MD&A
3Q16



This report makes references and statements, planned synergies, growth estimates, earnings and strategies projections regarding Banco do Brasil's Conglomerate. Such statements are based on current expectations, estimates and projections of management about future events and financial trends that may affect the business of the Group.

These forward looking statements are not guarantees of future performance and involve risks and uncertainties that could extrapolate the control of management, and thus can result in balances and values different from those anticipated and discussed in this report. The expectations and projections depend of the market conditions (technological changes, competitive pressures on products, prices, etc.), the macroeconomic performance of the country (interest and exchange rates, political and economic changes, inflation, changes in tax legislation, etc.) and international markets.

Future expectations based in this report should consider the risks and uncertainties about the business of the Group. Banco do Brasil has no responsibility to update any estimate contained in reports published in previous periods.

The tables and charts in this report show, in addition to the accounting balances and values, financial and managerial numbers. The changes of relative rates are calculated before rounding procedure in million of R$. Rounding used follows the rules established by Resolution 886/66 of IBGE's Foundation: if the decimal number is equal or greater than 0.5, it increases by one unit, if the decimal number is less than 0.5, there is no increase.

Table of Contents

Presentation **8**
Highlights 8
On-line Access 8
Glossary **9**
Earnings Summary **11**
Net Income 11
2016 Guidance 11
Shareholder Remuneration 12
Statement of Income with Reallocations 13
Net Interest Income 15
Managerial Spread 15
Main Balance Sheet Items 16
BIS Ratio 16
Loan Portfolio 16
Fee Income 23
Administrative Expenses and Cost-to-Income Ratio 24
1 - Key Statistics **26**
Corporate Governance 30
2 - Financial Statements Summary **32**
2.1. Balance Sheet Summary 32
2.2. Income Statement with Reallocations 34
2.2.1. Reallocations Details 35
2.2.2. Glossary of Reallocations 37
2.2.3. Tax Effect and Statutory Profit Sharing on One-Off Items 38
3 - Loan **39**
Banco do Brasil Lending Process 39
3.1. Loan Portfolio 39
3.1.1. Individuals Loan Portfolio 42
3.1.2. Companies Loan Portfolio 46
3.1.3. Agribusiness Loan Portfolio 49
3.1.4. Concentration 54
3.2. Credit Risk 56
3.2.1. Individuals Loan Portfolio 60
3.2.2. Loans to Companies 62
3.2.3. Agribusiness Loan Portfolio 64
3.2.4. Foreign Loan Portfolio 67
3.3. Credit Collection and Recovery 68
3.3.1. Management of Past Due Credits 68
3.3.2. Credit Collection and Recovery Process 68
3.3.3. Credit Collection and Recovery Operating Flow 68
3.3.4. Process Efficiency 69
3.3.5. Renegotiated Loan Portfolio 71
4 - Funding **73**
5 - Financial Earnings **76**
5.1. Net Interest Income 76
5.2. Loan Operations 76
5.3. Funding Expenses 77
5.4. Institutional Funding Expenses 77
5.5. Credit Recovery 78
5.6. Treasury 78
5.7. Assets and Liabilities Analysis 81
5.7.1. Assets Analysis 81
5.7.2. Liabilities Analysis 82
5.7.3. Volume and Rate Analysis 83
5.8. Credit Spread by Portfolio 85
6 - Fee Income **86**
6.1. Checking Account Fees 86
6.2. Payment Methods 86
6.2.1. Cards Base and Turnover 87

6.2.2. Cards Service Income ... 88
6.3. Asset Management ... 89
6.4. Capital Market ... 91
6.5. Insurance ... 94
6.6. Consortium ... 95
7 - Productivity and Efficiency ... 97
7.1. Key Productivity Ratios ... 97
7.2. Personnel Expenses ... 98
7.3. Other Administrative Expenses ... 99
7.3.1. Service Network ... 100
7.3.2. Automated Service Channels ... 101
7.4. Other Operating Income and Expenses ... 104
7.5. Operational Loss ... 104
8 - Other Components of the Balance Sheet ... 108
8.1. Actuarial Assets and Liabilities ... 108
8.1.1. Previ ... 108
8.1.2. Cassi ... 109
8.1.3. Effects in Shareholders' Equity – CVM 695/2012 ... 110
8.2. Previ Plano 1 Surplus – Allocation Funds ... 110
9 - Risk Management ... 112
9.1. Risk Management ... 112
9.2. Capital Structure ... 114
10 - Strategic Investments ... 119
10.1. Information on Subsidiaries and Affiliates ... 119
10.2. Banco Votorantim ... 120
10.3. International Businesses ... 124
10.3.1. Banco Patagonia ... 124
11 - Managerial Financial Statements ... 127

List of Tables

Table 1. 2016 Guidance 12
Table 2. Adjusted Shareholders' Equity for Guidance Calculation 12
Table 3. Alternative Concepts of ROE 13
Table 4. Adjusted ROE 13
Table 5. Pre-Tax and Pre-Provision Earnings 13
Table 6. Statement of Income with Reallocations - Main Lines 14
Table 7. One-off Items 14
Table 8. NII Breakdown 15
Table 9. Annualized Managerial Spread (Organic Loan Portfolio) 15
Table 10. Risk Adjusted NIM 15
Table 11. Main Balance Sheet Items 16
Table 12. Loan Portfolio - Classified and Broad Definition 17
Table 13. Managerial Loan Portfolio - Broad Definition 17
Table 14. Organic Classified Loan Portfolio - Individuals 18
Table 15. Companies Loan Portfolio - Broad Definition 20
Table 16. Classified Loan Portfolio ALLL Expenses 22
Table 17. Classified Loan Portfolio Indicators 22
Table 18. Classified Loan Portfolio Indicators - Ex-Specific Case 23
Table 19. Fee Income 23
Table 20. Adjusted Administrative Expenses 25
Table 21. Main Macroeconomic Indicators[1] 26
Table 22. Ownership Structure – % 27
Table 23. Distribution of Dividends and Interest on Own Capital 27
Table 24. Market Ratios 27
Table 25. Participation of BB's Shares in Brazilian Stock Market Indexes – % 27
Table 26. Participation in the International Market - % 27
Table 27. Banco do Brasil Key Statistics 28
Table 28. Ratings 29
Table 29. Compulsory/Reserve Requirement (%) 29
Table 30. Balance Sheet Summary - Assets 32
Table 31. Balance Sheet Summary - Liabilities 33
Table 32. Income Statement with Reallocations 34
Table 33. Statement of Reallocations and One-Off Items 36
Table 34. Tax Effect and Statutory Profit Sharing on One-Off Items 38
Table 35. Loan Portfolio – Classified and Broad Definition 40
Table 36. Managerial Loan Portfolio – Broad Definition 40
Table 37. Loans in the Brazilian Banking Industry 41
Table 38. Individuals Loan Portfolio 42
Table 39. Individuals Loan Portfolio – Market Share 42
Table 40. Total Acquired Loan Portfolio[1] 43
Table 41. Organic Classified Loan Portfolio - Individuals 43
Table 42. Account Time – Customers with Credit Transactions 44
Table 43. BB's Organic Auto Loan Portfolio - Customers Characteristics 45
Table 44. Average Rates and Maturity 46
Table 45. Companies Loan Portfolio 46
Table 46. Companies Portfolio Breakdown 47
Table 47. Foreign Exchange for Export and Import Operations 47
Table 48. ACC (Forward Exchange Contracts) and ACE (Advance against Draft Presentation) 47
Table 49. Account Time - Percentage of the Very Small and Small Companies Portfolio Balance 48
Table 50. Loan to Very Small and Small Companies by Sector 48
Table 51. Very Small and Small Companies Credit Products 49
Table 52. Brazil's Share in World Agribusiness in Sep/16 49
Table 53. Classified Agribusiness Loan Portfolio by Region 50
Table 54. Agribusiness Loan Portfolio by Purpose 50
Table 55. Agribusiness Loan Portfolio by Credit Line/Program 51
Table 56. Agribusiness Loan Portfolio by Financed Item 51
Table 57. Agribusiness Loan Portfolio by Customer Size 51
Table 58. Agribusiness Loan Portfolio by Customer Type 52

Table 59. Agribusiness Loan Portfolio Broad Definition by Funding Sources 52
Table 60. Equalization Revenues and Weighting Factor 52
Table 61. Equalization Revenues Flow 53
Table 62. Equalizable resources in the Agribusiness Portfolio 53
Table 63. Disbursements by Purpose – Rural Credit 53
Table 64. Insurance in the Working Capital for Input Purchase 54
Table 65. 100 Largest Borrowers in Relation to the Classified Loan Portfolio 54
Table 66. 100 Largest Borrowers in Relation to RE[1] 55
Table 67. Concentration of Companies and Agro Companies Loan Portfolio by Macro-Sector 55
Table 68. Classified Loan Portfolio by Risk Level 59
Table 69. ALLL Expenses over Classified Loan Portfolio 59
Table 70. Classified Loan Portfolio Delinquency Indicators 60
Table 71. Individuals Classified Loan Portfolio by Risk Level 60
Table 72. Changes in Allowance for Loan Losses – Individuals Classified Loan Portfolio 61
Table 73. NPL +90d Individuals Portfolio - % by Credit Line 61
Table 74. Classified Loans to Companies by Risk Level 62
Table 75. Changes in Allowance for Loan Losses – Classified Loans to Companies 63
Table 76. NPL +90d Companies Portfolio - % by Credit Line 63
Table 77. Classified Agribusiness Loan Portfolio by Risk Level 64
Table 78. NPL +90d Agribusiness Portfolio - % by Credit Line 64
Table 79. Classified Agribusiness Loan Portfolio by Risk Level – Individuals 64
Table 80. Changes in Allowance for Loan Losses – Agribusiness Individuals 65
Table 81. Classified Agribusiness Loan Portfolio by Risk Level – Companies 65
Table 82. Changes in the Allowance for Loan Losses – Agribusiness Companies 65
Table 83. Agribusiness Transactions with Rollover and without it 66
Table 84. Classified Agribusiness Loan Portfolio Delinquency Indicators 66
Table 85. Classified Abroad Loan Portfolio by Risk Level 67
Table 86. Renegotiated Loan Portfolio – Multiple Bank[1] 71
Table 87. Renegotiated Portfolio by Risk Level 72
Table 88. Commercial Funding 73
Table 89. Institutional Funding 74
Table 90. Funding Abroad Borrowing - Modality 74
Table 91. Funding Abroad Borrowing - Product 74
Table 92. Sources and Uses 75
Table 93. Current Debt Issues Abroad 75
Table 94. Main Indexers 76
Table 95. Net Interest Income Breakdown 76
Table 96. Loan Operations 76
Table 97. Funding Result[1] 77
Table 98. Institutional Funding Expenses 77
Table 99. Funding vs. Selic Rate 78
Table 100. Credit Recovery 78
Table 101. Treasury Results 78
Table 102. Securities Income 79
Table 103. Securities Portfolio by Category – Market Value 79
Table 104. Securities Portfolio by Maturity – Market Value 79
Table 105. Financial Derivatives 80
Table 106. Liquidity Balance 80
Table 107. Open Market Funding Expenses 80
Table 108. Other Treasury Components 80
Table 109. Average Balances and Interest Rates – Earning Assets (Quarterly) 81
Table 110. Average Balances and Interest Rates – Earning Assets (9M) 81
Table 111. Average Balances and Interest Rates - Interest Bearing Liabilities (Quarterly) 82
Table 112. Average Balances and Interest Rates - Interest Bearing Liabilities (9M) 82
Table 113. Volume Analysis (Earning Assets) – Quarterly Rate 83
Table 114. Volume Analysis (Earning Assets) – 9M Rate 83
Table 115. NIM 83
Table 116. Adjusted NIM and Net Interest Income 83
Table 117. Change in Revenues and Expenses and Change Volume / Rate (Quarterly) 84
Table 118. Change in Revenues and Expenses and Change Volume / Rate (9M) 84
Table 119. Managerial Margin 85
Table 120. Spread by Portfolio 85
Table 121. Fee Income 86

Table 122. Customers and Checking Accounts ... 86
Table 123. Cards Base ... 87
Table 124. Number of Transactions ... 88
Table 125. Cards Service Income and Expenses – Quarterly Flow ... 89
Table 126. Cards Service Income and Expenses – 9 Months Flow ... 89
Table 127. Investment Funds and Managed Portfolio by Customer ... 90
Table 128. Investment Funds and Managed Portfolio by Type ... 90
Table 129. Management of Investment Funds With Socio-Environmental Characteristics ... 91
Table 130. Private Equity – Indirect Interest ... 93
Table 131. BB Seguridade – Performance Ratios ... 95
Table 132. Consortium – Current Quotas per Type ... 95
Table 133. Consortium – Average Ticket ... 96
Table 134. Consortium[1] – Average Term and Average Management Rate ... 96
Table 135. Pre-Tax and Pre-Provision Earnings ... 97
Table 136. Efficiency Ratios ... 97
Table 137. Cost Income an Coverage Ratio – Adjusted[1] ... 97
Table 138. Other Productivity Ratios ... 98
Table 139. Personnel Expenses ... 99
Table 140. BB's Staff Members Profile ... 99
Table 141. Other Administrative Expenses ... 100
Table 142. Service Network ... 100
Table 143. Branch Network by Region ... 100
Table 144. Other Operating Income/Expenses ... 104
Table 145. Breakdown of Operational Loss - % ... 105
Table 146. Composition of Assets ... 109
Table 147. Actuarial Assumptions ... 109
Table 148. Previ (Plano 1) – Effects of Accounting – CVM 695/2012 ... 109
Table 149. Cassi – Effects of Accounting – CVM 695/2012 ... 110
Table 150. Impact on Shareholders' Equity – CVM 695/2012 ... 110
Table 151. Previ (Plano1) – Fundo Paridade ... 111
Table 152. Previ (Plano1) – Fundo de Utilização ... 111
Table 153. Balance in Foreign Currencies ... 112
Table 154. Repricing Profile of Interest Rates ... 114
Table 155. BIS Ratio ... 116
Table 157. Minimum Required Reference Equity referring to the RWA_{CPAD} portion ... 117
Table 158. Minimum Required Reference Equity referring to the portion of RWA_{MPAD} ... 117
Table 159. Minimum Required Reference Equity referring to the RWA_{OPAD} Portion ... 117
Table 160. RWA_{CPAD} segregated by the Risk-Weighting Factor (RWF) ... 118
Table 161. Interest in the Capital of Subsidiaries and Affiliates ... 119
Table 162. Income Statement with Reallocations[1] - Quarterly ... 120
Table 163. Income Statement with Reallocations[1] - 9 Months ... 121
Table 164 . Net Interest Margin and Profit Margin ... 121
Table 166. Managed Portfolio Quality ... 122
Table 167. BIS Ratio ... 123
Table 168. Foreign Service Network ... 124
Table 169. Balance Sheets – Consolidated Abroad ... 124
Table 170. Income Statement Items – Consolidated Abroad ... 124
Table 171. Banco Patagonia – Balance Sheet Highlights ... 125
Table 172. Banco Patagonia – Funding ... 125
Table 173. Banco Patagonia – Main Lines of the Income Statement ... 125
Table 174. Banco Patagonia – Indicators ... 126
Table 175. Banco Patagonia – Operating and Structural Highlights ... 126
Table 176. Summary Balance Sheet - Assets Managerial ... 127
Table 177. Summary Balance Sheet - Liabilities Managerial ... 128
Table 178. Summary Corporate Law Income Statement - Managerial ... 129
Table 179. Summary Income Statement with Reallocations - Managerial ... 129
Table 180. Managerial Net Interest Income - Managerial ... 130
Table 181. Fee Income - Managerial ... 130
Table 182. Adm. Expenses - Managerial ... 130

List of Figures

Figure 1. Net Income and ROE 11
Figure 2. Earnings per Share, Dividends and Interest on Own Capital 12
Figure 3. Classified Loan Portfolio in Brazil for the Contracted Period - % and R$ billion 18
Figure 4. Mortgage Loan Portfolio (R$ billion) 19
Figure 5. Agribusiness Loan Portfolio - Broad Definition (R$ billion) 20
Figure 6. Classified Loan Portfolio Average Risk 21
Figure 7. Classified Loan Portfolio NPL +90d (%) 21
Figure 8. Cards Turnover - R$ billion 24
Figure 9. Asset Management 24
Figure 10. Structure of Senior Management 31
Figure 11. Strategic Committees 31
Figure 12. Banco do Brasil Lending Process 39
Figure 13. Classified Loan Portfolio BB by Contracted Period - % and R$ billion 41
Figure 14. BB's Classified Loan Portfolio in Brazil by maturity - % 42
Figure 15. Organic Individuals Loan Portfolio – Direct Consumer Credit and Auto Loan - % 43
Figure 16. Organic Payroll Loan Breakdown - % 44
Figure 17. Maturity of transactions contracted in the quarter – Payroll Loan 44
Figure 18. Maturity of Transactions Contracted in the quarter – Auto Loan 45
Figure 19. Loan to Value - Organic Auto Loan Portfolio - % 45
Figure 20. Loan to Value - Mortgage Portfolio - % 46
Figure 21. Disbursements by Onlending Fund - % 48
Figure 22. BB's Market Share in Brazilian Agribusiness – % 50
Figure 23. Working Capital for Input Purchase Breakdown Risks - % 54
Figure 24. Classified Loan Portfolio Average Risk 56
Figure 25. Classified Loan Portfolio Coverage Index 56
Figure 26. ALLL – Classified Loan Portfolio 57
Figure 27. NPL +90d – Percentage on the Classified Loan Portfolio 57
Figure 28. NPL +90d per segment – Percentage on the Domestic Classified Loan Portfolio 57
Figure 29. New NPL and Write-Off – Percentage on the Classified Loan Portfolio 58
Figure 30. ALLL / New NPL (%) 58
Figure 31. Individuals Loan Portfolio – Annual Vintage 62
Figure 32. Very Small and Small Companies Loans Portfolio – Annual Vintage 63
Figure 33. Collection and Recovery Network[1] 69
Figure 34. Credit Regularization Rate Over Collection Period - % 69
Figure 35. Collection and Recovery before Write Off[1] **-** % 70
Figure 36. Accumulated Recovery (R$ billions) and Cash Recovery Index - % 70
Figure 37. Write-Off – Percentage on the Classified Loan Portfolio 70
Figure 38. New NPL and Write-Off – Percentage on the Renegotiated Loan Portfolio 71
Figure 39. Market Share of BB's Funding (R$ billion) 73
Figure 40. Securities Portfolio by Index (BB Multiple Bank) 79
Figure 41. Payment Methods Organizational Chart – Main Companies[1] 87
Figure 42. Total Turnover – R$ billion 88
Figure 43. Traditional and Specific Business Total Turnover – R$ billion 88
Figure 44. Fiduciary Management and Market Share – R$ billion 89
Figure 45. Domestic Custody Total Assets and Market Share – R$ billion 91
Figure 46. Fixed Income Securities Origination – Domestic and International Markets 92
Figure 47. Individuals Equity – Secondary Market 93
Figure 48. Gold – Custody Balance and Revenues 94
Figure 49. Consortium – Fee Income and Current Quotas 96
Figure 50. Individuals Loan Portfolio and Branches 98
Figure 51. Bank Product and Branches 98
Figure 52. Evolution of BB's Staff 99
Figure 53. Transactions by Service Channels - % 101
Figure 54. Number of Registered Users (million) – Internet and Mobile Banking 101
Figure 55. Number of Transactions (million) – Individuals Internet Banking and Mobile Banking 102
Figure 56. Automated Teller Machines 102
Figure 57. ATMs' Share in Basic Banking Transactions (% average) 103
Figure 58. Tecnology Investments 103

Figure 59. Storage Capacity and Availability Index 104
Figure 60. Operational Loss for Value Range - % 105
Figure 61. Ratio between Fraudulent Transactions and Total Transactions - % 106
Figure 62. Ratio between Recovery Potential and Performed Recovery – Service Channels (%) 106
Figure 63. Prevented Number of Attacks versus Number of Attacks - % 107
Figure 64. Changes in Foreign Exchange Exposure as a % of the Referential Equity Amount (RE) 113
Figure 65. Banco do Brasil Assets and Liabilities Composition 113
Figure 66. BB Consolidated Net Position 114
Figure 67. Banco Patagonia – Net Income – R$ million 125

Presentation

The Management Discussion and Analysis Report presents the economic/financial situation of Banco do Brasil (BB). Addressed to market analysts, stockholders and investors, with quarterly periodicity, this report releases content with data on main economic indicators, BB's shares performance and risk management. The reader will also find tables with historical series, from up to eight periods, of the Summarized Balance Sheet, the Summarized Corporate Law Income Statement, the Income Statement with Reallocations, besides information about profitability, productivity, quality of the loan portfolio, capital structure, capital market, and structural data.

At the end of this report, the Financial Statements and the Notes to the Financial Statements will be presented.

Highlights

In Chapter 4 - Funding, we reformulated the Current Debt Issues Abroad table.

On-line Access

The Management Discussion and Analysis report can also be read through Banco do Brasil's Investor Relations website. Further information about BB is also available there, such as: Corporate Governance, news, frequently asked questions and a Download center.

Banco do Brasil	bb.com.br
Investor Relations	bb.com.br/ir

Glossary

Leverage: financial indicator that measures the ratio between the total assets and shareholders' equity of the company.

Earnings Assets: reflects the sum of all assets that produce a financial return to the institution. The total return of these assets is included in the gross income from financial intermediation.

Commercial Funding: Includes Total Deposits, Agribusiness Letters of Credit - LCA, Mortgage Bonds - LCI and repurchase agreements operations with private securities.

Institutional Funding: Includes funding directed to institutional investors, with the use of instruments such Senior Debt, Letters Financial and Instrument Hybrid Capital and Debt (IHCD).

Classified Loan Portfolio: sum of the credit operations, financing, leasing, other credit with loan characteristics and acquired loan portfolio.

Loan Portfolio - Broad concept: it corresponds to the Classified Loan Portfolio added of the Private Securities and Guarantees operations.

Domestic Loan Portfolio - Broad concept: classified loan portfolio plus guarantees provided and private securities, considering the operations in the country.

Managed Loan Portfolio: concept adopted by Banco Votorantim, loan portfolio accounted as established by the CMN Resolution 2,862/99, added to private securities and guarantees, which includes assets assigned with recourse to other financial institutions and the assets assigned to Credit Receivables Investment Funds – FIDCs.

Managed Loan Portfolio - Broad Concept: concept adopted by Banco Votorantim, managed loan portfolio, plus private securities and guarantees.

Organic Loan Portfolio: Loan Portfolio excluding the acquired portfolios.

Overdue Renegotiated Loan Portfolio: It comprises the renegotiated loans for debts composition due to delay in payments by customers. Furthermore, it does not comprise the rollover operations of agribusiness loan portfolio.

Correspondent Services: are companies, whether or not members of the National Financial System, made by financial institutions and other institutions authorized by the Central Bank of Brazil for the provision of service to customers and users of these institutions.

Opportunity Cost: managerial assessment tool used to compare the effective result of active operations and the hypothetical result of use in a replacement alternative. The Average Selic Rate (TMS) is generally considered.

Fairness opinion: economic, financial and corporate analysis that provides those who will decide on a certain merger and acquisition transaction or to provide the shareholders an independent and unbiased opinion stating that, under the market conditions to which the company was subjected at the time the aforementioned transaction was negotiated, its terms were fair to the company and all its shareholders.

Guarantees: operations where the BB ensures the settlement of the contracts for import and export.

Structural Hedge: hired operations to cancel the changes in foreign currency effects on assets abroad.

Tax Hedge: hired operations to reduce the foreign exchange variation effects on the result, considering the impact on taxes.

Coverage Ratio Adjusted: indicates the magnitude of the coverage of tariff revenues on expenses.

Cost to Income Ratio: productivity indicator that measures the relation between administrative expenses and operating revenues. When the ratio is lower, more efficient is the company.

Adjusted Net Income: net income excluding one-off items.

ADB: Average Daily Balance

Net Interest Income (NII): It is calculated as the difference between income and expenses from financial intermediation considering the reallocations.

Extraordinary items: Revenues or expenses incurred relevant identified in results for the period and which do not refer to the normal business of the Bank and/or refer to values recorded in previous years.

Adjusted NIM: net interest margin divided by the average balance of earning assets.

Net Interest Rate: difference between average rate of earning assets and average rate of interest bearing liabilities.

Net Interest Management: Is calculated on the basis of the financial revenues received, less any opportunity costs, is defined according to each type of product.

Net Interest Gain: defined as interest income from earning assets less interest expenses from interest bearing liabilities.

Interest Bearing Liabilities: includes the sum of all liabilities that carry an expense for the institution. The total financial cost of these liabilities reflects the expense of financial intermediation.

Reallocations: adjustments made in the Corporate Law Income Statement in order to provide a better understanding of the business and the company's performance.

Annualized Return on Equity: ratio between the net income and the arithmetic average of shareholders' equity of the reporting period on the previous period, excluding non-controlling interest. The value was annualized for capitalization.

Managerial Spread: spread is the result of the managerial financial margin divided by the respective average balances. For managerial financial margin calculation, financial revenues classified by portfolio are calculated first. Subsequently, the opportunity costs defined for each of the portfolio lines are deducted. Considering the individuals and companies loan portfolios, with free resources, the opportunity cost is the average Selic rate. For the agribusiness portfolio and other directed resources, the opportunity cost is calculated according to the funding source and the necessity or not of compulsory investing part of this funding.

Net Interest Margin: Applying the concept of spread to the banking industry, which is calculated by dividing net interest income by average earning assets.

Private Securities: operations characterized by the acquisition of securities (commercial paper and debentures) mainly issued by private companies..

Earnings Summary

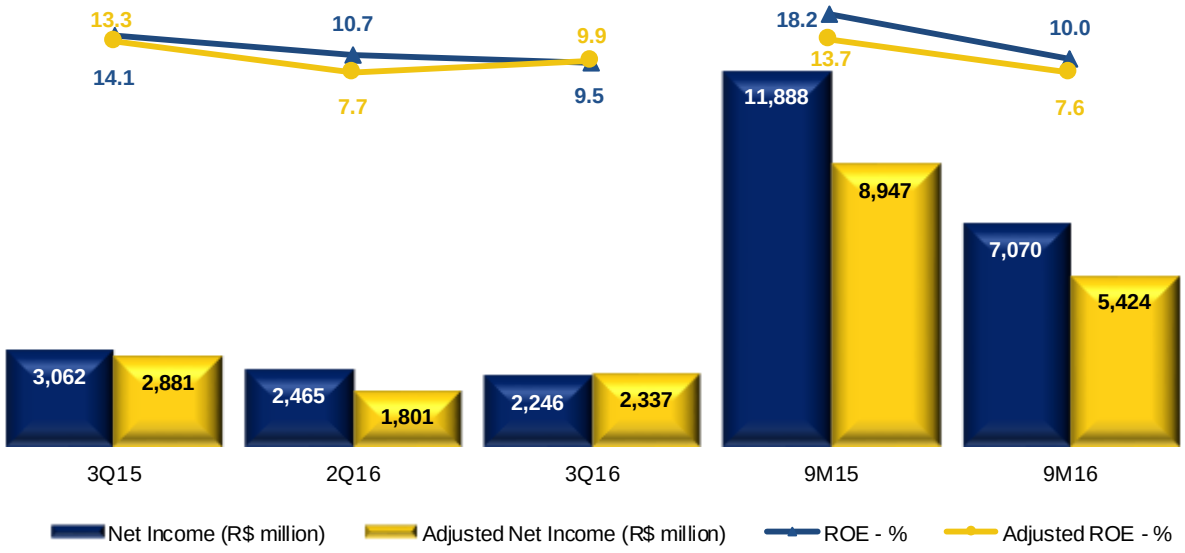
Net Income

Net Income was R$7.1 billion in 9M16

Banco do Brasil recorded net income of R$7,070 million in 9M16, representing ROE of 10.0% p.y. The 40.5% decrease compared to the same period of 2015 is mainly due to two factors: (i) creation of Cateno in the previous year and (ii) provision related to a specific case of oil and gas business segment occurred in 1H16.

The adjusted net income, excluding one-off items, was R$5,424 million in 9M16. The adjusted ROE in the period was 7.6% p.y.

Figure 1. Net Income and ROE



2016 Guidance

The following table shows the 2016 Guidance and its comparison with the year's performance. The loan portfolio performance is related to the balance comparison in 12 months. The indicators related to income are measured by comparing the amounts accrued during the year. Projections are prepared for the fiscal year, so that variations over the quarters may reflect specific events of the period. The assumptions used to prepare these projections were presented in 4Q15 Earnings Summary.

It is worth noting that the results depend on market conditions, the country's economic and international markets performance, which may impact the actual performance from those forecasted in our projections.

In 9M16, the following indicators were different from the expected:

a) Adjusted ROE: the adjusted net income was influenced by the provision for a specific case. The pre-tax and pre-provision earnings reflect the expected commercial performance;

b) Domestic Loan Portfolio: influenced by lower credit demand;

c) Individuals Portfolio: performance due to lower volume of acquired loan portfolios;

d) Companies Portfolio: results impacted by amortizations and the prioritization of most profitable lines;

e) Agribusiness Loan Portfolio: performance reflects the amortizations in agribusiness portfolio;

f) Administrative Expenses: influenced by the continued strict expenses control.

Table 1. 2016 Guidance

Indicators - %	2016 Guidance	2016 Performance	2016 Guidance Reviewed
Adjusted ROE[1]	9 to 12	7.6	8 to 10
Net Interest Income	11 to 15	15.0	Unchanged
Domestic Loan Portfolio - Broad Definition[2]	-2 to 1	-3.4	-9 to -6
Individuals	5 to 8	3.6	1 to 4
Companies	-10 to -6	-10.8	-19 to -16
Agribusiness	6 to 9	4.5	4 to 7
ALLL Expenses[3]	4.0 to 4.4	4.4	Unchanged
Fee Income	7 to 11	7.0	Unchanged
Administrative Expenses	5 to 8	4.2	4 to 6

1 - Adjusted ROE for 2016 includes estimates of adjusted shareholders' equity, free from the effects of: (i) the restatement of assets and actuarial, liabilities arising from the Deliberation CVM 695; and (ii) minority interests in subsidiaries.
2 - Includes classified loan portfolio in Brazil, private securities and guarantees.
3 - Accumulated 12 months ALLL expenses/12 months average classified loan portfolio.

The adjusted ROE is calculated based on the adjusted shareholders' equity, indicated in the following table.

Table 2. Adjusted Shareholders' Equity for Guidance Calculation

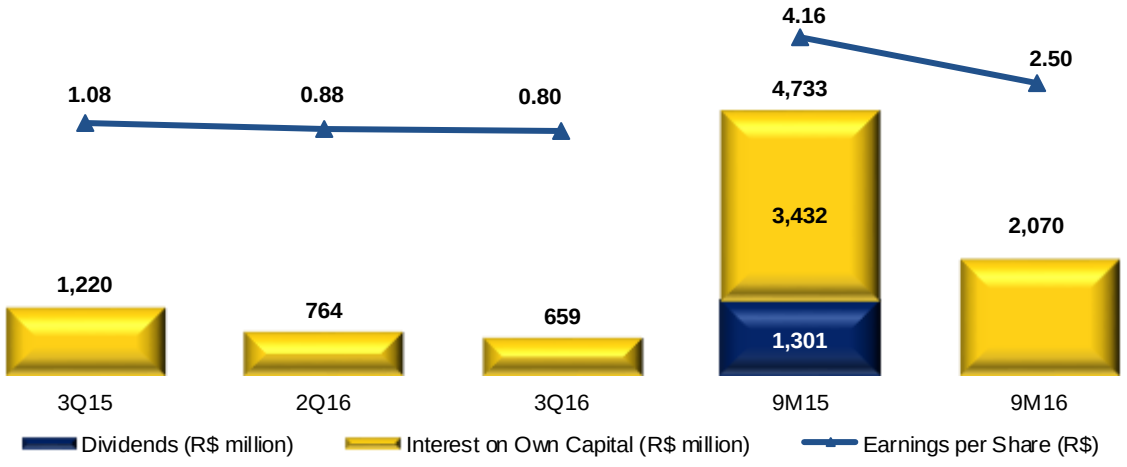
R$ million	Dec/15	Sep/16
Shareholders' Equity (a)	**81,536**	**85,724**
Benefit Plans (b)	(13,918)	(16,832)
Corporate Profit Sharing (c)	3,128	3,359
Adjusted Shareholders' Equity (a-b-c)	**92,326**	**99,197**
Adjusted Shareholders' Equity - Average		**95,762**

Shareholder Remuneration

Shareholders' remuneration was R$2.1 billion in 9M16

The following figure shows the shareholders' remuneration.

Figure 2. Earnings per Share, Dividends and Interest on Own Capital



The next table presents alternative concepts of ROE, as follows:

a) Accounting ROE: calculated based on the financial statements;

b) Market ROE: obtained from the division between the adjusted net income and the average shareholders' equity deducted from non-controlling interest; and

c) Shareholders' ROE: represents the ratio between the adjusted net income and the average shareholders' equity deducted from the instrument eligible to principal capital and non-controlling interest;

Table 3. Alternative Concepts of ROE

%	3Q15	2Q16	3Q16	9M15	9M16
Accounting ROE	15.5	12.3	11.1	19.7	11.4
Market ROE	15.2	9.2	12.0	15.4	9.1
Shareholders' ROE	17.0	10.3	13.4	17.2	10.1

The next table shows the Adjusted ROE, obtained from the ratio between the adjusted net income and the average adjusted shareholders' equity. This is the ROE considered in the Guidance.

Table 4. Adjusted ROE

%	3Q15	2Q16	3Q16	9M15	9M16
Adjusted ROE	13.3	7.7	9.9	13.7	7.6

Statement of Income with Reallocations

Pre-Tax and Pre-Provision Earnings reflects financial intermediation increase and administrative expenses control

The BB's pre-tax and pre-provision earnings, which represents the performance before provision expenses and taxes, increased 9.8% in 9M16/9M15 comparison. The result was positively influenced by the performance of the Net Interest Income (NII) and the administrative expenses.

Table 5. Pre-Tax and Pre-Provision Earnings

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Total Operating Income (Banking Product)	**22,322**	**23,939**	**24,370**	**9.2**	**1.8**	**64,527**	**71,431**	**10.7**
Operating Income	22,059	23,686	24,299	10.2	2.6	63,226	70,787	12.0
Net Interest Income	13,251	14,633	15,099	13.9	3.2	38,270	44,008	15.0
Fee Income	5,691	6,063	6,022	5.8	(0.7)	16,488	17,643	7.0
Eq. Interest of Subsidiaries and Affiliates	942	1,091	1,064	13.0	(2.4)	2,852	3,153	10.6
Other Operating Income	2,174	1,898	2,113	(2.8)	11.3	5,616	5,982	6.5
Previ - Plano de Benefícios 1	40	(54)	(141)	-	162.4	318	(248)	-
Previ - Fundo de Utilização Restatement	223	307	212	(4.9)	(30.9)	983	892	(9.2)
Total Operating Expenses	**(12,420)**	**(13,262)**	**(13,655)**	**9.9**	**3.0**	**(35,650)**	**(39,729)**	**11.4**
Administrative Expenses	(7,850)	(7,973)	(8,419)	7.3	5.6	(23,228)	(24,201)	4.2
Personnel Expenses	(4,765)	(4,956)	(5,283)	10.9	6.6	(14,265)	(15,028)	5.3
Other Administrative Expenses	(3,085)	(3,017)	(3,137)	1.7	4.0	(8,963)	(9,173)	2.3
Legal Risk	(725)	(581)	(629)	(13.3)	8.2	(1,061)	(2,000)	88.5
Other Tax Expenses	(137)	(92)	(121)	(11.7)	31.8	(337)	(330)	(2.2)
Taxes on Revenues	(1,047)	(1,291)	(1,274)	21.7	(1.3)	(3,155)	(3,788)	20.1
Other Operating Expenses	(2,661)	(3,325)	(3,212)	20.7	(3.4)	(7,869)	(9,410)	19.6
Non-Operating Income	**69**	**72**	**55**	**(20.0)**	**(23.2)**	**138**	**163**	**18.8**
Pre-Tax and Pre-Provision Earnings	**9,971**	**10,749**	**10,770**	**8.0**	**0.2**	**29,014**	**31,865**	**9.8**

The following table, extracted from the statement of income with reallocations, presents the highlights of the period. The breakdown of reallocations made in the statement of income can be found in section 2.3.1 of MD&A.

Table 6. Statement of Income with Reallocations - Main Lines

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Net Interest Income	**13,251**	**14,633**	**15,099**	**13.9**	**3.2**	**38,270**	**44,008**	**15.0**
Allowance for Loan Losses	(5,835)	(8,277)	(6,644)	13.9	(19.7)	(16,680)	(24,065)	44.3
Net Financial Margin	**7,416**	**6,356**	**8,455**	**14.0**	**33.0**	**21,590**	**19,943**	**(7.6)**
Fee income	5,691	6,063	6,022	5.8	(0.7)	16,488	17,643	7.0
Contribution Margin	**12,060**	**11,128**	**13,203**	**9.5**	**18.6**	**34,923**	**33,797**	**(3.2)**
Administrative Expenses	(7,850)	(7,973)	(8,419)	7.3	5.6	(23,228)	(24,201)	4.2
Personnel Expenses	(4,765)	(4,956)	(5,283)	10.9	6.6	(14,265)	(15,028)	5.3
Other Administrative Expenses	(3,085)	(3,017)	(3,137)	1.7	4.0	(8,963)	(9,173)	2.3
Commercial Income	**4,074**	**3,064**	**4,663**	**14.5**	**52.2**	**11,357**	**9,267**	**(18.4)**
Civil Claims	(417)	(185)	(475)	13.9	157.2	(761)	(1,051)	38.2
Labor Lawsuits	(308)	(396)	(153)	(50.2)	(61.3)	(300)	(948)	215.8
Other Operating Income	718	(82)	37	(94.8)	-	1,900	369	(80.6)
Income Before Taxes	**4,135**	**2,472**	**4,126**	**(0.2)**	**66.9**	**12,334**	**7,800**	**(36.8)**
Income and Social Contribution Taxes	(283)	12	(1,079)	281.8	-	(688)	(408)	(40.7)
Corporate Profit Sharing	(523)	(246)	(303)	(42.1)	23.3	(1,443)	(734)	(49.1)
Adjusted Net Income	**2,881**	**1,801**	**2,337**	**(18.9)**	**29.8**	**8,947**	**5,424**	**(39.4)**

The following table shows the one-off items, net of taxes and statutory profit sharing.

Table 7. One-off Items

R$ million	3Q15	2Q16	3Q16	9M15	9M16
Adjusted Net Income	**2,881**	**1,801**	**2,337**	**8,947**	**5,424**
(+) One-Off Items	**181**	**664**	**(91)**	**2,941**	**1,646**
Economic Plans	(247)	(185)	(323)	(402)	(890)
Extraordinary Provision for Lawsuits	(1,794)	259	147	(2,560)	813
Additional ALLL	(2,370)	1,209	-	(2,370)	3,257
Deferred Tax on CSLL	3,405	-	-	3,405	-
Funds and Programs Adjustment	-	-	-	(127)	-
Provision for Loyalty Program Points	(765)	-	-	(765)	-
Cateno - Gestão de Contas de Pagamentos S/A	-	-	-	11,572	-
Cateno - Unrealized Income	-	-	-	(3,474)	-
PAI (Employees Retirement Plan)	(372)	-	-	(372)	-
BrasilPrev, Susep Circular-letter 457/12 and 462/13	-	-	-	385	-
BrasilPrev Effect in Minority Shareholders	-	-	-	(74)	-
Tax Effects and Statutory Profit Sharing on One-Off Items	2,325	(618)	85	(2,275)	(1,532)
Net Income	**3,062**	**2,465**	**2,246**	**11,888**	**7,070**

Net Interest Income

Net Interest Income increased 15.0% in the year

In 9M16, the NII increased by 15.0% over the same period of the previous year. The performance was supported by the increase in loan operations income (+R$7,089 million) and an increase in recovery of write-offs (+R$742 million).

Table 8. NII Breakdown

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Net Interest Income	**13,251**	**14,633**	**15,099**	**13.9**	**3.2**	**38,270**	**44,008**	**15.0**
Loan Operations income	24,840	25,311	26,117	5.1	3.2	69,417	76,506	10.2
Funding Expenses	(11,616)	(11,034)	(11,366)	(2.2)	3.0	(31,234)	(33,330)	6.7
Financial Expense for Institutional Funding[1]	(3,792)	(3,785)	(3,737)	(1.5)	(1.3)	(10,483)	(11,255)	7.4
Recovery of Write-offs	719	1,384	968	34.6	(30.1)	2,470	3,212	30.0
Treasury Income[2]	3,100	2,758	3,117	0.6	13.0	8,100	8,875	9.6

1 - Includes senior debt, subordinated debt and hybrid capital and debt instrument (IHCD) in Brazil and abroad).
2 - Includes interest income, tax hedge, derivatives and other financial instruments that offset the exchange rate variation in the income.

Managerial Spread

The following table shows the managerial spread segmented by portfolio. Spread is the result of the managerial financial margin divided by the respective average portfolio balance. For the managerial financial margin calculation, financial income classified by portfolio are calculated first. Subsequently, the opportunity costs defined for each portfolio are deducted.

The evolution of the managerial spread as from 2015, presented in the next table, reflects the effective strategy of the funding mix and the repricing of credit operations.

Table 9. Annualized Managerial Spread (Organic Loan Portfolio)

%	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16
Loan Operations[1]	**7.0**	**6.9**	**7.0**	**7.1**	**7.4**	**7.5**	**7.7**	**7.9**
Individuals	13.8	13.5	14.0	14.9	15.5	15.8	16.3	16.5
Companies[2]	5.7	5.5	5.6	5.7	5.8	5.9	5.9	6.1
Agribusiness	5.1	4.9	4.8	4.5	4.8	4.8	4.9	5.0

1 - Revised series from 1Q15 on due to methodology adjustments.
2 - It does not include loans with Government sector.

The next table shows the net interest margin (NIM) and the risk adjusted NIM.

Table 10. Risk Adjusted NIM

%	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16
Net Interest Margin (NIM)[1]	4.4	4.4	4.3	4.5	4.8	4.8	4.9	4.9
Risk Adjusted NIM[2]	2.7	2.4	2.5	2.5	2.4	1.7	2.1	2.7

1 - Net Interest Income/Average Earning Assets, annualized.
2 - Net Financial Margin (NII less ALLL expenses)/Average Earning Assets, annualized.

Main Balance Sheet Items

Time and savings deposits grow R$1.3 billion in the quarter

Time and savings deposits increased R$1.3 billion on quarterly comparision (3Q16/2Q16), reflecting the Bank's strategy of growth in lower cost lines.

Loans, securities and interbank investments are the most representative lines of BB's assets, which accounted for 88.9% as of September/16. Regarding the liabilities, commercial funding represented 42.8% of the total.

Table 11. Main Balance Sheet Items

				Chg. %	
R$ million	Sep/15	Jun/16	Sep/16	Sep/15	Jun/16
Total Assets	1,402,014	1,445,115	1,448,212	3.3	0.2
Loan Portfolio - Broad Definition[1]	788,385	751,207	734,032	(6.9)	(2.3)
Domestic Loan Portfolio - Broad Definition[1]	706,729	699,991	682,527	(3.4)	(2.5)
Securities	113,576	120,750	125,671	10.6	4.1
Short-Term Interbank Operations	344,858	414,471	427,803	24.1	3.2
Total Liabilities	1,402,014	1,445,115	1,448,212	3.3	0.2
Commercial Funding	660,175	624,778	619,944	(6.1)	(0.8)
Total Deposits	462,467	440,879	437,703	(5.4)	(0.7)
Demand Deposits	66,063	62,550	61,623	(6.7)	(1.5)
Savings Deposits	149,764	148,368	148,681	(0.7)	0.2
Interbank Deposits	41,465	27,473	23,919	(42.3)	(12.9)
Time Deposits	205,175	202,489	203,480	(0.8)	0.5
Judicial Deposits	116,107	116,655	119,281	2.7	2.3
Agrib. Letters of Credit + Mortgage Bonds	153,029	153,485	150,620	(1.6)	(1.9)
Money Market Borrowing	319,732	411,969	410,470	28.4	(0.4)
Repurchase Agreements with Priv. Sec.	44,678	30,415	31,621	(29.2)	4.0
Shareholder's Equity	83,814	83,449	85,724	2.3	2.7

1 - Includes private securities and guarantees.

BIS Ratio

Core Capital Ratio was 9.07% in September/16

Banco do Brasil's BIS ratio was 17.59% in September/16, higher than the minimum required. The tier I capital ratio was 12.18% and 9.07% of core capital ratio. Both ratios are adequate and above the minimum required. BB's referential equity was R$127.1 billion during the period, as detailed in chapter 9 of the MD&A.

Loan Portfolio

Loan Portfolio (Broad Definition) was R$734 billion in September/16

BB's loan portfolio (broad definition) decreased 6.9% in twelve months, influenced by the corporate segment, amortizations in agribusiness portfolio and lower volume of acquired loan portfolio in the individuals segment. During the period, the highlight was the growth of 6.1% in individual's organic portfolio.

Table 12. Loan Portfolio - Classified and Broad Definition

	Balance						Chg. %	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Classified Loan Portfolio (a)	**710,612**	**100.0**	**690,067**	**100.0**	**671,225**	**100.0**	**(5.5)**	**(2.7)**
Brazil	**640,904**	**90.2**	**645,886**	**93.6**	**628,118**	**93.6**	**(2.0)**	**(2.8)**
Individuals	**178,944**	**25.2**	**187,458**	**27.2**	**185,731**	**27.7**	**3.8**	**(0.9)**
Payroll Loan	63,801	9.0	64,237	9.3	63,889	9.5	0.1	(0.5)
Mortgage	35,188	5.0	39,706	5.8	41,157	6.1	17.0	3.7
Credit Card	21,537	3.0	22,906	3.3	22,844	3.4	6.1	(0.3)
Salary Loans	19,425	2.7	20,482	3.0	20,348	3.0	4.8	(0.7)
Auto Loans	23,094	3.2	21,459	3.1	18,862	2.8	(18.3)	(12.1)
Consumer Finance	6,888	1.0	7,392	1.1	7,010	1.0	1.8	(5.2)
Overdraft Accounts	2,564	0.4	2,775	0.4	2,830	0.4	10.4	2.0
Other	6,446	0.9	8,502	1.2	8,791	1.3	36.4	3.4
Companies	**291,041**	**41.0**	**274,875**	**39.8**	**263,539**	**39.3**	**(9.4)**	**(4.1)**
Middle Market and Corporate	160,341	22.6	156,353	22.7	150,642	22.4	(6.0)	(3.7)
Very Small and Small	91,635	12.9	81,167	11.8	74,909	11.2	(18.3)	(7.7)
Government	39,065	5.5	37,355	5.4	37,988	5.7	(2.8)	1.7
Agribusiness	**170,919**	**24.1**	**183,553**	**26.6**	**178,848**	**26.6**	**4.6**	**(2.6)**
Individuals	119,682	16.8	130,475	18.9	128,522	19.1	7.4	(1.5)
Companies	51,237	7.2	53,078	7.7	50,326	7.5	(1.8)	(5.2)
Abroad	**69,708**	**9.8**	**44,181**	**6.4**	**43,106**	**6.4**	**(38.2)**	**(2.4)**
Private Securities and Guarantees (b)	**77,773**		**61,140**		**62,807**		**(19.2)**	**2.7**
Loan Port. - Broad Definition (c=a+b)	**788,385**	**100.0**	**751,207**	**100.0**	**734,032**	**100.0**	**(6.9)**	**(2.3)**
Brazil	**706,729**	**89.6**	**699,991**	**93.2**	**682,527**	**93.0**	**(3.4)**	**(2.5)**
Individuals	179,670	22.8	187,939	25.0	186,178	25.4	3.6	(0.9)
Companies	355,211	45.1	327,577	43.6	316,763	43.2	(10.8)	(3.3)
Agribusiness	171,848	21.8	184,476	24.6	179,586	24.5	4.5	(2.7)
Abroad	**81,656**	**10.4**	**51,215**	**6.8**	**51,505**	**7.0**	**(36.9)**	**0.6**

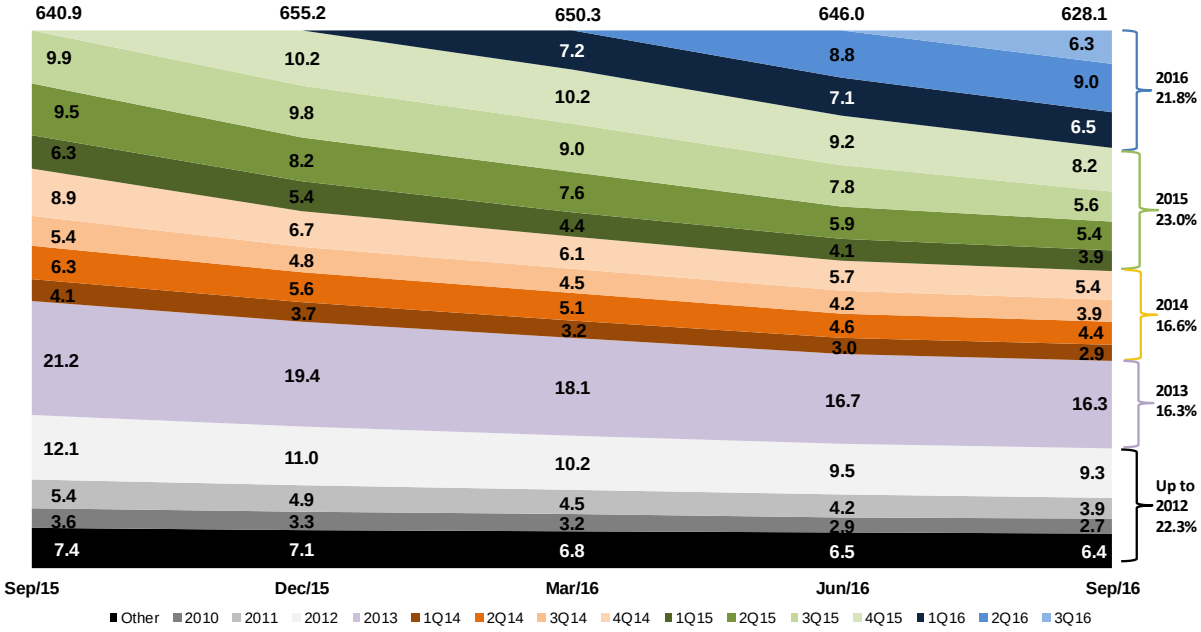
The next table shows the managerial loan portfolio, which considers the jointly-controlled companies.

Table 13. Managerial Loan Portfolio - Broad Definition

	Balance						Chg. %	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Loan Portfolio - Broad Definition (a)	**788,385**	**97.8**	**751,207**	**97.8**	**734,032**	**97.6**	**(6.9)**	**(2.3)**
Jointly Controlled Companies (b)	**18,122**	**2.2**	**16,562**	**2.2**	**17,728**	**2.4**	**(2.2)**	**7.0**
Managerial Loan Port. - Broad Def. (c=a+b)	**806,508**	**100.0**	**767,769**	**100.0**	**751,760**	**100.0**	**(6.8)**	**(2.1)**
Brazil	**723,566**	**89.7**	**715,939**	**93.2**	**699,627**	**93.1**	**(3.3)**	**(2.3)**
Individuals	189,560	23.5	197,595	25.7	197,306	26.2	4.1	(0.1)
Companies	362,158	44.9	333,868	43.5	322,735	42.9	(10.9)	(3.3)
Agribusiness	171,848	21.3	184,476	24.0	179,586	23.9	4.5	(2.7)
Abroad	**82,941**	**10.3**	**51,830**	**6.8**	**52,132**	**6.9**	**(37.1)**	**0.6**

The following figure shows the domestic classified loan portfolio for the contracted period. Considering the portfolio for September/16, 21.8% of the loans were contracted in 2016. The loans originated in the years previously to the repricing process correspond to 38.6%.

Figure 3. Classified Loan Portfolio in Brazil for the Contracted Period - % and R$ billion



Individuals Organic Loan Portfolio was R$172 billion

Considering only the individuals organic loan portfolio (excluding the acquired portfolios), there was a growth of 6.1% in twelve months and 0.3% over Jun/16, highlighting the mortgage loan performance. The organic's portfolio performance reflects the commitment of the service network and the improvement of credit supply lines in automated channels, especially mobile.

Table 14. Organic Classified Loan Portfolio - Individuals

	Balance						Chg. %	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Organic Classified Loan Portf.	**162,648**	**100.0**	**172,054**	**100.0**	**172,617**	**100.0**	**6.1**	**0.3**
Direct Consumer Credit	88,070	54.1	90,832	52.8	90,195	52.3	2.4	(0.7)
Payroll Loan	61,758	38.0	62,959	36.6	62,838	36.4	1.7	(0.2)
Consumer Finance	6,888	4.2	7,392	4.3	7,010	4.1	1.8	(5.2)
Salary Loans	19,425	11.9	20,482	11.9	20,348	11.8	4.8	(0.7)
Credit Card	21,537	13.2	22,906	13.3	22,844	13.2	6.1	(0.3)
Auto Loans	8,842	5.4	7,333	4.3	6,799	3.9	(23.1)	(7.3)
Mortgage	35,188	21.6	39,706	23.1	41,157	23.8	17.0	3.7
Overdraft Account	2,564	1.6	2,775	1.6	2,830	1.6	10.4	2.0
Microcredit	839	0.5	700	0.4	757	0.4	(9.8)	8.1
Other	1,180	0.7	926	0.5	798	0.5	(32.4)	(13.8)

It is noteworthy that 76.0% of this portfolio is concentrated in lower risk loans, such as payroll loan, salary loan, auto loan and mortgage. In this portfolio, most operations of direct consumer credit and auto loan are carried out with civil servants and pensioners, totaling 88.0% in September/16, demonstrating stability and protection of the organic portfolio.

Most payroll loans contracted at BB in the 3Q16 have a maturity over 60 months (64.7% of the total contracted). The client profile of this portfolio allows to extend the maturity and generates loyalty and

opportunity to offer other products during this time. BB's market share in the segment was 22.3% in September/16.

BB's organic auto loan portfolio was R$6.8 billion in September/16, a decrease of 7.3% from June/16, in line with the market trend. In this portfolio, 69.2% of account holders have been customers for over 10 years and 72.0% receive their salary through BB. Considering the auto loan transactions contracted in 3Q16, 76.5% of the disbursement matures up to 48 months. Auto loan LTV, in the organic portfolio, was 65.9% in September/16, considering the disbursements in this quarter.

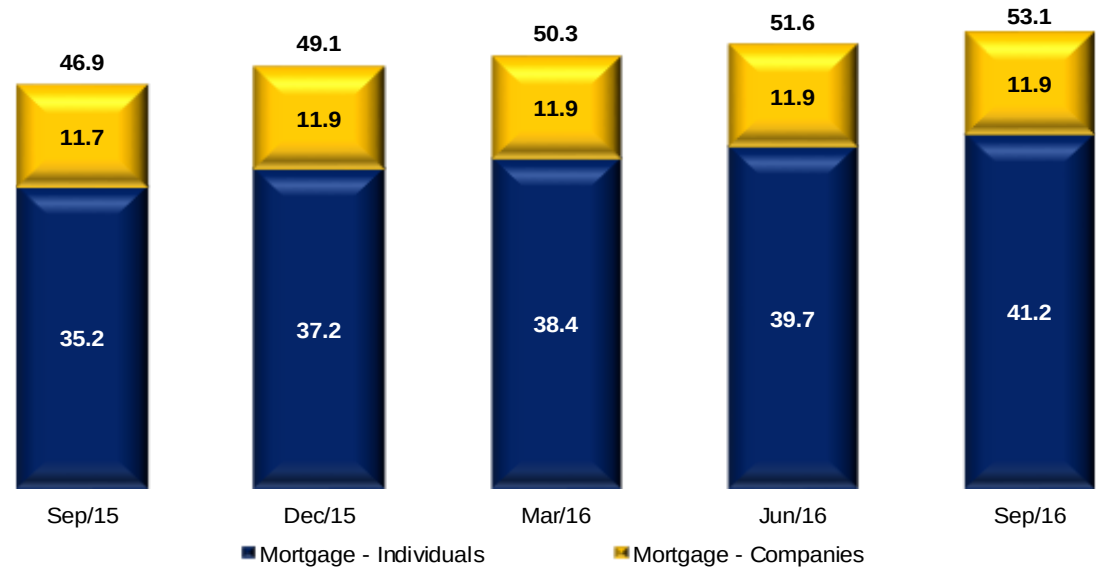
Mortgage Loan Portfolio increases 13.2% in 12 months

The total mortgage loan portfolio was R$53.1 billion in September/16, an increase of 13.2% in twelve months. The individual's mortgage loan portfolio increased 17.0% in the same period, achieving balance of R$41.2 billion in September/16. BB's market share in mortgages to individuals was 7.8% in September/16, an increase of 60 bps from the same period of 2015.

The mortgage LTV was 60.0%, above the BI, which was 58.6% according to data from Abecip (Brazilian Association of Real Estate and Savings Credit Entities).

In relation to the companies segment, the mortgage portfolio balance was R$11.9 billion in September/16, an increase of 1.8% in 12 months.

Figure 4. Mortgage Loan Portfolio (R$ billion)



Companies Loan Portfolio was R$316.8 billion

Loans to companies (broad definition) was R$316.8 billion in September/16, a decrease of 10.8% in 12 months. This portfolio represents 43.2% of the total loan portfolio. In the same period, the working capital and investment operations decreased 13.5%, mainly reflecting the performance of the domestic economy.

The balance of operations with private securities and guarantees was R$53.2 billion at the end of September/16, a decrease of 17.1% in twelve months. These operations are performed with large companies and have a low risk history.

Table 15. Companies Loan Portfolio - Broad Definition

							Chg. %	
R$ billion	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Working Capital[1]	180.5	50.8	160.6	49.0	152.6	48.2	(15.5)	(5.0)
Investiments	66.6	18.8	62.4	19.0	61.1	19.3	(8.4)	(2.1)
Corporate Bonds & Notes	38.1	10.7	37.5	11.4	39.2	12.4	3.0	4.6
Guarantees	26.1	7.3	15.2	4.7	14.0	4.4	(46.3)	(7.9)
Trade Finance[2]	18.1	5.1	19.1	5.8	16.9	5.3	(6.4)	(11.3)
Renegotiated Credits	11.0	3.1	18.1	5.5	18.4	5.8	67.5	1.6
Mortgage	11.7	3.3	11.9	3.6	11.9	3.8	1.8	0.3
Other	3.1	0.9	2.8	0.9	2.7	0.8	(14.9)	(6.5)
Companies Loan Portfolio	**355.2**	**100.0**	**327.6**	**100.0**	**316.8**	**100.0**	**(10.8)**	**(3.3)**

1 - Includes working capital, receivables, credit card, pre-approved-credit and overdraft account.
2 - Includes ACC (forward exchange contracts), ACE (advance against draft presentation) and BNDES Exim.

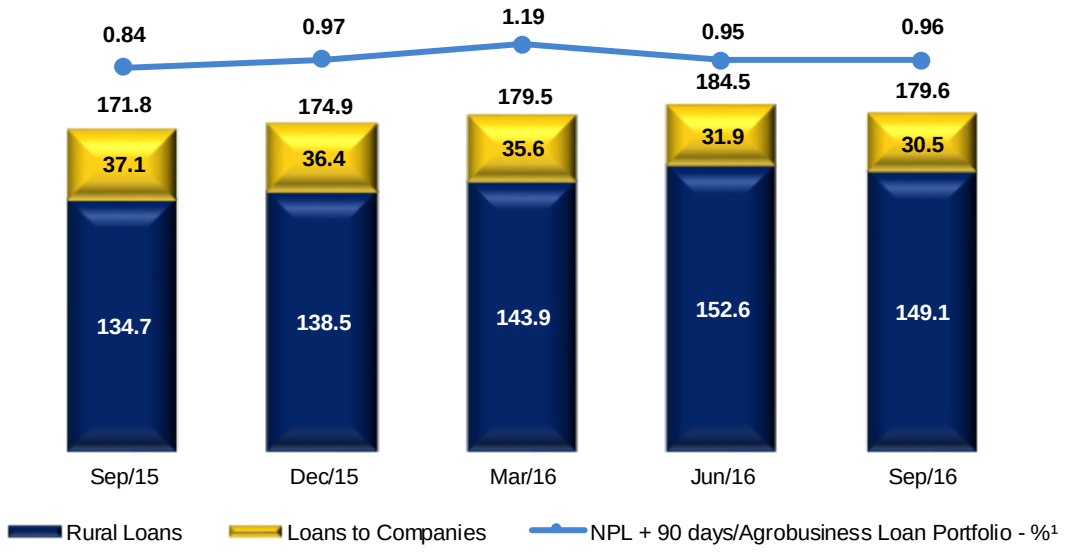
BB's abroad loan portfolio (broad definition) was R$51.5 billion in September/16. BB is the main partner in Brazilian foreign trade and ended the 3Q16 with a market share of 20.9% and 14.5% in foreign exchange for export and import operations, respectively. With leadership in the operations of ACC (forward exchange contracts) and ACE (advance against draft presentation), BB ended 3Q16 with 20.2% of market share in this segment.

Agribusiness Loan Portfolio closes the quarter with R$179.6 billion

Banco do Brasil is the absolute leader in agribusiness loans, with a 61.3% market share. One of the main sectors of the economy, this segment has crucial importance for Brazil's growth and development.

The agribusiness loan portfolio (broad definition) increased 4.5% in 12 months. The highlight was the rural credit with an increase of 10.6% in the same comparison, influenced by the working capital for input purchase and investment operations. This segment accounts for 20.3% of BB's total portfolio.

Figure 5. Agribusiness Loan Portfolio - Broad Definition (R$ billion)



1 - It considers the classified agribusiness loan portfolio.

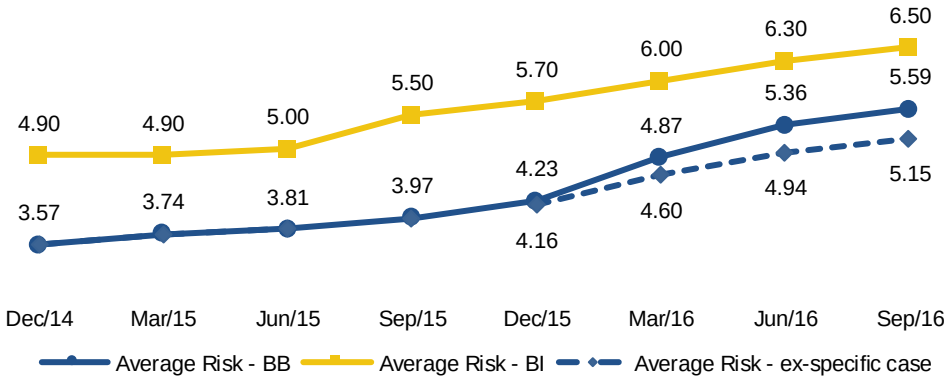
Banco do Brasil operations extend from family farmers to large agribusiness companies. In the broad definition, the individual's agribusiness loan portfolio increased 7.2% in twelve months, and companies' agribusiness loan portfolio increased 1.8%, influenced by amortizations.

In the 2016/2017 crop, BB disbursed R$15.6 billion in agribusiness loans. For family agriculture the disbursement amounted R$4.2 billion, R$8.5 billion in corporate agriculture and R$2.9 billion through Pronamp operations.

Delinquency Ratios remain below than Banking Industry

The historical evolution of the Bank's average risk (ratio between required provision and total classified loan portfolio) remains lower than the Banking Industry, as shown in the following graph. The dotted line in the next graph represents the BB's average risk, excluding the effect related to a specific case of the business segment of oil and gas.

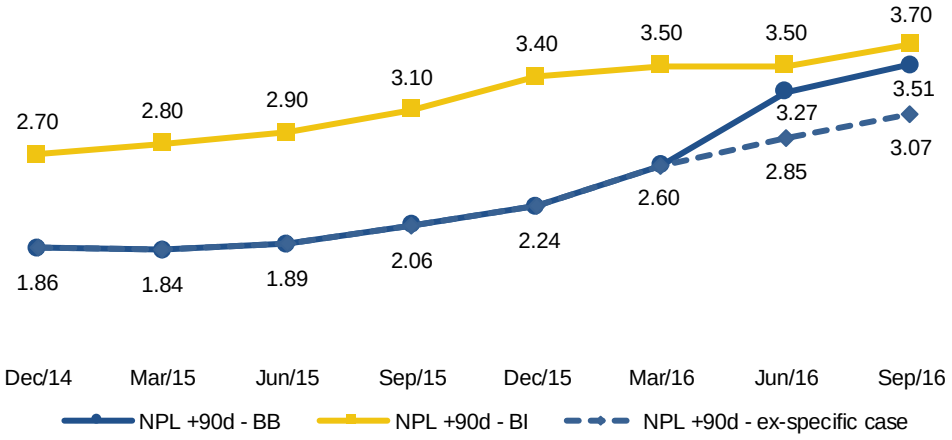
Figure 6. Classified Loan Portfolio Average Risk



The coverage ratio (ALLL/NPL +90d) expresses the ratio between the total provision (required plus additional) and the balance of the transactions more than 90 days overdue. The current provision is equivalent to 159.4% of coverage ratio.

Historically, BB has a NPL+90d lower than the BI. The NPL +90d ratio, which states the ratio between the operations more than 90 days overdue and the classified loan portfolio, was 3.51% in September/16.

Figure 7. Classified Loan Portfolio NPL +90d (%)



In the next table are presented the quarterly and 12 months ALLL indicators. The 12 months ALLL index (ALLL expenses/average classified loan portfolio) was 4.44% in 3Q16.

Table 16. Classified Loan Portfolio ALLL Expenses

						Chg. %	
R$ million	3Q15	4Q15	1Q16	2Q16	3Q16	3Q15	2Q16
ALLL Expenses							
(A) 12 months	(21,571)	(23,671)	(27,161)	(30,248)	(31,056)	44.0	2.7
(B) 3 months	(5,835)	(6,991)	(9,145)	(8,277)	(6,644)	13.9	(19.7)
Average Loan Portfolio							
(C) 12 months	675,671	690,144	699,218	702,224	699,090	3.5	(0.4)
(D) 3 months	695,770	711,477	710,697	696,907	680,447	(2.2)	(2.4)
Recovery of Write-off in Installments							
(E) 12 months	1,209	1,521	1,788	2,212	2,292	89.5	3.6
(F) Quarterly	284	640	474	814	364	28.1	(55.2)
Net ALLL Expenses							
(A+E) 12 months (G)	(20,361)	(22,149)	(25,373)	(28,035)	(28,764)	41.3	2.6
(B+F) Quarterly (H)	(5,551)	(6,350)	(8,671)	(7,463)	(6,279)	13.1	(15.9)
ALLL Index (A/B) - %							
(A/C) ALLL Expenses/Loan Porfolio 12M	3.19	3.43	3.88	4.31	4.44		
(B/D) ALLL Expenses/Loan Porfolio 3M	0.84	0.98	1.29	1.19	0.98		
(G/C) Net ALLL Exp./Loan Porfolio 12M	3.01	3.21	3.63	3.99	4.11		
(H/D) Net ALLL Exp./Loan Porfolio 3M	0.80	0.89	1.22	1.07	0.92		

Banco do Brasil monitors credit operations presenting signs of default. The section 3.3 of the MD&A details the process of collection and credit recovery. Considering the credit operations that came into delinquency in the last 12 months, 92.8% were resolved within the collection process up to 360 days. The next table presents the main credit risk management indicators.

Table 17. Classified Loan Portfolio Indicators

%	Sep/15	Jun/16	Sep/16
Average Risk BB	3.97	5.36	5.59
NPL + 15 days/Loan Portfolio	3.97	4.91	5.95
NPL 15-59 days/Loan Portfolio	1.37	1.18	1.84
NPL + 60 days/Loan Portfolio	2.60	3.73	4.11
NPL 15-89 days/Loan Portfolio	1.91	1.64	2.44
NPL + 90 days/ Loan Portfolio	2.06	3.27	3.51
AA - C Loans/Loan Portfolio	94.30	91.84	91.25
ALLL/Loan Portfolio	4.49	5.36	5.59
Individuals Allowance/Loan Portfolio	4.79	4.82	4.92
Companies Allowance/Loan Portfolio	4.81	6.98	7.42
ALLL/NPL + 15 days	113.11	109.06	93.97
ALLL/NPL + 60 days	172.51	143.72	136.12
ALLL/NPL + 90 days	218.07	163.87	159.39
Average Risk – Banking Industry	5.50	6.30	6.50
NPL + 90 days/Total Portfolio – BI	3.10	3.50	3.70
ALLL/NPL + 90 days - BI	177.42	180.00	175.68

The following table presents the credit portfolio quality indicators excluding a specific case of the business segment of oil and gas.

Table 18. Classified Loan Portfolio Indicators - Ex-Specific Case

%	Sep/16
NPL + 15 days/Loan Portfolio	5.51
NPL + 60 days/Loan Portfolio	3.67
NPL + 90 days/ Loan Portfolio	3.07
ALLL/NPL + 15 days	101.39
ALLL/NPL + 60 days	152.26
ALLL/NPL + 90 days	167.81

Fee Income

Fee Income achieves R$ 17.6 billion

In 9M16, the fee income achieved R$17,643 million, up 7.0% compared to the same period of the previous year. Highlight to the account fees (+R$1,080 million) and fund management fees (+R$269 million), reflecting the 12.0% increase in 12 months of the assets under management.

It is worth noting that the fee income related to 9M15 includes part of the interchange revenues from Cateno. Excluding these revenues, the evolution of fee income in 9M16/9M15 comparison would be 9.7%.

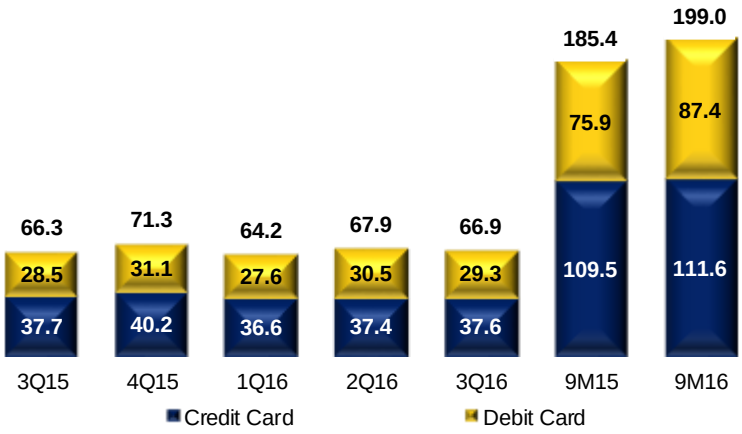
Table 19. Fee Income

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Fee Income	**5,691**	**6,063**	**6,022**	**5.8**	**(0.7)**	**16,488**	**17,643**	**7.0**
Account Fees	1,373	1,534	1,600	16.5	4.3	3,488	4,569	31.0
Asset Management	930	974	1,012	8.8	3.9	2,623	2,892	10.3
Insurance, P. Plans and Premium Bonds	691	835	751	8.7	(10.1)	2,166	2,283	5.4
Collections	435	421	424	(2.6)	0.5	1,279	1,264	(1.2)
Loan Fees	462	444	374	(19.0)	(15.7)	1,511	1,179	(22.0)
Credit / Debit Cards	398	343	346	(13.1)	1.0	1,359	1,009	(25.8)
Billings	250	257	254	1.4	(1.4)	783	771	(1.5)
Interbank	196	223	209	6.4	(6.3)	575	634	10.2
Nat. Treasury and Manag. of Official Funds	130	150	151	15.7	0.5	333	432	30.0
Fiduciary Services	130	133	143	9.8	7.0	367	405	10.3
Consortium	109	123	156	43.9	27.5	314	394	25.6
Capital Market	84	174	142	69.3	(18.6)	346	426	23.0
Other	503	451	461	(8.2)	2.3	1,342	1,384	3.1

Cards and Assets Management strengthens performance of Banco do Brasil

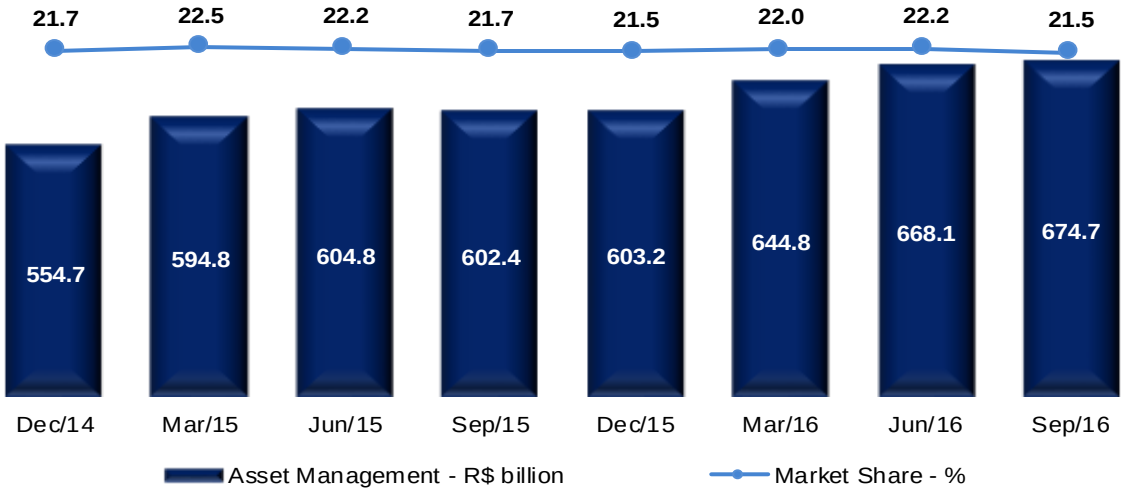
The following figure shows the cards turnover performance, which was R$199.0 billion, an increase of 7.3% in 9M16/9M15 comparison. The number of transactions with BB cards grew 9.5% in the same comparison, showing the potential to generate fee income for the Bank.

Figure 8. Cards Turnover - R$ billion



In the asset management segment, BB DTVM has been the Brazilian leader since 1994. At the end of September/16, the amount was R$674.7 billion in assets under management and a market share of 21.5%, an increase of 12.0% in 12 months.

Figure 9. Asset Management



More information about credit and debit cards, asset management, capital market, fiduciary services, insurance and consortiums can be found in chapter 6 of BB's MD&A. BB Seguridade's MD&A can also be consulted about its performance. It is available at www.bancodobrasilseguridade.com.br.

Administrative Expenses and Cost-to-Income Ratio

Administrative Expenses increases only 4.2% in 9M16

Banco do Brasil constantly seeks to improve its operational efficiency and productivity maintaining strict control of administrative expenses. In the 9M16/9M15 comparison, these expenses increased 4.2%, below inflation of the same period. Disregarding the R$392.9 million related to the lump-sum bonus granted to employees (2016/2018 collective bargaining agreement), the growth would be only 2.5%.

The performance of administrative expenses in 9M16 was influenced by Incentive Retirement Program (PAI), held in 3Q15, and the reduction in travels, telecommunication and cash transportation.

Table 20. Adjusted Administrative Expenses

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Administrative Expenses	**(7,850)**	**(7,973)**	**(8,419)**	**7.3**	**5.6**	**(23,228)**	**(24,201)**	**4.2**
Personnel Expenses	(4,765)	(4,956)	(5,283)	10.9	6.6	(14,265)	(15,028)	5.3
Other Administrative Expenses	(3,085)	(3,017)	(3,137)	1.7	4.0	(8,963)	(9,173)	2.3

In the last 12 months, the coverage ratio (fee income/administrative expenses) increased to 72.3% in 3Q16, compared to 71.9% in 3Q15.

The 12 months accumulated cost-to-income ratio ended 3Q16 at 39.7%, compared to 42.5% in 3Q15, mainly due to the positive performance of the NII.

The chapter 7 of the MD&A provides information about administrative expenses, service network, automated service channels, other operating income and expenses, efficiency indicators and operational loss.

1 - Key Statistics

Table 21. Main Macroeconomic Indicators[1]

	2012	2013	2014	2015	3Q16
Economic Activity					
GDP (% YTD in 12 months)	1.9	3.0	0.1	(3.8)	NA
Family Consumption	3.5	3.5	1.3	(4.0)	NA
Government Consumption	2.3	1.5	1.2	(1.0)	NA
Gross Fixed Capital Formation	0.8	5.8	(4.5)	(14.1)	NA
Exports	0.3	2.4	(1.1)	6.1	NA
Imports	0.7	7.2	(1.0)	(14.3)	NA
Use of Installed Capacity (%)	82.8	82.3	81.1	77.6	NA
Agent Population (% YTD in 12 months)	1.7	(0.8)	(0.1)	(0.3)	NA
Unemployment Rate (% YTD in 12 months)	5.5	5.4	4.8	6.8	NA
Formal employment – net creation in 12 m (thousand jobs)	868.2	730.7	152.7	(1,625.6)	NA
Industrial Production (% YTD in 12 months)	(2.3)	2.1	(3.1)	(8.3)	NA
External Sector					
Current Transactions (% GDP in 12 months)	(3.1)	(3.1)	(4.3)	(3.3)	NA
Direct Foreign Investment (US$ billion - year accumulated)	86.6	69.2	96.9	75.1	NA
International Reserves (US$ billion – end of period)	378.6	375.8	374.1	368.7	377.8
Sovereign Risk (basis points – EOP)	142.0	224.0	259.0	432.0	309.0
Trade Balance (US$ billion – year accumulated)	19.4	2.3	(4.0)	19.7	36.2
Exports (US$ billion – year accumulated)	242.6	242.0	225.1	191.1	139.4
Imports (US$ billion – year accumulated)	223.2	239.7	229.1	171.5	103.2
Ptax Dollar Sale (EOP)	2.04	2.34	2.66	3.90	3.25
Ptax Dollar Sale (% YTD in 12 months)	8.9	14.6	13.4	47.0	(18.3)
Monetary Ratios					
IGP-DI FGV (% YTD in 12 months)	8.1	5.5	3.8	10.7	9.7
IGP-M FGV (% YTD in 12 months)	7.8	5.5	3.7	10.5	10.7
IPCA – IBGE (% YTD in 12 months)	5.8	5.9	6.4	10.7	7.6
Selic (EOP %)	7.25	10.00	11.75	14.25	14.25
Accumulated Selic (% YTD in 12 months)	8.5	8.2	10.9	13.4	14.2
Accumulated TR (exBTN) (% YTD in 12 months)	0.28	0.27	0.97	1.80	2.06
TJLP - IBGE (EOP %)	5.5	5.0	5.0	7.0	7.5
Libor (EOP %)	0.4	0.2	0.2	0.3	0.6
Public Finance					
Primary Surplus (% GDP 12 months accumulated)	2.2	1.7	(0.6)	(1.9)	NA
PSGD (% GDP)	53.8	51.7	57.2	66.5	NA
PSND (% GDP)	32.3	30.6	33.1	36.2	NA
Credit Ratios					
Banking Industry Loan Portfolio (R$ billion)	2,368.3	2,711.4	3,017.5	3,216.9	3,109.9
Individuals (R$ billion)	1,075.8	1,245.8	1,412.1	1,512.2	1,540.9
Companies (R$ billion)	1,292.6	1,465.5	1,605.4	1,707.2	1,569.0
Credit/GDP (% YTD in 12 months) - (%)	50.3	52.6	53.1	54.2	50.8
Household Debt (%)	43.6	45.1	46.0	45.6	NA
Total Default (% past due loans over 90 days)	3.7	2.8	2.7	3.4	3.7
Total Spread (p.y %)	11.5	13.8	14.9	18.6	23.4
Individuals	17.7	20.0	21.5	26.6	32.8
Companies	7.0	7.6	8.0	9.7	11.9
Average Term (%)	44.3	41.3	45.2	48.9	50.6
Individuals	63.5	52.2	58.1	63.2	64.6
Companies	30.4	33.2	35.3	37.9	38.3

1 - All indicators were obtained from official sources such as Central Bank of Brazil, FGV (Getúlio Vargas Foundation), IBGE, etc.
NA - Not Available.

Table 22. Ownership Structure – %

Shareholders	Sep/15	Dec/15	Mar/16	Jun/16	Sep/16
Federal Government	**57.7**	**57.7**	**55.3**	**54.4**	**54.4**
Shares Owned by the Company	**2.5**	**2.5**	**2.5**	**2.8**	**2.8**
Free Float	**39.8**	**39.8**	**42.1**	**42.8**	**42.8**
Individuals	5.8	6.0	6.4	7.5	6.7
Companies	12.4	12.6	15.8	15.5	15.7
Previ	10.4	10.4	10.3	10.0	9.9
Foreign Capital	21.6	21.1	19.9	19.8	20.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Number of Shares	**2,865,417,020**	**2,865,417,020**	**2,865,417,020**	**2,865,417,020**	**2,865,417,020**

Table 23. Distribution of Dividends and Interest on Own Capital

R$ million	3Q15	4Q15	1Q16	2Q16	3Q16
Federal Government	722.3	599.8	367.3	427.8	368.6
Individuals	72.2	62.2	42.1	58.8	45.3
Companies	154.8	131.4	105.1	121.9	106.6
Previ	129.9	107.9	68.3	78.5	67.2
Foreign Capital	270.7	219.7	132.2	155.8	138.2
Total	**1,220.0**	**1,013.2**	**646.7**	**764.5**	**658.7**

1 – Values subject to income tax of 15%.

Table 24. Market Ratios

	3Q15	4Q15	1Q16	2Q16	3Q16
Earnings per Share - R$	1.08	0.89	0.83	0.88	0.80
Price / Earnings (12 months)[1]	2.86	2.86	5.05	4.60	6.63
Price / Book Value	0.51	0.50	0.66	0.57	0.74
Market Capitalization - R$ million	42,447	41,163	55,215	47,843	63,493
Book Value - BBAS3 - R$[2]	30.01	29.20	30.13	29.97	30.78
BBAS3 Closing Price - R$	15.20	14.74	19.77	17.18	22.80
Change - % - BBAS3	(37.4)	(3.0)	34.1	(13.1)	32.7
Dividend Yield - %[3]	14.0	14.0	7.4	7.6	4.9

1 – Does not include Treasury Shares;
2 – Equity / Share Capital ex Treasury;
3 – Dividends and Interest on Capital – 12 months / Market Capitalization.

Table 25. Participation of BB's Shares in Brazilian Stock Market Indexes – %

	May/15 - Aug/15	Sep/15 - Dec/15	Jan/16 - Apr/16	May/16 - Aug/16	Sep/16 - Dec/16
Bovespa Index - Ibovespa	2.381	1.871	1.744	2.954	2.931
Brazil 50 Index - IBrX - 50	2.365	1.809	1.700	2.974	2.636
Carbon Efficient Index - ICO2	3.742	2.986	2.890	4.647	4.789
Financial Index - IFNC	8.349	6.738	6.111	9.700	9.929
Corporate Governance Trade Index - IGCT	2.562	1.970	1.830	3.300	3.262
Special Corporate Governance Stock Index - IGCX	3.193	2.383	2.197	4.046	4.001
Corporate Sustainability Index - ISE	1.214	1.068	0.992	1.563	1.523
Special Tag Along Stock Index - ITAG	2.840	2.147	1.944	3.550	3.502
Mid-Large Cap Index - MLCX	2.258	1.714	1.628	2.888	2.931

Table 26. Participation in the International Market - %

	Sep/15	Dec/15	Mar/16	Jun/16	Sep/16
MSCI Brazil Index	1.635	1.701	2.011	1.701	2.007

Table 27. Banco do Brasil Key Statistics

	3Q15	4Q15	1Q16	2Q16	3Q16
Balance Sheet Items – R$ billion					
Assets	1,402.0	1,401.1	1,404.9	1,445.1	1,448.2
Shareholders' Equity	83.8	81.5	84.2	83.4	85.7
Loan Portfolio	710.6	717.8	702.0	690.1	671.2
Loan Portfolio - Broad Definition[1]	788.4	796.7	775.6	751.2	734.0
Deposits	462.5	464.4	454.0	440.9	437.7
Demand Deposits	66.1	66.5	62.6	62.5	61.6
Saving Deposits	149.8	151.8	151.9	148.4	148.7
Time Deposits	205.2	204.5	202.6	202.5	203.4
Profitability					
Adjusted ROE - Annual Basis - %	13.3	12.0	5.6	7.7	9.9
ROE - Annual Basis - %	14.1	11.4	10.5	10.7	9.5
Adjusted ROA - Annual Basis - Quarterly %	0.8	0.8	0.4	0.5	0.6
NIM % - Annual Basis	4.5	4.8	4.8	4.9	4.9
Productivity					
Cost/Income Ratio - %	40.5	40.7	39.2	39.2	39.9
Cost/Income Ratio 12 months Accumulated - %	42.5	41.6	40.9	39.9	39.7
Fee Income / Personnel Expenses - %	119.4	119.0	116.1	122.3	114.0
Fee Income / Adm. Expenses - %	72.5	70.6	71.2	76.0	71.5
Personnel Expenses per Employee - R$ thousand	43.0	46.0	43.7	45.2	48.3
Employees in Branches / Branches Network	12	12	12	12	12
Checking Accounts per Employee in branches	437	443	439	440	443
Assets per Employee – R$ thousand	12,821	12,832	12,787	13,184	13,270
Loan Portfolio Broad Definition/ Points of Service – R$ million	43.2	45.2	44.4	43.7	42.9
Loan Portfolio Quality					
Allowance for Loan Losses / Loan Portfolio - %	4.5	4.7	5.0	5.4	5.6
Coverage Ratio + 90 days - %	218.1	209.2	193.8	163.9	159.4
Portfolio Net of Allowance / Total Portfolio - %	95.5	95.3	95.0	94.6	94.4
Capital Structure					
Leverage (times)	16.7	17.2	16.7	17.3	16.9
BIS Ratio - %[2]	16.3	16.1	16.2	16.5	17.6
Tier I	11.7	11.4	11.4	11.3	12.2
Core Capital	8.1	8.2	8.3	8.4	9.1
Total Quantity of Shares - million	2,865.4	2,865.4	2,865.4	2,865.4	2,865.4
Structural Information					
Branches	5,424	5,429	5,428	5,428	5,430
Own Service Network	18,260	17,614	17,462	17,181	17,092
Total Customers - thousand	63,380	63,566	63,890	64,192	64,607
Total Checking Accounts - thousand	38,058	37,841	37,824	37,755	37,808
Individuals - thousand	35,628	35,420	35,419	35,353	35,177
Companies - thousand	2,430	2,421	2,406	2,402	2,631
Total Savings Accounts - thousand	38,999	39,162	39,252	39,310	39,211
Staff	114,942	113,257	114,476	114,340	112,751
Employees	109,352	109,191	109,864	109,615	109,159
Interns	5,590	4,066	4,612	4,725	3,592
Market Share					
Assets	20.1	20.2	20.3	20.7	NA
Deposits	23.1	23.4	23.7	22.8	NA
Loan	20.3	20.4	20.6	20.6	20.2
Agribusiness[3]	60.5	60.9	61.2	62.0	61.3
Asset Management[4]	21.7	21.5	22.0	22.1	21.5
Cards Revenues	23.9	23.9	23.9	24.2	NA
Insurance Premium					
Vehicle	14.6	14.3	13.5	13.8	12.8
Persons	16.7	20.8	15.7	16.7	17.1
Housing	6.2	1.5	6.4	6.5	6.4
Rural	71.4	78.5	78.6	74.9	74.9
Collection					
Pension (PGBL, VGBL, other)	36.3	35.9	35.2	39.7	40.0
Capitalization	26.1	30.1	21.4	23.7	24.8
Import Exchange	17.8	17.0	19.3	14.3	14.5
Export Exchange	25.3	21.8	24.7	22.5	20.9

1 - Includes private securities, guarantees provided and the individual portfolio acquired with recourse, under CMN Resolution 3,533/08.
2 - From 1Q15 the BIS ratio was calculated with reference to prudential conglomerate.
3 – Series Reviewed due to change of Notimp's Central Bank of Brazil methodology.
4 - Does not include Banco Votorantim's asset management.
NA - Not Available.

Table 28. Ratings

	3Q15	4Q15	1Q16	2Q16	3Q16
Global Ratings					
Fitch Ratings					
Availability	bb+	bb+	bb+	bb-	bb-
Short-Term - Local Currency	F3	B	B	B	B
Long-Term - Local Currency	BBB-	BB+	BB+	BB	BB
Outlook - Local Currency	*Stable*	*Negative*	*Negative*	*Negative*	*Negative*
Short-Term - Foreign Currency	F3	B	B	B	B
Long-Term - Foreign Currency	BBB-	BB+	BB+	BB+	BB
Outlook - Foreign Currency	*Negative*	*Negative*	*Negative*	*Negative*	*Negative*
Moody's					
Short-Term - Local Currency	P-3	P-3	NP	NP	NP
Short-Term - Foreign Currency	P-3	P-3	NP	NP	NP
Long-Term Debt - Foreign Currency	Baa3	Baa3	Baa3	Ba2	Ba2
Long-Term Deposits - Local Currency	Baa3	Baa3	Ba2	Ba2	Ba2
Long-Term Deposits - Foreign Currency	Baa3	Baa3	Ba3	Ba3	Ba3
Outlook	*Stable*	*Negative*	*Negative*	*Negative*	*Negative*
Standard & Poor's					
Long-Term - Local Currency	BB+	BB+	BB	BB	BB
Outlook - Local Currency	*Negative*	*Negative*	*Negative*	*Negative*	*Negative*
Short-Term - Foreign Currency	B	B	B	B	B
Long-Term - Foreign Currency	BB+	BB+	BB	BB	BB
Outlook - Foreign Currency	*Negative*	*Negative*	*Negative*	*Negative*	*Negative*
National Ratings					
Fitch Ratings					
Short-Term	F1+(bra)	F1+(bra)	F1+(bra)	F1+(bra)	F1+(bra)
Long-Term	AAA (bra)	AAA (bra)	AAA (bra)	AA+(bra)	AA+(bra)
Outlook	*Negative*	*Negative*	*Negative*	*Negative*	*Negative*
Moody's					
Short-Term	BR-1	BR-1	BR-1	BR-1	BR-1
Long-Term	Aaa.br	Aaa.br	Aa2.br	Aa2.br	Aa1.br
Outlook	*Stable*	*Negative*	*Negative*	*Negative*	*Negative*

Table 29. Compulsory/Reserve Requirement (%)

	3Q15	4Q15	1Q16	2Q16	3Q16
Compulsory/Reserve Requirements (%)					
Demand Deposits					
Rate	45	45	45	45	45
Additional	0	0	0	0	0
Reserve Requirements (rural loan)	34	34	34	34	34
Reserve Requirements (micro finance)	2	2	2	2	2
Unmarked	19	19	19	19	19
Savings Deposits					
Rural					
Rate	16	16	16	16	16
Additional	6	6	6	6	6
Reserve Requirements	74	74	74	74	74
Unmarked	5	5	5	5	5
Mortgage					
Rate	25	25	25	25	25
Additional	6	6	6	6	6
Reserve Requirements	65	65	65	65	65
Unmarked	5	5	5	5	5
Time Deposits					
Rate	25	25	25	25	25
Additional	11	11	11	11	11
Unmarked	64	64	64	64	64

Corporate Governance

Governance at Banco do Brasil (BB) defines a broad view of principles and practices to strengthen management transparency and increase its institutional value. These guidelines are constantly updated as a result of legal or statutory changes.

BB adopts the best practices in corporate governance, ensuring the balance of rights between shareholders, accountability to investors and society, ethics in dealing with the various stakeholders and business sustainability tools aligning the behavior of executives with the interests of its stakeholders and shareholders, society in general.

Since 2006, Banco do Brasil has been part of the Novo Mercado BM&F Bovespa listing segment that brings together companies subject to stricter corporate governance practices. BB is also, listed in the Corporate Sustainability Index (ISE), of Shares With Differentiated Tag Along (ITAG) and Corporate Governance (IGC) . In 2012, BB was listed for the first time in the Dow Jones Sustainability Index (DJSI), the New York Stock Exchange, where it remained in 2014. This boosts its international position.

Banco do Brasil's governance structure consists of the Board of Directors, composed of 8 members, assisted by the Audit and Remuneration Committees and Internal Audit , and the Executive Board, composed of the Board of Officers (CEO and 9 Chief Officers) and 27 Bylaws Officers. The Bank also has a permanent Board of Auditors composed of five full members and five alternates.

The Bank has introduced tools to evaluate the performance of the Board of Directors, the Audit Committee and the Executive Board, which enables the mapping and identification of improvement opportunities in their respective performance. In addition to the Bylaws, the Code of Corporate Governance and Code of Ethics are documents that support the best practices of corporate governance at Banco do Brasil.

In 2012, BB created the model for Statutory Performance Evaluation and Remuneration Committee, body responsible for proposing variable remuneration policies for management to the Board of Directors.

BB's Bylaws separate management duties in order to avoid conflicts of interest. The Bylaws also prevent members of the Board of Directors or Executive Board from making decisions on matters in which they have a potential conflict of interest.

At all levels of the Bank, decisions are made collectively in order to engage executives in defining strategies and approval of proposals regarding BB's various businesses. To that end the Management uses committees, subcommittees and commissions at a strategic level, ensuring speed and security for the decision-making process.

BB's Bylaws also provide, in Article 24, Section (III) (2) that the members of the Executive Board must be career employees of Banco do Brasil.

The chart below shows BB's management structure.

Figure 10. Structure of Senior Management

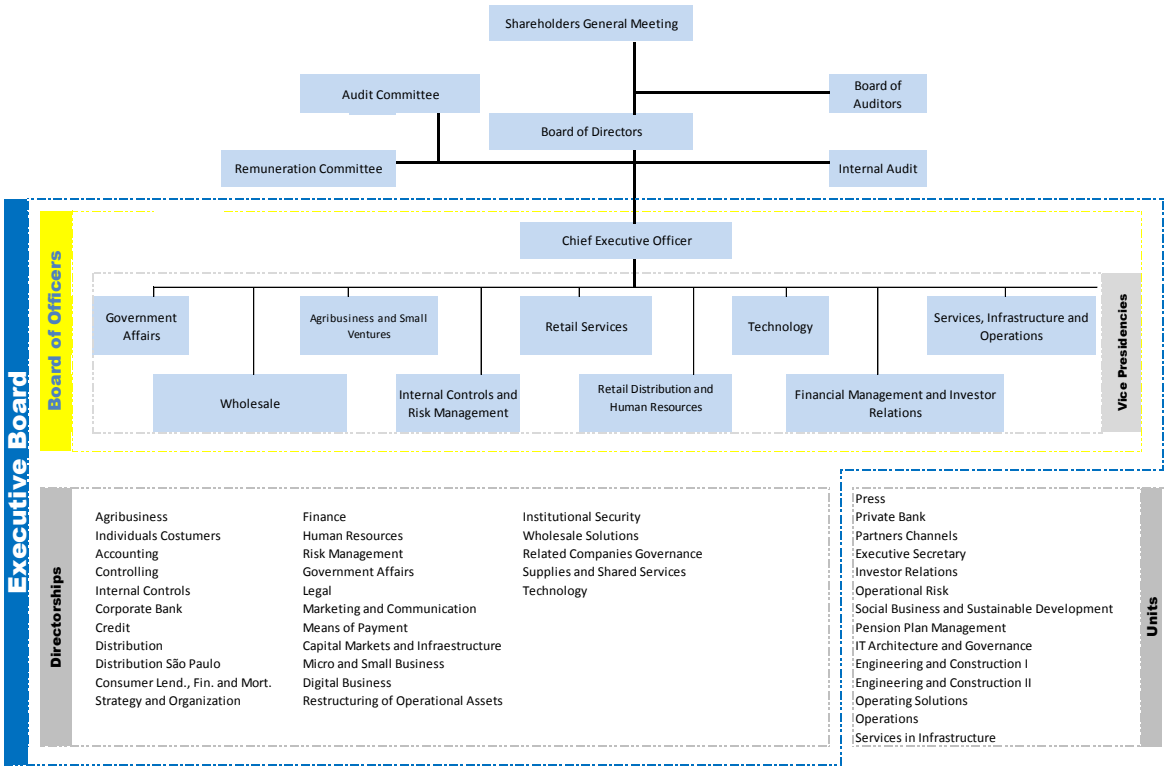
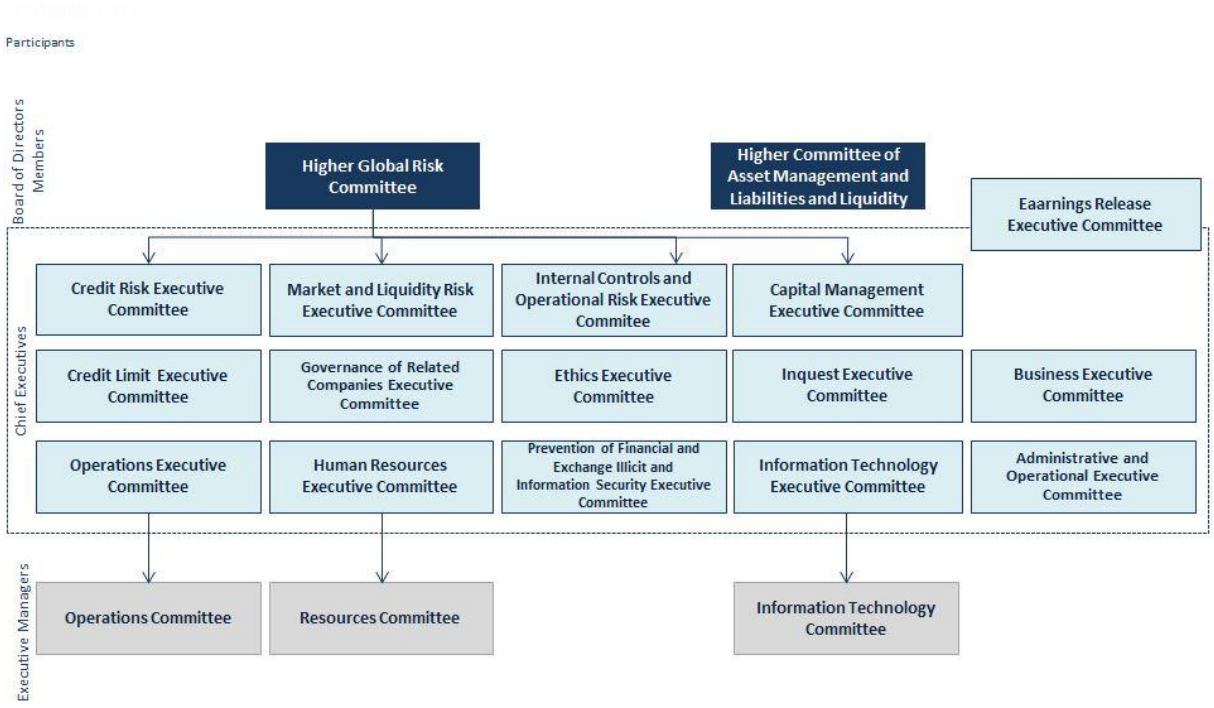


Figure 11. Strategic Committees



Know the Code of Governance in the BB's Investor Relations website: www.bb.com.br/ir.

2 - Financial Statements Summary

2.1. Balance Sheet Summary

Table 30. Balance Sheet Summary - Assets

R$ million	Sep/15	Jun/16	Sep/16	Chg. (%) on Sep/15	Chg. (%) on Jun/16
ASSETS	**1,402,014**	**1,445,115**	**1,448,212**	**3.3**	**0.2**
Current and Long-Term Assets	**1,370,697**	**1,413,533**	**1,416,556**	**3.3**	**0.2**
Cash and Cash Equivalents	19,394	14,052	12,929	(33.3)	(8.0)
Short-Term Interbank Investments	344,858	414,471	427,803	24.1	3.2
Securities and Derivative Financial Instruments	113,576	120,750	125,671	10.6	4.1
Securities Available for Trading	7,056	6,225	6,721	(4.8)	8.0
Securities Available for Sale	97,958	110,429	112,999	15.4	2.3
Securities Held to Maturity	3,727	841	2,966	(20.4)	-
Derivative Financial Instruments	4,835	3,256	2,985	(38.3)	(8.3)
Interbank Accounts	68,571	73,981	72,260	5.4	(2.3)
Deposits with Central Bank of Brazil	60,362	65,404	63,637	5.4	(2.7)
Compulsory Dep. on Demand Dep. and Float	9,580	11,050	9,997	4.4	(9.5)
Compulsory Dep. on Savings Deposits	50,782	54,354	53,640	5.6	(1.3)
Other	8,209	8,576	8,623	5.0	0.5
Interdepartamental Accounts	175	132	211	20.7	59.5
Loans	625,356	597,578	582,450	(6.9)	(2.5)
(Allowance for Loan Losses)	(31,065)	(35,783)	(36,571)	17.7	2.2
Leasing	993	633	598	(39.8)	(5.6)
Other Receivables	197,270	191,411	194,142	(1.6)	1.4
Receivable from Guarantees Honored	279	606	501	79.4	(17.4)
Foreign Exchange Portfolio	23,782	19,801	18,980	(20.2)	(4.1)
Accrued Income	2,782	2,688	2,882	3.6	7.3
Securities Trading	1,974	1,027	950	(51.9)	(7.5)
Specific Credits	1,686	356	367	(78.2)	3.2
Tax Credits	38,064	43,853	44,657	17.3	1.8
Actuarial Assets	3,193	(4,910)	(4,977)	-	1.4
Fundo Paridade	116	125	128	10.1	2.3
Fund of Surplus Allocation - Previ	8,768	9,377	9,458	7.9	0.9
Sundry Debtors from Escrow Deposits	42,069	47,275	49,550	17.8	4.8
Sundry	76,600	73,911	73,987	(3.4)	0.1
(Allowance for Other Credits)	(2,045)	(2,698)	(2,340)	14.4	(13.3)
(With Loan Characteristics)	(803)	(1,179)	(935)	16.5	(20.7)
(Without Loan Characteristics)	(1,242)	(1,519)	(1,405)	13.1	(7.5)
Other Assets	504	524	492	(2.4)	(6.1)
Assets Not for Own Use and Materials in Stock	351	328	329	(6.1)	0.3
(Allowance for Impairment)	(125)	(125)	(127)	1.8	2.0
Prepaid Expenses	279	320	290	4.1	(9.4)
Permanent Assets	**31,317**	**31,583**	**31,656**	**1.1**	**0.2**
Investments	14,910	16,505	16,482	10.5	(0.1)
Property and Equipment	7,010	7,141	7,199	2.7	0.8
Intangible	9,379	7,924	7,964	(15.1)	0.5
Deferred	19	13	11	(40.9)	(13.3)
Jointly Controlled Companies	**172,947**	**198,097**	**203,770**	**17.8**	**2.9**
Securities and Derivative Financial Instruments	137,137	161,631	170,152	24.1	5.3
Loans	22,542	20,645	20,731	(8.0)	0.4
Tax Credits	7,304	7,019	7,057	(3.4)	0.5
Investments	(11,369)	(13,186)	(13,118)	15.4	(0.5)
Other Assets	17,333	21,988	18,947	9.3	(13.8)
Total Assets - Managerial	**1,574,961**	**1,643,212**	**1,651,982**	**4.9**	**0.5**

Table 31. Balance Sheet Summary - Liabilities

R$ million	Sep/15	Jun/16	Sep/16	Chg. (%) on Sep/15	Chg. (%) on Jun/16
LIABILITIES AND SHAREHOLDER'S EQUITY	**1,402,014**	**1,445,115**	**1,448,212**	**3.3**	**0.2**
Current and Long-Term Liabilities	**1,317,759**	**1,361,227**	**1,362,052**	**3.4**	**0.1**
Deposits	462,467	440,879	437,703	(5.4)	(0.7)
Demand Deposits	66,063	62,550	61,623	(6.7)	(1.5)
Savings Deposits	149,764	148,368	148,681	(0.7)	0.2
Interbank Deposits	41,465	27,473	23,919	(42.3)	(12.9)
Time Deposits	205,175	202,489	203,480	(0.8)	0.5
Securities Sold Under Repurshase Agreements	319,732	411,969	410,470	28.4	(0.4)
Repurchase Agreements with Private Securities	44,678	30,415	31,621	(29.2)	4.0
Funds from Acceptance and Securities Issuance	197,179	174,509	173,567	(12.0)	(0.5)
Agribusiness Letters of Credit	134,555	135,418	133,098	(1.1)	(1.7)
Mortgage Bonds	18,474	18,066	17,521	(5.2)	(3.0)
Commercial Papers	65	2,393	2,673	-	11.7
Foreign Securities	44,085	18,631	20,274	(54.0)	8.8
Interbank Accounts	3,329	3,113	3,255	(2.2)	4.6
Interdepartamental Accounts	3,500	3,238	2,468	(29.5)	(23.8)
Borrowings	31,275	22,763	22,812	(27.1)	0.2
Domestic Onlending	90,543	86,603	85,078	(6.0)	(1.8)
National Treasury	208	166	168	(19.4)	1.5
BNDES	38,895	35,324	33,581	(13.7)	(4.9)
Caixa Econômica Federal	18,220	21,648	22,918	25.8	5.9
Finame	30,997	27,532	26,019	(16.1)	(5.5)
Other Institutions	2,222	1,933	2,392	7.6	23.7
Derivative Financial Instruments	4,736	3,019	2,300	(51.4)	(23.8)
Other Liabilities	204,998	215,135	224,399	9.5	4.3
Billing and Collection of Taxes and Contributions	4,394	3,913	4,088	(6.9)	4.5
Foreign Exchange Portfolio	10,068	21,588	23,450	132.9	8.6
Shareholders and Statutory Distributions	2,211	1,623	1,281	(42.1)	(21.0)
Taxes and Social Security	22,991	24,257	26,625	15.8	9.8
Securities Trading	1,075	993	809	(24.7)	(18.5)
Financial and Development Funds	14,675	13,741	14,620	(0.4)	6.4
Subordinated Debt	91,933	81,615	83,752	(8.9)	2.6
Equity and Debt Hybrid Securities	7,851	5,397	5,956	(24.1)	10.3
Subordinated Instruments	59,951	58,648	60,027	0.1	2.4
Debt Instruments Qualified as Capital	24,131	17,570	17,770	(26.4)	1.1
Actuarial Liabilities	6,389	7,519	7,619	19.3	1.3
Other Liabilities	51,262	59,885	62,155	21.2	3.8
Deferred Income	**441**	**439**	**436**	**(1.0)**	**(0.7)**
Shareholders' Equity	**83,814**	**83,449**	**85,724**	**2.3**	**2.7**
Capital	60,000	67,000	67,000	11.7	-
Instruments Qualifying to Common Equity Tier 1 Capital	8,100	8,100	8,100	-	-
Capital Reserves	14	16	16	8.3	-
Revaluation Reserves	3	3	3	(2.5)	(0.6)
Profit Reserves	25,809	25,402	25,409	(1.6)	0.0
Other Comprehensive Income	(13,830)	(18,319)	(17,874)	29.2	(2.4)
Benefit Plans	(11,145)	(16,832)	(16,832)	51.0	(0.0)
Retained Earnings (Accumulated Losses)	1,798	-	1,566	(12.9)	-
(Shares Owned by the Company)	(1,697)	(1,855)	(1,855)	9.3	-
Non-Controlling Interests	3,617	3,102	3,359	(7.1)	8.3
Jointly Controlled Companies	**172,947**	**198,097**	**203,770**	**17.8**	**2.9**
Securities Sold Under Repurshase Agreements	11,633	16,988	15,383	32.2	(9.4)
Funds from Acceptance and Securities Issuance	12,962	10,535	10,259	(20.9)	(2.6)
Tech. Prov. Insur. Pension Plans & Saving Bonds	123,259	148,396	156,099	26.6	5.2
Other Liabilities	25,093	22,179	22,029	(12.2)	(0.7)
Total Liabilities - Managerial	**1,574,961**	**1,643,212**	**1,651,982**	**4.9**	**0.5**

2.2. Income Statement with Reallocations

Table 32. Income Statement with Reallocations

R$ million	Quarterly Flow			Chg. (%) on		9 Months Flow		Chg. (%) on
	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Financial Intermediation Income	**64,416**	**36,935**	**46,834**	**(27.3)**	**26.8**	**149,179**	**114,889**	**(23.0)**
Loan Operations (1)	34,226	25,626	27,529	(19.6)	7.4	84,839	73,122	(13.8)
Sale or Transference of Financial Assets (1)	515	571	540	4.9	(5.4)	1,452	1,686	16.1
Lease Operations	51	35	37	(27.2)	4.0	132	112	(15.2)
Securities (2) (12)	20,063	12,282	17,246	(14.0)	40.4	48,528	41,065	(15.4)
Financial Derivatives	883	(1,310)	(134)	-	(89.7)	1,143	(1,748)	-
Foreign Exchange Portfolio	2,473	917	416	(83.2)	(54.6)	3,141	1,963	(37.5)
Compulsory Investments	1,322	1,447	1,535	16.1	6.0	3,707	4,372	17.9
FX Gain (Loss) on Foreign Equity (3) (4)	2,982	(1,081)	108	(96.4)	-	4,358	(2,241)	-
Tax Hedge (5) (6)	2,416	(981)	98	(96.0)	-	3,331	(1,756)	-
Financial Intermediation Expenses	**(51,165)**	**(22,302)**	**(31,735)**	**(38.0)**	**42.3**	**(110,910)**	**(70,881)**	**(36.1)**
Money Market Funds (7) (23)	(26,785)	(28,926)	(29,122)	8.7	0.7	(72,336)	(81,699)	12.9
Borrowing, Assignments and Onlending (3) (7) (8) (34)	(24,380)	6,624	(2,613)	(89.3)	-	(38,573)	10,818	-
Net Interest Income	**13,251**	**14,633**	**15,099**	**13.9**	**3.2**	**38,270**	**44,008**	**15.0**
Allowance for Loan Losses (13) (27) (28)	(5,835)	(8,277)	(6,644)	13.9	(19.7)	(16,680)	(24,065)	44.3
Net Financial Margin	**7,416**	**6,356**	**8,455**	**14.0**	**33.0**	**21,590**	**19,943**	**(7.6)**
Fee Income	5,691	6,063	6,022	5.8	(0.7)	16,488	17,643	7.0
Service Fee Income	3,807	3,987	3,859	1.4	(3.2)	11,283	11,465	1.6
Banking Fee Income	1,885	2,076	2,163	14.8	4.2	5,205	6,178	18.7
Taxes on Revenues (5) (16) (35)	(1,047)	(1,291)	(1,274)	21.7	(1.3)	(3,155)	(3,788)	20.1
Contribution Margin	**12,060**	**11,128**	**13,203**	**9.5**	**18.6**	**34,923**	**33,797**	**(3.2)**
Administrative Expenses	(7,850)	(7,973)	(8,419)	7.3	5.6	(23,228)	(24,201)	4.2
Personnel Expenses (20) (21) (39)	(4,765)	(4,956)	(5,283)	10.9	6.6	(14,265)	(15,028)	5.3
Other Administrative Expenses (14) (15)	(3,085)	(3,017)	(3,137)	1.7	4.0	(8,963)	(9,173)	2.3
Other Tax Expenses (16) (22)	(137)	(92)	(121)	(11.7)	31.8	(337)	(330)	(2.2)
Commercial Income	**4,074**	**3,064**	**4,663**	**14.5**	**52.2**	**11,357**	**9,267**	**(18.4)**
Legal Risk	(725)	(581)	(629)	(13.3)	8.2	(1,061)	(2,000)	88.5
Civil Claims (17) (18) (24) (25)	(417)	(185)	(475)	13.9	157.2	(761)	(1,051)	38.2
Labor Lawsuits (19) (20) (21) (26)	(308)	(396)	(153)	(50.2)	(61.3)	(300)	(948)	-
Other Operating Income	718	(82)	37	(94.8)	-	1,900	369	(80.6)
Eq. Int. in Results of Subsidiaries and Affiliates (4) (29) (30) (32) (41)	942	1,091	1,064	13.0	(2.4)	2,852	3,153	10.6
Other Operating Income/Expenses Result	(224)	(1,173)	(1,027)	-	(12.5)	(952)	(2,784)	192.5
Other Operating Income (2) (8) (9) (11) (19)	2,174	1,898	2,113	(2.8)	11.3	5,616	5,982	6.5
Previ - Plano de Benefícios 1 (9) (10)	40	(54)	(141)	-	162.4	318	(248)	-
Previ - Fundo Utilização Restatement (11)	223	307	212	(4.9)	(30.9)	983	892	(9.2)
Other Operating Expenses (10) (12) (13) (14) (15) (17) (18) (36)	(2,661)	(3,325)	(3,212)	20.7	(3.4)	(7,869)	(9,410)	19.6
Operating Income	**4,067**	**2,400**	**4,071**	**0.1**	**69.6**	**12,197**	**7,637**	**(37.4)**
Non-Operating Income (37)	69	72	55	(20.0)	(23.2)	138	163	18.8
Income Before Taxes	**4,135**	**2,472**	**4,126**	**(0.2)**	**66.9**	**12,334**	**7,800**	**(36.8)**
Income and Social Contribution Taxes (6) (22) (31) (33) (42) (43)	(283)	12	(1,079)	-	-	(688)	(408)	(40.7)
Interest on Own Capital Tax Benefit	549	344	296	(46.0)	(13.8)	1,544	931	(39.7)
Statutory Profit Sharing (44)	(523)	(246)	(303)	(42.1)	23.3	(1,443)	(734)	(49.1)
Minority Interest Earnings (40)	(448)	(438)	(407)	(9.1)	(6.9)	(1,256)	(1,234)	(1.8)
Adjusted Net Income	**2,881**	**1,801**	**2,337**	**(18.9)**	**29.8**	**8,947**	**5,424**	**(39.4)**
One-Off Items	181	664	(91)	-	-	2,941	1,646	(44.0)
Economic Plans (23) (24)	(247)	(185)	(323)	30.5	74.4	(402)	(890)	121.3
Extraordinary Provision for Lawsuits (25) (26)	(1,794)	259	147	-	(43.2)	(2,560)	813	-
Additional Allowance for Loan Losses (27) (28) (29) (30)	(2,370)	1,209	-	-	-	(2,370)	3,257	-
Tax Credit on CSLL (32) (33)	3,405	-	-	-	-	3,405	-	-
Funds and Programs Adjustment (34)	-	-	-	-	-	(127)	-	-
Prov. for Commitment to Buy Loyalty Program Points from Partners (36)	(765)	-	-	-	-	(765)	-	-
Cateno - Gestão de Contas de Pagamentos S.A (37) (38)	-	-	-	-	-	11,572	-	-
Unrealized Earnings - Cateno (31) (38)	-	-	-	-	-	(3,474)	-	-
Incentivated Retirement Program (39)	(372)	-	-	-	-	(372)	-	-
BrasilPrev Effect in Minority Shares (40)	-	-	-	-	-	(74)	-	-
BrasilPrev, Susep Circular-letter 457/12 and 462/13 (41)	-	-	-	-	-	385	-	-
Tax Eff. and Stat. Prof. on One-Off Items (35) (42) (43) (44)	2,325	(618)	85	(96.4)	-	(2,275)	(1,532)	(32.6)
Net Income	**3,062**	**2,465**	**2,246**	**(26.6)**	**(8.9)**	**11,888**	**7,070**	**(40.5)**

Each index presented in the table above lines corresponds to the event item in the table "Statement of Reallocations and One-Off Items".

2.2.1. Reallocations Details

In this chapter, the adjustments made in the Corporate Law Income Statement to obtain the Income Statement with Reallocations are detailed. Adjustments aim to:

a) Separate the one-off items and show the adjusted net income for the period;

b) Change the manner that income and expenses are shown, in order to provide a better understanding of the business and the company's performance;

c) Allow the Net Interest Income (NII) recorded during the period to reflect, effectively, the gain from all the earning assets, seeking to inform the market regarding the spread achieved from the division of this margin by average balance of earning assets. For this, it was necessary to:

I - Include in the NII the income recorded in other operating income that had financial intermediation characteristics and that was derived from earning assets recorded in the other receivables in the Balance Sheet;

II - Identify the foreign exchange gain/(loss) on assets and liabilities abroad during the period in a specific NII item;

III - Keep amounts related to negative foreign exchange adjustments and expenses reversal that were recorded in Other Operating Income and/or Other Expenses Income to avoid inverting the balance of accounts which have a financial intermediation nature;

IV - Include, in the NII, all expenses related to Subordinated Debt and Perpetual Securities

The next table it shows the statement of the reallocations performed during the period:

Table 33. Statement of Reallocations and One-Off Items

R$ million

Item	From	To	Event	Quarterly Flow			9 Months Flow	
				3Q15	2Q16	3Q16	9M15	9M16
1	Sale or Transference of Financial Assets	Loan Operations	Loan Operations	515.2	571.0	540.4	1,451.9	1,686.3
2	Other Operating Income	Securities	Financial Investment Income	0.4	0.4	0.8	1.5	1.7
3	Borrowing, Assignments and Onlending	FX Gain (Loss) on Foreign Equity	FX Gain (Loss) on Foreign Equity	2,982.3	(1,081.5)	107.9	4,357.9	(2,240.8)
4	Eq. Int. in Results of Subsidiaries and Affiliates	FX Gain (Loss) on Foreign Equity	FX Gain (Loss) on Foreign Equity	-	-	-	-	(0.0)
5	Taxes on Revenues	Tax Hedge	Tax Hedge	150.6	(52.7)	5.3	210.3	(94.4)
6	Income and Social Contribution Taxes	Tax Hedge	Tax Hedge	2,265.6	(928.0)	92.6	3,121.0	(1,661.7)
7	Money Market Funds	Borrowing, Assignments and Onlending	Restatement Expenses - Funds and Programs	(97.8)	(117.5)	(133.8)	(349.3)	(385.6)
8	Other Operating Income	Borrowing, Assignments and Onlending	Reimburs. of Expenses of Borrowing, Assignments and Onlending	-	315.4	313.9	-	1,050.4
9	Other Operating Income	Previ - Plano de Benefícios 1	Actuarial Assets and Liabilities Valuation Adjustements	40.1	-	-	317.9	-
10	Other Operating Expenses	Previ - Plano de Benefícios 1	Actuarial Assets and Liabilities Valuation Adjustements	-	(53.7)	(140.8)	-	(248.2)
11	Other Operating Income	Previ - Fundo Utilização Restatement	Actuarial Assets and Liabilities Valuation Adjustements	223.0	307.0	212.0	983.0	892.4
12	Securities	Other Operating Expenses	Provision for Impairment	(31.9)	-	-	(31.9)	-
13	Allowance for Loan Losses	Other Operating Expenses	Allowance for Loan Losses (Cred. w/o Char. of Fin. Int.)	(141.7)	7.1	103.2	(175.4)	107.5
14	Other Administrative Expenses	Other Operating Expenses	Goodwill Amorization	(253.8)	(276.5)	(275.9)	(758.6)	(829.7)
15	Other Administrative Expenses	Other Operating Expenses	Premiums Paid to Costumers	(527.4)	(505.4)	(486.3)	(1,511.3)	(1,497.2)
16	Other Tax Expenses	Taxes on Revenues	Taxes on Revenues	(896.3)	(1,343.7)	(1,269.2)	(4,014.9)	(3,882.9)
17	Other Operating Expenses	Civil Claims	Expenses with Civil Claims	(2,159.1)	(265.1)	(397.0)	(3,130.6)	(974.5)
18	Other Operating Expenses	Civil Claims	Reversal of Contingent Liabilities	0.0	305.4	0.0	11.4	398.1
19	Other Operating Income	Labor Lawsuits	Reversal of Labor Liabilities	-	-	-	256.6	-
20	Personnel Expenses	Labor Lawsuits	Provision for Labor Lawsuits	(517.3)	(380.4)	(298.3)	(876.9)	(1,065.4)
21	Personnel Expenses	Labor Lawsuits	Reversal of Labor Liabilities	-	-	20.8	-	20.8
22	Other Tax Expenses	Income and Social Contribution Taxes	Taxes on Revenues	-	-	-	535.4	-
23	Money Market Funds	Economic Plans	Economic Plans	(90.1)	(167.2)	(129.9)	(283.8)	(456.4)
24	Civil Claims	Economic Plans	Economic Plans	(157.4)	(18.0)	(193.0)	(118.6)	(434.0)
25	Civil Claims	Extraordinary Provision for Lawsuits	Extraordinary Provision for Lawsuits	(1,584.5)	243.1	271.3	(2,239.9)	909.0
26	Labor Lawsuits	Extraordinary Provision for Lawsuits	Extraordinary Provision for Lawsuits	(209.5)	15.8	(124.2)	(320.0)	(96.3)
27	Allowance for Loan Losses	Additional Allowance for Loan Losses	Additional Provision for Loan Losses	(2,300.0)	-	-	(2,300.0)	-
28	Allowance for Loan Losses	Additional Allowance for Loan Losses	Reversal of Additional Alowance for Loan Losses	-	1,209.1	-	-	3,230.0
29	Eq. Int. in Results of Subsidiaries and Affiliates	Additional Allowance for Loan Losses	Additional Provision for Loan Losses - BV	(70.4)	-	-	(70.4)	-
30	Eq. Int. in Results of Subsidiaries and Affiliates	Additional Allowance for Loan Losses	Reversal of Additional Alowance for Loan Losses - BV	-	-	-	-	26.6
31	Income and Social Contribution Taxes	Unrealized Earnings - Cateno	Cateno Operation	-	-	-	2,326.3	-
32	Eq. Int. in Results of Subsidiaries and Affiliates	Tax Credit on CSLL	Tax Credit on CSLL	204.9	-	-	204.9	-
33	Income and Social Contribution Taxes	Tax Credit on CSLL	Tax Credit on CSLL	3,200.0	-	-	3,200.0	-
34	Borrowing, Assignments and Onlending	Funds and Programs Adjustment	Funds and Programs Adjustment	-	-	-	(126.6)	-
35	Taxes on Revenues	Tax Eff. and Stat. Prof. on One-Off Items	Cateno Operation	-	-	-	(1,070.4)	-
36	Other Operating Expenses	Prov. for Commitment to Buy Loyalty Program Points from Partners	Provision - Loyalty Program	(765.0)	-	-	(765.0)	-
37	Non-Operating Income	Cateno - Gestão de Contas de Pagamentos S.A	Cateno Operation	-	-	-	5,771.5	-
38	Unrealized Earnings - Cateno	Cateno - Gestão de Contas de Pagamentos S.A	Cateno Operation	-	-	-	5,800.5	-
39	Personnel Expenses	Incentivated Retirement Program	Incentivated Retirement Program	(372.5)	-	-	(372.5)	-
40	Minority Interest Earnings	BrasilPrev Effect in Minority Shares	BrasilPrev Effect in Minority Shares	-	-	-	(74.5)	-
41	Eq. Int. in Results of Subsidiaries and Affiliates	BrasilPrev, Susep Circular-letter 457/12 and 462/13	BrasilPrev, Susep Circular-letter 457/12 and 462/13	-	-	-	385.0	-
42	Income and Social Contribution Taxes	Tax Eff. and Stat. Prof. on One-Off Items	Tax Eff. and Stat. Prof. on One-Off Items	2,191.6	(543.6)	74.5	2,419.6	(1,347.1)
43	Income and Social Contribution Taxes	Tax Eff. and Stat. Prof. on One-Off Items	Cateno Operation	-	-	-	(3,570.5)	-
44	Statutory Profit Sharing	Tax Eff. and Stat. Prof. on One-Off Items	Tax Eff. and Stat. Prof. on One-Off Items	133.6	(74.7)	10.2	(53.6)	(185.2)

2.2.2. Glossary of Reallocations

(1) Sale or transfer of financial assets.

(2) Revenues from financial investments of the companies from payment methods segment.

(3) and (4) Corresponds to the results of exchange rate changes on investments in subsidiaries and branches abroad.

(5) and (6) Rreduction the effects of exchange variation on the result.

(7) Funding expenses on funds and programs.

(8) Reimbursement of expenses of borrowing, assignments and onlending.

(9) and (10) Financial revenues (expenses) arising from the review of the actuarial assets and liabilities of Previ.

(11) Financial income from restatement of Fundo Utilização da Previ.

(12) Impairment of securities issued by private companies.

(13) Allowance for loan loss expenses for credits without characteristics of financial intermediation.

(14) Expenses from amortization of goodwill on investments.

(15) Payroll acquisition amortization.

(16) Tax expenses reallocated to compose the contribution margin.

(17) Expenses arising from civil claims.

(18) Reversal of balances that, due to the Chart of Accounts of the Central Bank of Brazil (Cosif), could not be accounted for in other operating expenses in the corporate law income statement.

(19) and (21) Reversal of balances that, due to the Chart of Accounts of the Central Bank of Brazil (Cosif), could not be accounted for in personnel expenses in the corporate law income statement.

(20) Provision for expenses arising from labor lawsuits.

(22) Tax expenses reallocated to compose the contribution margin.

(23) and (24) Expenses with provision arising from lawsuits relating to economic plans.

(25) and (26) Extraordinary provisions for lawsuits.

(27) Additional allowance for loan losses recognized in previous fiscal years.

(28) Partial reversal of additional allowance for loan losses recognized in previous fiscal years.

(29) Additional allowance for loan losses recognized in previous fiscal years of Banco Votorantim.

(30) Partial reversal of additional allowance for loan losses recognized in previous fiscal years of Banco Votorantim.

(31) Tax credit for the increased CSLL tax rate.

(32) and (33) Extraordinary provision on credit operations of Banco Votorantim.

(34) Extraordinary expenses arising from funds and programs adjustments.

(35) Tax credit for the increased CSLL tax rate.

(36) Provision for commitment with partners to buy points of loyalty programs.

(37) Non-operating income occurred in the Cateno operation.

(38) Unrealized earnings occurred in the Cateno operation.

(39) Expenses from incentivated retirement program.

(40) Subisidiaries minority sharing on the financial results of BB Seguridade, referring to the financial results of the suitability of BrasilPrev liabilities adequacy.

(41) BrasilPrev liabilities adequacy in compliance with Susep Circular-letter 457/12 and 462/13.

(42) and (44) One-off items effects on the payment of statutory profit sharing and unification of these effects on income and social contribution taxes.

(43) Income and social contribution taxes ocurred in the Cateno operation.

2.2.3. Tax Effect and Statutory Profit Sharing on One-Off Items

The next table shows the effects of taxes and statutory profit sharing on each one-off item.

Table 34. Tax Effect and Statutory Profit Sharing on One-Off Items

	Quarterly Flow			9 Months Flow	
R$ million	3Q15	2Q16	3Q16	9M15	9M16
Economic Plans	108	89	156	176	429
Extraordinary Provision for Lawsuits	829	(125)	(71)	1,164	(392)
Additional Allowance for Loan Losses	1,075	(583)	-	1,075	(1,570)
Tax Credit on CSLL	(212)	-	-	(212)	-
Funds and Programs Adjustment	-	-	-	55	-
Prov. for Commitment to Buy Loyalty Program Points from Partners	342	-	-	342	-
Incentivated Retirement Program	163	-	-	163	-
BrasilPrev, Susep Circular-letter 457/12 and 462/13	-	-	-	(155)	-
Unrealized Earnings - Cateno	-	-	-	(4,886)	-
Taxes on Revenues	21	-	-	3	-
Total	**2,325**	**(618)**	**85**	**(2,275)**	**(1,532)**

3 - Loan

Banco do Brasil Lending Process

Banco do Brasil lending process is preceded by a thorough analysis, based on advanced methodologies for credit risk calculation. BB develops these methodologies and follows the best risk management practices.

Customer risk reflects the likelihood that a borrower will default in a period of 1 year after the risk analysis. Banco do Brasil determines the volume of resources exposed to that borrower. The risk is calculated by using internal and external information, in addition to the history of the relationship with that customer, as follows.

I. Customer File Information: the analysis of customer information from internal and external sources, including restrictive information;

II. Behavior within BB: indebtedness evaluation, use of credit products, payment punctuality and data on relationships with the Bank;

III. Behavior within the Banking Industry: analysis of indebtedness at other banks, use of competitors' products and payment punctuality within the Banking Industry;

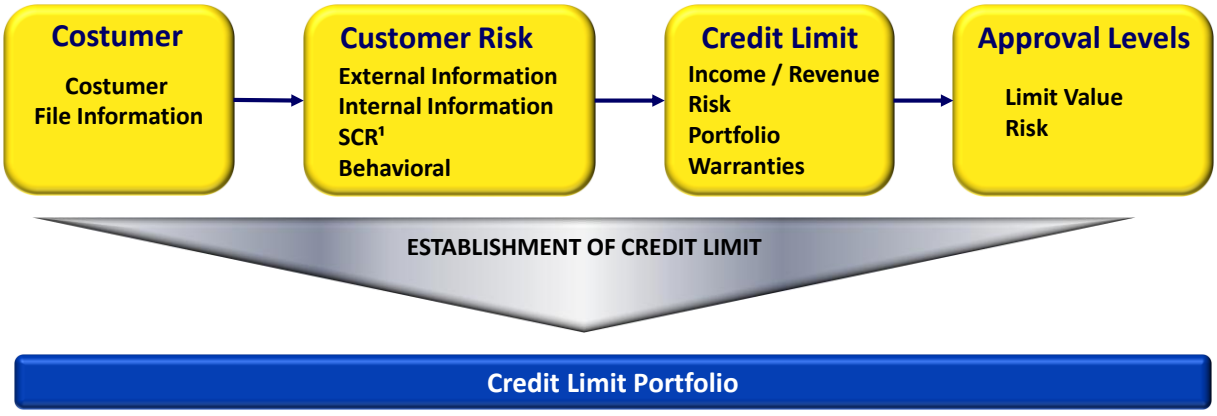
IV. Personalized Methodologies - evaluation of financial statements, customer's segment outlook and other market information.

Risk is calculated on a mass basis for individual customers, microbusinesses and rural producers, and on a customized basis for companies and public sector entities. The Bank's system, in the mass analysis, calculates automatically the customer's credit risk, with immediate results being used to contract the operation.

Banco do Brasil's technicians and corporate systems calculations carry out customized analyses. Committees are responsible for the approval of these customers' risk.

Customer risk is an important piece of information to establish credit limit, to define proper classification of Loan risk, and to guide business with the customer.

Figure 12. Banco do Brasil Lending Process



1 - SCR: Central Bank of Brazil Credit Information System

3.1. Loan Portfolio

For a better understanding of BB's loan operations, we present the following definitions related to the loan portfolio. The information presented in this chapter is segmented into individuals, companies and agribusinesses.

a) Classified Loan Portfolio: sum of the credit operations, financing, leasing, other credit with loan characteristics and acquired loan portfolio.

b) Loan Portfolio – Broad Definition: classified loan portfolio added of the private securities and guarantees operations, where:

b.1) Private Securities: operations characterized by the acquisition of securities (commercial papers and debentures) mainly issued by private companies and underwritten by BB.

b.2) Guarantees: operations where BB ensures the settlement of the contracts.

c) Jointly Controlled Companies: Corresponds to BB jointly controlled companies portfolio.

Table 35. Loan Portfolio – Classified and Broad Definition

	Balance						Chg. % on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Classified Loan Portfolio (a)	**710,612**	**100.0**	**690,067**	**100.0**	**671,225**	**100.0**	**(5.5)**	**(2.7)**
Brazil	**640,904**	**90.2**	**645,886**	**93.6**	**628,118**	**93.6**	**(2.0)**	**(2.8)**
Individuals	**178,944**	**25.2**	**187,458**	**27.2**	**185,731**	**27.7**	**3.8**	**(0.9)**
Payroll Loan	63,801	9.0	64,237	9.3	63,889	9.5	0.1	(0.5)
Mortgage	35,188	5.0	39,706	5.8	41,157	6.1	17.0	3.7
Credit Card	21,537	3.0	22,906	3.3	22,844	3.4	6.1	(0.3)
Salary Loans	19,425	2.7	20,482	3.0	20,348	3.0	4.8	(0.7)
Auto Loans	23,094	3.2	21,459	3.1	18,862	2.8	(18.3)	(12.1)
Consumer Finance	6,888	1.0	7,392	1.1	7,010	1.0	1.8	(5.2)
Overdraft Account	2,564	0.4	2,775	0.4	2,830	0.4	10.4	2.0
Other	6,446	0.9	8,502	1.2	8,791	1.3	36.4	3.4
Companies	**291,041**	**41.0**	**274,875**	**39.8**	**263,539**	**39.3**	**(9.4)**	**(4.1)**
Middle Market and Corporates	160,341	22.6	156,353	22.7	150,642	22.4	(6.0)	(3.7)
Very Small and Small Companies	91,635	12.9	81,167	11.8	74,909	11.2	(18.3)	(7.7)
Government	39,065	5.5	37,355	5.4	37,988	5.7	(2.8)	1.7
Agribusiness	**170,919**	**24.1**	**183,553**	**26.6**	**178,848**	**26.6**	**4.6**	**(2.6)**
Individuals	119,682	16.8	130,475	18.9	128,522	19.1	7.4	(1.5)
Companies	51,237	7.2	53,078	7.7	50,326	7.5	(1.8)	(5.2)
Abroad	**69,708**	**9.8**	**44,181**	**6.4**	**43,106**	**6.4**	**(38.2)**	**(2.4)**
Private Securities and Guarantees (b)	**77,773**		**61,140**		**62,807**		**(19.2)**	**2.7**
Loan Portfolio - Broad Definition (a + b)	**788,385**	**100.0**	**751,207**	**100.0**	**734,032**	**100.0**	**(6.9)**	**(2.3)**
Brazil	**706,729**	**89.6**	**699,991**	**93.2**	**682,527**	**93.0**	**(3.4)**	**(2.5)**
Individuals	179,670	22.8	187,939	25.0	186,178	25.4	3.6	(0.9)
Companies	355,211	45.1	327,577	43.6	316,763	43.2	(10.8)	(3.3)
Agribusiness	171,848	21.8	184,476	24.6	179,586	24.5	4.5	(2.7)
Abroad	**81,656**	**10.4**	**51,215**	**6.8**	**51,505**	**7.0**	**(36.9)**	**0.6**

The table below shows the managerial loan portfolio – broad definition, which considers the credit operations of the jointly controlled companies. According to the regulatory requirements, these companies are no longer consolidated in the financial statements of BB since 2015.

Table 36. Managerial Loan Portfolio – Broad Definition

	Balance						Chg. % on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Loan Portfolio - Broad Definition	**788,385**		**751,207**		**734,032**		**(6.9)**	**(2.3)**
Jointly Controlled Companies	**18,122**		**16,562**		**17,728**		**(2.2)**	**7.0**
Managerial Loan Port. - Broad Definition	**806,508**	**100.0**	**767,769**	**100.0**	**751,760**	**100.0**	**(6.8)**	**(2.1)**
Brazil	**723,566**	**89.7**	**715,939**	**93.2**	**699,627**	**93.1**	**(3.3)**	**(2.3)**
Individuals	189,560	23.5	197,595	25.7	197,306	26.2	4.1	(0.1)
Companies	362,158	44.9	333,868	43.5	322,735	42.9	(10.9)	(3.3)
Agribusiness	171,848	21.3	184,476	24.0	179,586	23.9	4.5	(2.7)
Abroad	**82,941**	**10.3**	**51,830**	**6.8**	**52,132**	**6.9**	**(37.1)**	**0.6**

The table below shows BB's market share in the classified loan portfolio of the Brazilian Banking Industry (BI).

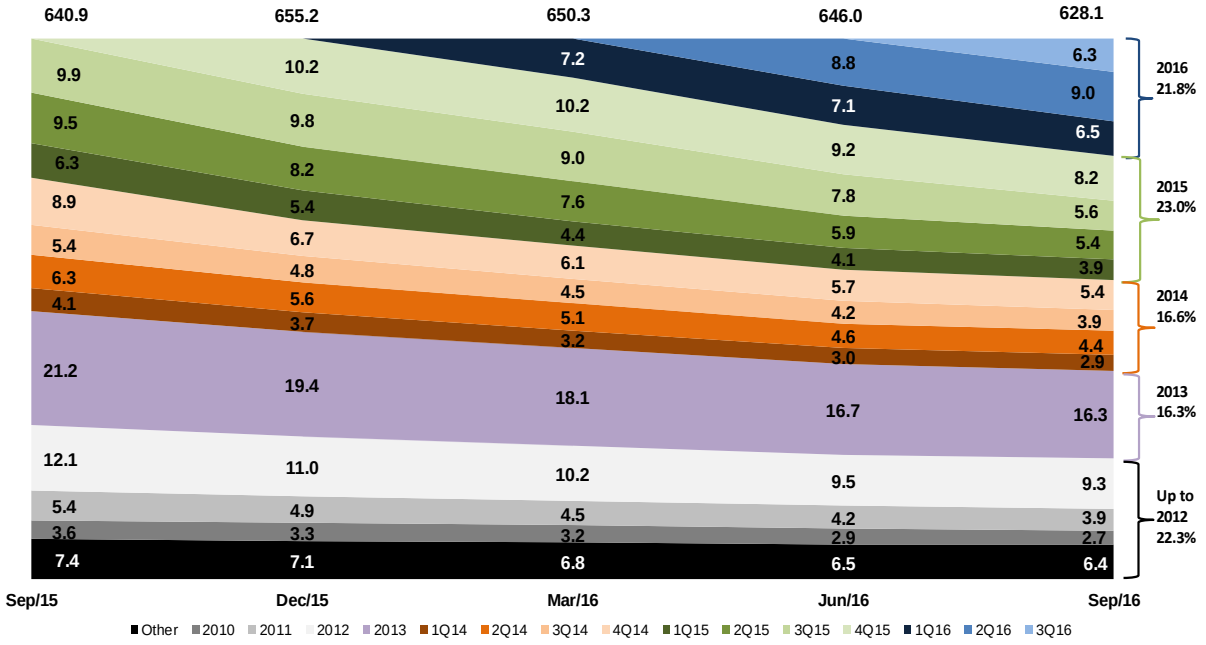
Table 37. Loans in the Brazilian Banking Industry

	Balance					Chg. % on	
R$ billion	Sep/15	Dec/15	Mar/16	Jun/16	Sep/16	Sep/15	Jun/16
BI	**3,164**	**3,219**	**3,161**	**3,130**	**3,110**	(1.7)	(0.7)
Individuals	1,487	1,512	1,521	1,530	1,541	3.6	0.7
Companies	1,677	1,707	1,640	1,600	1,569	(6.5)	(2.0)
BB Market Share - %	20.3	20.4	20.6	20.6	20.2		

The next figure shows the Classified Loan Portfolio BB in Brazil for the contracted period. In certain cases, loan disbursement might continue to occur during quarters after the loan is taken out, being then added to the related quarter.

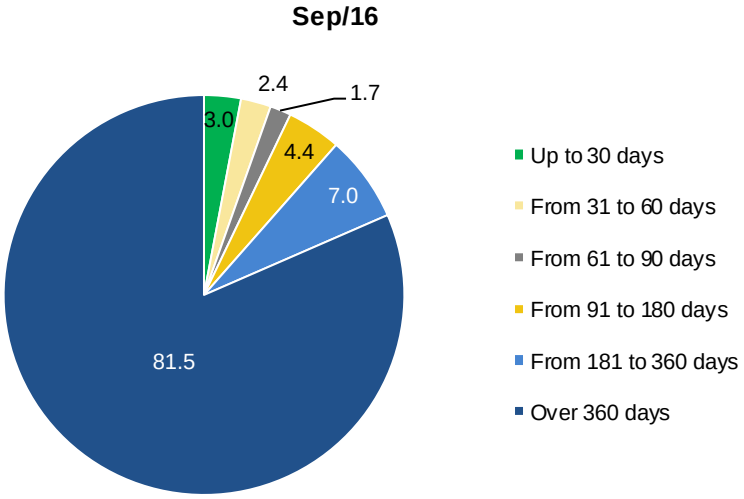
Considering the portfolio of Sep/16, 21.8% of assets were contracted in 2016. Assets contracted in years previously to the interest rate repricing process corresponds to 38.6%.

Figure 13. Classified Loan Portfolio BB by Contracted Period - % and R$ billion



The next figure demonstrates the BB's Classified Loan Portfolio in Brazil by maturity. More than 80% of the portfolio matures with more than 360 days, in line with the investment, mortgage and payroll loans trend, while 7.1% of the portfolio has a maturity of less than 90 days, notably working capital operations with companies.

Figure 14. BB's Classified Loan Portfolio in Brazil by maturity - %



3.1.1. Individuals Loan Portfolio

The following tables show the main credit lines to individuals. The payroll loan and auto loan include the balance of the total acquired joint obligation loan portfolio.

Table 38. Individuals Loan Portfolio

	Balance						Chg. % on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Classified Loan Portfolio (a)	**178,944**	**94.4**	**187,458**	**94.9**	**185,731**	**94.1**	**3.8**	**(0.9)**
Direct Consumer Credit	90,114	47.5	92,110	46.6	91,246	46.2	1.3	(0.9)
Payroll Loan	63,801	33.7	64,237	32.5	63,889	32.4	0.1	(0.5)
Salary Loans	19,425	10.2	20,482	10.4	20,348	10.3	4.8	(0.7)
Consumer Finance	6,888	3.6	7,392	3.7	7,010	3.6	1.8	(5.2)
Mortgage	35,188	18.6	39,706	20.1	41,157	20.9	17.0	3.7
Credit Card	21,537	11.4	22,906	11.6	22,844	11.6	6.1	(0.3)
Auto Loans	23,094	12.2	21,459	10.9	18,862	9.6	(18.3)	(12.1)
Renegotiated Loan	4,427	2.3	6,876	3.5	7,236	3.7	63.4	5.2
Overdraft Account	2,564	1.4	2,775	1.4	2,830	1.4	10.4	2.0
Microcredit	839	0.4	700	0.4	757	0.4	(9.8)	8.1
Other	1,180	0.6	926	0.5	798	0.4	(32.4)	(13.8)
Private Securities and Guarantees (b)	**726**	**0.4**	**481**	**0.2**	**446**	**0.2**	**(38.5)**	**(7.2)**
Jointly Controlled Companies (c)	**9,890**	**5.2**	**9,657**	**4.9**	**11,128**	**5.6**	**12.5**	**15.2**
Managerial Loan Portfolio (a+b+c)	**189,560**	**100.0**	**197,595**	**100.0**	**197,306**	**100.0**	**4.1**	**(0.1)**

BB remains among the market leaders in loan operations with lower risk. The following table shows BB's participation in these lines of credit.

Table 39. Individuals Loan Portfolio – Market Share

	Sep/15			Jun/16			Sep/16		
R$ million	BB[1]	BI	Share %	BB[1]	BI	Share %	BB[1]	BI	Share %
Payroll Loan	63,801	272,022	23.5	64,237	283,752	22.6	63,889	287,051	22.3
Auto Loan[2]	22,079	168,881	13.1	20,389	150,622	13.5	18,649	146,874	12.7
Mortgage	35,188	486,289	7.2	39,706	516,811	7.7	41,157	528,278	7.8

1 – Includes the acquired joint obligation loan portfolio, in compliance with CMN Resolution 3,533/08.
2 – Includes only free resources.

BB's total acquired loan portfolio is composed of payroll and auto loan operations. The decrease on the annual basis was mainly due to the reorganization and consolidation of the sector, specially the payroll loan segment. The joint obligation loan portfolio are 99.0% of this total.

Table 40. Total Acquired Loan Portfolio[1]

	Balance					Chg. % on	
R$ million	Sep/15	Dec/15	Mar/16	Jun/16	Sep/16	Sep/15	Jun/16
Payroll Loan	2,044	1,831	1,541	1,278	1,051	(48.6)	(17.8)
Auto Loan	14,252	13,869	14,724	14,126	12,064	(15.4)	(14.6)
Total	**16,296**	**15,700**	**16,265**	**15,404**	**13,114**	**(19.5)**	**(14.9)**

1 – Includes the balance of acquired joint obligation loan portfolio, in compliance with CMN Resolution 3,533/08.

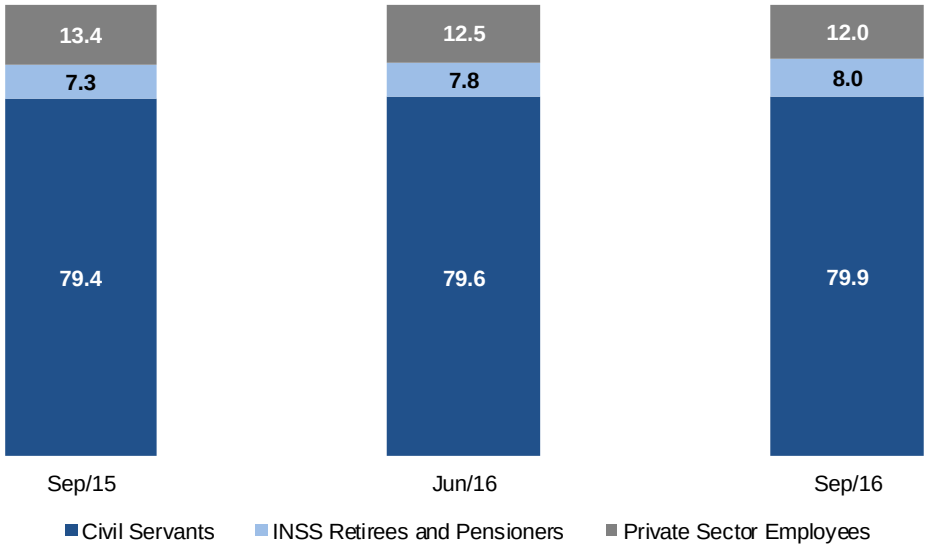
The table below shows the organic individuals classified loan portfolio, that excludes the acquired portfolio.

Table 41. Organic Classified Loan Portfolio - Individuals

	Balance						Chg. % on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Organic Classified Loan Portf.	**162,648**	**100.0**	**172,054**	**100.0**	**172,617**	**100.0**	**6.1**	**0.3**
Direct Consumer Credit	88,070	54.1	90,832	52.8	90,195	52.3	2.4	(0.7)
Payroll Loan	61,758	38.0	62,959	36.6	62,838	36.4	1.7	(0.2)
Salary Loan	19,425	11.9	20,482	11.9	20,348	11.8	4.8	(0.7)
Consumer Finance	6,888	4.2	7,392	4.3	7,010	4.1	1.8	(5.2)
Mortgage	35,188	21.6	39,706	23.1	41,157	23.8	17.0	3.7
Credit Card	21,537	13.2	22,906	13.3	22,844	13.2	6.1	(0.3)
Renegotiated Loan	4,427	2.7	6,876	4.0	7,236	4.2	63.4	5.2
Auto Loan	8,842	5.4	7,333	4.3	6,799	3.9	(23.1)	(7.3)
Overdraft Account	2,564	1.6	2,775	1.6	2,830	1.6	10.4	2.0
Microcredit	839	0.5	700	0.4	757	0.4	(9.8)	8.1
Other	1,180	0.7	926	0.5	798	0.5	(32.4)	(13.8)

Civil servants and pensioners contracted the majority of Direct Consumer Credit and Auto Loans, which portfolio was R$97.0 billion in Sep/16.

Figure 15. Organic Individuals Loan Portfolio – Direct Consumer Credit and Auto Loan - %



BB's knowledge of its customers is one of the important components of credit methodology. Of those with credit transactions at BB, 88.7% have an account for at least five years.

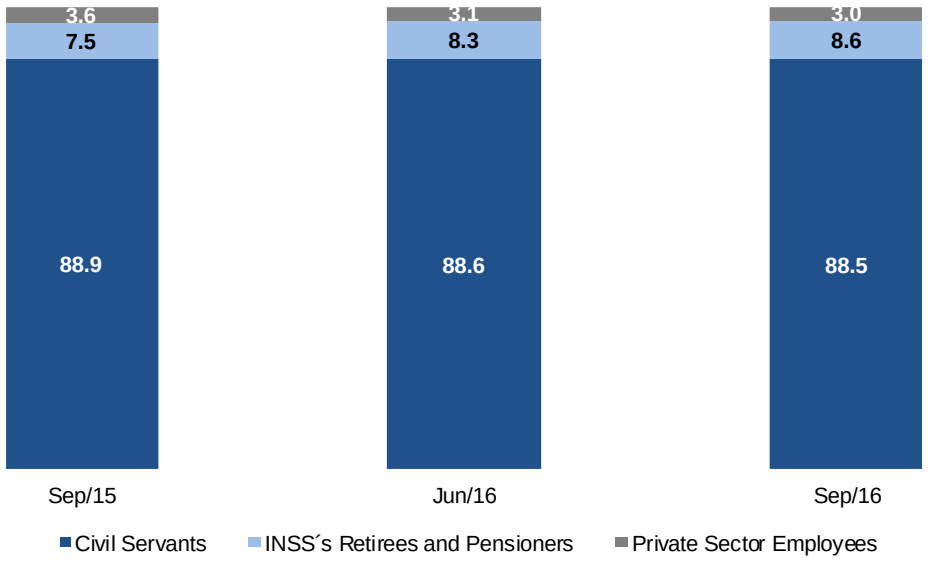
Table 42. Account Time – Customers with Credit Transactions

%	Sep/15	Jun/16	Sep/16
Account Time			
Up to 1 year	1.3	1.1	0.9
From 1 to 2 years	3.0	2.4	2.1
From 2 to 5 years	7.9	8.1	8.3
From 5 to 10 years	21.0	19.7	19.7
Over 10 years	66.8	68.8	69.0

Payroll Loan

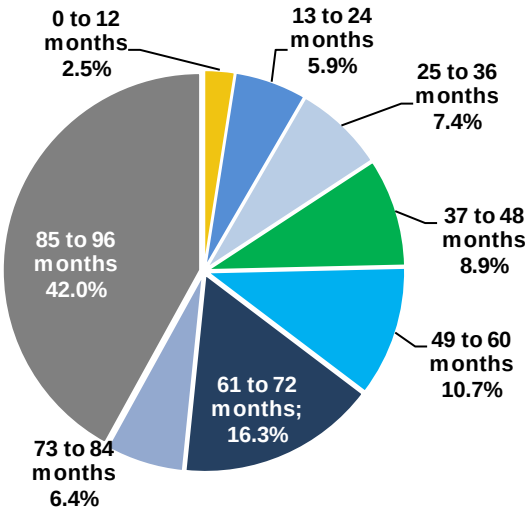
The payroll loan portfolio was R$ 62.8 billion in Sep/16. It's mainly composed by operations with civil servants and INSS pensioners, who have lower risk. The table below shows the portfolio breakdown.

Figure 16. Organic Payroll Loan Breakdown - %



Most payroll loan contracted at BB in 3Q16 have a maturity of over 60 months. The characteristic of this portfolio allows customers to lengthen the term and generates loyalty and an opportunity to offer other products during this time.

Figure 17. Maturity of transactions contracted in the quarter – Payroll Loan



Auto Loan

The balance of BB's organic auto loan portfolio was R$ 6.8 billion in Sep/16.

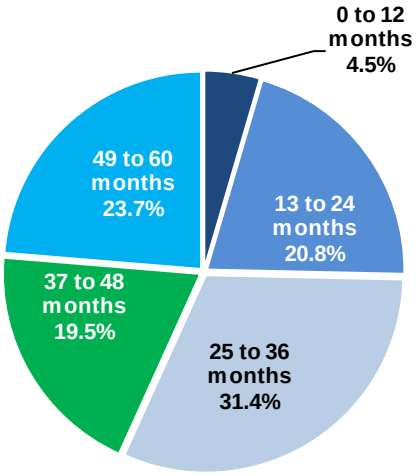
The following table shows the main characteristics of the customers of BB's organic auto loan portfolio. Most customers have hold accounts for over 10 years and receive their salary through the Bank.

Table 43. BB's Organic Auto Loan Portfolio - Customers Characteristics

%	Sep/15	Jun/16	Sep/16
Account Time			
Up to 5 years	13.1	11.8	11.2
From 5 to 10 years	20.2	19.7	19.6
Over 10 years	66.7	68.5	69.2
Salary			
Paid through Banco do Brasil	67.5	71.4	72.0
Paid through other banks	32.5	28.6	28.0

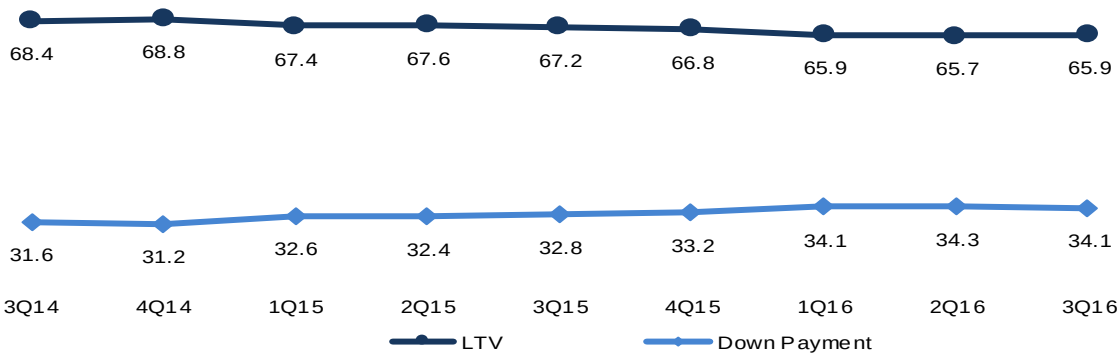
The next figure shows maturity of auto loan transactions contracted at Banco do Brasil (3Q16). Approximately 76.3% of the disbursement matures up to 48 months.

Figure 18. Maturity of Transactions Contracted in the quarter – Auto Loan



The figure below shows the Loan-to-Value (LTV). BB's customers committed, in average, 34.1% of the asset's value in 3Q16, which further reduces the likelihood of default.

Figure 19. Loan to Value - Organic Auto Loan Portfolio - %



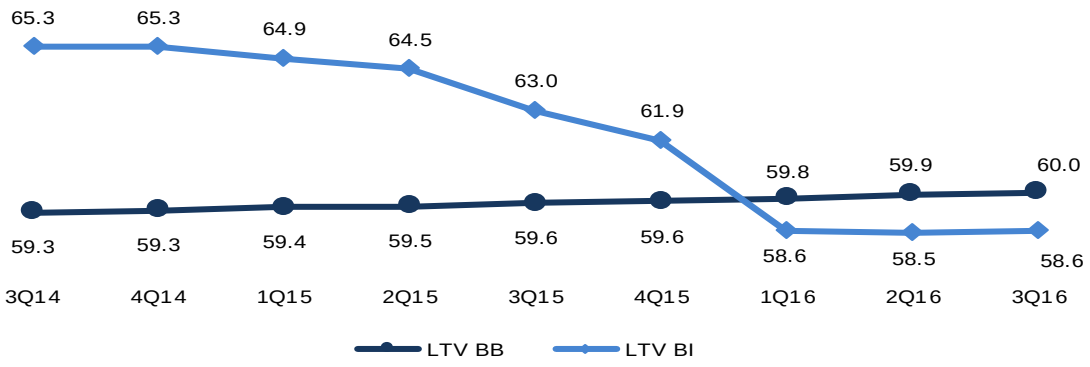
Mortgage

During the last 12 months the balance increased R$ 6,0 billion confirming the trend of portfolio growth importance, with the increase from 21.6% to 23.8% in organic portfolio. The increase was due the expansion of products offered to customers and process' efficiency gain.

BB had a 7.8% of market share in Sep/16, an increase of 55bps from the same period of the last year.

For mortgages, the LTV was aligned to the BI, according to Abecip[1] data.

Figure 20. Loan to Value - Mortgage Portfolio - %



1 - Source: Abecip (Brazilian Association of Real Estate and Savings Account Entities). – Date as of Aug/16

The table below shows the average maturity and the rates of the operations with lower risk. The average maturity is calculated by weighting the remaining term with the closing balance.

Table 44. Average Rates and Maturity

	Sep/14	Dec/14	Mar/15	Jun/15	Sep/15	Dec/15	Mar/16	Jun/16	Sep/16
Banco do Brasil									
Direct Consumer Credit - Auto									
Average Rate - % p.m.	1.38	1.42	1.47	1.54	1.58	1.63	1.66	1.69	1.74
Average Maturity - months	32	32	31	31	30	30	30	29	29
Mortgage									
Average Contract Amount - R$ thousand	105.6	113.4	108.9	120.3	115.0	114.0	113.0	127.2	134.3
Average Rate - % p.y.	7.51	7.34	7.24	7.16	7.11	7.09	7.07	7.09	7.10
Average Maturity - months	340	338	342	338	344	346	347	339	338
Payroll Loan									
Average Rate - % p.m.	1.76	1.76	1.77	1.78	1.81	1.83	1.85	1.86	1.88
Average Maturity - months	54	58	59	59	59	60	60	60	60
Direct Consumer Credit									
Average Rate - % p.m.	3.20	3.23	3.38	3.59	3.73	3.83	3.97	4.05	4.09
Average Maturity - months	40	42	42	42	43	44	43	42	43

3.1.2. Companies Loan Portfolio

The companies loan portfolio decrease in annual basis is a result, mainly, from the reduction of working capital operations.

Table 45. Companies Loan Portfolio

	Balance						Chg. % on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Classified Loan Portfolio (a)	**291,041**	**80.4**	**274,875**	**82.3**	**263,539**	**81.7**	**(9.4)**	**(4.1)**
Working Capital	148,951	41.1	134,356	40.2	128,795	39.9	(13.5)	(4.1)
Investiments	66,632	18.4	62,383	18.7	61,062	18.9	(8.4)	(2.1)
Renegotiated Loan	10,979	3.0	18,097	5.4	18,385	5.7	67.5	1.6
ACC/ACE	15,882	4.4	18,163	5.4	16,054	5.0	1.1	(11.6)
Mortgage	11,706	3.2	11,872	3.6	11,913	3.7	1.8	0.3
Credit Card	15,203	4.2	12,573	3.8	11,513	3.6	(24.3)	(8.4)
Receivables	12,817	3.5	10,959	3.3	9,872	3.1	(23.0)	(9.9)
Pre-Aproved-Credit	3,079	0.9	2,233	0.7	1,922	0.6	(37.6)	(13.9)
BNDES Exim	2,208	0.6	925	0.3	873	0.3	(60.5)	(5.6)
Overdraft Account	466	0.1	476	0.1	496	0.2	6.5	4.2
Other	3,118	0.9	2,838	0.8	2,654	0.8	(14.9)	(6.5)
Private Sec. and Guarantees (b)	**64,170**	**17.7**	**52,702**	**15.8**	**53,224**	**16.5**	**(17.1)**	**1.0**
Jointly Controlled Companies (c)	**6,947**	**1.9**	**6,291**	**1.9**	**5,973**	**1.9**	**(14.0)**	**(5.1)**
Loan Portfolio - Broad Definition (a+b+c)	**362,158**	**100.0**	**333,868**	**100.0**	**322,735**	**100.0**	**(10.9)**	**(3.3)**

The table below shows the distribution of the companies portfolio, considering the broad definition.

Table 46. Companies Portfolio Breakdown

	Balance						Chg. % on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Classified Loan Portfolio (a)	**291,041**	**80.4**	**274,875**	**82.3**	**263,539**	**81.7**	**(9.4)**	**(4.1)**
Middle Market and Corporates	160,341	44.3	156,353	46.8	150,642	46.7	(6.0)	(3.7)
Very Small and Small Companies[1]	91,635	25.3	81,167	24.3	74,909	23.2	(18.3)	(7.7)
Government	39,065	10.8	37,355	11.2	37,988	11.8	(2.8)	1.7
Private Sec. and Guarantees (b)	**64,170**	**17.7**	**52,702**	**15.8**	**53,224**	**16.5**	**(17.1)**	**1.0**
Jointly Controlled Companies (c)	**6,947**	**1.9**	**6,291**	**1.9**	**5,973**	**1.9**	**(14.0)**	**(5.1)**
Loan Portfolio - Broad Definition (a+b+c)	**362,158**	**100.0**	**333,868**	**100.0**	**322,735**	**100.0**	**(10.9)**	**(3.3)**

1 – Series reviewed

From 2Q16 on, some companies from very small and small companies, which belong to economic groups, were reclassified for middle market and corporate portfolios.

Given that, balances were reviewed since 2Q14 to allow comparability.

Foreign Trade Finance

BB is the main partner in Brazilian foreign trade, closing 3Q16 with a market share of 20.9% and 14.5% in foreign exchange for export and import operations, respectively. With leadership in the operations of ACC (Forward Exchange Contracts) and ACE (Advance against Draft Presentation). BB ended the quarter with a 20.2% market share in these segments.

Table 47. Foreign Exchange for Export and Import Operations

	Balance					Chg. % on	
	3Q15	4Q15	1Q16	2Q16	3Q16	3Q15	2Q16
Export Exchange							
Contracted Amount (US$ million)	11,503	9,346	9,384	11,198	8,433	(26.7)	(24.7)
Market Share - %	25.3	21.8	24.7	22.5	20.9	(17.4)	(6.9)
Import Exchange							
Contracted Amount (US$ million)	6,597	5,811	5,819	4,402	4,593	(30.4)	4.3
Market Share - %	17.8	17.0	19.3	14.3	14.5	(18.6)	0.9

Table 48. ACC (Forward Exchange Contracts) and ACE (Advance against Draft Presentation)

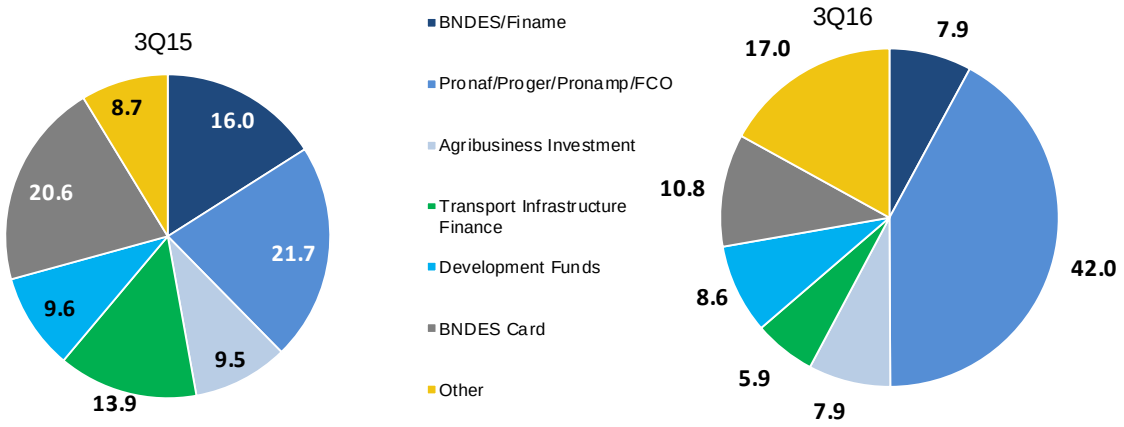
	Balance					Chg. % on	
	3Q15	4Q15	1Q16	2Q16	3Q16	3Q15	2Q16
Contracted Amount (US$ million)	2,187	2,185	1,865	2,276	1,354	(38.1)	(40.5)
Quantity of Contracts	3,004	3,258	2,353	3,128	2,554	(15.0)	(18.4)
Average Vol. per Contract (US$ thousand)	728	671	793	728	530	(27.2)	(27.2)

Investment Loan

Banco do Brasil's disbursements for investment Loan were R$ 5.6 billion in 3Q16. Highlight to the Pronaf/Pronamp/Proger/FCO and Transport Infrastructure Finance, which grew in relevance.

The next chart shows the onlending funds share in disbursements.

Figure 21. Disbursements by Onlending Fund - %



Loan to the Government

Banco do Brasil works to meet the states, the Federal District and the municipalities in their demands, seeking to provide solutions to public entities, that allow public policies through investments in sectors such as urban mobility, health, education and public safety in order to contribute to the development of the country and generate real benefits for the population of the locations served. In 3Q16 there were disbursed R$ 523 million to states and municipalities.

Under Central Bank of Brazil Circular 3,644/2013, Article 37, a Weighting Factor Risk (FPR) of 0% must be applied to the portion of exposure covered by credit guarantees provided by the National Treasury transactions, without thereby compromising capital.

Loan to Very Small and Small Companies

Banco do Brasil remains the main partner of the segment of very small and small companies, reinforcing its positioning with this segment. At the end of 3Q16, BB had 2.3 million very small and small companies customers.

Companies with annual revenues up to R$ 25 million are categorized as very small and small companies customers.

The following table shows that 98.1% of this portfolio was concentrated in account holders who have accounts time over two years.

Table 49. Account Time - Percentage of the Very Small and Small Companies Portfolio Balance

%	Sep/15	Jun/16	Sep/16
Account Time			
Up to 1 year	0.6	0.3	0.3
From 1 to 2 years	3.3	2.1	1.6
From 2 to 5 years	20.1	18.5	17.1
From 5 to 10 years	34.0	34.3	34.7
Over 10 years	42.0	44.8	46.3

The following tables show the main lines of loan to very small and small companies.

Table 50. Loan to Very Small and Small Companies by Sector

	Balance						Chg. % on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Trade	38,908	42.5	34,173	42.1	31,364	41.9	(19.4)	(8.2)
Service Segment	28,503	31.1	25,753	31.7	23,767	31.7	(16.6)	(7.7)
Industry	24,224	26.4	21,241	26.2	19,778	26.4	(18.4)	(6.9)
Total	**91,635**	**100.0**	**81,167**	**100.0**	**74,909**	**100.0**	**(18.3)**	**(7.7)**

Table 51. Very Small and Small Companies Credit Products

	Balance						Chg. % on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Working Capital	56,874	62.1	51,593	63.6	47,516	63.5	(16.5)	(7.9)
Investment	33,032	36.0	28,348	34.9	26,253	35.0	(20.5)	(7.4)
Foreign Trade	1,728	1.9	1,226	1.5	1,140	1.5	(34.0)	(7.0)
Total	**91,635**	**100.0**	**81,167**	**100.0**	**74,909**	**100.0**	**(18.3)**	**(7.7)**

In working capital and investments finance to very small and small companies, Banco do Brasil uses the FGO (operations guarantee fund), a credit guarantee fund, in order to mitigate transactions credit risk and to expand portfolio volume. The guarantees provided by FGO in loan and financing operations complement up to 80% the required guarantees.

Another mechanism to enable the contracting of investment financing operations is the Fampe (guarantee fund to very small and small companies), a guarantee fund for very small and small companies. Fampe supplements by up to 80% of the value of guarantees necessary for the concession of credit to very small and small companies.

3.1.3. Agribusiness Loan Portfolio

Agribusiness is one of the main sectors of the Brazilian economy, with fundamental importance to the country's growth and development.

Brazil is one of the world's leading agribusiness exporters, with emphasis on the production, export and trade of major agricultural supply chains.

Table 52. Brazil's Share in World Agribusiness in Sep/16

Item	Production	Export	% World Trade
Orange Juice	1º	1º	73.4%
Sugarcane	1º	1º	46.9%
Soybean and Related Product	2°	1º	42.2%
Poultry	2º	1º	38.0%
Coffee	1º	1º	27.3%
Cattle	2°	2°	19.2%
Corn	3º	3°	14.7%
Cotton	5º	2º	12.0%

Source: USDA – PSD online.

The leading role of agribusiness in Brazil arises from the combination of factors related to natural resources, cutting-edge technology, credit supply and farmers' competence. This set of attributes gives Brazil a privileged position in the world agribusiness context.

Agricultural and livestock activity follows the agricultural calendar, known as the crop-year, which begins in July of each year and ends in June of the following year. The data presented in this report includes information from first quarter of 2016/2017 crop.

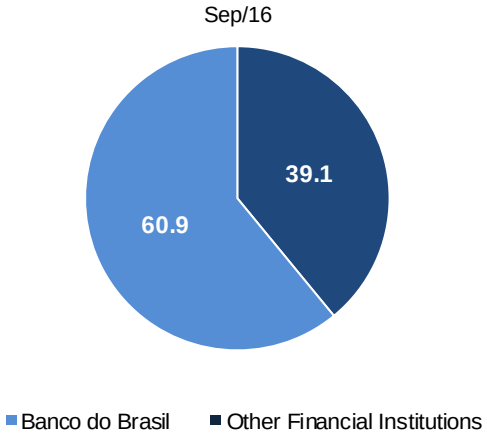
Agribusiness at BB

Banco do Brasil is one of the main agents encouraging agribusiness development in Brazil, in line with the criteria established for the maintenance of socio-environmental sustainability.

Operating from the small producer to large agribusiness companies, BB finances the costs of producing and trading agricultural products, stimulates rural investment, including warehousing, seed improvement, industrialization and the modernization of agricultural machinery and farm implements, as well as the rural properties adequacy to environmental legislation. Thus, BB supports the Brazilian agribusiness in all stages of the production chain.

Historically, Banco do Brasil remains as the main agribusiness financial agent in the country, contributing significantly to supply the credit demand. According to Central Bank of Brazil's data, BB had a 60.9% market share of the Brazilian rural financing portfolio in Sep/16.

Figure 22. BB's Market Share in Brazilian Agribusiness – %



The distribution of agribusiness operations by Brazilian region shows the share of each in the loan portfolio.

Table 53. Classified Agribusiness Loan Portfolio by Region

Region	Rural Credit - %	Agroindustry - %	Total - %
Southeast	33.6	98.6	44.7
South	32.9	0.9	27.5
Midwest	22.0	0.0	18.2
Northeast	6.4	0.3	5.3
North	5.1	0.2	4.2

The following table shows a breakdown of BB's agribusiness portfolio, divided into working capital for input purchase, investments, agroindustry, crop trading and others.

Table 54. Agribusiness Loan Portfolio by Purpose

	Balance						Chg. % on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Classified Loan Portfolio	**170,919**	**99.5**	**183,553**	**99.5**	**178,848**	**99.6**	**4.6**	**(2.6)**
Investment	78,695	45.8	82,168	44.5	82,574	46.0	4.9	0.5
Working Capital for Input Purchase	48,626	28.3	60,492	32.8	57,224	31.9	17.7	(5.4)
Agroindustry	37,118	21.6	31,877	17.3	30,522	17.0	(17.8)	(4.3)
Crop Trading	4,631	2.7	8,093	4.4	7,811	4.3	68.7	(3.5)
Other	1,850	1.1	924	0.5	718	0.4	(61.2)	(22.3)
Rural Product Bills and Guarantees	929	0.5	923	0.5	738	0.4	(20.6)	(20.0)
Loan Portfolio - Broad Definition	**171,848**	**100.0**	**184,476**	**100.0**	**179,586**	**100.0**	**4.5**	**(2.7)**

The following table shows the breakdown of the agribusiness loan portfolio by credit line/program.

The annual increase of 10.9% of the rural loans was driven mainly by disbursements of R$10.3 billion between February and June in anticipated working capital for input purchase lines. Also highlight to Pronaf (national program for support for the family producer) which was R$ 40.9 billion in Sep/16, an increase of 7.9% on an annual basis. Pronamp (national program for support the medium rural producer) was R$ 24.1 billion in Sep/16, an increase of 8.5% in 12 months. Also important is the ABC Program (low carbon agriculture), with R$9.5 billion in Sep/16, an increase of 4.3% in 12 months.

Table 55. Agribusiness Loan Portfolio by Credit Line/Program

	Balance						Chg. % on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Classified Loan Portfolio	**170,919**	**99.5**	**183,553**	**99.5**	**178,848**	**99.6**	**4.6**	**(2.6)**
Rural Loans	**133,801**	**77.9**	**151,676**	**82.2**	**148,327**	**82.6**	**10.9**	**(2.2)**
Pronaf	37,910	22.1	40,501	22.0	40,912	22.8	7.9	1.0
Work. Capital for Input Purchase	28,542	16.6	37,789	20.5	35,172	19.6	23.2	(6.9)
Pronamp	22,230	12.9	24,916	13.5	24,124	13.4	8.5	(3.2)
FCO Rural	8,791	5.1	9,411	5.1	9,690	5.4	10.2	3.0
Agricultural Investment	9,299	5.4	9,412	5.1	9,557	5.3	2.8	1.5
Low Carbon Agriculture Program	9,103	5.3	9,478	5.1	9,496	5.3	4.3	0.2
BNDES/Finame Rural	10,213	5.9	9,432	5.1	9,073	5.1	(11.2)	(3.8)
Agricultural Selling	4,236	2.5	7,429	4.0	7,090	3.9	67.4	(4.6)
Other	3,477	2.0	3,309	1.8	3,212	1.8	(7.6)	(2.9)
Loans to Companies	**37,118**	**21.6**	**31,877**	**17.3**	**30,522**	**17.0**	**(17.8)**	**(4.3)**
Rural Product Bills and Guarantees	929	0.5	923	0.5	738	0.4	(20.6)	(20.0)
Loan Portfolio - Broad Definition	**171,848**	**100.0**	**184,476**	**100.0**	**179,586**	**100.0**	**4.5**	**(2.7)**

The following table shows the balance of agribusiness loan transactions by financed item.

Table 56. Agribusiness Loan Portfolio by Financed Item

	Balance						Chg. % on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Classified Loan Portfolio	**170,919**	**99.5**	**183,553**	**99.5**	**178,848**	**99.6**	**4.6**	**(2.6)**
Livestock	33,454	19.5	35,699	19.4	37,034	20.6	10.7	3.7
Meat	22,095	12.9	23,068	12.5	24,253	13.5	9.8	5.1
Milk	11,359	6.6	12,631	6.8	12,781	7.1	12.5	1.2
Machinery and Equipment	22,599	13.2	22,578	12.2	22,718	12.7	0.5	0.6
Soybean	11,754	6.8	17,083	9.3	15,437	8.6	31.3	(9.6)
Corn	4,721	2.7	8,202	4.4	7,839	4.4	66.1	(4.4)
Coffee	3,957	2.3	4,038	2.2	4,281	2.4	8.2	6.0
Sugarcane	3,673	2.1	3,612	2.0	3,816	2.1	3.9	5.6
Aviculture	3,832	2.2	3,235	1.8	3,473	1.9	(9.4)	7.4
Swine Production	1,978	1.2	1,899	1.0	2,299	1.3	16.2	21.1
Rice	2,070	1.2	2,392	1.3	2,181	1.2	5.4	(8.8)
Cotton	699	0.4	693	0.4	804	0.4	15.0	16.1
Other	45,064	26.2	52,246	28.3	48,444	27.0	7.5	(7.3)
Loans to Companies	37,118	21.6	31,877	17.3	30,522	17.0	(17.8)	(4.3)
Rural Product Bills and Guarantees	929	0.5	923	0.5	738	0.4	(20.6)	(20.0)
Loan Portfolio - Broad Definition	**171,848**	**100.0**	**184,476**	**100.0**	**179,586**	**100.0**	**4.5**	**(2.7)**

The following table shows the balance of agribusiness loan portfolio and the breakdown for each customer type.

Table 57. Agribusiness Loan Portfolio by Customer Size

	Balance						Chg. % on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Classified Loan Portfolio	**170,919**	**99.5**	**183,553**	**99.5**	**178,848**	**99.6**	**4.6**	**(2.6)**
Medium and Large Sized	78,946	45.9	87,476	47.4	84,583	47.1	7.1	(3.3)
Small	40,736	23.7	42,999	23.3	43,940	24.5	7.9	2.2
Companies	43,588	25.4	42,594	23.1	40,293	22.4	(7.6)	(5.4)
Agroindustrial Cooperatives	7,649	4.5	10,485	5.7	10,033	5.6	31.2	(4.3)
Rural Product Bills and Guarantees	929	0.5	923	0.5	738	0.4	(20.6)	(20.0)
Loan Portfolio - Broad Definition	**171,848**	**100.0**	**184,476**	**100.0**	**179,586**	**100.0**	**4.5**	**(2.7)**

The next table shows the distribution of the balance of the Agribusiness Loan Portfolio by customer type.

Table 58. Agribusiness Loan Portfolio by Customer Type

	Balance						Chg. % on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Classified Loan Portfolio	**170,919**	**99.5**	**183,553**	**99.5**	**178,848**	**99.6**	**4.6**	**(2.6)**
Individuals	119,682	69.6	130,475	70.7	128,522	71.6	7.4	(1.5)
Companies	51,237	29.8	53,078	28.8	50,326	28.0	(1.8)	(5.2)
Rural Product Bills and Guarantees	929	0.5	923	0.5	738	0.4	(20.6)	(20.0)
Loan Portfolio - Broad Definition	**171,848**	**100.0**	**184,476**	**100.0**	**179,586**	**100.0**	**4.5**	**(2.7)**

BB uses 81.1% 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), the FAT (workers protection fund), and institutional funds such as the FCO (constitutional fund for financing of the Midwest) and the Funcafé (coffee production economy defense fund).

The following table shows the agribusiness loan portfolio – broad definition by funding sources.

Table 59. Agribusiness Loan Portfolio Broad Definition by Funding Sources

	Balance					
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %
Agricultural Savings	84,639	49.3	92,146	50.0	90,821	50.6
Agribusiness Letters of Credit	38,260	22.3	38,178	20.7	35,149	19.6
Demand Deposits	15,922	9.3	19,929	10.8	19,536	10.9
FCO	12,602	7.3	13,184	7.1	13,664	7.6
BNDES/FINAME	11,199	6.5	11,955	6.5	11,737	6.5
Other[1]	9,226	5.4	9,084	4.9	8,680	4.8
Loan Portfolio - Broad Definition	**171,848**	**100.0**	**184,476**	**100.0**	**179,586**	**100.0**

1 – National Treasury, Funcafé, Rural Product Bills and Guarantees.

Banco do Brasil acts as a financial agent in rural credit operations encouraged by the Federal Government, intending to finance actions in the public interest. These operations are carried out with reduced interest rates and BB uses resources from savings accounts, demand deposits, FAT, National Treasury, Funcafé and FCO as funding.

To make this intermediation feasible and cover the funding costs, credit risks, tax and administrative costs and BB's profitability, National Treasury and Central Bank of Brazil may authorize following subsides:

a) Equalization Revenues: amount paid by the National Treasury that represents revenues for the banks to cover the administrative and tax costs, besides the guarantee of a profitability rate on the applied resources;

b) Weighting factor: multiplier adopted by the Federal Government to the use of resources from demand deposits and rural savings. Through this mechanism the banks are authorized to operate lower rates of rural credit. The released amount is invested in operations with market rates, in order to compensate the profitability difference from operations encouraged by the Federal Government.

The mechanism of a weighting factor reduces the amount of assets subject to equalization, and allows banks to increase interest income proportionally. At BB, the released funds has TMS remuneration.

The next table shows a history of equalization revenues and weighting factor.

Table 60. Equalization Revenues and Weighting Factor

	Quarterly Flow				
R$ million	3Q15	4Q15	1Q16	2Q16	3Q16
Equalization Revenues	2,004	1,963	1,383	1,416	1,706
Weighting Factor	101	90	348	481	72
Total	**2,105**	**2,052**	**1,731**	**1,897**	**1,779**

Table 61. Equalization Revenues Flow

	Quarterly Flow				
R$ million	3Q15	4Q15	1Q16	2Q16	3Q16
Initial Balance	13,459	11,765	3,385	1,357	2,767
Flow	(1,695)	(8,380)	(2,028)	1,411	(1,067)
Final Balance	**11,765**	**3,385**	**1,357**	**2,767**	**1,700**

1 – Source: Explanatory Note 11.b.

The following table shows the distribution of funds eligible for equalization from BB's Agribusiness Portfolio.

Table 62. Equalizable resources in the Agribusiness Portfolio

	Balance		
R$ million	Sep/15	Jun/16	Sep/16
Classified Loan Portfolio	**170,919**	**183,553**	**178,848**
Equalizable Resources	88,861	95,500	96,189
Investments	48,108	50,970	51,892
Working Capital for Input Purchase	38,745	43,255	42,672
Crop Trading	2,008	1,275	1,625
Non-Equalizable Resources	82,059	88,054	82,660
Rural Product Bills and Guarantees	929	923	738
Loan Portfolio - Broad Definition	**171,848**	**184,476**	**179,586**

In the 2016/2017 crop, BB disbursed R$15.6 billion in agricultural loans.

The Family Agriculture disbursement was R$4.2 billion, while the disbursement for Companies was R$8.5 billion. Operations through Pronamp (National Program Support for Medium Farmers) were R$2.9 billion

The next table compares the disbursements of the 2015/2016 crop to the 2016/2017 one, detailing the credit purpose, destination and customer type.

Table 63. Disbursements by Purpose – Rural Credit

R$ million	Crop 15/16 (A)	Crop 16/17 (B)	Change (%) (B/A)
Family - Pronaf	**3,942**	**4,193**	**6.4**
Working Capital for Input Purchase	2,625	2,822	7.5
Investment	1,316	1,370	4.1
Medium - Pronamp	**4,360**	**2,930**	**(32.8)**
Working Capital for Input Purchase	4,114	2,551	(38.0)
Investment	246	379	54.0
Companies	**12,888**	**8,454**	**(34.4)**
Working Cap. for Input Purch./Crop Trading	11,394	7,020	(38.4)
Investment	1,494	1,434	(4.0)
Total	**21,189**	**15,577**	**(26.5)**

Risk Mitigators

Banco do Brasil encourages the contracting of protection against bad weather (Agricultural Insurance or Proagro) in operations of working capital for input purchase. The strategy improves with each new crop, including the mass offering of options, such as Seguro Faturamento. This insurance combines the mitigation of climate risks to price risks, thereby ensuring the billing and covered income to the producer.

The risk mitigation strategy takes into account several types of information on the customers' requested transactions, such as activity risk, type of crop to be financed and financing location. Those types of information allow the use of the protective devices (agricultural insurance/Proagro or options) that best fit the risk profile of each transaction.

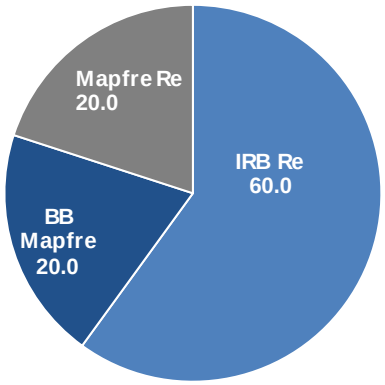
The following table shows the recent historic use of risk mitigators in the working capital for input purchases.

Table 64. Insurance in the Working Capital for Input Purchase

	Operation Contracted					
R$ million	Crop 14/15	Share %	Crop 15/16	Share %	Crop 16/17	Share %
Working Capital for Input Purchase	6,824	100.0	12,701	100.0	6,720	100.0
Total Insured	**4,367**	**64.0**	**9,668**	**76.1**	**5,334**	**79.4**
Proagro	2,217	32.5	2,152	16.9	2,360	35.1
Crop Insurance	2,059	30.2	7,515	59.2	2,740	40.8
Hedge Price	92	1.3	1	0.0	234	3.5
Without Insurance	**2,457**	**36.0**	**3,033**	**23.9**	**1,386**	**20.6**

The distribution of risks assumed as a result of agricultural insurance in the 2016/2017 crop is detailed below.

Figure 23. Working Capital for Input Purchase Breakdown Risks - %



3.1.4. Concentration

The following tables show the concentration level of the portfolio with customers and business groups with which Banco do Brasil has operations. The first table shows the 100 largest borrowers over the classified loan portfolio and the second, over the Reference Equity (RE).

Table 65. 100 Largest Borrowers in Relation to the Classified Loan Portfolio

Period	1st. Customer (%)	Balance	2nd. to 20th. (%)	Balance	21st. to 100th (%)	Balance	Top 100 Largest (%)	Balance
Dec/14	3.0	20,039	11.9	79,759	10.0	66,969	24.9	166,767
Mar/15	3.1	21,322	13.1	89,175	10.2	69,856	26.4	180,352
Jun/15	3.7	25,101	12.7	87,530	10.1	69,123	26.4	181,753
Sep/15	3.6	25,780	13.5	95,844	10.1	71,822	27.2	193,446
Dec/15	3.5	25,121	13.6	97,774	10.4	74,672	27.5	197,567
Mar/16	3.6	25,562	13.4	94,092	10.1	71,045	27.2	190,699
Jun/16	3.6	24,902	12.9	89,119	10.1	69,381	26.6	183,403
Sep/16	3.8	25,390	13.2	88,649	10.1	67,662	27.1	181,701

Table 66. 100 Largest Borrowers in Relation to RE[1]

R$ million

Period	1st. Customer (%)	Balance	2nd. to 20th. (%)	Balance	21st. to 100th (%)	Balance	Top 100 Largest (%)	Balance
Dec/14	15.8	20,039	63.0	79,759	52.9	66,969	131.7	166,767
Mar/15	16.6	21,322	69.3	89,175	54.3	69,856	140.1	180,352
Jun/15	19.6	25,101	68.4	87,530	54.0	69,123	142.0	181,753
Sep/15	18.9	25,780	70.1	95,844	52.6	71,822	141.6	193,446
Dec/15	18.5	25,121	72.1	97,774	55.1	74,672	145.8	197,567
Mar/16	19.9	25,562	73.3	94,092	55.3	71,045	148.5	190,699
Jun/16	19.9	24,902	71.3	89,119	55.5	69,381	146.6	183,403
Sep/16	20.0	25,390	69.8	88,649	53.3	67,662	143.0	181,701

1 - RE for Sep/16 was R$ 127,061 million, according to the prudential conglomerate.

The next table shows the concentration of the companies and agro companies' considering Multiple Bank, Guarantees & Securities and Abroad loan portfolio.

Each macro-sector is divided into various economic sectors related with each other. The portfolio is in accordance with the main business of each customer.

Table 67. Concentration of Companies and Agro Companies Loan Portfolio by Macro-Sector

R$ million	Balance						Chg. % on	
Macro-Sector	**Sep/15**	**Share %**	**Jun/16**	**Share %**	**Sep/16**	**Share %**	**Sep/15**	**Jun/16**
Oil and Gas	49,270	10.4	42,595	10.1	43,618	10.7	(11.5)	2.4
Public Administration	40,526	8.6	37,997	9.0	38,647	9.5	(4.6)	1.7
Metalw orking and Steel	43,723	9.3	38,732	9.2	37,618	9.2	(14.0)	(2.9)
Eletricity	40,122	8.5	38,274	9.1	37,250	9.1	(7.2)	(2.7)
Foodstuffs of Vegetable Origin	37,302	7.9	33,532	8.0	30,974	7.6	(17.0)	(7.6)
Transport	34,225	7.2	27,080	6.4	27,520	6.8	(19.6)	1.6
Automotive	28,408	6.0	23,041	5.5	20,403	5.0	(28.2)	(11.4)
Housing	21,122	4.5	20,778	4.9	20,399	5.0	(3.4)	(1.8)
Services	25,226	5.3	21,525	5.1	19,978	4.9	(20.8)	(7.2)
Retail Trade	19,384	4.1	17,194	4.1	16,173	4.0	(16.6)	(5.9)
Financials Institutions	13,328	2.8	16,439	3.9	16,066	3.9	20.5	(2.3)
Foodstuffs of Animal Origin	14,519	3.1	16,427	3.9	15,829	3.9	9.0	(3.6)
Specific Bulding Activities	15,271	3.2	13,821	3.3	13,191	3.2	(13.6)	(4.6)
Textile and Garments	12,378	2.6	10,116	2.4	9,247	2.3	(25.3)	(8.6)
Agricultural Consumables	11,076	2.3	10,191	2.4	9,033	2.2	(18.4)	(11.4)
Pulp and Paper	10,945	2.3	8,765	2.1	8,403	2.1	(23.2)	(4.1)
Electrical and Electronic Goods	10,074	2.1	8,048	1.9	7,529	1.8	(25.3)	(6.4)
Heavy Construction	8,817	1.9	7,067	1.7	7,207	1.8	(18.3)	2.0
Chemicals	9,686	2.1	7,065	1.7	6,306	1.5	(34.9)	(10.7)
Wholesale Trade and Industries	6,930	1.5	6,945	1.6	6,188	1.5	(10.7)	(10.9)
Telecommunication	7,844	1.7	5,894	1.4	5,964	1.5	(24.0)	1.2
Timber and Furniture	6,685	1.4	5,576	1.3	5,904	1.4	(11.7)	5.9
Leather and Shoes	3,102	0.7	2,631	0.6	2,415	0.6	(22.1)	(8.2)
Beverages	1,812	0.4	1,598	0.4	1,395	0.3	(23.0)	(12.7)
Other Activities	414	0.1	45	0.0	19	0.0	(95.5)	(59.1)
Total	**472,189**	**100.0**	**421,374**	**100.0**	**407,275**	**100.0**	**(13.7)**	**(3.3)**
Domestic Loan Portfolio	342,242		328,006		313,880			
Abroad Loan Portfolio	54,275		33,881		32,408			
Guarantees	31,260		17,770		16,229			
Securities	44,412		41,717		44,758			
Total	**472,189**		**421,374**		**407,275**			

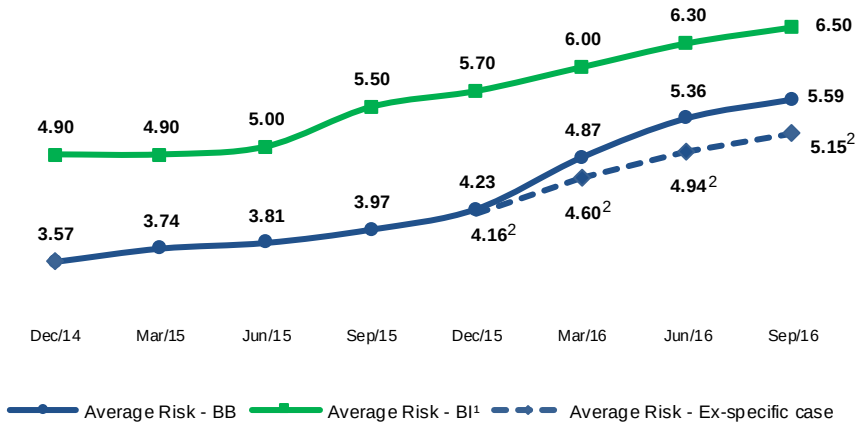
3.2. Credit Risk

All risk segmentations of the loan portfolio in this section refer to the Classified Portfolio, in compliance with CMN Resolution 2,682/99, unless otherwise indicated.

Banco do Brasil maintains a consistent process for risk credit evaluation and monitoring in loan transactions. The main quality loan portfolio indicator is the Average Risk, which shows the ratio between the required provision and the classified loan portfolio.

The figure below shows BB's classified loan portfolio average risk historical evolution and its comparison with the Brazilian Banking Industry (BI). This index at BB remains lower than BI.

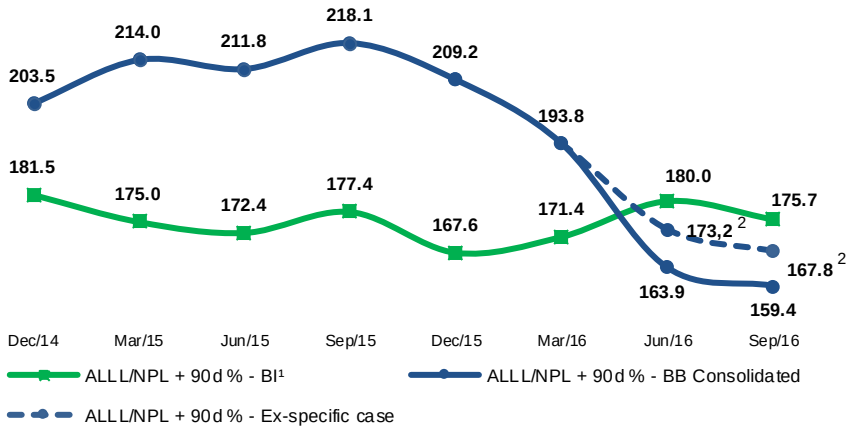
Figure 24. Classified Loan Portfolio Average Risk



1 - Ratio created through Average Risk Index available at SGS (Time Series Management System) of the Central Bank of Brazil.
2 - Simulation excluding the oil and gas sector specific case effect.

The following chart shows the coverage index (ALLL/NPL +90d), which states the ratio between the total provision (required plus additional) and the balance of transactions due over 90 days. The current provision enables BB to record a percentage higher than BI. It is worth mentioning that BB has sufficient provisions to support potential scenarios changes, such as higher delinquency.

Figure 25. Classified Loan Portfolio Coverage Index

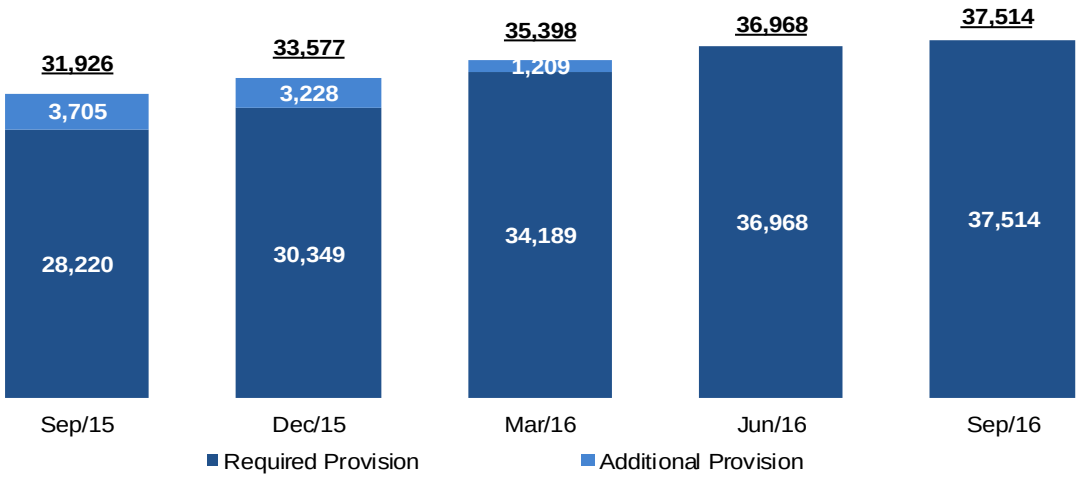


1 - Ratio created through Average Risk Index available at SGS (Time Series Management System) of the Central Bank of Brazil.
2 - Simulation excluding the oil and gas sector specific case effect.

The next figure shows the Allowance for Loan and Lease Losses – ALLL, segregating the required and the additional provision. In BR GAAP accounting standards, Banco do Brasil records credit provision for its portfolio following the statistical model risk provision according to CMN Resolution 2,682/99, as required provision. The additional provision is recorded from the management's experience by applying stress testing on the portfolio, considering the operations default history and aligned with the good banking practice.

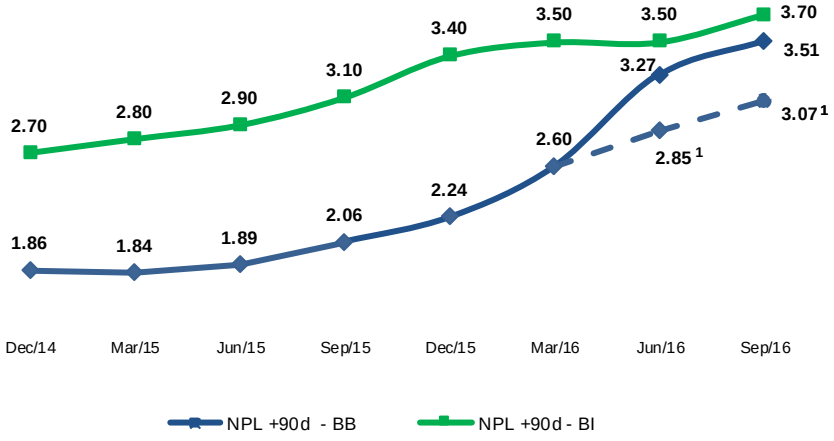
Figure 26. ALLL – Classified Loan Portfolio

R$ million



Historically, BB has a delinquency ratio lower than BI, as shown in the next figure. The delinquency ratio (NPL +90d) states the ratio between the operations more than 90 days overdue and the classified loan portfolio balance.

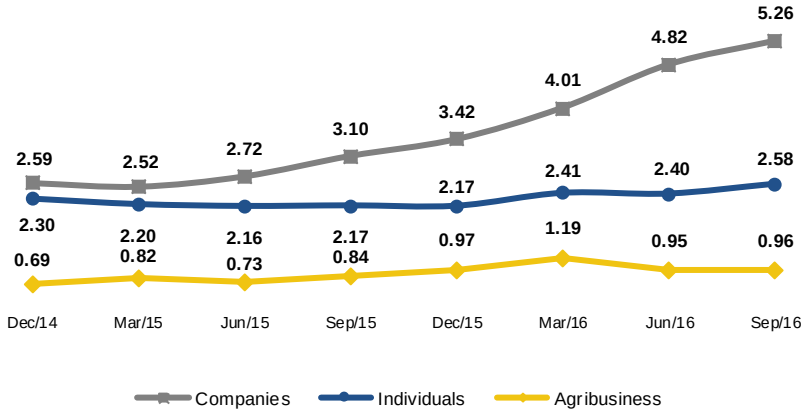
Figure 27. NPL +90d – Percentage on the Classified Loan Portfolio



1 - Simulation excluding the oil and gas sector specific case effect.

The following graphic shows the NPL by BB's business segments.

Figure 28. NPL +90d per segment – Percentage on the Domestic Classified Loan Portfolio

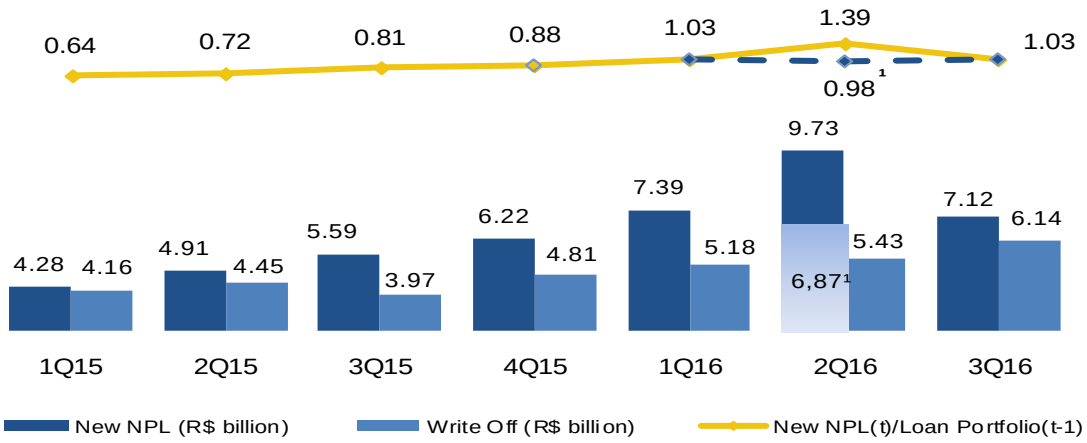


The following chart shows the New NPL/Loan Portfolio index, which indicates the future delinquency trend. The index is calculated by the ratio between: (i) the quarterly change of the transactions more

than 90 days overdue balance, plus the quarterly write-off; and (ii) the previous quarter classified loan portfolio balance.

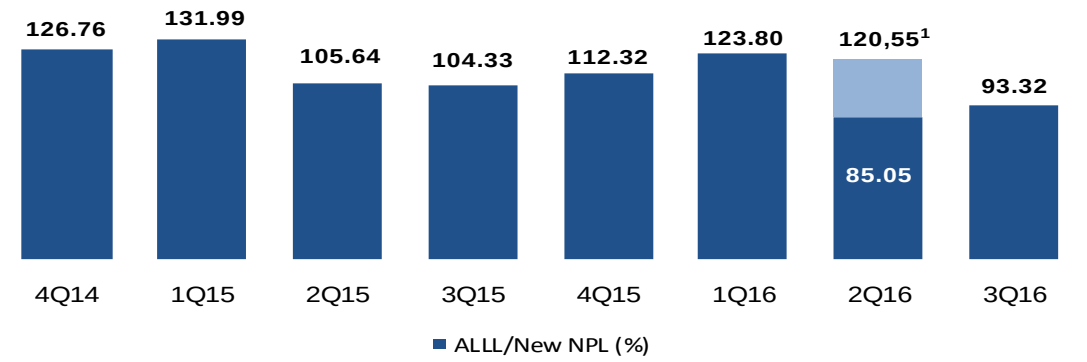
The write-off process strictly follows the CMN Resolution 2,682/99. Operations classified as risk H are accounted as write-off only after six months in delinquency at this risk level, with recording not being allowed on a shorter period.

Figure 29. New NPL and Write-Off – Percentage on the Classified Loan Portfolio



1 - Simulation excluding the oil and gas sector specific case effect.

Figure 30. ALLL / New NPL (%)



1 - Simulation excluding the oil and gas sector specific case effect.

The results achieved with loan portfolio management risk, combined with a low delinquency ratio and historical high coverage ratio, have enabled the continuous improvement of BB's risk classification methodology.

Table 68. Classified Loan Portfolio by Risk Level

	Sep/15			Jun/16			Sep/16		
R$ million	Balance	Provision	Share %	Balance	Provision	Share %	Balance	Provision	Share %
AA	397,204	-	55.9	341,937	-	49.6	328,572	-	49.0
A	117,209	586	16.5	132,192	661	19.2	129,040	645	19.2
B	126,287	1,263	17.8	120,082	1,201	17.4	116,194	1,162	17.3
C	29,421	883	4.1	39,567	1,187	5.7	38,678	1,160	5.8
D	5,491	549	0.8	8,465	847	1.2	9,311	931	1.4
E	10,255	3,076	1.4	15,443	4,633	2.2	16,845	5,054	2.5
F	3,758	1,879	0.5	5,161	2,580	0.7	5,535	2,767	0.8
G	3,340	2,338	0.5	4,537	3,176	0.7	4,186	2,930	0.6
H	17,646	17,646	2.5	22,684	22,684	3.3	22,864	22,864	3.4
Total	**710,612**	**28,220**	**100.0**	**690,067**	**36,968**	**100.0**	**671,225**	**37,514**	**100.0**
AA-C	670,122	2,732	94.3	633,778	3,049	91.8	612,484	2,967	91.2
D-H	40,490	25,489	5.7	56,289	33,919	8.2	58,741	34,546	8.8

The next table presents the ALLL expenses over the Classified Loan Portfolio, as well the average Classified Loan Portfolio, the recovery of credit and its impact at the ALLL and the ALLL indexes in annual and quarterly basis. Only the recovered credit in installments impacts the ALLL expenses.

Table 69. ALLL Expenses over Classified Loan Portfolio

	Balance					Chg. %	
R$ million, unless other indicated	3Q15	4Q15	1Q16	2Q16	3Q16	on 3Q15	on 2Q16
ALLL Expenses							
(A) BB - 12 months	(21,571)	(23,671)	(27,161)	(30,248)	(31,056)	44.0	2.7
(B) BB - 3 months	(5,835)	(6,991)	(9,145)	(8,277)	(6,644)	13.9	(19.7)
Average Loan Portfolio							
(C) BB - 12 months	675,671	690,144	699,218	702,224	699,090	3.5	(0.4)
(D) BB - 3 months	695,770	711,477	710,697	696,907	680,447	(2.2)	(2.4)
Partial Recovery of Write-off							
(E) 12 months	1,209	1,521	1,788	2,212	2,292	89.5	3.6
(F) Quarterly	284	640	474	814	364	28.1	(55.2)
Net ALLL Expenses							
(A+E) 12 months (G)	(20,361)	(22,149)	(25,373)	(28,035)	(28,764)	41.3	2.6
(B+F) Quarterly (H)	(5,551)	(6,350)	(8,671)	(7,463)	(6,279)	13.1	(15.9)
ALLL Indexes - %							
(A/C) ALLL Expenses/Loan Porfolio 12M - BB	3.19	3.43	3.88	4.31	4.44	-	-
(B/D) ALLL Expenses/Loan Porfolio 3M - BB	0.84	0.98	1.29	1.19	0.98	-	-
(G/C) Net ALLL Expenses/Loan Porfolio 12M - BB	3.01	3.21	3.63	3.99	4.11	-	-
(H/D) Net ALLL Expenses/Loan Porfolio 3M - BB	0.80	0.89	1.22	1.07	0.92	-	-

The following table shows the key credit risk management indicators, some of them previously mentioned.

Table 70. Classified Loan Portfolio Delinquency Indicators

R$ million, unless other indicated	3Q15	4Q15	1Q16	2Q16	3Q16
Classified Loan Portfolio	**710,612**	**717,849**	**702,027**	**690,067**	**671,225**
NPL + 15 days	**28,225**	**28,056**	**34,020**	**33,896**	**39,921**
NPL + 15 days/Loan Portfolio - %	3.97	3.91	4.85	4.91	5.95
NPL + 15 days/Loan Portfolio - % - excluding specific case				4.50	5.51
NPL + 60 days	**18,506**	**18,910**	**22,641**	**25,722**	**27,559**
NPL + 60 days/Loan Portfolio - %	2.60	2.63	3.23	3.73	4.11
NPL + 60 days/Loan Portfolio - % - excluding specific case				3.31	3.67
NPL 15-59 days/Loan Portfolio - %	1.37	1.27	1.62	1.18	1.84
NPL + 90 days	**14,640**	**16,051**	**18,262**	**22,559**	**23,535**
NPL + 90 days/Loan Portfolio - %	2.06	2.24	2.60	3.27	3.51
NPL + 90 days/Loan Portfolio - % - excluding specific case				2.85	3.07
NPL 15-89 days/Loan Portfolio - %	1.91	1.67	2.24	1.64	2.44
NPL + 90 days/Loan Portfolio - BI - %	3.10	3.40	3.50	3.50	3.70
Write-off	3,973	4,813	5,176	5,434	6,143
Recovery of Write-off	(719)	(1,247)	(861)	(1,384)	(968)
Recovery of Write-off/Write-off - %	18.10	25.91	16.64	25.46	15.75
Net Loss	**3,254**	**3,566**	**4,315**	**4,050**	**5,176**
Net Loss/Loan Portfolio - % annualized	1.84	2.00	2.48	2.37	3.12
Provision (Required + Additional)	**31,926**	**33,577**	**35,398**	**36,968**	**37,514**
ALLL/Loan Portfolio - %	4.49	4.68	5.04	5.36	5.59
ALLL/NPL + 15 days - %	113.11	119.68	104.05	109.06	93.97
ALLL/NPL + 15 days - % - excluding specific case				119.13	101.39
ALLL/NPL + 60 days - %	172.51	177.56	156.34	143.72	136.12
ALLL/NPL + 60 days - % - excluding specific case				161.73	152.26
ALLL/NPL + 90 days - %	218.07	209.19	193.83	163.87	159.39
ALLL/NPL + 90 days - % - excluding specific case				173.16	167.81

3.2.1. Individuals Loan Portfolio

The following table shows the individuals classified loan portfolio and the respective changes in the allowance for loan losses and the NPL over 90 days.

Table 71. Individuals Classified Loan Portfolio by Risk Level

	Sep/15			Jun/16			Sep/16		
R$ million	Balance	Provision	Share %	Balance	Provision	Share %	Balance	Provision	Share %
AA	49,802	-	27.8	64,271	-	34.3	62,348	-	33.6
A	49,411	247	27.6	49,879	249	26.6	50,065	250	27.0
B	56,263	563	31.4	47,845	478	25.5	47,131	471	25.4
C	12,471	374	7.0	12,721	382	6.8	12,759	383	6.9
D	1,739	174	1.0	2,568	257	1.4	2,885	289	1.6
E	1,713	514	1.0	2,038	612	1.1	2,446	734	1.3
F	1,082	541	0.6	1,419	710	0.8	1,424	712	0.8
G	1,010	707	0.6	1,207	845	0.6	1,227	859	0.7
H	5,453	5,453	3.0	5,509	5,509	2.9	5,447	5,447	2.9
Total	**178,944**	**8,572**	**100.0**	**187,458**	**9,041**	**100.0**	**185,731**	**9,144**	**100.0**
AA-C	167,948	1,184	93.9	174,716	1,109	93.2	172,303	1,104	92.8
D-H	10,996	7,388	6.1	12,742	7,932	6.8	13,428	8,039	7.2

Table 72. Changes in Allowance for Loan Losses – Individuals Classified Loan Portfolio

R$ million, unless other indicated	3Q15	4Q15	1Q16	2Q16	3Q16
Classified Individuals Loan Portfolio	**178,944**	**182,605**	**185,319**	**187,458**	**185,731**
Initial Allowance	**8,430**	**8,572**	**8,792**	**9,010**	**9,041**
1- Risk Migration	1,276	1,243	1,514	1,132	1,409
a) Risk Deterioration	2,053	2,168	2,207	2,214	2,228
b) Risk Improvement	(776)	(925)	(693)	(1,081)	(818)
2 - New Transactions	290	409	278	391	171
3 - Write-offs	(1,080)	(1,106)	(1,190)	(1,251)	(1,309)
Total (1+2+3)	**487**	**546**	**602**	**272**	**272**
Other Impacts[1]	(345)	(326)	(384)	(241)	(169)
Allowance Required (CMN Res. 2,682)	**8,572**	**8,792**	**9,010**	**9,041**	**9,144**
Provision Expenses - R$ million	1,221	1,326	1,408	1,282	1,411
Provision / Loan Portfolio - %	4.79	4.81	4.86	4.82	4.92
Provision Flow / Loan Portfolio - %	0.68	0.73	0.76	0.68	0.76
NPL + 15 days/Loan Portfolio - %	4.79	4.52	5.51	4.59	6.01
NPL + 90 days/Loan Portfolio - %	2.17	2.17	2.41	2.40	2.58

1 - Amortization, settlement, release of installments and charge debt.

The following table shows the NPL of the main lines regarding individuals' credit portfolio and the share of each line in relation to the total loan portfolio. Thus, it is possible to analyze the delinquency of each product in relation to the relevance of this line in the portfolio.

Table 73. NPL +90d Individuals Portfolio - % by Credit Line

	Sep/15		Jun/16		Sep/16	
	NPL	Share %	NPL	Share %	NPL	Share %
Individuals	**2.17**	**100.0**	**2.40**	**100.0**	**2.58**	**100.0**
Payroll Loan	1.31	35.7	1.25	34.3	1.30	34.4
Mortgage	1.17	19.7	1.29	21.2	1.42	22.2
Credit Card	3.77	12.0	3.34	12.2	3.35	12.3
Salary Loan	2.28	10.9	2.52	10.9	2.42	11.0
Auto Loans	0.82	12.9	0.95	11.4	1.03	10.2

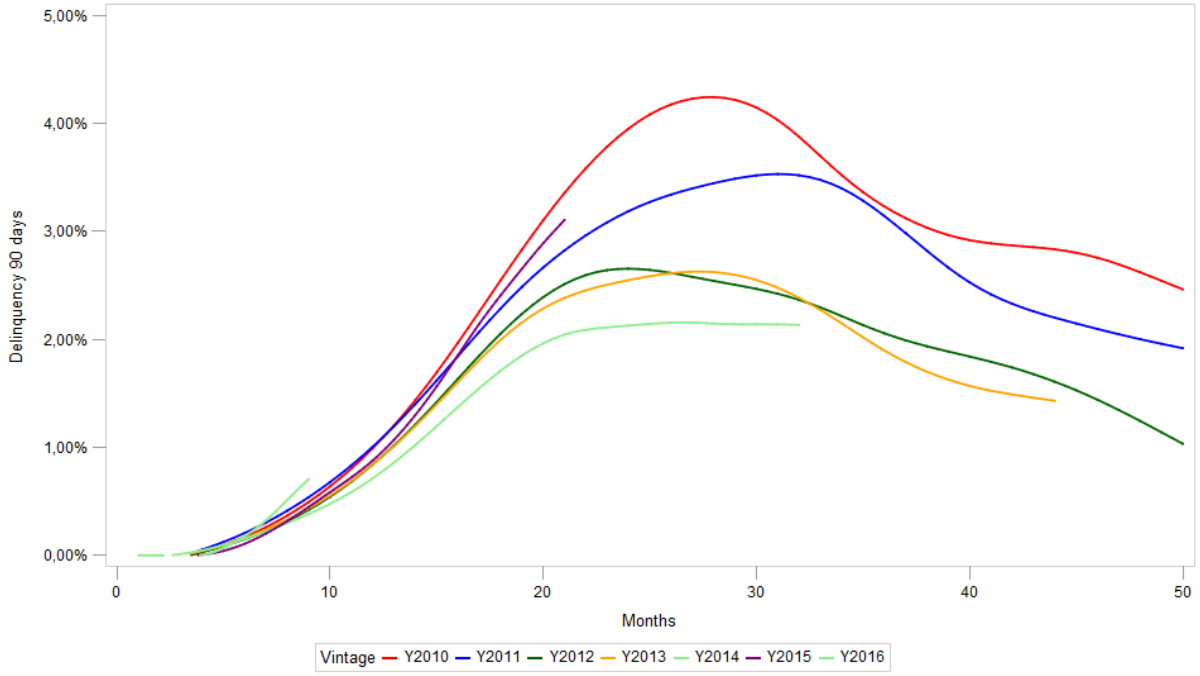
Vintage

The following graph shows the vintage of the individual's loan portfolio delinquency. This methodology affords greater detailing and is closer to the portfolio than traditional indicators, in order to evaluate how the delinquency of a set of operations contracted for in a particular period behaves over the time.

Loans that have been nonperforming for more than 90 days are considered delinquent. Overdraft and credit card operations are not included in the individuals' loan portfolio.

The following graph shows the vintage by year, making it easier to interpret the data.

Figure 31. Individuals Loan Portfolio – Annual Vintage



3.2.2. Loans to Companies

The following tables show the classified loan portfolio for companies and the respective changes in allowance for loan losses.

Table 74. Classified Loans to Companies by Risk Level

	Sep/15			Jun/16			Sep/16		
R$ million	Balance	Provision	Share %	Balance	Provision	Share %	Balance	Provision	Share %
AA	198,744	-	68.3	153,977	-	56.0	147,970	-	56.1
A	31,810	159	10.9	37,892	189	13.8	33,579	168	12.7
B	32,352	324	11.1	32,131	321	11.7	30,823	308	11.7
C	6,958	209	2.4	18,100	543	6.6	17,347	520	6.6
D	2,926	293	1.0	5,231	523	1.9	5,627	563	2.1
E	5,163	1,549	1.8	10,732	3,220	3.9	11,041	3,312	4.2
F	2,116	1,058	0.7	3,156	1,578	1.1	3,432	1,716	1.3
G	1,889	1,322	0.6	2,817	1,972	1.0	2,486	1,740	0.9
H	9,083	9,083	3.1	10,838	10,838	3.9	11,233	11,233	4.3
Total	**291,041**	**13,996**	**100.0**	**274,875**	**19,185**	**100.0**	**263,539**	**19,561**	**100.0**
AA-C	269,863	691	92.7	242,100	1,054	88.1	229,719	997	87.2
D-H	21,178	13,305	7.3	32,775	18,131	11.9	33,820	18,565	12.8

Table 75. Changes in Allowance for Loan Losses – Classified Loans to Companies

R$ million, unless other indicated	3Q15	4Q15	1Q16	2Q16	3Q16
Classified Loan Portfolio to Companies	**291,041**	**298,687**	**286,585**	**274,875**	**263,539**
Initial Allowance	**12,500**	**13,996**	**15,342**	**16,665**	**19,185**
1- Risk Migration	3,469	3,748	4,329	5,407	4,743
a) Risk Deterioration	4,114	4,447	4,955	6,455	5,504
b) Risk Improvement	(645)	(699)	(626)	(1,049)	(760)
2 - New Transactions	601	797	477	468	337
3 - Write-offs	(2,335)	(2,974)	(3,431)	(3,274)	(3,994)
Total (1+2+3)	**1,734**	**1,571**	**1,375**	**2,601**	**1,086**
Other Impacts[1]	(238)	(226)	(52)	(81)	(710)
Allowance Required (CMN Res. 2,682)	**13,996**	**15,342**	**16,665**	**19,185**	**19,561**
Provision Expenses - R$ million	3,832	4,319	4,754	5,794	4,370
Provision / Loan Portfolio - %	4.81	5.14	5.81	6.98	7.42
Provision Flow / Loan Portfolio - %	1.32	1.45	1.66	2.11	1.66
NPL + 15 days/Loan Portfolio - %	5.62	5.56	7.07	7.09	8.47
NPL + 90 days/Loan Portfolio - %	3.10	3.42	4.01	4.82	5.26

1 - Amortization, settlement, release of installments and charge debt.

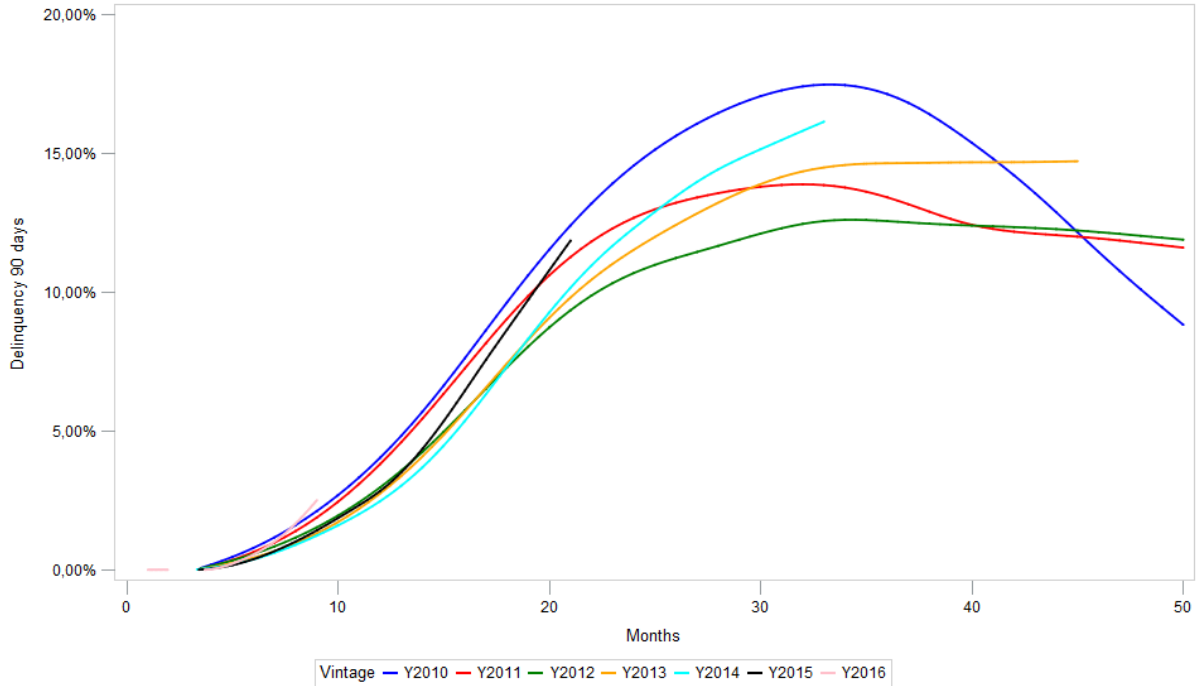
In the table below it is presented the NPL of the main lines regarding companies credit portfolio and the share of each line in relation to the total loan portfolio. Thus it is possible to analyze the delinquency of each product in relation to the relevance of this line in the portfolio.

Table 76. NPL +90d Companies Portfolio - % by Credit Line

	Sep/15		Jun/16		Sep/16	
	NPL	Share %	NPL	Share %	NPL	Share %
Companies	**3.10**	**100.0**	**4.82**	**100.0**	**5.26**	**100.0**
Working Capital	2.58	51.2	3.32	48.9	3.38	48.9
Investments	1.23	22.9	1.68	22.7	1.93	23.2
FEC/ACE	0.28	5.5	0.38	6.6	0.54	6.1
Receivables	4.60	4.4	4.21	4.0	4.72	3.7

The following chart shows Very Small and Small Companies credit on an annual basis, making it easier to interpret the data.

Figure 32. Very Small and Small Companies Loans Portfolio – Annual Vintage



3.2.3. Agribusiness Loan Portfolio

The Classified Agribusiness Loan Portfolio by risk level table is shown on the following table.

Table 77. Classified Agribusiness Loan Portfolio by Risk Level

	Sep/15			Jun/16			Sep/16		
R$ million	Balance	Provision	Share %	Balance	Provision	Share %	Balance	Provision	Share %
AA	106,613	-	62.4	98,595	-	53.7	95,306	-	53.3
A	20,974	105	12.3	36,106	181	19.7	36,294	181	20.3
B	31,662	317	18.5	33,452	335	18.2	32,412	324	18.1
C	4,293	129	2.5	8,246	247	4.5	7,061	212	3.9
D	759	76	0.4	627	63	0.3	750	75	0.4
E	3,257	977	1.9	2,663	799	1.5	3,288	987	1.8
F	554	277	0.3	565	283	0.3	659	329	0.4
G	426	298	0.2	507	355	0.3	454	318	0.3
H	2,381	2,381	1.4	2,792	2,792	1.5	2,625	2,625	1.5
Total	**170,919**	**4,560**	**100.0**	**183,553**	**5,054**	**100.0**	**178,848**	**5,051**	**100.0**
AA-C	163,542	550	95.7	176,399	762	96.1	171,073	717	95.7
D-H	7,377	4,009	4.3	7,154	4,291	3.9	7,776	4,333	4.3

The table below shows the NPL of the main lines regarding Agribusiness credit portfolio and the share of each line in relation to the total loan portfolio. Thus, it is possible to analyze the delinquency of each product in relation to the relevance of this line in the portfolio.

Table 78. NPL +90d Agribusiness Portfolio - % by Credit Line

	Sep/15		Jun/16		Sep/16	
	NPL	Share %	NPL	Share %	NPL	Share %
Agribusiness	**0.84**	**100.0**	**0.95**	**100.0**	**0.96**	**100.0**
Pronaf	1.10	22.2	1.32	22.1	1.16	22.9
Working Capital for Input Purchase	1.25	16.7	0.98	20.6	0.94	19.7
Pronamp	1.23	13.0	1.52	13.6	1.56	13.5
BNDES/Finame Rural	0.33	6.0	0.63	5.1	0.77	5.1

The following tables show the individuals agribusiness loan portfolio by risk level and the respective changes in the allowance for loan losses.

Table 79. Classified Agribusiness Loan Portfolio by Risk Level – Individuals

	Sep/15			Jun/16			Sep/16		
R$ million	Balance	Provision	Share %	Balance	Provision	Share %	Balance	Provision	Share %
AA	62,192	-	52.0	68,987	-	52.9	67,289	-	52.4
A	17,753	89	14.8	19,598	98	15.0	20,255	101	15.8
B	28,883	289	24.1	30,986	310	23.7	29,255	293	22.8
C	3,754	113	3.1	3,957	119	3.0	4,117	124	3.2
D	749	75	0.6	622	62	0.5	744	74	0.6
E	3,136	941	2.6	2,608	782	2.0	3,206	962	2.5
F	535	267	0.4	542	271	0.4	649	324	0.5
G	396	277	0.3	462	324	0.4	426	298	0.3
H	2,284	2,284	1.9	2,712	2,712	2.1	2,581	2,581	2.0
Total	**119,682**	**4,335**	**100.0**	**130,475**	**4,678**	**100.0**	**128,523**	**4,757**	**100.0**
AA-C	112,581	490	94.1	123,528	527	94.7	120,917	517	94.1
D-H	7,100	3,845	5.9	6,946	4,151	5.3	7,606	4,240	5.9

Table 80. Changes in Allowance for Loan Losses – Agribusiness Individuals

R$ million, unless other indicated	3Q15	4Q15	1Q16	2Q16	3Q16
Classified Agrib. Loan Portfolio - Individuals	**119,682**	**122,347**	**124,977**	**130,475**	**128,523**
Initial Allowance	**4,239**	**4,335**	**4,615**	**5,093**	**4,678**
1- Risk Migration	645	999	1,024	488	812
a) Risk Deterioration	1,302	1,557	1,533	1,235	1,290
b) Risk Improvement	(657)	(558)	(509)	(747)	(478)
2 - New Transactions	64	90	56	90	81
3 - Write-offs	(432)	(537)	(482)	(717)	(667)
Total (1+2+3)	**277**	**552**	**598**	**(139)**	**226**
Other Impacts[1]	(180)	(272)	(121)	(276)	(147)
Allowance Required (CMN Res. 2,682)	**4,335**	**4,615**	**5,093**	**4,678**	**4,757**
Provision Expenses - R$ million	528	817	960	302	746
Provision / Loan Portfolio - %	3.62	3.77	4.07	3.59	3.70
Provision Flow / Loan Portfolio - %	0.44	0.67	0.77	0.23	0.58

1 - Amortization, settlement, release of installments and charge debt.

The following tables show the agribusiness loan portfolio for companies by risk level and the respective changes in the allowance for loan losses.

Table 81. Classified Agribusiness Loan Portfolio by Risk Level – Companies

	Sep/15			Jun/16			Sep/16		
R$ million	Balance	Provision	Share %	Balance	Provision	Share %	Balance	Provision	Share %
AA	44,422	-	86.7	29,608	-	55.8	28,017	-	55.7
A	3,221	16	6.3	16,508	83	31.1	16,039	80	31.9
B	2,779	28	5.4	2,465	25	4.6	3,157	32	6.3
C	539	16	1.1	4,289	129	8.1	2,944	88	5.8
D	10	1	0.0	4	0	0.0	6	1	0.0
E	121	36	0.2	55	17	0.1	82	25	0.2
F	19	9	0.0	24	12	0.0	10	5	0.0
G	30	21	0.1	45	31	0.1	28	19	0.1
H	97	97	0.2	80	80	0.2	44	44	0.1
Total	**51,237**	**225**	**100.0**	**53,078**	**376**	**100.0**	**50,326**	**294**	**100.0**
AA-C	50,961	60	99.5	52,870	236	99.6	50,156	200	99.7
D-H	277	165	0.5	208	140	0.4	170	94	0.3

Table 82. Changes in the Allowance for Loan Losses – Agribusiness Companies

R$ million, unless other indicated	3Q15	4Q15	1Q16	2Q16	3Q16
Classified Agrib. Loan Portfolio - Companies	**51,237**	**51,519**	**53,445**	**53,078**	**50,326**
Initial Allowance	**258**	**225**	**297**	**320**	**376**
1- Risk Migration	11	132	62	90	40
a) Risk Deterioration	44	164	95	120	75
b) Risk Improvement	(33)	(32)	(33)	(30)	(36)
2 - New Transactions	5	13	6	8	3
3 - Write-offs	(42)	(65)	(58)	(38)	(66)
Total (1+2+3)	**(26)**	**79**	**10**	**60**	**(24)**
Other Impacts[1]	(8)	(7)	13	(4)	(58)
Allowance Required (CMN Res. 2,682)	**225**	**297**	**320**	**376**	**294**
Provision Flow - R$ million	8	137	81	94	(16)
Provision / Loan Portfolio - %	0.44	0.58	0.60	0.71	0.58
Provision Flow / Loan Portfolio - %	0.02	0.27	0.15	0.18	(0.03)

1 - Amortization, settlement, release of installments and charge debt.

Portfolio with and without Rollover

The average portfolio risk is influenced by the operations of the harvests from 2005 to 2007 with rollover in a total balance of R$5,825 million in Sep/16. The CMN Resolution 2,682/99, which provides for the classification of risk and constitution of allowances for loan losses, requires the maintenance of

risk of the renegotiated loans at the risk level locked at the time of renegotiation. Due to this regulation, renegotiated transactions increase the loan portfolio's average risk.

In the following table, the classified agribusiness loan portfolio is segregated in operations with rollover and without it. Operations more than 90 days overdue (BB risk + third parties) accounted for 0.85% of the total portfolio without rollover in Sep/16, while the same indicator for the transactions with rollover was 3.31%.

Table 83. Agribusiness Transactions with Rollover and without it

	Portfolio without Rollover[1]			Portfolio with Rollover[1]		
R$ million	Balance	Provision	Past Due 90	Balance	Provision	Past Due 90
AA	94,222	-	36	1,084	-	-
A	35,624	178	(0)	670	3	-
B	30,763	308	0	1,649	16	0
C	6,371	191	16	690	21	6
D	497	50	15	253	25	2
E	2,659	798	266	629	189	22
F	479	240	145	180	90	26
G	291	204	92	163	114	17
H	2,116	2,116	895	509	509	121
Total	**173,023**	**4,084**	**1,466**	**5,825**	**967**	**193**
AA-C	166,981	677	52	4,092	41	6
D-H	6,043	3,407	1,414	1,733	927	187

1 - Non-performing loans at level AA refers to credit with third party risk.

The following table shows the balance, the NPL +90days and the average risk of the classified agribusiness loan portfolio segmented in the total portfolio, with rollover and without it.

Table 84. Classified Agribusiness Loan Portfolio Delinquency Indicators

R$ million	Sep/15	Dec/15	Mar/16	Jun/16	Sep/16
Classified Loan Portfolio	**170,919**	**173,866**	**178,422**	**183,553**	**178,848**
ALLL	4,560	4,912	5,413	5,054	5,051
NPL + 15 days	2,895	2,881	3,207	2,662	3,203
NPL + 15 days/Loan Portfolio - %	1.69	1.66	1.80	1.45	1.79
NPL + 90 days	1,442	1,683	2,123	1,743	1,709
NPL + 90 days/Loan Portfolio[1] - %	0.84	0.97	1.19	0.95	0.96
ALLL/Loan Portfolio - %	2.67	2.83	3.03	2.75	2.82
Write-off	474	602	539	765	694
Transactions without Rollover - BB Risk + Third Parties	**165,827**	**168,632**	**173,085**	**178,221**	**173,023**
ALLL	3,634	3,925	4,384	4,106	4,084
NPL + 90 days	1,217	1,433	1,788	1,468	1,466
NPL + 90 days/ Transactions without Rollover - %	0.73	0.85	1.03	0.82	0.85
ALLL / Transactions without Rollover - %	2.19	2.33	2.53	2.30	2.36
Write-off	398	475	441	637	595
Transactions with Rollover - BB Risk + Third Parties	**5,092**	**5,234**	**5,337**	**5,332**	**5,825**
ALLL	926	987	1,029	947	967
NPL + 90 days	232	243	351	273	193
NPL + 90 days/ Transactions with Rollover - %	4.55	4.64	6.58	5.11	3.31
ALLL / Transactions with Rollover - %	18.18	18.85	19.28	17.76	16.60
Write-off	75	127	99	128	99
Simulation: Trans. w/o Rollover ex-drag effect of Trans. w/ Rollover					
a - BB Risk + Third Parties	**165,827**	**168,632**	**173,085**	**178,221**	**173,023**
b - ALLL	1,183	1,398	1,752	1,434	1,430
Average Risk (b/a) - %	0.71	0.83	1.01	0.81	0.83

1 - The past due resulting from non-performing operations with third party risk was included in the calculation of the index.

3.2.4. Foreign Loan Portfolio

The following table shows the Abroad Portfolio by risk level.

Table 85. Classified Abroad Loan Portfolio by Risk Level

	Sep/15			Jun/16			Sep/16		
R$ million	Balance	Provision	Share %	Balance	Provision	Share %	Balance	Provision	Share %
AA	42,045	-	60.3	25,094	-	56.8	22,947	-	53.2
A	15,015	75	21.5	8,315	42	18.8	9,102	46	21.1
B	6,010	60	8.6	6,654	67	15.1	5,829	58	13.5
C	5,699	171	8.2	500	15	1.1	1,511	45	3.5
D	66	7	0.1	39	4	0.1	49	5	0.1
E	121	36	0.2	8	3	0.0	70	21	0.2
F	7	3	0.0	20	10	0.0	20	10	0.0
G	15	11	0.0	6	4	0.0	19	13	0.0
H	729	729	1.0	3,545	3,545	8.0	3,560	3,560	8.3
Total	**69,708**	**1,093**	**100.0**	**44,181**	**3,688**	**100.0**	**43,106**	**3,758**	**100.0**
AA-C	68,769	306	98.7	40,564	123	91.8	39,389	149	91.4
D-H	939	786	1.3	3,617	3,565	8.2	3,717	3,609	8.6

3.3. Credit Collection and Recovery

3.3.1. Management of Past Due Credits

Banco do Brasil monitors credits presenting signs of default. The treatment of past due transactions is carried out in three stages: conduction, collection and recovery.

I. Conduction seeks to avoid the default, in a preventive manner;

II. Collection is to regularize past due operations in a short period of time; this reduces process costs and maintains the good relationship with the customer;

III. Recovery is to minimize losses and recover the highest possible amount.

3.3.2. Credit Collection and Recovery Process

Banco do Brasil uses its own quantitative models, which, together with automated collection and recovery platforms, track and manage non-performing customers' behavior.

These customers' profiles are statistically identified based on previous behavior in relation to collection proceedings, which results in determining likelihood of the collection and recovery.

I. Customers with a high probability of recovery;

II. Customers with an intermediate probability of recovery;

III. Customers with a low probability of recovery.

Based on information and variables analysis, proceedings, service network, renegotiation and discount policies, as well as credit cession to other companies, are established actions that support BB's collection and recovery model.

The conceptual model that supports the process is based on the following assumptions:

I. Customer Profile: actions are defined based on customer's profile, taking into consideration variables such as segmentation, relationship level, products contracted, indebtedness with BB, among others;

II. Service Network: recovery process occurs in several frameworks on a sequential basis. Simultaneous approach to the customer is avoided;

III. Sequential Actions: credit collection actions are pre-determined according to each customer profile and their intensity increases along the time;

IV. Value Relations: variable approach that respects the relationship level of each customer with BB;

V. Information Systems: advanced analytical and operating platforms, which automate credit collection process and improve business efficiency, are used.

Historic performance of credit collection actions determines the likelihood of credits in default to be recovered. The main consequence of statistical follow-up is the possibility of continuously improve the process with feedback from strategies with best results during the period.

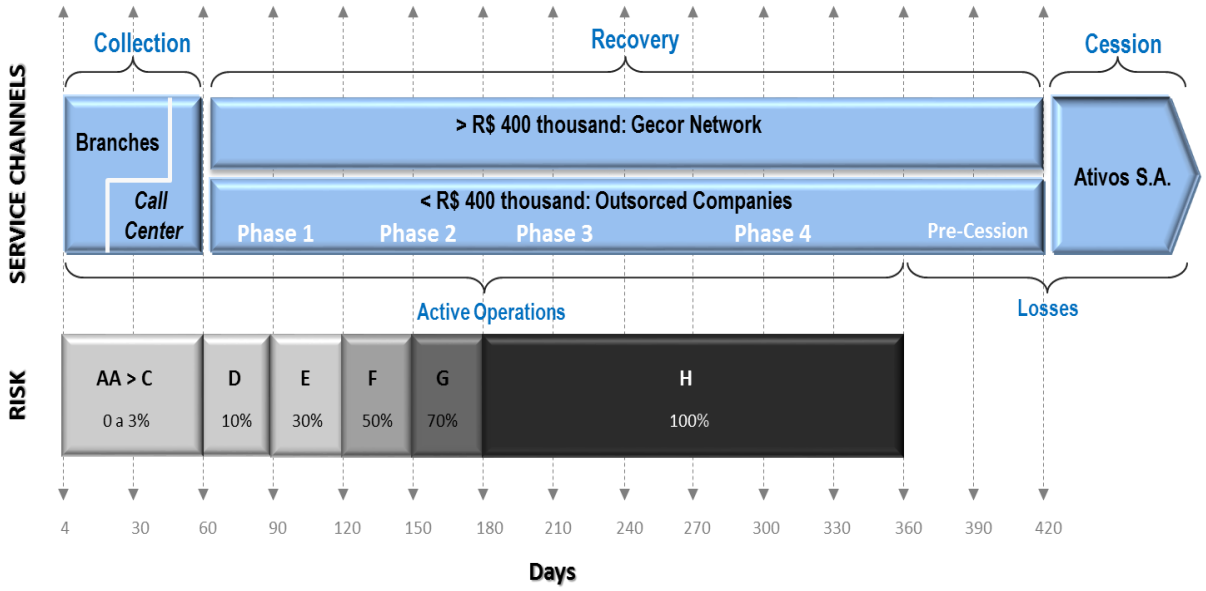
The possibility of segregating non-performing customers is an important aspect of the credit collection and recovery strategy, of discount policy and credit cession.

Banco do Brasil uses credit cession as part of the recovery strategy, with the purpose of reducing losses and unpaid portfolio management costs, through transactions with autonomous companies.

3.3.3. Credit Collection and Recovery Operating Flow

Sequential use of credit collection and recovery channels is closely related to BB's strategy success.

Figure 33. Collection and Recovery Network[1]

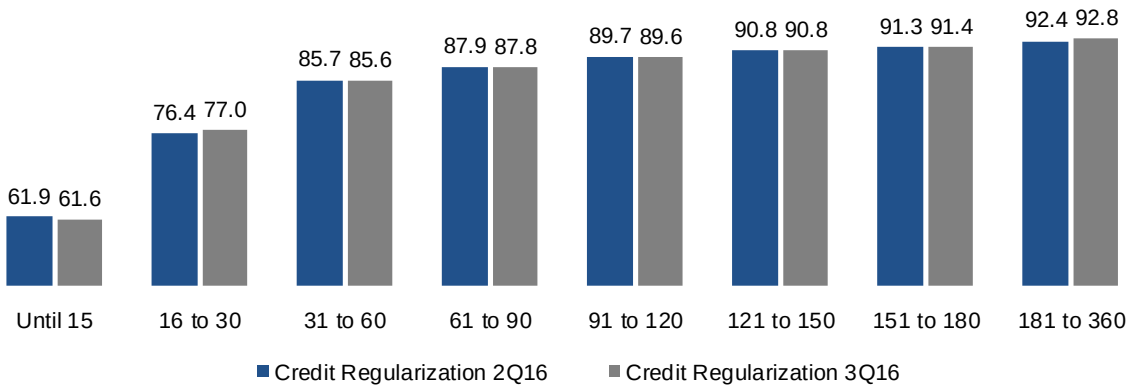


1 - Gecor Network: refers to a group of business units specialized in dealing with past due credits of customers with indebtedness higher than R$ 400 thousand.

3.3.4. Process Efficiency

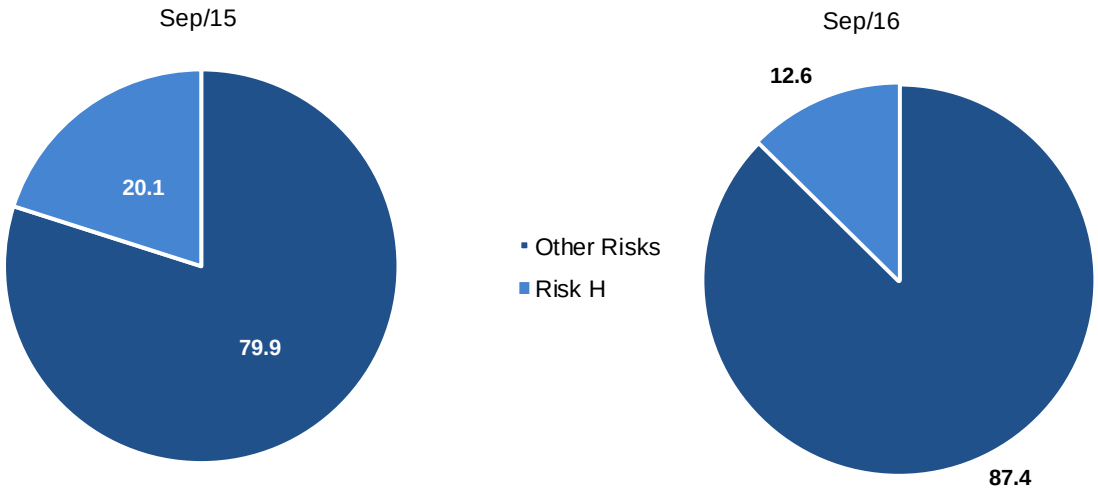
The following figures show results obtained in credit collection and recovery flow. From the volume of credit that entered to the collection process in the last 12 months, 92.8% were resolved within 360 days in the 3Q16.

Figure 34. Credit Regularization Rate Over Collection Period - %



BB prioritizes receiving past due operations as soon as possible, and even acting preventively to avoid worsening the risk and new write-offs. BB collected and recovered R$ 16.7 billion in the last twelve months. Past due loans classified at risk H represented 12.6% of this amount and 87.4%. Both the amount received as the percent recovery in other risk levels are the largest of the series, reflecting the success of BB collection strategy.

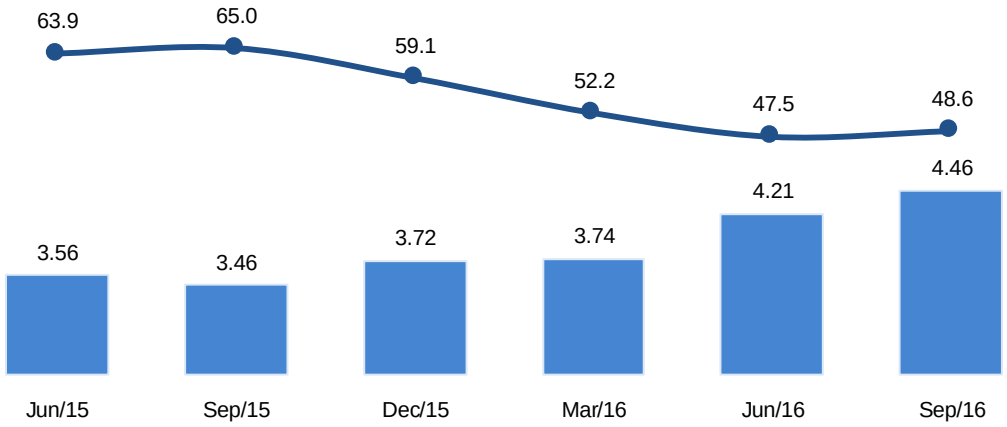
Figure 35. Collection and Recovery before Write Off[1] - %



1 – 12 months accumulated

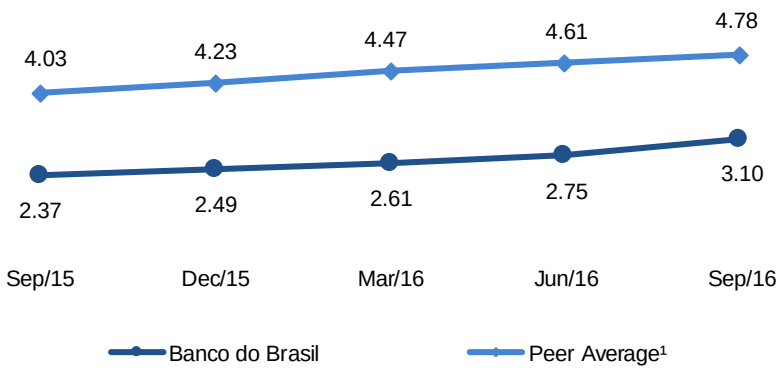
The recovery strategy of written off credit is geared towards receiving the defaulting operations in cash, which does not generate new credit provisions (ALLL). In the last 12 months R$ 4.5 billion were recovered. From this volume, R$ 2.2 billion were received in cash.

Figure 36. Accumulated Recovery (R$ billions) and Cash Recovery Index - %



In addition, the following chart demonstrates the behavior of write-offs accumulated in 12 months in relation to average balance of the classified credit portfolio during the same period. BB has better historic indexes than the main market peers.

Figure 37. Write-Off – Percentage on the Classified Loan Portfolio



1 – Corresponds to the three Brazilian largest private banks. In Sep/16 were considered two peers.

3.3.5. Renegotiated Loan Portfolio

The following table shows the renegotiated loan portfolio. It does not include the renegotiated operations of the agribusiness portfolio, discussed in section 3.2.3 of this MD&A. These are the main lines of the following table:

a) Renegotiated Credits: loan operations renegotiated during the period, falling due or past due;

a.1) Renegotiated When Past Due: loan operations renegotiated during the period due to payment delay by customers;

a.2) Renovated: loan operations not past due renegotiated during the period to settle in whole or in part previous operations or any other kind of agreement that changes the maturity or payment terms originally agreed to.

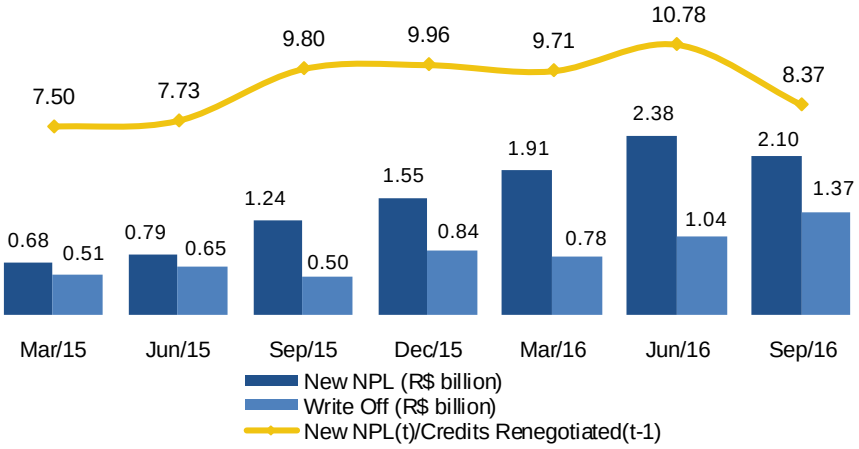
In 3Q16, 15.5% of new renegotiations included operations more than 90 days overdue.

Table 86. Renegotiated Loan Portfolio – Multiple Bank[1]

R$ million	3Q15	4Q15	1Q16	2Q16	3Q16
Credits Renegotiated	**11,131**	**13,957**	**9,811**	**11,921**	**9,190**
Renegotiated When Past Due	3,783	6,015	3,611	5,026	2,758
Renovated not Past Due	7,349	7,942	6,200	6,895	6,432
Credits Renegotiated When Past Due - Changes					
Initial Balance	**12,701**	**15,520**	**19,653**	**22,038**	**25,050**
Contracts	3,783	6,015	3,611	5,026	2,758
Amortization and Capitalized Interest	(461)	(1,037)	(449)	(979)	(744)
Write-Off	(503)	(845)	(777)	(1,036)	(1,370)
Past due Renegotiated Loan Portfolio (A)	**15,520**	**19,653**	**22,038**	**25,050**	**25,694**
ALLL Balance (B)	**7,464**	**8,585**	**9,495**	**10,369**	**10,784**
NPL + 90 days (C)	**2,469**	**3,171**	**4,303**	**5,642**	**6,370**
Indicators - %					
ALLL / Loan Portfolio (B/A)	48.1	43.7	43.1	41.4	42.0
NPL + 90 days / Loan Portfolio (C/A)	15.9	16.1	19.5	22.5	24.8
ALLL Balance/NPL + 90 days (B/C)	302.2	270.7	220.7	183.8	169.3
Credits Renegotiated/Classified Portfolio	2.2	2.7	3.1	3.6	3.8

1 – Accordingly to Financial Statements Note 10.k – Individuals Statements

Figure 38. New NPL and Write-Off – Percentage on the Renegotiated Loan Portfolio



In the next table, the renegotiated loan portfolio breakdown by risk level is shown:

Table 87. Renegotiated Portfolio by Risk Level

	Sep/15			Jun/16			Sep/16		
R$ million	Balance	Provision	Share %	Balance	Provision	Share %	Balance	Provision	Share %
AA	151	-	1.0	218	-	0.9	431	-	1.7
A	894	4	5.8	1,604	8	6.4	1,158	6	4.5
B	1,767	18	11.4	3,426	34	13.7	3,467	35	13.5
C	1,427	43	9.2	3,154	95	12.6	3,183	95	12.4
D	803	80	5.2	1,301	130	5.2	1,333	133	5.2
E	2,974	892	19.2	4,988	1,497	19.9	5,195	1,559	20.2
F	1,578	789	10.2	2,369	1,184	9.5	2,634	1,317	10.3
G	962	673	6.2	1,897	1,328	7.6	2,182	1,528	8.5
H	4,964	4,964	32.0	6,094	6,094	24.3	6,112	6,112	23.8
Total	**15,520**	**7,464**	**100.0**	**25,050**	**10,369**	**100.0**	**25,694**	**10,784**	**100.0**
AA-C	4,239	65	27.3	8,401	137	33.5	8,238	136	32.1
D-H	11,281	7,399	72.7	16,649	10,232	66.5	17,456	10,648	67.9

4 - Funding

Changes in interbank deposits and agribusiness letters of credits significantly drove the decrease of commercial funding in the last quarter, reflecting the current downward trend in net inflows observed in the Brazilian Banking Industry (BI). In the annual comparison, the decrease in commercial funding was mainly driven by the decrease of repurchase agreements and interbank deposits.

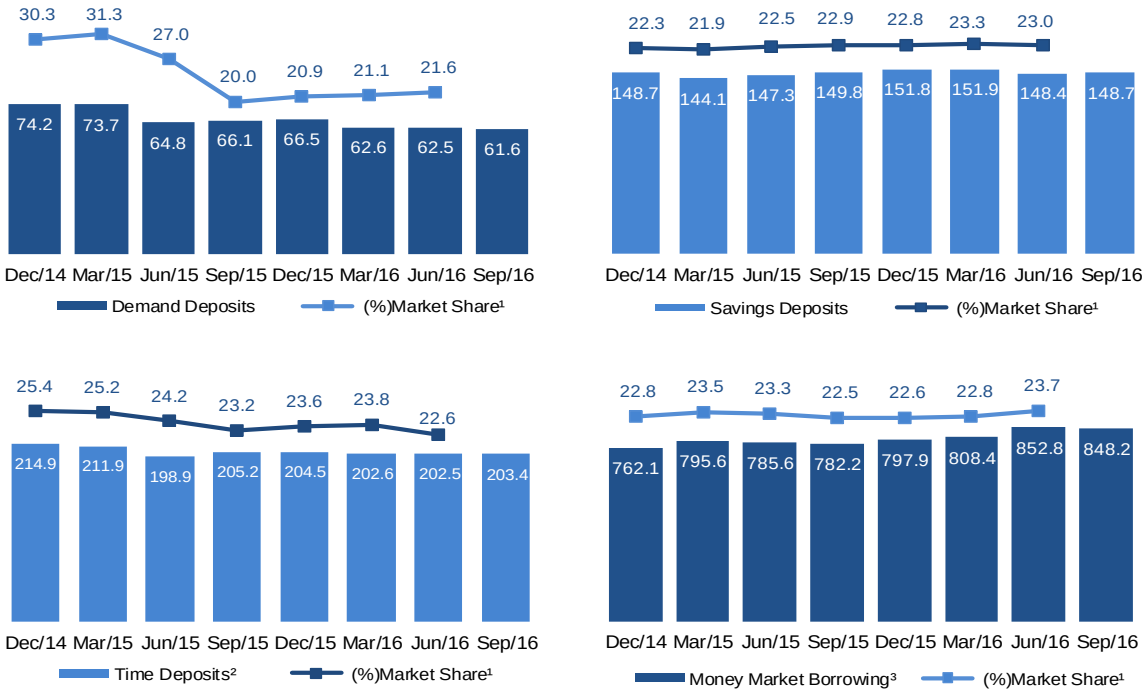
Table 88. Commercial Funding

	Balance						Chg. (%) on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Commercial Funding	**660,175**	**100.0**	**624,778**	**100.0**	**619,944**	**100.0**	**(6.1)**	**(0.8)**
Saving Deposits	149,764	22.7	148,368	23.7	148,681	24.0	(0.7)	0.2
Agribusiness Letters of Credits	134,555	20.4	135,418	21.7	133,098	21.5	(1.1)	(1.7)
Judicial Deposits	116,107	17.6	116,655	18.7	119,281	19.2	2.7	2.3
Time Deposits	89,068	13.5	85,834	13.7	84,199	13.6	(5.5)	(1.9)
Demand Deposits	66,063	10.0	62,550	10.0	61,623	9.9	(6.7)	(1.5)
Rep. Agreement with Private Securities[1]	44,678	6.8	30,415	4.9	31,621	5.1	(29.2)	4.0
Interbank Deposits	41,465	6.3	27,473	4.4	23,919	3.9	(42.3)	(12.9)
Mortgage Bonds[2]	18,474	2.8	18,066	2.9	17,521	2.8	(5.2)	(3.0)
Joint Controlled Companies	**2,965**		**2,998**		**2,984**		**0.6**	**(0.4)**
Total Managerial	**663,140**		**627,776**		**622,928**		**(6.1)**	**(0.8)**

1 – Includes part of the balances of the Private Securities shown on Notes to the Consolidated Financial Statements.
2 – Includes the balance of CRI (Certificates of Real Estate Receivables).

The following figure shows BB's market share in deposits and money market funding in the BI.

Figure 39. Market Share of BB's Funding (R$ billion)



1 - Information about share in the BI from the "Dados selecionados de Entidades Supervisionadas" report of the Central Bank of Brazil website <https://www3.bcb.gov.br/informes/?wicket:interface=:0:1:::>. Position: Jun/16.
2 - Includes Judicial Deposits.
3 - Includes Total Deposits and Money Market Borrowing.

The following table shows the balance of Institutional Funding, consisting in the issuance of securities acquired by institutional investors.

Table 89. Institutional Funding

	Balance						Chg. (%) on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Institutional Funding	**249,401**	**100.0**	**211,091**	**100.0**	**214,515**	**100.0**	**(14.0)**	**1.6**
Borrowing, Assignments and Onlending	127,265	51.0	124,185	58.8	124,030	57.8	(2.5)	(0.1)
Hybrid Capital Instuments[1]	40,082	16.1	31,068	14.7	31,825	14.8	(20.6)	2.4
Financial Letters	24,553	9.8	27,690	13.1	28,895	13.5	17.7	4.4
Securities Issued Abroad	44,085	17.7	18,631	8.8	20,274	9.5	(54.0)	8.8
Subordinated Debt Overseas	11,600	4.7	9,517	4.5	9,491	4.4	(18.2)	(0.3)
Subordinated CDB	1,815	0.7	-	-	-	-	-	-
Joint Controlled Companies	**96,594**		**95,994**		**97,319**		**0.8**	**1.4**
Total Managerial	**345,995**		**307,085**		**311,834**		**(9.9)**	**1.5**

1 - Series revised since March/14.

The decrease in institutional funding was mainly impacted by a decrease in securities issued abroad in the last 12 months.

The following tables show the BB's foreign funding balance (by type and by product), including Banco Patagonia and BB Americas.

Table 90. Funding Abroad Borrowing - Modality

US$ million	Balance						Chg. (%) on	
Modality	**Sep/15**	**Share %**	**Jun/16**	**Share %**	**Sep/16**	**Share %**	**Sep/15**	**Jun/16**
Issues and Certificates of Deposit	21,541	43.1	14,929	36.3	15,392	38.1	(28.5)	3.1
Interbanking Deposits and Loans	16,991	34.0	14,831	36.1	13,557	33.6	(20.2)	(8.6)
Businesses	7,177	14.4	6,591	16.0	6,487	16.1	(9.6)	(1.6)
Individuals	3,549	7.1	3,624	8.8	3,752	9.3	5.7	3.5
Repo	600	1.2	1,051	2.6	1,022	2.5	70.4	(2.8)
Others	148	0.3	112	0.3	156	0.4	5.2	39.4
TOTAL	**50,006**	**100.0**	**41,137**	**100.0**	**40,366**	**100.0**	**(19.3)**	**(1.9)**

The decrease in foreign funding compared to the last 12 months, was mainly caused by the decrease in issues and certificates of deposit. Specifically in the quarterly comparison, Interbanking was the most relevant decrease.

BB commercial funding abroad is composed by demand deposits, time deposits and saving deposits.

Table 91. Funding Abroad Borrowing - Product

US$ million	Balance						Chg. (%) on	
Product	**Sep/15**	**Share %**	**Jun/16**	**Share %**	**Sep/16**	**Share %**	**Sep/15**	**Jun/16**
Issues and Certificates of Deposit	21,541	43.1	14,929	36.3	15,392	38.1	(28.5)	3.1
Time Deposits[1]	13,171	26.3	11,549	28.1	10,673	26.4	(19.0)	(7.6)
Loans[1]	7,339	14.7	6,992	17.0	6,855	17.0	(6.6)	(2.0)
Demand Deposits	2,803	5.6	2,736	6.7	2,552	6.3	(9.0)	(6.7)
Pledge	517	1.0	1,252	3.0	1,372	3.4	165.5	9.6
Saving Deposits	1,291	2.6	1,287	3.1	1,350	3.3	4.5	4.9
Repo	600	1.2	1,051	2.6	1,022	2.5	70.4	(2.8)
Call Account	909	1.8	690	1.7	593	1.5	(34.7)	(14.1)
Over	1,688	3.4	539	1.3	402	1.0	(76.2)	(25.4)
Special Account	148	0.3	112	0.3	156	0.4	5.2	39.4
TOTAL	**50,006**	**100.0**	**41,137**	**100.0**	**40,366**	**100.0**	**(19.3)**	**(1.9)**

1 - Series revised since March/14.

Sources and Uses

The indicators in the following table show the relation between funding sources and investments at Banco do Brasil.

Given the significant amount of credit originated by domestic onlending, the following table shows the adjusted net loan portfolio indicator over commercial funding, which disregards the credit originated by domestic onlending.

Table 92. Sources and Uses

	Balance						Chg. (%) on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Sources	**892,059**	**100.0**	**802,737**	**100.0**	**803,107**	**100.0**	**(10.0)**	**0.0**
Commercial Funding	660,175	74.0	624,778	77.8	619,944	77.2	(6.1)	(0.8)
Total Deposits	462,467	51.8	440,879	54.9	437,703	54.5	(5.4)	(0.7)
Agrib. Letters of Credit and Mortgage Bonds	153,029	17.2	153,485	19.1	150,620	18.8	(1.6)	(1.9)
Repurch. Agreement with Private Securities[1]	44,678	5.0	30,415	3.8	31,621	3.9	(29.2)	4.0
Domestic Onlending	90,543	10.1	86,603	10.8	85,078	10.6	(6.0)	(1.8)
Subordinated Debt	59,951	6.7	58,648	7.3	60,027	7.5	0.1	2.4
Foreign Borrowing[2]	86,931	9.7	50,911	6.3	52,578	6.5	(39.5)	3.3
Hybrid Capital Instuments*	40,082	4.5	31,068	3.9	31,825	4.0	(20.6)	2.4
Financial and Development Funds	14,675	1.6	13,741	1.7	14,620	1.8	(0.4)	6.4
Commercial Paper[3]	65	0.0	2,393	0.3	2,673	0.3	4,004.8	11.7
Compulsory Deposits	(60,362)	(6.8)	(65,404)	(8.1)	(63,637)	(7.9)	5.4	(2.7)
Uses	**892,059**	**100.0**	**802,737**	**100.0**	**803,107**	**100.0**	**(10.0)**	**0.0**
Net Loan Portfolio (a)	723,381	81.1	694,918	86.6	678,953	84.5	(6.1)	(2.3)
Classified Loan Portfolio	710,612	79.7	690,067	86.0	671,225	83.6	(5.5)	(2.7)
Private Securities	44,695	5.0	41,819	5.2	45,242	5.6	1.2	8.2
Allowance for Loan Losses	(31,926)	(3.6)	(36,968)	(4.6)	(37,514)	(4.7)	17.5	1.5
Available Funds	168,678	18.9	107,819	13.4	124,155	15.5	(26.4)	15.2
Domestic Onlending Loans (b)	127,476	14.3	124,232	15.5	124,096	15.5	(2.7)	(0.1)
Adjusted Net Loan Portfolio (a) - (e)	595,905	66.8	570,687	71.1	554,857	69.1	(6.9)	(2.8)
Indicators - %								
Net Loan Portfolio / Total Deposits	156.4		157.6		155.1			
Net Loan Portfolio / Commercial Funding	109.6		111.2		109.5			
Adjusted Net Loan Portfolio / Commercial Funding	90.3		91.3		89.5			
Net Loan Portfolio / Sources	81.1		86.6		84.5			

1 - Includes part of the balance of Private Securities shown on Notes to the Consolidated Financial Statements.
2 - Includes Foreign Borrowings, Foreign Securities, foreign Onlending, Subordinated debt abroad and Hybrid Capital and Debit Instruments Abroad.
3 - Includes Letters of Credit and Debentures.
* Notes to the Consolidated Financial Statements 20.d: Equity and debt hybrid securities.

The following table presents the fixed income securities issued by BB in the international capital market.

Table 93. Current Debt Issues Abroad

Issue Date	Maturity	Volume (US$ thousand)	Cupon (%)	Issue price	Return for Investor (%)	Premium over Treasury	Currency	Balance Sep/16 (US$)	Rating S&P/Moody's/Fitch	Structure
07/18/2007	07/18/2017	187,198	9.750 S	100.00	9.750		BRL	107,838,304.16	SR / Ba2 / SR	GMTN
04/29/2008	06/15/2018	150,000	5.250 Q	100.00	5.250		USD	42,000,000.00	BBB / Ba1 / SR	MT 100
10/20/2009	Perpétuo	1,500,000	8.500 S	100.00	8.500		USD	1,498,500,000.00	SR / B2 / SR	Perpetual
01/22/2010	01/22/2020	500,000	6.000 S	99.45	6.074	237.5	USD	500,000,000.00	BB / Ba2 / BB	GMTN
10/05/2010	01/15/2021	660,000	5.375 S	99.36	5.464	300	USD	660,000,000.00	SR / Ba3 / SR	Subordinated
05/26/2011	01/26/2022	1,500,000	5.875 S	98.70	6.044	287.5	USD	1,500,000,000.00	SR / Ba3 / SR	Subordinated
11/23/2011	01/23/2017	500,000	3.875 S	99.41	4.000	312.3	USD	500,000,000.00	SR / Ba2 / SR	3(a)2
01/20/2012	Perpétuo	1,000,000	9.250 S	100.00	9.250	732.7	USD	648,727,000.00	B- / SR / SR	Perpetual
03/05/2012	Perpétuo	750,000	9.250 S	108.50	8.488		USD	750,000,000.00	B- / SR / SR	Perpetual
06/19/2012	01/19/2023	750,000	5.875 S	99.02	6.000	434.1	USD	750,000,000.00	B / Ba3 / SR	Subordinated
10/10/2012	10/10/2022	1,925,000	3.875 S	98.98	4.000	237.5	USD	1,809,700,000.00	BB / Ba2 / BB	3(a)2
01/31/2013	Perpétuo	2,000,000	6.250 S	100.00	6.250	439.8	USD	1,988,000,000.00	B- / SR / SR	Perpetual
07/25/2013	07/25/2018	929,775	3.750 A	99.44	3.875	mid-swap+337.2	EUR	801,726,221.31	BB / Ba2 / BB	GMTN
12/20/2013	06/20/2019	306,988	2.500 A	99.73	2.555	CHF mid-swap+190	CHF	283,768,444.94	BB / Ba2 / BB	GMTN
03/26/2014	07/25/2018	417,210	3.750 A	102.30	3.169	230	EUR	322,073,778.71	BB / Ba2 / BB+	GMTN
06/18/2014	Perpétuo	2,500,000	9.000 S	100.00	9.000	636.2	USD	2,169,700,000.00	B- / B2 / SR	Perpetual

* A: annual; S: semiannual; Q: quaterly.

Banco do Brasil did not make any debt repurchase operations in 3Q16 period.

5 - Financial Earnings

In this chapter the main components of Banco do Brasil's financial results are analyzed.

5.1. Net Interest Income

The following tables present two NII visions, set up as follows: the first line represents the NII as recorded in the income statement with reallocations, obtained from the new consolidation standard. The so called "Jointly Controlled Companies" line presents the balance of the jointly controlled companies that are no longer consolidated. Finally, the last line item shows the managerial figures, obtained from the consolidation method used until the 3Q15.

Table 94. Main Indexers

	Rate					Chg. (%) on		
%	3Q15	2Q16	3Q16	9M15	9M16	3Q15	2Q16	9M15
CDI	3.43	3.36	3.47	9.56	10.42	1.1	3.2	9.0
TMS	3.43	3.36	3.47	9.58	10.44	1.1	3.2	8.9
TJLP	1.59	1.82	1.82	4.47	5.57	15.0	-	24.8
TR	0.61	0.49	0.58	1.29	1.53	(5.8)	17.7	18.6
Exchange Rate (US$)	3.97	3.21	3.25	-	-	(18.3)	1.1	-

The next table presents the NII's breakdown.

Table 95. Net Interest Income Breakdown

	Quarterly Flow			Chg. (%) on		9 Months Flow		Chg. (%) on
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Net Interest Income	**13,251**	**14,633**	**15,099**	**13.9**	**3.2**	**38,270**	**44,008**	**15.0**
Loan Operations[1]	24,840	25,311	26,117	5.1	3.2	69,417	76,506	10.2
Funding Expenses	(11,616)	(11,034)	(11,366)	(2.2)	3.0	(31,234)	(33,330)	6.7
Financial Expense for Institutional Funding[2]	(3,792)	(3,785)	(3,737)	(1.5)	(1.3)	(10,483)	(11,255)	7.4
Recovery of Write-offs	719	1,384	968	34.6	(30.1)	2,470	3,212	30.0
Treasury[1] [3]	3,100	2,758	3,117	0.6	13.0	8,100	8,875	9.6
Jointly Controlled Companies	**1,113**	**1,298**	**1,180**	**6.0**	**(9.1)**	**3,600**	**3,494**	**(2.9)**
Managerial Net Interest Income	**14,364**	**15,931**	**16,279**	**13.3**	**2.2**	**41,870**	**47,502**	**13.5**

1 – Series revised to 2Q16 from Companies Loan Operation Income to Treasury, It will reflect in all tables with those lines.
2 - Includes senior debt, subordinated debt and hybrid capital instrument (IHCD) domestic and abroad;
3 - Includes interest income, tax hedges, derivatives and other financial instruments that offset the exchange rate variation in the result.

The 9M16 Net Interest Income (NII) performance and its components highlights are presented below:

I. 15.0% up compared to 9M15, supported by higher loan operations income (R$7,089 billion) and the increase of the recovery of write-offs (R$742 million). Compared 3Q16/3Q15, an increase of 13.9%, supported by the higher loan operations income and lower Institutional Funding expenses (R$48 million).

5.2. Loan Operations

Table 96. Loan Operations

	Quarterly Flow			Chg. (%) on		9 Months Flow		Chg. (%) on
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Revenue from Loans	**24,840**	**25,311**	**26,117**	**5.1**	**3.2**	**69,417**	**76,506**	**10.2**
Individuals	8,736	9,831	10,559	20.9	7.4	24,489	29,801	21.7
Companies	9,289	9,226	8,834	(4.9)	(4.3)	26,305	27,366	4.0
Agribusiness	5,052	4,941	5,300	4.9	7.3	13,988	14,989	7.2
Equalization	2,004	1,416	1,706	(14.8)	20.5	5,606	4,506	(19.6)
Abroad	1,121	580	730	(34.9)	25.8	2,873	2,197	(23.5)
Sale or Transference of Financial Assets	515	571	540	4.9	(5.4)	1,452	1,686	16.1
Other	77	127	117	53.3	(7.5)	179	355	98.8
Leasing	51	35	37	(27.2)	4.0	132	112	(15.2)
Jointly Controlled Companies	**759**	**1,057**	**1,088**	**43.4**	**2.9**	**2,708**	**3,355**	**23.9**
Managerial Revenue from Loans	**25,599**	**26,367**	**27,204**	**6.3**	**3.2**	**72,126**	**79,862**	**10.7**

Compared to the previous quarter, credit revenues were up in 3.2%. The revenue from loans with individuals increased 7.4% compared to 2Q16 (R$728 million), resulting mainly by the loan portfolio repricing process occurred in 2015. This growth was partially offset by lower revenues in the corporate portfolio (R$392 million), notably by the reduction of this portfolio.

Compared to 9M15, the financial revenue from credit loans was positively impacted by higher revenues in the individuals (R$5,312 million), companies (R$1.061 million) and agribusiness (R$1.101 million). The first two resulting of repricing process mentioned above, while the agribusiness portfolio increased by the growth of the average balance.

5.3. Funding Expenses

Funding expenses cover operations with clients, excluding repo transactions with private securities. It is also part of funding expenses compulsory and FGC expenses.

Table 97. Funding Result[1]

	Quarterly Flow			Chg. (%) on		9 Months Flow		Chg. (%) on
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Funding Result	**(11,616)**	**(11,034)**	**(11,366)**	**(2.2)**	**3.0**	**(31,234)**	**(33,330)**	**6.7**
Commercial Funding	**(8,244)**	**(7,905)**	**(8,223)**	**(0.3)**	**4.0**	**(22,955)**	**(23,922)**	**4.2**
Time Deposits	(2,107)	(2,054)	(2,113)	0.3	2.8	(6,066)	(6,226)	2.6
Savings Deposits	(2,944)	(2,854)	(2,962)	0.6	3.8	(8,084)	(8,660)	7.1
Judicial Deposits	(3,193)	(2,996)	(3,149)	(1.4)	5.1	(8,805)	(9,035)	2.6
Bonds	**(4,527)**	**(4,410)**	**(4,511)**	**(0.4)**	**2.3**	**(11,492)**	**(13,276)**	**15.5**
Agribusiness Letters of Credit	(4,028)	(3,934)	(4,037)	0.2	2.6	(10,165)	(11,852)	16.6
Mortgage Bonds	(499)	(476)	(473)	(5.2)	(0.5)	(1,327)	(1,425)	7.4
Compulsory Deposits	**1,322**	**1,447**	**1,535**	**16.1**	**6.0**	**3,707**	**4,372**	**17.9**
FGC	**(167)**	**(167)**	**(166)**	**(0.2)**	**(0.6)**	**(495)**	**(505)**	**2.0**
Jointly Controlled Companies	**(84)**	**(72)**	**(64)**	**(24.1)**	**(11.8)**	**(226)**	**(214)**	**(5.4)**
Managerial Funding Expenses	**(11,700)**	**(11,106)**	**(11,429)**	**(2.3)**	**2.9**	**(31,460)**	**(33,544)**	**6.6**

1 – Repurchase Agreements with Private Securities not included.

In 3Q16 funding expenses grew compared to the last quarter. The most relevant variations were in expenses with judicial deposits and Saving Deposits (R$ 153 million and R$ 108 million), they were partially offset by the R$87 million increase in compulsory deposits.

Compared to 9M15, the TR rose 18.6%, influencing the growth with saving deposits and judicial deposits (R$ 577 million and R$ 230 million).

Considering the bonds expenses, the Agribusiness Letters of Credit expenses rose influenced by the higher volume in the last 12 months and also because the rose of CDI Rate (9.0% in the period). This result was partially compensated by the result of compulsory deposits, positive in R$665 million from 9M15.

5.4. Institutional Funding Expenses

The following table shows the breakdown of institutional funding expenses.

Table 98. Institutional Funding Expenses

	Quarterly Flow			Chg. (%) on		9 Months Flow		Chg. (%) on
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Institutional Funding	**(3,792)**	**(3,785)**	**(3,737)**	**(1.5)**	**(1.3)**	**(10,483)**	**(11,255)**	**7.4**
Borrowing, Assignments and Onlending	(1,773)	(2,088)	(1,909)	7.7	(8.6)	(4,758)	(5,789)	21.7
Financial Letters	(835)	(961)	(1,009)	20.8	5.0	(2,590)	(2,982)	15.1
Hybrid Capital Instruments	(640)	(438)	(470)	(26.5)	7.4	(1,638)	(1,443)	(11.9)
Securities Issued Abroad	(311)	(176)	(209)	(32.7)	18.8	(828)	(628)	(24.2)
Subordinated Debt Abroad	(170)	(122)	(139)	(18.3)	13.5	(435)	(413)	(5.0)
Subordinated CDB[1]	(63)	-	-	-	-	(234)	-	-
Jointly Controlled Companies	**(338)**	**(341)**	**(364)**	**7.8**	**6.8**	**(937)**	**(1,041)**	**11.2**
Managerial Institutional Funding	**(4,130)**	**(4,126)**	**(4,101)**	**(0.7)**	**(0.6)**	**(11,420)**	**(12,296)**	**7.7**

1 – Not renewed CDB.

The table below shows BB's deposits funding cost compared to the average Selic rate for the period.

Table 99. Funding vs. Selic Rate

R$ million	3Q15 Average Balanc	3Q15 Cost	3Q15 as % of Selic	2Q16 Average Balanc	2Q16 Cost	2Q16 as % of Selic	3Q16 Average Balanc	3Q16 Cost	3Q16 as % of Selic
Total Funding	**609,553**	**(12,997)**	**62.1**	**599,095**	**(12,456)**	**61.8**	**587,561**	**(12,931)**	**63.4**
Savings Deposits	148,972	(2,944)	57.5	149,297	(2,854)	56.8	148,750	(2,962)	57.3
Agribusiness Letters of Credits	133,926	(4,028)	87.6	135,540	(3,934)	86.3	134,165	(4,037)	86.7
Time Deposits - Judicial Deposits	117,661	(3,193)	79.0	116,075	(2,996)	76.7	117,860	(3,149)	76.9
Time Deposits	86,414	(2,107)	71.0	87,418	(2,054)	69.9	84,668	(2,113)	71.9
Demand Deposits	65,585	-	-	60,827	-	-	59,194	-	-
Interbank Deposits	38,465	(226)	17.1	31,671	(141)	13.3	25,080	(197)	22.6
Mortgage Bonds	18,529	(499)	78.5	18,267	(476)	77.4	17,843	(473)	76.4
Open Market[1]	**323,205**	**(11,321)**	**102.0**	**354,980**	**(11,522)**	**96.5**	**399,196**	**(13,568)**	**97.9**
Total	**932,758**	**(24,318)**	**75.9**	**954,075**	**(23,978)**	**74.7**	**986,757**	**(26,500)**	**77.3**

1 – Interbank Deposits not included

5.5. Credit Recovery

Credit recovery revenues compose NII once it refers to written-off loans.

More information on the credit recovery process and balances can be found in chapters 3.2 and 3.3 of this report.

Table 100. Credit Recovery

R$ million	Quarterly Flow 3Q15	2Q16	3Q16	Chg. (%) on 3Q15	2Q16	9 Months Flow 9M15	9M16	Chg. (%) on 9M15
Credit Recovery	719	1,384	968	34.6	(30.1)	2,470	3,212	30.0
Jointly Controlled Companies	85	73	91	7.9	24.8	243	236	(2.9)
Managerial Credit Recovery	**804**	**1,457**	**1,059**	**31.7**	**(27.3)**	**2,713**	**3,448**	**27.1**

5.6. Treasury

The treasury result covers the outcome with interest and exchange variation of typical treasury activities and contains the result of the incident exchange variation on financial income from loans and borrowing and institutional funding expenses.

Table 101. Treasury Results

R$ million	Quarterly Flow 3Q15	2Q16	3Q16	Chg. (%) on 3Q15	2Q16	9 Months Flow 9M15	9M16	Chg. (%) on 9M15
Treasury	**3,100**	**2,758**	**3,117**	**0.6**	**13.0**	**8,100**	**8,875**	**9.6**
Securities	14,160	14,473	16,958	19.8	17.2	38,836	45,573	17.3
Open Market	(11,547)	(11,664)	(13,765)	19.2	18.0	(31,224)	(36,589)	17.2
Financial Derivatives	(400)	(172)	(200)	(49.9)	16.5	(741)	(576)	(22.3)
Other Treasury Components[1]	888	122	125	(85.9)	2.7	1,229	466	(62.1)
Jointly Controlled Companies	**692**	**581**	**429**	**(38.0)**	**(26.2)**	**1,811**	**1,158**	**(36.1)**
Managerial Treasury	**3,792**	**3,339**	**3,546**	**(6.5)**	**6.2**	**9,911**	**10,033**	**1.2**

1 – Contains itens not showed in the Treasury breakdown, including Exchange variation.

The treasury result was influenced by income from securities compared to the previous quarter and to 9M15, especially by the growth and Selic Effective Rate (3.2% from 2Q16 and 8.9% to 9M15) and its impact with interbank accounts. The increase was partially offset by the increase in borrowing costs in the open market.

Next, the analyses of treasury components are shown:

Securities Income

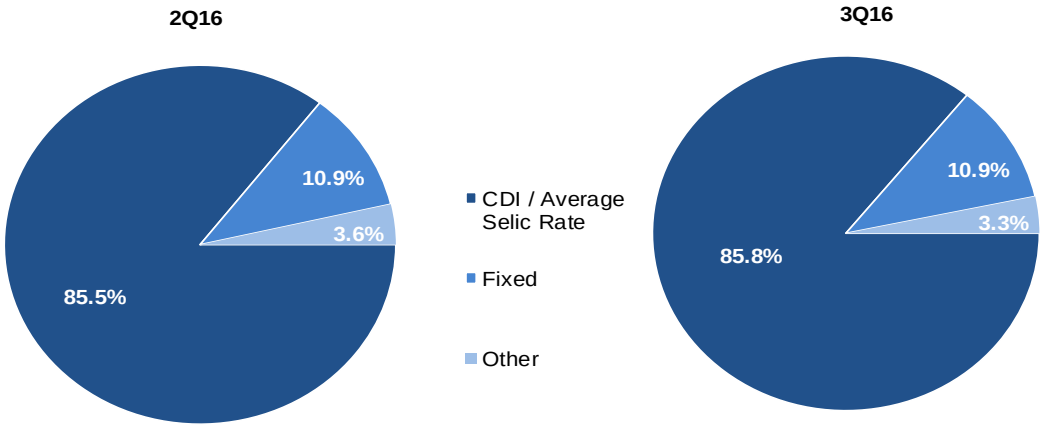
The table below shows the results of operations with securities presenting only the operations classified by the Central Bank as securities / Interbank Investments.

Table 102. Securities Income

	Quarterly Flow			Chg. (%) on		9 Months Flow		Chg. (%) on
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Securities Income	**14,160**	**14,473**	**16,958**	**19.8**	**17.2**	**38,836**	**45,573**	**17.3**
Fixed Income Securities	14,108	14,524	16,864	19.5	16.1	38,695	45,459	17.5
Interbank Accounts	10,917	10,825	12,930	18.4	19.4	29,498	34,077	15.5
Revaluation – Curve	3,081	3,767	3,900	26.6	3.5	9,012	11,207	24.4
Income/Loss from Negotiation	(376)	(7)	22	-	-	(415)	132	-
Mark to Market	445	9	5	(98.8)	(40.3)	530	36	(93.1)
Foreign Income	42	(71)	7	(83.3)	-	70	7	(90.1)
Other	52	(51)	94	80.8	-	140	114	(18.9)
Jointly Controlled Companies	**631**	**596**	**697**	**10.5**	**16.9**	**1,812**	**1,674**	**(7.6)**
Managerial Securities Income	**14,791**	**15,069**	**17,655**	**19.4**	**17.2**	**40,648**	**47,247**	**16.2**

The figure below shows the classification of the BB Multiple Bank portfolio of securities by type of index.

Figure 40. Securities Portfolio by Index (BB Multiple Bank)



Because the graph shows the position only of Multiple Bank securities, it does not necessarily represent the exposure of the entire group.

The tables below show the breakdown of the securities portfolio.

Table 103. Securities Portfolio by Category – Market Value

	Balance						Chg. (%) on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Securities	**108,543**	**100.0**	**117,205**	**100.0**	**122,339**	**100.0**	**12.7**	**4.4**
Available for Trading	7,056	6.5	6,225	5.3	6,721	5.5	(4.8)	8.0
Available for Sale	97,958	90.2	110,429	94.2	112,999	92.4	15.4	2.3
Held to Maturity	3,528	3.3	552	0.5	2,619	2.1	(25.8)	374.8

Table 104. Securities Portfolio by Maturity – Market Value

	Up to 1 year		1 to 5 years		5 to 10 years		Over 10 years		Total
R$ million	Balance	Share %	Balance	Share %	Balance	Share %	Balance	Share %	
Dec/14	23,175	22.1%	47,549	45.4%	29,785	28.4%	4,246	4.1%	104,755
Mar/15	19,082	16.9%	54,628	48.5%	32,006	28.4%	6,927	6.1%	112,643
Jun/15	18,792	17.1%	49,412	45.0%	37,296	34.0%	4,332	3.9%	109,831
Sep/15	19,233	17.7%	56,388	51.9%	29,623	27.3%	3,299	3.0%	108,543
Dec/15	19,271	17.0%	55,534	48.8%	32,007	28.2%	6,871	6.0%	113,684
Mar/16	20,141	17.1%	71,329	60.6%	22,192	18.8%	4,130	3.5%	117,791
Jun/16	12,870	11.0%	74,179	63.3%	23,596	20.1%	6,560	5.6%	117,205
Sep/16	12,095	9.9%	79,237	64.8%	22,837	18.7%	8,170	6.7%	122,339

Table 105. Financial Derivatives

	Balance			Chg. (%) on	
R$ million	Sep/15	Jun/16	Sep/16	Sep/15	Jun/16
Financial Derivatives	4,835	3,256	2,985	(38.3)	(8.3)
Jointly Controlled Companies	1,653	2,116	1,703	3.0	(19.5)
Mangerial Financial Derivatives	**6,488**	**5,372**	**4,688**	**(27.7)**	**(12.7)**

The table below shows the liquidity balance, difference between the liquidity Assets and Liabilities.

Table 106. Liquidity Balance

	Balance						Chg. (%) on	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Liquidity Assets (A)	**472,993**	**100.0**	**546,017**	**100.0**	**563,418**	**100.0**	**19.1**	**3.2**
Interbank Investments	344,858	72.9	414,471	75.9	427,803	75.9	24.1	3.2
Securities (except linked to Bacen)	108,741	23.0	117,494	21.5	122,686	21.8	12.8	4.4
Available Funds	19,394	4.1	14,052	2.6	12,929	2.3	(33.3)	(8.0)
Liquidity Liabilities (B)	**361,197**	**100.0**	**439,441**	**100.0**	**434,389**	**100.0**	**20.3**	**(1.1)**
Money Market Borrowing	319,732	88.5	411,969	93.7	410,470	94.5	28.4	(0.4)
Interbank Deposits	41,465	11.5	27,473	6.3	23,919	5.5	(42.3)	(12.9)
Liquidity Balance (A - B)	**111,795**		**106,576**		**129,029**		**15.4**	**21.1**

Open Market Operations

Open market expenses are mainly expenses incurred in repurchase agreements securities in its own portfolio and third parties.

Table 107. Open Market Funding Expenses

	Quarterly Flow			Chg. (%) on		9 Months Flow		Chg. (%) on
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Open Market	**(11,547)**	**(11,664)**	**(13,765)**	**19.2**	**18.0**	**(31,224)**	**(36,589)**	**17.2**
Third Party Portfolio	(9,516)	(9,852)	(11,810)	24.1	19.9	(26,247)	(30,734)	17.1
Own Portfolio	(1,802)	(1,659)	(1,750)	(2.9)	5.5	(4,368)	(5,091)	16.5
Interbank Deposits	(226)	(141)	(197)	(12.7)	39.3	(603)	(738)	22.5
Other Open Market Op.	(3)	(11)	(9)	215.5	(22.3)	(6)	(26)	318.9
Jointly Controlled Companies	**(496)**	**(621)**	**(639)**	**28.9**	**3.0**	**(1,385)**	**(1,805)**	**30.3**
Managerial Open Market	**(12,043)**	**(12,285)**	**(14,405)**	**19.6**	**17.3**	**(32,609)**	**(38,394)**	**17.7**

In 3Q16, the increase in expenses in open market over 2Q16 was mainly because of the growth of the third party portfolio balance in the period.

Other Treasury Components

The other treasury components group contains, in addition to gains/losses results over equity abroad and tax hedge, the foreign exchange variance in loan operations, funding and institutional funding among others, recorded in the "other".

Table 108. Other Treasury Components

	Quarterly Flow			Chg. (%) on		9 Months Flow		Chg. (%) on
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Other Treasury Components	**888**	**122**	**125**	**(85.9)**	**2.7**	**1,229**	**466**	**(62.1)**
Gain (Loss) over Equity Abroad	2,982	(1,081)	108	(96.4)	-	4,358	(2,241)	-
Tax Hedge	2,416	(981)	98	(96.0)	-	3,331	(1,756)	-
Foreign Exchange Portfolio	151	72	102	(32.5)	41.3	336	258	(23.3)
Other	(4,662)	2,112	(183)	(96.1)	-	(6,797)	4,205	-
Jointly Controlled Companies	**(639)**	**49**	**(58)**	**(90.9)**	**-**	**(956)**	**(150)**	**(84.3)**
Managerial Other Treasury Components	**248**	**171**	**66**	**(73.2)**	**(61.1)**	**273**	**316**	**16.0**

5.7. Assets and Liabilities Analysis

5.7.1. Assets Analysis

Table 109. Average Balances and Interest Rates – Earning Assets (Quarterly)

	2Q16			3Q16		
R$ million	Average Balance[1]	Revenues [3]	Annualized Rate (%)[2]	Average Balance[1]	Revenues [3]	Annualized Rate (%)[2]
Earning Assets	**1,218,676**	**41,279**	**14.3**	**1,255,583**	**44,731**	**15.0**
Secur. + Interbank Invest. w/o Hedge	479,125	14,473	12.6	533,516	16,958	13.3
Loans and Leasing[4]	677,470	25,311	15.8	661,142	26,117	16.8
Remunerated Compulsory Deposits	53,733	1,447	11.2	53,852	1,535	11.9
Other	8,348	48	2.3	7,072	121	7.0
Non Earning Assets	**176,107**			**178,217**		
Tax Credits	42,429			44,338		
Other Assets	102,113			102,243		
Permanent Assets	31,564			31,637		
TOTAL ASSETS	**1,394,783**			**1,433,800**		

1 - Arithmetic average of the closing balances of months that comprise the period;
2 –Annualized rate;
3 - Calculated partial effect of exchange rate change;
4 - Included:Loans Operations, Leasing and acquired loan portfolio.

Table 110. Average Balances and Interest Rates – Earning Assets (9M)

	9M15			9M16		
R$ million	Average Balance[1]	Revenues [3]	Yearly Rate (%)[2]	Average Balance[1]	Revenues [3]	Yearly Rate (%)[2]
Earning Assets	**1,186,600**	**112,160**	**12.8**	**1,231,930**	**126,738**	**13.9**
Secur. + Interbank Invest. w/o Hedge	457,755	38,836	11.5	493,689	45,573	12.5
Loans and Leasing[4]	671,189	69,417	14.0	676,596	76,506	15.4
Remunerated Compulsory Deposits	47,932	3,707	10.4	53,505	4,372	11.0
Other	9,724	200	2.7	8,140	286	4.7
Non Earning Assets	**187,949**			**176,860**		
Tax Credits	31,975			42,482		
Other Assets	121,581			102,764		
Permanent Assets	34,393			31,614		
TOTAL ASSETS	**1,374,549**			**1,408,790**		

1 - Arithmetic average of the closing balances of months that comprise the period;
2 –Annualized rate;
3 - Calculated partial effect of exchange rate change;
4 - Included:Loans Operations, Leasing and acquired loan portfolio.

5.7.2. Liabilities Analysis

Table 111. Average Balances and Interest Rates - Interest Bearing Liabilities (Quarterly)

	2Q16			3Q16		
R$ million	Average Balance[1]	Expenses [4]	Yearly Rate (%)[2]	Average Balance[1]	Expenses [4]	Yearly Rate (%)[2]
Interest Bearing Liabilities	**1,133,923**	**(28,301)**	**10.4**	**1,164,642**	**(30,798)**	**11.0**
Saving Deposits	149,297	(2,854)	7.9	148,750	(2,962)	8.2
Interbank Deposits	31,671	(141)	1.8	25,080	(197)	3.2
Time Deposits	203,493	(5,050)	10.3	202,528	(5,262)	10.8
Money Market Borrowing	354,980	(11,522)	13.6	399,196	(13,568)	14.3
Foreign Borrowing and Onlending	24,497	(906)	15.6	23,073	(650)	11.8
Domestic Borrowing and Onlending	86,922	(1,182)	5.6	85,613	(1,259)	6.0
Financial and Development Funds	14,026	(538)	16.2	14,239	(562)	16.7
Subordinated Debt	91,808	(1,521)	6.8	91,125	(1,618)	7.3
Foreign Securities Borrowing	21,193	(176)	3.4	20,579	(209)	4.1
Agribusiness Letters of Credit	135,540	(3,934)	12.1	134,165	(4,037)	12.6
Others Commercial Papers[3]	20,498	(476)	9.6	20,294	(474)	9.7
Other Liabilities	**260,860**			**269,158**		
Demand Deposits	60,827			59,194		
Other Liabilities	117,628			133,130		
Shareholder's Equity	82,405			76,834		
TOTAL LIABILITIES	**1,394,783**			**1,433,800**		

1 - Arithmetic average of the closing balances of months that comprise the period.
2 –Annualized rate.
3 - Included: Letters of Credit, Debentures, Mortgage Bonds and Mortgage Receivables Certificates.
4 - Calculated partial effect of exchange rate change.

Table 112. Average Balances and Interest Rates - Interest Bearing Liabilities (9M)

	9M15			9M16		
R$ million	Average Balance[1]	Expenses [4]	Yearly Rate (%)[2]	Average Balance[1]	Expenses [4]	Yearly Rate (%)[2]
Interest Bearing Liabilities	**1,113,948**	**(76,570)**	**9.3**	**1,147,621**	**(86,663)**	**10.2**
Saving Deposits	146,854	(8,084)	7.4	149,694	(8,660)	7.8
Interbank Deposits	35,110	(603)	2.3	32,528	(738)	3.0
Time Deposits	205,907	(14,871)	9.7	203,106	(15,261)	10.1
Money Market Borrowing	327,211	(30,621)	12.7	363,532	(35,850)	13.4
Foreign Borrowing and Onlending	24,624	(1,112)	6.1	24,925	(2,034)	11.0
Domestic Borrowing and Onlending	90,167	(3,646)	5.4	87,158	(3,755)	5.8
Financial and Development Funds	12,477	(440)	4.7	14,524	(1,622)	15.2
Subordinated Debt	90,333	(4,873)	7.3	93,334	(4,838)	7.0
Foreign Securities Borrowing	35,271	(828)	3.1	23,105	(628)	3.6
Agribusiness Letters of Credit	125,468	(10,165)	10.9	135,189	(11,852)	11.9
Others Commercial Papers[3]	20,526	(1,327)	8.7	20,527	(1,425)	9.4
Other Liabilities	**260,601**			**261,169**		
Demand Deposits	67,955			61,143		
Other Liabilities	118,754			122,655		
Shareholder's Equity	73,893			77,372		
TOTAL LIABILITIES	**1,374,549**			**1,408,790**		

1 - Arithmetic average of the closing balances of months that comprise the period.
2 –Annualized rate.
3 - Included: Letters of Credit, Debentures, Mortgage Bonds and Mortgage Receivables Certificates.
4 - Calculated partial effect of exchange rate change.

5.7.3. Volume and Rate Analysis

Table 113. Volume Analysis (Earning Assets) – Quarterly Rate

R$ million	2Q16	3Q16	Abs. Chg.
Assets – Earning Assets (a)[1]	1,218,676	1,255,583	36,907
Net Interest Income (b)	14,633	15,099	466
Spread - % (b/a)	1.201	1.203	0.002
Gain/(loss) with Volume[2]			443
Gain/(loss) with Spread[3]			22
Gain/(loss) with Volume and Spread[4]			1

1 - Arithmetic average of the closing balances of months that comprise the period.
2 - Gain/(Loss) resulting from multiplying the earning assets volume of the current period for the spread of the previous period net previous NII;
3 - Gain/(Loss) resulting from multiplying the earning assets volume of the previous period for the spread of the current period net previous NII;
4 - Combined Gain/(Loss) of the effects above.

Table 114. Volume Analysis (Earning Assets) – 9M Rate

R$ million	9M15	9M16	Abs. Chg.
Assets – Earning Assets (a)[1]	1,186,600	1,231,930	45,330
Net Interest Income (b)	38,270	44,008	5,738
Spread - % (a/b)	3.225	3.572	0.347
Gain/(loss) with Volume[2]			1,462
Gain/(loss) with Spread[3]			4,119
Gain/(loss) with Volume and Spread[4]			157

1 - Arithmetic average of the closing balances of months that comprise the period.
2 - Gain/(Loss) resulting from multiplying the earning assets volume of the current period for the spread of the previous period net previous NII;
3 - Gain/(Loss) resulting from multiplying the earning assets volume of the previous period for the spread of the current period net previous NII;
4 - Combined Gain/(Loss) of the effects above.

See the Net Interest Margin evolution below.

Table 115. NIM

	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16
NII / (Earning Assets) - Annualized [1]	4.4	4.4	4.3	4.5	4.8	4.8	4.9	4.9
NFM / (Earning Assets) - Annualized	2.7	2.4	2.5	2.5	2.4	1.7	2.1	2.7

1 - NII/Earning Assets average, annualized;
2 - Risk adjusted Net Interest Margin (NII less Provision for Loan Losses)/Earning Assets average, annualized.

Table 116. Adjusted NIM and Net Interest Income

R$ million	3Q15	2Q16	3Q16	9M15	9M16
Average Interest Earning Assets (AIEA) (a)	1,202,176	1,218,676	1,255,583	1,186,600	1,231,930
Average Interest Bearing Liabilities (AIBL) (b)	1,137,189	1,133,923	1,164,642	1,113,948	1,147,621
NII (c)	**13,251**	**14,633**	**15,099**	**38,270**	**44,008**
Net Interest Gain (d)	12,163	12,977	13,933	35,590	40,075
Interest Income (1.d)	40,412	41,279	44,731	112,160	126,738
Interest Expense(2.d)	(28,249)	(28,301)	(30,798)	(76,570)	(86,663)
Net Interest Income Other Items[1] (e)	1,088	1,655	1,166	2,680	3,933
AIBL / AIEA – % (b/a)	94.6	93.0	92.8	93.9	93.2
Yield Average Assets[2] [4] - % (1.d/a)	14.1	14.3	15.0	12.8	13.9
Liabilitises Avarege Cost [2] [4] - % (2.d/b)	10.3	10.4	11.0	9.3	10.2
Net Interest Rate[2] [3] - %	3.8	3.9	4.0	3.5	3.8
Adjusted NIM[2] - % (d/a)	4.1	4.3	4.5	4.0	4.4
NIM[2] – % (c/a)	4.5	4.9	4.9	4.3	4.8

1 - Includes derivatives, debt assumption contracts, foreign exchange portfolio, recovery of write-offs, gold loans, credit guarantor fund, foreign exchange gain/loss abroad and other income of a financial intermediation nature.
2 - Annualized Rates.
3 - Difference between average rate of earning assets and average rate of interest bearing liabilities.
4 - Calculated partial effect of exchange rate change.

The table below shows the allocation of changes in interest income and expenses due to the variation in the average volume of interest earning assets and interest bearing liabilities and by the change in the average interest rate on these assets and liabilities, during the periods under analysis.

Table 117. Change in Revenues and Expenses and Change Volume / Rate (Quarterly)

R$ million	3Q16 / 2Q16			3Q16 / 3Q15		
	Average Volume[1]	Average Rate [2]	Net Change[3]	Average Volume[1]	Average Rate [2]	Net Change[3]
Earning Assets [4]	**1,315**	**2,137**	**3,452**	**1,903**	**2,416**	**4,319**
Secur. + Interbank Invest. w/o Hedge	1,729	756	2,485	2,343	455	2,798
Loans and Leasing	(645)	1,451	806	(860)	2,137	1,276
Remunerated Compulsory Deposits	3	84	87	158	55	213
Other	(22)	95	73	(69)	101	31
Interest Bearing Liabilities [4]	**(812)**	**(1,684)**	**(2,496)**	**(726)**	**(1,823)**	**(2,549)**
Saving Deposits	11	(118)	(108)	4	(22)	(18)
Interbank Deposits	52	(107)	(56)	105	(76)	29
Time Deposits	25	(236)	(211)	40	(2)	39
Open Market Borrowing	(1,503)	(543)	(2,046)	(2,583)	336	(2,247)
Foreign Borrowing and Onlending	40	216	256	121	(329)	(208)
Domestic Borrowing and Onlending	19	(96)	(77)	66	6	72
Financial and Development Funds	(8)	(15)	(24)	(18)	(377)	(395)
Subordinated Debt	12	(109)	(97)	88	(26)	62
Foreign Securities Borrowing	6	(39)	(33)	215	(113)	102
Agribusiness Letters of Credit	41	(144)	(103)	(7)	(3)	(10)
Others Commercial Papers[5]	5	(3)	2	(17)	43	26

1 - Net Change - Average Rate.
2 - (Current Period Interest / Current Period Balance) x (Previous Period Balance) - (Previous Period Interest).
3 - Current Period Interest - Previous Period Interest.
4 - Calculated according to the same methodology presented in footnotes 1, 2 and 3;
5 - Included: Letters of Credit, Debentures, Mortgage Bonds and Mortgage Receivables Certificates.

Table 118. Change in Revenues and Expenses and Change Volume / Rate (9M)

R$ million	9M16 / 9M15		
	Average Volume[1]	Average Rate[2]	Net Change[3]
Earning Assets [4]	**4,663**	**9,915**	**14,578**
Secur. + Interbank Invest. w/o Hedge	3,317	3,420	6,737
Loans and Leasing	611	6,478	7,089
Remunerated Compulsory Deposits	455	210	665
Other	(56)	143	87
Interest Bearing Liabilities [4]	**(2,543)**	**(7,550)**	**(10,093)**
Saving Deposits	(164)	(412)	(577)
Interbank Deposits	59	(194)	(136)
Time Deposits	210	(601)	(391)
Money Market Borrowing	(3,582)	(1,647)	(5,229)
Foreign Borrowing and Onlending	(25)	(897)	(922)
Domestic Borrowing and Onlending	130	(239)	(109)
Financial and Development Funds	(229)	(953)	(1,182)
Subordinated Debt	(156)	191	35
Foreign Securities Borrowing	330	(130)	200
Agribusiness Letters of Credit	(852)	(834)	(1,687)
Others Commercial Papers[5]	(0)	(98)	(98)

1 - Net Change - Average Rate.
2 - (Current Period Interest / Current Period Balance) x (Previous Period Balance) - (Previous Period Interest).
3 - Current Period Interest - Previous Period Interest.
4 - Calculated according to the same methodology presented in footnotes 1, 2 and 3;
5 - Included: Letters of Credit, Debentures, Mortgage Bonds and Mortgage Receivables Certificates.

5.8. Credit Spread by Portfolio

Determining the managerial financial margin begins as follows:

a) Accrued interest income, classified by type of portfolio;

b) The opportunity costs defined for each of the lines that make up the portfolios are deducted.

For credit intended for individuals and companies, with free resources, the opportunity cost is the Average Selic Rate. For the agricultural portfolio and other directed resources, the opportunity cost is calculated according to the source of funding and the need to implement a mandatory part of this funding source.

Table 119. Managerial Margin

	Quarterly Flow			Chg. (%) on		9 Months Flow		Chg. (%) on
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Loan Operations	**10,233**	**11,424**	**11,424**	**11.6**	**(0.0)**	**29,901**	**34,010**	**13.7**
Individuals	4,836	5,534	5,629	16.4	1.7	13,486	16,443	21.9
Companies	3,541	3,708	3,583	1.2	(3.4)	10,668	11,127	4.3
Agribusiness	1,856	2,182	2,211	19.1	1.3	5,747	6,440	12.1

Spread

The following table presents the managerial spread by portfolio. The rate results from the managerial financial margin divided by respective average balances.

Table 120. Spread by Portfolio

%	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16
Loan Operations	**7.0**	**6.9**	**7.0**	**7.1**	**7.4**	**7.5**	**7.7**	**7.9**
Individuals	13.8	13.5	14.0	14.9	15.5	15.8	16.3	16.5
Companies[1]	5.7	5.5	5.6	5.7	5.8	5.9	5.9	6.1
Agribusiness	5.1	4.9	4.8	4.5	4.8	4.8	4.9	5.0

1 – Government operations not included.

6 - Fee Income

The Bank aims for excellence in the relationship with customers and the expansion services volume, to increase the fee income.

Considering all comparative, highlight for checking account fees and asset management fees.

It is worth noting that the fee income related to 9M15 includes part of the interchange revenues from Cateno. Excluding these revenues, the evolution of fee income in 9M16/9M15 comparison would have been 9.7%.

Table 121. Fee Income

	Quarterly Flow			Chg. (%)		9 Months Flow		Chg. (%)
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Fee Income	**5,691**	**6,063**	**6,022**	**5.8**	**(0.7)**	**16,488**	**17,643**	**7.0**
Checking Account Fees	1,373	1,534	1,600	16.5	4.3	3,488	4,569	31.0
Asset Management Fees	930	974	1,012	8.8	3.9	2,623	2,892	10.3
Insurance, Pension and Premium Bonds	691	835	751	8.7	(10.1)	2,166	2,283	5.4
Collections	435	421	424	(2.6)	0.5	1,279	1,264	(1.2)
Loan Fees	462	444	374	(19.0)	(15.7)	1,511	1,179	(22.0)
Credit / Debit Cards	398	343	346	(13.1)	1.0	1,359	1,009	(25.8)
Billings	250	257	254	1.4	(1.4)	783	771	(1.5)
Interbank	196	223	209	6.4	(6.3)	575	634	10.2
National Treasury and Manag. of Official Funds	130	150	151	15.7	0.5	333	432	30.0
Fiduciary Services	130	133	143	9.8	7.0	367	405	10.3
Consortium	109	123	156	43.9	27.5	314	394	25.6
Capital Market	84	174	142	69.3	(18.6)	346	426	23.0
Other	503	451	461	(8.2)	2.3	1,342	1,384	3.1
Jointly Controlled Companies	**1,216**	**1,148**	**1,383**	**13.8**	**20.5**	**3,187**	**3,767**	**18.2**
Managerial Fee Income	**6,907**	**7,211**	**7,405**	**7.2**	**2.7**	**19,675**	**21,410**	**8.8**

In the following sections are presented the main fee generator business in Banco do Brasil.

6.1. Checking Account Fees

BB maintained the growth in its customer base in the last quarters. BB's customers and checking accounts basis in the last 12 months are shown below.

Table 122. Customers and Checking Accounts

	Position					Chg. (%)	
thousands	Sep/15	Dec/15	Mar/16	Jun/16	Sep/16	Sep/15	Jun/16
Customers	63,380	63,566	63,890	64,192	64,607	1.9	0.6
Checking Accounts	38,058	37,841	37,824	37,755	37,808	(0.7)	0.1
Individuals	35,628	35,420	35,419	35,353	35,177	(1.3)	(0.5)
Companies	2,430	2,421	2,406	2,402	2,631	8.3	9.5

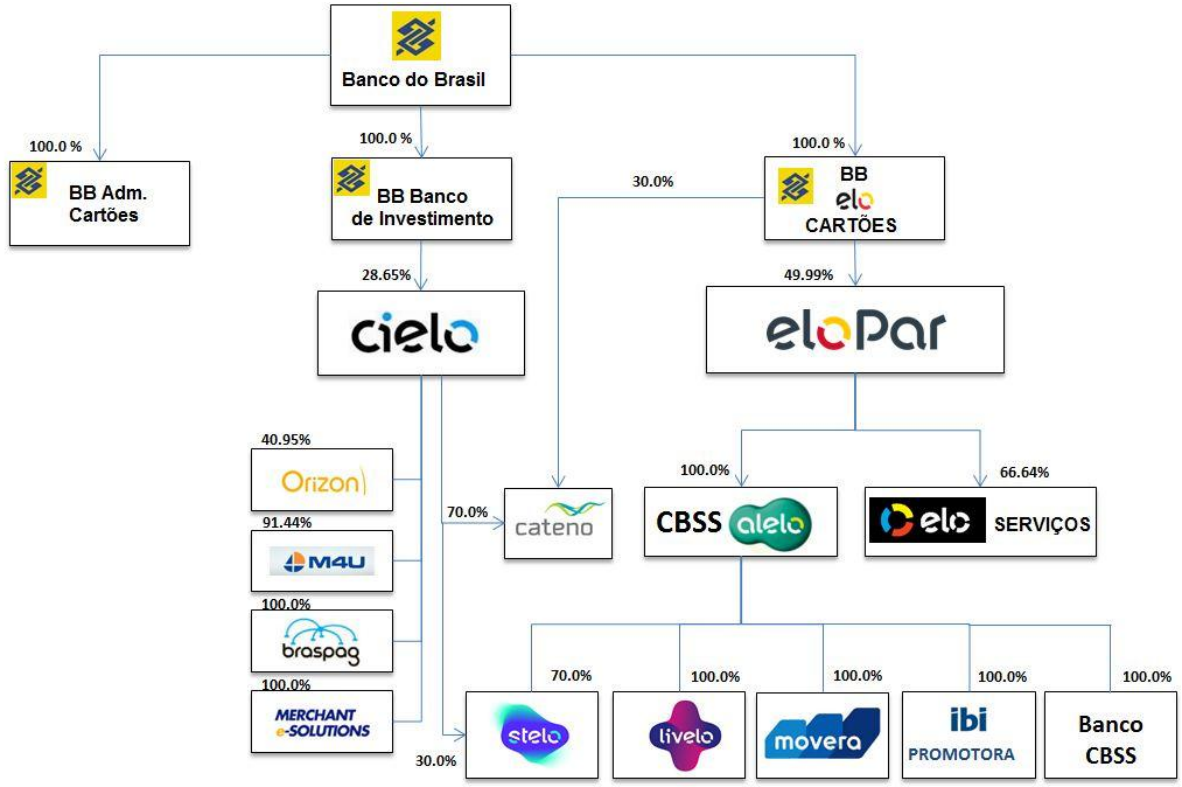
6.2. Payment Methods

BB maintains its card business expansion earnings strategy, diversifying its activities by launching new products and solutions contributing with the best customer service combined with operational efficiency.

The search for synergies and business expansion in partnership with the affiliate companies complement the strategy.

The electronic payment methods main business organizational chart, in which Banco do Brasil has direct or indirect equity interest, is presented below.

Figure 41. Payment Methods Organizational Chart – Main Companies[1]



1 – It considers September 30, 2016 position.

6.2.1. Cards Base and Turnover

BB is one of the Elo, Visa and Mastercard credit card brands leading issuers, position achieved due to a wide customer base and diversified operational strategy, in addition to issuing cards with multiple functions (credit, debit, banking and sales) platform.

The table below shows the total cards issued (credit, debit and prepaid). The generated cards base the ELO brand reached 10.3 milion Sep/16, which grew 37.5% rise of compared to Sep/15.

Table 123. Cards Base

				Chg. (%)	
thousands	Sep/15	Jun/16	Sep/16	Sep/15	Jun/16
Total of Cards	**76,553**	**77,739**	**74,872**	**(2.2)**	**(3.7)**
Credit Cards	22,468	22,315	20,875	(7.1)	(6.5)
Elo	2,165	2,918	2,721	25.7	(6.7)
Debit Cards/Prepaid	54,085	55,424	53,997	(0.2)	(2.6)
Elo	5,296	7,451	7,539	42.4	1.2

Our product development strategy, focused in costumer relationship, was shown in September, when Ourocard was elected, for the 8th consecutive, the Brazilian favorite card, in the National Credit Card Research 2016 conducted by Card Monitor and Instituto Media Certa.

Another important fact occurred in quarter was the beginning of International Elo cards issuance. The new Ourocard Elo Nanquim, Grafite and Elo Mais cards, besides the possibility of use abroad, their holders also count on several perks convenience offered by the brand.

In September, it was launched the Ourocard app which allows customers perform payment through NFC, customized card with the holder's photography, Ourocard-e virtual card for online purchase, among other functions that enhance efficiency such as: cards block and unblock, purchase alert, foreign use setting, spending timeline and electronic spending statement.

The following table shows the amount of transactions with BB cards.

Table 124. Number of Transactions

	Quarterly Flow			Chg. (%)		9 Months Flow		Chg. (%)
million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Number of Transactions	**586**	**614**	**635**	**8.2**	**3.3**	**1,691**	**1,851**	**9.5**
Credit Cards	247	259	264	7.0	1.9	713	770	8.0
Debit Cards/Prepaid	340	355	370	9.1	4.3	978	1,081	10.5

The financial volume transacted (total turnover), in 9M16, grew 7.3% compared to the same period of the previous year. Considering only traditional transactions, there was a 9.0% increase in the same period comparison.

Figure 42. Total Turnover – R$ billion

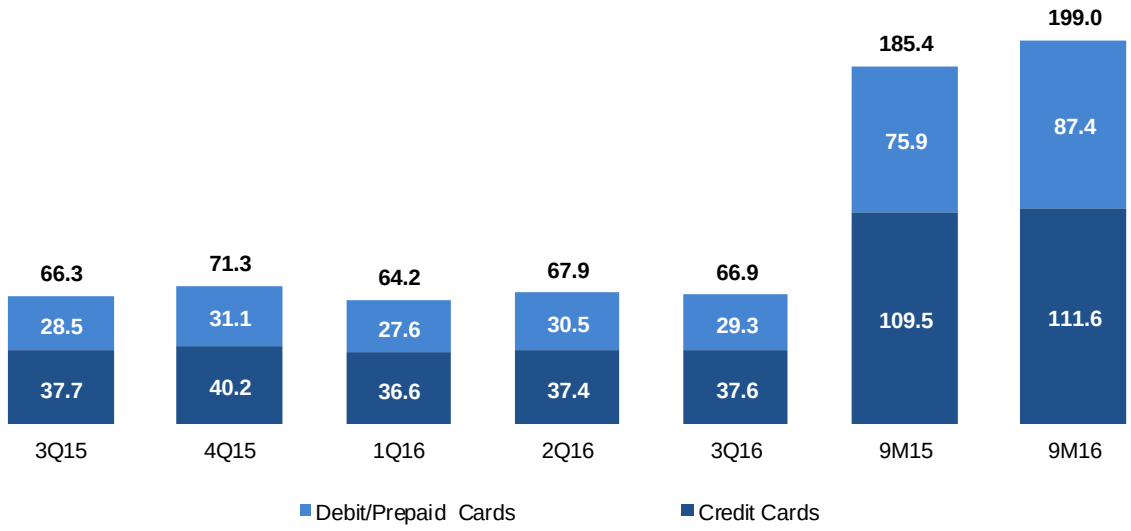
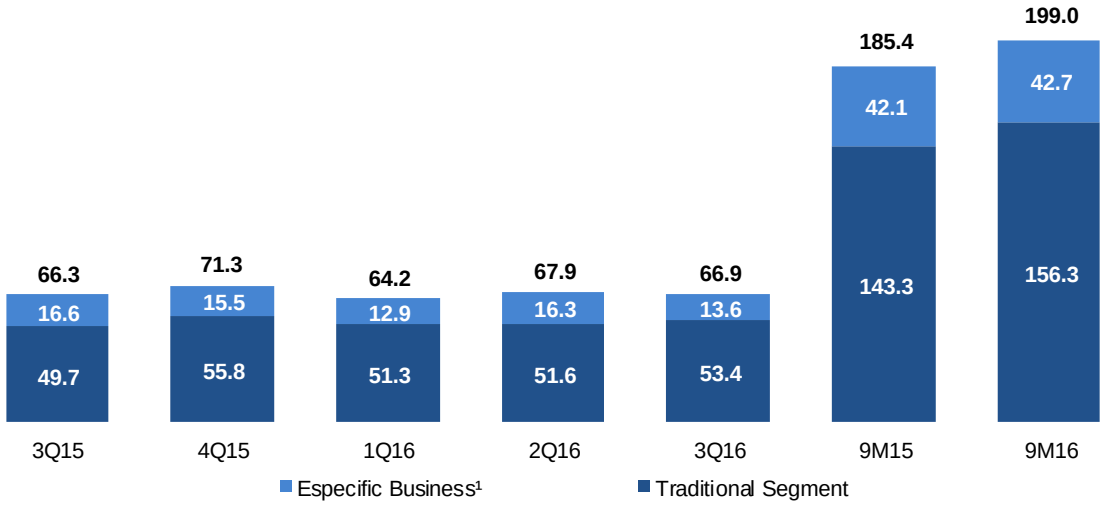


Figure 43. Traditional and Specific Business Total Turnover – R$ billion



1 – It is included transactions with Ourocard Agribusiness, Ourocard Crediário, BNDES Card, bills payd with credit cards, Prepaid Ourocard and Alelo and B2B/companies purchases.

6.2.2. Cards Service Income

Cards service operating income derives from the issuance and cards use in credit, debit and installment credit transactions by customers and from credentialing/acquiring services, prepaid cards and card brands, which are provided by Bank's affiliates.

Cards service operating income does not include revenues and expenses arising from minimum or partial invoice payment (revolving credit). However, it includes the administrative and operating costs directly related to the card business, identified to the present period.

The following table show the breakdown of the card service operational income and the income after taxes.

Table 125. Cards Service Income and Expenses – Quarterly Flow

R$ million	3Q15	3Q16	Chg. (%)
Total Operating Income	**2,251**	**2,446**	**8.7**
Issuance	921	937	1.7
Acquiring	612	984	60.8
Other Revenues	718	525	(26.9)
Expenses	**(1,302)**	**(1,506)**	**15.7**
Issuance	(632)	(637)	0.8
Acquiring	(565)	(739)	30.8
Other Expenses	(105)	(130)	23.8
Cards Services Income	**949**	**940**	**(0.9)**
Tax Effect	(340)	(344)	1.2
Cards Services Income After Tax	**609**	**596**	**(2.1)**

Table 126. Cards Service Income and Expenses – 9 Months Flow

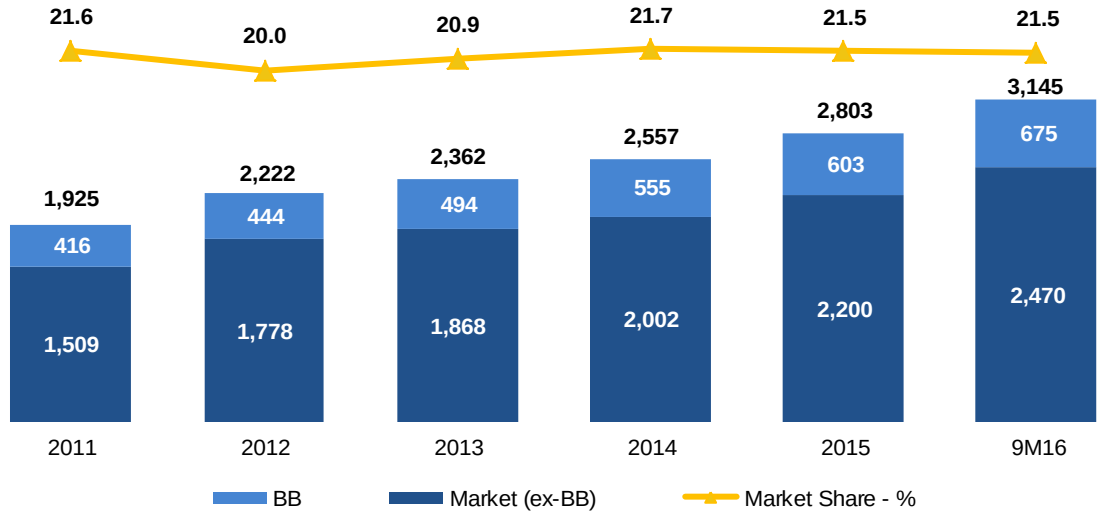
R$ million	9M15	9M16	Chg. (%)
Total Operating Income	**6,385**	**6,979**	**9.3**
Issuance	2,661	2,712	1.9
Acquiring	1,815	2,350	29.5
Other Revenues	1,909	1,917	0.4
Expenses	**(3,916)**	**(4,234)**	**8.1**
Issuance	(1,983)	(1,930)	(2.7)
Acquiring	(1,645)	(1,870)	13.7
Other Expenses	(288)	(434)	50.8
Cards Services Income	**2,469**	**2,745**	**11.2**
Tax Effect	(876)	(1,001)	14.3
Cards Services Income After Tax	**1,593**	**1,744**	**9.4**

6.3. Asset Management

BB Gestão de Recursos DTVM SA, based in Rio de Janeiro and with an office in São Paulo, is primarily engaged in the structuring, distribution, administration and funds management, portfolios and investment clubs. In this context, BB conglomerate stands out as an industry leader in the country. This position reflects the confidence and strength with which the conglomerate is viewed by the investment fund investors.

The graph below shows the Brazilian asset management industry evolution and the BB Asset Management DTVM market share in the ANBIMA (Brazilian Association of Financial and Capital Markets) ranking, since 2011.

Figure 44. Fiduciary Management and Market Share – R$ billion



According to ANBIMA's Asset Management Ranking, BB DTVM is a leader in the following segments: institutional investors, government and retail. The following tables show the distribution of the managed assets by customer and by type of product.

Table 127. Investment Funds and Managed Portfolio by Customer

	Balance						Chg. (%)	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Institutional Investors	280,328	46.5	311,772	46.7	319,217	47.3	13.9	2.4
Government	106,753	17.7	120,498	18.0	114,502	17.0	7.3	(5.0)
Retail	77,465	12.9	84,313	12.6	83,635	12.4	8.0	(0.8)
High income	42,898	7.1	45,607	6.8	47,347	7.0	10.4	3.8
RPPS	38,480	6.4	44,073	6.6	45,365	6.7	17.9	2.9
Private	20,378	3.4	25,965	3.9	27,400	4.1	34.5	5.5
Middle Market	14,905	2.5	14,505	2.2	14,602	2.2	(2.0)	0.7
Corporate	12,376	2.1	13,973	2.1	14,452	2.1	16.8	3.4
Foreign Investors	8,814	1.5	7,444	1.1	8,144	1.2	(7.6)	9.4
Total	**602,395**	**100.0**	**668,150**	**100.0**	**674,663**	**100.0**	**12.0**	**1.0**

According to the ANBIMA's Asset Management ranking, data on the distribution by type are disclosed without the deduction of quotas of own and third-party funds, that in 3Q16 was R$2.7 billion.

Table 128. Investment Funds and Managed Portfolio by Type

	Balance						Chg. (%)	
R$ million	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Investment Fund	**592,522**	**97.8**	**656,938**	**97.9**	**662,799**	**97.8**	**11.9**	**0.9**
Fixed[1]	384,745	63.5	422,596	63.0	419,280	61.9	9.0	(0.8)
Equity	49,733	8.2	42,564	6.3	39,171	5.8	(21.2)	(8.0)
Multimarket	11,119	1.8	12,366	1.8	13,596	2.0	22.3	9.9
Others[2]	146,924	24.2	179,412	26.7	190,751	28.2	29.8	6.3
Managed Portfolios	**13,364**	**2.2**	**14,379**	**2.1**	**14,610**	**2.2**	**9.3**	**1.6**
Fixed	13,205	2.2	14,193	2.1	14,421	2.1	9.2	1.6
Equity	159	0.0	186	0.0	189	0.0	18.9	1.6
Total	**605,886**	**100.0**	**671,317**	**100.0**	**677,409**	**100.0**	**11.8**	**0.9**

1 – From October 2015 on, in accordance to CVM Instruction no. 555, the Short-Term, Referenced in DI Index and External Debt Funds were grouped in Fixed Income category.
2 - Includes Pension, Exchange, FIP, ETF, Real Estate and e Off Shore funds.

Custody

Banco do Brasil stands out as one of the main custody, controllership, accounting and bookkeeping assets industry leaders. BB ended 3Q16 with R$775 billion in custody, 12.3% over the same period of the previous year. The custody volume expansion in is mainly due to:

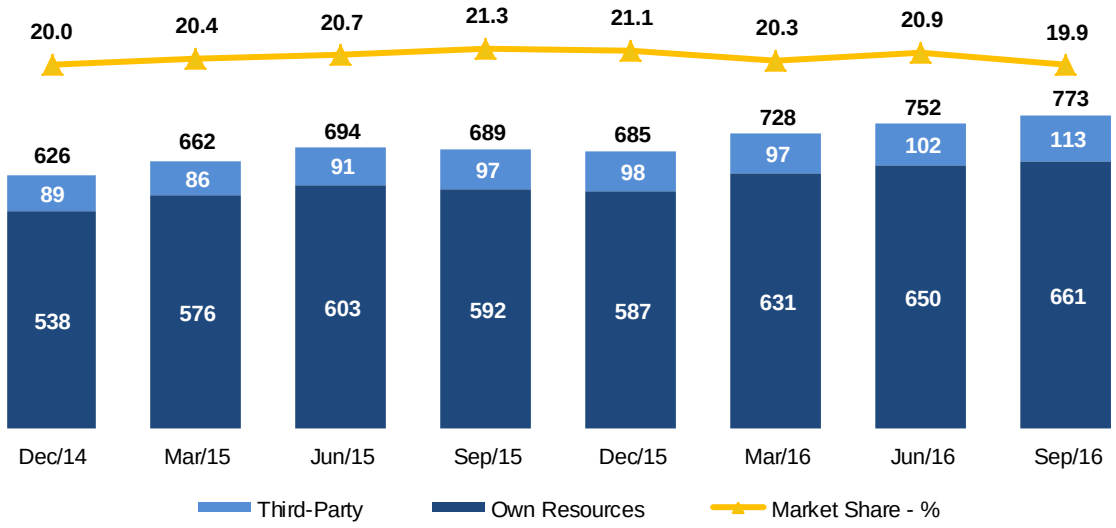
i) increase in the BB DTVM assets under management;

ii) advance in Credit Receivables Investment Funds, and;

iii) growth in social security sector net resources.

The next graph shows the evolution of the custody resources in Banco do Brasil.

Figure 45. Domestic Custody Total Assets and Market Share – R$ billion



Source: Anbima.

Sustainability

Currently, BB DTVM manages five investment funds with socio-environmental characteristics. The following table shows the balance of assets under management in these funds.

Table 129. Management of Investment Funds With Socio-Environmental Characteristics

	Balance		Chg. (%)
R$ million	Sep/15	Sep/16	Sep/15
BB Multi Global Acqua LP Private FI	511.7	291.9	(42.9)
BB Referenciado DI Social 50	104.2	109.7	5.3
BB Previdenciário Ações Governança	138.9	111.7	(19.6)
BB Ações ISE Jovem FIC	10.6	9.2	(13.6)
BB Ações Carbono Sustent. FIA	6.0	4.5	(25.1)
Total	**771.4**	**526.9**	**(31.7)**

Source: CVM - Brazilian Securities and Exchange Commission.

6.4. Capital Market

Banco do Brasil operates in the capital market through its wholly-owned subsidiary BB-Banco de Investimento S.A.(BB-BI).

In the international capital markets, BB operates through its wholly-owned subsidiaries: BB Securites Ltd. (London), Banco do Brasil Securities LLC. (New York) and BB Securities Asia Pte Ltd. (Singapore).

BB-BI's portfolio includes services that involve market research, transactions structuring and distribution, assets settlement and custody, as well as products and services for individuals and companies. The main products and services are highlighted below:

I. **Mergers and acquisitions**: BB-BI provides financial advice on acquisitions, corporate restructuring (business combinations, split-offs and mergers), private placements, public offering of shares (IPO) and issues appraisal and fairness opinion reports for companies.

II. **Gold:** The Bank provides gold purchase and sale services for its customers, in the form of gold certificates or ingots, as well as services related these assets custody.

III. **Private Equity:** BB-BI holds shares in 15 funds and acts as an advisor for 7 of them, with 53 indirect investments in companies located in various regions in Brazil, from a number of sectors (energy, infrastructure, logistics, ports, railways, agribusiness, etc.) and in different stages of development (consolidated companies, emerging companies and companies with innovative technology).

IV. **Fixed Income:** (i) Domestic market: services for debentures, commercial notes and financial bills coordination, structuring and placement are offered through BB Investimentos.(ii) International market: coordination, structuring and placement of securities issued by companies, banks and the Government through brokerage houses based in London, New York and Singapore, which makes BB a global player in the capital market.

V. **Equity:** BB-BI provides all stages public share offerings advisory services, tender offers for acquisition of shares (OPAs) and offerings of Cepacs (instruments used to raise resources to fund public construction projects). It also provides services related to the structuring and placement of Real Estate Investment Funds (FII). For individual investors, the equity portfolio includes share purchase and sale services, and, for private banking investors, it also includes share lease services.

VI. **Securitization:** The contracting companies rely on BB-BI's experience to structure, coordinate and distribute receivables transactions. The securities negotiable in Capital Markets, arising from the securitization transactions, are Receivables Investment Funds (FIDCs), Real Estate Receivables Certificates (CRIs) and Agribusiness Receivables Certificates (CRAs).

Performance in the Capital Market

In 3Q16, BB-BI was the coordinator in 18 issuances, including debentures and promissory notes, with a volume of R$4.9 billion. In terms of origination, BB was the 2nd place in ranking Anbima Fixed Income Short Term (volume) and the 3rd ranking Anbima Consolidated, with a market share of 17.2% and 12.3%, respectively.

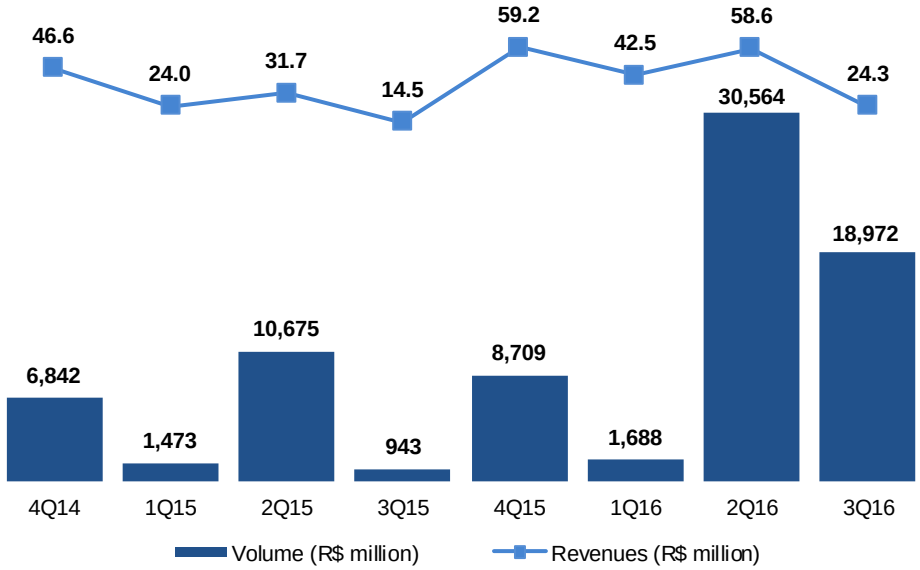
In securitization market, we coordinated six Agribusiness Receivables Certificate (CRA) operations, totaling R$645 million, which ranked BB BI in 2nd place in Anbima origination ranking.

In 3Q16, eight companies issued a total of $7.9 billion; in five of them BB was hired as lead-manager, issuing $5.3 billion. This performance placed us in first place in ANBIMA foreign issuance ranking.

Regarding foreign companies, BB co-managed 1 transaction totaling $700 million. In June, BB also served as advisor to four securities repurchase operations (Tender Offer), with a trading volume close to $9.5 billion.

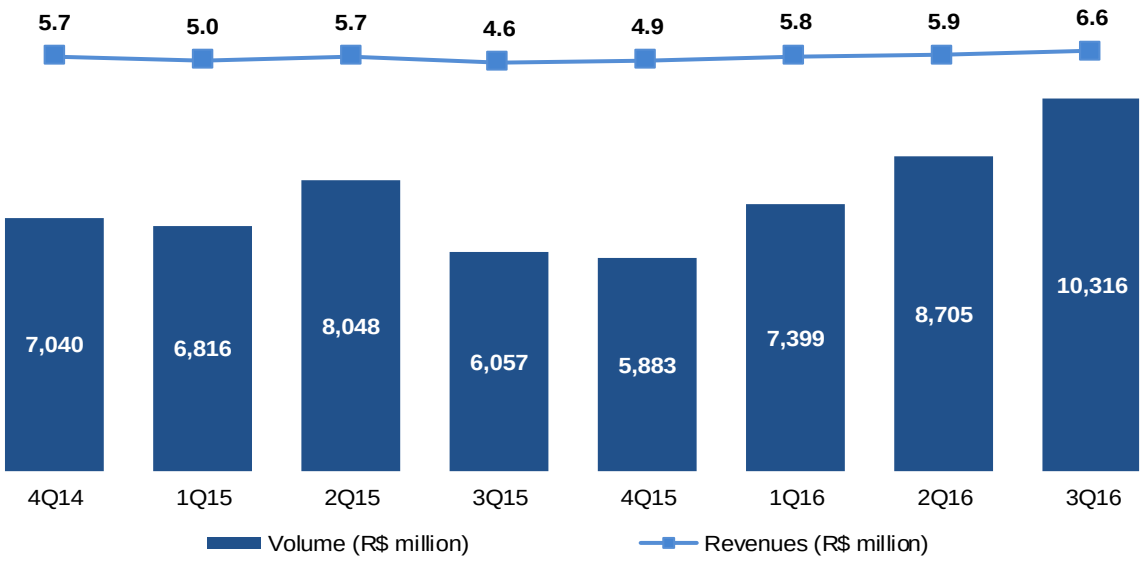
The following graph demonstrates BB-BI performance in the domestic and international market of fixed income securities.

Figure 46. Fixed Income Securities Origination – Domestic and International Markets



For retail investors, BB-BI offers the sale and purchase of shares service through BB's branch service network, internet (home broker) and mobile. In 3Q16, the trading volume was R$10.3 billion, increased of 18.5% compared to 2Q16 and 70.3% over the same period last year. The following graph shows the quarterly series.

Figure 47. Individuals Equity – Secondary Market



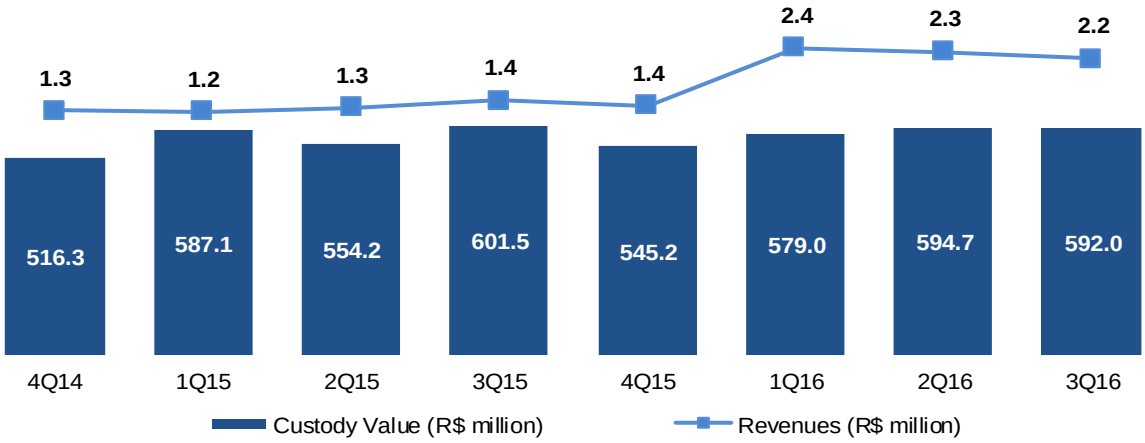
In the private equity industry, BB-BI holds quotas in 15 funds. The total capital allocated by BB-BI to the private equity sector is R$1,306.8 million, as shown in following table.

Table 130. Private Equity – Indirect Interest

	Sep/15		Jun/16		Sep/16	
R$ million	Commited Capital of BB-BI	Share in Committed Capital of the Fund (%)	Commited Capital of BB-BI	Share in Committed Capital of the Fund (%)	Commited Capital of BB-BI	Share in Committed Capital of the Fund (%)
FIP Angra Infraestrutura	60.0	8.1	60.0	8.1	60.0	8.1
FIP Logística Brasil	60.0	13.0	60.0	13.0	60.0	13.0
FIP Brasil Energia	60.0	5.8	60.0	5.8	60.0	5.8
FIP Infra Brasil	60.0	7.3	60.0	7.3	60.0	7.3
FIP Coliseu	200.0	20.1	200.0	20.1	200.0	20.1
FIP Redentor	400.3	28.6	-	-	-	-
FMIEE Rio Bravo Nordeste II	20.0	15.2	20.0	15.2	20.0	15.2
FMIEE Jardim Botanico VC I	20.0	20.0	20.0	20.0	20.0	20.0
FMIEE Fundotec II	12.0	15.5	12.0	15.5	12.0	15.5
FIP Fundo Brasil de Governança Corporativa	82.5	13.8	82.5	13.8	82.5	13.8
FIP Brasil Agronegócio	160.0	19.1	160.0	19.1	160.0	19.1
FIP Brasil Sustentabilidade	40.0	9.5	40.0	9.5	40.0	9.5
FIP Fundo Brasil de Internacionalização de Empresas	88.0	24.4	88.0	24.4	88.0	24.4
FIP Brasil Portos e Ativos Logísticos	169.3	18.8	169.3	18.8	169.3	18.8
FIP Brasil Óleo e Gás	125.0	25.0	125.0	25.0	125.0	25.0
FIP Fundo Brasil de Internacionalização de Empresas II	150.0	21.4	150.0	21.4	150.0	21.4
Total	**1,707.0**		**1,306.8**		**1,306.8**	

The figure below shows the balance held by BB-BI in the gold market and revenues from custody.

Figure 48. Gold – Custody Balance and Revenues



6.5. Insurance

BB Seguridade is the Banco do Brasil insurance group. Established in 2012, the company resulted from the corporate restructuring undertaken since 2008. Among its activities are the sale of insurance products, pension plans, premium bonds and brokerage services.

Additional information on BB Seguridade and insurance businesses can be found in that company's MD&A, available at www.bancodobrasilseguridade.com.br.

The following table shows the main BB Seguridade performance ratios.

Table 131. BB Seguridade – Performance Ratios

	Quarterly Flow		
R$ million	3Q15	2Q16	3Q16
Performance Ratios - %			
Insurance - Life, Mortgage Life and Rural			
Loss Ratio[1]	25.6	30.9	31.3
Comission Ratio[2]	27.0	28.0	27.0
Technical Margin	47.8	41.3	41.9
Combined Ratio[3]	65.1	68.5	70.1
Expanded Combined Ratio[4]	59.3	62.3	64.2
Adjusted ROAE	53.7	46.8	48.4
Insurance - Property and Casualty			
Loss Ratio[1]	57.2	56.6	59.7
Comission Ratio[2]	22.6	22.6	23.7
Technical Margin	20.9	21.0	16.8
Combined Ratio[3]	100.3	96.8	102.3
Expanded Combined Ratio[4]	91.3	88.9	95.8
Adjusted ROAE	11.8	13.9	4.7
Pension Plans			
Comission Ratio[2]	1.3	0.7	1.3
Adjusted ROAE	38.0	39.0	43.0
Premium Bonds			
Comission Ratio[2]	47.3	43.2	51.1
Premium Bonds Margin	20.5	18.3	10.5
Adjusted ROAE	65.4	84.1	87.9
Brokerage			
Adjusted Operating Margin	83.7	80.1	79.7
Adjusted Net Margin	59.1	57.7	57.1

1 – Loss Ratio = Expenses with Claims / Earned Premiums.
2 – Comission Ratio = Acquisition Costs / Earned Premiums.
3 – Combined Ratio = (General Expenses + Administrative expenses + Acquisition Costs + Expenses with Claims + Revenue of Policy Issuance + Result with Reinsurance) / Earned Premiums.
4 – Expanded Combined Ratio = (General Expenses + Administrative Expenses + Acquisition Costs + Expenses with Claims + Revenue of Policy Issuance + Result with Reinsurance) / (Earned Premiums + Net Investment Income).

6.6. Consortium

The consortium market had R$50.3 billion businesses ended to August 2016, according to recent data from the Brazilian Association of Consortium Administrators - ABACI, the number of customers was 7.0 million.

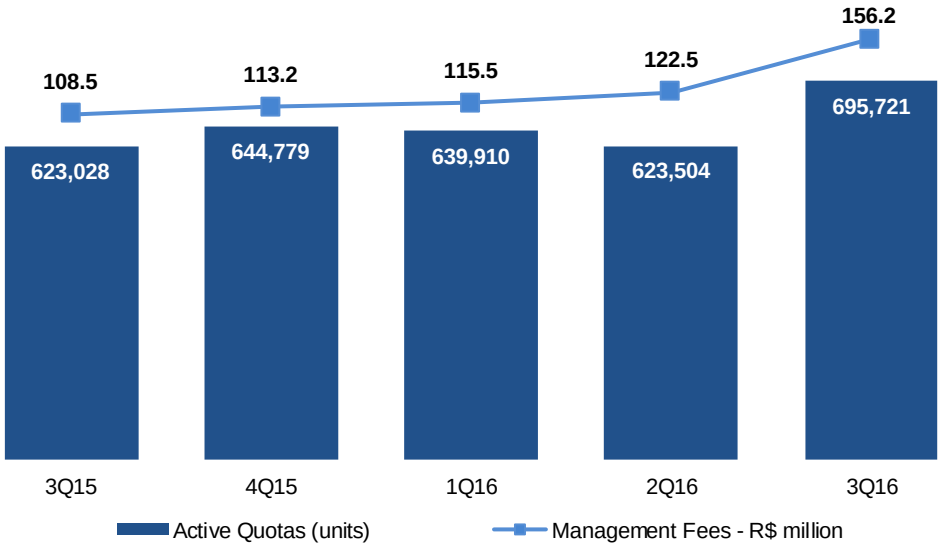
In 3Q16, the consourtium it was prioritized in sales force. In this period they were sold approximately 120 thousand the consortium e balance R$3.85 billion new businesses

Banco do Brasil operates in the consortium market through its subsidiary, BB Administradora de Consórcios S.A. In Ago/16, according to the latest data available in Brazilian Central Bank, BB Consórcios had a 9.9% market share.

Table 132. Consortium – Current Quotas per Type

	Balance						Chg. (%)	
units	Sep/15	Share %	Jun/16	Share %	Sep/16	Share %	Sep/15	Jun/16
Auto	581,236	93.3	579,103	92.9	649,775	93.4	11.8	12.2
Mortgage	18,348	2.9	19,673	3.2	21,458	3.1	17.0	9.1
Motorcycle	10,277	1.6	10,511	1.7	10,340	1.5	0.6	(1.6)
Tractor/Truck	7,220	1.2	7,562	1.2	7,721	1.1	6.9	2.1
Electric and Electronic Devices	2,680	0.4	3,375	0.5	3,252	0.5	21.3	(3.6)
Services	3,267	0.5	3,280	0.5	3,175	0.5	(2.8)	(3.2)
Total	**623,028**	**100.0**	**623,504**	**100.0**	**695,721**	**100.0**	**11.7**	**11.6**

Figure 49. Consortium – Fee Income and Current Quotas



The tables below show a comparison of the average ticket, average term and average management fee of the quotas sold in the last periods.

Table 133. Consortium – Average Ticket

	Balance				
R$	3Q15	4Q15	1Q16	2Q16	3Q16
Mortgage	180,205	169,480	181,044	187,132	141,912
Tractor/Truck	139,218	141,634	144,907	156,528	141,843
Auto	25,629	27,846	33,114	35,394	31,232
Motorcycle	8,696	9,052	9,451	9,881	10,907
Services	4,429	5,247	7,143	7,101	7,343
Electric and Electronic Devices	3,126	2,989	4,589	4,535	4,736

Table 134. Consortium[1] – Average Term and Average Management Rate

	3Q15		2Q16		3Q16	
	Average Term (months)	Average Rate (%)	Average Term (months)	Average Rate (%)	Average Term (months)	Average Rate (%)
Mortgage	139	19.2	129	19.6	150	19.6
Tractor/Truck	93	15.1	84	15.2	81	15.0
Auto	67	13.9	66	15.3	73	15.3
Motorcycle	48	20.2	46	20.3	51	20.2
Services	23	23.1	28	22.0	26	22.1
Electric and Electronic Devices	31	20.2	29	19.1	30	20.2

1 – Contracted in the period

7 - Productivity and Efficiency

Banco do Brasil has improved its operational efficiency and productivity due to strict control of administrative expenses, personnel expenses and operating expenses.

7.1. Key Productivity Ratios

This section presents the productivity ratios usually adopted in the analysis of financial institutions.

Following is the Pre-Tax and Pre-Provision Earnings. It consists primarily of net Banking Product and Total Operating Expenses and shows the evolution of the Bank's business.

Table 135. Pre-Tax and Pre-Provision Earnings

	Quarterly Flow			Var. (%)		9 Months Flow		Var. (%)
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Total Operating Income (Banking Product)	**22,322**	**23,939**	**24,370**	**9.2**	**1.8**	**64,527**	**71,431**	**10.7**
Operating Income	22,059	23,686	24,299	10.2	2.6	63,226	70,787	12.0
Net Interest Income	13,251	14,633	15,099	13.9	3.2	38,270	44,008	15.0
Fee Income	5,691	6,063	6,022	5.8	(0.7)	16,488	17,643	7.0
Eq. Interest of Subsidiaries and Affiliates	942	1,091	1,064	13.0	(2.4)	2,852	3,153	10.6
Other Operating Income	2,174	1,898	2,113	(2.8)	11.3	5,616	5,982	6.5
Previ - Plano de Benefícios	40	(54)	(141)	-	162.4	318	(248)	-
Previ - Fundo de Utilização Restatement	223	307	212	(4.9)	(30.9)	983	892	(9.2)
Total Operating Expenses	**(12,420)**	**(13,262)**	**(13,655)**	**9.9**	**3.0**	**(35,650)**	**(39,729)**	**11.4**
Administrative Expenses	(7,850)	(7,973)	(8,419)	7.3	5.6	(23,228)	(24,201)	4.2
Personnel Expenses	(4,765)	(4,956)	(5,283)	10.9	6.6	(14,265)	(15,028)	5.3
Other Administrative Expenses	(3,085)	(3,017)	(3,137)	1.7	4.0	(8,963)	(9,173)	2.3
Legal Risk	(725)	(581)	(629)	(13.3)	8.2	(1,061)	(2,000)	88.5
Other Tax Expenses	(137)	(92)	(121)	(11.7)	31.8	(337)	(330)	(2.2)
Taxes on Revenues	(1,047)	(1,291)	(1,274)	21.7	(1.3)	(3,155)	(3,788)	20.1
Other Operating Expenses	(2,661)	(3,325)	(3,212)	20.7	(3.4)	(7,869)	(9,410)	19.6
Non-Operating Income	**69**	**72**	**55**	**(20.0)**	**(23.2)**	**138**	**163**	**18.8**
Pre-Tax and Pre-Provision Earnings	**9,971**	**10,749**	**10,770**	**8.0**	**0.2**	**29,014**	**31,865**	**9.8**

In the table below it is presented the main ratio disregarding *lump sum* granted to employees regarding the ACT/2016/2018, in the amount of R$392 million.

Table 136. Efficiency Ratios

	Quarterly Flow			Var. (%)		9 Months Flow		Var. (%)
	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Pre-Tax and Pre-Provision Earnings	9,971	10,749	11,163	12.0	3.9	29,014	32,258	11.2
Administrative Expenses	(7,850)	(7,973)	(8,026)	2.3	0.7	(23,228)	(23,808)	2.5
Cost Income Ratio (%)[1]	42.5	39.9	39.3	-	-	42.0	38.8	0.0

1- The Cost Income Ratio (quarterly flow) is calculated based on the balances of the last 12 months.

In the next table it can be seen that the personnel expenses coverage ratio (fee income/ personnel expenses), administrative expenses coverage ratio (fee income/administrative expenses) and cost income ratio (administrative expenses/total operating income) improved due to the positive performance, in 9M16, net interest income, fee income and expenses control.

Table 137. Cost Income an Coverage Ratio – Adjusted[1]

	Quarterly Flow					9 Months Flow	
%	3Q15	4Q15	1Q16	2Q16	3Q16	9M15	9M16
Fee Income / Personnel Exp. - Quarterly	119.4	119.0	116.1	122.3	114.0	115.6	117.4
Fee Income / Personnel Exp. - 12 month	**118.9**	**116.5**	**116.2**	**119.2**	**117.8**	**-**	**-**
Fee Income / Administ. Exp. - Quarterly	72.5	70.6	71.2	76.0	71.5	71.0	72.9
Fee Income / Administ. Exp. - 12 month	**71.9**	**70.9**	**70.9**	**72.5**	**72.3**	**-**	**-**
Cost Income Ratio	40.5	40.7	39.2	39.2	39.9	42.0	39.4
Cost Income Ratio 12 month	**42.5**	**41.6**	**40.9**	**39.9**	**39.7**	**-**	**-**

1 - Data from Income Statement with Reallocations.

The following table shows other productivity ratios.

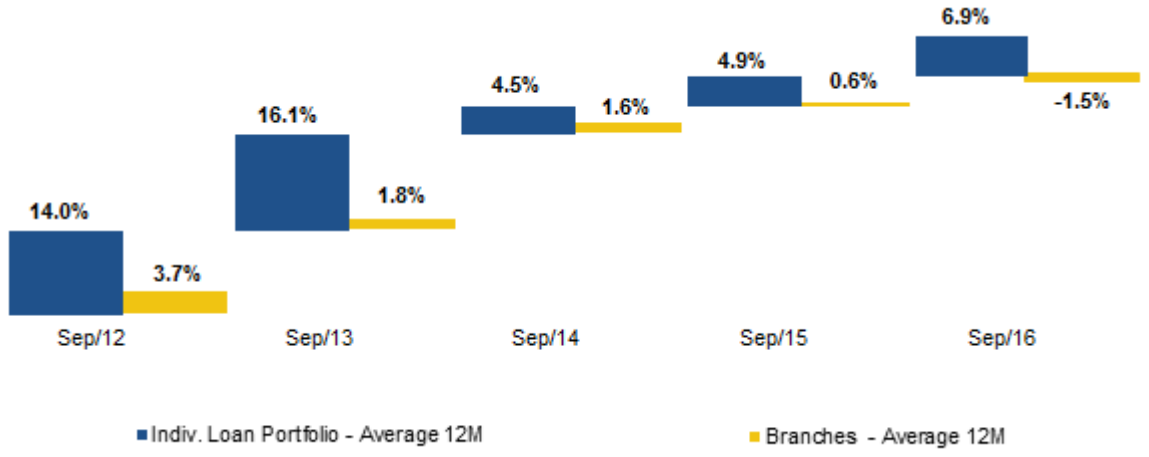
Table 138. Other Productivity Ratios

	Sep/15	Dec/15	Mar/16	Jun/16	Sep/16
Assets per Employee - R$ thousand	12,821	12,832	12,787	13,184	13,267
Checking Accounts/Own Service Network	2,084	2,148	2,166	2,197	2,212
Checking Accounts/Employees in Branches	437	443	439	440	443
Fee Income/Own Service Network - R$ thousand	312	340	318	353	352
Personnel Expenses per Employee - R$ thousand	43	46	44	45	48
Credit Portf. (Broad Definition)/Own Service Network - R$ million	43	45	44	44	43
Employees in Branches/(Branches+Services Posts)	12	12	12	12	12

The following charts show the evolution of BB's productivity over the last 5 years.

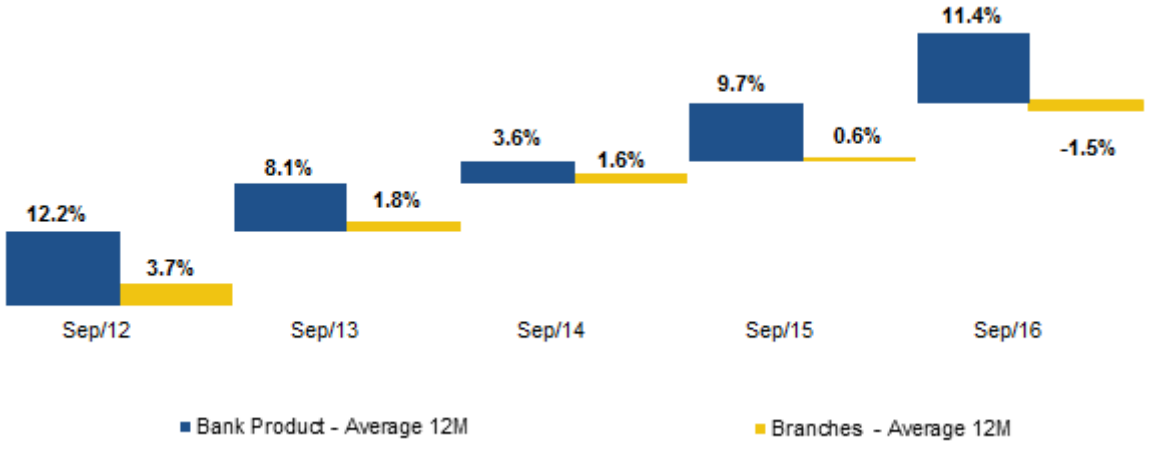
The first graph shows the growth of individuals classified loan portfolio and the number of branches over the previous period.

Figure 50. Individuals Loan Portfolio and Branches



The next chart shows the evolution of bank product and the number of branches.

Figure 51. Bank Product and Branches



7.2. Personnel Expenses

In the 9M16/9M15 comparison, the administrative expenses increased 5.3%. Disregarding *lump sum* granted to employees regarding the ACT/2016/2018, growth would be only 2.6%, significantly lower than the inflation of the period.

Table 139. Personnel Expenses

R$ million	Quarterly Flow 3Q15	2Q16	3Q16	Var. (%) 3Q15	2Q16	9 Months Flow 9M15	9M16	Var. (%) 9M15
Personnel Expenses	**(4,765)**	**(4,956)**	**(5,283)**	**10.9**	**6.6**	**(14,265)**	**(15,028)**	**5.3**
Salaries	(2,192)	(2,687)	(2,350)	7.2	(12.5)	(6,879)	(7,288)	5.9
Social Charges	(796)	(825)	(782)	(1.8)	(5.2)	(2,415)	(2,380)	(1.5)
Administrative Personnel Provisions	(950)	(554)	(1,265)	33.2	128.2	(2,527)	(2,703)	6.9
Benefits	(626)	(669)	(661)	5.6	(1.2)	(1,851)	(1,993)	7.6
Pension Fund	(173)	(192)	(198)	14.7	3.5	(514)	(586)	13.9
Training	(17)	(17)	(15)	(13.3)	(14.2)	(45)	(43)	(3.3)
Remunerat. for Directors and Officers	(12)	(13)	(12)	(2.3)	(9.3)	(34)	(36)	7.2
Jointly Controlled Companies	**(326)**	**(331)**	**(329)**	**0.8**	**(0.7)**	**(952)**	**(986)**	**3.6**
Personnel Expenses Managerial	**(5,091)**	**(5,287)**	**(5,611)**	**10.2**	**6.1**	**(15,217)**	**(16,014)**	**5.2**

The following figures show the changes in BB's staff and the staff members' profile.

Figure 52. Evolution of BB's Staff

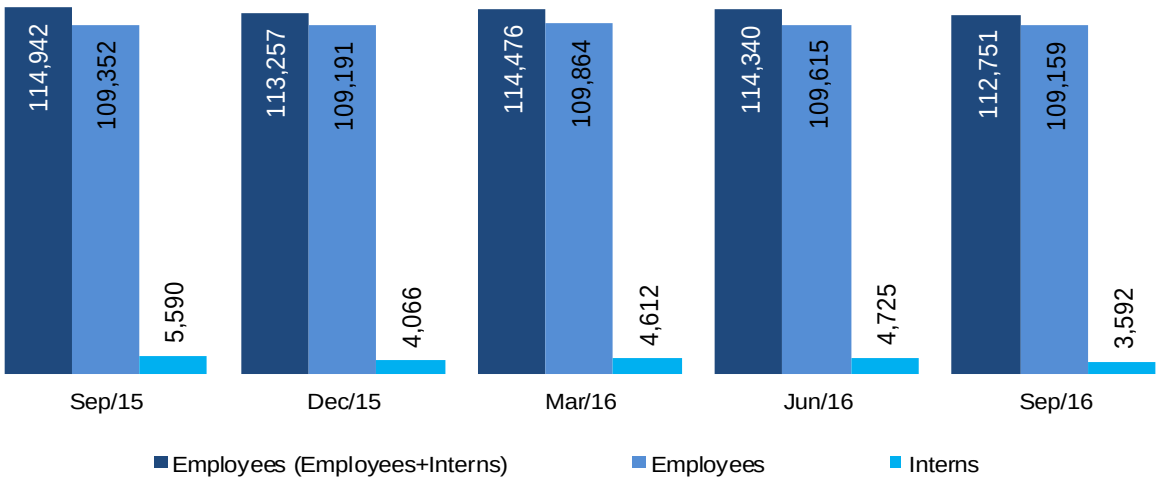


Table 140. BB's Staff Members Profile

	Sep/15	Dec/15	Mar/16	Jun/16	Sep/16
Employees	**109,352**	**109,191**	**109,864**	**109,615**	**109,159**
Female	45,451	45,382	45,627	45,542	45,408
Male	63,901	63,809	64,237	64,073	63,751
Educational Level					
High School	23,894	23,489	23,635	22,846	22,060
College	48,211	47,658	47,563	47,210	46,916
Specialization, Master's and Doctorate	36,930	37,728	38,356	39,250	39,875
Others	317	316	310	309	308
Turnover - Quarterly Index (%)	**4.8**	**0.3**	**0.4**	**0.4**	**0.4**

7.3. Other Administrative Expenses

In table Other Administrative Expenses, the total balance is presented in accordance with current regulations and a line referring to the agglutinated balance of jointly controlled companies and affiliates was added, enabling comparability to prior periods.

In the 9M16/9M15 comparison, the other administrative expenses increased 2.3%, below Guidance, mainly due to:

I - Expenses with Premises and Equipment - increase resulting from new contracts;

II - Security Guard and Transport Services – increase resulting annual increase in surveillance contracts.

III - Communication and Data Processing - reduction resulting from renegotiation of contracts;

Table 141. Other Administrative Expenses

	Quarterly Flow			Var. (%)		9 Months Flow		Var. (%)
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Other Administrative Expenses	**(3,085)**	**(3,017)**	**(3,137)**	**1.7**	**4.0**	**(8,963)**	**(9,173)**	**2.3**
Expenses with Premises and Equipment	(654)	(634)	(768)	17.5	21.1	(1,930)	(2,090)	8.3
Security. Guard and Transport Services	(575)	(567)	(627)	8.9	10.5	(1,677)	(1,736)	3.6
Telecommunications and Data Processing	(457)	(510)	(381)	(16.6)	(25.2)	(1,419)	(1,355)	(4.5)
Expenses with Outsourced Services	(488)	(445)	(467)	(4.4)	4.9	(1,431)	(1,413)	(1.3)
Amortization and Depreciation	(331)	(338)	(345)	4.4	2.1	(960)	(1,019)	6.2
Advertising and Public Affairs	(157)	(128)	(140)	(10.4)	9.5	(360)	(387)	7.5
Other Administrative Expenses	(423)	(394)	(408)	(3.5)	3.5	(1,187)	(1,172)	(1.2)
Jointly Controlled Companies	(438)	(482)	(478)	8.9	(0.9)	(1,224)	(1,357)	10.9
Other Adm. Expenses Managerial	**(3,523)**	**(3,499)**	**(3,614)**	**2.6**	**3.3**	**(10,187)**	**(10,530)**	**3.4**

The data on the structure of the Bank to contribute to the formation of other administrative expenses, is presented as follows.

7.3.1. Service Network

Banco do Brasil ended 3Q16 with 66.8 thousand points of service, including its own service, shared channels and Agents in the country network. It is present in 99.7% of the Brazilian municipalities.

BB has partnerships for ATM sharing and to use the chain of lottery stores for withdrawals, deposits, payments and other services. These partnerships consolidate the wide spread and national customer service of Banco do Brasil and its effects can be realized in the reduction of electronic service stations of the network itself and the increase in the amount of the Banco 24h terminals shared network.

The table below shows the breakdown of BB's Service Network

Table 142. Service Network

	Quantity			Chg. (%) on	
	Sep/15	Jun/16	Sep/16	Sep/15	Jun/16
Own Service Network	**18,260**	**17,181**	**17,092**	**(6.4)**	**(0.5)**
Branches	5,424	5,428	5,430	0.1	0.0
Service Posts	1,807	1,738	1,736	(3.9)	(0.1)
Automated Service Posts	11,029	10,015	9,926	(10.0)	(0.9)
MaisBB Network	**14,399**	**14,110**	**13,676**	**(5.0)**	**(3.1)**
Agents in the Country[1]	8,235	7,962	7,531	(8.5)	(5.4)
Banco Postal	6,164	6,148	6,145	(0.3)	(0.0)
Shared Network Channels	**35,066**	**35,680**	**36,004**	**2.7**	**0.9**
CEF - Lottery Stores	13,216	13,146	13,096	(0.9)	(0.4)
Banco 24h	17,912	18,935	19,456	8.6	2.8
ATM: BRB + CEF	3,938	3,599	3,452	(12.3)	(4.1)
Total	**67,725**	**66,971**	**66,772**	**(1.4)**	**(0.3)**

1- Review of agreements with agents in the country.

BB has the largest branch network in Brazil. The following table shows the distribution of branches by region of the country.

Table 143. Branch Network by Region

	BB	Banking Industry	Share %
Southeast	2,432	12,346	19.7
Northeast	1,137	3,729	30.5
South	1,057	4,415	23.9
Middle West	484	1,863	26.0
North	320	1,186	27.0
Total	**5,430**	**23,539**	**23.1**

7.3.2. Automated Service Channels

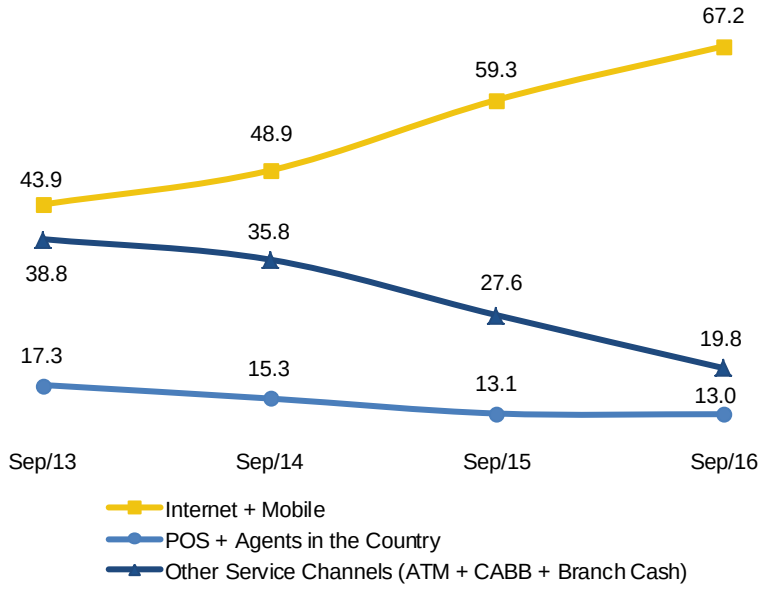
BB's automated service channels are a strategic advantage, providing a wide range of services and products to customers, contributing to cost control. At the end of 3Q16, these channels accounted for 98.1% of transactions in the bank.

Mobile and Internet Banking

BB Mobile and Internet Banking seek to make the customers' experience increasingly simple, fast, secure and convenient, with the availability of a broad product and service portfolio in order to provide service where the customer is at any time.

The transactions made through these channels are responsible for a significant portion of total banking transactions at Banco do Brasil. The next figure shows the evolution of the percentage of transactions performed by service channel.

Figure 53. Transactions by Service Channels - %



The next two charts show the recent evolution of the number of registered users and transactions in mobile and internet banking channels, respectively.

Figure 54. Number of Registered Users (million) – Internet and Mobile Banking

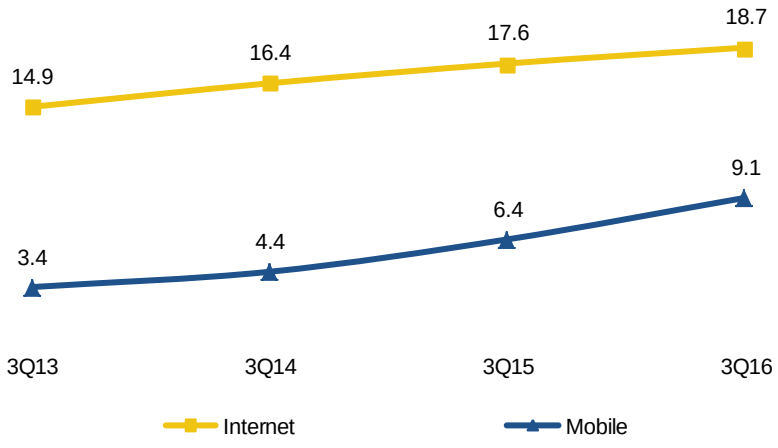
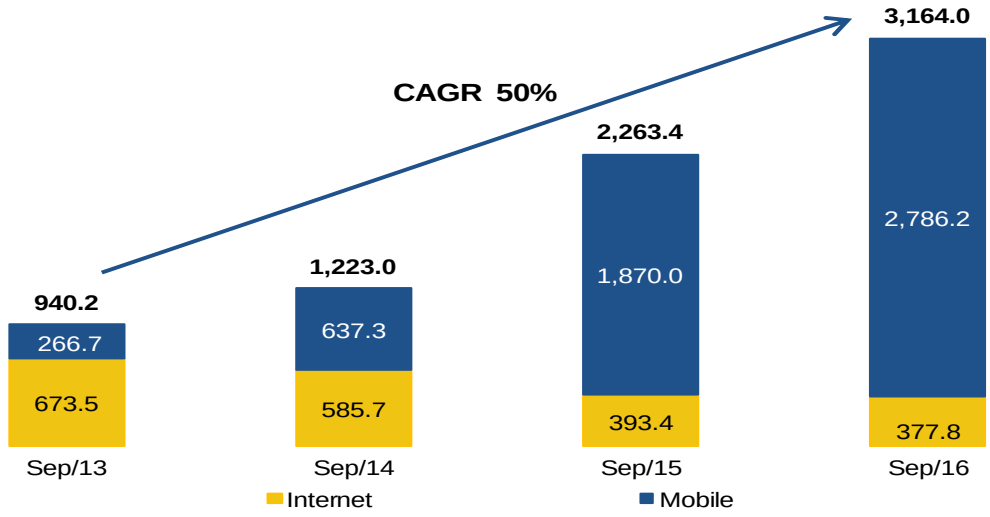


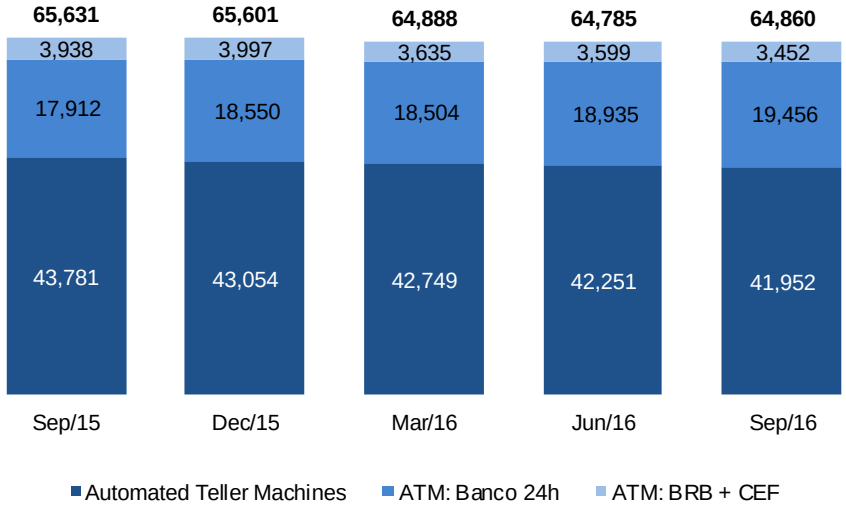
Figure 55. Number of Transactions (million) – Individuals Internet Banking and Mobile Banking



Automated Teller Machines

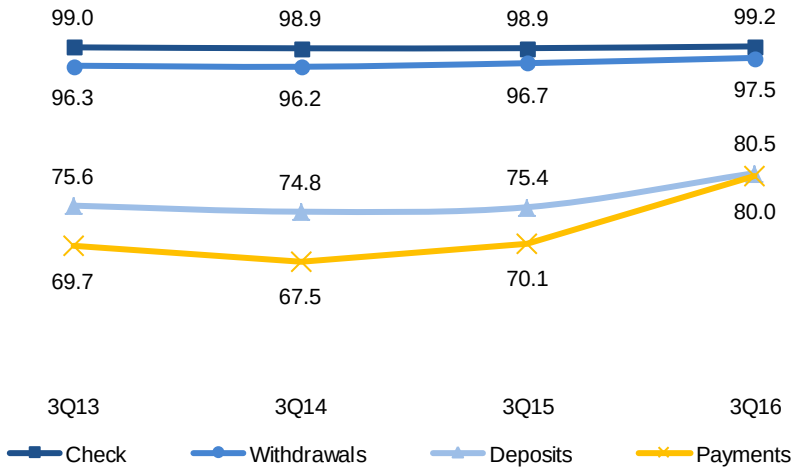
Banco do Brasil has the largest automated teller machine (ATM) network in the country. The following figure shows the number of ATMs owned by BB, ATMs from the partnership with Caixa Econômica Federal (CEF), Banco de Brasília (BRB) and the Banco24h network.

Figure 56. Automated Teller Machines



The next chart shows that the ATMs, compared with the branches and service posts, account for absolute most of the basic banking transactions such as multiple checks, withdrawals, deposits and payments.

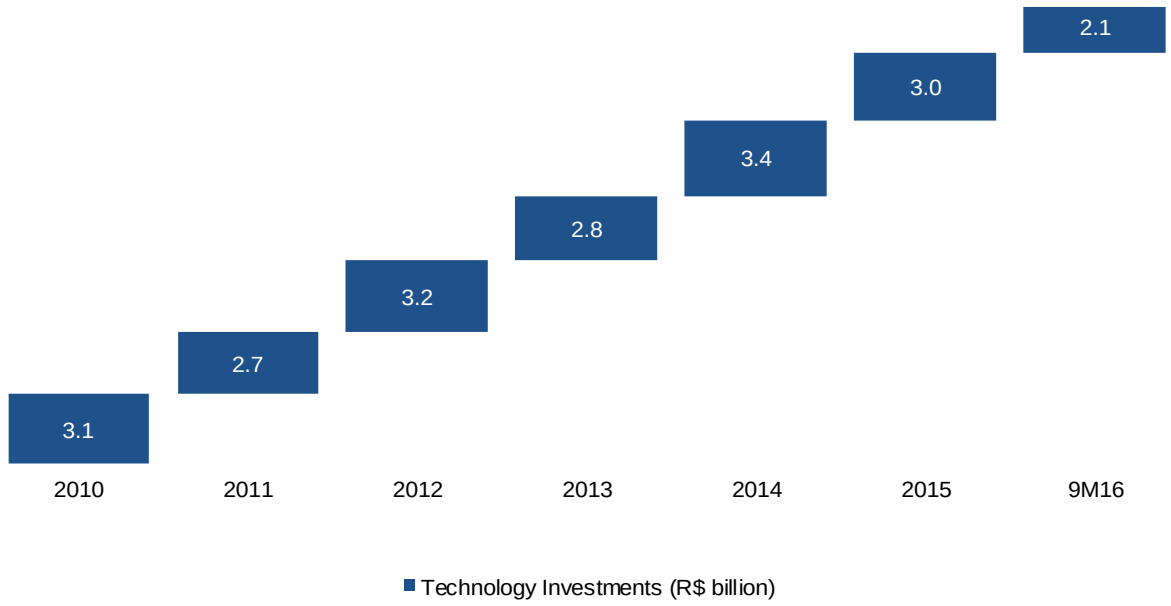
Figure 57. ATMs' Share in Basic Banking Transactions (% average)



Technology Investiments

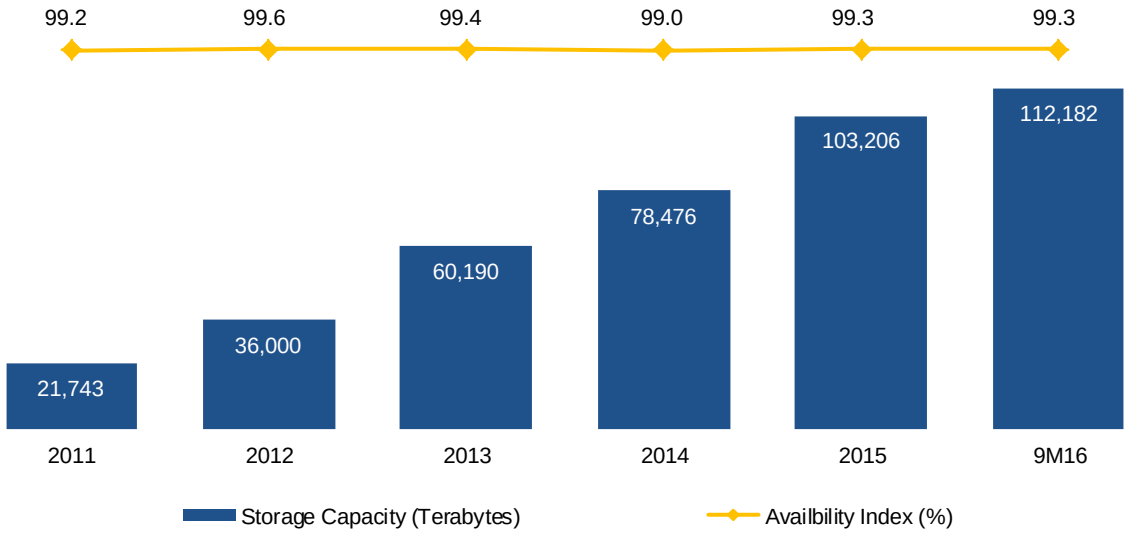
Banco do Brasil continually invests in technology to improve operational efficiency, reduce operating losses, expand business and improve customer service. Between 2010 and Sep/2016 were invested R$20.8 billion. The next figure shows the distribution of the total amount invested throughout the period.

Figure 58. Tecnology Investments



An important result of technology investments is related to the significant increase in the storage data capacity and the availability index, as shown in the next figure.

Figure 59. Storage Capacity and Availability Index



7.4. Other Operating Income and Expenses

The following table shows the main lines in other operating income/expenses. The line "Other" is the sum of unimportant and minor subaccounts.

Table 144. Other Operating Income/Expenses

	Quarterly Flow			Var. (%)		9 Months Flow		Var. (%)
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Other Operating Income	**2,174**	**1,898**	**2,113**	**(2.8)**	**11.3**	**5,616**	**5,982**	**6.5**
Income from Guarantee Deposits	732	771	841	14.8	9.0	1,907	2,278	19.5
Recovery of Charges and Expenses	352	318	370	5.3	16.6	936	1,050	12.2
Receivables Income	223	228	236	5.8	3.3	638	685	7.4
Card Transactions	349	169	167	(52.1)	(1.0)	864	597	(30.9)
Income from non-financial Associated Companies	83	80	70	(16.4)	(12.7)	185	227	22.8
Other Operating Expenses	**(2,661)**	**(3,325)**	**(3,212)**	**20.7**	**(3.4)**	**(7,869)**	**(9,410)**	**19.6**
Negotiation Relationship Allow ance	(527)	(505)	(486)	(7.8)	(3.8)	(1,511)	(1,497)	(0.9)
Card Transactions	(383)	(408)	(311)	(18.9)	(23.7)	(1,255)	(1,044)	(16.8)
Actuarial Liabilities	(243)	(312)	(284)	17.2	(8.8)	(717)	(908)	26.6
Discounts Granted on Renegotiations	(215)	(411)	(261)	21.4	(36.5)	(541)	(902)	66.8
Remuneration for Transactions of Banco Postal	(297)	(309)	(332)	11.6	7.3	(868)	(939)	8.2
Income from Guarantee Deposits	(253)	(318)	(412)	62.7	29.7	(686)	(970)	41.3
Goodw ill Amotization	(254)	(277)	(276)	8.7	(0.2)	(759)	(830)	9.4
Negotiation Relationship Bonus	(21)	(181)	(214)	-	18.6	(62)	(475)	-
Other Oper. Exp. from Non-Financ. Comp.	(105)	(94)	(115)	9.9	22.0	(269)	(322)	19.6
Other	**72**	**(178)**	**(90)**	**-**	**(49.3)**	**(113)**	**(379)**	**-**

7.5. Operational Loss

Banco do Brasil classifies its operating losses in categories of operational risk events according to CMN Resolution 3,380/2006. BB considers constitutions/reversals of provisions - notably for contingent liabilities – in the total operating losses calculated for the Labor Issues, Business Failures and Process Failures categories.

BB registers in "Business Failures" category operating losses related to reimbursements or indemnities to account and non-account holders due to lawsuit and administrative proceedings, excluding those arising from fraud, and from questions related to service practices and products and services sold by the Bank and its business partners.

The category "Labor Issues" registers losses arising from disagreements in the employee-employer relationship involving contracts or laws, health, safety and discrimination in the workplace, including losses due to joint liability relating to outsourced employers.

Losses resulting from "External Fraud and Theft" are characterized by third party acts with intent to misappropriate BB's or customers' valuables and assets. Operational losses originated from electronic fraud and external theft standout in this category.

The "Process Failures" category is characterized by the possibility of losses on payments to other banks, business partners, suppliers, regulators, supervisory and controlling agencies, resulting from failures or inadequacies in the implementation, conduction and management of the activities associated with the respective internal processes.

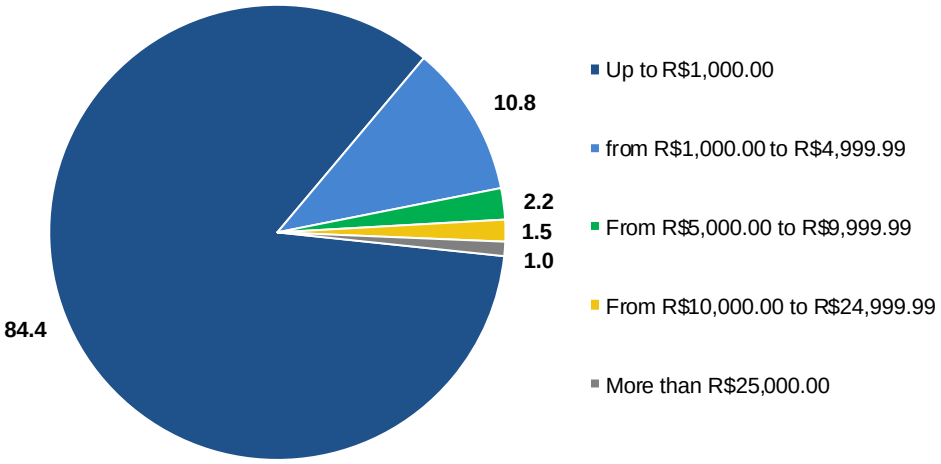
The following table shows the percentage share for each category.

Table 145. Breakdown of Operational Loss - %

	3Q15	4Q15	1Q16	2Q16	3Q16
Business Failures	69.7	(0.9)	33.5	20.7	51.6
Labor Issues	19.1	61.6	44.1	63.9	29.6
External Fraud and Theft	5.1	25.7	14.8	16.6	15.7
Process Failures	5.9	10.8	6.7	0.9	2.1
Internal Fraud	0.2	2.1	0.7	0.1	0.9
Physical Assets Damage	-	0.3	0.2	0.0	0.1
System Failures	0.0	0.4	0.1	-	0.0
Activities Interruption	0.0	0.0	-	(2.2)	-
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

BB's operational losses are concentrated (95.2%) in amounts below R$5,000.00, with 84.4% in amounts below to R$1,000.00.

Figure 60. Operational Loss for Value Range - %



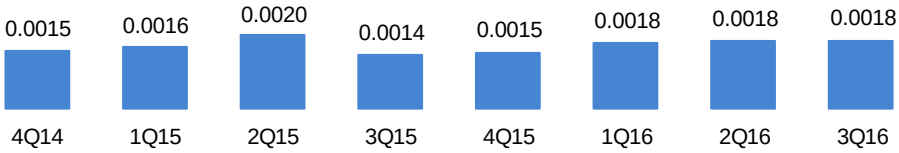
The behavior of the "External Fraud and Theft" category is presented on the following figures by describing the main variations of amounts and quantities, among other information. This category includes operating losses arising from electronic fraud, external theft, cards losses and document fraud.

Electronic Fraud

The result observed in 3Q16 maintains the downward trend in the percentage of transactions contested by clients. This reduction is a result of mitigation actions implemented by BB in automated service channels. Among these, we highlight: expansion of biometrics in BB ATMs; mass migration from magnetic ribbon cards to chip cards; and improvements in monitoring transaction rules in automated service channels.

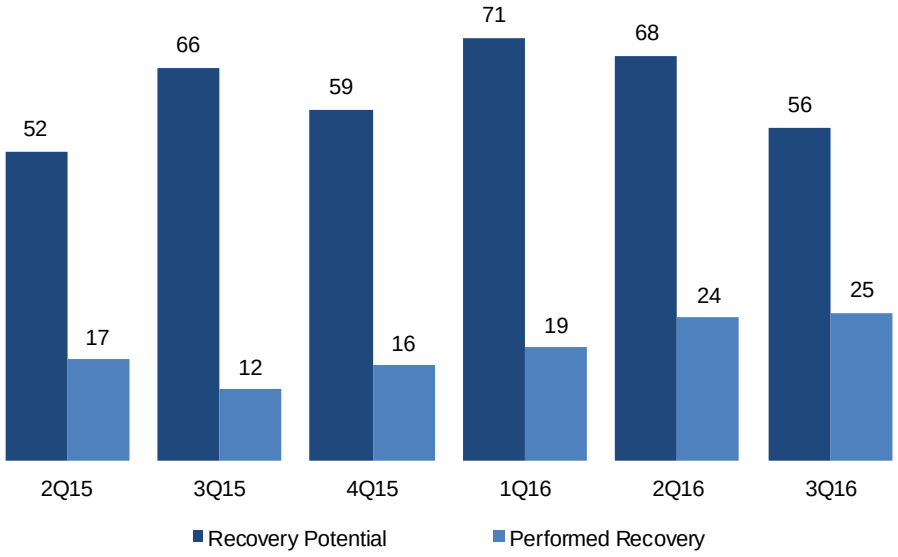
The next graph shows the ratio between the number of fraudulent transactions and the number of transactions in these channels.

Figure 61. Ratio between Fraudulent Transactions and Total Transactions - %



BB acts to mitigate operational losses in customer automated service channels, as to recover amounts taken. The next figure shows the recovered percentage compared to the total losses recorded.

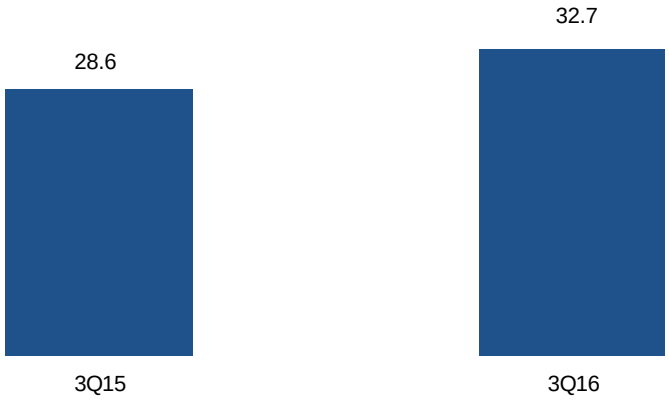
Figure 62. Ratio between Recovery Potential and Performed Recovery – Service Channels (%)



External Theft

BB continues to implement actions to reduce incidents with external theft, providing security solutions always aiming to protect their customers, employees and the assets of the Group. In this sense, physical security solutions for facilities have been expanded , regarding ATM network, the safety equipment, the optimization of the provision of the alarm system maintenance, to strategies for cash management as well as continued dissemination of operational risk culture and safety through training, information and courses available in UniBB. All these actions have a purpose to mitigate the operational losses from third party acts against the bank. Besides that, all improvement actions regarding cash management were expanded. In 3Q16 there was a reduction of 2.2% in the volume of effect losses, 46.3% in total losses avoided attacks, compared to the same period last year

Figure 63. Prevented Number of Attacks versus Number of Attacks - %



8 - Other Components of the Balance Sheet

From 2Q16 the information that was provided on chapter 8.3 (deferred taxes) will be presented in investor relations section of Banco do Brasil's website (www.bb.com.br/ir), on historical series spreadsheet.

8.1. Actuarial Assets and Liabilities

Banco do Brasil records on its balance sheet, assets and liabilities arising from benefit plans granted to its employees.

Until 3Q15, BB's actuarial assets represented the sponsors' portion in the surplus obtained by Benefit Plan 1 (Plano 1), administered by Caixa de Previdência dos Funcionários do Banco do Brasil (Previ). Its amount is periodically determined based on actuarial appraisal reports and its availability depends on compliance with requirements established by law and regulatory authorities.

BB's actuarial liabilities are comprised by its obligations to the the Associates Plan (Cassi), some Economus plans, the Informal Plan (Previ), and since 4Q15 due to a deficit from assets fair value and present value of actuarial liabilities, the Plano 1.

8.1.1. Previ

History

Plano 1, a Defined Benefit Plan, was funded by contributions from members, beneficiaries (retirees and pensioners) and the sponsor (Banco do Brasil) until December 2000, at the ratio of 2/3 by BB and 1/3 by members. It was closed to new members on December 23, 1997.

From January 2001, equal contributions (50%) by BB and by members and beneficiaries were implemented, in accordance to Constitutional Amendment #20.

Due to contribution parity, BB's participation in the surplus is 50% of the Plano 1 actuarial assets and obligations at present value.

During the period of surplus of Plano 1, contributions by participants and sponsor were suspended from Jan/07 to Nov/10. That same month, BB signed a Memorandum of Understanding with Previ in order to define the allocation and use of the Plano 1 surplus, as determined in the Complementary Law 109/2001 and in the Resolution CGPC 26/2008. From Dec/10 to Dec/13, the contributions were made using resources of the Fundo de Contribuição.

Considering the lower accumulated surplus, Previ announced in January 2014 to resume the collection of contributions, both for participants and for the sponsor. BB's contributions to the Plano 1, since then, have been made using the Fundo de Utilização.

The actuarial balance of Plano 1 is measured on a semiannual basis (June and December) and contemplates: (i) the plan's surplus amount at the end of current six-month period and (ii) estimated financial results of the plan at the end of subsequent six-month period, considering current service cost projections, contributions, liabilities interest costs and return on assets.

Based on estimated Plano 1 financial results at the end of subsequent six-month period, BB makes an anticipated monthly recognition of this amount at the ratio of 1/6 of projected gains or losses throughout the six-month period to which it refers.

Plano 1 Participants

Employees who were Previ members on December 24, 1997 and those who were terminated or fired before then but opted to remain in the plan are members of Plano 1. Participants are divided into three groups:

I. Contrato 97: participants employed before April 14, 1967, who were not retired and who were not in a position on that date to request their retirement. They were included pursuant to an agreement executed on December 24, 1997 between BB and Previ, in which the sponsor commits to bear retirement payments for the period when the mathematical reserve was not formed. Beginning in April 1967, mathematical reserves that guaranteed benefits of these members' group were paid-in to Plano 1;

II. Employees admitted from April 15, 1967 to December 23, 1997;

III. Grupo Especial: includes participants from Plano 1 - Previ, who received additional supplemental retirement arising from administrative decisions and/or judicial decisions.

Review

Plano 1 assets, according composition shown below, are measured at fair value concerning to the market value.

Plano 1 actuarial liabilities correspond to the net present value of benefits owed to participants, calculated considering survival statistics provided in actuarial table AT 2000 (decreased by 10%) and a nominal discount rate calculated based on the future interest rate curve in transactions with government securities (NTN-B). The rate used by BB is different from the Previ rate, which is based on assumptions established by CGPC 18/2006.

Table 146. Composition of Assets

%	Sep/15	Jun/16	Sep/16
Fixed Income	35.8	42.8	42.8
Variable Income	53.8	45.9	45.9
Real Estate Investments	6.1	6.7	6.7
Loans and Financing	3.6	3.9	3.9
Others	0.7	0.6	0.6
Amounts Listed in Fair Value of Plan Asset			
In the Entity's Own Financial Instruments	7.9	6.6	6.6
In Properties or Other Assets Used by Entity	0.1	0.1	0.1

Table 147. Actuarial Assumptions

%	1H15	2015	1H16
Real discount rate (p.y.)	6.2	7.4	6.2
Nominal rate of return on investments (p.y.)	12.5	15.9	12.0

Plano 1 actuarial assets (liabilities) are equivalent to 50% (parity) of the positive or negative difference between assets at fair value and liabilities at present value.

BB's deficit growth in 1H16 was due to the decrease of real discount rate, used to measure the present value of actuarial liabilities, even though the increase of fair value of the plan's assets.

Because measurements of Plano 1's results occur on a semiannual basis, Banco do Brasil recognizes the variation projected for the following six-month period in advance, aiming to reduce actuarial assets volatility.

The contributions shown in item "f" below (contribution of funds) come from Fundo de Utilização, whose balances are detailed in the table "Previ (Plano 1) - Fundo de Utilização" in chapter 8.2.

Table 148. Previ (Plano 1) – Effects of Accounting – CVM 695/2012

R$ million	3Q15	4Q15	1Q16	2Q16	3Q16
(a) Fair Value of the Plan's Assets	136,105	118,379	118,379	129,888	129,888
(b) Present Value of Actuarial Liabilities	(130,042)	(121,330)	(121,330)	(139,707)	(139,707)
(c) Surplus/(deficit) BB = [(a) + (b)] x 50%	**3,032**	**(1,476)**	**(1,476)**	**(4,910)**	**(4,910)**
(d) Actuarial Assets (Initial Period)	3,032	3,193	(1,476)	(1,453)	(4,910)
(e) Anticipated Financial Results	40	40	(110)	(110)	(199)
(f) Contributions of Funds	122	163	133	135	131
(h) Amount Recognized in Semi-Annual Adjustment - Shareholders' Equity	-	(4,872)	-	(3,482)	-
(i) Actuarial Assets/(Liabilities) (End Period) = (d) + (e) + (f) + (g)	**3,193**	**(1,476)**	**(1,453)**	**(4,910)**	**(4,977)**

8.1.2. Cassi

BB is the sponsor of a health plan managed by Cassi. This health plan's main purpose is to provide coverage for expenses with a member's health and that of his/her enrolled beneficiaries.

Participants in the Plano de Associados (Plan Members) are divided into:

I. Partners: active employees, former employees (self-sponsored), retirees and BB's pensioners;

II. Dependents: spouse, domestic partner, children and stepchildren who are younger than 24 years old;

III. Indirect Dependents: any relative of the associate admitted before the bylaws amendment of 1996.

Cassi had successive mismatches between revenue and expenses. In 1995, coverage of the operating deficit was apportioned between sponsors and associates. To assure the financial stability of the plan, Cassi and BB amended its bylaws in 1996. The main changes included the restriction of access by new Indirect Dependents and the increase of the contributions from the participants and sponsor.

BB signed a new agreement with Cassi in 2007 to amend its bylaws, which is still in effect. The main changes were:

I. employer's contribution of 4.5% of payroll or the total value of the retirement benefit or pension for all groups;

II. monthly contributions from members and beneficiaries of pension was increased to 3% of the payroll or the total value of the retirement benefit or pension;

III. contribution from BB of R$315 million to invest in the improvement of Cassi's operational model for the own services;

IV. assumption by BB of the deficit of indirect dependents until the extinction of this group.

The table below shows the evolution of Cassi's actuarial liabilities since CVM Resolution 695/2012, which came into effect in 2013.

Table 149. Cassi – Effects of Accounting – CVM 695/2012

R$ million	3Q15	4Q15	1Q16	2Q16	3Q16
(a) Fair Value of the Plan's Assets	-	-	-	-	-
(b) Present Value of Actuarial Liabilities	(6,319)	(6,248)	(6,248)	(7,519)	(7,519)
(c) Deficit BB = [(a) + (b)]	**(6,319)**	**(6,248)**	**(6,248)**	**(7,519)**	**(7,519)**
(d) Actuarial Liabilities (Initial Period)	(6,319)	(6,389)	(6,248)	(6,368)	(7,519)
(e) Amounts recognized in statement of income	(212)	(212)	(266)	(266)	(248)
(f) BB - Amount paid	142	174	145	178	148
(g) Amount Recognized in Semi-Annual Adjust - Shareholders' Equity	-	178	-	(1,062)	-
(h) Actuarial Liabilities (Period End) = [(d) + (e) + (f) + (g)]	**(6,389)**	**(6,248)**	**(6,368)**	**(7,519)**	**(7,619)**

8.1.3. Effects in Shareholders' Equity – CVM 695/2012

The table below shows the effects of accounting of actuarial asset and the actuarial liability on BB's Equity due to CVM 695/2012.

The effects on BB's Equity occur every six months, considering the performance of actuarial studies.

Table 150. Impact on Shareholders' Equity – CVM 695/2012

R$ million	Previ - Plano 1	Cassi	Other Plans	Total
Jun/15				
Valuation Adjustments	(3,641)	(334)	92	**(3,884)**
Tax Effects	1,558	134	(273)	**1,419**
Effect in Shareholders' Equity	(2,083)	(201)	(181)	**(2,465)**
Dec/15				
Valuation Adjustments	(4,872)	178	91	**(4,602)**
Tax Effects	2,317	(71)	(417)	**1,829**
Effect in Shareholders' Equity	(2,555)	107	(325)	**(2,773)**
Jun/16				
Valuation Adjustments	(3,482)	(1,062)	(312)	**(4,857)**
Tax Effects	1,656	425	(138)	**1,943**
Effect in Shareholders' Equity	(1,826)	(637)	(451)	**(2,914)**

8.2. Previ Plano 1 Surplus – Allocation Funds

Banco do Brasil has the following amounts recognized in its assets:

I. Parity contribution between sponsor and participants, booked in May/2006 and based on the remaining reserve balance, with an initial amount of R$2.2 billion;

II. Allocation of the partial surplus agreed in 2010, recognized as Fundo de Destinação, subsequently segregated into Fundo de Contribuição and Fundo de Utilização, which are used to face BB's contributions to Plano 1.

Fundo Paridade

The Fund is adjusted monthly according to the actuarial target National Consumer Price Index (INPC + 5% per year) and, since January/2007, has been used to offset any financial imbalance of Contrato 97.

Table 151. Previ (Plano1) – Fundo Paridade

R$ million	3Q15	4Q15	1Q16	2Q16	3Q16
Initial Balance	**113**	**116**	**120**	**125**	**125**
Contribuitions to Plano 1 - Contrato 97	-	-	-	(5)	-
Restatement	3	5	5	4	3
Contribution - Grupo Especial	-	(0)	-	-	-
Closing Balance	**116**	**120**	**125**	**125**	**128**

Fundo de Utilização

Originally composed in 2Q11, through the transfer of resources from Fundo de Destinação and reinforced quarterly through transfer of resources from it. This Fund reflects the amount subject to use by Banco do Brasil and reflects Previ's accounting distribution of surplus. This reserve is corrected by the actuarial target (INPC + 5% per year) and the use of its resources depends of the existence of full coverage of plan obligations (art. 25, CGPC Resolution 26/2008).

The resumption of periodic contributions since 1Q14 by the participants and the sponsor shall be held by that Fund.

Table 152. Previ (Plano1) – Fundo de Utilização

R$ million	3Q15	4Q15	1Q16	2Q16	3Q16
Initial Balance	**8,667**	**8,768**	**8,960**	**9,200**	**9,377**
Restatement	223	354	373	307	212
Contribuitions to Plano 1	(122)	(163)	(133)	(131)	(131)
Closing Balance	**8,768**	**8,960**	**9,200**	**9,377**	**9,458**

9 - Risk Management

9.1. Risk Management

Risk management in the Financial Group of Banco do Brasil covers credit, market, liquidity and operational risks in a comprehensive manner. Management activities are performed by specialized structures, according to objectives, policies, strategies, processes, procedures and systems described in each one of these risks.

To find out more about the risk management process at Banco do Brasil, access the website bb.com.br/ir.

Banco do Brasil adopts the policy of managing its exchange risk to reduce its effects on the consolidated economic-financial result. The table below shows BB Consolidated assets, liabilities and derivatives statement, referenced in foreign currencies. Net foreign exchange exposure for September 30, 2016, was negative in the amount of US$1,522 million.

Table 153. Balance in Foreign Currencies

R$ million

	BALANCE SHEET	
CURRENCY	**ASSETS**	**LIABILITIES**
U.S. Dollar	157,068	172,674
Euro	10,594	10,836
Pound Sterling	182	464
Yen	1,850	2,903
Swiss Franc	20	949
Canadian Dollar	5	87
Gold	9	-
Other	11,784	10,419
Total	**181,512**	**198,332**
Net Position - Balance Sheet Items		**(16,820)**

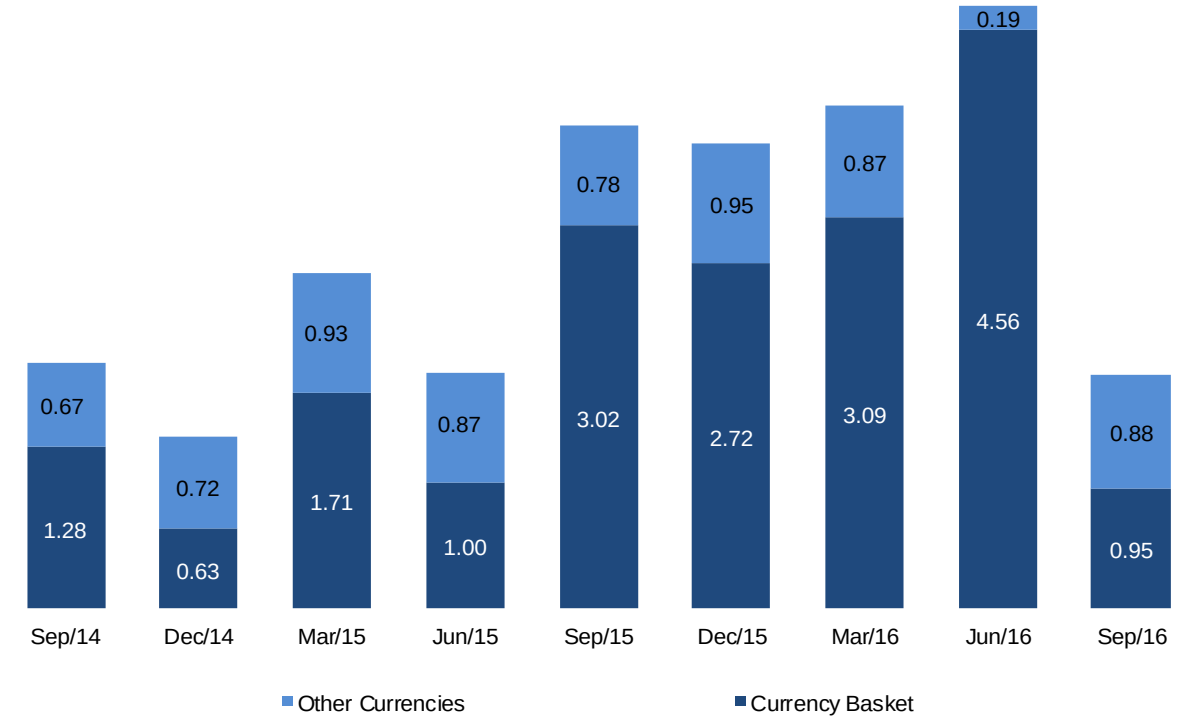
	DERIVATIVES	
CURRENCY	**LONG**	**SHORT**
U.S. Dollar	61,916	52,204
Euro	4,225	4,370
Pound Sterling	1,176	394
Yen	961	257
Swiss Franc	988	-
Canadian Dollar	83	-
Other	81	327
Total	**69,430**	**57,552**
Net Position - Derivatives	**11,878**	

TOTAL OF DERIVATIVES AND BALANCE SHEET	**250,942**	**255,884**
Total Net Position		**(4,942)**
Total Net Position in US$ million		**(1,522)**

BB Consolidated´s regulatory foreign exchange exposure, calculated according to Bacen Circular 3,641, of March 04, 2013, considering the fiscal hedging strategy adopted, was R$2,323 million at September 30, 2016. The tax hedge purpose is to reduce the result volatility, after the tax effects, since exchange gains on investments abroad are not subject to taxation and likewise losses do not generate deduction in the tax basis.

The chart below shows the quarterly behavior of BB Consolidated´s foreign exchange exposure in relation to the Referential Equity amount (RE) since September 2014.

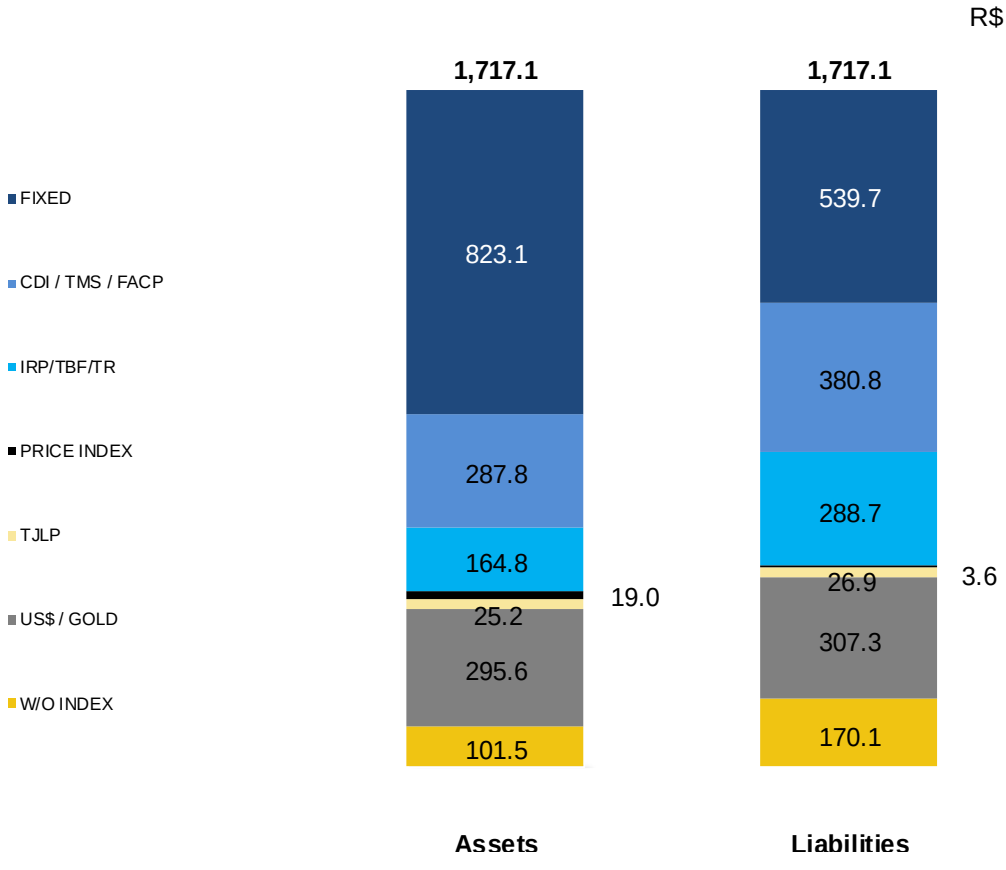
Figure 64. Changes in Foreign Exchange Exposure as a % of the Referential Equity Amount (RE)



Balance Sheet by Index

The following figure shows BB Consolidated's composition of assets and liabilities, including derivatives, detailed by index.

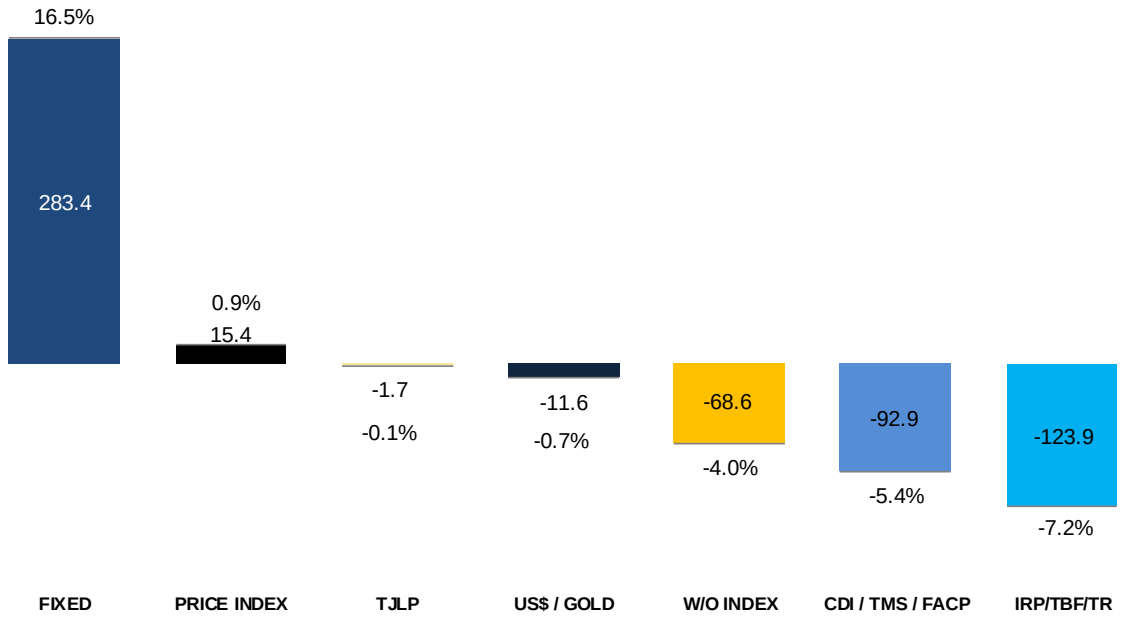
Figure 65. Banco do Brasil Assets and Liabilities Composition



The following graph shows BB Consolidated's net mismatches, by index:

Figure 66. BB Consolidated Net Position

R$ billion



Interest Rates Statement Repricing Profile

The following table shows the inventory operations that are sensitive to interest rate changes, allocated by risk factor and by the indexation period of BB's consolidated interest rate:

Table 154. Repricing Profile of Interest Rates

R$ million

Assets	< 1 Mo	1 > 3 Mo	3 > 6 Mo	6 > 12 Mo	1 > 3 Yrs	> 3 Yrs	Total
Fixed	497,568	32,144	31,281	58,610	101,677	101,777	823,057
CDI/TMS	287,836	-	-	-	-	-	287,836
TR/TBF/IRP	-	-	164,808	-	-	-	164,808
Price Index	-	-	19,014	-	-	-	19,014
TJLP	1,595	23,619	-	-	-	-	25,213
US$/ME	89,604	23,457	20,978	26,799	25,003	109,791	295,631
Total - Assets	**876,603**	**79,220**	**236,080**	**85,409**	**126,680**	**211,568**	**1,615,560**
Liabilities							
Fixed[1]	378,114	24,756	17,819	21,565	42,605	54,811	539,668
CDI/TMS	380,759	-	-	-	-	-	380,759
TR/TBF/IRP	-	-	288,741	-	-	-	288,741
Price Index	-	-	3,613	-	-	-	3,613
TJLP	1,262	25,649	-	-	-	-	26,911
US$/ME	79,151	16,884	32,319	26,161	31,432	121,315	307,263
Total - Liabilities	**839,285**	**67,289**	**342,493**	**47,726**	**74,036**	**176,126**	**1,546,956**
Gap	**37,318**	**11,931**	**(106,413)**	**37,683**	**52,643**	**35,442**	**68,605**
Cumulative Gap	**37,318**	**49,249**	**(57,164)**	**(19,481)**	**33,163**	**68,605**	**-**
Cumulative Gap as % Assets	**4.3%**	**62.2%**	**(24.2)**	**(22.8)**	**26.2%**	**32.4%**	**0.0%**

1 - The total deposits of checking accounts in pre-indexed liabilities (R$42.4 billion) are included.

9.2. Capital Structure

Given the significant amount of technical terms used in the chapter, we present a glossary of the abbreviations used:

a) MRRE: Minimum Required Reference Equity;

b) RWA: *Risk-Weighted Asset*;

c) RWACPAD: related to credit risk exposures, subject to the calculation of capital requirements under the standardized approach;

d) RWAMPAD: related to market risk exposures, subject to the calculation of capital requirements under the standardized approach;

e) RWAOPAD: related to capital requirement for operational risk exposures under the standardized approach.

The Basel Index is calculated under the criteria established by CMN Resolutions 4,192/2013 and 4,193/2013, which establish the rules for calculating the Referential Equity (RE) and the Minimum Required Reference Equity (MRRE) in relation to Risk-Weighted Assets (RWA), respectively, considering Banco Votorantim under the equity method of accounting as established by the Central Bank of Brazil.

The consolidation scope used as a base for checking the operating limits is the Prudential Conglomerate, as defined in CMN resolution 4,280/2013, from January 1, 2015.

Under the Financial Institutions Accounting Plan (Cosif), the Prudential conglomerate not only includes financial institutions as well as consortium managers, payment institutions, companies that acquire operations or take direct or indirect credit risk, and investment funds in which risks and benefits are substantially retained.

Performance

The table below shows the calculation of PR value and RWA.

Table 155. BIS Ratio

R$ million	Sep/15	Dec/15	Mar/16	Jun/16	Sep/16
Reference Equity (RE)	**136,634**	**135,551**	**128,444**	**125,074**	**127,061**
Tier I	**97,962**	**95,714**	**89,978**	**86,188**	**87,976**
Common Equity Tier I	**68,071**	**68,677**	**65,336**	**63,965**	**65,500**
Shareholders Equity	73,368	71,314	73,623	73,099	75,039
Instruments Eligible to Capital	8,100	8,100	8,100	8,100	8,100
Prudential Adjustments	(13,397)	(10,737)	(16,387)	(17,234)	(17,639)
Tax credits from temporary differences dependent on generation of profits (10% excess)	(3,187)	(3,425)	(5,538)	(6,887)	(6,877)
Sup. Investments, Tax credits of temporary differences dependent on profit generation (15% excess)[1]	(635)	(2,847)	(4,598)	(4,589)	(5,049)
Intangible Assets composed as of 10/01/2013	(2,148)	(2,346)	(3,382)	(3,246)	(3,514)
Goodwill paid on acquisition of investment on the basis of expected future profitability	(1,155)	(1,076)	(1,563)	(1,394)	(1,233)
Non-controlling interest	(508)	(403)	(529)	(511)	(465)
Tax credits arising from tax losses and negative basis of Social Contribution	(502)	(562)	(606)	(440)	(336)
Actuarial Assets related to Defined Benefit Pension Funds net of deferred tax liability associated	(1,302)	-	(68)	(74)	(77)
Tax credits arising from tax loss of excess depreciation	(65)	(62)	(87)	(81)	(77)
Deferred Assets	(19)	(17)	(15)	(13)	(11)
Funding instruments issued by financial institutions[1]	(3,874)	-	-	-	-
Additional Tier I Capital	**29,891**	**27,037**	**24,641**	**22,224**	**22,476**
HCDI authorized by CMN n.º 4,192/2013 resolution	24,131	21,375	19,482	17,570	17,770
HCDI authorized by previous rules to the CMN n.º 4,192/2013 resolution[2]	5,760	5,661	5,160	4,653	4,706
Tier II	**38,672**	**39,837**	**38,466**	**38,885**	**39,085**
Eligible to Capital Subordinated Debts	38,675	39,840	38,466	38,905	39,096
Subordinated Debts authorized by CMN n.º 4,192/2013 resolution - Financial Letters	5,569	5,787	5,748	5,584	5,286
Subordinated Debts authorized by previous rules to the CMN n.º 4,192/2013 resolution	33,106	34,053	32,718	33,320	33,810
FCO Funding[3]	22,048	22,995	23,239	23,842	24,332
Financial Letters and Certificates of Deposits[4]	11,058	11,058	9,479	9,479	9,479
Tier II deductions	(3)	(3)	(0)	(19)	(12)
Funding instruments issued by financial institutions	(3)	(3)	(0)	(19)	(12)
Risk-Weighted Assets (RWA)	**843,590**	**840,509**	**790,702**	**760,102**	**722,442**
Credit Risk (RWACPAD)	782,970	785,773	731,374	702,886	668,872
Market Risk (RWAMPAD)	24,231	18,347	27,620	25,508	16,418
Operational Risk (RWAOPAD)	36,389	36,389	31,708	31,708	37,152
Minimum Required Referential Equity (MRRE)[5]	**92,795**	**92,456**	**78,082**	**75,060**	**71,341**
MRRE Margin (RE-MRRE)	**43,839**	**43,095**	**50,362**	**50,014**	**55,720**
Tier I Capital Ratio (Tier I/RWA) - %	**11.61%**	**11.39%**	**11.38%**	**11.34%**	**12.18%**
Core Capital Ratio (CC/RWA) - %	8.07%	8.17%	8.26%	8.42%	9.07%
BIS Ratio (RE/RWA) - %	**16.20%**	**16.13%**	**16.24%**	**16.45%**	**17.59%**

1 – According to CMN Resolution 4,442/2015, from November 2015, the methodology to calculating the deduction of the investment in Banco Votorantim SA. Reference Equity was changed, including it in the calculation of the Basket. Thus, on September 30, 2016, R$1,783,222 thousand were deducted and R$2,424,271 thousand They were weighted 250% in RWA..
2 – In September 30, 2016, Banco do Brasil considered the total amount of instruments eligible to capital Tier I, authorized by the Central Bank to compose the Reference Equity (RE) according to CMN Resolution 3,444/2007, and that do not meet the standards required by the CMN Resolution 4,192/2013, based on the Central Bank orientation related to the limit established on article 28 sections I to X of CMN Resolution 4,192/2013.
3 - According to CMN Resolution 4,192/2013, the balance of FCO is eligible for inclusion in the RE.
4 – In September 30, 2016 was considered the balance of subordinated debt instruments that composed the RE at Dec 31, 2012, applying a decay of 60%, as determined by CMN Resolution 4,192/2013.
5 - Under CMN Resolution 4,193/2013, it corresponds to the Factor “F” applied to the amount of RWA.

CMN Resolution No. 4,193/2013 established the factor "F" representing the BIS ratio to be observed during the process of Basel III requirements implementing.

Table 156. Factor “F” applied to the amount of Risk-Weighted Assets (RWA)

Period	Factor "F" (%)
10/01/2013 to 12/31/2015	11.0
01/01/2016 to 12/31/2016	9.875
01/01/2017 to 12/31/2017	9.25
01/01/2018 to 12/31/2018	8.625
From 01/01/2019 on	8.0

The Reference Equity, considering the requirements for regulatory capital calculation under Basel III, was R$127,061 million, while MRRE was R$71,341 million.

The following table shows the composition of RWA_{CPAD}, considering main exposures.

Table 157. Minimum Required Reference Equity referring to the RWA_{CPAD} portion

	Sep/16		
R$ million	**RWA_{CPAD}**	**MRRE**	**(%)**
Loan Operations	424,789	41,948	63.5
Other Credits	62,917	6,213	9.4
Securities and Derivatives	49,009	4,840	7.3
Tax Credits	42,641	4,211	6.4
Permanent Assets	27,921	2,757	4.2
Loans to release	20,493	2,024	3.1
Guarantees Provided	5,750	568	0.9
Investments in Clearings Guarantee Funds	2	0	0.0
Other	35,351	3,491	5.3
TOTAL	**668,872**	**66,051**	**100.0**

Regarding the market risk portion (RWA_{MPAD}), the following table shows the MRRE as of September 2016, per risk factor:

Table 158. Minimum Required Reference Equity referring to the portion of RWA_{MPAD}

	Sep/16		
R$ million	**RWA_{MPAD}**	**MRRE**	**(%)**
FX	8,867	876	54.0
Interest Rate	7,549	745	46.0
Commodities	2	0	0.0
TOTAL	**16,418**	**1,621**	**100.0**

Table 159. Minimum Required Reference Equity referring to the RWA_{OPAD} Portion

	Sep/16		
R$ million	**RWA_{OPAD}**	**MRRE**	**(%)**
Commercial	25,012	2,470	67.3
Retail	13,770	1,360	37.1
Payments and Settlements	4,066	401	10.9
Financial Agent Services	1,656	164	4.5
Asset Management	1,540	152	4.1
Retail Brokerage	51	5	0.1
Corporate Finance	(6,184)	(611)	(16.6)
Trading and Sales	(2,759)	(272)	(7.4)
TOTAL	**37,152**	**3,669**	**100.0**

Table 160. RWA_{CPAD} segregated by the Risk-Weighting Factor (RWF)

		Sep/16	
R$ million	**RWF**	**RWA_{CPAD}[1]**	**MRRE[2]**
Available Founds	20%	608	60
	100%	1,496	148
Short-term Interbank Investments	20%	2,124	210
	50%	182	18
	75%	1	0
	85%	169	17
	100%	10,304	1,018
Securities and Financial Derivatives	2%	29	3
	20%	68	7
	50%	232	23
	85%	18,851	1,862
	100%	26,138	2,581
	1250%	3,691	364
Investments in Clearings Guarantee Funds	2%	2	0
Interbank Accounts	20%	531	52
	50%	232	23
	100%	3,781	373
Loans	20%	138	14
	35%	12,457	1,230
	50%	3,860	381
	75%	173,104	17,094
	85%	108,520	10,716
	100%	126,709	12,513
Leasing	75%	258	25
	85%	20	2
	100%	231	23
Other Receivables	20%	2	0
	50%	12,069	1,192
	75%	15,621	1,543
	85%	4,599	454
	100%	30,626	3,024
Other Assets	100%	482	48
Permanent Assets	100%	14,511	1,433
	250%	13,410	1,324
Credit Commitment non-cancellable unconditionally and unilaterally by the Institution	50%	680	67
	75%	9,069	896
	85%	748	74
	100%	1,707	169
Loans to Concede	50%	1,134	112
	75%	544	54
	85%	4,333	428
	100%	2,278	225
Advance payment granted by the Institution	75%	157	16
	85%	9,930	981
	100%	3,770	372
Guarantees provided	20%	5	1
	50%	71	7
	75%	110	11
	85%	2,738	270
	100%	2,825	279
Tax Credits	100%	30,662	3,028
	250%	11,153	1,101
	300%	826	82
Operations for settlement of purchase of foreign currency, gold or securities on the spot market	50%	0	0
	85%	0	0
	100%	0	0
Operations for settlement of sale of foreign currency, gold or securities on the spot market	50%	0	0
	100%	0	0
Derivatives adjustment due to variation of credit quality from counterparty		1,071	106
Total		**668,872**	**66,051**

1 - Sum of products of the respective Risk Weighted Assets exposures, adjusted by the Conversion Factor.
2 - Risk Weighted Assets Exposure multiplied by 9.875%.

10 - Strategic Investments

10.1. Information on Subsidiaries and Affiliates

The following table presents the equity of Banco do Brasil S.A on its subsidiaries and affiliates.

Table 161. Interest in the Capital of Subsidiaries and Affiliates

Equity Interest			Share (%)	Book Value		Equity Income
R$ thousand	Activity		Sep/16	Sep/15	Sep/16	3Q16
Banco do Brasil - AG. Viena	Banking	(I)	100	1,201,576	801,259	(554)
Banco Patagonia S.A.	Multiple Bank	(I)	58.97	1,825,570	1,113,578	108,189
Banco Votorantim S.A.	Multiple Bank	(II)	50.00	3,874,027	4,207,493	57,231
BB Adm. de Cartões de Crédito S.A.	Service Rendering	(I)	100	34,188	36,158	5,357
BB Administradora de Consórcios S.A.	Consortiums	(I)	100	220,033	239,008	71,486
BB Americas	Multiple Bank	(I)	100	177,427	147,086	(1,370)
BB Banco de Investimento S.A.	Investment Bank	(I)	100	3,103,624	3,243,938	292,972
Ativos S.A. Securitizadora de Créd. Financ.	Credit Acquisition	(I)	100	1,088,797	1,164,160	28,802
Cielo S.A.	Service Rendering	(II)	28.70	1,766,654	2,463,410	288,153
Companhia Brasileira de Securit. – Cibrasec	Credit Acquisition	(II)	9.70	9,155	9,176	80
Kepler Weber S.A.	Industry	(II)	17.45	83,662	83,747	445
Neoenergia S.A.	Energy	(II)	11.99	1,156,323	1,172,593	(2,796)
Seg. Brasileira de Créd. à Exportação – SBCE	Insurance Company	(II)	12.09	3,038	2,547	466
Tecnologia Bancária S.A. – Tecban	Service Rendering	(II)	12.52	47,347	49,238	(431)
BB DTVM S.A.	Asset Management	(I)	100	339,619	340,820	209,195
BB Elo Cartões Participações S.A.	Holding	(I)	100	4,565,154	4,962,283	198,842
Elo Participações S.A.	Holding	(II)	49.99	769,122	898,995	41,384
CBSS - Alelo	Service Rendering	(II)	49.99	705,626	773,915	41,267
Elo Serviços	Service Rendering	(II)	33.33	18,351	25,430	2,843
Cateno Gestão de Contas de Pagamento S.A.[1]	Service Rendering	(II)	50.09	3,635,241	3,628,724	41,277
BB Leasing Company Ltd.	Leasing	(I)	100	601	-	-
BB Leasing S.A. – Arrendamento Mercantil	Leasing	(I)	100	4,131,896	4,331,534	88,393
BB Securities LLC.	Brokerage	(I)	100	219,200	199,107	7,255
BB Seguridade Participações S.A.	Holding	(I)	66.36	4,606,714	5,099,283	655,188
BB Cor. Participações S.A.	Holding	(I)	66.36	427,832	445,670	383,928
BB Corretora de Seg. e Adm. de Bens S.A.	Brokerage	(I)	66.36	401,073	418,950	383,974
BB Seguros Participações S.A.	Holding	(I)	66.36	6,388,318	7,001,413	613,007
BB Mapfre SH1 Participações S.A.	Holding	(II)	49.77	1,667,055	1,798,417	330,505
Brasilcap Capitalização S.A.	Capitalization	(II)	44.24	234,207	254,138	67,483
Brasildental Operadora de Planos Odontológicos S.A.	Service Rendering	(II)	49.77	1,513	6,828	597
Brasilprev Seguros e Previdência S.A.	Insurance / Pension	(II)	49.77	1,634,151	1,901,700	149,089
IRB - Brasil Resseguros	Reinsurance	(II)	13.61	636,023	637,010	13,458
Mapfre BB SH2 Participações S.A.	Holding	(II)	33.18	1,598,404	1,764,321	18,483
BB Tecnologia e Serviços S.A.	IT	(I)	99.99	232,369	225,283	8,073
BB Turismo	Tourism	(I)	100	12,743	4,668	(3,236)
BB USA Holding Company, Inc.	Holding	(I)	100	861	699	-
Besc DTVM S.A.	Asset Management	(I)	99.62	7,230	7,223	58
Brasilian American Merchant Bank	Banking	(I)	100	1,756,830	1,512,859	3,018
BB Securities Asia Pte. Ltd.	Brokerage	(I)	100	18,728	20,179	2,218
BB Securities Ltd.	Brokerage	(I)	100	179,643	176,816	5,070

(I) Subsidiaries fully included in the accounting consolidation.
(II) Affiliate companies accounted for by equity method.
1 - The values shown (Book Value and Equity Income) of company Cateno Gestão de Contas de Pagamento S.A. are equivalent to 30% of direct participation by BB Multiple Bank.

BB holds direct and indirect participations through BB Banco de Investimentos S.A. in the following companies:

I. Ativos SA: 75.71% by BB-BI and 24.29% by Brazilian American Merchant Bank (BAMB);

II. Cateno: 30.0% by BB Multiple Bank and 20.1% by BB-BI, totaling 50.1%;

III. Tecban: 8.01% by BB-BI and 4.51% by BB Multiple Bank, totaling 12.52%;

IV. Cibrasec: 4.9% by BB-BI and 4.8 by BB Multiple Bank, totaling 9.7%.

10.2. Banco Votorantim

The equity method is used to present BV's financial information in BB's financial statements. Banco do Brasil owns a 50.0% stake of BV.

All numbers presented below reflect 100% of BV's balances, balance sheet accounts and income accounts. More detailed information about Banco Votorantim can be obtained from the Management Report Earnings 3Q16 available on www.bancovotorantim.com.br/ir.

Earnings Highlights

BV's 3Q16 net income was R$112 million, ROE of 5.5% p.y.. The 3.6% growth in the quarter was mainly driven by (i) Net Interest Income's (NII) growth, (ii) increase in fee income and (iii) lower personnel and administrative expenses.

The NII's growth compared to the 2Q16 was mainly due to the increase of the broad definition loan portfolio. The decrease in the 9M16/9M15 comparison was offset by the 16.1% growth of income from insurance and fees in the same period.

Administrative and personnel expenses decreased 8.9% compared to 2Q16, mainly due to the decrease in expenses from labor claims. In the 9M16/9M15 comparison there was a decrease of 1.2%, despite inflation of 8.5% in the last twelve months. The cost income ratio of last twelve months was 38.7% in Sep/16.

Table 162. Income Statement with Reallocations[1] - Quarterly

	Quarterly Flow						
	2Q16			3Q16			Chg. (%) on
R$ million	Corp. Law	Adjustm.	Adjusted	Corp. Law	Adjustm.	Adjusted	2Q16
Financial Intermediation Income	**3,646**	**(469)**	**3,176**	**4,247**	**(181)**	**4,066**	**28.0**
Loans	1,450	(140)	1,310	1,701	(176)	1,524	16.3
Leasing	9	-	9	8	-	8	(13.8)
Securities	1,179	-	1,179	1,598	-	1,598	35.4
Financial Derivatives	290	(330)	(40)	147	(5)	143	-
Foreign Exchange Portfolio	(118)	-	(118)	32	-	32	-
Compulsory Investments	13	-	13	17	-	17	29.4
Sale or Transference of Financial Assets	822	-	822	745	-	745	(9.4)
Financial Intermediation Expenses	**(2,013)**	**-**	**(2,013)**	**(2,894)**	**-**	**(2,894)**	**43.7**
Money Market Funds	(1,744)	-	(1,744)	(2,326)	-	(2,326)	33.3
Borrowing, Assignments and Onlending	277	-	277	(86)	-	(86)	-
Sale or Transference of Financial Assets	(546)	-	(546)	(482)	-	(482)	(11.7)
Net Interest Income	**1,633**	**(469)**	**1,163**	**1,353**	**(181)**	**1,172**	**0.8**
Allowance for Loan Losses	(582)	125	(457)	(705)	213	(492)	7.6
Net Interest Margin	**1,050**	**(344)**	**706**	**648**	**32**	**681**	**(3.6)**
Other Operating Income (Expenses)	**(718)**	**171**	**(547)**	**(429)**	**(54)**	**(483)**	**(11.8)**
Fee Income	264	-	264	281	-	281	6.1
Personnel Expenses	(297)	-	(297)	(264)	-	(264)	(11.1)
Other Administrative Expenses	(304)	-	(304)	(283)	-	(283)	(6.8)
Tax Expenses	(108)	13	(96)	(87)	0	(87)	(9.2)
Equity Interest in Subsidiaries and Affiliates	(104)	152	47	71	(16)	55	16.1
Other Operating Revenues and Expenses	(169)	6	(162)	(146)	(38)	(184)	13.5
Operating Income	**333**	**(173)**	**159**	**219**	**(21)**	**198**	**24.2**
Non-operating Income	**6**	**-**	**6**	**3**	**-**	**3**	(48.1)
Income Before Taxes	**339**	**(173)**	**165**	**222**	**(21)**	**201**	**21.6**
Income and Social Contribution Taxes	(185)	173	(12)	(81)	21	(59)	395.5
Profit Sharing	(45)	-	(45)	(29)	-	(29)	(34.6)
Net Income	**108**	**(0)**	**108**	**112**	**-**	**112**	**3.6**

1 - Adjustments refer to: (i) income from written-off credits recovery and credit expenses referring to the portfolio granted with co-obligation, classified under line "Loans", and reallocated to "Allowance for Loan Losses" and (ii) foreign investments exchange variations, which were accounted for under Other Operating Income (Expenses) and reallocated to Income from Derivative Financial Instruments, as well as these investments' hedging strategy tax effects.

Table 163. Income Statement with Reallocations[1] - 9 Months

	9 Months Flow						
	9M15			9M16			Chg. (%) or
R$ million	Corp. Law	Adjustm.	Adjusted	Corp. Law	Adjustm.	Adjusted	9M15
Financial Intermediation Income	**15,554**	**355**	**15,909**	**11,399**	**(568)**	**10,831**	**(31.9)**
Loans	6,621	(487)	6,135	4,702	(457)	4,245	(30.8)
Leasing	54	-	54	27	-	27	(49.5)
Securities	3,619	-	3,619	3,611	530	4,141	14.4
Financial Derivatives	1,661	834	2,495	705	(640)	65	(97.4)
Foreign Exchange Portfolio	528	-	528	(288)	-	(288)	-
Compulsory Investments	-	-	-	34	-	34	-
Sale or Transference of Financial Assets	3,071	7	3,078	2,608	-	2,608	(15.3)
Financial Intermediation Expenses	**(12,306)**	**-**	**(12,306)**	**(7,262)**	**-**	**(7,262)**	**(41.0)**
Money Market Funds	(8,613)	-	(8,613)	(5,917)	-	(5,917)	(31.3)
Borrowing, Assignments and Onlending	(1,450)	-	(1,450)	453	-	453	-
Sale or Transference of Financial Assets	(2,243)	-	(2,243)	(1,799)	-	(1,799)	(19.8)
Net Interest Income	**3,248**	**355**	**3,604**	**4,136**	**(568)**	**3,569**	**(1.0)**
Allowance for Loan Losses	(2,417)	476	(1,941)	(1,396)	(60)	(1,456)	(25.0)
Net Interest Margin	**832**	**831**	**1,663**	**2,740**	**(628)**	**2,112**	**27.0**
Other Operating Income (Expenses)	**(1,226)**	**(507)**	**(1,733)**	**(1,838)**	**258**	**(1,581)**	**(8.8)**
Fee Income	695	-	695	801	-	801	15.3
Personnel Expenses	(905)	-	(905)	(860)	-	(860)	(4.9)
Other Administrative Expenses	(819)	-	(819)	(844)	-	(844)	3.0
Tax Expenses	(312)	(16)	(328)	(292)	14	(278)	(15.3)
Equity Interest of Subsidiaries and Affiliates	670	(547)	123	(140)	285	145	17.5
Other Operating Income and Expenses	(555)	56	(499)	(504)	(41)	(545)	9.2
Operating Income	**(394)**	**324**	**(70)**	**902**	**(370)**	**532**	**-**
Non-operating Income	**(27)**	**-**	**(27)**	**9**	**-**	**9**	**-**
Income Before Taxes	**(421)**	**324**	**(97)**	**910**	**(370)**	**541**	**-**
Income and Social Contribution Taxes	967	(324)	642	(492)	370	(122)	-
Profit Sharing	(141)	-	(141)	(112)	-	(112)	(20.2)
Net Income	**405**	**(0)**	**405**	**306**	**-**	**306**	**(24.3)**

1 - Adjustments refer to: (i) income from written-off credits recovery and credit expenses referring to the portfolio granted with co-obligation, classified under line "Loans", and reallocated to "Allowance for Loan Losses" and (ii) foreign investments exchange variations, which were accounted for under Other Operating Income (Expenses) and reallocated to Income from Derivative Financial Instruments, as well as these investments' hedging strategy tax effects.

Table 164 . Net Interest Margin and Profit Margin

				Chg. (%) on	
R$ million	**3Q15**	**2Q16**	**3Q16**	**3Q15**	**2Q16**
Average Interest Earning Assets	95,883	95,988	93,723	(2.3)	(2.4)
Average Interest Bearing Liabilities	89,281	90,800	88,196	(1.2)	(2.9)
Net Interest Gain [1]	**(889)**	**1,323**	**999**	**(212.3)**	**(24.5)**
Interest Income	4,868	3,334	3,892	(20.1)	16.7
Interest Expense	(5,757)	(2,011)	(2,893)	(49.8)	43.8
Net Interest Income Other Items[2]	**2,023**	**(160)**	**173**	**(91.4)**	**(208.6)**
NII	**1,134**	**1,163**	**1,172**	**3.4**	**0.8**
AIBL / AEA – %	93.1	94.6	94.1	1.1	(0.5)
Yield Average Assets - % [3]	21.9	14.6	17.7	(19.3)	20.8
Liabilities Avarege Cost - % [4]	28.4	9.2	13.8	(51.5)	50.4
Net Interest Rate - % [5]	(6.5)	5.5	3.9	(160.0)	(28.9)
Adjusted NIM - % [6]	(3.7)	5.6	4.3	(218.4)	(23.0)
NIM – %	4.8	4.9	5.1	5.8	3.3

1 - Defined as interest income less interest expenses.
2 - Includes derivatives, debt assumption contracts, foreign exchange portfolio, gold loans, credit guarantor fund, foreign exchange gain/loss abroad and other income from financial intermediation nature.
3 - Total interest income divided by average interest earning assets.
4 - Total interest expenses divided by average interest bearing liabilities.
5 - Difference between average rate of earning assets and average rate of interest bearing liabilities.
6 - Net Interest Gain divided by average interest earning assets.

Balance Sheet Highlights

The Broad Definition Loan Portfolio decreased in the last twelve months but grew in the last quarter, both in Retail and Wholesale. In the annual comparison, the decrease still reflects the more conservative stance in loan granting.

Funding performance, in last quarters, also reflects the conservative stance in loan granting and consequently lower funding demand. BV improved its funding profile, reducing its cost and growing in more stable financial instruments, such as letters and assigned assets obligations. This funding sources accounted for almost 50% (R$30.7 billion) of total funding sources in Sep/16.

Table 165. Balance Sheet Main Items

				Chg. (%) on	
R$ million	Sep/15	Jun/16	Sep/16	Sep/15	Jun/16
Total Assets[1]	**110,313**	**108,028**	**103,804**	**(5.9)**	**(3.9)**
Broad Definition Loan Portfolio	66,174	59,417	60,010	(9.3)	1.0
Classified Loan Portfolio	51,114	46,875	47,019	(8.0)	0.3
Retail (Individuals)	34,155	33,140	33,229	(2.7)	0.3
Wholesale (Business Loans)	16,959	13,735	13,789	(18.7)	0.4
Guarantees provided, Securities and Other	15,060	12,542	12,992	(13.7)	3.6
Securities and Financial Derivatives	33,290	31,689	31,623	(5.0)	(0.2)
Funding	**74,203**	**67,520**	**65,704**	**(11.5)**	**(2.7)**
Letters	16,623	17,775	17,518	5.4	(1.4)
Financial Letters	13,423	14,797	14,552	8.4	(1.7)
Agribusiness and Real Estate Letters of Credit	3,200	2,978	2,966	(7.3)	(0.4)
Debenture (Linked to Repurchase)	13,395	16,211	17,530	30.9	8.1
Assigned Assets Obligations	16,163	15,690	13,208	(18.3)	(15.8)
Other	28,022	17,844	17,449	(37.7)	(2.2)
Shareholders' Equity	**7,778**	**8,282**	**8,416**	**8.2**	**1.6**

1 - It considers creditors adjustments on anticipation of residual amounts, in financial leasing operations.

In 3Q16 the NPL +90 days of Managed loan portfolio growth was due to specific Wholesale customers, for which the Bank had already, prudentially, made provisions for loan losses. The NPL +90 days of Retail portfolio decreased 20bps compared to Jun/16, to 5.5%, reflecting the decrease in auto loans delinquency that, in the last twelve months, decreased 20bps while the delinquency increased 50bps in the banking industry in the segment, in the same period.

Table 166. Managed Portfolio Quality

R$ million	3Q15	2Q16	3Q16
Managed Loan Portfolio[1]	**51,576**	**46,925**	**47,031**
NPL + 90 days	2,712	2,174	2,567
NPL + 90 days/Managed Loan Portfolio - %	**5.3%**	**4.6%**	**5.5%**
Write-off	(838)	(639)	(624)
Recovery of Write-offs	169	140	176
Net Loss	**(669)**	**(500)**	**(448)**
Net Loss/Managed Loan Portfolio - annualized - %	**5.3%**	**4.3%**	**3.9%**
New NPL	**823**	**560**	**1,017**
New NPL/Managed Loan Portfolio[2]	1.6%	1.2%	2.2%
Provision[1]	**4,425**	**3,221**	**3,267**
Allowance/NPL + 90 days - %	163.1%	148.2%	127.3%
Balance AA-C	**46,248**	**42,309**	**42,427**
Balance AA-C/Managed Loan Portfolio	89.7%	90.2%	90.2%

1 - It includes assets assigned with recourse previously to the Resolution 3,533.
2 - (Difference from the NPL amount from the last quarter and this quarter + write-off)/ Loan portfolio of the previous quarter.
3 - It includes ALLL of assets with recourse.

BIS Ratio

BIS ratio and Referential Equity Tier I (RE Tier I) ratio remain above the minimum required, improving in quarter, mainly due to (i) risk weighted assets (operational risk) decrease, driven by a reassessment of capital allocation to derivatives portfolio, and (ii) Referential Equity increase, by the shareholders' equity increase due to profits of the quarter.

Table 167. BIS Ratio

R$ million	Sep/15	Jun/16	Sep/16
RE - Referential Equity	**10,866**	**9,675**	**9,737**
RE Tier I	6,828	6,892	6,894
RE Tier II	4,038	2,782	2,843
RWA	**75,457**	**64,839**	**61,621**
Credit Risk	67,384	57,168	56,866
Market Risk	3,294	1,654	1,130
Operational	4,780	6,016	3,625
MRRE - Minimum Required Referential Equity	**8,300**	**6,403**	**6,085**
BIS Ratio	**14.4%**	**14.9%**	**15.8%**
RE Tier I	9.0%	10.6%	11.2%
RE Tier II	5.4%	4.3%	4.6%

10.3. International Businesses

BB's presence abroad aims to maintain its reference position for Brazilian companies and individuals in international markets.

The external network of Bank consists of 38 subsidiaries located in 23 countries. In addition to this structure, Banco do Brasil has an agreement with others financial institutions abroad to service its customers. At the end of 3Q16, there were 877 banks acting as BB correspondents in 105 countries.

Table 168. Foreign Service Network

Branches	Sub-branches	Representative Offices	Subsidiaries and affiliates	Securities and Shared Services Units
Assunção - Paraguay	Assunção - Paraguay	Caracas - Venezuela	Banco do Brasil Americas / Miami - Florida - U.S.	**Securities**
Buenos Aires - Argentina	Buenos Aires - Argentina	Cidade do Mexico - Mexico	Banco do Brasil AG - Branch Office Spain - Madri	BB Securities LLC - U.S.
Frankfurt - Germany	Frankfurt - Germany	Dubai - United Arab Emirates	Banco do Brasil AG - Branch Office Itály - Milan	BB Securities Limited - England
Grand Cayman - Cayman Islands	Grand Cayman - Cayman Islands	Lima - Peru	Banco do Brasil AG - Branch Office France - Paris	BB Securities PTE - Singapore
La Paz - Bolivia		Luanda - Angola	Banco do Brasil AG (Aktiengesellschaft) / Viena - Austria	
London - England		Montevidéu - Uruguay	Banco Patagonia S.A. / Buenos Aires - Argentina	**Unid. Serv. Compartilhados**
Miami - U.S.		Panama - Panama	BB USA Holding Company, Inc. / Nova Iorque - U.S.	Banco do Brasil USA Servicing Center / Orlando - U.S.
New York - U.S.			Brasilian American Merchant Bank / George Town - Grand Cayman - Cayman Islands	Banco do Brasil Europa Servicing Center / Lisbon - Portugal
Santiago - Chile			Banco do Brasil AG - Branch Office Portugal - Lisbon	
Tokyo - Japan			Banco do Brasil AG - Branch Office - Marquis of Pombal	
Shangay - China			Banco do Brasil AG - Branch Office Portugal - Port city	

Table 169. Balance Sheets – Consolidated Abroad

				Chg. (%) on	
R$ million	Sep/15	Jun/16	Sep/16	Sep/15	Jun/16
ASSETS	**240,319**	**172,100**	**165,605**	**(31.1)**	**(3.8)**
Short -Term Interbank Investments	52,028	39,266	34,072	(34.5)	(13.2)
Marketable Securities	15,290	9,970	10,903	(28.7)	9.4
Securities Available for Trading	4,947	2,616	2,993	(39.5)	14.4
Securities Available for Sale	10,343	7,355	7,910	(23.5)	7.5
Loans	67,664	44,181	43,106	(36.3)	(2.4)
Public Sector	1,692	870	915	(45.9)	5.2
Private Sector	65,972	43,311	42,191	(36.0)	(2.6)
Other Assets	10,190	3,618	3,373	(66.9)	(6.8)
BB Group	95,147	75,064	74,151	(22.1)	(1.2)
LIABILITIES	**240,319**	**172,100**	**165,605**	**(31.1)**	**(3.8)**
Deposits	79,697	54,730	51,268	(35.7)	(6.3)
Demand Deposits	11,163	8,818	8,333	(25.4)	(5.5)
Time Deposits	30,523	20,701	21,393	(29.9)	3.3
Interbank Deposits	38,011	25,211	21,542	(43.3)	(14.6)
Acceptances and Securities Placed Funds	44,085	18,631	20,274	(54.0)	8.8
Borrowings	28,626	22,278	22,260	(22.2)	(0.1)
Subordinated Debt and Perpetual Bonuses	43,372	32,431	33,137	(23.6)	2.2
Other Liabilities	8,479	8,086	9,129	7.7	12.9
BB Group	22,658	25,992	19,321	(14.7)	(25.7)
Shareholders' Equity	**13,402**	**9,951**	**10,216**	**(23.8)**	**2.7**
Attributable to Parent Company	12,132	9,100	9,441	(22.2)	3.7
Non-Controlling participation	1,270	852	775	(39.0)	(9.0)

Table 170. Income Statement Items – Consolidated Abroad

				Chg. (%) on	
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16
Non-Controlling participation	101	72	75	(25.7)	4.2
Attributable to Parent Company	(7)	(30)	273	-	-
Net Income	**94**	**42**	**348**	270.2	728.6

10.3.1. Banco Patagonia

All figures presented in this chapter reflect 100% of balances, balance sheet and income statement of Banco Patagonia. The tables below show highlights of balance sheets, income statement and structural data for Banco Patagonia.

In 3Q16, Banco Patagonia's Net Income was R$183.5 million. The income shows growth of 4.0% when compared with last quarter.

Table 171. Banco Patagonia – Balance Sheet Highlights

				Chg. (%) on	
R$ million	Sep/15	Jun/16	Sep/16	Sep/15	Jun/16
Assets	22,236	13,504	14,308	(35.7)	6.0
Loans	11,697	7,313	7,545	(35.5)	3.2
Deposits	14,673	9,140	9,747	(33.6)	6.6
Shareholders' Equity	3,096	2,076	1,888	(39.0)	(9.1)

Table 172. Banco Patagonia – Funding

				Chg. (%) on	
R$ million	Sep/15	Jun/16	Sep/16	Sep/15	Jun/16
Interbanking	245	146	159	(35.3)	8.9
Repo	65	40	86	32.6	112.3
Companies	2,208	1,485	1,565	(29.1)	5.4
Individuals	1,370	1,252	1,328	(3.1)	6.1
Issues	122	85	97	(20.1)	14.7
Total	**4,010**	**3,008**	**3,235**	**(19.3)**	**7.5**

Table 173. Banco Patagonia – Main Lines of the Income Statement

	Quarterly Flow			Chg. (%) on	
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16
Financial Intermediation Income	**591**	**359**	**394**	**(33.3)**	**9.6**
Allowance for Loan Losses	(85)	4	(21)	-	-
Gross Income from Financial Intermediation	505	363	373	(26.1)	2.8
Fee income	234	124	163	(30.2)	31.6
Administrative Expenses	(376)	(248)	(268)	(28.7)	8.0
Other	40	39	19	(51.2)	(49.7)
Income Before Taxes	402	277	288	(28.6)	3.7
Income and social contribuition taxes	(157)	(101)	(104)	(33.6)	3.2
Net Income	**246**	**176**	**183**	**(25.3)**	**4.0**

Figure 67. Banco Patagonia – Net Income – R$ million

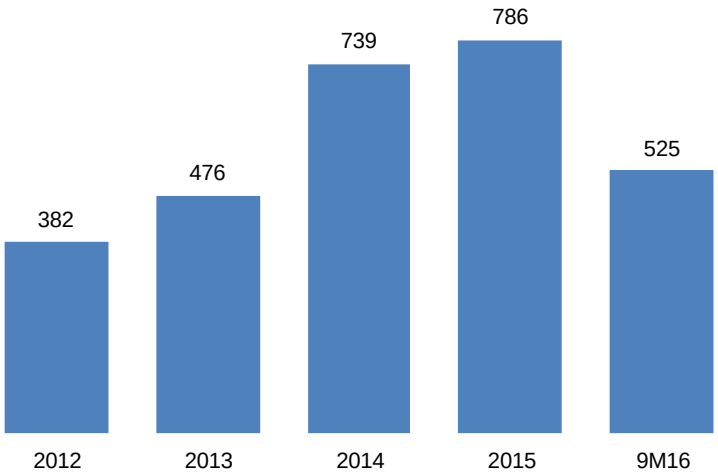


Table 174. Banco Patagonia – Indicators

(%)	3Q15	2Q16	3Q16
Return on Equity	32.9	37.3	38.6
BIS Ratio (Basel)	23.2	21.7	18.4
Provisions / Past Due Loans (+90 days)	275.4	269.9	277.3
Npl +90 days	1.3	1.1	1.1

Table 175. Banco Patagonia – Operating and Structural Highlights

				Chg. (%) on	
	Sep/15	Jun/16	Sep/16	Sep/15	Jun/16
Customers	978,125	1,019,653	1,043,569	6.7	2.3
Branches	175	177	178	1.7	0.6
Branches in Buenos Aires	91	93	93	2.2	-
Service Points	197	199	201	2.0	1.0
Employees	3,352	3,421	3,425	2.2	0.1

11 - Managerial Financial Statements

The managerial financial statements, prepared in accordance with the accounting standards used until 3Q15, are presented below.

These statements reflect the consolidation of the 50 companies in the BB Conglomerate. They cover Banco do Brasil subsidiaries and 24 joint ventures and associates.

Among the main subsidiaries, joint ventures and associates, highlight to: Banco Votorantim, BB Mapfre SH1, Mapfre BB SH2, Brasilcap Brasilprev, Cielo, Alelo, Cateno and Tecban.

Table 176. Summary Balance Sheet - Assets Managerial

				Chg. (%) on	
R$ million	Sep/15	Jun/16	Sep/16	Sep/15	Jun/16
ASSETS	**1,574,961**	**1,643,212**	**1,651,982**	**4.9**	**0.5**
Current and Long-Term Assets	**1,553,947**	**1,623,750**	**1,632,368**	**5.0**	**0.5**
Available Funds	19,773	14,413	13,293	(32.8)	(7.8)
Short-Term Interbank Investments	349,196	423,112	432,938	24.0	2.3
Securities and Financial Derivatives	250,714	282,381	295,823	18.0	4.8
Financial Derivative Instruments	6,488	5,372	4,688	(27.7)	(12.7)
Interbank Accounts	68,616	74,290	72,425	5.6	(2.5)
Deposits with the Central Bank	60,376	65,697	63,802	5.7	(2.9)
Compulsory Dep. on Demand Dep. and Float	9,594	11,343	10,162	5.9	(10.4)
Compulsory Dep. on Savings Deposits	50,782	54,354	53,640	5.6	(1.3)
Other	8,240	8,593	8,623	4.6	0.3
Intrabank Accounts	175	132	211	20.7	59.5
Loans	647,898	618,223	603,181	(6.9)	(2.4)
(Allowance for Loan Losses)	(32,667)	(37,228)	(38,049)	16.5	2.2
Leasing	1,090	695	654	(40.0)	(5.9)
Other Receivables	211,987	205,167	208,803	(1.5)	1.8
Receivable on Guarantees Honored	401	694	588	46.7	(15.3)
Foreign Exchange Portfolio	25,112	20,670	19,676	(21.6)	(4.8)
Income Receivable	3,069	2,851	3,155	2.8	10.7
Trading and Brokerage of Securities	2,324	1,151	1,017	(56.2)	(11.6)
Specific Credits	1,686	356	367	(78.2)	3.2
Credits from Insur., Pension Plans and Saving Bonds	5,812	4,948	5,032	(13.4)	1.7
Tax Credits	45,368	50,872	51,714	14.0	1.7
Actuarial Assets	3,193	(4,910)	(4,977)	-	1.4
Fundo Paridade	116	125	128	10.1	2.3
Warrants Deposits Receivable	44,803	50,396	52,545	17.3	4.3
Surplus Destination Fund - Previ	8,768	9,377	9,458	7.9	0.9
Other Credits	73,874	71,438	72,569	(1.8)	1.6
(Provision for Other Credits)	(2,539)	(2,801)	(2,469)	(2.7)	(11.9)
(With Loan Characteristics)	(1,288)	(1,273)	(1,054)	(18.2)	(17.2)
(Without Loan Characteristics)	(1,251)	(1,528)	(1,415)	13.1	(7.4)
Other Assets	4,499	5,337	5,041	12.0	(5.6)
Assets Not in Use and Materials in Stock	698	693	706	1.0	1.8
(Provision for Impairment)	(142)	(156)	(155)	8.9	(0.9)
Prepaid Expenses	3,943	4,800	4,490	13.9	(6.5)
Permanent Assets	**21,014**	**19,462**	**19,613**	**(6.7)**	**0.8**
Investments	3,541	3,319	3,364	(5.0)	1.4
Property and Equipment	7,537	7,551	7,593	0.7	0.6
Intangible	9,906	8,574	8,639	(12.8)	0.8
Deferred Charges	30	19	16	(46.1)	(12.1)

Table 177. Summary Balance Sheet - Liabilities Managerial

R$ million	Sep/15	Jun/16	Sep/16	Chg. (%) on Sep/15	Chg. (%) on Jun/16
LIABILITIES AND SHAREHOLDER'S EQUITY	**1,574,961**	**1,643,212**	**1,651,982**	**4.9**	**0.5**
Current and Long-Term Liabilities	**1,490,687**	**1,559,307**	**1,565,799**	**5.0**	**0.4**
Deposits	463,838	442,392	439,500	(5.2)	(0.7)
Demand Deposits	66,026	62,574	61,555	(6.8)	(1.6)
Savings Deposits	149,764	148,368	148,681	(0.7)	0.2
Interbank Deposits	42,404	28,474	25,117	(40.8)	(11.8)
Time Deposits	205,644	202,977	204,147	(0.7)	0.6
Money Market Borrowing	331,364	428,957	425,853	28.5	(0.7)
Repurchase Agreements with Private Securities	44,671	30,410	31,325	(29.9)	3.0
Funds from Acceptances and Securities Placed	210,141	185,043	183,826	(12.5)	(0.7)
Agribusiness Letter of Credit	135,896	136,733	134,419	(1.1)	(1.7)
Mortgage Bonds	18,734	18,241	17,684	(5.6)	(3.1)
Commercial Papers	7,301	10,560	10,760	47.4	1.9
Foreign Securities	48,210	19,510	20,963	(56.5)	7.5
Interbank Accounts	3,329	3,113	3,255	(2.2)	4.6
Intrabank Accounts	3,611	3,254	2,519	(30.2)	(22.6)
Borrowing	35,853	25,467	25,050	(30.1)	(1.6)
Domestic Borrowing	1,106	204	172	(84.4)	(15.4)
Foreign Borrowing	34,747	25,263	24,877	(28.4)	(1.5)
Domestic Onlending – Official Institutions	92,303	88,256	86,833	(5.9)	(1.6)
National Treasury	239	189	214	(10.5)	13.3
BNDES	39,740	36,018	34,394	(13.5)	(4.5)
CEF	18,220	21,648	22,918	25.8	5.9
Finame	31,882	28,467	26,915	(15.6)	(5.5)
Other Institutions	2,222	1,933	2,392	7.6	23.7
Financial Derivatives	6,629	4,947	3,783	(42.9)	(23.5)
Other Accounts Payable	343,618	377,879	395,179	15.0	4.6
Collection of Taxes and Contributions	4,494	4,014	4,182	(6.9)	4.2
Foreign Exchange Portfolio	11,020	22,275	23,908	116.9	7.3
Shareholder and Statutory Distributions	2,348	1,755	1,442	(38.6)	(17.8)
Taxes and Social Security	26,751	28,087	30,605	14.4	9.0
Trading and Brokerage of Securities	1,466	1,214	1,012	(31.0)	(16.6)
Tech. Prov. Insur. Pension Plans & Saving Bonds	123,259	148,396	156,099	26.6	5.2
Financial and Development Funds	14,675	13,741	14,620	(0.4)	6.4
Hybrid Debt Capital Istruments	7,851	5,397	5,956	(24.1)	10.3
FCO (Subordinated Debt)	57,230	54,990	55,990	(2.2)	1.8
Actuarial Liabilities	6,389	7,519	7,619	19.3	1.3
Other Liabilities	57,884	66,049	68,782	18.8	4.1
Debt Instruments Elegible to Capital	30,250	24,441	24,964	(17.5)	2.1
Unearned Income	**459**	**456**	**459**	**(0.1)**	**0.5**
Shareholders' Equity	**83,814**	**83,449**	**85,724**	**2.3**	**2.7**
Capital	60,000	67,000	67,000	11.7	-
Instruments Elegible to Principal Capital	8,100	8,100	8,100	-	-
Capital Reserves	14	14	14	0.5	-
Revaluation Reserves	3	3	3	(2.5)	(0.6)
Reserve for Retained Earnings	25,809	25,402	25,402	(1.6)	-
Other Comprehensive Income	(13,830)	(18,319)	(17,874)	29.2	(2.4)
Benefit Plans	(11,145)	(16,832)	(16,832)	51.0	(0.0)
Retained Earnings (Accumulated Losses)	1,798	-	1,573	(12.5)	-
(Shares Owned by the Company)	(1,697)	(1,854)	(1,854)	9.2	-
Corporate Profit Sharing	3,617	3,102	3,360	(7.1)	8.3

Table 178. Summary Corporate Law Income Statement - Managerial

	Quarterly Flow			Chg. (%) on		9 Months Flow		Chg. (%) on
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Financial Intermediation Income	**62,211**	**41,235**	**48,939**	**(21.3)**	**18.7**	**149,539**	**125,487**	**(16.1)**
Loan Operations	35,375	26,475	28,429	(19.6)	7.4	88,206	75,990	(13.8)
Income from Lease Operations	49	35	37	(24.7)	4.8	131	110	(15.9)
Income from Securities	20,646	12,839	17,913	(13.2)	39.5	50,267	42,636	(15.2)
Income from Financial Derivatives	1,687	(1,232)	(143)	-	(88.4)	2,190	(1,778)	-
Income from Foreign Exchange Portfolio	2,618	883	422	(83.9)	(52.2)	3,406	1,875	(45.0)
Income from Compulsory Investments	1,322	1,454	1,543	16.8	6.1	3,707	4,389	18.4
Sale or Transference of Financial Assets	123	302	300	144.5	(0.8)	338	795	135.0
Financ. Inc. Insur., Pension and S.Bonds Op.	392	478	439	12.0	(8.3)	1,294	1,469	13.5
Financial Intermediation Expenses	**(62,171)**	**(32,310)**	**(40,162)**	**(35.4)**	**24.3**	**(136,254)**	**(99,380)**	**(27.1)**
Money Market Funds	(28,912)	(30,243)	(30,500)	5.5	0.9	(77,272)	(85,655)	10.8
Borrowing, Assignments and Onlending	(24,339)	5,317	(2,729)	(88.8)	-	(38,500)	7,810	-
Allowance for Loan Losses	(8,919)	(7,384)	(6,933)	(22.3)	(6.1)	(20,482)	(21,535)	5.1
Gross Income from Financial Intermediation	**40**	**8,925**	**8,777**	**-**	**(1.7)**	**13,285**	**26,107**	**96.5**
Other Operating Income (Expenses)	**(3,511)**	**(3,483)**	**(4,356)**	**24.0**	**25.0**	**(9,393)**	**(11,359)**	**20.9**
Service Fee Income[1]	4,959	5,051	5,150	3.9	2.0	14,281	14,984	4.9
Banking Fee Income	1,948	2,160	2,255	15.8	4.4	5,394	6,426	19.1
Personnel Expenses	(6,050)	(5,700)	(5,971)	(1.3)	4.8	(16,880)	(17,226)	2.1
Other Administrative Expenses	(4,325)	(4,309)	(4,410)	2.0	2.3	(12,515)	(12,948)	3.5
Other Taxes Expenses	(1,319)	(1,743)	(1,687)	27.9	(3.2)	(4,647)	(5,114)	10.1
Eq. Int. in Results of Subsidiaries and Affiliates	3,059	(26)	21	(99.3)	-	4,539	(48)	-
Inc. for Ins., Pens. Plans and Sav.Bonds Op.	1,285	1,369	1,198	(6.8)	(12.5)	4,085	3,705	(9.3)
Other Operating Income	3,054	3,533	3,290	7.7	(6.9)	8,904	10,366	16.4
Other Operating Expenses	(6,122)	(3,818)	(4,202)	(31.4)	10.1	(12,553)	(11,504)	(8.4)
Operating Income	**(3,471)**	**5,441**	**4,422**	**-**	**(18.7)**	**3,892**	**14,748**	**-**
Non-Operating Income	18	28	9	(49.7)	(68.4)	5,786	25	(99.6)
Income Before Taxes	**(3,453)**	**5,470**	**4,431**	**-**	**(19.0)**	**9,678**	**14,773**	**52.6**
Income and Social Contribution Taxes	7,383	(2,211)	(1,459)	-	(34.0)	5,154	(5,460)	-
Statutory Profit Sharing	(419)	(356)	(318)	(24.1)	(10.7)	(1,613)	(1,009)	(37.5)
Minority Interest Earnings	(448)	(438)	(407)	(9.1)	(6.9)	(1,331)	(1,234)	(7.2)
Net Income	**3,062**	**2,465**	**2,246**	**(26.6)**	**(8.9)**	**11,888**	**7,070**	**(40.5)**
Effective Tax Rate	**190.6**	**43.2**	**35.5**			**(63.9)**	**39.7**	

Table 179. Summary Income Statement with Reallocations - Managerial

	Quarterly Flow			Chg. (%) on		9 Months Flow		Chg. (%) on
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Net Interest Income	**14,364**	**15,931**	**16,279**	**13.3**	**2.2**	**41,870**	**47,502**	**13.5**
Allowance for Loan Losses	(6,407)	(8,601)	(7,037)	9.8	(18.2)	(17,936)	(24,899)	38.8
Net Financial Margin	**7,957**	**7,330**	**9,242**	**16.1**	**26.1**	**23,934**	**22,603**	**(5.6)**
Fee Income	6,907	7,211	7,405	7.2	2.7	19,675	21,410	8.8
Inc. for Ins., Pens. Plans and Sav.Bonds Op.	1,285	1,369	1,198	(6.8)	(12.5)	3,700	3,705	0.2
Taxes on Revenues	(1,314)	(1,577)	(1,549)	17.9	(1.8)	(3,921)	(4,618)	17.8
Contribution Margin	**14,835**	**14,333**	**16,296**	**9.8**	**13.7**	**43,387**	**43,101**	**(0.7)**
Administrative Expenses	(8,614)	(8,786)	(9,225)	7.1	5.0	(25,404)	(26,544)	4.5
Other Taxes Expenses	(161)	(113)	(143)	(11.0)	27.4	(399)	(397)	(0.6)
Commercial Income	**6,060**	**5,435**	**6,927**	**14.3**	**27.5**	**17,585**	**16,160**	**(8.1)**
Legal Claims	(399)	(182)	(458)	14.7	151.6	(722)	(1,026)	42.1
Labor Lawsuits	(327)	(428)	(179)	(45.4)	(58.3)	(664)	(1,059)	59.5
Other Operating Income / Expenses Result	(816)	(1,655)	(1,626)	99.4	(1.7)	(2,149)	(4,298)	100.0
Income Before Taxes	**4,534**	**3,172**	**4,691**	**3.5**	**47.9**	**14,068**	**9,750**	**(30.7)**
Income and Social Contribution Taxes	(651)	(652)	(1,618)	148.6	148.0	(2,306)	(2,268)	(1.6)
Interest on Own Capital Tax Benefit	488	344	296	(39.3)	(13.8)	1,373	931	(32.2)
Statutory Profit Sharing	(553)	(282)	(328)	(40.6)	16.6	(1,559)	(824)	(47.2)
Minority Interest Earnings	(448)	(438)	(407)	(9.1)	(6.9)	(1,256)	(1,234)	(1.8)
Adjusted Net Income	**2,881**	**1,801**	**2,337**	**(18.9)**	**29.8**	**8,947**	**5,424**	**(39.4)**
Effective Tax Rate	**16.4**	**22.6**	**37.1**			**18.4**	**25.4**	

Table 180. Managerial Net Interest Income - Managerial

	Quarterly Flow			Chg. (%) on		9 Months Flow		Chg. (%) on
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Management Net Interest Income	**14,364**	**15,931**	**16,279**	**13.3**	**2.2**	**41,870**	**47,502**	**13.5**
Loan Operations	25,599	26,367	27,204	6.3	3.2	72,126	79,862	10.7
Funding Expenses	(11,700)	(11,106)	(11,429)	(2.3)	2.9	(31,460)	(33,544)	6.6
Financial Expense for Institutional Funding[1]	(4,130)	(4,126)	(4,101)	(0.7)	(0.6)	(11,420)	(12,296)	7.7
Recovery of Write-offs	804	1,457	1,059	31.7	(27.3)	2,713	3,448	27.1
Treasury[2]	3,792	3,339	3,546	(6.5)	6.2	9,911	10,033	1.2

1 - Includes senior debt instruments, subordinated debt and IHCD in the country and abroad.
2 - Includes income from interest, tax hedging, derivatives and other financial instruments that compensate for the effects of exchange rate variation in the results.

Table 181. Fee Income - Managerial

	Quarterly Flow			Chg. (%) on		9 Months Flow		Chg. (%) on
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Managerial Fee Income	**6,907**	**7,211**	**7,405**	**7.2**	**2.7**	**19,675**	**21,410**	**8.8**
Credit / Debit Cards	1,614	1,591	1,705	5.6	7.1	4,731	4,893	3.4
Account Fees	1,096	1,535	1,601	46.1	4.3	3,490	4,571	31.0
Asset Management Fees	1,254	1,345	1,416	12.9	5.3	3,506	4,000	14.1
Loan Fees	853	521	460	(46.1)	(11.8)	1,712	1,416	(17.3)
Collections	435	422	424	(2.7)	0.6	1,281	1,265	(1.2)
Billings	250	257	254	1.4	(1.4)	783	771	(1.5)
Insurence, Pension and Premium Bonds	234	254	263	12.1	3.3	762	765	0.4
Interbank	196	223	209	6.4	(6.3)	575	634	10.2
National Treasury and Manag. of Official Funds	130	150	151	15.7	0.5	333	432	30.0
Fiduciary Services	128	133	143	11.0	7.0	365	405	10.8
Capital Market	90	182	153	69.2	(16.2)	368	454	23.3
Consortium	109	123	156	43.9	27.5	314	394	25.6
Other	516	474	473	(8.5)	(0.3)	1,456	1,411	(3.1)

Table 182. Adm. Expenses - Managerial

	Quarterly Flow			Chg. (%) on		9 Months Flow		Chg. (%) on
R$ million	3Q15	2Q16	3Q16	3Q15	2Q16	9M15	9M16	9M15
Management Administrative Expenses	**(8,614)**	**(8,786)**	**(9,225)**	**7.1**	**5.0**	**(25,404)**	**(26,544)**	**4.5**
Personnel Expenses Management	**(5,091)**	**(5,287)**	**(5,611)**	**10.2**	**6.1**	**(15,217)**	**(16,014)**	**5.2**
Salaries	(2,393)	(2,892)	(2,549)	6.5	(11.8)	(7,451)	(7,877)	5.7
Administrative Personnel Provisions	(950)	(554)	(1,265)	33.2	128.2	(2,527)	(2,703)	6.9
Social Charges	(844)	(876)	(836)	(1.0)	(4.6)	(2,579)	(2,554)	(1.0)
Benefits	(742)	(724)	(717)	(3.4)	(0.9)	(2,195)	(2,157)	(1.7)
Pension Fund	(115)	(193)	(199)	72.7	3.5	(335)	(589)	75.9
Remunerat. for Directors and Officers	(26)	(29)	(26)	0.2	(10.3)	(76)	(83)	10.0
Training	(21)	(20)	(19)	(12.5)	(4.7)	(54)	(51)	(4.9)
Other Administrative Expenses	**(3,523)**	**(3,499)**	**(3,614)**	**2.6**	**3.3**	**(10,187)**	**(10,530)**	**3.4**
Telecommunications and Data Processing	(537)	(602)	(483)	(10.1)	(19.8)	(1,634)	(1,626)	(0.5)
Amortization and Depreciation	(378)	(445)	(419)	10.7	(5.8)	(1,087)	(1,251)	15.1
Security. Guard and Transport Services	(583)	(573)	(633)	8.6	10.4	(1,697)	(1,754)	3.4
Expenses with Premises and Equipment	(705)	(674)	(806)	14.4	19.7	(2,068)	(2,206)	6.7
Advertising and Public Affairs	(186)	(156)	(179)	(4.1)	14.5	(441)	(476)	8.1
Expenses with Outsourced Services	(626)	(579)	(618)	(1.2)	6.8	(1,827)	(1,826)	(0.1)
Other Administrative Expenses	(508)	(470)	(477)	(6.2)	1.4	(1,434)	(1,391)	(3.0)

Vice Presidency of Financial Management and Investor Relations

Chief Financial Officer
José Maurício Pereira Coelho

Head of Investor Relations
Bernardo de Azevedo Silva Rothe

Executive Manager
Rodrigo Felippe Afonso

Divisional Managers
Heverton Masaru Ono
João Domingos Cicarini Júnior
Joaquim Camilo de Castro

IR Especialist
Janaína Marques Storti

Analysts
Adriano Gonçalves de Souza
Bruno Santos Garcia
Cleber Antonio Lima Rentroia
Daniela Priscila da Silva
Debora Stefani
Diogo Simas Machado
Eva Maria Gitirana de Oliveira
Fabíola Lopes Ribeiro
Felipe de Mello Pimentel
Fernanda Vasconcelos de Meneses
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Regina Knysak
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Vitor Lopes Rodrigues
Viviane de Sousa

KPMG

Banco do Brasil S.A.

Limited assurance report about supplementary accounting information included within the performance analysis report

September 30, 2016
(A free translation of the original report in Portuguese on the supplementary accounting information presented in the Performance Analysis Report)

KPMG Auditores Independentes
November 2016
KPDS 166539

KPMG Auditores Independentes
SBS - Qd. 02 - Bl. Q - Lote 03 - Salas 708 a 711
Edifício João Carlos Saad
70070-120 - Brasília/DF - Brasil
Caixa Postal 8587 - CEP 70312-970 - Brasília/DF - Brasil
Telefone +55 (61) 2104-2400, Fax +55 (61) 2104-2406
www.kpmg.com.br

Limited assurance report about supplementary accounting information included within the performance analysis report

To
Board of Directors of
Banco do Brasil S.A.
Brasília - DF

Introduction
We were engaged by Banco do Brasil S.A. ("Bank") to report on the supplementary accounting information of Banco do Brasil S.A. as at September 30th for the periods of three months and nine months then ended, in the form of a limited assurance conclusion if, based on our engagement performed, nothing has come to our attention that causes us to believe that the supplementary accounting information included within the Performance Analysis Report are not presented, in all material respects, in accordance to on the information referred to in the "Criteria for preparing the supplementary accounting information" paragraph.

Responsibility of the Bank's management
The Bank´s management is responsible for preparing and adequately presenting the supplementary accounting information included within the Performance Analysis Report based on the criteria for the preparation of the supplementary accounting information described below, and the other information contained in such report, as well as for the design, implementation and maintenance of internal controls it deemed necessary to enable that such information are free from material misstatements, regardless of whether caused by fraud or error.

Responsibility of the independent auditors
Our responsibility is to review the supplementary accounting information included in the Performance Analysis Report prepared by the Bank and, based on that review, to issue a conclusion in the form of limited assurance. We conducted our works in conformity with the Brazilian Standard on Assurance Engagements NBC TO 3000 - Assurance Engagements Other than Audits or Reviews (ISAE 3000). That standard requires compliance with ethical requirements, including independence requirements , planning and execution of procedures to obtain a level of limited assurance that we are not aware of any fact that would lead us to believe that the supplementary accounting information presented in the Analysis Performance Report of the Bank are not presented, in all material respects, in accordance with the information referred to in the "Criteria for preparing the supplementary accounting information" paragraph.

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

The procedures selected were based on our understanding of the supplementary accounting information included within the Performance Analysis Report, as well as other circumstances of our work and our consideration of other areas that may contain material misstatements.

A limited assurance provides a degree of assurance that is lower than an audit or a reasonable assurance. Procedures for collecting evidence for a limited assurance work are more limited than for a reasonable assurance work and, therefore, less assurance is obtained than in a reasonable assurance work. Therefore, we do not express an audit opinion or a reasonable assurance on the supplementary accounting information presented in Performance Analysis Report of the Bank.

Our conclusion does not contemplate aspects related to any prospective information contained within the Performance Analysis Report, nor offers any guarantee if the assumptions used by Management to provide a reasonable basis for the projections presented. Therefore, our report does not offer any type of assurance on the scope of future information (such as goals, expectations and ambitions) and descriptive information that is subject to subjective assessment.

Criteria for preparation of supplementary accounting information
The supplementary accounting information disclosed within the Performance Analysis Report as at September 30th for the periods of three months and nine months then ended, were prepared by the Bank's management based on the accounting information contained in the September 30, 2016 consolidated financial statement and the criteria described in the Performance Analysis Report in order to allow additional analysis, without, however, being part of the consolidated financial statement disclosed on this date.

Conclusion
Our conclusion has been formed on the basis of, and is limited to the matters outlined in this report.

Based on the limited assurance procedures performed, as summarized above, we are not aware of any facts that lead us to believe that the supplementary accounting information included within the Performance Analysis Report, are not presented, in all relevant respects, in accordance with the information referred to in the "Criteria for preparing the supplementary accounting information" paragraph.

Brasília, November 8, 2016

KPMG Auditores Independentes
CRC SP-014428/O-6 F-DF

Original report in Portuguese signed by
Marcelo Faria Pereira
Accountant CRC RJ-077911/O-2

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Financial Statements

3rd quarter 2016



INDEX

Index 1

Financial Statements 3

BALANCE SHEET 3

STATEMENT OF INCOME 7

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 8

STATEMENT OF CASH FLOWS 9

STATEMENT OF VALUE ADDED 10

Notes to the Consolidated Financial Statements 11

1 - THE BANK AND ITS OPERATIONS 11

2 - COMPANY RESTRUCTURING 11

3 - PRESENTATION OF FINANCIAL STATEMENTS 12

4 - DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES 18

5 - INFORMATION BY SEGMENT 24

6 - CASH AND CASH EQUIVALENTS 40

7 - SHORT-TERM INTERBANK INVESTMENTS 40

8 - SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS 41

9 - INTERBANK ACCOUNTS 49

10 - LOAN OPERATIONS 51

11 - OTHER RECEIVABLES 57

12 - FOREIGN EXCHANGE PORTFOLIO 58

13 - OTHER ASSETS 59

14 - INVESTMENTS 60

15 - PROPERTY AND EQUIPMENT 66

16 - INTANGIBLE ASSETS 67

17 - DEPOSITS AND SECURITIES SOLD UNDER REPURCHASE AGREEMENTS 68

18 - BORROWINGS AND ONLENDINGS 72

19 - FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES 74

20 - OTHER LIABILITIES 75

21 - OTHER OPERATING INCOME/EXPENSES 79

22 - NON-OPERATING INCOME 81

23 - SHAREHOLDERS' EQUITY 82

24 - TAXES 88

25 - RELATED PARTY TRANSACTIONS 91

26 - EMPLOYEE BENEFITS 94

27 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES, LEGAL LIABILITIES - TAXES AND SOCIAL SECURITY 105

28 - RISK AND CAPITAL MANAGEMENT 108

29 - STATEMENT OF COMPREHENSIVE INCOME 117

30 - OTHER INFORMATION 118

Independent Auditor's Report 121

Members of Management 124

BALANCE SHEET

ASSETS	Note	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015 Restated
CURRENT ASSETS		**833,279,533**	**771,228,599**	**782,547,674**
Cash and cash equivalents	6	**12,928,959**	**18,054,422**	**19,393,548**
Short-term interbank investments	7.a	**426,798,907**	**351,419,935**	**343,665,897**
Open market investments		392,773,794	303,356,591	292,113,659
Interbank deposits		34,025,113	48,063,344	51,552,238
Securities and derivative financial instruments	8	**20,497,283**	**24,273,925**	**27,586,413**
Own portfolio		16,789,817	20,534,138	22,880,665
Subject to repurchase agreements		1,174,435	1,257,846	1,276,956
Pledged in guarantee		314,133	113,777	313,257
Derivative financial instruments		2,218,898	2,368,164	3,115,535
Interbank accounts		**71,796,733**	**65,050,180**	**68,239,263**
Payments and receipts pending settlement	9.a	3,759,990	7,252	4,211,410
Restricted deposits	9.b	66,355,457	63,361,321	62,896,054
Deposits with Banco Central do Brasil		63,636,925	60,810,918	60,362,133
National Treasury - rural credits resources		51,624	54,205	80,360
National Housing Finance System		2,666,908	2,496,198	2,453,561
Interbank onlendings		1,951	--	1,235
Correspondent banks		1,679,335	1,681,607	1,130,564
Interdepartmental accounts		**210,944**	**597,676**	**174,838**
Internal transfers of funds		210,944	597,676	174,838
Loan operations	10	**177,910,778**	**188,807,055**	**185,749,041**
Public sector		1,209,068	2,438,099	2,432,256
Private sector		190,040,551	196,989,843	193,205,143
Loan operations linked to assignment		48	431	99
(Allowance for loan losses)		(13,338,889)	(10,621,318)	(9,888,457)
Leasing transactions	10	**263,149**	**318,349**	**344,255**
Private sector		309,938	352,475	380,989
(Allowance for leasing transactions losses)		(46,789)	(34,126)	(36,734)
Other receivables		**122,397,357**	**122,226,217**	**136,928,483**
Receivables from guarantees honored		500,904	397,550	279,243
Foreign exchange portfolio	12.a	18,683,617	19,847,057	22,611,901
Accrued income		2,822,309	2,784,436	2,744,177
Securities trading		336,238	308,180	482,600
Sundry	11.b	101,777,596	100,389,034	112,344,958
(Allowance for other losses)		(1,723,307)	(1,500,040)	(1,534,396)
Other assets	13	**475,423**	**480,840**	**465,936**
Assets not for own use and materials in stock		329,374	332,533	350,718
(Allowance for impairment)		(127,318)	(120,940)	(125,116)
Prepaid expenses		273,367	269,247	240,334

See the accompanying notes to the financial statements.

ASSETS	Note	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015 Restated
NON-CURRENT ASSETS		**614,932,362**	**629,900,158**	**619,466,363**
LONG-TERM RECEIVABLES		**583,276,586**	**597,797,430**	**588,149,251**
Short-term interbank investments	7.a	**1,004,308**	**1,321,852**	**1,191,739**
Open market investments		150,870	174,225	208,349
Interbank deposits		853,438	1,147,627	983,390
Securities and derivative financial instruments	8	**105,173,675**	**93,011,125**	**85,990,051**
Own portfolio		79,721,478	71,087,575	58,585,296
Subject to repurchase agreements		21,972,564	16,939,716	20,403,445
Pledged in guarantee		2,713,261	3,989,966	5,281,836
Derivative financial instruments		766,372	993,868	1,719,474
Interbank accounts		**462,808**	**358,235**	**331,821**
Restricted deposits	9.b	9	99	2,335
National Treasury - rural credits resources		9	99	2,335
Interbank onlendings		462,799	358,136	329,486
Loan operations	10	**404,539,479**	**439,070,732**	**439,607,184**
Public sector		73,482,277	76,374,043	74,948,887
Private sector		353,650,089	384,232,452	385,491,157
Loan operations linked to assignment		639,693	332,860	344,104
(Allowance for loan losses)		(23,232,580)	(21,868,623)	(21,176,964)
Leasing transactions	10	**334,667**	**507,440**	**648,703**
Private sector		360,340	522,360	662,012
(Allowance for leasing transactions losses)		(25,673)	(14,920)	(13,309)
Other receivables		**71,744,945**	**63,512,259**	**60,341,403**
Foreign exchange portfolio	12.a	296,426	1,573,065	1,170,076
Accrued income		60,106	36,398	38,040
Securities trading		613,465	1,344,984	1,491,157
Specific credits	11.a	366,862	334,604	1,685,630
Sundry	11.b	71,024,944	61,040,381	56,466,856
(Allowance for other losses)		(616,858)	(817,173)	(510,356)
Other assets	13	**16,704**	**15,787**	**38,350**
Prepaid expenses		16,704	15,787	38,350
PERMANENT ASSETS		**31,655,776**	**32,102,728**	**31,317,112**
Investments		**16,481,958**	**15,452,248**	**14,909,960**
Associates and joint ventures	14.a	16,303,620	15,281,217	14,738,376
Domestic		16,189,792	15,100,387	14,490,493
Abroad		113,828	180,830	247,883
Other investments	14.c	232,591	225,300	225,855
(Provision for losses)		(54,253)	(54,269)	(54,271)
Property and equipment	15	**7,198,918**	**7,323,034**	**7,009,958**
Land and buildings		6,774,064	6,796,594	6,648,172
Other property and equipment		9,402,872	9,336,493	9,016,608
(Accumulated depreciation)		(8,978,018)	(8,810,053)	(8,654,822)
Intangible	16	**7,963,884**	**9,310,872**	**9,378,543**
Intangible assets		17,589,115	17,543,048	17,224,933
(Accumulated amortization)		(9,625,231)	(8,232,176)	(7,846,390)
Deferred		**11,016**	**16,574**	**18,651**
Organization and expansion costs		1,579,972	1,588,601	1,591,915
(Accumulated amortization)		(1,568,956)	(1,572,027)	(1,573,264)
TOTAL ASSETS		**1,448,211,895**	**1,401,128,757**	**1,402,014,037**

See the accompanying notes to the financial statements.

LIABILITIES/SHAREHOLDERS' EQUITY	Note	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015 Restated
CURRENT LIABILITIES		**1,024,746,296**	**909,357,947**	**910,891,440**
Deposits	17.a	**382,117,728**	**406,119,891**	**408,468,227**
Demand deposits		61,622,917	66,549,760	66,062,958
Savings deposits		148,681,412	151,845,281	149,763,605
Interbank deposits		20,184,165	35,863,954	34,367,532
Time deposits		151,597,326	151,860,896	158,274,132
Other deposits		31,908	--	--
Securities sold under repurchase agreements	17.c	**379,184,277**	**294,973,701**	**287,813,231**
Own portfolio		22,353,562	30,332,240	27,849,981
Third-party portfolio		356,830,715	264,641,461	259,963,250
Funds from acceptance and issuance of securities	19	**71,941,873**	**43,600,506**	**44,823,212**
Bonds backed by real estate, mortgage and other credits		67,334,503	31,127,215	21,345,237
Foreign securities		4,607,370	12,473,291	23,477,975
Interbank accounts		**3,254,585**	**30,621**	**3,328,836**
Receipts and payments pending settlement	9.a	3,238,815	34	3,306,937
Correspondent banks		15,770	30,587	21,899
Interdepartmental accounts		**2,468,333**	**5,438,786**	**3,500,187**
Third-party funds in transit		2,466,197	5,438,146	3,498,304
Internal transfers of funds		2,136	640	1,883
Borrowings	18.a	**19,641,127**	**22,214,249**	**23,063,432**
Foreign borrowing		19,641,127	22,214,249	23,063,432
Domestic onlending - official institutions	18.b	**39,695,325**	**39,015,494**	**38,389,402**
National Treasury		132	--	300
BNDES		9,128,563	11,394,421	12,057,536
Caixa Econômica Federal		22,917,625	19,690,627	18,219,733
Finame		5,257,193	5,696,559	5,889,616
Other institutions		2,391,812	2,233,887	2,222,217
Foreign onlending	18.b	**95**	**9,916**	**8,983**
Derivative financial instruments	8.d	**1,744,897**	**1,967,562**	**2,827,174**
Other liabilities		**124,698,056**	**95,987,221**	**98,668,756**
Billing and collection of taxes and contributions		4,088,460	398,229	4,393,519
Foreign exchange portfolio	12.a	17,423,634	13,737,534	9,776,737
Shareholders and statutory distributions		1,281,487	1,588,380	2,211,372
Taxes and social security	20.a	25,855,176	19,149,334	22,238,920
Securities trading		668,297	563,939	944,125
Financial and development funds	20.b	8,750,670	10,021,062	9,674,726
Subordinated debts	20.c	2,647,425	1,845,639	3,601,991
Equity and debt hybrid securities	20.d	193,367	121,313	368,326
Other liabilities	20.e	63,789,540	48,561,791	45,459,040

See the accompanying notes to the financial statements.

LIABILITIES/SHAREHOLDERS' EQUITY	Note	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015 Restated
NON-CURRENT LIABILITIES		**337,741,460**	**410,234,637**	**407,308,149**
LONG-TERM LIABILITIES		**337,305,221**	**409,775,429**	**406,867,616**
Deposits	17.a	**55,584,795**	**58,299,827**	**53,998,910**
Interbank deposits		3,734,439	5,618,593	7,097,952
Time deposits		51,850,356	52,681,234	46,900,958
Securities sold under repurchase agreements	17.c	**31,285,762**	**38,547,947**	**31,918,624**
Own portfolio		31,285,762	38,547,900	31,918,624
Third-party portfolio		--	47	--
Funds from acceptance and issuance of securities	19	**101,624,966**	**144,960,986**	**152,355,935**
Bonds backed by real estate, mortgage and other credits		85,831,208	123,923,197	131,731,171
Foreign securities		15,666,524	21,026,465	20,606,881
Certificates of structured operations		127,234	11,324	17,883
Borrowings	18.a	**3,170,978**	**7,441,111**	**8,211,289**
Domestic loans - other institutions		--	38,494	38,451
Foreign borrowing		3,170,978	7,402,617	8,172,838
Domestic onlending - official institutions	18.b	**45,382,677**	**51,049,914**	**52,153,556**
National Treasury		167,864	178,145	208,080
BNDES		24,452,529	26,586,982	26,837,741
Finame		20,762,284	24,284,787	25,107,735
Foreign onlending	18.b	**382**	**382**	**382**
Derivative financial instruments	8.d	**555,098**	**1,321,610**	**1,909,139**
Other liabilities		**99,700,563**	**108,153,652**	**106,319,781**
Foreign exchange portfolio	12.a	6,026,327	1,862,406	291,210
Taxes and social security	20.a	769,394	784,824	752,527
Securities trading		141,099	107,822	131,032
Financial and development funds	20.b	5,869,076	4,981,462	5,000,005
Special operations		2,192	2,187	2,176
Subordinated debts	20.c	50,745,908	52,172,117	50,653,681
Equity and debt hybrid securities	20.d	5,762,377	7,745,195	7,482,721
Debt instruments eligible as capital	20.c and 20.d	24,402,877	27,293,304	29,826,484
Other liabilities	20.e	5,981,313	13,204,335	12,179,945
DEFERRED INCOME		**436,239**	**459,208**	**440,533**
SHAREHOLDERS' EQUITY	23	**85,724,139**	**81,536,173**	**83,814,448**
Capital		**67,000,000**	**60,000,000**	**60,000,000**
Local residents		53,342,172	47,321,901	47,025,374
Domiciled abroad		13,657,828	12,678,099	12,974,626
Instruments qualifying to common equity tier 1 capital	23.c	**8,100,000**	**8,100,000**	**8,100,000**
Capital reserves		**15,509**	**14,326**	**14,326**
Revaluation reserves		**2,678**	**2,730**	**2,747**
Profit reserves		**25,409,076**	**29,031,090**	**25,809,320**
Accumulated other comprehensive income		**(17,873,976)**	**(17,042,671)**	**(13,829,926)**
Retained earnings/accumulated losses		**1,566,220**	**--**	**1,798,079**
(Treasury shares)		**(1,854,749)**	**(1,697,380)**	**(1,697,380)**
Noncontrolling interests		**3,359,381**	**3,128,078**	**3,617,282**
TOTAL LIABILITIES		**1,448,211,895**	**1,401,128,757**	**1,402,014,037**

See the accompanying notes to the financial statements.

STATEMENT OF INCOME

	Note	3rd quarter/2016	3rd quarter/2015 Restated	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015 Restated
INCOME FROM FINANCIAL INTERMEDIATION		**46,705,020**	**59,071,012**	**119,092,842**	**141,684,358**
Loan operations	10.b	26,989,034	33,711,174	71,435,453	83,386,907
Leasing transactions	10.i	83,601	127,403	261,526	335,132
Securities	8.b	17,245,102	20,030,813	41,063,317	48,494,688
Derivative financial instruments	8.e	(134,397)	883,036	(1,747,644)	1,142,975
Foreign exchange results	12.b	416,132	2,472,565	1,963,034	3,141,242
Compulsory investments	9.c	1,534,718	1,321,704	4,372,367	3,707,110
Operations of sale and transfer of financial assets		570,830	524,317	1,744,789	1,476,304
EXPENSES FROM FINANCIAL INTERMEDIATION		**(38,688,920)**	**(56,635,455)**	**(95,564,880)**	**(126,345,293)**
Deposits and securities sold under repurchase agreements	17.d	(29,386,182)	(26,973,249)	(82,541,397)	(72,969,311)
Borrowings and onlendings	18.c	(2,685,182)	(21,299,523)	7,912,509	(33,992,847)
Leasing transactions	10.i	(46,681)	(76,704)	(149,636)	(203,156)
Operations of sale and transfer of financial assets		(30,419)	(9,074)	(58,463)	(24,385)
Allowance for loan losses	10.f and 10.g	(6,540,456)	(8,276,905)	(20,727,893)	(19,155,594)
INCOME FROM FINANCIAL INTERMEDIATION		**8,016,100**	**2,435,557**	**23,527,962**	**15,339,065**
OTHER OPERATING INCOME/EXPENSES		**(4,213,003)**	**(5,979,068)**	**(11,050,685)**	**(12,805,528)**
Service fee income	21.a	3,858,813	3,806,664	11,464,790	11,283,348
Bank fee income	21.b	2,163,369	1,884,591	6,178,153	5,204,681
Personnel expenses	21.c	(5,560,152)	(5,654,821)	(16,072,382)	(15,514,374)
Other administrative expenses	21.d	(3,898,886)	(3,865,840)	(11,499,670)	(11,233,338)
Tax expenses	24.c	(1,390,036)	(1,033,254)	(4,212,559)	(3,816,636)
Equity in associates and joint ventures	14	1,064,456	1,076,204	3,179,664	3,371,166
Other operating income	21.e	2,639,776	2,437,959	7,926,886	7,175,168
Other operating expenses	21.f	(3,090,343)	(4,630,571)	(8,015,567)	(9,275,543)
OPERATING INCOME		**3,803,097**	**(3,543,511)**	**12,477,277**	**2,533,537**
NON-OPERATING INCOME	22	**55,070**	**68,838**	**163,350**	**5,909,041**
Incomes		70,812	85,540	223,622	5,988,328
Expenses		(15,742)	(16,702)	(60,272)	(79,287)
PROFIT BEFORE TAXATION AND PROFIT SHARING		**3,858,167**	**(3,474,673)**	**12,640,627**	**8,442,578**
INCOME TAX AND SOCIAL CONTRIBUTION	24.a	**(912,022)**	**7,374,547**	**(3,416,528)**	**6,273,066**
EMPLOYEE AND DIRECTORS PROFIT SHARING		**(292,716)**	**(389,647)**	**(919,485)**	**(1,496,777)**
NON-CONTROLLING INTERESTS		**(407,252)**	**(448,086)**	**(1,234,338)**	**(1,330,818)**
NET INCOME		**2,246,177**	**3,062,141**	**7,070,276**	**11,888,049**
EARNINGS PER SHARE	23.f				
Weighted average number of shares - basic and diluted		2,784,757,945	2,794,596,340	2,788,498,467	2,795,613,950
Basic and diluted earnings per share (R$)		0.80	1.08	2.50	4.16

See the accompanying notes to the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

BB Consolidated	Note	Capital	Instruments qualifying to common equity tier 1 Capital	Capital reserves	Revaluation reserves	Profit reserves		Accumulated other comprehensive income		Treasury shares	Retained earnings/accumulated losses	Non-controlling interest	Total
						Legal reserve	Statutory reserves	Banco do Brasil	Associates and subsidiaries				
Balances at Dec 31, 2014		**54,000,000**	**8,100,000**	**10,773**	**2,805**	**5,468,217**	**21,157,294**	**(9,437,805)**	**(160,035)**	**(1,621,507)**	**--**	**3,093,452**	**80,613,194**
Capital increase - capitalization of reserves		6,000,000	--	--	--	--	(6,000,000)	--	--	--	--	--	--
Accumulated other comprehensive income of securities and derivative financial instruments, net of taxes		--	--	--	--	--	--	(1,639,171)	(128,175)	--	--	--	(1,767,346)
Accumulated other comprehensive income - benefit plans, net of taxes		--	--	--	--	--	--	(2,464,740)	--	--	--	--	(2,464,740)
Share-based payment transactions		--	--	7,968	--	--	--	--	--	4,741	--	--	12,709
Repurchase of shares program		--	--	(4,415)	--	--	--	--	--	(80,614)	--	--	(85,029)
Expired dividends/interest on own capital		--	--	--	--	--	--	--	--	--	6,985	--	6,985
Realization of revaluation reserve in subsidiary/associated companies	23.d	--	--	--	(58)	--	--	--	--	--	58	--	--
Change in noncontrolling interest		--	--	--	--	--	--	--	--	--	--	523,830	523,830
Net income for the period	23.h	--	--	--	--	--	--	--	--	--	11,888,049	--	11,888,049
Interest on instruments elegible to common equity		--	--	--	--	--	--	--	--	--	(210,273)	--	(210,273)
Unrealized results		--	--	--	--	--	86,226	--	--	--	(56,561)	--	29,665
Allocation – Reserves	23.g	--	--	--	--	430,323	5,928,721	--	--	--	(6,359,044)	--	--
- Dividends	23.g	--	--	--	--	--	(1,261,461)	--	--	--	(39,046)	--	(1,300,507)
- Interest on own capital	23.g	--	--	--	--	--	--	--	--	--	(3,432,089)	--	(3,432,089)
Balances at Sep 30, 2015		**60,000,000**	**8,100,000**	**14,326**	**2,747**	**5,898,540**	**19,910,780**	**(13,541,716)**	**(288,210)**	**(1,697,380)**	**1,798,079**	**3,617,282**	**83,814,448**
Changes in the period		**6,000,000**	**--**	**3,553**	**(58)**	**430,323**	**(1,246,514)**	**(4,103,911)**	**(128,175)**	**(75,873)**	**1,798,079**	**523,830**	**3,201,254**
Balances at Dec 31, 2015		**60,000,000**	**8,100,000**	**14,326**	**2,730**	**6,173,642**	**22,857,448**	**(16,678,569)**	**(364,102)**	**(1,697,380)**	**--**	**3,128,078**	**81,536,173**
Capital increase - capitalization of reserves		7,000,000	--	--	--	--	(7,000,000)	--	--	--	--	--	--
Accumulated other comprehensive income of securities and derivative financial instruments, net of taxes		--	--	--	--	--	--	1,723,036	359,654	--	--	--	2,082,690
Accumulated other comprehensive income - benefit plans, net of taxes		--	--	--	--	--	--	(2,913,995)	--	--	--	--	(2,913,995)
Share-based payment transactions		--	--	1,183	--	--	--	--	--	6,157	--	--	7,340
Shares received in order to comply with operation secured by the FGCN - Fundo Garantidor da Construção Naval										(163,526)			(163,526)
Expired dividends/interest on own capital		--	--	--	--	--	--	--	--	--	10,173	--	10,173
Realization of revaluation reserve in subsidiary/associated companies	23.d	--	--	--	(52)	--	--	--	--	--	52	--	--
Change in noncontrolling interest		--	--	--	--	--	--	--	--	--	--	231,303	231,303
Net income for the period	23.h	--	--	--	--	--	--	--	--	--	7,070,276	--	7,070,276
Interest on instruments elegible to common equity		--	--	--	--	--	--	--	--	--	(66,420)	--	(66,420)
Unrealized results		--	--	--	--	--	32,700	--	--	--	(32,700)	--	--
Allocation – Reserves	23.g	--	--	--	--	237,595	3,107,691	--	--	--	(3,345,286)	--	--
- Interest on own capital	23.g	--	--	--	--	--	--	--	--	--	(2,069,875)	--	(2,069,875)
Balances at Sep 30, 2016		**67,000,000**	**8,100,000**	**15,509**	**2,678**	**6,411,237**	**18,997,839**	**(17,869,528)**	**(4,448)**	**(1,854,749)**	**1,566,220**	**3,359,381**	**85,724,139**
Changes in the period		**7,000,000**	**--**	**1,183**	**(52)**	**237,595**	**(3,859,609)**	**(1,190,959)**	**359,654**	**(157,369)**	**1,566,220**	**231,303**	**4,187,966**

See the accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS

	Note	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Cash flows from operating activities			
Income before taxation and profit sharing		**12,640,627**	**8,442,578**
Adjustments to income before taxation and profit sharing		**33,902,723**	**(3,149,879)**
Provision for credits, leasing and other credits	10.f and 10.g	20,727,893	19,155,594
Depreciation and amortization	21.d	3,191,771	3,077,050
(Revenues) / Expenses from impairment	15 and 16	--	(2,409)
Equity in subsidiaries and associates	14.a	(3,179,664)	(3,371,166)
Gain on the disposal of assets	22	(15,958)	(14,202)
Gain on the disposal of investments	22	--	(2,545)
Capital gain	22	(113,982)	(5,845,119)
Provision (reversal) for devaluation of other assets	22	8,367	(7,931)
Amortization of goodwill	14.d	154,603	152,819
Expenses with civil, labor and tax provisions	27	2,162,047	3,729,434
Adjustment of actuarial assets/liabilities and surplus allocation funds	26	(177,174)	(1,098,476)
Commissions income deferred		523,980	629,323
Effect of changes in foreign exchange rates in cash and cash equivalents		9,023,303	(18,056,289)
Non-controlling interests		(1,234,338)	(1,330,818)
Other adjustments		2,831,875	(165,144)
Income adjusted before taxation and profit sharing		**46,543,350**	**5,292,699**
Equity variations		**(43,209,329)**	**5,053,964**
Increase in short-term interbank investments		(90,312,238)	(10,622,389)
Decrease in trading securities and derivative financial instruments		527,015	2,600,085
Increase in interbank and interdepartmental accounts		(3,384,876)	(2,278,931)
(Increase) decrease in compulsory deposits with Banco Central do Brasil		(2,826,007)	2,862,104
(Increase) decrease in loan operations		25,075,674	(49,238,015)
(Increase) decrease in leasing transactions		172,466	(186,369)
Increase in other receivables net of deferred taxes		(4,351,084)	(10,900,011)
Decrease in other assets		12,091	49,421
Income tax and social contribution paid		(5,694,157)	(4,294,254)
Decrease in deposits		(26,717,195)	(5,708,928)
Increase in securities sold under repurchase agreements		76,948,391	25,811,421
(Decrease) increase in funds from acceptance and issuance of securities		(14,994,653)	49,588,373
(Decrease) increase in borrowings and onlendings		(11,840,482)	12,154,135
(Decrease) increase in other liabilities		14,198,695	(4,797,841)
(Decrease) increase in deferred income		(22,969)	15,163
CASH PROVIDED BY OPERATING ACTIVITIES		**3,334,021**	**10,346,663**
Cash flows from investing activities			
Increase in securities available for sale		(25,059,570)	(22,760,663)
Decrease in securities available for sale		16,353,510	16,708,804
Decrease in securities held to maturity		898,980	60,628
Dividends received from associated and subsidiaries companies		2,141,929	2,297,823
Acquisition of property, plant and equipment in use		(759,235)	(770,469)
Disposal of property, plant and equipment in use		36,182	14,321
(Acquisition) disposal of investments		55,480	(41,633)
Acquisition of intangible assets		(1,478,139)	(971,497)
Disposal of intangible assets/deferred assets		486,082	190,192
Funds from partnership in the card segment		--	2,314,674
CASH USED IN INVESTING ACTIVITIES		**(7,324,781)**	**(2,957,820)**
Cash flows from financing activities			
Change in non-controlling interests		231,303	523,829
Increase in subordinated debts		90,986	5,420,072
(Decrease) increase in equity and debt hybrid securities		(5,516,598)	10,983,652
(Acquisition) disposal of treasury shares		(157,369)	(75,874)
Dividends paid		--	(1,551,766)
Interest on own capital paid		(2,010,532)	(2,955,107)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		**(7,362,210)**	**12,344,806**
Net variation of cash and cash equivalents		**(11,352,970)**	**19,733,649**
At the beginning of the period		102,707,171	61,859,479
Effect of changes in foreign exchange rates in cash and cash equivalents		(9,023,303)	18,056,289
At the end of the period		82,330,898	99,649,417
Increase (decrease) in cash and cash equivalents		**(11,352,970)**	**19,733,649**

See the accompanying notes to the financial statements.

STATEMENT OF VALUE ADDED

	Note	Jan 1 to Sep 30, 2016		Jan 1 to Sep 30, 2015 Restated	
Income		**115,621,344**		**142,336,988**	
Income from financial intermediation		119,092,842		141,684,358	
Income from service and bank fees		17,642,943		16,488,029	
Allowance for loan losses		(20,727,893)		(19,155,594)	
Capital gains	22	157,398		5,904,434	
Other income/(expenses)		(543,946)		(2,584,239)	
Expenses from financial intermediation		**(74,836,987)**		**(107,189,699)**	
Inputs purchased from third parties		**(6,635,856)**		**(6,543,992)**	
Materials, water, electric power and gas	21.d	(501,983)		(476,794)	
Expenses with outsourced services	21.d	(1,101,213)		(1,164,909)	
Communications	21.d	(847,011)		(893,023)	
Data processing	21.d	(507,791)		(525,971)	
Transportation	21.d	(856,467)		(867,374)	
Security services	21.d	(879,994)		(809,277)	
Financial system services	21.d	(591,768)		(540,362)	
Advertising and marketing	21.d	(207,896)		(194,297)	
Other		(1,141,733)		(1,071,985)	
Gross added value		**34,148,501**		**28,603,297**	
Depreciation and amortization	21.d	(3,346,374)		(3,229,869)	
Value added produced by entity		**30,802,127**		**25,373,428**	
Value added received through transfer		**3,179,664**		**3,371,166**	
Equity in associates and joint ventures		3,179,664		3,371,166	
Added value to distribute		**33,981,791**	**100.00%**	**28,744,594**	**100.00%**
Value added distributed		**33,981,791**	**100.00%**	**28,744,594**	**100.00%**
Personnel		**15,165,237**	**44.63%**	**15,151,143**	**52.71%**
Salaries and fees		10,132,729		9,725,351	
Employee and directors profit sharing		919,485		1,496,777	
Benefits and training programs		2,121,466		1,967,289	
FGTS (Government severance indemnity fund for employees)		556,217		531,989	
Other charges		1,435,340		1,429,737	
Taxes, rates and contributions		**9,455,718**	**27.83%**	**(596,423)**	**(2.07%)**
Federal		8,408,913		(1,581,957)	
State		780		728	
Municipal		1,046,025		984,806	
Interest on third parties' capital		**1,056,222**	**3.11%**	**971,008**	**3.38%**
Rent	21.d	1,056,222		971,008	
Interest on own capital	23.g	**8,304,614**	**24.43%**	**13,218,866**	**45.98%**
Federal government's interest on own capital		1,125,813		1,984,699	
Other shareholders' interest on own capital		944,063		1,447,390	
Federal government dividends		--		752,961	
Dividends for other shareholders' dividends		--		547,546	
Interest on the instrument eligible to the federal government's common equity tier 1 capital		66,420		210,273	
Retained earnings		4,933,980		6,945,179	
Non-controlling interest in retained earnings		1,234,338		1,330,818	

See the accompanying notes to the financial statements.

1 - THE BANK AND ITS OPERATIONS

Banco do Brasil S.A. (Banco do Brasil or the Bank) is a publicly-traded company established under private law, with both public and private shareholders, subject to the rules of Brazilian Corporate Law. Its headquarters are located at Setor de Autarquias Norte, Quadra 5, Lote B, Torre I, Edifício Banco do Brasil, Brasília, Distrito Federal, Brazil. The Bank's business activities include the following:

- all manner of asset, liability and advisory services;
- banking and financial services, including foreign exchange transactions and other services such as insurance, pension plans, capitalization bonds, securities brokerage, credit/debit card management, consortium management, investment funds and managed portfolios; and
- all other types of transactions available to banks within Brazil´s National Financial System.

As an agent for execution of the Brazilian Federal Government's credit and financial policies, Brazilian Law requires the Bank to perform functions specifically those under article 19 of Law 4,595/1964.

2 - COMPANY RESTRUCTURING

Partnership in the card segment

BB Elo Cartões and Cielo S.A.

On November 19, 2014, the Bank announced to the market that BB Elo Cartões Participações S.A. (BB Elo Cartões) and Cielo signed on that date the Association Agreement to form a new strategic partnership in the electronic payment industry. BB Elo Cartões is a wholly-owned subsidiary of the Bank.

On February 27, 2015, BB Elo Cartões and Cielo completed the formation of the strategic partnership, forming a new company called Cateno Gestão de Contas de Pagamento S.A. (Cateno). This partnership was completed after approval by the relevant regulators, supervisors and inspectors, and subject to the fulfillment of all contractual conditions precedent to the transaction closing.

Under the terms of the agreement, BB Elo Cartões contributed an intangible asset (representing the right to explore its payments arrangements in relation to post-paid accounts transactions and purchase made via debt) to the company. In addition, the agreement aims at the formation of associations with other partners in order to exploit opportunities related to the electronic payment market. It also seeks to obtain synergies and optimize the structuring of new businesses in the segment.

According to the appraisal report of an independent firm, the intangible asset (transferred by BB Elo Cartões to Cateno) was valued at R$ 11,572,000 thousand. In return, in order to reach the agreed equity interests in Cateno, BB Elo Cartões received from Cateno a consideration of R$ 4,640,951 thousand in cash, which was the tax cost of this transaction to BB Elo Cartões, and R$ 3,459,449 thousand in debentures issued by Cielo. The net amount of R$ 3,471,600 thousand represents the final equity interest of BB Elo Cartões in Cateno.

As a result of these transactions, Cateno’s share capital is held in the proportion of 30.00% by BB Elo Cartões and 70.00% by Cielo. However, taking into account the 28.75% Bank’s indirect holding in Cielo (through BB BI) on the date of the agreement, Bank’s total indirect holding in Cateno is 50.13%.

Due to the conclusion of the transaction, the amount of R$ 3,211,700 thousand was recognized as income by the Bank from January 01, 2015 to September 30, 2015, as shown in the table below:

1) BB Elo Cartões’ capital gain	11,572,000
2) Taxes	(4,640,951)
3) Effect in BB Elo Cartões’ income, net of tax effects (1+2)	**6,931,049**
4) Unrealized result (50.13% of item 3)	(3,474,189)
5) Effect in the consolidated income (3+4)	**3,456,860**
6) Profit sharing, net of tax effects	(245,160)
7) Effect in the consolidated net income (5+6)	**3,211,700**

3 - PRESENTATION OF FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the accounting guidelines derived from Brazilian corporation law, the rules and instructions issued by the National Monetary Council (Conselho Monetário Nacional - CMN), the Central Bank of Brazil (Banco Central do Brasil - Bacen) and the Securities and Exchange Commission of Brazil (Comissão de Valores Mobiliários - CVM), as applicable. In the consolidated financial statements, there was a reclassification of the Instrument qualifying as CET1 – hybrid capital and debt instrument to Shareholder's equity. This adjustment is also performed in the prudential financial statements and to IFRS to improve the quality and transparency of these consolidated financial statements.

The preparation of financial statements in accordance with accounting practices adopted in Brazil, applicable to financial institutions, requires that Management uses judgment in the determination and recording of accounting estimates, when applicable. Significant assets and liabilities subject to these estimates and assumptions include: the residual value of fixed assets, the allowance for loan losses, deferred tax assets, provision for labor, civil and tax demands, valuation of financial instruments, assets and liabilities relating to post-employment benefits and other provisions. The final amounts of transactions involving these estimates are only known upon their settlement.

The consolidated financial statements include the operations of the Bank performed by their domestic agencies and abroad and also include the operations of the Bank's controlled entities, as well as of the special purpose entities (Dollar Diversified Payment Rights Finance Company and Loans Finance Company Limited) and of the investment financial funds (Fênix Fundo de Investimento em Direitos Creditórios do Varejo, Fundo de Investimento em Direitos Creditórios da Companhia Pernambucana de Saneamento - Compesa and BB Fund Class D) of which the companies of Banco do Brasil's Conglomerate are the main beneficiaries or detain the main obligations. The consolidated financial statements reflect the assets, liabilities, income and expenses of Banco do Brasil and its controlled entities.

In the preparation of the consolidated financial statements, amounts resulting from transactions between consolidated companies, including the equity interest held by one in another, balances of balance sheet accounts, revenues, expenses and unrealized profits, net of tax effects, were eliminated. Non-controlling interest in net equity and in income of the controlled entities were separately disclosed in the financial statements. Leasing transactions were considered based on the financial method, and the amounts were reclassified from the Leased assets line to the Leasing transactions line, after deduction of residual amounts received in advance. The profit and loss with foreign exchange from branches operations are presented in the groupings of income in which the charges and income on these transactions are recognized. The foreign exchange profit and loss on overseas investments are presented in the grouping of Borrowings and onlendings, in order to eliminate the effect of protection for the exchange rate fluctuations of these investments.

The Brazilian Accounting Pronouncements Committee (Comitê de Pronunciamentos Contábeis - CPC) is responsible for issuing accounting pronouncements and interpretations, based on international accounting standards, approved by the CVM. Bacen adopted the following pronouncements of the CPC, applied by the Bank, as applicable: CPC 00 (R1) - Conceptual framework, CPC 01 – Decrease in recoverable amount of assets, CPC 03 - Statement of cash flows (DFC), CPC 05 – Related party disclosures, CPC 10 (R1) – Share-based payment, CPC 23 – Accounting policies, changes in accounting estimates and errors, CPC 24 – Events after the reporting period, CPC 25 - Provisions, contingent liabilities and contingent assets and CPC 33 (R1) - Employee benefits.

Additionally, Bacen issued CMN Resolution No. 3,533/2008, which became effective in January 2012 and established procedures for classification, accounting and disclosure of sale and transfer transactions related to financial assets. This Resolution establishes the criteria for the derecognition of financial assets as specified in the CPC 38 – Financial instruments: recognition and measurement.

The Bank has also applied the following pronouncements which do not conflict with the Bacen rules, as established by article 22, paragraph 2 of Law 6,385/1976: CPC 09 – Value Added Statement, CPC 12 – Adjustment at Present Value, CPC 22 – Information by Segment, CPC 36 (R3) – Consolidated Financial Statements and CPC 41 – Income per Share.

The application of other standards, which depend on Bacen's regulations, results primarily in immaterial adjustments or in changes in disclosure, except the following pronouncements, that may result in significant impacts on the financial statements:

CPC 04 (R1) – Intangible assets and CPC 15 (R1) - Business combinations - a) reclassification of intangible assets identified in the acquisition of the equity interest in Banco Votorantim, in 2009, as well as in acquisition of controlling interest of Banco Patagonia, in 2011, and of BB Americas, in 2012, from the Investment account to the account of Intangible assets, in the group of Non-current assets – permanent; b) derecognition of goodwill amortization expenses from acquisitions; and c) recognition of amortization expenses of intangible assets with definite useful lives, identified in the acquisitions.

CPC 18 (R2) – Investments in associates and joint ventures – a) recording at fair value of the equity interests received in the partnership of the formation of the joint ventures BB Mapfre SH1 and SH2, on June 30, 2011; b) write-off of the book value of the assets contributed by the Bank including any goodwill; and, c) recognition of the result of the transaction in the new constituted companies by the proportion of the equity interest.

CPC 38 - Financial instruments: recognition and measurement - adjustment in the allowance for loan losses, due to the adoption of the incurred loss criteria instead of the expected loss criteria.

These financial statements were approved by the Executive Board of Directors on November 08, 2016.

a) Equity interest included in the consolidated financial statements, segregated by business segments:

	Activity	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
		% of Total Share		
Banking segment				
Banco do Brasil AG	Banking	100.00%	100.00%	100.00%
BB Leasing Company Ltd.	Leasing	100.00%	100.00%	100.00%
BB Leasing S.A. - Arrendamento Mercantil	Leasing	100.00%	100.00%	100.00%
BB Securities Asia Pte. Ltd.	Broker	100.00%	100.00%	100.00%
Banco do Brasil Securities LLC.	Broker	100.00%	100.00%	100.00%
BB Securities Ltd.	Broker	100.00%	100.00%	100.00%
BB USA Holding Company, Inc.	Holding	100.00%	100.00%	100.00%
Brasilian American Merchant Bank	Banking	100.00%	100.00%	100.00%
Banco do Brasil Americas	Banking	100.00%	100.00%	100.00%
Besc Distribuidora de Títulos e Valores Mobiliários S.A.	Asset Management	99.62%	99.62%	99.62%
Banco Patagonia S.A.	Banking	58.97%	58.96%	58.96%
Investment segment				
BB Banco de Investimento S.A.	Investment Bank	100.00%	100.00%	100.00%
Segment of fund management				
BB Gestão de Recursos - Distribuidora de Títulos e Valores Mobiliários S.A.	Asset Management	100.00%	100.00%	100.00%
Segment of insurance, private pension fund and capitalization				
BB Seguridade Participações S.A. (1)	Holding	66.36%	66.25%	66.25%
BB Cor Participações S.A. (1)	Holding	66.36%	66.25%	66.25%
BB Corretora de Seguros e Administradora de Bens S.A. (1)	Broker	66.36%	66.25%	66.25%
BB Seguros Participações S.A. (1)	Holding	66.36%	66.25%	66.25%
Segment of payment methods				
BB Administradora de Cartões de Crédito S.A.	Service Rendering	100.00%	100.00%	100.00%
BB Elo Cartões Participações S.A.	Holding	100.00%	100.00%	100.00%
Other segments				
Ativos S.A. Securitizadora de Créditos Financeiros	Credits Acquisition	100.00%	100.00%	100.00%
Ativos S.A. Gestão de Cobrança e Recuperação de Crédito	Credits Acquisition	100.00%	100.00%	100.00%
BB Administradora de Consórcios S.A.	Consortium	100.00%	100.00%	100.00%
BB Tur Viagens e Turismo Ltda. (2)	Tourism	100.00%	100.00%	100.00%
BB Asset Management Ireland Limited	Credits Acquisition	100.00%	100.00%	100.00%
BB Tecnologia e Serviços (1)	IT	99.99%	99.97%	99.97%

(1) Refers to the percentage of the equity interest, considering the acquisition of shares by the invested entity held in treasury.
(2) The financial statements refers to August/2016.

b) Information for comparability purposes

On September 30, 2015, the Bank prepared its consolidated financial statements including the assets, liabilities, income and expenses of joint ventures proportionally to the direct or indirect equity interest held in each of them, according to article 3 from CMN Resolution No. 2,723/2000, revoked by CMN Resolution No. 4,403/2015. The consolidated financial statements also included the assets, liabilities, income and expenses of some associates determined by Bacen.

Considering this revocation, from December 31, 2015, the consolidated financial statements started to be prepared in accordance with article 249 from Law 6,404/1976 and with CPC 36 (R3) – Consolidated financial statements, including the assets, liabilities, income and expenses of Banco do Brasil and its controlled entities.

According to CPC 19 (R2) – Joint Arrangements, it is required to use the equity method, and the option for proportional consolidation method of joint ventures is not allowed.

O CPC 36 (R3) was applied retrospectively, considering certain simplifications contained in the transitional rules of that pronouncement and in accordance with CPC 23 - Accounting policies, changes in accounting estimates and errors. The Bank recorded its investments in associates and joint ventures using the equity method from the earliest period presented. The initial investment was measured as the sum of the book value of the assets and liabilities that the Bank had previously proportionally consolidated, including any goodwill.

So the balance amounts and the results related to September 30, 2015 are being presented again retrospectively, considering the exclusion of equity interests listed below, which started being consolidated by the equity method.

Equity interest not included in the consolidated financial statements, segregated by business segments

	Activity	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
		% of Total Share		
Banking segment				
Banco Votorantim S.A.	Banking	50.00%	50.00%	50.00%
Investment segment				
Kepler Weber S.A.	Industry	17.45%	17.46%	17.46%
Companhia Brasileira de Securitização - Cibrasec	Credits acquisition	9.70%	12.12%	12.12%
Neoenergia S.A.	Energy	11.99%	11.99%	11.99%
Segment of insurance, private pension fund and capitalization				
BB Mapfre SH1 Participações S.A. (1)	Holding	49.77%	49.68%	49.68%
Brasildental Operadora de Planos Odontológicos S.A. (1)	Service rendering	49.77%	49.68%	49.68%
Companhia de Seguros Aliança do Brasil (1)	Insurance company	49.77%	49.68%	49.68%
Mapfre Vida S.A. (1)	Insurance company	49.77%	49.68%	49.68%
Brasilprev Seguros e Previdência S.A. (1)	Pension/Insurance	49.77%	49.68%	49.68%
Brasilcap Capitalização S.A. (1)	Capitalization	44.24%	44.16%	44.16%
Mapfre BB SH2 Participações S.A. (1)	Holding	33.18%	33.13%	33.13%
Aliança do Brasil Seguros S.A. (1)	Insurance company	33.18%	33.13%	33.13%
Brasilveículos Companhia de Seguros (1)	Insurance company	33.18%	33.13%	33.13%
Mapfre Seguros Gerais S.A. (1)	Insurance company	33.18%	33.13%	33.13%
BB Mapfre Assistência S.A. (1)	Service rendering	33.18%	33.13%	33.13%
Votorantim Corretora de Seguros S.A.	Broker	50.00%	50.00%	50.00%
Seguradora Brasileira de Crédito à Exportação - SBCE	Insurance company	12.09%	12.09%	12.09%
IRB - Brasil Resseguros S.A. (1)	Reinsurer	13.61%	13.53%	13.53%
Segment of payment methods				
Cateno Gestão de Contas de Pagamento S.A. (2)	Service rendering	50.09%	50.11%	50.11%
Elo Participações S.A.	Holding	49.99%	49.99%	49.99%
Companhia Brasileira de Soluções e Serviços CBSS - Alelo	Service rendering	49.99%	49.99%	49.99%
Elo Serviços S.A.	Service rendering	33.33%	33.33%	33.33%
Cielo S.A. (1)	Service rendering	28.70%	28.72%	28.72%
Tecnologia Bancária S.A. - Tecban	Service rendering	12.52%	12.52%	12.52%

(1) Refers to the percentage of the equity interest, considering the acquisition of shares by the invested entity held in treasury.
(2) Refers to the percentage of the equity interest, considering the participation of Cielo S.A. and BB Elo Cartões Participações S.A. in the Institution.

The effects of CPC 36 (R3) application on the consolidated financial statements are presented below.

Restated balance sheet

	Sep 30, 2015		
	Original report	Adjustments	Restated balances
CURRENT ASSETS and LONG-TERM RECEIVABLES	**1,553,947,132**	**(183,250,207)**	**1,370,696,925**
Cash and cash equivalents	19,772,738	(379,190)	19,393,548
Short-term interbank investments	349,195,643	(4,338,007)	344,857,636
Securities and derivative financial instruments	250,713,692	(137,137,228)	113,576,464
Interbank accounts	68,790,723	(44,801)	68,745,922
Loan operations and leasing transactions	648,988,361	(22,639,178)	626,349,183
Other receivables	211,987,075	(14,717,189)	197,269,886
Other assets	4,498,900	(3,994,614)	504,286
PERMANENT ASSETS	**21,013,734**	**10,303,378**	**31,317,112**
Investments	3,540,515	11,369,445	14,909,960
Property and equipment	7,536,969	(527,011)	7,009,958
Intangible	9,905,994	(527,451)	9,378,543
Deferred	30,256	(11,605)	18,651
TOTAL ASSETS	**1,574,960,866**	**(172,946,829)**	**1,402,014,037**
CURRENT LIABILITIES and LONG-TERM LIABILITIES	**1,490,687,298**	**(172,928,242)**	**1,317,759,056**
Deposits	463,837,978	(1,370,841)	462,467,137
Securities sold under repurchase agreements	331,364,474	(11,632,619)	319,731,855
Funds from acceptance and issuance of securities	210,141,477	(12,962,330)	197,179,147
Interbank accounts	3,329,328	(492)	3,328,836
Interdepartmental accounts	3,610,738	(110,551)	3,500,187
Borrowings	35,853,046	(4,578,325)	31,274,721
Domestic onlending - official institutions	92,303,303	(1,760,345)	90,542,958
Foreign onlending	9,365	--	9,365
Derivative financial instruments	6,628,668	(1,892,355)	4,736,313
Other liabilities	343,608,921	(138,620,384)	204,988,537
DEFERRED INCOME	**459,120**	**(18,587)**	**440,533**
SHAREHOLDERS' EQUITY	**83,814,448**	**--**	**83,814,448**
TOTAL LIABILITIES	**1,574,960,866**	**(172,946,829)**	**1,402,014,037**

Restated statement of income

3rd quarter/2015	Original report	Adjustments	Restated balances
INCOME FROM FINANCIAL INTERMEDIATION	**63,009,045**	**(3,938,033)**	**59,071,012**
Loan operations	35,374,782	(1,663,608)	33,711,174
Leasing transactions	177,573	(50,170)	127,403
Securities	20,645,731	(614,918)	20,030,813
Derivative financial instruments	1,686,787	(803,751)	883,036
Foreign exchange results	2,618,415	(145,850)	2,472,565
Compulsory investments	1,321,704	--	1,321,704
Operations of sale and transfer of financial assets	134,698	389,619	524,317
Financial income from insurance. pension plans and capitalization	1,049,355	(1,049,355)	--
EXPENSES FROM FINANCIAL INTERMEDIATION	**(62,968,610)**	**6,333,155**	**(56,635,455)**
Deposits and securities sold under repurchase agreements	(28,912,109)	1,938,860	(26,973,249)
Borrowings and onlendings	(24,339,318)	3,039,795	(21,299,523)
Leasing transactions	(128,183)	51,479	(76,704)
Operations of sale and transfer of financial assets	(12,188)	3,114	(9,074)
Financial expenses from technical provisions of insurance. pension plans and capitalization	(657,621)	657,621	--
Allowance for loan losses	(8,919,191)	642,286	(8,276,905)
INCOME FROM FINANCIAL INTERMEDIATION	**40,435**	**2,395,122**	**2,435,557**
OTHER OPERATING INCOME/EXPENSES	**(3,511,316)**	**(2,467,752)**	**(5,979,068)**
Service fee income	4,958,797	(1,152,133)	3,806,664
Bank fee income	1,948,032	(63,441)	1,884,591
Personnel expenses	(5,986,938)	332,117	(5,654,821)
Other administrative expenses	(4,324,891)	459,051	(3,865,840)
Tax expenses	(1,318,946)	285,692	(1,033,254)
Equity in associates and subsidiaries	3,059,005	(1,982,801)	1,076,204
Financial income from insurance. pension plans and capitalization	1,284,911	(1,284,911)	--
Other operating income	3,000,182	(562,223)	2,437,959
Other operating expenses	(6,131,468)	1,500,897	(4,630,571)
OPERATING INCOME	**(3,470,881)**	**(72,630)**	**(3,543,511)**
NON-OPERATING INCOME	**17,854**	**50,984**	**68,838**
Incomes	63,278	22,262	85,540
Expenses	(45,424)	28,722	(16,702)
PROFIT BEFORE TAXATION AND PROFIT SHARING	**(3,453,027)**	**(21,646)**	**(3,474,673)**
INCOME TAX AND SOCIAL CONTRIBUTION	**7,382,714**	**(8,167)**	**7,374,547**
EMPLOYEE AND DIRECTORS PROFIT SHARING	**(419,460)**	**29,813**	**(389,647)**
NON-CONTROLLING INTERESTS	**(448,086)**	**--**	**(448,086)**
NET INCOME	**3,062,141**	**--**	**3,062,141**

Jan 1 to Sep 30, 2015	Original report	Adjustments	Restated balances
INCOME FROM FINANCIAL INTERMEDIATION	**152,326,242**	**(10,641,884)**	**141,684,358**
Loan operations	88,205,527	(4,818,620)	83,386,907
Leasing transactions	607,271	(272,139)	335,132
Securities	50,267,389	(1,772,701)	48,494,688
Derivative financial instruments	2,189,619	(1,046,644)	1,142,975
Foreign exchange results	3,406,118	(264,876)	3,141,242
Compulsory investments	3,707,110	--	3,707,110
Operations of sale and transfer of financial assets	381,058	1,095,246	1,476,304
Financial income from insurance. pension plans and capitalization	3,562,150	(3,562,150)	--
EXPENSES FROM FINANCIAL INTERMEDIATION	**(139,041,300)**	**12,696,007**	**(126,345,293)**
Deposits and securities sold under repurchase agreements	(77,272,379)	4,303,068	(72,969,311)
Borrowings and onlendings	(38,500,254)	4,507,407	(33,992,847)
Leasing transactions	(476,337)	273,181	(203,156)
Operations of sale and transfer of financial assets	(42,560)	18,175	(24,385)
Financial expenses from technical provisions of insurance. pension plans and capitalization	(2,267,962)	2,267,962	--
Allowance for loan losses	(20,481,808)	1,326,214	(19,155,594)
INCOME FROM FINANCIAL INTERMEDIATION	**13,284,942**	**2,054,123**	**15,339,065**
OTHER OPERATING INCOME/EXPENSES	**(9,393,230)**	**(3,412,298)**	**(12,805,528)**
Service fee income	14,280,988	(2,997,640)	11,283,348
Bank fee income	5,394,064	(189,383)	5,204,681
Personnel expenses	(16,692,759)	1,178,385	(15,514,374)
Other administrative expenses	(12,514,917)	1,281,579	(11,233,338)
Tax expenses	(4,646,934)	830,298	(3,816,636)
Equity in associates and subsidiaries	4,538,507	(1,167,341)	3,371,166
Financial income from insurance. pension plans and capitalization	4,084,646	(4,084,646)	--
Other operating income	8,743,220	(1,568,052)	7,175,168
Other operating expenses	(12,580,045)	3,304,502	(9,275,543)
OPERATING INCOME	**3,891,712**	**(1,358,175)**	**2,533,537**
NON-OPERATING INCOME	**5,786,472**	**122,569**	**5,909,041**
Incomes	5,949,032	39,296	5,988,328
Expenses	(162,560)	83,273	(79,287)
PROFIT BEFORE TAXATION AND PROFIT SHARING	**9,678,184**	**(1,235,606)**	**8,442,578**
INCOME TAX AND SOCIAL CONTRIBUTION	**5,153,640**	**1,119,426**	**6,273,066**
EMPLOYEE AND DIRECTORS PROFIT SHARING	**(1,612,957)**	**116,180**	**(1,496,777)**
NON-CONTROLLING INTERESTS	**(1,330,818)**	**--**	**(1,330,818)**
NET INCOME	**11,888,049**	**--**	**11,888,049**

Restated statement of cash flows

Jan 1 to Sep 30, 2015	Original report	Adjustments	Restated balances
CASH PROVIDED BY OPERATING ACTIVITIES	15,295,204	(4,948,541)	10,346,663
CASH USED IN BY INVESTING ACTIVITIES	(5,771,655)	2,813,835	(2,957,820)
CASH PROVIDED BY FINANCING ACTIVITIES	12,623,361	(278,555)	12,344,806
Increase (Decrease) in cash and cash equivalents	**22,146,910**	**(2,413,261)**	**19,733,649**

Restated statement of value added

Jan 1 to Sep 30, 2015	Original report	Adjustments	Restated balances
Income	**156,974,072**	**(14,637,084)**	**142,336,988**
Expenses from financial intermediation	**(118,629,895)**	**11,440,196**	**(107,189,699)**
Inputs purchased from third parties	**(7,390,810)**	**846,818**	**(6,543,992)**
Gross added value	**30,953,367**	**(2,350,070)**	**28,603,297**
Depreciation and amortization	**(3,414,993)**	**185,124**	**(3,229,869)**
Value added produced by entity	**27,538,374**	**(2,164,946)**	**25,373,428**
Value added received through transfer	**4,538,508**	**(1,167,342)**	**3,371,166**
Added value to distribute	**32,076,882**	**(3,332,288)**	**28,744,594**
Value added distributed	**32,076,882**	**(3,332,288)**	**28,744,594**
Personnel	16,321,283	(1,170,140)	15,151,143
Taxes. rates and contributions	1,477,726	(2,074,149)	(596,423)
Interest on third parties' capital	1,059,007	(87,999)	971,008
Interest on own capital	13,218,866	--	13,218,866

4 - DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by Banco do Brasil are applied consistently in all periods presented in these financial statements and applied to all the entities of the Conglomerate.

a) Statement of income

In accrual basis accounting, revenues and expenses are reported in the closing process of the period in which they are incurred, regardless of receipt or payment. The operations with floating rates are adjusted pro rata die, based on the variation of the indexes agreed, and operations with fixed rates are recorded at future redemption value, adjusted for the unearned income or prepaid expenses for future periods. The operations indexed to foreign currencies are converted at the reporting date using current rates.

b) Present value measurement

Financial assets and liabilities are presented at present value due to the application of the accrual basis in the recognition of their interest income and expenses.

Non-contractual liabilities are primarily represented by provisions for lawsuit and legal obligations, for which the disbursement date is uncertain and is not under the Bank's control. They are measured at present value because they are initially recognized at estimated disbursement value on the valuation date and are updated monthly.

c) Cash and cash equivalents

Cash and cash equivalents comprise available funds in local currency, foreign currency, investments in gold, investments in repurchase agreements – own resources, interbank deposits and investments in foreign currencies, with high liquidity and insignificant risk of change in fair value, with maturity at time of acquisition not exceeding 90 days.

d) Short-term interbank investments

Short-term interbank investments are recorded at their investment or acquisition amount, plus income accrued up to the balance sheet date and adjustments for allowance for losses.

e) Securities

The securities purchased for the Bank's portfolio are recorded at the actual amount paid, including brokerage charges and fees, and are classified based on management’s intention, in one of three categories, according to Bacen Circular 3,068/2001:

Trading securities: these are securities purchased to be actively and frequently traded. They are adjusted monthly to market value. The increases and decreases in value are recorded in income and expense accounts for the period;

Securities available for sale: these are securities that may be traded at any time, but are not acquired to be actively and frequently traded. They are adjusted monthly to market value and their increases and decreases in value are recorded, net of tax effects, in Accumulated other comprehensive income in Shareholders' equity; and

Securities held to maturity: these are securities that the Bank owns and has the financial capacity and intent to hold to maturity. These securities are not adjusted to market value. The Bank's financial capacity to hold to maturity is supported by a cash flow projection that does not consider the possibility of sale of these securities.

The mark-to-market methodology used for securities was established following consistent, verifiable criteria, which consider the average price of trading on the day of calculation or, if not available, the indicative price reported by Anbima, or relationship between the unit price and the latest business value in the last 30 days, or the net expected realizable value obtained through pricing models, using credit risk curves, future values of interest rates, foreign exchange rates, price and currency indices, and similar financial instruments.

Income accrued on the securities, irrespective of the category in which they are classified, is appropriated on a pro rata die basis on an accrual basis until the date of maturity or final sale, using the cumulative or straight-line method, based on the contractual remuneration and purchase price, and recorded directly in the statement of income for the period.

Impairment of securities classified as available for sale and held to maturity, if considered not to be temporary, are recorded directly in expense for the period and a new cost basis for the asset is determined.

Upon sale, the difference between the sale amount and the cost of purchase plus accrued income is considered as a result of the transaction and is recorded on the date of the transaction as a gain or loss on securities.

f) Derivative financial instruments

Derivative financial instruments are adjusted to market value on each monthly trial balance and on balance sheet date. Increases or decreases in value are recorded in the appropriate income or expense accounts.

The mark-to-market methodology used for derivative financial instruments was established following consistent and verifiable criteria, which consider the average price of trading on the date of calculation or, if not available, pricing models that estimate the expected net realizable value, or the price of a similar financial instrument, considering at least, the payment or maturity date, the credit risk and currency or index.

Derivative financial instruments used to offset, in whole or in part, the risks arising from exposure to variations in the market value or asset cash flow or financial liabilities, commitment or future transaction, are considered hedge instruments and are classified according to their nature:

Market risk hedge: increases or decreases in value of the financial instruments, as well as of the hedged item, are recorded in income/expense accounts for the period; and

Cash flow hedge: the effective portion of the increases or decreases in value of the derivative financial instruments classified in this category are recorded, net of tax effects, in Accumulated other comprehensive income in Shareholders' equity. The effective amount is that in which the variation of the hedged item, directly related to the corresponding risk, is offset by the variation in the financial instrument used for the hedge, considering the accumulated effect of the transaction. Other variations in these instruments are recorded directly in the statement of income for the period.

g) Loan and leasing operations, advances on foreign exchange contracts, other receivables with loan characteristics and allowance for loan losses

Loans, leases, advances on foreign exchange contracts and other receivables with loan characteristics are classified according to Management's judgment with respect to the level of risk, taking into consideration market conditions, past experience and specific risks in relation to the operation, to borrowers and guarantors, observing the parameters established by CMN Resolution 2,682/1999, which requires periodic analyses of the portfolio and its classification into nine levels, ranging from AA (minimum risk) to H (maximum risk), as well as the classification of operations more than 15 days overdue as non-performing. For atypical transactions with a term of more than 36 months, there is a double counting on the days-past-due intervals defined for the nine levels of risk, as permitted by CMN Resolution 2,682/1999.

Income from loans overdue for more than 60 days, regardless of their risk level, will only be recognized as income when effectively received.

Operations classified at level H, which remain in this classification for 180 days, are written off against the existing allowance.

Renegotiated operations are maintained, at a minimum, at the same level at which they were rated on the date of renegotiation. The renegotiations of loans already written off against the allowance are rated as H level and any gains from renegotiation are recognized as income when effectively received. Reclassification to a lower risk category is allowed when there is significant amortization of the operation or when new material facts justify a change in risk level, according to CMN Resolution 2,682/1999.

Allowance for loan losses, considered sufficient by Management, satisfies the minimum requirement established by the aforementioned CMN Resolution 2,682/1999 (Note 10.e).

h) Taxes

Taxes are calculated based on the rates shown in the table below:

Taxes	Rate
Income tax (15.00% + additional 10.00%)	25.00%
Social Contribution on Net Income (CSLL) (1)	20.00%
Social Integration Program/Public servant fund program (PIS/Pasep) (2)	0.65%
Contribution to Social Security Financing - (Cofins) (2)	4.00%
Tax on services of any kind - (ISSQN)	Up to 5.00%

(1) Rate applied to financial companies and to non-financial companies in the areas of private insurance and capitalization, since September 01, 2015 (the rate was 15% until August 31, 2015). In January 2019, the rate will return to 15%. For others non-financial companies, the CSLL rate is 9%.

(2) For non-financial companies that have opted for the non-cumulative regime of calculation, the PIS/PASEP rate is 1.65% and the Cofins rate is 7.6%.

Deferred tax assets (tax credits) and deferred tax liabilities are recorded by applying the current rates of taxes on their respective bases. For the recording, maintaining and writing-off of deferred tax assets, the Bank follows the established criteria by CMN Resolution 3,059/2002, amended by Resolutions CMN No. 3,355/2006, CMN 4,192/2013 and CMN 4,441/2015 and they are supported by a study of their realizability. Tax credits resulting from the increase of the social contribution rate from 15% to 20% are being recognized in an amount sufficient for consumption by the end of the term of the new rate (December 31, 2018), according to Law 13,169/2015.

i) Prepaid expenses

These expenses refer to the application of payments made in advance, for which the benefits or the services will occur in subsequent periods. Prepaid expenses are recorded at cost and amortized as incurred.

j) Permanent assets

Investments: investments in subsidiaries and associates in which the Bank has significant influence or an ownership interest of 20% or more of the voting shares, and in other companies which are part of a group or are under common control are accounted for by the equity method based on the Shareholders' equity of the subsidiary or associates.

In the consolidated financial statements, the subsidiaries are fully consolidated and the associates and joint ventures are presented under the equity method.

Goodwill, the premium paid over the book value of the investment acquired due to expectations of future profitability, is based on a financial-economic assessment which substantiate the purchase price of the business and is amortized based on annual income projections as per the assessment. Goodwill is tested for impairment annually.

The statements of the branches and subsidiaries abroad are adapted to the prevailing accounting criteria in Brazil and translated into Brazilian Reais using current exchange rates, in conformity with Bacen Circulars 2,397/1993 and 2,571/1995, and their impacts are recorded in the statement of income for the period.

Other permanent investments are valued at acquisition cost, less allowance for impairment losses, as applicable.

Property and equipment: property and equipment are stated at cost less depreciation, calculated using the straight-line method at the following annual rates: buildings and improvements – 4%; vehicles – 20%; data processing systems – 20% and others – 10% (Note 15).

Deferred: deferred assets are recorded at cost of acquisition or formation, net of accrued amortization. They are composed mainly of restructuring costs, and the expenditures, up to September 30, 2008, with: third party properties, as a result of opening branches, which are amortized according to rates based on rental terms, limited to 10 years; and with the acquisition and development of information systems, which are amortized at 10% per annum (p.a.). New values are not recorded in deferred assets, in accordance with Resolution CMN 3,617/2008.

Intangible: intangible assets consist of rights over intangible assets used in the running of the Bank, including acquired goodwill.

An asset meets the criteria for identification as an intangible asset, when it is separable, i.e, it can be separated from the entity and sold, transferred or licensed, rented or exchanged, individually or jointly with a contract, related assets or liabilities, regardless of the intention for use by the entity; or results from contractual rights or other legal rights, regardless of whether these rights are transferable or separable from the entity or other rights and obligations.

Intangible assets with finite useful lives compromise: disbursements for the acquisition of rights to provide banking services (rights to managing payrolls), amortized over the terms of contracts; goodwill paid on the acquisition of merged company (Banco Nossa Caixa), amortized based on projections of annual results set in the economic-financial study; software, amortized on a straight-line basis at a rate of 10% per year from the date it is available for use. Intangible assets are adjusted by allowance for impairment losses, if applicable (Note 16). The amortization of intangible assets is recorded in the Other administrative expenses account.

k) Impairment of non-financial assets

At the end of each reporting period, the Bank assesses whether there is any indication that a non-financial asset may be impaired based on internal and external sources of information. If there is an indication that an asset may be impaired, the Bank estimates the recoverable amount of the asset. The recoverable amount of the asset is the higher of: i) its fair value less costs to sell it; and ii) its value in use.

The Bank tests, at least annually, the recoverable amount of intangible assets not yet available for use and goodwill on acquisition of investments, regardless whether there is an indication of impairment or not. This test can be applied any time during the year, provided it is performed at the same period every year.

If the recoverable amount of the asset is less than its carrying amount, the asset's carrying amount is reduced to its recoverable amount through a provision for impairment, which is recognized in the Income statement.

Methodologies in assessing the recoverable amount of the main non-financial assets:

Property and equipment in use

Land and buildings – in determining the recoverable amount of land and buildings, technical assessments are carried out in accordance with the rules of the Brazilian Association of Technical Standards - ABNT.

Data processing systems – in determining the recoverability, the market value is considered, if it is available, or the recoverable value for use in the operations of the Bank. Otherwise the calculation considers the projection of cash flows arising from the use of each asset during its useful life, discounted to present value based on the rate of the Interbank Deposit Certificate – CDI.

Other assets - although they are subject to impairment testing, other assets have little value individually and, given the cost-effectiveness, the Bank does not assess the recoverable value of these items individually. However, the Bank conducts inventory each year, and lost or damaged goods are properly derecognized.

Investments and goodwill on acquisition of investments

The methodology for calculating the recoverable amount of goodwill and investments for future profitability consists of measuring the expected result of the investment using discounted cash flow (DCF). To measure this result, the assumptions made are based on (i) operational projections, results and investment plans, (ii) macroeconomic scenarios developed by the Bank, and (iii) internal methodology for calculating the cost of capital based on the Capital Asset Pricing Model - CAPM.

Intangible

Rights to Managing Payrolls - The model for assessing the recoverable amount of the rights to managing payroll involves monitoring contracts performance, that are calculated from the contribution margins of customer relationship related to each contract in order to check if the projections that justified the acquisition of assets match the observed performance. For the contracts that do not achieve the expected performance levels, a provision for impairment loss is recognized.

Software - Software, substantially developed by the Bank in accordance with its needs, constantly receives investments for modernization and adaptation to new technologies and business requirements. Considering that there are no similar products on the market and considering the high cost to deploy metrics that allow calculation of its value in use, the impairment test for software evaluates its usefulness to the company so that when software is retired, its value is derecognized.

Goodwill on acquisition of merged company – The methodology for calculating the recoverable amount of goodwill on the acquisition of Banco Nossa Caixa, merged into Banco do Brasil in November 2009, is to compare the value of the goodwill paid, less the accumulated amortization, with the present value of the results of the Bank estimated for the state of São Paulo, discounting the assets with finite useful lives. The projections are derived from the observed results and assumptions of profitability growth for the Bank and are discounted at the rate of cost of capital calculated using an internal methodology, based on Capital Asset Pricing Model – CAPM.

The losses recorded in the Statement of income to adjust the recoverable value of these assets, if any, are stated in the respective notes.

l) Employee benefits

Employee benefits related to short-term benefits for current employees are recognized on the accrual basis as the services are provided. Post-employment benefits, comprising supplementary retirement benefits and medical assistance for which the Bank is responsible, are assessed in accordance with criteria established by CPC 33 (R1) - Employee benefits, approved by CVM Resolution 695/2012 and by the Resolution CMN 4,424/2015 (Note 26). The evaluations are performed semiannually.

In defined-contribution plans, the actuarial risk and the investment risk are borne by the plan participants. Accordingly, cost accounting is based on each period's contribution amount representing the Bank's obligation. Consequently, no actuarial calculation is required when measuring the obligation or expense, and there are neither actuarial gains nor losses.

In defined benefit plans, the actuarial risk and the investment risk value of plan assets fall either partially or fully on the sponsoring entity. Accordingly, cost accounting requires the measurement of plan obligations and expenses, with a possibility of actuarial gains and losses, leading to the register of a liability when the amount of the actuarial obligation exceeds the value of plan assets, or an asset when the amount of assets exceeds the value of plan obligations. In the latter instance, the asset should be recorded only when there is evidence that it can effectively reduce the contributions from the sponsor or will be refundable in the future.

The Bank recognizes the components of defined benefit cost in the period in which the actuarial valuation was performed, in accordance with criteria established by CPC 33 (R1) – Employee benefits, as follows:

- the current service cost and the net interest on the net defined benefit liability (asset) are recognized in profit or loss; and
- the remeasurements of the net defined benefit liability (asset) are recognized in other comprehensive income, in the Bank's equity, net of tax effects.

Contributions to be paid by the Bank to medical assistance plans in some cases will continue after the employee's retirement. Therefore, the Bank's obligations are evaluated by the present actuarial value of the contributions to be paid over the expected period in which the plan participants and beneficiaries will be covered by the plan. Such obligations are evaluated and recognized under the same criteria used for defined benefit plans.

m) Deposits and securities sold under repurchase agreements

Deposits and securities sold under repurchase agreements are recorded at the amount of the liabilities and include, when applicable, related charges up to the balance sheet date, on a daily pro rata die basis.

n) Provisions, contingent assets and liabilities and legal obligations

The recognition, measurement and disclosure of provisions, contingent assets and liabilities and legal obligations are made in accordance with the criteria defined by CPC 25 – Provisions, Contingent Assets and Contingent Liabilities, approved by CMN Resolution 3,823/2009 (Note 27).

Contingent assets are not recognized in the financial statements however when there is evidence assuring their realization, usually represented by the final judgment of the lawsuit and by the confirmation of the capacity for its recovery by receipt or offsetting by another receivable, are recognized as assets.

Contingent liabilities are recognized in the financial statements when, based on the opinion of legal advisor and Management, the risk of loss of legal or administrative proceedings is considered probable, with a probable outflow of financial resource for the settlement of the obligation and when the amounts involved are measurable with sufficient assurance, being quantified when judicial noticed and revised monthly as follows:

Aggregated Method: cases that are similar and recurring in nature and whose values are not considered relevant. Provisions are based on statistical data. It covers civil, tax or labor judicial proceedings (except labor claims filed by trade unions and all proceedings classified as strategic) with probable value of award, estimated by legal advisors, up to R$ 1 million.

Individual Method: cases considered unusual or whose value is considered relevant by our legal counsel. Provisions are based on: the amount claimed; probability of an unfavorable decision; evidence presented; evaluation of legal precedents; other facts raised during the process; judicial decisions made during the course of the case; and the classification and the risk of loss of legal actions.

Contingent liabilities considered as possible losses are not recognized in the financial statements, they are disclosed in notes, while those classified as remote do not require provisioning or disclosure.

Legal obligations (fiscal and social security) are derived from tax obligations provided in the legislation, regardless of the probability of success of lawsuits in progress, and have their amounts recognized in full in the financial statements.

o) Debt instrument issue expense

Expenses related to transactions involving the issue of debt instruments are capitalized and presented as a reduction of the corresponding liability. The expenses are recognized in the income statement over the term of the transaction.

p) Other assets and liabilities

Other assets are stated at their realizable amounts, including, when applicable, related income and monetary and exchange variations on a pro rata die basis, and allowance for losses, when deemed appropriate. Other liabilities are stated at their known and measurable amounts, plus, when applicable, related charges and monetary and exchange variations on a pro rata die basis.

q) Earnings per share

Earnings per share is disclosed in accordance with CPC 41 – Earnings per Share, approved by Resolution CVM 636/2010. The Bank's basic and diluted earnings per share were calculated by dividing the net profit attributable to shareholders by the weighted average number of total common shares, excluding treasury shares (Note 23.f). The Bank has no outstanding options, bonus of subscription nor its equivalents which provide their holders the right to acquire shares. Thus, the basic and diluted earnings per share are equal.

5 - INFORMATION BY SEGMENT

The segment information were prepared based on the criteria applied by the chief operating decision maker in assessing performance, in deciding how to allocate resources for investment and other purposes, also considering the regulatory environment and the similarities between goods and services. These information are prepared based on internal management reports (Management Information), which are reviewed regularly by Management.

The accounting practices adopted in the Management Information are different from those presented in the description of significant accounting policies of BB Consolidated (Note 4.j) because the investments in joint ventures are consolidated proportionally to the holdings by the Bank.

The Bank's operations are mainly made in Brazil. They are basically divided into five segments: banking, investments, fund management, insurance (insurance, pension and capitalization) and payment methods. In addition, the Bank participates in other business activities, such as consortium and other services, that were aggregated in "Other segments".

The measurement of managerial income and of managerial assets and liabilities by segment takes into account all income and expenses as well as all assets and liabilities recorded by the companies that comprise each segment, as presented in Note 3. There are no common income or expenses nor common assets or liabilities allocated between the segments, for any distribution criteria.

Transactions between segments are eliminated in the column “Intersegment transactions”. They are conducted under terms and rates consistent with those applied with third parties, when applicable. These transactions do not involve payment risks.

Revenues from transactions with a single customer do not amount to 10% or more of the Bank’s revenues.

a) Banking segment

Responsible for the most significant portion of Banco do Brasil results, predominantly from operations in Brazil, this segment involves a large diversity of products and services, such as deposits, loans and services that are made available to customers by means of a wide variety of distribution channels, located in the country and abroad.

The operations of the banking segment include business with the retail, wholesale and government markets, carried out through the branch network and customer service teams, and business with micro-entrepreneurs and the with the low income population, undertaken through banking correspondents.

b) Investments segment

Responsible for operations in the domestic capital markets, being active in the intermediation and distribution of debts in the primary and secondary markets, as well as being responsible for equity investments and the rendering of some financial services.

The income from financial intermediation of this segment is a result of the revenues accrued on investments in securities less the interest expenses on funding from third parties. The principal equity investments are those in the associates and subsidiary companies. Financial service fee income is derived from economic/financial advisory services and the underwriting of fixed and variable income.

c) Fund management segment

Responsible for operations inherent to the purchase, sale and custody of securities, portfolio management, and management of investment funds and clubs. Revenues mainly derived from commissions and management fees charged to investors for services rendered.

d) Insurance, pension, and capitalization segment

In this segment, the products and services offered are related to life, property and automobile insurance, complementary private pension plans and capitalization plans.

Income is derived mainly from revenues from insurance premiums issued, contributions for private pension plans, capitalization bonds and investments in securities, net of commercialization expenses, technical provisions and expenses related to benefits and redemptions.

e) Payment methods segment

This segment is responsible for the funding, transmission, processing and settlement of operations via electronic means.

Revenues are derived mainly from commissions and management fees charged to commercial and banking establishments for the services rendered, as well as income from rent, installation and maintenance of electronic terminals.

f) Other segments

Other segments comprise the consortium and other services segments, which have been aggregated as they are not individually significant.

Their revenues are originated mainly from rendering services not covered in previous segments, such as: credit recovery; consortium administration; development, manufacture, commercialization, rent and integration of digital electronic systems and equipment, peripherals, programs, inputs and computing supplies; and intermediation of air tickets, lodging and organization of events.

g) Breakdown of managerial income by segment

	3rd quarter/2016							
	Banking	Investments	Fund Management	Insurance, pension and capitalization	Payment methods	Other segments	Intersegment transactions	Management information
Income from financial intermediation	**48,624,499**	**16,188**	**27,660**	**1,478,302**	**93,285**	**14,582**	**(195,598)**	**50,058,918**
Income from loans and leases	28,594,377	--	--	--	--	--	(61,813)	28,532,564
Loans and discounted credit rights	15,121,976	--	--	--	--	--	(2,088)	15,119,888
Financing	9,299,549	--	--	--	--	--	--	9,299,549
Leasing	103,948	--	--	--	--	--	--	103,948
Other	4,068,904	--	--	--	--	--	(59,725)	4,009,179
Securities	17,832,667	61,618	27,660	38,586	93,285	14,451	(155,314)	17,912,953
Interbank investments	13,252,386	240	26,756	--	--	11,004	(155,803)	13,134,583
Fixed-income securities	4,302,273	1,408	904	38,586	93,285	3,112	489	4,440,057
Variable-income securities	278,008	59,970	--	--	--	335	--	338,313
Derivative financial instruments	(98,031)	(45,430)	--	--	--	--	--	(143,461)
Income from exchange operations and compulsory deposits	1,965,550	--	--	--	--	131	30	1,965,711
Operations of sale and transfer of financial assets	329,936	--	--	--	--	--	--	329,936
Financial results from insurance, pension and capitalization operations	--	--	--	1,439,716	--	--	21,499	1,461,215
Expenses from financial intermediation	**(40,352,763)**	**(120,519)**	**--**	**(1,022,497)**	**(139)**	**(30,654)**	**244,181**	**(41,282,391)**
Expenses of market funding	(30,571,196)	(117,807)	--	--	--	(30,709)	219,082	(30,500,630)
Deposits	(9,272,696)	(117,807)	--	--	--	--	125,312	(9,265,191)
Securities sold under repurchase agreements	(14,257,758)	--	--	--	--	--	93,770	(14,163,988)
Acceptance and issuance of securities	(6,246,022)	--	--	--	--	(27,116)	--	(6,273,138)
Subordinated debt abroad and equity and debt hybrid securities	(608,903)	--	--	--	--	--	--	(608,903)
Other	(185,817)	--	--	--	--	(3,593)	--	(189,410)
Loans, assignments, onlending and leases	(2,820,477)	--	--	--	--	--	25,099	(2,795,378)
Allowance/reversal for loan losses	(6,930,671)	(2,712)	--	--	(139)	55	--	(6,933,467)
Operations of sale and transfer of financial assets	(30,419)	--	--	--	--	--	--	(30,419)
Interest and inflation adjustment from technical provisions of insurance, pension plans and capitalization	--	--	--	(1,022,497)	--	--	--	(1,022,497)
Other income	**7,536,796**	**278,034**	**434,285**	**1,921,706**	**1,730,602**	**646,257**	**(591,502)**	**11,956,178**
Income from service fees	2,643,015	172,429	310,096	630,647	1,383,939	403,357	(393,502)	5,149,981
Card income	37,957	--	--	--	1,383,864	--	--	1,421,821
Fund management	641,935	--	273,516	393,018	--	490	(2,022)	1,306,937
Insurance, pension and capitalization	103,840	--	--	237,629	--	--	--	341,469
Other	1,859,283	172,429	36,580	--	75	402,867	(391,480)	2,079,754
Income from fees, rates and commissions	2,121,612	12,680	120,698	--	--	--	--	2,254,990
Equity in the earnings/(loss) of subsidiaries and associates	9,727	2,284	--	275	8,355	193	--	20,834
Results from insurance, pension plan and capitalization operations	--	--	--	1,135,434	--	--	62,589	1,198,023
Other	2,762,442	90,641	3,491	155,350	338,308	242,707	(260,589)	3,332,350
Other expenses	**(14,232,360)**	**(141,424)**	**(82,080)**	**(749,503)**	**(1,122,740)**	**(516,886)**	**542,919**	**(16,302,074)**
Personnel expenses	(5,601,195)	(18,191)	(21,859)	(142,691)	(79,237)	(88,922)	2,074	(5,950,021)
Other administrative expenses	(3,113,928)	(15,876)	(13,536)	(176,455)	(188,315)	(76,987)	389,633	(3,195,464)
Amortization	(795,990)	(27,342)	--	(25,991)	(40,864)	(882)	--	(891,069)
Depreciation	(285,290)	(813)	--	(4,637)	(29,815)	(2,692)	--	(323,247)
Tax expenses	(1,224,896)	(17,270)	(30,091)	(203,009)	(151,268)	(60,788)	--	(1,687,322)
Other	(3,211,061)	(61,932)	(16,594)	(196,720)	(633,241)	(286,615)	151,212	(4,254,951)
Profit before tax and profit sharing	**1,576,172**	**32,279**	**379,865**	**1,628,008**	**701,008**	**113,299**	**--**	**4,430,631**
Income tax and social contribution	(430,908)	(14,052)	(170,255)	(606,319)	(235,562)	(1,900)	--	(1,458,996)
Profit sharing	(306,467)	--	(415)	(10,284)	(335)	(705)	--	(318,206)
Non-controlling interests	(75,266)	--	--	(331,985)	--	(1)	--	(407,252)
Net income	**763,531**	**18,227**	**209,195**	**679,420**	**465,111**	**110,693**	**--**	**2,246,177**

	3rd quarter/2015							
	Banking	Investments	Fund Management	Insurance, pension and capitalization	Payment methods	Other segments	Intersegment transactions	Total
Income from financial intermediation	**61,975,546**	**3,096**	**24,765**	**1,044,194**	**91,428**	**7,394**	**(137,378)**	**63,009,045**
Income from loans and leases	35,589,144	--	--	--	--	--	(36,789)	35,552,355
Loans and discounted credit rights	14,596,677	--	--	--	--	--	(272)	14,596,405
Financing	17,505,043	--	--	--	--	--	(33)	17,505,010
Leasing	177,573	--	--	--	--	--	--	177,573
Other	3,309,851	--	--	--	--	--	(36,484)	3,273,367
Securities	20,624,946	2,948	24,765	18,283	91,428	7,281	(123,920)	20,645,731
Interbank investments	11,123,793	227	24,452	--	--	9,417	(122,674)	11,035,215
Fixed-income securities	4,360,405	638	1,740	18,283	91,428	(12,247)	(1,246)	4,459,001
Variable-income securities	5,140,748	2,083	(1,427)	--	--	10,111	--	5,151,515
Derivative financial instruments	1,686,639	148	--	--	--	--	--	1,686,787
Income from exchange operations and compulsory deposits	3,940,119	--	--	--	--	113	(113)	3,940,119
Operations of sale and transfer of financial assets	134,698	--	--	--	--	--	--	134,698
Financial results from insurance, pension and capitalization operations	--	--	--	1,025,911	--	--	23,444	1,049,355
Expenses from financial intermediation	**(59,422,306)**	**(91,051)**	**29**	**(657,621)**	**(177)**	**(18,546)**	**203,382**	**(59,986,290)**
Expenses of market funding	(28,993,432)	(88,592)	--	--	--	(18,709)	188,624	(28,912,109)
Deposits	(9,055,820)	(88,592)	--	--	--	--	99,732	(9,044,680)
Securities sold under repurchase agreements	(11,873,221)	--	--	--	--	--	88,793	(11,784,428)
Acceptance and issuance of securities	(7,068,390)	--	--	--	--	(18,709)	99	(7,087,000)
Subordinated debt abroad and equity and debt hybrid securities	(809,423)	--	--	--	--	--	--	(809,423)
Other	(186,578)	--	--	--	--	--	--	(186,578)
Loans, assignments, onlending and leases	(21,499,937)	--	--	--	--	(2)	14,758	(21,485,181)
Allowance/reversal for loan losses	(8,916,749)	(2,459)	29	--	(177)	165	--	(8,919,191)
Operations of sale and transfer of financial assets	(12,188)	--	--	--	--	--	--	(12,188)
Interest and inflation adjustment from technical provisions of insurance, pension plans and capitalization	--	--	--	(657,621)	--	--	--	(657,621)
Other income	**7,363,345**	**240,934**	**403,075**	**1,833,616**	**1,570,515**	**577,113**	**(603,627)**	**11,384,971**
Income from service fees	2,743,276	132,077	288,243	515,919	1,284,257	360,255	(365,230)	4,958,797
Card income	135,431	--	--	--	1,226,482	--	--	1,361,913
Fund management	592,505	--	251,973	313,573	--	--	(2,172)	1,155,879
Insurance, pension and capitalization	36,137	--	--	194,937	--	--	--	231,074
Other	1,979,203	132,077	36,270	7,409	57,775	360,255	(363,058)	2,209,931
Income from fees, rates and commissions	1,829,839	9,612	108,581	--	--	--	--	1,948,032
Equity in the earnings/(loss) of subsidiaries and associates	18,282	(71)	--	228	76,938	439	--	95,816
Results from insurance, pension plan and capitalization operations	--	--	--	1,230,443	--	--	54,468	1,284,911
Other	2,771,948	99,316	6,251	87,026	209,320	216,419	(292,865)	3,097,415
Other expenses	**(16,105,862)**	**(167,448)**	**(76,420)**	**(642,962)**	**(1,026,128)**	**(379,556)**	**537,623**	**(17,860,753)**
Personnel expenses	(5,717,358)	(16,978)	(19,886)	(130,174)	(79,075)	(84,134)	2,191	(6,045,414)
Other administrative expenses	(3,057,195)	(18,205)	(12,727)	(182,577)	(170,036)	(72,878)	368,763	(3,144,855)
Amortization	(806,056)	(23,775)	--	(20,610)	(31,518)	(633)	--	(882,592)
Depreciation	(282,009)	(800)	--	(4,659)	(7,671)	(2,305)	--	(297,444)
Tax expenses	(925,613)	(12,098)	(27,685)	(151,337)	(146,123)	(56,090)	--	(1,318,946)
Other	(5,317,631)	(95,592)	(16,122)	(153,605)	(591,705)	(163,516)	166,669	(6,171,502)
Profit before tax and profit sharing	**(6,189,277)**	**(14,469)**	**351,449**	**1,577,227**	**635,638**	**186,405**	**--**	**(3,453,027)**
Income tax and social contribution	8,294,998	(2,451)	(143,011)	(516,700)	(186,969)	(63,153)	--	7,382,714
Profit sharing	(405,228)	--	(461)	(12,360)	(888)	(523)	--	(419,460)
Non-controlling interests	(100,806)	--	--	(347,278)	--	(2)	--	(448,086)
Net income	**1,599,687**	**(16,920)**	**207,977**	**700,889**	**447,781**	**122,727**	**--**	**3,062,141**

	Jan 1 to Sep 30, 2016							
	Banking	Investments	Fund Management	Insurance, pension and capitalization	Payment methods	Other segments	Intersegment transactions	Total
Income from financial intermediation	**124,389,036**	**(32,899)**	**67,596**	**4,727,680**	**269,435**	**87,811**	**(530,550)**	**128,978,109**
Income from loans and leases	76,474,961	--	--	--	--	--	(158,203)	76,316,758
Loans and discounted credit rights	44,847,852	--	--	--	--	--	(6,874)	44,840,978
Financing	19,429,908	--	--	--	--	--	--	19,429,908
Leasing	326,966	--	--	--	--	--	--	326,966
Other	11,870,235	--	--	--	--	--	(151,329)	11,718,906
Securities	42,508,446	32,932	67,596	107,577	269,435	87,522	(437,348)	42,636,160
Interbank investments	34,855,675	987	66,837	--	--	30,557	(429,023)	34,525,033
Fixed-income securities	12,234,925	6,657	1,335	107,577	269,435	42,745	1,400	12,664,074
Variable-income securities	(4,582,154)	25,288	(576)	--	--	14,220	(9,725)	(4,552,947)
Derivative financial instruments	(1,711,728)	(65,831)	--	--	--	--	--	(1,777,559)
Income from exchange operations and compulsory deposits	6,263,586	--	--	--	--	289	8	6,263,883
Operations of sale and transfer of financial assets	853,771	--	--	--	--	--	--	853,771
Financial results from insurance, pension and capitalization operations	--	--	--	4,620,103	--	--	64,993	4,685,096
Expenses from financial intermediation	**(99,888,602)**	**(340,657)**	**(9)**	**(3,216,009)**	**(195)**	**(88,818)**	**658,103**	**(102,876,187)**
Expenses of market funding	(85,827,437)	(330,653)	--	--	--	(89,221)	587,537	(85,659,774)
Deposits	(27,346,523)	(330,653)	--	--	--	--	347,219	(27,329,957)
Securities sold under repurchase agreements	(37,768,569)	--	--	--	--	--	240,220	(37,528,349)
Acceptance and issuance of securities	(18,299,131)	--	--	--	--	(77,316)	98	(18,376,349)
Subordinated debt abroad and equity and debt hybrid securities	(1,856,553)	--	--	--	--	--	--	(1,856,553)
Other	(556,661)	--	--	--	--	(11,905)	--	(568,566)
Loans, assignments, onlending and leases	7,522,322	--	--	--	--	--	70,566	7,592,888
Allowance/reversal for loan losses	(21,525,024)	(10,004)	(9)	--	(195)	403	--	(21,534,829)
Operations of sale and transfer of financial assets	(58,463)	--	--	--	--	--	--	(58,463)
Interest and inflation adjustment from technical provisions of insurance, pension plans and capitalization	--	--	--	(3,216,009)	--	--	--	(3,216,009)
Other income	**22,529,921**	**869,930**	**1,246,081**	**5,627,125**	**4,747,879**	**1,873,862**	**(1,687,156)**	**35,207,642**
Income from service fees	7,908,452	510,450	900,932	1,749,843	3,945,229	1,146,095	(1,177,257)	14,983,744
Card income	118,372	--	--	--	3,889,105	--	--	4,007,477
Fund management	1,839,572	--	791,100	1,071,357	--	1,387	(6,049)	3,697,367
Insurance, pension and capitalization	182,420	--	--	660,969	--	--	--	843,389
Other	5,768,088	510,450	109,832	17,517	56,124	1,144,708	(1,171,208)	6,435,511
Income from fees, rates and commissions	6,054,651	37,236	334,445	--	--	--	--	6,426,332
Equity in the earnings/(loss) of subsidiaries and associates	13,812	(8,504)	--	388	(54,480)	340	--	(48,444)
Results from insurance, pension plan and capitalization operations	--	--	--	3,512,647	--	--	192,781	3,705,428
Other	8,553,006	330,748	10,704	364,247	857,130	727,427	(702,680)	10,140,582
Other expenses	**(41,147,797)**	**(409,461)**	**(230,036)**	**(2,063,790)**	**(2,943,494)**	**(1,301,648)**	**1,559,603**	**(46,536,623)**
Personnel expenses	(16,172,505)	(55,814)	(64,509)	(414,978)	(234,713)	(269,499)	6,392	(17,205,626)
Other administrative expenses	(9,057,135)	(51,206)	(39,872)	(533,248)	(493,145)	(232,222)	1,128,052	(9,278,776)
Amortization	(2,422,441)	(81,972)	--	(81,187)	(115,340)	(1,953)	--	(2,702,893)
Depreciation	(852,191)	(2,369)	--	(13,994)	(89,618)	(7,828)	--	(966,000)
Tax expenses	(3,788,384)	(42,284)	(86,027)	(580,555)	(446,344)	(174,419)	3,999	(5,114,014)
Other	(8,855,141)	(175,816)	(39,628)	(439,828)	(1,564,334)	(615,727)	421,160	(11,269,314)
Profit before tax and profit sharing	**5,882,558**	**86,913**	**1,083,632**	**5,075,006**	**2,073,625**	**571,207**	**--**	**14,772,941**
Income tax and social contribution	(2,161,825)	(29,649)	(486,503)	(1,952,619)	(711,613)	(117,312)	--	(5,459,521)
Profit sharing	(977,510)	--	(836)	(28,234)	(418)	(1,808)	--	(1,008,806)
Non-controlling interests	(215,233)	--	--	(1,019,103)	--	(2)	--	(1,234,338)
Net income	**2,527,990**	**57,264**	**596,293**	**2,075,050**	**1,361,594**	**452,085**	**--**	**7,070,276**

	Jan 1 to Sep 30, 2015							
	Banking	Investments	Fund Management	Insurance, pension and capitalization	Payment methods	Other segments	Intersegment transactions	Total
Income from financial intermediation	**148,690,122**	**90,027**	**61,003**	**3,520,014**	**198,596**	**58,529**	**(292,049)**	**152,326,242**
Income from loans and leases	88,879,734	--	--	--	--	--	(66,936)	88,812,798
Loans and discounted credit rights	41,115,702	--	--	--	--	16,870	(17,816)	41,114,756
Financing	37,785,018	--	--	--	--	--	(74)	37,784,944
Leasing	607,271	--	--	--	--	--	--	607,271
Other	9,371,743	--	--	--	--	(16,870)	(49,046)	9,305,827
Securities	50,126,662	90,123	61,003	23,792	198,596	57,860	(290,647)	50,267,389
Interbank investments	30,089,217	988	56,418	--	--	24,168	(313,094)	29,857,697
Fixed-income securities	11,504,579	4,251	7,875	23,792	198,596	(10,063)	22,447	11,751,477
Variable-income securities	8,532,866	84,884	(3,290)	--	--	43,755	--	8,658,215
Derivative financial instruments	2,189,541	(96)	--	--	--	174	--	2,189,619
Income from exchange operations and compulsory deposits	7,113,127	--	--	--	--	495	(394)	7,113,228
Operations of sale and transfer of financial assets	381,058	--	--	--	--	--	--	381,058
Financial results from insurance, pension and capitalization operations	--	--	--	3,496,222	--	--	65,928	3,562,150
Expenses from financial intermediation	**(132,643,265)**	**(241,644)**	**5**	**(2,267,962)**	**(463)**	**(41,526)**	**511,437**	**(134,683,418)**
Expenses of market funding	(77,477,569)	(231,537)	--	--	--	(43,082)	479,809	(77,272,379)
Deposits	(25,006,866)	(231,537)	--	--	--	--	259,521	(24,978,882)
Securities sold under repurchase agreements	(32,141,513)	--	--	--	--	--	240,637	(31,900,876)
Acceptance and issuance of securities	(17,703,622)	--	--	--	--	(43,082)	354	(17,746,350)
Subordinated debt abroad and equity and debt hybrid securities	(2,073,060)	--	--	--	--	--	--	(2,073,060)
Other	(552,508)	--	--	--	--	--	(20,703)	(573,211)
Loans, assignments, onlending and leases	(34,650,335)	--	--	--	--	(2)	31,628	(34,618,709)
Allowance/reversal for loan losses	(20,472,801)	(10,107)	5	--	(463)	1,558	--	(20,481,808)
Operations of sale and transfer of financial assets	(42,560)	--	--	--	--	--	--	(42,560)
Interest and inflation adjustment from technical provisions of insurance, pension plans and capitalization	--	--	--	(2,267,962)	--	--	--	(2,267,962)
Other income	**20,957,899**	**808,449**	**1,133,002**	**5,672,129**	**10,026,510**	**1,658,321**	**(1,732,387)**	**38,523,923**
Income from service fees	8,000,176	477,451	828,741	1,511,138	3,512,536	1,044,896	(1,093,950)	14,280,988
Card income	621,445	--	--	--	3,357,269	--	--	3,978,714
Fund management	1,672,325	--	724,664	849,792	--	--	(6,035)	3,240,746
Insurance, pension and capitalization	112,305	--	--	647,923	--	--	--	760,228
Other	5,594,101	477,451	104,077	13,423	155,267	1,044,896	(1,087,915)	6,301,300
Income from fees, rates and commissions	5,072,431	28,638	292,995	--	--	--	--	5,394,064
Equity in the earnings/(loss) of subsidiaries and associates	142,259	(1,726)	--	979	83,525	7,536	--	232,573
Results from insurance, pension plan and capitalization operations	--	--	--	3,886,916	--	--	197,730	4,084,646
Other	7,743,033	304,086	11,266	273,096	6,430,449	605,889	(836,167)	14,531,652
Other expenses	**(41,111,932)**	**(432,667)**	**(213,481)**	**(1,855,037)**	**(3,320,954)**	**(1,067,491)**	**1,512,999**	**(46,488,563)**
Personnel expenses	(15,657,880)	(50,447)	(59,907)	(391,798)	(220,389)	(244,369)	6,120	(16,618,670)
Other administrative expenses	(8,899,976)	(54,141)	(38,511)	(548,780)	(447,851)	(198,492)	1,087,826	(9,099,925)
Amortization	(2,331,592)	(71,372)	--	(59,910)	(78,580)	(1,976)	--	(2,543,430)
Depreciation	(826,774)	(2,284)	--	(14,803)	(21,240)	(6,461)	--	(871,562)
Tax expenses	(2,991,919)	(45,273)	(77,955)	(462,725)	(906,747)	(162,315)	--	(4,646,934)
Other	(10,403,791)	(209,150)	(37,108)	(377,021)	(1,646,147)	(453,878)	419,053	(12,708,042)
Profit before tax and profit sharing	**(4,107,176)**	**224,165**	**980,529**	**5,069,144**	**6,903,689**	**607,833**	**--**	**9,678,184**
Income tax and social contribution	9,911,175	(73,631)	(393,667)	(1,782,159)	(2,309,431)	(198,647)	--	5,153,640
Profit sharing	(1,568,449)	--	(1,488)	(37,855)	(2,523)	(2,642)	--	(1,612,957)
Non-controlling interests	(253,290)	--	--	(1,077,519)	--	(9)	--	(1,330,818)
Net income	**3,982,260**	**150,534**	**585,374**	**2,171,611**	**4,591,735**	**406,535**	**--**	**11,888,049**

h) Breakdown of managerial assets and liabilities by segment

	Sep 30, 2016							
	Banking	Investments	Fund Management	Insurance, pension and capitalization	Payment methods	Other segments	Intersegment transactions	Management information
Current assets and long-term receivables	**1,452,015,547**	**2,267,770**	**1,015,510**	**170,655,907**	**12,446,417**	**6,740,075**	**(13,103,866)**	**1,632,037,360**
Cash and cash equivalents	13,006,355	8,809	2,251	178,534	193,535	16,897	(112,917)	13,293,464
Interbank investments	436,236,912	8,027	717,024	1,467,446	1,245,575	338,120	(7,075,172)	432,937,932
Securities	132,411,643	1,099,827	8,340	154,879,397	4,061,172	742,014	(2,067,428)	291,134,965
Trading securities	6,300,895	37,321	--	84,655,621	--	741,131	(40,378)	91,694,590
Securities available for sale	123,153,520	1,062,506	16	62,175,448	4,061,172	883	(2,027,050)	188,426,495
Securities held to maturity	2,957,228	--	8,324	8,048,328	--	--	--	11,013,880
Derivative financial instruments	4,395,774	289,936	--	--	3,766	--	(1,431)	4,688,045
Interbank and interdepartmental accounts	72,635,695	--	--	--	--	--	--	72,635,695
Loan operations and leasing transactions, net of allowance for losses	603,930,235	--	--	--	--	2,697,182	(2,799,717)	603,827,700
Loans and discounted credit rights	232,503,433	--	--	--	--	2,697,182	(2,767,856)	232,432,759
Financing	408,189,986	--	--	--	--	--	(31,861)	408,158,125
Other receivables with loan characteristics	639,741	--	--	--	--	--	--	639,741
Leasing	729,584	--	--	--	--	--	--	729,584
Allowance for loan losses	(38,132,509)	--	--	--	--	--	--	(38,132,509)
Loan operations	(38,056,691)	--	--	--	--	--	--	(38,056,691)
Other receivables and leasing transactions	(75,818)	--	--	--	--	--	--	(75,818)
Other receivables	188,671,997	846,876	286,989	9,916,338	6,920,018	2,883,153	(1,046,349)	208,479,022
Other assets	726,936	14,295	906	4,214,192	22,351	62,709	(852)	5,040,537
Permanent assets	**30,243,100**	**5,200,314**	**23,681**	**723,128**	**973,048**	**384,489**	**(17,934,557)**	**19,613,203**
Investments	15,026,688	5,169,625	23,681	141,376	608,865	322,191	(17,928,159)	3,364,267
Investments in subsidiaries and associates	14,831,848	3,848,448	--	93,187	631,069	--	(17,928,159)	1,476,393
Other investments	269,491	1,325,928	23,700	61,957	1,264	322,191	--	2,004,531
Provision for losses	(74,651)	(4,751)	(19)	(13,768)	(23,468)	--	--	(116,657)
Property and equipment	7,186,928	18,889	--	122,336	207,897	57,240	--	7,593,290
Intangible	8,013,191	11,800	--	459,416	156,286	5,054	(6,398)	8,639,349
Deferred	16,293	--	--	--	--	4	--	16,297
TOTAL ASSETS	**1,482,258,647**	**7,468,084**	**1,039,191**	**171,379,035**	**13,419,465**	**7,124,564**	**(31,038,423)**	**1,651,650,563**
Total liabilities	**1,398,281,594**	**4,224,146**	**698,371**	**163,599,124**	**5,956,133**	**3,448,454**	**(10,739,927)**	**1,565,467,895**
Deposits	439,785,728	3,670,027	--	410	--	--	(3,955,903)	439,500,262
Securities sold under repurchase agreements	431,237,784	--	--	--	--	--	(5,384,807)	425,852,977
Acceptance and issuance of securities	180,063,836	--	--	--	938,319	2,833,815	(9,795)	183,826,175
Interbank and interdepartmental accounts	5,774,208	--	--	--	--	--	--	5,774,208
Borrowings	23,759,442	116,902	--	--	1,205,271	70,674	(102,533)	25,049,756
Onlendings	86,833,684	--	--	--	--	--	--	86,833,684
Derivative financial instruments	3,784,160	643	--	--	--	--	(1,431)	3,783,372
Other liabilities	227,042,752	436,574	698,371	163,598,714	3,812,543	543,965	(1,285,458)	394,847,461
Technical provisions for insurance, pension plans and capitalization	--	--	--	156,129,474	--	--	(11,122)	156,118,352
Subordinated debts and equity and debt hybrid securities	61,950,483	--	--	--	--	--	(5,005)	61,945,478
Other	165,092,269	436,574	698,371	7,469,240	3,812,543	543,965	(1,269,331)	176,783,631
DEFERRED INCOME	**455,232**	**--**	**--**	**--**	**--**	**4,150**	**(853)**	**458,529**
SHAREHOLDERS' EQUITY	**83,521,821**	**3,243,938**	**340,820**	**7,779,911**	**7,463,332**	**3,671,960**	**(20,297,643)**	**85,724,139**
TOTAL LIABILITIES	**1,482,258,647**	**7,468,084**	**1,039,191**	**171,379,035**	**13,419,465**	**7,124,564**	**(31,038,423)**	**1,651,650,563**

	Dec 31, 2015							
	Banking	Investments	Fund Management	Insurance, pension and capitalization	Payment methods	Other segments	Intersegment transactions	Management information
Current assets and long-term receivables	**1,409,073,850**	**2,329,479**	**1,240,081**	**146,093,675**	**12,747,355**	**7,173,216**	**(15,830,164)**	**1,562,827,492**
Cash and cash equivalents	18,133,602	7,929	77	180,153	173,296	5,501	(142,051)	18,358,507
Interbank investments	361,260,988	5,516	910,185	1,668,826	525,161	377,959	(6,287,566)	358,461,069
Securities	124,492,021	1,426,399	16,685	129,887,846	3,901,426	621,833	(2,170,536)	258,175,674
Trading securities	9,306,703	85,061	9,638	114,352,196	325,744	467,560	(270,266)	124,276,636
Securities available for sale	111,259,972	1,341,338	21	3,417,303	1,055,790	154,273	(1,900,184)	115,328,513
Securities held to maturity	3,925,346	--	7,026	12,118,347	2,519,892	--	(86)	18,570,525
Derivative financial instruments	4,637,397	1,278	--	--	61,268	--	(1,873)	4,698,070
Interbank and interdepartmental accounts	66,042,169	--	--	--	--	--	--	66,042,169
Loan operations and leasing transactions, net of allowance for losses	650,686,508	--	--	--	--	3,212,445	(3,284,977)	650,613,976
Loans and discounted credit rights	255,485,376	--	--	--	--	3,212,445	(3,222,024)	255,475,797
Financing	428,031,499	--	--	--	--	--	(62,953)	427,968,546
Other receivables with loan characteristics	333,291	--	--	--	--	--	--	333,291
Leasing	971,490	--	--	--	--	--	--	971,490
Allowance for loan losses	(34,135,148)	--	--	--	--	--	--	(34,135,148)
Loan operations	(34,072,735)	--	--	--	--	--	--	(34,072,735)
Other receivables and leasing transactions	(62,413)	--	--	--	--	--	--	(62,413)
Other receivables	183,060,716	868,725	312,199	10,574,438	8,071,210	2,891,602	(3,942,715)	201,836,175
Other assets	760,449	19,632	935	3,782,412	14,994	63,876	(446)	4,641,852
Permanent assets	**29,586,286**	**4,494,814**	**23,682**	**704,052**	**1,078,740**	**360,083**	**(15,036,138)**	**21,211,519**
Investments	12,900,909	4,461,766	23,682	250,811	550,904	296,361	(15,036,138)	3,448,295
Investments in subsidiaries and associates	12,718,420	3,209,678	1	196,509	508,230	--	(15,036,138)	1,596,700
Other investments	255,374	1,256,839	23,700	63,803	42,982	296,361	--	1,939,059
Provision for losses	(72,885)	(4,751)	(19)	(9,501)	(308)	--	--	(87,464)
Property and equipment	7,314,359	21,710	--	114,139	358,915	57,212	--	7,866,335
Intangible	9,347,037	11,338	--	339,102	168,921	6,510	--	9,872,908
Deferred	23,981	--	--	--	--	--	--	23,981
TOTAL ASSETS	**1,438,660,136**	**6,824,293**	**1,263,763**	**146,797,727**	**13,826,095**	**7,533,299**	**(30,866,302)**	**1,584,039,011**
Total liabilities	**1,358,397,939**	**3,937,451**	**1,132,134**	**140,402,507**	**7,536,739**	**4,136,328**	**(13,522,313)**	**1,502,020,785**
Deposits	465,860,141	3,014,721	--	386	462	--	(3,557,918)	465,317,792
Securities sold under repurchase agreements	352,869,871	--	--	--	--	--	(5,393,427)	347,476,444
Acceptance and issuance of securities	197,760,042	788	--	--	479,284	3,447,244	--	201,687,358
Interbank and interdepartmental accounts	5,511,011	--	--	--	--	--	--	5,511,011
Borrowings	31,574,204	101,068	--	--	2,355,094	48,073	(72,511)	34,005,928
Onlendings	91,908,322	--	--	--	--	--	--	91,908,322
Derivative financial instruments	4,747,983	251	--	--	--	4	(1,872)	4,746,366
Other liabilities	208,166,365	820,623	1,132,134	140,402,121	4,701,899	641,007	(4,496,585)	351,367,564
Technical provisions for insurance, pension plans and capitalization	--	--	--	131,546,178	--	--	(14,032)	131,532,146
Subordinated debts and equity and debt hybrid securities	64,907,232	--	--	--	--	--	--	64,907,232
Other	143,259,133	820,623	1,132,134	8,855,943	4,701,899	641,007	(4,482,553)	154,928,186
DEFERRED INCOME	**482,500**	**--**	**--**	**--**	**--**	**--**	**(447)**	**482,053**
SHAREHOLDERS' EQUITY	**79,779,697**	**2,886,842**	**131,629**	**6,395,220**	**6,289,356**	**3,396,971**	**(17,343,542)**	**81,536,173**
TOTAL LIABILITIES	**1,438,660,136**	**6,824,293**	**1,263,763**	**146,797,727**	**13,826,095**	**7,533,299**	**(30,866,302)**	**1,584,039,011**

	Sep 30, 2015							
	Banking	Investments	Fund Management	Insurance, pension and capitalization	Payment methods	Other segments	Intersegment transactions	Management information
Current assets and long-term receivables	**1,404,086,529**	**2,172,983**	**1,086,400**	**136,698,327**	**15,524,286**	**4,488,630**	**(10,039,620)**	**1,554,017,535**
Cash and cash equivalents	19,497,508	7,742	2,000	196,332	151,481	2,376	(84,701)	19,772,738
Interbank investments	352,096,836	5,339	635,650	1,278,474	403,369	299,862	(5,523,887)	349,195,643
Securities	118,083,247	1,444,828	22,127	121,354,538	3,761,571	466,485	(907,539)	244,225,257
Trading securities	9,848,145	94,609	16,663	108,620,757	--	466,485	(907,539)	118,139,120
Securities available for sale	103,533,655	1,350,219	36	3,970,678	212	--	--	108,854,800
Securities held to maturity	4,701,447	--	5,428	8,763,103	3,761,359	--	--	17,231,337
Derivative financial instruments	6,434,700	1,423	--	--	53,749	--	(1,437)	6,488,435
Interbank and interdepartmental accounts	68,790,723	--	--	--	--	--	--	68,790,723
Loan operations and leasing transactions, net of allowance for losses	649,132,287	--	--	--	494	2,010,483	(2,084,500)	649,058,764
Loans and discounted credit rights	257,752,077	--	--	--	--	2,010,483	(2,016,783)	257,745,777
Financing	422,542,259	--	--	--	--	--	(67,717)	422,474,542
Other receivables with loan characteristics	344,203	--	--	--	--	--	--	344,203
Leasing	1,153,924	--	--	--	494	--	--	1,154,418
Allowance for loan losses	(32,660,176)	--	--	--	--	--	--	(32,660,176)
Loan operations	(32,596,215)	--	--	--	--	--	--	(32,596,215)
Other receivables and leasing transactions	(63,961)	--	--	--	--	--	--	(63,961)
Other receivables	189,293,486	686,453	425,664	10,241,632	11,128,685	1,647,779	(1,436,624)	211,987,075
Other assets	757,742	27,198	959	3,627,351	24,937	61,645	(932)	4,498,900
Permanent assets	**30,544,029**	**4,430,282**	**24,738**	**681,531**	**1,119,510**	**324,625**	**(16,110,981)**	**21,013,734**
Investments	14,094,339	4,397,687	24,738	261,478	600,335	272,919	(16,110,981)	3,540,515
Investments in subsidiaries and associates	13,912,325	3,189,749	--	206,134	499,916	--	(16,110,981)	1,697,143
Other investments	254,912	1,212,689	24,757	64,839	100,727	272,919	--	1,930,843
Provision for losses	(72,898)	(4,751)	(19)	(9,495)	(308)	--	--	(87,471)
Property and equipment	7,015,843	22,374	--	92,893	360,540	45,319	--	7,536,969
Intangible	9,404,726	10,221	--	327,160	157,500	6,387	--	9,905,994
Deferred	29,121	--	--	--	1,135	--	--	30,256
TOTAL ASSETS	**1,434,630,558**	**6,603,265**	**1,111,138**	**137,379,858**	**16,643,796**	**4,813,255**	**(26,150,601)**	**1,575,031,269**
Total liabilities	**1,352,388,690**	**3,497,352**	**771,519**	**130,334,235**	**10,227,568**	**2,796,065**	**(9,257,728)**	**1,490,757,701**
Deposits	464,450,748	3,058,508	--	396	461	--	(3,672,135)	463,837,978
Securities sold under repurchase agreements	334,721,861	--	--	--	--	--	(3,357,387)	331,364,474
Acceptance and issuance of securities	207,342,774	1,119	--	--	524,324	2,273,260	--	210,141,477
Interbank and interdepartmental accounts	6,940,066	--	--	--	--	--	--	6,940,066
Borrowings	33,402,036	101,979	--	--	2,378,297	44,750	(74,016)	35,853,046
Onlendings	92,312,668	--	--	--	--	--	--	92,312,668
Derivative financial instruments	6,630,092	14	--	--	--	--	(1,438)	6,628,668
Other liabilities	206,588,445	335,732	771,519	130,333,839	7,324,486	478,055	(2,152,752)	343,679,324
Technical provisions for insurance, pension plans and capitalization	--	--	--	123,273,837	--	--	(15,023)	123,258,814
Subordinated debts and equity and debt hybrid securities	65,081,487	--	--	--	--	--	--	65,081,487
Other	141,506,958	335,732	771,519	7,060,002	7,324,486	478,055	(2,137,729)	155,339,023
DEFERRED INCOME	**460,053**	**--**	**--**	**--**	**--**	**--**	**(933)**	**459,120**
SHAREHOLDERS' EQUITY	**81,781,815**	**3,105,913**	**339,619**	**7,045,623**	**6,416,228**	**2,017,190**	**(16,891,940)**	**83,814,448**
TOTAL LIABILITIES	**1,434,630,558**	**6,603,265**	**1,111,138**	**137,379,858**	**16,643,796**	**4,813,255**	**(26,150,601)**	**1,575,031,269**

i) Reconciliation of managerial income by segment with the accounting income

	3rd quarter/2016							
	Management information	Adjustments						BB Consolidated
		Banking	Investments	Insurance, pension and capitalization	Payment methods	Other segments	Intersegment transactions	
Income from financial intermediation	**50,058,918**	**(1,934,641)**	**--**	**(1,442,655)**	**37,369**	**8,045**	**(22,016)**	**46,705,020**
Income from loans and leases	28,532,564	(1,459,929)	--	--	--	--	--	27,072,635
Loans and discounted credit rights	15,119,888	(335,869)	--	--	--	--	--	14,784,019
Financing	9,299,549	(944,990)	--	--	--	--	--	8,354,559
Leasing	103,948	(20,347)	--	--	--	--	--	83,601
Other	4,009,179	(158,723)	--	--	--	--	--	3,850,456
Securities	17,912,953	(709,809)	--	(2,939)	37,369	8,045	(517)	17,245,102
Interbank investments	13,134,583	(342,183)	--	--	--	(3)	--	12,792,397
Fixed-income securities	4,440,057	(350,396)	--	(2,939)	37,369	8,383	(517)	4,131,957
Variable-income securities	338,313	(17,230)	--	--	--	(335)	--	320,748
Derivative financial instruments	(143,461)	9,064	--	--	--	--	--	(134,397)
Income from exchange operations and compulsory deposits	1,965,711	(14,861)	--	--	--	--	--	1,950,850
Operations of sale and transfer of financial assets	329,936	240,894	--	--	--	--	--	570,830
Financial results from insurance, pension and capitalization operations	1,461,215	--	--	(1,439,716)	--	--	(21,499)	--
Expenses from financial intermediation	**(41,282,391)**	**1,579,978**	**--**	**1,022,497**	**139**	**--**	**(9,143)**	**(38,688,920)**
Expenses of market funding	(30,500,630)	1,123,591	--	--	--	--	(9,143)	(29,386,182)
Deposits	(9,265,191)	67,173	--	--	--	--	(7,395)	(9,205,413)
Securities sold under repurchase agreements	(14,163,988)	605,537	--	--	--	--	(1,748)	(13,560,199)
Acceptance and issuance of securities	(6,273,138)	450,276	--	--	--	--	--	(5,822,862)
Subordinated debt abroad and equity and debt hybrid securities	(608,903)	--	--	--	--	--	--	(608,903)
Other	(189,410)	605	--	--	--	--	--	(188,805)
Loans, assignments, onlending and leases	(2,795,378)	63,515	--	--	--	--	--	(2,731,863)
Allowance/reversal for loan losses	(6,933,467)	392,872	--	--	139	--	--	(6,540,456)
Operations of sale and transfer of financial assets	(30,419)	--	--	--	--	--	--	(30,419)
Interest and inflation adjustment from technical provisions of insurance, pension plans and capitalization	(1,022,497)	--	--	1,022,497	--	--	--	--
Other income	**11,956,178**	**(346,460)**	**200,086**	**(556,185)**	**(1,579,717)**	**(11,507)**	**134,831**	**9,797,226**
Income from service fees	5,149,981	(59,039)	--	16,104	(1,383,808)	(173)	135,748	3,858,813
Card income	1,421,821	--	--	--	(1,383,864)	--	--	37,957
Fund management	1,306,937	(12,887)	--	(393,018)	--	--	2,022	903,054
Insurance, pension and capitalization	341,469	--	--	409,122	--	--	--	750,591
Other	2,079,754	(46,152)	--	--	56	(173)	133,726	2,167,211
Income from fees, rates and commissions	2,254,990	(91,621)	--	--	--	--	--	2,163,369
Equity in the earnings/(loss) of subsidiaries and associates	20,834	46,669	283,796	639,045	74,305	(193)	--	1,064,456
Results from insurance, pension plan and capitalization operations	1,198,023	--	--	(1,135,434)	--	--	(62,589)	--
Other	3,332,350	(242,469)	(83,710)	(75,900)	(270,214)	(11,141)	61,672	2,710,588
Other expenses	**(16,302,074)**	**629,042**	**52,778**	**547,269**	**1,109,572**	**111,926**	**(103,672)**	**(13,955,159)**
Personnel expenses	(5,950,021)	177,363	4,228	129,869	78,427	--	(18)	(5,560,152)
Other administrative expenses	(3,195,464)	171,141	3,209	122,551	188,078	1,250	(82,016)	(2,791,251)
Amortization	(891,069)	3,619	424	23,703	40,864	--	--	(822,459)
Depreciation	(323,247)	2,856	813	4,587	29,815	--	--	(285,176)
Tax expenses	(1,687,322)	45,785	1,759	110,296	139,316	130	--	(1,390,036)
Other	(4,254,951)	228,278	42,345	156,263	633,072	110,546	(21,638)	(3,106,085)
Profit before tax and profit sharing	**4,430,631**	**(72,081)**	**252,864**	**(429,074)**	**(432,637)**	**108,464**	**--**	**3,858,167**
Income tax and social contribution	(1,458,996)	35,014	74	394,337	171,391	(53,842)	--	(912,022)
Profit sharing	(318,206)	14,871	--	10,284	335	--	--	(292,716)
Non-controlling interests	(407,252)	--	--	--	--	--	--	(407,252)
Net income	**2,246,177**	**(22,196)**	**252,938**	**(24,453)**	**(260,911)**	**54,622**	**--**	**2,246,177**

	3rd quarter/2015							
	Management information	Adjustments						BB Consolidated
		Banking	Investments	Insurance, pension and capitalization	Payment methods	Other segments	Intersegment transactions	
Income from financial intermediation	**63,009,045**	**(2,926,430)**	**--**	**(1,028,700)**	**36,766**	**3,200**	**(22,869)**	**59,071,012**
Income from loans and leases	35,552,355	(1,713,813)	--	--	--	--	35	33,838,577
Loans and discounted credit rights	14,596,405	(339,791)	--	--	--	--	--	14,256,614
Financing	17,505,010	(871,001)	--	--	--	--	33	16,634,042
Leasing	177,573	(50,170)	--	--	--	--	--	127,403
Other	3,273,367	(452,851)	--	--	--	--	2	2,820,518
Securities	20,645,731	(652,635)	--	(2,789)	36,766	3,200	540	20,030,813
Interbank investments	11,035,215	(246,706)	--	--	--	(6)	(2)	10,788,501
Fixed-income securities	4,459,001	(402,497)	--	(2,789)	36,766	13,317	542	4,104,340
Variable-income securities	5,151,515	(3,432)	--	--	--	(10,111)	--	5,137,972
Derivative financial instruments	1,686,787	(803,751)	--	--	--	--	--	883,036
Income from exchange operations and compulsory deposits	3,940,119	(145,850)	--	--	--	--	--	3,794,269
Operations of sale and transfer of financial assets	134,698	389,619	--	--	--	--	--	524,317
Financial results from insurance, pension and capitalization operations	1,049,355	--	--	(1,025,911)	--	--	(23,444)	--
Expenses from financial intermediation	**(59,986,290)**	**2,703,723**	**--**	**657,621**	**177**	**2**	**(10,688)**	**(56,635,455)**
Expenses of market funding	(28,912,109)	1,949,548	--	--	--	--	(10,688)	(26,973,249)
Deposits	(9,044,680)	68,175	--	--	--	--	(10,368)	(8,986,873)
Securities sold under repurchase agreements	(11,784,428)	466,058	--	--	--	--	(320)	(11,318,690)
Acceptance and issuance of securities	(7,087,000)	1,413,797	--	--	--	--	--	(5,673,203)
Subordinated debt abroad and equity and debt hybrid securities	(809,423)	--	--	--	--	--	--	(809,423)
Other	(186,578)	1,518	--	--	--	--	--	(185,060)
Loans, assignments, onlending and leases	(21,485,181)	108,952	--	--	--	2	--	(21,376,227)
Allowance/reversal for loan losses	(8,919,191)	642,109	--	--	177	--	--	(8,276,905)
Operations of sale and transfer of financial assets	(12,188)	3,114	--	--	--	--	--	(9,074)
Interest and inflation adjustment from technical provisions of insurance, pension plans and capitalization	(657,621)	--	--	657,621	--	--	--	--
Other income	**11,384,971**	**(457,594)**	**141,031**	**(468,650)**	**(1,404,190)**	**(22,585)**	**117,975**	**9,290,958**
Income from service fees	4,958,797	(51,883)	--	76,803	(1,284,131)	(183)	107,261	3,806,664
Card income	1,361,913	(7,186)	--	--	(1,226,482)	--	--	128,245
Fund management	1,155,879	(12,635)	--	(313,573)	--	--	2,172	831,843
Insurance, pension and capitalization	231,074	61,924	--	397,785	--	--	--	690,783
Other	2,209,931	(93,986)	--	(7,409)	(57,649)	(183)	105,089	2,155,793
Income from fees, rates and commissions	1,948,032	(63,441)	--	--	--	--	--	1,884,591
Equity in the earnings/(loss) of subsidiaries and associates	95,816	74,933	214,905	663,467	27,522	(439)	--	1,076,204
Results from insurance, pension plan and capitalization operations	1,284,911	--	--	(1,230,443)	--	--	(54,468)	--
Other	3,097,415	(417,203)	(73,874)	21,523	(147,581)	(21,963)	65,182	2,523,499
Other expenses	**(17,860,753)**	**1,151,557**	**87,841**	**481,921**	**1,012,985**	**9,679**	**(84,418)**	**(15,201,188)**
Personnel expenses	(6,045,414)	187,549	5,697	119,009	78,345	--	(7)	(5,654,821)
Other administrative expenses	(3,144,855)	144,678	5,163	127,547	170,029	1,035	(57,337)	(2,753,740)
Amortization	(882,592)	2,749	311	17,855	31,518	--	--	(830,159)
Depreciation	(297,444)	2,409	800	4,624	7,671	(1)	--	(281,941)
Tax expenses	(1,318,946)	49,384	3,015	98,570	134,612	111	--	(1,033,254)
Other	(6,171,502)	764,788	72,855	114,316	590,810	8,534	(27,074)	(4,647,273)
Profit before tax and profit sharing	**(3,453,027)**	**471,256**	**228,872**	**(357,808)**	**(354,262)**	**(9,704)**	**--**	**(3,474,673)**
Income tax and social contribution	7,382,714	(460,582)	570	326,252	126,231	(638)	--	7,374,547
Profit sharing	(419,460)	16,564	--	12,360	888	1	--	(389,647)
Non-controlling interests	(448,086)	--	--	--	--	--	--	(448,086)
Net income	**3,062,141**	**27,238**	**229,442**	**(19,196)**	**(227,143)**	**(10,341)**	**--**	**3,062,141**

	Jan 1 to Sep 30, 2016							
	Management information	Adjustments						BB Consolidated
		Banking	Investments	Insurance, pension and capitalization	Payment methods	Other segments	Intersegment transactions	
Income from financial intermediation	**128,978,109**	**(5,288,244)**	**--**	**(4,629,528)**	**108,245**	**(8,945)**	**(66,795)**	**119,092,842**
Income from loans and leases	76,316,758	(4,619,779)	--	--	--	--	--	71,696,979
Loans and discounted credit rights	44,840,978	(1,060,266)	--	--	--	--	--	43,780,712
Financing	19,429,908	(3,120,868)	--	--	--	--	--	16,309,040
Leasing	326,966	(65,440)	--	--	--	--	--	261,526
Other	11,718,906	(373,205)	--	--	--	--	--	11,345,701
Securities	42,636,160	(1,660,916)	--	(9,425)	108,245	(8,945)	(1,802)	41,063,317
Interbank investments	34,525,033	(851,892)	--	--	--	(9)	--	33,673,132
Fixed-income securities	12,664,074	(758,453)	--	(9,425)	108,245	5,284	(1,802)	12,007,923
Variable-income securities	(4,552,947)	(50,571)	--	--	--	(14,220)	--	(4,617,738)
Derivative financial instruments	(1,777,559)	29,915	--	--	--	--	--	(1,747,644)
Income from exchange operations and compulsory deposits	6,263,883	71,518	--	--	--	--	--	6,335,401
Operations of sale and transfer of financial assets	853,771	891,018	--	--	--	--	--	1,744,789
Financial results from insurance, pension and capitalization operations	4,685,096	--	--	(4,620,103)	--	--	(64,993)	--
Expenses from financial intermediation	**(102,876,187)**	**4,086,221**	**--**	**3,216,009**	**195**	**--**	**8,882**	**(95,564,880)**
Expenses of market funding	(85,659,774)	3,138,033	--	--	--	--	(19,656)	(82,541,397)
Deposits	(27,329,957)	197,672	--	--	--	--	(15,897)	(27,148,182)
Securities sold under repurchase agreements	(37,528,349)	1,707,692	--	--	--	--	(3,759)	(35,824,416)
Acceptance and issuance of securities	(18,376,349)	1,230,033	--	--	--	--	--	(17,146,316)
Subordinated debt abroad and equity and debt hybrid securities	(1,856,553)	--	--	--	--	--	--	(1,856,553)
Other	(568,566)	2,636	--	--	--	--	--	(565,930)
Loans, assignments, onlending and leases	7,592,888	141,447	--	--	--	--	28,538	7,762,873
Allowance/reversal for loan losses	(21,534,829)	806,741	--	--	195	--	--	(20,727,893)
Operations of sale and transfer of financial assets	(58,463)	--	--	--	--	--	--	(58,463)
Interest and inflation adjustment from technical provisions of insurance, pension plans and capitalization	(3,216,009)	--	--	3,216,009	--	--	--	--
Other income	**35,207,642**	**(1,319,936)**	**568,687**	**(1,537,376)**	**(4,283,523)**	**(12,185)**	**349,806**	**28,973,115**
Income from service fees	14,983,744	(178,365)	--	205,549	(3,944,841)	(509)	399,212	11,464,790
Card income	4,007,477	(16,173)	--	--	(3,889,105)	--	--	102,199
Fund management	3,697,367	(41,812)	--	(1,071,357)	--	--	6,049	2,589,869
Insurance, pension and capitalization	843,389	145,054	--	1,294,423	--	--	--	2,282,866
Other	6,435,511	(265,434)	--	(17,517)	(55,736)	(509)	393,163	6,489,856
Income from fees, rates and commissions	6,426,332	(248,179)	--	--	--	--	--	6,178,153
Equity in the earnings/(loss) of subsidiaries and associates	(48,444)	146,080	874,515	1,894,796	313,057	(340)	--	3,179,664
Results from insurance, pension plan and capitalization operations	3,705,428	--	--	(3,512,647)	--	--	(192,781)	--
Other	10,140,582	(1,039,472)	(305,828)	(125,074)	(651,739)	(11,336)	143,375	8,150,508
Other expenses	**(46,536,623)**	**2,266,968**	**170,739**	**1,524,450**	**2,890,697**	**115,212**	**(291,893)**	**(39,860,450)**
Personnel expenses	(17,205,626)	509,929	13,948	377,012	232,412	--	(57)	(16,072,382)
Other administrative expenses	(9,278,776)	472,081	10,638	374,628	492,330	3,226	(227,423)	(8,153,296)
Amortization	(2,702,893)	12,807	1,219	74,322	115,340	--	--	(2,499,205)
Depreciation	(966,000)	12,999	2,369	13,845	89,618	--	--	(847,169)
Tax expenses	(5,114,014)	151,526	4,676	334,111	410,939	203	--	(4,212,559)
Other	(11,269,314)	1,107,626	137,889	350,532	1,550,058	111,783	(64,413)	(8,075,839)
Profit before tax and profit sharing	**14,772,941**	**(254,991)**	**739,426**	**(1,426,445)**	**(1,284,386)**	**94,082**	**--**	**12,640,627**
Income tax and social contribution	(5,459,521)	234,918	(886)	1,334,148	527,843	(53,030)	--	(3,416,528)
Profit sharing	(1,008,806)	60,669	--	28,234	418	--	--	(919,485)
Non-controlling interests	(1,234,338)	--	--	--	--	--	--	(1,234,338)
Net income	**7,070,276**	**40,596**	**738,540**	**(64,063)**	**(756,125)**	**41,052**	**--**	**7,070,276**

	Jan 1 to Sep 30, 2015							
	Management information	Adjustments						BB Consolidated
		Banking	Investments	Insurance, pension and capitalization	Payment methods	Other segments	Intersegment transactions	
Income from financial intermediation	**152,326,242**	**(7,096,806)**	**--**	**(3,504,023)**	**80,034**	**(30,840)**	**(90,249)**	**141,684,358**
Income from loans and leases	88,812,798	(5,090,833)	--	--	--	--	74	83,722,039
Loans and discounted credit rights	41,114,756	(1,015,185)	--	--	--	--	--	40,099,571
Financing	37,784,944	(2,873,264)	--	--	--	--	74	34,911,754
Leasing	607,271	(272,139)	--	--	--	--	--	335,132
Other	9,305,827	(930,245)	--	--	--	--	--	8,375,582
Securities	50,267,389	(1,789,699)	--	(7,801)	80,034	(30,840)	(24,395)	48,494,688
Interbank investments	29,857,697	(638,415)	--	--	--	(10)	--	29,219,272
Fixed-income securities	11,751,477	(1,095,849)	--	(7,801)	80,034	12,925	(24,395)	10,716,391
Variable-income securities	8,658,215	(55,435)	--	--	--	(43,755)	--	8,559,025
Derivative financial instruments	2,189,619	(1,046,644)	--	--	--	--	--	1,142,975
Income from exchange operations and compulsory deposits	7,113,228	(264,876)	--	--	--	--	--	6,848,352
Operations of sale and transfer of financial assets	381,058	1,095,246	--	--	--	--	--	1,476,304
Financial results from insurance, pension and capitalization operations	3,562,150	--	--	(3,496,222)	--	--	(65,928)	--
Expenses from financial intermediation	**(134,683,418)**	**6,075,780**	**--**	**2,267,962**	**463**	**2**	**(6,082)**	**(126,345,293)**
Expenses of market funding	(77,272,379)	4,309,150	--	--	--	--	(6,082)	(72,969,311)
Deposits	(24,978,882)	181,692	--	--	--	--	(25,672)	(24,822,862)
Securities sold under repurchase agreements	(31,900,876)	1,286,977	--	--	--	--	(1,113)	(30,615,012)
Acceptance and issuance of securities	(17,746,350)	2,836,301	--	--	--	--	--	(14,910,049)
Subordinated debt abroad and equity and debt hybrid securities	(2,073,060)	--	--	--	--	--	--	(2,073,060)
Other	(573,211)	4,180	--	--	--	--	20,703	(548,328)
Loans, assignments, onlending and leases	(34,618,709)	422,704	--	--	--	2	--	(34,196,003)
Allowance/reversal for loan losses	(20,481,808)	1,325,751	--	--	463	--	--	(19,155,594)
Operations of sale and transfer of financial assets	(42,560)	18,175	--	--	--	--	--	(24,385)
Interest and inflation adjustment from technical provisions of insurance, pension plans and capitalization	(2,267,962)	--	--	2,267,962	--	--	--	--
Other income	**38,523,923**	**(984,453)**	**504,137**	**(1,475,505)**	**(3,834,514)**	**(30,144)**	**319,247**	**33,022,691**
Income from service fees	14,280,988	(155,569)	--	323,014	(3,512,183)	(457)	347,555	11,283,348
Card income	3,978,714	(20,472)	--	--	(3,357,269)	--	--	600,973
Fund management	3,240,746	(38,814)	--	(849,792)	--	--	6,035	2,358,175
Insurance, pension and capitalization	760,228	219,392	--	1,186,229	--	--	--	2,165,849
Other	6,301,300	(315,675)	--	(13,423)	(154,914)	(457)	341,520	6,158,351
Income from fees, rates and commissions	5,394,064	(189,383)	--	--	--	--	--	5,204,681
Equity in the earnings/(loss) of subsidiaries and associates	232,573	128,536	732,340	2,095,229	190,024	(7,536)	--	3,371,166
Results from insurance, pension plan and capitalization operations	4,084,646	--	--	(3,886,916)	--	--	(197,730)	--
Other	14,531,652	(768,037)	(228,203)	(6,832)	(512,355)	(22,151)	169,422	13,163,496
Other expenses	**(46,488,563)**	**2,406,593**	**208,202**	**1,404,636**	**2,761,580**	**11,290**	**(222,916)**	**(39,919,178)**
Personnel expenses	(16,618,670)	508,839	16,530	360,522	218,418	--	(13)	(15,514,374)
Other administrative expenses	(9,099,925)	416,156	16,510	359,883	447,720	2,321	(146,134)	(8,003,469)
Amortization	(2,543,430)	8,122	979	51,644	78,580	--	--	(2,404,105)
Depreciation	(871,562)	7,551	2,284	14,725	21,240	(2)	--	(825,764)
Tax expenses	(4,646,934)	154,616	7,045	314,620	353,671	346	--	(3,816,636)
Other	(12,708,042)	1,311,309	164,854	303,242	1,641,951	8,625	(76,769)	(9,354,830)
Profit before tax and profit sharing	**9,678,184**	**401,114**	**712,339**	**(1,306,930)**	**(992,437)**	**(49,692)**	**--**	**8,442,578**
Income tax and social contribution	5,153,640	(483,280)	(655)	1,212,595	391,557	(791)	--	6,273,066
Profit sharing	(1,612,957)	75,801	--	37,855	2,523	1	--	(1,496,777)
Non-controlling interests	(1,330,818)	--	--	--	--	--	--	(1,330,818)
Net income	**11,888,049**	**(6,365)**	**711,684**	**(56,480)**	**(598,357)**	**(50,482)**	**--**	**11,888,049**

j) Reconciliation of managerial assets and liabilities by segment with the accounting assets and liabilities

	Sep 30, 2016							
	Management information	Adjustments						BB Consolidated
		Banking	Investments	Insurance, pension and capitalization	Payment methods	Other segments	Intersegment transactions	
Current assets and long-term receivables	**1,632,037,360**	**(41,282,485)**	**(161,471)**	**(167,078,042)**	**(8,480,840)**	**(211,221)**	**1,732,818**	**1,416,556,119**
Cash and cash equivalents	13,293,464	(88,575)	(41)	(178,534)	(193,514)	(1,192)	97,351	12,928,959
Interbank investments	432,937,932	(4,784,935)	(1,941)	(122,585)	(725,783)	(2)	500,529	427,803,215
Securities	291,134,965	(14,102,773)	(39,434)	(154,180,383)	(694,534)	(55,245)	623,092	122,685,688
Trading securities	91,694,590	(671,090)	(1,338)	(84,271,651)	--	(55,179)	25,579	6,720,911
Securities available for sale	188,426,495	(13,116,717)	(38,096)	(62,175,404)	(694,534)	(66)	597,513	112,999,191
Securities held to maturity	11,013,880	(314,966)	--	(7,733,328)	--	--	--	2,965,586
Derivative financial instruments	4,688,045	(1,699,009)	--	--	(3,766)	--	--	2,985,270
Interbank and interdepartmental accounts	72,635,695	(165,210)	--	--	--	--	--	72,470,485
Loan operations and leasing transactions, net of allowance for losses	603,827,700	(20,811,488)	--	--	--	--	31,861	583,048,073
Loans and discounted credit rights	232,432,759	(4,501,342)	--	--	--	--	--	227,931,417
Financing	408,158,125	(17,739,418)	--	--	--	--	31,861	390,450,568
Other receivables with loan characteristics	639,741	--	--	--	--	--	--	639,741
Leasing	729,584	(59,306)	--	--	--	--	--	670,278
Allowance for loan losses	(38,132,509)	1,488,578	--	--	--	--	--	(36,643,931)
Loan operations	(38,056,691)	1,485,222	--	--	--	--	--	(36,571,469)
Other receivables and leasing transactions	(75,818)	3,356	--	--	--	--	--	(72,462)
Other receivables	208,479,022	630,851	(105,760)	(8,382,348)	(6,840,892)	(118,556)	479,985	194,142,302
Other assets	5,040,537	(261,346)	(14,295)	(4,214,192)	(22,351)	(36,226)	--	492,127
Permanent assets	**19,613,203**	**3,906,029**	**(100,271)**	**5,684,075**	**264,900**	**(322,178)**	**2,610,018**	**31,655,776**
Investments	3,364,267	4,004,509	(69,582)	6,265,827	629,083	(322,164)	2,610,018	16,481,958
Investments in subsidiaries and associates	1,476,393	4,039,974	1,256,340	6,314,016	606,879	--	2,610,018	16,303,620
Other investments	2,004,531	(60,863)	(1,325,922)	(61,957)	(1,034)	(322,164)	--	232,591
Provision for losses	(116,657)	25,398	--	13,768	23,238	--	--	(54,253)
Property and equipment	7,593,290	(45,240)	(18,889)	(122,336)	(207,897)	(10)	--	7,198,918
Intangible	8,639,349	(47,963)	(11,800)	(459,416)	(156,286)	--	--	7,963,884
Deferred	16,297	(5,277)	--	--	--	(4)	--	11,016
TOTAL ASSETS	**1,651,650,563**	**(37,376,456)**	**(261,742)**	**(161,393,967)**	**(8,215,940)**	**(533,399)**	**4,342,836**	**1,448,211,895**
Total liabilities	**1,565,467,895**	**(37,308,558)**	**(261,742)**	**(161,297,827)**	**(5,751,818)**	**(25,552)**	**1,229,119**	**1,362,051,517**
Deposits	439,500,262	(2,003,204)	--	--	--	--	205,465	437,702,523
Securities sold under repurchase agreements	425,852,977	(15,883,659)	--	--	--	--	500,721	410,470,039
Acceptance and issuance of securities	183,826,175	(9,321,017)	--	--	(938,319)	--	--	173,566,839
Interbank and interdepartmental accounts	5,774,208	(51,290)	--	--	--	--	--	5,722,918
Borrowings	25,049,756	(947,337)	(116,902)	--	(1,205,271)	--	31,859	22,812,105
Onlendings	86,833,684	(1,755,205)	--	--	--	--	--	85,078,479
Derivative financial instruments	3,783,372	(1,483,377)	--	--	--	--	--	2,299,995
Other liabilities	394,847,461	(5,863,469)	(144,840)	(161,297,827)	(3,608,228)	(25,552)	491,074	224,398,619
Technical provisions for insurance, pension plans and capitalization	156,118,352	--	--	(156,129,474)	--	--	11,122	--
Subordinated debts and equity and debt hybrid securities	61,945,478	(2,596,399)	--	--	--	--	(2)	59,349,077
Other	176,783,631	(3,267,070)	(144,840)	(5,168,353)	(3,608,228)	(25,552)	479,954	165,049,542
DEFERRED INCOME	**458,529**	**(18,140)**	**--**	**--**	**--**	**(4,150)**	**--**	**436,239**
SHAREHOLDERS' EQUITY	**85,724,139**	**(49,758)**	**--**	**(96,140)**	**(2,464,122)**	**(503,697)**	**3,113,717**	**85,724,139**
TOTAL LIABILITIES	**1,651,650,563**	**(37,376,456)**	**(261,742)**	**(161,393,967)**	**(8,215,940)**	**(533,399)**	**4,342,836**	**1,448,211,895**

	Dec 31, 2015							
	Management information	Adjustments						BB Consolidated
		Banking	Investments	Insurance, pension and capitalization	Payment methods	Other segments	Intersegment transactions	
Current assets and long-term receivables	**1,562,827,492**	**(43,677,717)**	**(225,085)**	**(142,601,627)**	**(8,735,033)**	**(247,690)**	**1,685,689**	**1,369,026,029**
Cash and cash equivalents	18,358,507	(89,687)	(70)	(180,149)	(173,271)	(50)	139,141	18,054,421
Interbank investments	358,461,069	(5,531,652)	--	(118,438)	(128,729)	(377)	59,914	352,741,787
Securities	258,175,674	(15,196,624)	(46,248)	(129,243,107)	(394,870)	(144,386)	772,579	113,923,018
Trading securities	124,276,636	(2,607,333)	(27,137)	(113,707,509)	(325,744)	(9,200)	260,628	7,860,341
Securities available for sale	115,328,513	(9,015,051)	(19,111)	(3,417,251)	(1,055,668)	(135,186)	511,865	102,198,111
Securities held to maturity	18,570,525	(3,574,240)	--	(12,118,347)	986,542	--	86	3,864,566
Derivative financial instruments	4,698,070	(1,274,770)	--	--	(61,268)	--	--	3,362,032
Interbank and interdepartmental accounts	66,042,169	(36,078)	--	--	--	--	--	66,006,091
Loan operations and leasing transactions, net of allowance for losses	650,613,976	(21,973,353)	--	--	--	--	62,953	628,703,576
Loans and discounted credit rights	255,475,797	(4,827,634)	--	--	--	--	--	250,648,163
Financing	427,968,546	(18,645,225)	--	--	--	--	62,953	409,386,274
Other receivables with loan characteristics	333,291	--	--	--	--	--	--	333,291
Leasing	971,490	(96,655)	--	--	--	--	--	874,835
Allowance for loan losses	(34,135,148)	1,596,161	--	--	--	--	--	(32,538,987)
Loan operations	(34,072,735)	1,582,794	--	--	--	--	--	(32,489,941)
Other receivables and leasing transactions	(62,413)	13,367	--	--	--	--	--	(49,046)
Other receivables	201,836,175	720,613	(159,135)	(9,277,521)	(7,961,901)	(70,856)	651,102	185,738,477
Other assets	4,641,852	(296,166)	(19,632)	(3,782,412)	(14,994)	(32,021)	--	496,627
Permanent assets	**21,211,519**	**3,567,307**	**(23,444)**	**5,728,477**	**1,275,229**	**(296,334)**	**639,974**	**32,102,728**
Investments	3,448,295	3,665,928	9,604	6,181,716	1,803,065	(296,334)	639,974	15,452,248
Investments in subsidiaries and associates	1,596,700	3,700,168	1,262,618	6,236,018	1,845,739	--	639,974	15,281,217
Other investments	1,939,059	(57,856)	(1,253,014)	(63,803)	(42,752)	(296,334)	--	225,300
Provision for losses	(87,464)	23,616	--	9,501	78	--	--	(54,269)
Property and equipment	7,866,335	(48,539)	(21,710)	(114,137)	(358,915)	--	--	7,323,034
Intangible	9,872,908	(42,675)	(11,338)	(339,102)	(168,921)	--	--	9,310,872
Deferred	23,981	(7,407)	--	--	--	--	--	16,574
TOTAL ASSETS	**1,584,039,011**	**(40,110,410)**	**(248,529)**	**(136,873,150)**	**(7,459,804)**	**(544,024)**	**2,325,663**	**1,401,128,757**
Total liabilities	**1,502,020,785**	**(40,087,565)**	**(246,235)**	**(136,764,430)**	**(6,929,341)**	**(46,537)**	**1,186,699**	**1,319,133,376**
Deposits	465,317,792	(1,350,136)	--	--	(462)	--	452,524	464,419,718
Securities sold under repurchase agreements	347,476,444	(13,962,425)	--	--	--	--	7,629	333,521,648
Acceptance and issuance of securities	201,687,358	(12,645,794)	(788)	--	(479,284)	--	--	188,561,492
Interbank and interdepartmental accounts	5,511,011	(41,604)	--	--	--	--	--	5,469,407
Borrowings	34,005,928	(1,957,338)	(101,068)	--	(2,355,094)	--	62,932	29,655,360
Onlendings	91,908,322	(1,832,616)	--	--	--	--	--	90,075,706
Derivative financial instruments	4,746,366	(1,457,194)	--	--	--	--	--	3,289,172
Other liabilities	351,367,564	(6,840,458)	(144,379)	(136,764,430)	(4,094,501)	(46,537)	663,614	204,140,873
Technical provisions for insurance, pension plans and capitalization	131,532,146	--	--	(131,546,178)	--	--	14,032	--
Subordinated debts and equity and debt hybrid securities	64,907,232	(3,022,968)	--	--	--	--	--	61,884,264
Other	154,928,186	(3,817,490)	(144,379)	(5,218,252)	(4,094,501)	(46,537)	649,582	142,256,609
DEFERRED INCOME	**482,053**	**(22,845)**	**--**	**--**	**--**	**--**	**--**	**459,208**
SHAREHOLDERS' EQUITY	**81,536,173**	**--**	**(2,294)**	**(108,720)**	**(530,463)**	**(497,487)**	**1,138,964**	**81,536,173**
TOTAL LIABILITIES	**1,584,039,011**	**(40,110,410)**	**(248,529)**	**(136,873,150)**	**(7,459,804)**	**(544,024)**	**2,325,663**	**1,401,128,757**

	Sep 30, 2015							
	Management information	Adjustments						BB Consolidated
		Banking	Investments	Insurance, pension and capitalization	Payment methods	Other segments	Intersegment transactions	
Current assets and long-term receivables	**1,554,017,535**	**(42,633,876)**	**(230,694)**	**(133,675,070)**	**(8,159,064)**	**(221,619)**	**1,599,713**	**1,370,696,925**
Cash and cash equivalents	19,772,738	(111,619)	(46)	(196,308)	(151,457)	(350)	80,590	19,393,548
Interbank investments	349,195,643	(4,207,990)	--	(108,985)	(52,770)	(514)	32,252	344,857,636
Securities	244,225,257	(15,026,585)	(41,002)	(120,795,276)	(379,788)	(130,220)	889,069	108,741,455
Trading securities	118,139,120	(3,182,046)	(41,002)	(108,618,425)	--	(130,220)	889,069	7,056,496
Securities available for sale	108,854,800	(7,483,079)	--	(3,413,748)	--	--	--	97,957,973
Securities held to maturity	17,231,337	(4,361,460)	--	(8,763,103)	(379,788)	--	--	3,726,986
Derivative financial instruments	6,488,435	(1,599,677)	--	--	(53,749)	--	--	4,835,009
Interbank and interdepartmental accounts	68,790,723	(44,801)	--	--	--	--	--	68,745,922
Loan operations and leasing transactions, net of allowance for losses	649,058,764	(22,776,804)	--	--	(494)	--	67,717	626,349,183
Loans and discounted credit rights	257,745,777	(5,247,553)	--	--	--	--	--	252,498,224
Financing	422,474,542	(18,963,040)	--	--	--	--	67,717	403,579,219
Other receivables with loan characteristics	344,203	--	--	--	--	--	--	344,203
Leasing	1,154,418	(110,923)	--	--	(494)	--	--	1,043,001
Allowance for loan losses	(32,660,176)	1,544,712	--	--	--	--	--	(31,115,464)
Loan operations	(32,596,215)	1,530,794	--	--	--	--	--	(31,065,421)
Other receivables and leasing transactions	(63,961)	13,918	--	--	--	--	--	(50,043)
Other receivables	211,987,075	1,418,492	(162,448)	(8,947,971)	(7,495,869)	(59,478)	530,085	197,269,886
Other assets	4,498,900	(284,892)	(27,198)	(3,626,530)	(24,937)	(31,057)	--	504,286
Permanent assets	**21,013,734**	**3,637,353**	**5,393**	**5,143,225**	**1,245,969**	**(272,892)**	**544,330**	**31,317,112**
Investments	3,540,515	3,731,599	37,988	5,563,276	1,765,144	(272,892)	544,330	14,909,960
Investments in subsidiaries and associates	1,697,143	3,765,868	1,246,852	5,618,620	1,865,563	--	544,330	14,738,376
Other investments	1,930,843	(57,896)	(1,208,864)	(64,839)	(100,497)	(272,892)	--	225,855
Provision for losses	(87,471)	23,627	--	9,495	78	--	--	(54,271)
Property and equipment	7,536,969	(51,206)	(22,374)	(92,891)	(360,540)	--	--	7,009,958
Intangible	9,905,994	(32,570)	(10,221)	(327,160)	(157,500)	--	--	9,378,543
Deferred	30,256	(10,470)	--	--	(1,135)	--	--	18,651
TOTAL ASSETS	**1,575,031,269**	**(38,996,523)**	**(225,301)**	**(128,531,845)**	**(6,913,095)**	**(494,511)**	**2,144,043**	**1,402,014,037**
Total liabilities	**1,490,757,701**	**(39,101,511)**	**446,830**	**(126,714,586)**	**(6,266,654)**	**67,723**	**(1,430,447)**	**1,317,759,056**
Deposits	463,837,978	(1,889,777)	--	--	(461)	--	519,397	462,467,137
Securities sold under repurchase agreements	331,364,474	(11,639,435)	--	--	--	--	6,816	319,731,855
Acceptance and issuance of securities	210,141,477	(12,436,887)	(1,119)	--	(524,324)	--	--	197,179,147
Interbank and interdepartmental accounts	6,940,066	(111,043)	--	--	--	--	--	6,829,023
Borrowings	35,853,046	(2,165,766)	(101,979)	--	(2,378,297)	--	67,717	31,274,721
Onlendings	92,312,668	(1,760,345)	--	--	--	--	--	90,552,323
Derivative financial instruments	6,628,668	(1,892,355)	--	--	--	--	--	4,736,313
Other liabilities	343,679,324	(7,205,903)	549,928	(126,714,586)	(3,363,572)	67,723	(2,024,377)	204,988,537
Technical provisions for insurance, pension plans and capitalization	123,258,814	--	--	(123,273,837)	--	--	15,023	--
Subordinated debts and equity and debt hybrid securities	65,081,487	(2,974,768)	--	--	--	--	--	62,106,719
Other	155,339,023	(4,231,135)	549,928	(3,440,749)	(3,363,572)	67,723	(2,039,400)	142,881,818
DEFERRED INCOME	**459,120**	**(18,587)**	**--**	**--**	**--**	**--**	**--**	**440,533**
SHAREHOLDERS' EQUITY	**83,814,448**	**123,575**	**(672,131)**	**(1,817,259)**	**(646,441)**	**(562,234)**	**3,574,490**	**83,814,448**
TOTAL LIABILITIES	**1,575,031,269**	**(38,996,523)**	**(225,301)**	**(128,531,845)**	**(6,913,095)**	**(494,511)**	**2,144,043**	**1,402,014,037**

6 - CASH AND CASH EQUIVALENTS

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Cash and cash equivalents	**12,928,959**	**18,054,422**	**19,393,548**
Local currency	8,548,689	8,990,683	9,454,238
Foreign currency	4,371,676	9,056,034	9,931,771
Investments in gold	8,594	7,705	7,539
Interbank investments (1)	**69,401,939**	**84,652,749**	**80,255,869**
Open market investments - sales pending settlement - held position	36,220,843	38,195,496	30,499,281
Interbank deposits	32,886,038	46,457,253	49,756,588
Foreign currency	295,058	--	--
Total	**82,330,898**	**102,707,171**	**99,649,417**

(1) Investments whose original maturity is less than or equal to 90 days and with insignificant risk of change in fair value.

7 - SHORT-TERM INTERBANK INVESTMENTS

a) Breakdown

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Open market investments	**392,924,664**	**303,530,816**	**292,322,008**
Reverse repos - own resources	**36,231,081**	**38,196,143**	**30,608,210**
Treasury financial bills	4,100,825	--	289,463
National Treasury bills	622,970	22,232,207	29,870,872
National Treasury notes	31,243,191	15,139,814	18,884
Other securities	264,095	824,122	428,991
Reverse repos - financed position	**356,693,583**	**265,334,673**	**261,713,798**
Treasury financial bills	193,421,275	399,992	27,669,456
National Treasury bills	93,322,772	117,887,474	131,394,879
National Treasury notes	69,798,666	146,872,982	102,549,937
Other securities	150,870	174,225	99,526
Interbank deposits	**34,878,551**	**49,210,971**	**52,535,628**
Total	**427,803,215**	**352,741,787**	**344,857,636**
Current assets	426,798,907	351,419,935	343,665,897
Non-current assets	1,004,308	1,321,852	1,191,739

b) Income from short-term interbank investments

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Income from open market investments	**12,701,295**	**10,681,777**	**33,361,751**	**28,955,963**
Own resources	738,954	992,127	2,190,040	2,322,747
Financed position	11,962,341	9,689,650	31,171,711	26,633,216
Income from investments in interbank deposits	**91,102**	**106,724**	**311,381**	**263,309**
Total	**12,792,397**	**10,788,501**	**33,673,132**	**29,219,272**

8 - SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

a) Securities

a.1) Breakdown of the consolidated portfolio by category, type of bonds and maturity

Maturity in days	Sep 30, 2016								Dec 31, 2015			Sep 30, 2015		
	Market value					Total			Total			Total		
	Without maturity	0 to 30	31 to 180	181 to 360	More than 360	Cost value	Market value	Mark to market	Cost value	Market value	Mark to market	Cost value	Market value	Mark to market
1 - Trading securities	**1,022,008**	**1,377,345**	**1,174,584**	**656,901**	**2,490,073**	**6,371,369**	**6,720,911**	**349,542**	**7,525,861**	**7,860,341**	**334,480**	**6,705,072**	**7,056,496**	**351,424**
Federal government bonds	**16,428**	**1,377,343**	**1,085,214**	**653,170**	**2,440,220**	**5,263,799**	**5,572,375**	**308,576**	**6,250,648**	**6,558,357**	**307,709**	**6,119,018**	**6,471,554**	**352,536**
Treasury financial bills	--	--	--	11,426	321,019	331,395	332,445	1,050	1,035,232	1,035,362	130	1,052,076	1,052,132	56
National Treasury bills	--	513,751	9,609	51,115	1,292,604	1,861,257	1,867,079	5,822	1,189,094	1,184,359	(4,735)	634,726	623,240	(11,486)
National Treasury notes	--	--	4,266	--	444,115	445,569	448,381	2,812	85,030	84,783	(247)	50,394	43,374	(7,020)
Brazilian foreign debt securities	--	--	1,896	16,516	17,079	37,100	35,491	(1,609)	72,333	65,760	(6,573)	88,319	79,627	(8,692)
Foreign Government bonds	5,639	856,551	1,068,678	573,365	335,195	2,539,001	2,839,428	300,427	3,754,840	4,084,718	329,878	4,214,690	4,606,332	391,642
Other	10,789	7,041	765	748	30,208	49,477	49,551	74	114,119	103,375	(10,744)	78,813	66,849	(11,964)
Corporate bonds	**1,005,580**	**2**	**89,370**	**3,731**	**49,853**	**1,107,570**	**1,148,536**	**40,966**	**1,275,213**	**1,301,984**	**26,771**	**586,054**	**584,942**	**(1,112)**
Debentures	--	--	16,640	--	19,343	36,016	35,983	(33)	59,310	57,924	(1,386)	56,292	53,607	(2,685)
Shares in investment funds	1,004,226	--	--	--	--	953,026	1,004,226	51,200	1,071,605	1,113,316	41,711	345,679	355,757	10,078
Shares	65	--	--	--	--	17	65	48	26	65	39	36	62	26
Rural product bills - commodities	--	--	--	--	--	--	--	--	1	1	--	--	--	--
Certificate of deposit	--	2	8,536	--	11,758	20,431	20,296	(135)	--	--	--	12	12	--
Eurobonds	--	--	3,085	126	16,414	30,052	19,625	(10,427)	114,568	91,349	(23,219)	127,109	109,712	(17,397)
Other	1,289	--	61,109	3,605	2,338	68,028	68,341	313	29,703	39,329	9,626	56,926	65,792	8,866

Maturity in days	Sep 30, 2016								Dec 31, 2015			Sep 30, 2015		
	Market value					Total			Total			Total		
	Without maturity	0 to 30	31 to 180	181 to 360	More than 360	Cost value	Market value	Mark to market	Cost value	Market value	Mark to market	Cost value	Market value	Mark to market
2 - Available for sale securities	**864,449**	**882,971**	**4,630,513**	**3,372,646**	**103,248,612**	**114,304,140**	**112,999,191**	**(1,304,949)**	**107,308,851**	**102,198,111**	**(5,110,740)**	**101,317,403**	**97,957,973**	**(3,359,430)**
Federal government bonds	**2,016**	**2,896**	**2,145,352**	**927,103**	**66,973,878**	**69,542,569**	**70,051,245**	**508,676**	**57,430,254**	**56,038,610**	**(1,391,644)**	**53,990,956**	**52,987,827**	**(1,003,129)**
Treasury financial bills	--	--	--	302,732	46,712,904	47,064,906	47,015,636	(49,270)	36,475,017	36,474,678	(339)	34,220,272	34,219,034	(1,238)
National Treasury bills	--	--	1,131,442	548,534	6,009,808	7,436,997	7,689,784	252,787	5,456,744	5,216,331	(240,413)	5,527,846	5,292,484	(235,362)
National Treasury notes	--	--	138,261	105	8,933,866	8,848,395	9,072,232	223,837	5,182,210	4,661,076	(521,134)	3,959,430	3,432,940	(526,490)
Agricultural debt securities	--	--	535	723	3,045	4,364	4,303	(61)	5,157	4,713	(444)	5,693	5,267	(426)
Brazilian foreign debt securities	--	--	--	--	2,728,438	2,630,000	2,728,438	98,438	3,120,701	2,685,040	(435,661)	3,158,806	2,921,386	(237,420)
Foreign Government bonds	--	2,896	875,114	--	1,769,061	2,636,649	2,647,071	10,422	6,123,190	6,112,039	(11,151)	6,731,886	6,732,671	785
Other	2,016	--	--	75,009	816,756	921,258	893,781	(27,477)	1,067,235	884,733	(182,502)	387,023	384,045	(2,978)
Corporate bonds	**862,433**	**880,075**	**2,485,161**	**2,445,543**	**36,274,734**	**44,761,571**	**42,947,946**	**(1,813,625)**	**49,878,597**	**46,159,501**	**(3,719,096)**	**47,326,447**	**44,970,146**	**(2,356,301)**
Debentures	--	74,343	1,201,071	2,082,302	33,521,426	37,542,466	36,879,142	(663,324)	40,004,158	39,289,630	(714,528)	35,218,112	34,804,612	(413,500)
Promissory notes	--	--	667,641	--	113,787	777,809	781,428	3,619	918,460	931,194	12,734	817,205	820,247	3,042
Credit notes	--	--	--	--	49,283	48,584	49,283	699	50,936	46,771	(4,165)	51,510	48,793	(2,717)
Shares in investment funds	18,472	365,024	83,757	43,506	498,478	940,794	1,009,237	68,443	3,012,747	1,656,953	(1,355,794)	5,112,736	4,260,684	(852,052)
Shares	181,346	--	--	--	--	103,273	181,346	78,073	810	457	(353)	810	503	(307)
Rural product bills - commodities	--	129,845	352,656	236,306	7,683	719,972	726,490	6,518	1,066,970	1,068,167	1,197	917,325	916,662	(663)
Certificate of deposit	--	308,556	--	--	--	308,580	308,556	(24)	97,628	97,608	(20)	--	--	--
Financial bills	--	--	--	--	--	--	--	--	20,542	20,500	(42)	19,750	19,768	18
Real estate receivables certificates	--	--	--	83,429	259,246	412,857	342,675	(70,182)	479,761	468,783	(10,978)	497,058	490,024	(7,034)
Other	662,615	2,307	180,036	--	1,824,831	3,907,236	2,669,789	(1,237,447)	4,226,585	2,579,438	(1,647,147)	4,691,941	3,608,853	(1,083,088)

Maturity in days	Sep 30, 2016								Dec 31, 2015			Sep 30, 2015		
	Market value					Total			Total			Total		
	Without maturity	0 to 30	31 to 180	181 to 360	More than 360	Cost value	Market value	Mark to market	Cost value	Market value	Mark to market	Cost value	Market value	Mark to market
3 - Held to maturity securities	**318,327**	**--**	**--**	**--**	**2,300,397**	**2,965,586**	**2,618,724**	**(346,862)**	**3,864,566**	**3,625,314**	**(239,252)**	**3,726,986**	**3,528,181**	**(198,805)**
Corporate bonds	**318,327**	**--**	**--**	**--**	**2,300,397**	**2,965,586**	**2,618,724**	**(346,862)**	**3,864,566**	**3,625,314**	**(239,252)**	**3,726,986**	**3,528,181**	**(198,805)**
Debentures	--	--	--	--	2,153,433	2,251,025	2,153,433	(97,592)	3,506,434	3,506,434	--	3,381,570	3,381,570	--
Shares in investment funds	--	--	--	--	--	--	--	--	7,026	7,026	--	5,428	5,428	--
Real estate receivables certificates	--	--	--	--	138,640	391,237	138,640	(252,597)	351,106	111,854	(239,252)	339,988	141,183	(198,805)
Financial letters	318,327	--	--	--	--	315,000	318,327	3,327	--	--	--	--	--	--
Other	--	--	--	--	8,324	8,324	8,324	--	--	--	--	--	--	--
Total	**2,204,784**	**2,260,316**	**5,805,097**	**4,029,547**	**108,039,082**	**123,641,095**	**122,338,826**	**(1,302,269)**	**118,699,278**	**113,683,766**	**(5,015,512)**	**111,749,461**	**108,542,650**	**(3,206,811)**

a.2) Breakdown of the consolidated portfolio by financial statement classification and maturity date

Maturity in days	Sep 30, 2016								Dec 31, 2015			Sep 30, 2015		
	Market value					Total			Total			Total		
	Without maturity	0 to 30	31 to 180	181 to 360	More than 360	Cost value	Market value	Mark to market	Cost value	Market value	Mark to market	Cost value	Market value	Mark to market
Total by portfolio	**2,204,784**	**2,260,316**	**5,805,097**	**4,029,547**	**108,039,082**	**123,641,095**	**122,338,826**	**(1,302,269)**	**118,699,278**	**113,683,766**	**(5,015,512)**	**111,749,461**	**108,542,650**	**(3,206,811)**
Own portfolio	2,204,784	1,951,760	4,947,514	3,714,566	83,038,110	93,264,385	95,856,734	2,592,349	90,500,313	89,084,740	(1,415,573)	82,319,408	81,277,130	(1,042,278)
Subject to repurchase agreements	--	--	857,583	309,404	22,287,711	27,347,362	23,454,698	(3,892,664)	24,095,222	20,495,283	(3,599,939)	23,834,226	21,670,427	(2,163,799)
Pledged in guarantee	--	308,556	--	5,577	2,713,261	3,029,348	3,027,394	(1,954)	4,103,743	4,103,743	--	5,595,827	5,595,093	(734)

a.3) Breakdown of the consolidated portfolio by category and maturity in years

Maturity in years	Sep 30, 2016							Dec 31, 2015		Sep 30, 2015	
	Market value					Total		Total		Total	
	Without maturity	Due in up to one year	Due from 1 to 5 years	Due from 5 to 10 years	Due after 10 years	Cost value	Market value	Cost value	Market value	Cost value	Market value
Total by category	**2,204,784**	**12,094,960**	**79,237,309**	**22,836,786**	**5,964,987**	**123,641,095**	**122,338,826**	**118,699,278**	**113,683,766**	**111,749,461**	**108,542,650**
1 - Trading securities	1,022,008	3,208,830	1,857,170	277,709	355,194	6,371,369	6,720,911	7,525,861	7,860,341	6,705,072	7,056,496
2 - Available for sale securities	864,449	8,886,130	76,618,151	22,040,271	4,590,190	114,304,140	112,999,191	107,308,851	102,198,111	101,317,403	97,957,973
3 - Held to maturity securities	318,327	--	761,988	518,806	1,019,603	2,965,586	2,618,724	3,864,566	3,625,314	3,726,986	3,528,181

a.4) Summary of the consolidated portfolio by financial statement classification

	Sep 30, 2016			Dec 31, 2015			Sep 30, 2015		
	Book value			Book value			Book value		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Total by portfolio	**18,278,385**	**104,407,303**	**122,685,688**	**21,905,761**	**92,017,257**	**113,923,018**	**24,470,878**	**84,270,577**	**108,741,455**
Own portfolio	16,789,817	79,721,478	96,511,295	20,534,138	71,087,575	91,621,713	22,880,665	58,585,296	81,465,961
Subject to repurchase agreements	1,174,435	21,972,564	23,146,999	1,257,846	16,939,716	18,197,562	1,276,956	20,403,445	21,680,401
Pledged in guarantee	314,133	2,713,261	3,027,394	113,777	3,989,966	4,103,743	313,257	5,281,836	5,595,093

a.5) Summary of the consolidated portfolio by category

	Sep 30, 2016		Dec 31, 2015		Sep 30, 2015	
Total by category						
1 - Trading securities	6,720,911	6%	7,860,341	7%	7,056,496	7%
2 - Available for sale securities	112,999,191	92%	102,198,111	90%	97,957,973	90%
3 - Held to maturity securities	2,965,586	2%	3,864,566	3%	3,726,986	3%
Portfolio book value	**122,685,688**	**100%**	**113,923,018**	**100%**	**108,741,455**	**100%**
Mark to market - held to maturity	(346,862)	--	(239,252)	--	(198,805)	--
Portfolio market value	**122,338,826**	**--**	**113,683,766**	**--**	**108,542,650**	**--**

b) Income from operations with securities

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Short-term interbank investments (Note 7.b)	12,792,397	10,788,501	33,673,132	29,219,272
Fixed-income securities	4,131,958	4,104,340	12,007,924	10,716,391
Variable-income securities	320,747	5,137,972	(4,617,739)	8,559,025
Total	**17,245,102**	**20,030,813**	**41,063,317**	**48,494,688**

c) Reclassification of securities

There was the following reclassification in the period from January 1 to September 30, 2016:

On April 27, 2016, Cielo's Board of Directors approved the partial repurchase of debentures issued by Cielo up to R$ 2.000.000 thousand, causing early maturity of the debentures, although the BB Conglomerate had the intention and financial capacity to hold Cielo's debentures to maturity (December 2023).

Due to this fact, on June 30, 2016, BB Conglomerate reclassified all the securities in the category "held to maturity" to the category "available for sale", resulting in a negative mark to market impact in Shareholders' Equity in the amount of R$ 39,325 thousand, net of tax effects.

	Impact
Market value	3,446,831
Book value before reclassification	3,506,415
Mark to market	**(59,584)**
Tax effects	20,259
Shareholders' Equity impact	**(39,325)**

From January to September 30, 2015, there was no reclassification of securities.

d) Derivative financial instruments

The Bank uses derivative financial instruments to manage, at the consolidated level, its positions and to meet clients' needs, classifying its own positions as hedge (market risk and cash flow risk) and trading, both within limits approved by committees of the Bank. The hedge strategy of the equity positions is in line with macroeconomic analyses and is approved by the Executive Board of Directors.

In the options market, active or long positions have the Bank as holder, while passive or short positions have the Bank as writer.

The main risks inherent to derivative financial instruments resulting from the business of the Bank and its subsidiaries are credit, market, liquidity and operational, and the management process presented in note 28.

The models used to manage risks with derivatives are reviewed periodically and the decisions made follow the best risk/return relationship, estimating possible losses based on the analysis of macroeconomic scenarios.

The Bank uses tools and systems to manage the derivatives. Trading in new derivatives, standardized or not, is subject to a prior risk analysis.

Risk analysis of the subsidiaries is undertaken on an individual basis and its risk management is done on a consolidated basis.

The Bank uses statistical methods and simulations to measure the risks of its positions, including derivatives, using models of values at risk sensibility and stress analysis.

Total credit exposure from swaps is R$ 260,750 thousand on Sep 30, 2016 (R$ 464,076 thousand on Dec 31, 2015 and R$ 555,439 thousand on Sep 30, 2015).

d.1) Breakdown of the portfolio of derivatives for trading by index

By Index	Sep 30, 2016			Dec 31, 2015			Sep 30, 2015		
	Notional value	Cost value	Market value	Notional value	Cost value	Market value	Notional value	Cost value	Market value
Future contracts									
Purchase commitments	**11,966,935**	**--**	**--**	**1,600,302**	**--**	**--**	**3,212,354**	**--**	**--**
Interbank deposits	3,749,672	--	--	1,042,332	--	--	3,103,465	--	--
Currencies	8,204,113	--	--	530,810	--	--	101,289	--	--
Bovespa Index	--	--	--	--	--	--	452	--	--
Commodities	13,150	--	--	27,160	--	--	7,148	--	--
Sales commitments	**2,800,612**	**--**	**--**	**9,188,542**	**--**	**--**	**4,931,334**	**--**	**--**
Interbank deposits	1,609,902	--	--	6,205,028	--	--	631,402	--	--
Currencies	999,036	--	--	2,977,888	--	--	3,076,854	--	--
T-Note	--	--	--	--	--	--	1,191,709	--	--
Bovespa Index	--	--	--	--	--	--	407	--	--
Libor	165,922	--	--	--	--	--	--	--	--
Commodities	25,752	--	--	5,626	--	--	30,962	--	--
Forward operations									
Asset position	**7,223,694**	**851,036**	**777,142**	**12,525,819**	**1,359,977**	**1,749,951**	**13,097,893**	**2,814,105**	**2,870,480**
Term securities	456,952	456,952	456,952	--	--	--	228,664	228,664	228,664
Term currencies	6,738,047	391,746	308,753	12,492,001	1,358,628	1,744,654	12,821,179	2,574,239	2,624,625
Term commodities	28,695	2,338	11,437	33,818	1,349	5,297	48,050	11,202	17,191
Liability position	**8,631,111**	**(1,640,290)**	**(1,214,322)**	**11,454,776**	**(783,298)**	**(582,955)**	**5,432,706**	**(1,007,474)**	**(888,608)**
Term securities	456,952	(456,952)	(456,952)	--	--	--	228,664	(228,664)	(228,664)
Term currencies	8,162,469	(1,182,276)	(752,966)	11,430,037	(778,007)	(575,299)	5,184,911	(771,999)	(651,792)
Term commodities	11,690	(1,062)	(4,404)	24,739	(5,291)	(7,656)	19,131	(6,811)	(8,152)
Option market									
Purchase commitments - long position	**1,499**	**70**	**52**	**--**	**--**	**--**	**8,289**	**59**	**564**
Foreign currency	--	--	--	--	--	--	8,289	59	564
Shares	467	38	38	--	--	--	--	--	--
Commodities	1,032	32	14	--	--	--	--	--	--
Sale commitments - long position	**290,521**	**362,739**	**289,240**	**--**	**--**	**--**	**--**	**--**	**--**
Foreign currency	1,138	13	86	--	--	--	--	--	--
Shares	289,148	362,715	289,148	--	--	--	--	--	--
Commodities	235	11	6	--	--	--	--	--	--
Purchase commitments - short position	**264,003**	**(21,211)**	**(32,907)**	**391,447**	**(15,121)**	**(119,529)**	**761,958**	**(24,705)**	**(250,114)**
Foreign currency	103,997	(3,933)	(599)	11,381	(522)	(883)	17,095	(830)	(2,720)
Pre-fixed	--	--	--	348,015	(9,830)	(107,098)	713,469	(19,098)	(236,257)
Interbank deposit	151,550	(16,827)	(31,965)	32,051	(4,769)	(11,548)	31,370	(4,773)	(11,114)
Shares	5,862	(334)	(245)	--	--	--	24	(4)	(23)
Commodities	2,594	(117)	(98)	--	--	--	--	--	--
Sale commitments - short position	**20,360**	**(425)**	**(170)**	**426,369**	**(238,328)**	**(166,391)**	**742,738**	**(436,737)**	**(258,047)**
Foreign currency	8,398	(186)	(92)	--	--	--	8,583	(75)	(2)
Pre-fixed	--	--	--	348,016	(237,202)	(166,254)	713,469	(436,405)	(257,576)
Shares	5,718	(119)	(2)	--	--	--	408	(54)	(451)
Commodities	6,244	(120)	(76)	78,353	(1,126)	(137)	20,278	(203)	(18)
Swaps contracts									
Asset position	**12,178,274**	**1,906,700**	**1,896,906**	**6,649,135**	**1,362,026**	**1,562,039**	**7,457,601**	**2,099,054**	**1,841,490**
Interbank deposits	5,517,426	1,012,936	957,662	1,170,012	28,463	11,245	122,120	(1,511)	3,909
Foreign currency	6,322,593	846,579	893,845	5,233,939	1,326,041	1,546,439	7,263,154	2,101,343	1,837,142
Pre-fixed	304,952	46,250	44,756	222,787	6,416	4,104	70,960	(813)	436
IPCA	33,303	935	643	22,397	1,106	251	1,367	35	3
Liability position	**10,356,812**	**(1,052,947)**	**(1,033,071)**	**15,978,320**	**(1,906,269)**	**(2,354,368)**	**18,055,343**	**(3,405,341)**	**(3,273,404)**
Interbank deposits	3,132,914	(233,903)	(203,701)	187,764	(6,638)	(4,577)	168,569	2,424	(5,597)
Foreign currency	6,974,222	(814,628)	(819,817)	15,550,493	(1,897,600)	(2,347,504)	17,847,661	(3,407,765)	(3,267,695)
Pre-fixed	50,785	(1,628)	(1,332)	41,172	(2,513)	(1,190)	39,113	--	(112)
IPCA	198,891	(2,788)	(8,221)	198,891	482	(1,097)	--	--	--
Other derivatives [1]									
Asset position									
Foreign currency	1,958,724	24,722	21,930	1,123,416	32,242	50,042	2,412,781	105,390	122,475
Liability position									
Foreign currency	3,242,821	(30,636)	(19,525)	2,422,956	(46,492)	(65,929)	1,070,738	(49,130)	(66,140)

(1) Related, essentially, to Non Deliverable Forwards (NDF) which are traded in the over-the-counter (OTC) market and have as their object an exchange rate of a specific currency.

d.2) Breakdown of the derivatives portfolio by maturity (notional value)

Maturity in days	0 to 30	31 to 180	181 to 360	More than 360	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Futures	444,100	11,803,911	535,398	1,984,138	14,767,547	10,788,844	8,143,688
Forwards	15,499,757	166,858	40,661	147,529	15,854,805	23,980,595	18,530,599
Options	14,867	115,606	17,086	428,824	576,383	817,816	1,512,985
Swaps	1,904,345	9,011,533	4,971,356	6,647,852	22,535,086	22,627,455	25,512,944
Other	3,078,359	1,831,764	203,558	87,864	5,201,545	3,546,372	3,483,519

d.3) Breakdown of the derivative portfolio by trading market and counterparty (notional value on Sep 30, 2016)

	Futures	Forwards	Option market	Swaps	Other
BM&FBovespa	14,601,625	--	576,383	--	--
Over-the-counter					
Financial institutions	165,922	1,512,764	--	18,816,718	5,201,545
Client	--	14,342,041	--	3,718,368	--

d.4) Breakdown of margin given as guarantee for transactions with derivative financial instruments

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Treasury financial bills	1,321,682	2,637,630	638,479
Total	**1,321,682**	**2,637,630**	**638,479**

d.5) Portfolio of derivatives designated as hedge accounting

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Market risk hedge			
Hedging instruments			
Assets	**639,508**	**338,068**	**328,098**
Swaps	350,360	338,068	328,098
Options	289,148	--	--
Hedged items			
Assets	**180,721**	**--**	**--**
Securities	180,721	--	--
Liabilities	**350,429**	**338,300**	**328,570**
Other liabilities	350,429	338,300	328,570

In order to hedge against possible fluctuations in the interest and exchange rates on its securities and foreign investments, the Bank uses swaps (cross currency interest rate swaps) to hedge a foreign funding and use option contracts to offset the risks arising from market variations some actions. Cited hedges were assessed as effective , in accordance with the provisions of Central Bank Circular No. 3,082 / 2002 , which require evidence of hedge effectiveness is the range of 80 % to 125 %:

d.6) Income gains and losses with hedging instruments and hedged items

	3rd quarter/2016	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Hedged items losses	--	77,179	(87,939)
Hedging instruments gains	--	(77,001)	87,172
Net effect	**--**	**178**	**(767)**
Hedge items gains	61,144	86,980	51,211
Hedging instruments losses	(56,461)	(82,297)	(51,199)
Net effect	**4,683**	**4,683**	**12**

d.7) Derivative financial instruments segregated by current and non-current

	Sep 30, 2016		Dec 31, 2015		Sep 30, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Assets						
Forwards	759,748	17,394	1,280,205	469,746	2,514,503	355,977
Options	144	289,148	--	--	564	--
Swaps	1,439,868	457,038	1,056,926	505,113	501,107	1,340,383
Other derivatives	19,138	2,792	31,033	19,009	99,361	23,114
Total	**2,218,898**	**766,372**	**2,368,164**	**993,868**	**3,115,535**	**1,719,474**
Liabilities						
Forwards	(1,213,659)	(663)	(558,119)	(24,836)	(826,192)	(62,416)
Options	(2,827)	(30,250)	(274,372)	(11,548)	(496,699)	(11,462)
Swaps	(510,316)	(522,755)	(1,086,815)	(1,267,553)	(1,459,865)	(1,813,539)
Other derivatives	(18,095)	(1,430)	(48,256)	(17,673)	(44,418)	(21,722)
Total	**(1,744,897)**	**(555,098)**	**(1,967,562)**	**(1,321,610)**	**(2,827,174)**	**(1,909,139)**

e) Income from derivative financial instruments

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Swaps	129,556	(620,910)	1,205,558	(701,923)
Forwards	(25,771)	1,599,777	(1,709,405)	1,933,007
Options	(53,014)	(23,051)	(70,665)	(93,688)
Futures	(207,219)	(127,544)	(1,113,379)	26,962
Other derivatives	22,051	54,764	(59,753)	(21,383)
Total	**(134,397)**	**883,036**	**(1,747,644)**	**1,142,975**

9 - INTERBANK ACCOUNTS

a) Payments and receipts pending settlement

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Assets			
Rights against other participants of settlement systems [1]			
Bank checks and other instruments	1,719,980	7,252	2,106,699
Documents sent by other participants	2,040,010	--	2,104,711
Total	**3,759,990**	**7,252**	**4,211,410**
Current assets	3,759,990	7,252	4,211,410
Liabilities			
Obligations to other participants of settlement systems [1]			
Remitted receipts	2,119,185	--	2,243,763
Bank checks and other instruments	1,112,433	--	1,057,826
Other receipts	7,197	34	5,348
Total	**3,238,815**	**34**	**3,306,937**
Current liabilities	3,238,815	34	3,306,937

(1) There was no operation of the service of clearing checks and other securities on December 31, 2015.

b) Restricted deposits

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Compulsory deposits with Banco Central do Brasil	**63,636,925**	**60,810,918**	**60,362,133**
Additional reserve requirements on deposits	14,463,498	14,425,618	13,952,704
Savings deposit requirements	23,780,035	24,116,566	23,663,389
Demand deposit requirements	9,996,903	8,018,230	9,579,708
Time deposit requirements	13,339,088	12,238,303	11,295,864
Resources for microfinance	174,531	363,781	222,633
Resources for rural credit [1]	1,874,492	1,643,753	1,643,753
Other	8,378	4,667	4,082
Housing Finance System	**2,666,908**	**2,496,198**	**2,453,561**
Compensation of wage changes fund	2,872,468	2,663,942	2,618,674
Provision for losses	(215,977)	(173,192)	(172,978)
Other	10,417	5,448	7,865
National Treasury - rural credit	**51,633**	**54,304**	**82,695**
Rural credit - Proagro	232,935	210,965	232,744
Provision for losses	(181,302)	(156,661)	(150,049)
Total	**66,355,466**	**63,361,420**	**62,898,389**
Current assets	66,355,457	63,361,321	62,896,054
Non-current assets	9	99	2,335

(1) Refers to funds deposited with the Banco Central do Brasil, because they were not lent on to rural credits, according to Resolution CMN No. 3,745/2009. The special supply funds were provided by Banco Central do Brasil and recorded in Borrowings and onlendings (Note18.b).

c) Compulsory investments

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Deposits linked to the Banco Central do Brasil	**1,455,126**	**1,271,013**	**4,196,348**	**3,547,352**
Additional reserve requirements on deposits	497,531	469,651	1,439,581	1,688,050
Savings deposit requirements	494,589	495,812	1,462,055	1,246,374
Time deposit requirements	463,006	305,550	1,294,712	612,928
Deposits linked to real state	**114,303**	**48,539**	**208,996**	**129,325**
Deposits linked to National Treasury - rural credit	**12,715**	**10,621**	**35,035**	**30,209**
Losses on restricted deposits	**(47,426)**	**(8,469)**	**(68,012)**	**224**
Total	**1,534,718**	**1,321,704**	**4,372,367**	**3,707,110**

10 - LOAN OPERATIONS

a) Portfolio by modality

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Loan operations	**619,021,726**	**660,367,728**	**656,421,646**
Loans and discounted credit rights	227,931,417	250,648,163	252,498,224
Financing	152,262,127	180,849,464	180,371,562
Rural and agribusiness financing	184,798,173	178,902,040	175,826,411
Real estate financing	53,389,991	49,559,757	47,323,518
Financing of infrastructure and development	277	75,013	57,728
Loan operations sold under assignment (1)	639,741	333,291	344,203
Other receivables with loan characteristics	**51,532,631**	**56,606,639**	**53,147,291**
Credit card operations (2)	21,448,278	22,940,041	20,867,858
Advances on exchange contracts (3)	16,117,300	17,582,677	15,941,232
Other receivables purchase under assignment (4)	12,958,662	15,266,721	15,655,155
Guarantees honored	500,904	397,550	279,243
Other	507,487	419,650	403,803
Leasing transactions	**670,278**	**874,835**	**1,043,001**
Total loan portfolio	**671,224,635**	**717,849,202**	**710,611,938**
(Allowance)/reversal for loan losses	**(37,513,555)**	**(33,577,000)**	**(31,925,691)**
(Allowance for loan losses - loan operations)	(36,571,469)	(32,489,941)	(31,065,421)
(Allowance for other losses - other receivables) (5)	(869,624)	(1,038,013)	(810,227)
(Allowance for lease losses - leasing transactions)	(72,462)	(49,046)	(50,043)
Total loan portfolio net of provisions	**633,711,080**	**684,272,202**	**678,686,247**

(1) Loan operations assigned with retention of the risks and benefits of the financial assets.

(2) On September 30, 2015, credit card bills to receive from clients of Banco Patagonia of R$ 1,874,710 thousand were reclassified from Other receivables without characteristics of credit, to harmonize the accounting practices with Banco do Brasil.

(3) Advances on exchange contracts are classified as a deduction to other liabilities.

(4) Loan operations acquired with retention of the risks and benefits by the assignor of the financial assets.

(5) Includes the amount of R$ 9,629 thousand as of September 30, 2016 (R$ 8,421 thousand as of December 31, 2015 and R$ 7,627 thousand as of September 30,2015) related to allowance for interbank onlendings losses.

b) Loan operations and leasing transactions income

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Loan operations income	**26,989,034**	**33,711,174**	**71,435,453**	**83,386,907**
Loans and discounted credit rights	14,784,019	14,256,614	43,780,712	40,099,571
Rural and agribusiness financing	3,792,920	3,162,390	10,987,859	8,736,568
Financing	2,575,552	10,562,956	353,519	18,967,896
Equalization of rates - agricultural crop- Law 8,427/1992	1,706,458	2,003,661	4,505,531	5,606,072
Real estate financing	1,658,699	1,177,858	4,135,075	3,079,180
Export financing	1,148,656	1,131,900	3,471,431	3,105,312
Recovery of loans previously written-off as loss (1)	967,719	719,209	3,212,373	2,470,124
Income from foreign currency financing	327,388	654,734	832,587	1,233,225
Guarantees honored	10,045	19,675	85,653	34,247
Other	17,578	22,177	70,713	54,712
Leasing transactions income (Note 10.i)	**83,601**	**127,403**	**261,526**	**335,132**
Total	**27,072,635**	**33,838,577**	**71,696,979**	**83,722,039**

(1) The amount of R$ 61,018 thousand in the 3rd quarter/2016 (with impact on the income of R$ 31,999 thousand), R$ 4,475 thousand in the 3rd quarter/2015 (with impact on the income of R$ 2,347 thousand), R$ 139,860 thousand in the period from Jan 01,2016 to Sep 30,2016 (with impact on the income of R$ 73,346 thousand) and R$ 60,433 thousand in the period from Jan 01,2015 to Sep 30,2015 (with impact on the income of R$ 34,361 thousand) was received from assignments without recourse of written off credits to entities outside the financial system, in accordance with CMN Resolution 2,836/2001.The book value of these transactions were R$ 37,359 thousand, R$ 569 thousand, R$ 108,434 thousand and R$ 85,634 thousand, respectively.

c) Breakdown of the loan portfolio by sector

	Sep 30, 2016	%	Dec 31, 2015	%	Sep 30, 2015	%
Public sector	**74,974,981**	**11.2**	**79,036,961**	**11.0**	**77,381,141**	**10.9**
Public administration	38,226,148	5.7	41,774,780	5.8	39,360,100	5.5
Oil sector	24,823,617	3.7	24,790,928	3.5	25,469,510	3.6
Electricity	10,541,709	1.6	11,142,352	1.6	11,233,197	1.6
Services	274,633	--	325,448	--	359,004	0.1
Other activities	1,108,874	0.2	1,003,453	0.1	959,330	0.1
Private sector [(1)]	**596,249,654**	**88.8**	**638,812,241**	**89.0**	**633,230,797**	**89.1**
Individuals	**318,435,304**	**47.4**	**309,647,850**	**43.1**	**303,074,144**	**42.6**
Companies	**277,814,350**	**41.4**	**329,164,391**	**45.9**	**330,156,653**	**46.5**
Mining and metallurgy	33,527,066	5.0	38,377,486	5.3	38,198,787	5.4
Agribusiness of plant origin	29,916,657	4.5	35,625,466	5.0	35,184,323	5.0
Transportation	19,432,601	2.9	23,552,525	3.3	24,157,358	3.4
Automotive sector	19,081,311	2.8	25,412,588	3.5	24,697,343	3.5
Real estate agents	18,895,995	2.8	20,162,150	2.8	19,586,187	2.8
Services	17,773,921	2.6	21,583,846	3.0	22,262,813	3.1
Electricity	16,519,167	2.5	17,950,892	2.5	17,613,799	2.5
Fuel	16,262,112	2.4	21,594,810	3.0	22,062,970	3.1
Agribusiness of animal origin	15,294,882	2.3	14,306,536	2.0	13,391,007	1.9
Retail commerce	14,709,433	2.2	17,872,597	2.5	17,969,850	2.5
Specific activities of construction	10,077,606	1.5	12,223,985	1.7	12,769,669	1.8
Textile and clothing	8,695,547	1.3	10,250,211	1.4	10,572,082	1.5
Agricultural inputs	8,051,446	1.2	10,410,596	1.5	9,321,110	1.3
Pulp and paper	6,727,020	1.0	9,009,701	1.3	9,330,705	1.3
Wholesale and various industries	6,584,470	1.0	7,112,589	1.0	6,476,179	0.9
Electronics	6,570,063	1.0	8,429,919	1.2	8,474,191	1.2
Chemical	5,990,560	0.9	8,038,385	1.1	8,110,593	1.1
Woodworking and furniture market	5,765,181	0.9	6,251,811	0.9	6,380,289	0.9
Financial services	5,271,265	0.8	5,775,570	0.8	5,633,614	0.8
Heavy construction	5,013,228	0.7	6,076,581	0.8	6,076,954	0.9
Telecommunications	3,856,340	0.6	4,185,482	0.6	4,269,289	0.6
Other activities	3,798,479	0.5	4,960,665	0.7	7,617,541	1.0
Total	**671,224,635**	**100.0**	**717,849,202**	**100.0**	**710,611,938**	**100.0**

(1) The amounts disclosed under individuals include loans to the sectors of agribusiness, housing and other sectors of economic activity carried out with individuals. To the highlighted economic sectors, operations are exclusive to companies.

d) Loan portfolio by risk level and maturity

	AA	A	B	C	D	E	F	G	H	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Current operations												
Installments falling due												
01 to 30	15,764,627	7,630,780	18,367,188	1,892,424	432,397	318,619	77,115	36,296	306,813	44,826,259	53,744,732	58,648,747
31 to 60	15,359,212	5,701,772	5,361,461	1,081,330	193,686	328,539	48,368	31,241	368,689	28,474,298	26,577,542	27,530,070
61 to 90	14,433,281	3,793,452	5,197,825	925,938	158,090	1,146,296	54,645	24,740	99,850	25,834,117	22,691,437	28,647,674
91 to 180	27,586,325	8,492,647	10,337,526	2,464,249	474,889	494,175	114,400	357,762	237,083	50,559,056	67,876,209	60,176,711
181 to 360	52,926,208	14,460,048	15,053,639	3,513,680	575,282	1,741,588	294,469	268,644	470,057	89,303,615	98,952,476	93,650,284
More than 360	201,844,357	88,820,481	59,144,346	25,434,656	5,239,250	7,581,571	1,664,943	1,264,420	4,663,472	395,657,496	421,212,532	415,085,795
Installments overdue												
Up to 14 days	263,204	140,936	534,366	145,331	45,667	140,937	27,508	52,390	68,302	1,418,641	1,130,563	1,152,043
Other [1]	394,754	--	--	--	--	--	--	--	--	394,754	373,113	370,110
Subtotal	**328,571,968**	**129,040,116**	**113,996,351**	**35,457,608**	**7,119,261**	**11,751,725**	**2,281,448**	**2,035,493**	**6,214,266**	**636,468,236**	**692,558,604**	**685,261,434**
Operations past due												
Installments falling due												
01 to 30	--	--	157,535	196,845	104,492	166,431	117,583	76,278	561,793	1,380,957	1,154,552	1,251,436
31 to 60	--	--	74,328	125,964	64,462	96,029	64,973	35,579	294,861	756,196	744,060	622,493
61 to 90	--	--	68,819	95,288	54,006	89,081	71,377	37,083	261,094	676,748	520,178	594,310
91 to 180	--	--	179,876	275,120	146,638	263,383	182,894	103,575	734,541	1,886,027	1,614,801	1,542,801
181 to 360	--	--	281,437	415,306	253,062	498,829	315,612	173,756	1,246,696	3,184,698	2,743,742	2,740,144
More than 360	--	--	1,057,565	1,454,480	1,006,816	2,660,158	1,613,499	998,882	4,855,156	13,646,556	9,768,847	9,673,164
Installments overdue												
01 to 14	--	--	15,883	65,811	55,762	56,656	29,709	14,734	104,081	342,636	261,878	301,541
15 to 30	--	--	344,176	170,473	68,208	112,950	57,206	34,239	196,278	983,530	798,591	912,579
31 to 60	--	--	17,930	399,111	136,629	401,328	109,877	88,941	382,553	1,536,369	1,185,605	1,473,202
61 to 90	--	--	102	15,699	287,438	212,398	119,716	73,926	440,216	1,149,495	1,031,905	1,293,607
91 to 180	--	--	230	5,928	13,490	486,036	454,461	282,013	1,578,503	2,820,661	2,827,156	2,244,808
181 to 360	--	--	15	56	417	49,803	115,056	199,158	2,825,459	3,189,964	2,429,502	2,381,701
More than 360	--	--	--	--	320	281	1,232	32,177	3,168,552	3,202,562	209,781	318,718
Subtotal	**--**	**--**	**2,197,896**	**3,220,081**	**2,191,740**	**5,093,363**	**3,253,195**	**2,150,341**	**16,649,783**	**34,756,399**	**25,290,598**	**25,350,504**
Total	**328,571,968**	**129,040,116**	**116,194,247**	**38,677,689**	**9,311,001**	**16,845,088**	**5,534,643**	**4,185,834**	**22,864,049**	**671,224,635**	**717,849,202**	**710,611,938**

(1) Operations with third party risk linked to government funds and programs, primarily Pronaf, Procera, FAT, BNDES and FCO. They include 14,460 thousand of overdue installments, which comply with rules defined in each program for reimbursement by the program managers and, therefore, do not represent a credit risk for the Bank.

e) Allowance for loan losses by risk level

Level of risk	% Provision	Sep 30, 2016			Dec 31, 2015				Sep 30, 2015			
		Value of loans	Minimum required allowance	Existent allowance	Value of loans	Minimum required allowance	Additional allowance (1)	Existent allowance	Value of loans	Minimum required allowance	Additional allowance (1)	Existent allowance
AA	--	328,571,968	--	--	373,297,999	--	--	--	397,204,348	--	--	--
A	0.5	129,040,116	645,201	645,201	144,777,671	723,888	145,036	868,924	117,209,493	586,047	187,037	773,084
B	1	116,194,247	1,161,942	1,161,942	124,924,839	1,249,248	181,690	1,430,938	126,286,943	1,262,869	244,690	1,507,559
C	3	38,677,689	1,160,331	1,160,331	25,525,757	765,773	291,326	1,057,099	29,421,066	882,632	485,325	1,367,957
D	10	9,311,001	931,100	931,100	11,032,891	1,103,289	149,499	1,252,788	5,491,292	549,129	173,499	722,628
E	30	16,845,088	5,053,526	5,053,526	11,796,903	3,539,071	1,300,232	4,839,303	10,254,685	3,076,406	1,471,232	4,547,638
F	50	5,534,643	2,767,322	2,767,322	4,767,971	2,383,986	642,265	3,026,251	3,758,169	1,879,085	625,265	2,504,350
G	70	4,185,834	2,930,084	2,930,084	3,806,414	2,664,490	518,450	3,182,940	3,339,725	2,337,808	518,450	2,856,258
H	100	22,864,049	22,864,049	22,864,049	17,918,757	17,918,757	--	17,918,757	17,646,217	17,646,217	--	17,646,217
Total		**671,224,635**	**37,513,555**	**37,513,555**	**717,849,202**	**30,348,502**	**3,228,498**	**33,577,000**	**710,611,938**	**28,220,193**	**3,705,498**	**31,925,691**

(1) Refers to the additional provision over and above the minimum required by CMN Resolution 2,682/1999. This provision is established based on the experience of Management, by making projections for the loan portfolio, based on the history of default of operations.

f) Changes in allowance for loan losses

Includes loans, leases and other receivables with characteristics of credit.

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Opening balance	**36,967,684**	**27,575,266**	**33,577,000**	**25,294,947**
Adittion/(reversal)	6,643,672	8,135,195	20,835,339	18,980,149
Minimum required allowance	6,643,672	5,835,195	24,063,837	16,680,149
Additional allowance	--	2,300,000	(3,228,498)	2,300,000
Exchange fluctuation - foreign allowances	45,609	188,084	(145,949)	231,906
Write off	(6,143,410)	(3,972,854)	(16,752,835)	(12,581,311)
Closing balance	**37,513,555**	**31,925,691**	**37,513,555**	**31,925,691**

g) Changes in allowance for other loan losses

Includes provisions for other receivables without characteristics of credit.

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Opening balance	**1,593,627**	**1,094,064**	**1,287,621**	**1,041,399**
Adittion/(reversal)	(103,216)	141,710	(107,446)	175,445
Exchange fluctuation - foreign allowances	156	7,232	(1,603)	9,129
Write off/ other adjustments [1]	(10,397)	(854)	301,598	16,179
Closing balance	**1,480,170**	**1,242,152**	**1,480,170**	**1,242,152**

(1) Includes in the period from Jan 01,2016 to Sep 30,2016 the amount of R$ 239,998 thousand, which refers to the allowance for losses on not registered securities at CETIP, reclassified to the Other receivables grouping, according to Resolution CMN 1,779/1990.

h) Leasing portfolio by maturity

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Up to 1 year [1]	309,938	352,475	380,989
More than 1 year and up to 5 years	357,179	519,337	659,582
Over 5 years	3,161	3,023	2,430
Total present value	**670,278**	**874,835**	**1,043,001**

(1) Includes amounts related to overdue installments.

i) Income from leasing transactions

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Lease revenue	**83,601**	**127,403**	**261,526**	**335,132**
Leasing	83,601	127,403	261,526	335,132
Lease expenses	**(46,681)**	**(76,704)**	**(149,636)**	**(203,156)**
Leasing	(46,631)	(76,627)	(149,461)	(202,971)
Loss on disposal of leased assets	(50)	(77)	(175)	(185)
Total	**36,920**	**50,699**	**111,890**	**131,976**

j) Concentration of loans

	Sep 30, 2016	% of credit portfolio	Dec 31, 2015	% of credit portfolio	Sep 30, 2015	% of credit portfolio
Largest debtor	25,389,541	3.8	25,120,839	3.5	25,779,758	3.6
10 largest debtors	85,273,243	12.7	92,471,599	12.9	91,762,168	12.9
20 largest debtors	114,039,002	17.0	122,894,723	17.1	121,623,634	17.1
50 largest debtors	155,684,383	23.2	168,071,302	23.4	165,552,694	23.3
100 largest debtors	181,700,994	27.1	197,567,210	27.5	193,446,000	27.2

k) Renegotiated credits

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Credits renegotiated during the period (1)	**9,191,167**	**11,131,435**	**30,927,109**	**33,067,839**
Renegotiated when past due (2)	2,757,887	3,782,806	11,395,499	9,110,876
Renovated (3)	6,433,280	7,348,629	19,531,610	23,956,963
Changes on credits renegotiated when past due				
Opening balance	**25,049,740**	**12,701,343**	**19,652,990**	**9,030,112**
Contracts (2)	2,757,887	3,782,806	11,395,499	9,110,876
Interest (received) and appropriated	(743,642)	(460,952)	(2,170,856)	(957,038)
Write off	(1,369,975)	(503,412)	(3,183,623)	(1,664,165)
Closing balance (4)	**25,694,010**	**15,519,785**	**25,694,010**	**15,519,785**
Allowance for loan losses of the portfolio renegotiated when past due			10,784,367	7,463,541
(%) Allowance for loan losses on the portfolio			42.0%	48.1%
90 days default of the portfolio renegotiated when past due			6,369,622	2,469,413
(%) Portfolio default			24.8%	15.9%

(1) Represents the balance of all installments (past due and future) of loans renegotiated during the period using the internet, automated teller machines (ATM) or branch network.

(2) Renegotiated credit under debt composition as a result of payment delay by the clients.

(3) Renegotiated current credits (i.e. not past due) in the form of the extension or renewal of the credit or the granting of new loans for partial or full settlement of previous contracts or any other type of agreement that changes the maturity or the payment terms, originally agreed.

(4) Includes the amount of R$ 98,638 thousand (R$ 126,865 thousand as of September 30, 2015) related to renegotiated rural credits. The amount of R$ 5,825,206 thousand (R$ 5,763,797 thousand as of September 30, 2015), related to deferred credits from rural portfolio governed by specific legislation, is not included.

l) Supplementary information

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Undrawn credit lines	129,272,012	144,106,823	151,848,192
Guarantees provided (1)	6,286,743	9,730,748	10,930,596
Confirmed export credit	215,312	3,498,059	3,579,114
Contracted credit opened for import	325,931	1,239,989	1,457,384
Linked resources	4,516,880	2,772,443	2,088,992
Guaranteed values for linked deposits	4,409,319	2,723,589	2,061,651

(1) For these operations, the Bank maintains an allowance recorded in Other liabilities - sundry, (Note 20,e) totaling R$ 582,377 thousand (R$ 541,312 thousand as of December 31, 2015 and R$ 524,206 thousand as of September 30, 2015) calculated in accordance with Resolution CMN 2,682/1999.

m) Loan Operations by line of credit from Fund for Workers' Assistance (Fundo de Amparo ao Trabalhador – FAT)

Lines of FAT	TADE (1)	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Loans and discounted credit rights		**3,192,067**	**2,749,324**	**2,878,878**
Proger Urbano Investimento	18/2005	2,409,466	2,682,793	2,773,705
Proger Urbano Capital de Giro	15/2005 and 01/2016	772,595	6	7
Proger Urbano Empreendedor Popular	01/2006	--	27	22
FAT Turismo - Capital de Giro	02/2012	10,006	66,498	105,144
Financing		**516,278**	**484,851**	**468,014**
Proger Exportação	27/2005	45,380	40,203	25,532
FAT Taxista	02/2009	361,474	306,224	296,014
FAT Turismo - Investimento	01/2012	109,424	138,424	146,468
Rural and agribusiness financing		**75,531**	**117,358**	**159,874**
Proger Rural Custeio	02/2006	535	887	1,130
Proger Rural Investimento	13/2005	9,808	13,865	15,669
Pronaf Custeio	04/2005	2,421	2,709	3,149
Pronaf Investimento	05/2005	62,627	95,907	135,767
Giro Rural - Aquisição de Títulos	03/2005	140	3,990	4,159
Total		**3,783,876**	**3,351,533**	**3,506,766**

(1) TADE - Allocation Term of Special Deposits.

11 - OTHER RECEIVABLES

a) Specific credits

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Extension of rural credits - National Treasury	366,319	333,908	1,684,917
Other	543	696	713
Total	**366,862**	**334,604**	**1,685,630**

b) Sundry

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Deferred tax asset - tax credit (Note 24.e)	44,656,538	39,995,482	38,064,226
Sundry debtors from escrow deposits - contingencies (Note 27.g.1)	32,272,779	27,359,764	25,857,115
Credit card operations (Note 10.a)	21,448,278	22,940,041	20,867,858
Sundry debtors from escrow deposits - lawsuit (Note 27.h.1)	17,180,154	16,399,235	16,138,929
Credit linked to acquired operations (Note 10.a) (1)	12,958,662	15,266,721	15,655,155
Income tax and social contribution to offset	12,647,491	8,046,349	11,988,219
Fund of allocation of surplus - Previ (Note 26.f)	9,585,995	9,079,921	8,884,572
Receivables - other	6,172,763	3,679,591	1,840,017
Sundry debtors - domestic	3,623,499	2,313,728	2,149,235
Receivables acquisition	2,895,409	3,862,570	3,745,349
National Treasury - interest rate equalization - agricultural crop - Law 8,427/1992	1,700,357	3,384,982	11,764,708
Receivables - non-financial companies	1,502,723	1,511,529	53,093
Premiums on credits linked to operations acquired in assignment	1,413,254	1,718,461	1,858,992
Rights for acquisition of royalties and government credits	1,076,261	996,876	1,010,212
Receivables - National Treasury (2)	965,645	1,021,565	1,816,527
Receivables – ECT – Banco Postal	827,645	1,498,881	1,450,101
Advances to cards transactions processing's companies	341,844	1,093,351	1,210,866
Sundry debtors - foreign	335,233	191,166	282,133
Salary advances and other advances	216,348	286,804	197,346
Actuarial assets (Note 26.e)	190,806	169,474	3,321,249
Sundry debtors from escrow deposits - other	97,374	60,013	73,408
Sundry debtors for purchasing assets	22,814	41,142	41,277
Other	670,668	511,769	541,227
Total	**172,802,540**	**161,429,415**	**168,811,814**
Current assets	101,777,596	100,389,034	112,344,958
Non-current assets	71,024,944	61,040,381	56,466,856

(1) Refers to the portfolios of payroll loans and vehicle financing granted to individuals, acquired by the Bank through assignments with full recourse to the transferor, accounted for in accordance with CMN Resolution 3,533/2008.

(2) Refers mainly to amounts from subsidies in operations with MCR 6-2 resources, MCR 6-4 (Rural credit manual) and they are supported by specific legislation, like the CMN resolutions, the Program of Bahia's Cocoa Farming Recovery (CMN Resolution No. 2,960/2002), the Family Agriculture Price Guarantee Program (PGPAF) and the regional funds (FNDE, FDA and FDCO).

12 - FOREIGN EXCHANGE PORTFOLIO

a) Breakdown

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Other receivables			
Exchange purchases pending settlement	17,855,703	20,789,338	20,860,791
Bills of exchange and time drafts in foreign currency	40,553	48,204	49,044
Receivables from sales of foreign exchange	21,270,266	11,730,483	6,165,756
(Advances received in national/foreign currency)	(20,485,536)	(11,378,722)	(3,493,890)
Foreign currency receivables	890	1,805	3,295
Income receivable on advances granted and on financed imports	298,167	229,014	196,981
Total	**18,980,043**	**21,420,122**	**23,781,977**
Current assets	18,683,617	19,847,057	22,611,901
Non-current assets	296,426	1,573,065	1,170,076
Other liabilities			
Exchange sales pending settlement	19,720,852	14,025,881	8,789,668
(Financed imports)	(10,089)	(11,721)	(24,177)
Exchange purchase liabilities	19,063,462	18,491,690	16,614,999
(Advances on exchange contracts)	(15,389,346)	(16,993,015)	(15,395,686)
Foreign currency payables	54,832	72,204	76,885
Unearned income on advances granted	10,250	14,901	6,258
Total	**23,449,961**	**15,599,940**	**10,067,947**
Current liabilities	17,423,634	13,737,534	9,776,737
Non-current liabilities	6,026,327	1,862,406	291,210
Net foreign exchange portfolio	**(4,469,918)**	**5,820,182**	**13,714,030**
Memorandum accounts			
Credit opened for imports	748,955	1,293,982	1,547,222
Confirmed export credit	215,312	3,498,059	3,579,114

b) Foreign exchange results

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Exchange income	2,182,349	7,066,247	12,381,146	16,171,131
Exchange expenses	(1,766,217)	(4,593,682)	(10,418,112)	(13,029,889)
Foreign exchange result	**416,132**	**2,472,565**	**1,963,034**	**3,141,242**

13 - OTHER ASSETS

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Assets not for own use	**271,542**	**271,143**	**290,789**
Assets in special regime	170,516	166,729	168,831
Real estate	45,939	50,104	53,745
Residential properties	26,862	13,605	12,542
Machinery and equipment	3,130	3,693	3,721
Vehicles	498	516	447
Other	24,597	36,496	51,503
Materials in stock	**57,832**	**61,390**	**59,929**
Subtotal	**329,374**	**332,533**	**350,718**
(Impairment) [1]	**(127,318)**	**(120,940)**	**(125,116)**
Prepaid expenses	**290,071**	**285,034**	**278,684**
Personnel expenses - meal program	156,279	162,348	110,202
Entities abroad	77,856	84,229	90,888
Tax expenses	16,540	27	14,294
Unearned insurance premiums	16,697	14,172	15,570
Promotion and public relations	11,486	--	10,955
Rent	5,741	5,810	5,833
Premiums for purchased payroll credits [2]	1,181	11,953	23,736
Other	4,291	6,495	7,206
Total	**492,127**	**496,627**	**504,286**
Current assets	475,423	480,840	465,936
Non-current assets	16,704	15,787	38,350

(1) The Bank recognized, in the 3rd quarter/2016, allowance expenses for impairment losses of assets not in use in the amount of R$ 2,276 thousand (reversal of allowance in the amount of R$ 7,620 thousand in the 3rd quarter/2015). In the period from January 01,2016 to September 30,2016, the BB Consolidated recognized the provision expenses of R$ 8,367 thousand (reversal of provision of the R$ 7,931 thousand in the period from January 01,2015 to September 30,2015).

(2) The amounts are amortized over the maturity of the installments of loans acquired from other financial institutions.

14 - INVESTMENTS

a) Changes in associates and joint ventures

	Capital stock	Adjusted shareholders' equity	Net income/(loss) - Jan 1 to Sep 30, 2016	Number of shares (in thousands)		Ownership interest in the total capital %	Book value	Changes - Jan 1 to Sep 30, 2016			Book value		Equity income
				Common	Preferred		Dec 31, 2015	Dividends	Other events	Equity income	Sep 30, 2016	Sep 30, 2015	Jan 1 to Sep 30, 2015
Domestic							**15,100,387**	**(2,171,873)**	**81,614**	**3,179,664**	**16,189,792**	**14,490,493**	**3,371,166**
Banco Votorantim S.A. (1)	7,826,980	8,416,378	306,468	43,114,693	9,581,043	50%	3,828,153	(28,602)	246,622	161,320	4,207,493	3,874,027	235,956
Cateno Gestão de Contas de Pagamento S.A. (2)	414,000	12,095,746	394,562	10,787,400	1,198,600	30%	3,631,654	(118,094)	(3,205)	118,369	3,628,724	3,635,241	88,643
Cielo S.A. (3)	3,500,000	8,584,625	2,905,022	648,600	--	28.70%	1,834,175	(107,619)	(105,281)	842,135	2,463,410	1,766,654	746,882
BB Mapfre SH1 Participações S.A. (3)(4)	2,050,198	2,398,031	1,249,663	1,039,908	2,079,400	74.99%	1,978,221	(1,139,850)	22,923	937,122	1,798,416	1,667,054	956,449
Brasilprev Seguros e Previdência S.A. (3)(4)	943,417	2,568,677	742,336	572	1,145	75%	1,790,343	(389,069)	(56,290)	556,715	1,901,699	1,634,151	711,352
Mapfre BB SH2 Participações S.A. (3)(4)	1,968,380	3,529,550	198,202	369,163	384,231	50%	1,657,372	--	7,849	99,101	1,764,322	1,598,404	159,340
Neoenergia S.A.	4,739,025	9,910,367	284,846	701,327	--	11.99%	1,168,345	(22,648)	--	26,896	1,172,593	1,156,323	33,436
Elo Participações S.A.	800,227	1,798,350	280,472	372	--	49.99%	747,076	--	11,711	140,208	898,995	769,122	184,906
IRB Brasil Resseguros S.A. (3)(4)	1,453,080	3,124,242	480,257	63,727	--	20.51%	659,379	(99,224)	4,579	72,276	637,010	636,023	89,281
Brasilcap Capitalização S.A. (3)(4)	231,264	381,245	338,923	107,989	107,989	66.66%	294,480	(266,268)	--	225,926	254,138	234,207	180,008
Other investments							181,360	(499)	(2,238)	(404)	178,219	177,694	(15,087)
Goodwill purchase on acquisition of investments							707,512	--	(132,968)	--	574,544	748,227	--
Unrealized results (5)							(3,377,683)	--	87,912	--	(3,289,771)	(3,406,634)	--
Overseas							**180,830**	**--**	**(67,002)**	**--**	**113,828**	**247,883**	**--**
Goodwill on acquisition of investments							180,830	--	(67,002)	--	113,828	247,883	--
Total investments in subsidiaries and associates							**15,281,217**	**(2,171,873)**	**14,612**	**3,179,664**	**16,303,620**	**14,738,376**	**3,371,166**
(Provision for losses)							(9,018)	--	--	--	(9,018)	(9,018)	--

(1) Excluded unrealized result arising from transactions with the Banco do Brasil.
(2) Indirect interest of the Bank in Cateno, through its subsidiary BB Elo Cartões Participações S.A. The total share of the Bank is 50.09% (Cielo S.A. holds 70% of direct interest in Cateno).
(3) Refers to the percentage of the equity interest, considering the acquisition of shares by the invested entity held in treasury. (Note 3).
(4) Equity interest held by BB Seguros Participações S.A. The percentage of total participation is in Note 3.b. It includes harmonization adjustments in accounting practices.
(5) Unrealized profit arising from a new strategic partnership between BB Elo Cartões Participações S.A. and Cielo S.A., forming Cateno Gestão de Contas de Pagamento S.A. (Note 2).

b) Summarized financial information of associates and joint ventures, not adjusted for the equity interest percentage held by the Bank

Balance sheet	Sep 30, 2016								
	Brasilprev Seguros e Previdência S.A.	Banco Votorantim S.A.	Cateno Gestão de Contas de Pagamento S.A.	BB Mapfre SH1 Participações S.A.	Mapfre BB SH2 Participações S.A.	Neoenergia S.A.	Cielo S.A.	Other	Total
Total assets	**186,523,817**	**103,828,590**	**12,548,603**	**13,583,960**	**13,861,310**	**11,663,798**	**22,498,746**	**31,198,487**	**395,707,311**
Cash and cash equivalents	5,697	175,785	4	98,256	119,493	228	13,883	236,757	650,103
Interbank investments	--	17,093,468	1,008,785	--	--	--	634,463	608,794	19,345,510
Securities and derivative financial instruments	184,605,609	31,622,972	--	5,985,849	4,686,801	71,820	1,861,066	17,548,204	246,382,321
Loan operations	--	41,524,188	--	--	--	--	--	--	41,524,188
Other credits and other assets	1,712,467	12,682,324	577,623	7,105,729	8,643,028	491,523	9,622,368	10,181,334	51,016,396
Permanent assets	200,044	729,853	10,962,191	394,126	411,988	11,100,227	10,366,966	2,623,398	36,788,793
Total liabilities	**183,955,140**	**95,412,212**	**452,857**	**11,185,929**	**10,331,760**	**1,753,431**	**13,914,121**	**24,449,520**	**341,454,970**
Deposits and securities sold under repurchase agreements	--	43,374,653	--	--	--	--	--	--	43,374,653
Other liabilities	183,955,140	52,037,559	452,857	11,185,929	10,331,760	1,753,431	13,914,121	24,449,520	298,080,317
Technical provisions for insurance, pension plans and capitalization	182,723,662	--	--	8,099,038	7,767,769	--	--	19,768,009	218,358,478
Subordinated debts and equity and debt hybrid securities	--	5,192,799	--	--	--	--	--	--	5,192,799
Other	1,231,478	46,844,760	452,857	3,086,891	2,563,991	1,753,431	13,914,121	4,681,511	74,529,040
Shareholders' equity	**2,568,677**	**8,416,378**	**12,095,746**	**2,398,031**	**3,529,550**	**9,910,367**	**8,584,625**	**6,748,967**	**54,252,341**
% of Total Share	75%	50%	30%	74.99%	50%	11.99%	28.70%	--	--
Shareholders' equity (proportional to the equity interest)	**1,926,379**	**4,208,189**	**3,628,724**	**1,798,283**	**1,764,775**	**1,187,966**	**2,464,122**	**2,030,456**	**19,008,894**
Goodwill/(bargain) purchase on acquisition of investments	(1,561)	76,247	--	--	--	--	454,680	159,006	688,372
Other amounts [(1)]	(24,679)	(696)	--	133	(453)	(15,373)	(712)	(3,351,866)	(3,393,646)
Balance of the investment	**1,900,139**	**4,283,740**	**3,628,724**	**1,798,416**	**1,764,322**	**1,172,593**	**2,918,090**	**(1,162,404)**	**16,303,620**

(1) It refers, mainly, to unrealized results and harmonization adjustments in accounting practices of non-financial companies to Chart of Accounts for Financial Institutions - Cosif.

Statement of income	Jan 1 to Sep 30, 2016								
	Brasilprev Seguros e Previdência S.A.	Banco Votorantim S.A.	Cateno Gestão de Contas de Pagamento S.A.	BB Mapfre SH1 Participações S.A.	Mapfre BB SH2 Participações S.A.	Neoenergia S.A.	Cielo S.A.	Other	Total
Income from financial intermediation	396,835	2,191,318	--	562,234	503,895	--	--	1,146,051	4,800,333
Service fee income	1,428,572	351,288	2,034,837	--	6,303	--	6,081,014	106,567	10,008,581
Other administrative expenses	(156,547)	(884,811)	(775,580)	(173,384)	(362,256)	(12,132)	(660,283)	(249,572)	(3,274,565)
Other operating income/expenses	(378,961)	(747,901)	(661,463)	1,640,515	222,029	293,815	(1,229,907)	656,708	(205,165)
Non-operating income	85	8,583	--	4,093	6,985	2,999	(22,551)	17,081	17,275
Result before tax	**1,289,984**	**918,477**	**597,794**	**2,033,458**	**376,956**	**284,682**	**4,168,273**	**1,676,835**	**11,346,459**
Tax about profit and profit sharing	(547,648)	(612,009)	(203,232)	(783,795)	(178,754)	164	(1,263,251)	(523,648)	(4,112,173)
Net income	**742,336**	**306,468**	**394,562**	**1,249,663**	**198,202**	**284,846**	**2,905,022**	**1,153,187**	**7,234,286**
% of Total Share	75%	50%	30%	74.99%	50%	11.99%	28.70%	--	--
Net income (proportional to the equity interest)	**556,715**	**153,234**	**118,369**	**937,122**	**99,101**	**34,145**	**833,855**	**476,854**	**3,209,395**
Other amounts [1]	--	8,086	--	--	--	(7,249)	8,280	(38,848)	(29,731)
Result in the equity method investments	**556,715**	**161,320**	**118,369**	**937,122**	**99,101**	**26,896**	**842,135**	**438,006**	**3,179,664**

(1) It refers, mainly, to unrealized results and harmonization adjustments in accounting practices of non-financial companies to Chart of Accounts for Financial Institutions - Cosif.

Balance sheet	Sep 30, 2015								
	Brasilprev Seguros e Previdência S.A.	Banco Votorantim S.A.	Cateno Gestão de Contas de Pagamento S.A.	BB Mapfre SH1 Participações S.A.	Mapfre BB SH2 Participações S.A.	Neoenergia S.A.	Cielo S.A.	Other	Total
Total assets	**141,123,740**	**110,543,226**	**12,589,502**	**12,900,576**	**14,812,923**	**11,061,028**	**22,920,440**	**33,840,355**	**359,791,790**
Cash and cash equivalents	5,835	224,193	--	61,679	218,752	222	28,898	209,432	749,011
Short-term interbank investments	--	16,190,429	69,779	--	--	--	--	531,441	16,791,649
Securities and derivative financial instruments	139,609,024	33,290,299	692,683	5,772,547	4,295,905	135,358	259,985	18,543,900	202,599,701
Loan operations	--	45,678,224	--	--	--	--	--	--	45,678,224
Other credits and other assets	1,318,077	14,383,492	480,051	6,781,433	9,812,730	797,467	11,836,280	10,932,055	56,341,585
Permanent assets	190,804	776,589	11,346,989	284,917	485,536	10,127,981	10,795,277	3,623,527	37,631,620
Total liabilities	**138,909,529**	**102,765,303**	**472,030**	**10,677,714**	**11,615,199**	**1,286,387**	**16,770,536**	**26,966,874**	**309,463,572**
Deposits and securities sold under repurchase agreements	--	34,913,440	--	--	--	--	--	3,682	34,917,122
Other liabilities	138,909,529	67,851,863	472,030	10,677,714	11,615,199	1,286,387	16,770,536	26,963,192	274,546,450
Technical provisions for insurance, pension plans and capitalization	138,061,890	--	--	7,654,877	8,016,577	--	--	21,322,240	175,055,584
Subordinated debts and equity and debt hybrid securities	--	5,949,537	--	--	--	--	--	--	5,949,537
Other	847,639	61,902,326	472,030	3,022,837	3,598,622	1,286,387	16,770,536	5,640,952	93,541,329
Shareholders' equity	**2,214,211**	**7,777,923**	**12,117,472**	**2,222,862**	**3,197,724**	**9,774,641**	**6,149,904**	**6,873,481**	**50,328,218**
% of Total Share	75%	50%	30%	74.99%	50%	11.99%	28.72%	--	--
Shareholders' equity (proportional to the equity interest)	**1,660,548**	**3,888,962**	**3,635,241**	**1,666,924**	**1,598,862**	**1,171,696**	**1,766,505**	**1,927,789**	**17,316,527**
Goodwill/(bargain) purchase on acquisition of investments	(1,561)	136,092	--	--	--	--	558,897	302,682	996,110
Other amounts [1]	(26,397)	(14,935)	--	130	(458)	(15,373)	149	(3,517,377)	(3,574,261)
Balance of the investment	**1,632,590**	**4,010,119**	**3,635,241**	**1,667,054**	**1,598,404**	**1,156,323**	**2,325,551**	**(1,286,906)**	**14,738,376**

(1) It refers, mainly, to unrealized results and harmonization adjustments in accounting practices of non-financial companies to Chart of Accounts for Financial Institutions - Cosif.

Statement of income	Jan 1 to Sep 30, 2015								
	Brasilprev Seguros e Previdência S.A.	Banco Votorantim S.A.	Cateno Gestão de Contas de Pagamento S.A.	BB Mapfre SH1 Participações S.A.	Mapfre BB SH2 Participações S.A.	Neoenergia S.A.	Cielo S.A.	Other	Total
Income from financial intermediation	405,009	2,248,142	--	468,776	477,790	--	--	943,160	4,542,877
Service fee income	1,133,131	316,275	1,554,931	--	7,690	--	5,728,240	1,186,173	9,926,440
Other administrative expenses	(142,378)	(869,358)	(571,874)	(137,479)	(349,389)	(12,342)	(377,239)	(968,593)	(3,428,652)
Other operating income/expenses	193,501	(2,078,490)	(534,929)	1,592,797	363,451	189,166	(1,897,326)	525,006	(1,646,824)
Non-operating income	29	(26,815)	--	(3,995)	346	3,108	(8,796)	126,713	90,590
Result before tax	**1,589,292**	**(410,246)**	**448,128**	**1,920,099**	**499,888**	**179,932**	**3,444,879**	**1,812,459**	**9,484,431**
Tax about profit and profit sharing	(643,042)	814,958	(152,650)	(644,664)	(181,208)	162	(831,286)	(460,641)	(2,098,371)
Net income	**946,250**	**404,712**	**295,478**	**1,275,435**	**318,680**	**180,094**	**2,613,593**	**1,351,818**	**7,386,060**
% of Total Share	75%	50%	30%	74.99%	50%	11.99%	28.72%	--	--
Net income (proportional to the equity interest)	**709,640**	**202,356**	**88,643**	**956,449**	**159,340**	**21,588**	**750,731**	**513,587**	**3,402,334**
Other amounts (1)	1,712	33,600	--	--	--	11,848	(3,849)	(74,479)	(31,168)
Result in the equity method investments	**711,352**	**235,956**	**88,643**	**956,449**	**159,340**	**33,436**	**746,882**	**439,108**	**3,371,166**

(1) It refers, mainly, to unrealized results and harmonization adjustments in accounting practices of non-financial companies to Chart of Accounts for Financial Institutions - Cosif.

c) Other investments

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Tax incentive investments	35,189	35,189	36,246
Equity securities	57	58	58
Stocks and shares	88,637	89,346	87,062
Other investments	4,050	7,625	7,786
Other equity abroad	104,658	93,082	94,703
Total [(1)]	**232,591**	**225,300**	**225,855**
(Provision for losses)	(45,235)	(45,251)	(45,253)

(1) Includes the amount of R$ 9,090 thousand (R$ 9,090 thousand as of December 31, 2015 and R$ 7,123 thousand as of September 30, 2015) related of accumulated impairment.

d) Goodwill arising on acquisition of investments

Changes of goodwill	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Opening balance	**741,072**	**999,392**	**889,903**	**1,077,869**
Amortizations [(1)]	(50,855)	(51,868)	(154,603)	(152,819)
Foreign exchange fluctuation [(2)]	(284)	50,148	(45,367)	72,622
Closing balance	**689,933**	**997,672**	**689,933**	**997,672**

(1) Recorded in other administrative expenses.
(2) Levied on the goodwill from BB Americas e do Banco Patagonia.

e) Expected goodwill amortization

	4th quarter/2016	2017	2018	2019	After 2020	Total
Banco do Brasil	**21,595**	**87,185**	**26,999**	**27,529**	**26,767**	**190,075**
Banco Votorantim	15,114	61,133	--	--	--	76,247
Banco Patagonia	5,248	19,103	19,472	19,860	16,832	80,515
Banco do Brasil Americas	1,233	6,949	7,527	7,669	9,935	33,313
Tax effects [(1)]	(9,718)	(39,233)	(12,150)	(12,388)	(12,045)	(85,534)
Net total	**11,877**	**47,952**	**14,849**	**15,141**	**14,722**	**104,541**
Other investments						
BB-BI	**26,918**	**123,517**	**141,696**	**162,550**	**--**	**454,681**
Cielo	26,918	123,517	141,696	162,550	--	454,681
BB Seguros	**8,110**	**10,743**	**11,040**	**10,028**	**5,256**	**45,177**
Brasilcap	2,289	8,593	8,780	7,659	--	27,321
IRB-Brasil Resseguros S.A.	5,821	2,150	2,260	2,369	5,256	17,856
BB Consolidated	**56,623**	**221,445**	**179,735**	**200,107**	**32,023**	**689,933**
Tax effects [(1)]	(24,589)	(98,468)	(79,667)	(88,945)	(13,832)	(305,501)
Net total	**32,034**	**122,977**	**100,068**	**111,162**	**18,191**	**384,432**

(1) 25% of income tax and 20% of social contribution for financial companies and for non-financial companies of insurance, private pension plan and capitalization, and 25% of income tax and 9% of social contribution for other non-financial companies.

The expected amortization of goodwill arising on the acquisition of investments is based on the projections of results made at the time of the purchase, prepared by specialized firms or technical departments within the Bank, and considers the timing of the estimates and discount rates used in calculating the net present value of expected cash flows.

f) Goodwill impairment test

The recoverable amount of goodwill arising on acquisition of investments is determined by the value in use, which is the discounted value of the cash flow projections of the invested entity (cash-generating unit).

Assumptions used to project these cash flows are based on public information, budgets and / or business plans of the purchased entities. These assumptions consider current and past performance, as well as expected market and macroeconomic growth.

The cash flow of the entities below were actively projected for ten years and considered perpetual from the eleventh year with fixed growth rates. For the periods that exceed the terms of the budget or business plan, the growth estimates are in line with those adopted by the entities. The nominal discount rate is determined annually based on the CAPM (Capital Asset Pricing Model) adapted for the Brazilian market and referenced in Reais (R$).

Entity (cash-generating unit)	Growth rate p.a. (1)	Discount rate p.a. (2)
Banco Votorantim	4.20%	15.50%
BB Americas	2.00%	8.19%
Banco Patagonia	25.50%	34.65%

(1) Nominal growth in perpetuity.
(2) Geometric average of ten years of projections, except BB Americas, that considered a geometric average of seven years of projections.

According to the sensitivity analysis performed, there is no indication that changes in the assumptions would cause the book value of the cash-generating units to exceed the recoverable amount.

The recoverable amount of the goodwill arising on the acquisition of Cielo, as well as of the goodwill recognized in the BB Seguros/BB Seguridade, is determined by the net realizable value through sale, based on the share price of the companies on BM&FBovespa.

Entity (cash-generating unit)	Share price (1)
BB Seguridade (BBSE3)	R$ 29.88
Cielo (CIEL3)	R$ 32.51

(1) Share price quoted at September 30, 2016.

In the period of January 1, 2016 to September 30, 2016 and from January 1, 2015 to September 30, 2015, there was no impairment loss on goodwill arising on the acquisition of investments.

15 - PROPERTY AND EQUIPMENT

	Dec 31, 2015	Jan 1 to Sep 30, 2016		Sep 30, 2016				Sep 30, 2015
	Book value	Changes	Depreciation	Cost value	Accumulated depreciation	Accumulated impairment	Book value	Book value
Buildings	3,867,155	(3,580)	(269,994)	6,584,133	(2,981,021)	(9,531)	3,593,581	3,788,911
Furniture and equipment in use	1,488,760	170,725	(190,540)	3,540,404	(2,071,434)	(25)	1,468,945	1,440,095
Data processing systems	1,186,740	168,590	(324,677)	3,728,505	(2,697,852)	--	1,030,653	1,008,142
Constructions in progress	102,952	329,963	--	432,915	--	--	432,915	103,786
Land	197,476	1,986	--	199,462	--	--	199,462	202,433
Facilities	207,947	1,052	(25,660)	987,038	(803,699)	--	183,339	204,567
Security systems	162,518	25,738	(21,436)	413,279	(246,459)	--	166,820	160,242
Communication systems	100,085	27,555	(13,993)	283,578	(169,931)	--	113,647	91,847
Transport systems	7,652	1,055	(869)	15,460	(7,622)	--	7,838	8,184
Furniture and equipment in stock	1,749	(31)	--	1,718	--	--	1,718	1,751
Total	**7,323,034**	**723,053**	**(847,169)**	**16,186,492**	**(8,978,018)**	**(9,556)**	**7,198,918**	**7,009,958**

16 - INTANGIBLE ASSETS

a) Changes and breakdown

	Dec 31, 2015	Jan 1 to Sep 30, 2016			Sep 30, 2016				Sep 30, 2015
	Book value	Changes	Write offs	Amortization	Cost value	Accumulated amortization	Accumulated impairment	Book value	Book value
Rights to manage payroll [1]	5,301,265	1,194,669	(486,082)	(1,379,866)	9,204,271	(4,524,545)	(49,740)	4,629,986	5,420,612
Softwares	1,709,152	258,503	--	(165,433)	2,883,912	(1,081,690)	--	1,802,222	1,604,494
Goodwill on acquisition of absorbed company [2]	1,907,615	--	--	(675,117)	4,961,028	(3,728,530)	--	1,232,498	2,109,553
Other intangible assets	392,840	23,666	--	(117,328)	589,644	(290,466)	--	299,178	243,884
Total	**9,310,872**	**1,476,838**	**(486,082)**	**(2,337,744)**	**17,638,855**	**(9,625,231)**	**(49,740)**	**7,963,884**	**9,378,543**

(1) The values of changes and write-offs include contracts renegotiated in the period, in which the new contract value is recorded and the past contract value is written-off without impact on Statement of Income.

(2) Refers to the goodwill from the merger of Banco Nossa Caixa on November 2009.

b) Estimate for amortization

	4th quarter/2016	2017	2018	2019	2020	After 2020	Total
Amounts to be amortized	750,113	2,755,596	1,582,083	1,046,359	606,874	1,222,859	**7,963,884**

c) Impairment test

The impairment test of goodwill on the acquisition of Banco Nossa Caixa, which was merged into Banco do Brasil, considers the value in use of Banco do Brasil´s operations in the state of São Paulo (cash-generating unit). Cash flows are based on cash-generating unit results in 2015, and on the 2016 and 2017 budgets and internal projections of results from 2018, for five years.

The assumptions adopted for the calculation are based on Banco do Brasil's Corporate Strategy and macroeconomic scenario. They consider the current and past performance and expected growth in the market segment

Cash flows were discounted by the Bank’s cost of own capital. The nominal discount rate is measured annually based on the Capital Asset Pricing Model – CAPM adapted for the Brazilian market and referenced in Reais (R$).

Entity (cash-generating unit)	Growth rate p.a	Discount rate p.a.
Banco do Brasil - state of São Paulo - Goodwill Banco Nossa Caixa [1] [2]	2.5%	15.3%

(1) Nominal growth in perpetuity.

(2) Geometric average of five years of projections.

According to the sensitivity analysis performed, there is no indication that changes in the assumptions would cause the book value of the cash-generating unit to exceed its recoverable amount.

In the period from January 1, 2016 to September 30, 2016 and from January 1, 2015 to September 30, 2015, there was no impairment loss on goodwill on merged company.

17 - DEPOSITS AND SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

a) Deposits

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Demand deposits	**61,622,917**	**66,549,760**	**66,062,958**
Individuals	30,437,667	31,156,677	27,917,066
Companies	19,081,303	23,101,575	22,947,496
Restricted	7,739,761	5,648,623	9,955,928
Government	1,377,142	1,808,898	1,591,076
Foreign currency	883,375	774,883	1,226,183
Related companies	722,671	2,306,081	1,713,286
Financial system institutions	567,732	617,029	232,741
Domiciled abroad	341,104	75,041	59,543
Special from Federal Treasury	319,625	268,841	325,348
Other	152,537	792,112	94,291
Saving deposits	**148,681,412**	**151,845,281**	**149,763,605**
Individuals	140,010,357	142,195,252	139,319,946
Companies	8,297,546	9,302,317	10,121,003
Related companies	356,638	332,789	306,770
Financial system institutions	16,871	14,923	15,886
Interbank deposits	**23,918,604**	**41,482,547**	**41,465,484**
Time deposits	**203,447,682**	**204,542,130**	**205,175,090**
Judicial	119,280,773	113,652,254	116,107,050
National currency	57,081,337	58,101,859	53,650,062
Foreign currency	21,042,962	27,256,485	30,169,607
Fundo de Amparo ao Trabalhador - FAT (Note 17.e)	4,302,126	4,102,449	3,907,659
Funproger (Note 17.f)	314,402	263,488	251,678
Other	1,426,082	1,165,595	1,089,034
Other deposits	**31,908**	**--**	**--**
Total	**437,702,523**	**464,419,718**	**462,467,137**
Current liabilities	382,117,728	406,119,891	408,468,227
Non-current liabilities	55,584,795	58,299,827	53,998,910

b) Segregation of deposits by repayment date

	Without maturity	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Time deposits (1)	126,060,116	17,906,878	7,630,332	20,966,531	30,883,825	--	203,447,682	204,542,130	205,175,090
Saving deposits	148,681,412	--	--	--	--	--	148,681,412	151,845,281	149,763,605
Demand deposits	61,622,917	--	--	--	--	--	61,622,917	66,549,760	66,062,958
Interbank deposits	1,236,383	9,436,375	9,511,407	1,955,204	1,760,687	18,548	23,918,604	41,482,547	41,465,484
Other deposits	31,908	--	--	--	--	--	31,908	--	--
Total	**337,632,736**	**27,343,253**	**17,141,739**	**22,921,735**	**32,644,512**	**18,548**	**437,702,523**	**464,419,718**	**462,467,137**

(1) Includes the amount R$ 55,413,604 thousand (R$ 56,772,137 thousand as of Dec 31, 2015 and R$ 52,461,417 thousand as of Sep 30, 2015), relating to time deposits with early repurchase clause (liquidity commitment), classified based on the contractual maturity dates.

c) Securities sold under repurchase agreements

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Own portfolio	**53,639,324**	**68,880,140**	**59,768,605**
Corporate bonds	31,621,304	52,141,995	44,678,225
Treasury financial bills	20,709,507	14,615,322	13,661,577
Securities abroad	1,308,513	2,122,823	1,428,803
Third-party portfolio	**356,830,715**	**264,641,508**	**259,963,250**
Treasury financial bills	193,447,801	399,993	27,667,987
National Treasury bills	93,572,452	117,828,280	131,121,321
National Treasury notes	69,810,461	146,413,188	101,173,824
Securities abroad	1	47	118
Total	**410,470,039**	**333,521,648**	**319,731,855**
Current liabilities	379,184,277	294,973,701	287,813,231
Non-current liabilities	31,285,762	38,547,947	31,918,624

d) Expenses with deposits and with securities sold under repurchase agreements

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Deposits	**(9,205,412)**	**(8,986,873)**	**(27,148,181)**	**(24,822,862)**
Judicial deposits	(3,149,086)	(3,193,339)	(9,035,416)	(8,316,328)
Saving deposits	(3,077,098)	(3,016,939)	(9,077,526)	(8,805,323)
Time deposits	(2,251,945)	(2,550,844)	(6,483,693)	(7,098,452)
Interbank deposits	(727,283)	(225,751)	(2,551,546)	(602,759)
Securities sold under repurchase agreements	**(13,560,199)**	**(11,318,690)**	**(35,824,416)**	**(30,615,012)**
Third-party portfolio	(11,809,876)	(9,516,278)	(30,733,568)	(26,246,681)
Own portfolio	(1,750,323)	(1,802,412)	(5,090,848)	(4,368,331)
Funds from acceptance and issuance of securities [(1)]	**(5,822,861)**	**(5,673,203)**	**(17,146,315)**	**(14,910,049)**
Agribusiness letters of credit	(4,037,357)	(4,027,526)	(11,851,627)	(10,165,044)
Financial bills	(1,009,140)	(835,055)	(2,981,885)	(2,590,117)
Letters of credit – real estate	(473,496)	(499,491)	(1,424,818)	(827,919)
Securities issues abroad	(302,868)	(311,131)	(887,985)	(1,326,969)
Subordinated debt abroad [(2)]	**(138,758)**	**(169,838)**	**(413,103)**	**(434,982)**
Equity and debt hybrid securities [(3)(4)]	**(470,146)**	**(639,586)**	**(1,443,451)**	**(1,638,078)**
Other	**(188,806)**	**(185,059)**	**(565,931)**	**(548,328)**
Total	**(29,386,182)**	**(26,973,249)**	**(82,541,397)**	**(72,969,311)**

(1) Funds from acceptance and issuance of securities are disclosed in Note 19.
(2) Subordinated debt abroad are disclosed in Note 20.c.
(3) Equity and debt hybrid securities are disclosed in Note 20.d.

e) Fund for worker's assistance (Fundo de Amparo ao Trabalhador – FAT)

Program	Resolution/ TADE (1)	Repayment of FAT Funds			Sep 30, 2016			Dec 31, 2015			Sep 30, 2015		
		Type(2)	Initial date	Final date	Available TMS(3)	Applied TJLP(4)	Total	Available TMS(3)	Applied TJLP(4)	Total	Available TMS(3)	Applied TJLP(4)	Total
Proger Rural and Pronaf					**15,852**	**67,011**	**82,863**	**55,004**	**98,318**	**153,322**	**56,541**	**144,447**	**200,988**
Pronaf Custeio	04/2005	RA	11/2005	--	246	1,474	1,720	181	1,841	2,022	254	1,920	2,174
Pronaf Investimento	05/2005	RA	11/2005	--	14,047	59,710	73,757	53,075	88,252	141,327	51,502	133,066	184,568
Rural Custeio	02/2006	RA	11/2005	--	105	286	391	104	485	589	314	603	917
Rural Investimento	13/2005	RA	11/2005	--	1,454	5,541	6,995	1,644	7,740	9,384	4,471	8,858	13,329
Proger Urbano					**576,672**	**3,028,352**	**3,605,024**	**753,477**	**2,523,289**	**3,276,766**	**371,895**	**2,614,570**	**2,986,465**
Urbano Investimento	18/2005	RA	11/2005	--	287,723	2,254,163	2,541,886	753,477	2,523,289	3,276,766	371,895	2,614,570	2,986,465
Urbano Capital de Giro	01/2016	RA	06/2016	--	288,949	774,189	1,063,138	--	--	--	--	--	--
Other					**104,681**	**509,558**	**614,239**	**132,916**	**539,445**	**672,361**	**156,891**	**563,315**	**720,206**
Exports	27/2005	RA	11/2005	--	13,871	42,676	56,547	804	37,352	38,156	15,368	24,706	40,074
FAT Taxista	02/2009	RA	09/2009	--	62,949	357,788	420,737	82,299	304,362	386,661	78,823	294,539	373,362
FAT Turismo Investimento	01/2012	RA	08/2012	--	17,646	107,218	124,864	5,409	137,240	142,649	3,646	145,384	149,030
FAT Turismo Capital de Giro	02/2012	RA	08/2012	--	10,215	1,876	12,091	44,404	60,491	104,895	59,054	98,686	157,740
Total					**697,205**	**3,604,921**	**4,302,126**	**941,397**	**3,161,052**	**4,102,449**	**585,327**	**3,322,332**	**3,907,659**

(1) TADE - Allocation Term of Special Deposits.
(2) RA - Automatic Return (monthly, 2% of the balance) and SD - Available Balance.
(3) Funds remunerated by the Taxa Média Selic (average selic rate - TMS).
(4) Funds remunerated by Taxa de Juros de Longo Prazo (long-term interest rate - TJLP).

FAT is a special accounting and financial fund, established by Law 7,998/1990, associated with the Ministério do Trabalho e Emprego (Ministry of Labor and Employment) and managed by the Executive Council of the Fundo de Amparo ao Trabalhador (Fund for Workers' Assistance) - Codefat. Codefat is a collective, tripartite, equal level organization, composed of representatives of workers, employers and government.

The main actions to promote employment using FAT funds are structured around the Programs for the Generating Employment and Earnings (Proger), resources for which are allocated through special deposits, established by Law 8,352/1991, in official federal financial institutions. These programs include, among others, the urban Proger program (Investment and Working Capital) and the rural Proger program and the National Program for Strengthening Family Farming - Pronaf, in addition to the special lines such as FAT Integrar – Rural e Urbano, FAT Giro Setorial – Micro e Pequenas Empresas (micro and small-sized companies), FAT Giro Setorial – Médias e Grandes Empresas (medium and large-sized companies), FAT Giro Setorial Veículos – Micro e Pequenas Empresas (micro and small-sized companies), FAT Giro Setorial Veículos – Médias e Grandes Empresas (medium and large-sized companies), FAT Fomentar – Micro e Pequenas Empresas (micro and small-sized companies), FAT Fomentar – Médias e Grandes Empresas (medium and large-sized companies), FAT Giro Agropecuário, FAT Inclusão Digital (digital inclusion), FAT Taxista (taxi), FAT Turismo Investimento and FAT Turismo Capital de Giro.

The FAT special deposits allocated to Banco do Brasil incur interest on a daily pro rata die basis using the Average Selic Rate (TMS) when not lent out. As they are disbursed as loans, the interest rate is swapped to the Long-term Interest Rate (TJLP) until the maturity of the loans. The earnings on the Bank's funds are paid to FAT on a monthly basis, as established in Codefat Resolutions 439/2005 and 489/2006.

f) Guarantee fund for generation of employment and earnings (Funproger)

The Guarantee Fund for Generation of Employment and Earnings (Funproger) is a special accounting fund established on November 23, 1999 by Law 9,872/1999, amended by Law 10,360/2001 and by Law 11,110/2005 and regulated by Codefat Resolution 409/2004, and its amendments. It is managed by Banco do Brasil under the supervision of Codefat/MTE and the balance at September 30, 2016 is R$ 314,402 thousand (R$ 263,488 thousand as of December 31, 2015 and R$ 251,678 thousand as of September 30, 2015).

The objective of Funproger is to provide guarantees to entrepreneurs who would otherwise not have the necessary guarantees to contract financing by Proger Urbano and Programa Nacional de Microcrédito Produtivo Orientado, through the payment of a commission. The net assets of Funproger are accumulated through funds arising from the difference between the Average Selic Rate (TMS) and the Long-Term Interest Rate (TJLP) in respect of the remuneration of the special deposit balances available in FAT. Other sources of funds are the earnings from its operations and the income on its excess cash resources paid by Banco do Brasil, the fund manager.

18 - BORROWINGS AND ONLENDINGS

a) Borrowings

	up to 90 days	from 91 to 360 days	from 1 to 3 years	from 3 to 5 years	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Domestic	**--**	**--**	**--**	**--**	**--**	**38,494**	**38,451**
Borrowing from non-financial companies	--	--	--	--	--	38,494	38,451
Overseas	**7,219,703**	**12,421,424**	**2,679,077**	**491,901**	**22,812,105**	**29,616,866**	**31,236,270**
Borrowings from bankers abroad	7,141,639	12,362,234	2,674,230	491,633	22,669,736	29,540,426	31,039,088
Imports	78,064	59,190	4,847	268	142,369	76,440	151,950
Exports	--	--	--	--	--	--	45,232
Total	**7,219,703**	**12,421,424**	**2,679,077**	**491,901**	**22,812,105**	**29,655,360**	**31,274,721**
Current liabilities					19,641,127	22,214,249	23,063,432
Non-current liabilities					3,170,978	7,441,111	8,211,289

b) Onlendings

Domestic - official institutions

Programs	Finance charges	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
National Treasury - rural credit		**167,996**	**178,145**	**208,380**
Pronaf	TMS (if available) Fixed 0.50% p.a. to 5.50% p.a. (if applied)	48,552	59,603	90,491
Cacau (cocoa)	IGP-M + 8.00% p.a. or TJLP + 0.60% p.a. or 6.35% p.a.	97,263	93,175	91,065
Recoop	Fixed 5.75% p.a. to 8.25% p.a. or IGP-DI + 1.00% p.a. or IGP-DI + 2.00% p.a.	17,283	23,136	25,057
Other		4,898	2,231	1,767
BNDES	**Fixed 0.00% p.a. to 9.50% p.a. TJLP + 0.00% p.a. to 5.40% p.a. IPCA + 7.02% p.a. to 9.41% p.a. Selic + 0.40% p.a. to 2.50% p.a. FX Variation + 0.90% p.a. to 6.87% p.a.**	**33,581,092**	**37,981,403**	**38,895,277**
Caixa Econômica Federal	**Fixed 5.25% p.a. (average)**	**22,917,625**	**19,690,627**	**18,219,733**
Finame	**Fixed 0.00% p.a. to 8.50% p.a. TJLP + 0.50% p.a. to 5.50% p.a. FX Variation + 0.90% p.a. to 3.00% p.a.**	**26,019,477**	**29,981,346**	**30,997,351**
Other official institutions		**2,391,812**	**2,233,887**	**2,222,217**
Special supply - deposits (Note 9.b)		1,874,492	1,643,753	1,643,753
Funcafé	TMS (if available) Fixed 5.50% p.a. to 11.25% p.a. (if applied)	517,292	590,106	578,436
Other		28	28	28
Total		**85,078,002**	**90,065,408**	**90,542,958**
Current liabilities		39,695,325	39,015,494	38,389,402
Non-current liabilities		45,382,677	51,049,914	52,153,556

Overseas

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Funds obtained under the terms of Resolution CMN 3,844/2010	--	9,821	8,888
Special Fund for Support to Small and Medium Manufacturing Companies	477	477	477
Total	**477**	**10,298**	**9,365**
Current liabilities	95	9,916	8,983
Non-current liabilities	382	382	382

c) Expense on borrowings and onlendings

	3Q/2016	3Q/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Borrowings expenses [1]	**(570,993)**	**(9,882,441)**	**6,033,990**	**(14,838,383)**
Onlendings expenses [1]	**(1,608,402)**	**(8,009,780)**	**1,364,045**	**(13,764,242)**
Foreign [1]	(355,629)	(6,568,589)	5,039,498	(9,939,874)
BNDES	(644,737)	(852,571)	(1,943,079)	(2,375,570)
Caixa Econômica Federal	(410,256)	(367,922)	(1,136,279)	(821,559)
Finame	(139,174)	(168,447)	(430,731)	(495,237)
National Treasury	(27,519)	(29,386)	(77,241)	(73,125)
Other	(31,087)	(22,865)	(88,123)	(58,877)
Expenses for obligations with bankers abroad [1]	**(89,405)**	**(4,591,957)**	**3,401,252**	**(6,908,364)**
Expenses for financial and development funds liabilities	**(527,147)**	**(1,797,665)**	**(457,314)**	**(2,839,740)**
Foreign exchange profit/(loss) on overseas investments	**110,765**	**2,982,320**	**(2,429,464)**	**4,357,882**
Total	**(2,685,182)**	**(21,299,523)**	**7,912,509**	**(33,992,847)**

(1) The credit balances presented arise from the negative exchange variation of the period (the appreciation of the Real against the Dollar).

19 - FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES

Funding	Currency	Issued value	Remuneration p.a.	Issue date	Maturity	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Banco do Brasil						**170,583,110**	**184,927,920**	**194,572,865**
Global Medium - Term Notes Program						**6,586,806**	**11,065,431**	**11,345,294**
	R$	350,000	9.75%	2007	2017	347,322	338,300	342,599
	USD	500,000	6.00%	2010	2020	1,638,085	1,994,618	1,999,999
	EUR	750,000	4.50%	2011	2016	--	3,321,757	3,427,482
	EUR	1,000,000	3.75%	2013/2014	2018	3,676,197	4,321,203	4,453,396
	CHF	275,000	2.50%	2013	2019	925,202	1,089,553	1,121,818
"Senior Notes"						**7,570,574**	**9,075,400**	**9,694,978**
	USD	500,000	3.88%	2011	2017	1,633,907	1,981,340	1,996,663
	USD	1,809,700[1]	3.88%	2012	2022	5,936,667	7,094,060	7,698,315
Structured notes						**67,350**	**168,518**	**214,075**
	EUR	18,400	2.29% to 3.55%		2021	67,350	--	--
	USD	37,458	0.64% to 3.55%		2016	--	168,518	214,075
Certificates of deposits [2]						**3,065,435**	**9,556,835**	**20,224,229**
Short term			0.40% to 4.60%			2,388,342	9,003,872	19,643,742
Long term			2.95% to 4.60%		2020	677,093	552,963	580,487
Certificates of structured operations						**127,234**	**11,324**	**17,882**
Short term						--	--	6,863
Long term					2020	127,234	11,324	11,019
Letters of credit - real estate						**17,521,397**	**18,121,444**	**18,473,991**
Short term [3]						9,549,740	3,050,382	--
Long term [4]					2018	7,971,657	15,071,062	18,473,991
Letters of credit agribusiness						**133,098,401**	**134,822,921**	**134,555,176**
Short term [3]						57,784,764	28,076,833	18,658,231
Long term [4]					2020	75,313,637	106,746,088	115,896,945
Financial letters						**2,545,913**	**2,106,047**	**47,240**
Long term [4]			102.00% to 104.00% DI		2018	2,545,913	2,106,047	47,240
Banco Patagonia [5]						**326,130**	**329,399**	**459,293**
Short term	ARS					227,524	147,662	205,184
Long term	ARS				2019	98,606	181,737	254,109
Special purpose entities abroad [6]						**2,833,815**	**3,447,244**	**2,273,260**
Securitization of future flow of payment orders from abroad [6]								
	USD	42,000[1]	5.25%	2008	2018	136,633	234,799	262,777
Structured notes [6]								
	USD	500,000	Libor 6m+2.50%	2014/2015	2034	1,645,821	1,961,854	2,010,483
	USD	320,000	Libor 6m+3.25%	2015	2030	1,051,361	1,250,591	--
Eliminated amount on consolidation [7]						**(176,216)**	**(143,071)**	**(126,271)**
Total						**173,566,839**	**188,561,492**	**197,179,147**
Current liabilities						71,941,873	43,600,506	44,823,212
Non-current liabilities						101,624,966	144,960,986	152,355,935

(1) Refers to the outstanding value since partial repurchases ocurred.

(2) Securities issued abroad in USD, EUR, RMB, SGD, AUD, CHF and GBP.

(3) Securities issued in national currency with maturities up to 360 days.

(4) Operations with maturity between 361 and 1,800 days.

(5) Securities issued with rates from 23.95% p.a. to 26.40% p.a. and from Badlar+300 pts. to Badlar+425 pts.

(6) The Special Purpose Entities (SPE) "Dollar Diversified Payment Rights Finance Company" and "Loans Finance Company Limited" were organized under the laws of the Cayman Islands. The liabilities arising from securities issued by these entities are paid using the funds accumulated in their accounts. The SPE declare that have no relevant asset or liability other than the rights and duties originating from the contracts for issue of securities. The Bank is not a shareholder, the owner, or a beneficiary of any of the results of operations of the SPE.

The Dollar Diversified Payment Rights Finance Company was organized for the following purposes: a) fund raising by issuance of securities in the international market; (b) use of resources obtained by issuing securities to pay for the purchase, with the Bank, of the rights to payment orders issued by banking correspondents located in the U.S. and by the agency of BB New York, in U.S. dollars, for any agency in Brazil (Rights on Consignment); and (c) making payments of principal and interest on securities issued and other payments defined in the contract of issuance of these securities.

The Loans Finance Company Limited was organized for the following purposes: a) fund raising by issuance of securities in the international market; (b) closing and booking repurchase agreements with the Bank; (c) purchasing of protection against credit risk of the Bank through a credit derivative, which is actionable only in case of Bank's default in any of the obligations assumed in repurchase agreements; and (d) making payments of principal and interest on securities issued and other payments defined in the contract of issuance of these securities.

(7) Refers to securities issued by Banco do Brasil Conglomerate, which are in possession of overseas subsidiaries/entities.

20 - OTHER LIABILITIES

a) Taxes and social security

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Legal liabilities (Note 27.h)	15,046,333	14,076,071	13,827,868
Provision for taxes and contributions on net income	6,654,475	556,313	4,998,651
Deferred tax liabilities (Note 24.d)	2,522,271	2,298,292	2,242,986
Taxes and contributions payable	1,191,694	1,392,468	1,196,053
Taxes and contributions on net income payable	623,217	1,048,359	216,416
Provision for tax litigation (Note 27.e)	269,701	245,695	192,488
Other	316,879	316,960	316,985
Total	**26,624,570**	**19,934,158**	**22,991,447**
Current liabilities	25,855,176	19,149,334	22,238,920
Non-current liabilities	769,394	784,824	752,527

b) Financial and development funds

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Marinha Mercante	7,790,714	8,988,221	8,714,543
Pasep [(1)]	2,719,733	2,728,783	2,625,924
Fundo de Desenvolvimento do Nordeste - FDNE	2,198,943	1,987,918	2,037,433
Fundo de Desenvolvimento do Centro Oeste - FDCO	908,761	285,128	294,861
Funds from Governo do Estado de São Paulo	747,342	736,035	714,213
Fundo Nacional de Aviação Civil - FNAC	75,873	70,327	71,232
Other	178,380	206,112	216,525
Total	**14,619,746**	**15,002,524**	**14,674,731**
Current liabilities	8,750,670	10,021,062	9,674,726
Non-current liabilities	5,869,076	4,981,462	5,000,005

(1) The Bank is administrator of the Public Servant Heritage Formation Program (Pasep), guaranteeing a minimum return equal to the Long-Term Interest Rate - TJLP.

c) Subordinated debts

Funding		Issued value	Remuneration p.a.	Issue date	Maturity	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Banco do Brasil								
FCO – Resources from Fundo Constitucional do Centro-Oeste						**24,331,884**	**22,994,912**	**22,047,638**
Funds applied [1]						21,678,360	22,067,675	21,317,515
Resources available [2]						2,653,524	927,237	719,717
Charges to capitalize						--	--	10,406
Subordinated CDB issued in the country						**--**	**--**	**1,815,238**
		1,000,000	105.00% of CDI	2009	2015	--	--	1,815,238
Subordinated debt abroad						**9,491,142**	**11,568,774**	**11,600,598**
	USD	660,000	5.38%	2010	2021	2,159,283	2,630,575	2,640,653
	USD	1,500,000	5.88%	2011	2022	4,884,733	5,953,739	5,968,023
	USD	750,000	5.88%	2012	2023	2,447,126	2,984,460	2,991,922
Subordinated letters of credit						**26,221,519**	**25,387,942**	**24,487,730**
		1,000,000	108.50% of CDI	2010	2016	--	1,852,172	1,786,916
		2,055,100	111.00% of CDI	2011	2017	3,781,633	3,387,610	3,265,558
		4,844,900	111.50% of CDI 1.06% to 1.11% + CDI 5.24% to 5.56% + IPCA Fixed 10.51%	2012	2018	7,904,695	7,152,153	6,916,485
		215,000	112.00% of CDI	2012	2019	354,410	317,168	305,640
		4,680,900	111.00% of CDI	2013	2019	7,296,890	6,536,599	6,301,092
		150,500	112.50% of CDI 5.45% + IPCA	2012	2020	250,674	224,433	216,668
		377,100	112.00% to 114.00% of CDI	2014	2020	507,698	453,485	436,726
		163,523	112.00% to 114.00% of CDI	2014	2020	226,533	202,528	195,103
		1,594,580	113.00% to 115.00% of CDI	2014	2021	2,128,526	1,899,302	1,828,488
		2,273,806	113.00% to 115.00% of CDI	2014	2021	3,189,845	2,847,744	2,742,019
		400,000	8.08% + IPCA	2014	2022	580,615	514,748	493,035
Total subordinated debt from Banco do Brasil						**60,044,545**	**59,951,628**	**59,951,204**
Eliminated amount on consolidation						(17,995)	(16,063)	(163)
Total subordinated debt consolidated [3][4]						**60,026,550**	**59,935,565**	**59,951,041**
Current liabilities						2,647,425	1,845,639	3,601,991
Non-current liabilities						57,379,125	58,089,926	56,349,050

(1) Remunerated at the rates on the loans funded with these amounts less the del credere of the financial institution, according to article 9 of Law 7,827/1989.

(2) Remunerated based on extra-market rate announced by the Banco Central do Brasil (Bacen), according to article 9 of Law 7,827/1989.

(3) R$ 39,096,379 thousand (R$ 39,839,840 thousand as of December 31, 2015 and R$ 38,674,964 thousand in September 30, 2015) of the total balance is considered tier II of the Referential Equity (RE).

(4) Includes the amount of R$ 6,633,217 thousand, relating to subordinated debt recorded in the line Debt Instruments eligible as capital.

d) Equity and debt hybrid securities

Funding		Issued value[1]	Remuneration p.a.	Issue date	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Perpetual bonds							
	USD	1,498,500	8.50%	10/2009	5,037,970	5,939,561	6,168,806
	USD	1,398,727	9.25%	01 and 03/2012	4,818,376	6,632,211	7,379,962
	USD	1,988,000	6.25%	01/2013	6,613,392	7,878,240	8,138,335
	R$	8,100,000	5.50%[2]	09/2012	8,166,419	8,355,877	8,310,274
	USD	2,169,700	9.00%	06/2014	7,195,191	8,541,012	10,104,890
Total Banco do Brasil					**31,831,348**	**37,346,901**	**40,102,267**
Eliminated amount on consolidation					(5,944)	(4,898)	(20,105)
Total reclassified to shareholders' equity (Note 23.c)					(8,100,000)	(8,100,000)	(8,100,000)
Total BB Consolidated					**23,725,404**	**29,242,003**	**31,982,162**
Current liabilities					193,367	121,313	368,326
Non-current liabilities					23,532,037	29,120,690	31,613,836

(1) Refers in funding in US dollars, the outstanding value, as occurred partial repurchases of these instruments.

(2) Since August.28, 2014, the remuneration is fully variable (Note 23.c).

R$ 22,475,780 thousand of the Perpetual Bonds is included in the Referential Equity (R$ 27,036,585 thousand as of December 31, 2015, and R$ 29,890,805 thousand as of September 30, 2015). Of this amount, R$ 17,769,660 thousand are recorded in debt instruments eligible as capital (Note 28.b).

The bonds of USD 1,500,000 thousand (outstanding value USD 1,498,500 thousand), issued in October 2009, have the option of redemption at the discretion of the Bank from 2020 or on each subsequent, semi-annual interest payment date, as long as it has been previously authorized by Banco Central do Brasil (Bacen). In case the Bank does not exercise the option to redeem on October 2020, the interest on the bonds will be adjusted on this date to 7.782% plus the traded rate on 10 year North American Treasury bonds. Thereafter, every 10 years, the interest on the bonds will be adjusted by taking into account the traded rate of the 10 year North American Treasury bonds.

The bonds issued in January 2012 and March 2012 (reopening), of USD 1,000,000 thousand (outstanding value USD 650,000 thousand) and USD 750,000 thousand (outstanding value USD 748,727 thousand) respectively, and the bonds issued in January 2013 of USD 2,000,000 thousand (outstanding value USD 1,988,000 thousand), had their terms and conditions modified on September 27, 2013, in order to adjust them to the rules of Bacen through Resolution No. 4,192 of March 1, 2013, which regulates the implementation of Basel III in Brazil. The changes were effective from October 1, 2013, when the instruments were submitted to Bacen to obtain authorization to be included in the Supplementary Capital (Tier I) of the Bank. The authorization was granted on October 30, 2013.

The bonds issued in June 2014 of USD 2,500,000 thousand (outstanding value USD 2,169,700 thousand), have the option of redemption at the discretion of the Bank from June 18, 2024 or on each subsequent, semi-annual interest payment date, as long as it has been previously authorized by the Central Bank of Brazil. If the Bank did not exercise the option to redeem in June 2024, the interest on the bonds will be adjusted to 6.362% plus the traded rate on 10 year North American Treasury bonds.

If the Bank does not exercise the redemption option in April 2023 for the bonds issued in 2012, in April 2024 for the bonds issued in 2013, and in June 2024 for the bonds issued in 2014, the rate of bond interest is adjusted on that date and every 10 years according to the 10 year North American Treasury bondsat the time plus the initial credit spread. The bonds have the following options of redemption, subject to prior authorization of Bacen:

(i) the Bank may, at its option, redeem the bonds in whole but not in part in April 2023 for the bonds issued in 2012, in April 2024 for the bonds issued in 2013, and in June 2024 for the bonds issued in 2014, and on each subsequent, semi-annual interest payment date, at the base redemption price;
(ii) the Bank may, at its option, redeem the bonds in whole, but not in part, after five years from the date of issue, as long as it is before April 2023, for the bonds issued in 2012, before April 2024 for the bonds issued in 2013, and before April 2024 for the bonds issued in 2014, as a result of a tax event, at the base redemption price;
(iii) the Bank may, at its option, redeem the bonds in whole but not in part, after five years from the date of issue, as long as it is before April 2023, for the bonds issued in 2012, and in April 2024 for the bonds issued in 2013, on the occurrence of a regulatory event, at the higher value between the base redemption price and the Make-whole amount;
(iv) the Bank may, at its option, redeem the bonds in whole but not in part, after five years from the date of issue as long as it is before June 2024 for the bonds issued in 2014, on the occurrence of a regulatory event at the base redemption price.

The bonds issued in October 2009 determine that the Bank suspends the semi-annual payments of interest and / or accessories on those securities issued (which will not be due or accrued) if:

(i) the Bank does not comply or the payment of such charges does not allow the bank to comply with the levels of capital adequacy, operating limits, or its financial indicators are under the minimum level required by Brazilian regulations applicable to banks;
(ii) Bacen or the regulatory authorities determine the suspension of payment of such charges;
(iii) any event of insolvency or bankruptcy occurs;
(iv) a default occurs; or
(v) the Bank has not distributed dividends or interest on equity to common shareholders for the period of calculation of such interest and / or accessories.

The bonds issued in January and March 2012, in January 2013 and in June 2014 determine that the Bank suspend the semi-annual payments of interest and/or accessories on those securities issued (which will not be due or accrued) if:

(i) distributable income for the period are not sufficient for making the payment (discretionary condition of the Bank);

(ii) the Bank does not comply or the payment of such charges does not allow the Bank to comply with the levels of capital adequacy, operating limits, or its financial indicators are under the minimum level required by Brazilian regulations applicable to banks;
(iii) Bacen or the regulatory authorities determine the suspension of payment of such charges;
(iv) any event of insolvency or bankruptcy occurs; or
(v) a default occurs.

According to Basel III rules, the bonds issued in January 2012, March 2012, in January 2013 and in June 2014 have mechanisms of loss absorption. Moreover, if the item (i) occurs, the payment of dividends by Bank to its shareholders will be limited to the minimum required determined by applicable law until the semi-annual interest payments and / or accessories on those titles have been resumed in full. Finally, these bonds will expire permanently and at the minimum value corresponding to the balance recorded in the Tier I capital of the Bank if:

(i) the main capital of the Bank is less than 5.125% of the amount of risk-weighted assets (RWA);
(ii) the decision to make a capital injection from the public sector or an equivalent capital contribution to the Bank is taken, in order to maintain the bank's viability;
(iii) the Bank, on a discretionary assessment regulated by the CMN, sets out, in writing, the expiration of the bonds to enable the continuity of the Bank.

e) Sundry

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Credit/debit card operations	19,805,476	20,727,736	18,060,862
Actuarial liabilities (Note 26.e)	14,717,210	9,513,475	8,255,564
Sundry creditors - domestic	6,690,935	7,429,931	6,159,735
Provisions for civil claims (Note 27.e)	6,949,355	7,150,581	7,493,729
Provisions for pending payments	6,304,613	5,251,114	5,843,274
Funds linked to loan operations	4,516,880	2,772,443	2,088,992
Provision for labor claims (Note 27.e)	2,602,343	2,169,106	2,225,435
Liabilities for rendering payment services	2,049,769	1,276,864	1,947,506
Liabilities for official agreements	1,530,955	1,072,568	1,189,085
Sundry creditors - abroad	1,145,895	1,097,487	1,329,179
Liabilities for premiums granted under customer loyalty schemes	695,093	772,616	603,984
Liabilities for operations linked to assignments	639,776	333,298	344,210
Provisions for guarantees provided	582,377	541,312	524,206
Creditors of resources to be disbursed	563,898	623,633	775,515
Provision for losses with the Fundo de Compensação de Variação Salarial - FCVS	306,087	288,542	282,840
Liabilities for assets acquisition	299,554	584,440	265,023
Liabilities for shares in investment funds	98,040	60,734	--
Guarantees on credits assigment	814	1,000	1,068
Other	271,783	99,246	248,778
Total	**69,770,853**	**61,766,126**	**57,638,985**
Current liabilities	63,789,540	48,561,791	45,459,040
Non-current liabilities	5,981,313	13,204,335	12,179,945

21 - OTHER OPERATING INCOME/EXPENSES

a) Service fee income

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Fund management	903,054	831,843	2,589,867	2,358,175
Insurance, pension and capitalization	750,591	690,783	2,282,866	2,165,849
Billing	423,608	435,104	1,263,808	1,279,428
Collection	253,721	250,296	771,101	782,913
Interbank	208,663	196,036	633,946	575,108
Loans and guarantees provided	201,463	283,288	673,476	724,452
Consortium management fees	156,204	108,516	394,206	313,871
National Treasury and official funds management	150,678	130,182	432,485	332,607
Capital market income	141,906	83,797	425,823	346,149
Fiduciary services	124,698	114,035	352,272	324,244
Account fee	91,012	91,905	282,525	258,278
Provided to related companies	57,212	57,537	166,925	161,864
Card income	37,957	135,909	113,757	615,541
From non-financial subsidiaries	5,485	9,148	18,606	29,998
Other services	352,561	388,285	1,063,127	1,014,871
Total	**3,858,813**	**3,806,664**	**11,464,790**	**11,283,348**

b) Bank fee income

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Service packages	1,331,387	1,135,335	3,785,791	3,096,188
Card income	308,074	262,286	895,469	743,790
Loans and customer registration	172,968	178,953	505,222	508,783
Funds transfer	112,882	86,636	311,343	242,462
Investment funds management	109,169	98,305	302,517	265,276
Deposit account	64,588	59,210	189,310	169,725
Fiduciary services	18,126	16,074	53,005	43,186
Other	46,175	47,792	135,496	135,271
Total	**2,163,369**	**1,884,591**	**6,178,153**	**5,204,681**

c) Personnel expenses

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Salaries	(2,349,886)	(2,191,751)	(7,287,615)	(6,878,562)
Personnel administrative provisions	(1,265,398)	(1,322,297)	(2,702,933)	(2,899,813)
Social charges	(781,558)	(795,763)	(2,379,607)	(2,415,456)
Benefits	(661,057)	(625,831)	(1,992,700)	(1,851,332)
Labor lawsuits	(277,525)	(517,292)	(1,044,604)	(876,893)
Pension plans	(198,397)	(173,030)	(585,881)	(514,192)
Training	(14,712)	(16,963)	(43,057)	(44,547)
Directors' and advisors' fees	(11,619)	(11,894)	(35,985)	(33,579)
Total	**(5,560,152)**	**(5,654,821)**	**(16,072,382)**	**(15,514,374)**

d) Other administrative expenses

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Amortization	(822,459)	(830,159)	(2,499,205)	(2,404,105)
Rent	(375,991)	(338,144)	(1,056,222)	(971,008)
Expenses with outsourced services	(350,368)	(392,072)	(1,101,213)	(1,164,909)
Security services	(317,832)	(286,812)	(879,994)	(809,277)
Transport	(308,967)	(288,677)	(856,467)	(867,374)
Depreciation	(285,176)	(281,941)	(847,169)	(825,764)
Communications	(267,594)	(280,344)	(847,011)	(893,023)
Maintenance and upkeep	(265,474)	(176,543)	(593,881)	(545,129)
Financial system services	(198,119)	(187,496)	(591,768)	(540,362)
Water, electricity and gas	(116,387)	(127,692)	(412,044)	(382,572)
Specialized technical services	(116,209)	(96,112)	(311,726)	(266,364)
Data processing	(113,739)	(176,696)	(507,791)	(525,971)
Advertising and marketing	(81,923)	(92,515)	(207,896)	(194,297)
Promotion and public relations	(58,475)	(64,104)	(179,067)	(165,544)
Materials	(30,941)	(34,218)	(89,939)	(94,222)
Domestic travel	(16,871)	(32,831)	(57,059)	(94,948)
Other	(172,361)	(179,484)	(461,218)	(488,469)
Total	**(3,898,886)**	**(3,865,840)**	**(11,499,670)**	**(11,233,338)**

e) Other operating income

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Update of deposits in guarantee	840,825	732,242	2,278,113	1,906,694
Income on receivables	549,518	222,695	1,735,516	637,638
Recovery of charges and expenses	370,431	351,897	1,050,469	936,076
Surplus allocation update - Previ Plan 1 (Note 26.f)	214,867	225,973	904,369	996,656
Cards transactions	167,140	349,285	596,970	863,528
Reversal of provisions - administrative and personnel expenses	139,228	64,145	218,270	159,704
From non-financial subsidiaries	70,215	83,475	227,728	185,019
Adjustment of tax recoverable	24,942	12,339	93,403	68,462
Income from specific credits ans special operations - National Treasury	12,011	63,251	58,110	174,528
Royalties and special participation	5,076	39,909	44,178	129,643
Subsidy of the National Treasury - MPO	3,335	16,016	6,568	118,723
Previ - Defined benefit plan income	--	93,180	--	477,258
Other	242,188	183,552	713,192	521,239
Total	**2,639,776**	**2,437,959**	**7,926,886**	**7,175,168**

f) Other operating expenses

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Actuarial liabilities update	(425,189)	(242,591)	(1,155,845)	(716,813)
Adjustment of the provision for deposit in court (Note 27.h)	(412,391)	(253,420)	(970,262)	(686,469)
Civil and tax claims	(396,947)	(1,791,875)	(576,337)	(2,748,256)
Compensation for transactions of Banco Postal	(331,815)	(297,275)	(939,274)	(868,461)
Cards transactions	(311,008)	(1,148,398)	(1,043,795)	(2,019,976)
Discounts granted on renegotiations	(261,176)	(215,099)	(902,393)	(540,969)
Business relationship bonus	(214,129)	(21,107)	(474,582)	(61,822)
From non-financial subsidiaries	(114,938)	(104,544)	(322,190)	(269,406)
ATM Network	(92,036)	(67,422)	(270,316)	(175,052)
Failures/frauds and other losses	(86,461)	(63,681)	(250,511)	(193,098)
Compliance bonus	(73,800)	(21,417)	(223,587)	(58,025)
Provision for rendering of guarantees	(68,911)	(178,456)	(78,641)	(361,629)
Life insurance premium - consumer credit	(33,815)	(41,868)	(111,576)	(133,494)
INSS - Social Security	(31,145)	(18,365)	(80,823)	(39,283)
Proagro Expenses	(10,809)	(8,620)	(28,914)	(22,531)
Update of interest on own capital/dividends	(8,901)	(9,085)	(15,195)	(13,514)
Other expenses - provisions of non-financial subsidiaries	(8,317)	(2,377)	(17,082)	(19,628)
Fees for the use of Sisbacen - Banco Central do Brasil System	(5,634)	(7,421)	(16,789)	(18,509)
Other	(202,921)	(137,550)	(537,455)	(328,608)
Total	**(3,090,343)**	**(4,630,571)**	**(8,015,567)**	**(9,275,543)**

22 - NON-OPERATING INCOME

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Non-operating income	**70,812**	**85,540**	**223,622**	**5,988,328**
Capital gains [(1)]	51,155	55,867	157,398	5,904,434
Profit on disposal of assets	5,966	5,309	19,274	20,567
Rental income	3,968	2,395	8,251	7,680
Reversal of provision for devaluation of other assets	1,462	12,579	3,872	20,248
Profit on disposal of investments/equity interest	--	--	--	2,545
Interest and inflation adjustment of debtors from disposal of property	1,427	1,341	2,926	4,240
Other non-operating income	6,834	8,049	31,901	28,614
Non-operating expenses	**(15,742)**	**(16,702)**	**(60,272)**	**(79,287)**
Devaluation of other assets	(3,738)	(4,959)	(12,239)	(12,317)
Loss on disposal of assets	(2,496)	(2,011)	(3,316)	(6,365)
Capital losses	(8,983)	(8,816)	(43,416)	(59,315)
Other non-operating expenses	(525)	(916)	(1,301)	(1,290)
Total	**55,070**	**68,838**	**163,350**	**5,909,041**

(1) Includes, in the period from Jan 1 to Set 30, 2015, the gain derived from the strategic partnership between BB Elo Cartões Participações with Cielo in the electronic means of payment business of R$ 5,787,797 thousand (Note 2).

23 - SHAREHOLDERS' EQUITY

a) Book value and market value per common share

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Shareholders' equity - Banco do Brasil	74,597,333	70,673,370	72,411,410
Book value per share (R$) (1)	26.79	25.31	25.93
Market value per share (R$)	22.8	14.74	15.2
Shareholders' equity - consolidated (2)	85,724,139	81,536,173	83,814,448

(1) Calculated based on the equity of Banco do Brasil.
(2) Conciled with the equity of Banco do Brasil (Note 23.h).

b) Capital

Banco do Brasil's share capital of R$ 67,000,000 thousand (R$ 60,000,000 thousand in December 31, 2015 and in September 30, 2015) is fully subscribed and paid-in and consists of 2,865,417,020 book-entry common shares with no par value. The Federal Government is the largest shareholder and holds the majority of the Bank's voting shares.

The share capital increase for the period from September 30, 2015 to September 30, 2016, in the amount of R$ 7,000,000 thousand, resulted from the use of Statutory reserve for operating margin, approved by the Special Meeting of Shareholders held on April 28, 2016 and authorized by the Bacen on August 16, 2016.

If approved by a Meeting of the Shareholders, the Bank may increase its share capital by up to R$ 120,000,000 thousand. The increase must be in accordance with the conditions approved by the shareholders. No amendments to the by-laws are necessary. Capital increases are performed through the issuance of common shares, with existing shareholders receiving preferential rights to the subscription based on their number of shares.

c) Instruments Qualifying to Common Equity Tier 1 Capital

The Bank signed a loan agreement with the federal government on September 26, 2012, with R$ 8,100,000 thousand in funds available. There is no maturity date, a fixed interest rate and semi-annual interest payments. The funding was used to finance agribusiness.

Up to August 27, 2014, Bacen had authorized the instrument to be included in Tier I referential equity (additional Tier I capital) subject to the limitations set forth in Article 28 of CMN Resolution 4,192 of March 01, 2013 (Note 28.b).

The Bank signed an amendment to the contract on August 28, 2014, under the terms of Law 12,793 of April 02, 2013. The purpose of the amendment was to allow the instrument to qualify as common equity in Tier I capital, under Article 16 of CMN Resolution 4,192/2013.

As a result of the amendment, the interest rate was changed to a variable rate, and the interest period was changed to match the Bank's fiscal year (January 1 to December 31). Each year's interest is paid in a single annual installment, adjusted by the Selic rate up to the effective payment date. Payment must be made within 30 calendar days after the dividend payment for the fiscal year.

The interest payment must be made from profits or profit reserves available for distribution at the end of the fiscal year preceding the calculation date. Payment is at Management's discretion. Unpaid interest does not accumulate. If the payment or dividend distribution is not made (including in the form of interest on own capital) prior to the end of the subsequent fiscal year, the accrued interest is no longer owed.

If the Bank's retained earnings, profit reserves (including the legal reserve) and capital reserve cannot fully absorb losses calculated at the end of a fiscal year, no interest will be paid on the loan. The Bank will apply the accrued interest and principal balance, in this order, to offset any remaining losses. This will be considered a pay-down of the instrument.

The instrument does not have a maturity date. It is only payable if the Bank is dissolved or Bacen authorizes the repurchase of the instrument. If the Bank is dissolved, the payment of principal and interest is subordinated to payment of the Bank's other liabilities.

There will be no preferred interest on the loan under any circumstances, including in relation to other equity instruments included in Reference Equity.

Bacen formally approved the instrument as common equity in Tier I capital on September 22, 2014, under CMN Resolution 4,192/2013 from August 28, 2014. So the instrument mentioned was reclassified to the Shareholders` Equity for purposes of disclosure in the consolidated financial statements.

d) Revaluation reserves

The revaluation reserves, totaling R$ 2,678 thousand (R$ 2,730 thousand as of December 31, 2015 and R$ 2,747 thousand as of September 30, 2015), refer to revaluations of assets made by the associates/subsidiaries.

In the period from January 1, 2016 to September 30, 2016, there was a reserve realization of R$ 52 thousand (R$ 58 thousand In the period from January 1, 2015 to September 30, 2015), due to depreciation, transferred to Retained Earnings (Accumulated Losses), net of taxes. In accordance with CMN Resolution 3,565/2008, the remaining amount will be maintained until the date of its effective realization.

e) Capital and profit reserves

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Capital reserves	15,509	14,326	14,326
Profit reserves	25,409,076	29,031,090	25,809,320
Legal reserve	6,411,237	6,173,642	5,898,540
Statutory reserves	18,997,839	22,857,448	19,910,780
Operating margin	15,607,260	19,608,076	16,725,506
Equalization of dividends	3,390,579	3,249,372	3,185,274

The legal reserve ensures the adequacy of the Bank's capital structure and can only be used to offset losses or increase capital. Five percent of net income, before any other allocations, is transferred to the legal reserve. The amount of the reserve cannot exceed 20% of the share capital.

The operating margin statutory reserve ensures the adequacy of the Bank's operating margins in accordance with its business activities. The reserve consists of up to 100% of net income after allocation to legal reserve (including dividends) and is limited to 80% of the share capital.

The dividend equalization statutory reserve provides funds for the payment of dividends. The reserve consists of up to 50% of net income after allocation to legal reserve (including dividends) and is limited to 20% of the share capital.

f) Earnings per share

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Net income (R$ thousand)	2,219,241	3,014,754	6,971,156	11,621,215
Weighted average number of shares (basic and diluted)	2,784,757,945	2,794,596,340	2,788,498,467	2,795,613,950
Earnings per share (basic and diluted) (R$)	0.80	1.08	2.50	4.16

g) Interest on own capital/dividends and destination of the income

Introducing payment schedule of interest on own capital and dividends:

	Amount	Amount per share (R$)	Base date of payment	Payment date
1st quarter/2016				
Interest on own capital paid (1)	274,466	0.098	Mar 11, 2016	Mar 31, 2016
Complementary interest on own capital paid (1)	372,273	0.133	May 23, 2016	May 31, 2016
2nd quarter/2016				
Interest on own capital paid (1)	383,614	0.138	Jun 13, 2016	Sep 30, 2016
Complementary interest on own capital paid (1)	380,865	0.138	Aug 22, 2016	Aug 31, 2016
3rd quarter/2016				
Interest on own capital paid (1)	352,694	0.126	Sep 12, 2016	Sep 30, 2016
Complementary interest on own capital payable (1)	305,963	0.110	Nov 21, 2016	Nov 29, 2016
Total destined to shareholders	**2,069,875**	**0.743**		

(1) Amounts subject to the rate of 15% Income Withholding Tax.

	Amount	Amount per share (R$)	Base date of payment	Payment date
1st quarter/2015				
Interest on own capital paid (1)	1,054,134	0.377	Mar 23, 2015	Mar 31, 2015
Dividends paid	1,261,461	0.451	May 21, 2015	May 29, 2015
2nd quarter/2015				
Interest on own capital paid (1)	810,594	0.291	Jun 11, 2015	Sep 30, 2015
Complementary interest on own capital paid(1)	347,343	0.124	Aug 21, 2015	Sep 01, 2016
Dividends paid	39,046	0.014	Aug 21, 2015	Sep 01, 2015
3rd quarter/2015				
Interest on own capital paid (1)	743,037	0.266	Sep 11, 2015	Sep 30, 2015
Complementary interest on own capital payable (1)	476,981	0.171	Nov 23, 2015	Dec 02, 2015
Total destined to shareholders	**4,732,596**	**1.694**		

(1) Amounts subject to the rate of 15% Income Withholding Tax.

In accordance with Laws 9,249/1995 and 9,430/1996 and the Bank's Bylaws, Management decided on the payment of Interest on own capital to its shareholders.

The interest on own capital is calculated based on adjusted net equity value and is limited on a pro rata die basis to the variation of long-term interest rate, as long as there is profit (before the deduction of interest on own capital) or reserves for retained earnings and profit reserves of at least twice its value.

To comply with the Income Tax legislation, the amount of interest on own capital was recorded as "Financial expenses" and, for purposes of disclosure in these financial statements, reclassified to "Retained earnings". The total interest on own capital In the period from January 1, 2016 to September 30, 2016, provided an expense reduction on tax charges totaling R$ 296,396 thousand (R$ 1,433,837 thousand In the period from January 1, 2015 to September 30, 2015).

h) Reconciliation of net income and shareholders' equity

	Net income				Shareholders' equity		
	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Banco do Brasil	**2,219,241**	**3,014,754**	**6,971,156**	**11,621,215**	**74,597,333**	**70,673,370**	**72,411,410**
Instruments qualifying to common equity tier 1 capital (1)	20,193	35,291	66,420	210,273	8,100,000	8,100,000	8,100,000
Unrealized gains (2)	6,743	12,096	32,700	56,561	(332,575)	(365,275)	(314,244)
Non-controlling interests	--	--	--	--	3,359,381	3,128,078	3,617,282
BB Consolidated	**2,246,177**	**3,062,141**	**7,070,276**	**11,888,049**	**85,724,139**	**81,536,173**	**83,814,448**

(1) The Instrument Qualifying as CET1 was registered in the liabilities in the Individual Financial Statements and its interest recognized as expenses with securities sold under repurchase agreements, meanwhile, this Instrument was reclassified to Shareholder's Equity in the consolidated financial statements, aiming to improve the quality and transparency of these consolidated financial statements (Notes 3 and 23.c).

(2) Refers to the realization of unrealized results arising from the assignment of credits from the Bank to Ativos S.A.

i) Accumulated Other Comprehensive Income

	Jan 1 to Sep 30, 2016				Jan 1 to Sep 30, 2015			
	Opening balance	Net change	Tax effects	Closing balance	Opening balance	Net change	Tax effects	Closing balance
Securities available for sale								
Banco do Brasil	(2,760,383)	2,301,493	(578,457)	(1,037,347)	(757,714)	(2,100,322)	461,151	(2,396,885)
Subsidiary abroad	(12,780)	61,946	(798)	48,368	30,118	(27,082)	(36)	3,000
Associates and subsidiaries	(351,322)	386,870	(81,532)	(45,984)	(191,869)	(213,018)	113,677	(291,210)
Cash flow hedge								
Associates and subsidiaries	--	(18,249)	11,417	(6,832)	1,716	(2,600)	884	--
Actuarial gains/(losses) on pension plans	(13,918,186)	(4,856,506)	1,942,511	(16,832,181)	(8,680,091)	(3,884,108)	1,419,368	(11,144,831)
Total	**(17,042,671)**	**(2,124,446)**	**1,293,141**	**(17,873,976)**	**(9,597,840)**	**(6,227,130)**	**1,995,044**	**(13,829,926)**

j) Noncontrolling interests

	Shareholders' equity		
	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Banco Patagonia S.A.	774,703	1,006,300	1,270,377
Besc Distribuidora de Títulos e Valores Mobiliários S.A.	27	27	28
BB Tecnologia e Serviços S.A.	30	57	60
BB Seguridade S.A.	2,584,621	2,121,694	2,346,817
Non-controlling interest	**3,359,381**	**3,128,078**	**3,617,282**

k) Shareholdings (number of shares)

Number of shares issued by the Bank to shareholders which, directly or indirectly, hold more than 5% of the shares:

Sharedholders	Sep 30, 2016		Dec 31, 2015		Sep 30, 2015	
	Shares	% Total	Shares	% Total	Shares	% Total
Federal Government	1,558,511,715	54.4	1,653,379,882	57.7	1,653,379,882	57.7
Ministério da Fazenda	1,453,487,115	50.7	1,453,487,115	50.7	1,453,487,115	50.7
Fundo Fiscal de Investimento e Estabilização	105,024,600	3.7	105,024,600	3.7	105,024,600	3.7
Caixa F1 Garantia Construção Naval	--	--	87,368,167	3	87,368,167	3
Fundo Garantidor para Investimentos	--	--	7,500,000	0.3	7,500,000	0.3
Caixa de Previdência dos Funcionários do Banco do Brasil – Previ	284,019,914	9.9	297,403,914	10.4	297,403,914	10.4
Treasury shares [1]	80,666,497	2.8	72,864,196	2.5	72,864,196	2.5
Other shareholders	942,218,894	32.9	841,769,028	29.4	841,769,028	29.4
Total	**2,865,417,020**	**100**	**2,865,417,020**	**100**	**2,865,417,020**	**100**
Resident shareholders	2,281,306,997	79.6	2,259,949,653	78.9	2,245,788,437	78.4
Non resident shareholders	584,110,023	20.4	605,467,367	21.1	619,628,583	21.6

(1) Includes, on September 30, 2016, 50,100 shares of the Bank held by BB DTVM (42,709 shares on September 30, 2015 and December 31, 2015).

Number of shares issued by the Bank, held by the Board of Directors, the Executive Board and the Audit Committee:

	Commom shares (ON) [1]		
	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Board of Directors (except for Bank's CEO, listed in the Bank's Executive Committee)	144	1	1
Executive Committee	183,413	135,351	147,669
Fiscal Council	--	1,176	1,176
Audit Committee	10,075	10,075	10,075

(1) The shareholding interest of the Board of Directors, Executive Committee, Fiscal Council and Audit Committee represents approximately 0.007% of the Bank's capital stock.

l) Movement of shares outstanding/free float

	Sep 30, 2016		Dec 31, 2015		Sep 30, 2015	
	Total	%	Total	%	Total	%
Free float at the period date	1,139,037,581	39.8	1,137,407,279	39.7	1,137,423,479	39.7
Disposal of shares by Caixa F1 Garantia Construção Naval	87,368,167	--	--	--	--	--
Disposal of shares by FGO - Investimentos em ações	7,500,000	--	--	--	--	--
Disposal/(acquisition) of shares by Previ	--	--	--	--	(16,200)	--
Disposal of shares by FFIE - Fundo Fiscal de Investmento e Estabilização	--	--	5,625,400	--	5,625,400	--
Acquisition of shares - repurchase program	--	--	(4,183,700)	--	(4,183,700)	--
Shares received in order to comply with operations secured by the FGCN - Fundo Garantidor da Construção Naval	(8,075,350)	--	--	--	--	--
Other changes [1]	224,844	--	188,602	--	176,284	--
Free float at the period end date [2]	1,226,055,242	42.8	1,139,037,581	39.8	1,139,025,263	39.8
Outstanding shares	2,865,417,020	100.0	2,865,417,020	100.0	2,865,417,020	100.0

(1) Refers mainly to changes coming from Technical and Advisory Bodies.

(2) According to the Law 6,404/1976 and the regulation of BM&FBovespa's New Market, The shares held by the Board of Directors and Executive Committee are not included. The shares held by the Caixa de Previdência dos Funcionários do Banco do Brasil – Previ compose the free float shares.

m) Treasury shares

The Board of Directors approved a repurchase program for up to 50 million shares on July 13, 2012, within 180 days from that date, with the objective of acquiring shares to be held in treasury for subsequent sale or withdrawal without further capital reduction, aiming to generate value for shareholders. This program was concluded on January 8, 2013, with the acquisition of 20,200,000 shares in the amount of R$ 461,247 thousand. The minimum, average and maximum price per share under the program was R$ 18.28, R$ 22.83 e R$ 26.78 respectively.

The Board of Directors approved a repurchase program for up to 50 million shares on June 13, 2013. The conditions were the same as the previous program however, valid for up to 365 days from that date. The program concluded on June 6, 2014, with the acquisition of 43,126,700 shares in the amount of R$ 1,014,504 thousand. The minimum, average and maximum price per share under the program was R$ 18.84, R$ 23.52 and R$ 28.67 respectively.

The Board of Directors approved a repurchase program for up to 50 million shares on June 06, 2014. The conditions were the same as the previous program related to 2013. The program concluded on May 18, 2015, with the acquisition of 6,021,900 shares in the amount of R$ 155,481 thousand. The minimum, average and maximum price per share under the program was R$ 22.66, R$ 25.82 and R$ 29.27, respectively.

The Board of Directors approved a repurchase program of up to 50 million shares on May 18, 2015, under the same conditions as the previous program. Up to December 31, 2015, the Bank had acquired 3,623,700 shares in the amount of R$ 67,902 thousand. The minimum, average and maximum price per share under the program was R$ 17.90, R$ 18.74 and R$ 21.10, respectively.

The Bank had 80,666,497 shares in treasury on September 30, 2016, representing R$ 1,854,749 thousand, 71,879,909 of the shares were acquired in repurchase programs, 8,075,350 shares received in order to comply with operations secured by the FGCN - Fundo Garantidor da Construção Naval, 711,175 related to share-based payment and 63 shares were from mergers.

n) Share-based payment

The program of variable remuneration was based on the CMN Resolution 3,921 of November 25, 2010, which governs compensation policies for executives of financial institutions. The resolution establishes that at least 50% of variable compensation should be paid in shares or share-based instruments, of which at least 40% should be deferred for future payment over a period of at least three years, defined according to the risks and activities overseen by the executive, BB DTVM, as a result of this resolution, also adopted variable remuneration policy for its directors, directly acquiring treasury shares of the Banco do Brasil. All shares acquired are BBAS3 and its fair value is the quoted market price on the date of grant.

We present the statement of acquired shares, its distribution and its transfer schedule:

	Total Shares Purchased	Acquisition Average Cost	Shares Distributed	Shares to Distribute	Estimated Schedule Transfers
2012 program					
Banco do Brasil	212,301	26.78	159,238	53,063	Mar 2017
Total shares to be distributed				**53,063**	
BB DTVM	19,792	26.78	16,622	3,170	Mar 2017
Total shares to be distributed				**3,170**	
2013 program					
Banco do Brasil	353,800	20.36	212,328	70,736	Mar 2017
				70,736	Mar 2018
Total shares to be distributed				**141,472**	
BB DTVM	24,546	23.83	14,732	4,907	Apr 2017
				4,907	Apr 2018
Total shares to be distributed				**9,814**	
2014 program					
Banco do Brasil	316,683	24.08	126,720	63,321	Feb 2017
				63,321	Feb 2018
				63,321	Feb 2019
Total shares to be distributed				**189,963**	
BB DTVM	27,063	22.98	10,827	5,412	Apr 2017
				5,412	Apr 2018
				5,412	Apr 2019
Total shares to be distributed				**16,236**	
2015 program					
Banco do Brasil	342,240	19.92	70,592	67,912	Mar 2017
				67,912	Mar 2018
				67,912	Mar 2019
				67,912	Mar 2020
Total shares to be distributed				**271,648**	
BB DTVM	26,109	19.92	5,229	5,220	Mar 2017
				5,220	Mar 2018
				5,220	Mar 2019
				5,220	Mar 2020
Total shares to be distributed				**20,880**	

24 - TAXES

a) Breakdown of income tax (IR) and social contribution expenses (CSLL)

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Current values	**(1,950,831)**	**139,072**	**(7,269,290)**	**(5,490,479)**
Domestic income tax and social contribution	(1,837,646)	314,728	(6,930,031)	(5,045,531)
Foreign income tax	(113,185)	(175,656)	(339,259)	(444,948)
Deferred values	**1,038,809**	**7,235,475**	**3,852,762**	**11,763,545**
Deferred tax liabilities	**(184,864)**	**(764,635)**	**(122,440)**	**(1,238,657)**
Leasing transactions - portfolio adjustment and accelerated depreciation	(177)	--	(4,013)	808
Mark to Market (MTM)	(182)	(568,038)	424,803	(782,469)
Actuarial gains	--	(15,283)	109,855	(112,658)
Interest and inflation adjustment of fiscal judicial deposits	(115,380)	(105,505)	(335,072)	(278,725)
Foreign profits	(81,042)	(46,202)	(282,995)	(85,969)
Transactions carried out on the futures market	1,240	3,187	39,221	52,246
Recovered term credits	10,677	(32,794)	(74,239)	(31,890)
Deferred tax assets	**1,223,673**	**8,000,110**	**3,975,202**	**13,002,202**
Temporary differences [1]	1,186,896	7,406,444	3,224,381	12,250,306
Tax losses/CSLL negative bases	--	(237)	(121,588)	(165)
Mark to Market (MTM)	33,554	593,796	869,186	751,954
Transactions carried out on the futures market	3,223	107	3,223	107
Total	**(912,022)**	**7,374,547**	**(3,416,528)**	**6,273,066**

(1) Includes, in the 3rd quarter/2015, the amount of R$ 3,199,955 thousand related to the capitalization of tax credits resulting from the increase of CSLL rate (Law 13,169/2015).

b) Reconciliation of income tax and social contribution charges

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Profit before taxation and profit sharing	**3,858,167**	**(3,474,673)**	**12,640,627**	**8,442,578**
Total charges of IR (25%) and CSLL (15% up to August/2015 and 20% since September/2015) [1]	(1,736,175)	1,577,979	(5,688,282)	(3,188,921)
Charges upon interest on own capital	296,396	503,625	931,444	1,388,453
Equity in associates and joint ventures	479,005	451,565	1,430,849	1,369,549
Employee profit sharing	128,702	166,085	404,698	603,744
Other amounts [2]	(79,950)	4,675,293	(495,237)	6,100,241
Income tax and social contribution	**(912,022)**	**7,374,547**	**(3,416,528)**	**6,273,066**

(1) The Provisional Measure 675 of May 21, 2015, converted into Law 13,169 of October 6, 2015, increased the rate of CSLL of financial institutions and companies in the field of private insurance and capitalization from 15% to 20%, since September 1, 2015, increasing social contribution expenses, as well as corresponding tax credits.

(2) Includes, in the 3rd quarter/2015, the amount of R$ 3,199,955 thousand related to the capitalization of tax credits resulting from the increase of CSLL rate (Law 13,169/2015).

c) Tax expenses

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Cofins	(874,412)	(575,668)	(2,712,050)	(2,410,013)
ISSQN	(247,856)	(225,382)	(718,115)	(649,149)
PIS/Pasep	(146,914)	(95,286)	(452,759)	(420,346)
Other	(120,854)	(136,918)	(329,635)	(337,128)
Total	**(1,390,036)**	**(1,033,254)**	**(4,212,559)**	**(3,816,636)**

d) Deferred tax liabilities

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Arising from mark-to-market	1,201,029	1,314,159	1,151,641
Arising from interest and inflation adjustment of fiscal judicial deposits	534,725	498,412	486,308
Related to foreign profit	282,996	--	85,968
Arising from recovered term credits	282,633	208,394	215,700
Arising from leasing portfolio adjustment	87,045	83,032	79,550
Overseas entities	69,318	87,507	97,855
Arising from positive adjustments of benefits plans	62,493	61,284	66,734
Arising from futures market transactions	--	43,472	--
Other	2,032	2,032	59,230
Total deferred tax liabilities	**2,522,271**	**2,298,292**	**2,242,986**
Income tax	1,157,399	1,050,205	1,001,781
Social contribution	791,302	694,446	713,997
Cofins	493,394	476,250	453,512
PIS/Pasep	80,176	77,391	73,696

e) Deferred tax assets (Tax credit)

	Dec 31, 2015	Jan 1 to Sep 30, 2016		Sep 30, 2016	Sep 30, 2015
	Balance	Constitution	Write off	Balance	Balance
Temporary differences	38,432,357	17,287,926	(11,780,883)	43,939,400	36,642,234
Allowance for loan losses	22,608,880	10,310,494	(8,172,065)	24,747,309	21,797,451
Provisions	8,994,864	2,539,132	(1,529,696)	10,004,300	9,931,004
Negative adjustments of benefits plans	2,953,170	2,126,813	(289,088)	4,790,895	1,221,057
Mark to Market (MTM)	2,217,768	1,041,145	(1,702,143)	1,556,770	2,251,034
Other provisions	1,657,675	1,270,342	(87,891)	2,840,126	1,441,688
CSLL written to 18% (MP 2,158/2001)	1,255,978	--	(728,565)	527,413	1,255,978
Tax losses/excess depreciation	155,100	--	(27,564)	127,536	162,630
Tax losses/negative bases	152,047	32,457	(122,315)	62,189	3,384
Total deferred tax assets	**39,995,482**	**17,320,383**	**(12,659,327)**	**44,656,538**	**38,064,226**
Income tax	21,895,424	9,801,936	(6,216,120)	25,481,240	20,569,108
Social contribution	17,894,105	7,414,009	(6,274,397)	19,033,717	17,286,915
Cofins	177,165	89,839	(145,213)	121,791	179,099
PIS/Pasep	28,788	14,599	(23,597)	19,790	29,104

f) Deferred tax assets (Tax credit - not recorded)

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Overseas tax credits	1,080,536	1,168,990	1,213,015
Portion of tax losses/negative bases	3,364	--	--
Temporary differences	123	--	--
Total tax credits	**1,084,023**	**1,168,990**	**1,213,015**
Income tax	677,898	730,619	758,134
Social contribution	406,125	438,371	454,881

Realization expectative

The expectation of realization of the deferred tax assets (tax credits) is based on a technical study, prepared in June 30, 2016, and the present value is determined based on the average rate of funding of Banco do Brasil.

	Future value	Present value
In 2016	3,881,332	3,394,030
In 2017	7,179,423	6,249,201
In 2018	7,189,222	5,987,221
In 2019	7,296,555	5,773,425
In 2020	7,578,454	5,756,792
In 2021	7,354,640	5,431,035
In 2022	3,029,847	2,152,305
In 2023	176,318	50,798
In 2024	64,446	7,368
In 2025	85,984	30,510
In 2026	16,885	9,721
Total tax credits on Jun 30, 2016	**43,853,106**	**34,842,406**

In the period from January 01 to September 30, 2016 it was possible to observe the realization of tax credits at Banco do Brasil, in the amount of R$ 12,100,766 thousand corresponding to 178.77% of the projection of use for the period of 2016 contained in the technical study prepared on December 31, 2015.

The realization of the nominal value of tax credits registered, considering the recovery of those written-off during the lawsuits (Note 27.h), based on a technical study conducted by Banco do Brasil on June 30, 2016, is projected for 10 years in the following proportions:

	Tax losses/CSLL recoverable (1)	Diferences intertemporary (2)
In 2016	15%	8%
In 2017	10%	16%
In 2018	4%	16%
In 2019	10%	17%
In 2020	17%	17%
From 2021	44%	26%

(1) Projected consumption linked to the capacity to generate IR and CSLL taxable amounts in subsequent periods.
(2) The consumption capacity results from the movements of provisions (expectation of reversals, write offs and uses).

25 - RELATED PARTY TRANSACTIONS

Salaries and other benefits paid the Bank's key management personnel (Executive Board, Audit Committee, Board of Directors and Fiscal Council) are as follows:

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Short-term benefits	**9,295**	**9,592**	**37,046**	**37,833**
Fees and social charges	8,411	8,639	27,253	28,792
Executive Board	7,479	7,896	24,506	26,552
Audit Committee	691	491	2,036	1,557
Board of Directors	132	148	391	383
Fiscal council	109	104	320	300
Variable remuneration (cash) and social charges	--	--	7,444	6,669
Other (1)	884	953	2,349	2,372
Benefits motivated by cessation of tenure	**291**	**--**	**781**	**--**
Share-based payment benefits	**--**	**--**	**7,260**	**5,889**
Total	**9,586**	**9,592**	**45,087**	**43,722**

(1) Includes contributions to pension plan and complementary healthy plan, housing and relocation benefits, group insurance, among others.

The Bank's variable compensation policy (developed in accordance with CMN Resolution 3,921/2010) requires variable compensation for the Executive Directors to be paid partially in shares (Note 23.n).

The Bank does not offer post-employment benefits to its key management personnel, except for those who are part of the staff of the Bank.

Bacen prohibits all financial institutions from granting loans to key management personnel.

The transactions between the consolidated companies are eliminated in the consolidated financial statements. In relation to transactions with entities controlled by the Tesouro Nacional (National Treasury) by joint control or significant influence.

The most important transactions involving the National Treasury include rural loans granted by the Bank under CMN Resolution 2,238/1996 and receivables from the National Treasury for interest rate equalization under Federal Government programs (Law 8,427/1992). Interest rate equalization represents an economic subsidy for rural credit, which provides borrowers with discounted interest rates compared to the Bank's normal funding costs (including administrative and tax expenses). The equalization payment is updated by the Selic rate in accordance with the National Treasury's budgeting process (as defined by law) and is designed to preserve the Bank's earnings.

Intercompany transactions with these related parties consist of interest bearing and non-interest bearing deposits loans, sale and repurchase transactions, acquisitions of loan portfolios, provision of services and guarantees.

These transactions are conducted under normal market conditions. The terms and conditions reflect comparable transactions with unrelated parties (including interest rates and collateral requirements). These transactions do not involve unusual payment risks.

The resources applied in federal government securities and in funds and programs from onlendings of the Official Institutions are listed in Notes 8 and 18, respectively.

Fundação Banco do Brasil (FBB) promotes, encourages and sponsors actions in the areas of education, culture, health, social welfare, recreation and sports, science, technology and community development. In the period from January 1 to September 30, 2016, the Bank's contributions to FBB totaled R$ 46,504 thousand (R$ 45,668 thousand in the period from January 1 to September 30, 2015).

The Bank transferred contractual rights to the receipt of interchanges fees on post-paid payment transactions and debit purchases to BB Elo Cartões Participações S.A. (a wholly-owned subsidiary). This transfer did not have any accounting implications and was designed to support the formation of a strategic partnership with Cielo (Note 2).

Additional information about the Bank's contributions and other transactions with sponsored entities is contained in Note 26.

Acquisition of portfolio of loans transferred by Banco Votorantim

	Sep 30, 2016	Sep 30, 2015
Assignment with substantial retention of risks and rewards (with co-obligation)	4,922,158	8,168,843
Unrealized result, net of tax effects (balance)	696	14,815

Summary of related party transactions

	Sep 30, 2016				
	Controller (1)	Joint ventures and associates(2)	Key management personnel (3)	Other related parties (4)	Total
Assets					
Interbank deposits	--	451,293	--	--	451,293
Securities	--	3,417,514	--	497,654	3,915,168
Loan operations	--	13,739,474	--	32,276,589	46,016,063
Receivables from related companies	--	247,515	--	14,191	261,706
Other assets (5)	3,505,301	719,850	--	223,706	4,448,857
Liabilities					
Demand deposits	327,843	208,560	779	1,603,865	2,141,047
Saving deposits	--	--	907	323,345	324,252
Remunerated time deposits	--	5,384	278	10,858,022	10,863,684
Securities sold under repurchase agreements	--	7,847,709	--	3,028,863	10,876,572
Borrowings and onlendings	2,559,808	--	--	82,518,066	85,077,874
Other liabilities	234,244	1,335,999	--	704,443	2,274,686
Guarantees and other coobligations (6)	--	6,800,000	--	664,963	7,464,963
	3rd quarter/2016				
Income from interest, services and other income	1,747,439	1,885,833	--	1,228,814	4,862,086
Expenses from raising funds	(27,519)	(166,488)	(74)	(1,518,903)	(1,712,984)
	Jan 1 to Sep 30, 2016				
Income from interest, services and other income	4,627,133	5,863,004	--	3,556,361	14,046,498
Expenses from raising funds	(77,241)	(367,691)	(226)	(4,382,367)	(4,827,525)

(1) National Treasury and agencies under the direct administration of the Federal Government.

(2) Companies are listed in Note 3.b.

(3) Board of Directors, Executive Board, Audit Committee and Fiscal Council.

(4) Includes the most significant transactions with state-owned companies and private companies controlled by the Federal Government, such as: Petrobras, CEF, BNDES, Eletrobras, Fundo de Amparo ao Trabalhador – FAT, Fundo de Aval para Geração de Emprego e Renda – Funproger. In addition, entities linked to employees and sponsored entities: Cassi, Previ and others.

(5) The transactions with the Controller refer mainly to Extension of rural credits – National Treasury transactions (Note 11.a), interest rate equalization – agricultural crop and receivables – National Treasury (Note 11.b).

(6) Includes Contract of Opening of a Revolving Interbank Credit Line with Banco Votorantim.

	Sep 30, 2015				
	Controller [1]	Joint ventures and associates[2]	Key management personnel [3]	Other related parties [4]	Total
Assets					
Interbank deposits	--	966,369	--	--	966,369
Securities	--	3,441,848	--	--	3,441,848
Loan operations	--	16,747,260	--	32,142,542	48,889,802
Receivables from related companies	--	33,200	--	113	33,313
Other assets [5]	15,852,991	1,860,505	--	255,578	17,969,074
Liabilities					
Demand deposits	331,981	141,907	2,020	3,211,386	3,687,294
Saving deposits	--	--	3,220	272,839	276,059
Remunerated time deposits	--	676,193	359	16,007,396	16,683,944
Securities sold under repurchase agreements	--	6,821,716	--	3,211,792	10,033,508
Borrowings and onlendings	2,430,597	--	--	88,114,647	90,545,244
Other liabilities	487,054	1,167,478	--	258,904	1,913,436
Guarantees and other coobligations [6]	--	6,800,000	--	--	6,800,000
	3rd quarter/2015				
Income from interest, services and other income	2,133,445	1,987,185	--	1,069,192	5,189,822
Expenses from raising funds	(29,386)	(36,654)	(71)	(1,644,818)	(1,710,929)
	Jan 1 to Sep 30, 2015				
Income from interest, services and other income	6,003,197	17,040,309	--	2,715,412	25,758,918
Expenses from raising funds	(73,125)	(87,613)	(274)	(4,843,043)	(5,004,055)

(1) National Treasury and agencies under the direct administration of the Federal Government.

(2) Companies are listed in Note 3.b.

(3) Board of Directors, Executive Board, Audit Committee and Fiscal Council.

(4) Includes the most significant transactions with state-owned companies and private companies controlled by the Federal Government, such as: Petrobras, CEF, BNDES, Eletrobras, Fundo de Amparo ao Trabalhador – FAT, Fundo de Aval para Geração de Emprego e Renda – Funproger. In addition, entities linked to employees and sponsored entities: Cassi, Previ and others.

(5) The transactions with the Controller refer mainly to Extension of rural credits – National Treasury transactions (Note 11.a), interest rate equalization – agricultural crop and receivables – National Treasury (Note 11.b).

(6) Includes Contract of Opening of a Revolving Interbank Credit Line with Banco Votorantim.

26 - EMPLOYEE BENEFITS

Banco do Brasil sponsors the following pension and health insurance plans for its employees:

	Plans	Benefits	Classification
Previ - Caixa de Previdência dos Funcionários do Banco do Brasil	Previ Futuro	Retirement and Pension	Defined contribution
	Plano de Benefícios 1	Retirement and Pension	Defined benefit
	Plano Informal	Retirement and Pension	Defined benefit
Cassi - Caixa de Assistência dos Funcionários do Banco do Brasil	Plano de Associados	Health Care	Defined benefit
Economus – Instituto de Seguridade Social	Prevmais	Retirement and Pension	Variable contribution
	Regulamento Geral	Retirement and Pension	Defined benefit
	Regulamento Complementar 1	Retirement and Pension	Defined benefit
	Grupo B'	Retirement and Pension	Defined benefit
	Plano Unificado de Saúde - PLUS	Health Care	Defined benefit
	Plano Unificado de Saúde - PLUS II	Health Care	Defined benefit
	Plano de Assistência Médica Complementar - PAMC	Health Care	Defined benefit
Fusesc - Fundação Codesc de Seguridade Social	Multifuturo I	Retirement and Pension	Variable contribution
	Plano de Benefícios I	Retirement and Pension	Defined benefit
SIM - Caixa de Assistência dos Empregados dos Sistemas Besc e Codesc, do Badesc e da Fusesc	Plano de Saúde	Health Care	Defined contribution
Prevbep - Caixa de Previdência Social	Plano BEP	Retirement and Pension	Defined benefit

Number of participants covered by benefit plans sponsored by the Bank

	Sep 30, 2016			Dec 31, 2015			Sep 30, 2015		
	Number of participants			Number of participants			Number of participants		
	Active	Retired/users	Total	Active	Retired/users	Total	Active	Retired/users	Total
Retirement and pension plans	**113,156**	**109,842**	**222,998**	**112,847**	**110,020**	**222,867**	**112,670**	**110,164**	**222,834**
Plano de Benefícios 1 - Previ	18,169	92,358	110,527	18,658	92,582	111,240	18,769	92,639	111,408
Plano Previ Futuro	79,020	1,056	80,076	78,340	942	79,282	78,029	913	78,942
Plano Informal	--	3,385	3,385	--	3,472	3,472	--	3,593	3,593
Other plans	15,967	13,043	29,010	15,849	13,024	28,873	15,872	13,019	28,891
Health care plans	**113,913**	**99,555**	**213,468**	**113,952**	**99,783**	**213,735**	**113,990**	**99,940**	**213,930**
Cassi	101,576	92,352	193,928	101,528	92,515	194,043	101,538	92,658	194,196
Other plans	12,337	7,203	19,540	12,424	7,268	19,692	12,452	7,282	19,734

Bank's contributions to benefit plans

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Retirement and pension plans	**330,132**	**300,642**	**1,007,065**	**932,351**
Plano de Benefícios 1 - Previ (1)	130,554	121,532	398,295	386,216
Plano Previ Futuro	127,682	111,326	384,577	328,852
Plano Informal	38,341	38,008	126,938	124,856
Other plans	33,555	29,776	97,255	92,427
Health care plans	**288,072**	**267,797**	**880,538**	**767,729**
Cassi	246,116	233,480	767,481	671,702
Other plans	41,956	34,317	113,057	96,027
Total	**618,204**	**568,439**	**1,887,603**	**1,700,080**

(1) Refers to the contributions relating to participants subject to Agreement 97 and Plan 1, whereby these contributions occur by the realization of Fundo Paridade and Fundo de Utilização (Note 26.f). Agreement 97 aims to regulate the funding required to constitute a portion equivalent to 53.7% of guaranteed amount relating to the supplementary pension due to the participants who joined the Bank up to April 14, 1967 and who have retired or will retire after the aforementioned date, except for those participants who are part of the Plano Informal.

The Bank estimates that contributions to benefit plans (post-employment) in the second half of 2016 will be approximately R$ 757,327 thousand.

Values recognized in income

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Retirement and pension plans	**(401,401)**	**(137,396)**	**(1,032,933)**	**(228,224)**
Plano de Benefícios 1 - Previ	(198,513)	40,070	(418,224)	317,929
Plano Previ Futuro	(127,682)	(111,326)	(384,577)	(328,852)
Plano Informal	(37,430)	(31,836)	(124,076)	(102,071)
Other plans	(37,776)	(34,304)	(106,056)	(115,230)
Health care plans	**(383,514)**	**(335,276)**	**(1,183,570)**	**(988,423)**
Cassi	(345,805)	(303,306)	(1,075,720)	(895,524)
Other plans	(37,709)	(31,970)	(107,850)	(92,899)
Total	**(784,915)**	**(472,672)**	**(2,216,503)**	**(1,216,647)**

a) Retirement and pension plans

Previ Futuro (Previ)

Participants in this plan include Bank employees hired after December 24, 1997. Depending on time of service and salary, active participants may contribute between 7% and 17% of their salary (retired participants do not contribute). The plan sponsor matches participants' contributions up to 14% of their salaries.

Plano de Benefícios 1 (Previ)

Participants in this plan include Bank employees hired prior to December 23, 1997. Active and retired participants may contribute between 1.8% and 7.8% of their salary or pension.

Prior to December 15, 2000, the Bank contributed 2/3 of the total amount to this plan. As from December 16, 2000, considering the Federal Constitutional Amendment nº 20, the Bank and the participants started to make equal contributions. As a result of this contributive parity, the Parity Fund was set-up in December 2000, and its funds are being used to offset the Bank's contributions (Note 26.f).

Plano Informal (Previ)

Banco do Brasil is fully responsible for this plan. The Bank's contractual obligations include to:

(i) providing retirement benefits to the initial group of participants and pension payments to the beneficiaries of participants who died prior to April 14, 1967;

(ii) paying additional retirement benefits to plan participants who retired prior to April 14, 1967, or had the right to retire based on time of service and at least 20 years of service with the Bank; and

(iii) increasing retirement and pension benefits due to judicial and administrative decisions related to changes in the Bank's career, salary and incentive plans (in excess of the plan's original benefits).

The Bank and Previ formalized an agreement on December 31, 2012. Under the agreement, Banco do Brasil paid 100% of the mathematical reserves for the so-called Grupo Especial (for which it was fully liable) using funds from the Fundo Paridade. As a result, this group migrated from the Plano Informal to Plano de Benefícios 1. The Grupo Especial included participants from Plano de Benefícios 1 (Previ) listed in the paragraph of first clause of the contract signed on December 24, 1997. These participants received additional retirement benefits due to administrative and/or judicial decisions (Note 26.f).

Prevmais (Economus)

Participants in this plan include employees of Banco Nossa Caixa (a bank acquired by Banco do Brasil on November 30, 2009) who enrolled after August 01, 2006, or were part of the Regulamento Geral benefit plan and opted to receive their vested account balances. The sponsor and participants make equal contributions, which may not exceed 8% of participants' salaries. The plan provides additional risk coverage, including supplemental health, work-related accident, disability and death benefits.

Regulamento Geral (Economus)

Participants in this plan include employees of Banco Nossa Caixa who enrolled prior to July 31, 2006. This plan is closed to new members. The sponsor and participants contribute equally, averaging 12.11% of participants' salaries.

Regulamento Complementar 1 (Economus)

Participants in this plan include employees of Banco Nossa Caixa. This plan offers supplemental health benefits and annuities upon death or disability. The sponsor, participants and retired/other beneficiaries fund the plan.

Grupo B' (Economus)

Participants in this plan include employees of Banco Nossa Caixa admitted between January 22, 1974, and May 13, 1974, and their beneficiaries. This plan is closed to new members. Benefit levels are based on the fulfillment of certain conditions outlined in the plan regulation.

Multifuturo I (Fusesc)

Participants in this plan include employees of the State Bank of Santa Catarina – Besc (acquired by Banco do Brasil on September 30, 2008) who enrolled after January 12, 2003, or were part of the Plano de Benefícios I (Fusesc) and chose to participate in this plan. Participants may contribute from 2.33% to 7% of their salaries. The plan sponsor matches these contributions.

Plano de Benefícios I (Fusesc)

Participants in this plan include employees of Besc who enrolled prior to January 11, 2003. This plan is closed to new members. The sponsor and participants contribute equally, averaging 9.89% of participants' salaries.

Plano BEP (Prevbep)

Participants in this plan include employees of the State Bank of Piauí – BEP (acquired by Banco do Brasil on November 30, 2008). The sponsor and participants contribute equally, averaging 3.58% of participants' salaries.

b) Health Care Plans

Plano de Associados (Cassi)

The Bank sponsors a health care plan managed by Cassi. The plan covers health care services related to prevention, protection, recovery and rehabilitation for participants and their beneficiaries. Each month, the Bank contributes 4.5% of participants' salaries or pension benefits. Monthly contributions by participants and pensioners total 3% of their salary or pension, in addition to copayments for certain hospital procedures.

Plano Unificado de Saúde - PLUS (Economus)

Participants in this plan include employees from Banco Nossa Caixa. Participation in this plan requires a direct payroll deduction of 1.5%, providing coverage for employees and certain preferred dependents. An additional 10% copayment is required for each medical visit and low-cost exam performed by employees and their dependents (both preferred and non-preferred).

Plano Unificado de Saúde - PLUS II (Economus)

Participants in this plan include employees from Banco Nossa Caixa. Participation in this plan requires a direct payroll deduction of 1.5%, providing coverage for employees and certain preferred dependents. An additional 10% copayment is required for each medical visit and low-cost exam performed by employees and their dependents and adult children. This plan does not cover non-preferred dependents.

Plano de Assistência Médica Complementar - PAMC (Economus)

Participants in this plan include employees of Banco Nossa Caixa located in the state of São Paulo. The plan serves disabled employees under the Complementar and Regulamento Geral and their dependents. Participant costs vary based on usage and in accordance with a progressive salary table.

Plano de Saúde (SIM)

Participants in this plan include employees of Besc and other sponsors of the plan (including Badesc, Codesc, Bescor, Fusesc and SIM). For active members, monthly contributions total 3.44% of salary, including their 13th salary. For inactive members, monthly contributions total 8.86% of salary, while the plan sponsors contribute 5.42%. Beneficiaries also contribute 0.75% per dependent. The plan requires a copayment for ambulatory care procedures.

c) Risk factors

The Bank may need to make unplanned contributions to Previ, Economus, Fusesc and Prevbep, which could negatively affect operating income.

Determination of the Bank's obligations to these entities is based on long-term actuarial and financial estimates and the application and interpretation of current regulatory standards. Inaccuracies inherent to the estimation process could result in differences between recorded amounts and the actual obligations in the future. This could have a negative impact on the Bank's operating results.

d) Actuarial valuations

Actuarial evaluations are performed every six months. The information contained in the below tables refers to the calculations at June 30, 2016, December 31, 2015 and June 30, 2015.

d.1) Changes in present value of defined benefit actuarial obligations

	Plano 1 - Previ			Plano Informal - Previ			Plano de Associados - Cassi			Other plans		
	1st half/2016	2015	1st half/2015	1st half/2016	2015	1st half/2015	1st half/2016	2015	1st half/2015	1st half/2016	2015	1st half/2015
Opening balance	**(121,329,915)**	**(122,884,677)**	**(122,884,677)**	**(909,280)**	**(920,380)**	**(920,380)**	**(6,248,098)**	**(5,830,331)**	**(5,830,331)**	**(6,301,921)**	**(6,428,867)**	**(6,428,867)**
Interest cost	(9,095,589)	(15,217,436)	(7,468,633)	(66,578)	(111,770)	(55,620)	(491,828)	(731,014)	(356,192)	(470,692)	(768,894)	(391,616)
Current service cost	(224,731)	(428,722)	(212,439)	--	--	--	(39,524)	(95,421)	(46,337)	(14,451)	(34,274)	(18,284)
Past service cost	--	--	--	(20,068)	(29,609)	(14,614)	--	--	--	--	--	--
Benefits paid net of retirees contributions	5,178,484	9,432,737	4,496,005	88,597	180,547	86,848	322,802	564,759	248,533	263,619	514,118	226,981
Remeasurements of actuarial gain/(losses)	(14,235,442)	7,768,183	(3,972,084)	(79,526)	(28,068)	(58,871)	(1,062,240)	(156,091)	(334,409)	(328,670)	415,996	270,336
Experience adjustment	(1,566,291)	(198,997)	(2,188,038)	(24,296)	(35,065)	(63,767)	(379,749)	(616,729)	(232,114)	506,886	(183,233)	335,122
Changes to biometric assumptions	--	(2,626,460)	--	--	(44,338)	--	--	(125,433)	--	(64,339)	1,243	1,176
Changes to financial assumptions	(12,669,151)	10,593,640	(1,784,046)	(55,230)	51,335	4,896	(682,491)	586,071	(102,295)	(771,217)	597,986	(65,962)
Closing balance	**(139,707,193)**	**(121,329,915)**	**(130,041,828)**	**(986,855)**	**(909,280)**	**(962,637)**	**(7,518,888)**	**(6,248,098)**	**(6,318,736)**	**(6,852,115)**	**(6,301,921)**	**(6,341,450)**
Present value of actuarial liabilities with surplus	(129,888,116)	(118,378,747)	(130,041,828)	--	--	--	--	--	--	(5,595,762)	(5,394,014)	(5,306,059)
Present value of actuarial liabilities without surplus	(9,819,077)	(2,951,168)	--	(986,855)	(909,280)	(962,637)	(7,518,888)	(6,248,098)	(6,318,736)	(1,256,353)	(907,907)	(1,035,391)

d.2) Changes in fair value of plan assets

	Plano 1 - Previ			Plano Informal - Previ			Plano de Associados - Cassi			Other plans[1]		
	1st half/2016	2015	1st half/2015	1st half/2016	2015	1st half/2015	1st half/2016	2015	1st half/2015	1st half/2016	2015	1st half/2015
Opening balance	**118,378,747**	**135,145,646**	**135,145,646**	**--**	**--**	**--**	**--**	**--**	**--**	**5,394,014**	**5,115,870**	**5,115,870**
Interest income	8,880,898	16,362,156	8,236,790	--	--	--	--	--	--	405,153	627,308	311,455
Contributions received	267,742	549,275	264,684	88,597	180,547	86,848	322,802	564,759	248,533	79,768	156,514	69,444
Benefits paid net of retirees contributions	(5,178,484)	(9,432,737)	(4,496,005)	(88,597)	(180,547)	(86,848)	(322,802)	(564,759)	(248,533)	(263,619)	(514,118)	(226,981)
Actuarial gain/(loss) on plan assets	7,539,213	(24,245,593)	(3,045,960)	--	--	--	--	--	--	(19,554)	8,440	36,271
Closing balance	**129,888,116**	**118,378,747**	**136,105,155**	**--**	**--**	**--**	**--**	**--**	**--**	**5,595,762**	**5,394,014**	**5,306,059**

(1) Refers to the following plans: Regulamento Geral (Economus), Prevmais (Economus), Regulamento Complementar 1 (Economus), Multifuturo I (Fusesc), Plano I (Fusesc) and Plano BEP (Prevbep).

d.3) Amounts recognized in the balance sheet

	Plano 1 - Previ			Plano Informal - Previ			Plano de Associados - Cassi			Other plans		
	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
1) Fair value of the plan assets	129,888,116	118,378,747	136,105,155	--	--	--	--	--	--	5,595,762	5,394,014	5,306,059
2) Present value of actuarial liabilities	(139,707,193)	(121,329,915)	(130,041,828)	(986,855)	(909,280)	(962,637)	(7,518,888)	(6,248,098)	(6,318,736)	(6,852,115)	(6,301,921)	(6,341,450)
3) Surplus/(deficit) (1+2)	(9,819,077)	(2,951,168)	6,063,327	(986,855)	(909,280)	(962,637)	(7,518,888)	(6,248,098)	(6,318,736)	(1,256,353)	(907,907)	(1,035,391)
4) Surplus/(deficit) - plot sponsor	(4,909,538)	(1,475,583)	3,031,664	(986,855)	(909,280)	(962,637)	(7,518,888)	(6,248,098)	(6,318,736)	(944,412)	(711,040)	(780,372)
5) Amounts recognized in profit [1]	(198,513)	--	40,070	(37,430)	--	(31,836)	(247,890)	--	(211,953)	(29,543)	--	(27,147)
6) Amounts received from funds (Note 26.f) [1]	130,554	--	121,532	--	--	--	--	--	--	--	--	--
7) Benefits paid [1]	--	--	--	38,342	--	38,008	148,201	--	142,127	29,568	--	24,965
8) Net acturial (liability)/asset (4+5+6+7) [2]	**(4,977,497)**	**(1,475,583)**	**3,193,266**	**(985,943)**	**(909,280)**	**(956,465)**	**(7,618,577)**	**(6,248,098)**	**(6,388,562)**	**(944,387)**	**(711,040)**	**(782,554)**

(1) Changes occurred after the actuarial valuation from June.
(2) Refers to the portion of the surplus/(deficit) due from the sponsor.

d.4) Maturity profile of defined benefit actuarial obligations

	Duration[1]	Expected benefit payments[2]				
		Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Plano 1 (Previ)	8.41	5,973,597	11,928,402	34,975,111	206,128,995	259,006,105
Plano Informal (Previ)	4.95	82,346	147,703	352,454	729,774	1,312,277
Plano de Associados (Cassi)	9.00	319,313	632,491	1,845,764	12,688,910	15,486,478
Regulamento Geral (Economus)	9.23	206,152	417,565	1,267,570	9,304,954	11,196,241
Regulamento Complementar 1 (Economus)	11.06	1,136	2,421	8,234	98,188	109,979
Plus I e II (Economus)	5.94	27,210	50,372	128,923	376,762	583,267
Grupo B' (Economus)	8.10	7,056	14,024	41,370	228,219	290,669
Prevmais (Economus)	10.93	9,142	18,496	55,978	608,765	692,381
Multifuturo I (Fusesc)	9.31	2,611	5,181	15,273	112,053	135,118
Plano I (Fusesc)	7.15	24,901	48,525	137,279	579,854	790,559
Plano BEP (Prevbep)	9.37	2,003	4,420	14,736	110,883	132,042

(1) Weighted average duration, in years, of the defined benefit actuarial obligation.
(2) Amounts considered without discounting at present value.

d.5) Breakdown of the amounts recognized in statement of income relating to defined benefit plans

	Plano 1 - Previ			Plano Informal - Previ			Plano de Associados - Cassi			Other plans		
	3rd quarter/2016	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015	3rd quarter/2016	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015	3rd quarter/2016	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015	3rd quarter/2016	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Current service cost	(57,690)	(170,055)	(160,290)	--	--	--	(23,105)	(62,629)	(70,879)	(3,041)	(10,283)	(13,164)
Interest cost	(1,993,427)	(6,541,221)	(5,671,518)	(27,579)	(94,157)	(83,696)	(224,785)	(716,613)	(543,603)	(106,310)	(360,242)	(313,383)
Expected yield on plan assets	1,852,604	6,293,052	6,149,737	--	--	--	--	--	--	79,808	282,009	234,244
Unrecognized past service cost	--	--	--	(9,851)	(29,919)	(18,375)	--	--	--	--	--	--
Expense with active employees	--	--	--	--	--	--	(97,915)	(296,478)	(281,042)	(45,942)	(128,837)	(113,802)
Other adjustments/reversals	--	--	--	--	--	--	--	--	--	--	3,447	(2,024)
(Expense)/income recognized in the Statement of income	**(198,513)**	**(418,224)**	**317,929**	**(37,430)**	**(124,076)**	**(102,071)**	**(345,805)**	**(1,075,720)**	**(895,524)**	**(75,485)**	**(213,906)**	**(208,129)**

d.6) Composition of the plan assets

	Plano 1 - Previ			Other plans		
	Jun 30, 2016	Dec 31, 2015	Jun 30, 2015	Jun 30, 2016	Dec 31, 2015	Jun 30, 2015
Fixed income	55,618,091	49,198,207	48,793,698	4,692,337	4,827,283	4,707,270
Floating income [1]	59,683,589	55,353,902	73,170,131	294,664	131,884	206,671
Real estate investments	8,728,481	8,203,647	8,288,804	211,968	205,422	167,583
Loans and financing	5,117,592	4,770,664	4,899,786	97,135	104,914	107,094
Other	740,363	852,327	952,736	299,658	124,511	117,441
Total	**129,888,116**	**118,378,747**	**136,105,155**	**5,595,762**	**5,394,014**	**5,306,059**
Amounts listed in fair value of plan assets						
In the entity's own financial instruments	8,516,001	7,887,153	10,792,928	23,270	22,087	22,825
In properties or other assets used by the entity	150,823	152,194	153,568	8,996	9,168	7,443

(1) Includes, in Plano de Benefícios 1 from Previ, the amount of R$ 23,151,174 thousand (R$ 20,521,220 thousand on December 31, 2015 and R$ 25,534,844 thousand on June 30, 2015), related to the assets that are not quoted in active markets.

d.7) Main actuarial assumptions adopted

	Plano 1 - Previ			Plano Informal - Previ			Plano de Associados - Cassi			Other plans		
	Jun 30, 2016	Dec 31, 2015	Jun 30, 2015	Jun 30, 2016	Dec 31, 2015	Jun 30, 2015	Jun 30, 2016	Dec 31, 2015	Jun 30, 2015	Jun 30, 2016	Dec 31, 2015	Jun 30, 2015
Inflation rate (p.a.)	5.44%	7.96%	5.95%	5.54%	8.10%	5.93%	5.43%	7.97%	5.97%	5.44%	7.94%	5.96%
Real discount rate (p.a.)	6.20%	7.35%	6.18%	6.18%	7.37%	6.33%	6.20%	7.28%	6.14%	6.20%	7.35%	6.17%
Nominal rate of return on investments (p.a.)	11.98%	15.90%	12.50%	--	--	--	--	--	--	11.98%	15.88%	12.50%
Real rate of expected salary growth (p.a.)	1.01%	1.01%	1.01%	--	--	--	--	--	--	0.95%	0.88%	0.73%
Actuarial life table	Soft AT-2000 (reduced by 10%)		AT-2000	Soft AT-2000 (reduced by 10%)		AT-2000	Soft AT-2000 (reduced by 10%)		AT-2000	AT-2000		
Capitalization method	Projected credit unit			Projected credit unit			Projected credit unit			Projected credit unit		

In order to determine the values for the defined benefit plans, the Bank uses methods and assumptions different from those submitted by the entities sponsored.

CPC 33 (R1) prescribes the accounting, as well as the effects that occurred or that will occur in the entities that sponsor employee benefits plans. However, the sponsored entities themselves must comply with the rules issued by the Ministério da Previdência Social, through the Conselho Nacional de Previdência Complementar (CNPC) and the Superintendência Nacional de Previdência Complementar (Previc). The most significant differences are in the definition of the assumptions used in Plano 1 – Previ.

d.8) Differences in assumptions of the Plano 1 - Previ

	Bank	Previ
Real discount rate (p.a.)	6.20%	5.00%
Evaluation of assets - exclusive funds	Market value or discounted cash flow	Discounted cash flow
Capitalization method	Projected credit unit	Aggregate method

d.9) Reconciliation of amounts calculated in Plan 1 - Previ/Bank

	Plan assets			Actuarial liabilities			Effect in surplus/(deficit)		
	Jun 30, 2016	Dec 31, 2015	Jun 30, 2015	Jun 30, 2016	Dec 31, 2015	Jun 30, 2015	Jun 30, 2016	Dec 31, 2015	Jun 30, 2015
Value determined - Previ	**124,456,775**	**119,301,485**	**138,383,752**	**(142,474,276)**	**(135,862,751)**	**(130,269,710)**	**(18,017,501)**	**(16,561,266)**	**8,114,042**
Incorporation of values from agreement 97	14,531,967	14,314,157	14,164,540	(14,531,967)	(14,314,157)	(14,164,540)	--	--	--
Incorporation of values from Grupo Especial	1,162,458	1,135,082	1,117,743	(1,162,458)	(1,135,082)	(1,117,743)	--	--	--
Adjustment in the value of plan assets (1)	(10,263,084)	(16,371,977)	(17,560,880)	--	--	--	(10,263,084)	(16,371,977)	(17,560,880)
Adjustment in the liabilities - discount rate/capitalization method	--	--	--	18,461,508	29,982,075	15,510,165	18,461,508	29,982,075	15,510,165
Value determined - Bank	**129,888,116**	**118,378,747**	**136,105,155**	**(139,707,193)**	**(121,329,915)**	**(130,041,828)**	**(9,819,077)**	**(2,951,168)**	**6,063,327**

(1) Refers mainly to adjustments made by the Bank in determining the fair value of the investments in Litel, Neoenergia and in securities held to maturity.

d.10) Sensitivity analysis

The sensitivity analysis is performed for changes in a single assumption while maintaining all others constant. This is unlikely in reality, since some of the assumptions are correlated.

The same methodology was used to perform the sensitivity analysis in each of the periods presented. However, the discount rate was updated to reflect market conditions.

	Jun 30, 2016		Life table		Salary increase		Interest rate	
			+1 age	-1 age	+0.25%	-0.25%	+0.25%	-0.25%
Plano 1 (Previ)	Present value of defined benefit actuarial obligations	139,707,193	136,765,498	142,606,482	139,978,673	139,435,711	136,767,573	142,766,700
	Surplus/(deficit) in the plan	(9,819,077)	(6,877,382)	(12,718,366)	(10,090,557)	(9,547,595)	(6,879,457)	(12,878,584)
Plano Informal (Previ)	Present value of defined benefit actuarial obligations	986,855	950,609	1,023,898	--	--	974,715	999,325
	Surplus/(deficit) in the plan	(986,855)	(950,609)	(1,023,898)	--	--	(974,715)	(999,325)
Plano de Associados (Cassi)	Present value of defined benefit actuarial obligations	7,518,888	7,356,140	7,678,991	7,521,129	7,516,630	7,349,803	7,695,423
	Surplus/(deficit) in the plan	(7,518,888)	(7,356,140)	(7,678,991)	(7,521,129)	(7,516,630)	(7,349,803)	(7,695,423)
Regulamento Geral (Economus)	Present value of defined benefit actuarial obligations	5,338,566	5,253,122	5,421,114	--	--	5,213,767	5,468,625
	Surplus/(deficit) in the plan	(1,054,898)	(969,445)	(1,137,436)	--	--	(930,090)	(1,184,948)
Regulamento Complementar 1 (Economus)	Present value of defined benefit actuarial obligations	44,865	46,513	43,250	--	--	43,599	46,187
	Surplus/(deficit) in the plan	(7,488)	(9,135)	(5,872)	--	--	(6,221)	(8,809)
Plus I e II (Economus)	Present value of defined benefit actuarial obligations	399,431	384,910	414,066	--	--	393,494	405,554
	Surplus/(deficit) in the plan	(399,431)	(384,910)	(414,066)	--	--	(393,494)	(405,554)
Grupo B' (Economus)	Present value of defined benefit actuarial obligations	167,330	163,770	170,780	--	--	163,968	170,815
	Surplus/(deficit) in the plan	(167,330)	(163,770)	(170,780)	--	--	(163,968)	(170,815)
Prevmais (Economus)	Present value of defined benefit actuarial obligations	253,309	252,799	253,870	255,373	251,291	246,388	260,590
	Surplus/(deficit) in the plan	82,969	83,479	82,409	80,905	84,988	89,891	75,689
Multifuturo I (Fusesc)	Present value of defined benefit actuarial obligations	77,039	76,168	77,880	--	--	75,213	78,947
	Surplus/(deficit) in the plan	105,792	106,663	104,951	--	--	107,618	103,884
Plano I (Fusesc)	Present value of defined benefit actuarial obligations	516,064	508,843	523,108	--	--	507,405	525,057
	Surplus/(deficit) in the plan	137,909	145,130	130,865	--	--	146,568	128,916
Plano BEP (Prevbep)	Present value of defined benefit actuarial obligations	55,511	54,771	56,222	55,686	55,338	54,053	57,036
	Surplus/(deficit) in the plan	46,124	46,864	45,412	45,949	46,297	47,581	44,598

e) Overview of actuarial asset/(liability) recorded by the Bank

	Actuarial assets			Actuarial liabilities		
	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Plano 1 (Previ)	--	--	3,193,266	(4,977,497)	(1,475,583)	--
Plano Informal (Previ)	--	--	--	(985,943)	(909,280)	(956,465)
Plano de Associados (Cassi)	--	--	--	(7,618,577)	(6,248,098)	(6,388,562)
Regulamento Geral (Economus)	--	--	--	(568,981)	(406,498)	(427,276)
Regulamento Complementar 1 (Economus)	--	753	--	(2,547)	--	(1,476)
Plus I e II (Economus)	--	--	--	(395,184)	(349,859)	(344,766)
Grupo B' (Economus)	--	--	--	(168,481)	(124,157)	(137,019)
Prevmais (Economus)	42,059	59,638	40,520	--	--	--
Multifuturo I (Fusesc)	54,162	50,615	37,608	--	--	--
Plano I (Fusesc)	70,963	35,046	28,067	--	--	--
Plano BEP (Prevbep)	23,622	23,422	21,788	--	--	--
Total	**190,806**	**169,474**	**3,321,249**	**(14,717,210)**	**(9,513,475)**	**(8,255,564)**

f) Allocations of the Surplus - Plano 1

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Fundo Paridade				
Opening balance	**124,998**	**113,220**	**120,378**	**118,889**
Restatement	2,841	2,932	12,004	13,695
Contributions to Plano 1 - Agreement 97	--	--	(4,543)	(11,829)
Early contribution to amortize - Grupo Especial [1]	--	--	--	(4,603)
Closing balance	**127,839**	**116,152**	**127,839**	**116,152**
Fundo de Utilização				
Opening balance	**9,376,684**	**8,666,911**	**8,959,543**	**8,155,243**
Contributions to Plano 1	(130,554)	(121,532)	(393,752)	(369,784)
Restatement	212,026	223,041	892,365	982,961
Closing balance	**9,458,156**	**8,768,420**	**9,458,156**	**8,768,420**
Total funds allocated surplus	**9,585,995**	**8,884,572**	**9,585,995**	**8,884,572**

(1) Refers to the payment of 100% of the mathematical reserves for guarantees of additional supplemental retirement for the Grupo Especial.

f.1) Fundo Paridade

In 2000, the cost of switching to equal contributions was based on the Plano de Benefícios 1's surplus at the time. The agreement (between Banco do Brasil and participants) allowed the Bank to recognize an asset of R$ 2,227,254 thousand in Allocation funds surplus. The asset is recalculated each month based on the actuarial goal: INPC (the National Consumer Price Index published by the Brazilian Institute of Geography and Statistics – IBGE) + 5% p.a..

Since January 2007, the asset has been used to offset financial liabilities related to the agreement signed with Previ in 1997. This agreement granted additional benefits to participants in Plano 1 (Previ) who joined the plan prior to April 14, 1967, and had not yet retired.

f.2) Fundo de Utilização

This fund contains resources transferred from the Allocation Fund (because of the plan's surplus), which the Bank can use for repayments or to reduce future contributions (after first meeting all applicable legal requirements). The Fundo de Utilização is recalculated based on the actuarial target (INPC + 5% p.a.).

27 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES, LEGAL LIABILITIES - TAXES AND SOCIAL SECURITY

a) Contingent assets

According to CPC 25 – Provisions, Contingent Liabilities and Contingent Assets contingent assets are not recognized in the financial statements.

b) Labor lawsuits

The Bank is defendant to labor lawsuits mainly filed by former employees or trade unions of the banking industry. The allowance for probable losses represents various claims, such as: compensation, overtime, distortion of the working day, additional function and representation amongst others.

c) Tax lawsuits

The Bank, in spite of its conservative profile, is subject to tax inquiries (inspections conducted by the tax authorities), which may eventually lead to tax assessments, such as: the composition of the calculation of the taxable profit for income tax/social contribution (deductibility) and discussion regarding the incidence of taxes, when certain taxable event occur. Most assessments are related to tax on services of any kind – ISSQN, income tax, social contribution, social integration program/contribution to social security financing – PIS/COFINS, IOF tax and employer social security contributions. As a guarantee for some of them, the Bank has pledged cash, bonds, real estate or made judicial deposits when necessary, preventing the Bank to be included in restrictive registration, as well as not to obstruct the semiannual renewal of its tax regularity certificate.

d) Civil lawsuits

Civil lawsuits consist mainly of: lawsuits of customers and users of our network asking for material and moral damages indemnity related to banking products and services and Economic Plans.

The indemnities for material and moral damages are based on consumer protection laws and are generally settled in Special Civil Courts, whose value is limited to forty times the minimum wage.

The Bank is a defendant in proceedings seeking the payment of the difference between the actual inflation rate and the inflation rate used for the adjustment of financial investments when economic plans were implemented in the late 1980's and early 1990's, known as the Bresser Plan, the Verão Plan and the Collor Plans I and II (or Economic Plans).

Although the Bank complied with the laws and regulations in place at the time, these lawsuits have been recorded in provisions, taking into consideration the claims where the Bank is the defendant and the outcome of loss is judged to be probable, which is determined after the analysis of each demand, based on the current decision of the Superior Court of Justice (STJ).

Regarding disputes relating to economic plans, the Federal Supreme Court (STF) suspended the prosecution of all cases on appeal, until the Court issues a definitive pronouncement on the right under litigation.

e) Provisions for labor, tax and civil claims - probable loss

The Bank recorded a provision for labor, civil and tax demands with risk of loss "likely", quantified using individual or mass methodology (includes processes with the author's probability of success equal to remote, possible or probable), according to the nature and / or process value.

The estimates of outcome and financial effect are determined by the nature of the actions , the management's judgment , by the opinion of legal counsel on the basis of process elements , complemented by the complexity and the experience of similar demands.

The Management considers to be sufficient the allowance for losses of labor, tax and civil claims.

e.1) Changes in the provisions for civil, tax and labor claims classified as probable

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Labor lawsuits				
Opening balance	**2,598,301**	**1,933,760**	**2,169,106**	**2,179,821**
Addition	854,728	474,121	1,699,518	863,366
Reversal of the provision	(722,329)	(6)	(746,032)	(132,324)
Paid out	(294,115)	(243,995)	(809,265)	(879,249)
Inflation correction and exchange rate changes	165,758	61,555	289,016	193,821
Closing balance	**2,602,343**	**2,225,435**	**2,602,343**	**2,225,435**
Tax lawsuits				
Opening balance	**267,932**	**194,151**	**245,695**	**206,515**
Addition	39,498	13,803	136,453	54,334
Reversal of the provision	(47,286)	(13,719)	(121,676)	(70,334)
Paid out	(2,442)	(5,005)	(10,435)	(9,527)
Inflation corrections and exchange rate changes	11,999	3,258	19,664	11,500
Closing balance	**269,701**	**192,488**	**269,701**	**192,488**
Civil lawsuits				
Opening balance	**6,811,150**	**6,030,316**	**7,150,581**	**5,536,595**
Addition	3,568,063	2,008,740	5,326,080	4,113,072
Reversal of the provision	(3,212,629)	(382,493)	(4,728,107)	(1,681,470)
Paid out	(312,157)	(273,122)	(1,086,330)	(851,937)
Inflation corrections and exchange rate changes	94,928	110,288	287,131	377,469
Closing balance	**6,949,355**	**7,493,729**	**6,949,355**	**7,493,729**
Total labor, tax and civil	**9,821,399**	**9,911,652**	**9,821,399**	**9,911,652**

e.2) Expected outflows of economic benefits

	Labor	Tax	Civil
Up to 5 years	2,536,099	143,550	5,665,204
From 5 to 10 years	66,157	96,763	1,254,524
Over 10 years	87	29,388	29,627
Total	**2,602,343**	**269,701**	**6,949,355**

The scenario of unpredictability of the duration of proceedings, and the possibility of changes in the case law of the courts, make values and the expected outflows of economic benefits uncertain.

f) Contingent liabilities – possible loss

The lawsuits, tax and civil risks classified as possible loss do not require provisions when the final outcome of the process is unclear and when the probability of losing is less than more-likely-than-not and higher than the remote.

f.1) The balances of contingent liabilities classified as possible loss

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Labor lawsuits	197,694	215,042	196,633
Tax lawsuits [(1)]	10,244,339	12,777,102	13,014,591
Civil lawsuits	2,423,503	3,270,906	3,284,702
Total	**12,865,536**	**16,263,050**	**16,495,926**

(1) The main contingencies originate from (i) assessment for the payment of social security - INSS contributions on: salary bonus paid under the collective agreements in the period from 1995 to 2006, in the amount of R$ 3,080,283 thousand; public transport benefits and the use of private car by employees of Banco do Brasil, in the amount of R$ 275,792 thousand; and employee profit share payments corresponding to the period from April 2001 to October 2003, in the amount of R$ 836,048 thousand and (ii) notices of tax assessment made by the Treasuries of the Municipalities, claiming ISSQN totaling R$ 1,613,294 thousand.

g) Deposits in guarantee

g.1) Deposits given in guarantee of contingencies

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Labor lawsuits	5,059,535	4,532,105	4,347,882
Tax lawsuits	7,460,891	6,836,107	6,683,507
Civil lawsuits	19,752,353	15,991,552	14,825,726
Total	**32,272,779**	**27,359,764**	**25,857,115**

h) Legal obligations

The Bank has a record in Other liabilities - tax and social security the amount of R$ 15,046,333 thousand (R$ 14,076,071 thousand on December 31,2015 and R$ 13,827,868 thousand on September 30,2015) relating to the following action:

On January 29, 1998, the Bank filed for a writ of mandamus, distributed to the 16th Federal Court of Federal District (16º Vara da Justiça Federal do Distrito Federal) claiming full compensation of accumulated losses for income tax purposes and negative basis for the calculation of Social contribution on net income (CSLL). Since then, the Bank has been fully offsetting the tax loss and the negative basis of social contribution against income tax and social contribution, and has made judicial deposits for the full amount due (70% of the amount offset). These deposits prompted the 16º Vara da Justiça Federal do Distrito Federal to issue an order recognizing the suspension of chargeability of these taxes based on article 151, item II, of the National tax code (Código Tributário Nacional - CTN). The case was dismissed in the first instance and an appeal brought by the Bank was denied by the Federal Regional Court (Tribunal Regional Federal – TRF) of the First Region. The decision was challenged by extraordinary appeal filed by the Bank on October 1, 2002. Today, the appeal is pending in the TRF of the First Region awaiting the judgment by the STF of another Extraordinary Feature (RE No. 591,340), which was recognized by the Supreme Court as setting a relevant judicial precedent.

The offsetting of tax loss carry forward and recoverable CSLL has resulted in the write-off of deferred tax credits, observing the limitation of 30%.

Deferred taxes including corporate income tax (IRPJ) and Social contribution on net income (CSLL) on the interest / inflation restatements of judicial deposits are being offset with the tax credits resulting from the provision related to that judicial deposit, in conformity with article 1, item II, paragraph 2 of CMN Resolution 3,059/2002, with no impact on income.

Based on the hypothesis of a successful outcome to this lawsuit, in September 2005 and January 2009, the Bank would have consumed the entire stock of tax loss carry forward and recoverable social contribution. Therefore, since October 2005 and February 2009, the amounts of IRPJ and CSLL are being paid in full. Moreover, there would be a reclassification of resources from the account used to record judicial deposits to that of cash and cash equivalents. Tax credits for the escrow deposits (main value) would be written-off against the allowance of IRPJ and CSLL and would be reversed against income, the provision for tax risks related to the restatement of the deposits amounts to R$ 8,474,660 thousand.

If the Bank were unsuccessful in its lawsuit (situation in which the amounts deposited judicially would be converted into income in favor of the Fazenda Nacional (Federal Tax Authority)), the portions of IRPJ tax credits on tax losses and CSLL to offset would be reclassified to the representative asset account IRPJ recoverable and CSLL recoverable, that could be used since the accrual period starting October 2005 and February 2009, observing the limitation of 30%. The taxes recoverable, which would result from the adjustments to prior year Statements of economic-fiscal information of businesses, corresponds to R$ 6,119,137 thousand as of September 30, 2016 and updating by the Selic rate results in a further recoverable amount of R$ 3,421,344 thousand. This sum adjusts the provision for tax risks with respect to the updating of court deposits so that it will be sufficient to fully cancel the risk of a loss.

h.1) The amounts related to this matter

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Judicial deposits	**17,180,154**	**16,399,235**	**16,138,929**
Amount realized (70%)	7,817,011	7,817,011	7,817,011
Inflation corrections and exchange rate changes	9,363,143	8,582,224	8,321,918
Legal obligations - provision for lawsuit	**15,046,333**	**14,076,071**	**13,827,868**
Tax losses of IRPJ	3,002,033	3,002,033	3,002,033
CSLL negative bases/CSLL recoverable	3,569,640	3,569,640	3,569,640
Provision for restatement of judicial deposit	8,474,660	7,504,398	7,256,195

28 - RISK AND CAPITAL MANAGEMENT

a) Risk management process

For Banco do Brasil, risk management is one of the most important elements of the decision-making process.

The Institution has a process of identification of risks that will be part of the Institution's risks inventory, performed by analysing the business segments that are explored, direct and indirectly, considering the Entities Related to Banco do Brasil. The risks below are part of Banco do Brasil's Financial Conglomerate Relevant Risks Corporate Range:

a) Credit Risk;
b) Counterparty Credit Risk;
c) Concentration Risk;
d) Liquidity Risk;
e) Operational Risk;
f) Market Risk;
g) Banking Book Interest Rate Risk;
h) Strategic Risk;
i) Reputational Risk;
j) Environmental Risk;
k) Legal Risk;
l) Participations Risk;
m) Complementary Pension Fund Entities and Private Health Insurance Plan Operators for Employees Risk; and
n) Model Risk.

In the Bank, the collegiate risk management is performed completely segregated from the business units. Risk management policies are approved by the Board of Directors. The Global Risk Superior Committee (CSRG), a forum composed of the President and Vice-Presidents, is responsible for implementation and monitoring of these policies. The guidelines issued by the CSRG are conducted by specific executive committees (credit, market, liquidity and operational), which are groups formed by Directors.

To learn more about the risk management process in Banco do Brasil, visit the information available in the Risk Management Report at the website *bb.com.br/ri*.

Financial instruments - fair value

Financial instruments recorded in balance sheet accounts, compared to fair value:

	Sep 30, 2016		Dec 31, 2015		Sep 30, 2015		Unrealized gain/loss, net of tax effects					
							On income			On shareholders' equity		
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Assets												
Short-term interbank investments	427,803,215	427,887,809	352,741,787	352,737,420	344,857,636	344,848,297	84,594	(4,367)	(9,339)	84,594	(4,367)	(9,339)
Securities	122,685,688	122,338,826	113,923,018	113,683,766	108,741,455	108,542,650	(1,651,811)	(5,349,992)	(3,558,235)	(346,862)	(239,252)	(198,805)
Adjustment of securities available for sale (Note 8.a)	--	--	--	--	--	--	(1,304,949)	(5,110,740)	(3,359,430)	--	--	--
Adjustment of securities held to maturity (Note 8.a)	--	--	--	--	--	--	(346,862)	(239,252)	(198,805)	(346,862)	(239,252)	(198,805)
Derivative financial instruments	2,985,270	2,985,270	3,362,032	3,362,032	4,835,009	4,835,009	--	--	--	--	--	--
Loan operations	582,450,257	569,863,378	627,877,787	614,463,025	625,356,225	624,019,583	(12,586,879)	(13,414,762)	(1,336,642)	(12,586,879)	(13,414,762)	(1,336,642)
Liabilities												
Interbank deposits	23,918,604	24,595,501	41,482,547	42,491,031	41,465,484	42,946,955	(676,897)	(1,008,484)	(1,481,471)	(676,897)	(1,008,484)	(1,481,471)
Time deposits	203,447,682	203,410,796	204,542,130	204,319,982	205,175,090	205,769,110	36,886	222,148	(594,020)	36,886	222,148	(594,020)
Liabilities related to repurchase agreement	410,470,039	409,196,875	333,521,648	331,363,071	319,731,855	317,759,963	1,273,164	2,158,577	1,971,892	1,273,164	2,158,577	1,971,892
Borrowings and onlendings	107,890,584	108,180,467	119,731,066	119,978,533	121,827,044	122,172,352	(289,883)	(247,467)	(345,308)	(289,883)	(247,467)	(345,308)
Derivative financial instruments	2,299,995	2,299,995	3,289,172	3,289,172	4,736,313	4,736,313	--	--	--	--	--	--
Other liabilities	224,722,274	224,477,237	204,140,873	201,344,954	204,988,537	204,988,537	245,037	2,795,919	--	245,037	2,795,919	--
Unrealized gain/(loss), net of tax effects							**(13,565,789)**	**(14,848,428)**	**(5,353,123)**	**(12,260,840)**	**(9,737,688)**	**(1,993,693)**

Determination of fair value of financial instruments

Short-term interbank investments: The fair value was obtained by discounting future cash flows, using interest rates traded by the market in similar operations on the balance sheet date.

Securities: Securities are accounted for by market value, as allowed for in Bacen Circular No. 3,068/2001, except for securities held to maturity. The fair value of the securities, including those held to maturity, is obtained from rates practised in the market.

Loan operations: The fair value of fixed rate operations has been estimated through the future cash flow discount method, considering the interest rates utilized by the Bank when originating similar operations at the balance sheet date. For operations that are remunerated by floating rates, the fair value was equivalent to the book value itself.

Interbank deposits: The fair value has been calculated by the discount of the future cash flows using rates currently applicable in the market for fixed rate deposits. In case of floating operations the maturities of which are less than 30 days, the book value was deemed approximately equivalent to the fair value.

Time deposits: The same criteria adopted for interbank deposits are utilized in the determination of the fair value.

Liabilities related to repurchase agreement: For operations at fixed rates, the fair value was determined calculating the discount of the estimated cash flows adopting a discount rate equivalent to the rates applied in contracting similar operations on the last trading day. For floating operations, book values have been deemed approximately equivalent to market value.

Borrowing and onlendings: Such operations are exclusive to the Bank with no similar operations in the market. Given their specific characteristics, the exclusive rates for each fund, the inexistence of an active market or similar traded instruments, the fair values of such operations are considered equivalent to the book value.

Other liabilities: Fair values have been determined by the discounted cash flow method, which takes into account interest rates offered in the market for obligations with similar maturities, risks and terms.

Derivatives financial instruments: According to Bacen Circular No. 3,082/2002, derivatives are recorded at market value. The market value of derivatives was estimated in accordance with internal pricing models, with the use of the rates disclosed for transactions with similar terms and indices on the last business day of the period.

Other financial instruments: Included or not in the balance sheet, fair value is approximately equivalent to the corresponding book value.

Source of information regarding assets and liabilities measured at fair value in the balance sheet

The Bank's fair value measurements consider the following input levels:

Level 1 – Price quotations are derived from active markets for identical financial instruments. Financial instruments are considered to be quoted in an active market if prices are readily available and are based on regularly occurring arm's length transactions.

Level 2 – Requires the use of information obtained from the market that is not Level 1. This includes prices quoted in non-active markets for similar assets and liabilities and information that can be corroborated in the market.

Level 3 – Requires the use of information not obtained from the market to measure fair value. When there is not an active market for an instrument, the Bank uses valuation techniques that incorporate internal data. The Bank's methodologies are consistent with commonly used techniques for pricing financial instruments.

Assets and liabilities measured at fair value in the balance sheet

	Balance at Sep 30, 2016	Level 1	Level 2	Level 3
Assets	**122,705,372**	**75,603,477**	**47,101,895**	**--**
Trading securities, measured by market value	6,720,911	5,542,514	1,178,397	--
Derivative financial instruments	2,985,270	--	2,985,270	--
Available-for-sale securities, measured by market value	112,999,191	70,060,963	42,938,228	--
Liabilities	**(2,650,424)**	**--**	**(2,650,424)**	**--**
Hedge funding	(350,429)	--	(350,429)	--
Derivative financial instruments	(2,299,995)	--	(2,299,995)	--

	Balance at Dec 31, 2015	Level 1	Level 2	Level 3
Assets	**113,420,484**	**62,764,151**	**50,656,333**	**--**
Trading securities, measured by market value	7,860,341	6,546,397	1,313,944	--
Derivative financial instruments	3,362,032	--	3,362,032	--
Available-for-sale securities, measured by market value	102,198,111	56,217,754	45,980,357	--
Liabilities	**(3,627,472)**	**--**	**(3,627,472)**	**--**
Hedge funding	(338,300)	--	(338,300)	--
Derivative financial instruments	(3,289,172)	--	(3,289,172)	--

	Balance at Sep 30, 2015	Level 1	Level 2	Level 3
Assets	**109,849,478**	**60,030,125**	**49,819,353**	**--**
Trading securities, measured by market value	7,056,496	6,514,479	542,017	--
Derivative financial instruments	4,835,009	--	4,835,009	--
Available-for-sale securities, measured by market value	97,957,973	53,515,646	44,442,327	--
Liabilities	**(5,064,883)**	**--**	**(5,064,883)**	**--**
Hedge funding	(328,570)	--	(328,570)	--
Derivative financial instruments	(4,736,313)	--	(4,736,313)	--

Sensitivity analysis (CVM Instruction No. 475/2008)

Banco do Brasil manages its risks in a dynamic process, identifying, assessing, monitoring, and controlling market risk exposure arising on its positions. In this context, the Bank takes into account the risk limits defined by the Strategic Committees and possible scenarios, to act in a timely manner to reverse any adverse results.

In accordance with CMN Resolution No. 3,464/2007 and with Bacen Circular No. 3,354/2007, to manage more efficiently its transactions exposed to market risks, Banco do Brasil separates its transactions, including derivative financial instruments, as follows:

1) Trading Book: consisting of own positions held for trading or as a hedge for its trading portfolio, for which there is an intention of trading prior to their contractual expiry, subject to normal market conditions and that do not have a non-trading clause.

2) Banking Book: consisting of transactions not classified in the Trading Book whose feature is held to maturity.

The sensitivity analysis for all the operations with assets and liabilities of the Balance Sheet, in compliance with CVM Instruction No. 475/2008 does not adequately reflect the market risk management process or the accounting practices adopted by the Bank.

In order to determine the sensitivity of the Bank's capital to the impacts of market volatility, simulations were performed with three likely scenarios, two of which assume adverse movements for the Bank. The scenarios used are set out below:

Scenario I: Likely situation, which reflects the perception of the Bank's senior management, the scenario most likely to occur for a 3-month horizon, considering macroeconomic factors and market information (BM&FBovespa, Anbima, etc.). Assumptions: exchange rate real/dollar of R$ 3.30 and maintaining the Selic rate in 13.75% per annum based on market conditions observed at September 30, 2016.

Scenario II: Possible situation. Assumptions adopted: parallel shock of 25.00% in the risk variables, based on market conditions observed on September 30, 2016 considering the worst losses by risk factor and, therefore, ignoring the dynamics of correlation between macroeconomic factors.

Scenario III: Possible situation. Assumptions adopted: parallel shock of 50.00% in the risk variables, based on market conditions observed on September 30, 2016 considering the worst losses by risk factor and thus ignoring the dynamics of correlation between macroeconomic factors.

The tables below summarize the results for the Trading Portfolio (Trading), composed of public and private securities, derivative financial instruments and funds obtained through repurchase agreements:

Risk factor	Concept	Scenario I					
		Sep 30, 2016		Dec 31, 2015		Sep 30, 2015	
		Variation of rates	Income/ (expense)	Variation of rates	Income/ (expense)	Variation of rates	Income/ (expense)
Prefixed rate	Risk of variation of prefixed interest rates	Decrease	(859)	Increase	131	Maintenance	--
TMS and CDI indices	Risk of variation of interest rate indices	Increase	36	Increase	(3)	Increase	39
IPCA index	Risk of variation of inflation indices	Decrease	263	Increase	678	Maintenance	--
Exchange rates variation	Risk of variation of foreign exchange rates	Increase	5,743	Increase	13,706	Decrease	(1,907)

Risk factor	Concept	Scenario II					
		Sep 30, 2016		Dec 31, 2015		Sep 30, 2015	
		Variation of rates	Income/ (expense)	Variation of rates	Income/ (expense)	Variation of rates	Income/ (expense)
Prefixed rate	Risk of variation of prefixed interest rates	Decrease	(6,183)	Decrease	(959)	Increase	(1,492)
TMS and CDI indices	Risk of variation of interest rate indices	Increase	(11)	Decrease	(1)	Increase	(51)
IPCA index	Risk of variation of inflation indices	Increase	(755)	Increase	(1,140)	Increase	(1,209)
Exchange rates variation	Risk of variation of foreign exchange rates	Decrease	(86,625)	Decrease	(92,657)	Decrease	(82,694)

Risk factor	Concept	Scenario III					
		Sep 30, 2016		Dec 31, 2015		Sep 30, 2015	
		Variation of rates	Income/ (expense)	Variation of rates	Income/ (expense)	Variation of rates	Income/ (expense)
Prefixed rate	Risk of variation of prefixed interest rates	Decrease	(16,415)	Decrease	(2,866)	Increase	(2,735)
TMS and CDI indices	Risk of variation of interest rate indices	Increase	(22)	Decrease	(2)	Increase	(103)
IPCA index	Risk of variation of inflation indices	Increase	(1,486)	Increase	(2,225)	Increase	(2,352)
Exchange rates variation	Risk of variation of foreign exchange rates	Decrease	(173,251)	Decrease	(185,314)	Decrease	(165,387)

For transactions classified in the Banking Book, appreciations or depreciations resulting from changes in interest rates practiced in the market do not imply in a significant financial or accounting impact on the Bank's income as a result of the portfolio composition which is principally: loan operations (consumer credit, agribusiness, working capital, etc.); retail funding (demand, time, and savings deposits), and securities, which are recorded in the books using the contracted interest rates. In addition, it should be pointed out that these portfolios, except the securities available for sale, have as their principal characteristic the intention to hold the respective operations to maturity and, hence they are not subject to the effects of fluctuating interest rates, or the fact that such transactions are naturally related to other instruments (natural hedge), hence minimizing the impacts of a stress scenario.

The tables below show a summary of the Trading Portfolio (Trading) and Non Trading (Banking) for the financial and non-financial entities controlled by the bank:

Risk factor	Concept	Scenario I					
		Sep 30, 2016		Dec 31, 2015		Sep 30, 2015	
		Variation of rates	Income/ (expense)	Variation of rates	Income/ (expense)	Variation of rates	Income/ (expense)
Prefixed rate	Risk of variation of prefixed interest rates	Decrease	1,962,865	Increase	(3,478,743)	Maintenance	--
TR	Risk of variation of interest rate indices	Decrease	(1,740,111)	Increase	1,361,365	Decrease	(126,862)
TBF		Increase	1,160	Decrease	(42)	Decrease	(7,353)
TJLP		Decrease	10,292	Increase	(5,022)	Decrease	853
TMS and CDI		Increase	18,460	Increase	32,171	Increase	(44,351)
IGP-M	Risk of variation of inflation indices	Decrease	(14,365)	Increase	(142,841)	Maintenance	--
IGP-DI		Decrease	72	Increase	(144)	Maintenance	--
INPC		Decrease	67,953	Increase	(111,745)	Maintenance	--
IPCA		Decrease	415,655	Increase	(601,591)	Maintenance	--
Foreign currency rates	Risk of variation of foreign currency indices	Increase	1,149,547	Decrease	(1,113,147)	Increase	1,470,937
Exchange rate	Risk of variation of foreign exchange rates	Increase	33,880	Increase	(60,592)	Decrease	10,307

Risk factor	Concept	Scenario II					
		Sep 30, 2016		Dec 31, 2015		Sep 30, 2015	
		Variation of rates	Income/ (expense)	Variation of rates	Income/ (expense)	Variation of rates	Income/ (expense)
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(10,377,302)	Increase	(12,538,082)	Increase	(13,305,147)
TR	Risk of variation of interest rate indices	Decrease	(6,545,632)	Decrease	(5,590,381)	Decrease	(6,176,302)
TBF		Decrease	(2,676)	Decrease	(3,991)	Decrease	(3,896)
TJLP		Increase	(14,054)	Increase	(23,159)	Increase	(29,740)
TMS and CDI		Decrease	(17,171)	Increase	(13,651)	Increase	(14,341)
IGP-M	Risk of variation of inflation indices	Decrease	(42,183)	Increase	(230,618)	Increase	(180,618)
IGP-DI		Increase	(207)	Increase	(236)	Increase	(258)
INPC		Increase	(190,055)	Increase	(177,195)	Increase	(183,284)
IPCA index		Increase	(1,111,046)	Increase	(1,069,492)	Increase	(995,327)
Foreign currency rates	Risk of variation of foreign currency indices	Decrease	(1,232,252)	Decrease	(1,383,209)	Decrease	(1,802,430)
Exchange rate	Risk of variation of foreign exchange rates	Decrease	(511,059)	Increase	(409,627)	Increase	(447,019)

Risk factor	Concept	Scenario III					
		Sep 30, 2016		Dec 31, 2015		Sep 30, 2015	
		Variation of rates	Income/ (expense)	Variation of rates	Income/ (expense)	Variation of rates	Income/ (expense)
Prefixed rate	Risk of variation of prefixed interest rates	Increase	(19,730,658)	Increase	(23,646,296)	Increase	(25,172,646)
TR	Risk of variation of interest rate indices	Decrease	(13,321,777)	Decrease	(11,394,648)	Decrease	(12,555,568)
TBF		Decrease	(5,377)	Decrease	(8,035)	Decrease	(7,840)
TJLP		Increase	(28,213)	Increase	(47,175)	Increase	(58,936)
TMS and CDI		Decrease	(34,344)	Increase	(27,300)	Increase	(28,686)
IGP-M	Risk of variation of inflation indices	Decrease	(120,930)	Increase	(439,872)	Increase	(344,966)
IGP-DI		Increase	(414)	Increase	(472)	Increase	(515)
INPC		Increase	(372,800)	Increase	(346,949)	Increase	(358,425)
IPCA index		Increase	(2,089,888)	Increase	(2,008,991)	Increase	(1,864,766)
Foreign currency rates	Risk of variation of foreign currency indices	Decrease	(2,533,954)	Decrease	(2,857,467)	Decrease	(3,760,981)
Exchange rate	Risk of variation of foreign exchange rates	Decrease	(1,022,118)	Increase	(819,254)	Increase	(894,037)

The scenarios used for preparing the framework for sensitivity analysis must use situations of deterioration of at least 25% and 50% of the variable risks, on an individualized basis, as determined by CVM Instruction No. 475/2008. Thus, the combined analysis of the results does not reflect real expectations, for example, simultaneous shocks of increase in the prefixed interest rate and reduction of the TR rate are not consistent from the macroeconomic perspective.

The derivative transactions classified in the Banking Book, do not represent a relevant market risk to Banco do Brasil, as these positions are usually originated with the following objectives:

- Swapping the index of funding and lending transactions performed to meet customer needs;
- Hedging market risk, the purpose and effectiveness of which are described in Note 8.d. Also in this transaction, the interest and exchange rate variations have no effects on the Bank's income.

On September 30, 2016, the Banco do Brasil did not enter into any transaction classified as an exotic derivative, as described in CVM Instruction No. 475/2008 - Attachment II.

b) Capital management

On June 30, 2011, Bacen issued a resolution requiring financial institutions to implement a capital management structure in accordance with Pillar II of Basel. In the Bank, such structure includes the Accounting, Risk Management, Controllership and Finance areas. In addition, the Board of Directors indicated the Controller as having overall responsibility for capital management.

The Bank’s organizational structure allows it to identify and evaluate significant risks incurred, including Pillar I risks not covered by MRER. The Bank’s policies, strategies and capital plan enable it to maintain capital at a level that is consistent with the risks it faces. Stress tests are performed on a monthly basis, with the impacts evaluated from a capital perspective. The corporate units and strategic committees receive capital adequacy management reports. These reports support the decision-making process of the Bank’s senior management team.

The above mentioned resolution also required implementation of an Internal Capital Adequacy Assessment Process (ICAAP), which was formally established by the Bank on June 30, 2013. The Risk Management area is responsible for coordinating ICAAP, and the Internal Controls unit, which is independent from capital management, is responsible for validating ICAAP. Finally, Internal Audit is responsible for performing an annual evaluation of the overall capital management process.

To learn more about the capital management at Banco do Brasil, visit the website bb.com.br/ri.

Capital adequacy ratio

The Bank calculated the Capital Adequacy Ratio in accordance with criteria established by Bacen. This criteria requires the calculation of Referential Equity (RE) and MRER as a percentage of Risk Weighted Assets (RWA).

Basel III became effective on October 01, 2013 in Brazil. Recommend by the Basel Committee on Banking Supervision, Basel III represents a new set of regulations governing the capital structure of financial institutions. The new rules establish the following:

- a new methodology for calculating regulatory capital, which continues to be divided into Tier I and Tier II. Tier I consists of Common Equity Tier I Capital – CET1 (net of regulatory adjustments) and Additional Tier I Capital;
- a new methodology for calculating capital requirements, establishing minimum requirements for Referential Equity, Tier I and CET1, and introducing the Additional CET1.

From January 1, 2016, the percentage of deduction of prudential adjustments listed below increased to 60%:

- goodwill;
- intangible assets recognized after October 01, 2013;
- actuarial assets related to defined benefit pension plans, net of deferred tax liabilities;
- non-controlling interests;
- direct or indirect investments of greater than 10% in non-consolidated entities similar to financial institutions, insurance companies, reinsurance companies, capitalization companies and open-ended pension funds;
- deferred tax assets on temporary differences that rely on the generation of future taxable profits or income to be realized;
- deferred tax assets resulting from tax losses on excess depreciation; and
- deferred tax assets resulting from tax losses and negative social contribution base on net income.

In accordance with CMN Resolution No. 4,192/2013, these deductions will be implemented gradually between 2014 and 2018 at the rate of 20% per year. However, deferred tax assets on debt issued by financial institutions are an exception, since they have been fully deducted since October 2013.

On August 28, 2014, Bacen authorized the R$ 8,100,000 thousand perpetual bond included in Additional Tier I Capital to be considered Common Equity Tier I Capital.

According to Bacen Resolution No. 4,192/2013 and No. 4,193/2013, from January 2015, the calculation of the Regulatory Equity (RE) and the amount of Risk-Weighted Assets (RWA) should be elaborated based on Prudential Conglomerate.

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
RE - Referential equity	**127,060,689**	**135,551,196**	**136,633,692**
Tier I	**87,975,915**	**95,713,963**	**97,961,673**
Common Equity Tier 1 Capital (CET1)	**65,500,135**	**68,677,378**	**68,070,868**
Shareholders' equity	75,039,488	71,314,421	73,367,572
Instrument qualifying as CET1	8,100,000	8,100,000	8,100,000
Regulatory adjustments	(17,639,353)	(10,737,043)	(13,396,704)
Additional Tier 1 Capital (AT1)	**22,475,780**	**27,036,585**	**29,890,805**
Hybrid instruments authorized in accordance with CMN Resolution No. 4,192/2013	17,769,660	21,375,495	24,131,115
Hybrid instruments authorized in accordance with regulations preceding the CMN Resolution No. 4,192/2013 (1)	4,706,120	5,661,090	5,759,690
Tier II	**39,084,774**	**39,837,233**	**38,672,019**
Subordinated debt qualifying as capital	39,096,379	39,839,840	38,674,964
Subordinated debt authorized in accordance with CMN Resolution No. 4,192/2013 - Financial bills	5,285,933	5,786,606	5,569,004
Subordinated Debt authorized in accordance with regulations preceding the CMN Resolution No. 4,192/2013	33,810,446	34,053,234	33,105,960
Funds obtained from the FCO (2)	24,331,884	22,994,912	22,047,638
Funds raised in financial bills and CD (3)	9,478,562	11,058,322	11,058,322
Deduction from tier II	(11,605)	(2,607)	(2,945)
Funding instruments issued by financial institution	(11,605)	(2,607)	(2,945)
Risk Weighted Assets (RWA)	**722,441,901**	**840,508,940**	**843,590,334**
Credit risk (RWA_{CPAD})	668,871,950	785,773,084	782,969,960
Market risk (RWA_{MPAD})	16,417,959	18,346,766	24,231,284
Operational risk (RWA_{OPAD})	37,151,992	36,389,090	36,389,090
Minimum referential equity requirements (4)	**71,341,138**	**92,455,983**	**92,794,937**
Margin on the minimum referential equity required	**55,719,551**	**43,095,213**	**43,838,755**
Tier I Ratio (Tier I/RWA)	**12.18%**	**11.39%**	**11.61%**
Common Equity Tier 1 Capital Ratio (CET1/RWA)	9.07%	8.17%	8.07%
Capital Adequacy Ratio (RE/RWA)	**17.59%**	**16.13%**	**16.20%**

(1) On September 30, 2016, based on the orientation of Bacen, it was considered the balance of the hybrid capital and debt instrument authorized by Bacen to compose the Tier 1 Capital of the Referential Equity according CMN Resolution 3,444/2007 and do not meet the relevant entry criteria, also related with the orientation established on article 28, sections I to X of CMN Resolution 4,192/2013.

(2) According to CMN Resolution No. 4,192/2013, balances of the FCO are eligible to compose the RE.

(3) On September 30, 2016, it was considered the balance of subordinated debt instruments that composed the RE in December 31, 2012, applying on it the limit of 60%, as determined by CMN Resolution No. 4,192/2013.

(4) According to CMN Resolution No. 4,193/2013, corresponds to the application of the "F" factor to the amount of RWA, where "F" equals: 11%, from October 1, 2013 to December 31, 2015; 9.875% from January 1, 2016 to December 31, 2016; 9.25%, from January 1, 2017 to December 31, 2017; 8.625% from January 1, 2018 to December 31, 2018 and 8%, from January 1, 2019.

Regulatory adjustments deducted from CET1:

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Tax credits resulting from temporary differences that rely on the generation of future taxable profits or revenues for its realization (amount above 10% threshold) (1)	(6,877,262)	(3,425,235)	(3,187,264)
Significant investments and tax credits resulting from temporary differences that rely on the generation of future taxable profits or revenues for their realization (amount exceeding the 15% threshold) (1) (2)	(5,049,484)	(2,846,808)	(635,389)
Intangible assets constituted after October 2013 (1)	(3,514,052)	(2,346,233)	(2,148,484)
Goodwill (1) (3)	(1,232,724)	(1,075,845)	(1,154,659)
Non-controlling interests (1)	(464,838)	(402,531)	(508,162)
Tax credits resulting from tax losses and negative base for social contribution on net income (1)	(336,467)	(561,777)	(502,401)
Actuarial assets related to defined benefit pension funds net of deferred tax liabilities (1)	(76,988)	--	(1,301,806)
Tax credits resulting from tax loss of excess depreciation (1)	(76,522)	(62,040)	(65,052)
Deferred assets (4)	(11,016)	(16,574)	(19,460)
Funding instruments issued by financial institutions (2) (4)	--	--	(3,874,027)
Total	**(17,639,353)**	**(10,737,043)**	**(13,396,704)**

(1) Regulatory Adjustments subject to phase-in, according to the CMN Resolution No. 4,192/2013.

(2) According to Resolution CMN No. 4,442/2015, from November/2015, the methodology of deduction of the investment in Banco Votorantim S.A. was modified. This way, on September 30, 2016, R$ 1,783,222 thousand were integrally deductec from the Referential Equity and R$ 2,424,271 thousand were risk-weighted at 250%.

(3) The base value for calculating the goodwill is composed of: R$ 820,195 thousand in the investment line and R$ 1,234,345 thousand in the intangible assets line. The value in Intangible assets refers mainly to the goodwill paid for the acquisition of Banco Nossa Caixa, merged in November/2009.

(4) Regulatory adjustments that are being fully computed since October, 2013, in accordance with CMN Resolution No. 4,192/2013.

c) Fixed asset ratio

On September 30, 2016, the Fixed Asset Ratio for the Prudential Conglomerate, totalized 15.64% (16.70% on December 31, 2015 and 15.27% on September 30, 2015), and it was calculated in compliance with CMN Resolutions No. 4,192/2013 and No. 2,669/1999.

29 - STATEMENT OF COMPREHENSIVE INCOME

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Net income presented in the statement of income	**2,246,177**	**3,062,141**	**7,070,276**	**11,888,049**
Other comprehensive income				
Accumulated other comprehensive income (Note 23.i)	**611,154**	**(1,689,298)**	**(2,124,446)**	**(6,227,130)**
Banco do Brasil	604,979	(1,417,975)	(2,555,013)	(5,984,430)
Subsidiaries abroad	9,925	(22,449)	61,946	(27,082)
Associates and subsidiaries	(3,750)	(248,874)	368,621	(215,618)
Income and social contribution taxes related to unrealized (gains)/losses (Note 23.i)	**(166,445)**	**426,404**	**1,293,141**	**1,995,044**
Other comprehensive income, net of income and social contribution taxes	**444,709**	**(1,262,894)**	**(831,305)**	**(4,232,086)**
Comprehensive income	**2,690,886**	**1,799,247**	**6,238,971**	**7,655,963**
Comprehensive income - non-controlling interests	**407,252**	**448,086**	**1,234,338**	**1,330,818**

30 - OTHER INFORMATION

a) Distribution of dividends and interest on own capital

During a meeting held on February 23, 2016, the Board of Directors approved the setting of the payout rate equivalent to the minimum of 25% of net income for the year 2016, fulfilling the policy for payment of dividends yield and/or interest on own capital on a quarterly basis, pursuant to article 45 of the Bank's By-Laws.

b) Investiment funds management

Funds managed by BB Gestão de Recursos - Distribuidora de Títulos e Valores Mobiliários S.A.:

	Numbers of funds/portfolios (in Units)			Balance		
	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Managed funds	**643**	**611**	**613**	**674,663,233**	**603,232,935**	**602,395,345**
Investment funds	632	603	605	660,053,068	587,725,096	589,031,239
Managed portfolios	11	8	8	14,610,165	15,507,839	13,364,106

c) Details in relation to overseas branches, subsidiaries and associates

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Assets			
BB Group	74,150,725	90,325,257	95,147,250
Third parties	91,453,892	133,050,500	145,171,543
TOTAL ASSETS	**165,604,617**	**223,375,757**	**240,318,793**
Liabilities			
BB Group	19,321,128	25,795,399	22,657,951
Third parties	136,067,629	185,321,366	204,258,754
Shareholders' equity	**10,215,860**	**12,258,992**	**13,402,088**
Attributable to parent company	9,441,158	11,252,692	12,131,711
Non-controlling interests	774,702	1,006,300	1,270,377
TOTAL LIABILITIES	**165,604,617**	**223,375,757**	**240,318,793**

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Net income	**348,102**	**94,693**	**(236,927)**	**477,258**
Attributable to parent company	272,836	(6,113)	(452,160)	223,968
Non-controlling interest	75,266	100,806	215,233	253,290

d) Consortium funds

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Monthly forecast of purchase pool members receivable funds	239,603	202,928	206,344
Obligations of the groups due to contributions	11,312,923	8,321,348	8,483,345
Purchase pool members - assets to be delivered	10,267,587	7,440,232	7,599,042
(In units)			
Quantity of groups managed	509	564	561
Quantity of active purchase pool members	695,721	644,779	623,028
Quantity of assets deliverable to members (drawn or winning offer)	62,916	61,990	59,731

	3rd quarter/2016	3rd quarter/2015	Jan 1 to Sep 30, 2016	Jan 1 to Sep 30, 2015
Quantity of assets (in units) delivered in the period	28,814	24,810	81,688	70,786

e) Assignment of employees to outside agencies

Federal government assignments are regulated by Law 10,470/2002 and Decree No. 4,050/2001.

	3rd quarter/2016		3rd quarter/2015		Jan 1 to Sep 30, 2016		Jan 1 to Sep 30, 2015	
	Quantiy of employees ceded(1)	Cost in the period	Quantiy of employees ceded (1)	Cost in the period	Quantiy of employees ceded(1)	Cost in the period	Quantiy of employees ceded (1)	Cost in the period
With costs for the Bank								
Labor unions	219	9,417	209	8,769	219	28,046	209	26,823
Other organizations/entities	2	203	2	179	2	616	2	571
Subsidiaries and associates	2	338	2	326	2	998	2	944
Without cost for the Bank								
Federal, state and municipal governments	266	--	275	--	266	--	275	--
External organizations (Cassi, Previ, Economus, Fusesc and PrevBep)	585	--	581	--	585	--	581	--
Employee entities	83	--	72	--	83	--	72	--
Subsidiaries and associates	574	--	569	--	574	--	569	--
Total	**1,731**	**9,958**	**1,710**	**9,274**	**1,731**	**29,660**	**1,710**	**28,338**

(1) Balance on the last day of the period.

f) Remuneration of employees and managers

Monthly wages paid to employees and Directors of the Banco do Brasil (in Reais):

	Sep 30, 2016	Dec 31, 2015	Sep 30, 2015
Lowest salary	2,645.97	2,449.98	2,449.98
Highest salary	44,271.65	40,992.27	40,992.27
Average salary	6,955.65	6,869.98	6,705.66
Management			
President	68,781.86	65,196.08	65,196.08
Vice-president	61,564.83	58,355.29	58,355.29
Director	52,177.45	49,457.30	49,457.30
Council members			
Fiscal Council	5,948.54	5,638.43	5,638.43
Board of Directors	5,948.54	5,638.43	5,638.43
Audit Committee - member	46,959.71	44,511.57	44,511.57

g) Insurance policy of assets

Despite the reduced level of risk to which its assets are subject, the Bank contracts insurance cover for its assets in amounts considered to be sufficient to cover any losses.

Insurance contracted by the Bank in force on September 30, 2016

Covered risks	Amounts covered	Value of the premium
Property insurance for the relevant fixed assets	1,123,599	6,341
Life insurance and collective personal accident insurance for the Executive Board (1)	885	3
Other	378,100	4,118
Total	**1,502,584**	**10,462**

(1) Refers to individual coverage for members of the Executive Board.

h) Retirement Incentive Plan - PAI

In accordance with the 4th paragraph of article 157 from Law 6,404/1976, the Incentive Retirement Plan - PAI was released in June 2015 for employees with the necessary conditions to retire by the Instituto Nacional de Seguridade Social – INSS or apply for early retirement to the Caixa de Previdência dos Funcionários do Banco do Brasil (Previ). The plan was closed on August 14, 2015 and it had 4,992 members with the following impact: expenses for incentive payments in 2015 in the amount of R$ 372.5 million.

KPMG

Banco do Brasil S.A.

Independent Auditors' Report on the Interim Financial Information

Period ended at
September 30, 2016

(A free translation of the original report in Portuguese containing the Interim Financial Statements prepared by management in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil)

KPMG Auditores Independentes
November 2016
KPDS 167075

KPMG Auditores Independentes
SBS - Qd. 02 - Bl. Q - Lote 03 - Salas 708 a 711
Edifício João Carlos Saad
70070-120 - Brasília/DF - Brasil
Caixa Postal 8587 - CEP 70312-970 - Brasília/DF - Brasil
Telefone +55 (61) 2104-2400, Fax +55 (61) 2104-2406
www.kpmg.com.br

Independent Auditors' Report on the Interim Information

To
The Board of Directors, Shareholders and Management of
Banco do Brasil S.A.
Brasília - DF

Dear Sirs

We have reviewed the consolidated statement of financial position of Banco do Brasil S.A. ("Banco do Brasil"), as at September 30, 2016 and the related consolidated statements of income for three and nine month period then ended, changes in shareholders' equity and cash flows for nine month period then ended, as well as the summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of this interim consolidated financial information in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil. Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

Scope of review
We conducted our review in accordance with Brazilian and International Standards on Review (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.

Opinion
Based on our review, we are not aware of any facts that would lead us to believe that the interim consolidated financial information mentioned above were not prepared, in all material respects, in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil.

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Other matter
We also reviewed the consolidated statement of value added (DVA) for three and nine month period ended as at September 30,2016, which was prepared under Banco do Brasil's Management responsability, and which presentation is required under the rules issued by Brazilian Securities and Exchange Commission (CVM), and is considered a supplementary information in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil that do not require the disclosure of DVA. This statement was subject to the same review procedures described above and based on our review, we are not aware of any facts that would lead us to believe it was not prepared, in all material respects, consistently with the interim consolidated financial information.

Brasília, November 8, 2016

KPMG Auditores Independentes
CRC SP-014428/O-6 F-DF
Original report in Portuguese signed by
Marcelo Faria Pereira
Accountant CRC RJ-077911/O-2

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KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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VICE-PRESIDENTS
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Carlos Hamilton Vasconcelos Araújo
Geraldo Afonso Dezena da Silva
José Mauricio Pereira Coelho
Julio Cezar Alves de Oliveira
Paulo Roberto Lopes Ricci
Raul Francisco Moreira
Tarcísio Hübner
Walter Malieni Junior

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Alexandre Alves de Souza
Antonio Pedro da Silva Machado
Carlos Alberto Araujo Netto
Carlos Renato Bonetti
Cícero Przendsiuk
Edmar José Casalatina
Edson Pascoal Cardozo
Edson Rogério da Costa
Eduardo Cesar Pasa
Fabiano Macanhan Fontes
Fernando Florêncio Campos
Gustavo de Souza Fosse
João Pinto Rabelo Júnior
José Caetano de Andrade Minchillo
José Eduardo Moreira Bergo
Leonardo Silva de Loyola Reis
Márcio Luiz Moral
Marco Antonio Ascoli Mastroeni
Marco Túlio de Oliveira Mendonça
Marco Túlio Moraes da Costa
Márvio Melo Freitas
Nilson Martiniano Moreira
Reinaldo Kazufumi Yokoyama
Rogério Magno Panca
Simão Luiz Kovalski
Wilsa Figueiredo

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Luiz Serafim Spinola Santos

ACCOUNTING DEPT.
Eduardo Cesar Pasa
General Accountant
Accountant CRC-DF 017601/O-5
CPF 541.035.920-87

Daniel André Stieler
Accountant CRC-DF 013931/O-2
CPF 391.145.110-53

