

Notice on Transaction with Related Party (CVM Instruction 552/2014)

Following next, the detailing required by Appendix C to CVM Instruction 552, as of 10/09/2014 - Appendix 30-XXXIII, art. 2. The referred Instruction included in the ICVM 480/09: (a) item XXXIII, art. 30; and (b) Annex 30-XXXIII:

I – transaction description, including:	
a) the parties and their relation with BB; and	Banco Votorantim (BV Financeira): Affiliate of Banco do Brasil.
b) the object and main terms and conditions.	<p>Object: Assignment of Credit Rights with Substantial Retention of Risks and Benefits (with co-obligation of the assignor).</p> <p>Date of Assignment: 07/24/2020</p> <p>Amount paid: R\$ 395,427,763.04</p> <p>Main Terms and Conditions:</p> <ul style="list-style-type: none"> Co-obligation assumed by the assignor that provides for the payment of maturities regardless of the default of the portfolio with the <i>First Loss</i> mechanism. Mandate clause that provides for the collection and receipt of debtors by the assignor. Clause of repurchase of transactions settled in advance by debtors, of operations in default or that are subject to failures / hiring defects. Deposit clause related to the ceded credit transaction dossiers for which the assignor is established as a trustee.
II – if, when and how the transaction counterpart, their partners or managers took part in the process:	
a) of BB's decision on the transaction, describing this participation; and	Not applicable.
b) of the transaction negotiation as BB's representants, describing this participation;	Not applicable.
III – detailed explanation of the reasons why BB's management considers that the transaction has observed commutative conditions or provides for an appropriate compensatory payment, informing, for example:	
a) whether BB has requested proposals, undertaken any price-taking procedure, or otherwise attempted to carry out the transaction with third parties, explaining, if not, the reasons why it did not do so or, if so, the procedures performed and their results;	<p>Yes, BB does business with other financial institutions in the credit assignment market.</p> <p>The procedures performed are: risk analysis and establishment of credit limit for the transferring institution, negotiation of the conditions, analysis of the credit process of the assignor, establishment of operational ceiling for the assignment and evaluation and selection of the portfolio by the area of credit, pricing at market prices by the finance area and formalization and settlement of the assignment in the Chamber of Assignments of Credits (C3) authorized by the Central Bank of Brazil.</p>
b) the reasons that led BB to carry out the transaction with the related party and not with third parties; and	BB also conducts business with other financial institutions. As with the other institutions, the business with the related party stems from the strategic synergy between the institutions.

c) a detailed description of the measures taken and procedures adopted to ensure the operation commutativity.	The procedures and measures adopted follow the standards of the credit assignment market, being formalized through credit assignment agreements and validated and settled in C3 at market price.
If the transaction is a loan granted by BB to the related party, the information provided must necessarily include:	
I - an explanation of the reasons why BB chose to grant it, indicating any guarantees required;	Not applicable.
II- analysis of the borrower's credit risk, including an independent risk classification, if any;	Not applicable.
III - description of the way in which the interest rate was fixed, considering free risk market rate and the borrower's credit risk;	Not applicable.
IV - comparison between the loan's interest rate and other similar applications on the market, explaining the reasons for possible discrepancies;	Not applicable.
V - comparison between the loan's interest rate and the rates of other loans received by the borrower, explaining the reasons for possible discrepancies;	Not applicable.
VI - description of the impact of the transaction on the financial liquidity condition and the BB's indebtedness level.	Not applicable.