6,564	-	0.0
<b>Total</b>	<b>982,648</b>	<b>(91,124)</b>	<b>9.3</b>	<b>1,093,892</b>	<b>(136,621)</b>	<b>12.5</b>	<b>1,138,902</b>	<b>(106,125)</b>	<b>9.3</b>
<b>Non-interest-bearing Liabilities<sup>1</sup></b>									
Demand deposits	74,243			69,945			67,527		
Other liabilities	82,351			83,829			93,458		
Shareholders' Equity	80,911			85,835			88,153		
<b>Total</b>	<b>237,505</b>			<b>239,608</b>			<b>249,138</b>		
<b>Average Total Liabilities</b>	<b>1,220,152</b>			<b>1,333,501</b>			<b>1,388,040</b>		

1 - Average balance between the current period and the previous period (12 months ago). Other interest expenses were not considered.

Interest changes (revenues and expenses) related to volume and rate variations

R\$ million	2015/2014			2016/2015		
	Average Volume <sup>1</sup>	Average Rate <sup>2</sup>	Net Change <sup>3</sup>	Average Volume <sup>1</sup>	Average Rate <sup>2</sup>	Net Change <sup>3</sup>
<b>Earning Assets</b>						
Remunerated compulsory deposits	(1,038)	421	(617)	152	506	658
Loans to customers	9,041	13,307	22,347	(906)	(5,092)	(5,998)
Financial assets	453	2,335	2,788	940	605	1,545
Repurchase agreement application	8,293	2,951	11,244	7,427	(275)	7,152
Loans to Fin. Institutions	139	5,547	5,686	308	(17,233)	(16,926)
Other	1,010	2,132	3,141	1,048	(1,808)	(761)
<b>Total</b>	<b>17,558</b>	<b>27,032</b>	<b>44,590</b>	<b>7,441</b>	<b>(21,770)</b>	<b>(14,330)</b>
<b>Interest-bearing Liabilities</b>						
Customer deposits	1,375	(3,110)	(1,736)	355	(225)	130
Repurchase agreement obligations	(7,269)	(4,623)	(11,892)	(5,555)	(1,572)	(7,127)
Bond issuance and other obligation	(10,026)	(21,962)	(31,988)	(533)	44,729	44,196
Financial institutions obligation	(133)	636	503	1,166	(8,381)	(7,214)
Other	(107)	(278)	(384)	-	511	511
<b>Total<sup>4</sup></b>	<b>(13,894)</b>	<b>(31,603)</b>	<b>(45,497)</b>	<b>(4,194)</b>	<b>34,690</b>	<b>30,496</b>

1 - Interest revenues variation (earning assets) or other interest expenses variation (interest-bearing liabilities) occurred due to oscillation in volumes. It is obtained by the subtraction of net change (3) and average rate (2).

2 - Interest revenues variation (earning assets) or other interest expenses variation (interest-bearing liabilities) occurred due to oscillation in rates. It is obtained from the following formula: ((Current Period Interest / Current Period Balance) x Previous Period Balance) - (Previous Period Interest).

3 - Total interest revenues variation (earning assets) or other interest expenses variation (interest-bearing liabilities) occurred due to oscillation in volume and rate. It is obtained by subtraction of Current Period Interest and Previous Period Interest.

4 - In columns "Average Volume" and "Average Rate" it must not be read as the sum of values related to items in earning assets or interest-bearing liabilities. The sum is unachievable because the calculation of variations due to the rate and volume of each component are carried out by the effective rate, without considering the relative weight ("weighted average") of each item in the composition of total earning assets and interest-bearing liabilities. Therefore, the consigned values in the total line are solely related to variations in rate and volume of total earning assets or interest-bearing liabilities.

Spread - Net Interest income/Earning assets

	2014	2015	2016
Earning assets	1,104,884	1,222,592	1,279,236
Interest-bearing liabilities	982,648	1,093,892	1,138,902
<b>Net interest income</b>	<b>46,654</b>	<b>45,748</b>	<b>61,914</b>
Interest Income	137,779	182,369	168,039
Interest expenses	(91,124)	(136,621)	(106,125)
Interest-Bearing Liabilities/Earning Assets - %	88.9	89.5	89.0
Interest rate on the earning assets <sup>1</sup>	12.5	14.9	13.1
Interest rate on the interest-bearing liabilities <sup>2</sup>	9.3	12.5	9.3
Net Income Margin - % <sup>3</sup>	3.2	2.4	3.8
Net Interest Margin - % <sup>4</sup>	4.2	3.7	4.8

1 - Total interest income divided by the earning assets average balance.

2 - Total interest expenses divided by the interest-bearing liabilities average balance.

3 - Difference between earning assets average rate and the interest-bearing liabilities average rate.

4 - Net interest income divided by the earning assets average balance.

Indicators (%)

Banco do Brasil uses, among others, the following indicators. We highlight that they are non-accounting measures usually adopted under BR GAAP and it were measured according to IFRS balance and may not be compared to those used by other financial institutions:

Return on Average Equity (ROE): Calculated as the result between the ratio of the company's net income and the average shareholders' equity, the ROE indicates the net income performance when compared to each monetary unit invested. BB's management understands that the indicator aids in the correct comprehension of performance, as it emphasizes the profitability rate offered to the company's own capital.

Return on Average Assets (ROA): calculated as the ratio between the company's net income and the average assets, the ROA indicates the net income performance when compared to each monetary unit invested.

Earnings per share: It is an indicator frequently used to assess the profitability of a company. The EPS can be basic or diluted. The basic EPS is the ratio between the average total shares, except treasury shares, and the profit in the period. To calculate diluted EPS it is necessary to adjust the average quantity of shares and the potential of bonus conversion.

Average Risk: It is the ratio between the constituted provision and the total loans to customers. It indicates the existing risk level of a loan portfolio. The index points out the necessary provision to support possible losses in the granted loans.

The indicators are as follows:

	<b>2014</b>	<b>2015</b>	<b>2016</b>
ROE - %	16.5	18.4	9.8
ROA - %	1.1	1.2	0.6
EPS			
Basic <sup>1</sup>	4.23	5.03	2.52
Diluted <sup>2</sup>	4.23	5.03	2.52
Average risk - % <sup>3</sup>	2.9	4.0	5.3

1 - Average total shares without treasury shares/net income

2 - Average total shares + (bonus x conversion factor)/net income

3 - Allowance for loan losses/Loan portfolio

**Securities Portfolio**

The next chart shows the securities portfolio listed in the financial assets at fair value through the income or loss, available for sale and held to maturity and their market values on the appointed dates.

R\$ million	12/31/2014	12/31/2015	12/31/2016
<b>1 - Financial assets at fair value through income or loss</b>	<b>10,948</b>	<b>7,856</b>	<b>6,057</b>
<b>Debt instruments</b>	<b>10,901</b>	<b>7,819</b>	<b>6,030</b>
Brazilian federal government bonds	8,001	2,330	1,871
Securities issued by non-financial companies	272	175	117
Foreign government bonds	856	4,053	2,866
Securities issued by financial companies	1,480	109	68
Brazilian government bonds issued abroad	63	66	56
Investments in mutual funds	229	1,086	1,052
<b>Capital instruments</b>	<b>47</b>	<b>37</b>	<b>27</b>
Trade shares	47	37	27
<b>2 - Financial assets available for sale</b>	<b>93,804</b>	<b>102,394</b>	<b>104,670</b>
<b>Debt instruments</b>	<b>93,675</b>	<b>102,233</b>	<b>104,322</b>
Brazilian federal government bonds	35,899	46,740	66,587
Securities issued by non-financial companies	42,810	43,920	29,463
Foreign government bonds	6,573	5,723	2,763
Brazilian government bonds issued abroad	3,549	2,505	2,680
Securities issued by financial companies	1,296	1,264	1,124
State and municipal bonds	0	0	0
Mutual funds	3,548	2,081	1,705
<b>Capital instruments</b>	<b>129</b>	<b>161</b>	<b>348</b>
Trade shares	129	161	348
<b>3 - Financial assets held to maturity</b>	<b>360</b>	<b>3,892</b>	<b>9,120</b>
<b>Debt instruments</b>	<b>360</b>	<b>3,892</b>	<b>9,120</b>
Brazilian federal government bonds	32	27	23
Securities issued by financial companies	328	358	405
Brazilian government bonds issued abroad	0	0	0
Securities issued by non-financial companies	0	3,507	8,692

## Securities Maturity

The tables below indicate the maturity dates of securities in the BB's portfolio, presented by market value, on the appointed dates.

R\$ million	12/31/2016					
Maturity in years	Without maturity	Due in up to 1 year	Due from 1 to 5 years	Due from 5 to 10 years	Due after 10 years	Total
<b>Total by category</b>	<b>2,149</b>	<b>10,955</b>	<b>76,768</b>	<b>23,515</b>	<b>6,460</b>	<b>119,847</b>
Securities at fair value through income or loss	1,079	2,814	1,570	238	356	6,057
Securities available for sale	1,070	7,580	72,074	19,123	4,823	104,670
Securities held to maturity	0	561	3,124	4,154	1,281	9,120

R\$ million	12/31/2015					
Maturity in years	Without maturity	Due in up to 1 year	Due from 1 to 5 years	Due from 5 to 10 years	Due after 10 years	Total
<b>Total by category</b>	<b>1,657</b>	<b>18,265</b>	<b>56,751</b>	<b>35,499</b>	<b>1,970</b>	<b>114,142</b>
Securities at fair value through income or loss	1,232	4,671	1,392	506	55	7,856
Securities available for sale	425	13,560	55,359	31,486	1,564	102,394
Securities held to maturity	0	34	0	3,507	351	3,892

### Section 3 - Selected Financial Information

R\$ million	12/31/2014					Total
	Without maturity	Due in up to 1 year	Due from 1 to 5 years	Due from 5 to 10 years	Due after 10 years	
<b>Total by category</b>	<b>1,220</b>	<b>23,689</b>	<b>45,743</b>	<b>33,103</b>	<b>1,357</b>	<b>105,112</b>
Securities at fair value through income or loss	317	5,329	5,048	166	88	10,948
Securities available for sale	903	18,319	40,376	32,937	1,269	93,804
Securities held to maturity	0	41	319	0	0	360

### Loans to customers

The following tables shows the BB's loan portfolio by modality, economic sector and maturity.

R\$ million	12/31/2014	12/31/2015	12/31/2016
<b>Loan operations</b>	<b>616,637</b>	<b>659,270</b>	<b>598,941</b>
Loans and securities discounted	238,689	250,372	213,967
Financing	168,766	180,028	145,056
Rural and agribusiness financing	170,128	178,902	185,068
Mortgage	38,733	49,560	54,238
Infrastructure and development	0	75	0
Loan operations sold under assignments	321	333	612
<b>Other receivables with loan characteristics</b>	<b>33,087</b>	<b>41,351</b>	<b>38,259</b>
Credit card	19,925	22,940	23,510
Advances on exchange contracts	12,563	17,568	13,700
Guarantees honored	235	398	495
Others	363	445	554
<b>Leasing transactions</b>	<b>861</b>	<b>875</b>	<b>604</b>
<b>Total loan portfolio</b>	<b>650,584</b>	<b>701,496</b>	<b>637,804</b>
<b>Provision for loan losses</b>	<b>(18,951)</b>	<b>(27,749)</b>	<b>(33,947)</b>
(Provision for loan losses)	(18,551)	(27,058)	(33,342)
(Provision for other losses)	(376)	(653)	(562)
(Provision for lease losses)	(24)	(38)	(43)
<b>Total loan portfolio, net of provision for loan losses</b>	<b>631,633</b>	<b>673,747</b>	<b>603,857</b>

R\$ million	12/31/2014	12/31/2015	12/31/2016
<b>Public Sector</b>	<b>60,014</b>	<b>79,037</b>	<b>74,323</b>
Public Administration	28,941	41,775	38,405
Oil sector	19,480	24,791	24,103
Electricity	10,231	11,142	9,622
Services	417	325	1,019
Other activities	945	1,004	1,174
<b>Private sector</b>	<b>590,570</b>	<b>622,458</b>	<b>563,481</b>
<b>Individuals</b>	<b>269,603</b>	<b>294,192</b>	<b>307,352</b>
<b>Companies</b>	<b>320,967</b>	<b>328,266</b>	<b>256,129</b>
Mining and metallurgy	36,854	38,377	31,000
Agribusiness of plant origin	34,506	35,625	28,655
Services	20,076	23,552	19,230
Automotive	18,427	20,162	18,187
Transportation	23,121	25,413	16,610
Fuel	22,529	21,584	16,597
Real state agents	15,232	17,873	15,782
Retail commerce	14,034	14,307	15,365
Electricity	17,116	17,951	12,854
Agribusiness of animal origin	19,821	21,595	12,515
Specific activities of construction	12,694	12,224	9,179
Textile and Clothing	11,414	10,250	7,700
Electrical and Electronics	9,697	9,010	7,499
Agricultural inputs	10,530	10,411	6,587
Pulp and Paper	7,450	6,252	5,900
Chemical	7,987	8,038	5,806
Wholesale Trade and Industries	9,569	8,430	5,674
Woodworking and Furniture	6,755	7,113	5,135
Heavy construction	5,721	4,185	4,635
Financial Institutions and services	5,948	6,077	4,158
Telecommunication	5,575	5,918	3,879
Other Activities	5,911	3,919	3,182
<b>Total loan portfolio</b>	<b>650,584</b>	<b>701,495</b>	<b>637,804</b>

The next table shows the loan portfolio by maturity date.

R\$ million	12/31/2014	12/31/2015	12/31/2016
<b>Installments falling due</b>			
01 to 30 days	46,570	53,150	40,226
31 to 60 days	29,272	26,399	21,284
61 to 90 days	23,872	22,392	17,064
91 to 180 days	64,324	67,123	52,386
181 to 360 days	99,105	97,745	89,046
Over 360 days	378,108	424,446	403,858
Other <sup>1</sup>	355	373	400
<b>Subtotal</b>	<b>641,606</b>	<b>691,628</b>	<b>624,264</b>
<b>Installments overdue</b>			
01 to 14 days	2,389	1,391	3,252
15 to 30 days	724	798	1,015
31 to 60 days	895	1,185	1,438
61 to 90 days	819	1,031	1,351
91 to 180 days	1,282	2,825	2,906
181 to 360 days	1,617	2,427	3,155
Over 360 days	1,253	210	423
<b>Subtotal</b>	<b>8,979</b>	<b>9,867</b>	<b>13,540</b>
<b>Total</b>	<b>650,584</b>	<b>701,495</b>	<b>637,804</b>

1 - Operations with third party risk linked to government funds and programs, mainly Pronaf, Proceca, FAT, BNDES and FCO.

### Section 3 - Selected Financial Information

R\$ million	12/31/2014	12/31/2015	12/31/2016
<b>Leasing portfolio by maturity</b>			
Up to 1 year <sup>1</sup>	343	353	269
More than 1 year and up to 5 years	514	519	335
Over 5 years	4	3	0
<b>Total present value</b>	<b>861</b>	<b>875</b>	<b>604</b>

1 - Includes amounts related to overdue installments.

### BIS Ratio

The BIS Ratio is the indicator used to assess the potential leverage of financial institutions and it is based on an international concept defined by the Basel Committee that recommends the minimum ratio of 8% between the reference equity and the risks weighted assets (RWA). In Brazil, the minimum ratio required is given by the F factor. According to CMN Resolution No. 4,193, as of March 01, 2013, F is equal to: 11% from 10/01/2013 to 12/31/2015; 9.875% from 01/01/2016 to 12/31/2016; 9.25% from 01/01/2017 to 12/31/2017; 8.625% from 01/01/2018 to 12/31/2018 and 8% from 01/01/2019 on.

Financial institutions serve as financial intermediates savers resources to borrowers. Therefore, the most significant part of liabilities of the Banking industry is related to operating liabilities inherent to the segment's activities. Thus, indebtedness constitutes an important component of a financial institution business.

Due to the specific characteristics, Bacen requires that all financial institutions have capital compatible with the risk of their operations. In order to a financial institution sustains growth of its loan operations, for example, it is necessary to have reinforcement compatible with its capital. For this reason, the monetary authorities establish limits for leverage through minimum capital requirement level to support the institutions risk exposures.

### Regulatory Capital

For financial institutions, it is important to evaluate the regulatory capital required by Bacen. The implementation of the rules related to Basel changed in Brazil, in particular, the way to measure the required capital to support the inherent risks of banking activities. To regulate the transition from Basel I to Basel II, Bacen has published rules on capital requirements (Pillar I), process of supervision and transparency of information (Pillars II and III).

From 10/01/2013 became effective the set of rules that implemented in Brazil new recommendations of the Basel Committee on Banking Supervision, known as Basel III. The new rules adopted address the following issues:

I - new methodology for calculating regulatory capital, which continues to be divided into Tier I and II, and Tier I consists of the Common Equity Tier I and Additional Tier I Capital;

II - new methodology for capital maintenance requirement calculation, adopting minimum requirements for Reference Equity, Common Equity Tier I and the introduction of the Additional Tier I Capital.

### Reference Equity (RE)

On 10/01/2013 the CMN (National Monetary Council) approved changes in the rules for definition and calculation of reference assets of financial institutions by CMN Resolution No. 4,192/2013, getting established the regulatory scope of Basel III.

According to the resolution, the RE, for the purpose of verifying compliance with the operational limits of financial institutions, formed by the sum of Tier I and Tier II, and Tier I now consists of the Common Equity Tier I (less prudential adjustments) and Additional Tier I Capital.

The prudential adjustments are deductions from Common Equity Tier I of balance sheet elements that can compromise the quality of Common Equity Tier I due to their low liquidity, difficult to assess or reliance on future income to be realized. These adjustments will be made gradually with deduction of 20% per year in the period 2014-2018.

For the Additional Tier I Capital and Tier II, are also deducted the assets represented by the following funding instruments issued by financial institution: shares, quotas, quota shares, Equity and Debt Hybrid Securities and subordinated debt, all less the corresponding part of RE to which the funding instrument is eligible, except for funding instruments issued under the requirements of CMN Resolution 4,192/13.



Minimum Required Reference Equity (MRRE)

CMN Resolution No. 4,193 as of 03/01/2013 provides for the calculation of the Minimum Required Reference Equity (MRRE) in relation to Risk Weighted Assets (RWA), replacing the Required Reference Equity (RRE), revoking CMN Resolution No. 3,490 as of 08/29/2007.

The MRRE corresponds to the application of the "F" factor to the RWA, and "F" is equal to 11% of RWA from 01.10.2013 to 31.12.2015; 9.875% of RWA from 01/01/2016 to 12/31/2016; 9.25% of RWA from 01/01/2017 to 12/31/2017; 8.625% of RWA from 01/01/2018 to 12/31/2018; and 8% of RWA, from 01/01/2019 on.

In the calculation of RWA it is considered the sum of the following items:

I –  $RWA_{CPAD}$ , concerning credit risk exposures subject to the calculation of capital requirements under the standardized approach;

II -  $RWA_{MPAD}$  concerning exposures to market risk subject to the calculation of capital requirements under the standardized approach;

III -  $RWA_{OPAD}$  on the calculation of the capital requirement for operational risk under the standardized approach.

Complementarily, CMN Resolution No. 4,193/13 established the minimum core capital requirements (4.5% of RWA) and Tier I (5.5% of RWA until 12/31/2014 and 6% from 01/01/2015 on).

Performance

The table below shows the evolution and composition of Banco do Brasil Reference Equity, which was R\$130,453 million in December 2016, an increase of 3.8% over the previous year. In the comparison 2015/2014, the growth was 7.1%.

BB's MRRE was R\$69,703 million in December 2016, a 24.6% increase to December 2015. The greatest variation in absolute numbers, corresponding to operational risk exposures subject to the calculation of capital requirements under the standardized approach ( $RWA_{MPAD}$ ).

BB's BIS ratio ended 12/31/2016 at 18.48%, with 12.79% of Common Equity Tier I and 9.59% of Core Capital, as shown in the following table:

R\$ milhões	On December 31,			Change %	
	2014	2015	2016	2015/2014	2016/2015
<b>Reference Equity (RE)<sup>1</sup></b>	<b>126,588</b>	<b>135,551</b>	<b>130,453</b>	<b>7.1</b>	<b>(3.8)</b>
Tier I	89,538	95,714	90,284	6.9	(5.7)
Common Equity Tier I <sup>2</sup>	71,036	68,677	67,718	(3.3)	(1.4)
Tier II	37,050	39,837	40,170	7.5	0.8
Deduction from the RE <sup>3</sup>	--	--	--	--	-
<b>Minimum Required Referential Equity (MRRE)<sup>4</sup></b>	<b>86,457</b>	<b>92,456</b>	<b>69,703</b>	<b>6.9</b>	<b>(24.6)</b>
<b>Risk-Weighted Assets (RWA)<sup>5</sup></b>	<b>785,974</b>	<b>840,509</b>	<b>705,851</b>	<b>6.9</b>	<b>(16.0)</b>
Credit Risk ( $RWACPAD$ )	734,716	785,773	643,214	6.9	(18.1)
Market Risk ( $RWAMPAD$ )	11,545	18,347	18,844	58.9	2.7
Operational Risk ( $RWAOPAD$ )	39,712	36,389	43,793	(8.4)	20.3
<b>Surplus/Insufficiency of RE</b>	<b>40,131</b>	<b>43,095</b>	<b>60,750</b>	<b>7.4</b>	<b>41.0</b>
<b>BIS Ratio (RE/RWA) - %</b>	<b>16.11</b>	<b>16.13</b>	<b>18.48</b>		
Tier I Capital Ratio <sup>6</sup>	11.39	11.39	12.79		
Core Capital Ratio <sup>6</sup>	9.04	8.17	9.59		

1 - According to CMN Resolution 4,192/2013. For periods prior to 10/01/2013, the values were obtained according to the criteria of CMN Resolution No. 3,444/2007.

2 - Established from 10/01/2013 by CMN Resolution No. 4,192/2013.

3 - From the implementation of CMN Resolution No. 4,192/2013, deductions of RE were allocated at Tier I and Tier II.

4 - According to CMN Resolution No. 4,193/2013, it corresponds to application of factor "F" to RWA, "F" equals to: 11% from 10/01/2013 to 12/31/2015; 9.875% from 01/01/2016 to 12/31/2016; 9.25% from 01/01/2017 to 12/31/2017; 8.625% from 01/01/2018 to 12/31/2018 and 8% from 01/01/2019 on. For periods prior to 10/01/2013, the values refer to the Capital Requirement and were determined according to the criteria established by CMN Resolution 3,490/2007.

5 - According to CMN Resolution No. 4,193/2013. For periods prior to 10/01/2013, the values were obtained from the Capital Requirement according to the criteria of CMN Resolution No. 3,490/2007, which was converted in RWA.

6 - Established from 10/01/2013 by CMN Resolution No. 4,193/2013.

7 - The scope of consolidation used as the basis for establishing the operating limits was amended by CMN Resolution No. 4,193/2013, now considering only the financial conglomerate, of 10/01/2013 until 12/31/2014, and the prudential conglomerate, defined in CMN Resolution No. 4,280/2013 from 01/01/2015.

## 4. RISK FACTORS

### 4.1. Risk factors that may influence your investment decision

The potential buyers of Banco do Brasil's securities must carefully consider the specific risks related to the investment in BB and its securities and stocks. All information provided for in the offering memorandum must be considered in light of the financial circumstances and investment purposes, especially risk factors listed below.

Potential investors must bear in mind that the risks listed below are not the only risks which BB is subject to. The Bank's businesses, financial condition and results of operations may be adversely affected by any of these risk factors. The market price of securities may be reduced due to any of these risk factors, resulting in full or partial losses to the investor. There are other risk factors which BB considers unlikely or which the Bank currently has no knowledge about, which may have similar effects as the risks listed below.

#### a) Risks related to Banco do Brasil:

**It is possible that our policies, processes, procedures, systems, and models adopted in risk management, internal controls, compliance, and corporate governance, for the activities of the Bank and its corporate interests, are incompatible or insufficient to prevent risk exposure, including to those not classified or expected, which can affect our financial condition and results.**

The set for policies, processes, procedures, systems, and models used in risk management, internal controls, compliance, and corporate governance may not fully capture the exposures resulting from risks, including those not classified or expected.

The statistical models and management tools we use to estimate our exposure may be inaccurate in order to measure capital to cover unpredictable or non-classified factors. Similarly, our stress tests, assessments for internal controls and compliance and sensitivity analysis may not be able to capture all impacts on our result. There may also occur losses resulting from failures, inadequacy or deficiency of internal processes, persons, systems, or external event, in addition to situations not identified and addressed by the models affected by the risks we adopt.

We also point out that the capital allocation to cover risks may be insufficient, considering losses could be significantly higher than those indicated in the reports disclosed to the market, even if we have a prudential margin to that end. The occurrence of such situation could affect our financial condition and results.

**We may not be able to detect money laundering, terrorism financing and other illegal or improper activities (including transactions with sanctions targets) fully or on a timely basis, which could expose us to additional liability and could have a material adverse effect on us.**

We are required to comply with applicable laws and regulations anti money laundering, anti-terrorism financing and other illegal or improper activities (including transactions with sanctions targets) in the jurisdictions in which we operate.

These laws and regulations require us, among other things, to adopt and enforce "know your customer" policies and procedures and to report suspicious and large transactions provided for in the regulations to the applicable regulatory authorities.

These laws and regulations have become increasingly complex and detailed, requiring improved systems, demanding sophisticated monitoring and compliance personnel and becoming the subject of enhanced inspection by regulatory authorities.

Our policies and procedures aimed at detecting and preventing the use of our banking network, products and services for money laundering, terrorist financing and related activities may not completely eliminate instances in which our banking network may be used by representatives or other parties to engage in money laundering and other illegal or improper activities.

In the event we fail to fully comply with applicable laws and regulations, the relevant government agencies to which we report have the power and authority to impose fines and other penalties on us, including revocation of licenses.

In addition, our business and reputation could be adversely affected if our processes, products and/or services are used for money laundering, terrorism financing or other illegal or improper purposes.

In addition, while we review our significant counterparties' internal policies and procedures with respect to such matters before engaging in business with them, we, to a large degree, rely upon these counterparties to maintain and properly apply their own appropriate anti money laundering and anticorruption procedures. Such measures, procedures and compliance may not effectively prevent third parties from using our (and our relevant counterparties') processes, products and services as a conduit for money laundering (including illegal cash operations), terrorism financing or other corrupt practices without our (and our relevant counterparties') knowledge.

If we are associated with, or even accused of being associated with, or become a party to, money laundering, terrorism financing or other corrupt or illegal practices, then our reputation could be affected and/or we could become subject to fines, sanctions and/or legal enforcement, any of which could have a material adverse effect on our results of operations, financial condition and prospects.

**A failure in, or breach of, our critical processes could temporarily interrupt or disrupt our business, increasing our costs and causing losses, which could adversely affect us.**

Our business and more important support processes for the continuity of businesses may be affected by interruptions, caused by a number of factors, including events that are wholly or partially beyond our control, and may cause:

- a) Unavailability of the systems that provide support services to our business operations;
- b) Unavailability of employees to run these critical processes, whether due to strikes, transportation problems, urban violence, infectious diseases or other factors;
- c) Inability to access the buildings in which critical processes are carried out, whether due to demonstrations, road blocks, problems in neighboring buildings that affect our facilities, infrastructure problems such as fire, flood, drainage, collapse or landslides, or other factors;
- d) Interruptions in the provision of third party services on which our critical processes depend.

Any interruptions in our critical processes may lead to additional costs, fines and damage to our reputation.

Failures in critical processes such as check clearing (Compe), the interbank payment system (CIP), the Brazilian payment system (STR) and the distribution of cash to bank branches, may significantly affect the national financial system.

**Failure to protect against cyber-attacks could lead to loss of revenue and damage to our reputation, affecting our operations or resulting in unauthorized disclosure of information.**

The Bank's IT infrastructure is subject to cyber-attacks - intentional attempts to access, alter, corrupt or destroy systems, computer networks, and stored or transmitted information. Although we have efficient processes to monitor and respond IT incidents, make continuous and significant investments, have trained and dedicated teams using state-of-the-art IT security solutions with specific monitoring, evaluation, testing and audit policies and standards, the cyber-attacks may result in unavailability of services, database contamination, corruption of stored information, breach of data security or unauthorized disclosure of information.

**We may not be able to prevent our officers, employees or third parties acting on our behalf from engaging in situations that qualify as corruption in Brazil or in any other jurisdiction, which could expose us to administrative and judicial sanctions, as well as have a material adverse effect on us.**

We are subject to Brazilian, countries where we have branches', as well as countries with a transnational scope's anticorruption laws.

These laws require us to adopt integrity procedures to mitigate the risk that any person acting on behalf of the Company may offer improper advantage to a public agent in order to obtain benefits of any kind.

Transnational laws, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, as well as applicable Brazilian laws, require us, among other things, to adopt policies and procedures to prevent any illegal or improper activities related to corruption towards government entities and officials in order to obtain any business advantage, as well as require us to maintain accurate books and a system of internal controls to ensure the accuracy of our books and prevent illegal activities.

If our policies and procedures designed to prevent bribery and other corrupt practices are not capable of preventing our managers, employees or third parties acting on our behalf from performing, voluntarily

or involuntarily, any acts that legally constitute corruption, the regulatory agencies which we report to will have the power and authority to impose fines and other penalties on us.

In addition, our business and reputation may be affected if we are defendants or investigated in corruption-related investigations.

In addition, while we review our significant counterparties' internal policies and procedures with respect to integrity procedures before engaging in business with them, we, to a large degree, rely upon these counterparties. Such procedures and controls may not effectively prevent our counterparties from using our relationship to perform corruption acts.

If we are associated with, or even accused of being associated with, or become a party to corruption practices, then our reputation could be affected and/or we could become subject to fines, sanctions and/or legal enforcement, any of which could have a material adverse effect on our results of operations, financial condition and prospects.

**Our businesses may be affected by damages to our reputation.**

We depend on our image and our credibility in the market to generate business. Several factors may damage our reputation and create a negative perception of our institution by clients, counterparties, shareholders, investors, government agencies, community or supervisors, such as failure to comply with legal obligations, irregular business with customers, engagement with suppliers who have a questionable ethical behavior, leaking customer information, misconduct of our employees and failures in risk management, among others. Relevant actions taken by third parties, as market partners, may indirectly impact our reputation vis-à-vis clients, investors and the market in general. Damage to our reputation may adversely affect our business and our customers.

**Expenses and provisions regarding labor claims could adversely affect us.**

In January 2013, BB implemented the new employee role plan (*Plano de Funções*) which now includes Confidence Functions (8 hours a day) and Gratified Functions (which were reduced to 6 hours a day), and remuneration related to these functions were adjusted to the new working hours a day.

At the time, it was verified the admission of collective and individual demands aiming to maintain the previous remuneration for those employees who opted for gratified functions and began to work 6 hours a day. The same occurred in relation to employees who opted for the confidence functions maintaining the 8-hour working day, but still claim in court the decharacterization of the confidence functions (7 th and 8 th hours as extras).

At the end of 2014, two disruptive protests of prescriptions obtained by labor unions in the Brazilian justice became overdue. As a result, there was an increase of individual and class actions against us, which may lead to increased expenditures and provisions for labor contingencies.

In November, 2016 we implemented the Institutional Reorganization which, in addition to other measures aimed at operating efficiency, involved the expansion of the Functions Plan implemented in 2013 and an Extraordinary Plan for Promoted Retirement (PEAI), which increased the filing of actions from this target. Additionally, individual and class actions were filed in order to maintain the remuneration stability (Precedent 372 of the TST) of those employees who lost their commissions or suffered a salary reduction during the Reorganization process.

With the approval of Law 13,467/17 (Labor Reform), many workers went to court in order to try to secure their rights changes by the new Law.

There is also, in stock, a contingent of individual and collective labor demands dealing with other matters, as the procedural situation progresses, which may change and therefore influence the constitution, increase or reverse provisions for contingent claims.

**We increase the scope of financial products and services we distribute through call centers and banking correspondents in Brazil, such as the Brazilian Post Office's Banco Postal network, in addition to sharing customer services for associate financial institutions and of Banco24Horas. This may lead to operational and legal risks that could adversely affect us.**

Third party contracting and sharing channels may generate risks inherent in activities with the possibility of financial losses, which may adversely affect the Bank, related to:

- a) labor claims;
- b) failures in shared channels, Correspondents' and Audible Response Unit (URA) systems, which may generate issues for client;

- c) mismatches in the settlement of cash under custody of banking correspondents, arising from contingent events, operational failures or fraud;
- d) insufficient levels of customer service at the third party channel that may generate customer claims; and
- e) class actions related to the third party services.

**We onlend resources from a number of Brazilian government funds and manage Brazilian government investment portfolios. Any failures in the processes involved may affect liabilities and/or rights recorded by the Bank with impacts on the result.**

We onlend resources from various funds under Brazilian government programs that aim to stimulate economic development and employment in Brazil by providing financing to certain business sectors. We also onlend funding made available by the BNDES and FGTS, making the transfer of funds according to the criteria established by these institutions.

In most of these cases, we record the loans we make as liabilities, which are then subject to accounting reconciliation against the resources provided by the funding providers and agencies charged with overseeing these activities. The accounting methodology and systems relating to these funds are currently being reviewed, which could reveal reconciliation differences in the amount of liabilities we have recorded.

In addition, we provide asset management services for various programs and investment portfolios of the Brazilian government that provide financing to the rural and agribusiness sector, including securitization portfolios, Pesa, Proceder II and Funcafé. The procedures relating to these portfolio programs are also currently under review, which could reveal differences between the related accounting entries and the amounts of the portfolios under management.

**The Bank may be impacted by the increase of provisions for pension and health benefits we offer to our employees, which may affect our operating results.**

The Bank offers its employees supplementary pension and health plans. The criteria used to calculate the Bank's obligation with the set of Plans of Sponsored Entities include estimates and premises of long-term actuarial and financial nature, as well as application of regulatory rules in force. The Bank may also be held accountable for charges resulting from specific legal obligations and orders which increase the benefits of retirees and pensioners. This, imprecisions inherent to the process of use of estimates and premises may result in divergence between the amount registered and the actual amount, resulting in negative impacts on the result of operations and assets of the Bank.

**The recoverable amounts of fixed assets, intangible assets and equity investments used in our financial impairment tests may differ from the actual recoverable amount of such assets, which could adversely affect us.**

The applicable Brazilian accounting rules and IFRS require us to calculate recoverable amount of our assets so that they are not recorded in amounts greater than that which is actually recoverable through use or sale of the asset. In these events, we record an impairment loss in our income statement equal to the difference between the two amounts.

Under these rules, we must estimate the recoverable amount based on market prices, discounted cash flows or other techniques, which requires our management to make subjective decisions and adopt the assumptions it deems adequate.

If management adopts incorrect assumptions and the recoverable value of the asset is lower than the one that had been previously estimated, we would be required to account an impairment loss, in amounts greater than the already constituted provisions, which would adversely affect our financial condition and results of operations.

**b) Risks related to our direct or indirect controlling shareholder or control group:**

**As our controlling shareholder, the Brazilian government may adopt policies that could adversely affect our financial condition and results of operations, including damage to our reputation.**

Since the Brazilian government, through the National Treasury, is our controlling shareholder, the President of Brazil directly appoints our CEO, who, besides being a member of our executive board, is also a member of our board of directors. The Brazilian government, acting through the Ministers of State for Finance and for Planning, Development and Management, also appoints the majority of the members of our board of directors.

In turn, our board of directors appoints our board of executive officers, a statutory body responsible for managing our business.

In connection with this government control, our bylaws provide that we may be hired to:

- a) perform certain duties and services in our role as financial agent for the National Treasury, in addition to other functions assigned to us by law;
- b) provide financing that fosters government interests and implements official government programs, whether using Brazilian government funds or other funds; and
- c) provide guarantees in favor of the Brazilian government.

Pursuant to our bylaws, any services that we are required to perform for the Brazilian government are contingent upon the satisfaction of certain conditions, including the provision of funds to us by the Brazilian government in connection with such services, and the specification of our remuneration in connection with and prior to the provision of such services, including with respect to equalization payments, as well as the terms for compliance with obligations and penalties for non-compliance. Additionally, these conditions require the specification, in formal terms, of the risks to be assumed by us, as well as the specification of our compensation for bearing such risks, the amount of which cannot be lower than the cost of the services provided.

Despite these conditions provided by our bylaws, the Brazilian government, as our controlling shareholder, may influence the decisions of our directors it has appointed, to pursue business activities that prioritize the Brazilian government's strategic objectives or programs. As a rule, it could conflict with our economic objectives and adversely affect us, and eventually damage our reputation.

It should also be pointed out that the Brazilian government, as a contractor of financial services related to the execution of public policies or programs of governmental interest, may suffer from a potential shortage of funds and not make them available to the Bank within the agreed time limits, which could affect balance and regular management of these contracts and of the services provided.

**Certain of our debt obligations may limit dividend payments.**

Our perpetual bonds issued in January 2012 and in March (reopened) 2012, and our perpetual bonds issued in January 2013, were amended, in September 27, 2013, to comply with CMN Resolution No. 4,192/2013 pursuant to Basel III requirements.

The amended provisions provide that if our distributable income is insufficient to make semiannual payments of interest and additional amounts on those bonds, any dividends payable to our shareholders will be limited to the minimum amount required by law until such time as the interest and additional amounts under the bonds have been satisfied in full.

Similarly, our perpetual bonds issued in June 2014 provide that interest shall not be payable and shall not accrue if the amount payable would exceed the amounts available to be distributed to shareholders from our distributable income and reserves in the most recent period; and we have undertaken that if this provision is applied, we will recommend to our shareholders' meeting that any dividends payable to shareholders are limited to the minimum amount required by law until such time as interest payments under the bonds may be made.

**Payment of financial compensation owed to us by the National Treasury relating to the equalization of rural loans is subject to the National Treasury's budget process.**

The National Treasury is required to compensate us for certain rural loans through "equalization" payments, which represents a financial subsidy to rural borrowers. Compensation owed, which was determined by Law No. 8,427, 1992, is equal to the difference between the cost of credit charged to the rural borrower and the cost of funding, plus administrative expenses and taxes, incurred by the official financial institutions and cooperative banks which provide the loan.

Although the equalization payment owed by the National Treasury bears interest at the SELIC rate from the date such interest applies to the actual payment date by the National Treasury, payment of the amounts owed to us depends on the National Treasury's budget process, according to the legislation.

**c) Risks related to our shareholders:**

**We may issue new shares in the future, which could cause the market price of our shares to drop and shareholder's interests in our company to dilute.**

We may require funds, which may be raised through the public or private issuance of shares or securities convertible into shares. The sale or expected sale of any such shares or securities in the future could cause the market price of our common shares to drop and shareholder's interests to dilute.

**d) Risks related to our subsidiaries and associated companies:**

**Local politics and macroeconomic and legislative conditions in Argentina could adversely affect our investment in Banco Patagonia.**

Since he took office in 2015, the president of Argentina, Mauricio Macri, implemented several changes in the country's economic policy in order to achieve balance in the macroeconomic management and to reduce distortions in the allocation of production factors of the country. As expected, the containment of public expenditure and withdrawal of consumption subsidies resulted in the country's economic recession during 2016, as well as in a faster increase of already high levels of inflation. However, in 2017, the country started to show positive growth rates.

Despite the fact that the measures adopted by Macri's administration had the potential to achieve a more sustainable growth of economic activities, the risks of this scenario remain high. As such, an additional deterioration of the business environment and the macroeconomic conditions of Argentina could directly affect the businesses of Banco Patagonia, causing damages to profitability, payment of dividends and limiting the implementation of its business strategies.

**Banco Votorantim may not be able to recognize all deferred tax credits, which may adversely affect us.**

Deferred tax credits derive from tax losses on income and social contribution tax or temporary differences, primarily related to allowances for loan losses. The accounting treatment for deferred tax credits in Brazil is governed by CMN Resolution No. 3,059, issued on December 20, 2002, as amended by CMN Resolution No. 3,355, issued on March 31, 2006, CMN Resolution No. 4,192, issued on March 1, 2013 and CMN Resolution No. 4,441, issued on October 29, 2015. In accordance with these resolutions, financial institutions and other institutions authorized to operate by the Central Bank may only recognize these deferred tax credits in their financial statements if:

- a) they have a history of taxable profits or revenues for income and social contribution tax purposes, as evidenced by the recognition of such profits and revenues in at least three of the last five years, a period that should include the year in question; and
- b) they have the expectation of generating future taxable income tax and social contribution purposes, as appropriate, in subsequent periods, based on a technical study that demonstrates the likelihood of future obligations with taxes and contributions to enable the realization of tax credits within a maximum of ten years.

We, according to CMN Resolution No. 4,441, are required to present the Central Bank of Brazil, during the period of tax credits' use, with studies proving their use up to 10 years. The same Resolution provides for the possibility to dismiss, at the discretion of the Central Bank of Brazil, the requirement to present the earnings or taxable income history in at least three of the last five fiscal years.

Banco Votorantim has its scope in a diversified business portfolio, internally classified into wholesale and retail. The wholesale encompasses operations related to corporate business, investment banking, securities brokerage, asset management and private bank. In the retail segment, it operates focusing on vehicle business and has significant complementary businesses such as credit cards, insurance brokerage and payroll loans. If Banco Votorantim, depending on the nature of its business, is unable to maintain taxable income in the future, the Central Bank may compel us to reduce or write-off the relevant deferred tax credit, and our assets and/or shareholders' equity may be reduced as a result. Any such write-off or reduction could adversely affect Banco Votorantim's financial condition and results of operations.

**Our business model depends in part on our interests in subsidiaries and affiliates in Brazil and elsewhere.**

We hold direct and indirect equity interests in several financial and nonfinancial companies in Brazil and abroad. Our results of operations include the results of these subsidiaries and affiliates.

Thus, any results by these subsidiaries and affiliates could adversely affect us. In addition, we may not be able to receive dividends from subsidiaries if they post negative results.

**Banco Votorantim may be required to increase its provisions regarding civil and labor claims for the following periods.**

Labor and civil contingencies may occur because of issues related to the banking sector, which may cause the results of Banco Votorantim to be adverse. Civil contingencies relate to the retail segment, with a large number of operations, pulverized on reduced individual amounts, and with a high number of lawsuits. Labor contingencies are largely derived from complaints about working hours, which are mostly filed by employees from the retail segment.

**We may face risks related to mergers, acquisitions, strategic partnerships or sales of businesses that could materially affect our business.**

We have recently purchased other companies or acquired interests in them, entered into joint ventures and strategic partnerships, and sold businesses, both in Brazil and abroad, as part of our business growth strategy and to create synergies in the Brazilian and international markets.

Depending on the future strategy adopted by our management, we may acquire, merge or sell other businesses. We are subject to risks related to these transactions. For example, we may:

- a) overestimate the value or future profitability of the company being acquired and, therefore, the expected return on our investment;
- b) face problems when integrating products, customer bases, services, technology, personnel and facilities, which may adversely affect our internal controls, procedures and policies;
- c) fail to achieve expected operational and financial synergies which could impact our results of operations and cash flow;
- d) be required to make payments in respect of unexpected liabilities and/or contingencies from an acquired company or strategic partner;
- e) incur liabilities in connection with obligations of the acquired entities and actions of former management prior to the acquisition;
- f) enter into corporate agreements in connection with acquired companies, strategic partnerships or joint ventures setting forth terms and conditions that, with time, become inconsistent with our reviewed strategy, which may result in losses in the relevant business or lead us to end our relationship with these entities;
- g) fail to, exhaustively, identify all regulatory authorizations necessary to acquire other companies or enter into strategic partnerships or joint ventures and therefore be subject to administrative sanctions or fines; or
- h) underestimate the value of a business that we sell, whether directly or indirectly, especially if the business is not strategic or if it is sold through the disposal of our shares.

**e) Risks related to our suppliers:**

**The criteria we apply when we purchase goods and services or monitor our suppliers may not fully protect us from adverse events or business interruption, resulted from legal, technical and operational aspects, which could adversely affect us.**

As a government-controlled company (*sociedade de economia mista*), we are subject to specific legislations that govern purchases and contracting by state-owned entities, which are guided by principles such as selection of the most advantageous proposal, isonomy, legality and publicity, among others. As a general rule, our suppliers are selected through a bidding process, which may limit the promptness with which we may replace them.

We hire third party suppliers from various sectors to supply items such as office supplies, software, equipment, furniture for facilities, security services, among others, each of which having different types of complexity. The criteria we apply when we purchase these goods and services or monitor suppliers may not be sufficient to fully protect us from unforeseen risks relating to each type of business or service, including legal risks. Factors such as monopolies, business concentrations or lack of technical or operational capacity by the suppliers may hinder the continuity of our operations and adversely affect our business.

**f) Risks related to our customers:**

**The current economic recovery is still gradual, and it incorporates risks for a consistent recovery of the payment capacity of companies and families.**

Activity indicators show economic recovery, but at a moderate pace. The materialization of risks associated to the economic environment, although less likely than in previous years, may result in



additional deterioration of households' repayment capacity and may lead to a downturn of credit portfolios, as well as increase the levels of delay in operations, which would adversely affect our results.

**Our ability to continue to use the *Fundo de Garantia de Operações* may be limited in future.**

We are a member of the *Fundo de Garantia de Operações* (Operational Guarantee Fund, or FGO), a private fund comprised by several banks and administered by us, which provides additional financial guarantees for working capital and capital expenditure loans that the fund members provide to micro, small and medium-sized businesses.

Among the indicators to be adopted, the Honored Values Index (IVH) - stop loss and the Equity Utilization Index (IUP) stand out, which consider, among other factors, the honored values.

The honored values are due to the default of operations with the FGO guarantee. In a scenario of economic setback, the financial health of companies may be affected, which tends to increase the values honored with the consequent worsening of IVH and IUP.

If a shareholder reaches the maximum IVH or IUP rates allowed by the Fund, which are, respectively, 7% and 1 (one) whole, this could be prevented from requesting new honors while the IVH or IUP is above the maximum limit allowed by the Fund.

Any of these situations may adversely affect us.

**If our actual loan losses, including Banco Votorantim, exceed credit risk provisions in our banking activities, we will be adversely affected.**

Our financial condition and results of operations depend on the ability to assess losses associated with the risks to which we are exposed. Both our bank and Banco Votorantim, a bank in which we hold a 50% shareholding, provide for allowances for loan losses in banking activities according to the parameters set forth in CMN Resolution No. 2,682/1999 and estimates that involve many factors, backed by available information including recent loss or default events, the economic scenario, the bank's financial condition and the internal loan risk rating. The calculation of allowances for loan losses involves significant analysis by the management, and those analysis may change in the future depending on information as it becomes available.

**It may be difficult for us to repossess and realize value from collateral with respect to defaulted loans, which may adversely affect us.**

When our customers default on collateralized loans, our only recourse, after exhausting all extrajudicial collection measures, is to enforce the collateral. Enforcing the collateral may be difficult because it depends on the judicial process that is usually subject to appeals filed by the debtors in order to delay the recovery. When dealing with financially distressed debtors, the recovery of these loans may also be subject to insolvency proceedings in which our claim may rank lower than other preferred creditors, such as employees and tax authorities. The lawsuits are also a pressure instrument that may enable, at certain stages, a friendly renegotiation with the debtors, through agreements. In addition, once we have obtained a court judgment, execution of the judgment in order to obtain the collateral for sale often involves additional obstacles. In view of all the steps necessary in judicial proceedings to collect debt and the low liquidity of specific markets, it may be difficult for us to realize value from collateral, which may adversely affect our financial condition and results of operations. At the auction, there may be situations in which the amount actually reached in sale is lower than that initially expected.

**We may incur losses in connection with counterparty exposure associated with derivative financial instruments, which could adversely affect us.**

We face the risk that counterparties to derivative financial instruments may be unable to honor their contractual obligations. In particular, we are subject to counterparty risk from our exposure to derivatives (swaps, forward and futures contracts, etc.). Default can result from deterioration in the counterparty's ability to pay, for example as a result of lack of liquidity, financial distress or bankruptcy, or from various other factors such as operational failure by agents involved in the settlement chain (such as financial intermediaries or clearing houses), the inability to deliver assets, or other issues that could prevent margin calls for guarantees and the financial or physical settlement of the underlying assets. In markets with greater volatility and in which counterparties do not grant us appropriate guarantees, failure of the counterparty's operational strategy may increase our exposure. The occurrence of any such risk could adversely affect our financial condition and results of operations.

**g) Risks related to economy sectors in which the issuer operates:**

**Our profitability may be adversely affected by a worsening of Brazilian or global economic conditions and the perception of risks and uncertainties relating to certain Brazilian companies.**

As a financial institution operating in the Brazilian and international markets, we are subject to adverse effects from deteriorations to the local and global economic environments. Factors such as economic growth, market liquidity, inflation, interest rates, prices of assets and insolvency levels, among others, may affect the profitability of our business. Due to our international presence, changes to regulations of local and international financial systems may also affect the profitability of our business.

In addition to global macroeconomic conditions, the perception of risks and uncertainties surrounding Brazil may also adversely affect our business. Standard & Poor's and Fitch, two world's major credit rating agencies, downgraded the credit risk rating of sovereign bonds from Brazil and from many Brazilian companies (including Banco do Brasil), referring to the sharp increase in tax deficit and the general weakening of the Brazilian economy. These downgrades in the country's credit rating and any other possible reductions in the Brazilian rating granted by the credit rating agencies may increase uncertainties in the Brazilian and global financial markets and cause other events that, directly or indirectly, may adversely affect our operations, profitability and financial condition.

Certain Brazilian companies that operate in the oil and gas, energy and infrastructure sectors are facing investigations by the SEC, the U.S. Department of Justice (DOJ) and Brazilian authorities in connection with corruption allegations (the "Lava Jato" investigations). Given our exposure to certain large conglomerates in the oil and gas, energy and infrastructure sectors, our credit portfolio may be adversely affected depending on the outcome of such investigations. In addition, the resolution of the political and economic crisis in Brazil still depends on the outcome of the "Lava Jato" or other investigations. Numerous elected officials, public servants and executives and other personnel of major companies have been subject to investigation, arrest, criminal charges and other proceedings. There can be no assurance that other federal or state officials or senior management of Brazilian industry will not be charged with corruption-related crimes in the "Lava Jato" or other investigations, or that such investigations will not extend to the Bank or individuals connected with the Bank. Additional allegations, investigations, trials and convictions may lead to changes in the Brazilian government's structure and, consequently, may lead to political instability and a decline in confidence by consumers and foreign direct investors, and may have a material adverse effect on Brazil's economic growth, which may in turn have a material adverse effect on demand and price for Bank's debt securities.

The companies under investigation may face additional downgrades from credit rating agencies, experience funding restrictions and have a reduction in revenues, among other negative effects. Furthermore, such difficulties may cause certain of these companies to commence judicial reorganization proceedings, which may have greater impact on their financial condition than expected by us. If this is the case, we may need to increase our provisions for loan losses, which may adversely affect our results of operations.

We cannot predict how long the anti-corruption investigations will last, or how significant the effects of the anti-corruption investigations may be for the Brazilian economy or the companies under investigation. If a reduction in investor confidence as a result of these investigations is material, it may adversely affect our results of operations.

**The Brazilian government exercises influence over the Brazilian economy, and governmental actions may adversely affect the Brazilian markets and our business, financial condition and results of operations.**

It is generally accepted that governments must guide, correct and supplement market systems. Economic policies, including monetary, tax credit and foreign exchange policies, among others, are used as instruments to maintain Brazil's economic system. In this context, changes in regulations applicable to the services financial institutions provide in relation to currency controls, taxes and other areas could adversely affect our business, financial condition and results of operations.

Uncontrolled inflation, large exchange variations, social instability and other political, economic and diplomatic events, as well as the Brazilian government's response to such events, could also negatively affect our business and strategy. In addition, uncertainty with respect to economic policy and, especially, in regulations of the financial markets may contribute to the mistrust of financial agents and increase volatility in the Brazilian capital markets, as well as the prices of securities of Brazilian issuers. We cannot predict whether the approach the Brazilian government will take with respect to economic policies will impact the Brazilian economy or cause changes to the market and adversely affect our financial condition

and results of operations. However, changes in policy or regulation at the federal, state and municipal levels may affect or involve factors such as:

- a) interest rates;
- b) currency volatility;
- c) inflation;
- d) reserve and/or capital requirements;
- e) liquidity of capital and loan markets;
- f) macroprudential measures;
- g) non-performing loans;
- h) monetary and tax policies;
- i) exchange rate controls and restrictions on remittances abroad; and
- j) other political, social and economic developments in or affecting Brazil.

Uncertainty over the implementation of changes by the Brazilian government creates instability in the Brazilian economy. As an example, the recent deterioration of the fiscal results of the federal, state and municipal governments caused an unprecedented increase in gross debt values, as well as the ratio of this indicator related to the GDP. In this environment, the federal government may find it difficult to honor its commitments to domestic debt, which would adversely affect the Bank's financial income.

In addition, the Brazilian political environment has historically influenced, and continues to influence, Brazilian economic performance. Political crisis such as that which took place in 2016, in connection with the impeachment of the former President of Brazil, have affected, and continue to affect, the confidence of investors and the public in general, and was one of the factors which resulted in an economic downturn. Continued changes in the Brazilian government's structure may result in changes in government, tax, monetary, and foreign exchange policies. Such changes may affect variables that are material for the growth strategy of the Bank such as foreign exchange and interest rates, liquidity in the currency market, tax burden and economic growth, thus limiting the Bank's operations in certain markets, affecting the liquidity and clients' ability to pay and, consequently, affecting the Bank.

Political instability may, in the future, contribute to increased volatility of the Brazilian capital markets and increased volatility of securities issued by Brazilian companies, which, in turn, may have an adverse impact on the Bank. Further, diplomatic, social and economic developments in Brazil and abroad that affect Brazil may also affect the Bank.

Accordingly, the continuation of any of, or combination of, these factors may have an adverse effect on the Bank's financial condition and results of operations.

**Brazil's economy remains vulnerable to external factors, which may adversely affect Brazil's economic growth and our business and results of operations.**

The globalization of capital markets has increased the vulnerability of countries to each other's adverse events. Brazil may be negatively affected by negative financial and economic developments in other countries. The global financial crisis that took place in mid-2008 led to reduced liquidity, crashes in credit markets and economic recessions in developed countries, which in turn negatively affected the emerging markets. Financial losses and cash deficiencies, bankruptcy of financial and non-financial institutions and decreased confidence of economic agents increased risk aversion and led to more cautious lending.

In addition, tax issues in certain countries, especially in Europe, increased concerns about the tax sustainability of weaker economies and reduced the confidence of international investors, which increased market volatility. These factors may affect our and other Brazilian financial institutions' ability to obtain financing in the international markets, leading to credit restrictions. In addition, adverse events, such as those mentioned above, may damage the macroeconomic conditions in Brazil, impairing our customers' payment ability, and may also limit the realization of certain of our business strategies, which may cause an adverse impact on our businesses and results of operations.

**Our capability to make interest payments may be limited by liquidity constraints in Brazil.**

Any international or domestic situation of liquidity constraint could lead to a flight of capital from Brazil and/or cause the Central Bank to drastically increase the base interest rate, as well as impact the liquidity in the Brazilian market. These uncertainties in the financial environment, which may be both external

and domestic, has the potential to increase the level of exposure to liquidity risk resulting from the negative impact on our major sources of funds, especially short-term deposits, raising our borrowing costs, which would have an adverse effect on our revenues and liquidity levels. Any adverse events affecting the Brazilian economy could directly or indirectly impair some of our customers' ability to pay their debts or adversely affect us in other ways.

**We are subject to exchange rate instability, including depreciation of the real, which may adversely affect our financial condition and results of operations.**

Since January 1999, the Brazilian government has followed a floating exchange rate policy. In this system, where exchange rates vary in accordance with currency supply and demand, the Central Bank may intervene in the market by purchasing or selling currencies in order to avoid significant fluctuations in the exchange rate. The Brazilian government may also use instruments to limit volatility and/or undesirable variations in the price of the Brazilian real against the US dollar. Despite these actions by the Central Bank and/or the Brazilian government, significant appreciation or depreciation of the *real* may occur, affecting Brazil's economy and our business.

The depreciation of the Brazilian real in relation to the US dollar may also create additional inflationary pressures in Brazil and adversely affect our business, since the cost of raising foreign funds necessary to cover our dollar-denominated obligations increases. On the other hand, when the Brazilian currency appreciates, we may incur losses on our assets denominated or indexed in foreign currencies. We cannot assure that abrupt changes in exchange rates will not hinder our clients' ability to pay their dollar-indexed obligations, adversely affecting our financial condition and results of operations, and may adversely affect the market price of our shares.

The depreciation of the Brazilian real in relation to the US dollar may also create additional inflationary pressures in Brazil and adversely affect our business. On the other hand, the appreciation of the Brazilian real against the US dollar may lead to a deterioration of the current transactions and balance of payments in Brazil, due to increased imports. Brazilian real depreciation or appreciation may adversely affect our financial condition and results of operations.

**Any exchange controls implemented by the Brazilian government may adversely affect our business, financial condition and results of operations.**

The purchase and sale of foreign currency in Brazil is subject to Central Bank regulation and other specific rules. The Central Bank currently authorizes the conversion of Brazilian currency into foreign currency in most situations, but continues to regulate certain transactions, such as investments in the international capital markets and cross border derivative contracts by consumers or companies. In addition, Brazilian current exchange policies follow the guidelines set forth in the Brazilian federal legislation, including:

- a) mandatory use of local currency in operations in Brazil;
- b) foreign exchange transactions are required to be registered with the Central Bank;
- c) formalization of transactions through exchange contracts; and
- d) maintenance of requirements applicable to foreign investments in Brazil.

Adverse events may lead the Brazilian government to institute a more restrictive exchange control policy, imposing restrictions on foreign exchange and foreign trade operations in Brazil. Factors that could increase the likelihood of such restrictions include:

- a) the extent of Brazil's foreign currency reserves;
- b) the availability of sufficient foreign exchange on the date a payment falls due;
- c) the size of Brazil's debt service burden relative to the economy as a whole; and
- d) any other political constraints to which Brazil may be subject.

Any such restrictions may adversely affect our financial condition, results of operations and ability to make payments in foreign currencies to meet our obligations under foreign currency denominated liabilities outside Brazil.

**Our exposure to Brazilian government debt could adversely affect the Bank.**

The Bank invests in debt securities issued by the Brazilian government. Although the interest rates on the majority of these securities are fixed, their trading price varies in accordance with domestic or global

macroeconomic conditions or other events that may impact market perception of the Brazilian government's capacity to pay the principal or interest on its debt as they fall due.

If there are unexpected changes in trading market conditions of the securities portfolio that cause the trading price of such securities to decrease, and/or, possibly, the Brazilian government fails to honor its payment obligations, our results of operations and financial condition may be adversely affected as a result of the mark-to-market of government securities that comprise the portfolio.

**Any substantial future increase in inflation in Brazil may adversely affect our financial condition and results of operations.**

In the past, Brazil has experienced high rates of inflation. Certain measures and plans adopted by the Brazilian government to fight inflation had negative effects on the Brazilian economy. Although the inflation target system, adopted in 1999, has been largely successful in controlling inflation, inflationary pressure may affect the Brazilian economy in the future. The Central Bank currently implements a monetary regime designed to maintain inflation in line with a target that is determined and disclosed by the National Monetary Council.

If the Brazilian government fails to control inflation, despite actions such as increased interest rates and other macro-prudential measures, and the economy experiences elevated inflation levels in the future, exceeding the target range, our financial condition and results of operations may be adversely affected. In this case, our ability to comply with certain of our obligations may be affected, since we are party to certain inflation-adjusted agreements. Inflationary pressures could also reduce our ability to access foreign financial markets, affect the ability of our customers to comply with their payment obligations on a timely basis and lead to further government intervention in the economy, including policies that could adversely affect performance of the Brazilian economy as a whole and consequently our financial condition and results of operations.

**Interest rate changes by the Central Bank may adversely affect the Bank's operating income and its profitability.**

In mid-1999, Brazil officially adopted an inflation rate target regime. Under this system, known as Special System for Settlement and Custody (*Selic*), the base interest rate is the main instrument of monetary policy used by the Central Bank to keep inflation in line with the target rate, which is set each year by the CMN. In application of monetary policy, the Central Bank's Monetary Policy Committee adjusts the base interest rate in response to changes in supply and demand, which could otherwise cause inflation to vary from the target rate. Thus, *Selic* base interest rate is frequently changing. The *Selic* base interest rate was 11.00% p.a. on December 31, 2011; it was reduced to 7.25% p.a. on December 31, 2012, later elevated to 10% p.a. on December 31, 2013, 11.75% p.a. on December 31, 2014 and reached 14.25% p.a. on December 31, 2015. In November 2016, Copom started a *Selic* rate reduction process, which closed 2016 and 2017 at 13.75% and 7.0%, respectively.

Our businesses are subject to the changes in the base interest rate which could adversely affect our results of operations by reducing demand for the loan products we offer, increasing our funding costs, reducing spreads on loans or increasing the risk of default by borrowers.

**The increasingly competitive environment in the Brazilian banking industry may adversely affect us.**

The decrease in the Brazilian interest rates, imposing new challenges to the financial industry, by reducing financial intermediation revenues, and consequently, causing lower profitability. Banks have responded by reallocating their asset portfolios and seeking to generate higher fees from banking services while investing in operational efficiencies, cutting expenses and optimizing processes to maintain competitiveness.

Increased access by Brazilians to the formal banking system, changes in regulations that have enabled public sector employees to choose their bank, and other regulations that have made it easier for customers to change banks, have all increased competition in the Brazilian banking industry.

Non-bank competitors entrants, such as in the area of payment methods, is also a movement that may affect the financial industry's operating environment in the Brazilian market.

Competition from foreign banks entering or expanding in the Brazilian market, and from companies such as large retailers and construction companies, who have been permitted to enter the payment card market since the Brazilian government enacted Law 12,865/2013 in 2013, have increased these pressures.

Additionally, the Brazilian bank customers are increasingly well informed and connected and, as a result, more demanding in terms of the banking services they seek, also had repercussions on the sector. As a result, banks are required to increase their investment in the quality and convenience of service, particularly in terms of multi-channel banking platforms and new products and services.

We will be adversely affected if we fail to remain competitive in light of these increased competitive factors.

**We are subject to the risks inherent to the Brazilian agribusiness sector, which may adversely affect us.**

We are the primary agent providing financing to the Brazilian agribusiness sector, which is subject to inherent risks such as weather conditions, disease, insects and fluctuations in commodity prices. These risks can drive down agricultural productivity and lead to reduced margins in the sector, which may affect customers' income and impair their ability to pay their debts and potentially cause them to be in default, requiring us to increase our Provisions for Doubtful Debts.

**Certain factors beyond our control, including prevailing interest and exchange rates and the market price of our securities portfolio, may adversely affect us.**

Our operating result is subject to factors that are beyond our control, including interest and exchange rates in force and the market price of our securities portfolio.

Accordingly, our ability to secure satisfactory rates of return on our assets and shareholders' equity may depend on our ability to increase our revenue, reduce costs and adjust our portfolio of assets in order to minimize the adverse impact of fluctuations in these macroeconomic indicators.

For example, investments made by our Banco Múltiplo in securities on December 29, 2017, consisted of, approximately:

- a) 73.5% in securities linked to an interbank deposit certificate (*Certificado de Depósito Interbancário*), or CDI, or to the average SELIC rate (*Taxa Média SELIC*), or TMS;
- b) 18.0% in fixed rate securities; and
- c) 8.6% in securities linked to other indexes.

Consequently, the majority of our securities portfolio is linked to floating interest rates. Our foreign investment may adversely affect our profitability in the event of significant changes to the exchange rate of Brazilian real/foreign currencies.

Our overall foreign exchange exposure, calculated in accordance with Central Bank Circular No. 3,641, amounted to, approximately, BRL2.7 billion on December 29, 2017. The main foreign currencies which we are exposed to are the US dollar, the euro, the Swiss franc, the pound sterling, the Japanese yen and the Argentinean peso.

We are subject to all risks associated with long-term credit operations, including economic activity levels, interest rates and mismatches in funding periods or changes to Central Bank requirements. If the interest rates applicable in the market change, our fixed rate securities would be affected, impacting our income statement for securities held as "trading securities" or our shareholders' equity for securities classified as "available for sale." None of these factors is under our control, and any of them may adversely affect us.

**The market for Brazilian securities is subject to a high degree of volatility due to developments and perceptions of risks in other countries.**

The market for securities issued by Brazilian companies is influenced by economic and market conditions in Brazil, as well as, to several degrees, market conditions in other Latin American and the markets from emerging countries, the United States, Europe and other markets worldwide. Although economic conditions differ in each country, the reaction of investors to developments in one country may cause the capital markets in other countries to fluctuate.

**h) Risks related to the regulation of sectors in which the issuer operates:**

**Under Brazilian law, the Brazilian government must control a majority of our shares.**

We are a publicly-held company organized as a government-controlled company (*sociedade de economia mista*). Brazilian Law Decree No. 200, issued on February 25, 1967, provides that the Brazilian government must hold the majority of the voting shares of government-controlled companies such as ours. The Brazilian government could only hold less than a majority of our voting shares if there is a

future change to our status as a government-controlled company or to Law Decree No. 200, either of which would require a decision from the President of Brazil. As of December 31, 2017, the Brazilian government held 52.4% of our shares, both directly and indirectly through the National Treasury and various government-controlled funds.

**Changes in reserve requirements and compulsory deposits may adversely affect us.**

Compulsory deposits are resources that financial institutions in Brazil, including us, are required to maintain with the Central Bank in relation to demand, time and savings deposits. Compulsory deposits have been used as an instrument of monetary policy in the past, but they are now seen as an instrument by which the Central Bank pursues stability in the financial system. Control over compulsory deposit levels enables the Central Bank to influence the volume of credit that commercial banks may extend to the economy, and allows the Central Bank to manage the money supply more efficiently by providing greater predictability with respect to commercial banks' liquidity requirements.

Any changes to the rules or rates of compulsory deposits that increase required levels of deposits with the Central Bank will reduce our capacity to extend credit and make other investments, which may adversely affect us.

**Foreign investment in the share capital of Brazilian banks is limited by law.**

Pursuant to Article 52 of Brazil's transitory constitutional provisions, the President of Brazil may increase the share limit of foreign capital in financial institutions by decree, if the President believes it to be in the country's best interest. Under a Brazilian presidential decree, foreign investment in our common shares is currently limited to 30% of our total capital stock.

Any increase in this limit may only be made by presidential decree, which is out of our control.

If the number of shares held by non-Brazilian shareholders approaches the 30% limit, we may not be able to sell additional shares to foreign investors. This limitation may impact the liquidity and price of our shares.

**Minimum capital adequacy requirements imposed on us following the implementation of the Basel regulations may reduce our business leverage capability and adversely affect us.**

The implementation of Basel II and III rules in Brazil, especially its minimum capital adequacy requirements, resulted in several changes to capital measurement to bear risks inherent to banking activities. New regulatory requirements may lead to a greater need for capital to support our business.

The new rules set forth three independent capital requirements to be continuously met by financial institutions:

- a) a minimum core capital ratio of 4.5%;
- b) a minimum Tier 1 Capital ratio of 5.5% (through December 31, 2014) and 6.0% (from January 1, 2015); and
- c) a minimum regulatory capital ratio of 11.0% (from October 1, 2013), to be reduced to 8.0% on January 1, 2019, to the total Reference Equity, under the timetable published by CMN Resolution 4,193 in March 2013.

In addition, the new rules require financial institutions to maintain a "capital conservation buffer" for Core Capital conservation purposes under periods of stress or for countercyclical purposes.

Due to these changes in the rules concerning capital adequacy, and depending on the performance of the Brazilian economy as a whole, we may be required to provide further capital in the future, thereby hindering our leverage level. We may also be required to limit our credit operations, dispose some of our assets and/or take other measures that may adversely affect our financial condition and results of operations. Any of these factors could adversely affect us.

**The Brazilian government has extensive regulatory control over Brazilian banks, including us. Any changes in laws and regulations could adversely affect our business and results of operations.**

The Brazilian government has extensive regulatory control over Brazilian banks and the financial market. Such control is mainly exercised by the Central Bank, the CVM (Securities and Exchange Commission of Brazil) and the CMN (National Monetary Council), which monitor the banking sector and may impose disciplinary sanctions. These regulations relate to the following areas, among others:

- a) minimum capital requirements;

- b) internal processes to assess capital adequacy;
- c) compulsory deposit and reserve requirements;
- d) requirements regarding investments in fixed assets;
- e) lending limits and other credit restrictions, including compulsory allocations;
- f) limits and other restrictions on fees;
- g) limits on the amount of interest banks can charge and the interest capitalization periods;
- h) accounting and statistical requirements;
- i) price and salary controls;
- j) tax policy and regulation; and
- k) other requirements or limitations resulting from the global financial crisis.

In the past, the Brazilian government has enacted regulations to implement economic policy, for example to control the availability of credit in order to reduce consumption, which affected our ability to grant credit and restricted the growth of our credit portfolio. Increases in compulsory deposits have reduced our profitability since returns on compulsory deposits are lower than those we could obtain elsewhere. Future changes in regulations may similarly have an adverse effect on our results over many periods.

This regulatory structure evolves continuously due to new or changing international agreements, volatility in the markets and the Brazilian government's desire to strengthen the SFN (Brazilian Banking Industry). As a result of these factors, the Brazilian government may change laws and regulations in the future, which may adversely affect our liquidity, our customers' solvency, our funding strategy, growth in our lending business, our compliance costs or other aspects of our business.

**Tax reforms may adversely affect us.**

The Brazilian government regularly enacts tax reforms and other assessment regimes which may affect us. These reforms usually require adjustments to systems and internal procedures and, occasionally, are implemented temporary taxes, whose collection intends to meet the governmental projects. As an example of a significant change to tax rules, we mention Law 13,169/2015, issued on October 6, 2015, which increased the CSLL (Social Contribution on Net Profits) for financial institutions from 15% to 20% in the period between September 1, 2015, and December 31, 2018.

Supplementary Law No. 157/2016, related to the ISSQN (Tax on Services of Any Nature), changed the taxation of some services, which are no longer payable to the city of the service provider and are now payable to the city of the customer. Such legal definition shall affect the operations related to calculation, collection, and compliance with ancillary obligations of such tax.

The National Congress is discussing a broad tax reforms in Brazil to improve the efficiency of the allocation of economic resources. Pursuant to the models under which it is presented, the approval of the reforms, if adopted, would involve a major restructuring of the Brazilian tax system, including the creation of a Value Added Tax (IVA) on goods and services that would replace several taxes currently in force (including the social contribution tax, the federal tax on industrial products and state taxes on the circulation of goods and services).

The effects of these changes, or of any additional reforms, if enacted, still cannot be quantified, because the constitutional amendment bill establishes, as a next step, the regulation of new taxes, whose bill has not been put forward yet. Such changes, if enacted, may contribute to a decrease in our performance, which cannot be calculated yet, if they shall be positive or negative. We note that past changes in the tax system have caused uncertainties in the financial system, increasing the cost of borrowing.

**We are subject to ongoing civil claims in connection with certain "economic plans," which may adversely affect our results of operations.**

From 1987 to 1991, the Brazilian government adopted measures to stabilize and expand Brazil's economy, which included establishing economic guidelines to stimulate growth, development and income distribution. For this purpose, the Brazilian government of that period created stabilization programs, also known as "economic plans", namely the Bresser Plan (June 1987), the Verão or Summer Plan (January 1989), the Collor Plan I (March 1990) and the Collor Plan II (February 1991). Among



other measures, these plans adjusted interest rates and economic indexes applicable to the financial system and other segments of the economy, in addition to prices and salaries.

The implementation of such economic plans resulted in a difference in earnings of passbook savings accounts and court deposits held in Brazilian financial institutions. Additionally, it resulted in divergence in the collection of monetary adjustment of rural credits, due to Collor I plan. Currently, the difference of remuneration of passbook savings accounts is under legal discussion, in the Supreme Federal Court (STF), among beneficiaries and financial institutions, including Banco do Brasil. If the STF, in the actions addressing the constitutionality of the plans, decides in favor of beneficiaries, our results may be negatively affected. Additionally, there are pending appeals with the Appellate Court (STJ), addressing related issues regarding economic savings plans (interest in arrears, compensatory interests, illegitimacy of non-associate) which may reduce adverse rulings. It is important to note that, at the end of 2017, Febraban and entities representing beneficiaries executed an agreement related to claims involving economic plans in passbook savings accounts, which was approved by the Supreme Federal Court in March 2018. Banco do Brasil formally adhered to the agreement on March 02, 2018.

The adhesion to the agreement by beneficiaries (which is voluntary and shall occur within 24 months) depends on the previous filing of a proceeding. As such, payments made as a result of the agreement, instead, shall reduce disbursements that the institution would make in the event of continuity of legal proceedings. That is, the collective agreement shall not result in new legal claims.

Regarding court deposits, the extraordinary appeal recently included in the records of RESP 1.131.360/RJ is still in progress, by means of which the incidence of understated inflation is being addressed, resulting from economic plans also applicable on balances of court deposits and, if positive, on the liability of financial companies to bear such payment.

Regarding rural credit, at the end of 2015, ERESP 1.319.232-DF (special appeal) was judged in the proceedings of ACP 94.008. 514-1 (civil action), in which was maintained previous condemnation of the Union, of the Central Bank of Brazil and of the Banco do Brasil, the payment of the differences resulting from the IPC (Consumer Price Index) of March 1990 (84.32%) and the BTN fixed for the same period (41.28%), restated values following the overpayment, the rates applicable to judicial charges, together with default interest. The decision can be appealed, subject to stay of proceedings, which interrupted temporary enforcement against the Banco, the government and the Central Bank. The collective agreement executed does not include the actions of rural credit and court deposits.

#### **We may not be able to recognize all deferred tax credits.**

The deferred tax credits derive from tax losses on income and social contribution tax or temporary differences, primarily related to allowances for loan losses. The accounting treatment for deferred tax credits in Brazil is governed by CMN Resolution No. 3,059, issued on December 20, 2002 (amended by CMN Resolution No. 3,355/2006, CMN Resolution No. 3,655/2008, CMN Resolution No. 4,192/2013 and CMN Resolution No. 4,441/2015); CMN Resolution No. 4,192, issued on March 1, 2013 (amended by CMN Resolution No. 4,278/2013, CMN Resolution No. 4,311/2014, CMN Resolution No. 4,400/2015 and CMN Resolution No. 4,442/2015.) In accordance with these resolutions, we may only recognize these deferred tax credits in our financial statements if:

- a) we have a history of taxable profits or revenues for income and social contribution tax purposes, as evidenced by the recognition of such profits and revenues in at least three of the previous five years (including the current year); and
- b) we expect, based on an internal probability study, to generate future taxable profits or revenues for income and social contribution tax purposes in subsequent periods that will allow the deferred tax credits to be realized within the subsequent ten years.

We, according to CMN Resolution No. 4,441, are required to provide the Central Bank of Brazil, during the period of tax credits' use, with studies proving their use up to 10 years. The same Resolution provides for the possibility to dismiss, at the discretion of the Central Bank of Brazil, the requirement to present the earnings or taxable income history in at least three of the last five fiscal years.

If we are unable to maintain taxable income in the future, the Central Bank may compel us to reduce or write-off the relevant deferred tax credit, and our assets and/or shareholders' equity may be reduced as a result. Any such write-off or reduction could adversely affect our financial condition and results of operations.

#### **Changes to the minimum requirements to allocate certain savings account balances to agribusiness loans and retail mortgages may adversely affect our profitability.**

CMN Resolution No. 3,549, issued on 2008, enables financial institutions that are authorized to take rural savings deposits to also take savings deposits under a specific savings and loan scheme known as the *Sistema Brasileiro de Poupança e Empréstimo*, or SBPE. Such regulation requires those financial institutions to allocate 90% of their savings deposits to agricultural lending and 10% to housing mortgages. In 2017, real estate credit demand was of 65%, against the 10% targeted to this sector, while that of rural credit, was of 74% for the period from January to June/2017, 65% for the period between July to November/2017 and 60% for investments as of December 01, 2017.

Changes in these percentages will result in the need to increase or reduce our funding to these sectors. The specific financial impact of any such changes will depend on both the content of the new regulations for mandatory and additional deposits, as well as on our negotiations with the National Treasury regarding equalization payments, which are the difference between the cost of credit charged to the rural borrower and the cost of funding, plus administrative expenses and taxes, incurred by the financial institution providing the loan, such as our bank. Our profitability could be adversely affected to the extent we are required to allocate funds at lower spreads or to comply with regulatory requirements on compulsory deposits.

CMN Resolution No. 4,410/2015 increased the compulsory deposits of savings deposits used to comply with housing mortgages requirements to 24.5% from the previous 20.0%, but reduced the additional compulsory deposits to 5.5% from the previous 10.0%.

Regarding the rural saving deposits, CMN Resolution No. 4,614/2017 reduced the percentage of allocation for the investment of rural credit (from 65% to 60%) and increased the percentage of free funds from 14% to 19%.

Central Bank Circular No. 3,757/2015 established that financial institutions shall comply with up to 18% of the compulsory deposits of savings deposits within the SBPE (housing mortgages) through financing of residential properties, new or used, under the conditions of the SFH (Financial System Housing).

**Our ability to charge payments due from payroll loan transactions depends on applicable regulation, licenses from and agreements with the private or public sector employers involved, and their credit risk. It also depends on the borrower remaining employed by the employer.**

Part of our revenues derives from payroll loans, under which the interest and repayment charges are deducted directly from employees' or retirees' paychecks. We have been increasing our presence in this market over the last years. Our ability to make payroll deductions is regulated by various federal, state and municipal laws and/or regulations, which set limits on the deductions, and depends on licenses issued by the relevant government entities and agreements with private sector employers, and the interpretation of those licenses and agreements. Any change in the applicable regulations or interpretations may require adjustments to our internal procedures for deducting payments from paychecks.

If any of these events occur, our payroll collection system will be compromised and a new collection system may be required to be put in place. Any replacement system would likely not be as effective as payroll deduction and may have higher operating costs. In this case, we may be required to drive our loans to higher risk credit with higher interest rates, which may reduce the number of customers. If an employee's employment contract terminates, whether through termination by the employer, resignation or death, repayments under the loan will depend exclusively on the financial ability of the borrower or his/her successors to repay the loan. Similarly, if a private employer suffers losses or faces financial distress or goes bankrupt, it may not be able to pay the salaries on which the payroll deductions depend.

Any of these events could increase the risk in our consumer loan portfolio and increase the need for measures to control default through restrictions on new loans, which may adversely affect our financial condition and results of operations.

#### **i) Risks related to foreign countries where the issuer operates:**

**Our international operations are concentrated in North America, South America, Asia and Europe. Any changes in economic performance or regulation in these regions or individual countries may adversely affect us.**

Our international expansion is based on vectors such as the internationalization of Brazilian companies and businesses, and international commerce involving Brazil. The network's operations abroad focus on supporting Brazil's flavored businesses, within the framework of global and potential customer service

and on the identification of business opportunities with value potential in each market. In addition, we continue to focus on operational efficiency and strict cost control.

Any adverse event that affects the economy of the countries where we operate may have an impact on the results of the units located in the affected markets and, depending on the market achieved, the profile of clients in each of these markets and the nature of economic adversity, a reduction in the number of clients we serve may negatively impact our results.

Another factor that may adversely affect unit profitability is related to changes in banking regulations and compliance with rules and definitions of international regulatory agencies.

**j) Risks related to environmental issues:**

**We may incur financial and reputational losses due to relationships with stakeholders, especially clients assisted by credit/financing operations, whose activities may generate negative social and environmental impacts, affecting our business, results and reputation.**

Acting in economic segments such as mining, oil and gas, paper and pulp, heavy construction and chemical industry; the participation in large projects, such as the construction of hydroelectric dams; the exercise of the activities of the largest Brazilian bank in agribusiness and employment areas and income generation programs, both in the countryside and in big cities; and the management of the purchase and consumer chains for the support and development of our administrative and operational activities, causes us to have a wide and diverse range of stakeholders that may have their economic activities exposed to socio-environmental risk factors. Possible manifestations of socio-environmental risk factors in the economic activities of the stakeholders can occur in the most varied forms and with different levels of intensity in the economic, social and environmental areas, imposing financial and/or reputational losses that may affect the relationship with us, adversely impacting the business, results and reputation of the BB Conglomerate.

**Climate change, considering its impact on loans and financing from exposure to environmental risk may adversely affect us.**

Climate change is a systemic risk, affecting all economic sectors. This risk stems from the intensification of the greenhouse effect, caused by increased emissions of greenhouse gas in the atmosphere. Scientific evidence indicates that human activity is causing this intensification, such as the burning of fossil fuels, deforestation of native forests, among other practices. Increased greenhouse gas emissions (GHG) is considered the main cause of climate change, as evidenced by the occurrence of more severe events related to drought, storms, gales and floods. The likely implications for society are related to the availability of arable land and water and their impacts on health, welfare and production processes. We run the risk that our customers may be impacted by climate change and therefore incur in default.

**k) Risks relating to our common stock or ADS:**

**The relative volatility and lack of liquidity of the Brazilian securities market may substantially limit the investor's ability to sell the underlying shares over our ADS at the desired moment and price.**

Trading securities in emerging markets, such as Brazil, usually, implies in greater risks than trading in the U.S. market or other developed markets, and these investments are considered, in general, as more speculative. The Brazilian securities market is substantially smaller, less liquid, more concentrated and may be more volatile than the main securities markets in the United States or other countries. Thus, the investor's ability to sell the shares underlying our ADSs at the desired price and time may be substantially limited.

**Actual or anticipated sales of a substantial number of our common shares in the future by a significant shareholder could cause the market price of our ADSs to decrease.**

Currently, the Brazilian government owns 52.4% of our shares and Previ owns 8.5%. The sale or expected sale of a substantial number of our common shares in the future could cause the market price of our common shares and ADSs to decrease. If our controlling shareholder, a relevant shareholder or a large shareholder decides to sell a substantial number of its shares in the future, the market price of the ADSs may significantly drop. As a result, ADS holders may not be able to sell their ADSs at or above the price paid for them.

**ADS holders may lose their ability to remit foreign currency abroad and obtain Brazilian tax advantages if they exchange ADSs for our common shares.**

The Brazilian custodian for the common shares underlying our ADSs must obtain a certificate of registration from the Central Bank to be entitled to remit US dollars abroad for payments of dividends and other distributions relating to our common shares, or upon the disposal of our common shares. If you and an ADS holder decide to exchange ADSs for the underlying common shares, you will be entitled to continue to rely on the custodian's certificate of registration for five business days from the date of the exchange.

After that period, the ADS holder may not be able to obtain and remit US dollars abroad deriving from disposals of or distributions on the shares unless you obtain your own certificate of registration or register under CMN Resolution No. 4,373, issued on September 29, 2014, which entitles registered foreign investors to buy and sell on Brazilian stock exchanges. If the ADS holder does not obtain a certificate of registration or register under Resolution No. 4,373, it will be generally subject to less favorable tax treatment on gains with respect to our shares.

**Mandatory arbitration provisions in our bylaws may limit the ability of ADS holders to hold us liable under U.S. securities laws.**

Under our bylaws, any disputes among us, our shareholders and our management with respect to the application of *Novo Mercado* rules, the Brazilian Corporations Law and the application of Brazilian capital markets rules and regulations will be resolved by arbitration conducted pursuant to the B3 Arbitration Rules in the Market Arbitration Chamber. Any disputes among shareholders, including ADR holders, and disputes between us and our shareholders, including ADR holders, will also be submitted to arbitration. As a result, a court in the United States might require that a claim brought by an ADR holder predicated upon U.S. securities laws be submitted to arbitration in accordance with our bylaws. In that event, our ADSs holders would be effectively precluded from pursuing remedies under U.S. securities law in U.S. courts.

**Brazilian court determinations with respect to our common shares or ADSs will be payable only in Brazilian reais.**

If proceedings are brought in Brazilian courts to enforce our obligations under our common shares or ADSs, we will not be required to settle our obligations in any currency other than Brazilian real. Under Brazilian exchange control limitations and according to Brazilian laws, an obligation in Brazil to pay amounts denominated in a currency other than the Brazilian real will be satisfied in Brazilian real at the exchange rate published by the Central Bank or competent court on the date of the judgment. These amounts are then adjusted to reflect exchange rate variations through the effective payment date. The exchange rate in force may not fully compensate the ADS holder for any claim arising out of or related to our obligations under our common shares or ADS.

**A holder of our ADS may find it more difficult than a holder of our common shares to exercise his or her voting rights at our stockholders' meetings.**

ADS holders may exercise voting rights with respect to the common shares represented by our ADSs only in accordance with the deposit agreement relating to our ADSs. Brazilian law or our bylaws do not set forth any provision that limits the exercise by ADS holders of their voting rights through the depositary bank related to the underlying common shares. However, this places practical limitations on the ability of ADS holders to exercise their voting rights as a result of the additional procedural steps related to communication with ADS holders. For example, our common shareholders receive notices of shareholders' meetings in official government publications in Brazil and are able to exercise their voting rights by either attending the meeting in person or voting by proxy. ADS holders, on the other hand, do not receive notice directly from us. Under the deposit agreement, our company will notify the depositary bank, which then, as soon as practicable, will mail to ADS holders the meeting notice and the terms describing the voting instructions. In order to exercise their voting rights, ADS holders must then instruct the depositary on how to vote. As a result of these procedural steps, the process for exercising voting rights may take longer for our ADS holders than for holders of our common shares. If the depositary fails to timely receive the voting instructions for an ADS, that ADS may not vote at any meeting.

**Our status as a privately-held issuer exempts us from some of the New York Stock Exchange's (NYSE) corporate governance standards, limiting the protections offered to investors.**

We are a "private foreign issuer" within the meaning of the NYSE corporate governance standards. Under NYSE rules, a foreign private issuer may choose to comply with its home country practices and not comply with certain NYSE corporate governance requirements, including the following requirements:

- a) a majority of the board of directors be composed by independent directors;

- b) a nominating and corporate governance committee formally established and composed entirely of independent directors with formal status directing their purpose and responsibilities;
- c) a remuneration committee formally established and composed entirely of independent directors, formal management of its purpose and responsibilities; and
- d) annual performance appraisal of nomination and corporate governance and compensation committees.

Although we have similar practices, these are not fully compliant with NYSE requirements, so we use these exemptions and intend to continue to use them. Thus, shareholders will not have the same protections afforded to shareholders of companies subject to all NYSE corporate governance requirements.

**ADS holders will have rights that differ from those of shareholders of companies organized under the laws of the United States or other countries, and may face difficulties in protecting their interests.**

Our bylaws and the Brazilian Corporations Law govern our corporate affairs, which differ from the legal principles that would apply if we were incorporated in the United States or elsewhere outside of Brazil. In addition, the rights of our shareholders and ADS holders designed to protect their interests against actions by our board of directors are different under the Brazilian Corporations Law as compared to the laws in other jurisdictions. Rules against insider trading and self-dealing and the preservation of shareholder interests may also be different in Brazil as compared to the United States. The plaintiff's bar for enforcing shareholders' rights in Brazil is less active as compared to the United States. In addition, shareholders in Brazilian companies do not usually have the ability to bring a class action.

We are a state-controlled company organized under the laws of Brazil and all of our directors and officers reside in Brazil. Substantially all of our assets and those of our directors and officers are located in Brazil. As a result, our ADS holders may not be able to effect service of process upon us or our directors and officers within the United States or other jurisdictions outside Brazil or to enforce judgments against us or our directors and officers obtained in the United States or other jurisdictions outside Brazil. Because judgments of U.S. courts for civil liabilities based upon the U.S. federal securities laws may only be enforced in Brazil in certain cases, ADS holders may find it more difficult to protect their interests in proceedings against us or our directors and officers than the shareholders of a corporation incorporated in the United States would.

**ADSs holders may be unable to exercise preemptive rights inherent to the common shares underlying the ADSs.**

ADS holders who are United States residents may not be able to exercise the preemptive rights inherent to the common shares underlying our ADSs unless a registration statement under the Securities Act is effective with respect to those rights or an exemption from the registration requirements of the Securities Act is available. We are not required to file a registration statement with respect to the common shares relating to these preemptive rights, and we may decide not to file any such registration statement. If a registration statement is not filed and an exemption from registration does not exist, the depository bank will attempt to sell the preemptive rights, and the ADS holder will be entitled to receive the proceeds from such sale. The preemptive rights will expire if the depository cannot sell them.

**Shareholders and ADSs holders may not receive dividends and/or interest on our shares.**

Our bylaws require us to distribute to our shareholders at least 25% of our adjusted net income as dividends or interests on shareholders' equity twice a year. Adjusted net income, as used for this purpose, is calculated under Brazilian accounting rules and may substantially differ from our net income as calculated under IFRS. Under the Brazilian Corporations Law (Law 6,404), we may also capitalize our adjusted net income, use it to offset losses or retain it to establish reserves; and we may suspend the mandatory distribution for a specific fiscal year if our board of directors determines and informs shareholders that it would be incompatible with our financial condition.

**4.2. Major market risks that Banco do Brasil is exposed to**

**Describe, quantitatively and qualitatively, the major market risks that the issuer is exposed to, including with respect to foreign exchange risks and interest rates.**

Banco do Brasil considers the following risk factors as market risks to which it is subject:

- I. interest rate;

- II. exchange rate;
- III. stock market prices; and
- IV. commodity prices.

The risk of interest rate exposure (item "I") comprises the risks of fixed interest rates fluctuations, foreign currencies coupons, price indexes coupons and other interest rates coupons. E.g.: Prefixed, Dollar coupon, IPCA (Broad National Consumer Price Index) coupon, TR (Referential Rate) coupon; the risk of exchange rate exposure (item "II") is the risk of changes in exchange rates of the market. E.g.: Real vs. Dollar, Real vs. Euro, Yen vs. Real; the risk of share price exposure (item "III") is the risk of changes in stock market prices. E.g.: PETR4 (Petrobras - Preferred Share), VALE5 (Vale - Preferred Share) and the risk of commodity prices exposure (item "IV") is the risk of changes in commodity prices in the market. E.g.: Live cattle, soybeans, corn.

It is noteworthy that the exposure to stock market prices and commodity prices, currently, are not relevant to us.

In order to analyze the market risks that the company is subject to, we segregate our positions within the trading and banking book in accordance with CMN Resolution No. 3,464 of 2007 and Central Bank Circular No. 3,354/2007:

- I. Trading Book: consists of all own position transactions for trading or hedging the trading book, for which there is the intention of trading prior to their contractual expiry, subject to normal market conditions and are not non-negotiable.
- II. Banking Book: composed of own position transactions not classified in the trading portfolio, in accordance with the policies and strategies adopted for market risk management.

The following table shows our exposure segregated by the most relevant market risk factors (interest and exchange rates), followed up by our management:

R\$ billion	Mismatching Map by Indexing Units and Interest Rate Coupons								
	Assets			Liabilities			Net Mismatching		
Risk Factor	2014	2015	2016	2014	2015	2016	2014	2015	2016
Prefixed	732.1	727.0	833.8	(439.0)	(501.5)	(537.4)	293.1	225.5	296.4
CDI/TMS	262.9	290.6	274.9	(348.4)	(345.6)	(363.4)	(85.5)	(55.0)	(88.5)
TBF/TR/IRP	112.4	169.6	163.4	(265.0)	(265.6)	(298.4)	(152.6)	(96.0)	(130.0)
Price Index	13.6	15.8	18.0	(3.2)	(3.4)	(3.8)	10.4	12.4	14.2
TJLP	36.1	29.6	24.8	(36.1)	(29.2)	(26.6)	-	0.4	(1.8)
Dollar/Other currenc.	277.3	312.9	294.3	(282.3)	(324.5)	(302.4)	(5.0)	(11.6)	(8.1)

With regard to exchange rate risk, we adopted in accordance with Central Bank Circular No. 3,641, of March 04, 2013, the strategy to take short position in foreign currency through the foreign funds inflow due to the tax effects of exchange rate changes levied on our foreign investments.

The indicated market risks may affect the company up to the limit of the financial volume allocated to the Trading Portfolio (R\$4,155,343 thousand, position of December 2016) and to the exchange rate mismatch of the Conglomerate (R\$3,714,358 thousand, Dec 2016).

The Bank adopt the tax hedge strategy in order to reduce the volatility of income, after tax effects, given that the gains from exchange variation on foreign investments are not taxed, and likewise losses do not generate deduction in tax basis.

In addition, the Bank maintains a stress test program in which it assesses the potential losses arising from adverse market movements that may lead to severe devaluations in the market values of its assets held for trading or significantly increase the institution's foreign exchange mismatch. From the results of these tests, it defines actions of immunization (hedge) or reduction of the exposure (reduction of the portfolio).

#### 4.3. Relevant and non-confidential lawsuits, administrative or arbitration proceedings

**Describe judicial, administrative or arbitration claims to which the issuer or its controlled companies are parties, among labor, tax, civil and others: (i) that are not under secrecy and (ii) that are relevant for the business of the issuer or its subsidiaries.**

The processes related to item 4.3 have been obtained considering both the materiality of R\$507 million and the likelihood of success of the plaintiff of the process. Thus, the Bank has selected the judicial claims which financial impact would be greater than the materiality.

<b>Control:</b>	<b>86472797510</b>
<b>a. court</b>	5th Civil Court – Archive 0024950650077
<b>b. court level</b>	Court of Justice of Minas Gerais
<b>c. filling date</b>	08/09/1995
<b>d. parties to the proceeding</b>	Plaintiff: Banco do Brasil S.A. Defendant: Mendes Junior Engenharia S.A. and others
<b>e. amounts, goods or rights involved</b>	Claim amount: R\$304,219,249.34, as of August 09, 1995. Updated claim amount as of December 31, 2016: R\$1,395,091,850.22. Required amount: R\$304,219,249.34, as of August 09, 1995. Updated Required amount: R\$1,395,091,850.22, as of December 31, 2016.
<b>f. main facts</b>	This is an action for credit recovery represented by an industrial credit security. Motions filed by the debtor were judged groundless. Special Appeal (accepted and still not judged) and Extraordinary Appeal (not accepted) were filed by the counter party. Process Implementation ongoing since the pending judgment action has no suspensive effect.
<b>g. chance of loss</b>	The chance of loss by Banco do Brasil is remote.
<b>h. analysis of the impact in case of loss in the proceeding</b>	In case of process loss: (a) under the legal aspect: BB cannot claim the credit recovery; (b) under the accounting aspect: there is no negative impact on the Bank results and balance sheet, since due CMN and the Central Bank of Brazil rules, the non-performing loans under these conditions should have integral allowance for loan losses provision.

<b>Control:</b>	<b>20090151375</b>
<b>a. court</b>	21st Federal Court - Archive 0200434000180009
<b>b. court level</b>	Federal Regional Court
<b>c. filling date</b>	05/27/2004
<b>d. parties to the proceeding</b>	Plaintiff: Banco do Brasil S.A. Defendant: INSS
<b>e. amounts, goods or rights involved</b>	Claim amount: R\$1,000.00, as of May 27, 2004. Updated claim amount as of December 31, 2016: R\$4,276.28. Required amount: R\$493,768,334.85, as of May 27, 2004. Updated Required amount: R\$2,111,122,682,37.
<b>f. main facts</b>	Writ of Mandamus against the social security national institute aiming to releasing the obligation of payment of employer social security national contribution on the bonuses (non-salary funds) paid to the employees. Judgment stage of Appeal Requesting Clarification of the Decision that judged the appeal filed by the Bank, as the sentence denied requested safety. This tax debt was deposited in court in 2004.
<b>g. chance of loss</b>	The chance of loss by Banco do Brasil is possible.
<b>h. analysis of the impact in case of loss in the proceeding</b>	This tax debt was deposited in court in 2004. In case of process loss: a) under the legal aspect the Brazilian IRS will check the judicial deposits amount (it is converted into income the integrality of the amount already deposited in the proceedings); b) under the accounting aspect: there is no impact on BB results, since the judicial deposits were formed during a period of time in other financial institution. Regarding the balance sheet, there will be a reduction in the liability due the contingency reserve decrease and from the assets due to recorded judicial deposit use.

### Section 3 - Selected Financial Information

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<b>Control:</b>	<b>20050015007</b>
<b>a. court</b>	16th Federal Court - 199834000022783
<b>b. court level</b>	Federal Regional Court
<b>c. filing date</b>	01/29/1998
<b>d. parties to the proceeding</b>	Plaintiff: Banco do Brasil S.A. Defendant: Department of Federal Revenue of Brazil
<b>e. amounts, goods or rights involved</b>	Claim amount: R\$1,000.00, as of January 29, 1998. Updated claim amount as of December 31, 2016: R\$14,510.02. Required amount: R\$17.520.888.508,50, as of December 31, 2016. Updated Required amount: R\$17,520,888,508.50.
<b>f. main facts</b>	Writ of mandamus based on the Unconstitutionality/illegality of the limitation of the compensation of the IR tax losses and negative CSLL bases, in the percentage of 30%, for each base-year. Extraordinary Appeal 591,340 suspended since May 26, 2011 (genera lrepercussion).
<b>g. chance of loss</b>	The chance of loss by Banco do Brasil is probable.
<b>h. analysis of the impact in case of loss in the proceeding</b>	These tax liabilities are deposited periodically by the Bank. In case of loss, (a) under the legal aspect: the Brazilian IRS will take the judicial deposit of R\$17.520.888.508.50 (i.e. it is the conversion in income of the full judicial deposit already performed in the records); b) under the accounting aspect: there is no impact on BB results, since the judicial deposits were formed during a period of time in other financial institution. Regarding the balance sheet, there will be a reduction in the liability due the contingency reserve decrease and from the assets due to recorded judicial deposit use.

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<b>Control:</b>	<b>20110278819</b>
<b>a. court</b>	1st Civil Court – Archive 85066819998020000
<b>b. court level</b>	Court of Justice of Alagoas
<b>c. filing date</b>	11/23/2011
<b>d. parties to the proceeding</b>	Plaintiff: Coop. Regional Produtores Açúcar Alagoas Defendant: Banco do Brasil S.A
<b>e. amounts, goods or rights involved</b>	Claim amount: R\$536,911,419.70, as of November 14, 2011. Updated claim amount as of December 31, 2016: R\$743,279,376,76. Required amount: R\$536,911,419.70, as of November 14, 2011. Updated Required amount: R\$743,279,376,76.
<b>f. main facts</b>	Indemnity for material damages as a result of alleged negotiation not performed by the Cooperative with foreign creditor banks, which would grant a discount of 65% on interest if Cooperativa have paid the debt. BB was the guarantor of the cooperative with foreign banks. The Cooperative alleged that BB denied it a new loan to settle overseas debts (US\$15 million), a fact that claims to be the subject of a US\$46 million claim. In the State Court, the unappealable conviction was upheld against BB and in November 2011 began the compliance with judgment. The Bank's Termination Action is stille pending judgment, which will be processed after the return of REsp #1,504,753/AL.
<b>g. chance of loss</b>	The chance of loss by Banco do Brasil is possible.
<b>h. analysis of the impact in case of loss in the proceeding</b>	In case of loss: (a) under the legal aspect: the Bank will be compelled to pay the amount to be defined by the court; (b) under the accounting aspect, there will be impact on BB results.

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## 4.3.1. Indicate the amount of provisions described in item 4.3

There is no provisioned amount, because it must yet be confirmed whether or not the Bank has legal obligation on the two tax claims. The object values of legal discussion were deposited by the Bank according to order of the Court. In relation to the indemnification claim, the provision is contained in the amount provisioned for civil claims.

**4.4. Lawsuits whose adverse parties are managers, controlling shareholders or investors**

**Non-confidential judicial, administrative or arbitration processes to which Banco do Brasil or its controlled companies are party, the opposite parties of which are officers or former officers, parent or former parent companies, or investors in Banco do Brasil or its controlled companies**

<b>Control:</b>	<b>20150113610</b>
<b>a. court</b>	8th Federal Court – Archive 354465920154013400
<b>b. court level</b>	Federal Justice
<b>c. filing date</b>	06/23/2015
<b>d. parties to the proceeding</b>	Plaintiff: Banco do Brasil S.A. Defendant: Federal Government
<b>e. amounts, goods or rights involved</b>	Claim amount: R\$361,788,835.35, as of June 19, 2015. Updated claim amount: R\$373,772,602.09, as of December 31, 2016. Required amount: R\$361,788,835.35, as of June 19, 2015. Updated required amount: R\$373,772,602.09, as of December 31, 2016.
<b>f. main facts</b>	It is a credit recovery proceeding related to charging for management contracts services of lieu payment to the contractual obligation to monitor and control the maturities of loans granted by the Federal Government with Funcafé resources. The proceeding was contested and the Bank presented appeal.
<b>g. chance of loss</b>	The chance of loss by Banco do Brasil is remote.
<b>h. analysis of the impact in case of loss in the proceeding</b>	In case of loss: (a) under the legal aspect, the impact is not receiving the amounts owed as a result of the services provided, in addition to bear the burden of defeat; (B) under the accounting aspect, there is no negative impact on income and the balance sheet of the Bank.

**4.4.1. Indicate the amount of provisions described in item 4.4**

There is no provisioned amount for the described claim (Banco do Brasil is plaintiff). According to CVM Resolution 594, of September 15, 2009 the remote classification does not require provision.

**4.5 Relevant secret proceedings, not disclosed in items 4.3 and 4.4.**

**As regards relevant confidential proceedings to which the issuer or its subsidiaries are parties and that have not been disclosed in items 4.3 and 4.4 above, analyze the impact in case of loss and notify involved amounts**

Banco do Brail and its controlled companies are not a party to confidential processes that are considered to be relevant.

**4.6 Recurring or related lawsuits, administrative or arbitration proceedings**

**Describe repetitive or connected judicial, administrative processes or arbitrations, based on similar legal facts and causes, non-confidential, and which are material in conjunction, to**

which Banco do Brasil or its subsidiaries are parties, segregating between labor, tax, civil and other, and indicating:

**a. amounts involved<sup>1</sup>**

R\$ (thousand)	12/31/2016
<b>Amounts involved for Judicial Claims</b>	<b>22,531,006</b>
<b>Amounts involved for Civil Claims</b>	<b>8,873,023</b>
Economic Plans	4,532,889
Other Civil Claims	4,340,134
<b>Amounts involved for Tax Claims</b>	<b>10,978,293</b>
Municipal notices of infringement related to ISSQN	1,918,961
INSS Tax Infringement Notices	1,032
Other Tax Claims	9,058,300
<b>Amounts involved for Labor Claims</b>	<b>2,679,690</b>
Collective Labor Claims	784,024
Other Labor Claims	1,895,666

1 - Corresponds to the sum of the values of the processes with possibility of loss classified as possible and probable.

2 - Infraction notes issued by the National Institute of Social Security, aimed at the payment of contributions applicable on salary bonuses paid in the collective agreements for the period from 1995 to 2006, in the amount of R\$2,788,853,000.00 (updated required value).

**b. practices of Banco do Brasil or of its controlled company that generated such contingency**

**Civil Lawsuits**

Among civil lawsuits, the main lawsuits are those that claim inflation adjustment difference in saving and judicial deposits related to Economic Plans' periods (Plano Bresser, Plano Verão and Plano Collor I and II).

Although Banco do Brasil has complied with legislation and regulation prevailing at the time, provisions are being recognized for these processes, considering lawsuits that mention the Bank and corresponding likelihood of losses after analysis of each claim, considering previous decisions of the Superior Court of Justice (STJ).

Regarding these discussions, the Federal Supreme Court - STF suspended the progress of cases that were in the study phase until there is definitive pronouncement of that Court regarding the discussed right.

Bresser Economic Plan

Banco do Brasil is a defendant in actions in which the plaintiff seeks for the payment of differences related to Bresser Economic Plan. The actions demand the payment of the difference between inflation rate used to adjust the financial investments by Banco do Brasil (stated by the Economic Plan) and the allegedly due (prior month of the plan) to adjust the financial investments in the first month of its effectiveness.

Plano Verão

Banco do Brasil is a defendant in actions in which the plaintiff seeks for the payment of differences related to Verão Economic Plan. The actions demand the payment of the difference between inflation rate used to adjust the financial investments by Banco do Brasil (stated by the Economic Plan) and the allegedly due (prior month of the plan) to adjust the financial investments in the first month of its effectiveness.

Collor Economic Plan

Banco do Brasil is a defendant in actions in which the plaintiff seeks for the payment of differences related to Collor Economic Plan. The actions demand the payment of the difference between inflation rate used to adjust the financial investments by Banco do Brasil (stated by the Economic Plan) and the

allegedly due (prior month of the plan) to adjust the financial investments in the first month of its effectiveness.

The amounts reserved for the actions related to Bresser, Verão and Collor economic plans, classified as "Probable Loss" by the legal counselors of Banco do Brasil, are totaled in subitem 4.6.a of this Reference Form.

At the end of 2015 it was judged RESP 1,319,232-DF (special appeal) in the proceedings of ACP 94,008,514-1 (civil action), which was maintained previous condemnation of the Union, of the Central Bank of Brazil and of the Banco do Brasil, the payment of the differences resulting from the IPC (Consumer Price Index) March 1990 (84.32%) and the BTN fixed for the same period (41.28%), restated values following the overpayment, the rates applicable to judicial charges, together with default interest. This decision can be appealed. Made final and unappealable such decision may impact our results, despite the charges can be collected from any of the debtors (Union, Central Bank and Banco do Brasil). In this special appeal exists the legal possibility to be compliant with payments the debtor who pays its debt share.

To mitigate the risk, we indicate the necessary passive joinder with the Union and the Central Bank; the discount of Law 8,088/90 (74.60%) in the cases the index has been applied in credit operations sub judice; the reduction of possible compensation via PROAGRO; confirmation of differential absence in set apart account (Fund 16470); confirmation of transactions that were renegotiated via PESA and/or securitization; compensation for any debts in DAU in loans assigned to the Union.

The classification Other Civil Claims comprises mostly actions requesting for moral and material damages, profit losses, refund of overpayment, losing party costs, annulment/nullity of agreement, annulment/nullity of credit security, annulment and substitution of security, collection, exclusion of record in blacklist, nullity of debt and interests - application of art. 192 of the Federal Constitution, interest on overdue payments - illegality of capitalization.

### **Tax Lawsuits**

The Bank, despite its conservative profile, is subject - in inspections conducted by the tax authorities - to questions related to taxes, which can eventually give rise to assessments, such as: composition of the calculation basis of IRPJ/CSLL (deductibility); and discussion regarding the incidence of taxes, upon the occurrence of certain economic events. Most actions from assessments are on ISSQN, IRPJ, CSLL, PIS/COFINS, IOF and Social Security Contributions. As guarantees for some of them, when necessary, there are pledges in cash, public securities, real state, or judicial deposits to suspend the application of the taxes at issue.

### **Labor Lawsuits**

The Bank is defendant on labor lawsuits mainly filed by former employees or trade unions of the banking industry. Allowance for probable losses represent various claimed requests, such as: compensation, overtime and others.

4.6.1. Indicate the amount of provisions described in item 4.6

### Section 3 - Selected Financial Information

R\$ (thousand)	12/31/2016
<b>Reserved for Legal Claims</b>	<b>9,681,463</b>
<b>Provision for Civil Claims</b>	<b>6,897,180</b>
Economic Plans	4,266,057
Other Civil Claims	2,631,123
<b>Provisions for Tax Claims</b>	<b>276,015</b>
Municipal Notices of Infringement Related to ISSQN	106,174
Other Tax Claims	169,841
<b>Provision for Labor Claims</b>	<b>2,508,268</b>
Collective Labor Claims	740,718
Other Labor Claims	1,767,550

#### 4.7. Describe other relevant contingencies not covered by prior items

Banco do Brasil and its subsidiaries do not have other contingencies considered material besides those informed in the prior items.

#### 4.8. Rules of the foreign issuer's home country

**As to the rules of the foreign issuer's country of origin and rules of the country where the marketable securities of the foreign issuer are held in custody, if different from the country of origin, identify: a) restrictions imposed to the exercise of political and economic rights; b) restrictions to the circulation and transfer of marketable securities; c) hypotheses of cancel of registry, as well as the rights of the securities holders in this situation; d) hypotheses in which the securities holders have preferential rights to the subscription of shares, securities backed by shares or securities convertible into shares, as well as their conditions for the exercise of this right, or hypotheses in which this right is not guaranteed, if applicable; and e) other issues of interest to investors**

Not applicable.

## 5. RISK AND INTERNAL CONTROL MANAGEMENT POLICY

### 5.1. Management policy of risk factors

In relation to the risks listed in item 4.1, we report:

**a. whether BB has a formal policy of risk management, emphasizing, if in the affirmative, the body which approved it and the date of its approval, and, if not, the reasons why BB has not adopted a policy**

Banco do Brasil has a comprehensive set of policies and its Subsidiaries, Associated Companies and Interest can define their direction from these guidelines, taking into account the specific needs and legal and regulatory issues to which they are subject.

#### Specific policy of:

- Market risks (approved on 09/18/2017)
- Liquidity risk (approved on 09/18/2017)
- Use of Derivative Financial Instruments (approved on 02/01/2017)
- Prevention and Fighting of Money Laundering and Terrorism Financing and Corruption (approved on 02/01/2017)
- Credit (approved on 08/07/2017)
- Client Identification (approved on 01/31/2017)
- Business Continuity Management (approved on 02/01/2017)
- Bank's Relationship with suppliers (approved on 02/01/2017)
- Operating risk (approved on 02/01/2017)
- Information Security (approved on 02/01/2017)
- Capital management (approved on 12/19/2016)
- Legal Risk (approved on 02/01/2017)
- Social and Environmental Responsibility (approved on 02/10/2015)
- Disclosure of Risk and Capital Management Information (approved on 10/17/2016)
- Interest Rate Risk of the Non-Trading Portfolio (approved on 02/01/2017)
- Strategy Risk (approved on 09/18/2017)
- Reputation Risk (approved on 09/18/2017)
- Risk of Complementary Pension Plans and Operators of Private Health Plans to Employees (EFPPS) (approved on 09/18/2017)
- Internal Control and Compliance (approved on 10/17/2016)

#### Approval competency level

The approval of the policy is assigned to the Board of Directors, pursuant to article 21, item I, of the Bylaws of the company.

#### Review periodicity

The policies are reviewed at least every three years, except when there is regulation that prescribes different periodicity. Most policies have annual review.

**b. the objectives and strategies of the risk management policy, if any, including:**

#### i. risks for which protection is sought

The Bank has processes to identify risks that will make up inventory and define a relevant set of corporate risks, which are reviewed annually, considering those incurred in several business segments BB or its subsidiaries operate in.

The risks listed below make up the relevant set of corporate risks to the Banco do Brasil Prudential Conglomerate:

- **Market risk** - is the possibility of financial or economic losses arising from the variation in the market values of positions held by the Bank.
- **Liquidity risk** - the occurrence of imbalances between tradable assets and liabilities due - "mismatching" between payments and receipts - which may affect the payment capacity of the Bank, taking into consideration the different currencies and winding-up terms of their rights and obligations.
- **Interest rate risk of the Banking Book** - this arises from exposures subject to changes in interest rates of transactions not classified in the trading book.
- **Credit risk** - possibility of occurring losses associated to a loan taker or a counterpart's failure to fulfill their respective financial obligations under the agreed-upon conditions, and losses associated to devaluation of a credit due to deterioration of the loan taker's risk classification, reduction in gains or compensations, advantages granted in renegotiations and loan recovery costs.
- **Counterparty credit risk** - the possibility that a given counterparty will not fulfill its obligations related to the settlement of transactions involving the trading of financial assets, including those related to the settlement of derivatives.
- **Credit concentration risk** - the possibility of credit losses arising from significant exposure to a counterparty, a risk factor or groups of related counterparties by means common characteristics.
- **Operating risk** - the possibility of losses resulting from failure, weakness or inadequacy of internal processes, people and systems or external events. This includes the possibility of losses arising from legal risk.
- **Legal risk** - the loss resulting from inadequacy or deficiency of contracts signed by the Bank, as well as penalties due to noncompliance with legal provisions as well as compensation for damages to third parties arising from activities performed by the Bank.
- **Strategy risk** - the possibility of losses arising from adverse changes in the business environment, and the use of inappropriate assumptions in decision-making.
- **Reputation risk** - the possibility of losses due to the negative perception of the Bank by customers, counterparties, shareholders, investors, government agencies, the community or supervisors, which may adversely affect the business sustainability.
- **Social and Environmental risk** - the possibility of losses resulting from exposure to environmental damage caused by the activities of Banco do Brasil.
- **Ownership interest risk** - possibility of losses arising from exposures originated from ownership interest.
- **Closed Complementary Pension Funds and Providers of Private Health Insurance Assistance Plans risk** - the possible negative impact of the mismatch between actuarial liabilities and the assets of a closed complementary pension fund and providers of private health insurance assistance plans.
- **Model risk** - the possibility of losses arising from the development or use of inappropriate models, due to the inaccuracy or inadequacy of data or the incorrect formulation in its construction.
- **Contagion risk** - possibility of negative impact on the capital resulting from adverse events in the prudential conglomerate equity interest.
- **Compliance risk** - financial or reputational loss resulting from failure to comply with laws, regulations, internal rules, codes of conduct and guidelines established for the business and activities of the organization.

## **ii. the instruments used for protection**

### **Market, liquidity and Banking Book interest rate risk**

The Bank has established policies and strategies for management of market, liquidity, interest rate risks for the banking book, as well as for the management of derivative financial instruments, which determine the Bank's guidelines for risk management.

In the process management of market and liquidity risk, mechanisms are used expressed in a regulatory system, detailing the procedures required for the implementation of organizational decisions relative to the business and activities of the Company, in order to ensure that the legal and regulatory requirements of regulatory and Inspection agencies are met.

Systems that ensure the assessment, monitoring, and control of positions recorded in trading and non-trading as well as compliance operations with the established hedging purposes, are used in the management of market and liquidity risk.

### **Credit risk**

The management of credit risk is carried out based on market best practice and follows banking supervision guidelines and regulations. The management of the Conglomerate's credit risk involves the Credit Policy, the Declaration of Appetite and Risk Tolerance, the strategies, processes, procedures and credit risk management systems.

The use of instruments that mitigate credit risk are declared in Credit Specific Policy, present in all strategic decisions and formalized in the credit standards, reaching all levels of the organization and covering all stages of the management of credit risk.

The measurement of credit risk is carried out through various indicators, such as defaults, portfolio quality, and allowance for doubtful accounts, concentration, regulatory capital requirements, and stress tests, among others.

### **Operating risk**

The Operational Risk Policy provides guidelines to the areas of the Bank, ensuring the effectiveness of the operational risk management model. The Bank also has other policies associated with operational risk management, such as: Prevention and Fighting of Money Laundering and Terrorism Financing and Corruption; Continuity Management; Relationship with Suppliers; Management of legal risk; and Management of Information Security and Risk of Fraud and External theft.

Banco do Brasil performs the operational risk management, segregating the risk and business management functions, aligned with best practices in risk management, and the appropriate banking supervision guidelines and regulations.

### **Strategy risk**

In the formulation of corporate strategy, the Bank has a policy of analysis of macroeconomic scenarios and the financial industry, in order to better assess the opportunities and threats of the market and mitigate the risks of erroneous strategic decisions.

The Bank bases the strategy of risk management, considering the possibility of loss arising from adverse changes in the business environment or the use of inappropriate assumptions in strategic decision-making.

The Risk Management Directorship periodically monitors indicators that reflect the strategy's level of risk, as well as controls through pre-established tolerance limits, to ensure that the risk remains within the desired level.

### **Reputation risk**

The management structure of reputational risk segregates the risk management process of the business processes of brand management, highlighting the responsibility of the areas involved, to ensure the sustainable return to shareholders, in risk conditions. The quality of communications related to indicators are monitored, those indicators related to the brand on social networks, rankings of Central Bank of Brazil, complaints to the Ombudsman, external ratings, and market analyst reports.

### **Social and environmental risk**

The social and environmental risk is addressed in the Social and Environmental Responsibility Policy. Its management structure includes Directorships and Units with defined roles and responsibilities, with the participation of Management Bodies and the Strategic Committees.

In the risk management model, Directorships and Units provide the necessary information to the management so that the risk area may identify exposures and advise the decision-making process.

The Bank also has processes that contribute to the implementation of socio and environmental responsibility actions. Examples are the actions to keep the Bank listed in the Dow Jones Sustainability Index (DJSI), the Corporate Sustainability Index (ISE) of the companies listed on B3, Agenda 30, the

Sustainability Forum for Executives, adherence to the Equator Principles and Performance Standards of the International Finance Corporation (IFC).

**Closed Pension Plans Entities and Employee Health Operators risk (EFPPS)**

The Bank bases EFPPS risk management on the negative impact of the “mismatch” between actuarial liabilities and assets of closed complementary pension funds and providers of private health insurance assistance plans.

BB manages this risk as a sponsor of pension plans and health care plans to assess the consolidated negative impact on the shareholders' equity of the Bank and the economic, financial, and actuarial balance defined benefit retirement plan and health plans it sponsors.

**Contagion**

The Bank evaluates and supervises the related entities risk management, issuing guidelines for the adequacy of the companies regarding the risk management and their alignment with the practices adopted by the Bank.

The structuring of contagion risk management is ongoing and there is no definition yet whether the risk will be addressed in existing policies or whether there will be a specific risk policy.

**Compliance Risk**

In October 2016, in order to reinforce existing Bank practices, the Board of Directors approved the Specific Policy for Internal Control and Compliance, under the responsibility of Internal Controls Directorship (DICOI).

**iii. the organizational structure of risk management**

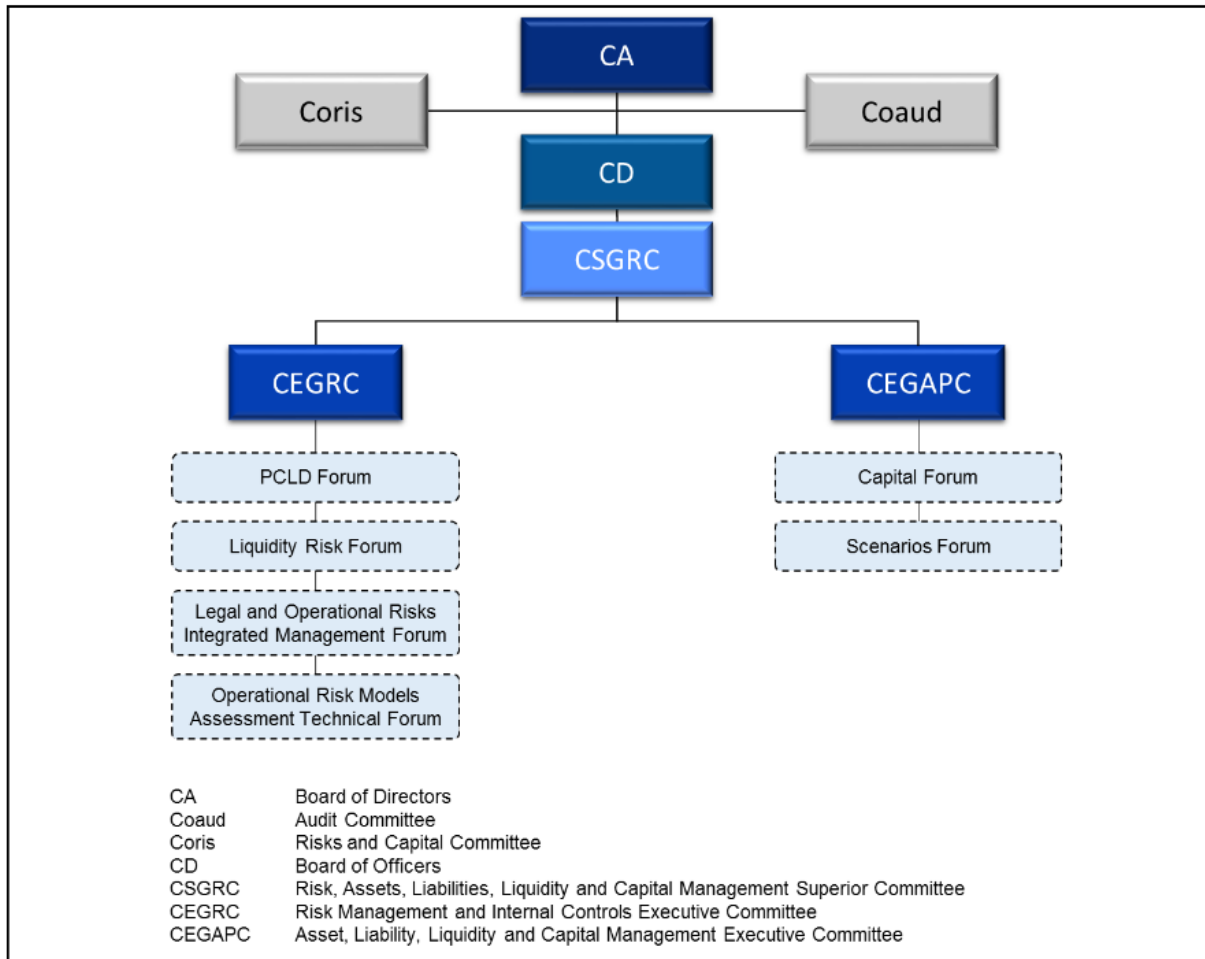
The risk governance model adopted by BB involves a superior and executive committee structure, with the participation of various areas of the Bank, including the following aspects:

- a) segregation of duties: business x risk;
- b) specific structure of risk management;
- c) defined management process;
- d) decisions at various hierarchical levels;
- e) clear rules and structures of authority;
- f) benchmark for the best management practices.

**Governance structure of the Risk Management**

The following figure is the Bank governance structure defined for risk management:





All decisions related to risk management are taken in a collegiate way and in accordance with BB's guidelines and standards.

BB's risk governance is centralized at the Global Risk, Assets, Liabilities, Liquidity and Capital Management Superior Committee (CSGRC), composed by members of the Executive Board (CD), with the main purpose of establishing the strategies for risk, assets, liabilities, liquidity and capital management.

The Risk Management and Internal Controls Executive Committee (CEGRC) is responsible for approving methodologies for risk management and risk mitigation actions and for expressing methodologies for identifying and classifying deficiencies in the system of internal controls and corrective measures.

The Asset, Liability, Liquidity, Liquidity and Capital Management Executive Committee (CEGAPC) approve guidelines for the funding and reserve requirements management and models, criteria and parameters applied to capital management; as well as the scenarios to be used in the capital management process.

The Risk Management Directorship is responsible for the management of relevant risks, except for operational and legal risks, which are managed by Operational Risk Unit. These structures are subordinated to the Vice President of Internal Controls and Risk Management.

Decisions are communicated to the intervening areas through documents that objectively express the position taken by Management, ensuring the application at all levels in the Bank.

The Bank implements continuous improvements in risk management and control structure. In 2016, the Reference Lines of Defense Model was approved, clarifying the roles and responsibilities of business managers, risks and controls.

In order to align the Bank's performance with the Reference Lines of Defense Model, it was promoted the review of organizational units (strategic, tactical and operational), as well as the communication, induction and dissemination actions of the new model.

The typical functions of risk management, internal controls and compliance have been complemented by corporate, security, organizational and legal functions, which drive processes that help business

managers mitigate the risks incurred, favoring the integration and complementarity of the processes conducted at this level.

The recent change in the organizational structure contemplated changes in the Risk Management Directorship, among which we highlight the responsibility centralization for customer risk models and operations and for collection and recovery models.

**c. the adequacy of the operational structure and internal controls to verify the effectiveness of the policy adopted**

The responsibilities for the management of internal controls of Banco do Brasil are clearly established and require an integrated and coordinated action of resources.

The Strategic, Tactical and Operational Units performance, in terms of risk and control management, is guided by the Reference Lines of Defense Model. Based on this model, the management of the risks incurred by the Bank and the controls necessary for its mitigation are carried out based on three lines of defense.

The areas that develop and sell products and services are the First Line of Defense and its action involves identifying and evaluating the risks associated with the Bank's processes, products or services, as well as implementing and executing controls to mitigate those risks.

As a Second Line of Defense, the Internal Controls Board is responsible for the consolidated assessment of the adequacy and effectiveness of the Bank and its holdings internal controls, compliance and validation of risk management and capital management models. The results of the Board's work are periodically reported to the Bank's governance.

Finally, the Internal Audit is responsible for the Third Line of Defense and has the function of evaluating the effectiveness of the entire risk management and control cycle of the organization, acting with autonomy and independence in the evaluation of Banco do Brasil Internal Control System of.

As stated in the Internal Controls Evaluation Report, prepared in compliance with CMN Resolution 2,554, considering the size and complexity involved, it is concluded that BB has an adequate SCI, in compliance with regulatory requirements and in line with best practices and that it ensures, with a reasonable degree of certainty, that its internal controls are effective and effective, and that there are no deficiencies in the processes evaluated, which can significantly affect the defined objectives.

**Indication of periodicity of employee trainings on Code of Conduct or integrity offered in prior fiscal year, as well as ownership interest rate, in addition to informing expected periodicity for trainings in current year.**

Banco do Brasil provides training on the Code of Ethics and the Standards of Conduct and related matters to all employees through the *Trilha Ética*, available at the Corporate University Banco do Brasil (UniBB) site. The *Trilha Ética* is composed of courses that stimulate reflection on ethical and moral values in the personal and professional lives of employees. Due to their relevance, the courses that comprise it are prerequisites for ascension and internal movement and obtaining scholarships from continuing education programs. The following list shows the courses with the number of qualified employees up to 12/31/2016:

Roda Viva BB: Reflexões sobre a Ética no ambiente bancário – 92,171

Ser Ético é BOMPRATODOS – Módulo I – 93,371

Ser Ético é BOMPRATODOS – Módulo II – 92,556

Ética com Mário Sérgio Cortella – 97,688

Pensando fora da caixa: Liderança e relacionamentos – 92,825

Pensando fora da caixa: gestão e liderança – 92,842

Pensando fora da caixa: gestão e mudança – 91,406

Conhecendo o Programa Gestão da Ética no Banco do Brasil – 97,963

Prevenção e combate ao assédio moral e sexual – 89,037

In 2016, the BB made available in the UniBB site new educational solutions that were added to the *Trilha Ética* in March 2017, namely: *Prevenção e Combate à Corrupção; O Banco do Brasil Cuida de Valores; e Conhecendo o Código de Ética e as Normas de Conduta.*

In the current fiscal year, at a meeting of the Board of Executive Officers of 12/20/2016, the Legal Directorship held a lecture entitled "Regulatory Framework on Governance of Public Enterprises". It is planned for the next exercise, a lecture to be held in a meeting of the Executive Board, on ethics and the fight against corruption.

To be launched in the first half of 2017, training is planned in the UniBB site for administrators (members of the governance bodies - Board of Directors and their advisory committees, Fiscal Council and Executive Board), in line with the requirements of the Law 13,303/2016, in subjects such as: Code of Ethics and Standards of Conduct; Anti-Corruption Law; Internal Controls; Capital Market; Corporate Legislation; and Information Security.

**Indication of number of internal and external denunciations related to the Code of Conduct or integrity received by the company in prior fiscal year, with indication of improvements made as a result of these denunciations and those that will be implemented in current year.**

In 2016, 630 complaints were received through the Internal Ombudsman's channels (e-mail, Intranet BB, Letter, face-to-face, telephone or via trade unions) regarding possible violations of the Code of Ethics and Norms of Conduct, of which 192 were considered appropriate, resulting in administrative measures (feedback, orientation, conflict mediation, process improvement and others). In addition, 403 complaints were received concerning alleged irregularities, resulting in the application of 185 disciplinary sanctions (warnings, suspensions, destitution, dismissals and others).

Considering the rules of the Law #12,846/2013 (Anti-Corruption Law), 10 complaints were received, of which five were considered as unfounded and the other five are being investigated.

Through the "Talk to the Audit Committee" channel, available on the BB's Investor Relations website, 26 complaints were received and analyzed.

As a result of the received complaints, recommendations were issued to managers aiming to improve standards, operational flows, policies and processes, resulting in improved people's management practices, business and processes, risks' mitigation, and identification of innovation opportunities focusing the BB's stakeholders experience's improvement.

**Inform if the company has any type of fraud risk management policy. If yes: (i) inform how fraud risks are identified; (ii) what is done to better prevent them or at least detect them as soon as possible; and (iii) what processes are underway to investigate fraud and take corrective action. If not, inform the Company that it is not necessary to adopt a formal fraud detection and prevention policy.**

The Bank adopts the Reference Lines of Defense Model as an operational risk management policy for fraud, where product, service and customer managers are allocated in the first line of defense and are responsible for identifying risks and implementing mitigators. The control areas, risk and security are located on the second line of defense and are responsible for assessing the risk and effectiveness of mitigators deployed by the first-line areas. The third line of defense is Internal Audit, with specific audit activities.

In this scenario, as an 2nd line of defense area, the Operational Risk Unit carries out the risk assessment in all service channels and internal procedures, prospecting scenarios, identifying risks and new types of attacks, and monitors the losses resulting from fraud, as well as evaluate the effectiveness of the mitigators deployed by the first-line defense areas.

In order to subsidize the fraud risk management process, all instances of fraud are recorded in the Bank's internal systems and tools, and are analyzed by a team of experts who both carry out the necessary accounting and identify and report new exploits and fragilities exploited. risk identification and the implementation of mitigators.

In addition, all the demands of technological initiative and digitization are analyzed, with the elaboration of opinions and issuance of Operational Risk Technical Recommendations.

## 5.2. Main measures adopted for market risks

With regard to market risks indicated in item 4.1, report:

**a. whether BB has a formal policy of market risks management, emphasizing, if so, the body which approved it and the date of its approval, and, if not, the reasons why BB has not adopted a policy**

Market risk policies and use of derivative financial instruments, approved by the Board of Directors on November 29, 2016, make up part of the strategic documents relating to the management of market risk at the Bank.

These documents establish the guidelines to be followed in the business decisions. They involve the assessment of market risk, dealing with quantitative aspects, such as the metrics to be used, and the qualitative aspects, such as the hedging policy, the scope of management and segregation of duties.

**b. the objectives and strategies of the market risk management policy, if any, including:**

**i. market risks for which protection is sought**

Banco do Brasil considers market risks to which it is subject, the following risk factors:

- I. interest rate;
- II. foreign exchange rate;
- III. share price; and
- IV. commodity prices (commodities).

The risk exposure to interest rates (item "I") which covers the risks of fluctuations in fixed interest rates, coupons in foreign currencies, coupons and price indexes and coupons of other interest rates. The risk of exposure to foreign exchange rate (item "II") is the risk of changes in exchange rates prevailing in the market; the risk of share price exposure (item "III") is the risk of changes in stock prices prevailing in the market; and the risk of exposure to commodity prices (*commodities*) (item "IV") is the risk of changes in commodity prices prevailing in the market.

The Bank manages the exposure to exchange rate risk in order to minimize its effect on results.

**ii. equity protection strategy (hedge)**

The Bank's management policy of market risk aims to map, control and mitigate the calculated risks and mismatches. In this context, the Risk Management Directorship is responsible for the mapping and calculation of market risks and mismatched maturities, currencies, and indexes identified between the asset and liability positions of the Bank. From this survey, the Risk Management Directorship informs the Finance Directorship of the established corporate limits and the calculated values.

The Finance Directorship, through the Capital Structure and Mismatches of Assets and Liabilities Administration, is responsible for the management of established mismatches and, as such, analyzes the information received in conjunction with current economic situation and a number of scenarios, and suggests any strategic directions or protections (hedges) that may be necessary.

**iii. instruments used for equity protection (hedge)**

Banco do Brasil operates derivative financial instruments for the management of its own positions and to service the needs of its clients. Operations with derivative financial instruments are used in order to offset – in whole or in part – the risks arising from exposure to variations in the market value of financial assets or liabilities, hedging instruments (hedge), are segregated from non-dedicated hedges, both with limits and goals.

Operations with derivative financial instruments for hedging are classified according to their nature:

Market risk - financial instruments classified as follow, as well as of the item hedged, are recorded in income and expense accounts for the year;

Cash flow - the effective amount of the increases or decreases in value of the financial instruments classified in this category is recorded, net of tax effects, in a separate shareholders' equity account.

Derivative financial instruments used by the Bank are compatible with the defined objectives by observing the relation of risk and return and considering the economic scenario, the main ones being:

- I. Interest rate futures and options, commodities, indexes, stocks and exchange traded at B3;
- II. Exchange futures contracts and commodities traded on Chicago Mercantile Exchange Group - CME;
- III. Commodities futures contracts traded on NYBOT/ICE exchange;
- IV. Currency Term Contracts - Non-Deliverable Forward (NDF); and
- V. Swap contracts of interest rates and foreign exchange rates.

#### **iv. parameters used to manage these risks**

The Bank uses statistical and simulation methodologies to measure the market risks. Among the metrics resulting from the application of these methods include:

- I. Value at Risk (VaR);
- II. Sensitivity analysis; and
- III. Stress testing.

#### **Value at Risk (VaR)**

The VaR is a measure used to estimate the maximum potential loss, under routine market conditions, presented daily in monetary terms, considering a determined confidence interval and time horizon.

To measure VaR, Banco do Brasil adopts the Historical Simulation technique with the following parameters:

- I. One-tailed 99% confidence interval;
- II. 252 retrospective scenarios of daily shock factors; and
- III. a time horizon of 10 business days.

The VaR performance metric is assessed periodically through the application of a monthly backtesting process, whose objective is to evaluate the accuracy of the market risk model. This evaluation is segregated from the development and use of VaR.

#### **Sensitivity analysis**

By using sensitivity metrics, the effects on the values of exposures resulting from changes in market risk factors are simulated.

Sensitivity analysis is used as a method to test the application of parallel shocks on market curves from the most relevant risk factors, assessing the impact of the fluctuation of a single factor of market risk at a given time, by applying positive and negative shocks (from 0% to 100%) on the risk factors.

The purpose of this method is to simulate effects on Bank income in view of possible scenarios, which consider possible fluctuations in market interest rates.

The application of parallel shocks to the market curves assumes that high or low movements to interest rates occur identically, in both the short and long term. Given that the market does not always present such behavior, this method could result in small deviations in the simulated amounts.

#### **Stress testing**

The Bank uses stress measures resulting from simulations of their exposures subject to market risks under extreme conditions, such as financial crises and economic shocks. The purpose of these tests is to determine the impact of plausible events, but with low probabilities of occurring, on the economic and regulatory capital. Stress Tests cover simulations of exposure, on a retrospective basis, based on a historical series of shocks on factors of market risks, when prospective in character, based on projections of economic and financial scenarios.

The retrospective stress test method estimates the percentage of variation in the market value of exposures, by applying shocks compatible with specific scenarios capable of reproducing historical periods of market stress or major losses by the Bank, considering the following parameters:

- I. Metrics: minimum (worst loss) and maximum (highest gains) of the series of daily returns of the trading book;

- II. Extension of the series: from January 04, 2000, until the base date;
- III. Maintenance period (holding period): one month (21 days); and
- IV. Test frequency: weekly.

The control, monitoring and daily follow-up of the stress limits, for the Banco do Brasil's trading portfolio and for groups and books, are performed based on prospective stress testing measures.

The method of prospective stress test estimates variation percentage of the market value of exposures subject to the risk factors underlying the capital requirement for market risk coverage by applying shocks to the factors of market risks, estimated from stress scenarios generated by the Strategy Directorship and the Finance Directorship, considering the following parameters:

- I. Metrics: worst loss and highest gain estimates for the trading portfolio returns during the period;
- II. Extension of series: prospection for accumulated returns for 21 business days;
- III. Maintenance period (holding period): one month (21 days); and
- IV. Test frequency: weekly.

The prospective stress tests aim to simulate, prospectively, adversities based on the characteristics of the Bank's portfolio and the macroeconomic environment, under severe and plausible conditions.

**v. whether BB operates financial instruments for other purposes than equity (hedge), and which are these objectives**

Banco do Brasil also uses derivative financial instruments in making intentional position strategies in order to seize market opportunities, considering the market risk limits previously established by the Global Risk Superior Committee (CSRG).

**vi. the organizational structure of market risks management control**

According with Resolution No. 4,557, issued by the National Monetary Council (CMN) and published by the Central Bank of Brazil on 02/23/2017, the risk management structure, among other aspects, aims to identify, measure, evaluate, monitor, report, control and mitigate the market risk to which the institution is subject in a relevant manner, considering the risks associated with the prudential conglomerate and each individual institution, as well as to identify and monitor the risks associated with the other entities controlled by its members or the ones in which they have interest in.

The Bank has a structure for managing market risks, represented by the Risk Management Directorship, which is compatible with the characteristics of the Bank's operations and segregated from the business units and the Internal Audit unit. Among the responsibilities of the Risk Management Directorship are: the proposal of policies, guidelines, methodologies and market risk limits of the Prudential Conglomerate.

After reviewing the 2016 review of specific policies, including those involving market risk management, the Board of Executive Officers, on the recommendation of the Audit Committee, improved the regulations related to specific risk policies in the first quarter of 2017. to make them clearer and more functional.

In September / 2017, in the process of reviewing the specific market risk policy, the Board of Directors approved Coaud's suggestion to include statement related to the use of the results of the stress test program, in accordance with CMN Resolution 4,557 / 2017.

Banco do Brasil segregates in the organizational structure the functions of decision, execution and control.

**Audit Committee**

Banco do Brasil has an audit committee in its risk management control structure. This Committee is a collegiate body that reports to the Board of Directors and its purpose is to advise that board regarding the exercise of its audit and supervisory functions.

Additionally, it also exercises its attributions and responsibilities with the companies controlled by the Bank that adopt the regime of a single Audit Committee.

**Risk and Capital Committee**

Banco do Brasil has a risk and capital committee in its risk management control structure. This Committee is a collegiate body that reports to the Board of Directors and is intended to advise you regarding the exercise of its functions related to risk and capital management, in a unified manner, for the institutions that are part of the Bank's Prudential Conglomerate.

### **Global Risk, Assets, Liabilities, Liquidity and Capital Management Superior Committee (CSGRC) and Risk Management and Internal Controls Executive Committee (CEGRC)**

The hierarchical structure between the areas and bodies responsible for risk management is formed by the following Committees:

- a) The Global Risk, Assets, Liabilities, Liquidity and Capital Management Superior Committee (CSGRC) was created in order to establish an integrated decision-making structure and strategic vision for risk management, internal controls, asset and liability management (ALM) and capital. It is subordinate to the Board of Executive Officers;
- b) Risk Management and Internal Controls Executive Committee (CEGRC) was created in order to establish a decision structure for continuous and integrated risks and internal controls management. It is subordinate to CSGRC.

### **Reference Lines of Defense Model**

The performance of the Strategic, Tactical and Operational Units of the Bank, in terms of risk and control management, is guided by the Defense Model Reference Lines:

- a) First Line of Defense: the areas that develop and commercialize the products and services comprise the First Line of Defense and its action involves identifying and evaluating the risks associated with the Bank's processes, products or services, as well as implementing and executing controls that mitigate these risks;
- b) Second Line of Defense: corresponds to the typical corporate functions of risk management, internal controls and compliance, as well as the processes developed by the organizational, security and legal functions, which help to mitigate the risks incurred in the first line of defense. It is composed by Dicoi, Dijur, Dire, Diris and Disin;
- c) Third Line of Defense: it covers the internal audit function, which evaluates the effectiveness of the entire risk and control management cycle of the Organization.

### **Internal Audit**

The Internal Audit's scope of action corresponds to the exercise of the third line of defense, responsible for assessing the effectiveness of the Organization's risks and control management. It is based on the Defense Model Reference Lines, as a result of discussions promoted by the banking industry, such as the Financial Stability Institute and the Basel Committee on Banking Supervision, in the context of the Corporate Governance Principles for Banks.

The methodology used is Integrated Audit, based on Risk Based Audit (ABR) and Critical Process Approach (APC). The Integrated Audit provides a systemic view in the evaluation, producing conclusive information about the risks of the Bank's processes, products and services.

Critical Processes represent the constituent elements of organizational processes. In order to evaluate the existing processes, the periodicity is observed for the conclusion up to one year for Group A, up to two years for group B and up to three years for group C, so that, within three years, Internal Audit can express an opinion on all relevant Organization's processes. The Risk Management process is classified in Group A, with annual conclusivity.

The audit's reports about market risk are performed by the Risk and Capital Management Audit Committee, directly subordinated to the Internal Audit Management Committee. This configuration allows the integration of related issues, the procedures' standardization, resources saving and the performance of evaluations by a specialized technical team, contributing to better dialogue with managers and regulatory/supervisory entities.

Any vulnerabilities identified in the audit work are subject to recommendations. The problems and the respective recommendations issued are registered in corporate intranet, in order to ensure effective and timely treatment by the responsible areas and to add transparency to the information.

The audit reports are directed to the managers of the processes evaluated and the executive summaries, containing the conclusions of the work, are sent to the following internal governance representatives: Board of Directors, Board of Officers, Fiscal Council and Audit Committee.

### **Internal Controls Directorship**

a) Compliance function

Regarding the compliance function, in November/16, the Board of Directors approved the improvement of the process of management of the Internal Control System, the organizational readjustment of Dicoi, including in its structure an Executive Compliance Management, reinforcing compliance functions in the Board of Directors.

b) Compliance Risk

The process of identifying risks and relevant risks of the Bank is carried out in five stages, according to the Risk Identification Manual, under the management of the Risk Directorship - Diris.

In November/16, the Management of Risks, Assets, Liabilities, Liquidity and Capital Superior Committee, approved the inclusion of Compliance Risk in the corporate group of relevant risks of BB, completing the first step.

In June/17, the Board of Directors assigned Dicoi responsibility for compliance risk management, completing the second stage.

Currently, Dicoi is developing studies to define the framework of compliance risk management, considering market practices and the size and exposure to risk. This phase comprises the third stage of BB's relevant risk and risk identification process.

c) Compliance Program

Compliance is the responsibility of all employees, trainees, employees, service providers and suppliers of the institution, without distinction of the function performed and being in compliance means to be in compliance with laws, regulations, norms, policies and procedures, incorporating principles of integrity, ethical conduct, and also efficiency.

In this sense, policies and procedures should be clear, there must be interaction and integration between all areas, through the dissemination of the Institution's ethical standards, the culture of internal controls and compliance and risk management.

In order to support BB's senior management in improving governance and risk management, the Bank's Compliance Program, drawn up from nine advisors based on the recommendations of the Federal Sentencing Guidelines (Effective Compliance and Ethics Program) published in May/14 and the ISO/IEC 19600: 2014 guidelines for June/14: (i) top management support, (ii) risks assessment (iii) Code of Conduct, (iv) compliance policies, (v) internal controls, (vi) training and communication, (vii) complaint channels, (viii) due diligence and (ix) program monitoring.

The Compliance Program establishes guidelines aimed at achieving compliance and sustainability in business, processes, products and services, allowing for increased prevention of illegal acts and misconduct, reduction of financial losses and damage to reputation.

By establishing guidelines for prevention, detection and correction of inappropriate or divergent practices of external and internal laws, regulations and regulations, the program gains relevance as a tool for corporate governance.

**c. the adequacy of the operational structure and internal controls to verify the effectiveness of the policy adopted**

BB's organizational structure has defined and established governance duties with the participation of the Bank's Management, which makes it compatible with the complexity of products, the nature of operations and the size of exposure it has to market risk. Furthermore, it is segregated from the business area.

The structure proved to be adequate for the implementation of policies and activities related to the management of market risk, considering it adhered to the existing regulations and best market practices.

The Bank has processes and tools that allow to comply with its market risk policies, in addition to making the identification, evaluation, measurement, monitoring, and control of its exposures possible. Also possible is compliance with the definitions and requirements of regulators and the Bank's Management.

Thus, these processes and tools are considered compatible with the nature of the Bank's operations, as well as the complexity of its products, and services and the extent of exposure to market risk, allowing for the correct management of these risks.



### 5.3. Internal controls

**Regarding the controls adopted to ensure the preparation of reliable financial statements, we report:**

**a. efficiency level of such internal controls, indicating eventual imperfections and actions to correct them**

Banco do Brasil's Management is responsible for establishing, keeping and improving the internal controls related to the Bank's consolidated financial statements. These controls follow policies and procedures established to ensure that financial statements reflect, with reasonable certainty, assets and liabilities transactions, guarantees provided, positions held and held in custody by the Bank and consolidation of other Conglomerate companies.

The practices of internal controls of Banco do Brasil are organized and systematized in order to ensure the achievement of the Conglomerate's objectives at all levels and business processes.

BB adopts the lines of defense reference model for the internal controls and risks management:

First line of defense: organizational functions that respond to the organization processes, at its strategic, tactical and operational levels, which bear the various risks to which the Bank is exposed;

Second line of defense: typical functions of risk management, internal controls and compliance, and the processes developed by the security, organization and legal functions, aimed at helping the first line of defense in the management of the risks incurred. Although integrated, it operates in a segregated and independent manner; and

Third line of defense: typical internal audit function, characterizes its performance by autonomy and full independence and with a risk-based approach.

BB's internal control system, uses as basis documents and guidelines widely recognized in the Brazilian and international markets such as COSO 2013 - Committee of Sponsoring Organization of the Treadway Commission - Framework for the Evaluation of Internal Control Systems and CobiT - Control Objectives for Information and related Technology. Nevertheless, the internal control systems may not prevent or detect errors in a timely fashion, even regarding processes considered effective.

Any weaknesses identified are treated through corrective actions and monitored by the Bank's Governance.

Management evaluated the efficiency of internal controls related to the consolidated financial statements for the year ended December 31, 2016 and concluded, with reasonable level of assurance, that Conglomerate's internal controls are effective and adequate to the size, business complexity and risks.

**b. organizational structures involved**

The preparation of the Bank's financial statements is Accounting Directorship's (Coger) responsibility, the organizational unit responsible for the availability, integrity, reliability, and compliance of all the accounting information of the Bank.

The certification of the controls needed to ensure the preparation of financial statements is the responsibility of the Internal Controls Directorship (DICOI).

The approval of verified financial statements is the responsibility of the Executive Board.

**c. whether and how the effectiveness of internal control is supervised by the Management of BB, indicating the position of the persons responsible for such follow-up**

The Internal Controls Director, which is under the Vice President of Internal Control and Risk Management, is responsible for the consolidated assessment of the Bank's Internal Control System. This evaluation is performed in relevant processes, defined from the quantitative and qualitative point of view. The evaluation cycle includes transactional and entity-level (ELC-Entity Level Control) controls, Information Technology General Controls (CGTI), among others. Any deficiencies identified are reported to managers and monitored by the Bank's Governance until a final solution is found.

BB Governance, through its Strategic Committees, composed of Directors and Vice-Presidents, defines and monitors the implementation of measures to correct deficiencies identified in the internal control system.

**d. deficiencies and recommendations on internal controls included in the detailed report prepared and sent to BB by the independent accountant, in accordance with regulations issued by the CVM that deals with the registration and the exercise of independent auditing**

In line with the Bacen Circular Letter 3,467 of 09.14.2009, independent audit has issued a detailed report on accounting procedures, internal controls and compliance with legal and regulatory provisions.

In April 2017, the independent auditor issued report for the six months ended December 31, 2016, the presence of significant deficiencies in internal control or any material breach of laws and regulations to be reported were not identified in the results of its work.

From the Management perspective, the deficiencies in the present report are not significant enough to cause substantial distortions on the financial statements of the Conglomerate.

**e. directors' comments on deficiencies identified in the comprehensive report prepared by the independent accountant and the corrective measures adopted**

The deficiencies reported by the independent auditor are not considered significant. Even so, the Bank's Governance (Strategic Committees, Board of Officers, Audit Committee, and Board of Directors) monitor any solutions.

**5.4. Comments on significant changes and expectations**

**Inform whether, in relation to the last fiscal year, there were significant changes in the main risks to which BB was exposed or in the adopted risk management policy, also commenting on any reduction of expectations or an increase to BB's exposure to such risks**

**a) Risks related to Banco do Brasil:**

**Banco do Brasil may face limitations in the use and activation of FGO's guarantee.**

There is a trend to increase exposure to the risk factor related to the limitations to FGO guarantee trigger due to the gradual worsening of the Index of Honored Values - IVH and Index of Asset Utilization - IUP, given the worsening of the macroeconomic scenario, compared to last year.

**The Bank may increase its expenses and provisions for labor contingencies.**

In order to prevent labor claims the Bank is proactive on presenting settlement proposal, when appropriate, to employees and former employees who submit their demands within the Preliminary and Voluntary Conciliation Committees (CCP and CCV, respectively). In CCV it is discussed the whether or not an employee who holds a so called "supervisory or trust position" (7<sup>th</sup> and 8<sup>th</sup> hours discussion) and their values are parameterized on a daily basis. In the CCP, any matter can be discussed.

Whereas most of Unions joined the CCV, in other cases, it was implemented a strategy for conducting individual settlements with employees and former employees who integrate collective actions (those that seek mischaracterization of "supervisory or trust functions" - 7<sup>th</sup> and 8<sup>th</sup> hours) by the same parameterized values for CCV.

Regarding labor lawsuits (individual and collective), after indicative of legal feasibility for agreement, cases are individually analyzed before any agreement proposal in court, as a way to reduce the disbursement of the Bank with such processes.

Maintaining specific structure of Legal representatives dedicated to labor claims aims to improve the factual defense of the Bank. They are allocated in places with the highest concentration of employees.

**The Bank may face risks related to the effects arising from the merger operations, acquisitions, equity sales and developing strategic partnerships.**

The Bank has done, in recent years, interest acquisition, divestitures, mergers and strategic partnerships. The analysis and evaluation of these businesses are carried out by experts at the Banco do Brasil, analysts and external law firms with extensive experience in Mergers, Acquisitions and Strategic Partnerships. Based on market criteria, in certain cases, investigative acts (due diligence) by outside professionals trained are carried out in order to review broadly target of business information in order to validate and/or confirm opportunities and risks. Such procedures are adopted to minimize

risks to the conglomerate. In those cases, they are also established contractual arrangements, including guarantees in order to mitigate risks from possible hidden liabilities and contingencies relating to the acquired institutions incorporated and established partnerships.

The Bank has a business practice to hire expert advice to assess the object of sale, partial or complete, and submit, in the process of corporate internal Bank Governance matter for technical analysis of Directors/Strategic Units able to better assess the impacts of such disposals/corporate changes.

**b) Risks related to its direct or indirect controller or controller group**

With the issuance of Decree 8,535/2015, complementing the provisions set forth in Articles 5 and 6 of the Bank's Bylaws, there was reduction in Bank's exposition due to the measures implemented by the Federal Government and the mitigation mechanism for contracted financial institutions.

**c) Risks related to its controlled companies and affiliates**

**Economic uncertainty and the possibility of prolonging of the recessive cycle tends to accentuate the default level increase in credit portfolios.**

The current economic context and scenario implies non-negligible challenges for the prospects of better performance (with reduced exposure to that factor) in the consumer credit and auto loans.

**d) risks related to its customers:**

**Our ability to collect payments due from payroll loans is tied to the laws and regulations, public judicial and political entities interpretations related to deductions on the payroll, as well as licenses and agreements with private or public employers involved, their credit risk and borrower remains employment.**

Credit growth to individuals, in the current scenario of the country, should be aligned with the goals of maintaining good economic indicators. Therefore, it is observed that the changes in laws and regulations occur mainly in order to prevent excessive increase in the borrower's debt. Banco do Brasil has sought to improve the analysis of mechanisms to grant adequate credit to the customer's needs, without compromising the ability to pay. The risk associated with changes in laws and regulations in payroll loans, the Bank has been following up this issue with the regulators in order to take action to mitigate their impacts. Regarding the occurrence of judicial decisions in individual cases, these are individual cases that usually involve reducing the borrower's capacity, in which the Bank already provides for these cases alternatives to readjust conditions through credit lines. Finally, the Bank has remained a leader in the payroll loan segment with a strategy of offering competitive business conditions, automation investment, improvement of credit analysis tools, cadastral base update and alternative credit lines as risk minimizer.

The risk associated with the possibility of employment termination is also minimized the Bank since for the most part, clients payroll loans borrowers are linked to the public sector. The termination possibility in the public sector, by its nature, is lower than that found in the private sector. The employment relationship with the public sector guarantees the credit borrower greater job stability, significantly reducing the risk of the portfolio. In addition, the Bank has been investing in accessory solutions, such as the credit insurance that pays off the obligations of the debtor in the event of his death.

**The Bank is subject to losses arising from the non-compliance, by a certain counterparty, of obligations related to the settlement of transactions involving the trading of financial assets, including those related to the settlement of derivative financial instruments.**

Exposures subject to counterparty credit risk have undergone changes in the profile mix throughout 2016. However, as a result of improvements in the calculation and measurement of this risk, coupled with institutional acculturation for linkage of mitigators, the capital requirement to cover counterparty credit risk has gradually been reduced. Exposures to this risk are expected to remain stable throughout 2017.

**e) Risks related to the sectors of the economy in which the issuer operates:**

**The default generated by bad weather or price fluctuations may adversely affect the profitability of the Bank.**

The agribusiness segment is subject to climatic weather and commodity price swings. Due to this characteristic, both factors are periodically monitored by teams specialized in risk mitigation, market

studies and the network of agribusiness advisers (agronomists, veterinarians, zootechnicians, among others) that are set in the main country's producing regions. Due to the dynamism of both risks, monitoring is permanent and constant.

**f) risks related to foreign countries where the issuer operates:**

**The Bank is present in North America, South America, Africa, Asia and Europe. In this context, adverse changes affecting the economy of these regions, the local banking regulations and international rules and regulators settings could adversely affect the results of the Bank.**

Adverse changes affecting the economy of the countries where the Bank operates abroad may impact the results of operations located in the affected markets, depending on the affected market, the customer profile and the nature of the economic adversity. Among the main factors contributing to these impacts include the reduction of the volume of foreign trade operations of Brazilian companies established abroad and foreign companies doing trade with Brazil, which causes a decrease in the volume of revenue generated and hence reduction in the observed results in international bank network.

Changes in banking regulations, compliance with rules and international regulators settings, in relation to exposure to credit risk against the allocated capital, legal risk, operational risk and image risk, can also affect the profitability of BB external drives.

**5.5. Provide other information that BB considers relevant**

**Operational Risk**

Policy

The Operational Risk Policy, approved and reviewed annually by the Board of Directors, contains guidance to the Bank's areas to ensure the effectiveness of the operational risk management model, and it is expected that the subsidiaries, affiliates and interests will define their Taking into account the specific needs and legal and regulatory aspects to which they are subject.

In compliance with the requirements of CMN Resolution 3,380/2006, the policy pertains to activities related to the management of operational risk, in order to identify, evaluate, monitor, control and mitigate the risks inherent to Banco do Brasil.

The Bank evaluates, individually, the operational risk management process of the other companies in the Prudential Conglomerate, as well as the identification and monitoring of the operational risk of other companies controlled by members of this Conglomerate, always observing good corporate governance practices.

BB also has a Specific Legal Risk Policy, associated to the operational risk management policies, which provides for the Bank's performance in the preventive, advisory, litigation and legal risk management activities.

Strategies and Management Processes

The Operational Risk Unit, as the 2nd Line of Defense, is responsible for the corporate management of Operational Risk at Banco do Brasil, covering the identification, evaluation, control and monitoring of risk events, advising the managers in the 1st Line of Defense in the identification and mitigation of the operational risks of its processes, products and services and reporting the results to the senior management of the Bank, regulatory and supervisory bodies. To this end, Operational Risk Unit coordinates actions for the development of methodologies and instruments that provide a more effective management of Operational Risk.

At the identification stage, the Bank advises managers on the identification and classification of risk events to which their products, processes or services are exposed, and may affect the achievement of their objectives.

The quantification of the exposure of the identified risks is carried out in the evaluation phase, in order to assess the impact on the Bank's business. This phase consists of the analysis of probability of occurrence and impact in order to determine the level of risk.

In mitigation, Operational Risk Unit advises managers in the creation and implementation of mechanisms to mitigate risk, seeking to reduce operational losses by removing the cause of the risk, changing the probability of occurrence or changing the consequences of the risk event.

The control phase consists of controlling the behavior of risks and events of operational loss through limits, indicators and other mechanisms, in order to ensure that they remain within the desired levels.

At the monitoring stage the weaknesses detected in the previous steps are brought to the attention of the Senior Management, giving feedback to the operational risk management process.

The Bank also analyzes security incidents, with continuous monitoring, to inhibit investments and recover values. Actions are developed to mitigate operational losses with electronic fraud and measures to curb criminal actions related to external theft.

#### Exposure Limits to Operational Losses

In order to ensure effective operational risk management, the Bank uses operating loss exposure limits, which aim to establish acceptable levels of operating losses that are monitored monthly by the Global Risk and Executive Committee of Internal Controls and Risk Operational.

In this sense, BB established the Global Limit and Specific Limits of Operational Losses, where it is possible to allocate operational losses to the Bank's products, services and processes managers, responsible for the adoption of mitigation actions.

In line with these limits, indicators linked to the managers' work agreement were developed, as well as procedures to include the observed values of operational losses in the management results of the products, allowing a better identification of the impact generated by the losses.

## 6. ISSUER HISTORY

### 6.1. Establishment of the issuer

**In relation to the establishment of the issuer, we inform that:**

- a. date:** October 10, 1808
- b. form:** Banco do Brasil, a mixed-capital company, is a multiple bank.
- c. country of establishment:** Brazil.

### 6.2. Duration period

Undetermined.

### 6.3. Brief Historic

Established as a publicly-held and mixed-capital corporation, Banco do Brasil's controlling shareholder is the Federal Government. Banco do Brasil was the first bank to operate in Brazil and the first company to make a shares public offering in the Brazilian capital market. With over 200 years of existence, Banco do Brasil actively contributes to the development of Brazil. Its brand reflects attributes such as solidity, trust and credibility.

After adopting the configuration of a multiple bank in 2001, Banco do Brasil started to present increasing and consistent results. In the position of a broad range of products and services bank, with sustainable business vision, Banco do Brasil adds to its competitive and profitable operation in the financial market, the function of an economic and social development agent.

In 2006, when completed 100 years listed in the stock exchange, Banco do Brasil joined a distinguished segment "Novo Mercado" of BM&FBOVESPA for companies with the best corporate governance practices. Listed in the Novo Mercado segment for ten years, the Bank shows that its Board is committed to transparency, accountability, equity and social-environmental responsibility, supported by the use of monitoring tools that align the behavior of executives to the interest of shareholders and society in general.

On April 2007, Banco do Brasil communicated the market that it was considering to incorporate BESC (Banco do Estado de Santa Catarina, a bank from Santa Catarina State). This event marked the beginning of a new expansion period for the Bank.

On August 2008, BB began a restructuring process in the insurance, pension and capitalization area. In following periods, Banco do Brasil announced several businesses and intentions related to this restructuring, aiming to increase the participation of this segment in the Bank's results.

In 2008, one of the main global financial crisis resulted in lack of liquidity. Despite this, Banco do Brasil was benefited from its solidity once investors looked for a safe harbor for their investments, resulting in a growth of 24.6% in total deposits in 2008 from 2007. In 2008, BB was authorized to acquire holdings in financial institutions (provisory act MP 443/08, transformed into the Law 11,908 of 3/3/2009). In the same year, the BB announced the incorporation of the BESC, BESCRI (BESC S.A. Crédito Imobiliário), BEP (Banco do Estado do Piauí) and the control acquisition of Banco Nossa Caixa.

In 2009, still immersed in the uncertainties brought by the global crisis, Banco do Brasil reassumed its leadership in the financial sector in terms of total assets, with a balance of R\$709 billion. One factor that collaborated to leadership resumption was the expansion of its credit portfolio, driven both by the organic growth and the acquisitions of Banco Nossa Caixa and 50% of Banco Votorantim's capital stock.

In November 2009, SEC approved the issue of Level I ADRs, to be traded in the over-the-counter market. The Bank of New York Mellon was nominated as the custody agent of Level I ADRs. After obtained the approval of the Central Bank of Brazil and CVM, Banco do Brasil started the issuance of Level I ADRs on 12/02/2009. In the first 12 months of the Program, 8.9 million ADR were issued, a record volume for this category.

In June 2010, the Bank issued a primary and secondary public offering of BB shares with the following purposes: (i) strengthen its capital basis; (ii) implement its organic and inorganic expansion strategy; and (iii) increase the liquidity of shares in the secondary market. At the end of the offering, 30.4% of BB's shares were outstanding shares (free float) exceeding the minimum limit of 25% required by the regulation

of BM&FBOVESPA Novo Mercado. In addition, the share capital of Banco do Brasil is composed exclusively of voting shares, allowing its holders to vote at the General Meeting (Bylaws, art. 7).

In 2010 the Bank began to increase its market share in the cards segment, through acquisitions of stakes in companies and strategic partnerships.

The year of 2010 was also marked by the implementation of BB's strategy of strengthening its operations abroad. In this context, it is important to note that The Board of Governors of The Federal Reserve System (FED), granted the "Financial Holding Company" status to Banco do Brasil that allowed BB to conduct bank activities in the USA under the same conditions of local banks. Additionally, the FINRA (Financial Industry Regulatory Authority) authorized the operation of BB Securities LLC in underwriting, registered offerings and dealings.

Still in 2010, Banco do Brasil started the project BB 2.0 Retail Transformation Program. Created in 2009, the program has the purpose of reformulating BB's management and business models. The Program's actions implemented in 2010 are: (i) hiring of approximately 10,000 employees that were allocated in the branches' network; (ii) integration of service network; (iii) implementation of a new business platform and (iv) new branch ambience. During 2011, the program focused on implementing actions intended to make the customers' basis profitable, among which the implementation of a new model of relationship with individuals, improvement of services provided, training of sales force in the new business platform, and implementation of consumption trend models for eight banking products that are priorities in retail trade operation.

In May 2011 BB won the bidding process to undertake the network of Banco Postal, with financial offer of R\$ 2.8 billion. Since January 1, 2012, Banco do Brasil started operating through the Banco Postal network, installed in 6,192 post offices in that moment. This operation, allowed the Bank to expend its service network to 95% of the Brazilian municipalities, anticipating from 2015 to 2012 the strategy of extend its service points all over the country.

On March 2012, Banco do Brasil reached the milestone of R\$1 trillion in assets, and at the end of the year R\$1.15 trillion, which represented an expansion of 17.2% in relation to December 2011. Besides, the broad concept loan portfolio that considers guarantees provided and private bonds and securities in the portfolio, attained R\$ 580 billion, growth of 24.9% in December 2011. Banco do Brasil's market share in the domestic loan portfolio was 20.4% in December 2012.

On April 2012, Banco do Brasil launched the BOMPRATODOS, which it is a set of measures covering financial advisory services, reduction of interest rates of the main credit lines for individual clients and small and very small companies, improving relationship with clients. Through this program, Banco do Brasil sought to stimulate the conscious use of credit and to contribute towards the maintenance of low delinquency, allowing the growth of credit with quality.

On August 2012, BB announced the Primary and Secondary Public Distribution Offer of Mortgage Investment Fund Shares - BB Progressivo II FII. 15,919,690 shares were disposed of in a Secondary Offer with per value of R\$100.00. The recognition of the difference between market value and book value of transferred properties resulted in positive effect of R\$ 615 million, net of taxes, on BB's income.

On September 2012, the Federal Government granted to BB an amount of R\$ 8.1 billion as securities of the Federal Public Debt, for financing the agricultural sector operations for the 2012/2013 crop. As counterpart, BB issued an Hybrid Equity and Debt Instrument. This funding became eligible to compose the TIER I and II of the Bank's Reference Equity.

Continuing the reorganization of the Bank's insurance, pension plans and capitalization business, in April 2013, it was realized a Public Offer of 675 million of common shares issued by BB Seguros Participações S.A. (subsidiary established in December 2012). The shares were listed in BM&FBOVESPA's Novo Mercado and started to be traded on April 29, 2013, with price set at R\$17.00 per share. This transaction generated revenues of R\$11.475 billion for BB.

With the establishment of BB Seguros Participações S.A., as well as its listing, Banco do Brasil intends to:

- (i) consolidate under only one company all Banco do Brasil's activities in the insurance, capitalization bonds, private pension plans and related activities, including any future expansions of such activities in Brazil or overseas, organic or not;
- (ii) provide gains of scale in these transactions;
- (iii) reduce costs and expenses in the insurance area; and

- (iv) expand the range of activity of BB Corretora de Seguros e Administradora de Bens S.A., which will begin to trade third-party products, in the segments which Banco do Brasil does not have exclusivity agreements with partner companies, inside and outside the service network of the Bank. The intention of Banco do Brasil is that BB Seguros Participações S.A. becomes an open-company adherent to the best corporate governance practices.

On June 2013, Banco do Brasil, BB Seguridade Participações S.A. and Odontoprev entered into an agreement for the establishment of the new company Brasil Dental Operadora de Planos Odontológicos, for the purpose of distributing and trading dental care plans with BB Dental brand, exclusively in all BB channels on Brazilian territory. This agreement was ratified by CADE (Administrative Council of Economic Defense) in August of the same year.

On August 2013, within the process of corporate restructuring of the IRB-Brasil Resseguros S.A., BB Seguros Participações S.A. (wholly-owned subsidiary of BB Seguridade) purchased 212,421 common shares issued by the Federal Government and now holds 20.5% of the capital of IRB-Brasil Resseguros S.A.

On November 2013, BB signed a memorandum of understanding with Correios in order to evaluate the establishment of a strategic partnership with the Banco Postal. The main objective of the partnership was to increase the business model established between the companies, expanding its portfolio of products and services, aiming to bring it closer to the international models of postal banks.

On December 2013, BB-BI sold its stake in Itapebi Geração de Energia to the Neoenergia Group. This operation resulted in a gain in the net income of R\$188.2 million.

Votorantim Finanças and Banco Votorantim partnered in August 2014 to expand trade capacity and prospecting new business by banking correspondents, focusing on payroll loans. The partnership intends to use the BV's wholly owned subsidiary to act as sales promoter and manager of correspondents network.

On August 2014, BB's Board of Directors approved the migration of its American Depositary Receipt-ADR program from level I to level II.

The Brazilian Central Bank authorized that the value of R\$8.1 billion, related to mutual agreement signed instrument with the Federal Government, in September 26, 2012, and its additive term concluded in August 28, 2014, were considered Tier I Capital from the date of the celebration. The amount represented an increase of 98 basis points in the Common Equity Tier I and of 20 basis points in the BIS Ratio.

In November 2014, Banco do Brasil informed that BB Elo Cartões Participação and Cielo formed a new strategic partnership to operate in the segment of electronic payment methods, in order to explore the activities of management of post-paid cards and management of debit purchasing functionality. In addition, the business also aims associations with other partners in order to seize opportunities in market niche related to electronic payment methods, seeking synergy gains and optimizing the structuring of new businesses. The total capital of Token was divided in the ratio of 30% for BB Elo Cartões and 70% to Cielo. Considering the indirect participation of BB on Cielo, through BB-BI, the total indirect BB's equity interest in Token is 50.05% of the capital. The new company was valued at R\$11.6 billion.

In February 2015 the strategic partnership between BB Elo Cartões and Cielo was completed with the establishment of Token Gestão de Contas de Pagamento S.A. This operation had an impact of R\$ 3.2 billion in BB's 1Q15 earnings.

On May 04, 2015, the company's name was changed to Cateno Gestão de Contas de Pagamento S.A.

BB announced in August 2015, an Employee Retirement Plan (PAI), released in June 2015, which had 4,992 adhesions. Expenses of the plan were R\$372.5 million and R\$511 million is the estimated reduction in personnel expenses for 2016.

On December 10, 2015, BB announced a tender offer to repurchase US\$ 512.8 million from its debt bonds. The operations impacted positively the 4Q15 results in R\$ 210 million, after taxes.

In February 2016, BB's Board of Directors decided to set the payout ratio at 25% of the year's net income for the 2016 financial year.

In May 2016, Mr. Paulo Rogério Caffarelli was appointed Chief Executive Officer (CEO) of Banco do Brasil, replacing Alexandre Corrêa Abreu. In November and December, the new Vice Presidents were elected to complete the 2016/2019 term.

In September 2016, Banco do Brasil was selected to compose the DJSI portfolio of the New York Stock Exchange for the 5th consecutive year. The maintenance of BB in the DJSI is a market recognition for BB's practice of incorporating sustainability into corporate strategy. Additionally, in November, the Bank was



also selected, for the 12th consecutive year, to compose the portfolio of the BMF & Bovespa Corporate Sustainability Index (ISE) for 2017. The selected companies become benchmarks for socially responsible investments.

In November 2016, the BB's Board of Directors approved a set of measures for institutional reorganization, among which is the revision and re-dimensioning of its organizational structure at all levels: general management, superintendencies, regional agencies and branches. The implementation of these measures is expected to take place in 2017. In this context, Banco do Brasil also launched the Extraordinary Plan for Incentive Retirement (PEAI), closed on 12/9/2016, with 9,409 members.

In December 2016, Banco do Brasil announced that it has signed an agreement for the continuity of the distribution of BB's products and services in the postal service network ("Correios") for up to 36 months. Among other provisions, this agreement included a new model of remuneration between the parties.

#### 6.4. Registration date at CVM

July 20, 1977.

#### 6.5. Filing for bankruptcy

**Inform whether there was an application for bankruptcy, provided that based on a material sum, or for judicial or out-of-court recovery by Banco do Brasil, and the current status of such applications:**

As provided in Law 11,101/2005, Banco do Brasil is not subject to judicial or extrajudicial administration, or to bankruptcy filing. Banco do Brasil has not been subject to intervention until this Reference Form's date.

#### 6.6. Other relevant information

**Notify on business proposals and the expected impacts. In particular, address businesses reported in relevant events or communicated to the market and that may generate corporate events such as incorporation, merger, spin-off, share merger, disposal and acquisition of corporate control, acquisition and disposal of important assets.**

<b>a) event</b>	<b>Banco Votorantim SA - change in the presidency of Banco Votorantim</b>
<b>b) key business conditions</b>	Banco Votorantim reported that it concluded, in November 2016, a structured process of succession in the institution's presidency. The Executive Director of the Retail Business, Elcio Jorge dos Santos, assumed, as of November 10, 2016, the presidency of Banco Votorantim. With more than 30 years of experience in the financial market, dos Santos has been with Banco Votorantim since 2012.
<b>c) companies involved</b>	Banco Votorantim S.A.
<b>d) strategic rationale</b>	Continuity of the restructuring process of the institution, which aims to implement an agenda of changes and the recovery of consistent results.
<b>a) event</b>	<b>Companhia Brasileira de Securitização - Cibrasec - Corporate Reorganization</b>
<b>b) key business conditions</b>	In the second half of 2016, Cibrasec completed the corporate reorganization project. The process was effected through the exchange of part of the common shares (ON) currently held by the shareholders for preferred shares (PN), in the ratio of [10/12/100] ON shares for 01 PN share. Accordingly, the shareholding of the conglomerate BB, which was 8,000 common shares (12.12%), stood at 4,000 ON shares (9.66%) and 40 PN shares (16.3%).
<b>c) companies involved</b>	Banco do Brasil S.A. BBI Banco de Investimentos S.A. Companhia Brasileira de Securitização S.A.
<b>d) strategic rationale</b>	The reorganization was made so as to enable shareholders whose current ownership interest exceeds 10% of the company's share capital (resolution CMN 1,775 / 1990) to reduce their participation in capital without loss of political or economic rights currently held.

## **7. ISSUER'S ACTIVITIES**

### **7.1. Activities developed by Banco do Brasil and its subsidiaries**

#### **Summary description of activities developed by Banco do Brasil and its subsidiaries**

Banco do Brasil is a multiple bank based in Brasilia (DF), has a material presence in every Brazilian state, and carries out activities in important world financial centers.

It is focused on doing business driven by the creation of sustainable results and a performance compatible with market leaderships. As an agent of public policy, the Bank supports agribusiness, micro- and small businesses, and foreign trade, by being involved in federal government program as well as by developing solutions intended to simplify transactions and services that assist these economic segments.

With over 200 years of history, its key strength is in retail banking. In general, its business may be grouped in six segments: (i) Banking; (ii) Investments; (iii) Asset Management; (iv) Insurance, Pension Funds, and Capitalization (premium bonds); (v) Means of Payment; and (vi) Others. The main aspects related to each segment are detailed in items 7.2 and 7.3 of this Reference Form.

For the development of its businesses, Banco do Brasil also operates through strategic partnerships, associated companies and subsidiaries, offering a wide range of products and services in its segments. For further information on Banco do Brasil subsidiaries, see item 8.1. Economic group - b. subsidiaries and associated companies. For information on products and services offered segregated by segment, see item 7.3 Description of products and services.

Banco do Brasil has rated its customers in three key market, in order to provide creative solutions and strengthen the bond: Individuals, Corporate, and Public Sector. Market knowledge allows the development of value proposals adjusted to the customers' profiles: Service model, channels, product and service portfolio, prices and fee, an integrated communication approach, and, when applicable, a specific trademark.

In addition, the Bank has been increasing its capacity of marketing its products and services through a diversity of channels. It also launched a program to encourage improved customer assistance, with the target to provide excellence in services by means of a differentiated, qualified, and innovative assistance structure. Hence, Banco do Brasil seeks to increase efficiency and profitability, always committed with sustainable results, high performance, and adding value to its actions, reconciling public and private interests, and creating growing returns to shareholders and to the country.

Constant innovations in business and relationship models enable the Bank to remain competitive and gain customer preference by building strong and lasting relationships.

The Bank will maintain its innovative positioning in the face of the new digital reality in order to provide high-value customer experiences. The digital model expansion is one of the main actions of the customer experience improvement, which seeks friendlier bank relationship.

Based on the sustainability principles, BB will continue to prioritize profitability, service revenues, loss reduction, efficiency gains and productivity improvements from process simplification and digital transformation.

#### Public Policies

##### **Public interest underlying business activities**

Law No. 4.595/64 established the Brazilian Financial System, comprised of the Brazilian Monetary Council, the Central Bank of Brazil, Banco do Brasil, BNDES, and the other financial institutions. Pursuant to Law No. 4.595/64, we are the financial agent of the National Treasury and the main tool for the execution of the credit policy of the federal government, responsible for the financing of commercial, industrial and rural activities, the circulation and orientation of credit, and implementation of the foreign trade policy, among others.

With a history of more than 200 years, in line with the mission of being a commercial bank with a public spirit, BB operates in a responsible manner to promote social inclusion through the generation of jobs and income. The Bank supports agribusiness, micro and small companies, and foreign trade.

Agribusiness is one of the main sectors of the Brazilian economy and it is fundamental for the growth and development of Brazil. BB finances the production and commercialization of agricultural products; foster rural investments such as storage, processing, industrialization of agricultural products and modernization of machinery and implements; and adjust rural properties to environmental law. Accordingly, BB supports the Brazilian agribusiness in all stages of the production chain.

BB offers to micro and small companies working capital, financings for investments, and foreign trade solutions, in addition to a number of other options related to cash flows, social security, pension plan, and services. The Bank provides financing alternatives and business models that promote the transition to an inclusive economy to a number of segments, including Individual Microentrepreneurs (*Microempreendedoras Individuais* – MEI).

In the area of foreign trade financing, we operate public policy instruments regarding productive development, entrepreneurship, social and financial inclusion, including the Income Generation Program (*Programa de Geração e Renda* – Proger), Exports, and the Export Financing Program (*Programa de Financiamento às Exportações* – Proex). BB is the exclusive agent of the federal government in Proex.

### Developed activities

In line with public interest, BB's activities meet Public Policies and corporate purpose, pursuant to Articles 5 and 6 of BB's Bylaws:

*Article 5. Pursuant to applicable law, the Bank shall enter into agreements, directly with the federal government or with the federal government's consent, to:*

*I – apply the charges and provide the services of financial agent of the National Treasury and of other functions attributed to it by law;*

*II – provide financings of governmental interest and execute official programs through the use of federal funds or funds of any nature; and*

*III – provide guarantees in favor of the federal government.*

*Sole paragraph. The abovementioned is subject to, as applicable:*

*I – the availability of the corresponding funds to the banks and the establishment of the due remuneration;*

*II – previous and formal establishment of the adequate remuneration of funds to be applied in case of equalization of financial charges; and*

*III – previous and formal establishment of the assumption of risks and remuneration, at least equal to the cost of services to be provided.*

*Article 6. The Bank may enter into agreements to apply charges, provide services, and engage into transactions attributed to the Central Bank of Brazil, subject to the sole paragraph of Article 5 of these Bylaws.*

As an important agent for the economic and social development of Brazil, BB seeks to boost the economy and growth, supporting the government in the promotion of improvements in a number of sectors. In order to maintain the credit portfolio growth, with stability in the assets quality, the Bank seeks to establish partnerships that ensure the same values of integrity, trustworthiness, and respect to the community and the environment.

BB operates public policies through financial services made available to clients. The Bank also participates in a number of programs, projects, and initiatives of the government, offering customized solutions that help to meet social demands. It enters into transactions with the federal government, controlling shareholder, that generate financial effects on Assets and Result.

In Section 16 of the Reference Form, the Bank presents relevant information about agreements entered into by related parties. The main material transactions entered into with the controlling shareholder (federal government) are the official funding agreements, used in credit facilities offered to meet Public Policies. The Bank provides qualitative and quantitative information that meets the recommendation of CVM/SEP Circular Official Letter No. 01/2017 for each financial fund, as follows:

- a) details and conditions of the official funding used to implement major Public Policies in the "subject matter of the agreement" and "amounts involved and balance" fields;
- b) financing sources and conditions in the "subject matter of the agreement" field;
- c) estimated impacts of public policies in the "interest rate charged" field; and

- d) pricing process and applicable rules in the "show the strict interchangeability of the agreed conditions or appropriate compensatory payment" field.

## 7.2. Information of each segment

**For each operating segment that has been reported in the last financial statements for the social or, where applicable, the consolidated financial statements, provide the following information exercise.**

### a. products and services marketed

The information by segment was prepared taking into account the criteria used by the main operating decision maker to assess performance and make decisions about the allocation of funds for investments and other purposes, in view of the regulatory environment and similarities among products and services.

The Bank's transactions are divided in five segments: banking, investments, funds management, insurance (insurance, pension plans and capitalization), and means of payment. In addition, the Bank also participate in other economic activities, such as consortia and operating support, which were gathered in "Other Segments."

The accounting information used by Management in the assessment of performance and decision-making process is prepared pursuant to applicable law and in accordance with accounting standards and practices relating to recognition and measurement applicable to financial institutions in Brazil, as determined by the Central Bank. The Bank Consolidated Managerial Information presents the results by segment pursuant to applicable law, as these results are reported to main transactions manager for decision-making purposes about the allocation of funds and the assessment of performance.

The accounting policies of the reportable operating segments differ from those described in the summary of the main accounting policies under IFRS primarily due to:

- the recognition of impairment losses from loans to clients is based on an expected loss model, using regulatory limits set forth by the Central Bank. Loans to clients are classified in ascending order of risk, from AA (lowest risk) to H (highest risk). The amount of losses from loans to clients is established monthly, and cannot be lower than the sum of minimum percentage amounts, which vary from 0% for AA transactions to 100% for H transactions;
- investments in joint ventures, which are consolidated in proportion to the equity interest we hold;
- revenues from tariffs and commissions charged for the origination of loans to clients, which are recognized as revenue upon receipt;
- the amount of goodwill or discount in the acquisition of control of a company, which is measured as the amount of the consideration paid *less* the book value of shares, amortized within up to 10 years if based on an expectation of future profitability; and
- changes in the proportion of capital held by non-controlling shareholders, resulting in gains or losses in the sale of equity interest.

The measurement of management results by segment takes into account all income and expenses calculated by the companies that make up each segment as distribution presented in IFRS Consolidated Financial Statements Note 5. There is no common income or expenses allocated between the segments for any distribution criteria.

Intersegment transactions are conducted under terms and conditions consistent with those charged with third parties, when applicable fees. These transactions do not involve payment risks.

The Bank does not have customers responsible for over 10% of its total net revenues.

### **Banking Segment**

The banking segment accounts for most of our result, primarily obtained in Brazil, encompassing a large variety of products and services, including deposits, credit transactions, and the provision of services, which are offered to our clients through a number of distribution channels in Brazil and abroad.

Banking transactions include businesses with: (i) the retail and wholesale markets and the government, conducted by our service network and teams; (ii) microentrepreneurs; and (iii) the informal sector, conducted by banking correspondents.

### **Investment Segment**

The investment segment includes businesses in the domestic capital markets, intermediation and distribution of debt in the primary and secondary markets, equity interest held, and provision of financial services.

Net revenue from interest of our investment segment is obtained through revenue from investments in securities less third-party funding expenses. Revenue from the provision of financial services derives from economic and financial advisory services, variable and fixed income underwriting services, and services provided to connected entities.

### Funds Management Segment

The funds management segment primarily encompasses transactions inherent to the purchase, sale, and custody of securities; management of portfolio; and establishment, organization, and management of investment funds and clubs. Revenues primarily derive from administration commissions and fees charged from investors for the services provided.

### Insurance Segment

The insurance segment offers products and services related to life insurance, property and vehicle insurance, supplementary pension plans, and capitalization plans.

The result from this segment primarily derives from fees and commissions and revenue from issued insurance premium, pension plan contributions, capitalization bonds, and investment in securities, less commercialization expenses, technical provisions, and expenses with benefits and redemptions.

### Means of Payment Segment

This segment primarily encompasses capital raising, transmission, processing and settlement services through electronic means (credit and debit cards), which generate revenue from management fees charged from stores and banks.

### Other segments

Other segments comprise operating support and consortia, which were gathered as they are not individually significant. Revenue from these segments primarily derives from the provision of services that are not included in the abovementioned segments, as follows: credit recovery; administration of consortia; development, production, commercialization, lease, and integration of equipment and systems relating to digital electronics, peripherals, programs, inputs, and IT supplies; intermediation of air tickets; lodging expenses; and organization of events.

#### b. revenues from the area and its share in BB's net revenues

Table below.

#### c. profit or loss from the area and its share in BB's net profit

Table below.

	12/31/2014		12/31/2015		12/31/2016	
	R\$ million		R\$ million		R\$ million	
<b>Total revenue <sup>(1)</sup></b>	<b>188,525</b>	<b>100.0</b>	<b>249,425</b>	<b>100.0</b>	<b>228,813</b>	<b>100.0</b>
Banking Segment	163,319	86.6	213,239	85.5	194,559	85.0
Investment Segment	1,066	0.6	1,157	0.5	1,163	0.5
Segment of Fund management	1,479	0.8	1,576	0.6	1,732	0.8
Insurance Segment	18,858	10.0	21,790	8.7	24,488	10.7
Segment of payment methods	3,131	2.0	3,640	1.9	6,936	3.0
Other Segments	1,697	1.1	2,077	1.1	2,602	1.1
Intersegment transactions	(1,328)	(0.8)	(1,914)	(1.0)	(2,667)	(1.2)
<b>Total operating expenses <sup>(2)</sup></b>	<b>(81,023)</b>	<b>100.0</b>	<b>(110,721)</b>	<b>100.0</b>	<b>(137,021)</b>	<b>100.0</b>
Banking Segment	(80,994)	100.0	(110,727)	100.0	(137,238)	100.2
Investment Segment	(201)	0.2	(234)	0.2	(446)	0.3
Segment of Fund management	-	-	-	-	-	-
Insurance Segment	-	-	-	-	-	-
Segment of payment methods	(11)	0.0	(12)	0.0	(19)	0.0
Other Segments	(23)	0.0	7	(0.0)	(114)	0.1
Intersegment transactions	206	(0.3)	245	(0.2)	796	(0.6)

## Section 7 - Issuer's Activities

<b>Non-interest expenses <sup>(3)</sup></b>	<b>(44,698)</b>	<b>100.0</b>	<b>(51,215)</b>	<b>100.0</b>	<b>(63,518)</b>	<b>100.0</b>
Banking Segment	(35,401)	79.2	(36,703)	71.7	(43,255)	68.1
Investment Segment	(517)	1.2	(504)	1.0	(443)	0.7
Segment of Fund management	(93)	0.2	(146)	0.3	(155)	0.2
Insurance Segment	(7,699)	17.2	(12,707)	24.8	(16,925)	26.6
Segment of payment methods	(1,294)	2.9	(1,525)	3.0	(3,345)	5.3
Other Segments	(1,125)	2.5	(1,182)	2.3	(1,262)	2.0
Intersegment transactions	1,431	(3.2)	1,552	(3.0)	1,867	(2.9)
<b>Total net revenue <sup>(4)</sup></b>	<b>31,784</b>	<b>100.0</b>	<b>26,589</b>	<b>100.0</b>	<b>28,274</b>	<b>100.0</b>
Banking Segment	23,033	72.5	15,889	59.8	14,066	49.7
Investment Segment	806	2.5	328	1.2	274	1.0
Segment of Fund management	1,251	3.9	1,333	5.0	1,577	5.6
Insurance Segment	4,010	12.6	6,151	23.1	7,563	26.7
Segment of payment methods	1,826	5.7	2,103	7.9	3,572	12.6
Other Segments	549	1.7	902	3.4	1,226	4.3
Intersegment transactions	309	1.0	(117)	(0.4)	(4)	(0.0)
<b>Total net income <sup>(5)</sup></b>	<b>16,598</b>	<b>100.0</b>	<b>12,721</b>	<b>100.0</b>	<b>9,708</b>	<b>100.0</b>
Banking Segment	11,370	68.5	6,659	52.3	1,983	20.4
Investment Segment	659	4.0	211	1.7	166	1.7
Segment of Fund management	967	5.8	755	5.9	808	8.3
Insurance Segment	2,450	14.8	3,548	27.9	4,211	43.4
Segment of payment methods	972	5.9	1,094	8.6	1,814	18.7
Other Segments	277	1.7	521	4.1	726	7.5
Intersegment transactions	(97)	(0.6)	(67)	(0.5)	-	-

(1) Total Income includes: Interest income and Non-interest income.

(2) Operating Expenses include: Interest expense and Net expense with provision for losses in loans to clients.

(3) Non-interest expenses include: Personnel, Management and Other Expenses.

(4) Total Net Revenues include: Total Revenues, Total Operating Expenses and Total Non-interest expenses.

(5) Total Net Income refers to income after taxes. The net income attributable to our controlling shareholders totaled R\$8,034 in 2016, R\$ 14,400 million in 2015 and R\$ 11,246 million in 2014.

Source: Consolidated Financial statements in IFRS.

The table below sets forth the reconciliation of managerial result and IFRS consolidated result:

R\$ million	2014		2015		2016	
	Management	Adjustments <sup>(1)</sup>	Consolidated	Management	Adjustments <sup>(1)</sup>	Consolidated
Total Revenues	188,525	(23,202)	165,323	249,425	(29,019)	220,406
Operating exp. Total	(110,721)	4,812	(105,909)	(166,297)	6,387	(159,910)
Non-interest expenses	(51,215)	17,621	(33,594)	(57,587)	20,860	(36,727)
Total net revenue	26,589	(769)	25,820	25,541	(1,772)	23,769
Total net income	12,721	622	13,343	16,142	(344)	15,798
						9,708
						(1,048)
						8,660

(1) The main component refers to the differences between the accounting methods used in managerial reports and the accounting methods used in the Consolidated Statement of Income, prepared in accordance with IFRS. The main differences in criteria involve the adjustments mentioned in Note 47 and the deconsolidation of investments in joint ventures.

### 7.3. Description of products and services

Below follows the nature of Banco do Brasil's key products and services. This information is grouped according to the areas described in item 7.2 in the Reference Form.

## The Banking Segment: Individual Loans

<b>a) nature of the production process</b>	Credit transactions intended for individuals may be separated in two major groups: directed and non-directed. Among the non-directed, the main ones are: (i) Personal Overdraft Lines; (ii) BB Payroll based loans / Renewals; (iii) BB Automatic Loans, (iv) BB Payroll based loans, and (v) BB 13th salary based loans. Directed transactions are as follows: (i) Auto Loans; and (ii) Home Acquisition Loans; (iii) Other Assets that includes financing arrangements, as BB Crediário.
<b>b) nature of the distribution process</b>	<p>Personal Overdraft Lines, BB Payroll based loans / renewals, BB Automatic Loans, and Payroll based loans are provided through all the existing BB customer assistance channels. Formalizing them may take place through the Self-Service Terminals, the Banco do Brasil Customer Assistance Center / CABB, through the Bank's Internet website (bb.com.br), on mobile devices through the application (app) BB, Correspondentes Mais Banco do Brasil or in the BB branch network throughout the country. The overdraft account operations can be contracted in self-service terminals, on the bank's website (bb.com.br) and Banco do Brasil branches.</p> <p>The operations of BB Consumer Installment Credit, BB Construction Material Credit, BB Sundry Payment Installment Credit and BB Internet Installment Credit are offered in all BB service channels. Contracting in BB Installment Credit modes and BB Construction Material Credit is done in EFTPOS (electronic funds transfer at point of sale) card machines in commercial establishments affiliated to Cielo. The other credit facilities are contracted in self-service automated teller machines and in the internet, all over Brasil, with BB Sundry Payment Installment Credit also available in Banco Postal.</p> <p>The vehicle financing operations can be simulated and contracted in BB application for mobile phones/tablets and BB branches. The simulation, in addition to these channels, is also available in self-service terminals, Call Center (CABB) and on the website bb.com.br.</p> <p>Mortgage services are marketed in the retail and wholesale branches throughout the country. Business simulations with individuals may be made in the internal communications systems and the Internet.</p> <p>Contracting BB Installment Credit is done in EFTPOS (electronic funds transfer at point of sale), card machines, in commercial establishments affiliated to Cielo. The other credit facilities are contracted in self-service automated teller machines and/or in the internet, all over Brasil, with BB Sundry Payment Installment Credit also available in Banco Postal.</p>
<b>c) nature of the markets of activity:</b>	
<b>i) share in each of the markets</b>	<p>Considering the sum of the loan portfolios with standing order in which the operations of BB Payroll based loans / Renewals, the balance reached R\$ 27.6 billion in November 2016, which corresponds to the market share of 26.6% in banking industry, according to information from Central Bank.</p> <p>Banco do Brasil is a market leader in payroll based loans. The total value of the portfolio, including the acquired portfolio and the interest of 50% of BV, reached R\$ 63.6 billion (November/2016), which corresponds to a 22.0% market share according to information of the Central Bank of Brazil.</p> <p>BB totaled R\$ 17.4 billion in vehicle financing operations on November/2016 (organic portfolio and acquired portfolio). The market share, according to the SFN information disclosed by the Central Bank of Brazil and considering the operations with free funds, was 11.3%.</p>
<b>ii) market competition conditions</b>	<p>Personal loans by Banco do Brasil have the following competitive advantages:</p> <ul style="list-style-type: none"> <li>(i) Automated approach and formalizing through self-service terminals, the Bank's website and mobile devices;</li> <li>(ii) Financial Advisory;</li> <li>(iii) Encouraging the use of conscious credit;</li> <li>(iv) Banco do Brasil brand tradition;</li> <li>(v) Capillarity of the branch network;</li> <li>(vi) Differentiated conditions based on the nature of the service or customer;</li> <li>(vii) Competitive interest rates;</li> <li>(viii) Absence of rates in the contracting of vehicle financing;</li> <li>(ix) Vehicle financing through BB application for phones and tablets.</li> </ul>
<b>d) occasional seasonality</b>	There is no seasonality;
<b>e) chief inputs and raw materials:</b>	
<b>i) subject to government control or regulation, showing the bodies and the respective legislation</b>	When exercising its activities, Banco do Brasil is subject to supervision and regulation by Central Bank (Law no. 4,595/64).
<b>ii) dependence on a small number of suppliers</b>	The Bank does not depend on a small number of suppliers.

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<b>iii) price volatility</b>	Interest rates charged for loan transactions depend on macro-economic conditions such as the basic interest rate, default rates, taxes and reserve requirements, among others.
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### The Banking Segment: Companies loan

Loan transactions intended for legal entities are rated in three blocks: (i) Micro- and Small Company Credit; (ii) Commercial Credits; and (iii) Foreign Trade Credit.

Below follows the nature of Banco do Brasil's key products and services. This information is grouped according to the areas described in item 7.2 in the Reference Form.

### The Banking Segment: Loans to SMEs

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<b>a) nature of the production process</b>	The customer under the Management of the Directorate of Micro and Small Enterprises are the Businesses, Domestic, with gross annual revenues up to R\$ 25 million, except for Cooperatives. The chief services in the micro- and small business credit portfolio are: (i) Cheque Ouro Empresarial, (ii) BB Giro Rápido; (iii) BB Giro Empresa Flex; (iv) BB Capital de Giro Mix Pasep; (v) Check Cashing (Desconto de Cheques); (vi) Invoice Discounting (Desconto de Títulos); (vii) BB Giro Cartões; (viii) Antecipação de Crédito a Lojista; (ix) BB Giro Recebíveis; x) Proger Urbano Empresarial; (xi) Cartão BNDES , (xii) BB Crédito Empresa and (xiii) Proger Turismo Investimento.
<b>b) nature of the distribution process</b>	These transactions are intended to supply the financial needs of micro and small businesses. The customers can release credit in self-service channels such as Internet banking, mobile banking (tablets and smartphones) and ATMs, in addition to the branches.
<b>c) nature of the markets of activity:</b>	
<b>i) share in each of the markets</b>	The Central Bank does not disclose statistics for this segment.
<b>ii) market competition conditions</b>	Loans for micro and small businesses have the following competitive advantages, among others: <ul style="list-style-type: none"> <li>(i) Adoption of highly automated credit analysis methodologies, providing much quicker decisions to credit applications;</li> <li>(ii) The use of a larger number of mass and automated solutions to achieve gains in scale and efficiency;</li> <li>(iii) The intensive use of technology in sales force relationship and training strategies;</li> <li>(iv) Simplification of credit procedures and improved profitability through cost efficiency;</li> <li>(v) Expanded supply of services through alternative channels;</li> <li>(vi) Relationship managers specialized in customer assistance;</li> <li>(vii) The use by micro- and small businesses of a Financial Manager (Internet Banking), whereby it is possible to release loans, print bank statements, pay employees, bills, and taxes, among other transactions. The solution is available for use by the web, tablets and mobile smartphones;</li> <li>(viii) Use of self-service terminals to release working capital operations and receivables;</li> <li>(ix) Use of Call Center Banco do Brasil to offer an active offer of loan.</li> </ul>
<b>d) occasional seasonality</b>	There is no seasonality.
<b>e) chief inputs and raw materials:</b>	
<b>i) subject to government control or regulation, showing the bodies and the respective legislation</b>	When exercising its activities, Banco do Brasil is subject to supervision and regulation by Central Bank (Law no. 4,595/64).
<b>ii) dependence on a small number of suppliers</b>	The Bank does not depend on a small number of suppliers.
<b>iii) price volatility</b>	Interest rates charged for loan transactions depend on macro-economic conditions such as funding cost, default rates, taxes and reserve requirements, among others.

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## The Banking Segment: Commercial Credit

<b>a) nature of the production process</b>	Loan transactions intended for middle, upper-middle, corporate and large corporate companies. The areas are defined through a combination of the main economic variables (Manufacturing, Trade, and Services) and gross annual revenues (in millions) as show below: (i) Industry: Middle - between R\$ 25 and R\$ 120; Upper Middle - between R\$ 120 and R\$ 400; Corporate – between R\$ 400 and R\$ 1,500; Large Corporate - over R\$ 1,500; (ii) Trade and Services: Middle - between R\$ 25 and R\$ 200; Upper Middle - between R\$ 200 and R\$ 600; Corporate – between R\$ 600 and R\$ 2,000; Large Corporate - over R\$ 2,000; The chief services in the commercial credit portfolio are: (i) BNDES Automático; (ii) BNDES Finem; (iii) BNDES Finame; (iv) Financial Leasing; (v) FMM - Merchant Navy Fund (BB Naval); (vi) BB Conta Garantida; (vii) BB Capital de Giro, (viii) BB Vendor.			
<b>b) nature of the distribution process</b>	Commercial credit transactions are made in Banco do Brasil branches specialized in assisting Middle, Upper-middle, Corporate and Large Corporate Companies.			
<b>c) nature of the markets of activity:</b>				
<b>i) share in each of the markets</b>	Market share according to information from BNDES:			
		Dec/2014	Dec/2015	Dec/2016
BNDES (indirect transactions all lines)	Leader with 22.7%	Leader with 21.6%	Second with 14.0%	
	Market share according to information from Central Bank of Brazil:			
	Dec/2014	Dec/2015	Dec/2016	
Overdraft Accounts	14.5%	7.3%	5.2%	
Working capital	27.3%	28.9%	20.6%	
Vendor	28.7%	44.0%	35.1%	
<b>ii) market competition conditions</b>	Commercial credit has the following competitive advantages, among others: (i) Extensive branch network; (ii) Access to short- or long-term funds for a company's funding of production; (iii) Competitive interest rates; and (iv) safety, solidness, and flexibility of BB.			
<b>d) occasional seasonality</b>	There is no seasonality.			
<b>e) chief inputs and raw materials:</b>				
<b>i) subject to government control or regulation, showing the bodies and the respective legislation</b>	When exercising its activities, Banco do Brasil is subject to supervision and regulation by Central Bank (Law no. 4,595/64).			
<b>ii) dependence on a small number of suppliers</b>	The Bank does not depend on a small number of suppliers.			
<b>iii) price volatility</b>	Interest rates charged for loan transactions depend on macro-economic conditions such as the basic interest rate, default rates, NPL and reserve requirements, among others.			

## The Banking Segment: Foreign Trade Finance

<b>a) nature of the production process</b>	Foreign trade finance is intended to support business and funding for companies in their import and export transactions. The chief services in the foreign trade finance portfolio are: (i) Advances against Export Exchange Contracts (ACC) and Advances against Exchange Bills Delivered (ACE); (ii) Indirect ACC; (iii) BB Export Working Capital; (iv) BNDES-EXIM; (v) Working Capital; (vi) Direct Loans; (vii) Direct or on-lending import finance; (viii) Overdraft Lines; (ix) Export Pre-Payments; (x) Forfait Discounting; (xi) and Import Letters of Credit.
<b>b) nature of the distribution process</b>	Foreign trade finance services are acquired in the Banco do Brasil internal and external networks, which also have available operating support and trading advice by 17 Foreign Exchange Regional Support Managers (Gecex) located in important Brazilian cities. In addition, Banco do Brasil uses the Internet to market ACC/ACE loans.
<b>c) nature of the markets of activity:</b>	
<b>i) share in each of the markets</b>	Exports: Banco do Brasil ended 2016 with a volume of US\$ 6.9 billion in contracts in the ACC and ACE markets. This sum is equal to 23.4% of the market for these loans during the period, according to Central Bank of Brazil data.

	<p>In the BNDES Exim pre-shipment operations, in the year 2016, the volume of disbursements made by BB totaled US\$ 31.7 million, representing a share of 1% among the financial agents that marketed the product in this period, according to the ranking of BNDES. In the BNDES Exim post-shipment operations, we had a total of US\$ 10.7 million in transactions, with market share of 32%. The volume of disbursements in Export Working Capital (US\$ 2.7 billion) and Direct Loans (US\$ 232 million).</p> <p>In 2016 Banco do Brasil disbursed US\$ 1.8 billion to finance imports by Brazilian companies, divided into Direct Import Loans (US\$ 1.1 billion), On-lending (US\$ 84.3 million), Forfait Discounts (US\$ 552 million), and Import Letters of Credit (US\$ 51 million).</p>
<b>ii) market competition conditions</b>	<p>Foreign trade finance has the following competitive advantages in Banco do Brasil, among others:</p> <ul style="list-style-type: none"> <li>(i) An extensive customer assistance network in Brazil and in strategically located overseas offices;</li> <li>(ii) expertise in consultancy and advisory services on international business (commercial and financial) in Brazil and overseas;</li> <li>(iii) the acceptance of services owing to the Bank's reputation in the international market; an extensive network of overseas correspondent;</li> <li>(iv) rates compatible with those practiced in the international market, in addition to consultancy and advisory services provided by specialized employees during the entire process; and</li> <li>(v) safety, solidness, and flexibility by Banco do Brasil.</li> </ul>
<b>d) occasional seasonality</b>	<p>There is no seasonality.</p>
<b>e) chief inputs and raw materials:</b>	
<b>i) subject to government control or regulation, showing the bodies and the respective legislation</b>	<p>When exercising its activities, Banco do Brasil is subject to supervision and regulation by Central Bank (Law no. 4,595/64).</p>
<b>ii) dependence on a small number of suppliers</b>	<p>The need for funding by means of credit lines obtained from abroad sources.</p>
<b>iii) price volatility</b>	<p>Interest rates charged for loan transactions depend on macro-economic conditions such as the basic interest rate, default rates, taxes and reserve requirements, among others.</p>

## The Banking Segment: Agribusiness Loans

<b>a) nature of the production process</b>	<p>Banco do Brasil has solutions for all the segments and stages of the productive chain of agribusiness. For the productive segment, the credit facilities allow the financing of short-term needs (credit for funding and selling) and long-term needs (credit for investment allowing the modernization of the activity). The facilities are formatted in accordance with the various audiences, allowing the delivery of services to clients ranging from the area of family-based agriculture to large producers, as well as companies and cooperatives.</p> <p>Working Capital for Input Purchase: Maintenance credits are intended to provide financial support through a fixed credit facility in order to undertake farming activities, whether in agriculture or cattle raising. Maintenance transactions are covered mainly by: (i) Custeio Agropecuário; (ii) Pronaf Agricultura Familiar; (iii) Programa Nacional de Apoio ao Médio Produtor Rural (Pronamp); (iv) Funcafé; (v) FCO Rural.</p> <p>Investment: Investment credit facilities serve to fund goods used in several productive cycles required for production and to modernize agricultural activities. The main programs/lines of credit of investment operations are:</p> <ul style="list-style-type: none"> <li>(i) Programa Nacional de Fortalecimento da Agricultura Familiar (Pronaf); (ii) Programa Nacional de Apoio aos Médio Produtores Rurais (Pronamp); (iii) FCO Rural; (iv) Investimento Agropecuário; (v) BNDES Rural; (vi) Finame Rural; (vii) Programa Agricultura de Baixo Carbono (ABC); (viii) Programa de Construção e Ampliação de Armazéns (PCA); (ix) Inovagro.</li> </ul> <p>Trading: Credit facilities for marketing are intended to financially support sales of the outflow of agricultural production. The trading operations are covered mainly by: (i) FGPP (Financing Guarantee of Prices to Producer; (ii) FEPM (Financing for Storage of Products; PGPM) or FEE (Financing for Storage of non-PGPM Products); (iii) Funcafé; (iv) Own Production Trading; (v) Discount of Rural Promissory Note or Rural Trade Notes; and (vi) CPR – Rural Product Note.</p> <p>Other lines: For the sectors that relate with producers, purchasing their production or supplying inputs used in the farming activity, BB offers services and credit facilities linked to the businesses that favor integration inside the chain, as well as providing working capital to large companies in the agribusiness chain.</p> <p>For working capital operations, the Bank has available: (i) BB Agribusiness Working Capital – revolving credit of working capital for rural producers for investing in agriculture and cattle raising activities (purchase of goods or inputs used in rural activities in the stages of production, selling, or processing of agricultural and cattle products); (ii) Agro-Industrial Credit – loans for selling,</p>
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processing or industrial production of agricultural and cattle products (acquired directly from rural producers or their cooperatives) or inputs or machinery and equipment sold to rural producers.

**b) nature of the distribution process**

These lines are negotiated in Banco do Brasil branches. In addition to branches, agribusiness services are found in other distribution channels by farmers and other players in the Brazilian agricultural production chain. Alternative channels for assistance by Banco do Brasil:

(i) Commercial Correspondents: operate in the agribusiness segment and is intended to provide service and comfort to individuals and account holders farmers. They are authorized to provide the services of: (a) reception and forwarding of funding proposals relating to the rural credit operations and complementary services of collecting registration information and documentation; (b) provision of information on credit facilities (ceilings, interest rate, term, classification etc.) to the applicants; (c) provision of the necessary documentation for registration update; (d) provision of the inclusion of data necessary for credit granting in systems made available by BB; (e) provision and checking of documentation required for the intended credit granting aimed at the analysis of the operation, according to the respective operational attachment; (f) solving the pending issues in the documentation, if any, detected during the analysis of the operation until its formalization; (g) operation of the Web Credit Portal for the forwarding of credit proposals.

(ii) Business Intentions (ITF): this is a tool that serves to receive, submit, and follow up on business proposals by BB customers. This tool allows customers to register, send and follow up on their business proposals through the Internet. This exchange of information is automated internally to examine and handle proposals; and

(iii) Card Ourocard Agronegócio: this is a card with multiple functions, combining the possibility of credit and debit transactions, bank account functions, and access to rural credit lines. Created especially for the individual or corporate rural producer, or for rural cooperatives, it enables the purchase of agricultural goods or products linked to their activity, makes financial resources available at the time when the client needs to make the payments relating to the goods purchased, with direct settlement in the rural financing obtained or with direct debit in the checking account.

(iv) Web Environment: it aims the procedural and technological innovation, with the transfer to the internet channel (WEB environment). In February 2014 it was released this technological solution in order to allow the insured partners from BB the features of preparing and updating the registration of family farmers, opening of current accounts and hosting of credit proposals of PRONAF lines, as well as tracking information of the proposals, optimizing and standardizing the process, making it possible to increase the degree of customer satisfaction.

**c) nature of the markets of activity:**

**i) share in each of the markets**

The Sistema Nacional de Crédito Rural (SNCR) portfolio totaled R\$287.3 billion in December 2015. At BB, the agribusiness classified loan portfolio reached a balance of R\$ 174.9 billion in the same period, remaining as the leader in this market, and accounting for 60.9% of SNCR. Banco do Brasil is also a leader in borrowings for the 2015/16 crop (July/15 to December/15) in several credit programs intended for the agribusiness segment, namely: a) National Program for Strengthening Family Farming (Pronaf): R\$ 8.2 billion contracted. The volume provides the market leadership in the segment with 62.5%; b) National Program to Support Medium Rural Producers (Program): R\$ 7.5 billion contracted. The amount represents 71.7% of the total financed through the Program; c) Low Carbon Agriculture Program (ABC): R\$ 453 million contracted. The volume provides the market leadership in the segment with 64.6%; d) Warehouse Construction and Expansion Program (PCA): R\$ 198 million contracted. The amount represents 56.9% of the total financed through the Program; e) Incentive Program for Technological Innovation in Agricultural Production (Inovagro): R\$ 203 million contracted. The volume represents 61.1% of the total financed through the Program.

**ii) market competition conditions**

Considering to the capillarity of its branch network and deep knowledge of the market, there is a comparative advantage as compared to its competitors in the rural credit market. Known as the agribusiness bank in Brazil, BB has another very important advantage, which is its market and technical expertise in the agribusiness productive chain: over 250 analysts of the agribusiness (animal scientists, agronomists, veterinarians etc.) are strategically located throughout the country in order to transfer expertise, perform market surveys (prices, costs, climate, production, etc.), monitoring trends, identifying threats and opportunities and getting acquainted to the vocation and the particularities of each region and culture in Brazil. Another competitive advantage is the reputation of Banco do Brasil as a partner of Brazil's agribusiness.

**d) occasional seasonality**

The rural calendar complies with the crops year. This period is different from the calendar year and covers a semester in one year and another semester in the following year. Its beginning occurs in the month of July of a year and ends in June of the following year, comprising a period of 12 months. There are periods in crop year whose largest demand is for a specific type of financing, such as funding, investment or commercialization. This seasonality is due to the fact that there is a greater need for farmers because of the time of planting, harvesting, storage or other obligations.

**e) chief inputs and raw materials**

**i) subject to government control or regulation, showing the bodies and the respective legislation**

Rural credit operations are standardized by CMN and by the Central Bank. The Rural Credit Manual (MCR) edited by Bacen's Financial System Standards Department, consolidates rural credit regulations in financing, investments, and projects.

**ii) dependence on a small number of suppliers**

The Bank has no dependency in relation to few suppliers on account of the structure of funding by the actual network of BB branches.

**iii) price volatility**

The main sources of funds for rural credit transactions are demand deposits and rural savings Accounts and Agribusiness Letter of Credit - LCA. Transactions made with funding from demand deposits have controlled rates; transaction funded by means of rural savings have their rates based on funding costs, operating costs, risk, and rates practiced in the market. At each harvest plan, the Government may define a volume of funds from rural savings to be allocated to farming loans under controlled rates and the same levels as with demand deposits, by using the subsidy mechanism or equalizing financial charges. In addition, BB also transfers the funds from BNDES, the Workers Support Fund (FAT) and the Constitutional Funds, such as Constitutional Fund for Financing of the Midwest (FCO) and the Coffee Economy Defense Fund (Funcafé).

**The Banking Segment: Public Sector Loans**

**a) nature of the production process**

Credit facilities intended for the executive authority and the direct administration of local governments, states, and the Federal District.

These are financings with a specific purpose for the respective credit lines, and should not be used for current expenses.

Financing is contracted after verification of limits and conditions by the National Treasury Department, established in Article 32 of the Fiscal Responsibility Law and after credit analysis and approval by the Bank and fund allocator, if applicable.

**b) nature of the distribution process**

Credit facilities intended for local governments, states, and the Federal District are processed in Banco do Brasil's branch offices.

**c) nature of the markets of activity:**

**i) share in each of the markets**

There is no systematic information.

**ii) market competition conditions**

Banco do Brasil competes with the following advantages: (i) capillarity of the branch network; (ii) the official bank for 16 states and 13 capital cities; (iii) expertise in on-lending transactions funded by BNDES; (iv) safety, solidness, and flexibility.

**d) occasional seasonality**

Contracts for credit operations are subject to budget availability and the specific regulation of the National Monetary Council.

In an electoral year there is a period when the contracting of credit operations and the release of funds is prohibited.

**e) chief inputs and raw materials:**

**i) subject to government control or regulation, showing the bodies and the applicable legislation**

Public sector credit transactions are subject in particular to the following government regulation: (i) The Contingency Credit to the Public Sector, regulated by the National Monetary Council, by means of Resolution No. 2,827/2001, which establishes the rules for conducting credit operations with the organs and entities of the public sector, to be met by financial institutions and other institutions authorized to operate by the Central Bank and; (ii) National Monetary Council Resolution No. 3,751/2009, establishes procedures for safeguard procedures for financial institutions in connection with the adherence to limits and conditions for credit with the states, the Federal District and the municipalities, taking into account the provisions of article 33 of Complementary Law No. 101 of May 4, 2000; (iii) Article 32 of Complementary Law 101/2000 (the Fiscal Liability Law) provides for Confirmation of Limits and Conditions by the Ministry of Finance - through the National Treasury's secretary, prior to contracting local currency transactions. The applicable legislation, based on Complementary Law 101/2000, is defined by the Senate through its SF Resolution no. 43/2001 and Res. SF 40/2001, as amended.

**ii) dependence on a small number of suppliers**

The Bank does not depend on a small number of suppliers.

**iii) price volatility**

There is no price volatility.

## The Banking Segment: Licitações-e (equivalent to e-bids)

<b>a) nature of the production process</b>	An electronic commerce system developed by Banco do Brasil in 2001 and made available for the public sector to make purchases and to contract services electronically.
<b>b) nature of the distribution process</b>	The registration of the buyers and of the suppliers is performed through the network of branches of Banco do Brasil. The procedures involved in the purchases and contracting of services are carried out through the Portal <a href="http://www.licitacoes-e.com.br">www.licitacoes-e.com.br</a> .
<b>c) nature of the markets of activity:</b>	
<b>i) share in each of the markets</b>	There is no systematic information.
<b>ii) market competition conditions</b>	Banco do Brasil competes with the following advantages: (i) The savings generated for the buyers can as high as 30% on the market value of the goods and services acquired; (ii) Safety: the Bank places the stamp of banking security on the service with encrypted pages; (iii) Capillarity of the branch network; (iv) Technical Support 24 hours a day, 7 days a week; (v) Top award winning system at the Brazilian Conference of Auctioneers; (vi) Supplier base with more than 140 thousand companies registered. (vii) First Portal of Public Purchases to conform to Law no. 12,462/11, which establishes the Distinct Regime for Public Purchases (RDC).
<b>d) occasional seasonality</b>	None.
<b>e) chief inputs and raw materials:</b>	
<b>i) subject to government control or regulation, showing the bodies and the applicable legislation</b>	Licitações-e was developed in compliance with all the legal precepts that standardize the method of performance of competitive bidding via the Internet: (i) Law 8,666/1993 - Regulates art. 37 of the Federal Constitution and establishes rules for competitive bidding and contracts of the Public Administration; Law 10,520/2002 - Establishes a type of bidding process called <i>pregão</i> , for the purchase of common goods and services; (ii) Complementary Law 123/2006 - Establishes the differentiated treatment applied to micro and small enterprises; (iii) Decree 5,450/2005 - Regulates the reverse auction, in electronic form, for the purchase of common goods and services; (iv) Decree 7,581 - Differentiated Regulation Regime Hires - DRC.
<b>ii) dependence on a small number of suppliers</b>	Not applicable.
<b>iii) price volatility</b>	BB charges the buyers and the suppliers the amount for reimbursement of the costs relating to the delivery of the solution, as provided in Law 10,520/2002, Art. 5, item III. The pricing is performed according to the development of new functionalities and/or of addition of new technologies to the system.

## The Banking Segment: Funding - Demand Deposits

<b>a) nature of the production process</b>	Bank accounts for unrestricted transactions by customers, by means of checks, Internet, money transfers, magnetic cards or against receipt, with no direct interference by the Bank.
<b>b) nature of the distribution process</b>	Branch, Internet, TAA, CABB, and correspondent in the country.
<b>c) nature of the markets of activity:</b>	
<b>i) share in each of the markets</b>	Total BB Conglomerate Demand Deposit raising closed Nov/16 with a balance of R\$63.9 billion. Considering only own fund raising (not including, for example, by proportional consolidation), this fund raising balance was R\$54.1 billion, which is equivalent to 30.48% of market share and leadership in demand deposit raising, according to data provided by Bacen (Central ) at Sisbacen (position: Dec/2015).
<b>ii) market competition conditions</b>	BB provides the advantage of its solid brand name, branch network capillarity, and a portfolio of services within reach through a banking account.
<b>d) occasional seasonality</b>	Demand deposit balances tend to grow at every year-end owing to the increased liquidity in the economy during this period.
<b>e) chief inputs and raw materials:</b>	
<b>i) subject to government control or regulation, showing the bodies and the respective legislation</b>	When exercising its activities, Banco do Brasil is subject to supervision and regulation by Central Bank (Law no. 4,595/64).
<b>ii) dependence on a small number of suppliers</b>	The Bank does not depend on a small number of suppliers.
<b>iii) price volatility</b>	Not applicable.

## The Banking Segment: Funding - Savings Accounts

<b>a) nature of the production process</b>	Deposit account remunerated at TR (Reference Rate), plus monthly or quarterly interest as provided for in Law no. 12,703, of August 7, 2012 – conversion of Provisions Act no. 567 of May 3, 2012. BB trades two savings accounts: (i) Poupança-Ouro: product managed by BB - a portion of these funds are directed to rural credit or to housing loans, in accordance with CMN Resolution 3,549, on 03/27/2008, with lending limits defined by Banco Central do Brasil; (ii) Poupança Poupex: Product of the Management of Savings and Loan Association POUPEX - A portion of these funds are employed in housing loans.
<b>b) nature of the distribution process</b>	TAA, Internet, Gerenciador Financeiro, BB cell phone self-service, CABB, and Branches.
c) nature of the markets of activity:	
<b>i) share in each of the markets</b>	BB Conglomerate savings accounts total raising closed Nov/2016 with a balance of R\$148.8 billion, which is equivalent to 22.96% of market share and market vice-leadership, according to Bacen data (position: Nov/2016).
<b>ii) market competition conditions</b>	Savings accounts have become popular in the financial market as they are easy to understand. Another attraction is their preference by conservative investors. It is identical in all the institutions that market this item. In BB, savings have facilitators such as: automatic redemption to cover bank account debit balances, automatic investment of earnings in savings accounts, as well as automatic investment bank account balances.
<b>d) occasional seasonality</b>	None.
<b>e) chief inputs and raw materials:</b>	
<b>i) subject to government control or regulation, showing the bodies and the respective legislation</b>	When exercising its activities, Banco do Brasil is subject to supervision and regulation by Central Bank (Law no. 4,595/64).
<b>ii) dependence on a small number of suppliers</b>	The Bank does not depend on a small number of suppliers.
<b>iii) volatility/price</b>	Not applicable.

## The Banking Segment: Funding - Time Deposits

<b>a) nature of the production process</b>	Fixed Time Deposits are registered securities that entitle customers to receive earnings over a term specified on contracting. These securities are pre- or post-fixed income papers, with earnings having variations according to the index selected. In Banco do Brasil, CDBs (Bank Deposit Certificates) are marketed in bookkeeping form, i.e.: by electronic means.
<b>b) nature of the distribution process</b>	Post-fixed: (i) BB CDB DI Parceria: Internet, CABB, Financial Manager, BB cell phone self-service, branch self-service terminals; (ii) BB CDB DI: Internet, CABB, Financial Manager, BB cell phone self-service, branch self-service terminals; (iii) BB CDB DI SWAP: Branches only; Pre-fixed: (iv) BB CDB PRÉ: Internet, CABB, Financial Manager, BB cell phone self-service, branch self-service terminals; (v) BB CDB PRÉ COM SWAP. Branches only;
c) nature of the markets of activity:	
<b>i) share in each of the markets</b>	BB Conglomerate Time Deposits funding closed Nov/2016 with a balance of R\$195.1 billion. Even considering only Multiple Bank raising, raised volume reached R\$177.6 billion on November 30, 2016, which is equivalent to, 30.5% of market share and market leadership, according to Bacen data.
<b>ii) market competition conditions</b>	Banco do Brasil trades in pre-fixed and post-fixed deposits. Post-fixed deposits have their earnings linked to the DI (inter-bank) rate, and options by customers for daily liquidity or on expiry only. Banco do Brasil also provides the choice of automatic redemption to cover bank account debit balances in the BB CDB DI and CDB DI Partnership form. One of the advantages of these products is the low sum involved, which may be transacted through the Internet, TAA, cell phone selfservice, and Branch Customer Assistance.
<b>d) occasional seasonality</b>	None.
<b>e) chief inputs and raw materials:</b>	
<b>i) subject to government control or regulation, showing the bodies and the respective legislation</b>	When exercising its activities, Banco do Brasil is subject to supervision and regulation by Central Bank (Law no. 4,595/64).
<b>ii) dependence on a small number of suppliers</b>	The Bank does not depend on a small number of suppliers.
<b>iii) price volatility</b>	Not applicable.

## The Banking Segment: Funding – Letras de Crédito do Agronegócio (LCA)

<b>a) nature of the production process</b>	The LCA is a title loan word, representing a promise to pay money, issued exclusively to financial institutions, public or private, having as basis receivables agrobusiness. The credit rights originate from transactions made between rural producers and their cooperatives and third party including financing and loans related to the production, marketing, processing or manufacturing of products or agricultural inputs and machinery and implements used in the agricultural activity. The LCA issued from 05.23.2013 are guaranteed the Credit Guarantee Fund (FGC), up to the limits established by law.
<b>b) nature of the distribution process</b>	The origination of LCA (Letters of Agribusiness Credit), consultations and transfers of funds of resources in multiple channels and environments, such as the Internet, self-service terminals (TAA), smartphone application and internal corporate systems.
<b>c) nature of the markets of activity:</b>	
<b>i) share in each of the markets</b>	Total funding in LCA Conglomerate BB ended 2016 with a balance of R\$ 124.96 billion. This amount makes BB leader in LCA borrowings in the market with 66.22% in funding.
<b>ii) market competition conditions</b>	BB is traded on LCA with profitability characterized by the absence of pre-established amount of redemption, with restatement of the title known by application of the index (CDI) by the deadline of application.
<b>d) occasional seasonality</b>	None.
<b>e) chief inputs and raw materials</b>	
<b>i) subject to government control or regulation, showing the bodies and the respective legislation</b>	Banco do Brasil is subject to supervision and regulation by Central Bank and CVM.
<b>ii) dependence on a small number of suppliers</b>	Banco do Brasil does not depend on a small number of suppliers.
<b>iii) price volatility</b>	The profitability of the securities is linked to the Interbank Deposit Certificate (CDI), so its volatility is linked to this index.

## The Banking Segment: Funding – Letras de Crédito Imobiliário (LCI)

<b>a) nature of the production process</b>	Real Estate Letter of Credit (Letra de Crédito Imobiliário – LCI) is a registered investment for a term established upon contracting, guaranteed by the Credit Guarantee Fund, which gives the customer the right to receive fixed or variable remuneration and has options for advance or upon maturity redemption. At BB, LCIs are negotiated with a variable remuneration and with the possibility of an advance redemption, and it is sold on a book registration basis, i.e., by electronic means.
<b>b) nature of the distribution process</b>	Internet, TAA, BB ATM and Branch.
<b>c) nature of the markets of activity:</b>	
<b>i) share in each of the markets</b>	Total LCI (Real Estate Credit Bills) funding at BB Conglomerate closed 2016 with balance of R\$16.5 billion, which is equivalent to 8.2% of market share, according to Cetip and B3 websites.
<b>ii) market competition conditions</b>	The Real Estate Letter of Credit (Letra de Crédito Imobiliário, LCI) provided by BB pay a variable income, their remuneration is linked to interbank deposit rate, and they can be redeemed in advance. They have a daily liquidity after the 90-day grace period. Among the advantages of this, we highlight the investment amounts (starting at R\$ 1,000.00), available in the Internet, BB Self-Service (by cell phone or via Branches), and the possibility of automatic redemption to cover current account debt balance.
<b>d) occasional seasonality</b>	None.
<b>e) chief inputs and raw materials:</b>	
<b>i) subject to government control or regulation, showing the bodies and the respective legislation</b>	When exercising its activities, Banco do Brasil is subject to supervision and regulation by Central Bank (Law no. 4,595/64).
<b>ii) dependence on a small number of suppliers</b>	The Bank does not depend on a small number of suppliers.
<b>iii) price volatility</b>	Not applicable.

## The Banking Segment: Funding - Subordinated Financial Bonds

<b>a) nature of the production process</b>	This is a credit instrument issue by financial institutions solely in book form, through its registration in the assets clearing and settlement systems authorized by Central Bank of Brazil.
<b>b) nature of the distribution process</b>	The operation can occur by initiative of investors, which contact the Fixed Income Trading Desk of Difin/Gerof and request the quotation, or by initiative of the Bank, when the Fixed Income Trading Desk offers the product to investors.  If there is agreement on the rates and all the features, the operation is completed.
<b>c) nature of the markets of activity:</b>	
<b>i) share in each of the markets</b>	In December 2016, BB's Subordinated Financial Bills amounted R\$27.1 billion, while the market total was R\$81.1 billion, equivalent to 33.42% market share.
<b>ii) market competition conditions</b>	Financial bonds (LF) may be remunerated at interest, pre-fixed interest rate, whether or not combined with floating rates or a price index. Earnings may be paid at regular intervals of at least 180 days. The BB brand constitutes a differential, in view of the Bank's tradition and security.
<b>d) occasional seasonality</b>	None
<b>e) chief inputs and raw materials:</b>	
<b>i) subject to government control or regulation, showing the bodies and the applicable legislation</b>	When exercising its activities, Banco do Brasil is subject to supervision and regulation by Central Bank of Brazil (Law no. 4,595/64).
<b>ii) dependence on a small number of suppliers</b>	The Bank does not depend on a small number of suppliers.
<b>iii) price volatility</b>	Despite not being subject to marking to market, there may be a market risk.

## The Banking Segment: Service package

<b>a) nature of the production process</b>	Service Package – Comprised by a set of bank products or services classified as Priority, Distinct or Special, in accordance with Article 7 of Resolution no. 3,919/2010, according to which the customer pays a monthly fee. The amount charged on a monthly basis is lower than the sum of individual fees that comprise it.
<b>b) nature of the distribution process</b>	Branches, BB self-service terminals, Internet and correspondent in the country.
<b>c) nature of the markets of activity:</b>	
<b>i) share in each of the markets</b>	Not available
<b>ii) market competition conditions</b>	The Service Packages offered by banking institutions are similar regarding the types of products/services comprising them, since they are regulated by the National Monetary Council and by the Central Bank. However, they differ in price and quantity of services provided by each financial institution. Packages provided by Banco do Brasil complies with the current regulations and are competitive, as they are among the cheapest in the market.
<b>d) occasional seasonality</b>	None.
<b>e) chief inputs and raw materials:</b>	
<b>i) subject to government control or regulation, showing the bodies and the respective legislation</b>	As regards the provision of Bank Services, Banco do Brasil is subject to BACEN Resolution no. 3,919/2010 and Law no. 8,078/1990 – Consumer Defense Code.
<b>ii) dependence on a small number of suppliers</b>	Not applicable.
<b>iii) price volatility</b>	Not applicable.



## The Banking Segment: Collection Services

<b>a) nature of the production process</b>	A service allowing suppliers (assignors) of goods and services to receive the proceeds of their sales by issuing bank vouchers, serving for their customers (assignees) to easily settle their liabilities by means of any channels inter-connected to the bank network.			
<b>b) nature of the distribution process</b>	Available in Banco do Brasil branches.			
<b>c) nature of the markets of activity:</b>				
<b>i) share in each of the markets</b>		<b>2014</b>	<b>2015</b>	<b>2016</b>
	Number of Bills (thousand)			
	Market	2,364,293 <sup>1</sup>	2,407,558 <sup>1</sup>	2,440,888 <sup>1</sup>
	BB	432,133 <sup>2</sup>	420,421 <sup>2</sup>	386,610 <sup>2</sup>
	Share %	18.3%	17.5%	15.8%
	Amounts (R\$ million)			
	Market	2,712,834 <sup>1</sup>	2,766,623 <sup>1</sup>	2,825,505 <sup>1</sup>
	BB	659,539 <sup>2</sup>	646,233 <sup>2</sup>	615,928 <sup>2</sup>
	Share %	24.3%	23.4%	21.8%
<b>ii) market competition conditions</b>	Not available			
<b>d) occasional seasonality</b>	None.			
<b>e) chief inputs and raw materials:</b>				
<b>i) subject to government control or regulation, showing the bodies and the respective legislation</b>	When exercising its activities, Banco do Brasil is subject to supervision and regulation by Central Bank (Law no. 4,595/64).			
<b>ii) dependence on a small number of suppliers</b>	The Bank does not depend on a small number of suppliers.			
<b>iii) price volatility</b>	Not applicable.			

1- Source: CIP ( Interbank Payment Clearing House) - Siloc (Deferred Settlement System of Credit Orders Interbank Transfers).

2 – Source: Sisbb - The information of the securities paid in BB only COMPE and STR.

## The Investment Area: Securities Public Offering – Fixed-income

<b>a) nature of the production process</b>	Transactions in which the Bank acts as intermediary institution in the structuring and distribution of public issuance of securities, such as debentures, promissory notes, financial bills and credit right investment funds.		
<b>b) nature of the distribution process</b>	(i) Banco do Brasil branch network and website. (ii) Direct Contact with Institutional Investors.		
<b>c) nature of the markets of activity:</b>			
<b>i) share in each of the markets</b>	In 2016, BB-BI acted as coordinator in 46 fixed income securities issues, including debentures, commercial promissory notes, credit right investment funds (FIDC), real estate receivable certificates (CRI) and agribusiness receivables certificates (CRA), totaling R\$ 12.1 billion. In terms of origination (value), BB-BI ranked the 3rd place in the ANBIMA ranking, with 14.9% of the market share, while in terms of fixed income distribution; BB-BI reached the 3rd position, with 11.6% of the market share.		
<b>ii) market competition conditions</b>	The local fixed income capital market reached R\$ 81.7 billion in structured offerings, as ANBIMA ranking of December 2016. The main competitors in this segment, from the point of view of the origination and structuring of offerings, are the big brazilian banks such as Bradesco BBI and Itau BBA.		

<b>d) occasional seasonality</b>	Issuing Companies select to market securities during favorable market conditions, which may result in a seasonal effect in events.
<b>e) chief inputs and raw materials:</b>	
<b>i) subject to government control or regulation, showing the bodies and the respective legislation</b>	The Capital Market Law. Rules and regulations disclosed by CVM. ANBIMA Codes. The Brazilian Corporate Law.
<b>ii) dependence on a small number of suppliers</b>	The Bank does not depend on a small number of suppliers.
<b>iii) price volatility</b>	The price volatility can turn the market more or less favorable for investors and issuing companies.

### The Investment Area: Securities Public Offering - Securitization

<b>a) nature of the production process</b>	Transactions in which the Bank acts as intermediary institution in the structuring and distribution of public issuance of securities, such as Real Estate Receivable Certificates (CRI), Agribusiness Receivable Certificates (CRA), Credit Right Investment Funds (FIDC) and Real Estate Investment Funds (FII).
<b>b) nature of the distribution process</b>	(i) Banco do Brasil branch network and website. (ii) Direct Contact with Institutional Investors.
<b>c) nature of the markets of activity:</b>	
<b>i) share in each of the markets</b>	In the Securitization market in 2016, BB held the 6th position in ANBIMA Origination Ranking by number of operations, being the 2nd in Issuance of CRA. In the ANBIMA Origination Ranking, by value operations BB ranked the 6th place with a total of R\$ 1,299,731 thousand. It ranked the 4th place in CRA issuance.
<b>ii) market competition conditions</b>	The Local Fixed Income Capital Market reached the mark of R\$ 16.4 billion of securitization offerings according to ANBIMA Ranking of December 2016. The main competitors in this segment, from the point of view of the origination and structuring of offerings, are the big national banks such as Bradesco BBI and Itau BBA.
<b>d) occasional seasonality</b>	Issuing Companies select to market securities during favorable market conditions, which may result in a seasonal effect in events.
<b>e) chief inputs and raw materials:</b>	
<b>i) subject to government control or regulation, showing the bodies and the respective legislation</b>	The Capital Market Law. Rules and regulations disclosed by CVM. Stock market regulations. The Brazilian Corporate Law.
<b>ii) dependence on a small number of suppliers</b>	The Bank does not depend on a small number of suppliers.
<b>iii) price volatility</b>	Not applicable.

### The Investment Area: Securities Public Offering - Equity

<b>a) nature of the production process</b>	A transaction in which the Bank as an intermediary provides potential investors with securities issued by a varied number of issuers. Operations in which the bank acts as intermediary institution in the structuring and distribution of public issuance of securities.
<b>b) nature of the distribution process</b>	(i) Banco do Brasil branch network and website. (ii) Direct Contact with Institutional Investors.
<b>c) nature of the markets of activity:</b>	
<b>i) share in each of the markets</b>	In 2016, BB occupied the 6th place in ANBIMA ranking of Variable Income Distribution in number of transactions and the 6th place in ANBIMA ranking of Variable Income - Value.
<b>ii) market competition conditions</b>	Owing to the growing importance of the Brazilian Capital Market to international investors and the earnings paid, competition grew among investment banks. The main European and USA variable income offices are present in the domestic market. In the distribution to non-institutional investors,

the main competitors are the brokerage firms linked to the major retail banks, as well as those that have significant number of individual customers.

**d) occasional seasonality**

Issuing Companies select to market securities during favorable market conditions, which may result in a seasonal effect in events. It is also evidenced that during August these public offerings are not usual, in view of the vacation period in northern hemisphere countries, when they are targeting public foreign investors.

**e) chief inputs and raw materials:**

Issuing Companies select to market securities during favorable market conditions, which may result in a seasonal effect in events. It is also evidenced that during August these public offerings are not usual, in view of the vacation period in northern hemisphere countries, when they are targeting public foreign investors.

**i) subject to government control or regulation, showing the bodies and the respective legislation**

The Capital Market Law. Rules and regulations disclosed by CVM. Stock market regulations. The Brazilian Corporate Law.

**ii) dependence on a small number of suppliers**

The Bank does not depend on a small number of suppliers.

**iii) price volatility**

Not applicable.

## The Investment Area: Purchase and Sale of Shares

**a) nature of the production process**

A transaction in which the Bank intermediates share purchases and sales of their retail customers in the secondary stock market.

**b) nature of the distribution process**

Network of branches, Share Purchase and Sale platform in the Internet (Home Broker BB) and mobile devices (Tablets and Smartphones) after downloading the app (Home Broker BB).

**c) nature of the markets of activity:**

**i) share in each of the markets**

BB does not have its own brokerage firm and acts as PN - Trading Participant, passing on its orders through PNP's - Full Trading Participants. B3 does not disclose the ranking with the *market share* of the PNs.

**ii) market competition conditions**

With the reduction in the number of individual investors observed in recent years, the active brokerage firms are seeking diversification of the products offered, including fixed income products in their portfolio. The largest brokerage firms of the market concentrate most of the operations. Among the key competitors are also brokerage firms associated to the major retail banks.

Competitive Advantages: (i) It is possible to purchase and sell shares through the personal bank account, with no need to transfer funds to another account or to the brokerage firm; (ii) Capillarity of the branch network, serving to operate in the Branch Network throughout the country; (iii) Solidness of the BB brand name, which gives greater security to investors in connection with the products and services provided; (iv) A broad customer base not yet registered as investors gives Banco do Brasil ample chances for prospecting.

Competitive Disadvantages: (i) Lack of its own brokerage firm; (ii) Operations only in the spot market.

**d) occasional seasonality**

The volume of business may change according to market fluctuations and investor expectations regarding performance of variable income.

**e) chief inputs and raw materials:**

**i) subject to government control or regulation, showing the bodies and the respective legislation**

The Capital Market Law. Rules and regulations disclosed by CVM. Stock market regulations. The Brazilian Corporate Law.

**ii) dependence on a small number of suppliers**

The Bank does not depend on a small number of suppliers.

**iii) price volatility**

Not applicable.

## The Investment Area: Capital Market Service Provision

**a) nature of the production process**

Sale/acquisition: transfer transactions of companies or public concessions. These can be structured as the sale / acquisition of shares or of assets / liabilities in an industrial compound.

	<p>Mergers/Acquisitions: these are transactions in which two or more companies merge and create a new one, or in which a company is absorbed by another.</p> <p>Contribution to assets and change in ownership interest: transactions that generally include a corporate asset contribution and/or exchange of shares by the companies involved.</p> <p>Corporate restructuring: A transaction that creates a change in a company's shareholding structure.</p>
<b>b) nature of the distribution process</b>	Banco do Brasil's corporate and large corporate branch network.
<b>c) nature of the markets of activity:</b>	
<b>i) share in each of the markets</b>	In 2016, the bank obtained the 11th place in Anbima mergers and acquisitions ranking - ranking advertisement in number of operations, taking part in six operations and ranked the 9th place in Anbima mergers and acquisitions ranking - ranking advertisement by operations values, with a total volume of R\$ 12,791 million.
<b>ii) market competition conditions</b>	Credibility and national activities of Banco do Brasil with broad relationship network covering several segments and sizes of companies, relevant BB's participation in credit support to enterprises and expanding research of potential foreign investors.
<b>d) occasional seasonality</b>	None
<b>e) chief inputs and raw materials:</b>	
<b>i) subject to government control or regulation, showing the bodies and the respective legislation</b>	The Capital Market Law. Rules and regulations disclosed by CVM. The Brazilian Corporate Law.
<b>ii) dependence on a small number of suppliers</b>	The Bank does not depend on a small number of suppliers.
<b>iii) price volatility</b>	Not applicable.

### Asset Management Area: Third-party Asset Management

<b>a) nature of the production process</b>	BB Gestão de Recursos – Distribuidora de Títulos e Valores Mobiliários S.A. (BB DTVM) is a specialist company in third parties' funds management and administration and its main distributors is Banco do Brasil. Accordingly, the company manages assets allocated to different types of investment funds, as defined by CVM and established in its bylaws, aiming at the best risk/return rate that is adequate to the investor's profile. In addition, it is responsible, as the administrator, for all services that are directly or indirectly related to the fund operation and maintenance, providing information to regulatory agencies and shareholders.
<b>b) nature of the distribution process</b>	Self-service terminal, Internet, Gerenciador Financeiro, Branches, CABB and Mobile.
<b>c) nature of the markets of activity:</b>	
<b>i) share in each of the markets</b>	In accordance with ANBIMA's fund administration ranking, BB DTVM closed 2016 with R\$730.9 billion in third parties' funds and market share of 22.36%, consolidating its position of largest administration firm of Brazil. This result represented a growth of 21.17% in relation to prior year. BB DTVM is also the largest administration firm of third parties' funds of Brazil, with total volume of R\$714.8 billion and market share of 21.31%, according to ANBIMA data of December 2016.
<b>ii) market competition conditions</b>	Competitive Advantages: <ul style="list-style-type: none"> <li>(i) Expertise in the creation of investment solutions for every market segment;</li> <li>(ii) Excellence in Management Quality (MQ1 - the highest score in the rating), attributed since 2006 by Moody's, one of the world's key risk rating agencies;</li> <li>(iii) "International Certification ISO 9001:08 – Total Quality" for its Process of Credit Risk Analysis, one of the most renowned titles of service and process quality, obtained in October 2012 and recertified in October 2015. The company was audited by Fundação Carlos Alberto Vanzolini and the title has international scope;</li> <li>(iv) soundness of the BB brand, largest financial conglomerate of Brazil, according to Bacen's data as BB DTVM is a wholly-owned subsidiary of BB;</li> <li>(v) Leadership in management in the domestic investment fund and asset management market, pursuant to the Anbima ranking dated December 31, 2016;</li> </ul>

- (vi) Chinese Wall Concept, required by Central Bank of Brazil, with complete segregation between third-party asset management and financial transactions of BB's own funds;
- (vii) Asset management model focused on different strategies for assets concentrated in: fixed income, variable income, and multi-markets / offshore;
- (viii) Signatory of PRI - Principles of Responsible Investments;
- (ix) Qualified professionals acknowledged by the market, the result of a policy of continued technical training adopted by the company.

**d) occasional seasonality**

The key seasonal effect in BB's investment funds refers to investments / redemptions by the public sector. In general, in December there are large withdrawals from short-term investment funds (intended for this public), while in January incoming funds are the rule.

**e) chief inputs and raw materials:****i) subject to government control or regulation, showing the bodies and the respective legislation**

When exercising its activities, BB DTVM is subject to supervision and regulation by Banco Central (Law no. 4,595/64), in addition to CVM rules and regulations.

**ii) dependence on a small number of suppliers**

The BB DTVM does not depend on a small number of suppliers.

**iii) price volatility**

Not applicable.

**Segment of Insurance, Pension Plans and Capitalization (Premium Bonds)****a) nature of the production process**

Banco do Brasil works to maintain an updated portfolio of insurance, open pension plans and capitalization bonds, valuating innovation in solutions and processes, seeking the universalization and streamlining of access purchase types, in addition to promoting the continuous expansion of the protection concept.

Another characteristic of the production process is the attention to the after-sale, internal controls and compliance aspects, to maintain the competitiveness in relation to the other players of the insurance market, and the full compliance with the provisions of regulatory agents.

The solutions sold are: (i) Personal Insurance (Life, Accident and Credit Life Insurance); (ii) Damage Insurance (Auto, for Agribusiness, Home, Property, Credit, Financial Risks and others); (iii) Open Supplementary Pension Plans; and (iv) Savings Bonds.

**b) nature of the distribution process**

These lines and services are marketed in the Branch Network, Self-Service Terminals, Internet, Mobile Banking and correspondents in the country.

**c) nature of the markets of activity:****i) share in each of the markets**

Based on data made available by the Susep (Private Insurance Superintendency) in Dec/16, BB occupied the following positions:

- (i) Auto Insurance – 2nd position in the ranking of billings and insurance premiums;
- (ii) Life Insurance – 2nd position in the ranking of billings and insurance premiums;
- (iii) Open Supplementary Pension Plans – 1st place in the turnover ranking and 1st place in the total provisions ranking;
- (iv) Premium Saving Bonds – 2nd place in the turnover and 1<sup>st</sup> place in the total provisions rankings.

**ii) market competition conditions**

Banco do Brasil's main competitive advantages are its traditional 200-year brand, in conjunction with a large distribution network for its lines and services.

**d) occasional seasonality**

It applies exclusively as refers to insurance for Agribusiness, more specifically in allusion to agricultural insurance policies, as these have a contracting date associated with the start of the crop season, when farmers take out bank loans and should guarantee the plantations (offered as collateral) against climatic risks.

**e) chief inputs and raw materials:****i) subject to government control or regulation, showing the bodies and the respective legislation**

SUSEP is the agency in charge of controlling and inspecting the market for insurance, private pension plans, capitalization (premium bonds), and reinsurance.

**ii) dependence on a small number of suppliers**

The Bank does not depend on a small number of suppliers.

**iii) price volatility**

None.

## Payment Method Area: Cards

<b>a) nature of the production process</b>	Banco do Brasil card portfolio was designed to provide the type of card, its services and attributes, to meet the needs of different publics and sectors. In the case of Individuals, consumer habits and purchasing power of customers are taken into consideration, among other aspects. In the case of Legal Entities, the size of companies and their needs are taken into consideration, among other aspects. BB has been issuing the Ourocard brand since September 2001 with multiple functions and under the Visa and Mastercard banner. These cards put together in one single plastic credit and debit functions, as well as bank account transactions. As of June 2009 the Ourocard became available with the American Express banner, with a credit function. In April 2011 it issued multiple function cards in the Elo brand. In addition, BB has in its portfolio the prepaid payment accounts to meet its individual and legal entities customers. On December 31, 2016, Banco do Brasil's debit and credit card base totaled 68.8 million - 17.9 million in credit cards and 50.9 million in debit cards issued.
<b>b) nature of the distribution process</b>	Credit cards for Individuals are marketed through all of the Bank's distribution channels (branches, Internet, BB customer assistance, self-service terminals, and correspondents in the country). Credit cards for Legal Entities and prepaid cards are marketed only in the Bank's branches, owing to their special features. On the other hand, private label cards for individuals are marketed through BB's partner companies, customer assistance, or the Internet. Beginning as of January 2012, Ourocard cards started to be traded also in Banco Postal.
<b>c) nature of the markets of activity:</b>	
<b>i) share in each of the markets</b>	Going from data estimated by the Brazilian Association of Credit Card and Service Companies - ABECS, we estimate that the market share of BB in the total turnover (credit and debit) came to around 23.7% in 2016.
<b>ii) market competition conditions</b>	<u>Competitive Advantages</u> (i) In addition to it being publicly recognized as a safe bank, Banco do Brasil is agile and innovative in the development of new products and services; (ii) It acts focused on life cycles and on providing customers with quality assistance, and (iii) It offers products and services for all client segments with one of the lowest rates and interest rates in the market.
<b>d) occasional seasonality</b>	During the year, the volume of card billings is seasonal according to purchases of goods and services, such a Mothers' Day, Children's Day, Christmas, etc.
<b>e) chief inputs and raw materials:</b>	
<b>i) subject to government control or regulation, showing the bodies and the respective legislation</b>	When exercising its activities, Banco do Brasil is subject to supervision and regulation by Central Bank (Law no. 4,595/64).
<b>ii) dependence on a small number of suppliers</b>	The Bank does not depend on a small number of suppliers.
<b>iii) price volatility</b>	None.

## Services for Own Social Security Systems

<b>a) nature of the production process</b>	The entire process of creating lines and services prepared for the social security area is developed by means of a corporate tool to control and assess risks in the services.
<b>b) nature of the distribution process</b>	Marketing takes place through the branch network.
<b>c) nature of the markets of activity:</b>	
<b>i) share in each of the markets</b>	Asset management for the RPPS Regimes Próprios de Previdência Social market reached 40,49% <sup>1</sup> and assets volume R\$45.63 billion, position as of December 31, 2016.
<b>ii) market competition conditions</b>	The market is highly competitive in marketing its services, with CEF as the key competitor and Itaú and Bradesco as increasing forces. Moreover, it should be explained that BB has an extensive portfolio of lines in support of its asocial security services, and may be retained when public bids are waived or not required (Law no. 8,666, June 21, 1993, and alterations).
<b>d) occasional seasonality</b>	None.
<b>e) chief inputs and raw materials:</b>	

**i) subject to government control or regulation, showing the bodies and the respective legislation**

Ministry of Social Security, CVM, and TCE (Accounting Court). Federal Law 9717/98 and 10887/04 and CMN Resolution 3,922/10, with alterations made on CMN Resolution No. 4,392/2014. CVM Ordinances nº 539/2013, nº 554/2014, nº 555/2015 and nº 564/2015. MPS Ordinances No. 402/08, No. 403/08, No. 519/11 and No. 300/2015.

**ii) dependence on a small number of suppliers**

BBDTVM, Banco do Brasil's wholly-owned subsidiary, operates as manager and administrator of investment funds intended to RPPS (Social Security Own Regime) segment.

**iii) price volatility**

Not applicable

1 – Source: ANBIMA Ranking DEZ/2016 - available at <http://portal.anbima.com.br/informacoes-tecnicas/rankings/fundos-de-investimento/adm-rec-terc/Pages/adm-rec-terc.aspx>, access on 01/19/2017.

**Segment of Consortium****a) nature of the production process**

BB Administradora de Consórcios is a wholly-owned subsidiary of Banco do Brasil SA whose main purpose is to organize and manage consortium groups.

**b) nature of the distribution process**

These lines and services are marketed in the Branch Network, Self-Service Terminals, Internet, Mobile Banking and correspondents in the country.

**c) nature of the markets of activity:****i) share in each of the markets**

BB Consórcios is one of the largest consortium managers in the market and registered, at the end of 2016, 665.5 thousand quotas traded. According to information published by the Central Bank in January 2017 (November / 2016 data), the company currently ranks 3rd in the overall ranking of consortium administrators and the 2nd among the administrators linked to financial institutions. The composition of the portfolio is 93% in the Auto Segment, 3.18% in Mortgage, 1.16% in Tractor and Truck, 1.52% in Motorcycles, 0.47% in Other Mobile Goods and 0.45% in Services .

**ii) market competition conditions**

Banco do Brasil's main competitive advantages are its traditional 200-year brand, in conjunction with a large distribution network for its lines and services and Commercialization of all types of consortia.

**d) occasional seasonality**

Not applicable.

**e) chief inputs and raw materials:****i) subject to government control or regulation, showing the bodies and the respective legislation**

In the exercise of its activities, BB Consórcios is subject to the supervision and regulation of the Central Bank (Law 11,795/2008), in addition to other regulations and standards of BACEN and CGPAR and SEST.

**ii) dependence on a small number of suppliers**

There is dependence of the software consortium system management.

**iii) price volatility**

None.

**Financial Credit Securitization****a) nature of the production process**

Acquisition, management and receipt of credits from financial operations.

**b) nature of the distribution process**

The collection process is carried out through companies that provide extrajudicial collection services.

**c) nature of the markets of activity:****i) share in each of the markets**

The company's market does not have official reference to determine the participation. Ativos ended 2016 with a growth in the securitization market, expanding its negotiations with other institutions, in addition to Banco do Brasil. Ativos stands out as a major securitization company recognized for the quality of its services and for the comprehensiveness of its business nationwide.

**ii) market competition conditions**

Competitive advantages:  
(i) Expertise in the activity development;  
(ii) Lean structure;  
(iii) Agility in the negotiation process;

	(iv) Differentiated performance; (v) High professional qualification; (vi) wide market coverage.
<b>d) occasional seasonality</b>	Not applicable.
<b>e) chief inputs and raw materials:</b>	
<b>i) subject to government control or regulation, showing the bodies and the respective legislation</b>	In its activities, Ativos S.A. is subject to the supervision of the Ministry of Finance and government regulation of state-owned companies.
<b>ii) dependence on a small number of suppliers</b>	Currently, acquisitions are restricted to Banco do Brasil, CEF and Bradesco, but there is no restriction on market expansion.
<b>iii) price volatility</b>	None.

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#### **7.4. Customers responsible for over 10% of total net revenues**

**Confirm whether there are customers responsible for over 10% of the issuer's total net revenues, informing: (a) the total sum of revenues from customers and (b) operating areas that reflect revenues from customers.**

Banco do Brasil does not have customers responsible for over 10% of the institution's total net revenues.

#### **7.5. Relevant effects of state regulation on Banco do Brasil's activities**

**Describe relevant effects of state regulation on the issuer's activities:**

##### **a. Requirement for governmental authorizations to exercise activities and history of relationship with the government to obtain these authorizations.**

The basic structure of the Brazilian Financial System was established by Law No. 4.595/1964, which created the National Monetary Council (*Conselho Monetário Nacional*), or CMN, and conferred to the Central Bank of Brazil, or Central Bank, the power to issue currency and control credit, among others.

##### **Principal Regulatory Entities**

The Brazilian Financial System comprises the following normative and supervising entities:

###### National Monetary Council (*Conselho Monetário Nacional*)

The CMN is the highest authority of the Brazilian Financial System. It is responsible for the monetary and financial policy and for the preparation and global supervision of the monetary, credit, budget, tax, and public debt policies.

###### Private Insurance National Council (*Conselho Nacional de Seguros Privados – CNSP*)

The CNSP sets forth the guidelines and rules regarding private insurance policy. It comprises the Minister of Treasury, as Chairman, representatives of the current Ministry of Justice and Citizenship, the current Ministry of Labor, Private Insurance Superintendence (*Superintendência de Seguros Privados*), or Susep, Central Bank, and the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), or CVM.

###### National Council of Supplementary Pension Plans (*Conselho Nacional de Previdência Complementar – CNPC*)

The CNPC, former Management Council of Supplementary Pension Plans (*Conselho de Gestão da Previdência Complementar*), was established by Law No. 12.154/2009. Today, it is part of the basic structure of the Ministry of Treasury, regulating the supplementary pension plan regime operated by closed supplementary pension entities.



Brazilian Superintendence of Supplementary Pension Plans (*Superintendência Nacional de Previdência Complementar – Previc*)

Law No. 12.154/2009 established Previc, a special government agency with administrative and financial autonomy and own assets, which is currently subordinated to the Ministry of Treasury. Previc acts as an inspection and supervision agency of closed supplementary pension plan entities, and an enforcement agency regarding the supplementary pension plan policies applicable to closed supplementary pension plan entities.

Central Bank of Brazil

Law No. 4.595/1964 conferred powers on the Central Bank to (i) implement the monetary and credit policies set forth by the CMN, (ii) supervise public and private financial institutions, and (iii) impose sanctions set forth by law, as required.

Brazilian Securities Commission (*Comissão de Valores Mobiliários – CVM*)

The CVM is a special regime agency subordinated to the Ministry of Treasury, pursuant to Law No. 6.385/1976. It is headquartered in Rio de Janeiro, with jurisdiction over the entire Brazilian territory, and is an administratively independent authority, with its own legal personality and assets. The CVM is responsible for the execution of the CMN policies regarding the securities market, with powers to regulate, develop, control and inspect the securities market, strictly pursuant to the Capital Markets Law and Brazilian Corporate Law.

Private Insurance Superintendence (*Superintendência de Seguros Privados – Susep*)

Susep is responsible for controlling and inspecting the markets of insurance, open pension plans, capitalization, and reinsurance in Brazil. It was established by Decree-Law No. 73/1966 and it is subordinated to the Ministry of Treasury.

Coordination and Governance Office of State-owned Companies (*Secretaria de Coordenação e Governança das Empresas Estatais – SEST*)

SEST was established by Decree No. 8.818/2016, and its activities concern companies in which the federal government, directly or indirectly, holds the majority of the voting capital, i.e., state-owned companies, government-controlled companies (*sociedades de economia mista*), their subsidiaries and controlled companies, and other companies, referred to as government companies.

SEST is responsible for (i) monitoring the economic and financial information of government companies and making it available, and (ii) expressing an opinion on claims of government companies regarding salary policy, approval and changes to pension plans of these companies, and headcount.

**Regulation on Credit Collection and Recovery**

Our credit recovery and collection activities are independent from governmental authorizations. However, the solutions we use to restructure defaulted credit follow criteria and parameters set forth by our conglomerate for credit recovery and applicable law, if any.

The acquisition of credits is subject to CMN Resolution No. 2.686/2000 and CMN Resolution No. 2.836/2001, which set forth the conditions for the assignment of credits to sole-purpose companies (*sociedades anônimas*) and real estate securitization companies.

The acquisition of credits is not directly regulated by any agency and it is subject to the supervision of the Ministry of Treasury, through the Ministry of Planning, Development and Management, and the inspection of the Ministry of Transparency, Inspection and Federal Controllorship/Federal Court of Accounts (*Tribunal de Contas da União*).

Ativos S.A. Securitizadora de Créditos Financeiros belongs to our conglomerate and is our strategic partner in credit recovery. It is deemed a part of the indirect government and is therefore subject to the laws applicable to government companies. As it belongs to our conglomerate, it is required to comply with the laws governing companies that are similar to financial institutions, including:

- (a) Decree No. 8.818/2016, which established SEST;
- (b) CMN Resolution No. 2.554/1998, which sets forth guidance on internal controls and compliance, determining directions for the effective and consistent implementation of the internal controls structure, in accordance with the nature and importance of the risks involved in our transactions;

- (c) Our financial statements are audited by independent auditors to ensure they are consistent with our accounting records and to assess the sufficiency and efficacy of our internal controls;
- (d) Law No. 9.613/1998, which provides for crimes regarding money laundering and concealment of assets, rights and valuables. Ativos S.A. complies with this law;
- (e) Law No. 8.666/1993 and subsequent laws regarding bidding processes and contracts. Ativos S.A. complies with this law in its procurement processes and in contracts relating to goods and services;
- (f) Law No. 12.846/2013 and Decree No. 8.420/2015, which provide for administrative and civil liability of companies for the acts committed against the government (anticorruption). Ativos S.A. complies with this law and decree in the development of its activities;
- (g) The Consumer Protection Code and the Banking Consumer Protection Code are part of the legal framework that guides primarily the businesses of Ativos S.A. with its clients;
- (h) Law No. 12.965/2014, which provides for the business relationships of Ativos S.A. regarding the use of internet in Brazil; and
- (i) Supplementary Law No. 105/2001, which provides for the secrecy of banking transactions that governs the business relationships of Ativos S.A.

More recently, Law No. 13.303/2016, regulated by Decree No. 8.945/2016, set forth new parameters for government companies, and was implemented by Ativos S.A. in order to maintain compliance.

### **Consortium Regulation**

Since its establishment in Brazil, *consortia* were not regulated for a long time and were subject to civil law. In the beginning of the 1970s, Law No. 5.768/1971 was enacted.

In general terms, Law No. 5.768/1971 provided for all types of distribution of premiums and savings protection. It was regulated by Decree No. 70.951/1972.

In 1991, the Central Bank started to inspect and regulate the operations of *consortia* upon the enactment of Law No. 8.177. Since then, the regulatory agency required that administrators, which are private non-financial companies, should have a minimum capital for their operations and started inspecting all stages of transactions, including fund raising, management of participants' funds, contemplation, and delivery of the letter of credit.

*Consortia* are also required to use the funds collected from accounts in an account other than that of the administrator. Moreover, funds must be invested daily in public bonds or investment funds, and interest must be shared on a *pro rata* basis by group and participant.

On October 8, 2008, the legal framework of the consortium system was established, upon the enactment of Law No. 11.795/2008, which solely provides for the operations of the *consortium* system. This law took effect in February 2009, setting forth significant benefits and improvements to the *consortium* mechanism.

As our wholly-owned subsidiary, BB Administradora de Consórcios is supervised by SEST, which is subordinated to the Ministry of Planning.

### **Banco Votorantim (BV)**

BV requires the same authorizations as we do.

### **Regulation of Means of Payment**

Means of payment are regulated by the Central Bank.

### **Main Limitations and Restrictions on Financial Institutions**

Activities conducted by financial institutions are subject to a number of limitations and restrictions. In general, these limitations and restrictions relate to credit granting, concentration of risks, investments, buyback transactions, loans and negotiations in foreign currency, management of investment funds, microcredit, and payroll loans.

### **Loans Denominated in Foreign Currency**

After registration with the Central Bank, financial institutions may contract loans in foreign currency from funds in international markets, without the prior written approval of the Central Bank, including the transfer of these funds in Brazil to Brazilian companies and other financial institutions. Banks carry out these transfers through loans denominated in *Reais*, in an amount equivalent to the amount of the foreign

currency loans. The terms of transfer must reflect the terms of the original transaction. Interest rate accrued on international loans must also be consistent with international market practices. In addition to the original transaction cost, the financial institution can only charge a transfer fee.

The Central Bank may set forth limitations on maturity terms, interest rate, and general conditions for loans in foreign currency. These limitations change according to the economic environment and monetary policy. Exposure to foreign currency was set at 30% of the Reference Equity and it may vary, as authorized by the Central Bank, between 15% and 75% of the Reference Equity, pursuant to CMN Resolution No. 3.488/2007.

### Restrictions to Credit Granting

Financial institutions cannot grant loans or advances to: (i) their officers, directors, and members of their advisory or management councils, fiscal council, and similar bodies, nor to their spouses; (ii) relatives, up to the 2<sup>nd</sup> degree, of the persons mentioned in the previous item; (iii) individuals or companies that hold more than 10% of their capital stock, unless specifically authorized by the Central Bank, in each case, in the event of transactions backed by the commercial effects resulting from purchase and sale or pledge transactions relating to goods, within the limits set forth by the CMN, in general; (iv) companies in which they hold more than 10% of the capital stock; and (v) companies in which the officers or directors of the relevant financial institution or their spouses and relatives, up to the 2<sup>nd</sup> degree, hold more than 10% of the capital stock. Governmental financial institutions, as is our case, are not subject to Item IV above, pursuant to paragraph 2 of Article 34 of Law No. 4.595/1964.

The restrictions on related party transactions do not apply to transactions conducted among financial institutions in the interbank market.

Moreover, financial institutions are currently subject to restrictions regarding credit granting to government bodies and entities, pursuant to CMN Resolution No. 2.827/2001\*, which consolidates and redefines the rules applicable to the public sector regarding the establishment of credit contingencies.

(\* ) For purposes of CMN Resolution No. 2.827/2001, government bodies and entities include:

- (a) the federal, State and municipal governments and the government of Distrito Federal;
- (b) government agencies (*autarquias*) and foundations established or maintained, directly or indirectly, by the federal, State and municipal governments and the government of Distrito Federal;
- (c) non-financial government companies and government-controlled companies (*sociedades de economia mista*), their subsidiaries and other companies directly or indirectly controlled by the federal, State and municipal governments and the government of Distrito Federal, including sole-purpose companies; and
- (d) other bodies or entities of the federal, State and municipal governments and the government of Distrito Federal.

### Fixed-income Instrument Transactions

Fixed-income transactions are subject to defined rules on remuneration, i.e., the remuneration is previously known (pre-fixed interest) or rely on post-fixed remuneration indices (inflation, interest rate, etc.).

The negotiation of federal public bonds consists of the final purchase and sale of bonds issued by the federal government, recorded in the Special Settlement and Custody System (*Sistema Especial de Liquidação e Custódia*), or Selic, pursuant to the Central Bank's Circular No. 3.587/2012. Decree No. 3.859/2001, sets forth the characteristics of the federal bonds, encompassing a large variety of bonds, each with its own maturity term and profitability.

### Derivatives

Derivatives are financial assets whose value is fully or partially derived from other financial assets or goods.

We use derivatives to hedge our positions against price fluctuations, assumed by us in our transactions with clients, or to hedge our structural mismatching.

The derivatives market is regulated by CMN Resolution No. 3.505/2007, CMN Resolution No. 3.568/2008, Law No. 11.033/2004, SRF Normative Instruction No. 1.022/2010, and CMN Resolution No. 2.873/2001.

### **Asset Management Regulation**

Pursuant to Law No. 10.198/2001 and Law No. 10.303/2001, the CVM is responsible for the regulation and financial supervision of mutual and variable income funds. Only individuals or companies authorized by the CVM may act as managers of third-party assets. Financial institutions are required to segregate the management of third-party assets from their other activities. Financial institutions are required to appoint a manager as the responsible agent for the management and inspection of these assets and a specialized technical department to conduct asset management activities.

The CMN, through Resolution No. 2.451/1997 and Resolution No. 2.486/1998, except in very specific circumstances, prohibited institutions that manage third-party assets and their associate companies from investing in fixed income funds that are also managed by them. The CVM allows investments in equity funds. Specific rules apply to the diversification and composition of the portfolio of mutual funds in order to reduce exposure to certain risks.

In February 2002, the Central Bank introduced a change that required fund managers to mark their fixed income securities to market and account the results of the portfolio of asset funds for their market value.

CVM Instruction No. 409/2004, as amended, consolidated the rules applicable to investment funds. These rules do not apply to certain structured investment funds, which are governed by a different set of rules. The asset management industry is also self-regulated by the Brazilian Association of Entities of the Financial and Capital Markets (*Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais* – ANBIMA), which approves supplementary rules and policies, primarily concerning marketing and publicity.

The CVM, through ICVM No. 558/2015, provides for the professional exercise of securities portfolio management. The CVM defines securities portfolio management as the professional exercise of activities directly or indirectly related to the operation, maintenance, and management of a securities portfolio, including the use of financial resources in the securities market on behalf of investors.

BB DTVM (*Distribuidora de Títulos e Valores Mobiliários*), our asset manager, is also governed by Law No. 13.303/2016, Decree No. 8.945/2016, the CVM, and SEST.

### **Regulation on Credit for Micro and Small Companies**

In order to operate under the *Proger Urbano-Investimento* and *Proger Urbano Capital de Giro* programs, our Micro and Small Companies department follows the rules disclosed by the Decision-making Council of the Workers' Supporting Fund (*Conselho Deliberativo do Fundo de Amparo ao Trabalhador* – Codefat), a collective body of the Ministry of Labor and Employment.

These programs were established upon the enactment of a Resolution and the operationalization of the facilities under the Work Plan and Instrument of Allocation of Special Deposit (*Plano de Trabalho e Termo de Alocação de Depósito Especial*), or Tade, of the Workers' Supporting Fund (*Fundo de Amparo ao Trabalhador* – FAT), both formally filed with the Ministry of Labor and Employment. The Work Plan sets forth the purpose of the credit, target audience, financeable and non-financeable items, credit qualification, financeable limit and cap, financing maturity term, financial charges, guarantees, and impediments, among other characteristics. Tade lists the funds available for allocation in the period.

The funding of the BB Capital de Giro Mix Pasep facility is formed by funds from the PIS-Pasep Fund, which is the result of the unification of funds from the former PIS and Civil Servant Asset Formation Program (*Programa de Formação do Patrimônio do Servidor Público* – Pasep). The use of Pasep funds in these credit facilities allows: (i) us to offer special negotiation terms to our clients, including reduced financial charges; (ii) the formation of inventories; and (iii) beneficiary companies to fulfill social obligations in view of the adequacy of the credit granted to their financial requirements, among others. As a result, it contributes to the generation of employment and income.

Central Bank Resolution No. 2.655/1999 provides for the use of funds from the PIS-Pasep Fund.

### **Regulation on the Main Credit Facilities to Individuals**

The vehicle financing agreements entered into between us and our borrowers are generally governed by the laws applicable to all business transactions and by the Brazilian Civil Code (Law No. 10.406/2002), primarily Articles 1.361 to 1.368-A, under property rights, which provide for the fiduciary sale of personal property. In addition to the Civil Code, vehicle financing agreements are subject to the Consumer Protection Code (Law No. 8.078/1990) and Law No. 10.931/2004, which provides for bank credit notes.

We grant payroll loans pursuant to specific laws and regulations, including Federal Law No. 10.820/2003, regulated by Decree No. 4.840/2003, which provides for the grant of payroll loans to employees subject to the employment regime of the Brazilian Consolidation of Labor Law (*Consolidação das Leis do Trabalho*); Article 45 of Law No. 8.112/1990, regulated by Decree No. 8.690/2016, which provides for the grant of credit to federal civil servants; and INSS/PRES Normative Instruction No. 28/2008, which provides for the grant of credit to retirees and pensioners of the INSS.

Pursuant to Deorf/Cofin I Official Letter (*Ofício*) 2008/06283, the Central Bank authorized the creation of our real estate credit portfolio. The grant of credit under the *Minha Casa Minha Vida* program is subject to Law No. 11.977/2009, as amended, regulated by Decree No. 7.499/2011.

### **Regulation on Credit for the Public Sector**

The regulation on credit transactions with government bodies and entities refers to: (i) the law applicable to financial institutions and other institutions authorized to operate by the Central Bank; and (ii) the law applicable to borrowers.

Financial institutions and other institutions authorized to operate by the Central Bank are required to comply with CMN Resolution No. 2.827/2001 to grant credit to government entities.

CMN Resolution No. 3.751/2009 provides for the safeguard procedures relating to financial institutions and procedures to confirm compliance limits and conditions relating to credit transactions with States, Distrito Federal, and cities.

Article 32 of Supplementary Law No. 101/2000, known as Tax Liability Law, provides that Government entities are required to, before entering into credit transactions, submit them to the National Treasury Office of the Ministry of Treasury for verification of limits and conditions.

The credit transactions of our portfolio are previously submitted for verification of limits and conditions and are entered into once authorized by the National Treasury Office.

### **Regulation on Procurement and Online Bidding Processes**

The online bidding process (*Licitações-e*) was developed in accordance with all applicable regulations on online bidding processes, primarily pursuant to Law No. 8.666/1993, which regulates Article 37 of the Brazilian Federal Constitution and sets forth rules for biddings and contracts with the government. The system includes the Procurement option (*Pregão*), pursuant to Law No. 10.520/2002, and the following options: no-bid contract, solicitation of prices, and invitation. Electronic procurement complies with Decree No. 5.450/2005, which provides for electronic procurement of usual goods and services. The system also offers the option to apply a special treatment to micro and small companies, pursuant to Supplementary Law No. 123/2006. *Licitações-e* was the first procurement system in Brazil that complied with the Special Procurement Regime (*Regime Diferenciado de Contratações Públicas – RDC*), created by Law No. 12.462/2011.

### **Assignment of Credit to Third Parties**

CMN Resolution No. 2.836/2001 consolidates the rules on assignment of credit to third parties and authorizes financial institutions and leasing companies to assign credits from loan, financing, and lease transactions to entities that are not part of the Brazilian Financial System, upon settlement in cash, without the co-obligation of the assignor institution. The repurchase of the assigned credits is not permitted.

CMN Resolution No. 2.686/2000 sets forth the conditions for the assignment of credits to sole-purpose companies and real estate securitization companies.

### **Regulation Aimed at Ensuring the Strength of the Financial System**

#### Restrictions on the concentration of risk

Brazilian law prohibits financial institutions from concentrating their risks in a single entity or group of related entities. Pursuant to applicable law, a financial institution cannot grant credit to any entity or group of related entities in an aggregate amount above 25% or more of its reference equity. This limitation applies to any transaction that involves the granting of credit, including: (i) loans and advances; (ii) guarantees; and (iii) subscription, purchase, and renegotiation of securities, subject to the exceptions set forth in CMN Resolution No. 2.844/2001.

### Investment Restrictions

Financial institutions cannot: (i) realize, on a consolidated basis, fixed assets exceeding 50% of their reference equity; (ii) purchase real estate, except properties for their own offices and service stations; or (iii) purchase equity interest in other financial institutions abroad, without the previous approval of the Central Bank.

In the event a bank receives real estate as payment for a debt, real estate must be sold within a year. This term period may be extended for two additional periods of one year, subject to the approval of the Central Bank.

### Internal Controls – Compliance

Pursuant to CMN Resolution No. 2.554/1998, all financial institutions authorized to operate by the Central Bank are required to establish internal policies and procedures to control: (i) their activities; (ii) their financial, operating, and managerial information systems; and (iii) the compliance with applicable laws and regulations.

The board of executive officers of financial institutions is responsible for the implementation of an effective internal controls structure, consistent with the nature, complexity, and risk of transactions, determining control objectives and procedures for all levels of the institutions. The board of executive officers is also responsible for the systematic verification of the adoption and compliance with the internal procedures determined.

Internal control rules must be accessible to all employees and institutions are required to periodically review and update their internal controls to incorporate measures related to new risks or risks that were not previously addressed.

Internal audit must be part of the internal controls systems, reporting directly to the board of directors of the institution.

On May 18, 2016, the Interministerial Commission for Corporate Governance and Equity Management of the Federal Government (*Comissão Interministerial de Governança Corporativa e de Administração de Participações Societárias da União – CGPAR*) disclosed Resolution No. 18, which determines that federal government companies are required to implement compliance and risk management policies according to their size and consistent with the nature, complexity, and risk of transactions conducted by them.

The areas responsible for compliance and risk management functions must, among others: verify the compliance of a company's organizational structure and processes, products, and services with the laws, rules, internal policies and guidelines, and other applicable regulations; coordinate the preparation of and monitor action plans to mitigate identified risks and disseminate the importance of compliance and risk management, as well as the responsibilities of each area regarding these aspects.

### Independent Auditors and Audit Committee

Independent auditors, in audits or review procedures, and the Audit Committee must inform the Central Bank about the existence or evidence of error or fraud, within three business days from the identification of the relevant error or fraud, consisting of: (i) non-compliance with laws or regulations, endangering the audited entity as a going concern; (ii) fraud involving any amount, committed by the management of the relevant institution; (iii) material fraud committed by employees of the entity or third parties; or (iv) errors that significantly compromise the accounting records of the entity.

### Independent Auditors

The financial statements of all financial institutions in Brazil must be audited by independent auditors that can only be engaged if they: (i) are registered with the CVM and certified for bank analysis by the Institute of Independent Auditors of Brazil (*Instituto dos Auditores Independentes do Brasil – Ibracon*) and by the Brazilian Institute of Independent Auditors (*Instituto Brasileiro de Auditores Independentes – Ibai*); and (ii) fulfill a number of requirements that ensure their independence.

Financial institutions are required to replace the responsible technical person, officer, manager, supervisor, and any other member with managerial functions of the audit team at least every five years, pursuant to CMN Resolution No. 3.606/2008. Former auditors can be engaged again after a period of three years from their previous work. Moreover, financial institutions are required to appoint a technically qualified senior manager as the person responsible for compliance with all rules on financial statements and audit. Persons who worked in the audit team in the previous 12 months cannot be engaged.

Independent auditors are required to prepare an audit report on financial statements, as well as: (i) an assessment of internal controls and procedures relating to risk management adopted by the financial institution, notably in relation to its electronic data processing system, presenting all potential failures found; and (ii) a report describing the non-compliance of the financial institution with any applicable law that is material to its financial statements or activities.

#### Audit Committee (Coaud)

Pursuant to CMN Resolution No. 3.198/2004 and Circular Letter No. 3.299/2008, all financial institutions that presented, in the last two fiscal years: (i) a reference equity or a consolidated reference equity equal to or above R\$1 billion; (ii) as a third-party manager, assets equal to or above R\$1 billion; or (iii) as a third-party manager, assets and deposits in a global amount equal to or above R\$5 billion, are required to create an internal audit committee, or Coaud.

The Coaud must have at least three members, for a maximum term of office of five years for institutions whose shares are traded in stock exchanges and an indefinite term of office for closely-held institutions. The number of members; appointment, dismissal, and compensation criteria; term of office; and duties must be set forth in the bylaws or articles of incorporation of the relevant institution. At least one member is required to have confirmed knowledge in the accounting and audit areas to qualify for the Coaud.

Pursuant to CMN Resolution No. 3.198/2004, members of the Coaud of institutions whose shares are traded in stock exchanges cannot have acted, in the last twelve months, as: (i) officer of the relevant institution or its affiliates; (ii) employee of the relevant institution or its affiliates; (iii) responsible technical person, officer, manager, supervisor or any other title with managerial duties regarding the team involved in the audit works of the relevant institution; and (iv) members of the fiscal council of the relevant institution or its affiliates. Moreover, the members of the Coaud of institutions that are controlled by the federal government, as we are, cannot: (i) hold any title in the government and be on leave; and (ii) have hold, in the last twelve months, any title or position in the government (in our case, the federal government).

The Coaud must present a semiannual report to the board of directors, among other duties.

#### Financial Report and Audit Requirements

Brazilian law requires financial institutions to prepare their financial statements in accordance with certain standards set forth by Brazilian Corporate Law and other applicable regulations. All financial institutions are required to have their financial statements audited semiannually. Pursuant to Central Bank and CVM regulations, quarterly financial information is subject to independent auditors' review.

#### **Regulation on the Registration and Classification of Sale or Transfer of Assets**

CMN Resolution No. 3.533/2008 provides for changes in the registration, classification, and disclosure of sales and transfers of assets in the books of banks (pursuant to CMN Resolution No. 3.809/2009, as amended by CMN Resolution No. 3.895/2010, these changes took effect in January 2012). The accounting treatment now follows the criteria of transfer of risk and, secondarily, transfer of control. Accordingly, sales and transfers of financial assets must be classified and recorded, for accounting purposes, as follows: (i) transactions with a substantial transfer of risks and benefits; (ii) transactions with a substantial withholding of risks and benefits; and (iii) transactions without any substantial transfer or withholding of risks and benefits. The assessment regarding the transfer or sale of the risks and benefits derived from the ownership of financial assets is conducted by the institution and must be based on consistent and verifiable criteria. Pursuant to Resolution No. 3.533/2008, in the event the assignor substantially withholds the risks and benefits of the assigned assets, the relevant credits cannot be accounted for as off-balance sheet loans. This provision also applies to the following transactions: (i) buyback transactions; (ii) transactions in which the assignor assumes the obligation to compensate the assignee for losses; and (iii) transactions conducted together with the acquisition of subordinated shares of Credit Rights Investment Funds (*Fundos de Investimento de Diretos Creditórios*), or FIDCs.

#### **Capital Adequacy Guidelines**

Brazilian financial institutions are required to follow the guidelines set forth by the CMN and the Central Bank, equivalent to those of the Basel Committee on Banking Supervision, or BCBS, due to capital adequacy risks and minimum requirements. Banks are required to provide to the Central Bank the information required for the exercise of its inspection duties, including the control of solvency and capital adequacy changes.

The implementation of rules relating to risk management and capital structure in Brazil particularly changed the calculation method of the capital required to bear the risks inherent to the banking activity. In order to regulate the Basell I and II transitions, the Central Bank published rules on capital requirements (Pillar I), supervision process, and transparency of information (Pillars II and III).

On October 1, 2013, the rules that implemented the new recommendations of the BCBS (known as Basell III) took effect in Brazil, providing for:

- (a) the calculation method of the regulatory capital; and
- (b) the calculation method of the capital maintenance requirement, adopting minimum Reference Equity requirements (Level I and Principal Capital), and introducing the Additional Principal Capital.

The Reference Equity is the amount of available capital taken into account to determine the operating limits of Brazilian financial institutions. Pursuant to applicable regulations, the Reference Equity consists of the sum of Level I and Level II; and Level I consists of Principal Capital (less Prudential Adjustments) and Complementary Capital.

Prudential Adjustments consist of the deduction from Principal Capital of balance sheet elements that may compromise the quality of Principal Capital as a result of its low liquidity, difficult assessment or reliance on future profit to be realized. These Adjustments will be made gradually, according to a 20% deduction per year, between 2014 and 2018.

Complementary Capital and Level II are also deducted by the balance of assets represented by the following funding instruments issued by the financial institution: shares, quotas, *quotas partes*, capital and hybrid debt instruments and subordinated debt instruments, all of which are deducted from the relevant portion of the Reference Equity for which the funding instrument is eligible, except the funding instruments issued pursuant to the requirements of CMN Resolution No. 4.192/2013.

The Minimum Reference Equity Required (MRER) corresponds to the capital required from financial institutions to bear the risks resulting from banking activities. Pursuant to applicable regulations, MRER corresponds to the application of factor "F" to the amount of Risk Weighted Assets (RWA), where "F" is equal to: 11% of the RWA, from October 1, 2013 to December 31, 2015; 9.875% of the RWA, from January 1, 2016 to December 31, 2016; 9.25% of the RWA, from January 1, 2017 to December 31, 2017; 8.625% of the RWA, from January 1, 2018 to December 31, 2018; and 8% of the RWA, as of January 1, 2019.

The calculation of the amount of Risk Weighted Assets takes into account the sum of the following:

I –  $RWA_{CPAD}$ , relating to credit risk exposures subject to the calculation of capital requirements in accordance with a standardized approach;

II –  $RWA_{MPAD}$ , relating to market risk exposures subject to the calculation of capital requirements in accordance with a standardized approach; and

III –  $RWA_{OPAD}$ , relating to the calculation of capital requirements for the operating risk in accordance with a standardized approach.

Complementarily, pursuant to the Basell III requirements, the minimum requirements of principal capital (4.5% of the RWA) and Level I (6%, as of January 1, 2015) were also set.

The Central Bank published CMN Resolution No. 4.443/2015, which established the Additional Principal Capital (APC), corresponding to the sum of the portions of Conservation APC, Countercyclical APC, and Systemic APC, and Central Bank Circular Letters No. 3.768/2015 and No. 3.769/2015, which set forth the calculation methods for these portions.

### **The Role of the Public Sector in the Brazilian Banking System**

Amidst the global financial crisis, on October 6, 2008, the Brazilian President enacted a provisional measure related to the domestic use of foreign currency reserves by the Central Bank to increase the liquidity of financial institutions through rediscount and loan transactions. Moreover, Law No. 11.908/2009 authorized: (i) us and CEF to purchase, directly or indirectly, with or without control, equity interest in private and government financial institutions in Brazil, including insurance companies, social security institutions, and capitalization companies; (ii) the Central Bank to enter into currency swap transactions with other central banks.

The bylaws of the Credit Guarantee Fund (*Fundo Garantidor de Crédito*), or FGC, amended by CMN Resolution No. 4.222/2013, authorizes it to invest up to 50% of its shareholders' equity in: (i) the acquisition of credit rights of financial institutions and leasing companies; (ii) bank deposits, with or without the issuance of certificates, lease letters and acceptance bills of exchange of associated institutions,



provided that they are guaranteed by a credit right established or to be established under the relevant transaction, or other credit rights secured by a collateral or personal guarantee; and (iii) tied transactions, pursuant to CMN Resolution No. 2.921/2002. The FGC may sell any asset acquired in the transactions described in items (i), (ii), and (iii).

### Regulation on People Management

Pursuant to Article 1 of Decree No. 3.735/2001, the Ministry of Planning is responsible for approving the following requests of federal government companies: review of the Career and Compensation Plan, renewal of collective labor agreements or collective bargaining agreements of employees, and profit sharing program for employees and officers. Pursuant to Decree No. 3.735/2001, we are subject to government regulation regarding any review, change or establishment of programs related to the abovementioned matters. Moreover, before the approval of any measure, the ministerial authorization is conditioned to the existence of a sufficient budget appropriation to meet expenses related to personnel and social charges. The Federal Office of Internal Control (*Secretaria Federal de Controle Interno*), subordinated to the Brazilian President, through the Office of the Federal Controller General (*Controladoria Geral da União – CGU*), inspects information about employee hiring and dismissal.

### Corporate Structure

Except for the cases set forth in law, financial institutions are required to be organized as corporations (*sociedades por ações*) and are subject to Brazilian Corporate Law and the rules issued by the Central Bank, as well as to CVM inspections if they are publicly-held. The capital stock of financial institutions is divided in voting capital and non-voting capital, and non-voting capital cannot exceed 50% of total capital. Considering our accession to the special trading segment of B3, *Novo Mercado*, our capital stock comprises only common shares.

### Credit Classification and Provision for Doubtful Accounts

CMN Resolutions No. 2.682/1999 and No. 2.697/2000, within the Brazilian Financial System, set forth the classification criteria of credit transactions and the rules for the establishment of provisions for doubtful accounts.

CMN Resolution No. 2682/1999 sets forth the credit transactions that must be classified according to nine levels of risk and require the establishment of provisions for doubtful accounts, as follows:

Classification of risk	AA	A	B	C	D	E	F	G	H
Minimum provision (%)	0.0%	0.5%	1.0%	3.0%	10.0%	30.0%	50.0%	70.0%	100.0%

We calculate the risk of credit transactions automatically based on information on the transaction, client, and guarantee provided.

Pursuant to Resolution No. 2.682/1999, the classification of risk of transactions must be reviewed: (a) monthly, considering the delay in payment of principal or charges, according to the number of days of delay set forth in the table below; (b) every six months, for transactions of the same client or economic group in an amount above 5% of the adjusted shareholders' equity of the institution; and (c) once every 12 months.

Applicable regulations set forth the classification of minimum risk for overdue loans, as follows:

Number of days of delay <sup>1</sup>	15 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	to 121 to 150 days	to 151 to 180 days	to More than 180 days
Minimum risk classification	B	C	D	E	F	G	H

<sup>1</sup> – The number of days may be doubled in case of loans with outstanding maturities above 36 months.

Six months after their classification as "H," transactions must be transferred to a loss account, with a corresponding debit in provisions, provided that they are overdue for more than 180 days.

Financial institutions are required to maintain appropriate documentation regarding their policy and procedures for granting and classification of credit transactions, which must be available to the Central Bank and independent auditors. Financial institutions are required to disclose detailed information about the composition of their portfolios of credit transactions in a note to their financial statements, including at least: (i) a breakdown by type of client and economic activity; (ii) a breakdown by maturity term; and

(iii) the amount of renegotiated transactions, recorded against loss, and recovered transactions for the period.

### **Credit Risk Central System**

The Credit Information System (*Sistema de Informações de Crédito*) of the Central Bank, or SCR, is the main instrument used by banking supervision to monitor the credit portfolios of financial institutions. Accordingly, the SCR plays an important role regarding the stability of the Brazilian Financial System and prevention of crisis, providing more convenience to borrowers and greater transparency to society.

The main purpose of the SCR is to provide the Central Bank with accurate and systematic information about credit transactions contracted by financial institutions, in order to protect funds deposited by citizens. Moreover, the SCR is used by financial institutions to assess the payment capacity of its clients, provided they are specifically authorized by their clients.

Financial institutions inform the amount of any credit transaction, whether performing or late, and the amounts regarding guarantees provided by financial institutions to their clients. The identification of clients whose total obligations are equal to or above R\$200.00 is mandatory. CMN Resolution No. 3.658/2008 amended and consolidated the regulation on information provided to the Central Bank on credit transactions.

### **Money Laundering and Terrorism Financing Prevention**

Pursuant to Law No. 9.613/1998, which provides for crimes relating to money laundering or concealment of assets, rights, and valuables, financial institutions are required to:

- a) identify and maintain updated records of their clients;
- b) maintain a record of transactions involving domestic or foreign currency, securities, negotiable instruments, metals or any other assets that may be converted into cash;
- c) maintain internal controls and consolidated records that allow the verification of the identity of the client, the consistency of transfers of funds, economic activity, and financial condition;
- d) follow up and monitor clients' transactions or proposals in order to detect events whose characteristics (form of realization, involved parties, values, incidence, instruments used or lack of economic or legal grounds) may indicate evidence of money laundering or artifices to circumvent the established control mechanisms; and
- e) inform the competent authorities (without the knowledge of the client) of detected evidence of money laundering and transactions carried out in cash, in amounts above those set forth by the Central Bank.

The Central Bank regulated Law No. 9.613/1998 regarding financial institutions and other institutions authorized by the Central Bank to operate. Central Bank Circular No. 3.461/2009 consolidated the rules on money laundering prevention and combat in effect at that time. In addition to the obligations set forth in Law No. 9.613/1998, Central Bank Circular No. 3.461/2009 sets forth specific procedures for client identification; transaction records; monitoring and communications with the Financial Activities Control Council (*Conselho de Controle de Atividades Financeiras*), or Coaf; businesses with politically exposed persons; relationship with financial institutions and correspondents abroad; training of employees; and the appointment of an officer responsible for the implementation and compliance with the measures regarding money laundering prevention and combat, to which we, our branches and subsidiaries abroad are subject.

Central Bank Circular Letter No. 3.542/2012 updated and increased the list of transactions and events that may operate as evidence of the crimes set forth in Law No. 9.613/1998, which may be communicated to Coaf.

The Central Bank published Circular No. 3.654/2013, which amended Circular No. 3.461/2009, providing for, among others:

- (a) the inclusion of new public titles or functions whose holders qualify as politically exposed persons: members of superior courts, federal regional courts, labor courts, and electoral courts; members of the Superior Council of Labor Justice (*Conselho Superior da Justiça do Trabalho*) and the Federal Justice Council (*Conselho da Justiça Federal*); the chairmen of the accounting courts of States, the Distrito Federal and Municipalities (Article 4, paragraph 2, Items III and VI); and
- (b) the mandatory presentation of a statement to Coaf, certifying the absence of suspicious transactions that should be informed (Article 15-A).

## Politically Exposed Persons

Pursuant to Central Bank Circular No. 3.461/2009, financial institutions are required to adopt special procedures to establish or maintain relationships with clients that are deemed politically exposed persons. These procedures include the identification of clients that qualify as politically exposed persons; the maintenance of updated records; the need for an analysis and authorization by senior management to begin or maintain a business relationship; and reinforced monitoring of financial transactions.

Pursuant to applicable regulations, politically exposed persons include public agents that hold or held, in the last five years, in Brazil or abroad, material public titles, jobs or functions, as well as their representatives, family members, and other closely-related persons.

## Corruption Prevention and Combat

We maintain, at our Institutional Security Area (*Diretoria de Segurança Institucional*), a specialized organizational structure dedicated to the compliance with obligations arising out of Brazilian regulations on Money Laundering, Terrorism Financing and Corruption Prevention.

Law No. 12.846/2013 provides for the administrative and civil liability of companies for acts committed against the Brazilian or foreign governments. Article 5 lists the acts against the government. Decree No. 8.420/2015 regulates the application of Law No. 12.846/2013 regarding the federal government.

Pursuant to Law No. 12.846/2013, we are required to:

- (a) identify and mitigate risks related to acts against the government, committed by our own agents or third parties, that are of our interest or that benefit us, with or without the knowledge or consent of our employees, members of management, directors, officers or shareholders; and
- (b) identify and mitigate the risk of occurrence of acts against our assets, committed by agents and representatives of a company, that are of its interest or that benefit it, as well as implement the Administrative Liability Process (*Processo Administrativo de Responsabilização*).

## Regulations that Affect the Liquidity of the Financial Market

### Reserve Requirements and Others

The Central Bank imposes on financial institutions, among other requirements, a number of payments, using these reserves as a mechanism to control the liquidity of the financial system. Payment of reserves applies to cash funds, savings deposits, time deposits, and foreign exchange short positions. We set forth below some of the current reserves:

### Cash Funds

Banks and other financial institutions in general are required to deposit 45% of the average daily balance of their deposits, third-party funds in transit, cashier's check, collection and payment of tax and similar amounts, obligations derived from the provision of payment services, assumption of debt transactions, and results from guarantee transactions (pursuant to Central Bank Circular No. 3.632/2013).

Multiple banks with a commercial portfolio, commercial banks and Caixa Econômica Federal are required to maintain investments in credit transactions intended for the low income population and micro entrepreneurs, corresponding to at least 2% of the arithmetic average of amounts recorded as cash deposits. Subsequently, these institutions are required to deduct the transactions eligible for the financing of micro entrepreneurs, pursuant to Central Bank Resolution No. 4.000/2011. Funds that are not allocated as described must be mandatorily remitted to the Central Bank.

### Savings Deposits

Financial institutions are usually required to make weekly deposits in an interest-accruing account with the Central Bank, of an amount in cash equivalent to 15.5% of the total average balance of savings accounts of the previous week, pursuant to Central Bank Circular No. 3.093/2002, as amended. In our case, and in the case of Banco da Amazônia and Banco do Nordeste, funds from savings accounts are allocated to rural credit. We are required to transfer 74% of the funds from rural savings to rural credit transactions.

Moreover, pursuant to the prerogative set forth by CMN Resolution No. 3.549/2008, as an institution authorized to receive rural savings deposits, we receive savings deposits under the Brazilian Savings and Loans System (*Sistema Brasileiro de Poupança e Empréstimo*), or SBPE. At least 65% of the total amount of deposits in savings accounts under the SBPE must be used to finance housing, except in specific cases. The amounts that can be used to meet this requirement include, in addition to the funds allocated to the

financing of residential properties, collateral mortgage notes, charges on residential real estate loans, and other financings. Through Resolution No. 4.410/2015, the CMN set forth a 24.5% rate regarding mandatory deposits (*encaixe*) and funds held by entities under the SBPE.

#### Time Deposits

Financial institutions are required to make deposits in an account with the Central Bank of 25% of time deposits, pursuant to Central Bank Circular No. 3.569/2011, as amended. The balance of this account accrues interest at the Selic rate.

#### Additional Mandatory Deposits (Savings and Time Deposits)

The Central Bank set forth an additional mandatory reserve on deposits held by multiple banks, investment banks, commercial banks, development banks, savings banks; credit, financing and investment associations; real estate credit associations; and savings and loans associations, pursuant to Central Bank Circular No. 3.655/2013. In these cases, the applicable rates are 11% and 5.5% for time deposits and savings deposits, respectively. Amounts are deposited in accounts accruing interest at the Selic rate.

#### Foreign Exchange Short Positions

Central Bank Circular No. 3.659/2013, which amended Circular No. 3.548/2011, set forth a 0% rate on the calculation basis of mandatory deposits relating to foreign exchange short positions. The calculation basis corresponds to the average daily foreign exchange short positions of the days of the calculation period, less US\$3 billion converted into the domestic currency at the exchange rate of the day. The calculation period varies and comprises five consecutive business days, excluding, at each period the first business day of the previous period.

#### Interfinancial Deposit (DI)

DI is an instrument intended to allow the exchange of reserves among financial institutions. The issuance and transmission of the DI is exclusively made on a not-to-bearer and book-entry basis, without any certificate. It must be registered and settled at the Center of Custody and Financial Settlement of Securities (*Balcão Organizado de Ativos e Derivativos – CETIP*). The DI is regulated by CMN Resolution No. 3.399/2006, Central Bank Circular No. 2.190/1992, Central Bank Circular No. 2.905/1999, Central Bank Circular Letter No. 2.585/1995, and Central Bank Circular No. 3.126/2002.

#### Exposure to Foreign Currency and Gold

The total consolidated exposure of a financial institution to foreign currency and gold cannot exceed 30% of its reference equity, pursuant to CMN Resolution No. 3.488/2007.

#### Foreign Currency Cash

Pursuant to CMN Resolution No. 4.033/2011, foreign currency cash can be invested abroad by banks authorized to operate in the exchange market in: (i) bonds issued by the Brazilian government; (ii) sovereign bonds issued by foreign governments; (iii) bonds issued by or under the responsibility of a financial institution; and (iv) time deposits of financial institutions.

#### Repurchase Agreements, Export Notes, Guarantees, etc.

The Central Bank set forth a reserve requirement for certain types of financial transactions including: (i) repurchase agreements, export notes, derivative transactions (Central Bank Circular No. 2.820/1998 provides for a nihil reserve requirement); and (ii) guarantees provided by financial institutions (Central Bank Circular No. 2.704/1996 provides for a nihil rate).

### **Consumer Protection Code (CDC)**

In 1990, the Brazilian Consumer Protection Code (*Código de Defesa do Consumidor*), or CDC, was enacted, setting forth strict rules governing the relationship between suppliers of products and services and their customers. In June 2006, the Federal Supreme Court determined that the CDC also applies to transactions between financial institutions and their clients. Financial institutions are also subject to CMN regulation, which specifically regulates the relationship between financial institutions and their clients. CMN Resolution No. 3.694/2009 sets forth the criteria regarding the prevention of risks relating to transactions with and services provided by financial institutions, imposing conditions on the relationship of consumers of banking services and products. CMN Resolution No. 3.919/2010 amended and consolidated the rules on tariffs charged for services provided by financial institutions.

The main changes introduced by the CDC are: (i) financial institutions are required to ensure that their clients are fully aware of all contractual clauses, including liabilities and penalties applicable to both parties, in order to protect counterparties against abusive practices. All doubts, queries or complaints relating to agreements or the transparency of clauses must be promptly responded, and tariffs, commissions or any other type of service fees or compensation for operations cannot be increased without a reasonable justification (nor can they exceed the limits set forth by the Central Bank); (ii) financial institutions are prohibited from transferring funds from different accounts of their clients, without their previous authorization; (iii) financial institutions cannot require that transactions tied to other transactions be made by the same institution. In the event a transaction depends on another transaction, clients are free to choose another institution to make such transaction; (iv) financial institutions cannot engage into misleading or abusive advertisement or disclose misleading or abusive information about their agreements or services. Financial institutions are responsible for any damage caused to their clients for any losses; (v) interest rates for personal credit and direct consumer credit must be proportionally reduced in case of settlement or early amortization of debts; (vi) clients are entitled to withdraw up to R\$5,000 per day. Clients are required to inform the financial institution at least 24 hours in advance in case they intend to withdraw amounts above R\$5,000; and (vii) the elderly and disabled are entitled to appropriate treatment.

### **Regulation on Customer Service (SAC)**

Law No. 8.078/1990 provides for mandatory Customer Service (SAC).

Decree No. 6.523/2008 regulates Law No. 8.078/1990, establishing general rules for SAC by phone of suppliers of services regulated by the federal government in order to ensure compliance with basic consumer rights, i.e., the right to obtain appropriate and clear information on contracted services and to be protected from abusive or illegal practices imposed in the provisions of services.

Pursuant to Decree No. 6.523/2008, calls made to SAC must be always free, to 0800.729.0722 and 0800.729.0088, which provides accessibility to persons with hearing or speech disabilities.

### **Brazilian Civil Rights Framework for the Internet**

Law No. 12.965/2014, known as Brazilian Civil Rights Framework for the Internet, enacted on April 23, 2014 and effective as of June 23, 2014, sets forth the principles, guarantees, rights and duties relating to the use of the internet in Brazil.

#### User Privacy Protection

The contents of private electronic communications have the same privacy protection as traditional communications, such as letters, phone conversations, etc. The "Authorization Instrument for Receipt of E-mail" is already available for clients, at our self-service online channel (*Autoatendimento BB pela Internet* – APF), and to managers, at our Business Platform. Its purpose is to give transparency to relationships via e-mail and increase the awareness of clients about the rules of use and characteristics of messages. Moreover, we also provide digital services to our clients through instant messaging with specialized managers, by cell phone or at our self-service online channel in a safe environment protected by login.

### **Bank Secrecy**

Financial institutions are required to keep the secrecy of bank transactions and services provided to their clients. Pursuant to Supplementary Law No. 105/2001, information about clients, services or transactions of Brazilian financial institutions or credit card companies can only be revealed to third parties in the following events: (i) exchange of information among financial institutions, for registration purposes, including through risk centers, pursuant to the rules of the CMN and the Central Bank; (ii) supply of information included in the records of issuers of bad checks and defaulting debtors to credit protection entities, pursuant to the rules of the CMN and the Central Bank; (iii) supply of information required for the identification of taxpayers and global amounts of the relevant transactions, in the terms and conditions set forth by the Ministry of Treasury, to institutions responsible for the withholding and payment of contributions to the Federal Revenue Office; (iv) communication to the competent authorities of crimes or administrative violations, including the supply of information about transactions involving funds from any illegal acts; (v) the disclosure of confidential information with the express consent of the interested parties; (vi) transactions conducted and information provided by the Central Bank in the exercise of its duties; (vii) information to be provided to the Judicial and Legislative Powers, within the limits of the lawsuit and constitutional and legal powers; (viii) information provided to federal tax authorities within the periodicity and limits of amounts set forth by the Executive Power; (ix) information provided to tax inspection agents, provided that it is deemed essential by the competent authority under the relevant administrative

proceeding; and (x) information provided by the Central Bank or the CVM, in an administrative proceeding, upon court order or in case of crime or suspicion of crime. Supplementary Law No. 105/2001 also allows the Central Bank or the CVM to exchange information with foreign government authorities, provided that a specific treaty on the relevant subject is previously executed.

### **Bankruptcy**

#### Intervention, Administrative Liquidation and Bankruptcy

The Central Bank may intervene in the transactions of a financial institution that is not controlled by the Brazilian government in case of material risk to creditors, or in case the institution often violates applicable regulations. The Central Bank may also intervene in case the liquidation can be avoided or proceed with an administrative liquidation, or, in some circumstances, file for the bankruptcy of any financial institution, except those that are controlled by the Brazilian government.

#### Administrative Liquidation

The administrative liquidation of any financial institution (except financial institutions controlled by the Brazilian government, as is our case) may be conducted by the Central Bank, pursuant to Law No. 6.024/1974, provided that: (i) the debts of the financial institution are not paid when due; (ii) the financial institution is deemed insolvent; (iii) the financial institution incurred losses that could significantly increase the exposure of unsecured creditors; (iv) the management of the relevant financial institution materially violates the laws or regulations applicable to Brazilian banks; (v) in case the institution does not initiate its liquidation within 90 days after its authorization to operate is canceled, or in case the institution initiates its liquidation and the Central Bank verifies that the slowness of its management can cause losses to creditors; or (vi) the liquidation process can be requested by the management of the institution pursuant to its bylaws or upon proposal of the intervenor, as duly justified.

The liquidation administrative proceeding may terminate: (i) at the discretion of the Central Bank, if the relevant parties take over the management of the financial institution, after providing the required guarantees; (ii) when the final accounts of the judicial liquidator are processed, approved, and subsequently filed at the competent public registry; (iii) in case of conversion into a common liquidation; or (iv) in case of adjudication of bankruptcy of the financial institution.

#### Temporary Special Administration Regime (*Regime de Administração Especial Temporária* – RAET)

In addition to the abovementioned procedures, the Central Bank may also establish the Temporary Special Administration Regime (*Regime de Administração Especial Temporária*), or RAET, which is a less restrictive intervention of the Central Bank in private and non-federal government institutions, allowing institutions to operate normally.

RAET may be imposed by the Central Bank in the following cases: (i) continuous engagement in transactions that are contrary to the economic and financial policies set forth by federal law; (ii) the institution does not comply with the rules on mandatory reserves; (iii) the institution has transactions or is facing circumstances that require intervention; (iv) reckless or fraudulent management; (v) the institution faces a shortage of assets; and (vi) any of the events described above that may result in a declaration of intervention.

The main purpose of RAET is to assist in the maintenance of solvency and financial condition of the institution under special administration. Accordingly, RAET does not affect the daily routine of commercial transactions, obligations or rights of the financial institution, which continues to operate in its normal course of business.

RAET does not provide for a minimum term period and it may terminate after any of the following events: (i) acquisition of control of the financial institution by the federal government; (ii) corporate reorganization, consolidation, spin-off or transfer of share control of the financial institution, (iii) decision of the Central Bank; or (iv) adjudication of extrajudicial liquidation of the financial institution.

#### Reimbursement of Creditors in the Liquidation

In the event of bankruptcy or liquidation of a financial institution, certain credits, such as credits for salaries of up to 150 minimum wages per worker, among others, have priority over other credits.

The FGC is a guarantee system for deposits, established as a non-profit private civil association, providing for two types of guarantee: (i) ordinary guarantee, which protects credits of up to R\$250,000.00 relating to deposits and credit instruments held by an individual against a financial institution or financial

institutions of the same financial group; and (ii) special guarantee, which protects credits of up to R\$20,000,000.00 relating to time deposits without the issuance of certificates held by an individual against a financial institution or financial institutions of the same financial group, according to the funding limit set forth by CMN Resolution No. 4.222/2013. The credit insurance of the Fund is primarily financed by mandatory contributions of all Brazilian financial institutions that hold deposits of their clients. The payment of credits that are not guaranteed and deposits of clients that are not protected by the credit insurance of the Fund is subject to the previous payment of all guaranteed credits and other credits that have special priority under specific laws.

Moreover, two laws affect the priority of payments to creditors of Brazilian banks in case of insolvency, bankruptcy or similar events. Law No. 9.069/1995 grants pledge immunity on mandatory deposits held by financial institutions with the Central Bank. These deposits cannot be associated with lawsuits filed by creditors of banks for the payment of debt. Law No. 9.450/1997 requires that the assets of any insolvent bank financed by loans made by foreign institutions, including trade financing facilities, be used to pay these due facilities, having priority over creditors in general of the insolvent bank.

### **Cancelation of Bank License**

The Law of Banking Reform (Law No. 4.595/1964), together with specific regulation approved by CMN Resolution No. 1.065/1985, provides for penalties that may be imposed on financial institutions in certain circumstances. A financial institution may be subject to the cancelation of its license to operate and/or conduct exchange transactions. Cancelations are applicable in certain circumstances set forth by the Central Bank, including recidivism of: (i) violation of Central Bank regulations by the management of the financial institution; or (ii) negligence of the financial institution in pursuing adequate banking practices relating to its exchange activities.

Moreover, the Central Bank may, pursuant to CMN Resolution No. 4.122/2012, cancel the authorization to operate of a bank if one or more of the following events occur, at any time: (i) transactions deemed essential are not usually contracted, pursuant to applicable rules, for the institutions mentioned in Article 1 of the Resolution; (ii) operating inactivity; (iii) the institution is not located at the address informed to the Central Bank; (iv) unjustified interruption of the remittance to the Central Bank, for more than four months, of the statements required by applicable regulation; and (v) non-compliance with the business plan set forth in Item II of Article 6, taking into account the verification period set forth in Article 11. The cancelation of a banking license can only occur after the Central Bank conducts the relevant administrative proceeding.

### **Brazilian Payment System (*Sistema de Pagamentos Brasileiro – SPB*)**

Pursuant to Circular No. 3.438/2009, we maintain a Bank Reserve account with the Central Bank. Pursuant to Article 4, Item I, of Circular No. 3.438/2009, commercial banks, multiple banks with a commercial portfolio, and savings banks are required to maintain a reserve account.

Pursuant to Circular No. 3.100/2002, Chapter IV, Section I, Article 12, Item I, subitem "b," institutions that hold Bank Reserve accounts are mandatory participants of the Reserve Transfer System (*Sistema de Transferência de Reservas*), or STR.

We settle interbank transfers pursuant to the abovementioned rules.

Circular Letter No. 3.401/2009 provides for the procedures relating to the monitoring of the STR to be followed by the Central Bank/Deban and its participants. The monitoring extends for the hours of operations of the STR, beginning 30 minutes before opening and ending 30 minutes after closing. This monitoring includes the follow-up of instructions and settlement of orders issued in the system.

The regulation attached to Circular No. 3.100/2002, Chapter III, Section III, Articles 7-A to 7-E, provides for the operation of financial institutions under a contingency regime in any event detected during monitoring, preventing transfers to and from its Bank Reserve account with the Central Bank. The applicable procedures are disclosed in Circular Letter No. 3.696/2015.

### **SPB – Digital Certification**

We purchase and use digital certificates issued by Certifying Authorities accredited by the Brazilian Public Key Infrastructure (*Infraestrutura de Chaves Públicas Brasileira – ICP-BRASIL*) to make financial transfers, pursuant to the rules of the Central Bank, as described in the SPB Security Manual.

## Foreign Investment and the Brazilian Constitution

### Foreign Banks

The Brazilian Federal Constitution prohibits foreign financial institutions from establishing branches in Brazil, except as duly authorized by the Brazilian government. A foreign financial institution duly authorized to operate in Brazil through a branch is subject to the same rules, regulations and requirements applicable to any Brazilian financial institution.

### Foreign Investment in Brazilian Financial Institutions

Article 52 of the Transitional Constitutional Provisions of the Brazilian Constitution prohibits: (i) the establishment in Brazil of new branches of financial institutions domiciled abroad; and (ii) the increase in the equity interest percentage in the capital of financial institutions headquartered in Brazil, held by individuals or companies resident or domiciled abroad. These prohibitions do not apply to authorizations resulting from international agreements, reciprocity agreements or authorizations of interest to the Brazilian government.

However, foreign investors, without specific authorization and in public negotiations, may purchase non-voting shares issued by financial institutions, or Depositary Receipts, or DRs, representing non-voting shares, distributed abroad. The launching of DRs backed by voting shares is limited to the percentage allowed for foreign entities, pursuant to applicable law and CMN Resolution No. 3.760/2009.

In our case, in accordance with the powers of the President of Brazil, the government enacted: (i) Decree No. 6.960/2009, authorizing us to launch our American Depositary Receipts, or ADRs, backed by our common shares; (ii) unnumbered Decree, on the same date, authorizing us to increase the percentage allowed for foreign entities, from 12.5% to 20% of our capital stock (on October 25, 2013, pursuant to another Presidential Decree, the share allocated to foreign investors increased from 20% to 30%); and (iii) Decree No. 7.184/2010, authorizing us to increase our capital stock, through the issuance of up to 286 million common shares, under a primary public offering.

## Asset Management

The management of assets not for own use follows the rules issued by the Central Bank, which is responsible for inspecting financial institutions. One of the most material and impactful rules refers to the time that assets not for own use may remain as our assets (i.e., up to one year). This period may, at the discretion of the Central Bank, be extended to up to two equal and successive periods. The other material and impactful rule refers to the criteria for the establishment of provisions for depreciation of other values and assets. With regards to the first rule, we prepare and present monthly requests for term extensions regarding the time unsold assets remain as our assets. With regards to the second rule, we take into account any pending issues relating to the possession or ownership of assets, in addition to their assessment values, for the establishment of the relevant provisions, if applicable. The main rules governing this matter are Cosif 1-10, Central Bank Circular No. 909/1985, and Technical Pronouncement CPC 01.

### Procurement, Contracting and Contract Management

We are subject to Law No. 8.666/1993 (Procurement and Contracts Law), related laws and other rules regarding government-controlled companies (*sociedade de economia mista*), including Law No. 12.305/2010, providing for Solid Waste, and Law No. 12.846/2013, setting forth anticorruption provisions. This legislation provides for strict and constant inspection from external bodies, including the Federal Accounts Court (*Tribunal de Contas da União* – TCU), the Office of the Federal Controller General (*Controladoria Geral da União* – CGU), the Central Bank, and society as a whole, ensuring transparency and control of the procurement and contracting processes on behalf of society.

### Clearing

We are responsible for check clearing services, pursuant to Law No. 4.595/1964.

Accordingly, "institutions that maintain checking accounts or issue cashier's checks, and hold bank reserve accounts or clearing accounts, are required to participate in Compe" (Circular No. 3.535/2011). The provisions regarding interbank check clearance are consolidated in the Regulation of Check Clearance Centralization (*Regulamento da Centralizadora da Compensação de Cheques*), attached to Circular No. 3.532/2011, approved pursuant to Article 3 of this Circular. The procedures of operations of Compe are detailed in the Operating Manual prepared by the creditor (*Executante*) and approved by the Central Bank (sole paragraph of Article 3).



Money/TAA Services

This process is subject to the same regulatory aspects of the processes of Safekeeping and Transfer of Money (*Guarda e Movimentação de Numerário*), governed by Law No. 7.102/1983 and DPF Ordinance No. 0387/1986). Moreover, the process of supply of self-service terminals is also subject to DPF Ordinance No. 0781/2010, which sets forth the rules regarding counting cash for TAA, among others.

Money/Custody

Custody of Cash to the order of the Central Bank results from our duty under Item III of Article 19 of Law No. 4.595/1964, regulated by CMN Resolution No. 3.322/2005, provided by Central Bank Circular No. 3.298/2005, and updated by Central Bank Circular No. 3.541/2011, regarding the duties of custodians and other regulatory aspects, as well as penalties for irregularities in the execution of services. Custody of Cash is supported by Agreement No. 50642/2016, entered into by the parties on June 29, 2016, effective until 2021.

Money/Safekeeping and Transfer of Money

The regulatory aspects to which financial institutions are subject regarding the safekeeping and transfer of money are provided in Law No. 7.102/1983, regulated by Ordinance No. 3.233/2012 – DG/DPF, which sets forth the requirement for asset security and establishes the parameters for use of the service of transport of valuables, as well as the penalties for non-compliance with regulations.

Money/Processing of Envelopes

As it involves the centralized processing of cash deposits in current and savings accounts through self-service terminals, this sub process is regulated by Resolution No. 2025/1993 and Resolution No. 2747/2000.

Considering that this process involves the transport, safekeeping and internal transfer of money, the regulatory aspects provided by Law No. 7.102/1983 and Federal Police Ordinance No. 3.233/2012 also apply.

The TAA deposit envelopes containing checks are processed pursuant to the provisions on interbank check clearance, pursuant to Central Bank Circular No. 3.532/2011.

**Rural Credit**

Established by Law No. 4.829/1965, rural credit is regulated by the Rural Credit Manual, published and updated by the Central Bank. Financial institutions are required to maintain investments in rural credit transactions in amounts corresponding to: (i) a percentage of the arithmetic average of the Amount Subject to Payment (*Valor Sujeito a Recolhimento*), or VSR, regarding cash deposits, for the calculation period; (ii) a percentage of the arithmetic average of the VSR regarding rural savings deposits, for the calculation period; and (iii) a percentage of the arithmetic average of the VSR regarding funds raised through the issuance of Agribusiness Letters of Credit (*Letras de Crédito do Agronegócio*), or LCAs, for the calculation period. These institutions are required to provide to the Central Bank, in addition to monthly reports, a final document evidencing the fulfillment of obligations, by July 20 of each year. After this date, institutions that incur deficiencies regarding the abovementioned requirement are subject to, alternatively, on August 1 of each year: (i) the payment to the Central Bank of amounts regarding the assessed deficiency; and (ii) the payment to the Central Bank of a fine calculated on the amount of the assessed deficiency.

- (i) In the 2016/2017 harvest, amounts must correspond to 34% of the arithmetic average of the VSR regarding cash deposits.
- (ii) In the 2016/2017 harvest, amounts must correspond to 74% of the arithmetic average of the VSR regarding rural savings deposits.
- (iii) In the 2016/2017 harvest, amounts must correspond to 35% of the arithmetic average of the VSR regarding funds raised through LCAs.

**Taxation of Financial Transactions**

Financial transactions in Brazil are usually subject to income tax and Tax on Financial Transactions (*Imposto sobre Operações Financeiras*), or IOF. In general, income tax on income from financial transactions earned by Brazilian resident depends on: (i) the type of investment; and (ii) the term of the investment. Income tax on income from financial transactions: (i) is deemed an advance payment

regarding the income tax due by Brazilian companies; and (ii) exclusively applies to individuals resident in Brazil. Investments in financial and capital markets made by individuals or companies domiciled abroad are usually subject to the same tax rules applicable to individuals resident in Brazil, except for foreign investments that currently benefit from a favorable tax regime in compliance with the rules set forth by the CMN.

Tax on Credit, Exchange and Insurance Transactions or Transactions relating to Securities (*Imposto sobre Operações de Crédito, Câmbio e Seguro, ou relativas a Títulos ou Valores Mobiliários* – IOF)

The purpose of the Tax on Credit, Exchange and Insurance Transactions or Transactions relating to Securities (*Imposto sobre Operações de Crédito, Câmbio e Seguro, ou relativas a Títulos ou Valores Mobiliários*), or IOF, primarily exceeds tax purposes and operates as a monetary policy control tool. IOF is charged on credit, insurance and exchange transactions or transactions relating to securities, pursuant to the IOF regulation (RIOF) Decree No. 6.306/2007. The IOF rate may be changed by an executive decree, producing effects as of the date of its publication.

The maximum IOF rate applicable on exchange transactions is 25% and, in general, 0.38%, except for the following cases: (i) 6% for exchange transactions relating to loans with minimum average terms of up to 180 days; (ii) 6.38% for exchange transactions relating to the acquisition of goods or services outside Brazil with credit, debit or pre-paid cards; (iii) 0% for exchange transactions relating to the export of goods and services; and (iv) 0% for interbank exchange transactions among institutions of the Brazilian Financial System authorized to operate in the exchange market and among these institutions and financial institutions abroad.

IOF may also be charged on the issuance of securities, including transactions conducted in stock, commodities and futures exchanges.

IOF also applies to credit transactions, except foreign credit transactions. In general, IOF charged on credit transactions is calculated at a daily rate of 0.0041% for transactions with companies and 0.0082% for transactions with individuals, up to a limit of 1.5%. An additional rate of 0.38% applies to most credit transactions.

Moreover, IOF is charged on insurance transactions, pursuant to IOF Resolution (RIOF), at a rate of: (i) 0% for reinsurance transactions; (ii) 0.38% for premiums relating to life insurance and similar insurance, among others; (iii) 2.38% for premiums paid under health care private insurance; and (iv) 7.38% for other insurance transactions. Rural insurance, among other specific insurance transactions, is exempt from IOF.

### **Capital Markets Regulation – Fiduciary Services**

Asset custody and bookkeeping services are regulated by CVM Instruction No. 542/2013 and CVM Instruction No. 543/2013, respectively, and depend on the express authorization of the CVM. Once the provision of services is authorized, financial institutions are audited annually to ensure their compliance with the abovementioned rules.

In 2016, we renewed our authorizations with the CVM through the delivery of the documents and reports set forth in CVM/SMI Circular Official Letter No. 1/2015 and CVM/SMI Circular Official Letter No. 2/2015.

In addition, we acceded to the ANBIMA Code of Regulations and Best Practices regarding Qualified Services in the Capital markets (*Código ANBIMA de Regulamentação e Melhores Práticas dos Serviços Qualificados ao Mercado de Capitais*).

### **b. Environmental policy of Banco do Brasil**

**Environmental policy of the issuer, costs incurred to comply with environmental regulation and, if applicable, other environmental practices, including the adoption of environmental protection international standards.**

#### **Specific Social and Environmental Liability Policy of Banco do Brasil**

Since 2015, we have a Specific Social and Environmental Liability Policy (*Política Específica de Responsabilidade Socioambiental*), or PRSA, that guides our behavior regarding social and environmental liability. The guidelines of our policy permeate our strategies and other of our policies and rules.

The approval of the PRSA was an additional advance in our social and environmental liability management. The Policy is a management instrument that contemplates important items, including our governance structure and social and environmental risk management. The actions included in our action plan to

implement the PRSA are incorporated to our Sustainability Plan for purposes of monitoring and accountability to our board of executive officers, semiannually, and board of directors, annually.

This Policy applies to our entire financial Conglomerate and the entities related to us that accepted our PRSA or established their own PRSA, as instructed by us. Our PRSA is publicly available at [bb.com.br/ri](http://bb.com.br/ri).

### **Green Protocol**

The Green Protocol is a letter of sustainable development principles entered into by official banks in 1995 and ratified in 2008, according to which we undertake to adopt policies and practices that are consistently and increasingly in harmony with fostering development that does not compromise the needs of future generations.

Pursuant to our Letter of Undertaking, we agree to: (i) finance development in a sustainable manner, through credit facilities and programs that promote the quality of life of the population, the sustainable use of natural resources and environmental protection; (ii) consider the social and environmental impacts and costs in the management of own and third-party assets and risk analysis of clients and investment projects, based on the National Environmental Policy; (iii) promote a sustainable consumption of natural resources and their byproducts in our internal processes; (iv) continuously inform, sensitize and engage stakeholders in our sustainability policies and practices; and (v) promote the reconciliation between procedures, cooperation and integration of efforts of signatory organizations in the implementation of these principles.

### **BB's Sustainability Plan**

Our Sustainability Plan, a pioneer initiative amidst the corporate environment in Brazil, is the tool we use to improve our businesses and processes, aligning them to international best practices and contributing to make social and environmental liability ubiquitous in all our Conglomerate, seeking the achievement of sustainable results.

Our three-year Sustainability Plan is reviewed every two years, in order to be kept up to date, through a systematic process that involves all our areas and representatives of our main relationship audiences (employees, clients, suppliers, partners, shareholders/investors, representatives of the civil society and sustainability experts, competitors, regulatory agencies, press/media and the government).

In 2016, our Sustainability Plan was reviewed and updated and, as of 2017, its name will change from Agenda 21 to BB's Agenda 30, in line with the Sustainable Development Goals, or SDG, launched by the United Nations in 2015. BB's Agenda 30 will be effective from 2017 to 2019 and will include a number of initiatives supported by five pillars: People, Planet, Prosperity, Peace and Partnership.

The alignment of our Sustainability Plan with SDGs is our response to the United Nation's call to foster the progress of companies in terms of sustainable development through their investments, developed solutions, and adopted practices.

The adherence of our Sustainability Plan to the SDGs and the participation of a number of our relationship audiences in the construction of our new BB's Agenda 30 reinforce our commitment to the demands of society and our relationship audiences.

### **BB Credit Sustainability Guidelines**

According to our Specific Credit Policy, we do not assume credit risk with clients:

- (a) responsible for intentional environmental damage;
- (b) that submit workers to degrading work or forced labor;
- (c) that commit sexual exploitation of minors; and
- (d) that use child labor.

When granting financings, in addition to compliance with the Equator Principles, as applicable, we adopt social and environmental liability principles, subjecting financings to compliance with environmental law. We also use our own social and environmental criteria in (i) our risk analysis, (ii) the establishment of credit limits, and (iii) in the analysis of investment projects.

According to our commitment to the social and environmental issue, we disclose to the market, at our website ([www.bb.com.br](http://www.bb.com.br)), our Credit Sustainability Guidelines. In the past five years, from 2012 to 2016, we disclosed, every year, Guidelines for two sectors of the economy, encompassing eight sectors. In 2016, we started the process of analysis and review of the guidelines for the Oil and Gas, Transport, Pulp and

Paper, Irrigated Agriculture, Agribusiness, Civil Construction, Electricity, and Mining sectors. We held meetings with the areas responsible for the management of subjects for sector analysis, taking into account macroeconomic, legal, and social and environmental characteristics inherent to the businesses of these sectors. Our board of executive officers approved the updating of the guidelines for the Oil and Gas and Transport sectors, and the process included the participation of WWF-Brasil.

Our Credit Sustainability Guidelines comprises instructions that we take into account in the assessment of projects presented with regards to these sectors and the social and environmental initiatives that entrepreneurs include in projects.

As of the publication of this document, we seek to align the sustainability principles applicable to these sectors to financed activities in order to generate the least impact on the environment and society.

### ***Carbon Disclosure Project (CDP)***

CDP is a non-profit organization whose purpose is to create a relationship between shareholders and companies focused on business opportunities resulting from global warming. A questionnaire prepared by institutional investors and addressed to companies listed in major world stock exchanges is collectively requested in order to disclose information about climate change policies. CDP has the largest corporate database on climate change, water and forests.

CDP was established in 2000 based on a very simple idea: asking the biggest companies in the world to share public information about their greenhouse gas emissions and actions to mitigate them.

In March 2005, we, Brasilprev and Previ, together with major world institutional investors, formally manifested our support to the request for disclosure of information about greenhouse gas emissions under the Carbon Disclosure Project. We were among the 33 pioneer companies that accepted to answer the Brazilian questionnaire about climate change. We annually send to CDP our greenhouse gas emission inventory for public disclosure. In 2016, we also answered the CDP's Supplier Chain questionnaire.

### **Caring for Climate – UN Global Compact**

As of September 2009, we adopted Caring for Climate, an additional commitment platform of UN Global Compact, launched in partnership with the United Nations Environment Program and the World Business Council for Sustainable Development for participants that wish to make progress in solutions regarding climate change.

Upon the adoption of Caring for Climate, institutions agree to: (i) develop practical actions to improve energy efficiency and reduce carbon emissions in their products, services, and processes, setting forth voluntary targets and disclosing their progress on an annual basis through public communications; (ii) identify and understand the implications of climate change in the company's business and set forth a consistent strategy to mitigate risks and identify opportunities; (iii) trigger actions to engage the government and society in the development of policies for a low carbon economy; and (iv) work together with companies, on a national and sector level, throughout their chain of value, to set forth rules and adopt joint initiatives to reduce risks and benefit from opportunities related to climate change.

### **Brazilian GHG Protocol Program**

The GHG Protocol is the main greenhouse gas emissions identification, calculation and management method used by the biggest companies in the world. We, together with 16 other Brazilian companies, support the Brazilian initiative as a founding member, committing to produce an inventory of our emissions based on the method, adjusted to the Brazilian reality.

The use of this method supports the adoption of policies and the development of strategies based on consistent knowledge about greenhouse gas emissions resulting from our activities and GHG reduction opportunities.

We publish our emission inventory annually at the website of Public Registry of emissions, managed by the Brazilian GHG Protocol initiative at <https://registropublicodeemissoes.com.br>.

### **Companies for Climate (*Empresas pelo Clima – EPC*)**

The "Companies for Climate Platform" is a permanent corporate initiative whose purpose is to mobilize, sensitize, and coordinate corporate leaderships to (i) manage and reduce greenhouse gas emissions, (ii) manage climate risk, and (iii) propose public policies and positive incentives relating to climate change, contributing to the construction of a new economic model for Brazil based on climate balance.

This initiative is coordinated by Fundação Getúlio Vargas and we were one of its founding members. Since its launch, in 2009, we actively participate in debates and positioning to guide the process of adjustment of the Brazilian economy to climate change.

### **Carbon Efficient Index (ICO2)**

B3 and BNDES created ICO2 to encourage issuers of the shares with the highest trading to assess, disclose, and monitor their greenhouse gas emissions, and prepare to operate in a low carbon economy. Moreover, they aim to provide the market with an indicator whose performance is based on a portfolio of factors that incorporates issues related to climate change.

ICO2 comprises initiatives of the 50 companies with the highest trading and largest presence in the Brazilian equity market (IBrX-50 of the B3), which accepted to participate, adopting and disclosing transparent practices relating to their greenhouse gas emissions.

We (BBAS3) participate in the initiative since its launch, always among the five institutions with the larger share in the portfolio.

### **Brazil Water Program (*Programa Água Brasil*)**

We are the largest financier of the Brazilian agribusiness, the economic segment with the highest consumption of water in its production process. Accordingly, we adopted the protection of water as a sustainability guideline for our actions through our Brazil Water Program (*Programa Água Brasil*).

The Brazil Water Program is a partnership we entered into in 2010 with the Brazilian Waters Agency, WWF, and Fundação Banco do Brasil to (i) implement sustainable agricultural practices for the conservation of water resources and (ii) promote awareness and changes in the behavior of internal audiences of partners, clients and society regarding the responsible consumption and adequate treatment of urban solid waste.

The second stage of the Brazil Water Program started in 2016, and we expect to implement projects by December 2020. The Program is structured as follows:

#### (a) Green Economy – Water and Agriculture:

Actions in water basins through the dissemination of social technologies to increase the volume and quality of water available in the relevant water basins.

#### (b) Green Economy – Studies and Tools

Development of innovation in social and environmental risk management and products related to Green Economy (sustainable agriculture, management of forests, energy efficiency, among others). Development of business models to speed the transition to Green Economy.

#### (c) *BB Ecoeficiente*

Studies aiming at the development of our corporate Environmental Management System, including innovations in the management of greenhouse gas emissions and in the consumption of materials and energy to increase the productive efficiency of our Conglomerate.

#### (d) Brand, Communication and Engagement

Consolidation of water as a cause of our Conglomerate based on three pillars: dissemination of relevant information to the consolidation of BB's image with the cause and dissemination of the practices produced during the Technical Cooperation Agreement term.

### **CEO Water Mandate – United Nations Global Compact**

The CEO Water Mandate is a proposal of the United Nations to the signatory companies of the Global Compact to address the issue of water and water management in their corporate strategies, positively contributing to combat global shortage. We acceded to CEO Water Mandate in October 2010 and agreed to voluntarily act as an essential agent in the management of water resources in six areas: direct operations; supply chain; collective actions; public policies; community engagement; and transparency.

The exchange of information in water management allows companies to identify and manage water risks that threaten their growth and feasibility. It also allows them to benefit from opportunities to improve water businesses and it ultimately helps companies to achieve their Sustainable Development Goals and support human rights.

### **World Water Council**

The World Water Council is an international multi-stakeholder platform created in 1996 by experts in water, supply, and sanitation of a number of organizations interested in this subject, in response to a growing concern with the shortage of water resources in the global community. The Brazilian Water Agency (*Agência Nacional de Águas*), or ANA, is responsible for the regional coordination of the Council in Brazil (Brazil Section). ANA formally invited us to participate taking into account our sustainability corporate strategic initiative represented by our Brazil Water Program, in which ANA is a partner. We became member of the World Water Council in 2011.

Having completed 20 years in 2016, the World Water Council has been contributing significantly to the debate about water resources in a number of spaces, including the most recent editions of the World Economic Forum, Climate Conference of the Parties (COP) and the United Nations, government and business communities.

**Brazilian Business Council for Sustainable Development (*Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável* – CEBDS)**

The Brazilian Business Council for Sustainable Development (*Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável*), or CEBDS, is a non-profit civil association that promotes sustainable development in companies operating in Brazil through articulation with governments and society, in addition to disclosing current concepts and practices on the subject.

The Council is the Brazilian representative of the World Business Council for Sustainable Development (WBCSD) network, which has nearly 60 national and regional council members in 36 countries and 22 industrial sectors, in addition to 200 corporate groups that operate in all continents. We participate in debates since the Council's creation.

CEBDS was responsible for the disclosure of the first Sustainability Report in Brazil in 1997 and, as of 2008, CEBDS helped implementing, in partnership with the World Resources Institute (WRI) and Fundação Getúlio Vargas (FGV), the main assessment tool for greenhouse gas emissions in Brazil, the GHG Protocol.

For more information about CEBDS, access: <http://cebds.org/>.

**c. Dependency on material patents, trademarks, licenses, concessions, franchises and royalty agreements for the development of activities.**

Except for the authorization to operate granted by the Central Bank and the material trademarks mentioned in Item 9.1.b of the Reference Form (*Formulário de Referência*), we do not depend on any material patents, trademarks, licenses, concessions, franchises and royalty agreements to develop our activities. Among the trademarks mentioned in Item 9.1.b, in 2014, the Brasidental and BB Dental brands were exclusively licensed to Brasidental. In 2015, the Brasilprev brand was exclusively licensed to Brasilprev.

**7.6. Countries from which Banco do Brasil obtains relevant revenues**

**Regarding the countries of which the issuer receives relevant revenues, identify:**

**a. the revenue from clients attributed to the base-country of the issuer and its share in total net revenue**

In 2016, of the total of R\$220,230 million revenues of Banco do Brasil, R\$186,475 million, or 93%, corresponds to domestic activities.

**b. revenue from clients attributed to each foreign company and their share in total net revenue**

In 2016, of the total revenues from abroad, London was responsible for 34%, Banco Patagonia for 30%, Vienna for 16% and USA for 7%. The others are dispersed around the other countries where Banco do Brasil is present.

**c. total revenue from foreign companies and their share in the total net revenue**

In 2016, of the total of R\$ 220,230 million revenues of Banco do Brasil, R\$ 13,755 million, or 7% correspond to abroad activities.

## 7.7. Regulation in other countries

**Regarding the foreign countries disclosed in item 7.6, inform the extent of subjection to regulation of this country and how said regulation affects the business of the issuer.**

Each branch, subsidiary or Banco do Brasil's abroad controlled company is subject to the regulations of the country where it is located. Moreover, prior to the acquisition of a financial institution outside of Brazil or the installation of a unit abroad, the Bank has the support of internationally renowned specialized consultancy firms, to carry out a detailed examination of the regulatory environment in these countries to verify the capacity of compliance with the legal demands from local supervision bodies and consequently, to be in conformity with the applicable law. As a result of these examinations, the Banco do Brasil confirms if the regulation specific to the location does not significantly impact its operations. In an affirmative case, a study considering the acquisition or installation of new premises is reevaluated under the aspect of convenience and opportunity.

## 7.8. Social and environmental policies

**Regarding environmental policies, indicate:**

### a. if the issuer discloses social and environmental information

Yes, the Banco do Brasil discloses social and environmental information through its Annual Report, both in Portuguese and English versions. This document presents the main initiatives and results achieved during the reference year. Through this publication, BB announces how conducts business management and the impacts of its activities in the economic, environmental and social scope.

Banco do Brasil publishes its inventory of greenhouse gas emissions (GHG) on the Public Registry website, managed by the Brazilian GHG Protocol. Emissions inventory information is also posted in BB's annual report and used in a number of environmental reports that BB takes part in such as the Dow Jones Sustainability Index – DJSI of the New York Stock Exchange, the Carbon Efficient Index – ICO2 Bovespa, Corporate Sustainability Index – ISE Bovespa, CDP, Newsweek Magazine – Green Ranking, among other reports.

Additionally, BB also discloses in its Annual Report information related to its Environmental Management System – SGA, scope certified to ISO 14001 (Edifício Altino Arantes em São Paulo – SP).

### b. the methodology followed in the preparation of information

In line with international sustainability and accountability best practices, BB adopts the guidelines of the Global Reporting Initiative (GRI) to disclose its Annual Report with the "comprehensive agreement" option of the G4 version, including the financial sector supplement, and follows the guidelines of the Brazilian Association of Public Companies (Abrasca). The comprehensive option contains the essential elements of a sustainability report and provides background for the organization to report the impacts of economic, environmental, social and governance performance.

In addition, the inventory of BB's emissions is made using the methodology defined by the Brazilian GHG Protocol Program, which allows us to understand, quantify and manage greenhouse gas emissions. Originally developed in the US in 1998, by the World Resources Institute (WRI), today this is the method most used by businesses and governments around the world to conduct GHG inventories, and is compliant with ISO 14,064 and the methods of quantification of the Intergovernmental Panel on Climate Change (IPCC).

BB's Environmental Management System follows the principles of ISO Standard 14,001. This is an international standard that defines the premises for the development and implementation of an environmental management system, indicating to companies what they must do to minimize the environmental impacts of their activities and continuously improve their performance in this area.

### c. if this information is audited or reviewed by an independent entity

The Annual Report of Banco do Brasil is guaranteed by an independent auditor.

The inventory of greenhouse gas emissions at Banco do Brasil is audited by a third party conforming to the provisions of ISO 14,064.

The SGA – BB has a certificate scope (Ed. Altino Arantes – SP) which is audited and certified according to the ISO 14,001 standard.

**d. the information can be found at this page on the World Wide Web**

Annual Report of Banco do Brasil - [bb.com.br/ir](http://bb.com.br/ir)

Portuguese version: <http://www.bb.com.br/docs/pub/siteEsp/uds/dwn/BBRA15.pdf>

English version: <http://www.bb.com.br/docs/pub/siteEsp/ri/eng/dce/dwn/annualreport2015.pdf>

The information on the inventory of GHG emissions and the ISO 14,001 Certification can be found at the following links:

GHG Emissions Inventory - <https://registropublicodeemissoes.com.br/>

ISO 14001 certification - <http://www.bsigroup.com/en-GB/our-services/certification/certificate-and-client-directory/>

Information about Banco do Brasil's Social and Environmental Responsibility Policy can be found in item 7.5 b. The Policy can be consulted at:

<http://www.bb.com.br/docs/pub/siteEsp/uds/dwn/PRSAV1.pdf>

**7.9. Other relevant information**

**Provide other information that the issuer considers relevant**

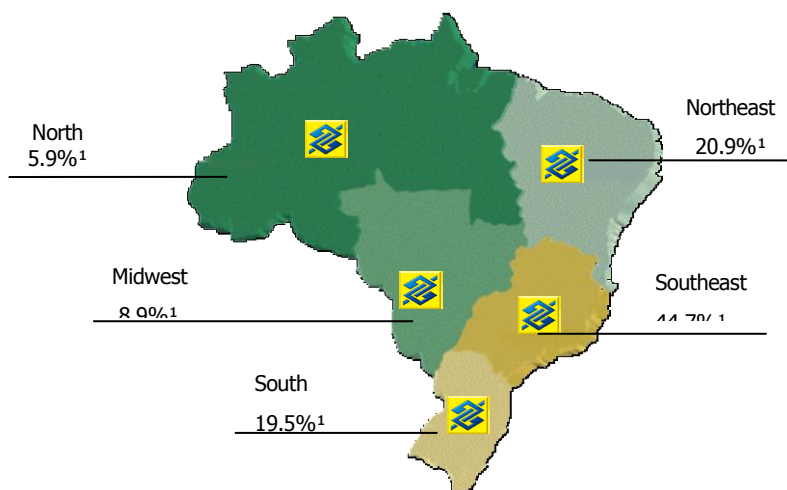
**a. Distribution Channels**

Service Network in the Country

Banco do Brasil has a national scope and is present in 5,556 cities through its own, shared and correspondent service networks in the country.

The Bank's own distribution network serves 3,505 cities, with a total of 16,625 Assistance Posts at the end of 2016, classified according to Bacen Resolution no. 4,072/2012, as Branches, Costumer Assistance Posts (PA) and Electronic Service Posts (PAE).

Branch Network - 5,440



1- Percentage of branches per region  
Source: Bank's operating system.



	2014	2015	2016
<b>Own Network</b>	<b>18.956</b>	<b>17.614</b>	<b>16.625</b>
Branches	5.524	5.429	5.440
Customer Assistance Posts	1.699	1.799	1.705
PAE – Electronic Service Post	11.733	10.386	9.480
<b>MaisBB Network</b>	<b>15.538</b>	<b>14.361</b>	<b>13.630</b>
Domestic correspondents	9.347	8.206	7.484
Postal Bank	6.191	6.155	6.146
<b>Shared Network</b>	<b>34.641</b>	<b>35.708</b>	<b>36.241</b>
CEF - lottery	13.250	13.161	13.077
Banco 24h	16.779	18.550	19.868
ATM: BRB + CEF	4.612	3.997	3.296
<b>Total</b>	<b>69.135</b>	<b>67.683</b>	<b>66.496</b>

Source: Bank's operating system.

Banco do Brasil segments its business in Retail, Wholesale and Government, stratifying its client base according to each profile and relationship needs, developing strategies and adequate distribution networks for each niche.

The Retail distribution network (including the *Estilo* branches) is the main responsible for relationship with Individuals and Very Small and Small Companies (SME), and closed 2016 with 5,440 branches, 45% of them located in the Southeast region. In addition, the Bank offers service through the Banco do Brasil Service Center - CABB and services such as cash withdrawal, payment of bills, taxes and consumer bills among other services through Mais BB Network, which had 13,630 stations on December 31, 2016.

For Wholesale market, the service network is composed of branches segmented according to the customer profile, responsible for the service to companies of the Corporate and Empresarial, (Middle Market) segments. This network totaled 122 service points at the end of 2016, with 82 branches and 40 platforms (located in regional centers), with the following distribution: Southeast (51%), South (26%), Northeast (11%), Midwest (10%) and North (2%).

Banco do Brasil is one of the main financial agents of the Federal, State and Municipal Governments to the deployment of public policies, projects and programs, which are drivers of the country's development. Currently, besides the partnerships with the Federal Government, Banco do Brasil is the financial agent of 16 States, 13 Capitals and maintains business with most of the Brazil's municipalities, offering specific solutions to public administration and the only institution with 32 branches exclusively focused in the Government's customer, in December 31, 2016.

#### External Network

The Banco do Brasil's external network totaled 23 active units, located in 17 countries, with 11 branches, 4 sub-branches, 7 representative offices and 1 unit of shared services, in December 31, 2016.

#### Alternative Channels

Banco do Brasil self-service network represents a strategic differential, offering an extensive range of services to clients, besides supporting strategy of improving the operational efficiency in the institution. At the end of 2016, this network had 45,108 automatic teller machines (ATM) and 14,214 shared network service machines.

The ATM's are responsible to processing an expressive portion of the total banking operations performed by the Bank. In 2016, this network was responsible for 97.1% of the cash withdrawals, 72.5% of the checkbooks delivered, 78.4% of the deposits and 77.2% of the receipts of bills and contractual payments. Besides the cashiers at the branches and the ATMs, BB offers other options for access to banking services, such as: the Internet banking, Financial Manager (Internet banking tool for businesses), Public Sector Self-service Portal (internet banking for Government), mobile banking, POS equipment (credit and debit card machines at the commercial establishments) and URA- Audible Response Unit at CABB. In 2016, the automated channels responded for 96.2% of the total transactions in BB.

**b. Strengths, key strategies, overview of the banking industry and Macroeconomic environment**

The corporate strategy is established for a period of five years and reviewed annually. In 2016, Banco do Brasil revised its Essence, which expresses its reason for doing business, i.e, its reason for thinking and acting. The Essence of the Banco do Brasil brand is guided by the concept "to be a market Bank with public spirit" and is based upon the Belief, Mission, Vision and Company Precepts.

Belief

A good world for all requires public spirit in each of us.

Mission

A market Bank with public spirit. To be a profitable and competitive bank, working with public spirit in each action including clients, shareholders and the whole of society.

Vision

Be the most reliable and relevant Bank to customers' lives, employees and the development of Brazil.

Precepts

- Public spirit
- Ethics
- Efficiency
- Innovation
- Human potential
- Customer vision

**Overview of the banking industry**

Evolution of the Brazilian Banking Industry

In 2016, the restrictive scenario remained, affecting credit supply and demand conditions and expansion of other businesses related to the financial market.

This situation presented for BB and for entire financial industry a number of challenges, requiring structural adjustments aiming operational efficiency improvement, processes review and cost reduction.

Banks continued focused on improving income and expenses ratio, prioritizing business expansion with a focus on lower risk loans. These initiatives, among others, ensured the bank to remain robust and have provided positive results even in the adverse economic scenario.

Another aspect worth highlighting is that financial institutions continue to improve operational efficiency, with the containment of costs while increasing revenues, especially in relation to services. As a result, there have been further investments made in technology that provides convenience and improves the customer experience through digital channels while, at the same time, generates business from these channels at lower service cost models.

**Composition of the Brazilian Banking Industry**

Brazilian Financial System

The Brazilian Financial System is composed by regulating and inspecting bodies such as the National Monetary Council, the Central Bank of Brazil, the Securities Commission, the Superintendence of Private Insurance and the National Superintendence of Complementary Pensions , which are subordinated to different entities and institutions.

According to data made available at the Central Bank of Brazil website, on December 2016, there were 2,109 financial institutions regulated and inspected by the Central Bank, including:

I. 20 commercial banks – private or public financial institutions. The main purpose is the adequate and timely provision of funds required to finance, in the short and medium term, the commerce, industry, service providing companies, individuals and third parties in general. The acceptance of freely disposable demand deposits is a typical activity of commercial banks.

II. 14 Investment Banks – private financial institutions specialized in holding temporary shareholding interest, financing production with working capital, and third-party asset management.

III. 133 Multiple Banks – private or public financial institutions that carry out asset, liability and accessory transactions for several financial institutions through the following portfolios: commercial, investment and/or development, real estate loans, lease, credit, financing and investment. These transactions are subject to the same legal and regulatory standards applicable to single institutions that correspond to their portfolios.

IV. Among other institutions, there are 1,056 Credit Cooperatives, 165 Consortium Administration Entities, 100 Securities Distribution Entities, and 77 Securities Brokerage Entities, among others.

### Brazilian Macroeconomic Scenario

The Bank's financial condition and income were directly influenced by the general adverse economic situation that characterized the domestic environment in 2016. GDP strong shrinkage, high inflation, record unemployment rate, decrease in business profitability, risk increase and exchange rate volatility and devaluation are examples of deterioration of the economic environment that affected the banks.

Uncertainties in the international economy were also present in 2016. Despite the robust expansion of economic activity and the United States labor market, the presidential elections and the expectations as to the size of the interest adjustment brought volatility to the international financial markets. On the European continent, despite improvement in the major economies of the region, additional measures of expansionary monetary policy were necessary. In Asia, there were growing concerns about the performance of the Chinese economy, a question that helped to raise volatility in the global financial market.

In this context, Brazilian GDP contracted and the labor market deteriorated, exacerbated by the impact of non-economic events on investor confidence. Together with the poor performance of the economy, inflation also remained under pressure. The inflationary inertia and the increase of food prices in the first months of the year had a negative impact on price developments. In this environment, the Central Bank of Brazil kept tight monetary conditions for most of the year, preserving the basic interest rate at the level of 14.25%p.y. Only in the last quarter, with the decrease of inflationary pressures and the trend of inflation expectations, the monetary authority began the process of gradual reduction of the basic interest of the economy, with the Selic being reduced to 13.75%p.y at the end of 2016. Faced with this unfavorable situation, the volume of loans presented a historic nominal decline.

The following table shows selected macroeconomic data for the indicated period.

	Year ended December 31		
	2014	2015	2016
GDP – growth in %	0.50	(3,77)	(3.59)
Inflation (IGP-M) - in % <sup>1</sup>	3.67	10.54	7.19
Inflation (IPCA) - in % <sup>2</sup>	6.41	10.67	6.29
Selic rate - end of period - in % <sup>3</sup>	11.75	14.25	13.75
Change in Exchange Rate (R\$/US\$) - by % <sup>4</sup>	13.39	47.01	(16.54)
Exchange rate at the end of the period (R\$/US\$)	2.66	3.90	3.26
Average exchange rate over the period (R\$/US\$)	2.36	3.39	3.45

1 - Inflation measured by the IGP-M, the General Market Price Index of the Getulio Vargas Foundation.

2 - IPCA: Extended Consumer Price Index of the Brazilian Institute of Geography and Statistics.

3 - Selic target.

4 - Positive amounts indicate devaluation of Real against the Dollar. Negative amounts indicate the opposite.

Source: FGV, IBGE and Bacen.

## **8. NON-RECURRING TRANSACTIONS**

### **8.1. Acquisition or disposal of any non-operating material asset**

**Indicate the acquisition or disposal of any material asset not classified as a regular transaction in the business of the Issuer:**

On February 27, 2015, after approval by the regulators, supervisors and inspection, and subject to the fulfillment of all contractual conditions precedent to the closing of the transaction, BB Elo Cartões Participações S.A. and Cielo S.A. completed the formation of a new strategic partnership, called Cateno Gestão de Contas de Pagamentos S.A., which has the right to exploit the activities of management of post-paid accounts transactions and management of the functionality of purchasing via debit payment arrangements. Detailed information on the formation of this company are described in section 15.7 of this Form.

### **8.2. Significant changes in the method used by the Bank to conduct business**

**Indicate significant changes in the way the issuer conducts its business:**

There were no significant changes in the way Banco do Brasil conducts its business in the last 3 fiscal years.

### **8.3. Relevant non-operating contracts concluded by BB and its subsidiaries**

**Identify the important contracts concluded by the issuer and its subsidiaries not directly related to its operating activities:**

There were no significant contracts concluded by Banco do Brasil and its subsidiaries not directly related to its operating activities in the last 3 fiscal years.

### **8.4. Other material information**

Not applicable.

## 9. RELEVANT ASSETS

### 9.1. Non-current assets that are relevant for carrying out the activities

Describe the non-current assets that are essential for carrying out BB's activities, indicating especially:

#### a. fixed assets, including rented or leased ones, and its location

Own and third parties' properties that comprise property, plant and equipment of Consolidated BB totaled R\$4,332.7 million as of December 31, 2016 according to IFRS Financial Statements. Properties that are relevant to the development of BB's activities are distributed per State as follows:

12/31/2016									
Location (State)	Buildings		Land		Location (State)	Buildings		Land	
	Own	Third party	Own	Third party		Own	Third party	Own	Third party
AC	4	119	-	-	PB	54	158	-	-
AL	30	133	2	-	PE	80	338	3	-
AM	18	172	1	-	PI	37	138	-	-
AP	3	95	-	-	PR	172	654	4	-
BA	146	691	5	-	RJ	82	683	-	1
CE	62	381	-	4	RN	39	183	2	-
DF	17	446	-	-	RO	12	176	-	-
ES	29	208	-	1	RR	6	98	-	-
GO	64	360	3	-	RS	161	587	1	-
MA	45	396	2	-	SC	135	532	1	1
MG	213	1,025	2	1	SE	20	91	-	-
MS	42	226	-	-	SP	522	2,152	6	5
MT	30	196	-	4	TO	16	182	2	-
PA	55	278	2	1					
<b>Total Properties</b>						<b>2,094</b>	<b>10,698</b>	<b>36</b>	<b>18</b>
<b>Book Value (R\$ million)</b>						<b>2,584.5</b>	<b>1,748.2</b>	<b>3.0</b>	<b>-</b>

The real estate properties owned by the Bank and third parties are protected by insurance in effect through September 30, 2017, for the purpose of ensuring indemnities for material losses and damages caused accidentally as a result of covered risks (fire, lightning and explosion). The net premium of current policies is R\$6.6 million to cover an amount in risk of R\$12.3 billion.

The relevant assets that make up Banco do Brasil Data Processing System properties are listed below:

Data Processing System			12/31/2016
Property (Own/Leased)	Type of asset	Location (State)	Book Value (R\$ million)
Own	Mainframe Processing	DF	546.3
		RJ	34.4
Own	Mainframe Storage	DF	236.2
		RJ	2.7
Own	High-End Processing	DF	83.4
		RJ	0.6
Own	High-End Storage	DF	112.2
		RJ	9.1
		SP	8.6
Own	Distributed Processing	DF	9.2
		RJ	2.2
		SP	0.6

**b. patents, trademarks, permits, concessions, franchises and technology transfers, informing:**

**I - Trademarks and Entitlements**

**Trademarks and entitlements of Banco do Brasil**

<b>Status</b>	<b>Units</b>
Registry	234
Trademark registration in force	124
Requests for resources examination	9
Requests suspended/postponed	8
Waiting resources examination against rejection	5
Waiting for the payment of concession	5
Waiting for opposition period	3
Waiting for end of suspension/postponement	2
Third Party Opposition	1

**i. duration**

In Brazil, a trademark property is only obtained by registering it with the INPI (Brazilian Institute of Industrial Property Office), and holders are entitled to the exclusive use of the trademark in Brazil for 10 years, counting from the registration grant, with a possibility of obtaining extensions of successive equal periods. During the registration process, the depositor has only an expectation of the right to use the deposited trademarks for identification of its products and services. The extension or not of the registry is made in accordance with business interest.

**ii. events that may cause the loss of rights to such assets**

At the administrative level (with the INPI), applications for trademark registration that are analyzed by the INPI may be denied. Even the trademark registrations already granted, it is not possible to ensure that third parties (or INPI itself) will not present opposition proceedings, nullity, forfeiture or otherwise.

In the judicial sphere, although the Bank holds the registry of its brands, it is provided to third parties to challenge it for possible violations of its intellectual property rights.

The maintenance of trademark registrations is performed through periodic fee payment to the INPI. The payment of such fees is essential for the maintenance of registries and the consequent holder right.

**iii. possible consequences of the loss of such rights for BB**

The possible right loss over the trademarks by BB would result in the end of the exclusive use right over it in national territory, such as loss of space on the Internet for competition, image and financial losses against the market and customers. As a result, BB would find difficulties to prevent third parties from using identical or similar trademarks, including, services or competing products. Still, since BB does not prove to be the legitimate holder of the brands that uses, there would be the possibility of being sued in criminal and civil court for improper use of trademark and violation of third party rights, resulting in image and financial losses.

**II - Internet domains**

BB has several domain names registered. Among them, the most relevant are: **Erro! A referência de hiperlink não é válida.**

<b>Domain</b>	<b>Expiry date</b>
www.bb.com.br	03/04/2018
www.bancodobrasil.com.br	02/09/2023
www.bancobrasil.com.br	03/14/2023

**i. duration**

Variable duration in accordance with the company's interest;

**ii. events that may cause the loss of rights to such assets**

Non-renewal within the coverage period by the managing area;

**iii. possible consequences of the loss of such rights for BB**

Loss of space in the Internet to the competitors, financial losses and image damage in the market and among customers.

**c. companies in which BB has equity participation and inform about them:**

- i. corporate name;**
- ii. head office;**
- iii. operation developed;**
- iv. BB's equity participation;**
- v. if subsidiary or affiliated company;**
- vi. if registered in CVM;**
- vii. book value of equity participation;**
- viii. market value of equity participation based on share quotation at the end of the fiscal year, when said shares are traded in organized securities markets;**
- ix. appreciation or depreciation (%) of such equity participation over the past 3 fiscal years based on book value;**
- x. appreciation or depreciation (%) of such equity participation over the past 3 fiscal years based on market value, in conformity with share quotation at the end of each fiscal year, when such shares are traded in organized markets;**
- xi. amount of dividends received over the past 3 fiscal years;**
- xii. reasons for the equity participation acquisition and maintenance.**

## Section 9 - Relevant Assets

<b>i. corporate name</b>	<b>BB - Banco de Investimento S.A.</b>		
<b>ii. head office</b>	Rua Senador Dantas, 105, 36º andar – Centro, Rio de Janeiro – RJ.		
<b>iii. operation developed</b>	Investment Bank		
<b>iv. Banco do Brasil's equity participation</b>	Direct equity participation of 100%.		
<b>v. subsidiary or affiliated company</b>	Subsidiary.		
<b>vi. registration in CVM</b>	It is registered as an investment bank, quotas bookkeeping service provider, book share service provider, securities custody services, and a Central-Bank authorized financial institution.		
<b>vii. book value of equity participation (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	2,825.1	2,884.5	3,018.8
<b>viii. market value of equity participation based on share quotation at the end of the fiscal year, when such shares are traded in organized securities markets (R\$ million)</b>	The company does not have shares traded on organized securities markets.		
<b>ix. appreciation or depreciation of such equity participation over the past 3 fiscal years, based on book value (%)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	2.1	2.1	4.7
<b>x. appreciation or depreciation of such equity participation over the past 3 fiscal years based on market value and share quotation, when such shares are traded in organized markets (%)</b>	The company does not have shares traded on organized securities markets.		
<b>xi. amount of dividends received over the past 3 fiscal years (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	1,156.2	1,365.4	1,066.9
<b>xii. reasons for the equity participation acquisition and maintenance</b>	A subsidiary established for the purpose of adding investment bank services to the main activity of BB Conglomerate. BB - Banco de Investimento S.A. holds shareholding interest in subsidiaries and associates, evaluated by the equity method, among which, Neoenergia S.A., Ativos S.A., Cia Brasileira de Meios de Pagamento – Cielo.		

<b>i. corporate name</b>	<b>Tecnologia Bancária S.A.</b>		
<b>ii. head office</b>	Avenida Andrômeda, n.º 2.000, Ed. Jacarandá, Barueri - SP - CEP: 06.473-900.		
<b>iii. operation developed</b>	Administration, operation and maintenance of own networks or third party ATMs and similar equipment operated by customers of financial institutions and the credit card management companies.		
<b>iv. Banco do Brasil's equity participation</b>	Direct participation of 4.51% and indirect participation of 8.01%.		
<b>v. subsidiary or affiliated company</b>	Simple Participation.		
<b>vi. registration in CVM</b>	It is not registered in CVM.		
<b>vii. book value of equity participation (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	47.7	49.2	50.6
<b>viii. market value of equity participation based on share quotation at the end of the fiscal year, when such shares are traded in organized securities markets (R\$ million)</b>	The company does not have shares traded on organized securities markets.		
<b>ix. appreciation or depreciation of such equity participation over the past 3 fiscal years, based on book value (%)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	32.3	3.2	2.8
<b>x. appreciation or depreciation of such equity participation over the past 3 fiscal years based on market value and share quotation, when such shares are traded in organized markets (%)</b>	The company does not have shares traded on organized securities markets.		
<b>xi. amount of dividends received over the past 3 fiscal years (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	-	-	-
<b>xii. reasons for the equity participation acquisition and maintenance</b>	It is strategic equity participation in company specialized in the management of banking self-service networks, the leader in self-service networks in public places and the largest national ATM network, whose shareholders meet the major players in the Brazilian banking market. With the signing of the new Shareholders' Agreement, on 07.17.2014, it is ongoing terminals sharing implementation through Banco24Horas network, administered by TecBan.		



<b>i. corporate name</b>	<b>BB Elo Cartões Participações S.A.</b>		
<b>ii. head office</b>	SAUN, Quadra 05, Bloco B, Torre I, 2º andar - Brasília/DF		
<b>iii. operation developed</b>	Equity participation in other companies.		
<b>iv. Banco do Brasil's equity participation</b>	Direct equity participation of 100%.		
<b>v. subsidiary or affiliated company</b>	Subsidiary.		
<b>vi. registration in CVM</b>	Not registered in CVM.		
<b>vii. book value of equity participation (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	586.9	4,383.8	4,801.0
<b>viii. market value of equity participation based on share quotation at the end of the fiscal year, when such shares are traded in organized securities markets (R\$ million)</b>	The company does not have shares traded in organized securities markets.		
<b>ix. appreciation or depreciation of such equity participation over the past 3 fiscal years, based on book value (%)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	26.5	646.9	9.5
<b>x. appreciation or deprecation of such equity participation over the past 3 fiscal years based on market value and share quotation, when such shares are traded in organized markets (%)</b>	The company does not have shares traded in organized securities markets.		
<b>xi. amount of dividends received over the past 3 fiscal years (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	14.4	17.6	20.8
<b>xii. reasons for the equity participation acquisition and maintenance</b>	This is a closed corporation used as a means of participation in other companies, notably electronic means of payment. Currently has an equity participation in the company Elo Participações S.A. and indirectly in Elo Services S.A. and Companhia Brasileira de Soluções e Serviços (Alelo).		

<b>i. corporate name</b>	<b>Cobra Tecnologia S.A.</b>		
<b>ii. head office</b>	Estrada dos Bandeirantes, 7966, Curicica- Jacarepaguá, Rio de Janeiro/RJ.		
<b>iii. operation developed</b>	To develop, produce, manufacture, trade, rent, license for right of use, integrate, assemble, import, export and distribute, including through representation of other companies, IT products, automation and assets security and to provide several services.		
<b>iv. Banco do Brasil's equity participation</b>	Direct equity participation of 99.97%.		
<b>v. subsidiary or affiliated company</b>	Subsidiary.		
<b>vi. registration in CVM</b>	Not registered in CVM.		
<b>vii. book value of equity participation (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	207.6	218.9	232.0
<b>viii. market value of equity participation based on share quotation at the end of the fiscal year, when such shares are traded in organized securities markets (R\$ million)</b>	The company does not have shares traded in organized securities markets.		
<b>ix. appreciation or depreciation of such equity participation over the past 3 fiscal years, based on book value (%)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	28.2	5.4	6.0
<b>x. appreciation or deprecation of such equity participation over the past 3 fiscal years based on market value and share quotation, when such shares are traded in organized markets (%)</b>	The company does not have shares traded in organized securities markets.		
<b>xi. amount of dividends received over the past 3 fiscal years (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	0.1	12.5	5.5
<b>xii. reasons for the equity participation acquisition and maintenance</b>	That is a strategic equity participation focused on providing the support for business and IT services with emphasis on Banco do Brasil Conglomerate.		

## Section 9 - Relevant Assets

<b>i. corporate name</b>	<b>Banco Votorantim S.A.</b>		
<b>ii. head office</b>	Av. das Nações Unidas, 14.171, Torre A, 18º andar, Vila Gertrudes, São Paulo/SP.		
<b>iii. operation developed</b>	Multiple Bank.		
<b>iv. Banco do Brasil's equity participation</b>	Direct equity participation of 50.00%.		
<b>v. subsidiary or affiliated company</b>	<i>Joint Venture.</i>		
<b>vi. registration in CVM</b>	Registered as a multiple bank with an investment portfolio, and a Central Bank authorized financial institution, a portfolio management service provider, and a representative of non-resident investors.		
<b>vii. book value of equity participation (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	4,666.7	4,838.2	5,122.1
<b>viii. market value of equity participation based on share quotation at the end of the fiscal year, when such shares are traded in organized securities markets (R\$ million)</b>	The company does not have shares traded in organized securities markets.		
<b>ix. appreciation or depreciation of such equity participation over the past 3 fiscal years, based on book value (%)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	4.5	3.7	5.9
<b>x. appreciation or depreciation of such equity participation over the past 3 fiscal years based on market value and share quotation, when such shares are traded in organized markets (%)</b>	The company does not have shares traded in organized securities markets.		
<b>xi. amount of dividends received over the past 3 fiscal years (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	-	-	57.2
<b>xii. reasons for the equity participation acquisition and maintenance</b>	This is a strategic equity participation for BB Conglomerate.		

<b>i. corporate name</b>	<b>BB Administradora de Consórcios S.A.</b>		
<b>ii. head office</b>	SBS - Quadra 02 - Bloco "E" - 5º andar - Edifício Prime Business Convenience Center, Brasília/DF.		
<b>iii. operation developed</b>	Management of consortiums for the acquisition of assets and rights.		
<b>iv. Banco do Brasil's equity participation</b>	Direct equity participation of 100%.		
<b>v. subsidiary or affiliated company</b>	Subsidiary.		
<b>vi. registration in CVM</b>	Not registered in CVM.		
<b>vii. book value of equity participation (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	164.2	167.5	197.1
<b>viii. market value of equity participation based on share quotation at the end of the fiscal year, when such shares are traded in organized securities markets (R\$ million)</b>	The company does not have shares traded in organized securities markets.		
<b>ix. appreciation or depreciation of such equity participation over the past 3 fiscal years, based on book value (%)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	5.9	2.0	17.7
<b>x. appreciation or depreciation of such equity participation over the past 3 fiscal years based on market value and share quotation, when such shares are traded in organized markets (%)</b>	The company does not have shares traded in organized securities markets.		
<b>xi. amount of dividends received over the past 3 fiscal years (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	152.7	196.5	229.8
<b>xii. reasons for the equity participation acquisition and maintenance</b>	A subsidiary established with the purpose of complementing the main activity of Banco do Brasil Conglomerate.		

**i. corporate name****BB Gestão de Recursos – Distribuidora de Títulos e Val. Mobiliários S.A.****ii. head office**

Praça XV Novembro, nº 20, salas 201, 202, 301 e 302, Centro, Rio de Janeiro/RJ.

**iii. operation developed**

Administration and management of third parties' funds.

**iv. Banco do Brasil's equity participation**

Direct equity participation of 100%.

**v. subsidiary or affiliated company**

Subsidiary.

**vi. registration in CVM**

It is a registered securities dealer and a quotas bookkeeping service provider, book share service provider, portfolio management service provider, representative of non-resident investors, FIDC fund management, real estate investment fund management, FAPI fund management, and a Central Bank authorized financial institution.

**vii. book value of equity participation (R\$ million)**

Dec/14	Dec/15	Dec/16
132.0	132.0	132.0

**viii. market value of equity participation based on share quotation at the end of the fiscal year, when such shares are traded in organized securities markets (R\$ million)**

The company does not have shares traded in organized securities markets.

**ix. appreciation or depreciation of such equity participation over the past 3 fiscal years, based on book value (%)**

Dec/14	Dec/15	Dec/16
-	-	-

**x. appreciation or depreciation of such equity participation over the past 3 fiscal years based on market value and share quotation, when such shares are traded in organized markets (%)**

The company does not have shares traded in organized securities markets.

**xi. amount of dividends received over the past 3 fiscal years (R\$ million)**

Dec/14	Dec/15	Dec/16
771.0	797.1	801.0

**xii. reasons for the equity participation acquisition and maintenance**

A subsidiary established with the purpose of complementing the main activity of Banco do Brasil Conglomerate.

**i. corporate name****BB Leasing S.A. - Arrendamento Mercantil****ii. head office**

SBS, quadra 01, lote 31, bloco G, 24 andar, Ed. Sede III

**iii. operation developed**

Leasing transactions of goods and real state property, subletting transactions, transfer and acquisition of lease agreements, receivables and other operations provided the leasing company.

**iv. Banco do Brasil's equity participation**

Direct equity participation of 100%.

**v. subsidiary or affiliated company**

Subsidiary.

**vi. registration in CVM**

Not registered in CVM.

**vii. book value of equity participation (R\$ million)**

Dec/14	Dec/15	Dec/16
3,893.2	4,167.7	4,376.7

**viii. market value of equity participation based on share quotation at the end of the fiscal year, when such shares are traded in organized securities markets (R\$ million)**

The company does not have shares traded in organized securities markets.

**ix. appreciation or depreciation of such equity participation over the past 3 fiscal years, based on book value (%)**

Dec/14	Dec/15	Dec/16
4.8	7.1	5.0

**x. appreciation or depreciation of such equity participation over the past 3 fiscal years based on market value and share quotation, when such shares are traded in organized markets (%)**

The company does not have shares traded in organized securities markets.

**xi. amount of dividends received over the past 3 fiscal years (R\$ million)**

Dec/14	Dec/15	Dec/16
67.2	82.6	58.5

**xii. reasons for the equity participation acquisition and maintenance**

A subsidiary established with the purpose of complementing the main activity of Banco do Brasil Conglomerate.

## Section 9 - Relevant Assets

<b>i. corporate name</b>	<b>Brasilian American Merchant Bank – BAMB</b>		
<b>ii. head office</b>	28 North Church Street, 2nd floor, P.O. Box 1360 - KY1 – 1108, Grand Cayman, Cayman Islands.		
<b>iii. operation developed</b>	Banking asset, liability and accessory transactions.		
<b>iv. Banco do Brasil's equity participation</b>	Direct equity participation of 100%.		
<b>v. subsidiary or affiliated company</b>	Subsidiary.		
<b>vi. registration in CVM</b>	Not registered in CVM.		
<b>vii. book value of equity participation (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	1,221.7	1,717.5	1,511.5
<b>viii. market value of equity participation based on share quotation at the end of the fiscal year, when such shares are traded in organized securities markets (R\$ million)</b>	The company does not have shares traded in organized securities markets.		
<b>ix. appreciation or depreciation of such equity participation over the past 3 fiscal years, based on book value (%)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	19.4	40.6	(12.0)
<b>x. appreciation or deprecation of such equity participation over the past 3 fiscal years based on market value and share quotation, when such shares are traded in organized markets (%)</b>	The company does not have shares traded in organized securities markets.		
<b>xi. amount of dividends received over the past 3 fiscal years (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	-	-	-
<b>xii. reasons for the equity participation acquisition and maintenance</b>	This is a strategic equity participation for BB Conglomerate.		

<b>i. corporate name</b>	<b>Banco do Brasil Aktiengesellschaft (BB AG)</b>		
<b>ii. head office</b>	Praterstrasse 31/4th floor – 1020, Vienna - Austria		
<b>iii. operation developed</b>	Commercial Bank.		
<b>iv. Banco do Brasil's equity participation</b>	Direct equity participation of 100%.		
<b>v. subsidiary or affiliated company</b>	Subsidiary.		
<b>vi. registration in CVM</b>	Not registered in CVM.		
<b>vii. book value of equity participation (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	725.1	1,099.7	784.6
<b>viii. market value of equity participation based on share quotation at the end of the fiscal year, when such shares are traded in organized securities markets (R\$ million)</b>	The company does not have shares traded in organized securities markets.		
<b>ix. appreciation or depreciation of such equity participation over the past 3 fiscal years, based on book value (%)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	118.4	51.7	(28.7)
<b>x. appreciation or deprecation of such equity participation over the past 3 fiscal years based on market value and share quotation, when such shares are traded in organized markets (%)</b>	The company does not have shares traded in organized securities markets.		
<b>xi. amount of dividends received over the past 3 fiscal years (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	-	-	-
<b>xii. reasons for the equity participation acquisition and maintenance</b>	This is a strategic equity participation for BB Conglomerate.		

<b>i. corporate name</b>	<b>Banco Patagonia S.A.</b>		
<b>ii. head office</b>	Avenida de Mayo, 701 - 24º andar. C1084AAC – Buenos Aires – Argentina.		
<b>iii. operation developed</b>	Multiple Bank.		
<b>iv. Banco do Brasil's equity participation</b>	Direct equity participation of 58.9731%.		
<b>v. subsidiary or affiliated company</b>	Subsidiary.		
<b>vi. registration in CVM</b>	It has foreign company registration.		
<b>vii. book value of equity participation (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	1,229.0	1,446.1	1,035.8
<b>viii. market value of equity participation based on share quotation at the end of the fiscal year, when such shares are traded in organized securities markets (R\$ million)</b>	3,130.3		
<b>ix. appreciation or depreciation of such equity participation over the past 3 fiscal years, based on book value (%)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	26.2	17.7	(28.4)
<b>x. appreciation or deprecation of such equity participation over the past 3 fiscal years based on market value and share quotation, when such shares are traded in organized markets (%)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	115.9	90.9	(11.0)
<b>xi. amount of dividends received over the past 3 fiscal years (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	64.7	210.2	211.5
<b>xii. reasons for the equity participation acquisition and maintenance</b>	It is a strategic equity participation of BB Conglomerate in South America, whose acquisition aimed to expand the partnership between Brazilian and Argentine companies, through business generation and products and services diversification.		

<b>i. corporate name</b>	<b>BB Seguridade Participações S.A.</b>		
<b>ii. head office</b>	SAUN Quadra 5, Lote B, Ed. Banco do Brasil, 2º andar, Brasília, DF		
<b>iii. operation developed</b>	Equity participation in insurance corporate, premium bonds and supplementary pension open entity, companies that operate private plans health care and other companies that have holdings in other companies asset management companies, brokerage and viable business involving insurance companies of the elementary fields, the life and premium bonds, pension plans and health insurance companies which operate private health care plans.		
<b>iv. Banco do Brasil's equity participation</b>	Direct equity participation of 66.25%.		
<b>v. subsidiary or affiliated company</b>	Subsidiary.		
<b>vi. registration in CVM</b>	It has listed company registration.		
<b>vii. book value of equity participation (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	3,662.0	4,168.8	4,716.7
<b>viii. market value of equity participation based on share quotation at the end of the fiscal year, when such shares are traded in organized securities markets (R\$ million)</b>	37,497.5		
<b>ix. appreciation or depreciation of such equity participation over the past 3 fiscal years, based on book value (%)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	15.1	13.8	13.1
<b>x. appreciation or deprecation of such equity participation over the past 3 fiscal years based on market value and share quotation, when such shares are traded in organized markets (%)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	31.3	(24.3)	16.3
<b>xi. amount of dividends received over the past 3 fiscal years (R\$ million)</b>	<b>Dec/14</b>	<b>Dec/15</b>	<b>Dec/16</b>
	806.3	2,229.0	2,217.9
<b>xii. reasons for the equity participation acquisition and maintenance</b>	Subsidiary constituted aiming to supplement the main activity of Banco do Brasil Conglomerate.		

## 9.2. Other relevant information

### Provide other information that BB considers relevant

Banco do Brasil invests in private-equity investment funds (FIPs) and emerging-company investment funds (FMIEEs). The FIPs are intended for purchasing shares or convertible securities as a way for the fund to participate in the management of investees, by appointing members for the board of officers and advisory committees. In turn, the FMIEEs have the same goal as FIPs, but operate solely with emerging companies (annual net revenues under R\$ 150,000,000.00).

#### Consolidated information on FIP's/FMIEE's - position in 2016

FIP/FMIEE	Fund's Committed Capital (R\$ million)	BB-BI's Equity Participation (%)
AG Angra Infra Estrutura	739.8	8.11
Logística Brasil - FIP	462.0	12.99
FIP Brasil Energia	1,040.0	5.81
InfraBrasil FIP	824.0	7.28
FIP COLISEU	1,330.0	21.51
FIP Redentor	-	-
Rio Bravo Nordeste II - FMIEE	131.8	15.17
Jardim Botânico VC I - FMIEE	100.0	20.00
Fundotec II - FMIEE	77.4	15.50
Brasil Agronegócio - FIP	840.0	19.09
Brasil Sustentabilidade - FIP	421.0	9.50
Fundo Brasil de Governança Corporativa - FIP	600.0	13.75
Fundo Brasil de Internacionalização de Empresas - FIP	360.0	24.44
FIP Brasil Óleo e Gás - Fundo de Investimento em Participações	500.0	25.00
Brasil Portos e Ativos Logísticos - FIP	900.0	18.81
Fundo Brasil de Internacionalização de Empresas II - FIP	700.0	21.45

## 10. COMMENTS FROM THE EXECUTIVE OFFICERS

We, the Banco do Brasil Executive Board members, pursuant to CVM Instruction 480/09, commented in this section 10 of the Reference Form the main aspects related to the Bank, retrospectively to 2014, 2015 and 2016. We declare that the information is true, complete and consistent.

Initially, in item **10.1**, we present our position about the financial conditions of the Bank, its capital structure, sources of loan and its indebtedness level. We further present the variations between the years 2016/2015 and 2015/2014 of the most relevant Balance Sheet itens. The commented performance is based on the financial statements using the IFRS - International Financial Reporting Standards, issued by the International Accounting Standards Board (IASB) and the predecessor bodies.

In item **10.2**, we comment on the formation of Banco do Brasil income based on Income Statement vertical and horizontal analysis. We evidence: (i) Interest income; (ii) Interest expenses; (iii) Provision for losses with loans to customers' net expenses; (iv) Non-interest income; and (v) Non-interest expenses.

In compliance with item **10.3**, we demonstrated the business conditions and the strategic rationale of the following events: (i) Corporate Reorganizations in the Insurance, Open Pension Plan, Capitalization and Reinsurance Business; (ii) Corporate Reorganization - Overseas subsidiaries and controlled companies; and (iii) Corporate Reorganization in the Card Business.

Then, in item **10.4** we talk about material changes to the accounting practices adopted by the Bank and its effects on the Financial Statements. Besides, we discuss in item 10.4 the opinions of the Auditors on the Financial Statements related to the fiscal years ended on December 31, 2014, 2015 and 2016.

In relation to critical accounting policies, item **10.5**, we emphasize: (i) impairment of financial assets; (ii) contingencies/provisions for losses on loans to customers; (iii) revenue recognition, (iv) deferred tax assets; (v) long-term assets; (vi) useful life of non-current assets; (vii) pension plans; (viii) conversion adjustments on foreign currency; (ix) environmental recovery costs; and (x) criteria for asset impairment tests.

As an answer to items **10.6** and **10.7**, we list the items that were not disclosed in Financial Statements, such as: (i) provisions and contingent liabilities; (ii) fair value of derivative financial instruments agreements; (iii) guarantees provided; (iv) unreleased letters of credit; (v) confirmed export credits and open import credits; and (vi) operating leasing. We make comments on possible impacts on Financial Statement items, in addition to their natures and values.

Finally, in item **10.8**, addressing the business plan, we discuss Banco do Brasil fixed investment plan, including among other actions: (i) expansion and adequacy of the service network and physical facilities; (ii) modernization of automated teller machines; (iii) maintenance and preservation of physical facilities; (iv) expansion of the processing and storage capacity in IT; (v) delivery of technological solutions; and (vi) modernization of the security solutions.

In item **10.9**, we present the budgeted and carried out amounts of the items for advertising expenses and promotions and sponsorship.

### 10.1. The Directors should comment on:

#### a. general financial and equity conditions

The assets, in the 2016/2015 comparasion, mainly reflected the decrease in Loans to Customers (R\$69,890 million) partially offset by the Securities Purchased under Agreements Operations line (R\$ 68,152).

In the comparison 2015/2014, the assets evolution mainly reflected the Loans to Customers and Securities Purchased under Agreements Operations growth.

In 2016, loans to customers decreased mainly due the decrease in (i) Loans and discounted credit rights.

In 2015, loans to customers grew mainly due to increases in: (i) loans and discounted securities transactions; (ii) loan operations; (iii) mortgage operations

In 2016, the liabilities decrease compared to 2015 is mainly due to: (i) onlend (ii) securities (iii) obligation with financial institutions.

## Section 10 - Comments From the Executive Officers

In 2015, the evolution of liabilities in relation to the previous year was driven mainly by growth in: (i) issuing securities bonds and (ii) repo.

The Bank's net income was R\$ 8,660 million in 2016, representing a Return on Average Equity of 9.8% in the period, compared to 18.4% in 2015 and 16.5% in 2014.

	2014	2015	2016
Return on Average Equity - %	16.5	18.4	9.8
ROA - %	1.1	1.2	0.6
Earnings per share			
Basic <sup>1</sup>	4.23	5.03	2.52
Diluted <sup>2</sup>	4.23	5.03	2.52
Average risk - % <sup>3</sup>	2.9	4.0	5.3
Coverage Index - % <sup>4</sup>	67.4	58.4	62.6

1 - Average quantity of total shares without treasury stock / Income for the period

2 - Average quantity of total shares + (bonus x conversion factor) / Income for the period

3 - Allowance for doubtful accounts / Loan portfolio

4 - (Net fee income/Administrative expenses + Personnel expenses)

Earnings per share grew in line with net income growth.

The debt ratio ended 2016 at 15.0%, 15.8% in 2015 and 14.6% in 2014.

R\$ million, except as indicated	12.31.2014	12.31.2015	12.31.2016
a. total debt, of any nature;	1,192,697	1,302,635	1,297,139
b. indebtedness level (current liabilities + non-current liabilities, divided by shareholders' equity) <sup>1</sup>	14.6	15.8	15.0
c. should the issuer wish to, another indebtedness ratio	none	none	none

Source: Consolidated financial statements in IFRS.

1 - Shareholders' equity attributable to the majority interest was R\$81,785 million, R\$82,557 million and R\$86,376 million in Dec/14, Dec/15, and Dec/16 respectively.

The analysis of significant changes in each item of the IFRS Financial Statements is presented in the item "10.1.h". The analysis of the results is presented in section 10.2.

### b. capital structure

BB's total debt, comprising the "sum of current and non-current liabilities" totaled, R\$1,192.2 billion, R\$1,302.6 billion and R\$1,297.1 billion on 12/31/2014, 12/31/2015 and, 12/31/2016 respectively. The level of indebtedness, measured by the "current and non-current liabilities divided by shareholders' equity" was 14.6%, 15.8% and 15.0%, in the same order (IFRS data, pursuant to item "3.7" of the Reference Form).

The Risks Weighted Assets (RWA) decrease is mainly due to the decrease on the loan portfolio in the last year, fact that contributed to the BIS Ratio increase at 18.48%

### BIS Ratio

R\$ million, except for percentages	In December, 31st			Change %	
	2014	2015	2016	15/14	16/15
<b>Referential Equity (RE)</b>	<b>126,588</b>	<b>135,551</b>	<b>130,453</b>	<b>7.1</b>	<b>(3.8)</b>
Tier I <sup>1</sup>	89,538	95,714	90,284	6.9	(5.7)
Core Capital (CC)	71,036	68,677	67,718	(3.3)	(1.4)
Tier II	37,050	39,837	40,170	7.5	0.8
<b>Minimum Required Referential Equity (MRRE) <sup>2</sup></b>	<b>86,457</b>	<b>92,456</b>	<b>69,703</b>	<b>6.9</b>	<b>(24.6)</b>
<b>Risk-Weighted Assets (RWA)</b>	<b>785,973</b>	<b>840,509</b>	<b>705,851</b>	<b>6.9</b>	<b>(16.0)</b>
Credit Risk - RWACPAD	734,716	785,773	643,214	6.9	(18.1)
Market Risk - RWAMPAD	11,545	18,347	18,844	58.9	2.7
Operational Risk - RWAOPAD	39,712	36,389	43,793	(8.4)	20.3
<b>Surplus/(insufficiency) of RE</b>	<b>40,131</b>	<b>43,095</b>	<b>60,750</b>	<b>7.4</b>	<b>41.0</b>
<b>BIS Ratio (RE/RWA) %</b>	<b>16.11</b>	<b>16.13</b>	<b>18.48</b>	<b>0.1</b>	<b>14.6</b>
Tier I Capital Ratio (Tier I/RWA) - %	11.39	11.39	12.79	(0.0)	12.3
Core Capital Ratio (CC/RWA) - %	9.04	8.17	9.59	(9.6)	17.4



1 - The Instruments authorized by Bacen to compose the Referential Equity according to CMN Resolution No. 3,444/2007 and do not fulfill the requirements established by CMN Resolution No. 4,192/2013 are reduced by 10% per year from 2013 to 2022. This reduction is applied on the values that composed the RE on December 31, 2012.

2 - Under CMN Resolution 4,193/2013, it corresponds to the Factor "F" applied to the amount of RWA, where "F" equals: 11%, from October 1, 2013 to December 31, 2015; 9.875% from January 1, 2016 to December 31, 2016; 9.25%, from January 1, 2017 to December 31, 2017; 8.625% from January 1, 2018 to December 31, 2018 and 8%, from January 1, 2019.

On July 24, 2014, the Central Bank issued Circular No. 3,711 and on August in 20, 2014, it issued Circular No. 3,714. These led to the revision of macro-prudential measures initiated in 2010. These regulations have affected the reduction in PRMR with respect to credit risk exposures subject to the calculation of capital requirements under the standardized approach (RWACPAD), as of the third quarter of 2014.

### c. payment ability in relation to the financial commitments assumed

Banco do Brasil maintains liquidity levels to meet its commitments in Brazil and abroad, as a result of its broad and diversified funding base, the quality of its assets, the capillarity of its network overseas and its ability to access the international capital market.

Stringent control over liquidity risk is aligned with the Liquidity Risk Policy established by the Board of Directors, meeting the requirements of national banking supervision and the other countries where the BB operates.

In 2016, there was an increase in the Liquidity Assets mainly driven by the significant growth of investments in repurchase agreements.

### Financial Information on BB Consolidated

R\$ million, except for percentages	In December, 31st			Change %	
	2014	2015	2016	15/14	16/15
<b>Liquidity Assets (A)</b>	<b>369,916</b>	<b>428,634</b>	<b>494,330</b>	<b>15.9</b>	<b>15.3</b>
Cash and bank deposits	11,386	13,337	18,047	17.1	35.3
Loans to financial institutions	65,120	57,808	66,468	(11.2)	15.0
Money market repurchase agreements	183,391	263,325	303,531	43.6	15.3
Financial assets	110,019	94,164	106,284	(14.4)	12.9
<b>Liquidity Liabilities (B)</b>	<b>250,086</b>	<b>324,595</b>	<b>375,337</b>	<b>29.8</b>	<b>15.6</b>
Deposits of financial institutions	26,169	30,675	41,816	17.2	36.3
Obligations under repurchase agreements	223,917	293,920	333,521	31.3	13.5
<b>Liquidity Balance (A - B)</b>	<b>119,830</b>	<b>104,039</b>	<b>118,993</b>	<b>(13.2)</b>	<b>14.4</b>

### d. funding sources for working capital and investments utilized in non-current assets

#### Funding Sources and Application of Funds

The following indicators show the relationship between the funding sources and application of funds at Banco do Brasil, evidencing that the loan portfolio is backed both by deposits, and by other forms of funding, such as BNDES onlending, Financial and Development Funds resources and overseas funding.

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R\$ million, except for percentages	In December, 31st			Change %	
	2014	2015	2016	15/14	16/15
<b>Total Funding (A)</b>	<b>718,199</b>	<b>796,734</b>	<b>866,503</b>	<b>10.9</b>	<b>8.8</b>
1) Total Deposits	487,594	468,497	464,751	(3.9)	(0.8)
2) Agribusiness Letters of Credit+Mortgage Bonds	81,278	116,481	152,944	43.3	31.3
3) Obligations Related to Repurchase Agreements	34,061	48,256	52,142	41.7	8.1
4) Domestic Onlendings	84,835	89,157	90,076	5.1	1.0
5) Financial and Development Funds	7,661	10,840	15,002	41.5	38.4
6) Letters of Credit + Debentures <sup>1</sup>	2,295	2,547	2,106	11.0	(17.3)
7) Subordinated Debt	47,369	54,531	59,936	15.1	9.9
8) IHCD In Brazil <sup>2</sup>	8,325	69	8,100	(99.2)	-
9) Foreign Borrowing <sup>3</sup>	55,464	69,580	82,257	25.5	18.2
10) Compulsory Deposits	(90,682)	(63,224)	(60,811)	(30.3)	(3.8)
<b>Net Loan Portfolio (B)</b>	<b>564,767</b>	<b>631,633</b>	<b>673,746</b>	<b>11.8</b>	<b>6.7</b>
Loans to Customers	580,420	650,584	701,495	12.1	7.8
Provision for Losses with Loans to Customers	(15,653)	(18,951)	(27,749)	21.1	46.4
<b>Cash and cash equivalents (A-B)</b>	<b>153,433</b>	<b>165,101</b>	<b>192,757</b>	<b>7.6</b>	<b>16.8</b>
<b>Indicators (%)</b>					
Net Loan Portfolio / Total Deposits	115.8	134.8	145.0		
Net Loan Portfolio / Total Funding	78.6	79.3	77.8		
Available Funds / Total Funding	21.4	20.7	22.2		

1 - On August 28, 2014, pursuant to Law 12,793/2013 was entered into an amendment to the contract in order to make the IHCD issued in September 2012, in the amount of R\$8.1 billion, eligible as core capital. On September 22, 2014, the Central Bank considered this instrument as eligible to the core capital, according to the CMN Resolution No. 4,192/2013. Thus, for purposes of disclosure of financial statements, the one mentioned instrument was reclassified to Shareholders' equity, remaining in this line only the balance of interest payable existing before the instrument reclassification.

2 - Includes Foreign Borrowing, Foreign Securities Obligations and Perpetual Bonuses.

The available funds/total funding is stable compared to 2015, in 23.1%.

The Banco do Brasil uses several funding sources to finance loans operations in the country. The most relevant, in national currency, are time deposits, savings deposits, LCA/LCI and demand deposits. In addition, to take advantage of the opportunities of his position in government securities, Banco do Brasil can raise funds in the interbank market offering these assets as collateral.

The demand deposits representative volume and savings, in addition to LCA/LCI, compared to total funding reduces the weighted average funding cost and, given its spray allows stability in BB's cash flow.

R\$ million, except for percentages	In December, 31st			Change %	
	2014	2015	2016	15/14	16/15
<b>Total Deposits (A)</b>	<b>468,497</b>	<b>464,753</b>	<b>446,593</b>	<b>(0.8)</b>	<b>(3.9)</b>
Demand Deposits	74,224	66,550	69,402	(10.3)	4.3
Savings Deposits	148,699	151,845	151,763	2.1	(0.1)
Deposits of Financial Institutions	30,675	41,816	21,277	36.3	(49.1)
Time Deposits	214,899	204,542	204,150	(4.8)	(0.2)
<b>Compulsory Deposits (B)</b>	<b>(63,224)</b>	<b>(60,811)</b>	<b>(63,451)</b>	<b>(3.8)</b>	<b>4.3</b>
<b>Other Funds (C)</b>	<b>291,395</b>	<b>358,931</b>	<b>295,966</b>	<b>23.2</b>	<b>(17.5)</b>
Agribusiness Let. of Credit + Mortgage Bonds	116,481	152,944	142,039	31.3	(7.1)
Obligations Related to Repurchase Agreements	48,256	52,142	25,591	-	(50.9)
Letters of Credit and Debentures	2,547	2,106	2,632	(17.3)	25.0
Subordinated Debt in Brazil	46,669	48,367	52,308	3.6	8.1
Foreign Borrowing	77,441	103,372	73,396	33.5	(29.0)
<b>Total Funds not from the Government (D=A+B+C)</b>	<b>696,668</b>	<b>762,873</b>	<b>679,108</b>	<b>9.5</b>	<b>(11.0)</b>
<b>Funds from the Federal Government</b>					
Funds from Onlendings	89,157	90,076	83,083	1.0	(7.8)
Financial and Development Funds	10,840	15,003	14,791	38.4	(1.4)
Domestic Hybrid Debt Capital Instruments <sup>1</sup>	69	8,100	8,100	-	-
<b>Total Funds from the Federal Government (E)</b>	<b>100,066</b>	<b>113,178</b>	<b>105,974</b>	<b>13.1</b>	<b>(6.4)</b>
<b>Total Funds (D+E)</b>	<b>796,734</b>	<b>876,051</b>	<b>785,082</b>	<b>10.0</b>	<b>(10.4)</b>

1 - On August 28, 2014, pursuant to Law 12,793/2013 was entered into an amendment to the contract in order to make the IHCD issued in September 2012, in the amount of R\$8.1 billion, eligible as core capital. On September 22, 2014, the Central Bank considered this instrument as eligible to the core capital, according to the CMN Resolution No. 4,192/2013. Thus, for purposes of disclosure of financial statements, the one mentioned instrument was reclassified to Shareholders' equity, remaining in this line only the balance of interest payable existing before the instrument reclassification.

The table below presents loan operations by type of financial product as of the dates stated:

R\$ million, except for percentages	In December, 31st			Change %	
	2014	2015	2016	15/14	16/15
Loans and Bills Discounted	238,689	250,372	213,967	4.9	(14.5)
Financing	168,766	180,028	145,056	6.7	(19.4)
Rural and Agroindustrial Financing	170,128	178,902	185,068	5.2	3.4
Mortgage Loans	38,733	49,560	54,238	28.0	9.4
Credit Operations linked to Assignments	321	333	612	3.7	83.8
Other Receivables with Loan Characteristics	33,087	41,351	38,259	25.0	(7.5)
Lease Operations	861	875	604	1.6	(30.9)
Infrastructure and Development Financing	0.5	75	0.2	-	(99.7)
<b>Total Loans to customers</b>	<b>650,585</b>	<b>701,496</b>	<b>637,804</b>	<b>7.8</b>	<b>(9.1)</b>
(Provision for Losses with Loans to Customers)	(18,951)	(27,749)	(33,947)	46.4	22.3
<b>Total</b>	<b>631,634</b>	<b>673,747</b>	<b>603,857</b>	<b>6.7</b>	<b>(10.4)</b>

**e. funding sources for working capital and investments in non-current assets to be used to cover liquidity deficits**

Banco do Brasil does not have a liquidity shortage. Items 10.1.c and 10.1.d present analysis of the payment capacity and of liquidity, respectively.

Banco do Brasil has management tools that allow early identification of scenarios indicating possible liquidity shortfalls.

Thus, if necessary, the BB may use mechanisms for increasing the volume of resources such as increased rates to raising time deposits, short-term money market and bond issues in local and international markets to rebalance availability, thus ensuring the continuity of their business.

**f. indebtedness levels and characteristics of such debts**

**Indebtedness levels and characteristics of such debts, also describing: (i) relevant loan and financing agreements; (ii) other long-term relationships with financial institutions; (iii) degree of subordination among debts; and (iv) any restrictions imposed on the issuer, especially in relation to indebtedness limits and the contracting of new debts, to the distribution of dividends, to the divestiture of assets, to the issuance of new securities and to the sale of controlling interest.**

Banco do Brasil issues bonds in the international and domestic capital market, using both non-subordinated and subordinated debt, and hybrid capital and debt instruments. The objective is funding free resources and to reinforce the Bank's Referential Equity with those resources qualifying as Capital. These issues have institutional investors, financial institutions and private banking clients as a target audience.

The subordinated debt, such as Subordinate Certificates of Deposit (CDB), Subordinated Debt abroad, Subordinated Financial Letters and FCO resources that comprise the Tier II capital, their payment is subordinated to other liabilities of the Bank except those considered Tier I Capital.

The Hybrid Capital Debt Instruments (IHCD) issued abroad, in the form of perpetual bonds, allowed by the Central Bank, are classified as Tier I capital and its payment is subordinated to other liabilities, with the exception of the elements considered as core capital. Although without any restriction on the distribution of dividends, these instruments stipulate that in case of non-payment of coupons, the Chief Financial Officer (CFO) shall recommend to the Banco do Brasil to pay dividends as the minimum required by current legislation.

On August 28, 2014, the Hybrid Capital Instrument of R\$ 8.1 billion, which, until then was classified as additional Tier I capital was authorized by the Central Bank to compose the Reference Equity as core capital. This instrument is subordinated to other liabilities in the institutions's dissolution event.

Furthermore, for composition purposes of its Referential Equity, Banco do Brasil classifies the resources from the Constitutional Financing Fund of the Midwest - FCO (Vote CMN n.º 067/2001 and Bacen - Diret Official Letter n.º 1,602/2001) as Capital in keeping with the low enforceability and long term of stay of these funds at the Bank. Amounts of R\$25,237 million, R\$22,995 million and R\$20,467 million,

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calculated as of December 31, 2016, December 31, 2015 and December 31, 2014, respectively, comprised Banco do Brasil's Level II Referential Equity.

The following table summarizes the subordination level of securities issued by the Banco do Brasil:

Type of Capital	Securities Issued	Subordination Level
<b>Tier I</b>		
Core Capital	Hybrid Capital Instrument <sup>1</sup>	All Liabilities
Additional Tier I Capital	Perpetual Bonds Abroad - IHCD	All Liabilities, except core capital
<b>Tier II</b>		
	Subordinate Certificates of Deposit	
	Subordinate Debt Abroad	
Tier II capital	Subordinated Financial Bills	All Liabilities, except core and additional capital
	FCO Resources	

Additional information on the securities issued by the Banco do Brasil is presented in item "18.5. Other securities issued".

## Financial Information of BB Consolidated in IFRS

### Subordinated debts<sup>1</sup> (R\$ million)

Funding	Date	Matur.	Currency	Amount	Remun. p.a	2014	2015	2016	Chg.% 15/14	Chg.% 16/15
<b>Banco do Brasil</b>										
<b>Domestic Subordinated CDB</b>										
	2009	2015	R\$	1,335	115,00% (CDI)	4,111	-	-	-	-
	2009	2015	R\$	1,000	105,00% (CDI)	1,650	-	-	-	-
<b>Subordinated Debt Abroad</b>										
	2010	2021	US\$	660	5.38%	1,788	2,631	2,197	47.2	(16.4)
	2011	2022	US\$	1,500	5.88%	4,046	5,954	4,978	47.2	(16.4)
	2012	2023	US\$	750	5.88%	2,028	2,984	2,493	47.1	(16.5)
<b>Financial Subordinated Letters</b>										
	2010	2016	R\$	1,000	108,50% (CDI)	1,620	1,852	-	14.3	-
	2011	2017	R\$	2,055	111,00% (CDI) 111,50% (CDI)	2,952	3,388	3,919	14.8	15.7
	2012	2018	R\$	4,845	1,06% - 1,11% + CDI 5,24% - 5,56% + IPCA Pré 10,51%	6,247	7,152	8,120	14.5	13.5
	2012	2019	R\$	215	112,00% (CDI)	276	317	367	14.9	15.8
	2012	2020	R\$	151	112,50% (CDI) IPCA + 5,45%	195	224	259	14.9	15.8
	2013	2019	R\$	4,681	111,00% (CDI)	5,695	6,537	7,561	14.8	15.7
	2014	2020	R\$	163	112,00% - 114,00% (CDI)	176	203	235	15.3	15.8
	2014	2020	R\$	378	112,00% - 114,00% (CDI)	393	453	527	15.3	16.3
	2014	2021	R\$	2,274	113,00% - 115,00% (CDI)	2,471	2,848	3,309	15.3	16.2
	2014	2021	R\$	1,595	113,00% - 115,00% (CDI)	1,646	1,899	2,208	15.4	16.3
	2014	2022	R\$	400	IPCA + 8,08%	431	515	595	19.5	15.5
<b>Subordinated debt issued by Bank, held by subsidiary abroad</b>						<b>(11)</b>	<b>(16)</b>	<b>(30)</b>	<b>45.5</b>	<b>87.5</b>
<b>Total Subordinated Debt</b>						<b>34,064</b>	<b>36,941</b>	<b>36,738</b>	<b>8.4</b>	<b>(0.5)</b>

1 - Does not include funds from the FCO (Constitutional Fund for Developing the Midwest).

Source: Note 34.

## Liabilities from securities issues (R\$ million)

Funding	Date	Matur.	Currency	Amount	Remun. p.a	2014	2015	2016	Chg.% 15/14	Chg.% 16/15	
<b>Banco do Brasil</b>											
<b>Global Medium - Term Notes Program</b>						<b>11,031</b>	<b>10,727</b>	<b>6,057</b>	<b>(2.8)</b>	<b>(43.5)</b>	
	2010	2015	US\$	950	4.50%	2,573	-	-	(100.0)	-	
	2010	2020	US\$	500	6.00%	1,359	1,995	1,669	46.8	(16.3)	
	2011	2016	EUR	750	4.50%	3,285	3,322	-	1.1	-	
	2012	2015	JPY	24,700	1.80%	551	-	-	-	-	
	2013	2018	EUR	700	3.75%	2,519	4,321	3,497	71.5	(19.1)	
	2014	2018	EUR	300							
	2013	2019	CHF	275	2.50%	745	1,089	891	46.2	(18.2)	
<b>"Senior Notes"</b>						<b>6,452</b>	<b>9,075</b>	<b>7,562</b>	<b>40.7</b>	<b>(16.7)</b>	
	2011	2017	US\$	500	3.88%	1,346	1,981	1,657	47.2	(16.4)	
	2012	2022	US\$	1,825	3.88%	5,106	7,094	5,905	38.9	(16.8)	
<b>Structured Notes</b>				<b>US\$ e EUR</b>	<b>56</b>	<b>0,64 - 3,55%</b>	<b>144</b>	<b>169</b>	<b>64</b>	<b>17.4</b>	<b>(62.1)</b>
<b>Certificate of Deposits</b>						<b>9,292</b>	<b>9,557</b>	<b>3,389</b>	<b>2.9</b>	<b>(64.5)</b>	
<b>Certificate of Structured Operations</b>						<b>2</b>	<b>11</b>	<b>102</b>	<b>450.0</b>	<b>827.3</b>	
<b>Mortgage Bonds - LCI</b>						<b>14,156</b>	<b>18,121</b>	<b>17,074</b>	<b>28.0</b>	<b>(5.8)</b>	
<b>Agribusiness Letters of Credit - LCA</b>						<b>102,325</b>	<b>134,823</b>	<b>124,965</b>	<b>31.8</b>	<b>(7.3)</b>	
<b>Letters of Credit</b>						<b>2,547</b>	<b>2,106</b>	<b>2,632</b>	<b>(17.3)</b>	<b>25.0</b>	
<b>Total Liabilities with Securities issued by Banco do Brasil</b>						<b>145,949</b>	<b>184,589</b>	<b>161,845</b>	<b>26.5</b>	<b>(12.3)</b>	
<b>Patagonia Bank</b>						<b>395</b>	<b>329</b>	<b>326</b>	<b>(16.7)</b>	<b>(0.9)</b>	
<b>Specific Purposes Entities - SPE Abroad (Securitization)</b>						<b>968</b>	<b>3,448</b>	<b>2,802</b>	<b>256.2</b>	<b>(18.7)</b>	
Foreign Money Order Future Flow Securitization <sup>1</sup>											
	2008	2015	US\$	200	Libor 3m + 1,20%	79	-	-	-	-	
	2008	2018	US\$	36	5.25%	224	235	118	4.9	(49.8)	
Structured Notes <sup>2</sup>											
	2014/2015	2034	US\$	500	Libor 6m + 2,50%	665	1,962	1,639	195.0	(16.5)	
	2015	2030	US\$	320	Libor 6m + 3,25%	-	1,251	1,045	-	(16.5)	
<b>Value Elimination - Consolidated</b>						<b>(66)</b>	<b>(143)</b>	<b>(170)</b>	<b>116.7</b>	<b>18.9</b>	
<b>Total</b>						<b>147,246</b>	<b>188,223</b>	<b>164,803</b>	<b>27.8</b>	<b>(12.4)</b>	

1 - The Special Purpose Entities (SPE) - "Dollar Diversified Payment Rights Finance Company" was organized under the laws of the Cayman Islands for the following purposes: (i) the issuance and sale of securities in the international market; (ii) use of resources obtained by issuing securities to pay for the purchase from the BB of the rights to payment orders issued by banking correspondents located in the U.S. and by the agency of BB New York in U.S. dollars, for any agency for Brazil ("Rights on Consignment"); and (iii) making payments of principal and interest on securities and other payments defined in the contracts of issuance of these securities. The liabilities arising from the issued securities are paid by the SPE using the funds accumulated in its account. The SPE declare that have no relevant asset or liability other than the rights and duties originating from the contracts for issue of securities, has no subsidiaries and no employees. Its subscribed capital is US\$1,000 divided into 1,000 common shares of US\$1.00 each. All 1,000 common shares were issued for BNP Paribas Private Bank & Trust Cayman Limited, acting as trustee of an entity of the Cayman Islands. Thus, BNP Paribas Private Bank & Trust Cayman Limited is the sole shareholder of EPE. The Bank owns the "Remittance Rights" and sole beneficiary of the funds raised by EPE, and is responsible for sending funds for periodic payment of principal and interest on the securities.

2 - The Special Purpose Entities (SPE) - "Loans Finance Company Limited" (Loans) was organized under the laws of the Cayman Islands for the following purposes: (i) Obtaining financial resources by issuing of securities in the international market; (ii) hiring repurchase agreements with the Bank, through its branch in the Cayman Islands, for use of the funds raised; and (iii) hiring of protection against credit risk of the Bank, through a credit derivative called basis swap, which is actionable only in case of default of any obligation of the Bank in repurchase agreements operations. The conditions of currencies, amounts, terms, rates and financial flows of repurchase operations are identical to those of the issues of securities. Therefore, all the obligations and expenses of the issued securities are covered fully by the SPE with the rights and revenues from repurchase agreements, so that the Loans not generate positive or negative results. The SPE has no other assets and liabilities other than those arising from repurchase agreements and emissions of securities. The paid-up capital of the Loans is US\$250 divided into 250 common shares of US\$1.00 each. All 250 common shares were issued to Maples Corporate Services company and then transferred to the MaplesFS Limited, which is a limited liability company incorporated in the Cayman Islands. The MaplesFS Limited is an independent provider of specialized trust services and sole shareholder of SPE. The Bank, through its branch in the Cayman Islands, is the only counterpart of SPE in repurchases operations.

## Funding in Perpetual Securities - Capital and Debt Hybrid Instruments – R\$ million

Currency	Amount <sup>1</sup>	Remun. p.a (%)	Date	2014	2015	2016	Chg.% 15/14	Chg.% 16/15
US\$	1,499	8.5	out/09	4,038	5,940	4,955	47.1	(16.6)
US\$	1,399	9.3	jan e mar/2012	4,836	6,632	4,732	37.1	(28.6)
R\$ <sup>2</sup>	8,100	5.5	set/12	69	-	-	-	-
US\$	1,988	6.3	jan/13	5,356	7,878	6,539	47.1	(17.0)
US\$	2,170	9.0	jun/14	6,628	8,541	7,065	28.9	(17.3)
<b>Total</b>				<b>20,927</b>	<b>28,991</b>	<b>23,291</b>	<b>38.5</b>	<b>(19.7)</b>
<b>Perpetual Bonds<sup>2</sup></b>				<b>(8)</b>	<b>(5)</b>	<b>(1)</b>	<b>(37.5)</b>	<b>(80.0)</b>
<b>Total</b>				<b>20,918</b>	<b>28,986</b>	<b>23,290</b>	<b>38.6</b>	<b>(19.7)</b>

1 - Refers to the outstanding value, once the partial tender offers accrued.

1 - The bonds of R\$8.1 billion, issued in September 2012, resulting from a Loan Agreement with the Federal Government, up to August 27, 2014, were authorized by Bacen to be included in the referential equity of Tier I capital (Additional Tier I Capital), and were subject to the established by article 28 of the

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CMN Resolution No. 4,192/2013, hence were recognized in this grouping. On August 28, 2014, under the law 12,793/2013, an amendment was signed to the agreement with the objective of making this instrument qualifying to common equity Tier 1 capital. On September 22, 2014, Bacen considered the instrument qualifying to common equity Tier 1 capital, in accordance with Resolution CMN No. 4,192/2013. After the agreement in 2014, the instrument was reclassified to Shareholder's Equity, and the balance of interest payable remained in this grouping.

### Borrowing and Onlendings

Borrowing and onlendings are sources of funding from other financial institutions and national government agencies, predominantly long-term, to boosting domestic production. The funds come from the National Treasury, the BNDES (National Bank for Economic and Social Development), CEF (Caixa Economica Federal), among other sources.

Thus, the Bank works as financial agent of government programs of incentives to certain sectors of the economy. In agriculture, through of transfers, notably: (i) Pronaf (National Programme for Strengthening Family Agriculture); (ii) Cacau (Recovery Program of Cocoa Farming); (iii) Recoop (Agricultural Production Cooperatives Revitalization Program); (iv) Funcafé (Fund for the Coffee Economy); and (v) Rural Savings. In industry, through onlending arising mainly from the BNDES programs and Finame (Special Agency of Industrial Investment).

R\$ million	2014	2015	2016	Chg.% 15/14	Chg.% 16/15
Borrowing	20,377	29,579	20,346	45.2	(31.2)
Onlending	89,157	90,076	83,083	1.0	(7.8)
<b>Total</b>	<b>109,534</b>	<b>119,655</b>	<b>103,429</b>	<b>9.2</b>	<b>(13.6)</b>

#### g. limits on the use of the financing obtained

Banco do Brasil do not have limits on the use of financing, but it is subject to the standards determined by the Monetary Authorities, in accordance with the Basel principles.

#### h. significant changes in each item of the financial statements

Below it is presented the evolution analyses of the Consolidated Balance Sheet and Consolidated Statement of Income for the years ended December 31, 2014, December 31, 2015 and December 31, 2016 prepared in accordance with the International Financing Reporting Standards (IFRS) and disclosed on the Bank's Investor Relations site. (<http://www.bb.com.br/ir>).

The information presented in the explanatory notes disclosed together with the mentioned financial statements is important to justify the changes in balance sheet and income statement accounts. For this reason, they will also be used as a reference source in these analysis.

#### Balance Sheet – Assets

The information of the "Asset" group is shown below. In relation to the Standardized Financial Statements (SFS), differences were identified in the items "Cash and Cash Equivalents" and "Loans and Receivables", categories that group together a large number of items not used for disclosure purposes under IFRS. The changes led to reclassifications of balances, as shown in the table below:

R\$ million, except for percentages	12/31/2014			12/31/2015			12/31/2016		
	Stand. Finan. Statetm.	Balance Sheet Disclosed	Difference	Stand. Finan. Statetm.	Balance Sheet Disclosed	Difference	Stand. Finan. Statetm.	Balance Sheet Disclosed	Difference
<b>Cash and Cash Equivalents</b>									
Cash and Bank Deposits	13,337	13,337	-	18,047	18,047	-	12,798	12,798	-
Loans to Financial Institutions	35,593	-	35,593	46,457	-	46,457	32,048	-	32,048
Money Market Repurchase Agreemer	13,149	-	13,149	38,195	-	38,195	58,270	-	58,270
<b>Loans and Receivables</b>									
Loans to Financial Institutions	22,216	57,809	(35,593)	20,011	66,468	(46,457)	17,071	49,119	(32,048)
Money Market Repurchase Agreemer	250,176	263,325	(13,149)	265,336	303,531	(38,195)	313,413	371,683	(58,270)
Loans to Customers <sup>1</sup>	631,633	631,633	-	673,747	673,747	-	603,831	603,831	-

The "Assets" group in the Balance Sheet disclosed by the Bank, on which these analyses are based, is shown below:

R\$ million, except for percentages	12/31/2014		12/31/2015		12/31/2016		Chg. 16/15	
		%		%		%	Abs.	%
<b>Assets</b>								
Cash and Bank Deposits	13,337	1.0	18,047	1.3	12,798	0.9	(5,249)	(29.1)
Compulsory Deposits in Central Banks	63,224	4.9	60,811	4.4	63,451	4.6	2,640	4.3
Loans to Financial Institutions	57,809	4.5	66,468	4.8	49,119	3.5	(17,349)	(26.1)
Money Market Repurchase Agreements	263,325	20.6	303,531	21.9	371,683	26.8	68,152	22.5
Financial Assets at Fair Value through Profit or Loss	12,441	1.0	11,218	0.8	7,669	0.6	(3,549)	(31.6)
Debt and Equity Instruments	10,948	0.9	7,856	0.6	6,057	0.4	(1,799)	(22.9)
Derivatives	1,493	0.1	3,362	0.2	1,612	0.1	(1,750)	(52.1)
Financial Assets Available for Sale	93,804	7.3	102,394	7.4	104,670	7.5	2,276	2.2
Financial Assets Held to Maturity	360	0.0	3,892	0.3	9,120	0.7	5,228	134.3
Loans to Customers, Net of Provision	631,633	49.4	673,747	48.5	603,857	43.5	(69,890)	(10.4)
Non-current Assets Available for Sale	24	0.0	46	0.0	45	0.0	(1)	(2.2)
Investments in Associates	15,922	1.2	17,986	1.3	19,642	1.4	1,656	9.2
Fixed Assets	7,180	0.6	7,412	0.5	7,614	0.5	202	2.7
Intangible Assets	9,932	0.8	8,813	0.6	8,743	0.6	(70)	(0.8)
Goodwill on Investments	630	0.0	648	0.0	591	0.0	(57)	(8.8)
Others	9,302	0.7	8,165	0.6	8,152	0.6	(13)	(0.2)
Tax Assets	32,533	2.5	45,351	3.3	54,463	3.9	9,112	20.1
Current	8,977	0.7	7,463	0.5	12,290	0.9	4,827	64.7
Deferred	23,556	1.8	37,888	2.7	42,173	3.0	4,285	11.3
Other Assets	76,613	6.0	69,149	5.0	74,342	5.4	5,193	7.5
<b>Total</b>	<b>1,278,137</b>	<b>100</b>	<b>1,388,865</b>	<b>100</b>	<b>1,387,216</b>	<b>100</b>	<b>(1,649)</b>	<b>(0.1)</b>

### Cash and Bank Deposits

The cash and bank deposits totaled R\$12,978 million, a R\$5,249 million yearly decrease. This variation was due the R\$2,074 million decrease in cash and R\$3,175 in banking deposits.

In 2015, the cash and bank deposits totaled R\$18,047 million, a R\$4,710 million yearly increase. This variation was due the R\$696 million increase in cash and R\$4,014 million in deposits.

### Loans to Financial Institutions

In 2016 the Loans to Financial Institutions totaled R\$49,119 million, a R\$17,349 million yearly decrease. This variation was mainly due to: a) decrease of R\$14,914 million in investments of foreign branches, with highlight to the: (i) foreign exchange R\$8,677 million decrease, R\$5,114 investments in federal funds and R\$1,742 in time deposits and (ii) R\$1,492 increase in overnight and b) R\$2,181 million reduction in loan acquired with guarantee from the transferor.

In accordance with IFRS, the financial assets assigned, whose risks and ownership benefits have not been fully transferred, should continue to be accounted for in the assigning entity, which will recognize a financial liability for the consideration received, causing the recording of a financial asset by the acquiree.

In 2015, the increase in loans to financial institutions was due mainly to the increase of R\$10,294 million in investments of foreign branches, mainly: (i) increase of R\$17,748 million due to the devaluation of the real against the dollar (47.0 %) and (ii) R\$7,344 million in investments in federal funds and R\$1,547 million in investments in central banks or similar banks abroad.

### Repurchase Agreements Application

In 2016, the repurchase agreements application totaled R\$371,683 million, a R\$68,152 million yearly increase. This variation was due the R\$20,085 increase in own resources and R\$48,067 million increase in financed operations.

In 2015 the repurchase agreements applications totaled R\$303,531 million, a R\$40,206 million yearly increase. This variation was due the R\$25,047 million increase in own resources and R\$15,159 million in financed operations.

### Financial Assets at Fair Value through profit or loss

In 2016 the financial assets at fair value through profit or loss totaled R\$7,669 million, a R\$3,549 million yearly decrease. This variation was due the: a) R\$1,799 million decrease in debt and equity instruments, highlight to: (i) R\$1,187 million in foreign government bonds, R\$460 million in Brazilian federal government bonds, R\$58 million in securities issued by non-financial companies, R\$41 million in securities issued by financial companies and R\$33 million in investments in mutual funds; and b) R\$1,749 million decrease in derivative financial instruments, highlight to the R\$434 million decrease in swap operations and R\$1,496 million in forward operation.

In 2015 the financial assets at fair value through profit or loss totaled R\$11,218 million, a R\$1,223 million yearly decrease. This variation was due the: a) R\$3,092 million decrease in debt and equity instruments, highlight to (i) R\$5,670 million decrease in Brazilian federal government bonds, R\$1,371 million in securities issued by financial companies and R\$97 million in securities issued by non-financial companies and (ii) R\$3,197 million in foreign government bonds and R\$857 million in mutual funds; and b) R\$1,869 million increase in derivative financial instruments, highlight to the R\$717 million increase in swap operations and R\$1,173 million in forward operation.

### Financial Assets Held to Maturity

The financial assets held to maturity totaled R\$9,120 million in 2016, a R\$5,228 million yearly increase. This variation was due the R\$5,186 increase in securities issued by non-financial companies.

In 2015 the financial assets available for sale totaled R\$3,892, a R\$3,532 million yearly increase. This variation was due the R\$3,506 increase in securities issued by non-financial companies.

### Loans to Customers

In 2016, the loans to customers totaled R\$637,804 million, a R\$63,691 million yearly decrease. This variation is mainly due to the reduction of: (i) R\$36,404 million in loans and bills discounted, (ii) R\$34,972 million in financing operations, (iii) R\$3,868 million in forward exchange contracts and, (v) R\$3,092 million in others receivables with loan characteristics, partially offsetted by R\$6,166 rural and agribusiness financing, R\$4,678 million in mortgage loans and R\$570 million with credit card transactions.

Loans to customers grew in 2015. This variation is mainly due to the increase of: (i) R\$11,683 million in loans and bills discounted, (ii) R\$11,262 million in financing operations, (iii) R\$10,827 million in mortgage loans, (iv) R\$8,774 million in the rural and agroindustrial financing operations, (v) R\$5,005 million in forward exchange contracts and (vi) R\$3,015 million in transactions with credit card transactions.

### Renegotiated Credits

The table below shows the breakdown of our renegotiated loan portfolio. The renegotiation of loans can be driven by (i) renewal, i.e. transactions made for partial or full settlement of the previous maturing operation resulting in a change in payment maturities or the originally agreed payment terms, including



the possibility of new disbursements; and (ii) renegotiation due to late payment, i.e. renegotiation of debts due to late payment.

R\$ million, except for percentages	12/31/2014	12/31/2015	12/31/2016	Chg.% 15/14	Chg.% 16/15
<b>Renegotiated loan portfolio during the period<sup>1</sup></b>	<b>34,138</b>	<b>43,068</b>	<b>47,025</b>	<b>26.2</b>	<b>9.2</b>
<b>Renegotiated by Delay<sup>2</sup></b>	<b>2,538</b>	<b>4,617</b>	<b>15,126</b>	<b>81.9</b>	<b>227.6</b>
Companies	1,811	3,746	12,040	106.9	221.4
Individuals	727	871	3,085	19.8	254.4
<b>Renewed<sup>3</sup></b>	<b>31,600</b>	<b>38,451</b>	<b>31,899</b>	<b>21.7</b>	<b>(17.0)</b>
Individuals	31,600	38,451	31,899	21.7	(17.0)
<b>Credits renegotiated by delay - changes</b>					
<b>Opening balance</b>	<b>6,261</b>	<b>7,094</b>	<b>9,030</b>	<b>13.3</b>	<b>27.3</b>
Contracts <sup>2</sup>	2,538	4,617	15,126	81.9	227.6
Interest or principal payment and interest accrual	(70)	(890)	(1,994)	1,165.5	124.2
Write- Off	(1,635)	(1,791)	(2,509)	9.5	40.1
<b>Closing balance<sup>4</sup></b>	<b>7,094</b>	<b>9,030</b>	<b>19,653</b>	<b>27.3</b>	<b>117.6</b>
NPL Loans of renegotiated by delay portfolio	1,383	1,424	3,171	3.0	122.6
(%) NPL + 90 days / Loan portfolio renegotiated by delay	19.5	15.8	16.1		

1 - Represents the renegotiated amounts, during the period of the loan operations, falling due or overdue, using internet, automated teller machines (ATM) network or branches.

2 - Renegotiated credit transactions due to payment delay by clients.

3 - Renegotiated credit transactions of non-matured operations for the extension, renewal, granting of new credit for partial or full settlement of previous operation or any other type of agreement that changes the maturity or the originally agreed payment terms.

4 - Includes the amount of R\$ 116,986 thousand (R\$ 158,367 thousand as of December 31, 2014 and R\$ 193,517 thousand as of December 31, 2013) related to the renegotiated rural credit. The amount of R\$ 5,233,849 thousand (R\$ 5,230,776 thousand as of December 31, 2014 and R\$ 5,394,415 thousand as of December 31, 2013), related to deferred credit from rural portfolio supported in specific legislation, is not included.

### Current and Deferred Tax Assets

In 2016 the current tax assets totaled R\$12,290 million, a R\$4,827 million yearly increase.

The deferred tax assets totaled R\$42,173 million in 2016, a R\$4,285 million yearly increase. This occurred mainly due to the variation of R\$3,995 in allowance for loan losses.

In 2015 the current tax assets totaled R\$7,463 million, a R\$1,514 million yearly decrease.

In 2015 the deferred tax assets totaled R\$37,888 million a yearly increase of R\$14,332 million. This occurred mainly due to the variation of R\$6,822 million in allowance for loan losses, R\$3,268 in provision for post-employment benefit plans, R\$1,313 million in negative fair value adjustments of financial assets, R\$1,152 in provision for labor, tax and civil lawsuits and R\$1,521 million in other provisions.

### Others Assets

In 2016 the amount recorded in Other Assets totaled R\$74,342 million, a increase of R\$5,193 million compared to 2015. This variation mainly arises from: (i) increase of R\$5,428 million in related to judicial deposits for tax purposes, labor and civil issues, (ii) increase of R\$2,314 million regarding domestic sundry debtors, (iii) increase of R\$1,446 million in advances to employees, (iv) increase of R\$1,069 million in net foreign exchange portfolio, (v) increase of R\$473 million in Previ's surplus – Pension Funds, (vi) decrease of R\$3,962 million in securities and credits receivable, (vii) decrease of R\$546 million in negotiation and intermediation of securities and (viii) decrease of R\$460 million in other.

In 2015 the amount recorded in Other Assets totaled R\$69,149 million, a decrease of R\$7,464 million decrease (9.7%) compared to 2014. This variation mainly arises from: (i) decrease of R\$9,772 million in securities and credits receivable from the National Treasury, (ii) decrease of R\$6,064 million regarding post-employment benefits plans, (iii) reduction of R\$1,441 million in securities and credits receivables, (iv) decrease of R\$1,029 million in receivable income, (v) an increase of R\$6,431 million related to judicial deposits for tax purposes, labor and civil issues, (vi) an R\$2,532 million increase in domestic sundry debtors and (vii) increase of R\$804 million in Previ Surplus – Pension Funds.

### **Balance Sheet – Liabilities**

The "Liabilities" and "Shareholders' equity" groups in the Balance Sheet disclosed by Banco do Brasil, on which these analyses are based, are presented below:

## Section 10 - Comments From the Executive Officers

R\$ million, except for percentages	12/31/2014		12/31/2015		12/31/2016		Chg. 16/15	
		%		%		%	Abs.	%
<b>Liabilities</b>								
Customer Deposits	437,822	34.3	422,937	30.5	425,316	30.7	2,379	0.6
Amounts Payable to Financial Institutions	30,675	2.4	41,816	3.0	21,277	1.5	(20,539)	(49.1)
Financial Liabilities at Fair Value through Profit or Loss	2,995	0.2	3,627	0.3	2,235	0.2	(1,392)	(38.4)
Debt Instruments	345	0.0	338	0.0	365	0.0	27	8.0
Derivatives	2,650	0.2	3,289	0.2	1,870	0.1	(1,419)	(43.1)
Obligations Under Repurchase Agreements	293,920	23.0	333,522	24.0	374,634	27.0	41,112	12.3
Securities and Other Liabilities	343,208	26.9	411,878	29.7	368,351	26.6	(43,527)	(10.6)
Labor, Tax and Civil Provisions	7,673	0.6	9,381	0.7	9,563	0.7	182	1.9
Tax Liabilities	5,099	0.4	4,631	0.3	8,843	0.6	4,212	91.0
Current	2,642	0.2	1,601	0.1	5,947	0.4	4,346	271.5
Deferred	2,457	0.2	3,030	0.2	2,896	0.2	(134)	(4.4)
Other Liabilities	71,305	5.6	74,843	5.4	86,920	6.3	12,077	16.1
<b>Total</b>	<b>1,192,697</b>	<b>93.3</b>	<b>1,302,635</b>	<b>93.8</b>	<b>1,297,139</b>	<b>93.5</b>	<b>(5,496)</b>	<b>(0.4)</b>
<b>Shareholders' Equity</b>								
Capital	54,000	4.2	60,000	4.3	67,000	4.8	7,000	11.7
Instruments Qualifying to Common Equity Tier 1 Capital	8,100	0.6	8,100	0.6	8,100	0.6	-	-
Treasury Stock	(1,622)	(0.1)	(1,697)	(0.1)	(1,855)	(0.1)	(158)	9.3
Capital Reserves	5,603	0.4	5,606	0.4	5,607	0.4	1	0.0
Profit Reserves	26,626	2.1	29,031	2.1	27,646	2.0	(1,385)	(4.8)
Other Accumulated Comprehensive Income	(9,758)	(0.8)	(17,162)	(1.2)	(17,609)	(1.3)	(447)	2.6
Unallocated Retained Earnings	(1,164)	(0.1)	(1,321)	(0.1)	(2,513)	(0.2)	(1,192)	90.2
<b>Total Shareholders' Equity</b>	<b>81,785</b>	<b>6.4</b>	<b>82,557</b>	<b>5.9</b>	<b>86,376</b>	<b>6.2</b>	<b>3,819</b>	<b>4.6</b>
Interest of The Non-Controlling Stockholders	3,655	0.3	3,673	0.3	3,701	0.3	28	0.8
<b>Shareholders' Equity</b>	<b>85,440</b>	<b>6.7</b>	<b>86,230</b>	<b>6.2</b>	<b>90,077</b>	<b>6.5</b>	<b>3,847</b>	<b>4.5</b>
<b>Total Liabilities And Shareholders' Equity</b>	<b>1,278,137</b>	<b>100</b>	<b>1,388,865</b>	<b>100</b>	<b>1,387,216</b>	<b>100</b>	<b>(1,649)</b>	<b>(0.1)</b>

### Amount Payable to Financial Institutions

In 2016 the amounts payable to financial institutions totaled R\$21,277 million, a R\$20,539 million yearly decrease. This variation is mainly due to the R\$20,818 million decrease in deposits of financial institutions.

The amounts payable to financial institutions ended 2015 up from 2014. This increase is mainly due to R\$11,129 million increase in deposits of financial institutions.

### Financial Liabilities at Fair Values through Profit or Loss

In 2016 the financial liabilities at fair values through profit or loss totaled R\$2,235 million, a R\$1,392 million yearly decrease. This variation is mainly due to the R\$1,418 million decrease in derivative financial instruments, partially offset by the debt instruments R\$26 million increase.

In 2015 the financial liabilities at fair values through profit or loss totaled R\$3,627 million, a R\$632 million yearly decrease. This variation is mainly due to the R\$639 million increase in derivative financial instruments, partially offset by the debt instruments R\$7 million increase.

Liabilities from Issuance of Securities and Other Financial Liabilities

In 2016 the liabilities from issuance of securities and other financial liabilities totaled R\$368,351 million, a yearly decrease of R\$43,527 million. This variation was due to the:

(i) R\$23,421 million decrease in liabilities from issuance of securities, notably: R\$9,858 million in the agribusiness letters of credit, R\$6,168 in deposit certificate, R\$4,670 million in "Global medium-term notes" program and R\$1,047 million in mortgage bonds;

(ii) R\$9,246 million in other liabilities, of which R\$9,233 million in borrowings;

(iii) R\$6,993 million in onlendings, mainly by the decrease in obligations with funds from BNDES (R\$5,894 million) and Finame (R\$5,215 million) partially offset by the Caixa Econômica Federal (R\$4,067 million) increase;

(iv) R\$ 5,696 million in perpetual bonds issue, highlighting the valuation of the real against the dollar (R\$4,801 million), offset by the repurchase of perpetual bonds (R\$877 million);

(v) R\$2,040 million in subordinated debt, especially: R\$2,242 million funds from the Constitutional Midwestern Fund (FCO) and R\$1,713 in subordinated letters of credit. There was a decrease of R\$1,900 million in the subordinated debt abroad, due to the valuation of the real against the dollar (16.5%);

(vi) R\$212 million in financial and development funds, particularly: Merchant Marine Fund - FMM (R\$797 million) and Pasep (R\$96 million), offset by the Center-West Development Fund – FDCO (R\$609 million) and Northeast Development Fund - FDNE (R\$83 million);

In 2015, the liabilities from issuance of securities and other financial liabilities increased due to the increase of:

(i) R\$40,978 million of securities issue, notably: R\$32,498 million in the agribusiness letters of credit and R\$3,966 million in mortgage bonds;

(ii) R\$9,140 million in other liabilities, of which R\$9,202 million in borrowings;

(iii) R\$8,068 million in perpetual bonds issue, highlighting the devaluation of the real against the dollar (R\$9,437 million), offset by the repurchase of hybrid instruments authorized by the Central Bank (R\$1,300 million);

(iv) R\$5,405 million in subordinated debt, especially: R\$3,707 million in abroad subordinated debt, due to the devaluation of the real against the dollar and R\$2,527 million in funds from the FCO (Constitutional Midwestern Fund). There was a decrease of R\$1,625 million in the financial letters and subordinated domestic certificates of deposits, due to the expiry of the maturity.

(v) R\$4,162 million in financial and development funds, particularly: the Merchant Marine Fund (R\$3,174 million), Pasep (R\$469 million) and Northeast Development Fund (R\$454 million);

(vi) R\$919 million in onlendings, mainly by the increase in obligations with funds from the Caixa Econômica Federal (R\$7,331 million) and in particular supply of deposits (R\$1,644 million), offset by the decrease in obligations with funds from BNDES (R\$5,269 million), Finame (R\$2,416 million) and Funcafé (R\$274 million).

Current and Deferred Tax Liabilities

In 2016 the current and deferred tax liabilities totaled R\$5,947 million, a R\$ 4,346 million yearly increase.

In 2016 the deferred tax liabilities totaled R\$2,896 million, a R\$ 134 million yearly decrease. This variation was mainly due to the R\$315 million adjustments of financial assets decrease and R\$ 17 million actuarial gains decrease, partially offset by the income tax rate over adjustments increase. (R\$ 123 million).

In 2015 the current and deferred tax liabilities totaled R\$1,601 million, a R\$ 1,041 million yearly decrease. The deferred tax liabilities totaled R\$3,030 million, a R\$ 573 million yearly decrease. This variation was mainly due to the R\$910 million adjustments of financial assets increase and R\$ 109 million other increase, partially offset by the tax from actuarial gains (R\$450 million).

### **Shareholders' equity**

Banco do Brasil's shareholders' equity totaled R\$90,077 million on December 31, 2016, an increase of R\$3,847 million from December 31, 2015.

Banco do Brasil's shareholders' equity totaled R\$86,230 million on December 31, 2015, an increase of R\$790 million from December 31, 2014.

#### Share Capital

Banco do Brasil's share capital totaled R\$67,000 million on December 31, 2016, as increase of R\$7,000 million in relation to December 31, 2015, due to the capital increase with statutory reserve utilization.

Banco do Brasil's share capital totaled R\$60,000 million on December 31, 2015, as increase of R\$6,000 million in relation to December 31, 2014, due to the capital increase with statutory reserve utilization.

#### Accumulated Other Comprehensive Income

The accumulated other comprehensive income showed a negative balance of R\$2,513 million in 2016, variation of R\$1,192 million compared to December 31, 2015.

The accumulated other comprehensive income showed a negative balance of R\$1,321 million in 2015, variation of R\$157 million compared to December 31, 2014.

The net income determined in compliance with Brazil adopted accounting practices is fully allocated in dividends, JCP and profit reserves constitution. Thus, the balance presented in this account of the consolidated financial statements prepared in accordance with IFRS represents the differences between the accounting practices adopted in Brazil and the International Accounting Standards.

### **Statement of Income for the Year**

The following table, with components of the Consolidated Income Statement, is published by the Banco do Brasil. The analysis of the variations in the last three years will be held in section 10.2.

R\$ million, except for percentages	2014	2015	2016	Chg. 15/14		Chg. 16/15	
				Abs.	%	Abs.	%
Interest Income	137,778	182,369	168,039	44,591	32.4	(14,330)	(7.9)
Interest Expense	(91,124)	(136,621)	(106,125)	(45,497)	49.9	30,496	(22.3)
<b>Net Interest Income</b>	<b>46,654</b>	<b>45,748</b>	<b>61,914</b>	<b>(906)</b>	<b>(1.9)</b>	<b>16,166</b>	<b>35.3</b>
Net Expenses with Provision For Losses with Loans to Customers	(14,789)	(23,289)	(28,420)	(8,500)	57.5	(5,131)	22.0
Expense with Provision For Losses On Loans to Financial Institutions	4.0	6.0	14.0	2	50.0	8	133.3
<b>Net Interest Income after the Allowance for Credit Losses</b>	<b>31,869</b>	<b>22,465</b>	<b>33,508</b>	<b>(9,404)</b>	<b>(29.5)</b>	<b>11,043</b>	<b>49.2</b>
<b>Non-Interest Income</b>	<b>27,544</b>	<b>38,037</b>	<b>32,191</b>	<b>10,493</b>	<b>38.1</b>	<b>(5,846)</b>	<b>(15.4)</b>
Net Revenues From Fees and Commissions	19,778	18,521	20,848	(1,257)	(6.4)	2,327	12.6
Net Gains (Losses) on Financial Assets/Liabilities Stated at Fair Value through Profit or Loss	271	1,808	(1,958)	1,537	567.2	(3,766)	(208.3)
Net Gains/(Losses) on Financial Assets Available for Sale	251	(596)	128	(847)	(337.5)	724	(121.5)
Net Gains/(Losses) in Associated Companies and Joint Ventures	3,548	4,393	3,960	845	23.8	(433)	(9.9)
Other Operating Income	3,696	13,911	9,213	10,215	276.4	(4,698)	(33.8)
<b>Non-Interest Expenses</b>	<b>(43,809)</b>	<b>(50,365)</b>	<b>(54,808)</b>	<b>(6,556)</b>	<b>15.0</b>	<b>(4,443)</b>	<b>8.8</b>
Personnel Expenses	(18,863)	(21,330)	(22,615)	(2,467)	13.1	(1,285)	6.0
Administrative Expenses	(10,476)	(10,381)	(10,685)	95	(0.9)	(304)	2.9
Contributions, Taxes and Other Taxes	(4,101)	(5,640)	(5,660)	(1,539)	37.5	(20)	0.4
Amortization of Intangible Assets	(3,008)	(2,721)	(2,607)	287	(9.5)	114	(4.2)
Provisions	(2,076)	(4,153)	(3,012)	(2,077)	100.0	1,141	(27.5)
Depreciation	(1,030)	(1,124)	(1,149)	(94)	9.1	(25)	2.2
Other Operating Expenses	(4,255)	(5,016)	(9,080)	(761)	17.9	(4,064)	81.0
<b>Income Before Taxes</b>	<b>15,604</b>	<b>10,137</b>	<b>10,891</b>	<b>(5,467)</b>	<b>(35.0)</b>	<b>754</b>	<b>7.4</b>
<b>Taxes</b>	<b>(2,261)</b>	<b>5,661</b>	<b>(2,231)</b>	<b>7,922</b>	<b>(350.4)</b>	<b>(7,892)</b>	<b>(139.4)</b>
Current	(3,557)	(6,145)	(6,636)	(2,588)	72.8	(491)	8.0
Deferred	1,296	11,806	4,405	10,510	811.0	(7,401)	(62.7)
<b>Net Income For The Period</b>	<b>13,343</b>	<b>15,798</b>	<b>8,660</b>	<b>2,455</b>	<b>18.4</b>	<b>(7,138)</b>	<b>(45.2)</b>
Attributable to Controlling Shareholders	11,853	14,070	7,027	2,217	18.7	(7,043)	(50.1)
Attributable to Non-Controlling Interests	1,490	1,728	1,633	238	16.0	(95.0)	(5.5)

## 10.2. The Directors must comment:

### a. income from issuer's operations:

(i) details on any important revenue items and (ii) factors that materially impacted operating income

b. changes in revenues from price variations, foreign exchange rates, inflation, changes in volume and introduction of new products and services

c. impact of inflation, of price changes of the main inputs and products, of foreign exchange rate and interest rate in the issuer's operating and financial income

The following table presents the main items of the Bank's income, and return on average equity.

## Section 10 - Comments From the Executive Officers

R\$ million, except for percentages	2014	2015	2016	Chg.% 15/14	Chg.% 16/15
Interest income	137,778	182,369	168,039	32.4	(7.9)
Interest expenses	(91,124)	(136,621)	(106,125)	49.9	(22.3)
<b>Net interest income</b>	<b>46,654</b>	<b>45,748</b>	<b>61,914</b>	<b>(1.9)</b>	<b>35.3</b>
Net expenses w/ provision for losses w/ loans to fin. institutions	4	6	14	50.0	133.3
Net expenses w/ provision for losses w/ loans to customers	(14,789)	(23,289)	(28,420)	57.5	22.0
<b>Interest income, net of provision for losses on customer loans</b>	<b>31,869</b>	<b>22,465</b>	<b>33,508</b>	<b>(29.5)</b>	<b>49.2</b>
<b>Non-interest income</b>	<b>27,544</b>	<b>38,037</b>	<b>32,191</b>	<b>38.1</b>	<b>(15.4)</b>
<b>Non-interest expenses</b>	<b>(43,809)</b>	<b>(50,365)</b>	<b>(54,808)</b>	<b>15.0</b>	<b>8.8</b>
<b>Income before taxes</b>	<b>15,604</b>	<b>10,137</b>	<b>10,891</b>	<b>(35.0)</b>	<b>7.4</b>
Taxes	(2,261)	5,661	(2,231)	(350.4)	(139.4)
<b>Net income for the year</b>	<b>13,343</b>	<b>15,798</b>	<b>8,660</b>	<b>18.4</b>	<b>(45.2)</b>
Net income attributable to the majority interest	11,853	14,070	7,027	18.7	(50.1)
Net income attributable to interests by non-controlling shareholders	1,490	1,728	1,633	16.0	(5.5)
<b>Return on Average Shareholders' Equity</b>	<b>16.5%</b>	<b>18.4%</b>	<b>9.8%</b>		

Below we present the result of Banco do Brasil's main operations according to: (i) Interest income; (ii) Interest expenses; (iii) Net expenses with provision for losses with loans to customers; (iv) Non-interest income; (v) Non-interest expenses.

### Interest income

Interest income fell in 2016, driven by the decrease in revenues from loans to financial institutions, due mainly to exchange rate variation in interbank deposits (16.5% R\$/US\$ appreciation).

In 2015, interest income grew driven by the increase in revenue from loans to customers, which represented 55.4% of the total revenue, and also with revenue from repurchase agreements, which accounted for 21.5% of the total.

R\$ million, except for percentages	2014	%	2015	%	2016	%	Chg.% 15/14	Chg.% 16/15
<b>Interest income</b>	<b>137,779</b>	<b>100</b>	<b>182,369</b>	<b>100</b>	<b>168,039</b>	<b>100</b>	<b>32.4</b>	<b>(7.9)</b>
Loans to customers <sup>1</sup>	78,611	57.1	100,959	55.4	94,960	56.5	28.4	(5.9)
Money market repurchase agreements	27,885	20.2	39,128	21.5	46,280	27.5	40.3	18.3
Loans to financial institutions <sup>2</sup>	9,482	6.9	12,322	6.8	13,493	8.0	29.9	9.5
Financial assets available for sale <sup>3</sup>	7,147	5.2	12,833	7.0	(4,092)	(2.4)	79.6	(131.9)
Compulsory deposits in central banks	5,510	4.0	4,893	2.7	5,551	3.3	(11.2)	13.5
through profit or loss <sup>2</sup>	1,298	0.9	850	0.5	653	0.4	(34.5)	(23.2)
Financial assets held to maturity	7	0.0	403	0.2	975	0.6	--	141.7
Other interest income	7,839	5.7	10,980	6.0	10,220	6.1	40.1	(6.9)

1 - Includes interest income recognized on loan operations with total impairment of R\$14,108 million in 2016 (R\$9,062 million in 2015 and R\$6,302 million in 2014).

2 - Includes dividend income totaling R\$108 million in 2016 (R\$85 million in 2015 and R\$41 million in 2014).

3 - There was a negative exchange variation higher than the interest recognized.

### Loans to customers

In 2016, revenue from loan to customers fell due to the reduction in financing revenue, influenced by exchange variation (16.5% fall in 2016 over 47.0% in 2015), partially offset by the increase in average balance e average interest rate. Also, there was a positive effect from the increase in revenue with loans and bills discounted due to the increase in balance and rates, especially in direct consumer credit.

The revenue from loans to customer grew in 2015 due to the hike with goods and services acquisition income, influenced by balance rise and exchange rate variation. There was also an upward movement in consumer direct credit, BB Giro and BB Giro Empresa Flex (working capital) balance.

Money market Repurchase agreements

In 2016, revenues from repurchase agreements grew due to the 5.7% increase in the effective TMS and also to higher balance.

Interest income from repurchase agreements grew in 2015 due to higher balance and 21.7% hike in the effective TMS rate. In addition, there was a 47.0% variation in exchange rate, which also influences the revenues.

It is worth mentioning that the Bank invests in securities with resale agreements and raises funds selling securities with repurchase agreements, comprised mainly of federal securities. Resale and repurchase agreements are considered as financial transactions with guarantee, and are recorded at acquisition or sale value, plus interest incurred.

Therefore, securities sold under repurchase agreements are not written-off because the Bank holds almost all of property risks and benefits. The amount of cash received, including recognized interest, is recognized as a liability for repurchase and resale agreements, reflecting the economic substance of the transaction as a Bank debt.

Securities acquired with resale agreements are not recognized. The amount paid, including recognized interest, is recorded as an asset from repurchase and resale agreements, reflecting the economic nature of the transaction as a loan granted by the Bank.

**Interest expenses**

In 2016, interest expenses fell 22.3% over the previous year. This decrease is basically explained by the fall in expenses from securities issuance, partially offset by the increase in expenses of amounts payable to financial institutions and obligations by issuing securities.

Interest expenses totaled R\$136,621 million in 2015, representing a 49.9% change in relation to the previous year. This increase is explained mainly by: increase in funding operations of 20%, especially the 111.3% increase in expenses with long-term liabilities; increase in the CDI rate (+ 22.4% compared to 2014) and exchange variation of 47.0% in the 2015/2014 comparison.

R\$ million, except for percentages	2014	%	2015	%	2016	%	Chg.% 15/14	Chg.% 16/15
<b>Interest expenses</b>	<b>(91,124)</b>	<b>100</b>	<b>(136,621)</b>	<b>100</b>	<b>(106,125)</b>	<b>100</b>	<b>49.9</b>	<b>(22.3)</b>
Obligations - repurchase agreements	(29,722)	32.6	(41,614)	30.5	(48,741)	45.9	40.0	17.1
Customer deposits	(31,412)	34.5	(33,148)	24.3	(33,018)	31.1	5.5	(0.4)
Long-term liabilities	(28,743)	31.5	(60,731)	44.5	(16,534)	15.6	111.3	(72.8)
Amounts payable to financial institutions	(1,120)	1.2	(616)	0.5	(7,831)	7.4	(44.9)	1,170.4
Other interest expenses	(127)	0.1	(511)	0.4	--	--	302.6	--

Obligations by Issuing Securities and Other Obligations

In 2016, the reduction in expenses with obligations by issuing securities was mainly due to the 12.4% and 7.8% decrease in securities and onlending balances, respectively.

Total expenses related to bonds issued by securities and other bonds increased in 2015, mainly due to the increase in expenses related to the issuance of securities, due to the higher balance and a 21.7% growth in the effective TMS.

Following on, the obligations by issuing securities balance evolution:

R\$ million, except for percentages	12/31/2014	%	12/31/2015	%	12/31/2016	%	Chg.% 15/14	Chg.% 16/15
Liabilities with issuance of securi	147,246	42.9	188,223	45.7	164,802	44.7	27.8	(12.4)
Onlending	89,157	26.0	90,076	21.9	83,083	22.6	1.0	(7.8)
Subordinated debts	54,531	15.9	59,936	14.6	61,976	16.8	9.9	3.4
Perpetual bonuses	20,918	6.1	28,986	7.0	23,290	6.3	38.6	(19.7)
Financial and development fund	10,840	3.2	15,003	3.6	14,791	4.0	38.4	(1.4)
Others	20,516	6.0	29,655	7.2	20,409	5.5	--	(31.2)
<b>Total</b>	<b>343,208</b>	<b>100</b>	<b>411,878</b>	<b>100</b>	<b>368,351</b>	<b>100</b>	<b>20.0</b>	<b>(10.6)</b>

Obligations under repurchase agreements

In 2016, repo operations expenses grew due to higher average balances and 5.7% higher effective TMS rate, with an 18.3% (R\$ 6,507 million) increase in third party portfolio and 10.1% (R\$ 620 million) increase in own portfolio expenses.

In 2015, repo operations expenses grew due to the increase in balances and the increase in effective TMS of 21.7%.

**Net expenses with provision for losses with loans to customers**

In 2016, net expenses with provisions for losses with loans to customers increased mainly due to the higher loan provisions reinforcement of R\$5,132 million, mainly: R\$3,045 million in financing, R\$1,919 million in agribusiness financing, R\$660 million in loans and discounted securities, mainly due to the portfolio risk, partially offset by a R\$580 million decrease in rural financing.

Net expense with provision for losses with loans to customers increased in 2015, influenced by the higher provision for loan operations in the amount of R\$8,284 million, mainly: R\$5,729 million in loans and discounted loans and R\$1,977 million in agribusiness finance.

The provision for losses with loans to customers in the collective analysis, comprising most of the expenses for the provision for losses with loans to customers, is calculated based on estimates that consider the evolution of the loan portfolio, historical losses, current economic scenarios, the balance of recovered and renegotiated defaulted operations, and assumptions and judgments of the Bank's Management.

The provisions for impairment of loans recorded for the period were considered by Management to be sufficient to cover losses incurred with these loans.

R\$ million, except for percentages	12/31/2014	12/31/2015	12/31/2016	Chg.% 15/14	Chg.% 16/15
Setting up of a reserve	17,072	26,082	31,966	52.8	22.6
Recovery of loans written off as loss	(2,282)	(2,794)	(3,545)	22.4	26.9
Net expenses with provision for losses with loans to custo	14,789	23,289	28,420	57.5	22.0

R\$ million, except for percentages	12/31/2014	12/31/2015	12/31/2016	Chg.% 15/14	Chg.% 16/15
<b>Opening balance</b>	<b>15,653</b>	<b>18,951</b>	<b>27,749</b>	<b>21.1</b>	<b>46.4</b>
Setting up of a reserve	17,072	26,082	31,966	52.8	22.6
Written-off balances	(13,750)	(17,485)	(25,696)	27.2	47.0
Exchange variation on allowances - foreign	(24)	200	(71)	(923.6)	(135.3)
<b>Closing balance</b>	<b>18,951</b>	<b>27,749</b>	<b>33,947</b>	<b>46.4</b>	<b>22.3</b>

**Non-interest income**

Following on, the non-interest income breakdown and evolution:

R\$ million, except for percentages	2014	%	2015	%	2016	%	Chg.% 15/14	Chg.% 16/15
<b>Non-interest income</b>	<b>27,544</b>	<b>100</b>	<b>38,037</b>	<b>100</b>	<b>32,191</b>	<b>100</b>	<b>38.1</b>	<b>(15.4)</b>
Net revenues from fees and commissions	19,778	71.8	18,521	48.7	20,848	64.8	(6.4)	12.6
Net gains (losses) on financial assets/liabilities stated at fair value	271	1.0	1,808	4.8	(1,958)	(6.1)	567.0	137.5
Net gains/(losses) on financial assets available for sale	251	0.9	(596)	(1.6)	128	0.4	(337.5)	(48.3)
Net gains/(losses) in associated companies and joint ventures	3,548	12.9	4,393	9.5	3,960	12.3	289.3	(9.9)
Other operating income	3,695	13.4	13,911	36.6	9,213	28.6	276.5	(33.8)

Fee Income

In 2016, the fee income increase was mainly influenced by account fee, asset management and insurance, pension and capitalization bonds sales commission. This movement was partially offset by



the fall in cards revenue, mainly due to Cateno assignment rights, a company established in February 2015.

In 2015, fee income fell due to the decrease in cards revenue and credit operations mainly due to Cateno assignment rights. This movement was partially offset by higher asset management fee.

R\$ million, except for percentages	2014	%	2015	%	2016	%	Chg. % 15/14	Chg.% 16/15
<b>Fee income</b>	<b>22,026</b>	<b>111.4</b>	<b>21,703</b>	<b>117.2</b>	<b>23,340</b>	<b>112.0</b>	<b>(1.5)</b>	<b>7.5</b>
<b>Service income to clients</b>	<b>13,503</b>	<b>68.3</b>	<b>12,357</b>	<b>66.7</b>	<b>13,105</b>	<b>62.9</b>	<b>(8.5)</b>	<b>6.1</b>
Account fees	3,997	20.2	4,470	24.1	5,356	25.7	11.8	19.8
Income from cards	3,790	19.2	2,093	11.3	1,647	7.9	(44.8)	(21.3)
Collection	1,695	8.6	2,156	11.6	2,179	10.4	27.2	1.0
Collections	1,488	7.5	1,707	9.2	1,686	8.1	14.7	(1.2)
Interbank and transfer of funds	1,143	5.8	1,211	6.5	1,368	6.6	6.0	13.0
Loans and registration file	955	4.8	268	1.4	347	1.7	(72.0)	29.6
Foreign exchange	323	1.6	327	1.8	376	1.8	1.1	15.2
Brokerage and custody	112	0.6	125	0.7	147	0.7	11.7	16.9
<b>Asset Management</b>	<b>4,747</b>	<b>24.0</b>	<b>5,398</b>	<b>29.1</b>	<b>5,871</b>	<b>28.2</b>	<b>13.7</b>	<b>8.8</b>
<b>Commissions</b>	<b>3,433</b>	<b>17.4</b>	<b>3,518</b>	<b>19.0</b>	<b>3,860</b>	<b>18.5</b>	<b>2.5</b>	<b>9.7</b>
Marketing of Insurance	1,955	9.9	2,164	11.7	2,391	11.5	10.7	10.5
Securities Placement	378	1.9	198	1.1	325	1.6	(47.6)	64.1
Trading w/ capitalization invest. plans	705	3.6	682	3.7	570	2.7	(3.2)	(16.5)
Marketing of pension products	395	2.0	474	2.6	575	2.8	19.9	21.2
<b>Guarantees provided</b>	<b>142</b>	<b>0.7</b>	<b>169</b>	<b>0.9</b>	<b>180</b>	<b>0.9</b>	<b>19.2</b>	<b>6.5</b>
<b>Other services</b>	<b>201</b>	<b>1.0</b>	<b>262</b>	<b>1.4</b>	<b>323</b>	<b>1.6</b>	<b>30.3</b>	<b>23.3</b>
<b>Fee Expenses</b>	<b>(2,248)</b>	<b>(11.4)</b>	<b>(3,182)</b>	<b>(17.2)</b>	<b>(2,492)</b>	<b>(12.0)</b>	<b>41.5</b>	<b>(21.7)</b>
Services Income	(2,196)	(11.1)	(3,120)	(16.8)	(2,402)	(11.5)	42.0	(23.0)
Commission expenses	(11)	(0.1)	(9)	(0.0)	(1)	(0.0)	(20.2)	(85.3)
Other services	(41)	(0.2)	(53)	(0.3)	(89)	(0.4)	31.2	68.1
<b>Net revenues from fee</b>	<b>19,778</b>	<b>100</b>	<b>18,521</b>	<b>100</b>	<b>20,848</b>	<b>100</b>	<b>(6.4)</b>	<b>12.6</b>

#### Other operating revenues

In 2016, the decrease in other operating revenues was due to lower in gains/losses on the assets disposal, mainly due to the gain recorded in 2015 as a result of the strategic partnership between BB Elo Cartões and Cielo in the electronic payment business to Cateno establishment, resulting in investments abroad conversion. This movement was partially offset by increases in gains from foreign exchange operations and income from securities and receivables.

Other operating revenues grew in 2015, influenced by gains on the sale of assets and assets, the conversion of investments abroad, the recovery of expenses and expenses on income from securities and receivables.

The aforementioned increases in 2015 were partially offset by decreases due to lower gains from benefit plans - Plan 1 - Previ and R\$47 million due to lower Reversal of provisions for miscellaneous payments.

Our gains with employee benefit plans refer to revenues from defined benefit plans presenting surplus, calculated from net interest income on plan assets, interest paid on plan liabilities and the cost of the service. This item represents our interest of 50% in the gains or losses of the Plan I of Previ.

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R\$ million, except for percentages	2014	%	2015	%	2016	%	Chg.% 15/14	Chg.% 16/15
<b>Other operating income</b>	<b>3,696</b>	<b>100</b>	<b>13,911</b>	<b>100</b>	<b>9,213</b>	<b>100</b>	<b>276.4</b>	<b>(33.8)</b>
Gains from benefit plans – Plan 1–Previ <sup>1</sup>	1,348	36.5	358	2.6	24	0.3	(73.4)	(93.2)
Income from benefit plans - Surplus agreements	907	24.5	1,355	9.7	1,058	11.5	49.4	(21.9)
Recovery of charges and expenses	768	20.8	1,302	9.4	1,390	15.1	69.6	6.7
Credit card transactions	761	20.6	780	5.6	565	6.1	2.5	(27.6)
Foreign Currency gains in the conversion of invest	694	18.8	3,366	24.2	--	--	385.2	(100.0)
Accounts receivable	612	16.6	1,053	7.6	2,282	24.8	72.0	116.6
Gains/(losses) on the sale of assets	160	4.3	5,960	42.8	219	2.4	--	(96.3)
Reversal of provisions for sundry payments	98	2.7	52	0.4	368	4.0	(47.3)	608.3
Gains from corporate investments <sup>2</sup>	74	2.0	124	0.9	338	3.7	68.6	172.2
Gains/(losses) in the sale of permanent investme	2	0.1	--	--	(2)	(0.0)	(100.0)	--
operations	(3,044)	(82.3)	(2,264)	(16.3)	1,650	17.9	(25.6)	(172.9)
Others	1,316	35.6	1,824	13.1	1,322	14.3	38.6	(27.5)

1 - Refers to the recognition in income of certain cost components of defined benefit plans.

2 - Refers mainly to the recognition of the gain arising from the strategic partnership with BB Elo Cielo (Note 6.b).

3 - This refers mainly to monetary restatement of dividends and interest on equity.

### Non-interest expenses

Following next, non-interest expenses breakdown and evolution:

R\$ million, except for percentages	2014	%	2015	%	2016	%	Chg.% 15/14	Chg.% 16/15
<b>Non- interest expenses</b>	<b>(43,809)</b>	<b>100</b>	<b>(50,365)</b>	<b>100</b>	<b>(54,808)</b>	<b>100</b>	<b>15.0</b>	<b>8.8</b>
Personnel expenses	(18,863)	43.1	(21,330)	42.4	(22,615)	41.3	13.1	6.0
Administrative expenses	(10,476)	23.9	(10,381)	20.6	(10,685)	19.5	(0.9)	2.9
Contributions, taxes and other taxes	(4,101)	9.4	(5,640)	11.2	(5,660)	10.3	37.5	0.4
Amortization of intangible assets	(3,008)	6.9	(2,721)	5.4	(2,607)	4.8	(9.5)	(4.2)
Provisions	(2,076)	4.7	(4,153)	8.2	(3,012)	5.5	100.0	(27.5)
Depreciation	(1,030)	2.4	(1,124)	2.2	(1,149)	2.1	9.1	2.2
Other operating expenses	(4,255)	9.7	(5,016)	10.0	(9,080)	16.6	17.9	81.0

### Personnel expenses

In 2016, the growth in personnel expenses was mainly influenced by the R\$1,634 million increase with salary readjustments granted in collective agreements 2015/2016 and 2016/2018, an increase of R\$1,400 million in provision constitution related to the Extraordinary Incentivized Program (PEAI). The increase aforementioned was partially offset by the R\$812 million decrease in expenses with the profit sharing payment provision and R\$511 million referring to the employees adhesion to the PEAi impact, foreseen at the time according to Material Fact released 08/17/2015.

In 2015, the increase in personnel expenses was mainly due to the salary adjustment and R\$373 million PEAi related provision.

R\$ million, except for percentages	2014	%	2015	%	2016	%	Chg.% 15/14	Chg.% 16/15
<b>Total personnel expenses</b>	<b>(18,863)</b>	<b>100</b>	<b>(21,330)</b>	<b>100</b>	<b>(22,616)</b>	<b>100</b>	<b>13.1</b>	<b>6.0</b>
Salaries	(10,618)	56.3	(12,100)	56.7	(13,747)	60.8	14.0	13.6
Social charges	(3,870)	20.5	(4,179)	19.6	(4,076)	18.0	8.0	(2.5)
Benefits	(2,357)	12.5	(2,586)	12.1	(2,808)	12.4	9.7	8.6
Profit sharing	(1,467)	7.8	(1,828)	8.6	(1,016)	4.5	24.6	(44.4)
Complementary pension plans	(448)	2.4	(520)	2.4	(853)	3.8	16.3	63.9
Training	(60)	0.3	(70)	0.3	(67)	0.3	15.7	(4.6)
Directors' and officers' honoraries	(42)	0.2	(46)	0.2	(49)	0.2	9.4	7.6

Following next, the collaborators number evolution:

	Dec/14	Dec/15	Dec/16
Number of Collaborators	116,931	113,257	102,950
Collaborators	111,628	109,191	100,622
Trainees	5,303	4,066	2,328

Provisions

Provisions expenses fell in 2016, mainly due to the R\$1,370 million decrease in expenses with provisions for civil claims.

In 2015, provisions expenses grew mainly influenced by the R\$1,173 million additions in provisions for labor claims and R\$852 million in civil claims.

Scheduling of loans to customers by maturity brackets

The scheduling of loans to customers by maturity is presented in the following table. In terms of falling due installments, over 50% of the portfolio matures in more than 360 days.

R\$ million, except for percentages	12/31/2014	%	12/31/2015	%	12/31/2016	%	Chg.% 15/14	Chg.% 16/15
<b>Installments falling due</b>	<b>641,606</b>	<b>98.6</b>	<b>691,628</b>	<b>98.6</b>	<b>624,264</b>	<b>97.9</b>	<b>7.8</b>	<b>(9.7)</b>
01to 30 days	46,570	7.2	53,150	7.6	40,226	6.3	14.1	(24.3)
31to 60 days	29,272	4.5	26,399	3.8	21,284	3.3	(9.8)	(19.4)
61to 90 days	23,872	3.7	22,392	3.2	17,064	2.7	(6.2)	(23.8)
91to 180 days	64,324	9.9	67,123	9.6	52,386	8.2	4.4	(22.0)
181to 360 days	99,105	15.2	97,745	13.9	89,046	14.0	(1.4)	(8.9)
361to 1080 days	164,318	25.3	156,482	22.3	162,422	25.5	(4.8)	3.8
1081to 1800 days	96,975	14.9	109,519	15.6	99,488	15.6	12.9	(9.2)
Over 1800 days	116,814	18.0	158,446	22.6	141,948	22.3	35.6	(10.4)
Other <sup>1</sup>	355	0.1	373	0.1	400	0.1	5.0	7.3
<b>Installments overdue</b>	<b>8,979</b>	<b>1.4</b>	<b>9,867</b>	<b>1.4</b>	<b>13,540</b>	<b>2.1</b>	<b>9.9</b>	<b>37.2</b>
01to 14 days	2,389	0.4	1,392	0.2	3,252	0.5	(41.7)	133.7
15 to 30 days	724	0.1	798	0.1	1,015	0.2	10.3	27.2
31to 60 days	895	0.1	1,185	0.2	1,437	0.2	32.3	21.3
61to 90 days	819	0.1	1,031	0.1	1,351	0.2	25.8	31.1
91to 180 days	1,282	0.2	2,825	0.4	2,906	0.5	120.3	2.9
181to 360 days	1,617	0.2	2,427	0.3	3,155	0.5	50.1	30.0
Over 360 days	1,253	0.2	210	0.0	423	0.1	(83.3)	101.8
<b>Total</b>	<b>650,584</b>	<b>100</b>	<b>701,495</b>	<b>100</b>	<b>637,804</b>	<b>100</b>	<b>7.8</b>	<b>(9.1)</b>

1 - Operations with third-party risks subject to Government Funds and Programs, mainly Pronaf, Proceca, FAT, BNDES and FCO. They include the amount of overdue installments in the total amount of R\$12.229 thousand, which comply with rules defined in each program for reimbursement with the managers and do not imply a credit risk for the Bank.

Other operating expenses

In 2016, other operating expenses increased as a result of higher losses from foreign investment conversion, higher expenses with amortization of public sector payroll management fees, and expenses related to the actuarial obligations, mainly due to the higher Deficit in Plan I - Previ.

In 2015, other operating expenses grew due to the increase in Banco Postal transactions remuneration expenses, deposits under guarantee updating and the guarantee provision. On the other hand, business relationship bonus expenses declined in the period.

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R\$ million, except for percentages	2014	%	2015	%	2016	%	Chg.% 15/14	Chg.% 16/15
<b>Other operating expenses</b>	<b>(4,255)</b>	<b>100.0</b>	<b>(5,016)</b>	<b>100.0</b>	<b>(9,080)</b>	<b>100.0</b>	<b>17.9</b>	<b>81.0</b>
Restatement of actuarial obligations	(1,015)	23.9	(994)	19.8	(1,582)	17.4	(2.1)	59.2
Perdas com conversão de investimentos no exterior	--	--	--	--	(1,836)	20.2	--	--
Atualização de obrigações fiscais objeto de discussão judicial	(539)	12.7	(935)	18.6	(1,366)	15.0	73.5	46.1
Compensation for transactions of Banco Postal <sup>1</sup>	(662)	15.6	(1,170)	23.3	(1,358)	15	76.7	16.1
(Provision)/reversal for losses on other assets	(252)	5.9	(287)	5.7	(316)	3.5	14.2	10.1
Business relationship bonus	(208)	4.9	(87)	1.7	(698)	7.7	(58.1)	700.5
Service failures and operating losses	(184)	4.3	(226)	4.5	(206)	2.3	23.0	(9.1)
Life insurance premium - consumer credit	(159)	3.7	(174)	3.5	(160)	1.8	9.8	(8.3)
Update values to release	(101)	2.4	(89)	1.8	(70)	0.8	(11.5)	(22.3)
Garantee services assignments	(86)	2.0	(396)	7.9	(254)	2.8	358.6	(36.0)
	(77)	1.8	(62)	1.2	(69)	0.8	(19.8)	10.5
Monetary restatement of resources to be returned to the National Treasury	(60)	1.4	(87)	1.7	(94)	1.0	45.8	7.6
Capital gains/(losses)	(33)	0.8	(75)	1.5	(76)	0.8	127.9	1.4
Fees for the use of Sisbacen	(27)	0.6	(26)	0.5	(22)	0.2	(5.0)	(14.1)
Ajuste ao valor recuperável do imobilizado	(6)	0.1	(4)	0.1	(13)	0.1	(38.0)	262.3
Proagro expenses	(25)	0.6	(31)	0.6	(39)	0.4	22.3	27.2
Liabilities for operations linked to assignments	(22)	0.5	(34)	0.7	(65)	0.7	55.4	92.2
Ajuste ao valor recuperável do ágio	--	--	--	--	(48)	0.5	--	--
(Formation)/reversal for devaluation of assets and goods	3	(0.1)	29	(0.6)	(4)	0.0	-	(112.8)
Atualização monetária de juros sobre o capital próprio e dividendos	(9)	0.2	(5)	0.1	--	--	-	(100.0)
Others	(794)	18.7	(364)	7.3	(806)	8.9	(54.2)	121.6

1- Expenses arising from the partnership between Banco do Brasil and Empresa Brasileira de Correios e Telégrafos (ECT), for the use of the Banco Postal network.

### Tax expenses

Tax expenses fell in 2016. Despite a R\$491 million increase in current taxes, deferred taxes decreased by R\$7,401 million, mainly due to the higher provision for loan losses to customers and the activation of tax credits arising from the CSLL rate increase, in 2015.

In 2015, we had a positive result with taxes. Current tax expenses increased R\$2,588 million, offset by an R\$10,510 million result with deferred taxes, mainly due to the tax credits arising from the increase in the CSLL rate activation, in accordance with Brazilian legislation.

### 10.3. Main impacts in the financial statements (IFRS)

**Executive officers should comment the material effects that the following events have caused or are expected to cause on the issuer's financial statements and results:**

#### a. acquisition or disposal of an operating segment

Not applicable.

#### b. constitution, acquisition or disposal of equity interest

### Corporate Reorganizations in the Insurance, Open Pension Plan, Capitalization and Reinsurance Business

	On December 27, 2014, BB Corretora de Seguros and Administradora de Bens S.A. (BB Corretora) merged BB Cor Participações S.A. (BB Cor) into its shareholders' equity pursuant to the Protocol and Justification of Merger.
BB Cor Participações S.A	The merged net assets were valued at book value at the base date of the transaction, December 27, 2016, in the amount of R\$ 26,976 thousand. The merger is justified by the lack of maintenance of BB Cor verified in the process of reviewing the business model in the segment of distribution of security products, as well as due to the lack of prospects that the company would develop operational activities.

	<p>As a natural consequence, BB Corretora became the successor to BB Cor's universal title in all its assets, rights and obligations, fully assuming its assets.</p> <p>Considering that BB Seguridade is the sole shareholder of the merged entity at the merger date, there was no exchange ratio of shares of non-controlling shareholders of the merged company for shares of the merging company, therefore, there is no change in the share capital of BB Seguridade.</p>
BB Capitalização S.A.	<p>On 11.28.2014, BB Seguros managers approved the merger of BB Capitalização into its equity pursuant to the terms of the Merger and Justification Protocol. Merged net assets were evaluated at book value as of the base date of the transaction, 11.28.2014, in the amount of R\$5,573 million. Considering that the base date of the accounting appraisal report coincides with the date of the corporate events that have approved the transaction, there were no changes in equity after the merger.</p> <p>The merger is justified by the BB Capitalização unnecessary maintenance in the process of business model review in the premium bonds segment and due to the lack of prospects for the company to develop operational activities.</p> <p>As a natural outcome, BB Seguros became the universal successor of all BB Capitalização's rights and obligations, fully assuming its net assets.</p> <p>Considering that BB Seguros is the sole shareholder of the merged company at the merger date, there was no exchange of shares of non-controlling shareholders between the merged company and the merging company. Therefore, there was no change in the equity capital of BB Seguros.</p>
Brasildental Operadora de Planos Odontológicos S.A.	<p>On 06.11.2013, Banco do Brasil, BB Seguros Participações S.A. (BB Seguros), BB Corretora de Seguros e Administradora de Bens S.A. ("BB Corretora"), Odontoprev S.A. (Odontoprev) and Odontoprev Serviços Ltda. (Odontoprev Serviços) entered into an Agreement for Association and Other Covenants for the purpose of, through a new corporation, Brasildental, developing and disclosing, and through BB Corretora, distributing and trading BB Dental brand's dental care private plans, exclusively in BB channels of the national territory.</p> <p>Brasildental was incorporated on March 12, 2014, and its total capital stock amounts to R\$5 million, distributed in 100,000 common shares (ON) and 100,000 preferred shares (PN), with the following ownership structure:</p> <p>a) BB Seguros holds 49.99% of the common shares and 100% of the preferred shares, representing 74.99% of the total share capital;</p> <p>b) Odontoprev holds 50.01% of the common shares, representing 25.01% of the total share capital.</p> <p>Of the total share capital, R\$1 million were paid-up in the company's incorporation date and the remaining R\$4,999 million were paid on April 15, 2014. BB Seguros and Odontoprev were responsible for the contribution of the initial capital of Brasildental in the respective proportion of their interests.</p> <p>The joint venture was approved by Conselho Nacional de Defesa Econômica (CADE) on August 2, 2013 and on September 19, 2013, the Central Bank of Brazil (Bacen) authorized the indirect interest of Banco do Brasil S.A. in the capital of Brasildental.</p> <p>The registration of the company on the Regional Council of Dentistry (CRO) was issued on May 12, 2014. The National Supplementary Healthcare Agency (ANS) authorized the operations of Brasildental on July 7, 2014, and approved the products to be marketed by Brasildental in the Brazilian dental care plans on August 5, 2014.</p> <p>On March 30, 2016, Brasildental's General Shareholders' Meeting approved the Company's capital increase in the amount of R\$4,500 thousand, through the issuance of 180 thousand shares, all nominative and without par value, in the same proportion of the number of shares of all existing species, each shareholder being entitled to exercise the preemptive right over shares identical to those it owned.</p> <p>The approval of the capital increase resulted in the acquisition by BB Seguros of 44,999 ON shares and 90,000 PN shares, in the total amount of R\$3.375 billion, and by Odontoprev of 45,001 ON shares, in the total amount of R\$1,125 thousand. The shareholding of BB Seguros in Brasildental remains unchanged compared to the date of incorporation of the company.</p> <p>The Agreement shall be valid for 20 years, and may be extended for equal periods.</p>
IRB – Brasil Resseguros S.A.	<p>The identified intangible assets have been amortized based on a study prepared by a specialized and independent firm, in line with the price allocation. For the year 2015, the amortized value totaled</p> <p>In addition, due to the reorganization recently planned by the IRB Brasil Re in order to optimize the Management of its real estate assets, Banco do Brasil, as an indirect shareholder of the IRB Brasil Re, submitted to the approval of the Central Bank of Brazil, in 06.08.2015, the creation of a holding company (IRB - Investimentos e Participações SA Real Estate) and four special purpose entities (SPE). The Central Bank issued a favorable opinion on 11.17.2015.</p> <p>The General Assembly of the IRB Brasil Re approved on 08.21.2015:</p> <p>(i) the transformation of the IRB-Brasil in an open capital company and submission of company registration application in category "A" before the Securities and Exchange Commission (CVM), pursuant to CVM Instruction 480, of 12.07.2009; (ii) the request to the CVM authorization to hold public offerings of securities, pursuant to CVM Instruction 400, of 12.29.2003; and (iii) the redesign and consolidation of the Bylaws of the IRB Brasil Re, to adapt it to the legal requirements of a public company and the Novo Mercado Listing Rules of the BMF&amp;BOVESPA SA</p> <p>On 11.19.2015, in view of the unfavorable conditions in the capital markets in the current year, the Board of IRB Brasil Re Administration approved the application for interruption of the IPO process, with the CVM and BMF&amp;BOVESPA for a period of 60 working days from that date, remaining stopped until the end of the year.</p>

## Section 10 - Comments From the Executive Officers

	<p>On 12.14.2015, the Board of IRB Brasil Re approved the bylaws of the IRB - Investimentos e Participações SA Real estate (IRB - PAR) and the SPEs, and the transfer of real estate that will integrate its capital. However, until the end of 2015 year, the companies had not yet been established.</p>
Strategic rationale	<p>BB objective is to expand the market share of BB Corretora, which will sell inside and outside of BB distribution channels, third-party products in the branches where the Bank does not have exclusive agreements with partner companies.</p> <p>The goal of Brasidental is that it will operate and offer their products in the Brazilian market of dental plans.</p> <p>In the case of IRB - Brasil Reinsurance S.A. the goal is to supplement the operations of its insurance companies owners.</p>

## Corporate Reorganization - Overseas subsidiaries and controlled companies

### BB Money Transfers

Key business conditions	<p>The dissolution of BB Money Transfers, located in the state of New York, occurred on December 8, 2014.</p> <p>The capital of BB Money Transfers was transferred to the Bank through BB USA Holding Company Inc. (its controlling shareholder, with 100% of the shares). However, part of this capital was retained in BB USA Holding Company, aiming to pay expenses arising from operating activities for closing of the subsidiary and expenses of the holding company itself.</p> <p>The Bank will paid-up such share capital in the same place of investment, through BB Grand Cayman, without any inflow of funds to Brazil.</p>
Strategic rationale	<p>The Board of Directors decided for the closure of the company and repatriation of its capital to its parent company, based on a study of economic feasibility of the business.</p>

### China

Key business conditions	<p>On May 30, 2014, the Bank opened its first branch in China. The Bank had a representative office in Shanghai, which was transformed in a branch.</p>
Strategic rationale	<p>The goal of changing from a representation office to a branch in China is to expand trade with the country, seeking to increase Chinese investments in Brazil and also to support the Brazilian multinationals in the Chinese market.</p>

### Europe Block

Key business conditions	<p>As of January 1, 2014, Banco do Brasil branches in Madrid and Paris were linked to BB AG Vienna, wholly owned subsidiary of Banco do Brasil in Austria. The measure is part of the process of consolidation of activities in Europe under license from BB AG Vienna.</p>
Strategic rationale	<p>The integration of European units seeks to increase the business volume by optimizing the capital invested in such agencies, improving governance and increasing operational efficiency.</p>

## Corporate Reorganization in the Card Business

### Livelo

Key business conditions	<p>On May 14, 2014, Banco do Brasil and Banco Bradesco announced to the market that Companhia Brasileira de Soluções e Serviços (Alelo) started, through its already existing wholly owned subsidiary, Livelo S.A., discussions to explore businesses related with the loyalty program by means of a coalition. Livelo is a company with indirect interest of the Bank, with 49.99% of its share capital, and Bradesco, with 50.01% of the share capital through Alelo.</p> <p>The company is currently in the set up process to start its activities and has already obtained permission from supervisory and regulatory agencies.</p>
Strategic rationale	<p>The main objective of Livelo is:</p> <ol style="list-style-type: none"><li>act as a loyalty program by means of an independent and open coalition having as partners: issuers of payment instruments, retailers and other loyalty programs, among others;</li><li>bring together a diverse group of relevant and strategic partners to enable the generation of loyalty points and the redemption of benefits;</li><li>develop their own loyalty points to be offered to partners in the generation/accumulation of points convertible in prizes and benefits in the respective partners.</li></ol>

### BB Elo Cartões e Cielo

Key business conditions	<p>On 11.19.2014, BB announced that BB Elo Cartão Participações SA (BB Elo cards), its wholly owned subsidiary, and Cielo SA celebrated on that date an Association Agreement to form new strategic partnership in the electronic payment industry.</p>
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	<p>The equity interest of BB Elo Cartão and Cielo in the new company was authorized by the Central Bank on 12.30.2014.</p> <p>The creation of the Company arising from the partnership was authorized under the Administrative Council for Economic Defense (CADE), after expiration of the period provided for in art. 65 of Law No. 12,529/2011, with no appeals or avocation of the case by the Administrative Court.</p> <p>On 02.27.2015, following approval by the relevant regulators, supervisors and inspection, and subject to the fulfillment of all previous contractual conditions to the closing of the transaction, BB Elo Cartões and Cielo completed the formation of the strategic partnership, forming a new company called Cateno Gestão de Contas de Pagamentos S.A (Cateno).</p> <p>Under the terms of the agreement, the new company was incorporated by an intangible asset represented by the right, transferred by BB Elo Cartões, to explore the activities of Management of transactions and bill payment and Management of debit payment arrangements, according to the rules of the regulatory framework in the electronic payment industry. The contribution of this intangible asset to equity of Cateno represented R\$11,572 billion, according to a technical report conducted by an independent company. As well as for equalization purposes of the required equity, Cateno delivered to BB Elo Cartão the amount of R\$4,640,951,000 in cash, for the payment of taxes on the operation, and R\$3,459,449 thousand in Cielo debentures. The amount of R\$3,471,600,000 was retained to compose the shareholding of BB Elo Cartão in Cateno.</p> <p>The total capital was divided in proportion of 30.00% for BB Elo Cartão and 70.00% for Cielo. However, taking into account the indirect BB stake in Cielo, through BB Banco de Investimento SA, the total indirect interest of the Banco do Brasil in Cateno at the date of acquisition, it was 50.13%.</p> <p>Due to the conclusion of the transaction, the amount of R\$3,456,860,000 impacted BB results in 2015.</p>
Strategic rationale	The new business has among its objectives to achieve associations with other partners in order to seize opportunities in niche market related to electronic payment methods, seeking to achieve synergy gains and optimizing the structure of new business in the segment.

### Stelo

	<p>Banco do Brasil and Bradesco, through its Joint Venture (Alelo), launched Stelo S.A. on April 16, 2014, an electronic payment company to manage, operate and exploit the segments of payment enablers toward e-commerce and digital business portfolio.</p> <p>The services provided by Stelo aim to create greater convenience and security to consumers and businesses, especially in the use of payments in e-commerce.</p> <p>In order to implement this project, Cielo and Alelo entered into a Memorandum of Understanding on April 15, 2014 regarding Cielo's interest in the capital of Stelo.</p> <p>On 06.12.2015, the Aliança Pagamentos Participações Ltda. (Alliance), which its primary objective is to participate in other companies as a partner or shareholder, acquired 30% of Stelo by equity increase and issuance of new shares. The corporate move consolidated what was predicted in the Memorandum of Understanding of 04.15.2014 between Alelo and Cielo, the Alliance controller shareholder.</p> <p>Taking into account the indirect BB stake in Cielo and Alelo, through BB Banco de Investimento SA and BB Elo Cartões Participações S.A., respectively, the total BB indirect interest in Stelo is 43.61%.</p> <p>Stelo started its activities in 2015 with the authorization of the supervisory and regulatory agencies.</p>
Strategic rationale	The main purpose is to create greater comfort and safety for consumers and companies, especially in the use e-commerce payments.

### **c. unusual events or operations**

Not applicable.

## **10.4. Comments from the Executive Officers**

### **a. significant changes in accounting practices**

Since January 1, 2009, when we first adopted IFRS, the IASB has issued new accounting procedures and improvements to IFRS that may impact our financial position and results of operations. The improvements to IFRS, issued by IASB, comprise amendments to the recognition, measurement and evidence rules related to several IFRS practices. A summary of certain IASB amendments, interpretations and standards affecting the presentation of our financial results, and made effective since 2013, 2014 and 2015 as well as interpretations and pronouncements recently issued, effective as of January 1, 2016, are presented below:

#### Effective in 2014

**Change to IAS 32 – Financial Instruments: Presentation** - This amendment clarifies the presentation of tax effects on payouts made to holders of equity instruments, which must be accounted for in accordance with IAS 12 – Income Taxes.

**Change to IAS 36 – Asset Impairment** - Amended the disclosure requirements regarding the measurement of the recoverable value of assets in connection with the issuance of IFRS 13.

**Change to IAS 39 – Financial Instruments: Recognition and Measurement** - This amendment allows an exception to the obligation to discontinue hedge accounting for derivative financial instruments, when there is compliance with the statutory requirements.

These amendments to IAS 32, 36 and 39 became effective for annual periods beginning as of January 1, 2014. The Bank believes that these amendments do not significantly affect its consolidated financial statements.

**IFRIC 21 – Taxes** - IFRIC 21 addresses the accounting for government-imposed taxes, other than income tax. The interpretation clarifies that the taxable event giving rise to a liability to pay taxes is the activity described in the relevant legislation that determines the tax payment. - The IAS 37 interpretation became effective for annual periods beginning as of January 1, 2014. The Bank believes that this interpretation does not have a significant impact on its consolidated financial statements.

#### Effective in 2015

**Change to IAS 19 (R1) – Employee Benefits** - The IASB issued revised IAS 19, which requires that contribution of employees and third-parties be reflected in the accounting for defined benefit plans. Amendments to IAS 19 became effective for annual periods beginning on or after January 1, 2015, with early application permitted. The adoption of IAS 19 (R1) did not materially affect the Bank's consolidated financial statements.

#### Effective in 2016

**Change to IAS 16 – Property, Plant and Equipment and IAS 38 - Intangible Assets** - In May 2014, the IASB change amendments to IAS 16 and IAS 38, which states that the calculation of depreciation and amortization of an asset based on the revenue generated is not appropriate.

**Change to IFRS 11 – Joint Ventures** – In May, 2014, IASB signed an amendment to IFRS 11 providing guidance on accounting for the acquisition of an interest in a joint operation that constitutes a business, in accordance with the principles of business combination accounting established in IFRS 3.

#### **b. significant effects of changes in accounting practices**

In the year 2016, the amendments application and interpretations had no significant effects on the consolidated financial statements of the Bank.

In the year 2015, the amendments application and interpretations had no significant effects on the consolidated financial statements of the Bank.

In the year 2014, the amendments application and interpretations had no significant effects on the consolidated financial statements of the Bank.

#### **c. qualification and emphasis in the independent accountants' report**

In 2016, the independent auditors' report was issued without any qualification or emphasis.

In 2015, the independent auditors' report was issued without any qualification or emphasis.

In 2014, the independent auditors' report was issued without any qualification or emphasis.

### **10.5. Critical accounting practices**

**Indicate and comment on the critical accounting practices adopted, specially stressing the Management's accounting estimates on uncertain and material issues for the description of the financial and income position, that require subjective or complex judgments, such as: (a) impairment of financial assets; (b) contingencies; (c) revenue and expenses recognition; (d) tax credits; (e) long-term assets; (f) useful life of non-current assets; (g) pension plans; (h) conversion adjustments on foreign currency; (i) environmental recovery costs; (j) criteria for non-financial assets impairment tests and (k) financials instruments.**

The preparation of the consolidated financial statements in compliance with the International Financial Reporting Standards requires that the Management uses judgments to establish and record accounting



estimates, which affect the recognized amounts of assets, liabilities, income and expenses, whenever necessary. Significant policy's, assets, liabilities subject to these estimates and assumptions include provision for losses on loans to customers, provision for labor, tax and civil claims, revenue and expenses recognition, deferred tax assets, long-term assets, property, plant and equipment and intangible assets' useful life and residual values, fair value of financial instruments, financials and non financial assets and liabilities related to post-employment benefits and other provisions. The final amounts for transactions involving these estimates are only known upon their settlement.

#### **a. impairment of financial assets**

At the end of each reporting period, BB assesses whether there is any objective evidence of impairment of financial assets. A financial asset is impaired and losses due to impairment is incurred if, cumulatively: (i) there is objective evidence of reduction in its recoverable amount as a result of one or more events that occurred after the initial recognition of the asset; (ii) the loss event has an impact on the estimated future cash flows of the financial asset; and (iii) a reasonable estimate of the amount can be performed. Losses expected as a result of future events, regardless of likelihood, are not recognized.

Objective evidence that a financial asset has impairment problems includes observable data that are evaluated by the Bank, especially in relation the following loss events: (i) significant financial difficulty of the issuer or obligor; (ii) a breach of contract, for example, default or delinquency in interest or principal payments; (iii) the Bank, for economic or legal reasons related to financial difficulties of the borrower, gives the borrower a concession that the Bank would otherwise not consider; (iv) it is likely that the borrower will enter bankruptcy or undergo a financial reorganization; (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) observable data indicating from the initial recognition of assets, there is a measurable reduction in future cash flows estimated from a group of financial assets, although the decrease cannot yet be identified with the individual financial assets in the group, including adverse changes in the borrowers payment situation in the group or national or local economic conditions that correlate with defaults on assets in the group.

In some cases, the observable data required to estimate the value of a loss from impairment of a financial asset may be limited or no longer fully relevant to current circumstances. In such cases, the Bank uses its judgment to estimate the amount of any loss on impairment. The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability.

**Loans to Costumers-** In assessing the impairment of loans to customers, the Bank checks whether there is objective evidence of losses in relation to these financial assets, in order to classify them in operations with recoverability problems (impairment) and without problems of impairment (non-impaired).

Operations with recoverability problems are divided into two groups according to the significance of operations: (i) operations individually significant impairment to treat individually; and (ii) operations impaired individually not significant for treatment collectively.

For loans to customers with evidence of losses in "individually significant" and "individually not significant", the Administration adopts the parameter corporate heave to award the significant credits. Thus, it is adopted as the cutoff point for determining the significance of the operations, the maximum amount of business scope for operations with legal entities, as well considered the customer's debt value from which its new operations require approval in strategic decision-making level of the Bank.

To allow Management to determine whether a loss event can come to materialize in a loan valued customer individually, they are checked, in general: (i) the economic-financial and legal situation of the counterparty; (ii) the retention of risk by the Bank in relation to the counterparty transactions; (iii) the history of business relationship with the Bank of the counterparty; and (iv) the situation of guarantees of credits. This scope allows the Bank to estimate each reporting date, the need for any impairment of individually considered financial assets. This information is also used to determine the classification of the transactions in high, medium or low risk.

The identification of a loss event to counterparty in a particular transaction makes all other transactions with that counterparty are also classified as loss evidence.

Segregating the debt holder's customers with recoverability problems and considered relevant value, their loans will be assessed by the responsible area for the collection and recovery of loans from Banco do Brasil. In relation to individually assessed loans, the Bank generally recognizes the total reduction of the recoverable amount of the loan when customers come into bankruptcy protection or the Bank judges

likely that customers come into bankruptcy protection or judicial administration. The same procedure is adopted to clients maintained in default reports made by credit protection companies such as Serasa Experian and SPC Brasil and client assets loans that have other loans written off.

In situations where the fair value of associated collateral is sufficient to cover 100% of the loan amount, there is no recognition of impairment loss, considering that the Bank expects to be able to receive the loan amount through the implementation and sale of those guarantees.

For loans without associated guarantees, the Bank assesses the client's history such as their behavior in the payment of loans taken earlier.

In case of Bank determinates that the loss events do not affect the recoverable amount of loans to customers individually assessed financial assets are included in a group of assets with similar credit risk characteristics and assesses collectively for reduction purposes to impairment. Loans to customers that are individually assessed for impairment and for which loss impairment is recognized are not included in a collective assessment of impairment.

The collective assessment of losses due to impairment, applied to transactions classified as individually not significant impairment, based on the application of Historical Loss Index (HPI) observed in the Bank's portfolio. IPH is determined from the observation of the losses incurred by the Bank for monthly vintage, from the thirteenth month preceding the closing date of the year in the case of transactions with term to maturity of up to thirty-six months (referred to reduction test purposes the recoverable value, such as "short-term"), or from the nineteenth previous month in the case of transactions with a term of over thirty-six months (referred to, for purposes of the impairment test to value recoverable as "long-term").

The short-term monthly HPI is calculated by monitoring for up to twelve months of operations migrations to losses against the initial carrying amount of selected operations in the month immediately preceding the twelve month follow-up. The long-term monthly HPI is determined analogously to the short-term, extending the loss of follow-up period up to eighteen months.

For the purpose of collective evaluation of impairment, the calculation of the monthly IPH is performed in a segmented manner by groups of similar products/procedures, internal risk rating of operations and types of customers, grouped according to risk analysis methodology and credit limit.

If the evidence of loss by impairment in a relationship with an individual counterparty or on a collective basis materializes, the amount of loss is recognized in net expense allowance for losses on loans to customers in return for a reduction of the its financial assets. The amounts recorded as provision of title represent the estimate of the Bank's Management as incurred losses in the portfolio. The level of provision is determined based on estimates that consider the occurrence of loss events, the current economic scenario, other assumptions and judgments of Management.

If the value of an impairment loss previously recognized impairment decrease and such a situation can be related objectively to an event occurring after its recognition, it is reversed by reducing the respective reduction account, and such reversal recognized in the income statement.

Loans to customers are written off against the related reduction account when deemed irrecoverable or unrecoverable. The Bank usually writes off loans when no payment is received after the lapse of 360 days overdue or up to 540 days for loans of more than 36 months maturity. If a written off loan is later recovered, the amount is credited to net expense allowance for losses on loans to customers.

Provisions for losses on loans to customers, recorded on 12.31.2016, 12.31.2015 and 12.31.2014 were considered by Management sufficient to cover losses incurred on these loans.

**Renegotiated Loans** - When possible, the Bank seeks to restructure debt instead of taking final possession of collateral. This may involve extending the payment time and the agreement of new conditions to the loan is no longer considered overdue. Management performs ongoing review of the renegotiated loans to ensure that all criteria are met and that future payments will occur. The loans continue to be subject to individual assessment or reduce collective to impairment.

In almost all cases, the Bank requires at least a down-payment of a portion of the renegotiated loan to no longer consider as overdue or nonperforming. Renegotiated loans return to nonperforming after 60 days overdue under the renegotiation terms.

**Financial assets available for sale** - For financial assets available for sale, the Bank assesses whether each reporting date, there is objective evidence that the asset value is below its recoverable amount.

To establish whether there is objective evidence of impairment of a financial asset, the Bank verifies the likelihood of recovery of their value, considering the following factors cumulatively: (i) the duration and

magnitude of the reduction in value of the asset in relation to its value accounting; (ii) the historical behavior of the value of assets and recovery experience of the value of these assets; and (iii) likelihood of not receiving principal and interest on assets, due to difficulties related to the issuer, such as filing for bankruptcy, deterioration of classification of credit risk and financial difficulties, whether or not related to market conditions the sector in which the issuer operates.

When a decline in fair value of a financial asset available for sale is recognized in other comprehensive income and there is objective evidence of impairment, the cumulative loss that has been recognized by the Bank shall be reclassified from equity to the income for the period as a reclassification adjustment, even if the financial asset has not been written off.

The value of the accumulated loss reclassified to income will be recorded in gains/(losses) on financial assets available for sale and is the difference between the carrying amount of the asset with impairment problems and their fair value on the valuation date, less any loss for impairment previously recognized in income.

If the fair value of a debt instrument available for sale with recoverability problems later increases and the increase can be related objectively to an event occurring after the recognition, measurement and disclosure of assets and impairment loss is reversed through income. Otherwise, it is reversed through other comprehensive income. Losses reversals of impairment on equity instruments classified as available for sale are only recognized in equity.

**Financial assets held to maturity** - If there is objective evidence of impairment of financial assets held to maturity, the Bank recognizes a loss, the value of which corresponds to the difference between the book value of the asset and the present value of estimated future cash flows. These assets are presented net of losses for impairment. If, in a subsequent period, the amount of loss by impairment decreases and the decrease can be related objectively to an event occurring after its recognition, it is reversed to income for the period.

#### **b. provisions, contingent liabilities, contingent assets and legal obligations**

In accordance with IAS 37, the Bank records provisions when conditions show that: (i) the Bank has a present obligation (legal or constructive) as a result of past events; (ii) it is probable that an outflow of economic benefits will be required to settle the obligation; and (iii) the amount of the obligation can be discharged safely. The provisions arising from the application of IAS 37 are recognized based on the best estimate of probable losses.

The Bank continuously monitors the ongoing judicial proceedings to assess, among other things: (i) the nature and complexity; (ii) the progress of proceedings; (iii) the opinion of the lawyers of the Bank; and (iv) the Bank's experience with similar processes. In determining whether a loss is probable, the Bank considers: (i) the risk of loss arising from claims that occurred on or before the balance sheet date but which were identified after that date but before the disclosure of financial statements; and (ii) the need to disclose claims or events that occur after the balance sheet date but before the disclosure of financial statements.

Contingent assets are not recognized in the financial statements except when the Bank believes that the realization of income is virtually certain. Contingent assets are assessed continually to ensure that the asset and the related revenue are properly recognized in the financial statements.

The Bank also recognizes tax liabilities challenged in court on the constitutionality of laws that have set up until the effective extinction of tax credits. In these situations, the Bank considers that there is in fact a legal obligation to pay the government and recognizes both an obligation and a court filing by the same amount. No payment is made until the final decision to be handed down by the judging court. Generally, these tax liabilities are presented on a net effect in relation to judicial deposits recognized in 'Other assets'.

Provisions are recognized in the financial statements when, based on the nature of the actions, in the opinion of legal advisors and Management and complexity and experience of similar transactions as probable the risk of loss of a judicial or administrative action, with a probable outflow of funds to settle the obligations and when the amounts involved can be reliably measured, and quantified when the citation/notice and reviewed monthly, as follows:

- **Collective** - Processes related to claims considered similar and usual and whose amount is not considered significant, based on statistical data. It covers the processes of the judicial type of civil, tax

or labor (except labor lawsuits filed by labor unions and all processes classified as strategic) with probable value of condemnation, estimated by the legal advisors of up to R\$1 million.

- **Individualized** - Processes related to claims considered unusual or whose value is considered relevant by the legal counsel. It is considered the claimed indemnity amount, the likely amount of conviction, the evidence and evidence produced in the records, case law on the matter, opinions raised, and judicial decisions to be rendered in the lawsuit, classification and degree of risk of loss of the action judicial.

Contingent liabilities of individual measurement classified as possible losses are not recognized in the financial statements, are disclosed in the explanatory notes, and those classified as remote do not require provision or disclosure.

Legal obligations (tax and social security) are derived from tax obligations under the law, regardless of the probability of success of lawsuits in progress, have their amounts recognized in the consolidated financial statements as liabilities.

#### **c. revenue and expenses recognition**

Income and expenses are recognized at the accrual basis and are recorded in the financial statements of the periods to which they refer. Interest, fee and commission income are recognized when its value, associated costs and stage of completion of the transaction may be reliably measured, and is probable that the economic benefits associated to the transaction will be realized. This concept is applied to the main revenues generated by the Bank's activities, namely:

**Net interest income** - Interest income and expenses from assets and liabilities that yield and pay interest are recognized in income or negative income for the period at the accrual basis using the effective interest rate.

**Fees and commissions income** – The recognition of income from fees and commissions is determined in accordance with the purpose of the fees and the existence of financial instruments associated to them. If there is an associated financial instrument, fee income is considered in interest calculation, except in cases where the financial instrument is recorded at fair value through income. However, fee income received for services that are provided on a specific period are recognized during that period. Fee income received to complete a specific significant service or events are recognized when the service has been completed or the event occurred.

**Revenue from investments in associates and joint ventures** - The revenue from application of the equity method for valuation of investments in associates and joint ventures are recognized in proportion to the equity interest held by the Bank in the results generated by investees.

In accordance with IAS 18, BB recognizes interest income when receiving the transaction related economic benefits is probable.

#### **d. deferred tax assets**

Deferred tax assets are calculated on temporary differences and tax losses carry forward, and recognized in the accounting books whenever the Bank expects to generate taxable profit in subsequent years in amounts sufficient to set-off such values. The expected realization of the Bank's tax credit is based on the projection of future income and on technical studies, in line with the prevailing tax legislation.

The estimates considered by the Bank for the recognition and valuation of deferred taxes are reviewed based on the current expectations and projections of future events and trends. The main assumptions identified by the Bank that may affect these estimates are related to factors such as (i) changes in the amounts deposited, default and customer base; (ii) changes in government regulations on tax matters; (iii) changes in the interest rates; (iv) changes in inflation rates; (v) lawsuits or legal disputes with an adverse impact on the Bank; (vi) credit and market risks, as well as other risks arising from loan and investment activities; (vii) changes in the market values of Brazilian bonds, mainly Brazilian government bonds; and (viii) changes in internal and external economic conditions.

#### **e. long-term assets**

**Investment in associated companies and joint ventures** - investments in associated companies and joint ventures are evaluated according to the accrual basis of accounting based on their shareholders' equity of the investment. The financial statements of branches and subsidiaries abroad are converted in Reais (R\$) according to the IAS 21 and the effects of changes in foreign exchange

rates are recognized in income for the period or in other comprehensive income, in shareholders' equity. Other permanent investments at fair value, pursuant to IAS 39.

**Property and equipment in use** – Property and equipment are stated at cost less depreciation, accumulated using the straight-line method and impairment losses.

**Goodwill and other intangible assets** - Goodwill arising on the acquisition of equity investments is accounted for considering the valuation at fair value of identifiable assets and assumed liabilities acquired on the base date of purchase and in accordance with the applicable rules, it is not amortized. However, it is tested at least annually for reduction purposes to impairment. After initial recognition, goodwill is measured at cost less any impairment loss accumulated impairment.

Intangible assets are recognized separately from goodwill when they are separable or arise from contractual or other legal rights, fair value can be measured reliably and it is probable that the expected future economic benefits will be transferred to the Bank. The cost of intangible assets acquired in a business combination is its fair value at the acquisition date. Intangible assets acquired separately are initially measured at cost.

The useful life of intangible assets is considered definite or indefinite. Intangible assets with definite useful life are amortized over their estimated useful life. They are initially recorded at cost, less accumulated amortization and losses due to impairment. Intangible assets with indefinite useful life are not amortized and are recorded at cost less any loss for impairment.

Costs incurred with the acquisition, production and development of software are capitalized and recorded as intangible assets. Research Expenses are accounted as expenses. Personnel expenses that are capitalized refer to salaries, social charges and benefits of employees directly involved in software development.

Intangible assets with definite useful life are amortized on a straight-line basis over the estimated useful life. The period and method of amortization of intangible assets with definite useful life are reviewed at least annually. Changes in the expected useful life or proportion of expected use of future benefits embodied in the asset are recognized via changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

#### **f. useful life of non-current assets**

The estimated useful life term of the fixed assets is defined based on the percentages below:

<b>Assets Property, plant and equipment</b>	<b>Annual rate %</b>
Buildings <sup>1</sup>	2.0 to 10.0
Furniture and equipment	10.0
Improvements to third-party property	10.0 to 20.0
Data processing equipment	20.0
Vehicles	20.0
Others	10.0 to 20.0

1 - For depreciation of owned buildings, the Bank considers the useful life of the various components of a building, in conformity with paragraph 43 of IAS 16.

The estimated useful life term of the intangible assets is defined based on the percentages below:

<b>Intangible assets</b>	<b>Annual rate %</b>
Software	10.0 to 20.0
Rights due to payroll management	10.0 to 20.0
Related to customers, acquired in business combinations	10.0 to 50.0
Related to contracts, acquired in business combinations	10.0 to 35.0
Other <sup>1</sup>	20.0

1 - Includes mainly trademarks acquired in business combinations.

#### **g. pension plans and other employees benefits**

Benefits for employees, related to short-term benefits for existing employees are recognized on the accrual basis as the services are provided. Post-employment benefits, comprising supplementary retirement benefits and medical assistance for which the Bank is responsible, were accounted at December 31, 2016, 2015 and 2014 in accordance with criteria established by IAS 19.

In defined-contribution plans, the actuarial risk and the investment risk belong to the participants. Consequently, no actuarial calculation is required when measuring the obligation or expense. Thus, the

expense is recognized in income for the period in which the related services are rendered by employees in return for contributions for the same period.

In defined benefit plans, the actuarial risk and the investment risk belong either partially or fully on the sponsoring entity. Thus, actuarial assumptions are required for the measurement of plan liabilities and expenses, and there is the possibility of actuarial gains and losses. As a result, the Bank records a liability when the present value of actuarial liabilities is greater than the fair value of plan assets, or an asset when the fair value of assets is greater than the present value of plan liabilities. In the latter instance, the asset should be recorded only when there is evidence that it can effectively reduce the contributions from the Bank or refundable in future.

The Bank, as permitted by IAS 19, recognizes actuarial gains/losses in the same period in which the actuarial calculation was performed, as follows: (i) the costs of current services and net interest on the net amount of defined benefit liabilities (assets) are recognized in the statement of income; and (ii) the net value measurements of defined benefit liabilities (assets) are recognized in other comprehensive income, in shareholders' equity.

The contributions payable by the Bank to medical plans, in some cases, remain after the retirement of the employee. Thus, Bank's obligations are evaluated at the present actuarial value of the contributions to be paid over the expected period when plan participants and beneficiaries will be linked to the plan. These obligations are evaluated and recognized under the same criteria used for defined benefit plans.

#### **h. conversion adjustments on foreign currency**

Functional and presentation currency - The consolidated financial statements are presented in Brazilian Reais, which is the Bank's functional and presentation currency. The functional currency, which is the currency of the main economic environment in which an entity operates, is the Real for most of the entities comprising the Group.

Transactions and balances - Transactions in foreign currency are initially recorded at the exchange rate of the functional currency at the date of the transaction.

The Bank's assets and liabilities denominated in foreign currency, most of which are monetary, are translated at the exchange rate of the functional currency at the reporting date. All the exchange differences are recognized in the consolidated statement of income for the period in which they arise.

Translation to the presentation currency - Abroad financial statements entities (none of which has the currency of a hyperinflationary economy) are translated into the presentation currency according to the following criteria: (i) assets and liabilities are translated using the exchange rate in force at the reporting date and (ii) income and expenses are translated at the average exchange rate for the period.

Foreign exchange differences from the translation of the financial statements of overseas entities, whose functional currency is the Real, are recognized in the consolidated statement of income. For those entities whose functional currency is not the Real, the accumulated foreign exchange differences are recognized directly in shareholders' equity, until the disposal of the subsidiary abroad or loss of control. At that time, the accumulated foreign exchange differences are reclassified from other comprehensive income to income for the period. The sum of foreign exchange differences attributable to non-controlling shareholders is allocated and recognized as part of interests of non-controlling shareholders in the consolidated balance sheet.

#### **i. environmental recovery costs**

Not applicable.

#### **j. criteria for non financial asset impairment tests**

At the end of each reporting period, the Bank assesses, based on internal and external sources of information, whether there is any indication that a non-financial asset may be impaired. If there is indication of impairment, the Bank estimates the recoverable amount of the asset. The recoverable amount of the asset is its fair value, less the costs to sell it and its value in use, whichever is the higher.

Regardless of the existence of any indication of impairment, the Bank annually tests for impairment intangible assets with indefinite useful life, including goodwill acquired in a business combination, or an intangible asset not yet available for use. This test can be performed at any time during an annual period, provided it is performed at the same time every year.

Regarding investments in associated companies and joint ventures, the Bank applies the requirements of IAS 39 to determine whether it is necessary to recognize any additional impairment loss of the total net investment.

As the goodwill comprising the book value of investments in associated companies and joint ventures is not separately recognized, it is not tested separately with respect to its recoverable amount, pursuant to the requirements of IAS 36. Instead, the aggregate book value of the investment is tested for impairment as a single asset by comparing its carrying amount with its recoverable amount, whenever application of IAS 39 indicates that the investment has recovery issues. The impairment loss recognized in those circumstances is not allocated to any asset, including goodwill, that forms part of the carrying value of the investment in the associate company or joint venture.

In case the recoverable value of a non-financial asset is lower than its book value, the book value of the asset is reduced to its recoverable value through a reducing account for impairment losses, whose contra-entry is recognized in income for the period in which it occurs, under Other operational expenses.

The Bank also evaluates, at the end of each reporting period, if there is any indication that an impairment loss recognized in prior periods for a non-financial asset, except for goodwill due to expected future earnings, may not exist anymore or may have decreased. If there is indication of impairment, the Bank estimates the recoverable amount of this asset. Reversal of impairment losses of an asset will be recognized in income for the period, rectifying Other operational expenses balance.

The main non-financial assets subject to have their recoverable amounts tested are presented below.

### **Property, plant and equipment**

Land and buildings – upon determination of land and building recoverable value, technical evaluations in conformity with ABNT (Brazilian Association of Technical Standards) are conducted, which establishes general concepts, methods and procedures of compulsory use in urban property evaluation technical services.

Data processing equipment – in the determination of recoverable value of relevant items that comprise data processing equipment, market values of components whose market value is available are considered and, for other items, the value that may be recovered for use in Bank operations is considered, and its calculation considers cash flow projections of benefits from using each asset during its useful life, adjusted to present value based on the CDI rate.

Other property, plant and equipment items – although being subject to loss indication analysis, other items of property, plant and equipment in use have low individual values and, considering cost effectiveness, the Bank does not evaluate the recoverable value of these items on an individual basis. However, the Bank conducts annual inventory counts with the purpose of writing-off accounting records of lost or deteriorated assets.

### **Investments in associated companies and joint ventures**

The methodology for calculating the recoverable amount of investments in associated companies and joint ventures, including goodwill incorporated to the balance of these investments is to measure the expected result of investment using the discounted cash flow. To measure this result, assumptions are based on (i) projections of operations, results and companies' investment plans; (ii) macroeconomic scenarios developed by the Bank; and (iii) internal methodology to determine the cost of capital based on the Capital Asset Pricing Model - CAPM model.

### **Goodwill on investments acquired in business combination**

The methodology for calculating the recoverable amount of goodwill acquired in a business combination is to measure the expected result of the investment using the discounted cash flow. To measure this result, assumptions are based on (i) projections of operations, results and companies' investment plans; (ii) macroeconomic scenarios developed by the Bank; and (iii) internal methodology to determine the cost of capital based on the Capital Asset Pricing Model - CAPM model.

For goodwill generated by the acquisition of Banco Nossa Caixa, which was merged into Banco do Brasil in November 2009, methodology consists in comparing the goodwill amount paid with present value of Bank's results projected for the São Paulo State, less net assets with defined useful life. Projections are based on verified results and evolve based on earnings growth assumptions for Banco do Brasil, and are discounted based on the Bank's capital cost.

## Other intangible assets

**Rights due to payroll management** - Model to evaluate the recoverable value of rights due to payroll acquisition uses the performance of contracts, which are calculated based on client relationship contribution margins that are related to each contract, so as to verify if projects that justified the asset acquisition correspond to the verified performance. For contracts that do not reach expected performance, a provision for impairment is recognized.

**Software** – Software that is substantially developed internally to meet the Bank's necessities receive constant investment for modernization and adequacy to new technologies and business needs. As there are no similar software in the market, and the cost to implement measurements that permit the calculation of its value in use is high, recoverability test for software consist in evaluating its utility to the company so as to, whenever the software is not used anymore, its value is written-off from accounting records.

**Acquired through business combination** – intangible assets acquired through business combination, mainly represented by trademarks and rights related to clients and contracts, are evaluated at the end of each reporting period to verify if there are indications of impairment losses. If there is any indication for these assets, BB estimates its recoverable value. Methodology to calculate the recoverable value consist in determining the present value of cash flows estimated for these intangible assets, discounted at a rate that reflects current market evaluations and specific risks of each asset.

## Other assets

**Non-operating assets** – regardless of the existence of loss indications, non-operating assets have their recoverable value evaluated on a half-yearly basis, through the formalization of their market values in appraisal reports, prepared according to ABNT standards.

## k. financial instruments

The Bank classifies financial instruments in accordance with the nature of the instrument and its intention. All financial assets and liabilities are initially recognized on the trade date, ie the date on which the Bank becomes party to the contractual provisions of the instrument. The classification of assets and liabilities is determined on the date of initial recognition.

All financial instruments are initially measured at fair value plus transaction costs, except in cases where assets and liabilities are recorded at fair value through income. The accounting policies applied to each class of financial instruments are presented below.

**Financial assets at fair value through income** - Financial instruments are classified in this category if they are held for trading on the date of origination or acquisition, or are so designated by Management during the initial recognition.

A financial asset is classified as held for trading if: (i) is acquired mainly to be sold in the short term; (ii) upon initial recognition, is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of obtaining short-term profits; or (iii) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Derivatives classified by the Bank in this category are: (i) derivatives for trading such as swaps, futures contracts, forward contracts, options and other similar derivatives based on interest rates, the exchange rate, the stock price and commodities and credit risk. Derivatives are recorded at fair value and held as assets when fair value is positive and as liabilities when fair value is negative; (ii) derivatives qualified for hedge accounting but are used to manage exposure to market risks, particularly interest rate, currency and credit; and (iii) derivatives contracted at the request of its customers, with the sole purpose of protection against the risks inherent in their economic activities.

The Bank will only appoint a financial instrument at fair value through income during the initial recognition when the following criteria are met: (i) eliminates designation or significantly reduces the inconsistent treatment that would occur in the measurement of assets and liabilities or recognition of gains and corresponding loss in different ways; (ii) the assets and liabilities are part of a group of financial assets, financial liabilities or both, which are managed and their performance evaluated based on fair value as a documented strategy of risk management or investment; or (iii) the financial instrument has one or more embedded derivatives, which significantly modifies the cash flows that would be required by the contract.



It's not possible to perform transfers of financial assets classified in this category to others, except for non-derivative financial assets held for trading, which may be reclassified after initial recognition when: (i) in rare circumstances, the financial instrument is not maintained for the purpose of selling in the short term; or (ii) it meets the definition of a loan and receivable, and the Bank has the intention and ability to hold the financial asset for a future period or until maturity.

The financial instruments recorded in this category are initially recognized at fair value and income (interest and dividends) are recognized as interest income. Transaction costs as incurred are recognized immediately in the Consolidated Income Statement.

Gains and losses realized and unrealized due to the changes in fair value of these instruments are included in income on financial assets/liabilities at fair value through income.

**Financial assets available for sale** - The Bank classifies as financial assets available for sale securities when, in Management's judgment, may be sold in response to or in anticipation of changes in market conditions or are not classified as: (i) loans and receivables, (ii) investments held to maturity, or (iii) financial assets at fair value through income.

These securities are recorded at fair value including direct and incremental transaction costs. Subsequent measurement of these instruments is also recorded at fair value.

Unrealized gains or losses (after taxes) are recorded in a separate component of equity (Accumulated other comprehensive income) until its disposal, except for the recognition of loss on impairment. Income (interest and dividends) of these assets are allocated as interest income. Gains and losses on disposal of financial assets available for sale are recorded as income on financial assets available for sale, the date of disposition.

Occurring reclassification of financial assets available for sale category to trading, the gains or losses to the date of reclassification, which are recorded in other comprehensive accumulated income, are transferred immediately to the income of the period.

**Financial assets held to maturity** – They are non-derivative financial assets with fixed or determinable payments, with defined maturities for which the Bank has the positive intention and proven financial capacity to hold them to maturity. They are initially recorded at fair value, including transaction incremental costs. These financial instruments are subsequently measured at amortized cost. Interest, including goodwill and negative goodwill are recorded in interest income in financial assets held to maturity.

In accordance with IAS 39, BB does not classify any financial assets as held to maturity if during the current fiscal year or during the two preceding financial years, sold or reclassified more than an insignificant amount of investments, other than sales or reclassifications that: (i) are so close to maturity or the financial asset purchase date that changes in market interest rates would have no significant effect on the fair value of financial assets; (ii) occur after the Bank has collected substantially all of the original capital of the financial asset through scheduled payments or prepayments; or (iii) are attributable to an isolated event that is beyond the entity's control, is non-recurring and was improbable to happen.

Whenever sales or reclassifications of more than an insignificant amount of investments held to maturity does not meet any of the conditions mentioned above, any investment held by the remaining maturity shall be reclassified as available for sale.

**Loans and receivables** - Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, except: (i) those that the Bank intends to sell immediately or in the short-term, which will be classified as held for trading, and those that the Bank upon initial recognition designates as at fair value through income, or as available for sale; or (ii) those for which the Bank may not recover substantially all of its initial investment, except for reduction account of impairment of credit.

Loans and receivables are presented in the balance sheet divided into four categories: (i) Compulsory deposits at central banks; (ii) Loans to financial institutions; (iii) Loans to customers; and (iv) Investments in repurchase agreements, whose completion date is more than 90 days.

**Compulsory deposits at central banks** - Compulsory deposits at central banks refer to a ratio of demand deposits, time deposits and savings deposits that are collected to the central banks of the countries where the Bank has operations. In Brazil, the National Monetary Council determines the proportion of deposits that banks are required to collect compulsorily, which are subject, in a substantial manner, the remuneration set by the regulator.

Compulsory deposits are initially recorded at fair value and subsequently evaluated, where applicable, at amortized cost. Their financial revenues are recorded in deposit interest income reserve at central banks.

**Loans to financial institutions** - Loans to financial institutions consist of the acquisition of loan portfolios with joint obligations of the assignor and interbank deposits. These assets are stated at the principal amount plus financial charges, including interest, goodwill and negative goodwill. Their financial revenues are recorded in interest income from loans to financial institutions.

**Loans to customers** - Loans to customers are financial assets with fixed or determinable payments, initially recognized at fair value, and evaluated subsequently at amortized cost using the effective interest rate. Financial expenses are recorded according to the accrual basis and added to the principal amount in each period. Financial incomes generated by loans to customers are recorded in loans to customers' interest income.

The book value of loans to customers is reduced by an allowance account and the amount of loss by impairment is recognized in income as net expense allowance for losses on loans to customers, representing an estimated by the Administration as the losses incurred in the portfolio. When loans or groups of similar loans have recovery problems and its carrying amount is reduced through an allowance account, interest income continues to be recognized until the time that the loans are considered non-performing (usually when the loan is overdue more than 60 days).

The provision is determined based on estimates that consider the occurrence of loss events, the current economic scenario, other assumptions and Management judgment, including previous experience with losses on loans to customers portfolio, the existence of guarantees and evaluation the individual risk of customers.

Loans to customers that receive the amount of principal or interest is overdue by 60 days or more are considered as non-performing loans and, depending on that classification, are recognized in of interest income and other financial charges suspended.

For all nonperforming loans, any amounts received, whether the customer's discretion or as a result of court proceedings are recorded according to the following order: (i) as payment of fines or financial charges; (ii) an interest payment revenue already recognized; (iii) as payment of accrued interest to the date of payment, but not yet recognized and, finally, (iv) to pay for the capital.

This may result in the recognition of interest income for payments made to non-performing loans. Generally, nonperforming loans considered return to normal operation when there is no overdue for more than 60 days and that the Bank expects to receive the remaining contractual amount of principal and interest on the loan.

**Purchased under resale agreements** - The Bank invests in securities with resale agreements, mainly federal government bonds. Resale agreements are financial collateralized and are recorded at acquisition cost plus accrued interest. The amount paid for securities purchased under resale agreement, including accrued interest, is recorded as an asset of repurchase agreements, reflecting the economic substance of the transaction as a loan from the Bank. The asset repos is subdivided into: (i) retailers to liquidate - portfolio position, which is formed by securities purchased under resale agreements and not passed on, or not sold with repurchase agreements and; (ii) resellers to liquidate - funded position, which includes securities purchased under agreements to resell and passed, that is, sold under repurchase agreements.

The Bank monitors and continuously assesses the market value of securities purchased under resale agreements and adjusts the value of the collateral when necessary.

**Financial liabilities** - An instrument is classified as a financial liability when there is a contractual obligation for its settlement to be effected by the delivery of cash or another financial asset, regardless of their legal form. Financial liabilities include short and long terms debt issue which are initially measured at fair value, which is the amount received net of transaction costs incurred and subsequently at amortized cost.

Financial liabilities held for trading and those designated by Management as at fair value through income are measured and recorded in the consolidated balance sheet at fair value. Financial liabilities recorded at fair value relate mainly to derivative financial instruments held for the purpose of trading.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, exchange or modification is treated

as a derecognition of the original liability and the recognition of a new liability, and the difference the carrying amount is recognized in the income statement.

The Bank considers that the terms are substantially different if the discounted present value of the agreement with the new cash flow terms, including any fees paid after tax and of any other fare received and discounted using the original effective interest rate is at least 10% different the discounted present value of the remaining cash flows of the original financial liability. If an exchange of financial liabilities or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

**Liabilities from operations** - The Bank conducts fund raising by sale of securities with repurchase agreements, mainly comprising federal government bonds. The repurchase agreements are financial collateralized and are recorded at their sale value, plus accrued interest.

Securities sold under repurchase agreement are not written off as the Bank retains substantially all the risks and rewards of ownership. The corresponding to the cash received, including accrued interest, is recognized as liability repurchase agreements, reflecting the economic substance of the transaction as a debt of the Bank. The liability repos is subdivided into: (i) own portfolio, which is comprised of securities with repurchase agreements not linked to resellers, ie the securities of its own portfolio of the Bank linked to the open market; (ii) third-party portfolio, which includes securities purchased under agreements to resell and passed, that is, sold under repurchase agreements.

**Determination of fair value** - Fair value is the price that would be received by the sell of an asset or that would be paid by transfer a liability in an orderly transaction between market participants (principal or most advantageous) at the measurement date.

The fair value of financial instruments traded in active markets on the base date of the balance sheet is based on the quoted market price (selling price for long positions or purchase price for short positions), without any transaction cost deduction. A market is considered active if transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

In situations where there is no quoted price in an active market for a financial instrument, the Bank estimates the fair value based on valuation methods that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. The chosen valuation method incorporates all the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. The valuation methods include: the method of discounted cash flow, compared to similar financial instruments for which there is a market with observable prices, options pricing models, credit models and other known valuation models.

When necessary, the values generated by the models are adjusted to reflect the variation between buying and selling prices; the cost of liquidation of the position; the risk of counterparty credit; and liquidity position. The adjustments also are intended to meet the theoretical limitations of the models.

## **10.6. Material items not disclosed in the financial statements of BB**

**a. the assets and liabilities directly or indirectly held by Banco do Brasil which do not appear in its Balance Sheet (off-balance sheet items):**

**i. operating leases, assets and liabilities**

The Bank, as lessee, has several operating lease agreements, mainly represented by lease contracts of its premises (branches and administrative buildings), in Brasil and abroad.

**ii. receivables portfolios written off for which the entity takes on risks and responsibilities, representing potential liabilities**

Not applicable. IFRS prevent the write-off of portfolios in this scenario. Loan operations subject to assignment and their associated liabilities are presented in Note 43 - Transfer of Financial Assets of the financial statements under IFRS.

**iii. contracts for future purchase and sale of products or services**

There is no such situation at the Bank.

**iv. contracts for unfinished constructions**

These amounts are recorded as Fixed Assets in the financial statements according to the IFRS, in line with the financial statements in BRGAAP, from Properties and Equipment Cosif.

**v. contracts for the future receipt of financing**

There is no such situation at the Bank.

**b. other items not disclosed in the financial statements**

Not applicable. Banco do Brasil does not have off-balance sheet assets and liabilities other than those indicated in the notes to the financial statements, according to the best corporate governance practices. Banco do Brasil's off-balance sheet assets and liabilities are properly indicated in the financial statements for fiscal year 2016. Notes that address these items are: (i) Note 35 – Provisions, Contingent Assets and Liabilities; (ii) Note 39 - Derivative Financial Instruments; and (iii) Note 40 - Financial Guarantees and Other Commitments.

**10.7. Comments on each item indicated in section 10.6****a. inasmuch as such items change or may change the revenues, expenses, operating income or other items of the financial statements.**

The labor, tax and civil claims whose risks of loss are classified as "possible" are exempted from any provisions based on IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

Labor lawsuits represent various claimed requests, such as: compensation, overtime, de-characterization of work hours, position and representation additional, and others.

Tax lawsuits are claims related to ISSQN (taxes on services), collection and other tax obligations deriving from the Federal Revenue Department and the Social Security National Institute. The main contingencies originate from:

- I. Tax deficiency notices issued by the INSS aiming contributions collection related to salary bonus paid from 1995 to 2006 in the amount of R\$3,290 million. Additionally, INSS requires payment of taxes related to transportation vouchers and use of own vehicles by the Bank's employees in the amount of R\$285 million, and related to employee profit sharing paid from April 2001 to October 2003 in the amount of R\$863 million.
- II. Tax deficiency notices issued by the Treasuries of the Municipalities, aiming the collection of ISSQN, which amounts R\$1,647 million.

In civil lawsuits there are claims aiming to get restitution of differences between inflation and the indexes used to remunerate financial investments during the period of economic plans (Collor Plan, Bresser Plan and Verão Plan).

**The balances of contingent liabilities classified as possible:**

R\$ million	Dec/14	Dec/15	Dec/16
Labor Claims	167	215	171
Tax Claims	10,841	12,777	10,702
Civil Claims	3,685	3,271	1,976
<b>Total</b>	<b>14,693</b>	<b>16,263</b>	<b>12,849</b>

**Fair value of financial instruments**

R\$ million	Dec/14		Dec/15		Dec/16	
	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
<b>Asset</b>						
Cash and bank deposits	13,337	13,337	18,047	18,047	12,798	12,798
Compulsory deposits at central banks	63,224	63,224	60,811	60,811	63,451	63,451
Loans to financial institutions	57,808	56,801	66,468	66,503	49,119	49,103
Securities purchased under resale agreements	263,325	263,286	303,531	298,796	371,683	371,618
Financial assets at fair value through profit of loss	12,441	12,441	11,218	11,218	7,669	7,669
Financial assets available for sale	93,804	93,804	102,394	102,394	104,670	104,670
Financial assets held to maturity	360	189	3,892	3,652	9,120	8,475
Loans to costumers net of provision	631,633	625,183	675,493	664,855	603,857	589,788
<b>Passivo</b>						
Deposits of Clients	437,822	438,819	422,937	422,715	425,316	425,318
Amount payables to financial institutions	30,675	25,367	41,816	42,824	21,277	21,277
Financial liabilities at fair value through profit	2,995	2,995	3,627	3,627	2,235	2,235
Liabilities from operations	293,920	292,694	333,522	331,363	374,634	373,070
Obligations by issuing securities and other obligations	343,208	341,443	411,878	410,530	368,351	364,683

The fair value of a financial instrument is the price that would be received to sell an asset or that would be paid by transfer a liability in an orderly transaction between market participants at the measurement date. If a quoted price in an active market is available for a financial instrument, the fair value is calculated based on that price. In the absence of an active market for a financial instrument, its fair value is calculated by an unbiased estimate, thus aiming at a fair and equitable assessment of the financial instruments.

**Derivative Financial Instruments Agreements**

R\$ million	Dec/14	Dec/15	Dec/16
<b>Reference Value - Assets</b>			
Futures contracts	3,868	1,600	12,676
Forward operations agreements	10,156	12,526	4,472
Option market contract	36	-	194
Swap contracts	7,488	6,649	8,501
Other derivative agreements	2,442	1,123	3,258
<b>Reference Value - Liabilities</b>			
Futures contracts	9,453	9,189	2,110
Forward operations agreements	5,334	11,455	10,059
Option market contract	3,396	817	245
Swap contracts	11,032	15,978	10,749
Other derivative agreements	3,067	2,423	2,736

The notional value is the nominal value of derivative financial instrument agreements that are recorded in off balance sheet accounts for control purposes.

**Guarantees provided**

Banco do Brasil grants guarantees to individuals and legal entities, including other financial institutions which were given a permit to operate by the Central Bank of Brazil, by collecting financial charges and counter-guarantees from the beneficiaries in the local or foreign-currency denominated transactions carried out in Brazil or abroad. In Brazil, the Bank mainly grants guarantees, letters of guarantees and bonds. As far as international guarantees are concerned, the types adopted by Banco do Brasil are as follows: Bid Bond, Performance Bond, Refundment Bond, International Guarantee, International Surety, Standby Bond.

Guarantees granted to third parties amounted to R\$6,445 million on December 31, 2016 (R\$9,731 million on December 31, 2015 and R\$8,739 million on December 31, 2014), for which, according to IAS 37 – Provisions, Contingent Assets and Contingent Liabilities, a provision of R\$442 million in 2016

(R\$541 million by the end of 2015 and R\$194 million by the end of 2014) is deemed to be sufficient and recorded under "Other liabilities".

### **Credits contracted to release**

Among the commitments taken on by Banco do Brasil, there are unused credits and lease transactions totaling R\$118,746 million on December 31, 2016 (R\$148,107 million on December 31, 2015 and R\$150,309 on December 31, 2014). Such operations, when disbursed, are recorded in the Balance Sheet according to the used credit line.

Credits to release are contracted for a given period of time to offer a loan to a client that has fulfilled predetermined contractual conditions, including the limits assigned to overdraft account and credit card operations. Standby letters of credit and sureties and guarantees are conditional commitments, generally to guarantee the performance of a client before a third party in loan contracts.

In credit financial instruments, the contractual amount of the financial instrument represents the maximum potential of credit risk in case the counterpart fails to fulfill the terms of the contract. The majority of these commitments mature without being withdrawn. As a result, the contractual amount does not represent the effective future exposure to credit risks or liquidity requirements originated from these commitments. To decrease the credit risk, the Bank requires the contracted party to deliver, as collateral, cash resources, securities or other assets to pledge the credit facility, similar to the pledge required for loans to customers.

### **Confirmed credits to exports and open credits to imports**

As a result of foreign trade transactions, there are confirmed import and export letters of credit amounting to R\$447 million on December 31, 2016 (R\$4,738 million on December 31, 2015 and R\$3,325 million on December 31, 2014). These operations will compose Banco do Brasil's credit portfolio, when import or export contracts are executed.

#### **b. nature and purpose of the transaction**

The nature and purpose of the operations are described in section 10.7.a above.

#### **c. nature and amount of the obligations taken on and the rights generated in favor of Banco do Brasil as a result of the transaction .**

The nature and amounts are described in section 10.7.a. above.

### **10.8. Main elements of the Banco do Brasil 's business plan**

**The officers must comment on the main elements of the issuer's business plan, specifically addressing the following topics:**

#### **a. investments, including:**

##### **i. quantitative and qualitative description of ongoing and investments forecast**

In 2016, Banco do Brasil invested, according to the Fixed Investment Plan – (PFix), R\$1,493.9 million in the expansion of the service network and service centers, modernization of the technological park, and business solutions supported by IT. These investments were designed to create physical and technological infrastructure conditions to support Banco do Brasil's business growth and made possible several movements, among which the following stand out:

I. R\$106.7 million were invested in the expansion and adaptation of the retail service network, R\$16.9 million of these in the expansion of the service network and service centers. Aiming to expand the business potential, there were installed 19 new service points, and a pilot project for the digital services of the new customer relations model was run. The investment in the adequacy of 173 premises was R\$89.8 million, to ensure the improvement in the physical structure of the Bank's premises and adequate operational capacity to provide more adequate spaces for customer service. The Bank also invested R\$5 million in 19 Private Bank service bases reform (8 were completed and in 11 the reform continues in 2017), to maintenance of service infrastructure and it includes renovation of buildings and purchase of facilities, security systems and IT equipment.

II. Fixed investments in the project Maintenance/Suitability IT External Network, totaled R\$15.8 million and the project Maintenance/Network Structure Adequacy of External Network was R\$3.8 million. It aimed to maintain the abroad operating structure concerning to modernization, automation, regulatory requirements, replacement of facilities, IT equipment and maintenance of buildings.

III. The Bank invested R\$11.4 million in Wholesale Service Network, to expand and adapt the premises of units serve the medium and large corporates segments. The buildings share and facilities adaptation was the focus and included 03 branches relocation, 05 branches reform to adapt to the new visual standard (Wholesale 2.0), and also in carrying out 02 minor renovations and improvements in customer service platforms (Corporate and *Empresarial* segments).

IV. In 2016, investments were made in physical infrastructure, through the acquisition of furniture and constructions and reforms of premises, avoiding the obsolescence of fixed assets, as well as the modernization, adequacy or replacement of building equipment, in the amount of R\$696 million, highlighting:

- **Buildings conservation** - reforms in the Bank's buildings infrastructure to maintain its functionalities;
- **Adequacy of headquarters** - physical adjustments of Banco do Brasil-DF and Banco do Brasil-SP Buildings;
- **Modernization of IT resources for office/bank automation** - Acquisitions to replace equipment expected to get obsolete in the year;
- **Furniture and equipment replacement** - replacement to maintain operations and adjustments to accessibility policies;
- **Scanning** - acquisition of small scanners for customer service desks;
- **Datacenter** - physical adequacy and acquisitions of facilities for Datacenter areas;
- **Building Construction** - Construction of a building in Palmas (TO).

V. In 2016, investments in IT were destined for processing and storage, security, IT environment management, corporate management and network/telecommunications, especially regarding to the modernization of infrastructure to provide connectivity and safety for customers, contributing to the improvement of the digital service model. In addition, highlight for investments in:

- **Processing and Storage Infrastructure** - Investments in Disaster Recovery solutions and mainframe and high end uptades;
- **Data network** - Investments in Disaster Recovery solutions and mainframe and high end uptades;
- **Telecommunications** - investments in solutions to improve telephone service in the branches. It allowed the segmentation of customers reducing the response/service time, and the improvement of cost management, with decrease of telephone expenses;
- **Office Automation** - investments aiming consolidation of the strategy of virtualization of the central environment and automation of offices, allowing the optimization of work tools. Update and expansion of application licenses and acquisition of basic IT products, to meet the daily operational needs, modernization and required technological updating;
- **Security** - Security investments, technology against cyber attacks and solutions to scanning security vulnerabilities in applications and web systems.
- **Mobile** - Investments to doubling the infrastructure that supports mobile applications, giving priority to the Mobile First strategy;

VI. Information safety and property security expansion and modernization investments had the installation of 1,536 cryptographic cards in ATMs, 31,619 safety equipment for branches and 1,208 safety equipment for ATMs;

VII. Investments of R\$4.5 million in modernization of safety equipments replacing, due to obsolescence, the technological park and reforms arising from enlargement and security adjustments of treasuries of the Banco do Brasil.

For 2017, Banco do Brasil has approximately R\$2,516 million to intensify the investments in projects of modernization and business growth support.

**ii. investment funding sources**

Own funds.

**iii. material ongoing and planned divestitures**

Not applicable.

**b. provide, once already disclosed, disclosure of plants acquisition, equipment, patents or other assets which shall significantly impact the production capacity of the issuer**

In 2016, new hardware and software were acquired to develop solutions in a large-scale environment, which expanded data processing and storage capacity by 3% and data storage by 11%.

The acquisition of compact scanners for installation at the service desks reduced customer service time and contributed to raising the level of compliance of processes. Acquisition of IT resources such as microcomputers, printers, servers, password dispenser terminals, customer call terminals, PIN keyboards, check readers and notebooks, replaced obsolete equipment and expanded its availability, modernizing environments optimizing and improving production capacity.

**c. new products and services**

**New products and services, informing: (i) description of the research under development already disclosed; (ii) total amounts spent by the issuer on research to develop new products or services; (iii) projects under development already disclosed; and (iv) total amounts spent by the issuer to develop new products or services.**

There were no specific market research to develop new products and services.

**10.9. Other factors which had a material impact on operating performance**

**Comment on other factors which had a material impact on operating performance and which were identified or commented in the other items of this section.**

Through the Annual Communication Plan (PAC) it is defined the communication objectives and guidelines of the content of communication activities to internal and external audiences, from the strategic guidelines, and allows BB, based on pre-established lines of action, carry out communication activities that contribute to the achievement of the strategic objectives of the Company.

The communication plan of Banco do Brasil has the function to promote BB's brand strategy, its uniqueness communication language, to establish the Bank's lines of action for the promotional compound, to support the Management and the Conglomerate communication needs.

Communication actions are defined to optimize available resources and ensure the adherence of the communication strategy to the strategic guidelines, considering the expectations of all the sectors that composes the brand strategy audiences.

The next table shows the amounts budgeted and accomplished for advertising expenses, promotions and sponsorship.

R\$ million	<b>Budged</b>	<b>Accomplished</b>
Advertising	304	286
Sponsorship	249	230



## 11. PROJECTIONS

The words "believes", "is able to", "will be able to", "shall", "aims to", "estimates", "continues", "anticipates", "intends", "expects", "potential" and other similar words contained in this section are intended to identify estimates and outlooks for the future. Projections and outlooks for the future include information pertaining to results and projections, strategy, financing plans, competitive position, sector environment, potential growth opportunities, the effects of future regulations and the effects of competition. Such projections and outlooks for the future refer only to the date on which they are expressed.

Given the risks and uncertainties described here, the projections may not materialize and therefore do not consist of a guarantee of future performance. Moreover, the future results and performance of Banco do Brasil may differ substantially from those anticipated in its estimates on account, including but not limited to, the risk factors mentioned in this Reference Form (RF), many of which are beyond the Bank's ability to control or predict. Additionally, such estimates are based on assumptions that may not materialize. Given these uncertainties and limitations, investors shall not make their investment decisions based exclusively on the estimates and outlooks for the future contained in this RF.

### 11.1. Market forecasts

#### a. projection subject

Indicators that provide market analysts with input for their projection models for Banco do Brasil's future results. The following indicators are currently disclosed:

Indicator	Measurement method
Adjusted Net Income	Annual net income excluding one-off items.
Adjusted ROE	Percentage observed in the period by the division of Adjusted Net Income by the Average Shareholders' Equity for the period.
NII (Net of Recovery of Write-offs)	variation of the sum of the loan operations, treasury and funding expenses and financial expense for institutional funding, in the period.
Net Interest Income	Corresponds to Gross income from financial intermediation without allowance for doubtful accounts and adjusted for reallocations (Statement with Reallocations).
Commercial Funding	Accumulated variation observed in twelve months. Includes the following balance sheet items: lines of "Demand Deposits", "Savings Deposits", "Interbank Deposits", "Term Deposits", "Agribusiness Letters of Credit - LCA", "Mortgage Bonds - LCI" and "Repurchase agreement with Private Securities".
Organic Domestic Loan Portfolio - Broad Definition	Accumulated variation observed in twelve months. <sup>1</sup>
Individuals	Accumulated variation observed in twelve months. <sup>1</sup>
Businesses	Accumulated variation observed in twelve months. <sup>1</sup>
Rural Loans	Accumulated variation observed in twelve months. <sup>1</sup>
Domestic Loan Portfolio - broad definition	Accumulated variation observed in twelve months. <sup>1</sup>
Individuals	Accumulated variation observed in twelve months. <sup>1</sup>
Businesses	Accumulated variation observed in twelve months. <sup>1</sup>
Agribusiness	Accumulated variation observed in twelve months. <sup>1</sup>
ALLL Expenses net of Recovery of Write-offs	interval of the ALLL expenses net of write-offs.
Allowance for Loan and Lease Losses (ALLL)	Percentage observed in the period, calculated with a basis on the division of expenses with allowance for loan losses (Allowance) by the average loan portfolio of the period (accumulated in 12 months).
Fee Income	Growth percentage expected in the year. The fee income concept comprises, in this case, the sum of the "Service Revenues" and "Banking Fee Income" lines.
Administrative Expenses	Growth percentage expected in the year. The estimated Administrative Expenses include Personnel Expenses and Other Administrative Expenses adjusted for reallocations (Statement with Reallocations).

1 - Comparison between the balances at the end of December of the year in which the projections are valid, with that observed at the end of December of the prior year.

#### b. projected period and validity period of the projections

At Banco do Brasil, the projections indicate amounts expected for the current year. The disclosure of profit/loss of each year (last quarter of each year) includes the indicators expected for the following year. The validity period of the projections is the current year.

The projections refer to statement of income accounts - Adjusted ROE, Net Interest Income, Fee Income and Administrative Expenses are based on non-accounting measurements (Statement with Reallocations).

In a quarterly basis, the monitored indicators are published in the Management Discussion and Analysis, available at [www.bb.com.br/ir](http://www.bb.com.br/ir). Alterations are made in the projected indicators when necessary, with explanations about the reason for deviations and/or differences in relation to the expected amounts. Moreover, since the publication of ICVM 480/09, the disclosure of such monitoring also occurs in an appropriate field of the quarterly financial information form - ITR and in the form of standardized financial statements - DFP.

**c. assumptions of the projections**

**Assumptions influenced by management for the year 2018:**

- I. Current business model maintenance disconsidering the interests disposal or Bank businesses;
- II. Prioritize businesses with better returns, adjusting profitability to sustainable levels, adding value to the shareholder;
- III. Loan portfolio growth in macro strategic sectors observing economic conditions;
- IV. Focus on the relationship, seeking to be the main solution provider, in order to enhance the customer experience and the results;
- V. Digital iservice model intensification, with investments in the operational structure efficiency;
- VI. Do not consider new acquisitions and/or partnerships that might be signed to exploit specific segment; and
- VII. Adjustments in contracts with suppliers and collective bargaining agreement (ACT) aligned with the market.

**Assumptions that are not under Management control for the year 2018:**

- I. National and international regulatory changes in the financial market;
- II. Consistent world economy growth;
- II. Current domestic macroeconomic policy structure maintenance: floating exchange rate, inflation targets and fiscal discipline;
- IV. Gradual reduction in the unemployment level;
- V. Domestic economy (GDP) gradual recovery perspective.

**d. values of the indicators subject of the forecast**

We present in the following table the original forecast:

Indicator	Forecast 2018	Forecast		
		2017	2016	2015
Adjusted Net Income - R\$ billion	11.5 to 14	9.5 to 12.5	-	-
Adjusted ROE	-	-	11% to 14%	14% to 17%
Commercial funding	-	-	-	5% to 9%
NII (Net of Recovery of Write-offs)	-5% to 0%	0% to 4%	-	-
Net Interest Income	-	-	7% to 11%	9% to 13%
Organic Domestic Loan Portfolio - Broad Definition	1% to 4%	1% to 4%	-	-
Individuals	4% to 7%	4% to 7%	-	-
Companies	-3% to 0%	-4% to -1%	-	-
Rural Loans	4% to 7%	6% to 9%	-	-
Domestic loan portfolio – broad definition	-	-	3% to 6%	7% to 11%
Individual client portfolio	-	-	5% to 8%	6% to 10%
Business loan	-	-	1% to 4%	7% to 11%
Agribusiness Loan	-	-	6% to 9%	10% to 14%
All Expenses net of Recovery of Write-offs - R\$ billion	-19% to -16%	-23.5% to -20.5%	-	-
Allowance for loan losses	-	-	3.7% to 4.1%	2.7% to 3.1%
Fee Income	4% to 7%	6% to 9%	7% to 11%	7% to 10%
Administrative expenses	1% to 4%	1.5% to 4.5%	5% to 8%	5% to 8%

**11.2. Projections on the developments of indicators****a. alterations or substitutions of projections**

The projections for 2018 involve the same indicators that were provided and monitored during the year 2017.

**b. projections relating to periods already elapsed - Projected x Realized**

With regard to projections for periods already elapsed, CVM regulations determine the need to publish comparisons between the projected data and those realized, clearly indicating the reasons for deviations in the projections.

**In the following tables we present the projection results e changes made in the indicators ranges:**

**Forecasts and observed results for the year 2017**

Indicator	Initial Forecast	1Q17		1H17		9M17		2017
		Observed	Revision	Observed	Revision	Observed	Revision	Observed
Adjusted Net Income - R\$ billion	9.5 to 12.5	2.5	Maintained	5.2	Maintained	7.9	Maintained	11.1
NII (Net of Recovery of Write-offs)	0% to 4%	0.8%	Maintained	0.3%	-4% to 0%	-2.2%	Maintained	-3.8%
Organic Domestic Loan Portfolio - Broad Definition	1% to 4%	-9.2%	Maintained	-6.6%	-4% to -1%	-6.9%	Maintained	-3.2%
Individuals	4% to 7%	1.6%	Maintained	1.0%	2% to 5%	1.1%	Maintained	2.7%
Companies	-4% to -1%	-19.6%	Maintained	-14.5%	-11% to -8%	-16.0%	Maintained	-10.6%
Rural Loans	6% to 9%	5.7%	Maintained	3.7%	Maintained	5.0%	Maintained	6.1%
All Expenses net of Recovery of Write-offs - R\$ billion	-23.5 to -20.5	-5.8	Maintained	-11.0	Maintained	-16.2	Maintained	-20.1
Fee Income	6% to 9%	12.3%	Maintained	10.0%	Maintained	9.9%	Maintained	9.0%
Administrative expenses	1.5% to 4.5%	-0.4%	Maintained	-0.9%	-2.5% to 0.5%	-2.7%	Maintained	-3.1%

## Forecasts and observed results for the year 2016

Indicator	Initial Forecast	1Q16		1H16		9M16		Dec/16	2016
		Observed	Revision	Observed	Revision	Observed	Revision	Revision	Observed
Adjusted ROE <sup>1</sup>	11% to 14%	5.6%	9% a 12%	6.6%	Maintained	7.6%	8% to 10%	7% to 8%	7.5%
Net Interest Income	7% to 11%	13.7%	Maintained	15.6%	11% to 15%	15.0%	Maintained	Maintained	13.0%
Domestic loan portfolio – broad definition <sup>2</sup>	3% to 6%	4.0%	Maintained	1.2%	-2% to 1%	-3.4%	-9% to -6%	Maintained	-8.6%
Individual client portfolio	5% to 8%	8.7%	Maintained	6.3%	Maintained	3.6%	1% to 4%	Maintained	1.5%
Business loan	1% to 4%	-0.9%	Maintained	-5.4%	-10% to -6%	-10.8%	19% to -16%	Maintained	-19.2%
Agribusiness Loan	6% to 9%	9.8%	Maintained	9.6%	Maintained	4.5%	4% to 7%	Maintained	2.8%
Allowance for loan losses <sup>3</sup>	3.7% to 4.1%	3.9%	4% a 4.4%	4.3%	Maintained	4.4%	Maintained	4.5% to 4.6%	4.6%
Fee Income	7% to 11%	2.5%	Maintained	7.6%	Maintained	7.0%	Maintained	6% to 7%	6.8%
Administrative expenses	5% to 8%	2.5%	Maintained	2.6%	Maintained	4.2%	4% to 6%	Maintained	3.5%

1 - Adjusted ROE for 2016 includes estimates of adjusted shareholders' equity, free from the effects of: (i) the restatement of assets and actuarial, liabilities arising from the Deliberation CVM 695; and (ii) minority interests in subsidiaries.

2 - Includes classified loan portfolio in Brazil, private securities and guarantees.

3 - Accumulated 12 months ALLL expenses/12 months average classified loan portfolio.

### By the end of the fiscal year, the reasons for deviations between the forecast and the actual observed results were:

- I. Companies Loan Portfolio: results impacted by lower demand and amortizations of securities combined effect;
- II. Agribusiness Loan Portfolio: performance reflects the amortizations in agribusiness portfolio;
- III. performance reflects the amortizations in agribusiness portfolio;

## Forecasts and observed results for the year 2015

Indicator	Initial Forecast	1Q15		1H15		9M15		2015
		Observed	Revision	Observed	Revision	Observed	Revision	Observed
Adjusted ROE <sup>1</sup>	14% to 17%	14.5%	Maintained	14.2%	Maintained	13.7%	13% to 16%	13.0%
Net Interest Income	9% to 13%	17.6%	Maintained	14.2%	11% to 15%	13.6%	Maintained	13.3%
Commercial funding <sup>2</sup>	5% to 9%	6.0%	Maintained	3.8%	Maintained	6.4%	Maintained	5.9%
Domestic loan portfolio – broad definition <sup>2</sup>	7% to 11%	9.5%	Maintained	6.4%	Maintained	7.1%	Maintained	5.9%
Individual client portfolio	6% to 10%	7.1%	Maintained	7.8%	Maintained	8.1%	Maintained	7.5%
Business loan	7% to 11%	11.0%	Maintained	5.4%	Maintained	5.9%	5% to 9%	5.0%
Agribusiness Loan	10% to 14%	9.0%	Maintained	7.1%	Maintained	8.5%	Maintained	6.1%
Allowance for loan losses <sup>4</sup>	2.7% to 3.1%	3.1%	Maintained	3.1%	3.1% to 3.5%	3.3%	Maintained	3.6%
Fee Income	7% to 10%	9.9%	3% to 6%	9.1%	Maintained	9.5%	7% to 10%	9.2%
Administrative expenses	5% to 8%	6.4%	Maintained	7.2%	Maintained	6.9%	Maintained	6.9%

1 - Adjusted ROE for 2015 uses adjusted shareholders' equity.

2 - Includes total deposits, Agribusiness Letters of Credit - LCA, Mortgage Bonds - LCI and Repurchase Agreement Operations with Private Securities.

3 - Includes Private Securities and Guarantees.

4 - ALLL expenses from the last 12 months / average classified loan portfolio for the same period.

### By the end of the fiscal year, the reasons for deviations between the forecast and the actual observed results were:

- I. Companies Loan Portfolio: outcome of a lower demand;
- II. Agribusiness Loan Portfolio: result impacted by a lower demand for the crop trading and investment credit lines;
- III. ALLL Expenses: results impacted by economic conditions and the lower portfolio growth.

### c. projections relative to ongoing periods:

The following table shows the earlier forecast for 2018 and the results realized until March, 2018.

Indicator	Initial Forecast	1Q18	
		Observed	Revision
Adjusted Net Income - R\$ billion	11.5 to 14	3.0	Maintained
NII (Net of Recovery of Write-offs)	-5% to 0%	-11.5%	Maintained
Organic Domestic Loan Portfolio - Broad Definition	1% to 4%	-1.3%	Maintained
Individuals	4% to 7%	2.9%	Maintained
Companies	-3% to 0%	-7.3%	Maintained
Rural Loans	4% to 7%	6.4%	Maintained
All Expenses net of Recovery of Write-offs - R\$ billion	-19 to -16	-4.2	Maintained
Fee Income	4% to 7%	5.4%	Maintained
Administrative expenses	1% to 4%	-0.2%	Maintained

**In 1Q18, the following indicators showed differences from the expected:**

- I. NII (Net of Recovery of Write – offs): as a result of the lower net loan portfolio disbursement in the quarter. The trend for the year remains within our expectations;
- II. Organic Domestic Loan Portfolio – Expanded View: impacted mainly due to the companies' portfolio performance;
- III. Individuals Portfolio: performance within our expectations for the year, where the largest growth is expected to occur in the second half;
- IV. Companies Portfolio: within our expectations for the year;
- V. Administrative Expenses: influenced by continued expenditure management and improved efficiency.

## **12. SHAREHOLDER'S MEETING AND MANAGEMENT**

### **12.1. Description of the administrative structure of Banco do Brasil**

#### **Description of the administrative structure of Banco do Brasil, as set forth in its Bylaws and internal rules:**

The management bodies of Banco do Brasil are composed by Brazilian people with recognized knowledge, including about the best corporate governance practices, experience, moral competency, impeccable reputation and technical capacity compatible with the position:

- I. the Board of Directors; and
- II. the Executive Board, composed of the Board of Directors and Executive Officers, all of them resident in Brazil, pursuant to art. 24 of the Bylaws.

#### **a. duties**

##### **Board of Directors**

The Board of Directors has, as prescribed by law and the Bylaws of Banco do Brasil, strategic, guiding, elective and auditing functions, not including operational or executive functions, and is composed of eight members elected by the General Meeting, two-year term unified management, allowing up to three consecutive renewals.

Of the eight positions in the Board of Directors, at least two will be assumed by Independent Directors, indicated by the minority shareholders, in accordance with the minimum percentage of 25% defined by Law 13,303/2006, if a higher number is not assigned to them by the multiple vote process.

The Federal Government should indicate up to six members of the Board of Directors. Among them, a representative will be chosen by direct ballot of his/her pairs, among the Company's active employees, in a ballot organized and regulated by the Bank, together with unions that represent them, in accordance with the provisions of Law 12,353, of 12.28.2010. To exercise this function, the counselor that is the representative of employees is subject to all criteria, requirements, and prohibitions provided for in the Law and in these Bylaws. Moreover, this representative shall not take part in the discussions and deliberations in which there is a characterized conflict of interest, such as trade union relations, employee pay, benefits and advantages, as well as supplementary pension and care/aid matters, among other subjects in which conflict of interest is set up. The other representatives of the Federal Government are nominated by the Minister of Finance, who nominates three representatives, besides a representative nominated by the Minister of Planning, Budget and Management and the CEO of Banco do Brasil.

The Board of Directors decides by majority of votes, except for the followings issues, which require favorable vote of at least five Directors.

- I. approval of the Policies, Code of Ethics, Standard of Conduct, Governance Code, Annual Chart of Public Policies and Corporate Governance, Regulations on Tendering, Corporate Strategies, Investment Plan, Master Plan and General Budget of Banco do Brasil;
- II. definition of the assignments of the Internal Audit department, regulation its operation, and appoint and dismiss its head;
- III. choose and dismiss the independent auditors, and
- IV. approve its internal rules and decide on the creation, discontinuation and operation of non-statutory advisory committees within the sphere of the Board of Directors.

The approval of other issues depends on the favorable vote of the majority directors attending the meeting, prevailing in case of parity, the vote of the Chairman of the Board, or his/her alternate in the exercise of the functions.

According to article 21 of the Bylaws of Banco do Brasil, the Board of Directors is responsible for the following assignments: (I) approve the Policies, Code of Ethics, Standard of Conduct, Governance Code, Annual Chart of Public Policies and Corporate Governance, Regulations on Tendering, Corporate Strategies, Investment Plan, Master Plan and General Budget of Banco do Brasil; (II) to decide on: (a) distribution of interim dividends including to the retained earnings account or profit reserves existing in

the last annual or semi-annual balance sheet; (b) payment of interest on own capital; (c) acquisition of own shares, on a non-permanent basis; (d) interest held by the Bank in companies, in Brazil or abroad; (e) fundraising through instruments eligible to the core capital; (f) change of values defined in items I and II of Article 29 of Law # 13303/16; (III) analyze, at least on a quarterly basis, the accounting statements and other financial statements, with no damage to the work of the Supervisory Board; (IV) express opinion about the proposals to be submitted to the shareholders' decision during the Meeting; (V) supervise the risks management systems and internal controls; (VI) define subjects and values to its own decision scope and that of the Executive Board, upon proposal by the Board of Officers; (VII) identify the existence of properties that are not of the Bank's own use and evaluate the need for keeping these, according to the information provided by the Board of Officers; (VIII) to define the duties of the Internal Audit department, regulate its operation, as well as appoint and dismiss its head; (IX) choose and remove the independent auditors, whose names may be subject to appropriately grounded veto by the Director elected in the manner of Paragraph 2 of art. 19 of these Bylaws, if any; (X) fix the number and elect the members of the Executive Board and define its duties, in compliance with art. 24 of these Bylaws and the provisions of art. 21 of Law 4595, of December 31, 1964; (XI) approve its Internal Rule and decide on the creation, discontinuation and operation of non-statutory advisory committees within the sphere of the actual Board of Directors; (XII) approve the Internal Rules of the advisory committees bound to it, as well as the Internal Rules of the Executive Board and Board of Officers; (XIII) decide on the profit sharing or gain sharing of the Bank's employees; (XIV) present the General Meeting with a triple list of specialized companies to determine the economic value of the company, for the purposes provided for in the sole Paragraph of art. 10; (XV) - establish a profitability target that guarantees the adequate remuneration of own capital; (XVI) elect and dismiss the members of committees within the sphere of the actual Board; (XVII) formally appraise by the end of each year, its own performance, that of the Executive Board, of the Executive Secretariat, of the committees bound to it and of the General Auditor and, by the end of each semester, the performance of the President of the Bank; (XVIII) formally express its position upon performance of public offerings for the acquisition of shares issued by the Bank; and (XIX) decide on the omissions in these Bylaws, restricted to issues of strategic nature under its competence.

In addition to the duties defined in the applicable regulations and in the Bylaws, it is incumbent upon the Board:

- I. choose the temporary members and respective alternates of the Board of Trustees of Fundação Banco do Brasil;
- II. approve, at the Board of Trustees' proposal, the change of the Bylaws of Fundação Banco do Brasil, and
- III. determine the engagement of specialists and experts to better instruct the matters submitted to their deliberation.

The current composition of the Board of Directors is shown in item 12.5 of this Reference Form.

### **Audit Committee**

The Audit Committee of Banco do Brasil is a permanent body whose purpose is to advise the Board of Directors regarding the exercise of its audit and supervisory functions. According to art. 33 of the Bylaws, with the attributions and functions provided for in the legislation, the Committee shall be composed of at least three and at most five effective members, most of which independent ones, with 3-year annual terms respecting the rule that the substitution of all members should not occur simultaneously.

The members of the Audit Committee shall be elected by the Board of Directors and shall comply with the minimum conditions of eligibility and the prohibitions for the position set out in the Bank's Indication and Succession Policy and applicable regulations, as well as described in the Bylaws and its Internal Rules. In addition, the Audit Committee shall observe the following criteria: (I) at least one regular member will be chosen among those appointed by the members of the Board of Directors elected by the minority shareholders; (II) the other members will be chosen among those appointed by the members of the Board of Directors representing the Federal Government; (III) at least one of the members of the Audit Committee shall have proven knowledge in the areas of accounting and auditing.

A member of the Audit Committee that fails to appear, with or without justification, at three (3) consecutive ordinary meetings or at four (4) alternate meetings in the period of twelve months will be

removed from office, except in cases of force majeure or acts of God, and at any time, by decision of the Board of Directors.

It is responsibility of the Audit Committee to permanently supervise and evaluate the activities of the independent audit, as well as to exercise its attributions and responsibilities with the controlled companies that adopt the single Audit Committee regime. The Committee is also responsible for monitoring and evaluating internal audit activities, evaluating and monitoring the Bank's risk exposures, following accounting practices and information transparency, as well as advising the Board of Directors on deliberations on matters within its competence, notably those related to the supervision of the Bank's management and strict compliance with the principles and rules of compliance, corporate accountability and governance.

The operation of the Audit Committee shall be regulated by its internal rules, observing that it shall meet: (I) ordinarily, at least four times a month; (II) monthly, with the Board of Directors; (III) on a quarterly basis, with the Board of Directors, Internal Audit and Independent Audit; (IV) with the Fiscal Council, the Board of Directors and the Risk and Capital Committee, at the request of these Boards, to discuss policies, practices and procedures identified within their respective competencies; (V) extraordinarily, upon convening the coordinator, whenever deemed necessary by any of its members or at the request of the Bank's Management. The Audit Committee may invite to participate, without the right to vote, its meetings: (a) members of the Fiscal Council and of the Risk and Capital Committee; (B) the incumbent and other representatives of the Internal Audit; And (c) any member of the Executive Board or Bank's employees.

In conformity with sole paragraph of art. 2 of its Internal Regulations, the Audit Committee will also exercise its duties and responsibilities along to the societies controlled by Banco do Brasil which adopt the single Audit Committee model.

Moreover, the Audit Committee has the following attributions, in addition to those provided in pertinent legislation: (I) to establish the operating rules for its activities and to submit them for approval by the Board of Directors; (II) to review the semiannual financial statements prior to publication, including the notes to the financial statements, management report and the independent auditors' report; (III) to evaluate the effectiveness of the internal control; (IV) to evaluate the effectiveness of the independent and internal audits, including the checking compliance with legal and normative provisions, in addition to internal regulations and codes; (V) to recommend to the Board of Directors, the entity to be contracted for the rendering of independent auditing services, as well as the replacement of the provider of these services, if it considers this necessary; (VI) to evaluate the Annual Plan of Activities of Internal Audit (PAINT), the Annual Report of Activities of Internal Audit (Raint), the Working Agreement, budget and proposals for fixing the attributions and regulations the functioning of internal audit; (VII) to evaluate and monitor the risk exposures of Banco do Brasil, pursuant to Law 13,303/2016; (VIII) to recommend to correction or improvement of policies, practices and procedures identified in the scope of its attributions; (IX) to evaluate compliance, by the Board of Executive Officers, with recommendations made by audit committee an the independent or internal auditors; (X) to review reports to the Board of Directors that deal with internal control systems; (XI) to evaluate the reasonableness of the parameters underlying the actuarial calculations, as well as the actuarial result of the benefit plans held by the closed private pension entities sponsored by Banco do Brasil; (XII) establish and disclose procedures for receiving and processing information about noncompliance with legal and regulatory provisions applicable to Banco do Brasil, in addition to internal regulations and codes, including specific procedures for protection of the provider, such as anonymity and confidentiality of information; (XIII) to notify the Board of Directors and the Central Bank of Brazil, within a maximum of three working days from the date on which it becomes aware, of the existence or evidences of error or fraud represented by: (a) non-compliance with legal and regulatory standards which jeopardize the institution continuity; (b) frauds of any value perpetrated by statutory officers of the institution; (c) material fraud perpetrated by BB's employees or third parties; (d) errors that result in material misstatements in the financial statements of the institution; (XIV) to evaluate the reports related to the Ombudsman's activities on the base dates of June 30, December 31 and whenever relevant occurrence is identified; (XV) to follow the fairness work contracted on demand by the Board of Directors to ensure that they are adhering to best practices; (XVI) take note of the results of the Central Bank of the Brazil findings; (XVII) to propose to the Board of Directors the constitution of the Audit Committee in companies related to BB, if it deems it appropriate, in compliance with the requirements set forth in the legislation; (XVIII) to evaluate any discrepancies between the independent auditors and the Executive Board regarding financial statements and financial reports and report to the Board of Directors; (XIX) to evaluate and monitor the adequacy of transactions with related parties, pursuant to Law



13,303/2016; (XX) fulfill other duties determined by the Board of Directors and by the Central Bank of Brazil.

The members of the Audit Committee shall have complete independence in the performance of their duties, and shall keep the information received as confidential.

The composition of the Audit Committee is shown in item 12.7 of this Reference Form.

### **Remuneration and Eligibility Committee**

The Remuneration and Eligibility Committee, in accordance with art. 34 of the Bylaws and arts. 2 and 3 of its Internal Regulations, works permanently and has the purpose of advising the Board of Directors in the establishment of the policy of remuneration of directors and the policy of appointment and succession of Banco do Brasil. It will be constituted by 05 (five) effective members, with a mandate of two years, being allowed a maximum of three renewals.

The members of the Remuneration and Eligibility Committee shall be elected by the Board of Directors and shall comply with the minimum conditions of eligibility and the prohibitions for the position set forth in the Bank's Indication and Succession Policy and in the applicable regulations, as well as determined in the Bylaws and in its Internal Rules. The Committee shall be composed as follows: (I) 01 (one) member chosen from among the members of the Board of Directors appointed by the minority shareholders; (II) 01 (one) member chosen from among the members of the Board of Directors appointed by the Federal Government; and (III) 03 (three) members chosen by Board of Directors, observing that the Committee should be composed in its majority by independent members.

The Remuneration and Eligibility Committee shall meet: (I) ordinarily, at least every six months to evaluate and propose to the Board of Directors the fixed and variable remuneration of the administrators of the Bank and its subsidiaries that adopt the single Committee regime; (II) ordinarily in the first three months of the year to evaluate and propose the annual global amount of remuneration to be fixed for the members of the Board of Directors, to be submitted to the BB's General Meetings and the companies that adopt the single Remuneration Committee; (III) by summoning the coordinator, to comment on the fulfillment of the requirements and the absence of fences of the nominees for positions in the Boards of Directors, the Fiscal Council and the advisory committees to the Board of Directors; (IV) by summoning the coordinator, to verify the evaluation process of the administrators, of the members of the advisory committees to the Board of Directors and of the fiscal council members; (V) upon summoning by the coordinator, whenever deemed necessary by any of its members or at the request of the Bank's Management.

In addition to the responsibilities established in the Bank's Bylaws, the Remuneration and Eligibility Committee is responsible for: (i) elaborating the remuneration policy for Banco do Brasil's administrators, proposing to the Board of Directors the forms of fixed and variable remuneration, as well as benefits and special recruitment and termination programs; (II) supervise the implementation and operation of the Bank's remuneration policy; (III) annually review of the remuneration policy of the Bank's administrators, recommending to the Board of Directors its correction or improvement; (IV) to propose to the Board of Directors the amount of the overall compensation of the administrators to be submitted to the General Meeting, pursuant to art. 152 of Law 6,404, of 1976; (V) evaluate future internal and external scenarios and their possible impacts on the remuneration policy of administrators; (Vi) to analyze the Bank's remuneration policy in relation to market practices, with a view to identifying significant discrepancies in relation to similar companies, proposing the necessary adjustments; (VII) ensure that the remuneration policy of the administrators is permanently compatible with the risk management policy, the institution's current and expected financial goals and the legal provisions; (VIII) to propose to the Board of Directors the constitution of a Remuneration Committee in the BB's affiliated companies, subject to the requirements set forth in the legislation; (IX) fulfill other duties determined by the Board of Directors and by the Central Bank of Brazil; (X) to opine, in order to assist shareholders in the appointment of administrators, members of the advisory committees to the Board of Directors and fiscal council members, on the fulfillment of the requirements and the absence of fences for the respective elections; and (XI) to verify the evaluation process of the administrators, of the members of the advisory committees to the Board of Directors and of the fiscal council members.

The composition of the Remuneration and Eligibility Committee is shown in item 12.7 of this Reference Form.

### **Risk and Capital Committee**

The Risk and Capital Committee operates on a permanent basis and it is the collegiate body that reports to the Board of Directors and aims to advise the Board on the exercise of its functions related to risk and capital management. In accordance with art. 35 of the Bylaws, the Committee shall be composed of four effective members, with a two-year term, admitted for up to three consecutive renewals, in accordance with current regulations. The members of the Risk and Capital Committee shall be elected by the Board of Directors, obeying the minimum conditions of eligibility and the prohibitions for the exercise of the function set forth in the Bank's Indication and Succession Policy and in the applicable regulations, as well as determined in the Bylaws and in its Internal Rules, being: (I) one member chosen from among the Board of Directors members appointed by the Federal Government; (II) one member chosen from among the Board of Directors members elected by minority shareholders; and (III) two external members.

The operation of the Risk and Capital Committee shall be regulated by its Internal Rules, and it shall meet: (I) ordinarily, at least once a month at a date, place and time established by its coordinator; (II) bimonthly with the Board of Directors; (III) quarterly, with the Board of Directors; (IV) with the Fiscal Council, the Board of Directors and the Audit Committee, at the request of these collegiate boards, to discuss policies, practices and procedures identified within their respective competencies; (V) extraordinarily, upon convening the coordinator, whenever deemed necessary by any of its members or at the request of the Bank's Management.

The Risk and Capital Committee duties are: (I) to establish the operational rules for its operation and submit them to the Board of Directors for approval; (II) to advise the Board of Directors on risk and capital management, providing the Bank with a comprehensive and integrated view of risks and their impacts; (III) to evaluate proposals for revising the Declaration of Appetite and Risk Tolerance and the Capital Plan; (IV) to assess the levels of risk appetite set forth in the Declaration of Appetite and Risk Tolerance and the strategies for its management, considering risks individually and in an integrated way; (V) to oversee compliance by the Bank's Executive Board with the terms of the Declaration of Appetite and Risk Tolerance; (VI) to evaluate proposals for the creation and revision of policies related to risk and capital management; (VII) to supervise the compliance with policies related to risk and capital management; (VIII) to supervise the degree of adherence of the processes of the risk management structure to the policies related to risk and capital management; (IX) to supervise the performance and performance of the Vice-President of Internal Controls and Risk Management; (X) to evaluate and report to the Board of Directors reports on risk and capital management processes; (XI) to propose, at least annually, recommendations to the Board of Directors on: (a) the policies, strategies and limits of risk management; (b) capital management policies and strategies, which establish procedures to maintain the Reference Equity (PR), Level I and Principal Capital, as referred to in Resolution No. 4,192, dated March 1, 2013, at levels compatible with risks incurred; (c) the stress testing program, in accordance with current regulations; (d) policies and strategies for business continuity management; (e) the Liquidity Contingency Plan; (f) the Capital Plan and the Capital Contingency Plan; (XII) to take note of the work carried out by internal and external audits relevant to risk and capital management and their results; (XIII) to keep records of its deliberations and decisions; (XIV) regularly position the Board of Directors on the activities of the Committee; (XV) fulfill other duties determined by the Board of Directors. The members of the Committee shall have independence in the exercise of their duties, and shall keep the information received as confidential.

### **Fiscal Council**

It is the body that supervises the actions of the management and operates on a permanent basis. In accordance with the Bylaws, art. 39, the Council shall be composed of five members and respective alternates, elected at a General Meeting, with a 2-year term performance, and the minority shareholders are entitled to choose two of the members. The Fiscal Council will meet, ordinarily, once a month, and extraordinarily whenever deemed necessary by any of its members or by the Management of Banco do Brasil, and will also participate in meetings of the Board of Directors deciding on issues that require their opinion (arts. 40, § 1, and 41 of the Bylaws).

Pursuant to Law 6,404/76, art. 163, the Fiscal Council should: (I) to supervise, by any of its members, the actions of management and ensure the compliance with their legal and statutory duties; (II) to express an opinion on the annual management report, including in its opinion the supplementary information considered necessary or useful to the decision of the General Meeting; (III) to express an opinion on the proposals of the management bodies, to be submitted to the General Meeting, in regard to the change of the capital stock, issuance of debentures or subscription warrants, investment plans or capital budgets, distribution of dividends, transformation, merger, amalgamation or spin-off; (IV) to

denounce, by any of its members, to the management bodies and, if they fail to take the necessary measures to protect the company's interests, to the General Meeting, the errors, frauds or crimes discovered by them, and suggest useful actions to the company; (V) to call the ordinary General Meeting, if the management bodies postpone this call for more than 1 (one) month, and the extraordinary General Meeting whenever there are serious or urgent reasons, including in the agenda of the meetings the issues considered necessary; (VI) to analyze, at least on a quarterly basis, the trial balance and other financial statements regularly prepared by the company; (VII) to examine the financial statements for the fiscal year and express an opinion on them; (VIII) to exercise these assignments, during the settlement, considering the special provisions that regulate it.

In addition to the determinations of said Law and of the Bylaws of Banco do Brasil, the Fiscal Council is also responsible for the following assignments: (I) to consider the proposal of the Annual Internal Audit Activities (PAAAI) and monitor its implementation; (II) to request to the Internal Audit the disclosure of the reports produced on the facts of the Bank's management, and check specific facts; (III) to decide on the Internal Rules of the Council; and (IV) to supervise, by any of its members, the acts of management and check if they are in compliance with their legal and statutory duties.

The current composition of the Fiscal Council is shown in item 12.5 of this Reference Form.

### **Executive Board**

The Executive Board, body responsible for the Bank management, shall have from 10 to 38 members (one President, up to 10 Vice-Presidents that comprise the Executive Board of Directors and up to 27 Executive Officers). The elected members will have a 2-year unified management term, allowed up to three consecutive renewals. The CEO of Banco do Brasil is appointed and may be dismissed by the President of Brazil, according to the law. The Vice-Presidents and Executive Officers are elected by the Board of Directors upon indication by the CEO of Banco do Brasil. The position of Officer is restricted to active employees.

The assignments of the Executive Board are stated in art. 28 of the Bylaws of Banco do Brasil, whereby the Executive Board is responsible for complying with the Bylaws, the decisions of the General Shareholders' Meeting and of the Board of Directors and for ensuring that they are complied with, and for exercising the assignments defined by the Board of Directors, always observing the principles of good banking technique and the corporate governance procedures.

The individual assignments of the members of the Executive Board are shown in item 12.1.d of this Reference Form.

The composition of the Executive Board of Banco do Brasil is shown in item 12.5 of this Reference Form.

### **Management Board**

The Management Board is composed of the President and Vice-Presidents, composing the Executive Board together with the other Executive Officers of Banco do Brasil.

Pursuant to art. 29 of the Bylaws, the Management Board is responsible for the following: (I) to submit to the Board of Directors, through the Bank's CEO, or by the Coordinator designated thereby, proposals for its decision, especially about the matters listed in subsections I, II, XII, XIII of art. 21 of these Bylaws; (II) to enforce execution of the policies, the corporate strategy, the investment plan, the master plan and the general budget of the Bank; (III) to approve and enforce execution of the market plan and the work agreement; (IV) to approve and ensure the execution of the allocation of funds to operating activities and for investments; (V) to authorize the disposal of items of the non-current assets, the recording of actual burden, the granting of collaterals for third-party liabilities, the waiver of rights, the transaction and the business rebate, with option of granting these powers with express limitation; (VI) to decide on the career plans, salaries, advantages and benefits, and approve the Personnel Rules of the Bank, observing the legislation in force; (VII) to distribute and apply profits, as approved at the General Shareholders' Meeting or by the Board of Directors, observing the legislation in force; (VIII) to decide on the creation, installation and suppression of branches or agencies, offices, premises and other points of service in Brazil and abroad, with option of granting these powers with express limitation; (IX) to decide on the internal organization of the Bank, the administrative structure of the directorships and aces and the creation, discontinuation and functioning of committees in the sphere of the Executive Board and of administrative units; (X) to fix the duties and levels of authority of the committees and of the administrative units, of the regional bodies, of the distribution networks and of the other bodies of the internal structure, besides those of the Bank employees, allowing the granting of these powers with

express limitation; (XI) to authorize, provided that the security and proper compensation in each case has been formerly verified, the granting of loans to social assistance entities and to communication companies, as well as the financing of public service work, with option of granting these powers with express limitation; (XII) to decide on the granting of contributions for social purposes to foundations created by the Bank, limited, every year, to 5% (five per cent) of the operating result; (XIII) to approve the criteria for selection and appointment of members, in compliance with applicable legal and regulatory regulations, to compose the boards of companies and institutions in which the Bank, its subsidiaries, controlled or affiliated companies participate or have the right to indicate a representative; and (XIV) to decide on situations not included in the assignments of another management body and on extraordinary cases, within its competence.

The grants of authority provided for in items V, VIII, X and XI above, when destined to produce effects before third parties, will be formalized through an instrument of mandate signed by the President and one Vice-President or by two Vice-Presidents.

Management Board's decisions bind the entire Executive Board.

### **Strategic Committees**

Decisions are taken collectively at all levels of the Bank. With the purpose of involving the organizational units in the definition of guidelines and approval of proposals for BB's different businesses, the Management uses committees at a strategic level, in the Executive Board sphere, which decide on issues of corporate scope and ensure the agility and security for the process of decision-making. The main strategic committees are:

### **Management of Risks, Assets, Liabilities, Liquidity and Capital Superior Committee**

The purpose of the Management of Risks, Assets, Liabilities, Liquidity and Capital Superior Committee is:

- I. to approve, in regard to Risk Management:
  - a. to define global limits of the risk exposure;
  - b. the strategy for risk management;
  - c. the global limits of the risk exposure, except for global credit and market risk limits;
  - d. the specific exposure limits with third countries;
  - e. the risks contingency plans;
  - f. the risk factors;
  - g. the methodologies, criteria and parameters for calculation provisions for contingent claims.
- II. to approve, in regard to Internal Controls:
  - a. the methodologies of identification and classification of weaknesses in the internal control system;
  - b. the manager accountability models in relation to the generation of information to be disclosed to the market;
  - c. the classification of weaknesses identified in the internal controls that might affect the integrity of the financial statements;
  - d. the measures for the correction of the weaknesses identified in the internal control system.
- III. to approve, in regard to Capital Management:
  - a. the capital management strategy;
  - b. the adoption of the measures in the capital contingency plan;
- IV. to approve, in regard to Management of Assests, Liabilities and Liquidity:
  - a. the strategy for the management of assets, liabilities and liquidity;
  - b. guidelines for treasury's operations, observing the global risk limits;
  - c. the Conglomerate's liquidity management guidelines;

- d. corrective measures of mismatches and other corrective measures related to the management of funding and reserve requirements;
- V. to pronounce on:
- a. policies related to:
    - i. risk management;
    - ii. internal controls;
    - iii. capital management;
    - iv. management of assets, liabilities and liquidity;
  - b. the Risk Appetite and Tolerance Statement;
  - c. the Capital Plan;
  - d. the Internal Capital Adequacy and Assessment Process (ICAAP) Report;
  - e. the global exposure limits for credit and market risks;
- VI. to monitor:
- a. the macroeconomic scenario;
  - b. the evolution of provisions related to:
    - i. loan and lease losses;
    - ii. contingent demands;
    - iii. securities and derivatives (mark-to-market and/or mark-to-model);
    - iv. actuarial exposures; and
    - v. other exposures;
  - c. the reports related to:
    - i. risk management;
    - ii. internal controls;
    - iii. capital management;
    - iv. management of assets, liabilities and liquidity;
  - d. the evaluations, actions and reports related to the management of funding and reserve requirements;
  - e. the implementation of recommendations and guidelines deliberated by the Committee.

The composition of the Committee is shown in item 12.7 of this Reference Form.

### **Management of Risks and Internal Controls Executive Committee**

The purpose of the Management of Risks and Internal Controls Executive Committee is:

- I. in regard to the Risk Management:
  - a. to approve:
    - i. models, methodologies, techniques, indicators, metrics, criteria and parameters applied to risk management;
    - ii. the specific exposure limits with third countries;
    - iii. other specific exposure to risk limits; measures and instruments to mitigate risks and/or losses;
    - iv. the description of the risk factors;
    - v. models and methodologies related to the business continuity management process (GCN);
    - vi. the need of new provisions, strengthening or reversal of provisions for contingent liabilities (PDC);
  - b. to pronounce on:

- i. the risk inventory and the set of corporate relevant risks;
    - ii. strategies for risk management;
    - iii. total risk exposure limits, but total credit and market risks limit;
    - iv. risk contingency plans;
    - v. risk factors;
    - vi. methodologies, criteria and parameters to calculate provision for contingent liabilities.
  - c. to monitor:
    - i. the macroeconomic scenario;
    - ii. the evolution of provisions related to:
      - 1. loan and lease losses;
      - 2. contingent demands;
      - 3. securities and derivatives (mark-to-market and/or mark-to-model);
      - 4. actuarial exposures; and
      - 5. other exposures;
    - iii. individual re-examination and reclassifications of liabilities subject to provision, considering material or strategic claims;
    - iv. issues related to the business continuity management process (GCN);
- II. in regard to Internal Controls:
  - a. to pronounce on:
    - i. methodologies to identify and classify deficiencies of internal controls system;
    - ii. models to designate responsibility to managers for information to be released to the market;
    - iii. classification of deficiencies which may affect the integrity of the financial statements.;
    - iv. measures to reform deficiencies identified on internal controls system.
  - b. to monitor:
    - i. the results of internal controls evaluations, defining improvement measures, when necessary;
    - ii. the result of validations inherent to risk management, deciding on the implementation of models and/or adoption of corrective measures, when necessary;
    - iii. the planning and execution of risk management validation;
- III. monitor the implementation of measures recommendations and guidelines decided by the Committee.

### **Management of Risks, Assets, Liabilities, Liquidity and Capital Executive Committee**

The purpose of the Management of Risks, Assets, Liabilities, Liquidity and Capital Executive Committee is:

- I. regarding to assets, liabilities and liquidity management:
  - a. to approve:
    - i. guidelines for funding and liabilities management;
    - ii. guidelines for the hierarchization of funding products;
  - b. to pronounce on:
    - i. strategies for assets, liabilities and liquidity management;
    - ii. guidelines for treasury operation, observing the total risk limits;
    - iii. guidelines for the Conglomerate liquidity management;

- iv. measures to correct mismatches and other corrective measures related to funding and liabilities;
- v. the evaluation, measures and reports regarding funding and liabilities management;
- II. regarding to capital management:
  - c. to approve:
    - i. models, methodologies, criteria and parameters for capital management;
    - ii. the scenarios to be considered in capital management process;
  - d. to pronounce on:
    - i. strategies for capital management;
    - ii. the adoption of measures from capital contingency plan;
  - e. to monitor:
    - i. capital stress tests results;
    - ii. the capital plan;
    - iii. the capital contingency plan and measures for capital contingency;
    - iv. the internal capital adequacy assessment process (ICAAP);
- III. monitoring the implementation of measures, recommendations and guidelines decided by the Committee.

### **Customer Experience and Service Executive Committee**

The committee aims to:

- I. define strategic guidelines and measures to:
  - a. improve the customer's experience and service quality in all Bank's service channels;
  - b. deliver a value proposition to the customers;
  - c. increase customers' contribution margin;
- II. monitoring:
  - a. actions and indexes related to service quality, profitability and customer satisfaction;
  - b. monitoring the implementation of measures, recommendations and guidelines decided by the Committee.

### **Performance and Profitability Executive Committee**

The Performance and Profitability Executive Committee (CERD) aims to:

- I. define strategic guidelines and measures to:
  - a. guide the Bank's activities in markets and businesses;
  - b. increase the performance and profitability;
  - c. increase the operating efficiency;
- II. monitoring:
  - a. the Bank's businesses performance;
  - b. actions and indexes related to profitability and efficiency;
  - c. the implementation of measures, recommendations and guidelines decided by the Committee.

### **Earnings Release Executive Committee**

The purpose of the Earnings Release Executive Committee is:

- I. to approve:

- a. the set of estimates (guidance) used in the communications with the investor market revising them according to the dynamics of business;
  - b. disclosure of extraordinary components identified in the consolidation of quarterly results;
  - c. measures for improvement of the investor market's perception of the Bank, with emphasis on the reduction of discounts on the pricing of BB's shares of stock in the market.
- II. to assess:
- a. annually the Reference Form, including the specific sections previously presented to the CVM, submitting them to the approval by the Management Board;
  - b. documents prepared by the Strategic Units (UE) to be disclosed to the market;
  - c. the effectiveness of the actions of disclosure of information to the investor market.
- III. to promote the harmonization of the actions of the various areas involved in the market disclosure process;
- IV. to monitor the following:
- a. the process of providing information to the investor market and the fulfillment of the Policy on the Disclosure of Material Acts or Facts of Banco do Brasil, in order to assure the quality, transparency, consistency and timeliness of the information provided;
  - b. recommendations and guidelines deliberated by the Committee.

The composition of the Committee is shown in item 12.7 of this Reference Form.

### **Businesses Executive Committee**

The Committee aims:

- I. Full Composition:
  - a. To approve:
    - i. the business plans and the institutional and Market advertisement plans;
    - ii. the launch, changes or extinction of products and services;
    - iii. the development and implementations of new service channels and solutions;
    - iv. installation or extinction of branches, observing the guidelines approved by the Board of Officers.
    - v. the rules and criteria for mobilization and award actions, involving onw or third party resources, as well as the sharing of these resources;
    - vi. the formalization of agreements with retail partners.
  - b. To pronounce on:
    - i. the planning of Bank's service channels;
    - ii. the installation of private equity funds and venture capital funds;
  - c. to monitor:
    - i. the results and the accountability of mobilization and award actions;
    - ii. the performance of product and service portfolio;
    - iii. strategic units' work agreements performance;
    - iv. accountability of Bank's performance in Federal Government's multiannual plan;
    - v. the implementation of measures, recommendations and guidelines decided by the Committee.
- II. Alternative Composition – Negotiation Relationship Allowance (VRN):
  - a. decide on the use of VRN.
  - b. monitoring the implementation of measures, recommendations and guidelines decided by the Committee.
- III. Alternative Composition – Work Agreements/Conexão – Operational and Tactical Units:



- a. To approve:
  - i. the set of indexes which composes the Work Agreements/Conexão (performance evaluation programs) of Tactical and Operational Units;
  - ii. the inclusion and exclusion of indexes to compose Work Agreements/Conexão of Tactical and Operational Units;
  - iii. changes on Work Agreements/Conexão goals;
  - iv. changes on the weighting of indexes of Conexão program, for the "Own" and "Unit" modules.
- b. To monitor:
  - i. the performance of Work Agreements/Conexão of the Tactical and Operational Units.
  - ii. the implementation of measures, recommendations and guidelines decided by the Committee.

### **Governance of Related Companies Executive Committee**

The purpose of the Governance of Related Companies Executive Committee is:

#### **I. Full Composition**

- a. to approve, with regard to Related Entities:
  - i. mechanisms, tools and standards for governance;
  - ii. criteria to evaluate performance and results;
  - iii. criteria for the training and performance evaluation of Bank's representatives.
- b. to issue opinions on:
  - i. proposals, whether binding or not, related to acts that may offer impact the Bank's equity interest in Related Entities (corporate acts), particularly, but not limited to, the following:
    - 1. changes on Capital that could modify the shareholders structure;
    - 2. IPO and delisting;
    - 3. issuance of debentures convertible on stocks, or its sale, when in treasury;
    - 4. processes of transformation, merger, demerger and dissolution;
    - 5. interest on Capital of companies or groups.
  - ii. shareholder's and association agreement on Related Entities scope;
  - iii. proposes of criteria for selection and indication of Bank's representatives.
- c. to promote:
  - i. alignment of governance practices and policies of Related entities with those established for the Bank itself;
  - ii. discussion and sharing of best governance practices among the areas of the Bank and Related Entities;
- d. to monitor:
  - i. the economic, financial and operational performance of Related Entities;
  - ii. the implementation of procurement processes and strategic partnerships approved by the Bank;
  - iii. the results of the Bank's performance evaluations;
  - iv. the implementation of recommendations and guidelines deliberated by the Committee.

#### **II. Alternate Composition – Transitional Eligibility Commission:**

- a. to pronounce on Directors and Fiscal Council members appointment, regarding to the fulfillment of requirements and existence of objections;

- b. to monitor the implementation of recommendations and guidelines deliberated by the Committee.

The composition of the Committee is shown in item 12.7 of this Reference Form

### **Human Resources Executive Committee**

The purpose of the Human Resources Executive Committee is:

- I. to approve:
  - a) guidelines, models, criteria and parameters of:
    - i. hiring employees;
    - ii. absences and leaves;
    - iii. appointment;
    - iv. termination;
    - v. temporary reassignment;
    - vi. temporary staffing of positions of trust;
    - vii. compensation, as loss, of debts arising from advances and salaries left by terminated employees;
    - viii. business trips;
    - ix. training and development;
    - x. organizational environment;
    - xi. performance management.
  - b) career advancement programs, subject to the criteria established by the Executive Board;
- II. to promote alignment of the people management model with the Bank's strategic guidelines;
- III. to monitor the following:
  - a. implement people management policies and practices and, where needed, propose actions for improvement;
  - b. recommendations and guidelines deliberated by the Committee.

The composition of the Committee is shown in item 12.7 of this Reference Form.

### **Ethics and Disciplinary Executive Committee**

The purpose of the Ethics and Disciplinary Executive Committee is:

- I. Regarding to Ethics:
  - a. To decide on:
    - i. ethical conflicts and dilemmas of institutional nature;
    - ii. adoption of measures for guidance and sanctions, according established competence level;
    - iii. forwarding of processes for analysis from the disciplinary standpoint, observing the criteria defined in the ethical process.
  - b. to conduct the procedure for ethical misconduct involving:
    - i. employees of the first and second management levels at Strategic Units and the first management level of Tactical Units and Business Support and Management Units, except for the first and second management levels of Internal Audit (Audit), which will have treatment for cases of this kind, as well as the technical segments of Audit (Audit Manager, Audit Coordinator and Auditor), whose proceedings shall be conducted and judged by the Audit Administration Committee;
    - ii. state representatives elected by employees.

- c. to issue statements on the adequacy of institutional documents relating to corporate ethics;
  - d. to make recommendations related to institutional ethical conduct to be forwarded to the Organizational Units, informing the Management Board;
  - e. to submit the following to the Management Board;
    - i. issues related to ethical deviations that could have material impact on the image of the Bank;
    - ii. proposals for improvement of corporate processes involving corporate ethical principles, for deliberation;
    - iii. to promote the dissemination of the ethical principles adopted by the Bank;
  - II. Regarding to Disciplin:
    - a. decide on disciplinary actions, according its duties, being able to apply the outcomes of:
      - i. case closed;
      - ii. case covered;
      - iii. Financial accountability;
      - iv. term of science;
      - v. suspension, dismissal of position and dismissal;
      - vi. authorization of definitive accounting resulting from disciplinary actions, according to its duties.
    - b. analyze and judge requests of review of disciplinary sanctions of suspension and dismissal of position applied by the Committee;
    - c. to issue opinion to the Board of Officers on:
      - i. disciplinary actions, according its duties;
      - ii. requests of review of disciplinary sanctions of suspension and dismissal of position applied by the Board of Officers;
  - III. to monitor the recommendations and guidelines deliberated by the Committee;
- The composition of the Committee is shown in item 12.7 of this Reference Form.

### **Credit Limit Executive Committee**

The purpose of the Credit Limit Executive Committee is:

- I. to decide on:
  - a) the establishment of client risk;
  - b) credit limit;
  - c) technical feasibility of investment projects.
- II. to monitor the recommendations and guidelines deliberated by the Committee.

The composition of the Committee is shown in item 12.7 of this Reference Form.

### **Operations Executive Committee**

The purpose of the Executive Committee of Operations is as follows

- I. to decide on operations with credit risk, observing the established competencies and competency level;
- II. to express opinion on operations of its competency, in amount higher than the competency levels established for the Committee;
- III. to monitor the recommendations and guidelines deliberated by the Committee.

The composition of the Committee is shown in item 12.7 of this Reference Form.

### **Operational Administrative Executive Committee**

The purpose of the Operational Administrative Executive Committee is as follows:

Full composition:

- I. to decide, subject to the established competency levels, on the following:
  - a) To decide on acquisition, rent, commercial leasing, commodatum, donation, conservation, maintenance and disposal of assets and services;
  - b) to decide on other administrative and operating issues;
  - c) to decide on the payment related to losses associated to the operating risk.
- II. in relation to the Plan of Fixed Investments Plan – "Pfix":
  - a) to issue statements on the Plan prior to be submitted to the Management Board and Board of Directors, as well as to monitor its implementation;
  - b) to select and authorize expenditures for implementation of Projects of Fixed Investments, according to the competency levels established;
  - c) to formally close projects.
- III. to monitor the recommendations and guidelines deliberated by the Committee.

The composition of the Committee is shown in item 12.7 of this Reference Form.

### **Strategic Portfolio Management Executive Committee**

The purpose of the Strategic Portfolio Management Committee is:

- I. to decide on:
  - a) methodology for the selection and qualification of strategic initiatives;
  - b) strategic portfolio, as well as the prioritization of IT resources, process modeling and other investments required to achieve strategic initiatives; And the fixed investment expenditures provided for in the priority strategic initiatives;
  - c) process architecture;
  - d) methodology for prioritization of process modeling for support and documentation;
  - e) IT governance model;
  - f) methodology for ordering the service of the portfolio of IT projects and the express demands linked to the strategic initiatives;
  - g) methodology for prioritizing the portfolio of IT projects and the express demands of the category of business sustainability;
  - h) indicators of process performance.
- II. to define:
  - a) integrated distribution of IT service capabilities and process modeling;
  - b) domain(s) of the Committees of Management of Processes and Information Technology (CPTIs);
  - c) distribution of IT service capacity between the Committees of Management of Processes and Information Technology of Support.
- III. to monitor:
  - a) strategic portfolio;
  - b) the use of resources linked to the strategic initiatives;
  - c) utilization of IT serviceability and process modeling;
  - d) process portfolio;
  - e) performance of prioritized processes;
  - f) prioritized processes modeling results;

- g) maturity in process management;
- h) performance and costs of IT services, IT attendance and IT portfolio;
- i) performance of the IT governance model;
- j) IT investments;
- k) the recommendations and guidelines adopted by the Committee.

The composition of the Committee is shown in item 12.7 of this Reference Form.

### **Illegal Financial and Exchange Activities Prevention and Information Security Executive Committee**

The purpose of the Illegal Financial and Exchange Activities Prevention and Information Security Executive Committee is as follows:

- I. to decide on measures for prevention and combat:
  - a) of financial and exchange Illicit Acts (money laundering);
  - b) corruption;
  - c) terrorist financing.
- II. to define guidelines related to prevention of frauds and management of the information security;
- III. to evaluate the result of implemented measures for improving security of traditional and electronic channels and of products and services;
- IV. to monitor the following:
  - a) to implement measures related to preventing and combating money laundering, corruption and terrorist financing;
  - b) to implement measures related to the prevention of fraud and information security management;
  - c) recommendations and guidelines deliberated by the Committee.

The composition of the Committee is shown in item 12.7 of this Reference Form.

#### **b. date of installation:**

<b>Committee</b>	<b>Date of Creation</b>
Fiscal Council	12/30/1905
Audit Committee	11/12/2003
Remuneration and Eligibility Committee	4/26/2012
Capital and Risk Committee	20/03/2017
Management of Risks, Assests, Liabilities, Liquidity and Capital Superior Committee - CSGRC	5/19/2017
Management of Risks and Internal Controls Executive Committee	5/19/2017
Management of Assets, Liabilities, Liquidity and Capital Executive Committee - CEGAPC	5/19/2017
Customer Experience and Service Executive Committee - CEEC	5/19/2017
Performance and Profitability Executive Committee - CERD	5/19/2017
Earnings Release Executive Committee	1/11/2011
Businesses Executive Committee	8/21/2001
Governance of Related Companies Executive Committee	5/2/2012
Human Resources Executive Committee	12/15/2014
Ethics and Disciplin Executive Committee - CEED	5/19/2017
Credit Limit Executive Committe	8/21/2001
Operations Executive Committee	8/21/2001
Operational Administrative Executive Committee	8/21/2001
Strategic Portfolio Management Executive Committee	3/9/2017
Illegal Financial and Exchange Activities Prevention and Information Security Executive Committee	8/21/2001

**c. mechanisms of performance evaluation of each body or committee:**

Article 23 of the Bylaws of the Banco do Brasil states that the Board of Directors will perform an annual formal appraisal of its performance. It is also the Board of Directors responsibility, as defined in item 21 of Article XII of Bylaws, to formally appraise the performance of the Executive Board and of the committees within the sphere of the actual Board. The Board of Directors also assesses the operations of the Executive Secretariat - Secex, responsible area for administrative support to such collegial body and the Auditor General's performance .. The appraisal process is carried out according to procedures previously defined by the actual Board of Directors, whereas the People Management Board - Dipes is responsible for the methodological support to this process. It is incumbent upon the Chairman of the Board to conduct the appraisal process.

The evaluations are made on an annual basis by the Board of Directors in specific instrument, composed of seven blocks of evaluation items, completed by the members of the Board of Directors, where:

- I. each Director evaluates the performance of the Board of Directors;
- II. each Director evaluates the performance of the Executive Board;
- III. each Director evaluates the performance of the Audit Committee;
- IV. each Director evaluates the performance of the Remuneration Committee;
- V. each Director evaluates his/her own performance in the Board.
- VI. each Director evaluates the performance of the Executive Secretary;
- VII. each Director evaluates the performance of the Auditor General's.

The items that compose the instrument cover different aspects of the corporate governance, representing expectations in regard to the performance evaluated

There is no evaluation of the Fiscal Council.

**d. Individual assignments and powers of the members of the Executive Board:**

The Executive Board, responsible for business administration, is comprised of the Chief Executive Officer (CEO), the Chief Officers and the Officers.

The assignments are as follows:

- I. of the Chief Executive Officer (CEO):
  - a) to preside the General Shareholders' Meeting, call and preside the meetings of the Management Board and of the Executive Board and supervise their performance;
  - b) to propose to the Board of Directors the number of members of the Executive Board, indicating for election the names of the Vice-Chairmen and Executive Officers;
  - c) to propose to the Board of Directors the assignments of the Vice-Chairmen and Executive Officers, as well as any possible change;
  - d) to supervise and coordinate the work and activity of the Vice-Presidents, of the Officers and heads of units that are under his direct supervision;
  - e) to appoint, remove, assign, promote, commission, punish and dismiss employees, with the ability to grant these powers with express limitation, and
  - f) to appoint, among the Vice-Presidents, a coordinator with the purpose of convening and presiding over the meetings of the Management Board and of the Executive Board in his absence or impediment.
- II. of each Chief Officer:
  - a. to administer, supervise and coordinate the areas that are assigned thereto and the performance of the Officers and Units that are under his direct supervision, and
  - b) to coordinate the meetings of the Management Board and of the Executive Board, when requested by the Chairman.
- III. of each Officer:
  - a. to manage, supervise and coordinate the activities of the Executive Board and units under their responsibility;

- b. to advise on works of the Management Board, in the sphere of the respective attributions; and
- c. to execute other tasks that are assigned thereto by the member of the Management Board to whom he is related to.

**e. Mechanisms of evaluation of performance of the members of the Board of Directors, Committees and of the Executive Board:**

Evaluations made by the members of the Board of Directors are focused on the general performance of each body evaluated. In addition to the evaluation conducted by each of the Board of Directors members in relation to Board of Directors itself and other bodies, as described in item 12.1.c., the Bank established evaluation criteria to comply with provisions of CMN Resolution 3,921/2010, which established that financial institutions and other institutions authorized to operate by BACEN (Central Bank of Brazil) should implement and maintain a management fees policy compatible with the institution's risk management policy.

The Bank established a specific instrument to evaluate professional competences, in a cycle of half-annual evaluations, based on expected behavior of the Company's officers.

Evaluation is performed in two ways: self-evaluation, conducted by the officer him/herself; b) evaluation by the next hierarchic level, so that Board of Directors' members evaluate the CEO, who, on his/her turn, evaluate Vice-Presidents and Officers related to him/her and, finally, Vice-Presidents evaluate Officers related to their operation area.

**12.2. Rules, policies and practices related to the general meetings**

**Describe the rules, policies and practices related to the general meetings, indicating:**

**a. term for call:**

Since the Bank is a publicly-traded company, the term for call follows art. 124, §1, item II of Law 6,404/76, considering that the advance period for the first call will be of 15 (fifteen) days and for the second call will be of 8 (eight) days. Since 2005, save rare exceptions, Banco do Brasil has, on average, made the call with 30 days in advance. However, due to BB's sponsored ADR Level I program, the period established in CVM Instruction 559, as of March 27, 2015, which, in article 8, determines that the issuer of shares that serve as the basis for the DR (Depository Receipts) sponsored program must call a general meeting with a minimum term of thirty (30) days in advance.

**b. competencies:**

Pursuant to art. 10 of the Bylaws of Banco do Brasil, it is the exclusive responsibility of the General Meeting to decide on:

- I. sale of all or any shares of the capital stock of the Bank or its subsidiary companies; going-public process; increase of capital stock through subscription of new shares; waiver of rights of subscription of shares or debentures convertible into shares of subsidiaries; sale of debentures convertible into shares of the Bank issued by subsidiaries; or, also, issuance of any other securities or marketable securities in Brazil or abroad;
- II. spin-off, merger or takeover;
- III. swap of shares or other securities; and
- V. differentiated practices of corporate governance and execution of contract for this purpose with stock exchange.

**c. address (physical or electronic) where the documents of the meeting will be available**

- I. Physical: Executive Secretariat of Banco do Brasil: Setor de Autarquias Norte, Quadra 5, Lote B, 13º andar, Asa Norte – Brasília (DF);
- II. Electronic: [www.bb.com.br/ir](http://www.bb.com.br/ir)

**d. identification and management of conflicts of interest**

Banco do Brasil does not adopt a specific mechanism to identify conflicts of interest at general meetings and applies in these cases the rules of the Brazilian legislation.

In this regard, the Brazilian Corporate Law establishes that the shareholder cannot vote in the decisions of the General Meeting relating to the report of appraisal of assets for the formation of the capital stock and to the approval of its accounts as administrator, nor in any other meeting that could benefit them on a particular manner, or in which they have conflict of interest with the company.

The decision made in result of the vote of shareholder with conflict of interest with the Company can be annulled; the shareholder will be responsible for the damages caused and will have to transfer to the company the advantages obtained. The conflicts of interest are identified under the Brazilian Corporate Law and managed by the Chairman of the Board of Directors.

**e. request for proxies by management for the exercise of the voting right:**

Not applicable, since BB does not make public requests for proxy under CVM Regulatory Instruction 481/2009.

**f. formalities necessary for accepting proxy instruments granted by shareholders, indicating whether the issuer or waiver requires notarization, notarization, consular and legal translation and the issuer accepts proxies granted by shareholders by electronic mean**

Under the Brazilian Corporate Law, the shareholder may be represented at the General Meeting by an attorney in fact appointed less than one year who must be a shareholder, administrator of Banco do Brasil or lawyer; in a publicly-traded company, such as the Bank, the attorney-in-fact may also be a financial institution, where the administrator of investment funds should represent these investors.

To attend the General Meeting, the shareholder represented by attorney-in-fact should deposit, preferably up to 24 hours prior to the meeting, with the Executive Secretariat of the Bank, located in the head office of the Bank, the instrument of mandate.

To be accepted in the Meeting, according to article 126 of Law 6,404/76, the shareholder, or his/her legal representative, should present a valid document of identification, and in the case of holders of book-entry shares or shares held in custody, they should also present a document issued by the depositary financial institution.

The Company does not accept proxies granted by shareholders through electronic mean.

**g. formalities necessary for acceptance of ballot distance when sent directly to the company, indicating whether the issuer or waiver requires notarization, notorização and consularization**

The shareholder who opt to vote at shareholders Meeting by filling and issue the remote vote form, directly to the Company, shall send the following documents to the Executive Secretariat of Banco do Brasil, in the Setor de Autarquias Norte - SAUN, Quadra 05, Lote B, s/nº, 13º andar, Edifício Banco do Brasil, Asa Norte, Brasília (DF), Brasil, CEP 70.040-912:

- I. original remote vote form initialed and signed; and
- II. certified copy of the following documents:
  - a) Individuals:
    - Official ID;
  - b) Companies:
    - bylaws or social contract and the corporate documents proving the legal representation of the shareholder;
    - legal representative Official ID.
  - c) Investment Funds:
    - the investment fund regulation;
    - bylaws or social contract of its director, as the case may be, subject to the voting policy of the fund and corporate documents proving the powers of representation; and
    - legal representative Official ID.



The Company shall not require the certified translation of documents originally drawn up in a foreign language.

The following ID documents will be accepted, provided with photo: National Identity, Valid National Registry of Foreigners – RNE, National Drive License, Passport or Professional ID Card issued by the boards of self-employed or similar entities.

Further guidance on remote vote will be made available upon publication of the Call Notice of Shareholders Meeting.

**h. if the company provides electronic system for receiving remote vote form or remote participation**

The Company does not provide an electronic system for the sending of the remote vote form or remote participation during the meeting.

**i. instructions for shareholder or group of shareholders including resolution proposal, plates or candidates for members of the board of directors and the supervisory board on the remote vote form.**

The request for inclusion of a proposal in the remote vote form must be sent in writing, observing the provisions of articles 21-L and 21-M of CVM Regulation 481 and the guidelines contained in item 12.2 of the Reference Form, to the BB's Executive Secretary, on Setor de Autarquias Norte - SAUN, Quadra 05, Lote B, s/nº, 13º andar, Edifício Banco do Brasil, Asa Norte, Brasília (DF), CEP 70.040-912, or e-mail: [secex.assembleia@bb.com.br](mailto:secex.assembleia@bb.com.br).

For the inclusion of candidates for the Boards of Directors and Fiscal Council, the requirements established in Laws 6,404 / 1976 and 13,303 / 2016 and in the BB's Bylaws must be observed.

**j. if the company provides of forums and pages on the Internet in order to receive and share shareholders' comments on the agenda of the meetings:**

The Company does not provide a forum and website in the Internet to receive and share comments from shareholders about shareholders meeting guidelines.

**k. Other information needed to participate distance and the exercise of voting rights the distance**

Shareholders holding shares issued by the Company that are deposited in a central depository may transmit the remote voting instructions through their respective custodian agents, if they provide this type of service.

And shareholders holding book-entry shares may transmit remote voting instructions through any Banco do Brasil branch, with the authenticated copies of the following documents:.

- a) Individuals:
  - Official ID;
  - residence proof issued less than 90 days.
- b) Companies:
  - bylaws or social contract and the corporate documents proving the legal representation of the shareholder;
  - legal representative official ID.
- c) Investment Fund:
  - the investment fund regulation;
  - bylaws or social contract of its director, as the case may be, subject to the voting policy of the fund and corporate documents proving the powers of representation; and
  - legal representative official ID.
- d) Foreign Shareholders:
  - in addition, documents proving the origin of the resources will be required, according to CMN Resolution No. 4,373 / 2014 or Law 4,131 / 1962 and other related legislation.

### **12.3. Rules, policies and practices related to the Board of Directors**

#### **Description or rules, policies and practices related to the Board of Directors**

**a. frequency of meetings:**

In 2016, 22 meetings were held, with 12 regular and 10 extraordinary. In 2017, 21 meetings were held, with 13 regular and 8 extraordinary.

**b. Provisions of the shareholders' agreement establishing restriction or link to the exercise of the voting right of members of the board:**

There is no agreement of the shareholders of Banco do Brasil.

**c. rules for identification and management of conflicts of interests:**

The Bank identifies and manages the conflicts of interest within the Board of Directors, based on its internal manuals so that each operating area should observe the compliance with the Bylaws of the Bank.

Pursuant to art. 14 of the Bylaws of Banco do Brasil, the members of the management bodies cannot intervene in the study, deferral, control or settlement of any operation in which: I – companies in which they hold controlling interest or ownership interest above ten percent (10%) of the capital are directly or indirectly interested; The impediment addressed in item I also applies in the case of company where they hold, or have held in period immediately prior to their taking office in the Bank, management position.

### **12.4. Arbitration clause in the bylaws for the resolution of conflicts**

#### **If there is, arbitration clause inserted in the Bylaws for the resolution of conflicts among shareholders and between these and Banco do Brasil through arbitration**

Describe the commitment clause contained in the Bylaws to solve conflicts between shareholders and between the shareholders and the issuer through arbitrage

The commitment clause is provided for in art. 53 of the Bylaws of Banco do Brasil, as follows:

Art. 53. The Bank, its shareholders, senior managers and Fiscal Council members agree to resolve through arbitration any and all disputes or controversies that may arise among them, especially those related to or arising from the application, validity, effectiveness, construction, violation and related effects of the provisions of the Corporate Law, the Bank's bylaws, the rules issued by the National Monetary Council, the Central Bank of Brazil and the Securities and Exchange Commission, as well as other rules applicable to the capital market's overall operation, those provided for by the Novo Mercado Listing Rules of BM&FBOVESPA, the Arbitration Rules of the Arbitration Chamber, the contract for participation, and the Novo Mercado Sanction Rules.

§ 1 The provisions included in the head of this article are not applicable to the disputes or controversies related to the own activities of the Bank, as an institution that takes part of the National Financial System, and those activities provided for in art. 19 of Law 4595, as of December 31, 1964, and other laws that assign it roles of financial agent, administrator or manager of public funds.

§ 2 Also exclude from the caput, the disputes or controversies involving unavailable rights.

### **12.5. Administrators and members of the Fiscal Council of Banco do Brasil**

#### **In regard to each one of the administrators and members of the Fiscal Council of Banco do Brasil:**

##### **Board of Directors**

###### **Fabício da Soller**

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b) date of birth: 04/09/1974

c) occupation: Lawyer

d) CPF or passport number: 912.223.979-00

- e) position: Chairman  
 f) election date: 04/27/2017  
 g) installation date: 04/27/2017  
 h) term in office: 2017/2019  
 i) other positions at BB: None  
 j) indication by controller or not: yes  
 k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: no  
 l) number of consecutive terms: 1  
 m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- |  |  |
|--|--|
| - company name and activity sector:  | Office of the Attorney General of the National Treasury; legal consulting body of the Department of the Treasury and represents the Union for fiscal purposes. |
| - positions:   | Attorney   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | no   |
| - company name and activity sector:  | Banco do Nordeste do Brasil S/A; Commercial Bank   |
| - positions:   | Incumbent Representative/Board of Directors  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | no   |
| - company name and activity sector:  | Banco da Amazônia S/A; Commercial Bank.  |
| - positions:   | Incumbent Representative/Board of Directors  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | no   |

ii.. indication of all management positions he holds in other companies or third sector organizations: not applicable

n. description of any of the following events that may have occurred during the last 5 years:

- i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none  
 ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none  
 iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.  
 - if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Julio Cesar Costa Pinto**

- b) date of birth: 02/23/1972  
 c) occupation: Economist  
 d) CPF or passport number: 579.940.641-91  
 e) position: Vice-Chairman  
 f) election date: 04/27/2017  
 g) installation date: 04/27/2017  
 h) term in office: 2017/2019

## Section 12 - Shareholder's Meeting and Management

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- i) other positions at BB: Member of the Remuneration and Eligibility Committee
- j) indication by controller or not: yes
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: no
- l) number of consecutive terms: none
- m) information about:
- i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector:	Ministry of Finance; it is the administrative structure of the Federative Republic of Brazil basically responsible for the economic policy's formulation and implementation.
- positions:	Program Director - Capital Markets and Financial System Directorship.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	no
- company name and activity sector:	Central Bank of Brazil – Monetary Policy, exchange rate, credit, financial relationship abroad, financial system and currency regulation.
- positions:	Central Bank Analyst
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	no
- company name and activity sector:	BB Administradora de Consórcios S.A. – Consortium Management.
- positions:	Fiscal Council member
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	BB Leasing Arrendamento Mercantil S.A. – Leasing (Auto and Real Estate).
- positions:	Fiscal Council alternate member
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	BB Seguridade Participações S.A. – Insurance, reinsurance, pension plans, premium bonds and dental plans.
- positions:	Fiscal Council alternate member
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes

- company name and activity sector: BB Cor Participações S.A. – Insurance – Holding
- positions: Fiscal Council member
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- company name and activity sector: Casa da Moeda do Brasil
- positions: Chairman
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no
- company name and activity sector: Conselho de Recursos do Sistema Financeiro Nacional
- positions: Alternante member
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no
- company name and activity sector: Fundação dos Econômicos Federais – FUNCEF
- positions: Alternante member
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no
- Remuneration and Eligibility Committee:
- election date: 05/10/2017
- installation date: 05/10/2017
- term in office: 2017/2019
- indication by controller or not: No. Members are elected by the Board of Directors.

ii. indication of all management positions he holds in other companies or third sector organizations: not applicable

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### **Beny Parnes**

b) date of birth: 05/24/1959

c) occupation: Economist

d) CPF or passport number: 729.641.627-00

e) position: Director

f) election date: 04/27/2017

g) installation date: 04/27/2017

h) term in office: 2017/2019

## Section 12 - Shareholder's Meeting and Management

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i) other positions at BB: Member of the Remuneration and Eligibility Committee

j) indication by controller or not: no

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: yes  
Regulation Novo Mercado Bovespa

l) number of consecutive terms: 1

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: SPX Capital; Fund management activities by contract or commission

- positions: Chief Economist

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

- company name and activity sector: Banco BBM; Financial Institution

- positions: Executive Manager and of Executive Member Board

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

- company name and activity sector: Central Bank; conduct of monetary, foreign exchange, credit and financial relations abroad; the regulation and supervision of the National Financial System (SFN); and the administration of the payment system and currency.

- positions: International Director

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

Remuneration and Eligibility Committee:

-election date: 09/18/2017

-installation date: 09/18/2017

-term in office: 2017/2019

-indication by controller or not: No. Members are elected by the Board of Directors.

-you are an independent member and, if so, what was the criterion used by the issuer to determine independence: Yes.  
Member chosen from among the members of the Board of Directors appointed by the minority shareholders

-number of consecutive terms: 4

Risk and Capital Committee:

- election date: 09/18/2017

-installation date: 09/18/2017

-term in office: 2017/2019

-indication by controller or not: No. Members are elected by the Board of Directors.

-you are an independent member and, if so, what was the criterion used by the issuer to determine independence: Yes.  
Member chosen from among the members of the Board of Directors appointed by the minority shareholders

-number of consecutive terms: 1st term

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

- i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
- ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
- iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Daniel Sigelmann**

b) date of birth: 12/22/1970

c) occupation: Economist

d) CPF or passport number: 021.484.577-05

e) position: Director

f) election date: 04/27/2017

g) installation date: 04/27/2017

h) term in office: 2017/2019

i) other positions at BB: None

j) indication by controller or not: Yes

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: não

l) number of consecutive terms: 1

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector:	Civil Office of the Cabinet of the President of the Republic. Directly and imediatly assist the President of the Republic in In carrying out its activities: coordinating and integrating the government action in the prior verification of legality and constitucionality of the presidential acts; analyse the merits , the opportunity and the compatibility of the proposals , including the matters in the National Congress , with government guidelines and in the evaluation and monitoring of government action and the management of agencies and entities of the federal public administration;
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- positions:	Executive Secretary
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- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the sane class or kind of issuer's securities.	no
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- company name and activity sector:	Ministry of Transport . National policy for rail, road and waterway transport; merchant marine , inland and river and lake ports roads , except for granted to dock companies ; participates in the coordination of air transportation and port services.
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- positions:	Secretary for actions of Transportation Development
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- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the sane class or kind of issuer's securities.	no
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## Section 12 - Shareholder's Meeting and Management

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- company name and activity sector: Ministry of Finance; economic policy's formulation and implementation.
- positions: Director of the Program and General Coordinator of the National Treasury Department
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

ii. indication of all management positions he holds in other companies or third sector organizations:

Company name: Companhia Docas do Rio de Janeiro

Position: Member of the Board of Directors

Term in office: 2012/2016

Company name: Empresa de Planejamento e Logística

Position: Member of the Board of Directors

Term in office: 2015/2016

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### **Fabiano Felix do Nascimento**

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b) date of birth: 03/24/1975

c) occupation: Bank employee

d) CPF or passport number: 822.817.934-00

e) position: Director

f) election date: 04/27/2017

g) installation date: 04/27/2017

h) term in office: 2017/2019

i) other positions at BB: Sector Manager

j) indication by controller or not: Representative elected by the employees and appointed by the Controlling Shareholder

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: no

l) number of consecutive terms: None

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio

- positions: Advisor and sector manager.

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes



- |  |  |
|--|--|
| - company name and activity sector:  | Cassi – Caixa de Assistência dos Funcionários do Banco do Brasil; Health plan provider |
| - positions:   | President of the Deliberative Council  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | no   |
| - company name and activity sector:  | Previ – Caixa de Previdência dos Funcionários do Banco do Brasil; Pension plan         |
| - positions:   | President of the Fiscal Council  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | yes  |
| - company name and activity sector:  | Corsen – Companhia Energética do Rio Grande do Norte                                   |
| - positions:   | Member of the Fiscal Council   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | no   |

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Luis Otávio Saliba Furtado**

b) date of birth: 10/02/1966

c) occupation: Systems Analyst

d) CPF or passport number: 926.046.687-34

e) position: Director

f) election date: 04/25/2018

g) installation date: 05/11/2018

h) term in office: 2018 and 2019

i) other positions at BB: None

j) indication by controller or not: Yes

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: Yes

l) number of consecutive terms: None

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

## Section 12 - Shareholder's Meeting and Management

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- |  |   |
|--|---|
| - company name and activity sector:  | Kroton Educacional S.A., educational services                               |
| - positions:   | Vice President of Technology and Digital Transformation                     |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | No  |
| - company name and activity sector:  | CVC Brasil Operadora e Agencia de Viagens, travel entertainment and leisure |
| - positions:   | Board of Directors Member   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | No  |
| - company name and activity sector:  | BRQ Soluções em Informática S.A., IT services                               |
| - positions:   | Board of Directors Member   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | No  |
| - company name and activity sector:  | BMF & BOVESPA, financial services   |
| - positions:   | Executive Officer of IT   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | No  |

ii. indication of all management positions he holds in other companies or third sector organizations: None.

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: None

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: None

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: None

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

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### Luiz Serafim Spinola Santos

b) date of birth: 02/22/1947

c) occupation: Civil Enginner

d) CPF or passport number: 093.068.627-68

e) position: Director

f) election date: 04/27/2017

g) installation date: 04/27/2017

h) term in office: 2017/2019

i) other positions at BB: Member of the Audit Committee and Remuneration and Eligibility Committee

j) indication by controller or not: Not

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: yes. Regulation Novo Mercado Bovespa

l) number of consecutive terms: 1

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- |  |   |
|--|---|
| - company name and activity sector:  | Cremer S.A.; Textile, Surgical, Cosmetics, Perfumery and Hygiene Products |
| - positions:   | Board of Directors Vice Chairman  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | no  |
| - company name and activity sector:  | João Fortes Engenharia S.A.; Construction.                                |
| - positions:   | Board of Directors Member   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | no  |
| - company name and activity sector:  | Aegea Saneamento e Participações S.A.; Sanitation                         |
| - positions:   | Board of Directors Member   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | no  |
| - company name and activity sector:  | Metalúrgica Gerdau S.A.; Metallurgy                                       |
| - positions:   | Board of Directors Member   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | no  |
| - company name and activity sector:  | Líder Taxi Aéreo S.A.; Aircraft Renta.                                    |
| - positions:   | Board of Directors Member   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | no  |

**AUDIT COMMITTEE:**

-election date: 09/18/2017

-installation date: 09/18/2017

-term in office: 2017/2019

-indication by controller or not: No. Members are elected by the Board of Directors.

-you are an independent member and, if so, what was the criterion used by the issuer to determine independence: Yes. Instruction CVM nº 509.

-number of consecutive terms: 4

**REMUNERATION AND ELEGIBILITY COMMITTEE:**

-election date: 05/10/2017

-installation date: 05/10/2017

-term in office: 2017/2019

-indication by controller or not: No.

## Section 12 - Shareholder's Meeting and Management

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-you are an independent member and, if so, what was the criterion used by the issuer to determine independence: Yes.  
Members are elected by the Board of Directors.  
-number of consecutive terms: none

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### Paulo Rogério Caffarelli

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b) date of birth: 09/19/1965

c) occupation: Bank employee

d) CPF or passport number: 442.887.279-87

e) position: Board of Directors member

f) election date: 04/27/2017

g) installation date: 04/27/2017

h) term in office: 2017/2019

i) other positions at BB: CEO

j) indication by controller or not: yes

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: no

l) number of consecutive terms: 1

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector:	Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.
- position:	CEO; Vice-President of Wholesale, International Business and Private Bank; Vice-President of Retail Business.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	yes
- nome e setor de atividade da empresa:	Fundação Banco do Brasil - FBB; to promote socio-productive inclusion, sustainable development and social technologies.
- position:	Board of Directors member.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	yes
- company name and activity sector:	CSN - Companhia Siderúrgica Nacional; Steel, mining and infrastructure.
- position:	Corporate Executive.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	no

- company name and activity sector:	Ministry of Finance.
- position:	Executive Secretary.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	no
- company name and activity sector::	Banco Votorantim Participações S.A.; Asset and companies management
- position:	Board of Directors member.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	yes
- company name and activity sector:	Banco Votorantim S.A.; Multiple Bank.
- position:	Board of Directors member.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	yes
- company name and activity sector:	BB Gestão de Recursos - Distribuidora de Títulos e Valores Mobiliários; securities distributor and third party resources management.
- position:	Board of Directors member.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	yes
- company name and activity sector:	Brasilcap Capitalização S.A.; Securities Bonds.
- position:	Board of Directors member.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	yes
- company name and activity sector:	BB Tur Viagens e Turismo Ltda.; Tourism solutions provider.
- position:	Presidente do Conselho Consultivo.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	yes
- company name and activity sector:	BB Seguros Participações S.A.; It operates in the insurance market, open private pension, capitalization and health care.
- position:	CEO.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's	yes

## Section 12 - Shareholder's Meeting and Management

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shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:

- company name and activity sector:	BB Administradora de Cartões de Crédito S.A.; Electronic Media of Payment - Administration and issue of food benefit cards, meal and culture, travelers checks and related activities.
- position:	CEO.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	yes
- company name and activity sector:	BB Administradora de Consórcios S.A.; consortium management groups
- position:	CEO.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	yes
- company name and activity sector:	BB Leasing S.A. Arrendamento Mercantil; leasing of real state or personal properties.
- position:	CEO.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	yes
- company name and activity sector:	BB Banco de Investimentos; Investment Bank.
- position:	CEO.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	yes
- company name and activity sector:	Cielo S.A.; debt and credit card operations management.
- position:	Board of Directors member.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	yes
- company name and activity sector:	Brasilprev Seguros e Previdência S.A.; private insurance.
- position:	Board of Directors member.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	yes

- company name and activity sector: BB Mapfre SH1 Participações S.A.; Atua no segmento de seguros de pessoas, imobiliário e agrícola.
- position: Board of Directors member.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities: yes
- company name and activity sector: BB Mapfre SH2 Participações S.A.; It operates in the insurance segment damage, including insurance vehicles and excluding real estate and agricultural insurance.
- position: Board of Directors member.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities: yes
- company name and activity sector: Fenacap - Federação Nacional de Capitalização; It represents premium bonds companies in the country.
- position: CEO.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities: no
- company name and activity sector: Abecs - Associação Brasileira das empresas de cartões de crédito e serviços; it represents the electronic payment industry sector.
- position: CEO.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities: no

**BOARD OF OFFICERS:**

- position: CEO
- election date: 05/31/2016
- installation date: 05/31/2016
- term in office: undetermined
- indication by controller or not: Yes
- you are an independent member and, if so, what was the criterion used by the issuer to determine independence: no
- number of consecutive terms: none

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

## Fiscal Council

### Aldo César Martins Braido

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- b) date of birth: 06/12/1965
- c) occupation: Civil Servant
- d) CPF or passport number: 064.456.448-21
- e) position: Incumbent Board Member
- f) election date: 04/27/2017
- g) installation date: 04/27/2017
- h) term in office: 2017/2019
- i) other positions at BB: None
- j) indication by controller or not: Yes
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: no
- l) number of consecutive terms: 4
- m) information about:

- i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Department of the Treasury; Ministry of Finance agency
    - positions: National Treasury Attorney
    - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: Universidade Paulista; Educational Services.
    - positions: Professor of Financial Law, Tax Law, Constitutional and Administrative Law .
    - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

- ii. indication of all management positions he holds in other companies or third sector organizations:

- n. description of any of the following events that may have occurred during the last 5 years:

- i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
      - ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
      - iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### Felipe Palmeira Bardella

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- b) date of birth: 04/24/1979
- c) occupation: Civil Servant
- d) CPF or passport number: 510.806.132-34
- e) position: Incumbent Board Member
- f) election date: 04/27/2017
- g) installation date: 04/27/2017
- h) term in office: 2017/2019
- i) other positions at BB: none
- j) indication by controller or not: yes



k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: no

l) number of consecutive terms: 1

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: National Treasury Department; Central Administration body of the Federal Financial Administration System and the Federal Accounting System.

- positions: Finance and Control Analyst

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

- company name and activity sector: BB Administradora de Consórcios S.A; Management of consortium groups.

- positions: Fiscal Council Member

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

ii. indication of all management positions he holds in other companies or third sector organizations: None

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Christianne Dias Ferreira**

b) date of birth: 11/22/1978

c) occupation: Civil Servant

d) CPF or passport number: 692.577.951-87

e) position: Incumbent Board Member

f) election date: 04/27/2017

g) installation date: 04/27/2017

h) term in office: 2017/2019

i) other positions at BB: none

j) indication by controller or not: yes

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: no

l) number of consecutive terms: none

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Presidency of the Republic – Legal Affairs with the Chief of Staff

- positions: Infrastructure manager

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. Yes

## Section 12 - Shareholder's Meeting and Management

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- company name and activity sector: Centro Universitário - UniCEUB
- positions: Law Professor and Legal Practice assistant
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. No
- ii. indication of all management positions he holds in other companies or third sector organizations: None
- n. description of any of the following events that may have occurred during the last 5 years:
- i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
- ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
- iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### Giorgio Bampi

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- b) date of birth: 10/08/1947
- c) occupation: Accountant
- d) CPF or passport number: 005.167.759-87
- e) position: Incumbent Board Member
- f) election date: 04/27/2017
- g) installation date: 04/27/2017
- h) term in office: 2017/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: no
- l) number of consecutive terms: 3
- m) information about:
- i. resumé, containing the main professional experience during the last 5 years:
- company name and activity sector: PROBAM – Consultoria Empresarial Ltda; Fiscal Consulting and Finance/Administrative control
- positions: Managing partner
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. No
- company name and activity sector: Cia Energética de Pernambuco – Celpe; distribution of electricity.
- positions: Fiscal Council Member
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. Yes
- company name and activity sector: BB Seguridade Participações S.A.; It operates in the insurance, pension plan, capitalization, reinsurance and dental plans.
- positions: Fiscal Council Member
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. Yes

- ii. indication of all management positions he holds in other companies or third sector organizations:
- n. description of any of the following events that may have occurred during the last 5 years:
  - i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
  - ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
  - iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

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**Mauricio Graccho de Severiano Cardoso**


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- b) date of birth: 12/01/1949
- c) occupation: Economist
- d) CPF or passport number: 315.096.737-68
- e) position: Incumbent Board Member
- f) election date: 04/27/2017
- g) installation date: 04/27/2017
- h) term in office: 2017/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: no
- l) number of consecutive terms: 3
- m) information about:

- i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: BNYMellon Serviços Financeiros DTVM S.A.;  
Investment Fund Management.
- positions: Operational Director
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

- ii. indication of all management positions he holds in other companies or third sector organizations:
- n. description of any of the following events that may have occurred during the last 5 years:
  - i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
  - ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
  - iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

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**Alexandre Gimenez Neves**


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- b) date of birth: 04/14/1961
- c) occupation: Accountant
- d) CPF or passport number: 707.072.007-68
- e) position: Alternate Board Member
- f) election date: 04/27/2017
- g) installation date: 04/27/2017
- h) term in office: 2017/2019
- i) other positions at BB: none

## Section 12 - Shareholder's Meeting and Management

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- j) indication by controller or not: no
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: yes
- l) number of consecutive terms: 1
- m) information about:
- i. resumé, containing the main professional experience during the last 5 years:
- |  |   |
|--|---|
| - company name and activity sector:  | Grupo Othon; Hotel Business, Agroindustry and Real Estate developments. |
| - positions:   | Chief Financial Officer   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | no  |
- ii. indication of all management positions he holds in other companies or third sector organizations: no
- n. description of any of the following events that may have occurred during the last 5 years:
- i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
- ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
- iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### Eduardo Salloum

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- b) date of birth: 04/16/1966
- c) occupation: Civil Servant
- d) CPF or passport number: 082.852.568-47
- e) position: Alternate Board Member
- f) election date: 07/05/2017
- g) installation date: 07/05/2017
- h) term in office: 2017/2019
- i) other positions at BB: None
- j) indication by controller or not: Yes
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: no
- l) number of consecutive terms: none
- m) information about:
- i. resumé, containing the main professional experience during the last 5 years:
- |  |   |
|--|---|
| - company name and activity sector:  | International Affairs Departmet the Ministry of Finance |
| - positions:   | Chief of staff  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | no  |
- |  |                              |
|--|------------------------------|
| - company name and activity sector:  | BB Administradora de Cartões |
| - positions:   | Fiscal Council member        |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | yes                          |

- ii. indication of all management positions he holds in other companies or third sector organizations:
- n. description of any of the following events that may have occurred during the last 5 years:
  - i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
  - ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
  - iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Luiz Fernando Alves**

- b) date of birth: 09/11/1974
- c) occupation: Civil Servant
- d) CPF or passport number: 000.260.116-89
- e) position: Alternate Board Member
- f) election date: 04/27/2017
- g) installation date: 04/27/2017
- h) term in office: 2017/2019
- i) other positions at BB: None
- j) indication by controller or not: Yes
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: no
- l) number of consecutive terms: none
- m) information about:
  - i. resumé, containing the main professional experience during the last 5 years:
 

<ul style="list-style-type: none"> <li>- company name and activity sector:</li> <li>- positions:</li> <li>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</li> </ul>	<ul style="list-style-type: none"> <li>National Treasury Departmen; agency of the Ministry of Finance</li> <li>Public Debt Risk Manager</li> <li>yes</li> </ul>
<ul style="list-style-type: none"> <li>- company name and activity sector:</li> <li>- positions:</li> <li>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</li> </ul>	<ul style="list-style-type: none"> <li>BB Gestão de Recursos - Distribuidora de Títulos e Valores Mobiliários S.A. – BB DTVM</li> <li>Fiscal Council incumbent member</li> <li>yes</li> </ul>

- ii. indication of all management positions he holds in other companies or third sector organizations:
- n. description of any of the following events that may have occurred during the last 5 years:
  - i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
  - ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
  - iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Iêda Aparecida de Moura Cagni**

## Section 12 - Shareholder's Meeting and Management

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- b) date of birth: 05/30/1974  
c) occupation: Civil Servant  
d) CPF or passport number: 820.132.251-72  
e) position: Alternate Board Member  
f) election date: 04/27/2017  
g) installation date: 04/27/2017  
h) term in office: 2017/2019  
i) other positions at BB: none  
j) indication by controller or not: yes  
k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: no  
l) number of consecutive terms: 1  
m) information about:
- i. resumé, containing the main professional experience during the last 5 years:
- |  |   |
|--|---|
| - company name and activity sector:  | National Treasury Attorney's Office; Represent the Prosecution, as well as directing, guiding, supervising and inspecting the unit's activities |
| - positions:   | Attorney of the National Treasury   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | no  |
- ii. indication of all management positions he holds in other companies or third sector organizations: none
- n. description of any of the following events that may have occurred during the last 5 years:
- i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case:  
ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System:  
iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.  
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### Paulo Roberto Franceschi

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- b) date of birth: 06/12/1951  
c) occupation: Accountant  
d) CPF or passport number: 171.891.289-72  
e) position: Alternate Board Member  
f) election date: 04/27/2017  
g) installation date: 04/27/2017  
h) term in office: 2017/2019  
i) other positions at BB: None  
j) indication by controller or not: No  
k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: no  
l) number of consecutive terms: 3  
m) information about:
- i. resumé, containing the main professional experience during the last 5 years:
- |  |   |
|--|---|
| - company name and activity sector:  | AUDICONTROL Auditoria e Controle; Independent auditing and consulting in accounting and tax areas Company |
| - positions:   | Partner   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal | no  |

to or greater than 5% of the same class or kind of issuer's securities.

ii. indication of all management positions he holds in other companies or third sector organizations:

No participation in the Administration, except in Audicontrol, mentioned above.

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

## Executive Board

### Paulo Rogério Caffarelli

See Board of Directors

### Antonio Gustavo Matos do Vale

b) date of birth: 04/28/1951

c) occupation: Bank employee

d) CPF or passport number: 156.370.266-53

e) position: Vice-President of Technology

f) election date: 03/20/2017

g) installation date: 03/27/2017

h) term in office: 2016/2019

i) other positions at BB: None

j) indication by controller or not: No

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No

l) number of consecutive terms: none

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.

- positions: Vice-President of Technology

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: Infraero - Brazilian Airport Infrastructure Company

- positions: CEO; Member of the Board of Directors.

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

## Section 12 - Shareholder's Meeting and Management

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- iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### Antonio Mauricio Maurano

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- b) date of birth: 11/18/1962
- c) occupation: Bank employee
- d) CPF or passport number: 038.022.878-51
- e) position: Vice-President of Wholesale Business Officer
- f) election date: 09/15/2016
- g) installation date: 09/16/2016
- h) term in office: 2016/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No
- l) number of consecutive terms: 2
- m) information about:
  - i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector:	Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.
- positions:	Vice-President of Wholesale Businesses Officer; Commercial Officer; Superintendent of Retail and Government; Commercial Superintendent and Executive Manager.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Banco Votorantim S.A.
- positions:	Member of the Board of Directors.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Cielo S.A.
- positions:	Member of the Board of Directors
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	BB DTVM S.A.
- positions:	Member of the Board of Directors.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal	yes



to or greater than 5% of the same class or kind of issuer's securities.

- company name and activity sector: BB Previdência - Fundo de Pensão Banco do Brasil

- positions: Member of the Deliberative Council

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: Banco Patagonia S.A.; Multiple Bank, with commercial portfolio.

- positions: Director Suplente.

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: BB Leasing

- positions: CEO

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: BB BI Banco de Investimento S.A.

- positions: CEO

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: LOGZ Logística Brasil S.A.

- positions: Member of the Board of Directors.

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

- company name and activity sector: Neoenergia S.A.

- positions: Member of the Board of Directors.

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

## Section 12 - Shareholder's Meeting and Management

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- ii. indication of all management positions he holds in other companies or third sector organizations:
- n. description of any of the following events that may have occurred during the last 5 years:
  - i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
  - ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
  - iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### **Bernardo de Azevedo Silva Rothe**

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- b) date of birth: 08/09/1967
- c) occupation: Bank employee
- d) CPF or passport number: 776.890.627-68
- e) position: Vice-President of Finance Management and Investor Relations (CFO)
- f) election date: 11/22/2017
- g) installation date: 11/23/2017
- h) term in office: 2017/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No
- l) number of consecutive terms: none
- m) information about:
  - i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector:	Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.
- positions:	Vice-President of Finance Management and Investor Relations; Head of Investor Relations.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	BB Seguros Participações S.A
- positions:	Member of the Fiscal Council.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Kepler Weber S.A
- positions:	Member of the Fiscal Council.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	no
- company name and activity sector:	Celpe - Companhia Energética de Pernambuco.
- positions:	Member of the Fiscal Council.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's	no

shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.

ii. indication of all management positions he holds in other companies or third sector organizations: No

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### **Carlos Hamilton Vasconcelos Araújo**

b) date of birth: 08/04/1964

c) occupation: Economist

d) CPF or passport number: 223.794.793-72

e) position: Vice-President of Services, Infrastructure and Operations

f) election date: 11/03/2016

g) installation date: 11/08/2016

h) term in office: 2016/2019

i) other positions at BB: None

j) indication by controller or not: No

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No

l) number of consecutive terms: 4

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector:	Banco do Brasil S.A.; Multiple Bank, with commercial portfolio
- positions:	Vice-President of Services, Infrastructure and Operations
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Ministry of Finance
- positions:	Secretary of Economic Policy
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	no
- company name and activity sector:	Central Bank
- positions:	Director of Economic Policy and International Affairs
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	no

- company name and activity sector: Eldorad Brasil Celulose S.A.
- positions: Director of Planning and Strategy
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**José Eduardo Pereira Filho**

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b) date of birth: 07/06/1961

c) occupation: Bank employee

d) CPF or passport number: 207.916.073-72

e) position: Vice-President of Government Affairs

f) election date: 12/30/2016

g) installation date: 01/09/2017

h) term in office: 2016/2019

i) other positions at BB: None

j) indication by controller or not: No

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No

l) number of consecutive terms: None

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.

- positions: Vice-President of Government Affairs.

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: Faculdade das Atividades Empresariais de Teresina – FAETE; Education

- positions: Head Director.

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

- company name and activity sector: Junta Comercial do Estado do Piauí; State Autarchy for Commercial Companies Registration
- positions: President.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no
- company name and activity sector: Junta Comercial do Estado do Piauí; State Autarchy for Commercial Companies Registration.
- positions: General Secretary.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### **Marcelo Augusto Dutra Labuto**

b) date of birth: 09/03/1971

c) occupation: Bank employee

d) CPF or passport number: 563.238.081-53

e) position: Vice-President of Retail Business

f) election date: 12/30/2016

g) installation date: 01/09/2017

h) term in office: 2016/2019

i) other positions at BB: None

j) indication by controller or not: No

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No

l) number of consecutive terms: None

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.
- positions: Vice-President of Retail Business; Loans and Finance Operations Officer.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

## Section 12 - Shareholder's Meeting and Management

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- company name and activity sector:	Brasilprev Seguros e Previdência S.A.
- positions:	Member of the Board of Directors
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Elo Participações S.A.
- positions:	Member of the Board of Directors
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Companhia Brasileira de Soluções e Serviços
- positions:	Member of the Board of Directors
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Cielo S.A.
- positions:	Member of the Board of Directors
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	BB Seguridade Participações S.A.; Insurance Holding.
- positions:	CEO and Member of the Board of Directors
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Márcio Hamilton Ferreira**

- b) date of birth: 01/25/1970
- c) occupation: Manager
- d) CPF or passport number: 457.923.641-68
- e) position: Vice-President of Internal Controls and Risk Management (CRO)
- f) election date: 12/30/2016
- g) installation date: 01/04/2017
- h) term in office: 2016/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No
- l) number of consecutive terms: None
- m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.
- positions: Vice-President of Internal Controls and Risk Management; Capital Markets Officer; Finance Officer; Credit Officer.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- company name and activity sector: BB DTVM; Securities Distributor.
- positions: CEO
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- company name and activity sector: Caixa de Previdência dos Funcionários do Banco do Brasil – PREVI; Pension Plan.
- positions: Executive Officer
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no
- company name and activity sector: Investimentos e Participações em Infraestrutura S.A. - INVEPAR; Holding in transports and infrastructure companies.
- positions: Board of Directors Member
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

## Section 12 - Shareholder's Meeting and Management

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- company name and activity sector: Neoenergia S.A.; Energy Sector.

- positions: Board of Directors Member

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: Concessionária do Aeroporto Internacional de Guarulhos S.A.; Airports.

- positions: Board of Directors Member

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### Tarcísio Hübner

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b) date of birth: 08/12/1961

c) occupation: Bank employee

d) CPF or passport number: 453.600.309-68

e) position: Vice-President of Agribusiness

f) election date: 11/03/2016

g) installation date: 11/07/2016

h) term in office: 2016/2019

i) other positions at BB: None

j) indication by controller or not: No

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No

l) number of consecutive terms: 2

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.

- positions: Vice-President of Agribusiness and Micro and Small Enterprises; Distribution Officer; São Paulo Distribution Officer; Superintendent of Retail and Government - RS; Superintendent of Retail and Government - RJ and Superintendent of Retail and Government - MT

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

ii. indication of all management positions he holds in other companies or third sector organizations:



n. description of any of the following events that may have occurred during the last 5 years:

- i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
- ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
- iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Walter Malieni Junior**

b) date of birth: 11/13/1969

c) occupation: Bank employee

d) CPF or passport number: 117.718.468-01

e) position: Vice-President of Retail Distribution and Human Resources

f) election date: 09/15/2016

g) installation date: 01/04/2017

h) term in office: 2016/2019

i) other positions at BB: None

j) indication by controller or not: No

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No

l) number of consecutive terms: 2

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.
- positions: Vice-President of Retail Distribution and Human Resources; Vice-President of Internal Controls and Risk Management Officer; São Paulo Distribution Officer; Credit Officer and Corporate Superintendent SP;
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- company name and activity sector: Neoenergia S.A.; Distribution, generation, transmission, and trade of energy.
- positions: Member of the Fiscal Council
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- company name and activity sector: Kepler Weber S.A.; Crop Storage Solutions.
- positions: Member of the Board of Directors
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

## Section 12 - Shareholder's Meeting and Management

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- company name and activity sector: BB DTVM; Investment Funds.
- positions: Member of the Board of Directors
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- company name and activity sector: Centrais Elétricas Brasileiras S.A.; Eletrobrás.
- positions: Member of the Board of Directors.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no
- company name and activity sector: PREVI - Caixa de Previdência dos Funcionários do Banco do Brasil
- positions: Member of the Board of Directors
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- company name and activity sector: Banco Patagonia S.A.; Multiple Bank, with commercial portfolio.
- positions: Incumbent Officer
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

### REMUNERATION AND ELIGIBILITY COMMITTEE:

- election date: 09/18/2017
- installation date: 09/18/2017
- term in office: 2017/2019
- indication by controller or not: No. Members are elected by the Board of Directors.
- you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No.
- number of consecutive terms: none
- ii. indication of all management positions he holds in other companies or third sector organizations:
- n. description of any of the following events that may have occurred during the last 5 years:
- i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
- ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
- iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### **Adriano Meira Ricci**

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- b) date of birth: 02/21/1970
- c) occupation: Bank employee
- d) CPF or passport number: 334.550.741-20

- e) position: Micro and Small Business Officer  
 f) election date: 12/22/2017  
 g) installation date: 01/02/2018  
 h) term in office: 2016/2019  
 i) other positions at BB: None  
 j) indication by controller or not: No  
 k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No  
 l) number of consecutive terms: none  
 m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- |   |  |
|---|--|
| - company name and activity sector:   | Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.  |
| - positions:  | Micro and Small Business Officer; Restructuring Operational Assets Officer; Institutional Security Officer and Credit Officer. |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.  | yes  |
| - company name and activity sector:   | BB Tecnologia e Serviços (BBTS); IT  |
| - positions:  | President  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.  | yes  |
| - company name and activity sector:   | BB Banco de Investimento S.A.  |
| - positions:  | Fiscal Council Member (alternate)  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.  | yes  |
| - company name and activity sector:   | Bescval Distribuidora de Títulos e Valores Mobiliários S.A.  |
| - positions:  | Fiscal Council Member (alternate)  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.  | yes  |
| - company name and activity sector:   | BB Cor Participações S.A.  |
| - positions:  | Fiscal Council Member (alternate)  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.: | yes  |

## Section 12 - Shareholder's Meeting and Management

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- company name and activity sector:	Ativos S.A. Securitizadora de Créditos Financeiros.
- positions:	Board of Directors Chairman.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.:	yes.
- company name and activity sector:	BB Seguros Participações S.A.
- positions:	Fiscal Council Member (incumbent)
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	BB Seguridade Participações S.A.
- positions:	Fiscal Council Member (incumbent)
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Caixa de Previdência dos Funcionários do Banco do Brasil
- positions:	Fiscal Council Member (incumbent)
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.:	yes
- company name and activity sector:	IRB Brasil Resseguros S.A.
- positions:	Fiscal Council Member (incumbent)
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Banco do Brasil Aktiengesellschaft, Viena (Austria).
- positions:	Incumbent member of the Supervisory Board and Committees.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

- iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Alexandre Alves de Souza**

- b) date of birth: 02/09/1970
- c) occupation: Bank employee
- d) CPF or passport number: 955.093.057-20
- e) position: Marketing and Communication Officer
- f) election date: 10/14/2016
- g) installation date: 10/17/2016
- h) term in office: 2016/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No
- l) number of consecutive terms: 0
- m) information about:
  - i. resumé, containing the main professional experience during the last 5 years:
    - company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.
    - positions: Marketing and Communication Officer; General Manager and Assistant Manager in BB New York.
    - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
    - company name and activity sector: BB DTVM – Distribuidora de Títulos e Valores Mobiliários.
    - positions: Executive Manager
    - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- n. description of any of the following events that may have occurred during the last 5 years:
  - i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
  - ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
  - iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
  - if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
  - if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Carla Nesi**

- b) date of birth: 08/19/1971
- c) occupation: Bank employee
- d) CPF or passport number: 101.295.868-03
- e) position: Individual Client Account Officer
- f) election date: 12/22/2017
- g) installation date: 01/02/2018

## Section 12 - Shareholder's Meeting and Management

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- h) term in office: 2017/2019  
i) other positions at BB: None  
j) indication by controller or not: No  
k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No  
l) number of consecutive terms: None  
m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- |  |   |
|--|---|
| - company name and activity sector:  | Banco do Brasil S.A.; Multiple Bank, with commercial portfolio  |
| - positions:   | Individual Client Account Officer; Executive Manager at Individuals Customer Directorship; Executive Manager of Retail Integration and Executive Manager of Channels. |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities: | yes   |

ii. indication of all management positions he holds in other companies or third sector organizations: No.

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### **Carlos Alberto Araujo Netto**

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- b) date of birth: 07/25/1968  
c) occupation: Bank employee  
d) CPF or passport number: 001.415.907-42  
e) position: Strategy and Organization Officer  
f) election date: 10/14/2016  
g) installation date: 10/17/2019  
h) term in office: 2016/2019  
i) other positions at BB: None  
j) indication by controller or not: No  
k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No  
l) number of consecutive terms: 3  
m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- |  |   |
|--|---|
| - company name and activity sector:  | Banco do Brasil S.A.; Multiple Bank, with commercial portfolio  |
| - positions:   | Strategy and Organization Officer; São Paulo Distribution Officer; People Management Officer; Executive Manager and General Manager of the Support Unit |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | yes   |

- company name and activity sector:	Previ - Caixa de Previdência dos Funcionários do Banco do Brasil.
- positions:	Member of the Board of Directors.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Banco Patagônia S.A.
- positions:	Member of the Board of Directors.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	BB Previdência - Fundo de Pensão Banco do Brasil.
- positions:	Member of the Board of Directors.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Cielo S.A.
- positions:	Member of the Board of Directors.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	CIP - Câmara Interbancária de Pagamentos.
- positions:	Member of the Board of Directors.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	no
- company name and activity sector:	BB Administradora de Consórcios S.A.
- positions:	Alternate Member of the Fiscal Council.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	no

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

## Section 12 - Shareholder's Meeting and Management

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- iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### Carlos Renato Bonetti

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- b) date of birth: 09/10/1970
- c) occupation: Bank employee
- d) CPF or passport number: 092.198.248-84
- e) position: Risk Management Officer
- f) election date: 09/15/2016
- g) installation date: 09/16/2016
- h) term in office: 2016/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No
- l) número de mandados consecutivos: 2
- m) information about:

- i. resumé, containing the main professional experience during the last 5 years:

- |   |   |
|---|---|
| - company name and activity sector:   | Banco do Brasil S.A.; Banco múltiplo, Multiple bank with comercial portfolio            |
| - positions:  | Risk Management Officer, Executive Manager of the Strategic Unit and Executive Manager. |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the sane class or kind of issuer's securities.  | yes   |
| - company name and activity sector:   | Ativos S.A. Sec. de Cred. Financeiros; Securitização de Créditos.                       |
| - positions:  | Member of the Board of Directors.   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the sane class or kind of issuer's securities.: | yes   |
| - company name and activity sector:   | Ativos S.A. Gestão de Cobrança e Rec. de Créditos; Cobrança.                            |
| - positions:  | Member of the Board of Directors.   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the sane class or kind of issuer's securities.  | yes   |

- ii. indication of all management positions he holds in other companies or third sector organizations:

- n. description of any of the following events that may have occurred during the last 5 years:

- i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none.
- ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
- iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.



- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### Cícero Przensiuk

b) date of birth: 07/31/1971

c) occupation: Bank employee

d) CPF or passport number: 669.435.159-34

e) position: Related Companies Governance Officer

f) election date: 10/14/2016

g) installation date: 10/17/2016

h) term in office: 2016/2019

i) other positions at BB: None

j) indication by controller or not: No

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No

l) número de mandados consecutivos: 0

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; Banco múltiplo, Multiple bank with comercial portfolio

- positions: Related Companies Governance Officer; General Manager of Strategic Unit; and Executive Manager

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the sane class or kind of issuer's securities. yes

- company name and activity sector: Companhia Brasileira de Soluções e Serviços (Alelo); Meios de Pagamento.

- positions: Executive Director of Corporate Governance

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the sane class or kind of issuer's securities.: yes

- company name and activity sector: BB Tecnologia e Serviços (BBTS); IT

- positions: Member of the Board of Directors.

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the sane class or kind of issuer's securities. yes

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none.

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Vacant**

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- b) date of birth:
- c) occupation:
- d) CPF or passport number:
- e) position: Micro and Small Business Officer
- f) election date:
- g) installation date:
- h) term in office:
- i) other positions at BB:
- j) indication by controller or not:
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence:
- l) number of consecutive terms:
- m) information about:
  - i. resumé, containing the main professional experience during the last 5 years:
    - company name and activity sector:
  
    - positions:
      - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.
  
  - ii. indication of all management positions he holds in other companies or third sector organizations:
- n. description of any of the following events that may have occurred during the last 5 years:
  - i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case:
  - ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System:
  - iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever:
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization:
- if the person is a candidate for elected office in the Executive and Legislative Branches:

**Edson Rogério da Costa**

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- b) date of birth: 12/29/1970
- c) occupation: Bank employee
- d) CPF or passport number: 510.309.260-34
- e) position: Southeastern Distribution Officer
- f) election date: 10/14/2016
- g) installation date: 10/17/2016
- h) term in office: 2016/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No
- l) number of consecutive terms: 2
- m) information about:
  - i. resumé, containing the main professional experience during the last 5 years:

<p>- company name and activity sector:</p> <p>- positions:</p> <p>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</p>	<p>Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.</p> <p>Southeastern Distribution Officer; Credit Officer; Corporate Bank Officer; General Manager; Corporate Superintendent SP and Empresarial Superintendent Centro Norte RJ;</p> <p>yes</p>
<p>- company name and activity sector:</p> <p>- positions:</p> <p>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</p>	<p>BBTUR Viagens e Turismo Ltda.; Provide solutions for tourism.</p> <p>Member of Consulting Council</p> <p>yes</p>
<p>- company name and activity sector:</p> <p>- positions:</p> <p>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</p>	<p>Cielo S.A.; Provide credit and debit cards transactions</p> <p>Member of the Corporate Governance Committee</p> <p>yes</p>
<p>- company name and activity sector:</p> <p>- positions:</p> <p>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</p>	<p>ELO Participações S.A.</p> <p>Member of the Board of Directors</p> <p>yes</p>
<p>- company name and activity sector:</p> <p>- positions:</p> <p>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</p>	<p>BB Seguros Participações S.A.; It operates in the insurance market, open private pension, capitalization and health care.</p> <p>Alternate Member Fiscal Council.</p> <p>yes</p>
<p>- company name and activity sector:</p> <p>- positions:</p> <p>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</p>	<p>Banco do Brasil Aktiengesellschaft, Viena (Austria); Bank Commercial.</p> <p>Member of the Supervisory Board and Committees.</p> <p>yes</p>

## Section 12 - Shareholder's Meeting and Management

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- company name and activity sector:	Banco Patagonia S.A.; Multiple Bank, with commercial portfolio.
- positions:	Alternate Director (Alternate Council) do Directorio.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Parati S.A. Investments in Asset Energy; Holding of non-financial institutions.
- positions:	Member of the Board of Directors.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	no
- company name and activity sector:	Luce Empreendimentos e Participações S.A. - LEPSA; Holding of non-financial institutions.
- positions:	Member of the Board of Directors.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	no
- company name and activity sector:	Light S.A.; electricity distribution.
- positions:	Alternate Member of the Board of Directors
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	no
- company name and activity sector:	Light SESA - electricity distribution.
- positions:	Alternate Member of the Board of Directors.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	no
- company name and activity sector:	Light Energia S.A.; electricity distribution.
- positions:	Alternate Member of the Board of Directors
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	no
- company name and activity sector:	BB Banco de Investimento S.A.; performance in the capital market area including equity interests in private companies.
- positions:	Member of the Fiscal Council.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal	yes

to or greater than 5% of the same class or kind of issuer's securities.

- company name and activity sector: BB Securities Limited; brokerage of securities abroad.

- positions: Member of the Board of Directors.

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: Banco do Brasil Securities LLC; brokerage of securities abroad.

- positions: Member of the Board of Directors.

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: BB Securities Asia Pte. Ltd.; brokerage of securities abroad.

- positions: Member of the Board of Directors.

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Eduardo Cesar Pasa**

b) date of birth: 09/02/1970

c) occupation: Bank employee

d) CPF or passport number: 541.035.920-87

e) position: Accounting Officer

f) election date: 09/15/2016

g) installation date: 09/16/2016

h) term in office: 2016/2019

i) other positions at BB: None

j) indication by controller or not: No

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No

l) number of consecutive terms: 2

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

## Section 12 - Shareholder's Meeting and Management

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- company name and activity sector:	Banco do Brasil S.A.; Multiple Bank, with commercial portfolio
- positions:	Account Director and General Manager of Account Unit (Account General)
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	BB Seguridade; insurance
- positions:	Accounter
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	BB Tecnologia e Serviços (BBTS); IT
- positions:	Incumbent Member Fiscal Council
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Banco Votorantim S.A.; Banco múltiplo
- positions:	Alternate Member of the Fiscal Council
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Cateno Gestão de Contas de Pagamento S.A.
- positions:	Incumbent Member of the Fiscal Council
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Vale S.A.; Mining
- positions:	Member of the Controllershship Committee
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	no
- company name and activity sector:	Eletrobrás - Centrais Elétricas Brasileiras S.A.; Electric Energy
- positions:	Incumbent Member of the Fiscal Council
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal	no

to or greater than 5% of the same class or kind of issuer's securities.

- company name and activity sector: Previ - Caixa de Previdência dos Funcionários do Banco do Brasil; Supplementary pension plan

- positions: Incumbent Member of the Deliberative Council

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: Cassi - Caixa de Assistência dos Funcionários do Banco do Brasil

- positions: Incumbent Member of the Fiscal Council

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Fabiano Macanhan Fontes**

b) date of birth: 10/12/1970

c) occupation: Bank employee

d) CPF or passport number: 503.816.019-00

e) position: Business Solutions Officer

f) election date: 10/14/2016

g) installation date: 10/17/2016

h) term in office: 2016/2019

i) other positions at BB: None

j) indication by controller or not: No

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No

l) number of consecutive terms: 0

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio

- positions: Business Solutions Officer; General Manager of Infrastructure Services Unit, Regional Superintendent of Medium and Large Enterprises, Executive Manager of Corporate Banking, Infrastructure Project Manager - Financing Large Enterprises and General Manager in the Corporate SC branch.

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal yes

## Section 12 - Shareholder's Meeting and Management

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to or greater than 5% of the same class or kind of issuer's securities.

- company name and activity sector: LOGZ - Logística Brasil S.A.; non financial holding

- positions: Advisor

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.

No

- company name and activity sector: BB Previdência - Fundo de Pensão Banco do Brasil

- positions: Alternate Deliberative Council

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.

yes

- company name and activity sector: DNIT - Ministério dos Transportes - Departamento Nacional de Infraestrutura de Transportes

- positions: Advisor

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.

no

- company name and activity sector: Ministry of Finance – Economic Monitoring Secretary

- positions: Adjunct Secretary; Special Advisor of the Finance Minister

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.

no

- company name and activity sector: Light S.A.; Electric Sector

- positions: Advisor

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.

no

- company name and activity sector: Neoenergia; Electric Sector

- positions: Advisor

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.

yes



- company name and activity sector: Redentor S.A.; Electric Sector
- positions: Advisor
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- company name and activity sector: Parati S.A.; Eletric Sector
- positions: Advisor
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes.
- company name and activity sector: Novacap - Companhia Urbanizadora da Nova Capital do Brasil
- positions: Advisor
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. no

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### **Fernando Florêncio Campos**

b) date of birth: 18/05/1969

c) occupation: Bank employee

d) CPF or passport number: 087.755.588-58

e) position: Capital Markets and Infrastructure Officer

f) election date: 10/14/2016

g) installation date: 10/17/2016

h) term in office: 2016/2019

i) other positions at BB: None

j) indication by controller or not: No

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No

l) number of consecutive terms: 0

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio

- positions: Capital Markets and Infrastructure Officer; General Manager of Governance of Related Companies; Corporate Bank Executive  
yes

## Section 12 - Shareholder's Meeting and Management

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- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.

- company name and activity sector: Banco Votorantim S/A;

- positions: Remuneration Committee Member

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: BBTUR Viagens e Turismo Ltda; Tourism.

- positions: Fiscal Council Member

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: Cielo S/A; Payment Methods

- positions: Advisor

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: Elo Participações S/A (Elopar); Payment Methods.

- positions: Board of Director Member

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

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### Gustavo de Souza Fosse

b) date of birth: 05/14/1972

c) occupation: Bank employee

d) CPF or passport number: 978.160.007-15

- e) position: Technology Officer
- f) election date: 10/14/2016
- g) installation date: 10/17/2016
- h) term in office: 2016/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No
- l) number of consecutive terms: 0

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>- company name and activity sector:</li> </ul>  | <p>Banco do Brasil S.A.; Multiple Bank, with commercial portfolio</p>                                  |
| <ul style="list-style-type: none"> <li>- positions:</li> </ul>   | <p>Technology Officer and General Manager of Strategic Unit</p>  |
| <ul style="list-style-type: none"> <li>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</li> </ul> | <p>yes</p>   |
| <ul style="list-style-type: none"> <li>- company name and activity sector:</li> </ul>  | <p>BB Tecnologia e Serviços (BBTS); Communication and IT</p>   |
| <ul style="list-style-type: none"> <li>- positions:</li> </ul>   | <p>Member of the Board of Directors</p>  |
| <ul style="list-style-type: none"> <li>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</li> </ul> | <p>yes</p>   |
| <ul style="list-style-type: none"> <li>- company name and activity sector:</li> </ul>  | <p>Caixa de Assistência dos Funcionários do Banco do Brasil S.A. - CASSI; non-profit association.</p>  |
| <ul style="list-style-type: none"> <li>- positions:</li> </ul>   | <p>Fiscal Council Vice President</p>   |
| <ul style="list-style-type: none"> <li>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</li> </ul> | <p>no</p>  |
| <ul style="list-style-type: none"> <li>- company name and activity sector:</li> </ul>  | <p>FEBRABAN - Federação Brasileira de Bancos; Entidade representativa do setor bancário brasileiro</p> |
| <ul style="list-style-type: none"> <li>- positions:</li> </ul>   | <p>Technology Director</p>   |
| <ul style="list-style-type: none"> <li>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</li> </ul> | <p>no</p>  |
| <ul style="list-style-type: none"> <li>- company name and activity sector:</li> </ul>  | <p>Brasilprev Seguros e Previdência S.A.</p>   |
| <ul style="list-style-type: none"> <li>- positions:</li> </ul>   | <p>Member of Technology Comittee</p>   |
| <ul style="list-style-type: none"> <li>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</li> </ul> | <p>yes</p>   |

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

## Section 12 - Shareholder's Meeting and Management

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- i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
  - ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
  - iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### João Pinto Rabelo Júnior

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- b) date of birth: 03/03/1969
- c) occupation: Bank employee
- d) CPF or passport number: 364.347.521-72
- e) position: Government Officer
- f) election date: 09/15/2016
- g) installation date: 09/16/2016
- h) term in office: 2016/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No
- l) number of consecutive terms: 2
- m) information about:
  - i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector:	Banco do Brasil S.A.; Multiple Bank, with commercial portfolio
- positions:	Government Officer; General Manager Abroad; e Executive Manager..
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Department of Treasury; Formulation and implementation of economic policy
- positions:	Deputy Secretary of Agricultural Policy
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	no
- company name and activity sector:	BB Cor Participações S.A.; Company shares (holding) of the insurance.
- positions:	Member of Fiscal Council
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	BB Leasing S.A. - Arrendamento Mercantil; Arrendamento Mercantil.
- positions:	Alternate Member of Fiscal Council
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal	yes

to or greater than 5% of the same class or kind of issuer's securities.

- |  |  |
|--|--|
| - company name and activity sector:  | Banco da Amazônia S.A.                             |
| - positions:   | Member of Board of Directors                       |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities: | no   |
| - company name and activity sector:  | IRB Brasil RE.                                     |
| - positions:   | Member of Board of Directors.                      |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | yes  |
| - company name and activity sector:  | Agência Brasileira Gestora de Fundos Garantidores. |
| - positions:   | Member of Board of Directors.                      |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities: | no   |
| - company name and activity sector:  | CPFL Energia S.A.                                  |
| - positions:   | Member of the Fiscal Council                       |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities: | no   |
| - company name and activity sector:  | BB Elo Cartões Participações S.A.                  |
| - positions:   | Alternate Member of the Fiscal Council             |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities: | no   |

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**José Caetano de Andrade Minchillo**

## Section 12 - Shareholder's Meeting and Management

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- b) date of birth: 11/22/1966
- c) occupation: Bank employee
- d) CPF or passport number: 574.907.166-91
- e) position: Human Resources Officer
- f) election date: 09/15/2016
- g) installation date: 09/16/2016
- h) term in office: 2016/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No.
- l) número de mandados consecutivos: 2
- m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- |   |  |
|---|--|
| - company name and activity sector:   | Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.  |
| - positions:  | People Management Officer and Executive Manager  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.: | yes  |
| - company name and activity sector:   | Fundação Banco do Brasil; Foundation.  |
| - positions:  | Chief Executive Officer  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.  | yes  |
| - company name and activity sector:   | Caixa de Assistência dos Funcionários do Banco do Brasil (Cassi); Company health self-management, in order to ensure effective actions of health care through promotion, prevention, recovery and rehabilitation, for a better life of the participants. |
| - positions:  | Advisory Board Alternate Member and Membro Advisory Board Member   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.  | yes  |
| - company name and activity sector:   | Economus - Instituto de Seguridade Social; Supplementary Pension.  |
| - positions:  | Deliberative Board Member and Deliberative Board Member Chairman   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.  | yes  |

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

- ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
- iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**José Eduardo Moreira Bergo**

- b) date of birth: 08/30/1969
- c) occupation: Bank employee
- d) CPF or passport number: 365.045.721-00
- e) position: Institutional Security Officer
- f) election date: 10/14/2016
- g) installation date: 10/17/2016
- h) term in office: 2016/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No
- l) number of consecutive terms: 0
- m) information about:

- i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; Banco múltiplo, Multiple Bank, with commercial portfolio
- positions: Institutional Security Officer and Institutional Security Executive Manager.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- company name and activity sector: Federação Brasileira de Bancos - Febraban.
- positions: Member of Money Laundering prevention subcommittee; Member of Information security committee; Banking Security alternate member; Fraud prevention committee alternate member
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- ii. indication of all management positions he holds in other companies or third sector organizations:

- n. description of any of the following events that may have occurred during the last 5 years:

- i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
- ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
- iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**José Ricardo Fagonde Forni**

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- b) date of birth: 02/27/1971
- c) occupation: Bank employee
- d) CPF or passport number: 455.261.501-78
- e) position: Internal Control Officer
- f) election date: 10/16/2017
- g) installation date: 11/14/2017.
- h) term in office: 2016/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No
- l) number of consecutive terms: None
- m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; multiple Bank
- positions: Internal Control Officer
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
  
- company name and activity sector: Brasilcap Capitalização S.A., Premium Bonds Company – Regulated by Susep.
- positions: Administrative, Financial, Risk and Compliance Officer.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
  
- company name and activity sector: BB Gestão de Recursos DTVM S.A., Asset Management Company – Regulated by CVM.
- positions: Product and Fund Management Executive Manager.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. Yes
  
- company name and activity sector: Banco do Brasil S.A.; multiple Bank
- positions: Deputy Manager – London.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. Yes

ii. indication of all management positions he holds in other companies or third sector organizations: None

n. description of any of the following events that may have occurred during the last 5 years:

- i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
- ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none



- iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Leonardo Silva de Loyola Reis**

- b) date of birth: 06/12/1970
- c) occupation: Bank employee
- d) CPF or passport number: 981.761.707-63
- e) position: Finance Officer
- f) election date: 09/15/2016
- g) installation date: 09/16/2016
- h) term in office: 2016/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No
- l) number of consecutive terms: 2
- m) information about:

- i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.
- positions: Financial Officer; General Manager at Investor Relations Unit; Executive Manager at Capital Markets and Infrastructure Directorship Division Manager Capital Markets and Infrastructure Directorship
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- company name and activity sector: BB Securities LTD.
- positions: Assistant Executive Manager
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- company name and activity sector: Cadam S.A.; non-metallic metals mining.
- positions: Member of Board of Directors.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- company name and activity sector: Coelba - Bahia state electricity company.
- positions: Member Fiscal Council.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

## Section 12 - Shareholder's Meeting and Management

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to or greater than 5% of the same class or kind of issuer's securities.

- company name and activity sector: Cosern – Rio Grande do Norte state electricity company.

- positions: Member Fiscal Council.

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: BB Securities LTD - Londres.

- positions: Advisor

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: Banco do Brasil Securities - New York.

- positions: Advisor

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: BB Securities Asia - Singapura.

- positions: Advisor

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: Banco do Brasil AG - Viena - Austria.

- positions: Advisor

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Lucinéia Possar**

- b) date of birth: 02/08/1966  
 c) occupation: Bank employee, Lawyer and Professor  
 d) CPF or passport number: 540.309.199-87  
 e) position: Legal Officer  
 f) election date: 06/30/2017  
 g) installation date: 07/03/2017  
 h) term in office: 2017/2019  
 i) other positions at BB: None  
 j) indication by controller or not: No  
 k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No  
 l) number of consecutive terms: None  
 m) information about:

## i. resumé, containing the main professional experience during the last 5 years:

- |  |   |
|--|---|
| - company name and activity sector:  | Banco do Brasil S.A.; Multiple Bank, with commercial portfolio                                  |
| - positions:   | Legal Officer and Legal Executive Manager   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | Yes.  |
| - company name and activity sector:  | BB Tecnologia e Serviços (BBTS); Business process provision and information technology services |
| - positions:   | Member of the Fiscal Council  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | Yes.  |
| - company name and activity sector:  | Centro Universitário de Brasília – UniCEUB; educational services provision.                     |
| - positions:   | Professor.  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | No.   |

## ii. indication of all management positions he holds in other companies or third sector organizations:

## n. description of any of the following events that may have occurred during the last 5 years:

- i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none  
 ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none  
 iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.  
 - if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Márcio Luiz Moral**

- b) date of birth: 01/15/1969  
 c) occupation: Bank employee  
 d) CPF or passport number: 062.859.038-59  
 e) position: Corporate Bank Officer  
 f) election date: 09/15/2016

## Section 12 - Shareholder's Meeting and Management

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g) installation date: 09/16/2016

h) term in office: 2016/2019

i) other positions at BB: None

j) indication by controller or not: No

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No

l) number of consecutive terms: 2

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- |   |  |
|---|--|
| - company name and activity sector:   | Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.  |
| - positions:  | Corporate Bank Officer; Executive Manager of Corporate Bank Directory and Executive Manager of International and Wholesale Directory |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.  | yes  |
| - company name and activity sector:   | BB Banco de Investimento S.A.; Investment Bank.  |
| - positions:  | Fiscal Council   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.  | yes  |
| - company name and activity sector:   | BB AG Viena Sucursal Lisboa/Portugal   |
| - positions:  | Assistant Manager  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.  | yes  |
| - company name and activity sector:   | BB Securities Limited.   |
| - positions:  | Board of Directors.  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.: | yes  |
| - company name and activity sector:   | Banco do Brasil Securities LLC.  |
| - positions:  | Board of Directors   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.: | yes  |
| - company name and activity sector:   | BB Securities Asia Pte. Ltd.   |
| - positions:  | Board of Directors   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's  | yes  |

shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.

- company name and activity sector: Banco do Brasil Aktiengesellschaft
- positions: Board of Directors; Audit Committee; Remuneration and Eligibility Committee; Committee on Large Credits; Risk Committee and Nominating Committee
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- company name and activity sector: BB Viena - BB Money Transfers Inc - BB MT (wholly owned subsidiary of BB USA HoldCo).
- positions: Board of Directors Chairman
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.: yes
- company name and activity sector: BB Leasing Company Limited.
- positions: Board of Directors Chairman
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. Yes
- company name and activity sector: BB Bamb - Brazilian American Merchant Bank
- positions: Member of the Board; and Member of the Risk Committee, Capital and Assets and Liabilities Management
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- company name and activity sector: Neenergia S.A. - Distribution, Generation, Transmission and Commercialization of Energy.
- positions: Member of the Board of Directors
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Marco Antonio Ascoli Mastroeni**

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- b) date of birth: 09/12/1970
- c) occupation: Bank employee
- d) CPF or passport number: 062.198.128-16
- e) position: Digital Business Officer
- f) election date: 09/15/2016
- g) installation date: 09/16/2016
- h) term in office: 2016/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No
- l) number of consecutive terms: 4
- m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- |  |  |
|--|--|
| - company name and activity sector:  | Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.  |
| - positions:   | Digital Business Officer; Controllershship Officer; Individual Costumers Officer and Strategy and Organization Officer |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the sane class or kind of issuer's securities. | yes  |
| - company name and activity sector:  | IRB Brasil Resseguros S.A.; reinsurance  |
| - positions:   | Fiscal Council   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the sane class or kind of issuer's securities. | yes  |
| - company name and activity sector:  | BB Tecnologia e Serviços (BBTS); IT  |
| - positions:   | Effective Member   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the sane class or kind of issuer's securities. | yes  |
| - company name and activity sector:  | Caixa de Assistência dos Funcionários do Banco do Brasil (Cassi); health self-management company                       |
| - positions:   | Member of the Board of Directors   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the sane class or kind of issuer's securities. | yes  |
| - company name and activity sector:  | BB Administradora de Consórcios S.A.   |
| - positions:   | Member of the Fiscal Council   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's   | yes  |

shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.

- company name and activity sector: Companhia Brasileira de Soluções e Serviços - CBSS

- positions: Member of the Board of Directors

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: Stelo S.A.

- positions: Member of the Board of Directors

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: Neoenergia S.A.

- positions: Member of the Board of Directors

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### **Marco Túlio de Oliveira Mendonça**

b) date of birth: 06/30/1970

c) occupation: Bank employee

d) CPF or passport number: 749.403.336-04

e) position: Credit Officer

f) election date: 10/14/2016

g) installation date: 10/24/2016

h) term in office: 2016/2019

i) other positions at BB: None

j) indication by controller or not: No

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No

l) number of consecutive terms: 0

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

## Section 12 - Shareholder's Meeting and Management

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- company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio
  - positions: Credit Officer; Foreign Regional Manager; Executive Manager and Project Manager
  - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- ii. indication of all management positions he holds in other companies or third sector organizations:
- n. description of any of the following events that may have occurred during the last 5 years:
- i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
  - ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
  - iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### Marco Túlio Moraes da Costa

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- b) date of birth: 05/22/1967
- c) occupation: Bank employee
- d) CPF or passport number: 487.677.786-15
- e) position: Agribusiness Officer
- f) election date: 11/03/2016
- g) installation date: 11/07/2016
- h) term in office: 2016/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No
- l) number of consecutive terms: 0
- m) information about:
  - i. resumé, containing the main professional experience during the last 5 years:
    - company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio
    - positions: Agribusiness Officer; Superintendent; Executive Manager.
    - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
  - ii. indication of all management positions he holds in other companies or third sector organizations:
- n. description of any of the following events that may have occurred during the last 5 years:
  - i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
  - ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
  - iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No



**Marcos Renato Coltri**

- b) date of birth: 04/17/1970  
 c) occupation: Bank employee  
 d) CPF or passport number: 110.653.918-46  
 e) position: Loans, Financing Operations and Mortgage Officer  
 f) election date: 10/16/2017  
 g) installation date: 10/23/2017  
 h) term in office: 2017/2019  
 i) other positions at BB: None  
 j) indication by controller or not: No  
 k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No  
 l) number of consecutive terms: None  
 m) information about:

## i. resumé, containing the main professional experience during the last 5 years:

- |  |  |
|--|--|
| - company name and activity sector:  | Banco do Brasil S.A.; Multiple Bank, with commercial portfolio |
| - positions:   | Loans, Financing Operations and Mortgage Officer               |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | yes  |

- |  |   |
|--|---|
| - company name and activity sector:  | Brasilcap Capitalização S.A., Premium Bonds Company – Regulated by Susep. |
| - positions:   | Commercial Officer  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | yes   |

- |  |  |
|--|--|
| - company name and activity sector:  | Grupo Segurador Banco do Brasil and Mapfre Mercado Segurador |
| - positions:   | Commercial Officer   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | yes  |

## ii. indication of all management positions he holds in other companies or third sector organizations: None

## n. description of any of the following events that may have occurred during the last 5 years:

- i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none  
 ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none  
 iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Márvio Melo Freitas**

- b) date of birth: 11/09/1977

## Section 12 - Shareholder's Meeting and Management

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- c) occupation: Bank employee
- d) CPF or passport number: 692.983.941-87
- e) position: Controllership Officer
- f) election date: 10/14/2016
- g) installation date: 10/17/2016
- h) term in office: 2016/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No
- l) number of consecutive terms: 0
- m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio
- positions: Controllership Officer; Controllership Executive Manager and Controllership Manager
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- company name and activity sector: Banco Votorantim S.A.; Multiple Bank
- positions: Finance Committee Member
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes
- company name and activity sector: BB Seguridade Participações S.A.; Insurance Business
- positions: Related Parties Committee Member
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### **Nilson Martiniano Moreira**

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- b) date of birth: 07/26/1968
- c) occupation: Bank employee
- d) CPF or passport number: 583.491.386-53
- e) position: Infrastructure, Supplies and Property Officer
- f) election date: 09/15/2016

- g) installation date: 09/16/2016  
 h) term in office: 2016/2019  
 i) other positions at BB: None  
 j) indication by controller or not: No  
 k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No  
 l) number of consecutive terms: 2  
 m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>- company name and activity sector:</li> </ul>   | <p>Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.</p>  |
| <ul style="list-style-type: none"> <li>- positions:</li> </ul>  | <p>Infrastructure, Supplies and Property Officer; Business and Operation Support Officer; Internal Control Officer; Loans and Financing Operations Officer and Controllership Officer</p> |
| <ul style="list-style-type: none"> <li>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</li> </ul>  | <p>yes</p>  |
| <ul style="list-style-type: none"> <li>- company name and activity sector:</li> </ul>   | <p>Neoenergia; Company of the Electricity Sector.</p>   |
| <ul style="list-style-type: none"> <li>- positions:</li> </ul>  | <p>Fiscal Council.</p>  |
| <ul style="list-style-type: none"> <li>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.:</li> </ul> | <p>yes</p>  |
| <ul style="list-style-type: none"> <li>- company name and activity sector:</li> </ul>   | <p>BB Tecnologia e Serviços (BBTS); Business process provision and information technology services</p>  |
| <ul style="list-style-type: none"> <li>- positions:</li> </ul>  | <p>Member of the Board of Directors.</p>  |
| <ul style="list-style-type: none"> <li>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</li> </ul>  | <p>yes</p>  |
| <ul style="list-style-type: none"> <li>- company name and activity sector:</li> </ul>   | <p>Banco Patagonia S.A.; Multiple Bank, with commercial portfolio.</p>  |
| <ul style="list-style-type: none"> <li>- positions:</li> </ul>  | <p>Alternate Director.</p>  |
| <ul style="list-style-type: none"> <li>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</li> </ul>  | <p>yes</p>  |
| <ul style="list-style-type: none"> <li>- company name and activity sector:</li> </ul>   | <p>Fras-le S.A.; Friction Materials Production.</p>   |
| <ul style="list-style-type: none"> <li>- positions:</li> </ul>  | <p>Fiscal Council.</p>  |
| <ul style="list-style-type: none"> <li>- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.</li> </ul>  | <p>no</p>   |

## Section 12 - Shareholder's Meeting and Management

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- |  |   |
|--|---|
| - company name and activity sector:  | Companhia Brasileira de Soluções e Serviços S.A. - Alelo; Benefit Card Administrator.   |
| - positions:   | Fiscal Council  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | yes.  |
| - company name and activity sector:  | Câmara Interbancária de Pagamentos - CIP; Civil non-profit association that participates in the Brazilian Payment System.   |
| - positions:   | Alternate Member Board of Directors   |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | no  |
| - company name and activity sector:  | Grupo Ultra - Ultrapar; Multinational company with retail operations and specialized distribution in the chemical specialties industry and in the liquid bulk storage segment |
| - positions:   | Alternate Member of the Fiscal Council  |
| - the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. | no  |
- ii. indication of all management positions he holds in other companies or third sector organizations:
- n. description of any of the following events that may have occurred during the last 5 years:
- any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
  - any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
  - any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none
- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.
- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### **Reinaldo Kazufumi Yokoyama**

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- b) date of birth: 02/02/1971
- c) occupation: Bank employee
- d) CPF or passport number: 880.390.059-49
- e) position: Distribution Officer
- f) election date: 11/03/2016
- g) installation date: 11/07/2016
- h) term in office: 2016/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No
- l) number of consecutive terms: 0
- m) information about:
- resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.
- positions: Distribution Officer; Agribusiness Officer; Superintendent of Retail Business and Government Affairs of Minas Gerais, Superintendent of Retail Business and Government Affairs of Rio de Janeiro, Superintendent of Retail Business and Government of Santa Catarina.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

- i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none
- ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none
- iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

**Rogério Magno Panca**

- b) date of birth: 12/30/1970
- c) occupation: Bank employee
- d) CPF or passport number: 085.035.618-08
- e) position: Payment Methods Officer
- f) election date: 09/15/2016
- g) installation date: 09/16/2016
- h) term in office: 2016/2019
- i) other positions at BB: None
- j) indication by controller or not: No
- k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No
- l) number of consecutive terms: 2
- m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio
- positions: Payment Methods Officer; General Manager at Governance of Related Companies Unit s; Large Corporate Clients Superintendent – São Paulo and Executive Manager at Commercial Directorship.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

- company name and activity sector: Elo Participações S.A.; Holding shares in payment means business.
- positions: Board of Directors Effective Member and Manager Director..
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

## Section 12 - Shareholder's Meeting and Management

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- company name and activity sector:	BB Administradora de Cartões de Crédito S.A.; Payment methods Electronics - Administration and issue of food benefit cards, meal and culture, travelers checks and related activities.
- positions:	Managing Director.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Banco Patagonia S.A.; Multiple Bank, with commercial portfolio.
- positions:	Director Suplente do Directorio.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Cielo S.A.; Payment methods - accrediting.
- positions:	Board of Directors Effective Member.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	CBSS - Companhia Brasileira de Soluções e Serviços; Meios de Pagamento - Gestão de cartões benefício e cartões pré-pagos em geral, por meio da marca Alelo.
- positions:	Board of Directors Effective Member.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Cateno Gestão de Contas de Pagamento S.A.; Meios de Pagamento - gestora de contas de pagamento.
- positions:	Board of Directors Effective Member
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes
- company name and activity sector:	Stelo S.A.; Meios de Pagamento - facilitadora de pagamentos e carteira digital.
- positions:	Board of Directors Effective Member.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities.	yes

- company name and activity sector: BB TUR Viagens e Turismo Ltda; Exploration activities peculiar to tourism agencies and operators of tourist services, foreign exchange market and promotional marketing solutions.

- positions: Board of Directors Effective Member.

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities. yes

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

**Simão Luiz Kovalski**

b) date of birth: 05/06/1972

c) occupation: Bank employee

d) CPF or passport number: 517.714.970-68

e) position: Restructuring Operational Assets Officer

f) election date: 12/22/2017

g) installation date: 01/02/2018

h) term in office: 2017/2019

i) other positions at BB: None

j) indication by controller or not: No

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No

l) number of consecutive terms: None

m) information about:

i. resumé, containing the main professional experience during the last 5 years:

- company name and activity sector: Banco do Brasil S.A.; Multiple Bank, with commercial portfolio.

- positions: Restructuring Operational Assets Officer, Individuals Clients Officer; Executive Manager at Individuals Customer Directorship.

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities: yes

- company name and activity sector: BB Administradora de Consórcios S.A. Legal entity of private law - management consortiums.

- positions: Member of the Board of Directors.

- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities: yes

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- company name and activity sector:	Seguradora Brasileira de Crédito à Exportação S.A.
- positions:	Member of the Fiscal Council.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	yes
- company name and activity sector:	CBSS - Elo Participações S.A.; licensing of trademarks, expressions, domains and patents held by the company.
- positions:	Member of the Board of Directors.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	yes
- company name and activity sector:	Elo Serviços S.A.
- positions:	Member of the Board of Directors.
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	Yes
- company name and activity sector:	BRASILPREV - Brasilprev Seguros e Previdência S.A..
- positions:	Alternate member of the Board of Directors
- the company integrates (i) the economic group of the issuer, or (ii) is controlled by the issuer's shareholder holding a direct or indirect interest equal to or greater than 5% of the same class or kind of issuer's securities:	yes

ii. indication of all management positions he holds in other companies or third sector organizations:

n. description of any of the following events that may have occurred during the last 5 years:

i. any criminal conviction, even if not final and unappealable, with stage indicate that is the case: none

ii. any conviction in an administrative process of CVM and the penalties applied, even if not final and unappealable, indicating the corresponding case is on appeal to the Board of the National Financial System: none

iii. any conviction which became final, at judicial or administrative level, that may have suspended or disqualified him/her to perform any professional or commercial activity whatsoever: none

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: Yes, as provided in Bacen Circular No. 3,461, as of July 24, 2009, art. 4th, §2º, II, c.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No

### 12.6. Percentage of participation in meetings of the boards

**For each one of the people who served as a member of the board of directors or the supervisory board in the last year, report in table format, the percentage of participation in the meetings held by the respective committee in the same period, which occurred after the investiture in charge.**

The internal rules of boards predict the minimum quorum for its operation and resolution, as well as the possibility of absence of its members. Thus, the absence of any director at a particular meeting does not necessarily cause impairment in functioning of their advice.

The following tables present the current directors who acted until 29 September 2017 and their frequencies.



<b>Board of Directors</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Beny Parnes	21	95
Daniel Sigelmann	21	100
Fabiano Felix do Nascimento	12	100
Fabrcio da Soller	21	90
Julio Cesar Costa Pinto	12	100
Luiz Serafim Spinola Santos	21	100
Paulo Rogrio Caffarelli	20	100

<b>Fiscal Council</b>	<b>Position</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Aldo César Martins Braido	Titular	10	100
Christianne Dias Ferreira	Titular	6	88
Felipe Palmeira Bardella	Titular	10	85
Giorgio Bampi	Titular	10	92
Maurício Graccho de Severiano Cardoso	Titular	10	85
Alexandre Gimenez Neves	Suplente	It was not summoned	-
Eduardo Salloum	Suplente	It was not summoned	-
Ieda Aparecida de Moura Cagni	Suplente	It was not summoned	-
Luiz Fernando Alves	Suplente	It was not summoned	-
Paulo Roberto Francischi	Suplente	It was not summoned	-

## **12.7. Members of the statutory committees, of the audit, risk, finan. and compe. committees**

**Provide the information of item 12.5 as regards the members of the statutory committees, as well as the audit, risk, financial and remuneration committees, even though such committees or structures are not statutory:**

### **Statutory Committees**

#### **Audit Committee**

##### **Antônio Carlos Correia**

b) date of birth: 07/14/1954

c) occupation: Engineer

d) CPF or passport number: 339.336.937-72

e) position: Audit Committee Coordinator

f) election date: 09/18/2017

g) installation date: 09/18/2017

h) term in office: 2017/2020

i) other positions at BB: None

j) indication by controller or not: No. Elected by the Board of Directors.

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: Yes - CVM Instruction nº 509.

## **Section 12 - Shareholder's Meeting and Management**

---

l) number of consecutive terms: 6

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No.

### **Luiz Serafim Spinola Santos**

---

See Board of Directors

### **Marcos Tadeu de Siqueira**

---

b) date of birth: 09/27/1955

c) occupation: Business Administration

d) CPF or passport number: 945.554.198-04

e) position: Audit Committee Member

f) election date: 09/18/2017

g) installation date: 09/18/2017

h) term in office: 2017/2020

i) other positions at BB: None

j) indication by controller or not: No. Elected by the Board of Directors

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: Yes - CVM Instruction nº 509.

l) number of consecutive terms: 1<sup>st</sup> term.

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No.

## **Remuneration and Eligibility Committee**

### **Beny Parnes**

---

See Board of Directors

### **Egídio Otmar Ames**

---

b) date of birth: 09/01/1958

c) occupation: Administrator

d) CPF or passport number: 257.146.780-87

e) position: titular member

f) election date: 09/18/2017

g) installation date: 09/18/2017

h) term in office: 2017/2019

i) other positions at BB: No

j) indication by controller or not: No. Elected by the Board of Directors.

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: No – CVM Instruction nº 509.

l) number of consecutive terms: 6

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No.

### **Julio Cesar Costa Pinto**

---

See Board of Directors

### **Luiz Serafim Spinola Santos**

---

See Board of Directors

**Walter Malieni Junior**


---

See Executive Board

**Risk and Capital Committee****Beny Parnes**


---

See Board of Directors

**Vilmar Gongora**


---

b) date of birth: 03/12/1963

c) occupation: Retired

d) CPF or passport number: 042.568.298-65

e) position: Risk and Capital Committee Member

f) election date: 09/18/2017

g) installation date: 09/18/2017

h) term in office: 2017/2019

i) other positions at BB: No

j) indication by controller or not: No. Elected by the Board of Directors.

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: Yes – CMN Resolution 4.557/2017.

l) number of consecutive terms: 0

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No.

**Egídio Otmar Ames**


---

b) date of birth: 09/01/1958

c) occupation: Retired

d) CPF or passport number: 257.146.780-87

e) position: Risk and Capital Committee Member

f) election date: 03/19/2018

g) installation date: 03/19/2018

h) term in office: 2018/2020

i) other positions at BB: Remuneration and Eligibility Committee Member

j) indication by controller or not: No. Elected by the Board of Directors.

k) you are an independent member and, if so, what was the criterion used by the issuer to determine independence: Yes – CMN Resolution 4.557/2017.

l) number of consecutive terms: 0

- if the person is politically exposed (as defined in the applicable regulations), describing the reason for such characterization: No.

- if the person is a candidate for elected office in the Executive and Legislative Branches: No.

**Non-Statutory Committees**

Decisions are taken collectively at all levels of the Bank. With the purpose of involving the executives in the definition of strategies and approval of proposals for BB's different businesses, the Management

uses committees at a strategic level, in the Executive Board sphere, which ensure the agility and security for the decision making. In the tables below present the composition of the committees:

**Management of Risks, Assets, Liabilities, Liquidity and Capital Superior Committee**

Members

---

Chief Financial Officer

Chief Wholesale Business Officer

Chief Risk Management Officer

Chief Retail Distribution and Human Resources Officer

Chief Retail Business Officer

---

Information on the sub-items "a" to "l", required in the office CVM SEP No. 02/2016, can be found at Section 12.5 - Executive Board.

**Customer Experience and Service Executive Committee**

Members

---

Chief Retail Business Officer

Chief Retail Distribution and Human Resources Officer

Chief Technology Officer

Strategy and Organization Officer

Marketing and Communication Officer

Controllershship Officer

Technology Officer

Digital Business Officer

Distribution Officer

Southeastern Distribution Officer

Agribusiness Officer

Individual Client Account Officer

Micro and Small Business Officer

---

Information on the sub-items "a" to "l", required in the office CVM SEP No. 02/2016, can be found at Section 12.5 - Executive Board.

**Performance and Profitability Executive Committee**

Members

---

Chief Executive Officer

Chief Wholesale Business Officer

Chief Government Officer

Chief Retail Business Officer

Chief Agribusiness Officer

Chief Retail Distribution and Human Resources Officer

Chief Services, Infrastructure and Operations Officer

Chief Technology Officer

Chief Financial Officer

Chief Risk Management Officer

---

Information on the sub-items "a" to "l", required in the office CVM SEP No. 02/2016, can be found at Section 12.5 - Executive Board.

Corporate Bank Officer

Capital Market and Infrastructure Officer

Distribution Officer

Southeastern Distribution Officer

Credit Officer

Restructuring of Operational Assets Officer

Controllershship Officer

Strategy and Organization Officer

Individual Client Account Officer

Micro and Small Business Officer

Loans, Financing Operations and Mortgage Officer

Business Solutions Officer

Finance Officer

Digital Business Officer

Payment Methods Officer

---

### **Ethics and Disciplin Executive Committee**

#### Members

Internal Controls

Human Resources Officer

Information on the sub-items "a" to "l", required in the office CVM SEP No. 02/2016, can be found at

Distribution Officer

Section 12.5 - Executive Board.

Southeastern Distribution Officer

---

### **Management of Risks and Internal Controls Executive Committe**

#### Members

Legal Officer

Internal Controls Officer

Credit Officer

Information on the sub-items "a" to "l", required in the office CVM SEP No. 02/2016, can be found at

Risk Management Officer

Section 12.5 - Executive Board.

Restructuring of Operational Assets Officer

Institutional Security Officer

---

### **Management of Assets, Liabilities, Liquidity and Capital Executive Committee**

#### Members

Finance Officer

Risk Management Officer

Information on the sub-items "a" to "l", required in the office CVM SEP No. 02/2016, can be found at

Controllershship Officer

Section 12.5 - Executive Board.

Accounting Officer

### **Earnings Release Executive Committee**

Members

---

Chief Risk Management Officer

Chief Financial Officer

Controllership Officer

Credit Officer

Finance Officer

Accounting Officer

---

Information on the sub-items "a" to "l", required in the office CVM SEP No. 02/2016, can be found at Section 12.5 - Executive Board.

### **Businesses Executive Committee**

Members

---

Individual Client Account Officer

Corporate Bank Officer

Internal Controls Officer

Capital Market and Infrastructure Officer

Government Officer

Agribusiness Officer

Human Resources Officer

Micro and Small Business Officer

Strategy and Organization Officer

Loans, Financing and Mortgage Officer

Controllership Officer

Technology Officer

Distribution Officer

Southeastern Distribution Officer

Digital Business Officer

---

Information on the sub-items "a" to "l", required in the office CVM SEP No. 02/2016, can be found at Section 12.5 - Executive Board.

### **Governance of Related Companies Executive Committee**

Members

---

Strategy and Organization Officer

Controllership Officer

Legal Officer

Risk Management Officer

Accounting Officer

Human Resources Officer

Finance Officer

Related Companies Governance Officer

---

Information on the sub-items "a" to "l", required in the office CVM SEP No. 02/2016, can be found at Section 12.5 - Executive Board.

**Human Resources Executive Committee**

## Members

Human Resources Officer

Strategy and Organization Officer

Distribution Officer

Southeastern Distribution Officer

Corporate Bank Officer

Information on the sub-items "a" to "l", required in the office  
CVM SEP No. 02/2016, can be found at  
Section 12.5 - Executive Board.

**Credit Limit Executive Committee**

## Members

Credit Officer

Business Solutions Officer

Information on the sub-items "a" to "l", required in the office  
CVM SEP No. 02/2016, can be found at  
Section 12.5 - Executive Board.

**Operations Executive Committee**

## Members

Credit Officer

Finance Officer

Information on the sub-items "a" to "l", required in the office  
CVM SEP No. 02/2016, can be found at  
Section 12.5 - Executive Board.

**Operational Administrative Executive Committee**

## Members

Infrastructure, Supplies and Property Officer

Technology Officer

Controllershship Officer

Information on the sub-items "a" to "l", required in the office  
CVM SEP No. 02/2016, can be found at  
Section 12.5 - Executive Board.

**Illegal Financial and Exchange Activities Prevention and Information Security Executive Committee**

## Members

Institutional Security Officer

Technology Officer

Credit Officer

Internal Controls Officer

Information on the sub-items "a" to "l", required in the office  
CVM SEP No. 02/2016, can be found at  
Section 12.5 - Executive Board.

**Strategic Portfolio Management Executive Committee**

## Members

Chief Services, Infrastructure and Operations Officer

Chief Retail Business Officer

Chief Technology Officer

Chief Retail Distribution and Human Resources Officer  
Chief of Internal Controls and Risk Management (CRO)

Strategy and Organization Officer

Technology Officer

Information on the sub-items "a" to "l", required in the office  
CVM SEP No. 02/2016, can be found at  
Section 12.5 - Executive Board.

**12.8. Percentage of attendance at meetings of committees**

**For each one of the people who acted as a member of the statutory committees and the audit, risk, financial and remuneration committees, even if such committees or structures are not statutory, inform, in table format, the percentage of participation in the meetings held by the respective body in the same period, which occurred after taking office**

The internal rules of boards predict the minimum quorum for its operation and resolution, as well as the possibility of absence of its members. Thus, the absence of any director at a particular meeting does not necessarily cause impairment in functioning of their advice.

The following tables present the current directors who acted until 29 September 2017 and their frequencies.

**Statutory Committees**

<b>Audit Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Antonio Carlos Correia	114	100
Luiz Serafim Spinola Santos	114	100
Marcos Tadeu de Siqueira	114	98

<b>Risk and Capital Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Beny Parnes	26	85
Vílmãr Gongora	26	100
Egídio Otmar Ames	-	-

<b>Remuneration and Eligibility Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Beny Parnes	6	100
Walter Malieni Júnior	5	80
Egídio Otmar Ames	6	100
Luiz Serafim Spinola Santos	4	100
Julio César Costa Pinto	4	100

**Non-Statutory Committees**

<b>Management of Risks, Assets, Liabilities, Liquidity and Capital Superior Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Márcio Hamilton Ferreira	9	100
Marcelo Augusto Dutra Labuto	9	78
Carlos Hamilton Vasconcelos Araújo	9	89
Walter Malieni Júnior	9	56



<b>Customer Experience and Service Executive Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Alexandre Alves de Souza	15	67
Carlos Alberto Araujo Netto	15	27
Edson Rogério da Costa	15	80
Gustavo de Souza Fosse	15	67
Marco Antonio Ascoli Mastroeni	15	73
Marco Túlio Moraes da Costa	15	27
Marvio Melo Freitas	15	67
Reinaldo Kazufumi Yokoyama	15	73
Simão Luiz Kovalski	15	87
Marcelo Augusto Dutra Labuto	15	87
Walter Malieni Júnior	15	27
Antonio Gustavo Mattos do Valle	15	87
<b>Performance and Profitability Executive Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Adriano Meira Ricci	5	100
Carlos Alberto Araujo Netto	5	100
Edson Rogério da Costa	5	100
Fabiano Macanhã Fontes	5	100
João Pinto Rabelo Júnior	5	100
Leonardo Silva de Loyola Reis	5	100
Marcio Luiz Moral	5	100
Marco Antonio Ascoli Mastroeni	5	100
Marco Túlio de Oliveira Mendonça	5	100
Marvio Melo Freitas	5	100
Reinaldo Kazufumi Yokoyama	5	100
Rogério Magno Panca	5	100
Simão Luiz Kovalski	5	100
Paulo Rogério Caffarelli	5	100
Antônio Gustavo Matos do Vale	5	100
Antonio Mauricio Maurano	5	100
Carlos Hamilton Vasconcelos Araújo	5	100
José Eduardo Pereira Filho	5	100
Marcelo Augusto Dutra Labuto	5	100
Marcio Hamilton Ferreira	5	100
Tarcisio Hübner	5	100
Fernando Florêncio Campos	5	100
Marcos Renato Coltri	-	-
Walter Malieni Junior	5	100
<b>Ethics and Disciplinary Executive Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
José Ricardo Fagonde Forni	-	-
José Caetano de Andrade Minchillo	16	100
Reinaldo Kazufumi Yokoyama	16	100
Edson Rogério da Costa	16	25

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<b>Management of Risks and Internal Controls Executive Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Lucinéia Possar	6	0
Carlos Renato Bonetti	9	100
José Eduardo Moreira Bergo	9	100
Marco Túlio de Oliveira Mendonça	9	100
Adriano Meira Ricci	9	78

<b>Management of Assets and Liabilities and Liquidity Executive Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Eduardo César Pasa	5	20
Leonardo Silva de Loyola Reis	5	100
Márvio Melo Freitas	5	60
Carlos Renato Bonetti	5	80

<b>Earnings Release Executive Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Eduardo César Pasa	8	100
Leonardo Silva de Loyola Reis	8	88
Marco Túlio de Oliveira Mendonça	8	63
Márvio Melo Freitas	8	100
Márcio Hamilton Ferreira	8	88

<b>Businesses Executive Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Carlos Alberto Araujo Netto	16	94
Edson Rogério da Costa	16	56
Fernando Florêncio Campos	16	69
Gustavo de Souza Fosse	16	63
João Pinto Rabelo Júnior	16	63
Márcio Luiz Moral	16	81
Marco Antonio Ascoli Mastroeni	16	44
Marco Túlio Moraes da Costa	16	56
Márvio Melo Freitas	16	75
Reinaldo Kazufumi Yokoyama	16	88
Simão Luiz Kovalski	16	88

<b>Governance of Related Companies Executive Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Lucinéia Possar	11	0
Carlos Renato Bonetti	18	67
Cícero Przendsiuk	18	100
Eduardo César Pasa	18	83
Leonardo Silva de Loyola Reis	18	61
Carlos Alberto Araujo Netto	18	89
Márvio Melo Freitas	18	89

<b>Human Resources Executive Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Carlos Alberto Araujo Netto	7	86
Edson Rogério da Costa	7	71
José Caetano de Andrade Minchillo	7	100
Márcio Luiz Moral	7	86
Reinaldo Kazufumi Yokoyama	7	100
<b>Credit Limit Executive Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Marco Túlio de Oliveira Mendonça	19	95
Fabiano Macanhan Fontes	19	89
<b>Operations Executive Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Leonardo Silva de Loyola Reis	33	91
Marco Túlio de Oliveira Mendonça	33	91
<b>Operational Administrative Executive Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Gustavo de Souza Fosse	34	82
Márvio Melo Freitas	34	82
Nilson Martiniano Moreira	34	82
<b>Illegal Financial and Exchange Activities Prevention and Information Security Executive Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Gustavo de Souza Fosse	5	60
Wilsa Figueiredo	5	80
José Eduardo Moreira Bergo	5	100
Marco Túlio de Oliveira Mendonça	5	80
<b>Strategic Portfolio Management Executive Committee</b>	<b>Total meetings held by the respective committee from the investiture</b>	<b>% share of the member in the meetings held after the investiture</b>
Márcio Hamilton Ferreira	1	100
Marcelo Augusto Dutra Labuto	9	89
Carlos Hamilton Vasconcelos Araújo	9	100
Walter Malieni Júnior	9	67
Antonio Gustavo Mattos do Valle	9	100
Carlos Alberto de Araújo Netto	9	100
Gustavo de Souza Fosse	1	100

**12.9. Marital relationship, stable union or kinship up to second degree between**

**Existence of a marital relationship, stable union or kinship up to second degree between:**

**a. officers of Banco do Brasil**

None.

**b. (i) officers of BB and (ii) officers of BB directly or indirectly controlled companies**

**Individual Client Account Officer - Carla Nesi**

CPF: 101.295.868-03

Type of relationship: Stable Union

Partner name: Sérgio Augusto Kurovski

CPF: 088.538.728-70

Registration number: F 9.044.670-4

Position/Function: Commercial Officer

Company: BB Seguridade Participações S.A.

CNPJ: 17.344.597/0001-94

Type of relationship BB/Company: Direct Controlled

**c. (i) officers of BB or of its directly or indirectly controlled companies and (ii) BB directly or indirectly controlled companies**

None.

**d. (i) officers of BB and (ii) officers of direct and indirect parent companies of BB**

None.

**12.10. Subordinate relations, service delivery or control maintained between the issuer's officers and:**

**Subordination, service provision or control relationships kept, in the last 03 fiscal years, between the issuer's officers and:**

**a. company directly or indirectly controlled by Banco do Brasil**

**Executive Board**

**Vice-President of Wholesale Business Officer – Antonio Maurício Maurano**

**CPF: 038.022.878-51**

---

Related Person: Banco Patagonia S.A.

CNPJ: 08.884.213/0001-35

Position/Function: Alternate Director

Type of relationship between the Administrator and the related person: Control

Type of related person: Direct Controlled

Year: 2015

**Vice-President of Finance Management and Investor Relations (CFO) – Bernardo de Azevedo Silva Rothe**

**CPF: 776.890.627-68**

---

Related Person: BB Seguros Participações S.A.

CNPJ: 11.159.426/0001-09

Position/Function: Member of the Fiscal Council

Type of relationship between the Administrator and the related person: Control

Type of Related Person: Indirect Controlled

Year: 2017

**Vice-President of Retail Business – Marcelo Augusto Dutra Labuto**

**CPF: 563.238.081-53**

---

Related Person: BB Seguridade Participações S.A.

CNPJ: 17.344.597/0001-94

Position/Function: CEO

Type of relationship between the Administrator and the related person: Control

Type of Related Person: Direct Controlled

Year: 2014, 2015 and 2016.

**Vice-President of Retail Distribution and Human Resources – Walter Malieni Junior**

**CPF: 117.718.468-01**

Related Person: Banco Patagonia S.A.

CNPJ: 08.884.213/0001-35

Position/Function: Director

Type of relationship between the Administrator and the related person: Control

Type of Related Person: Direct Controlled

Year: 2015

**Micro and Small Business Officer – Adriano Meira Ricci**

**CPF: 334.550.741-20**

Related Person: Bescval Distribuidora de Títulos e Valores Mobiliários S.A.

CNPJ: 82.518.523/0001-99

Position/Function: Alternate Member Fiscal Council

Type of relationship between the Administrator and the related person: Control

Type of related person: Direct Controlled Year: 2014 and 2015

Related Person: Ativos S.A. Securitizadora de Créditos Financeiros

CNPJ: 05.437.257/0001-29

Position/Function: Member Fiscal Council

Type of relationship between the Administrator and the related person: Control

Type of related person: Indirect Controlled

Year: 2014

**Strategy and Organization Officer – Carlos Alberto Araújo Netto**

**CPF: 001.415.907-42**

Related Person: Banco Patagonia S.A.

CNPJ: 08.884.213/0001-35

Position/Function: Member of the Board of Directors

Type of relationship between the Administrator and the related person: Control

Type of related person: Direct Controlled

Year: 2015

**Risk Management Officer – Carlos Renato Bonetti**

**CPF: 092.198.248-84**

Related Person: Ativos S/A Sec. de Cred. Financeiros

CNPJ: 05.437.257/0001-29

Position/Function: Member of the Board of Directors

Type of relationship between the Administrator and the related person: Control

Type of related person: Indirect Controlled

Year: 2014 and 2015

Related Person: Ativos S/A Gestão de Cobrança e Rec. de Crédito

CNPJ: 05.437.257/0001-29

Position/Function: Member of the Board of Directors

Type of relationship between the Administrator and the related person: Control

Type of related person: Indirect Controlled

Year: 2014 and 2015

**Related Companies Governance Officer – Cícero Przendsiuk**

**CPF: 669.435.159-34**

Related Person: BB Tecnologia e Serviços (BBTS) CNPJ: 42.318.949/0001-84

Position/Function: Member of the Board of Directors

Type of relationship between the Administrator and the related person: Control

Type of related person: Direct Controlled

Year: 2015 and 2016

**Southeastern Distribution Officer – Edson Rogério da Costa**

**CPF: 510.309.260-34**

Related Person: BB Seguros Participações S.A.

CNPJ: 11.159.426/0001-09

Position/Function: Member of the Advisory Council

Type of relationship between the Administrator and the related person: Control

Type of related person: Indirect Controlled Year: 2015

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---

Related Person: Banco Patagonia S.A.  
CNPJ: 08.884.213/0001-35  
Position/Function: Alternate Director  
Type of relationship between the Administrator and the related person: Control  
Type of related person: Direct Controlled  
Year: 2015

### **Accounting Officer – Eduardo Cesar Pasa** **CPF: 541.035.920-87**

---

Related Person: BB Tecnologia e Serviços (BBTS)  
CNPJ: 42.318.949/0001-84  
Position/Function: Member of the Fiscal Council  
Type of relationship between the Administrator and the related person: Control  
Type of related person: Direct Controlled  
Year: 2014

Related Person: BB Seguridade Participações S.A.  
CNPJ: 17.344.597/0001-94  
Position/Function: Accountant  
Type of relationship between the Administrator and the related person: Control  
Type of related person: Direct Controlled  
Year: 2014 and 2015

### **Government Officer – João Pinto Rabelo Júnior** **CPF: 364.347.521-72**

---

Related Person: BB Cor Participações S.A.  
CNPJ: 17.345.055/0001-36  
Position/Function: Member of the Fiscal Council  
Type of relationship between the Administrator and the related person: Control  
Type of related person: Indirect Controlled  
Year: 2014 and 2015

Related Person: BB Elo Cartões Participações S.A.  
CNPJ: 05.105.802/0001-80  
Position/Function: Alternate Member of the Fiscal Council  
Type of relationship between the Administrator and the related person: Control  
Type of related person: Direct Controlled  
Year: 2016

### **Finance Officer – Leonardo Silva de Loyola Reis** **CPF: 981.761.707-63**

---

Related Person: BB Securities Asia Pte. LTD.  
CNPJ: 16.157.431/0001-04  
Position/Function: Counselor  
Type of relationship between the Administrator and the related person: Control  
Type of related person: Indirect Controlled  
Year: 2016

Related Person: Banco do Brasil Securities LLC  
CNPJ: 07.857.848/0001-80  
Position/Function: Counselor  
Type of relationship between the Administrator and the related person: Control  
Type of related person: Direct Controlled  
Year: 2016

Related Person: Banco do Brasil Securities LTD  
CNPJ: 05.707.044/0001-70  
Position/Function: Counselor  
Type of relationship between the Administrator and the related person: Control  
Type of related person: Indirect Controlled  
Year: 2016

Related Person: Banco do Brasil Aktiengesellschaft (BB AG).  
CNPJ: It does not have  
Position/Function: Counselor  
Type of relationship between the Administrator and the related person: Control  
Type of related person: Direct Controlled  
Year: 2016

### **Digital Businesses Officer – Marco Antonio Ascoli Mastroeni** **CPF: 062.198.128-16**

---

Related Person: BB Administradora de Consórcios  
 CNPJ: 06.043.050/0001-32  
 Position/Function: Board of Directors  
 Type of relationship between the Administrator and the related person: Control  
 Type of related person: Direct Controlled  
 Year: 2015

**Controllership Officer – Márvio Melo Freitas**  
**CPF: 692.983.941-87**

Related Person: BB Seguridade Participações S.A.  
 CNPJ: 17.344.597/0001-94  
 Position/Function: Related Parties Transactions Member  
 Type of relationship between the Administrator and the related person: Control  
 Type of related person: Direct Controlled  
 Year: 2014, 2015 and 2016

**Infrastructure, Supplies and Property Officer – Nilson Martiniano Moreira**  
**CPF: 583.491.386-53**

Related Person: BB Tecnologia e Serviços (BBTS)  
 CNPJ: 42.318.949/0001-84  
 Position/Function: Member of the Board of Officers  
 Type of relationship between the Administrator and the related person: Control  
 Type of related person: Direct Controlled  
 Year: 2014

Related Person: Banco Patagonia S.A. CNPJ: 08.884.213/0001-35  
 Position/Function: Alternate Officer  
 Type of relationship between the Administrator and the related person: Control  
 Type of related person: Direct Controlled  
 Year: 2014

**Payment Methods Officer – Rogério Magno Panca**  
**CPF: 085.035.618-08**

Related Person: BB Tur Viagens e Turismo Ltda.  
 CNPJ: 28.152.684/0001-66  
 Position/Function: Member of Consulting Board  
 Type of relationship between the Administrator and the related person: Control  
 Type of related person: Indirect Controlled  
 Year: 2015, 2016 and 2017

Related Person: BB Administradora de Cartões de Crédito S.A.  
 CNPJ: 31.591.399/0001-56  
 Position/Function: Manager Director  
 Type of relationship between the Administrator and the related person: Control  
 Type of related person: Direct Controlled  
 Exercício Social: 2015, 2016 and 2017

Related Person: BB Elo Cartões Participações S.A.  
 CNPJ: 05.105.802/0001-80  
 Position/Function: Manager Director  
 Type of relationship between the Administrator and the related person: Control  
 Type of related person: Direct Controlled  
 Exercício Social: 2015, 2016 and 2017

Related Person: Banco Patagonia S.A. CNPJ: 08.884.213/0001-35  
 Position/Function: Alternate Director  
 Type of relationship between the Administrator and the related person: Control  
 Type of related person: Direct Controlled  
 Year: 2015, 2016 and 2017

**b. direct or indirect parent company of Banco do Brasil**

**Board of Directors**

**Chairman – Fabrício da Soller**  
**CPF: 912.223.979-00**

Related Person: Ministry of Finance

## Section 12 - Shareholder's Meeting and Management

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CNPJ: 00.394.460/0001-41  
Position/Function: Attorney General  
Type of relationship between the Administrator and the related person: Subordination  
Type of related person: Direct Controller  
Year: 2016

Related Person: Ministry of Finance  
CNPJ: 00.394.460/0001-41  
Position/Function: Attorney  
Type of relationship between the Administrator and the related person: Subordination  
Type of related person: Direct Controller  
Year: 2014, 2015 and 2016

### **Vice-Chairman – Júlio César Costa Pinto**

**CPF: 579.940.641-91**

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Related Person: Ministry of Finance  
CNPJ: 00.394.460/0001-41  
Position/Function: Program Director  
Type of relationship between the Administrator and the related person: Subordination  
Type of related person: Direct Controller  
Year: since 2017

### **Board Member – Daniel Sigelmann**

**CPF: 021.484.577-05**

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Related Person: Ministry of Transportation  
CNPJ: 37.115.342/0001-67  
Position/Function: Transportation Improvement Secretary  
Type of relationship between the Administrator and the related person: Subordination  
Type of related person: Direct Controller  
Year: 2013, 2014 and 2015

Related Person: Presidency of the Republic Civil House  
CNPJ: 00.394.411/0001-09  
Position/Function: Executive Secretary  
Type of relationship between the Administrator and the related person: Subordination  
Type of related person: Direct Controller  
Year: 2016 and 2017

### **Board Member – Paulo Rogério Caffarelli**

**CPF: 442.887.279-87**

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Related Person: Ministry of Finance  
CNPJ: 00.394.460/0001-41  
Position/Function: Executive Secretary  
Type of relationship between the Administrator and the related person: Subordination  
Type of related person: Direct Controller  
Year: 2014 and 2015

## **Executive Board**

### **Vice-President of Services, Infrastructure and Operations – Carlos Hamilton Vasconcelos Araújo**

**CPF: 223.794.793-72**

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Related Person: Ministry of Finance  
CNPJ: 00.394.460/0001-41  
Cargo/Função: Secretary of Economic Policy  
Type of relationship between the Administrator and the related person: Subordination  
Type of related person: Direct Controller  
Year: 2016

### **Business Solutions Officer – Fabiano Macanhan Fontes**

**CPF: 503.816.019-00**

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Related Person: Ministry of Finance  
CNPJ: 00.394.460/0001-41  
Cargo/Função: Finance Minister Special Advisor  
Type of relationship between the Administrator and the related person: Subordination  
Type of related person: Direct Controller  
Year: 2014 and 2015



**Fiscal Council****Incumbent Member – Aldo César Martins Braido**  
**CPF: 064.456.448-21**

Related Person: Department of Treasury  
 CNPJ: 00.394.460/0001-41  
 Position/Function: National Treasury Attorney  
 Type of relationship between the Administrator and the related person: Subordination  
 Type of related person: Direct Controller  
 Year: 2014, 2015 and 2016

**Incumbent Member – Christianne Dias Ferreira**  
**CPF: 692.577.951-87**

Related Person: Federal Government – Presidency of Brazil Civil House  
 CNPJ: 00.394.460/0001-41  
 Position/Function: Infrastructure Deputy Chief  
 Type of relationship between the Administrator and the related person: Subordination  
 Type of related person: Direct Controller  
 Year: 2016

**Incumbent Member – Felipe Palmeira Bardella**  
**CPF: 494.424.306-53**

Related Person: National Treasury Department  
 CNPJ: 00.394.460/0001-41  
 Position/Function: Finance and Control Analyst  
 Type of relationship between the Administrator and the related person: Subordination  
 Type of related person: Direct Controller  
 Year: 2014, 2015 and 2016

**Alternate Member – Eduardo Salloum**  
**CPF: 082.852.568-47**

Related Person: Ministry of Finance  
 CNPJ: 00.394.460/0001-41  
 Position/Function: Chief of Staff  
 Type of relationship between the Administrator and the related person: Subordination  
 Type of related person: Direct Controller  
 Year: 2014, 2015 and 2016

**Alternate Member – Iêda Aparecida de Moura Cagni**  
**CPF: 820.132.251-72**

Related Person: Ministry of Finance  
 CNPJ: 00.394.460/0001-41  
 Position/Function: Attorney of the National Treasury  
 Type of relationship between the Administrator and the related person: Subordination  
 Type of related person: Direct Controller  
 Year: 2014, 2015 and 2016

**Alternate Member – Luiz Fernando Alves**  
**CPF: 000.260.116-89**

Related Person: National Treasury Department  
 CNPJ: 00.394.460/0001-41  
 Position/Function: Public Debt Risk Manager  
 Type of relationship between the Administrator and the related person: Subordination  
 Type of related person: Direct Controller  
 Year: 2014, 2015 and 2016

**c. supplier, client, debtor or creditor of the issuer, of its subsidiary or controlling companies or subsidiaries of any of these persons****Board of Directors****Board Member – Luis Otávio Saliba Furtado**  
**CPF: 926.046.687-34**

Related Person: BRQ SOLUÇÕES EM INFORMÁTICA S.A.  
 CNPJ: 36.542.025/0001-64  
 Position/Function: Board of Directors's Member  
 Type of relationship between the Administrator and the related person: Subordination

Type of related person: Provider

Year: 2017, 2018 and 2019

### **Executive Board**

#### **Vice-President of Technology – Antonio Gustavo Matos do Vale**

**CPF: 156.370.266-53**

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Related Person: Infraero - Empresa Brasileira de Infraestrutura Aeroportuária

CNPJ: 00.352.294/0001-10

Position/Function: CEO

Type of relationship between the Administrator and the related person: Subordination

Type of related person: Costumer

Year: 2014, 2015 and 2016

Related Person: Infraero - Empresa Brasileira de Infraestrutura Aeroportuária

CNPJ: 00.352.294/0001-10

Position/Function: Member of the Board of Directors

Type of relationship between the Administrator and the related person: Subordination

Type of related person: Costumer

Year: 2014, 2015 and 2016

#### **Vice-President of Services, Infrastructure and Operations – Carlos Hamilton Vasconcelos Araújo**

**CPF: 223.794.793-72**

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Related Person: Eldorado Brasil Celulose S/A

CNPJ: 07.401.436/0001-31

Position/Function: Strategy and Planning Officer

Type of relationship between the Administrator and the related person: Subordination

Type of related person: Costumer

Year: 2015 and 2016

#### **Accounting Officer – Eduardo Cesar Pasa**

**CPF: 541.035.920-87**

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Related Person: Vale S.A.

CNPJ: 33.592.510/0001-54

Position/Function: Member of the Controllershship Committee

Type of relationship between the Administrator and the related person: Control

Type of related person: Costumer

Year: 2014, 2015, 2016 and 2017

Related Person: Eletrobras – Centrais Elétricas Brasileiras S.A.

CNPJ: 05.914.650/0001-66

Position/Function: Incumbent Member of the Fiscal Council

Type of relationship between the Administrator and the related person: Control

Type of related person: Costumer

Year: 2015, 2016 and 2017

#### **Business Solution Officer – Fabiano Macanhan Fontes**

**CPF: 503.816.019-00**

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Related Person: LogZ (Logística Brasil S.A.).

CNPJ: 10.995.163/0001-05

Position/Function: Counselor

Type of relationship between the Administrator and the related person: Counselor

Type of related person: Invested

Year: 2016 and 2017

Related Person: Light S.A.

CNPJ: 03.378.521/0001-75

Position/Function: Counselor

Type of relationship between the Administrator and the related person: Counselor

Type of related person: Invested

Year: 2014 and 2015

#### **Government Officer – João Pinto Rabelo Júnior**

**CPF: 364.347.521-72**

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Related Person: CPFL Energia S.A.

CNPJ: 02.429.144/0001-93

Position/Function: Incumbent Member of the Fiscal Council

Type of relationship between the Administrator and the related person: Control

Year: 2016

#### **Digital Businesses Officer – Marco Antonio Ascoli Mastroeni**

**CPF: 062.198.128-16**

Related Person: Stelo S.A.  
 CNPJ: 14.625.224/0001-01  
 Position/Function: Member of the Board of Directors  
 Type of relationship between the Administrator and the related person: Affiliate  
 Year: 2017

Related Person: Neoenergia S.A.  
 CNPJ: 01.083.200/0001-18  
 Position/Function: Member of the Board of Directors  
 Type of relationship between the Administrator and the related person: Affiliate  
 Year: 2017

**12.11. Agreements made by board members**

**Description of the provisions of any agreements, including insurance policies, which establish the payment or the reimbursement of expenses borne by the directors, resulting from the redress of damage caused to third parties or to the issuer, from penalties imposed by state agents, or from agreements aimed at closing administrative or judicial proceedings, by virtue of the performance of their duties:**

Banco do Brasil has a Civil Liability Insurance for Board Members, Directors and Officers - D&O with maximum coverage amount of R\$304 million. The agreement was executed with Chubb Seguros S.A. on March 16, 2017 and is effective up to March 16, 2018.

Coverages:

- I Coverage for affiliates nonprofit;
- II Coverage for Spouse, Heirs, Legal Representatives and Estate;
- III Automatic inclusion of new subsidiaries with assets of up to: R\$ 2,500,000,000.00;
- IV Claims against the insured related to improper labor practices;
- V Advertising expenses;
- VI Defense costs related to extra-judicial procedures;
- VII Emergency costs;
- VIII Moral Damages (beyond labor issues);
- IX Complaints by Government, Suppliers, Competitors, Regulators, Lenders and Investors;
- X Complaints Insured (D & O) against the Insured (D & O);
- XI Claims made by the company Borrower against the insured (current and future D & Os);
- XII Claims against the insured in tax levels;
- XIII Defense costs (including appeal deposits) when applying fines and other penalties at the administrative level;
- XIV Defective or vitiated by providing services (provided you have the piercing the corporate veil);
- XV Responsibility of insured persons arising from Body Damage occurring in the course of the Borrower's activities;
- XVI Environmental damage:
  - Defense Costs for Individuals;
  - Derivatives Shares (claims filed by shareholders);
  - Compensation / Other Losses.
- XVII Coverage for retirees insured;
- XVIII Goods Lock coverage of Managers - Asset Freezing;
- XIX Coverage for Attachment Online;
- XX Coverage for Banco Nossa Caixa, retroactive limited to 16/03/09;
- XXI Coverage for BB Security;
- XXII Public Offering of Shares coverage CVM / SER / SEC / 2010/008;

XXIII Extradition expenses;

### 12.12. Code of best practices on corporate governance

**Notify, in the case the issuer follows a code of best practice of corporate governance, indicating, if, in the affirmative, the code follows the distinct corporate governance practices adopted by reason of the same**

Corporate Governance is a concept of organizational management covering issues relating to the power of control and direction of a company, as well as the forms and levels of exercise and the miscellaneous interests of the business nature, involving relationships between shareholders, quotaholders, the Board of Directors, the Executive Board, Independent Audit, and the Fiscal Council.

By adopting good corporate governance practices, the Bank demonstrates that its administration is committed to transparency, accountability, equality and social and environmental responsibility, supported by monitoring tools that align the behavior of executives with the interest of Company's shareholders.

Banco do Brasil is part of the highest governance segment of B3 – Securities, Commodities, and Futures Exchange, since 2006 after the signing of the subscription contract to the New Market Listing Regulations. In addition, Banco do Brasil has been listed on the Dow Jones Sustainability Index of the New York Stock Exchange since 2012, as well as the Corporate Sustainability (ISE), Carbon Efficient (ICO2), Shares with *Tag –Along* Rights (ITAG) and Shares with Differentiated Corporate Governance (IGC) indexes.

Social and environmental responsibility permeates the entire organizational structure of Banco do Brasil and is reflected in its mission, values, policies, corporate strategy and miscellaneous assumed voluntary commitments. The subject area is considered in the decision-making process, which means designing processes, products, and services, taking into account their social and environmental impacts.

Present in the corporate governance structure of the Bank are following bodies:

**Shareholders' General Meeting** – This is highest deliberative body of the company, and is responsible, in addition to the duties provided by law, to decide on the disposal of all or part of the capital stock of the Bank or its subsidiaries, IPOs and increasing the capital stock by subscription of new shares as well as the spin-off, merger or takeover of the company. (Bylaws, art. 10).

**Board of Directors** – This body gives general direction to the business of the Bank and its subsidiaries and affiliates. It has strategic, orienting, elective and supervisory duties, not encompassing operating or executive roles.

**Executive Board** – This body is responsible for the administration of Bank and is made up of the President, Vice-Presidents, and Executive Directors. The Executive Board comply with and enforces the bylaws, resolutions of the General Shareholders' General Meeting and the Board of Directors, as well as carrying out the duties defined by the Board, always observing best banking and corporate governance practices (By-laws, art. 28).

**Board of Officers** – This is a collegiate body formed of the President and Vice-Presidents, responsible for proposing and executing policies, corporate strategy, investment plans, the master plan and the general budget of the Bank; it approves and enforces the markets plan and work agreements; decided on the internal organization of the Bank and its administrative structure; and distributes and invests declared profits, as agreed by the General Meeting or the Board of Directors, subject to the applicable law. (Bylaws, art. 29)

**Fiscal Council** – The Fiscal Council, which has a permanent function, is the supervisory body of the bank over the acts of the management in order to protect the interests of the Bank, satisfy requirements of the public good and the company's social function. (By-laws, art. 39).

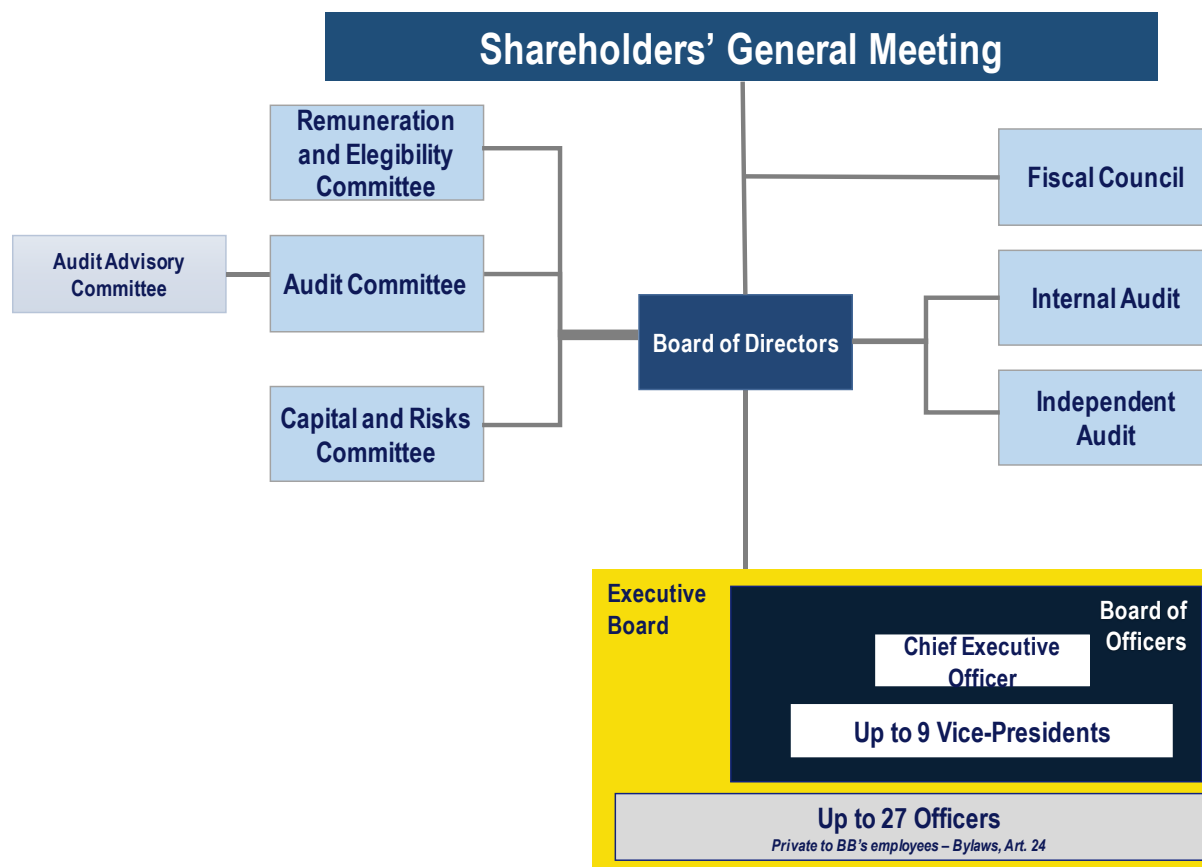
**Audit Committee** – This is a statutory body constituted under the regulations of the National Monetary Council (CMN), which has the task of, among other functions outlined in the legislation, advising the Board of Directors in the exercise of its audit and monitoring functions. (By-laws, art. 33, paragraph 6)

**Remuneration and Eligibility Committee** – Statutory body constituted under the regulations of the National Monetary Council (CMN), which has the task of, among other functions outlined in the legislation, advising the Board of Directors in establishing the remuneration policy of the Bank's directors. (By-laws, art. 34, paragraph 5)

**Internal Audit** – Internal Audit is subordinate to the Board of Directors and is responsible for – among other functions – carrying out audits focused on risks and advising the Board of Directors, the Fiscal Council, the Executive Board, and subsidiaries.

**Independent Audit** – It is within the remit of the Board of Directors to appoint and remove the independent auditors, whose activities are supervised and evaluated by the Audit Committee. (By-laws, art. 21, item IX, and 33, paragraph 2, item II)

The current Corporate Governance structure of Banco do Brasil is represented in the organizational chart below:



At Banco do Brasil decisions are taken collectively at all levels of the company, strategic committees that guarantee speed, quality, and safety, continuously support the decision-making, at all stages of the process. Therefore, there is also the assurance of sharing of the administrative vision, and this benefits the quality of the decisions begin made, the dissemination of knowledge, as well as the mitigation of risks.

The segregation of duties is another premise adopted by Banco do Brasil within the framework of its corporate governance. In the company, the areas responsible for risk management are not under direct supervision of a Vice-President that are linked to areas responsible for any other administrative or business activities, except in cases of recovery of loans and in-house controls. Similarly, the areas responsible for credit risk analysis are not under the supervision of a Vice-President in charge of credit granting or guarantees. Asset Management is also only tasked with the management of their own funds.

Banco do Brasil is guided by transparency, guaranteeing that its information is always provided in an objective, clear, reliable and timely manner. Furthermore, it considers itself responsible for the disclosure of all types of information, except information of a restricted nature, which jeopardizes the activity and corporate image of the Bank, or that, which is protected by law.

The Bank discloses extensive financial and non-financial information on its performance in a timely manner, allowing stakeholders the opportunity to unequivocally track and understand the economic fundamentals and the company's results. Every quarter, the Bank announces its results to the market, describing the factors that contributed most significantly to their formation and conducts conference calls in Portuguese and English, with investors and market analysts. At least once a year, the Bank holds a public meeting with analysts, investors and other stakeholders to disclose information about its economic and financial situation, projects and perspectives.

### 12.13. Provide other information the Company deems relevant

#### Formation of the members of the Executive Board of Banco do Brasil S.A.

##### 1. Paulo Rogério Caffarelli

Education: Law  
Specialization: Foreign trade  
Finance and Law  
International Law  
Master Degree: Economic Business Management; Professional in Economic Business Management

##### 2. Antonio Gustavo Matos do Vale

Education: Accounting Sciences  
Administration  
Economic Sciences  
Specialization: Systems Analysis

##### 3. Antonio Maurício Maurano

Education: Law  
Specialization: MBA General Education for High Executive Officers  
Foreign Trade and International Business

##### 4. Bernardo de Azevedo Silva Rothe

Education: Technologist in Management Processes  
Specialization: Executive MBA Trium Global Executive MBA

##### 5. Carlos Hamilton Vasconcelos Araújo

Education: Civil Engineering  
Specialization: Master Degree and PhD in Economics

##### 6. José Eduardo Pereira Filho

Education: Law

##### 7. Marcelo Augusto Dutra Labuto

Education: Business Administration  
Specialization: Marketing MBA

##### 8. Márcio Hamilton Ferreira

Education: Business Administration

##### 9. Tarcísio Hübner

Education: Economic Sciences  
Specialization: Executive MBA in Business Management  
Marketing  
BB MBA General Education for High Executive Officers  
MBA in Agribusiness

##### 10. Walter Malieni Junior

Education: Economic Sciences  
Specialization: MBA in Capital Market and Finance  
Post-graduation in General Education for Executives  
Continued Education in Business Strategic Management  
MBA in Business Administration  
Continued Education in Mergers and Acquisitions

##### 11. Adriano Meira Ricci

Education: Economic Sciences  
Specialization: MBA Marketing  
MBA in Advanced Business Management  
Analysis of Projects

##### 12. Alexandre Alves de Souza

Education: Law  
Specialization: BB MBA Marketing  
Professional Master Degree in Business Management

##### 13. Carla Nesi

Education: Economic Sciences

Specialization: Marketing

**14. Carlos Alberto Araújo Netto**

Education: History  
 Master's Degree: History and Social Communication  
 Doctorate: Social Psychology  
 Specialization: Marketing

**15. Carlos Renato Bonetti**

Education: Data Processing Technology  
 Specialization: MBA in Advanced Business Management  
 BB MBA Risk

**16. Cícero Przensiuk**

Education: Business Administration  
 Specialization: Executive MBA in Advanced Business Management  
 MBA Logistics to Financial Institutions  
 Specialization in Finance

**17. Edson Rogério da Costa**

Education: Accounting Sciences  
 Specialization: BB MBA Advanced Finance  
 MBA Strategic Leadership

**18. Eduardo Cesar Pasa**

Education: Accounting Sciences  
 Specialization: Accounting Sciences  
 Organizational Accounting  
 Master Degree: Controlling and Accounting

**19. Fabiano Macanhan Fontes**

Education: Degree in Languages (Portuguese and English)  
 Specialization: MBA in Agribusiness  
 Economic Development  
 Master Degree: Economic Development

**20. Fernando Florêncio Campos**

Education: Accounting  
 Specialization: Financial Management  
 BB MBA of Senior Executives Program

**21. Gustavo de Souza Fosse**

Education: Systems Management  
 Specialization: Financial Advisory and Capital Markets  
 MBA in IT Governance

**22. João Pinto Rabelo Júnior**

Education: Business Administration  
 Specialization: Public Administration  
 BB MBA Marketing  
 BB MBA Public Administration

**23. José Caetano de Andrade Minchillo**

Education: Law  
 Specialization: BB MBA General Education for High Executive Officers  
 BB MBA Advanced Business Management

**24. José Eduardo Moreira Bergo**

Education: Physical Education  
 Education: Economics  
 Specialization: BB MBA Corporate Finance  
 BB MBA Audit  
 Master Degree: Executive MBA in Advanced Business Management

**25. José Ricardo Fagonde Forni**

Education: Economics  
 Specialization: MBA Finance  
 The officer is not occupying the position yet.

### 26. Leonardo Silva de Loyola Reis

Education: Business Administration  
Specialization: MBA Executive Financial

### 27. Lucinéia Possar

Education: Law  
Specialization: Business and Economic Law  
Legal Services Management Improvement  
Master Degree: Law

### 28. Márcio Luiz Moral

Education: BA in Systems Analysis  
Specialization: Systems Analysis  
BB MBA Marketing  
MBA Advanced Management

### 29. Marco Antonio Ascoli Mastroeni

Education: Economy  
Specialization: MBA Controller  
Accounting and Financial Administration

### 30. Marco Túlio de Oliveira Mendonça

Education: Business Administration  
Specialization: Preparation, Analysis and Monitoring of Finance and Economic Projects  
BB MBA Risk

### 31. Marco Túlio Moraes da Costa

Education: Business Administration  
Specialization: MBA in Advanced Business Management  
MBA General Training for Top Executives  
BB MBA Marketing

### 32. Marcos Renato Coltri

Education: Business Administration  
Specialization: MBA Marketing

### 33. Márvio Melo Freitas

Education: Economic Sciences  
Specialization: BB MBA Controllership

### 34. Nilson Martiniano Moreira

Education: Economic Sciences  
Specialization: MBA General Education for High Executive Officers  
MBA Executive in Finance

### 35. Reinaldo Kazufumi Yokoyama

Education: Administration  
Specialization: Controllership and Finance Management  
BB MBA Marketing  
MBA Executive in Business Advanced Management

### 36. Rogério Magno Panca

Education: Economic Sciences  
Specialization: Business  
BB MBA International Business

### 37. Simão Luiz Kovalski

Education: Business Administration  
Specialization: Marketing  
Master Degree: Administration - Policy and Institutional Management  
  
MBA Strategic Leadership  
MBA Marketing



## Disclosure of the Positions Occupied by the Directors at Other Companies

### 1. Beny Parnes

Chief Economist of SPX Capital.

### 2. Daniel Sigelmann

Board of Directors Alternate Member of Banco Nacional do Desenvolvimento – BNDES

### 3. Fabiano Felix do Nascimento

President of Deliberative Council – Cassi (Caixa de Assistência dos Funcionários do Banco do Brasil)

### 4. Luiz Serafim Spinola Santos

Board of Directors Member of João fortes Engenharia S.A.

Board of Directors Member of Aegea Saneamento e Participações S.A.

### 4. Paulo Rogério Caffarelli

Board of Directors Member of Fundação Banco do Brasil - FBB

Board of Director Vice-President of Elo Par

Board of Director Vice-President of Banco Votorantim

Board of Director Member of Brasilprev

## GENERAL SHAREHOLDERS MEETING DURING THE LAST THREE YEARS

YEAR	DATE	2nd CALL	QUORUM FOR INSTALLATION	SHARE
2017	4/27/2017	NOT	2,180,924,866	76%
2016	4/28/2016	NOT	2,067,139,766	72%
2015	4/28/2015	NOT	2,183,022,298	76%
2014	4/29/2014	NOT	2,172,373,753	76%

### Description of relationship maintained between the Fiscal Council and the Board of Directors, the Executive Board and the Statutory Audit Committee, indicating the number of scheduled joint meetings and during the previous fiscal year and the number of joint meetings planned for the current financial year.

Please be advised that in addition to the meetings provided for in the statutes and regulations of these boards, special meetings can be scheduled, provided that they are necessary.

#### Meetings held in 2016

Board of Directors and Audit Committee	12
Board of Directors, Audit Committee and Fiscal Council	1
Executive Board	There was no meeting with participation of other committees

#### Meetings planned for 2017

Board of Directors and Audit Committee	4 held and more 8 planned
Board of Directors, Audit Committee and Fiscal Council	1 held
Executive Board	There is no meeting planned

### Description, based on provisions of internal regulation, of attributions of non-statutory advisory bodies and committees of the Board of Directors. Also indicate hierarchical relation between said bodies.

Non-existence of non-statutory advisory bodies and committees of the Board of Directors.

### Description of evaluation process of the Board of Directors, Committees, Executive Board and members of each of said bodies, also indicating periodicity, procedures, adopted criteria for prior fiscal year and current year, and whether there are reflexes of evaluation on indication or remuneration.

Banco do Brasil's Bylaws establishes that the Board of Directors must formally evaluate its performance, that of the Executive Board and of committees established in the ambit of the Board, on an annual

basis. Performance of the Executive Secretariat (Secex), area responsible for providing administrative support to the Board of Directors, is also evaluated by the Board of Directors, as well as General Auditor's performance. Evaluation process conducted by Banco do Brasil is described in sub-items "c" and "e" of item 12.1, of this Reference Form. This evaluation's results reflects on Variable Remuneration Program (RVA) of Statutory Management.

Banco do Brasil analyzes the profile of its Administrators, Statutory Executive Officers and the General Auditor. In 2015, aiming to reinforce this process, companies with recognized expertise in the field were prospected to assist the Bank in the construction and conduction of a project focused on the BB's Senior Management functions succession.

At the beginning of 2016, a specialized renowned company was hired to conduct the succession planning process (as published in the Diário Oficial da União of 04.15.2016), including the definition of profiles and the mapping of competencies of 262 managers and executives, which denotes the care and importance that BB has dedicated to the process.

The methodology used for mapping the profiles included the application of online tools, 360 degrees competences evaluation, face-to-face interviews aiming the assessment of skills and relevant experiences, and individual devolutive for increasing self-knowledge and development support.

The purpose of the process is to map organizational needs for future successions of senior management so that BB can conduct, in a planned and strategic way, the identification, mapping and preparation of successors for critical functions to organizational perpetuity.

It is important to highlight that this process is aligned with the objectives of the Banco do Brasil's Corporate Strategy (ECBB 2017-2021).

The construction of profiles for senior management functions (Chief Officers, Officers, General Auditor and General Managers of Strategic Units) was based on market benchmarks for equivalent positions, taking into account the BB's specificities.

Subsequently, it was carried out the mapping of employees and Statutory Managers focused on the diagnosis of development needs, in relation to the desired profiles for the different areas of the BB. It was mapped 224 Executive Managers and Superintendents on their potential for the performance of General Auditor position, Officer and General Manager of Strategic Units. Additionally, 37 occupants of the positions of General Auditor, General Manager and Officer with the potential to move laterally and ascend to the position of Chief Officer were mapped.

Finally, in order to orientate the potential successors' formation, Banco do Brasil carries out a continuous process for identifying professional improvement needs, adopting specific actions for the development of these professionals. Its Corporate University (UNIBB) was chosen by the Global Council of Corporate Universities as the "best in the world" in 2015 and the "most innovative in the world" in 2017.

### **Description of training programs offered to members of the Board of Directors, its Committees, Executive Board and Fiscal Council, also indicating addressed themes, periodicity of courses offered in prior fiscal year and ownership interest rate, as well as those expected for current year.**

On December 15, 2015, the Board of Directors approved the continuous updating events for members of the Board of Directors between 2016 and 2017 on topics of strategic interest to the company and alignment with best corporate governance practices.

2016: The Legal Directorship provided to the Executive Board, on December 20, 2016, the lecture "Regulatory Framework on Governance of State Companies, Law 13,303/2016"; Fiscal Council Certification - IBGC - Member of the Fiscal Council BB, Mr. Mauricio Graccho de Severiano Cardoso.

2017: Bain & Company provided to the Executive Board, on April 10, 2017, the lecture "Perspective on digital transformation and impact on branch network".

### **Information on how the Company's governance is conducted in relation to facts that impact third parties in Board of Directors' meetings. For example, time in advance in which**

**meeting agenda is sent to the counselor so that he/she is able to analyze the matters before voting.**

All determinations included in the Bylaws and Regulations have been complied with regularly, for example, forwarding agenda at least seven days before the meeting, as determined by Article 19 paragraph 1 of the Board of Directors' Internal Regulation, to be previously evaluated by counselors.

We also inform you that information that may impact third parties has been communicated to CVM (Brazilian Securities Commission) within defined deadlines, according to its instructions.

## 13. MANAGEMENT REMUNERATION

### 13.1. Management remuneration policy or practice

**Describe the policy or practice for compensation of the board of directors, statutory and non-statutory board, fiscal council, statutory committees and of the auditing, risk, financial and remuneration committees:**

As foreseen in article 16 of Banco do Brasil's bylaws, the compensation of the members of its management bodies is annually established by the Annual General Meeting, observing the legal rules. The values are defined based on market research, internal balance, responsibility, Company and individual performance, and other factors. The total remuneration includes fixed and variable remuneration and benefits.

Banco do Brasil has no non-statutory board. The remuneration characteristics of each BB Board are described below.

#### **Board of Directors**

<b>a) objectives of the remuneration policy or practice</b>	For the members of the Board of Directors, the amount paid corresponds to 10% of the weighted average paid to members of the Executive Board, where the objective is to compensate them for services rendered.
<b>b) remuneration composition, indicating:</b>	
(i) description of the remuneration components and the objectives of each one of them	Fees: fixed monthly remuneration paid to the Board of Directors members.
(ii) over the last three fiscal years, the proportion of each element in the total remuneration	
2014	Fees: 100%
2015	Fees: 100%
2016	Fees: 100%
(iii) calculation and adjustment methodology of each one of the remuneration components	The amount paid corresponds to 10% of the weighted average of the amounts paid to the members of the Executive Board and approved annually by the Annual General Meeting.
(iv) reasons that justify the remuneration composition	Established by the General Meeting according to the article 152 of Law 6,404/76 and article 1 of Law No. 9,292/96.
(v) the existence of unpaid members and the reason for this fact.	BB's President is not paid for his role on the Board of Directors.
<b>c) key performance indicators that are considered when determining each element of the compensation</b>	Not applicable: fixed remuneration without associated indicator.
<b>d) how the compensation is structured in such a way as to reflect the increase in the performance indicators</b>	Not applicable
<b>e) how the compensation policy or practice is aligned with the short, medium and longterm interests of the issuer</b>	Not applicable
<b>f) existence of remuneration supported by subsidiaries or direct or indirect controlling shareholders</b>	Not applicable
<b>g) existence of any remuneration or benefit linked to the occurrence of a particular corporate event, such as the disposal of the issuer's controlling interest</b>	Not applicable

**Fiscal Council**

<b>a) objectives of the remuneration policy or practice</b>	For the members of the Fiscal Council, the amount practiced corresponds to 10% of the weighted average of the amounts paid to members of the Executive Board, where the objective is to compensate them for services rendered.
<b>b) remuneration composition, indicating:</b>	
(i) description of the remuneration components and the objectives of each one of them	Fees: fixed monthly remuneration paid to the Board of Directors members.
(ii) over the last three fiscal years, the proportion of each element in the total remuneration	
2014	Fees: 100%
2015	Fees: 100%
2016	Fees: 100%
(iii) calculation and adjustment methodology of each one of the remuneration components	The amount paid corresponds to 10% of the weighted average of the amounts paid to the members of the Executive Board and approved annually by the Annual General Meeting.
(iv) reasons that justify the remuneration composition	Established by the General Meeting according to the article 162 paragraph 3 of Law 6,404/76 and article 1 of Law 9,292/97.
(v) the existence of unpaid members and the reason for this fact.	There are not unpaid members.
<b>c) key performance indicators that are considered when determining each element of the compensation</b>	Not applicable: fixed remuneration without associated indicator.
<b>d) how the compensation is structured in such a way as to reflect the increase in the performance indicators</b>	Not applicable
<b>e) how the compensation policy or practice is aligned with the short, medium and longterm interests of the issuer</b>	Not applicable
<b>f) existence of remuneration supported by subsidiaries or direct or indirect controlling shareholders</b>	Not applicable
<b>g) existence of any remuneration or benefit linked to the occurrence of a particular corporate event, such as the disposal of the issuer's controlling interest</b>	Not applicable

**Executive Board**

**a) objectives of the remuneration policy or practice** Compensate the members of the Executive Board, considering their responsibilities, time devoted to their duties, their competence and professional reputation and the value of their services in the market, in order to maximize the Company's earnings in a sustainable manner over time.

**b) remuneration composition, indicating:**

(i) description of the remuneration components and the objectives of each one of them

Fees, 13th Salary, Variable Remuneration and Benefits  
 Fees: fixed monthly remuneration paid to the Bank's Directors. Is the reward for services rendered to the Company.  
 13th Salary: compensation equivalent to one monthly fee.  
 Executive Officers' Variable Compensation Program: a variable compensation program whose purpose is to recognize the directors' effort toward obtaining the achieved results, with basis on the calculated performance of indicators linked to the corporate strategy. The form of payment is in accordance with the proposals set forth by National Monetary Council Resolution 3,921, of November 25, 2010, among which we highlight the payment in company shares.  
 Direct and indirect benefits: part of the remuneration aiming the Directors and Officers quality of life, including housing, healthcare, pension and life insurance.

(ii) over the last three fiscal years, the proportion of each element in the total remuneration

2014	Fees: 44% 13th Salary: 4% Variable Remuneration of the Executive Board: 40% Direct and indirect benefits: 13% Fees: As established by the Annual General Meeting, and considering the analysis of the banking market's best compensation practices in addition to the period's inflation. (April/13 to March/14) 13th Salary: Established by the Annual General Meeting and equivalent to 1 monthly fee(s).
2015	Fees: 44% 13th Salary: 4% Variable Remuneration of the Executive Board: 40% Direct and indirect benefits: 13% Fees: As established by the Annual General Meeting, and considering the analysis of the banking market's best compensation practices in addition to the period's inflation. (April/14 to March/15) 13th Salary: Established by the Annual General Meeting and equivalent to 1 monthly fee(s).
2016	Fees: 44% 13th Salary: 4% Variable Remuneration of the Executive Board: 40% Direct and indirect benefits: 13% Fees: As established by the Annual General Meeting, and considering the analysis of the banking market's best compensation practices in addition to the period's inflation. (April/15 to March/16) 13th Salary: Established by the Annual General Meeting and equivalent to 1 monthly fee(s).

(iii) calculation and adjustment methodology of each one of the remuneration components	The Executive Officers' variable compensation is established by the Annual General Meeting and is limited to 50% of the annual compensation of the Executive Officers or to five thousandths of the profit whichever is lower, according to BB bylaws, article 16, sole paragraph. Any adjustment in monthly fees automatically adjust other compensation components (thirteenth salary and variable compensation), since the definition of the latter depends on the values established for the former.
(iv) reasons that justify the remuneration composition	The compensation granted to the members of the Board of Executive Officers is in conformity with the legal provisions related to state companies and corporations and is aimed at remunerating them for the level of responsibility of their functions and for the fiduciary duty inherent to them, as well as the value of each professional in the market, considering the company's risk management policy, its profit or loss and economic environment.
(v) the existence of unpaid members and the reason for this fact.	There are not unpaid members.
<b>c) key performance indicators that are considered when determining each element of the compensation</b>	Fees: Work in the position. 13th Salary: Performance in the position. Direct and indirect benefits: Performance in the position. Variable remuneration: Determining the payment and the amount of variable compensation granted to statutory officers is done by performance indicators in three levels: Corporate, unity and individual.
<b>d) how the compensation is structured in such a way as to reflect the increase in the performance indicators</b>	The variable compensation is triggered by meeting the performance indicators so that the non-compliance with some indicator directly influence the calculation of the variable remuneration. Similarly, overcoming goal(s) can raise the amount due. The variable remuneration uses indicators that assess various aspects of the company's performance, among which the earnings, market share growth, defaults and efficiency.
<b>e) how the compensation policy or practice is aligned with the short, medium and longterm interests of the issuer</b>	The compensation policy is aligned with the Company's interests, considering short, medium and longterm results to be reached, and the analysis of market trends aligned with corporate strategies for the coming periods. In addition, the indicators used in the variable compensation policy are effects of the corporate strategy, the master plan and the market plan.
<b>f) existence of remuneration supported by subsidiaries or direct or indirect controlling shareholders</b>	The remuneration of the Executive Board is not borne directly by the abovementioned entities. Indirectly, the results of subsidiary and associated companies influence the Bank's net income and, consequently, the compensation practice.
<b>g) existence of any remuneration or benefit linked to the occurrence of a particular corporate event, such as the disposal of the issuer's controlling interest</b>	There are no remunerations or benefits associated with a corporate event.

## Audit Committee

<b>a) objectives of the remuneration policy or practice</b>	<p>Regarding Audit Committee, the remuneration is defined by the Board of Directors and shall fulfill the following criteria, according to the Bylaws of BB, in article 33, paragraph 5:</p> <ul style="list-style-type: none"> <li>i. the remuneration to Committee members will not be higher than the average remuneration received by the Officers;</li> <li>ii. in the case of public officials, their compensation for participation in the Audit Committee will be subject to the established in the pertinent legislation and regulation;</li> <li>iii. the member of the Audit Committee which is, also, member of the Board of Directors, must choose the remuneration of only one of the positions.</li> </ul> <p>Since July 11, 2009, the monthly compensation for permanent members has been 90% of the average salary earned by BB directors.</p>
<b>b) remuneration composition, indicating:</b>	
(i) description of the remuneration components and the objectives of each one of them	Fees: fixed monthly remuneration paid the members of the Bank's audit committee.
(ii) over the last three fiscal years, the proportion of each element in the total remuneration	
2014	Fees: 100%
2015	Fees: 100%
2016	Fees: 100%
(iii) calculation and adjustment methodology of each one of the remuneration components	The amount paid corresponds to 90% of the average salary earned by the Bank's directors. Adjustment is due to the change in the salary of the Executive Officers or by a decision of the Board of Directors.
(iv) reasons that justify the remuneration composition	The remuneration composition is defined by the Board of Directors and follows market practices for the compensation of this board.
(v) the existence of unpaid members and the reason for this fact.	There are not unpaid members.
<b>c) key performance indicators that are considered when determining each element of the compensation</b>	Fees: fixed remuneration without associated indicator.
<b>d) how the compensation is structured in such a way as to reflect the increase in the performance indicators</b>	Not applicable
<b>e) how the compensation policy or practice is aligned with the short, medium and longterm interests of the issuer</b>	Not applicable
<b>f) existence of remuneration supported by subsidiaries or direct or indirect controlling shareholders</b>	Not applicable
<b>g) existence of any remuneration or benefit linked to the occurrence of a particular corporate event, such as the disposal of the issuer's controlling interest</b>	Not applicable

## Other Committees:

At Banco do Brasil, all decisions are taken collectively. For this purpose, the Governance structure accommodates non-statutory committees composed of members of the Executive Board. Members of the Executive Board, when appointed, automatically occupy a position on the Bank's other committees without receiving any additional compensation for the other position.



### 13.2. Management compensation charged to income

**Regarding to the remuneration recognized in net income for the past 3 fiscal years and that forecast for the current fiscal year of the Board of Directors, Statutory Board and Fiscal Council, prepare a table with the following contents:**

The tables presented in this item demonstrate the remuneration recognized in net income for the past 3 fiscal years of the Board of Directors, Statutory Board and Banco do Brasil's Fiscal Council.

To avoid duplication, the values computed as compensation for members of the board were deducted from the remuneration of directors who also are part of that body. Such is the case of the President of Banco do Brasil, a member of the Board of Directors and the Executive Board.

The number of members of each body corresponds to the annual average of members of each body calculated monthly, with two decimal digits, in accordance with the Circular Letter CVM/SEP/No 01/2017 of 02/23/2017. For the calculation, it considered the number of members on the last business day of each month. In the case of the Fiscal Council, we considered only the incumbent members.

The number of paid members of each body corresponds to the annual average number of paid members of each body calculated monthly, with two decimal digits, in accordance with the Circular Letter/CVM/SEP/No. 01/2017. For the average calculation, it was considered all paid members, including those who have received *pro rata* remuneration for the beginning and end of a term in office, those who have received adjustments for previous months and who have received quotas of Variable Remuneration, including those resulting from previous programs. In the case of the Fiscal Council were also considered alternate members who, due to their performance, have received compensation.

The values for "Other" in d.i item refer to the employer social security contributions to FGTS levied on wages or management fees of the members of the Executive Board, BB's Board of Directors and Fiscal Council in accordance with item "b" of the subtitle 10.2.13 of Circular Letter CVM/SEP/Nº 01/2017 of 02/23/2017.

#### Fiscal year 2014

The variable remuneration program for Banco do Brasil directors for the year 2014-2015 had its value approved by the Annual General Meeting of 04/29/2014 and its definition, which is 50% cash and 50% in shares, of which 20% in prompt payment and 80% deferred within four years, was proposed by the Compensation Committee and approved by the Board of Directors, as CMN Resolution 3,921/2010. Out of the total R\$15,276,659.08 for the Variable Compensation, R\$4,878,655.78 refer to the cash portion of the 2013 program, after deducting the advance payment, and R\$5,357,655.53 refer to the Program 2014. Besides that, advance also integrates the total R\$5,040,347.77 spent on social charges on variable remuneration, pursuant to item "b" of the subtitle 10.2.13 Circular Letter/CVM/SEP/N.º 01/2017. From the R\$3,371,898.76 for the stock-based compensation, R\$1,398,218.27 refer to the first deferred portion of the program in 2012 and R\$1,973,680.49 relate to the cash portion of the 2013 Program without the social charges incurred, which are included in d.ii item, pursuant to item "b" of the subtitle 10.2.13 Circular Letter/CVM/SEP/ No. 01/2017.

The values of benefits motivated by cessation of tenure include social charges. From R\$429,958.45, R\$100,488.34 refer to the employer social security contributions and to the FGTS.

Expenditure on the employer's contribution to pension are not included in direct and indirect benefits, given that, since the return of the contributions of the participants of Benefit Plan 1 of the Pension Fund of the Banco do Brasil (Previ), resources have been used from the "Sponsor Special Reserve Account named *Conta de Utilização*". The total amounts spent are listed in item 13.10 hereof.

## Section 13 - Management Remuneration

a) Body	Board of Directors	Fiscal Council	Executive Board
<b>b) Total number of members</b>	7.25	4.33	36.83
<b>c) Number of paid members</b>	4.42	4.75	38.25
<b>d) Compensation breakdown:</b>			
<b>(i) Fixed Annual Remuneration, breakdown:</b>			
- Salary or Director Compensation (R\$)	274,225.54	281,857.36	22,869,035.74
- Direct and indirect benefits	n/a	n/a	1,707,882.82
- Compensation for joining committees	n/a	n/a	n/a
- Other	74,181.68	63,417.91	8,459,580.51
<b>(ii) Variable remuneration, breakdown (R\$)</b>			
- Bonuses	n/a	n/a	n/a
- Profit sharing	n/a	n/a	n/a
- Remuneration for participation in meetings	n/a	n/a	n/a
- Commissions	n/a	n/a	n/a
- Other	n/a	n/a	15,276,659.08
<b>(iii) Post-employment benefits (R\$)</b>	n/a	n/a	n/a
<b>(iv) Benefits motivated by the cessation of tenure, (R\$)</b>	n/a	n/a	429,958.45
<b>(v) remuneration based on shares, including options (R\$)</b>	n/a	n/a	3,371,898.76
<b>e) Annual amount of compensation by body (R\$)</b>	<b>348,407.22</b>	<b>345,275.27</b>	<b>52,115,015.36</b>
<b>f) Annual amount of remuneration (R\$)</b>			52,808,697.85

### Fiscal year 2015

The variable remuneration program for Banco do Brasil directors of for the year 2015-2016 had its value approved by the Annual General Meeting of 04/28/2015 and its definition, which is 50% cash and 50% in shares, of which 20% in prompt payment and 80% deferred within four years, was proposed by the Compensation Committee and approved by the Board of Directors, as CMN Resolution 3,921/2010. Out of the total R\$16,864,703.95 for the Variable Compensation, R\$5,222,798.75 refer to the cash portion of the 2014 program, after deducting the advance payment, and R\$5,585,054.58 refer to the Program 2015 besides that, advance also integrates the total R\$6,056,850.61 spent on social charges on variable remuneration, pursuant to item "b" of the subtitle 10.2.13 Circular Letter/CVM/SEP/N.º 01/2017. From R\$5,965,665.91 for the stock-based compensation, R\$1,540,005.56 refer to the second deferred portion of the program in 2012, R\$2,312,029.79 refer to the first deferred portion of the program in 2013 and R\$2,113,630.56 relate to the cash portion of the 2014 Program without the social charges incurred, which are included in d.ii item, pursuant to item "b" of the subtitle 10.2.13 Circular Latter/CVM/SEP/ No. 01/2017.

The fees of one member of the Board were paid by BB Seguridade, until his resignation, which occurred on 04/05/2015.

Because of its indemnitory quality, the Statutory Quarantine stopped receiving the incidence of employer contribution to the pension and contribution to the FGTS.

Expenditure on the employer's contribution to pension is included in direct and indirect benefits, despite resources have been used from "Sponsor Special Reserve Account named *Conta de Utilização*".

a) Body	Board of Directors	Fiscal Council	Executive Board
<b>b) Total number of members</b>	7.75	4.75	36.42
<b>c) Number of paid members</b>	5.92	5.00	39.00
<b>d) Compensation breakdown:</b>			
<b>(i) Fixed Annual Remuneration, breakdown:</b>			
- Salary or Director Compensation (R\$)	392,421.39	329,345.89	24,197,935.02
- Direct and indirect benefits	n/a	n/a	3,248,693.06
- Compensation for joining committees	n/a	n/a	n/a
- Other	98,323.63	74,102.75	8,879,660.33
<b>(ii) Variable remuneration, breakdown (R\$)</b>			
- Bonuses	n/a	n/a	n/a
- Profit sharing	n/a	n/a	n/a
- Remuneration for participation in meetings	n/a	n/a	n/a
- Commissions	n/a	n/a	n/a
- Other	n/a	n/a	16,864,703.95
<b>(iii) Post-employment benefits (R\$)</b>			
	n/a	n/a	n/a
<b>(iv) Benefits motivated by the cessation of tenure, (R\$)</b>			
	n/a	n/a	97,258.82
<b>(v) remuneration based on shares, including options (R\$)</b>			
	n/a	n/a	5,965,665.91
<b>e) Annual amount of compensation by body (R\$)</b>	<b>490,745.02</b>	<b>403,448.64</b>	<b>59,253,917.09</b>
<b>f) Annual amount of remuneration (R\$)</b>			<b>60,148,110.75</b>

### Fiscal year 2016

The variable remuneration program for Banco do Brasil directors for the year 2016-2017 had its value approved by the Annual General Meeting of 04/28/2016 and its definition, which is 50% cash and 50% in shares, of which 20% in prompt payment and 80% deferred within four years, was proposed by the Compensation Committee and approved by the Board of Directors, as CMN Resolution 3,921/2010. Out of the total R\$9,067,213.57 for the Variable Compensation, R\$3,778,350.65 refer to the cash portion of the 2015 program, after deducting the advance payment, and R\$1,207,855.03 refer to the Program 2016 besides that, advance also integrates the total R\$4,081,007.89 spent on social charges on variable remuneration, pursuant to item "b" of the subtitle 10.2.13 Circular Letter/CVM/SEP/N.º 01/2017. From R\$7,259,974.15 for the stock-based compensation, R\$1,504,124.54 refer to the third deferred portion of the program in 2012, R\$2,006,957.60 refer to the second deferred portion of the program in 2013 and R\$1,807,923.56 refer to the first deferred portion of the program in 2014 and R\$1,940,968.45 relate to the cash portion of the 2015 Program without the social charges incurred, which are included in d.ii item, pursuant to item "b" of the subtitle 10.2.13 Circular Letter/CVM/SEP/No. 01/2017.

Because of its indemnitory quality, the Statutory Quarantine stopped receiving the incidence of employer contribution to the pension and contribution to the FGTS.

Expenditure on the employer's contribution to pension is included in direct and indirect benefits, despite resources have been used from "Sponsor Special Reserve Account named *Conta de Utilização*".

## Section 13 - Management Remuneration

a) Body	Board of Directors	Fiscal Council	Executive Board
<b>b) Total number of members</b>	7.75	4.83	35.67
<b>c) Number of paid members</b>	6.33	4.92	39.17
<b>d) Compensation breakdown:</b>			
<b>(i) Fixed Annual Remuneration, breakdown:</b>			
- Salary or Director Compensation (R\$)	406,494.91	343,226.12	25,151,971.59
- Direct and indirect benefits	n/a	n/a	3,355,642.56
- Compensation for joining committees	n/a	n/a	n/a
- Other	100,744.37	75,990.24	9,015,848.37
<b>(ii) Variable remuneration, breakdown (R\$)</b>			
- Bonuses	n/a	n/a	n/a
- Profit sharing	n/a	n/a	n/a
- Remuneration for participation in meetings	n/a	n/a	n/a
- Commissions	n/a	n/a	n/a
- Other	n/a	n/a	9,067,213.57
<b>(iii) Post-employment benefits (R\$)</b>			
	n/a	n/a	n/a
<b>(iv) Benefits motivated by the cessation of tenure, (R\$)</b>			
	n/a	n/a	1,179,581.35
<b>(v) remuneration based on shares, including options (R\$)</b>			
	n/a	n/a	7,259,974.15
<b>e) Annual amount of compensation by body (R\$)</b>	<b>507,239.28</b>	<b>419,216.36</b>	<b>55,030,231.59</b>
<b>f) Annual amount of remuneration (R\$)</b>			<b>55,956,687.23</b>

### Fiscal year 2017 (Forecast)

The variable remuneration program for Banco do Brasil directors of for the year 2017-2018 Shall be submitted to the approval Annual General Meeting of 04/27/2017 and its definition, which is 50% cash and 50% in shares, of which 20% in prompt payment and 80% deferred within four years, was proposed by the Compensation Committee and approved by the Board of Directors, as CMN Resolution 3,921/2010. Out of the total R\$34,507,991.29 for the Variable Compensation, R\$21,422,908.63 refer to the portion of cash payment scheduled for the year 2017 included around R\$9,171,727.49 earmarked for expenditure on social charges on variable remuneration in accordance with item " b" of the subtitle 10.2.13 of the circular Letter/CVM/SEP/No. 01/2017. In addition, it is foreseen R\$3,062,795.28 for the transfer to view the program in 2017, R\$2,365,299.17 for the first deferral program in 2016, R\$2,552,329.40 for the second deferral of the Program in 2015 R\$2,552,329.40 for the third postponement of the 2014 program and R\$2,552,329.40 for the fourth postponement of the 2013 Program.

<b>a) Body</b>	<b>Board of Directors</b>	<b>Fiscal Council</b>	<b>Executive Board</b>
<b>b) Total number of members</b>	8.00	5.00	37
<b>c) Number of paid members</b>	8	5	37
<b>d) Compensation breakdown:</b>			
<b>(i) Fixed Annual Remuneration, breakdown:</b>			
- Salary or Director Compensation (R\$)	597,842.88	373,651.80	27,650,235.20
- Direct and indirect benefits	n/a	n/a	6,321,583.62
- Compensation for joining committees	n/a	n/a	n/a
- Other	144,753.12	84,071.40	10,009,385.14
<b>(ii) Variable remuneration, breakdown (R\$)</b>			
- Bonuses	n/a	n/a	n/a
- Profit sharing	n/a	n/a	n/a
- Remuneration for participation in meetings	n/a	n/a	n/a
- Commissions	n/a	n/a	n/a
- Other	n/a	n/a	21,422,908.63
<b>(iii) Post-employment benefits (R\$)</b>			
	n/a	n/a	n/a
<b>(iv) Benefits motivated by the cessation of tenure, (R\$)</b>			
	n/a	n/a	3,912,466.28
<b>(v) remuneration based on shares, including options (R\$)</b>			
	n/a	n/a	13,085,082.66
<b>e) Annual amount of compensation by body (R\$)</b>	<b>742,596.00</b>	<b>457,723.20</b>	<b>82,401,661.53</b>
<b>f) Annual amount of remuneration (R\$)</b>			<b>83,601,980.73</b>

### 13.3. Management Variable Compensation

**Regarding to the variable remuneration of the past 3 fiscal years and that estimated for the current fiscal year of the Board of Directors, Statutory Board and of the Fiscal Council, prepare a table with the following content.**

The number of members of each body corresponds to the annual average of members of each body calculated monthly, with two decimal digits, in accordance with the Circular Letter/CVM/SEP/No 01/2017 of 02/23/2017. For the calculation, it considered the number of members on the last business day of each month.

The number of paid members of each body corresponds to the annual average number of paid members of each body calculated monthly, with two decimal digits, in accordance with the Instruction CVM nº 552 of 10/09/2014. For the average calculation, are considered all the members who have received installments of Variable Remuneration, including those resulting from previous programs.

The Board of Directors and Fiscal Council members are not target group for Variable Remuneration Program.

#### Fiscal year 2014

The variable remuneration program for Banco do Brasil directors for the year 2014-2015 had its value approved by the Annual General Meeting of 04/29/2014 and its definition, which is 50% cash and 50% in shares, of which 20% in prompt payment and 80% deferred within four years, was proposed by the Compensation Committee and approved by the Board of Directors, as CMN Resolution 3,921/2010. Out of the total R\$15,276,659.08 for the Variable Compensation, R\$4,878,655.78 refer to the cash portion of the 2013 program, after deducting the advance payment, and R\$5,357,655.53 refer to the Program 2014. Besides that, advance also integrates the total R\$5,040,347.77 spent on social charges on variable remuneration, pursuant to item "b" of the subtitle 10.2.13 Circular Letter/CVM/SEP/N.º 01/2017. From the R\$3,371,898.76 for the stock-based compensation, R\$1,398,218.27 refer to the first deferred portion of the program in 2012 and R\$1,973,680.49 relate to the cash portion of the 2013 Program without the social charges incurred, which are included in d.ii item, pursuant to item "b" of the subtitle 10.2.13 Circular Letter/CVM/SEP/ No. 01/2017.

## Section 13 - Management Remuneration

<b>a) Body</b>	<b>Board of Directors</b>	<b>Fiscal Council</b>	<b>Executive Board</b>
<b>b) Total number of members</b>	7.25	4.33	36.83
<b>c) Number of paid members</b>	-	-	44.33
<b>d) Regarding the bonus (R\$):</b>			
(i) minimum value established in the compensation plan	None	None	None
(ii) maximum value established in the compensation plan	None	None	None
(iii) value established in the compensation plan - reached targets	None	None	None
(iv) value effectively recognized	None	None	None
<b>e) Regarding the profit sharing (R\$):</b>			
(i) minimum value established in the compensation plan	None	None	None
(ii) maximum value established in the compensation plan	None	None	None
(iii) value established in the compensation plan - reached targets	None	None	None
(iv) value effectively recognized	None	None	None

### Fiscal year 2015

The variable remuneration program for Banco do Brasil directors of for the year 2015-2016 had its value approved by the Annual General Meeting of 04/28/2015 and its definition, which is 50% cash and 50% in shares, of which 20% in prompt payment and 80% deferred within four years, was proposed by the Compensation Committee and approved by the Board of Directors, as CMN Resolution 3,921/2010. Out of the total R\$16,864,703.95 for the Variable Compensation, R\$5,222,798.75 refer to the cash portion of the 2014 program, after deducting the advance payment, and R\$5,585,054.58 refer to the Program 2015 besides that, advance also integrates the total R\$6,056,850.61 spent on social charges on variable remuneration, pursuant to item "b" of the subtitle 10.2.13 Circular Letter/CVM/SEP/N.º 01/2017. From R\$5,965,665.91 for the stock-based compensation, R\$1,540,005.56 refer to the second deferred portion of the program in 2012, R\$2,312,029.79 refer to the first deferred portion of the program in 2013 and R\$2,113,630.56 relate to the cash portion of the 2014 Program without the social charges incurred, which are included in d.ii item, pursuant to item "b" of the subtitle 10.2.13 Circular Letter/CVM/SEP/ No. 01/2017.

<b>a) Body</b>	<b>Board of Directors</b>	<b>Fiscal Council</b>	<b>Executive Board</b>
<b>b) Total number of members</b>	7.75	4.75	36.42
<b>c) Number of paid members</b>	-	-	44.00
<b>d) Regarding the bonus (R\$):</b>			
(i) minimum value established in the compensation plan	None	None	None
(ii) maximum value established in the compensation plan	None	None	None
(iii) value established in the compensation plan - reached targets	None	None	None
(iv) value effectively recognized	None	None	None
<b>e) Regarding the profit sharing (R\$):</b>			
(i) minimum value established in the compensation plan	None	None	None
(ii) maximum value established in the compensation plan	None	None	None
(iii) value established in the compensation plan - reached targets	None	None	None
(iv) value effectively recognized	None	None	None

### Fiscal year 2016

The variable remuneration program for Banco do Brasil directors for the year 2016-2017 had its value approved by the Annual General Meeting of 04/28/2016 and its definition, which is 50% cash and 50% in shares, of which 20% in prompt payment and 80% deferred within four years, was proposed by the Compensation Committee and approved by the Board of Directors, as CMN Resolution 3,921/2010. Out

of the total R\$9,067,213.57 for the Variable Compensation, R\$3,778,350.65 refer to the cash portion of the 2015 program, after deducting the advance payment, and R\$1,207,855.03 refer to the Program 2016 besides that, advance also integrates the total R\$4,081,007.89 spent on social charges on variable remuneration, pursuant to item "b" of the subtitle 10.2.13 Circular Letter/CVM/SEP/N.º 01/2017. From R\$7,259,974.15 for the stock-based compensation, R\$1,504,124.54 refer to the third deferred portion of the program in 2012, R\$2,006,957.60 refer to the second deferred portion of the program in 2013 and R\$1,807,923.56 refer to the first deferred portion of the program in 2014 and R\$1,940,968.45 relate to the cash portion of the 2015 Program without the social charges incurred, which are included in d.ii item, pursuant to item "b" of the subtitle 10.2.13 Circular Letter/CVM/SEP/ No. 01/2017.

<b>a) Body</b>	<b>Board of Directors</b>	<b>Fiscal Council</b>	<b>Executive Board</b>
<b>b) Total number of members</b>	7.75	4.83	35.67
<b>c) Number of paid members</b>	-	-	54.50
<b>d) Regarding the bonus (R\$):</b>			
(i) minimum value established in the compensation plan	None	None	None
(ii) maximum value established in the compensation plan	None	None	None
(iii) value established in the compensation plan - reached targets	None	None	None
(iv) value effectively recognized	None	None	None
<b>e) Regarding the profit sharing (R\$):</b>			
(i) minimum value established in the compensation plan	None	None	None
(ii) maximum value established in the compensation plan	None	None	None
(iii) value established in the compensation plan - reached targets	None	None	None
(iv) value effectively recognized	None	None	None

#### **Fiscal year 2017 (Forecast)**

<b>a) Body</b>	<b>Board of Directors</b>	<b>Fiscal Council</b>	<b>Executive Board</b>
<b>b) Total number of members</b>	8.00	5.00	37.00
<b>c) Number of paid members</b>	8.00	5.00	37.00
<b>d) Regarding the bonus (R\$):</b>			
(i) minimum value established in the compensation plan	None	None	None
(ii) maximum value established in the compensation plan	None	None	None
(iii) value established in the compensation plan - reached targets	None	None	None
(iv) value effectively recognized	None	None	None
<b>e) Regarding the profit sharing (R\$):</b>			
(i) minimum value established in the compensation plan	None	None	None
(ii) maximum value established in the compensation plan	None	None	None
(iii) value established in the compensation plan - reached targets	None	None	None
(iv) value effectively recognized	None	None	None

#### **13.4. Share-based management compensation plan**

**Regarding the share-based compensation plan of the Board of Directors and Statutory Board, in force in the last current fiscal year and projected for the current fiscal year:**

##### **a. general terms and conditions**

Holding a statutory position (President, Vice President or Director) during the fiscal year of 2016 and meet certain indicator targets established as a requirement for triggering the Plan.

**b. main objectives of the plan**

Strengthening the commitment with corporate strategies and recognizing each administrator's effort in proportion with the meeting of proposed targets by measuring his work.

The Plan's goal is to provide compatibility between the variable compensation policy and the risk management policy in order to curb behaviors that increase the risk exposure beyond levels considered as prudent in the Bank's short medium and long-term strategies.

**c. the way how the plan contributes for such objectives**

The plan contributes directly with the objectives since it comprises several performance indicators derived from the Corporate Strategy, the Market Plan and the Master Plan.

In addition the plan establishes that part of the variable compensation will be deferred over up to 4 years. That part is transferred to the beneficiaries at the rate of 25% per year, as long as in the previous fiscal year the Bank's profits have not had a negative variation exceeding 20% net of extraordinary event effects.

**d. how the plan is inserted in the compensation policy**

The compensation part based on shares is a part of the variable compensation program which comprises payment in currency and in shares as established by National Monetary Council resolution 3,921/2010. Both forms of payment are calculated with basis on the achievement of targets that evaluate the performance of the Bank as a whole in three levels: corporate, local office and individual performance.

**e. how the plan aligns the interests of the officers to those of the issuer in short. medium and long term**

The Plan's alignment is achieved through efforts to increase income and its sustainability in future periods. Alignment can be evidenced by the use of several indicators, which consider from business, efficiency, default and liquidity to the Company's cash flow capacity to measure results. Moreover, it is established the payment of the variable remuneration on a deferred basis, subject to no negative change in the result.

**f. maximum number of shares**

No maximum number of shares is established. As established in article 16 of the bylaws the limit is 50% of the total annual compensation or five thousandths of the profit for the period whichever is lower.

**g. maximum number of options to be granted**

There is no use of stock options.

**h. share acquisition conditions**

Shares are acquired and used in accordance with CVM authorization.

**i. criteria for fixation of the acquisition or exercise price**

The price considered is the average acquisition price or in the case of use of treasury shares the average price of the shares in the week preceding the payment.

**j. criteria for fixation of the exercise term**

There is no use of stock options.

**k. settlement method**

There is no use of stock options.

**l. restrictions to the transfer of shares**

After the shares are transferred to the administrators there are no restrictions.



**m. criteria and events that, when met, will cause the suspension, change or extinction of the plan**

The variable compensation program is approved on an annual basis. Currently there is no prevision for the plan's discontinuity.

**n. effects of the officer's removal from the issuer committees on its rights regarding the share-based compensation plan**

The compensation is paid in proportion with the days he worked in the period. There are no changes regarding deferred portions not yet paid due to job terminations or death.

**13.5. Share-based management compensation charged to income****Regarding the board of directors and statutory board share-based compensation charged to net income for the past 3 fiscal years and that estimated for the current fiscal year:**

The compensation part based on shares is a part of the variable compensation program which comprises payment in currency and in shares as established by CMN Resolution 3,921/2010, described in items 13.2 and 13.3.

**13.6. Option-based management's compensation****Regarding the board of directors and statutory board outstanding options at the end of the last fiscal year:**

Banco do Brasil does not have a options-based compensation plan.

**13.7. Exercised options and delivered shares****Regarding exercised options and delivered shares relating to the Board of Directors and Statutory Board share-based compensation in the past 3 fiscal years**

Banco do Brasil does not have a options-based compensation plan.

**13.8. Brief description of share-based or option-based compensation****Brief description of the necessary information to understand the data disclosed in items from 13.5 to 13.7, such as the explanation of the pricing method for shares and options:****a. pricing model**

For shares held in treasury, the pricing is based on the average price of BBAS3 shares in the week prior to the payment date.

**b. data and assumptions used in the pricing model , including the shares weighted average price, exercise price, expected volatility, option life, expected dividends and free risk interest rate**

For the price of the week preceding the date of payment, it is used the average daily prices and calculated the simple arithmetic average. The variable remuneration is not based on options.

**c. method used and the assumptions made to incorporate the expected effects of early exercise**

The variable remuneration is not based on options.

**d. method of determining the expected volatility**

The variable remuneration is not based on options.

**e. if any other characteristic of the option was incorporated into the measurement of fair value**

The variable remuneration is not based on options.

**13.9. Quantity of shares or quotas directly or indirectly held by administrators**

**Inform the quantity of shares or quotas held directly or indirectly, in Brazil or abroad, and other securities convertible into shares or quotas issued by the issuer, its direct or indirect controlling shareholders, subsidiaries or corporations under common control, by members of the Board of Director's, Statutory Board or Fiscal Council, grouped by body, on the closing date of the last fiscal year.**

<b>Balance at 12/31/2016</b>	<b>Banco do Brasil's Common Share</b>
Board of Directors (except BB's President, included in the Executive Board)	144
Executive Board	166,334
Fiscal Council	-

<b>Balance at 12/31/2016</b>	<b>Cielo Common Share</b>
Board of Directors (except BB's President, included in the Executive Board)	-
Executive Board	294
Fiscal Council	-

<b>Balance at 12/31/2016</b>	<b>BB Seguridade Common Share</b>
Board of Directors (except BB's President, included in the Executive Board)	-
Executive Board	17,116
Fiscal Council	-

The members of the Board of Directors, Statutory Board and Fiscal Council hold no other securities issued by controlling shareholders, subsidiaries or corporations under common control of the Bank.

**13.10. Management's pension plans**

Pension plans in force granted to the members of the board of directors and to the statutory officers. Provide the following information in table form:

a) Body	Board of Directors <sup>1</sup>	Executive Board
b) Number of members	2	35
c) Number of paid members	1	32
d) Pension Plan Name	Plano de Benefícios nº 1 and Plano Previ Futuro	
e) Number of managers who are eligible to retire	0	7
f) Conditions for early retirement	<p>As General Regulations of Plano de Benefícios nº 1, Article 44 and General Regulations of Plano Previ Futuro, Article 43 transcribed below:            The Early Retirement Supplement will be due to the participant from the date of application, provided that are met:            I - at least 50 years old;            II - has fulfilled the lack of 180 monthly contributions to the Benefit Plan;            III - there is termination of employment with the sponsoring company at the time of the benefit application requirement.</p>	
g) Updated value of accumulated contributions until the end of last fiscal year, excluded the portion relating to contributions made directly by the Members (R\$) <sup>2</sup>	29,335.10	42,310,227.68
h) Total amount of contributions made during the last fiscal year, excluded the portion of contributions made directly by the Members (R\$) <sup>2</sup>	3,709.85	1,406,071.44
i) Possibility of early redemption and conditions	<p>As General Regulations of Plano de Benefícios nº 1, it will be a condition for the option for early redemption:            a. proven termination of employment or by request of cancelling by the participant;            b. The redemption will be in cash. By participant's request payment may be made for a period of twelve consecutive months from the date of the option;            c. In case of death, the payment of individual reserve may be made to the participant's heirs in one single portion.            d. in case of cancellation, the participant has the right to withdraw is savings.</p>	

1 – Includes BB's CEO;

2 – Do not includes fees from the plans.

**13.11. Additional information on the Board of Directors, statutory board and Fiscal Council**

Indicate in tabular form, for the past 3 fiscal years, regarding to the board of directors, the statutory board and the fiscal council:

**Fiscal year 2014**

a) Body	Board of Directors	Fiscal Council	Executive Board
b) Number of members (average 12 months)	7.25	4.33	36.83
c) Number of paid members	4.42	4.75	38.25
d) Amount of the highest individual remuneration (R\$) – year <sup>1</sup>	94,774.51	78,166.92	1,824,529.64
e) Amount of the lowest individual remuneration (R\$) – year <sup>2</sup>	78,166.92	78,166.92	1,409,402.62
f) Mean individual remuneration per annum (R\$) <sup>3</sup>	78,825.16	72,689.53	1,362,484.06

## Section 13 - Management Remuneration

1 – Corresponds to the total annual remuneration paid to the President of Banco do Brasil in the year 2014, he held the position for 12 months, including direct and indirect benefits and social charges on their remuneration installments, in accordance with item "b" and "j" of the subtitle 10.2.13 Circular Letter circular/CVM/SEP/N.º 01/2017.

2 – Corresponds to the total annual remuneration paid to an Executive Officer of Banco do Brasil in the year 2014, including direct and indirect benefits and social charges on their remuneration installments, in accordance with item "b" and "j" of the subtitle 10.2.13 Circular Letter circular/CVM/SEP/N.º 01/2017. The amount of the lowest annual individual compensation was calculated based on the total remuneration received by a director who held the position for 12 months.

3 – The average value calculated to the Board of Directors is based on the ratio of R\$348,407.22 per 4.42, to the Fiscal Council the ratio of R\$345,275.27 per 4.75 and for the Executive Board is based on the ratio of R\$52,115,015.36 per 38.25. The dividers are the number of paid members.

### Fiscal year 2015

a) Body	Board of Directors	Fiscal Council	Executive Board
<b>b) Number of members (average 12 months)</b>	7.75	4.75	36.42
<b>c) Number of paid members</b>	5.92	5.00	39.00
<b>d) Amount of the highest individual remuneration (R\$) – year<sup>1</sup></b>	81,992.62	81,992.62	2,005,238.38
<b>e) Amount of the lowest individual remuneration (R\$) – year<sup>2</sup></b>	81,992.62	81,992.62	1,422,476.08
<b>f) Mean individual remuneration per annum (R\$)<sup>3</sup></b>	82,896.12	80,689.73	1,519,331.21

1 – Corresponds to the total annual remuneration paid to the President of Banco do Brasil in the year 2015. There was installation of the new President, having been informed the remuneration that remained longer in office, then included the direct and indirect benefits and social charges levied on their compensation installments, as the items "b" and "j" subtitle 10.2.13 Circular Letter/CVM/SEP/No 01/2017 and the remuneration received during the exercise of the elective office as Vice President, position before the installation.

2 – Corresponds to the total annual remuneration paid to an Executive Officer of Banco do Brasil in the year 2015, including direct and indirect benefits and social charges on their remuneration installments, in accordance with item "b" and "j" of the subtitle 10.2.13 Circular Letter circular/CVM/SEP/N.º 01/2017. The amount of the lowest annual individual compensation was calculated based on the total remuneration received by a director who held the position for 12 months.

3 – The average value calculated to the Board of Directors is based on the ratio of R\$490,745.02 per 5.92, to the Fiscal Council the ratio of R\$403,448.64 per 5.00 and for the Executive Board is based on the ratio of R\$59,253,917.09 per 39.00. The dividers are the number of paid members.

### Fiscal year 2016

a) Body	Board of Directors	Fiscal Council	Executive Board
<b>b) Number of members (average 12 months)</b>	7.75	4.83	35.67
<b>c) Number of paid members</b>	6.33	4.92	39.17
<b>d) Amount of the highest individual remuneration (R\$) – year<sup>1</sup></b>	95,587.08	86,303.85	1,652,888.45
<b>e) Amount of the lowest individual remuneration (R\$) – year<sup>2</sup></b>	86,303.85	86,303.85	1,150,807.10
<b>f) Mean individual remuneration per annum (R\$)<sup>3</sup></b>	80,132.59	85,206.58	1,404,907.62

1 – Corresponds to the total annual remuneration paid to the President of Banco do Brasil in the year 2016. There was installation of the new President, having been informed the Vice President remuneration the, then included the direct and indirect benefits and social charges levied on their compensation installments, as the items "b" and "j" subtitle 10.2.13 Circular Letter/CVM/SEP/No 01/2017, since the President in office did not hold a position on the Executive Board prior to his installation.

2 – Corresponds to the total annual remuneration paid to an Executive Officer of Banco do Brasil in the year 2016, including direct and indirect benefits and social charges on their remuneration installments, in accordance with item "b" and "j" of the subtitle 10.2.13 Circular Letter circular/CVM/SEP/N.º 01/2017. The amount of the lowest annual individual compensation was calculated based on the total remuneration received by a director who held the position for 12 months.

3 – The average value calculated to the Board of Directors is based on the ratio of R\$507,239.28 per 6.33, to the Fiscal Council the ratio of R\$419,216.36 per 4.92 and for the Executive Board is based on the ratio of R\$55,030,231.59 per 39.17. The dividers are the number of paid members.

#### 13.12. Benefits for management upon loss of position or retirement

**Describe contractual arrangements, insurance policies or other instruments that structure mechanisms of remuneration or compensation for the directors in case of removal from office or retirement, indicating the financial consequences for the issuer.**

The article 24. Banco do Brasil bylaws establishes:

§ 6 After the end of the term in office, the former members of the Executive Board are not allowed to do the following for four months from the end of the term, if a longer period is not set out in rule provisions:

- I. perform activities or provide any service to corporations or entities that compete with Banco do Brasil's group companies;

II. take position as manager or director or establish professional relationship with individuals or companies with whom he/she maintained direct and significant official relationship over the six months prior to the end of the term, if a longer period is not set out by rule provisions; and

III. directly or indirectly sponsor the individual or companies affairs before any Federal Agency or entity with which he/she maintained direct and significant official relationship over the six months prior to the end of the term, if a longer period is not set out by rule provisions.

§ 7 During the period of impediment the former members of the Executive Board are entitled to compensatory remuneration equivalent to that of the post that they occupied in this body, in compliance with the provisions of § 8 of this article.

§ 8 The former members of the Executive Board who were not originated from the Bank's staff, in compliance with § 6 of this article, and who opt to resume prior to the end of the period of impediment, to perform the role or job permanent or superior, which, prior to their installation they occupied in public or private administration are not entitled to compensatory remuneration.

In that respect, Law 12,813 of May 16, 2013, which regulates conflicts of interest in exercising a position or holding a job in the Federal Government, included the positions of President, Vice president and Director of state controlled companies, established that the first six months after destitution would be a conflicting period when former directors will receive compensatory payments established in paragraph 7 of article 24 of Banco do Brasil bylaws, since fulfilled de conditions established at § 6.

### 13.13. Each body's total compensation percentage charged to income

**Regarding to the last 3 fiscal years, indicate the percentage of the total remuneration of each body charged to income referring to members of the board of directors, the statutory board or the fiscal council who are parties related to the direct or indirect controlling shareholders, as defined by the accounting rules that address this subject:**

To prepare the tables below, the total remuneration of the body and the remuneration of members appointed by the controller include in social security contributions, according to item "b" and "i" caption 10.2.13 of the Circular Letter/CVM/SEP/No 02/2017. For Executive Board, benefits were also included.

#### Fiscal year 2014

	Board of Directors	Fiscal Council	Executive Board
<b>Total remuneration of the body (R\$)</b>	348,407.22	345,275.27	52,115,015.36
<b>Total remuneration of the members appointed by the controlling shareholder (R\$)</b>	174,353.50	209,211.01	1,824,529.04
<b>Percentage of remuneration of the appointees in relation to the total amount paid</b>	50%	61%	4%

#### Fiscal year 2015

	Board of Directors	Fiscal Council	Executive Board
<b>Total remuneration of the body (R\$)</b>	490,745.02	403,448.64	59,253,917.09
<b>Total remuneration of the members appointed by the controlling shareholder (R\$)</b>	379,931.63	254,809.67	2,005,238.38
<b>Percentage of remuneration of the appointees in relation to the total amount paid</b>	77%	63%	3%

#### Fiscal year 2016

	Board of Directors	Fiscal Council	Executive Board
<b>Total remuneration of the body (R\$)</b>	507,239.28	419,216.36	55,030,231.59
<b>Total remuneration of the members appointed by the controlling shareholder (R\$)</b>	392,701.38	260,382.83	1,735,335.52
<b>Percentage of remuneration of the appointees in relation to the total amount paid</b>	77%	62%	3%

**13.14. Other amounts charged to income of BB as management compensation**

Regarding to the last 3 fiscal years, indicate the amounts charged to income of the issuer as remuneration of members of the board of directors, the statutory board or the fiscal council, grouped by body, for any reason other than the position that they occupy, such as commissions and consulting or advisory services rendered.

Board of Directors, Fiscal Council and Executive Officers. The items regarding to compensation policy had been fully disclosed in items from 13.1 to 13.13.

**13.15. Management compensation charged to income of related parties**

Regarding to the last 3 fiscal years, indicate the amounts charged to income of direct or indirect controlling shareholders, of corporations under common control and of subsidiaries of the issuer, as remuneration for members of the board of directors, the statutory board or the fiscal council of the issuer, grouped by body, specifying for which reason such amounts were assigned to such individuals

Members of the Board of Directors and of the Fiscal Council appointed by the controlling shareholder are public officials and paid by the Federal Government according to the positions held at that level. Banco do Brasil only bears the monthly remuneration of the members for their participation on the respective boards. Board members are paid monthly, regardless of the quantity of meetings. No member of the Executive Board of Banco do Brasil has their remuneration paid by the controlling shareholder or by subsidiaries. Up to August 30, 2016, Executive Board officers who were appointed by the Bank to participate in the boards of other corporations had their monthly compensation limited to 25% of the monthly fees paid by Banco do Brasil, limited to 2 boards. The limit of 25% on the value of the remuneration was excluded on August 30, 2016, maintaining the limitation of two remunerated boards, in line with Law 13,303/2016.

The table below shows the amounts paid as fees received by the members of each body, which were borne by companies controlled by Banco do Brasil.

**Fiscal year 2014****Received compensation due to position held in the issuer**

	<b>Board of Directors</b>	<b>Executive Board</b>	<b>Fiscal Council</b>	<b>Total</b>
<b>Direct or Indirect Controlling</b>	-	-	-	-
<b>Subsidiaries of the Issuer</b>	-	-	-	-
<b>Companies Under Joint Ownership</b>	-	-	-	-

**Other remuneration received, specifying in what capacity were assigned**

	<b>Board of Directors</b>	<b>Executive Board</b>	<b>Fiscal Council</b>	<b>Total</b>
<b>Direct or Indirect Controlling</b>	-	-	-	-
<b>Subsidiaries of the Issuer</b>	-	140,618.79	-	140,618.79
<b>Companies Under Joint Ownership</b>	-	-	-	-

Obs.: The values were assigned for acting as members of Fiscal Council e Board of Directors.

**Fiscal year 2015****Received compensation due to position held in the issuer**

	<b>Board of Directors</b>	<b>Executive Board</b>	<b>Fiscal Council</b>	<b>Total</b>
<b>Direct or Indirect Controlling</b>	-	-	-	-
<b>Subsidiaries of the Issuer</b>	-	-	-	-
<b>Companies Under Joint Ownership</b>	-	-	-	-

**Other remuneration received, specifying in what capacity were assigned**

	<b>Board of Directors</b>	<b>Executive Board</b>	<b>Fiscal Council</b>	<b>Total</b>
<b>Direct or Indirect Controlling</b>	-	-	-	-
<b>Subsidiaries of the Issuer</b>	-	324,483.06	186,738.90	511,221.96
<b>Companies Under Joint Ownership</b>	-	-	-	-

Obs.: The values were assigned for acting as members of Fiscal Council e Board of Directors.

**Fiscal year 2016****Received compensation due to position held in the issuer**

	<b>Board of Directors</b>	<b>Executive Board</b>	<b>Fiscal Council</b>	<b>Total</b>
<b>Direct or Indirect Controlling</b>	-	-	-	-
<b>Subsidiaries of the Issuer</b>	-	-	-	-
<b>Companies Under Joint Ownership</b>	-	-	-	-

**Other remuneration received, specifying in what capacity were assigned**

	<b>Board of Directors</b>	<b>Executive Board</b>	<b>Fiscal Council</b>	<b>Total</b>
<b>Direct or Indirect Controlling</b>	-	-	-	-
<b>Subsidiaries of the Issuer</b>	-	251,275.01	69,234.48	320,509.49
<b>Companies Under Joint Ownership</b>	-	-	-	-

Obs.: The values were assigned for acting as members of Fiscal Council e Board of Directors.

**13.16. Other relevant information****Provide other information that the issuer deems relevant:**

All the information deemed relevant was disclosed in the above items.

**14. HUMAN RESOURCES****14.1. Description of the human resources of Banco do Brasil****a. number of employees**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>By Groups</b>			
General Management	9,162	8,750	8,959
Regional bodies	26,166	24,738	12,549
Branches	76,300	75,703	79,114
<b>By Geographical Location</b>			
North	5,106	4,948	4,689
Northeast	18,809	18,207	16,719
South	19,459	19,257	17,899
Southeast	50,234	49,393	44,924
Center-west	17,973	17,342	16,349
Abroad	47	44	42
<b>Total Employees</b>	<b>111,628</b>	<b>109,191</b>	<b>100,622</b>

**b. number of outsourced employees**

Pursuant to Banco do Brasil's standard guidelines on biddings, interested parties are required to formalize their price proposals focusing on the specification of the service to be provided, rather than on the number of employees. The table below sets forth the number of employees hired by the Bank to provide support services, such as fire brigade, cleaning, materials and loads handling, and surveillance, among others.

The Procurement Center located in the city of Belo Horizonte (Cesup - BH) conducts the contract management and control process relating to outsourced employees, accounting for the increase in headcount in Belo Horizonte in 2016. However, it does not reflect the physical location of outsourced employees.

	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>By Groups</b>			
Surveillance/Cleaning	27,125	22,954	26,194
Other activities	13,215	10,561	12,177
<b>By Geographical Location</b>			
Belo Horizonte	8,565	17,862	38,371
Curitiba	15,487	15,653	-
Recife	1,954	-	-
Rio de Janeiro	3,633	-	-
São Paulo	10,701	-	-
<b>Total Employees</b>	<b>40,340</b>	<b>33,515</b>	<b>38,371</b>

**c. turnover rate**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Turnover Rate (%)</b>	3.36	6.44	10.41

The increase in turnover rate in 2016 reflects the Extraordinary Incentivized Retirement Plan (PEAI), as described in item 14.2 of this section.

**14.2. Relevant changes in the numbers disclosed in item 14.1****Comment any relevant changes in the numbers disclosed in item 14.1**

In 2016, the Bank's workforce decreased by 7.8% compared to 2015, due to regular dismissals and the implementation of the PEAII (Extraordinary Incentivized Retirement Plan). The PEAII was launched on November 20, 2016 and retirements thereunder occurred until December 30, 2016. In 2016, the Bank's turnover rate increased because 10,474 employees left the bank, of whom 8,760 employees retired under the PEAII and the remaining employees were dismissed or resigned. In contrast, 1,424 new employees were hired in 2016.



### 14.3. Compensation policy of the employees of Banco do Brasil

#### Describe the compensation policy of the employees of Banco do Brasil, informing:

Hiring is subject to approval in a civil-service examination upon the publication of the relevant announcement. This process is carried out by an external entity, pursuant to current legislation. The only entry position for the administrative career is that of clerk.

Regulatory Norm No. 04 of the Ministry of Labor and Employment created the SESMT (specialized services in safety engineering and occupational medicine) career in 2011. SESMT positions are subject to specific external selection according to safety engineering and occupational medicine activities. SESMT positions include occupational safety engineer, occupational safety technician, occupational physician, occupational nurse, and occupational nursing assistant.

#### a. salaries and variable compensation

Promotion criteria under the Career and Compensation Plan of Banco do Brasil are seniority and merit, as follows:

- I. Seniority. Careers encompass 12 salary ranges (A1 to A12), providing for a 3% increase in basic salary between each level. The promotion automatically occurs after 1,095 days (three years), excluding any delays, except for the first one, whose interstice is of 90 days;
- II. Merit. Promotion according to merit exclusively applies to specially appointed positions (*funções gratificadas*) or positions of trust (*funções de confiança*) that are held either permanently or as a replacement. Employees accumulate a merit score on a daily basis and must reach a 1,095 score to be promoted to the following level (M1 to M25).

In addition to the positions of clerk and SESMT positions, employees can hold specially appointed positions or positions of trust. Specially appointed positions or positions of trust are special positions in the organizational structure that require a high level of trust due to the nature of the activities involved, including the ability to influence the Bank's management, and the exclusive access to confidential information.

Once designated for specially appointed positions or positions of trust, employees receive an additional pay, in addition to personal pay, according to their hierarchical position in the organization. The Bank's specially appointed positions or positions of trust entitle their holders to a minimum compensation ensuring that employees holding the same position receive equal pay.

#### Standard Compensation

##### Personal Pay

Basic Salary: The basic salary consists of the basic compensation of employees and serves as parameter for the compensation of all the Bank's positions in Brazil.

Merit Premium: The merit premium is part of the basic compensation of employees and it is paid according to merit levels as described in item "a," II above.

Personal Basic Salary Supplement: Administrative and technical-scientific employees receive an additional pay as supplement to achieve the basic salary.

Basic Salary Supplement Paid to Auxiliary Services Employees: The Basic Salary Supplement Paid to Auxiliary Services Employees was established on February 25, 1982 as a result of the restructuring of the auxiliary services career (to be discontinued).

Length of Service Premium: Employees admitted until August 31, 1996 receive the length of service premium as part of their personal basic salary since September 1, 1999 due to the termination of the annuity pay.

Reference Salary: The reference salary corresponds to the minimum compensation paid to employees who hold specially appointed positions or positions of trust.

## **Allowances for Specially Appointed Positions or Positions of Trust**

Position Premium: Employees who hold specially appointed positions or positions of trust receive a premium.

Position Salary Supplement: Employees who hold specially appointed positions or positions of trust receive a salary supplement corresponding to the reference salary *less* the sum of their personal allowances and other allowances related to the relevant positions. This salary supplement is paid on a temporary and variable basis.

Career Plan Adjustment: Employees who hold specially appointed positions or positions of trust temporarily receive an adjustment amount upon the implementation of the career plan to preserve their compensation.

## **Compensation Based on Competencies**

Compensation based on competencies provides for the payment of position premiums and/or reference salaries for the same position according to competencies, as described below. Compensation based on competencies exclusively applies to Business Units Account Managers, Business Units Service Managers, and Support Units Managers.

Basic: Employees reaching a new position receive basic compensation.

Advanced: Eligible employees that present the best ratings, according to prioritization and scoring criteria, receive advanced compensation, provided they meet a set of prerequisites, including: having remained in the basic competency position for a certain period, having obtained legal and internal certifications, having obtained the minimum average score in the last three performance evaluations on management by competencies, and having no disciplinary impediments.

## **Variable Compensation**

### **Profit Sharing Program**

The Profit Sharing Program (PLR) of Banco do Brasil establishes semiannual payment to employees and consists of two modules:

#### Fenaban Module

The Fenaban Module corresponds to 45% of the reference salary, *plus* a fixed amount set forth in the relevant CBA (collective bargaining agreement). The reference salary takes into account all positions or functions held during the semester.

#### BB Module

The BB Module comprises two installments, as follows:

- I. Fixed installment. The fixed installment corresponds to 4% of the net income disclosed for the semester, linearly distributed among employees. The fixed installment is calculated based on the number of employees that corresponds to the sum of the days worked by each employee divided by the number of days of the semester;
- II. Variable installment. The variable installment corresponds to the difference between the number of reference salaries, set forth by the Bank, and the sum of the Fenaban Module and the fixed installment. The variable installment is subject to compliance with the CBA of the semester in which net income is assessed. The reference salary is defined as follows:
  - technical-scientific clerks and employees receive a reference salary corresponding to the basic salary paid to the sixth level of seniority (A6), according to BB's career and remuneration plan;
  - bank tellers receive a reference salary corresponding to the basic salary paid to the sixth level of seniority (A6) *plus* a teller bonus; and
  - employees who hold specially appointed positions receive the greater of reference salary for the relevant position or bank tellers' reference salary.

## Bonus Performance Program

The Bonus Performance Program (PDG) aims at improving the Bank's variable compensation practices, recognizing and rewarding, every six months, up to 7% of Service Managers and Account Managers and up to 30% of Business Managers, General Managers and Regional Superintendents who obtain the best performance evaluations on business and management. Under the PDG, their total compensation may significantly increase.

The selection and classification of managers, within their group and/or subgroup, are based on indicators that measure the achievement of corporate goals, service quality, compliance and management style.

### b. benefits

Item	Benefit	Description
1	Food/Meal Allowance	Vouchers provided in the form of electronic cards used for the reimbursement of meals purchased in restaurants and snack bars.
2	Basic Food Basket	Vouchers provided in the form of electronic cards used for the reimbursement of food items purchased in grocery stores or supermarkets.
3	Night Shift Transport Allowance	Reimbursement of expenses with transport back home for employees whose work shift ends between 12 a.m. and 6 a.m., and for employees accredited by the clearinghouse who take part in clearing sessions at night.
4	Daycare Allowance	Allowance for expenses incurred with the enrollment of each child, including adopted children, in any nursery and pre-school institution, including expenses incurred with the payment of a maid/nanny, under the same conditions and in the same amounts. The amount of the allowance is set forth in the relevant Collective Bargaining Agreement.
5	Allowance for Disabled Children	Reimbursement of expenses similar to the daycare allowance for employees who have children with a confirmed disability, who require permanent care, with no age limit.
6	Benefit to employees who have disabled children	This benefit reduces working hours for parents of highly-dependent disabled children in order to balance the work routine and the following-up of treatments.
7	Bank Teller – Personal Pay – RSI	Employees who have been on leave due to RSI (repetitive strain injury) receive a bank teller bonus paid for a period of 18 months after they return to work at the Bank. This payment is personal in nature.
8	Paid Leave	Employees are entitled to five paid leaves per year.
9	Bank Robbery Compensation	The Bank pays compensation in favor of its employees and their legal dependents, in the event of permanent disability or death as a result of kidnapping and/or intentional bank robbery.
10	Leave to Accompany Sick Family Member (LAPEF)	The Bank grants its employees a leave of absence of up to 90 days to accompany sick family members in temporary and specific situations, in addition to all used up compensatory time, vacation, leave of absence, paid leave, and days off.
11	Extended Paid Leave	Employees are entitled to 18 days for every year they work at the Bank. This benefit only applies to employees that joined the Bank before 1998.
12	Holdup and Kidnapping Victims Assistance Program (PAVAS)	This program provides for medical, psychological, legal, and security assistance to victims of attacks on BB's assets (robbery and kidnapping). It also provides for assistance to restore the routine of victims and address any stress disorders resulting from the events. The program provides for emergency assistance at the place of occurrence of the event, encompassing not only employees, but also trainees, apprentices and outsourced employees, as well as for continued care, as required. In cases of kidnapping, family members and housekeepers affected by the event are also covered. In order to protect the physical and emotional integrity of employees and their dependents, the Bank covers travel expenses (tickets, accommodation and meals) during the period of leave.
13	Social Welfare Program – Advances – Eyeglasses and Lenses	The Bank grants advance payments to cover expenses with the purchase of glasses or contact lenses recommended by a physician. The advance payment is repaid within 25 to 48 months without interest.
14	Social Welfare Program – Advances – Natural Catastrophes or House Fire	The Bank covers expenses with the purchase or renovation of essential property damaged by natural catastrophes such as a flood, windstorm, earthquake or house fire. The advance payment is repaid within 25 to 48 months without interest.
15	Social Welfare Program – Advances – Financial Imbalance	The Bank grants advance payments to overcome financial crisis resulting from unpredictable and unavoidable causes and acts of God. The advance payment is repaid within 25 to 48 months without interest.
16	Social Welfare Program – Advances – Funeral of Dependent	The Bank grants advance payments to cover funeral expenses of a dependent that exceeds the amounts covered by BB's health care plan (Cassi). The advance payment is repaid within 25 to 48 months without interest.
17	Social Welfare Program – Advances – Disallowances of Cassi	The Bank grants advance payments in case of Cassi disallowances regarding the free choice of professionals and facilities, upon confirmation of insufficiency/nonexistence of accredited/associated medical/hospital and laboratory facilities in the location

## Section 14 - Human Resources

Item	Benefit	Description
		where the treatment is provided. The advance payment is repaid within 25 to 48 months without interest.
18	Social Welfare Program – Advances – Dental Treatment	The Bank grants advance payments to cover expenses with dental treatment. The advance payment is repaid within 25 to 48 months without interest.
19	Social Welfare Program – Advances – Psychotherapy	Upon joining the Bank, employees and their dependents are entitled to 200 individual sessions of psychotherapy. Once 200 sessions have been used, the Bank allows an extension by granting an advance payment. The advance payment is repaid within 25 months without interest.
20	Social Welfare Program – Benefit – Purchase of Medications Abroad	The Bank reimburses a portion of the expenses incurred with the purchase of medications abroad.
21	Social Welfare Program – Benefit – Assistance for Handicapped Individuals	The Bank covers expenses with boarding school, semi-boarding school or regular school and additional therapies for dependents or pensioners (registered at the Bank) who have physical, mental and/or neurosensorial handicaps of a permanent nature that limit or cause their inability to go about their daily lives and/or work.
22	Social Welfare Program – Benefit – Medical and Hospital Care	The Bank covers medical and hospital expenses relating to the treatment of severe diseases that are not covered by the Members' Plan of the relevant employee.
23	Social Welfare Program – Benefit – Medical Care and Social Welfare	The Bank provides social welfare assistance, including psychosocial and socio-educational services, for problematic situations.
24	Social Welfare Program – Benefit – Travel for Health Treatment Abroad	The Bank reimburses 50% of medical and hospital expenses and 100% of travel expenses relating to medical treatment abroad (tickets, accommodation and meals) of the patient and companion, in case of inadequate or insufficient resources available in Brazil.
25	Social Welfare Program – Benefit – Travel for Health Treatment within Brazil	The Bank reimburses travel expenses for health treatment in Brazil (tickets, accommodation and meals) of the patient and companion, in case of lack of and/or insufficient resources at the place of origin of the employee (location where the employee was assigned to work.)
26	Social Welfare Program – Benefit – Donation/Reception of Organs and Transplants	The Bank reimburses travel expenses incurred by employees for donation/reception of organs for transplant.
27	Social Welfare Program – Benefit – Special Nursing	The Bank covers amounts disallowed by Cassi for nursing services, in hospitals and at home, for patients who require permanent and intensive nursing care, provided that they are not admitted to ICU.
28	Social Welfare Program – Benefit – Death while Working	The Bank covers funeral expenses and transfer of the body in case of death of employees assigned to work outside the metropolitan region of their work premises, including during transit.
29	Social Welfare Program – Benefit – Transfer in Mobile ICU or Air Taxi	The Bank covers expenses with the transfer in mobile ICUs or air taxis for health treatment, in case of severe medical conditions and/or emergencies requiring medical supervision during travel.
30	Social Welfare Program – Benefit – Treatment with Growth Hormone	The Bank reimburses amounts disallowed by Cassi for expenses with growth hormone treatment for patients with pituitary dwarfism.
31	Social Welfare Program – Control of Smoking	The Bank covers travel expenses of employees enrolled in the Program in case no network of affiliated providers is available at the site where employees work. The Bank also reimburses employees for 50% of the price of prescribed medication, as applicable.
32	Social Welfare Program – Dental Reports	The Bank covers expenses with dental reports, when necessary.
33	Transportation Allowance	The Bank partially covers commuting expenses of employees. This allowance does not apply to travel in selective or special modes of transport.
34	Personal Allowance (VCP)	The Bank makes payments of a personal nature, for a certain period of time, for assignments performed by employees in cases of downsizing.
35	Personal Allowance (VCP) – Occupational Accident	The Bank makes payments of a personal nature for 120 days beginning on the date the employee returns to work after a leave of absence due to an occupational accident.
36	Adoption Leave	The Bank grants leave of absence for the adoption of children under 12 years of age. Adopting parents are entitled to a leave of 120 days, pursuant to Law No. 12,873/2013, as of the date of the decree of adoption or temporary custody instrument. Female employees who adopt or obtain legal custody of a child for adoption purposes are also entitled to maternity pay.
37	Maternity Leave	Female employees are entitled to 120 days of leave upon birth, adoption or legal custody for adoption purposes.
38	Maternity Pay	The Bank pays a maternity salary to female employees while they are on maternity leave or adoption leave that is equal to their full compensation or the arithmetic average of salaries paid in the last six months (whichever is higher).
39	Extension of Maternity Leave	Maternity leave can be extended by 60 days. Accordingly, maternity leave may total up to 180 days.

Item	Benefit	Description
40	Extension of Maternity Leave – Premature birth and baby in ICU	Maternity leave can be extended by the number of days the premature baby is kept in ICU, up to 60 days.
41	Health Care Plan	Banco do Brasil makes employers' contributions to the health care plan of its employees, including those from merged financial institutions.
42	Supplementary Pension Plans	Banco do Brasil makes employers' contributions to the supplementary pension plan of its employees, including those from merged financial institutions.
43	BB DENTAL	Banco do Brasil, through Brasidental Operadora de Planos Odontológicos S.A., provides dental care plan to active employees and their dependents.
44	Relocation Allowance	The relocation allowance partially covers relocation expenses and other expenses of employees who have to move to a different city outside their metropolitan area, as a result of special assignments or restructuring.
45	Unibb Family Website	The Bank's website provides training, development and complementary distance learning to dependents of employees.
46	Education Allowance to Dependents	The Bank provides education allowances encompassing all academic levels (kindergarten, elementary 1 and 2, high school and college) to dependents of deceased employees or employees diagnosed with permanent disability, as a result of bank robbery.

### c. share-based compensation plan for employees other than officers and directors

**Describe the characteristics of the share-based compensation plan for employees other than officers and directors, identifying: (i) group of beneficiaries; (ii) exercise conditions; (iii) strike price; (iv) exercise term.**

Banco do Brasil does not provide for this type of compensation.

#### 14.4. Relationship between Banco do Brasil and labor unions

**Describe the relationship between the issuer and labor unions**

In addition to legal requirements, the Bank is subject to a permanent collective bargaining model agreed with confederations, federations and labor unions. We hold periodic meetings with these entities to discuss issues such as occupational health, professional growth, equal opportunities, and conflict prevention, among others.

Pursuant to the CBA, BB recognizes labor union representatives, whose role is to facilitate negotiations and achieve solutions for workplace conflicts, and to whom legal guarantees are extended, pursuant to Article 543 of the Brazilian Labor Law (CLT).

According to this policy, the Bank contributes to a sustainable democracy, the consolidation of fundamental rights and guarantees, and the maintenance of a stable and constructive relationship with employees' representatives.

#### 14.5. Other material information

All material information was disclosed in the previous items.

## 15. CONTROLLING AND ECONOMIC GROUP

### 15.1. Identification of the group of controlling shareholders

Identify the shareholder or the group of controlling shareholders, indicating for each one:

a. name	Secretaria do Tesouro Nacional	Fundo Fiscal de Inv. e Estabilização	Caixa FI Garantia Construção Naval	Fundo Garantidor para Investimentos
b. nationality	Brazilian	Brazilian	Brazilian	Brazilian
c. CNPJ/CPF	00.394.460/0001-41	10.539.257/0001-70	10.732.594/0001-89	10.993.128/0001-57
d. quantity of common shares	1,453,487,115	105,024,600	-	-
e. percentage held in relation to the class or type	50.7251512	3.6652466	-	-
f. percentage held in relation to the total capital	50.7251512	3.6652466	-	-
g. participation in shareholders' agreement	No	No	No	No
h. if the shareholder is a legal entity, a list containing the information referred from sub-items "a" to "d" about their direct and indirect controlling shareholders	not applicable	Federal Government	Federal Government	Federal Government
j. if the shareholder is resident or domiciled abroad, the name or company name and registration number in the CPF (Individual Taxpayer Registry) or the CNPJ (Corporate Taxpayer Registry) of his agent or legal representative in the country	not applicable	not applicable	not applicable	not applicable
i. date of last change in ownership percentage	08/30/12	07/20/15	05/09/16	04/04/16

Banco do Brasil is controlled by the Federal Government with 54.39% of the capital through the entities described in the table above.

### 15.2. Information about the shareholders or group of shareholders

In table format, list the follow information about the shareholders, or group of shareholders acting together or representing the same interest, with holdings equal to or greater than 5% of the same class or type of shares and that are not listed in item 15.1.:

a. name	Caixa de Previdência dos Funcionários do BB - Previ
b. nationality	Brazilian
c. CNPJ/CPF	33.754.482/0001-24
d. number of Common Shares	265,394,614
e. Percent held in relation to the class or type	9.26
e. Percent held in relation to total capital	9.26
f. if participates in the shareholders' agreement	no
g. if the shareholder is resident or domiciled abroad, the name or company name and registration number in the CPF (Individual Taxpayer Registry) or the CNPJ (Corporate Taxpayer Registry) his agent or legal representative in the country	-
h. date of last change	05/18/2017

<sup>1</sup> Position on 04/27/2017, date of Shareholders General Meeting of Banco do Brasil.

There are no other shareholders or group of shareholders acting together or that represent the same interest, with holdings equal to or greater than 5% of the capital stock of Banco do Brasil, other than those listed in item 15.1.

### 15.3. Distribution of capital, as established in the last Shareholders General Meeting

In a table, describe the capital breakdown, as determined in the last Shareholders General Meeting:

Based on the balance in April, 2017	
a. number of individual shareholders	336,352
b. number of corporate shareholders	13,097
c. number of institutional investors <sup>1</sup>	919
d. number of free float shares <sup>2</sup>	1,226,268,476

<sup>1</sup> - We consider pension funds and private pension entities, trust funds, social security foundations, funds and investment clubs, insurance and premium bonds companies and investment companies to be institutional investors.

<sup>2</sup> - BB only issues common shares. To achieve the number of free float shares, we subtracted, from the total shares of BB, the total shares belonging to the Federal Government, as well the treasury stock, the shares of the BB's management, considering the members of the Board of Directors, Administrative Council and officers of BB and BESC fractions to the auction.

**15.4. Organization chart of the controlling shareholders****Insert a chart of BB's shareholders and the economic group which it belongs**

The Banco do Brasil is controlled by the Federal Government through the entities described in the table presented in section 15.1 of this Reference Form. Thus, all the information necessary to identify the BB's shareholders are in the said section.

**15.5. Shareholders' agreement filed at the headquarters or from which the controller is part****In relation to any shareholders' agreement filed at the issuer's headquarters or from which the controller is a part regulating the exercise of voting right or the transfer of BB's issued shares**

There is no shareholders' agreement related to that term.

**15.6. Relevant changes in the shareholding of the controlling group****Indicate relevant changes in the shareholding of the controlling group members and BB's management members**

There were no relevant changes in the shareholding controlling group members, shareholders and BB's management members between January/2014 and January/2016as follows:

<b>Base data</b>	<b>Relevant Changes<sup>1</sup></b>	<b>Change</b>	<b>Quantity of Shares<sup>1 2</sup></b>
12/31/2014	143,270,851	-	1,453,487,115
12/31/2015	143,270,851	-	1,453,487,115
12/31/2016	143,270,851	-	1,453,487,115

1 - The relevance criteria considered was the addition or reduction of 5% or more of the total shares of Banco do Brasil S.A.

2 - The information refers to the final balance of shares held at the date.

**15.7. Main corporate transactions**

**Describe the main corporate transactions in the group which has had significant effect to BB, such as takeovers, mergers, stock acquisitions, disposals and corporate takeovers, acquisitions and disposals of important assets, indicating when to involve BB or any of its subsidiaries or affiliates:**

**a. event**

**b. main buisness conditions**

**c. companies involved**

**d. Effects of the transaction on the shareholding structure, especially on the participation of the controller, shareholders with more than 5% of the share capital and the BB's management members**

**e. corporate structure before and after the operation**

**f. mechanisms used to ensure equal treatment among shareholders**

## Section 15 - Controlling and Economic Group

### a. event

Incorporation of BB Capitalização S.A. by BB Seguros Participações S.A.

### b. major conditions

On November 28, 2014, at the Shareholders' Meetings held by BB Seguros and BB Capitalização SA (BB Capitalização), the closing of the latter was resolved, through its incorporation by the former. The following objectives: (i) to approve and ratify the appointment of the company contracted to prepare the economic-financial appraisal report; (ii) to examine, discuss and approve the terms and conditions set forth in the Protocol and Justification signed by the companies, pursuant to articles 224 and 225 of Law 6,404 / 76; (iii) to examine and approve said valuation report and the effective date of the merger; And (iv) approve the version of the shareholders' equity (PL) of the merged entity.

The purpose of the merged PL was to replace the investment held by BB Seguros in BB Capitalização by the merged company's PL, with no change in the share capital of BB Seguros or any change in its shareholding structure.

Considering that BB Seguros was the sole shareholder in the merged entity on the merger date, there was no exchange ratio of shares of non-controlling shareholders of the merged company, pursuant to article 264 of Law 6,404 / 76, since BB Seguros was the holder of all shares of the merged company, being, at the date of the merger, its sole shareholder.

In the scope of BB Capitalização, in turn, was discussed at the Meeting: (i) to examine, discuss and approve the terms of the Protocol and Justification, signed between the companies involved; (ii) approve and ratify the appointment of the company contracted to prepare the economic-financial appraisal report; (iii) to examine and approve said report; And (iv) authorize its managers to perform the complementary acts necessary for the merger.

The Fiscal Councils of both companies involved in the transaction expressed their views on the proposed merger presented by the respective Chartered Offices of the companies BB Seguros and BB Capitalização, pursuant to item III of article 163 of Law 6,404 / 76.

### c. companies involved

BB Seguros  
BB Capitalização

### d. effects of the transaction on the shareholding structure, especially on the participation of the controller, shareholders with more than 5% of the share capital and BB's management members

There was no change in BB's shareholding structure.

### e. corporate structure before and after the operation

before				after			
Shareholder	Shares ON (%)	Share PN (%)	Capital Total (%)	Shareholder (%)	Share ON (%)	Share PN (%)	Total Capital
BB Seguros	100,00%	-	100,00%	BB Seguridade	100,00%	-	100,00%
Total	100,00%	-	100,00%	Total	100,00%	-	100,00%

### f. mechanisms used to ensure equal treatment among shareholders

The Company was a wholly-owned subsidiary, with only one shareholder.

### a. event

Closure of BB Money Transfers, Inc. operations.

### b. major conditions

According to the strategy approved by Banco do Brasil S.A. in December, 2014 it was completed the process of closure of international remittance services company BB Money Transfers, Inc.

### c. companies involved

Banco do Brasil S.A.  
BB Money Transfers, Inc.  
BB USA Holding Company, Inc.

### d. effects of the transaction on the shareholding structure, especially on the controller participation, shareholders with more than 5% of the share capital and BB's management members

There was no change in BB's shareholding structure.

### e. corporate structure before and after the operation

before		after	
BB USA Holding Company, Inc - 100%		BB USA Holding Company, Inc - 0%	

### f. mechanisms used to ensure equal treatment among shareholders

Strategic decision of Banco do Brasil S.A. According to the approved strategy, the continuity of international remittance service of BB Money Transfers, Inc. for account holders or potential account holders customers will be supported in its network of Banco do Brasil S.A and other customers continue to be served through agreements and/or interbank partnerships.



**a. event**

Creation of new company

**b. major conditions**

As the rules of the regulatory framework in the electronic payment industry (Law n. 12,865 / 2013, Articles 6 to 15; Resolution of the National Monetary Council n. 4,82/2013 and Circulares of Central Bank of Brazil no. 3,680-3,683/2013) BB Elo Cartões Participações S.A. (BB Elo cartões and Cielo SA (Cielo) created Cateno Gestão de Pagamentos S.A. (Cateno) to exploit the activities of management in post-paid bill payment transactions and of debit payment arrangements management. The total capital of Cateno is divided in the ratio of 30% for BB Elo cards and 70% for Cielo.

**c. companies involved**

BB Elo Cartões, Cielo and Cateno Gestão de Contas de Pagamento S.A.

**d. effects of the transaction on the shareholding structure, especially on the controller participation, shareholders with more than 5% of the share capital and BB's management members**

There was no change in BB's shareholding structure.

**e. corporate structure before and after the operation**

before	after
Preferred Shares	Common Shares
BB Elo Cartões - 100%	BB Elo Cartões - 30%
Cielo - 0%	Cielo - 70%

**f. mechanisms used to ensure equal treatment among shareholders**

Shareholders' agreement, that the following Corporate Governance structures: Board of Directors, Executive Board and Fiscal Concil.

**a. event**

Buy and sale of Coelba and Cosern shares.

**b. major conditions**

On February 27, 2015 it was signed the agreement for buy and sale of shares relating to the sale of the equity participation of Iberdrola Energia S.A. in COELBA and COSERN, having as purchaser Neoenergia S.A.

**c. companies involved**

Companhia de Eletricidade do Estado da Bahia - COELBA  
 Companhia Energética do Rio Grande do Norte S.A. - COSERN  
 Neoenergia S.A.  
 Iberdrola Energia S.A.

**d. effects of the transaction on the shareholding structure, especially on the controller participation, shareholders with more than 5% of the share capital and BB's management members**

There was no change in BB's shareholding structure.

**e. corporate structure before and after the operation**

before	after
COELBA S.A (87.8% Neoenergia S.A.; 8.5% Iberdrola Energia S.A.; 2.3% Previ; 1.4% Other).	COELBA S.A (96.3% Neoenergia S.A.; 2.3% Previ; 1.4% Other).
COSERN S.A (84.5% Neoenergia S.A.; 7.0% Iberdrola Energia S.A.; 5.8% Uptick Participações; 1.5% Previ; 1.2% Other)	COSERN S.A (91.5% Neoenergia S.A.; 5.8% Uptick Participações; 1.5% Previ; 1.2% Other)

**f. mechanisms used to ensure equal treatment among shareholders**

There was no extension of the proposal to the remaining minority companies shareholders.

**15.8. Other relevant information**

Share and shareholders base by shares number, in December, 2016

Share and Shareholders base	Quantity of Shareholders	Quantity of Shares	% Shareholders
1 to 11 shares	111,070	581,526	31.72
12 to 50 shares	89,621	2,252,599	25.59
51 to 100 shares	38,233	2,871,637	10.92
101 to 1000 shares	85,138	30,697,866	24.31
Over 1,000 shares	26,119	2,829,013,392	7.46
<b>Total</b>	<b>350,181</b>	<b>2,865,417,020</b>	<b>100.00</b>

## **16. TRANSACTIONS WITH RELATED PARTIES**

### **16.1. Rules, policies and practices of BB in transactions with related parties**

**Describe the rules, BB's policies and practices regarding transactions with related parties as defined by accounting rules that address this matter, indicating when a formal policy adopted by BB, the places where it can be found**

IAS 24 requires the disclosure of outstanding transactions and balances with related parties or other entities of a group in the financial statements of an entity. The essence of this accounting standard is to evidence at what level the financial position and the result of the entity may have been affected by the existence of transactions and business with related parties.

According to the variable remuneration policy of Banco do Brasil, established in accordance with CMN Resolution 3,921/2010, the variable remuneration of the Board of Officers is paid in common shares (Note 37.I).

Banco do Brasil does not offer post-employment benefits to its key management personnel except those that are part of the staff of the Bank, participating in the Pension Plan for Employees of Banco do Brasil - Previ.

The Bank does not grant loans to its officers, members of its board of directors, audit committee and fiscal council because this practice is prohibited at all the financial institutions regulated by Central Bank of Brazil.

Account balances referring to transactions between consolidated companies of the Bank are eliminated in the consolidated financial statements.

The Bank discloses the transactions with Tesouro Nacional among which there are the rural credit extension operations, which are rights with Tesouro Nacional, arising from assignment of elongated rural credit in the form of CMN Resolution 2,238/1996, as well as amounts receivable from Tesouro Nacional regarding the equalization program interest rate encouraged by the Federal Government, in the form of Law 8,427/1992.

Equalization Revenues: amount paid by the National Treasury that represents revenues for the banks to cover the administrative and tax costs, besides the guarantee of a profitability rate on the applied resources. The amount of equalization is adjusted by the Selic Average Rate from its determination to the payment by the Tesouro Nacional, which is performed according to budget programming with the treasure parties, as established by legislation, thus preserving the adequate remuneration to BB.

The Bank carries out banking transactions with related parties, such as current account deposits (unremunerated), remunerated deposits, money market funding, loans and acquired loan portfolios. There are also contracts for services and guarantees.

Such transactions are conducted under terms and rates compatible with those practiced with third parties when applicable. These transactions do not involve abnormal payment risks.

The funds invested in government securities are listed in Notes 19 and 20. The resources allocated to the funds and programs from the Official Institutions of transfers are listed in Note 33.

The Bank established the Fundação Banco do Brasil (FBB) which aims to promote, support, encourage and sponsorship of education, culture, health, social welfare, recreation and sports, science and technology and assistance to urban-rural communities. In 2016, the Bank made contributions to the FBB in the amount of R\$48,343 thousand (R\$47,572 thousand in 2015 and R\$51,838 thousand in 2014).

### **16.2. Additional information on transactions with related parties**

In accordance with accounting rules on related parties, the information requested in paragraphs 16.2 and 16.3 are submitted from disclosures in the financial statements of the Bank and tables that detail the relevant contracts with the controlling shareholder, associated company, subsidiaries, jointly-owned subsidiary and entities assisted and other related parties.

The tables relating to items 16.2 and 16.3 are presented after the statements frames of transactions with related parties.

## Tables showing related-parties transactions

The following tables have been extracted from the audited Consolidated Financial Statements of Banco do Brasil under IFRS, for the years ended 12.31.2014, 12.31.2015 and 12.31.2016 and show the balances of related part transactions:

<b>12.31.2016</b>	<b>Controlling Shareholder<sup>1</sup></b>	<b>Joint Venture and Assoc. Companies<sup>2</sup></b>	<b>Key Management Personnel<sup>3</sup></b>	<b>Other Related Parties<sup>4</sup></b>	<b>Total</b>
R\$ million					
<b>ASSETS</b>	<b>5.163</b>	<b>19.479</b>	-	<b>32.190</b>	<b>56.832</b>
Loans to Financial Institutions	-	14.209	-	-	14.209
Financial Assets Available for Sale	-	3.527	-	897	4.424
Loans to Customers	-	703	-	31.240	31.943
Other Assets <sup>5</sup>	5.163	1.040	-	53	6.256
<b>LIABILITIES</b>	<b>2.967</b>	<b>7.303</b>	<b>2</b>	<b>99.217</b>	<b>109.489</b>
Customer Deposits	380	177	2	14.845	15.404
Obligations Related to Committed Operations	-	5.700	-	3.100	8.800
Long-Term Liabilities	2.472	-	-	80.610	83.082
Other Liabilities <sup>6</sup>	115	1.426	-	662	2.203
<b>Statement of Income</b>	<b>6.291</b>	<b>7.309</b>	-	<b>(1.079)</b>	<b>12.521</b>
Income from Interest and Services	6.394	7.787	-	4.719	18.900
Funding Expenses	(103)	(103)	-	(5.798)	(6.379)
<b>Guarantees and Other Coobligation</b>	-	<b>6.815</b>	-	<b>838</b>	<b>7.653</b>
<b>12.31.2015</b>	<b>Controlling Shareholder<sup>1</sup></b>	<b>Joint Venture and Assoc. Companies<sup>2</sup></b>	<b>Key Management Personnel<sup>3</sup></b>	<b>Other Related Parties<sup>4</sup></b>	<b>Total</b>
R\$ million					
<b>ASSETS</b>	<b>5.279</b>	<b>23.321</b>	-	<b>32.819</b>	<b>61.419</b>
Loans to Financial Institutions	-	16.892	-	-	16.892
Financial Assets Available for Sale	-	3.559	-	597	4.156
Loans to Customers	-	825	-	31.984	32.809
Other Assets <sup>5</sup>	5.279	2.045	-	238	7.562
<b>LIABILITIES</b>	<b>3.153</b>	<b>6.833</b>	<b>5</b>	<b>121.768</b>	<b>131.759</b>
Customer Deposits	342	652	5	25.744	26.743
Obligations Related to Committed Operations	-	4.893	-	3.322	8.215
Long-Term Liabilities	2.412	-	-	87.655	90.067
Other Liabilities <sup>6</sup>	399	1.288	-	5.047	6.734
<b>Statement of Income</b>	<b>8.080</b>	<b>18.763</b>	-	<b>(2.503)</b>	<b>24.340</b>
Income from Interest and Services	8.184	18.900	-	3.806	30.890
Funding Expenses	(104)	(137)	-	(6.309)	(6.550)
<b>Guarantees and Other Coobligation</b>	-	<b>6.800</b>	-	<b>662</b>	<b>7.462</b>
<b>12.31.2014</b>	<b>Controlling Shareholder<sup>1</sup></b>	<b>Joint Venture and Assoc. Companies<sup>2</sup></b>	<b>Key Management Personnel<sup>3</sup></b>	<b>Other Related Parties<sup>4</sup></b>	<b>Total</b>
R\$ million					
<b>ASSETS</b>	<b>15.465</b>	<b>21.938</b>	-	<b>25.612</b>	<b>63.015</b>
Loans to Financial Institutions	-	18.693	-	-	18.693
Financial Assets Available for Sale	-	158	-	-	158
Loans to Customers	-	801	-	25.481	26.282
Other Assets <sup>5</sup>	15.465	2.286	-	131	17.882
<b>LIABILITIES</b>	<b>1.895</b>	<b>7.900</b>	<b>3</b>	<b>109.264</b>	<b>119.062</b>
Customer Deposits	435	4.127	3	18.230	22.795
Obligations Related to Committed Operations	-	3.736	-	2.842	6.578
Long-Term Liabilities	1.149	-	-	88.007	89.156
Other Liabilities <sup>6</sup>	311	37	-	185	533
<b>Statement of Income</b>	<b>5.686</b>	<b>3.275</b>	-	<b>(2.987)</b>	<b>5.974</b>
Income from Interest and Services	5.799	3.563	-	2.203	11.565
Funding Expenses	(113)	(288)	-	(5.190)	(5.591)
<b>Guarantees and Other Coobligation</b>	-	<b>6.800</b>	-	<b>660</b>	<b>7.460</b>

1 -Includes Tesouro Nacional and agencies of the direct administration of the Federal Government.

2 -Include the companies listed in Note 26 to the Consolidated Financial Statements under IFRS in 2015.

3 - Board of Directors, Executive Board, Audit Committee and Fiscal Council.

4 -Includes transactions with public enterprises and joint stock companies controlled by the Federal Government, such as: Petrobras, CEF, BNDES, and entities linked to employees and sponsored entities: Cassi, Previ and others.

5 -As of 12.31.2016, loans to customers with other related parties have a provision of R \$ 120,404 thousand.

6 -The transactions with the controlling shareholder refer to notes and credits receivable from Tesouro Nacional (Note 30).

The balances of transactions with related parties presented in the tables above, by segment of activity, on 12.31.2014, 12.31.2015 and 12.31.2016, result in the following statement:

**Section 16 - Transactions With Related Parties**

<b>12.31.2016</b>	<b>Banking</b>	<b>Investment</b>	<b>Asset Management</b>	<b>Insurance and Related</b>	<b>Payment Methods</b>	<b>Other</b>
R\$ million						
<b>ASSETS</b>	<b>15.058</b>	<b>128</b>	-	<b>162</b>	<b>4.433</b>	<b>37.051</b>
Loans to Financial Institutions	14.209	-	-	-	-	-
Financial Assets Available for Sale	284	-	-	8	3.502	630
Loans to Customers	565	82	-	-	91	31.205
Other Assets	-	46	-	154	840	5.216
<b>LIABILITIES</b>	<b>61.243</b>	<b>2</b>	-	<b>1.044</b>	<b>1.099</b>	<b>46.101</b>
Customer Deposits	320	2	-	74	21	14.987
Obligations Related to Committed Operations	5.053	-	-	-	647	3.100
Long-Term Liabilities	55.845	-	-	-	-	27.237
Other Liabilities	25	-	-	970	431	777
<b>Statement of Income</b>	<b>(62)</b>	-	-	<b>3.596</b>	<b>1.701</b>	<b>7.286</b>
Income from Interest and Services	2.286	1	-	3.619	1.891	11.103
Funding Expenses	(2.348)	(1)	-	(23)	(190)	(3.817)

<b>12.31.2015</b>	<b>Banking</b>	<b>Investment</b>	<b>Asset Management</b>	<b>Insurance and Related</b>	<b>Payment Methods</b>	<b>Other</b>
R\$ million						
<b>ASSETS</b>	<b>17.625</b>	<b>56</b>	-	<b>237</b>	<b>5.531</b>	<b>37.970</b>
Loans to Financial Institutions	16.892	-	-	-	-	-
Financial Assets Available for Sale	83	-	-	21	3.506	546
Loans to Customers	647	28	-	-	227	31.907
Other Assets	3	28	-	216	1.798	5.517
<b>LIABILITIES</b>	<b>65.241</b>	<b>3</b>	-	<b>1.146</b>	<b>806</b>	<b>64.563</b>
Customer Deposits	2.688	3	-	185	464	23.403
Obligations Related to Committed Operations	4.875	-	-	-	18	3.322
Long-Term Liabilities	57.675	-	-	-	-	32.392
Other Liabilities	3	-	-	961	324	5.446
<b>Statement of Income</b>	<b>746</b>	<b>3</b>	-	<b>3.113</b>	<b>12.634</b>	<b>7.844</b>
Income from Interest and Services	3.016	4	-	3.138	12.745	11.987
Funding Expenses	(2.270)	(1)	-	(25)	(111)	(4.143)

<b>12.31.2014</b>	<b>Banking</b>	<b>Investment</b>	<b>Asset Management</b>	<b>Insurance and Related</b>	<b>Payment Methods</b>	<b>Other</b>
R\$ million						
<b>ASSETS</b>	<b>19.375</b>	-	-	<b>53</b>	<b>2.599</b>	<b>40.988</b>
Loans to Financial Institutions	18.693	-	-	-	-	-
Financial Assets Available for Sale	121	-	-	37	-	-
Loans to Customers	541	-	-	-	348	25.393
Other Assets	20	-	-	16	2.251	15.595
<b>LIABILITIES</b>	<b>59.596</b>	<b>220</b>	-	<b>5</b>	<b>4.037</b>	<b>55.204</b>
Customer Deposits	443	220	-	5	3.807	18.320
Obligations Related to Committed Operations	3.535	-	-	-	201	2.842
Long-Term Liabilities	55.610	-	-	-	-	33.546
Other Liabilities	8	-	-	-	29	496
<b>Statement of Income</b>	<b>471</b>	-	-	<b>1.067</b>	<b>62</b>	<b>4.374</b>
Income from Interest and Services	2.354	1	-	1.080	127	8.003
Funding Expenses	(1.883)	(1)	-	(13)	(65)	(3.629)

The next chart shows the balances of significant transactions with third parties (an amount equal to or higher than R\$643 million in 12.31.2014, R\$780 million in 12.31.2015 and R\$507 million in 12.31.2016).

R\$ million	Controlling Shareholder			Joint Venture and Assoc. Companies			Other Related Parties		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
<b>ASSETS</b>	<b>14.730</b>	<b>4.407</b>	<b>4.359</b>	<b>20.412</b>	<b>21.127</b>	<b>17.446</b>	<b>24.848</b>	<b>31.459</b>	<b>30.704</b>
Loans to Financial Institutions	-	-	-	18.162	16.695	14.109	-	-	-
Financial Assets Available for Sale	-	-	-	-	3.337	3.337	-	-	-
Loans to Customers	-	-	-	-	-	-	24.848	31.459	30.704
Other Assets	14.730	4.407	4.359	2.250	1.095	-	-	-	-
<b>LIABILITIES</b>	<b>864</b>	-	<b>2.323</b>	<b>7.138</b>	<b>4.875</b>	<b>5.053</b>	<b>107.686</b>	<b>106.063</b>	<b>91.731</b>
Customer Deposits	-	-	-	3.610	-	-	16.841	8.692	7.469
Repurchase Agreement	-	-	-	3.528	4.875	5.053	2.838	3.234	2.999
Long-Term Liabilities	864	-	2.323	-	-	-	88.007	89.296	80.610
Other Liabilities	-	-	-	-	-	-	-	4.841	653

The following chart presents the balances of the other transactions with related parties, which individually or by entity are lower than relevance criteria, presenting separately the average value by line of the balance sheet, as well as the highest individual balance:

R\$ million	Other			Average Amount			Highest Individual		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
<b>ASSETS</b>	<b>3.025</b>	<b>4.426</b>	<b>4.323</b>	<b>443</b>	<b>338</b>	<b>155</b>	<b>1.545</b>	<b>1.581</b>	<b>1.018</b>
Loans to Financial Institutions	531	197	100	265	65	33	530	191	98
Financial Assets Available for Sale	158	819	1.087	32	164	33	91	545	185
Loans to Customers	1.434	1.350	1.239	96	61	56	539	444	336
Other Assets	902	2.060	1.897	50	48	33	385	401	399
<b>LIABILITIES</b>	<b>3.374</b>	<b>20.821</b>	<b>10.382</b>	<b>439</b>	<b>259</b>	<b>309</b>	<b>1.073</b>	<b>1.706</b>	<b>1.069</b>
Customer Deposits	2.344	18.051	7.935	35	44	19	404	772	474
Repurchase Agreement Operations	212	106	748	71	26	187	200	88	336
Long-Term Liabilities	285	771	149	285	154	75	285	590	149
Other Liabilities	533	1.893	1.550	48	35	28	184	256	110

To calculate the average value of the other transactions with related parties, it is not considered the material operations presented in individual tables. The distribution according to the relationship with Banco do Brasil resulted in the following table:

Related Part	Number of Entities		
	2014	2015	2016
Controlling Shareholder <sup>1</sup>	1	1	1
Subsidiaries and Associated Companies	23	24	24
Key Management Personnel <sup>2</sup>	1	1	1
Other Related Parties <sup>3</sup>	1	1	1
<b>Total</b>	<b>26</b>	<b>27</b>	<b>27</b>

1 -Includes National Treasury and agencies of the direct administration of the Federal Government.

2 - Comprises the Board of Directors, Executive Board, Audit Committee and Fiscal Council.

3 -Includes the transactions with public enterprises and joint stock companies controlled by the Federal Government, such as: Petrobras, CEF, BNDES, Eletrobras. Besides these, entities linked to employees and sponsored entities: Cassi, Previ and others.

In order to reduce the dilution of the average value of the other transactions, the set of Other Related Parties was consolidated in a single entity, since they are mostly composed of several companies linked to the Federal Government and represent the exposure of Banco do Brasil to the transactions with the public sector.

**With the exception of transactions between BB and companies in which the holding, directly or indirectly, all of the share capital, inform, related to transactions with related parties that, according to accounting standards, should be disclosed in individual or consolidated financial statements BB and which have been concluded in the last year or are in force in the current fiscal year:**

**a. name of the related parties**

**b. relationship of the parties with BB**

**c. transaction date**

**d. purpose of the agreement**

**e. if BB is creditor or debtor**

**f. sum involved in the business**

**g. current balance**

**h. sum corresponding to the interest of such a related part in the business, if it is possible to measure**

**i. related guarantees and insurance**

**j. duration**

**k. conditions of rescission or termination**

**l. when this relationship is a loan or other type of debt, also inform:**

**i. nature and reasons for the operation**

**ii. interest rate charged**

**16.3. Other information on transactions with related parties**

**In regard to each one of the transactions or set of transactions mentioned in item 16.2 above occurred in the last fiscal year:**

**a. Identify the steps taken to deal with conflicts of interest**

**b. Demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment**

The tables below shows the detailing required by items 16.2 and 16.3 of the relevant contracts (an amount equal to or higher than R\$643 million in 12.31.2014, R\$780 million in 12.31.2015 and R\$507 million in 12.31.2016).

entered into between Banco do Brasil S.A. and related parties:

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**a. name of the related part:**  
**Banco Votorantim (BV Financeira)**

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**b. relationship of the part with Banco do Brasil S.A.:**  
 Associated company.

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**d. purpose of the agreement:**  
 Assignment of Receivables with substantial retention of risks and benefits (with the transferor's joint liability).

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**e. if BB is creditor or debtor:**  
 Creditor

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**h. sum corresponding to the interest of such a related part in the business, if it is possible to**  
 Not Applicable.

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**i. related guarantees and insurance:**  
 Recourse of the Assignor to the Assignment Agreement. Collateral each constant active in the Assignment Agreement.

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**k. conditions for rescission or termination:**  
 Not Applicable.

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**l. when such relationship is a loan or any other kind of debt, inform:**  
**i. nature and reasons for the operation:**  
 Not Applicable.

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**ii. interest rate charged:**  
 Not Applicable.

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**a. identify the steps taken to deal with conflicts of interest:**  
 BB also does business with other financial institutions. As with the other institutions, the business with related part stems from the strategic synergy between the institutions. The adopted procedures and measures follow the credit assignments industry standards, and formalized through transfers of contracts receivables, validated and settled in C3 at market price.

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**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory**  
 The procedures performed include risk analysis and credit limit establishment to the originator institution, negotiating the terms of the credit origination process analysis, operational ceiling of establishment for the assignment, evaluation and portfolio selection by the credit area, pricing the market prices for the area of finance, delivery and settlement of the assignment in Câmara de Cessões de Créditos (C3) authorized by the Banco Central do Brasil.

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## Section 16 - Transactions With Related Parties

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			J. duration (months)
			2014	2015	2016	
201200000006/110	15/01/2015	468,933,562	-	303,173,197	146,388,666	59
201200000006/109	15/01/2015	450,741,695	-	290,452,927	141,370,436	59
201200000006/111	15/01/2015	292,789,810	-	189,928,396	92,902,033	59
201200000006/114	31/03/2015	1,436,101,167	-	1,075,619,163	587,379,273	60
201200000006/115	31/03/2015	498,202,399	-	375,750,398	205,043,154	60
201200000006/119	23/06/2015	738,187,736	-	594,820,637	322,920,183	59
201200000006/118	23/06/2015	560,187,759	-	448,684,132	241,583,364	59
201200000006/120	23/06/2015	518,051,363	-	417,303,390	225,187,877	59
201200000006/124	29/06/2015	610,115,963	-	509,453,303	293,893,072	60
201200000006/121	29/06/2015	476,801,511	-	378,838,412	194,929,339	60
201200000006/122	29/06/2015	460,780,089	-	363,451,215	182,407,316	60
201200000006/123	29/06/2015	121,172,852	-	94,086,661	48,600,956	60
201200000006/125	24/09/2015	567,426,309	-	501,170,490	261,150,358	59
201200000006/126	24/09/2015	554,034,446	-	488,956,411	254,474,735	59
201200000006/127	24/09/2015	140,418,335	-	126,691,658	71,884,208	59
201200000006/128	29/09/2015	274,898,372	-	251,730,652	152,572,328	60
201200000006/129	17/11/2015	759,713,749	-	727,033,698	453,823,368	59
201200000006/132	11/12/2015	594,176,219	-	582,747,127	362,402,426	60
201200000006/136	11/12/2015	109,131,227	-	107,019,136	68,559,907	60
201200000006/135	11/12/2015	85,823,705	-	84,127,131	52,116,886	60
201200000006/137	21/12/2015	230,340,691	-	227,596,829	144,425,672	60
201200000006/138	21/12/2015	131,535,409	-	131,252,258	85,085,255	60
201200000006/139	15/01/2016	228,541,760	-	-	134,900,907	58
201200000006/140	15/01/2016	190,221,910	-	-	114,546,886	59
201200000006/141	28/01/2016	141,848,903	-	-	97,696,229	59
201200000006/142	28/01/2016	180,055,792	-	-	122,531,356	60
201200000006/143	17/03/2016	325,773,059	-	-	220,071,020	59
201200000006/144	17/03/2016	279,997,230	-	-	192,173,995	59
201200000006/145	17/03/2016	227,489,517	-	-	161,992,695	60
201200000006/146	31/03/2016	1,036,472,318	-	-	758,618,858	59
201200000006/147	31/03/2016	633,694,019	-	-	462,338,539	59
201200000006/148	16/06/2016	432,473,804	-	-	339,879,102	58
201200000006/149	16/06/2016	258,946,474	-	-	203,600,841	58
201200000006/150	29/06/2016	444,997,704	-	-	367,771,800	59
201200000006/151	29/06/2016	193,136,193	-	-	160,722,513	59
201200000006/152	30/06/2016	348,509,516	-	-	292,852,015	60
201200000006/158	22/12/2016	992,778,705	-	-	984,079,059	59
201200000006/159	27/12/2016	883,337,958	-	-	881,033,198	59
201200000006/160	28/12/2016	678,110,523	-	-	676,790,353	59
201200000006/161	27/12/2016	309,962,469	-	-	308,723,185	60

a. name of the related part:
<b>Banco Votorantim S.A.</b>
b. relationship of the part with Banco do Brasil S.A.:
Joint Venture.
d. purpose of the agreement:
Agreement on Assignment of Credit Receivables with co-obligation, made by and between Banco do Brasil and Banco Votorantim, the assignment of receivables financing and loans to employees, servants, retirees or pensioners of certain public institutions.
e. if BB is creditor or debtor:
Creditor.
h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:
100% of the amount involved in the business.
i. related guarantees and insurance:
The institution is obligated to pay the transferor to the transferee institution the value of each overdue and not paid at maturity.
k. conditions for rescission or termination:
According to current legislation in Brazil.
l. when such relationship is a loan or any other kind of debt, inform:
i. nature and reasons for the operation:
Not Applicable.
ii. interest rate charged:
Not Applicable.
a. identify the steps taken to deal with conflicts of interest:
BB's operations decision-making process is performed in accordance with current legislation and segregated by function, i.e. the establishment of credit limits, pricing and negotiation are performed by different specialized areas, and in accordance with the policies and internal standards. The assignments of credit receivables are performed at normal prices market conditions, equivalent to those that would be adopted when contracted with unrelated parts.
b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:
The transactions carried out by Banco do Brasil with related parts are business transactions and follow common standards for banking, not causing any extraordinary benefit or harm to either part. The assignments of credit receivables are agreed on terms that meet the interests of the parts, the ability of the Banco do Brasil to obtain retail funding and of Banco Votorantim to carry out loan operations.

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			J. duration (months)
			2014	2015	2016	
200800000018 - Rem. 3	17/10/2008	190.345	262	20	-	96
200800000018 - Rem. 11 : 19	20/10/2008	509.717	40	4	-	96
200800000018 - Rem. 20 , 21	22/12/2008	182.148	119	-	-	83
200800000018 - Rem. 22	29/12/2008	108.601	-	-	-	71
200900000013 - Rem. 4 : 6	18/11/2009	550.704	1.247	98	-	83
200900000013 - Rem. 7 , 8	22/12/2009	269.183	281	54	-	83



**a. name of the related part:**  
**Banco Votorantim S.A.**

**b. relationship of the part with Banco do Brasil S.A.:**  
 Joint Venture.

**d. purpose of the agreement:**  
 Credit Rights Assignment Agreement, with co-obligation, conducted between Banco do Brasil and Banco Votorantim, for assignment of receivables from loans and financing to employees, servants, retirees and/or pensioners of certain public institutions.

**e. if BB is creditor or debtor:**  
 Creditor.

**h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:**  
 100% of the amount involved in the business.

**i. related guarantees and insurance:**  
 The institution is obligated to pay the transferor to the transferee institution 20% of first losses on the portfolio transferred.

**k. conditions for rescission or termination:**  
 According to current legislation in Brazil.

**l. when such relationship is a loan or any other kind of debt, inform:**  
**i. nature and reasons for the operation:**  
 Not Applicable.  
**ii. interest rate charged:**  
 Not Applicable.

**a. identify the steps taken to deal with conflicts of interest:**  
 BB's operations decision-making process is performed in accordance with current legislation and segregated by function, i.e. the establishment of credit limits, pricing and negotiation are performed by different specialized areas, and in accordance with the policies and internal standards. The assignments of credit receivables are performed at normal prices market conditions, equivalent to those that would be adopted when contracted with unrelated parts.

**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:**  
 The transactions carried out by Banco do Brasil with related parts are business transactions and follow common standards for banking, not causing any extraordinary benefit or harm to either part. The assignments of credit receivables are agreed on terms that meet the interests of the parts, the ability of the Banco do Brasil to obtain retail funding and of Banco Votorantim to carry out loan operations.

200900000013 - Rem. 129 : 136	27/09/2010	461,613	21,671	3,585	-	84
200900000013 - Rem. 144 : 146	27/10/2010	219,329	13,639	390	-	83
200900000013 - Rem. 151 , 152	23/11/2010	182,626	14,756	1,195	-	83
200900000013 - Rem. 153 , 154	30/11/2010	196,326	5,370	542	-	84
200900000013 - Rem. 158 : 163	21/12/2010	75,074	1,125	128	-	71
200900000013 - Rem. 167 : 171	22/12/2010	171,503	14,630	874	-	84
200900000013 - Rem. 172 : 181	29/12/2010	235,740	11,630	864	-	84
200900000013 - Rem. 182 : 184	27/01/2011	298,471	24,302	85	-	84
200900000013 - Rem. 186 : 189	24/02/2011	390,414	32,056	4,390	-	84
200900000013 - Rem. 190 : 199	24/03/2011	74,128	4,394	168	-	78
200900000013 - Rem. 200 : 203	29/03/2011	228,670	21,614	3,313	-	84
200900000013 - Rem. 204 : 206	20/04/2011	226,637	23,634	4,340	-	84
200900000013 - Rem. 207 : 209	12/05/2011	313,953	40,866	9,369	-	84
200900000013 - Rem. 240 : 242	15/06/2011	250,144	37,715	10,572	-	84
200900000013 - Rem. 243 : 246	21/06/2011	82,958	5,027	629	-	78
200900000013 - Rem. 248 : 251	25/07/2011	417,182	64,401	20,314	-	84
200900000013 - Rem. 272	01/09/2011	64,770	8,235	1,725	-	82
200900000013 - Rem. 275	15/09/2011	112,432	18,673	6,376	-	83
200900000013 - Rem. 276	16/09/2011	44,514	7,187	2,370	-	83
200900000013 - Rem. 277	19/09/2011	103,235	16,415	5,362	-	83
200900000013 - Rem. 278	20/09/2011	112,565	18,230	6,228	-	83
200900000013 - Rem. 279	21/09/2011	230,732	36,771	12,879	-	84
200900000013 - Rem. 280	29/09/2011	65,196	9,418	3,282	-	84
200900000013 - Rem. 284	27/10/2011	125,810	23,441	8,802	-	84
200900000013 - Rem. 285	28/10/2011	117,123	16,339	6,056	-	84
200900000013 - Rem. 287	31/10/2011	133,920	21,671	6,953	-	83
201200000004 - Rem. 35	22/03/2013	285,093	73,246	34,338	13,334	56
201200000004 - Rem. 36 , 38	25/03/2013	314,476	75,273	21,032	-	36
201200000004 - Rem. 39	26/03/2013	249,104	58,746	22,479	-	45
201200000004 - Rem. 37 : 46	28/03/2013	1,648,429	403,679	168,772	35,585	50
201200000004 - Rem. 52 , 55	02/07/2013	218,473	69,677	33,010	12,364	49
201200000004 - Rem. 53 , 54	03/07/2013	222,100	69,275	33,792	14,122	54
201200000004 - Rem. 57 , 61	04/07/2013	202,368	57,851	22,804	8,205	42
201200000004 - Rem. 62 , 63	11/07/2013	245,842	82,147	38,175	14,788	45
201200000004 - Rem. 70 , 71	23/09/2013	373,776	132,339	57,033	26,078	56
201200000004 - Rem. 74 , 75	24/09/2013	110,487	40,003	17,409	6,422	56
201200000004 - Rem. 80 : 82	27/09/2013	159,516	58,696	23,857	11,068	57
201200000004 - Rem. 90 : 92	10/12/2013	13,124	4,965	1,763	257	36
201200000004 - Rem. 95	12/12/2013	226,949	93,782	38,756	18,595	57
201200000004 - Rem. 93 , 94	13/12/2013	35,981	14,022	5,638	2,577	56
201200000004 - Rem. 96	27/12/2013	127,654	56,719	22,733	10,980	57
201200000004 - Rem. 105 : 107	21/03/2014	292,838	155,792	63,539	31,594	57
201200000004 - Rem. 112 , 113	23/05/2014	224,567	138,883	56,416	28,271	57
201200000004 - Rem. 108 : 111	26/05/2014	77,579	46,956	21,107	7,913	36
201200000004 - Rem. 119	16/07/2014	171,117	111,058	45,439	23,037	58
201200000004 - Rem. 117 , 120	17/07/2014	110,124	64,625	26,738	12,315	53
201200000004 - Rem. 114 : 118	18/07/2014	186,468	120,359	45,415	17,185	39

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
200900000013 - Rem. 24 : 46	21/06/2010	872,891	9,535	184	-	71
200900000013 - Rem. 64 : 66	24/06/2010	63,641	17	3	-	76
200900000013 - Rem. 67 : 69	25/06/2010	121,335	221	-	-	68
200900000013 - Rem. 78 : 86	28/06/2010	171,120	4,143	-	-	71
200900000013 - Rem. 77 : 81	29/06/2010	71,938	1,310	-	-	57
200900000013 - Rem. 70 : 76	30/06/2010	295,019	6,955	73	-	72
200900000013 - Rem. 90 : 93	21/07/2010	223,607	3,568	4	-	71
200900000013 - Rem. 87 : 89	22/07/2010	167,051	771	1	-	68
200900000013 - Rem. 94 : 99	25/08/2010	39,721	283	4	-	69
200900000013 - Rem. 100 : 105	30/08/2010	541,137	17,711	133	-	71
200900000013 - Rem. 125 : 128	24/09/2010	101,837	3,082	1,185	-	76

## Section 16 - Transactions With Related Parties

### a. name of the related part:

Banco Votorantim S.A.

### b. relationship of the part with Banco do Brasil S.A.:

Joint Venture.

### d. purpose of the agreement:

Credit Receivables Assignment, with co-obligation, made between BB and Banco Votorantim, to auto loans credit receivables assignment.

### e. if BB is creditor or debtor:

Creditor.

### h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:

100% of the amount involved in the business.

### i. related guarantees and insurance:

The institution is obligated to pay the transferor to the transferee institution 20% of first losses on the portfolio transferred.

### k. conditions for rescission or termination:

According to current legislation in Brazil.

### l. when such relationship is a loan or any other kind of debt, inform:

#### i. nature and reasons for the operation:

Not Applicable.

#### ii. interest rate charged:

Not Applicable.

### a. identify the steps taken to deal with conflicts of interest:

BB's operations decision-making process is performed in accordance with current legislation and segregated by function, i.e, the establishment of credit limits, pricing and negotiation are performed by different specialized areas, and in accordance with the policies and internal standards. The assignments of credit receivables are performed at normal prices market conditions, equivalent to those that would be adopted when contracted with unrelated parts.

### b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:

The transactions carried out by Banco do Brasil with related parts are business transactions and follow common standards for banking, not causing any extraordinary benefit or harm to either part. The assignments of credit receivables are agreed on terms that meet the interests of the parts, BB's ability to obtain retail funding and of Banco Votorantim to carry out loan operations.

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			J. duration (months)
			2014	2015	2016	
200800000025 - Rem. 24	22/12/2008	682,155	-	-	-	60
200900000011 - Rem. 3	26/06/2009	588,959	-	-	-	59
200900000011 - Rem. 4	29/06/2009	282,120	-	-	-	59
200900000011 - Rem. 5	29/09/2009	288,317	-	-	-	59
200900000011 - Rem. 7	30/09/2009	142,506	-	-	-	59
200900000011 - Rem. 10	24/11/2009	357,680	57	-	-	71
200900000011 - Rem. 11	27/11/2009	210,657	7	-	-	71
200900000011 - Rem. 13	17/12/2009	350,620	261	-	-	71
20100000009 - Rem. 81	29/12/2011	331,727	38,087	7,553	-	60

### a. name of the related part:

Banco Votorantim S.A.

### b. relationship of the part with Banco do Brasil S.A.:

Associated company.

### d. objeto do contrato:

Credit Receivables Assignment, without co-obligation, made between BB and Banco Votorantim, to auto loans credit receivables assignment.

### e. se o BB é credor ou devedor:

-

### h. montante correspondente ao interesse de tal parte relacionada no negócio, se for possível aferir:

100% of the amount involved in the business.

### i. garantias e seguros relacionados:

The originator institution is not obliged to pay the assignee institution losses on the portfolio assigned.

### k. condições de rescisão ou extinção:

According to current legislation in Brazil.

### l. quando tal relação for um empréstimo ou outro tipo de dívida, informar:

#### i. natureza e razões da operação:

Not Applicable.

#### ii. taxa de juros cobrada:

Not Applicable.

### a. identificar as medidas tomadas para tratar de conflitos de interesses:

BB's operations decision-making process is performed in accordance with current legislation and segregated by function, i.e, the establishment of credit limits, pricing and negotiation are performed by different specialized areas, and in accordance with the policies and internal standards. The assignments of credit receivables are performed at normal prices market conditions, equivalent to those that would be adopted when contracted with unrelated parts.

### b. demons. o caráter estritamente comutativo das condições pactuadas ou o pagto. compensatório adequado:

The transactions carried out by Banco do Brasil with related parts are business transactions and follow common standards for banking, not causing any extraordinary benefit or harm to either part. The assignments of credit receivables are agreed on terms that meet the interests of the parts, BB's ability to obtain retail funding and of Banco Votorantim to carry out loan operations.

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			J. duration (months)
			2014	2015	2016	
201200000012 - Rem. 1	28/06/2012	17.638	3.660	1.100	238	58
201200000012 - Rem. 6	28/09/2012	97.944	25.675	8.987	2.378	59

**a. name of the related part:**

Banco Votorantim S.A.

**b. relação da parte com o Banco do Brasil S.A.:**

Associated company.

**d. objeto do contrato:**

Interbank lending agreement with Banco Votorantim. In the case of Banco Votorantim be interested in the effective use of line, weekly disbursements are limited to 25% of the total line.

**e. se o BB é credor ou devedor:**

-

**h. montante correspondente ao interesse de tal parte relacionada no negócio, se for possível aferir:**

100% of the amount involved in the business.

**i. garantias e seguros relacionados:**

There is no guarantees.

**k. condições de rescisão ou extinção:**

According to current legislation in Brazil, it is automatically renewed for periods of 1 year in case the parts do not decide against the renewal.  
Obligation maturities will be accelerated in the following hypotheses: (i) financial default and other non-compliances with the contract; (ii) violation of contract commitments; (iii) false or inaccurate statements and guarantees in the contract; (iv) insolvency of Banco Votorantim; (v) judicial collection of notes or obligations higher than 5% of Banco Votorantim's shareholders' equity; and (vi) the contract is declared illegal.

**i. quando tal relação for um empréstimo ou outro tipo de dívida, informar:****i. natureza e razões da operação:**

Loan for corporate general purposes and Working Capital.

**ii. taxa de juros cobrada:**

Prevailing interest in the market, not exceeding the maximum rate renegotiated on a quarterly basis between the parts.

**a. identificar as medidas tomadas para tratar de conflitos de interesses:**

BB's operations decision-making process is performed in accordance with current legislation and segregated by function, i.e, the establishment of credit limits, pricing and negotiation are performed by different specialized areas, and in accordance with the policies and internal standards, The Contract for to Revolving Interbank Credit Facility adopts market rates equivalent to those that would be used in contracts with unrelated parts.

**b. demons. o caráter estritamente comutativo das condições pactuadas ou o pagto. compensatório adequado:**

The transactions carried out by Banco do Brasil with related parts are business transactions and follow common standards for banking, not causing any extraordinary benefit or harm to either part, Considering established extinction and rescission conditions, one part there isn't privileges over the other, confirming the commutative character of the transaction.

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
-	28/09/2015	6,800,000	-	-	-	12

## Section 16 - Transactions With Related Parties

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**a. name of the related part:**

**BB Corretora e Seguradora controlled by BB Mapfre SH1.**

**b. relationship of the part with Banco do Brasil S.A.:**

Direct, controlled and associated controller, respectively.

**d. purpose of the agreement:**

Regulate the rights and obligations of the parts with respect to the development, dissemination, distribution and marketing of insurance products in the segments / lines of people and elemental as defined in applicable current or future legislation, and the distribution of insurance products of insurance companies will be made exclusive banking channels in the Banco do Brasil, through BB Corretora, nationwide. In both cases, the receipt and transfer to insurers of their insurance premiums will be paid by Banco do Brasil. The parts have authorized the use by any of the signatories of the brands of other parts to this agreement. The remuneration of BB Corretora and the Banco do Brasil was set at variable percentages on net premiums. In 2016 through this agreement, Cia de Seguros Aliança do Brasil moved R\$1,596,729,224.24 with BB Corretora and R\$47,814,031.01 with BB. In 2015 through this agreement, Cia de Seguros Aliança do Brasil moved R\$1,416,987,272.85 with BB Corretora and R\$53,063,496.43 with BB. In Exercise/2014 through this agreement, Cia de Seguros Aliança do Brasil moved R\$1,220,159,020.41 with BB Corretora and R\$47,095,499.49 with BB.

**e. if BB is creditor or debtor:**

-

**h. sum corresponding to the interest of such a related part in the business, if it is possible to**

There is no.

**i. related guarantees and insurance:**

Without guarantees.

**k. conditions for rescission or termination:**

The operating agreement may be terminated in advance:

(a) in relation to Aliança do Brasil, if the shareholders' agreement related to SH1, signed between Mapfre Brasil and BB Seguros on June 30, 2011 is terminated or rescinded; (b) in relation to Brasiveiculos and AB Seguros, if the shareholders' agreement related to SH2, signed between Mapfre Brasil and BB Seguros on June 30, 2011 is terminated or rescinded.

This agreement may be terminated at the discretion of the other parts regardless of any arbitration decision, if any of the parts incurs in intervention, extrajudicial winding up, voiding of authorization for operation by the competent body, bankruptcy, request for court recovery or a similar proceeding or the start of a proceeding for extrajudicial recovery or also if the part has an intervention, bankruptcy or winding up requested and that situation is not remedied within 30 days from the date when that part is informed of the event.

**i. when such relationship is a loan or any other kind of debt, inform:**

**i. nature and reasons for the operation:**

Not Applicable.

**ii. interest rate charged:**

Not Applicable.

**a. identify the steps taken to deal with conflicts of interest:**

BB Seguridade's bylaws establishes rules for managing conflicts of interest within the Board of Directors. Article 15, paragraph 4, of the bylaws prohibits members of the Board of Directors to intervene in any act or corporate operation where they have an interest that conflicts with that of BB Seguridade, and in related decisions made by the other directors and in that case the director whose interest conflicts with that of the Company must notify his impediment, recording in the minutes the nature and extent of his interest.

**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory**

The transactions made by BB Seguridade with related parties are commercial operations that follow regular standards and do not generate any extraordinary benefit or loss for either part.

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
-	30/06/2011	-	1,267,255	1,469,965	1,644,543	240

Obs: It may be extended up to 60 months.

**a. name of the related part:**

BB Tecnologia e Serviços (Cobra Tecnologia S.A.)

**b. relationship of the part with Banco do Brasil S.A.:**

Subsidiary.

**d. purpose of the agreement:**

Maintenance of banking automation equipment - hiring of a company specialized in operational availability of the automation equipment in BB's branches throughout the national territory

**e. if BB is creditor or debtor:**

-

**h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:**

100% of the amount involved in the business.

**i. related guarantees and insurance:**

There is no guarantees.

**k. conditions for rescission or termination:**

According to the rules of Law 8,666/1993.

**l. when such relationship is a loan or any other kind of debt, inform:**

**i. nature and reasons for the operation:**

Not Applicable.

**ii. interest rate charged:**

Not Applicable.

**a. identify the steps taken to deal with conflicts of interest:**

Agreement signed according to the Law 8,666/1993, whose rules are to avoid conflicts of interest.

**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:**

The contractual terms of guarantees and insurance related, of rescission and extinction conditions, as well as the amount of business, are in the market practices adopted for the same type of contract between unrelated companies.

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
2016/85580057	26/08/2016	883,440,345	-	-	176,688,069	60

**a. name of the related part:**

BB Tecnologia e Serviços (Cobra Tecnologia S.A.)

**b. relationship of the part with Banco do Brasil S.A.:**

Subsidiary.

**d. purpose of the agreement:**

Maintenance of ATM equipment - hiring of a company specialized in operational availability of the automation equipment in BB's branches throughout the national territory

**e. if BB is creditor or debtor:**

-

**h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:**

100% of the amount involved in the business.

**i. related guarantees and insurance:**

There is no guarantees.

**k. conditions for rescission or termination:**

According to the rules of Law 8,666/1993.

**l. when such relationship is a loan or any other kind of debt, inform:**

**i. nature and reasons for the operation:**

Not Applicable.

**ii. interest rate charged:**

Not Applicable.

**a. identify the steps taken to deal with conflicts of interest:**

Agreement signed according to the Law 8,666/1993, whose rules are to avoid conflicts of interest.

**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:**

The contractual terms of guarantees and insurance related, of rescission and extinction conditions, as well as the amount of business, are in the market practices adopted for the same type of contract between unrelated companies.

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
2016/85580058	26/08/2016	654,051,220	-	-	392,430,732	20

Obs:

## Section 16 - Transactions With Related Parties

<b>a. name of the related part:</b>	<b>BNDES - The Brazilian Development Bank.</b>
<b>b. relationship of the part with Banco do Brasil S.A.:</b>	Shareholder linked to the controller.
<b>d. purpose of the agreement:</b>	Funding for credit operations.
<b>e. if BB is creditor or debtor:</b>	Debtor
<b>h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:</b>	100% of the amount involved in the business.
<b>i. related guarantees and insurance:</b>	There is none.
<b>k. conditions for rescission or termination:</b>	The agreement termination is conditioned to the Liquidation of the entire liabilities balance of operations with BNDES. If the Bank fails to meet the performance standards set by the monetary authorities or by BNDES and Finame or does not strictly observe all the obligations assumed, especially those contained in clauses sixth and eighth of Credit Agreement 14.2.0380.1 - CAC, The BNDES and Finame may apply sanctions for disqualification.
<b>l. when such relationship is a loan or any other kind of debt, inform:</b>	
<b>i. nature and reasons for the operation:</b>	Funding for credit operations
<b>ii. interest rate charged:</b>	The transferred resources are remunerated to BNDES and Finame for basic charges and additional rate set by BNDES through specific circulars for each credit line. For the Bank's remuneration, a specific Credit is also defined, whose average portfolio is 0.76% p.y. For BNDES Program and 2.68% p.y. for Finame resources.
<b>a. identify the steps taken to deal with conflicts of interest:</b>	BNDES, resource allocator, establishes normative ones to all financial institutions authorized to deal with that institution, whether public or private. Thus, there is no flexibility for changing conditions which could pose a conflict of interest with the Bank.
<b>b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:</b>	Contractual conditions and interest rates are also established for all public or private financial agents. The Bank assesses the viability of each line and approves its operation through the same decision-making process applied to other businesses, which considers the ROE (Return on Required Equity) or Cost to Income Ratio, as the case may be.

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
14.2.0380.1	11/09/2014	Variável	75,648,680	67,961,757	56,852,005	50
<b>Obs:</b>	The contract 14.2.0380.1 refers to the average term of the portfolio.					

<b>a. name of the related part:</b>	<b>Cassi - Caixa de Assistência dos Funcionários do Banco do Brasil.</b>
<b>b. relationship of the part with Banco do Brasil S.A.:</b>	Sponsored Entity.
<b>d. purpose of the agreement:</b>	Manage the health care services to Banco do Brasil employees.
<b>e. if BB is creditor or debtor:</b>	-
<b>h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:</b>	Actuarial liabilities in 2016 (R\$ thousand): 7,948,422
<b>i. related guarantees and insurance:</b>	Not Applicable.
<b>k. conditions for rescission or termination:</b>	Not Applicable.
<b>l. when such relationship is a loan or any other kind of debt, inform:</b>	
<b>i. nature and reasons for the operation:</b>	Fund management in favor of Banco do Brasil employees.
<b>ii. interest rate charged:</b>	Not Applicable.
<b>a. identify the steps taken to deal with conflicts of interest:</b>	Management of benefit plan is conducted in compliance with investment guidelines approved by Cassi's Board of Directors, to obtain application security and avoid interest conflicts.
<b>b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:</b>	Payments will be made in accordance with contract provisions without no privilege of one part over the other, confirming the commutative character of the transaction.

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
-	27/01/1944	Variable	896,175	976,675	1,061,596	-

**a. name of the related part:**

Previ - Caixa de Previdência dos Funcionários do Banco do Brasil.

**b. relationship of the part with Banco do Brasil S.A.:**

Sponsored Entity.

**d. purpose of the agreement:**

Manage and conduct social security benefit plans and others, in order to ensure to its members and beneficiaries the benefits provided for in respective regulations of each plan to which they are linked.

**e. if BB is creditor or debtor:**

-

**h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:**

Actuarial liabilities in 2016 (R\$ thousand): 2,201,588

**i. related guarantees and insurance:**

Not Applicable.

**k. conditions for rescission or termination:**

Not Applicable.

**l. when such relationship is a loan or any other kind of debt, inform:**

**i. nature and reasons for the operation:**

Fund management in favor of the Bank's employees.

**ii. interest rate charged:**

Not Applicable.

**a. identify the steps taken to deal with conflicts of interest:**

Management of benefit plan is conducted in compliance with investment guidelines approved by Previ's Board of Directors, to obtain application security and avoid interest conflicts.

**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:**

Payments will be made in accordance with contract provisions without privilege of one part over the other, confirming the commutative character of the transaction.

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
-	16/04/1904	Variável.	681,636	549,275	575,569	-

## Section 16 - Transactions With Related Parties

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**a. name of the related part:**

**Federal Government (Caixa Econômica Federal).**

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**b. relationship of the part with Banco do Brasil S.A.:**

Controlling Shareholder.

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**d. purpose of the agreement:**

FGTS - Government Severance Indemnity Fund for Employees - BB works as a Financial Agent, with funds from the FGTS, in the scope of the Housing Program, Individual Loan, which cover financing under the Minha Casa Minha Vida (low income housing program), and Pro-Cotista.

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**e. if BB is creditor or debtor:**

Debtor.

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**h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:**

100% of the amount involved in the business.

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**i. related guarantees and insurance:**

Financial Treasury Bills (LFT) and/or by mortgage deposit.

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**k. conditions for rescission or termination:**

The OPERATING AGENT may decree the advance maturity of the entire debt, automatically and immediately due account being taken of all financial obligations of the Bank, terminating the Agreement, regardless of judicial interpellation, provided, at the discretion of the OPERATING AGENT, suspension of disbursements is not Sufficient measure to ensure the regular fulfillment of the contractual obligations, or in the occurrence of the following hypotheses:

- a) non-payment by the Bank of 03 (three) consecutive returns;
- b) cancellation of the registration of the Bank as an Integrating Agent of the Housing Finance System;
- d) assignment or transfer to third parties of the obligations assumed in this Agreement, without previous and express authorization of the OPERATING AGENT;
- e) if the guarantee provided for in the contract is reduced due to depreciation or deterioration, and the Bank does not increase it within 30 (thirty) days, after being duly notified by the OPERATING AGENT.

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**l. when such relationship is a loan or any other kind of debt, inform:**

**i. nature and reasons for the operation:**

Funding for loans.

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**ii. interest rate charged:**

The funds available to borrowers are remunerated by the variation of TR + Interest between 5% and 6.5% p.y., according to the linked financing program. The Bank guarantees a spread of up to 2.16% p.y. And a management fee of R\$ 25.00 per active financing contract in the month.

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**a. identify the steps taken to deal with conflicts of interest:**

Caixa Econômica Federal, as FGTS Operator, establishes regulations that are unique to all financial institutions, regardless of whether they are public or private. In this way, there is no flexibility to change the conditions that may represent a conflict of interest with the Bank.

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**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:**

Contractual conditions and interest rates are also established for all public or private financial agents. The Bank assesses the viability of each line and approves its operation through the same decision-making process applied to other businesses, which considers the ROE (Return on Required Equity) or Cost to Income Ratio, as the case may be.

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contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
-	23/09/2009	Variável.	12,295,224	19,566,542	23,618,292	12
<b>Obs:</b>	Renewable for an equal period.					

**a. name of the related part:**

Federal Government (Superintendência do Desenvolvimento da Amazônia).

**b. relationship of the part with Banco do Brasil S.A.:**

Controlling Shareholder.

**d. purpose of the agreement:**

The contract is to fundraising of the FDA - Amazon Development Fund for the contracting of financing operations in specific lines of credit that comply with the policies of fomentation and financing of the Fund.

**e. if BB is creditor or debtor:**

Debtor.

**h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:**

100% of the amount involved in the deal.

**i. related guarantees and insurance:**

There are none

**k. conditions for rescission or termination:**

The contract termination can be made at any time by agreement between the parties. It may also be terminated for failure to comply with any of its clauses that make it material or formally unenforceable, in this case by giving thirty days' notice in writing to the other party.

**l. when such relationship is a loan or any other kind of debt, inform:****i. nature and reasons for the operation:**

Funding for loans.

**ii. interest rate charged:**

The Bank pays interest from 1.5% p.y. to 10.5% p.y. As set out in the Fund rules. For the Bank is guaranteed a remuneration of 2.5% p.y. Charged to the debtor balance of each operation, supplemented by equalization, when applicable

**a. identify the steps taken to deal with conflicts of interest:**

BB works as a financial agent, complying with the rules defined by the Union subject to the same conditions applied to other operators. In this way, there is no flexibility to change the conditions that may represent a conflict of interest with the Bank.

**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:**

The criteria for application of resources (beneficiaries, rate, term, value limits) are established by Law/Decree/Resolution/Agreement. The remuneration of financial agents is defined in regulations, but the Bank assesses the viability of credit lines and approved its operationalization through the same decision process applied to other businesses, which considers the ROE (Return on Required Equity) or cost to income ratio, according appropriate.

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
26/2014	01/08/2014	587,588	89,442	93,020	96,731	-
<b>Obs:</b>	For each operation to be contracted a Contract is entered into between BB and Sudam.					

## Section 16 - Transactions With Related Parties

### a. name of the related part:

Federal Government (Superintendência do Desenvolvimento do Centro-Oeste).

### b. relationship of the part with Banco do Brasil S.A.:

Controlling Shareholder.

### d. objeto do contrato:

The contract refers to the fundraising from the FDCO - Development Fund of the Center-West for the contracting of financing operations in specific lines of credit that meet the policies of fomentation and financing of the Fund.

### e. se o BB é credor ou devedor:

Debtor.

### h. montante correspondente ao interesse de tal parte relacionada no negócio, se for possível aferir:

100% of the amount involved in the deal.

### i. garantias e seguros relacionados:

There are none

### k. condições de rescisão ou extinção:

The contract termination can be made at any time by agreement between the parties. It may also be terminated for failure to comply with any of its clauses that make it material or formally unenforceable, in this case by giving thirty days' notice in writing to the other party.

### l. quando tal relação for um empréstimo ou outro tipo de dívida, informar:

#### i. natureza e razões da operação:

Funding for loans.

#### ii. interest rate charged:

The Bank pays interest from 4.0% p.y. to 10.5% p.y. As set out in the Fund rules. To the Bank is guaranteed a remuneration of 2.5% p.y. Charged on the debit balance of each operation, supplemented by equalization, when applicable.

### a. identify the steps taken to deal with conflicts of interest:

BB works as a financial agent, complying with the rules defined by the Union subject to the same conditions applied to other operators. In this way, there is no flexibility to change the conditions that may represent a conflict of interest with the Bank.

### b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:

The criteria for application of resources (beneficiaries, rate, term, value limits) are established by Law/Decree/Resolution/Agreement. The remuneration of financial agents is defined in regulations, but the Bank assesses the viability of credit lines and approved its operationalization through the same decision process applied to other businesses, which considers the ROE (Return on Required Equity) or cost to income ratio, according appropriate.

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
01/2014	11/03/2014	510,000	-	-	-	-
02/2014	15/05/2014	53,282	-	-	-	-
01/2015	09/11/2015	280,356	-	-	-	-
02/2016	10/05/2016	848,108	-	-	-	-
<b>Total</b>	-	<b>1,691,746</b>	<b>254,640</b>	<b>285,128</b>	<b>893,803</b>	-

**a. name of the related part:**

Federal Government (Superintendência do Desenvolvimento do Nordeste).

**b. relationship of the part with Banco do Brasil S.A.:**

Controlling Shareholder.

**d. purpose of the agreement:**

The contract refers to the fundraising from the FDNE - Development Fund of the Northeast for the contracting of financing operations in specific lines of credit that meet the policies of fomentation and financing of the Fund.

**e. if BB is creditor or debtor:**

Debtor.

**h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:**

100% of the amount involved in the deal.

**i. related guarantees and insurance:**

There are none

**k. conditions for rescission or termination:**

The contract termination can be made at any time by agreement between the parties. It may also be terminated for failure to comply with any of its clauses that make it material or formally unenforceable, in this case by giving thirty days' notice in writing to the other party.

**l. when such relationship is a loan or any other kind of debt, inform:****i. nature and reasons for the operation:**

Funding for loans.

**ii. interest rate charged:**

The Bank pays interest from 1.5% p.y. to 10.5% p.y. As set out in the Fund rules. To the Bank is guaranteed a remuneration of 2.5% p.y. Charged on the debit balance of each operation, supplemented by equalization, when applicable.

**a. identify the steps taken to deal with conflicts of interest:**

BB works as a financial agent, complying with the rules defined by the Union subject to the same conditions applied to other operators. In this way, there is no flexibility to change the conditions that may represent a conflict of interest with the Bank.

**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:**

The criteria for application of resources (beneficiaries, rate, term, value limits) are established by Law/Decree/Resolution/Agreement. The remuneration of financial agents is defined in regulations, but the Bank assesses the viability of credit lines and approved its operationalization through the same decision process applied to other businesses, which considers the ROE (Return on Required Equity) or cost to income ratio, according appropriate.

## Section 16 - Transactions With Related Parties

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
01/2013	24/05/2013	275,994	-	-	-	-
02/2013	24/05/2013	309,060	-	-	-	-
16/2013	24/05/2013	1,998,180	-	-	-	-
20/2013	27/06/2013	24,332	-	-	-	-
21/2013	26/09/2013	31,881	-	-	-	-
22/2013	10/12/2013	63,105	-	-	-	-
01/2014	10/06/2014	51,000	-	-	-	-
01/2015	12/11/2015	125,650	-	-	-	-
01/2016	11/01/2016	34,784	-	-	-	-
03/2016	29/01/2016	40,597	-	-	-	-
06/2016	17/11/2016	25,968	-	-	-	-
07/2016	17/11/2016	265,394	-	-	-	-
08/2016	17/11/2016	4,100	-	-	-	-
<b>Total</b>	-	<b>3,250,045</b>	<b>1,534,405</b>	<b>1,987,918</b>	<b>2,070,559</b>	-

**a. name of the related part:**

Federal Government.

**b. relationship of the part with Banco do Brasil S.A.:**

Controlling Shareholder.

**d. purpose of the agreement:**

The contract refers to fundraising for the contracting of financing operations of specific lines of credit that meet the programming of development and financing established by CODEFAT and MTE (Labour Ministry). The financial resources of the FAT (Workers Support Fund) may be invested in Treasury securities. Resolution No. 439 of June 2, 2005 provides for the allocation of FAT resources in special interest-bearing deposits. The MTE / CODEFAT, through the Executive Secretariat of the Deliberative Council of FAT - CODEFAT, entered into the terms of formalization of the application of resources of the FAT, in the form of a special deposit, in a federal official financial institution, being such instrument denominated TERM FOR ALLOCATION OF SPECIAL DEPOSIT FAT - TADE. BB signed with the Executive Secretariat of CODEFAT several TADEs, each with its specific purpose, whose resources, mainly from contributions to the Social Integration Program (PIS) and to the Program for the Formation of Public Server Patrimony (PASEP), are made available by means of several specific lines of credit.

**e. if BB is creditor or debtor:**

Debtor.

**h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:**

100% of the amount involved in the deal.

**i. related guarantees and insurance:**

Not Applicable.

**k. conditions for rescission or termination:**

In the event of non-compliance with the conditions and criteria in the TADEs Terms of Allocation of Special Deposits, CODEFAT will decide on the sanctions to be applied, respecting the current legislation. The sanction of suspension of special deposits will imply the total and immediate redemption of FAT resources allocated in the deposit subject of the sanction. There is also the possibility of immediate redemption of FAT resources allocated to Special Deposits in official financial institutions, according to art. 9 of Law 8,019 / 90.

**l. when such relationship is a loan or any other kind of debt, inform:****i. nature and reasons for the operation:**

Funding for loans.

**ii. interest rate charged:**

The available resources are remunerated by the variation of the Average Selic Rate: TMS, after the funds are made available to the borrowers, these are now remunerated by the TJLP. The Bank's remuneration varies from 1% to 4% p.y. Corresponding to the additional charges levied on credit operations.

**a. identify the steps taken to deal with conflicts of interest:**

The sole paragraph of article five of the Bank's bylaws establishes that the Bank, when contracting directly with the Union or its intervention, must comply with the following conditions:

I - the allocation of resources corresponding to the Bank's disposition and the establishment of the appropriate remuneration;

II - the prior and formal definition of the adequate remuneration of the resources to be applied in case of equalization of financial charges; and

III - the prior and formal definition of risk-taking and remuneration, never lower than the costs of the services to be rendered.

**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:**

The remuneration of financial agents is defined in regulations, but the Bank assesses the viability of each line and approves its operation through the same decision-making process applied to other businesses, which considers the ROE (Return on Required Equity) or Cost to income ratio, As the case may be.

**Section 16 - Transactions With Related Parties**

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contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
-	14/07/1993	Variable	4,478,914	4,102,449	5,187,816	-

**a. name of the related part:**

Federal Government.

**b. relationship of the part with Banco do Brasil S.A.:**

Controlling Shareholder.

**d. purpose of the agreement:**

FCO - Fundo Constitucional do Centro-Oeste (Constitutional fund for financing of the middle-west): Banco do Brasil is the administrator of FCO, as provided in Article 159-c of Federal Constitution and Law 7,827/89, aiming at assigning funds to credit transactions, together with investments of rural producers, individuals or private legal entities that are engaged in agribusiness, mineral, industrial, trading, service, agro-industrial and tourism activities of the Midwest Region

**e. if BB is creditor or debtor:**

Debtor.

**h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:**

100% of the amount involved in the deal.

**i. related guarantees and insurance:**

Not Applicable.

**k. conditions for rescission or termination:**

As Fund Manager, legal provisions should promote the repeal of existing regulations and provide for the extinction of Bank obligations.

**l. when such relationship is a loan or any other kind of debt, inform:****i. nature and reasons for the operation:**

Funding for loans.

**ii. interest rate charged:**

The funds available are remunerated by the Bacen Extramarket Rate and after being made available to borrowers, they are remunerated according to the charges of the credit operation, defined by the CMN, at the proposal of the Ministry of National Integration, and may be differentiated according to the purpose of the credit, The beneficiary, the sector of activity and the location of the enterprise.  The Bank is guaranteed a credit of 6% per annum. For full risk operations of the financial institution, being reduced proportionally to the risk passed on in the cases of sharing.

**a. identify the steps taken to deal with conflicts of interest:**

According to Law 7,827/89, the administration of the Constitutional Funds of the North, Northeast and Midwest will be separate and independent and, observing the duties provided by law, exercised by the following bodies:

I - Board of Directors of the Superintendencies for the Development of Amazonia and Northeast and by the Board of Directors of the Constitutional Fund of the Midwest;

II - Ministério da Integração Nacional, and

III - Federal financial institution of a regional nature and BB.

The duties of the administrator financial institutions are established by law. The Ministry of National Integration establishes the guidelines to be observed by the Administrator Banks in the investment of resources. Also acting as main financial agent of the FCO, Banco do Brasil is subject to the limits of the legislation and of the resolutions of the Board of Directors and of the Ministry. The lines of credit operationalized with Fund's resources are managed by different Directorships of those responsible for its administration, always observing the corporate policies and guidelines for evaluating the product portfolio.

**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:**

The criteria for investment of resources (beneficiaries, rate, term, limits of amount) are established by Law/Resolution. The remuneration of the administrators and financial agents is defined in a regulation, but the Bank assesses the viability of its operations in the two roles by means of the same decision-making process applied to the other business, which weights the ROE (Return on Required Equity) or cost to income ratio, as appropriate.

**Section 16 - Transactions With Related Parties**

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contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			J. duration (months)
			2014	2015	2016	
-	27/09/1989	Variable	20,467,310	22,994,912	25,717,859	



**a. name of the related part:**

Federal Government.

**b. relationship of the part with Banco do Brasil S.A.:**

Controlling Shareholder.

**d. purpose of the agreement:**

Operational implementation of the Public Server Patrimony Program - Pasep, through the provision of account maintenance services, payment of income and pass-through quotas to public sector employees entitled to benefit, calculation and control of values, data processing, Attendance to participants and workers, as well as the availability of access to the registration information to the Board of Directors of the PIS-PASEP Fund. In addition, BB observes the provision in Resolution CMN 2,655 / 99, which provides for the application of funds from the PIS-PASEP Participation Fund.

**e. if BB is creditor or debtor:**

Debtor.

**h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:**

100% of the amount involved in the deal.

**i. related guarantees and insurance:**

Not required.

**k. conditions for rescission or termination:**

The contract may be terminated at any time, in the interest of the parties, or  Compliance with any of the Clauses and / or conditions, by the injured party,  In compliance with the provisions of art. 78 and 79 of Law no. 8,666 of 1993, irrespective of  Judicial or extrajudicial interpellation, or of the provisions of arts. 86 to 88 of that decree  cool. Also the revocation of Resolution CMN 2,655 / 99, which provides for the application of the resources of the Fund.

**l. when such relationship is a loan or any other kind of debt, inform:**

**i. nature and reasons for the operation:**

Funding for loans.

**ii. interest rate charged:**

For the provision of services, the Bank makes use of the receipt of the following unit tariffs:   
 A) R \$ 4.13 per income payment;   
 B) R \$ 51.86 per release and payment of quotas;   
 C) R \$ 0.1774 per account administered in the month;   
 D) R \$ 2.40 per notification issued.

By acting as a Financial Agent, the bank receives the following remunerations:

A) Management fee: 1,5% pa   
 B) Operational Risk Commission: 2.5% a.a.

The resources of the Fund, while available, are remunerated by the Extramarket Charge. After being applied in the contracting of credit operations, they are remunerated by the variation of TR + 6% a.a.

**a. identify the steps taken to deal with conflicts of interest:**

CMN Resolution No. 2.655 / 99, which provides for the application of funds from the PIS-Pasep Participation Fund in Working Capital, defines the Fund's financial agents as BB and Caixa Econômica. The corporate policies and guidelines for evaluating the product portfolio.

The sole paragraph of article five of the Bank's by-laws establishes that the Bank, when contracting directly with the Union or its intervention, must comply with the following conditions:

- I - the allocation of resources corresponding to the Bank's disposition and the establishment of the appropriate remuneration;
- II - the prior and formal definition of the adequate remuneration of the resources to be applied in case of equalization of financial charges; and
- III - the prior and formal definition of risk-taking and remuneration, never lower than the costs of the services to be rendered.

**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:**

CMN Resolution 2,655 / 99 defines the remuneration of financial agents and the method of calculation. The remuneration of financial agents is defined in regulations, but the Bank evaluates the viability of each line and approves its operation through the same decision process applied to other businesses, which considers the ROE (Return Over Equity) or Cost to Income Ratio, as the case may be.

## Section 16 - Transactions With Related Parties

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			J. duration (months)
			2014	2015	2016	
-	05/10/1999	Variável.	2,260,015	2,735,976	2,634,046	-

**a. name of the related part:**

Federal Government.

**b. relationship of the part with Banco do Brasil S.A.:**

Controlling Shareholder.

**d. purpose of the agreement:**

Intermediation of the programs for promotion and financing of the FMM - Merchant Marine Fund, as established in the main provision of article 29 of Law 10,893/2004 and in Resolution 3/2004 of the Management Board of Fundo da Marinha Mercante CDFMM, which approved the qualification of Banco do Brasil S.A. as Financial Agent of the FMM, without involving voluntary resources transfer.

**e. if BB is creditor or debtor:**

Debtor.

**h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:**

100% of the amount involved in the deal.

**i. related guarantees and insurance:**

Not required.

**k. conditions for rescission or termination:**

Not Applicable.

**l. when such relationship is a loan or any other kind of debt, inform:**

**i. nature and reasons for the operation:**

Funding for loans.

**ii. interest rate charged:**

Resource Invested: FMM Line: 0.1% p.y. (financing of national item) or 0.5% p.y. (financing of foreign item), plus TJLP or US dollar exchange variation rate. PROFROTA Line: 7% to 12% p.y., with del credere of 5% to 6% p.y., according to borrowers' size.  
Available Feature: Average Selic Rate.

**a. identify the steps taken to deal with conflicts of interest:**

The sole paragraph of article five of the Bank's by-laws establishes that the Bank, when contracting directly with the Union or its intervention, must comply with the following conditions:  
I - the allocation of resources corresponding to the Bank's disposition and the establishment of the appropriate remuneration;  
II - the prior and formal definition of the adequate remuneration of the resources to be applied in case of equalization of financial charges; and  
III - the prior and formal definition of risk-taking and remuneration, never lower than the costs of the services to be rendered.

**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:**

The criteria for the application of resources (beneficiaries, rate, term, value limits) are established in Law / Resolution / Decree / Contract. The remuneration of financial agents is defined in regulations, but the Bank evaluates the viability of each line and approves its operation through the same decision process applied to other businesses, which considers the ROE (Return On Required Equity) or Cost to Income Ratio, as the case may be.

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			J. duration (months)
			2014	2015	2016	
001/2011 - MTIR	21/11/2011	Variável	5,786,781	8,584,174	8,169,470	60
<b>Obs:</b>	The contract 001/2011 - MTR may be extended by the option of the participants.					

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**a. name of the related part:**  
Federal Government.

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**b. relationship of the part with Banco do Brasil S.A.:**  
Controlling Shareholder.

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**d. purpose of the agreement:**  
To accredit Banco do Brasil to act as a financial institution in the contracting of rural credit operations with Funcafé resources, under the conditions established in the Rural Credit Manual (MCR) of the Central Bank of Brazil, decrees, ordinances and resolutions of CMN.

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**e. if BB is creditor or debtor:**  
Debtor.

---

**h. sum corresponding to the interest of such a related part in the business, if it is possible**  
100% of the amount involved in the deal.

---

**i. related guarantees and insurance:**  
Not required.

---

**k. conditions for rescission or termination:**  
Extinction of obligations entered into.

---

**l. when such relationship is a loan or any other kind of debt, inform:**

**i. nature and reasons for the operation:**  
Funding for loans.

---

**ii. interest rate charged:**  
Resource Invested: 5.5% p.y to 11.25% p.y, according to the contract for use of resources signed by MAPA (Ministry of Agriculture, Livestock and Food Supply).  
Resource Available: variation of the Average Selic Rate.  
Financial agent remuneration: 4.5 p.y.

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**a. identify the steps taken to deal with conflicts of interest:**  
The sole paragraph of article five of the Bank's by-laws establishes that the Bank, when contracting directly with the Union or its intervention, must comply with the following conditions:  
I - the allocation of resources corresponding to the Bank's disposition and the establishment of the appropriate remuneration;  
II - the prior and formal definition of the adequate remuneration of the resources to be applied in case of equalization of financial charges; and  
III - the prior and formal definition of risk-taking and remuneration, never lower than the costs of the services to be rendered.

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**b. demonstrate the commutative nature of the agreed conditions or the appropriate**  
The remunerations received by the financial agents of Funcafé are also defined by CMN through a rule, as is the case with CMN Resolution 3,856/10, Article 1st, item I. The regulations published by the CMN support the clauses on remuneration of financial agents provided in the Agreements for the Investment and Administration of Financial Resources made by and between BB and the Federal Government (represented by the Ministry of Agriculture, Livestock and Food Supply), whose formalization by the Bank is contingent upon the same decision-making process applied to other business, which balances the ROE (Return on Required Equity) or cost to income ratio, as appropriate.

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**Section 16 - Transactions With Related Parties**


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contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			J- duration (months)
			2014	2015	2016	
CMN 024/1994	03/03/1994	8,727	1,285	1,310	-	60
010/2007	08/05/2007	1,100,000	-	-	-	60
010/2008	27/05/2008	610,000	-	-	-	60
016/2008	19/12/2008	190,000	1,157	457	-	60
010/2009	29/06/2009	350,000	-	-	-	60
010C/2009	27/05/2009	135,000	3,567	3,013	2,463	60
010G/2009	08/06/2009	110,000	-	22	-	60
010/2010	02/08/2010	750,000	-	-	-	60
010/2011	28/11/2011	140,000	-	-	-	60
010-2/2011	11/11/2011	90,000	-	-	-	60
010-3/2011	07/12/2011	30,000	18	10	-	60
010/2012	25/06/2012	722,100	55,264	49,241	39,674	60
010/2013	05/09/2013	1,000,001	219,404	32,987	23,729	60
010/2014	09/09/2014	740,000	583,166	88,063	1,775	60
010/2015	01/09/2015	492,000	-	415,003	51,916	60
026/2016	10/08/2016	351,000	-	-	328,609	60

**a. name of the related part:**

Federal Government.

**b. relationship of the part with Banco do Brasil S.A.:**

Controlling Shareholder.

**d. purpose of the agreement:**

Provision of contracting services for credit operations provided for in SRA Resolution No. 04 of August 23, 2005, for the operation of Sub-Projects for Acquisition of Land-SATs for land acquisition, and for Basic Investment Subprojects-SIB, for financing of basic and productive investments under the Land Fund and Agrarian Reform.

**e. if BB is creditor or debtor:**

Debtor.

**h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:**

100% of the amount involved in the deal.

**i. related guarantees and insurance:**

There is none

**k. conditions for rescission or termination:**

The CONTRACT may be denounced by any of the parties due to breach of any of the obligations or conditions agreed upon in it, as well as by the supervenience of a legal norm or administrative fact that makes it formally or materially unenforceable, or even by a unilateral act, by prior notice. Of the part, in order to preserve CONTRACTED, CONTRACTOR or third parties from losses. The term is set at a minimum of 90 (ninety) days, and the CONTRACTING PARTY is responsible for the obligations previously assumed, pursuant to item IX, article 55, of Law 8,666 / 1993, and the CONTRACTOR acknowledges the CONTRACTOR's rights in case of administrative termination provided for in Article 77 of the said Legal Diploma.

**l. when such relationship is a loan or any other kind of debt, inform:**

**i. nature and reasons for the operation:**

Funding for loans.

**ii. interest rate charged:**

The available resources are remunerated by the variation of the Average Selic Rate - TMS. The Fund's operations are subject to the interest rates established by the National Monetary Council.

For the execution of the services, object of the contract, the Bank realizes remuneration, as follows:

I - CONTRACTING AND CONDUCT OF OPERATIONS: fee for contracted operation in the amount of R\$ 458.00 (four hundred and fifty-eight reais), except for hirings resulting from individualization, plus a monthly fee for conducting operations in the amount of R\$ 19,00 (Nineteen Reais) per individual contract in the portfolio and R \$ 48.00 (forty eight Reais) per collective agreement in portfolio, occurring from the month subsequent to the month of its hiring until the end of the operation or its liquidation Under the CONTRACTOR.

II - INDIVIDUALIZATION, including what is dealt with in law 11.775 / 2008 or other that may change or replace it: tariff in the amount of R \$ 1,650.00 (one thousand six hundred and fifty reais) per new individual contract.

III - NOTIFICATION OF COLLECTION: upon proof of expense for reimbursement respecting the ceiling of R \$ 6,000.00 (six thousand reais) per notice. Above this amount, there must be prior authorization by SRA

**a. identify the steps taken to deal with conflicts of interest:**

The sole paragraph of article five of the Bank's bylaws establishes that the Bank, when contracting directly with the Union or its intervention, must comply with the following conditions:

I - the allocation of resources corresponding to the Bank's disposition and the establishment of the appropriate remuneration;

II - the prior and formal definition of the adequate remuneration of the resources to be applied in case of equalization of financial charges; and

III - the prior and formal definition of risk-taking and remuneration, never lower than the costs of the services to be rendered.

**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:**

The remuneration of financial agents is defined in regulations, but the Bank evaluates the viability of each line and approves its operation through the same decision process applied to other businesses, which considers the ROE (Return on Required Equity) or Cost to Income, as the case may be.

## Section 16 - Transactions With Related Parties

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contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
03/2012	27/01/2012	Variável.	44,686	50,151	34,855	12
<b>Obs:</b>	The contracts may be extended up to 60 months.					

**a. name of the related part:**

BB Corretora e Brasilprev

**b. relationship of the part with Banco do Brasil S.A.:**

Direct, controlled and associated controller, respectively.

**d. purpose of the agreement:**

Marketing and promotion by BB Corretora of pension plans of Brasilprev and the rendering of banking services through Banco do Brasil, within the scope of its attributions and in accordance with the conditions established in the agreement. The plans and the respective regulations developed by Brasilprev are object of specific operational contracts for each product, signed between Brasilprev, BB Corretora and Banco do Brasil.

As part of the strategic realignment of the Company's business, on April 30, 2010, an Operational Agreement was signed, complementing the terms of the Shareholders' Agreement, with the objective of redefining aspects pertinent to the operationalization of the development and commercialization of Private Pension Products Open, aiming at maximizing the results of Brasilprev, its sustainability and competitiveness. In this Agreement, the terms of this agreement have been maintained.

In the year/2016, the volume transacted between Brasilprev and BB Corretora was R\$ 576,615,388.83 and between Brasilprev and Banco do Brasil was R\$ 130,141,229.81

In the year/2015, the volume transacted between Brasilprev and BB Corretora was R\$ 451,464,004.48 and between Brasilprev and Banco do Brasil was R\$ 190,076,900.75

In the year/2014, the volume traded between Brasilprev and BB Corretora was R\$ 380,241,962.62 and between Brasilprev and Banco do Brasil was R\$ 151,088,253.91

**e. if BB is creditor or debtor:**

-

**h. sum corresponding to the interest of such a related part in the business, if it is possible to**

There is no.

**i. related guarantees and insurance:**

There is no.

**k. conditions for rescission or termination:**

The parties shall have the right to terminate the Agreement at any time by giving written notice at least 12 months in advance. The rescission or termination does not oblige the promoter to any liens, indemnities or obligations as a result of the measure, except for the maintenance of Brasilprev's obligation to plan participants.

**i. when such relationship is a loan or any other kind of debt, inform:****i. nature and reasons for the operation:**

Not Applicable.

**ii. interest rate charged:**

Not Applicable.

**a. identify the steps taken to deal with conflicts of interest:**

BB Seguridade's bylaws establishes rules for managing conflicts of interest within the Board of Directors. Article 15, paragraph 4, of the bylaws prohibits members of the Board of Directors to intervene in any act or corporate operation where they have an interest that conflicts with that of BB Seguridade, and in related decisions made by the other directors and in that case the director whose interest conflicts with that of the Company must notify his impediment, recording in the minutes the nature and extent of his interest.

**b. demonstrate the commutative nature of the agreed conditions or the appropriate**

The transactions made by BB Seguridade with related parts are commercial operations that follow regular standards and do not generate any extraordinary benefit or loss for either part.

## Section 16 - Transactions With Related Parties

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
-	06/10/1999	-	531,330	641,541	706,757	240

**Obs:**

**a. name of the related part:**

Federal Government.

**b. relationship of the part with Banco do Brasil S.A.:**

Controlling Shareholder.

**d. purpose of the agreement:**

The Fund for Student Funding - FIES, instituted by Law 10.260 / 2001, is a Program of the Ministry of Education - MEC to finance the graduation of students enrolled in non-free courses. Students enrolled in higher education courses that have a positive evaluation in the processes conducted by the Ministry of Education may apply for funding. To act as Financial Agent of FIES, BB entered into a service agreement with FNDE in July 2010.

**e. if BB is creditor or debtor:**

Creditor

**h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:**

100% of the amount involved in the deal.

**i. related guarantees and insurance:**

There is none

**k. conditions for rescission or termination:**

The service contract may be terminated in whole or in part, at any time, in the interest of FNDE, for failure to comply with the conditions agreed by the Financial Agent, in compliance with the provisions of articles 77 to 80 of Law 8,666 / 93, regardless of Judicial or extrajudicial filing or the occurrence of the provisions of articles 86 to 88 of the same Legal Diploma, or by agreement between the parties, pursuant to item II of article 79 of Law 8,666 / 93.

In the event of a decision to terminate the contract or to terminate the contract, FNDE shall, within terms and conditions agreed between the parties, transfer the custody account and the financing portfolio to another Financial Agent contracted to provide services to FIES.

**i. when such relationship is a loan or any other kind of debt, inform:**

**i. nature and reasons for the operation:**

It is a service rendered to the FNDE, whose purpose is to provide services for contracting credit operations, custody of public debt and administration, collection and collection for the FIES financing portfolio.

**ii. interest rate charged:**

Remuneration of the Financial Agent: calculated on the debtor balance of operations, being 1.5% p.y for operations in the utilization and grace periods and 2% p.y. for operations in the amortization phase, according to MEC Ordinance No. 505, of April 16, 2010.

**a. identify the steps taken to deal with conflicts of interest:**

BB acts observing the limits of the pertinent legislation, among which: Law 10.260 / 2001; Ordinance MEC n° 505, of April 16, 2010; Normative Ordinance FNDE n° 01, of January 22, 2010; Ordinance Normative FNDE n° 10, of April 30, 2010;

**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:**

Defined by Law 10.260 / 2001, art. 2, paragraph 3 and Ordinance MEC No. 505, of April 16, 2010.

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
Contract n° 126/2010 and Contract n° 03/2016	30/07/2010	47,900,000	6,200,000	7,500,000	7,600,000	60



**a. name of the related part:**  
Federal Government.

**b. relationship of the part with Banco do Brasil S.A.:**  
Controlling Shareholder.

**d. purpose of the agreement:**  
Provision of services by the CONTRACTOR to the UNION, acting as its financial agent, in order to carry out the financing operations dealt with in the Rural Credit Manual (MCR) and the granting of economic subsidies in accordance with the law, with resources from the budget of the Official Credit Operations, under the supervision of the Ministry of Finance, to the beneficiaries of the National Program for Strengthening Family Agriculture (PRONAF).

**e. if BB is creditor or debtor:**  
Debtor.

**h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:**  
100% of the amount involved in the deal.

**i. related guarantees and insurance:**  
There is none

**k. conditions for rescission or termination:**  
Until they are extinguished all obligations under the Contract 768/PGFN/CAF.

**i. when such relationship is a loan or any other kind of debt, inform:**  
**i. nature and reasons for the operation:**  
Funding for loans.  
**ii. interest rate charged:**  
The available resources are remunerated by the variation of the Average Selic Rate - TMS. The operations against the resources of the fund are subject to the interest rates established by the National Monetary Council.  
For the execution of the services, object of the contract, the Bank realizes remuneration, as follows:  
I) Groups "C", "D" and "E" and Family Farmer - Cost - 6.26% per year on the average of the daily debit balances of operations contracted in the period, plus R \$ 5.13 per contract per month ;  
II) Groups "C", "D", "E" and Family Farmer - Investment, PRONAF Agroecology, PRONAF Eco, PRONAF More Food, PRONAF Agroindustry, PRONAF Woman (except for beneficiaries grouped in Groups "A" C "and" B ") and PRONAF Jovem, which exceeds the limit described in item V ": rate of 6.5% per year on the average of the daily debit balances of the contracted operations.  
III) Rural Productive Microcredit - Group "B": rate of 4% per year on the average of the daily debit balances of the operations contracted in the period, plus performance premium on the amounts received from the borrowers.  
IV) "A" Group, "A / C" Group, PRONAF Forest, PRONAF Semi-Arid and PRONAF investment for reconversion and / or revitalization of production units affected by foot-and-mouth disease in the state of Mato Grosso do Sul: 2% Per annum on the average of the daily debit balances of the operations contracted in the period, plus a performance premium on the amounts received from the borrowers.

**a. identify the steps taken to deal with conflicts of interest:**  
The Pronaf/TN integrates Credit Officers Operations under management of the Finance Ministry. It is for the National Treasury - STN under Decree 94,444/1987, the management of resources from development programs provided for in the budget unit "Operations Loan Officers" for the rural and agribusiness financing apply the rules of manual of Operations loan Officers to loans granted by the STN to financial institutions accredited by the Central Bank, aimed at rural and agribusiness financing, to support the constant development programs of the Government Credit Operations. STN loans will be granted exclusively to BB and other official financial institutions, provided that loans may be granted to private financial institutions:  
- When provided for their participation in loan agreements with international financial institutions;  
- For use in financing the locations where it is not possible to care for dependency official financial institutions.

**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:**  
The remuneration of financial agents is defined in regulations, but the Bank evaluates the viability of each line and approves its operation through the same decision process applied to other businesses, which considers the ROE (Return on Required Equity) or Cost to Income Ratio, as the case may be.

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			J. duration (months)
			2014	2015	2016	
768/PGFN/CAF	10/12/2012	Variável.	158,098	59,603	26,262	-
<b>Obs:</b>	Full balance of operations risk BB, which are in an equity account.					

**a. name of the related part:**  
Neoenergia S.A.

**b. relationship of the part with Banco do Brasil S.A.:**  
Associated company.

**d. purpose of the agreement:**  
Application for Long-Term Investment Fund.

**e. if BB is creditor or debtor:**  
-

**h. sum corresponding to the interest of such a related part in the business, if it is possible to measure:**  
100% of invested balance.

**i. related guarantees and insurance:**  
Not Applicable.

**k. conditions for rescission or termination:**  
Not Applicable.

**i. when such relationship is a loan or any other kind of debt, inform:**  
**i. nature and reasons for the operation:**  
Not Applicable.  
**ii. interest rate charged:**  
Not Applicable.

**a. identify the steps taken to deal with conflicts of interest:**  
Transaction conducted in compliance with current legislation in Brazil, without conflict of interest with Banco do Brasil.

**b. demonstrate the commutative nature of the agreed conditions or the appropriate compensatory payment:**  
Fund transactions are conducted strictly in conformity with the rules established by CMN, Bacen and CVM, and in accordance with fund regulations available at CVM, without privilege of one part over the other and confirming the commutative category of the transaction.

contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			J. duration (months)
			2014	2015	2016	
-	29/09/2003	-	2,550,904	853,314	2,214,730	-
<b>Obs:</b>						

## Section 16 - Transactions With Related Parties

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**a. name of the related part:**

União.

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**b. relationship of the part with Banco do Brasil S.A.:**

Controlling Shareholder.

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**d. purpose of the agreement:**

BB works as Manager and Financial Agent of Funproger, as detailed below:

I - as Manager, designated through art. 1 of Law No. 9,872 / 99, administers, accounts and annual accounts, according to Normative Instructions defined by the TCU, audited by Internal and External Audit. To manage it, it is remunerated with administration fee;

II - as Agent, formalized a Reversal Letter with the MTE, pursuant to item h" of sub-item 9.1 of the Funproger Regulation, attached to Codefat Resolution 409/04, and follows the rules stipulated to all Federal Official Financial Agents for the Hiring, honor applications and recoveries of honest values. The contracted operations are made available to the Supervisor of the Fund, MTE / CGFAT (General Coordination of Resources of the FAT), for inspection, by sampling, in all the federative units of the Country. The goal of Funproger is to grant endorsement to entrepreneurs who do not have the necessary guarantees to contract financing from Proger Urbano and the National Program for Productive Microcredit Oriented (PNMPO).

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**e. if BB is creditor or debtor:**

Debtor

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**h. sum corresponding to the interest of such a related part in the business, if it is possible to**

100% of the amount involved in the deal.

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**i. related guarantees and insurance:**

Not required.

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**k. conditions for rescission or termination:**

As a financial agent contracting guarantees, the contractual denunciation may be made by any of the participants due to noncompliance with any of the obligations or conditions agreed upon, as well as by the supervenience of legal norm or administrative fact that renders the instrument formally or materially unenforceable, The parties being responsible for the obligations previously assumed. The denunciation may also be given by a unilateral act by prior notification of the party that disinterested, with at least 90 days' notice, safeguarding the responsibilities for previously assumed obligations.

As Fund Manager, legal provisions shall promote the revocation of the rules in force and provide for the extinction of the Bank's obligations.

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**l. when such relationship is a loan or any other kind of debt, inform:**

**i. nature and reasons for the operation:**

Accounting Fund resource management

**ii. interest rate charged:**

The fund's resources are remunerated by the Bacen extramarket rate. As administrator of the Fund, the Bank charges a fee of 12.09% on the value of the Aval Grant Commission as a management fee.

BB's activities in the role of Fund Administrator and Financial Agent are exercised by different areas and with specific assignments.

The credit lines benefiting from the guarantees of the Fund are managed by Directors other than those responsible for its Administration, always observing the corporate policies and guidelines for evaluating the product portfolio.

The sole paragraph of article five of the Bank's by-laws establishes that the Bank, when contracting directly with the Union or its intervention, must comply with the following conditions:

I - the allocation of resources corresponding to the Bank's disposition and the establishment of the appropriate remuneration;

II - the prior and formal definition of the adequate remuneration of the resources to be applied in case of equalization of financial charges; and

III - the prior and formal definition of risk assumption and remuneration, never lower than the costs of the services to be provided.

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**b. demonstrate the commutative nature of the agreed conditions or the appropriate**

According to art. 5 of Law No. 9,872 / 99, the Bank, for the management of the Fund, is entitled to receive an administration / remuneration fee. It is up to the bank to assess, in compliance with the corporate by-laws and the decision-making process applied to other businesses, to achieve the required result parameters and ensure the maintenance of the economic balance of the contract.

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contract number	c. trans. date (dd/mm/yy)	f. sum involved (R\$ thousand)	g. balance at (R\$ thousand)			j. duration (months)
			2014	2015	2016	
Resolução Codefat nº 409/04	23/11/1999	Variable	233,940	263,488	317,437	-

**Obs:**

**16.4. Other relevant information**

**Provide other information that BB considers relevant**

There is no.

## 17. SHARE CAPITAL

### 17.1. Information regarding the share capital

Elaborate a table containing the following information on share capital:

Banco do Brasil participates in B3 Novo Mercado segment, possessing only common shares without par value.

On the date of presentation of this Reference Form the share capital of Banco do Brasil was as follows:

After the Extraordinary Shareholders' Meeting held on April/2017		
	Amount (R\$)	Numbers of Shares
a. issued capital, separated by class and type	67,000,000,000.00	2,865,417,020
b. subscribed capital, separated by class and type	67,000,000,000.00	2,865,417,020
c. paid in capital, separated by class and type	67,000,000,000.00	2,865,417,020
d. deadline for payment of the capital not yet paid, separated by class and type	Capital fully paid in	
e. authorized capital, stating the number of shares, value and date of the authorization authorization date	120,000,000,000.00	04/27/2017
f. convertible securities and conditions for conversion conversion terms	There are no securities convertible into stock	

### 17.2. Issuer share capital increases

In relation to the BB's share capital increases, indicate:

	12/19/2013	04/28/2015	04/28/2016	04/25/2017
	EGM	EGM	EGM	EGM
a. resolution date				
b. body that decided the increase				
c. issuance date	No issuance of shares	No issuance of shares	No issuance of shares	No issuance of shares
d. increase total value	5.600.000.000,00	6.000.000.000,00	7.000.000.000,00	There was no capital increase
e. issue securities amount, separated by class and type	No issuance of shares	No issuance of shares	No issuance of shares	No issuance of shares
f. issuance price (R\$)	-			
g. payment method: i. cash ii. if assets, description; iii. if rights, description	Reserve capitalization	Reserve capitalization	Reserve capitalization	Reserve capitalization
h. criteria used to determine the issue value (article 170, paragraph 1st, Law n. 6,404/1976)	-	-	-	-
i. indication of whether the subscription was private or public	-	-	-	-
j. percentage increase in relation to the share capital immediately prior to the capital increase	11,57	11,11	11,67	-

### 17.3. Stock splits, reverse splits and stock grants

Regarding stock splits, reverse splits and stock grants, inform in a table: a. resolution date; b. number of shares before the approval, separated by class and type, and c. number of shares after the approval, separated by class and type

There was not stock splits, reverse splits and stock grants in the last 3 fiscal years.

### 17.4. Capital decreases of Banco do Brasil

Regarding capital decreases of BB indicate: resolution date; reduction date; total amount of the reduction; number of shares canceled by the reduction, separated by class and type; returned value per share; restitution form (money, in assets, assets description, if in rights, rights description); reduction percentual in relation to the share capital immediately prior to the capital reduction; reason for the reduction

There was not capital decrease of BB in the last 3 fiscal years.

### 17.5. Other relevant information

There are no other relevant information.

## **18. SECURITIES**

### **18.1. Rights of each class and type of issued shares**

#### **Describe each class or type of issued share:**

##### **a. right to dividends**

Banco do Brasil only trades common shares, which entitle holders to rights and benefits, and restrictions resulting from Brazilian Corporate Law, of Novo Mercado listing rules and Bylaws. Shareholders are entitled to receive any applicable benefit, dividends and other earnings of any nature reported by the Bank.

Banco do Brasil's Bylaws ensures shareholders the half-yearly receiving of a minimum and mandatory dividend equivalent to twenty-five per cent (25%) of adjusted net income, pursuant to the Law. Dividends corresponding to each semester will be stated by the Executive Board, approved by the Board of Directors. Distribution of intermediate dividends in less than a half-year period is permitted in the Bylaws.

Pursuant to legislation in effect and Board of Directors resolution, Executive Board may authorize payment or credit of interest on shareholders' equity to the shareholders, as well as allocation of its value to mandatory minimum dividend. The Executive Board will be responsible for establishing value and payment date or credit on each interests installment.

##### **b. voting right**

Each common share entitles its holder to one vote at the General Meeting's resolutions, except when adopting multiple vote for the Board of Directors' election.

##### **c. convertible into other class or type of share, indicating:**

###### **i. conditions:**

There is no convertibility into another share class or type. Banco do Brasil negotiates only common shares.

###### **ii. effects on capital stock:**

There is no convertibility into another share class or type. Banco do Brasil negotiates only common shares.

###### **d. rights to capital reimbursement**

##### **Right to Withdrawal:**

Any Banco do Brasil shareholder dissident of certain resolutions taken at General Meeting may withdraw from the society, upon reimbursement of their shares' value, based on book value.

Pursuant to Brazilian Corporate Law, the right to withdraw may be exercised, among others, under the following circumstances: (i) Banco do Brasil spin-off (in specific situations, as described in the following paragraph); (ii) decrease in mandatory minimum dividend; (iii) amendment to Banco do Brasil's corporate purpose; (iv) merger or incorporation (in specific situations, as described in the following paragraph); (v) Banco do Brasil's interest in a group of companies (as provided for in Brazilian Corporate Law, in specific situations, as described in the following paragraph); (vi) merger of shares involving BB pursuant to Article 252 of Brazilian Corporate Law, so as to turn BB into a wholly-owned subsidiary of other Brazilian company or turn other Brazilian company into BB wholly subsidiary; and (vii) acquisition of other company's control for a price exceeding certain limits set forth in law (Article 256 of Brazilian Corporate Law).

Brazilian Corporate Law sets forth the spin-off of Banco do Brasil will only entitle to withdrawal in cases it causes the following : (i) change in Banco do Brasil's corporate purpose, except when spun off equity is allocated to company whose purpose is equivalent to Banco do Brasil's purpose; (ii) decrease in mandatory minimum dividend to be distributed to the Bank shareholders; or (iii) Banco do Brasil's interest in a group of companies (as set forth in the Brazilian Corporate Law).

If occurs: (i) merger or incorporation of Banco do Brasil into other company; Or (ii) Banco do Brasil's interest in a group of companies (as defined in Brazilian Corporate Law), BB shareholders will not be entitled to withdraw in case their shares have the following: (a) liquidity, that is, figures in B3 general index or index of any stock exchange, as defined by CVM; And (b) dispersion in market, so as BB's

controlling shareholders, controlling company or other companies under its control may hold less than half the BB's total shares.

Right to withdrawal must be exercised within thirty (30) days, as from the minutes publication regarding the general meeting which approved the recess. Additionally, shareholders at general meeting are entitled to reconsider any resolution that may give rise to withdrawal right, after call by Banco do Brasil's administrations within ten (10) day subsequent to the end of exercise term, if they understand that payment of share reimbursement to dissident shareholders would risk the Bank financial stability.

In case of exercising the withdrawal right, Banco do Brasil shareholders will be entitled to receive the book value of their shares, based on the last balance sheet approved by BB general meeting. If, however, resolution giving rise to the withdrawal right has occurred more than sixty (60) days after the last approved balance sheet, shareholder may request, jointly with reimbursement, presentation of special balance sheet on the date meeting said term, in order to assess shares book value. In this case, BB must immediately pay eighty per cent (80%) of reimbursement value, calculated based on last balance sheet approved by shareholders, and the remaining balance within one hundred and twenty (120) days as of the general meeting.

#### **Withdrawal:**

Pursuant to Brazilian Corporate Law, BB shares may be redeemed upon extraordinary shareholders' meeting, representing at least fifty percent (50%) of BB shares. Withdrawal must be made by drawing lots, and may be paid with the Company's income, profit reserve or capital reserve.

#### **e. right to participate in public offering by control sale**

B3 Novo Mercado Listing Rules and Banco do Brasil's Bylaws established that selling Banco do Brasil's share control, either by a single operation, or by successive operations, must be contracted under the suspensive or resolute condition that the acquiring party undertakes to conduct a public acquisition offering to other shareholders of the Bank.

Observing conditions and terms in effect in legislation and in Novo Mercado listing rules, so as to ensure equal treatment to that given to seller controlling shareholder, and statement containing price and other conditions to the sale of BB's control must be delivered to B3.

This offer will be also required when there is onerous assignment rights to share subscription or rights related to securities convertible into shares subscription, resulting in sale of Banco do Brasil's control and in case of sale of control holding the controlling power of the Bank. In this sense, seller controlling shareholder will be obliged to declare to B3 the assigned value to BB in the sale, in addition to attaching documents to evidence that value.

Pursuant to Novo Mercado Ruling and Bylaws, that one who already holds shares, and also acquires the control of Banco do Brasil, in view of due to a private purchase and sale agreement with controlling shareholder, involving any number of shares, must conduct a public offering, as above referred, and reimburse shareholders from who they have purchased shares traded at stock exchange six (6) months before the date of control sale, to which must pay the difference between price paid to seller controlling shareholder and amount paid for BB shares at stock exchange in this period, duly updated.

Banco do Brasil will not record: (i) any transfer shares to acquiring party control, or those who may hold the control, while these do not execute the Controlling Shareholders' Statement of Agreement, as define in the Novo Mercado Ruling and in Bylaws; or (ii) any shareholder agreement of on the exercise control when its subscriber have not signed Controlling Shareholder's Statement Agreement.

#### **f. restrictions to trade**

There are no restrictions to trade.

#### **g. conditions to change rights ensured by such securities**

There are no conditions for changing the guaranteed rights.

#### **h. possibility of withdraw of shares, indicating:**

##### **i. withdraw hypothesis**

There is no BB shares withdrawing hypothesis, in addition to those provided by law.

##### **ii. withdraw calculation formula**

There is no shares redemption hypothesis.

#### **i. other relevant characteristics**

There are none.

#### **j. foreign issuers**

**Foreign issuers must identify differences between characteristics described in items "a" to "j" and those normally attributed to securities issued by domestic issuers, differentiating which are inherent to securities described and which are imposed by rules of the country where the issuer comes from or country where its securities are in custody**

There are no foreign issuers.

### **18.2. Statutory rules that limit voting right of significant shareholders**

**Describe, if applicable, the statutory rules that limit voting right of significant shareholders or that oblige them to conduct a public offering**

As set forth in Article 55 of the Bylaws, if the Bank goes private with consequent cancellation of publicly-held company registration, a minimum price shall be offered for the shares, corresponding to the economic value determined by a specialized company chosen by the General Meeting, as established in Law 6,404, of 12/15/1976, and as provided for in the Sole Paragraph of Article 10.

### **18.3. Exceptions and suspensive clauses related equity and political rights**

**Describe exceptions and suspension clauses related to equity or political rights provided in the bylaws**

There is no exception or suspensive clause related to equity or political rights set forth in the Bank's Bylaws.

### **18.4. Trading volume and BB shares prices**

**Inform trading volume as well as the daily average and highest and lowest prices of securities traded on stock exchanges or organized OTC market in each of the quarters of the last 3 years**

The following table sets the BBAS3 shares prices (average, maximum and minimum) and volumes traded on B3 in the last 3 years

<b>BBAS3 (R\$)</b>	<b>Mínima</b>	<b>Máxima</b>	<b>Média Diária</b>	<b>Volume (R\$)</b>
Primeiro Trimestre/2014	<b>16,11</b>	20,71	17,71	9.215.879.920
Segundo Trimestre/2014	18,95	23,55	20,53	9.977.046.419
Terceiro Trimestre/2014	21,19	<b>33,66</b>	<b>25,63</b>	16.464.908.808
Quarto Trimestre/2014	19,20	30,54	23,66	16.543.399.060
Primeiro Trimestre/2015	18,01	22,71	20,15	8.166.487.695
Segundo Trimestre/2015	20,79	<b>26,22</b>	<b>22,55</b>	9.326.189.253
Terceiro Trimestre/2015	<b>13,95</b>	23,33	18,50	8.881.102.617
Quarto Trimestre/2015	14,35	18,73	16,26	8.794.097.384
Primeiro Trimestre/2016	<b>11,93</b>	22,74	14,89	12.163.361.124
Segundo Trimestre/2016	15,06	22,27	18,13	14.116.316.444
Terceiro Trimestre/2016	16,22	23,97	21,07	12.318.794.517
Quarto Trimestre/2016	22,68	<b>29,17</b>	<b>26,60</b>	14.300.940.219

### **18.5. Other securities issued in Brazil**

**Describe other securities issued in Brazil that have not expired or been rescued, including:**

**a. identification of the security**

**b. quantity**

**c. amount**

**d. issue date**

**e. outstanding balance at the close of the last fiscal year**

**f. restrictions to trade**

**g. convertibility into shares or right to subscribe to or purchase shares of BB, informing:**

**i. conditions**



- ii. effects on capital
- h. withdrawal possibility
  - i. withdrawal assumptions
  - ii. withdrawal calculation formula
- i. when the securities are debts:
  - i. maturity and early maturity terms
  - ii. interest
  - iii. guarantees (asset description in case of collateral)
  - iv. unsecured or subordinate credit? (in the absence of guarantees)
  - v. restrictions imposed on Banco do Brasil in relation to:
    - dividend distribution
    - the sale of certain assets
    - the contracting of new debts
    - issue of new securities
    - the implementation of corporate transactions involving BB, its controlling or controlled companies
  - vi. fiduciary Agent and main terms
- j. terms for changing the rights regarding these securities
- k. other relevant characteristics

There were no securities issued in the last year.

#### **18.6. Brazilian markets in which BB's securities are admitted for negotiation**

Banco do Brasil shares are traded at B3.

#### **18.7. Securities admitted to trading on foreign markets**

For each class and type of securities admitted to trading on foreign markets, indicate:

- a. country
- b. market
- c. administrative entity of the market in which the securities are admitted to trading
- d. date of admission for negotiation
- e. if there is any, indicate segmento of negotiation
- f. listing beginning in the negotiation segment
- g. percentage of trading volume abroad in relation to total trading volume of each class and type in the last year
- h. if there is any, proportion of deposit certificates abroad in relation to each class and type of shares
- i. if there is any, the depositary bank
- j. if there is any, the custodian institution

**Section 18 - Securities**

<b>Security:</b>	<b>ADR - BDORY</b>
<b>a. country:</b>	United States of America.
<b>b. market:</b>	Secondary market.
<b>c. administrative entity of the market in which the securities will be negotiated:</b>	SEC - Securities and Exchange Commission.
<b>d. date of admission for negotiation:</b>	11/10/2009
<b>e. indicate segment of negotiation:</b>	OTC Market.
<b>f. listing beginning in the negotiation segment:</b>	12/02/2009
<b>g. % of vol. of negotiations abroad regarding the total volume of negotiations:</b>	Total Shares negotiated: 2,606,973,747 (2,578,260,600 shares BBAS3, 28,713,147 ADRs). 1.1014
<b>h. proportion of deposit certificates abroad in relation to each class and type of shares:</b>	1:1 (one ADR for each ON Share)
<b>i. depositary bank:</b>	Bank of New York Mellon.
<b>j. custodian institution:</b>	Banco do Brasil S.A.

<b>Security:</b>	<b>Perpetual Bond 2009</b>
<b>a. country:</b>	Luxembourg.
<b>b. market:</b>	Secondary market.
<b>c. administrative entity of the market in which the securities will be negotiated:</b>	The Luxembourg Stock Exchange
<b>d. date of admission for negotiation:</b>	10/20/2009
<b>e. indicate segment of negotiation:</b>	Euro MTF
<b>f. listing beginning in the negotiation segment:</b>	10/20/2009
<b>g. % of vol. of negotiations abroad regarding the total volume of negotiations:</b>	Not applicable.
<b>h. proportion of deposit certificates abroad in relation to each class and type of shares:</b>	Not applicable.
<b>i. depositary bank:</b>	Not applicable.
<b>j. custodian institution:</b>	Deutsche Bank Trust Company Americas

<b>Security:</b>	<b>Perpetual Bond 2012</b>
<b>a. country:</b>	Luxembourg.
<b>b. market:</b>	Secondary market.
<b>c. administrative entity of the market in which the securities will be negotiated:</b>	The Luxembourg Stock Exchange
<b>d. date of admission for negotiation:</b>	01/20/2012
<b>e. indicate segment of negotiation:</b>	Euro MTF
<b>f. listing beginning in the negotiation segment:</b>	01/20/2012
<b>g. % of vol. of negotiations abroad regarding the total volume of negotiations:</b>	Not applicable.
<b>h. proportion of deposit certificates abroad in relation to each class and type of shares:</b>	Not applicable.
<b>i. depositary bank:</b>	Not applicable.
<b>j. custodian institution:</b>	Bank of New York Mellon

**Security:** **Perpetual Bond 2012 (Reopening)**

**a. country:** Luxembourg.

**b. market:** Secondary market.

**c. administrative entity of the market in which the securities will be negotiated:**  
The Luxembourg Stock Exchange

**d. date of admission for negotiation:**  
03/05/2012

**e. indicate segment of negotiation:**  
Euro MTF

**f. listing beginning in the negotiation segment:**  
03/05/2012

**g. % of vol. of negotiations abroad regarding the total volume of negotiations:**  
Not applicable.

**h. proportion of deposit certificates abroad in relation to each class and type of shares:**  
Not applicable.

**i. depositary bank:**  
Not applicable.

**j. custodian institution:**  
Bank of New York Mellon

**Security:** **Perpetual Bond 2013**

**a. country:** Luxembourg.

**b. market:** Secondary market.

**c. administrative entity of the market in which the securities will be negotiated:**  
The Luxembourg Stock Exchange

**d. date of admission for negotiation:**  
01/31/2013

**e. indicate segment of negotiation:**  
Euro MTF

**f. listing beginning in the negotiation segment:**  
01/31/2013

**g. % of vol. of negotiations abroad regarding the total volume of negotiations:**  
Not applicable.

**h. proportion of deposit certificates abroad in relation to each class and type of shares:**  
Not applicable.

**i. depositary bank:**  
Not applicable.

**j. custodian institution:**  
Bank of New York Mellon

**Security:** **Senior Debt**

**a. country:** Luxembourg.

**b. market:** Secondary market.

**c. administrative entity of the market in which the securities will be negotiated:**  
The Luxembourg Stock Exchange

**d. date of admission for negotiation:**  
11/23/2011

**e. indicate segment of negotiation:**  
Euro MTF

**f. listing beginning in the negotiation segment:**  
11/23/2011

**g. % of vol. of negotiations abroad regarding the total volume of negotiations:**  
Not applicable.

**h. proportion of deposit certificates abroad in relation to each class and type of shares:**  
Not applicable.

**i. depositary bank:**  
Not applicable.

**j. custodian institution:**  
Bank of New York Mellon

**Section 18 - Securities**

<b>Security:</b>	<b>Senior Debt</b>
<b>a. country:</b>	Luxembourg.
<b>b. market:</b>	Secondary market.
<b>c. administrative entity of the market in which the securities will be negotiated:</b>	The Luxembourg Stock Exchange
<b>d. date of admission for negotiation:</b>	10/10/2012
<b>e. indicate segment of negotiation:</b>	Euro MTF
<b>f. listing beginning in the negotiation segment:</b>	10/10/2012
<b>g. % of vol. of negotiations abroad regarding the total volume of negotiations:</b>	Not applicable.
<b>h. proportion of deposit certificates abroad in relation to each class and type of shares:</b>	Not applicable.
<b>i. depositary bank:</b>	Not applicable.
<b>j. custodian institution:</b>	Bank of New York Mellon

<b>Security:</b>	<b>Tier 2 Subordinated Debt</b>
<b>a. country:</b>	Luxembourg.
<b>b. market:</b>	Secondary market.
<b>c. administrative entity of the market in which the securities will be negotiated:</b>	The Luxembourg Stock Exchange
<b>d. date of admission for negotiation:</b>	10/05/2010
<b>e. indicate segment of negotiation:</b>	Euro MTF
<b>f. listing beginning in the negotiation segment:</b>	10/05/2010
<b>g. % of vol. of negotiations abroad regarding the total volume of negotiations:</b>	Not applicable.
<b>h. proportion of deposit certificates abroad in relation to each class and type of shares:</b>	Not applicable.
<b>i. depositary bank:</b>	Not applicable.
<b>j. custodian institution:</b>	Bank of New York Mellon

<b>Security:</b>	<b>Tier 2 Subordinated Debt</b>
<b>a. country:</b>	Luxembourg.
<b>b. market:</b>	Secondary market.
<b>c. administrative entity of the market in which the securities will be negotiated:</b>	The Luxembourg Stock Exchange
<b>d. date of admission for negotiation:</b>	05/26/2011
<b>e. indicate segment of negotiation:</b>	Euro MTF
<b>f. listing beginning in the negotiation segment:</b>	05/26/2011
<b>g. % of vol. of negotiations abroad regarding the total volume of negotiations:</b>	Not applicable.
<b>h. proportion of deposit certificates abroad in relation to each class and type of shares:</b>	Not applicable.
<b>i. depositary bank:</b>	Not applicable.
<b>j. custodian institution:</b>	Bank of New York Mellon

**Security:** Tier 2 Subordinated Debt

**a. country:** Luxembourg.

**b. market:** Secondary market.

**c. administrative entity of the market in which the securities will be negotiated:**  
The Luxembourg Stock Exchange

**d. date of admission for negotiation:**  
06/19/2012

**e. indicate segment of negotiation:**  
Euro MTF

**f. listing beginning in the negotiation segment:**  
06/19/2012

**g. % of vol. of negotiations abroad regarding the total volume of negotiations:**  
Not applicable.

**h. proportion of deposit certificates abroad in relation to each class and type of shares:**  
Not applicable.

**i. depositary bank:**  
Not applicable.

**j. custodian institution:**  
Bank of New York Mellon

**Security:** GMTN - Series 13

**a. country:** Luxembourg.

**b. market:** Secondary market.

**c. administrative entity of the market in which the securities will be negotiated:**  
The Luxembourg Stock Exchange

**d. date of admission for negotiation:**  
07/18/2007

**e. indicate segment of negotiation:**  
Euro MTF

**f. listing beginning in the negotiation segment:**  
07/18/2007

**g. % of vol. of negotiations abroad regarding the total volume of negotiations:**  
Not applicable.

**h. proportion of deposit certificates abroad in relation to each class and type of shares:**  
Not applicable.

**i. depositary bank:**  
Not applicable.

**j. custodian institution:**  
The Law Debenture Trust Corporation PLC

**Security:** GMTN - Series 16

**a. country:** Luxembourg.

**b. market:** Secondary market.

**c. administrative entity of the market in which the securities will be negotiated:**  
The Luxembourg Stock Exchange

**d. date of admission for negotiation:**  
01/22/2010

**e. indicate segment of negotiation:**  
Euro MTF

**f. listing beginning in the negotiation segment:**  
01/22/2010

**g. % of vol. of negotiations abroad regarding the total volume of negotiations:**  
Not applicable.

**h. proportion of deposit certificates abroad in relation to each class and type of shares:**  
Not applicable.

**i. depositary bank:**  
Not applicable.

**j. custodian institution:**  
The Law Debenture Trust Corporation PLC

**Section 18 - Securities**

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**Security: GMTN - Series 19**

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**a. country:** Luxembourg.**b. market:** Secondary market.**c. administrative entity of the market in which the securities will be negotiated:**

The Luxembourg Stock Exchange

**d. date of admission for negotiation:**

07/25/2013

**e. indicate segment of negotiation:**

Euro MTF

**f. listing beginning in the negotiation segment:**

07/25/2013

**g. % of vol. of negotiations abroad regarding the total volume of negotiations:**

Not applicable.

**h. proportion of deposit certificates abroad in relation to each class and type of shares:**

Not applicable.

**i. depositary bank:**

Not applicable.

**j. custodian institution:**

The Law Debenture Trust Corporation PLC

**Security: GMTN - Series 19 (Reopening)**

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**a. country:** Luxembourg.**b. market:** Secondary market.**c. administrative entity of the market in which the securities will be negotiated:**

The Luxembourg Stock Exchange

**d. date of admission for negotiation:**

03/26/2014

**e. indicate segment of negotiation:**

Euro MTF

**f. listing beginning in the negotiation segment:**

03/26/2014

**g. % of vol. of negotiations abroad regarding the total volume of negotiations:**

Not applicable.

**h. proportion of deposit certificates abroad in relation to each class and type of shares:**

Not applicable.

**i. depositary bank:**

Not applicable.

**j. custodian institution:**

The Law Debenture Trust Corporation PLC

**Security: GMTN - Series 20**

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**a. country:** Luxembourg.**b. market:** Secondary market.**c. administrative entity of the market in which the securities will be negotiated:**

The Luxembourg Stock Exchange

**d. date of admission for negotiation:**

12/20/2013

**e. indicate segment of negotiation:**

Euro MTF

**f. listing beginning in the negotiation segment:**

12/20/2013

**g. % of vol. of negotiations abroad regarding the total volume of negotiations:**

Not applicable.

**h. proportion of deposit certificates abroad in relation to each class and type of shares:**

Not applicable.

**i. depositary bank:**

Not applicable.

**j. custodian institution:**

The Law Debenture Trust Corporation PLC

<b>Security:</b>	<b>IECE - Perpetual 2014</b>
<b>a. country:</b>	Luxembourg.
<b>b. market:</b>	Secondary market.
<b>c. administrative entity of the market in which the securities will be negotiated:</b>	The Luxembourg Stock Exchange
<b>d. date of admission for negotiation:</b>	06/18/2014
<b>e. indicate segment of negotiation:</b>	Euro MTF
<b>f. listing beginning in the negotiation segment:</b>	06/18/2014
<b>g. % of vol. of negotiations abroad regarding the total volume of negotiations:</b>	Not applicable.
<b>h. proportion of deposit certificates abroad in relation to each class and type of shares:</b>	Not applicable.
<b>i. depositary bank:</b>	Not applicable.
<b>j. custodian institution:</b>	Bank of New York Mellon

<b>Security:</b>	<b>GMTN - Series 2017-1</b>
<b>a. country:</b>	Luxembourg.
<b>b. market:</b>	Secondary market.
<b>c. administrative entity of the market in which the securities will be negotiated:</b>	The Luxembourg Stock Exchange
<b>d. date of admission for negotiation:</b>	10/23/2017
<b>e. indicate segment of negotiation:</b>	Euro MTF
<b>f. listing beginning in the negotiation segment:</b>	10/23/2017
<b>g. % of vol. of negotiations abroad regarding the total volume of negotiations:</b>	Not applicable.
<b>h. proportion of deposit certificates abroad in relation to each class and type of shares:</b>	Not applicable.
<b>i. depositary bank:</b>	Not applicable.
<b>j. custodian institution:</b>	Deutsche Bank Trust Company Americas

<b>Security:</b>	<b>Senior Debt - GMTN Series 2018-3</b>
<b>a. country:</b>	Luxembourg.
<b>b. market:</b>	Secondary market.
<b>c. administrative entity of the market in which the securities will be negotiated:</b>	The Luxembourg Stock Exchange
<b>d. date of admission for negotiation:</b>	04/19/2018
<b>e. indicate segment of negotiation:</b>	Euro MTF
<b>f. listing beginning in the negotiation segment:</b>	04/19/2018
<b>g. % of vol. of negotiations abroad regarding the total volume of negotiations:</b>	Not applicable.
<b>h. proportion of deposit certificates abroad in relation to each class and type of shares:</b>	Not applicable.
<b>i. depositary bank:</b>	Not applicable.
<b>j. custodian institution:</b>	Deutsche Bank Trust Company Americas

**18.8. Other securities issued abroad**

**Describe securities issued abroad, where relevant, indicating, if applicable:**

**a. identification of the security**

**b. quantity**

**c. amount**

**d. issuance date**

**e. outstanding balance at the close of the last fiscal year**

**f. restrictions to trade**

**g. convertibility into shares or right to subscribe to or purchase BB shares, informing:**

**i. conditions**

**ii. effects on capital stock**

**h. possibility of withdrawal**

**i. assumptions of withdrawal**

**ii. calculation formula of withdrawal**

**i. when the securities are debts:**

**i. maturity and early maturity terms**

**ii. interest**

**iii. guarantees (description of the asset in case of collateral)**

**iv. unsecured or subordinate credit? (in the absence of guarantees)**

**v. restrictions imposed on Banco do Brasil in relation to:**

- **dividend distribution**

- **the sale of certain assets**

- **the contracting of new debts**

- **issue of new securities**

- **the implementation of corporate transactions involving BB, its controlling or controlled companies**

**j. terms for changing the rights regarding these securities**

**k. other relevant characteristics**



<b>a. identification of the security:</b>	<b>Perpetual Bond 2009</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	3,052,874,222
<b>d. date:</b>	10/20/2009
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	The bonds may only be acquired by qualified institutional investors.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	None. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	<p>a) There is no possibility of early withdrawal to be exercised by the investor.</p> <p>b) The Bank has the option of redeeming all the securities or any part thereof on 10/20/2020 and on each coupon payment date as of this date, subject to prior approval from the Central Bank or other Brazilian governmental authority.</p> <p>c) In the event of tax or regulatory events, the Bank may redeem all securities (but not part of them) early on any coupon payment date before 10/20/2020. In this case, the trustee must receive a formal early notification containing consulting legal opinion of a Brazilian consulting firm attesting the legal conditions for the exercise of the option.</p>
<b>ii. calculation formula:</b>	<p>a) In the event of withdrawal arising from a tax event, the price will be 100% of the principal plus accrued and unpaid interest ("base price of withdrawal").</p> <p>b) In the event of withdrawal arising from a regulatory event, the price will be determined by an independent investment bank, being the higher of the "withdrawal base price" and the resulting price of the sum of: i) the present value of principal and ii) the present value of the accrued semiannual interests, according to the formula in the indenture of securities.</p>
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	- Perpetual (without maturity) and there is no hypothesis for early maturity. Purchase option in October, 2020 and on each coupon payment date thereafter.
<b>ii. interest:</b>	8.50% p.y.
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	Non-cumulative junior subordinate.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	There is not.
<b>sale of certain assets:</b>	Some conditions.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	It may occur, in certain situations, provided there is the consent of at least 2/3 of the securities holders.
<b>vi. the fiduciary Agent and main terms:</b>	The Bank of New York Mellon.
<b>j. terms for changing the rights:</b>	Supplemental Indenture with the consent of the security holders and Supplemental Indenture without the consent of the security holders (in a manner considered satisfactory for the Trustee and without affecting rights of the holders).
<b>k. other relevant characteristics:</b>	Any payment of non-principal will not be due and accumulate if the issuer does not distribute dividends to common share holders in relation to period corresponding to period of interests of securities.

Exchange rate on 04/19/2018: US\$1.00 = R\$3.3977.

**Section 18 - Securities**

<b>a. identification of the security:</b>	<b>Perpetual Bond 2012</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	4,412,684,727
<b>d. date:</b>	01/20/2012
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	The bonds may only be acquired by qualified institutional investors.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	There is not. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	<p>a) There is no possibility of early withdrawal to be exercised by the investor in accordance with CMN Resolution 3,444, of 02/28/2007.</p> <p>b) The Bank has the option of redeeming all the securities (but not of part of it) on 04/15/2023 and on each coupon payment date as of this date, subject to prior approval from the Central Bank or other Brazilian governmental authority.</p> <p>c) In the event of tax or regulatory events, the Bank may redeem all securities (but not part of them) early on any coupon payment date before 04/15/2023. In this case, the trustee must receive a formal early notification containing consulting legal opinion of a Brazilian consulting firm attesting the legal conditions for the exercise of the option.</p>
<b>ii. calculation formula:</b>	<p>a) In the event of withdrawal arising from a tax event, the price will be 100% of the principal plus accrued and unpaid interest ("base price of withdrawal").</p> <p>b) In the event of withdrawal arising from a regulatory event, the price will be determined by an independent investment bank, being the higher of the "withdrawal base price" and the resulting price of the sum of: i) the present value of principal and ii) the present value of the accrued semiannual interests, according to the formula in the indenture of securities.</p>
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	- Perpetual (without maturity) and there is no hypothesis for early maturity. Purchase option on 04/15/2023.
<b>ii. interest:</b>	9.25% p.y.
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	Non-cumulative junior subordinate.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	There is not.
<b>sale of certain assets:</b>	There is not.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	It may occur under certain conditions.
<b>vi. the fiduciary Agent and main terms:</b>	Bank of New York Mellon.
<b>j. terms for changing the rights:</b>	Supplemental Indenture with the consent of the security holders and Supplemental Indenture without the consent of the security holders (in a manner considered satisfactory for the Trustee and without affecting holder's rights).
<b>k. other relevant characteristics:</b>	Any payment of non-principal will not be due and accumulate if the issuer does not distribute dividends to common share holders in relation to period corresponding to period of interests of securities.

Exchange rate on 04/19/2018: US\$1.00 = R\$3.3977.

<b>a. identification of the security:</b>	<b>Perpetual Bond 2013</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	6,362,196,400
<b>d. date:</b>	01/31/2013
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	The bonds may only be acquired by qualified institutional investors.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	There is not. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	<p>a) There is no possibility of early withdrawal to be exercised by the investor.</p> <p>b) The Bank has the option of redeeming all the securities (but not of part of it) on 04/15/2024 and on each coupon payment date as of this date, subject to prior approval from the Central Bank or other Brazilian governmental authority.</p> <p>c) In the event of tax or regulatory events, the Bank may redeem all securities (but not part of them) early on any coupon payment date before 04/15/2024. In this case, the trustee must receive a formal early notification containing consulting legal opinion of a Brazilian consulting firm attesting the legal conditions for the exercise of the option.</p>
<b>ii. calculation formula:</b>	<p>a) In the event of withdrawal arising from a tax event, the price will be 100% of the principal plus accrued and unpaid interest ("base price of withdrawal").</p> <p>b) In the event of withdrawal arising from a regulatory event, the price will be determined by an independent investment bank, being the higher between the "withdrawal base price" and the resulting price of the sum of: i) the present value of principal and ii) the present value of the accrued semiannual interests, according to the formula in the indenture of securities.</p>
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	Perpetual (with no maturity). Early maturity of the principal can only occur in the event of liquidation, dissolution or other similar incidents involving the Bank.
<b>ii. interest:</b>	6.25% p.y.
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	The obligation is junior subordinate. The interest is not cumulative in the event of non-payment.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	If there is no payment of interest and non-principal, the Bank undertakes to recommend the non-payment of dividends to its shareholders, at the limit of the applicable legislation, until the regularization of payments.
<b>sale of certain assets:</b>	There is not.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	It may occur under certain conditions.
<b>vi. the fiduciary Agent and main terms:</b>	Bank of New York Mellon
<b>j. terms for changing the rights:</b>	<p>The Bank may make "qualified changes" in the securities, without the consent of investors at any time when needed to meet new Bacen regulation, satisfying requirements to maintain the qualification of the debt as Tier 1 or Tier 2 Capital, due to the implementation of Basel III.</p> <p>The Bank may also make other changes ("unqualified changes"), providing they do not cause any material loss to the security holders, as formally certified by the Bank to the trustee.</p> <p>The "qualified changes" consist of:</p> <p>a) changes for absorption of losses (in the limits necessary for the adequacy of the debt as Tier 1 or Tier 2 Capital); and</p> <p>b) changes in interest payment and of non-principal (establishing that the Bank undertakes to recommend the non-payment of dividends to its shareholders until the payment of the interest and non-principal of the securities relative to a period).</p> <p>The occurrence of the qualified changes (a) and (b) will imply the elimination, under the terms and conditions of the securities, of the Bank's obligation to pay interest and non-principal if it pays dividends to its shareholders.</p>
<b>k. other relevant characteristics:</b>	Any payment of non-principal will not be due and accumulate if the issuer does not distribute dividends to common share holders regarding the securities interest period.

**Section 18 - Securities**

<b>a. identification of the security:</b>	<b>Senior Debt</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	5,791,582,910
<b>d. date:</b>	10/10/2012
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	The securities are offered and sold in the United States primary and secondary markets, without the requirement of registration at SEC (issuance under the exception provided for in Section 3(a)(2) of the Securities Act), allowing access by any investor resident in that country.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	There is not. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	The issuer will not have right to redeem securities before the respective maturity date, except when tax treatment is changed. The issuer can not redeem the securities without the authorization of the Brazilian Central Bank.
<b>ii. calculation formula:</b>	100% of the principal amount plus accrued and unpaid interest and all other amounts due.
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	10/10/2022 Failure to make a capital payment, failure to make the payment of interest for a period of 15 days, in cases of a bankruptcy or insolvency proceeding of the issuer, non-performance of obligations of the Note or of the Indenture, change of control, cross default, similar events.
<b>ii. interest:</b>	3.875% p.y.
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	Senior.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	There is not.
<b>sale of certain assets:</b>	There is not.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	It may occur, in certain situations, provided there is the consent of at least 2/3 of the securities holders.
<b>vi. the fiduciary Agent and main terms:</b>	The Bank of New York Mellon.
<b>j. terms for changing the rights:</b>	Supplemental Indenture with the consent of the security holders and Supplemental Indenture without the consent of the security holders (in a manner considered satisfactory for the Trustee and without affecting rights of the holders).
<b>k. other relevant characteristics:</b>	Relevant characteristics of Senior Debt are described above.

Exchange rate on 10/23/2017: US\$1.00 = R\$3.2003.

<b>a. identification of the security:</b>	<b>Senior Debit - Certificate of Deposit - CD</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	3,370,723,578
<b>d. date:</b>	-
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	(a) The bonds are issued in programs established by Banco do Brasil through its Grand Cayman, London, New York and Tokyo; (b) sale restrictions apply, according to the various jurisdictions.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	There is not. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	Instruments may be redeemed in advance by agreement between the parties.
<b>ii. calculation formula:</b>	100% of the principal amount plus accrued and unpaid interest and all other amounts due.
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	- In case of bankruptcy or insolvency of the issuer, non-compliance with obligations under the program documentation, change of control, cross default and similar events.
<b>ii. interest:</b>	Diverse (fixed or floating rates).
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	Unsecured credit.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	There is not.
<b>sale of certain assets:</b>	There is not.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	BB New York: Chapter 5 "Covenants and Agreements" of the Dealer Agreement, 03/26/2013, does not signal restrictions on the subject in question; BB Tokyo: Chapter 5 "Covenants and Agreements" of the Dealer Agreement, dated 02/12/2013, does not signal restrictions on the subject in question; BB London: Chapter 5 "Covenants and Agreements" of the Dealer Agreement, dated 01/07/2013, does not signal restrictions on the subject in question; BB Grand Cayman: Dealer Agreement Chapter 4 "Covenants and Agreements by the Issuer", dated 02/01/2008, does not signal any restrictions on the issue at hand.
<b>vi. the fiduciary Agent and main terms:</b>	BB Tokyo: Paying Agent = Citibank; BB New York: Issuing e Paying Agent = Bank of America; BB London: Issuing e Paying Agent = BNP Paribas Securities Services; BB Grand Cayman: Principal Paying Agent, Issue Agent e Calculation Agent = The Bank of New York Mellon.
<b>j. terms for changing the rights:</b>	Not Applicable.
<b>k. other relevant characteristics:</b>	Not Applicable.

Exchange rate on 10/23/2017: US\$1.00 = R\$3.2003.

<b>a. identification of the security:</b>	<b>Tier 2 Subordinated Debt</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	2,112,198,000
<b>d. date:</b>	10/05/2010
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	The bonds may only be acquired by qualified institutional investors.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	There is not. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	The issuer will not have right to redeem securities before the respective maturity date, except when tax treatment is changed. The issuer can not redeem the securities without the authorization of the Brazilian Central Bank.
<b>ii. calculation formula:</b>	100% of the principal amount plus accrued and unpaid interest and all other amounts due.
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	01/15/2021 Failure to pay capital. Failure to pay interest for a period of 15 working days. In cases of bankruptcy or insolvency of the issuer.
<b>ii. interest:</b>	5.375% p.y.
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	Tier 2 subordinated debt, according to Bacen Resolution 3,444.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	There is not.
<b>sale of certain assets:</b>	Some conditions.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	It may occur, in certain situations, provided there is the consent of at least 2/3 of the securities holders.
<b>vi. the fiduciary Agent and main terms:</b>	The Bank of New York Mellon.
<b>j. terms for changing the rights:</b>	Supplemental Indenture with the consent of the security holders and Supplemental Indenture without the consent of the security holders (in a manner considered satisfactory by the Trustee and without affecting holder's rights).
<b>k. other relevant characteristics:</b>	Relevant characteristics of Subordinated Debt are described above.

Exchange rate on 10/23/2017: US\$1.00 = R\$3.2003.

<b>a. identification of the security:</b>	<b>Tier 2 Subordinated Debt</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	4,800,450,000
<b>d. date:</b>	05/26/2011
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	The bonds may only be acquired by qualified institutional investors.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	There is not. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	The issuer will not have the right to redeem securities before the respective maturity date, except when tax treatment is changed. The issuer can not redeem the securities without the authorization of the Brazilian Central Bank.
<b>ii. calculation formula:</b>	100% of the principal amount plus accrued and unpaid interest and all other amounts due in the indenture.
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	01/26/2022 Failure to pay capital. Failure to pay interest for a period of 15 working days. In cases of bankruptcy or insolvency of the issuer.
<b>ii. interest:</b>	5.8750% p.y.
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	Tier 2 subordinated debt, according to Bacen Resolution 3,444.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	There is not.
<b>sale of certain assets:</b>	Some conditions.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	It may occur, in certain situations, provided there is the consent of at least 2/3 of the securities holders.
<b>vi. the fiduciary Agent and main terms:</b>	The Bank of New York Mellon.
<b>j. terms for changing the rights:</b>	Supplemental Indenture with the consent of the security holders and Supplemental Indenture without the consent of the security holders (in a manner considered satisfactory for the Trustee and without affecting rights of the holders).
<b>k. other relevant characteristics:</b>	Relevant characteristics of Tier 2 Subordinated Debt are above described.

Exchange rate on 10/23/2017: US\$1.00 = R\$3.2003.

**Section 18 - Securities**

<b>a. identification of the security:</b>	<b>Tier 2 Subordinated Debt</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	2,400,225,000
<b>d. date:</b>	06/19/2012
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	The bonds may only be acquired by qualified institutional investors.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	There is not. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	The issuer will not have the right to redeem total securities before the respective maturity date, except when tax treatment is changed. The issuer can not redeem the securities without the authorization of the Brazilian Central Bank.
<b>ii. calculation formula:</b>	100% of the principal amount plus accrued and unpaid interest and all other amounts due in the indenture.
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	01/19/2023 In cases of bankruptcy or insolvency of the issuer or similar events.
<b>ii. interest:</b>	5.8750% p.y.
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	Tier 2 subordinated debt, according to Bacen Resolution 3,444.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	There is not.
<b>sale of certain assets:</b>	Some conditions.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	It may occur, in certain situations, provided there is the consent of at least 2/3 of the securities holders.
<b>vi. the fiduciary Agent and main terms:</b>	The Bank of New York Mellon.
<b>j. terms for changing the rights:</b>	Supplemental Indenture with the consent of the security holders and Supplemental Indenture without the consent of the security holders (in a manner considered satisfactory for the Trustee and without affecting rights of the holders).
<b>k. other relevant characteristics:</b>	Relevant characteristics of Tier 2 Subordinated Debt are above described.

Exchange rate on 10/23/2017: US\$1.00 = R\$3.2003.



<b>a. identification of the security:</b>	<b>GMTN - Series 13</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	350,000,000
<b>d. date:</b>	07/18/2007
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	The bonds may only be acquired by qualified institutional investors.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	There is not. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	The issuer will not have the right to redeem securities before the respective maturity date, except when tax treatment is changed. The issuer can not redeem the securities without the authorization of the Central Bank.
<b>ii. calculation formula:</b>	100% of the principal amount plus accrued and unpaid interest and all other amounts due.
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	07/18/2017 Failure to pay capital. Failure to pay interest for a period of 15 working days. In cases of bankruptcy or insolvency of the issuer.
<b>ii. interest:</b>	9.75% p.v.
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	Unsecured credit.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	There is not.
<b>sale of certain assets:</b>	There is not.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	It may occur under certain conditions.
<b>vi. the fiduciary Agent and main terms:</b>	The Law Debenture Trust Corporation.
<b>j. terms for changing the rights:</b>	Supplemental Indenture with the consent of the security holders and Supplemental Indenture without the consent of the security holders (in a manner considered satisfactory for the Trustee and without affecting rights of the holders).
<b>k. other relevant characteristics:</b>	Relevant characteristics of Subordinated Debt are described above.

Exchange rate on 12/31/2016: US\$1.00 = R\$3.2591.

**Section 18 - Securities**

<b>a. identification of the security:</b>	<b>GMTN - Series 16</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	1,600,150,000
<b>d. date:</b>	01/22/2010
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	The bonds may only be acquired by qualified institutional investors.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	There is not. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	The issuer will not have the right to redeem total securities before the respective maturity date, except when tax treatment is changed. The issuer can not redeem the securities without the authorization of the Brazilian Central Bank.
<b>ii. calculation formula:</b>	100% of the principal amount plus accrued and unpaid interest and all other amounts due.
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	01/22/2020 Failure to pay capital. Failure to pay interest for a period of 15 working days. In cases of bankruptcy or insolvency of the issuer.
<b>ii. interest:</b>	6.00% p.y.
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	Unsecured credit.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	There is not.
<b>sale of certain assets:</b>	There is not.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	It may occur under certain conditions.
<b>vi. the fiduciary Agent and main terms:</b>	The Law Debenture Trust Corporation.
<b>j. terms for changing the rights:</b>	Supplemental Indenture with the consent of the security holders and Supplemental Indenture without the consent of the security holders (in a manner considered satisfactory for the Trustee and without affecting rights of the holders).
<b>k. other relevant characteristics:</b>	Relevant characteristics of Subordinated Debt are described above.

Exchange rate on 10/23/2017: US\$1.00 = R\$3.2003.

<b>a. identification of the security:</b>	<b>GMTN – Series 19</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	2,631,790,000
<b>d. date:</b>	07/25/2013
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	The bonds may only be acquired by qualified institutional investors.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	There is not. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	In the event of tax or regulatory events, the Bank may redeem all securities before the maturity date. In the event of withdrawal arising from a tax event, the price will be the higher between two options: (1) 100% of the principal amount or (2) the sum of the present value of the remaining principal and unpaid interest, discounted, on a 365 or 366 days/year basis by the so called "Bund Rate", plus a 65bps premium and the accumulated over the principal until the date of the exercise of the option.
<b>ii. calculation formula:</b>	100% of the principal amount plus accrued and unpaid interest and all other amounts due.
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	07/25/2018 Failure to make a capital payment. Failure to make interest payments for a 15 business days period. Insolvency or bankruptcy of the issuer.
<b>ii. interest:</b>	3.75% p.y.
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	Unsecured credit.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	There is not.
<b>sale of certain assets:</b>	There is not.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	It may occur under certain conditions.
<b>vi. the fiduciary Agent and main terms:</b>	The Law Debenture Trust Corporation.
<b>j. terms for changing the rights:</b>	There is not.
<b>k. other relevant characteristics:</b>	Negative Pledge establishing that guarantees associated to further emissions by the Bank must be associated to the presente bond as well.

Exchange rate on 10/23/2017: 1.00 € = R\$3.7597

<b>a. identification of the security:</b>	<b>GMTN – Series 19 (Reopening)</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	1,127,910,000
<b>d. date:</b>	03/26/2014
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	The bonds may only be acquired by qualified institutional investors.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	There is not. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	In the event of tax or regulatory events, the Bank may redeem all securities before the maturity date. In the event of withdrawal arising from a tax event, the price will be the higher between two options: (1) 100% of the principal amount or (2) the sum of the present value of the remaining principal and unpaid interest, discounted, on a 365 or 366 days/year basis by the so called "Bund Rate", plus a 65bps premium and the accumulated over the principal until the date of the exercise of the option.
<b>ii. calculation formula:</b>	100% of the principal amount plus accrued and unpaid interest and all other amounts due.
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	07/25/2018 Failure to make a capital payment. Failure to make interest payments for a 15 business days period. Insolvency or bankruptcy of the issuer.
<b>ii. interest:</b>	3.75% p.y.
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	Unsecured credit.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	There is not.
<b>sale of certain assets:</b>	There is not.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	It may occur under certain conditions.
<b>vi. the fiduciary Agent and main terms:</b>	The Law Debenture Trust Corporation.
<b>j. terms for changing the rights:</b>	There is not.
<b>k. other relevant characteristics:</b>	Negative Pledge establishing that guarantees associated to further emissions by the Bank must be associated to the presente bond as well.

Exchange rate on 10/23/2017: 1.00 € = R\$3.7597.

<b>a. identification of the security:</b>	<b>GMTN – Series 20</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	893,035,000
<b>d. date:</b>	12/20/2013
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	The document (Pricing Supplement) contains restrictions on the sale of the bonds in the United States and to American people, in the UK, European Economic Community, in Brazil and in the Cayman Islands.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	There is not. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	There is not.
<b>ii. calculation formula:</b>	Not Applicable.
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	06/20/2019 In the event of tax or regulatory events, the Bank may redeem all securities before the maturity date. Failure to make a capital or interest payment, breach of other obligations, cross default, legal claims, enforcement of securities, insolvency, moratorium, dissolution, change in the business or operating structure, loss of control of the Bank by the Brazilian government, similar events.
<b>ii. interest:</b>	2.50% p.y.
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	Unsecured credit.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	There is not.
<b>sale of certain assets:</b>	There is not.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	It may occur under certain conditions.
<b>vi. the fiduciary Agent and main terms:</b>	The Law Debenture Trust Corporation.
<b>j. terms for changing the rights:</b>	The trustee, the issuer and the designated subsidiaries may agree to modifications of the contract without the consent of the holders of the securities, provided that, in the opinion of the trustee: a) whether formal, technical, minor or made to correct a manifest and proven mistake; or b) are considered not materially prejudicial to the bondholders. Changes must be communicated to the holders of the securities as soon as possible.
<b>k. other relevant characteristics:</b>	There is a "negative pledge" establishing that while any bond is pending, the Issuer and its affiliates may not use any of its assets to secure external indebtedness (except for sums not exceeding US\$50 million, aggregates) without prior or while granting the same guarantee to the present series bonds.

Exchange rate on 10/23/2017: CHF1.00 = R\$3.2474.

<b>a. identification of the security:</b>	<b>IECE - Perpetual 2014</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	6,943,690,910
<b>d. date:</b>	06/18/2014
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	The bonds may only be acquired by qualified institutional investors.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	There is not. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	<p>a) There is no chance of early withdrawal to be exercised by the Investor;</p> <p>b) The Bank holds all the securities of the withdrawal option (but not part of them) on 06/18/2024 and each coupon date as of this date, subject to the prior approval of the Central Bank or other domestic authorities;</p> <p>c) After a 05 years period from the date of issue, the occurrence of tax or regulatory events, the Bank may redeem the bonds.</p>
<b>ii. calculation formula:</b>	The rescue as a result of tax or regulatory event, the price will be the "base price of withdrawal" (principal plus accrued and unpaid interest).
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	<p>-</p> <p>Perpetual (unpaid). Can only occur early maturity in the event of liquidation events, dissolution or similar involving the Bank.</p> <p>Insolvency or bankruptcy of the issuer.</p>
<b>ii. interest:</b>	9% p.y.
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	The obligation is junior subordinated.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	If there is interruption in interest payments and / or principal, the Bank undertakes to recommend the non-payment of dividends to its shareholders within the limits of applicable law, until there is a settlement payments.
<b>sale of certain assets:</b>	There is not.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	It may occur under certain conditions.
<b>vi. the fiduciary Agent and main terms:</b>	Bank of New York Mellon
<b>j. terms for changing the rights:</b>	There is not.
<b>k. other relevant characteristics:</b>	The Bank may change the terms and conditions of the securities without the investor's consent, within one year from the date of issue, where necessary, only to meet new regulations of the Central Bank of Brazil, fulfilling requirements to maintain the qualification of debt as Tier 1 capital, according to Resolution 4,192 and subsequent regulations.

Exchange rate on 10/23/2017: US\$1.00 = R\$3.2003.

<b>a. identification of the security:</b>	<b>Securitization MT 100 - EPE - Series 2008 - 2</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	57,605,400
<b>d. date:</b>	04/29/2008
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	The bonds may only be acquired by qualified institutional investors.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	There is not. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	The issuer will have right to redeem total or partial securities before the respective maturity date at any time.
<b>ii. calculation formula:</b>	100% of the principal amount plus accrued and unpaid interest and all other amounts due.
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	06/15/2018 Failure to pay capital. Failure to pay interest for a period of 15 working days. In cases of bankruptcy or insolvency of the issuer or SPE.
<b>ii. interest:</b>	5.25% p.y.
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	Unsecured credit.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	There is not.
<b>sale of certain assets:</b>	There is not.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	It may occur under certain conditions.
<b>vi. the fiduciary Agent and main terms:</b>	The Bank of New York Trust Company (Cayman) Limited.
<b>j. terms for changing the rights:</b>	Supplemental Indenture with the consent of the security holders and Supplemental Indenture without the consent of the security holders (in a manner considered satisfactory for the Trustee and without affecting rights of the holders).
<b>k. other relevant characteristics:</b>	On 12/31/2016, the IT company that controls the flow of payments related to the operation DPR/MT-100 New York agency is the GIFTS.

Exchange rate on 10/23/2017: US\$1.00 = R\$3.2003.

**Section 18 - Securities**

<b>a. identification of the security:</b>	<b>GMTN – Series 17-1</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	3,200,300,000
<b>d. date:</b>	10/23/2017
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	The bonds may only be acquired by qualified institutional investors.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	There is not. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	The issuer will not be entitled to redeem all the securities before the respective maturity date, except in cases of change of tax treatment. The issuer may not redeem the securities without authorization from the Central Bank
<b>ii. calculation formula:</b>	100% of the principal amount plus accrued and unpaid interest and all other amounts due.
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	01/15/2025 Failure to make a capital payment. Insolvency or bankruptcy of the issuer.
<b>ii. interest:</b>	4.70% p.y.
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	Unsecured credit.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	There is not.
<b>sale of certain assets:</b>	There is not.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	It may occur under certain conditions.
<b>vi. the fiduciary Agent and main terms:</b>	Deutsche Bank National Trust Company.
<b>j. terms for changing the rights:</b>	Additional Deed with the consent of the holders of the Deeds and Additional Deed without the consent of the holders of the Deeds (in a satisfactory manner to the Trustee and without affecting the holder's rights).
<b>k. other relevant characteristics:</b>	The relevant characteristics of the Senior Debt are described above.



<b>a. identification of the security:</b>	<b>GMTN – Series 2018</b>
<b>b. quantity:</b>	1
<b>c. total nominal value (R\$):</b>	2,548,275,000
<b>d. date:</b>	04/19/2018
<b>e. balance due (R\$):</b>	-
<b>f. restrictions to trade:</b>	The bonds may only be acquired by qualified institutional investors.
<b>g. convertibility:</b>	
<b>i. conditions:</b>	There is not. It refers to non-convertible bonds.
<b>ii. effects on capital stock:</b>	There is not.
<b>h. possibility of withdrawal:</b>	
<b>i. assumptions:</b>	The issuer will not be entitled to redeem all the securities before the respective maturity date, except in cases of change of tax treatment. The issuer may not redeem the securities without authorization from the Central Bank
<b>ii. calculation formula:</b>	100% of the principal amount plus accrued and unpaid interest and all other amounts due.
<b>i. when the securities are debts:</b>	
<b>i. maturity and early maturity terms:</b>	04/19/2023 Failure to make a capital payment. Insolvency or bankruptcy of the issuer.
<b>ii. interest:</b>	4.875% p.y.
<b>iii. guarantees, if collateral, description of the asset:</b>	No guarantee.
<b>iv. in the absence of guarantees, if unsecured or subordinate credit:</b>	Unsecured credit.
<b>v. restrictions imposed on Banco do Brasil in relation to:</b>	
<b>dividend distribution:</b>	There is not.
<b>sale of certain assets:</b>	There is not.
<b>contracting of new debts:</b>	There is not.
<b>issuance of new securities:</b>	There is not.
<b>realization of corporate transactions:</b>	It may occur under certain conditions.
<b>j. terms for changing the rights:</b>	Additional Deed with the consent of the holders of the Deeds and Additional Deed without the consent of the holders of the Deeds (in a satisfactory manner to the Trustee and without affecting the holder's rights).
<b>k. other relevant characteristics:</b>	The relevant characteristics of the Senior Debt are described above.

Exchange rate on 04/19/2018: US\$1.00 = R\$3.3977.

## 18.9. Public offerings of securities of Banco do Brasil

**Describe the public offerings of distribution made by BB or third parties, including controlling shareholders, affiliates and subsidiaries, related to BB's securities**

There was no public offering of distribution in 2014, 2015 e 2016.

## 18.10. Information on public securities offerings

**If BB has made a public offering of securities, indicate: how the proceeds from the offering were used; if there were relevant differences between the effective investment of funds and investment proposals disclosed in the prospectus of distribution; in case of deviations, reasons for such**

There weren't public offerings of distribution in the last 3 years.

**18.11. Public offerings for securities acquisition****Describe the takeover bids made by BB for the third shares issue**

There weren't public acquisition offerings in 2014, 2015 e 2016.

**18.12. Other relevant information**

The following table reports the prices (maximum and minimum) and financial volumes in the last 3 years of BDORY ADRs issued by Banco do Brasil S.A. Daily currency conversion based on the rate Ptax Dolar - Sale, calculated and published by the Bacen.

<b>BDORY (R\$)</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Volume (R\$)</b>
First quarter/2014	<b>18.65</b>	24.41	213,123,698
Second quarter/2014	22.19	26.75	143,904,863
Third quarter/2014	24.15	<b>38.03</b>	453,594,949
Fourth quarter/2014	21.16	34.19	353,124,560
First quarter/2015	19.96	24.99	239,674,576
Second quarter/2015	22.07	<b>28.23</b>	137,245,241
Third quarter/2015	<b>14.24</b>	24.45	188,648,162
Fourth quarter/2015	13.82	19.32	314,532,863
First quarter/2016	<b>12.38</b>	23.08	229,001,918
Second quarter/2016	15.30	23.01	203,518,758
Third quarter/2016	16.39	24.14	195,568,293
Fourth quarter/2016	22.73	<b>29.86</b>	301,223,628

## 19. SHARE BUYBACK PLANS AND TREASURY SECURITIES

### 19.1. Share repurchase plans

Regarding the issuer share buyback plans, provide the following information:

**a. dates of the resolution approving the stock buyback plans**

- Third Program: 06.06.2014 Approval by the Board of Directors.
- Fourth Program: 05.18.2015 Approval by the Board of Directors.

**b. regarding each plan, to indicate:**

**i. number of expected shares, separated by class and type:**

- Third Program: Up to 50 million common shares.
- Fourth Program: Up to 50 million common shares.

**ii. percentage in relation to the total outstanding shares, separated by class and type:**

- Third Program: the expected amount represents 4,6446% of the total of common shares outstanding in the market (share base of May/2014).
- Fourth Program: the expected amount represents 4,5998% of the total of common shares outstanding in the market (share base of May/2015).

**iii. repurchase period:**

- Third Program: the repurchase transaction was approved for a period of up to 365 days, as of June 6, 2014.
- Fourth Program: the repurchase transaction was approved for a period of up to 365 days, as of May 18, 2015.

**iv. reserves and profits available for repurchase:**

- Third Program: balance observed in statutory reserve (operating margin) in the amount of R\$ 11,135,916 thousand in the financial statements for the year ended December 31, 2013.
- Fourth Program: balance observed in statutory reserve (operating margin) in the amount of R\$ 16,946,706 thousand in the financial statements for the year ended December 31, 2014.

**v. other significant characteristics**

- repurchase plan was approved to acquire shares in treasury for subsequent sale or cancellation, without capital reduction, to creating value for shareholders.

The name and address of financial institutions that acted as intermediaries are as follows:

**Third Program:**

- a) Votorantim CTVM Ltda, headquartered at Avenida das Nações Unidas, 14.171 - 14º Andar – Torre A - São Paulo/SP CEP: 04794-000;
- b) Citigroup Global Markets Brasil, CCTVM S/A, headquartered at Avenida Paulista nº 1111, 14º Andar – São Paulo – SP, CEP 01.311-920;
- c) ICAP do Brasil CTVM LTDA, headquartered at Avenida das Américas nº 3500 - Sala 201 – Rio de Janeiro – RJ, CEP 22640-102.

**Fourth Program:**

- a) Votorantim CTVM Ltda, headquartered at Avenida das Nações Unidas, 14.171 - 14º Andar – Torre A - São Paulo/SP CEP: 04794-000;

b) Goldman Sachs do Brasil, CTVM S/A, headquartered at Avenida Presidente Juscelino Kubitschek nº 50, 6º Andar – Conjunto 61, Vila Nova Conceição - São Paulo – SP, CEP 01311-920;

c) Concórdia S.A. CVMCC, headquartered at Rua Líbero Badaró, 425 - 23º Andar – Torre A - São Paulo/SP CEP: 01009-905;

**vi. number of acquired shares, separated by class and type:**

**Third Program:**

Acquisition month	Numbers of Shares (Common)
Jun 2014	3,115,500
Jul 2014	1,706,400
Nov 2014	640,000
Jan 2015	560,000
<b>Total</b>	<b>6,021,900</b>

**Fourth Program:**

Acquisition month	Numbers of Shares (Common)
Jun 2015	300,000
Aug 2015	3,323,700
<b>Total</b>	<b>3,623,700</b>

**vii. weighted average price of acquisition, separated by class and type:**

**Third Program:**

Acquisition month	Numbers of Shares (Common)	Total acquisitions (R\$)	Weighted average price for acquisition (R\$)
Jun 2014	3,115,500	79,532,130.00	25.53
Jul 2014	1,706,400	46,134,488.00	27.04
Nov 2014	640,000	17,102,065.00	26.72
Jan 2015	560,000	12,712,301.00	22.70
<b>Total</b>	<b>6,021,900</b>	<b>155,480,984.00</b>	<b>25.82</b>

**Fourth Program:**

Acquisition month	Numbers of Shares (Common)	Total acquisitions (R\$)	Weighted average price for acquisition (R\$)
Jun 2015	300,000	6,318,000.00	21.06
Aug 2015	3,323,700	61,588,161.00	18.53
<b>Total</b>	<b>3,623,700</b>	<b>67,906,161.00</b>	<b>18.74</b>

**viii. percentage of shares acquired in relation to the total approved:**

	Second Program	Third Program	Fourth Program
Total acquired shares	43,126,700	6,021,900	3,623,700
Total approved shares	50,000,000	50,000,000	50,000,000
<b>Percentage</b>	<b>86.25%</b>	<b>12.04%</b>	<b>7.25%</b>

**19.2. Movement treasury shares****Securities held in treasury, segregated by type and class:**

	2014	2015	2016	04/28/2017
<b>Type of share:</b>	<b>Common Shares</b>			
a. initial quantity	56,702,328	68,881,576	72,864,196	80,666,497
b. quantity purchased	12,311,300	4,183,700	8,075,381	-
c. weighted average price for acquisition (R\$)	24.38	19.27	20.25	-
d. amount sold	(132,052)	(201,080)	(273,080)	(203,021)
e. weighted average price of disposal (R\$)	23.22	23.49	22.53	23.69
f. amount canceled	-	-	-	-
g. final quantity	68,881,576	72,864,196	80,666,497	80,463,476
h. % compared to outstanding securities of the same class and type	6.06	6.40	6.58	6.56

**19.3. Other relevant information**

As of April 28, 2017, Banco do Brasil had 80,463,476 treasury shares, as follows:

- I. 29 shares under litigation referring to the position of withdrawing shareholders in BESC merger process;
- II. 01 share under litigation from calculation residues of BESC merger;
- III. 02 shares referring to calculation residues of Nossa Caixa and BESCLEASING mergers;
- IV. 71,862,713 shares purchased under the four Stock Repurchase Program;
- V. 8,075,350 received shares from FGCN for payment;
- VI. 31 acquired shares from a dissident shareholder in the merger process of BESCREDI.
- VII. 485,647 deferred shares referring to payment of variable remuneration of BB's Executive Board;
- VIII. 39,703 deferred shares referring to payment of variable remuneration of Executive Board of BB DTVM Manager.

In order to determine the percentage in relation to outstanding securities of the same type (item 19.2, letter h), we used the shareholder base of April 2017 - quantity of 1,226,268,476 shares outstanding.

## **20. TRADING POLICY**

### **20.1. Trading Policy for securities of its issuance**

**Indicate if the issuer has adopted a policy for securities trading by the direct and indirect controlling shareholders, officers, and members of the Board of Directors, the Fiscal Council and any technical or advisory body created under our Bylaws, stating:**

Banco do Brasil, compliant with CVM regulations, has a regulatory system that regulates the trading of securities of its own issuance and of its affiliate and controlled companies and sponsored entities whose stocks are publicly-traded, as well as the disclosure of Material Act or Fact - Trading Policy for Securities Issued by Banco do Brasil ("Trading Policy").

#### **a. approval date**

The Trading Policy was approved by the Board of Directors on March 20, 2017 and comprises the Bank's self-regulation System, whose person in charge of is the Vice President of Financial Management and Investor Relations.

#### **b. related persons**

The Securities Trading Policy applies to the controlling shareholder, Management (Board of Directors and Board of Executive Officers and Directors), members of the Fiscal Council and committees linked to the Board of Directors, and to all people that:

- i) hold other positions at the Bank which, according to guidelines of management committees, internal auditing, the branch network, and regional authorities and have access, even if only during a temporary assignment, to privileged information relating to a material fact or significant event;
- ii) are assigned to executive positions in affiliate and controlled companies or to sponsored entities;
- iii) have a commercial, professional or trust relationship with the Bank and have knowledge on accounting, strategic or any other information on the Bank's business that may give rise to material act or fact;
- iv) are spouse from whom they are not legally separated, or companion, or any dependent included in their annual income tax declaration; and
- v) are managers departing from the company's management before the public disclosure of business or fact initiated during their management period extending for six months after his departure.

#### **c. main characteristics**

Any person subject to the Securities Trading Policy should:

- i) communicate to the Bank, immediately after assuming the position or the start of a temporary assignment, with respect to the quantity and characteristics, as well as the form of acquisition of securities or shares issued by Banco do Brasil, including quotas in exclusive investment funds that they, their spouse, live-in companion, or any of their dependents owns, as well as any changes in their ownership position and the balance at the end of the period; and
- ii) communicate to the Bank within five days after the negotiation, all the negotiations made by himself, spouse, life partner or relatives included in the income tax filing, indicating the balance at the end of the period and the broker used;

The Bank communicates to the CVM the trades of directors, members of the Board of Directors, Fiscal Council, of any technical or advisory statutory functions, by itself, its affiliates and controlled companies. The regulation covers the securities issued by the Bank, its affiliates and controlled companies (if publicly held companies). Communication occurs immediately after the respective position has been assumed or in up to ten days after the end of the month in which a change in ownership position occurred.

**d. prevision of negotiation prohibition periods****Prevision of negotiation prohibition periods and description of procedures adopted to supervise negotiations in those periods**

The Bank allows the trading of securities owned by any person subject to self-regulation since performed in a predetermined way, through an "individual trading plan", and considering that:

- i. it is formally communicated to the Vice President of Financial Management and Investor Relations, prior to any trade;
- ii. it sets, on an irrevocable basis, the dates, value and amount of securities intended to be traded;
- iii. it provides a minimum period of six months for the plan, any amendments and cancellation to take effect.

The individual trading plan is required to be presented immediately after taking office, by the management and any person subject to self-regulation.

The Board of Directors checks, at least every six months, the adherence of the negotiations to the trading plans of the Board's members, Board of Officers, members of Executive Board, Fiscal Council and committees linked to the Board of Directors.

Members of the Board of Directors, the Vice President of Financial Management and Investor Relations, Financial Officer, Accounting Officer and the Head of Investor Relations shall revert to the Bank any avoided losses or gains earned with their negotiations resulting from any change in the dates of disclosure of quarterly information (ITR) and standardized financial statements (DFP), even when the individual trading plan allows negotiations in the fifteen days prior to the announcement of the results.

**Trading other banco do brasil's securities**

The trading of securities issued by the Bank and debt instruments, either directly in the financial market or through exclusive funds, is permitted, except in the period of fifteen days prior to the disclosure of the quarterly and annual legal information and the projections and estimates (Guidance) released by the Bank

The sale of securities and the trading of shares issued by the Bank and its Subsidiaries on the Forward Market and on the Future Market are prohibited.

Any person subject to self-regulation, as well as those that have commercial, professional or trust relations with the bank, are forbidden to use information related to material fact or act and not yet disclosed to the market, to obtain for themselves or for third parties, advantage through negotiation of securities issued by Banco do Brasil or its controlled companies. This prohibition will prevail if ongoing purchase or sale of shares by the controlling shareholder, intention of merger, acquisition, spin-off or corporate reorganization.

Managers subject to self-regulation who leave the job before public disclosure of any material fact or act started during its management, are prohibited to operate the Bank's securities during six months after his leave. The negotiation is only allowed in cases of stock options granted by the Annual Shareholders' Meeting, or when the material fact or act comes public.

Non-compliance with the established rules is a serious infraction and subjects the infractor to the penalties provided in Law 6,385/76, CVM Instruction 358/2002, Law 6,404/76, instructions of Banco do Brasil included in the professional code of ethics and others that may regulate, change or amend the rules.

**e. Places where the policy can be consulted**

Available in [www.bb.com.br/ir](http://www.bb.com.br/ir).

**20.2. Other material information****Provide other information that the issuer deems material**

All material information was provided in the item above.

## **21. INFORMATION DISCLOSURE POLICY**

### **21.1. Internal standards, regulations or procedures adopted by Banco do Brasil**

**Describe internal standards, regulations or procedures adopted by the issuer to ensure that the Information to be publicly disclosed is gathered, processed and reported on an accurate and timely basis**

Banco do Brasil is committed to providing the market with objective, reliable, timely, complete and transparent information disclosed uniformly in line with legal requirements, to allow the best investment decision. The Bank maintains this commitment at any time, including crisis periods, so that the agents of the society, especially the investor community, have democratic and fast access to this information.

To achieve this, and in conformity with CVM Instruction 358, BB maintains a self-regulation system and the Disclosure Policy that addresses the disclosure of Material Acts or Facts, performance estimates (guidance), as well as the silent period that precedes its results disclosure.

Thus, Information Disclosure Policy disciplines, in the context of Banco do Brasil, its controlled companies, affiliates and sponsored entities, (Previ, CASSI and Fundação Banco do Brasil), the disclosure of information to the market based on the needs of external users to make economic decisions, in compliance with the requirements of regulatory and supervisory agencies, in accordance with the highest Corporate Governance standards.

Banco do Brasil has internal standards that address the adequacy, preparation and consolidation of information that may be disclosed to the market. Access to information before its disclosure is restricted to people in charge of its preparation.

### **21.2. Disclosure policy of material act or fact**

**Describe the adopted disclosure policy for relevant act or fact, indicating the channel or channels of communication used to disseminate information about them and the procedures relating to the secrecy of material undisclosed information**

According to the Material Act or Fact Disclosure Policy, the Bank understands as "material" any decision of the controlling shareholder, the Shareholders' Meeting, of the Board of Directors, the Board of Officers or any other act or fact in Bank's business that may significantly affect: (i) the price of the securities issued or its derivatives; (ii) the decision of investors to buy, sell or hold those securities; and (iii) the decision of investors to exercise any rights related to the securities.

Changes in direct or indirect shareholding, in which the triggers of 5%, 10%, and so on, are exceeded, up or down, are considered material trading. The individual, corporate or group of shareholders who buys or sells resulting in exceeding these triggers, should send the information to the Bank, which will forward to the CVM, BM&FBOVESPA and, if necessary, to other worldwide regulators.

The Bank's material act or fact disclosure policy applies to:

- i. Managers and any person who, in face of their position, have access to material acts or facts information, protects the confidentiality of this information until its disclosure to the market, and shall ensure that subordinates and other people you trust also do, being jointly liable with those in the case of non-compliance;
- ii. direct or indirect controlling shareholders with exclusive or shared control, officers, members of the Board of Directors, members of the Fiscal Council and of any bodies with technical or advisory functions entrusted to them by the company's bylaws, or whosoever, by virtue of their job, function or position in the company, its controlling companies, its controlled companies, or its affiliates, may possess knowledge concerning Material Information;
- iii. all persons that have a commercial, professional or confidence relations with the company, such as independent auditors, securities analysts, advisors and partner institutions of the distribution system, who have the authority to verify the disclosure of information before negotiating with securities issued by the company or related to them;
- iv. spouse from whom they are not legally separated, or life partner, or any dependent included in their annual income tax filing;



v. officers who leave the administrative bodies before the public release of negotiations or facts begun during his administration, and is extended for six months after his departure.

Violation of the rules and standards established in this Policy for Disclosure to the Market, section Material Fact or Significant Event, are serious infractions and shall subject the violator to the penalties foreseen in Law 6.385/76, CVM Instruction 358/2002 and updates, in Law 6.404/76, and the instructions of Banco do Brasil.

The disclosure of a material fact or significant event shall be communicated first to the CVM and to BM&FBOVESPA, and when necessary to the foreign regulators; and the same information shall be simultaneously disclosed to the press and investment analysts only after confirmation of receipt of the information by CVM. Furthermore, the information shall be included in the Bank's Investor Relations Internet page, in English and Portuguese.

Material fact or significant event can be withheld under exceptional circumstances, if the controlling shareholder or the Bank's management understands that the disclosure would compromise the legitimate interests of the Bank. Whenever Bank management decides to withhold information involving a material fact or significant event and this information leaks, the Vice-President of Financial Management and Investor Relations should immediately disclose such information as a material fact.

### **21.3. Management responsible for the information disclosure policy**

#### **Inform the directors and officers responsible for implementing, maintaining, assessing and overseeing the information disclosure policy**

In Banco do Brasil, the Investors Relations department (URI) reviews as necessary the Disclosure Policy and submits changes to the Board of Directors, and the Vice-president of Financial Management and Investors Relations is the person responsible for disclosing information referring to material acts of facts and other information to the investment market. However, other directors and officers are jointly liable in case of noncompliance with standards that regulate the disclosure of information to the market.

As informed in section 20 of this Reference Form, Banco do Brasil has a self-regulation system where the URI, subordinated to the Vice-president of Financial Management and Investors Relations, is responsible for the management of this system. Noncompliance with standards established in this Information Disclosure Policy comprises a serious infraction and subjects the transgressor to the penalties provided for in Law 6,385/76, CVM Instruction 358/02, Law 6,404/76 and the Bank's internal instructions, and the determination of responsibility is in charge of the Bank's Internal Audit.

### **21.4. Other relevant information**

#### **Provide other information that the issuer considers relevant**

The Information Disclosure Policy as well as other governance policies and documents of the Bank are available to the market in CVM website ([www.cvm.gov.br](http://www.cvm.gov.br)) and portal [www.bb.com.br/ir](http://www.bb.com.br/ir) (Investors Relations). All employees of the Bank have access to the policies provided for in Internal Rules (IN), and employees and service providers with access to material information, regardless of their job, should comply with the Bank's self-regulation standards.