§165(d) Tailored Resolution Plan

Public Section

PREPARED BY
Banco do Brasil

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In November 2011, the Board of Governors of the Federal Reserve System (“FRB”) and the Federal Deposit Insurance Corporation (“FDIC”) issued a final rule to implement the resolution planning requirements of Section 165(d) of Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”). Regulation QQ (the “Final Rule”) requires bank holding companies and certain foreign banking organizations with worldwide consolidated assets of $50 billion or more, as well as companies designated as systemically important under Title I of the Dodd-Frank Act, to submit plans for their rapid and orderly resolution in the event of material distress or failure.

This is the public section of the tailored resolution plan for the U.S. operations of Banco do Brasil and its subsidiaries (“BBSA”). BBSA’s material entities operating in the US are Banco do Brasil S.A., New York Branch (“BB-NY”), Banco do Brasil S.A., Miami Branch (“BB-Miami”), and Banco do Brasil USA Orlando Servicing Center (“Orlando Servicing Center”).

According to the Final Rule, a resolution plan should provide for the “rapid and orderly resolution” of the covered company. As applied to a banking organization organized outside of the United States, the Final Rule requires the creation of a resolution plan that addresses the reorganization or liquidation of the banking organization's subsidiaries and operations that are domiciled in the United States under the insolvency regime applicable to those operations. The Final Rule requires that the plan provide for a resolution that “can be accomplished within a reasonable period of time and in a manner that substantially mitigates the risk that the failure of the covered company would have serious adverse effects on financial stability in the United States.”

1. Overview of Banco do Brasil SA Corporation

BBSA is the largest financial institution in Latin America in terms of assets, which amounts to over $359.5 billion, and enjoys a high-profile position in several segments. BB has over 109,000 employees and 62.5 million customers. In 2015 it posted net income of $3.7 billion and a 20.4% share in the Brazilian credit market.

BBSA has the largest service network in Brazil and abroad among Brazilian financial institutions. Present in 99.7% of Brazilian municipalities, it has over 67.7 thousand service outlets across the country with a branch chain market share of 24.0%. Through its own network and arrangements with other institutions, it also provides a service, through its corresponding banking network, in 105 other countries.

In addition to proprietary, correspondent and shared outlets, BBSA has 38 units located in 23 countries. Headquartered in Brasília, BBSA was founded in 1808 and is the oldest active bank in Brazil. BBSA is majority-owned by the Brazilian government, and its stock is listed on the São Paulo Stock Exchange.

BBSA is subject to the resolution plan requirements under FRB Regulation QQ (12 CFR 243) and is pleased to present the public section of its plan for the rapid and orderly resolution of its U.S. operations (the “Plan”).
2. Description of US Material Entities

A material entity is a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation\(^1\) or core business line\(^2\). BBSA has three US material entities for the purposes of the Plan — branches in New York and Florida, BB-NY and BB-Miami, and Banco do Brasil USA Orlando Servicing Center. The branches provide corporate, institutional, governmental and private client banking services to Brazilian, U.S. and international clients. A large proportion of the client base consists of corporations and institutions based in, or doing substantial business with, Brazil. Banking services focus on support for Brazilian trade and investment flows and serving the U.S. Dollar needs of Brazilian entities, including BBSA.

The U.S. material entities of BBSA, for purposes of this Plan, are:

- **BB-NY**
  
  BB-NY is the largest of the material banking branches of BBSA in the US. It is licensed by the New York State Department of Financial Services ("NYSDFS") as part of BBSA. As of December 31, 2015, BB-NY Branch had approximately $16.4 billion in assets. BB-NY acts as the liquidity center for BBSA in the US.

- **BB-Miami**
  
  BB-Miami is the second of the material US branches of BBSA. It is licensed by the Florida Office of Financial Regulation ("OFR"), as part of BBSA. As of December 31, 2015, BB-Miami had approximately $1.25 billion in assets.

- **Orlando Servicing Center**
  
  The Orlando Servicing Center is located in Orlando, Florida, and provides critical support services to all of BBSA’s U.S. entities including the two banking branches. It is licensed by the OFR as an international administrative office. As of December 31, 2015, the Orlando Servicing Center had approximately $1.05 million in assets.

BBSA operates other subsidiaries and entities in the U.S., the size and scope of which do not qualify for consideration as part of the resolution strategy\(^3\).

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\(^1\) Critical operations means those operations of the covered company, including associated services, functions and support, the failure or discontinuance of which, in the view of the covered.

\(^2\) Core business lines means those business lines of the covered company, including associated operations, services, functions and support, that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value.

\(^3\) As of December 31, 2015, BBSA had one non-material banking entity, an Insured Depository Institution ("IDI") – Banco do Brasil Americas ("BB Americas"). BB Americas has approximately $367 million in assets, well below the $50 billion threshold in the regulatory definition of a Covered Insured Depository Institution ("CIDI") under FDIC IDI Rule (12 CFR 360.10), and accordingly is not required to submit a separate CIDI Resolution Plan. BBSA’s non-banking entities in the U.S. as of December 31, 2015 comprise: (a) a broker-dealer (Banco do Brasil Securities or "BBS"); (b) BB USA Holding Company, Inc. ("BBUSA"), a company incorporated in New York State, possessing no regulatory license; and, (c) an indirectly-owned broker dealer (Banco Votorantim Securities or "BV Securities"). None of these are considered material entities for the purposes of resolution planning due to their small size and the limited nature of their activities.
3. Description of Core Business Lines

The core business lines for the two U.S. material branches are as follows:

- **Corporate, Institutional and Government Banking**: The portfolio of products offered include: cash management, credit, foreign exchange, non-deliverable forwards, swaps, investments, and payments. The client base consists of Brazilian, American and Latin American companies, with Brazilian companies comprising the majority of business.

- **Individual Banking**: The U.S. material branches serve individuals through multiple channels that include in-person service at bank branches, automated teller machines, and customer service by phone and online banking.

- **Treasury**: Treasury is responsible for managing the funding and liquidity of the U.S. material entities, which includes overseeing asset and liability management.

4. Summary of the Resolution Plan

The Plan calls for the orderly resolution of the U.S. material entities, BB-NY and BB-Miami. Although it is implausible that the Brazilian government would permit BBSA to reach a state of financial distress that would prompt intervention by US authorities, the Plan must address the resolution of BBSA’s US material entities involving US resolution proceedings. As such, the Plan anticipates that BB-NY, BB-Miami and Orlando Servicing Center will be placed into resolution under the supervision of the NYSDFS and OFR, following notice from BACEN that it intends to restructure BBSA.

The Plan does not assume any extraordinary assistance during the resolution process, whether from New York state, Florida state, the US or any supervisory authority therein, or any of the countries that are host to BBSA. During resolution, the liquidity resources of the US material entities will be maintained, including via the sale of unencumbered liquid assets, in order to meet asset pledge requirements.

5. Financial Information

5.1 Balance Sheet Information

Financial information for the US material entities can be found in the consolidated balance sheet for the US material entities, shown in Figure 1.
Figure 1: Consolidated Balance Sheet for the US material entities

<table>
<thead>
<tr>
<th>Balance Sheet</th>
<th>Material Entities</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td>$ Amount</td>
</tr>
<tr>
<td>Total cash and due from banks</td>
<td>12,531.22</td>
<td>71%</td>
</tr>
<tr>
<td>Total certificates of deposit</td>
<td>150.00</td>
<td>1%</td>
</tr>
<tr>
<td>Federal Funds Sold/Reverse Repos</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Total loans and advances, net</td>
<td>4,862.38</td>
<td>28%</td>
</tr>
<tr>
<td>Total other assets</td>
<td>114.08</td>
<td>1%</td>
</tr>
<tr>
<td>Total Assets</td>
<td>17,657.68</td>
<td>100%</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to depositors</td>
<td>13,820.82</td>
<td>78%</td>
</tr>
<tr>
<td>Repos</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Borrowings</td>
<td>3,340.70</td>
<td>19%</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>95.12</td>
<td>1%</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>17,256.63</td>
<td>98%</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Head Office Equity</td>
<td>401.05</td>
<td>2%</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>17,657.68</td>
<td>100%</td>
</tr>
</tbody>
</table>
5.2 Major Funding Sources

BBSA has a diversified funding base for the US two branches, with funds sourced from a variety of customers comprising individuals, corporations, banking institutions, and official institutions. BBSA maintains an active market profile in order to ensure the adequacy and diversity of its funding base, reducing the dependency on any small group of funding sources.

The US material entities’ primary sources of funds include:

- Banco do Brasil S.A. Head Office (“Head Office”)
- BBSA affiliates
- International and local banks
- Brazilian institutions and companies
- Brazilian government entities
- Individual deposits

5.3 Capital

As a New York state chartered branch, BB-NY is subject to minimum asset pledge requirements. BB-NY had pledged $125 million as of December 31, 2015 in fulfillment of their requirement.

As a Florida state chartered branch, BB-Miami is subject to pledge requirements with the OFR, otherwise known as minimum capital equivalency requirements. BB-Miami had pledged $112.6 million as of December 31, 2015 in fulfillment of their requirement.

5.4 Description of derivatives activities and hedging activities

BB-NY and BB-Miami use derivatives only for hedging purposes. The BB-NY Treasury Department manages liquidity and investments for both BB-Miami and BB-NY, and conducts all derivative transactions. BB-Miami had no outstanding derivatives as of December 31, 2015.

6. List of memberships in material payment, clearing and settlement systems

The US material entities use seven third-party vendors to provide payment services, the majority of which are located in the US. The Orlando Servicing Center maintains the technical connections to payments systems such as FedWire, SWIFT (messaging), FIS/GIFTS, Euroclear, DTC, CLS and CHIPS.
7. Identities of material supervisory authorities

The Central Bank of Brazil (“BACEN”) is the BBSA Group’s primary regulator in Brazil. In its role as regulator, BACEN is responsible for overseeing the resolution of financial institutions in Brazil.

The FRB is responsible for regulating a wide range of financial institutions and activities, working with both federal and state supervisory authorities to ensure the safety and soundness of financial institutions, stability in the financial markets, and fair and equitable treatment of consumers in their financial transactions. The FRB has primary supervisory authority for state banks that elect to become members of the Federal Reserve System.

The NYSDFS is responsible for regulating financial services and products, including those subject to the New York Insurance and Banking Laws.

BB-NY would be liquidated pursuant to the insolvency and liquidation provisions of the New York Banking Law by the Superintendent of the NYSDFS; the OFR oversees the liquidation of branches of foreign banks in accordance with Florida Banking Law.

8. Identities of principal officers

Senior Management of BBSA is composed of:

- Paulo Rogerio Caffarelli – President
- (Position is currently vacant) – Vice President of Agribusiness and Small Ventures
- Raul Francisco Moreira – Vice President of Retail Services
- Walter Malieni Junior – Vice President of Internal Controls and Risk Management
- José Mauricio Pereira Coelho – Vice President of Financial Management and Investor Relations
- Julio Cezar Alves de Oliveira – Vice President of Government Affairs
- Antonio Mauricio Maurano – Vice President of Wholesale
- Geraldo Afonso Dezena da Silva – Vice President of Technology
- Paulo Roberto Lopes Ricci – Vice President of Retail Distribution and Human Resources
- (Position is currently vacant) – Vice President of Services, Infrastructure and Operations

Senior Management for BBSA’s US operations, with the exception of BB Americas, is composed of:

- José Luis Prola Salinas – US Regional Manager
- Alexandre Alves – General Manager of BB-NY
- Luis Carlos Moscardi – General Manager of BB-Miami
- Sergio Sanches Marques – General Manager of Orlando Servicing Center
- Alessandro Gajano – Deputy General Manager and Treasurer

The information provided is as of October 31, 2016.
9. Description of Material Management Information Systems

BBSA relies on key management information systems ("MIS") for financial, accounting, risk management, operations, and regulatory reporting. BBSA maintains a core banking system across its US material entities that is operated out of Head Office.

10. Description of corporate governance structure and processes related to resolution planning

Resolution planning involves several levels of BBSA’s corporate structure. Ultimate responsibility for all corporate governance of BBSA resides with the BBSA Board of Directors (the “Board”). The Board approves the initial creation of the Plan. The Board additionally approves management action plans to enhance resolvability and assure ready access to information required for effective resolution planning. Generally, the Board delegates its authority and oversight responsibilities to Global Risk Committee (“CSRG”) at HO.

The CSRG provides ongoing risk governance and oversight of the Plan. The CSRG reviews the Plan when it is submitted by Risk Management Directorship, Head Office (“DIRIS”) and Corporate Bank Directorship, Head Office (“DICOR”) at least annually, and whenever any material changes have occurred.

In order to provide regional oversight at its subsidiaries and branches, BBSA created the Resolution Plan Committee (“RPC”) to cover the US material entities. It meets quarterly to provide ongoing oversight of the development, implementation, and maintenance of the Plan, and to ensure effective integration with other related governance, strategic planning and risk management processes. The RPC is composed of the US Regional Manager, General Managers from BB-NY and BB-Miami, the Deputy General Managers from BB-NY and BB-Miami, the Risk Manager for the US material entities, the Asset and Liability Manager, the Regional Compliance Officer, and the Controller.

The RPC is responsible for coordinating the execution of the Plan as approved by the supervisory authority in addition to submitting to DIRIS and DICOR an updated version annually for analysis and subsequent submission to the approval of the CSRG.

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