



# Annual Letter of **Public Policies** and **Corporate Governance**

2019

Year Base 2018



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## Board of Directors Message

We have chosen 2018 as the Year of Relationship, and we believe that the business environment transformation as well as the expectations of our clients for financial services will intensify in the coming periods. Thus, the focus on improving the consumer experience and investment in innovation will continue to guide our performance. The service quality is fundamental to customer satisfaction, as it contributes to increase the confidence in our brand, generating business opportunities and increasing our profitability.

Law No. 4,595/64 established the National Financial System (SFN) and defined us as financial agent of the National Treasury and main instrument for the execution of the Federal Government's credit policy. We are responsible for the financing of commercial, industrial and rural activities, dissemination and orientation of credit, effective foreign trade policy, among other duties. With more than 210 years of existence, we work to promote social inclusion through the jobs and income generation.

As executor of public policies, we received from the National Treasury R\$4.65 billion for loans and financing disbursements in 2018. In the same year, our clients paid R\$3.27 billion in installments. This portfolio has a balance of R\$47.56 billion.

We ended the year with adjusted net income of R\$13.5 billion, an increase of R\$2.4 billion, or 22.2% over 2017. Return on Shareholders' Equity (ROE) increased to 13.9% from 12.3% in the same comparison. Part of this result was achieved due to the rigid control of administrative expenses - an increase of 0.6% in the period, lower than the inflation of 3.75% as measured by the IPCA - and the drop in Allowance for Loan Losses, at R\$5.9 billion (29.2% decrease compared to 2017).

Our revenues from services and bank fees increased by 5.8% during the year, which demonstrates the success of the relationship strategy and specialized advisory services to clients, especially with the new technologies adoption. The materialization of this result is expressed in our Adjusted Cost-to-income ratio, which reached 38.5%, and in the improvement of our Capital Index, which reached 18.86% in December, being 10.0% of CET1.

We are the only bank with shares listed since 2006 in the "Novo Mercado" of B3, the most demanding segment of the Brazilian stock market in governance requirements. We are also a member, with BB Seguridade (publicly held company of our conglomerate), in the State Governance Highlight Program (PDGE) of B3, with a maximum score in the observed issues. Our stock is part of the Emerging Markets portfolio of the Dow Jones Sustainability Index (DJSI) of the New York Stock Exchange and for the fourteenth consecutive year, we are part of the B3's Corporate Sustainability Index (ISE).

We were considered the most sustainable bank in the world in the 2019 Corporate Knights Global 100 ranking, in an announcement made at the World Economic Forum in Davos, Switzerland. These achievements demonstrate that we are on the right track when we consider the social and environmental impacts in our activities and businesses management.

In 2019, we will have as drivers the increase volume in new operations with new customers (mainly young people), the enchantment with the BB brand, innovation and profitability. We will focus on modernizing the structure and customer satisfaction. We intend to generate more and more business in a sustainable and value-for-money for our shareholder.

We are grateful for the dedication and commitment of our employees, as well as the trust of customers and society.

**Waldery Rodrigues Júnior**  
Chairman of the Board of Directors

**Rubem de Freitas Novaes**  
Banco do Brasil's CEO

### General Identification

In accordance with article 8, items I and VIII, of Law 13303, of June 30, 2016; with article 13, items I and VIII, of Decree 8.945, of December 27, 2016; and with Article 18 of the Rules of Procedure of the Highlight Program on State Governance of B3 (Brasil, Bolsa, Balcão), the Board of Directors subscribes to this Annual Letter of Public Policies and Corporate Governance of Banco do Brasil SA for the fiscal year 2018.

<b>CNPJ</b>	00.000.000/0001-91. NIRE 5330000063-8
<b>Headquarters</b>	Brasília/DF
<b>Type</b>	Mixed Capital
<b>Controlling Shareholder</b>	Union, through the National Treasury
<b>Corporate Type</b>	Joint Stock
<b>Type of Capital</b>	Publicly Held
<b>Scope</b>	International
<b>Sector</b>	Financial/Banking industry
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<b>Board of Directors underwriters of the Annual Letter</b>	Waldery Rodrigues Júnior (CPF 357.025.913-72) Daniel Sigelmann (CPF 021.484.577-05) Rubem de Freitas Novaes (CPF 019.470.447-53) Julio Cesar Costa Pinto (CPF 579.940.641-91) Fabiano Felix do Nascimento (CPF 822.817.934-00) Beny Parnes (CPF 729.641.627-00) Luiz Serafim Spinola Santos (CPF 093.068.627-68)
<b>Annual Letter Underwriting Administrators</b>	Rubem de Freitas Novaes (CPF 019.470.447-53) <b>Position: CEO</b> Carlos Hamilton Vasconcelos Araújo (CPF 223.794.793-72) <b>Position: Vice-President of Finance Management and Investor Relations (CFO)</b>

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**Release Date: 05/15/2019**

## Corporate Governance and Public Policies

Law No. 13.303/16, in its article 8, items I, III and VIII, sets forth the explanation of the commitments for attainment of objectives of public policies by the mixed-capital company, in response to the collective interest which justified the authorization for its creation, with clear definition of the funds to be used for this purpose, as well as the disclosure of relevant information, in special those related to the activities performed, control structure, risk factors, economic and financial data, management comments on the performance, corporate governance policies and practices and description of the composition and compensation of management. This information is detailed below.

### 1. Public interest underlying the corporate activities

Law No. 4.595/64 introduced the Brazilian Financial System, composed of the National Monetary Council, Central Bank of Brazil (Bacen), Banco do Brasil (BB), National Bank for Economic and Social Development (BNDES) and other financial institutions. The same standard defined Banco do Brasil as financial agent of the National Treasury and principal instrument of execution of the loan policy of the Federal Government, being responsible for the financing of commercial, industrial and rural activities, disclosure and guideline of loan, performance of the foreign trade policy, among other assignments. With over 210 years, BB operates on responsible basis to promote social inclusion through the creation of jobs and generation of income.

Agribusiness is one of the principal sectors of the Brazilian economy, being fundamental for the growth and development of the country. Banco do Brasil finances the costing of production and the sale of farming products, foments rural investments such as storage, processing, manufacture of agricultural products and modernization of agricultural machines and implements, in addition to the compliance of rural properties to the environmental legislation. Accordingly, BB supports the Brazilian agribusiness sector in all the stages of the production chain.

BB offers to SME solutions of working capital, financing of investments and foreign trade, in addition to many other options related to cash flow, security, pension and services. The several segments of Companies, including Individual Microentrepreneurs (MEI), are offered from financial alternatives to business models that promote the transition to an inclusive economy.

In the financing to foreign trade, BB operates public policy instruments of production development, entrepreneurship, social and financial inclusion, including the Income Generation Program (Proger) Export and the Export Financing Program (Proex), in which it is exclusive agent of the Federal Government.

Additional information on the history of Banco do Brasil and its main products and services is available at sections 6 and 7 of the Reference Form (at [bb.com.br/ir](http://bb.com.br/ir) > Downloads > [Reference Form](#)).

### 2. Activities Developed

Banco do Brasil is a multiple bank based in Brasilia, Federal District, has a significant presence in all Brazilian states, as well as developing activities in important global financial centers. Currently our external network is composed of 24 branches located in 17 countries, on the American, Asian and European continents. In addition, we have entered into agreements with financial institutions abroad and there were 875 banks acting as our correspondents in 107 countries by 2018.

The purpose of the Bank is to exercise all banking operations, the provision of banking services, intermediation and financial supply in its multiple forms and the exercise of any activities provided to SFN member institutions.

With more than 210 years of history, our main strength is in retail banking. Through strategic partnerships, affiliated and controlled companies, we offer a wide range of services. In general, we group our business into six segments: **(i)** banking; **(ii)** investments; **(iii)** resource management; **(iv)** insurance, pension plan and premium bonds; **(v)** means of payment; and **(vi)** other segments.

The BB's focus is to conduct business oriented to the generation of sustainable results and performance compatible with the market leaders. The Bank supports agribusiness, micro and small enterprises and foreign trade both through the execution of federal programs and through the development of solutions that seek to simplify the operations and services that serve these segments of the economy.

In order to offer differentiated solutions and strengthen the bond with the customers, BB segments its service in five major markets: Physical Retail, Retail, Wholesale, Private and Public Sector. Knowledge of markets allows the development of value propositions appropriate to customer profiles: service model,



channels, product and service portfolios, prices and tariffs, integrated communication approach and, where appropriate, specific brand.

Additional information on the main products and services provided by Banco do Brasil can be found in sections 7.2 and 7.3 of the Reference Form (available at [bb.com.br/ir](http://bb.com.br/ir) > Publications and Communications > [Reference Form](#)).

### 3. Public Interest and Related-Party Operations

Aligned with the public interest, the Bank develops activities that meet public policies and its social purpose pursuant to articles 5 and 6 of BB's By-Laws:

**Article 5.** The Bank will contract, as stipulated by law or in the regulations, directly with the Federal Government or with its intervention:

- I. carry out the duties and services pertinent to the function of a financial agent of the National Treasury and other functions assigned to it by law;
- II. provide financing of government interest and carry out official programs by investing funds from the Federal Government or any nature; and,
- III. provide guarantee for the Federal Government.

**Sole paragraph.** The activities provided for by this article are conditioned, as the case may be, to the following:

- IV. the availability of corresponding funds to the Bank and the setting out of a corresponding interest payment;
- V. the prior and formal definition of the terms and proper interest payable in connection with the funds to be invested in case of equalization of financial charges;
- VI. to the prior and formal definition of the terms and assumption of risks and of remuneration, never lower than the costs of the services to be rendered; and,
- VII. to the prior and formal definition of the term to fulfill the obligations and the penalties for non-compliance.

**Article 6.** The Bank may engage the performance of duties, services and transactions that are assigned to the Brazilian Central Bank, if the provisions of the sole Paragraph of article 5 of these bylaws are followed.

Banco do Brasil, important agent of the economic and social development of the country, seeks to foment the economy and growth, operating in support to the public management in the promotion of improvements in several sectors. To maintain the growth of its loan portfolio with stability in the quality of assets, it seeks to establish partnerships that assure the same values of integrity, reputation and respect to the community and environment.

The Bank operates with public policies through financial services available to its clients, also participates in programs, projects and initiatives of public management, offering customized solutions that assist in the coverage of social demands. Accordingly, the Bank carries out transactions with the Federal Government, controlling shareholder, which generate financial effects on its Equity and Result.

### 4. Public Policies

The *Plano Plurianual* (Plurennial Plan), or PPA, set forth by Article 165 of the Brazilian Federal Constitution, is the planning tool that establishes the guidelines, objectives, and targets of the Federal Government. The PPA enables the implementation and management of public policies, direct the strategic reach of the governmental action, direct the establishment of priorities, and assist in the promotion of sustainable development.

The Ministry of Economy (ME), together with other bodies and entities of the Executive Branch, is responsible for coordinating the processes of preparation, monitoring, evaluation and review of the applicable PPA, and release methodology, guideline and technical support for its management (Law No. 13,249/16 ruled by Decree 8,759/16).

Banco do Brasil is inserted in the PPA as executor agent of governmental public policies, through financing funds (governmental), other initiatives (own funds) and realization of fixed investments, aligned with the programs, objectives and goals previously defined by the ME and by *Órgãos Setoriais* (Sector Bodies), or OS, which correspond to the executor ministries of the public policies.

The governmental initiatives under the PPA should maintain consistency with the targeting of the Corporate Strategy of Banco do Brasil.

#### 4.1. Governmental Initiatives

##### 4.1.1. Sustainable Agribusiness

Banco do Brasil acts in the program with the purpose of (i) increasing the availability and access to rural credit resources and other financing sources, and (ii) strengthening cooperativism and rural associativism, aiming at improving quality of life, organization and sustainability of the productive base, creation of jobs and generation of income, social inclusion and reduction of regional inequalities, and (iii) promoting knowledge and adoption of *Agricultura de Baixo Carbono* (Low Carbon Agriculture, or ABC).

##### Granting Loan to Rural Producers

Rural credit covers resources for maintenance, commercialization, industrialization and investment. Its rules, purposes and conditions are defined in the Rural Credit Code (MCR), prepared by the Brazilian Central Bank (Bacen). These codes are followed by all agents from the National Rural Credit System (SNCR) such as banks and credit unions.

Banco do Brasil is historically the principal financial agent of the Brazilian agribusiness, supporting all the production phases, and financing the production costing, the trading and investments, including storage, processing and manufacture of agricultural products.

Our performance portrays the strong agribusiness scenario, fueled by the demand from rural producers for credit and the commitment to expand service to Brazilian agribusiness in a sustainable way.

We will continue the actions of strategic support and promotion of rural credit in all its purposes, with emphasis on digital solutions to simplify the credit process, stimulating service to rural producers and their cooperatives, reinforcing its historic partnership with Brazilian agribusiness.

Governmental Initiative	Granting Loan to Rural Producers
<b>i. description</b>	Granting loan to rural producers by the Bank, except deals with cooperatives, BB ABC Program, BNDES/FINAME lines, operations with resources from the Federal Government, Pronaf, Pronamp and agroindustrial credit.
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Plurennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. goals (planned/realized) <sup>(1)</sup></b>	<p>Goal projected in 2017: R\$39.9 billions Performed in 2017: R\$44.5 billion (111.5% of the goal)</p> <p>Goal projected in 2018: R\$41.9 billion Performed in 2018: R\$53.8 billion (128.3% of the goal)</p> <p>Goal projected in 2019: R\$44.0 billions</p>
<b>iv. investments made</b>	Amount disbursed in 2018 by the Bank: R\$53.8 billion.
<b>vi. costs incurred</b>	Funding, administrative and tax costs.
<b>vi. origin of funds involved, including sources of funds and conditions</b>	The main sources of funds for financings are: - Agricultural Savings; - Demand Deposits.
<b>vii. estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$251.4 million in 2018.
<b>viii. Process of price formation and rules applicable to establishment of tariffs</b>	The rural credit has free and controlled rates. The controlled rates bear financial charges defined by the CMN (National Monetary Council) and allocators of funds.

(1) According to the guidelines, objectives and goals of the federal public administration established in the Plurennial Plan (PPA) 2016-2019.

##### Granting Loan to Medium Rural Producers

The purpose of the National Program of Support to Medium Rural Producers (Pronamp) is to promote the development of rural activities of medium producers and to enable the increase of income and creation of jobs in rural areas.



The financing conditions are established in line with the objectives of Pronamp and are differentiated, mainly in concern to interest rates lower than those available to other rural producers.

The Bank carries out actions for the strengthening of Pronamp, mainly:

- i. Mandatory targeting to cover the costing needs of medium rural producers for the lines of Pronamp;
- ii. Expansion of the operating model through resales of agricultural machines contracted as Commercial Correspondents —Agribusiness Segment, which enhances the offer of the investment lines from Pronamp and facilitates the origination of financing proposals at purchase of machines and equipment by medium rural producers.

We will continue the actions of strategic support and promotion of rural credit in all its purposes, with emphasis on digital solutions to simplify the credit process, stimulating service to rural producers and their cooperatives, reinforcing its historic partnership with Brazilian agribusiness.

Strategic support to the rural producers supported by the Pronamp shows positive results and reinforces the partnership of the BB with the Brazilian agribusiness.

Governmental Initiative	Pronamp
<b>i. description</b>	Granting credit to rural producers under Pronamp (National Support Program for the Middle Rural Producer, from Resolution CMN No. 3,987/11) by the Bank, except deals with cooperatives, BNDES/FINAME lines and operations with resources from the Federal Government, including resources from saving accounts, free resources, constitutional funds and Hybrid Capital and Debt Instruments (HCDI).
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Pluriennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. goals (planned/realized) <sup>(1)</sup></b>	Goal projected in 2017: R\$11.5 billion Performed in 2017: R\$11.7 billion (101.7% of the goal)  Goal projected in 2018: R\$7.5 billion Performed in 2018: R\$11.6 billion (154.1% of the goal)  Goal projected in 2019: R\$7.5 billion
<b>iv. investments made</b>	Amount disbursed in 2018 by the Bank: R\$11.6 billion.
<b>vi. costs incurred</b>	Funding, administrative and tax costs.
<b>vi. origin of funds involved, including sources of funds and conditions</b>	The main sources of funds for financings are: - Agricultural Savings; - Demand Deposits.
<b>vii. estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$26.7 million in 2018.
<b>viii. Process of price formation and rules applicable to establishment of tariffs</b>	The rural credit has free and controlled rates. The controlled rates bear financial charges defined by the CMN (National Monetary Council) and allocators of funds.

(1) According to the guidelines, objectives and goals of the federal public administration established in the Pluriennial Plan (PPA) 2016-2019.

### Granting Loan to Cooperatives and Associations

We have a specialized team dedicated to expanding business with cooperatives, especially in the agriculture, livestock and rural credit segment. This structure provides specialized guidance to the branch and customer network, adequate credit (directed to the characteristics and needs of cooperatives), upgrading and specialization of assistance provided to cooperatives, besides the increase of volumes traded and contracted by cooperatives due to partnerships and processes' improvements.

As a result, the Bank reached 72.66% of the program target set for the base year. The following aspects stand out: product and credit's processes improvement, specialized assistance to cooperatives, favorable agribusiness scenario and growth of cooperatives in the country.



We maintain partnerships with agriculture, livestock and rural credit cooperatives, which makes it possible to increase the access of rural producers to credit, through agribusiness correspondent agreements. This partnership, in addition to allowing greater agility, is an important tool to increase the capacity of contracting rural credit operations by the Bank, thus ensuring that resources, especially those of Pronaf, can reach a greater number of families.

These initiatives, besides increasing the rural credit resources application, promote the development of the most distant localities of the country, contributing to the increase of production, productivity, exports and investments in new technologies, as well as maintenance and generation of income and jobs, thus increasing rural producers' life quality.

Governmental Initiative	Granting Loan to Cooperatives and Associations
<b>i. description</b>	Granting credit to cooperatives and associations, funded by saving accounts resources, free resources, constitutional funds, agribusiness letters of credit and and Hybrid Capital and Debt Instruments (HCDI), except resources from BNDES, General Budget of the Federal Government (OGU) and AgroIndustrial.
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Plurennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. goals (planned/realized) <sup>(1)</sup></b>	Goal projected in 2017: R\$ 5.8 billion Performed in 2017: R\$ 6.9 billion (119.4% of the goal)  Goal projected in 2018: R\$6.1 billion Performed in 2018: R\$4.4 billion (72.7% of the goal)  Goal projected in 2019: R\$6.4 billion
<b>iv. investments made</b>	Amount disbursed in 2018 by the Bank: R\$4.4 billion.
<b>vi. costs incurred</b>	Funding, administrative and tax costs.
<b>vi. origin of funds involved, including sources of funds and conditions</b>	The main sources of funds for financings are: - Agricultural Savings; - Demand Deposits.
<b>vii. estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$125.8 million in 2018.
<b>viii. Process of price formation and rules applicable to establishment of tariffs</b>	The rural credit has free and controlled rates. The controlled rates bear financial charges defined by the CMN (National Monetary Council) and allocators of funds.

(1) According to the guidelines, objectives and goals of the federal public administration established in the Plurennial Plan (PPA) 2016-2019.

### Granting Loan to Low Carbon Emission in Agriculture (ABC)

The objective of the ABC program is to finance sustainable agriculture and livestock production systems with recognized capacity to reduce (or absorb) greenhouse gas emissions (GEE), as well as to promote the production of biomass, food production and the preservation of the environment.

In order to disclose the credit line, its purposes, benefits and conditions, and encourage its contracting, we have historically implemented actions such as:

- i. Broad internal disclosure through current regulations;
- ii. Availability of the line with both own resources and BNDES, according to the budget availability of the entities;
- iii. Partnerships with farmer's support organizations to disseminate the ABC program;
- iv. Simplification and automation of contracting processes;
- v. *Articulação do Assessoramento Técnico em Nível de Carteira* (Articulation of Technical Assistance at Portfolio Level), or ATNC, with companies that provide technical assistance to rural producers, to identify the technologies and standardization of investment projects under the ABC program;

In addition, the Bank reinforces its commitment to sustainability through the continuation of priority actions and strategic support to the ABC program, stimulating service to rural producers and



implementing the strategic measures offered by the economic environment, legislation and good market practices.

<b>Governmental Initiative</b>	<b>Loan facilities to financing of Agriculture of Low Carbon Emission (ABC)</b>
<b>i. description</b>	The purpose of the program is to finance sustainable systems of agricultural production with capacity to reduce/sequester emissions of Greenhouse Gases (GEE), in addition to promote the production of vegetation/biomass, the production of food and preservation of environment.
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Pluriennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. goals (planned/realized) <sup>(1)</sup></b>	Goal projected in 2017: R\$ 915.9 million Performed in 2017: R\$ 788.0 million (86.0% of the goal)  Goal projected in 2018: R\$961.7 million Performed in 2018: R\$1.6 billion (169.7% of the goal)  Goal projected in 2019: R\$1.0 billion
<b>iv. investments made</b>	Amount disbursed in 2018 by the Bank: R\$1.6 billion.
<b>vi. costs incurred</b>	Funding, administrative and tax costs.
<b>vi. origin of funds involved, including sources of funds and conditions</b>	The main sources of funds for financings are: - Agricultural Savings; - Demand Deposits.
<b>vii. estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$2.9 million in 2018.
<b>viii. Process of price formation and rules applicable to establishment of tariffs</b>	The rural credit has free and controlled rates. The controlled rates bear financial charges defined by the CMN (National Monetary Council) and allocators of funds.

(1) According to the guidelines, objectives and goals of the federal public administration established in the Pluriennial Plan (PPA) 2016-2019.

#### 4.1.2. Strengthening and Enhancement of Family Farming

The purpose of the Program is to expand the access to and qualify the loan instruments, protection of production, guarantee of minimum prices and guarantee of income for Family Farming.

##### Granting Loan to Family Farmers

The National Program for the Strengthening of Family Farming (Pronaf) aims to foment the generation of income and prize the use of family labor in rural properties as long as the prerogatives of the MCR have been complied with.

The financing conditions are established in line with the objectives of Pronaf and are differentiated, especially with regard to interest rates lower than those applied to other rural audiences.

We develop actions focused on strengthening the Pronaf, mainly the following:

- i. Guideline to the branches on the possibility of covering the loan needs of family farmers;
- ii. Adoption of the model of operation through partners and special agreements contracted as Commercial Correspondents –Agribusiness Segment, which includes the lines of working capital for input purchase and investment and facilitates the origination of financing proposals from digital channels;
- iii. Simplification, de-bureaucracy and digitization of the contracting and renewal processes for the costing and investment lines.

The ongoing performance portrays the scenario and the commitment of the Bank to expand the service to the Brazilian agriculture in a sustainable way, of which it is the largest financier, in consonance with the Federal Government policies for the segment.

We promote actions of strategic support to the Family Farming, with emphasis on digital solutions to streamline the process, thus fomenting the service to this public and reinforcing its historical partnership with the agribusiness.

Governmental Initiative	Granting Loan to family farmers (Pronaf)
<b>i. description</b>	The National Program for the Strengthening of Family Farming (Pronaf) aims to stimulate income generation and value the use of family labor in rural properties, according to prerogatives of the Rural Credit Code (MCR).
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Plureannual Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. goals (planned/realized) <sup>(1)</sup></b>	<p>Goal projected in 2017: R\$13.0 billion Performed in 2017: R\$13.1 billion (101.0% of the goal)</p> <p>Goal projected in 2018: R\$10.5 billion Performed in 2018: R\$13.5 billion (128.2% of the goal)</p> <p>Goal projected in 2019: R\$10.5 billion</p>
<b>iv. investments made</b>	Amount disbursed in 2018 by the Bank: R\$13.5 billion.
<b>vi. costs incurred</b>	Funding, administrative and fiscal costs.
<b>vi. origin of funds involved, including sources of funds and conditions</b>	<p>The main sources of funds for financings through the Pronaf are:</p> <ul style="list-style-type: none"> <li>- Agricultural Savings;</li> <li>- Demand Deposits;</li> <li>- HCDI;</li> <li>- FCO;</li> <li>- National Treasury.</li> </ul>
<b>vii. estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$26.0 million in 2018.
<b>viii. Process of price formation and rules applicable to establishment of tariffs</b>	The rural credit has free and controlled rates. The controlled rates bear financial charges defined by the CMN (National Monetary Council) and allocators of funds.

(1) According to the guidelines, objectives and goals of the federal public administration established in the Plurennial Plan (PPA) 2016-2019.

#### 4.1.3. Fishing and Fish Farming

The purpose of the program is to foster the fishing and fish farming production on sustainable and competitive basis.

##### Granting Loan to Fishermen and Fish Farmers

The Bank, as the main agent of Brazilian agribusiness, operates with all the publics of the fishing segment, from the small producers to large agribusiness companies, in the financing for the costing and sale of production, as well as promoting rural investments, such as: storage, processing, industrialization of products and modernization of machinery and implements.

In order to streamline the services to fishermen and fish farmers, we implemented actions focused on the integration of the chain and granting of loan to producers including through production links, with formalization of partnerships with agents of the segment.

The fishermen and fish farmers have loan support by the Bank so that, on inclusive and sustainable basis, they can expand their production and promote an activity in the country, aiming to increase the financing granted to the segment, observing the demand of producers, market conditions and the rules of the National Monetary Council (CVM) and the Central Bank of Brazil (Bacen).

In recent years, there has been a change in licensing and, consequently, access to credit that has directly influenced the contracted volume.



Governmental Initiative	Granting Loan to Fishermen and Fish Farmers
<b>i. description</b>	Granting credit to fishermen and fish farmers by the Bank, except resources from BNDES, General Budget of the Federal Government (OGU) and AgroIndustrial.
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Pluriennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. goals (planned/realized) <sup>(1)</sup></b>	<p>Goal projected in 2017: R\$220.5 million Performed in 2017: R\$107.8 million (48.9% of the goal)</p> <p>Goal projected in 2018: R\$160.0 million Performed in 2018: R\$206.6 million (129.1% of the goal)</p> <p>Goal projected in 2019: R\$243.1 million</p>
<b>iv. investments made</b>	Amount disbursed in 2018 by the Bank: R\$206.6 billion.
<b>vi. costs incurred</b>	Funding, administrative and fiscal costs
<b>vi. origin of funds involved, including sources of funds and conditions</b>	The main sources of funds for financings are: - Rural Savings; - Demand Deposits.
<b>vii. estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$778.6 thousand in 2018.
<b>viii. Process of price formation and rules applicable to establishment of tariffs</b>	The rural credit has free and controlled rates. The controlled rates bear financial charges defined by the CMN (National Monetary Council) and allocators of funds.

(1) According to the guidelines, objectives and goals of the federal public administration established in the Pluriennial Plan (PPA) 2016-2019.

#### 4.1.4. Regional and Territorial Development

Banco do Brasil acts in the program with the purpose of **(i)** promoting the regional development and the organization of the Brazilian territory through the planning of the occupation and the use of the space in a sustainable way and with territorial approach, besides **(ii)** to promote the structuring of productive activities, productive arrangements and integration routes for regional and territorial development.

##### Midwest Constitutional Fund (FCO) – Rural

Law No. 7,827/1989 introduced the FCO, in view of article 159 of the Federal Constitution. The accounting nature fund has purpose to contribute to the economic and social development of the Midwest region through the performance of financing programs to the productive sectors.

The Bank, in accordance with Article 13 of Law no. 7.827 / 1989, is a director of the FCO jointly with the Ministry of Regional Development and the Deliberative Council for the Development of the Midwest (Condell/Sudeco). The FCO Rural is available to the finance of fixed and semifixed investments, and costs associated to investment projects, agriculture and livestock.

In order to disclose the credit line, its purposes, benefits and conditions, in addition to encouraging its hiring, BB has historically implemented actions such as:

- i. Broad internal disclosure through current regulations;
- ii. Availability of the line according to the budget of the fund;
- iii. Holding of partnerships with entities to support farmers to disseminate the program;
- iv. Simplification and automation of operations contracting processes;
- v. *Articulação do Assessoramento Técnico em Nível de Carteira* (Articulation of Technical Assistance at Portfolio Level), or ATNC, with companies that provide technical assistance to rural producers, to identify the technologies and standardization of investment projects under the program;

In the first half of 2017, the Caravan FCO travelled across the country mobilizing and disseminating FCO credit lines, which covered more than 20 municipalities in all Midwest States. The Caravan was designed to reinforce our role as administrator and main applicator of the FCO's resources, to publicize the importance of the Fund as a prime source of funding for the development of the Midwest, which

allowed for a better life of entrepreneurs and rural producers, making public policy fulfill the objective that was created, that is, reduce regional inequalities through the promotion of productive activity.

In 2018, BB remained with the dissemination of agro solutions to customers and employees, now within the BB Agro Circuit, broader in content and in more locations.

Governmental Initiative	FCO – Rural
<b>i. description</b>	The Midwest Constitutional Fund (FCO) was introduced by Law No. 7.827/89, in view of article 159, item I, subitem c, of the Federal Constitution. It is a fund of accounting nature whose purpose is to contribute to the economic and social development of the Center-Western region, through the performance of financing programs to the production sectors. In rural credit, with FCO Rural funds, fixed and semifixed investments are financed, associated with investment project, agricultural and livestock costing.
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Plurennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. goals (planned/realized) <sup>(1)</sup></b>	Goal projected in 2017: R\$4.5 billion Performed in 2017: R\$6.3 billion (140.6% of the goal)  Goal projected in 2018: R\$4.3 billion Performed in 2018: R\$7.3 billion (169.7% of the goal)  Goal projected in 2019: R\$3.2 billion
<b>iv. investments made</b>	Amount disbursed in 2018 by the Bank: R\$7.3 billion.
<b>vi. costs incurred</b>	Funding, administrative and fiscal costs.
<b>vi. origin of funds involved, including sources of funds and conditions</b>	Funds from the Midwest Constitutional Fund (FCO).
<b>vii. estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$31.8 million in 2018.
<b>viii. Process of price formation and rules applicable to establishment of tariffs</b>	The rural credit has free and controlled rates. The controlled rates bear financial charges defined by the CMN (National Monetary Council) and allocators of funds.

(1) According to the guidelines, objectives and goals of the federal public administration established in the Plurennial Plan (PPA) 2016-2019.

### Midwest Constitutional Fund (FCO) – *Empresarial*

FCO *Empresarial* supports investment projects and ventures located in the Midwest, in companies that are engaged in productive activity in the industrial, agro-industrial, mineral, tourism, infrastructure, commerce and services sectors in the region.

The program had a contracted volume of R\$1.9 billion in 2018, including 5,191 deals. Performance remained at the same levels as in 2017, even with the necessary adjustments to meet changes in legislation regarding business calculation methodologies.

In 2018, we carried out caravans in the municipalities of the Midwest region with the objective of reinforcing its role as an applicator of FCO's resources, as well as publicizing the importance of the Fund as a source of funding for the development of the Midwest and promotion of new business. Executives, state and Federal District governments, city halls, representatives of the productive sectors, technical assistants and other interested entities and companies, attended the meetings.

For the year 2019, BB will continue to induce businesses with funds from FCO *Empresarial*, allowing the generation of new demands for loan, in order to apply the budgetary and financial resources available.



<b>Governmental Initiative</b>	<b>Financing of Production Channels (FCO – Corporate)</b>
<b>i. description</b>	Financing of production chains prioritized by the Bank territorial development policy, with resources coming from the FCO (Constitutional Fund for Financing of the Midwest), in the case denominated FCO Corporate.
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Pluriennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. goals (planned/realized) <sup>(1)</sup></b>	<p>Goal projected in 2017: R\$2.9 billion Performed in 2017: R\$1.9 billion (66.5% of the goal)</p> <p>Goal projected in 2018: R\$3.1 billion Performed in 2018: R\$1.9 billion (61.2% of the goal)</p> <p>Goal projected in 2019: R\$ 3.2 billion</p>
<b>iv. investments made</b>	Amount of R\$1.7 billion disbursed in 2018.
<b>vi. costs incurred</b>	Interest rate of the constitutional funds (TFC) and other administrative costs.
<b>vi. origin of funds involved, including sources of funds and conditions</b>	Funds from the Constitutional Fund for Financing of the Midwest (FCO).
<b>vii. estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$335.2 million in 2018.
<b>viii. Process of price formation and rules applicable to establishment of tariffs</b>	The methodologies for the definition of interest rates and tariff collection policy are determined by legislation.

(1) According to the guidelines, objectives and goals of the federal public administration established in the Pluriennial Plan (PPA) 2016-2019.

#### **4.1.5. Simplification of the Life of the Company and Citizenship: “Bem Mais Simples Brasil”**

The purpose of the program is to promote solutions for expansion of the Micro and Small Enterprises (MPE) and the Brazilian handicraft market.

##### **Granting Loan for Working Capital to MPE**

The Public Servants Fund (Pasep) and the Social Integration Program (PIS) were merged according to Complementary Law No. 26/1975. The Bank, as administrator of Pasep's shares, applies the resources from the fund, with the purpose of granting working capital loan to Micro and Small Enterprises (MPE) and individual entrepreneurs.

In view of Provisory Act No. 797/2017, the Federal Government changed the withdraw rules by the PIS/Pasep's owners, resulting in the need to return to Pasep part of the amount invested by the Bank in the Capital de Giro Mix Pasep. This led to the suspension of new contracts from August 2017 to October 2018.

Due to the effects of the Provisory Act, no goal was set for the program in the year of 2018. At the end of October 2018, the Bank restarted to offer the line with a disbursement of R\$790 million until the end of the same year. We will keep offering working capital for MPEs and individual entrepreneurs with Pasep's resources as soon as new amounts gets available to the Bank.

<b>Governmental Initiative</b>	<b>Granting Loan for Working Capital to MPE (BB Capital de Giro Mix Pasep)</b>
<b>i. description</b>	The Public Servants Fund (Pasep) and the Social Integration Program (PIS) were merged according to Complementary Law No. 26/75. The Bank, as administrator of Pasep's shares, applies the resources from the fund, with the purpose of granting working capital credit to Micro and Small Companies (MPE) and individual entrepreneurs.

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<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Plurennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. goals (planned/realized) <sup>(1)</sup> <sup>(2)</sup></b>	<p>Goal projected in 2017: R\$2.9 billion Performed in 2017: R\$1.6 billion (57.1% of the goal)</p> <p>Goal projected in 2018: No goal established in the PPA. Performed in 2018: R\$790.0 million</p> <p>Goal projected in 2019: No goal established in the PPA.</p>
<b>iv. investments made</b>	Amount of R\$790.0 million disbursed in the 4Q18.
<b>vi. costs incurred</b>	<p>Financial Costs: Funding Pasep: Reference Rate - TR + 6% p.a. Own Funding: Average Rate Selic – TMS. and other administrative costs.</p>
<b>vi. origin of funds involved, including sources of funds and conditions</b>	Resources from the Banco do Brasil and from the Program of Formation of Servant's Wealth (Pasep).
<b>vii. estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$90.7 million in 2018.
<b>viii. Process of price formation and rules applicable to establishment of tariffs</b>	The rates of charges depend on the macroeconomic scenario presented at the moment of contracting. The factors that affect the price formation are: interest rates, default rates, taxes, compulsory collection rate, among other. The tariffs are disclosed through the table of tariffs and packages of services.

(1) According to the guidelines, objectives and goals of the federal public administration established in the Plurennial Plan (PPA) 2016-2019.

#### 4.1.6. Foreign Trade

The purpose of the program is to improve the instruments of official loan support to exports.

##### Financing to Export of Goods and Services (Proger Export)

Proger Export is a loan facility to finance Brazilian Micro and Small Enterprises (MPE) created under the Employment and Income Generation Program (Proger) by the Deliberative Council of FAT (Codefat), through Resolution No. 330/03.

In 2017, because of the non-performing loans experienced by the MPE segment, we changed the line's offering strategy. In the following year, seeking to enlarge the contracted volume of Proger Export, we worked on prospecting new customers and operations. Among the measures adopted, we highlight the partnership with the Brazilian Agency for the Promotion of Exports and Investments (Apex-Brasil) in the dissemination of Proger Export to Brazilian participants of trade fairs abroad.

As a result of the measures adopted, in 2018 R\$12.9 million was disbursed in Proger Export operations, 51.6% of the goal set for the government initiative. For the year 2019, it is planned to continue the publicity actions aimed at the target audience of the product.

Governmental Initiative	Export Financing of goods and services (Proger Export)
<b>i. description</b>	The Proger (Income Generation Program) Export is a credit line designed to promote the increase of exports from MPE (Micro and Small Companies), with the creation of jobs and income.
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Plurennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. goals (planned/realized) <sup>(1)</sup></b>	<p>Goal projected in 2017: R\$20.0 million Performed in 2017: R\$21.7 million (108.3% of the goal)</p> <p>Goal projected in 2018: R\$25.0 million Performed in 2018: R\$12.9 million (51.6% of the goal)</p> <p>Goal projected in 2019: 30.0 millions</p>



<b>iv. investments made</b>	Amount of R\$12.8 million disbursed in 2018.
<b>vi. costs incurred</b>	Cost of the line: TLP (long-term rate) + compensation of the financial agent.
<b>vi. origin of funds involved, including sources of funds and conditions</b>	Funds from the FAT (Fund for Workers' Assistance) to finance Brazilian Micro and Small Companies through Resolution No. 330/03, in the scope of the Income Generation Program (Proger).
<b>vii. estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial contribution margin (without ALLL) for the initiative was R\$1.4 million in 2018.
<b>viii. Process of price formation and rules applicable to establishment of tariffs</b>	The tariffs range from R\$200.00 to R\$1,200.00, according to Table of Tariffs Legal Entity (PJ) published by the Bank.

(1) According to the guidelines, objectives and goals of the federal public administration established in the Pluriennial Plan (PPA) 2016-2019.

#### 4.1.7. Promotion of the Rights of the Disabled

The purpose of the program is to promote accessibility and equalization of opportunities to the disabled, through the promotion of their autonomy, independence and security.

##### Financing of Goods and Services of Assisted Technology to the Disabled

Created in 2012, the *BB Crédito Acessibilidade* is based on the National Plan for the Rights of Persons with Disabilities - Living without Limit (Decree No. 7,612). It is an exclusive credit line for the financing of goods and services of assistive technology aimed at people with disabilities. The target public is composed of individuals with a gross monthly income of up to 10 minimum wages and a credit limit approved in the Bank.

In the light of the economic situation of recent years, which registered a successive shrinkage in the line disbursement, 2018 marked the beginning of the recovery, and since R\$75.1 million were disbursed, an increase of 8.84% when compared to the same period of the previous year.

This situation reflected in the subsidy revenues, which registered growth of 3.20% in relation to the previous year. The difference between the disbursement growth (8.84%) and subsidy revenues (3.20%), is due to the calculation methodology, which considers the average of the daily balances of the portfolio.

In 2018 most of the amounts invested were released in the second half of the year (R\$43.2 million). In this sense, although the expected evolution of line disbursement, the proposed values for 2019 can be revaluated in a timely manner.

Governmental Initiative	Financing of Goods and Services of Assisted Technology to the Disabled
<b>i. description</b>	The BB Crédito Acessibilidade was created in 2012, based on the National Plan for the Rights of Persons with Disabilities - Living without Limit (Decree No. 7,612). It is an exclusive credit line for the financing of goods and services of assistive technology aimed at people with disabilities.
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Pluriennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. goals (planned/realized) <sup>(1)</sup></b>	<p>Goal projected in 2017: R\$6.5 million Performed in 2017: R\$6.5 million (100.4% of the goal)</p> <p>Goal projected in 2018: R\$7.5 million Performed in 2018: R\$6.7 million (89.8% of the goal)</p> <p>Goal projected in 2019: R\$8.5 million</p>
<b>iv. investments made</b>	From 2012 to 2018, R\$469.1 million were disbursed and 65,767 operations were contracted.
<b>vi. costs incurred</b>	Total Fixed Cost: R\$171.5 thousand. Unit Fixed Cost: Contracting R\$30.07 / Maintenance: R\$3.75.
<b>vi. origin of funds involved, including sources of funds and conditions</b>	Demand deposits raised by financial institutions, pursuant to CMN Resolution No. 4,000/11.



<b>vii. estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$6.5 million in 2018.
<b>viii. Process of price formation and rules applicable to establishment of tariffs</b>	The price formation of the line follows the criteria established in Administrative Rule MF No. 240, of July 9, 2012 and Administrative Rule MF No. 570, of December 2, 2013.

(1) According to the guidelines, objectives and goals of the federal public administration established in the Pluriennial Plan (PPA) 2016-2019.

#### 4.1.8. Promotion of the Decent Work and Solidary Economy

The Bank operates in the program with the purpose of **(i)** promoting work, employment and income opportunities, through the granting of loan directed to entrepreneurial activities and to Oriented Productive Microloan (MPO), as well as assisting **(ii)** in the financing of new vehicles of national manufacture, destined to the renewal of the taxi fleet or to new permission holders, favoring the generation and maintenance of employment and income.

##### Granting of Oriented Productive Microloan (MPO)

The MPO is the credit granted to meet the financial needs of individuals and legal entities, entrepreneurs of small productive activities. It uses a model of service to the entrepreneur with emphasis on the orientation and follow-up of the enterprise, aiming at the sustainable development of the business with the consequent raising of standard of living and job creation, besides contributing to the bankarization of about 60 million micro entrepreneurs, many of them on the informal economy.

The credit line is aligned with Banco do Brasil's Corporate Strategy (ECBB) 2019-2023 notably in the values "Customer Focus", "Public Spirit" and "Innovation" and to BB's Multiannual Sustainability Plan, as recommended by the Sustainable Development Objectives, It is connected with the need to improve initiatives aimed at social and financial inclusion in the context of green economy and the implementation of sustainable projects and solutions.

In 2018, the Bank contracted 197,353 new MPO operations, serving 171,554 customers and applying R\$337 million. The downturn in the line in 2018 is due to the reduction in contracting at BB branches and the gradual increase in contracting through Movera, a company of the Banco do Brasil Conglomerate, which operates in the commercialization of microfinance products. Movera allows the expansion of access to credit by micro entrepreneurs enrolled in the Brazilian Federal Register for Social Programs (CadÚnico), a characteristic that results in a reduced average ticket for operations, affecting the disbursement of resources.

Governmental Initiative	Granting Oriented Productive Microloan (MPO)
<b>i. description</b>	Granting of financing to microcredit institutions, aimed at directly serving micro-businesses and micro-entrepreneurs.
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Pluriennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. goals (planned/realized) <sup>(1)</sup></b>	<p>Goal projected in 2017: R\$500 million Performed in 2017: R\$412.9 million (82.6% of the goal)</p> <p>Goal projected in 2018: R\$550.0 million Performed in 2018: R\$337.3 million (61.3% of the goal)</p> <p>Goal projected in 2019: R\$700.0 million</p>
<b>iv. investments made</b>	Amount disbursed in 2018 by the Bank: R\$337.3 million
<b>vi. costs incurred</b>	Funding, administrative and fiscal costs.
<b>vi. origin of funds involved, including sources of funds and conditions</b>	Funds from the demandability of microloan (2% of compulsory demand deposits).
<b>vii. estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result for the initiative was R\$27.1 million in 2018.



**viii. Process of price formation and rules applicable to establishment of tariffs**

The criteria for price formation are defined by BB S.A. as long as the limits regulated in specific standards of the PNMPO (National Program of Oriented Productive Microcredit) are observed. The factors that affect the price formation of the Bank are: interest rates, default rates, taxes, compulsory collection rate, among other.

(1) According to the guidelines, objectives and goals of the federal public administration established in the Plurennial Plan (PPA) 2016-2019.

**Granting Loan to Taxi Driver**

FAT Taxista is a credit line operationalized with funds from the FAT (Fund for Workers' Assistance), managed exclusively by BB, in order to finance new vehicles, domestically manufactured, for the renewal of the taxi fleet from the country, favoring the generation and maintenance of employment and income.

BB signed a commitment to offer the line with the FAT's Deliberative Council, through the Work Plan of the FAT Taxista, in accordance with Resolution No. 614/09 of the same body. Currently we have a portfolio of R\$254.6 million in FAT Taxista operations. In 2018, the disbursement of the line (hiring new proposals) was R\$85.6 million, with an average ticket of R\$33 thousand, benefiting approximately 2,500 taxi drivers.

Due to taxi characteristics, which leaves the factory already with the exemptions of IPI and ICMS to which the proponent is entitled, the period between receiving the proposal until the release of resources to the supplier is on average 40 days, with direct invoicing by the assemblers. For 2019, it is necessary to review the process of contracting the operations of FAT Taxista, through the digitization of the hire process, currently manual and attendance dependent.

<b>Governmental Initiative</b>	<b>Granting Loan for Taxi Driver</b>
<b>i. description</b>	The FAT Taxista (granting loan for Taxi Drivers) is funded by the Fund for Worker's Assistance (FAT), administered by the Bank, with the objective of financing new vehicles, of national manufacture, to renew the national fleet, contributing to the generation and maintenance of employment and income.
<b>ii. criteria adopted by the issuer to classify this performance as being developed to serve the public interest</b>	Government initiative with goal established in the Plano Plurianual (PPA, Plurennial Plan), aligned with the Corporate Strategy of the Bank and the objectives and goals previously defined by the controller (Federal Government).
<b>iii. goals (planned/realized) <sup>(1)</sup> <sup>(2)</sup></b>	Goal projected in 2017: R\$90.0 million Performed in 2017: R\$105.8 million (117.6% of the goal)  No goal established in the PPA for the year of 2018. Performed in 2018: R\$85.0 million  No goal established in the PPA for the year of 2019.
<b>iv. investments made</b>	The investments made by the Bank include partnerships in the contracting of operations with clients, as well as in commercial actions conducted with the representative entities such as, for example, union and cooperatives of taxi drivers.
<b>vi. costs incurred</b>	Funding, administrative and fiscal costs.
<b>vi. origin of funds involved, including sources of funds and conditions</b>	The funds invested derive from the FAT, pursuant to Resolution No. 614/09, whose allocation is made through special remunerated deposit.
<b>vii. estimate of the impacts of the aforesaid public policies on the financial performance of the issuer</b>	Managerial result (without ALLL) for the initiative was R\$6.5 million in 2018.
<b>viii. Process of price formation and rules applicable to establishment of tariffs</b>	The financial charges of the line is defined by the Codefat, on the basis of item VIII of Resolution No. 614/09, which introduced the credit facility, and is composed of the basic compensation of 100% of TLP and additional fee of interest equivalent to 4% effective per year, as compensation of the financial agent.

(1) According to the guidelines, objectives and goals of the federal public administration established in the Plurennial Plan (PPA) 2016-2019.

## 4.2. Funds for Costing of Public Policies

The operation of Banco do Brasil in support to the federal budgetary execution, as an official financial development agency, is carried out through granting of loans and financings at differentiated rates, backed by funds from the Fiscal Budget and Social Security (OFSS) in addition to own funds. These policies and respective objectives are described below.

### **Midwest Constitutional Fund (FCO)**

The FCO contributes to the economic and social development of Brazilian Midwest, and is the main financing instrument of the National Policy for Regional Development (PNDR) for the Midwest.

The resources of the FCO's loan portfolio are backed by National Treasury's onlending from the Federal Government tax collection, more specifically 0.6% from the collection of Income Tax (IR) and the Taxes on Industrialized Products (IPI), according to art. 6, sole paragraph, item III, of Law 7,827/1989.

### **Midwest Development Fund (FDCO)**

FDCO purpose is to ensure funds to investments related to Sudeco operations, in infrastructure, public services and production projects of large capacity of new business and production activities.

The funds from the FDCO loan portfolio are backed by onlendings made by Sudeco upon release of loans to the borrowers.

### **Northeast Development Fund (FDNE)**

FDNE purpose is to ensure funds to investments related to Superintendence for Development of the Northeast (Sudene) operations, in infrastructure, public services and production projects of large capacity of new business and production activities.

The funds from the FDNE loan portfolio are backed by onlendings made by Sudene upon release of loans to the borrowers.

### **Merchant Marine Fund (FMM)**

FMM purpose is to provide funds for the development of the Merchant Marine and the Brazilian industry of shipbuilding and repair.

The funds from the FMM loan portfolio are backed by onlendings made by the Department of Fund for the Merchant Marine, agency linked to the Ministry of Transportation, upon release of loans to the borrowers.

### **Fund for Land and Land Reform – Banco da Terra (FTRA)**

FTRA purpose is to finance Programs of land rearrangement and rural settlement, whose management body is the Special Secretariat for Family Farming and Agrarian Development (Sead) of the Civil Office.

The funds from the FTRA are transferred to borrowers as debit of available funds established from onlendings made by the BNDES, authorized by Sead, compatible with the demand for financing over the year. The loans are managed by the Bank and returned to the Federal Government in the month following the debt amortization by the borrowers.

### **Defense Fund of Coffee Economy (Funcafé)**

Funcafé was created for the financing, modernization, incentive to productivity of the coffee growing, the coffee industry and the export, research development, transportation means and ways, ports, defense of prices and domestic and foreign markets, as well as the conditions of rural workers' life.

The funds from Funcafé loan portfolio are backed by onlendings made by the Ministry of Agriculture, Cattle Raising and Supplies based on the demand informed by the Bank for the crop.

### **Export Financing Program (Proex)**

Proex purpose is to improve the loan policy focused on foreign trade, in order to increase the use of financing instruments and official guarantee to export and to increase the international competition of the Brazilian companies.

The program is the principal public instrument of support to Brazilian exports of goods and services, and the funds derive from the Special Program of Official Loan Operations. BB operates on exclusive basis as financial agent of the Federal Government responsible for the management of the program.

The funds from the Proex loan portfolio are backed by onlendings made by the National Treasury based on the expected demand informed by the Bank.



### National Program of Strengthening of the Family Farming/National Treasury (Pronaf/TN)

The purpose of the program is to promote the sustainable development of the rural segment composed of family farmers.

The National Treasury transfers funds to BB directly from the general budget of the federal government in the scope of official loan operations, which are destined to financing backed by the program. The Bank operates as provider of services and carries out operations with risk of the federal government.

#### 4.3. Economic and financial impacts of the operationalization of public policies

The National Treasury released to BB, in 2018, R\$4,654.27 million to funds and programs destined to the costing of loans and financings granted derived from the OFSS, where the FCO, PROEX and FMM accounted for 90.75%.

The amount returned to the National Treasury, in the same period, related to return of financing (principal restated), was R\$3,274.01 million. The loans and financing portfolio balance was R\$47,557.47 million in December 2018, as shown in the next table.

**Table 1.** Funds from the OFSS – Values Released and Returned to the National Treasury (in R\$ million)

Transferred by the National Treasury (a)	Reimbursed by the National Treasury (b)	2018 Flow (a - b)	Portfolio's Balance (Dec/18)
2.493,51	0,00	2.493,51	30.350,00
59,33	85,24	-25,91	1.220,29
109,45	319,76	-210,31	1.822,41
443,45	1.137,69	-694,24	8.928,67
5,00	115,97	-110,97	1.265,19
220,46	37,56	182,90	475,14
1.286,57	1.523,05	-236,48	2.474,10
36,50	54,74	-18,24	1.021,67
<b>4.654,27</b>	<b>3.274,01</b>	<b>1.380,26</b>	<b>47.557,47</b>

Returns of unapplied amounts were deducted from the amount transferred by National Treasury.

Detailed information about the BB's operations as an official financial development agency is available on the website of the Ministry of Transparency and Controller's Office, in the section on the President of the Republic Accountability (PCPR).

BB uses 78% own funds in rural and agro industrial financing (mainly demand deposits, rural savings accounts and agribusiness letters of credit). In addition to those, BB also onlends funds from the BNDES (Brazilian Development Bank), FCO (Midwest Constitutional Fund) and the Funcafé (Defense Fund of Coffee Economy). The following table sets forth the breakdown of agribusiness loan portfolio.

**Table 2.** Agribusiness Loan Portfolio Expanded View by Funding Sources

Balance / R\$ million	Dec/17	Part. %	Sep/18	Part. %	Dec/18	Part. %
Agricultural Savings	93.808	51,5	91.096	48,4	88.760	47,0
Agribusiness Letters of Credit	28.769	15,8	30.078	16,0	36.885	19,5
Demand Deposits	20.838	11,4	26.768	14,2	21.584	11,4
FCO	18.543	10,2	21.561	11,5	22.558	12,0
BNDES/FINAME	11.056	6,1	9.774	5,2	9.223	4,9
Other <sup>(1)</sup>	9.000	4,9	8.946	4,8	9.661	5,1
<b>Loan Portfolio - Expanded View</b>	<b>182.013</b>	<b>100,0</b>	<b>188.223</b>	<b>100,0</b>	<b>188.671</b>	<b>100,0</b>

(1) National Treasury, Funcafé, Rural Product Bills and Guarantees.

To enable financing with lower interest rates, covering the funding costs, credit risks, tax and administrative costs and BB's profitability, National Treasury and Central Bank of Brazil may authorize the equalization revenues and the weighting factor.

Rural and agroindustrial financing is segmented into equalizable and non-equalizable resources. The breakdown of these segments is shown in the next table:

**Table 3.** Equalizable Resources in the Agribusiness Portfolio

Dec/17	Sep/18	Dec/18
<b>181.381</b>	<b>187.434</b>	<b>187.193</b>
91.410	87.388	90.598
49.464	50.836	52.195
38.386	33.950	36.089
2.086	931	755
1.475	1.671	1.558
89.971	100.046	96.595
<b>633</b>	<b>789</b>	<b>1.478</b>
<b>182.013</b>	<b>188.223</b>	<b>188.671</b>

The equalization is an economic subsidy, introduced by Law 8,427/1992, that represents the differential of rates between funding cost, plus administrative and tax costs to which the official financial institutions and cooperative banks are subject, in their active operations, and the charges collected from the final borrower of the rural loan, pursuant to articles 1, I and II, and 5 of Law 8,427/1992.

The weighting factor is a multiplier adopted by the federal government for the application of resources originating from demand deposits and rural savings. Through this mechanism, banks are allowed to comply with a lower rate of reserve requirements in rural credit, which allows the amount released to be invested in transactions at market rates, with the objective of offsetting the resulting interest rate profitability paid by the final borrower in the rural credit operations encouraged by the government.

The amounts of income from equalization received and receivable by Banco do Brasil are detailed in tables 4 and 5. We point out the cut-away for the portfolio of equalizable funds, already presented in table 3.

**Table 4.** Equalization Revenues and Weighting Factor

Quarter Flow / R\$ million	4Q17	1Q18	2Q18	3Q18	4Q18
Equalization Revenues	985	844	822	745	842
Weighting Factor	35	43	37	37	26
<b>Total</b>	<b>1.021</b>	<b>887</b>	<b>859</b>	<b>781</b>	<b>868</b>

**Tabela 5.** Equalization Revenues Flow

Quarter Flow / R\$ million	4Q17	1Q18	2Q18	3Q18	4Q18
Initial Balance	1.184	2.166	916	1.630	781
Flow	983	(1.250)	714	(849)	31
<b>Final Balance</b>	<b>2.166</b>	<b>916</b>	<b>1.630</b>	<b>781</b>	<b>812</b>

(1) Source: Notes to the Consolidated Financial Statements 12.b.

## 5. Internal Controls and Risks Management Structure

BB's organizational structure has defined duties and established corporate governance, with the participation of Senior Management, which makes it compatible with the business complexity, nature of the operations and risks exposure, as well as ensuring transparency, completeness and accuracy of data provided to the market and regulators.

In this context, to achieve strategic goals, including compliance with public policies, BB adopts the defense lines referential model, which reinforces the competencies and responsibilities of all areas related to risk and control management. This model promotes greater interrelationship between business, risk management, controls and auditing, aiming risk mitigation, losses reduction, processes improvement, sustainability and, consequently, better financial results.

Regarding the practices adopted by BB to deal with any suspected acts of corruption, the Bank provides a complaints channel for receiving the occurrences, whether in the BB's website, in the corporate intranet or any BB's branch.



Finally, in the scope of corporate governance, Banco do Brasil has a set of specific risk management, internal controls and compliance policies approved and reviewed annually within the Board of Directors.

Detailed information about the internal control structures and risk management, including the complaints channel, can be found in section 5 of the Reference Form (available at [bb.com.br/ir](http://bb.com.br/ir) > Documents and Announcements > [Reference Forms](#)).

## 6. Risk Factors

BB discloses in its Reference Form the risk factors related to the policies, processes, procedures, systems and models adopted in risk management, internal controls, compliance and corporate governance that may influence the investment decision, in particular to those related to the issuer and its controller, its subsidiaries and affiliates, its suppliers, its customers, the sectors of the economy in which BB operates and its respective regulation and socio-environmental issues.

In addition, BB declares the risk factors related to the public policies adopted by the direct or indirect controller or controlling group that may cause adverse effects on the Bank, including damage to its reputation.

Additional information on risk factors can be found in section 4 of the Reference Form (available at [bb.com.br/ir](http://bb.com.br/ir) > Documents and Announcements > [Reference Forms](#)).

## 7. Economic and Financial Data

The MD&A Report (available at [bb.com.br/ir](http://bb.com.br/ir) > Financial Information > [Results Center](#)) presents the BB's economic and financial situation. The public-audience of this report are market analysts, shareholders and investors and it has quarterly disclosure.

The report provides content related to economic indicators, BB's shares performance and risk management, as well as historical series up to eight periods of the Balance Sheet, Income Statement with Reallocations, information on profitability, productivity, quality of credit portfolio, capital structure, capital market and structural data. At the end of the report, it is presented the financial statements and explanatory notes for the period under analysis.

Information on BB's economic-financial data under IFRS can be found in section 3 of the Reference Form (available at [bb.com.br/ir](http://bb.com.br/ir) > Documents and Announcements > [Reference Forms](#)).

### 7.1. Comments on Operating Performance

The members of the BB's Executive Board, according to CVM Instruction 480/09, must comment on section 10 of the Reference Form about the main aspects of BB's operating performance, retrospectively to 2016, 2017 and 2018, stating that the information is true, complete and consistent.

Initially, it is presented the Bank's financial and equity conditions, its capital structure, sources of financing and its levels of indebtedness. It is also disclosed the most significant changes in the Balance Sheet (2018/2017 and 2017/2016). The commented performance is based on the IFRS Financial Statements.

Additionally it is presented the BB's earnings based on vertical and horizontal analysis of the statement of income, which shows: (i) Interest Income; (ii) Interest Expenses; (iii) Net Expenses with Provision for Losses on Loans to Customers; and (iv) Non Interest Income and Expenses.

Lastly, it is shown the planned and accomplished amounts related to advertising and sponsorship expenses.

Officers' detailed comments on BB's performance can be found in section 10 of the Reference Form and information on estimates and projections for the year 2018 can be found in section 11.1 and 11.2 of the Reference Form (available at [bb.com.br/ir](http://bb.com.br/ir) > Documents and Announcements > [Reference Forms](#)).

## 8. Corporate governance policies and practices

During the 2018 financial year, in order to adjust BB's documents, structures and governance practices to the Regimento do Programa Destaque em Governança de Estatais (PDGE), the Novo Mercado regulation, and the current regulations, as well as the best practices, the following improvements and recognitions occurred: revision of the **(i)** Internal Regulations of the bodies that integrates the Bank's governance structure, **(ii)** Banco do Brasil's By-Laws, **(iii)** Appointment and Succession Policy, **(iv)** Related Party Transactions Policy; creation of **(v)** Remuneration for Directors Policy; and preparation of

the (vi) Report about the Brazilian Code of Corporate Governance (CVM Instruction 586/2017). The documents are available on the Investor Relations website of BB, in the [Corporate Governance](#) section.

BB has been listed on the Novo Mercado since 2006 and has been certified since 2017 in the Programa Destaque em Governança de Estatais, developed by B3 (Brasil, Bolsa, Balcão) in order to encourage publicly-owned companies to improve their practices and structures of corporate governance.

In addition, BB remains certified in Level 1 Seal of the Governance Indicator IG-Sest of the Secretaria de Coordenação e Governança de Empresas Estatais (Sest), linked to the Ministry of Economy, with a maximum score (10), in all dimensions evaluated.

The purpose of IG-Sest is to monitor the performance of the governance of federal state-owned companies, in order to measure compliance with the requirements of the State Law and its regulatory decree, in addition to the guidelines established in the CGPAR Resolutions, seeking compliance with best practices in the market and greater level of excellence in corporate governance.

In 2018, BB obtained 94% of the TCU's Index Integrado de Governança e Gestão (IGG), which corresponds to the Improved Governance Level, according to TCU's methodology.

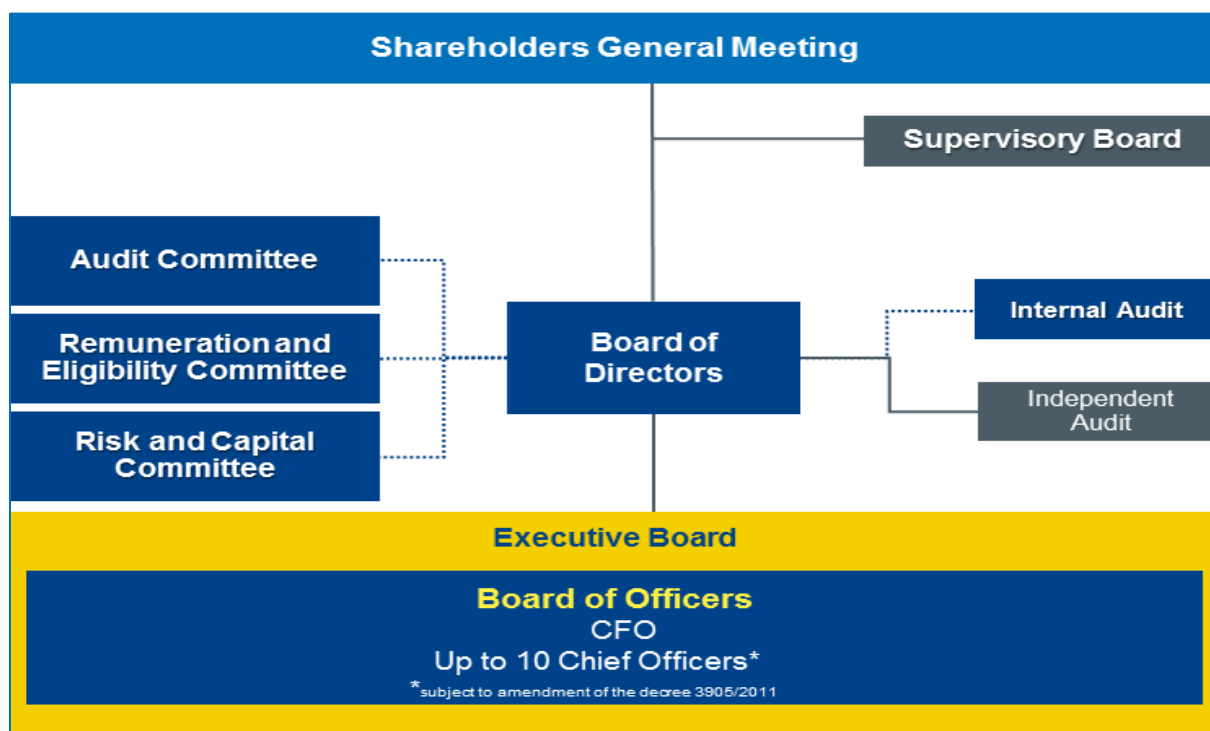
The IGG constitutes the most comprehensive diagnosis of public governance in Brazil, covering state-owned companies, mixed-capital companies, municipalities, ministries, courts, foundations, among others, in a total of 498 organs and entities of the Federal Public Administration. The index consists of the following dimensions: public governance; governance and people management; governance and IT management; and governance and hiring management.

It should also be noted that in 2018 Banco do Brasil was elected the best bank in the country according to the guide *Época Negócios 360 °*, for criteria that go beyond financial performance. A deep analysis of the companies was carried out based on six dimensions: people management, corporate governance, sustainability, innovation, financial performance and vision of the future. BB was the first in the "Banking" sector, in Corporate Governance, People and Future Vision.

## 8.1 Administrative Structure

The administrative structure of Banco do Brasil is established in its Bylaws and internal regulations of its governing bodies (available on [bb.com.br/ir](http://bb.com.br/ir) > Corporate Governance). In addition, the Bank also makes available on its website the [Code of Corporate Governance](#), which presents an overview and simplified view on the principles and practices of the company, as shown in the following figure:

**Figure 1.** Corporate Governance Structure of Banco do Brasil



The following are the Banco do Brasil's management bodies, composed of Brazilian citizens with recognized knowledge, including the best Corporate Governance practices, experience, good character, unblemished reputation and technical capacity compatible with the position:



- i. The Board of Directors, which has, in the manner prescribed by law and in the Bylaws of Banco do Brasil, strategic, guiding, elective and auditing functions, not including operational or executive functions, whose members are elected by the General Meeting; and
- ii. the Board of Executive Officers, responsible for the administration of the Bank, composed of the Board of Directors and the other Executive Officers, all residing in the Country, as established in the Bylaws.

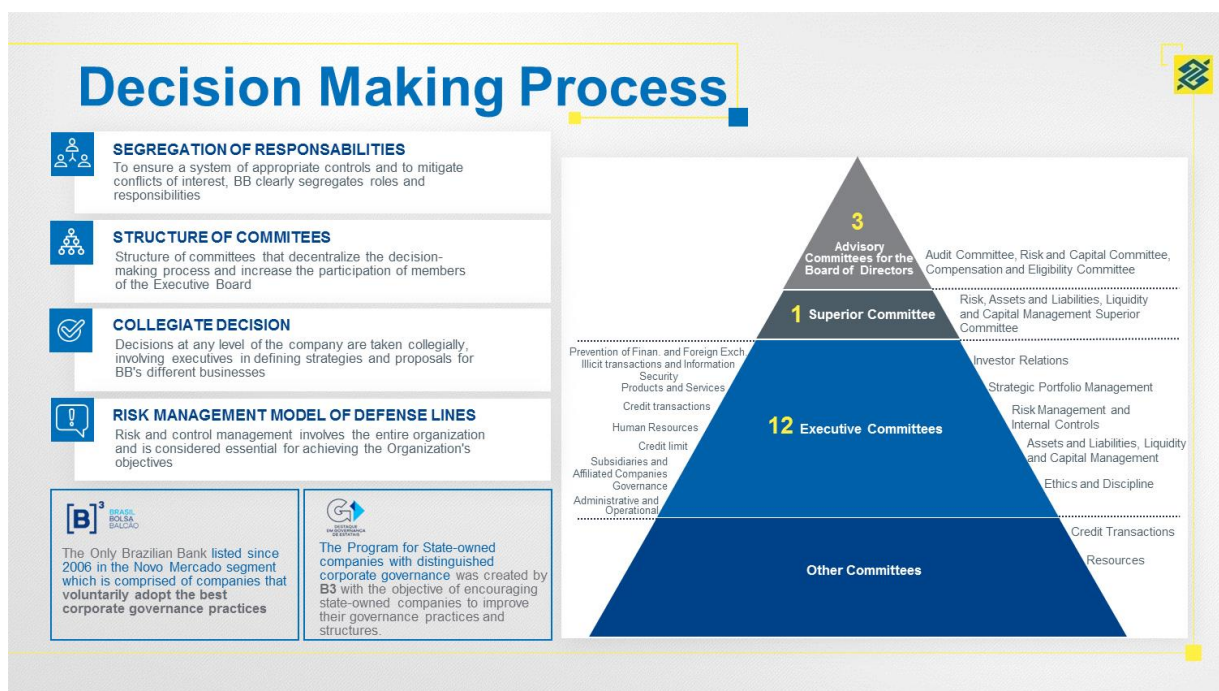
In addition, the following bodies are part of the governance structure of Banco do Brasil:

- i. Audit Committee, whose purpose is to advise the Board of Directors regarding the exercise of its audit and supervisory functions and to express its opinion on: (I) the quality of the financial statements; (II) the effectiveness of the internal control system; and (III) the effectiveness of the internal and independent audits;
- ii. Compensation and Eligibility Committee, whose purpose is to assist the Board of Directors in establishing the compensation policy and the policy of appointment and succession of management members of Banco do Brasil;
- iii. Risk and Capital Committee, whose purpose is to advise the Board of Directors regarding the exercise of its functions related to risk and capital management, in a unified manner, for the institutions that are part of the Prudential Conglomerate of Banco do Brasil; and
- iv. Supervisory Board, whose roles are established by article 163 of Law 6.404/76.

## 8.2 Strategic Committees

In order to involve the organizational units in the definition of guidelines and approval of proposals for BB's different businesses, the management uses strategic committees, which are activated within the Board of Executive Officers, which decide on matters of corporate scope and guarantee agility and safety to the process of decision-making, as follows.

**Figure 2.** Decision Making Process



The main strategic committees are: Superior Committee on Risk Management, Assets, Liabilities, Liquidity and Capital (CSGRC); and Executive Committees of: Risk Management and Internal Controls; Asset Management, Liabilities, Liquidity and Capital; Customer Service and Experience; Profitability and Performance; Disclosure; Business; Governance of Related Entities; People Management; Ethics and Discipline; Loan Limit; Operations; Administrative-Operational; Strategic Portfolio Management; and Prevention of Financial and Currency Violation and Information Security.

Further information on the structure and governance policies and composition of Banco do Brasil's management can be found in section 12 of the Reference Form (available at [bb.com.br/ir](http://bb.com.br/ir) > Documents and Announcements > [Reference Forms](#)).



### 8.3 Management members' compensation policy or practice

The compensation policy for BB's management members is regulated by Law no. 6.404/76, Law no. 13.303/16, Decree no. 3.255/99, Decree no. 89.309/84, CMN Resolution no. 3.921/10, Law no. 12.813/13 and Bylaws of Banco do Brasil and aims to

- i. Reinforce commitment to corporate strategies, increase BB's results and recognize the efforts of each management member, in proportion to the achievement of the goals;
- ii. reconcile the Variable Compensation Policy to the Risk Management Policy, so as not to encourage behaviors that increase the risk exposure above levels considered prudent in the Company's short, medium and long-term strategies;
- iii. directly contribute to the scope of the guidance, as it is made up of several performance indicators that are derived from the ECBB, the Market Plan and the Master Plan.

The compensation and other benefits of the members of the Board of Directors comply with the legal regulations and is fixed annually by the Shareholders' Meetings, whose minutes are available on the Investors Relation website (available at [bb.com.br/ir](http://bb.com.br/ir) > Documents and Announcements > [Shareholders and Board Meetings](#)).

Values are defined based on market research, internal balance, responsibility, company and individual performance, among other factors. The total compensation includes fixed compensation, variable compensation and benefits.

The Board of Executive Officers' Variable Compensation Program (RVA) aims to recognize the efforts of managers in building the results achieved, based on the performance verified by indicators linked to corporate strategy. The Program is proposed by the Compensation and Eligibility Committee, approved by the Board of Directors and subsequently submitted to the Ministry of Economy/Sest. The payment method follows the definitions proposed by CMN Resolution no. 3.921/10, among which the payment in shares of the Company stands out.

Aligned with the public interest and for the benefit of society, the variable remuneration of Banco do Brasil's officers and employees is influenced by the performance of the Public Policy Indicator, as directed by Sest. The performance of this indicator directly reflects the percentage paid to managers (except risk areas) through the Variable Compensation Program of Managers (RVA), in addition to influence the percentage distributed to employees through the Profit Sharing Program (PLR).

It should be emphasized that the composition of the compensation granted to the members of the Board of Executive Officers is in accordance with the legal provisions regarding state-owned companies and corporations and aims to reward them for the degree of responsibility of their positions and for the trust inherent to them, as well as the value of each professional in the market, considering the Company's Risk Management Policy, its results and the economic environment in which it is inserted.

For the members of the Board of Directors and the Supervisory Board, the amount of fees is set at 10% of the average monthly compensation of the Board of Executive Officers, according to Law 6.404 /76 and Law 9.292/96, excluding amounts related to vacation premiums and benefits, the payment of interest, of any kind, in the profits of the company being prohibited.

The information related to this item meets the requirements of Law No. 13,303 and Decree No.8.945/16. In this sense, the annual global amount of the remuneration of the Board of Directors, the Fiscal Council and the Executive Board is presented. The information is not individualized because it is strategic in nature and it is subject to corporate secrecy, from a constitutional source, as a result of the preservation of the privacy guaranteed by art. 5, item X, of the Federal Constitution.

In infra-constitutional headquarters, we emphasize that the protection of corporate secrecy is protected by art. 155, item II, of Law 6,404 / 76, as a duty to protect the company's rights; in art. 4, paragraph 2 and art. 8, paragraph 3, of Law 13303/16, which submits the Bank to the information regime according to the provisions of Law No. 6,385 / 76; and in art. 22 of Law 12,527 / 11, which imposes a restriction on access to information subject to business secrecy.

The table below details the compensation of the management members segmented by the management body of Banco do Brasil:



**Table 6.** Remuneration of the Management members on 2018

Body	Board of Directors	Supervisory Board	Executive Board
<b>Total number of members</b>	7,25	5,00	36,33
<b>Number of paid members</b>	4,50	5,00	41,42
<b>Remuneration breakdown:</b>			
<b>(i) Fixed Annual Remuneration, breakdown:</b>			
- Salary or Officer Remuneration (R\$)	323.402,30	376.649,35	28.186.373,35
- Direct and indirect benefits	n/a	n/a	3.444.285,29
- Remuneration for joining committees	n/a	n/a	n/a
- Other	82.744,55	84.745,93	9.821.249,41
<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	19.628.688,96
<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	344.763,05
<b>(v) remuneration based on shares, including options (R\$)</b>			
	n/a	n/a	14.913.522,06
<b>Annual amount of remuneration by body (R\$)</b>	<b>406.146,85</b>	<b>461.395,28</b>	<b>76.338.882,12</b>
<b>Annual amount of remuneration (R\$)</b>			<b>77.206.424,25</b>

The variable remuneration program for Banco do Brasil officers of the year 2018-2019 had its amount approved by the Annual General Meeting of 04/25/2018 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 Remuneration and Eligibility Committee and approved by the Board of Directors, as CMN Resolution 3,921/2010 (Table 7).

**Table 7.** Remuneration of the Management Members

<b>Remuneration in Cash (R\$)</b>	<b>19.628.688,96</b>
RVA 2017 Program	7.273.217,81
RVA 2018 Program Advance	4.062.736,40
Social Charges <sup>1</sup>	8.292.734,75
<b>Remuneration in Shares<sup>2</sup></b>	<b>14.913.522,06</b>
RVA 2013 Program (portion 4/4)	4.029.428,17
RVA 2014 Program (portion 3/4)	3.629.821,51
RVA 2015 Program (portion 2/4)	3.890.317,66
RVA 2016 Program (portion 1/4)	1.134.100,52
Program 2018 (cash portion)	2.229.854,20
<b>Amount of Remuneration (R\$)</b>	<b>34.542.211,02</b>

(1) Spent on social charges on variable remuneration, pursuant to item "b" of the subtitle 10.2.13 Circular Letter/CVM/SEP/N.º 3/2019. (2) Which are remuneration in pecuniary, pursuant to item "b" of the subtitle 10.2.13 Circular Letter/CVM/SEP/ N.º 3/2019.

The table below presents additional information regarding the compensation of the board of directors, the supervisory board and the executive board:

**Table 8.** Remuneration of the Management Members – Higher amount, lower amount and average amount of compensation

Body	Board of Directors	Supervisory Board	Executive Board
<b>Number of members (12 months average)</b>	7,25	5,00	36,33
<b>Number of paid members</b>	4,50	5,00	41,42
<b>Amount of the highest individual remuneration (R\$) – year <sup>(1)</sup></b>	101.929,44	92.448,32	2.344.657,26
<b>Amount of the lowest individual remuneration (R\$) – year <sup>(2)</sup></b>	91.778,31	91.927,80	1.454.413,09
<b>Average individual remuneration per annum (R\$) <sup>(3)</sup></b>	90.254,86	92.279,06	1.843.043,99

(1) Corresponds to the total annual remuneration paid to the BB's CEO in the year 2018. Considering that the current CEO did not hold a position on the Executive Board before his inauguration in 2016,, having been informed the Chief Executive remuneration the, then included the direct and indirect benefits and social charges levied on their remuneration installments, as the items "b" and "j" subtitle 10.2.13 Circular Letter/CVM/SEP/N.º 3/2019, (2) Corresponds to the total annual remuneration paid to an Executive Officer of Banco do Brasil in the year 2018, 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 3/2019. The amount of the lowest annual individual remuneration 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\$406,146.85 per 4.50, to the Supervisory Board the ratio of R\$461,395.28 per 5.00 and for the Executive Board is based on the ratio of R\$76,338.882.12 per 41.42. The dividers are the number of paid members each body.

For further information on management members' compensation policy or practice, refer to section 13 of the Reference Form (available at [bb.com.br/ir](http://bb.com.br/ir) > Documents and Announcements > Reference Forms).

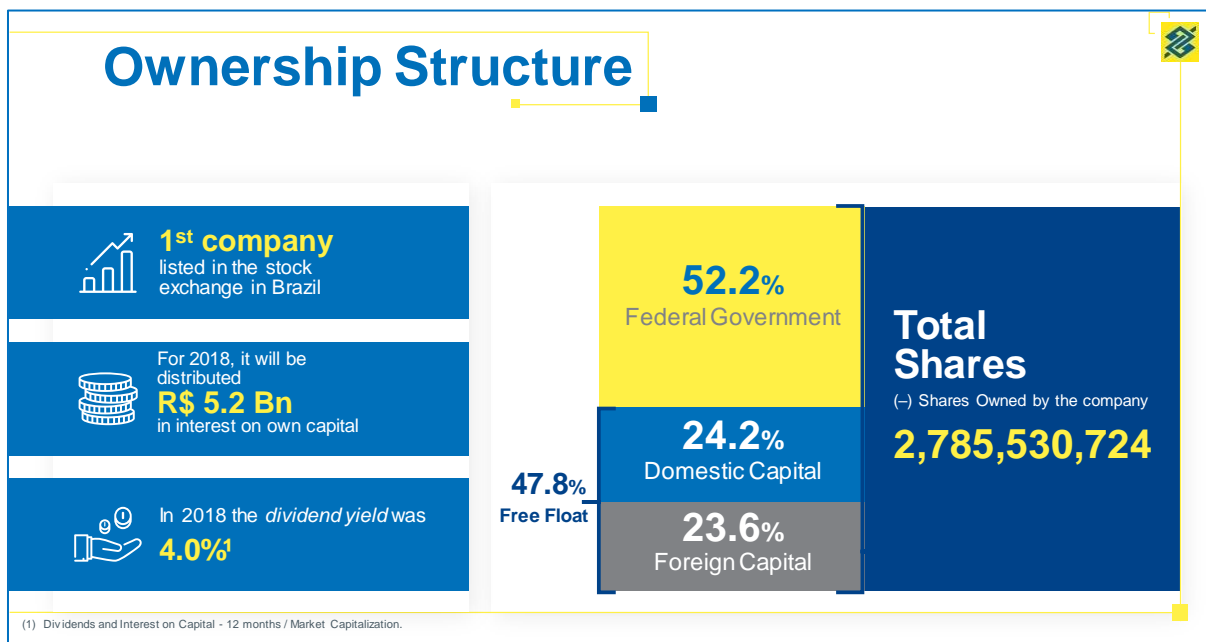
## 9. Other Information

### 9.1. Shareholding Structure

Our shares (BBAS3) remained in all B3 trading sessions and represented 3.140% of Ibovespa index for the four-month period from September to December, 2018. For the four-month period from January to April 2019, our share will be even higher, at 4.373%. We also keep a level 1 ADR program (BDORY), traded on the over-the-counter market in the United States.

Our shareholding structure, at the end December, 2018, was distributed as follows:

**Figure 3.** Ownership Structure (%)





## DECLARATION OF THE BOARD OF DIRECTORS

Banco do Brasil S/A Board of Directors declares that, in a meeting performed at this date, approved the Annual Chart of Public Policies and Corporate Governance related to the fiscal year ended 2018, in compliance with the item I of Article 8 of Law 13,303, from June 30, 2016.

**May 06, 2019.**

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Waldery Rodrigues Júnior  
(Chairman)

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Daniel Sigelmann  
(Vice-Chairman)

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Rubem de Freitas Novaes

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Júlio Cesar Costa Pinto

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Fabiano Felix do Nascimento

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Beny Parnes

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Luiz Serafim Spinola Santos