

Banco BOCOM BBM S.A.

Full Rating Report

Ratings

Foreign Currency	
Long-Term IDR	BB
Short-Term IDR	B
Local Currency	
Long-Term IDR	BB+
Short-Term IDR	B
Viability Rating	bb-
Support Rating	3
National	
Long-Term Rating	AAA(bra)
Short-Term Rating	F1+(bra)
Sovereign Rating	
Foreign and Local Currency	
Long-Term IDRs	BB-

Rating Outlook

Long-Term Foreign and Local Currency IDR	Stable
Long-Term National Rating	Stable
Sovereign Long-Term Foreign and Local Currency IDR	Stable

Financial Data

Banco BOCOM BBM S.A.^a		
(BRL Mil.)	6/30/18	12/31/17
Total Assets (USD Mil.)	1,461	1,505
Total Assets	5,632	4,976
Total Equity	595	575
Operating Profit	57.6	56.8
Net Income	54.7	46.3
Operating Profit/RWA (%)	2.90	1.63
ROAE (%)	13.38	7.54
Fitch Core Capital/RWA (%)	13.22	14.58
Tier 1 Ratio (%)	14.40	16.10

^aPrudential Conglomerate.
RWA – Risk-weighted assets.

Related Research

[Brazilian Banking System Dashboard \(First-Half 2018\) \(June 2018\)](#)

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Key Rating Drivers

Ratings Driven by Support: Banco BOCOM BBM S.A.'s (BOCOM BBM) Issuer Default Ratings (IDRs) and National Ratings are driven by expected support from the Bank of Communications Co., Ltd. (BOCOM, Long-Term Foreign Currency IDR: A/Stable, Viability Rating: bb-). The Stable Outlook on BOCOM BBM's IDRs mirrors the sovereign ratings' Outlook.

Strategically Important Subsidiary: Fitch Ratings considers BOCOM BBM to be strategically important to BOCOM, given BOCOM's long-term growth plans in Brazil, high level of management and operational integration, the fungible capital and funding, BOCOM's large majority stake in BOCOM BBM and the combination of parent and local branding.

Solid Asset Quality: BOCOM BBM's asset quality indicators are solid, but growth has been well above the sector average since 2016, which means the loan book has yet to season, which, in turn, could lead to a rise in impairment. However, Fitch does not expect impairment to rise above the peer average. BOCOM BBM's nonperforming loans (NPLs) over 90 days were 1.1% of gross loans as of June 2018 (1.7% in 2017 and 0.8% in 2016).

Adequate Profitability: BOCOM BBM's operating profit/risk-weighted assets (RWAs) averaged 1.6% between 2014 and 2017 and rose to 2.9% in June 2018. In 1H18, profitability was supported by a higher net interest margin, fee income and efficiency, and a decline in impairment charges relative to pre-impairment operating profit.

Comfortable Capitalization: As of June 2018, Fitch Core Capital (FCC) and total regulatory ratios stood at 13.2% and 14.4%, respectively (14.6% and 16.1%, respectively, in 2017). BOCOM's internal minimum limit for BOCOM BBM's total regulatory capital ratio is 12.5%, which the bank could reach in 2019.

Stable Funding and Liquidity: BOCOM BBM's funding base benefits significantly from ordinary support provided by BOCOM. As of June 2018, the bank's loans/deposits ratio (including deposit-like financial bills) was an adequate 110%.

Rating Sensitivities

Changes in Sovereign Ratings and Outlook: BOCOM BBM's IDRs and SR remain constrained by the sovereign ratings. A sovereign rating downgrade or a revision of the sovereign Rating Outlook to Negative would result in a similar action on these ratings, while a sovereign rating upgrade or a revision of its outlook to Positive could lead to their review.

Changes in Parent Support: BOCOM BBM's IDRs and Support Rating (SR) could be affected by a change in Fitch's assessment of BOCOM's willingness to support BOCOM BBM or by a multiple-notch downgrade in BOCOM's ratings.

VR Sensitivities: BOCOM BBM's Viability Rating (VR) could be downgraded in the case of a sovereign downgrade, or if its FCC ratio remains below 12% or if its NPLs over 90 days remain above 5% of gross loans for a sustained period. BOCOM BBM's VR has a limited upside potential, as it captures constraints by its operating environment and company profile.

Operating Environment

Sovereign Rating

Fitch downgraded Brazil's Long-Term Local and Foreign Currency IDRs to 'BB-' from 'BB' in February 2018 and revised the Rating Outlook to Stable from Negative. Brazil's downgrade reflects its persistent and large fiscal deficits, a high and growing government debt burden and the failure to legislate reforms that would improve the structural performance of public finances. Fitch downgraded Brazil's sovereign ratings to 'BB' from 'BB+' in May 2016.

Economic Environment

Brazil's GDP grew 1% in 2017, sustained by the recovery in consumption, after falling 3.6% in 2016 and 3.8% in 2015. Fitch expects economic growth to reach 1.3% in 2018 and 2.2% in 2019. Recent economic activity data remained disappointing and have been adversely affected by the disruptive May 2018 truckers' strike and continued policy and political uncertainties. Fitch expects supportive external demand and easing of political and policy uncertainties will support a gradual economic recovery in 2019–2020. Low inflation and continued accommodative (albeit tighter) monetary policy will be growth-supportive. Downside risks to Fitch's forecasts include a further worsening in the external financing conditions and/or an election outcome less conducive to reforms or that leads to a deterioration in the overall policy environment.

After cutting interest rates by a cumulative 775bp since late 2016, the Central Bank of Brazil (Bacen) halted the monetary easing cycle in May 2018 and kept rates on hold in June and August despite periodic bouts of currency pressure. Fitch expects the bank to remain on hold during the remainder of the year, but the risks are skewed towards a hike.

Financial Market Development

The Brazilian banking system is well developed but highly concentrated. Loan growth and asset quality came under pressure during a weak operating environment between 2014 and 2016, but pressures have alleviated since 2017. Total sector loans fell 0.6% in 2017 yoy, compared with a decline of 3.5% in 2016. In 2018, growth recovered and reached 2.4% yoy as of July 2018, which, in turn, was driven by lending to individuals, as growth in lending to companies remained negative. Meanwhile, NPLs over 90 days fell to 3.0% of total sector loans in July 2018, from 3.2% and 3.7%, in 2017 and 2016, respectively. In the same period, the loans/GDP ratio stood at 46%, compared with 47% and 50%, in 2017 and 2016, respectively. Top-10 banks continued to make up about 85% of assets.

Regulatory Framework

The infrastructure supporting the financial system is adequate and well established overall. The regulatory environment is generally considered to be strong. The two main regulators, Bacen and the Securities and Exchange Commission of Brazil, have good reputations for their level of sophistication, controls, monitoring capacity and flexibility, and their capacity to react to adverse situations quickly. Enforcement of legislation also is adequate.

Company Profile

Franchise

BOCOM BBM is a midsize commercial bank with a focus on corporate lending. It has a very small market share of less than 0.5% in both total sector loans and total sector deposits. The bank's history dates back to 1858, and it has an established brand name that supports the preservation of the client base. Fitch expects the recent transfer of the bank's majority ownership to BOCOM, one of China's largest banks, to be positive for BOCOM BBM's

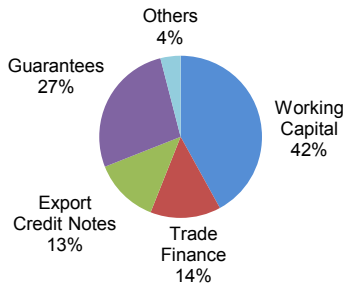
Related Criteria

[Bank Rating Criteria \(October 2018\)](#)

[National Scale Ratings Criteria \(July 2018\)](#)

Loan Breakdown

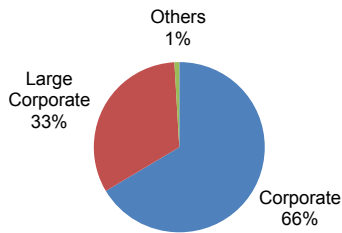
(June 2018)



Source: BOCOM BBM.

Loans by Borrower Size

(June 2018)



Source: BOCOM BBM.

franchise, as it will pave the way for growth and will allow BOCOM BBM to establish relationships with Chinese companies operating or planning to operate in Brazil.

Business Model

BOCOM BBM's business model is overall weighted towards traditional commercial banking. The bank's core focus is corporate lending, which could be volatile given the operating environment in Brazil. Loans to medium (BRL200 million–BRL3 billion in revenue) and large (revenue greater than BRL3 billion) corporates make up two-thirds and one-third of total loans, respectively. The bulk of them are working capital and trade finance loans, and the average loan maturity was approximately 20 months, broadly the same as year-end 2017, but up from 16 months at year-end 2016).

The bank is also active in debt structuring and distribution, wealth management and treasury. The structuring area is relatively new and will work very closely with the corporate credit and wealth management areas, which, in turn, had BRL5.8 billion in assets under advisory as of June 2018. The treasury of the bank is responsible for cash management, hedging and proprietary trading on a small and limited scale, and increasingly for providing treasury services to clients. Funding is wholesale-based, although the growing private banking arm accounts for about one-third of total funding and is supportive of the diversification of the funding base.

Organizational Structure

The group structure is plain-vanilla. The prudential conglomerate supervised by Bacen comprises BOCOM BBM, a local broker/distributor, a bank subsidiary in Bahamas, an investment company in Bahamas, and three funds. Since November 2016, BOCOM BBM is 80% controlled by BOCOM, and the remaining 20% is held by the previous majority shareholders, which are members of a Brazilian family. The integration process between the two entities started in May 2015, when the two parties agreed to the acquisition. By the time all approvals were granted, most of BOCOM BBM's strategy and processes were aligned with the new parent's objectives.

The minority shareholders have a put option that can be exercised in November 2019 or November 2021 to sell their shares to BOCOM. Likewise, BOCOM has a call option that it can exercise on the same dates.

Management and Strategy

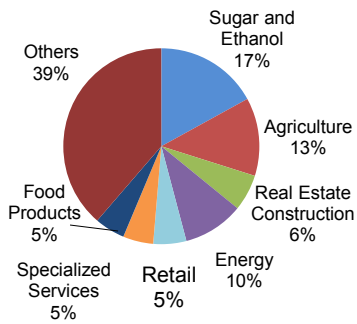
Management Quality

BOCOM BBM's top management is made up of executives with extensive experience in the financial markets. Except for the CFO, who is a Chinese national and was indicated by BOCOM, no senior management changes took place following BOCOM's acquisition. Stability in the management team has helped preserve the bank's corporate culture and identity and underpinned a smooth transition. The president, who also remained in place following the acquisition, is one of the two members of the minority shareholder family who has an executive role in the bank.

Corporate Governance

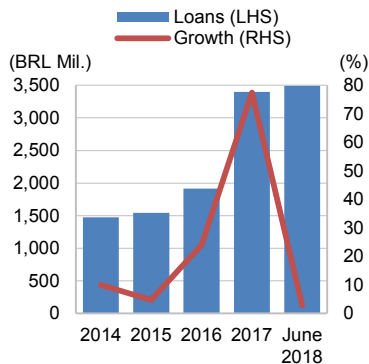
Corporate governance is neutral for BOCOM BBM's VR. The board has five members. In addition to the president of the bank, there are four other members who represent BOCOM. The governance structure is closely aligned with that of BOCOM and also is in full compliance with local regulations. Decision making is carried out via committees that are autonomous and made up of senior executives. Financial transparency is in line with other unlisted Brazilian banks.

Loans by Sector
(June 2018)



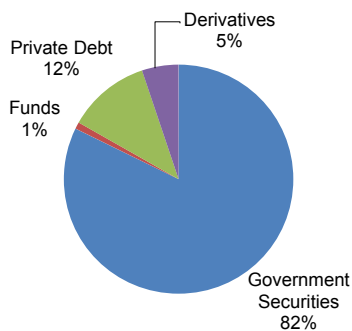
Source: BOCOM BBM.

Loan Growth



Source: BOCOM BBM.

Securities Breakdown
(June 2018)



Source: BOCOM BBM, Fitch Ratings.

Strategic Objectives

BOCOM BBM aims to improve profitability by increasing leverage, growing in corporate lending (with a particular focus on large corporates and Chinese companies operating in Brazil) and extending average maturities. The bank also aims to grow in debt structuring using the expertise of its credit area and taking advantage of potential synergies with its wealth management area for the distribution of structured debt and its treasury area for cross-selling opportunities. The bank's objectives are achievable considering the expected support from BOCOM, both with regards to funding and capital and with respect to outreach to potential clients and investors. The corporate culture and the strategic direction of the bank appear to be compatible.

Execution

The bank's track record in meeting the new strategic objectives is still very short, given the change in ownership that was concluded in November 2016. That said, implementation has been on track so far, particularly with respect to the growth of the loan book. In addition, senior management's execution of the bank's former strategy under the old ownership structure was consistent, as evidenced by the stability of historical key credit metrics.

Risk Appetite

Underwriting Standards

BOCOM BBM's underwriting standards are in line with those of other larger midsize Brazilian banks. While credit standards and overall risk appetite are variable over economic cycles, in general, they are conservative. In lending, the bank has a strict set of requirements for approvals, including a rigid collateral policy that has historically supported recoveries and prevented the bank from incurring large credit-related losses. Part of the loans to large Chinese companies is fully guaranteed by large Chinese banks. All lending limit approvals are carried out locally through the credit committee. Two board members participate in the credit committee along with all directors and other credit, risk, legal affairs and compliance personnel. Borrower and sector concentrations are relatively higher than in other larger midsize banks. In treasury activities, the bank is very conservative and operates under very low limits.

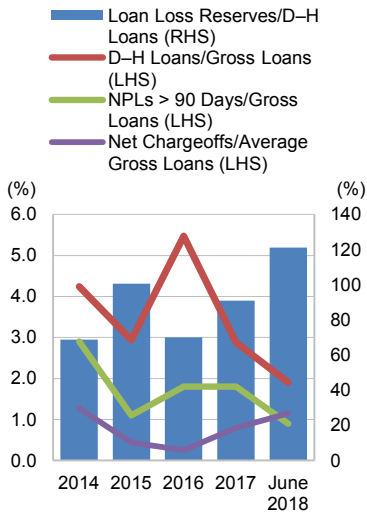
Risk Controls

BOCOM BBM's risk controls and reporting tools are adequate and in line with other larger midsize Brazilian banks. Risk limits are monitored frequently, but may change along with business conditions. Risk controls are centralized with the risk committee, which is responsible for submitting operating risk limits to the board. The operational risks and internal controls committee reports to the risk committee. There is a separate committee for new products. As of June 2018, operational risks made up 8% of RWAs, which is broadly in line with the peer average.

Growth

BOCOM BBM's loan book returned to growth in 2016, following the signing of the agreement between BOCOM and BOCOM BBM's current minority shareholders and the subsequent implementation of the new strategy to grow. In 2016 and 2017, total credit risk exposure grew 26% and 69%, respectively, while in 1H18 growth eased, but at 13%, it was still above sector average. As the bank's regulatory capital ratio (14.4%) is still above the internal minimum guideline set by BOCOM (12.5%), BOCOM BBM expects to continue to post solid growth.

Asset Quality



Source: BOCOM BBM, Fitch Ratings.

Market Risk

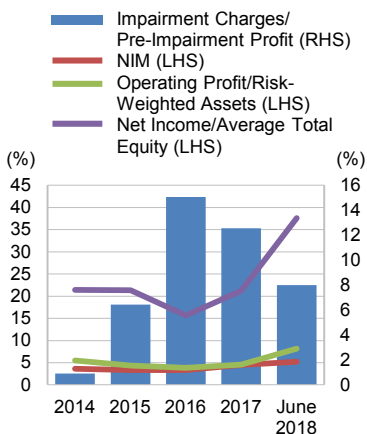
BOCOM BBM's market risk exposure is low and made up of 4% RWAs as of June 2018. The bank monitors its market risk controls via a 95% confidence interval daily value-at-risk (VaR) measure, whose total limit is 2% of total equity (BRL12 million at June 2018). The treasury department has the autonomy to allocate the limit at various desks, depending on its strategy. Between September 2017 and September 2018, there were no limit excesses.

Financial Profile

Asset Quality

BOCOM BBM's asset quality indicators are solid, although the loan book has yet to season and therefore the current impairment ratios may not fully reflect the future recurring impairment rates. However, Fitch does not expect a significant deterioration once the loan book matures, given the bank's conservative underwriting standards. BOCOM BBM's NPLs over 90 days were only 1.1% of gross loans as of June 2018 (1.7% in 2017 and 0.8% in 2016), which is lower than the 2.4% sector average for corporate loans. Likewise, impaired loans (those classified in the D-H category of the central bank's risk scale) were also low at only 1.9% of gross loans (2.9% in 2017 and 5.5% in 2016), and net charge-offs were also under control at 1.2% of gross loans (0.8% in 2017 and 0.3% in 2016).

Profitability



Source: BOCOM BBM, Fitch Ratings.

Contrary to most peers, whose renegotiated loans increased significantly since the beginning of the recession, BOCOM BBM's renegotiations have remained subdued. There were none in 2017, and in 1H18 they corresponded to only 0.2% of gross loans. Loan sales without recourse also remained very low through June 2018.

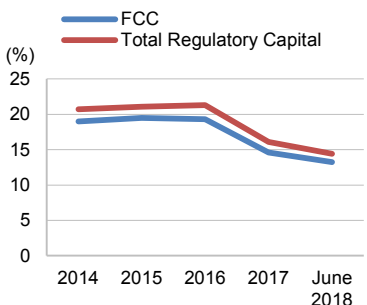
Borrower concentrations are slightly above those at larger midsize banks. At June 2018, the top borrower made up 3% of loans and 22% of total equity, while the top 20 made up 37% and 258%, respectively. Concentration may rise as the bank increases its exposures to large corporates, but this risk will be mitigated in part by the full guarantees received from large Chinese banks for part of the large Chinese corporate borrowers.

Earnings and Profitability

BOCOM BBM's profitability indicators are adequate. They have remained broadly between 2014 and 2017, with the bank's operating profit/RWAs ratio averaging 1.6%. This ratio rose to 2.9% in June 2018, due to higher net interest margins, fee income and efficiency, and a decline in impairment charges to 22% of pre-impairment operating profit (35% in 2017). As a result, the bank's ROAE reached 13.4% in this period. BOCOM BBM targets an ROE of 15%–20%. Fitch expects profitability to remain good, although a potential increase in impairment costs as the loan book seasons is a downside risk.

Capitalization

(% of Risk-Weighted Assets)



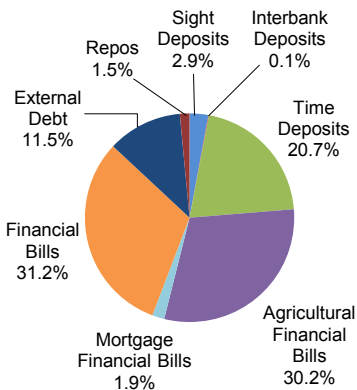
Source: BOCOM BBM, Fitch Ratings.

Capitalization and Leverage

BOCOM BBM has a solid capital base that is made up fully of Core Equity Tier 1 capital. As of June 2018, Fitch Core Capital and total regulatory ratios stood at 13.2% and 14.4%, respectively (14.6% and 16.1%, respectively, in 2017). The capitalization ratios will continue to decline as the loan book grows as per the bank's revised targets. BOCOM's internal minimum limit for BOCOM BBM's total regulatory capital ratio is 12.5%, which the bank could reach in 2019. Dividends are likely to remain high (payout was 94% in 2017 and 64% in 2016), as the bank plans to continue to distribute profits via payments of interest over own capital. Fitch expects BOCOM to provide capital support should the necessity arise at any time. Capital is largely fungible, although approvals would be needed from both Brazilian and Chinese regulators prior to injections.

Funding by Product

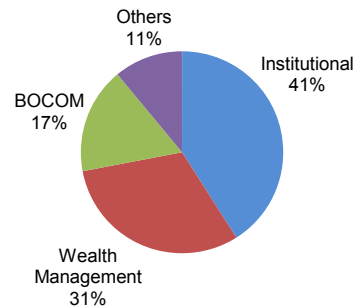
(June 2018)



Source: BOCOM BBM.

Funding by Type of Investor

(June 2018)



Source: BOCOM BBM.

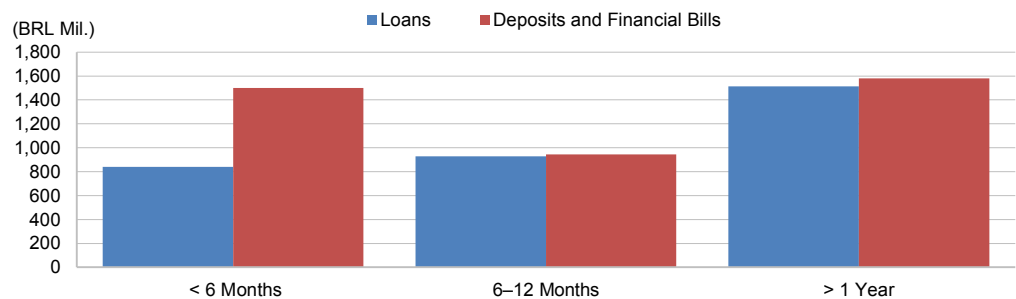
Funding and Liquidity

BOCOM BBM has a stable and adequate funding base that benefits significantly from the ordinary support provided by BOCOM. Following the change in ownership, BOCOM BBM received low-cost funding from BOCOM and saw its funding costs drop sharply. As of June 2018, funding from BOCOM made up 17% of the total; when all related parties are considered (including BOCOM) this ratio rises to 27%. Going forward, the differential between local and foreign rates will determine the proportion of funding provided by BOCOM. On average, approximately 10% of funding has daily liquidity clauses.

BOCOM BBM has comfortable liquidity. At June 2018, liquid assets were about BRL1.2 billion and covered an adequate 26% of total funding. The bank expects liquid assets to fall as a result of continued growth in lending. As of June 2018, the bank's loan/deposits ratio (including deposit-like products, such as financial bills), was an adequate 110%. The funding base is relatively concentrated. BOCOM BBM's asset and liability maturity structure is also comfortable, given the bank's comfortable liquidity, ordinary support from BOCOM and the fact that a meaningful portion of the short-term funding (less than one year) is related-party funding.

Asset and Liability Maturity Structure

(June 2018)



Source: BOCOM BBM, Fitch Ratings.

Support

BOCOM BBM's IDRs and National Ratings are driven by institutional support from its parent BOCOM. Under Fitch's assessment, BOCOM has a high ability to support BOCOM BBM, and state support to BOCOM would flow through to BOCOM BBM, should the need arise. This is based on the view that the Chinese regulators would likely be in favor of BOCOM supporting BOCOM BBM and that any required support would be immaterial relative to the ability of BOCOM to provide it (BOCOM BBM's equity corresponded to 0.2% of BOCOM's total equity at December 2017).

Fitch considers BOCOM BBM to be a strategically important subsidiary of BOCOM, given the potential synergies between the two entities, BOCOM's long-term growth plans in Brazil, high level of management and operational integration, the largely fungible capital and funding, BOCOM's large majority stake in BOCOM BBM, and the combined parent and local branding.

BOCOM BBM's Support Rating of '3' reflects the moderate probability of support by BOCOM and is constrained by Brazil's country risks. BOCOM BBM's Long-Term Foreign Currency IDR is constrained by Brazil's country ceiling of 'BB', while its Long-Term Local Currency IDR is two notches above Brazil's long-term ratings.

Peer Analysis

BOCOM BBM stands out with stronger asset quality indicators among its similarly rated but larger peers, although this could change as loan growth stabilizes and impairment rises towards the peer average. The bank's profitability exceeded the peer average in 1H18, but should remain broadly aligned with it over the long term. BOCOM BBM's capitalization is slightly lower than the peer average and could fall further as the bank continues to grow faster than its peers, as per its strategy.

Peer Comparison Table

(%)	Banco BOCOM BBM S.A.			Peer Average ^a		
	6/18	2017	2016	6/18	2017	2016
Total Assets (BRL Mil.)	5,623	4,976	4,004	23,413	21,943	20,051
Equity (BRL Mil.)	595	575	574	3,009	2,882	2,603
Gross Loans (BRL Mil.)	3,401	3,032	1,772	11,758	11,657	10,747
D-H Rated Loans/Gross Loans	1.90	2.88	5.47	4.71	4.58	5.41
Reserves for Impaired Loans/D-H Rated Loans	121.17	90.95	70.07	99.58	95.24	81.37
Net Chargeoffs/Average Gross Loans	1.15	0.80	0.25	1.35	1.33	1.52
FCC/FCC-Adjusted Risk-Weighted Assets	13.22	14.58	19.33	16.05	16.32	18.21
Net Interest Income/Average Earning Assets	5.25	4.49	3.37	5.34	5.78	6.12
Loan Impairment Charges/Pre-Impairment Op. Profit	22.48	35.31	42.36	30.97	16.79	30.18
Operating Profit/Risk-Weighted Assets	2.90	1.63	1.38	2.25	2.76	2.87
ROAE	1.48	0.96	0.83	12.46	12.62	11.94

^aBanco ABC Brasil S.A. (LT LC IDR: BB+/Stable, VR: bb-, LT National Rating: AAA(bra)/Stable), Conglomerado Financeiro Alfa (LT National Rating: AA(bra)/Stable), Banco Daycoval S.A. (LT LC IDR: BB-/Stable, VR: bb-, LT National Rating: AA(bra)/Stable). LT – Long-Term. LC – Local Currency. IDR – Issuer Default Rating. VR – Viability Rating.

Source: Fitch Ratings, Fitch Solutions.

Income Statement — Banco BOCOM BBM S.A.

	June 30, 2018 ^a Six Months Interim			2017 ^a		2016 ^a		2015 ^a		2014 ^a	
	Audited – Unqualified (Emphasis of Matter) (USD Mil.)	Audited – Unqualified (Emphasis of Matter)	As % of Earning Assets	Audited – Unqualified (Emphasis of Matter)	As % of Earning Assets	Audited – Unqualified (Emphasis of Matter)	As % of Earning Assets	Audited – Unqualified (Emphasis of Matter)	As % of Earning Assets	Audited – Unqualified (Emphasis of Matter)	As % of Earning Assets
(BRL Mil., Year End as of Dec. 31)											
1. Interest Income on Loans	36.3	140.0	5.41	267.8	5.64	213.2	5.58	214.1	5.82	168.2	5.85
2. Other Interest Income	49.6	191.4	7.39	256.7	5.41	53.8	1.41	389.8	10.59	208.9	7.26
3. Dividend Income	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
4. Gross Interest and Dividend Income	86.0	331.4	12.80	524.5	11.05	267.0	6.99	603.9	16.41	377.1	13.11
5. Interest Expense on Customer Deposits	36.1	139.3	5.38	279.7	5.89	223.3	5.85	350.1	9.51	252.1	8.77
6. Other Interest Expense	16.2	62.3	2.41	52.5	1.11	(82.6)	(2.16)	143.9	3.91	27.6	0.96
7. Total Interest Expense	52.3	201.6	7.79	332.2	7.00	140.7	3.68	494.0	13.42	279.7	9.73
8. Net Interest Income	33.7	129.8	5.01	192.3	4.05	126.3	3.31	109.9	2.99	97.4	3.39
9. Net Fees and Commissions	8.2	31.7	1.22	43.1	0.91	18.4	0.48	18.7	0.51	20.6	0.72
10. Net Gains (Losses) on Trading and Derivatives	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
11. Net Gains (Losses) on Assets and Liabilities at FV	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
12. Net Gains (Losses) on Other Securities	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
13. Net Insurance Income	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
14. Other Operating Income	0.2	0.9	0.03	1.8	0.04	8.1	0.21	0.6	0.02	2.0	0.07
15. Total Non-Interest Operating Income	8.5	32.6	1.26	44.9	0.95	26.5	0.69	19.3	0.52	22.6	0.79
16. Total Operating Income	42.1	162.4	6.27	237.2	5.00	152.8	4.00	129.2	3.51	120.0	4.17
17. Personnel Expenses	13.6	52.4	2.02	95.1	2.00	66.2	1.73	68.4	1.86	51.4	1.79
18. Other Operating Expenses	9.3	35.7	1.38	65.1	1.37	47.3	1.24	42.2	1.15	40.7	1.42
19. Total Non-Interest Expenses	22.9	88.1	3.40	160.2	3.37	113.5	2.97	110.6	3.01	92.1	3.20
20. Equity-Accounted Profit/Loss — Operating	0.0	0.0	—	10.8	0.23	23.5	0.62	32.2	0.88	27.1	0.94
21. Pre-Impairment Operating Profit	19.3	74.3	2.87	87.8	1.85	62.8	1.64	50.8	1.38	55.0	1.91
22. Loan Impairment Charge	4.3	16.7	0.65	31.0	0.65	26.6	0.70	9.2	0.25	1.4	0.05
23. Securities and Other Credit Impairment Charges	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
24. Operating Profit	14.9	57.6	2.23	56.8	1.20	36.2	0.95	41.6	1.13	53.6	1.86
25. Equity-Accounted Profit/Loss — Non-Operating	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
26. Goodwill Impairment	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
27. Nonrecurring Income	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
28. Nonrecurring Expense	0.8	2.9	0.11	2.7	0.06	8.5	0.22	4.0	0.11	0.4	0.01
29. Change in Fair Value of Own Debt	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
30. Other Non-Operating Income and Expenses	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
31. Pretax Profit	14.2	54.7	2.11	54.1	1.14	27.7	0.73	37.6	1.02	53.2	1.85
32. Tax Expense	4.1	15.9	0.61	10.8	0.23	(4.6)	(0.12)	(6.4)	(0.17)	9.6	0.33
33. Profit/Loss from Discontinued Operations	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
34. Net Income	10.1	38.8	1.50	43.3	0.91	32.3	0.85	44.0	1.20	43.6	1.52
35. Change in Value of AFS Investments	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
36. Revaluation of Fixed Assets	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
37. Currency Translation Differences	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
38. Remaining OCI Gains/(Losses)	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
39. Fitch Comprehensive Income	10.1	38.8	1.50	43.3	0.91	32.3	0.85	44.0	1.20	43.6	1.52
40. Memo: Profit Allocation to Noncontrolling Interests	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
41. Memo: Net Income After Allocation to Noncontrolling Interests	10.1	38.8	1.50	43.3	0.91	32.3	0.85	44.0	1.20	43.6	1.52
42. Memo: Common Dividends Relating to the Period	4.9	19.0	0.73	40.7	0.86	20.6	0.54	19.9	0.54	28.1	0.98
43. Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—

^aExchange rate: 2018 — USD1 = BRL3.8552; 2017 — USD1 = BRL3.3074; 2016 — USD1 = BRL3.2585; 2015 — USD1 = BRL3.9042; 2014 — USD1 = BRL2.6556.
Source: Banco BOCOM BBM S.A., Fitch Ratings, Fitch Solutions.

Balance Sheet — Banco BOCOM BBM S.A.

(BRL Mil., Year End as of Dec. 31)	June 30, 2018 ^a		2017 ^a		2016 ^a		2015 ^a		2014 ^a		
	(USD Mil.)	As % of Assets	As % of Assets	As % of Assets	As % of Assets	As % of Assets	As % of Assets	As % of Assets	As % of Assets		
Assets											
A. Loans											
1. Residential Mortgage Loans	66.7	257.0	4.56	221.4	4.45	91.9	2.30	173.8	4.58	0.0	—
2. Other Mortgage Loans	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
3. Other Consumer/Retail Loans	0.0	0.0	—	0.0	—	0.0	—	3.9	0.10	0.0	—
4. Corporate and Commercial Loans	815.6	3,144.2	55.82	2,810.3	56.47	1,679.6	41.95	1,364.3	35.94	1,472.4	47.31
5. Other Loans	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
6. Less: Loan Loss Allowances	20.3	78.4	1.39	79.4	1.60	67.9	1.70	45.6	1.20	43.0	1.38
7. Net Loans	861.9	3,322.8	59.00	2,952.3	59.33	1,703.6	42.55	1,496.4	39.42	1,429.4	45.92
8. Gross Loans	882.2	3,401.2	60.39	3,031.7	60.92	1,771.5	44.25	1,542.0	40.62	1,472.4	47.31
9. Memo: Impaired Loans Included Above	16.8	64.7	1.15	87.3	1.75	96.9	2.42	45.3	1.19	62.5	2.01
10. Memo: Specific Loan Loss Allowances	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
B. Other Earning Assets											
1. Loans and Advances to Banks	53.8	207.3	3.68	160.6	3.23	131.8	3.29	304.4	8.02	97.0	3.12
2. Reverse Repos and Securities Borrowing	92.6	357.1	6.34	304.0	6.11	557.2	13.92	631.2	16.63	605.9	19.47
3. Derivatives	20.1	77.4	1.37	10.3	0.21	15.0	0.37	14.8	0.39	14.2	0.46
4. Trading Securities and at FV Through Income	12.6	48.4	0.86	52.3	1.05	805.0	20.11	600.4	15.81	0.0	—
5. Available for Sale Securities	183.6	707.8	12.57	674.5	13.55	568.2	14.19	589.1	15.52	689.8	22.16
6. Held to Maturity Securities	128.7	496.1	8.81	593.4	11.92	0.0	—	0.0	—	0.0	—
7. Other Securities	0.8	3.1	0.06	0.0	—	0.1	0.00	11.4	0.30	2.3	0.07
8. Total Securities	325.6	1,255.4	22.29	1,320.2	26.53	1,373.3	34.30	1,200.9	31.63	692.1	22.24
9. Memo: Government Securities Included Above	334.7	1,290.4	22.91	1,272.2	25.57	1,622.7	40.53	1,581.1	41.65	1,295.5	41.62
10. Memo: Total Securities Pledged	63.7	245.6	4.36	250.1	5.03	251.5	6.28	219.9	5.79	148.0	4.76
11. Equity Investments in Associates	0.0	0.0	—	0.0	—	37.6	0.94	32.1	0.85	37.3	1.20
12. Investments in Property	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
13. Insurance Assets	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
14. Other Earning Assets	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
15. Total Earning Assets	1,354.0	5,220.0	92.68	4,747.4	95.40	3,818.5	—	3,679.8	96.93	2,875.9	92.40
C. Non-Earning Assets											
1. Cash and Due from Banks	9.7	37.3	0.66	14.5	0.29	17.7	0.44	31.1	0.82	17.9	0.58
2. Memo: Mandatory Reserves Included Above	0.4	1.5	0.03	1.4	0.03	0.8	0.02	0.7	0.02	1.0	0.03
3. Foreclosed Assets	9.4	36.2	0.64	38.3	0.77	0.0	—	0.0	—	0.0	—
4. Fixed Assets	1.2	4.6	0.08	4.1	0.08	3.5	0.09	2.9	0.08	4.9	0.16
5. Goodwill	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
6. Other Intangibles	1.3	5.1	0.09	3.0	0.06	1.4	0.03	2.9	0.08	3.0	0.10
7. Current Tax Assets	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
8. Deferred Tax Assets	19.9	76.7	1.36	76.0	1.53	78.1	1.95	69.8	1.84	57.7	1.85
9. Discontinued Operations	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
10. Other Assets	65.5	252.4	4.48	92.9	1.87	84.6	2.11	10.0	0.26	153.1	4.92
11. Total Assets	1,461.0	5,632.3	100.00	4,976.2	100.00	4,003.8	100.00	3,796.5	100.00	3,112.5	100.00
Liabilities and Equity											
D. Interest-Bearing Liabilities											
1. Total Customer Deposits	284.1	1,095.4	19.45	938.2	18.85	972.7	24.29	442.4	11.65	317.4	10.20
2. Deposits from Banks	1.3	4.9	0.09	18.9	0.38	107.9	2.69	11.5	0.30	4.1	0.13
3. Repos and Securities Lending	17.9	69.2	1.23	103.8	2.09	344.0	8.59	570.7	15.03	15.9	0.51
4. Commercial Paper and Short-Term Borrowings	470.0	1,811.8	32.17	1,532.9	30.80	1,171.4	29.26	1,268.7	33.42	909.4	29.22
5. Customer Deposits and Short-Term Funding	773.3	2,981.3	52.93	2,593.8	52.12	2,596.0	64.84	2,293.3	60.41	1,246.8	40.06
6. Senior Unsecured Debt	431.7	1,664.2	29.55	1,594.8	32.05	712.4	17.79	739.7	19.48	865.8	27.82
7. Subordinated Borrowing	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
8. Covered Bonds	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
9. Other Long-Term Funding	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
10. Total Long-Term Funding	431.7	1,664.2	29.55	1,594.8	32.05	712.4	17.79	739.7	19.48	865.8	27.82
11. Memo: O/w Matures in Less Than One Year	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
12. Trading Liabilities	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—

^aExchange rate: 2018 — USD1 = BRL3.8552; 2017 — USD1 = BRL3.3074; 2016 — USD1 = BRL3.2585; 2015 — USD1 = BRL3.9042; 2014 — USD1 = BRL2.6556.

Continued on next page.

Source: Banco BOCOM BBM S.A., Fitch Ratings, Fitch Solutions.

Balance Sheet — Banco BOCOM BBM S.A. (Continued)

(BRL Mil., Year End as of Dec. 31)	June 30, 2018 ^a Six Months Interim			2017 ^a		2016 ^a		2015 ^a		2014 ^a	
	(USD Mil.)		As % of Assets		As % of Assets		As % of Assets		As % of Assets		As % of Assets
D. Interest-Bearing Liabilities (Cont.)											
13. Total Funding	1,205.0	4,645.5	82.48	4,188.6	84.17	3,308.4	82.63	3,033.0	79.89	2,112.6	67.87
14. Derivatives	14.3	55.0	0.98	7.2	0.14	3.8	0.09	13.0	0.34	9.8	0.31
15. Total Funding and Derivatives	1,219.3	4,700.5	83.46	4,195.8	84.32	3,312.2	82.73	3,046.0	80.23	2,122.4	68.19
E. Non-Interest Bearing Liabilities											
1. Fair Value Portion of Debt	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
2. Credit Impairment Reserves	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
3. Reserves for Pensions and Other	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
4. Current Tax Liabilities	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
5. Deferred Tax Liabilities	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
6. Other Deferred Liabilities	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
7. Discontinued Operations	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
8. Insurance Liabilities	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
9. Other Liabilities	87.5	337.2	5.99	205.5	4.13	118.0	2.95	165.4	4.36	414.5	13.32
10. Total Liabilities	1,306.7	5,037.7	89.44	4,401.3	88.45	3,430.2	85.67	3,211.4	84.59	2,536.9	81.51
F. Hybrid Capital											
1. Pref. Shares and Hybrid Capital Accounted for as Debt	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
2. Pref. Shares and Hybrid Capital Accounted for as Equity	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
G. Equity											
1. Common Equity	154.6	596.1	10.58	576.3	11.58	571.0	14.26	583.3	15.36	578.7	18.59
2. Noncontrolling Interest	0.0	0.0	—	0.0	—	5.6	0.14	5.9	0.16	0.0	—
3. Securities Revaluation Reserves	(0.4)	(1.5)	(0.03)	(1.4)	(0.03)	(3.0)	(0.07)	(4.1)	(0.11)	(3.1)	(0.10)
4. Foreign Exchange Revaluation Reserves	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
5. Fixed Asset Revaluations and Other Accumulated OCI	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
6. Total Equity	154.2	594.6	10.56	574.9	11.55	573.6	14.33	585.1	15.41	575.6	18.49
7. Memo: Equity Plus Pref. Shares and Hybrid Capital Accounted for as Equity	154.2	594.6	10.56	574.9	11.55	573.6	14.33	585.1	15.41	575.6	18.49
8. Total Liabilities and Equity	1,461.0	5,632.3	100.00	4,976.2	100.00	4,003.8	100.00	3,796.5	100.00	3,112.5	100.00
9. Memo: Fitch Core Capital	137.2	528.9	9.39	508.2	10.21	505.5	12.63	522.5	13.76	523.5	16.82

^aExchange rate: 2018 — USD1 = BRL3.8552; 2017 — USD1 = BRL3.3074; 2016 — USD1 = BRL3.2585; 2015 — USD1 = BRL3.9042; 2014 — USD1 = BRL2.6556.
Source: Banco BOCOM BBM S.A., Fitch Ratings, Fitch Solutions.

Summary Analytics — Banco BOCOM BBM S.A.

(% , Year End as of Dec. 31)	June 30, 2018				
	Six Months — Interim	2017	2016	2015	2014
A. Interest Ratios					
1. Interest Income/Average Earning Assets	13.41	12.25	7.12	18.42	N.A.
2. Interest Income on Loans/Average Gross Loans	8.78	11.15	12.87	14.21	N.A.
3. Interest Expense on Customer Deposits/Average Customer Deposits	27.63	29.27	31.56	92.16	N.A.
4. Interest Expense/Average Interest-Bearing Liabilities	9.14	8.85	4.43	19.12	N.A.
5. Net Interest Income/Average Earning Assets	5.25	4.49	3.37	3.35	N.A.
6. Net Interest Income Less Loan Impairment Charges/Average Earning Assets	4.58	3.77	2.66	3.07	N.A.
7. Net Interest Income Less Preferred Stock Dividend/Average Earning Assets	5.25	4.49	3.37	3.35	N.A.
B. Other Operating Profitability Ratios					
1. Operating Profit/Risk-Weighted Assets	2.90	1.63	1.38	1.55	1.95
2. Non-Interest Expense/Gross Revenues	54.25	67.54	74.28	85.60	76.75
3. Loans and Securities Impairment Charges/Pre-Impairment Operating Profit	22.48	35.31	42.36	18.11	2.55
4. Operating Profit/Average Total Assets	2.19	1.27	0.93	1.20	N.A.
5. Non-Interest Income/Gross Revenues	20.07	18.93	17.34	14.94	18.83
6. Non-Interest Expense/Average Total Assets	3.35	3.57	2.91	3.20	N.A.
7. Pre-Impairment Operating Profit/Average Equity	25.62	15.29	10.84	8.75	N.A.
8. Pre-Impairment Operating Profit/Average Total Assets	2.82	1.96	1.61	1.47	N.A.
9. Operating Profit/Average Equity	19.86	9.89	6.25	7.17	N.A.
C. Other Profitability Ratios					
1. Net Income/Average Total Equity	13.38	7.54	5.57	7.58	N.A.
2. Net Income/Average Total Assets	1.48	0.96	0.83	1.27	N.A.
3. Fitch Comprehensive Income/Average Total Equity	13.38	7.54	5.57	7.58	N.A.
4. Fitch Comprehensive Income/Average Total Assets	1.48	0.96	0.83	1.27	N.A.
5. Taxes/Pretax Profit	29.07	19.96	(16.61)	(17.02)	18.05
6. Net Income/Risk-Weighted Assets	1.96	1.24	1.23	1.64	1.58
D. Capitalization					
1. FCC/FCC-Adjusted Risk-Weighted Assets	13.22	14.58	19.33	19.51	19.01
2. Tangible Common Equity/Tangible Assets	9.50	10.35	12.84	13.99	17.11
3. Equity/Total Assets	10.56	11.55	14.33	15.41	18.49
4. Basel Leverage Ratio	N.A.	N.A.	N.A.	N.A.	N.A.
5. Common Equity Tier 1 Capital Ratio	14.40	16.10	21.30	21.10	20.70
6. Fully Loaded Common Equity Tier 1 Capital Ratio	N.A.	N.A.	N.A.	N.A.	N.A.
7. Tier 1 Capital Ratio	14.40	16.10	21.30	21.10	20.70
8. Total Capital Ratio	14.40	16.10	21.30	21.10	20.70
9. Impaired Loans Less Loan Loss Allowances/Fitch Core Capital	(2.59)	1.55	5.74	(0.06)	3.72
10. Impaired Loans Less Loan Loss Allowances/Equity	(2.30)	1.37	5.06	(0.05)	3.39
11. Cash Dividends Paid and Declared/Net Income	48.97	94.00	63.78	45.23	64.45
12. Risk-Weighted Assets/Total Assets	71.05	70.05	65.32	70.54	88.49
13. Risk-Weighted Assets — Standardized/Risk-Weighted Assets	N.A.	N.A.	N.A.	N.A.	N.A.
14. Risk-Weighted Assets — Advanced Method/Risk-Weighted Assets	N.A.	N.A.	N.A.	N.A.	N.A.
E. Loan Quality					
1. Impaired Loans/Gross Loans	1.90	2.88	5.47	2.94	4.24
2. Growth of Gross Loans	12.19	71.14	14.88	4.73	N.A.
3. Loan Loss Allowances/Impaired Loans	121.17	90.95	70.07	100.66	68.80
4. Loan Impairment Charges/Average Gross Loans	1.05	1.29	1.61	0.61	N.A.
5. Growth of Total Assets	13.18	24.29	5.46	21.98	N.A.
6. Loan Loss Allowances/Gross Loans	2.31	2.62	3.83	2.96	2.92
7. Net Chargeoffs/Average Gross Loans	1.15	0.80	0.25	0.44	N.A.
8. Impaired Loans + Foreclosed Assets/Gross Loans + Foreclosed Assets	2.94	4.09	5.47	2.94	4.24
F. Funding and Liquidity					
1. Loans/Customer Deposits	310.50	323.14	182.12	348.55	463.89
2. Liquidity Coverage Ratio	N.A.	N.A.	N.A.	N.A.	N.A.
3. Customer Deposits/Total Funding (Excluding Derivatives)	23.58	22.40	29.40	14.59	15.02
4. Interbank Assets/Interbank Liabilities	4,230.61	849.74	122.15	2,646.96	2,365.85
5. Net Stable Funding Ratio	N.A.	N.A.	N.A.	N.A.	N.A.
6. Growth of Total Customer Deposits	16.76	(3.55)	119.87	39.38	N.A.

N.A. – Not available.

Source: Banco BOCOM BBM S.A., Fitch Ratings, Fitch Solutions.

Reference Data — Banco BOCOM BBM S.A.

	June 30, 2018 ^a		2017 ^a		2016 ^a		2015 ^a		2014 ^a		
	Six Months Interim										
(BRL Mil, Year End as of Dec. 31)	(USD Mil.)	As % of Assets	As % of Assets	As % of Assets	As % of Assets	As % of Assets	As % of Assets	As % of Assets	As % of Assets	As % of Assets	
A. Off-Balance-Sheet Items											
1. Managed Securitized Assets Reported Off Balance Sheet	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
2. Other Off-Balance-Sheet Exposure to Securitizations	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
3. Guarantees	153.7	592.5	10.52	365.7	7.35	384.8	9.61	139.6	3.68	26.0	0.84
4. Acceptances and Documentary Credits Reported Off Balance Sheet	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
5. Committed Credit Lines	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
6. Other Contingent Liabilities	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
7. Other Off-Balance-Sheet Items	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
8. Total Assets under Management	1,614.7	6,224.8	110.52	5,341.9	107.35	4,388.6	109.61	3,936.0	103.67	3,138.5	100.84
B. Average Balance Sheet											
1. Average Loans	834.3	3,216.5	57.11	2,401.6	48.26	1,656.8	41.38	1,507.2	39.70	0.0	—
2. Average Earning Assets	1,292.7	4,983.7	88.48	4,283.0	86.07	3,749.2	93.64	3,277.9	86.34	0.0	—
3. Average Total Assets	1,375.9	5,304.3	94.18	4,490.0	90.23	3,900.2	97.41	3,454.5	90.99	0.0	—
4. Average Managed Securitized Assets (OBS)	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
5. Average Interest-Bearing Liabilities	1,153.8	4,448.2	78.98	3,754.0	75.44	3,179.1	79.40	2,584.2	68.07	0.0	—
6. Average Common Equity	152.1	586.2	10.41	573.7	11.53	577.2	14.42	581.0	15.30	0.0	—
7. Average Equity	151.7	584.8	10.38	574.3	11.54	579.4	14.47	580.4	15.29	0.0	—
8. Average Customer Deposits	263.7	1,016.8	18.05	955.5	19.20	707.6	17.67	379.9	10.01	0.0	—
C. Maturities											
Asset Maturities											
Loans and Advances < 3 Months	181.2	698.5	12.40	489.7	9.84	329.4	8.23	287.5	7.57	354.5	11.39
Loans and Advances 3–12 Months	165.8	639.3	11.35	1,619.3	32.54	925.0	23.10	997.0	26.26	746.1	23.97
Loans and Advances 1–5 Years	535.2	2,063.4	36.64	1,288.3	25.89	517.1	12.92	257.6	6.79	371.8	11.95
Loans and Advances > 5 Years	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
Debt Securities < 3 Months	49.2	189.7	3.37	43.7	0.88	766.6	19.15	1,171.4	30.85	193.7	6.22
Debt Securities 3–12 Months	11.7	45.2	0.80	57.1	1.15	68.3	1.71	463.1	12.20	371.7	11.94
Debt Securities 1–5 Years	308.5	1,189.5	21.12	1,323.4	26.59	884.8	22.10	126.3	3.33	140.3	4.51
Debt Securities > 5 Years	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
Loans and Advances to Banks < 3 Months	51.9	200.0	3.55	159.0	3.20	131.0	3.27	303.7	8.00	96.1	3.09
Loans and Advances to Banks 3–12 Months	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
Loans and Advances to Banks 1–5 Years	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
Loans and Advances to Banks > 5 Years	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
Liability Maturities											
Retail Deposits < 3 Months	34.7	133.9	2.38	87.9	1.77	26.9	0.67	55.7	1.47	0.0	—
Retail Deposits 3–12 Months	0.0	0.0	—	0.0	—	0.0	—	0.0	—	54.9	1.76
Retail Deposits 1–5 Years	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
Retail Deposits > 5 Years	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
Other Deposits < 3 Months	91.0	350.7	6.23	435.3	8.75	247.2	6.17	105.1	2.77	50.7	1.63
Other Deposits 3–12 Months	79.8	307.8	5.46	199.1	4.00	441.6	11.03	175.7	4.63	81.3	2.61
Other Deposits 1–5 Years	78.6	303.0	5.38	216.0	4.34	256.9	6.42	105.9	2.79	130.5	4.19
Other Deposits > 5 Years	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
Deposits from Banks < 3 Months	0.8	3.0	0.05	11.9	0.24	100.4	2.51	0.2	0.01	0.0	—
Deposits from Banks 3–12 Months	0.4	1.6	0.03	6.2	0.12	5.2	0.13	8.2	0.22	0.0	—
Deposits from Banks 1–5 Years	0.1	0.3	0.01	0.8	0.02	2.2	0.05	3.1	0.08	4.1	0.13
Deposits from Banks > 5 Years	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—

^aExchange rate: 2018 — USD1 = BRL3.8552; 2017 — USD1 = BRL3.3074; 2016 — USD1 = BRL3.2585; 2015 — USD1 = BRL3.9042; 2014 — USD1 = BRL2.6556.

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Source: Banco BOCOM BBM S.A., Fitch Ratings, Fitch Solutions.

Reference Data — Banco BOCOM BBM S.A. (Continued)

	June 30, 2018 ^a		2017 ^a		2016 ^a		2015 ^a		2014 ^a		
	Six Months Interim										
(BRL Mil, Year End as of Dec. 31)	(USD Mil.)		As % of	As % of	As % of	As % of	As % of	As % of	As % of	As % of	
			Assets	Assets	Assets	Assets	Assets	Assets	Assets	Assets	
Senior Debt Maturing < 3 months	49.4	190.5	3.38	163.3	3.28	664.3	16.59	288.2	7.59	421.7	13.55
Senior Debt Maturing 3–12 Months	420.5	1,621.3	28.79	1,369.6	27.52	507.0	12.66	979.9	25.81	487.7	15.67
Senior Debt Maturing 1–5 Years	431.7	1,664.2	29.55	1,594.8	32.05	712.5	17.80	740.3	19.50	865.8	27.82
Senior Debt Maturing > 5 Years	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
Total Senior Debt on Balance Sheet	901.6	3,476.0	61.72	3,127.7	62.85	1,883.8	47.05	2,008.4	52.90	1,775.2	57.03
Fair Value Portion of Senior Debt	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
Subordinated Debt Maturing < 3 Months	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
Subordinated Debt Maturing 3–12 Months	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
Subordinated Debt Maturing 1–5 Year	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
Subordinated Debt Maturing > 5 Years	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
Total Subordinated Debt on Balance Sheet	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
Fair Value Portion of Subordinated Debt	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
D. Risk-Weighted Assets											
1. Risk-Weighted Assets	1,038.1	4,001.9	71.05	3,485.7	70.05	2,615.4	65.32	2,677.9	70.54	2,754.3	88.49
2. Fitch Core Capital Adjustments for Insurance and Securitization Risk Weighted Assets	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
3. Fitch Core Capital-Adjusted Risk-Weighted Assets	1,038.1	4,001.9	71.05	3,485.7	70.05	2,615.4	65.32	2,677.9	70.54	2,754.3	88.49
4. Other Fitch Adjustments to Risk-Weighted Assets	0.0	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
5. Fitch-Adjusted Risk-Weighted Assets	1,038.1	4,001.9	71.05	3,485.7	70.05	2,615.4	65.32	2,677.9	70.54	2,754.3	88.49
E. Fitch Core Capital Reconciliation											
1. Total Equity as Reported (Including Noncontrolling Interests)	154.2	594.6	10.56	574.9	11.55	573.6	14.33	585.1	15.41	575.6	18.49
2. Fair-Value Adjustments Relating to Own Credit Risk on Debt Issued	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-Loss-Absorbing Noncontrolling Interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
5. Other Intangibles	1.3	5.1	0.09	3.0	0.06	1.4	0.03	2.9	0.08	3.0	0.10
6. Deferred Tax Assets Deduction	15.7	60.6	1.08	63.7	1.28	66.7	1.67	59.7	1.57	49.1	1.58
7. Net Asset Value of Insurance Subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First Loss Tranches of Off-Balance-Sheet Securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fund for General Banking Risks if Not Already Included and Readily Convertible into Equity	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Fitch Core Capital	137.2	528.9	9.39	508.2	10.21	505.5	12.63	522.5	13.76	523.5	16.82

^aExchange rate: 2018 — USD1 = BRL3.8552; 2017 — USD1 = BRL3.3074; 2016 — USD1 = BRL3.2585; 2015 — USD1 = BRL3.9042; 2014 — USD1 = BRL2.6556. Source: Banco BOCOM BBM S.A., Fitch Ratings, Fitch Solutions.

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