

**BANCO DO BRASIL S.A.**

(acting through its Cayman Islands branch)

(a bank organized as a *sociedade de economia mista* and accordingly
a *sociedade por ações* incorporated under the laws of the Federative Republic of Brazil)**Offer to Purchase for Cash Up to U.S.\$200,000,000 Aggregate Principal Amount
of its Outstanding 9.250% Perpetual Non-Cumulative Junior Subordinated Securities**

The Tender Offer (as defined below) will expire at 11:59 p.m., New York City time, on July 8, 2016, or any other date and time to which Banco do Brasil extends the Tender Offer (such date and time, as it may be extended, the “*Expiration Date*”), unless earlier terminated. You must validly tender your Notes (as defined below) at or prior to the Expiration Date to be eligible to receive the Tender Offer Consideration (as defined below) plus Accrued Interest (as defined below). You must validly tender your Notes at or prior to 5:00 p.m., New York City time, on June 23, 2016 (such date and time, as it may be extended, the “*Early Tender Date*”) to be eligible to receive the Total Consideration (as defined below) plus Accrued Interest. The Total Consideration, the Tender Offer Consideration and the Accrued Interest will be payable in cash. Tendered Notes may be validly withdrawn from the Tender Offer at or prior to, but not after, 5:00 p.m., New York City time, on June 23, 2016 (such date and time, as it may be extended, the “*Withdrawal Deadline*”). The Tender Offer is subject to the satisfaction of certain conditions, as set forth under the heading “The Tender Offer—Conditions to the Tender Offer.”

Upon the terms and subject to the conditions described in this Offer to Purchase (as it may be amended or supplemented from time to time, the “*Offer to Purchase*”) and the accompanying Letter of Transmittal (as it may be amended or supplemented from time to time, the “*Letter of Transmittal*”) and, together with this Offer to Purchase and the Soliciting Dealer Form (as defined below), the “*Offer Documents*”), Banco do Brasil S.A., acting through its Cayman Islands branch, organized as a *sociedade de economia mista* and accordingly a *sociedade por ações* incorporated under the laws of the Federative Republic of Brazil (referred to herein as “*Banco do Brasil*,” “*we*,” or “*us*,”), hereby offers to purchase for cash up to U.S.\$200,000,000 aggregate principal amount (subject to increase by Banco do Brasil in its sole discretion under the circumstances described herein, the “*Maximum Tender Amount*”) of its outstanding 9.250% Perpetual Non-Cumulative Junior Subordinated Securities (the “*Notes*”).

Subject to the Maximum Tender Amount, we intend to accept for purchase all Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date, and will only prorate such Notes if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date exceeds the Maximum Tender Amount. If the Tender Offer is not fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date but at or prior to the Expiration Date may be subject to proration if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Expiration Date exceeds the Maximum Tender Amount. Subject to the Maximum Tender Amount and proration, all Notes validly tendered at or prior to the Early Tender Date will be accepted for purchase before any Notes validly tendered after the Early Tender Date are accepted for purchase. Furthermore, if the Tender Offer is fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date will not have any of their Notes accepted for purchase, provided that such Notes may be accepted for purchase if we increase the Maximum Tender Amount, which we are entitled to do in our sole discretion. There can be no assurance that we will increase the Maximum Tender Amount. See “**The Tender Offer—Maximum Tender Amount; Proration**” for more information on the proration provisions applicable to the Tender Offer.

The Tender Offer is not conditioned upon the tender of any minimum principal amount of Notes or upon any financing. Banco do Brasil refers to the offer to purchase the Notes as the “*Tender Offer*.” The Tender Offer is open to all registered holders (individually, a “*Holder*,” and collectively, the “*Holders*”) of the Notes. **The Tender Offer is subject to the satisfaction of certain conditions, as described herein.** See “The Tender Offer—Conditions to the Tender Offer.” The purpose of the Tender Offer is to purchase up to U.S.\$200,000,000 aggregate principal amount of Notes and reduce Banco do Brasil’s interest expense.

The following table sets forth certain terms of the Tender Offer:

Title of Notes	CUSIP and ISIN Numbers	Aggregate Principal Amount Outstanding	Tender Offer Consideration ⁽¹⁾	Early Tender Premium ⁽¹⁾	Total Consideration ⁽¹⁾⁽²⁾
9.250% Perpetual Non-Cumulative Junior Subordinated Securities	CUSIP: 05958A AG3 and P3772W AC6 ISIN: US05958AAG31 and USP3772WAC66	U.S.\$1,598,627,000	U.S.\$802.50	U.S.\$30.00	U.S.\$832.50

(1) Per U.S.\$1,000 principal amount of Notes tendered and accepted for purchase.

(2) Includes the Early Tender Premium (as defined below).

The Offer Documents contain certain important information that should be read before any decision is made with respect to the Tender Offer. In particular, see “Certain Significant Considerations” beginning on page 22 for a discussion of certain factors you should consider in connection with the Tender Offer.

NONE OF BANCO DO BRASIL, ITS BOARD OF DIRECTORS, THE DEALER MANAGERS, THE TENDER AND INFORMATION AGENT OR THE TRUSTEE (AS DEFINED BELOW) OR ANY OF THEIR RESPECTIVE AFFILIATES IS MAKING ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER ANY NOTES IN RESPONSE TO THE TENDER OFFER. HOLDERS MUST MAKE THEIR OWN DECISION AS TO WHETHER TO PARTICIPATE IN THE TENDER OFFER, AND, IF SO, THE PRINCIPAL AMOUNT OF NOTES TO TENDER.

The Dealer Managers for the Tender Offer are:

BB Securities

BofA Merrill Lynch

Citigroup

June 10, 2016

Banco do Brasil's obligation to accept for payment and to pay for any of the Notes in the Tender Offer is subject to the satisfaction or waiver of the conditions to the Tender Offer. See "The Tender Offer—Conditions to the Tender Offer." The Tender Offer is not conditioned upon the tender of any minimum principal amount of Notes or upon any financing.

Subject to the terms and conditions of the Tender Offer, the consideration for each U.S.\$1,000 principal amount of Notes validly tendered (and not validly withdrawn) and accepted for purchase pursuant to the Tender Offer will be the tender offer consideration for the Notes set forth in the table above (the "*Tender Offer Consideration*"). Holders of Notes that are validly tendered (and not validly withdrawn) at or prior to the Early Tender Date and accepted for purchase pursuant to the Tender Offer will receive the Tender Offer Consideration plus the early tender premium for the Notes set forth in the table above (the "*Early Tender Premium*" and, together with the Tender Offer Consideration, the "*Total Consideration*"). Holders of Notes tendered after the Early Tender Date, but before the Expiration Date, and accepted for purchase pursuant to the Tender Offer, will receive the Tender Offer Consideration, but not the Early Tender Premium. No tenders will be valid if submitted after the Expiration Date.

In addition to the Tender Offer Consideration or the Total Consideration, as applicable, all Holders of Notes accepted for purchase pursuant to the Tender Offer will, on the Early Settlement Date (as defined below) or the Final Settlement Date (as defined below), as applicable, also receive accrued and unpaid interest on those Notes from the last interest payment date with respect to those Notes to, but not including, the Early Settlement Date or the Final Settlement Date, as applicable ("*Accrued Interest*").

The Tender Offer commences on the date of this Offer to Purchase and will expire on the Expiration Date, unless extended or earlier terminated by us. No tenders will be valid if submitted after the Expiration Date. If a Nominee (as defined below) holds your Notes, such Nominee may have an earlier deadline for accepting the Tender Offer. You should promptly contact such Nominee that holds your Notes to determine its deadline. The Tender Offer is open to all registered Holders of the Notes.

A soliciting dealer fee equal to 0.25% of the principal amount of Notes that are validly tendered and accepted for purchase will be paid to retail brokers that are appropriately designated by their clients to receive this fee (the "*Soliciting Dealer Fee*"). The Soliciting Dealer Fee will only be paid to each designated retail broker for each tendering Holder that tenders Notes with an aggregate principal amount of U.S.\$500,000 or less. In order to be eligible to receive the Soliciting Dealer Fee, a properly completed instruction submitted on the soliciting dealer form relating to the Tender Offer (as it may be amended or supplemented from time to time, the "*Soliciting Dealer Form*") must be received by the Tender and Information Agent prior to the Expiration Date. Banco do Brasil shall, in its sole discretion, determine whether a broker has satisfied the criteria for receiving a Soliciting Dealer Fee (including, without limitation, the submission of the appropriate documentation without defects or irregularities and in respect of bona fide tenders).

Banco do Brasil reserves the right, but is under no obligation, following the Early Tender Date, to have an early settlement date in respect of Notes validly tendered and not validly withdrawn at or prior to the Early Tender Date (the "*Early Settlement Date*"). If Banco do Brasil elects, in its sole discretion, to have an Early Settlement Date, based on an Early Tender Date of June 23, 2016, it is expected that the Early Settlement Date would occur on June 27, 2016. The acceptance for purchase by Banco do Brasil of validly tendered Notes on the Early Settlement Date would be subject to the Maximum Tender Amount, proration (if applicable) and all conditions to the Tender Offer having been either satisfied or waived by Banco do Brasil. Irrespective of whether Banco do Brasil chooses to have an Early Settlement Date, it expects to purchase any remaining Notes that have been validly tendered and not validly withdrawn at or prior to the Expiration Date and that Banco do Brasil chooses to accept for purchase, subject to the Maximum Tender Amount and all conditions to the Tender Offer having been either satisfied or waived by Banco do Brasil, promptly following the Expiration Date (the "*Final Settlement Date*," the Final Settlement Date and the Early Settlement Date each being a "*Settlement Date*"). Subject to the Maximum Tender Amount and proration, all Notes validly tendered at or prior to the Early Tender Date will be accepted for purchase before any Notes validly tendered after the Early Tender Date are accepted for purchase. The Final Settlement Date is expected to occur on the second business day following the Expiration Date. If Banco do Brasil elects, in its sole discretion, to have an Early Settlement Date, and assuming that the conditions to the Tender Offer are satisfied or waived, such Early Settlement Date may be two business days following the Early Tender Date. Notes accepted on the Final

Settlement Date, if any, will be accepted subject to the Maximum Tender Amount and proration, each as described herein.

Notwithstanding any other provision of the Tender Offer, Banco do Brasil's obligation to accept for purchase, and to pay for, any Notes validly tendered pursuant to the Tender Offer, is conditioned upon the satisfaction of the General Conditions (as defined herein). The General Conditions to the Tender Offer are for the sole benefit of Banco do Brasil and may be asserted by Banco do Brasil, regardless of the circumstances giving rise to any such condition (including any action or inaction by Banco do Brasil). Banco do Brasil reserves the right, in its sole discretion, to waive any and all conditions of the Tender Offer, at or prior to the Expiration Date (or the Early Settlement Date, if Banco do Brasil elects, in its sole discretion, to have an early settlement). The Tender Offer is not subject to a minimum principal amount of Notes being tendered. See "The Tender Offer—Conditions to the Tender Offer."

Withdrawal rights with respect to the Notes will terminate on the Withdrawal Deadline, unless extended pursuant to applicable law. Accordingly, following the Withdrawal Deadline, any Notes validly tendered (whether before, on or after the Withdrawal Deadline) may no longer be validly withdrawn. For the withdrawal of a tendered Note to be valid, such withdrawal must comply with the procedures set forth in "The Tender Offer—Withdrawal of Tenders."

Subject to applicable law and the terms set forth in this Offer to Purchase, Banco do Brasil reserves the right: (i) to extend or otherwise amend the Early Tender Date, the Withdrawal Deadline or the Expiration Date, (ii) to increase the Maximum Tender Amount without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights of Holders except as required by law; (iii) to waive or modify in whole or in part any and all conditions to the Tender Offer; (iv) to modify or terminate the Tender Offer; and (v) to otherwise amend the Tender Offer in any respect. In the event of the termination of the Tender Offer, the Notes tendered pursuant to the Tender Offer and not previously accepted and purchased will be promptly returned to the tendering Holders.

See "Certain Tax Considerations" for a discussion of certain factors that should be considered in evaluating the Tender Offer.

If you do not tender your Notes or if you tender Notes that are not accepted for purchase, they will remain outstanding. If Banco do Brasil consummates the Tender Offer, the trading market for your outstanding Notes may be significantly more limited. For a discussion of this and other risks, see "Certain Significant Considerations—The Tender Offer may adversely affect the market value and reduce the liquidity of any trading market of the Notes."

IMPORTANT DATES

You should take note of the following dates in connection with the Tender Offer:

Date	Calendar Date	Event
Early Tender Date	5:00 p.m., New York City time, June 23, 2016, unless extended or earlier terminated by Banco do Brasil.	The deadline for Holders to tender Notes pursuant to the Tender Offer and be eligible to receive payment of the Total Consideration, which includes the Early Tender Premium.
Withdrawal Deadline	5:00 p.m., New York City time, June 23, 2016, unless extended or earlier terminated by Banco do Brasil.	The last date and time for Holders to validly withdraw tenders of Notes. Notes tendered after the Withdrawal Deadline cannot be withdrawn unless Banco do Brasil is required to extend withdrawal rights under applicable law.
Early Settlement Date (at the option of Banco do Brasil)	For Notes that have been validly tendered at or prior to the Early Tender Date and not subsequently validly withdrawn and that are accepted for purchase, settlement may occur two business days after the Early Tender Date, which is determined at Banco do Brasil's option. Based on an Early Tender Date of June 23, 2016, the Early Settlement Date (if Banco do Brasil elects, in its sole discretion, to have an Early Settlement Date) would be expected to occur on June 27, 2016, assuming the conditions to the Tender Offer have been either satisfied or waived by Banco do Brasil at or prior to the Early Settlement Date.	The date Holders are paid the Total Consideration for Notes that are validly tendered at or prior to the Early Tender Date and accepted for purchase, plus Accrued Interest, subject to the Maximum Tender Amount and proration.
Expiration Date	11:59 p.m., New York City time, July 8, 2016, unless extended or earlier terminated by Banco do Brasil.	The last date and time for Holders to tender Notes in order to qualify for the payment of the Tender Offer Consideration, which excludes the Early Tender Premium.
Final Settlement Date	For Notes that have been validly tendered at or prior to the Expiration Date (and not already purchased on the Early Settlement Date, if any) and not subsequently validly withdrawn and that are accepted for purchase, settlement will occur on the Final Settlement Date, which is expected to be two business days after the Expiration Date, assuming the conditions to the Tender Offer have been either satisfied or waived at or prior to the Expiration Date.	<p>The date that Holders are paid the Tender Offer Consideration for Notes that are validly tendered after the Early Tender Date and at or prior to the Expiration Date and accepted for purchase, plus Accrued Interest, plus Accrued Interest, subject to the Maximum Tender Amount and proration.</p> <p>In addition, if Banco do Brasil elects, in its sole discretion, not to have an Early Settlement Date, the date that Holders are paid the Total Consideration for Notes that are validly tendered at or prior to the Early Tender Date and accepted for purchase, plus Accrued Interest, subject to the Maximum Tender Amount and proration.</p>

IMPORTANT INFORMATION

The Notes are represented by one or more global certificates registered in the name of Cede & Co., the nominee of The Depository Trust Company (“DTC”), and held in book-entry form through DTC. DTC is the only registered holder of the Notes. DTC facilitates the clearance and settlement of securities transactions through electronic book-entry changes in accounts of DTC participants. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations.

A beneficial owner whose Notes are held by a broker, dealer, commercial bank, trust company or other nominee (each, a “*Nominee*”) and who desires to tender such Notes in the Tender Offer must contact its Nominee and instruct such Nominee, as Holder of the Notes, to tender its Notes on such beneficial owner’s behalf. Accordingly, beneficial owners wishing to participate in the Tender Offer should contact their Nominee as soon as possible in order to determine the time by which such owner must take action in order to so participate. See “The Tender Offer—Procedures for Tendering Notes.”

DTC has authorized DTC participants that hold Notes on behalf of beneficial owners of Notes through DTC to tender their Notes as if they were Holders. To properly tender Notes, D.F. King & Co., Inc., which is serving as tender and information agent in connection with the Tender Offer (the “*Tender and Information Agent*”) must receive, at or prior to the Expiration Date (or, for Holders desiring to receive the Total Consideration, at or prior to the Early Tender Date):

- a timely confirmation of book-entry transfer of such Notes according to the procedure for book-entry transfer described in this Offer to Purchase; and
- an Agent’s Message (as defined herein) through the automated tender offer program (“*ATOP*”) of DTC or a properly completed Letter of Transmittal.

Any Holder who holds Notes through Clearstream Banking, *société anonyme* (“*Clearstream*”) or Euroclear Bank, SA/NV, as operator of the Euroclear System (“*Euroclear*”), must also comply with the applicable procedures of Clearstream or Euroclear.

There are no guaranteed delivery procedures provided for by Banco do Brasil in order to tender Notes in the Tender Offer. For more information regarding the procedures for tendering your Notes, see “The Tender Offer—Procedure for Tendering Notes.”

Requests for additional copies of this Offer to Purchase or for copies of the related Letter of Transmittal and requests for assistance relating to the procedures for tendering Notes may be directed to the Tender and Information Agent at the address and telephone number on the back cover page of this Offer to Purchase. Copies of this Offer to Purchase, the related Letter of Transmittal, the Soliciting Dealer Form and all press releases issued in connection with the Tender Offer will also be available, during the period of the Tender Offer, at www.dfking.com/bb. Requests for assistance relating to the terms and conditions of the Tender Offer may be directed to the Dealer Managers at their respective addresses and telephone numbers on the back cover page of this Offer to Purchase. Beneficial owners may also contact their Nominee for assistance regarding the Tender Offer.

You should read this Offer to Purchase and the Letter of Transmittal carefully before making a decision to tender your Notes.

BANCO DO BRASIL HAS NOT FILED THIS OFFER TO PURCHASE WITH, AND IT HAS NOT BEEN REVIEWED BY, ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY OF ANY COUNTRY. NO AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFER TO PURCHASE AND IT IS UNLAWFUL AND MAY BE A CRIMINAL OFFENSE TO MAKE ANY REPRESENTATION TO THE CONTRARY. THE TENDER OFFER HAS NOT BEEN REGISTERED, AND WILL NOT BE REGISTERED, WITH THE BRAZILIAN SECURITIES

COMMISSION (COMISSÃO DE VALORES MOBILIÁRIOS). THE TENDER OFFER MAY NOT BE MADE IN BRAZIL, EXCEPT IN CIRCUMSTANCES THAT DO NOT CONSTITUTE A PUBLIC OFFERING OR UNAUTHORIZED DISTRIBUTION UNDER BRAZILIAN LAWS AND REGULATIONS. THE TENDER OFFER IS NOT BEING MADE IN BRAZIL AND DOCUMENTS RELATING TO THE TENDER OFFER, AS WELL AS INFORMATION CONTAINED THEREIN, MAY NOT BE SUPPLIED TO THE PUBLIC IN BRAZIL, NOR BE USED IN CONNECTION WITH ANY OFFER TO THE PUBLIC IN BRAZIL.

THIS OFFER TO PURCHASE AND RELATED DOCUMENTS DO NOT CONSTITUTE AN OFFER TO BUY OR THE SOLICITATION OF AN OFFER TO SELL NOTES IN ANY JURISDICTION OR IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. IN THOSE JURISDICTIONS WHERE THE SECURITIES, BLUE SKY OR OTHER LAWS REQUIRE THE TENDER OFFER TO BE MADE BY A LICENSED BROKER OR DEALER, THE TENDER OFFER WILL BE DEEMED TO BE MADE ON BEHALF OF BANCO DO BRASIL BY THE DEALER MANAGERS OR ONE OR MORE REGISTERED BROKERS OR DEALERS LICENSED UNDER THE LAWS OF SUCH JURISDICTION.

Neither the delivery of this Offer to Purchase and any related documents nor any purchase of Notes by us will, under any circumstances, create any implication that the information contained in this Offer to Purchase or in any related document is current as of any time subsequent to the date of such information (or, in the case of a document incorporated by reference, the date of such document incorporated by reference).

From time to time after completion of the Tender Offer, Banco do Brasil and/or its affiliates may purchase additional Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise, and Banco do Brasil may redeem Notes that are able to be redeemed, pursuant to their terms. Any future purchases, exchanges or redemptions may be on the same terms or on terms that are more or less favorable to Holders of Notes than the terms of the Tender Offer. Any future purchases, exchanges or redemptions by Banco do Brasil and/or its affiliates will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) Banco do Brasil and/or its affiliates may choose to pursue in the future.

In this Offer to Purchase, Banco do Brasil has used the convention of referring to all Notes that have been validly tendered and not validly withdrawn as having been “validly tendered.”

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Offer to Purchase and, if given or made, such information or representation may not be relied upon as having been authorized by Banco do Brasil or its affiliates, the Dealer Managers or their respective affiliates, the Tender and Information Agent or the Trustee.

ENFORCEMENT OF CIVIL LIABILITIES

This Offer to Purchase is made by Banco do Brasil, a bank organized as a *sociedade de economia mista* and accordingly a *sociedade por ações* incorporated under the laws of the Federative Republic of Brazil. Substantially all of Banco do Brasil’s directors and executive officers reside in Brazil or elsewhere outside the United States, and all or a significant portion of the assets of such persons may be, and substantially all of Banco do Brasil’s assets are, located outside the United States. As a result, it may not be possible for Holders to effect service of process within the United States or other jurisdictions outside Brazil upon such persons or to enforce against them or against Banco do Brasil judgments predicated upon the civil liability provisions of the United States federal securities laws or the laws of such other jurisdictions.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offer to Purchase may contain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”) and the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by terms and phrases such as “anticipate,” “believe,” “intend,” “estimate,” “expect,” “continue,” “should,” “could,” “may,” “plan,” “project,” “predict,” “will” and similar expressions and include references to assumptions and relate to the future prospects, developments and business strategies of Banco do Brasil and its subsidiaries.

Our estimates and forward-looking statements are mainly based on our current expectations and estimates on projections of future events and trends, which affect or may affect our businesses and results of operations. In addition, our forward-looking statements relate to our expectation to effect this Offer to Purchase as described herein. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are made in light of information currently available to us. We undertake no obligation to update or revise these forward-looking statements to reflect subsequent events or circumstances. Our estimates and forward-looking statements may be influenced by the following factors, among others:

- general economic, political and business conditions, both in Brazil and abroad;
- management’s expectations and estimates concerning our future financial performance, financing plans and programs, and the effects of competition;
- our level of capitalization and debt;
- anticipated trends and competition in the Brazilian banking and financial services industries;
- the market value of Brazilian government securities;
- interest rate fluctuations, inflation and the value of the real in relation to other currencies;
- existing and future governmental regulation and tax matters;
- increases in defaults by borrowers and other loan delinquencies and increases in the provision for loan losses;
- customer loss, revenue loss and deposit attrition;
- our ability to sustain and improve performance;
- credit and other risks of lending and investment activities; and
- other factors that may affect our financial condition, liquidity and results of our operations.

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SUMMARY

The following summarizes in a question-and-answer format certain material terms of the Tender Offer. You should carefully read this entire Offer to Purchase and the Letter of Transmittal.

Who is offering to buy my Notes?

Banco do Brasil, the issuer of the Notes, is offering to purchase the Notes.

What securities are the subject of the Tender Offer?

Subject to the Maximum Tender Amount of U.S.\$200,000,000 aggregate principal amount of Notes, Banco do Brasil is offering to purchase the outstanding Notes described in the table below:

<u>Title of Notes</u>	<u>CUSIP and ISIN Numbers</u>	<u>Aggregate Principal Amount Outstanding</u>
9.250% Perpetual Non-Cumulative Junior Subordinated Securities	CUSIP: 05958A AG3; P3772W AC6; ISIN: US05958AAG31; USP3772WAC66	U.S.\$1,598,627,000

What is the purpose of the Tender Offer?

The purpose of the Tender Offer is to purchase up to U.S.\$200,000,000 aggregate principal amount of Notes and reduce Banco do Brasil's interest expense. Any Notes that are validly tendered and accepted for purchase by Banco do Brasil in the Tender Offer will be cancelled. See "The Tender Offer—Purpose and Financing of the Tender Offer."

What happens to my Notes if I do not validly tender my Notes?

Any Notes not purchased pursuant to the Tender Offer will remain outstanding immediately following the completion of the Tender Offer. As a result of the consummation of the Tender Offer and depending on the amount of Notes purchased pursuant to the Tender Offer, the aggregate principal amount of Notes remaining outstanding after the Tender Offer may be significantly reduced, which may adversely affect the liquidity of and, consequently, the market prices for, Notes that remain outstanding after consummation of the Tender Offer. See "Certain Significant Considerations—The Tender Offer may adversely affect the market value and reduce the liquidity of any trading market of the Notes."

What price will I receive for my Notes if I validly tender them for purchase by Banco do Brasil?

Banco do Brasil is offering to pay you the Total Consideration for your Notes if you validly tender and do not validly withdraw your Notes before the Early Tender Deadline. The Total Consideration includes an amount, which is referred to as the Early Tender Premium, in the amount set forth on the cover of this Offer to Purchase and, upon the terms and subject to the conditions of the Tender Offer, is payable only to Holders who validly tender and do not validly withdraw their Notes prior to the Early Tender Deadline and whose Notes are purchased in the Tender Offer. The Total Consideration for the Notes is set forth on the cover of this Offer to Purchase.

Upon the terms and subject to the conditions of the Tender Offer, if you validly tender your Notes after the Early Tender Deadline but before the Expiration Date and your Notes are accepted for purchase, you will be paid only the Tender Offer Consideration, which is the Total Consideration minus the Early Tender Premium, and is set forth on the cover of this Offer to Purchase.

If I validly tender and do not validly withdraw my Notes, will I be paid accrued and unpaid interest?

Yes, but only if the Tender Offer is consummated and your Notes are purchased in the Tender Offer. In addition to the Total Consideration or Tender Offer Consideration, as applicable, Banco do Brasil will pay accrued

and unpaid interest on all Notes validly tendered and accepted for purchase pursuant to the Tender Offer up to, but not including, the applicable Settlement Date. No interest will accrue on or be payable with respect to any Total Consideration or Tender Offer Consideration paid or payable.

What amount of Notes are subject to purchase in the Tender Offer? What if the amount of Notes tendered exceeds such amount?

Banco do Brasil is offering to purchase up to U.S.\$200,000,000 aggregate principal amount of Notes. We refer to this amount as the “Maximum Tender Amount.”

Subject to the Maximum Tender Amount, we intend to accept for purchase all Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date, and will only prorate such Notes if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date exceeds the Maximum Tender Amount. If the Tender Offer is not fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date but at or prior to the Expiration Date may be subject to proration if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Expiration Date exceeds the Maximum Tender Amount. Subject to the Maximum Tender Amount and proration, all Notes validly tendered at or prior to the Early Tender Date will be accepted for purchase before any Notes validly tendered after the Early Tender Date are accepted for purchase. Furthermore, if the Tender Offer is fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date will not have any of their Notes accepted for purchase, provided that such Notes may be accepted for purchase if we increase the Maximum Tender Amount, which we are entitled to do in our sole discretion. There can be no assurance that we will increase the Maximum Tender Amount. See “The Tender Offer—Maximum Tender Amount; Proration” for more information on the proration provisions applicable to the Tender Offer.

Can the Maximum Tender Amount be increased?

Yes, Banco do Brasil reserves the right, but is under no obligation, to increase the Maximum Tender Amount at any time, subject to compliance with applicable law, which could result in Banco do Brasil purchasing a greater aggregate principal amount of Notes in the Tender Offer. There can be no assurance that Banco do Brasil will exercise its right to increase the Maximum Tender Amount. If Banco do Brasil increases the Maximum Tender Amount, it does not expect to extend the Withdrawal Deadline, subject to applicable law. If the principal amount of Notes validly tendered at or before the Early Tender Date exceeds the Maximum Tender Amount, Banco do Brasil will not accept for purchase any Notes tendered after the Early Tender Date, provided that such Notes may be accepted for purchase if we increase the Maximum Tender Amount, which we are entitled to do in our sole discretion. There can be no assurance that we will increase the Maximum Tender Amount.

Do you have the resources to pay for validly tendered and accepted Notes?

Yes, Banco do Brasil will pay for the Tender Offer with cash on hand.

What are the significant conditions of the Tender Offer?

The Tender Offer is conditioned on, among other things, the satisfaction of the General Conditions (as defined herein). The Tender Offer is not conditioned upon the tender of any minimum principal amount of Notes or upon any financing. Banco do Brasil reserves the right to waive any and all conditions of the Tender Offer prior to the Expiration Date. See “The Tender Offer—Conditions of the Tender Offer.”

When is the Early Tender Deadline?

To be eligible to receive the Total Consideration, which includes the Early Tender Premium, you must validly tender (and not have validly withdrawn) your Notes, at or prior to 5:00 p.m., New York City time, on June 23, 2016, unless extended by us in our sole discretion.

When is the Withdrawal Deadline?

Tendered Notes may be withdrawn prior to 5:00 p.m., New York City time, on June 23, 2016, but not thereafter, unless extended by us in our sole discretion.

When does the Tender Offer expire?

The Tender Offer will expire at 11:59 p.m., New York City time, on July 8, 2016, unless extended or earlier terminated by us in our sole discretion.

When will I receive payment for my validly tendered Notes?

Subject to the Maximum Tender Amount, proration and the other terms and conditions of the Tender Offer, you may receive payment either at the Early Settlement Date or the Final Settlement Date. The Early Settlement Date, if any, is to be determined at Banco do Brasil's option and is currently expected to be two business days after the Early tender Date, and is expected to occur on June 27, 2016, assuming the conditions to the Tender Offer have been either satisfied or waived by Banco do Brasil at or prior to the Early Settlement Date.

The Final Settlement Date is expected to be two business days after the Expiration Date, assuming the conditions to the Tender Offer have been either satisfied or waived by Banco do Brasil at or prior to the Expiration Date. Based on an Expiration Date of July 8, 2016, the Final Settlement Date is expected to be July 12, 2016.

May I withdraw my tendered Notes?

Tenders of Notes pursuant to the Tender Offer may be validly withdrawn at any time prior to the Withdrawal Deadline by following the procedures described herein. Holders may not withdraw validly tendered Notes after the Withdrawal Deadline. Any Notes validly tendered prior to the Withdrawal Deadline that are not validly withdrawn prior to the Withdrawal Deadline and any Notes validly tendered after the Withdrawal Deadline may not be withdrawn. To withdraw your tendered Notes, you must follow the instructions under "The Tender Offer—Withdrawal of Tenders."

What are the tax considerations I should keep in mind if I validly tender my Notes?

Please see "The Tender Offer—Certain Tax Considerations" for a summary of certain tax considerations applicable to the Tender Offer.

How should I validly tender my Notes?

If you desire to tender Notes for which you are the beneficial owner that are held through a Nominee, you should contact such Nominee promptly and instruct him, her or it, as the registered Holder of such Notes, to tender such Notes on your behalf. To properly tender Notes, the Tender and Information Agent must receive, at or prior to the Expiration Date (or, for Holders desiring to receive the Total Consideration, at or prior to the Early Tender Date):

- a timely confirmation of book-entry transfer of such Notes according to the procedure for book-entry transfer described in this Offer to Purchase; and
- an Agent's Message through DTC's ATOP or a properly completed Letter of Transmittal.

There are no guaranteed delivery procedures provided for the Tender Offer.

See "The Tender Offer—Procedure for Tendering Notes." For further information, call the Tender and Information Agent at its telephone number set forth on the back cover of this Offer to Purchase or consult your Nominee for assistance.

Are you making any recommendation about the Tender Offer?

No. Banco do Brasil is not expressing any opinion as to whether Holders should tender Notes in response to the Tender Offer. The Trustee, the Dealer Managers and the Tender and Information Agent likewise make no recommendation. Holders should determine whether to tender Notes based upon their own assessment of the market value of the Notes, Banco do Brasil, their liquidity needs and their investment objectives.

Whom can I contact if I want more information?

Any questions or requests for assistance concerning the Tender Offer should be directed to BB Securities Ltd., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc. at their respective addresses and telephone numbers set forth on the back cover of this Offer to Purchase. Requests for additional copies of this Offer to Purchase and the Letter of Transmittal should be directed to the Tender and Information Agent at the address and telephone numbers set forth on the back cover of this Offer to Purchase. Copies of this Offer to Purchase, the related Letter of Transmittal, the Soliciting Dealer Form and all press releases issued in connection with the Tender Offer will also be available, during the period of the Tender Offer, at www.dfking.com/bb.

INFORMATION ABOUT BANCO DO BRASIL

Banco do Brasil is a multiple service bank with headquarters in Brasília, Brazil, and has a significant presence throughout Brazil and conducts operations in key global economic and financial centers. Banco do Brasil acts as an agent of the Federal Government of Brazil to implement its policies and programs related to the agribusiness sector, small and micro businesses, foreign trade, and in the development of solutions that simplify the operations and services that cater to these economic sectors.

With over 200 years of operations, our principal strength is in the Brazilian retail banking market, and our business can be grouped generally into six general areas: (i) banking services, (ii) investments, (iii) asset management, (iv) insurance, pension plans and financing, (v) payment services and (vi) other businesses. The main activities of each segment are as follows:

- *Banking services*: includes a wide range of banking products and services offered to our customers, such as deposits, loans and other financial services;
- *Investments*: includes domestic capital markets operations, such as a brokerage, debt (in the primary and secondary markets) and equity investments, and other financial services;
- *Asset management*: includes buying, selling and custody of marketable securities, management of third-party portfolios and the establishment, organization and administration of investment funds;
- *Insurance, pension plans and financing*: includes the sale of products and services related to life, asset protection and auto insurance, supplementary pension products and savings bonds;
- *Payment services*: includes the tracking, transmission, processing and settlement of electronic transactions (credit and debit cards); and
- *Other businesses*: includes the management of consortiums and the development, sale, leasing and integration of digital electronic equipment, peripherals, computer programs and supplies.

Founded in 1808, Banco do Brasil is a bank organized as a *sociedade de economia mista* and accordingly a *sociedade por ações* incorporated under the laws of the Federative Republic of Brazil. Banco do Brasil's principal executive offices are located at SBS, Quadra 4, Lote 32, Bloco C, Brasília, Brazil. Banco do Brasil maintains a corporate website, but the information on such website does not form part of this Offer to Purchase and is not incorporated by reference into this Offer to Purchase.

PURPOSE AND FINANCING OF THE TENDER OFFER

Purpose of the Tender Offer

The purpose of the Tender Offer is to purchase up to U.S.\$200,000,000 aggregate principal amount of Notes and reduce Banco do Brasil's interest expense. Any Notes that are validly tendered and accepted for purchase by Banco do Brasil in the Tender Offer will be cancelled. See "Certain Significant Considerations—The Tender Offer may adversely affect the market value and reduce the liquidity of any trading market of the Notes."

Financing of the Tender Offer

Payment for Notes validly tendered and accepted for purchase by Banco do Brasil will be made by our deposit of immediately available funds with, or into an account specified by, the Tender and Information Agent, which will act as agent for the tendering Holders for the purpose of receiving payments from us and transmitting such payments to Holders. The source of such funds will be our cash on hand.

THE NOTES

The Notes were issued by Banco do Brasil and are governed by the indenture dated as of January 20, 2012 by and between, among others, Banco do Brasil, Deutsche Bank Trust Company Americas, as trustee, transfer agent, paying agent and security registrar and Deutsche Bank Luxembourg S.A., as Luxembourg listing agent and Luxembourg paying agent which was amended by (i) the first supplemental indenture, dated as of March 5, 2012, by and among the same parties, which purpose was to issue an additional amount in aggregate principal of the Notes; (ii) the second supplemental indenture, dated as of September 27, 2013, by and among the same parties, which purpose was to amend the terms of the Notes and the indenture to comply with Resolution No. 4,192 of the Brazilian National Monetary Council (*Conselho Monetário Nacional*), and maintain qualification of the Notes as Tier 1 Capital; and (iii) a supplemental indenture, dated as of October 19, 2015, by and among Banco do Brasil, The Bank of New York Mellon (the “Trustee”) and The Bank of New York Mellon (Luxembourg) S.A., to provide for (a) the replacement of Deutsche Bank Trust Company Americas with the Trustee, as trustee, transfer agent, paying agent and security registrar, and (b) the replacement of Deutsche Bank Luxembourg S.A. with The Bank of New York Mellon (Luxembourg) S.A. as Luxembourg paying agent (as so amended and supplemented, the “*Indenture*”). Interest on the Notes currently accrues at a fixed rate per annum equal to 9.250%, payable semi-annually in arrears on April 15 and October 15 of each year. The Notes are perpetual and have no final maturity date.

As of the date of this Offer to Purchase, there was U.S.\$1,598,627,000 in aggregate principal amount of the Notes issued and outstanding. The principal amount of the Notes held by Banco do Brasil does not include any Notes that are held by Banco do Brasil in custody for other Holders.

The Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF market of such exchange.

According to Brazilian law, banks are permitted to issue subordinated debt and, under *Conselho Monetário Nacional* (“CMN”) Resolution No. 4,192, if approved by the Central Bank of Brazil (*Banco Central do Brasil*) (the “*Central Bank*”), banks are permitted to include the outstanding aggregate principal amount of such subordinated debt as a component of their regulatory capital, which can comprise different components, such as common equity, capital reserves and subordinated debt. The Notes are treated under Brazilian law as subordinated debt instruments and a portion of the Notes are generally included in Banco do Brasil’s regulatory capital as approved by the Central Bank.

Pursuant to the terms of the Indenture, the purchase of the Notes by Banco do Brasil requires such Notes to not be considered as regulatory capital. In order for Notes that are considered regulatory capital of Banco do Brasil to cease to be considered regulatory capital, this requires the approval of the Central Bank pursuant to CMN Resolution No. 4,192. The equivalent to U.S.\$75,000,000 aggregate principal amount of the Notes (the “*Original Excluded Amount of Notes*”) was already not included as regulatory capital of Banco do Brasil and therefore the purchase of such aggregate principal amount of Notes does not require the approval of the Central Bank. On November 9, 2015, the Central Bank duly approved the purchase by Banco do Brasil of up to U.S.\$300,000,000 aggregate principal amount of Notes (the “*Purchase Approval Amount of Notes*” and, together with the Original Excluded Amount of Notes, the “*Relevant Amount of Notes*”). With effect from the date of that approval, the Purchase Approval Amount of Notes have ceased to be computed as Tier 1 capital in Banco do Brasil’s regulatory capital. On December 11, 2015, Banco do Brasil purchased U.S.\$112,823,000 aggregate principal amount of Notes pursuant to a tender offer, which purchase was within the Relevant Amount of Notes. In March 2016, Banco do Brasil purchased an additional U.S.\$37,550,000 aggregate principal amount of Notes in the open market, which purchase was also within the Relevant Amount of Notes. Therefore, Banco do Brasil has sufficient authorization to purchase the Maximum Tender Amount of Notes pursuant to the Tender Offer. If all or any portion of the Purchase Approval Amount of Notes are not purchased by Banco do Brasil, such portion of the Purchase Approval Amount of Notes not purchased shall nonetheless continue not to be accounted for as Tier 1 capital in Banco do Brasil’s regulatory capital.

THE TENDER OFFER

General

The Notes were issued by Banco do Brasil, acting through its Cayman Islands branch, pursuant to the Indenture described under “The Notes.” As at the date of this Offer to Purchase, the aggregate principal amount of the Notes outstanding is U.S.\$1,598,627,000.

Upon the terms and subject to the conditions described in the Offer Documents, Banco do Brasil hereby offers to purchase for cash up to the Maximum Tender Amount and subject to proration, as described herein. Banco do Brasil reserves the right, but is under no obligation, to increase the Maximum Tender Amount at any time, subject to compliance with applicable law, which could result in Banco do Brasil purchasing a greater aggregate principal amount of Notes in the Tender Offer. There can be no assurance that Banco do Brasil will increase the Maximum Tender Amount. If Banco do Brasil increases the Maximum Tender Amount, it does not expect to extend the Withdrawal Deadline, subject to applicable law.

Banco do Brasil’s obligation to accept for payment and to pay for any of the Notes in the Tender Offer is subject to the satisfaction or waiver of the conditions to the Tender Offer. See “—Conditions to the Tender Offer.” The Tender Offer is not conditioned upon the tender of any minimum principal amount of Notes or upon any financing.

Subject to the Maximum Tender Amount, we intend to accept for purchase all Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date, and will only prorate such Notes if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date exceeds the Maximum Tender Amount. If the Tender Offer is not fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date but at or prior to the Expiration Date may be subject to proration if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Expiration Date exceeds the Maximum Tender Amount. Subject to the Maximum Tender Amount and proration, all Notes validly tendered at or prior to the Early Tender Date will be accepted for purchase before any Notes validly tendered after the Early Tender Date are accepted for purchase. Furthermore, if the Tender Offer is fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date will not have any of their Notes accepted for purchase, provided that such Notes may be accepted for purchase if we increase the Maximum Tender Amount, which we are entitled to do in our sole discretion. There can be no assurance that we will increase the Maximum Tender Amount. See “The Tender Offer—Maximum Tender Amount; Proration” for more information on the proration provisions applicable to the Tender Offer.

Subject to the terms and conditions of the Tender Offer, the consideration for each U.S.\$1,000 principal amount of Notes validly tendered (and not validly withdrawn) and accepted for purchase pursuant to the Tender Offer will be the tender offer consideration for such the Notes set forth in the table on the cover of this Offer to Purchase (the “*Tender Offer Consideration*”). Holders of Notes that are validly tendered (and not validly withdrawn) at or prior to the Early Tender Date and accepted for purchase pursuant to the Tender Offer will receive the Tender Offer Consideration plus the Early Tender Premium. Holders of Notes tendered after the Early Tender Date, but before the Expiration Date, and accepted for purchase pursuant to the Tender Offer will receive the Tender Offer Consideration, but not the Early Tender Premium. No tenders will be valid if submitted after the Expiration Date.

In addition to the Tender Offer Consideration or the Total Consideration, as applicable, all Holders of Notes accepted for purchase pursuant to the Tender Offer will, on the Early Settlement Date or the Final Settlement Date (as defined below), as applicable, also receive accrued and unpaid interest on those Notes from the last interest payment date with respect to those Notes to, but not including, the Early Settlement Date or the Final Settlement Date, as applicable (“*Accrued Interest*”).

The Tender Offer commences on the date of this Offer to Purchase and will expire on the Expiration Date, unless extended or earlier terminated by Banco do Brasil. No tenders will be valid if submitted after the Expiration Date. If a Nominee holds your Notes, such Nominee may have an earlier deadline for accepting the Tender Offer. You should promptly contact such Nominee that holds your Notes to determine its deadline. The Tender Offer is open to all registered Holders of the Notes.

Banco do Brasil reserves the right, but is under no obligation, following the Early Tender Date, to have an early settlement date in respect of Notes validly tendered and not validly withdrawn at or prior to the Early Tender Date. If Banco do Brasil elects, in its sole discretion, to have an Early Settlement Date, based on an Early Tender Date of June 23, 2016, it is expected that the Early Settlement Date would occur on June 27, 2016. The acceptance for purchase by Banco do Brasil of validly tendered Notes on the Early Settlement Date would be subject to the Maximum Tender Amount, proration (if applicable) and all conditions to the Tender Offer having been either satisfied or waived by Banco do Brasil. Irrespective of whether Banco do Brasil chooses to have an Early Settlement Date, it expects to purchase any remaining Notes that have been validly tendered and not validly withdrawn at or prior to the Expiration Date and that Banco do Brasil chooses to accept for purchase, subject to the Maximum Tender Amount and all conditions to the Tender Offer having been either satisfied or waived by Banco do Brasil, promptly following the Expiration Date. Subject to the Maximum Tender Amount and proration, all Notes validly tendered at or prior to the Early Tender Date will be accepted for purchase before any Notes validly tendered after the Early Tender Date are accepted for purchase. The Final Settlement Date is expected to occur on the second business day following the Expiration Date. If Banco do Brasil elects, in its sole discretion, to have an Early Settlement Date, and assuming that the conditions to the Tender Offer are satisfied or waived, such Early Settlement Date may be two business days following the Early Tender Date. Notes accepted on the Final Settlement Date, if any, will be accepted subject to the Maximum Tender Amount and proration, each as described herein.

Banco do Brasil reserves the right, subject to applicable law, to (a) extend the Early Tender Date, Withdrawal Deadline or Expiration Date of the Tender Offer to a later date and time as announced by Banco do Brasil; (b) increase the Maximum Tender Amount; (c) waive or modify in whole or in part any or all conditions to the Tender Offer; (d) delay the acceptance for purchase of any Notes or delay the purchase of any Notes; or (e) otherwise modify or terminate any Tender Offer. In the event that the Tender Offer is terminated or otherwise not completed, the Total Consideration or Tender Offer Consideration, as the case may be, will not be paid or become payable to Holders of such Notes, without regard to whether such Holders have validly tendered their Notes (in which case, such tendered Notes will be promptly returned to Holders). Banco do Brasil will publicly announce any extension, amendment or termination in the manner described under “—Announcements.” There can be no assurance that Banco do Brasil will exercise its right to extend, terminate or amend the Tender Offer. See “—Expiration Date; Extension; Termination and Amendment.”

Notwithstanding any other provision of the Tender Offer, Banco do Brasil’s obligation to accept for purchase, and to pay for, any Notes validly tendered pursuant to the Tender Offer, is conditioned upon satisfaction of the General Conditions (as defined herein). The General Conditions to the Tender Offer are for the sole benefit of Banco do Brasil and may be asserted by Banco do Brasil, regardless of the circumstances giving rise to any such condition (including any action or inaction by Banco do Brasil). Banco do Brasil reserves the right, in its sole discretion, to waive any and all conditions of the Tender Offer, at or prior to the Expiration Date (or the Early Settlement Date, if Banco do Brasil elects, in its sole discretion, to have an early settlement). The Tender Offer is not subject to a minimum principal amount of Notes being tendered. See “—Conditions to the Tender Offer.”

Withdrawal rights with respect to the Notes will terminate on the Withdrawal Deadline, unless extended pursuant to applicable law. Accordingly, following the Withdrawal Deadline, any Notes validly tendered (whether before, on or after the Withdrawal Deadline) may no longer be validly withdrawn. For the withdrawal of a tendered Note to be valid, such withdrawal must comply with the procedures set forth in “—Withdrawal of Tenders.” Subject to applicable law, Banco do Brasil may (i) extend or otherwise amend the Early Tender Date, the Withdrawal Deadline or the Expiration Date, or (ii) increase the Maximum Tender Amount without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights of Holders except as required by law. In the event of the termination of the Tender Offer, the Notes tendered pursuant to the Tender Offer and not previously accepted and purchased will be promptly returned to the tendering Holders.

None of Banco do Brasil, its board of directors, the Dealer Managers, the Tender and Information Agent or the Trustee or any of their respective affiliates makes any recommendation that Holders tender or refrain from tendering all or any portion of the principal amount of their Notes, and no one has been authorized by any of them to make such a recommendation. Holders must make their own decision as to whether to tender their Notes, and, if so, the principal amount of Notes to tender.

Maximum Tender Amount; Proration

Subject to the Maximum Tender Amount, we intend to accept for purchase all Notes validly tendered (and not validly withdrawn) at or prior to the Expiration Date, and will only prorate such Notes in accordance with the provisions relating to the Maximum Tender Amount and proration as described herein.

Maximum Tender Amount

The Maximum Tender Amount will be U.S.\$200,000,000 aggregate principal amount of Notes. Banco do Brasil reserves the right, but is under no obligation, to increase the Maximum Tender Amount at any time, subject to compliance with applicable law, which could result in Banco do Brasil purchasing a greater aggregate principal amount of Notes in the Tender Offer. There can be no assurance that Banco do Brasil will exercise its right to increase the Maximum Tender Amount. If Banco do Brasil increases the Maximum Tender Amount, it does not expect to extend the Withdrawal Deadline, subject to applicable law. If the principal amount of Notes validly tendered at or before the Early Tender Date exceeds the Maximum Tender Amount, Banco do Brasil will not accept for purchase any Notes tendered after the Early Tender Date, provided that such Notes may be accepted for purchase if we increase the Maximum Tender Amount, which we are entitled to do in our sole discretion. There can be no assurance that we will increase the Maximum Tender Amount.

Proration

Subject to the Maximum Tender Amount, we intend to accept for purchase all Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date, and will only prorate such Notes if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date exceeds the Maximum Tender Amount. If the Tender Offer is not fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date but at or prior to the Expiration Date may be subject to proration if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Expiration Date exceeds the Maximum Tender Amount. Subject to the Maximum Tender Amount and proration, all Notes validly tendered at or prior to the Early Tender Date will be accepted for purchase before any Notes validly tendered after the Early Tender Date are accepted for purchase. **Furthermore, if the Tender Offer is fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date will not have any of their Notes accepted for purchase, provided that such Notes may be accepted for purchase if we increase the Maximum Tender Amount, which we are entitled to do in our sole discretion. There can be no assurance that we will increase the Maximum Tender Amount.** If proration of the tendered Notes is required, Banco do Brasil will determine the final proration factor as soon as practicable after the Early Tender Date or the Expiration Date, as applicable. Banco do Brasil will announce results of such proration as described in “—Announcements” below. Holders may obtain such information from the Tender and Information Agent and the Dealer Managers and may be able to obtain such information from their brokers. Any Notes tendered pursuant to the Tender Offer that are not accepted and purchased by Banco do Brasil as a result of the operation of the proration provisions applicable to the Tender Offer shall be promptly returned to the relevant tendering Holders following the Expiration Date.

Payment for Notes

Payment for Notes purchased pursuant to the Tender Offer will be made by the deposit of the Total Consideration or Tender Offer Consideration, as applicable, for the Notes, plus Accrued Interest, in immediately available funds by Banco do Brasil on the applicable Settlement Date with the Tender and Information Agent, which will act as agent for tendering Holders for the purpose of receiving payment from Banco do Brasil and transmitting such payment to tendering Holders. For purposes of the Tender Offer, Banco do Brasil will be deemed to have accepted for purchase validly tendered Notes that have not been validly withdrawn if, as and when, Banco do Brasil gives oral (confirmed in writing) or written notice thereof to the Tender and Information Agent.

Banco do Brasil expressly reserves the right, in its sole discretion and subject to Rule 14e-1(c) under the Exchange Act, to delay acceptance for purchase of, or payment for, Notes if any of the conditions to the Tender Offer shall not have been satisfied or waived, or in order to comply, in whole or in part, with any applicable law. See “— Conditions to the Tender Offer.” In all cases, payment by the Tender and Information Agent to Holders or beneficial owners of the Total Consideration or Tender Offer Consideration, as applicable, and Accrued Interest, for

Notes purchased pursuant to the Tender Offer will be made only after timely receipt by the Tender and Information Agent of (i) timely confirmation of a book-entry transfer of such Notes into the Tender and Information Agent's account at DTC pursuant to the procedures set forth under "—Procedure for Tendering Notes," (ii) a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) or a properly transmitted Agent's Message and (iii) any other documents required by the Letter of Transmittal.

If any tendered Notes are not purchased pursuant to the Tender Offer for any reason, such Notes not purchased will be returned promptly, without expense, to the tendering Holder (or, in the case of Notes tendered by book-entry transfer, such Notes will be promptly credited to the account maintained at DTC from which Notes were delivered) after the expiration or termination of the Tender Offer.

Holders whose Notes are accepted for purchase pursuant to the Tender Offer will be entitled to receive the Total Consideration or Tender Offer Consideration for the Notes, as applicable, plus Accrued Interest. Under no circumstances will any additional interest be payable because of any delay in the transmission of funds to the Holders of purchased Notes or otherwise.

Tendering Holders of Notes purchased in the Tender Offer will not be obligated to pay brokerage commissions to Banco do Brasil, the Dealer Managers or the Tender and Information Agent. Banco do Brasil will pay or cause to be paid all transfer taxes with respect to the purchase of any Notes in the Tender Offer. If your Notes are held through a broker or other Nominee who tenders the Notes on your behalf, such broker or Nominee may charge you a commission for doing so. You should consult with your broker or Nominee to determine whether any charges will apply.

The Notes may be tendered only in principal amounts equal to minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. Holders who do not tender all of their Notes must ensure that they retain a principal amount of the Notes amounting to at least the minimum denomination equal to U.S.\$200,000. In the event that proration of tendered Notes is required, the principal amount of each Holder's validly tendered Notes accepted for purchase will be determined by multiplying each Holder's tender of Notes by the proration factor, and rounding the product down to the nearest U.S.\$1,000. If, after applying such proration factor, any Holder would be entitled to a return of a portion of tendered Notes that is less than the minimum authorized denomination for the Notes of U.S.\$200,000, then, at our discretion, we will either reject all of the Notes tendered by such Holder or accept all of the Notes tendered by such Holder without proration.

Soliciting Dealer Fee

With respect to any Notes accepted for purchase by Banco do Brasil pursuant to the Tender Offer, Banco do Brasil will pay the relevant soliciting dealer a fee equal to 0.25% of the principal amount of Notes that are validly tendered and accepted for purchase pursuant to the Tender Offer to retail brokers that are appropriately designated by their tendering Holder clients to receive this fee, provided that such fee will only be paid with respect to tenders by Holders whose aggregate principal amount of Notes being tendered is U.S.\$500,000 or less. Banco do Brasil will, in its sole discretion, determine whether a broker has satisfied the criteria for being eligible to receive a Soliciting Dealer Fee (including, without limitation, the submission of the appropriate documentation without defects or irregularities and in respect of bona fide tenders).

A soliciting dealer is a retail broker and is a broker or dealer in securities which is a member of any national securities exchange in the United States or of the Financial Industry Regulatory Authority, Inc., or a bank or trust company located in the United States.

Soliciting dealers will include any of the organizations described above even when the activities of such organization in connection with the Tender Offer consists solely of forwarding to clients materials relating to the Tender Offer and tenders of Notes as directed by beneficial owners thereof. Each soliciting dealer will confirm that each Holder that it solicits has received a copy of the Offer to Purchase, or concurrently with such solicitation provide the Holder with a copy of the Offer to Purchase. No soliciting dealer is required to make any recommendation to Holders as to whether to tender its Notes or refrain from tendering its Notes in the Tender Offer. No assumption is made, in making payments to any soliciting dealer, that its activities in connection with the Tender Offer included any activities other than those described in this paragraph. For all purposes noted in materials relating

to the Tender Offer, the term “solicit” shall be deemed to mean no more than “processing tenders” or “forwarding to customers material regarding the Tender Offer.”

Soliciting dealers are not eligible to receive a Soliciting Dealer Fee with respect to Notes beneficially owned by such soliciting dealer or with respect to any Notes that are registered in the name of a soliciting dealer unless such Notes are held by such soliciting dealer as nominee and the related Notes is tendered on behalf of the beneficial owner of such Notes.

Soliciting dealers should take care to ensure that proper records are kept to document their eligibility to receive any Soliciting Dealer Fee. Banco do Brasil and the Tender and Information Agent reserve the right to require additional information at their discretion, as deemed warranted.

Conditions to the Tender Offer

Banco do Brasil’s obligation to accept for purchase, and to pay for, Notes validly tendered pursuant to the Tender Offer is subject to the Maximum Tender Amount. Additionally, notwithstanding any other provision of this Offer to Purchase, and in addition to (and not in limitation of) Banco do Brasil’s right to extend and amend the Tender Offer at any time, in Banco do Brasil’s sole discretion, Banco do Brasil will not be required to accept for purchase, or to pay for, Notes validly tendered pursuant to the Tender Offer and may terminate, extend or amend the Tender Offer, and may (subject to Rule 14e-1(c) under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the Holders thereof promptly after the termination or withdrawal of a tender offer) postpone the acceptance for purchase of, and payment for, Notes so tendered, and may terminate the Tender Offer, if, before such time as any Notes have been accepted for purchase pursuant to the Tender Offer, the following events and conditions (the “*General Conditions*”) exist or shall occur and remain in effect or shall be determined by Banco do Brasil to exist or have occurred.

All the “General Conditions” shall be deemed to be satisfied unless any of the following conditions shall occur on or after the date of this Offer to Purchase and at or prior to the Expiration Date (or the Early Settlement Date, if Banco do Brasil elects, in its sole discretion, to have an early settlement):

(1) there shall have been instituted, threatened or be pending any action, proceeding or investigation (whether formal or informal) (or there shall have been any material adverse development with respect to any action or proceeding currently instituted, threatened or pending) before or by any court, governmental, regulatory or administrative agency or instrumentality, or by any other person, in connection with the Tender Offer that, in the reasonable judgment of Banco do Brasil, either (a) is, or is likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of Banco do Brasil, or (b) would or might prohibit, prevent, restrict or delay consummation of any Tender Offer;

(2) an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in the reasonable judgment of Banco do Brasil, either (a) would or might prohibit, prevent, restrict or delay consummation of the Tender Offer or (b) is, or is likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of Banco do Brasil;

(3) there shall have occurred or be likely to occur any event affecting the business or financial affairs of Banco do Brasil and its subsidiaries that, in the reasonable judgment of Banco do Brasil, would or might prohibit, prevent, restrict or delay consummation of the Tender Offer;

(4) the Trustee shall have objected in any respect to or taken action that could, in the reasonable judgment of Banco do Brasil, adversely affect the consummation of the Tender Offer or shall have taken any action that challenges the validity or effectiveness of the procedures used by Banco do Brasil in the making of the Tender Offer or the acceptance of, or payment for, the Notes; or

(5) there has occurred (a) any general suspension of, or limitation on prices for, trading in securities on the New York Stock Exchange, the Luxembourg Stock Exchange, BM&FBOVESPA or in the securities or financial markets in the United States or Brazil, (b) any significant adverse change in the price of the Notes in the United States or other major securities or financial markets, (c) a material impairment in the trading market for debt securities, (d) a declaration of a banking moratorium or any suspension of payments with respect to banks in the United States, Brazil or other major financial markets, (e) any limitation (whether or not mandatory) by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, or other event that, in the reasonable judgment of Banco do Brasil, might affect the extension of credit by banks or other lending institutions, (f) a commencement of a war, armed hostilities, terrorist acts or other national or international calamity directly or indirectly involving the United States, or (g) in the case of any of the foregoing existing on the date hereof, in the reasonable judgment of Banco do Brasil, a material acceleration or worsening thereof.

The foregoing conditions are for Banco do Brasil's sole benefit and may be asserted by Banco do Brasil regardless of the circumstances, including any action or inaction by Banco do Brasil, giving rise to such condition or may be waived by Banco do Brasil in whole or in part at any time and from time to time in Banco do Brasil's sole discretion. If any condition to the Tender Offer is not satisfied or waived by Banco do Brasil prior to the applicable Settlement Date, Banco do Brasil reserves the right, but will not be obligated, subject to applicable law:

- to terminate the Tender Offer and return any tendered Notes;
- to waive all unsatisfied conditions and accept for purchase Notes that are validly tendered prior to the Expiration Date (or the Early Settlement Date, if Banco do Brasil elects, in its sole discretion, to have an early settlement);
- to extend the Tender Offer and retain the Notes that have been tendered during the period for which the Tender Offer is extended; or
- to otherwise amend the Tender Offer.

The failure by Banco do Brasil at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right and each right will be deemed an ongoing right that may be asserted at any time and from time to time. The Tender Offer is not conditioned upon the tender of any minimum principal amount of Notes or upon any financing. All Notes will be purchased by Banco do Brasil in accordance with the procedures described under "—Maximum Tender Amount; Proration."

Procedure for Tendering Notes

The method of delivery of Notes and Letters of Transmittal, any required signature guarantees and all other required documents, including delivery through DTC and any acceptance of an Agent's Message transmitted through ATOP, is at the election and risk of the person tendering Notes and delivering Letters of Transmittal or transmitting an Agent's Message and, except as otherwise provided in the Letter of Transmittal, delivery will be deemed made only when actually received by the Tender and Information Agent. DELIVERY OF DOCUMENTS TO DTC DOES NOT CONSTITUTE DELIVERY TO THE TENDER AND INFORMATION AGENT. If delivery is by mail, it is suggested that Holders use properly insured, registered mail with return receipt requested and that the mailing be made sufficiently in advance of the Early Tender Date or Expiration Date, as applicable, to permit delivery to the Tender and Information Agent at or prior to such time. Holders desiring to tender Notes must allow sufficient time for completion of the ATOP procedures during normal business hours of DTC. Manually signed facsimile copies of the Letter of Transmittal, properly completed and duly executed, will be accepted. In no event shall the Holder send any documents or Notes to the Dealer Managers or Banco do Brasil.

Tender of Notes Held Through a Nominee

To effectively tender Notes that are held of record by a Nominee, the beneficial owner thereof must instruct such Nominee to tender the Notes on the beneficial owner's behalf. Any beneficial owner of Notes held of record by

DTC or its Nominee, through authority granted by DTC, may direct the DTC participant through which such beneficial owner's Notes are held in DTC to tender Notes on such beneficial owner's behalf.

Tender of Notes Held Through DTC

To effectively tender Notes that are held through DTC, DTC participants should either (i) properly complete and duly execute the Letter of Transmittal, together with any other documents required by the Letter of Transmittal, and mail or deliver the Letter of Transmittal (or a manually signed facsimile thereof) and such other documents to the Tender and Information Agent or (ii) electronically transmit their acceptance through ATOP (and thereby tender the Notes), for which the transaction will be eligible, followed by a properly transmitted Agent's Message delivered to the Tender and Information Agent. Upon receipt of such Holder's acceptance through ATOP, DTC will edit and verify the acceptance and send an Agent's Message to the Tender and Information Agent for its acceptance. Delivery of tendered Notes must be made to the Tender and Information Agent pursuant to the book-entry delivery procedures set forth below.

Except as provided below, unless the Notes being tendered are deposited with the Tender and Information Agent at or prior to the Early Tender Date or the Expiration Date, as applicable (accompanied by a properly completed and duly executed Letter of Transmittal or a properly transmitted Agent's Message, as applicable), Banco do Brasil may, at its option, treat such tender as defective for purposes of the right to receive the Total Consideration or Tender Offer Consideration, respectively. Payment for tendered Notes will be made only against deposit of the tendered Notes and delivery of all other required documents.

In order to validly tender Notes at or prior to the Early Tender Date or the Expiration Date, as applicable, with respect to Notes transferred pursuant to ATOP, a DTC participant using ATOP must also properly transmit an Agent's Message. Pursuant to authority granted by DTC, any DTC participant that has Notes credited to its DTC account at any time (and thereby held of record by DTC's nominee) may directly instruct the Tender and Information Agent to tender Notes at or prior to the Early Tender Date or the Expiration Date, as applicable, as though it were the registered Holder thereof by so transmitting an Agent's Message.

Book-Entry Delivery and Tender of Notes Through ATOP

Promptly after commencement of the Tender Offer, the Tender and Information Agent will establish one or more new accounts (or utilize existing accounts) with respect to the Notes at DTC for purposes of the Tender Offer (to the extent such arrangements have not been made previously by the Tender and Information Agent). Any financial institution that is a participant in DTC may make book-entry delivery of the Notes credited to such participant's DTC account by causing DTC to transfer such Notes into the Tender and Information Agent's account or accounts at DTC in accordance with DTC's procedures for such transfer. Although delivery of Notes may be effected through book-entry transfer into the Tender and Information Agent's account at DTC, the Letter of Transmittal (or manually signed facsimile thereof), with any required signature guarantees, or (in connection with a book-entry transfer) an Agent's Message in lieu of the Letter of Transmittal, and any other required documents, must, in any case, be transmitted to and received by the Tender and Information Agent at or prior to the Early Tender Date or the Expiration Date, as applicable. Delivery of documents to DTC does not constitute delivery to the Tender and Information Agent. The confirmation of a book-entry transfer into the Tender and Information Agent's account at DTC as described above is referred to herein as a "Book-Entry Confirmation."

The term "*Agent's Message*" means a message transmitted by DTC to, and received by, the Tender and Information Agent and forming a part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the tendering participant stating (i) the aggregate principal amount of Notes to be tendered by such participant, (ii) that such participant has received copies of the Offer Documents and agrees to be bound by the terms and conditions of the Tender Offer as described herein and in the Letter of Transmittal and (iii) that Banco do Brasil may enforce the terms and conditions of the Letter of Transmittal against such tendering participant.

Any Holder who holds Notes through Clearstream or Euroclear must also comply with the applicable procedures of Clearstream or Euroclear, as applicable, in connection with a tender of Notes. Both Clearstream and Euroclear are indirect participants in the DTC system.

THE NOTES AND EITHER THE LETTER OF TRANSMITTAL OR AGENT'S MESSAGE SHOULD BE SENT ONLY TO THE TENDER AND INFORMATION AGENT, AND NOT TO BANCO DO BRASIL, THE DEALER MANAGERS, OR TO DTC (OR ANY OTHER BOOK ENTRY TRANSFER FACILITY).

Signature Guarantees

Signatures on all Letters of Transmittal must be guaranteed by a firm that is a member of a registered national notes exchange or the Financial Industry Regulatory Authority, or by a commercial bank or trust company having an office or a correspondent in the United States that is a participant in an approved Signature Guarantee Medallion Program (each of the foregoing, an "*Eligible Institution*") unless the Notes tendered thereby are tendered (1) by a registered Holder of Notes (or by a participant in DTC whose name appears on a security position listing as the owner of such Notes) or (2) for the account of an Eligible Institution. See Instructions 1 and 4 of the Letter of Transmittal.

U.S. Backup Withholding

To prevent U.S. backup withholding, each tendering Holder of Notes must (i) provide the Tender and Information Agent with such Holder's correct taxpayer identification number and certify that such Holder is not subject to U.S. backup withholding by completing the Form W-9 included in the Letter of Transmittal or (ii) otherwise establish a basis for exemption from backup withholding in accordance with U.S. federal tax law.

General

Only Holders are authorized to tender their Notes. The procedures by which Notes may be tendered by beneficial owners that are not Holders will depend upon the manner in which the Notes are held. Therefore, to effectively tender Notes that are held through a Nominee, the beneficial owner thereof must instruct such Nominee to tender the Notes on the beneficial owner's behalf according to the procedures described above. DTC has authorized DTC participants that hold Notes on behalf of beneficial owners of Notes through DTC to tender their Notes as if they were the Holders.

The tender of Notes by a Holder (and the acceptance of such tender by Banco do Brasil) pursuant to the procedures set forth above will constitute a binding agreement between such Holder and us in accordance with the terms and subject to the conditions set forth herein and in the Letter of Transmittal.

Notwithstanding any other provision hereof, payment of the Tender Offer Consideration or Total Consideration, as the case may be, for Notes validly tendered and accepted for payment pursuant to the Tender Offer will, in all cases, be made only after timely receipt (i.e., at or prior to the Early Tender Date if the Holder is to receive the Total Consideration, and at or prior to the Expiration Date if the Holder is to receive only the Tender Offer Consideration) by the Tender and Information Agent of a Book-Entry Confirmation (as defined above) of the transfer of such Notes into the Tender and Information Agent's account at DTC, as described above, and a Letter of Transmittal (or manually signed facsimile thereof) with respect to such Notes, properly completed and duly executed, with any required signature guarantees and any other documents required by the Letter of Transmittal, or, in the case of a book-entry transfer, a properly transmitted Agent's Message in lieu of the Letter of Transmittal.

Banco do Brasil, in its sole discretion, will determine all questions as to the form of documents and validity, eligibility (including time of receipt), acceptance for payment and withdrawal of validly tendered Notes, and such determinations will be final and binding. Banco do Brasil reserves the absolute right to reject any and all tenders of Notes that it determines are not in proper form or where the acceptance for purchase of, or payment for, such Notes may, in the opinion of Banco do Brasil's counsel, be unlawful. Banco do Brasil also reserves the absolute right in its sole discretion to waive any of the conditions of the Tender Offer or any defect or irregularity in the tender of Notes of any particular Holder, whether or not similar conditions, defects or irregularities are waived in the case of other Holders. Banco do Brasil's interpretation of the terms and conditions of the Tender Offer will be final and binding.

Any defect or irregularity in connection with tenders of Notes must be cured within such time as Banco do Brasil determines, unless waived by Banco do Brasil. Tenders of Notes shall not be deemed to have been made until all defects or irregularities have been waived or cured. None of Banco do Brasil, the Dealer Managers, the Tender and Information Agent, the Trustee or any other person will be under any duty to give notification of any defects or irregularities in tenders or notices of withdrawal or will incur any liability for failure to give any such notification. If Banco do Brasil waives its right to reject a defective tender of Notes, the Holder will be entitled to the Total Consideration or the Tender Offer Consideration, as applicable, plus Accrued Interest.

No Guaranteed Delivery

There are no guaranteed delivery procedures available with respect to the Tender Offer under the terms of this Offer to Purchase or any related materials. Holders must tender their Notes in accordance with the procedures set forth in this section.

No Alternative, Conditional or Contingent Tenders

No alternative, conditional or contingent tenders of Notes will be accepted pursuant to the Tender Offer. All questions as to the form of all documents and acceptance of all tenders of Notes will be determined by Banco do Brasil, in its sole discretion, the determination of which shall be conclusive and binding.

Representations, Warranties and Undertakings

By tendering Notes pursuant to this Offer to Purchase (including by accepting the Tender Offer through ATOP), the Holder is deemed to represent, warrant and undertake to Banco do Brasil, the Tender and Information Agent and the Dealer Managers that:

- (1) the tendering Holder has received the Offer Documents;
- (2) the Notes are, at the time of acceptance, and will continue to be, until the payment on the applicable Settlement Date, or the termination or withdrawal of the Tender Offer, or, in the case of Notes in respect of which the tender has been withdrawn, the date on which such tender is validly withdrawn, held by it;
- (3) the tendering Holder acknowledges that all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings and every obligation of the tendering Holder shall be binding upon the successors, assigns, heirs, executors, administrators, trustee in bankruptcy and legal representatives of the tendering Holder and shall not be affected by, and shall survive, the death or incapacity of the tendering Holder;
- (4) the tendering Holder has full power and authority to tender, sell, assign and transfer the tendered Notes;
- (5) the Notes will, on the applicable Settlement Date be transferred by such tendering Holder to Banco do Brasil in accordance with the terms of the Tender Offer, and Banco do Brasil will acquire good, marketable and unencumbered title thereto, with full title guarantee free and clear of all liens, restrictions, charges and encumbrances, not subject to any adverse claim or right, and together with all rights attached thereto; and
- (6) the tendering Holder will, upon request, execute and deliver any documents deemed by the Tender and Information Agent or Banco do Brasil to be necessary or desirable to complete the sale, assignment and transfer of the Notes tendered.

By tendering Notes as set forth herein, and subject to and effective upon acceptance for purchase of, and payment for, the Notes tendered therewith, a tendering Holder (i) irrevocably sells, assigns and transfers to, or upon the order of, Banco do Brasil all right, title and interest in and to all the Notes tendered thereby and accepted for purchase pursuant to the terms hereof, (ii) waives any and all other rights with respect to the Notes tendered thereby (including, without limitation, the tendering Holder's waiver of any existing or past defaults and their consequences in respect of the Notes and the Indenture), (iii) releases and discharges Banco do Brasil from any and all claims such

Holder may have now, or may have in the future, arising out of, or related to, such Notes, including, without limitation, any claims that such Holder is entitled to receive additional principal or interest payments with respect to such Notes or to participate in any repurchase, redemption or defeasance of the Notes, and (iv) irrevocably constitutes and appoints the Tender and Information Agent as the true and lawful agent and attorney-in-fact of such Holder (with full knowledge that the Tender and Information Agent also acts as the agent of Banco do Brasil) with respect to any such tendered Notes, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) transfer ownership of such Notes on the account books maintained by DTC, together with all accompanying evidences of transfer and authenticity, to, or upon the order of, Banco do Brasil, (b) present such Notes for transfer on the relevant security register, and (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such Notes (except that the Tender and Information Agent will have no rights to, or control over, funds from Banco do Brasil, except as agent for the tendering Holders, for the purchase price, plus any Accrued Interest, of Notes tendered pursuant to the Tender Offer, as determined pursuant to the terms of this Offer to Purchase, for any tendered Notes that are purchased by Banco do Brasil).

By tendering Notes pursuant to the Tender Offer, the Holder will be deemed to have agreed that the delivery and surrender of the Notes is not effective, and the risk of loss of the Notes does not pass to the Tender and Information Agent, until receipt by the Tender and Information Agent and, in the case of Notes tendered through DTC's ATOP, of a properly transmitted Agent's Message together with all accompanying evidences of authority and any other required documents in form satisfactory to Banco do Brasil.

Compliance with "Short Tendering" Rule

It is a violation of Rule 14e-4 under the Exchange Act for a person, directly or indirectly, to tender Notes in a partial tender offer for their own account unless the person so tendering (a) has a net long position equal to or greater than the aggregate principal amount of the Notes being tendered and (b) will cause such Notes to be delivered in accordance with the terms of the Tender Offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of Notes in the Tender Offer under any of the procedures described above will constitute a binding agreement between the tendering Holder and Banco do Brasil with respect to such Notes upon the terms and subject to the conditions of the Tender Offer, including the tendering Holder's acceptance of the terms and conditions of the Tender Offer, as well as the tendering Holder's representation and warranty that (a) such Holder has a net long position in the Notes being tendered pursuant to the Tender Offer within the meaning of Rule 14e-4 under the Exchange Act, and (b) the tender of such Notes complies with Rule 14e-4.

Withdrawal of Tenders

Withdrawal rights with respect to the Notes will terminate on the Withdrawal Deadline, unless extended pursuant to applicable law. Accordingly, following the Withdrawal Deadline, any Notes validly tendered (whether before, on or after the Withdrawal Deadline) may no longer be validly withdrawn.

Subject to applicable law, Banco do Brasil may (i) extend or otherwise amend the Early Tender Date, the Withdrawal Deadline or the Expiration Date, or (ii) increase the Maximum Tender Amount without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights of Holders. Pursuant to Rule 14e-1 under the Exchange Act, if Banco do Brasil changes the principal amount of Notes subject to the Tender Offer or increases or decreases any portion of the Total Consideration or Tender Offer Consideration for the Notes, then it will extend the Tender Offer, to the extent required by applicable law, and, if required by applicable law, extend the Withdrawal Deadline.

For a withdrawal of Notes to be valid, the Tender and Information Agent must timely receive a written or facsimile notice of withdrawal at one of its addresses set forth on the last page of this document, or a properly transmitted "Request Message" through ATOP must be received by the Tender and Information Agent, in each case before the Withdrawal Deadline. The withdrawal notice must:

- specify the name of the person that tendered the Notes to be withdrawn and, if different, the record holder of such Notes (or, in the case of Notes tendered by book entry transfer, the name of the DTC participant for whose account such Notes were tendered and such participant's account number at DTC to be credited with the withdrawn Notes);
- contain a description(s) of the Notes to be withdrawn, including the CUSIP number(s) and the aggregate principal amount represented by such Notes to be withdrawn; and
- be signed by the Holder of such Notes in the same manner as the original signature on the Letter of Transmittal by which such Notes were tendered (including any required signature guarantees), if any (or, in the case of Notes tendered by a DTC participant through ATOP, be signed by such participant in the same manner as the participant's name is listed on the applicable Agent's Message), or be accompanied by documents of transfer sufficient to have the Trustee register the transfer of the Notes into the name of the person withdrawing such Notes; and
- if the Letter of Transmittal was executed by a person other than the Holder, be accompanied by a properly completed irrevocable proxy that authorizes such person to effect such revocation on behalf of such Holder.

If the Notes to be withdrawn have been delivered or otherwise identified to the Tender and Information Agent, a signed notice of withdrawal is effective immediately upon written or facsimile notice of withdrawal, even if physical release is not yet effected by the Tender and Information Agent. Any Notes validly withdrawn will be deemed to be not validly tendered for purposes of the Tender Offer.

Holders may not rescind their withdrawal of tendered Notes and any Notes validly withdrawn will thereafter be deemed not validly tendered for purposes of the Tender Offer. Validly withdrawn Notes may, however, be tendered again by following one of the procedures described above under “—Procedure for Tendering Notes” at any time prior to the Expiration Date.

Holders may accomplish valid withdrawals of Notes only in accordance with the foregoing procedures.

All questions as to the validity (including time of receipt) of notices of withdrawal will be determined by Banco do Brasil in its sole discretion, which determination shall be final and binding. None of Banco do Brasil, the Dealer Managers, the Tender and Information Agent, the Trustee or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or will incur any liability for failure to give any such notification.

Acceptance of Notes for Purchase; Accrual of Interest

Acceptance of Notes for Purchase

Banco do Brasil will be deemed to have accepted for purchase pursuant to the Tender Offer and thereby have purchased validly tendered Notes pursuant to the Tender Offer if, as and when Banco do Brasil gives oral or written notice to the Tender and Information Agent of Banco do Brasil's acceptance of such Notes for purchase pursuant to the Tender Offer. Banco do Brasil will announce acceptance for purchase of the Notes. In all cases, payment for Notes purchased pursuant to the Tender Offer will be made by deposit of cash relating to the Tender Offer Consideration or the Total Consideration, as applicable, plus the Accrued Interest with the Tender and Information Agent, which will act as agent for tendering holders for the purpose of receiving payments from Banco do Brasil and transmitting such payments to such holders.

Banco do Brasil may, but is not obligated to, elect to have an Early Settlement Date and to decide to accept for purchase the Notes validly tendered and not validly withdrawn on or prior to the Early Tender Date provided that all conditions to the Tender Offer have been satisfied or waived by Banco do Brasil on the Early Tender Date. If Banco do Brasil elects, in its sole discretion, to have an Early Settlement Date, it will announce such exercise promptly on the first business day after the Early Tender Date by means of issuing a release to a nationally recognized news service or using such other means of announcement as Banco do Brasil deems appropriate.

If Banco do Brasil elects, in its sole discretion, to have an Early Settlement Date, the Notes tendered on or prior to the Early Tender Date that are accepted for purchase will be settled on the Early Settlement Date, which is expected to occur two business days after the Early Tender Date. On the Final Settlement Date, Banco do Brasil will settle all Notes accepted for purchase and not previously settled on the Early Settlement Date, if any, and Banco do Brasil expects such date to be two business days following the Expiration Date.

Banco do Brasil expressly reserves the right, in its sole discretion and subject to Rule 14e-1(c) under the Exchange Act, to delay acceptance for purchase of, or payment for, Notes in order to comply, in whole or in part, with any applicable law. See “—Conditions to the Tender Offer.” In all cases, payment by the Tender and Information Agent to Holders of consideration for Notes accepted for purchase pursuant to the Tender Offer will be made only after timely receipt by the Tender and Information Agent of:

- confirmation of a book-entry transfer of such Notes into the Tender and Information Agent’s account at DTC pursuant to the procedures set forth under “—Procedures for Tendering Notes”;
- a duly completed Agent’s Message through the facilities of DTC or a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof); and
- any other documents required by the Letter of Transmittal.

If the Tender Offer is terminated or withdrawn, or the Notes subject to the Tender Offer is not accepted for purchase, no consideration will be paid or payable to Holders of those Notes. If any tendered Notes are not purchased pursuant to the Tender Offer for any reason, Notes tendered by book-entry transfer will be credited to the account maintained at DTC from which those Notes were delivered promptly following the Expiration Date or termination of the Tender Offer.

Banco do Brasil reserves the right to transfer or assign, in whole at any time or in part from time to time, to one or more of its affiliates, the right to purchase Notes validly tendered (and not validly withdrawn) pursuant to the Tender Offer but any such transfer or assignment will not relieve Banco do Brasil of its obligations under the Tender Offer or prejudice the rights of tendering Holders to receive consideration pursuant to the Tender Offer.

Holders will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in the Letter of Transmittal, transfer taxes with respect to Banco do Brasil’s purchase of the Notes pursuant to the Tender Offer. If you hold Notes through a broker or bank, you should consult that institution as to whether it charges any service fees. Banco do Brasil will pay certain fees and expenses of the Dealer Managers, the Tender and Information Agent in connection with the Tender Offer. See “Dealer Managers and Tender and Information Agent.”

Accrual of Interest

Holders who tender Notes that are accepted for purchase pursuant to the Tender Offer will receive Accrued Interest.

Under no circumstances will any additional interest be payable because of any delay in the transmission of funds to the Holders of purchased Notes or otherwise.

Expiration Date; Extension; Termination and Amendment

The Tender Offer will expire on the Expiration Date, as defined on the cover page of this Offer to Purchase, unless extended or earlier terminated by Banco do Brasil.

Banco do Brasil reserves the right, at any time or from time to time, to extend the Early Tender Date and the Expiration Date. In addition, subject to applicable law, Banco do Brasil expressly reserves the right, in its sole discretion, to terminate or withdraw the Tender Offer at any time and from time to time. If any Tender Offer is terminated at any time with respect to any Notes, the Notes tendered and not previously accepted and purchased will be promptly returned to the tendering Holders. There can be no assurance that Banco do Brasil will exercise its right

to extend, terminate or amend the Tender Offer. Irrespective of any amendment to the Tender Offer, all Notes previously tendered pursuant to the Tender Offer and not accepted for purchase will remain subject to the Tender Offer and may be accepted thereafter for purchase by Banco do Brasil, except when such acceptance is prohibited by law.

Banco do Brasil will publicly announce any extension, amendment or termination in the manner described under “—Announcements.” There can be no assurance that Banco do Brasil will exercise its right to extend, terminate or amend the Tender Offer.

If Banco do Brasil makes a material change in the terms of the Tender Offer or the information concerning the Tender Offer, Banco do Brasil will disseminate additional materials and extend the Tender Offer to the extent required by law. In the event of a termination of the Tender Offer, none of the Total Consideration, the Early Tender Premium or the Tender Offer Consideration will be paid or become payable on such Notes.

Please note that the terms of any extension of, or amendment of the terms of, the Tender Offer may vary from the terms of the original Tender Offer depending on such factors as prevailing interest rates and the principal amount of Notes previously tendered or otherwise purchased.

Additional Terms of the Tender Offer

- All communications, payments, notices, certificates, or other documents to be delivered to or by a Holder will be delivered by or sent to or by it at the Holder’s own risk.
- By submitting a valid electronic acceptance instruction or Letter of Transmittal, a Holder will be deemed to have given the representations, warranties and undertakings of the Holder set forth above in “—Procedure for Tendering Notes—Representations, Warranties and Undertakings.”
- All acceptances of tendered Notes by Banco do Brasil shall be deemed to be made on the terms set out in this Offer to Purchase (and shall be deemed to be given in writing even if submitted electronically).
- Banco do Brasil may in its sole discretion elect to treat as valid a tender instruction in respect of which the relevant Holder does not fully comply with all the requirements of these terms.
- Unless waived by Banco do Brasil, any irregularities in connection with tenders of such Notes must be cured within such time as Banco do Brasil shall determine. None of Banco do Brasil, the Dealer Managers, the Information Agent, the Tender and Information Agent or any other person (including the Trustee) shall be under any duty to give notification of any defects or irregularities in such tenders of Notes, nor will any of such entities incur any liability for failure to give such notifications. Tenders of Notes may be deemed not to have been made until such irregularities have been cured or waived.
- None of Banco do Brasil, the Dealer Managers, the Tender and Information Agent or the Trustee shall accept any responsibility for failure of delivery of a notice, communication or electronic acceptance instruction.
- Any rights or claims which a Holder may have against Banco do Brasil in respect of any tendered Notes or the Tender Offer shall be extinguished or otherwise released upon the payment to such Holder of the consideration for the tendered Notes and any accrued interest, as determined pursuant to the terms of the Tender Offer.
- Without limiting the manner in which Banco do Brasil may choose to make any public announcement, Banco do Brasil shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release and by giving notice to the Tender and Information Agent and the Dealer Managers.

- There are no appraisal or similar statutory rights available to the Holders in connection with the Tender Offer.
- The contract constituted by Banco do Brasil's acceptance for purchase in accordance with the terms of this Offer to Purchase of all Notes validly tendered (or defectively tendered, if such defect has been waived by Banco do Brasil) shall be governed by, and construed in accordance with the law of the State of New York.

Announcements

If Banco do Brasil is required to make an announcement relating to an extension of the Withdrawal Deadline, the Early Tender Date or the Expiration Date for the Tender Offer, an amendment or termination of the Tender Offer, acceptance of the Notes for purchase, or otherwise, Banco do Brasil will do so as promptly as practicable and, in the case of an extension or acceptance, no later than 9:00 a.m., New York City time, on the business day after the previously scheduled Withdrawal Deadline, Early Tender Date or Expiration Date, as applicable. Unless otherwise specified in this Offer to Purchase, Banco do Brasil may choose to issue an announcement of this type in any reasonable manner, but it will have no obligation to do so other than by issuing a press release.

CERTAIN SIGNIFICANT CONSIDERATIONS

Position of Banco do Brasil and Other Parties Concerning the Tender Offer

None of Banco do Brasil, its board of directors, the Dealer Managers, the Tender and Information Agent nor the Trustee makes any recommendation to any Holder whether to tender or refrain from tendering any or all of such Holder's Notes, and none of them has authorized any person to make any such recommendations. Holders are urged to evaluate carefully all information in the Offer Documents, consult their own investment and tax advisors and make their own decisions whether to tender Notes, and, if so, the principal amount of Notes to tender.

The Tender Offer may adversely affect the market value and reduce the liquidity of any trading market of the Notes

To the extent that Notes are tendered and accepted for purchase in the Tender Offer in accordance with the terms of the Tender Offer, the trading market in the Notes that remain outstanding thereafter (including any Notes that are not accepted for purchase pursuant to the operation of the proration of tenders of Notes) will become more limited than the current trading market in such Notes. A debt security with a smaller outstanding aggregate principal amount available for trading (a smaller "float") may command a lower price than would a comparable debt security with a greater float. Therefore, the market price for Notes not tendered and accepted for purchase (including as a result of the operation of the proration of tenders of Notes) may be affected adversely to the extent the amount of Notes tendered and accepted for purchase pursuant to the Tender Offer reduces the liquidity of such Notes. The reduced liquidity may make the trading price more volatile. There can be no assurance that any trading market will exist for the Notes following the consummation of the Tender Offer. The extent of the market for the Notes following consummation of the Tender Offer will depend upon the number of Holders of such Notes that remain at such time, the interest on the part of securities firms in maintaining a market in such Notes and other factors. To the extent a market continues to exist for the Notes following consummation of the Tender Offer, such Notes may trade at a discount compared to present trading prices depending on prevailing interest rates, the market for debt instruments with similar credit features, Banco do Brasil's operating and financial performance and other factors.

Withdrawal Rights and the Maximum Tender Amount

Notes tendered prior to the Withdrawal Deadline may only be validly withdrawn prior to the Withdrawal Deadline. After the Withdrawal Deadline, Notes tendered prior to the Expiration Date may not be withdrawn unless Banco do Brasil elects to extend the Withdrawal Deadline in its sole discretion or as otherwise Banco do Brasil is required to extend withdrawal rights under applicable law. Subject to applicable law, Banco do Brasil may (i) extend or otherwise amend the Early Tender Date, the Withdrawal Deadline or the Expiration Date, or (ii) increase the Maximum Tender Amount without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights of Holders. Increasing the Maximum Tender Amount will increase the principal amount of Notes that may be accepted for purchase by Banco do Brasil.

If Holders tender more Notes in the Tender Offer than they expect to be accepted for purchase by Banco do Brasil based on the Maximum Tender Amount, and Banco do Brasil subsequently increases such Maximum Tender Amount on or after the Withdrawal Deadline, such Holders will not be able to withdraw any of their previously tendered Notes. Accordingly, Holders should not tender any Notes that they do not wish to be accepted for purchase.

Banco do Brasil may not be able to definitively determine whether the Tender Offer is oversubscribed or what the effects of proration may be with respect to the Notes until after the Expiration Date has passed. Therefore, you will not be able to withdraw tenders of your Notes at the time Banco do Brasil establishes the amount of Notes to be purchased pursuant to the Tender Offer.

Early Tender Premium and Priority of Acceptance for Notes Tendered on or Prior to the Early Tender Date

You must validly tender your Notes on or prior to the Early Tender Date in order to be eligible to receive the Total Consideration, which includes the Early Tender Premium. If you validly tender your Notes after the Early

Tender Date but on or prior to the Expiration Date, you will only be eligible to receive the Tender Offer Consideration, which does not include the Early Tender Premium.

Subject to the Maximum Tender Amount, all Notes validly tendered at or prior to the Early Tender Date will be accepted for purchase before any Notes validly tendered after the Early Tender Date are accepted for purchase. Furthermore, if the Tender Offer is fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date will not have any of their Notes accepted for purchase, provided that such Notes may be accepted for purchase if we increase the Maximum Tender Amount, which we are entitled to do in our sole discretion. There can be no assurance that we will increase the Maximum Tender Amount.

Effect of the Tender Offer on Holders of Notes Tendered and Accepted in the Tender Offer

If your Notes are validly tendered and accepted for purchase, you will be giving up all of your rights as a Holder of those Notes, including, without limitation, your right to future interest or cash distributions and principal payments with respect to such Notes.

Treatment of Notes Not Purchased Pursuant to the Tender Offer

Notes not tendered, or tendered but not accepted for purchase, in the Tender Offer will remain outstanding. The terms and conditions governing the Notes, including the covenants and other protective provisions contained in the Indenture governing the Notes, will remain unchanged.

Conditions to the Consummation of the Tender Offer

Our obligation to purchase Notes pursuant to the Tender Offer is subject to the satisfaction or waiver of certain conditions. These conditions are described in more detail in this Offer to Purchase under “The Tender Offer— Conditions to the Tender Offer.” We cannot assure you that such conditions will be satisfied or waived, or that the Tender Offer will be consummated, or that any failure to consummate the Tender Offer will not have a negative effect on the market price and liquidity of the Notes.

Certain Tax Considerations

See “Certain Tax Considerations” for a discussion of certain tax matters that should be considered in evaluating the Tender Offer.

Other Purchases of Notes

Following consummation or termination of the Tender Offer, Banco do Brasil and/or its affiliates reserve the right to acquire the Notes from time to time otherwise than pursuant to the Tender Offer through open market purchases, privately negotiated transactions, one or more additional tender offers, exchange offers or otherwise, on terms that may or may not be equal to the Total Consideration or Tender Offer Consideration. Banco do Brasil also reserves the right to exercise any of its rights (including redemption rights) under the Indenture. Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of Notes than the terms of the Tender Offer. Any future purchases by Banco do Brasil and/or its affiliates will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) Banco do Brasil and/or its affiliates may choose to pursue in the future.

CERTAIN TAX CONSIDERATIONS

The following summary contains a description of the material income tax considerations in Brazil and in the United States of this Offer to Purchase that may be relevant to Holders. This summary is for general information purposes only and is based on the laws of Brazil and the United States in effect on the date hereof, which are subject to change and which changes may have retroactive effect. In view of the number of different jurisdictions where tax laws may apply to a Holder, each Holder is urged to consult its own professional advisers regarding the possible tax consequences of this Offer to Purchase under the laws of the jurisdictions that apply to it or to its receipt of the Consideration and Accrued Interest in respect of its Notes. Each Holder is liable for its own taxes and has no recourse to Banco do Brasil, its board of directors, the Trustees, the Tender and Information Agent, the Dealer Managers or any of their respective affiliates with respect to taxes arising in connection with this Offer to Purchase.

THIS SUMMARY IS NOT INTENDED AS TAX ADVICE TO ANY PARTICULAR HOLDER, WHICH CAN BE RENDERED ONLY IN LIGHT OF THAT HOLDER'S PARTICULAR TAX SITUATION. ACCORDINGLY, EACH HOLDER IS URGED TO CONSULT SUCH HOLDER'S TAX ADVISER WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF THE TENDER OFFER TO SUCH HOLDER, INCLUDING THE APPLICATION AND AVAILABILITY OF ANY TAX TREATY TO SUCH HOLDER. ALL HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

1. Certain Brazilian Income Tax Consequences

The following discussion is a summary of the Brazilian tax considerations relating to the sale of the Notes by an investor that is an individual, entity, trust or organization, resident or domiciled outside of Brazil for purposes of Brazilian taxation ("*Non-Resident Holder*"). The discussion is based on the tax laws of Brazil as in effect on the date hereof and is subject to any change in the Brazilian law that may come into effect after such date as well as to the possibility that the effect of such change in the Brazilian law may retroact to reach rights created on or before the date hereof.

This discussion does not address all the Brazilian tax considerations that may be applicable to any particular Non-Resident Holder, and each Non-Resident Holder should consult its own tax adviser about the Brazilian tax consequences of tendering the Notes. Holders are also urged to consult their own professional advisers regarding its particular circumstances and the possible tax consequences under the laws of the jurisdictions that apply to them or to the tendering of their Notes.

(a) *Taxation on gains realized from sale of the Notes*

According to Section 26 of Law No. 10,833, enacted on December 29, 2003, gains assessed on the sale or other disposal of assets located in Brazil by non-residents, whether to other non-residents or Brazilian residents, may become subject to Brazilian taxation. Although we believe that the Notes should not fall within the definition of assets located in Brazil for purposes of Law No. 10,833, considering the general and unclear scope of this legislation and the absence of judicial court rulings in respect thereto, we are unable to predict how Law No. 10,833 would be interpreted in the Brazilian courts. If our understanding does not prevail, gains realized by a Non-Resident Holder from the sale of the Notes may be subject to income tax on capital gains in Brazil. Historically, the withholding income tax on capital gains derived from the disposal of assets was levied at a rate of 15% (or 25% if such Non-Resident Holder is domiciled in a country or jurisdiction which does not impose any income tax or which imposes income tax at a maximum rate of less than 20% (or 17%, provided that the requirements set forth in Normative Ruling No. 1,530 dated December 19, 2014 are met) or where internal legislation imposes restrictions on the disclosure of shareholding composition or investment ownership or does not allow for the identification of the effective beneficiary of income attributed to non-residents ("*Favorable Tax Jurisdiction*").

(b) *Discussion of Privileged Tax Regime*

On June 23, 2008, Law No. 11,727 enlarged the scope of Favorable Tax Jurisdiction and introduced the concept of Privileged Tax Regime (as defined below), which is considered to be a regime that (i) does not tax

income or taxes it at a maximum rate lower than 20% (or 17%, provided that the requirements set forth in Normative Ruling No. 1,530 dated December 19, 2014 are met); (ii) grants tax advantages to a non-resident entity or individual (a) without the need to carry out a substantial economic activity in the country or a said territory or (b) conditioned upon the non-exercise of a substantial economic activity in the country or a said territory; (iii) does not tax or taxes income generated outside the jurisdiction, or taxes it at a maximum rate lower than 20% (or 17%, provided that the requirements set forth in Normative Ruling No. 1,530 dated December 19, 2014 are met) (Ordinance No. 488/2014) or (iv) does not provide access to information related to shareholding composition, ownership of goods and rights or the economic transactions carried out ("*Privileged Tax Regime*"). In addition, on June 7, 2010, the Brazilian Revenue Service ("*RFB*") enacted Normative Instruction No. 1,037/2010, as amended, listing (i) the countries and jurisdictions considered as Favorable Tax Jurisdictions and (ii) the Privileged Tax Regimes. Although the interpretation of the current Brazilian tax legislation could lead to the conclusion that such concept of Privileged Tax Regime shall be solely applied for purposes of the observance of transfer pricing and thin capitalization rules, we cannot assure you that the Brazilian tax authorities will not, as a result of subsequent legislation or interpretations of the definition of a Privileged Tax Regime, attempt to apply the Privileged Tax Regime concept to payments made to certain Non-Resident Holders, in which case such payments could, in certain circumstances, be subject to the higher tax rate discussed above.

(c) *Interest Payments Under the Notes*

Payments of income made by Banco do Brasil in Grand Cayman with respect to Notes issued through its branch in this jurisdiction will not generally be subject to withholding or deduction with respect to Brazilian income tax or any other taxes, duties, assessments or governmental charges in Brazil, provided that such payments are made with resources held by such entity outside of Brazil. Banco do Brasil intends to purchase the Notes through its Grand Cayman branch with resources held outside Brazil. Accordingly, Banco do Brasil does not intend to make any withholding or deduction in respect to Brazilian income tax or other or any other taxes, duties, assessments or governmental charges in Brazil.

If payments are made by Banco do Brasil, with funds held in Brazil, the Accrued Interest to be paid by Banco do Brasil to a Non-Resident Holder shall be subject to withholding income tax at the rate of 15%, unless: (i) a lower rate is provided for in an applicable tax treaty between Brazil and the country where the Non-Resident Holder is domiciled; or (ii) the Non-Resident Holder is domiciled in a Favorable Tax Jurisdiction, in which case the applicable rate is 25%. In any case, payments related to debt securities registered with the Central Bank including commercial paper, as provided for in Section 10 of Normative Instruction No. 1.455/14, enacted by the RFB, as amended, remain subject to the 15% rate, provided the legal requirements are met.

(d) *Other Brazilian taxes*

A financial transaction tax ("*IOF tax*") may be imposed on a variety of transactions, including the conversion of Brazilian currency into foreign currency (e.g., for purposes of paying dividends and interest). Pursuant to Decree No. 6,306/07, as amended, the conversion of Brazilian *reais* into foreign currency and the conversion of foreign currency into Brazilian *reais* are subject to the tax on foreign exchange transactions (IOF/Exchange). Currently, the IOF/Exchange rate is 0.38% for most foreign currency exchange transactions.

The Brazilian government can at any time (i) reduce IOF rates down to 0%, or (ii) increase the rates up to 25%, but only with respect to future foreign exchange transactions.

Generally, there are no inheritance, gift, succession, stamp or other similar taxes in Brazil with respect to the ownership, transfer, assignment or any other disposition of the Notes by a Non-Resident Holder, except for gift and inheritance taxes imposed by certain Brazilian states on gifts or bequests by a Non-Resident Holder to individuals or entities domiciled or residing within such states.

2. Certain United States Federal Income Tax Consequences

The following is a summary of certain U.S. federal income tax consequences to U.S. Holders (as defined below) of receipt of the Early Tender Premium and the tender of their Notes pursuant to the Tender Offer. This summary deals only with U.S. Holders who hold their Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, particular investors (including consequences under the alternative minimum tax or the Medicare tax on net investment income), and does not address state, local, non-U.S. or other U.S. federal tax laws (e.g., estate and gift taxes). This summary also does not address tax considerations applicable to investors that own (directly, indirectly, or by attribution) 5 per cent. or more of the voting stock of Banco do Brasil, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that hold their Notes as part of a straddle, hedging or conversion transaction for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Notes in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar).

As used herein, the term “*U.S. Holder*” means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation created or organized under the laws of the United States or any state thereof (including the District of Columbia), (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Notes will depend on the status of the partner and the activities of the partnership. Entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisors concerning the U.S. federal income tax consequences to them and their partners of the receipt of the Early Tender Premium and the tender of Notes pursuant to the Tender Offer.

Except as otherwise noted, the summary assumes that Banco do Brasil is not and has never been a passive foreign investment company (“*PFIC*”) for U.S. federal income tax purposes. Banco do Brasil’s possible status as a PFIC must be determined annually and therefore may be subject to change. If Banco do Brasil is a PFIC or was a PFIC in any year during a U.S. Holder’s holding period, materially adverse consequences could result for U.S. Holders. See “—Passive foreign investment company considerations” below.

The summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended (the “**Code**”), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL U.S. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF PARTICIPATING IN THE TENDER OFFER, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

(a) U.S. federal income tax characterization of the Notes

The determination whether an obligation represents a debt or equity interest is based on all the relevant facts and circumstances, and courts at times have held that obligations purporting to be debt constituted equity for U.S. federal income tax purposes. There are no regulations, published rulings or judicial decisions addressing the characterization for U.S. federal income tax purposes of securities with terms substantially the same as the Notes. As a consequence, it is unclear whether the Notes should be properly characterized as debt or equity for U.S. federal

income tax purposes. Under U.S. federal income tax principles, a strong likelihood exists that the Notes will be treated as equity, and accordingly, to the extent Banco do Brasil has been required to take a position, Banco do Brasil has treated and intends to take the position that the Notes are properly characterized as equity for all relevant U.S. federal income tax purposes. This position is and will be binding on a U.S. Holder unless the U.S. Holder expressly discloses that it is adopting a contrary position on its income tax return. However, Banco do Brasil's position is not binding on the U.S. Internal Revenue Service (the "IRS") or the courts and there can be no assurance that this characterization will be accepted by the IRS or a court. U.S. Holders should consult their tax advisors concerning the U.S. federal income tax characterization of the Notes.

(b) Notes treated as equity

Assuming the Notes are properly treated as equity of Banco do Brasil for U.S. federal income tax purposes, payments on and in respect of the Notes will be treated in the manner described below.

Early Tender Premium

The tax treatment of the Early Tender Premium is uncertain. The Early Tender Premium may be treated as additional consideration received in redemption of the tendered Notes. Alternatively, the Early Tender Premium may be treated as a dividend or a separate fee, in which case the Early Tender Premium would be treated as ordinary income to recipient U.S. Holders. While the proper treatment of the Early Tender Premium is not free from doubt, Banco do Brasil intends, if it were required to take a position for U.S. federal income tax purposes, to treat the Early Tender Premium as additional consideration paid in redemption of the tendered Notes, although it is possible that the Early Tender Premium could be treated as a dividend or a separate fee.

Sale of the Notes

(i) In general

The tender of Notes and receipt of cash by U.S. Holders pursuant to the Tender Offer will likely be treated for U.S. federal income tax purposes as a redemption of the tendered Notes by Banco do Brasil. A redemption of Notes is treated for U.S. federal income tax purposes as either (i) a sale or an exchange of such Notes or (ii) a distribution in respect of Notes held by such holder.

Under section 302 of the Code, and as relevant here, a U.S. Holder whose Notes are tendered pursuant to the Tender Offer will be treated as having sold those Notes if the purchase:

- is "not essentially equivalent to a dividend" with respect to the U.S. Holder;
- results in a "substantially disproportionate" redemption with respect to the U.S. Holder; or
- results in a "complete termination" of the U.S. Holder's equity interest in Banco do Brasil.

Each of these tests (collectively the "Section 302 Tests"), and the consequences of satisfying any of them, is explained in more detail below.

(ii) Treatment of the Tender Offer as a sale or exchange

If a U.S. Holder satisfies any of the Section 302 Tests explained below, the U.S. Holder will be treated as if it sold its Notes and will recognize U.S. source capital gain or loss equal to the difference between the amount realized pursuant to the Tender Offer and the U.S. Holder's adjusted tax basis in the Notes surrendered. The amount realized is the amount of cash received by the U.S. Holder before any reduction for Brazilian withholding taxes imposed on the sale and less any portion of the cash that is treated as a payment of accrued but unpaid interest (discussed below under "—Receipt of accrued but unpaid interest payments") and subject to the discussion above regarding the possible treatment of the Early Tender Premium as a dividend or a separate fee. This gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period for the Notes that were surrendered exceeds one

year. Non-corporate taxpayers are generally subject to reduced rates of U.S. federal income taxation on long-term capital gains. The deductibility of capital losses is subject to certain limitations.

Gain or loss must be determined separately for each block of Notes (Notes acquired at the same cost in a single transaction) that is surrendered by a U.S. Holder pursuant to the Tender Offer. A U.S. Holder may be able to designate, generally through its broker, which blocks of Notes it wishes to tender under the Tender Offer if fewer than all of its Notes are tendered under the Tender Offer, and the order in which different blocks will be tendered in the event of a pro-rata under the Tender Offer. U.S. Holders should consult their tax advisors concerning the mechanics and desirability of that designation.

Gain or loss realized by a U.S. Holder on a sale of the Notes generally will be U.S. source gain or loss, and, consequently, a U.S. Holder may not be able to claim a credit for any Brazilian taxes imposed upon the sale. The treatment of the Early Tender Premium as additional consideration, as a separate fee, or as a dividend, would also affect the source of such payment, and, accordingly, the U.S. Holder's ability to credit foreign taxes imposed on such payment. The rules governing the foreign tax credit are complex. U.S. Holders should consult their tax advisors as to their eligibility for a foreign tax credit for foreign taxes paid with respect to the Notes.

(iii) *Treatment of Tender Offer as a distribution*

If a U.S. Holder does not satisfy any of the Section 302 Tests explained below, the tender of the U.S. Holder's Notes pursuant to the Tender Offer will not be treated as a sale or exchange. Instead, the entire amount received by the U.S. Holder with respect to the tender of its Notes pursuant to the Tender Offer will be treated as a distribution described below under "—Receipt of accrued and unpaid interest payments." U.S. Holders should therefore assume that, if they do not satisfy any of the Section 302 Tests explained below, any distribution received with respect to the tender of the U.S. Holder's Notes pursuant to the Tender Offer will constitute ordinary interest income. To the extent that the tender of a U.S. Holder's Notes pursuant to the Tender Offer is treated as the receipt by the U.S. Holder of a dividend, the U.S. Holder's remaining adjusted tax basis in the tendered Notes will be added to the basis of any Notes retained by the U.S. Holder. U.S. Holders should consult their tax advisors about the treatment of any remaining adjusted tax basis in the tendered Notes.

(iv) *Section 302 tests*

One of the following tests must be satisfied in order for a U.S. Holder's tender of Notes pursuant to the Tender Offer to be treated as a sale or exchange for U.S. federal income tax purposes:

Not Essentially Equivalent to a Dividend Test. The tender of a U.S. Holder's Notes pursuant to the Tender Offer will be treated as "not essentially equivalent to a dividend" if the tender results in a meaningful reduction of such U.S. Holder's proportionate equity interest in Banco do Brasil. Whether the receipt of cash by a U.S. Holder who tenders Notes pursuant to the Tender Offer will be "not essentially equivalent to a dividend" will depend upon the U.S. Holder's particular facts and circumstances.

The IRS has indicated in a published revenue ruling that even a small reduction in the percentage interest of a holder whose relative equity interest in a publicly held corporation is minimal (for example, an interest that represents a small fraction of 1 percent.) and who exercises no control over corporate affairs should constitute a "meaningful reduction." U.S. Holders should consult their own tax advisors as to the application of this test in their particular circumstances.

Substantially Disproportionate Test. Generally, the tender of a U.S. Holder's Notes pursuant to the Tender Offer will result in a "substantially disproportionate" redemption with respect to the U.S. Holder if the percentage of the total outstanding Notes and other equity interests in Banco do Brasil that are actually or constructively owned by the U.S. Holder immediately after completion of the Tender Offer is less than 80 per cent. of the percentage of the Notes and other equity interests actually or constructively owned by the U.S. Holder immediately before the Tender Offer.

Complete Termination Test. The tender of a U.S. Holder's Notes pursuant to the Tender Offer will result in a "complete termination" of the U.S. Holder's equity interest in Banco do Brasil if all of the Notes that are actually or constructively owned by the U.S. Holder are sold pursuant to the Tender Offer (and, following the Tender Offer, the U.S. Holder does not own any other equity interests in Banco do Brasil) or, with respect to Notes and other equity interests owned by certain related individuals, the U.S. Holder is entitled to and effectively waives attribution of the Notes and other equity interests that otherwise would be considered as constructively owned by the U.S. Holder. U.S. Holders wishing to satisfy the "complete termination" test through waiver of the constructive ownership rules should consult their tax advisors.

(v) *Constructive ownership of Notes*

In applying each of the Section 302 Tests explained above, U.S. Holders must take into account not only Notes and other equity interests in Banco do Brasil that they actually own but also Notes and other equity interests in Banco do Brasil they are treated as owning under the constructive ownership rules of the Code. Under the constructive ownership rules, a U.S. Holder is treated as owning any Notes and other equity interests in Banco do Brasil that are owned (actually and in some cases constructively) by certain related individuals and entities as well as Notes and other equity interests in Banco do Brasil that the U.S. Holder has the right to acquire by exercise of an option or by conversion or exchange of a security.

U.S. Holders should be aware that their ability to satisfy any of the Section 302 Tests may be affected by proration pursuant to the Tender Offer. Due to the factual nature of these tests, U.S. Holders should consult their own tax advisors to determine whether a tender of Notes pursuant to the Tender Offer qualifies for sale or exchange treatment under these tests in light of their particular circumstances.

(vi) *Oversubscription*

Banco do Brasil cannot predict whether or the extent to which the aggregate principal amount for any Notes validly tendered would cause the Maximum Acceptance Amount to be exceeded (an "*oversubscription*"). If the Tender Offer is oversubscribed, proration of tenders pursuant to the Tender Offer will cause Banco do Brasil to accept fewer Notes than are tendered. Therefore, no assurance can be given that a sufficient number of a U.S. Holder's Notes will be purchased pursuant to the Tender Offer to ensure that the U.S. Holder receives sale or exchange treatment, rather than dividend treatment, for U.S. federal income tax purposes under the rules discussed above.

Receipt of accrued and unpaid interest payments

While the treatment of payments in respect of accrued and unpaid interest is not entirely clear, to the extent relevant to Banco do Brasil, Banco do Brasil intends to take the position that cash received in respect of accrued but unpaid interest on the Notes should be treated as a distribution paid with respect to shares of Banco do Brasil's stock for U.S. federal income tax purposes. Distributions paid by Banco do Brasil out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any Brazilian withholding tax with respect thereto, will generally be taxable to a U.S. Holder as foreign source ordinary dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Notes and thereafter as gain. However, Banco do Brasil does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any payment in respect of accrued and unpaid interest by Banco do Brasil with respect to Notes will be reported as ordinary dividend income. U.S. Holders should consult their tax advisors with respect to the appropriate U.S. federal income tax treatment of any payment of interest received from Banco do Brasil.

For U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of Brazilian taxes withheld and as then having paid over the withheld taxes to the Brazilian taxing authorities. As a result of this rule, the amount included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to payments of interest treated as a dividend could be greater than the amount of cash actually received (or receivable) by the U.S. Holder from Banco do Brasil with respect to the payment. A U.S. Holder would generally be

entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Brazilian income taxes withheld from such payment. The U.S. foreign tax credit rules are very complex, and certain Brazilian taxes may not be creditable for U.S. federal income tax purposes. U.S. Holders should consult their tax advisors concerning the foreign tax credit implications of the payment of Brazilian taxes.

Passive foreign investment company considerations

A foreign corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable look-through rules, either: (i) at least 75% of its gross income is passive income or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. Banco do Brasil does not believe that it should be treated as a PFIC. Although interest income is generally passive income, a special rule allows banks to treat their banking business income as non-passive. To qualify for this rule, a bank must satisfy certain requirements regarding its licensing and activities. Banco do Brasil believes that it currently meets these requirements. Banco do Brasil's possible status as a PFIC must be determined annually, however, and may be subject to change if Banco do Brasil fails to qualify under this special rule for any year in which a U.S. Holder holds Notes, or if certain of Banco do Brasil's subsidiaries were to account for materially greater percentages of Banco do Brasil's overall earnings and assets.

If Banco do Brasil is a PFIC or becomes a PFIC at any time in a U.S. Holder's holding period, U.S. Holders of Notes would be required (i) to pay a special U.S. addition to tax on the Early Tender Premium and the Tender Offer Consideration and (ii) to pay tax on any gain from the Tender Offer at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain. U.S. Holders should consult their tax advisors regarding the potential application of the PFIC regime.

(c) Notes treated as debt

While a strong likelihood exists that the Notes are treated as equity for U.S. federal income tax purposes, and to the extent Banco do Brasil has been required to take a position, Banco do Brasil has treated the Notes as equity, alternative characterizations exist. In general, securities that do not impose an obligation to pay an amount certain on a fixed date are treated as equity for U.S. federal income tax purposes. While the Notes are perpetual in form, it is possible that the IRS could seek to argue that the Notes are not perpetual in substance due to Banco do Brasil's option to redeem the Notes starting on the First Call Date and the requirement that the interest rate be reset to the Reset Rate if the Notes are not redeemed on the First Call Date. If this were the case, it is possible that the IRS could seek to characterize the Notes as debt for U.S. federal income tax purposes. However, there are no regulations, published rulings, or judicial decisions addressing the characterization of securities with terms substantially the same as the Notes. If the Notes were treated as debt of Banco do Brasil for U.S. federal income tax purposes, payments on and in respect of the Notes would be treated in the manner described below.

Early Tender Premium

The tax treatment of the Early Tender Premium is uncertain. The Early Tender Premium may be treated as additional consideration received in exchange for the tendered Notes, in which case the Early Tender Premium would be taken into account in determining the amount of gain or loss on the exchange. Alternatively, the Early Tender Premium may be treated as interest or a separate fee, in which case the Early Tender Premium would be treated as ordinary income to recipient U.S. Holders. While the proper treatment of the Early Tender Premium is not free from doubt, Banco do Brasil intends, if it were required to take a position for U.S. federal income tax purposes, to treat the Early Tender Premium as additional consideration paid in exchange for the tendered Notes, although it is possible that the Early Tender Premium could be treated as interest or a separate fee.

Sale of the Notes

A sale of the Notes pursuant to the Tender Offer will be a taxable transaction for U.S. federal income tax purposes. A U.S. Holder generally will recognize gain or loss in an amount equal to the difference between (i) the

amount realized on the sale (which does not include any portion of the cash that is treated as a payment of accrued but unpaid interest (discussed below under “ – Receipt of accrued and unpaid interest payments”) and subject to the discussion above regarding the possible treatment of the Early Tender Premium as interest or a separate fee), and (ii) the U.S. Holder’s adjusted tax basis in the Note. If Brazilian tax is withheld on a sale of the Notes, the amount realized by a U.S. Holder will include the gross proceeds of that sale before deduction of the tax. Subject to the market discount rules discussed below, such gain or loss generally will be capital gain or loss. Generally, a U.S. Holder’s adjusted tax basis in a Note will be equal to the amount paid for the Note, increased by any market discount previously included in the U.S. Holder’s income, and decreased (but not below zero) by any amortized premium in respect of the Note which has been previously taken into account. Any such capital gain or loss generally should be long-term capital gain or loss if the U.S. Holder held the Note for more than one year. Non-corporate taxpayers are generally subject to reduced rates of U.S. federal income taxation on long-term capital gains. The deductibility of capital losses is subject to certain limitations.

Gain or loss realized by a U.S. Holder on a sale of the Notes generally will be U.S. source. Consequently, if Brazilian withholding tax is imposed on the sale, the U.S. Holder generally will not be able to use the corresponding foreign tax credit. The treatment of Early Tender Premium as additional consideration, as a separate fee or as interest would also affect the source of payment and, accordingly, the U.S. Holder’s ability to credit foreign taxes imposed on such payment. The rules governing foreign tax credits are complex. U.S. Holders should consult their advisors with respect to the application of the foreign tax credit rules to their particular circumstances.

Receipt of accrued and unpaid interest payments

Amounts received by a U.S. Holder in respect of accrued and unpaid interest on a Note should generally be treated as a payment of foreign source interest to U.S. Holders in accordance with their regular method of accounting for U.S. federal income tax purposes.

For U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of Brazilian taxes withheld with respect to payments on the Notes, and as then having paid over the withheld taxes to the Brazilian taxing authorities. As a result of this rule, the amount of interest income included in gross income for U.S. federal income tax purposes by a U.S. Holder may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from Banco do Brasil with respect to the payment. A U.S. Holder will generally be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Brazilian income taxes withheld with respect to such payments. The U.S. foreign tax credit rules are very complex, and certain Brazilian taxes may not be creditable for U.S. federal income tax purposes. U.S. Holders should consult their tax advisors concerning the foreign tax credit implications of the payment of Brazilian taxes.

Market discount

A Note has “market discount” if its stated principal amount exceeds its tax basis in the hands of a U.S. Holder immediately after its acquisition, unless a statutorily defined de minimis exception applies. Gain recognized by a U.S. Holder with respect to a Note acquired with market discount will generally be subject to tax as ordinary income (rather than capital gain) to the extent of the market discount accrued during the period the Note was held by such U.S. Holder. For U.S. foreign tax credit purposes, such income attributable to market discount generally should constitute income from sources outside of the United States. The rules governing the U.S. foreign tax credit are complex, and U.S. holders are urged to consult their tax advisors regarding the application of such rules to their particular circumstances.

A U.S. Holder who previously had elected to include market discount in income as it accrued for U.S. federal income tax purposes will generally not recognize additional ordinary income attributable to market discount on the sale of the Notes.

(d) Information reporting and backup withholding

Payments received by U.S. Holders with respect to the Notes (including the Early Tender Premium) will be reported to the IRS and to the U.S. Holder as may be required under applicable U.S. Treasury regulations. U.S. Holders may be subject to backup withholding on payments received with respect to the Notes (including the Early Tender Premium) unless such U.S. Holder (1) comes within certain exempt categories and demonstrates this fact or (2) provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. Each U.S. Holder will be asked to provide such holder's correct taxpayer identification number and certify that such holder is not subject to backup withholding by completing the IRS Form W-9 that is included in the Letter of Transmittal.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or credit against a U.S. Holder's U.S. federal income tax liability, if any, provided the requisite information is timely furnished to the IRS.

DEALER MANAGERS AND THE TENDER AND INFORMATION AGENT

In connection with the Tender Offer, Banco do Brasil has retained BB Securities Ltd., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc. to act as the Dealer Managers and D.F. King & Co., Inc. to act as the Tender and Information Agent, each of which will receive customary fees for their services. Banco do Brasil has also agreed to reimburse the Dealer Managers and the Tender and Information Agent for certain of their out-of-pocket expenses and to indemnify them against certain liabilities, including in certain cases under federal securities laws. In connection with the Tender Offer, Banco do Brasil will also pay brokerage houses and other custodians, nominees and fiduciaries customary and reasonable out-of-pocket mailing and handling expenses incurred by them in forwarding copies of this Offer to Purchase and related documents to the beneficial owners of the Notes and in handling or forwarding tenders of Notes by their customers. In addition, Banco do Brasil has agreed to pay a Soliciting Dealer Fee to qualifying brokers, as described under “The Tender Offer—Soliciting Dealer Fee.” Banco do Brasil will not pay any fees or commissions to any broker, dealer or other person in connection with the solicitation of tenders of Notes pursuant to the Tender Offer other than to the Dealer Managers and the Tender and Information Agent as referred to above and other than the Soliciting Dealer Fee.

Any Holder that has questions concerning the terms of this Offer to Purchase may contact the Dealer Managers or the Tender and Information Agent at their addresses and telephone numbers set forth on the back cover of this Offer to Purchase. Questions and requests for assistance or additional copies of this Offer to Purchase or the Letter of Transmittal may be directed to the Tender and Information Agent at its address and telephone number set forth on the back cover of this Offer to Purchase. Copies of this Offer to Purchase, the related Letter of Transmittal, the Soliciting Dealer Form and all press releases issued in connection with the Tender Offer will also be available, during the period of the Tender Offer, at www.dfking.com/bb. Holders of Notes may also contact their broker, dealer, custodian bank, depository, trust company or other nominee for assistance concerning this Offer to Purchase.

Letters of Transmittal and all correspondence in connection with this Offer to Purchase should be sent or delivered to the Tender and Information Agent at its address or to the facsimile number set forth on the back cover of this Offer to Purchase. Any Holder or beneficial owner that has questions concerning tender procedures should contact the Tender and Information Agent at its address and telephone number set forth on the back cover of this Offer to Purchase.

The Dealer Managers may contact Holders of Notes regarding this Offer to Purchase and may request brokers, dealers, custodian banks, depositories, trust companies and other nominees to forward this Offer to Purchase and related materials to beneficial owners of Notes.

The Dealer Managers and their affiliates have from time to time provided certain commercial banking, financial advisory and investment banking services to Banco do Brasil and its affiliates for which they have received customary fees. In the ordinary course of business, the Dealer Managers or their affiliates may at any time hold long or short positions, and may trade for their own account or the accounts of customers, in the debt or equity securities of Banco do Brasil or its affiliates, including any of the Notes and, to the extent that the Dealer Managers and their affiliates own Notes during the Tender Offer, they may tender such Notes pursuant to the terms of this Offer to Purchase. The Dealer Managers and their affiliates may from time to time in the future engage in future transactions with Banco do Brasil and its affiliates and provide services to Banco do Brasil and its affiliates in the ordinary course of their respective businesses.

None of the Dealer Managers or the Tender and Information Agent assumes any responsibility for the accuracy or completeness of the information concerning Banco do Brasil contained or incorporated by reference in this Offer to Purchase or for any failure by Banco do Brasil to disclose events that may have occurred and may affect the significance or accuracy of such information.

NONE OF BANCO DO BRASIL, ITS BOARD OF DIRECTORS, THE DEALER MANAGERS, THE TENDER AND INFORMATION AGENT OR THE TRUSTEE OR ANY OF THEIR RESPECTIVE AFFILIATES IS MAKING ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER ANY NOTES IN RESPONSE TO THE TENDER OFFER. HOLDERS MUST MAKE THEIR OWN DECISION AS TO WHETHER TO TENDER ANY OF THEIR NOTES AND, IF SO, THE PRINCIPAL AMOUNT OF NOTES TO TENDER.

MISCELLANEOUS

Banco do Brasil is not aware of any jurisdiction where the making of the Tender Offer is not in compliance with the laws of such jurisdiction. If Banco do Brasil becomes aware of any jurisdiction where the making of the Tender Offer would not be in compliance with such laws, Banco do Brasil will make a good faith effort to comply with any such laws or may seek to have such laws declared inapplicable to the Tender Offer. If, after such good faith effort, Banco do Brasil cannot comply with any such applicable laws, the Tender Offer will not be made to the Holders of Notes residing in each such jurisdiction. In any jurisdiction in which the securities laws or blue sky laws require the Tender Offer to be made by a licensed broker or dealer, the Tender Offer will be deemed to be made on behalf of Banco do Brasil by the Dealer Managers, or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

No person has been authorized to give any information or make any representation on behalf of Banco do Brasil that is not contained in the Offer Documents, and, if given or made, such information or representation should not be relied upon.

The Tender and Information Agent for the Tender Offer is:

D.F. King & Co., Inc.

In New York.

48 Wall Street

22nd Floor

New York, NY 10005

Banks and Brokers: (212) 269-5550

Toll free (U.S. only): (800) 821-2794

In London:

125 Wood Street

London EC2V 7AN

United Kingdom

Telephone: +44 20 7920 9700

In Hong Kong:

Suite 1601, 16/F, Central Tower

28 Queen's Road Central

Central Hong Kong

Telephone: +852 3953 7230

bb@dfking.com

By Facsimile (For Eligible Institutions only): (212) 709-3328

Confirmation: (212) 232-3235

Attention: Peter Aymar

Any questions or requests for assistance or for additional copies of the Offer Documents may be directed to the Tender and Information Agent at one of its telephone numbers above. Copies of this Offer to Purchase, the related Letter of Transmittal, the Soliciting Dealer Form and all press releases issued in connection with the Tender Offer will also be available, during the period of the Tender Offer, at www.dfking.com/bb. A Holder (or a beneficial owner that is not a Holder) may also contact any of the Dealer Managers at their telephone numbers set forth below or its broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer Documents.

The Dealer Managers for the Tender Offer are:

BB Securities Ltd.

Operations Department

4th Floor – Pinners Hall

105-108 Old Broad Street

London EC2N 1ER

United Kingdom

Collect: +44 (20) 7367-5800

**Merrill Lynch, Pierce, Fenner & Smith
Incorporated**

Debt Advisory Group

One Bryant Park

New York, NY 10036

United States

US Toll Free: +1 (888) 292-0070

Collect: +1 (646) 855-8988

Citigroup Global Markets Inc.

Liability Management Group

390 Greenwich Street, 1st Floor

New York, NY 10013

United States

US Toll-Free: +1 (800) 558-3745

Collect: +1 (212) 723-6106